

## The role of NGO's in linking farmers to markets



Example from  
Poultry Sector in  
Mozambique



FAO, NAMC Workshop  
October, 2009



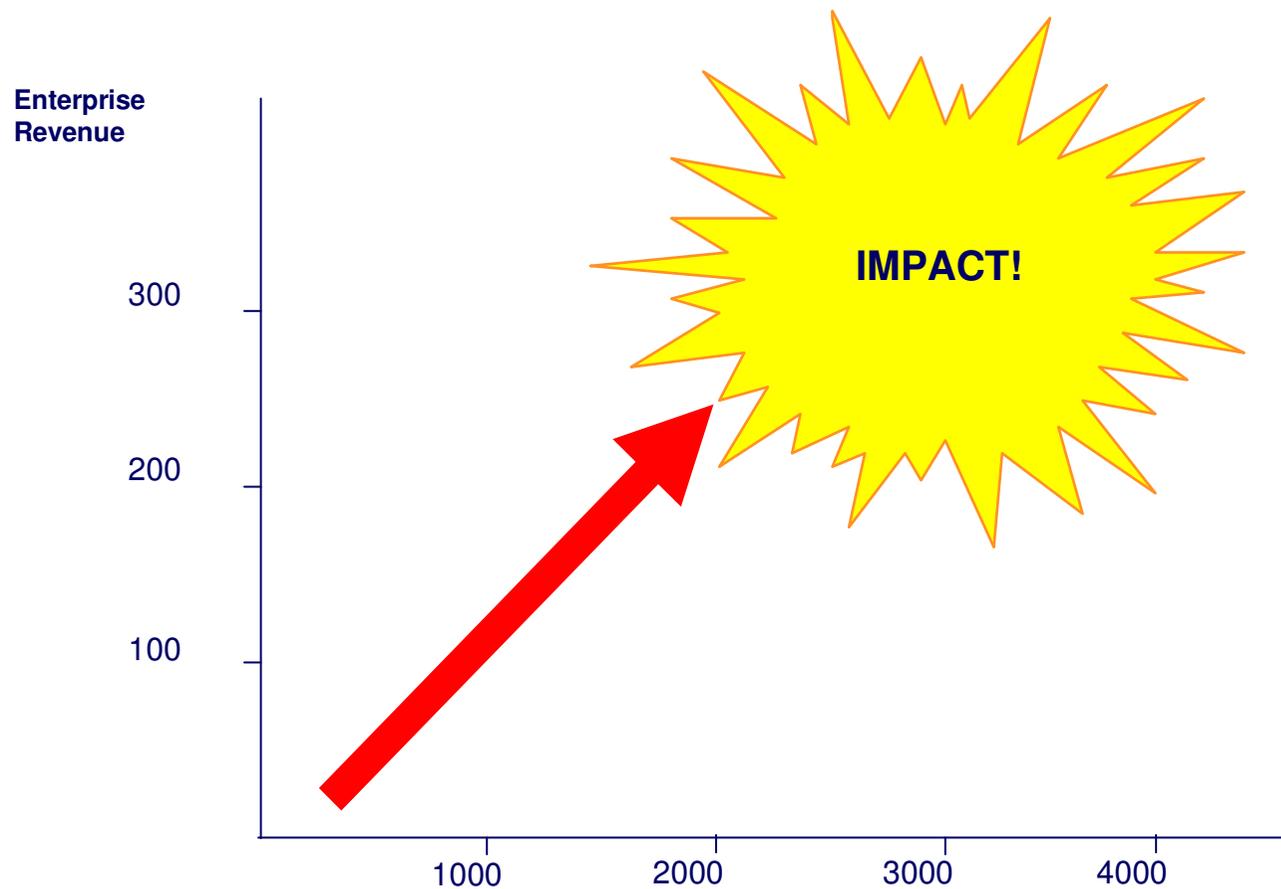
## Main objective of TNS:

To increase rural family incomes

By helping to:

- Build effective, accountable and sustainable farmer associations
- Create profitable rural enterprises across the targeted value chains

To have the best possible impact in the fight against poverty. Assistance and support provided was mainly in association and business development, training, technical assistance to production, marketing, sales, linkages and access to credit.



• Rural population (workers and suppliers)

**Enterprise growth in the different industry sectors or value chains varies according to specific conditions. Our approach can be summarized in the following:**

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**Development of a competitive business model**

Scale, technology, operational strategy and markets are defined by the industry or value chain strategic plan

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**Identification of an entrepreneur that is an opinion leader and capable of guiding others**

Entrepreneurs and producers that are able to work on the opportunity for several years, despite the fact that they have to face challenges, and with the will to share their experiences for the benefit of others and subsequently the industry

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**Provide support to the best practices**

Support to development will depend on each entrepreneur or producer and on each sector specific needs (capital, linkages and ability to attract operational resources)

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**Continuos improvement of business environmenmt**

Entrepreneurs or producers should be adequately organized and prepared so that they empowered and able to influence partners to improve access to investment, improve infrastructure or remove policy and regulatory obstacles

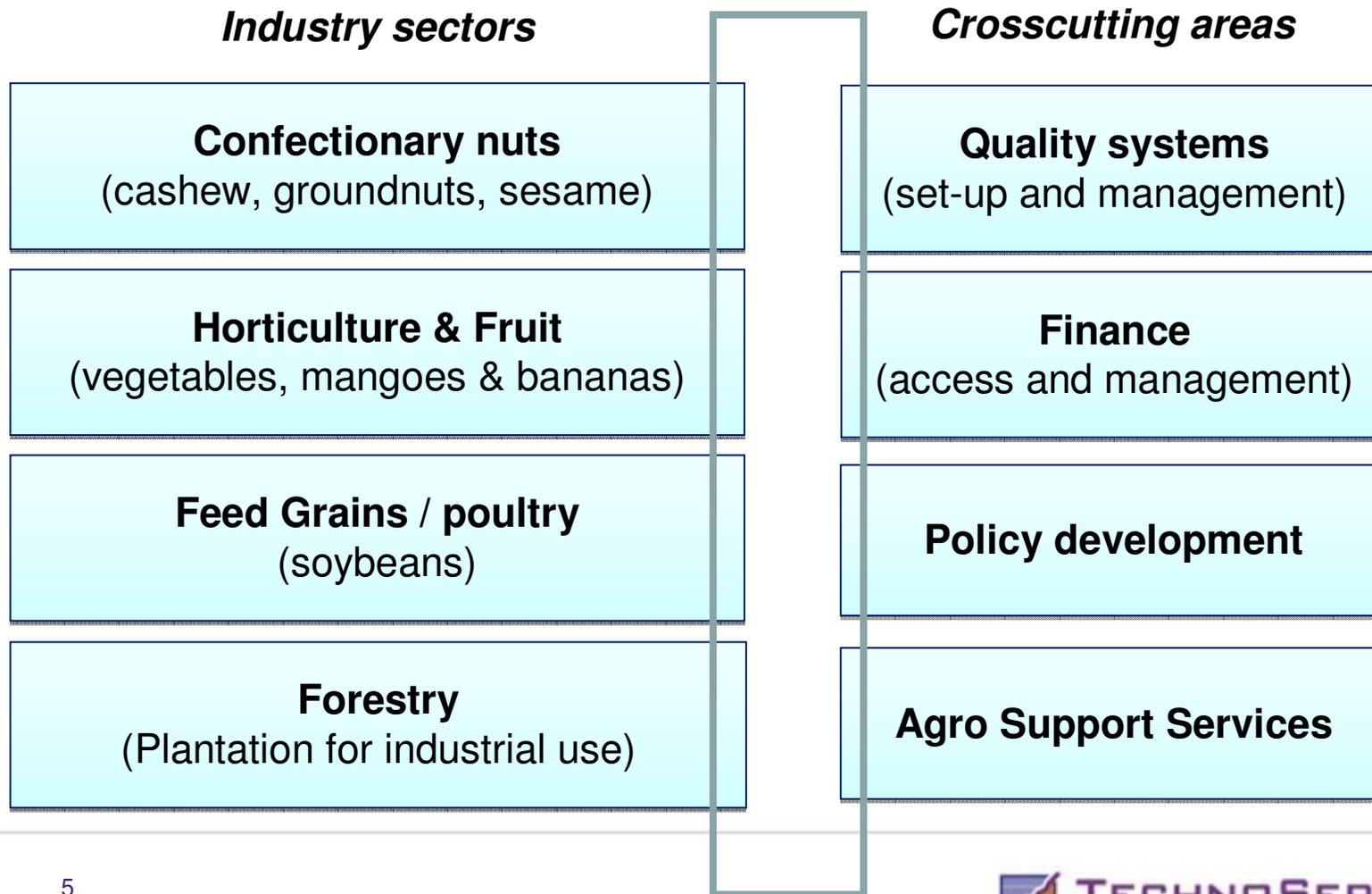
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**Gradually increase scale**

To get to scale and improve is esencial that the business model is refined and new participants are attracted

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In partnership with enterprises and local institutions, TechnoServe provided support to four main industry sectors but also to some crosscutting areas that are essential to improve business performance and environment



# The Poultry Program





But how many chickens are consumed in  
Mozambique?



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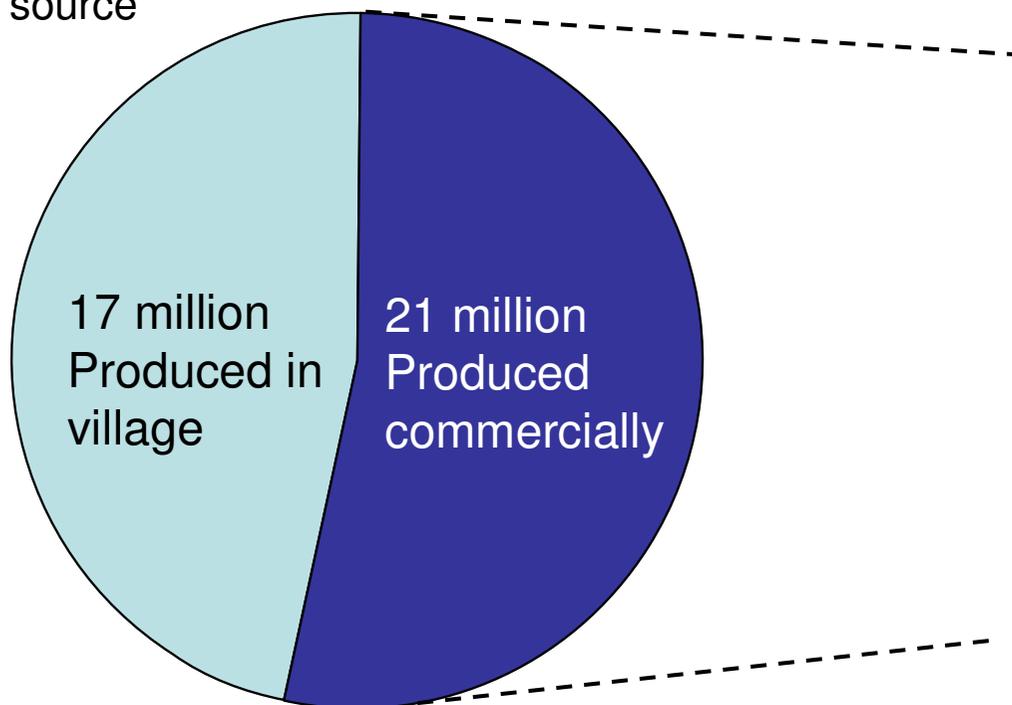
**38 million**

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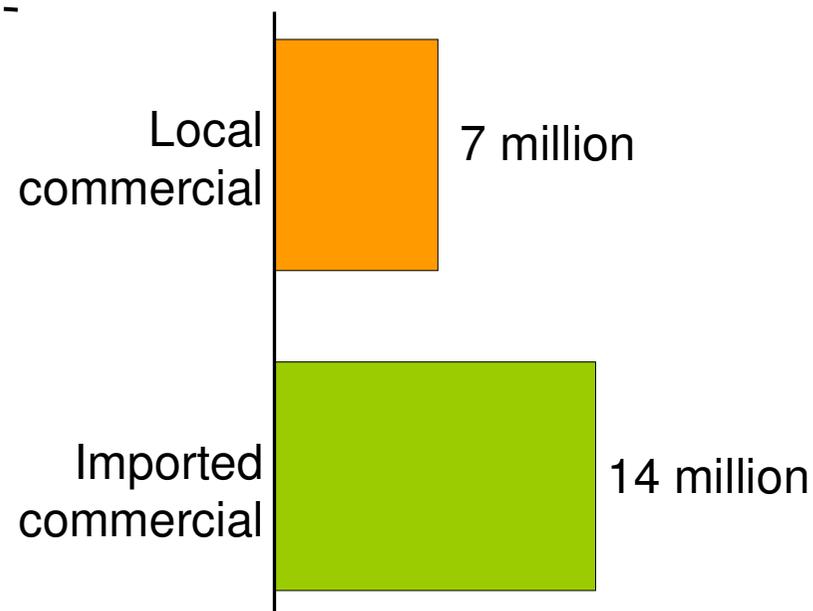
Source: This number was obtain using a judged average of numerous sources, including data on chicken consumption from the Ministry of Agriculture, interviews with importers and local producers, and triangulated with consumption per person data

And, considering most commercial activity comes from overseas, there is not as much local

Composition of chickens consumed, by source



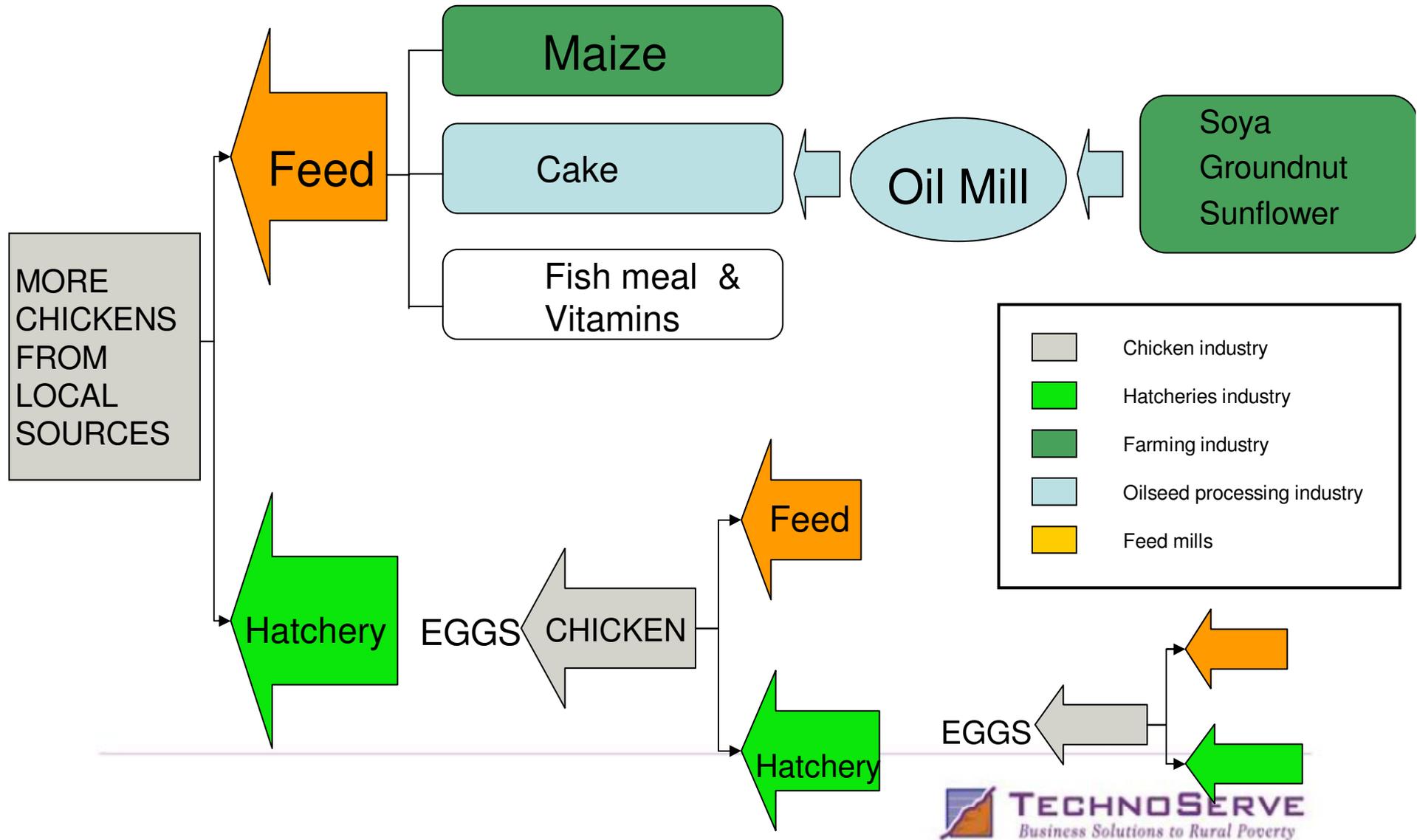
Composition of commercial chickens consumed, by country of origin



For every chicken grown commercially in Mozambique, two are imported

Source: This number was obtained using a judged average of numerous sources, including data on chicken consumption from the Ministry of Agriculture, interviews with importers and local producers, and triangulated with consumption per person data

If we can increase the amount of local production, it will have a flow-on effect across five industries



Source: value chain analysis

## What TNS did?

- Capacity building for small scale farmers
- Capacity building and matching grants for large-scale producers
- Bio-security and disease prevention training
- Marketing services
- Capacity building for government ministries
- Development of local input industries
- Capacity building and matching grants for local feed input industry

# Capacity building for small scale farmers

## Objectives

- Technical assistance and training
- Establish formal linkages between small scale farmers with integrated commercial producers and extension services

## Targets

- 700 small-scale broiler producers

## Results to date

- 868 out-growers directly trained by TNS

# Capacity building and matching grants for large-scale producers

## Objectives

- Training in poultry production techniques, quality certification, factory management and improved services to small out grower farmers

## Targets

12 commercial poultry businesses  
650 poultry industry workers

## Results to date

- 12 commercial businesses assisted in Total (9 directly assisted by TNS)
- Approximately 2,617 poultry industry jobs created

# Bio-security and disease prevention training

## Objectives

- Training farmers, commercial producers, and government entities in proactive measures to protect the long-term income generating ability of the industry

## Targets

- \*-350 small-scale broiler producers trained/year
- \*12 commercial poultry businesses

## Results to date

800 TNS-assisted small-scale broiler producers were trained in bio-security, disease prevention and best practices

89 government extension agents trained

11 commercial businesses trained

# Marketing services

## Objectives

- Promote improved market access to domestic poultry production (media advertising campaign)

## Targets

- radio marketing campaign conducted in 8 Mozambican cities
- TV marketing campaign in 8 Mozambican cities
- 40% increase in the number of domestically produced frozen chickens

## Results to date

- radio & TV campaigns currently reach 21 Mozambican cities (262% of program target).

# Capacity building for government ministries

## Objectives

- Technical assistance to policy makers to improve and enforce laws and regulations affecting poultry industry

## Targets

Train 40 government officials

## Results to date

- 89 technicians trained (more than double of the program target).
- 3 poultry policies enacted by the government, problems with enforcement
- Currently working on passing a 4th policy on poultry quality, with the National Institute for Quality Standards/Normalization.

# Development of local input industries

## Objectives

- Technical assistance to help farmers increase soy and maize (corn) production and build capacity for local companies to process feed inputs and supply to poultry industry

## Targets

- \*15,000 smallholder farmers  
(that produce feed components such as corn and/or soybean)

## Results to date

- Expected 16,000 smallholder farmers to sell feed components to assisted poultry-producing businesses (more than 100% of program target).
- Expected 12,000 tons of soybeans to be harvested by small-scale farmers

# Capacity building and matching grants for local feed input industry

## Objectives

- Help large-scale processors upgrade facilities and utilize new technology in order to increase capacity production

## Targets

- \*6 local commercial feed input businesses
- \*650 poultry industry workers
- \*1,300 small-scale broiler producers

## Results to date

## Current developments in the field

- Activities in this focus area are currently being developed, and we hope to start disbursing matching grants. A list of potential candidates for matching grants has been developed and is being analyzed.
- TechnoServe Mozambique have disbursed \$75,000 to CLUSA, a partner NGO working in feed grains, for the multiplication and distribution of soybean seeds.

## Conclusion (1)

- Poultry production in Mozambique has increased significantly since 2004 with local commercial production more than quadrupling;
- A combination of government participation (to reduce import dumping and instill quality standards) and rising global transportation costs have allowed national producers to become price competitive with imports; but...
- Increased investment promotion through partnerships – for example with the First Lady's Cabinet.

## Conclusion (2)

- Widespread media campaigns by AMA (Mozambican Poultry Association) have increased national awareness of locally produced chicken;
- With the assistance of TNS, bio-security measures have been implemented, and to date there are no reports of avian flu;
- The national poultry industry alone is projected to generate an over \$65 million market for corn and soybeans in 2009;

## Conclusion (3)

- The long-term impact of the poultry industry is strong, especially relative to Mozambique's long-standing primary cash crops such as tobacco and cotton
- The majority of primary producers are fully integrated broiler producers, with several others expecting full integration by end of 2009





Thank you