



2SCALE

BoP markets as a driver for inclusive value chain and business development

The soybean partnerships in Ethiopia and Benin

Photo: Joris Maatman | Product sorting, GUTS Agro, Ethiopia

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KIT Royal Tropical Institute

Supported by



Ministry of Foreign Affairs of the Netherlands

KEY MESSAGE

Base of the pyramid (BoP) markets provide an exciting opportunity for commercially viable and inclusive business models. The market that the BoP represents can stimulate producers' organizations to work with processing companies which serve these markets, and encourage smallholders to invest in their production for the supply of quality raw materials. Commercially driven distribution systems, which fit the local environment and employ people from the BoP, can also be used to reach targeted consumers with affordable and nutritious products.

The GUTS Agro Industry – 2SCALE partnership in Ethiopia

Introduction

GUTS Agro Industry, a nutritious food processing company in Ethiopia, has been active in the food relief market. Producing a Corn Soy Blend (CSB) product, the company has depended on the World Food Programme (WFP) and other similar organizations that provide food relief and emergency aid as the sole off-takers and distributors of the product.

The main objective of the partnership between GUTS Agro Industry and 2SCALE was to develop and offer nutritious food products to urban, peri-urban and rural base of the pyramid (BoP) markets which requires the sustainable sourcing of soybean and maize from smallholder farmers' organizations in Ethiopia.

The partnership involved facilitation of value chain relations, skills development of chain actors, increasing access to agro-processing services, and developing a marketing and distribution strategy for the sale of Supermom, a fortified food supplement targeting children as of 6 months, lactating and pregnant women.

Initial situation

Procurement by GUTS Agro Industry

Before the partnership began, GUTS Agro Industry bought raw materials on spot markets from traders and collectors, or directly from producer organizations, without any contractual or longer-term relations. Such a sourcing model led to poor quality and traceability of the raw materials; there were no mechanisms to ensure that the suppliers were held accountable for losses.

The sourcing strategy also proved to be rather expensive. The many and dispersed suppliers led to high procurement and logistical costs, impacting on the efficiency of the sourcing operations. In cases where farmers' organizations failed to directly provide the raw materials, the cost rose. For example, it was estimated that prices of raw materials for GUTS Agro Industry increased by 2% as a result of the involvement of brokers and/or middle men and that there was a 5% loss on the purchasing price due to product impurity.

Organization of the value chain

As a processing company, GUTS Agro Industry was supplied by smallholder farmers (either organized in cooperatives or not), brokers and traders. The main buyers were WFP, for food aid and a myriad of wholesalers and retailers for local markets (see Figure 1).

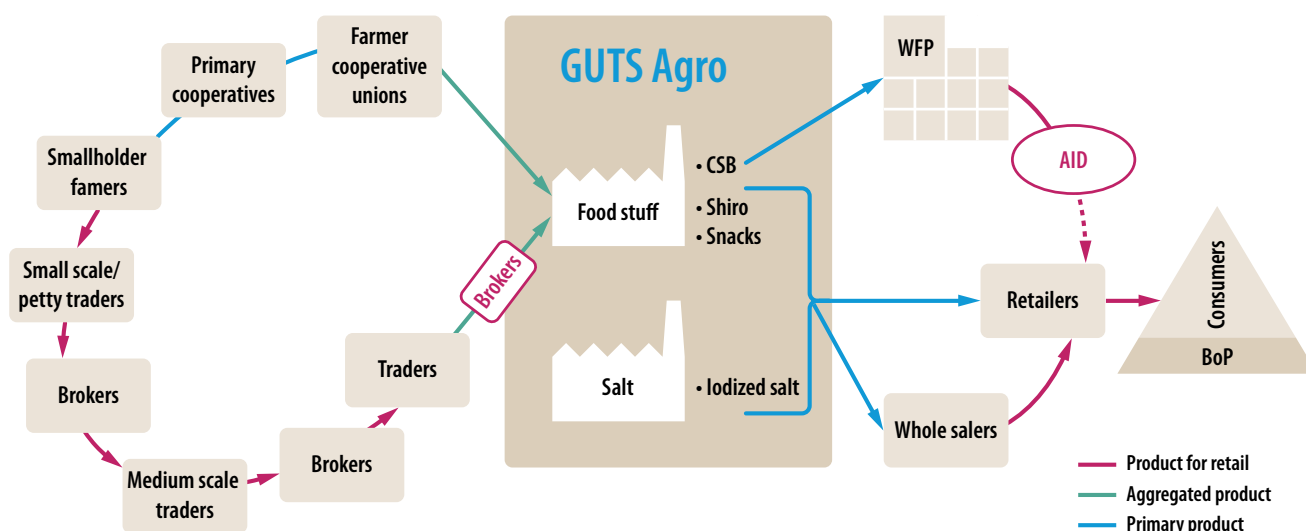
2SCALE partnership interventions

Issues at stake

GUTS Agro Industry recognized the fragility and the dependency of its business model on relief and aid off-takers for CSB. For other products the company offered to commercial markets (Amole & Grip branded Iodized Salt, Lembo Snacks and Yanet Shiro Powder), it faced issues with product handling through its regular marketing channels which resulted in the quality of the product deteriorating. GUTS Agro Industry also struggled to control the final selling price due to inefficient distribution networks which likewise decreased the affordability of the products due to numerous intermediaries. As a result, the price and quality competitiveness of the company's products was challenged by other similar products available in Ethiopian markets. For example, the iodized salt was sold at ETB 3 out of the factory, but more than double the price at retail level, or products would be moved across different factories to finalise their production, at the expense of the consumers swallowing the transport costs.

GUTS Agro Industry also noticed a lack of access and affordability of locally-produced fortified food supplements for specific groups in society as a market gap. Most locally-processed products were sub-standard in quality, and the few high-quality products were too expensive for most Ethiopians. While GUTS Agro Industry recognized

Figure 1 | Organization of the value chain before the 2SCALE intervention





Joris Maatman | Maize threshing, Ethiopia

the opportunities offered by working with BoP consumers, it required support in defining their product and marketing channels. The partnership with 2SCALE enabled the company to link its business vision (and ambition) to the realities of the Ethiopian BoP consumer.

Partnership with 2SCALE

By entering into a partnership agreement with 2SCALE, GUTS Agro Industry was able to reduce the risks of implementing a new strategy through a pilot. GUTS Agro Industry in collaboration with 2SCALE agreed on a last mile distribution model that would enable the company to reach its targeted consumers. The pilot targeted BoP consumers, worked to improve sourcing of raw materials from smallholder farmers and their organizations, and tested a distribution model with product traceability and transparent price setting mechanisms.

Sourcing of maize and soybean

To create stronger ties between the company and farmers, 2SCALE helped to improve the linkages between GUTS Agro Industry and the Sidama Elto farmers' cooperative union (maize supplier) and the Hunde Chewaka union (soybean supplier). The partnership officially began with a Diagnosis and Design workshop where GUTS Agro Industry explained that it wanted to improve its sourcing strategy from farmers' organizations and the marketing of their CSB product. The farmers' organizations then presented their challenges, including on production and productivity, quality management, understanding

buyers' requirements, bulking and storage, market linkages, management capacity, and relationships within primary cooperatives.

At a later stage, the Anger Abaya farmers union joined the partnership in an effort to mitigate issues with shortages of maize, which caused maize prices from Sidama Elto to spike. By adding a supply partner from a different geographical region, GUTS Agro Industry hoped to mitigate the risks of sourcing from a single supplier. As these partnerships developed, other cooperatives, interested in taking advantage of the reliable market and long-term relationship with GUTS Agro Industry, started to directly approach the company with offers to supply produce of a specific quantity and quality, at a specific time, for a specific price. By directly linking with the cooperatives GUTS Agro Industry also gained a supply of better quality raw materials that it could trace. Such dynamics created an incentive for cooperatives to coordinate and professionalize their activities. As a means to support this professionalization, 2SCALE offered the cooperatives and their unions training on cooperative leadership, cooperative financial management, and resource mobilization.

The 2SCALE and GUTS Agro Industry partnership also intervened to address the key challenges faced by smallholder farmers by improving farm management skills and post-harvest handling of their products. Such skills are core to delivering a quality product to GUTS Agro Industry which was willing to pay a premium price.

The absence of a reliable market that rewarded farmers for a quality product was one of the main reasons that had discouraged farmers from producing high quality maize and soybean. The existing market favoured volume over quality and little premium was paid for quality grade maize and soybean. As a result, producers did not invest time and energy in improving the quality of their product. To ensure that GUTS Agro Industry would be able to source quality raw materials it rewarded farmers with a premium, and training on agronomy and demonstrations on post-harvest handling were provided. Moreover, ZSCALE facilitated the supply of seed, fertilizer, inoculum, small tools like threshers, moisture meters and Purdue Improved Crop Storage (PICS) hermetic storage bags for demonstration purposes.

Hunde Chewaka, Sidama Elto and Anger Abaya farmer unions improved their governance and cooperative management, built relationships and trust with the company, and increased production (Table 1) as a result of the capacity building and coaching they received as part of the collaboration with GUTS Agro Industry. The partnership also provided farmers and their cooperatives with a secure and sustainable market for their product, while quality control measures and maize bulking storage facilities reduced transaction costs for the cooperatives.

Table1 | Results from the farmer cooperative unions

Results	2015	2016
Soybean supplied quintals	1,240	1,333
Maize supplied quintals	0	1,832
Smallholder farmers involved	7,000	22,000

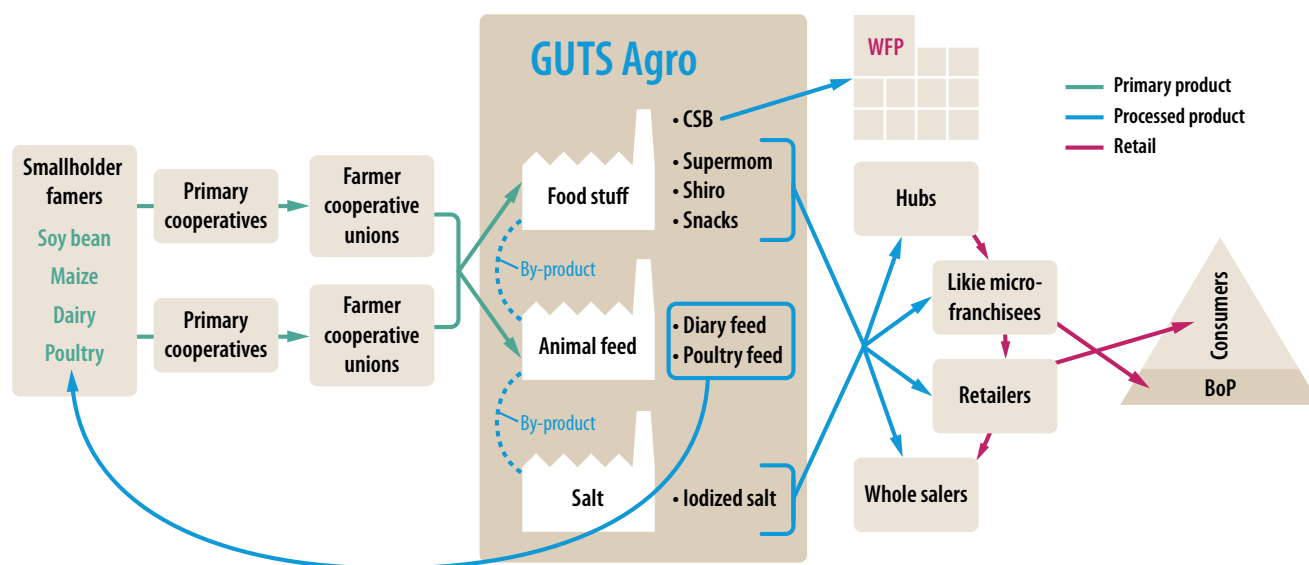
Improving trust among the actors also led to the creation of a credit system. Financial challenges faced by the Hunde Chewaka union were partly solved by a 30 % advance payment on their contract by GUTS Agro Industry in 2015. In 2016, when GUTS Agro Industry faced a cash liquidity problem, the Anger Abeya union then supplied raw materials to GUTS Agro Industry on credit, with interest. Advance payments from contracts are used by the cooperatives to aggregate the products, and the product is offered on credit to the buying company.

The partnership with farmers' organizations helped GUTS Agro Industry secure a reliable and timely supply of quality maize and soybean (Figure 2). This improved the company's efficiency in sourcing and transporting quality raw materials, reduced the cost of producing CSB, and enabled GUTS Agro Industry to trace the product to its

Joris Maatman | Marketing of products by Likie women, Ethiopia



Figure 2 | Organization of the value chain after the 2SCALE intervention



origin. In addition, the organized sourcing mechanisms enabled the company to maintain receipts for its transactions, enabling it to claim tax benefits – something which was often a contentious issue with spot market traders often refusing to issue sales receipts.

Product development and marketing

Market research was conducted to gain consumers’ insights into the development of new products and the overall marketing and distribution strategy. Following that, 2SCALE facilitated workshops with GUTS Agro Industry’s management team during which marketing and distribution strategies were developed and branding and packaging briefs were formulated for a new product, Supermom, different from CSB, which is based on Corn Soya Blend plus (CSB+) that targeted an emergency market. The new product targets children from 6 months up to 2 years old, and nursing and expecting mothers from low income households. Supermom is a supplementary food that is enriched with important nutrients to support the development of children and enhance the nutritional needs of mothers. Most complimentary food for babies in Ethiopia are imported products, which are expensive for the majority of Ethiopian families. Supermom is sold on average for 12 to 14 ETB for a 200 g bag, while similar alternative products cost between 20 and 26 ETB. The product is enriched with It is enriched with Vitamin A, D, B1, B2, B6, B12, C, Calcium, iodine, iron, Zinc, and contains 16/100mg of protein. Babies eat it as porridge and women as gruel.

The 2SCALE partnership also co-developed recruitment criteria for agents who are involved in the distribution and selling of Supermom, along with employment modalities and incentives for micro-entrepreneurs’ business model. The agents were also provided with a ‘Business-in-a-Box’ kit which included a training manual, sales support materials such as product brochures and carriage bags,

branded uniforms, and custom-made tricycles for transportation of the product from the factory to retailers and household customers. GUTS Agro Industry further supported the training of the agents and market activations to create demand for the new product.

Likie micro-franchise distributors

The GUTS Agro Industry-2SCALE partnership also implemented two pilots: i) the commercialization of Supermom targeting BoP consumers, specially pregnant and nursing mothers, and children as of 6 months old; and ii) the micro-franchise distribution model which involved sales to both retailers and consumers, with what has been branded ‘Likie’ micro-franchisees to sell the products door-to-door for end consumers.

When GUTS Agro Industry adopted the micro-franchise distribution model to reach BoP consumers, it created an opportunity for women to own small businesses. As a result of this these women were able to gain business skills, increase their household income, improve their financial independence, increase their societal interaction and improve their image in society as economically active actors. For example, Sintayehu a mother of two who is one of the Likie distributors in Hawassa, joined the business in July 2015. At the time she was unemployed. Now she makes an average of ETB 1500 or more (USD 55) per month from her business.

To expand the product ranges Likies sell and make the distribution model more sustainable, 2SCALE helped to link GUTS Agro Industry with other non-competing food and related product processors. This distribution model was launched and piloted in Hawasa town and other locations in July 2015 with 13 women. The pilots were considered a success and resulted in the model expanding to six other towns (Adama, Assela, Bishoftu, Butajira, Dessie, and Wolayita Sodo) with over 100 independent female micro-distributors.

The soybean producers' organizations – 2SCALE partnership in Benin

Introduction

In the south of Benin, many smallholder farmers grow soybean as a substitute for cotton on impoverished soils. This legume is mainly sold to processing companies such as the FLUDOR company and *Société des Huileries du Bénin* (SHB) factories, located in the towns of Zogbodomey and Abomey respectively, which have the required equipment for the production of soybean oil. However, business relationships between these companies and smallholder producers of soybean deteriorated because the crop was purchased at very low prices.

Considering the potential of soybean products, soybean producer and processor organizations in three localities (the districts of Djakotomey, Glazoué and Zogbodomey) sought support from 2SCALE in 2012 for market development of soybean products, with the aim of developing their soybean production and processing activities and hence improve incomes from these activities. The partnership further expanded to support women who, being confronted with the problems of marketing soybean in the Zogbodomey district, had started experimenting with processing soybean for products destined for the local market. Gradually soybean-based products have been integrated into the eating habits of local people. Soybean 'cheese' (tofu) in particular is replacing meat and fish in everyday dishes

in many households. Women processors have also improved their processing techniques and produce a wider selection of products, including soybean milk, soybean skewers and soybean cheese.

Initial situation

In 2012 2SCALE facilitated the construction of agribusiness clusters (ABC) in three localities (Djakotomey, Glazoué and Zogbodomey) around the production and processing of soybean. The clusters are (informal) local networks of stakeholders involved in the same value chain or business. ABCs enable farmers and other local value chain actors to access relevant agro-inputs and business-related services, and strengthen capacity for collective action and innovation; in doing so, ABCs may also improve their bargaining power. These clusters aimed to strengthen relationships between their members – actors in the soybean processing value chain – in order to supply (semi-) industrial processing units and hence improve incomes.

These ABCs gathered various stakeholders: soybean producer organizations; women soybean processing groups; semi-industrial processing units such as the *Coopérative de Transformation d'Approvisionnement et d'Écoulement de soja* (CTAE) in Allada and the *Centre Agroalimentaire Industriel de Développement* (CAID) in Zogbodomey; soybean seed suppliers; the University of Benin's (UAC) center for inoculum production; and microfinance institutions such as the *Association de Lutte pour la promotion des Initiatives de*



Mahamane Toure | Soybean processing by women in Benin



Mahamane Toure | Soybean cheese, Benin

Développement (ALIDé) and Faïtière des Caisses d'Épargne et de Crédit Agricole Mutuel (FECECAM). Each of the clusters received support from a service provider that was specialized in agribusiness development and contracted by 2SCALE. These service providers included non-governmental organizations (NGOs; *Réseau des Paysans Féminins pour le Développement* [REPFED] and Centre Béninois pour le Développement des Initiatives à la Base [CBDIBA]) and technical staff from a district producers' organization in Zogbodomey and a regional producers' organization in Atlantique region.

The initial objective of the ABCs was to enable members to coordinate and organize the competitive supply of soybean for the two industrial processing units (FLUDOR and SHB) in the south of

Benin. However, this turned out to be hard to achieve: soybean was still purchased at very low prices and at one point production of soybean oil even stopped.

2SCALE partnership interventions

Targeting BoP markets

In 2013 a business idea was submitted to the 2SCALE project by the union of soybean producers in the Atlantique region to improve the production of soybean oil by CTAE and its sourcing from affiliated producer organizations. The idea was that CTAE's target market should be poor and malnourished BoP consumers. The soybean-based products identified as being most affordable and nutritious were soybean oil (lipids) and *Goussi* (proteins) (Box 1).

BOX 1 | WHAT IS GOUSSI?

What has the nutritional value of 66 eggs, but costs the same as four eggs? Answer: 1 kg of soybean *Goussi*. *Goussi* is a popular Beninese dish, traditionally made from squash seeds. Soybean *Goussi* tastes almost the same as traditional *Goussi* but is more nutritious (42 % more protein), more affordable and far less labor-intensive to produce.

CTAE buys soybean from small-scale farmers. The oil is extracted and the remaining cake is processed into *Goussi*, which is sold to wholesalers. The wholesalers – a group of about 20 traders – pack this into smaller quantities for sale to retailers. Women play an important role in this chain. "It is women who are really promoting *Goussi*," explains Raphaël Kokoun, production manager at CTAE. "At the factory, all key operations – sorting, cleaning, roasting – are done by women. All the retailers are women. As for the consumers, it is the mothers who know that soybean *Goussi* is cheap but highly nutritious."

Extract from: 'Soybeans for Goussi', 2SCALE, March 2015 at <http://2scale.org/fr/1244>

The business idea was analyzed by ZSCALE and judged to be in line with ZSCALE's approach for the development of competitive and inclusive agribusinesses. Also in 2013, while assessing the performance of the three existing ABCs, it was concluded that they could improve their performance if they succeeded in taking advantage of BoP consumer markets. It was therefore decided to reorient the focus of the three clusters to focus on soybean processing by women groups and sales of their products on local markets in order to transform the production of soybean cheese into a profitable business for women. A fourth cluster was created around CTAE to coordinate and organize the production of soybean by producer organizations, the processing of soybean seeds into soybean oil and *Goussi*, and the marketing of these products by CTAE.

Therefore ABC actions plans were elaborated and the following actions were undertaken by cluster members with facilitation by ZSCALE:

- Analysis of consumer markets;
- Marketing of soybean-based products through radio broadcasts and mass campaigns on the benefits of consuming soybean products;
- Organization of sessions where products derived from soybean were presented and could be tasted;
- Participation of women's groups at fairs.

Expanding old markets and developing new markets

The result was an increase by 20 to 50 % in demand by poor consumers for soybean products. In addition, new institutional markets such as hospitals and municipalities were also developed (Box 2).

The penetration of 'old markets' (individual consumers in local markets) and the development of 'new markets' encouraged smallholder producers and women's groups to integrate the soybean ABCs. Their 'membership' of ABCs – even if these clusters are not formal organizations– doubled between 2013 and 2015 (Table 2).

Growing markets as an incentive for improving production and supply

The growing market for soybean products motivated soybean producers to invest in agricultural intensification. ZSCALE facilitated activities in the soybean sector not only to improve agricultural productivity but also to professionalize management at various levels of the value chain: input supply, production (i.e. reduction of production costs) and processing by women's groups and CTAE (quality of products, marketing).

In order to improve input supply, ZSCALE facilitated the training of 12 seed producers from local organizations affiliated with the national umbrella organization, *Fédération des Unions des Producteurs du Bénin*, in seed production techniques, and distribution and sales of seeds of improved soybean varieties (rich in oil and protein). ZSCALE also helped to link UAC's inoculum producing unit with soybean producer organizations. Furthermore, demonstration plots were installed to illustrate the performance of improved soybean varieties and provide training on the use of inoculum. As a result, soybean yields increased from 700 to 1,200 kg per hectare while production costs diminished

BOX 2 | ANNUAL SALES (2015) BY THE WOMEN PROCESSORS GROUP 'ELAVAGNON' IN DJAKOTOMEY

According to a representative of the Elavagnon women's group in Djakotomey, the radio broadcasts had a positive impact on the sales volume of soybean cheese in 2015. The group of women experienced an increase in sales volume by 49,700 pieces. Despite the significant increase in the quantity sold during the year (179,700 pieces compared with 130,000 the year before), demand still exceeded supply. This is an opportunity for women processors to produce substantially more to meet demand, however it will require the sourcing of a larger amount of soybean. Hence the need to continue and finalize the negotiation with producers for the drafting of contracts for the supply of soybean.

Type of market	Sales realized (number of pieces of soybean cheese at 50 FCFA/piece)	Estimated demand (number of pieces of soybean cheese at 50 FCFA/piece)
Djakotomey market	52,600	75,300
Dogbo market	26,520	58,170
Azovè market	19,750	47,490
Klouékanmè market	27,100	82,320
Toviklin market	19,620	50,070
Lalo market	24,550	53,376
Hospitals, schools, etc.	9,560	36,870
Total	179,700	403,596

Table 2 | Evolution of member producers and processors of ABCs

Soybean ABCs	Number of women groups	Number of processing units	Number of producers		Number of processors	
			2013	2015	2013	2015
Zogbodomey district	9	0	150	482	12	92
Atlantique region	18	1 (CTAE)	201	462	160	342
Glazoué district	4	0	350	576	21	62
Djakotomey district	16	1 (CAIB)	458	616	55	148
Total	47	2	1,159	2,136	248	644

by 60 FCFA per kg when using inoculum. According to producers, this ultimately doubled their net income from soybean production.

In line with the initial business idea, women soybean processing groups and CTAE were at the center of activities facilitated by the partnership. In addition to receiving training on techniques for improving hygiene during the processing of soybean and enhancing the quality of the final products, these collective enterprises were also trained on cooperative management, elaboration of business development plans – which helped to access credit – sourcing from producer organizations and marketing of their products. Improved marketing included simple practices such as packaging and presentation of products.

By strengthening their relationships with producer groups, improving processing techniques and focusing on the production and marketing of

soybean cheese, women processors strengthened their businesses and boosted their income to 5,500 FCFA for every 20 kg of soybean processed into soybean cheese. Before, for every 20kg processed, they would only get between 1000 and 1500 FCFA and would often face slumps in sales.

As for CTAE, he cooperative sources soybean from 25 cooperatives, covering a total of 225 smallholders, including 58 women producers. Sales of Goussi increased from 115 tons in 2014 to 144 tons in 2015, and 154 tons in 2016. Seven new wholesalers and many more retailers have been involved and have seen their revenues increase by 35,000 FCFA (wholesalers) and 10,000 FCFA (retailers) respectively. CTAE has also succeeded in expanding its markets from Allada to other urban centers such as Agbangnizoun, Bohicon, Come and Porto-Novo, and reaching more BoP consumers (11,000 in 2014, 13,800 in 2015, and 14,700 in 2016).



Mahamane Toure | Soybean processing by women in Benin

BOX 3 | A FIRST STEP IN SUSTAINING THE PARTNERSHIP

In May 2017, the soybean partnership gathered in Bohicon (Benin) to discuss their achievements and strategies for enhancing the sustainability of the partnership. Fifteen representatives of producers, processors and coaches took part in this workshop. All of the participants were unanimous about the importance of coordinating supply and demand of soybean through the quarterly management committee meetings. In order to enhance the partnership's sustainability, the participants decided to finance the management committee through an annual budget consisting of 0.5% of the annual sales of the CTAE, supplemented by an annual subscription of 500 FCFA for each active member of the partnership.

Partnership development

Given the increasing demand for soybean products in the localities where the ABCs are operating, and the need to share experiences of how to expand markets, actions have been taken to link the clusters into one network. These include the establishment of a governance structure for business development coordination at inter-ABC level, organizing visits of exchanges and sharing of experiences between the actors of the various clusters, and the development of inter- and intra-ABC business relations. This has resulted in the improved matching and coordination of supply (producers) and demand (processors) of soybean not only within a single ABC but also between clusters, and the development of mechanisms for the sale of soybean on credit to women processing groups by producer organizations. Strategies for disengagement by 2SCALE and sustaining learning are currently being developed (Box 3).

Conclusions

GUTS Agro Industry, CTAE and women soybean processing groups were able to develop a commercially viable business model while serving a BoP consumer segment; in the case of Ethiopia GUTS Agro Industry is no longer dependent on the aid market. The affordable and nutritious soybean-based products proved to be well adapted to BoP consumers. In Ethiopia, the products have been made more easily available through the Likie micro-franchise distributors network. GUTS Agro Industry gained control over the distribution channel both in terms of product movement, handling, quality and pricing. This also gave the company access to a large consumer base and direct linkages with the BoP, which enabled GUTS Agro Industry to gain feedback and improve communication. As a result, the company was able to improve its product and marketing strategies. This is still a challenge for CTAE and women soybean processing groups in Benin which are using more informal distribution networks.

Another achievement has been the notable improvements in value chain relationships, building lasting interactions that have supported the professionalization of value chain actors. In both Benin and

Ethiopia, from production to distribution, actors capitalized on the market opportunity provided by serving BoP consumers and were incited to invest in their activities.

Lessons learned

Focus on BoP markets

The different cases from Benin and Ethiopia highlight the success of businesses that have BoP consumers as an integral part of their business models. The two cases in the soybean value chain include processors that operate at different scales; the processors in Benin (CTEA and women's groups) operate on a small scale with basic facilities, while GUTS Agro Industry processes food products in a well-established factory. Yet despite the different scales, their focus on serving low income consumer groups is the same. Reaching out to BoP consumers is a challenging and demanding task for most processors in developing countries because of limited infrastructure and distribution networks. GUTS Agro Industry highlighted the benefits of employing a commercially driven micro-franchise distribution system that fits the local environment. Both cases have also proved that using the right set of value propositions, and marketing and distribution strategies serving BoP markets can reward businesses. Their examples are an eye-opener for businesses that fail to see beyond the challenges of serving BoP markets and for development practitioners seeking ways to include low income consumers.

Gender

Ensuring inclusion and empowerment of women in agribusiness value chains appears difficult, yet the Benin case gives a good example of how to empower women entrepreneurs and help them grow their businesses, thereby inspiring their peers. GUTS Agro Industry in Ethiopia also ensured that women benefitted from the value chain by adopting a micro-franchise distribution model, where all of the franchisees were women micro-entrepreneurs. Involving women as distributors in Ethiopia helped because women are often the ones who purchase the food and cook for the family, especially for infants. Both cases therefore reveal how women can be integrated into an agribusiness value chain as strategic partners.



Loyalty and trust

In Ethiopia, business relations at grassroots levels improved because of a transparent pricing mechanism between GUTS Agro Industry and the unions, between the unions and their primary cooperatives, and primary cooperatives and their members. GUTS Agro Industry doesn't rely on ad-hoc traders anymore and is able to reward quality and volumes by paying a higher price for the products at cooperative and union levels. This enables producers to make a better margin on their sales and provides farmer organizations with an incentive to nurture the business relationship established with the company.

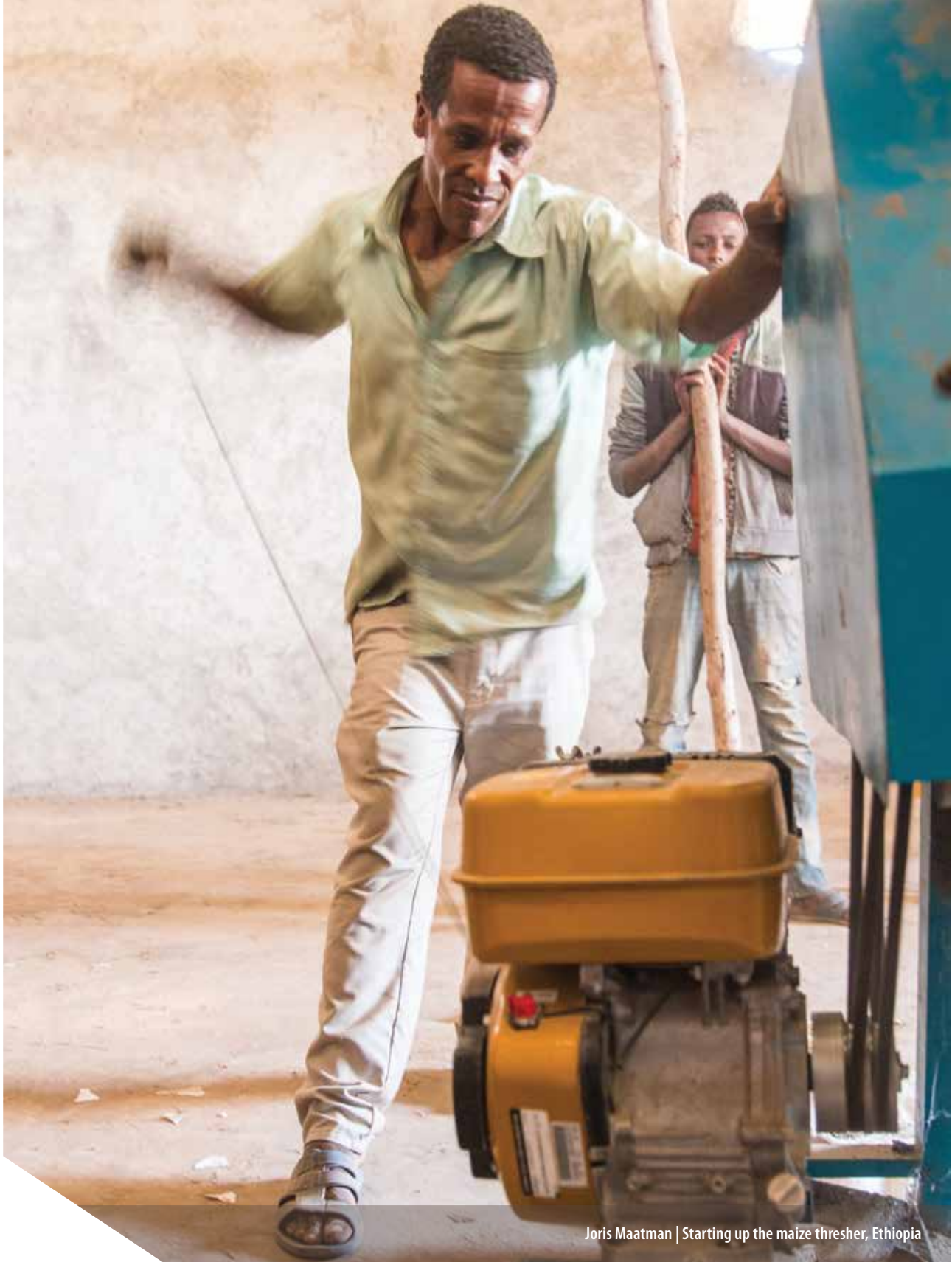
Replicability and scaling up

GUTS Agro Industry is now replicating the Likie micro-franchise distribution model to other towns in the southern region of Ethiopia, without the support of 2SCALE. The company is introducing new chickpea and sorghum-based snack products in Burtajira and Wolayita Sodo towns. Furthermore, the Likie model has been replicated in Benin for the distribution of pineapple juice to BoP markets (Lakoussan, 2017). In Benin, the partners of the soybean producers' organizations have created an overarching ABC platform to match and coordinate demand and supply in order to cover the increasing demand for soybean-based products.

Maize farmers in the target area in Ethiopia were offered the opportunity to benefit from the WFP Home Grown School Feeding (HGSF) program. They were asked to supply processed maize and soybean beans but they don't yet have the required processing capacity. Therefore, farmer cooperatives came to an agreement with GUTS Agro Industry to provide a processing service to the organizations from whom they source their raw materials. As a result, the cooperatives will have the opportunity to add value to their product, supply it to WFP and benefit from the HGSF program. The farmers will only be required to pay for the direct processing cost (mainly energy cost); GUTS Agro Industry has no intention of making a profit from this service but rather wants to strengthen ties with the farmers as this will have a long term benefit. This will also create another marketing outlet for the farmers and hence will provide another income earning opportunity.

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Joris Maatman | Starting up the maize thresher, Ethiopia

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2SCALE manages public-private partnerships (PPPs) for inclusive agri-business in Africa. Partnership agreements are developed with companies with inclusive business agendas. 2SCALE offers support services to companies, farmer groups and other relevant stakeholders – enabling them to produce, transform and supply quality food products to local, national and regional markets, including Base of the Pyramid consumers. 2SCALE strengthens the capacity of grassroots and value chain actors, supports innovation and coordinated action, and improves skills to assure effective participation in markets. The focus countries of the programme are Benin, Ethiopia, Ghana, Ivory Coast, Kenya, Mali, Mozambique, Nigeria and Uganda.

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