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EXPANDED AGRIBUSINESS AND TRADE PROMOTION (USAID E-ATP)

In fulfillment of the following deliverable under task 3.2.1:

Value chain action plans in place, with implementation updates built
into annual workplans
Millet/Sorghum **(FY 2012)**

Contract/ Project No.: EDH-1-00-00005-11

Submitted to: Danielle Knueppel, COR
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MILLET/SORGHUM VALUE CHAIN DEVELOPMENT PLAN UPDATED FOR FY 2012

EXPANDED AGRIBUSINESS AND TRADE PROMOTION (E-ATP) PROJECT



May 2012

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EXPANDED AGRIBUSINESS AND TRADE PROMOTION (E-ATP) PROJECT

MAY 2012

DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development (USAID) or the United States Government.

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LIST OF ACRONYMS

AI	Avian Influenza
ATP	Agribusiness and Trade Promotion Project
AU-NEPAD	African Union's New Partnership for Africa's Development
CAADP	Comprehensive Africa Agriculture Development Program
E-ATP	Expanded Agribusiness and Trade Promotion Project
ECOWAP	ECOWAS Agricultural Policy
ECOWAS	Economic Community of West African States
FIARA	<i>Foire internationale agricole et des ressources animales</i>
GHFSI	Global Hunger and Food Security Initiative
MIS	Market information system
NAIP	National Agricultural Investment Plan
NEPAD	New Partnership for Africa's Development
PCE	<i>Projet de croissance économique (Sénégal)</i>
PIVA	Partner Institutional Viability Assessment
PPP	Public-private partnership (<i>Partenariat public-privée</i>)
R&D	Research and development
SIAGRI	<i>Salon international de l'agriculture</i>
UEMOA	<i>Union économique et monétaire Ouest Africaine</i>
USAID	United States Agency for International Development
VCDP	Value Chain Development Plan
WAEMU	West African Economic and Monetary Union

EXECUTIVE SUMMARY

The Expanded Agribusiness and Trade Promotion (E-ATP) Project expands on the requirements of the ongoing Agribusiness and Trade Promotion (ATP) Project, which was launched in 2008. Both projects contribute to achieving the 6 percent agricultural growth target set under the Comprehensive Africa Agriculture Development Program (CAADP) of the African Union's New Partnership for Africa's Development (AU-NEPAD). E-ATP's primary objective is to increase the value and volume of intra-regional agricultural trade in staple food products in West Africa in support of the Global Hunger and Food Security Initiative (GHFSI) and the Investment Plan of the Economic Community of West African States (ECOWAS) Agricultural Policy (known as ECOWAP). E-ATP focuses on activities in key value chains (millet/sorghum, rice, and poultry) and along key transport/trade corridors where it can have a catalytic impact in supporting West Africans to develop durable solutions to constraints. This document presents the value chain development plan (VCDP) for E-ATP activities in the millet/sorghum value chain.

This VCDP is based on the findings of an assessment of the millet/sorghum value chain in West Africa and a regional stakeholders workshop that identified priority actions for improving competitiveness. These findings highlight the following:

- Value chain actors have limited market incentives—generally a result of governments' control of input markets and food aid programs—to invest in commercial millet/sorghum production, large-scale processing, and supply chain management practices.
- Growth in millet/sorghum processed products, although currently a small percentage of total millet/sorghum consumption or sales, has great potential to transform the value chain and infuse relations among actors with incentives for long-term, win-win cooperation.
- An unstable policy environment, notably the unofficial restrictions on cross-border trade in cereals that are a component of governments' self-sufficiency policies in food security, prevents a more efficient and vibrant flow of information and cereals between surplus and deficit areas across the region.
- Weak organizational capacity among producers and other value chain actors limits their potential to improve trade relationships and move beyond price-based bulk sales to more transparent, cooperative long-term trade relations.
- High transport and logistics costs are due to corruption and roadway checkpoint delays.

To address these findings, E-ATP's vision is for a more competitive food processing sector and greater long-term trade relations between actors across the region. While working in collaboration with other USAID bilateral and regional programs, E-ATP is implementing the following components as part of its millet/sorghum development plan:

Component 1: Increase regional trade in processed millet/sorghum products. E-ATP promotes opportunities for processors to 1) access diversified, regional markets for millet/sorghum-based products, 2) upgrade equipment and operations, and 3) develop consumer markets for new and existing millet/sorghum processed products.

Component 2: Increase regional trade in raw millet/sorghum cereals. E-ATP promotes long-term, cooperative trade relations between suppliers and traders in millet/sorghum cereals and collaboration between stakeholders to advocate and implement campaigns to lift seasonal restrictions on the cereals trade.

I. INTRODUCTION

This document outlines E-ATP's VCDP for millet/sorghum. The following section presents an overview of the E-ATP Project and the millet/sorghum value chain—a key component in realizing the objectives of the project. It also includes an overview of the millet/sorghum value chain in the West Africa region and an outline of the opportunities and challenges facing value chain actors if they are to improve competitiveness and address regional food security. Lastly, this VCDP presents key objectives and E-ATP activities for the remainder of the project, along with a detailed activity plan for FY 2012.

I.1 OVERVIEW OF THE E-ATP PROJECT

E-ATP expands on the requirements of the ongoing ATP Project, which was launched in 2008. Both projects contribute to achieving the 6 percent agricultural growth target set under CAADP, which is part of AU-NEPAD. E-ATP's primary objective is to increase the value and volume of intra-regional agricultural trade in staple food products in West Africa in support of GHFSI and the ECOWAP Investment Plan.

The implementation of ECOWAP/CAADP is based on national- and regional-level National Agricultural Investment Plans (NAIPs). At the regional level, three mobilizing programs complement the NAIPs: 1) the promotion of strategic products for food sovereignty, 2) the promotion of a global environment conducive to regional agricultural development, and 3) the reduction of food vulnerability and the promotion of sustainable access to food. The mobilizing programs are designed to accelerate the implementation of the regional agricultural policy. They reflect the ECOWAS Commission's strategic priorities for the transformation of the West African agricultural sector.

Reflecting the priorities of the ECOWAP/CAADP mobilizing programs, E-ATP is designed to improve the efficiency of intra-regional trade by addressing a set of critical constraints, including:

1. A poor enabling environment, especially policy implementation
2. The absence of well-developed links across regional value chains
3. Limited market information and support services such as finance
4. Physical and policy barriers and poor private sector practices in supply chain management, which contribute to very high transport costs

E-ATP also had an avian influenza (AI) component focused on approaching AI from the producer organization standpoint. The component sought ways for poultry producer organizations to raise knowledge about and implement good biosecurity practices and partner with the public sector to respond to and contain outbreaks.

I.2 PROJECT STRATEGY

E-ATP focuses on activities in key value chains (millet/sorghum, rice, and poultry) and along key transport/trade corridors where it can have a catalytic impact in supporting West Africans to develop durable solutions to these constraints. Helping them do so will drive substantial increases in intra-regional trade during the project and make them sustainable after the project ends. The project addresses a range of cross-cutting issues, including gender, the environment, and public-private alliances.

I.3 EXPECTED OUTCOMES

E-ATP implements integrated activities and programs to contribute to the following outcomes:

- **Outcome 1.** Significant reduction in the incidence of physical and policy-related barriers to moving agricultural and related commodities regionally in West Africa, with a special focus on facilitating the trade in staple foods from surplus to deficit areas
- **Outcome 2.** Enhanced linkages among agricultural producers and agro-input suppliers, agro-processors, and distributors
- **Outcome 3.** More effective advocacy by regional private sector and other nongovernmental actors for regional and national policies in support of an environment conducive to increased regional agricultural trade
- **Outcome 4.** Improved efficiency of trade transactions and regional market access, in particular through the improvement of regional market information systems (MIS) and facilitation of market linkages
- **Outcome 5.** Enhanced capacity of private poultry and animal health sectors to reduce the risk of AI outbreaks and transmission, and the capacity to recover after highly pathogenic avian influenza outbreaks

2. MILLET/SORGHUM VALUE CHAIN IN WEST AFRICA

In confronting West Africa's fragile food security environment, regional leaders and their development partners, including USAID, recognize the vital and attenuating role that a competitive agribusiness sector and local food markets can and must play. Within this context, USAID has initiated in recent years a number of country- and regional-level programs to accelerate the development of targeted value chains that are of strategic regional importance in building competitive food supply systems and reducing reliance on food imports. The millet/sorghum value chain was among several identified as priorities since they are principal staple foods for millions of West Africans and of vital importance to the region's economy.

In early 2010, E-ATP initiated an assessment of the millet/sorghum value chain in West Africa, building upon similar studies conducted elsewhere at the country level. The objectives of the multi-country study were: 1) to improve the project's understanding of the regional value chain's structure and dynamics; 2) to help the project identify and prioritize key constraints to growth and find opportunities for investment through direct stakeholder input; and 3) to inform and guide the subsequent development of a strategic development plan that would result in measurable improvements in incomes among regional stakeholders and overall sustainable value chain growth.

In March 2010, as part of the evaluation, E-ATP organized a stakeholder workshop in Ouagadougou to solicit additional input and help build broad consensus among stakeholders with regard to: 1) key challenges that need to be tackled; 2) priority investments that have the potential to address those challenges and catalyze growth; and 3) ways in which the project, as well as other organizations, could lend support to stakeholders in the process. More than 50 participants representing the public and private sectors—from producers and their input suppliers to market traders, warehouse operators, processors, researchers, machinists, policymakers, and local nongovernmental organizations—participated in the discussions.

The remainder of this section summarizes the findings of the evaluation and outlines the overall project strategy for addressing key findings that fit with the regional mandate and the particular objectives of E-ATP. The detailed objectives and activities that comprise this strategy are presented in the following section.

2.1 ANALYSIS AND WORKSHOP MAJOR FINDINGS

Low productivity and an unfavorable policy environment largely oriented toward safeguarding national food security interests have historically acted as forceful counterweights to sustained growth and development of the millet/sorghum value chain in West Africa. Low yields and poor quality have impeded the development of value-added markets and hampered cross-border trade in both raw and processed millet/sorghum. Moreover, many governments have long favored the discretionary use of domestic supports, consumption subsidies, export bans, and other measures in a bid to protect farmers and avoid cereal shortfalls. Such measures, however, contribute to an unstable policy environment, discouraging private sector confidence and thus investments in productivity enhancement and process upgrades.

Specific evaluation findings with regard to structural and organizational weaknesses that constrain value chain growth are summarized below:

Lack of Market Incentives and Marketable Surplus

Among myriad other factors, limited end markets and a lack of commercial incentives has for decades discouraged millet/sorghum producers from investing in surplus production and productivity-enhancing innovations. Increases in overall millet/sorghum output since the 1970s have lagged behind population growth, while availability of marketable surpluses has been uneven from one year to the next. In good harvest years, surplus production has served mainly to address shortfalls in deficit areas, with food aid and other distortionary measures discouraging growth in output prices. While recent changes in the regional food landscape could present some new opportunities for the region's producers, they will continue to be hampered by:

- Extensive government control and involvement in input markets for seeds and fertilizers, which limits competition and effectively crowds out private sector actors who could otherwise be more effective in adapting their products and services in response to localized producer needs
- Lack of access to information on industry trends and innovations and credit, which impedes actors' ability to adapt effectively to new challenges and respond quickly to emerging opportunities in the marketplace
- Weak organizational capacity among farmers and producer organizations, limiting their ability to tap into supply chains oriented around higher value end markets and related market requirements (e.g., quality and varieties).
- Underfunded public sector extension services and narrow penetration of ad-hoc project-based initiatives, leaving producers with poor access to training, available innovations, and related technical assistance
- Poor access to efficient infrastructure, such as good transport, roads, and warehousing that would enable producers to better link with more profitable supply chains and manage risks

Under-Developed Value-Added Food Markets

Across the region, value-added food products derived from millet/sorghum have the potential to compete with rice and other staple food preparations for a greater share of household consumption spending. Anecdotal evidence suggests that urban demand across the region currently outstrips production. Future growth in processing, utilization, and marketing of millet/sorghum depends on overall demand for quality raw materials, providing farmers with incentives to adopt improved technologies and otherwise invest in productivity and post-harvest upgrades. Notwithstanding existing demand, markets for millet/sorghum-derived food products remain underdeveloped and agro-processors face many challenges, including:

- Insufficient supply of quality raw materials, resulting in operational inefficiencies and higher processing costs related to the time-consuming and labor-intensive processes of cleaning and drying grains to remove impurities
- Limited availability of and poor access to affordable processing equipment (grinders, graders, dryers, etc.) adapted for millet/sorghum processing, constraining production capacity and agro-processors' ability to respond to existing market demands (e.g., quantity and quality)
- Weak marketing capacity and limited access to quality packaging and labeling solutions, impeding market access to higher end markets at the local, national, and regional levels
- Low levels of awareness among consumers about the range of foods that can be prepared from available local cereals and about related nutritional benefits, limiting growth in market demand
- Unfair competition from imported products linked to food security programs

Unstable Policy Environment that Stifles Growth

For most countries in West Africa, millet and sorghum are strategic crops with direct links to national food security. Thus, trade in millet/sorghum is sensitive and, during certain periods, tightly

controlled. Within this context, governments periodically resort to discretionary measures, regardless of regional trade commitments, designed to discourage cereal exports in a bid to overcome seasonal shortfalls and related price shocks at the national level. While at times effective in achieving short-term political goals, such ad-hoc measures are more often inimical to the long-term interests of stakeholders by:

- Preventing producers and traders in surplus zones from reaching deficit markets within the region that promise higher returns, and reducing the ability of consumers in deficit zones to procure needed supplies at affordable prices
- Reducing transparency and predictability of market dynamics and trends, thereby hampering efforts to allocate resources efficiently and profitably and to manage pricing and other risks
- Providing a fertile ground for corruption and bribery among government officials, further raising business costs and reducing competitiveness

Weak Organizational Capacity and Integration

Within the context of an unstable policy environment and narrow demand markets, producers, processors and traders have few incentives to cooperate. The resulting lack of strong farmer groups, trade associations, and interprofessional bodies at the local, national, and regional levels weakens the potential for greater horizontal and vertical integration that might otherwise become an engine for growth. In addition, weak organizational capacity at all levels constrains the ability of stakeholders to:

- Address the lack of a harmonized weights and measurements system and quality norms that could support the development of long-distance, more formalized cross-border trade
- Build consensus around reform priorities that would improve the enabling environment for trade in raw and processed cereals
- Develop an understanding of and the tools necessary to shape and influence the policymaking process at the local, national, and regional levels
- Collaboratively identify and implement a shared vision for the development of a competitive regional millet/sorghum value chain

High Cost of Transport and Logistics Due to Corruption and Roadway Checkpoint Delays

Road blocks, delays, and corruption are a few of the major problems preventing West African transport from being competitive. The considerable loss of time and the increase in vehicle operating costs caused by the multitude of barriers limit the free movement of agricultural products in the sub-region, resulting in unnecessarily high consumer prices for imported goods and lower-than-necessary profits for exporters.

2.2 VISION

Within the context outlined above context, and taking into consideration its mandate, E-ATP's vision for the regional millet/sorghum value chain is predicated upon growth of a competitive food processing sector and unprocessed cereals trade within the region. This is a means for 1) reshaping perceptions among all market actors of millet/sorghum as a marketable commodity with commercial potential; 2) stimulating regional consumption of high-quality, competitively priced value-added millet/sorghum products; 3) stimulating productivity-enhancing investments and outputs, as well as fostering the development of competitive, differentiated supply chains oriented around key end markets; 4) increasing incomes among stakeholders; and 5) enhancing the value chain's contribution to regional food security.

Important elements of this vision include:

- An enabling environment with predictable policies that support the private sector and generate

incentives for investment in the sector

- An increase in the number of actors actively investing and upgrading operations to improve their competitiveness in regional end markets
- Increased collaboration and learning between value chain actors and public institutions that increasingly view themselves as part of a regional industry
- An improved flow of information about innovations pertinent to all levels of the value chain
- Promotion of improved, more efficient trade models in both raw and processed millet/sorghum, based on well-informed, vertically linked actors
- Promotion of consensus around the positive role that intra-regional trade can play in ensuring regional food insecurity

2.3 E-ATP STRATEGY, OBJECTIVES, AND ACTIVITIES

2.3.1 E-ATP STRATEGY

The E-ATP strategy for bringing about this vision and contributing to the project's five outcomes has three main components:

1. Increase regional trade in processed millet/sorghum products
2. Increase regional trade in raw millet/sorghum cereal
3. Leverage E-ATP cross-cutting project resources

These components are analyzed below with details about specific activities to be undertaken.

Collaboration with National and Regional Programs

Before proceeding further, it is imperative to note that E-ATP's strategy will be implemented in close collaboration with several bilateral and regional programs whose initiatives in the millet/sorghum value chain are supported by USAID and other donor and national structures. As a regional program, E-ATP ensures that its activities complement and add value to national and regional program goals by contributing in one or more of the following ways:

- Facilitating connections between stakeholders and programs in countries across the region to promote shared learning, sustainable interactions and collaborative efforts to address shared challenges
- Facilitating actors' and programs' access to regional public institutions that are key E-ATP partners in addressing policy issues (e.g., ECOWAS and the West African Economic and Monetary Union, known as WAEMU)
- Supporting regional institutions to expand their collaboration with value chain actors and provide technical and informational resources
- Coordinating with regional programs to ensure complementary efforts and responsible use of resources

2.3.2 E-ATP MILLET/SORGHUM STRATEGY COMPONENTS

Component I: Increase Regional Trade in Processed Millet/Sorghum Products

Existing end markets for processed millet/sorghum products are largely fragmented, immature, and comprised essentially of urban and peri-urban areas across the region where changing consumption habits linked to rising income levels are fueling demand for value-added food preparations. Growing demand has supported the emergence in recent decades of a nascent agro-processing industry and

the development of an ever-expanding range of food products derived from millet/sorghum. While evidence suggests strong growth and potential moving forward, trade in processed millet/sorghum products is highly localized and the industry faces a number of challenges that will need to be addressed for future growth to happen.

The key objectives of this component of E-ATP's millet/sorghum value chain strategy include:

- Promoting opportunities for processors to access new regional markets for processed millet/sorghum products
- Facilitating operational upgrades among millet/sorghum product processors through linkages to equipment suppliers and research and development (R&D) product service providers
- Promoting consumption of millet/sorghum-derived processed products through lobbying initiatives and public-private partnerships (PPPs), to build consumers' awareness of the range of products available, their use, and their associated nutritional benefits
- Identifying consumer markets for new and existing millet/sorghum processed products
- Harmonizing standards at the regional level related to product quality, labeling, packaging, etc.
- Supporting marketing efforts and strengthening the marketing capacity of select processors capable of and interested in pursuing opportunities at the regional level

Component 2: Increase Regional Trade in Raw Millet/Sorghum Cereal

Millet/sorghum has direct links to food security policy for many countries in the region. Trade in millet/sorghum cereals remains highly politicized and, at times, tightly controlled. Policy barriers put in place to further legitimate food security interests too often restrain the development of commercial trade and the growth of related investments. Given these constraints, intra-regional trade is highly dependent on public sector involvement. Beyond institutional markets, informality dominates. Within this context, initiatives designed to expand cross-border trade in millet/sorghum cereals within the region must work to create a better enabling environment. For this reason, the key objectives under Component 2 of the E-ATP millet/sorghum value chain strategy include:

- Supporting actors to mitigate institutional barriers to increased trade by strengthening their ability to carry out lobbying and advocacy work
- Providing traders, processors, and other buyers with the requisite tools to increase and diversify their sources of supply and their distribution area
- Facilitating sustainable, commercial relationships that link producers to traders to processors and, finally, to end markets
- Creating learning networks oriented around technical and process innovations at key value chain levels and facilitating the exchange of information and experiences among actors
- Promoting sustainable mechanisms for value chain actors to collaborate and coordinate discussions with national and regional authorities, in order to reduce barriers to intra-regional trade

3. COMPONENT I: INCREASE REGIONAL TRADE IN PROCESSED MILLET/SORGHUM PRODUCTS

3.1 OBJECTIVE I

E-ATP promotes opportunities for processors to access diversified markets for millet/sorghum-based products in the region.

Activity I: Organize regional trade fairs

The recent growth in sales of processed goods highlights the potential importance of processors in value chain development in West Africa. Trade events provide opportunities for processors to meet potential buyers and raw material suppliers, as well as to introduce processed products to traders throughout the region. ATP has supported participation in trade events since FY 2009.

The project supports the organization of multi-country trade forums for distributors, buyers, and processors, to promote trade partnerships between value chain actors. To facilitate participation, E-ATP identifies and support key stakeholders with technical and capacity building assistance as necessary.

The trade fairs will offer opportunities for actors to identify and develop relationships with trade partners and share information about the quality and variety requirements of different end markets. They will also serve as a venue to address challenges and barriers to intra-regional trade.

In FY 2012, the project will sponsor regional processors from the millet/sorghum, maize, and rice value chains to attend the following events to help them expand their distribution and supply network:

- *Journées agro-alimentaires* in Burkina Faso (November-December 2011)
- *Salon international de l'agriculture (SIAGRI)* in Mali (April 2012)
- *Foire Internationale agricole et des ressources animales (FIARA)* in Dakar (February 2012)
- Cereal exchanges organized by *Afrique Verte* in Burkina Faso, Niger, and Mali

Expected results: long-term intra-regional trade relations (processors and buyer/distributors); collaboration between value chain actors involved in production, processing, and marketing of processed products to address trade barriers, establish learning networks, etc.

Key partners and collaborators:

- Bilateral programs in target West African countries
- Buyers and distributors of millet/sorghum-based products
- Processors of millet/sorghum-based products
- Financial institutions

Activity 2: Facilitate long-term trade relations

Through E-ATP's Market Facilitators and the regional trade forums, the project will identify trade opportunities and facilitate the emergence of long-term trade relations. Expected obstacles include accessing production financing, identifying appropriate contracting mechanisms, satisfying volume and quality requirements, and overcoming logistical transportation. To assist trade partners, the project will provide technical assistance and leverage its financial and transport technical resources.

Expected results: long-term trade relations between market actors

Key partners and collaborators:

- Bilateral programs in target West African countries
- Individual value chain actors—ranging from seed suppliers to processors, importers, and traders—who participate in market channels for local and regional millet/sorghum and work to compete in markets for imported processed millet/sorghum products

3.2 OBJECTIVE 2

E-ATP will upgrade the operations of millet/sorghum product processors.

Activity 1: Facilitate investments in processing equipment

E-ATP assists an equipment manufacturer in upgrading operations by investing in performance- and productivity-enhancing equipment. The project will also support selected processors and manufacturers in overcoming challenges to making equipment purchases. The project will facilitate relationships between appropriate equipment manufacturers and processors by putting processors in contact with manufacturers, possibly through trade shows and exchange visits.

Expected results: investment by processors in equipment to enhance performance, productivity, and market access

Key partners and collaborators:

- Bilateral programs in target West African countries
- Equipment suppliers and manufacturers
- Processors

Activity 2: Promote model supply chain management operations

E-ATP assists value chain actors in strengthening the management of their supply chains in order to improve their access to reliable supplies of good quality raw materials. This, in turn, will increase the productivity of processing operations and improve access to markets that require assurances about quality products in reliable quantities. E-ATP identifies and promotes model supply chain management operations in the region, such as contractual relationships between processors or intermediaries and producers. Potential intermediaries include individual traders or producer groups interested in benefitting from contractual trade agreements.

Once particular model operations are identified, the project will promote these models through study tours, development and dissemination of case studies, presentations at industry forums, etc. In coordination with bilateral programs in target West African countries, the project will conduct an inventory of these programs' activities in order to:

- Identify value chain actors whose operations could serve as models

- Assess gaps in potential model operations
- Identify additional support that E-ATP could provide to target value chain actors in conjunction with bilateral programs

Additional forms of support could include study tours to examine existing model operations either within or outside the region, assistance with business planning and access to finance, and technical assistance that lies outside the scope of a particular bilateral program.

Expected results: investments in and upgrades to supply chain management operations by actors (processors and/or intermediaries); access to finance for investments by value chain actors; bilateral programs with access to and awareness of regional resources to support their programs

Key partners and collaborators:

- Bilateral programs in target West African countries
- Individual processors or intermediaries with existing or potential model operations
- Producer organizations

4. COMPONENT 2: INCREASE TRADE IN RAW MILLET/SORGHUM CEREALS

4.1 OBJECTIVE I

E-ATP will promote long-term trade relations between suppliers and traders in raw millet/sorghum cereals.

Activity 1: Participate in cereal exchanges (*bourses céréalières*)

The recent growth in sales of processed goods highlights the potential importance of processors in value chain development in West Africa. Trade events provide opportunities for processors to meet potential buyers and raw material suppliers, as well as to introduce processed products to traders throughout the region. ATP has supported participation in trade events since FY 2009.

The project will support the organization of multi-country trade forums for distributors, buyers, and processors, to promote trade partnerships between value chain actors. To facilitate participation, E-ATP identifies and supports key stakeholders with technical and capacity building assistance as necessary.

The trade fairs will offer opportunities for actors to identify and develop relationships with trade partners and share information about the quality and variety requirements of different end markets. They will also serve as a venue to address challenges and barriers to intra-regional trade.

In FY 2012, the project will sponsor regional processors from the millet/sorghum, maize, and rice value chains to attend the following events to help them expand their distribution and supply network:

- *Journées agro-alimentaires* in Burkina Faso (November-December 2011)
- *SIAGRI* in Mali (April 2012)
- *FIARA* in Dakar (February 2012)
- Cereal exchanges organized by *Afrique Verte* in Burkina Faso, Niger, and Mali

Expected results: development of long-term trade relations by commercial producers, processors, and traders.

Key partners and collaborators:

- *Afrique Verte* and its national representatives
- National and regional interprofessional organizations

Activity 2: Facilitate long-term trade relations

In FY 2010 and FY 2011, exploratory trips were conducted to assess trade possibilities in the cereal value chains. Following these trips, the project provided coaching and facilitation support to ensure effective contract-based trade. This combination (bringing purchasers together with suppliers,

providing coaching, and delivering technical assistance in contracting and other areas) will continue in FY 2012, receiving increased emphasis. FY 2012 activities will include:

- Final identification of large-scale cereal purchasers operating out of Niger and Benin
- Evaluation of large-scale cereal purchasers' ability to integrate regional-level trade into their business operations
- Facilitation of meetings between buyers and sellers
- Organization of coaching meetings for Malian, Burkinabé, and Ivorian producer organizations before negotiation meetings with purchasers from Niger

While identifying potential sellers and buyers and/or setting up meetings is the first important step, support will not stop there. The project will also engage in the following activities:

- Documentation of meetings and identification of contacts that require additional follow-up
- Coaching for buyers and sellers who have established contacts with potential business partners
- Facilitation of contract-based trade transactions, including monitoring of their progress

To ensure that learning takes place throughout the cycle, obstacles to progress will be documented.

Expected results: long-term intra-regional trade relations between market actors in the region and between surplus and deficit areas

Key partners and collaborators:

- Bilateral programs in target West African countries
- Individual value chain actors (e.g., producers, producer organizations, traders)
- National and regional interprofessional associations

Activity 3: Promote model supply chain management operations

E-ATP assists value chain actors in improving management of their supply chains in order to increase their access to reliable supplies of good quality millet/sorghum. The project will identify and promote model supply chain management operations in the region, such as contractual relations between traders/intermediaries and producers. Potential intermediaries include individual traders or producer groups interested in the benefits of contractual trade agreements.

Once particular model operations are identified, the project will promote these models through study tours, development and dissemination of case studies, presentations at industry forums, etc. In coordination with bilateral programs in target West African countries, the project will conduct an inventory of these programs' activities in order to:

- Identify value chain actors whose operations could serve as models
- Assess gaps in potential model operations
- Identify additional support that E-ATP could provide to target value chain actors in conjunction with bilateral programs

Additional forms of support could include study tours to learn about existing model operations either within or outside the region, assistance with business planning, and access to financial and technical assistance that lies outside the scope of a particular bilateral program.

Expected results: investment in and upgrades to supply chain management operations by actors (producers and intermediaries), access to finance for investments by value chain actors, bilateral programs with access to and awareness of regional resources to support their programs

Key partners and collaborators:

- Bilateral programs in target West African countries
- Individual value chain actors, from producers to traders
- Groups of commercially oriented producers
- Interprofessional organizations and regional apex organizations

Activity 4: Strengthen producer organizations' services to members

E-ATP assists organized groups of producers in increasing their regional competitiveness by strengthening their capacity to provide critical services to members. The focus will mainly be on services that improve the uniformity and yields of millet and sorghum production and, as a result, mitigate food security. Services include:

- **Post-harvest handling, storage, and traceability.** Regional cereal buyers are developing increasingly strict quality standards that are often difficult for producer organizations to satisfy. The quality criteria most frequently required by buyers are those that address the percentage of moisture content, impurities, insect damage, spoilage, and aflatoxin levels. In order to ensure quality control, producer organizations need to set up a traceability system in order to monitor cereal collection from its members.
- **Integrated crop management and integrated soil fertility management.** In 2011, 65 trainers from targeted producer organizations were trained in integrated millet/sorghum management. In addition, these trainers were taught facilitation techniques that enabled them to share their newly acquired knowledge with other members of their organizations. The groups selected are particularly market-oriented and were identified as having great potential to benefit from additional E-ATP support.
- **Refresher training of conservation agriculture trainers.** In FY2011, E-ATP, USAID's *Projet de croissance économique* (PCE) and *Wula Nafaa* project (both in Senegal), agreed to work jointly to promote conservation agriculture among sorghum producers, using a refresher course for trainers that will promote sustainability of the 2011 training of trainers selected from the Koulouck and Thiaré producer organizations. The objective of retraining is to ensure the sustainability of the project's impact by improving the ability of trainers to undertake cascade training in integrated crop management for millet/sorghum. The refresher course would focus on topics and modules that trainers were not able to fully master during the original training sessions in 2011.

Expected results: Stronger producer groups, improved yields, and access for producers in regional grain markets

Key collaborators:

- Bilateral programs in target West African countries
- Individual value chain actors, from producers to traders
- Groups of commercially oriented producers

Activity 5: Provide access to transparent market information mechanisms

E-ATP will also incorporate millet/sorghum grain price information into the MIS, which will ultimately appear on the Esoko and Manobi platform. Suppliers and traders will be trained on how to access this information through cellular technology and how to identify trading partners.

Expected results: access to reliable, up-to-date information on market prices for value chain actors (e.g., producers and traders)

Key partners and collaborators:

- Bilateral programs in target West African countries
- National and regional interprofessional associations
- Individual value chain actors

4.2 OBJECTIVE 2

E-ATP will help create sustainable mechanisms for targeted value chain actors to collaborate and coordinate discussions with national and regional authorities in order to reduce barriers to intra-regional trade.

Activity 1: Provide access to regulatory information on regional trade

E-ATP will assist merchants and traders develop a greater awareness of the respective national and regional regulations governing processed cereals and grains imports and exports. The project will support national and regional interprofessional organizations through grants to provide members with information through printed material and workshops.

Expected results: increased regional trade and reduced informal trade barriers

Key collaborators:

- Bilateral programs in target West African countries
- Individual value chain actors, from producers to traders
- Interprofessional organizations and regional apex organizations

Activity 2: Assess costs of regional trade restrictions

In order to support lobbying efforts to end seasonal trade restrictions, in strategically selected countries E-ATP will assess the costs of restrictions on regional trade in millet/sorghum. The assessments will examine the effects of trade restrictions, looking at costs to producers and traders (e.g., opportunity costs of missed trade opportunities) and at food security in cases where limitations on intra-regional trade prevent efficient flows of grain from surplus to deficit areas.

Expected results: analysis of trade restrictions' economic and food security costs

Key partners and collaborators:

- Bilateral programs in target West African countries
- Individual value chain actors
- National and regional interprofessional associations
- National governments and regional public institutions

Activity 3: Foster coalitions to advocate to lift seasonal trade restrictions

The project will foster the emergence of regional value chain actor coalitions (e.g., producers, traders, processors, consumers, actors in other relevant value chains) through selected interprofessional organizations interested in lifting seasonal trade restrictions. E-ATP will strengthen coalition members' organizational capacity and advocacy skills. Through grants and technical assistance, the project will also help them develop and implement a range of activities designed to sway opinion and generate policy discussions on lifting these restrictions.

Expected results: coalition of organizations in the region capable of participating in policy dialogues at the national and regional levels and leading public communications strategies to lift seasonal trade restrictions

Key partners and collaborators:

- Bilateral programs in target West African countries
- National and regional interprofessional associations

5. COMPONENT 3: LEVERAGE E-ATP CROSS-CUTTING TECHNICAL RESOURCES

E-ATP has technical resources that cut across its three target three value chains. These include finance, policy, PPPs, organizational strengthening, transportation, MIS, and gender resources. Each resource center will be involved in implementing this value chain development plan. The Millet/Sorghum Value Chain Leader will be responsible for coordinating these resources. Details on about each resource are presented below.

5.1 FINANCE

In order for processors and traders to upgrade operations and realize opportunities for millet/sorghum processed products, investments will likely need to be made in upgrading: processing equipment, packaging materials and sizes that conform to consumer tastes in growing market segments, and operational capacity to manage supply channels. E-ATP is assisting selected value chain actors in one or more of the following manners:

- *Business planning*: providing advice and support for business planning by model actors making investments or upgrading operations
- *Promoting business models*: contributing to the financial aspects of activities and providing materials to promote business models

5.2 POLICY

The seasonal restrictions in cereals trade in the region have complex policy dimensions at the regional and national levels. E-ATP's technical resources inform organizations and coalitions of actors on these issues and help them influence national and regional policy discussions. The project's policy component will also provide leadership and guidance on analyzing the changing policy situation and formulating arguments to affect positive outcomes.

5.3 PUBLIC-PRIVATE PARTNERSHIPS

The project's strategic focus is on stimulating the untapped regional market for millet/sorghum-based products and encouraging trade in cereals, in conjunction with grain and industrial processors. The project will support intra-regional trade opportunities in Nigeria, Senegal, and Ghana. It will seek to improve the competitiveness of the grain-based products of millet/sorghum producers and traders and to increase processors' and importers' willingness to invest in the development of the supply chain. This activity will build on business opportunities already identified by E-ATP Market Facilitators and on the results of the business opportunity study the project has undertaken in various countries. Two new PPP projects are planned for FY 2012 in the millet/sorghum value chain.

5.4 ORGANIZATIONAL STRENGTHENING

E-ATP's capacity building strategy goes beyond conventional training. It is a participatory change management support tool for regional partner organizations. The strategy is an integral component of the value chain development strategy, aimed at enhancing partner organizations' ability to increase the value and volume of intra-regional agricultural trade. The role of the Institutional Capacity Building Specialist is to recommend areas of collaboration with partners for the followings:

- Human resource development, to equip individuals with skills, information, knowledge, and training that enable them to perform effectively
- Organizational development, to elaborate management structures, processes, and procedures not only within organizations but also for the management of relationships between various organizations and sectors (public, private, and community)
- Institutional and legal framework development, making legal and regulatory changes to enable organizations to promote best practices
- Evaluation, to determine partners' strengths, weaknesses, and opportunities
- Advocacy and lobbying to initiate policy change and develop an enabling environment for the free circulation of goods and persons in the West African sub-region
- Promotion of the creation of the West Africa Grains Network

5.5 TRANSPORT

E-ATP is pursuing a strategy to reduce transportation barriers that cuts across all its value chains. This is expected to results will be beneficial for all actors. E-ATP is documenting road harassment along the Bobo Dioulasso–Dakar corridor through Sikasso, Bamako, and Kayes, and along the Sikasso–Abidjan corridor. The Millet/Sorghum Value Chain Leader will identify strategic opportunities for value chain actors to participate in activities such as road shows designed to present the results of the road harassment surveys and to promote the application of existing trade policies. In 2011, the project studied the structure of transport and logistics. In 2012 the plan is to disseminate the study recommendations, to try to eliminate inefficiency and enhance value chain competitiveness.

5.6 MARKET INFORMATION SYSTEMS

The project's MIS specialists will provide support by incorporating information on supply and demand (bids and offers) for grain and processed products, in national and regional MIS.

5.7 GENDER

Men and women at times experience different constraints to their participation in market channels that compete in imported rice market segments. The project's Gender Specialist will help identify relevant instances and then tailor project activities to include all actors, regardless of gender.

The project will continue to take into account gender aspects in capacity building (through a specific gender component in the Partner Institutional Viability Assessments, known as PIVAs) and in ensuring respect for the quota of 20 percent participation in organizational membership by women.

The project will focus 1) promoting millet/sorghum processing; 2) holding exchange trips to expose women's organizations to new technologies and trade opportunities (equipment quality improving, packaging, etc.); 3) contributing to building or strengthening existing PPPs for women cereal processors; 4) supporting better access to financial resources (information, existing financial institutions for female value chain participants, gender-sensitive financial institutions, etc.); 5) accessing MIS (through the Esoko platform); and 6) providing technical and specific training on marketing, negotiation techniques, leadership and entrepreneurship, and millet/sorghum processing.

Because of its regional dimension, when applicable the project will use case studies and lessons learned about the importance of women and their integration in the intra-regional business and the development of millet/sorghum value chain. The project will transfer this information with ECOWAS and possibly with the *Union économique et monétaire Ouest Africaine* (UEMOA).

Positive gender experiences will generate success stories to be used in designing follow-up activities.

6. MILLET/SORGHUM VALUE CHAIN DEVELOPMENT PLAN

TABLE I: MULTI-YEAR VALUE CHAIN DEVELOPMENT PLAN

FY Activities	2010		2011				2012			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Component 1: Increase regional trade in processed millet/sorghum products										
Objective 1: Promote opportunities for processors to access diversified markets										
Conduct market studies for processed products	>	>								
Organize regional trade fairs		>		>		>				
Facilitate long-term trade relations	>	>	>	>	>	>	>	>	>	>
Prepare “Who’s Who Guide”	>	>				>	>			
Objective 2: Upgrade operations of processors of millet/sorghum products										
Assess market for processing equipment		>	>							
Facilitate investments in processing equipment		>	>	>	>	>	>	>		
Promote model supply chain management		>	>	>	>	>	>	>		
Create learning network of processors		>	>	>	>	>	>	>	>	>
Objective 3: Develop consumer markets for millet/sorghum processed products										
Develop promotional campaigns		>		>						
Component 2: Increase regional trade in raw millet/sorghum cereals										
Objective 1: Promote long-term trade relations between suppliers and traders										
Participate in cereal exchanges		>				>				>
Facilitate long-term trade relations		>	>	>	>	>	>	>	>	>
Promote model supply chain management		>	>	>	>	>	>	>		
Strengthen organizations’ services to members				>	>		>	>		
Provide access to transparent market information	>	>	>	>	>	>	>	>	>	
Prepare “Who’s Who Guide”	>	>				>	>			
Objective 2: Reduce barriers to intra-regional trade										
Provide access to regulatory information on trade				>	>	>	>			
Assess costs of regional trade restrictions		>	>				>	>		
Foster coalitions to advocate for trade		>	>	>	>	>	>	>	>	>

TABLE 2: FY 2012 ANNUAL MILLET/SORGHUM VALUE CHAIN DEVELOPMENT PLAN (OCTOBER 2011–SEPTEMBER 2012)

#	Activity	Relation-ship to Indicator #	Relation-ship to Deliverable #	Timeline FY12												
				Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	
1	Actualisation VCDP		36													
2	Formation de 30 producteurs de mil/sorgho du Burkina Faso, du Mali, et de la Côte d'Ivoire sur la gestion de la qualité et la traçabilité des stocks	12-13														
3	Recyclage de 65 formateurs endogènes des organisations de producteurs du Burkina Faso et du Mali sur la gestion intégrée du mil/sorgho	13														
4	Recyclages de 30 formateurs endogènes du sorgho sur la technologie de l'agriculture de conservations en partenariat avec les projets PCE Sénégal et Wula Nafaa	13														
5	Mise en relations commerciales des acheteurs et des fournisseurs de grains de mil/sorgho du Burkina Faso, du Mali, du Sénégal, du Bénin, du Niger, de la Côte d'Ivoire, du Nigeria, et du Togo	16														
6	Elaboration et mise en place du business plan de la Société générale d'investissement et de commerce du Sénégal pour mettre en place une unité de nettoyage et de conditionnement du mil/sorgho acheté au Burkina Faso et au Mali	13-16	At least 3 business models per value chain developed and disseminated													
7	Dissémination des modèles d'affaires	13	At least 3 business models per value chain developed and disseminated													
8	Facilitation de la participation des transformateurs du Mali, du Burkina Faso, du Bénin, du Togo, et du Sénégal aux événements commerciaux	15														

#	Activity	Relation-ship to Indicator #	Relation-ship to Deliverable #	Timeline FY12												
				Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	
9	Formation des transformateurs sur les bonnes pratiques de production et d'hygiène (en qualité) en partenariat et cofinancement avec l'Association Afrique agro-export															
10	Mise en relations commerciales des fournisseurs et des acheteurs de produits transformés															
11	Mise en place du réseau des Professionnels céréaliers de l'Afrique de l'Ouest															