

Increasing Uptake with Non-ICT Extension Services

HIGHLIGHTS

- Lack of information and expert advice on leads to low productivity for smallholder farmers.
- Despite high unmet demand for extension services, farmers are reluctant to pay for it, especially when it was free in the past.
- Enterprises that sell productivity enhancement agricultural inputs include high-touch information and capacity building services as part of their awareness-building and marketing activities.
- Enterprises partner with rural government bodies and NGOs to expand reach to farmers.



Development Challenge

Smallholder farmers require training and support in terms of capacity building and training in modern agricultural practices, technical support, such as soil analysis, market facilitation advice, and business management skills. Historically, governments have provided agricultural extension services, including training, information, and capacity building services free of charge to small-scale farmers. However, limited resources curtail governments' capacities to provide quality and timely extension services. The given mismatch in demand and supply of extension services may seem to warrant private sector participation in providing these services.

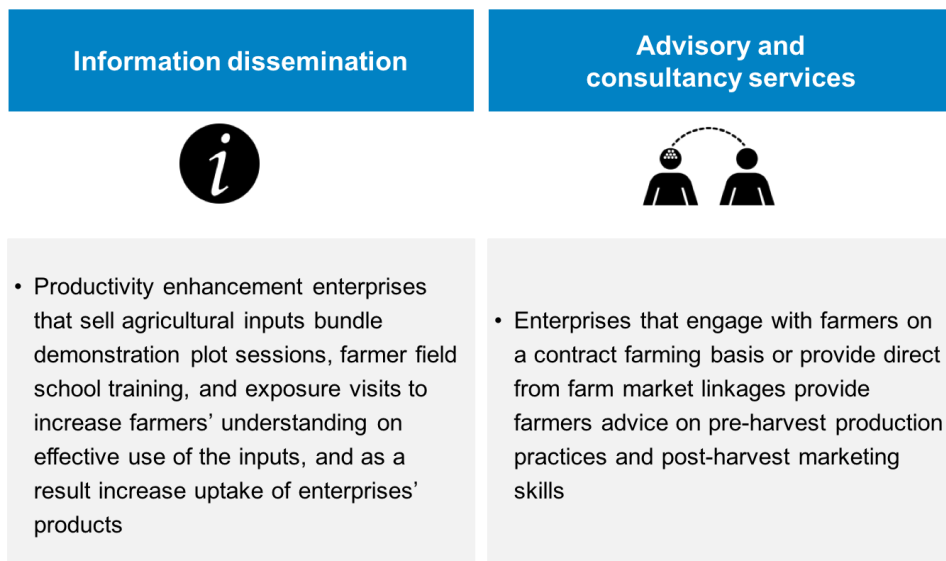
Business Model

Agriculture extension is the application of scientific research and knowledge to agricultural practices through farmer education. Enterprises that provide farmers income-generating or productivity-enhancing products and services, such as agricultural inputs, direct from farm market links, or contract farming procurement models, bundle extension services in their service offerings to farmers. These enterprises increase farmer awareness to increase uptake of their products and services.

Typically, enterprises whose core business model involves selling productivity enhancement agricultural inputs include high-touch information and capacity building services as part of their farmer awareness building and marketing activities. They disseminate knowledge to farmers through various modes of delivery including classroom workshops, demonstration plot visits, and peer-to-peer learning. Demonstration plots involve on-field demonstration of successful agriculture techniques that farmers can observe, test and learn about.

Typically, enterprises that engage with farmers on a contract basis or provide direct-from-farm market links collectivize farmers and provide capacity building and training on aspects related to production, collection, storage, and processing. For example, Go4Fresh conducts exposure visits for farmers registered on its platform in order to enable these farmers to understand urban market preferences, and as result, influence their farming practices.

Features of Non-ICT Extension Services Business Model



Stand-alone non-ICT agricultural extension services tend to remain as non-profits or government programs. Farmers' belief in traditional agricultural practices is deep rooted, and their adoption is instinctive; hence, providing information alone will not encourage them to make the shift to consistently use modern practices. They lack the willingness to pay for information not linked with visible positive outcomes and do not trust extension agents who are not from their communities. Therefore, despite the need to bolster existing government agricultural extension services, providing solely non-ICT extension services is not a sustainable model.

Private enterprises also have to deal with mistrust and prejudice associated with poor past experience of farmers. This means that private enterprises have to make significant effort to build trust among its target farmer base. It is a cost-intensive service considering farmers are reluctant to pay for information and training that they have previously been receiving free of charge.

Ease of access to attend training and demonstration sessions also play a role in determining the willingness to pay for non-ICT extension services. Leveraging on ICT to deliver extension services to remotely located smallholder farmers seems to be more cost-efficient for enterprises; enterprises can minimize physical visits to farms and reduce hiring extension agents to deliver training and demonstrations.

Results and Effectiveness

Research shows that extension services that are combined with income-generating and financially effective activities for farmers are more valuable to smallholder farmers. In fact, 90 percent of farmers in Ethiopia who expressed willingness to pay for extension services suggested that they will pay only if profit was guaranteed by adopting the extension advice and if payment could be made after production.

Extension services without agricultural inputs or market access is not useful to farmers. A majority of private enterprises therefore provide non-ICT extension services as part of selling productivity enhancement inputs to farmers or engaging with farmers on contract farming models. Private commodity firms or input suppliers may provide extension services (such as pest management advice and best practices in irrigation) to their clients to create awareness and increase uptake of their products (examples include The Real IPM, myAgro and Sidai Africa).

The provision of this service may be exclusive only to an enterprise's customers or may be provided as an incentive for farmers to buy an enterprise's products or services, such as in the case of Hydroponics Africa, which conducts training in demonstration plots and then sells its hydroponic systems to interested farmers.