



AGRO DEALER

Now easy to access good agro input

The USAID funded SPIR Program, led by World Vision in a consortium with CARE and ORDA, is intended to help households in the PSNP4 program achieve food security for their households through a combination of savings, diversifying their sources of income through income generating activities, and skills training that can help them graduate from food assistance. This complementarity is core to the success of the collaboration between the GoE and the USAID funded SPIR Program. SPIR supports 526,444 direct project participants in the Amhara, Oromia and SNNPR regions of Ethiopia.

Access to quality agricultural inputs—especially seeds and fertilizers—is a key challenge for farmers across Ethiopia. Weak markets, long distances, difficult transportation, and products that are designed for large industrial farms rather than smallholders are all obstacles facing a farmer who wants to improve her production. For example, most farmers would have to pay 250 Birr (9 USD) for vegetable seeds to cover 0.62 acres of land, when they are only planting seeds on a small fraction of that—sometimes as little as .06 hectares.

To resolve this issue, SPIR/CARE worked with local entrepreneurs to establish agrodealer shops. The project put out a call for proposals, asking for people with established businesses and an interest in expanding into the input market to apply for the opportunity. Applicants must be able to contribute at least 27,000 Birr (964 USD) to startup costs, have a grade 10 education, live in the target woreda, and have a good relationship with the community. In each woreda, the project selected the best candidate with the highest likelihood of creating a successful and sustainable business.

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Once a candidate is successful—so far the project has worked with 8 agrodealers—they sign an agreement with SPIR. Under the terms of that agreement, SPIR provides training, materials for stores like shelving, scales, and signage, marketing materials, and small cash grants for agrodealers to set up product demonstrations for farmers. To get closer to reaching the last mile, SPIR also introduced mobile farm shops with which the agrodealers can move from their permanent shop

into central kebele marketplaces and deliver inputs for the farmers. In addition to their standing shops, agrodealers travel to nearby markets several days a week to give access to the highest number of farmers.

In turn, the agrodealers agree to serve farmers in the PSNP project, and to set up product demonstrations and technical assistance sessions for these farmers. They also purchase all of the cost of inputs themselves, and use the profits to expand and strengthen their businesses. They buy certified, high quality products, and often repackage them in sizes appropriate to local needs.

Tapping into local entrepreneurs who are interested in the opportunity and willing to invest their own money in the process builds on the project's market-based principles. Wherever possible, the project aims to help locals overcome market failures and build new connections, rather than acting to replace the market with development activities.

This method of working with existing businesses to help them access new products and scale up also provides a higher likelihood of success and sustainability. Local businesses understand the context and can draw on local relationships to strengthen their customer base. They understand the needs of local farmers more effectively than national or international wholesalers do. They also have an incentive to keep high-quality inputs coming in, because that is what earns their profit.

Biftu Hudi is the agrodealer for Gemechis Woreda in West Hararghe. She was the most qualified of 8 candidates who applied to be a part of the project. “I started my input shop 7 months ago, when I saw an announcement for an opportunity to become an agrodealer. I already had a small business selling household goods like soap and sugar, and I heard that being an agrodealer could be a very profitable business, so I wanted to try for the opportunity. These kinds of products, like pesticides, seeds, and animal feed, are always in high demand.

Once I won the application, the project helped me get some training about the inputs and how to use them. The trainings really focused on safety for pesticides—using the right amounts and disposing of containers appropriately. They also taught me how to mix molasses into animal feed to fatten animals more quickly. They also showed me how to re-package seeds so that they are small enough amounts for local farmers. One big can is too many seeds for most families here. Instead of selling one big can, I put it in 4 or 5 smaller packets.”



“I also got some office equipment, like my scale for weighing, my chair, and the shelves.” Besides her static shop, Biftu got materials for a mobile shop—a tent and some signs—so she travels to 5 local markets on different days of the week to reach a bigger number of farmers.

Biftu invested 100,000 Birr (3,571 USD) into buying inputs for her shop. She had to travel 300km on public transportation to go to the nearest bulk seller of products—something that few farmers would be able to manage alone. The work paid off; in the first 7 months, not only earned back her investment, but also got a profit of 50,000 Birr (1,785 USD). “It’s really satisfying that the business is doing well. I have a good market and I can sell things.”

But Biftu's favorite part of owning the business is seeing the changes in her community. She's served 425 clients so far, up from the 20 or so she used to see in her old business. Many of the farmers she works with are in the PSNP program. "I can help the farmers here. They come and tell me what they need, and I find ways to get it so I can sell it to them. I show people how to plant seeds and take care of the plants. I show them how to harvest. When they buy from me and use those products and what they learn to grow more food, it makes me happy.

I want to open another shop and hire an employee to manage it for me. That's why I'm investing profits back into the business. My brother manages some of my shops, and sometimes my husband helps me if he has time."



Integrating Program Activities

SPIR works to increase demand for inputs by connecting the agricultural training component of the project to agrodealers. Through SPIR training, 1,995 farmers engage in different types of value chains by using improved inputs and improved production techniques. These farmers receive information about agrodealers, and support to connect them to local markets. As part of Farmers' Field and Business Schools and work with local agriculture extension officers, the farmers get hands-on training in how to use inputs and learn about connecting to input suppliers like the agrodealers.

With the objective of increasing farmers' access to agricultural inputs in their vicinity, SPIR conducted market activation events with agrodealers in all implementation woredas.

The events allowed agrodealers to promote their services and sell different types of inputs using mobile shops at marketplaces. Different stakeholders from each woreda participated in the events. In addition, SPIR promoted inputs supplied by agrodealers at training events held in West Hararghe. As a result, 1,219 farmers (474 PSNP clients and 745 non-PSNP farmers) have accessed agricultural inputs such as vegetable seeds, effective microorganisms, molasses, agro inputs and farm tools from the four agrodealers supported by SPIR.

Challenges

The biggest challenge for most agrodealers in the program is transportation. They must travel long distances to connect to bulk suppliers for the inputs that they sell at home. Public transportation is the best option for most, but it is tiring and expensive. Even traveling to other markets in their area to sell their goods can be difficult and costly on local public transit.

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