

# ESTABLISHING SUSTAINABLE CONNECTIONS IN FOOD SUPPLY CHAIN (PINEAPPLE CASE)



# 1- CONTEXT

## Key observation on the state of agricultural service in Benin (AMEA Global)

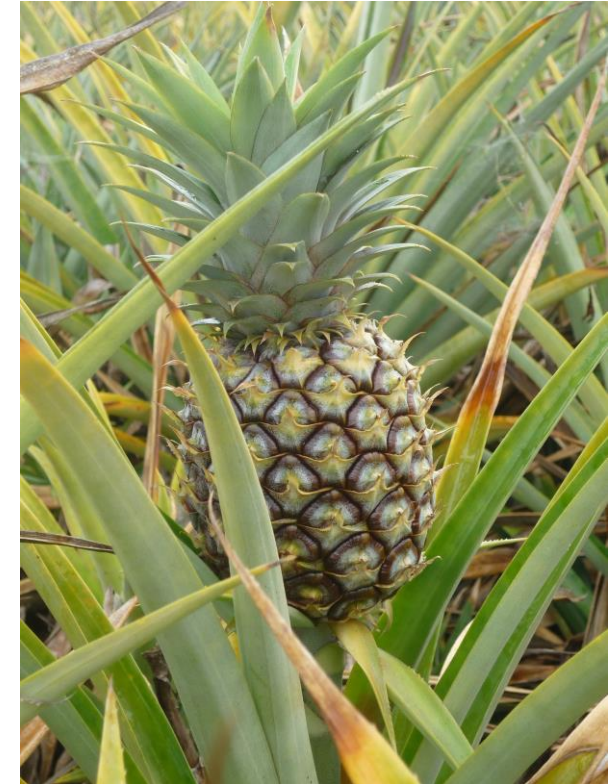
- Insufficient number of structures offering agricultural development services (82 BDS for 2,500 agricultural organizations)
- Services not well adapted to the real needs of producers
- Significant gap between supply and demand
- Lack of coordination between service providers (public, private and non profit sector service providers)

## Need to document lessons learned from agricultural service provision experiences in Benin

### Case study on the partnership between 2SCALE and Promo Fruit

#### Objective:

- *Analyze the role of aggregators in Agricultural Clusters*
- *Evaluate their impact on the inclusion of smallholder farmers in agricultural value chains.*



## 2- 2SCALE PRESENTATION

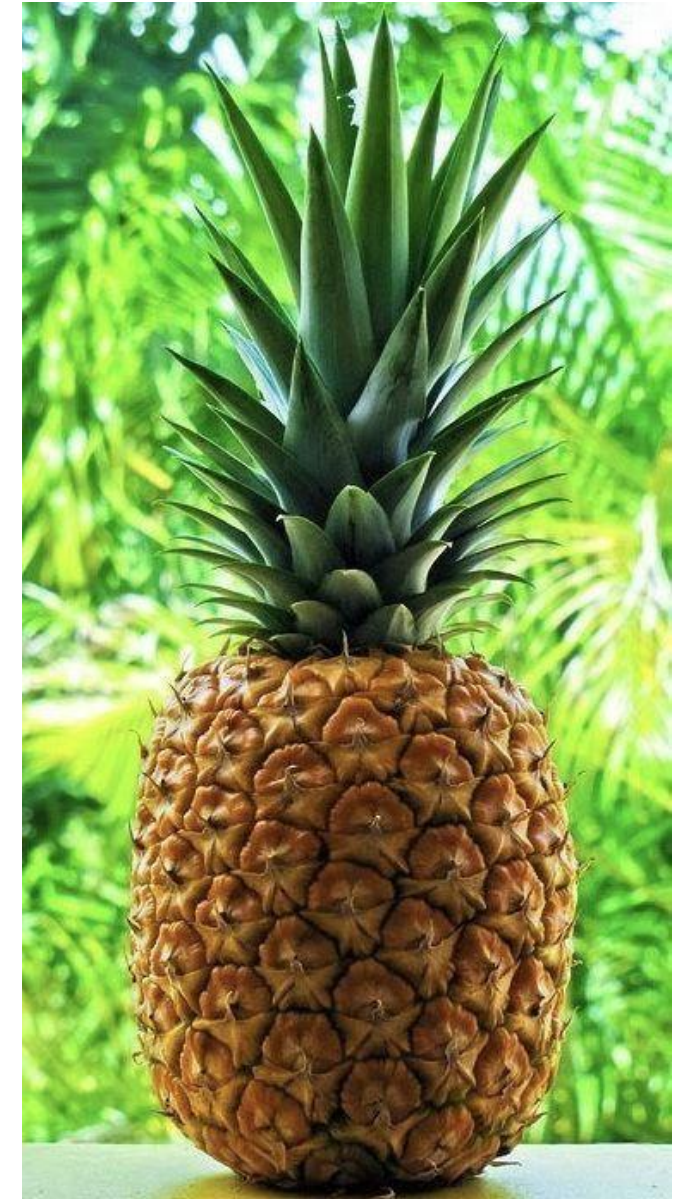
*Toward Sustainable Clusters in Agribusiness Through Learning in Entrepreneurship*

### **Inclusive agribusiness incubation**

2SCALE is an incubation program that manages a portfolio of public-private partnerships (PPPs) for inclusive businesses in the agri-food sectors and industries.

### **2SCALE approach**

- Facilitate agribusiness clusters (ABC)
  - Facilitate innovative and inclusive relationships in value chain around business champions
  - Support an favorable environment
- 
- Present in 9 countries (**Phase 2 : 2019-2024**)
  - Implemented in Benin during **phase 1 : 2012-2018**



# 3- PPP BETWEEN 2SCALE – PROMO FRUIT

## Origin :

- **2001** : Creation of Promo Fruit by the cooperative called *Initiative for the Relaunch of Pineapple* (IRA)
- Business model
  - Sourced from a local network of 2580 producers (9 OP)
  - Production of 100% natural pineapple juice
- **2011**: Introduction of a modern processing chain to satisfy strong demand outside Benin.
- **2011-2013**: Facilitating access to credit for these producers with the support of PINC.

Promo Fruit challenges (2013)	2SCALE support proposal
<ul style="list-style-type: none"><li>• Need to expand the distribution network to EU and Nigerian markets</li><li>• Need to expand the local supply network</li><li>• Need to improve product quality</li><li>• Need to improve services to producers</li></ul>	<ul style="list-style-type: none"><li>• Assistance in improving Promo Fruit's business plan</li><li>• Facilitation of an equipment loan application with Oikocredit (800,000 USD)</li></ul>

## Multi-year partnership :

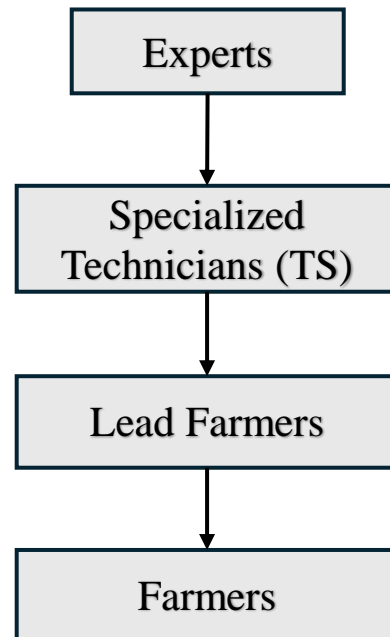
- Goal: **Ensure regular, high-quality supply from 10,000 pineapple producers**

# 4- SERVICES FOR MEMBERS OF FARMER ORGANIZATIONS

## Recruitment and training of Specialized Technicians

- Recruitment and training of 27 specialized technicians (TS) assigned to 9 farmers Organizations
- initially supported by 2SCALE and Promo Fruit, then supported by producers via a deduction from the sale price
- Setting up a system to monitoring TS (focus groups to evaluate services provided to members).

## Cascade training



# Services for Members of Farmers Organizations

## Facilitation of access to credit

- Partnership with: FECECAM, ALIDE, OIKO Credit, and FEFISOL
- Reduction of interest rates from 24% to 8-10%
- Guaranteed market opportunities through partnership with Promo Fruit
- Creation of the Cooperative for Savings and Credit for Agricultural Recovery (COOPEC-RA)

## Facilitating access to agricultural inputs

- System for allocating credit to input suppliers
- Producers input needs identified in advance (Promo Fruit and TS/IRA)
- Payment by Promo Fruit through deduction from fruit payments to producers

## Facilitation of market access

- Market access guaranteed by Promo Fruit based on predefined conditions (price, quantity, quality)

## Strengthening of the local groups around the Agribusiness cluster

- Improve the managerial and organizational capacities of cluster members in group
- Establishment of an inclusive environment for exchange and collaboration

## 5- RESULTS AND IMPACTS

### Boosting the producers income

- Before support : 139 300 000 FCFA Vs after support : 275 500 000 FCFA

### Improvement in training participation rate

- Overall participation rate of 75% Vs 30% before 2SCALE

### Access to credit, information and formalised contracts

- 67.19% received credit with the support of the cluster.
- 71.88% had access to information provided by cluster.
- 17.97% signed formal contracts with Promo Fruit.

### Other results

- 57% improvement in yields, from 35 t/ha to 55 t/ha;
- Integration of over 12,000 growers and workers into the value chain;
- Increase in the volume of pineapple delivered to Promo Fruit factory from 11,200 t/year in 2013 to 21,500 t/year in 2018;
- Improved fruit quality to satisfy international customers.



# Challenges

- Demands for compensation of initially volunteer "lead farmers" to provide training to their peers.
- Tensions/conflicts between producers around the choice and legitimacy of lead farmers.
- Need for strict monitoring of specialized technicians to prevent any misuse or capture for the benefit of other actors
- Risk of disengagement from some producers tempted to sell their production to other buyers in case of a better offer





## Some sustainability facts

- Selection of specialized technicians from unemployed young people from the same production areas, to ensure strong motivation and local anchoring.
- Promo Fruit and 2SCALE initially paid the technicians' salaries, before gradually transferring them to the producers.
- Promo Fruit shareholder status for IRA cooperative producers, guaranteeing their long-term involvement.
- Use of “lead farmers” as trainers to perpetuate skills
- Promo Fruit's commitment to long-term support for its suppliers, ensuring continuity.



# QUESTIONS