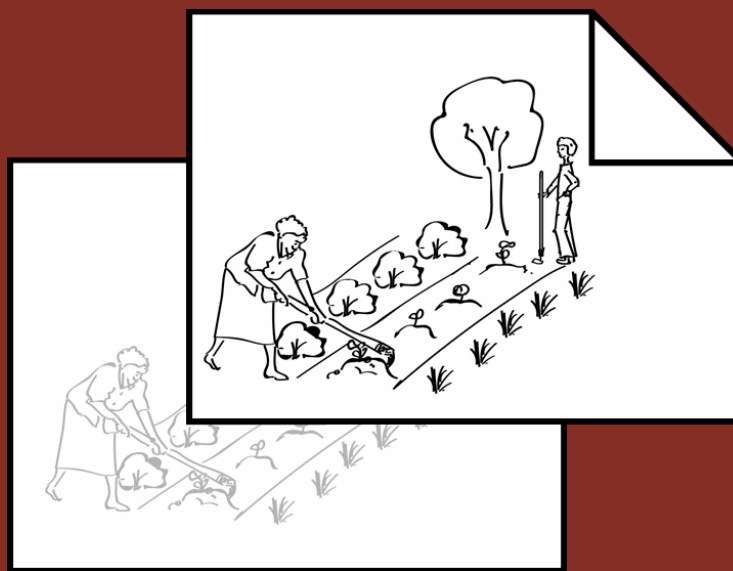


Collaborative Business Models for Smallholder Farming

Replicator Workbook Preview



What's it all about?

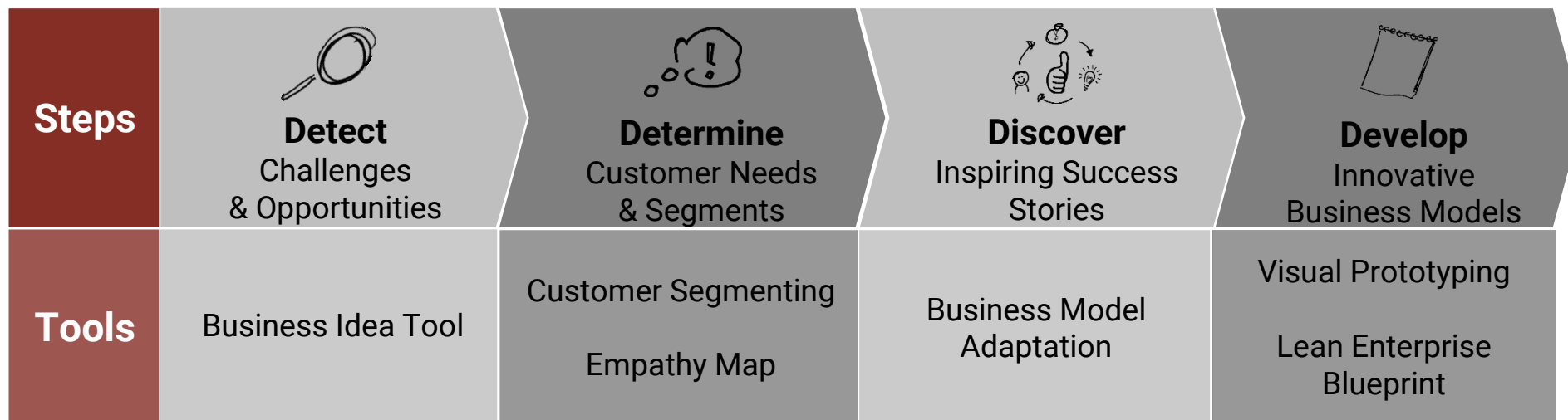


Do you want to learn from proven business models from eco-inclusive enterprises around the world to tackle some of the key challenges your country is facing?

Various entrepreneurs have already developed innovative business models that turned out to be successful and create relevant social, economic and environmental impacts. Replicating solutions that work can offer a fast and effective way to contribute to sustainable development and improve people's livelihoods.

The Replicator Workbook guides the process

We developed our SEED Replicator Workbooks to guide you through the process of transferring a business model to another geographic location. Our workbooks identify best practices and shed light on conditions under which eco-inclusive enterprises in your sector operate. They include exercises that will guide you to explore your market and adapt business models to your context.



How to use the Replicator Workbook?



In this workbook preview, click on **INSIGHTS** or **TOOLS** to discover more
Or simply scroll to the next page



Insights

into success stories & challenges of established eco-inclusive enterprises

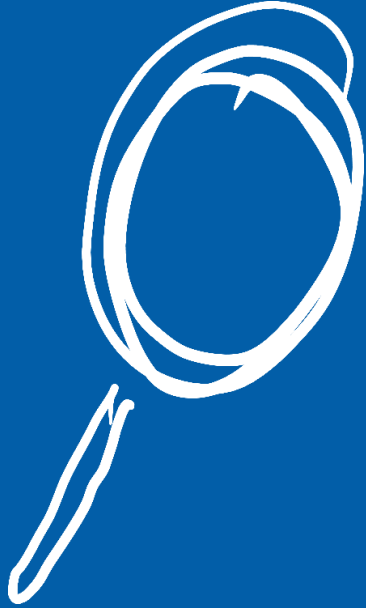
In our workbook, we include various **READINGS** on **proven models of eco-inclusive enterprises** around the globe, complemented by sets of best practices and explanations of conditions under which eco-inclusive enterprises operate. These readings are based on experiences of entrepreneurs active in the field of **collaborative business models for smallholder farming**.



Tools

to guide you step-by-step as you develop your own eco-inclusive enterprise

Each **TOOL** provides step-by-step guidance to arrive at key outcomes. The first page of each tool offers a short overview of **when** to use the tool, **what** you do in the tool, **how** the tool is best used and which **key outcomes** are expected. The workbooks explains in detail what to do and which questions to ask yourself at each step while using worksheets for you to document your outputs.



Detect sustainability challenges in your country and brainstorm solutions to tackle them. Learn about the potential of collaborative business models for smallholder farming and the social, environmental and economic impacts you could achieve.

Bringing Individual Farmers Together



Collaborative business models for smallholder farmers


Smallholder farmers are often marginalised, and lack sophisticated farming practices and sustainable income sources. There are different kinds of organisation forms that can improve the livelihood of smallholder farmers.

- **Intermediaries:** An organisation form that acts as a connector between smallholder farmers and the industry. This type of business facilitates better conditions for smallholder farmers than traditional middlemen as it does not focus on buying crops for the cheapest prices possible but rather establishes a competitive advantage in a different way, for instance through only sourcing high quality, organic and fair-trade crops. The intermediary is often not directly involved in the facilitation of training, but cooperates with partners to improve farmers agricultural practices.
- **Associations:** An organisation form that focuses on grouping the farmers. Farmers are used to working individually, whereas an association tries to form farmers into groups as this gives them access to markets. Through this approach, farmers are able to collect all their crops and sell it in bulk to wholesalers or industries. Usually farmer associations implement the training themselves as well as the farmer is the focus of the organisation.



Products of smallholder farming initiatives

Smallholder farming initiatives give farmers the possibility to combine their capital and human resources to transform their value chain into the following practices:


Value-added products

- **Shea butter:** a white- or ivory-coloured fat extracted from the nut of a shea tree. Shea butter is widely used in cosmetics as moisturiser, salve or lotion. 
- **Shea butter soap:** soap made out of shea butter to help protect and nourish the skin.
- **Pumpkin products:** e.g. pumpkin powder, roasted seeds, tea, spices and wine.
- **Banana products:** banana fruit, wine, juice and chips.
- **Surghum products,** such as surghum bread

Fairtrade and organic products

- **Cacao and chocolate:** Fairtrade cacao and chocolate produced under fair farming conditions. 
- **Organic coffee:** Coffee that received a quality rating of over 80% by coffee experts. There is a growing market for high quality coffee. 
- **Fairtrade cotton:** Cotton that is traded under fair conditions.
- **Organic tea:** Different types of tea that contain exotic spices.

New crops

- **Pulpwood** for the paper industry: Pulpwood is a kind of timber that is used to make wood pulp, which is processed to paper. 
- **Cassava:** Cassava originated in South America and is a root from a tree that can be eaten.

...and many more!

Bringing Individual Farmers Together

A grey silhouette of a world map with a network of thin white lines connecting various points across the continents. Small black flag icons are placed at several of these connection points. A large, light green diagonal banner is overlaid on the map.

Participate in an upcoming Replicator Workshop
to discover **more about smallholder farming!**



Discover proven business models and adapt them to your local market. Identify key business model features.

The Originators: SAI Sustainable Agro Ltd.

Successful examples of eco-inclusive enterprises



SAI acts as an intermediary between smallholder farmers and the paper industry. Through their agro-forestry model, SAI integrates indigenous and marginalised smallholder farmers into corporate value chain. This model brings several services to the farmer's doorstep: access to finance, training in farming technologies, technical monitoring support and market access, including logistical support and input supplies such as seeds, saplings and fertilisers. Through the inter-cropping model applied by SAI, smallholder farmers can grow pulpwood next to their traditional crops. By doing so, the farmers can generate an additional revenue stream and do not need to forgo cultivation of traditional crops. Overall, SAI establishes direct linkages between smallholder farmers, suppliers and the market which strengthens the farmers' skills and maximises returns by eliminating the middlemen in the supply chain. Since inception, SAI has reached more than 475 farmers and planted over 600,000 trees, which were able to absorb over 13,000 tones of carbon dioxide emissions. SAI is a Miller Center GSBI Alumni.

Value proposition: SAI targets smallholder farmers, who have less than four acres of land and are in need of sustainable income. Through providing technical, financial, logistical and marketing support in agro-forestry, SAI is able to increase the farmers' income by anywhere between 200% to 500%. Because SAI delivers services to the farmer's doorstep, farmers save time and energy, and receive a regular income every six months.

Key Facts

Country of headquarters: India

Founded in: 2013

Employee size: 7

Products: Matured pulpwood, traditional food crops (pulses, oilseeds, cereals)

Revenue 2016: \$2500 (started)

Website: <http://sustainableagroinc.com/index.html>

The Originators: Pagsung Shea Butter Processors and Sheanut Pikers Association



PagSung Shea Butter Association and Sheanut Pikers Association (PSBA) empowers women shea butter producers economically by restructuring the shea butter supply chain. They provide training for producers to improve agricultural practices, process shea nuts into shea butter and protect their harvest from the increasing danger of bush fires. PSBA empowers women to take greater ownership by forming them into community-based groups. Additionally, PSBA educates producers in business management to increase financial literacy and promote a better understanding of the shea butter market. Finally, the organisation developed hubs that are used as distribution centres and workplaces for women. Currently, PSBA is still dependent on grants; therefore, viable revenue streams need to be explored. PSBA won a SEED Award in 2010.

Value Proposition: PSBA seeks to empower shea butter producers economically by restructuring the shea butter supply chain, building capacity among producers and improving production quality to facilitate access to local international shea butter markets.

Country of headquarters: Ghana

Founded in: 2002

Employee size: five volunteers

Products: Shea butter and shea butter soap

Revenue 2016: \$54,265

Insights

The Originators

Successful examples of eco-inclusive enterprises



Participate in an upcoming Replicator Workshop
to discover **more exemplary eco-inclusive enterprises!**



Determine your target customer and the benefits you want to create for your stakeholders. Map out why your solution is unique and why your customers will love it!

Your Customer Tool



When?

To refine your business idea, you need to identify your potential customers. Therefore, this tool is best applied in the elaboration process of your business idea.

What?

Customers stand in the centre of any business. Even the best idea is worthless if no one buys the product. Most enterprises serve different groups of customers (customer segments) that share certain characteristics. Identifying the different segments in the first step helps you to learn more about each of them. Once you have stepped into your customers' shoes, you can target your product and marketing activities better.

How?

Sit down to think about which customer groups you would like to serve. Once you have identified the customer segments, it's time to go out and speak with your potential customers to gain a better understanding of their needs.

Steps?

Step 1 → Identify Customer Segments

Step 2 → Understand Your Customers



Key outcomes

- Get to know potential customer segments for your product
- Set the basis to build a customer-centric business model

Your Customer Tool



Step 1

Identify Customer Segments

The first step is to divide the large pool of potential customers into customer segments. Customer segments are groups of customers who share certain characteristics or behave in a similar way.

- What will influence the preferences of potential customers towards your product or service?
- Will individual buyers have different expectations and needs from small stores? What about government institutions, NGOs or businesses?
- Will grandchildren have different expectations and needs than their grandparents for example? What about men and women, people with different religions, incomes, education levels or professions?
- Will people in rural areas have different expectations and needs from urban citizens? What about people in City X and City Y?
- Will people who have different knowledge about your product or service have different purchasing and usage patterns? Buy it more or less often, use it more or less often or use it in different ways?

Complete the information you gathered in the *Your Customer Segments* WORKSHEET on the following page. We have left space for up to five customer segments; you should identify at least two.

Step 2

Understand Your Customers

- Out of the customer segments you identified in Step 1, select the ones that appear most important for you, for example because of their size, because they are most likely to buy your product or because they are the easiest ones for you to reach.
- For each of your key customer segments complete the WORKSHEET *Your Empathy Map*.
- The *Empathy Maps* ask you to step into your customers' shoes: What does he/she think, say, see, do, feel, and hear? You can answer the questions in discussions with your team, through internet research, interviewing or observing potential customers etc.
- It's easier to answer the questions if you imagine one representative person of each segment, and add their name and age in the middle of the *Empathy Map*, in addition to the title of the customer segment.

You will find relevant key questions for your EMPATHY MAP on the next page!

Your Customer



→ **What does she/he think?**

- What matters most to her/him? What moves her/him? What are her/his dreams? Which may be her/his worries?

→ **What does she/he say?**

- What does she/he tell others? What is his/her attitude? Does she/he influence others?

→ **What does she/he see?**

- What kind of products/services does your customer see in the market? What attempt is being made to influence her/him?

→ **What does she/he do?**

- What is she/he constantly trying to improve? What activities does she/he cherish doing? How does she/he spend their time?

→ **How does she/he feel?**

- What does she/he experience in relation to your product or service domain? This experience can be negative or positive.

→ **What does she/he hear?**

- What do friends say? What do her/his influencers say? What media channels influence her/his opinions on products and services?

- Keeping the following questions in mind will prove useful during the refinement process of your business idea:
 - How can you fulfill the needs of your customers, and provide them with more benefits?
 - Should the product or service be targeted towards different market segments?
 - Is there anything else you still want to learn about your customers?

Your Customer



WORKSHEET Your Customer Segments

Step 1

Customer Segments				
Title	Farmers	Women groups	Local cooperatives	
Description	Living on high labour, low income	Potential talent pool to train & empower	Small-scale community based groups	

Your Customer



WORKSHEET Empathy Map

Step 2

<p>What does she/he think?</p> <p>Who can I turn to for help?</p> <p>I would like to improve my income</p>	<p>What does she/he say?</p> <p>I work hard everyday but cost of living is increasing</p>	<p>What does she/he see?</p> <p>Changing climate affecting crop yields</p>
<p>What does she/he hear?</p> <p>Other farmers have same concerns</p> <p>Complains about increasing living costs</p>	<p>Who is he/she?</p> <p>Local coffee farmer</p>	<p>What does she/he do?</p> <p>Owns a small coffee farm</p> <p>Main breadwinner of family</p>
<p>What does she/he feel?</p> <p>Frustrated & concerned</p> <p>Uncertainty</p>		
<p>How did you learn about your customer?</p> <p>Asking family members, friends, relatives and interviewing other locals.</p>		

SEED Replicator Tools

A light gray world map with small flag icons placed on various continents. Thin white lines connect these flags, creating a global network pattern. A large, semi-transparent green banner is overlaid diagonally across the map.

Participate in an upcoming Replicator Workshop
to discover **more business planning tools!**



Let's replicate the success of **eco-inclusive enterprises** together!

Learn more about the SEED Replicator and how to apply to an upcoming workshop near you:

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- 🌐 seed.uno
- 📘 facebook.com/seed.uno
- 🐦 [@seed_sustdev](https://twitter.com/seed_sustdev)

