



Farming dynamics

Agricultural Interprofessional Organisations (IPO) in West Africa

Introduction

Interprofessions, frameworks for consultation, interprofessional committees, sector tables – so many so-called forms of “interprofessional” organisation, which have flourished in recent years in West Africa and which elicit great interest among economic actors in agricultural sectors as well as among policy makers and certain donors.

What is an interprofessional organisation (IPO)? The term arises where a grouping of at least two professional trades of a sector come together to consult, to coordinate, to develop agreements, and / or conduct collective actions around one or more agriculture products. These organisations can take many forms depending upon the actors involved, their aims, and the products or territory they cover.

Why is there such enthusiasm for IPO at the moment? What are the current realities of IPO in some countries? What characterises IPOA? This paper will attempt to provide some straightforward insights into these questions. Far from being exhaustive, the intention is to provide an introduction to IPO, which while discussed in West Africa, remain generally poorly understood further afield.

Summary

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Part I: The emergence of IPO in Africa: the legacy of the state-owned companies, the need for dialogue and miracle cure ?

1.1. IPO – in the wake of state-owned companies

Up until the beginning of the 90's, West African states were significant players in most agricultural sectors, and particularly in the "large" export sectors (cotton, coffee and cocoa, groundnut...). They intervened to unilaterally determine the modus operandi of these sectors (fixing prices paid to producers, input supply and marketing terms, export arrangements). The state could even be the sole direct operator (through a monopoly purchase of the producers' product, through state-owned companies owning the processing plants, by regulating by the supply of inputs...)⁽¹⁾.

With the introduction of structural adjustment programmes in the 80's, states have gradually disengaged from agricultural production and marketing sectors, as well as from management functions and support for the rural sphere. These responsibilities and functions of government have largely been transferred to agricultural sector professionals, and in particular their emerging organisations.

In this context of liberalisation, the creation of IPO was seen by states and donors as a means of retaining a number of advantages of integrated sectors (cotton, groundnut...) and avoid their collapse.

The first West African IPO were created within this context: the National Interprofessional Groundnut Council (CNIA), followed the liberalisation of the groundnut sector in Senegal (1992);

the Interprofessional Cocoa and Coffee Council (CICC), following the liberalisation of cocoa and coffee sectors in Cameroon (1992).

A few years later, in much the same way, IPO were also developed in the cotton sectors of several countries following the privatisation of their cotton companies: the Interprofessional Cotton Association (AIC) in Benin in 1999, Intercoton in the Ivory Coast in 2000, the Interprofessional Cotton Association of Burkina Faso (AICB) in 2006, the Senegalese Interprofessional Cotton Association (ASIC) in 2007.

1.2. IPO – resulting from the need for consultation amongst sector actors

Some sectors have found they need to consult and organize in order to function properly. This has encouraged the development of IPO. This is particularly true for processed products sectors, where consultation and coordination between producers and processors are necessary, even obligatory, for their activities.

Indeed, though some problems can be solved by one type of actor (for example: producer organisations gaining access to cheaper inputs, processor organisations to ensure appropriate marketing of their processed product, trader organisations to manage distribution...), others require concerted action and coordination between different branches of the industry (for example between producers, processors and distributors to improve the quality of a product, to defend a local sector, to establish price agreements ...).

In the industrial tomato sector in Senegal, for example, a group of producers and an industrialist agree each year on the quantities of tomatoes to produce (and to deliver to the industrialist), prices, delivery dates, quality criteria ... These agreements are needed by both sides: producers are guaranteed prices (at the beginning of the season) and secured outlets; the industrialist is assured of regular supplies, realises

1) Reference : V. Ribier, Politiques agricoles en Afrique de l'Ouest et du Centre : reste-t-il une marge de manœuvre pour l'intervention publique ? ; OCL, vol. 9, n°6, 2002.

economies of scale (through bulk buying) and receives products that meet its quality standards. Without concerted action and coordination between these two professional parties the industrial tomato sector of Senegal would never have existed.

1.3. IPO – new actors to regulate agricultural sectors?

More recently, some states have taken a keen interest in IPO, to the point of including them in broader sector development and regulation guidelines.

Recent agricultural policy laws enacted in Senegal (2004) and Mali (2006) provide an important role for IPO regulating markets (supply management, market management and sector steering). At the supra-national level, the Economic and Monetary Union of West Africa (UEMOA) also supports the creation of IPO.

Similarly, current aid actions and international organisations increasingly support interprofessional dialogue initiatives in sectors at the local, national and supra-national level.

In some countries, the establishment of IPO is even presented as THE solution to a whole range of issues ranging from regulation of markets to the organization of sectors, including improving their competitiveness and defending the “interests” of professionals.

Part II: Varied IPO realities on the ground

A first overview of existing IPO shows that they are both numerous and varied. Indeed, there is no standard model of IPO, but rather a wide range of organisations, particularly depending on the historical context in which they are established, the missions they set themselves, the players involved, and the role and place of government in the sector.

2.1. IPO in major export sectors

During the liberalisation of “large” agricultural export sectors in West Africa (groundnut, cocoa and coffee, cotton), the creation of interprofessional structures was strongly encouraged by states and donors.

In these IPO, members are generally the main sector associations or trades organisations, those which depend almost entirely on the product. Each trade is represented in the IPO within a college. For example, CICC in Cameroon (coffee, cocoa) is composed of four colleges: producer organisations, industrial processors, packers and exporters. For its part, the AICB of Burkina (cotton) is composed of two colleges: producer (represented by the National Union of Cotton Producers of Burkina Faso - UNPCB) and ginner companies (represented by the Professional Association of Cotton Companies in Burkina Faso - APROCOB).

In major export sectors, the overall objective of IPO is to “*facilitate relations between stakeholders and consultation with the state to define, manage and monitor all activities and functions relating to the continuation and smooth running of the sector.*”⁽²⁾ In particular, they provide a large number of strategic functions for the sectors previously carried out by the state: organising price negotiations between producers and processing or picker companies (cotton, groundnuts), marketing, managing the supply of inputs, financing services (agri-

2) Extract from AIC's website : <http://www.aicbenin.org/>

cultural advice, research, maintenance of collection runways, etc.), the collection and dissemination of sector information, the disputes settlement between sector players, etc. They also provide representation for professionals (from the “private sector”) to government authorities and technical and financial partners.

While not formally part of IPO, states are still very present, especially in “sensitive” fields, those that present significant challenges for national economies. For example, the Senegalese state intervenes regularly during negotiations on pricing for peanut producers, as a fall back and arbitrator in case of disagreement within the CNIA and also by granting producers price subsidies. The same types of government intervention (subsidies, arbitration, etc.) are found with equal frequency in the cotton sector.

Funding for these IPO is partly provided by levies on the products made at the processing (CNIA), picking (cotton) or export (CICC) company level.

2.2. IPO in the grain sectors

The grain sectors are considered strategic by states, in particular for national food security. Before the wave of liberalisation, they were the subject of a number of more or less important government interventions: the rice sector was wholly managed, while the coarse grains sectors were the target of ad hoc interventions.

Since the end of the 90’s, IPO have been put in place at the behest of the state, for the rice and coarse grains sectors of certain countries: the Interprofessional Committee of Rice (CIRIZ) in Senegal in 1998, the Interprofessional Rice Committee of Burkina Faso (CIRB) in 2001, the Interprofessional Grains Committee of Burkina Faso (CICB) in 2004 and Ghana Rice Interprofessional Body (GRIB) in 2004.

Unlike in the export sectors, these IPO often include all the professional trades, from the upstream to the downstream

activities: input suppliers, farmers, processors, transporters, distributors, importers, and sometimes public institutions (as is the case in CIRIZ).

They have a very broad mandate: to regulate their markets and organise their sectors. These aims are so broad such that they are not conducive to concrete actions and their activities are still quite limited.

In the absence of a staging point in common for these products (processing plant or export) they have not been able to establish levy schemes to ensure they can self-finance and thus they remain heavily dependent on external funds in order to operate.

2.3. IPO in “secondary” sectors

In other sectors, where states have not intervened as heavily and directly as they have in the sectors described above, IPO were formed around different products: bananas, milk, poultry products, fishery products, livestock, mango...

It is often in response to a trigger, as in a “crisis” or a substantive problem identified in the sector, that the need to create an IPO has emerged: for example, massive importation of a product at the expense of local production, a health crisis, sub par product quality, lack of trading opportunities, and so on.

The sector’s professionals from the different trades have generally been directly involved in creating these IPO (with support from technical and financial partners).

Often designed around a hardcore of actors, these IPO bring together only the most important trades of the sectors in question, ie those that derive their livelihood directly from the product in question. For example, food manufacturers, hatchery operators, producers (of eggs for consumption and broilers) and slaughterhouses and packers are greatly involved in the poultry sector. In dairy sector IPO,

there are dairy farmers, processors and some distributors involved.

These IPO have quite focused and specific missions: for example, IPO conduct lobbying and political advocacy (defending the interests of professionals, the fight against imports...), they promote products collectively, and take measures to improve the quality of a product, and so on.

The funding of these IPO are via levies (in the case of the poultry sector), or via fixed contributions from members (for dairy). They are still generally supplemented by external financing (through projects).

2.4. Local interprofessional agreements between producers and traders and industrialists

Apart from the IPO outlined above, there are local level interprofessional dynamics, formalised or not into organisations, between groups of agricultural producers and industrial processors or trader associations.

These dynamics are born out of “crises”, often in the marketing of a product, which leads to the willingness of professionals to negotiate to solve the specific problem. This translates frequently into the establishment of interprofessional agreements.

For example, in the potato sector of the Federation of Peasants of the Fouta Djallon (FPFD) in Guinea, a hard core is formed by the Union of producer groups of Timbi Madina, which sells more than half of the Guinean dry season production.

With the support of the FPFD, the union negotiates the sale of its members’ potatoes during the dry season to a group of merchants with operations in Timbi Madina and strong connections to Conakry. This group of traders is linked to a group of carriers. This approach is in keeping with a true interprofessional agreement: although not formalised, each player tries to negotiate with others, rather than establish power relationships.⁽³⁾

Part III: Some key unavoidable points when talking about IPO

Given the diversity of actors, sectors and their context depending on the country, it seems logical that there is no single “formula” or model of IPO. However, actors systematically confront a few key issues.

3.1. IPO – why and with whom?

The question of defining the mandate of IPO is paramount. Wanting to build an IPO to “regulate a sector” appears to some as too vague to implement concrete actions. Experience shows that the most effective IPO are those introduced in response to a “crisis” in the sector, which serves as a trigger to easily define priorities and focus on actions needed to solve the crisis. The establishment of an IPO is thus not “automatic” nor is it obligatory, above all, it must meet one or more explicit needs of the sector’s actors.

Often, IPO are envisaged as a grouping of all the sector’s professions, from upstream to downstream activities: it brings together both the direct actors in the sector (who mainly live off the product in question) and indirect actors (such as carriers, service providers, etc.). However, not all the trades in a sector necessarily belong in an IPO. Some trades may not feel concerned by the issues in question, or may have interests that differ too greatly (detrimental to the effectiveness of the IPO).

It appears that the composition of IPO (which actors and trades are included in the IPO) should reflect its objectives. If, for example, the IPO’s primary mission is to establish price agreements between producers and processors, a “short” IPO composed of two trades (producers and ginners, like AICB) is enough. If the aim of the IPO is to improve the quality

3) K. Diallo, M. Barry, V. Beauval. Activités de commercialisation de la FPFD : capitalisation du vécu et perspectives. Cellule de commercialisation, 2006.

and hygiene of a product throughout a production, processing and distribution chain, then the actors shift to a “long” IPO encompassing all the trades, from upstream to downstream activities.

3.2. What role and place for the state?

When addressing the place of the state in IPO, two main types of organisation are evident: those in which the state is present (through local elected officials as in the CNIA or public technical services as in the CIRIZ) and those in which it is not. Never forgetting that even if the state is not officially part of the IPO, it can weigh on the decisions taken by it (cotton and peanut sectors).

Even where IPO are private, the aim of regulating markets would seem to be above all a co-construction of rules, an expression of co-management of markets by public authorities and trade organisations.⁽⁴⁾

For actors, the question is not whether or not to include the state in the IPO, but rather how to achieve combined management by the state and the trades. For this, many different models have been set up.

In Senegal, meetings of the “onion Committee”, organised by the markets regulating agency (dependent on the Ministry of Commerce), enabled consultations between producer organisations and importers to limit price decreases resulting from competition between local and imported onion. These dialogues between trades and the state lead each year to a freezing of imports throughout the local onion’s production season.

In Senegal’s poultry sector, the two inter-professional organisations (the Federation of poultry sector actors – FAFA – and the National Union of poultry industry actors – UNAFA) have played an important role

of lobbying the state authorities and the UEMOA regional authorities, in response to the growth of poultry meat imports. These claims have been discussed in inter-ministerial meetings and have led to a fiscal and customs response (VAT exemption on poultry inputs since 2002, establishment of a sanitary embargo on imports of poultry meat from 2005).

3.3. How are decisions made?

Like all organisations, IPO must make decisions.

One of the specificities of IPO is that they bring together different sets of actors (producers, processors, distributors, for example) whose interests are sometimes different, to find points of agreement and take decisions (for example, set prices between actors). This implies that each set of actors (and especially the producers) must first agree to speak with one voice before negotiating with other sets of actors. In order to do so, actors of a set must be structured within their groups, preferably prior to the establishment of the IPO.

The representativeness of delegates from each trade is another important issue that arises. In the case of IPO with a global role, whose decisions can be made mandatory for all by the state, it is important that actor members be representative of their trades if the agreements are to have a chance of being accepted, and especially of being applied and respected by all. In other interprofessional set ups, the agreements need only deal with actors who voluntarily participate in the IPO: in this case, representation does not arise in the same terms.

By their nature, IPO bring together actors in a sector which generally do not always (or even not often) have coinciding interests. The decisions of IPO often require lengthy negotiations and lead most of the time to compromise between different positions.

4) G. Duteurtre et I. Wade : article from Inter-réseaux - Grain de sel à paraître.

Generally representation within the IPO is based on colleges: every trade has a college and each college has a say in votes (the number of staff within colleges may vary from one trade to another).

For decisions taken to be applicable, they must be recognised and accepted by all the trades concerned. That is why, generally, IPO decisions require unanimity among the colleges and not a simple majority.

3.4. What kind of funding?

At the funding level, IPO can be classified into two categories: (i) those where the high degree of concentration of a sector trade makes for an “obligatory” staging post, where it is possible to consider levying contributions for the functioning of the IPO (the case of sectors where the product is processed or exported by a small number of operators), (ii) those where there is no “obligatory” production staging post and where other modes of financing should be considered (the case with the unprocessed grains sector and sectors where multiple operators are present at all stages).

For the latter, the issue of financing IPO is not resolved. Most IPO have been set up with external funding (projects) and

find themselves without adequate financial resources when the projects come to their end.

Conclusion

IPO are a specific way of organising, which involve many preconditions. It is collectively pondered by the actors in terms of usefulness and complementarity in relation to other types of organisations (cooperatives, producers’ organisations ...).

An interprofessional organisation is a dynamic and evolving architecture: it is gradually built around different trades “learning to work together” on targeted missions.

Systematically promoting interprofessional organisations to “regulate” each agricultural sector according to a “predefined” system, could prove ineffective and lead to “empty shells”.

It is around a “hardcore” of a sector’s key actors, formed into organisations, motivated and grouped around common issues, that an IPO has every chance of succeeding. ■

This report was written by Joel Teyssier from information previously exchanged within the thematic working group "agricultural interprofessional organisations" hosted by Inter-réseaux Développement rural : www.inter-reseaux.org.

The working group, involving mostly players from the South, aims to develop areas for exchanges and discussions by analysing the practices and experiences of rural development actors.

To respond to this article, to participate in the working group or for more information, write to: inter-reseaux@inter-reseaux.org.

SOS Faim and Farmers' Organisations

For several years, SOS Faim supports different farmers' organisations in Africa and Latin America. As with microfinance for example, we have to analyse the aims, models and implementation conditions of supports to farmers' organisations. With this frame of mind, SOS Faim edits "Farming Dynamics". You can find this publication and download it in French, English and Spanish on the website of SOS Faim : www.sosfaim.org.

The last issues of "Farming Dynamics" have dealt with the following topics :

- Traditional rural handcrafts in Bolivia: A developing sector (# 16)
- An approach for local development: territorial regeneration (# 15)
- Organic food: a privilege of the Northern countries? (# 14)
- Milk production in the framework of globalisation (# 13)
- Irrigation Techniques: the experiences of Farmers' Communities in Western Lowlands of Eritrea (# 11 and 12)
- Self-managed livestock markets: the Beninese example (# 10)

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