

Intervention:	PROMEK – Farmers Business Clubs and Market Linkages
Country:	Mozambique, Sofala Province: Districts of Buzi, Dondo, Nhamatanda, Chibabava and Machanga
Date:	2001-2007
Objectives:	The support of agricultural development is a priority for the Austrian Development Cooperation in Mozambique. One of the concrete project objectives of the Austrian financed project PROMEC (Promoção Económica de Camponeses) is forming and strengthening self-help groups in order to facilitate their access to input and output markets.
Approach of the Intervention:	<p>PROMEK responded strongly to the farmers' interest, providing support in organizing themselves and in strengthening their capacities to engage in business activities.</p> <p>At the beginning, PROMEC intended to work through existing farmers associations belonging to the UDACs (Unions of Farmer Associations at District level) of Buzi and Dondo district. However, it turned out that these traditional, politicised and somewhat ponderous organizations were not really geared at assuming business activities for their members. It proved to be more effective to help setting up smaller farmers groups (generally made up of farmers of the same neighbourhood) with a strong business orientation, structured around a concrete economic activity (like the production of a certain cash crop).</p> <p>To stress the approach of the groups towards business and economic development, these groups are referred to as "clubes de negócio" (<i>business clubs</i>), a denomination used in neighbouring Malawi for business oriented farmers associations. Actually, the model and example of Malawi responded very well to the situation of Sofala Province. Training documents from NASFAM (National Smallholder Farmers Association of Malawi) were translated and adapted to local circumstances; a study tour to Malawi was organized for selected groups' representatives to see the functioning of these organisations there.</p> <p>The project provided capacity-building training for the group leaders and the members, in such areas as business and marketing practices, putting emphasis on the participation of women members. The accent lay on business and economic development, targeting specific potential buyers identified by the group and/or the project.</p> <p>Eight modules of trainings have been administered, they cover a variety of topics revolving around the concept of agriculture as a business (business planning; business management; agricultural association building and management, agricultural commercialisation, basic management of a group, team-work techniques, agriculture as a business, and basic notions of accounting). These trainings not only are directed at farmers; they also serve to build the capacity of agriculturalists at all levels: public extension agents, partner organisations working in rural areas, government officials, and leaders of other farmers associations.</p>
Benefits and Impacts:	<p>The Business Clubs consist of 10 to 30 members, female and male, and are instrumental in production and commercialisation of agricultural surpluses.</p> <p>□ More specifically, they tackle the market-capture by middlemen, who</p>

	<p>are often unreliable and dishonest. The Clubs negotiate directly with the potential buyers of surpluses and with inputs suppliers, liaise with PROMEC and other institutions at district level and vice-versa.</p> <ul style="list-style-type: none"> □ On the one hand, they bargain with the previous interlocutors for fairer deals, and on the other they mobilise individual community farmers to sell their produce together and officially through the Clubs. □ They are implanting infrastructures for commercialisation, where none existed before. Presently, all clubs have built their own warehouses, using Clubs' funds with material support from PROMEC. □ The Clubs earn a commission from the sales they make which they re-invest into new businesses or distribute among the members as dividends. <p>Presently, there are 78 of these aggregations in Búzi, Dondo, Nhamatanda, Chibabava and Machanga, all in different stages of development, directly being supported by PROMEC. Their evolution during is summarised as follows:</p> <p>2001/2002 3 groups were organised; they could sell 10 tons of sesame seeds (a newly introduced cash crop) directly to traders in Beira.</p> <p>2002/2003 21 Business Clubs of Buzi facilitated the direct commercialisation of roughly 500 tons of produce, coming from a total of 4,248 producers (2,163 of them women = 51%).</p> <p>2003/2004 Approximately 35 Business Clubs are active in Buzi district, and 12 in Dondo. The Business Clubs facilitated the distribution of seeds in their communities to a total of 2,659 producers (43.5 % of them women), for a total production of 1,024 tons, contracted by buyers and traders of the region.</p> <p>In mid 2007, already 78 Business Clubs with a total of 2,350 members (43% woman) are active producing different cash crops including sesame seed, cashew nuts, ground nuts, beans, pineapple, cassava, cereals, and horticulture. They are to serve more than 10,000 smallholder farmers of their communities in marketing their produce for the 2006/07 season.</p>
Lessons learned:	<ul style="list-style-type: none"> □ The future belongs to the organised farmers: Business clubs provide services to their members, mainly in the fields of input provision and marketing □ Groups of farmers must be organized around a specific economic activity to be sustainable □ The Business Clubs in Búzi district have formed secondary structures some years ago, so-called Business Club Forums, with the capacity to lead the production and marketing process, and are represented as an active voice in the Consultative District Councils □ A permanent support through a community-based system like the farmer-to-farmer extension methodology is essential to secure supplementary and regular technical assistance to the groups. □ Planning process and priority definition at group levels help to assure democratic and transparency governance and that the groups own the development process.
Wider application:	The experience is being referred to as good example for organizational development of farmers and is to be scaled up nationwide.

Implementing agency & partners	Implementing Agency: H3000 Development Consult Partners: Provincial Directorate and District Departments for Agriculture in Sofala Province
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