

Better tomato produce, better grouping, more money!

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Vegetables – Nigeria PPP

With the growing demand of quality vegetables for urban markets, the partnership supports producers and their organisations within networks of traders, input suppliers, service providers and financial institutions.

Summary

The benefits for tomato farmers of being part of a cluster are emphasised in this story. Being better organised and in a network, the tomato producers' experience more trust and visibility and therefore can attract investment into their enterprises. This empowered situation has come at the end of coaching in functional capacities such as negotiation and collaboration skills, as well as improved technical practices.

Let's place a bet! Take a group of farmers from any agribusiness value chain and ask them what their problems are. One of the first two responses will be "money"! If no one mentions any word in this vein – money, finance, funds, or a synonym in their local language – then I'll gladly ask you to send me your account number!

The Iya Ibeji cluster actors working in the tomato value chain in Nigeria are no different. Iya Ibeji means "mother of twins", named after the history of the community where the cluster took off. At the beginning of their engagement, they thought their most important need to make progress was – more money! They reckoned that more money was simply

what they needed to make even more money. They brought up a Yoruba proverb to explain this, owo n'fin wa owo. This means "we use money to chase money". In this, the cluster actors were not totally wrong. But they were putting the cart before the horse.

I remember one agribusiness coaching session where the cluster members were asked how much money they would need if they were to farm tomatoes on an acre of land. I had expected their answers to be similar. But they turned out to be remarkably different. Same people, same product, same land size, same inputs – but their idea of costs involved was very different! Something was certainly missing. One

actor, whose name I cannot remember went so far as to say he needed half a million Naira (over €1,300). Others hysterically shouted him down. Also noteworthy was the group's general fear of obtaining loans and the uncertainty of whether they would be able to repay them on time.

Not with money alone

This whole situation changed after we carried out 2SCALE trainings on good agricultural practices including the use of new and improved tomato seed, and coached them on credit-input management, post-harvest handling, marketing and business plan development. The cluster actors actively participated in these processes and took ownership over them. It then became obvious to them that what they most needed was not in fact money.

Let me illustrate with a scenario I painted for them during one of the coaching sessions:

Mr Ogbamadu is a lender who is approached by two tomato farmers for a loan of the same amount. One of the farmers writes down all she wants and how she will repay him, and then also notes down what she will expect to get in terms of yield. The other farmer tells the lender about her situation, but this time nothing is written down. Mr Ogbamadu asks the second one when she will pay him back. She responds that she is not sure as the market will decide – but she trusts that all will be well.

I then asked the cluster members: “Which of these farmers would you lend money to?” The answer was obvious, though they could see a reflection of the all-will-be-well farmer in themselves.

Getting together, obtaining loans, doing business

One year later, the cluster officially registered its business with the federal government and is now officially known as “Overcomer Fadama Agro-processor Multipurpose Ltd”. Coming up with an official name that could be used to open a bank account and other legal businesses was a

challenge that took time; and understandably so. It's due to the 2SCALE project that all these different actors along the tomato value chain were even brought into one network, or cluster. The actors were hitherto organised separately in farmers' unions and a few other independent unions of processors and transporters. Their new name reflects the fact that different actors – including the input dealers, agro-processors and transporters – have joined together for the first time.

After this development, the tomato farmers found out that they suddenly had access to loans, a feat they could only dream about while they operated as a small and scattered group. They are confident that the 70 members who could access loans of 100,000 Naira each (altogether coming to more than €19,000) thanks to their new group identity, will be able to pay the money back. The average yield has increased by thirty times – from 0.3 tonnes per hectare to 10 tonnes per hectare. These farmers were also the first in their community to begin staking their tomato plants, which drastically reduced spoilage and allowed good growth.

Using the information learned in their coaching sessions, the cluster actors have become conscious of how better vegetable handling processes reduce losses and increase profit. The clusters' input dealers and transporters are excited about the implication of this – more business for them as extra inputs will be bought and more trips will be needed from the farm gate to the open market. They still patronise this market whilst on the chase for a contract with organised markets in Lagos and Ibadan, two neighbouring commercial cities. This in itself is a result of information gathered through the clusters' coaching sessions.

From being a small and weak group of independent people involved in tomato production and value chain-related activities, the Iya Ibeji actors now discuss issues with business in mind. They see the numbers, they see the produce and they make profitable decisions while addressing challenges in the process. And they realise fully that it is much more than money that has led them to their current success.

