

PARTNERS:

AGRINATURA-EEIG



Continental and Regional Farmers' Organisations:

- **Pan Africa Farmers Forum (PAFFO)**

- **ROPPA**



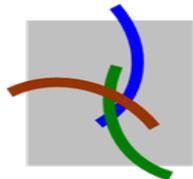
- **EAFF**



- **SACAU**



- **PROPAC**



Funded by:



**FARM RISK MANAGEMENT for AFRICA
GESTION DU RISQUE AGRICOLE EN AFRIQUE**

FARMAf

FARM RISKS – THE ‘MILLSTONE’ FOR AFRICAN FARMERS

Farmers in Africa and other developing countries face a range of risks, which are prevalent throughout the agricultural value chain – from input acquisition to post-harvest storage and marketing. Output tends to vary as a result of the weather and emerging evidence suggests that the probability and impact of weather-related events in Africa is increasing due to climate change. Diseases, pests or other natural factors also affect farm output. After harvest, African farmers face considerable market access difficulties and volatility in prices. This is often due to poor physical infrastructure, missing or weak market-supporting institutions, poor services delivery systems and disabling policies.



Unlike their counterparts in industrialised countries, smallholder farmers in Africa lack access to tools which can enable them manage these risks or cushion them from the effects. Furthermore, as a result of these risks, they are unable to access finance and are thus severely constrained in their capacity to invest in yield-enhancing technology. Removing this ‘millstone’ is therefore crucial in ensuring sustainable improvement in the livelihoods of smallholder farmers in Africa. This is the challenge that **FARMAf** will address.

OBJECTIVES

The overall goal of the **FARMAf** is to improve food security and livelihoods of the rural poor in Africa. In particular, it is expected that smallholder farmers in **Burkina Faso, Tanzania and Zambia** will benefit directly from the project. However, in the long-term, it is expected that through lesson-sharing and replication of successful models, the over 120 million in smallholder farmers in East/Southern Africa and the 165 million smallholder farmers in West Africa have the potential to be beneficiaries.

To achieve this goal, **FARMAf** seeks, specifically, to increase the breadth of sustainable tools and instruments which smallholder farmers in the target countries can use effectively to manage farm risks. It is expected that this will reduce their exposure to downward shocks, improve access to credit and capacity to invest in yield-enhancing technology as well as strengthen their capacity to manage better the marketing of their agricultural produce. The overall impact on farm output as well as household income and food security will be positive, thereby contributing to the reduction of poverty in rural households.

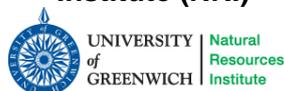


Implementing institutions of AGRINATURA-EEIG:

La Recherche Agronomique pour le Développement (CIRAD)



- Natural Resources Institute (NRI)



- Wageningen University (WUR)



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APPROACH

FARMAF will promote and further develop some of the tools which have been successfully piloted in Africa including: the weather-indexed crop insurance scheme to compensate for weather-related yield losses and simultaneously ease access to production finance; and innovative marketing institutions including the warehouse receipt system (WRS), which in Tanzania has improved marketing and finance for some agricultural commodities, and agricultural commodity exchanges, which have transformed agricultural finance, marketing and risk management in South Africa's since the mid-1990s.

Based on lessons from other pilots, **FARMAF** adopts an implementation approach which recognises that **risk management in agriculture is multi-dimensional**. This implies that, instead of developing individual tools in isolation, their benefits are optimised through ensuring effective links between them so as to enhance holistic management of risks by farmers. To illustrate:

- Crop insurance will be linked to farm credit because evidence from empirical studies confirm that crop insurance on its own is not attractive to farmers if it is not linked to improved access to credit. Furthermore, banks usually view lending to farmers without any cover against output and price risks as unattractive.
- Provision of credit will also be tied to supply of inputs and extension.
- Marketing institutions (e.g. WRS) and collective marketing will be promoted so that the target farmers can better market their produce. This is important in maintaining improved producer incentives which will sustain output and productivity growth by the target farmers.



IMPLEMENTATION AND GOVERNANCE

FARMAF, which is funded by the European Commission, will be implemented by AGRINATURA-EEIG and its partners – farmers' organisations in Africa. AGRINATURA is a pan-European organisation of 35 universities and research centres from 18 European countries. It offers the largest pool of European specialists working on research, education, training and capacity development for the agricultural sector in developing countries.

The farmers' organisations will play a central role in implementation of **FARMAF**. At national levels, the following partner farmers' organisations will lead in implementing action plans:

- MVIWATA of Tanzania
- Zambia National Farmers Union (ZNFU) of Zambia
- Confédération Paysanne du Faso (CPF) of Burkina Faso.

The Pan Africa Farmers Forum (PAFFO) and the following African regional farmers' organisations will be involved in monitoring and evaluation of project implementation as well as in facilitating lesson-sharing with other farmers' organisations in Africa:

- Réseau des Organisations Paysannes et Professionnelles Agricoles (ROPPA)
- East African Farmers' Federation (EAFF)
- Southern African Confederation of Agricultural Unions (SACAU)
- Plateforme sous-Régionale des Organisations Paysannes d'Afrique Centrale (PROPAC).

AGRINATURA-EEIG will be responsible for managing and coordinating the implementation of planned activities. It will provide technical resource persons to implement the proposed actions and will also deploy external resource persons and organisations including those based in Africa with relevant expertise as necessary.