

# **Making Money Through Avocadoes!**

## **Successes and Challenges of 'Producer Group' Linkages with a Lead Firm**

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# Market Constraints -1

- **‘Non- existent Exporter/Farmer business relationships’**
- **Heavy presence of Brokers**
- **Poor prices for farmers**
- **Poorly organized markets**

## **Market Constraints-2**

- **Non-existence of farmer marketing groups**
- **Quantity –low volumes**
- **Very low Quality of fruits not suitable for export**

# Addressing the Constraints-1

- **Group management officers**
  - **trained to recruit and develop Avocado producer groups in three project areas**
- **Mobilization and development of Avocado Producer Groups**

## Addressing the Constraints -2

- **Facilitate market Linkage with an exporter (Indu-Farm LTD)**
- **Formal supply contracts between the exporter and Producer Groups**
- **Mobilization of support from relevant stakeholders**

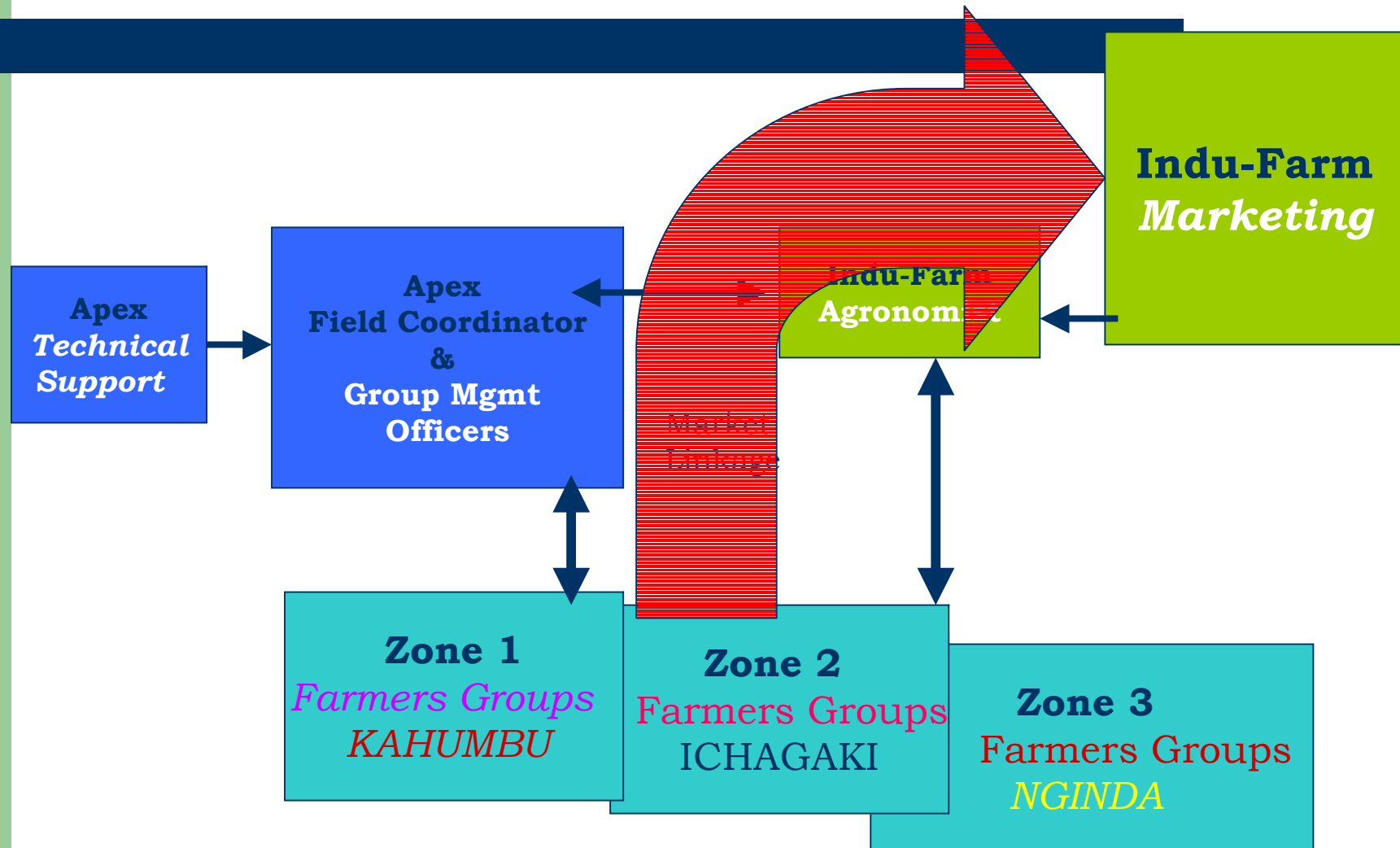
# Capacity Building –Officers & Groups-1

- **Training of Group Management Officers**
  - Group mobilization & development
  - Group records, production projections, and recording production and marketing activities
  - Liaising with Indu-farm officers
  - Monthly Monitoring Management Meetings
- **Farmers mobilization through public ‘Barazas’, churches**
- **Formation and training of groups**
- **Group leaders training**

# Capacity Building –Officers & Groups-2

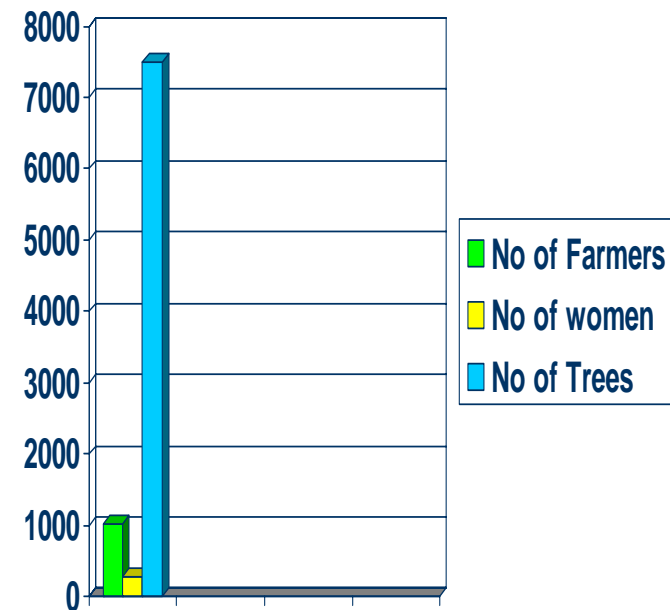
- **Development of group records and management structures**
  - Executive officers & Committees
- **Zoning, Routing and Scheduling of Activities per Officer**
- **Structured training initially weekly later bi-weekly**
- **Organized production, harvesting & marketing activities**

# Project Organization Structure



# Success to Date -1

- **Recruited 1027 farmers 36 Groups**
- **Total of 7,500 Trees**
- **36 bank accounts**
- **36 groups contracted by Indu-Farm**
- **Participation by Women 28%**
- **Trained 3 officers**



## Success to Date-2

- **400% increase in avocado Prices**
- **700% increase in income from Avocadoes**
- **Increased appreciation of the project (farmers and lead firm)**
- **80% farmers graduated to phase II of the project**

# Exit Strategy

- **Increased participation by the exporter**
- **Commercialization**
  - **Absorption of operational costs by Indu-Farm in February 2007**
  - **Internalization of the Group Management Officers already in progress**

# Commercialization- Key Considerations

- **Performance based**
- **Output per Officers based on projections**
- **Extensive orchard expansion**
- **Desired average of 30 trees per farmer**
- **Standardization of Producer Groups**
  - **Increase Average no of trees from 7 - 30**
  - **Group Size -25 farmers**
  - **Proximity of farms**
  - **Farmer group participation in a business sense**

# Lessons learnt with group dynamics-1

- **Group Development is a time consuming process**
- **Socially constituted groups are not best for business based relationships**

# Lessons learnt with group dynamics-2

- **A strong group is a good base for effective market linkages**
  - **Strong groups can stand “the test of times”**
- **Group leadership directly influences group performance**

# Lessons learnt with group dynamics-3

- **Use of Social pressure can enhance observations of individual obligations**
- **Business Focused Groups address social issues more effectively**



**Thank you for  
Listening!!!!**