



Thirtieth Session of the Governing Council of IFAD

How can value chains help smallholder farmers
increase their income and create rural employment?

A Macedonian Perspective

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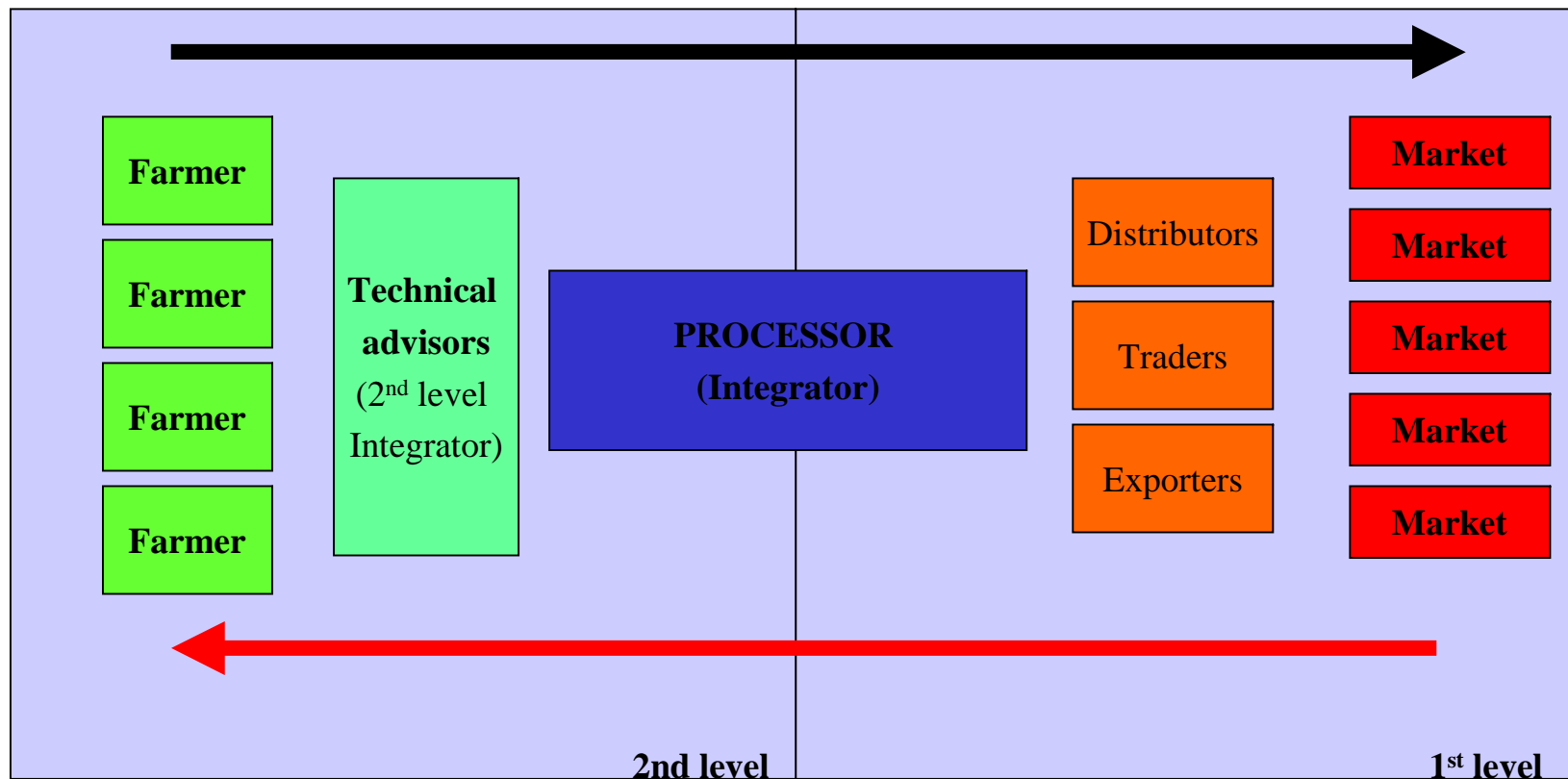
Facility for Farmers Access to Markets – FFAM

Programme Background

- Grant:** Government of the Republic of Italy
- Implementing Agency:** Ministry of Agriculture, Forestry and Water Economy
- Objective:** Contributing to rural poverty reduction by linking primary producers to consumer markets by addressing constraints throughout specific agricultural supply chains
- Targeted Sub-sectors:** Sheep & Dairy, Fruit, Vegetables, Wine

Two-tiers integration model

The FFAM relies upon a two-tier integration model based on Value Chain Integrators (VCIs) at two levels:

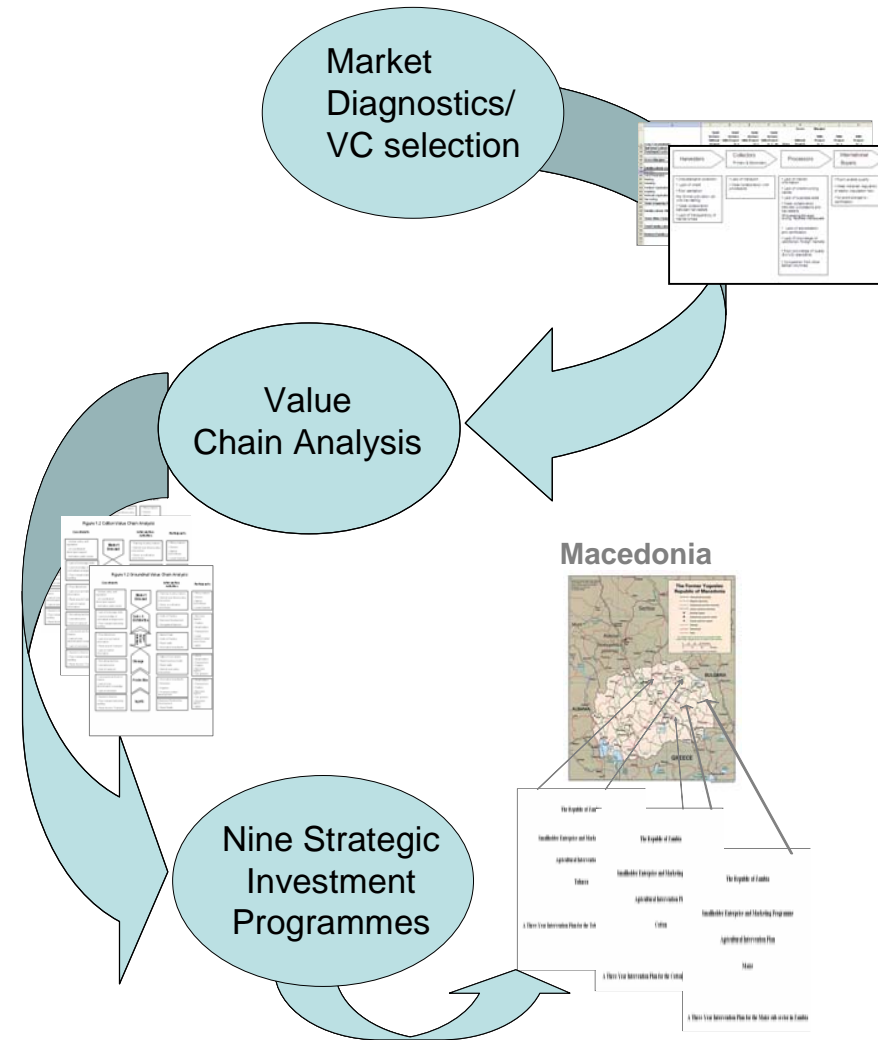


Strategic Investment Planning

Developing a modular approach

Steps towards SIP development

1. Market assessment and preliminary value chain identification (farmers, traders and processors)
2. Participatory planning and relationship development “common/joint value chain objective”
3. Value Chain analysis and constraints identification
4. Resource needs (activities and investments)
5. SIP development and ownership
6. Flexible Project implementation
7. Monitoring





FFAM Supported Nine Value Chains...

- Value chain strengthening
- Technical assistance and training
- Proactive brokerage activities



Value Chain Strengthening

Workshops and value chains management meetings for:

- Building trust among farmers and processors
- Improving information exchange (prices, quality requirements; timing, etc.)
- Forward planning (at both the farm and processor level)
- Promoting the development of contractual agreements
- Synchronized investment activities

Technical assistance and training

At farmers level:

- Improved agronomic techniques
- Improved husbandry practices
- Animal health protection
- Quality improvement and consistency
- Introduction of quality assurance systems (EurepGAP)

At processor level:

- Introduction of quality assurance systems (HACCP)
- New product development
- Visual identity
- Quality improvement and consistency
- Product branding
- Negotiation skills
- Contract management



Proactive brokerage

Facilitate the procurement of inputs and the placement of products into the market:

- Organizing promotions, B2B meetings
- Organizing study tours
- Participation on trade fairs, forums, round tables...
- Group purchasing of raw material and inputs
- Joint use of equipment, machinery and mechanization
- Joint investment in know-how and new technologies
- Enhanced credit financing to farmers and processors

Value Chains and Employment

Value Chain	Farmers level		Processors level	
	Increase in perm. self employ. (%)	Increase in seaso. self employ. (%)	Increase in permanent employ. (%)	Increase in seasonal employ. (%)
Mabi Trejd (vegetables)	59%	2%	25%	29%
Agrova (dried vegetables)	23%	32%	0%	45%
Univerzal Promet (vegetables)	32%	49%	25%	17%
Naksport (fruit - berries)	31%	22%	0%	-50%
Cekorovi (wine)	20%	63%	0%	0%
Popov (wine)	14%	67%	0%	12%
Pivka (wine)	42%	24%	0%	58%
Serta (lamb)	24%	73%	12%	56%
Bistra Agro Holand (dairy)	27%	32%	33%	50%
Total	33%	39%	15%	32%

Conclusions

The additional employment created is likely to be sustainable only if supported VC remains profitable and there continue to be expectation for growth. In this respect the following have proven to be key:

- On going support to all VC actors
- Market access to processors
- Improving VC actors collaboration and coordination
- Financial institution involvement
- Proactive demand driven brokerage activities