



PLOW Learning Resource: Agricultural Services

Important Note:

This learning resource was developed as part of the Professional Development for Livelihoods Advisers Website (PLOW) which was operational between 2006-2008.

PLOW was funded by the Department for International Development (DFID) and supported the professional development of DFID livelihoods advisers. PLOW hosted 17 learning modules of which this is one. Modules were produced using guidance provided by the Livelihoods Technical Competence Framework that described technical competencies, knowledge, and experience required by DFID Livelihoods Advisers.

PLOW modules were designed to help advisers get up to speed on areas of the competency framework, to prepare for new postings, or to refresh existing knowledge on particular subject areas. They were produced and developed by a partnership comprising the Programme of Advisory Support Service (PASS) and Livelihoods Connect based at the Institute of Development Studies (IDS). Each module was written by an expert or experts in the subject and provided:

- an overview of the subject in a briefing note;
- key texts;
- a summary of recent policy debates;
- points on where to find other resources; and
- a glossary of key terms used in the briefing note.

Although the learning modules produced were written with the DFID Livelihoods cadre in mind they were accessible to a global audience through the website.

Twelve of the original PLOW modules are now hosted on the Evidence on Demand website. This PLOW module was produced between 2005 and 2008 and has not been updated since. Some of the material that it draws upon may no longer represent current thinking and some of the links to resources may no longer exist. Nevertheless, we believe that it is still a useful resource that provides useful reference material.





Agricultural Services

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Agricultural services, particularly extension services, have been and still are being criticised for ineffectiveness, supply drivenness, lack of sustainability and inability to offer services which benefit the poor. Nevertheless, agricultural services remain crucial to improving the livelihoods of many rural poor people. Even the best policy environment will not result in pro-poor agricultural growth if the concerned rural people do not have access to adequate services - be they knowledge services, or more tangible services such as inputs, water or marketing.

Agricultural services have been government and NGO domains in most countries for a long time. Nowadays the trend is towards private sector services, demand-orientation, pluralistic service delivery mechanisms, service market development, and less reliance on public funds. Previously, services concentrated on productivity increases; now more emphasis is laid on improving incomes and thus on services related to value increases. Currently, innovative mechanisms and systems for service provision, as well as mechanisms with which development organisations can foster the establishment of such systems, are evolving. Most of them try to be explicitly pro-poor.

The following briefing note:

1. discusses types of agricultural services,
2. presents an overview of current trends,
3. introduces key elements for pro-poor services, gives an overview of important issues specific to livestock services, seed and other input services, as well as services in the context of fragile states, conflict and HIV/AIDS.

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Briefing Note

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Overview

What are agricultural services?

We understand 'agricultural services' to be all non-financial services taking place within the agricultural sector. This means that agricultural services reach far beyond what is commonly understood as extension or advisory services. This includes tangible material services, as well as non-tangible knowledge services, i.e.:

- Advisory services and training (anywhere along rural value chains; including cropping systems, animal husbandry, forestry and other natural resource-based enterprises)
- Services on the output side (processing, transport, marketing etc.)
- Material services (seed and input, animal health, other materials like farm equipment, small-scale irrigation equipment etc)

This range of services implies that the users of agricultural services are not only farmers, but also other actors in the sector, and that the commonly made distinction between extension services for the agricultural sector and Business Development Services (BDS) for enterprises can be blurred. Key reading 2 explains agricultural services using the traditional extension services (i.e. knowledge services) as a starting point and outlining the roles of other actors in relation to extension services. You will find resources on BDS and financial services in the PLOW Financial/Business Services core technical competence.

Importance of agricultural services for poverty reduction

Access to agricultural services is a pre-condition for pro-poor agricultural growth. Pro-poor agricultural development needs innovation which may come from R&D and other sources. To adapt and adopt innovations, agricultural actors need new know-how and often new - purchased - inputs, other new materials and investment capital. Access to services on the output side - such as processing, packaging or marketing - will also usually be necessary. Thus, where fostering pro-poor growth through agriculture is chosen as a focus of public investment, this needs to be complemented by investments in building functioning agricultural services systems. Agricultural services are a crucial resource to improve the livelihoods of poor rural people. Broadly speaking these services will have the twin objectives of pro-poor growth and vulnerability reduction.

Current trends in agricultural services

A look at the past

Until fairly recently formal agricultural knowledge services for medium and small producers were seen as largely public tasks, to be provided by government agencies and funded with government and donor funds. Large, monolithic and bureaucratic extension organisations, funded to a large extent on donor money, were the result in many countries. Donor-funded services provided by NGOs were, and still are, also very common. In francophone Africa and Latin America, development efforts often focused on strengthening producer organisations as a means for empowerment and access to services. The large-scale commercial production sector has been and is often served by private service providers. Material

services on the input side, as well as output-side services, are considered to be private sector tasks in most places. Apart from such formal services, many informal services, often embedded in commercial transactions, took and take place from farm level all along the value chains.

The current situation with agricultural know-how services

Public extension organisations have been criticised for ineffectiveness and high cost. Criticism and the inability of governments to fund them resulted either in moves towards privatisation or in diverse reforms of the public sector delivery system. A broad range of countries have abolished their public extension system (particularly in Latin America). Interestingly, in a range of transitional economy countries, efforts to build up country-wide public extension systems are underway, often supported by the same donors who advocate (d) abolition and privatisation in other places. Generally speaking, pluralistic, decentralised, demand-oriented service landscapes are strived for. Common aspects of most reform undertakings are: accountability of service providers to users, more private sector participation, a focus on learning processes instead of one-off advice, participatory and people-centred way of working, renewed emphasis on organisation development as a means for empowerment, attention to marketing and other services along value chains. The role of the public sector then becomes more that of a regulator, facilitator and contributor of finance. In many Latin American countries public institutions have completely withdrawn from service provision. In Africa reforms range from the introduction of participatory ways of working to full-scale privatisation and decentralisation. In Asia where the public services have comparatively better records, reforms are moving towards decentralisation, increased accountability and better demand-orientation. Some efforts to harmonise donor support to services are taking place.

Key elements for pro-poor agricultural services

Public investment or reliance on market forces?

The extent to which public funding of agricultural knowledge services is justified is still a source of debate. Some argue that these services serve mainly private interests and should be purely privately financed; others are in favour of public funding as long as the services are vital for pro-poor rural growth and environmentally sound practices, and thus are in the public interest. The arguments used are partly ideology-based, but also relate to the very practical insight that governments do not have enough resources to perform all their potential obligations and may not select agricultural services as a priority, and that in the longer term, local self-sustaining service systems are much more likely to reach large numbers of poor people with useful services.

Pro-poor service systems

Many poor rural people are actors with economic and innovation potential, who can benefit from agricultural services. When looking at who the poor are, it is helpful to distinguish between poor people in relatively dynamic and integrated areas who make up only a small proportion of the population, and the poor majority in weakly integrated, often geographically remote and climatically difficult areas. In the former, public investment can concentrate on the building up of pluralistic service markets or landscapes, while in the latter the prospects for profitable private service provision are weak and more reliance on public funding is usually needed. Although simple things like access to quality seed and fertiliser and the corresponding know-how can bring improvements, particularly in terms of food security, the challenge is to find and develop economic opportunities in which the concerned area is competitive which at the same time involve low risk and are locally manageable. Identifying and developing such opportunities for poor people requires difficult, complex, longer-term service processes (a kind of R&D), where public funds are well invested, since such processes are unlikely to be fully funded on local private resources. In general, it ought to be accepted that formal service provision cannot reach out to all villages and hamlets. Small rural towns will be the nodal points of the service landscape where the professional service providers interact with para-professional advisers from outlying villages and producer organisations, who provide the link to the dispersed rural population. Another possibility to help services reach more remote areas is to encourage downstream actors in value chains to provide services to poor producers. Therefore, capacity building to strengthen the demand side, as well as the supply side, is an important area of public investment in agricultural services.

Specific issues regarding livestock services

An increase in demand for livestock products in developing countries offers opportunities for the large numbers of poor livestock keepers, provided they have access to adequate services. These services need good targeting to avoid large enterprises crowding out poor keepers. Discussions on livestock service systems often focus on veterinary services only, though advisory and training services (e.g. on feeding and husbandry practices) are now recognised to be equally important. Services for market access are also important. As with the delivery of agricultural services, the trend with livestock services is also to move from public to private provision. Where provision is public, fees are increasingly being introduced - the willingness to pay for veterinary services has been high even among the poor. Village and community para-veterinarians and livestock advisers have a long tradition and there are many success stories, particularly in making services available in remote areas. It is important that with such systems the government carries out its quality control responsibility well, and that links to other actors are functioning. An important public task concerns prevention and control of livestock epidemics - an issue which is particularly important in areas with long-distance, international migration of herds/flocks. Since women usually have important roles in livestock management, livestock services constitute an opportunity to contribute to women's empowerment and improved gender balances. Conflicts between pastoralists and settled farmers regularly become violent, particularly in Africa. Here mediation services may result in agreements acceptable to both sides.

Specific issues regarding seed and other input services

Seed and other planting materials

The availability of seed of the right quality and variety to poor farmers requires a seed system at national and local level. It is usually better to consider food staple and cash crop systems separately, and, within the latter, each relevant commodity separately. In food staple seed systems there is often much government involvement, while vegetable seeds are more a domain of private companies. There is, however, a general agreement that for food staples it is impossible for the public sector to satisfy seed demand (in terms of quality and quantity) on a large scale, and that the private sector needs to take care of bulk production and distribution. In many countries food grain is largely multiplied by farmers themselves; commercial seed supply only has a chance if it offers substantial benefits to farmers over their traditional mechanisms. Public interventions to enhance access to the right seed may include adjusting task division between the public and the private sector, building links between local seed vendors and/or farmer groups and the commercial seed sector, enhancing local seed multiplication and exchange systems, fostering the establishment of local specialised seed entrepreneurs, supporting the development of a commercial seed sector, supporting the introduction of new, better suited varieties, and enhancing seed quality through quality control and certification.

Soil fertility and plant health management

In most countries governments have withdrawn from producing, importing, mixing, distributing and subsidising chemical fertilisers and plant protection products. Contrary to expectations, the private sector has not generally filled the gaps. As a result the use of chemical inputs has declined in many places, either due to unavailability or because their application at market prices was not economical. While it may be argued that this is welcome from an environmental point of view, it has often resulted in decreases in food production and local food security. Public investment may support private sector actors in reaching out to remote areas, and in overcoming other systemic constraints, while price subsidies hardly ever have any positive pro-poor effect. On the other hand, solutions to soil fertility and plant health management constraints do not always or only lie in chemical-oriented approaches, but are also to be sought in low-external input practices.

Learning from new experiences

Currently reforms, transformations and innovations in service set-ups and systems are ongoing in many places and gradually new insights on what works well for whom under which conditions are emerging. These experiences have not been systematically analysed and neither have any new paradigms emerged; it is not evident that the new approaches have been better able to satisfy the demand for pro-poor services, other than in very specific circumstances. Nonetheless, efforts to compare recent experience have been initiated in various places, e.g. with DFID support in Africa.



Key Texts

Common framework for supporting pro-poor extension. Neuchatel Group, 2003

This booklet translates insights from several country studies on extension, poverty and vulnerability undertaken by ODI into suggestions and recommendations to make extension services pro-poor and into donor options for supporting pro-poor extension. The underlying country studies as well as a summary version of the booklet published as an ODI Natural Resource Perspective paper make additional useful reading on the topic.

The extension butterfly. A model to illustrate the functions of extension in the context of rural development. Swiss Centre for Agricultural Extension and Rural Development, 2003.

This booklet provides a good introduction to agricultural services for newcomers and persons who have only a partial understanding of the topic. It looks at the services in an agricultural/rural development landscape with the traditional extension services (i.e. knowledge services) as a starting point, the functions which need to be performed and the roles of the different actors in the system.

http://www.agridea-international.ch/fileadmin/10_International/PDF/butterfly_booklet.pdf

Policy Debates

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Access to services for the poor

Despite the many efforts to enhance access to agricultural services for the poor, the issue will continue to be discussed. The debate is introduced in the briefing note and more details on pro-poor agricultural service systems are provided on the PLOW CD. It is now the time to take stock of experiences and insights from the diverse emerging approaches, and draw renewed policy guidance.

Creating a policy environment for pro-poor agricultural extension: the who? what? and how? Natural Resource Perspectives No. 80, ODI, UK, 2002.

The future of small farms: new directions for services, institutions and intermediation. Poulton, Dorward and Kydd, 2005.

Can extension contribute to rural poverty reduction? Synthesis of a six-country study. AgREN Network Paper 123, ODI, UK, 2002.

Identification of profitable opportunities for poor people

Agricultural services are only useful for poor people if they offer services which help in improving their income and livelihoods. It is, however, only possible to provide such services if there are economically profitable opportunities. In some places, higher productivity of subsistence crops may be sufficient improvement, but in most cases, production for the market has far more potential. Opportunities for the poor may not only lie in production/marketing by the poor themselves, but also in services to other actors which result in more employment opportunities etc.

(Please refer to PLOW CD for full Word Version)

Agricultural diversification for the poor. Guidelines for practitioners. Agriculture and Rural Development Discussion Paper 1. World Bank, 2004.

Finding new things and ways that work

The purpose of any service system can be described as supporting the clients in introducing new things and ways that work. To be able to do this the service system - mainly together with its clients - has to find new things that work. Generally, research is thought to be the provider of innovations. Agricultural services however also have an important role in supporting clients in experimenting with and adapting innovations emanating from research and other sources to their own circumstances. For this, the

service providers need special methodological competencies. Participatory innovation and technology development (PID/PTD) is undertaken now in many places.

Finding new things and ways that work. A Manual for Introducing Participatory Innovation Development (PID). Swiss Centre for Agricultural Extension and Rural Development (LBL), Lindau, Switzerland.
<http://www.agridea-international.ch/?id=533>

Sustainable funding – public or private?

Although the discussion on public and private funding, financing mechanisms and financial sustainability of services has been going on for almost a decade, it still continues, since no broadly applicable solutions have evolved so far.

Some of the major points in the debate are:

- How to mobilise local public and private resources for financially sustainable service systems?
- How to cope with the dilemma of the need for services and the low priority allocated to services by the public sector decision makers at local and national levels?

Innovative approaches to financing extension for agriculture and natural resource management Swiss Centre for Agricultural Extension and Rural Development, 2002

Common framework on financing extension. Neuchâtel Group, 2003

Empowerment and inclusiveness through rural organisations

Lack of bargaining power and voice vis-à-vis market actors and public institutions, as well as lack of economies of scale, are major constraints of poor rural people. The development of rural organisations is often advocated as the way forward to empowerment of poor rural people. Challenges are the identification of approaches which make longer-term sustainability of organisations more likely, and which reliably strengthen the voices of the poor; and a better understanding of the conditions under which heavy public investment in organisation development makes sense.

(Please refer to PLOW CD for full Word Version)

The Role of Rural Producers Organisations (RPOs) in the World Bank Rural Development Strategy. DFID, MAE France, CIRAD, ODI, 2001

Farmer Organisations For Market Access - Learning From Success. Briefing paper by Michael Stockbridge, Andrew Dorward and Jonathan Kydd. Imperial College, UK, 2003

Agricultural training/skill development

Formal agricultural professional training has not been accessible to the majority of the rural poor, and consequently this aspect of agricultural services has received little attention in the debate of the past years. Currently the debate on skill development in rural areas including agriculture related skills is being revived. New approaches with e.g. mobile training units, better focus on immediately profitable skills, attention to access for women etc. are coming up.

Skill Needs and Policies for Agriculture-led Pro-poor Development. QEH Working Paper Number 112. SKOPE, University of Oxford, UK
<http://ideas.repec.org/p/qeh/qehwps/qehwps112.html>

Markets for agricultural know-how services

Market economy advocates are of the view that it is possible to foster lively private sector service markets for agricultural know-how services, on the same lines as markets for business development services are stipulated. Although there is no doubt that the private sector provides many agricultural services on a commercial basis, there is no example of such service markets. The question is to what extent can the development of independent private sector markets for agricultural know-how services be supported with public funds?

Making business service markets work for the poor in rural areas. A review of experiences. R. Hitchins, D. Elliot, A. Gibson (Springfield Centre), 2004

Agricultural services in the context of fragile states, post-conflict situation and HIV/AIDS

Since there is much diversity in the conditions in fragile states, it is difficult to give general advice on agricultural services in such situations, and strategies adapted to the particular conditions have to be devised.

However, inequality is a key cause of conflicts and pro-poor agricultural services can contribute to reduce inequality and thus they are part strategies to prevent and overcome conflicts. Agricultural services can also be important in mitigating the consequences of conflict by enhancing food self-sufficiency. Agricultural services can help HIV/AIDS affected people and their families to adapt their production system to fit better in with reduced labour availability and to safeguard food security. (Please refer to PLOW CD for full Word Version)

Responding to HIV/AIDS in agriculture and related activities. Natural Resource Perspectives No. 98. ODI, UK, 2005

Further Reading

Agricultural Services

Guide for monitoring, evaluation and joint analyses of pluralistic extension support. Neuchâtel Group, 2000.

This publication provides detailed questions on each key aspect of extension to guide the analysis of agricultural service systems. It is available also in French.

Common framework on agricultural extension. Neuchâtel Group, 1999.

This publication presents the common understanding on extension services of the main donor agencies, based on six principles and six commitments for development agencies. The booklet is available also in French and Spanish.

You pay for what you get - from budget-financing to result-based payment. Helvetas, 2005.

Changing incentives for agricultural extension - a review of privatised extension in practice. AgREN Network Paper No. 132, 2003, ODI, UK.

Agricultural Services - Websites

GTZ Services for Rural Development

Web: <http://www.gtz.de/en/themen/laendliche-entwicklung/863.htm>

This website has emerged from the sector project "Knowledge Systems in Rural Areas". It is an information source designed by practitioners for practitioners. It provides background information, case studies, concepts, methods and instruments of GTZ and other organisations on topics ranging from the reform of extension, use of media and ICTs and information management in production chains

Overseas Development Institute

Homepage: www.odi.org.uk

AgREN: www.odi.org.uk/agren

Natural Resource Perspectives: www.odi.org.uk/nrp/

ODI's Agricultural Research and Extension Network (AgREN) was established in the mid-1980s to link policy-makers, practitioners and researchers in the agriculture sector of developing countries. It aims to provide its members with up-to-date information and the opportunity to maintain a dialogue with others who have similar professional interests. The website provides information about membership and publications. See www.odi.org.uk/agren

The Natural Resource Perspectives papers present accessible information on current development issues aimed at a wide audience of policy makers, researchers and people working in the non-governmental sector. See www.odi.org.uk/nrp/

Worldbank - Agriculture and Rural Development

Visit site: click

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTARD/0,,menuPK:336688~pagePK:149018~piPK:149093~theSitePK:336682,00.html>

The World Bank's Agriculture and Rurale Development website provides information regarding the World Bank's rural strategy, publications, highlights and latest news.

Natural Resources Institute

Web: <http://www.nri.org>

The Natural Resources Institute website provides information about its research across natural resources including agricultural services, particularly in the areas of farming systems, crop protection and livestock services.

SDC Focal Point for Rural Development

Web: <http://www.sdc-ruraldevelopment.ch>

The SDC Focal Point for Rural Development aims to effectively manage knowledge, learning and joint work around rural development across sectors and thematic specialisations, and across globally dispersed programmes and partners. It provides a bookshop, 'coffee shop' for online discussions, work space for ongoing work and a training directory.

Livestock Services

Livestock services and the poor. Collecting coordinating and sharing experiences. IFAD, World Bank, DANIDA, 2004.

Introducing a farmers' livestock school training approach into the national extension system in Viet Nam. AgREN network paper No. 144, 2005, ODI, UK.

Economic and policy issues in livestock service delivery to the poor. 2001, FAO, Rome.

Seed Services

How to cultivate a commercial seed sector. Robert Tripp, ODI, 2003.

A short paper presenting important aspects and conditions for the development of commercial seed enterprises.

Seed Provision and Agricultural Development: The Institutions of Rural Change. Robert Tripp, ODI, 2001.

<http://www.odi.org.uk/resources/details.asp?id=1256&title=seed-provision-agricultural-development-institutions-rural-change>

Murumamani - Seeds of Development. Heditt Foronda, Isabel Canedo, and Willi Graf. BeraterInnen News, Swiss Centre for Agricultural Extension, 2002.

Seed fairs and the case of Marambo village, Nachingwea District, Tanzania: Implications of local informal seed supply and variety. Nicholas Q.R. Nathaniels and Amos Mwijage, 2000, AgREN paper 101.

Small-Scale Seed Provision in Ghana: Social Relations, Contracts and Institutions for Micro-Enterprise Development. Fergus Lyon and Seth Afikorah-Danquah. AgREN paper no. 84, July 1998.

The Seed Potato System in Bolivia: Organisational Growth and Missing Links. Jeffery W Bentley and Daniel Vasques, AgREN paper no. 85, 1998.

Seeds of development

Web: <http://www.marketmattersinc.org/what-we-do/network-building/the-seeds-of-development-program/overview/>

This website is designed to be a one stop virtual center providing information to small and medium sized seed companies serving East and Southern African countries.



Agricultural services All non-financial services taking place within the agricultural sector. This includes tangible and material services, such as seed and input provision, animal health, processing, marketing as well as non-tangible knowledge services, such as advisory services and training. Agricultural services encompass approximately what more conventionally is called extension services.

Business development services Business Services are any non-financial service to business. They encompass training, consultancy/advisory services, market-related services, and others. As farmers and other agricultural sector actors are to be viewed as businesses too, there is no clear delineation between agricultural services and business development services.

Decentralisation The transfer of responsibility for planning, financing and managing public functions from central government and its agencies to province, district or local levels, e.g. subordinate government institutions, local public authorities, community organisations or semi-autonomous public authorities or corporations.

Embedded services Embedded services are services which are integrated within a commercial transaction such as advice on fertiliser and seed use by input stockists.

Farmer Field School (FFS) approach Farmer Field Schools were first introduced in South East Asia, in the late eighties, as an extension approach to disseminated complex innovations such as Integrated Pest Management (IPM). The FFS approach utilizes participatory methods and experiential learning to help farmers develop their analytical skills, critical thinking, problem-solving and decision-making abilities. Extension agents, who are viewed as facilitators rather than instructors, conduct learning activities in the field on relevant agricultural practices. Participants are encouraged to share their learning amongst other farmers.

Farmers' livestock schools are adaptations of the Farmer Field School approach to livestock keeping.

Pluralistic service delivery systems The provision of services by a number of different private and public sector actors which allows farmers to make choices between different providers. To create an environment that facilitates private sector provision, public investment is often required to support local government (in its role as facilitator and regulator of services), as well as nurturing businesses through capacity building, coaching etc.

Participatory innovation and technology development A process of finding new things and ways that work (successful innovations) in interaction between rural people, research and extension service providers. The principle behind the process is that the local, situational, often more intuitive knowledge of villagers and the formal knowledge of scientists are combined to experiment on innovations.