

PRECAD

Crop research project



"Establish an equitable relationship between smallholder's and the agro-industry"

By [Nikolaus Schultze](#)

When I started in Rome as coordinator for the newly defined Private Sector & Capital Markets operations at the International Fund for Agricultural Development (IFAD), my immediate main challenge was to reverse some common views. Statements such as "the relationship between the private sector and development agencies has been one of suspicion at best, and often outright hostility" (Financial Times, 22 July 1999) were not very encouraging, to say the least. Let me say from the outset that our partnership with the Syngenta-agribusiness dispelled any doubts I may have harbored in this regard.

IFAD provides loans to some 114 member governments for projects promoting economic opportunities for rural dwellers. We regard our target clients - smallholder's- as private sector actors themselves. They are not - again contrary to common perception - looking for mere charity or aid. Like any businessman or businesswoman, they look for opportunities, which obviously are best pursued in well-functioning markets; these unfortunately rarely exist in the remote areas where we intervene. Instead, these areas are characterized by market failures, with farmers actually lacking access to key assets such as agricultural inputs and relevant services, or even to markets to sell their produce.

At IFAD, we consider that poverty eradication cannot be disconnected from fostering rural economic growth. We therefore place the smallholder at the very center of a rural value chain, with potential linkages to resources, which are "owned" by the agro-industry. IFAD's challenge therefore is to help establish an equitable relationship between smallholder's and the agro-

industry.

This was particularly the case in Mali, where farmers in our project areas lacked access to seeds adapted to local conditions and to seed treatment packages that can enhance otherwise low millet crop yields. Through our contacts with the Syngenta Foundation for Sustainable Agriculture, which co-finances research and development activities at the Cinzana Agricultural Station in Mali, we could convince the Syngenta-agribusiness to participate in our program. This led us to engage in a public private partnership that has proved fruitful for all partners and stakeholders involved: Syngenta-agribusiness, the Syngenta Foundation for Sustainable Agriculture, IFAD, and ultimately the smallholders the Fund supports through its projects.

In practical terms, this meant identifying common objectives and eventually jointly developing the basis for a commercially operated inputs and services channel. Thus we have put in place distribution hubs that actually supply the smallholders with seed treatment packages at lower price. Furthermore, the idea is to provide income opportunities to young rural people by becoming small entrepreneurs and selling the packages in the villages. It is intended to enlarge the supply offer to other products such as seeds, fertilizers, or small farming tools beyond the strongly demanded Syngenta product that served as initial point of entry.

This goal required a constructive and smooth working relationship between Syngenta-agribusiness, the Foundation, our institution, and the target groups concretely involving many working sessions in Rome, Basle, Bamako, and our project area in San. We are proud to see that these efforts are finally bearing fruit. Last year, these channels - while still in their infancy - already helped some 1,500 farmers get access to millet seed treatment packages on a commercial basis, allowing them to increase their crop yields by approximately 30%. This might look like a small achievement, yet considering local conditions this will have had a direct impact on more than 10,000 persons whose livelihoods depend on these farmers.

At IFAD, we subscribe to Kofi Annan's words: "Let us choose to reconcile creative forces of private entrepreneurship with the needs of the disadvantaged and the requirement of future generations" and believe this collaboration falls within the spirit of the Secretary-General's Global Compact. We are looking forward to pursuing - and I daresay intensifying - our collaboration with Syngenta-agribusiness and the Syngenta Foundation for Sustainable Agriculture.

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