FARMAF

FARM RISK MANAGEMENT FOR AFRICA

LA GESTION DU RISQUE AGRICOLE EN AFRIQUE

www.farmaf.org

About FARMAF

The Farm Risk Management for Africa (FARMAF) Project aims to improve food security and the livelihoods of smallholder farmers through enhanced access to tools and methods to manage farm risks. FARMAF is implemented by AGRINATURA-EEIG in partnership with eight national and regional farmers' organisations in Africa. Funded by the European Union and AGRINATURA, FARMAF is initially carried out in Burkina Faso, Tanzania, and Zambia, with the goal of transferring lessons learnt to other countries in Sub-Saharan Africa.

Why the need for FARMAF?

Smallholder farmers in Africa are often highly vulnerable to farm risks and uncertainties, ranging from difficulties in acquiring farm inputs to major weather-related risks such as drought, floods, windstorms and hail. They also face challenges at the post-harvest level, including uncertain access to markets and high price variability.

Smallholders typically have limited access to tools to manage these risks, such as agricultural insurances and advanced marketing systems. As a result, they tend to rely on traditional risk minimisation strategies such as diversification of farm activities, and risk coping mechanisms. Quite often, these strategies do not optimise productivity and provide limited protection against severe shocks.

FARMAF promotes the development of risk management tools, and makes them available to smallholder farmers. This approach will help farmers manage risks better, give them improved access to credit, and in turn increase their capacity to invest in yield-enhancing technology. FARMAF strengthens the capacity of smallholder farmers to act collectively and improve their marketing of agricultural produce.

FARMAF tools

The risk management tools being developed and promoted under FARMAF including:

- **Crop insurance schemes** to compensate farmers for weather-related yield losses and simultaneously ease access to production finance.

- Innovative marketing systems such as **warehouse receipt systems** (WRS) and **agricultural commodity exchanges**, which have proven to enhance crop marketing and access to finance.

- Improved **Market Information Systems** (MIS) to enable smallholders and others to make well-informed marketing decisions, support farming practises, and to aid crop forecasting.

- **Collective action** by smallholder farmers, including promoting primary-level organisations through which producers can access production credit on competitive terms, obtain farm extension services, and build capacity for **collective marketing** — as most small-holders are unable to access remunerative markets because of the small size of their output.

- **Policy advocacy** by farmers along with other stakeholders to ensure the creation and maintenance of a supportive policy environment and regulatory framework for the farm sector. This will be achieved through generating and sharing required evidence as well as promoting effective advocacy platforms.

FARMAF's multifaceted approach

The approach adopted in implementing FARMAF recognises that risk management in agriculture is multi-dimensional. FARMAF ensures **effective links** between the aforementioned tools to optimise their benefits, rather than developing them in isolation. For instance, crop insurance is actively linked to market supply of farm credit and access to inputs and farm extension services. A critical link is made to marketing systems which reduce loan default risk by ensuring farmers can sell their produce at predictable prices.

Wherever possible, FARMAF seeks to **build on existing initiatives** and not "start from scratch". The focus is on improving, scaling-up and developing tools which are complementary to those which exist. In all cases, the **priorities of farmers' organisations** define national agendas for FARMAF actions.

The development of specific tools often leads to new challenges. For this reason, FARMAF actions include capacity building to enable stakeholders to

respond in a flexible manner to challenges which may emerge as tools are developed.

The **policy context** has proved to be one of the biggest hurdles for successful implementation of actions to develop risk management tools. This is especially the case where policy actions are unpredictable or disrupt the development of input and output markets. To address this, FARMAF partners collaborate with private actors and policymakers at national and regional levels on actions to create and maintain a more supportive policy environment.

Lessons from pilot countries have so far validated this approach adopted in the design and implementation of FARMAF.

Project funding details

- Start date: 31 December 2011
- Initial duration: 48 months
- Total project funding: €4,712,442; European Union contribution €4,437,442

FARMAF consortium partners and contacts

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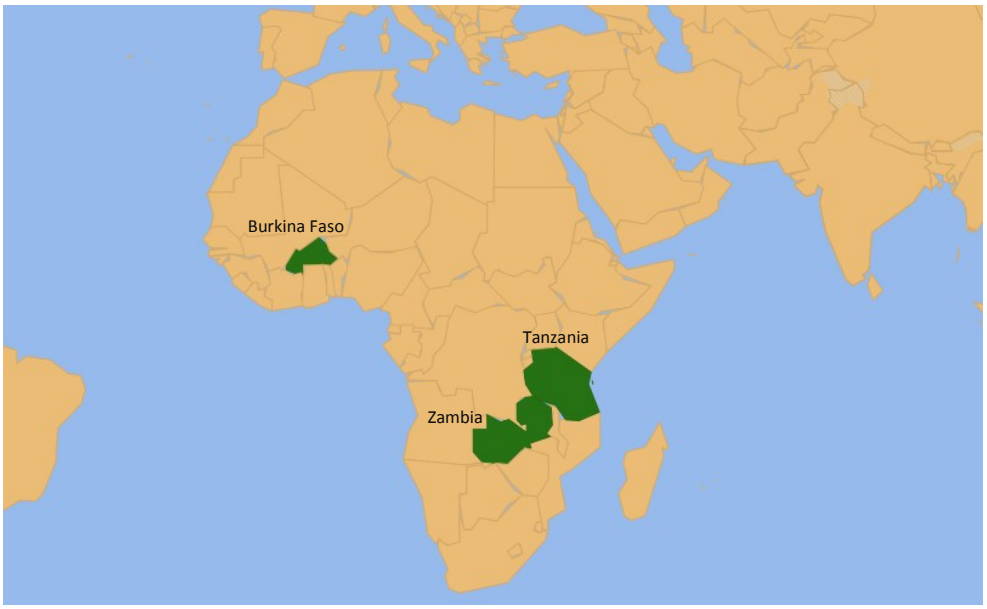
Countries where FARMAF is being implemented



FARMAF is currently being implemented in Burkina Faso, Tanzania and Zambia, with the aim of transferring lessons learnt to other Sub-Saharan countries.

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