PAPER

Towards farmer-inclusive agribusiness development

This paper is linked to the guide 'Optimising the Performance of Producers and their Organisations'

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About this paper

This paper some perspectives and experiences related to the development of farmer-inclusive business. Five sections discuss the following:

1. Inclusive agribusiness – two complementary perspectives
2. Business model options
3. Farmer-company relations
4. Promoting shared ownership and farmer autonomy
5. Assessing inclusive business principles

1 Inclusive agribusiness: stakeholder collaboration and social inclusion

There are two ways of looking at the inclusiveness of agribusiness models:

1. Stakeholder collaboration: in this view business models are inclusive if they involve close working relations among different actors and stakeholders such as input suppliers, other value chain operators, financial institutions, public sector organizations. This view concentrates on stakeholder collaboration.
2. Social inclusion: in this view, business models are inclusive if they make specific efforts to improve the well-being of smallholder farmers, women, youth, handicapped or other disadvantaged groups through self-employment or employment. This view focuses on social empowerment, co-ownership of business models and livelihood improvement.

The two perspectives are related and have to be combined in order to arrive at inclusive agricultural development. Stakeholder collaboration, sharing of information among stakeholders and improving the performance of the different players is essential for the development and/or transformation of any agricultural sub-sector. In addition, social inclusion would have to be specifically targeted.

2 Business model options

In agribusiness, there are many different options for the collaboration between producers and buyers. In this section, ten business models are shortly described and commented upon. The main sources of information for this overview are Kelly 2015 (FAO; on inclusive business models and types of contract farming relations) and Kaminski et al. 2020 (Review of inclusive business models and their application in aquaculture development). The main elements that differentiate the different business models are:

- Lead or initiator role. Below buyer/company and producer-driven models are distinguished (buyer/company, farmers or farmer organisation or third party).
- Land/water ownership. Some models offer opportunities for small farmers or landless to access land and/or water.
- Level of formalisation of the business relation. Specific attention is given to contract farming.
- Number of stakeholders involved. Business models generally need the direct or indirect involvement of other actors, beyond suppliers and buyers only.

Buyer or company driven business models

The following business model options are buyer/company driven:

Business model options	Observations
1. Leasing model Farmers produce on the land and/or water of the buyer/company. The production is destined for the owner of the land/water. Payment modalities can be diverse, from salary payment (in that case farmers are like labourers) to the payment of the production that is delivered to the buyer/company (in that case farmers bear the production risks). The voice of outgrowers is limited. The level of control of the company is high.	This model is an option if: (i) farmers do not have access to land and/or water; (ii) farmers do not have or cannot access the means of production (land, seeds, agro-inputs, ponds, cages, animal or fish feed) and/or (iii) a high level of control is needed. In this model farmers have a very limited autonomy and voice.
2. Intermediary model The buyer or company organizes the relations with farmers via intermediaries (brokers/middlemen). For a buyer/company the level of control of supply volume and quality is limited. Farmers often get a low price. This model is however often used by buyers/ companies, as they do not want the hassle of working with (small) farmers.	For the sourcing of primary produce this is a very common business model, but it is not a farmer-inclusive one. It can be in the interest of both the buyer/company and the farmers to establish a direct relation and to avoid intermediaries. This requires communication and trust and the organisation of farmers to aggregate their produce and communicate to the buyer/company.
3. Informal agreements Sourcing traders or companies have informal agreements with producers, usually on a seasonal basis. Often the buyers provide some inputs or advance payment to the producers; this informal credit is often the only credit that small farmers can get. In case of price fluctuations and alternative buyers, the risk of default is high.	This is a very common model as well. It can work if trust exists between the two parties. Well-functioning informal relations can be a stepping stone towards formal contract farming and more complex business models.

Contract farming

Contract farming is generally also initiated by a buyer or a company, but it more formally engages supplier (producers) as well. There are different models of contract farming.

Business model options	Observations
4. Contract farming (general) Farming based on supply and purchase agreements whereby the firm (trader, processor, supermarket, …) agrees to buy the product of independent farmers based on terms and conditions agreed upon in advance. Contracts vary in the degree to which volume, quality, price and time of delivery are specified. These can be described in detail and or can be rather vague. Contract relations also vary in terms of the services that both parties provide to each other. These services can vary from minimal input provision to the opposite extreme where the buyer/company provides most of the production factors and is highly involved in production management and control. Services of farmers can include harvesting, aggregation, grading and transport, but these can also be ensured by the buyer.	For many agribusiness sectors, contract farming is seen as a promising solution for addressing different issues, such as market access, quality control, access to inputs and credit. In contract farming, many things can go wrong. There are many possible pitfalls that have to be avoided. A high level of mutual understanding between the contract partners is required. Depending on the specific contract farming modalities (which can differ a lot from one case to another), the level of co-ownership and voice of farmers can vary from weak to strong.
5. Nucleus estate additional sourcing model A specific form of contract farming is a situation where the sourcing company has its own production site (estate, plantation, cage fish farm, …). This site is called the 'nucleus estate'. The buyer/company sources additional produce from farmers. The own production is used to guarantee a minimum throughput for the store, processing plant or market outlet of the company.	When a sourcing buyer/ company has its own production site, there are better perspectives for successful contract farming, because: - Farmers can learn at the production site of the company – this is recommended for commodities which require technical demonstrations. - The company knows what it takes to produce and can provide technical advice - The company (as it has to procure inputs for its own production) can more easily provide inputs to the farmers - The company can communicate the market demand and product quality that is required.
6. Franchising In this model, a farmer applies an existing tried and tested business model of the franchisor (firm). This enables the farmer (new market entrant) to capitalize on existing knowledge, brands, products and processes. Franchises operate under the firm's trade name and guidance in return for a small fee, yet retain ownership of their operations. The franchise agreement may include the provision of inputs such as credit, seed and feed.	The franchising model can be interesting for small farmers: - to learn from existing production and market knowledge - to apply production practices that respond to the market and norms of the franchise company - to have market access through existing market linkages and brands. - to access inputs and credit through collective procurement.
7. Joint venture or joint shareholding model In this model, the producers and the buyer/company share equity in a business venture. They thus share the financial risks and rewards. Having at least a minimum share in the business venture, farmers have co-ownership and a voice.	In aquaculture, joint ventures of producers and buying companies could be established for fish feed company, a hatchery, a cooled storehouse, a cleaning and grading site (etc). Joint ventures are very possible but also very rare. This is unfortunate as having a joint investment is a strong sign for commitment for long-term collaboration.

Producer driven business models

The following business model options are producer driven:

Business model options	Observations
8. Tenant farming / sharecropping These are management contracts in which small farmers or landless labourers work the land of other (large) farms. In tenant farming, the usual arrangement is the payment of a fixed seasonal rental fee giving them the ownership of the output produced. The tenants bear the production and market risks. In sharecropping, the landowner and sharecropper share the risks and split the crop, its proceeds or a combination of the two. The land owner can be the channel through which the tenants sell their production. In fact, larger farmers often operate as brokers/middlemen.	*This is a commonly found option, which has existed for centuries. Tenant farming and sharecropping are interesting for small farmers, women or youth who do not have access to land and/or water. It can be a means for landless, youth, women or very small farmers to farm, to learn farming practices and to diversify livelihoods. In case of tenant farming, the rental fee is an additional production cost. In case of sharecropping, the risks of low production and the opportunities of high production are shared with the landowner. Both for tenant farming and sharecropping the perspectives for applying good production practices are reduced, because the land is not owned by the producer.*
9. Cooperative model In the cooperative model, farmers take collective action, share costs and risks and increase bargaining power, both at the input and output market side. A cooperative is a farmer-owned and controlled company. Farmers (members) deliver (part of) their produce to the cooperative, which sells the (primary or processed) product either at the risk of the farmer (paying a service fee) or at the risk of the cooperative.	*This model implies that farmers are in control of handling the business. It requires good governance and management, which includes internal capital mobilisation and a strong business sense.*
10. Collaborative trade model In this model, organized farmers remain the owner of the product throughout the value chain, until delivery of the end product. The farmers' organisation outsources certain tasks, for instance transport and processing, for which they pay a service fee to the provider of the service. The level of control of farmers is high. Other companies are service provider.	*This model is applicable for highly organized farmers' organisations that function like a farmer-owned enterprise. They are managed by professional staff who are accountable to the Board.*

Multi-stakeholder collaboration

Kaminski et al. mention two other models, which they call intermediary-driven models (2020: 5):

- Public-Private Partnerships (PPP): public agencies engage with the private sector in a collective decision-making process that is consensus oriented. The aim is to improve collaboration between the private and public sector and to divide tasks and responsibilities, taking advantage of the skills of private and public sector players. Most PPP's operate at the macro-level and aim for the establishment of an enabling environment for the promotion of private sector driven agribusiness development. The public sector generally invests in public infrastructure, adapts policies and incentives, whereas the private sector invests in productive activities (from production to processing and marketing).
- Certification: defining and enforcing standards that are the norms for production, processing and marketing of food products. This may lead to supplier upgrading because of reaching higher value markets when food production standards are met. However, certification standards are generally considered to be difficult to meet for smallholder farmers. Evidence suggests that many smallholder

farmers opt out of value chains with stringent standards or purposively downgrade their production because of the difficulty to comply to the standards.

In fact, public-private partnerships and certification are governance approaches whereby third parties aim to promote business development. Public-private partnerships and certification show that business models require the involvement of other actors, in addition to producers and buyers/companies.

FAO (2015) speaks about 'multipartite models', e.g. multi-stakeholder models that involve some other actors or even a broad range of actors. An example is a contract farming relation that also includes the services of financial institutions (handling the financial transactions), the extension service (for coaching the farmers) and the local administration (as third party witness of the contract farming relation).

A combination of business model options is possible, for instance: a fish trading house or processing unit, which also has own fish production site (nucleus estate), engages in contract farming to complement its own production with the supply from contracted outgrowers. The company ensures that the farmers get a bank loan to buy fingerlings and fish feed from recommended hatcheries and traders and regularly inspects the fish farms of smallholders to ensure compliance to required aquaculture practices and food safety norms. The department of fisheries and aquaculture is informed and acts as a witness to the contract farming relation. The department provides technical training to the smallholder fish farmers and regularly visits the ponds and/or cages.

3 Farmer-company relations

In unstructured markets, farmers sell to traders, processors and other buyers on a one-off basis, such as in local spot markets, without the intention to build up long-term business relations. Informal trust-based personal relations between farmers and traders/processors are generally important. Improving the market structure and market relations is especially important for a perishable products like fish.

For most agricultural sub-sectors, the challenge is build farmer-company relations. We speak of a farmer-firm relation when farmers and companies are collaborating and coordinating activities with each other, with the aim of doing business with each other repeatedly. To do so they engage in at least some communication and planning before the transaction, and perhaps even before the start of production. This allows to move towards preferred buyer–supplier relations over a longer period. Farmer–firm relations can be existing or emerging.

Points of attention

- Contract farming is an agreement between two parties, who should both understand the terms and conditions very well and should be highly committed to these. Farming requires significant capital investment which smallholders often cannot afford. Contract farming is a window of opportunity, but the provision of hardware and inputs has to be on a (partial) repayment basis, to ensure effective ownership and sustainability.
- In many countries there is a persisting dependency syndrome, such as the farmers' expectation that governments or donors will bring seeds and agro-inputs for free. Free hand-outs and payment of daily subsistence allowances is still common in government and donor projects. For companies entering into contract farming arrangements, expectation management is therefore of utmost importance.
- Often, smallholder farmers are very much willing to engage in contract farming, but do not understand what it entails. This requires a strong focus on information sharing, about technical requirements for ensuring compliance with production techniques and food safety standards.
- Contracts need to define many aspects, such as the provision of inputs, repayment modalities, daily operations and discipline to apply agricultural practices properly, monitoring and record keeping, time of harvesting, price agreements, selling and payment modalities, conflict handling. This

requires deliberate efforts to explain all aspects. This requires patience. Most often, companies need to have local staff presence to be able to be on speaking terms with farmers.

- For perishable commodities, such as milk, fresh vegetables or fish, agreements and investments for handling and storage have to be made. When needed, contract farming agreements should address the questions of handling, storage and transport.

It takes two to trade: lessons learned from farmer-company relations

Each business case and each farmer-company relation is specific. A study on farmer-firm relations in Africa (It takes two to trade; Schrader et al. 2015) identified the most frequently encountered issues as mentioned by companies and farmers. Without doubt, many of these challenges are important for your specific case as well. The overview below shows that farmers and companies stress their own specific concerns and interests, but often also agree on important challenges and ways forward. This common understanding is the basis for developing fruitful collaboration and contractual agreements.

Challenges most often mentioned by:		
Companies	**Farmers**	**Both farmers and companies**
- Farmers' respect of contract, preventing and managing side-selling - Functioning of farmer groups and their internal transparency and communication - Farmers' production practices, especially compliance with quality and food safety requirements - Farmers' understanding of markets and consumer demand	- Understanding of the contract (often in difficult legal language and not translated) - Clarity about the quality and volume that the company needs - Understanding of the company's business and value adding and/or marketing activities - Feedback of company on farmers production practices	- Farmers' access to inputs - Farmers' access to bank loans - Advisory services for farmers - Business management capacities(record keeping, cost-benefit analysis) - What is a fair purchase price?

4 Promoting shared ownership and farmer autonomy

Business model features

Six business model features and related questions are important for reflecting on the empowerment and autonomy of farmers.

BM features	Questions
Product flow	What is the flow of primary and processed products, from harvesting to wholesale or retail markets? Do farmers understand the sub-sector and the value chains? Do they see possibilities to improve their position?
Product ownership	What are transaction moments along the chain, when does the product change hands (ownership) in return for a price paid to the supplier? Can farmers keep ownership of the product for a longer time? Can this lead to income improvement? What are the risks?
Services	What are the services that the partners provide to each other? What can farmers do for their partners? And vice versa, what can buyers do for the farmers?
Contracts	How are the arrangements (volume, quality, time and place of delivery, price, risks, penalties) discussed and agreed upon? What are arrangements for monitoring, evaluation and conflict handling?
Voice	How do the partners communicate and decide about the pursuit and adaptation of the business model?
Finance flow	What is the cash flow, what are moments of advance payments (in kind or in cash), final payment and repayment?

Progressive transfer of ownership, services and autonomy

The development of an inclusive business model, contract farming, mutual trust and shared ownership and voice takes time, high commitment and intensive communication between suppliers and buyers. Initially, business models may be conservative and focus on more professional farming. Initially, the focus could be on improving production skills (for aquaculture for instance pond and cage management, handling of fingerlings, feeding, disease control). This can then expand further to financial management (record keeping), farmers' organisation development and new roles beyond primary production only (procurement of inputs, grading and sorting, storage, processing, marketing and sales). The approach should be cautious, according to a step-by-step approach, which allows to learn and adapt.

5 Assessing inclusive business principles

Inclusive business principles

In agribusiness, it takes two to trade: a supplier provides a product to a sourcing buyer. For farmer-inclusive business development, farmer-company relations are important. The LINK methodology suggests six principles for farmer-inclusive business, which are presented below.

Chain wide collaboration

For harnessing business opportunities and addressing problems and challenges, it is important that most, if not all value chain operators share the same goals. These actors need to acknowledge their interdependence. Reaching and implementing agreements often requires a 'champion' or champions who will lead the process. Lead questions:

- Do actors share the same (commercial, social, environmental) goals?
- Do actors exchange information regularly? Is ICT used for that purpose?
- Do actors collaborate to resolve problems?
- Are there structures or incentives that motivate collaboration?
- Is there a champion who will lead the process of collaboration and innovation?
- Do all actors understand and acknowledge the complementarity and interdependence of their roles in the trading relationship?

Effective market linkages

Farmers and their organisations need to be linked to stable markets that provide them with good prospects for sales and that provide clear signposting of the demand (volume, quality standards) and prices. The market linkage should contribute to improved livelihoods for the producers. For buyers, the sourcing from farmers should lead to the supply of sufficient and safe quality products at a competitive price. In practice, this requires intensive communication and the creation of both economic and social value. Lead questions:

- Are trading relations stable?
- Are trading relations profitable, both for the supplier and the buyer?
- Do the farmers get social value?
- Does the trading relation support the conservation of environmental resources?
- Do actors discuss and take advantage of market opportunities?
- Do actors respond quickly enough to the changing needs of clients?
- Does the buyer know and understand the production system and the livelihoods of the suppliers (farmers)?

Fair and transparent governance

This refers to the establishment and implementation of clear and consistent quality standards, clear commitments to buy and sell certain volumes of certain grade products at certain times. Mutually recognised interdependency between chain actors is a key criteria. Readiness to discuss the sharing of production and market risks is an important sign of a healthy relation. Lead questions:

- Are sale/purchase volumes communicated clearly?
- Are quality standards clearly communicated and well understood?
- Is the price setting understood and accepted?
- Are trading relationships based on formal contracts or clear informal agreements?
- Is the text of the contract clear and well understood?
- Are trading terms and conditions clear and well understood?
- Do farmers respect the terms of the contract?
- Do both parties have the feeling that (production and market) risks are equitably shared?
- Are efforts made to ensure traceability of the products provided by the supplier?

Equitable access to services
Access to services such as seed, feed, finance, best aquaculture practices and market information are key challenges for farmers. Successful solutions enable smallholders to access goods, services, credit, knowledge and technology to improve their production practices and to respond to market demand. Lead questions:

- Does the buyer provide technical assistance for the production process?
- Does the buyer provide inputs for production or support access to these?
- Does the buyer provide or support technical assistance for post-harvest operations?
- Does the buyer support access to physical assets and inputs for post-harvest operations?
- Does the buyer support producers to get access to appropriate training services?
- Does the buyer support producers to get access to appropriate financial resources and/or insurance?
- Are producers happy with the services that are provided directly or indirectly?
- Would farmers have had access to these services without the trading relation?

Inclusive innovation
In agribusiness, it is important to continuously innovate in order to remain competitive in dynamic markets. Innovations should be developed with smallholder farmers, rather than for them. Improved commercial value resulting from innovations should be shared among business partners contributing to the innovation. Lead questions:

- Are innovation processes carried out collaboratively?
- Are farmers' needs taken into account?
- Is the buyer interested in the suggestions of the supplying farmers for improving production and/or post-harvest operations?
- Are small-scale producers encouraged to participate in inclusive innovation? Do they actively participate in innovation activities?
- Do farmers gain from the results of innovation?

Measurement of outcomes
Indicators, for the commercial, social and environmental dimensions of the business relation allow for the monitoring of the health of the business relation. Regular monitoring and discussion reduce the risk that minor problems will undermine the relationship. Lead questions:

- Are indicators for measuring the success of the business relationship established?
- Do these represent the interests of both suppliers and buyers?
- Are the results of the business relationship regularly measured?
- Were farmers involved in deciding what information to collect and how to do this?
- Is the generated information discussed?
- Do evaluation results and farmers' feedback form the basis for decision making?
- Are evaluation results and farmers' feedback translated int0 practical action?

Assessing inclusive business principles

By scoring statements, the six principles and the related subjects can be assessed by sellers (farmers, farmers' organisation) and buyers (trading / processing companies). Both parties can score statements that relate to the principles. The scores of the sellers and buyers can be compared and discussed.

The statements for the sellers and the buyers are shared below. Please note that the statements refer to the same subjects, but the phrasing is adapted for the cases of the sellers and the buyers.

1. Chain-wide collaboration

No	Statements for sellers (farmers/FO)	Statements for buyers (companies)
1.1	We frequently exchange information with our customer	We frequently exchange information with our provider
1.2	We are aware of the effects our decisions have on our customer	We are aware of the effects our decisions have on our provider
1.3	Our commercial goals are aligned with those of our customer	Our commercial goals are aligned with those of our provider
1.4	Our social goals are aligned with those of our customer	Our social goals are aligned with those of our provider
1.5	Our environmental goals are aligned with those of our customer	Our environmental goals are aligned with those of our provider
1.6	We work closely with our customer to resolve problems	We work closely with our provider to resolve problems
1.7	We recognize and value the interdependence between ourselves and our customer	We recognize and value the interdependence between ourselves and our provider
1.8	Our activities and roles complement those of our customer	Our activities and roles complement those of our provider
1.9	Incentives (financial and non-financial) exist to enhance collaborative behaviour with our customer	Incentives (financial and non-financial) exist to enhance collaborative behaviour with our provider
1.10	We use information and communication technology (ICT) to enhance collaboration with our customer	We use information and communication technology (ICT) to enhance collaboration with our provider

2. Effective market linkages

No	Statements for sellers (farmers/FO)	Statements for buyers (companies)
2.1	Our product offer is stable for our customer	The product supply from our provider is stable
2.2	Our trading relationship with our customer is profitable	Our trading relationship with our provider is profitable
2.3	Our customer provides social value	We deliver social value to our provider
2.4	Our customer helps us to conserve environmental resources	We help our provider to conserve environmental resources
2.5	We generate a stable income from the sale of our products to our customer	Our provider generates a stable income from our purchase of their products
2.6	We have the capacity to identify market opportunities and tendencies	We promote our provider’s creation of new business
2.7	We frequently review potential market opportunities with our customer	We frequently review potential market opportunities with our provider
2.8	We react rapidly to changes in our customer’s needs	We react rapidly to changes in our provider’s needs
2.9	Our customer is familiar with our production system	We are familiar with our providers’ production system
2.10	Our customer is familiar with our other economic activities	We are familiar with the other economic activities of our provider

3. Fair and transparent governance

No	Statements for sellers (farmers/FO)	Statements for buyers (companies)
3.1	We know the quality standards required by our customer	We communicate our quality standards clearly to our provider
3.2	The quality standard we need to meet for our customer are consistent	The quality standards we require from our provider are consistent
3.3	We understand how our customer determines the pricing for our product	We help our provider to understand how we determine the pricing for their product
3.4	We know and understand our customers' trading terms and conditions	We communicate our trading terms and conditions clearly to our provider
3.5	We understand the text of the contract we have with our buyer	The text of the contract we have with our provider is clear to them
3.6	We comply with the formal contract we have with our buyer	We comply with the formal contract we have with our provider
3.7	We comply with the informal agreements we have with our buyer	We comply with the informal agreements we have with our buyer
3.8	We share production risks equitably with our buyer	We share production risks equitably with our provider
3.9	We share market risks equitably with our buyer	We share market risks equitably with our provider
3.10	The products we sell to our customer are traceable	We help our provider to ensure that their products are traceable

4. Equitable access to services

No	Statements for sellers (farmers/FO)	Statements for buyers (companies)
4.1	Our buyer directly provides technical assistance for the production process	We give technical assistance for the production process of our provider
4.2	Our buyer helps us (directly or indirectly) to access inputs for production	We help our provider (directly or indirectly) to access inputs for production
4.3	Our buyer directly provides technical assistance for post-harvest operations	We give technical assistance for post-harvest operations
4.4	Our buyer helps us (directly or indirectly) to access inputs and physical assets needed for post-harvest operations	We help our provider (directly or indirectly) to access inputs and physical assets needed for post-harvest operations
4.5	Our buyer helps us indirectly to access appropriate training services (for production process and/or post-harvest operations)	We help our provider indirectly to access appropriate training services (for production process and/or post-harvest operations)
4.6	Our buyer helps us (directly or indirectly) to access appropriate financial resources	We help our provider (directly or indirectly) to access appropriate financial resources
4.7	Our buyer helps us (directly or indirectly) to access up-to-date market information	We help our provider (directly or indirectly) to access up-to-date market information
4.8	Our buyer helps us (directly or indirectly) to access appropriate insurance	We help our provider (directly or indirectly) to access appropriate insurance
4.9	The services that are provided by our customer satisfy our needs	We are able to satisfy our provider's needs through the services we provide (directly or indirectly)
4.10	Without the relation with our buyer we could not have had the services mentioned above	Without our support, our provider would not have had the services mentioned above

5. Inclusive innovation

No	Statements for sellers (farmers/FO)	Statements for buyers (companies)
5.1	Our customer is interested in our suggestions for improving production	We are interested in the suggestions of our provider for improving production
5.2	Our customer is interested in our suggestions for improving post-harvest operations	We are interested in the suggestions of our provider for improving post-harvest operations
5.3	We develop innovations jointly with our customer	We develop innovations jointly with our provider
5.4	Innovation is an ongoing activity in our relationship with our customer	Innovation is an ongoing activity in our relationship with our provider
5.5	The innovations we develop respond clearly to our customer's needs	We help our provider to develop innovations that respond directly to our needs
5.6	We share the returns (both tangible and intangible) from innovations	We share the returns (both tangible and intangible) from innovations with our provider
5.7	Innovations enable us to offer a differentiated value proposition	The innovations we foster with our provider enable us to offer a differentiated value proposition
5.8	Incentives form part of our motivation to participate in innovation processes	We offer incentives to motivate our provider's participation in innovation processes
5.9	Our customer takes our needs into consideration when developing innovations	We take our provider's perspectives and needs into consideration when developing innovations

6. Measurement of outcomes

No	Statements for sellers (farmers/FO)	Statements for buyers (companies)
6.1	We know and understand the indicators which define the success of our trading relationship with our customer	We know the indicators which define the success of our trading relationship with our provider
6.2	Evaluation and feedback process are regular and consistent	Evaluation and feedback process are regular and consistent
6.3	The evaluation process is simple and cost efficient	The evaluation process is simple and cost efficient
6.4	Results from evaluation and/or feedback form the basis for decision-making	Results from evaluation and/or feedback form the basis for decision-making
6.5	The results of measurements rapidly lead to action	The results of measurements rapidly lead to action
6.6	We understand clearly the purpose of measuring information	We ensure that our provider clearly understands the purpose of evaluation and/or feedback processes
6.7	The evaluation and feedback processes are jointly designed and tested with our customer	The evaluation and feedback processes are jointly designed and tested with our provider
6.8	We play an active role in deciding what information to collect	We allow our provider to play an active role in deciding what information to collect
6.9	We exchange the generated information with our customer	We exchange the generated information with our provider
6.10	We discuss the generated information with our customer	We discuss the generated information with our provider