

COMPETE Grant Narrative Report

I. General Information

Grant Agreement No.: CGA-STA-009-005

Grantee Institution: Cereal Growers Association

Project Title: The Establishment of Model Satellite Stores (MoSS)

Type of report: Interim

Period covered by this report: From 1st January 2010 to 31st March 2009

II. Background

In the past eight years, Cereal Growers Association (CGA) has been working with smallholder cereal farmers in the grain surplus areas of Kenya in building their capacity to engage in profitable farming. During this period, CGA has assisted in the formation of 60 farmer based organizations (FBOs) or farmer groups in these areas. Currently, these groups are working as a platform for knowledge dissemination in the entire value chain. Through training on best farming practices, farmers have increased their maize productivity from 8 bags (90kg) per acre to 25 bags. Most of these farmer groups are however faced with grain storage and marketing challenges. Most of the farmers are also over reliant on maize for food and income generation.

CGA is implementing this one year pilot project in both Trans Mara (Kenya) and Kongwa (Tanzania) Districts. The project commenced on 1st October 2009 and runs through to 30th September 2010.

III. Executive Summary

The main objective of this grant is to “improve the grain marketing systems” by establishing group-based Model Satellite Stores (MoSSs). These storage facilities will act as model centres for grain bulking, quality control and as hubs for market information. The project also proposes to organize field demonstrations and field days to train farmers on crop diversification for food security and alternative income generation.

The major activities and achievements of the Quarter under review were as outlined in table 1 below. In summary, the following were the key achievements:

1. The official project launch and presentation of the baseline survey results in Tanzania took place on 29th January 2010.

2. Capacity building of the identified smallholder associations through training of trainers (ToT) sessions continued with three (3) such trainings conducted in both Kongwa and Trans Mara Districts.
3. Grain consolidation and joint marketing took off in the month of March.
4. Maize supply contracts were signed between World Food Program P4P and nine (9) SHAs for a combined total of 1,019 MT valued at US\$ 293,450, a 50% price advantage compared to current market price. Uplift is planned for the 3rd week of April 2010.
5. The Model Satellite Stores (MoSS) were also equipped with basic grain handling facilities and the signing of tenancy agreements concluded. The three MoSSs have capacities of 100 MT, 200 MT, 1,000 MT, and 650 MT for Romosha, Angata Barrakoi, Keiyian, and Panda Mbili sites respectively. This brings the total storage capacity for the 4 MoSS units to 1,950MT. 16 farmer groups with a combined total of 657 (457 – Tran Mara, 200 – Kongwa) members are jointly bulking their produce at the three MoSSs.
6. On the 13th April, 2010, a USAID led team that comprised other partners toured the project area to appreciate the ongoing project activities.

IV. Detailed activities

(a) Baseline survey results presentation and project launch in Tanzania – to set off the Tanzanian operation, CGA contracted a consultant to undertake a baseline survey in Kongwa District who presented the findings in a workshop that also served as the forum for the official project launch in Tanzania. The workshop was held in Dodoma at New Dodoma Hotel on 29th January 2010.

A total of 32 participants attended the workshop including the CGA (CEO, David Nyameino and Office Administrator, Salome Ouko) and USAID COMPETE (Isaac Tallam). Other participants were drawn from a wide range of stakeholders as follows:

- Farmers representatives (50% of all participants)
- Village leaders
- Ministry of Agriculture
- Financial services (National Microfinance Bank, NMB)
- Tanzania Chamber of Commerce and Industry Association
- Traders
- Councilors (political leadership)
- Kibaigwa International Maize Market

The key note speech was given by Mr. William Shitindi who is the Chairperson, Kongwa District Council. In his remarks, he told the participants to use this opportunity of implementation of the pilot project to improve their life. “It is a golden chance to be given this opportunity as in Tanzania there are many regions and districts where cereals are grown, but CGA has chosen Kongwa then let us show them that we can” he said. The representative from USAID COMPETE program explained how this program is working in Tanzania. The program has other partners in Tanzania which include RUDI and World

Food programme (WFP) P4P. The CEO, CGA indicated that this was the first step in getting organization of similar goals to CGA in Tanzania, Uganda, Burundi and Rwanda to eventually come under one banner and articulate issues affecting cereal farmers in the region.

Mr. Gerard Runyoro a consultant who did the baseline survey presented the findings of the same and put forward conclusions and recommendations. His conclusions and recommendations were divided into four points as follows:

Cereal production - production level is below the national average. This could be improved through enhanced extension services, formation/strengthening farmer groups, and improving access to credit services. The representative of NMB promised to support the project in offering credit as far as conditions are met.

Harvesting, drying and farm level storage – currently, lack of tools / equipment, poor access to suitable storage facilities and inadequate grain handling skills has caused farmers to suffer high post harvest losses.

Grain marketing - from the survey, most of the farmers sell their product at farm gate or at the local market centre with the buyers mostly dictating the price. It is recommended to organize farmers for bulk marketing and this is the core activity of the project

Farmer based organization / grain traders association – he recommended the creation of awareness among the farming community on the need to establish and strengthen collaboration between farmers based organizations (FBOs) and grain traders associations (GTAs).

(b) Establishment and strengthening of agricultural smallholder associations (SHAs) – twelve (12) new SHAs were mobilized to bring the total number of farmer groups that CGA is working with in the project area to twenty seven (27). Six (6) of these are newly formed. The total membership to these groups is 856 out of which about 405 (47%) are women.

In a bid to strengthen the capacity of such SHAs to access organized markets, CGA has facilitated 3 training of trainers (ToT) sessions. These were attended by SHA representatives of suitable educational background and experience in each of the project areas as follows:

- Post harvest handling skills, grading and store management practices (strategies to minimize losses in grain harvesting and storage, improve grain health and gain from enhanced revenue) – on 13th –15th Jan 2010, Kilgoris (Trans Mara).
- Resources mobilization skills / savings mobilization and credit access (strategies for SHA members to mobilize resources and benefit from available agriculture credit services) – on 27th –29th January 2010, Kilgoris (Trans Mara).
- SHA marketing skills (market information system, available markets, negotiation skills, contracting ethics & arbitration) – on 1st – 3rd Feb 2010, Kilgoris (Trans Mara).
- Grain standards, post harvest handling skills, and warehouse management – on 17th -19th March 2010, Panda Mbili (Kongwa).

A total of 210 participants (125 - Trans Mara and 85 - Kongwa) representing a combined total of 16 farmer groups went through the ToTs, an average of 13 representatives from each SHA.

This will have the benefit of creating a large pool of grassroots trainers who can help the rest of the SHA members comply with the requirements of large buyers while at the same time keeping the SHAs well governed for sustainability.

(c) Build structures that will facilitate participation of smallholder farmers in structured grain trade – for the identified farmer groups to improve their grain quality, meet the quality requirements of top-end buyers, and minimize transaction costs, CGA has facilitated the following:

(i) Identification of suitable storage facilities for joint bulking by SHAs – this has been the focus of most of the last quarter activities. Four (4) model satellite stores have been established, 3 in Trans Mara and one in Kongwa district, Tanzania at three sites in the project areas. These are:

Romosha market centre in Pirrar Division (Trans Mara West District) – this MoSS is 17 kilometers from Kilgoris town. Three (3) groups with a membership of 111 members are delivering their produce to this MoSS. Two of the three groups have been awarded a contract to supply a total of 225 MT to WFP P4P. Currently, the MoSS has stocks of 115 MT of maize awaiting WFP P4P uplift.

Angata Barrikoi market centre in Lolgorian Division (Trans Mara West District) – the MoSS is 62 kilometers from Kilgoris town. It serves 8 farmer groups from the area with a combined total membership of 247 members. During the period under review, 57 MT was jointly sold and a combined total of 694 MT worth of contracts have been signed with WFP P4P by 7 of the 8 groups for a total value of US\$ 227,927. As at the end of the period under review, the MoSS has 100 MT bulked.

Keiyian area in Keiyian Division (Trans Mara West District) – this MoSS is located within the Keiyian Group Ranch, 31 kilometers from Kilgoris town. Four (4) groups with a combined membership of 99 are bulking at this MoSS. So far, 125 MT of maize has jointly been sold to NCPB and other large buyers. Stocks as at end of the period under review were 80 MT.

Panda Mbili in Panda Mbili (Kongwa District) – this MoSS has a capacity of roughly 650 MT and is about 10 kilometers from Kibaigwa market. It will be managed together with a smaller store (about 70 MT) in the nearby Songa Mbele village. The Panda Mbili store is currently lying idle and is owned by the local community. Delivery to the two stores will start in June 2010. In the meantime, awareness creation and identification of possible buyer of bulked produce is going on. The MoSS serves about 200 members from 30 sub groups.

In each area, there is a MoSS management committee composed of representatives from each of the participating farmer group. A full time employee, Stores Assistant, hired through the COMPETE project and working closely with the management committee, is in charge of the day to day operational activities of the stores activities, particularly quality checks at grain receipt and record keeping.

Tenancy agreements have been signed regarding the storage structures.

Working with the World Food Programme (WFP), it has also been possible to make use of the Wiikhalls (purpose built tents) from the WFP as grain storage facilities. In the period

under review, CGA had 200 metric ton capacity of such Wiikhalls in the Angata Barrakoi area.

(ii) Facilitated the SHAs with access to storage facilities with warehouse management documents – CGA has worked with other partners mainly USAID COMPETE and WFP to train the SHAs on warehouse management skills and procedures. For grain traceability and to improve the level of trust and confidence in joint grain bulking and selling, CGA has facilitated each MoSS with warehouse management documents financed by AGRA namely:

- Goods intake receipt
- Goods release voucher
- Delivery advice
- Payment voucher
- Invoice
- Stock record sheet.

Farmers have been trained on their use.

The MoSS have also been equipped with basic grain handling tools such as moisture meter, assorted tarpaulins, sieves, weighing scales, etc.



A farmer cleans their maize produce on one of the COMPETE donated tarpaulins at the Romosha MoSS in March 2010

(d) Facilitating linkage to business support services for cereals enterprise development – in order to foster a “farming as a business” culture among smallholder producers, CGA has intervened in two ways:

(i) *Trained SHA representatives on suitable business skills* – as explained in details above under (b) different training sessions have been held with the farmers to provide them with practical ToT training that can be adapted to the local circumstances. The training so obtained will assist SHAs in their linkage efforts with such service providers as: financial institutions, market information generation organizations, processors, input suppliers, in order to make cereals farming profitable

(ii) *Farmers linked to support services* – hither to inaccessible markets such as the UN WFP have opened up to the small-scale farmers through the project intervention. Smallholder farmers were trained on how to participate in the WFP tendering process and registered as vendors to WFP. CGA has also over the last few months worked with the WFP P4P team to revise the tender documents to attain the desired simplicity so as to serve the needs of the farmers we are dealing with.



Re-bagging of maize into WFP P4P bags at the Romosha MoSS ready in readiness for uplift after groups bulking at the MoSS were awarded a 224 MT contract by WFP

On 17th March, 2010, farmers participating in the Tanzanian project met the WFP country representative (Mr. Dominique) at Panda Mbili. 85 farmer representatives from 61 sub-groups were in attendance. He sought to reassure them that WFP P4P Tanzania stood ready to offer an alternative market if the farmers came together to bulk and improve the quality of their produce.

Business linkage meetings between the SHAs and the WFP purchase for progress (P4P) staff have been held with a view of direct grain procurement from the smallholder producers. Farmers concerns have been addressed at these meetings and useful feed back given to the WFP's team.

(e) *USAID Visit to Trans Mara* – on 13th April 2010, CGA / COMPETE hosted a team of collaborators led by USAID’s Peter Ewell and toured the three MoSSs. The collaborators included WFP P4P, AGMARK, MLI, ACDI – VOCA, AGRA and East Africa Grain Council. Others were the District Commissioner and DAO Trans Mara



Peter Ewell (USAID, right) and David Nyameino (red T-shirt) are received by the DC Trans Mara District Mr. Mbogo Mathioya (2nd left) at his office during the tour

1. Poor weather – at the time of harvest, the area was uncharacteristically wet, which made the harvesting operation and post harvest grain handling difficult. It also resulted in high post harvest losses, estimated at over 40%.
2. In Tanzania, we had a poor crop harvest in the short rains harvested in February so there was not much to start on. The MoSS at Panda Mbili and Songa Mbele will therefore start receiving grain in June 2010.

VI. Lessons learned

1. Whereas there is inadequate purpose built storage facilities existing at the grassroots level, recent experience has shown that unutilized structures that had been otherwise put up for different purposes (such as grocery shops) can serve act as grain storage facilities with modest rehabilitation.
2. Establishing synergies with related programmes in the same project yielded greater return on every dollar invested in the programme and this way of project implementation should be encouraged.
3. The practice of paying SHA members’ dues directly into their individual member accounts enhances trust in joint marketing. This was the case in Angata Barrakoi where the WFP paid the money to the SHA bank account in Equity Bank and the bank distributed money into individual accounts without the SHA leadership handling any of it except the little set aside for shared operational costs such as bag stitching, loading etc.
4. The Provincial Administration and Ministry of Agriculture participation in the project enhances confidence among SHA members. This serves to assure the farmers of the project’s credibility and assurance that if anything went wrong, they have recourse through the law.

5. An initial success story is crucial for widespread uptake of project activities. Farmers are typically conservative and will take time before they can abandon what they think has worked for them in the past so as to take up anything new. It is therefore better to identify a specific problem limited in scope and record success in tackling it. This will build the confidence of the pioneers and win over the skeptics.

VII. Major activities April – June 2010

1. In the next quarter, CGA will focus on facilitating the ToT beneficiaries to carry out farmer group training at the grassroots level.
2. There will also be consolidation of the gains made in the first 6 months, particularly in the area of linking farmers to large scale buyers.
3. Effort will also go into deepening the necessary partner collaboration to realize the objective of SHAs selling through the warehouse receipting system (WRS) and greater utilization of the available IT platforms in their farming businesses.
4. Facilitate the bulking, joint sales by the participating SHAs and linking the participating SHAs to large buyers in Tanzania.
5. Working towards getting the MoSS unit at Panda Mbili licensed by the Warehouse Licensing Board of Tanzania for purposes of utilizing it as a warehouse in future WRS transactions for the farmer groups from around the area.

VII. APPENDIX

(a) Sample Certificates of participation and attendance list at one of the ToT sessions



Participants at the Resource ToT course at Farmers Hotel, Kilgoris on 13th - 15th January 2010

No.	Name of participant	Farmer group	Area	ID No.	Telephone no.	Signature
1	MACHOKA OMOGA	MASHAMBANI S.H.G	KEYAN	4104408	0728113777 = 600 =	<i>[Signature]</i>
2	JASON OMBACHI OYANI	GETUNWA	BARABU	2760582	0731194652 = 800 =	<i>[Signature]</i>
3	JAMES KOISEYEI	RETO	OLDIRBOR	0728113777	0728270219 = 100 =	<i>[Signature]</i>
4	LORNA N. TENKEET	RETO	OLDIRBOR	3008373	0734659600 = 100 =	<i>[Signature]</i>
5	SOLOME N. MICHAEL	NARTISHO	KAPUNE	7906710	034200510 = 300 =	<i>[Signature]</i>
6	MONIKA SUNGULI	RETO	OLDIRBOR	2760018	0729374535 = 100 =	<i>[Signature]</i>
7	JANE N. KISIRIKOI	IMIRISHO LEMEGUARRA S.H.G	MEGUARRA	11346312	0726818252 = 300 =	<i>[Signature]</i>
8	MICHAEL L. NKURI	IMIRISHO LEMEGUARRA	MEGUARRA	8811316	0710324037 = 300 =	<i>[Signature]</i>
9	LENAISHO ALEX	RETO	OLDIRBOR	-	0714570063 = 100 =	<i>[Signature]</i>
10	PR DANIEL KAMMUNZA	POROKO	POROKO	1068780	0731171573 = 100 =	<i>[Signature]</i>
11	BENEDICT KONCHELLA	ENDINYO-ONKOPIT	OLDIRBOR	22979690	0712637674 = 100 =	<i>[Signature]</i>
12	PR DOMINIC KONCHELLA	ENDINYO-ONKOPIT	OLDIRBOR	8815215	0734492497 = 100 =	<i>[Signature]</i>
13	EUNICE IREMUATO MISEBI	TANGI	HALEBA	20606080	0718951596 = 800 =	<i>[Signature]</i>
14	Julius K. Kuni	ANGATA STORE FARMER	ANGATA	4459714	0729157025 = 600 =	<i>[Signature]</i>
15	EMILY CHEPGETO	Angata Farmer's Store	Angata	21262989	0737753377 = 600 =	<i>[Signature]</i>
16	MARGRET N. ONTHEGO	TRANS NYARIVA	BARABU	11701994	072614980 = 800 =	<i>[Signature]</i>
17	PAUL K. RONO	GETUNWA S.H.G	BARABU	5220914	0723828003 = 800 =	<i>[Signature]</i>
18	JOHN KIPKEMOI RONO	KOIBEIYOT M.C.S	ANGATA	11015546	0713020447 = 600 =	<i>[Signature]</i>
19	DANIEL OSEBE	C.F.A	T/MARA	2752750	0721205775	<i>[Signature]</i>

(b) Content of some of the warehouse management documents developed for use by SHAs

STOCK RECORD SHEET

CGA 06

STAMP

STORE _____ **SERIAL NO.** _____

Entry No.	Date	Transaction/Document No.	Stock In	Stock Out	Stock Balance	Name	Signature
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
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25.							
26.							
27.							
28.							
29.							
30.							

GOODS INTAKE RECEIPT

STAMP

SERIAL NO. _____

GROUP NAME _____	Code _____	Date _____
Store Name/ No. _____	Service Account Code No. _____	

Member's Details:		
Name _____	Membership No. _____	
P.O. Box _____	Code _____	
Telephone _____	E-mail _____	ID No. _____

Goods Details:		
Description _____	Product Code _____	Quality (grade) _____
Quantity _____	Kgs (tons), Units/Pieces _____	
Package _____	(type, condition, standardisation etc.) _____	
Unit Value Kshs. _____	Per ton/bag/kg Total Kshs _____	
Service Instructions (store, sell, transport, re-bagging, cleaning etc): _____ _____		
Instructions by Name _____	Signature _____	Date _____

Official Use:		
Authorised by Name _____	Signature _____	Date _____
Remarks _____		
Received by Name _____	Signature _____	Date _____

Substandard goods or commodities with live infestation will not be allowed in until they are disinfested
Distribution: Original (white) – Member; Red – Records; Blue – Book Copy

GOODS RELEASE VOUCHER

STAMP

SERIAL NO. _____

GROUP NAME _____	Code _____	Date _____
Releasing Store Name/ No. _____		

Member's Details:		
Name _____	Membership No. _____	
P.O. Box _____	Code _____	
Telephone _____	E-mail _____	

Goods Details:		
Description _____	Product Code _____	Quality (grade) _____
Quantity _____	Kgs (tons), Balance _____	Units/Pieces _____
Package _____	(type, Condition, Standardisation) GIR No/s. _____	
Vehicle No. _____	Driver's Name _____	ID No. _____
Goods received in acceptable condition as per service instructions: _____		
Collection By Name _____	ID No. _____	Signature _____

Released by Name _____	Signature _____	Date _____
Authorised by Name _____	Signature _____	Remark _____

Goods will not be released to the owner unless payment is made in full or the retained balance of goods is able to act as lien.
Distribution: Original (white) – Customer, Red – Records, Blue – Book Copy