Natural Resources Institute

AGRICULTURAL MARKETING IN DEVELOPING COUNTRIES: THE ROLE OF NGOS AND CBOS

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Executive summary

This publication reviews the experiences of non-governmental and community-based organisations in agricultural marketing initiatives. Many NGOs target the rural poor, whose ability to access remunerative markets is a critical determinant of incomes and well-being. Evidence on NGO or CBO agricultural marketing interventions in sub-Saharan Africa and, to a lesser extent, other developing regions, is reviewed, concentrating principally on access to domestic markets. The authors highlight examples of best practice, explore the policy implications of those intervention strategies, and signal particular dilemmas or areas where further research is needed.

Marketing interventions are reviewed in relation to potential components of their design: intended beneficiaries; training; access to inputs; agro-processing technologies; credit programmes; marketing linkages; marketing information; and holistic approaches. A number of common themes emerge from these experiences.

1. NGOs and CBOs increasingly see business development and promotion of viable commercial activities as a legitimate way to achieve broader social objectives, whilst reaching a wider audience and promoting sustainability.

2. This commercial focus cannot be pursued effectively unless the NGO/CBO is also "business-like" in its approach, employing people with the appropriate skills, resourcing such activities adequately, and according them the status they merit.

3. It is important to build on existing marketing channels, rather than establish new ones. Existing channels will outlive the project. Similarly, those strategies that are more facilitative and less interventionist are likely to be more sustainable.

4. The review of experiences in targeting groups or individuals was inconclusive. Groups can offer a cost-effective vehicle for service delivery and promote broader civil society objectives. However, they are not always the ideal channel for commercial activities. Moreover, care should be taken to assess capacity and motivation. The inputs required to establish and strengthen effective farmers' associations are considerable and should not be underestimated.

5. NGOs often deliberately and legitimately target particularly disadvantaged groups or areas. To bring about lasting livelihood improvements under these circumstances is difficult. Rigorous and innovative approaches, as well as a long-term commitment are required to generate even modest development.

6. Stand-alone interventions are unlikely to succeed: a package is needed to build capacity and linkages, facilitating access to information, credit and inputs.

The conclusions draw policy lessons for NGOs and governments, and highlight areas where further research is needed. The latter include: the identification of appropriate intervention strategies in particularly disadvantaged areas; and a thorough review of experience with farmers' groups to identify required inputs and expected impacts, both direct and indirect. The authors end on a note of caution – stressing the need to improve market access for the poorest communities but recognising that this will not be easy.

I INTRODUCTION

Background

This publication reviews the experiences of non-governmental and community-based organisations in agricultural marketing initiatives. Many NGOs target the rural poor, whose livelihoods are generally focused on primary agriculture or trade, processing and services linked to the agricultural sector. The ability of those rural communities to access remunerative markets is a critical determinant of incomes and well-being. This publication examines the evidence on NGO and CBO agricultural marketing interventions in sub-Saharan Africa and, to a lesser extent, other developing regions, concentrating principally on access to domestic markets. It highlights examples of best practice, explores the policy implications of those intervention strategies, and signals particular dilemmas or areas where further research is needed.

This is one of a series of publications that seeks to amplify the relationship between poverty, rural livelihoods and key policy areas. The publications are intended for a wide audience in developing country governments, donor agencies, research institutes and other organisations concerned with development or governance. They are intended to contribute to increased focus on poverty in development by informing and stimulating debate, policy and action amongst key players in the development process.

The publication is divided into four main sections:

- this first section introduces the material to be covered and explains some of the issues and concepts that dominate the debate on agricultural marketing

- the second section explains why NGOs and CBOs are increasingly involved in this apparently commercial arena, and discusses some key differences in the orientation and role of different organisations

- the third section reviews different types of interventions, grouped in eight distinct categories

- the fourth and final section draws conclusions and points the way forward through policy and selective areas of further research.

Agricultural marketing in developing countries

Economic reforms have had sweeping impacts on agricultural markets in developing countries. In general, state intervention has been reduced, notably with respect to:

- the abolition or sharp curtailing of parastatal marketing boards
- depreciation of formerly over-valued currencies rendering developing country exports more competitive and imports dearer
- a reduced public role in agricultural services, especially in subsidised credit, input and extension networks, and

- a shift away from pan-territorial and pan-seasonal crop pricing strategies, and pre-announced prices.

Reviewing agricultural markets research in sub-Saharan Africa and Asia, Jones (1996, abstract – no page number) concludes:

> " In newly liberalised [food] markets in Eastern and Southern Africa…barriers of entry to trade are low, but the marketing system has little capacity to channel credit or spread risk. There are strong theoretical reasons for expecting the impact of and response to reforms to vary between different classes of producers. The absence of key markets, risk aversion, high transaction costs and the dual role of agricultural households as producers and consumers are critical features. The marketing system depends on both physical and institutional infrastructure…Collective action by market participants may address this but it may also lead to collusion over prices….Evidence from South Asia shows that food markets exhibit social barriers to entry, massive asset polarisation, debt relationships between large and small traders and traders and farmers, diverse institutional and contractual arrangements, and collusive behaviour, enforced in part by manipulation of the state regulatory system."

This conclusion gives some clue of the reasons NGOs and CBOs intervene in agricultural markets. When extension agents, researchers and development organisations working in rural areas ask farmers to prioritise their problems, agricultural marketing is repeatedly raised as one of the most important problems faced. It may arise in the context of the promotion of new crops or productivity-enhancing technology, or may be felt particularly acutely in remoter areas poorly served by commercial traders, where parastatals no longer operate. NGO marketing interventions typically aim to fill critical gaps in the marketing system or address the power imbalances to which Jones (ibid) refers.

Nowhere are those marketing problems felt more acutely than in the areas for which it is most difficult to identify sustainable strategies to improve market access. Farmers in remote areas (either remote because of physical distance from markets or because of poor roads) are almost always poorly served by agricultural traders and are often obliged to accept seemingly unattractive prices for their produce. Distance from markets rules out the production of higher value more perishable crops, and reduces the linkages between these producers and other more specialised markets. By the same token, CBOs and NGOs seeking to promote alternative strategies for these disadvantaged communities face high costs and tangible obstacles that make their task particularly difficult. Poor access to markets is mirrored by poor access to all kinds of rural services. The poverty that results makes such communities particularly risk-averse. Where rainfall is uncertain, the situation is even worse, whilst the relative absence of trade does nothing to relieve the covariance in production.

These are the challenging circumstances that make an examination of marketing interventions worthwhile. There is wide-ranging experience amongst the development NGO community. Some of these initiatives have taken-off and developed into self-sustaining activities, whilst others, although not conceived as such, have effectively become subsidy-dependent welfare programmes. This review identifies best practice and the conditions required for such programmes to work.

NGOs and CBOs – some definitions

NGOs are part of the development landscape. Increasing amounts of development aid are channelled through NGOs. The term gives little clue as to their real characteristics but most people associate NGOs with the following:

- a formal and officially recognised organisation that is not linked to government
- having a purpose that is altruistic rather than commercial
- attracting staff who are value-driven rather than financially-motivated.

Fowler (1997) highlights some features of the voluntary sector by making comparisons with government and business organisations (see Box 1).

Box 1: Comparisons of organisations in different sectors			
Characteristic	*Sector*		
	Government	Business	Voluntary*
Relationship to those served based on:	Mutual obligation	Financial transaction	Personal commitment
Duration of relationship to those served :	Permanent	Momentary	Temporary
Approach to external environment:	Control and authority	Conditioning and isolation	Negotiation and integration
Resources from:	Citizens	Customers	Donors
Feedback on performance	(in) direct politics	Direct from market indicators	“constructed” from multiple users

* service providers, not mutual benefit
source: Fowler (1997, p 27)

The term CBO, or community-based organisation, may be associated with similar values but is generally more focused on issues particular relevant to the community from which its membership is drawn. CBOs may be quite formally structured, but can equally be quite loosely structured, informal organisations. Farmers’ associations are an example of a CBO.

Stocker and Barbor-Might (1999, p6) discuss CBOs in relation to civil society organisations (CSOs):

> “CSOs are, simply, organisations operating in civil society somewhere between the informal associational world of family, kin, neighbours, friends and the more formal or market-oriented world of business organisations, state

> - and NGOs. Although in practice there is diversity and complexity, organisationally the idea is a simple one; NGOs act as intermediaries for CSOs...
>
> CSOs sometimes evolve into NGOs. Many of them have nothing to do with development or are not poorer people's organisations. With this in mind, many authors and authorities prefer to use alternative terms, e.g., ‘GRO’ (grass roots organisation) or ‘CBO’ (community based organisations) to designate CSOs that exist to serve their members, these members being poorer people. CBO is the usage followed by the World Bank.”

In the next section, different categories of NGOs/CBOs are identified and their differing and changing roles and orientation discussed.

II. NGO AND CBO INVOLVEMENT IN AGRICULTURAL MARKETING

Different types of organisation

Although some definitions were provided in the previous section, these were not especially helpful in distinguishing between the plethora of organisations present in many developing countries. A four-way categorisation is proposed here, based largely on origins and capacity:

(1) northern NGOs with offices in developing countries, usually obtaining funds from donors (including private individuals); this group is quite broad since it encompasses very large NGOs such as Oxfam or CARE, with activities in many countries, as well as small NGOs whose activities may be quite focused on a few countries and issues

(2) indigenous NGOs who have become relatively large, well-organised and able to attract significant funds from international donors and northern NGOs; sometimes these NGOs have originally been created or strengthened by northern NGOs

(3) indigenous NGOs that are small, usually focused on a particular geographical area or issue, that obtain small amounts of funding from donors or government, but who struggle to grow or stay afloat

(4) CBOs, membership organisations serving particular interest groups usually in rural communities, whose focus may be broad or quite narrow; these organisations may be formally structural or quite informal; farmers associations, credit groups, and joint marketing societies could all be considered CBOs in the context of this review.

Many countries have laws governing the registration of different types of organisations that may confer a certain tax status or legal standing. Some developing countries have umbrella associations for NGOs. In any particular country it is useful to find out whether an umbrella organisation exists, and if, or which types of, CBOs and NGOs tend to be officially registered – recognising the potential divergence between official requirements and practice.

The evolving role of NGOs and CBOs in development assistance

In the last twenty years NGOs have become progressively more involved in development assistance, at every level. The shift from a relief and welfare focus has come about partly in an attempt to address the underlying causes of some of those man-made disasters or to limit the negative consequences of the natural disasters at which they assisted. It has been helped by the increased funding they found they were able to attract. Many northern NGOs now have policy and research departments, and are a legitimate channel for large amounts of donor funding.

At the same time, the role of the state has been redrawn, and in developed and developing countries, there is now a much greater focus on civil society as a way to improve democratic processes and bring about greater accountability in government. Governments are also seeking ways to be smaller and to sub-contract functions where feasible. Furthermore, funding developing country organisations to carry out development work is considered a way to build indigenous capacity.

NGOs working in developing countries have benefited from this trend – either because they are considered part of civil society or because they work closely with many civil society organisations, including CBOs. As Stocker and Barbor-Might (1999, p3) state:

> "From the point of view of the donors, civil society was the 'place' where something could be done and, often enough, NGOs were the intermediary institutions or midwives of such remedial programmes [relating to structural adjustment], spanning the gap between donors and CSOs. The funding channels varied, sometimes being directed through northern NGOs (which might provide 'aid' directly or channel it to one or more partner southern NGOs or CSOs) and sometimes going as direct funding to southern NGOs and in some instances even to CSOs. When governments were irredeemably corrupt or oppressive (as, for instance, in Haiti during the Duvalier regime) these programmes seemed to offer virtually the only hope of channelling assistance to the people who most needed it (Norman Uphoff in the Foreword to Farrington et al 1993: iv)."

This growth in the funding, remit, competencies and responsibilities of NGOs has meant that they have been closely involved in (if not the instigators of) much of the experimentation with practical solutions to pressing problems in rural areas. This is the context in which NGO experiences with agricultural marketing interventions provide a valid and rich focus for this review.

NGOs and CBOs: welfare-oriented or business-like?

Although many NGOs share similar altruistic goals, their approaches vary enormously. This is particularly evident in the extent to which they embrace and harness commercial activities to promote broader objectives, or reject this as a legitimate means by which to achieve social objectives. Moreover, amongst those NGOs prepared to use commercial activities as a means to an end, there can be considerable variability in the role these activities are accorded within the development strategy and the competence with which they are planned and undertaken.

Organisations that are primarily welfare-oriented

A large number of NGOs and CBOs become involved in agricultural marketing activities, but this is rarely their core business. (There are some notable exceptions amongst some of the international NGOs who have become very experienced in agricultural enterprise, agro-processing and marketing. These include, for instance, TechnoServe, the Intermediate Technology Development Group, Enterprise Works Worldwide, and the Co-operative League of the USA).

Many NGOs start with welfare (or social or altruistic) objectives, in areas such as education, health, water, infrastructure and agriculture and gradually shift towards a longer-term development focus. With this shift, small business and income generation activities take on a greater role. Gibson (1993) describes this gradual transformation in terms of a continuum of different actions and attitudes (see Box 2).

Box 2: NGOs' evolutionary path in the development of small businesses and income generation

From ←	**→ To**
Relief and welfare	Development
Short-term	Long-term
Ideological	Pragmatic
Community-focused	Individual-focused
Targeted	Self-selecting
Grants	Market interest rates
Amateurish	Professional
Income generation	Small business
Social / Technical	Economic / Business
Instinctive	Strategic
Beneficiaries	Clients

Source: Gibson (1993)

Often NGOs and CBOs deliberately work in remote and disadvantaged communities and target the poorest households or individuals. These conditions, in combination with a general relief and welfare orientation, influence the strategies they adopt to achieve their objectives.

For instance, direct or indirect subsidies may be used to improve access to markets (e.g., through provision of transport, credit or inputs). An example of a direct subsidy is free or below cost use of transport (calculated on basis of the costs of fuel, driver and perhaps some portion of the vehicle costs). An indirect subsidy might involve charging a commercial (or break-even) rate on the vehicle hire but taking no account of the staff costs of implementing and managing the scheme. Whilst few people would suggest that the subsidy could continue indefinitely, there may be little consideration of how these activities can eventually be shifted to a more sustainable basis. The result is often that the programme attracts participation because of the subsidies, and once it ends there is little enduring impact. Yet in the short-run these types of activities are attractive to NGOs because they have fairly immediate and visible (if not enduring) impacts and can (with varying degrees of success) be targeted to particularly disadvantaged groups (such as the poorest households, women, refugees, the handicapped or other marginalised social groups). An approach that seeks to use commercial channels may take much longer to develop and may place the intended target group at a disadvantage relative to other members of the community.

Even when NGOs and CBOs do not intentionally adopt a non-commercial approach, market-oriented interventions are often subordinate to their core business. This affects the way they are developed and managed, as well as the way they are perceived within and outside the organisation. Stanton (1993, p50) gives four reasons for this lower status:

- ideological - "…the core work assists those who most need it, income-generating work assists those who will exploit it to the greatest economic advantage"

- resource allocation – reflecting the ideological perspective

- management – "the most willing volunteer for the job rather than external recruitment of people qualified and experienced in business-management"

- finance – these activities may be quite costly to implement and effectively monitor.

Furthermore, marketing activities are often managed and evaluated in the same way as other development activities, with insufficient attention to budgeting and profitability. A survey of income generating programmes carried out by a range of indigenous and international NGOs in Welaita, south-west Ethiopia, found that there was very little attention given to the income generated and the profitability of different schemes (Kindness, 1994).

However, NGOs using subsidies to target disadvantaged groups would argue that this is a legitimate way to improve the livelihoods of poor individuals, households and communities, particularly in remote areas. Yet even with these subsidies, it may be difficult to have much impact on livelihoods in the most geographically and socio-economically disadvantaged communities.

Stanton (1993) points out the disadvantages of this type of approach: the frequent failure to make a significant profit; high costs that prevent the NGOs / CBOs from reaching a wide audience; and problems concerning long-term sustainability.

Business-like NGOs and CBOs

> "Organisations which themselves resemble small businesses – in terms of their people, culture, systems, structure and behaviour – are most likely to be successful in encouraging the growth of small businesses" (Gibson, 1993, p187).

In recent years, private sector development has increasingly been seen as a viable and important approach to sustainable development. Thus many governments, NGOs and CBOs have focused on the promotion of marketing and small-scale enterprise to encourage greater participation in the commercial sector, as a route to higher incomes, employment generation and growth.

Small enterprise development work, which grew considerably in the 1980s, has contributed to a realisation that it is possible to make much greater use of market mechanisms in pursuit of development objectives. This has been shown particularly through the success of micro-credit initiatives, where even very poor individuals are able to repay not only loans but also interest which sometimes covers the costs of providing credit.

Also, social objectives and commercial objectives are not mutually exclusive and many NGOs and CBOs pursue both. The fair trade movement is a good example of this. Fair trade organisations use commercial methods to generate social development benefits, through improved terms of trade. The important thing is to balance potential marketing success with the social benefit needs of the beneficiaries (Humphrey, 2000).

Furthermore, selective use of subsidies can still lead to sustainable and successful marketing initiatives, depending on the circumstances. The CARE Egypt Agricultural Reform programme has shown this (McVay, 1999). The programme provides information services to smallholder farmers and facilitates linkages in order to help increase farmer income. The service is highly subsidised but has proven successful for a number of reasons:

- It helps to link farmers to sources of information *outside* the programme, thereby fostering the long-term sustainability of relationships and networks;

- Farmers contribute financially - they pay fees for the services; and

- The demand for services is farmer-driven and project staff work *with* farmers to identify production and marketing opportunities.

A similar approach is used by Intermediate Technology in Zimbabwe (Jeans, 1998). Assistance in product development is offered but the initiative must come from an existing business, which must be willing to contribute to the costs of product development (e.g., through materials, labour or workshop facilities).

The two key advantages of greater commercial orientation and awareness are that cost-recovery enables more people to be reached by such programmes, and sustainability becomes a realistic goal.

Gibson (1993, p194) argues that NGOs appear to have distinct advantages in pursuing income-generation programmes ("smaller, more flexible, innovative organisations"). His conclusions (p194) are firmly rooted in the belief that commercial strategies can serve development objectives:

> "The continuing challenge is to progress from this base so that the economic growth of other developing countries is enhanced, is driven by indigenously owned and indigenously managed enterprises, and reaches the poor and disadvantaged sections of the population."

Direct intervention or facilitation?

The marketing role that NGOs and CBOs take on lies somewhere along a continuum between being directly responsible for marketing activities to facilitating beneficiaries/clients to market for themselves.

Direct marketing role

The term "Income Generating Programme" (IGP) is used to describe a variety of programmes (Harper, 1991). These range from enterprises owned and managed by the beneficiaries to enterprises owned and managed by the organisation, which employ the beneficiaries. A number of NGOs / CBOs have established this latter type of small business (managed by the organisation but employing beneficiaries) in order to generate income to finance their other programmes and reduce donor-dependence.

CBOs and NGOs can also be more directly responsible for marketing activities. One way of doing this is through outgrower schemes (sometimes referred to as contract farming or satellite production). An outgrower scheme established by the Agribusiness Development Centre in Uganda is described in Box 3. Such schemes involve smallholder producers providing agricultural raw materials to trading or processing businesses. Often growers work as a group, characterised by Stringfellow *et al.* (1997) as linkage-dependent groups. Generally the marketing arrangements are predetermined: prices or a pricing formula are agreed. They help markets function to the benefit of both producers and the companies or organisations involved. This type of relationship is beneficial for farmers because they have a secure market for their produce at a predetermined price and the buyer benefits from having a guaranteed source of raw materials and lower transaction costs, which reduces his/her risk and costs.

Within the fair trade arena, the role of and marketing channels used by NGOs and CBOs (or Alternative Trading Organisations, ATOs) also varies. Some organisations (such as Oxfam Trading and Traidcraft) take a direct marketing role by acting as wholesalers, with the producers acting as subcontractors producing to order. An advantage of this type of arrangement for producers is that they are guaranteed a volume of sales, thereby minimising their risk. A disadvantage of this, and of outgrower schemes, is that the producers can be dependent on the trader, and may not have access to alternative buyers or markets if for any reason the trader is no longer able to market their produce.

Box 3: ADC and bean outgrower schemes in Uganda

The Agribusiness Development Centre (ADC) in Uganda helped establish bean outgrower schemes in Kasese and Kibaale districts together with the Uganda National Farmers Association (UNFA) and Bugangaizi Export Commodities Limited (BEC). The purpose of the schemes was to integrate poor rural farmers into the bean market, through marketing agencies, to provide them with an additional income source.

ADCs role was facilitating the supply of bean seed and training some of the producers as "farmer-extensionists" to provide follow-up extension advice to other producers. UNFA and BEC promoted and implemented the programmes. They were responsible for managing seed supply, training and extension and organised marketing (procurement and collection) of the crop.

The outgrower schemes have been successful from the producers' perspective in several ways:

- The numbers of farmers reached has steadily increased;
- Output levels have increased (participation, acreage and yields have all increased);
- An effective farmer-extension system has been created, and adoption of new varieties and improved production methods has been good;
- Planting materials have been maintained and expanded through seed multiplication; and
- Household income from bean sales has increased.

From the trader perspective, a strong linkage was formed with a private buyer in Kasese, who procured beans through UNFA and sold to a Kampala based exporter. In Kibaale the linkage was weaker, due to the inability of BEC to raise finance. This lack of capital was a key constraint, and undermined the efforts that had gone into developing the scheme and building effective outgrower loyalty. Also, competition from other traders emerged for the beans, which affected potential profit. This highlighted the importance of product selection within outgrower schemes and the need to consider diversion factors (whether the product can be used or sold outside the outgrower scheme) and the buyer's (financial) exposure ratio (the likely cost of obtaining the crop against anticipated sales value).

(Source: ADC, 1998)

Facilitative role

Other NGOs and CBOs play a more facilitative role. They assist individuals, groups and communities to market for themselves. This includes both improving access to, and benefits generated from, existing products and existing markets as well as creating new products and new markets (e.g., through technology development and processing).

There are a variety of ways in which organisations facilitate marketing, including: strengthening the capacity of individuals, groups or communities (through group strengthening and training); developing linkages to traders and other stakeholders in the marketing chain (e.g., input suppliers, credit sources and transport agents); and linking farmers to relevant market information.

This type of facilitative role is beneficial for a number of reasons: being less interventionist, it is likely to generate more sustainable marketing activities and linkages; it is likely to be achieved at lower cost than if the NGO were more directly responsible for marketing activities; and it therefore facilitates reaching a wider audience.

Different types of marketing intervention are examined in more detail in the next section.

III. TYPES OF MARKETING INTERVENTION

As indicated in the previous section, there are many different ways in which NGOs or CBOs may intervene to improve access to agricultural markets. In this section interventions are discussed in eight non-exclusive categories that describe aspects of the intervention strategy:

- intended beneficiaries
- skills and training
- access to agricultural inputs
- agro-processing technologies
- marketing linkages
- credit programmes
- marketing information
- holistic approaches

Any particular marketing intervention may comprise elements from several categories (e.g., inputs and training, or technology, training and finance). The concepts and experiences associated with each category are reviewed, permitting some preliminary conclusions on the more promising strategies. These are then further developed in the final section.

Intended beneficiaries

Individuals, groups or communities?

Different NGO and CBO marketing initiatives operate with different beneficiary or client structures: some work with whole communities, some with groups and others with households / individuals. The choice of appropriate structure will be dependent on a number of factors.

Research carried out by the Plunkett Foundation and experience of CARE's Development Through Conservation project in Uganda (Kindness, 1998) suggests that working with village associations or whole communities is more difficult than working with smaller groups. The latter are more focused, more specialised and more likely to have a common goal.

Many NGOs and CBOs implement their marketing interventions with groups or associations. Not only are there advantages to the NGOs and CBOs of working with groups, but there may be advantages for the farmers themselves of marketing collectively. The groups can be existing groups (e.g., women's groups, savings and credit groups, social groups and so on) or newly formed groups. The potential advantages of farmers collectively addressing marketing constraints include:

- economies of scale, through joint purchasing of inputs and joint marketing of products;

- improved access to finance, where credit organisations favour group loans, or where pooled resources provide the necessary down-payment; this can overcome problems of larger investment needed in e.g., processing technologies, storage facilities or transport;

- collective bargaining power; and

- lower transaction costs (for producers and traders).

Yet there is much evidence that, in general, small enterprises owned and managed by individuals are more successful than group enterprises (Gibson, 1993). Technology adoption in particular is felt to be better amongst individuals than groups, although groups can be an appropriate vehicle for technology transfer if the technologies are subsequently employed by individuals (Bockett, 1999). This is echoed by Stringfellow *et al* (1997) who argue that that group enterprises are more likely to succeed when based on joint marketing rather than joint management/ownership of assets, because the latter requires more complex skills and experience. It has also been found that external organisation and management of groups can prevent the development of entrepreneurial skills.

There are no definitive rules on which structure is appropriate. It will depend on the type of intervention and the objectives of the individuals and NGOs / CBOs. On the one hand, NGOs need to remain open to working with groups where appropriate, recognising the potential to build capacity, reduce transaction costs, and introduce activities with a higher investment threshold. However, an understanding of the reasons behind group formation is important and care should be taken not to over-burden groups formed for social rather than economic reasons. Sometimes individuals, often women and particularly in rural areas, prefer to work together. Furthermore, commonly cited problems attributed to groups *per se* have been found to be less important when there is strong group leadership and cohesion, and when there is good group organisation before any external intervention takes place.

Stringfellow *et. al.* (1997) point out that a non-interventionist approach – letting producers decide for themselves whether they operate as individuals or groups – allows individuals to develop appropriate structures to build necessary skills and solve their own problems. People will not work well within an imposed structure. As Gibson (1993, p188) succinctly states:

> "Enterprises working in a market environment (whether collectively owned or individually owned) have ultimately to make a surplus in order to survive. The 'bottom line' for NGOs is to support the structures which will work best according to this criterion."

Rural poor

The majority of NGOs and CBOs deliberately target their activities at poor households and poor communities. Those that focus on agricultural production, processing and marketing are often found in remote rural areas. This focus has implications for the approach adopted by the NGOs/CBOs and the marketing initiatives they develop.

Whereas the trend in marketing approach adopted by NGOs has moved towards a more business-oriented, facilitative approach in recent years, some authors argue that this is less likely to succeed in remote rural areas than in less remote, higher-potential areas. Moreover, within rural communities, some poor individuals and groups are considered too remote and disadvantaged to be able to benefit from marketing interventions. The most vulnerable households and women-headed households in rural areas are particularly disadvantaged; they tend to have more restricted access to information and services and tend to be more risk averse than other households (Risopoulos *et al*. 1999). Some households may only benefit indirectly from any marketing intervention through any impact it has on the labour market.

Consideration should also be given to the types of intervention most appropriate to a particularly disadvantaged target group, particularly where the transfer of hardware and entrepreneurial skills are envisaged. For example, food processing technologies are often predominantly adopted by the rural elite, due to their more developed entrepreneurial skills and access to finance. This may nonetheless reduce poverty, through improved markets and employment generation, but the strength of these linkages varies, making it difficult to generalise. Certainly more information is needed on the extent to which the poor are benefit directly and indirectly from NGO and CBO marketing interventions, and about which approaches and types of intervention are having most impact.

Women

In common with other organisations, NGOs and CBOs often find it very difficult to effectively target benefits to women. Yet women are frequently amongst the poorest members of rural communities and face particular constraints in improving their livelihoods. Moreover, their traditional role in food crop production and (sometimes) domestic marketing, as well as the influence they have over child welfare and nutrition, makes them an obvious target for poverty-focused agricultural marketing interventions.

In their review of women's role in post-harvest operations, Gordon *et al*., (2000, p30) conclude that:

> "Where interventions are intended to benefit the poorest women, attention should be focused on particular issues:

- the needs of female-headed households, which feature disproportionately amongst the poor
- crops and processes used in marginal areas
- carrying fuel and water, because so many women are affected
- how poor women earn income – so that new technology really does benefit them
- understanding the broader processes which determine how benefits are distributed, and
- household level and informal sector activities, where the poorest people earn their living."

Goodland *et al*., (1999, p26) make a number of suggestions on how women's participation in rural finance programmes can be increased, the spirit of which is equally relevant here:

- out-of-hours opening or mobile services, or locating services where women are, e.g. in market places;
- relaxing literacy requirements;
- flexible collateral requirements, e.g. accepting jewellery rather than land; and
- allowing loans of a suitable size (usually small).

Skills and Training

The types of training offered by NGOs in support of marketing initiatives can include group strengthening, general extension, marketing and specialised training.

Group formation and strengthening

The advantages of working with groups have already been highlighted. Despite these, group establishment and operation has generally proven more difficult in practice than expected. Some organisations undertake group strengthening and training (e.g., in processes of recruitment and management, structure and leadership, financial and business management skills and so on) before marketing activities are initiated, or as part of the marketing intervention. The case of oil palm processing with the NGO TechnoServe is a good example (see Box 4).

The danger of not assessing the performance of existing groups and providing any necessary training in group strengthening is that marketing activities implemented with these groups can fail due to general group weaknesses, rather than problems with the marketing activities *per se*. Stringfellow *et al* (1997) studied farmer co-operative enterprises and their findings highlight the importance of not over-estimating group capacities, and the need for long-term involvement in building group capacities. Often groups fail because they have been formed too quickly and too much is expected of them. They also found that group enterprises are more likely to succeed when based on joint marketing rather than joint management/ownership of assets, because the latter requires more complex skills and experience. It is also important to consider what group size is most appropriate and whether there is a culture of working as a group.

The Co-operative League of the USA (CLUSA) working with CARE in Mozambique have developed a very thorough approach to the development of farmers associations. They have attempted to make this approach more sustainable by developing the capacity of a local NGO to take-up and continue these activities, and by promoting a structure within the farmers' associations that permits on-going development. The approach has been criticised for being too costly, but the results to date, albeit over a short duration, are nonetheless very impressive (see Box 5). There is now a need to critically evaluate this approach, to identify the direct and indirect subsidies provided by the NGOs, and assess which components have most prospects of sustainability.

Box 4: TechnoServe and oil palm processing in Ghana

TechnoServe is an NGO whose activities focus on the provision of food processing technologies for rural communities. The initial focus of its work was small-scale oil palm processing and extraction in Ghana, but it has subsequently expanded to include processing service centres, inventory credit schemes and production and processing of non-traditional export crops.

The purpose of the oil palm scheme was to build on traditional processing (which was laborious and slow) and to exploit the potential for expansion in a strong market, by introducing small-scale mechanised oil mills to community-based groups.

The approach adopted by TechnoServe went beyond providing the technology and technical assistance. It was recognised that entrepreneurial skills in the communities were weak, and that group development activities and financial and business training (including linkages to formal credit and extension services) were necessary. This integrated training and support package clearly contributed to the sustainable adoption and management of the oil processing enterprises.

However, the TechnoServe approach has also been criticised. The training and support provided to groups is heavily subsidised. Case studies of the oil palm enterprises indicate that the skills are held by only a small number of active group members, and that because of social norms, there is a reluctance to pass these on. A more serious criticism of the approach is that although it has been successful in transferring skills specific to the oil palm enterprise, it has not managed to create more general entrepreneurial skills and characteristics amongst the group members.

(Source: Bockett, 1999)

Box 5: Building farmer associations in northern Mozambique

Working with extremely poor communities lacking much of the most basic infrastructure, as Mozambique recovers from more than two decades of war, CARE joined forces with CLUSA (and its local partner, OLIPA) to develop and test a model of rural enterprise and service delivery that builds on the relative strengths of farming communities, commercial traders, Government, and the banking sector. The NGOs act as a catalyst; Government plays a role as co-ordinator and facilitator of information flow (eg., with agricultural researchers); but agricultural production and trade increases through a partnership of farmer groups, traders and providers of financial services. The logic is persuasive, but more importantly, experience to date strongly suggests that the achievements are wide-reaching, sustainable and replicable.

Working through their own structured network of extension groups, farmer associations and apex organisations (called *fora*), farmers are able to secure commercial contracts for their produce, selling at higher prices than possible individually. This margin is then re-cycled to pay for inputs for subsequent crops, the provision of informal but co-ordinated demand-led extension services, community infrastructure (typically a small crop warehouse, clinic or school) and services (adult education and hands-on rudimentary training in agribusiness and marketing). Access to financial services is fostered through savings groups and association bank accounts. Government agents work with NGOs to provide initial exposure to new technology – which is then cascaded through the informal extension network. Communities building clinics or schools are able to leverage Government to provide staff. Acquiring skills, confidence and a track record, these communities negotiate loans with traders to purchase inputs and bulk up crops. As production grows, small enterprise, savings and investment activities all expand.

By mid-2000 80,000 farm families were participating in 2,000 extension groups in Nampula and Zambezia provinces. Current year production of white sesame and pigeon pea for export was worth $4 million; maize yields and incomes were significantly higher for participating farmers than for others; and there were improvements in food security, enterprise by men and women's groups, and savings mobilisation. Experience with white sesame has been particularly revealing. Increased production has led to greater trader activity, and competition amongst traders has pushed up farm-gate prices. Whilst trader loans for seed and other inputs were a crucial first step as the associations developed and expanded their activities, in subsequent seasons associations which were strong enough to finance seed from savings or other sources, were able to negotiate much better sale prices for their crop.

Source: CARE International, Mozambique (2000).

Training and extension

The starting point of a number of CBO / NGO marketing initiatives is production. This is because to market successfully, farmers need to produce and sell what is in demand, at a profit. Often existing markets could be accessible to farmers (either on their own or through linkages with traders), but marketing is constrained by the low volumes or poor quality of farmers' crops. Improved production practices are important for increasing yields of existing crops, new varieties and new crops. Yet government extension services are often lacking or extremely under-resourced. NGOs therefore often assume a role in providing, or facilitating the provision of, relevant extension information. This may be through strengthening existing extension services or through the establishment of alternative services, such as farmer-extension schemes (ADC, 1998).

When the CARE Egypt Agricultural Reform Programme began, it focused on improving crop and livestock production. Now however, the project has become more market oriented and requires farmers to examine the market for their products prior to improving production (McVay, 1999).

Other NGOs and CBOs provide marketing training to groups and individuals. This includes training in production and marketing systems, constraints and opportunities, market demands (products and service) and how to assess whether products can be supplied profitably. The benefits of providing producers with this type of training are that it develops their capacity to analyse markets for themselves and therefore allows them to respond to changing market opportunities and threats. They are not dependent on the NGO / CBO to identify marketing opportunities for them in the longer-term. It is also important for NGOs and CBOs not to create parallel services and for different development organisations and governmental bodies to co-ordinate the training and services they provide. In Uganda for example, a task force was established to prepare guidelines on how NGO activities be integrated into district agricultural programmes (Kleih, 1999).

Specialised or vocational training is usually provided to individuals or groups when the marketing intervention relates to a new product or new technology, and requires new skills. Examples include: production targeted to a new niche market or particularly quality-conscious export market; or training in the use of an agro-processing technology, such as an oil press.

Increasingly organisations which provide skills and training for enterprise development are charging trainees a fee. This helps NGOs and CBOs with limited funding to reach a wider audience. More significantly, it has been found that charging a fee increases the proportion of trainees who actually make effective use of their training. The entrepreneur, making the decision to invest money and time in training, is in effect making a risk assessment (Jeans, 1998).

Improving access to agricultural inputs

Poor access to inputs directly influences the level and quality of production. Even in the poorest parts of Africa, there is still demand for farm implements and good quality seed. Less-poor farmers may make selective use of fertiliser and pesticides too.

Input subsidies are a particularly vexed issue. Some argue that they are needed to provide a short-run boost to production and incomes. Yet they are very disruptive and undermining of sustainable commercial development too. At a workshop in Uganda (Gordon and Goodland, 1999), participants highlighted the negative effect of farm input relief programmes in neighbouring countries, on the development of commercial input supply networks in Uganda. In Malawi, the starter-pack scheme (distribution of free seed and fertiliser) implemented in 1999 and 2000 has boosted production there, but it has also deprived other low-income farmers in neighbouring countries (notably Mozambique) of a traditional outlet for their surplus production.

Gordon (2000a) discusses five sets of issues affecting access to inputs: affordability; availability; information; risk and uncertainty; and the overall commercial context. Although credit is often assumed to hold the key to improved access, other ways to improve affordability are also identified: timing input sales to coincide with times when farmers have cash; selling inputs in small pack sizes suited to small producers (e.g., seed); and lowering prices, by making cost reductions in distribution and marketing (e.g., through bulk purchases, transport sharing arrangements, and farmers' groups taking on more responsibilities). Whilst NGOs may play a role in providing credit or promoting some of these other strategies, a role for CBOs (i.e. farmers associations) is much more apparent. In countries that have succeeded in significantly improving access to inputs, farmers' associations have acted as a key vehicle for input distribution (e.g., cotton farmers groups in Zimbabwe and Mali, and the CLUSA/CARE groups in Mozambique, described in Box 5).

Many consider the physical availability of inputs to be a more important constraint to access, with thin and unreliable rural distribution networks in most African countries. A recent development involves innovative approaches to the promotion of input stockist networks by NGOs, illustrating what can be achieved through constructive partnerships between the commercial, private non-profit, farming community and government sectors. These initiatives typically involve training of stockists and may involve loans or loan guarantees. There is also growing interest in ways to improve and build on traditional informal seed systems.

Information constraints are also important – be they in terms of information gaps (basic research on fertiliser response for instance) or information flows. Although farming is inherently risky, better information reduces uncertainty, enabling farmers to make more informed production decisions.

Gordon (2000a, p2) concludes with some general observations, which also have relevance to the activities of NGOs:

> " In addition to policies aimed towards the general development of rural economies, a number of more specific policy recommendations are made: avoid actions which undermine the development of sustainable commercial input supply networks; support input markets by setting standards and regulations, and providing information and training; promote synergistic partnerships between commercial, private non-profit, farming community and government sectors; and fill critical research and information gaps."

Agro-processing technology

Small-scale farming households in remote rural communities generally find that they operate in markets comprising many producers of undifferentiated products, which leads to price competition and low profit margins. Access to processing technology can provide new market opportunities – by reducing perishability or adding value in other ways.

Processing technologies can range in scale from household-level "low-tech" processing to fully mechanised factories. Household level processing has two main functions. It can add value and it can preserve the product, thereby increasing the time available for marketing. Other advantages of small-scale agro-processing enterprises are that they can create employment at low levels of investment that make effective use of local resources. Enterprises owned and managed by individuals or households are often more successful than group enterprises, so technology development organisations need to be aware of this need for small-scale technologies.

However, many NGOs and CBOs work with farmer groups either because it is the structure that the farmers prefer (there may be a culture of group activity) or because the NGO/CBO prefers this approach (due to financial and coverage reasons). Yet group approaches to the adoption of agro-processing technology are often weak and entrepreneurial skills are less evident than when working with active individuals (Bockett, 1999, citing work by Hall and Andrews, 1996). In these circumstances, careful group selection is required, as well of consideration of ways in which the need for entrepreneurial skills can be reduced by introducing a third party, such as a private company offering marketing services to small-scale processors.

It is necessary to ensure that there is market demand for the technologies and/or their end-products and that the technologies are appropriate (e.g. taking into account gender issues), rather than developing technologies for their own sake (Gibson, 1993). It is also important that the wider enterprise environment is considered and that institutional arrangements enable smallholder access to markets (Bockett, 1999).

Also, as will be examined further in the sub-section on holistic marketing interventions, many marketing constraints faced by farmers are inter-related. In terms of technology development, other marketing factors such as access to credit, adequate managerial and technical skills, and market information all influence technology choice decisions. Box 6 illustrates how ATI developed and introduced a small-scale oil processing technology in Africa, with a multi-component programme that addressed the need for training, credit and local manufacture of the manual press. This process took more than a decade, but the result is a press that is produced and purchased in many countries in Africa, that fills an important niche in rural communities that lack power and have poor access to markets.

Box 6: The ram press – oilseed processing technology introduced by ATI

In the 1980s ATI (now Enterprise Works Worldwide) started developing a manual ram press (also called the Bielenberg press after the engineer who developed the prototype) to produce edible oil in remote parts of Africa without electricity and with poor access to markets. The first presses were intended for soft-shelled sunflower seed in Tanzania, but the model has since been adapted for use with other oilseeds, including coconut and sesame. The first presses were very arduous to use but later models improved on this and could be operated easily by one person. It was hoped that they would improve nutrition by improving access to energy-rich food, whilst also increasing farmer incomes and creating enterprise and employment in rural areas. Indeed, local entrepreneurs involved in small-scale oilseed processing can earn two to three times more gross income, compared with selling the seed to processing factories. In Tanzania, costs could be recovered in just one three-month season.

ATI worked up the promotion methodology over many years in many African countries. The ram press is quite simple and is supplied with a filtration device and tools for maintenance. Training, information and support on proper use and socio-economic and nutritional benefits of an oilseed processing operation are important elements of the extension programme adopted by ATI and its partners. In Tanzania, ATI sold the presses on credit for many years. Elsewhere, whilst varying in their systems and repayment rigor, credit has been an important factor affecting uptake. Depending on the model and manufacturer, the presses cost between \$150-\$300 (in 2000).

ATI has been innovative in promoting the commercialisation of small-scale oil processing in Africa with its Regional Oils Programme. Its focus shifted from providing technical assistance to NGOs involved in small-scale oilseed processing to a private sector approach that emphasises commercialisation and mass manufacturing of ram presses. As a result, private enterprises have been developed, given assistance with market surveys and developing business plans, and are becoming responsible for the manufacture and wholesale of ram presses. ATI also stress the importance of the participatory processes used that involve economic actors in the community – owners and workers, press manufacturers, sales agents and oil-consuming families.

Source: IDRC (nd) and fieldwork by Gordon.

Marketing linkages

Marketing problems identified by producers are often attributed to the commercial sector and the capacity to access it: lack of buyers, unreasonably low farm gate prices, inflexible requirements, and so on. Links between NGOs / CBOs, the governmental sector and commercial agents are usually weak. Yet working together with the private sector is an important way for farmers to access relevant market information, technologies and new market opportunities. It is also a way for NGOs and CBOs to reach a wider audience with limited funds. As Kleih (1999) has stated, although NGOs are making a very positive contribution to rural development, they generally only reach around 1 to 2% of farming households in any one country.

Private sector agents are sometimes willing to collaborate with NGOs and farmer groups to share in the costs of providing training and information, if they see it as an investment through which they can increase their own revenue. In these circumstances, both the producers and traders can benefit. Developing and strengthening relationships between farmers and traders can reduce transaction costs, transport costs and risk on both sides.

It was noted above that approaches that use and strengthen *existing* private sector production and marketing channels, rather than seeking to override them or invent new ones, have been particularly effective in addressing marketing constraints and in sustaining linkages beyond the life of the NGO marketing project (Jeans, 1998).

The Smallholder Agribusiness Development Program (SADP) in Malawi, established by American Co-operative Development Initiative and Volunteers in Co-operative Assistance (ACDI / VOCA), links farmers to existing private-sector markets, rather than establishing new market channels. This has contributed to its success in working with large numbers of farmers and achieving sustainability (see Box 9). CLUSA and CARE have also focused on developing linkages between farmers and traders in Mozambique (see Box 5).

Credit programmes

Credit merits particular attention in the context of agricultural marketing and processing. Farmers groups and NGOs often recognise a lack of credit as a critical constraint to the development of new initiatives and many seek to remedy this through credit interventions. The aspects discussed here are drawn from a recent synopsis by Gordon (2000b).

Rural finance

Rural finance comprises credit, savings and insurance (or insurance substitutes) in rural areas, whether provided through formal or informal mechanisms. The word "credit" tends to be associated with enterprise development, whereas rural finance also includes savings and insurance mechanisms used by the poor to protect and stabilise their families and livelihoods (not just their businesses).

Rural finance comprises informal and formal sectors. Examples of formal sources of credit include: banks, projects, and contract farmer schemes. Reference is often made to micro-credit. *Micro* underlines the small loan size normally associated with the borrowing requirements of poor rural populations, and micro-credit schemes use specially developed pro-poor lending methodologies. Rural populations, however, are much more dependent on informal sources of finance (including loans from family or friends, moneylenders, and rotating or accumulating savings and credit associations).

There is an enormous literature on rural finance and micro-credit, much of which relates to small-scale enterprise. (Many micro-credit schemes specifically exclude agricultural production activities, even in rural areas, because they are considered high risk). The discussion here focuses on particular aspects of rural finance that are relevant to NGO and CBO agricultural marketing initiatives. First, typical features of micro-credit schemes, which tend to be run by NGOs and often work with community groups, are reviewed. Attention is then focused on two types of credit scheme with particular relevance to agricultural marketing interventions: inventory credit - a relatively new departure in small-holder agriculture, which is attracting increasing attention from NGOs and private banks; and outgrower schemes, which tend to be supported by the private sector but often work through producer groups. Some NGOs support other "hybrid" rural finance initiatives that may affect agricultural marketing. These include stamp-based savings groups and rotating savings and credit associations (ROSCAs), where pooled savings may facilitate access to additional loans, and permit crop purchase/assembly/marketing activities or improved access to agricultural inputs.

Micro-credit and the rural poor: the issues

Rural credit would not be the focus of so much development effort were it not for widespread market failure (ie failure to provide the services people want) in rural financial services in developing countries. Reasons for market failure include:

- the lender does not know the default risk of each potential borrower and to collect this information is costly
- it is costly to ensure that the potential borrowers take those actions which make loan repayment more likely
- it is difficult and costly to enforce repayment
- the cost of providing services to the rural poor is high because they are located in remote areas, want to borrow small amounts, and illiteracy, lack of experience of banks, and lack of collateral necessitate the development of tailored approaches.

What are the implications of this for agricultural activities? Firstly, all these types of market failure apply to agricultural lending in developing countries. Lack of information on the risk of default is particularly germane to agricultural enterprise. Farmers do not keep records, so it is difficult for them to produce the information that might convince a bank of their creditworthiness. Rural market transactions are largely informal, so it is difficult for the bank to collect independent information on prices. Farming is clearly a risky business because of weather, pests and market fluctuations – and it is difficult for a bank to assess the degree of risk associated with particular activities. The rural poor do not have a track record, or referees who will vouch for their competence and reliability. Making sure that farmers stick to their business plan, using loans as intended, and carrying out tasks to schedule, is also costly – although this might make loan repayment more likely. Enforcing repayment is also difficult – this requires monitors who know when crops are sold, or agreements with merchants to pay the farmer net of what s/he owes the bank, or effective penalties such as seizure of assets or prosecution. Farmers rarely have collateral acceptable to banks. They may not have clear title to the land they farm, or even if they do, rural land markets may not function well enough for land to be considered a "bankable" asset. Poor farmers, moreover, rarely have other bankable assets. They might own a bike, and have a store half full of grain – but were a bank to seize such assets the cost of doing so would probably exceed their sale value.

The poorer the farmer, the less are his/her chances of borrowing from the formal sector. Women, particularly poor women, face even more problems in obtaining credit. Land title, where it exists, is usually held by men. Women often have little control over other factors of production, particularly for the "bankable" cash-cropping activities. In some countries women may only borrow in the names of their husbands, if at all - and literacy rates for poor women are almost always lower than those for men. The irony is that numerous studies show that women tend to repay loans more reliably than men.

Numerous projects, government schemes and NGOs engage in loan programmes targeted at the poor. Some of these work well, but many are unsustainable because of high and subsidised costs, and high rates of default. Moreover, many miss their target, with the benefits captured by the less poor. The poor depend overwhelmingly on the informal sector.

Micro-finance is the response to market failure in "conventional" banking services for the rural poor. It responds to the needs of low-income households. Sound schemes tend to be characterised by:

(a) small, short-term loans, and savings mechanisms
(b) simplified loan appraisal procedures
(c) innovative approaches to collateral
(d) rapid approval/disbursement of repeat loans after repayment
(e) high transaction costs
(f) high repayment rates, and
(g) savings and loan services provided at a location and time convenient to the poor.

Thus, micro-credit schemes are often associated with: group-lending (where peer pressure effectively substitutes for collateral, and other group members may take action to prevent one member to defaulting – by providing labour to assure timely harvest, for instance); extension inputs arranged by the micro-finance institute (MFI); and mobile banking arrangements. Cash-flow analysis may concentrate on overall ability to repay the loan – rather than a particular investment project. In some respects, MFIs try to imitate the strengths of the informal sector (using local information to ensure repayment, for instance) and some MFIs are experimenting with ways to link their operations with some of the informal sector financial agents.

Agricultural marketing loans are not common in MFI loan portfolios, but some micro-credit schemes do provide marketing finance or input loans.

MFIs can include government and commercial banks, NGOs and savings and loan co-operatives. Some of the largest MFIs are Asian (for instance, Grameen Bank in Bangladesh has 2 million borrowers and savers, Bank Rakyat Indonesia/Unit Desa system has 2 million borrowers and 12 million savers, and BAAC in Thailand has 2.5 million clients). Coverage is less in Africa, but still growing. K-Rep in Kenya has 15,000 clients and the FECECAM credit movement in Benin has 200,000 clients.

Whilst these figures are impressive, they point up a major difficulty: there are too few services to go round – and still fewer likely to become sustainable. Many schemes find it difficult to graduate from subsidised operations to full cost recovery. Uncosted but critical inputs by NGO staff are commonplace. Interest rates are often set below market rates (even at negative real rates, where high inflation prevails). Too little attention may be focused on repayment and follow-up; and farmer experience of subsidies, free inputs and loan amnesties may all contribute to low repayment rates.

Contract farmer schemes

Contract farmer or outgrower schemes focus on very specific needs. They usually operate in situations where a processor or trader faces a supply constraint, and therefore wishes to promote production of crop *x*, and has access to sufficient resources (own or loaned) to do so. Inputs are usually provided in-kind (to reduce diversion to other activities), accompanied by extension, and the cost of these services is recouped out of the price paid to the farmer when the crop is harvested. The degree of supervision and type of inputs provided varies greatly. High value horticultural products produced for export may be very closely supervised, for instance, whilst supervision of a cotton crop (which still has to undergo considerable processing before it reaches the consumer) may be minimal. Viable schemes must include mechanisms to minimise on-farm consumption or side-selling (farmers selling their crop to an alternative buyer and therefore avoiding loan repayment), such as:

- sharing of information and co-operation amongst crop buyers
- effective penalties against farmers who default (exclusion from future schemes, seizure of assets, prosecution)
- peer pressure achieved through group lending.

Some of the longer-established cotton schemes in West Africa are wide-ranging in scope. Considerable long-term effort has gone into capacity-building of farmers' groups. This enables farmers to take on a greater share of tasks in input supply and crop assembly, which both reduces cotton company costs and increases cash revenues to farmers. Inputs and extension are available for other crops in the farming system (not just for cotton) – effectively reinforcing and expanding the benefits accruing from cotton production.

These types of schemes are common for small-holder annuals grown for export such as tobacco, cotton and horticultural production, where the on-farm investment costs are relatively low, and the pay-back period short. (Thus, greenhouse production of flowers for export in Zimbabwe is *not* a small-holder activity). In Africa the cotton schemes are undoubtedly the largest. About 300,000 Ugandan farmers benefit from an input scheme organised by the cotton ginners. In Zimbabwe around 60,000 communal farmers take input loans from cotton companies (and many more participate in other schemes intended to increase cotton output). In Mali around 100,000 rural households participate in the cotton input schemes. The schemes in Mali and Zimbabwe both depend on a network of strong farmers groups, and the Ugandan scheme is likely to develop in that direction as it matures, seeking less costly ways to reach its target group.

Box 7 summarises some of the factors that affect the viability of outgrower or contract farmer input schemes.

Box 7: Factors which influence the viability of contract farmer or outgrower schemes
Crop market characteristics If there is limited on-farm consumption and local marketing, it may be possible to collect loan repayments at the point of sale. However, unless there is a crop purchase monopoly, or agreement to share information between different buyers, the farmer may be able to avoid repayment by "side-selling" (selling to another buyer).
Input qualities Inputs are often provided in-kind to reduce "diversion" of the input away from the targeted crop. Diversion is lessened if there is limited alternative use or market for the inputs, or if (unusually) returns to use of the input are greatest for the crop in question.
Commercial/credit context Prospects for viable operation of the scheme are greater if farmers treat farm as a business and are integrated into markets, and if there are supportive legal/political/contract enforcement institutions. A recent history of loan amnesties, default without penalty, and subsidised inputs may undermine the operation of viable scheme.
Modus operandi of scheme – best practice 1. Group schemes for peer pressure 2. Group or individual schemes backed up by monitoring/good information, support staff, and ability to act 3. Incentives for repayment and penalties for non-repayment 4. Appropriate incentives for field monitors/co-ordinators 5. Training provided to farmers – extension and business management 6. Developing relationship/trust/loyalty through field presence/contact 7. Accessibility of scheme – minimise red tape and transaction costs; organise so location and timing of contact is convenient to farmers 8. Effective and timely monitoring of input use and crop marketing

Inventory credit

Another mechanism for financing agricultural trade exists in inventory credit or warehouse receipt systems. This involves a tripartite agreement between a bank, a borrower (usually a trader), and a warehouse operator. Essentially, a trader is able to use an existing stock of, say, grain as collateral for a bank loan providing certain conditions are met. The grain must meet certain verifiable specifications and be stored in a warehouse operated by a third party. The bank will usually lend up to a certain percentage (perhaps 80%) of the value of the grain at that time (at harvest time when prices are low). The trader can then use the loan to acquire additional stocks of grain, and is usually required to repay the loan during the "lean" season before grain prices start to fall once more with the next season's harvest. The trader must settle all the warehousing costs before s/he removes the grain, and is generally required to repay the loan at this stage too. In the event that s/he is unable to repay the loan, the bank can seize the grain and sell it.

There is a lot of interest in inventory credit at the present time, because of the scope it offers to provide traders with capital, to fuel agricultural marketing. However, its use is limited by a number of factors: it can only be used for crops that are relatively non-perishable, with reasonably predictable pricing scenarios; by definition it is targeted to larger more sophisticated traders, able to purchase initial stocks and fairly confident in their negotiations with banks and warehouse operators; and it is critical dependent on the necessary institutional infrastructure (bank willingness to lend against inventories, warehouse systems which can operate to the standards and within the necessary legal framework, and supportive and enforceable legal institutions).

NGO involvement in these schemes can take a number of forms. It may include a role as an MFI providing the credit; or it may include working with farmers' groups who effectively become the "trader" in the tripartite agreement, buying crops from other farmers (or their membership), for storage and sale later in the season when prices are higher.

Who benefits from rural credit schemes?

Box 8 illustrates how agricultural activities, particularly those of the poor, tend to be barred from formal sources of credit.

Box 8: Who and what is excluded or less excluded from rural credit	
Tending to be excluded 🡐	🡒 Tending to be less excluded
Formal sources of credit	
Women	Men
The poor	Less poor
Illiterate	Literate
Agricultural activities	Non-farm enterprise
Landless	Those with land
Those with no bankable assets	Those with other collateral
Food crops	Cash crops – especially export crops
Unforeseen urgent needs	Planned investments
Informal sources of credit	
Long-term	Short-term
Large loan size	Small loan size
Seasonal inputs and investment	Crisis loans

Lack of capital is a widely recognised constraint to marketing and enterprise development. Both producers and traders need capital. It is needed to purchase inputs, to allow farmers greater flexibility in the timing of sales and to allow traders to engage in intra-seasonal storage.

In recent years there has been significant growth in the provision of micro-credit services to help businesses develop. Although here has been reasonable success in terms of widespread uptake (particularly amongst women) and high loan-recovery rates, the impact has been relatively disappointing (Jeans, 1998).

One of the reasons for this is that much of the credit has been used for basic trading and simple processing activities, which provide limited scope for increased productivity and added value. There has also relatively little use of credit for technology development. This has led to an expansion of similar enterprises, producing a limited number of goods and services for an already saturated market.

A second reason is the fact that small producers and small enterprises cannot afford to take the risk of developing, testing and promoting a new product. They tend to be risk-averse because of limited financial resources and because they lack access to the necessary information to help them profitably change their businesses.

Marketing Information

Market Information generally refers to market price information, and in some cases includes information on quantities. Marketing Information is a wider concept, including information on marketing channels, buyers, quality standards and so on.

Post-independence, many Market Information Systems in developing countries were government-run but most are now either defunct or confronting major problems. Yet accurate, appropriate and timely marketing information (on prices and on marketing issues more broadly) is very important for producers and traders. Market information informs production, processing, storage and marketing decisions, facilitates the spatial and temporal distribution of products and can strengthen the bargaining power of producers.

Yet in practice, Market Information Systems (MIS) have repeatedly proven to be unsustainable or have failed to provide timely and useful services (Shepherd, 1997). This has led some authors to argue that users should pay for market information. However, others argue that in the context of small-scale resource poor farmers in remote communities, payment for marketing information is unrealistic and information should continue to be considered as a public good. This is particularly true for information provided using mass media, which makes cost recovery very difficult. Also, farmers in remote areas with poor coverage by traders often point out that knowing market prices does little to improve their bargaining position if there is little competition amongst traders.

The Marketing Information System in Mali, which was re-organised in 1998, illustrates some more positive features. The objectives of this re-organisation were to “create a decentralised MIS which is efficient, viable and sustainable”. A participatory needs assessment was carried out initially to identify the marketing information needs of different stakeholders. Private sector stakeholder involvement and their needs are recognised as one of the key features of the MIS. One of the objectives of this MIS is to recover some of the costs through the sale of information to commercial stakeholders. However, for remote areas the information is viewed as a public good, and it is not anticipated that the system will be able to work without donor support (Kleih, 1999).

NGOs may have a role to play in collecting and/or disseminating market information where local government or private sector capacity is weak. It can involve assistance to local government in establishing MIS, training information officers and /or provision of transport and equipment. However, it is important that the institutional side of any established MIS is sustainable; the creation of new and unsustainable units, which do not form part of the local institutional set-up, should be avoided. Also, it is important that market information services are co-ordinated. The different marketing information requirements of producers and other stakeholders in the marketing chain may require several different sources of information (e.g., NGOs and CBOs, government extension and research services, private companies and so on). However, co-ordination is required to avoid duplication and use scare resources efficiently.

Holistic approaches

Numerous authors have indicated that marketing constraints cannot be tackled individually (including Galtier and Egg, 1998; Jeans, 1998; Bockett, 1999). The experience of many NGOs and CBOs has shown that isolated marketing interventions, e.g., the provision of new processing technology or market information, are unlikely to succeed. A *holistic* approach is needed to marketing and enterprise development, to look at the whole range of marketing constraints so as to improve the terms on which farmers participate in the market. Indeed, this is the strength of the private sector; it adopts a holistic approach when assessing the feasibility of enterprises and balances market demands, technology, infrastructure, training and other requirements.

Many of the marketing interventions already described in this review have been successful through adopting a holistic approach. For example, the Appropriate Technology oil palm press initiative involved much more than just design and provision of the technology, likewise the CLUSA approach to farmers associations (see Boxes 4 and 5). Training was provided to recipient groups in production, marketing, technical aspects of the oil press including repairs and agribusiness management, and linkages with manufacturers and traders were facilitated. The Smallholder Agribusiness Development Program (SADP) in Malawi is another good example of a holistic marketing program (see Box 9).

Box 9: ACDI/VOCA – addressing a range of marketing constraints in Malawi

The Smallholder Agribusiness Development Program (SADP) was established by American Co-operative Development Initiative and Volunteers in Co-operative Assistance (ACDI / VOCA) and its primary aim is to improve market access for farmers.

The programme was initiated to work with tobacco farmers (the largest and most profitable cash-crop sector in the country) at a time when the sector was being deregulated in the early 90s. The programme works with existing clubs or associations of tobacco farmers, who are responsible for bringing farmers together to jointly solve their problems. The programme deliberately selects stronger functioning farmer clubs to work with and they are expected to operate as commercial businesses.

The services provided by the programme are broad and address a range of marketing constraints. They include:

- Capacity building of groups and associations (through management and financial training)
- Assistance in identifying problems
- Assistance in identifying and developing solutions by:
    - Providing training and market information
    - Facilitating linkages - identifying private sector service providers
    - Negotiating transportation and other service agreements, and
    - Developing improved delivery systems.

The programme strives to be sustainable through a number of measures:

- Farmers contribute financially through club / association membership fees;
- Clubs and associations do not provide services directly (this would need more capital and management training) and are linked to commercial credit sources, rather than being given grants;
- Where possible, services are contracted out to the private sector, and
- Establishing a national organisation (NASFAM) to provide these services beyond the life of the program.

A number of the marketing services have proven profitable and sustainable (11 of the 12 farmer associations were financially sustainable in 1998). Those that have not are the collection and dissemination of marketing information, auditing and monitoring performance of farmer associations and helping farmers to diversify their crop base.

IV. CONCLUSIONS AND POLICY IMPLICATIONS

Recurrent themes emerging from NGO/CBO marketing experiences

In the previous section, NGO and CBO experiences with agricultural marketing interventions were reviewed, and although the eight topics covered were somewhat different, a number of common themes emerge from these experiences.

1. NGOs and CBOs increasingly see business development and promotion of viable commercial activities not just as a legitimate way to achieve broader social objectives, but also as a means by which benefits generated may reach a wider audience and be sustained.

2. This commercial focus cannot be pursued effectively unless the NGO/CBO is also "business-like" in its approach, employing people with the appropriate skills, adequately resourcing these activities, and according them status in their programmes commensurate with their potential to generate significant sustainable benefits.

3. It is important to build on existing marketing channels, rather than attempt to circumvent them or establish new ones. Existing channels will outlive the project and a sustainable strategy is more likely to be one that enables rural communities to achieve more from what is already there, than try to replace it. By the same token, more facilitative and less interventionist strategies are likely to be more sustainable.

4. The discussion of groups or individuals as a target audience was inconclusive. Groups can offer a cost-effective vehicle for service delivery and promote broader civil society objectives. However, they are not always the ideal channel for commercial activities. Moreover, care should be taken to assess capacity and motivation, lest lack of group cohesion should undermine an otherwise promising venture. The inputs required to establish and strengthen effective farmers' associations are considerable and should not be underestimated.

5. NGOs often deliberately and legitimately target particularly disadvantaged groups or areas. To bring about lasting livelihood improvements under these circumstances is difficult. Rigorous and innovative approaches are required to generate even modest development. Information-sharing and evaluation of apparently successful approaches is needed, as well as further development of these approaches and others, firmly rooted in the principles emerging from existing experience.

6. Sustainable marketing interventions must give consideration to a number of related issues – building capacity and linkages, whilst also facilitating access to the necessary training, information, hardware, inputs and financial services.

Policy implications for NGOs

This review has demonstrated that NGOs and CBOs take varying approaches towards agricultural marketing and small enterprise development and intervene in many different ways. There are no hard and fast rules as to which is most appropriate and effective. This will depend on a wide range of factors, including the specific marketing context and constraints, and the wider enabling environment. However, it is still possible to draw some policy lessons from the literature and NGO/CBO experience.

Organisational objectives

It is important for NGOs and CBOs to be clear about their objectives. There has been a general move away from welfare / social objectives towards development / business oriented objectives in recent years. The rationale for this is that the latter encourages greater sustainability and allows NGOs and CBOs to reach a wider audience. However, this does not mean that welfare / social objectives and subsidised activities are always inappropriate. If the objectives of the NGO/CBO are to reach the most vulnerable households in remote rural areas, it may not be feasible to do this in any other way. What is important is that the organisations are both transparent about their objectives and realistic about what can be achieved. Where the intervention rationale is directed towards sustainability, subsidies (where necessary) should be used selectively and with a clear (and realistic) exit strategy.

NGOs and CBOs whose objective is to develop a commercial marketing approach can learn much from experience to date. Firstly, marketing activities should not be treated as peripheral to other organisational activities; adequate financial and labour resources are required. Secondly, the sustainability of marketing interventions is more likely if minimal recourse is made to the use of subsidies – direct or indirect. Farmer contributions to costs and the management of the marketing activities, as well as linkages to private sector services, should be encouraged. These policies will reduce NGO costs, enabling them to spread their resources more widely. Moreover, the greater role of farmers and the private sector will encourage ownership and sustainability.

Intended beneficiaries

It is not possible to be prescriptive about whether to work with groups or individuals – both strategies have their merits and problems and the appropriate choice depends on the particular circumstances present.

NGOs targeting particularly disadvantaged groups will need to be rigorous and innovative if their interventions are to succeed. They will also probably need to have modest, realistic objectives, and be prepared to make a long-term investment.

Training

Training and capacity building are key. To develop entrepreneurial skills and enable farmers to adapt to changing markets beyond the life of the NGO / CBO intervention, developing the marketing and entrepreneurial skills of farmers is important.

Access to inputs

Improving access to inputs in remote areas, and with resource-poor farmers, almost certainly requires innovative approaches to promote the development of commercial input supply networks, care to avoid undermining such development with ill-conceived input subsidies, as well as group approaches and strengthening informal seed systems. Credit may have a role, but is not the pre-eminent factor it is often assumed to be.

Agro-processing technologies

The key issues concerning marketing interventions based on the development or introduction of agro-processing technologies are that the technologies must be appropriate (in terms of cost, level of skill required and cultural factors, such as their acceptability to women) and there must be market demand for the end-product.

Marketing information

Accurate and timely marketing information is needed by all stakeholders in the marketing chain (including input suppliers, producers, transporters, credit providers and traders). Broader "marketing" information, as opposed to simple market price information, is most useful. Some level of subsidy is usually unavoidable, but where there are opportunities for cost-recovery (e.g. from private sector clients) these should be pursued. Also, to minimise costs and encourage sustainability of MIS, NGOs and CBOs need to avoid establishing parallel institutional structures for market information and dissemination, and as far as possible work with / support existing government and/or private sector initiatives.

Credit programmes

There is considerable expertise in micro-credit, and experience both good and bad. NGOs anticipating a credit component to their activities should draw on this expertise, and even enlist experienced MFIs where appropriate.

Other rural finance interventions with direct relevance to agricultural marketing include outgrower schemes (for input credit and marketing services) and inventory credit. The success of both depends on careful planning and research, and appropriate commercial linkages.

Marketing linkages

Facilitating linkages between individuals or groups of farmers and private sector stakeholders is very important, yet often neglected. Building on existing private sector marketing channels is important: it avoids duplication, can reduce costs to NGOs and farmers (the private sector may contribute financially if there are benefits for them) and it will also provide access to additional expertise. Most importantly, it contributes significantly to the potential sustainability of marketing activities.

Holistic approaches

Isolated marketing interventions are unlikely to succeed. A *holistic* approach to marketing and enterprise development, looking at the whole range of marketing constraints and solutions, has been shown to be more successful at enabling farmers to participate in the market.

The wider context and public policy implications

The choice, and potential success, of NGO and CBO marketing interventions cannot be considered in isolation of the wider economic context. The wider enabling environment, including business development policies, macro-economic performance, legislation and security will all exercise considerable influence.

If macro-economic or political policies are not conducive to growth, there may be little point in investing resources in marketing interventions. Some authors argue that policy reform can have just as much effect on growth as targeted interventions and that although the latter provide some cushioning from the effects of bad policies, they may delay much needed policy reform.

Policy measures at the national and international level can improve the functioning of markets to the benefit of smallholders. Burnett and Greenhalgh (2000, p20) make a number of suggestions on such policy changes:

- Policies need to be adopted in industrialised countries that do not distort smallholder competitiveness in developing countries;

- Developing country governments should be encouraged to adopt macro-economic policies, particularly monetary and fiscal policies, that do not distort economic activities; and

- Trade policy needs to be considered within a wider development context; better governance and reforms are needed to attract investment and trade opportunities.

Inadequate infrastructure and transport are key constraints to agricultural marketing, particularly for remote rural areas. Numerous marketing studies in rural sub-Saharan Africa have identified transportation as an important, often perceived by producers to be the most important, marketing constraint. The majority of African farmers currently “head-load” their produce to local markets.

NGOs and CBOs can address transportation constraints to a certain extent, by facilitating:

- collective marketing, so that farmers can afford to use intermediate and more expensive forms of transport (eg. bicycles, donkeys, pick-ups and trucks) to transport greater volumes, access more distant markets and benefit from economies of scale in transportation costs;

- linkages with traders or transporters who are able to collect produce from nearer to farmers’ homes, possibly at local collection centres;

- access to marketing information e.g., on market demand and prices at different markets and the cost of alternative forms of transportation, allowing farmers to assess the profitability of different marketing options;

Similarly, road infrastructure problems (lack of roads and / or poorly maintained roads) can sometimes be addressed at the community or group level. Many communities have self-help schemes, whereby one day a week or month is given over to community activities, such as road maintenance or soil and water conservation. Farmers involved in a study of marketing problems in south-west Uganda suggested that poor road conditions, which were negatively affecting marketing, could be partly solved by communities contributing to maintenance of the roads themselves. They also felt that once they had shown their commitment, they would be able to lobby local government to prioritise road improvements in local government spending plans (Kindness, 1998).

However, as this latter point implies, there is a limit to the contribution groups, communities, NGOs and CBOs can make to solving transportation and road infrastructure problems on their own. Yet there is a role for NGOs and CBOs in encouraging groups and communities to lobby government and other relevant bodies for the necessary policy changes and investment, and for the NGOs and CBOs themselves to take on an advocacy role.

Risopoulos *et al* (1999) have identified a need for appropriate national policies and government investment in developing and maintaining infrastructure and communications. However, the authors also point out that a balance is required between direct government investment and national policies that promote private sector investment in these sectors. Whilst cost recovery schemes are generating a lot of interest amongst policy-makers concerned with infrastructure, remote areas with relatively dispersed and absolutely poor populations are not an appropriate target for such schemes – unless they are to remain “infrastructure-poor” for the foreseeable future.

Unresolved issues and questions for research

There is a key dilemma that has recurred throughout this review – essentially the question of what objectives are realistic and appropriate for remote areas. More work is needed to identify and analyse experience with remote and disadvantaged communities, to study the approaches used and the *de facto* balance between social and commercial objectives, in the intervention strategies pursued by NGOs. It may be that agricultural marketing interventions are not an appropriate assistance strategy in these areas – or only under certain quite specific conditions.

In general there is a need for more information, and for guidelines on how this information might be collected and organised, on the impact and sustainability of alternative intervention strategies. Impact may include direct and indirect benefits, and assessment of sustainability requires study of past interventions and current impacts – not just analysis of what is likely to remain once the project ends.

Alternative intervention strategies could be usefully analysed from the perspective of:

- cost-effectiveness;
- impact (direct and indirect impact; who are the target audience and have they been reached?);
- sustainability and potential for growth;
- transferability to other crops and other countries;
- risk, particularly in remote rural communities, where there is a need to achieve an acceptable balance between specialisation and diversification in production and marketing strategies.

A related need is for an improved understanding of farmers' groups, so that development practitioners might have a better idea of the inputs needed to effectively develop or strengthen such groups, and the impacts that can be expected from this. Analysis of impacts needs to take wider benefits into consideration, rather than focus narrowly on marketing related results. (Box 5 illustrates the nature of some of these wider results). Moreover, such research should seek to identify the extent of these impacts, which are likely to go significantly beyond the membership.

Following economic reforms and the official embracing of the market economy, much is said about the need for farmers to be more market-oriented and to treat farming as a business. Perhaps more information is needed to tease out exactly what is required and identify good experience in such training or awareness-raising initiatives.

Agricultural marketing in developing countries: looking to the future

Globalisation is a pre-occupation in any discussion of markets at the present time – and developing countries are affected through changes in consumer demand, trading practices and regimes, and new technology. Yet in much of the developing world, and particularly in Africa, many rural populations have not yet adjusted to the market reforms implemented in the late 80s and 90s, let alone acquired the capacity to compete in the globalised market place. Those reforms held promise of fairer access to growing markets, both domestic and overseas, in which commercial development would no longer be stifled by inappropriate policies or squeezed out by government. For many, the reality was less bright, and rural communities often faced worse access to services and markets, and greater uncertainty, in the wake of state withdrawal.

That process of adjustment is still occurring. In many areas there is gradual development of commercial services, sometimes boosted by improvements in infrastructure or knock-on effects from new export opportunities. In many countries there is certainly much more emphasis on dialogue, participation and partnership - whether or not in the context of decentralisation policies. NGOs, and sometimes CBOs, find themselves playing a key role in this debate – contributing as experts on rural economies, as representatives of rural populations, and advocates of a fairer deal for the poorer rural communities who comprise the majority of the world's poor.

The evolving orientation of NGOs and the new paradigm of partnership signals the way for constructive arrangements to link farmers and markets, with NGOs acting as a temporary intermediary or facilitator. There is already much experience of this, but there is considerable scope and interest to explore this further, to ascertain whether NGOs and commerce can in fact bridge the ideological divide and find enough common ground on which to build strategies that genuinely improve rural livelihoods. The need for this is greatest in the areas where the task is most difficult i.e., in the poorest communities disadvantaged through geographical and economic isolation. Improving access to markets and services in these areas must be a key objective for poverty reduction in the first decade of the 21^{st} century.

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ABBREVIATIONS

ACDI/VOCA	American Co-operative Development Initiative and Volunteers in Co-operative Assistance
ADC	Agribusiness Development Centre
ATI	Appropriate Technology International (now Enterprise Works Worldwide)
ATO	Alternative Trading Organisation
BAAC	Bank for Agriculture and Agricultural Cooperatives
BEC	Bugangaizi Export Commodities Limited
CARE	Cooperative Assistance and Relief Everywhere
CBO	Community-based Organisation
CLUSA	Cooperative League of the USA
CSO	Civil Society Organisation
DFID	Department for International Development (UK)
EAAE	European Association of Agricultural Economists
FAO	Food and Agriculture Organisation of the United Nations
FECECAM	Fédération des Caisses d´épargne et de Crédit Agricole Mutuel
GRO	Grass roots organisation
IDEA	Investment in Developing Export Agriculture
IDRC	International Development and Research Centre
IGP	Income Generating Programme
IT	Intermediate Technology
MFI	Micro-finance Institute
MIS	Market Information Services
NASFAM	National Smallholder Farmers' Association of Malawi
NGDO	Non-governmental Development Organisation
NGO	Non-governmental Organisation
NRI	Natural Resources Institute
NRPAD	Natural Resources Policy and Advisory Department (of DFID)
ODI	Overseas Development Institute
OLIPA	The sustainable development organisation (NGO/Mozambique)
ROSCA	Rotating Savings and Credit Association
SADP	Smallholder Agribusiness Development Program (Malawi)
SEEP	Small Enterprise Education and Promotion
UNFA	Uganda National Farmers Association
USAID	United State Agency for International Development