

Antsirabe Pilot Agroenterprise Project Evaluation Report

CRS Madagascar MIHARY Project

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Executive Summary

In September of 2002, the Madagascar CRS team joined the first in a series of regional CRS market led training courses that have been termed the “learning alliance”. The purpose of this capacity building program is to transfer skills to the CRS East African community that will enable the organisation to make a strategic shift from production based agricultural interventions to a market led agro-enterprise approach. This strategy aims to enhance the livelihood options of rural farming communities through new skills that will encourage market-linked innovation. The agro-enterprise methodology is highly participatory and will enable farmers to gain an effective understanding of their market options and to adopt an approach to produce what they can sell, rather than trying to sell what they have produced.

The overall impression from this rapid review of the CRS/Madagascar pilot marketing project is that the team has made a remarkable effort in applying the ideas gained through the “learning alliance” and that their efforts have already been highly successful. In undertaking the pilot project a considerable level of expertise has been gained, critical problems have been identified and solutions found and through this test phase many important lessons learned. These experiences will not only benefit the Madagascar team in the forthcoming 2003 – 2007 DAP, but will also provide valuable input into the wider CRS “learning alliance” group.

Within the six month implementation period, CRS Madagascar have been able to undertake almost all of the activities that are included in the first three stages of the agro-enterprise strategy, from (i) planning and group formation, to (ii) market opportunity analysis and (iii) implementation of agro-enterprise projects. Through this accelerated programme the CRS team have not only made gains in building “in house” capacity, but they have also trained partners in the agro-enterprise process and have achieved tangible results of skills transfer and economic impact within the farming community. The team is evidently motivated, well directed and their efforts to date are commendable.

As part of this evaluation a number of interviews were held with the stakeholders in the pilot scheme. These interviews have generated a considerable amount of information and the following section is a synthesis of the main recommendations:

1. Top level management support. The Madagascar CRS country representative has been instrumental in supporting this new initiative to implement a market led approach in the DAP. The agro-enterprise team should ensure that this management support is maintained. CRS is currently the pioneering agency in taking on a market-led strategy and continued top management support will be vital in the success of this transitional process towards enhancing rural innovation.

2. Strengthening the project management. CRS has developed an expert marketing and production management team (MT), comprising two technical advisors. These managers are responsible for

strategic decision-making, project development and technical support to the marketing project officers. It is recommended that the marketing & production management team be given increased autonomy to drive the 5 year DAP as this flagship project will require strong leadership in the coming years. The current uncertainty regarding the stability of these positions raises considerable concern that should be addressed as a matter of some urgency.

3. Advisory Support to the MT. As part of the new DAP, the MT will be working with a range of actors across several market types, i.e., local, national and international. To support this wide remit, it is recommended that the MT develop an advisory support group that has strong expertise in the areas of trade and specific sub-sector marketing. This will strengthen the strategic vision and decision making of the MT.

4. The shifting role of the project officers. It is suggested that the role of the marketing project Officers (PO's) be developed to anticipate a structured transition over the 5-year programme. In the initial year the PO's should focus on defining the market territory, building and strengthening the local Agro-enterprise teams (AET's) and working with farmers to gain experience in the process of agro-enterprise development. In years 3-4 the role of the POs should, where possible, reduce direct farm level intervention in production and enterprise and place greater emphasis on supporting agri-business / marketing services. The AET members should at this time be empowered to fill the enterprise support process as the POs withdraw one level. In years 4-5 the PO's should increasingly focus their efforts in supporting partners who will take on the role of business development service support in the territory. In the final year efforts should focus on strengthening these service providers as sustainable agencies. This transitional role aims to enhance the longer term sustainability of the process with the target community and to plan a potential exit strategy for CRS or what is more likely, is a transition from on-farm assistance to a higher level support role to many farmer associations.

5. Development of the Agro-enterprise Team. The agro-enterprise team (AET) should be made up from stakeholders that operate in the territory and have a common interest in the process of linking farmers to markets. Developing this team is an important task that requires careful selection of partners and some innovative thinking in how to forge partnerships of long-term value. According to the discussions with AET members, the majority believe they have benefited from both the training programme and the opportunity to meet, work and share ideas with other agencies in the locality. The MT sees the value of expanding project interventions / impact through the AET and the prospects of placing the PO's into a cascade of partners so that as time advances they have an opportunity to "step back" from direct farmer support role in the longer term. The majority of AET members were supportive of this new process of inclusion and felt that developing partnerships in this way is taking a positive step away from the more common path for individual agencies to simply "fly their own flag". The partners however expressed the view that the roles and responsibilities of the AET members should be more clearly defined and that a future role for the team should be elucidated.

6. Documentation. The marketing team have collected a large amount of information over the past 6-8 months and this need to be written up, published and circulated to partners. The documents to be

completed include (i) the Madagascar marketing strategy (ii) the Antsirabe Monograph, (iii) the sub-sector workshop, and (iv) the marketing curriculum. Some of these documents would benefit from a review by the Learning Alliance/East Africa Regional Office (LA/EARO) team and CRS Madagascar should consider translating the farmer's curriculum for the other LA members. EARO may consider funding this process. CIRAD have suggested that a case study of the pilot project should be published as an action research journal article.

7. Refining the Agro-enterprise Methodology. From the review it was clear that certain aspects in the agro-enterprise methodology were not sufficiently well explained for all the partners to use effectively and this requires either additional information or greater clarity of definition. Problematic aspects remarked upon by all the stakeholder group members included:

- (i) A full understanding of the concept of a “territory”, most people had an idea, but would like to have a definition so that they could refer to and link to the bio-physical profile.
- (ii) There was uncertainty about the scale at which the monograph should assess the territory and it was unclear how the information in the monograph was useful for the territorial interventions. The tendency was for the monograph to be done within a large political boundary that did not relate to the information needs or information focus of the area of intervention.
- (iii) The team members felt they did not have access to an appropriate method to assess livelihood / wealth status, and again, were not certain how to use this information.
- (iv) The team would have liked more detail on the meaning of concepts such as “innovation” and marketing “strategies”. These were new ideas and were not fully understood.
- (v) Similarly, the team did not understand how to apply the NPV and IRR approaches in the matrices and therefore did not attempt to do this work.
- (vi) Another aspect that was dealt with in many different ways was the process of the types of records being kept by farmers, partners and the PO's. It would be desirable for each of these levels to have a checklist of key information that should be recorded, in regard to production costs, harvesting, marketing costs and returns, finances and planning.

These issues should be brought to the attention of the LA and resolved, as the tendency is for people to simply drop what they do not feel confident in doing.

8. Training materials. There was general consensus that the CIAT training materials were very useful, but that they should be available in both French and Malagasy so that they were more accessible to the CRS team and particularly to the partners. The full suite of training materials also needs to be developed to include (i) Practitioners level, (ii) Training of trainer's manual and (iii) Farmers manual. CRS Madagascar have made considerable progress with their marketing curriculum for trainers and farmers and this will be a real asset to the success in Madagascar but also for the wider CRS Learning Alliance group. CRS Madagascar should discuss possible English translation of these materials with the LA and or EARO.

9. Strategy: One of the issues that came up with a progressive farmers group was the balance between advocating for diversification against the advantages of gaining economies of scale through collective marketing. This may be something that needs to be discussed by the LA group, as it maybe the case that for main season or major staple crops, that a collective action approach is desirable, whereas for higher value products, selling into local niche markets, that diversification is appropriate. It maybe the case that diversification and collectivism are not mutually exclusive, but need a period of individual testing of new products before a decision is made on a useful collective opportunity. This is an area that requires some debate and thought at the LA level.

10. Impact to date. The pilot project has clearly made an impressive start with significant progress in all areas of training, networking and farmer engagement. The project has enabled more than 100 farmers to initiate new market led activities within the first 6 months. The MT has shown great dedication to the process and the POs alongside their partners have been able to undergo an intensive training process. The lessons learnt over the past 6 months will put the marketing team in a good position to initiate the DAP in the four territories in a professional manner. The Madagascar group has completed the first cycle of AET formation, market analysis, sub-sector review, enterprise development and sales of products into identified markets. This has all been achieved in the off-season and for many farmers this has provided them with an entirely new income stream that they will continue to exploit and expand in the future.

Next steps in 2-3 months time frame

1. The uncertainty in regard to the management situation of the MT should be addressed as a matter of the highest priority. Lack of expertise at this level will jeopardise the success of the DAP and particularly the transition to the market led process.
2. Documentation related to the pilot project process should be completed and shared with AET members and a wider audience in Madagascar, i.e. donors, other NGOs, FOFIFA and other R&D agencies.
3. Roles and detailed planning of the PO activities in the new territories, for the DAP needs to be addressed and agreed upon by the MT and PO group. Targets and performance indicators should be developed in a participatory manner.
4. Roles of the AET and membership needs to be defined, with emphasis on the roles of service providers and the future management of this group.
5. Outstanding methodological issues should be addressed at the next LA meeting in November.
6. Training materials particularly the marketing curriculum need to be completed, translated and reproduced. CRS EARO should be approached to translate these materials into English. As part of this process the CIAT manuals for agro-enterprise and sub-sector analysis should be translated into French.
7. Success in this new market led approach outlined in the DAP, will position CRS well, for future

project funding and the MT should start to consider developing plans to identify new Business Development Services (BDS) area that CRS can implement in the future.

8. Some review of the roles and intervention point of CRS staff should be considered in respect to the NGOs strategy along a chain over time. Due to the nature of agro-enterprise work, it is envisaged that all field and middle level management staff should start with farmers and farmer groups to understand the process of agro-enterprise development, through the stages of marketing and business engagement. However, over time, after a 2-3 year period, in the long term staff should start to shift up layers in the role of engagement, such that partners work with farmers and the CRS staff work at a higher level and play a more strategic role, such as BDS support.

Purpose of the evaluation

CRS in collaboration with FOODNET and CIAT have embarked upon a “learning alliance” process, which aims to integrate a territorial approach to marketing and agro-enterprise development into the mainstream agricultural development programmes of CRS in Eastern Africa. In Madagascar, the CRS team had already initiated a marketing strategy into their proposed 5-year food security project and the “learning alliance” was therefore both appropriate and timely in supporting their needs.

Following on from the “learning alliance” market training courses, held in Kenya, September 2002, and March 2003, the Madagascar team decided to pilot test the territorial marketing methodology on a limited scale, in district of Antsirabe, during the off season. This pilot test provided CRS with an opportunity to train their recently hired marketing officers, test working relationships with partners and adapt the methodology to the Madagascar situation prior to launching these concepts into the larger DAP project.

In regard to scheduling of activities, the pilot test, which started in March 2003, is now well advanced with farmer groups selling their first produce into the market. The Madagascar marketing team is also preparing to start the main DAP project in January and as part of the learning alliance, the team has agreed to present their progress and findings to the wider CRS group at the forthcoming training workshop, planned for 10 - 14th November, 2003.

Due to these commitments, the Madagascar team felt it was a good time to undertake a formative evaluation of its pilot marketing experience in Antsirabe. The purpose of this evaluation being to draw out lessons learnt from the project's activities, strategies and methodologies and refine future interventions for the larger CRS/Madagascar's 2004-2008 DAP and share these experiences with the learning alliance group, see SOW, **Annex 1**.

The main objectives of the evaluation are:

1. Draw out the major lessons learned from the pilot experience. Examine successes, setbacks, and constraints in the pilot experience
2. Determine whether the strategies adopted for the experience are appropriate and effectively executed
3. Examine the partnership approach at different levels (diocesan partner, collaborator at NGO level, participant level) and logic of multi-level partnerships
4. Make recommendations for consolidating and expanding on the activities

The audience for this evaluation is CRS/Madagascar and its partners, CRS worldwide, the Learning Alliance, the government of Madagascar, other local and international organizations involved in Food Security in Madagascar, and participant communities.

The evaluation team was made up of:

- Shaun Ferris, Regional co-ordinator IITA FOODNET
- Marie-Hélène Dabat, Food crops economist in CIRAD, posted to Antananarivo

The program of the evaluation mission is shown in **Annex 1**.

Background to the “Learning Alliance” for linking farmers to markets

Today smallholder farmers in Africa are faced with the ever-increasing need to engage themselves into the market economy in order to generate cash income that will allow them to fulfil their basic needs, and improve their livelihood. These farmers have been accustomed primarily to producing basic food staples for their own subsistence. Unfortunately, the value of these commodities has declined over the past two decades as a result of improved production technologies and processes of market liberalisation leading to the high levels of competitiveness achieved by medium to large-scale producers across the world. Small-scale farmers in remote rural areas therefore face increasing pressure to adopt new strategies to confront these new challenges, if they are to benefit from development. Additive agricultural marketing strategies include:

- Diversification, by incorporating into their production system higher value crops or livestock that have an identified market demand.
- Adding value to the products that they currently grow, by changes in farming practices that take advantage of higher income marketing windows, locating alternative marketing locations that offer improved prices, using methods that enhance product quality and the incorporation of post-harvest handling and processing activities that meet the needs of clients or consumers.

At the same time, farmers need to apply basic marketing principles to their staple food products to:

- Improve the competitiveness of their staple food production
- Achieving economies of scale through collective action for both production and marketing.

In order to take advantage of these potential options, however, new activities must be competitive, sustainable, and equitable in the distribution of benefits. The interventions taking on board the principles of:

1. a market orientation which produces the right product for the right buyer at the right time and price;
2. the establishment of production systems that makes efficient use of existing financial, human and natural resources;
3. the incorporation of necessary post-harvest handling and processing techniques;
4. appropriate business and marketing skills and organizational schemes which lead to economies of scale, and;
5. improved links among market chain actors and flows of both market based information and new production technologies.

Catholic Relief Services (CRS) has recognized the need for incorporating a market orientation in their support for farming communities and is adopting with their partners a commodity or market chain approach to the development of prioritized crops or products.

FOODNET¹ and the International Centre for Tropical Agriculture (CIAT) have been generating information, and developing methods and tools aimed at responding to the entrepreneurial development needs of institutions that support rural communities. At present, Foodnet and CIAT have at their disposition methods and tools for capturing and systematizing market information, identifying market opportunities for small rural producers, and a participatory approach to the design of integrated agro-enterprise projects. In the process of development are guidelines for the strengthening of local support systems for rural agro-enterprises.

The “learning alliance” is an attempt to put into practice a new model of **mutual learning** between research and development institutions, with a view to enhancing the rate of uptake of innovative concepts, methods and technologies that aim to improve the competitiveness of smallholder production.

The model is based on (a) the identification of a specific development need or demand, and (b) the definition, and subsequent implementation, of a set of activities over time that involve a process of (i) learning, (ii) putting into practice what has been learnt, (iii) reflection on what has been achieved, and (iv) feedback on what has worked and what has not worked, (v) followed by a further cycle of learning, practice, reflection and feedback, etc. This approach differs substantially from the common practice of attempting to ‘train’ development practitioners in new methods in one-off training courses of short duration.

The objective of the “learning alliance” is to improve the capacity of CRS personnel and those of its partner institutions to support the development of sustainable links between farmers and markets. These links will be achieved through the design of agricultural projects for selected products, using a market or commodity chain perspective that seeks to enhance the competitiveness of small-farm production, and a more equitable distribution of benefits along the market chain.

The wider goal of the “learning alliance” is to catalyse the integration of market led concepts and processes into the practices of mainstream service providers and through this process to improve the livelihood skills of small-scale farmers in developing countries.

¹ FOODNET – ASARECA’s Regional Research Network for Marketing and Agro-Enterprise Development in Eastern and Central Africa.

The methodology for marketing and Agro-enterprise development

The methodology developed by CIAT's Agro-enterprise project for marketing has been developed over the past 5-10 years through a series of projects that have increasingly focussed on a more participatory approach to improving the livelihood of resource poor small-scale farmers. The process has adopted a defined territorial approach that has four main components, as shown in Figures 1. Within each of these components there are a series of activities that are applied through specific market based methods, as shown in Figure 2.

The details of these methods can be found in CIAT's manual entitled "Identifying and Assessing Market Opportunities for Small Rural Producers". The learning alliance is a process of transferring and refining these methods to the specific needs of a particular service provider. In Africa, the first of these learning alliances is assisting CRS to develop a series of marketing tools that it can apply on a generic level, across several countries and find ways of making appropriate adaptations for local needs.

The result of this "learning alliance" process, is also to develop a more effective cascade of partnerships from research, through international service providers, local service providers and ultimately to the beneficiaries, that is providing the types of information and technologies that rural communities can apply to achieve their development goals.

Figure 1. Schematic of the Territorial Approach

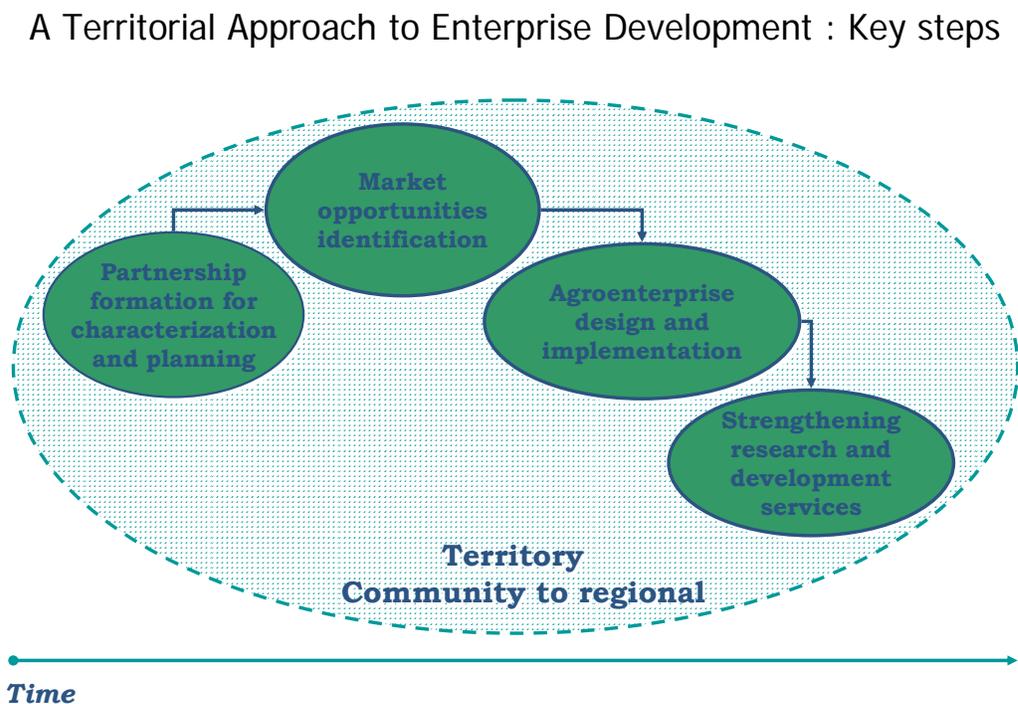
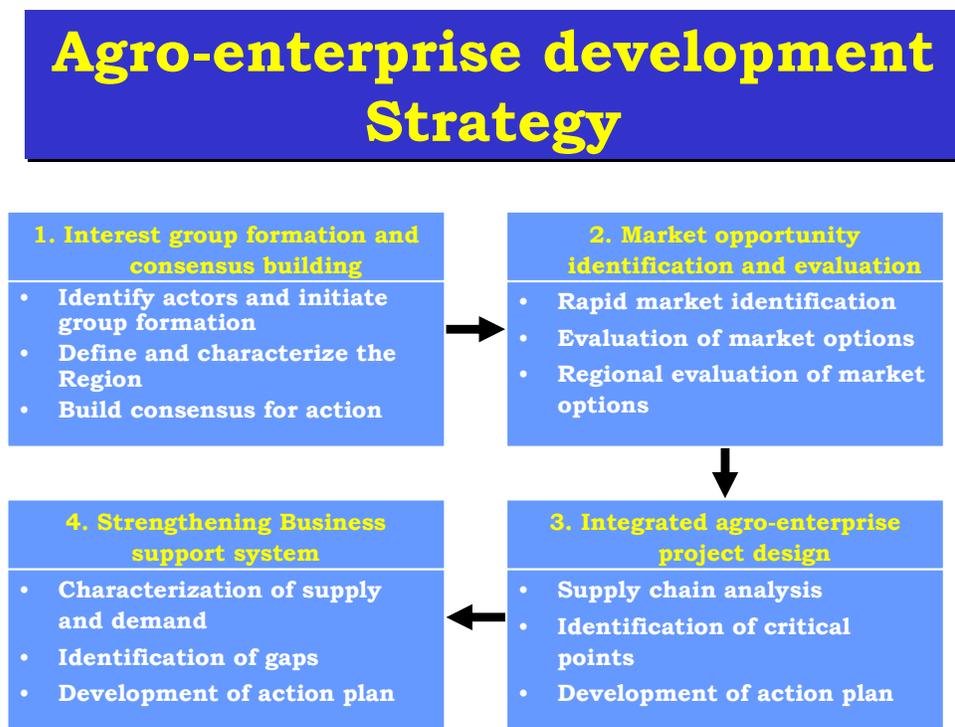


Figure 2. Activities within the four steps



Findings from Stakeholders in the Pilot Marketing Project

The following section is a summarised review of the detailed discussions that were held with the cascade of actors in the Madagascar pilot project. The main part of the evaluation was performed through a series of interviews with the following groups, (i) CRS Management team, (ii) CRS Project officers, (iii) the Agro-Enterprise Team, (iv) Farmers association and (v) Farmers within the farmers groups. The full text of the first two interviews are attached as **Annex 2**. Reading through this information will provide specific observations of the views of different actors in the cascade, there are important lessons to be drawn from their responses and suggestions.

The summaries will follow the basic format of the interview process, which essentially follows the agro-enterprise strategy, as outlined in Figure 2.

- Component 0. Institutional support and internal planning
- Component 1. Working group formation and characterisation of your territory(ies)
- Component 2. Market opportunity identification

- Component 3. Design of integrated Agro-enterprise Projects
- Component 4. Execution of Integrated Agro-enterprise Projects
- Component 5. CRS Impact assessments

The information is presented as general outcomes and the major comments extracted from the questionnaires. see **Annex 2**.

Findings from the CRS Management team

Institutional support and internal planning

Review

1. The CRS country representative has shown strong support for the move to market led strategies and the new 5 year DAP is being implemented through a market-led approach.
2. CRS has hired dedicated staff at both the senior management level and field level, with marketing expertise to support this process.
3. When the DAP starts in all four districts, the management and project officers will be exposed to a wide range of marketing options and conditions. The management felt they required additional support in terms of marketing basics and sub-sector support.
4. Although the CRS team understand the marketing process, there is some concern that some of the concepts are not fully understood by all the members of the AET level and the group would benefit by producing documentation for the consumption of partners in Malagasy.
5. There is also concern that when the DAP starts, that the MT and the PO's will be exposed to a wide range of marketing options and trade issues and may benefit from additional marketing support to be effective in these areas.
6. There is a steep learning curve to take on in this transition from production to market led, with training requirements at all levels in the process, the CRS management team has been proactive in both adapting the CIAT marketing tools and developing new training materials for the various levels of intervention. This initiative needs to be completed and translated.

Recommendations

1. The country representative should be kept fully informed of progress in the marketing project and the management team need to provide regular feedback to top management levels.
2. The role of the management team (MT) is considered to be **critical** in maintaining momentum of the new marketing approach and CRS should try to ensure that the higher level management position i.e., technical advisors are both maintained and possibly strengthened to ensure that the field technicians and wider Agro-enterprise teams have the benefit of direction from a person

who fully understands the marketing process and has innovative ideas in how to overcome the inevitable challenges. Discussion during the evaluation suggested that there may be some fluidity in both personnel and positions at this level in the near future for the two advisors. This is a area of considerable concern. It is the view of the review team that the current PO's would not fill the current position of the marketing technical advisor effectively.

3. CRS / LA should consider developing a simple 2 page flyer to explain the Territorial marketing concept and the roles and responsibilities / benefits of the different actors for broad consumption.
4. The Senior management should consider developing their own local economics support group at a higher level than the AET to gain from partners with experience in market analysis and a broader overview of the macro-economic situation in Madagascar. This group could consist of partners such as CIRAD, Chemonics, World Bank and others already operating at this level.
5. To provide a broader background into the concepts of trade and marketing the group should consider purchasing a number of basic reference books and or reference materials such as (i) Coetler - Marketing principles, (ii) Easterly - Elusive quest for Growth, (iii) Robbins – Stolen Fruit, (iv) Friedman - Lexus and the Olive Tree, (v) A. Shepherd – Theory and practise of market information, (vi) Robbins and Ferris – Globalisation, etc.. A more detailed list may be developed as part of the LA group.
6. CRS management should be commended for taking the initiative to develop the marketing curriculum for farmers. This is considered to be something that is much needed and will be of value to the wider LA group.

Component 1. Working group formation and characterisation of your territory(ies)

Review

1. The limitation of the territory appears to be somewhat unclear. The CRS group have adopted the diocese as its territory, but the actual implementation of agro-enterprises are focused in some villages surrounding Antsirabe.
2. The AET was formed through a series of meetings and training sessions with partners. CRS is playing a strong leadership role in this aspect and this is much appreciated by the majority of partners.
3. The AET is considered to be a useful network, but there is some antagonism with specific partners based on their expectations and the ability of CRS to meet these desires.
4. The number of farmers involved in the pilot project approximately 100. This will increase to more than 6000 in the planned DAP project. Based on this scaling up process, the idea of a pilot project now seems to be an excellent first step in the implementation of the marketing approach. The use of a pilot study may be something that other CRS programmes also follow.
5. The monograph was generally not implemented in a useful manner. However, the exercise was

considered to be beneficial in terms of team building for the AET. The information generated was most useful in identifying partners, but not in terms of gathering local knowledge and secondary information. See Monograph **Annex 3**.

6. The idea of livelihood level “asset” based analysis was not well understood and therefore not done. CRS will do something similar for the main DAP project, but this will not cover AET members or their beneficiaries. Is this an important issue?
7. The idea of innovation was not clear and this needs to be defined so that AET can also determine why it is required, so that it can be incorporated into the M&E process.
8. M&E processes have not been developed with an agro-enterprise context.

Recommendations

1. The LA team need to provide greater clarity in how to define a territory and how this is linked to the monograph. It is suggested that the territory should be the area of intervention with links to external markets. The territory should not simply assume a political boundary, as the interventions are not covering such a wide area, see definition as described by LA. **See below**.
2. Management should review AET selection member process.
3. The roles of the AET members need to be clarified and expectations should be reviewed and addressed, whether this is by accepting or rejecting the member proposals. A plan for the AET members would be useful so that they have a longer term view of their training needs, commitments and required investments in time and labour.
4. Due to the future scale of operation of the CRS DAP, which involves several thousand of farmers, it is considered that a focussed pilot project is a good first stage, particularly for the managers and field staff. This rapid learning experience that should be considered by other LA members.
5. The monograph (bio-physical profile) should focus on the area of intervention and not an arbitrary political boundary. The LA team should review this and reach consensus. It may be useful to develop a checklist of essential information and a guide to why particular types of information will be useful in the future.
6. The reason for undertaking a wealth categorisation survey was not well understood, particularly the need for this, this is something that needs review at the LA level.
7. MT and PO’s need guidance on the concept of “innovation” with examples and why this is useful.

Defining the Territory

The territory is defined as the area or location that encompasses the agro-enterprise interventions of the

AET or farmers. Options for delimiting the territory depend upon the scale of the intervention. The group should select an identifiable land area that most closely matches the boundaries of the enterprise activities:

Options include:

- Field
- Farm
- Village or community
- Cluster of villages (or parish)
- Cluster of parishes or (diocese)
- Smallest administrative / political boundary
- Agro-ecological zone
- Country
- Region

Linking the Territory to the socio-physical profile.

For the purposes of the socio- physical profile, the study group should collect asset-based information based on the definition of the territory selected from the list above. However, the profile analysis may include information related to markets outside of the territory.

Component 2. Market opportunity identification

Review

1. The group did not use the marketing “strategies” in the MOI survey. Considerable preparation time was spent in simplifying the questionnaire and translating it into Malagasy.
2. Secondary data was not collected, as was not available or was not considered to be important.
3. The time frame for the development of the questionnaire was 3 days. This was considered as efficient use of time. All partners were involved.
4. Although various notes and minutes from meetings were made, a report of the process was not written up. The information is, however, held in several files, in both Malagasy and French.
5. The formulation of selection criteria to discard marketing options was well done, see documentation of different criteria used at the two discard levels, **Annex 4**.
6. The selection matrices were also developed but this information was not prepared and shared in a report format. As this was a pilot it was not considered necessary to write this up in detail.
7. The financial matrix was not completed as it was not well understood and would have taken too long to fill out. There was also a lack of economic data.
8. The AET members did not complete the matrices process well, as it took too much time and was not well enough understood, this was left to the CRS POs who completed the task

successfully.

9. The information from the matrices was shared with the AET group in plenary and they considered the information to be very useful, this information was thereafter discussed with the partner farmers groups.
10. The farmers found the process very interesting and were keen to make decisions based on this work.
11. A final report, has not yet been completed, although files are available, they are not all available in both Malagasy and French.

Recommendations

1. The LA team need to provide greater clarity on the term “strategy”. This may not be an appropriate term and the example in the manual is somewhat obscure. There is a need to improve the manual.
2. Lack of secondary data was later found to be an important omission, particularly in gaining an understanding of price trends. It was not clear if the data was not available or was not understood as being important. This omission indicates that the MT, may need to be a little clearer about the importance of sub-sector information in guiding future interventions. Linkage with other economists in Madagascar would assist in firming up the understanding of sub-sector analysis, what is important and why. If the data is actually not available it may be necessary to set up mechanisms to collect it in future. The training materials may benefit from an example of a monograph, with notation as to why information is useful.
3. Survey instrument development process was good, but the process was not recorded.
4. The lack of a market study report is problematic, in that although the MT and PO’s have the information, the AET partners have not seen this data and efforts should be made to complete this work. The pressure of using the data to proceed with getting the job done is noted and understood, but dates for this should now be set.
5. The information from the selection process needs to be reported back to AET, in both Malagasy and French.
6. The next level of analysis, i.e. the matrices, were not reported back within a report, due to time pressure, but this needs to be done for partners to understand the concepts and process.
7. The financial matrix needs to be simplified. This can be done, and should be reviewed at LA level, so that field staff have options to full in these matrices, may be useful to have SIUPA matrices as a guide.
8. AET members found the process too taxing, and it was the CRS team that did much of the this work. This is something that needs to be considered for the expansion phase, in terms of what is required and who should complete certain tasks. Incentives may be necessary to get this work done by partners.

9. AET members discussed the results but would have benefited from a summarised report, which would still be very useful for the Antsirabe AET members and for the expansion phase of the DAP.
10. This is important as the idea was to learn from the pilot study and much of the information may be lost if it is not written up whilst still fresh in the minds of the group.

Component 3. Design of integrated Agro-enterprise Projects Review

1. The options developed in the selection process were discussed with farmers and the following selections were made by the various groups:

Partners and products selected in the agro-enterprise Process

<i>Product Selection for Off-Season production</i>						
	Cucumber	Green Bean	Pea	Wheat	Chicken	Foie Gras
CARITAS	76	40	11		4	12
FITAVA	10		3			
Title II	12	22				
ROVA						5
Ministry of Agriculture	3			5		1
SAFIDY	3	1		5		
Total	94	63	14	10	4	18
Overall total	203					

2. The CRS team had not received training in the development of agro-enterprises and were now entering new territory. As they were ahead of the game, Ed Walters and Mahery, obtained information from CIAT on how to undertake a participatory sub-sector analysis. Following on from the selection process CRS provided training to the Agroenterprise team in sub-sector analysis and received support, through CIRAD, from Marie Helene Dabat in this process. The idea was to use the trained people as resource persons at the workshop, see timetable **Annex 5**.
3. CRS held a Sub-Sector workshop, at Antsirabe from 11-13th June. This was done with the AET, interested farmers plus other actors in the market chain. Key informants in the market chain were identified for each product, including farmer reps, transporters, wholesalers, retailers, processors and financial institutions. The workshop was divided into three groups, (i) Vegetables, (ii) wheat, (iii) poultry and Foie Gras. The sub-sector analysis was done at the workshop. The process was followed CIAT's PPI sub-sector method and the manual was considered to be very useful. The manual suggested 4 workshops, but all stages were condensed into one 3-day workshop and this worked well.

4. The limited time meant that the CRS group did not follow on from the workshop with more detailed sub-sector analyses. However, CRS did spend considerable time preparing the documentation for each sub-sector, see **Annex 6**.
5. From the results of the sub-sector analysis, off-season agro-enterprise projects were planned with farmers and implemented. Long-term plans were not considered at this stage, as this was a pilot phase.

Recommendations

1. The participatory Sub-sector Analysis (PPI) manual should be translated into English and French as soon as possible to facilitate partners in this analysis.
2. Training in sub-sector analysis will be part of future LA sessions. It was clearly useful to link with CIRAD in this situation and this type of external support is encouraged. Using external expertise in this way validates the idea of a MT support group in Madagascar.
3. The sub-sector report should be written up and circulated.
4. In the expansion phase, the sub-sector analyses needs to be more rigorous, there are several methods to do this type of analysis and survey instruments and methods will be made available to the LA partners.
5. It is important to write up the sub-sector analysis and recommendations carefully as this information will be useful for the expansion phase. In the expansion phase, the market survey will need to be done with more rigour and may need additional expert assistance in agro-enterprise business planning. CRS should consider this requirement for the next phase.

Component 4. Execution of Integrated Agro-enterprise Projects

Review

1. Some farmers were expecting technical production support from DRD, but CRS did not fund the budget for the activity as it was considered too high. Some partners therefore did not receive technical support. CRS do not consider themselves to be the main provider of technical support and therefore some strategy or guideline needs to be developed to ensure that training is provided if agreed.
2. CRS are commended for developing a farmers marketing curriculum which was developed and tested in the pilot phase and will be ready for the DAP at the trainers and farmers level. This will enable farmers to identify their technical and marketing information needs and in some cases to collect it or negotiate with the PO's to have access to this information.
3. Additional information on market linkage and business planning was not done, as there was insufficient time. The team thought that these aspects were related to Box 4 of the road map. For some crops, they were still growing at the time of the survey but it was clear that CRS has

not developed a rigorous process of market linkage support for their farmers. The assumption being that farmers made their market links at the workshop. CRS may require more guidance in this area particularly in terms of the marketing information that they provide to their farmers or collect and disseminate on their behalf.

Recommendations

1. CRS needs to develop a policy for payment of service providers, or a process that farmers should follow to get this information. It may be that if CRS has service provision funds, that this could be provided to farmers on a demand basis and that farmers should decide who gives them the support they need.
2. The CRS marketing manual is nearly completion and was discussed but not reviewed in this SOW. The materials should however be reviewed by an expert panel, or advisor. This could be done by the LA group or through CIRAD. The development of this curriculum has great potential benefit for the wider CRS LA group and these materials should be considered for wider dissemination at the next LA meeting. If agreed, these materials could be translated into English for the Anglophone countries to test the materials.
3. CRS did not complete all the various aspects of support to the agro-enterprise process, in terms of business planning support to marketing linkage and value addition. These aspects should be more fully addressed in the expansion phase. It is hoped that the LA will have covered more of the new areas in subsequent training sessions, prior to DAP implementation. CRS would clearly benefit from a checklist of marketing needs for their farmers and also should develop a plan of action in regard to what types of information, whether production or marketing that they intend to gather and or provide to their beneficiaries. There appears to be a dearth of market information in Madagascar and CRS should consider developing this area, possibly as part of a larger consortium, and possibly via a separate project. However, for the territory the collection of key market trend data needs to be assessed for the farmer groups.

Component 5. CRS Impact assessments

Review

1. Overall, the pilot testing process should be considered as highly successful, the farmers and associations are very keen to engage in marketing processes as they view this as one of their most important constraints. The CRS team has put considerable effort into fast tracking the process and the team is clearly highly motivated. Due to the efforts of the CRS marketing team, they have already achieved impact at the AET and farmer levels, which is a credit worthy result in 6 months.
2. The number of people involved in the process to date include: CRS – 6 person, Ag Enterprise team 15, persons, Farm associations – 4, Farmers – 203. This is planned to increase to up to 6,000 direct farmer beneficiaries in the next 4-5 years, which can be extrapolated to 20,000

families, which given an average of 6 persons / household will be in the range of 120,000 people.

3. The project has been very rapid in gaining positive field results and has done well to develop and train partners in the AET. Farmers are trying new crops, new production technologies, some have ventured into added value and many are trying out new marketing ideas.
4. The partnerships appear to be strong, particularly between CRS and the farmer associations. All parties have a high degree of interest in the subject matter and are all committed to attending the meetings. The sub-sector analysis showed good participation. Weaknesses may be that partners may not have the resources or capacity in staff to commit over the long run and that the entire process is CRS led and driven. As this is a pilot project, these matters were to be expected.
5. The CIAT methodology has been used well and has been adapted to the local situation through training, translation of document and through short cut methods that have enabled the CRS group to make rapid progress.
6. A sub-sector workshop has been held that led to the development of approximately 100 farmers setting up enterprises.
7. The CIAT method has been augmented with a farmer curriculum.
8. The idea of a pilot test appears to have considerable merit and should be proposed as an idea for inclusion into the wider LA process.
9. The M&E process is not yet fully developed and this should be considered.

Findings from CRS Project officers, (POs)

Component 0. Institutional support and internal planning

Review

1. The marketing approach is considered a new approach for Madagascar but the PO's considered it to be complimentary to previous production based work. They were initially of the view that marketing was only for large private sector companies and it took some time to see its application for small-scale farmers. They consider the marketing process more relevant to the progressive farmers, and think that the remote farmers will struggle with the idea of increasing their risk and investment of time and labour.
2. The POs felt that the training was good, but almost immediately required training materials for the AET partners and farmers, which was not at hand. This was developed later as part of the marketing curriculum.
3. There was feeling that the pilot project was too large at 100 farmers and that it would have been better to limit the numbers in the pilot project to groups of 2-5 farmers per village in order to

work until the project work was successful, consolidate on the shift and use these examples for the other farmers.

4. The POs found the idea of working through local partners difficult and wanted to short circuit this and work directly with farmers. In most cases they did both, as they felt the competence and commitment of the partners was lacking.
5. The project start up was highly accelerated by the MT, at some points the PO's did not fully understand the process. It took them some time to understand what a "territory" was and they are still not fully clear about this. The project seemed to progress without a logical framework and they would have preferred to have greater guidance in terms of indicators and milestones a detailed plan of actions and budget.
6. The PO's were of the view that the AET only partially understand the marketing concept and that they need additional and regular training.
7. If the PO's had better training materials in the local language at the beginning of the project this would have been useful in assisting their partners.
8. The PO identified other potential partners for the AET: FIFAMANOR (research and extension), KOBAMA (flour production), ACM (pesticides retailer), AVITECH (support to poultry farming) FOFIFA (research), BOA (credit), Maison des Paysans / Chambre d'Agriculture (support to farmers).

Recommendations

1. The training of the PO's needs to be monitored carefully, as they are the front line troops. Their feedback is important for the MT. It was noted that Mahery was working very closely with the team. This is important for other groups to note when undertaking this process. The PO's must be clear about their roles and be motivated.
2. The CRS MT was highly responsive and had anticipated this need. They hired FORMAGRI, an AET member to develop the curriculum, which was also tested during the pilot phase.
3. Starting the process with too many farmers is a point worth noting, but may be difficult to avoid, particularly in the pilot phase.
4. Working at a higher level than directly with farmers is critical in terms of the longer-term perspective. It is important that in the first stage of Agro-enterprise development that the CRS PO's play an active role with farmers, so that they can appreciate the process at the farm level. However, ideally the POs should work towards developing AET capacity to undertake the same role so that the PO's can disengage from one set of players, once they have started on a market led pathway. This will enable them to initiate the process with other players. This is essential if CRS are to be in a position to scale up effectively and build in an exit / transitional strategy from the outset. This is not a simple task and as stated by the PO's the partners need considerable training, if they are to assist farmers effectively.

5. The accelerated nature of the project was necessary as the group was under a considerable time constraint to meet the planting date for the off-season. This aspect however, underlines the critical value of an expert MT, the process would have failed without this support.
6. The value of the pilot project is underlined by the slow learning rate of the AET members. Clearly the roles and responsibilities of the AET group member's need to be clear from the outset. However, it will be difficult to assess the final role of any team member until they have demonstrated their capacity and their level of participation / motivation in the process. The pilot project is a useful way of determining the most effective AET lineup and using performance indicators may well be the best means of assessing who should be included in the AET partnership in the larger DAP project. The pilot project has given the POs time to reflect on the capacity and roles that the individual AET members can perform and decisions on the future composition of the AET should be made on these recommendations. It may be that CRS can develop some form of performance bonuses to the most effective AET members.
7. The entire process is made much simpler if all parties have the training materials at hand at the beginning of the process. This was not the case in the pilot project, but CRS has made considerable efforts to address this situation and this is to the benefit of all the LA members.

Component 1. Working group formation and characterisation of your territory(ies)

Review

1. This was done by MT prior to hiring of the PO's but the PO's did introduce some of the more active farmer organisations into the AET.
2. The concept of the size of the territory was not well understood. The monograph was done on the larger political district boundary, (Vakinankaratra: 17.000 km², 59 communes, 1.300.000 inhabitants), but this had no relation to the actual area of operation and intervention. For most purposes the PO's felt the monograph was not useful. Taking the more macro approach did not enable the AET to use farmer's knowledge and this would have been useful in knowing what can and is already grown, or what has been tested and failed. Sometimes having done the monography on such a large territory negatively affects the work, for example some farmers decided to wait until the end of the year to start planting due to the off-season was too cold (the weather can be so different from one part to other part of Vakinankaratra).
3. According to the PO's, when the marketing curriculum was tested with the Mahaiza farmers they described their territory very well. This information was not capture in the monograph.
4. The social / wealth classes of the farmers could be analysed using critieria set out by the PO's, (see questionnaire) but this was not done and was a missed opportunity. The wealth criteria was not done, as it was not clear to the MT or the AET how this information would be used later.
5. The concept of "innovations" was not well understood and the PO's felt the AET should gather this data. It may be that the word innovation is a complicated term for "a new type of activity for a farmer" and in this case the simple explanation maybe preferable.

Recommendations

1. PO's should be charged with identifying effective partners especially at the farmer association level, as this should be their main linkage point to farmers.
2. The LA need to define the idea of territory more effectively and link the monograph / socio-economic profile to this area in a way that is useful.
3. Suggestion to link the territory to the actual area of intervention. The monograph can include market linkage information that goes beyond the territory, but the core information should be of direct relevance to the beneficiaries and AET members.
4. CIAT / FOODNET needs to clarify linkage between Socio-economic profile and later interventions and processes. Currently this is considered as a hoop to jump through.
5. The idea of "innovation" was not clearly understood and this question may have appeared as odd to the PO's as this was probably the first time that they have encountered the term. It is important that CIAT / FOODNET make the information requirement both sensible and easily understood, so that partners can collect this information in the knowledge that it will be used to good purpose at a later and foreseen next step. CIAT / FOODNET, may need to develop checklists for each stage in the LA process, so that such ideas or concepts are not "sprung upon" partners and appear out of context.

Component 2. Market opportunity identification

Review

1. The PO's only asked two questions in their questionnaire, (i) what do people buy most and (ii) what is scarce on the market. The concept of the "strategy" was not understood.
2. The questionnaire was developed with the AET, the process worked well and the teams were able to conduct the survey with a range of sales points / market actors in a 10 day period, using 4 teams. Each team was led by a CRS, PO. The information was synthesised at a group meeting and results presented to farmers. A report of the process was not completed.
3. The discard criteria were developed by the group, the first level of discard was based on whether the crop could be grown in the territory and this reduced products from 50 – 31. The next level of discard used their own 14 point criteria and this enabled them to reduce the number from 31 to 11 possibilities. The matrices were then used to reduce the possibilities to 6.
4. The information required for the matrices was not all available and in some cases the PO's added in criteria. The financial matrix which included IRR and NPV was not understood and not used. However, the matrix idea was considered useful as a means of comparing like with

like.

5. The results of the market selection were discussed with the farmers and it generated a lot of interest. All 6 options from the MOI were tested by some farmers. The PO's found that the more progressive farmers who were on the main road wanted to try the more exotic ideas, whereas the poorer farmers in the remote areas were not keen to try any new ideas unless helped by the PO's. The major point here was that the marketing study, clearly encouraged innovations to take place.

Recommendations

1. The "strategy" for the MOI as described in the manual was not understood and should be explained with a less complicated example. It is probably easier to give one example as something that the farmers wanted to know more about. The LA needs to address this issue. **See the glossary of terms, based on Thika Learning alliance meeting.**
2. The information was gathered and analysed. This process and the results should be recorded in a report so that the AET members and the POs can learn from the experience and be in a position to transfer the method for use with other partners.
3. If the PO's had developed strategies they may have avoided collecting information on crops that could not be grown in the territory.
4. The use of IRR and NPV is something that needs to be explained in the manual and if the manual can include some excel spreadsheet information and or be presented on a CD ROM with examples, this may encourage people to use these ideas. There may also be a possibility to reduce the complication of the financial evaluation to input costs and returns, over 1 year to start the process, as this the normal planning for many farmers. This financial information can then be extrapolated into future years. LA should develop a solution to this problem.
5. The AET and implementing agency, need to be clear about their target beneficiaries. The project may gain more by identifying the most progressive farmers in the early stages and it maybe that this is a strategy worth considering, i.e. focus on the progressive farmers in the first 1-2 years of a 5 year programme. Then use the lessons learnt by these groups to assist the more remote, less endowed farmers. This may be an issue that the implementing agency considers in percentage perspective. If targets for performance at to be set, within wealth categories, this issue becomes ever more relevant.

Component 3 and 4 Design and execution of an integrated Agro-enterprise Projects

Review

1. All the 6 commodity ideas from the survey were tried by some farmers and the view was that the selections were chosen well.

2. The AET did plan with farmers and although the PO's did not see all the farmers, the AET team made follow up meetings with their members. Elements of the plan included production calendar, cultural, operations, when to plant, land area, seed type, harvest date etc.
3. Full details of the planning process for the various agro-enterprises were meant to be discussed in detail with the AET but due to time constraints this was not done systematically. As the sub-sector workshop report was not finalised, it was not circulated. Nevertheless the results were shared at the time, by participation and so there may have been less compulsion to circulate results that were known by the partners.
4. In terms of market linkages, verbal contracts were arranged with buyers at the sub-sector workshop. However, when farmers delayed planting, some buyers said they would buy elsewhere and this indicates the need for a sound sub-sector analysis to consider windows of opportunity.
5. Some farmers were waiting for technical assistance before starting and this did not happen, so they did not start their enterprise. This was related to the DRD not providing technical assistance unless financed.

Recommendations

1. Due to the large number of farmers all the options were tested. Clearly working with many farmers increases the chances of farmer interest and the need for technical services. This needs to be factored in for the larger DAP project.
2. The planning process for the AET was not entirely clear and this may require stronger linkage to AET partners, in terms of checklists and procedures.
3. The CRS MT should complete the sub-sector workshop report. This report has not been circulated and this led to some criticism from AET members. A request was made for a calendar to be circulated amongst members indicating when events would take place.
4. Contracts between farmers and buyers are notoriously weak. Farmers often break their promise to sell at an agreed price if another buyer offers them more, and buyers may refuse to honour verbal agreements if they find similarly lower priced goods. The value in honouring contracts should also be discussed with farmers especially if collective marketing strategies are to be used in the future.
5. Recommend that technical assistance is planned at the start of the process and that expectations of service providers are agreed. CRS need to review their policy for technical service provision.

Component 5. CRS Impact assessments

1. The AET comprised 25 members (2 or 3 by partner: DRDR, Caritas, Safidy, FITAVA, Rova,

FORMAGRI, association Ambano, NGO Ramilamina, Chambre de commerce, Gelpro, programme titre II, Tiko). Some new partners have indicated that they want to join. Of the 203 farmers who expressed an interest to join the process only 100 farmers actually started enterprises. The revenue from these enterprises currently stands at \$1023. Information of this type needs to be monitored carefully so as to track changes.

2. New techniques were being tested, particularly the use of the irrigated land in the off-season for the production of vegetable crops. Moves in planting dates were being tested too in order to reach the market at a good period for prices or to avoid costly storage or to get money at a good moment to invest. But innovation in improvement of quality has not yet been tried.
3. Diversification was achieved but in most cases farmers tried something that others already do, but that they had not tried. The interventions were described by the PO's as follows: (i) Chicken being a substitution rather than diversification as they did eggs before, (ii) Peas used to be done, so not new, (iii) irrigated beans, is a shift in location of production from dry areas, but is the same product, (iv) Foie Gras is diversification, in terms of shift from geese to duck, (v) Cucumber and cabbage is diversification as the farmers are doing something entirely new, (vi) Green beans are a substitution, (vii) Wheat was mainly an expansion.
4. Farmers are showing a change in behaviour and interviews with the farmers confirmed that they were now interested to explore new market options and talk to potential buyers.
5. In terms of the sub-sector analysis, some of the PO's struggled with the methodology, as the slides were in French and would have been better in Malagasy.
6. The AET were not fully involved in the M&E and the PO's were of the view that most of the AET members did not follow up with farmers regularly.
7. In general the CIAT methodology was considered to be good but some terms were difficult to understand and the financial matrix was too complicated.
8. The PO's would have liked to undertake some consumer preference surveys. CIRAD could assist in this regard.
9. In regard to partner performance, most implemented what they agreed to do. The best performing partners were the farmer associations (ROVA, SAFIDY, FITAVA). DRD, did not perform well, but they were not paid to provide technical services. This is a standard public sector response to duty and reimbursement, it does however, require some form of clarity in how to move forward. CARITAS, did not perform well, as they did not fully understand the CIAT methodology.
10. In terms of functionality, the AET is working, the MOI was conducted well but in the transmission of ideas to farmers there have been mixed results.
11. Weaknesses of the partnerships could include a rather top down approach for the dissemination of products rather than a more bottom up approach that was envisaged. This may have occurred due to lack of understanding of the "strategies" at the MOI stage and the fact that farmers often

set these strategies. Typically, they would provide input to guide the MOI.

12. Improvements in the strategies may be gained by providing greater clarity at the beginning of the process about what types of partners are being sought, the level of commitment that is required and the resources that are available for implementation. The conditions for the AET members should be made at the outset.
13. The PO's think there should be less support services in the AET and more focus given to farmer representatives and associations.
14. The pilot phase should only attempt to work with a small number of farmers in the beginning, too many were approached at the pilot stage.
15. As far as the M&E process is concerned, the PO's suggest that there is no system yet in place that is focussed on enterprise activities. They are currently using normal monitoring systems. The PO's would have liked a LOGFRAME and a plan of action to enable them to know how to progress through the various stages of the enterprise approach.

General comments

1. Generally the PO's understood the process the well
2. They are motivated and keen to improve the market-led approach.
3. They consider that it's a lot of work for one person to do alone.
4. The PO's initially thought not to work with farmers, i.e., to go through intermediaries, however, they did not have full confidence in the partners and later decided to work closely with farmers. Working directly with farmers and this was considered to be most effective. They felt that they need to do more of this to ensure that farmers are closely involved. CRS felt they trusted AET members too much and need to monitor progress and performance more closely.

Recommendations from the PO's

1. The roles of the AET member's needs to be clarified from the outset. The planning team needs to review the composition of the AET and be clear about facilitation and expectations. The PO's suggested that more representatives from the commodity chain should be involved particularly those with a concern for development. These may include professional representatives such as the Chambre de Commerce and Maison de agriculture. The AET should have less support services, and not the DRD.
2. All members need more clarity as to which organizations and services are most appropriate at the 4 stages in the Agro-enterprise approach.
3. Need to undertake a deeper sub-sector analysis of the selected commodities. This can be done in a participatory manner. There was a feeling that the PO's were not fully conversant with the

sectors they proposed to their farmers.

4. Choose a small territory for the monograph in order to have a better coherence with the zone of intervention and to include the local knowledge more effectively. This would provide a link between the socio-economic profile and the market opportunities survey. **Important problem related to the methodology which needs to be defined more clearly.** . Choosing a small territory for the diagnostic (monography) is more difficult as some data does not exist. In this case the monography of Vakinankaratra existed, as updated by DRDR for the ministry in February 2003, but some data / informations need to be adapted or completed for the territorial approach.
5. The pilot test should start with less farmers, this indicates that the first territory should be small. This maybe at village, a clusters of villages, but not a district. See definition overleaf:-
6. The planning process should ensure technical support for farmers. This needs to be given on request with close co-ordination amongst service providers.

Defining the Territory

The territory is defined as the area or location which encompasses the agro-enterprise interventions of the AET or farmer's. Options for delimiting the territory depend upon the scale of intervention, the group should select an identifiable landarea which most closely matches the boundaries of the enterprise activities:-

Options include:-

- Field
- Farm
- Village or community
- Cluster of villages (or parish)
- Cluster of parishes or (diocese)
- Smallest administrative / political boundary
- Agro-ecological zone
- Country
- Region

Linking the Territory to the socio-physical profile.

For the purposes of the socio- physical profile, the study group should collect asset-based information

based on the definition of the territory selected from the list above. However, the profile analysis may include information related to markets outside of the territory.

Findings from the Agro-Enterprise Team.

Questions posed:

1. Why does the group consider that marketing to be an important issue?
2. What are the members expectations of the AET?
3. Does the group feel that the concepts and strategies being advanced by CRS are in line with expectations and are there areas where improvements can be made?
4. How does the AET view the training that they have received to date?
5. Do they consider the materials are appropriate?
6. Do the members view the AET partnership as an effective mechanism to promote marketing ideas to farmers?
7. What are the strengths and weaknesses of this approach?
8. What do the AET members consider to be their role in the future?

Why does the group consider marketing to be an important issue?

One of the most pressing problems that farmers face is the marketing issue. Traditional production is not based on market signals and learning more about how markets work and how they can work within a marketing framework is a very positive way of rationalising production, i.e., matching what the market wants (demand) with what the farmers can produce (supply).

In the past NGOs and Government agricultural activities have focussed on increasing production with little account for commercial concerns. There are many possibilities within the marketing arena including local, domestic, regional and international and we need support in all of these areas. The example of the Malagasy chicken is very clear, we have a good product, we have a buyer in RSA, but no means of supplying the demand.

Some members of the group emphasised the need for more marketing training at the NGO and Government level. However, there was a warning that marketing information to farmers should be balanced with information on technical support. If there is demand indicating that a new crop should be grown, this will not be done effectively without strong technical support at the production level.

FITAVA stated that the collaboration with CRS is something new; many things need to be clearer in order to improve the process.

Safidy thinks that the marketing approach needed good quality products, but as farmers are very traditional they require help to improve their technical capacity in order to reach a good level of quality

for the market.

Gelpro thinks if we want to change the mind of farmers in order to be suited to markets, buyers must demand the respect of norms of quality and give a bonus for quality to the farmers (higher price). This is also marketing for him.

DRD has technical capacity to support the CRS groups, in terms of organising farmer group and production support. However, for the commercialisation they need additional training. The intensive nature of the first series of training sessions meant that many people could not attend all the meetings and therefore there is a need to repeat these training opportunities at a pace that DRD can meet.

DRD also aired the concern that if they were to train farmers, additional training was required in this area and financial support would also be needed for them to attend the training.

At the farm level, the degree of training needs to be increased. Many farmers are very interested to learn more about the marketing process and how they get access to this training. How is the process followed up in terms of ongoing support to the agro-enterprises.

A new person coming to the AET for the first time commented that marketing and rural development is a very broad concept and the proposals on marketing are still theoretical, in many cases it is not applicable to the field situation. Farmers end up taking on new ideas and being left with products that they cannot sell. Then the farmers are blamed for not following the process. The most important thing that is needed is farmer level training materials that they can test.

What are the members' expectations of the AET

- More training of the lead partners in the basics of marketing
- Training for the trainers of trainers i.e., the technician and farmer levels
- Partners want to facilitate pilot agro-enterprise projects but would appreciate more information on procedures.
- Most people wanted to know more about the ideas outlined in Box 4, the BDS component and requested for advise on support service development for the enterprises
- The AET needs to select a non-CRS partner to chair the AET meetings. CRS needs to support a technical person to drive the process, for issues of later sustainability of the AET.
- To solve the problems of commercialisation

Does the group feel that the concepts and strategies being advanced by CRS are in line with expectations and are there areas where improvements can be made?

Comments from the floor

- Marketing has considerable interest for the farmers. Given this commitment, one participant was concerned that the training was too brief and that he had only been able to attend one of the training sessions and therefore needed supplemental training. The issue raised is that not all the members of the AET were able to get to each training session.
- For members of the AET, the marketing project is not their only work and some have found it difficult to do this work and their other duties. One point raised by the DRD was that the director had given instructions that staff should attend the process. However, staff members were either unable or decided not to attend all the meetings. There are constraints both in time and resources.
- Many farmers do not understand this marketing process. Most do not even understand the word “marketing” so have little hope of really understanding the full process
- If the agro-enterprise team have an incomplete training they will not really master the process and this obviously affects their ability to transmit the message down the chain.
- There is a real need for training materials for the trainers and the farmers. This has been anticipated by CRS and through a contract with FORMAGRI, a marketing curriculum has been developed for the farm level. This curriculum has been tested twice.
- The marketing curriculum has two levels (i) training of trainers and (ii) farmer training.
- When asked about the confidence and strength of the AET the response was – The group does not fully appreciate the approach as a long-term process. Currently, some training has been done, more is expected, but they do not fully understand where the process is going.
- Feeling from one participant was that introducing new ideas and crops into the system was simply upsetting the existing system. There is a well-tested logic in what farmers are doing and we should not expect them to adopt new ideas quickly as any intervention from the norm is generally only increasing their risks.
- If this idea of RISK is important, it does raise the question that marketing support should be given to the traditional crops such as rice along side support to the diversification process.
- Farmers have the enterprise spirit, what is missing is the marketing team to provide constant follow up.
- Farmers need information at three levels,
 - Marketing techniques
 - Production techniques

- Marketing follow up

Follow-on comments from S. Ferris

- There was evidence that the CRS team had not had sufficient time to conduct a detailed sub-sector study and relied upon the market chain workshop to gather their information. This was a very short snap shot and so, in some ways limited their understanding of the market chain of any given commodity.
- It may be useful to do a final analysis of the effect of the process at the end of the first sales period of the pilot test.
- CRS are taking a fast-track approach to the marketing work, in order to get something started as a pilot phase. Consequently, they covering a lot of ground quickly and are also experiencing all the problems associated with marketing through this process.
- DRD had the most concerns about their role in the process.
- If DRD is to provide technical assistance, then it will charge for the services.

Partnerships

How does the AET view the training that they have received to date?
Do they consider the training materials to be appropriate?

The training received by members was good. It was very intensive and this meant a degree of lack of continuity for some organisations, (4 days by week during 8 weeks is too intensive), but essentially the impression has been very good. There was also a feeling amongst the group and also from the beneficiaries that the marketing support project was extremely timely and has been something that the associations and farmers have been requesting for some time.

At present there are four levels of training materials under preparation:

1. CIAT's tools for agro-enterprise development (AET level)
2. CIAT's Participatory methods for Sub-sector analysis
3. CRS's marketing training guide for trainers
4. CRS's marketing training at farmer level

At the AET level:

CIAT's Tools for Decision Making in Natural Resource Management were used to train the members of the AET team. This was considered to be very useful guide, but had the problem of not being in French. **This document needs to be translated to meet the needs of Francophone partners.**

CIAT's PPI sub-sector guide was only available in Spanish to the CRS team and this was used as a guide to undertaking the sub-sector workshops. The MT and PO's found this was a very useful guide and whilst CRS did not have time to go through all the steps, the method was adapted and proved to be very effective. **Translation into both English and French would be desirable.**

The CRS marketing curriculum was developed as an ongoing parallel process. This was tested through two iterative versions, based on the information from the "learning alliance". The first test was found to be useful but these materials require additional testing with a range of partners.

Do the members view the AET partnership as an effective mechanism to promote marketing ideas to farmers?

One of the members expressed concern that the project is a transient process and that the AET is not a formalised group / structure that can be build upon by the members over time.

The ROVA association has benefited from the process and believed that both their organisation and members want to know more about how to link to markets. Therefore they consider themselves to be a committed member of the AET. For other associations a similar sentiment was echoed and it was clear that the private sector representatives have shown the most interest in the process, as they believe that they can apply this information. They have demand from their members to know more about tackling marketing issues.

The resistance from the public sector service providers and their repeated request for incentives is more based on their desire to benefit directly. Whilst this is a natural expectation, it may not be possible to meet this need and therefore CRS should consider the potential role of DRD as a key member in the AET, as they have a clearly different motive and agenda to the other players of the team.

Farmers also attending the meetings felt that their transport should be paid. The AET felt that more advance indication of commitment needs to be established, with a calendar of events and better communication between members, so that people know what is expected of them.

Do people view this process as a CRS project?

The group felt that the AET was a construct of CRS and had never considered the idea of meeting without the call from CRS. Several persons thought that the group has not yet achieved real maturity,

financial capacity and skill, in order to do without CRS. It was clear for Fitava that the project is CRS with just a participation of members as technicians and no participation of the farmers. The AET cannot manage alone - technical and financial supports are essential.

When asked if there was an alternative forum for agricultural associations to meet, the answer was no, which suggests that although the members view themselves as collaborators within a CRS project, the AET is a first step in building a forum for the exchange of ideas and activities across similar minded agencies.

**What are the strengths and Weaknesses of this approach?
What do the AET members consider to their role in the future?**

Future activities of AET

- Platform for diffusion of information to beneficiaries
- Training of trainers for the curriculum
- Training and follow up to the farmers
- AET would take over from CRS to maintain the marketing / other information sharing

Strengths of the AET were observed to be:

It is a learning forum, that has enabled the partners to become involved in a process that would normally only be undertaken by CRS, through a direct process with its diocese members. This is a new approach and most partners felt that they had benefited significantly from the training, the sub-sector work and through linkages to farmer groups.

Weaknesses.

Members were a little unsure as to where the AET was going in the longer term and felt that if the AET was to continue that it would need to have greater clarity in terms of its role. It clearly should not be seen as a venue for rent seeking opportunities.

The meetings should therefore be held to exchange information that is relevant and useful to the members of the AET. There is a need to carve out a role for the AET. Perhaps this is in the area of marketing analysis and MIS, i.e. the BDS component.

Findings from the Farmer Association Meeting

Meeting with FITAVA president

FITAVA is a co-operative of 1256 members that are in a number of groups of various sizes, (9 cooperatives). The co-operative is funded by the EU via a project being implemented by FERT, a French NGO that is connected with the French Farmers Union.

What services does FITAVA offer their members ?

- Credit, which is managed through a link with SECAM. SECAM is the micro-finance wing of the FERT project.
- Purchasing of inputs through bulk ordering of fertiliser, seeds and pesticides
- Linkage of technical information and training via FOFIFA
- Demonstration of new techniques through “demonstration plots”
- Commercial support services
- brokering funds for establishing co-operatives and
- provision of storage facilities to members (capacity 2,000 MT)
- Assistance in negotiating sales of produce
- Purchase of members produce for onward sale through the co-op
- Market information through technicians in the field

What does FITAVA work on and what does it want to do in the future ?

FITAVA supports the production and sales of dry commodities including Rice, Beans, Bambara nut, Soybean, Dry cassava and Maize. At present FITAVA is not dealing with perishable crops, but hopes that through links with the CRS marketing project that this will be something they engage in more actively. There is considerable demand from farmers to work with perishable / higher value horticultural crops.

What are the benefits of FITAVA joining the Learning Alliance AET ?

1. FITAVA is a member of the AET, and is keen to receive training in marketing issues
2. The Association has already benefited from this membership, through developing a new agreement with the Bank of Africa to gain access to more lines of credit. This deal was brokered at the AET supply chain conference.
3. FITAVA has requested the CRS marketing team to present the idea of the learning alliance marketing approach to its members at the next AGM in November 2003.
4. The president was recently informed that a new association was being developed with a focus on marketing, however, when the members learnt that FITAVA was going to enter into the marketing area with support from CRS, there was a decision by the new group, of 36 members to join FITAVA instead. The president is sensitising other groups about the marketing idea and he expects that another 4 groups of about 30 members will also join FITAVA based on this new initiative.
5. In terms of the training received to date, the view was this was very good but that additional training for the members is required.
6. Training - FITAVA asked DRD to provide technical training for the new crops that were

prioritised as part of the demand study, but DRD were considered to be costly at 6 Million FMG.

7. Training that has been received by the farmers groups to date in marketing has been very well received. This is a step wise process, with farmers obtaining bite size information at each meeting
8. FITAVA received free training from a private company for the poultry production and health issues.
9. Members of the FITAVA association have been requesting support in the area of perishable crops for some time and with the support from the CRS initiative, feel more confident to move into this area. In this respect FITAVA hope to set up a sub-group that is focussed on perishable crops.
10. One of the problems associated with perishable crops is that SECAM is not likely to support this area with credit, due to lack of knowledge in this market area and price volatility. This is considered to be a major drawback.

Who is involved in the pilot testing?

11. In regard to the pilot testing, there are 15 members directly involved in growing peas. Of the group that was involved, 10 already knew the crop but expanded their area of production, whereas for 5 other members it was a new crop. There is also evidence that other farmers are copying the original group.

Findings from Farmers groups meetings

SAFIDY farmers association.

Based in the village of Ampamelomana, this is an indigenous farmer's group that was developed with no external help. The group comprises 15 members, it has a president and a full time accountant. The village is 10 kms away from Antsirabe on the main road, situated in the valley floor. The area has access to irrigated land that appears to be fertile. The group was founded to assist in their joint development. The group has developed a savings scheme and also requires that each family keep a family budget.

Can you tell us what attracted you to join the marketing project ?

In the last season the farmers had decided to produce red onions as a group. Many of the neighbours were growing this crop and it was producing well. However, at harvest they found that onion prices

were very low. As prices were so low, they stored the onions and found that they were offered even lower prices later in the season. The group lost money and was very disheartened by this experience.

At this time, CRS were making requests for farmers groups who might be interested in learning more about “farming for the market” and SAFIDY joined.

Did they find the marketing training provided by the PO’s useful ?

The farmers were particularly interested in the training provided by the PO’s as they wanted to find out if they could grow different crops, and supply different market windows. Their feeling was that if they all produced the same crop and especially if all their neighbours did the same, they would experience the “red onion” syndrome again. So they were keen on the ideas of diversification and wanted to test these new options.

Did you do your own market survey?

No, we were given options from the PO’s who had conducted a market opportunities study in the markets of Antsirabe. The farmers discussed the 6 options with the CRS PO’s.

What new options did you try?

We wanted to try them all. However, we decided that some of us would try growing cucumbers, wheat and green beans. The bean crop was not new to them, but they had not planted it as an off-season crop before in irrigated land.

Did you go to any markets to see why the PO’s recommended the 6 options?

Yes, we visited markets with the PO’s and discussed the ideas of selling into a market rather than hoping to sell what we had grown. The PO’s explained that prices of commodities change in the year and that we should adjust our production to sell into the markets when prices were high. We also needed to know why it was higher at this time.

Has the marketing project changed your approach to farming?

Yes. By knowing when a particular product has its highest price, we were able to change our system of cultivation to meet this market window.

Can you give some examples of these changes?

The farmers provided two concrete examples:

One farmer had produced cucumbers on a small plot and was selling this in the local village kiosk, on the Antsirabe Road. He was now gaining from an entirely new income source and he explained that he felt very confident about this, as he was informed about his market risks and opportunities. He had made a sound decision based on researched information and it had paid off.

Did the project increase your income ?

Yes, I did not grow off-season vegetable before. Now, the price of cucumber is 2,000 FMG for 5 kgs. This comes from a plot size of 10m x 10m. The cucumbers will produce for 4 weeks, at an average daily harvest of 10 kgs. My increased returns will be in the region of 80,000 – 100,000 FMG (\$20).

A second farmer told us about his wheat production. Again, this was something that he had not considered as an off-season crop and although he knew the crop, he had not tried this before. At the sub-sector meeting, he had even struck a deal with the local wheat mill to sell his wheat at 1200 / kg. However, he was later contacted by an animal feed merchant from Antananarivo, who offered him 1300 / kg, at the farm gate. Interestingly, this deal required that several farmers in the area come together and when he was ready he had been asked to phone the buyer and then he would collect the product. A public phone had just been installed by the Government in the village.

Is the marketing project making a real difference to your livelihoods?

Yes, we are really encouraged by the marketing tests and hope that the training and relationship with the PO's will not be a one off episode, but that we can receive more marketing support in the future. The ideas have enabled us to grow new crops, using new techniques and have provided us with new sources of income.

Did the group do their own market research ?

Not yet, the members often visit a series of nearby markets and inform other members if they meet, but they have no formal mechanism yet of sharing this information.

Do they keep market price records?

No, but thought it was a good idea, they suggested that the PO's should do this for them and then they could learn how it was done from the PO's.

What is their most profitable off-season crop?

They don't know yet, but they do keep records now of inputs and revenue, so could provide this information at the end of the season. They plan to compare profitability of their crops at the end of this off-season, to see what had done best. This process would be repeated for the main season crops. The records would be held by the PO.

Was this a new idea to keep records?

Yes, this was part of the training. They also now record costs of production and could show us the production budgets. *This is an important step that needs to be highlighted as a highly desirable development for all groups.*

Do the group feel that the marketing course has been useful?

Yes, very much so, it was also very timely after their experience with red onions and although this was a set back, they had other similar bad experiences. The farmers felt that by using a marketing approach that they had greater confidence in what they were planting and what sort of income they could expect.

Trick Question.

OK, I'm very impressed with your progress so far, but I have a very good proposition for you, will you plant my blue beans next season? They are really the best thing ever!

The response from the farmers was at first cautious. Then one farmer said. I've never heard of blue beans, and maybe this is a good thing, but its new here. I would do the following. I would go to the market first with the PO if possible and find out who is buying blue beans, what price are they selling for and when is the best time of the year to sell. Then I would need to find out if blue beans can really grow in my fields, do they need irrigation, how long do they take to grow and what sort of yield can I get. Then I would ask you for the seeds and I would test it on a small plot first. Then if this all worked, we could look into growing a lot of blue beans here.

Whilst, that sounds very rehearsed, the farmer said this to me in a very sincere manner and he said that he would not have reacted in this way before the training in marketing. He now felt that he was more confident of his market he was more confident about using his land.

What are you thinking of planting in the next season?

We are thinking about planting vegetables as a main season crop as this has a good income.

Has anyone in the group found any other good market options?

One member of the group indicated that he had just made an agreement with a local fruit exporting company to sell his produce. He informed us that ECOFRUIT, is buying from farmers and he suggested that if had a good experience that other members of the group should join.

Which is the best cereal at market Wheat or Barley?

The barley is all purchased by Malto the Antsirabe brewery. They fix the price. For wheat, the farmer has more options; he can sell to the wheat mill or to several other buyers.

Does anyone know more about these markets?

One of the PO's indicated that the Antsirabe brewery, Three Horses - Malto, currently buys only one third of its barley needs and imports the rest. However, the brewery is planning to double the size of its malt extraction plant to process local barley. This will mean a change from 8,000 mt this year to 16,000 when the plant opens. This is potentially a very good opportunity for many farmers to sell into this market. CRS are yet to investigate this market.

Is there anything that you would like to improve the marketing project?

The farmers indicated that one thing they would like to do is meet other farmers in the region to discuss ideas and strategies for "farming for markets".

Perspective:

- This group is clearly a very dynamic group of innovative people. They have organised

themselves with no external help and are working on a series of new ideas. The marketing project appears to have come at a highly opportune moment for them and they are capitalising on their new-found knowledge very quickly.

- They have build up a good relationship with their PO and are taking on new techniques of farming, using new business skills and gaining financial rewards within the first year of the project. This is a clearly an early success of the project.
- CRS should at this stage review the record keeping process and information that it is gaining from these groups, as a means of showing impact but also as a resource for future marketing activities. Whilst it appears that the farmers are keeping records on crop production, inputs and income, this should be checked and formalised.
- The request from the farmers for the PO to collect regular marketing information is something that could be further developed and will maintain a linkage with the marketing situation, during the non-trading season.
- Selection of farmers groups is important as the SAFIDY group are a dynamic group to work with, it maybe that holding a farmers day and interviewing farmers based on their capacity may assist in project success.

Recommendations

1. The role of the PO's over the next 4 years should be more clearly defined. They can continue to play a training role, or they can extend their remit to take on more of the business services requirements. This role would then include undertaking the following duties:
 - i. Providing direct marketing support to key CRS farmers' organisations using the CIAT and CRS marketing curriculum.
 - ii. Work with farmer groups to maintain records of the costs of production and profits from new crops
 - iii. Linking farmers to technical production experts, when this is required.
 - iv. Take farmers to markets for them to engage in finding new markets and tracking marketing data.
 - v. Conduct studies to identify new market options for the AET in the territory and to monitor those that have already been selected.
 - vi. Monitor market prices within their territory for the selected commodities and or other commodities and if possible link the local MIS to principle markets outside of their territory that influences national prices. This may require that a new type of partnership be formed to affect the MIS component (Business Development Services).
 - vii. Provide support to trainers within the other AET partners to enable them to perform the same function with their groups

- viii. As required, to conduct more detailed market sub-sector studies in collaboration with AET members and expert groups such as CIRAD.
 - ix. To make follow-ups on opportunities that may be interesting based on AET market news.
 - x. Provide training in collective marketing activities to increase economies of scale for the beneficiary group
 - xi. Identify mechanisms for the wider dissemination of business services such as marketing information, market news and market intelligence
 - xii. Identify mechanisms for enabling farmers to access credit, specific information for their farmer association
2. To clarify the roles of the farmer associations should the groups
- i. Clarify their objectives in terms of level of effort
 - ii. Staffing for the process
 - iii. Number of farmer groups that will be involved
 - iv. Marketing services that they intend to provide or support financially for their farmers

Mahaiza Farmers Group.

This group was founded in 1997, with 7 members and now has a total of 20 male members and one single women member. The group was organised with a president, a vice president, a secretary, an accountant and an advisor. The group had first formed as a social help group, providing support and financial assistance for events such as funerals and weddings. The village was situated some 10 kms off the main Antsirabe-Betafo road (at more or less one hour by car from Antsirabe). The group had received support from (IREDEC “Institut de recherche pour le développement communautaire”) The surroundings are hilly with radical terracing that is used for irrigated for rice production. (See PHOTO of the area below).

Can you tell us what percentage of the crops you sell?

In most seasons, we consume all we grow and many of us have to hire out our labour in order to be able to buy sufficient food as many of us do not grow enough for the whole year. The group has available land, but lack of funds for inputs such as seeds and fertiliser and this limits their ability to farm the land. The average land holding is about 1500 m² irrigated and 1 ha of dry land.

Have you worked with any other NGOs in the past ?

The group has been working with another NGO (IREDEC) in the past and with their support have tried a number of new crops including fruit trees, carrots, squash, beets, leafy vegetables and courgettes. The group still grows courgettes, fruit trees and leafy vegetables and think that leafy vegetables is a good income earner. The group also have some pigs and chicken. They consume most of this produce

but sell excess if they have it in the most local market, i.e., to their neighbours. Fruits are mainly sold, courgette is mainly auto-consumed, and anana (brèdes) are mainly to get incomes

How had the marketing project changed their farming practices?

They use to practice very traditional systems and crops (without improved techniques): irrigated rice, potatoes, corn, beans, cassava, sweet potatoes, on hills. With supports from (IREDEC) and the project, they tried to grow onions, cucumber, carrots, beetroots, courgettes, turnips, anana (brèdes), orange trees, apple trees, persimmon trees, improved rice system, ducks, and pigs. They stopped growing beetroots and turnips to do leguminous plants.

After many tests, they are still growing courgettes, trees, and rice. They thought that onion was also very interesting. Beans and onions are very interesting for 3 reasons: to can be grown in the gap between harvests, they fetch a good market price and are easy to store. In their work with CRS, they decided to plant green beans as an off-season crop. They had not grown off-season crops before. They were also going to try SRI (intensive rice production) and were growing leafy vegetables.

In the pilot study, they chose to grow green haricot, as would be something for them to eat in the hungry season and as few of their neighbours were growing beans they felt it may fetch them a good price in the market. They also wanted to grow onions and will do this in the next off-season. From the market surveys they found that prices of beans was 1200 in December, but this falls to 300 in February. They can sell these beans in the local market 3 kms distance and also in the larger market at Betafo which is 17 kms distance. Within the members present 5 of them were growing beans in the off-season.

Due to the remote nature and low income of the community they are not keen to try crops that they thought would be high risk. They now consider that by investigating the market before they plant a new crop or try a new technique this will help to reduce their risk.

What training had the group received?

This group were the only ones to have received training from CRS in the marketing curriculum. This curriculum was developed by CRS, through a contract with FORMAGRI. See details of this curriculum **Annex 7**.

The group had learnt from this experience, but were not yet able to use most of the knowledge. The farmers felt they were still reliant upon the PO's for assistance. This is not unexpected as at this stage in the process.

Was the training useful?

Farmer 1. Yes, but the farmers were still of the view that the PO's would do the marketing work for them. This raises the issue of whether, the PO's should take on the role of marketing extension agents, or the AET members should do this.

Farmer 2. Yes, that is why we planted the beans, we think the market is also indicating that onions are a good idea for the next off-season.

Farmer 3. I think the training was interesting but now I think I need more training in growing the crop better.

Farmer 4. I found the training very interesting but now I need finances to assist me to plant the project ideas.

Are you regularly looking at market prices?

Farmer 1. No, the PO's do that. We don't need to check on the haricot prices as we did that in the sub-sector workshop.

Farmer 2. I don't think we need to go to the market as whenever I check prices they are different from the last time, so if they always change, I only need to take my produce on the day I sell.

Farmer 3. Some farmers go to markets regularly, but do not routinely share this information with the rest of the group.

Trick Question.

OK, I'm very impressed with your progress so far, but I have a very good proposition for you, will you plant my blue beans next season? They are really the best thing ever!

Farmer 1. I would first check if the blue beans would grow here.

Farmer 2. Yes, I would try them.

Farmer 3. I don't know blue beans and I would first go to the market 3 kms from here to find out if anyone would buy the blue beans, and then I would like to know the price. Perhaps these blue beans are something new and only for rich people, this could mean that I would need to go to a very distant market and I would need the PO to help me do this.

Farmer 2. Actually, I would ask the PO to do a market survey for me. I would like to know if these blue beans can grow here, if we could eat them, what they taste like and then if we could sell it locally.

Farmer 4. First of all, I would like to know if the person who proposed blue beans would buy the beans I produce. I would also ask the PO to develop a more concrete link between the trader and me.

But what if the PO is too busy, what do you do then?

Then I would check on my local market to find blue beans, if I can't find the information, I would ask the PO to do this work for the group.

What are you going to plant next year after the rice season?

Farmer 1. I am already thinking of planting onions. They have a very high price in the market and I can store them if the price is not good at harvest. *NB. These are not red onions !!*

Are any of you thinking about selling your produce collectively?

No, we are looking to diversify and run tests to see if the marketing approach works. *This response raises a fundamental question in the process. If we consider that one of the key reasons for many small-scale farmers to work together is to gain from economies of scale then we should question the degree to which diversification is helpful. If the market signals enables all the farmers in one area to grow different crops or livestock options, what are the mechanisms that will enable them to become more competitive over time? Does CRS have an idea for consolidation groups to grow the same crops to make further gains in the marketplace, or will this be left to the devices of the individual farmers?*

Perspective

This group of farmers are probably typical of many farmers in Madagascar and many other parts of rural sub-Saharan Africa. The community is not on a main highway, they consume the majority of food they grown and need to find other sources of income to make ends meet. In a good year, when production is good, the family are relatively well in terms of food, but in a bad year, which may be compounded by strong social pressures to have costly social ceremonies, the families may barely make a living, in their own view they are not developing.

The group has benefited from some assistance by an international NGO's but they have not taken on the types of skills that are required to transform themselves into a professional farming unit. They have all the hallmarks of not being organised in a way that will enable them to link effectively as a cohesive unit.

Dealing with such groups will be highly time consuming, as they lack many of the skills of a dynamic, innovative, cohesive unit that is likely to benefit from a market led approach. Despite all of these very real problems, the group is interested to seek a marketing solution to their problems. However they were able to choose opportunities proposed by the project, green haricot, and others opportunities chosen by themselves, onions and irrigated beans. This shows some farmers could have appropriate the idea of marketing better than only producing the advised products.

Recommendations

1. Need to work out with the group, what they want to and or can achieve in the next 2- 3 farming seasons.
2. A plan needs to be worked through which meets their expectations.
3. It may be useful to set some targets, financial and environmental, so that they can assess if they are actually making progress and also to find out from them if this meets their needs. These targets must be realistic and achievable and should not be comparable with the targets of the more endowed groups.

4. The marketing course should take such indicators into account.
5. The PO's, or their service providers, need to find a tailored solution to their needs and work to involve them as much as possible in a market survey that first of all takes into account their social map.
6. The pace of change for this group should be set at a level that does not phase them.

Andranonahoatra Broiler Farmers group

This group was established in 1996 and officially launched in 1997. The group is a collection of 12 families of mixed social / economic groups. There are 8 families who are rural farmers and 4 families that are peri-urban farmers. The group started as a self-help group and is now interested in developing more market led income generating activities.

The three farmers interviewed for this venture were: Mrs Ihary, Mrs Saholy and Mrs Christine. The group has 8 families that are lower income and mainly farm crops and 4 slightly higher income families.

Have you had any support over this time ?

Yes, the group has received support / services from CARITAS, the CRS partner. Since 1997, the group has been working with CARITAS on a store receipt system whereby the group will harvest their rice and gain a loan from CARITAS based on the value of their harvest. The loan is used to invest in other income generating activities and most of these have focussed on raising livestock. The loans are paid back when the rice is sold onto the market, and as the farmers store they generally receive a better price than those who sell immediately after harvest. This simple loan system has enabled them to build their capital base and raise their incomes significantly.

CARITAS also provides seeds to the farmers and this cost is repaid when farmers sell their produce. As part of the group work, all the members are doing different projects with their funds. The richer people produce livestock, pigs, poultry or cows but this is not in a commercial way, i.e., for own use and some sales; the less endowed grow crops. The livestock group try to purchase the crops being grown by the other farmers, but this is not a requirement.

What product did you select for the pilot project?

For the pilot test, we decided that one of our farmers should test the marketing process with broilers, enabling the others to learn through observation. One of the higher income farmers, Mrs Saholy decided she would sell broilers as she already had experience with layers. At the time of the CRS proposal to join the marketing project, the layers were getting beyond the laying stage and she was looking for a change. Using the capital she gained by selling the old layers, she was able to buy the broilers from a local broiler input supply company. This company also sells the feed and vaccines and will provide technical support. One of the other farmers Mrs Christine, is also pilot testing Foie Gras. She has purchased some ducklings and will start this soon.

Can you describe the broiler business to us?

I have started with a batch of 100 birds, that I keep in a small run next to my house. The birds are being grown up to around 45 days, (7 weeks) before being sold. This time is used because customers want to buy a bird of around 2 kgs. *Note, in most countries the average growing cycle is 8 weeks as*

consumers prefer to buy a 2.5 – 3 kg bird. She clearly knew the business.

Have you encountered any technical problems?

Yes, we do not have electricity and had difficulties keeping the young birds warm. We improvised by using charcoal to keep them warm at night. In general, we also have problems in obtaining start up capital. We are hoping to raise funds through the sale of crops on the farms and use this to invest in livestock production.

What do the group do differently after the marketing training?

The market training made them aware of the fact that they were part of a market chain that involved lots of different people involved in many different aspects of a linked market process. In the past, they used to grow or produce the same things as their neighbours and hope that they could sell the little excess that they produced. Now, they think more carefully about the product they are going to produce, is it the best crop for their soils? is it the best use of their land ? and who will be their potential buyers before they start and enterprise?

The training has also given us confidence in finding out more people in their market chain and also to find the best person to sell to and to find out where to buy the best inputs.

Was the Sub-sector workshop useful?

It was a very valuable experience, as we met people all along the market chain for broilers, which was the commodity they had chosen for the pilot test. We even found a buyer from Antsirabe. At the workshop, we found Avitech that sells us chicks and vaccines and a NGO for technical support. The workshop was useful in getting to know the chain and to be known by the chain members.

How did you strike the deal ?

We discussed with a wholesaler, that we were going to produce 100 chickens, and the lady agreed to buy them at 9,000 FMG / kg for live birds and at 13,000 FMG / kg for dressed birds, she would also buy the head, feet and gizzards at 5,000 FMG / kg.

Did you sign a contract of sale?

No, we made a verbal agreement, but next time we intend to produce more birds if we find buyers and then we want to make a signed agreement.

Have you sold all the birds yet?

No, we have sold 20 dressed birds, but it takes a lot of time to do this and we will probably sell the rest of the birds to the wholesaler as live birds in the next week. We could get a good price with dressed birds but this represents a lot of work to dress them and so value added is not so important.

What are your future plans?

After we have worked out our profit, we hope to do another batch of birds. We are aiming to sell into the Christmas market. We are thinking about 150-200 birds this time, but we need to discuss this with

the members and to canvass hotels or others buyers before going on.

What would you do if you found that chicken prices were falling due to oversupply in that market?

I would need to discuss this with the group, if I was to switch to another livestock option, e.g. ducks I would do a rapid survey to find out about prices and who was buying. If this looked like a better option I would then find technical assistance from CRS / CARITAS to find out more on the way to raise ducks. If this was not so difficult I would switch.

Would you go out and do a market survey to see if there are any better options?

At the moment I am relying on the PO's to do the market surveys for me, I can then make a choice from the short list. (It should be noted that at this stage in the process, farmers did not undertake the market opportunities survey or sector analysis themselves, they were involved in the final, third cut selection of best options).

Do you keep any records of the business?

Yes, this is something new, after the training we realised it was important to keep careful records of the costs of producing the chickens, including costs of all the inputs against the sales prices. We did not do this routinely before.

Perspectives

This was a complicated group in terms of its social structure and plans. The wide differences in the social status of the group makes it difficult to set the types of targets that might be applicable to the majority of members of the previous groups.

The chicken project appeared to be well resourced and the lady clearly had a good understanding of the marketing issues. However, it was not clear how this process would be scaled up and how the other less wealthy members would benefit.

Recommendations.

- To develop a clearer plan for the development of this group that takes into account the large differential in wealth.
- In general it may be better to select groups that have a clearer plan of action or are more homogeneous.
- In this case it may be most appropriate to develop two strategies within the group one for the crop and one for the livestock group

Key findings

Management

The CRS country representative in Madagascar is strongly supportive of this new initiative to find ways of enhancing the livelihoods of rural farmers through a shift from a production based approach to agricultural development to a market led strategy. Maintaining this top management support is vital to the success of this transitional process. All efforts should be made to keep the country representative informed about progress in the marketing projects and how this is impacting on the livelihoods of beneficiaries and how the process is enhancing CRS's reputation through increasing its networking capacity and influencing other partners and policy decision through this new strategy.

To strengthen the market led process CRS has developed a highly qualified operational marketing and agricultural production management team (MT), comprising two technical advisors. Amongst other things, these two managers are responsible for strategic decision-making, project development and technical support to the four marketing project officers. These POs will be responsible for implementing the marketing territorial approach in four CRS linked diocese that are included in the new DAP. It is recommended that the marketing & production management team be given increased autonomy to drive the 5 year DAP as this flagship project will require strong leadership in this period of transition. The current lack uncertainty regarding the stability of these two positions raises concerns that should be addressed as a matter of some urgency.

Roles of the Marketing / Project Officers

The PO's will require routine and regular support in terms of their role and activities in the market led project. It is envisaged that the role of the PO's should change in a structured manner over the 5-year programme. In the initial year the PO's should focus on defining the territory, building and strengthening the AET and working with farmers to learn and gain experience in the process of agro-enterprise development and market linkage in a participatory manner. In years 2-3 the PO's should shift their emphasis from direct management of agro-enterprise activities to a greater emphasis on business services that support agro-enterprises. In years 3-4 the role of the POs should be taking a step back from the farm level intervention in production and enterprise towards a greater agri-business / marketing service provision role. The AET members should be empowered to support the enterprise development process. In years 4-5 the PO's should be seeking ways to find partners who will take on the role of business service development in the territory and work in the final year should focus on strengthening these service providers.

The MT will be working with a range of market types and scales or operation and it is recommended that the team develop an advisory / support group that has expertise in the areas of marketing and trade to strengthen the strategic vision of the MT.

Another concern regarding the PO's is their ability to complete the process effectively. Next year 3 PO

with just with 6 months experience in Antsirabe, will go to another place to do the same work. It is a major challenge for these PO's to start the process in a new place, improve their training skills and follow the process going on in Antsirabe? It may be helpful to budget and appoint "PO assistants" to facilitate the process.

Documenting the pilot project

The MT has collected a large amount of information over the past 6-8 months and these lessons and activities need to be written up into documents that can be published and circulated these include (i) The Madagascar marketing strategy (ii) the Antsirabe Monograph, (iii) review of AET, (iv) The sub-sector workshop, (v) the TOT and farmers marketing curriculum.

- Some of these documents, particularly the TOT and farmers marketing curriculum should be reviewed by the EARO team and translated for the other LA members.
- CIRAD have suggested that a case study be developed and published from the pilot project.

Agro-Enterprise Team (AET)

- The AET is an interesting new development for partnership formation and the majority of members in the team believed that they had benefited from the training it had provided and the opportunity to meet like-minded agencies. The MT sees the value of expanding the impact of the project through the AET and the prospects of placing the PO's in a cascade of partners so that as time advances they have an opportunity to step back from the farmer support instead of being lost in the long term support of a limited number of privileged farmers.
- The POs were somewhat less supportive of the AET process, as they considered that many of the AET members were not performing well enough to meet the needs of the farmers. The PO's recommended that the roles and responsibilities of the AET members be clarified and that an agreed should be made as to who should serve on the AET. The PO's were of the view that AET should be made up primarily of farmer associations and that service providers should only be present if they are fully resourced.
- The AET members are generally supportive of the process, with the exception of DRD who feel that they should be paid to service the project.
- Most members viewed themselves as subordinate to CRS in the AET and although this may not be an optimal starting point, it may be that after one year, the chairperson of the meeting should not be from CRS.
- Generally it was felt that the roles and responsibilities of the AET members should be defined and agreed upon, including a future role of the team. The antagonism of some members could be avoided if this was done immediately.

Role of Service Providers

- The project clearly needs to have greater clarity in how technical service providers are integrated into the project. Some time should be spent with the Antsirabe service providers to

work out a preferred working arrangement. If any financially binding contractual arrangement are to be developed this should only be done on a clearly defined performance basis.

- It is also important that the beneficiaries have a say in who provides them with services if these are to be contracted out.
- Whilst most emphasis is traditional given to production based technical service providers, the MT and PO's should also identify other service providers in the areas of market analysis, market information, business planning, quality evaluation, credit, storage and input supply.

Clarification on issues of the Methodology

- From the review it was clear that certain aspects in methodology were not sufficiently clear to the partners and require either additional information or greater clarity of definition. Aspects that were remarked upon at several levels included:
 1. The concept of territory needs to be more clearly defined.
 2. The scale at which the monograph is pitched, needs to be clarified in regard to the territory, whether the evaluation should follow political or intervention boundaries is unclear.
 3. Additional information on an appropriate method to assess livelihood / wealth status would be useful, and the requirement for this analysis needs to be explained in more detail including an explanation in how this information will be used at a later date.
 4. The term innovation requires explanation and some idea of how changes in this aspect should this be measured and monitored would be useful.
 5. The term "strategy" in the market opportunities identification process is unclear and the definition should be supported with appropriate examples.
 6. An M&E framework or checklist for agro-enterprise would be helpful.

Training materials

- The training materials all need to be translated into French so that the Francophone countries can access this information more easily.
- The full suite of training materials needs to be developed in terms of (i) practitioners level, (ii) Training of trainers manual and (iii) Farmers manual.
- The sub-sector manual should be translated into French and English and also made into appropriate guides for the secondary and tertiary levels.
- A manual on Box 4 needs to be developed as this is still unclear for many of the partners and they would like to have a better idea of where the process is leading them.

Targets, Plans and Performance indicators

- In order to have the best chances of success the market project should develop some targets for its own performance and the PO's should be accountable to these performance indicators.

Given that the DAP, will invest a known quantity of funds into the 4 territories, there is a possibility of development returns on investment targets for the PO's. Some consideration should be given to the idea of a bonus scheme that provides for additional development investment in the territory that provides highest returns.

- The PO's should develop targets for their AET members and farmers.

Impact / progress to date

- The pilot project has made an impressive start with significant progress in all areas of training, networking, farmer engagement and getting more than 100 farmers doing new activities within 6 months.
- The MT has shown great dedication to the process and the POs have been able to undergo an intensive training process
- The lessons learnt over the past 6 months will put the marketing team in a good position to initiate the DAP in the four territories in a professional manner.
- The Madagascan group has completed the first cycle of AET formation, market analysis, sub-sector review, enterprise development and sales of products into identified markets. This has all been achieved in the off-season

Next Steps.

1. The management situation of the MT is of the highest priority as it is this team that will drive the decision making process. Lack of expertise and or strategic clarity at this level, will jeopardise the success of the DAP and particularly the transition to the market led process. This should be done by mid November.
2. Completion of the documentation related to the pilot project process should be given a high priority with dates and responsible persons identified. On completion this information should be circulated to the AET members and to a wider audience in Madagascar, ie donors, other NGOs, FOFIFA and other R&D agencies. This should be done in 2003.
3. Roles and planning of the PO activities in the new territories, for the DAP needs to be worked on and agreed by the MT and PO group. Targets and performance indicators should be developed in a participatory manner and implemented. By mid Dec 2003.
4. Roles of the AET and membership needs to be defined, with emphasis on the roles of service providers and the future management of this group. Dates as above.
5. Outstanding methodological issues should be addressed at the next LA meeting. Next meeting second week of November.

6. Training materials particularly the marketing curriculum need to be completed, translated and reproduced. CRS EARO should be approached to translate these materials into English. Completion by end January 2004.
7. The CIAT manuals for agro-enterprise and sub-sector analysis should be translated into French. Dates for completion by first quarter of 2004.
8. Success in this new market led approach outlined in the DAP, will position CRS well, for future projects that are related to marketing type issues and CRS should consider developing a plan to identify new project areas that CRS can carve out in the future. It is suggested that CRS consider developing a project in the area of business services support to provide assistance to the sustainability of the agro-enterprises.