

Empowering Smallholders as Entrepreneurs: Challenges and Opportunities

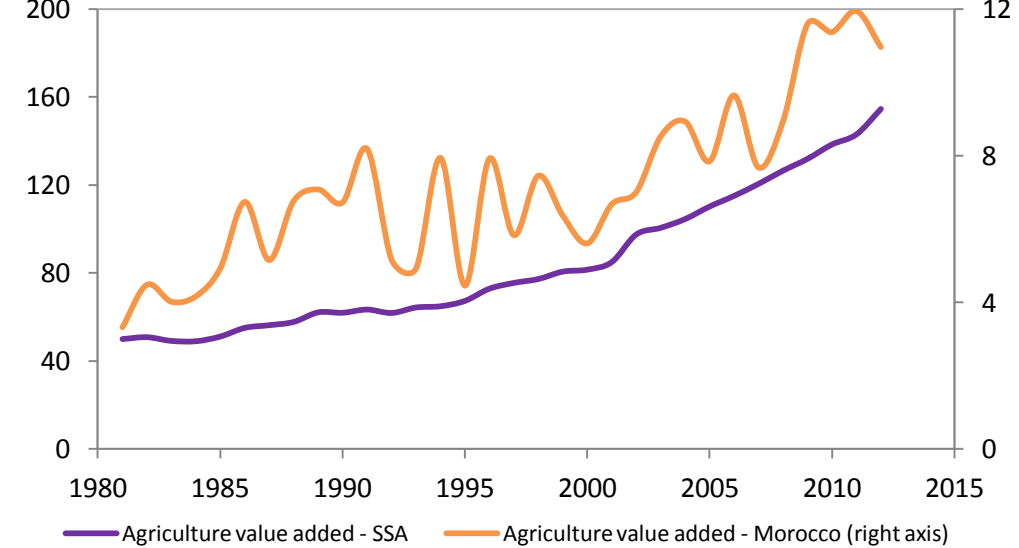
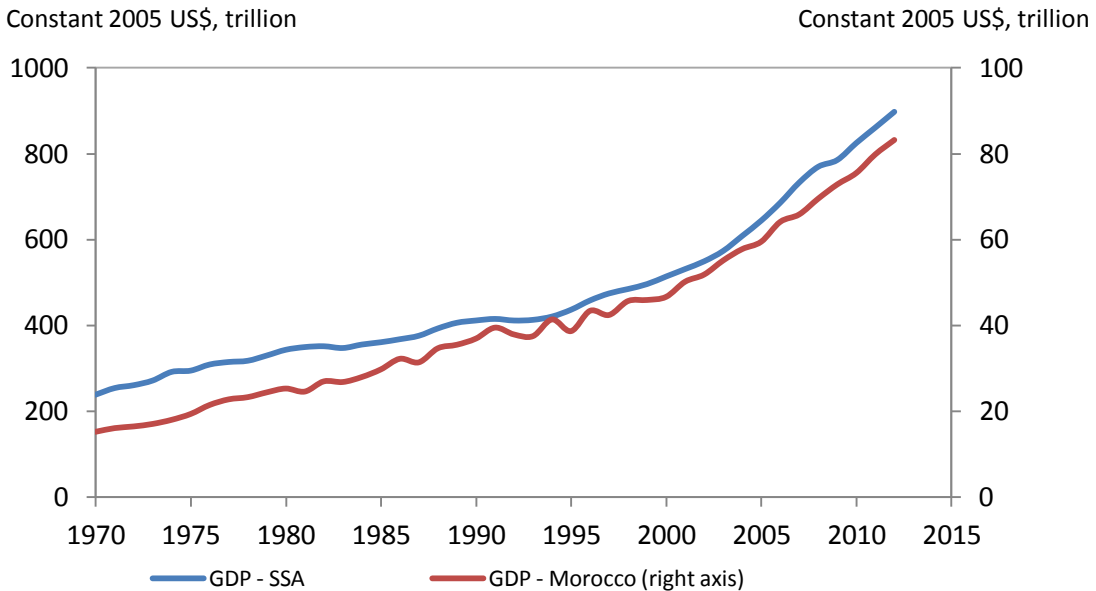
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*Assises de l'Agriculture, 7ème édition
Meknès, Morocco, April 2014*

Economic and agricultural growth, Sub-Saharan Africa, Morocco

GDP and agricultural value-added growth, 1970-2012



Data source: World Development Indicators Database

The opportunity:

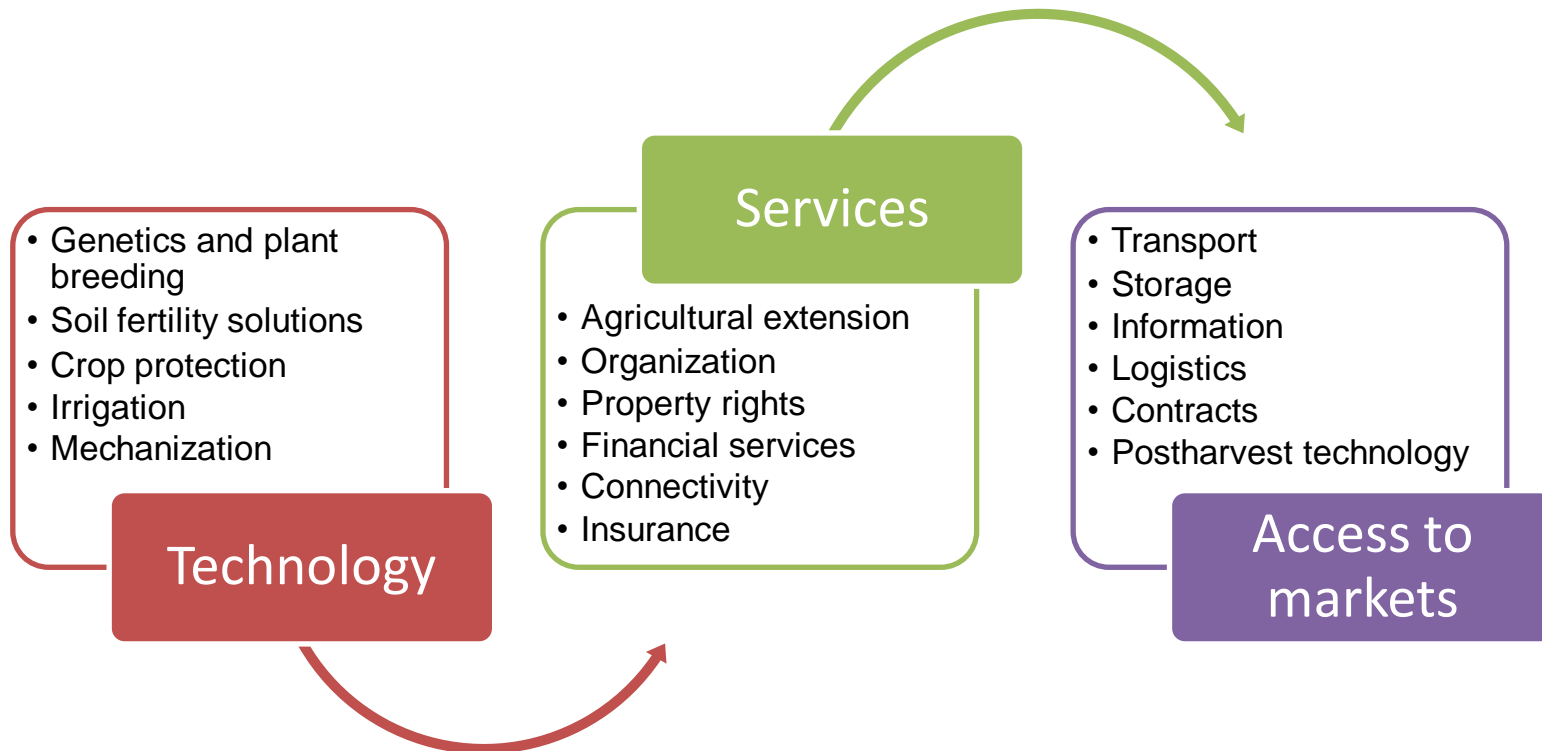
- Markets expand
- Agriculture follows suit
- Huge scope for small-farm output and income growth, which should help reduce the labor productivity differential between sectors

The challenges:

- Links to markets
- Farm capability constraints
- Inequality and employment shocks in the non-agricultural economy

Farming as a business

What farmers want:



Not to mention an environment of public goods and trade and investment policies that enable the farm economy and supply chains to thrive

Two examples of 'services':

Mobile solutions

Index insurance

Mobile solutions



The first integrated mobile platform to manage smallholder farming outgrower schemes



Paper based processes



- Time consuming, error prone
- Difficult to aggregate
- Data inconsistencies
- Processing delays
- Traceability demands for export markets difficult



Digital processes

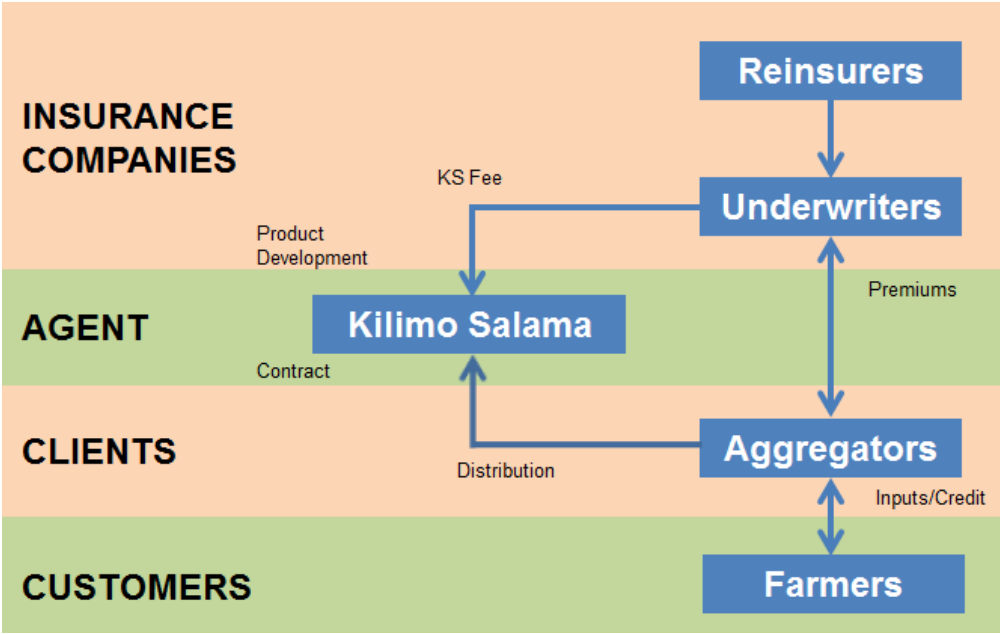


- Centralized information, up-to-date and accessible
- Better planning and management of staff / farmers
- Complete traceability / reduced auditing
- Facilitated compliance to standards
- Improved communication

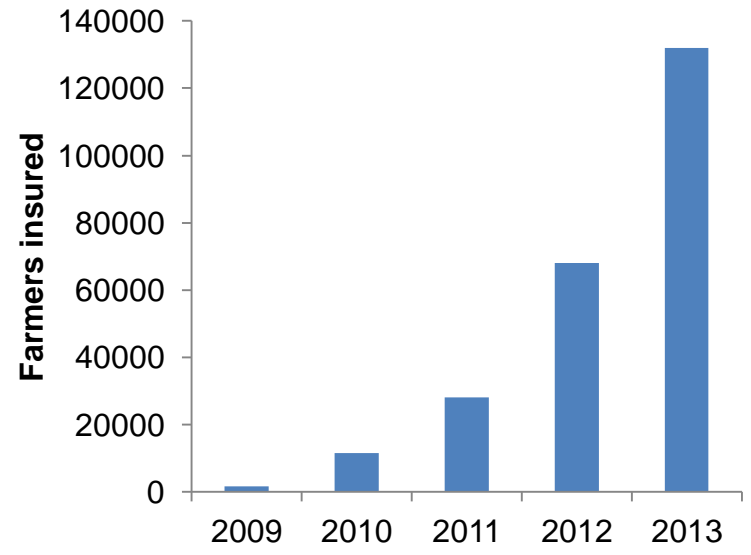
Agricultural insurance



The concept of smallholder weather index insurance



Source: Lion's Head Global Partners (requested by SFSA, 2013)



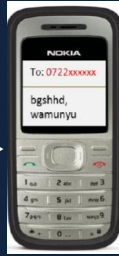
Replanting Guarantee



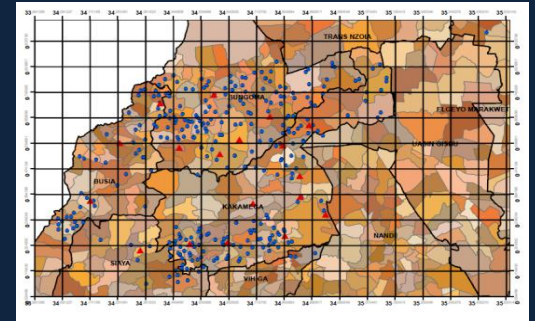
Insurance in the bag



Opens bag on planting, finds card inside



SMS unique code to short code



Get farm location from SMS and monitor satellite imagery for that location



Germination fails after 21 days without rain

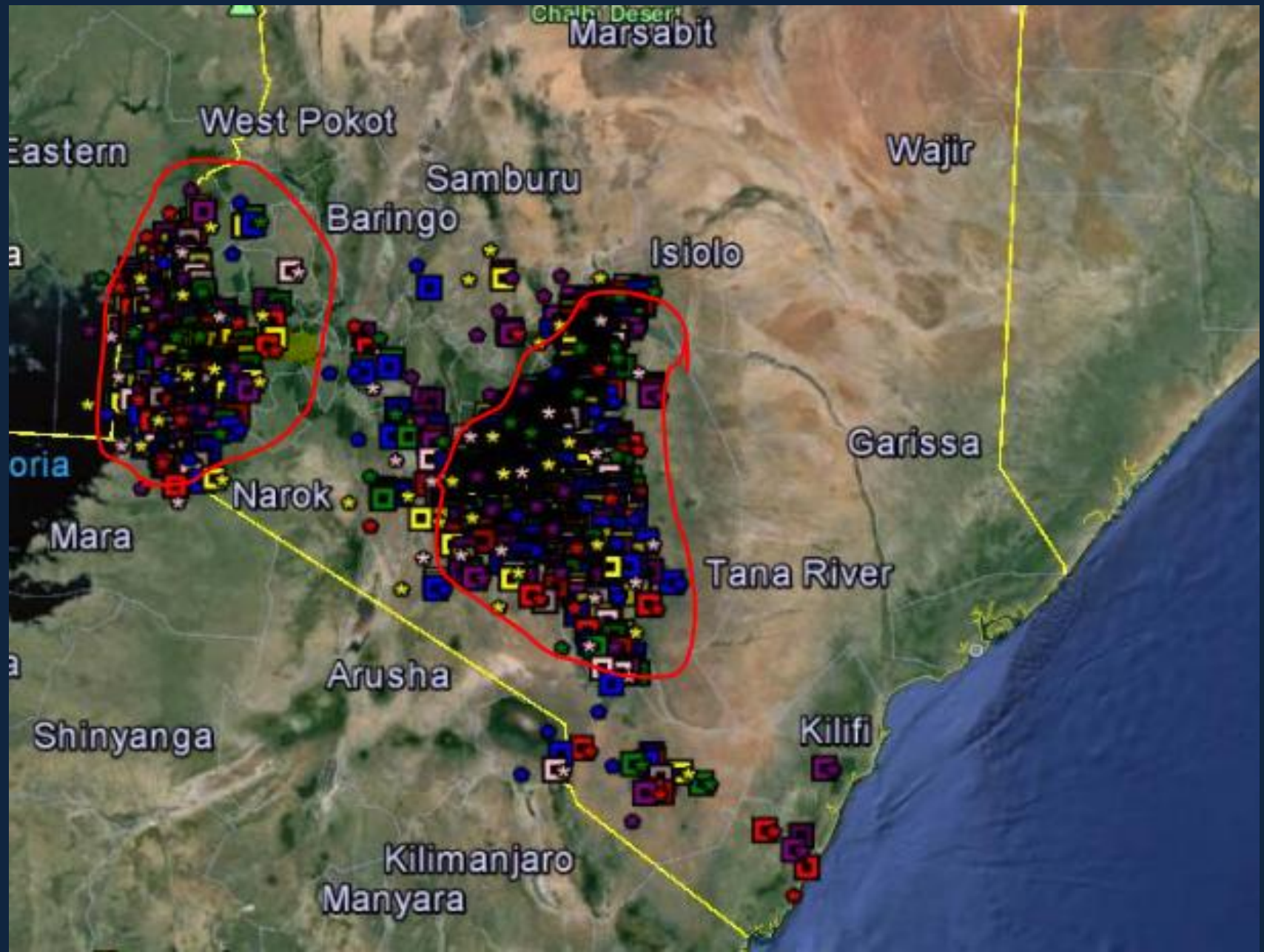


Compensation sent to Farmer via M-Pesa



Farmer can replant and harvest the same season

Redeemed cards 2014 Long Rains



Empowering small farms as commercial entities linked to value chains is about

- A) the solidity of individual investment projects and the arrangements made with buyers
- B) the presence of 'enablers' such as organizational solutions, contracts, credit and insurance, agronomic support, market information systems, meaningful metrics, mobile computing, hand-over protocols, post-harvest logistics, and standard operating procedures regarding aspects of service delivery and aggregation
- C) good management and staying power, with a focus on results

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