FARM TO MARKET ALLIANCE
Making markets work better for farmers

FtMA Rwanda Country Brief
*December 2022*

# Making markets work better for smallholder farmers

## COUNTRY CONTEXT

The Rwanda agriculture sector plays a major role in the Rwandan economy, **it accounts for slightly more than one-third of GDP, 65 percent of employment, 31 percent of household income, and 52 percent of export earnings.** The government is visibly committed to accelerating the development of the country's agriculture sector. Improving agricultural potential remains a top government priority, with a particular emphasis on the role of youth and women.

70% of the population are smallholder farmers and despite being the agricultural sector's backbone, smallholder farmers in Rwanda face several challenges, including low yields, limited access to effective post-harvest knowledge, skills and equipment, and production is below potential capacity. The majority of the farmers do not sell their produce. The high rate of subsistence farming is a symptom of structural barriers to market access that rural farmers face. These challenges disproportionately affect youth and women smallholder farmers.

In past years, the government has developed digital platforms to bring agricultural services closer to smallholder farmers. However, the sector continues to suffer from under-investment in digitizing the value chain, as most processes are still recorded and managed using paper-based systems. As a result, agriculture continues to be seen as a vulnerable, low-performing sector.

## About Farm to Market Alliance in Rwanda

Smallholder farmers are potential engines for economic growth they are the key to building sustainable food systems, advancing food security and achieving Zero Hunger.

**That is why the Farm to Market Alliance** (FtMA) is focused on making markets work better for African Smallholder farmers and help them transition to commercial agriculture by providing adequate information, investment and support at all stages of the process – from seed to market.

FtMA is a consortium of six organizations [AGRA, Bayer, Rabobank, Syngenta, World Food Programme (WFP), Yara] with a joint vision to enable sustainable food systems through strengthened markets to empower farmers to increase the productivity and income of Smallholder farmers and develop commercial viability along the value chain for all stakeholders.

Better and more predictable access to markets unlocks opportunities for small producers to reliably sell more produce, with better quality and at higher prices. This in turn encourages them to invest in their own businesses, increase the quantity, quality and diversity of the crops they produce, and inject their incomes directly into the rural economy, creating employment and growth.

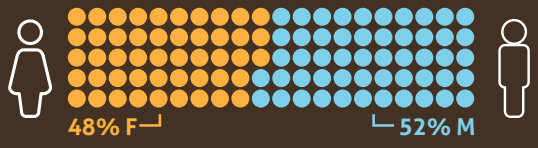
FtMA has been operational in Rwanda since 2015 and is f**ully aligned with the government's strategic plan for agricultural transformation, specifically addressing its priorities to enhance food and nutrition security, reduce post-harvest losses, develop existing value chains and ultimately commercialize the smallholder farmer sector.** FtMA assists members of farmers' cooperatives by enhancing their governance, enabling them to reduce their post-harvest losses, facilitating their access to financial services and improving their food productivity.

## Highlights of the programme include:

**71,068 MT**
aggregated and sold
**in the last 5 years**

at value worth **$21,064,377**

**425 FSCs'** have been established to the FtMA network **in 28 districts** out of 30 and reached over **127,000 smallholder farmers**




more than **48,000 smallholder farmers**

**were trained** with Good Agricultural Practices and Post-harvest handling and storage knowledge through cooperating and strategic partners **(2022)**

support to **1544 Village Savings and loans associates** on financial literacy and linking them to formal finance organisations

co-chairing the **national maize value chain coordination partner** with the government and private sector federation

**average yields more than 50%** than national averages

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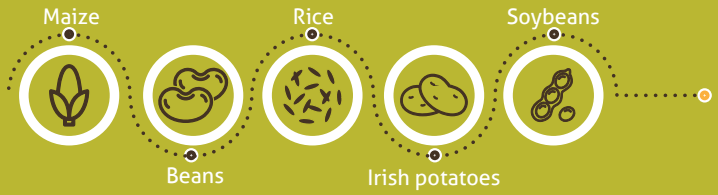
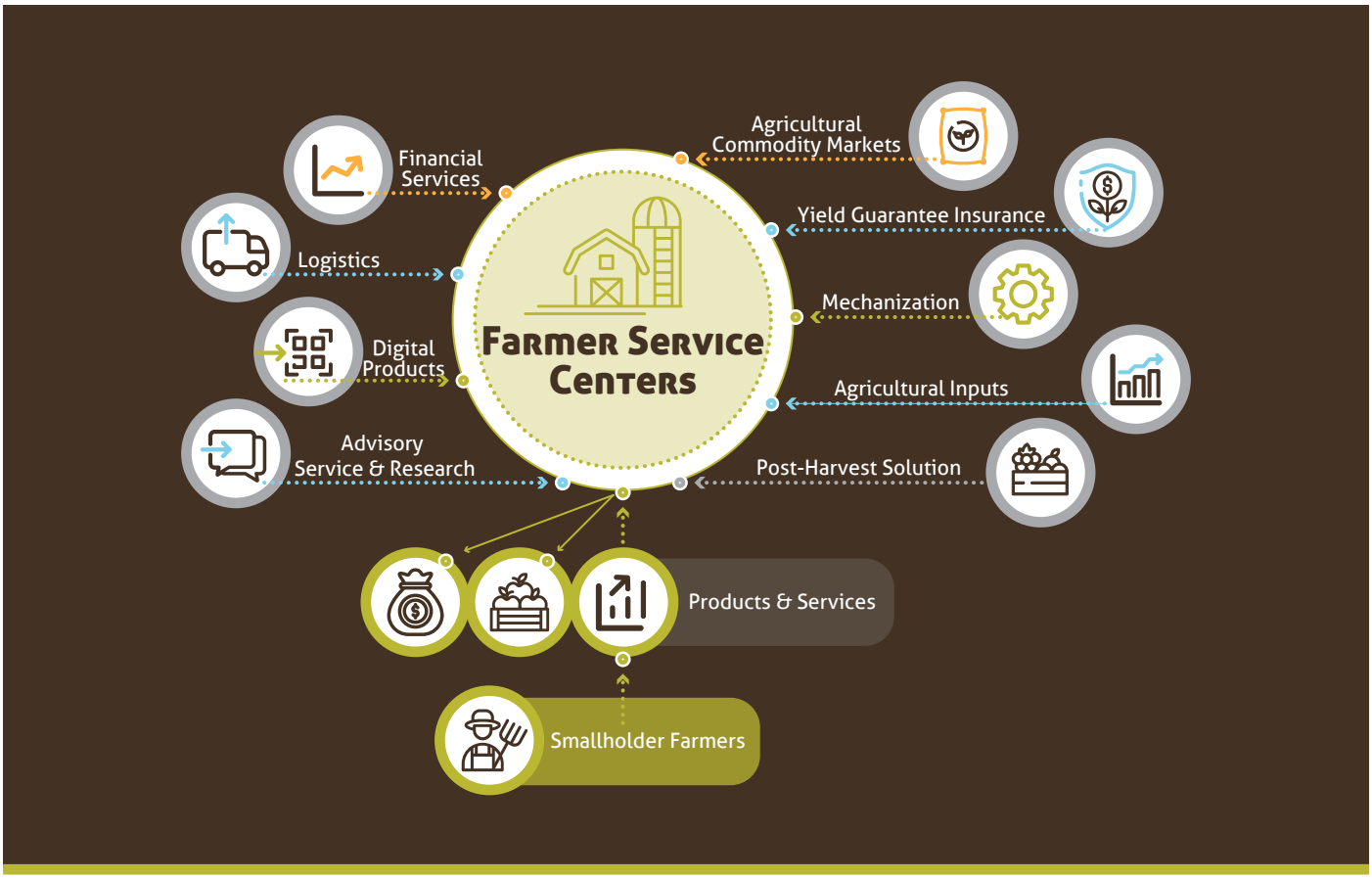
FtMA focuses on
**5 value chains**



## The FSC MODEL

The Farmer Service Center models' goal is to bridge the last mile (inputs and services) and first mile (commodity) gaps for smallholder farmers in the rural areas. An FSC can be a rural entrepreneur, farmer cooperative or aggregator acting as a link between private and public sector partners with smallholder farmers. FSCs' gain commissions on the sales they generate from partners or gain revenue through direct sales.




# FARMER SERVICE CENTER INCOME STREAMS

As part of the sustainability model, FSCs' have the opportunity to earn revenue throughout the year providing various productivity enhancing services, including

- Agricultural Inputs Sales & Services
- Financial Services Linkages
- Market Linkages
- Mechanization Services
- Extension Services
- Climate Smart Agriculture (CSA) Services

FSCs' are taken through Business Development Entrepreneurship and Coaching (BDEC) to strengthen their business skills. BDEC covers; business and finance management, record keeping, marketing, communication, and formalization of business.

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## 2023 targets

**180,000**
number of smallholder farmers served through FSCs'

**600**
number of FSCs' established

**50% & 70%**
of women and youth engaged

**NEW CLIMATE SMART AGRICULTURE INDICATORS**
being rolled out in 2023, including

- **80%** of increased skills and knowledge of CSA practices
- **2%** of farmers adopting CSA practices

## Focus area

1. **The program will be piloting the implementation of the agri-prenuer model FSC, leveraging learnings from Kenya.** In direct support of this effort FtMA has tapped into the partnership with Kuza and will be using their support to invest in the first cohort of 50-100 FSCs' that are agri-prenuer led, with a view to fine tune the selection model and approach to scale up to a further 500 later in 2023.

2. FSCs' are envisaged to act as decentralized service providers for smallholder agricultural needs including access to all productivity enhancing services like mechanization, farm inputs, aggregation services, post-harvest handling, among others. FtMA also targets women and youth-led FSCs', which are envisaged to act as a hub for all smallholder agricultural needs.

3. FtMA in Rwanda has been mainly working with Farmer Cooperatives functioning as FSCs'. This was due to the nature of the value chain structures in the country, with centralized input distribution systems (through the government subsidy programme), which necessitated working with crop-specific cooperatives to align with the government's approach to crop intensification in the country.

4. Through the FSC network, FtMA aims to build the capacity of smallholder farmers on improved post-harvest management practices thorough tailored trainings and extension services focusing on the following topics:

    - crop quality control (including aflatoxins)
    - harvest management, transport
    - crop drying and protection
    - crop threshing and cleaning
    - crop sorting and grading
    - safe crop storage

**CONTACT INFORMATION**
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AGRA Sustainably Growing Africa's Food Systems
BAYER
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YARA Knowledge grows