



Policy Brief

Producer organisations: Reclaiming opportunities for development

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Introduction

Producer organisations are widely heralded as leading contributors to poverty reduction and the achievement of food security. Following the withdrawal of state support as part of measures for liberalization, producer organizations in Africa have been in a process of transition, attempting to define appropriate strategies in a competitive open market and deliver much needed local agriculture services to their membership. Meanwhile, government responses to producer organizations have been mixed, combining the historical tendency to centralize and direct producer association with more contemporary strategies of consultation and partnership, alongside the promotion of private sector engagement.

During a period of large scale agriculture investment, actively encouraged by government and the international development community, revisiting the role that producer organization have in shaping the direction of Africa's agriculture development agenda comes at an opportune time. It is therefore essential that development actors work towards the identification of appropriate strategies towards producer organizations that can maximize their effectiveness and deepen their participation in agriculture development processes.

A wide variety of producer organisations have emerged across Africa following the collapse of state led cooperatives, the vacuum left by the withdrawal of extensive networks of national cooperative groups has allowed the formation of local based producer organisations seeking to engage with government, the private sector and international donors on agriculture reform.

Producer organisations have acted fast in pushing forward an agenda for smallholder farmers with emphasis on supporting local autonomy on market regulation particularly in relation to prices of cash crops and basic commodities.



Responses to declining access to extension services has also been a key priority for farmers group which have highlighted a significant correlation between falling productivity of smallholder farms and reduced provision to technical training, inputs and infrastructure support.

The changing role for government in its assistance to producer organisations has opened up questions over its duty and responsibility in the development of effective farmers associations. While the promotion of effective producer organisations is essential for rural development, governments must create the right enabling policy environment and an incentive system for organisations to flourish.

Securing a platform for the negotiation of issues such as extension, market access and input provisions has been difficult for farmers organisations to achieve in a policy environment which has favoured the participation of large NGOs and private sector bodies in engagement on rural policy dialogues. However results suggest farmers associations have successfully managed to develop major channels for government and donors to reach the rural poor (Bernard et. al 2007). Vast networks of producer organisations have developed extension coverage in villages across Africa demonstrating a range of functions, aims and approaches.

Producer Organisations and Agriculture development

Growing marginalization of smallholder farmers within increasingly liberalized agriculture markets, has attributed to the growing assertion of producer organisations to defend local interests and ensure that farmers participate in policy dialogues particularly within national and regional forums. Producer organisations have put forward a plethora of objectives in their agenda for market reform and food security. In defence of smallholders, farmer based groups have campaigned for fairer market conditions (revolving around the issue of price control for cash crops), fairer access to international markets, improved government support in relation to extension service, the provision of rural infrastructure and a greater role for smallholder farmers in the decision making process.

Linked to national development goals for expanded agriculture markets and enhance productivity, the development of producer organisations is often tied to the boundaries provided by their domestic political environment. Macroeconomic environment, political leadership and private sector growth are all factors which contribute to the constitution and direction of producer organisations. Governments play a critical role not only in creating the policy framework that producer organisations operate within, but have substantial influence in determining the performance of local commodity markets that members of associations depend on for their livelihoods. In this respect, building effective working partnerships between government and producer groups is essential to their success.

Responding to liberalisation

Research undertaken in Malawi, Ethiopia and Kenya underline the various strategies adopted within the national context. (Futures Agriculture 2009). Following liberalisation farmers played contrasting roles in the development of farmers groups in the respective countries. The transition from cooperative based organisation to a more fluid local based structure meant a proliferation of various producer organisations across East Africa ranging from a general focus on partnership development, market growth, extension and input oriented approaches and organisations working on policy advocacy.



Responses to the shift to liberalisation varied markedly. In Malawi, relaxed government involvement led to a revival in the entrepreneurial spirit, involving a resurgent private sector taking up emerging opportunities in expanding international agriculture market in tobacco, dairy and tea. However this failed to occur in Ethiopia where cooperatives remained the mechanism for continued rural reforms. Kenya provided an opportunity to merge close links between government and centralized cooperatives alongside market oriented reforms. Slow progress has seen producer organisations in Kenya gradually being transferred greater autonomy and making direct interventions on issues relating to market access and service provision.

Challenges for producer organisations in East Africa included the level of government extension and the degree of market entry demands in addition to the constitution of producer organisations in an era where they are expected to work on a business model and deliver services efficiently and to a limited budget.

Enhancing Service Provision

The withdrawal of state support to agriculture precipitated the decline of core agriculture services to low income rural communities. Consequently a vacuum of service providers is a major agenda item for several producer organisations attempting to improve the number of commercial and public actors

operating within local rural markets. A study by ODI (1999) on farmer cooperation and contract farming suggest that market opportunities can be provided to support the intensification of smallholder production through securing contractual linkages between farmers groups and private sector operators. Findings show that contract farming and farmer cooperation approaches often work best together based on a strong relationship between farmer controlled enterprises (FCE) and private sector agribusiness.

Examples from Kenya and Zimbabwe horticulture reveal the potential role of NGOs to work as brokers between producer organisation and the private sector in ensuring the delivering of common goals and diffusing potential conflict.

Developing Extension services

Producer organisations are cited as making a crucial contribution to the provision and enhancement of extension services. Their ability to develop linkages between extension provider and small holders farmers have been underlined as essential to the formulation of appropriate and effective extension approaches that can also enhance interventions on food security. Extension networks can also acts as a valuable source of administrative support for producer organisations in the early stages of formation. Studies of extension services show that promotion of producer groups is a major factor in creating viable extension networks. Research from Tanzania shows the implementation of micro projects by small farmers groups was associated with the role of extension agents who guided membership in the process of formation and registration. (Wambura 2007).

Furthermore agriculture extension has benefited from producers acting as a bridge between local agriculture knowledge and technical research expertise.

Box 1: African producer organisations and gender mainstreaming

The mainstreaming of gender issues has become a prominent theme within agriculture development. However the promotion of farmers groups as a vehicle for development has not coincided with the integration of gender approaches to organizational objectives.

In a study looking at the relationship between gender and rural producers in Tanzania, clear differences between the experience of women and male farmers within producer organisations were revealed (Towo 2004). Focusing on coffee farmers groups within Kilimanjaro, special coffee growers and independent farmers groups, the study findings showed that a lack of sensitization to gender issues, restricted participation of women in meetings and the difficulties associated with balancing heavy domestic workloads were contributing factors to low female participation in producer organisations. In addition, the majority of rural producer organisations lacked the necessary lobbying and advocacy skills to encourage the participation of women in forums and expand outreach.

A supportive policy environment was present in Tanzania where gender had been addressed as a key area for intervention. This was underlined in several high level policy frameworks including the National Development Vision 2025 and The National Poverty Eradication Strategy. Despite this, deliberate efforts to mainstream gender in rural producer organization through the formulation of pro gender policies were uncommon.

Civil society organisations in urban areas have taken the lead in promoting gender by advocating against sex discrimination e.g. the Tanzania Gender Network Programme. However a lack of representation of female members at senior level within rural cooperatives and farmers groups has made it difficult to ensure that real progress in addressing gender equality is achieved. The Tanzania Cooperatives Act (2003) makes no provision for minimum percentages of female representation at management committee level.

Persistent discriminatory practices in relation to land ownership have also hampered women's participation in decision making processes. Limited access to land due to prevailing conditions under customary law have perpetuated male privilege to natural resources undermining the capacity of women to contest issues of resource distribution and access to agriculture services. Primary focus on export crops, where women are less represented, was also highlighted as a major factor in the lack of participation of women in farmers groups in Tanzania.

Improving access to research and development

Transferring agriculture knowledge from the urban centres to isolated rural districts remains a challenge in Africa where information flows are obstructed by poor access. Widening knowledge channels for smallholder farmers remains a key objective for producer organisations in recognition of the role that improved farming techniques and approaches can play in delivering improvements in food productivity. Research from Ghana, Burkina Faso and Kenya explores the relationship between farmer associations and research institutions revealing contrasting strategic approaches. (Eponou, 1996). While some producer organisations developed explicit linkages with research institutions by making information requests, others regarded the whole issue of agriculture research as an area managed by public bodies. The majority of associations included in the study had not had any contact with research institutions and showed some skepticism regarding the benefits of agriculture research to organizational outcomes. Recommendations included improved accountability of proposal for assistance, and a balancing of influence in setting the agriculture research agenda by seeking wider consultation with farmer bodies.

Producer Organisation Strategies

Producer organisations can be divided into groups that place emphasis on market related concerns such as price controls and institutional issues that relate to the coordination of agriculture activities. While consumers groups tend to be more effective in addressing food pricing concerns, many farmers associations have focused more on agriculture policy constraints at national level in their attempts to lobby government and make linkages with regional networks. Created in 2000, *Reseau des Organisations Paysannes et des Producteurs Agricole*, known as ROPPA, is an example of a dynamic network of producer groups spanning West Africa. ROPPA includes Benin, Burkina Faso, cote D'Ivoire, Gambia, Guinea, Guinea-Bissau, Mali, Niger, Senegal and Togo with its HQ based in Ouagadougou, Burkina Faso. ROPPA plans to increase the number of farmers organizations by expanding membership from within ECOWAS (Abt Associates 2003). The organisation has been instrumental in establishing national platforms,

Box study 2: Evolution of producer organisations in Ghana

Producer organisations in Ghana have a long tradition in rural communities and played a fundamental role in the distribution of resources and labour. Nnobia, an established tradition of organized farm labour in Ghana was part of early attempts of reciprocal labour networks in assisting family farms particularly for land clearing. Further developments in the organization of rural labour occurred during the colonial period where administration of smallholder farmers led to the division of farm labour into defined groups. IFPRI(2010)

Kinship ties, small networks and homogenous membership are key elements of producer organisations which tend to be dependent on external assistance with little revenue generation from internal membership. As a means of securing patronage, producer organisations are valued as a source of capital, in a resource poor environment where falling farming returns are pushing a withdrawal of labour from agriculture production.

Centralised control of farming activities in the management of cash crops such as cocoa contributed to the relative decline of collective groups in the post independence era only to be revived following liberalization.

The rapid emergence of NGOs has been critical to promoting producer organisation development and in particular, reforming the liberalization of existing cooperatives. Government assistance to the development of producer organizations has included the production of guidance to emerging groups focusing on registration, facilitating member participation and advice on coordinating leadership elections. The number of agriculture Cooperatives in Ghana have increased more than three fold over the last decade, from 874 in 2002 to 3068 in 2006 (ibid).

coordinating bodies of producer organizations in 10 member countries. Moreover ROPPA is concerned with capacity building and supporting associations with improving visibility and recognition. In Burkina Faso, ROPPA has assisted the Federation Nationale des Organisation Paysannes, an association covering 200 unions of producer organizations encompassing roughly half a million peasant farmers. The establishment of farmers platforms in addition to the development of federating bodies in members countries has enabled ROPPA to take up an instrumental role in providing technical assistance to farmers groups i.e assistance to research and extension services in Senegal.

Strengthening farmers' capacity to participate in policy dialogues ROPPA has facilitated a shift away from exclusive focus on production issues. For example ROPPA has supported participation in the development of agriculture policy for UEMOA with particular emphasis on the inclusion of family farm perspectives. Using a demand driven approach shared by development agencies such as the World Bank, ROPPA is also addressing the development of agriculture research institutes as part of its capacity building agenda to enhance access to agriculture services, technology and information.

APM- Afrique is another example of a farmers network based in West Africa which brings together various farmers associations and develops linkages with NGOs and government agencies with a specific focus on the role of producer organisations in agriculture development policy and programs. APM is represented on the CGIAR NGO committee and participates in high level meetings such as the Conference of Ministers of Agriculture for West and Central Africa. It also assists with the sponsorship of regional workshops on key cash crops i.e. cotton, rice, cocoa and coffee. Promoting the emergence of new farmers associations is another core activity for APM.

Producer organisations also have developed consultation and advisory services. The Malian Chambers of Agriculture operates within a decentralized framework where daily consultation between elected regional or cercle chamber presidents and local civil society groups is encouraged.



Farmers associations receive good access to appointed representatives able to deliberate on issues affecting small scale producers, agriculture and livestock cooperatives and village associations.

Building strong relationships between high level management of producer organisations and its membership can promote greater accountability and transparency, necessary to ensure that associations deliver their designated mandates. Reports of resource mismanagement point to a shift away from serving the collective interests of its memberships. To avoid this, members play a critical role in demanding regular monitoring and evaluation of organizational outputs and resource allocation to ensure mandates are delivered.

International policy frameworks and organizational strategies

Development agencies and producer organisations have developed a multi-faceted and complex relationship, revealing the tensions between international and national stakeholders in forming boundaries over the extent of rural development reform in relation to the coordination of public goods and commercial development. International frameworks for the engagement of producer organisations have tended to eschew the role of the developmental state in the delivery of agriculture reform, focusing more explicitly on the potential of civil society empowerment that producer organisations represent.

Furthermore, the autonomy of producer organisations has been placed under question particularly in relation to the high level of financial dependence on Western based NGOs in relation to wider regional farmers networks and domestic organisations. Implications of financial ties to external agencies have raised doubts about the sustainability of producer organisations in the long to medium term. Moreover government may question the legitimacy of organisations which develop close ties to external funding agencies but neglect their core membership. Examples of self funded organisations reliant on member based contributions have become more pronounced, however these tend to be limited in scale and lacking the resources to achieve crucial lobbying and advocacy objectives.

Donors support for market oriented reform has limited the scope for the protection of farmers from cheap food import, subsequently this marginalisation of protectionist agendas has caused a dilemma for Africa's producer organisations. The example of Ghana's cocoa market show the limited scope in the responses to farmers groups to the threat posed by the international market. (Koning, 2002) A slump in the price of cocoa in the 1990s was driven by a decline in international prices while expectation of widening entry to Western markets under the Everything But Arms EU initiative failed to meet expectation of rising returns to farmers. Government policy instruments to the agriculture sector including devaluation and a reduction in export taxation although effective in the previous slumps of the 1980's were not repeated due to growing compliance to an emerging framework of liberalisation.

Further assessments propose a correlation between an environment of agriculture decline and a reduction in social capital which acts in hindering the influence of farmers groups within the region. While Koning, highlights the impact of the international policy climate on strategies for producer organisations on the ground, the fact that associations are credited with the potential to contest policy spaces within the agriculture sector suggests the capacity for groups to become effective instruments to negotiate better terms of engagement for farmers should be an area for further development.

Farmers ability to respond to policy incentives is largely depend on their organizational capacity to work proactively in the identification of financial resources.

The resulting collapse in public financed marketing boards and limited access to credit has contributed to the emergence of producer organisations reliant on revenue from pooling resource from its membership and securing capital from income generation. A strong tradition of cooperative working using the coordination of jointly owned assets has been recorded as a strategy to secure capital (ODI 1997). Participation in marketing and strategic investment in value added products has also assisted farmers organisations in boosting their autonomy and reducing reliance on external sources. Viable farmers groups continue to be difficult to maintain as a result of poor local management experience and limited resources. Farmers' commitment to cooperative action and efficient administration are highlighted as key factors determining organisational success.

A transition towards improved consultation with civil society in the formulation of rural development strategies can be viewed as a positive factor in the promotion of producer organisations. Greater emphasis on the participation of local associations has placed added attention on the beneficial role that producer organisations can play in improving rural livelihoods through their contribution to wider development goals. Food security interventions, as a central platform for the delivery of hunger and poverty reduction, gain invaluable inputs from the issues and concerns presented by producer organisations.

Following the food crisis, a shift away from rural market liberalization have presented unique opportunities for producer organisations to deliver substantial gains for smallholders in a new policy climate. Emerging agendas such as social protection and market regulation, provide an opportunity to redirect policy dialogues towards improving rural livelihoods and building capacity to deliver domestic food security. The role of producer organisations in this transformation could be critical in ensuring strategic linkages between smallholders farmers and development agencies in shaping new approaches to secure rural development goals.

Despite this, concerns over the limitations of participatory frameworks have centred around issues of impact and effectiveness of civil society groups such as producer organisations in their interaction with private lobbying groups, international NGO and even national governments who often fail to promote genuine policy alignment.

Promoting the participation of producer organizations in Africa has formed a central feature of donor approaches to rural development. Tying participation to processes of privatization and decentralization proved vital to the inclusion of producer organisations as an important theme in rural development policy dialogues.

Donors and NGOs have a role to play in the promotion of independent producer organisations potentially bringing benefits to smallholders in terms of finance, inputs and marketing provision. To maximize results, donors have been advised to use a combination of participatory and market oriented approaches in order to ensure effective links between farmers associations and the private sector.

Donor intervention and capacity building

Inclusion of producer organisations as part of rural development approaches has facilitated greater engagement between farmers groups and major development agencies. Assistance to producer organisations has focused on the need to build capacity through the development of core competencies such as management coordination of activities, training and monitoring and evaluation with a view to enhance delivery of planned objective.

The World Bank has played a leading role in the promotion of producer organisations in supporting rural development goals focusing on the role of producer organisations in enhancing accountability, consolidating local democracy, facilitating private sector development and strengthening market linkages.



Subsequently, the World Bank has been involved in building partnerships with associations to develop capacity around these key areas in alignment with a wider development framework of opening up agricultural markets through increased liberalization and de-regulation.

World Bank programmes in West Africa have provided assistance to producer organisations in Senegal, Guinea, Mali and Burkina Faso. Findings from the Burkina Faso's joint evaluation of Agricultural Structural Adjustment Plan showed that the private sector had not replaced state activities after the withdrawal of government assistance to the agriculture sector as part of liberalization, prompting the decision to develop a strategy to promote engagement with private sector stakeholders (Pesche 2002). Forming part of the World Bank's National Agriculture Services Development Programme (PNDSA) in the country, pilot programmes investing in USD4.3M of funding to the promotion of producer organisation and small rural infrastructure were initiated.

Assistance was provided to national, regional and local farmers organizations to gain professional and financial knowledge and to enable the provision of services to allow associations to take part in adaptive research with the potential to transfer technologies and know how to members. Small scale projects were also formed on a pilot basis to finance programmes for small rural infrastructure.

Assessment reports showed that 398 projects established where the majority fell under the area of small infrastructure, 87 included capacity building

focusing mainly in literacy projects, a further 48 projects covered technical training in management. Findings revealed the problem of inadequate funding leading to low capacity to cover running costs and limited development of finance capacity for self funding. Budgetary estimates were highlighted as underestimating real demand and the capacity of farmers organisations to design projects. Administration financing also proved problematic due to the late disbursement of World Bank funding contributing to the damaged credibility of producer organization in the eyes of grassroots groups.

Conversely, programme benefits were widely felt including the possibility to experiment in a new division of labour among the key project actors e.g. technical service providers and local administration development of producer organisations.

Conclusion

Heightened expectations of what producer organisations can achieve in an era of decentralization and the promotion of civil society engagement have placed additional pressure on associations to deliver on the demands of their membership.

Securing substantial gains for producer organisations in relation to reform towards producer support, price controls and social protection will depend on the astuteness of organizational strategies to lobby government and regional institutions while building influence in the long term over policy networks that hold political currency. Over reliance on external stakeholders may reduce the flexibility required by producer organisations to develop suitable agendas to meet specific membership needs and ensure that the perspectives of smallholder farmers at the forefront of organizational agendas.

Addressing the dilemmas of resource mobilization will inevitably force producer organisations to carry out internal assessments of financing capacity at local level, in addition looking at the funding benefits of greater engagement with national and regional networks.



Recommendations

- Governments must assist in the development of producer organisations by creating the right macro economic enabling environment in pursuing agriculture sector growth.
- Development agencies and governments should promote the engagement of producer organisations in policy consultation relating to agriculture development.
- Development agencies should actively work towards the integration of concerns and issues voices by producer organisation as critical inputs in the formulation of rural development programmes.
- Capacity building of producer organisations should be underlined as a priority for development agencies in devising rural development interventions.
- Research institutions should engage producer organisations in the formation of agriculture research agenda and promote regular consultation with farmers groups
- Producer organisations should work towards developing greater autonomy and self reliance particularly in the area of finance and human resource capacity

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