

## Small farmers are encouraged to work in cooperatives to improve their bargaining power

- The strengthening of awareness to improve the local potential to obtain economic gains and the reflection on the main challenges faced by small farmers in the 2021 - 2022 agricultural campaign marked the training workshop for small farmers in the Zambezi Valley in matters of trade and chain of value.



**A**fter participating in the launch of the 2022 – 2023 agricultural campaign in the Milange district, in Zambézia, the Center for Democracy and Development (CDD), in partnership with the Development Support Association (NANA), held on November 15, at Mocuba district, training for small farmers in the Zambezi Valley in trade and value chain matters.

This training was carried out within the scope of the project “The Power of Voices Partnership – FAIR for All: Enabling Pro-poor Value Chains in Zambézia”, financed by the Ministry of Foreign Affairs of

the Kingdom of the Netherlands and led by OXFAM, whose main objective is to promote global trade and value chains that are fair for all.

The training was divided into two sessions and the target group consisted of small commercial farmers who are beneficiaries of the PVP F4All project in Mozambique. This activity is in line with the objective of promoting improvements in the competitiveness of small farmers and the agribusiness sector, thus ensuring rapid, sustainable, and broad-based economic growth in agricultural value chains.

## **Associations and cooperatives presented as an alternative for accessing the information on markets and prices**



The first session of the training which covered subjects on “Basic principles of trade and their application” was facilitated by Nelsa Langa, a CDD researcher, who began her approach by highlighting the importance of smallholder farmers recording their activities. The recording of revenues and all costs incurred from the acquisition of inputs to the moment the product is placed on the market

allows for greater control of agricultural activity so that trade generates an economic benefit for farmers.

Obtaining an “economic benefit” was presented as the basic principle of commerce. From the perspective of small farmers as vendors, the economic benefit is measured by profit.

To obtain profit, farmers need to be aware of their





cost structure, so that, based on the quantity produced, they can stipulate a price that allows recovery of the invested amount and obtaining an additional margin. In this context, in a practical exercise, taking as an example the production of Mr. Gildo, a bean producer in the district of Mocuba, the small farmers learned to calculate the minimum price to be charged for their products.

However, small farmers say that even knowing the prices to be practiced, they will continue to face challenges that do not allow the trade to generate an economic benefit for them. "When buyers come to pick up the product, they set the price. After walking a long distance to the market to be able to sell my product, I get discouraged at the idea of returning home without having sold, so I accept the

prices imposed by the person who comes to buy".

These statements show a clear situation of vulnerability of small farmers and, consequently, a weak negotiating power. Additionally, small farmers point out problems with handling electronic scales that are used by buyers.

In this context, the facilitator proposed the union of small farmers in agricultural associations and/or cooperatives so that they have greater access to information on market prices and alternative markets, in addition to the fact that the union of small farmers can allow for greater negotiation power. Small farmers understand that agricultural extension agents could help in the marketing phase, providing information on average market prices and inspecting the scales used in the market.

## Commercialization is identified as the most difficult phase in the value chain of small commercial farmers



The second training session was facilitated by Dimas Sinoia, CDD researcher, in collaboration with Jeremias Benjamim, NANA policy, and program coordinator. Dimas Sinoia identified the set of actors and activities that bring an agricultural commodity from production to final consumption, where each stage or phase adds value to the product.

Activities start from the provision of inputs, production, processing, packaging, storage, and transport to the distribution of agricultural products. Although some small farmers point out the acquisition of inputs as one of the complicated phases due to the high prices charged, they are unanimous in stating that the commercialization phase, which consists of distributing agricultural products to potential buyers, is the most difficult for farmers. Small farmers due to the constraints of unfair prices and manipulated scales as already mentioned,

added to the excess supply in the local market due to the lack of means of selling products to alternative markets.

In this context and in a scenario where small commercial farmers have participated in almost all phases of the agricultural value chain, Jeremias Benjamin and Elísia Suriar, NANA collaborators, sensitized small farmers to bet on the conservation and storage of agricultural products as a strategy to wait for the best times to place them on the market and thus avoid losses resulting from selling at low prices during the harvest season, which is the moment when there is an excess of products on the market.

Meanwhile, and as a final consideration, Jeremias Benjamin recognized that the diversification of players along the value chain is ideal for reasons of specialization and risk reduction in agricultural activity, which is one of the project's lines of advocacy.



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