

Empowering Small Farmers in Liberia

Liberia

Jeanine Cooper

Organization type:

for profit

Budget:

\$10,000 - \$50,000

Website:

<http://www.farminglib.com>

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Project Summary

Elevator Pitch

Concise Summary: Help us pitch this solution! Provide an explanation within 3-4 short sentences.

Liberian small holder farmers who have the potential to feed the nation are actually the poorest and most food insecure in the population. This project will transform participating farmers into prosperous commercial food producers with improved livelihoods and greater resilience to economic and food security shocks. By applying a replicable social enterprise model with three simultaneous angles: 1) Value addition & product promotion to commercialize surplus farm production & build consumer demand; 2) Service provision to & capacity building of small holders to improve yields & increase marketable surplus; and 3) Provision of a platform to advocate for policy support and to channel meaningful investments to rural small farmers in Liberia.

About Project

Problem: What problem is this project trying to address?

Liberian rice farmers are among the poorest and most vulnerable in the country. They are principally subsistence farmers with limited outlets to market surplus production or to participate in the cash economy. As a group, they are geographically dispersed and therefore are often marginalized. FABRAR operates mainly in Margibi and Bong counties, areas with fewer logistical challenges to commercializing food production because of proximity to large urban centers. This area is known as 'the rubber belt' because of the number of rubber plantations. Here, small holders have traditionally operated in between the larger plantations, often inter-cropping rice or cassava with rubber or other cash crops. These small holders are more familiar with commercializing their crops, albeit in a challenging market and they form the bulk of FABRAR's initial outgrower network. The company's managers have their roots in pre-war rubber brokerage and plantation management through which they were able to build and sustain networks of agricultural suppliers and small farmers in this part of the country. Their collective knowledge of the area, of the people, of their challenges and potential is invaluable to the company's success. The managers also have extensive experience with food security solutions, with coordinating assistance and in mobilizing resources and channeling these resources appropriately to the most vulnerable. Most of them have worked through the Rubber Planters Association of Liberia to represent the needs of Liberian & small farmers in an industry that favors large-scale commercial production. These are the main reasons why the company decided to apply its social enterprise model in this area and for these farmers. As the enterprise grows, the model can be modified and strategically rolled out in other parts of the country and for other food products.

Solution: What is the proposed solution? Please be specific!

According to the World Bank 69.3% of rice producers in Liberia live below the poverty line; this is 5.5 percentage points higher than the national average. Worse, 49% of these food crop farmers are highly vulnerable and food insecure in one of the most food insecure countries in the world. They are challenged by poor infrastructure, low market access and poor crop quality and yield. Surplus production often rots in the field. The UN, donor agencies and NGOs are working to improve this situation but their efforts are not sustainable because they depend on uncertain donor contributions; there is little value addition and there are few market linkages. Rice farms are too small and dispersed to form a critical mass needed for visible project impact. National agricultural policy focuses on cash crops and large scale commercial enterprises. FABRAR already demonstrates that value addition to local rice is marketable; its sales of country rice in urban markets are increasing rapidly and export markets have been identified. Capacity building of outgrower rice producers, provision of technical inputs & expertise are a part of its expansion planning. This will improve the yields and make production more marketable, farmers will get higher returns. FABRAR goes to the farms to purchase so the access to markets is improved. And by organizing its outgrowers into a producers' association, FABRAR provides an advocacy platform and a mechanism to channel investments to small holder farming. The company's social enterprise model is sustainable and is the only one of its kind in Liberia.

Impact: How does it Work

Example: Walk us through a specific example(s) of how this solution makes a difference; include its primary activities.

FABRAR works with a network of small holder farmers in Liberia to implement a replicable social enterprise model that sustainably improves rural farm livelihoods and builds farmers' resilience to economic shocks and trends. The company also engages skilled marketing professionals to build solid consumer demand for high quality domestically produced rice, and is trying to measurably reduce barriers to market access for its outgrower network. The company processes, packages and sells high quality locally grown rice, as it builds market demand that will eventually provide small holder rice farmers with higher prices for their goods. Every month, the company markets 2-4 MT of rice through urban retailers in Liberia. The company is planning to expand and operate an 'Outgrower Incubator' which will provide training on improved farming methods, give inputs of high quality seeds produced on nearby demonstration plots; provide mechanization services and communicate market & pricing information to permit informed decision-making. Using its corporate skills in social mobilization, FABRAR will organize a Rice Farmers Association that provides an advocacy platform for policy support to small farmers and a means to efficiently channel socio-economic investment to this under-served segment of society. The company works towards 3 main objectives: 1) Better farm gate prices through enhanced commercial production and sales of locally grown rice; 2) Quantitative and qualitative improvements in yield & farm production of rice; and 3) Effective advocacy for greater policy support to small holder rice and other food farmers. Through its activities, the company will contribute to higher farm incomes, improved farm livelihoods & national food security.

About You

Organization:

FABRAR Liberia Incorporated

About You

First Name

Jeanine

Last Name

Cooper

Twitter

www.twitter.com/JMCooper2010

Facebook Profile

www.facebook.com/JeanineCooper

About Your Organization

Organization Name

FABRAR Liberia Incorporated

Organization Country

, MS

Country where this project is creating social impact

, MG

How long has your organization been operating?

1 5 years

Is the project that you are entering related to this organization?

Yes

The information you provide here will be used to fill in any parts of your profile that have been left blank, such as interests, organization information, and website. No contact information will be made public. Please uncheck here if you do not want this to happen..

Innovation

What stage is your project in?

Operating for 1 5 years

Share the story of the founder and what inspired the founder to start this project

Jeanine Cooper has been working on food insecurity for the past 12 years in eastern Africa. As a child growing up in Liberia, she watched her father, a renowned agriculturalist, working with Liberian rice farmers to demonstrate green revolution techniques and try to improve farming methodologies. The challenges faced by rice farmers in the 60's and 70's remain: lack of access to markets, poor quality and availability of farm inputs, poor extension service provision & low incomes. But Liberia has a huge resource endowment: low population density & abundant arable farm land; bountiful rainfall and plenty of sunshine. Liberia is one of the most food insecure countries in the world, importing over 60% of its consumption of the staple food, rice. Local production of rice is for subsistence and excess production usually rots in the field. Without agricultural inputs or extension services, yields are low and post harvest losses are high. Cooper is inspired to transform this situation by applying innovative solutions to the problems facing Liberian small holder rice farmers. By making local produce marketable and empowering Liberian farmers, Cooper is building consumer demand to stimulate local rice production. Using her & her management team's experience in agricultural marketing, social mobilization, advocacy and coordination, she has set up a replicable social enterprise. This model combines a commercial business with socio-economic development objectives to more effectively address the challenges to improving the livelihoods of rice farmers.

Social Impact

Please describe how your project has been successful and how that success is measured

The company began operations in March 2010 and made its first commercial sales of rice in May of that year. The initial focus of the business was on establishing the commercial aspects while identifying the outgrowers who would be the core of the farmers' network. For the first time, local rice is available in retail outlets, attractively packaged and affordably priced. Sales on local markets have been growing steadily and the rice is on the shelves of all major supermarkets in Monrovia. Sales of the rice in Kakata, the closest urban center to the farmers, have also been increasing. An export order for 2,000 lbs has been received from African food stores in the US. This is being expedited. Sales revenue has nearly tripled from \$449 in July 2010 to \$1,322 in April 2011. The network of outgrowers is expanding as more farmers either sell their paddy rice or use the milling services to process their own. About 35% of those who sell to FABRAR are women and FABRAR has been able to send two of its female employees for training in rice processing and parboiling techniques. The company plans to expand its commercial production in the 4th quarter of 2011 by setting up a larger and integrated rice mill and a mechanized packaging operation; a comprehensive marketing campaign is being implemented and the company is exploring the costs and benefits of having its own retail outlets. Export sales are expected to sufficiently boost revenue and complement the new investments. This new financing should boost sales volume from around 2 MT per month to around 30 MT per month. Rice by-products such as rice flour are expected to come online by December 2011. The price paid to small holder farmers is currently US \$0.16/lb. With the launch of the social development aspect, this price is expected to increase to US \$0.25.

How many people have been impacted by your project?

101-1,000

How many people could be impacted by your project in the next three years?

More than 10,000

How will your project evolve over the next three years?

FABRAR is expanding its activities and scope of its operations. The commercialization of by-products and the revenue from the export market will provide the income to sustain the enterprise and stimulate growth. Over the next 12 months, FABRAR will replicate this value addition model with other locally-grown food products including by-products of the rice grains; replication in other parts of the country will follow. A vibrant farmers' association should be in existence providing a platform for small holder food producers. The network of farmers will regularly benefit from micro-financing, extension services, affordable inputs and agricultural training & capacity building. Liberian rice should account for at least half of urban consumption instead of the current 2.5%.

Sustainability

What barriers might hinder the success of your project and how do you plan to overcome them?

The principal barrier to success is the capitalization of the project. The International Finance Corporation and the West African Venture Fund are keenly interested in financing the expansion of the project and are impressed by the social development objectives. The Chinese Embassy in Liberia has also sponsored one of the managers for a 3 week seminar in agri-business management. Once the expansion funding is secured, the next barrier will be to fill critical gaps in senior management. For example, there is no Financial Manager or Administrative Manager. The staffing table must be completed or there could be some losses. This field is competitive and the best skills may be costly so the expansion financing includes salary & recruitment costs for needed professional staff. Another barrier to success is the seasonality of supplies. The expansion is being launched during the rainy season when supplies may be less abundant. To overcome this, FABRAR is stocking up on rice supplies now with risks of spoilage during the rainy season months (June-November). Also, the rainy season is the best time for planning and preparing for a major sales push by December. Lastly, the rainy season is a difficult period for access to the farmers for networking, training, provision of extension services and the like. FABRAR will employ 4x4 vehicles to ensure networking. A final risk would be national upheaval given that national elections are planned for the month of October. Hiring extra security around project facilities will mitigate this risk.

Tell us about your partnerships

Through its founder, FABRAR has formed partnerships with agencies able to provide technical assistance and support. The project has been presented to AGRA (Alliance for Green Revolution in Africa) for advice, to FAO and to the Ministry of Agriculture. Investors have visited the project site and FABRAR is becoming a showpiece and its managers are already spokespersons for rice farming in Liberia. TheWorld Bank and with government entities and within the Ministry of Agriculture are also sources of technical inputs. Links are being forged with academic & research institutions such as at the Central Agricultural Research Station as well as with UN (FAO, UNDP) programs in Liberia. The company's managers also have extensive networks of small holder farmers in Margibi and Bong counties from past work in the rubber sector. These managers also have experience with social mobilization from their work with international NGOs in the area. The network of supplying outgrower farmers are being systematically offered benefits from collaboration with FABRAR, such as access to training, to seeds and to processing facilities. During the expansion phase, FABRAR will increase its partnerships to link resources with potential beneficiaries for example for micro-financing.

Explain your selections

The company was started using personal investment from the founder. The land and facilities used are family-owned. Customers in terms of suppliers (rice farmers) and retailers also contribute to company operations in terms of sales revenue. The International Finance Corporation and the West African Venture Fund support the project and are ready to provide capitalization support. The IFC has also indicated its interest in guaranteeing commercial bank financing to the operations.

How do you plan to strengthen your project in the next three years?

Liberia is receiving considerable support to SMEs and private enterprises particularly for food security. In order to strengthen the project and infuse the expansion with needed resources, FABRAR will seek investment capital from commercial banks with IFC support. For the social mobilization and capacity strengthening for farmers, FABRAR will make proposals to donors and foundations. For example, the need to run its processing operations using clean energy may not be easily financed through commercial loans but could find donor contributions. Similarly, sponsoring training and hosting demonstration plots may not be perceived as commercial enterprises but would be appealing to certain foundations and donors. As the company is the only social enterprise on this scale in the food security sector, it will be an attractive grantee and is well-positioned to appeal for and manage grants that show measurable impact. The founder's experience in managing donor funded programs will be valuable and business management skills amongst all the company's managers are also important.

Challenges

**Which barriers to employment does your innovation address?
Please select up to three in order of relevancy to your project.**

PRIMARY

Restricted access to new markets

SECONDARY

Lack of skills/training

TERTIARY

Need for regulatory/policy support

Please describe how your innovation specifically tackles the barriers listed above.

FABRAR will purchase from farmers at their farms while providing them with technical inputs, information and services. FABRAR will build consumer demand locally and for export which will stimulate production and supply. Service provision using a farm incubator model will enhance technical capacities of participating farmers. The formation of a farmers' association will provide an advocacy platform for greater agricultural policy support as well as a mechanism to channel resources to dispersed small holders.

Are you trying to scale your organization or initiative?

If yes, please check up to three potential pathways in order of relevancy to you.

PRIMARY

Enhanced existing impact through addition of complementary services

SECONDARY

TERTIARY

Repurposed your model for other sectors/development needs

Please describe which of your growth activities are current or planned for the immediate future.

FABRAR plans an expansion in terms of improvements to its production, marketing and retail operations and expansion of its product line to include rice flour and rice cereal. This includes the establishing of a factory with integrated food processing & packaging equipment systems and construction of additional purchasing outlets and retailing centers.

Ongoing: Begin exporting rice;

September 2011: launch marketing campaign & begin construction of food processing plant;

November 2011: creation of a network of farmers to receive training, technical support and direct investments; and to form a Food Producers Association to provide an advocacy platform for greater policy support to small farmers at national level.

2011-2013: Replicate business model geographically & for new products.

Do you collaborate with any of the following: (Check all that apply)

Technology providers, Academia/universities.

If yes, how have these collaborations helped your innovation to succeed?

These collaborations have served as resources to shape the social enterprise model and to provide room to integrate modern techniques and processes. For example, the farm incubator model is being practiced by several universities in the US. New media is helping to shape the expanded marketing campaign and government endorsement has linked FABRAR to export markets.

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