Factsheet midterm findings Global Challenges Programme Call 4

Organizing business models for SMAllholder REsilience (OSMARE)

Summary

OSMARE aims to understand whether and how business models for Climate-Smart Agriculture (CSA) stimulate or stunt smallholder resilience in East and Southern Africa. Agri-food systems in this region are undergoing rapid transformation driven by climatic changes, urbanization and changing consumer preferences. As relatively weak actors in agri-food systems, smallholder farmers (especially youth and women) and their farmer organizations struggle to adapt to and absorb market-, social- and environmental shocks. While many projects focus on technology-based interventions or climate-smart farming practices, this research focuses on how selected agri-business models allow space for resourceful and entrepreneurial smallholder activities. This means giving smallholders space to experiment, for example in: accessing and (re)combining resources, farming, marketing, (re)investing resources or moving to other income generating activities. It is through such experimenting that farmers learn new skills and develop capacities to seize opportunities and to overcome challenges in rapidly changing agri-food systems.

The OSMARE research project focuses on the organization of four existing business models in Malawi and Zimbabwe; two on seeds and two on livestock (i.e. dairy and goat). OSMARE examines, through participatory action research with farmers and their business counterparts and surveys, how their business model creates a purposive space for experimentation. Space could mean: providing access to resources, being flexible regarding rules and regulations, having a voice in decision making, etcetera. When farmers are for example experimenting new ways of farming or marketing, they are learning how to be resourceful and entrepreneurial by doing. This is expected to stimulate their capacity to (re)combine resources to support their livelihoods and enhance their resilience.

Complementarily, the OSMARE project undertakes capacity-building and co-creation activities involving systems-thinking, rapid prototyping and entrepreneurship workshops with smallholders and their business partners. These activities support farmers and other business model actors to understand complex challenges and subsequently experiment with finding, developing and testing (minimum-viable) solutions. So far 160 farmers and stakeholders in seed and livestock value chains were directly involved. Workshops are designed to have transformative effects in the field of problem analyses, solution searching, and value network (re)organization by the multiple stakeholders that comprise a smallholder inclusive business model. These transformative effects are expected to stimulate both smallholder resilience as well as resilience of the business model in which they are included.

Interim research findings

Preliminary findings from the participatory action research and surveys so far show that:

- Farmers and their business partners realize that climatic conditions are rapidly changing. Thus, smallholders need to continuously adapt CSA practices every season. This adaptation requires a diffused ability to effectively recombine the resources at hand.
- Business models that have a purposive space for experimentation stimulate alternative ways by smallholders to create, deliver and capture value and enables their adaptation and thus resilience. Having that space for experimenting enabled the dairy farmers in the previous example to overcome a severe market crisis.
- Smallholders' entrepreneurship, adaptation and resilience also involves navigating tensions that may arise within the communities they live in. Several farmers mentioned that in their community they live by the mantra 'two are better than one, when one falls the one lifts up the other'. Yet, the business model arrangements may conflict with this social obligation. But neglecting it could imply repercussions, which

can deteriorate resilience. It is therefore crucial to reflect on who are the "winners" and "losers" within and outside business models, and how to respond to that.

- By building personal, trust-based relationships, systems-thinking and rapid prototyping workshops can actively involve smallholders and other stakeholders, and build individual and collective entrepreneurial capacity and resilience. This resulted for example in new action research to train and support experimentation, capture the learning, and subsequently assessing resilience (at farm & dairy collective level).

Intermediate outcomes achieved

Market player or enabler	Business model	# Farmers involved	OSMARE activities so far	OSMARE outcome so far
Central Region Milk Producers Association (CREMPA, Malawi)	52 Milk Bulking Groups (MBG) in Central Malawi	5,500 Farmers	4 Workshops; Rapid Prototyping; Action research	Partnership with Lilongwe University LUANAR built; business model partners trained.
African Women in Agribusiness (Malawi)	Contract farming with peer-to-peer training	1,200 Farmers	1 Workshop; Action research (starting)	Partnership established; partners soon to be trained.
SNV Non-Governmental Organization (Zimbabwe)	Goat marketing and input supply	2,000 Farmers	2 Workshops; Action research (starting)	Partnership established; partners soon to be trained.
Zimbabwe Super Seeds	Seed multiplication and supply	3,500 Farmers	2 Workshops; Action research	Business model partners trained.

Messages to

A) Actors from private sector: When designing or adapting a business model (e.g. contract, training, or other complex form of transaction) for and with farmers, it should leave them with some purposive slack for experimentation, learning and adaptation.

B) Civil society and practitioners organizations: When being involved in designing or adapting smallholder business models, they should champion purposive slack for smallholders to experiment and subsequently capture lessons across cases of experimenting. Message A and B are expected to foster resilience of the business model in general and smallholders in particular.

C) Policy makers: Investing a higher percentage of public budgets on: entrepreneurship modules in farmer field schools; business model/local university partnerships; farmers' trainings on systems-thinking and rapid prototyping. Moreover, their entrepreneurship programs need to be sensitive to the local socio-cultural conditions that can hamper the (re)investment of value created from entrepreneuring.

Knowledge products

- Infographic OSMARE "What have we done to date?" (June 2019)
- Infographic OSMARE "Are certain CSA Business models stimulating or stunting smallholder resilience & entrepreneurship?" (July 2019)
- Blog "Embeddeness in Context: reflecting on the "enabling" environment for youth agripreneurship" by Rob Lubberink (May 2019)
- Article "Dairy farming in Central Region Malawi: Navigating between Market and Social Pressures" by S. Froebe, IFPRI (March 2019)
- Blog "Milk and Money in Malawi – reconnaissance visit to learn about the business challenges of smallholder dairy farming" by Christopher Muller, Francis Jiva and Rob Lubberink (July 2018)

Knowledge networks

- Nudge Global Impact Challenge - community to scale systems-thinking workshops.
- CSA Global Research - community to scale rigorous measures for farmer entrepreneurship.
- Entrepreneurship as Practice - community to scale action research practices on CSA.
- IFAMA 2020 - community to scale engagement with CSA business partners worldwide.
- European Group on Organization Studies (EGOS) - community to scale rigorous measures for organizing business models for experimentation and resilience.

Consortium Partners

- Wageningen School of Social Sciences (the Netherlands)
- Lilongwe University of Agriculture and Natural Resources - LUANAR (Malawi)
- World Agroforestry – ICRAF (Democratic Republic of the Congo)
- Zimbabwe Super Seeds (Zimbabwe)
- VUNA Agribusiness (South Africa)

Contact persons

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Project websites

- F&BKP Research Project page
- CCAFS project page - linked to the CCAFS project "the Partnerships for Scaling Climate-Smart Agriculture (P4S)"
- OSMARE LinkedIn page (129 followers)