

# NOTE 12: The Role of Producer Organisations in Rural Advisory Services

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There is plenty of information available in the public domain that covers various aspects of extension and know-how about new methodologies for implementation. However this information is often scattered and presented in complex academic language. Hence practitioners, who often have very limited time and/or may only have basic formal education, find it difficult to make use of this information.

The Global Good Practices Initiative aims to bridge this gap by providing information about extension approaches and methods in easy-to-understand formats. As part of this effort, it makes "Good Practice Notes" available to all on a downloadable website. This Note contains one of the extension methods included in this series.



## BOX 1: WHAT IS A PRODUCER ORGANISATION?

A producer organisation (PO) is defined as a formal (registered under national legislation) or informal (unregistered) institution for collective action. Its members are rural dwellers that get part, or all, of their livelihood from agriculture (crops, livestock, fisheries, and/or other rural activities). Services provided by the PO aim to improve the livelihoods of its members, and include access to advice, information, markets, inputs, and advocacy.

Source: adapted from Rondot and Collion (2001)<sup>1</sup>

## Introduction

Producer organisations (POs) form the interface between farmers and their economic, social, and institutional environments (Box 1). The involvement of POs in the provision of rural advisory services (RAS) has been identified as a solution to the limitations of both the hierarchical public sector extension system and market-driven private sector extension systems. POs can make a positive contribution by articulating the demands and needs of their members for RAS, and directly or indirectly ensuring that these services are supplied in an efficient and sustainable way. However, not all POs have the required capacities to carry out all these functions. Depending on their aims, resources, vision, or institutional environment, POs have a wide diversity of RAS roles. This note gives an overview of these diverse roles, while presenting the conditions under which they can contribute to accessible and sustainable RAS for smallholder farmers.

## Philosophy and principles

Bearing in mind the key issues for RAS to be effective listed in Box 2, POs are particularly well-placed to be major actors in RAS thanks to their specific human and social capital and their practical knowledge, which give them comparative advantages over other service providers. These include<sup>2</sup>:

- knowledge of producers' needs, demands, and contexts
- trust of their members, providing legitimacy for their work
- capacity and space to encourage farmers' learning and testing of innovations
- scope for linking producers to other actors in the agricultural system
- experience in activities that complement RAS, especially in financial services and advocacy on rural issues.

<sup>1</sup> Rondot, P. and Collion, M.H. 2001. *Agricultural producer organizations: their contribution to rural capacity building and poverty reduction*. Report of a workshop, Washington, DC, 28–30 June 1999. Washington, DC: RDV, World Bank.

<sup>2</sup> GFRAS. 2015. *Producer organisations in rural advisory services: evidence and experiences*. Position Paper. Lindau, Switzerland: GFRAS.



## Diversity of roles in RAS and capacity requirements

Table 1 summarises the many different ways POs contribute to providing RAS. Depending on their level of involvement in the implementation of services with their members in the field, capacity requirements go from operational skills (capacity to manage human and financial resources, capacity to train advisors or farmer extension workers) to relationship-building or communication skills (capacity to coordinate, to contract out, to network, etc.). Their roles in RAS delivery may be imposed by or negotiated with other stakeholders. For instance, in Burkina-Faso, in the cotton sector, farm advice activities are reserved for private firms but they tolerate POs provided that they respect firms' interests. POs with greater autonomy, often those who emerged from grassroots initiatives, are more frequently involved in direct implementation, intermediary, or advocacy roles.

### Funding mechanisms

As part of RAS implementation, POs are also involved in funding mechanisms. Many producers – both individually and through their organisations – contribute towards the cost of the RAS they receive (via the introduction of member fees or levies collected on all services). However, the internal income of POs rarely matches the costs of provision, though the use of farmer-extension workers is one solution used to help save costs.

Generally, RAS are financed through a variety of mechanisms and partnerships. These include public or private sector funding. Embedded services – where the funding and delivery

## BOX 2: KEY FACTORS FOR EFFECTIVE RAS

For RAS to be effective, three key issues have to be taken into consideration:

- **Pluralism and coordination:** Coordination among the various suppliers of RAS is key for successful implementation and to avoid overlapping provision of services and unnecessary competition.
- **Demand-driven services:** In order to face multiple challenges regarding environmental, economic, or social issues, each farmer needs a specific mix of support services, such as accessing knowledge, technologies, or credit. Demand-driven services ensure that services meet the expressed needs of farmers so that effective changes in their livelihoods occur.
- **Knowledge-oriented services:** Knowledge is increasingly considered a key resource for rural development. Farmers have to continuously evolve, successfully solve new and complex problems, and respond to external expectations and development opportunities. More attention thus has to be paid to the production and sharing of knowledge for, with, and between farmers.

of RAS are associated with a business transaction in a value chain – are also increasingly common. Advice is linked to the sale of agricultural inputs, with the cost built into the price of the input when it is sold, or to the procurement of agricultural products by a processor or trader.

**Table 1. Roles played by POs in RAS and main capacity requirements**

Role	Capacity requirements
<p><b>Direct implementation</b></p> <p>Providing direct RAS to members. Implementing and controlling their own services</p>	<p>Capacities for self-sustainment</p> <p>Capacity to manage resources (especially funds and advisors)</p> <p>Capacity to express and address farmers' needs</p>
<p><b>Associate</b></p> <p>Complementing RAS provided by other service providers, through partnership or informal coordination, with economic activities such as input provision, warehousing, and value adding marketing</p>	<p>Capacity to coordinate with other services providers</p> <p>Capacity to find appropriate funding</p>
<p><b>Joint implementation</b></p> <p>Jointly providing RAS with other value chain stakeholders (e.g. private firm) or with national agencies (state)</p> <p>Governance, funding, capacity development</p> <p>Evaluation of RAS is distributed amongst stakeholders, with shared objectives</p> <p>PO's level of autonomy and responsibility depends on its capacities</p>	<p>Capacity to choose and use appropriate advisory methods and approaches</p> <p>Capacity to adapt to external requirements and make available suitable and skilled human resources</p> <p>Capacity to generate results and to account</p>
<p><b>Supervisory</b></p> <p>Defining advisory needs and then contracting out with a service provider</p>	<p>Capacity to contract out, supervise, and assess the services provided and to ensure quality</p>
<p><b>Intermediary</b></p> <p>Creating links and partnerships in the agricultural innovation system, specifically to other RAS providers and research organisations</p>	<p>Capacity to coordinate different organisations and to carry a vision</p> <p>Capacity to communicate</p>
<p><b>Advocacy</b></p> <p>Participating in advocacy and policy formulation to improve RAS</p> <p>Ensuring the organisation is recognised as a voice for farmers</p> <p>This includes mobilising members and seeking partnerships</p>	<p>Capacity to recognise and support charismatic farmer leaders</p> <p>Capacity to communicate, to carry a vision</p> <p>Capacity to network, unify, and mobilise other actors in AIS</p>

Some POs complain about a lack of strategy and consistency in building their RAS because of different donors wanting different approaches. This makes attempting, at least partially, to self-finance their mechanisms became a priority. POs have varying positions on this principle. Some POs consider RAS to be inherently public and therefore feel it should be funded by public resources. Others accept the idea of contributions by POs (either via sectors or directly by the POs), but not by individuals.

### Governance and policy environment

An encouraging policy environment and an enabling regulatory environment drive success. Several countries express, via their declared policies, their desire to share control over RAS with POs, either through joint agencies (relatively autonomous and collegial structures, representing both the state and non-state actors), as in Niger or Guinea, or through a scheme of progressive delegation by the state to POs, as in Benin and Burkina Faso. Recognising the need to further adapt RAS to producer needs, policy-makers often emphasise that control should be demand-driven. The control of RAS also raises the issue of the accreditation of service providers and quality control of services.

### Strengths and challenges for POs involved in RAS (adapted from GFRAS, 2015)<sup>3</sup>

#### Demand side: developing demand-driven services

##### Strengths:

- Capacity to identify and synthesise needs and solutions for farmers.
- Capacity to participate in agricultural policy processes that contribute to the monitoring and evaluation of RAS.
- Willingness to be self-sustaining and efforts for gradual development.

##### Challenges:

- Involving members in the production and marketing of a commodity.
- Promoting better understanding among farmers of the role of POs in demand-driven RAS.
- Developing appropriate data collection systems for producers' contexts, and capacities to contribute to learning within producer groups.
- Reinforcing social capital within and between communities in order to avoid superficial participation of members.
- Ensuring honest and efficient leadership.
- Developing capacity to respond to partners other than their members.

#### Supply side: providing RAS

##### Strengths:

- Flexibility to engage with various actors (nongovernment organisations (NGOs), value chain actors, etc.).
- Ability to facilitate peer learning between members and organisations.

- Capacity to stimulate the provision of unconditional, unbiased advice with impact on members' livelihoods.
- Cost-effective as can mobilise farmer-extension workers and usually involved in technical topics that do not require a high level of qualification and training.
- Homogeneity of client group means they have shared objectives and needs.
- Good conditions for diffusion of new techniques (organised networks of farmers that facilitate diffusion).

##### Challenges:

- Developing structures such as constitutions, manuals of procedure, and strategic plans in order to build accountability.
- Ensuring transparent information provision about the actions of the leaders of PO.
- Building poor people's capacity to challenge exclusion, especially through the promotion of their rights regarding information and knowledge provision.
- Strengthening PO capacities for good governance, organisational management, and federal-level coordination.
- Intensifying partnerships with other actors in the agricultural innovation system.

### Best-fit recommendations

POs should take the following issues into consideration when identifying suitable roles that they can play in pluralistic advisory systems, and to target services that they could facilitate or provide in an efficient manner:

- **Their stage of development:** Some POs are still at early stages of development, with very limited activities, such as storage of agricultural products of their members. Such POs should not engage in more than one or two services to their members. Others are at advanced stages with capacity to govern several services without compromising quality, efficiency, or reliability.
- **Their own capacity development issues:** POs should integrate the roles they wish to play in RAS into their strategic plans, to ensure that they have the capacity to offer all the services they want to and the finances to do so. It is counter-productive and damaging to the PO to offer too many services, provided badly due to lack of technical or financial capacity.
- **Encouraging a demand-led approach:** Successfully organising and clustering individual needs, and transforming them into collective and well-articulated demands requires capacities that range from listening, analysis, and facilitation to brokering and negotiation.
- **Adapting existing RAS.** POs should be involved in the design of innovative advisory methods, such as approaches to management advice.<sup>4</sup> For example, in Burkina-Faso, "warrantage" systems<sup>5</sup> have been tested and adapted with POs in order to make them more suitable. POs should customise their own advisory services, by combining existing methods or co-designing new approaches with research partners. Testing or adapting new approaches also has positive impacts on PO's capacity development (e.g. increased autonomy and improved efficiency in each specific local situation).

<sup>3</sup> Ibid.



## Evidence of impact

RAS provided by POs facilitate changes at four levels:

- **At the farm level:** Much evidence worldwide shows how POs contribute to alleviating poverty and professionalise and empower farmers through the services they provide.<sup>6,7</sup>
- **At the producer organisation level:** Provision of RAS contributes to improved know-how, skills, and strategies of PO leaders and managers.<sup>8</sup>
- **At the regional level:** POs enable interaction and create synergies between existing networks in order to facilitate exchanges of knowledge and experience; they contribute to building local collective capacities and support innovation processes.<sup>9</sup>
- **Within value chains:** In many countries, POs play an essential role in the development of new agricultural products (such as cotton in Burkina Faso) or in the introduction of new models of production (such as organic agriculture). Their fieldwork, based on information gathering and training of thousands of producers, acts as a true driver of development.<sup>10,11</sup>

## Training materials

AFDI. 2012. *Guide pratique. Quel accompagnement proposer à une organisation paysanne pour choisir une activité de conseil à l'exploitation familiale (CEF) ?* Paris, France: Groupe Gestion AFDI.

Elbehri, A. and Lee, M. 2011. *The role of women producer organizations in agricultural value chains. Practical lessons from Africa and India.* Rome, Italy: FAO.

FIDA. 2013. *Pour un partenariat efficace avec les organisations paysannes et de producteurs ruraux.* Rome, Italy: FIDA.

Levrat, L. 2013. *Formations à l'élaboration de politiques agricoles : le guide du formateur. Organiser et mettre en œuvre des sessions de formation sur l'élaboration de politiques agricoles pour des responsables et techniciens des organisations paysannes en Afrique de l'Ouest.* Paris, France: GRET.

Penrose-Buckley, C. 2005. *Producer organizations: A guide to developing collective rural enterprises.* Oxford, UK: Oxfam.

<sup>4</sup> Faure, G., Pautrizel, L., de Romémont, A., Toillier, A., Odru, M. and Havard, M. 2015. *Management advice for family farms to strengthen entrepreneurial skills.* Note 8. GFRAS Good Practice Notes for Extension and Advisory Services. GFRAS: Lindau, Switzerland.

<sup>5</sup> In the warrantage system, farmer groups receive post-harvest credit in exchange for storing their grain.

<sup>6</sup> Blein, R. and Coronel, C. 2013. *Les organisations de producteurs en Afrique de l'ouest et du centre: attentes fortes, dures réalités.* Paris, France: Fondation pour l'agriculture et la ruralité dans le monde (FARM).

<sup>7</sup> Wennink, B., Nederlof, S. and Heemskerck, W. (eds). 2007. *Access of the poor to agricultural services. The role of farmers' organizations in social inclusion.* Development and Practice, Bulletin 376. Amsterdam, ND: KIT Publishers

<sup>8</sup> Faure, G., Toillier, A., Legile, A., Moumouni, I., Pelon, V., Gouton, P. and Gansoré, M. (eds). 2013. *Améliorer la durabilité des démarches de conseil aux exploitations agricoles familiales (CEF) en Afrique.* Actes de l'atelier de réflexion, Bohicon, Bénin 13–15 novembre 2012. Montpellier, France: CIRAD and Paris, France: AFD.

<sup>9</sup> Yang, H., Klerks, L. and Leuwis, C. 2014. Functions and limitations of farmer cooperatives as innovation intermediaries: findings from China. *Agricultural Systems*, 127: 115–125.

<sup>10</sup> Toillier, A. and Gadet, O. 2014. *The capacity of farmer organizations to provide extension and advisory services. Case study of cotton producer organizations in Burkina Faso.* MEAS Case Study No. 9. Washington, DC: USAID and Montpellier, France; CIRAD. Available at: <http://www.meas-extension.org/meas-offers/case-studies>

<sup>11</sup> Stockbridge, M. 2003. *Farmer organization for market access: learning from success. Literature review.* London: Wye College.

Tartanac, F., Santacoloma, P. and Röttger, A. 2010. *Formation en gestion d'entreprises associatives rurales en agroalimentaire. Module 2. Principes et organisation des entreprises associatives.* Matériel de formation en gestion commercialisation et finances agricoles de la FAO, No. 10. Rome, Italy: FAO.

## Further reading

Bingen, R.J. and Simpson, B.M. 2015. *Farmer organizations and modernizing extension and advisory services: a framework and reflection on cases from sub-saharan Africa.* MEAS Discussion Paper Series on Good Practices and Best-Fit Approaches in Extension and Advisory Service Provision. Washington, DC: USAID.

Chander, M. and Sulaiman, R. 2014. *Strengthening extension and advisory services through producer organisations: a case of milk producer cooperatives in India.* Report to GFRAS. Hyderabad, India: Indian Veterinary Research Institute and the Centre for Research on Innovation and Science Policy.

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