



# Farmers Fighting Poverty

Organised and enterprising farmers make development happen

annual report

# 2012



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# Foreword

Markets, aid and trade

**Farmers, horticulturists and others with an agricultural connection are very fond of looking 'over the fence' at counterparts abroad. The mere fact that these people enter into dialogue with one another means that some sort of knowledge transfer is taking place. If people understand one another and empathise, they will usually also learn something from each other.**

Thus Agriterra's strength lies in people and in the will to cooperate and learn something from one another. Experience and expertise assist in this process. Our agro sector enjoys a good reputation abroad. We have a lot of knowledge and expertise, which can be used elsewhere in the world to combat poverty and malnutrition and to initiate or accelerate development.

Agriterra's focus on cooperatives and economic development has given rise to partnerships with Dutch cooperatives. For the past 15 years the LTO organisations, rural women, cooperatives and young farmers have been working with Agriterra on projects all over the world. This demands both cooperation and entrepreneurship. By joining forces in cooperatives and organisations, the farming population gains more control not only over production and product sales but also over transport, logistics, processing, etc. It is all about interconnectedness and making progress in several areas at the same time.

This is evident from the 'sowing of seeds' that has taken place over the past few years. In several countries projects have been extended in order to pave the way for this seed sowing process. This demands both knowledge transfer and on-the-ground knowledge of the local market. And as we know, those who sow also reap: tangible economic benefits engender confidence, synergy and inspiration.

The Dutch government has embarked on a new course aimed at establishing a closer link between development cooperation and trade. Provided that care is taken to choose those countries and projects that offer the best prospects, the link between aid and trade can be further shaped by tapping into the ambitions of farmers and horticulturists' organisations and cooperatives. This is clearly beneficial since, as I have already indicated, economic development is all about everything being interconnected. Agriculture is a global issue which affects all facets of society.

Given the ambitions of Agriterra and Dutch agribusiness, help from major international organisations such as the World Bank and the IMF and, last but not least, steady commitment from the countries themselves, the coming years can bring a rich harvest.

Albert Jan Maat  
President of Agriterra and LTO Nederland  
(Dutch organisation for Agriculture and Horticulture)



# Agriterra in 2012

## Advisory committee on Farmers Fighting Poverty

An advisory committee, comprising members and observers, was founded within AgriCord at the end of 2012. The members represent farmers' organisations and federations from developing countries; two other members are from the Board of AgriCord. Observers are work area managers, monitoring & evaluation team members and others. The overall aim of this committee is to provide feedback to the General Assembly of AgriCord about the content and strategies of Farmers Fighting Poverty. This programme is demand-driven, based on proposals from farmers' organisations. However, the committee does not deal with individual proposals. The advisory committee considers and advises on content and approaches. The committee's mandate covers the whole of Farmers Fighting Poverty as its funding comes from different back donors.



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**FARMERS  
FIGHTING  
POVERTY**



## Cooperation with Dutch industry intensified

Agriterra made major strides towards promoting the active role of Dutch cooperatives in supporting their counterparts in emerging economies. For example, Agriterra began collaborating with the accounting and consultancy firm Flynth. With help from Agriterra Flynth intends to strengthen its corporate social responsibility profile, while Flynth's staff can take the financial management of Agriterra clients to a higher level. Four teams of Flynth business consultants and chartered accountants carried out consultancy assignments in Kenya, Uganda and Ethiopia.

In addition, Agriterra signed a cooperation agreement with FrieslandCampina for the period 2012-2015. Both parties view the development of the dairy supply chain as one of the keys to sustainable economic and social development of rural areas and their inhabitants.

## Young farmers have the future in their hands

The NFFM (National Federation of Farmers in Moldova), in collaboration with Agriterra and the NAKJ (Dutch Agricultural Youth Organisation), set up an informal young farmers' association with over 70 members. Young members of the NFFM, in particular, can now make use of an innovation fund, which will enable them to improve and modernise their farms by taking part in training and refresher courses, study trips, etc. The model is based on ZLTO's (Southern regional division of the Dutch Organisation for Agriculture and Horticulture) 'Knowledge in the Field' project. The fund became operational in December 2012 and the first groups of young farmers have already received money.





## OECA's Bill enacted

Armed with new knowledge and resources generated using Agriterra's FACT (Farmers Advocacy Consultation Tool), Bolivia's national umbrella organisation of farmers' groups, CIOEC, set to work on framing a new legislative proposal. By the end of 2012 it became a reality: the Bill was enacted by Parliament. As a result the country's over 215 farmers' organisations (OECAs) are being recognised by the government as partners for the purposes of carrying out agricultural development activities and submitting projects for rural economic development, research, etc. CIOEC has been officially recognised as the representative of the OECAs. Under the new law, funding must be earmarked for agricultural development in the national budget and the farmers' organisations are the lawful administrators of these funds.

## Fashion from Peru

Agriterra is assisting the Peruvian alpaca and vicuña farmers' federation (COOPECAN) in further developing and expanding its operations. This involves providing advice on the negotiation of contracts with new customers and development of contacts with a view to setting up international sales channels. These efforts bore fruit in 2012. The award-winning young Peruvian clothes designer Giancarlo Gallo is developing a COOPECAN line of clothing. This has also led to collaboration with Miss Peru 2012, Nicole Faverón, who besides modelling for the catalogue was present at the unveiling of COOPECAN's stand at the Peru Moda international fashion fair. These efforts resulted in contracts with two US fashion companies, Lahoya Enterprise and The Big Blue Bike. COOPECAN is also forging an alliance with the South Korean designer Doii Lee with a view to developing a line of clothing for the Asian and Arab markets. Over 23,500 members of COOPECAN benefit from these positive developments.



## First-ever permission to operate locally in China

Agriterra has been active in China since 2009. Foreign organisations are not normally permitted to cooperate directly with primary-level farmers' organisations. Such cooperation is usually channelled through the local government. Since early 2012, Agriterra has been cooperating with the AEMS (Agricultural Economic Management Station) and YAFI (Yunnan Association of Forestry Industries) in supporting eight cooperatives in the Yunnan province. One year on, AEMS and YAFI have assumed a more administrative role and given Agriterra the freedom to work directly with the local cooperatives. This is a unique event in China.

# Agriterra in a nutshell



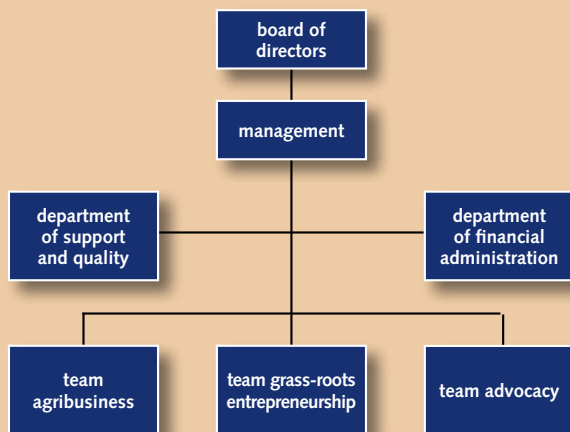
Quality  
Advocacy

Transparency  
Entrepreneurship

Farmer-to-farmer  
Knowledge transfer  
Cooperation

## Agriterra assists farmers' organisations at every stage

Agriterra's activities are built around three key areas (agribusiness, grass-roots entrepreneurship and advocacy) in which we wish to achieve results. Each area has its own results clearly defined and a specific remit with regard to numbers of clients, participating farmers and how to strengthen the organisations. In this way Agriterra supports farmers' organisations and cooperatives in each phase of development.



## Organised and enterprising farmers make development happen

Contrary to general belief, the solution to the world food problem does not lie in engaging 500 million small farms in agri-food markets. It is all about creating employment: engaging people in jobs. This can best be done through massive investment in agriculture. Not just any investment: impact on development will be greatest if money is invested in modestly scaled ventures and services in rural areas. The obvious way to make this happen is by investing in processing plants and other services provided by cooperative societies. Or, more generally, in initiatives provided by farmers affiliated to unions that support these rural entrepreneurs and voice their preference for relatively labour-intensive and rapid

rural industrialisation. For instance, Kenyan dairy farmers might set up their own dairy processing and marketing cooperative, creating off-farm rural employment. A modest initiative undertaken by neighbouring farmers, just like those undertaken a century ago in one of the world's most prosperous and egalitarian countries: the Netherlands.

There is no reason why this should not happen elsewhere. That is why Agriterra focuses its farmer-to-farmer cooperation activities on the representative farmers' organisations and cooperatives. They need to be strong. How Dutch farmers and cooperatives are helping them become stronger is shown in this report.



**Bertine Sian**  
(liaison officer)

*"Even rural women in Arab countries are being given a voice and listened to as a result of the training programmes: a seed sown in spring can be harvested in autumn..."*



**Géke Appeldoorn**  
(liaison officer)

*"We have been working with the FUPRO in Benin for a long time now. We have achieved a lot through the new [local entrepreneurship] approach."*



**Bas Prins**  
(agribusiness advisor in Peru):  
*"In Peru cooperatives are now for the first time concentrating on building capital and reserves, as a result of which they attract external capital that can be invested in building and expanding factories."*

## Deeply rooted in Dutch agriculture

Agriterra has its roots embedded in Dutch rural organisations and the country's agricultural cooperatives cooperative farming sector. Through Agriterra these organisations have been making their knowledge, experience and technology available to farmers in developing countries. So that they too can get ahead through entrepreneurship and cooperation.



## Agri-agencies around the world

Agriterra is a member and co-founder of AgriCord, the umbrella organisation that links agri-agencies worldwide. Through this network, enquiries received from farmers' organisations are directed to the agri-agency with the right specialisation, thereby guaranteeing effectiveness and efficiency.

# Traditional chips capture the market in Rwanda

Potatoes are the most important agricultural product in Northern Rwanda. Furthermore, there is a large market for potato chips in Rwanda, but these are mostly imported. By processing home-grown potatoes into chips, you add value. Consequently the farmers' association Imbaraga, with a membership of around 27,000, wants to make Rwandan potato chips, the aim being to generate higher incomes for the potato growers.

On behalf of Agriterra, Henk Scheele set off to visit Imbaraga. Seven years earlier, in collaboration with two other Dutch growers, he had set up the Hoeksche Chips brand. This enabled them to generate added value from their potatoes and thus earn higher incomes. "Even though it is a completely different country with a different culture and environment, there are many similarities with the way we started out", says Scheele. He has done a lot for Imbaraga by providing practical advice for every step in the supply chain. Among other things, he taught the Rwandans that the potatoes have to be high in starch and that, by frying the chips at 160 degrees, you halve the frying time. Scheele also considered the packaging and marketing. "By allowing the sellers and consumers to try the product, they become familiar with it", explains Scheele. "And by starting in local shops where no chips are on sale as yet, you can be sure of creating a market."

*Henk Scheele:  
"Agriterra's way of working is typified by 'farmer-to-farmer' knowledge transfer."*

## The future of Rwandan chips

Sorting out the production process is one thing. But you simply have to have a sound business plan. Here too Scheele has played his part – and Imbaraga has acted on all this advice. "This way of working typifies Agriterra. It's good to see that it is effective. You'll see, Rwanda's potato growers will get those traditional chips – and higher incomes!", says Scheele with a smile.

## Crossing borders

This scenario is not confined to Rwanda: Agriterra has made sure that plenty of knowledge-sharing take place between agricultural organisations in the Great Lakes region of Central Africa (Rwanda, DR Congo and Burundi). Consequently agricultural organisations in the neighbouring countries have also started processing their own chips.



## Project description:

- Market and chain development
- Improving local farmers' standard of living through knowledge transfer



# FACT - a platform for building advocacy

“Good lobbying begins with soundly based views and a good support base within the organisation”, says advocacy team manager Nellie van der Pasch. “That is why Agriterra developed FACT: the Farmers Advocacy Consultation Tool. Through FACT Agriterra enables farmers’ federations to fight for their members’ interests and promote sustainable entrepreneurship at both regional and national level.”



## Lobbying brings results

"A firm blow has been struck in 2012 with the further development of the FACT approach. This method plays an essential role in supporting farmers' organisations and effectively promoting their members' interests", explains Van der Pasch. "Nearly 50 farmers' organisations in more than 20 countries have tested FACT, which is viewed by clients as an essential contribution to their advocacy."

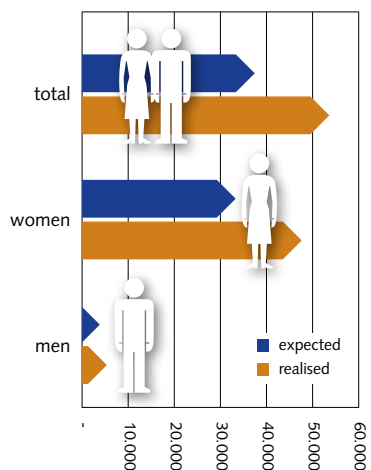
Agriterra, together with local consultants, guided workshops in four continents. The approach has been found to boost the effectiveness of lobbying. In 2012 policy proposals advanced by organisations were adopted in some way or another by the respective government in 12 cases. Many years of support from Agriterra, prior to the introduction of FACT, have also played a role in results achieved by farmers' organisations last year.

## 2012 in figures

- Total number of contracted clients: 38
- Contribution pledged by Agriterra: €4.6 million
- Contribution allocated by Agriterra: €3.9 million
- Number of producers reached: almost 370,000 (48% of them women)

## More and more women

Participation of women is important for economic development. An active role for women as members of a group or stakeholders in a cooperative contributes to a good financial performance. Furthermore, having an active role in a farmers' organisation gives women access to the same means of production and financial resources as men. This enables women to increase production and income and thus to provide a better standard of living for the family. Participation of women is therefore the best possible means of improving the health, nutrition and education of children. Consequently gender equality is an ongoing concern for Agriterra and its clients. Specific agreements on this matter have been reached with a number of organisations. In 2012 this resulted in a far greater increase in the number of female (+89.3%) than male members (+10.7%) among clients specifically seeking to boost membership. Half of this growth came from the Cotton Association of Zambia (CAZ). As part of the 'Addressing Cotton Farmers' Needs' project, CAZ developed specific activities expressly designed to integrate women into the organisation and into cotton production.



Membership growth by gender, 2012

## Trailblazing role for 28-year old woman in India

Together with her husband, Rama grows maize and cotton in Narayanapur in the Ranga Reddy district of India. In 2008, because she was able to read and write, she was approached by the Women's Wing of the Federation of Farmers' Associations in Andhra Pradesh with a view to helping set up a women's group in her village. Quality of life in rural areas is an important issue for Rama and that is one of the goals of the Women's Wing. In her current role as senior coordinator for Ranga Reddy district she supervises 35 village organisations, runs training courses, advises on problems, assists local groups with book-keeping and makes contact with the authorities and banks to secure loans for economic activities undertaken by the women's groups. "Thanks to the Women's Wing, we women are visible and we contribute to the development of our rural areas."



# Agriterra around the world

Agriterra assists farmers and agricultural organisations around the world in their fight against poverty. This map shows in yellow those countries in which Agriterra is active and in orange those where remarkable results have been achieved.

**HDI:** The United Nations' Human Development Index (HDI) measures average life expectancy against the birth rate, illiteracy, education and standard of living in a given country or region. The size of the index number represents the position in the world ranking.

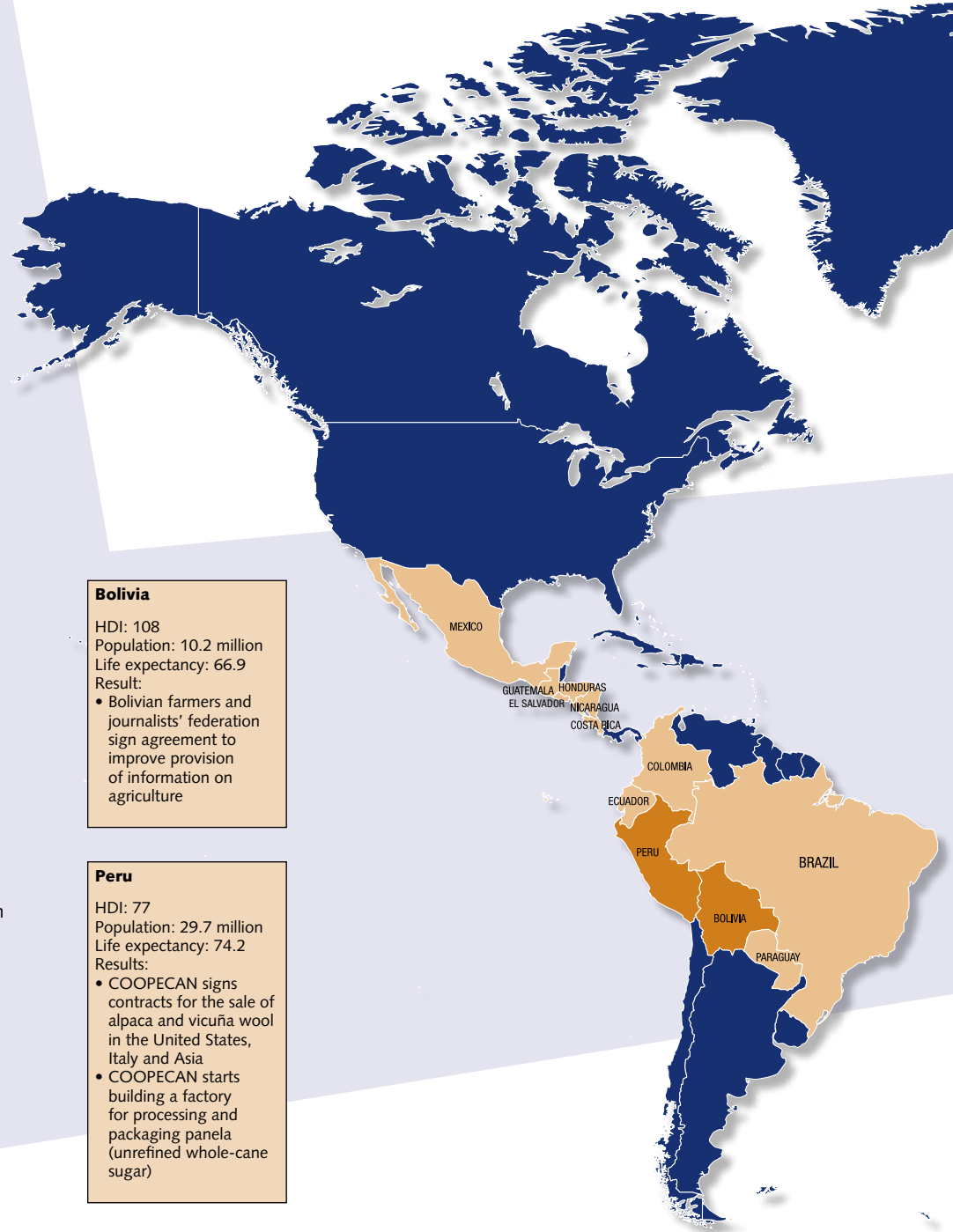
By way of comparison:

## **The Netherlands**

HDI: 4

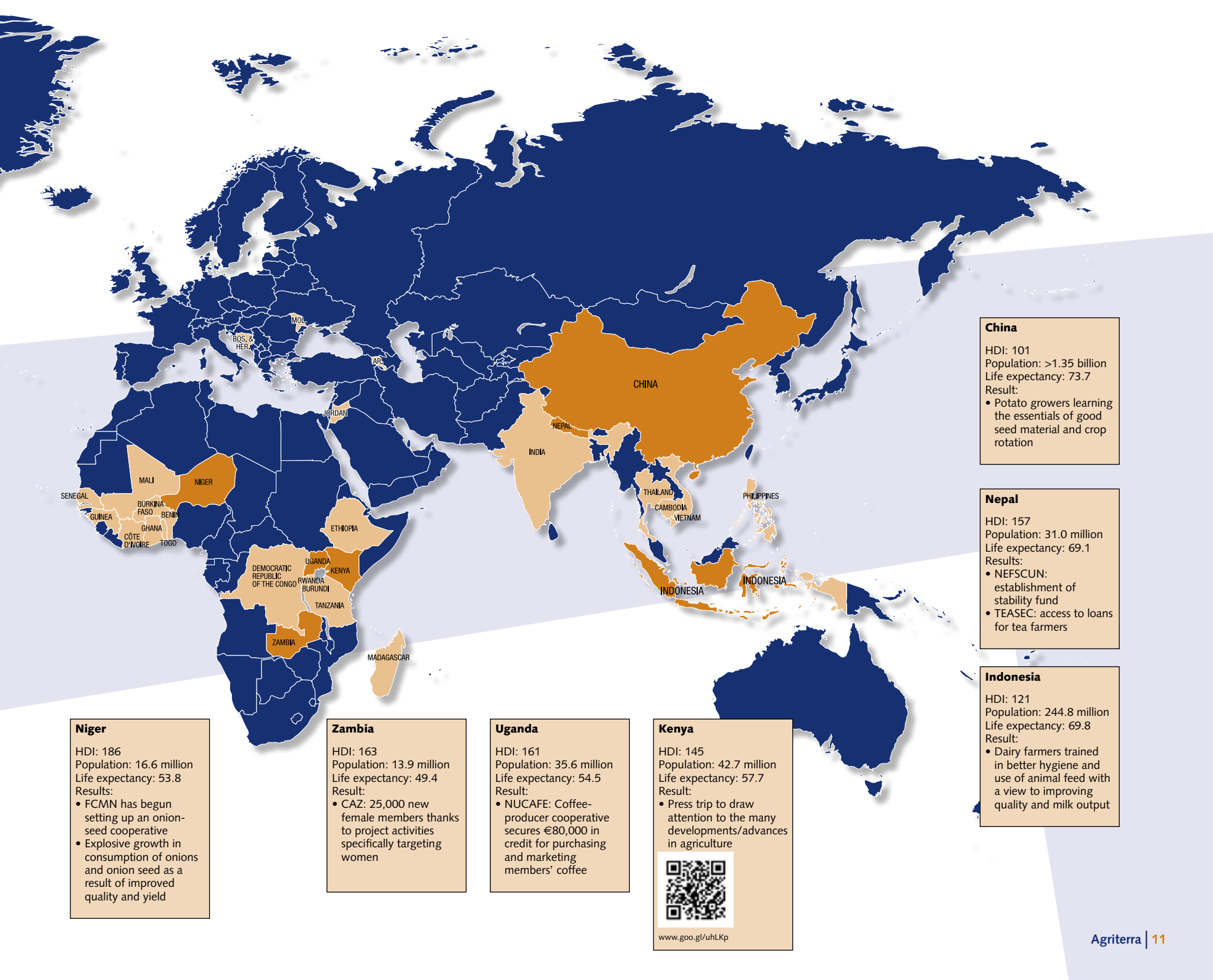
Population: 16.7 million

Life expectancy: 80.8



**Bolivia**  
HDI: 108  
Population: 10.2 million  
Life expectancy: 66.9  
Result:  
• Bolivian farmers and journalists' federation sign agreement to improve provision of information on agriculture

**Peru**  
HDI: 77  
Population: 29.7 million  
Life expectancy: 74.2  
Results:  
• COOPECAN signs contracts for the sale of alpaca and vicuña wool in the United States, Italy and Asia  
• COOPECAN starts building a factory for processing and packaging panela (unrefined whole-cane sugar)



**China**

HDI: 101  
 Population: >1.35 billion  
 Life expectancy: 73.7  
 Result:

- Potato growers learning the essentials of good seed material and crop rotation

**Nepal**

HDI: 157  
 Population: 31.0 million  
 Life expectancy: 69.1  
 Results:

- NEFSCUN: establishment of stability fund
- TEASEC: access to loans for tea farmers

**Indonesia**

HDI: 121  
 Population: 244.8 million  
 Life expectancy: 69.8  
 Result:

- Dairy farmers trained in better hygiene and use of animal feed with a view to improving quality and milk output

**Niger**

HDI: 186  
 Population: 16.6 million  
 Life expectancy: 53.8  
 Results:

- FCMN has begun setting up an onion-seed cooperative
- Explosive growth in consumption of onions and onion seed as a result of improved quality and yield

**Zambia**

HDI: 163  
 Population: 13.9 million  
 Life expectancy: 49.4  
 Result:

- CAZ: 25,000 new female members thanks to project activities specifically targeting women

**Uganda**


HDI: 161  
 Population: 35.6 million  
 Life expectancy: 54.5  
 Result:

- NUCAFE: Coffee-producer cooperative secures €80,000 in credit for purchasing and marketing members' coffee

**Kenya**

HDI: 145  
 Population: 42.7 million  
 Life expectancy: 57.7  
 Result:

- Press trip to draw attention to the many developments/advances in agriculture



[www.goo.gl/uhLKp](http://www.goo.gl/uhLKp)



# Cooperation stimulates local entrepreneurship

“Local entrepreneurship is an Agriterra priority area aimed at strengthening pressure groups and cooperatives. We do this by promoting cooperation between members in the areas of production and sales”, explains Frank van Dorsten, team manager grass-roots entrepreneurship. “The aim is to bolster the influence of farmers and give members a greater say.”

Agriterra is geared towards entrepreneurial cooperation between farmers who grow products that they wish to bring to market. A participative approach is a central plank of Agriterra's local entrepreneurship and this has been fleshed out into the so-called Promotion of Economic Initiatives through Farmers' Participation Solution. What distinguishes this approach is the attention paid to the formation of local producer groups, the major role assigned to local supervisors of those groups and the collaborative identification of income-generating activities (enterprise selection). Furthermore, ample attention has been paid in this strategy to cost-cutting measures and access to credit, practical training, participative planning/monitoring/evaluation and self-sufficiency. Agriterra has developed various tools to facilitate the implementation of this approach. In November 2012 it published the Enabling Rural Innovation handbook, which was mainly developed

| Core activity of groups               |             |
|---------------------------------------|-------------|
| Increasing production                 | 50%         |
| Marketing/market access               | 34%         |
| Joint economic development initiative | 6%          |
| Access to credit                      | 10%         |
| <b>Total</b>                          | <b>100%</b> |

by the Belgian agri-agency Trias. In addition a consultancy tool was developed for value chain management and a series of analyses of the production chain were conducted for each crop. "Entrepreneurship stands or falls on the capacity to set goals, to free up people and resources, and to monitor and, where necessary, adjust progress", explains Van Dorsten. "That is why we have also set ourselves the goal of enhancing the clients' capacity to monitor and evaluate."

### Tailoring support to clients' stage of development

Agriterra works in partnership with the groups to gradually develop their entrepreneurship, tailoring its support to the stage of development that they have reached. "In 2012 we had nearly 3,000 more groups than in 2011. The majority of them fell into the increasing production category. Since 2012, group-forming and strengthening has ceased to be a separate category, but we do still keep track of which groups are in need of quality improvement and whether this does, in fact, take place", reports Van Dorsten. "Among the issues that this might include are clarity around documentation and regular meetings. It was estimated that more than 400 groups needed a quality boost. With 473 groups participating, demand exceeded expectations by some margin."



### Onion seed set to cross borders

The Dutch onion seed specialist De Groot & Slot is supporting the efforts of the Niger horticultural producers' organisation FCMN to improve onion cultivation. This has resulted in an enormous increase in the production of both eating onions and onion seed. Since 2006, output per hectare has increased by more than 50% and consequently growers' incomes have risen threefold. Local producers' revenues from high-quality (certified) onion seed have also risen by half. The improvement in seed quality has led to a massive increase in demand from neighbouring countries. There is consequently enormous potential for the onion-seed growers to boost their incomes, which would enable them to invest in their businesses and thereby achieve further improvements in yields and quality. In light of this success, FCMN has decided to set up an onion-seed cooperative. A sound business plan has been developed and, together with De Groot & Slot, the organisation is working on the next steps.



[www.goo.gl/eGKIR](http://www.goo.gl/eGKIR)

### Milk cooler acquisition oils the wheels

Naomi de Groot made a video of agripooler Erwin Bouwhuis's working visit to the Nyakyera-Rukoni regional cooperative dairy factory in Uganda. Together with local farmers, Bouwhuis investigated what was needed in order to make the planned acquisition of a milk cooler a success.

### 2012 in figures

- Number of new/strengthened groups: approx. 5,900
- Total number of contracted clients: 39
- Contribution pledged by Agriterra: €6.5 million
- Contribution allocated by Agriterra: €6.4 million
- Number of producers reached: more than 170,000 (46% of them women)

# Getting farmers' voices heard

**“The strength of the Agriterra approach lies in allowing farmers to develop their own skills”, says Paluku Mivimba, President of CONAPAC (the national association of Congolese farmers) and a board member of the East African Farmers' Federation (EAFF). “By making farmers more professional, teaching them how to cooperate and protecting their interests, we see that the mentality changes and a new entrepreneurial dynamism emerges.”**

Paluku Mivimba is a smallholder in the Congolese region of North Kivu. He is on the board of a number of local, national and cross-border farmers' organisations. In this capacity Mr Mivimba is also a member of the committee that is drafting the new national Agriculture Act. It was back in 1998 that he first got to know Agriterra.

## Equal partners

“What makes Agriterra different from other NGOs is the fact that the focus lies on improving the conditions for farming. Our relationship with Agriterra is a professional one, based on equality. By consulting our members we determine the issues that need to be considered, whereupon Agriterra provides us with the knowledge that is needed in order to make our production systems more professional, and organise ourselves and represent our own interests better. The people from Agriterra guide us through the process. As far as the cooperation with Agriterra is concerned, I don't have the feeling that they are doing us a favour or interfering in our internal affairs. Instead I feel that we are equal partners.”

## Increasing our input

“Our organisations want to represent the interests of farmers even better in future. However, we still need support when it comes to developing strategy, identifying and analyzing problems, defining our position and negotiating. We also want to make further advances in the professionalisation of primary agriculture. This not only applies to cultivation techniques and animal husbandry but also in relation to market information and business plan development. Thanks to Agriterra we come into contact with farmers elsewhere in Africa and around the world. This means we can also defend our rights in the international arena, gain a better understanding of agreements and have a seat at the negotiating table when national and international decisions are made. Thus we are creating new opportunities for smallholders in Congo and East Africa.”



*“Allow Congolese farmers to develop their own skills.”*

## Entrepreneurship growing

Paluku Mivimba is enthusiastic about the farmer-to-farmer approach. “When a Dutch farmer comes to Congo and gets down on his knees to root around among the potato plants in order to make a point to his Congolese colleagues about diseases, what we see is a farmer among farmers. No theory, just practical advice, and that comes over well.

We are also seeing how the exchanges with other farmers are triggering a new entrepreneurial dynamism – the creation of added value. For example, members of the potato section of the SYDIP farmers' organisation have now set up a marketing cooperative for seed and eating potatoes (COAKI). And after an exchange of experiences with colleagues from neighbouring Rwanda, a number of potato growers in North Kivu decided to process part of their harvest into chips. We are seeing a change in mentalities and farmers are becoming more professional thanks to the stimulus that is being engendered by the Agriterra approach.”

# Growing potatoes on rice fields

For the past two years Agriterra has been cooperating with the local Agricultural Economic Management Station (AEMS) to develop and strengthen two farmers' organisations in the Chinese province of Yunnan. For centuries, people in this province near the Burmese border have mostly grown rice and tea. Together with the local government farmers are now also looking into the cultivation of other crops. This will include potato growing. Joris van Waes, formerly the head of arable farming at ZLTO and a potato

seed producer himself, is teaching former rice growers the basic principles of potato production. Aside from the fact that potato consumption in China has expanded enormously, the cultivation of potatoes in the mountainous region of Yunnan is interesting because it requires less water than rice growing. In an effort to promote the transfer of knowledge from farmer to farmer, Joris van Waes made his third trip to Yunnan in late March 2012.

# Knowledge leads to collective growth

Agriterra uses the method known as Promotion of Economic Initiatives through Farmers' Participation to teach representatives of farmers' organisations how they can promote local entrepreneurship among their members. In July 2012 a six-day workshop took place in Benin with representatives from eight countries.

"Experience teaches us that knowledge-sharing between colleagues fosters progress", says Agriterra liaison officer Géke Appeldoorn. "Consequently we apply the farmer-to-farmer principle not only for knowledge transfer on technical and financial matters, but also for organisational development."

## Giving each member a voice

Géke Appeldoorn organised the workshop in collaboration with Saliou Ndiaye of ASPRODEB in Senegal and Eustache Wankpo, a consultant in Benin. "Agriterra endeavours to transfer knowledge on the basis of equality. This not only means organising the workshop in cooperation with the people there, but also making sure that the voices of all those present are heard", explains Appeldoorn. "Each participating farmers' organisation sent three delegates from different levels of their organisation, including at least one woman. Among the topics on the agenda were: What is entrepreneurship? How to make a local plan; How to record local production and marketing data; How to ensure that women and men are involved in the local

entrepreneurship programme; and How to strengthen your membership base? The participants worked together in different groups for each topic - either by country, by role in the organisation, by gender, or else all together."

## Adapting to one's environment

"The common thread running through the workshop is learning from one another how we can put local entrepreneurship into practice. Through this workshop farmers' organisations learn to broaden their outlook and they share knowledge and ideas about how to take their organisations to a higher level. There are also some important lessons that Agriterra can learn from the workshop. This is one way that Agriterra can pinpoint internal challenges within the different organisations and gain an



### Project description:

- Sharing of knowledge between farmers/colleagues

understanding of particular concerns surrounding the method that is used. This enables us to provide guidance where necessary. In this way knowledge transfer leads to collective growth."

## Getting his hands dirty

The fact that Van Waes is passing on knowledge on-site is something quite new for the Chinese. Officials who come to look at farms hardly ever go out into the fields. So they were surprised when Van Waes got down on his knees and began to root around in the soil. "In order to give proper advice it is important to see what the soil looks like. Despite the tough language barrier, being a fellow-grower means that you understand one another easier and that is important if you are to help the Chinese develop potato growing", explains the Dutch seed grower.

## A crop with a future

The biggest problem that the Chinese are encountering here is the quality of the seed material. They are not consistent enough in selecting the best plants and in managing and preserving this valuable material. Furthermore, the Chinese haven't yet got pest pressure and the hygiene situation under control. Nevertheless Van Waes foresees a bright future for Chinese potato growing. "The potential is there, and so too is the will. All that is missing is cultivation know-how, storage technology and mechanisation. It's nice that I can make my own contribution there, with the help of Agriterra."

### Project description:

- Improving local farmers' standards of living through knowledge transfer
- Practical support for local groups





“Agriterra’s objective with its agribusiness strategy is to make cooperatives bankable. It provides services aimed at developing sound business plans and entrepreneurial skills that will enable farmers to realise ambitions and put expansion plans into practice”, reports agribusiness team manager Cees van Rij. “Then our agribusiness advisors, working in the field, act as intermediaries with banks and investors in order to deliver on the investment plans.”

# Realisation of agribusiness ambitions

In 2012 the agribusiness programme focused partly on establishing contacts with cooperatives in developing countries. In addition, it further expanded the network of banks and investors. Agriterra also focused on mobilising Dutch agribusiness to support the entrepreneurial ambitions of the organisation’s clients. Progress has been made on all three fronts. For example, 34 clients have been contracted, the majority of them located in four key areas: Kenya, Uganda, Ethiopia and Peru. The ultimate goal is to make these clients ripe for investment, giving rise to a strong, healthy business which meets both its own needs and those of the members.

In 2012 Agriterra mobilised a total of €1.8 million in loans. These principally consisted of trade credits for purchasing sesame seed, coffee, alpaca wool and panela (unrefined whole-cane sugar). “We developed the financial management training module in 2012 in order to provide financial support to agricultural cooperatives.

The aim of this training is to narrow the gap between the farmer-led board of directors and day-to-day management and thereby take management and the supervision of day-to-day activities to a higher level.”

## Common features of our agribusiness clients

- At least 1,000 registered producers
- Engaged in purchasing, processing, selling and/or financial services
- Demonstrable and realistic growth ambitions accompanied by a need for advice and investment

## 2012 in figures

- Total number of contracted clients: 34
- Contribution pledged by Agriterra: €2.3 million
- Contribution allocated by Agriterra: €2.2 million
- Number of producers reached: over 104,000 (26% of them women)

## Cooperating with Dutch agribusiness

“The agribusiness team is the link between requests for advice in developing countries and the body of knowledge that is available within the Dutch agribusiness”, explains Van Rij. “With input from experts in the cooperative sector we are able to provide bespoke advice.”

In response to the cooperation agreement between the National Cooperative Council, the Ministry of Foreign Affairs and Agriterra, Dutch cooperative experts made major strides in extending the active support provided to their counterparts in developing countries. Concrete examples of this are among others the collaboration between Flynth consultants & accountants and Agriterra and the cooperation agreement that has been concluded with FrieslandCampina.







## UN Year of the Cooperatives

In the Year of the Cooperatives the Dutch cooperative sector demonstrated its commitment by contributing to the study tour to the Netherlands that was undertaken by five Peruvian cooperatives. The Peruvians visited several cooperatives to study different types of organisation.

Another event themed on the International Year of the Cooperatives was the Toer de Boer (farmers' tour), a week-long study trip organised by Agriterra in cooperation with agri-agencies Afdi and Trias. ZLTO, LLTB, LTO North and Boerenbond (the Belgian farmers' union) took 13 leaders of organisations from Asia, Africa and Latin America on a tour in the Netherlands and Belgium. Among other things, they visited the Floriade world horticulture festival and several farms and cooperatives.



[www.goo.gl/DjOlz](http://www.goo.gl/DjOlz)



## Developments at the flourmill

Agripooler Rien Koopman, a project manager with the Dutch flour milling company Koopmans Meel, visited Merkeb Farmers Co-operative Union in 2012. Merkeb approached Agriterra with a request for help in making the business profitable and efficient. With assistance from Rien Koopman a training programme has been drawn up to teach the workforce how to maintain and operate the machinery. Koopman began the training with the most basic theoretical instruction. "I truly started at zero. The first step was to explain the machines and outline exactly what you can do with them. The next step was operation and maintenance. Their own people are now able to produce flour in-house." Merkeb has set to work on the plan and Koopman remains involved in developments at the flourmill.



# Financial Report 2012

## 2012: Driven by entrepreneurship

After the reorganisation in 2011, time needed to be spent on personal and organisational development in 2012 in order to maintain Agriterra's professionalism. In this way Agriterra enabled its workforce to become more professional in their approach, with an emphasis on customer focus and entrepreneurial skills. Also with its clients, Agriterra focused increasingly on promoting entrepreneurship and supporting the investment plans of farmers' organisations. Furthermore, the need to give a voice to farmers and growers remained firmly on the agenda. This resulted in stronger organisations with better lobbying and a growing membership. The fact that members of these organisations increasingly had access to training and input had a positive impact on production and incomes.

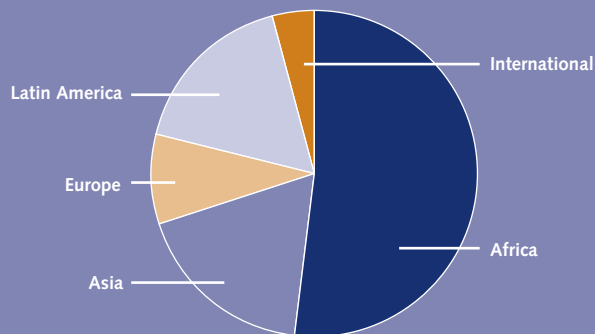
**Balance sheet**  
(after appropriation of results)  
Amounts in euros

| ASSETS                         | 31-12-2012       | 31-12-2011       | LIABILITIES                         | 31-12-2012       | 31-12-2011       |
|--------------------------------|------------------|------------------|-------------------------------------|------------------|------------------|
| <b>FIXED ASSETS</b>            |                  |                  | <b>RESERVES AND FUNDS</b>           |                  |                  |
| Tangible fixed assets          | 114.383          | 149.272          | Reserves                            |                  |                  |
| Financial fixed assets         | 8.625            | 8.797            | • Continuity reserve                | 1.657.157        | 1.268.704        |
|                                |                  |                  | • Appropriated reserves             | 168.119          | 205.384          |
| <b>CURRENT ASSETS</b>          |                  |                  | • Revaluation reserve               | 432              | 432              |
| Receivables                    | 108.027          | 113.636          | Funds                               |                  |                  |
| Prepayments and accrued income | 99.136           | 100.804          | • Appropriated funds                | 66.288           | 52.077           |
| Conditional project funding    | 781.302          | 938.697          | • Experts fund                      | 21.102           | 26.996           |
| <b>Total current assets</b>    | <b>988.465</b>   | <b>1.153.140</b> | <b>Total reserves and funds</b>     | <b>1.913.098</b> | <b>1.553.593</b> |
| <b>Liquid assets</b>           | <b>1.729.763</b> | <b>8.301.364</b> | <b>SHORT-TERM LIABILITIES</b>       |                  |                  |
|                                |                  |                  | Other liabilities                   | 337.209          | 302.743          |
|                                |                  |                  | Accrued liabilities                 | 176.261          | 163.843          |
|                                |                  |                  | Conditional project commitments     | 414.668          | 7.592.394        |
|                                |                  |                  | <b>Total short-term liabilities</b> | <b>928.138</b>   | <b>8.058.980</b> |
| <b>Total assets</b>            | <b>2.841.236</b> | <b>9.612.573</b> | <b>Total liabilities</b>            | <b>2.841.236</b> | <b>9.612.573</b> |

**Breakdown of expenditure**  
by region (2012)

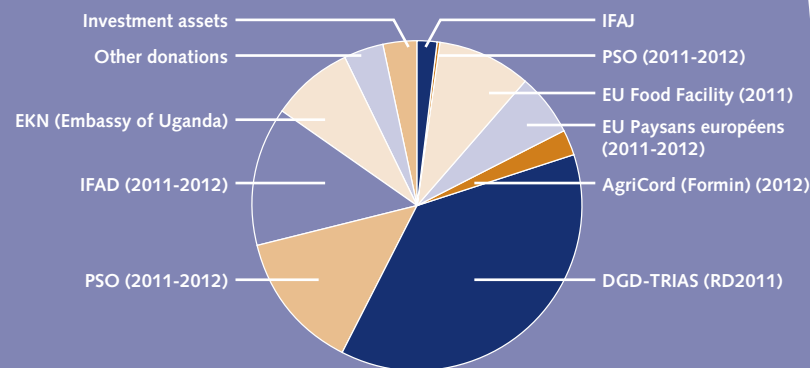
## Expenditure in 2012

Agriterra contributed just over €13.56 million to various client projects in 2012. The clients themselves contributed approximately €7.5 million, giving total spending of €21.1 million on projects within the Farmers Fighting Poverty programme. More than half of the project funding went to agricultural organisations and cooperatives in Africa.



**Breakdown of donations from sources other than the DGIS in 2012**

Total amount: € 972.326



|  | Actual 2012       | Budgeted 2012     | Actual 2011      |
|--|-------------------|-------------------|------------------|
| <b>INCOME</b>  |                   |                   |                  |
| Income from own fundraising and third-party activities | 78.985            | 50.000            | 72.642           |
| Subsidies from third parties                           | 1.345.529         | 2.000.000         | 1.439.915        |
| Subsidies from governments                             | 12.103.836        | 12.500.000        | 8.304.323        |
| Income from investments                                | 66.423            | 113.800           | 102.427          |
| Other income   | 37.203            | 33.800            | 34.072           |
| <b>Total income</b>                                    | <b>13.631.976</b> | <b>14.697.600</b> | <b>9.953.379</b> |
| <b>EXPENDITURE</b>                                     |                   |                   |                  |
| <i>On achievement of objectives:</i>                   |                   |                   |                  |
| • Farmers Fighting Poverty programme                   | 13.516.256        | 13.468.321        | 9.252.999        |
| • EU, IOB and PSO                                      | 8.289             | 0                 | 583.890          |
| • Appropriated reserves for programmes                 | 41.063            | 50.000            | 33.160           |
| <i>Total expenditure on achievement of objectives</i>  | <i>13.565.608</i> | <i>13.518.321</i> | <i>9.870.049</i> |
| <i>Cost of generating funds:</i>                       |                   |                   |                  |
| • Costs of own fundraising activities                  | 0                 | 0                 | 0                |
| • Costs of third-party activities                      | 0                 | 0                 | 0                |
| • Cost of securing government subsidies                | 0                 | 0                 | 0                |
| • Investment costs                                     | 1.832             | 1.000             | 1.810            |
| <i>Total cost of generating funds</i>                  | <i>1.832</i>      | <i>1.000</i>      | <i>1.810</i>     |
| <i>Management and administration:</i>                  |                   |                   |                  |
| • Staff costs  | 2.771.773         | 2.311.400         | 2.296.242        |
| • Premises costs                                       | 190.809           | 210.000           | 191.904          |
| • General expenses                                     | 285.986           | 362.400           | 261.070          |
| • Activity-related costs                               | 1.330             | 10.700            | 5.352            |
| • Charged to objectives                                | -3.544.868        | -2.030.040        | -2.914.272       |
| <i>Total management and administration costs</i>       | <i>-294.970</i>   | <i>864.460</i>    | <i>-159.704</i>  |
| <b>Total expenditure</b>                               | <b>13.272.470</b> | <b>14.383.781</b> | <b>9.712.155</b> |
| <b>Surplus (+), deficit (-)</b>                        | <b>359.506</b>    | <b>313.819</b>    | <b>241.224</b>   |

# Agriterra in 2012

- Projects in progress: **158**
- Number of clients: **135** organisations in **43** countries
- Clients' own contribution: **€7.56 million**
- Number of producers reached: **nearly 650,000** (44% women) **96.5%** of them at local level
- Number of experts on working visits: **386**

## Government agencies are the principal donors

The Directorate-General for International Cooperation (DGIS; Dutch Ministry of Foreign Affairs) is the principal funder of the Farmers Fighting Poverty programme. The total budget for the period 2011-2014 amounts to just over €50 million, of which €21 million was utilised in the first two years (€8.3 million in 2011 and €12.5 million in 2012). Furthermore, Agriterra managed to mobilise over €972,000 in additional funding for the programme in 2012. These funds are mainly derived from government agencies and donations. The total was well below the €1.57 million that had been anticipated. In 2011 Agriterra had succeeded in attracting nearly 60% more funding from other sources than the €1 million that it had anticipated. In 2012 the contribution of funds from other sources is fully 30% below budget. This is partly because funding from IFAD and the European Union, although pledged in 2012, will not be available until 2013.



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