



Agriterra

First results of an
**AMBITIOUS
PROGRAMME**
— *annual report 2016* —

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COLOFON

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Bolivia ANAPQUI



New approach — makes an — **EXPEDITIOUS START**

Farmers in developing countries have a lot in common with their colleagues in the Netherlands and in Europe. The higher you are in the value chain, the more likely you are to make a good living. The new Agriterra approach contributes to a stronger market position for farmers through strengthening their cooperatives and that is what we want to achieve through ‘Common Sense in Business’.

In 2016 we have hit the ground running with the execution of this new programme which continues until 2020. Cooperatives are emphatically in the picture. We want to strengthen these cooperatives and in order to do so we apply our three approaches and work with the top knowledge of Dutch agri-business.

Three approaches

As an advisory organisation we have three approaches. First, we support cooperatives to strengthen their financial management and improve their business operations so that they can attract loans and realise investment ambitions. We also train farmers’ organisations to set up a structured approach to lobbying that allows members to participate and gives them more influence with policy makers. And finally, we assist cooperatives and farmers’ organisations in structuring professional services to their members and developing a profit model for this.

Top knowledge

Through our Agripool we provide the top knowledge of Dutch and other European Agricultural companies to cooperatives. Through the campaign “Small Farmers, Big Deal” Agriterra stimulates Dutch entrepreneurs to connect with ambitious and professional farmer cooperatives in order to guarantee a safe and stable business climate.

With the new approach, Agriterra has formulated ambitious goals for 2020:

- Reach out to 1 million unique farmers
- Provide € 55 million in loans and working capital
- Connect 50 agricultural cooperatives successfully to banks
- Policy changes that lead to an extra € 100 million in investments
- 30% of operating expenses of farmers’ organisations covered through service arrangements with the private sector
- Youth councils at 50% of our clients
- 30% increase in paying members of cooperatives and farmers’ organisations
- 15% female and 10% young board members

In this annual report we’ll show how much we are on track, based on the most important developments and figures. We also highlight some inspiring examples.

First results of ambitious goals

In 2016 Agriterra began an ambitious new programme 'Common Sense in Business' which will run until 2020. During this period Agriterra wants to develop into a market-oriented advisory organisation.

Turnover

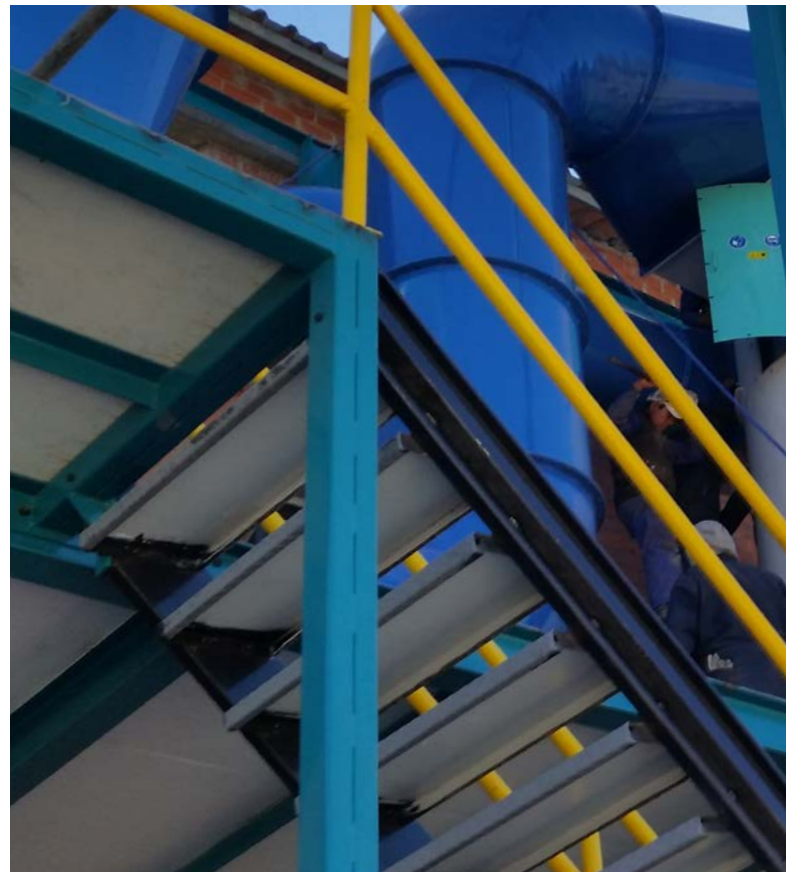
In the first year of its activity programme Agriterra realised a turnover of more than € 12 million. Since 2015 Agriterra has been changing from a project oriented organisation into an advisory organisation. This change resulted in less grant transfers to cooperatives and farmers' organisations, while more effort was put into advisory services, training and exchange between farmers.

New clients, new projects

Our new trajectory towards advisory services has led to new clients and new projects, like the example of the quinoa cooperative ANAPQUI (see right). Agriterra staff presence expanded significantly in 2016 and we are now represented in 13 countries. In the past year, we were involved in 169 projects. For this purpose, 301 work visits were conducted and 98 events / trainings were organised. Agriterra sent a total of 417 external experts: 286 (69%) visits were by an Agripool member, 120 (29%) were by a consultant and 11 were by a student/trainee. Besides that, both national as well as Dutch Agriterra business advisors were involved in many work visits.

Agripool

Our Agripool consists of professionals from the agri & food sector in the Netherlands and increasingly from other countries, particularly Spain with support from Acodea. These experts share their cooperative experiences and give *peer-to-peer* advice. The importance of Agripool will increase in the coming years. We have already been very successful in our recruiting agripoolers from more than 20 Dutch organisations. By the end of 2016, the number of active experts in our file was 219 while 434 people were signed up but had not yet undertaken a mission. Our ambition is to internationalise the Agripool and to involve more than 500 Agripoolers, from all over the world, in 245 projects in 2020.



EMPOWERMENT OF BOLIVIAN QUINOA-GROWERS BY PROPER BOOKKEEPING

QUINOA HAS BEEN A LOCAL STAPLE PRODUCT IN BOLIVIA FOR HUNDREDS OF YEARS. RECENTLY EXPORT OF THIS PRODUCT IS BOOMING. THE PRODUCERS' ORGANISATION ANAPQUI IS STANDING STRONGER BY INVESTING IN THE PROCESSING PLANT AND IN FINANCIAL MANAGEMENT.

The Asociación Nacional de Productores de Quinoa (ANAPQUI) is a key player Bolivia in the quinoa sector, representing 2,080 small and medium producers of quinoa. In 2016 their sales reached a value of € 21.3 million, 60 per cent through export.

In 2016 ANAPQUI initiated collaboration with Agriterra. The organisation had ambitious plans to renovate its processing plant and improve operations.



- Bolivia
- ANAPQUI
- Quinoa producers
- 2,080 members



'At Agriterro we start any advice programme with a proper analysis of the governance and financial position of the cooperative. It often takes quite a lot of effort and time to collect the right figures and information. But once we've established proper bookkeeping procedures with the cooperative (and their individual farmers) you notice that farmers are immediately empowered. I'm really proud when farmer cooperatives start to realise their market potential and the value of their products. This strengthens their negotiation position enormously.'

Ninoska González Herrera, business advisor Latin America

FEASIBILITY PLAN AND INVESTMENT

By the end of 2016 ANAPQUI had drawn up a feasibility plan. With an investment plan it generated € 120,000, 70 per cent from the national bank and 30 per cent from their own capital. The first batch of machines arrived in late 2016. In 2017 the plant will be finished and in full operation. ANAPQUI is also working to improve the quality of the quinoa it sources. Quality standards were agreed and shared with members, and as a result losses have been reduced to 7 per cent.'

INTEGRATED MEASUREMENT SYSTEM

In 2016 the organisation introduced an integrated measurement system, designed by Bolivian experts, that will use real-time information to calculate production costs. An exchange visit to CoopNoradino in Peru was organised to give ANAPQUI staff and directors hands-on experience with this management support tool. Later, an Agripool expert from CoopNorandino came to give further advice on ANAPQUI's accounting processes. The system is now in full use.

RESULTS:

- A finished feasibility plan
- Implementation of an integrated measurement system
- Improvement of operational processes

Goal: 1 million farmers reached

Agriterra wants to reach 1 million farmers within the programme by 2020. In 2016, the outreach through our projects was approximately 400,000 individual farmers of which 30 per cent are women.

Outreach is defined as the number of direct beneficiaries of Agriterra advice. Numbers are even more positive when looking at the active members of cooperatives. The number of active farmers as evident from the analysis of key performance indicators (74 organisations in 2015) is more than 1 million. It is these members that benefit from Agriterra's advisory practice as to improved business operations and increased sales and profits. An example is Allima Cacao (see right).

Most of our clients are cooperatives

The total number of clients in 2016 was 211, spread over 4 regions. Of these clients, 122 are actively involved in one or more projects (see table). The others are organisations that are still in the assessment phase or parties with which we have reduced cooperation because our ambitions no longer match. The majority of clients in 2016 (134) are cooperatives. The rest are associations (70) or have a different legal status.

Active and successful in scoping and assessing clients

We are optimistic about the growth in the number of clients. During the past year, we have been active in the acquisition of new clients for which we conducted 62 company assessments. In early 2017, our customer portfolio included 104 newly identified and assessed clients and prospects. At the same time, cooperation with 54 existing clients has been terminated or put on hold. These developments also justify optimism about the potential outreach.

Focus region	Clients	Active clients
Africa	105	49
Ethiopia	23	23
Asia	45	29
Latin America	38	21
Total	211	122

TRUST IN YOUNG COOPERATIVE LEADS TO RESULTS

ALLIMA CACAO DEVELOPED FROM A PRODUCERS' ORGANISATION INTO A FINANCIALLY HEALTHY COOPERATIVE THAT AIMS FOR A BETTER MARKET POSITION FOR THE PRODUCTS ITS MEMBERS PRODUCE. THE TRUST IN THIS COOPERATIVE NATURALLY LEADS TO RESULTS.

Cooperativa Agraria Allima Cacao is a young local cooperative of cacao farmers in Chazuta, deep in the Amazon in Peru.

Agriterra's first contact with this cooperative was in 2015, through the regional umbrella organisation 'Vere Amazónico'. This umbrella organisation aims to strengthen its affiliated organisations and cooperatives and works together with Agriterra to reach this goal.



'Allima Cacao uses the slogan 'believing is seeing'. This radiates confidence in the cooperative'

Bas Prins, business advisor



Allima and Agriterra have been directly working together since 2016, when Allima was transformed into a cooperative. Agriterra supported this transformation by, among other things, bringing in Agripool experts, cooperative peers from Uruguay in this case.

Agriterra works closely with regional Agripool experts in Latin America as they speak the language and are familiar with the local context and issues.

50 PER CENT EQUITY CAPITAL

Cooperative Allima is doing well financially. An increase in membership contributions caused the share of equity capital to grow to 50 per cent in 2016. By establishing an alliance with an association of cacao farmers from another region, Allima is able to get a loan from a Peruvian savings and credit cooperative.

In 2016, the revenue grew by 340 per cent to about € 825,000. Stronger financial management and improved internal monitoring increased efficiency. Allima also invested in a good internet connection on Agriterra's advice and can now quickly find out about markets and prices. Better market data makes marketing cooperatives stronger.

BELIEVING

Agriterra will keep helping Allima reach its goals in 2017. The cooperative aims for continuous improvement of quality and wants to reach even more farmers. Furthermore, they plan to expand their facilities for storage, fermentation and drying of cacao and to start exporting themselves. Business advisor Bas Prins: "Allima Cacao uses the slogan 'believing is seeing'. This radiates confidence in the cooperative".



- Peru
- Allima Cacao
- Cooperative of cacao farmers

RESULTS:

- Equity has grown to 50%
- Loan received from a Peruvian savings and credit cooperative
- Sales increased by 340%
- Higher efficiency, stronger financial management, better internal control

Making cooperatives bankable

An important part of the Agriterra approach is focused on advice and support in achieving financial inputs, which can be working capital or investments. The goal is to successfully associate 50 cooperatives with a bank in 2020.

Our advisory work is aimed at supporting efficient business operations, professional financial management and sound corporate governance. The aim is to enable cooperatives to attract loans and to realise investments.

Our ambition for 2020 is to successfully associate 50 cooperatives with a bank. At the end of 2016 we are on track to achieve this goal. In this year, 44 clients were successfully linked to a bank. In total, these organisations have gained access to more than € 19 million in loans. Of these, more than € 11 million are directly attributable to Agriterra's support. We have supported cooperatives in drawing up business plans, among other things, and also mobilising internal capital.

The vast majority of the loan capital attracted in 2016 is working capital, as shown by the example of the Mviwamba cooperative (see right). The proportion of investment in processing facilities is relatively limited, at € 560,000. However, that does not mean that our customers are not active in processing their products.

LOYAL MEMBERS PROFIT FROM COOPERATIVE'S IMPROVED LIQUIDITY

BY ATTRACTING WORKING CAPITAL UNDER FAVOURABLE CONDITION, MVIWAMBI COOPERATIVE IN TANZANIA IS STRONGER THAN EVER. ITS MEMBERS ARE THE FIRST TO PROFIT.

Mviwambi is a local network of producer groups in Tanzania with about 1,800 members. Mviwambi is a marketing organisation that sells coffee produced by affiliated farmers. They also offer training courses and inputs like fertilizer and pesticides.

Working capital is very important for the service they provide. It determines the leeway the cooperative has to pay their members a competitive rate for their coffee. The year 2014/2015, for example, was a difficult year. Mviwambi could not set a good price for the coffee because they had borrowed to buy pesticide and fertilizer and interest charges were high. The local bank was rigid and dictated a (low) purchasing price. That year, many members chose to sell their harvest to private coffee dealers that were able to offer a better price.

FAVOURABLE LOANS

Mviwambi is doing better in the 2015/2016 financial year. The board has been working with Agriterra since 2014 on several aspects of better management, including business planning, financial management and marketing. Attention has also been paid to the involvement of members and member capitalisation.



- Tanzania
- Mviwambi
- Marketing organisation - coffee
- 1,800 members

Thanks to these positive developments, the cooperative was able to get a favourable loan from French investment fund SIDI. Thanks to this loan the cooperative strengthened its liquidity and payment capacity. Furthermore, Mviwambi was able to purchase fertilizer and pesticide under favourable conditions.

REWARDING LOYAL MEMBERS

The cooperative wants to make sure their loyal members profit first. The coffee producers who supplied their harvest to the cooperative even in the bad year get first access to the scarce inputs.

Since the cooperative proved its worth, more farmers want to join. Mviwambi now has the rule: supply coffee first and become a member, or pay a contribution. The scarce production resources are only supplied after careful screening of the members and after contracts are signed.

The 2015/2016 harvest was a record year for processed volume. Dozens of new members signed up and the cooperative was able to pay back the SIDI loan with the investments of its members.

FUTURE

Mviwambi has proved that even 'disloyal members' will become loyal members when you call them out on their calculating attitude. "We need to make an effort to keep offering competitive services and prices, so there is no reason to look elsewhere," says Chotel Nsembele, chairman of Mviwambi. "After a few seasons, members will feel more involved and will find it easier to invest in their cooperative".



RESULTS:

- Better business management
- Mviwambi receives a favourable loan from SIDI
- A record year for processed volume
- Dozens of new members

33 customers have 'smoking chimneys'

At the end of 2016, 33 of our clients have a processing facility. That is an increase of 18 compared to 2015.

Our contribution in the creation or scaling up of these facilities is diverse. We can play a role in financial mediation and writing a business plan. Our experts can also provide technical advice, train the board and management or mediate in the marketing of products.

Farmers' influence on processing

In order to have more control over processing, cooperatives do not necessarily have to build their own factory. Ten of our clients use processing facilities owned by another company. With these clients, we help them to wield influence on the processing, with the interests of members in mind.

Based on the 2016 figures mentioned above, Agriterra seems to play a small role in attracting loans for investment. That image is, however, misleading. For example, investment loans realised in previous years have not been included in the 2016 overview. In addition, the Agriterra advisory services are attractive to new customers who already have a processing facility, such as the Meru Central Dairy example (see right). Often, cooperatives do not need start-up capital for the factory, but working capital to buy products, produce or support in improving or extending the facility.

The conclusion is that the goal for 2020 - 25 'smoking chimneys' promoted by Agriterra is feasible but extra attention is still required to quantify our financial mediation role.

FROM 30,000 TO 300,000 LITRES OF MILK PER DAY

IN 2010, KENYAN COOPERATIVE DAIRY PROCESSOR MERU CENTRAL DAIRY WAS ALMOST BANKRUPT. NOW, WITH A NEW AND DECISIVE BOARD, TRUST IS BACK AND THE COMPANY IS GROWING.

Meru Central Dairy Cooperative Union comprises 19 cooperatives that collectively have about 10,000 members, their own milk factory and a AI organisation. The union markets the dairy under their own brand: Mount Kenya Milk.

NEW BOARD MAKES TRANSFORMATION HAPPEN

The first contact between Agriterra and Meru Central Dairy happened in 2010. Back then, there was no basis for a partnership. The cooperative was almost bankrupt and their severely outdated factory processed 30,000 litres per day. "The biggest problem was the disinterested board that did not see why action and change was necessary," Agriterra manager agri-advice Cees van Rij remembers. Two years later, the situation has changed. The affiliated farmers elected a new board, which appoints a qualified director. The debt was restructured and the production line was modernised.

In 2012, Agriterra and Meru Central Dairy start working together. They focus on improving efficiency in the processing factory and strengthening financial management and governance.



A new marketing strategy has been developed. The members are better educated so they can produce more and better milk. The financial management of the factory is being developed further with internships and trainings. Since 2013, several Agriterra employees and Agripoolers from FrieslandCampina and Flynth, amongst others, have travelled to Kenya.

2016: 140,000 LITRES OF MILK PER DAY

In 2016, the production volume has grown to 135,000 – 140,000 litres per day. This scale-up yields a better milk price for livestock farmers: from an average of Ksh 31,10 in 2012 to Ksh 38,69 per litre of milk an increase of 24 per cent.

The end goal is to have the production grow to 300,000 litres of milk per day in 2018. Cees van Rij: “The factory is operating at full capacity, showing that investing works. The board’s new vision and the new director’s knowledge and decisiveness have led to this transformation. The members regained their trust and ‘Mount Kenya’ dairy is back in business.”

RESULTS:

- The production volume has grown to 135,000 – 140,000 litres per day
- Better milk price for livestock farmers



- Kenya
- Meru Central Dairy
- Milk processing
- 19 cooperatives, 10,000 members

€19 million invested through policy changes

The FACT method gives our clients an effective tool to support them with lobbying activities and to influence policies. This structured approach is successful in emphasising the consultation of members. This way, organisations are able to develop policy proposals that are broadly supported. Agriterra experts help apply this method extensively by training FACT trainers. In 2016, we conducted 12 FACT training courses, spread equally over the continents of Africa, Asia and Latin America.

In some instances, this method brings direct material success because farmers' organisations are better able to tap into the funds that governments have made available. Altogether, organisations that applied FACT in 2016 have mobilised more than €19 million. The most significant amount is the €17.7 million that was made available by the Vietnamese government thanks to the lobbying efforts of the VNFU (see right).

Other countries have reported successful incentives as well. Organisations in East Africa are particularly enthusiastic and expect success in the future thanks to the application of the FACT method. Our goal for 2020 is to have mobilised €100 million through lobbying and influencing government policies. Based on the results from the past year, we expect to be able to reach this goal.



COOPERATING, NEGOTIATING AND HAVING CONVERSATIONS IN VIETNAM

**VIETNAMESE NATIONAL AGRICULTURAL FEDERATION
VNFU HAS BEEN WORKING WITH THE FACT
METHOD FOR TARGETED AND MORE EFFECTIVE
LOBBYING FOR A FEW YEARS. IN 2016, THEY TAPPED
INTO MORE THAN €17 MILLION FOR AGRICULTURAL
DEVELOPMENT WITH THIS METHOD.**

€19 MILLION INVESTED THROUGH POLICY CHANGES



VNFU is the Vietnamese national farmers' federation. This umbrella organisation of regional farmers' organisations has been cooperating with Agriterra since 2014 to improve their lobbying. An important part of this cooperation is training with the FACT method.

This Farmers' Advocacy Consultation Tool is a method in which structured consultation of members forms the basis of well-founded policy proposals. Trainers teach local directors to collect the input of farmers and to use it in their project proposals and lobbying activities. The VNFU trained 24 FACT master trainers. According to organisation information, 2,700 farmers were consulted for several lobby processes. The interest group mobilised € 17,7 million in funds with these activities.

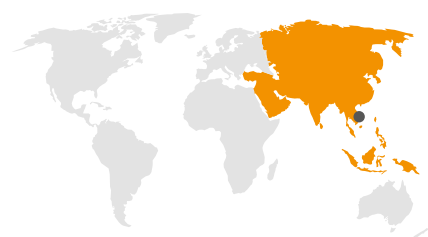
COOPERATING ON COOPERATIVE

VNFU wants to deploy this method more extensively, according to Nguyen Xuan Dinh, director of the VNFU international department. "We'll be working together with IFAD (the UN organisation for agricultural development) in the near future to write a few project proposals using our method."

The method is effective in Vietnam because it yields well-founded proposals. "In Vietnam, we're used to enforcing everything top down. Cooperating, negotiating and listening by having conversations are skills we don't have. We don't learn how to give presentations or how to debate in school in Vietnam."

CONVINCING THE GOVERNMENT

Dinh claims a powerful lobby is an important addition to the consultation and education targeted at the technical and economic performances of the farming business. "We can really help our farmers achieve better results, but we also need to be able to convince our government that the advice we get from Agriterra is more effective than the management our government imposes."



- Vietnam
- VNFU
- Agricultural Federation

EXPECTED RESULTS:

- 24 master trainers were trained
- 2,700 farmers received advice
- In total, VNFU mobilised € 17,7 million in funds

More women and young people on boards

Our current figures show the participation of women in the boards of our clients is on average 20 per cent. This means that our goal for 2020 (participation rate of 15 per cent) has already been reached.

Both we and our clients can now go a step further. The average participation of women should be proportional to their representation in the member base. On average, 30 to 40 per cent of the members of farmers' organisations are female.

Agriterra has held the view that women should be able to profit equally from the benefits of our projects for years. In 2016 a new module for female leadership was successfully tested in Uganda, as seen on the next pages. This module will be deployed more intensively in the future.

For Agriterra, the theme for the year 2016 was 'Youth'. We organised a number of events to promote the involvement of youth in farmers' organisations. For example, Agriterra organised a 'Young Farmers Tour' in the Netherlands for a group of foreign young farmers, as well as a World Youth Event in Kenya. Besides that, young people from Uganda were invited for a leadership course in the Netherlands.

A survey of 53 customers shows that a modest number of clients (5 per cent) have an operational youth council. Our ambition for 2020 is to expand this to 50 per cent. This will require intensive dialogue with the leaders of our current clients. Ultimately, it is about the future of their own profession and children.

FEMALE LEADERSHIP TRAINING IN UGANDA

IN MANY DEVELOPING COUNTRIES, WOMEN DO A LARGE SHARE OF THE WORK ON FARMS, BUT HAVE RELATIVELY LITTLE ECONOMIC POWER. AGRITERRA DEVELOPED A PERSONAL LEADERSHIP TRAINING COURSE FOR WOMEN. A PILOT WAS CONDUCTED IN UGANDA IN 2016.

The position of women is very important to Agriterra. When women get to play a more active role in cooperatives, they will have easier access to its facilities. With these facilities they can improve productivity on their farm, which is advantageous to both the women and the cooperative. Together with Agripool expert Trienke Elshof, Agriterra developed a female leadership training course. Elshof and her partner own a dairy farm in The Netherlands. She's a board member of farmers' organisation LTO and an active member of Dutch cooperatives FrieslandCampina and Agrifirm.



'It has become clear to us that there is a lot of potential to develop female leadership.'

Tineke Elshof, board member LTO



- Uganda
- Female leadership pilot
- 16 women

ROLE MODEL

Sixteen women participated in the pilot. A local 'gender consultant' played an active role to inspire the women. Following the pilot, a number of the participants discussed the training with boards and managements of the cooperatives involved. They are interested in a follow-up of this pilot.

"It has become clear to us that there is a lot of potential to develop female leadership," Elshof says. "These female leaders can act as role models and improve the positions of women in Uganda if they are given the space in their cooperatives to deploy the programme."

TESTED IN COOPERATION WITH COOPERATIVES

The training was tested in the past year in cooperation with two coffee cooperatives and two Saccos (saving and credit cooperatives) in Uganda.

"There is a lot of attention on gender in Uganda. They aim to have a female representation of 30 per cent in parliament. An investigative report shows Uganda has reached that goal in some levels of government, unlike The Netherlands. The situation in agricultural areas is different", says Elshof. "The traditional culture and religion are very dominant. The land is traditionally the property of men. Women can rarely get loans for lack of collateral. A crop like coffee is traditionally a 'man crop'. Even though women do 80 per cent of the work, the person who delivers the coffee to the cooperative and receives the money is the man. He then decides how much of that money is left over for the household and the children's school fees."

RESULTS:

- The pilot was tested with the help of two coffee cooperatives and two Sacco's
- The project may be continued by two cooperatives that were involved with the pilot

Financing customers and Agriterra

A survey conducted in 2015 has shown that farmers' organisations in developing countries still pay for a large share (66 per cent) of their services with subsidies. We think our clients should be less dependent on donors, like the example of the Ethiopian cooperation Becho Woliso on the next pages.

Business model

Agriterra developed an education module ('sustainable service provision to farmers'), to help structure education services and focus on the business model of farmers' organisations. The importance of member revenue is addressed in our financial training courses as well. These efforts are gradually yielding results. The number of paying members of farmers' organisations and their share in the total revenue was approximately 10 per cent in 2016.

Agriterra's revenue

In 2016, Agriterra focused on its business model and the opportunities as an advisory organisation. The turnover of Agriterra's activities was more than € 12 million. This is largely covered by the Dutch government programme funding (DGIS). Donors made up 9 per cent. Clients contributed € 767,000 – more than 6 per cent.

Acquisition

A relatively large proportion of the income from donors apart from DGIS came from AgriCord (EU, IFAD, Finnish Government, AFD) followed by SNV and the Bill Gates Foundation. The private sector contributed via crowdfunding, while support was also given by organisations like FrieslandCampina, ABTB and Maas.

We are currently intensifying the acquisition of income in addition to programme funding, and for that purpose a marketing officer has been appointed. In the 2020 ambitions, we aim to have at least 30 per cent of our revenues from parties other than the Dutch government.

FINANCIALLY HEALTHY COOPERATIVE PAYS DIVIDEND TO MEMBERS

TOGETHER WITH AGRITERRA, ETHIOPIAN COOPERATIVE BECHO WOLISO HAS IN THE PAST FOUR YEARS MADE BIG IMPROVEMENTS IN CAPITALISATION AND PROFITABILITY. TO THE AFFILIATED FARMERS, THIS MEANS A NICE DIVIDEND PAYMENT.

Becho Woliso Farmers Cooperative Union was established in 2002 and has been working with Agriterra for more than four years. As an umbrella organisation of 55 smaller farmers' cooperatives, the organisation represents more than 58,000 members in the region of the city Tulu Bolo, central Ethiopia. The union used to be active in grains, but expanded its activities to crops like chickpeas and teff. They also produce PP bags and fertilizer.



'You can see an enormous improvement in cooperative unions like Becho Woliso. They have more members, better access to financing and can pay more dividend.'

Mascha Middelbeek,
business advisor Ethiopia



- Ethiopia
- Becho Woliso
- Cereal, chickpeas, teff

ATTRACTING EXTERNAL FINANCING

In 2015, the union board devoted much energy to the improvement of solvency. The equity capital increased to 25 per cent by selling new shares to members. By contrast: the average for our clients in Ethiopia is 13 per cent. From this healthier financial position, it's easier for the union

to attract external financing. This is important because access to financing is difficult for many Ethiopian cooperatives. Banks have scarce liquid assets and most of the banking sector doesn't want to invest in agriculture.

ADVICE AND TRAINING

Agriterra supports cooperatives like Becho Wolio with advice and training on member capitalisation, financial management and making a business plan. According to business advisor Mascha Middelbeek, in the past years Agriterra has been able to make a big difference for the cooperatives they work with. "You can see an enormous improvement in cooperative unions like Becho Woliso. They have more members, better access to financing and can pay a higher dividend."

PROFITABILITY

For Becho Woliso, good management and the ability to differentiate products have led to great results and a beautiful future perspective. The gross profit has increased by 23 per cent and the number of active members has increased by 13 per cent. In 2016, the members were paid 12 million Birr in dividend.

RESULTS:

- More members (+13%)
- Better access to financial means
- The members received 12 million Birr in dividend in 2016
- Gross profit increased with 23%

Balance

AFTER APPROPRIATION OF THE INCOME AND EXPENDITURE BALANCE

Amounts in euros

	31-12-2016	31-12-2015
ASSETS		
FIXED ASSETS		
Tangible fixed assets	199,938	149,038
Financial fixed assets	9,848	9,624
TOTAL FIXED ASSETS	209,779	158,662
CURRENT ASSETS		
Receivables	99,661	34,591
Prepayments and accrued income	32,866	124,170
Liquid assets	3,963,899	772,659
Earmarked project funds	613,260	1,738,970
TOTAL CURRENT ASSETS	4,709,686	2,670,390
TOTAL ASSETS	4,919,465	2,829,052

	31-12-2016	31-12-2015
LIABILITIES		
RESERVES AND FUNDS		
<i>Reserves</i>		
• Continuity reserve	791,977	695,282
• Appropriation reserve	0	0
• Revaluation reserve	3,983	3,759
<i>Funds</i>		
• Appropriated funds	250,000	281,854
• Experts funds	26,400	17,685
TOTAL RESERVES AND FUNDS	1,072,360	998,580
SHORT-TERM LIABILITIES		
Other liabilities	525,265	607,230
Accrued liabilities	314,357	258,698
Earmarked project commitments	3,007,483	964,544
TOTAL SHORT-TERM LIABILITIES	3,847,105	1,830,472
TOTAL LIABILITIES	4,919,465	2,829,052

FACTS & FIGURES



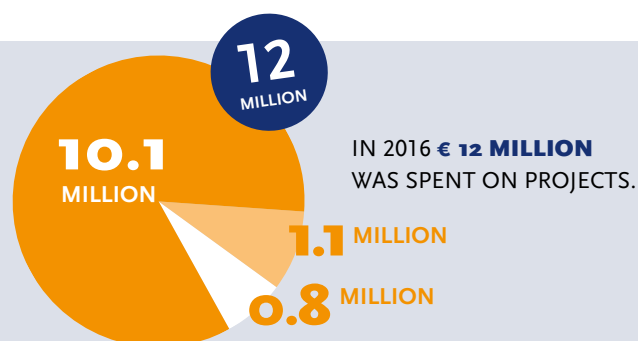
IN 2016 A TOTAL OF
706 EXPERTS +24%
PARTICIPATED IN A WORKING VISIT

286 AGRIPPOOL EXPERTS
289 AGRITERRA STAFF
120 EXTERNAL CONSULTANTS
11 INTERNSHIPS

CLIENTS BY REGION:



2016



THE SOURCES OF FINANCING WERE:
 DGIS (CORE FINANCIER) € 10.1 MILLION
 OTHER DONORS € 1.1 MILLION
 AND CONTRIBUTION FROM THE CLIENTS € 0.8 MILLION



44 NUMBER OF CLIENTS (NEWLY) **CONNECTED TO BANKS**

395,166 NUMBER OF FARMERS REACHED

169 PROJECTS
 +7% compared to 2015 for this purpose
301 WORKING VISITS were conducted

39 (bankable) **business plans** DRAFTED

122 CLIENTS PARTICIPATING IN AT LEAST **one project**, INCLUDING 91 FARMER-LED ENTERPRISES

Income and expenditure account

Amounts in euros	ACTUAL 2016	BUDGETED 2016	ACTUAL 2015
INCOME			
Subsidies from governments	10,714,163	11,932,487	8,573,834
Income from institutional organisations and companies	368,537	1,917,253	633,600
Income from third-party activities	76,112	0	240,023
Income from own fundraising	46,270	0	21,422
Income from investments	8,290	0	6,096
Other income	302	0	40,591
TOTAL INCOME	11,213,674	13,849,740	9,515,566

EXPENDITURE			
<i>To achieve objectives</i>			
• Farmers Common Sense in Business programme	11,165,505	13,849,740	0
• Farmers Fighting Poverty programme	0	0	9,517,880
• Appropriated funds for programmes	69,409	0	292,647
TOTAL SPENT ON ACHIEVING OBJECTIVES	11,234,914	13,849,740	9,810,527

<i>Costs for generating income</i>			
• Own fundraising	0	0	0
• Third-party activities	0	0	0
• Procurement of government subsidies	0	0	0
• Investments	2,150	500	2,966
TOTAL COSTS OF GENERATING INCOME	2,150	500	2,966

<i>Management and administration</i>			
• Personnel	4,217,412	4,088,056	4,689,978
• Depreciation	76,335	57,967	53,005
• Housing and premises	189,274	189,300	215,057
• Office	268,897	229,985	276,982
• General costs	410,709	187,513	198,137
• Charged to objectives	-5,259,797	-5,052,690	-4,279,405
TOTAL MANAGEMENT AND ADMINISTRATION COSTS	-97,170	-299,869	1,153,754
TOTAL EXPENDITURES	11,139,894	13,550,371	10,967,247
SURPLUS (+), DEFICIT (-)	73,780	299,369	-1,451,681*

* mainly because of the reorganisation, which was funded from reserves.



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