

African business club is getting results

The situation is improving for tens of thousands of smallholders in East Africa thanks to the support from the Africa Agribusiness Academy – a Wageningen initiative. It is getting such good results that it is now being extended.

TEXT YVONNE DE HILSTER PHOTOGRAPHY HANS NIJHOFF, WAGENINGEN UR



‘I see farmers who are able to feed their families again in a region that has always suffered from food shortages. Our sales figures show me that food security has improved for 4000 households,’ says Ngila Kimotho, director of Dryland Seeds Ltd in Kenya. For eight years now, he has been selling seed for beans, maize and sorghum, specially adapted to dry conditions and often developed in Kenya itself. ‘Many farmers use the seed from previous harvests, partly because of a lack of money and partly from habit. Our demonstration fields, flyers and courses are gradually making them realize that if they use our seed material they will be able to increase yields and revenue.’ Kimotho has been a member of the Africa Agribusiness Academy (AAA), a business platform for entrepreneurs in the agrofood sector, since 2011. The club was set up in 2010 on the initiative of Wageningen UR and the Wageningen Ambassadors – a platform of 45 Wageningen University graduates who wanted to build a bridge between Wageningen UR and the wider community. The AAA aims to improve food security by providing support to small businesses. Membership of the Academy gave Kimotho’s company a boost, mainly because he got to meet a lot of new people and learnt how to draw up an

investment plan. ‘I was able to bring in investors thanks to this assistance, which means I can now expand in Kenya and South Sudan.’

‘Better quality seed, especially maize, would help 50,000 smallholders raise their income by 200 dollars a year in the space of three years, which will improve their food security and provide an incentive to cultivate more land,’ adds Hans Nijhoff. Since August he has been project director for the Centre for Development Innovation, Wageningen UR, and stationed in Arusha, Tanzania.

EXCHANGING KNOW-HOW

The key idea in the Academy is that small and medium-sized agrofood businesses in Africa can exchange know-how and experiences, coach each other and come up with joint innovations, all with the support of a back office, which is now run by Nijhoff. The entrepreneurs meet up regularly for workshops and courses and to network. They also share information through a protected website. Piet Heemskerk, a Wageningen Ambassador and the driving force behind the AAA, says these SME entrepreneurs have huge amounts of energy and perseverance: ‘We want to make sure that energy is put to good use, to help them



Small farmers in Africa at a central location where they prepare their good for sale in local supermarkets.

‘We want to help them become better entrepreneurs’

become better entrepreneurs with the help of role models.’

The pilot project for the AAA was made possible by the Ambassadors in combination with private sponsors and co-funding from the Dutch government. In the first two years, the Academy grew to 100 members in Tanzania, Kenya and Uganda. The network led to new operations, both joint activities with other members and with third parties. A study of the growth data is still in progress but Heemskerk is confident that between a quarter and half of the businesses have increased their sales. Eight of the twenty original member businesses have now found serious investors. Hundreds of farmers are benefiting as a consequence.

Encouraged by the results, a five-year plan has been

drawn up with a view to expansion. Calculations show the sum of eight million euros is needed for the support of members and the organization and to bring in outside expertise. Two million has already been raised from private individuals, foundations and companies – including the Rabobank Foundation and Nutreco – via the Food for Thought campaign. This amount has been matched by the Dutch government. Heemskerk says the AAA members themselves will be raising the other four million euros. ‘Via sponsoring, for example by wealthy Africans who want to do something for society, and through subscriptions and contributions to members’ activities.’

FARMERS BENEFIT TOO

In the end it is about the creation of a chain reaction, explains Nijhoff. ‘Pushing farmers or cooperatives onto the market doesn’t really work. But if someone who is currently buying maize from 5000 farmers is able to get funding for more storage space, processing and marketing thanks to a good investment plan, the farmers benefit too. After all, that businessman wants a full warehouse so he arranges contracts with farmers. That gives the farmers peace of mind and they can be sure of selling their maize at slightly more than the going market price.’

Another example comes from the Kenyan agricultural organization KENFAP Service Ltd (KSL). It reaches between 500,000 and 1 million farmers with its courses and advisory services. KSL sees opportunities through its membership of the AAA for contracting small farmers for the cultivation of high quality seed potatoes: it has recently become possible to import Dutch varieties. ‘These new seed potatoes are an attractive option for farmers throughout Kenya as they give higher yields and increase food security,’ says managing director Charles Gitau. ‘As a member you are encouraged to deliver quality.’

The members also pass on what they have learnt to other entrepreneurs who are not AAA members. Kimotho of Dryland Seeds has now advised a market gardener, a supplier and a food processing business on their business plans. This way, more and more offshoots of the AAA are springing up. Although there is still a need to be critical about new admissions to membership, says one of the donors, Pierre van Hedel, the Rabobank Foundation director. ‘Members must be able to generate business for each other that benefits small-scale farmers.’ ■

Info www.aa-academy.org