

## Linking remote farmers to markets



Agriculture for  
Entrepreneurs

### iDE's Farm Business Advisor Approach

Small-scale farm operators represent 70 percent of the world's poor, but lack access to techniques and technologies that could enable them to become successful small-farm businesses. Closing the market gap for these farmers reduces poverty and also improves food security for millions, as small farms generate 80 percent of the food consumed by rural communities.

Farm Business Advisors (FBAs) are entrepreneurs who go door-to-door, field-to-field, supporting small-scale farmers to grow crops that can be sold for attractive returns. FBAs provide an essential last-mile market link for farmers located in remote areas far away from commercial centers.

**BACKGROUND** The FBA approach originated in Cambodia and Nepal in the mid-2000s, quickly expanding across other iDE country programs. Today, this global solution has more than 1,500 active FBAs serving clients across nine countries. The titles, functions, and management models vary from country to country, but they all have one thing in common; FBAs are the critical link that supports and drives small-scale farmers to grow better horticulture and staple crops. FBAs promote best practices, leading to higher incomes and ultimately improving the quality of life for both parties.





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THE FARM BUSINESS ADVISOR APPROACH **iDE**

A Farm Business Advisor is the personal link between farmers and their suppliers and buyers.

The FBA model is adapted to each country context.



*An FBA travels to the farmer's field to learn directly what challenges the farmer faces—problems like water control, poor soils, damaging pests, or difficulty getting crops to buyers.*



*As a team, the FBA and the farmer work out a strategy, which might include investing in new equipment like drip irrigation; introducing higher-value crops into their annual agricultural cycle; or growing an additional crop cycle.*



*FBAs keep in regular contact with their farmer clients to answer questions, solve problems, and ensure that investments are yielding the expected results.*



*Since iDE began the FBA program, more than 339,000 farmers have increased their income by working with a FBA, generating an average of \$423 in additional annual revenue.*



*The profits made by the FBAs are substantial as well, with estimated total average yearly incomes per FBA of \$803.*

### WHAT DO FBAs PROVIDE?

**Loans—** FBAs offer installment payments for purchases or act as a loan broker for microfinance credit providers.

**Output Marketing—** FBAs provide access to market price information, and some help their clients transport their crops to the market.

**Services—** They provide advice on land preparation, planting & harvesting, soil nutrients, and pest & disease control; as well as installation and maintenance of equipment.

**Inputs & Equipment—** FBAs sell farm equipment (drip irrigation kits, pumps, tillers, and seeders) and inputs (seeds, fertilizer, pest control).

**HOW DO FBAs MAKE MONEY?** FBAs are independent agents, either individual entrepreneurs or family businesses, who earn income from various sources:

- Margins and commission on sales of inputs
- Percentage of profit from aggregation of farm outputs
- Fees for services like soil testing and equipment installation and maintenance

Additionally, many FBAs earn a substantial amount from their own farms, which double as demonstration plots for the products and services they sell.



**BLUEPRINT FOR PROSPERITY** iDE leverages donor funds to recruit, train, and support FBAs. iDE field staff work with local communities to identify candidates and gauge their business acumen, willingness to learn, interpersonal skills, and mobility. Recruits undergo regular classroom and field-based training to build their skills in agriculture, business, and ethical sales focused on solving their clients' most urgent problems.

FBAs help clients to compare the cost of new investments to the costs of maintaining the status quo, leading to purchase decisions that serve clients' best long-term interests. In this way, FBAs develop relationships based on trust rather than simply pushing products opportunistically.

**MAKING MARKETS WORK** FBA performance data is captured with ICT-based Management Information Systems that tracks client interactions, sales revenue, and impacts on farm productivity and profits.

**Cost-effective—** Because FBAs earnings are paid for by users, their long-term success does not rely on subsidies or a steady flow of donor funds.

**Sustainable—** The FBA approach introduces market incentives, integrated service delivery, a strong client focus, and a mechanism for financial sustainability.

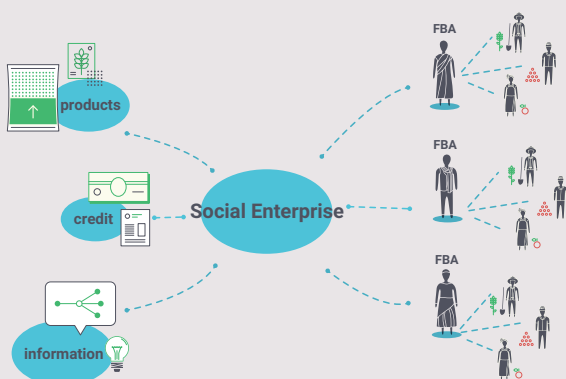
**Scalable—** Compared to other agriculture interventions, the FBA approach requires fewer resources to reach more farmers.



## IDE's Farm Business Advisor Management Models

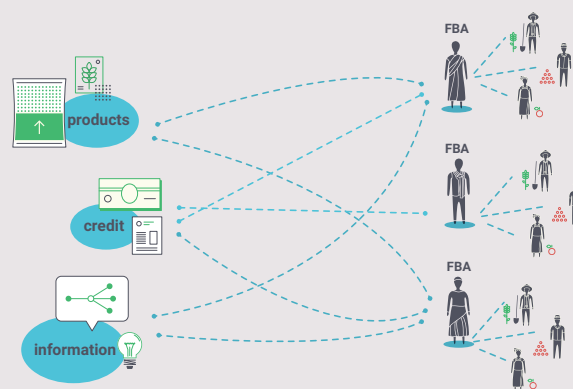
iDE applies the FBA approach differently in each context based on local market constraints and opportunities. Management models typically fall within a spectrum ranging from centrally-managed social enterprises to more dispersed market engagement. iDE's role is always temporary, with a goal of establishing FBA networks that are cost-effective, sustainable, and scalable.

### Social Enterprise Model



iDE establishes a social enterprise to recruit, train, and support FBAs in a franchise-like relationship. The enterprise provides services to FBAs (product sourcing, quality control, technical support, and promotion) while earning a profit. The social enterprise model may be used where agricultural markets are weak and market gaps exist that are unlikely to be filled in the foreseeable future. This is often due to unfavorable risk-reward perceptions among existing enterprises.

### Market Model



iDE supports and works with existing market actors from any point in the value chain. FBAs may be exclusive or may act as free agents, promoting the products of multiple partners. The dispersed market model may be used where agricultural markets are relatively well-developed and individual firms have the size and capacity to support and make effective use of FBAs.

### iDE

iDE creates income and livelihood opportunities for poor rural households across Asia, Africa, and Latin America. iDE builds markets in a range of sectors, including agriculture, water, sanitation, hygiene, and access to finance.

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