



## Farmer Business School (FBS)

### ABF – Business Support Facility for Resilient Agricultural Value Chains

#### General context and approach

Agriculture remains the backbone of OACPS members' economies. In Africa only, it accounts for one third of the GDP and employs two-thirds of the labour force. Rural-urban migration, in particular of youth, is accelerating. Food imports to Africa cost 35 billion USD per year and are estimated to triple by 2025 if production does not increase significantly.

Micro, small, and medium agribusiness enterprises operate in national, regional, and international value chains. They provide incomes, jobs and feed the growing populations. However, entrepreneurship, despite its importance to empower farmers for business and equitable participation in sustainable economic growth, remains a marginalized field.

The Farmer Business School (FBS) approach has been developed by GIZ in 2010 with partners and the support of the Federal Ministry for Economic Cooperation and Development and World Cocoa Foundation.

FBS outreach



<b>Project name</b>	Agri-Business Facility for Africa Co-implementing the Joint Action "Business Support Facility for Resilient Agricultural Value Chains"
<b>Partner Countries</b>	Africa (BMZ) All 79 OACP member states (EU)
<b>Volume</b>	37,260,854 EUR (23,810,854 EUR by EU; 13.45 Mio. EUR by BMZ)
<b>Duration</b>	January 2020 to June 2027
<b>Implementing Partners</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

## The approach

FBS training strengthens agricultural smallholders' business skills for more income from diversified production. During five subsequent morning sessions, male and female producers discover that agriculture is business and how to improve it:

- Planning and economics,
- Healthy nutrition and farm management,
- Investment decisions and strategies based on cost and benefit analysis to diversify and increase incomes,
- Financial management, savings, and credit,
- Benefits from good quality produce (e.g. cocoa),
- Benefits from membership in producer organizations.

FBS is a federating approach. Different public and/or private stakeholders pool resources to implement FBS trainings. By doing so they reduce risks of business and open access to a wider range of services and new business opportunities. In practice, FBS complements agricultural extension and financial services.

## Achievements

Over 480,000 cocoa producers (29% women) in Côte d'Ivoire, Ghana, Cameroon, Nigeria, and Togo participated in FBS trainings under Sustainable Smallholder Agri-Business (SSAB), ABF's pre-cursor project. Since 2012, 40 other development programs, their partners, national organizations and 2 companies adapted FBS with support from SSAB for 39 value chains other than cocoa. In total, more than 1,710,000 smallholders (34% women) in 25 African countries have undergone FBS training.

## Impacts

Evaluations of SSAB confirm impacts of FBS training: 50% of surveyed FBS graduates have

savings at a bank or with their cooperative, 41% qualified for agricultural loans and 40% of trained groups registered or reactivated producer organizations. 74% use FBS tools for planning, records and calculation of profits and losses. Over 50% of FBS groups organize bulk sales and purchase of inputs. 45% of the groups registered as a cooperative or association. Income from food products has reached over 1,800 USD in real terms in 2017 (baseline 2011: 70 to 172 USD) and compensates volatile cocoa prices. Farmers re-invest additional income in production, replanting of cocoa and improved housing. 71% of FBS graduates pay school fees for their children and 85% use additional income to improve the nutrition of their families.

## Support to go for FBS in large scale

Demand for advice on adaptation of FBS and its implementation continues. The Agri-Business Facility for Africa (ABF) follows SSAB. ABF continues to support interested rural development institutions, companies, or development programs to adapt FBS to production systems other than cocoa, but also to introduce Cooperative Business School (CBS) and Processor Business School (PBS). Parties interested to introduce FBS can build on proven impacts, cost-effective standard tools, an Africa-wide network of practitioners and Master Trainers. The tool kit covers amongst others strategic clarification, economic and investment analysis, diversification, adult training, planning, M&E, budgeting, and contracts.

*'I increased my profit from 1,200 EUR from 4 hectares in 2013, to 7,900 EUR from 8.8 hectares in 2017. I pay my children's school fees easily now. My son will take over.'* – Ndzana Toua Bibiane, Cameroon

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