



A business perspective

on serving marginalised farmers & consumers

This executive summary presents key insights and results from the full paper 'Capitalising on knowledge: how research can enhance business opportunities that serve marginalised farmers and consumers' that is published in a series of articles based on the synthesis study of the Food & Business Research programme. This study is led by Daniëlle de Winter and Ellen Lammers.



Capitalising on knowledge

How research can enhance business opportunities that serve small-scale farmers, agri-entrepreneurs and poor consumers

The policy framework underlying the Food & Business Research programme builds on the premise that the private sector can contribute innovations to (aspects of) the food system so that it becomes more advantageous to groups that currently remain underserved in low and middle income countries (LMICs). This executive summary presents the project outcomes related to the synthesis question: how can the private sector optimally capitalise on research findings and innovations that enhance business opportunities? And which in turn have the potential to improve the food and nutrition security of small-scale farmers and agri-entrepreneurs and poor consumers?

Two general factors facilitated the achievement of outcomes and influenced uptake by research groups.

- The visible involvement of academic researchers was an influential factor in achieving research uptake of innovative products and processes. Scientific evidence played an important part in changing mind sets, tackling taboos and triggering informed change.
- The context-specific nature of the research projects made private sector stakeholders with a strong Research and Development (R&D) approach acknowledge that a one-size-*should*-fit-all business approach is no guarantee for the most efficient or relevant result. This realisation prompted mind set changes among business actors towards greater product diversification based on the needs of their different clients, including small-scale food entrepreneurs.

The full article presents the findings from fourteen interdisciplinary research projects on two outcome areas: firstly, innovations for agricultural production and processing that intend to meet (existing or anticipated) needs of poor and marginalised producers and consumers in LMICs; and secondly, new approaches or strategies to connect marginalised producers to the market. A summary of the key outcomes is shared here.

Product and process innovations by and for marginalised groups

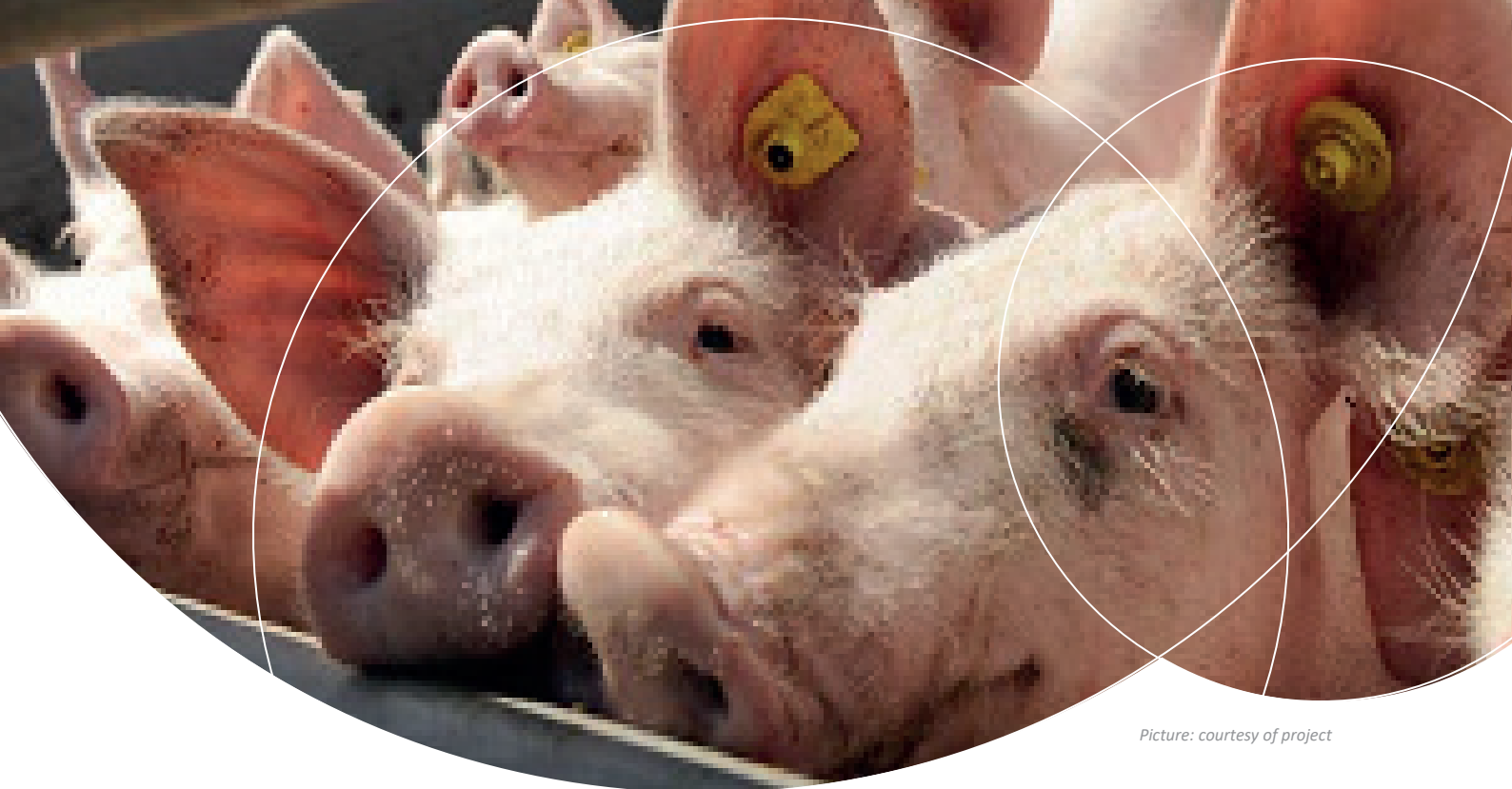
The research consortia explored innovative ways of addressing existing or anticipated needs related to the food and nutrition security of marginalised groups. They also studied the feasibility of such innovative approaches (i.e. more effective products, processes, services, technologies, policies or ideas), with the intention of

making the results readily available to governments, market actors and society. Project outcomes can be grouped under the following four key approaches.

Introducing new value chains to diversify economic opportunities

Several projects successfully introduced new value chains and actors aimed at structurally diversifying the economic activities of small agro-entrepreneurs. Examples are the introduction of (new) tree crops with multiple economic purposes (i.e. bee keeping, fodder for livestock, and wood for sales) or the introduction of insect-rearing for sales as alternative protein feed source for livestock. Importantly, the approach taken in introducing these new roles and value chains determined the level of uptake. Future projects should therefore carefully consider where to intervene in the value chain (e.g. by simultaneously guaranteeing supply of raw materials and sufficient processing capacity) and how different stakeholders are engaged in the process (e.g. putting needs and aspirations of marginalised producers first and making them co-owners rather than recipients of innovations). Farmers need to be part and parcel of the new value chain to ensure their commitment to investing in new opportunities and taking on manageable risks and responsibilities.

NWO-WOTRO defines 'outcomes' as changes in behaviour (relationships, actions and activities) of stakeholders in the business and policy environment, resulting from exchange of knowledge and the uptake of research output from the research projects.



Picture: courtesy of project

Adding value to raw materials for socio-economic benefits

Several projects that introduced processing or preservation technologies of raw materials for value addition (e.g. dairy fermentation, or drying of fruits and vegetables) showed that this can significantly raise the income of agro-entrepreneurs. The actual uptake of such value addition innovations by marginalised communities, however, was influenced by systemic factors such as access to knowledge, skills and a logistical network to coordinate supply and demand. The synthesis moreover highlighted that value addition technologies must be carefully applied and the resulting food products scientifically tested to guarantee their safety and quality. This may demand specific skills and equipment, which smallholders do not necessarily have access to. Government and private investments offering support in training and access to necessary equipment will be essential to overcome such barriers experienced by smallholders.

Improving business opportunities to benefit smallholders

Several research projects showed that, instead of introducing new value chains or value addition processes, applying innovative approaches to existing products and processes can also create better business prospects, especially for small-scale agro-entrepreneurs. Both relatively simple interventions (e.g. repackaging of vegetables grown in urban slums or improved infant formulae, or rebranding of local rice) and more technical ones (e.g. standardising production and processing for more efficiency, reliability and food safety) can be effective. The synthesis showed that delivering consistent quality is key when smallholders wish to sell their produce to processors or to formal markets and supermarkets. To ensure sufficient and continuous

supply of raw material or standardised products for processors or markets, large numbers of smallholders need to produce consistent, high-quality quantities (e.g. of milk, cashew nuts, rice, vegetables or livestock feed). The high level of logistical coordination this requires is often not yet in place.

Improving nutritional value for improved nutrition security

Private sector actors played an important role in introducing innovations to improve the nutritional value of products that are produced and/or consumed by marginalised groups. The research projects demonstrated that the nutritional value of food products can be improved (e.g. through vegetable drying, improved fermenting processes) to benefit nutrition security. Yet, if these improved products are not marketed at a price affordable for poor consumers, this will only benefit the middle classes who in some African countries are increasingly interested in health foods. Several projects emphasised that, to get consumers on board, there is a need for awareness raising about the benefits of a more diversified diet. Better knowledge of consumer preferences is also critical, and was addressed in several projects through consumer surveys and tasting panels for new food products.

Connecting farmers to the market

For innovations to be successfully marketed, adopted and applied, local and small-scale food entrepreneurs need support from other actors in the food system, that is, from both the policy/political and private business sectors. Some key lessons learned for policy and practice are summarised here.

- For larger-scale business actors (e.g. processing industries or supermarkets), the costs associated with including smallholder and marginalised farming communities in formal market value chains often outweigh the benefits. Establishing a sound logistical and/or infrastructural network that streamlines knowledge, produce and revenues throughout the value chain, will enable private sector players to reap the benefits from smallholder inclusion at scale.
- Larger-scale business actors need a supportive government willing to create the necessary legal and policy frameworks to promote smallholders' and small-scale agri-entrepreneurs' access to the market. A key aspect of this is the need for efficient processing of certification requests for innovative food products by designated government agencies. The outcome synthesis article on Policymakers and Practitioners will address this in more detail.
- Governments can play a role by introducing specific policies or laws that support the roll-out of innovative products or processes. By-laws or district-level regulations can be created to motivate collaboration between value chain actors in new business processes (e.g. laws to segregate organic waste at markets), to promote drought-tolerant and disease-resistant crop varieties (e.g. seed laws and seed certification), or to encourage food entrepreneurs in urban areas (e.g. by allocating dedicated "green zones" for urban food production).
- Consumer preferences, including those of marginalised consumers, and supermarket sales are important factors determining the possibility for scaling innovations. Projects showed that consumer and market surveys are essential components for developing products that are likely to meet consumer demands and thus to promote food and nutritional security, especially for marginalised consumers and producers.

Finally, and as a cautionary note for both policy and practice, the synthesis shows that stimulating income-generating activities or market inclusion for small-scale agri-entrepreneurs does not automatically lead to improved food and nutrition security within their households. Multiple factors beyond private sector innovation and engagement, play a role in ensuring that small-scale food producers and agri-entrepreneurs as well as poor consumers become more food secure. Including awareness raising on the nutritional value of products and reducing hidden costs of small-scale entrepreneurship.

Weblinks

- Full paper '[Capitalising on knowledge: how research can enhance business opportunities that serve marginalised farmers and consumers](#)'
- [Food & Business Research programme](#)
- [Food & Business Knowledge Platform](#)

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The Food & Business Research programme aims at addressing persistent food security challenges in low and middle income countries. It focuses on the urgent and growing need for adequate knowledge and solutions for regional and local problems related to food security. Food & Business Research consists of two funding instruments: the Food & Business Global Challenges Programme (GCP) and the Food & Business Applied Research Fund (ARF). Both are part of the Food & Business Knowledge Agenda of the Netherlands Ministry of Foreign Affairs.

- The objective of GCP is to promote research-based advanced understanding of emerging key issues in global and regional food security and their impact on local food security and the role of private sector development.
- The objective of ARF is to promote research-supported innovations that contribute to food security and private sector development in the partner countries of Dutch development cooperation.

The projects are all run by a consortium of academic, private sector and NGO partners to promote research uptake by relevant local, national and international stakeholders.

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NWO-WOTRO Science for Global Development, a division of the Dutch Research Council (NWO), programmes, funds and monitors innovative research on global issues, with a focus on sustainable development and poverty reduction. NWO-WOTRO's research projects are realised by interdisciplinary teams of researchers from the North and South and in close collaboration with non-academic stakeholders. These partnerships yield solutions for development challenges and strengthen the bridge between research, policy and practice.

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Research for Impact

The synthesis series of the Food & Business Research programme focuses on identifying outcomes achieved by research consortia during project execution. In NWO-WOTRO's Research for Impact approach 'outcomes' are defined as changes in behaviour (relationships, actions and activities) of stakeholders in the business and policy environment, resulting from exchange of knowledge and the uptake of research output from the research projects.

NWO-WOTRO Science for Global Development aims to support researchers in increasing the impact of their research projects on all levels, but in particular in terms of societal impact and policy influence. NWO defines societal impact of research as "the contribution that innovative research makes to understand and solve global issues, with a focus on sustainable development and poverty reduction". NWO-WOTRO recognises that achieving 'impact' is usually beyond the sphere of influence of a single research project. However, by formulating the envisioned developmental impact, a research programme defines its scope and focus, which in turn helps to design an approach that contributes to reaching the intended long-term goals.

NWO-WOTRO developed its 'Research for Impact' approach starting from the realisation that research insights and innovations do not automatically lead to changes in society. The Research for Impact approach is expected to contribute to and facilitate the relevance, and accordingly the use, of research results for policy makers, practitioners, private sector stakeholders and other relevant actors. The approach consists of three elements, also applied in the Food & Business Research programme: i. Co-creation of knowledge by transdisciplinary consortia, ii. Theories of Change and Impact Pathways as guiding frameworks for research formulation and execution, and iii. Research Uptake strategies that spell out which efforts are undertaken to enhance the potential of the research to contribute to societal impact.

More detailed information can be found in the Impact Toolbox of NWO-WOTRO.