

Commercialisation of agricultural products by producer organisations and farmers

**Management of rice supply on a local market
The MOGTÉDO Cooperative and its experience in Burkina Faso**

Discussion guide for the video presentation

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Foreword

This document was written in the framework of the CTA-Inter-réseaux working group on “market access and the commercialisation of agricultural products”.

This working group, intended to collectively elaborate thinking, consisted of sessions held to exchange information and highlight the experience acquired by producers’ organisations on the subject.

In this process, local partners,¹ farmers, livestock breeders and their organisations, support organisations and local NGOs were the leading force and direct actors for the circulation of information about local experience.

The work² took place over several years and was articulated in several forums:

- [E-forum](#), an electronic forum on the commercialisation of agricultural produce in ACP countries and its role in boosting local economies (2003);
- Forum [Benin](#) (2004), Forum [Cameroon](#) (May 2006), meetings in [Guinea](#) and in [Mali](#) (2006) were events focused on initiatives put in place by farmers and livestock breeders’ organisations in these countries to better sell their products;
- [Regional forum](#), a multi-country meeting held in Bamako on the same topic (15-18/01/07).

The results of the process consist of, *inter alia*:

- the production of thinking and materials on the **content of these undertakings** and on the subject of market access and commercialisation of agricultural products: information sheets, video and radio recordings for sharing these experiences;
- the production of thinking on **working methods** for the construction of collective reflection.

This guide, designed to accompany the video presentation and produced by Anne Lothoré and Patrick Delmas, is also a product of the *Working group*, the result of discussions and thoughts exchanged throughout the process.

It is subject to modification and improvement, as a result of on-going exchange between participants in the working group: the farmers, livestock breeders and their organisations, group leaders, instructors, technicians of local NGOs, local and international support organisations that have been involved in the process.

¹ We cannot list all the partners here. See the Inter-réseaux website for the names of individuals and organisations particularly implicated in each country. http://www.inter-reseaux.org/rubrique.php3?id_rubrique=72

² See the Inter-réseaux website.

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PREAMBLE: A GUIDE FOR WHOM AND FOR WHAT USE?

This guide complements **other materials** which are related to the experience of the Mogtédó Cooperative in Burkina Faso: a summary of the project, a detailed information sheet and the video presentation present different aspects of a market created by the rice farmers of this cooperative, a market which they describe as being “secured and self-managed”³.

These materials/tools can be **used by any person working directly or involved in support for the organisation of peasants and farmers** on issues of marketing of agricultural products^(a): group leaders, salaried technical staff, staff of support organisations, development agents working with the farmers’ organisations (FOs) and their members. And of course also by FO leaders, producers, farmers, men and women, individuals or FO members, as they are directly concerned with the question, and their partners (local authorities, traders, funding bodies, donors, etc.).

The materials are designed to serve as **tools for leading collective reflection**^(b) on the topic of the marketing of the agricultural products by FOs. They are not extension training materials on the subject. A discussion session using the video is centred on generating communication within the group; it should help the group to think together, and enhance awareness of issues. The Mogtédó experience is not just a model to be copied but constitutes a concrete example of what a FO does, and therefore should help generate questions and discussion on this subject with agricultural technicians, producers and members of FOs in particular. When it is not possible to visit the site, a group can discover the process and its results via the video presentation. Nevertheless, the video is not meant to provide all the answers to the numerous questions which may arise in the audience. Indeed, the person presenting the video should expect the audience to ask questions related to the aspects they see as lacking in the video: technicians, agricultural extension agents, researchers, farmers, etc. all have personal perceptions of reality and expectations which are the result of their past experience and present preoccupations. It is normal for them to have different reactions and perceive some amount of information as lacking. The video aims to generate the expression of different reactions to this action. Through their remarks and questions about the Mogtédó undertaking the members of the audience can express their viewpoints and visions, their preoccupations and worries, in short talk about their own experience. The video can therefore help viewers to better discover themselves, know their differences and **recognise the value of each and all**^(c).

This guide seeks to contribute some elements and guidelines to facilitate the organisation of these moments of collective exchange, with two sub-objectives: first to facilitate understanding of the specific Mogtédó experience, and secondly to help the participants put the commercialisation of agricultural products by FOs **in perspective**^(d) with respect to their own commercialisation action or support for similar initiatives.

It consists of:

- questions to ensure that the Mogtédó case is properly understood (Part 1);
- conceptual elements to put the example in perspective (Part 2);
- concrete examples of activities carried out by other FOs, for further discussion (Part 3);
- practical comments for using the video to lead a discussion (Part 4).

³ Materials available for use with this guide (French and English versions):

“Mastering local commercialisation of rice—the Mogtédó Cooperative”. - CTA, Fida, Inter-réseaux, 2004. - Video 12 minutes + transcript (4 p.).

“Creation of a secured and self-managed market by rice farmers of the Mogtédó Cooperative in Burkina Faso”. - Inter-réseaux, 2006. - Detailed information sheet 10 p.+ summary 1 p.

These materials can be downloaded at http://www.inter-reseaux.org/article.php3?id_article=1078.

(a) The marketing of agricultural products: rich and diverse experience which is poorly exploited

Analyses of the marketing of agricultural products in sub-Saharan Africa reveals a certain number of issues:

- many farmers and livestock holders underscore the difficulties which they face in the commercialisation of their products and the low returns they receive;
- there are many persistent prejudices and poor perceptions of the role of traders (regarded as “speculators”), the role of the FO (limited to the role of buying members’ products in cash and at high prices during harvest and reselling them during periods of scarcity, counting firmly on increased prices but the latter are unstable), as well as of the functioning of markets (the producers do not have a clear vision of the production chain which would enable them to understand the mechanisms of setting prices, and the positioning of actors...);
- some experiments, successful or not, have been carried out in the commercialisation of agricultural products by farmers and livestock breeders, but they are little or not at all known, seldom analysed, and for the most part this experience is not exploited (projects not properly articulated nor taken into consideration by the FOs and other actors – decision-makers, support organisations, donors etc.).

(b) The video presentation: a tool for leading collective reflection

The video is conceived here as a tool for leading group reflection on the subject of organisation of producers in order to market their agricultural products. It does not claim to describe the Mogtédo commercialisation experience in its entirety. Two hours of video would not be enough to recount the whole rich experience. Moreover, if the presentation lasted two hours, it would limit the possibilities for screening and discussion. And by the time you read this document, the Mogtédo FO will certainly have changed!! The idea is therefore not to set out an experience to be reproduced elsewhere. A simple transposition will surely not be possible. Each place, context, history and organisation is unique and constantly changing, and solutions have to be found according to the circumstances.

The video presentation aims to recount a concrete story which will help actors involved in similar situations to realise that there are other ways of seeing and doing, to assess themselves and to reflect on their own experience with regards to the different roles that the FO can play, in order to improve the commercialisation of its members’ products. It should be a pretext to create a session for exchange, of debates and reflection in groups on the actions carried out by others and on those actions which are possible in their own contexts. It is hoped that the video will play the role of a mirror, helping not only to put past experience into perspective, but also looking forward and/or anticipating future situations, encouraging vigilance and therefore preparedness: having in mind other possibilities so as to better anticipate changes.

(c) Different visions and concerns

“The baobab tree is not the same tree when recounted by a rat which plays around in front of its roots, by the elephant which comes to feed on the leaves, and by the eagle which flies over it in search of its prey.” But too often, we (advisers, technicians, development agents, etc) think we know the farmers and by so doing we allow ourselves to think and decide for them. We define our actions according to the images we have of social reality, and not according to reality itself, and even less according to the reality that is perceived and experienced by the farmers.

Therefore, it is useful to know each other better, to know where there are differences: we cannot move forward in the construction of a relationship by erasing the differences. On the contrary, it is important to know in which ways the other is different.

(d) One’s actions in retrospect

Thinking about one’s past actions is not an easy task. Often the mediation of an external actor is necessary to put one’s action in perspective, and/or to stand back and be detached from the particular context of another experience. The mediator can help question what has been done, how resources were mobilised, and compare with other ways, can help forge links to other contexts and situations. The mediator can in this way demystify errors and make them into learning processes, encourage dialogue and propose options for future work.

This is important because establishing some distance can increase the motivation to learn and to act. By becoming aware that one can control one’s actions, the person realises that it is possible to influence the result of the action.

1- QUESTIONS TO HELP UNDERSTAND THE SPECIFIC MOGTÉDO EXPERIENCE

The questions suggested here, with some brief answers, are possible questions to put to the participants, to make sure that the process and the results of the activities carried out by the producers of the Mogtédo Cooperative have been understood.

This list is not exhaustive and all the questions do not necessarily need to be raised: that will depend on the objectives pursued, available time and the dynamics of the group (cf. Part 4).

How was rice sold before? What DIFFICULTIES did the producers face?

Prior to 1996, rice sales were managed by two State-run enterprises, one in charge of the purchase and transformation of paddy (Sonacor: National rice collection company) and the other in charge of imports and commercialisation of local rice.

Over all, members of the Mogtédo Cooperative do not have good memories of this period, especially at the end when Sonacor was no longer functioning well. (This is not the case in other areas where producers are now having a hard time selling their paddy, and regret the time when the commercialisation of their product was secured). For the Mogtédo farmers, the price proposed by these companies was neither remunerative nor transparent.

1996 marked the beginning of government's liberalisation of the rice sub-sector, and the elimination of these two State enterprises, replaced by private-sector companies. These companies bought paddy from the cooperative but progressively stopped their activities around 2004.

The Mogtédo Cooperative subsequently tried to sell its products directly on urban markets by "eliminating" intermediaries. These attempts to sell directly on distant markets did not lead to any conclusive advantages. The cooperative realised that it was preferable to sell on a "local market that would permit them to have control and provide more visibility to its members".

What elements were at the ORIGIN of the new system?

The first element was the division of the cooperators, due to the fact that some of the members questioned the management of the cooperative (cf. information sheet on the cooperative): they did not understand why the cooperative had difficulties selling and obtaining better prices for their products.

The financial audit carried out by the Agriculture Ministry proved that the cooperative was well managed. The management of the cooperative then understood the need for more visibility and clarity in its commercial dealings, for all the members.

Later on, the cooperative decided to withdraw from marketing the members' rice, and to put in place another system that would enable the producers to be directly involved in the sales of their crops and to obtain the advantages of group sales (coordination on prices, transparency in transactions).

What collective DECISIONS were made at the level of the cooperative?

The first measure was the decision to let the producers sell their paddy directly and thus to collect their own money: from then on the members sold their own crops. Although this might seem like a regression in fact it is not: some measures were taken to counterbalance this decision which appears rather individualistic (with less "cooperative spirit"); the cooperative will take up other functions to facilitate and improve the commercialisation of members' products.

The cooperative proposed that the women of the village buy the farmers' production, parboil the rice themselves and then sell it to outside women traders. This proposal was ratified by various decisions:

- that "all the rice should pass through the village women who are involved in its drying and transformation" with a ban on selling paddy on the market, where only the sale of white rice is authorised: the village women buy the rice, transform it and resell it to traders who come to the market. There is an increase in the

- added value that is retained in the village;
- a single sales-point at the market (for easier information and control);
- supervision of the weighing of rice so that the producer is paid for the right weight;
- market regulation by the cooperative: it intervenes at certain periods to buy or sell paddy, in order to adjust volumes that are brought to the market (product availability guaranteed to the buyers), thus stabilising supply and prices;
- a flat price set through negotiation between cooperators and women processors, and rules to ensure that the price is respected with penalties in the event of non-compliance.

In the new cooperative system what are the ROLES of the ACTORS involved?

Each producer produces and sells his rice to the women who process it and sell it at a unique sales-point in the market.

The producers are trained by the cooperative and are paid by the women to measure out the quantities and do the weighing.

The women of the village buy paddy from the producers, parboil and dry it; for hulling the women use the services of individuals in the village who have hulling machines.

The cooperative buys only the paddy harvest of farmers who have difficulties and who are obliged to sell their product. It constitutes a stock of paddy with mandatory member contributions (tied to the operation of the irrigated lands) and bags of paddy brought in by the farmers as repayment for their input loans. This stock is used later on to regulate the market.

The local authorities (prefect, gendarmes) recognise the system and encourage the leaders of the cooperative. They do not accept complaints from traders who refuse to accept the rules of the cooperative.

What are the ROLES of the COOPERATIVE?

First of all the cooperative ensures the management of the irrigated fields and also the acquisition of inputs (fertiliser and seeds) for its members.

As concerns sales, the role of the cooperative has changed from that of buying crops to that of market regulation:

- it negotiates and obtains a better price for the sale of its members' paddy rice;
- it then ensures compliance with the decisions taken;
- it makes sure that the producers sell the right weight (to avoid losing by errors in weighing the advantages they have managed to obtain);
- it ensures regulation of the rice supply all year round (buying or selling according to need) and the production of quality rice (raising awareness, training of the women processors, work on equipment);
- it enhances the development of economic activities in the village and a better distribution of income (added value secured by parboiling, drying and hulling).

A "better price for the producers" means that the traders buy the rice at a higher price. Nevertheless, these measures satisfy the traders who are in search of a regular source of product (all year round) in order to carry out their activities throughout the year. This is important because one of the general reproaches that are made by rice distributors in other zones is that local rice cannot be found through out the year (a trader explains in the video: "we find rice in the market all year round"). The cooperative profits from its ability to produce two rice crops a year.

The cooperative no longer buys all of its members' harvest. In many other cooperatives in Burkina Faso, the internal rules and regulations still state that all the produce of the members must be sold to the cooperative. In the majority of cases, this obligation is never respected. Why? In general for two main reasons, on the one hand the lack of financial capacity (cooperatives do not have and cannot have access to sufficient funds), and on the

other hand the absence of buyers for large quantities.

What do the members of the cooperative want?— a remunerative price and a guarantee that they will be able to sell their production. These are the objectives which led the Mogtédó Cooperative to set up its current system by relying on its traditional local market as well as on the local actors. The first role of the cooperative is to meet the needs of its members and to explore systems that are the best adapted to their needs and the surest ways to achieve them. This is why the Mogtédó Cooperative put in place its current marketing system.

What is at stake with sales at the SINGLE SELLING-POINT?

The single sales-point at the market is a measure which makes it possible to fight against the low level of producer information (asymmetry of information) due to their dispersion. Supply and demand can be better managed, and the power relations between producers and buyers, which are often unfavourable to the producers, can be modified.

- better information on prices allows for better enforcement of the agreements on a minimum guaranteed price;
- better information on demand and the volumes sold each market day makes it possible to control supply according to needs.

The single selling-point constitutes a greater guarantee that the producers will remain committed as a group to the decisions of their organisation and will comply with the rules.

WHO BUYS rice and where?

The women processors of the village buy paddy rice from the producers on the market. They buy week by week and this represents small amounts each time.

The outside women traders come to the village to buy white rice.

The cooperative buys only the rice of the producers in great need to avoid “parallel” sales (but the largest share of the volume of paddy available to the cooperative comes from in-kind dues paid by the members to the cooperative).

How is the PRICE of rice ESTABLISHED?

The price of paddy is set through negotiations with the women processors of the village. The negotiated price naturally takes into account the global market price as well as the price of imported rice.

This negotiation sets the price for white rice which will be proposed to the outside women traders. This works well, and the producers obtain better prices for their paddy compared to those of other big rice-producing zones (125/135 F at Mogtédó against 105 F for other large rice plains at the beginning of 2007).

This is possible for several reasons:

- comparative advantages of Mogtédó (90 km from Ouagadougou, along the international road and therefore closer than the other areas to big centres of consumption);
- quality rice that is appreciated, thanks to the variety cultivated;
- the cooperative makes sure that the preliminary price negotiation mechanism, between the cooperative and the women of the village who buy the paddy, has been understood;
- the price set takes into account the price of imported rice in the village as well as the price of rice in other markets;
- the cooperative provides information on the price of white rice in Mogtédó: the outside traders know this price before coming; they agree to pay higher prices because they are sure of the quality of the rice they will find each time; knowing the prices and the quality on the market, they can make their own calculations before coming and therefore do not come to the village for nothing;
- on the market in general, the prices of paddy and of white rice fluctuate less than those of dry cereals.

The challenge: when setting a price at the producers’ level the village women who parboil the rice must also make a profit and their work must be remunerated. Accordingly these women set the sales price with the cooperative: it is not the outside women who set the price of rice.

What measures were put in place to ensure COMPLIANCE with the NEGOTIATED PRICE?

The cooperative is not a monopoly. The producers sell to whomever they want but must sell at the single sales-point and at the price set by the cooperative. The principal point remains the obligation to sell at the single sales-point, and through this control is facilitated. Reasonable and realistic negotiations: the general rules of the market remain valid. If the cooperative and the village women set a price that is too high for paddy and white rice then the outside traders will move to other markets.

Lastly rules are made to ensure the price is respected, with penalties in the event of non-compliance. These rules do not have a legal basis but they are accepted by the local administration which supports the cooperative, seeing the economic results and the consequences of the action on the development of the district.

Why do we speak of market REGULATION and secured self-managed markets?

The cooperative intervenes on two key elements during sales: the price of paddy and white rice and the volumes offered on the markets.

The price of paddy and white rice no longer depends solely on the outside buyers. The producers now negotiate the prices with the village processors and take into account production costs and rice prices on the major national markets. Naturally the producers seek the highest possible price for their paddy but this price must also be reasonable and realistic, i.e. payable by the outside buyers. This requires good knowledge of the market and prices. Initially the cooperative had correspondents at the market in Ouagadougou who gave them information about prices of local and imported rice. Over time, with experience, the setting up of a network of rice producers' organisations, and the spread of the telephone, the leaders of the cooperative are now regularly informed about the rice market and the price variations in the production areas as well as in the consumption zones.

The cooperative intervenes at different periods to help maintain a regular volume of product on the Mopté market. This is a major issue because on the one hand it seeks to prevent excess supply of paddy in the local market which could lead to a fall in the prices, and on the other hand to guarantee a regular volume of business to the buyers who come to the market when rice is scarce. As such, the cooperative can carry out purchases during harvests to avoid flooding the market and later sell its own stocks (obtained via payment of dues for the management of the irrigated fields or the repayment of inputs, intervention purchases) when rice is scarce on the market, with the objective of maintaining a volume of product that can be bought on each market day and by so doing gaining the trust of the buyers.

The cooperative thus tries to regulate both the price (a higher and stable price for the producers - a price known in advance by the buyers) and volumes (there is rice for sale on each market day). This last point is of paramount importance for the buyers who are in search of a regular activity.

Thus it is the farmers who to manage the market, via the cooperative. The producers do not seek to cash in on market taxes, but manage the supply of the product and ensure that there will be takers, by offering conditions that are accepted and appreciated by the buyers.

For the producers the market is secured because it is not subjected to price variations which could be imposed by buyers, the producers have a stake in respecting the price agreements, and the cooperative gives support to supervise transactions so as to avoid losses due to errors in weighing during purchases.

This new mode of operation was explained, negotiated and accepted by the local authorities who have not tried to block it but encourage it:

- controlled volume of parboiled and dried rice put on the market, at the single sales-point and at the negotiated prices ;
- supervision of measurements and weighing of products;
- rules to ensure the price is respected, with penalties in the event of non-compliance.

The cooperative introduced the right to regulation for a more equitable market based on negotiations with the other actors.

Which SPECIFIC ADVANTAGES of Mogtédó provided support for the current system?

Several specific elements make this experience difficult for other producers to replicate directly, in other areas, with other products:

- Specific circumstances of the Mogtédó producers: The producers all work within a single area of the same village: they have known each other for a long time, they work together and have common activities which require collective organisation (management of the cultivated area). Thus they have built up a long experience of collective learning and apprenticeship characterised by trial and error.
- Specific features related to the market product, rice: The cooperative benefits from its double cropping of rice which allows for two production periods during the year (volume is easier to control than with only one annual rain-fed crop). In addition variation in the price of paddy or white rice is in a general less significant than for other products (like maize for example, for which price regulation would be more difficult).
- Geographical specificity: The location of Mogtédó presents two strong advantages: distance from the big rice production zones of Burkina Faso (the rice production zone of Mogtédó is marginal and is subject to less competition); and its proximity to a major road (Ouagadougou-Togo-Benin) which facilitates easy access for the traders .

What are the LIMITATIONS of the system set up by the Mogtédó Cooperative?

There are several limitations, particularly those related to the specific circumstances in Mogtédó (see above). One important limitation is that the producers cannot receive complete payment for the crop at harvest.

In other rice-growing areas that have two cropping seasons like Mogtédó, the producers need to sell their products at harvest in order to be able to launch the next crop season, mainly to buy necessary fertiliser. This is why the rice cooperatives tend to look for buyers who are able to pay for large quantities at harvest.

A system like that of the Mogtédó Cooperative, based on purchases of the women processors, does not facilitate this because these women buy small regular quantities which they are able to process. They cannot buy larger quantities at harvest. The producers are therefore obliged to sell their products gradually.

In the case of Mogtédó, the cooperative is in charge of the acquisition of fertiliser for its members. For the cooperative to do this, it needs to obtain a loan from a microfinance institution. The members are therefore sure to have fertiliser for the next crop season and can defer sales from their harvest. For the producers who are obliged to sell at harvest, the cooperative buys part of the paddy in order to avoid an influx of paddy to the market, and by so doing controls the supply.

Other cooperatives in Burkina Faso (Bazon in particular, in the Bobo region) have chosen to sell their paddy to women processors in the region who are in charge of parboiling, drying and hulling. The cooperatives negotiate with the groups of women processors and with a microfinance institution. The women commit to buy quantities of paddy which correspond to what they need to process for a period of 6 months (cropping cycle). The cooperatives also make a commitment to stock a corresponding quantity of paddy and this enables the women to have access to revolving credit. The cooperative receives the value of its production at the time it is stored, and this enables it to pay the producers. The women processors have access to a supply of paddy.

2- CONCEPTUAL ELEMENTS FOR A RETROSPECTIVE ANALYSIS

Creation of added value

In order to produce a crop, inputs and services are consumed (intermediary consumption, IC); at the same time, equipment loses value every year (depreciation of the capital D). The annual added value (AV) is the value of what was produced in a production year (gross product, GP), minus the value of the goods and services consumed (IC) and capital lost due to depreciation in the same year (D).

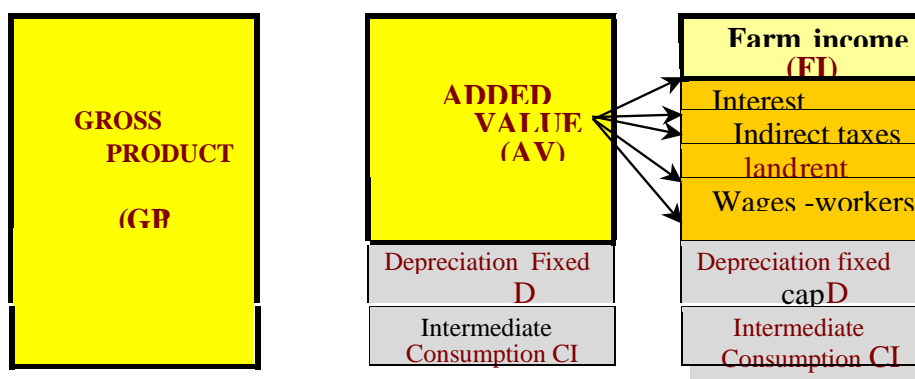
The added value represents the returns that are added yearly because of the work done ($AV = GP - IC - D$). It is an indicator of efficiency from the point of view of the community (point of view which does not necessarily correspond to that of the producer). In effect we compare the levels of intensification of land use (AV/ha) and the labour productivity ($AV/\text{unit labour requirements, days of labour weeks}$)

In the case of Mogtédo, the value added locally by the production of rice was initially represented by the value of the local production of paddy minus the value of the inputs consumed (IC) and the loss in the value of capital (D). When the decision was taken to process the rice in the village (parboiling, drying and hulling in order to obtain white rice), the value added locally through the production of rice increased because of the higher value of white rice.

Distribution of the added value

The added value is distributed between the various actors involved in the production process:

- the land owners receive rents, or property rental income;
- workers, permanent or temporary, receive wages for their work;
- the bank receives the interest on the loan granted to the producer;
- the State receives the taxes on production;
- the farmer and his family earn what is left over: agricultural income (AI) which represents the remuneration of their labour.



In the case of Mogtédo, farm incomes increased from the moment it was decided to transform paddy rice into white rice locally: better prices for the men (producers) and remuneration of the women (processors), the persons in charge of weighing the produce received wages (payments per kilo weighed) as well as the hullers (the women processors pay by the amount hulled).

Market dysfunction

Many constraints limit the effective functioning of markets in Africa.

Seven major problems have been identified in the markets of developing countries ⁴ .
- difficulties accessing markets : difficulties encountered in selling products, acquiring goods, obtaining credit because of long distances (high costs) or because of the low number of operators;
- rigidity in the supply of agricultural products due to the fact that the sale of crops is often made compulsory because farmers have to make urgent purchases or repay loans and because the farmers' volumes are unstable and very much dependent on the climate no matter the level of demand;
- instability of farm prices is characteristic of agriculture because of the rigidity and seasonal nature of supply, sometimes because of the seasonal nature of demand as well as the storage policies of private and public structures;
- price determination is often inequitable mainly because the producers are isolated and not well informed whereas the buyers have market power (financial as well as better access to information);
- cheating on quality is frequent and often to the detriment of the producers who, because they are isolated, cannot be sure of the quality of the goods which they buy (crop protection products, fertiliser);
- obstacles to increasing the productivity of soil, labour and other production factors: this often requires significant transformation of production systems, introducing risk, and producers are averse to these risks and to uncertainty which weigh on their already very low incomes and sometimes on their food security;
- obstacles to quality improvement because this requires agreement between all the actors of the production, processing and marketing chains to guarantee this quality and ensure gains for all.

In the case of Mogtédo, the cooperative producers successfully overcame some of these limitations by working particularly on:

- transparency of transactions (single selling-point, price negotiation, better advance information on prices);
- improvement of the weighing system;
- improvement of the interaction between the suppliers (producers and processors) and customers (buyers-traders);
- regulation of supply (with control of the volumes of white rice brought to the market, regular volume and quality);
- in all instances, giving responsibility to the different actors involved in the chain.

In the end the cooperative was able to reduce price fluctuation on the local market, and to create more value from local production, for the producers (who get a better price), for the women processors and the hullers (who now have a greater quantity to work with), and for the traders who are assured of having parboiled, dried and quality rice on a regular basis.

As a member of the cooperative narrates: *"To produce is not enough, it is also necessary to have a buyer and to motivate him to come (telling him the prices before and assuring him of*

⁴ Food chains in Africa: how to render the market more effective? Cirad. - M. Griffon et al., 2001.

regular quantity and a quality product) and to sell at a price that is satisfactory both to the producer and the buyer".

3- EXPLORING OTHER INITIATIVES BY FOS TO ORGANISE MARKETS

Different experiences, different structures for three organisations:

- the case of Nowefor ginger producers in Cameroon illustrates action by this farmers' organisation to organise the local market, particularly the supply of ginger: similarities to the Mogtédo experience;
- the case of the ANAPQUI quinoa producers in Bolivia illustrates a role in the commercialisation of members' products that is different from that of the members of the Mogtédo Cooperative: the Bolivian FO is seen more as a commercial enterprise than as a collective organisation;
- the case of Fapal groundnut producers in Senegal illustrates the evolution over time of a FO and the different initiatives of the organisation to market its members' products after the liberalisation and dismantling of a State-run company; with more member producers and farm lands than Mogtédo, problems are addressed at a different level of the chain..

The local ginger market organised by the Nowefor farmers in Cameroon

The producers of the Nowefor farmers' organisation increased their ginger production (quality and quantity) so much that the local market was saturated, with a consequent drastic fall in prices and in farmers' revenues. Excess supply of ginger in relation to demand in the local market resulted in a sharp drop in prices, which fell by four-fifths in under three years. This case illustrates the action undertaken by the FO and the strategies put in place to solve this problem, in particular the process used to organise the local market with more transparency in transactions and management of ginger supply at the level of the local market.

First of all, in 2004, the farmers initiated a strategy to organise the local market with more transparency in transactions and better management of supply at the local level (**Stage 1**). This strategy was articulated to control and regulate supplies on the one hand, by limiting the weekly supply of ginger at the local market in order to better negotiate prices. On the other hand surplus ginger was directed to external markets through the organisation of transportation and sales to distant buyers.

Following disappointing experiences with sales in the distant markets, a second stage was introduced in 2005 to try selling the surplus ginger outside of the local market, at better prices. The producers started to carry out more conventional action such as **purchase and storage** through their organisation Nowefor, which was thereafter in charge of organising **the sale of stocks to outside buyers (Stage 2)**.

Finally, in order to market greater quantities, work with more producers and reinforce their position in the ginger production chain, the NOWEFOR producers seek to extend this experience to the whole North West province, by **working as a network (Stage 3)**.

These three stages implemented by Nowefor to improve the marketing of ginger illustrate the capacity of the FO to innovate and mobilise its members, and producers' reaction that allowed them to better their market positioning and to obtain proper revenues for their work in a context where the "bayam sellam" traders ("intermediaries") seemed to have a firm hold on the market.

References:

- Supply, demand, and equilibrium price: a case for study. Improved prices for farmers through the organisation of the local market and the regulation of the supply of ginger by NOWEFOR in Bafut (North West Province, Cameroon)/A. Lothoré, P. Delmas. - CTA, Inter-réseaux, Saïd, 2006. - 12 p.+ Summary 1 p.
- The commercialisation of ginger by Nowefor, a peasant organisation in Bafut, North West Province, Cameroon - CTA, Inter-réseaux, Nowefor, Saïd, 2007. - Video 15 min. + Transcript (4 p.)
- Discussion guide for the video presentation/ A. Lothoré, P. Delmas. – Inter-réseaux, CTA, 2007. 12 p. (on-line at http://www.inter-réseaux.org/article.php3?id_article=1078)

Anapqui, the National Association of Quinoa Producers in Bolivia

Anapqui, the National Association of Quinoa Producers was created in 1983 in a context characterised by the retreat of government services. It pursues various activities, some which are typical of a commercial enterprise (such as processing and sales of quinoa) and others of an NGO (technical support for quinoa production, search for diversification alternatives, training of farmer leaders and staff).

The core action of Anapqui however, remains the enterprise component and in particular processing and commercialisation. Anapqui sets the price proposed to producers based on the price proposed by intermediaries, to which it adds a small margin. The processing of quinoa into products remains marginal, limiting the possibilities of generating local added value. Meanwhile Anapqui faces serious problems with commercialisation because of inadequate knowledge of market mechanisms, lack of monitoring of the evolution of the demand and supply, and focus on a limited number of long-standing clients (on whom the group is dependent). Above all, Anapqui is seen by the producers as one of many intermediaries in the chain, albeit one to which demands can be made because of the membership relationship and a sense of ownership. In other words the level of expectation is high but the respect of obligations is sometimes forgotten or completely neglected.

This case is interesting because it illustrates a choice of activities that are carried out quite differently from those of Mogtédo. Mogtédo and Anapqui are two different types of organisation, and while they are not necessarily opposed to each other, they differ in terms of the roles which a farmers' organisation can play, "collective and organisation" versus "individual and enterprise"?

Reference:

Anapqui, experience of quinoa producers' organisation. - S.O.S. Faim: Farming Dynamics n°7, 2005. - 8 p.
(on-line at http://www.sosfaim.be/pdf/fr/dp/Dynam7_FR_01.2.pdf)

Peasant organisations, economic operators? The implication of Fapal in the groundnut sub-sector in Senegal

In the context of the privatisation of the majority of the cash-crop sub-sectors in Africa, great hopes are placed on producers' organisations which are slated to take up the tasks of crop collection and marketing of products. This is the case in Senegal where, in the chaotic aftermath of the hurried dissolution of Sonagraines (the State-run enterprise formerly in charge of gathering and selling groundnuts to the groundnut-oil producing company, SONACOS), several farmers' organisations tried to position themselves as operators to collect farmers' products. It was a means of ensuring that their members could continue to sell their crops at more favourable conditions (prices and payment periods).

One such organisation is the Federation of Peasant Associations of Louga (Fapal), put in place in 1990. In order to improve the living conditions of its members (1 700 individual members, of whom a majority are women) and of peasant households in general in the area, FAPAL and its member groups carry out different activities such as setting up a network of small village shops for basic household supplies, creating a mutual savings and loan scheme, furnishing good-quality seeds on credit, participating in local consultations with the authorities, etc. In 2003-2004, Fapal decided to get involved in the groundnut chain by organising its first marketing season and positioning itself as a collection operator in the chain.

This case illustrates one possible activity that an FO can undertake to improve marketing on a scale different from that of Mogtédo: broader coverage and a larger population, on a scale other than the local market. By being involved in crop collection, the FOs have better knowledge about the chain, which is necessary for them to better position themselves, to be able to formulate farmer-based proposals and to defend them at higher levels, particularly before government authorities.

Reference:

Peasant organisations and the marketing of their members' products. - S.O.S. Faim: Peasant Dynamics n°6, 2005. - 8 p.
(on-line at http://www.sosfaim.be/pdf/fr/dp/Dynam6_FR_02.pdf)

4- PRACTICAL REMARKS FOR DISCUSSION OF THE MOGTÉDO VIDEO PRESENTATION

Different objectives

Depending on the objectives and the target public, the materials can be adapted and the group session can take different forms. The Mogtédo video can be used in various ways, depending on:

- aims of the discussion leader:
 - o a simple exchange **to raise awareness** of the producers' innovative capacity and of other ways of marketing of agricultural products: the idea here is to show that producers' organisations/cooperatives can take on a variety of possible functions to improve the commercialisation of agricultural products, and also that producers can be actors in a context of liberalisation, even without major action plans, without any assistance, without operating funds, and without calling into question the statutes and the existing legal framework.

In this case, since the video is short, it can be shown at meetings (weekly meetings, board of directors meetings) that do not necessarily focus primarily on this topic. The moderator needs only to provide a minimum of information about the undertaking and distribute a summary, e.g. the information sheet which is more complete, the video on a computer or USB key (flash or thumbnail drive). This type of presentation requires half an hour at most.
 - o a real stimulation meeting that is aimed at assessing the concrete actions of FOs in order to initiate a reflection process, find creative ideas, and incite the members to innovate through a process of collective decision-making and common practical action, or through complementary action carried out with colleagues, partners and/or other development actors. This type of session could last several hours, depending on the dynamics of the group:
- **the number and type of people involved:** technicians—extension agents, FO leaders or members at different levels, local authorities, commercial and financial partners, literate or illiterate persons, language comprehension (French or English depending on the audience and the materials), etc.;
- **available resources:** sufficient time and a hall to host a group. The video can be shown anywhere where there is a computer, for 10-15 people up to 50, and even larger audiences if a dark hall that is big enough and equipped with an overhead projector is available.

Tips for leading a meeting

Before the meeting, the moderator can select extracts from the materials (sequences in the video, sections of the information sheet). If necessary some pages can be translated into the local dialect. During the meeting, the participants will have the chance to express themselves and the moderator has to bring the audience to participate, to debate on the topic. The moderator should catch their attention, help the participants put the Mogtédo experience in perspective, restate the problem, draw out ideas.

Helping participants understand the Mogtédo case

The moderator can first show the video in its entirety, to enable the participants to engage in the debate, and then discuss it afterwards.

The screening must arouse curiosity and interest, and allow for interactions between the moderators and the audience: reactions, feedback, returning to earlier sequences, gaining perspective on what has been seen, group thinking, discussion of solutions for the audience's own specific circumstances. The presentation must create space for discussion among participants, create links so that people really meet each other. They may see each other very often but for lack of materials, there is neither a debate nor true exchange going beyond hasty value judgements.

To make sure that the participants have understood the case presented, the moderator can ask them questions about Mogtédo's activities, the processes and the results attained (cf. questions suggested in Part 1 of this guide).

If the participants are literate time can be allotted for them to read preselected texts that have been photocopied for the purpose by the moderator: a summary, extracts of the project information sheet, translated or not into the local language as the case may be. If reading is not possible it will be necessary to work on the sequencing of the video.

The moderator can then screen the entire video again or show sequences focusing on areas that were not well understood or on important aspects that have been discussed.

To help the participants gain perspective on the Mogtédó experience

The moderator can compare this case to other cases that are known or which the participants have experienced:

The participants have seen in the example of the Mogtédó case activities that a FO/cooperative can undertake to improve the marketing of its members' agricultural products, such as:

- intervention which does not involve buying members' crops but facilitating transactions between producers and buyers (women processors, traders);
- improvement on the functioning of a market through greater transparency in the transactions (information on prices, volumes, quality, etc);
- the management of supply on the local market, mainly via production of satisfactory quantity and a quality product that is regularly available, organisation of a single sales-point in the market, regulation of the quantities that are brought to the market through stock management;
- facilitation of price determination and negotiation
- definition of rules and means of ensuring that they are respected
- definition and sharing of roles and activities between actors, specific and complementary activities.

In what ways are the activities/ experiences of the Mogtédó Cooperative unique (cf. Part 1)? **In what ways are they similar to or different from the participants' own cases and situations?** The animator should then urge the participants to express the problems they face in the commercialisation of agricultural products.

The moderator should also bring the participants to put the Mogtédó case and their own experiences into perspective by providing new information on the subject.

- "conceptual" information, for example supply management, price determination, functioning etc. (cf. Part 2 of this guide);
- information on other additional and complementary actions (cf. Part 3 of this guide).

Lastly, the moderator can help:

- rephrase/reframe the questions that should be raised when a market is organised (production, management of demand and supply, price determination, information and market management, etc.;
- rephrase/reframe questions about the roles and general lessons for the FOs.

This guide aims at providing a framework and guidelines to facilitate discussion and thinking about agricultural marketing projects carried out by producers' organisations.

It accompanies the video presentation "Mastering local commercialisation—the Mogtédó Cooperative in Burkina Faso" which narrates the creation of a secured and self-managed market by rice producers of the Mogtédó Cooperative in Burkina Faso (12 minutes on CD-ROM and website).

The video is conceived as a tool for discussion and reflection in groups to help producers organise to market their products.

It should help participants assess the experience presented and finally their own actions.

The video presentation "Mastering local commercialisation of rice—the Mogtédó Cooperative in Burkina Faso"

The Mogtédó Cooperative organises the production and the marketing of rice, and grants input credits to its members. The cooperative set up an innovative system to manage the supply of rice on the market in order to have regular supply of quality product on the market

The cooperative does not buy paddy rice from its members (except for those in great difficulty), but regulates the supply on the market with the rice stocks it obtains from in-kind repayments of input loans made to members; it stores and withdraws the stocks according to the needs of the market.

The cooperative and its members sell rice for cash to the women processors from the locality. These women parboil and dry the rice, seek the services of private hullers and sell the hulled rice to traders who come to the village to buy.

This innovative system could not have been set up without cooperation between the cooperative and the local authorities.