



RESEARCH
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Livestock and Fish

Pig marketing and institutional strengthening: Uganda smallholder pig value chain capacity development training manual



European Union



International Fund for Agricultural Development

Investing in rural people

Pig marketing and institutional strengthening:

Uganda smallholder pig value chain capacity development training manual

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Abbreviations

ADDIE	Analysis, Design, Development, Implementation and Evaluation
AFRISA	Africa Institute for Strategic Resource Services and Development
ASF	African swine fever
CRP	CGIAR Research Program
DSIP	Development Strategy and Investment Plan
DVO	District Veterinary Officer
EC	European Commission
GDP	Gross Domestic Product
IFAD	International Fund for Agricultural Development
ILRI	International Livestock Research Institute
IMO	Indigenous micro-organisms
KCCA	Kampala Capital City Authority
LAF	Livestock and Fish
MAAIF	Ministry of Agriculture Animal Industry and Fisheries
NAADS	National Agriculture Advisory Service
NAGRIC	National Animal Genetic Resources Centre
NaLiRRI	National Livestock Research Institute
NARES	National Agricultural Research Systems
NGO	Non-Governmental Organization
PFA	Prosperity for All Programme
PMA	Plan for Modernization of Agriculture
SACCO	Savings and Credit Cooperative

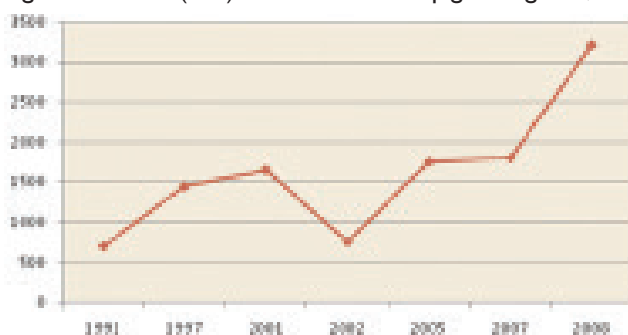
UBOS	Ugandan Bureau of Statistics
UN	United Nations
UNDP	United Nations Development Programme
UNFAO	United Nations Food and Agriculture Organization
UPO	Uganda Piggery Organization
USAID	United States Agency for International Development
VEDCO	Volunteer Efforts for Development Concern
VSO	Voluntary Services Overseas

Introduction

Pork production and consumption have risen rapidly in Uganda over the past decade, driven by population growth, urbanization, increasing incomes and changing tastes. In 2011, Uganda had the highest per capita consumption of pork in East Africa (3.4 kg/person per year).

The number of pigs has increased more than tenfold from less than 200,000 three decades ago to roughly 3.2 million. More than 1 million households in Uganda raise those pigs. The majority of the pigs are kept by women in rural areas, with limited access to technology, services and markets.¹

Figure 1. Trends (000) in the number of pigs in Uganda, 1991–2008.



Source: National Livestock Census Report (2008).

The Smallholder Pig Value Chain Development Project which aims to improve the livelihoods of smallholder pig producers, particularly women, through increased productivity, reduced risk from disease and improved market access is part of the CGIAR Research Program on Livestock and Fish,² led by the International Livestock Research Institute. The project is funded by the International Fund for Agricultural Development and European Commission. A key activity of the project is to strengthen the capacity of women and men pig producers and help them transform subsistence-level pig-keeping into viable, profitable businesses. A companion project, 'Safe Food, Fair Food', under the CGIAR Research Program on Agriculture for Nutrition and Health,³ is working to improve pork safety and market access. These efforts, in turn, should enhance food security, help preserve natural resources and reduce poverty. Poverty in Uganda currently stands at 37.8 percent (people living on less than USD 1.25 per day).

This training module is targeted to smallholder pig farmers engaged in commercial production and marketing and farmer groups/associations engaged or interested in taking on pig farming as a business. Improved knowledge should help provide incentive for decision-makers to help poor pig farmers and promote the sector.

Others who may benefit from the training modular content include suppliers, pig producer organizations, transporters and entrepreneurs involved in the sale of live animals, pork and other pork products.

1. Find ILRI pig value chain assessment slide share presentations here: <http://slidesha.re/1lojjPX>

2. CGIAR Research Program on Livestock and Fish, <http://livestockfish.cgiar.org/>

3. Learn more about the program here: <http://www.ilri.org/crp4>

ILRI has also developed training modules on pig management, control of African swine fever, parasite control feeding strategies and business planning to help develop the capacity of farmers.

While designing the modules a process has been facilitated with research and development partners to practice the delivery of the packages.⁴

4. Learn more here: <http://www.slideshare.net/ILRI/capacity-development-in-the-uganda-smallholder-pig-value-chain-development>.

Expected outcomes

This training module on marketing and institutional strengthening is designed to strengthen the skills and knowledge of smallholder pig farmers and farmer groups so they can better access pig product markets.

Upon successful completion of the module, the participants should:

- Have knowledge of basic marketing concepts
- Be able to identify market opportunities
- Develop plans for marketing pigs, piglets and pork products
- Engage in institutional arrangements for pig marketing
- Mobilise participation and commitment in collective marketing

Glossary of technical terms used in this module

Market chain:	Link of all activities from production to consumer.
Marketing action plan:	A plan of activities to achieve sales objectives.
Marketing concept:	Describes product in a way that differentiates it from competition
Rapid market survey:	A quick survey to identify market opportunities.
SWOT:	A tool to analyse options based on strengths, weaknesses, opportunities and threats.
Value chain:	Adding value to the product as it moves from production to consumer.

Training methods

The session on marketing and institutional strengthening is designed to be delivered through participatory training techniques and tools. The module involves various practical and work sessions, which require the trainer to have good facilitation skills and knowledge of adult learning principles. Training is guided by the CRS and CIAT Manual (CRS and RII-CIAT, July 2007)

Proposed training schedule

Session 1: Marketing overview (about 1 hour)

- What is a market?
- What is marketing?
- What should one consider when marketing a product?

Session 2: Developing the marketing concept (about 1 hour)

- What is a marketing concept?
- Identifying market chain partners
- Identifying potential market opportunities
- Evaluating market opportunities

Session 3: Developing a market plan (about 1 hour)

- Defining the target market for pig farm products
- Developing a marketing action plan

Session 4: Creating and sustaining strong farmer organizations (about 1 hour)

- Importance of farmer organizations
- Ensuring strong farmer organizations
- Skills for creating and sustaining a strong farmer group

Tools and materials (prepare in advance)

- Ring binder and training program outline for each participant
- Training hand-outs (see below)

- Role play costumes —for a farmer, trader, facilitator
- Flip chart
- Masking tape
- Markers
- Coloured 2 inch by 5 inch cards (pink, yellow, green and blue)
- String/thread for connecting paper cards
- Notebooks
- Paper and pencils
- Scissors
- Sticky notes
- Demonstration materials
- Presentation equipment —computer, LCD projector (if electricity is available)

Background

Consumption of pork in Uganda is increasing yet farmers and pig traders face constraints in taking advantage of market opportunities for pigs and pig products. The sector is characterized by inadequate pork processing facilities and practices, poor market linkages and the absence of strong institutional frameworks for marketing.

Session 1: Marketing overview

Objective: Equip participants with knowledge of the basic concepts of marketing

Tools and Materials:

- Paper and pencils
- Flip chart
- Masking tape
- Markers
- Colored (pink, yellow, green and blue) cards

Time: 1 hour

What is a market?

A market is a collection of sellers, buyers and consumers of a particular product. It is a place where buyers and sellers interact to trade goods and services based on supply and demand. It can be defined based on a location, a collection of buyers and a season for buying.

Exercise 1: Mind mapping

Participants shall be grouped into pairs to discuss and describe what they think a market is. Each pair should present their answers and the facilitator should note them on a flip chart.

What is marketing?

Marketing is a process by which business people such as pig farmers sell a product or service to customers in order to make a profit. Marketing involves promoting or offering a product or service that meets the needs of or is expected to satisfy a customer in exchange for money or something of value.

It is important to have the right mix of marketing attributes:

- the right product
- the right price
- the right place
- the right delivery channel

Table 1. Marketing mix

Marketing variables	Description
Product	What the farmer is offering to sell.
Price	The monetary value attached to the product by the seller.
Place	The channels through which the product is sold. It can be a fellow farmer, a trader or a consumer.
Promotion	To create awareness about the product and ways of persuading customers to buy the product.

Exercise 2: Defining marketing

Give the participants examples of phrases that can reflect a change of attitude toward the need for marketing, such as ‘Competition is real and healthy,’ and ‘Yes—together we can!’

Have the participants form groups of 4-5 people. Ask the groups to discuss and write down two or three reasons on 5 by 2 inch cards why marketing is important for them.

Post the cards on a flip chart or on the wall and group them according to marketing opportunities or challenges.

What to consider when marketing a product

When marketing a product, it is important to communicate the product attributes and benefits to the target buyer to persuade him/her to buy the product. For instance when selling a pig, the seller should describe attributes such as weight, size, breed, age, sex, health condition and the reproductive history of its mother.

Communicating product attributes helps the:

- Seller persuade the potential buyer to buy the product.
- Seller justify selling the product at a higher price compared to similar products.
- Buyer understand why there may be a difference in the product attributes.
- Buyer understand the product attributes and decide to buy.

Describing the product for sale

Use Table 2 below to fill in the description of the pig farm product offered by the participants

Table 2. Describing the product for sale

Product name (pigs, piglets, pork)	Product attributes (Breed characteristics, fresh cuts, roasted pork, age, etc.)	Remarks (Any special message e.g. precondition for use)

Session 2: Developing the marketing concept

Objective: Help smallholder pig farmers understand market chains and identify market opportunities.

Time: 1 hour

This module applies the Participatory Market Chain Approach to strengthen the capacity of smallholder pig farmers to understand market chains, identify market opportunities and develop marketing strategies.

The Participatory Market Chain Approach aims to enhance market access through collaboration among the different market chain stakeholders. The approach involves a participatory process that seeks to: i) get to know the different market chain stakeholders, their activities, interests, ideas and problems; ii) analyse potential joint market opportunities; iii) and implement joint market innovations.

What is a marketing concept?

A marketing concept describes the different aspects of a product that communicate in the best possible way its value for the customer. The marketing concept seeks to differentiate a product from its competitors through a sound commercial plan that clarifies the:

- target consumer population
- points of sale for the product
- elements which add value to the product
- ways in which to communicate the different attributes of the product

Developing the marketing concept involves identifying, weighting and visualizing the elements that will cause target consumers to perceive the real value of a specific product or service.

Differentiating between the market chain and value chain approach

Understanding the relationship and difference between market chain and value chain helps the users of this manual appreciate and have clarity over the two concepts that in some cases are used interchangeably.

Market chain approach

A market chain describes the linkage of all the activities required in transporting or supplying the product from the producer to the final consumer. Such an approach helps to:

- Link various stakeholders involved in moving/supplying a product from the farm to the consumer.
- Organize producer groups to engage in marketing products collectively.
- Strengthen the bargaining power of producers to lobby and negotiate better prices, services and contracts.

Value chain approach

A value chain approach is related to but differs from the market chain approach. It deals with aspects of adding value along the chain of activities from production to consumption. Forms of value added include:

- Transforming the product from one form to another (e.g. from live pig to carcass, from fresh meat to roasted meat).
- Modifying the geographic location of the product.
- Sorting the product.
- Packaging—no matter how basic.

Understanding a value chain helps:

- Those involved in producing and marketing the product to engage in activities that offer the right benefits to the intended buyer at the right costs.
- The buyer to relate the expected benefits and price to be paid, then select the offer that maximizes value.
- The seller to determine and deliver a product that meets buyer preference and purchase decisions.
- All stakeholders involved to benefit from the value added to the product as it moves from the producer to consumer.

Identifying market chain stakeholders

Market chain stakeholders are people directly involved in producing, buying, selling and consuming the product. They may include: input suppliers, producers, transporters, traders (wholesalers and retailers), processors and consumers.

In order to identify all stakeholders in the market chain, it is important to describe:

- their category e.g. input supply, production, transport
- their role in the market chain
- how they are linked to each other

Exercise 3: Value chain role play

Ask participants to generate lists of stakeholders they engage with or think they should work with in the pig value chain.

Select representatives for each category. Each person selected should be asked to 'play the role' of the category they represent. Participants are asked to describe the stakeholder's role and type of value added by each stakeholder. Discuss afterwards.

Identifying potential market opportunities

Participatory processes strengthen the capacity of economically and geographically marginalized stakeholders to access new opportunities by forming links with other market-chain stakeholders. Such collaboration not only increases income, it acts as a viable strategy of 'empowerment' by enhancing people's access to knowledge, skills and contacts. Identifying market opportunities therefore is very important for enabling smallholder pig farmers to access and benefit from the markets.

Figure 2. Steps for identifying market opportunities.



Generating list of opportunities

Perceived opportunities in this module refer to business opportunities, identified in the module on business planning and finance.

Conducting a market survey

A market survey is conducted at the beginning to help identify and gather information on market opportunities and to plan the production. It also can be conducted when preparing to sell the farm products. A market survey helps to identify:

- Potential market(s) for the product.
- Products that are unique to specific target buyers.
- The market segments of categories of smaller groups of buyers that can be targeted.
- Likely changes in buyer and market trends (this includes demand forecasts).
- Competitors and the advantage that they have over one's product (competitive advantage).

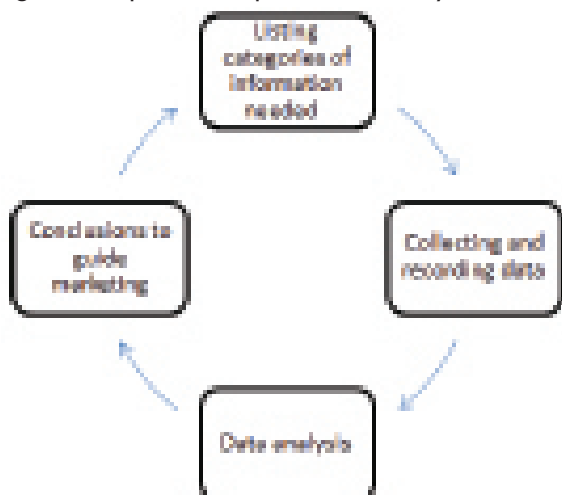
Rapid market survey

A market survey usually requires investing time and money to secure quality information to help make the right marketing decision. For smallholder farmers, this process likely is too expensive and would significantly reduce their profits from farm sales. A rapid market survey is a quick and less costly approach to identify market opportunities for smallholder farmers.

Conducting a quick survey of the target market involves:

- Listing the category of market information needed.
- Recording the data.
- Analysing the information/data.
- Developing conclusions to guide marketing decisions.

Figure 3. Steps for a simple market survey.



Considerations to guide a rapid market survey

The following may help in designing a rapid market survey and guide marketing decisions:

- Knowing what you want to do after the market research. Do you want to offer a new product or service? New price?
- What do you want to know? Is it whether customers want you to change the price or repackage your product?
- Where do you want to get the information from? Is it from potential or existing customers?

Categories of market information

Buyers: Information on markets covers aspects such as the description of the buyers, their unique attributes, what they want to pay for, where they are located, how best they can be served and new/emerging markets for additional product research.

Product: This includes information such as changes that are taking place on the product design/production, packaging, promotion, distribution and associated costs and prices.

Competitors: Research includes identifying products that offer similar benefits. In other words, the producers selling similar products to the same market being targeted and the characteristics that make competitive products preferred. Research about the best practices of competitors can help a farmer learn and improve his/her product.

Industry/sector: This includes information on aspects that are beyond the farm/farmer control but affect the ability of the product to be bought. Such aspects include government policies on animal feed, pig breeding, how to manage a farm, trade, processing, slaughter and consumption.

Figure 4. Categories of market information.



Ways to collect market information

Market information can be collected through various ways that include face-to-face interactions with the market respondents such as by a field survey or a telephone call, electronic exchange such as emails, or by hiring a market research company.

Face-to-face surveys

Face-to-face surveys involve interviewing people directly at places that may have the information about buyers, products, competitors, industry/sector and emerging issues. This involves asking questions, taking notes, thinking through the responses and making conclusions about the market situation and opportunities.

Electronic surveys

Electronic surveys involve such forms as email, text messaging and internet-based surveys.

Engaging service providers

A farm or group of farmers can hire an expert to collect, analyse, interpret and advise on the market situation and opportunities. The service provider may collect such information from existing data or collect primary data such as through interviews.

Evaluating the identified market opportunities

After collecting the information, farmers can evaluate and decide on market opportunities. Due to scarce resources including money, labour, time, land and others, the opportunities have to be evaluated to generate a priority list for business investment. Groups such as the pig multistakeholder platform in Uganda can be used to communicate the market opportunities identified.

A tool for evaluating market opportunities

One tool for evaluating market opportunities or business options is called SWOT: Strengths (S), Weaknesses (W), Opportunities (O) and Threats (T). Below describes the analytical tool:

- **Strengths:** Factors/issues/aspects that make the farmer or farmer group strong against competitors in the same target market. The farmer or farmer group can control or adjust these factors to gain a better position in the market.
- **Weaknesses:** Factors/issues/aspects that make the farmer or farmer group weak against others/competitors in the same target market. The farmer or farmer group can reduce these factors to gain a better position in the product in the market.
- **Opportunities:** Factors/issues/aspects that provide a farmer/farmer group with an opening for a new market or advancement in the existing market. The farmer/farmer group can develop a strategy to take advantage of the opportunities.
- **Threats:** Factors/issues/aspects that can weaken a farmer/farmer group, preventing the farmer/farmer group from entering new markets or advancing in existing markets. The farmer/farmer group can identify strategies to cushion themselves from these threats.

Exercise 4: Conducting a SWOT analysis

Ask the participants to summarize the strengths, weaknesses, opportunities and threats to an identified market opportunity.

Have the participants write summary statements of their analysis on cards. Display the cards by pinning them to the walls or placing them on the floor. The facilitator then should stimulate a lively discussion to validate the information gathered within the group and rank the strengths, weaknesses, opportunities and threats based on the intended product and targeted market.

SWOT questions the facilitator may use in prompting a discussion:

Strengths

What advantages does the identified market opportunity have?
What are the strengths of your group?
What relevant resources does the group have access to?

Weaknesses

What weaknesses does the identified market opportunity have?
What, as a group, might you not be able to do so well?
What are the key areas that need attention to avoid failure?

Opportunities

What changes in technology, markets, policy and social and lifestyle patterns tend to favour the market opportunity?
What interesting trends are group members aware of?

Threats

What obstacles do you face that are outside the control of the farmer group?
What competing products are better than your own?
What are the competitors doing better than you, as an individual farmer and as a group?
Are there likely to be cash-flow problems as a group or as an individual farmer?

Adapted from: Alan Chapman 2005–08; Free version of this tool and information about SWOT analysis methods are available at www.businessballs.com/swotanalysisfreetemplate.htm

SWOT analysis template

State what you are assessing here:

	Strengths	Weaknesses	
Group or individual capabilities			Gaps in group or individual capabilities
Advantages of the product over other products			Lack of advantages of product
Unique selling points			Limited reputation and presence
Farm/farmer group resources and assets			Financial situation of the group/farm
Experience, knowledge, data available within the farmer group			Vulnerabilities/risks
Likely returns on investment			Cash flow, start-up, cash-drain of farmer/farmer group
Marketing outreach, product distribution and level of awareness of target market			Continuity, supply chain length and weaknesses
Innovative aspects of the farmers/farmer groups			Reliability of information about farmers/farmer group
Geographical location			Morale, commitment and leadership
Product price, value, quality			Product accreditations and certification
Product accreditations and certifications			Processes and systems among the farmers and farmer groups
Farm/group processes, systems, communications advantages			Management succession farmers/group
Criteria examples	Opportunities	Threats	Criteria examples
Industry or buyer lifestyle trends			Political issues with likely effects
Technology innovation/developments			Legislative issues with likely effects
Global influences			Economic issues (home and abroad)
New markets			Environmental issues
Geographical locations for product export/import			IT development issues
New unique selling points			Competitor intentions with effects
Tactics: e.g. surprise, major contracts?			Market demand and its likely effects
Other business and product development within the food industry			Emerging technologies, services, ideas
Information and research trends			Sustaining internal capabilities
Partnerships, agencies, distribution systems present and emerging			Obstacles likely to be faced
Production trends			Likely loss of key staff
Seasonal influences			Sustainable financial backing
			Likely seasonality and weather effects

Adapted from: Alan Chapman 2005–08; Free version of this tool and information about SWOT analysis methods are available at www.businessballs.com/swotanalysisfreetemplate.htm

Exercise 5: Ranking market opportunities

Break into groups of 4–5 and ask the groups to tackle aspects of the identified market opportunities.

Group 1: Strengths; Group 2: Weaknesses; Group 3: Opportunities; and Group 4: Threat

Important points to note:

- This exercise is intended to enable the participants practice and gain knowledge on evaluating the market opportunities.
- Take into consideration gender, resource endowments, etc. when selecting groups.
- In groups, participants should generate a set of key points to guide the ranking exercise.
- Gender balance is very critical and should be observed.
- It's important to bear in mind that opportunities affect men, women, age groups, resource groups, farmer enterprise capacities differently.
- The facilitator should provide guidelines for drawing a simple evaluation chart in form of a matrix, indicating the information fields to be filled. A sample is given in Table 3.

Table 3. Sample worksheet of a matrix for recording market opportunities

Farm Product	Description of target market			Principle Buyer (see note)
	Location	Type of Buyer (s)	Season of Purchase	

Note: Where possible demographic characteristics should be generated such as age, sex, income level, education.

Instructions: When conducting a participatory exercise, it is useful to work with cards, which participants can use to summarize their observations. The cards, displayed on the wall or floor, can stimulate a lively discussion and validate the information gathered within the group.

Session 3: Developing the marketing plan

Objective: Help participants understand the importance of and how to develop a marketing plan.

Time: 1 hour

Why have a marketing plan?

- A marketing plan enables the farmer to foresee how the product will be sold and approximately how much money can be expected from the sale of the farm products.
- A marketing plan helps to avoid wasting resources such as money, time and labour.
- A marketing plan helps to organize marketing activities.

Contents of a marketing plan⁵



Describing the target market.

Developing an action plan that includes what the farm is offering, the price, promotion activities and sales channels to use.

Defining the target market for pig farm products involves:

- Clearly identifying the target buyers.
- Dividing the buyers into segments or smaller groups based on their characteristics such as age, gender, income, industry, geographic location, or season.

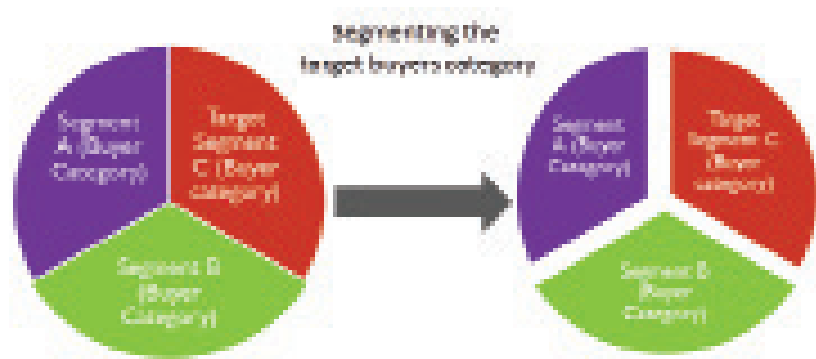
Segmenting the market

The scope of a market, whether considered as a group of people or as a place, is wide. Therefore, to sell a product, one should divide the market into groups of buyers or places that can be reached and served with the product at a profit. Each market segment can be considered a separate market in its own way, with different preferences. Dividing the market into segments can be done based on:

- Geographic location (customer location)
- Demographics (age, gender, occupation and socio-economic groups)
- Behavioural (rate of use, benefits sought, loyalty status, readiness to purchase)
- Product type (value added such as lean pork, sausages, packaging).

⁵. To learn more: <http://www.amazon.com/The-Strategic-Marketing-Plan-Audit/dp/1902433998>
http://en.wikibooks.org/wiki/Business_Strategy/Marketing_Plans_and_Strategies

Figure 5. Segmenting the target market.



Choosing the best-fit segment of the market helps the farmers to target the right customers and devise the right marketing plan to attract and retain the buyers.

Brainstorming exercise: Defining the product and target market

At this point of the training, participants already are equipped with knowledge of their pig farm product. Participants are able to describe the product offer in terms of:

- Quality (e.g. breed quality and quality of the meat based on traits and management practices)
- Quantity (e.g. number of pigs, piglets or estimated carcass weight)
- Time of supply (such as maturity age for the different target markets)
- Price (drawn from knowledge from business planning).

Group exercise: Defining the product attributes

The following points are important for the participants reflect on before the exercise:

- A marketing concept is developed bearing in mind that the market is competitive.
- Are there other suppliers of similar pig farm products able to supply a better offer?
- How does the farmer become and stay the preferred supplier/seller of pig farm products to its target buyers?

Exercise 6: defining product attributes

Divide the participants into groups of four or five. Ask each group to discuss and agree on attributes of their farm products in terms of quality, quantity, time the supply is available and price. Write the attributes on a flip chart and discuss.

Table 4. Worksheet for describing pig product attributes

Pig Farm Product	Quality	Quantity	Time of Supply	Price range (e.g. low, higher, same as market rate)
------------------	---------	----------	----------------	---

Note: Pig farm products may include piglets, pigs (as breeding stock, porkers) and pork.

An action plan is developed with the objective of being competitive by offering the right mix of attributes to the target market. To achieve the objective, pig farmers need to:

- Convert the information into a product that meets the needs/values/benefits of the target buyer.
- Develop the appropriate plan for marketing the product(s).

Developing a marketing action plan

Developing the action plan in this training session will focus on the product and distribution plan. The pricing plan is done under the business module.

Product plan

A competitive product is one that meets customer needs, and offers attributes that are better or preferred by the buyers, compared with similar products on the market. How to produce and sell a competitive product is the most important task for a farmer.

A farmer has to answer this question: Piglet, Pig or Pork?



Tips for being competitive:

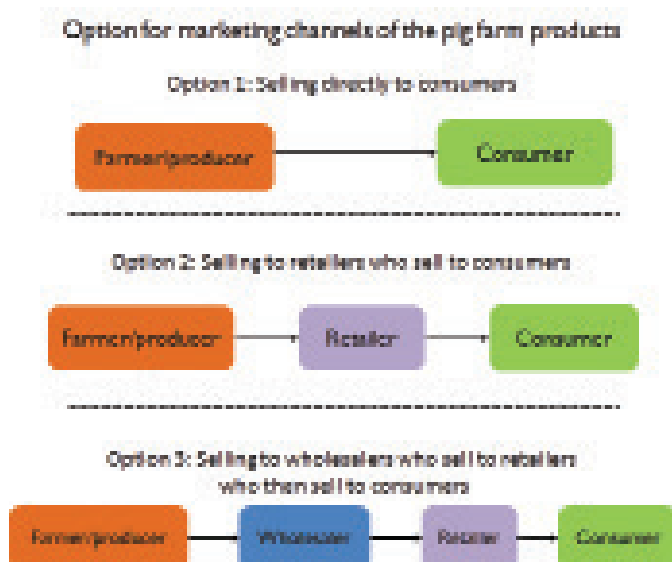
- Continuously provide farm products that have sufficient value/benefit to the consumer or profitability to the trader.
- Continuously adjust the product offer to maintain the buyers.
- Respond to changes in market forces particularly demand, competition, policy and resource availability.

Distribution plan

Producers/farmers may choose to sell their farm products through various distribution channels as shown in Figure 5.

- Directly to pork consumers e.g. by slaughtering and selling on-farm
- To retailers such as butchers that slaughter
- To wholesalers such as traders who either re-sell the pigs to slaughter slabs or butchers, or slaughter and sell the pork to exporters, packers or roasters.

Figure 6. Distribution channel options for pig farm products.



Session 4: Creating and sustaining strong farmer institutions

Objective: Enable participants to gain skills to effectively manage a farmer organization

The Participatory Market Chain Approach enables farmers to implement joint market innovations by organizing thematic groups with the aim of integrating new members, adjusting work plans and coordinating different group activities. Strong farmer organizations are important for enabling access to and benefits from markets.

Time: 1 hour

Importance of farmer organizations

There are various forms in which farmers are organized. These include associations, self-help groups, cooperatives, clusters, networks and platforms.

Farmer organizations:

- Enable farmers to have common interests and regularly interact. Through interactions, farmers rely on each other, build trust and participate in collective activities.
- Facilitate farmers to acquire, apply and continuously share knowledge, technology and skills.
- Enable farmers to gain economies of scale in buying supplies and selling products. This helps to lower costs and use resources that would otherwise be costly to individuals or small farmer groups. Examples include purchasing agricultural supplies, providing storage and transport and negotiating the price of farm products.
- Strengthen the negotiating power of farmers with private businesses, support agencies and policy makers among others.

Formation of farmer organizations

In communities where a farmer organization does not exist or it's necessary to form one, the training starts with creating the appropriate farmer organization such as an association, cooperatives, clusters, or network. The form should be based on the objective e.g. doing business, policy advocacy, farmer mobilization, or the platform for knowledge and information sharing.

Organization policy

The long-term survival of a farmer organization depends on well-understood rules and procedures. It is important that members get involved in drawing up rules as well as setting penalties for those who violate these regulations. Upon deciding the appropriate form and the objective, the members engage in generating the guidelines for managing the farmer organization. These may include articles of association, or by-laws depending on the nature of the farmer organization.

Farmer organization by-laws should contain the following sections:

- Objectives of the group
- Procedure for electing representatives
- Periodic change of representatives
- Time and frequency of meeting
- The amount and frequency of saving
- Operation of the bank account
- Procedure for loan approvals, amount of loan, purpose of loan, rate of interest to be charged, repayment period
- Fines/penalties for non-attendance in meetings, late payment of savings, late or nonpayment of loan installments or other undesirable behaviour
- Activities to be taken up by the group other than saving and credit.

How to ensure cohesion in farmer organizations

Forming a strong farmer organization requires organizing sessions at the community level that promote reflection, build confidence and strengthen capacity to mobilize and use group assets to overcome common challenges. This involves setting up a village level structure to take charge of farmer organization activities. Members participate in designing and implementing their own programs while seeking support from other organizations to fulfil their objectives.

How to ensure strong farmer organizations

The rules of strong farmer organization are defined such that members clearly understand their roles and responsibilities. For a farmer group to be strong, it should have a constitution to guide the association and operations of the members. The constitution makes it easy for the members to monitor one another, resolve conflicts and reduce the problems of unbalanced information in the groups, thereby increasing transparency and accountability in the organization's operations. Rewards and acknowledgement for outstanding performance promotes competition and regular grading of the performance of members. The constitution should define:

- Vision, mission and objectives
- Roles and responsibilities
- Membership (i.e. enrolment, exit, withdrawal, type of membership and liability)

Sections of the constitution for a farmer organization may include:

Section 1: Location/address

Section 2: Overview of the organization (vision, mission and objectives)

Section 3: Membership (enrolment, roles and obligations of members)

Section 4: Leadership (chairperson, vice chairperson, secretary and other committees)

Section 5: Management (terms of office, meetings, finances, amendments)

Roles of a chairperson

- Continuously remind members of the group goals and objectives
- Organize meetings
- Coordinate group activities
- Supervise members carrying out their duties
- Engage in solving group conflicts
- Lobby for support from within and external stakeholders
- Liaise with other committee members
- Ensure proper accountability and transparency

Roles of a vice chairperson

In the absence of the chairperson, the vice chairperson performs the designated roles. However to avoid redundancy, the chairperson delegates some of the above roles.

Roles of a secretary

The secretary in consultation with the chairperson carries out the following roles:

- Record, circulate and keep minutes of meetings
- Communicate to group members
- Ensure safe custody of the records
- Prepare for meetings
- Mobilize members and increase publicity of the group

Roles of a treasurer

- Keep financial reports
- Safeguard and manage group funds and assets
- Organize procurement
- Ensure payments and maintain liquidity
- Properly maintain the books of accounts
- Compile the treasurer's report and present it at annual meetings

Roles of other committee members

- Attend group meetings
- Participate in decision-making
- Represent their respective positions and carry out any other duties assigned to them

Skills for creating and sustaining a strong farmer group

Strengthening farmers' organizations is based on members having various skills that contribute to binding farmers organizations together. This module will focus on skills that include group management, innovation and experimentation, negotiation, internal lending and mobilization of savings. The training is intended to foster a set of skills crucial for preparing groups of farmers who are at a very early stage of engaging in markets and who aspire to develop successful farm enterprises.

Skill set 1: Group management skills

Group management skills are important for farmers to learn to develop a shared vision, define common objectives, build mutual trust and responsibility, resolve conflict and sustain learning.

Some important actions to consider for strengthening farmer groups include:

- Developing a shared vision that includes short- and long-term benefits. Focusing on more immediate and tangible benefits encourages farmers to become committed to the group.
- Strengthening farmer groups requires focus on efficiency by promoting objectives that are simple and few in number. This is especially important for group members who need time for other livelihood activities.
- Emphasis on record keeping skills. The group will need at least a few members with basic literacy skills to maintain written records. At the same time, promote a memory-based record keeping system in which all group members, regardless of literacy, can participate in. This helps to ensure transparency and accountability.

Skill set 2: Innovation and experimentation skills

Innovation and experimentation skills enable farmers to access, test and adapt new technical options to improve production, processing, marketing and the natural resource base on which productivity depends. For example, the group may need to transport pigs, piglets or pork to the buyer, or may need flexible and profitable ways to access quality supplies. Through innovation and experimentation, farmers can work together to develop a transport facility, such as a box mounted on a motorcycle, then test and assess whether it results in efficient and transportation of the farm products.

Focus on shared interests:

This involves the fruitful interaction and active participation by members in a collective effort. It's important for farmer organizations involved in collective marketing to build mutual trust, resolve internal conflicts, set and follow internal rules and encourage learning without discrimination. This is the foundation needed for farmers to work together in marketing their pig farm products.

Committed leadership:

This factor is important for championing innovation and articulating issues of farmers in different forums. Innovation and experimentation requires the commitment of time, money and other resources depending on the nature of the activities. At the beginning, organization members may not be enthusiastic to commit the necessary resources to initiate and develop the innovation but with proper leadership they should eventually see the value.

Exercise 8: Role play to strengthen farmer organizations

- Highlight the key points about vision, mission and actions. Have the group generate shared interests and write those down on a flip chart or cards.
- Divide the participants into groups of four to five people to discuss and present a role play depicting shared interests in farmer collective action. Have the participants present two scenarios: how shared interests benefit all members of a pig farmers collective effort and how a lack of shared interests disadvantages a collective effort by pig farmers.
- Have the participants discuss the key learning points from the role play.

Discussions can be guided by such questions as:

- What are the messages, lessons, bad and good practices for forming and strengthening pig farmer collective marketing?
- Which stakeholders should be involved in making use of good practices or avoiding bad practices as an entry-point for competitiveness of pig farming?
- What would the stakeholders need to do?

Skill set 3: How to negotiate for a better gain

Negotiation is a basic market skill that one develops over time through practice and real-life experience. Farmers learn to negotiate for a better gain in terms of price, quality and quantity they offer to buyers. Buyers may be final consumers, processors, or traders of pigs. Successful negotiators follow a number of stages as indicated below, though not systematically:

- Identify the problem or the reason for the negotiations.
- Listen actively, as each person states an opinion and the other reflects upon it.
- Brainstorm ideas for the solution.
- Pick the best solution but consult when you are unsure of the solution.
- Make a contract—stating clearly what the agreement is. Pay close attention to the wording of each clause.
- Try the solution and see how it works.

Skill set 4: Internal savings and lending skills

Most pig farmers are smallholders and are actively seeking business opportunities associated with the pork industry. However, they are constrained by limited financial capital to invest in the enterprises. This session is intended to equip participants with skills to foster a savings and investment culture. Internal savings and lending skills set includes the ability to:

- Save regularly.
- Manage the savings so that members are protected.
- Loan money to members of the group or the group at a reasonable interest rate. The group should be able to follow and enforce its own rules so that the savings and lending decisions of the group are transparent to the group as a whole.

Why is internal savings and lending important for strengthening farmer groups for marketing?

- Internal savings and lending skills contribute to the group capacity to maintain and grow their financial assets.
- Savings helps farmers accumulate income.
- Savings act as a kind of insurance against household emergencies such as sickness, funerals, weddings, school fees, or natural disaster. Members can borrow for immediate needs.
- Savings support longer term investments in productive off-farm and on-farm enterprises.
- Practicing saving and lending strengthens group decision-making and increases the decision power of group members within the household and the community at large due to increased control over financial resources.
- Participating in internal savings and lending teaches financial management skills which can be applied in other social and economic activities.

Tips to facilitating savings

- Be aware of important resources in internal savings and lending.
- Promote flexible and voluntary savings.
- Encourage regular savings.
- Some groups may prefer to save weekly, others monthly.
- Base the contribution level on the financial ability of the poorest members.

Module review (30 minutes)

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