

EXPERIENCE OF GROUP MARKETING OF GINGER BY THE NORTH WEST FARMERS ORGANISATION (NOWEFOR in Cameroon)¹

Country: Cameroon

Institution involved:

- **NOWEFOR** (North west farmers organisation in Cameroon): Federation of Unions of Common Initiative Groups in the North West Province of Cameroon (**farmers organisation**)
- **SAIDL** (Service d'appui aux initiatives locales de développement) **international NGO** in Cameroon
- **SOS FAIM Luxembourg (NGO from Luxembourg).**

Brief summary:

NOWEFOR is a Federation of Unions of Common Initiative Groups in the North West Province of Cameroon. Ginger cultivation is an old practice in Bafut zone of NOWEFOR. It is a crop that was traditionally cultivated by women.

Ginger was identified (SAILD/farmer study) as an important economic crop. Saïld supported the production: Farmer organisation into a Production Sector, technical support, control support,... So that the production increased and, depressed price on the local market. Then SAILD helped the farmers to improve there commercialisation, within building a new market system, with supply control on local market in order to keep good price: the local offer is limited by the federation/farmers in order to maintain good local price. And excess of ginger is sold on external market/Nowefor contacts with new buyers for grouped selling:

Question 1: What are the general settings and arrangements for MOAAS?

1.1 What does Agencie hope to achieve by contributing to agricultural advisory services and how does this relate to Agency's overall goals?

In this case, the services providers were:

- SAIDL, NGO in Yaoundé and through its local antem in Bamenda helped the Nowefor farmers organisation
- Nowefor: before SAILD intervention, the Nowefor: organisation was itself services provider for its members (organisation of buying inputs, access to credit). Since few years, NOWEFO became also able itself to provide direct market oriented services to its members through market organisation at local level and buyers research / contracting.

SAILD intend to support farmers dynamics in Cameroon especily. SAILD receive support from different co-operations, including SOS FAIM Luxembourg (NGO that intend to support farmers dynamics in southern countries). This is though this support that Saïld (Yaoundé), and its local anten

¹ Extract from NOWEFOR/SAILD power-point presented at National Forum "Commerciatisation des produits agricoles et accès au marché: partage d'expériences locales". - Yaoundé 2006- Minader/PARI, SAILD, Inter-réseaux/CTA.

See more (web site: http://www.inter-reseaux.org/article.php3?id_article=1078) :

- Supply, demand, and equilibrium price : a case for study. Improved prices for farmers through the organization of the local market and the regulation of the supply of ginger by Nowefor in Bafut (Cameroun). - CTA, Inter-réseaux, Saïld, 2006. - 11 p.+ Resume 1p
- Ginger marketing experience by the Nowefor (a farmer organization in the North-West) in Bafut (Cameroon). - CTA, Inter-réseaux, Nowefor, Saïld, 2007. - 14 min (Video).
- Ginger marketing experience by the Nowefor (a farmer organization in the North-West) in Bafut (Cameroon) : Video's Transcript. - CTA, Inter-réseaux, Nowefor, Saïld, 2007. - 4 p

in Bamenda, supported NOWEFOR, with agricultural advisory services, for production, marketing and also other services as credit.

NOWEFOR intend to better life, increase, diversify incomes of its farmers members

1.3 What are the general constraints for farmers to connect to markets?

In 2001 the ginger sector was created with 120 members (men = 26, women = 94).

The production sector received technical and financial assistance for increased production of the crop (SAILD). Technical assistance received led to reduction of production cycle from 24 months to 12 months. The yield per hectare increased. The total production realised in 2001 was 150 tons. This increase in production led to an observed price drop in the local market: from 2 500 Fcfa/15 l bucket in 2001, the price fall to 500 Fcfa/15 l bucket and 500 Fcfa/15 l bucket (the total income is ~ 400 000 Fcfa/ha while the cost of producing is 500 000 Fcfa/ha, this means that the farmers were experiencing a net loss of 100 000 Fcfa/ha with this increased production).

Farmers used to sell individually their ginger to middle-men at local market (urban market to distant) and were price-takers in the market. Some of them do not find buyer, sell to very low price, or do not sell at all.

There was a need to reflect on how to organise the farmers to increase their bargaining power in front of middlemen and wholesalers for better prices, need to organise the marketing of ginger in Bafut.

SAILD assisted the organisation in reflections on marketing strategies, market studies and identification of clients.

Question 2: Who are the clients of MOAAS?

2.1 How many and what types of farmers use the services?

2.3 How are the clients involved in markets?

Saild support many farmers organisations in all Cameroon.

The NOWEFOR federation includes 16 unions of common interest groupments (GIC), based in the 4 provincial divisions of North-west de Bamenda (Mezam, Momo, Bui, et Donga-Mantung). Each union contents 5 to 16 GIC. Totally it includes about 1 200 family farmers. Most of them grow coffee (men) and ginger (women).

In this specific case of ginger production, SAILD work with members growing ginger.

The NOWEFOR federation provide also services to its members (bulk inputs buying, credit, Information, grouped selling,...).

Ginger was traditionally cultivated locally by women. With Saild support, the production improved considerably. The quasi immediate consequence was the price decreased. Some producers were not able to sell there product oa at such low price that they were losing money.

2.4 What motivates farmers to use agricultural advisory services?

To find market for product, to better price.

2.6 How are the clients formulating their demand for services?

No formal demand of specific service.

Nowefor and Saild met many times, first on production function, then, new problems, and research/test of solution together. The analysed together market functioning, including with real tests on the market (zero ginger" test)

Question 3: What approaches and methods are used for agricultural advisory services?

3.1 What kind of services do agricultural advisory services deliver?

At production level: services to improve production regarding yields and cost production.

At local market level, services for:

- the creation and organisation of a local market control committee
- a local market control committee was created to sensitise all ginger producers on the need to organise the marketing of ginger in order to bargain higher prices.

The members of this production sector agreed to sell their produce in one location in the local market together with all other ginger producers in the area (to determine one unique place for selling ginger, farmers had to get agreement of local authority/local administration).

During a marketing session with all the produce in one location in the local market, it was observed that the prices were low because of excessive supply.

The NOWEFOR farmers in the zone of Bafut reflected on strategies to reduce the supply of ginger in the local market.

Strategies to reduce ginger supply in the local market:

- The first strategy was to group producers into four zones with each zone having a specific day to supply in the local market.

- Administrative and traditional authorities were involved in order to reinforce the zoning agreed upon. It was also deemed necessary to look for other market outlets out of the production zone (Yaoundé, Douala).

Then several actions were organised in order to:

- determine demand on local market and adjust supply
- organise production/sales committees
- supervise local market functioning
- organise grouped selling of ginger
- transport ginger to urban buyers, bargain, contracting, money reallocation

By now, some buyers are interested in coming to the area to fetch the ginger.

Nowefor is looking for buying-up funds in order to be able to hold the ginger and sell at the best buyer/moment. They develop credit system for that.

3.2 How are the services financed?

At the beginning, support from Sald, the less and less supported by Sald: the system must be sustainable and NOWEFOR charge its services on farmers

3.4 How do the agricultural advisory services providers and the clients relate to each other?

farmers linked to Sald through the association

long term relation, mutual respect, confidence

close relations due to joint previous activities, step by step accompaniment, soupiness, different kinds of activities/services adapted/offered

3.5 How are innovations in agricultural advisory services being upscaled?

networking

Question 4: What are the outcomes and impacts of agricultural advisory services?

4.1 How are agricultural advisory services helping farmers to deal with market constraints?

- Better understanding about demand /supply/market price definition on local market
- Better information on demand on local market
- Better master on production supply
- Better information on quality
- Better information on external buyer
- Increased market power on local market and with external buyers

4.2 What are the outcomes/impacts of agricultural advisory services?

Production of ginger (better yields, lower cost of production), sold production (volume, price, quality) and farmers income both increased.

Some preliminary impact

The zoning led to reduced supply and the price of ginger rose to 1 000 Fcfa/15 l bucket

Ginger was also supplied to buyers (in Yaoundé: 2 trips of 5 tons each, at 1 400 Fcfa/15 l bucket; and Douala: 5 tons at 2 100 Fcfa).

This led to an increase in the price at the local market to 1 500 Fcfa.

Need to rethink the strategy

- Supplying at Yaounde was suspended because the client manipulated the farmers by reducing the accepted prices when the produce had been transported to Yaounde since there was no written agreement.
- The client in Douala took produce for credit and was not regular in repayment.
- The system was not also very attractive to farmers who had to supply their produce to the market control committee and only received payment when the produce had been sold.
- The organisation resolved to adopt an approach where produce was bought in cash at the level of the village.

New market arrangements

- Clients interested in bulk buying of ginger at the level of the village were identified.
- The local market control committee borrows money from the Credit House and buys the produce from the farmers.
- This produce is then later sold to the client ensuring that at least the buying cost is recovered.
- In case the negotiations enable the committee to make profit, part of it is used to motivate the members of the local market control committee while the rest is ploughed into the ginger production sector funds.

Presently an agreement exists with 1 buyer to regularly supply 5 tons of ginger bi-monthly.

- This demand is hardly met by the members of the organisation who have to buy from other producers to supplement.
- Thus, the quantity supplied in the local market has greatly reduced.

This has led to a price increase to 1 700 Fcfa/15 l bucket. This price is very stable and the trend is that it can occasionally increase.

- Consumers highly appreciate the quality of the ginger from this locality which is very organic.

Profitability

With the present price 1 700 Fcfa/15 l bucket, the farmers experience a net profit of 1 million Fcfa/ha. It is hoped that if more bulk buyers are identified the farmers will be able to bargain and further increase the price.

Challenges

- Not all farmers currently respect the zoning of the village for supply of the local market.
- Some farmers sell to middlemen before they arrive the market.
- The organisation buys from members in buckets while the client buys in Kg. Sometimes there is a big disparity with the different measurements.
- Perspectives
- The vision is to attain the price of 2 500 Fcfa/15l bucket which the farmers used to experience in the zone.
- Small scale processing of ginger into various forms (powder, drinks etc) exist.
- This processing could be promoted to increase the value of ginger thereby increasing income from the crop.
- Collection centres for ginger have been created in some far of zones to ease produce mobilisation and this has to be extended in other zones.
- Interest has been received from other bulk buyers like Leader Price because of the good quality.
- However, we have not started supplying because the price offered is not very satisfactory.

4.3 Are there side-effects or unexpected outcomes of agricultural advisory services?

- Better organisation of the organisation, improve farmers interest/motivation toward federation (farmers see interest because gain profit/better income thank to federation organisation)... which is good also for other products (not only ginger).
- Access to other services (credit,..).
- Reinforcing leading role of leaders.
- Farmers more confident in themselves, increase identity of farmers in the group.
- Better reconnaissance from buyers, meddle-men, local authority (traditional and administration).

Question 5: What is the role of development cooperation and other key stakeholders?

5.2 What are the roles and functions of the government (local and national)?

Local authority where very important to support/agree with the new organisation/functioning of the market and production zones:

- The Bafut Municipal council assist in reinforcing the agreed location for ginger in the local market with fines inflicted on defaulters. They also exempt our clients from paying taxes on ginger.
- The Bafut Traditional Council supports the process by reinforcing the zoning of the producers and the agreed timetable for supply in the local market.
- research center produced several varieties of ginger ginger.

5.5 Which insights and lessons can be learnt from the arrangement of roles, e.g., good practices, obstacles, pitfalls?

Importance to involve all types of local actors/stakeholders to reinforce the marketing system established.

Question 6: What linkages exist between agricultural advisory services and other types of services?

financial