Propcom Mai-Karfi (PM) supports private sector companies Notore Chemical, Springfield Agro, West African Cotton (WACOT), and Syngenta to create product sales linkages to rural smallholder farmers and to deepen consumer education. This approach exposes farmers to the benefits of adequate and correct application of inputs, increases yields, and leads to higher demand for products.

In 2014, PM supported long-time partner Notore with a performance-based grant to strengthen its rural distribution network. Notore sold 1,460MT of small pack fertilisers (1 and 10 kg) to an estimated 45,000 farmers, and 70,000 farmers attended its demonstrations and video viewing sessions on good agricultural practices (GAP).

“Propcom Mai-Karfi gives us a double mileage (technical and moral support) to bring the synergy effects to achieve a collective objective of serving the Bottom-of-the-Pyramid market better.”

- General Manager, Agro Input Division, Springfield Agro

Springfield Agro piloted its Bada Koshi (‘to feed well’ in Hausa) distribution model for maize and rice seeds in three states: Kaduna, Gombe, and Kano. Springfield Agro trained 150 village based agents in the three states to provide a wider reach for its product and earn a commission. Springfield sold a cumulative 25,500 packs of seeds to 5,000 farmers.

Syngenta and PM partnered in 2014 to implement a ‘bottom of the pyramid’ marketing strategy called Store in Shop (SiS). This strategy enhances availability of Syngenta’s...
WACOT and PM established a partnership in 2014. WACOT is keen to grow its customer base by developing a sizeable untapped portion of the open seed market and building the capacities of smallholder farmers. WACOT and PM have developed a strategy for promoting and distributing certified rice seeds among smallholder farmers using demonstration plots, outreach vans, and establishing rural retail outlets. PM supported the government of Nigeria’s Growth Enhancement Support Scheme (GESS). In the past, GESS had experienced acute challenges in implementation; including technology failure and keeping accurate farmer registers. To combat these, PM entered into an agreement with the Federal Ministry of Agriculture and Rural Development, IFDC, and Consult Hyperion to develop an ICT-based system for farmer registration, identification and input redemption. The TAP (Touch and Pay) technology pilot was launched in two initial states of Sokoto and FCT. Using the technology, 492,007 farmers were registered and 379,300 farmers redeemed their farm inputs; 103,600 of them women. A total commercial value of NGN 5,276,466,875 was redeemed in inputs through the TAP technology.

“[I] will use the money that I am saving from getting inputs from GES TAP to buy more food for my family, and with continued support from the programme I hope to expand my farm business and better care for my family”.
- Isah Ma’azu - GES TAP beneficiary

We partnered to increase chicken owners’ access to vaccination services. Every year, rural chicken farmers lose 50 - 100% of their flock to Newcastle disease (NCD) which is most prevalent during the harmattan (dry) season. To help farmers overcome this, PM continued to partner with private company Agriprojects Concepts International (ACI) on a sales and vaccination services provision model in northern Nigeria, with the support of government bodies - the National Veterinary Research Institute (NVRI) and Veterinary Council of Nigeria (VCN).

In 2013/14, ACI sold 3,197 vials of Newcastle disease vaccine in northern Nigeria, in stark contrast to its cumulative 862 vials in other parts of the country. 4,600 farmers accessed vaccines and vaccination services through the distribution model and the village based vaccinators (VBV) structure. ACI plans to expand its distribution network, and PM is providing technical support to the firm around organisational and resource management, and logistics.

PM is engaging other businesses to tap into the NCD vaccine market and beyond. One such business is private company Animal Care. PM held a workshop in November 2014 in Kaduna with veterinary supply companies, veterinarians and regulatory agencies to discuss some of the issues inherent in the sector. A recurring challenge has been the limitation of only veterinarians being able to administer Newcastle vaccine inoculations. VCN has agreed to support the certification of vaccinators in 2015. This will expand the pool and reach of VBVs.

We worked to improve shea kernel quality and supply chain efficiency. In 2014, PM commenced working in shea for its vast economic potential and its domination by women. PM’s goal in this market is to improve some of the constraints predominant in the sub-sector which include sub-standard quality of shea nuts, limited access to steady and ready market, and lack of investment in large scale processing. The model developed by PM entails investments in capacity building by the end buyer. This reduces the cost of procurement and improves the quality of kernels for the buyer, and gives the suppliers; typically women, good financial returns. PM partnered with Salid Agriculture Nigeria Limited (SANL), a private company setting up the first large scale shea processing plant in Nigeria. Strategically located in Niger state, SANL has identified and commenced training shea women groups on quality nut processing. It also purchased 206MT of shea kernels from 256 women, giving each a net increase in income of NGN 13,000.

“In our village, Isa (a trained vaccinator) has vaccinated all birds and since then none are dying in this harmattan (dry season). Every year this time, all chickens are usually dead.”
- Mallam Abdullahi, farmer

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“In our village, Isa (a trained vaccinator) has vaccinated all birds and since then none are dying in this harmattan (dry season). Every year this time, all chickens are usually dead.”
- Mallam Abdullahi, farmer
We partnered to expand access to agricultural mechanisation. Mechanisation is indicative of a country’s agriculture progression and facilitates increased food production.

**Tractors:** The tractor market in Nigeria is worth about NGN250 billion. However access to tractors and usage remain low. Among other factors, the market is constrained by lack of a financing framework to enable farmers or service providers acquire tractors. PM led the development of a low risk private sector-driven financing mechanism in partnership with commercial banks and tractor vendors. In 2014, PM, First City Monument Bank (FCMB) and Springfield Agro Limited agreed on a buyback guarantee which resulted in the disbursement of tractor loans to 27 members of the Tractor Operators and Hiring Facilities of Nigeria (TOHFAN).

In 2014, PM facilitated three state-level tractor shows in Kano, Bauchi and Gombe states to stimulate demand for tractor services. During the 2014 wet season, TOHFAN members provided tractor services to nearly 14,000 farmers. These farmers paid an average of NGN12,000/hectare for tractor services, in contrast to NGN39,000/hectare which they would have spent on manual labour.

PM additionally introduced tractor owners to the use of a GPS tracker for monitoring the location of their tractor and expanse of land covered. This has increased the appeal of tractor financing, and increased the revenue of a tractor per season by an average of NGN400,000.

Loan repayment has been 100%. FCMB has committed to financing additional tractors for TOHFAN members in 2015.

“About 30% of my income which used to be lost as a result of insincerity of my operators is now being saved from the use of trackers on my tractor.”

- TOHFAN Chairman

**Tillers:** Women face enormous challenges in the access and use of agricultural mechanisation. Deriving from our tractors intervention which was largely dominated by men, PM entered the power tillers market in 2014. In comparison with the tractor, power tillers are easier to operate, do not require a driving licence, are low maintenance, and cost much less than a tractor. PM signed an agreement for a tillers acquisition scheme with machinery retailer Habgito, and with women’s group Gombe United Women Multi-purpose Cooperative Union (GUWMCU). In a pilot programme, Habgito will spread payment for the tillers over an agreeable timeline under a guarantee arrangement, and train members of the group on how to use the tillers. PM is also working with Habgito to explore a profitable model which brings in a microfinance institute to provide direct loans to women’s groups.

PM facilitated the purchase of twenty five tillers by GUWMCU from Habgito. Habgito will spread payment for the tillers over an agreeable timeline under a guarantee arrangement, and train members of the group on how to use the tillers. PM is also working with Habgito to explore a profitable model which brings in a microfinance institute to provide direct loans to women’s groups.

In 2013 PZ attained a 16% increase in sales on the brand of soap being promoted for hand washing. In 2014 PZ Cussons launched a second phase of its pilot and attained 78% of its sales target. Since the roll out of the hand washing messaging and soap brand, sales in Kano state have increased by 40%, and demand has risen in other northern states of Adamawa, Yobe and Kaduna.
Looking to 2015, PZ Cusson’s priority for scale up is “perfect execution”. Working with the London School of Hygiene and Tropical Medicine, PM is supporting the company to design its communications strategy for the hand washing messaging; incorporating behavior change communication, the use of change agents, and strategic outreach scale.

We partnered to give farmers access to grain storage facilities. In November 2013, AFEX; a partner of Strategic Grain Reserve, approached PM with a proposal to help it assess the viability of including smallholder farmers in a warehouse receiving system. Consequent to the assessment, PM and AFEX have partnered to pilot an electronic warehouse receiving system (EWRS) in Kaduna state and are sensitising smallholder farmers on the benefits of EWRS. The EWRS is intended to help farmers reduce post-harvest losses, increase farmers’ access to short-term financing by turning commodities into collateral, and increase their bargaining power as farmers can store and sell their produce at a favorable time and price.

In the pilot, AFEX will provide farmers with two options of ‘spot selling’ or ‘storage for future sales’. AFEX and PM have developed and printed training materials to be used as educational and promotional tools for 6,000 farmers. 25 outreach officers have been trained to provide support to smallholder farmers, and 5,000 farmers have been registered and introduced to EWRS.

PM and AFEX have facilitated the development of a farmer financing loan product with the Lift Above Poverty Organisation (LAPO) microfinance institute. LAPO has agreed to honour farmers’ electronic warehouse receipts as collateral to provide them loans at a 2.2% interest rate. PM is also independently collecting prices of selected crops from selected states which will be fed into AFEX’s monitoring system to ensure that farmers get a good deal.

We invested in an agricultural services company. Babban Gona, which means ‘great farm’ in Hausa, is an innovative agricultural franchise which generates modest profits by providing its trust group members input and output aggregation, and storage and marketing services. Babban Gona has an ambitious aim of raising the incomes of 1 million farmers by 2025. In 2013, PM made a development impact investment referred to as ‘Raise out of Poverty (ROPO) Bond’ in Babban Gona. The investment by PM was an attempt to demonstrate to the wider business community that agribusiness with smallholder farmers in northern Nigeria is profitable.

Following some initial success and demonstrated growth potential, PM made another investment in Babban Gona in 2014. The company reported an average improved yields of 3.5MT/ha on its main crop; maize. Top performing members obtained yields as high as 8MT/ha. As a result of how well their farms have done and their ability to sell their produce, loan repayment to Babban Gona by farmers and trust groups members are at a 99.8% rate. In 2014, compared to the national average, Babban Gona reported an income growth of 280% for farmers, 80% of whom had yield increases of above 100%. Babban Gona has plans to expand to more crops, particularly soybean which is favoured by women.

We assessed new markets. We evaluated other markets for possible intervention: potable water, soybeans, energy saving cooking stoves, tomatoes, vegetable and rice processing, cotton & textiles, fast moving consumer goods, and irrigation. We decided not to pursue some of these markets for varying reasons, others we will explore further in 2015.

“With PM having faith in us, we were able to leverage their support to grow Babban Gona into the great farmer organisation it is today.”

- Kola Masha, CEO of Babban Gona