

BUSINESS MODELS FOR THE PROMOTION OF POSTHARVEST MANAGEMENT

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SERVICES

INTRODUCTION

- Better post-harvest management provides a good opportunity for agripreneurship in terms quality and adds a time value
- Therefore willingness to pay for PHM technologies and service by farmers
- This presents a business opportunity for all technology and service market actors this business opportunity for a sustained service provision, thus a business model by development organizations.
- Different organizations promoting PHM deploy different forms service provision business models to sustain the promotion of PHM innovations among smallholder farmers.
- **Definition:** Description of the value a service provider offers to one or several segments of customers and the architecture of the firm and its network partners (Osterwalder, 2004).

The PICS3 project implemented Purdue University.

- Nigeria, Burkina Faso and Ghana in West Africa; Uganda, Tanzania and Ethiopia in East Africa; and Malawi in Southern Africa.

Service	Who provides	Who pays
PICs bags	Manufacturer, retailer	Farmer
Advisory Services	Government, NGOs	Purdue University
Financial services	Banks	Farmers, Manufacturers, Wholesalers, retailers

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graph TD; A[Purdue University] -- Grant --> B[Local development organization( Research, NGOs, Government agency)];
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Purdue University

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**Local development
organization(Research, NGOs,
Government agency)**

Bags Manufacturer

Specification

Perdue University

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Local development organization(Research, NGOs, Government agency)



Bags Manufacturer

Advisory Services

Perdue University

Loan

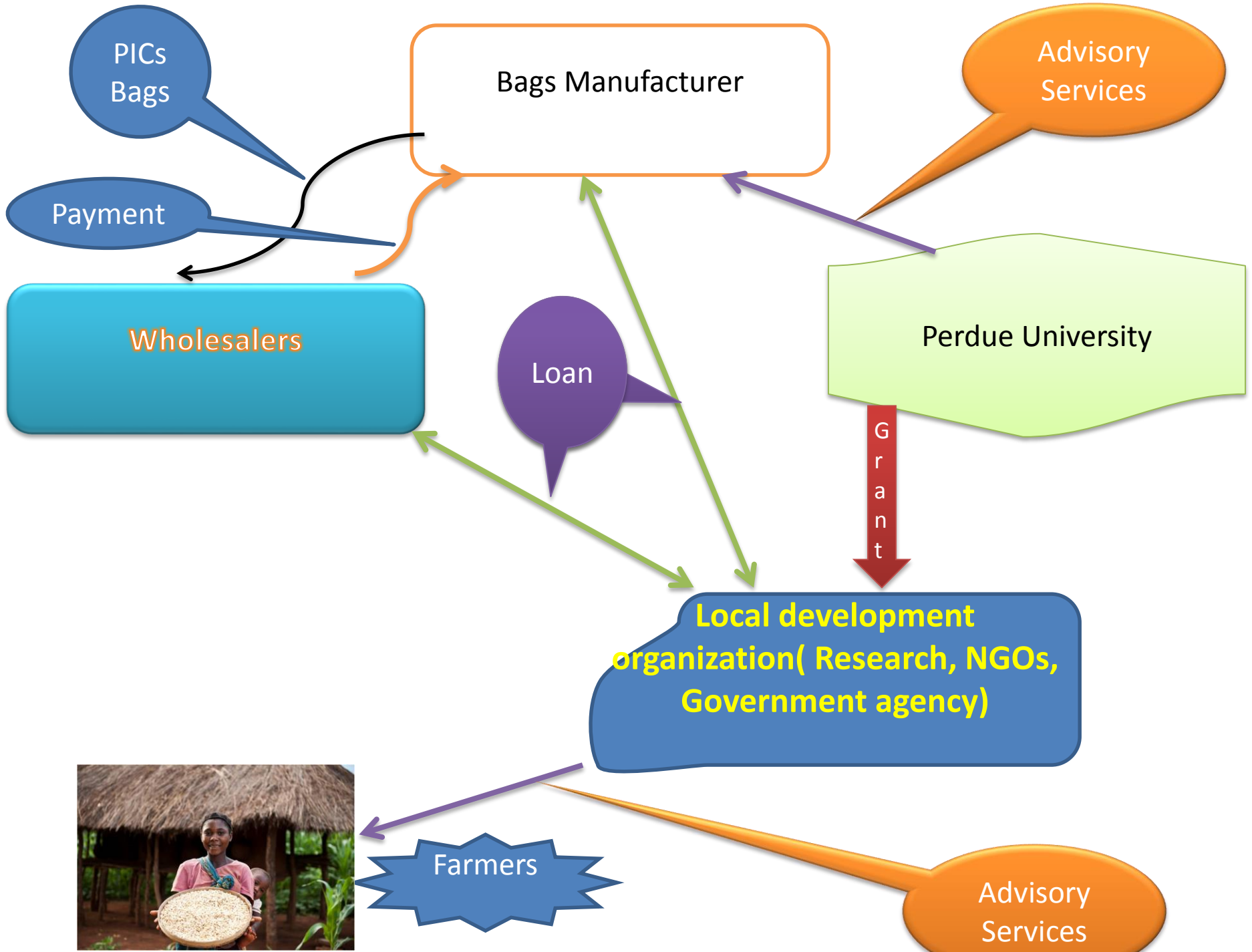
Grant

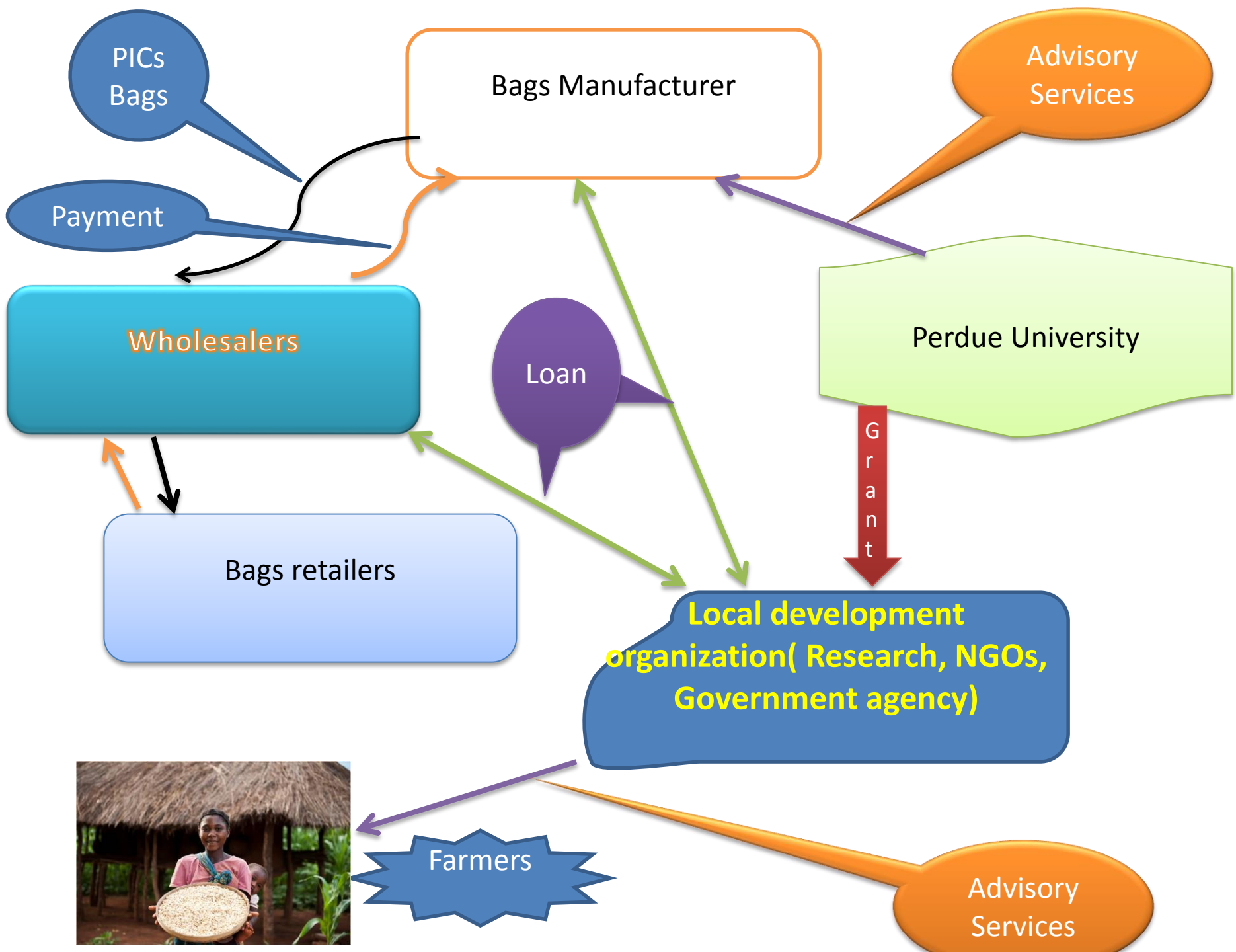
Local development organization (Research, NGOs, Government agency)

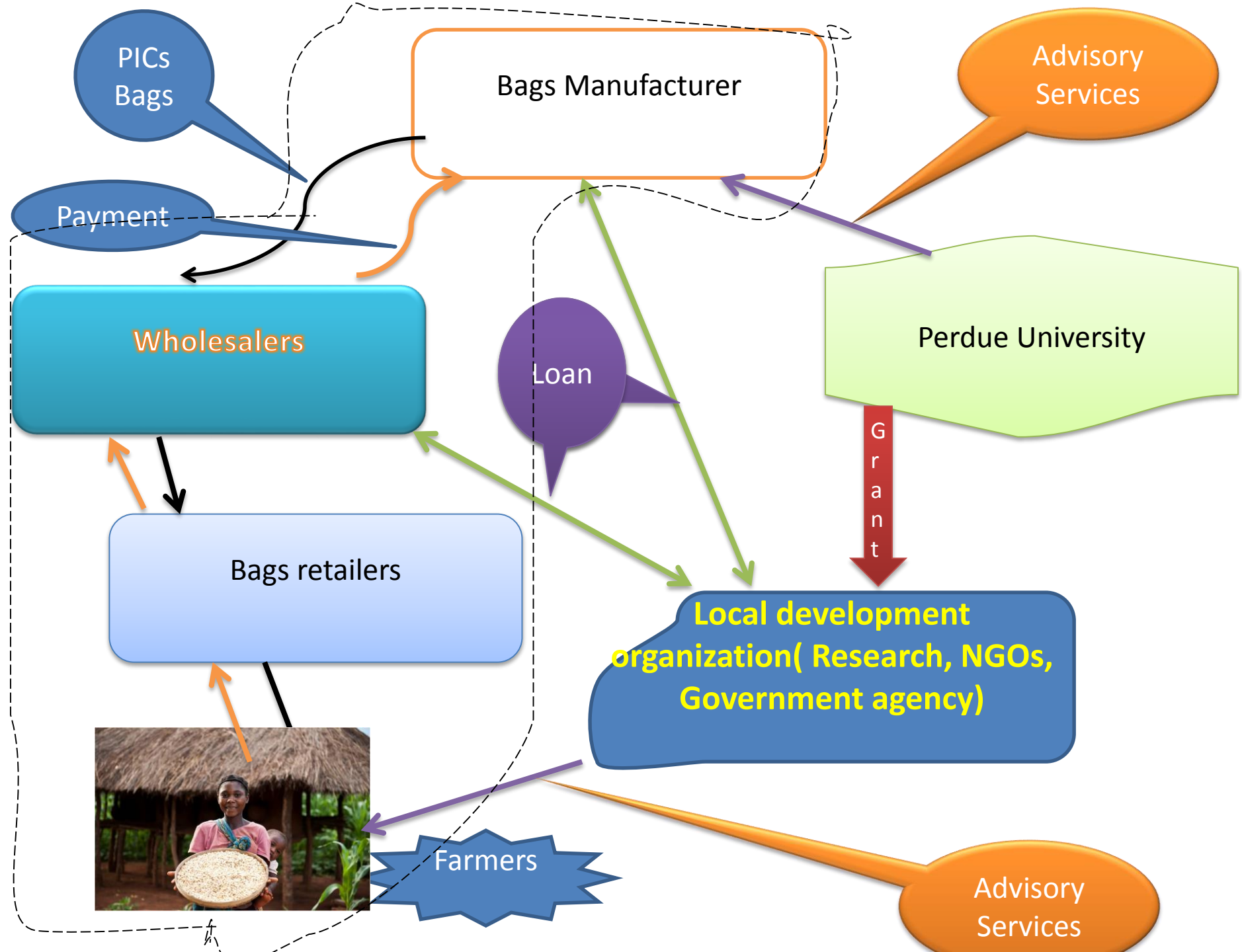
Farmers

Advisory Services





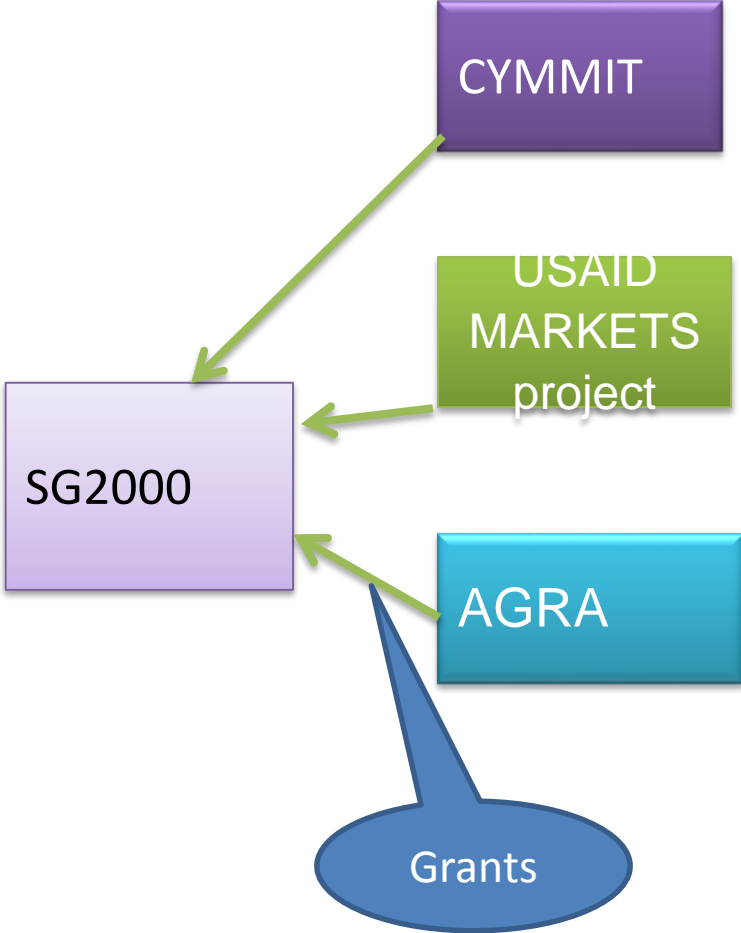


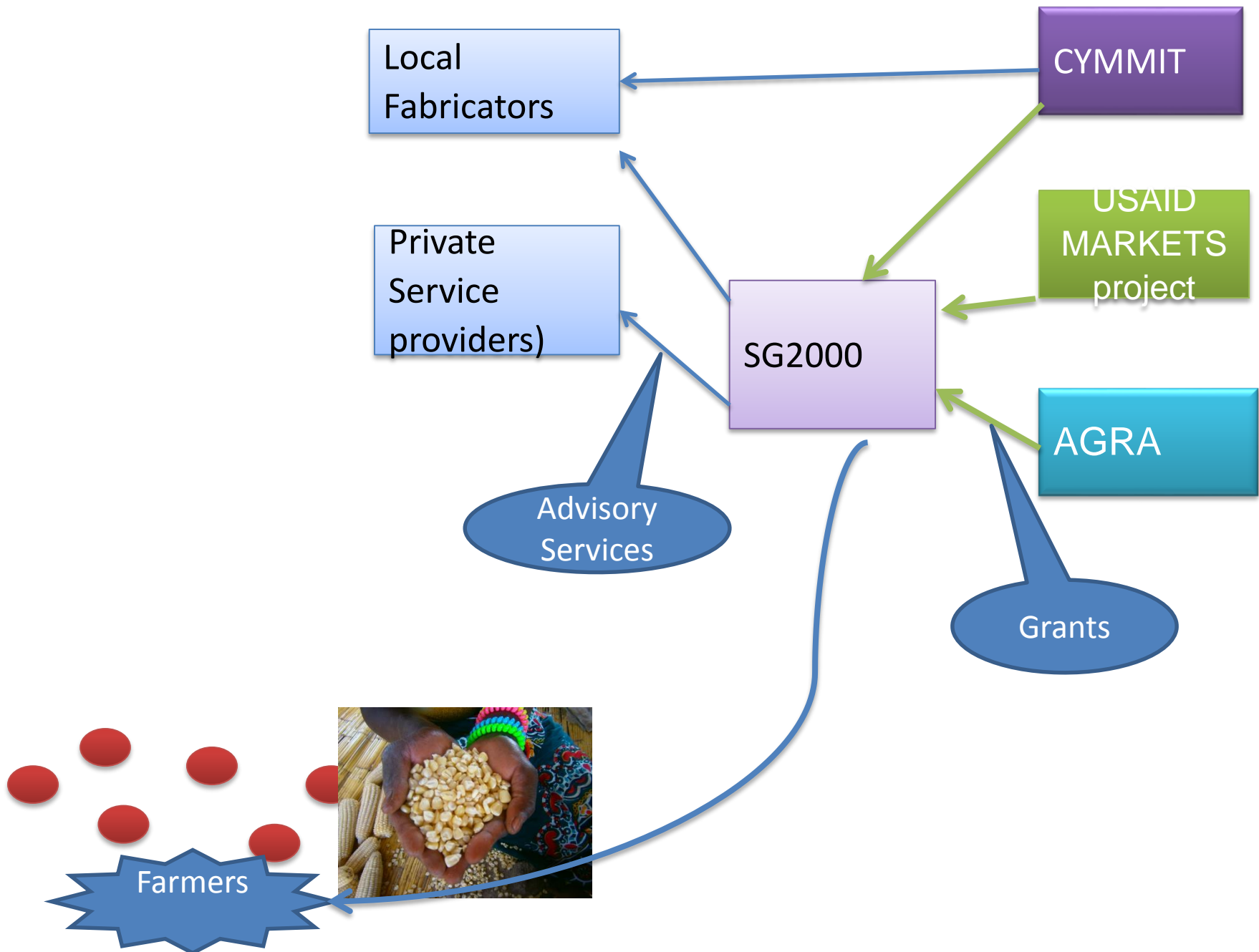


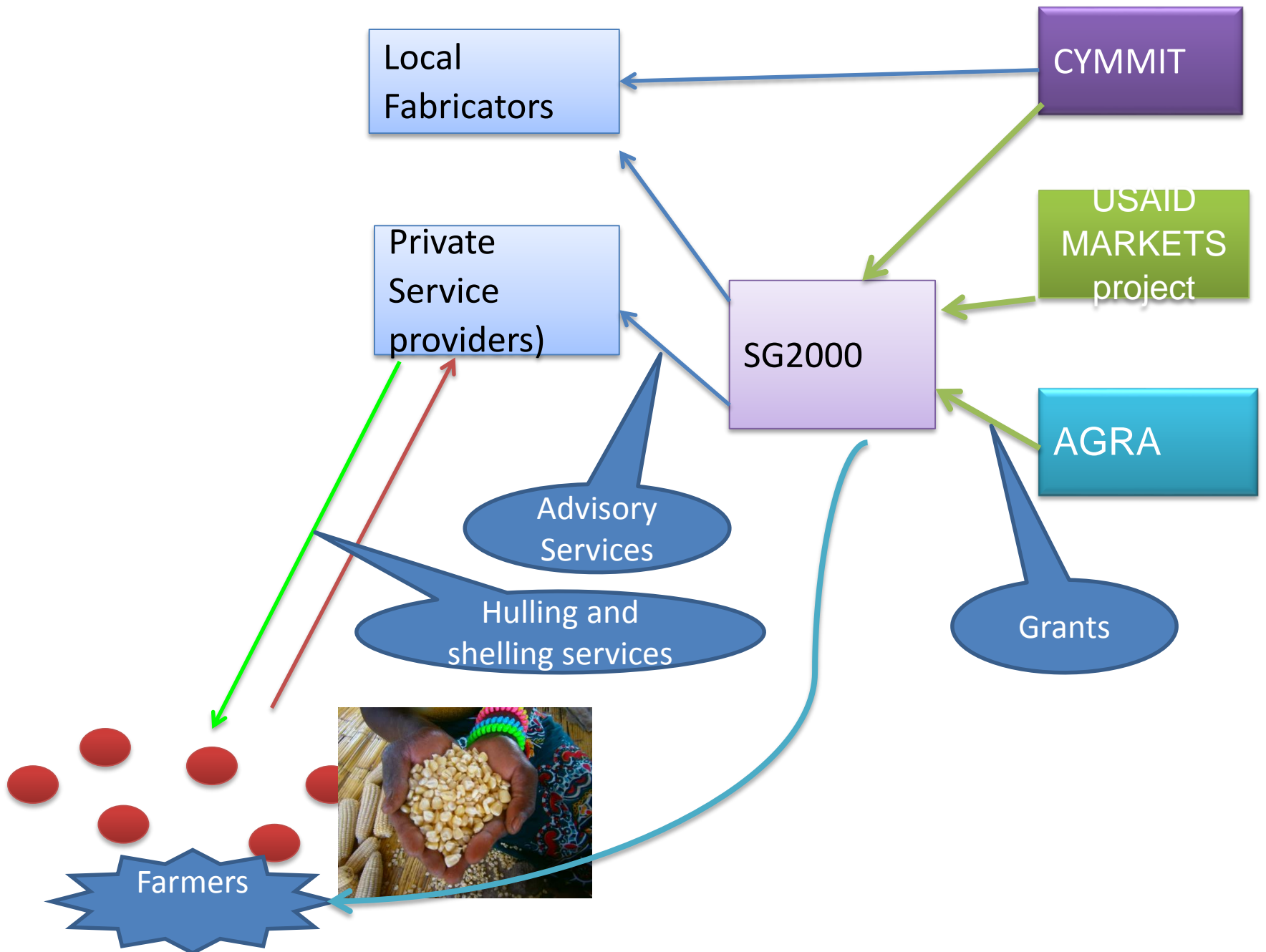
Sasakawa Africa Association (SAA)

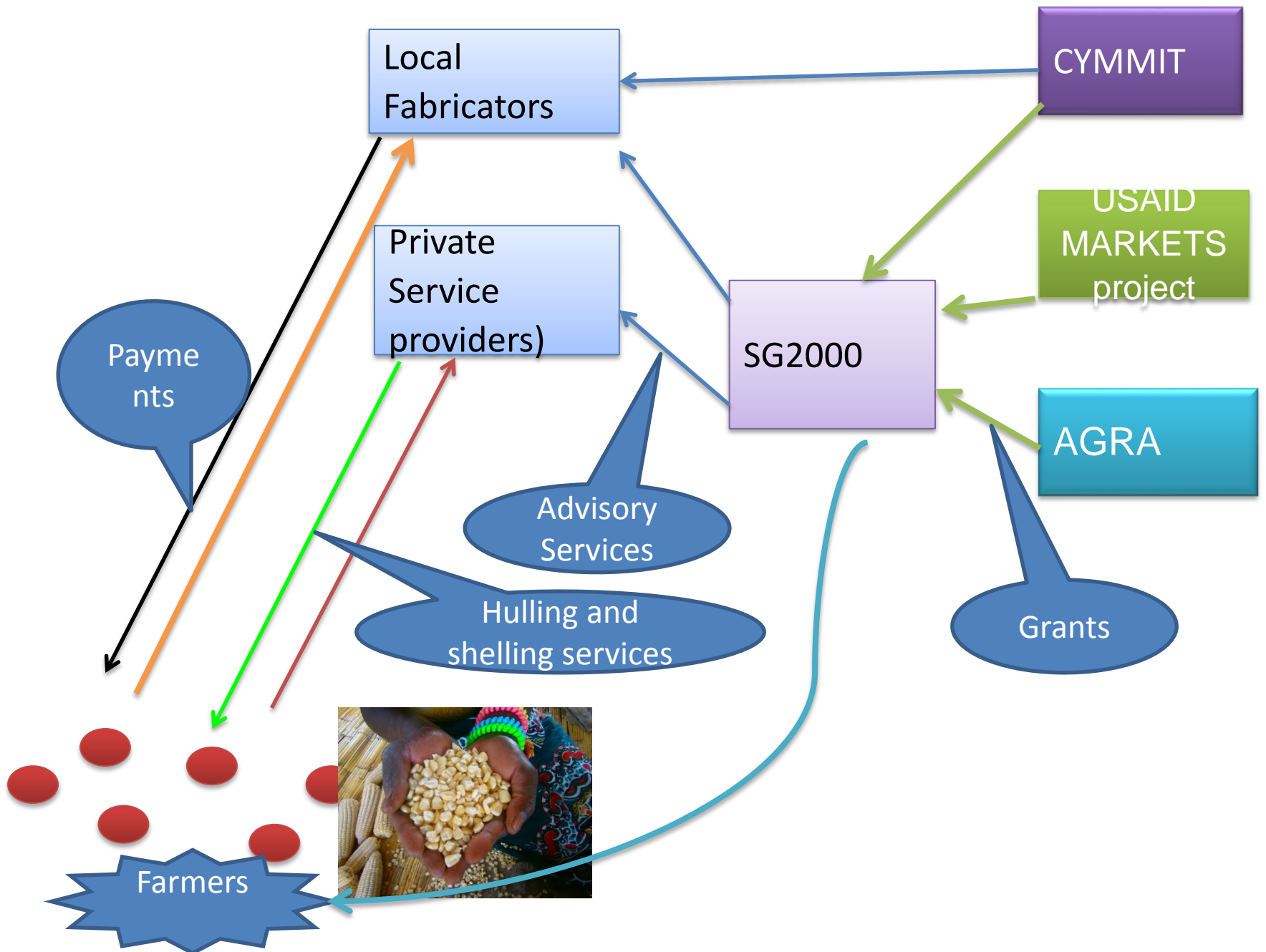
- Implemented in Ethiopia, Mali, Nigeria and Uganda.
- Technologies include Super Grain Bags (SGBs) and Cacoons, metal silos, PICS

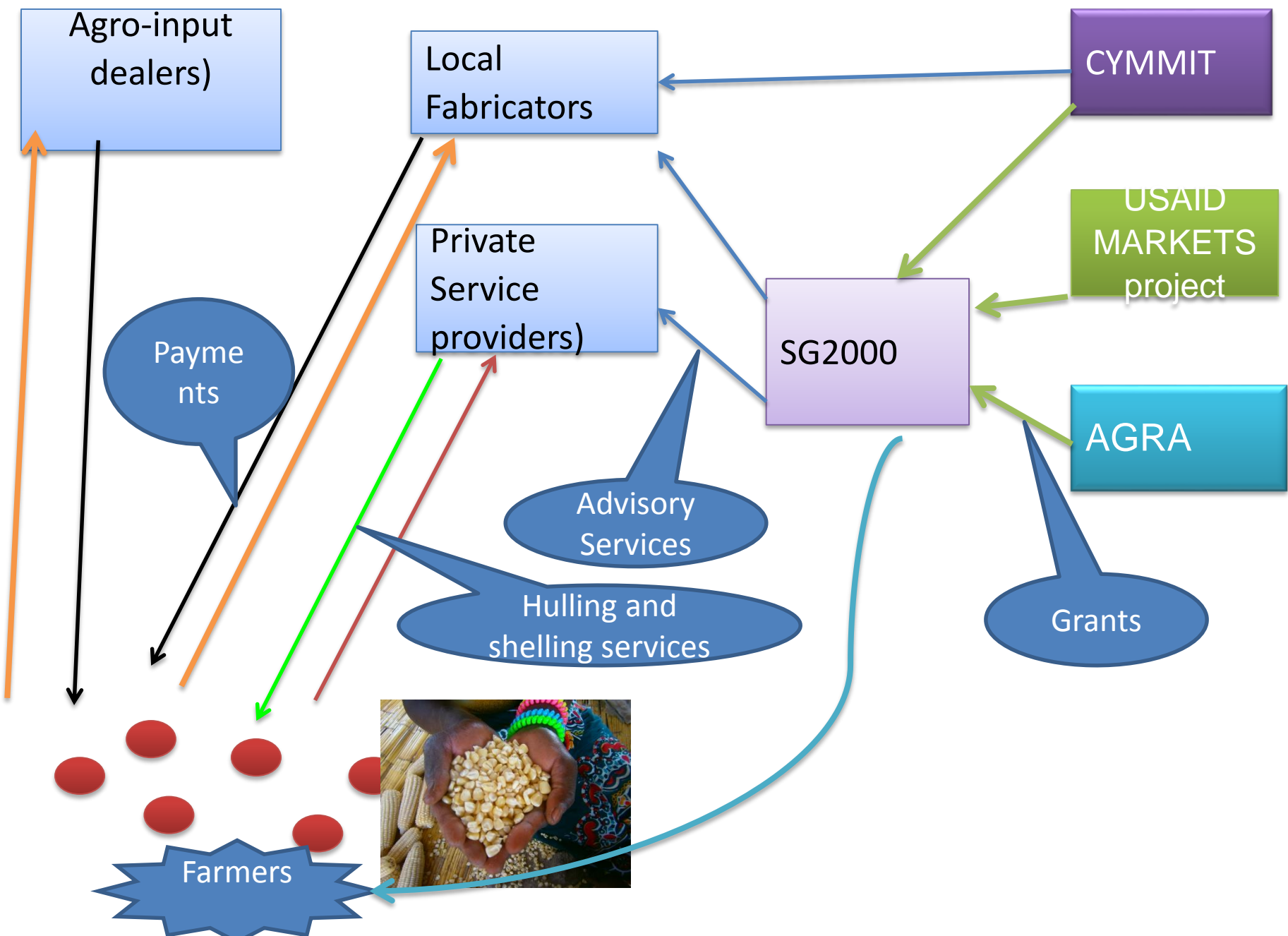
Service	Who provides	Who pays
Technologies	Manufacturer and dealers of PICs bags, local artisans, Grain pro, input dealers	Farmers, Private service providers
Advisory Services	SG2000, government	Donors
Hulling and shelling services	Private Service provider	Farmers
Financial services	Banks	Farmers, Manufacturers, Wholesalers, retailers

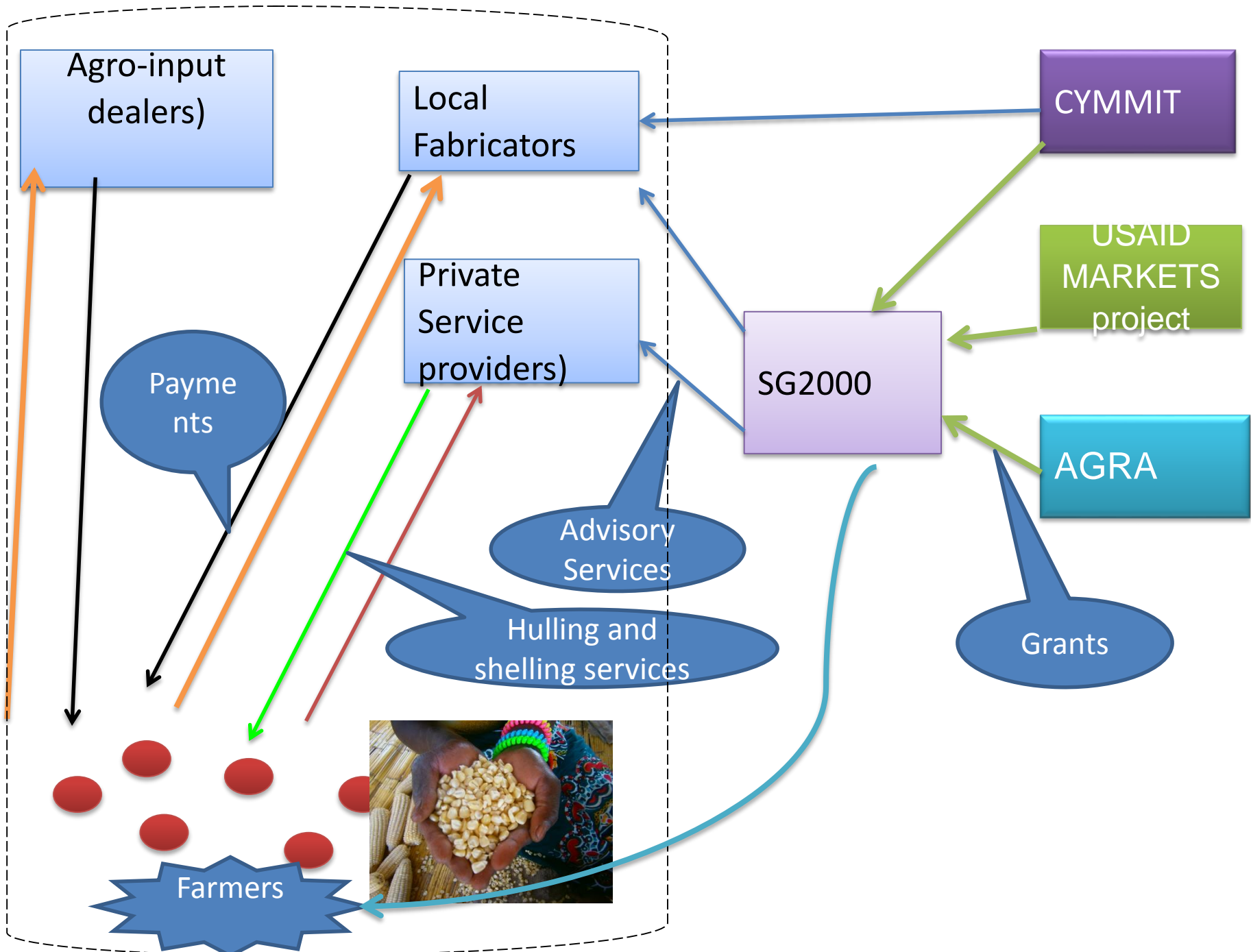












WFP P4P project in Uganda

- Strong demand improved post-harvest methods is created among food insecure smallholder farmers
- Initial price subsidy on the cost of their new equipment to low-income farming families.
- Gradually, as “word-of-mouth” regarding the success of the new equipment becomes stronger, the subsidization offer is reduced to zero.
- Started with a 70 percent subsidy offering, reduced to 50 percent in the second year, 30 percent in the third and fourth, and no subsidies by the fifth year

Business model

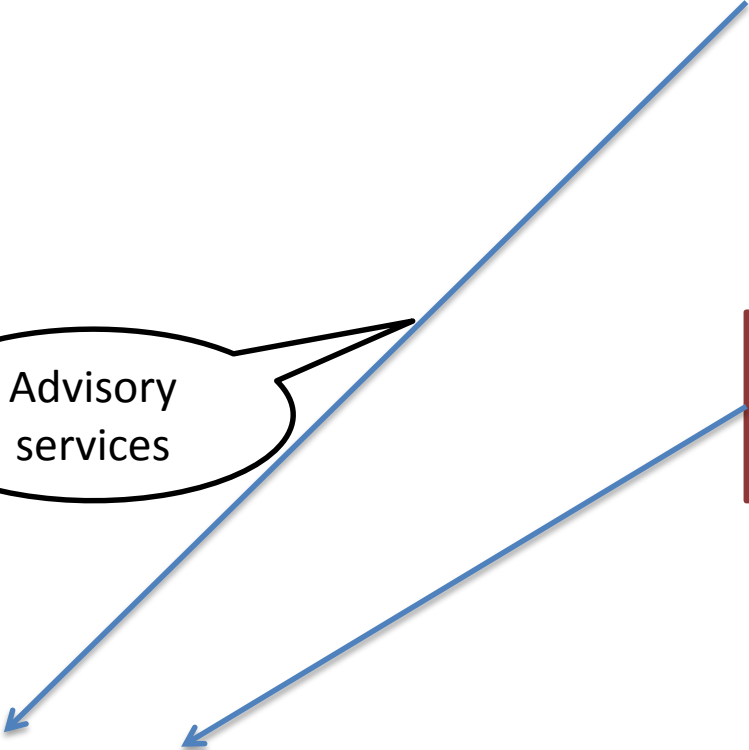
Service	Who provides	Who pays
Distribution of inputs	Private distribution company	WFP (P4P)
Advisory Services	NGO training partners	WFP (P4P)
Provision of subsidy	Input Manufacturers	WFP (P4P)
Manufacturing of Silos and triple bags	Manufacturers + Distributors	Farmers + Manufacturers (CSR)

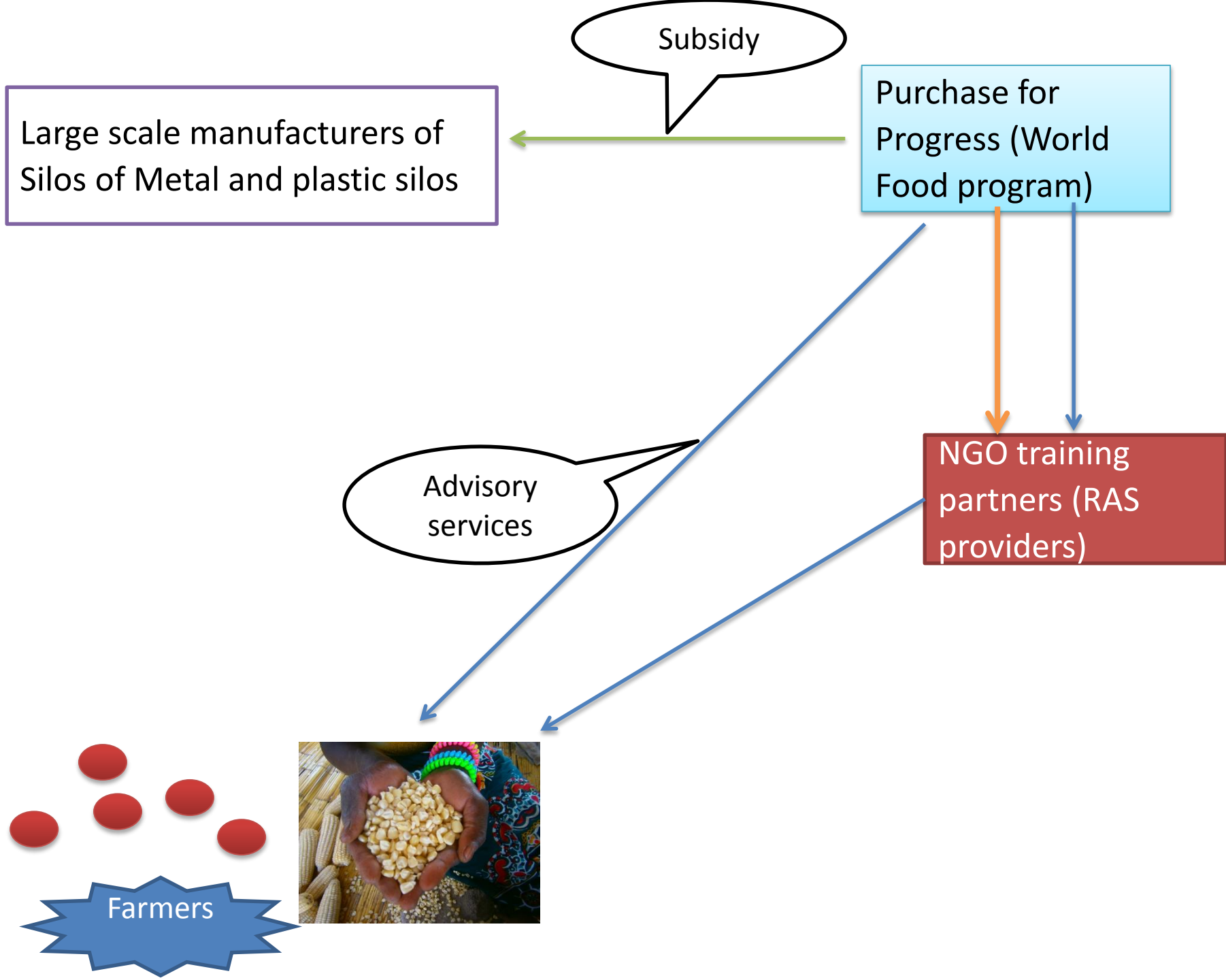
Purchase for Progress (World Food program)

NGO training partners (RAS providers)

Advisory services

Farmers





Subsidy

Large scale manufacturers of Silos of Metal and plastic silos

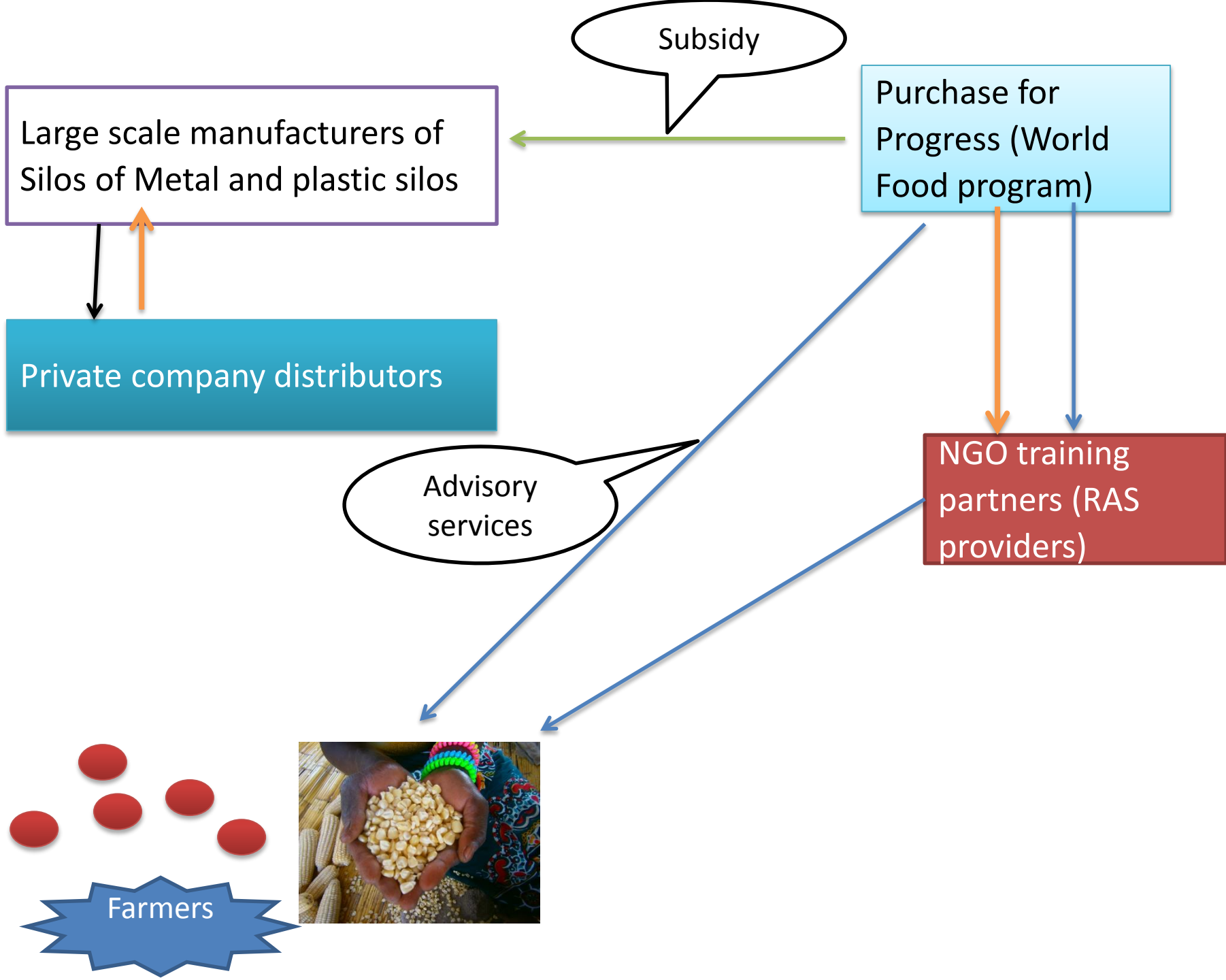
Purchase for Progress (World Food program)

Advisory services

NGO training partners (RAS providers)

Farmers





Subsidy

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Purchase for Progress (World Food program)

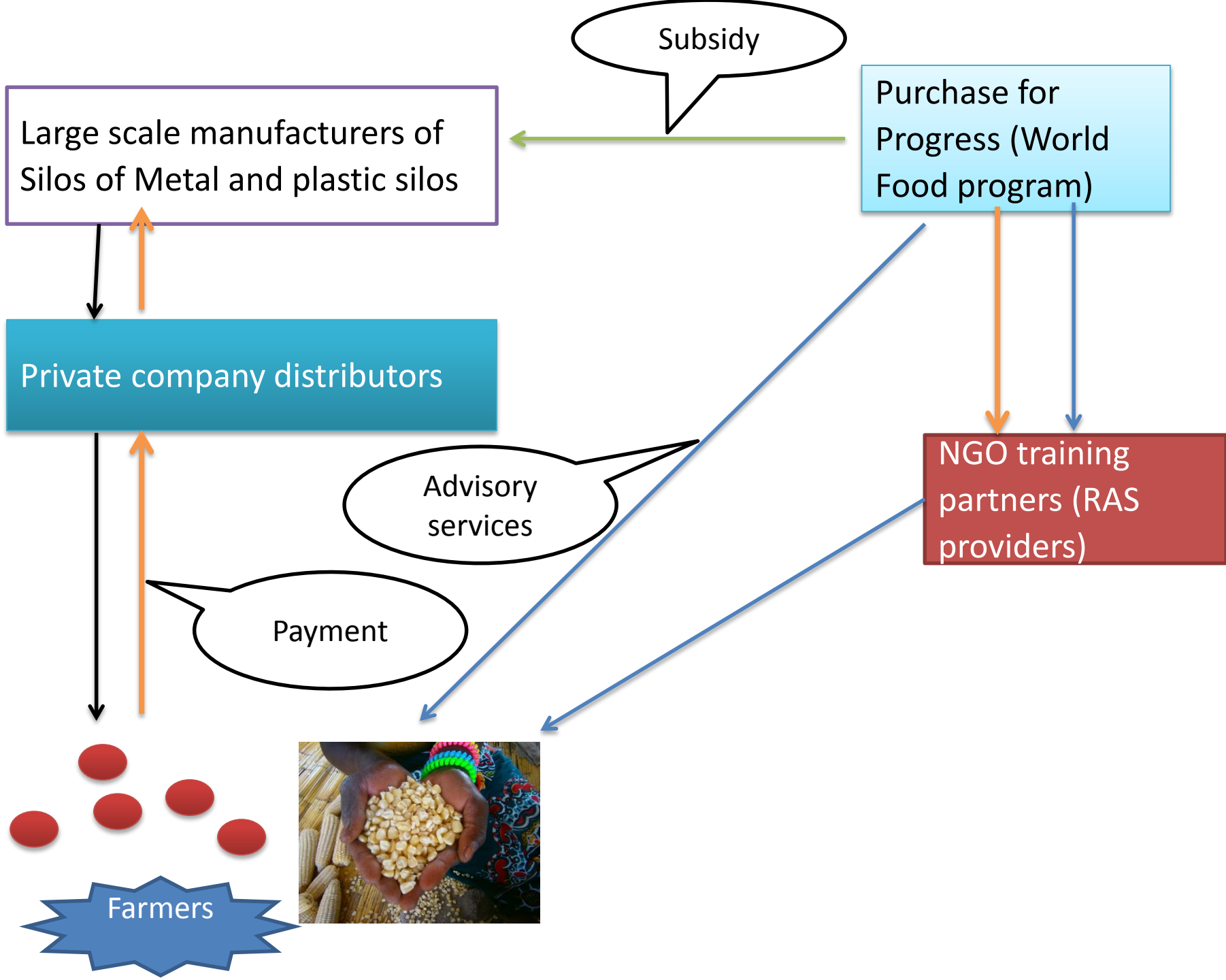
Private company distributors

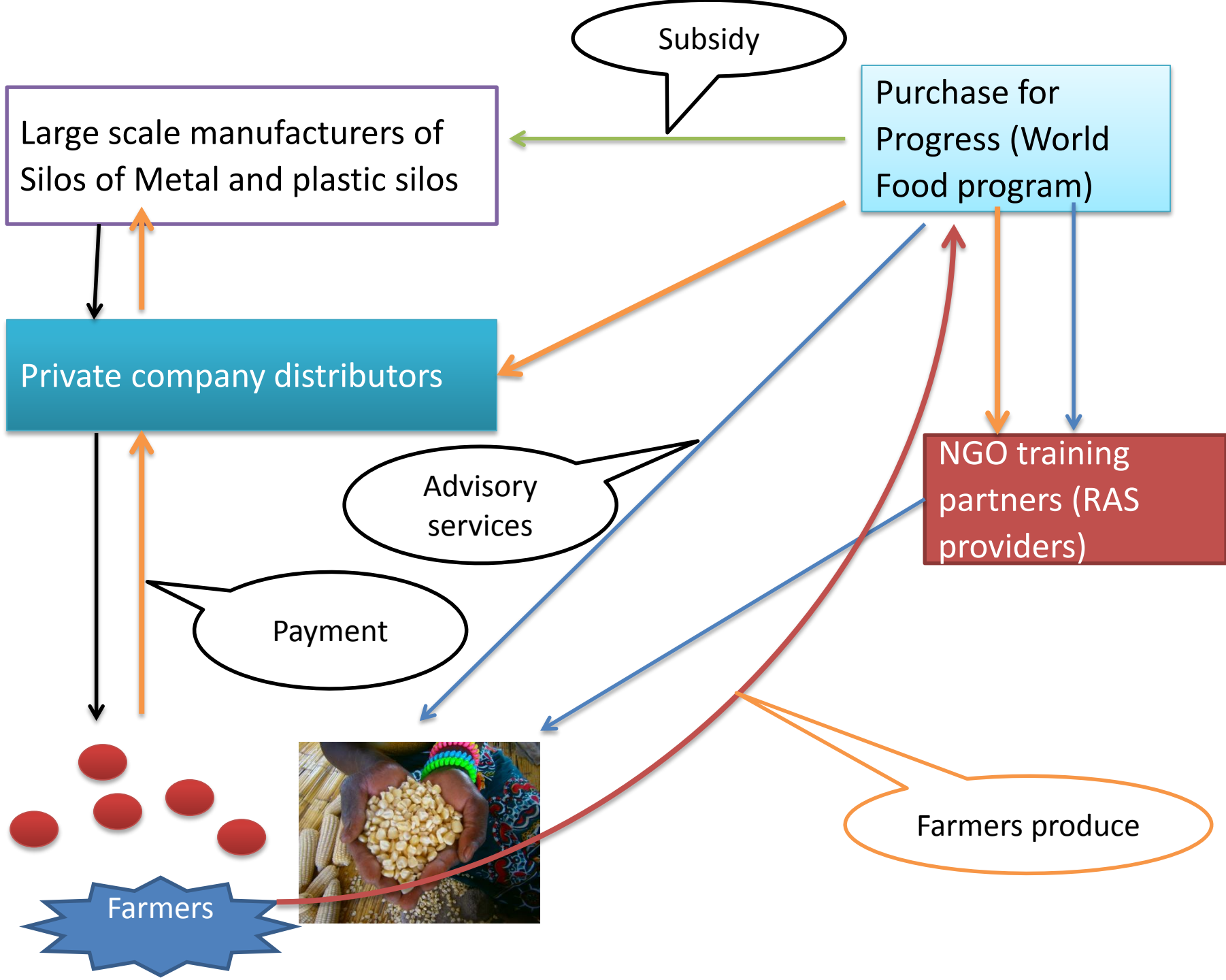
Advisory services

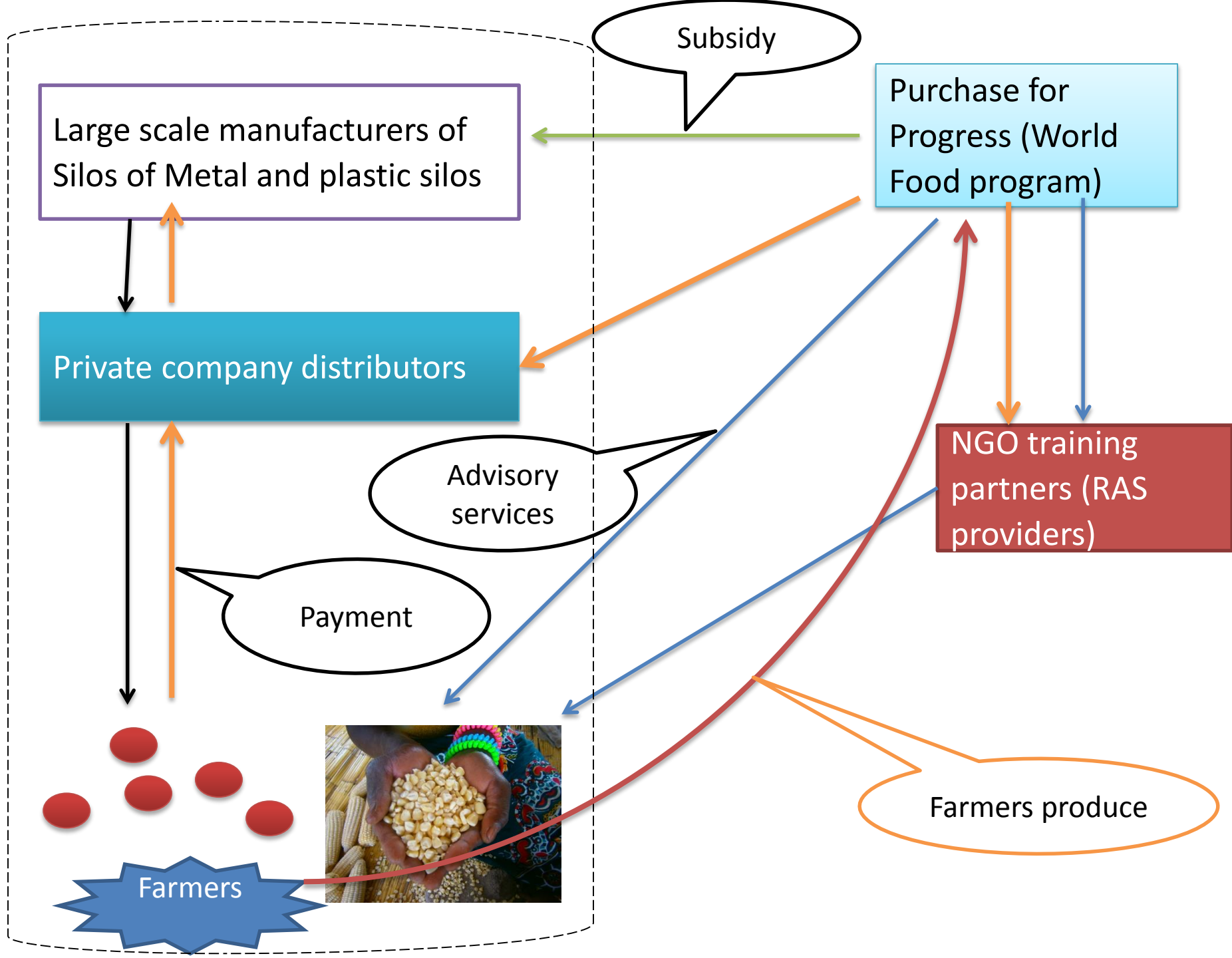
NGO training partners (RAS providers)

Farmers

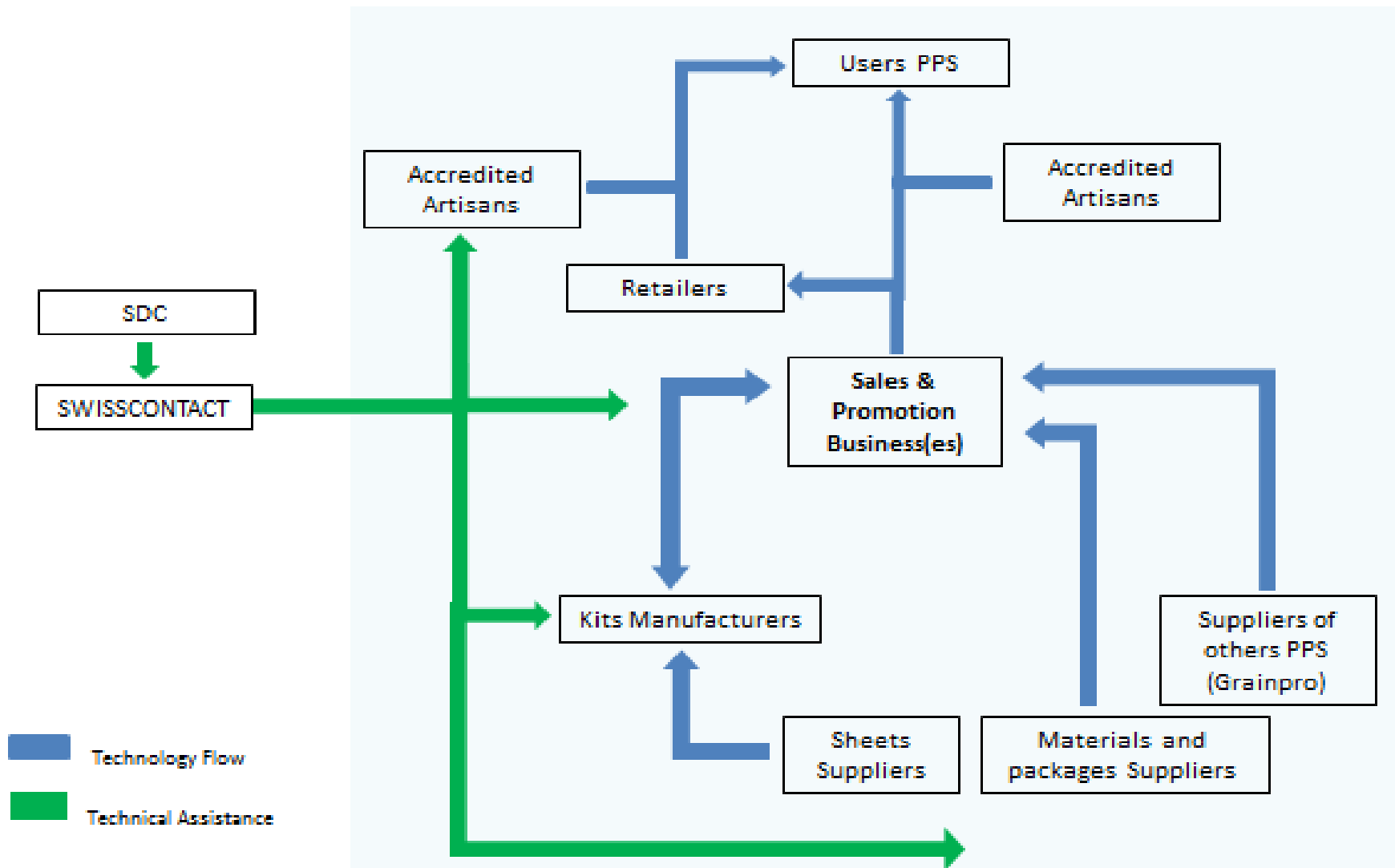




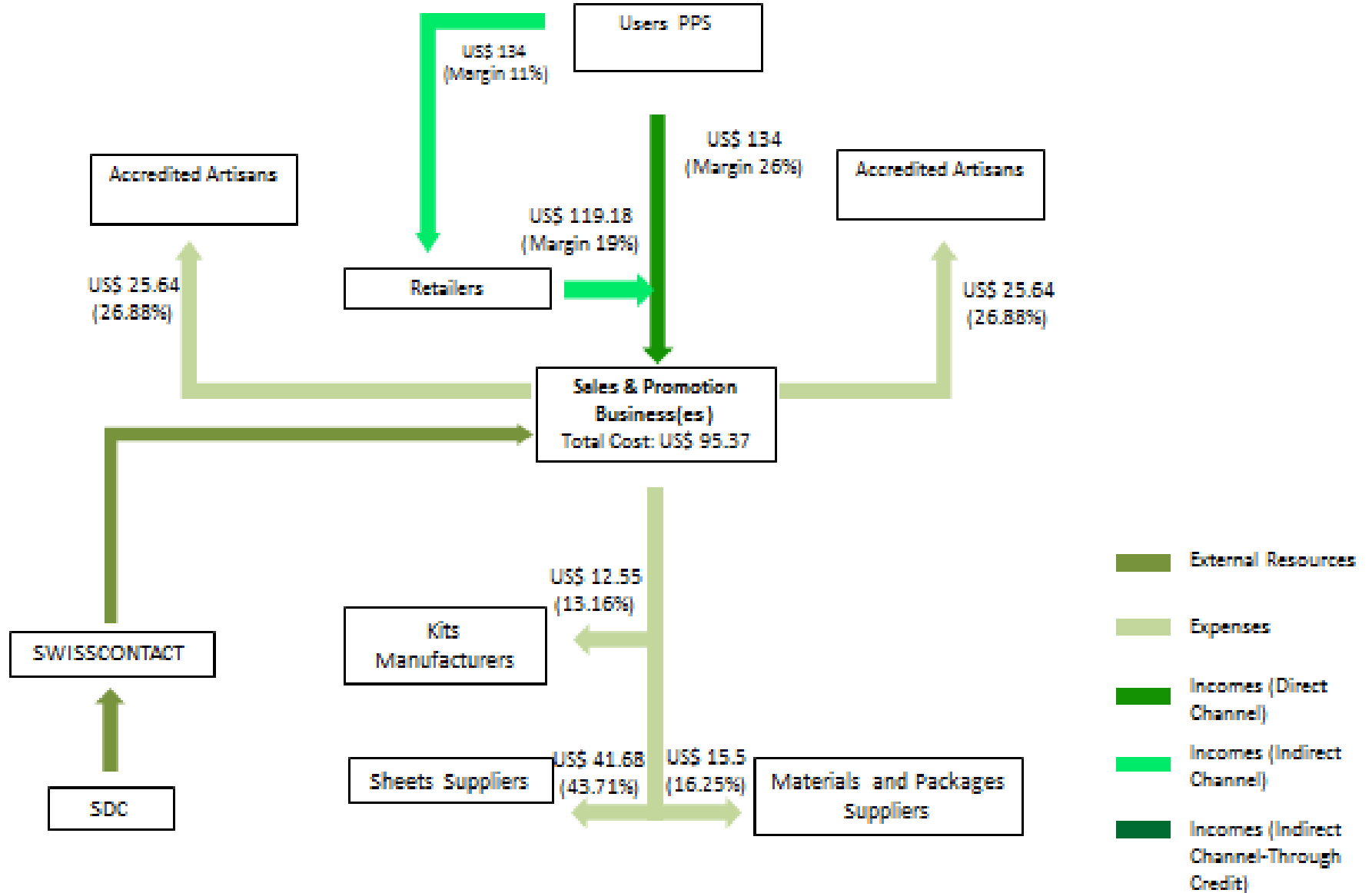




Flow of Post Production Solutions (PPS) and Technical Assistance



Flow of Financial Resources

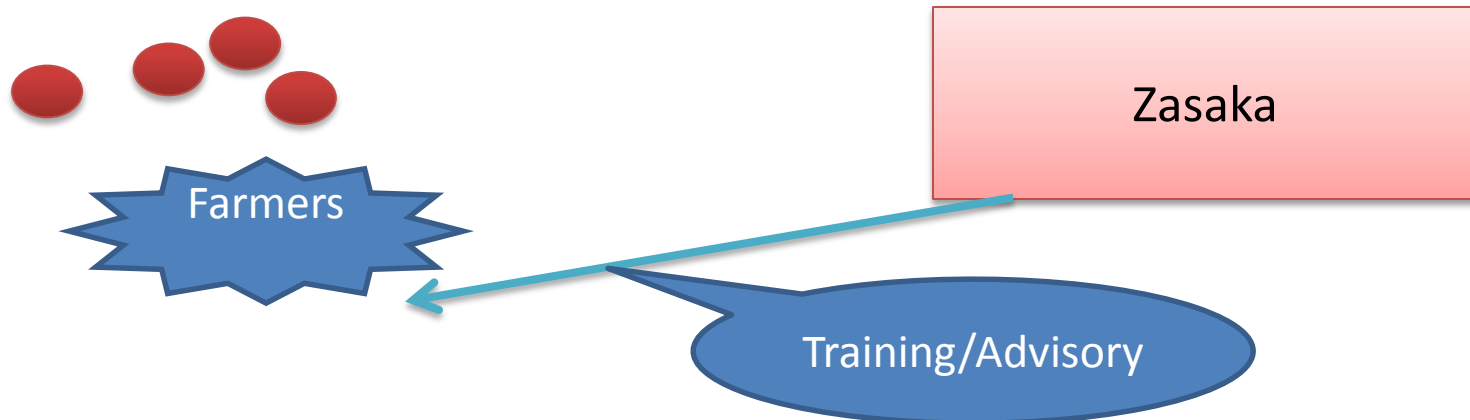


Zasaka in Zambia

- Zasaka is a Private Sector company in the maize value chain.
- providing hermetically sealed maize sacks, and buys dried maize from farmers at a good price.
- It stores the maize and sells it at the peak market price;
- Zasaka then uses the profits to expand the business

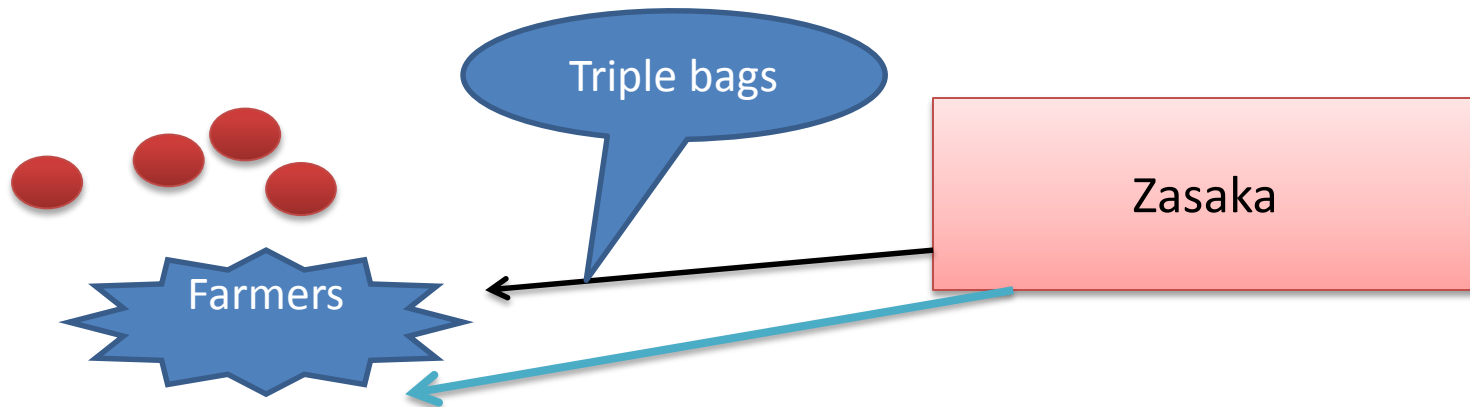
Business Model

Service	Who provides	Who pays
Hermetic bags	Zasaka	Farmers
Training on the use of bags	Zasaka	Zasaka
Marketing of Maize	Zasaka	Zasaka
Bulking	Zasaka	Zasaka



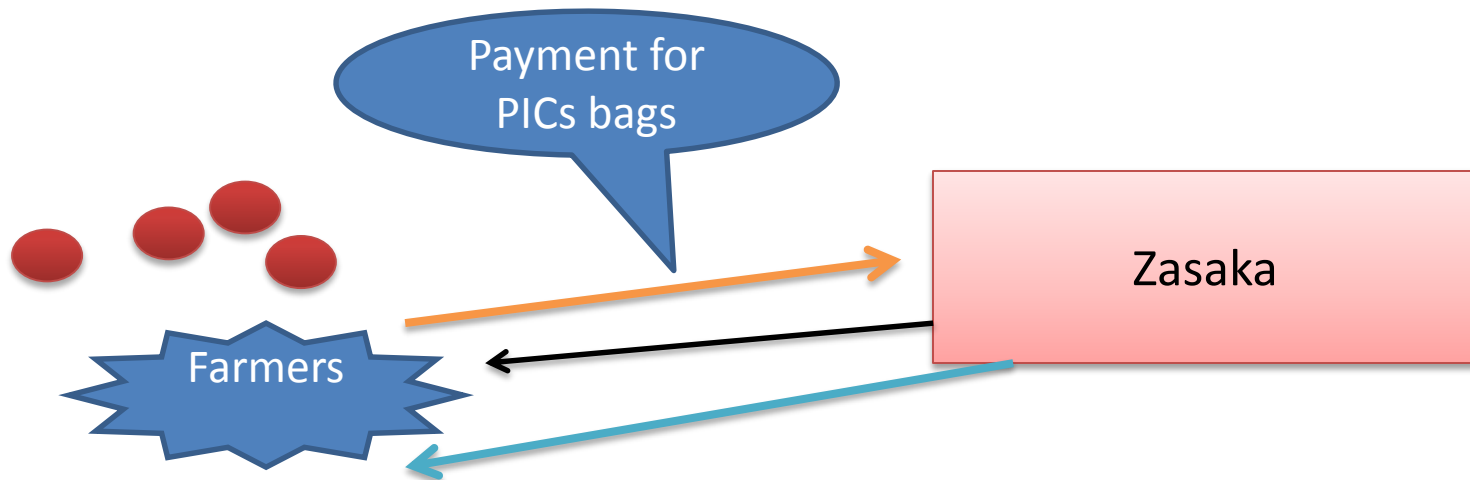
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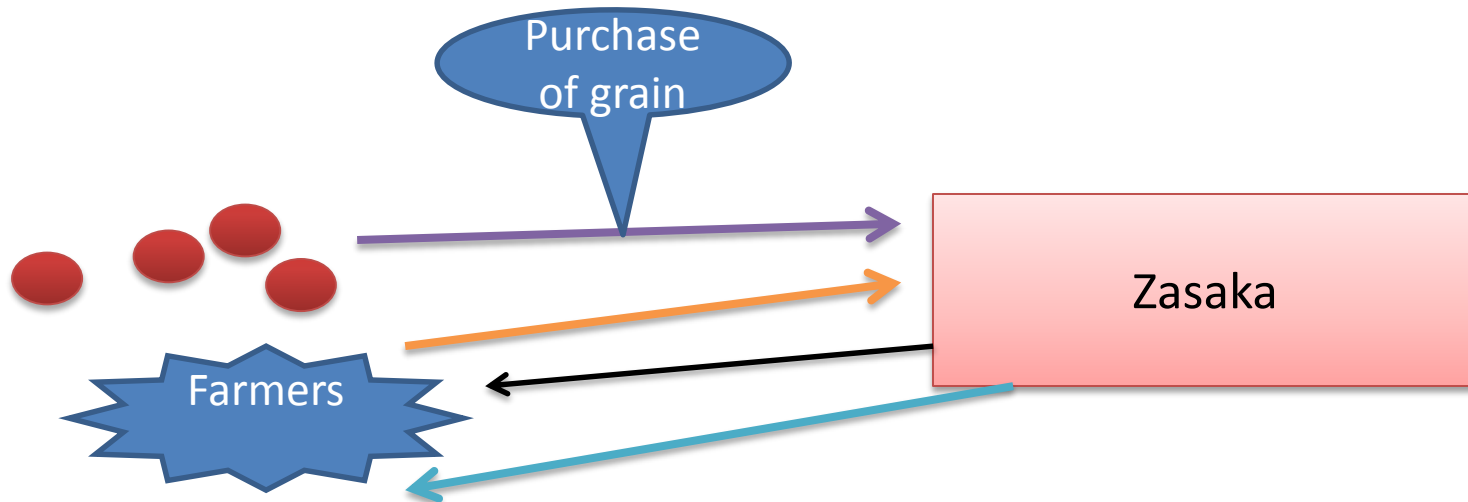
Business Model

Service	Who provides	Who pays
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Training on the use of bags	Zasaka	Zasaka
Marketing of Maize	Zasaka	Zasaka
Bulking	Zasaka	Zasaka
Payment for grain		



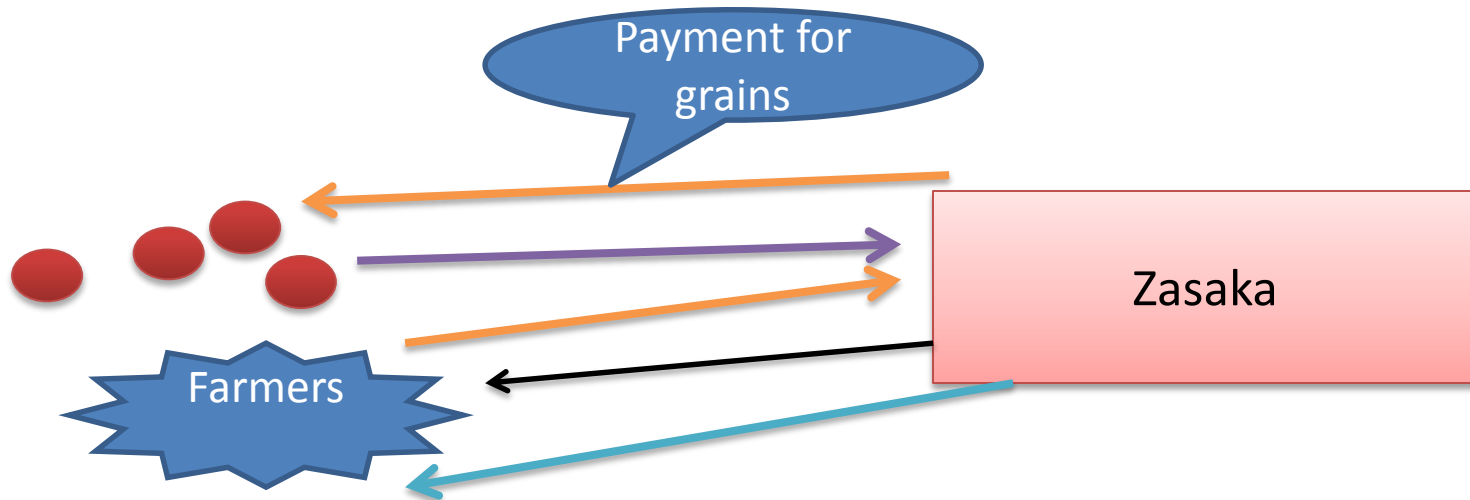
Business Model

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Business Model

Service	Who provides	Who pays
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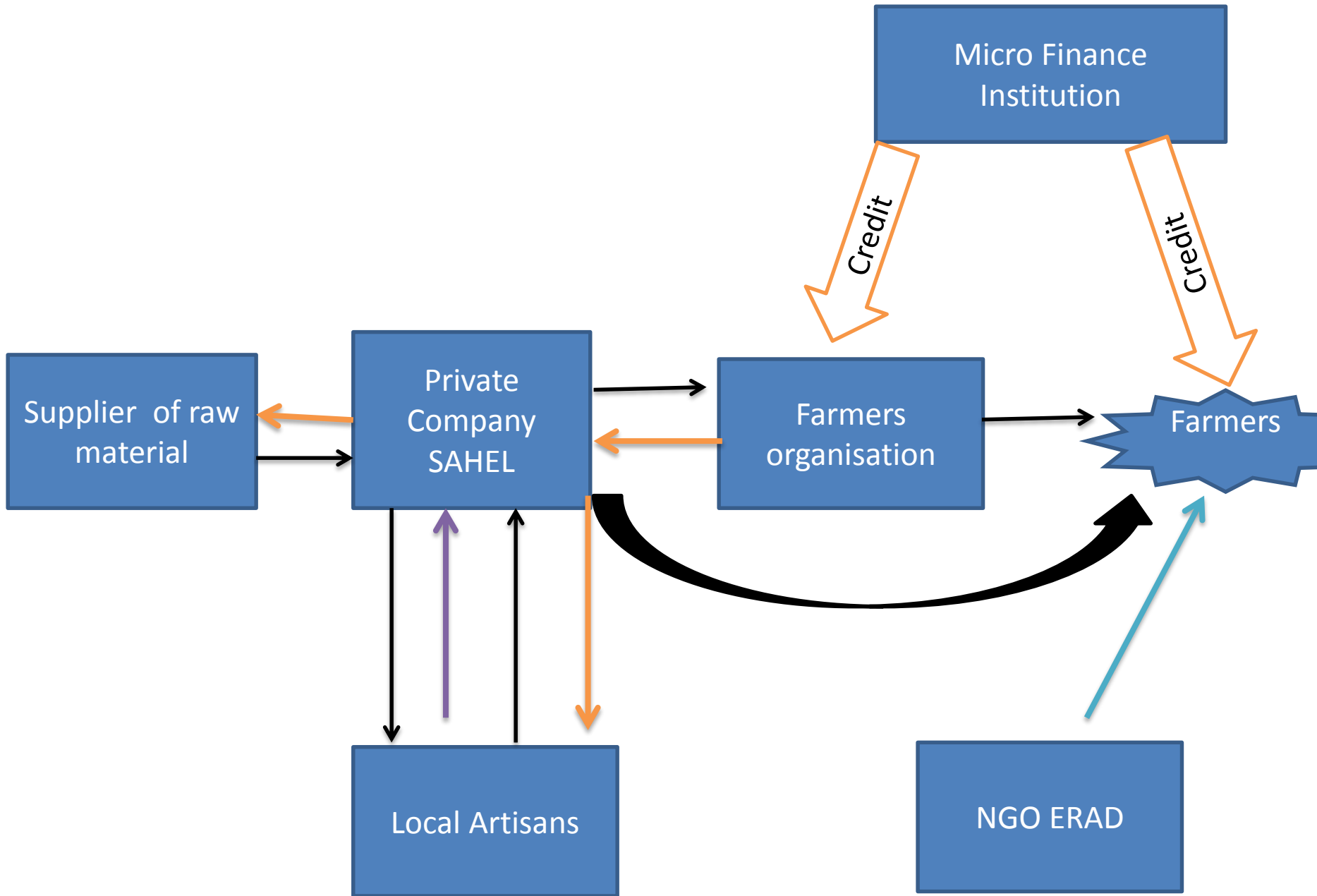


The PHM-SSA project

- Regional project implemented in by AFAAS, Helvetas, FANRPAN and Agridea.
- Piloted in Benin and Mozambique but scaling up.

Business Model

Service	Who provides	Who pays
Supply of raw materials	Private supplier of raw materials	Private enterprise SAHEL
Making of metal silos	Local artisans	Private enterprise SAHEL
Quality control	Private enterprise SAHEL	Farmers Organisation, Farmers
Advisory Services	Local NGO	Government/Farmers



Conclusions

- Projects should be only influence business models but not be players in the market system.
- For sustainability, development projects should get the private market players to lead the business platform
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