

Private Sector RAS to Support Agribusiness

Presentation Outline for the Session 5.

Title of the Project:

Private sector RAS programs to support agribusiness”
Especially on the research and extension work with CTC involving youth and people with disabilities.

1. Background and Rationale

My wife and I have been working in both secular and faith based development agencies since 2013 with an aspiration to see remote rural communities flourish through village based industries and disability services.

Most recently we worked with the Coconut Technology Center (CTC) in association with Kokonut Pacific Solomon Islands (KPSI).

Our work to review and develop the KPSI extension department and set up 'Private Sector Rural Advisory Services' (PS-RAS) at the CTC involved developing wholistic productivity-based systems.

The key challenge was to provide material benefits to rural agribusiness managers and the communities they operate in. The challenge for the private sector (just as it is for the public sector), is the cost of transport to get program officers into and out of the field under the tyranny of the archipelago.

The strategy to address these fixed overhead costs was to increase the productivity and services delivered during each field visit and spread or amortize the costs across more than one cost center or agency.

The key difference in our approach was to recruit and train staff who were Community Based Rehabilitation (CBR) graduates. To my knowledge this approach to integrating disability and industry support in rural reconstruction or agricultural services has not been implemented in the Solomon Islands before.

The benefit to farmers is a more participatory process to looking at production issues and a more integrated approach to work practices to engage community members of all ability levels.

2. The Process

Building relationships is the basic process of the rural advisory service we have built on.

Working with farmers the strategy we followed in developing this extension approach was as follows:

1. Establish a link with the Solomon Islands National University (SINU) and the CBR training program.
2. Interview referred graduates with local KPSI staff.
3. Engage graduates on a trial basis.
4. Engage volunteer OT to supervise CBR workers (who were in turn supervising and supporting people with disabilities in the workplace).
5. Commission graduates to recruit staff with disabilities and assess the workplace for disability access.
6. Provide specific agribusiness skills to CBR graduates and staff with disabilities.
7. Assist with the development of policies and procedures along with administrative tools.
8. Review previous extension services and practices in the light of CBR philosophy (for example, proactive inclusive community practices, respecting that everybody in the community is valuable and has a skill to contribute to the whole - in particular economic activity, workplace health and safety principles etc).

The private sector KPSI process of engaging with farmers and producers is as follows:

1. Recruit farmers or producers who express an interest in joining the value chain.
2. The business (KPSI) conducts a discussion about the investment and business model.
3. CTC conducts extension assessment and training on setting up their value chain:
 - Working with the business (KPSI channel to market).
 - Working with the farmers (primary producers).
 - Working with producers (secondary agents or processors)
 - Working with the world (export to quality assured markets, certification).
 - Working with industry and community partners.
4. CTC provides annual support and inspections to producers and farmers.
5. Provide data and insights for annual organic certification.

As part of the research on value adding technologies, we have experimented with several ways to conduct applied research and stimulate innovative thinking. The result of this work which involves staff and farmers are the following products:

- Gasification of coconut shell
- Production of coconut timber and coconut shell charcoal for clean cook stoves
- Production of concrete charcoal stoves
- Frozen coconut cream production
- Coconut shell handy crafts
- Agricultural biochar and compost

. Capacities required –

To address the key issue of the cost of transport and therefore the delivery of extension services, it is important to look at a decentralized model. For the private sector, working with lead farmers and other community based organisations like rural training centres is important. Extension or rural advisory service officers from urban centres may provide valuable training and resources, however they can only do this perhaps once or twice a year. For this reason, ongoing support of farmers requires local representatives and good communication services.

Key capacities that make RAS officers effective include:

- Mobility and low family commitments.
- High integrity / autonomy and moral disciplines.
- Experience in applied agricultural principles and an understanding of plant physiology.
- An ability to build trust with the farmers.
- Good communication and interpersonal skills along with cultural sensitivity and political awareness.
- A genuine interest in rural communities and in assisting the farmers/producers.

The CBR graduates being trialed in extension services, were also given approx one hour a week supervision on clinical therapy skills (assessment, treatment/rehab, writing case notes, and admin processes). They were also given specific training on agriculture and value chain specific processes, quality assurance and organic certification system compliance.

Agricultural extension traditionally integrated:

- Applied research,
- Value chain development, and
- Extension of proven farming system and techniques.

A purely public sector organization often focuses on research or extension and often misses the value chain development element. A private sector sales ergonomist approach often focuses on the extension of commercial product solutions and productivity issues and also misses the value chain development. The benefit of a private sector integrated value chain such as KPSI in the Solomons and Tanna coffee or the spice network in Vanuatu, is that it takes a wholistic approach of which value chain development is a commercial imperative both for the farmer but also to attract and retain customers.

3. Resources Needed -

The annual extension service budget for supporting a network of 60 oil producers and around 900 associated farmers, was approximately \$250 000 SBD per year.

An average cost of an annual visit was calculated at around \$3 000 SBD per visit.

This was the minimal service to maintain organic certification and was therefore funded by KPSI in order to maintain their certification compliance.

The CBR graduates were engaged on the same contract as other extension officers and the review of extension services and additional support for the CBR initiative was funded through the Australian Volunteer Program (in the form of a volunteer) and faith based donors (approx \$2000 SBD per year to assist volunteer OT with expenses related to supervision).

4. Strengths and weaknesses

Strengths :

KPSI had a well established network and had good relationships with farmers, producers, certifying bodies and consumers.

With the establishment of the CTC, there was a general willingness to adopt new and innovative approaches and structures as this organization was being established. This may have been more difficult if trying to reform existing practices within the KPSI business.

The CBR graduates training program included high levels of practical training with seven field work units and case studies where students were taught to apply theory and principles to household applications.

Weaknesses:

The concept of integrating people with disabilities within the workforce and the potential of providing an economic service was not well understood and required significant education within the organization (with board members, management and other staff).

Collecting baseline data about extension productivity and costs was quite difficult due to the structure of the accounting systems.

Re-designing accounting systems to better monitor and manage a productivity-based extension service required a level of accounting expertise above that of basic book-keeping. The high level of accounting skills needed were not available from the accounting graduates from the local university.

In general, the ability of extension workers to assess and calculate gross margins and return on labor for agricultural was not a common analysis

5. Best fit considerations

The private sector approach is best applied with groups associated with a specific value chain and preferably an integrated value chain where there is continuity from primary production to retail outlets. Organizations that have a large enough work force (between 15 and 40) are best to employ a CBR worker who can also look after OH&S plus other workplace improvement activities. With regard to village level agricultural production there is a need for high price density commodities of greater than \$3.00/kg along with at monthly shipping or transport services. These are essential for both extension services and the business model to be viable, profitable and effective.

6. Governance

This model needs direct management and leadership with high level vision for integration and productive returns to farmers. Representation from farmer and other value chain stakeholders is essential, however this sort of intensive private sector extension service cannot be managed by a committee that meets occasionally.

CTC board and management and KPSI board and management provide oversight and direction for this model where it relates to scheduling and ensuring certification compliance.

7. Evidence and Impacts -.

At the village level an impact assessment framework was proposed, however design and implementation was never completed. The minimum certification record does give an indication of impact in terms of environmental protection and economic improvement and equitable distribution of finances.

The area of impact assessment is one that can benefit from programs conducted by agencies such as 'Agriledger' who provide a smart phone based system for monitoring value chain transactions. This technology can also be used to monitor non financial transactions and community improvements. One of the key benefits of the certification and productivity based payments of fair trade is that women receive cash payments for their work that can be used directly for household needs. Unlike many informal sector economic or agribusiness activity where women contribute but get benefit indirectly a certified system ensures women have control of cash which improves family benefits.

These systems when linked to an integrated value chain mean that money can be monitored and budgeted much more effectively than a dis-integrated cash payment informal system. It is estimated that more than 400 women benefit from the DME VCO network.

8. Issues of sustainability

One member of the CTC board was committed to seeing the CBR program continue after seeing the impact and productivity of the staff with disabilities who were engaged. From the initial groups of people with disabilities engaged on traineeships (approx. 10), 5 have been retained. This represents about 10% of the workforce of CTC and KPSI. This is probably a sustainable ratio and it is likely that a ratio greater than 50% would be difficult to manage and a ratio of less than 5% would leave people with disabilities feeling a minority in the work place. 2017 is the first year of revised extension service program and the annual report of impact has not been reported, however indications are that the CTC has attracted the interest of UNDP with regard to youth programs and as such could fulfill the goal of greater collaboration in extension activities and cost sharing.

9. Further Reading

- Please provide a link or references for further reading

<http://www.sinu.edu.sb/SNAHS/snahsDCBR.html>

<http://www.kokonutpacific.com.au>

<http://www.agriledger.com>

<http://growlogic.com.au>

<https://www.agrimap.com>

<http://www.organicpasifika.com/poetcom/who-are-we/>

<http://www.impactacademy.net.au>