 

**Farmer to Farmer East Africa**

**Volunteer Assignment Scope of Work**

**NOTE: THIS SCOPE OF WORK AWAITING FINAL EDITS**

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| **Summary Information** | |
| Assignment code | ET115 |
| Country | Ethiopia |
| Country Project | Grain Crops Production and Sector Support |
| Host Organization | * Lume-Adama Farmers’ Cooperative Union (LAFCU) |
| Assignment Title | * Marketing strategy and coop business development model |
| Assignment preferred dates | August – Sept 2017 (flexible) |
| Assignment objective | * Provide basic marketing concept * Prepare marketing strategy and business development model |
| Desired volunteer skill/expertise | * Experience in grain marketing including export market * Experience in marketing strategy and preparing business development model |

1. **BACKGROUND**

The Farmer-to-Farmer (F2F) East Africa program is a program that leverages US volunteer’s expertise to assist smallholder farmers and small scale processors in East Africa to improve their business practices through volunteer assignments conducted with host organizations. Through F2F intervention, CRS will improve the livelihoods and nutritional status of significant numbers of low income households by: i) broadening their participation in established commodity value chains as producers and service providers; ii) strengthening community resilience to shocks such as droughts, that adversely affect livelihoods; and iii) preserving/enhancing natural resources upon which most rural communities depend. CRS will also increase the American public’s understanding of international development programs and foster increased cross-cultural understanding between host countries and US volunteers.

The grains sector is an integral component of agriculture and food security in Ethiopia. Compared to all grown crops of the country, the grains had the greatest share in 2012/13 both in area coverage (91%) and production share (79%)[[1]](#footnote-1). In terms of production share, maize is the first (27%), teff is the second (16.3%), sorghum is the third (15.9%) and wheat is the fourth (15%) followed by barley, finger millet, rice and oat from the cereal group (1). Grain legumes (pulses) are also important in Ethiopian food security and grain marketing, accounting for 15% of land coverage and 12% of production share.

Farmers’ cooperatives in Ethiopia are pivot institutions of the Ethiopian agriculture sector that play key role in the country’s food security Cooperation is an age-old tradition that runs through the fabric of Ethiopian society. For centuries, the spirit of self-help has been an integral part of the Ethiopian farming communities. Cooperatives work with members’ smallholder farmers to improve the productivity and competitiveness of key agricultural sectors. They are key farmers’ institutions that are established with main goal of improving farmers’ incomes and ensuring greater food security in the country. For centuries, the spirit of self-help has been an integral part of farming communities. Despite the existence of many agricultural cooperatives in Ethiopia, smallholder farmers continue to be under served, exploited and marginalized. In Ethiopia, the present ladders/levels of cooperatives (from the lower to the higher) pursue the following: primary farmers’ cooperatives 🡺 farmers’ cooperative unions 🡺 farmers’ cooperative federations.

According to the 2015 report of the Federal Cooperative Agency, in Ethiopia, there are 351 cooperative unions and 71,249 primary cooperatives having 13,341,839 individual members. Cooperative unions are involved in export and domestic marketing activities, financial transactions and social capital development. The services rendered to the cooperative members include input supply, marketing, processing and exporting of agricultural commodities. The Lume-Adama Farmers’ Cooperative Union (LAFCU) is one of the cooperative unions of the country.

Lume-Adama Farmers’ Cooperative Union (LAFCU) was established in 1992 with four primary cooperatives. The union includes Lume, Adama and Bosat and Fantale woredas. These areaa are widely known for its production of tef, haricot bean, chickpea, wheat and field pea. The major activities of the union are distribution of agricultural inputs, market access and information provision to members, value addition for export marketing, agro-processing (maize flour), bakery, seed multiplication and preparation (packing), tractor rental service (four tractors), training services (post-harvest, warehouse, accounting, value addition), credit service for primary cooperatives (and then members receive in-kind provision), transport service for grain, meeting hall service, storage service, packing and cleaning, crop insurance, packing and cleaning and poultry production.

The union aspires to promote modern agricultural technologies; enabling members’ product to get a fair price either locally or in the foreign market; to render different services to members and non-member farmers; to add value to members’ products (packing, cleaning, agro-processing, etc.); to participate in the process of solving socio-economic problems of the members; to take part in promoting cooperative education and training; to encourage the habit of saving among members; and to support natural resource management. In addition the union collects grain from primary cooperatives, stores and then sells to exporters or domestic markets. They have three warehouses (Modjo, Boset and Adama).

Presently, the LAFCU has 52-member primary (multipurpose) farmers’ cooperatives in the three districts. The union would like technical assistance in marketing and business development in order to increase to establish very competitiveness, profit oriented and then benefit member smallholder farmers.

1. **ISSUE DESCRIPTION**

The LAFCU is engaged in input and output marketing activities. Primary member cooperatives of the union mainly obtain input from the union and the union also serves as a channel to sell the farmers products in bulk which will increase their bargaining power and benefit at economy of scale. The major products of Lume Adama farmers’ cooperative union collecting from its primary cooperatives are Wheat, *Teff*, Haricot bean, and Chickpea. Of these the union is selling the haricot bean and chick pea to Ethiopian Commodity Exchange (ECX) which is going to be exported and the rest grains are for different customers like consumer cooperatives unions in Addis Ababa and universities with in its region. Even though these customers are regular customers, the union does not have a contractual relationship before production that creates market insecurity or unreliable market price year after year. This in turn affects the union long term development plan.

The union is running huge transactions with limited man power and resources. Such big businesses with multiple commodity transactions highly require a sound marketing strategy however the union is following traditional marketing approaches. There is no as such in-depth market analysis, segmentation, customer identification etc. The volatile nature of grain price in the country has also become a challenge for the union in determining price for products. This in turn creates a burden for the employees and committee members of the union to be more competent and effective.

The marketing (purchasing and selling) manual that the union is currently using is outdated which needs to be reviewed and modified considering the current conditions. The union has no promotional wing and product promotional activities are done in a very limited way. Currently the union has a plan to be engaged with agro-processing/ value addition activities and would like to do a market feasibility study.

Therefore in order to achieve such planned activities and to create more effective and profitable links between domestic and international markets the union needs to be capacitated with advanced marketing skills. Employees and committee members of the union and primary cooperatives will be primary participants of the training. Few government office experts may also attend the training.

The volunteer will train and technically assist the LAFCU in its major five grain warehouses (3 in Mojo, 1 in Adama and 1 in Wolnchiti) and its member primary cooperatives in the three aforementioned districts, which are adjacent to one another and all are administratively situated in the East Shoa Zonal Administration of the Oromia region. The Oromia region is one of the four Feed the Future (FtF) and Agricultural Growth Program (AGP) regions of Ethiopia.

1. **OBJECTIVES OF THE ASSIGNMENT**

The objective of this assignment is to technically assist Lume Adama farmers’ cooperative union to have a clear marketing strategy and plan that helps the union to be competent by creating a good customer linkage. This includes increasing revenues, growth in terms of business expansion, increasing profitability by building strategic partnerships, and making strategic business decisions.   
Through a strong marketing strategy and business development plan it is believed that the union will be stable whenever price volatility appears. Reducing the burden of employees and committee members can also be achieved via proper market assessment/research and planning. The union will also need to have a clear strategy when developing new products such as value added products. In general the Union would like to create very strong long-term value for an organization from customers, markets, and relationships.

The specific objectives of this particular assignment are to provide technical assistance on some of the following:

* Conduct market assessment and analysis
* Developing marketing strategy
* Promotion strategies
* Prepare cooperative business model
* Share Basic Information to Increase Awareness of the Cooperative Business Model
* Encourage Healthy / Positive Thinking and Dialogue Regarding the Cooperative Business Model
* Price determination policies (when purchase and sell)
* Reducing transaction costs and cope up with price fluctuations

Although the host and CRS F2F have developed such hinting SOW, the volunteer can fine-tune through her/his professional qualifications to successfully carry out this assignment.

**Host contribution** – LAFCU will select and avail the target beneficiaries for the training and technical assistances. The host will also assign contact person for the volunteer. The host will also provide the volunteer with office space as required. In consultation with CRS, it will also facilitate hotel lodging and meals service as required. For field travel within the assignment area, the host will coordinate to provide the volunteer with transport/vehicle. If host’s vehicle is used, CRS can reimburse fuel cost (against receipts) and if the host has incapability to provide own vehicle, rental car or secure transport will be coordinated/provided by the host, and costs will be reimbursed by CRS against receipt and/or CRS’s financial guide/regulation.

1. **ANTICIPATED RESULTS FROM THE ASSIGNMENT**

It is anticipated that the volunteer transferred up-to-dated technologies and overseas’ experience to the target beneficiaries. The anticipated deliverables by the volunteer include:

* + Initial presentation (outlines/list of activities, plan, approach, etc),
  + Training and direct assistance conducted,
  + Simple manual/guidelines on warehouse management techniques prepared and submitted
  + Field report with recommendation and simple guidelines submitted,
  + Presentation to CRS staff and USAID,
  + Outreach events conducted in the US.

1. **SCHEDULE OF VOLUNTEER ACTIVITIES IN ETHIOPIA**

| **Day** | **Activity** |
| --- | --- |
| Day 1 | Arrival to Ethiopia. The volunteer will be met at Bole Airport by CRS’s client hotel Churchill (churchillhotel@ethionet.et / info@churchillhoteladdis; phone # 0111111212) or another client hotel with a placard bearing “CRS logo and volunteer name”. |
| Day 2 | * Briefing meeting at CRS office with CRS F2F staff, briefing on logistics and itinerary of the trip and discuss anticipated outcomes and work plan * Travel to Modjo (75 km to east of Addis Ababa) * Setup with hotel lodging and other logistics |
| Day 3 | Firsthand briefing and discuss on the assignment topics and operation areas/venues through discussions and visiting the major challenges related to marketing and business developement |
| Days 4-7 | Conduct the assignment according to an agreed schedules, modality, and venues |
| **Day 8** | **Rest day** |
| Days 9-14 | Continue conducting the assignment …… |
| **Days 15** | **Rest day** |
| Day 16-17 | Continue conducting the assignment …… |
| Day 18 | * Wrap up sessions that emphasize key accomplishments and recommendations from the assignment * Group presentation to the host in the presence of CRS F2F staff * Travel back to Addis Ababa |
| Day 19 | * Debriefing at CRS office with CRS staffs and/or USAID Mission * Submit all reports, return logistic items and complete all required activities * Depart for USA (**evening hours**) |
| TBD | Conduct outreach activity when back in the US |

1. **DESIRABLE VOLUNTEERS SKILLS**

* Experience in marketing and business management
* Demonstrated experience in developing a marketing strategy for grain sector
* Experience of working with cooperatives and cooperative unions
* Good understanding and working experience on export market;
* Ability and preparedness to use relevant teaching aids and audiovisuals,
* Easily adapting ability to local situations of the various developing world,
* Good communicator and interpersonal skills.

1. **ACCOMMODATION AND OTHER IN-COUNTRY LOGISTICS**

* Before travelling to the host at the assignment place (Modjo), the volunteer will stay in Addis Ababa at one of the CRS’s client hotels Churchill (churchillhotel@ethionet.et / info@churchillhoteladdis; phone # 0111111212) or another client hotel that will be communicated prior to volunteer.
* In Addis Ababa, the hotel usually has rooms that include services such as airport pickup and drop-off, breakfast, wireless internet, etc.
* The hotel or CRS will arrange a vehicle for short travel from the hotel to CRS and vice versa while in Addis Ababa.
* All required materials will be prepared ahead of time and will be provided to the volunteer. CRS Ethiopia will provide the volunteer with a laptop computer, local internet dongle (modem/EVDO) and mobile phone with charged local SIM-card.
* Any other required logistics and facilities can also be requested by the volunteer during her/his stay in Addis Ababa.
* CRS will arrange transport service and accompany the volunteer to the place of assignment.
* During her/his assignment period, the volunteer will be booked and stay in a hotel found in the locality of the host.
* CRS Ethiopia will cover the lodging bills against receipts.
* CRS HQ will provide the volunteer with a per-diem advance to cater meals.
* CRS Ethiopia will also reimburse the volunteer with laundry costs against receipts. Before departing from Ethiopia, the volunteer will also liquidate if s/he received any advances in Ethiopia.
* For more information, please refer to country information that will be provided..

1. **RECOMMENDED ASSIGNMENT PREPARATIONS**

* Although CRS F2F has developed such hinting SOW, the volunteer can fine-tune through her/his professional qualifications to successfully carry out this leadership skills transfer.
* Prior to travel, the volunteer is advised to prepare necessary training and demonstration aids and written handouts. Softcopies of the handouts and any other paper materials can be printed for immediate use at the CRS office in Addis Ababa on request by the volunteer;
* If the volunteer requires use of simple training aids like flip charts, markers or tapes/he should make the request and collect from the CRS office in Addis Ababa prior to travel to the assignment place.
* Translation of handouts to local languages can be done in the locality of the assignment, if required.
* Depending on the meeting places and availability of electric power and LCD projector, the volunteer may use a laptop and projector for power point presentations.

1. **KEY CONTACTS**

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| **CRS Baltimore** | **CRS EARO** |
| **CRS Baltimore** | **CRS East Africa Regional Office** |
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| **CRS Ethiopia:** | |
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| **Host Organization:** | |
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1. *1Report of the 2012/2013 by the Ethiopia Central Statistics Authority (CSA)*  [↑](#footnote-ref-1)