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Include Smallholders in Market-Oriented Development

This week we’re celebrating ICRISAT’s 40th Anniversary with many joyous events at all our locations in Africa and Asia. In addition to celebrating, though, this is a time to pause and reflect on what we’ve learned, what we’ve achieved, and where we are headed.

So much could be said on these subjects, but I’m going to focus here on just one topic – that of “inclusiveness”. This topic is timely because of another recent event – the passing of Dr. Verghese Kurien on Sept. 9. His death brings us sadness, but also reminds us of the great victory that he ushered in for India – a victory that profoundly influenced how we at ICRISAT, and many others around the world, think about agricultural development.

Legacy of the Milkman of India

Dr. Kurien challenged the conventional wisdom of the post-colonial era that India’s smallholder-based agriculture was hopelessly backwards and could never keep up with the productivity and efficiency gains being achieved elsewhere by large-scale enterprises. Over the period 1965-1996 he led India’s White Revolution, organizing more than ten million smallholder dairy farmers across 81,000 cooperatives into a modern, efficient “national milk grid”. The grid reached 250 million consumers and transformed India into the world’s largest dairy producer. India’s per capita milk production more than doubled, and cooperative members’ incomes and milk consumption rose significantly. Dr. Kurien’s spectacular achievement earned him the World Food Prize in 1989, and he became fondly known as the Milkman of India.

Dr. Kurien spent the day of Nov. 14, 2000 with us to share this wonderful story as we were deliberating our strategy for the new millennium. In 2008 the World Bank reinforced many of the lessons of the White Revolution in its influential World Development Report entitled ‘Agriculture for Development’, highlighting the power of agricultural markets to foster development in agrarian societies.
Lessons of inclusiveness

With these leading voices and others in mind, in 2010 we again revisited our strategy. Since our mission focuses on poor smallholder farmers, the challenge that preoccupied us was how we could involve those poor in market-oriented development. Without deliberate efforts, market opportunities tend to be captured more quickly by wealthier members of society.

We considered this challenge to be so important that we made it a central focus of our ICRISAT Strategic Plan for 2011-2020, calling our new strategy ‘Inclusive Market Oriented Development’ (IMOD). Since then we’ve been actively exploring different ways to maximize the ‘I’ in IMOD. Here are ten of the most important lessons we’ve learned so far, with a few examples.

1. **Collective action is crucial.** By working together, small-scale farmers reduce costs, increase efficiency, share knowledge to raise productivity, provide mutual services to overcome resource limitations, gain clout to obtain better prices from suppliers and markets, and other benefits. We’ve seen collective action succeed in our community-based watershed management work and our work with women’s self-help groups in India.

2. **Form new and diverse partnerships.** Engaging with markets requires including farmer associations, input suppliers, wholesalers, processors, retailers and others outside the traditional domain of research.

3. **Adapt technologies to smallholder scales.** Seed of improved varieties and fertilizer, for example are being disseminated in mini-packs and micro-doses that smallholder farmers can afford.

4. **Don’t forget finance.** Market orientation requires investment, but smallholders are usually cash-short. Approaches such as warrantage (inventory credit), microcredit and savings and credit cooperatives can overcome this barrier.

5. **Think value chains.** Begin by analyzing how the commodity moves from farm to fork (the dinner plate). Understand how much value is gained during each link of the chain and by whom, and how smallholders can capture a larger share of the benefits.

6. **Help farmers move up the value chain.** By taking ownership of additional links in the value chain such as processing and marketing, smallholders garner higher prices for their crops.

7. **Quality can be as rewarding as quantity.** Genetically improved grain quality costs farmers little but enhances value substantially, as in the chickpea revolution underway in Ethiopia resulting from the introduction of higher-value kabuli grain varieties.

8. **Open new markets.** Opening new markets for the use of sorghum grain as poultry feed in East Africa and India is increasing market opportunities for smallholders while reducing the risks of “boom-and-bust” shortages/gluts that occur when markets are too small in volume.

9. **Include women.** Men are more likely to engage with markets, so special approaches are needed to make sure that women are included. We ensure that they participate in our
consultative activities (see photo) and give priority to issues that affect them, such as reducing the drudgery of hand-milling of sorghum by introducing village-scale threshing and dehulling machines in Tanzania.

10. **Leverage the power of information and communication technology (ICT).** ICTs revolutionize the reach, immediacy and interactivity of communications, as in the Bhoo Chetana Project that reaches three million farm families in Karnataka state, India.

**Conclusion: No farmer left behind**

Including smallholders in market-oriented development requires doing development differently. We must innovate new processes and products across the entire value chain spectrum. We are inspired in this quest by monumental successes such as the White Revolution.

Like Dr. Kurien, we must not allow ourselves to be confined by conventional wisdom. The impossible becomes the achievable when we open our minds and put our hearts to the task. The poor need and deserve our very best.