



**Inter-réseaux**  
Développement rural

## **Diverse realities of Interprofessional Organizations of West Africa**

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## Foreword

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This note has been written by Inter-réseaux on the basis of preexisting documents and notes as well as exchanges and discussions resulting from the thematic working group on "Interprofessional Agricultural Organizations" animated by Inter-réseaux since September 2007.

[http://www.inter-reseaux.org/rubrique.php?id\\_rubrique=328](http://www.inter-reseaux.org/rubrique.php?id_rubrique=328)

## Introduction

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

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

What is the actual situation of IOs in some countries, especially in West Africa?

A first general overview of existing IOs shows that they are at the same time many and diverse. In effect, there is no standard model of IOs, but rather diverse forms of organization. These are mainly according to the historical context of the value chains in which they were put in place, the missions that have been assigned them by the actors who make them up, the role and place of the public authorities in the value chain.

In a simple manner, this note tries to bring some light on the diversity of existing IOs in West Africa.

## 1. IPO in major sectors

### 1.1 IPO in major export sectors

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

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

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

The first West African IPO were created within this context: the National Interprofessional Groundnut Council (CNIA), followed the liberalisation of the groundnut sector in Senegal (1992); the Interprofessional Cocoa and Coffee Council (CICC), following the liberalisation of cocoa and coffee sectors in Cameroon (1992).

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

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

#### **An example: Organization of the Interprofessional Council for Coffee and Cocoa (CICC) in Cameroon**

The main organs of the CICC are :

1. The general assembly (GA) made up of 60 delegates of the 4 colleges represented :
  - The college of producers (a national college of producers and 7 regional colleges): 24 delegates (40% of votes)
  - The college of industrial processors' organizations: 6 delegates (10%)
  - The college of exporters (+ agents): 24 delegates (40%)
  - The college of conditioning factories: 6 delegates (10%)

The general assembly is the place of debate between the 4 colleges. It decide on orientations, takes resolutions, approves reports and provisional and executed budgets. It meets at least once a year

2. The executive council is made up of two organs Permanent Committee + Permanent Secretariat, made up of 15 members (7 elected and 8 nominated). It executes the general policy of the CICC, ensures its functioning, its administration and the defense of its interests. It is chaired by a President (the CICC represent) elected for 3 years by the AG: it is made up of two organs:

3. Permanent Committee: deliberative organ, information and consultation with member organizations and the administration which holds 1 time/month and is made up of active members of the CICC

4. Permanent Secretariat (1 Executive Sec and two experts): It execute tasks defined by the and is supervised by the CE

5. Disciplinary board: Charged with the responsibility to preside over defaults in the respect of professional ethics common to professional organizations affiliated to the CICC

In major export sectors, the overall objective of IPO is to "facilitate relations between stakeholders and consultation with the state to define, manage and monitor all activities and functions relating to the

continuation and smooth running of the sector."<sup>1</sup> In particular, they provide a large number of strategic functions for the sectors previously carried out by the state: organising price negotiations between producers and processing or picker companies (cotton, groundnuts), marketing, managing the supply of inputs, financing services (agricultural advice, research, maintenance of collection runways, etc.), the collection and dissemination of sector information, the disputes settlement between sector players, etc. They also provide representation for professionals (from the "private sector") to government authorities and technical and financial partners.

**An example: the Missions of the In Interprofessional Cotton Association (AIC in Benin)**

The objectives of the AIC are:

- to facilitate dialogue between the professional families involved in the cotton sector in order to promote Interprofessional management;
- to elaborate texts and Interprofessional agreements intended to govern the relations between the member professional families;
- to facilitate the conclusion of Interprofessional agreements and to ensure their follow-up;
- to organize and facilitate the negotiation of the price of cotton grain;
- to ensure the distribution of cotton grain amongst the shelling factories;
- to elaborate the evacuation plan for cotton grain;
- to collect, process and disseminate economic and agronomic information related to the cotton commodity chain;
- to elaborate the cotton season plan;
- to manage all the technical and financial support tools at its disposal and to ensure proper functioning of the cotton chain;
- to facilitate dialogue with the State in order to ensure conditions for the development of the chain;
- to defend the interests of the commodity chain;
- to define, manage and ensure the follow-up of all activities or functions relating monitoring and smooth functioning of the chain.

(Website of l'AIC <http://www.aicbenin.org>)

While not formally part of IPO, states are still very present, especially in "sensitive" fields, those that present significant challenges for national economies.

For example, the Senegalese state intervenes regularly during negotiations on pricing for peanut producers, as a fall back and arbitrator in case of disagreement within the CNIA and also by granting producers price subsidies. In 2006/2007, the producer price was fixed at 110 FCFA/kg by the CNIA, on which the state added 40 FCFA/kg, in order to attain a price of 150 FCFA/kg paid to the producer: this represented a gross subvention of 8,2 millions FCFA.

The same types of government intervention (subsidies, arbitration, etc.) are found with equal frequency in the cotton sector. For example in Benin, a subvention of about 20 billion FCFA was injected into the chain to bring up the purchase price to the producers. The same scenario was repeated during the 2004-2004 seasons when it was necessary to inject more than 18,3 billion FCFA of subsidies meaning 43 FCFA/kg for cotton grain. In 2007, the rise in the prices of the inputs due to the increase in the oil prices led the Government to grant a subsidy of 6,9 billion for cotton inputs.

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

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<sup>1</sup> Extract from AIC's website : <http://www.aicbenin.org/>

### **Deductions: the case of the AIC (cotton, Benin) and the CICC (cacao/café, Cameroun)**

For the CICC, the parafiscal tax: 25.000 FCFA per ton of coffee and cocoa is deducted as commission during exportation at the unique counter in Douala. This commission is distributed between the CICC-1.500 FCFA/T, ONCC- 6.500 CFA/T, international cocoa and coffee organizations-2.000 FCFA/T and the CEMAC Development fund (FODEC)- 15.000 FCFA/T. The large majority of the national production is opened to these deductions (only the quantities processed by local transformers are still not controlled by the CICC). In theory, all the operators are supposed to take part in this parafiscal tax, but in effect, only the producers bear this tax (the exporters pay the parafiscal tax but defer it on the prices they pay to the producers).

For the AIC, a deduction is done on the purchase price of cotton grain: this represents the contribution of the haulers and producers: on each kg of cotton grain purchased by the haulers and therefore on each kg of cotton grain sold by the producers' organization, each of the actors provides a fixed contribution: between 10 and 20 F CFA/kg of cotton grain sold depending on the farming season (since 2000-2001). The deduction is carried out by the Centre for the security of payments and recovery (CSPR), which deposits it to the AIC for the execution of its activities.

Input distributors contribute to the functioning of the structures of the Interprofession up at about 1% of their turn over.

## **2.2 IPO in the grain sectors**

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

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

In these value chains, governments directly intervened in the creation of IOs<sup>2</sup>. In Burkina Faso, the CICB was put in place as the executive organ of structure in charge of the implementation of the Burkinabe agricultural policy. It was created to execute the actions designed in the cereal action plans (millet, sorghum, maize) implemented by the Burkinabe Ministry of Agriculture.

In Senegal, in a context where it was difficult to sell out the local rice production and when the local rice was competing with cheap imported broken rice, the SAED<sup>3</sup>, structure in charge of supervision of the rice value chain, intervened by bringing together the different actors within the Interprofessional committee.

Unlike in the export sectors, these IPO often include all the professional trades, from the upstream to the downstream activities: input suppliers, farmers, processors, transporters, distributors, importers, and sometimes public institutions (as is the case in CIRIZ).

### **Composition of IOs in cereal value chains**

The CICB, CIRB, GRIB and the PCPRIZ: are represented by agricultural producers (through their POs), traders, wholesales and retailers, importing traders, processors, input suppliers (and agricultural materials and equipment) and transporters (except the GRIB). For the CIRIZ and the PCPRIZ are added financial and credit institutions, consumers, public/administrative institutions and development support organizations.

The results are IOs made up of different colleges: 4 for the CIRB, 5 for the CICB, 9 for the PCPRIZ, and up to 10<sup>4</sup> colleges for the CIRIZ. Each college represents a profession in the value chain, wholesalers, retailers and importers grouped into one college, - that of traders (for the CICB, this college also includes input and agricultural material dealers/traders).

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

<sup>2</sup> With the exception of Ghana, where the creation of the GRIB was proposed by a French Cooperation Project

<sup>3</sup> SAED : Society for the rehabilitation and exploitation of Lands of the Valley of the Senegal River

<sup>4</sup> Amongst the 10 colleges of the CIRIZ, 2 do not have a deliberative vote (the college of public institutions and the college of development support organizations)

### **An example : Objectives of the Interprofessional Rice Committee in Burkina Faso (CIRB)**

- Contribute to sustainable development of the rice value chain ;
- Promote dialogue, and professionalisation of actors;
- Represent and defend the interests of the value chain (government, partners...);
- Put in place adapted technical, financial, etc. tools.

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

## **2. IPO in « secondary » sectors**

In addition to IOs involved in the “big” export and food value chains, are also Interprofessional dynamics in other value chains, classified as being « secondary ». This is because they involve fewer actors (modern poultry, banana), or localized production zones (artisanal fisheries), or specific products (mangoes export, Shea butter).

These dynamics are formalized (or not) into organizations.

### **2.1 Formal organizations**

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

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

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

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

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

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

## Compositions of some OIP

IOs in poultry value chains: The poultry Interprofession of Cameroun (IPAVIC) and the Poultry Interprofession of the Ivory Coast (IPRAVI) bring together poultry farmers (egg producers and table bird producers), hatchery operators, feed manufacturers, importers/distributors of inputs, slaughter houses, conditioning and/or transformation centers and egg/poultry meat distributors. The national Association of poultry producers of Togo (ANPAT) currently has as members; producers, feed manufacturers, importers/distributors of poultry inputs. The ANPAT and the IPAVIC are also made up of veterinarians and poultry technicians.

The compositions of the colleges of IPAVIC and the IPRAVI are different. The members of IPAVIC are divided into 4 colleges: the college of industrialists (upstream and downstream of the value chain<sup>5</sup>), the college of producers and egg distributors, the college of livestock breeders and distributors of table birds and the college of technicians. The IPRAVI is structured in 5 colleges: the college of hatchery operators, the college of feed producers, and the college of table bird producers, the college of egg producers, the college of poultry slaughter-houses operators and the centers of egg conditioning. The ANPAT is currently not organized in colleges<sup>6</sup>.

IOs in the milk value chain: this brings together milk producers, transformers and distributors. For the national Federation of actors of the local milk value chain in Senegal (FENAFILS), collectors are also included. The Milk Value Chain Board of Burkina (TFLB) has as members; fresh milk transformers (local) and transformers of powder milk (imported). The FENAFILS made the choice to accept only fresh milk transformers.

IOs in banana value chains: they bring together producers, ripeners, and distributors (and importers for the national Union of the banana value chain of Senegal - UNAFIBS).

IOs in the fishery value chain: the Interprofessional Council for artisanal fishing of Senegal (CONIPAS) brings together 5 big federations: 2 federations of fishermen, 2 federations of wholesale fish merchants (wholesalers), and 1 federation of transformers/smaller wholesale fish merchants.

IOs in the cattle/meat value chain: the Federation of Interprofessional Cattle and Meat Groups of Mali (FEBEVIM) groups together livestock breeders, cattle exporters, butchers, leather and skin producers and grill-room owners.

IOs in the mango value chains: the Association of mango professionals of Burkina (APROMA-B) unites producers, transformers and traders (sometimes exporters).

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

The Poultry Interprofession of Ivory Coast (IPRAVI) brought the government of the Ivory Coast to tax imported frozen chicken at 1000 FCFA/kg. In Cameroon, the Citizens Association for the Collective Defense of Interests (ACDIC) and the Poultry Interprofession of Cameroon (IPAVIC) succeeded in stopping the imports of frozen chicken since August 2007. In Senegal, the National Union of poultry sector actors (UNAFI) and the Federation of actors of the poultry value chain (FAFA) carried out lobbying activities against importation of frozen chicken which led to the suspension of imports by the government in December 2005.

The Milk Value Chain Board of Burkina (TFLB) set up clubs to oversee the hygiene and quality of milk. The Interprofessional Council of artisanal fisheries in Senegal (Conipas) organizes workshops on hygiene and quality in the fisheries sector.

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<sup>5</sup> This college brings together industrialists upstream and downstream the value chain : incubator operators, feed manufacturers, slaughter house operators, conditioning/processing centers for poultry products, importers and distributors of primary products, producers of raw materials and primary products

<sup>6</sup> The texts of the ANPAT are being reviewed and could result to the creation of colleges

### **An example of an action on prices: the Milk Value Chain Board of Burkina Faso**

These last months have been marked by concertations and actions on prices. Faced with an increase in the prices of their inputs (packages, fuel, electricity, etc) and thus a reduction of their margins, the transformers decided to increase the prices of dairy products. This led to an increase in the consumer prices and therefore, exclusive profits to the transformers (and not for the distributors). It was not easy to make the distributors to accept this decision but after three days of blockages by the transformers, they finally accepted the decision. Since the 3<sup>rd</sup> of August 2007, the city dwellers as such pay between 25 and 50 FCFA more on their dairy products in Ouagadougou and Sore-Dioulasso.

The second phase of the negotiation in the next months, which will be facilitated by the value chain Board will focus on the repercussion of this rise in price on the producers. It is expected that the purchase price of milk to the producers will rise from 10 to 25 FCFA, especially in the current context of rise in the world price of milk and therefore creating important margins for the local value chain to become more competitive. Today, imported milk is more expensive to the transformers than local milk therefore; the transformers should agree to pay a little bit more for the milk received from the producers. In 2001, a bag (of 25kg) of imported powder milk costed 32.500 FCFA, it increased to 55.000 FCFA in July 2007, to reach 70.000 FCFA in September 2007! Finally the power relations weigh very much in the negotiations within the value chain Board and thanks to the increase in the price of imported milk, the producers find themselves in a favorable position.  
(Extracted from the interview with Mr. Ouedraogo, president of the TFL)

[http://www.inter-reseaux.org/IMG/pdf/GDS\\_TFLB\\_Ouedraogo-2.pdf](http://www.inter-reseaux.org/IMG/pdf/GDS_TFLB_Ouedraogo-2.pdf)

### **The Shea Butter Value Chain board**

In Burkina Faso, the Shea Butter value chain board (TFK) was put in place in 2000 with the aim of better organizing the value chain and to work for the improvement of the selling conditions of their Shea Butter products. It brings together actors at production (7 POs), transformation (8 companies/enterprises) and distribution (2 associations) levels. Its main activities are:

- the professionalization of the value chain and the promotion of Interprofessional dialogue: organization of trade fairs for Shea butter and workshops on the challenges of dialogue;
- the quality of the products: carry out a technical study on the specifications of the Shea butter and nuts;
- harmonization of techniques for the collection of nuts and production of Shea butter: realization of a video cassette on the best practices in the collection and transformation of Shea nuts;
- the development of markets: re-conquest of the local market (participation in fairs) and at international level, conquest of the market share on Shea butter and some niches like bio butter;
- research and development: development of bio with the club bio
- information: realization of market research, installation of a website, development of a data base of actors on the Shea butter value chain in Burkina Faso, diffusion of prices on markets.

The construction of the TFK is characterized by a progressive approach: the "families" are few and learn little by little on how to work together.

The TFK does not have significant own resources (in the form of deductions/commissions) and depends on external financing.

### **The framework of dialogue for the onion value chain in Senegal**

Onion, the first market gardening crop of Senegal, has experienced a rapid development during these last years, but came up quickly against competition from imported onion, especially at certain periods of the year (during peak harvest periods of local onion).

Following many problems of supply coordination that this value chain has experienced, and in view of the will of the state to mediate between the local and imported onion by means of dialogue between the actors, the Market Regulation Agency (ARM) initiated dialogue concerning marketing since 2003.

These consultations make it possible to bring professionals of the value chain around the value chain (producers through their apex organizations, major onion importers and consumer representatives, representatives of negotiators/intermediaries, traders associations), consumers associations, the ARM and technical state services. Discussions are focused on the period of provisional suspension of imports and the price charter which the actors of the value chain have to respect in order to prevent consumers from being left behind. It is only when all the actors have a consensual agreement on these two objectives that measures can be taken. In this way, imports are blocked during some months of the year when the local production is able to meet the national demand. At the same time, the charter on the prices fixes the sales prices for onion. When the availability of onions on the market reduces, the suspension on the imports is lifted. The management of onion imports in Senegal is done through concertation between the professionals and the state on the other hand. The state ensures that the agreements are respected through its technical services, but also has a mechanism to control the execution of the agreements (mainly the price) with the possibility of effective sanctions (in case imports are started).

*(According to Idrissa Wade, 2008)*

At the level of financing, two main categories of IOs are distinguished: (i) those in which the strong degree of concentration of a professional family in the value chain constitutes an “obligatory” passage point for the products, and where it is possible to foresee deductions of contributions for the functioning of the IOs; (ii) those in which there is “no obligatory” passage point for the products and in which other modes of financing have to be foreseen.

#### **The amount of contributions (fixed or variable) of some IOs**

Most times to become a member of an IO, organizations and individuals have to pay membership fees to which is often added some fixed annual contribution. Examples:

FENAFILS (Milk, Senegal): membership: 15.000 FCFA contribution: 25 000 FCFA

FEBEVIM (Meat, Mali) : membership: 22.000 FCFA contribution: 22 000 FCFA

In the poultry value chains, the contributions are variable and depend on the economic activity of the members (proportional to the sales turnovers of the members). Examples:

For IPRAVI (poultry farming, Ivory Coast), the rates of contributions were fixed on a basis of 0,1% of the sales turnover of each value chain activity:

- for incubation of chicks: 0,48 FCFA per table bird chick and 0,65 F CFA per chick for layers;
- for the production feed for poultry: 0,20 FCFA per kg;
- for the production of table birds: 4 F CFA per chick in the poultry house;
- for the production of eggs for consumption: 8 F CFA per one day old chick in place;
- for the slaughtering of fowls: 1,33 F CFA per fowl slaughtered and sold with label;
- for the conditioning of calibrated eggs: 1,33 F CFA per tray of 30 eggs sold with label.

As such, all the actors in the poultry value chain, members of the IPRAVI have to contribute. The industrialists are in charged of collecting the contributions. 30% of producers' contributions and 100% of contributions made by industrialists go to the IPRAVI. 70% of producers' contributions are used to finance the two producers' organizations members of the IPRAVI.

Since July 2007, IPAVIC (poultry farming, Cameroon) functions with contributions from egg producers and livestock farmers. These contributions are fixed (on the basis of the prices of day old chicks) and are collected by incubators operators following a system of collection at source during purchases.

## **2.2 Local interprofessional agreements between producers and traders and industrialists**

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

These Interprofessional dynamics can be “formalized” or not into organizations.

These dynamics are born out of "crises", often in the marketing of a product, which leads to the willingness of professionals to negotiate to solve the specific problem : For example, prices which are considered as being very low by producers, problems of outlets for agricultural products, problems of supplies for industrialists. This translates frequently into the establishment of interprofessional agreements.

These Interprofessional agreements are established between two types of actors: an organization or a union of agricultural producers and an association of traders or of industrialists.

They are focused mainly on: prices paid to producers and the quantities supplied to traders/industrialists, the scheduling of marketing (supply/delivery dates) and sometimes quality criteria or the conformity of products. They are generally established at the beginning of the farming season. This system appears to be win-win for the two parties. Their producers as such, often have better prices (more than when they sell out of the agreements) and secured outlets, and therefore security of incomes. On their own part, the traders/industrialists have secured supplies, realize economies of scale (grouped purchases) and receive quality products which meet the needs of their buyers (consumers) or the standards of their industry.

For example, in the industrial tomatoes value chain in Senegal, a group of producers and an industrial firm agree each year on the quantities of tomatoes to be produced (and to supply to the industrialist), the prices, delivery dates, quality criteria... these agreements are necessary for the two parties: producers have guaranteed prices (at the beginning of the farming season) and secured outlets; the industrialist has secured and regular access to raw materials, realize economies of scale (through grouped purchases) and receive products which meet their quality standards. Without dialogue and

coordination between these two professional families, the industrial tomatoes value chain in Senegal would not exist.

#### **The experience of a successful partnership between producers-industrialists: the industrial tomatoes value chain in Senegal**

In the Valley of the Senegal river a partnership was built around tomatoes between agricultural producer groups and a processing enterprise. Industrial production of tomatoes was introduced in Senegal in 1969. From this period, a Franco-Senegalese Enterprise (Society for food conserves of Senegal-Socas) proposes purchase contracts to producers for their tomatoes and provides them with technical assistance needed for the production of this new crop. Production for the farming seasons of 1969-1970 was 200 tones of fresh tomatoes. Today, more than 50 000 tones are bought by contract from producers and transformed into paste (conserves) by the Socas. There are more than 12 000 producers involved. The Socas has become the first industrial producer of tomatoes conserve from fresh tomatoes in the whole of Sub-Saharan Africa. The success of this value chain is explained by a strong partnership which was constructed gradually and stepwise between producers and the Socas and led to the creation of the national concertation committee for the industrial tomatoes value chain (CNCFTI) in 1994.

An Interprofessional organization, the (CNCFTI) is made up of producers, Socas, transporters, suppliers and public institutions (SAED, CNCAS), traders and consumers. It is a forum for dialogue and decision making where mainly the modalities of the farming seasons are discussed (financing, planning, techniques, purchase prices...). The founding members of the CNCFTI are the producers and the Socas amongst whom dialogue and concertation reign, but they also have means to put pressure on one another (for example the producers strike<sup>7</sup>, control of the quantity by the transformer). They are the ones who auto finance most of the operations of the CNCFTI (equal contributions for the producers and the Socas amounting to 0,5 Fcfa/kg sold or bought). The SEAD is in charge of the secretariat of the CNCFTI (hosting the seat of the committee, preparation of meetings, restitutions, etc).

Tomatoes producers of the region are organized into Economic Interest Groups (GIE), organized into unions in the villages. Purchase contracts at fixed and guaranteed prices (farming contracts) are negotiated yearly between the producers' groups and the Socas: (i) the producers engage to respect the production of the tomatoes and to sell them to the Socas; (ii) the producers engage to cultivate the varieties of tomatoes selected by the CNCFTI; (iii) the Society agrees to take all the truck loads of tomatoes brought to the factory within 24 hours; if the tomatoes are broken/rot, the Socas reserves the right to apply a price abatement.

At the beginning of the farming season, the producers' groups take a loan from the CNCAS, which only grants the loan if they have already signed the contracts with the Socas. The repayments of the credits are deducted directly during the sales of the tomatoes to the Socas, which pays the producers directly to their bank accounts. This therefore, guarantees the security of the loans granted thanks to the Interprofessional contracts signed between the producers and the Socas. The Socas has put in place an experimental station to try new varieties of more productive tomatoes. Trainings on management are provided to leaders of the GIEs. The success of the industrial tomatoes value chain in the Valley of the Senegal River as such rests on the strong partnership which is materialized through the Interprofessional agreements between the Socas and the producers' groups. It is through this strong nucleus that has been grafted other services for the producers (access to agricultural financing, experimental research, training of farmer leaders...).

In Guinea, in the Irish Potatoes value chain of the Federation of Farmers of Fouta Djallon (FPFD), a strong nucleus made up of the union of producers of Timbi Madina negotiates the marketing of its members Irish Potatoes during the dry season with a group of traders operating in Timbi Madina. This approach corresponds to a real Interprofessional agreement: even though not formalized, each actor tries to negotiate rather than tries to impose and establish power relations with other actors<sup>8</sup>

#### **The example of Interprofessional agreements on the Irish potatoes of Fouta Djallon**

The adventure of the "Belle de Guinée", the brand name of the Irish potato of Fouta Djallon has often been narrated. The success of the Federation of Farmers of Fouta Djallon (FPFD), in the Nineties to block the import of European potato in order to be able to sell out its local production on the national market, to strengthen the value chain and the improve competitiveness has been subject of numerous articles.

For the Irish potato value chain of the FPFD, the strong nucleus is made up of the union of producers of Timbi Madina (UGTM) which markets more than half of the Guinean production during the dry season.

With the assistance of the FPFD, the union negotiates the commercialization of the Irish potato of members during the dry season with a group of traders who operate in Timbi Madina and who have strong links in Conakry. This group of traders is linked to a group of transporters.

<sup>7</sup> Producers led a strike in 1998 because of lower prices offered by the Socas

<sup>8</sup> K. Diallo, Mr. Barry, V. Beauval. Marketing activities of the FPFD: capitalization of experiences and perspective. Marketing unit, 2006.

This approach corresponds to a real Interprofessional agreement: even though not formalized, each actor tries to negotiate rather than tries to impose and establish power relations with other actors.

The UGTM also regulates the market by stocking part of the supply of the dry season when it realizes that the prices observed in the market<sup>9</sup> are going below the break even prices for producers. Thanks to this short term storage of the products in the warehouses of the union, the system of commercialization put in place by the UGTM allows for a relative regulation of the market.

According to testimonies, this system also contributes to guarantee a floor price for the producers, which during the period of high production will be relatively higher than the sales prices obtained by individual producers of other unions.

When the supply prices agreed at the beginning of the farming system with the union are effectively respected, the system as such contributes to secure the revenues for members of the union.

*Extract from: Marketing activities of the FPPD: capitalization of experiences and perspective - K. Diallo, Mr. Barry, V. Beauval – Marketing unit, 2006.*

## **Conclusion :**

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

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

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

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

Systematically promoting interprofessional organisations to "regulate" each agricultural sector according to a "predefined" system, could prove ineffective and lead to "empty shells". It is around a "hardcore" of a sector's key actors, formed into organisations, motivated and grouped around common issues, that an IPO has every chance of succeeding.

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<sup>9</sup> The information on the prices is collected by the marketing unit of the FPPD through its network of data collectors on all the major markets close to the production zones