

# FACILITATING SMALLHOLDER FARMERS MARKET ACCESS IN THE OIC MEMBER COUNTRY SUDAN PRESENTAION



# Background

- Although Sudan is agriculture based economy , economic growth has been driven by oil since 1999.Oil accounted for nearly 40% domestic revenue and 90% of export earning and 11% of industrial value added and this substantially enhanced the inflows of foreign direct investments (FDI) stimulating the construction and service sectors.
- During this period, agriculture has been on relative decline interims of its importance to Sudanese economy dropping from about 46% of GDP in 1997 to around 30% of GDP in 2011, due to the absolute decline of Crop production and productivity.

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- All these factors mentioned above reflect the importance of agriculture sector and the focus will be given to projects and programs of quick impact and sound results to contribute to the economy and poverty alleviation in the rural areas . Thus Sudan has adopted a comprehensive and consistent set of policies and strategies .

# Country existing initiatives

- The interim poverty reduction strategy paper (IPRSP).
- The 3-year's salvation economic program (2011-2013).
- The 5- years development plan ( 2012- 2016), successor to the 5- year plan ( 2007-2011) which will provide a foundation and road map for implementation of full (IPRSP) .
- Agricultural revival executive programme (ARP)
- (Phase 1: 2007 - 2011), (phase II 2012-2014) with objective of transforming agriculture from traditional low productivity to profitable market oriented agriculture.

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- The UNDF (2000-2012).
- FAO –country programme framework (CPF) 2012-2016).
- Country strategic opportunities programme (COSOP) 2013 - 2018
- Comprehensive Africa Agriculture Development program (CAADP).
- Strategy for development of traditional rain –fed agriculture (2013).
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## Why? Traditional Rain – Fed sector (smallholder farmers Sector) :

- The traditional rain-fed sector is most important in terms of:
- The share of the sector in the country (GDP) increased from 12.5% (1990-2000) to almost 15% (2000-2008) the sector is main contributor to the country non-oil export earnings (sesame, groundnuts, Gum Arabic, hibiscus, water melon seeds and livestock).

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- Share of the sector in the total agricultural export earnings in 2011 was 75% (550.3 US\$).
- Farming production in this sector occupies 24.5 million feddan (10.3 million hectare ) representing less than two thirds of total cultivated area in the country the sector is vital to the country's food security and export crops..

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- The sector is the main contributor (57%) in the total area devoted to five major food crops of sorghum, sesame, groundnuts and wheat
- Poverty in Sudan closely associated with agriculture it is mainly prevalent in rural areas where traditional rain-fed farming dominates the livelihood of the people who constitute about 65% of the population.



# Marketing System

- the government announced shifting from controlled to liberalize market in the early 1990, the transition was not completed, and the market reforms resulted in the focusing on nearly to total withdrawal of government intervention from the market . the reforms did not have the envisaged impact on agriculture growth and poverty reduction.

# Agriculture Market Information System

Ministry of Agriculture established pilot model supported by Esoko(Ghana company ) in 2007 to serve regional . The nature of the scheme was to linking farmers using mobile phone application(SMS,WEP) to collect and disseminate the market data in time manner(quantity, price, climate data , and tracing field activities.

In (2007-2012) Sudan with FAO implemented Sudan Institutional capacity programme : ( Food Security Information For Action/ SIFSIA ) FAMIS (Food and Agriculture Market Information System.

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- To provides regular and up to date information on Market price, of basic agricultural and livestock products , collected from the main market in all of the country.

# the main obstacles

- **Inadequate infrastructures and market access .**
- **Low investment in research and extension .**
- **In a adequate credit and finance .** Despite their relatively high contribution to GDP farmers access to credit and finance remains one of the major constraints by traditional rain – fed agriculture the a verge received 4.44 (1.1<sup>0</sup>% for crop and 3.3<sup>0</sup>% for livestock) comparing with irrigated sector (87. 2<sup>0</sup>%) and mechanized farming receive (5.9<sup>0</sup>%)

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- **Lack of producers Organizations in Small Farmers Sector:** The owners of agriculture and livestock professions organizations ACT which was ratified in June 2011 The main objective of the ACT is to assemble the potentials and capabilities of producers, based on collective actions for raising the efficiency of the agricultural production from traditional subsistence to competitive marketable surplus producing economy.

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- **Price incentives in the sector:** A package of harmonized macro and micro policies is need, uniform exchange rate that is the same for all foreign transactions and therefore refrains from favoring any export sector in the economy. In addition it is necessary to eliminate any taxes and fees that are not collected for a specific service .
- **Need to develop Agriculture Supporting Services**
- **Conflict and Economic Instability.**

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# Connecting farmers to market project

## Theme of the project:

- The concept behind the project is to enable small-scale farmers to get out of the cycle of under-production and poverty and become self-sufficient and produce a surplus.
- The most important thing is to learn from the various successful practices of MoA, ABS, etc. and come up with a viable "connecting farmers to market" project that will function without any donor support.

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- **The end goal:** is to help poor net-deficit farmers become self sufficient, produce surplus and earn an additional income.



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## **Main objectives:**

To connect small- scale farmers ( less than 5 to 10 feddans) to four " markets" .

- **market for micro- credit**, so that they can invest in labor for planting , better quality seeds, use good fertilize –ACT.)
- **Market for micro- insurance** ( so that farmers will be paid if the loses his crop) and for credit risk guarantee for the bank ( so that they can lend to small scale farmers with no collateral ).

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- **Market for extension services-** provided free by ministry of agriculture extension staff- to support the farmer with the best techniques, soil analysis, advise on seeds, fertilize marketing the crop etc.
- **Market for sale- either ;** ((through local trades, wholesalers. and through large private sector – companies ) either Sudanese, international

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- The project started in 2010- 2012 "four years).
- The project target 42000 farmers in 8 states
- The definition of beneficiaries: are small farmers that are vulnerable and has the highest potential to increase their harvest ( the select criteria of WFP) in additions the Bank and MFU, will then select from those they visits due diligence assessments.
- The crop sorghum as food crop and groundnuts sesame as cash crop)

# The role of different actors (partner's Obligations)

- This project is partnership and co-operation with ministry of agriculture (MOA) and consortium of Bank (COB) al men now in 2014 it is Sudanese microfinance development company (SMDC) and micro finance unit (MFU/Central Bank of Sudan (CBS) and WFP is an UN organization .
- The CBS/SMDC/ shall.
- Provide a loan portfolio as needed per each state and be responsible for final selection of farmers and farmers associations, distribution of loans .

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- Monitoring the performance of the selected farmers and collection/repayment of loans .
- Support the strengthening of farmers associations at local level that shall participate in the identification of beneficiaries, their registration and the distribution of loans

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- targeted 22,400 farmers in 6 states in addition 6,400 farmers in to state without WFP support).
- **MOA:**
- Work with WFP at state level to select farmers through farmers associations that are most vulnerable and have high potential for increasing their harvest support beneficiaries through farmers associations with extension training as follows:

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- Jointly with MFU/SMDC. Design- develop and apply financial management training- this include training on micro- credit, micro- insurance, and overall management of personal finance.
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- Provide technical extension training (selection of seeds, fertilizer, crop management, water management , harvesting) aim to increase yield . target 100,000 farmers in 8 state)

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## WFP :

- Provision food for finance agricultural extension
- ( food assistance total 1,568 Mt food at the 6 states)
- Work with MOA to select farmers.
- Provide advice and guidance on storage and handling.
- WFP buy the crop

## **Farmers organization /association.**

- Participate in the identification of beneficiaries.
- Sale the crop.



# SUCCESS

- Learn from this project to scale up this pilot.
- The grant (food aid) provided by the project enable
- Co-operative to keep their product in stores until prices improve later in the season.
- A significant increase in the total household income and positive impact on living conditions.
- Production , income, and production quality improve.
- Project contributed improvement insecurity.
- The project focus in particularly on women farmers .

# Requester for scaling up

- Availability and accessibility of microfinance should be improved .
- The selection of beneficiary cooperatives should be based on track records
- Access small producers to new technologies
- Capacity building to producers . Technical staff from MOA, associations .
- Prepare business plan for improve access to agriculture finance ( now all partners in the process to prepare business plan).