

> Contrasting commercial agri-extension success stories in Kenya, Tanzania and Nigeria

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Contrasting commercial agri-extension success stories – Nigeria, Kenya, Tanzania

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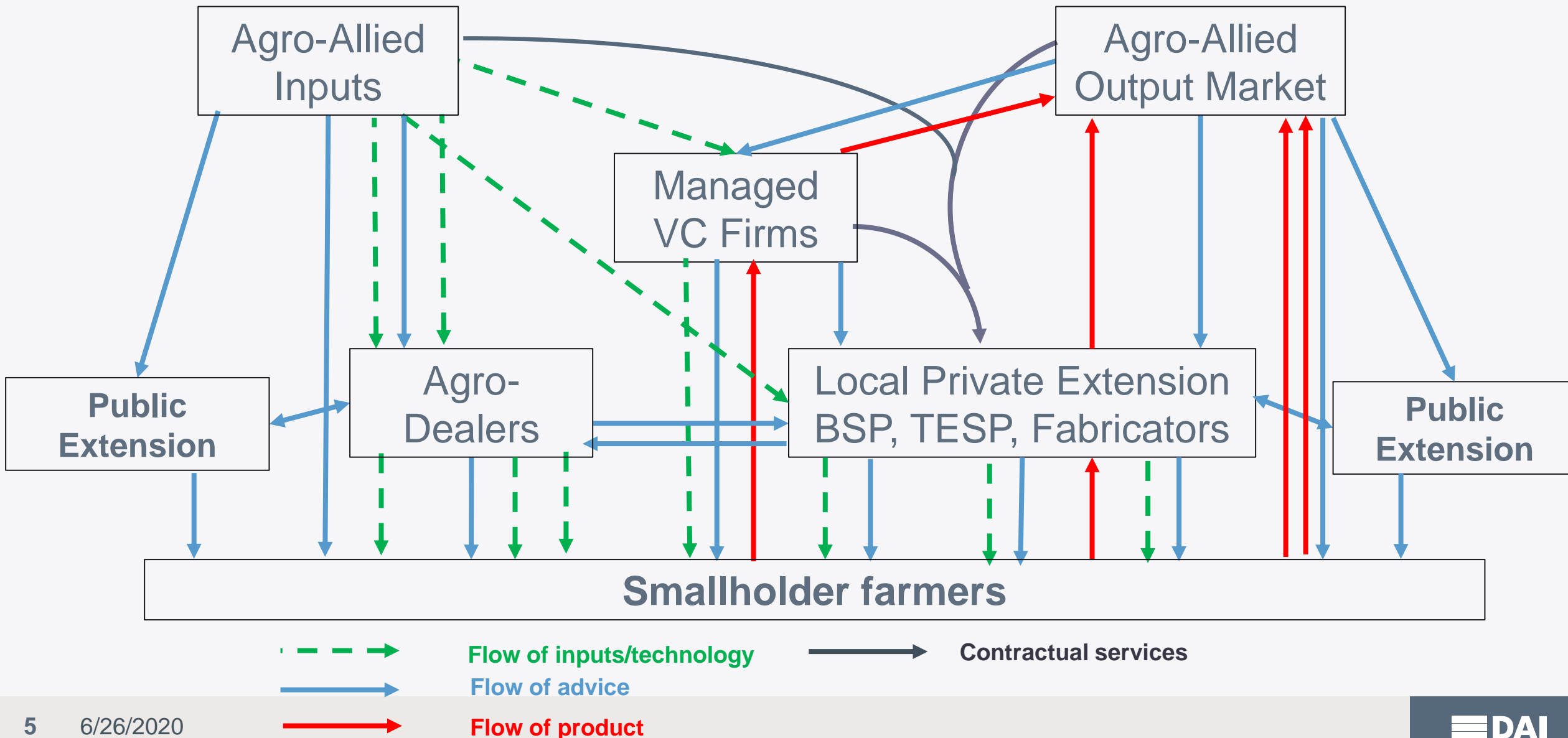
Drivers of commercially driven agricultural extension

- **Agricultural extension** is the application of scientific research and new knowledge to agricultural practices through farmer education.
- **Expanded definition of extension:** includes farmer required business skills
- **New models** link extension with promotion and sales/purchase of product
 - Sharing technical information with farmers is good for core business.
 - Farmers will pay for solutions, if they understand the problem
- **Goal of Commercially driven extension:** demonstrate the value proposition to increase farmer productivity/sales

Typologies of extension providers, services, revenue streams

- **Government extension services** – traditional suppliers
- **Large Agro-allied firms:**
 - Major agricultural input companies
 - Major agricultural offtakers
- **Managed value chain** companies
- New category of **Local Private Extension (LPE)** providers
 - Local fabricators and agro-retailers – have hard product to sell
 - Technical service providers – have a technical skill to sell (agronomy, veterinary, etc.)
 - Business service providers – have business skills to sell (finance, marketing, technology)
- Revenue streams will vary:
 - Direct Training fee;
 - Embedded or subsidized service.

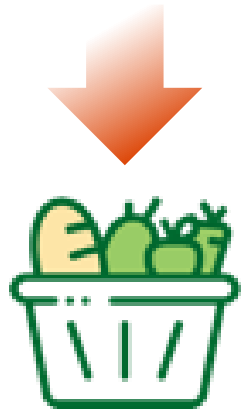
Evolution of Interlinkages Between Extension Providers



Conclusions and Practical cases

- Resilient systems:
 - Farmers as clients
 - Good coordination
 - Good competition
 - Responsive to COVID pandemic
- The presentations:
 - KMT and Gatsby: Agricultural input driven model addressing services and ICT linkage platform
 - PIND and MADE in Niger Delta: Local Private Extension service provision,
- Final slide will have the major takeaways

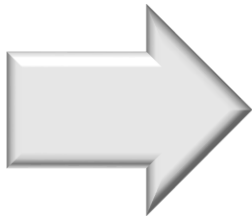
Inadequate extension services is one of the primary causes of falling productivity in Kenya



Low government
investment in
public extension

Strong private
sector – but
extension focused
on product
marketing

Ag-tech
innovations – but
not at scale



- *Inconsistent quality of extension services*
- *Models have not achieved sustainability and scale*
- *Farmers willing to pay for farm services, not information*

Promoting sustainable extension delivery models to provide farmers with information on products and their use

Led by AGRO DEALERS



- Commissioned network agents
 - Bundled service – range of products
 - Expos and demo farmers
 - Commission based business model

- **+500** rural agro dealers
- **+170,000 farmers** reached
- **+50** input firms mobilized per expo

Led by INPUT MANUFACTURERS



- Own network of sales agents
- Brand specific products with investment in R&D
- Partner with agro dealers on demo farms, radio campaigns
 - Paid for by input firms

- **14** input companies
- **+280,000 farmers**
- Maize **yield increase from 8 to 20-40 bags/ha**

Led by INDEPENDENT ADVISORS



- Independent advisors linked to input firms through ICT platform
 - Bundled sale – range of products
- Subscription based business model

- In pilot stage - commercial structures not yet established
- **200 advisors serving 5,000 farmers**

What have we learnt from the various models trialled in the Kenyan context

Led by AGRO DEALERS



- ✓ Existing network that can be leveraged
- ✓ Trusted, ongoing relationships with farmers

- Limited outreach capacity
- Quality of service may be inconsistent

Led by INPUT MANUFACTURERS



- ✓ Strong incentives to deliver service & innovate
- ✓ Quality of service likely to be high

- Own product focused
- Many parallel channels causing confusion and fatigue to farmers

Led by INDEPENDENT ADVISORS



- ✓ Strong incentives to deliver quality services and build commercial models
- ✓ Impartial farmer advice

- Pilot stage ad scaling models will take time
- Quality of service may be inconsistent

Local Private Extension Services

Experience from Nigeria's Niger Delta

Precious Chidi Agbunno, Partnership Initiatives in the Niger Delta
(PIND) Foundation
Ganiat Tijani Ettu, MADE



Niger Delta Context	<ul style="list-style-type: none"> 40m people, Oil rich - distortions, conflict zone, high levels of poverty
PIND	<ul style="list-style-type: none"> Overarching goal of reducing poverty and conflict in the region
MADE	<ul style="list-style-type: none"> DFID project to accompany PIND
Strategy	<ul style="list-style-type: none"> Value chain analysis of viable sectors Market systems approach

Need for a better understanding of how to address farmers' productivity through extension services

Poor state of government extension services

Very few LPEs, mainly donor focused

Poor alignment of value and incentives, etc.

Handout Mentality.

How did the projects respond?

- **Identifying entrepreneurial LPEs and pilot models in high value sectors**
- Technical training materials and methodology
- Enterprise training – Value Proposition and How to sell the training to farmers
- Farmer as client, not donor
- Relationships
- Smart grants to help buy down risk and to test-out new models



Technical Extension Services Providers

- Training
- Demonstrations
- Water/ soil testing etc



Business Services Providers

- BDS
- Linkages to finance & Markets

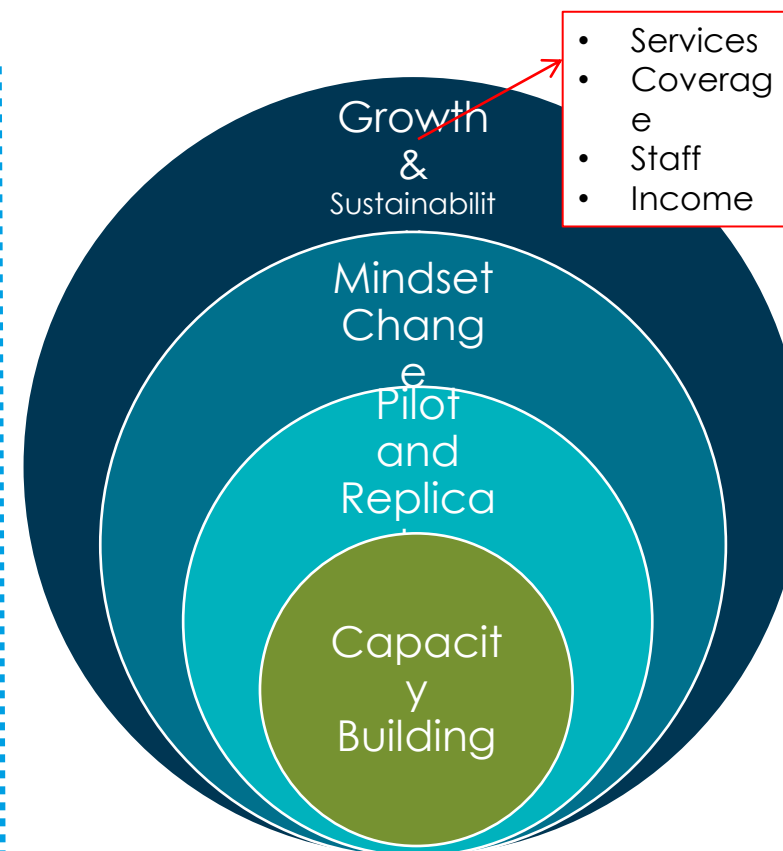


Product Retailing with Embedded Services

- Agro-dealers
- Seed Entrepreneurs
- Village Level Vaccine Dealers
- Spray Services Providers
- Technology SPs, etc

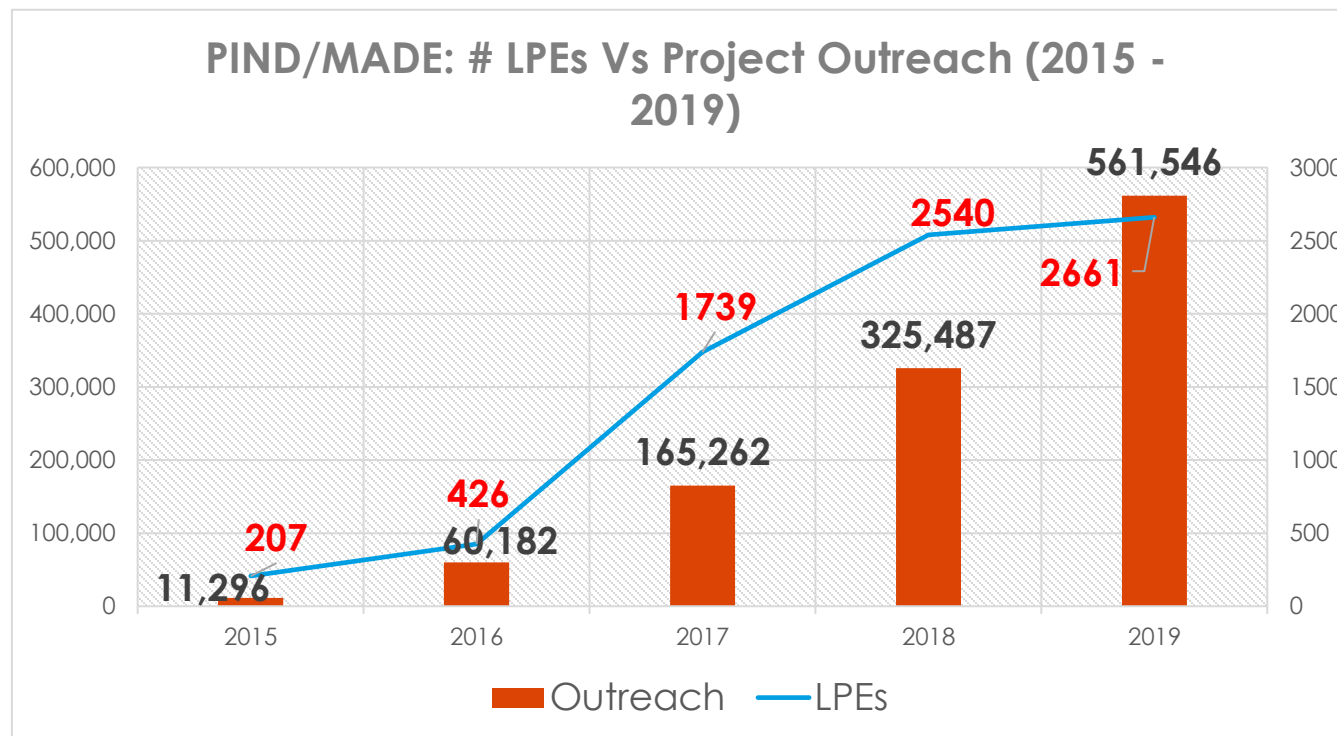
How did they evolve?

- Started as one man companies
- Typically sold to projects, NGO, Government
- Attended project capacity building program, began to change mindset and service offerings
- Added new products in their sectors, moved into new sectors,
- created linkages with specialists in business skills, joint ventures
- Leveraged different competencies and relationships
- Greatly expanded client base
- Evolving faster than the projects' ability to keep up



“Every problem a farmer has is an opportunity for me to make money”

- ZAL Consulting



Market Resilience: COVID-19 ADAPTATION

Adaptation Strategies

- Use of virtual platforms
- Collaborative and Adaptive service offerings

Key Learnings

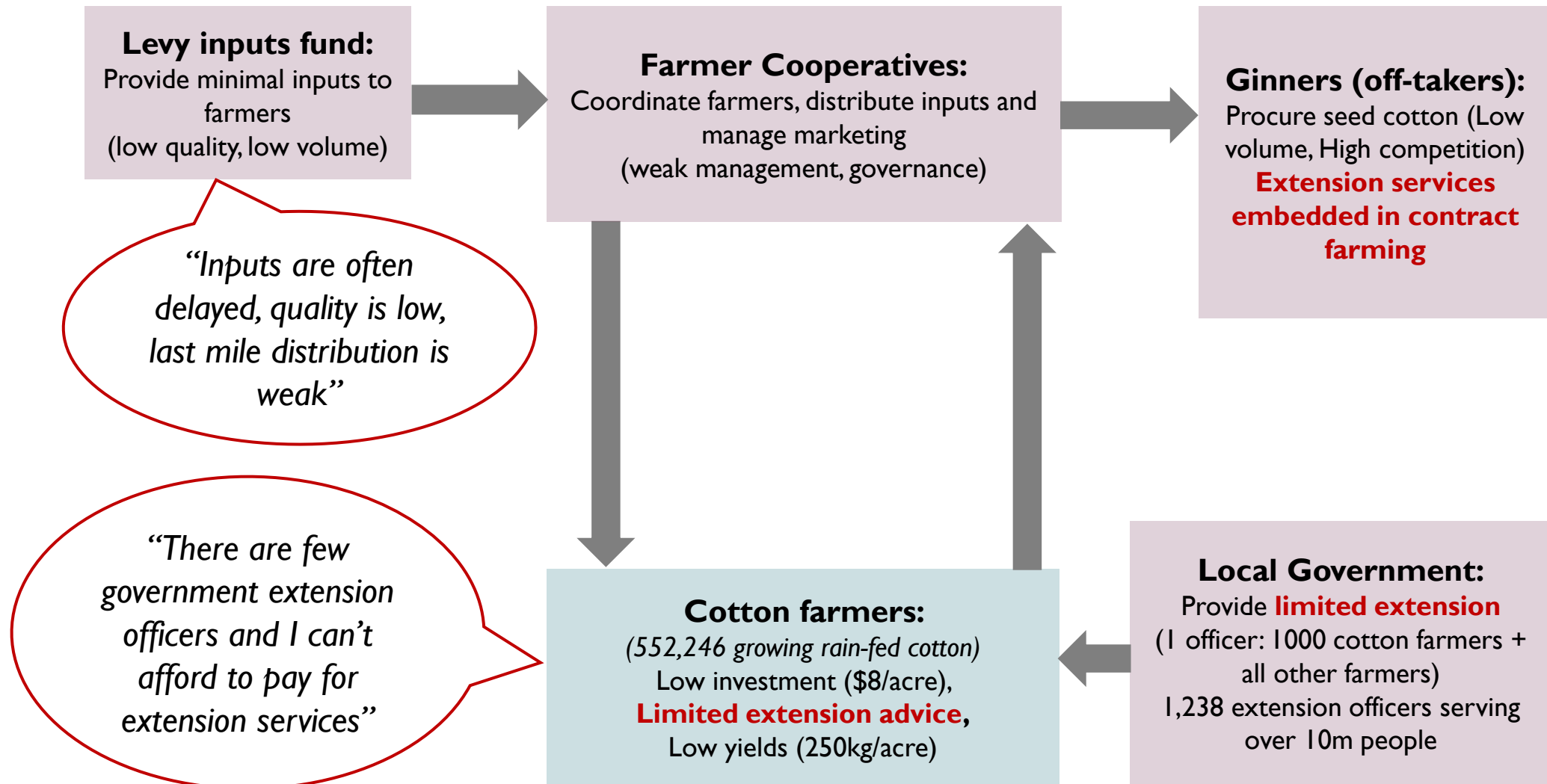
- Strong fundamental relationships bring about resilient market systems
- Targeted efforts are required to engender a stronger services market

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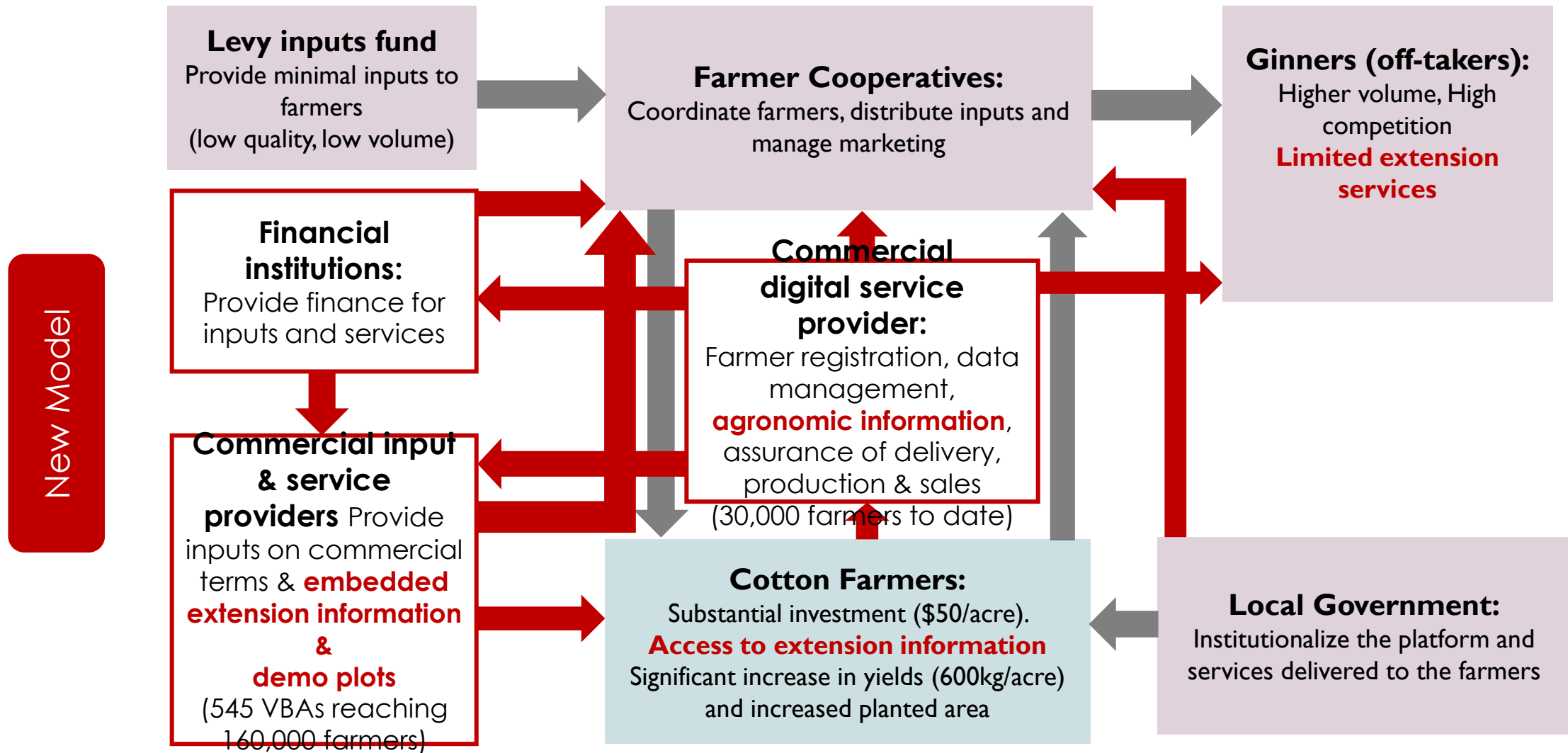
David Wozemba

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Current situation: Tanzanian cotton



New model: Village Based Agents (VBAs) & Kilimo Maendeleo Digital Platform (KMDP) “Value Chain Integrator”



The KM platform aims to address the following challenges

Commercials – Who pays?

- Embedded services
- Commission from input sales

- Limited funding of government and ginner extension services

Reaching large numbers of smallholders

- Coordinated extension provision
- Call centre for regular support

- Limited reach of existing VBAs (160,000)

Breadth and quality of information

- Training of trainers funded by commission
- Customised farm diaries

- Currently weak quality assurance system

Adapting to Covid-19

- Combination face-to-face and digital – prior to C-19

- Multiple impacts – reduced incomes, supply disruptions

Sustainability of model

- Commercial incentives in model
- Mobilisers play key role
- Farmer consent for range of services

- KM platform still in pilot stage

Concluding thoughts on Commercial Extension Services



ADVANTAGES

Stimulates competition:

Increases choice – driving up quality and reducing cost

Shifts balance of power:

From service provider to farmer

Sustainability:

Aligned incentives

CHALLENGES

Access and reach:

Struggle to reach poorest of poor; Focusing on cash crops for specific off-takers

Impartiality:

Need for embedded services (for viability) may compromise ability to be impartial

Quality control:

To be set within a robust regulatory framework to ensure quality of service

