



Seed Farmer Markets Consumer Programme ;The SeFaMaCo Model

6th SPHI Annual Technical Meeting
Stanley Mwangi- SeFaMaCo Team Leader,
Antony Masinde- CoP SS

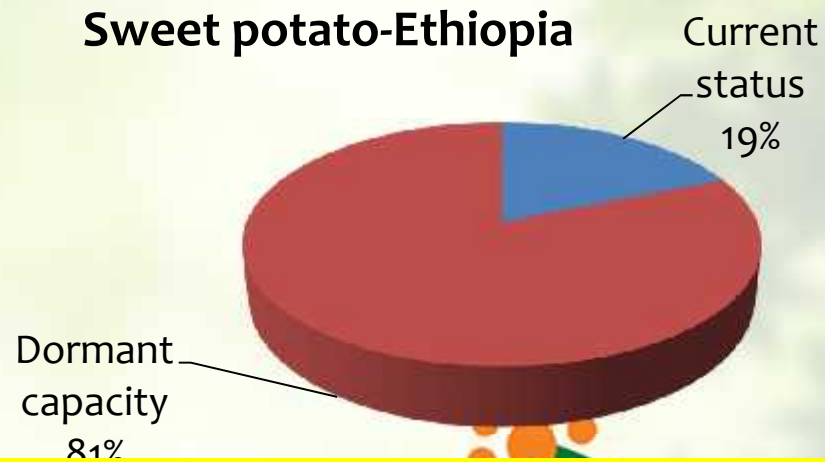
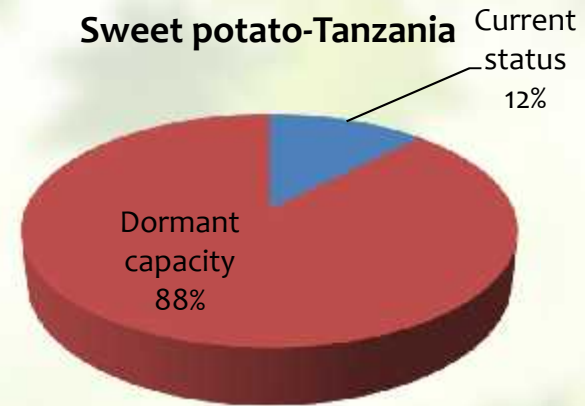
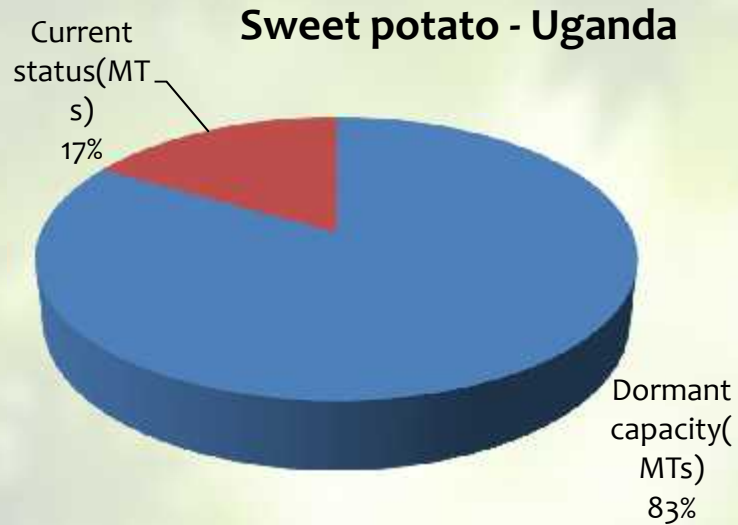


Seed Farmer Market Consumer, SeFaMaCo

- **Project Title:** Integrated Value Chain Development and Smallholder Farmer (SHF) Commercialization of banana and Sweet Potato for Tanzania, Uganda & Ethiopia Based on a Seed - Farmer- Market & Consumer Model
- **Goal:** To optimize profitability and productivity by catalyzing market oriented value chain- wide competitiveness and investments in banana & SP for increased household incomes



Landscape Study



Low productivity is expensive, very expensive indeed ;

The Combined annual farm gate value is USD 371 Million (Tz, Eth and Ug) against a potential of USD 2.03 Billion; The commercial loss or Opportunity Cost of low productivity: is USD 1.74 Billion annually.

SeFaMaCo Outcomes

1. Enhanced strategic investments in commercial seed enterprises responsive to market driven clean and quality Sweet Potatoes purchased by Small Holder Farmer (SHF) – Seed Marketing Enterprise Development (SEMaD) Approach.
2. Commercialized SHF through increased productivity and yields of market preferred varieties of SP, strengthened FO for collective marketing and inclusion of youth and women as value producers.
3. Increased market share of SP through enhanced value chain efficiency, market partnerships and competitiveness in informal traditional markets & schools as demand catalysts for other distribution channels.
4. Increased utilization of SP through positive image building, product diversification, nutrition education and enhanced consumer preference in rural and urban areas
5. Enhanced learning networks strengthened through strategic alliances and partnerships based on an upgraded SeFaMaCo model.



SeFaMaCo

Value Chain Wide Focus

Seed

(Enterprises on clean and Quality Seed)

Farmer

(Collective Action, GAP, Post-harvest Aggregation, Bulking...)

Market

(Efficiency, Business Partnerships and enterprises Competitiveness)

Consumer

(Consumer Preferences, nutrition marketing And better utilization practices)

INNOVATION AND PARTNERSHIPS

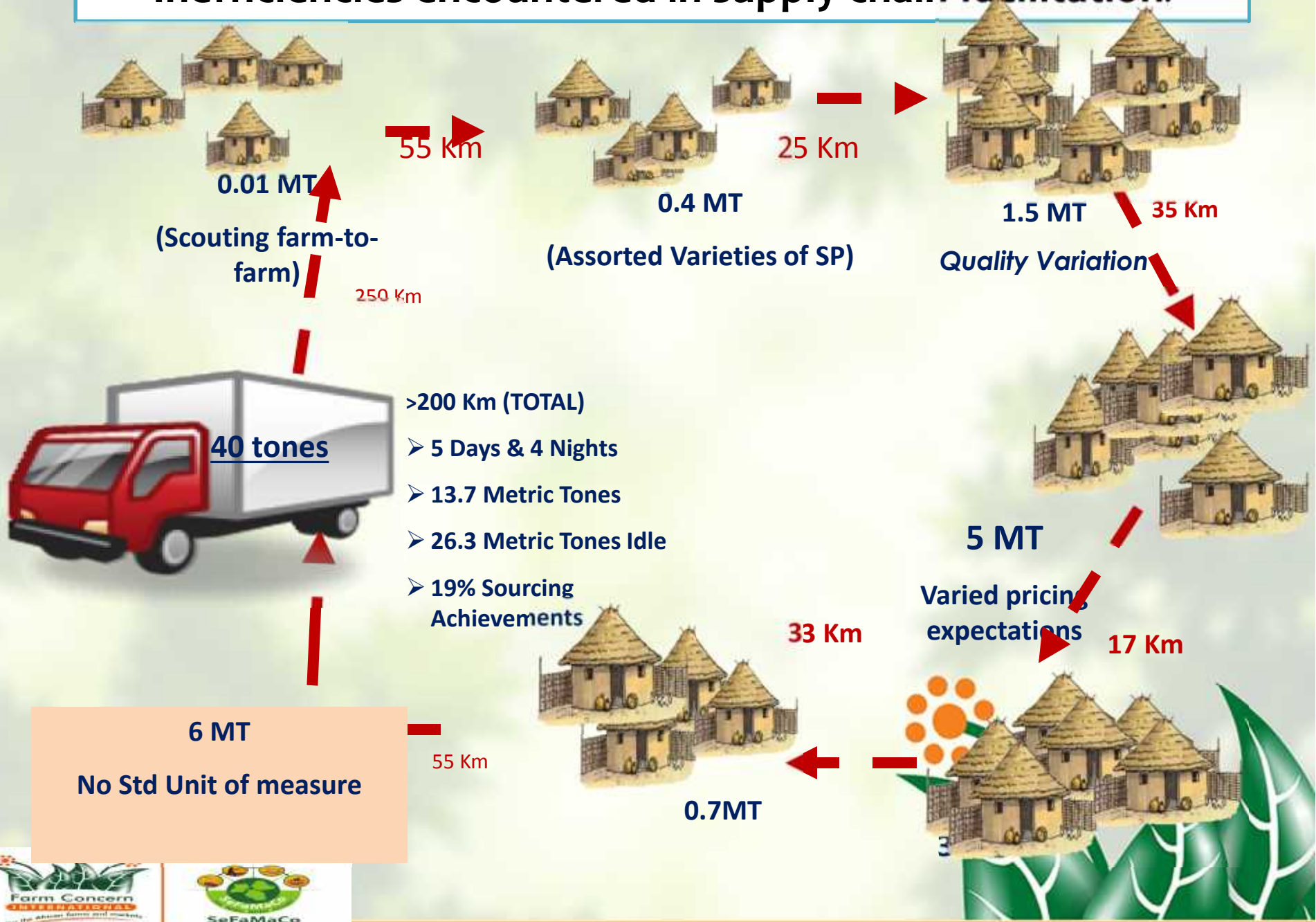
- FCI Existing Models
- Seed Level Enterprises – Strategic Partners
 - Development Organizations
 - Private Sector Partners
 - Investment Platforms

Targeted Beneficiaries under SeFaMaCo

- *SeFaMaCo Sweet Potato clients*
541,588
- 102,920 *Farming HHs* (40% women & 30% youth)
- 844 *Commercial Villages*
- 303 *wholesale buyers*
- 279 *Seed Enterprises*



Inefficiencies encountered in supply chain facilitation.



FCI is working with partners to respond to some of Questions asked globally?????????

- Why are smallholders still not attractive to the private sector?????
- Why is the private sector not considering smallholders as part of the supply chain systems?



Who pays for the Inefficiencies in Sweet Potatoes Value Chains?

- Options:
 1. Trader to absorb cost and compromise profits
 2. Sweet Potatoes Consumer prices increased to cater for the high sourcing cost
 3. Transaction costs transferred to producers
 4. Evenly distribute business cost to all levels
- Default solution by buyers: Transfer transaction cost to producers resulting to low & unpredictable commodity prices



SeFaMaCo -Critical Success Factors for a smallholder-based a hybrid business model:

1. Business principles must be respected and practiced....*however*
2. Pure business principles would be too harsh for smallholders;- The need for Value Chain Development facilitators
3. Smallholder farmers must be cushioned but not protected from dynamics in the market environment



Cont...Critical Success Factors for a smallholder-based a hybrid business model:

- Private Sector must be re-oriented & refocused to invest in smallholder-based value chains.
- All players must understand that private sector does **not practice sympathetic buying..**

So...smallholder must:

1. Deliver Value worth paying for!
2. Demonstrate progressive growth in market response
3. Must identify self as a business partner not a poor farmer

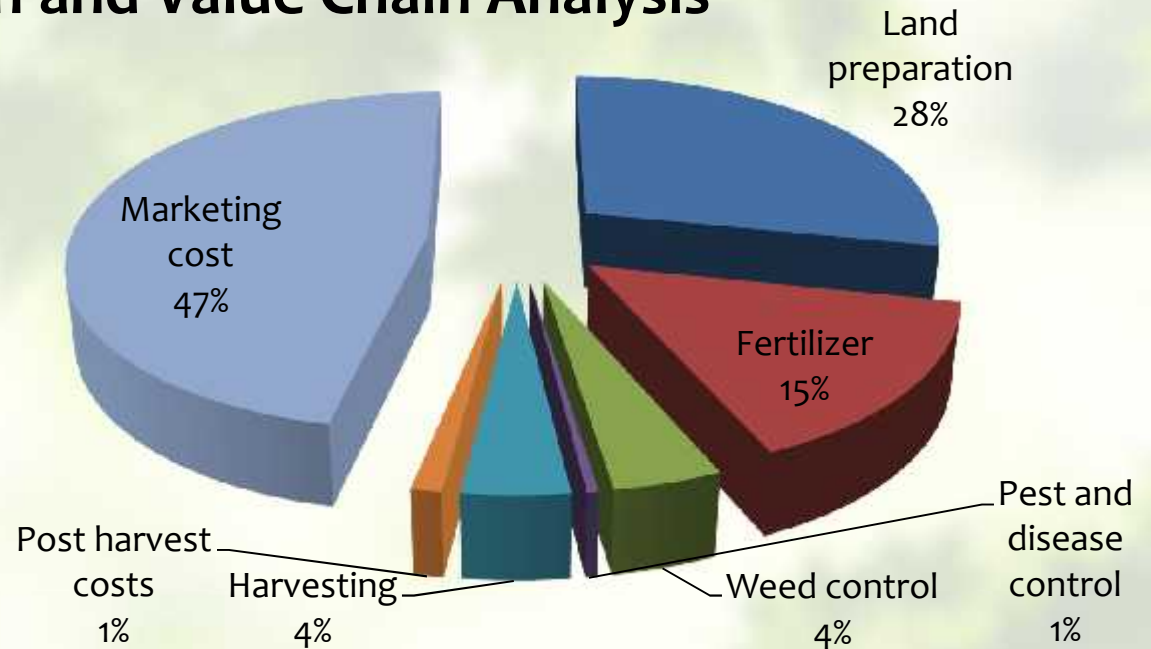
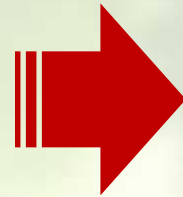


LAYING FOUNDATION BUT SOME PROGRESS MADE

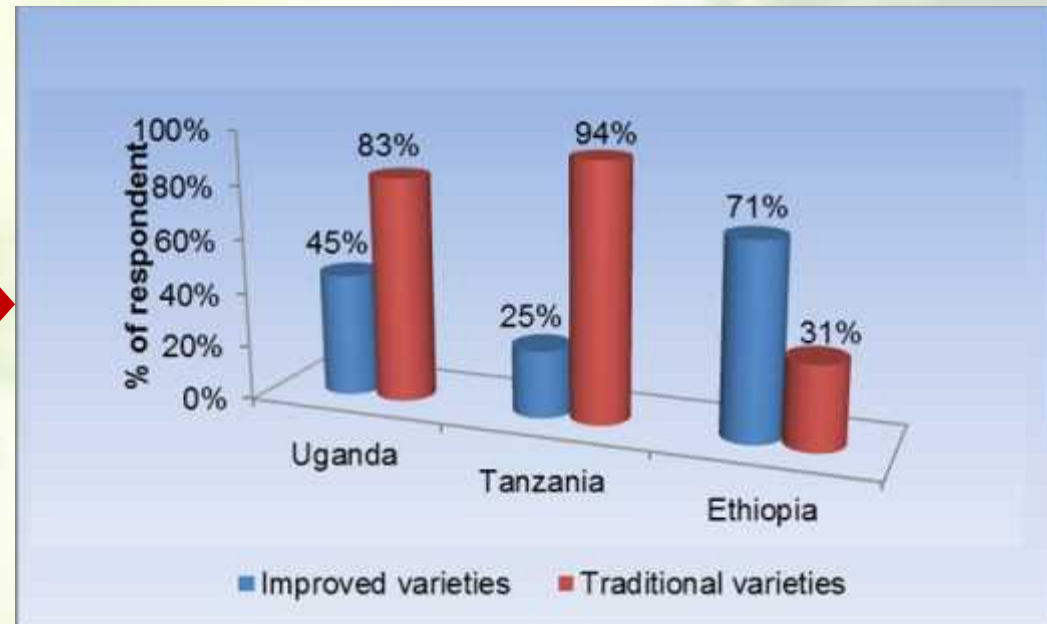


Market Research and Value Chain Analysis

Main cost drivers among sweet potato farmers in Uganda.



Extent of use of improved and traditional Sweet Potato seed varieties in Uganda, Tanzania and Ethiopia





Mwanakwerekwe Market in Zanzibar

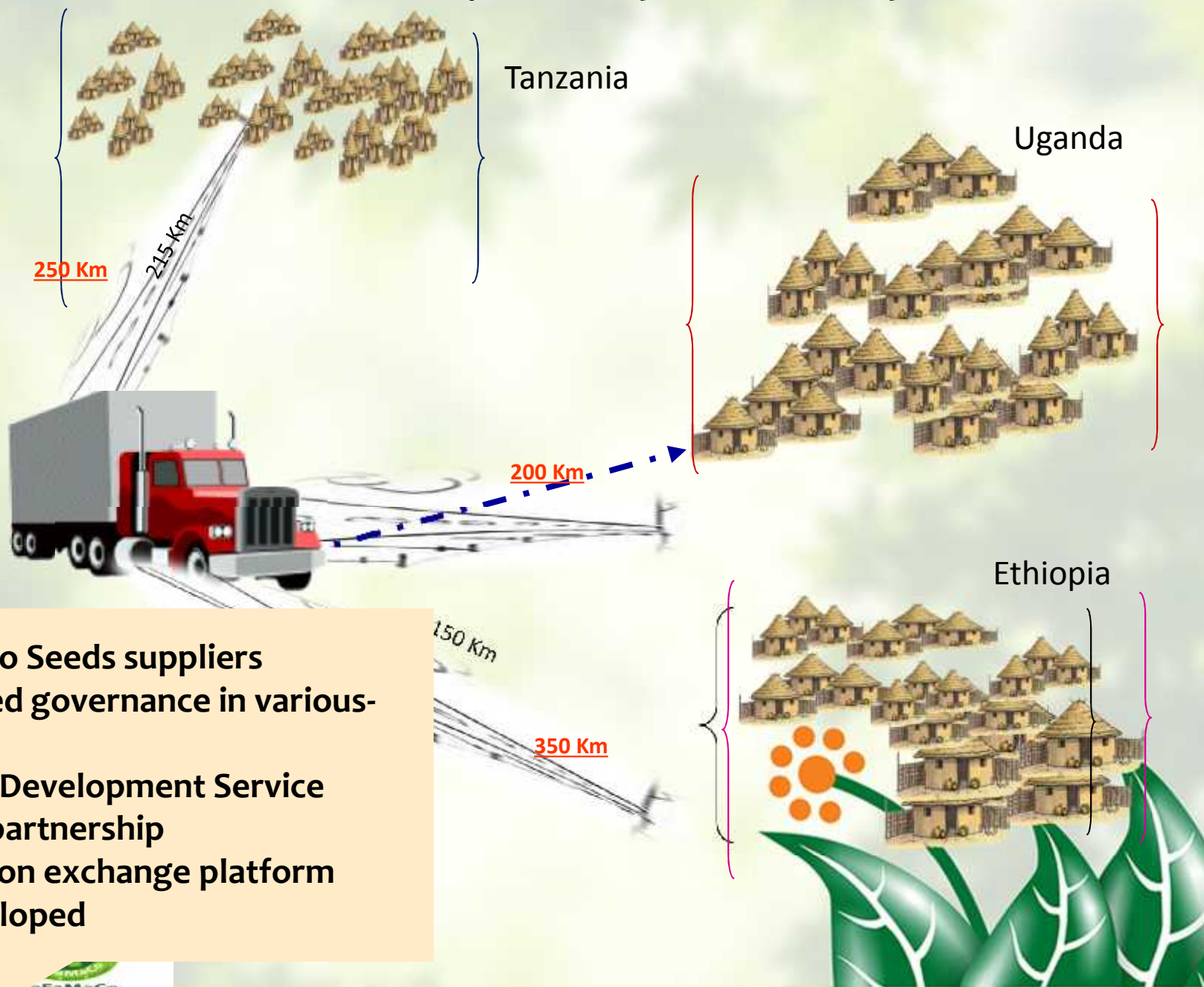


Arba Mich Market in SNPPR



Markato in Addis ABABA

SeFaMaCo has initiated development of 173 CVs across the 3 countries



- Linkages to Seeds suppliers
- Structured governance in various-levels
- Business Development Service providers partnership
- Information exchange platform being developed



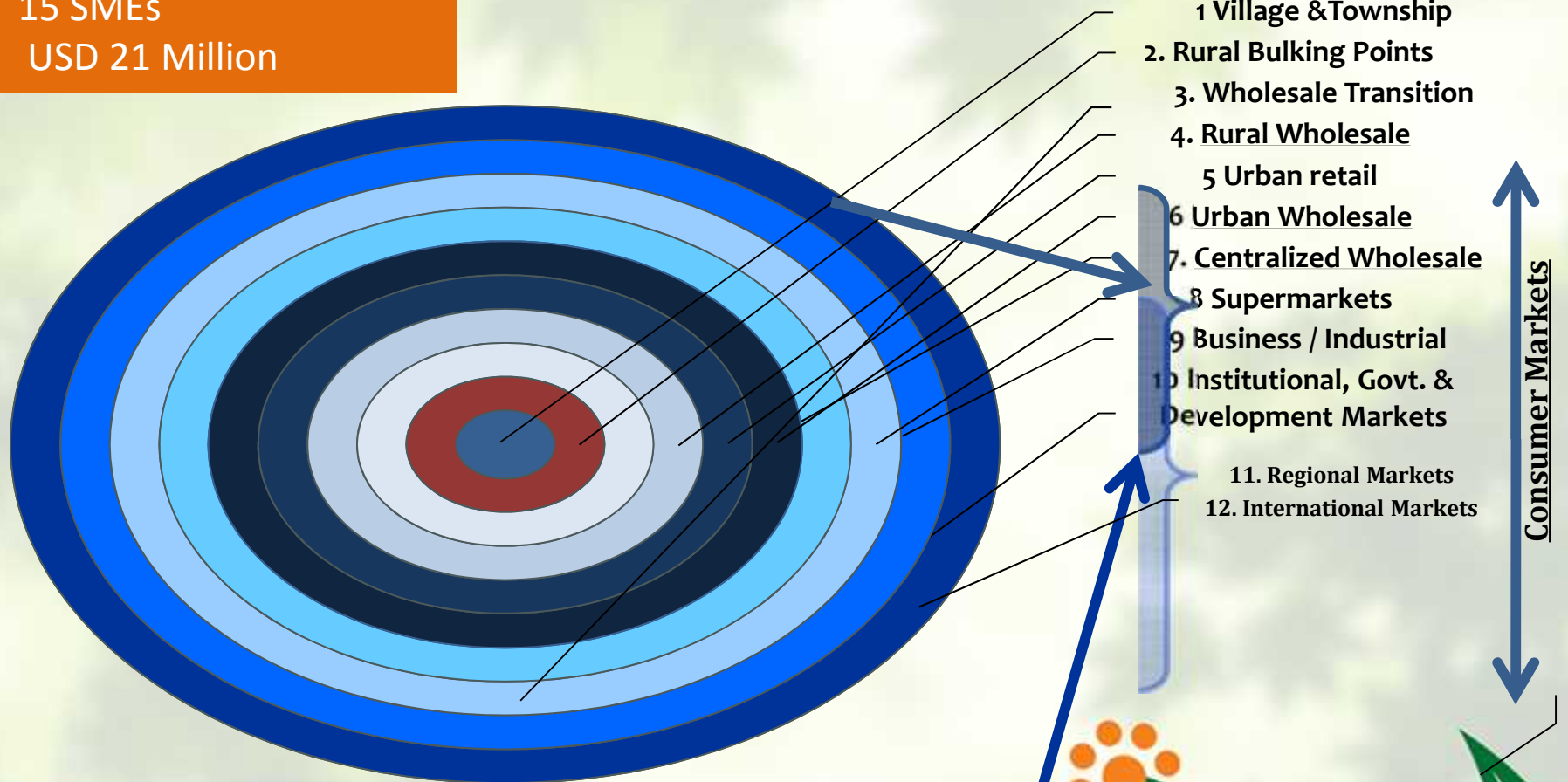
Commercialization
Campaigns



1. 84 Wholesale buyers
2. 20 Traditional Informal markets
3. 15 SMEs
4. USD 21 Million

SeFaMaCo is creating efficiency in informal markets and other Markets:

[And who real drives markets in Africa? Answer Underlined]



- 1 Village & Township
2. Rural Bulking Points
3. Wholesale Transition
4. Rural Wholesale
- 5 Urban retail
- 6 Urban Wholesale
7. Centralized Wholesale
- 8 Supermarkets
- 9 Business / Industrial
- 10 Institutional, Govt. & Development Markets
11. Regional Markets
12. International Markets

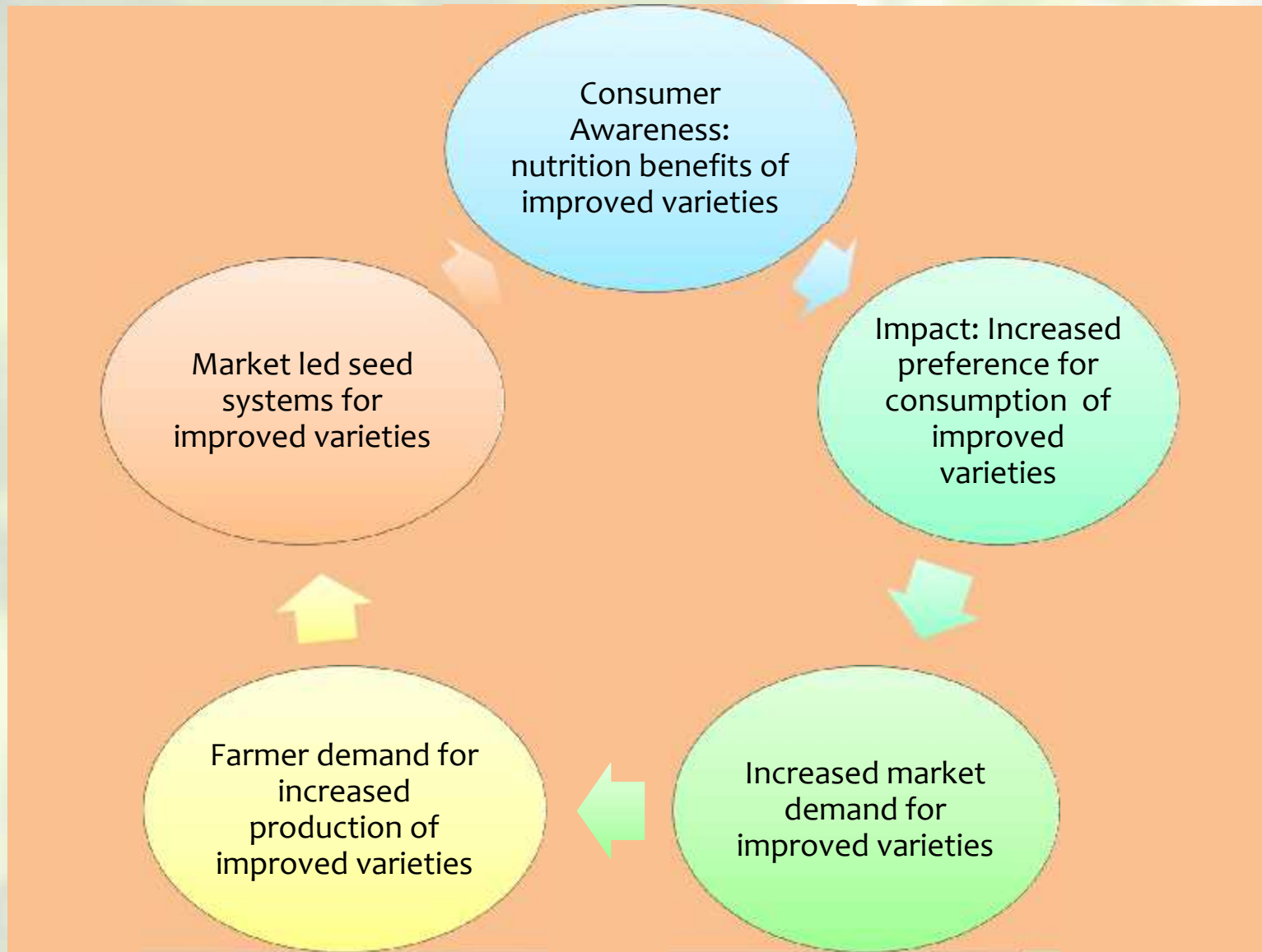
Consumer Markets

Formal markets

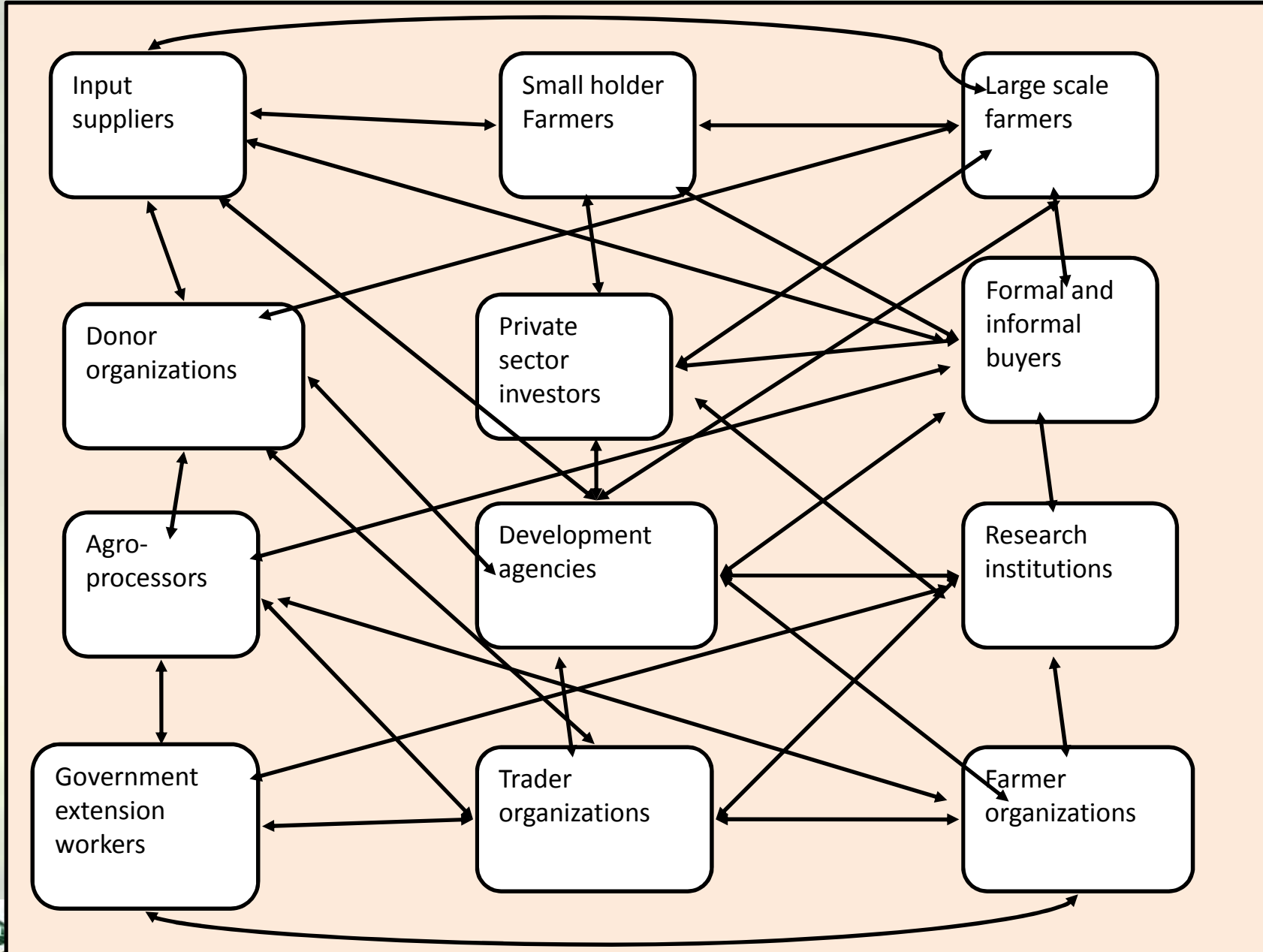
Caution: A Value Chain Analysis or Market Research MUST carefully reflect the interplay of all levels to ensure no double or multiple counts of food / commodities in transition!!!



Consumer and Nutrition Level Intervention



Agri-investment Network



Thanks a lot

Winning Markets for Africa!!!

www.farmconcern.org

