

4th Quarterly Report (July – September 2010)

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P F Tracking Number:	CGA-STA-009-005
Title of Activity:	The Establishment of Model Satellite Stores (MoSS)
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Details of Accomplishments for the period

1. Newly Established farmer groups and increased membership of SHAs

Eleven (11) new smallholder associations (SHAs) were mobilized in the period under review. Three (3) were newly formed and registered SHAs bringing the cumulative total to 21 SHAs against a total of 5 SHAs while the other eight (8) were already in existence. This has brought the number of SHAs CGA is working with in the project area to 53 from 27 in the beginning of the project. 52 out of the 53 SHAs are in the Trans Mara area while the other one is in Kongwa District, Tanzania. Of the Trans Mara groups, 8 are made up purely of women members.

Enhanced project awareness and the sustained market linkage to WFP P4P has stimulated the proliferation of SHAs participating in the project along with the corresponding beneficiaries. The total membership has grown to a total of 2,375 (1,213 of them women or 51% of total) up from 656 in December 2009, a 260% increase against a target of 15%.members. Of this total membership, 1,258 (564 of them women) are within the Trans Mara area while 1,117 (649 of them women) are within the Kongwa District, Tanzania. The number of women benefiting from the project has also increased from 305 in December 2009 to 1,213 as at September 2010 representing a 297% increase against a target of 5%.

2. Strengthening capacity of FBOs

a) Training of Trainers Facilitation

On the 22 – 24 September 2010 at St. Joseph’s Pastoral Center, Kilgoris, CGA facilitated two (2) simultaneous 3 day Training of Trainers (ToTs) Courses. These were on: Record Keeping by SHAs and Stores / Warehouse Management. Forty five (45) participants benefited from the ToTs and they included the Stores Assistants, the Stores Management Committees and SHA leaders for 35 SHAs. The training targeted the newly established groups and the 22 SHAs that have recently been awarded supply contracts by WFP through the P4P initiative for a total of 4,552.88 MT. The objective of the two trainings was also to meant to take trainees through the CGA developed store record documents (CGA 001 – CGA 006, i.e. Goods Intake Receipts, Goods Release Vouchers, Delivery Notes, Invoice, Petty Cash Vouchers and Stock Records Sheets). These are the documents farmers are using to keep records and for transactions as they bulk and sell their maize as joint entities to WFP, NCPB and to other traders.

b) Post Harvest Handling (PHH) Training

The PHH trainings were organized in four sites representing the four divisions of Trans Mara West District. ToT beneficiaries from earlier PHH courses were used as the key trainers under the supervision of a consultant. Attendance to the trainings was 838 farmers (women were 353 or 42% of the total) against a target of 900 farmers from 48 farmer groups that CGA is working with in the Trans Mara area.

As result of the training over the past year, several management practices have been put in place. These include the following:

i) Record keeping – all the SHAs have now put in place a formal system of keeping records such as management committee meeting minutes, sales agreements and available stocks. Additionally, the farmers have adopted a traceability system that allows them to track each individual bag of produce delivered to the MoSS to an individual member. This has encouraged all members to strive for quality during the bulking exercise.

ii) Establishment of sub committees – Most of the SHAs have been helped to establish specific subcommittees to manage specific aspects of group activities such as quality control, finance, marketing, etc.

iii) Quality management – the FBOs have established quality management sub committees to work with the stores assistants in controlling the quality of whatever produce ends up in the joint store. This has attracted the interest of major buyers such as WFP and increased the amount of time that the farmers are able to keep the jointly bulked grain. This is seen as one level of value addition since lower price offers in the past by local traders has been on account of poor quality (with buyers arguing that they have to incur further costs through drying, cleaning, etc)

iv) Improved financial management practices - to build trust among the FBO membership, all the SHAs have bank accounts through which all financial transactions are managed. All participants in joint sales exercises have bank accounts in the same branch as the group to eliminate the need for the group officials to physically handle funds owing to individual members.

v) Marketing management – SHAs have improved both their capacity to seek for and utilize market information. CGA has trained SHAs to source for market information through simple ways such as the use of display boards placed at the bulking centres, mobile phones short messaging system (SMS) and public sources such as radio and newspapers. Upon forming consensus on pricing, the SHAs are then able to jointly market their produce, at a better price and lower cost than their earlier individual efforts.

The following table shows the summary of the grass root trainings on PHH in Trans Mara from July, 4th – 8th 2010:

Date/Day	No. of groups	Expected farmers	Attendance	Venue
Monday 05/7/2010	18	250	Total= 236 (Men= 126; Women= 110)	Oldonyo Orok PAG Church (Oldonyo Orok, Lolgorian division)
Tuesday 6/07/2010	11	200	Total= 196 (Men= 129; Women= 67)	Isampin Dominion church (Keiyan division)
Wednesday 07/7/2010	9	200	Total= 193 (Men= 99; Women= 94)	Oloiborsoito church (Kilgoris division)
Thursday 08/07/2010	10	250	Total= 213 (Men= 131; Women= 82)	Romosha Community Hall (Pirrar division)
Total	48	900	Total = 838 (Men = 485; Women= 353)	

c) Groups Dynamics, SHAs Management and Leadership Training

To improve the governance structures of participating SHAs, SHA management and Leadership Skills Training was facilitated. As was the case for the PHH, the training was also conducted by ToTs under the supervision of a consultant who guided the trainers as they trained fellow farmers. The attendance was 935 (431 women or 46%) beneficiaries from 48 groups against a target of 900 beneficiaries.

The table below summarizes the attendance of the trainings on Group dynamics, SHAs Management and Leadership Skills in Trans Mara from July, 11th- 16th 2010:

Date/Day	No of Groups	Expected farmers	Attendance	Venue
Monday 12/7/2010	18	250	Total= 313 (Men= 124; Women= 189)	Angata BARRIKOI Catholic church (Lolgorian division)
Tuesday 13/07/2010	11	200	Total= 198 (Men= 139; Women= 59)	Enosaen Word of faith church (Keiyan division)
Wednesday 14/7/2010	9	200	Total= 201 (Men= 103; Women= 98)	Oldonyo Rasha Catholic church (Kilgoris division)
Thursday 15/07/2010	10	250	Total= 223 (Men= 138; Women= 85)	Romosha Community Hall (Pirrar division)
Total	48	900	Total = 935 (Men = 504; Women = 431)	4 divisions of Transmara West districts

3. Linkage to markets

a) Grain consolidation and joint marketing

Harvesting of maize in the area started in the month of July, with its peak in the month of August. On 6 October, WFP P4P has awarded maize supply contracts to 22 SHAs out of the 26 groups already registered as WFP vendors and all of which participated in a public tender opening at Kilgoris (Trans Mara West DC's office board room). This was an improvement on the 9 SHAs that were awarded contracts in the last quarter in Trans Mara. The three MoSSs will continue to act as consolidation centres. Due to the increased number of groups and the wider geographical spread however, the project will establish at least 3 more consolidation centres. The 22 SHAs were contracted to supply a total of 4,552.88 MT (50, 587.55 bags of 90kgs) of maize valued at Kshs. 75, 641,352 (US \$ 933,839.6). Much of the activity is now centred on bulking of the maize in readiness for uplift.

So far in the period under review, a total of 1428 MT has been bulked at the MoSSs. Of this, 1,218 MT has been bulked in Trans Mara while 150MT and 60MT are stored in Panda Mbili and Songa Mbele respectively.

At the same time, a total of 147 MT valued at Kshs. 3.15 million has been jointly sold. This volume was sold to WFP in the month of August and was carry-over stock from the 3rd Quarter / last season consolidation. The sold volume would have fetched Kshs. 1.65 million in the open market, implying a price advantage of 47.6%. In the meantime, other market outlets, including the NCPB, millers and other large buyers are still being pursued.

The Delivery Forward Contract (DFC) concept by WFP is still on the cards and it is hoped that it will be implemented in the 1st Quarter of 2011. The farmers are very optimistic the DFC ensures they will have a forward market as they go into production.

b) Registration of SHAs as WFP Vendors

There was an addition of 9 SHAs from the Trans Mara area registered as WFP vendors bringing the total to 26 SHAs up from the 17 SHAs in the last Quarter. This is a 34.6% increase in the number of eligible FBOs for getting supply tenders from WFP. More groups have filled the vendor registration form and are awaiting approval from WFP.

4. Linkage to other business support services

In addition to the storage and market linkage services, the project is also working with a number of agric related firms and service providers both in Kenya and Tanzania. These include:

Kenya:

Output buyers {WFP P4P, NCPB, traders (from as far as Thika Town), schools and other institutions, Kenya Prison Service}, Input/service providers/consultants (fumigation service providers, seed companies such as Pannar Seed and Kenya Seed Company, Equity Bank).

Tanzania:

Consultants/ input / service providers such as: Sokoine University of Agriculture, Tanzania Bureau of Standards, and Moshi University of Cooperatives and Business Studies. Output buyers such as: WFP, Kibaigwa International Market, and grain millers and processors such as Bahkresa Milling Company and financial services such as National Micro-finance Bank (NMB)

In all cases, the project works with the Ministry of Agriculture and other Government departments as well as leverage on other complimentary projects to benefit the farmers we are working with. Such projects include AGRA's Market Access by Smallholder Cereal Farmers and NAAIAP in Kenya. In Tanzania, the project seeks to work with Technoserve in a project where Technoserve is partnering General Mills to build the capacity of high-potential small and medium scale companies to meet food quality standards and connect with new and better markets.

5. Access to improved storage facilities

An increase in the number of SHAs that the project is benefiting has led to increased access to improved storage facilities from 2,000 MT as per the last for the five (5) MoSSs reported under the previous Quarter (100 MT – Romosha, 200 MT – Angata and 1,000 MT for Keiyan, 500 MT for Panda Mbili and 200MT for Songa Mbele) in the last Quarter to 2,840 MT.

Lolgorian Grain Growers Association owns a store with a capacity of 350 MT and FBO members from Oldonyo Orok and Keiyan have leased stores whose combined capacity is about 490 MT. CGA has also requested WFP P4P to help expand the accessible storage facilities by way of further loans in the form of Wiikhalls plus the accompanying basic equipment in areas that have storage facilities limitations. These areas include; Nkararo – 450

MT, Enoosaen – 450 MT, Oloiborsoito – 100 MT, Lolgorian – 450 MT, Isokon – 450 MT, Kondamet – 100 MT, Angata – 450 MT and Oldonyo Orok – 900 MT. These areas will also be equipped with weighing scales, stitching machines, threads, generators and 5Mx4M tarpaulins. The Wiikhalls and other equipments will be able to serve more than double the 47 villages initially served by the Angata, Keiyan and Romosha satellite Stores.

As a result of improved capacity to maintain quality of harvested grain an access to improved storage facilities, the storage period for the last batch of grain to be collected was 6 months.

Requested equipment support to Trans Mara SHAs from WFP P4P

No.	Location	Groups to be served	Size of Wiikhall (MT)	Other equipments
1.	Nkararo	Kereto, Naboisho	450	1 tarpaulins (5mx4m), 1 stitching machine, 1 generator, 1 weighing scale
2.	Enoosaen	Naboisho, Tangi, Nchorroi	450	1 tarpaulins (5mx4m), 1 stitching machine, 1 generator, 1 weighing scale
3.	Oloiborsoito	Reto, Meori youth group	100	1 tarpaulins (5mx4m), 1 stitching machine, 1 generator, 1 weighing scale
4.	Lolgorian	Lolgorian Grain Growers	450	1 tarpaulins (5mx4m), 1 stitching machine, 1 generator, 1 weighing scale
5.	Isokon	Ereteto	450	1 tarpaulins (5mx4m), 1 stitching machine, 1 generator, 1 weighing scale
6.	Kondamet	Olaitong youth group	100	1 tarpaulins (5mx4m), 1 stitching machine, 1 generator, 1 weighing scale
7.	Angata	Rotet, Pastors Association, Koptigei, Bidii Torch, Keturo Area 'B', Angata farmers, Ogilgei youth group,	450	1 tarpaulins (5mx4m), 1 stitching machine, 1 generator, 1 weighing scale
8.	Oldonyo Orok	Oldonyo Orok Marketing, Ogilge widows, Enkoperia women group, Oldonyo Orok women group,	1,350	3 tarpaulins (5mx4m), 1 stitching machine, Threads, 1 generator, 1 weighing scale
Total			3,800	

With the provision of the storage facility / equipments and WFP providing an alternative market for the small scale farmers, there has been improvement in the quality aspects of maize received at the stores and storage period has increased from a situation where farmers were selling at farm gate immediately they harvest to even 6 months down from four months last quarter. The 75% reduction in sourcing time for the buyer from four weeks to a week has

remained constant. This has been possible through the awareness that maize stocks are available at the stores. On the other hand, there has been a 68% reduction in transaction costs by farmers, where farmers are on average incurring transaction costs of about Kshs 70 per bag of 90 kg compared to the normal Kshs 220 – 300 per 90kgs bag when farmers individually market their maize as individuals.

6. Value of credit facility jointly secured for farming

No loans were given in this quarter. The Kshs. 20.06M loans borrowed from both Equity bank and AFC by farmers from Transmara is due for repayment. Equity Bank, Kisii branch issued the Kilimo Biashara loan to the SHAs in the form of inputs, where the farmers from Angata had borrowed over Kshs. 12M. AFC issued Kshs. 1.5M to Mashambani Self Help Group, a SHA from Keiyan who are also expected to repay by November 2010. The 249 beneficiaries from 23 groups will be expected to repay after selling their maize through WFP this season.

In Tanzania, the FBO has been granted credit line amounting to TZS 150 million under an arrangement where the farmers can access up to TZS 196 (per kilogram of maize) credit at 14% against produce that has been deposited in a certified warehouse. None of the members have borrowed under these terms yet though due to the pending certification of the Panda Mbili store by the Warehouse Licensing Board.

7. Challenges faced during the Quarter and Recommendations

- In adequacy of the available equipments given the expanded group of beneficiaries. Sometimes the spare parts and replacement items such as threads to the stitching machines are unavailable within Trans Mara forcing farmers to make orders from such far away towns such as far as Nakuru or Nairobi. This delays operations at the stores.
- With expanded operations, the existing MoSSs are inadequate in size and therefore not enough to handle the large capacity of the maize (4,552.88 MT) that will be required by WFP from this October.
- Slow pace of WFP procedures at times frustrates the farmers' efforts and discourages others. There has been a noted delay in issuing farmers with contracts, re-bagging bags, which consequently causes delays in uplifts and payments.

8. Planned Activities for Quarter 5 (October – December 2010)

The activities planned for the upcoming Quarter include:

1. Bulking and delivery of contracted maize supplies by the Trans Mara FBOs as per the agreed on schedule.
2. Training of trainers (ToT) and grassroots training in Kongwa in October / November
3. Continue with the bulking and marketing linkage efforts in Kongwa District
4. Sustained grassroots training on post harvest handling and warehouse management in Trans Mara in partnership with WFP P4P
5. Undertake post project survey