

**The marketing of agricultural products by producers’  
organisations and farmers**

**THE MARKETING OF ONION ON A REGIONAL MARKET:  
EXPERIENCE OF THE MOGTÉDO COOPERATIVE IN BURKINA FASO**

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**Animation guide for the video “Bel Oignon does not worry about the crisis”**



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## **PREAMBLE: A GUIDE FOR WHOM AND FOR WHAT USE?**

This guide comes with the video<sup>1</sup> on the experience of the marketing of onion by the Mogtédó Cooperative in Burkina Faso. This video presents different aspects related to the marketing of Burkinabe onions on the local market, but also on the Togolese market as it was the case in 2007. Producers consider this onion export market to be a “controlled market”.

These supports/tools can be **used by any person working directly with or involved in providing support to producers’ and farmers’ organisations (FO)** on issues related to the marketing of agricultural products <sup>(a)</sup> : animators, salaried technical staff, staff of support organizations, development agents working with the FOs and their members. And of course also FO leaders, producers, farmers, men or women, individuals or FO members since they are directly concerned with the question and also their partners (local authorities, traders, funders, donors, etc).

The supports are conceived to serve as **tools for the animation of collective thinking** <sup>(b)</sup> on the topic of the marketing of agricultural products by FOs. They are not extension-training materials on the subject. An animation session using the video is centred on generating internal communication within the group and must help the group to brainstorm on the subject and to take a step back from their own situation. The Mogtédó experience is not a model that should be copied but represents a concrete example of what this FO can do. It can therefore help other farmers arise questions on this subject and lead to discussions involving particularly agricultural technicians, producers and members of FOs. Even if it is not possible to visit the Mogtédó experience, a group can still discover the process or the result of this experience through the video. However, the video is not meant to provide answers to all questions which may arise from watching the video. Indeed, the person presenting the video should expect the audience to bring out questions related to aspects that are considered as missing in the video: Whether they are technicians, extension agents, researchers, farmers, etc, each person has his own perception of the reality and expectations which are the result of their past experiences and present preoccupations. It is normal that each person reacts differently and finds that some information are missing according to his point of view. Raising comments and questions is exactly the video’s purpose.. The remarks and questions of the public are an opportunity for them to share their points of view and vision on issues, their preoccupations/worries, while talking about their own experiences based on the Mogtédó experience. The video must therefore help the people attending the session to seek a better understanding of their situation and to get to know their differences and recognize the value of each and everyone<sup>(c)</sup>.

This guide gives some key elements and guidelines to facilitate the organization and the animation of such sessions of collective exchanges. It has two sub objectives: firstly to facilitate the understanding of the specific experience of Mogtédó, and secondly to help the participants to look back or take a deep retrospect <sup>(d)</sup> on actions carried out by FOs in the marketing of agricultural products. This includes:

- questions to ensure that the experience of the Mogtédó Cooperative is properly understood (Part 1);
- conceptual elements to help them to take a step back on the Mogtédó experience (Part 2);
- concrete examples of actions carried out by other FOs to go further on the subject (Part 3);
- practical comments for animation using the Mogtédó video (Part 4).

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<sup>1</sup> This support is available and can be used with this guide (French and English versions):

- “Bel Oignon does not worry about the crisis”, controlling onion marketing on a regional market by the Mogtédó Cooperative. CTA, Afdi, Inter-réseaux, Jade Production, 2008. Video 19 minutes
- Transcript of the video (5p)

These supports can be downloaded on line from the Inter-réseaux website ([www.inter-reseaux.org](http://www.inter-reseaux.org))

**(a) Marketing of agricultural products: many different and interesting experiences, yet poorly valorised**

Different analyses that were made on the marketing of agricultural products in sub-Saharan Africa led to these observations :

- many farmers and livestock breeders highlight the difficulties they face in the marketing of their products and the low added value they receive from their products' sales;
- there are many prejudices and misconceptions on the role of traders (regarded as "speculators"), as well as on the role of FOs (often limited to the role of buying members' products cash at higher prices during harvest and re-selling during periods of scarcity while counting firmly on increased prices- which are however uncertain), or on the functioning of markets (producers do not always have a clear vision of the value chain which should enable them to understand the price fixing mechanisms, and positioning of actors, etc.) ;
- there are experiences on the marketing of agricultural products by farmers and livestock breeders; be they successful or not. Most of them are unknown , seldom analyzed or capitalized and most of the time they remain under-valorised: experiences not properly defined/placed into context nor taken into consideration by FOs and other stakeholders (decision makers, support organizations, donors, etc..).

**(b) The video: a tool for the animation of collective reflexions**

The video is conceived to serve as a tool for animation of group discussions on the subject of the organization of producers in order to market their agricultural products. It does not claim to describe the whole experience of Mogtédo. Two hours of video would not be enough to recount this experience. In the meantime, if it lasted two hours, that would limit the possibilities to project and discuss it. Moreover, at the time you read this document, aspects of the Mogtédo initiative in Burkina Faso might have changed. Therefore, the intention is not to make this experience static or to reproduce it elsewhere. A simple transposition will surely not be possible. Each context, history, organization is unique and keeps changing, and solutions have to be found according to each situation.

The video aims at recounting a concrete story which must help actors involved in similar situations to realize that there are other ways of seeing, of doing, and to lead them to raising questions and to discuss their own experiences with regards to the different roles that FOs can play in order to improve the marketing of its members' products. It should be a stimulus to create a session for exchange, debates and discussions in groups on the actions carried out by others and those actions which are possible in their own contexts. It's meant to play the role of a mirror, which should help not only to look back but also to look forward and/or anticipate future situations, incite vigilance and therefore anticipate: have in mind other possibilities that can help to better anticipate changes.

**(c) Different visions and concerns**

*"The baobab tree is not the same tree as seen 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 (as advisers, technicians, development agents, etc) think we know the farmer and because of this we give ourselves permission to think and decide in his place. Each person defines his actions regarding his reading of the social reality, and not of reality itself, even less of how reality is lived by farmers.

Also, it is useful to get to know each other better, to know where there are differences: we don't move forward in the building of relationships by ignoring differences. On the contrary, it is important to know in what way the other is different.

**(d) Looking back at one's own actions**

Analyzing one's own past actions is not an easy matter. The mediation of an external actor is often necessary to help take this type of retreat on one's actions, and/or to step aside, or be detached from the particular context of another experience.

The mediator could help question what has been done, how resources were mobilized, to compare with other ways of doing, help to do this by bringing out relationships to other contexts and situations. The mediator would as such help to demystify the mistakes made and turn them into learning processes, to encourage dialogue and propose options for work in the future.

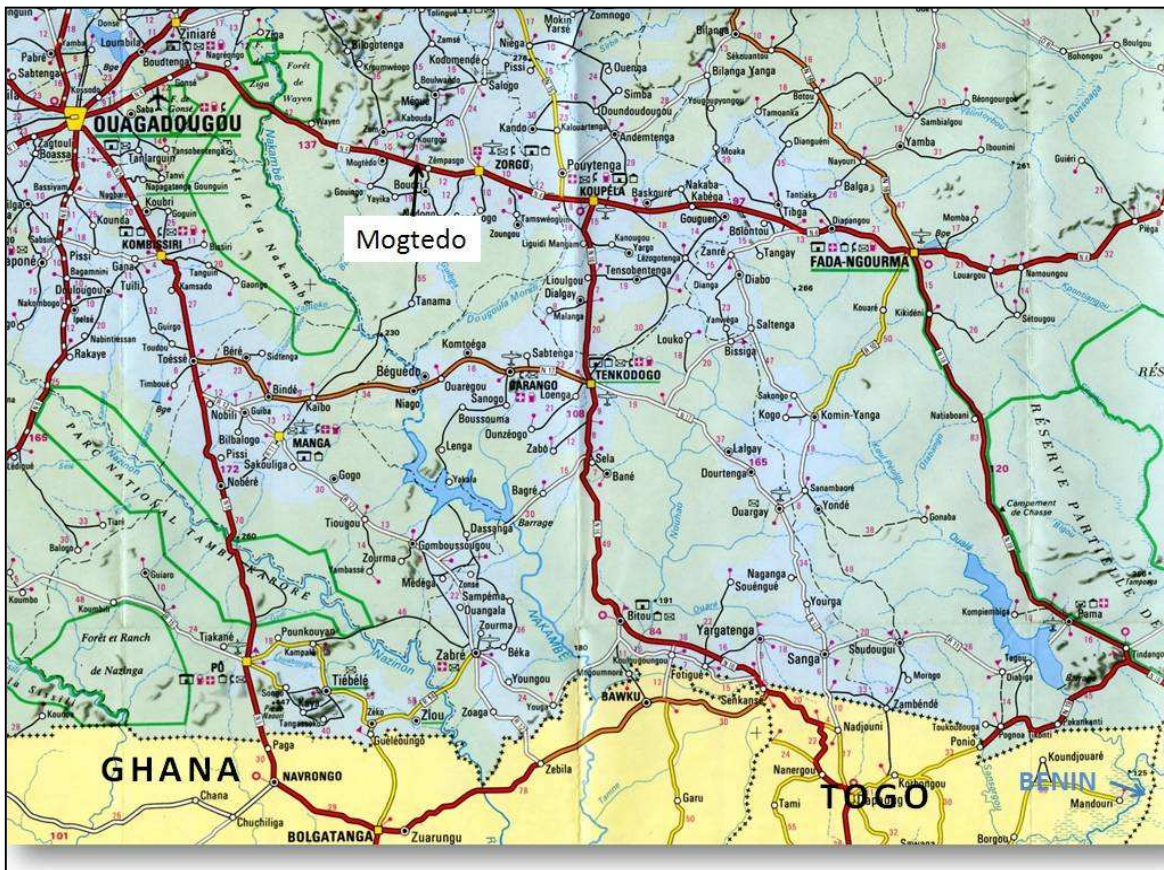
This is important because taking some distance can increase the motivation to learn and to act. By becoming aware that one can control his own actions, the person realizes that it is possible to influence the result of his/her action.

## 1- QUESTIONS TO HELP UNDERSTAND THE SPECIFIC CASE OF MOGTÉDO

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

The list is not exhaustive and all the questions do not necessarily need to be asked: that should be guided by the objectives pursued; the time available and the group dynamics (cf. Part 4).

### LOCALIZATION of Mogtédo:



Distance from Mogtédo to:

- Ouagadougou : 86 km (tarred road)
- The Togolese border: 194 km using national roads
- The Ghanaian border: about 200 km

### Which PROBLEMS related to the marketing of onion are highlighted in the video?

According to producers- members of the market-gardening cooperative of Sourou (cooperative and market-gardening society of Gouran, Sogcam) on a visit to Mogtédo, the problem is the **low price** of onion (and therefore the poor remuneration for their work). During the period of harvest of onion which spans from December to April, the market is flooded and prices fall: according to the secretary general of the cooperative, in 2008, “they started at 15000 FCFA, then 4500, 4000, 3500 and even 3000 FCFA per bag. Low prices are obviously a problem for producers.

Six months after harvest, shortages emerge and the prices go up by ten. Onions are then imported from the Netherlands, Niger or Benin. This appears to be a problem for consumers, who in some cases are producers themselves. Producers experience these price fluctuations and worry about their not being able to control them.. They sell tonnes/hills of onions “but their portfolios remain horribly empty/flat”. It is “the tragedy of marketing”.

At the Mogtédó cooperative (cooperative in charge of managing the irrigated perimeter in the area, and which brings together its producers), prices have been fluctuating in the past, but today they are less so, and more remunerating for the producers. Traders now pay more for the onions and they remain satisfied of this situation.

### **How was the onion sold BEFORE? What DIFFICULTIES were encountered?**

Mogtédó produces onion for more than 20 years now. At the beginning, the production was low, and only a few women bought onions to resell in Lomé. The production of tomatoes was predominant then. But in 1997, the outbreak of the “white fly” led to a fall in the production of tomatoes and a majority of producers got engaged in the production of onions.

Compared to other perimeters, Mogtédó “weighs” quite little: limited surface area (only 600 ha); moderate yields (17-18 tons against 25 tons in other parts of the country).

Production was not controlled and there was more supply of onion compared to the demand. This high production resulted from an anticipation of producers who, regarding the high prices of onion on the first year, would all grow onion the following year. It also resulted from losses or bad harvests on other crops, which led producers to resort to growing onion. The result of the excess supply was a fall in the sales price of onion.

Before then, producers sold their onions individually to intermediaries on **local markets** (Gouran, Di, etc) or on **neighbouring markets**. The products were then transported and sold in major Burkinabe cities (Ouagadougou, at 100 km on tarred road; Bobo Dioulasso via Ouagadougou or Koudougou). There was no direct contact between the producers and wholesale traders who came from Ouagadougou or Bobo Dioulasso. The **prices were haggled over but most especially fixed by the intermediaries. In a context of excess onion production, and low prices, the power relations and the prices were to the disadvantage of the producers.** Purchases were often done on credit and small volumes were exchanged.

**Togolese buyers** also came to acquire their products from producers but there was **strong disagreement on the sizes of their bags**: the Togolese brought “large bags” (i.e. which were bigger than the “normal” capacity of the onion bags - about 120 kg). In the end, producers in Mogtédó refused to use those bags that didn’t have the correct measurements.

The history of “controlled” marketing **effectively started in the 2000s** (see infra).

### **How is Mogtédó onion sold TODAY?**

The cooperative does not buy onions, but it facilitated a better organization of the sales of onion by creating a “controlled” market for export, complementary to the local market considered to be “free”.

**The free local market:** Women of the village continue to buy onion from producers on the village market and resell it to travellers passing through the village and Burkinabe traders, who come from Ouagadougou, Koupéla, Pouytenga or other areas of Burkina. They often buy on credit. The cooperative has put in place a new rule that forbids foreign traders to buy their products on this local village market. We talk about a free market given that the prices are free.

**The “controlled” export market:** It was set up and is organized by the cooperative. **The foreign** women and Burkinabe women traders called “Bissa” buy onion on this market. There is no “traditional” location where this market holds. The transactions are carried out either at the level of two producers’ households where the traders are accommodated; or directly on farmers’ farms. These traders, about a hundred of them, are accredited and deal directly with the producers knowing that some aspects of the transactions are fixed before hand: the weights of the bags (120kg) and bottom prices are fixed in advance (see infra). On this export market, it is not allowed to sell one’s products as one wants: members of the cooperative control the measurement units, the quality and the supply of the products on the “market”.

### **What are the SPECIFIC ROLES of the Mogtédó cooperative regarding the onion sales?**

**At production level:** The cooperative is in charge of the management of the irrigated perimeter for its members, distribution of the farm plots and supply of inputs (fertilizers and seed). It oversees the quality of the onion produced by its members (raising awareness, training, choice of varieties, and work on the equipments).

**At the level of marketing on the export market:** The cooperative plays the role of facilitation and control over the marketing of onion bound for the Togolese market:

- it negotiates and obtains better sales prices for its members;
- it ensures that decisions taken are respected;
- it makes sure that the producers sell the right quality;
- it checks the measuring units by controlling the bags;
- it makes sure that the sales are carried out in an equitable manner for its members, thanks to the organisation of sales rounds.

**At the level of marketing on the local market:** The cooperative put in place a rule, according to which foreign traders are not authorized to buy on the free local market.

**In general:** it put in place an information system as well as a system of control (cf. infra).

The cooperative does not buy the production of onion of its members. This is not the same in many other cooperatives in Burkina Faso where the internal rules and regulations stipulate as an obligation, that all the products of members have to be sold to the cooperative. In most of these cases this obligation is never respected for two main reasons: inadequate financial capacities (the cooperatives do not have access to sufficient funds) and the absence of buyers for large quantities.

What the members of a cooperative expect, is a remunerative price and a guarantee that they will sell out their products. These expectations led the Mogtédó Cooperative to set up the current system. They were able to do so by building on adapted farming practices, a local “free” market, and control of the export market as well as support from local actors.

### **Which COLLECTIVE DECISIONS were made by members of the Mogtédó cooperative?**

The process took place in many stages and collective decisions were taken so as to sell their onion on better conditions:

The president of the Mogtédó cooperative visited the major production blocks of Mogtédó and Zam, the two divisions which exploit the dam upstream the irrigated perimeter. When he **calculated the production costs** with the farmers, everybody understood that the farmers stood to lose if they did not organise to better sell their products.

Some group decisions were taken by the producers. For example, the producers of Mogtédó unanimously agreed **not to use the bags** provided by the Togolese buyers and later on worked on different aspects in order to gain from the export market:

- work on the **measurement units** : to use only 120kg capacity bags;
- put in place **a system of bags distribution** between the production blocks. This distribution is carried out “in an equitable manner”, to make it possible for different farmers to sell their products in turns;
- work on the **price** internally at the level of the producers and with the traders (see infra);
- work on a **system of collection of buyer demands or a system of estimating the demand of the Togolese traders, follow-up of the traders** “to select those that are most serious and reliable”, work to enhance the “loyalty” of the traders, or at least to reduce the risks of resistance/refusal (cf. infra).

### **What are the LIMITS of traders on the local markets? Why turn to the export market?**

The limited financial capacity of the local buyers means that small volumes are bought on credit (as time goes on with the resales), with risks of late or even non payment. This low capacity to buy and sell out products on the local market results in a low capacity “of absorption” of the products. The excess supply compared to the local demand then leads to low prices for the producers.

### **In Mogtédó, what are the STRENGTHS related to the control of the export market?**

- Control of the supply of onion meant for export through turns of sale: the bags are distributed in turns between the producers;
- The centralization of the demands: the buyers inform the cooperative of their needs by letter, messenger and especially by telephone;
- A system of price control: after calculation of their production costs, the producers fix a floor price, and oblige the traders to buy at those rates or to buy at higher prices when need be. This floor price is a minimum price (but re-negotiable collectively if necessary) below which the producers cannot sell. But nothing stops the producers to negotiate higher prices with the buyers;
- An efficient control system: information, monitoring, and application of sanctions.

### **In Mogtédó, who are the ACTORS involved in the export market?**

**The marketing committee of the cooperative (“onion police”):** The system of marketing onion meant for export is led by a **marketing committee** made up of ten people. The executive (president, treasurer, secretary general) and 7 members. No text governs this committee but the executive of the cooperative supervises its activities by: contacting the buyers, centralizing the demand information, discussing/negotiating the prices, and providing information to the producers. They also ensure follow-up and cross check the sales, and especially the control of the bags used and their filling.

**The bags attribution commission:** the producers cannot sell if they do not have bags which meet the “standards”, the bags attribution commission’s role within the cooperative is to attribute the bags. As such it gives the right for the producers organised into six production blocks to sell in turns.

There is one **person in charge of the distribution of bags** at the level of each group (he is also referred to as the trade supervisor of the group). He comes with the traders to the producers’ farms in order to check the quality of the onions.

**Landlords:** these are two producers, whose residences are used as sales points, they accommodate and ensure the security of the traders and their assistants and the safety of their goods (the buyers pay “cash”).

**Clerks:** they negotiate the means of transport to load the goods, supervise the loading of the onion bags, and keep the records (recording of the quantities sold).

**Warehousemen :** they ensure the transport of onion, its loading in the trucks, etc.

**Local authorities** ensure the control of this system, and can intervene if a problem occurs.

### **How to ensure the APPLICATION OF MEASURES taken on the onion export market?**

The “onion police” work at the level of the producers and traders. It is the marketing committee (cf. infra) which oversees the respect of the guidelines, even though not always written known to all. This concerns: the types of bags used (standard bags of 120kg), the sales turns/rounds (by production block), the prices applied (respect of the floor price) and the quality of the onion in case of a problem.

Penalties are outlined for each type of infringement:

- **at the production level:** the controllers hold producers to pay fines if they use bags which do not conform to the norm or who sell below the agreed floor price.
- **at the traders level:** « *If somebody does not respect and buys directly, we off load it* ». That means the goods in this case are off loaded from the truck. “*Because of this sanction, the customers themselves do not dare to negotiate with somebody else other than me*” says Moumouni Ouedraogo, president of the Mogtédó cooperative.

Even then, the Cooperative and the producers of Mogtédó do not act as a monopoly: the producers sell to whom they want and at the price that they want on the local markets (banned from foreigners). And on the export market, the producers sell to whom they wish so long as they respect their turns of sale, the standards for the bags, the sales points and the minimum prices. These rules do not have a legal basis but are accepted and recognized by the local authority, which gives its support to the cooperative, given the economic results and effects on the development of the district. The local government helps the cooperative to ensure that the rules are respected as the authorities can be called up in the event of problem.

## What are the INTERESTS of the controlled export market compared to the open market ?

### For the producers:

The fact that they are able to sell large volumes of their products cash at harvest is an undeniable advantage. They are sure to sell their products quickly and at a correct price, even at the peak of production. The money generated provides not only revenue for the family to cover its basic needs, but also makes it possible to realise long term investments (house) and/or for production (planting of the following crop on the farms, etc.).

### For the traders:

A “better price for the producers” means that the traders buy goods at a more expensive price. Nevertheless, these measures also satisfy the traders who are in search of a secured source of supply and quality products to be able to programme their sales (storage and gradual sales).

Mogtédo has put in place a system which brings some added value to the foreign traders:

- grouped purchases facilitated at the level of the group or the landlord, the trader does not come for nothing;
- easier purchase, without waste of time, because the truck is full at a go and the loading of the products is organized;
- relative safety at the landlord's;
- quality ensured, which makes it possible to preserve onion and to sell it out gradually without losses.

Being sure to find the desired quality and quantity of onion also makes it possible to save on the costs of collection and transport.

## How this system is FINANCED? Are there CONTRIBUTIONS to pay?

For each 120 kg bag of onion sold on the export market, 100 FCFA is deducted to cover the expenses and charges of the cooperative: communication expenses (to contact buyers and producers), transport charges to distribute the bags, for movement of the traders to farmers fields, for the transportation of products from the farm to the markets. These funds also help to pay the clerks and warehousemen.

Other contributions also have to be paid: “water” contributions paid by producers in the irrigated perimeter (fixed per area); packing charges and taxes paid to the municipal council.

## Why do we talk about market CONTROL and secured and self managed markets?

The cooperative works on two key aspects: the price of onion and the volumes put on the market. Price fixing no longer depends on the external traders only. The producers are in charge of negotiating the prices with them based on their production costs and onion prices on the other big national markets. The producers obviously are in search of the highest possible price for their onion but are also aware that the price should be realistic and affordable for the external buyers. That requires a good knowledge of the market and prices.

The volumes brought to the market are controlled: all the producers cannot sell at the same time, they sell in turns. To facilitate the control, the cooperative put in place a system of distribution of bags in turns (cf. supra). The producers organize themselves to produce sequentially, or to store their products while waiting for their turn to sell.

## What defines the QUALITY of onion and how is it evaluated?

There are many quality criteria and they depend on the final consumers.

Here, the onions must meet several types of criteria:

- **The visual aspect:** the onion must be “*cleaned properly and void of its dirty scales*”, and red in color
- **Variety:** the “violet de Galmi”
- **The size:** small
- **Taste :** pricking
- **Preservation:** the onion from Mogtédo “*can make a month in store without rotting or germinating* ». This is especially useful for Togolese traders, who can preserve it in store and sell it out gradually. The onion from Malanville or Niger is less expensive, but the traders cannot preserve it above three weeks.

These criteria are important: about a hundred accredited traders from Togo, Ghana, of Ivory Coast and Burkina compete and line up to load their trucks.

### **How is the quality of onion CONTROLLED?**

**Before marketing**, quality is obtained by good **control of the farming practices** by the producers (farming periods, treatments, etc):

- control of land preparation **techniques**;
- the use of **quality seeds** in each farming season. This seed is not always available on the market and is more expensive than when produced by farmers themselves. Yet, the Mogtédo cooperative decided to organize to make it possible for its members to have access to quality seeds which ensures that the product conserves properly and does not germinate. These quality criteria attract the foreign traders and enable the farmers to sell out larger volumes of products while negotiating for better prices;
- use of **fertilizers** and adequate pesticides : it is very important to control the quantity of urea and organic manure supplement if not the onions will grow big and rot;
- control of **onion harvesting techniques**.

#### **After production:**

- **control of storage techniques** (storage at home);
- visits to the field and the producer's accompanied by the traders and the trade supervisor. In case a producers' onions are rejected, the farmer must give away his turn of sale to another producer.

### **How is the export PRICE of onion FIXED?**

The production costs are calculated on a sample of producers at the level of each plain. Based on these production costs, and also taking the prices on the other markets into consideration, the producers determine a price which is then used to negotiate with the traders. This negotiation makes it possible to fix a floor price for the onion. This enables the producers to obtain a price of onion that is definitely higher than any other major onion production zones in Burkina.

This is possible for several reasons:

- comparative advantage of Mogtédo (proximity of the road);
- good quality of the onion that can be stored for long and gives the trader time to sell it out without losses;
- onion price fixing takes account of the prices on other markets;
- the traders find it beneficial to pay a higher price for the product given that they gain in terms of costs (cost of collection, transport, etc);
- the cooperative set up an onion price information system: the external traders know the price before coming; they agree to pay more expensive prices given they are sure to obtain quality onion on each trip: knowing the quality and the price before moving, they can make their calculations before coming, thus they never move for nothing;
- the cooperative makes sure that the mechanism of fixing – negotiating prices before hand and the system of control (penalty), has been understood by members of the cooperative and the Togolese buyers.

### **What is the role of information between producers of Mogtédó and the traders?**

By letter, messenger and especially by telephone, the customers let know their needs. Based on the price which is known and fixed in advance (but negotiable) by the farmers, the buyers come to Mogtédó. The permanent communication **between traders and producers** plays an important role by making their needs known, providing information on the volumes available for loading, and at the same time providing kick offs for the customers, etc.

An account of a Saturday morning in Mogtédó:

*« Last Saturday at 9 am in Mogtédó, a truck is parked by the side of the main road and one of the persons in charge of the marketing committee is present and takes notes on his notebook of the number of bags. Another truck stops by the curb and the driver comes down, he is Togolese. He wants to know if there is cargo available because he is going back empty.*

*The person in charge in the committee called him during the night but he did not get the call. He lost the load. A little later, “the associate of a trader from Atakpamé in Togo calls. He will be in Mogtédó the next day with 170 to 200 bags. Has the price changed? No it is still 10.000 Francs a bag. »*

When one discusses with the people in charge of marketing at Mogtédó, one really gets the impression of speaking with “commercial” agents of a cooperative: **when a trader does not come back, they call to know what has happened** (price, quality, difficulty of flow, etc), **they have the numbers of the truck drivers , they know who to call to know the prices in Lomé, they try to get information about how their onion is appreciated**, etc They can speak to you about the sizes that are appreciated and at what places since the women sell in small heaps, the variations according to the season... ».

It is by integrating the knowledge and know-how of different people, by accumulating and taking into account the experiences that the Mogtédó cooperative put in place this performant system. Different from what many projects or NGOs organise, members of the cooperative did not benefit nor organise any training on “marketing”!

### **What is the interest to increase the circulation of information between the producers?**

There are many levels of information flow:

- **Between the producers of Mogtédó:** there is a need for equity and transparency to maintain group discipline and to avoid demobilization (see the box relating to decision making).
- **Between producers of Mogtédó and those of Sourou** separated by about 400 km: producers of Sogcam come to see, listen and learn from producers of the Mogtédó cooperative. They want to get information as training for them.
- **Between producers of Mogtédó and other onion producers of Burkina:** information is necessary for them to manage production and commercialisation better. It enables them to avoid excess production which is not good for the producers given that excess production can lead to a fall in the prices, without necessarily having a strategy to reduce supply to help increase the prices!

### What are the SPECIFIC ASSETS of Mogtédó that have supported the current system?

Many aspects make this experience, specific to the Mogtédó cooperative, not directly replicable with other producers, in another zone:

- **Specificity of the producers of Mogtédó:** the producers are on a single perimeter of the same village. All the producers of the perimeter are members of the cooperative and are subject to the same rules. They know each other for long, work together and have common activities which require collective organization for the management of the perimeter. There is thus a long past experience of collective learning, over time through trials and errors and also successes. Moreover, the good relations they maintain with the local authorities make it possible for them to benefit from their support to ensure that the market rules put in place are respected.
- **Geographical specificity:** the situation of Mogtédó presents a strong asset: immediate proximity to the trunk road n°4, a very busy road axis because of the proximity to Ouagadougou (90 km) and also an international road axis which crosses Burkina from west to east of about 400 km towards Togo, Niger and Benin. This road allows easy access to the traders from Ouagadougou like those from abroad. Here, it is enough to negotiate to have a good price for transport because the trucks return empty from Togo and may find it very beneficial to bring back goods to make use of their return. In other places, the trucks should be rented. The low transport costs make it possible to cover the relatively high costs of onion from Mogtédó.
- **Specificity of the onion produced:** the variety of onion cultivated in Mogtédó and the know-how of the producers make the onion of Mogtédó's popularity. The traders are ready to pay more to acquire this onion instead of others, and the demand for this type of onion is high. The producers of Mogtédó are sure to sell out all their production.

### What are the LIMITS of the system set up by the Mogtédó cooperative?

There are many limits to this system, and especially those related to the *specificities of Mogtédó* (Cf. supra).

Those **specific to the irrigated perimeter**, like the problem of sand which is gradually filling up the dam and compromises production.

Others are **related to the collective actions** and with the impatience of some producers who could be forced to sell off their products at low prices if they need money to cover their needs when it is not yet their turn to sell: *"When you come together in an association, and a member indicates that he is unhappy for this or that reason, if nothing is done about it, this person might just spoil everything. Because frustrations start with a person; then two, and ends up by eating the group. The dissolution of association is then inevitable. There is need for equity and transparency to maintain the discipline of group and to avoid demobilization. These are the secrets of the system and what has to be done. Nobody persecutes another"*, says Missiri Zagré, one of the persons in the Mogtédó cooperative in charge of distribution of the bags.

Finally **the isolation of the Mogtédó system on a national and regional scale**: for how long can this pocket of resistance hold?

Other options can be explored to work on the quality and the conservation of onion, to spread out the production peaks in order to sell out the onion for over longer periods of time, to control production and supply at a larger scale, etc. For this, there is need to have a larger production perimeter, to produce higher quantities (because it is difficult to produce a homogenous quality on different perimeters). Other options could be to work on the quality and the conservation of onion, to spread out the production peaks to be able to sell out the products over one longer period, to exploit the regulation of the production and supply on a greater scale, etc

For that, it would be necessary to have a larger production perimeter, to produce bigger quantities (because it is difficult to produce a homogeneous quality on different perimeters). All of this while taking into account the fact that, the more the number of groups and producers increase, the more it becomes difficult to manage.

## **2- CONCEPTUAL ELEMENTS TO HELP MAKE A RETROSPECTIVE ANALYSIS**

### **Quality of the products**

Behind the word quality is found a big diversity of concepts. First of all this concept of quality is very subjective because it is defined with respect to the users. But then the users can be very diverse:

- processing enterprises or supermarkets in need of regular, standard, homogeneous products all year round that they can transport over long distances and store easily;
- final consumer who needs products all year round, without spots, of regular form, of good taste or without pesticide for example.

The quality of a product is defined through several dimensions: health and hygienic quality (i.e. healthiness and harmlessness of food), organoleptic quality (color, odor, form, taste), technical quality (size, external damage), nutritional quality (nutritional value of the product).

No matter the quality considered, the quality standards (and the selection and segmentation of the associated markets) are becoming very important at the level of consumers through a system of norms, quality signs – so many entry barriers per market segment (“ethics”, “fair”, “bio”...). These norms are defined by different institutions: public authorities, stabilisation agencies and private operators.

The major challenge for African products for export to the regional and national markets is to ensure the stability of a particular quality, which is a necessary condition to keep buyers loyal, or at least to maintain the outlet over time. The issue is to avoid frequent changes in quality, in all its dimensions, in relation to requirements of the destination countries in the case of exports (standards imposed by the importer), those of consumers and public institutions (legislation) who oversee the health and ensure good information of the consumers, for the national and regional markets.

In many FOs, the steps taken to improve the quality of products are linked to privileged contacts between producers and buyers and most of the times within the framework of generally short market channels. This is the case when the FOs themselves interact with the market and the demands of consumers. On the contrary, in the case where the FOs sell to different intermediaries no matter their reputation, the notion of quality is scarcely taken into consideration: the producers/FOs are not in contact with the buyers and often the large number of intermediaries between producers and buyers as well as the lack of traceability in the value chain does not make it easy for the producers to know the expectations of the final consumers.

Quality is of course not only determined at the level of production: processing, handling, and storage also play important roles. In some value chains, producers therefore have all the interest to work together with other actors of the value chain (processors, etc.) to ensure the quality of the final product, if not they risk seeing all their efforts put in at the level of production brought to naught in the subsequent stages of the value chain.

The interventions of the FOs to improve the quality are closely related to their knowledge of the market (or markets), their dialogue with buyers and knowledge of the consumers' levels of appreciation of their products. The collective approach to work on the quality of the products requires “strong” organizations and very strong discipline for the respect of measurement units by all the producers. It is of primary importance indeed to be able to propose products of homogenous sales quality to buyers.

## Valorization of quality

The search for quality always represents an additional cost: at production level, this can involve the use of additional inputs, the acquisition of new equipments, etc., in order to control a new production technique or farm practice; beyond the technical aspects, there is the cost of mobilisation (organisation of producers), information and training.

Moreover, one is never really certain that these additional efforts will be compensated by a better valorisation of the products even though experience shows that this varies on a case by case basis. Experiences of group marketing or collective market organisation are mostly known to facilitate better valorisation of the quality approach through improved sales prices for products.

On the other hand, there is never any need to worry about creating new market standards and trying to differentiate his/her own products, hoping to attract a buyer or to have better prices. It is always worth the try. As such in Burkina Faso, in Zam and Mogtédo villages, the production of onion is sold out mainly in the Togolese markets and thus in direct competition with Niger (known as the country of onion). To sell their products at a higher price compared to that of their competitors from Niger, Benin or even Burkina Faso, producers of the two villages (Zam and Mogtédo) developed quality production techniques. They have seed produced under good conditions, reduced chemical fertilizer use, control of irrigation at the end of the production cycle and selecting the different types of onions at harvest. At the end, onion produced from these villages is of smaller size compared to other irrigated perimeters but is drier and therefore having a conservation quality which is highly valued by traders who are very sensitive to the time they have to sell onion.

## Information on prices

### *Definition of Market Information Systems (MIS)*

Market information systems (MIS) were largely promoted in Sub-Saharan Africa to support the policies of liberalization of agricultural value chains. Presented as strong tools to accompany these policies, they were aimed at solving the problems of agricultural markets related to problems of information, characterized as being incomplete and asymmetric between different actors (producers and traders in particular).

MIS are systems (services) whose objective is to regularly collect information on prices of agricultural products, quantities traded, and to diffuse these information to the public (state) and most especially private (agricultural producers, traders, consumers) stakeholders. The information diffused is expected to improve market transparency and assist market actors in their decisions).

### *Is it enough to be informed of a good price to obtain it?*

Even if a producer is informed of a price on a market, it does not necessarily mean **that he will obtain it**. It is still necessary that the producer goes to this market, that he has negotiation power with regards to the buyer, and that his product has the quality that matches the price (capacity to store amongst others).

These factors are obviously important in the determination of the purchase price to the producer. Indeed, when the producers are informed of the price, they are often limited in their “choices” of the sales places (accessibility of the markets, means and transport costs), and in their “choices” of the dates on which they can sell (lack of funds to wait for better prices and differ sales), and in their choice of “buyers” (committed sales in view of advances made by traders and collectors).

Improving market access conditions and systems which facilitate producers’ access to funds certainly influences producer choices and the valorisation of information on prices. The MIS can remain useless if implemented without other complementary actions. They can even have negative consequences: for example, instead of facilitating relationships between producers and traders, the diffusion of price information can sometimes lead to conflicts between these actors (producers annoyed with the traders when they consider that they are poorly remunerated for the agricultural products).

### *Importance of price information systems coupled to marketing activities*

In many collective marketing activities, a simple but targeted price information and follow up system appears to be important especially when the information obtained is of interest to the producers and when it can help them to make decisions.

### 3- TO GO FURTHER: OTHER INITIATIVES BY FOS TO ORGANIZE MARKETS

Different experiences, different supports for the 4 experiences:

- Management of the supply of ginger on a local market by producers of Nowefor farmers in Cameroon
- Self managed cattle market by UDOPER livestock breeders in Benin;
- The Market Information System of Anopaci in Ivory Coast;
- Intermediation between salesmen and purchasers by the GIE Jèka Feéré in Mali.

#### **Management of the supply of ginger on a local market by producers of Nowefor farmers (Cameroon)**

The producers of the FO Nowefor increased their ginger production (quality and quantity) so much so that it led to the saturation of the local market, with a consequent drastic fall in the prices and revenues. Excess supply of ginger to demand in the local market resulted in a radical fall in the price (division by five in less than 3 years). This experience illustrates the actions taken by the FO and the strategies put in place to solve this problem - the process used to organize the local market for more transparency in the transactions and the management of ginger supply at the level of the local market.

In 2004, they first of all initiated a strategy to organize the local market to enhance transparency in transactions and to better manage supply at the local level (Axis 1). This strategy was aimed first of all to control and regulate supplies, by limiting the weekly supply of ginger on the local market in order to better negotiate prices. Secondly, surplus ginger in the local market was directed to external markets through the organization of transportation and sales to distant buyers.

Following disappointments experienced at the level of sales in the distant markets, a second axis was introduced in 2005 to try selling the surplus ginger out of the local market at better prices. The producers started to carry out more classical actions such as purchase and storage through their organization Nowefor, which was thereafter in charge of organizing the sale of the stocks to external buyers (Axis 2).

Finally, in order to market greater quantities, to work with more producers, and to strengthen their position in the ginger value chain, the Nowefor producers aimed to extend this experience to the whole North West province, by working as a network (Axis 3).

These 3 axes implemented at the level of Nowefor by the producers to improve the marketing of ginger illustrate the capacity of the FO to innovate, mobilize and react to better position themselves on the market and to obtain correct incomes for their work in a context where traders Bayam sallams<sup>2</sup> seemed to continuously dominate the market.

References:

- 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 (North West Province, Cameroon)/A. Lothoré, P. Delmas. - CTA, Inter-réseaux, Sald, 2006. - 12 p. + Summary 1 p.
- The experience of commercialization of ginger by Nowefor in Bafut, a producers' organization in the North-West Cameroon). - CTA, Inter-réseaux, Nowefor, Sald, 2007. - Video 15 min. + Transcript (4 p.)
- Animation guide for the video/ A. Lothoré, P. Delmas. - Inter-réseaux, CTA, 2007. 12 p.

(On line on [http://www.inter-réseaux.org/article.php3?id\\_article=1078](http://www.inter-réseaux.org/article.php3?id_article=1078))

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<sup>2</sup> these are intermediaries in the region (mainly speculators) ready to buy products at their lowest possible prices

## **Self managed cattle market by UDOPER livestock breeders in Benin**

Improve the transparency of transactions, the interaction between livestock breeders and buyers, the organization of the market, etc., is the challenge that was taken up by Beninese livestock breeders and what a success! This peasant innovation was initiated by the livestock breeders of Gogounou in Northern Benin, who are today organized as UDOPER- Divisional Union of the Interprofessional organizations of livestock breeders of Borgou and Alibori.

This initiative is initially a human adventure, a battle engaged by a handful of livestock breeders who were convinced that their situation could be improved and who decided to meet, discuss and mobilize a whole community to change the local ways of doing.

These self managed cattle markets are a real leverage for the Interprofessional livestock breeders' organization and for livestock and rural development. They show that a win-win strategy between producers and traders/middlemen is possible and that farmers selling their products better does not necessarily entail the elimination of traders and middlemen.

Increase the income of the producers while safeguarding the interests of other key actors, facilitate the interaction between supply and demand, make the transactions more transparent and provide related services to the members, are actions that have been carried out within this market which contribute to improve access of the products to the market and could inspire other development actors.

### References:

- Self-managed cattle markets: a Beninese example. - S.O.S Faim: Peasant dynamics n°10, 2006. - 8 p.
- The Gogounou self-managed cattle market part 1. - UDOPER, 2007. - 9 min (radio band)
- The Gogounou self-managed cattle market part 2. - UDOPER, 2007. - 11 min (radio band)
- The Gogounou self-managed cattle market: Transcript of the radio band. - Udoper, 2007. - 4 p.

(on line on: [http://www.inter-reseaux.org/article.php3?id\\_article=1078](http://www.inter-reseaux.org/article.php3?id_article=1078)=)

## **The Market Information System of Anopaci in Ivory Coast**

Following the disengagement of states, some state responsibilities were transferred to FOs without the transfer of necessary resources and means. Anopaci (Apex FO in Ivory Coast) then defined priorities to provide services to its members. Marketing appeared to be the main problem faced by the producers particularly because of lack of market information.

A MIS was set up in 2002. It made it possible to collect technical, economic (sales price) and commercial (price, volumes, supply) information about four main value chains: pineapple-bananas, food crops, market gardening and livestock. Information is restituted through 8 village information points (VIP) via Internet. Each VIP has an animator who is in charge of data collection in five markets. He treats the information and diffuses the information through rural radios. A quarterly report is published and is also diffused through radio programs dedicated to agriculture. It is also transmitted through the Tradenet website which makes it possible for the information to be exchanged in the region. The producers therefore have more resources to negotiate and suspicion between buyers and sellers is reduced. Revenues increase and crop intensification takes place.

It is difficult to cover the whole zone and to finance the activities of the MIS on the long term, but then it is a MIS that has been able to adapt to the needs of the producers. It has become a precious and essential tool for the producers to get informed, negotiate and win the confidence of the buyers. The question remains whether the producers will be ready to pay for this service in the long run?

However, Anopaci hopes to be able to combine this information with technico-economic data obtained from the service in charge of providing management advice to agricultural exploitations (production costs, sales price, transport costs, input prices...).

### References:

- The Market Information System: conditions for the success of our commercialization operations: the Experience of ANOPACI/Kouao S., Sindikubwabo I. - Ivory Coast: Anopaci, 2007. - 10 p. + summary 1 p.

## **Intermediation between salesmen and purchasers by the GIE Jèka Feéré (Mali)**

The GIE Jèka Feéré (“To sell together” in bamanan) assists its member organizations to better market their rice production produced in the Office zone of Niger by serving as mediator between sellers (unions and grassroots producers) and buyers. The GIE does not stock, does not take bank loans, but only facilitates the transactions through many various actions:

- determination of a reference price which takes into account the floor price for producers and the market;
- assessment of the supply: evaluation of stocks available and ready to be marketed;
- search of markets and buyers: on the basis of dialogue which lead to the determination of a reference price and estimations of the gross available supply, the GIE is in position to negotiate contracts on the market;
- signing of sales contracts with buyers with the assistance of specialized technicians;
- opening of bank accounts by the GIE to ensure that payments are made safe for the producers;
- follow-up and monitoring of the transactions: a specialized commission ensures the respect of the requirements of the traders in the contracts (conformity of the quality of the product and packaging, respect of the delivery periods, etc).

The GIE Jèka Feéré also facilitates linkages with other actors to improve the quality of rice: trials of rice factory/processing equipments with a big agro enterprise, access to advantageous funding for the purchase of rice haulers. Each year it sells between 1 500 and 3 000 tons of rice:

- 70% within the framework of the cereal fairs organized by Afrique Verte for the supply of deficit areas (Kayes, Kidal);
- 20% for actors of the urban market (cereal traders);
- 10% on institutional markets (charity organizations with programs for the provisioning of cereal banks).

While the majority of producers in the Office zone of Niger sell their rice at harvest (at low price) and where funding for marketing and storage is limited compared to the needs, the system as put in place by the GIE Jeka Feéré has the advantage to provide a solution to the marketing problem in this zone. It does not provide credit or storage but facilitates transactions between suppliers and demanders. The GIE also works on improving the quality of the products and as such enables the producers to better valorise their rice.

References:

Intermediation of the GIE Jèka Feéré in Office zone of Niger: experience of commercialization of rice without credit or storage/M.Haïdara. – Amassa Afrique Verte, Inter-réseaux, CTA, 2007. - 11 p. + summary 1 p.

## **4- PRACTICAL REMARKS FOR THE ANIMATION OF THE MOGTÉDO VIDEO**

### **Different objectives**

Depending on the objectives and the target public, the way to use the supports will have to be adapted and the animation could take different forms.

The video on the marketing of onion in Mogtédó could be used in different ways amongst which the following considerations:

- aims of the person presenting the video:
  - o from a simple exchange **to raise awareness** on the innovative capacity of producers and other ways of marketing agricultural products: the idea here is to show that there are different possible functions that can be taken up by producers’ organizations/cooperatives to improve the marketing of agricultural products and also that producers can be actors in a context of liberalization, even without big business plans, without any assistance, without operating funds, and without putting to question the statutes and the existing legal framework.

In this case, since the video is short, one can take the opportunity of a meeting (weekly meetings, board of directors) that does not necessarily focus on the subject to show it. Done this way, the animator just needs to provide minimum information on the experience and then accompany it with a summary (copy of the descriptive slip which is more complete and then the video or on the computer (USB). Half an hour at most is then necessary.

- to a real stimulation meeting that is aimed at assessing the concrete actions of FOs with the aim to initiate a discussion process and to find creative ideas, and incite the members to innovate through a process of collective decision making and common practical actions or through complementary action carried out with colleagues, partners and/or other development actors. The meeting could last several hours, according to the dynamics of the group:
- **the number and type of people who will be involved:** technicians-animators, leaders or FO members at different levels, local authorities, commercial and financial partners, literate or illiterate persons, French-speaking person or not<sup>3</sup>, etc ;
- **possible resources to mobilize- time and a hall to host a group:** the video can be seen everywhere where there is a computer, from 10-15 people as well as up to 50 and more if there is a larger hall and where an overhead projector is available.

### **Tracks for the animation of a meeting**

Before the meeting, the animator could select extracts from the supports (projection of the video, some pages of the descriptive slip). If necessary some pages could be translated to the local dialect. During the meeting, the participants will have the chance to express themselves and the animator has to bring the participants to participate, to debate on the subject, raise attention and help them to put into retrospect the experience of marketing of onion in Mogtédo, to restate the problem and to make emerge ideas.

#### ***To help participants understand the Mogtédo case***

The animator can show the whole video at first in order to enable the participants to engage in the debate, and then discuss afterwards.

The projection must arouse curiosity and interest, generate interactions between the animators and the group watching the video: reactions, feedbacks, going back on past issues during the discussions, retrospection on what has been seen, group reflexions, search for solutions with respect to their own (those watching the video) situation. The video must create space for discussion for many, create the link, that the people really meet (they can meet each other very often but for lack of supports, there is neither a debate nor true exchange which can exceed the value of hasty judgments.

To make sure that the participants understood the case presented, the animator could then ask them questions on the activities of Mogtédo, the processes and the results achieved (cf. questions suggested in part 1 of this guide).

If the participants are literate, time could be allocated for them to read the available, preselected texts that have been photocopied for the purpose by the animator: summary, extracts of the descriptive slip of the experience, translated or not into local language. If that is not possible, it will be necessary to work on the sequencing of the video.

The animator could then show the whole video again or in bits focusing on areas that were not properly understood or on important aspects that have been discussed.

#### ***To help the participants to retrospect on the Mogtédo experience***

The animator could compare this case to other cases that are well known or that have been experienced by the participants:

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<sup>3</sup> Or those who understand English if the supports used (video, descriptive slip, guide) are in English

The participants have seen from the example of Mogtédó activities that a FO/co-operative can lead to improve the marketing of its members agricultural products, like:

- Interventions which do not involve buying members' products but facilitation of transactions between producers and buyers (women-processors and traders);
- Improvement on the functioning of a market through improvement of transparency in the transactions (information on prices, volumes, quality, etc);
- The management of supply on the local market mainly with the production of a satisfactory quantity and quality product that is available over time, organization of a unique sales point in the market, the regulation of the quantities that are brought to the market through stock management;
- Facilitation for price determination and negotiation
- the definition of rules and means of ensuring that they are respected
- The definition and sharing of roles and activities between actors, specific and complementary ;

**In what way are the activities/ experiences of the Mogtédó cooperative unique** (Cf. Part 1)?

**In what ways are they similar and or different from their own cases and situation?** The animator should then urge the participants to express the problems they face in the commercialization of agricultural products.

The animator could also bring the participants to retrospect on the Mogtédó experience and their own experiences and then bring in new knowledge 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 animator will be able to help:

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

*This guide aims at providing a framework and guidelines to facilitate the animation of reflexions on actions carried out by farmer's organizations on the marketing of agricultural products (FO).*

*It accompanies the video “Bel Oignon” does not worry about the crisis” which narrates the creation of a controlled export market by producer farmers of the Mogtédó Cooperative in Burkina Faso (18 minutes on CDROM).*

*The video is conceived as a tool for animation, discussion and reflexion in groups for the organization of producers to market their products.*

*It should help participants look back/retrospect on the experience presented and finally on their own actions.*

*The Video "Bel Oignon does not worry about the crisis -improving the marketing of onion on a regional market by the Mogtédó Cooperative in Burkina Faso"*

*The Mogtédó Cooperative organizes production and marketing of onion: it is in charge of managing the irrigated perimeter of the village, supplying inputs for its members, and providing technical support for the production of good quality onion. It has put in place a system which enables producers to sell their onions at remunerative prices, through the creation of a controlled market for export and implementation of rules which limit free access to local buyers.*

*The Cooperative does not buy onion from its members but controls supply on the market by sequencing sales rounds, by production blocks which enables them to limit over supply which would cause a fall in the prices. Apart from this control of supply, it also implemented a number of rules for the proper functioning of the market: secured minimum price, verification of the measurement units, information system, etc.*

*The Cooperative provides interesting services to buyers coming from abroad (mainly Togo): access to information (available prices, prices, etc), the possibility to be lodged and to have their security ensured as well as having the possibility to quickly realise quality grouped purchases.*

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