

FEED THE FUTURE ADVANCE II PROJECT NEWSLETTER

USAID-funded FTF ADVANCE II Responds to COVID-19 Disruptions



Chief Of Party, Christel Tshikudi meeting with the Chairman of the Upper West OB Network, Mac Adams and Network Advisor.

The USAID-funded Feed the Future Agricultural Development and Value Chain Enhancement Activity (FTF ADVANCE II), which was scheduled to end on April 30, 2020, received an extension to April 30, 2021. This was to enable implementation of activities to address challenges smallholder farmers will face during the 2020 agricultural growing season because of COVID-19. This extension phase continues to apply the outgrower business (OB) model in the 17 Global Food Security Strategy (GFSS) districts in the Northern, North East, Upper East, and Upper West Regions.

Through Outgrower businesses, the model links smallholder farmers to inputs, equipment, agronomic information, finance, and markets. The project will strengthen value chain actors' specific capacities to tackle the challenges posed by COVID-19 restrictions.

OBs and farmers usually prepare for the season in April to ensure they have access to production inputs and financing. However, accessing inputs has been challenging during the pandemic, as restrictions on the movement of persons and goods affected global and in-country supply chain activities.

"Through the outgrower business model, ADVANCE II will engage the ten zonal outgrower business networks and three regional outgrower business networks established in the GFSS zone of influence to support at least 27,000 smallholder farmers to access finance, inputs, and services for production and solidify market links that will enable processors and major buyers to receive a steady supply of high-quality produce," said Christel Tshikudi, Chief of Party.

She further explained, *"Our target is that at least 50 percent of the participants will be women and 25 percent youth between ages 18 and 29 years. The project will ensure benefits accrue to women by providing grants for inputs and tractor services, training and establishing women learning groups, and enhancing access to information, communication, and technology (ICT) tools, and information on agribusiness, nutrition, and health, including COVID-19 pandemic messages. They will also receive prioritized advisory services and supervision."*

...cont'd on page 2

FTF ADVANCE II Conducts COVID-19 Rapid Assessment

FTF ADVANCE II conducted a rapid assessment of the impact COVID-19 had on maize and soybean value chains and actors in preparation for the 2020 production season. The assessment, done through a survey conducted between May and June 2020, collected qualitative and quantitative data from key FTF ADVANCE II participants, including producers, input firms, buyers, processors, financial institutions, and VSLAs. The survey assessed and documented disruptions to input supply lines, seasonal labor, produce marketing, financing arrangements, advisory and extension services, business relationships, and food security. It also looked at the immediate needs value chain actors required to overcome disruptions and fully participate in the 2020 production and marketing season. Finally, it considered medium- to long-term needs to build resilience for future emergent shocks that could restrict human movements and contact.



M&E Manager, Eric Sunu (left) with an OB Network Administrator after a Rapid Assessment meeting

...cont'd on page 3

USAID-funded FTF ADVANCE II Responds to COVID-19 Disruptions

...cont'd from page 1

The COVID-19 extension period's strategy is to focus on supporting OB networks to restore, expand, and strengthen supply and market chains to mitigate current pandemic effects and make value chain actors resilient against future shocks. Information, communication, and technology tools will form the backbone to this response. This will allow the project to disseminate COVID-19 protocols while complying with required physical distancing through reduced person-to-person contact. Farmers will be trained through small learning groups led by OB agents or lead farmers, as well as through mobile messaging. This aims to improve farmers' knowledge on COVID-19 protocols and other relevant subject areas, including agribusiness, nutrition, and personal hygiene. In addition, the activities will aggregate demand, supply, and service data to promote digital business transactions among different actors in the value chain, which will be instrumental to the success of the extension phase.

Christel mentions, *"The project will provide a grant funding component to 18 entities, made up of outgrower business networks, local NGOs that support farmers, and the National Seed Trade Association of Ghana, that will support project participants' activities and ensure that the 2020 production season is not disrupted during the pandemic. The grant program will center on strengthening the capacity of OB networks and agricultural businesses to support OBs and smallholder farmers address the challenges related to COVID-19; accelerating effective use of ICT to conduct business remotely and safely; and supporting agricultural businesses that have their operations affected by COVID-19 to overcome specific constraints posed by the pandemic."*

FTF ADVANCE II anticipates working with at least 130 OBs and 170 village savings and loans associations (VSLAs) and reaching at least 27,000 smallholder farmers. This will lead to approximately \$11.4 million in produce sales from the 2020 production season.

Farmer Braves Planting Season Despite COVID-19 Disruptions

In Ghana, the use of imported hybrid seeds by farmers has been on the increase during the last decade. The hybrids produce higher yields, and even though they are also more expensive than the Ghana-bred hybrids, the growth in use is made possible by promotion through input credit facilitated by Feed the Future Ghana Agricultural Development and Value Chain Enhancement II (FTF ADVANCE II) Project, which is funded by USAID and implemented by ACDI/VOCA in Northern Ghana.

The disruptions caused by the emergence of the COVID-19 pandemic, included supply lines for the imported hybrid seeds, creating a shortage in the market. Outgrower business owners (OBs), who provide the input credit to the outgrower farmers, had to adapt and rely on locally produced hybrids and open-pollinated seed varieties, which tend to give lower yields. Under normal circumstances, sponsors and financial institutions that support these outgrower schemes would provide the financing for the seeds and other inputs before the season began. They would then collect repayment after the harvest.



Sintaro leaning against inputs procured for distribution to his outgrowers

With the wave of uncertainty caused by COVID-19, most sponsors suspended this credit, partly because of the seed shortage and partly out of concern that farmers would not be able to repay their loans. Without this credit, many farmers lacked the inputs they needed to plant their crops and secure their incomes for the year. Despite the pullout by some sponsors, others saw it as an opportunity to expand their business. Sintaro Mahama, an outgrower business owner and secretary of the Northern Outgrower Business Network, decided to take the risk and increase his credit to his smallholder outgrowers. He did so under the guidance of the FTF ADVANCE II Project, which is funded by USAID and implemented by ACDI/VOCA in Northern Ghana.

...cont'd on page 4

Staff Corner



Jason Amoo is a development communication specialist with over a decade's worth of experience in public relations, strategic communication, journalism, and documentary filmmaking. Jason joined FTF ADVANCE II as the Communication & ICT Specialist based in Accra in July 2020.

He is responsible for communications and sharing information on the lessons learned about mitigating the negative impact of COVID-19 on farmers, improving the project's and participants' visibility, and contributing to the promotion of ICT by project participants.

Prior to joining FTF ADVANCE II, he worked with World Vision Ghana as its Communications Officer for projects in education, child protection, health and nutrition, food security and resilience, and WASH (Water, Sanitation, & Hygiene). He was responsible for providing communications support, maintaining donor relations, and documenting project impact.

Jason has dedicated himself to humanitarian work to fulfill his personal goal of ending global poverty and being a voice of support for marginalized groups to contribute to economic and social development.

He likes to travel, read, watch movies, and listen to music of all genres.

FTF ADVANCE II Conducts COVID-19 Rapid Assessment ...cont'd from page 1

According to FTF ADVANCE II Monitoring and Evaluation Manager, Eric Sunu, *"The survey results showed that there is a high level of uncertainty among value chain actors leading to delays in planning and business commitments for the 2020 production season. This has resulted in disruptions in the supply chains and limited investments made by key value chain actors. The assessment indicates that most producers require immediate support to access inputs, seasonal labor, extension services and markets for the upcoming production season"*.

The report indicates that key actors such as outgrower businesses and their networks who serve as essential resource and business links between input dealers and buyers and smallholder farmers were restricted in their planning for the season because they could not meet with buyers, when COVID-19 broke out in Ghana and the Government imposed the lockdown. Land preparation services provided by outgrower businesses to smallholder farmers (outgrowers) were also limited due to restricted movements and their inability to determine service demand. Access to inputs has been a significant threat because of insufficient stock of imported hybrid seeds available on the market due to disruptions of global supply lines. Outgrower businesses and their outgrowers had difficulties to sell their produce from 2019 production season due to low prices offered by buyers as a result of decreased demand caused by shutdown of hospitality services, schools, and lower demand from processing companies. This situation has created financial distress to outgrower businesses as they are short of operating capital to provide the same level of services as in previous years. Women producers have particularly been affected as they heavily depend on support from outgrower businesses and input dealers for production, and don't have enough money to pay for ploughing services and labor for the production season.

...cont'd on page 4

FTF ADVANCE II Conducts COVID-19 Rapid Assessment

...cont'd from page 3

The report indicates that key actors who serve as essential resource and business links between input dealers, buyers, and smallholder farmers, such as OBs and their networks, were restricted in their planning for the season because they could not meet with buyers when COVID-19 broke out in Ghana and the government imposed the lockdown. Land preparation services provided by OBs to smallholder farmers (outgrowers) were also limited due to restricted movements and their inability to determine service demand. Insufficient stock of imported hybrid seeds, due to global supply line disruptions, has been a significant threat to inputs access.

OBs and their outgrowers had difficulties selling their 2019 production season produce due to low prices offered by buyers as a result of decreased demand from shutdown hospitality services, schools, and processing companies. This situation has created financial distress to OBs. They are short on the operating capital needed to provide the same level of services as in previous years. Women producers have been affected in particular, as they heavily depend on support from OBs and input dealers for production and don't have enough money to pay for ploughing services and labor for the production season.

The assessment results informed the project's implementation strategy, which will focus on:

1. Restoring supply lines and business linkages
2. Providing relief to accelerate business and market recovery through a grant program targeted to the most vulnerable value chain actors
3. Building resilience to future emergency shocks

These strategies will rapidly re-establish and strengthen input supply lines for the 2020 production season that were weakened by the uncertainties surrounding the pandemic. They will:

- Reduce new barriers to accessing credit and inputs to enable access to production resources
- Strengthen OBs' capacity to transact business remotely with processors and buyers
- Ensure equitable access to production resources and markets for vulnerable groups, particularly women and youth
- Improve ability of value chain actors to deal with any future emergencies

Farmer braves planting season despite COVID-19 disruptions

...cont'd from page 2

"COVID-19 has been a real challenge. Farming is a continuous process, and, with the limitations the virus comes with, we have been faced with delays and lack of certain items but are trying to make the best of it."
— Sintaro Mahama, an outgrower business owner

To make this possible, first, Sintaro had to sell his produce from last year's harvest of 125 tons at a lower price, also occasioned by the COVID-19 disruptions. The price of maize had dropped from about US\$320 to US\$240 per ton since January 2020. The amount from his produce sale was invested into equipment for his farm. He also entered into an agreement with Agricare to procure 40.47 hectares-worth acres-worth of inputs. Sintaro gave 30.35 hectares worth of inputs to 30 outgrowers and used 10.12 hectares worth of on his own farm.



Sintaro packing inputs into his warehouse

"COVID-19 has exposed the need to boost the capacity of our local seed production to avoid the shocks of over-reliance on imported seed."

— Sintaro Mahama, an outgrower business owner.

As soon as restrictions began to ease, Sintaro coordinated tractor plowing services on credit for his outgrowers, with priority given to female farmers. In the end, he successfully plowed and planted his own fields for the 2020 planting season. Like Sintaro, 141 outgrower business owners are collaborating with the Feed the Future Ghana ADVANCE II Project to mitigate the effects of the pandemic. They remain hopeful of a good harvest.

Contact:

FTF ADVANCE II, #1 Tripoli Street, adjacent MJ Grand Hotel | East Legon | Tel: +233 302 520231/2 | jamoo@acdivocaghan.org
Website: www.acdivoca.org