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**PROMOTING and STRENGTHENING PRODUCER
GROUPS and VALUE CHAIN CLUSTERS
- METHODOLOGIES and RESULTS**

FACTSHEET

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PROMOTING and STRENGTHENING PRODUCER GROUPS and VALUE CHAIN CLUSTERS
- METHODOLOGIES and RESULTS

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- An output of the CFC/EU-financed projects: “Increased Production of Root and Tuber Crops in the Caribbean through the Introduction of Improved Marketing and Production Technologies” and “Increased Production of Vegetables and Herbs through the use of Protected Agriculture in the Caribbean” being implemented by CARDI in Barbados, Dominica, Haiti, Jamaica, St. Vincent & the Grenadines and, Trinidad & Tobago.

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Introduction

Eighty percent of the global trade in goods currently takes place along value chains in which each link represents a different task. Better integration and positioning within local, regional and global value chains can help producers in developing countries, such as in the Caribbean Region, to participate more in markets and increase their benefit from the added value created in the chain.

In agriculture, the value chain concept covers the interrelated stages of production, harvesting, post-harvest/processing, marketing and trade. The aim is to strengthen the economic position of stakeholders along the chain by ensuring ways of adding more local value, diversification into higher-value products, quality management and, secured market access. One way of strengthening the performance and competitiveness of small producers and downstream businesses in a specific region is cluster development.

SECTION A – THE VALUE CHAIN FRAMEWORK

(i) **Methodology Defined**

A system of broad principles from which specific procedures may be derived to solve problems (within the scope of a particular discipline) – it is not a formula, but a set of practices.

(ii) **Producer Groups and their Impact on Agribusiness Development**

Concept: Formal alliances of enterprises, working together to address challenges/problems that curtail the efficiency of production and links to market opportunities.

Impact on agribusiness development: Better organisation of production, delivery of services, improved quality control & improved access to new/larger higher value markets by small and medium-size farmers.

'Value Chain Clustering' and Impact on Agribusiness Development

Value Chain: Market and quality-driven and, focused on attaining agreed transactional efficiency, equity amongst various actors within the supply chain, and improved competitiveness. The chain can span multiple geographies.

Clustering: Systemic, strategic orientation of Value Chain actors and supporting institutions outside the Value Chain, focused on solving coordination, information, and human resource failures. The cluster is typically geographically centered.

(iii) **The Cluster Region - Food Product Value Chain** (The Cluster Value Chain Concept)

Broad principles:

- Fragmentation amongst producers and interrelated industries at the local level must be reduced to improve the competitiveness of local agribusiness.
- Promoting and strengthening Producer Organisation is key to small producer's access to/links with high value markets.
- Skilled application of capacity-building tools is essential in guiding the process of Producer Group, Value Chain and Cluster development.
- The development of Producer Groups and their involvement in Cluster Value Chains is a process - not an act.
- Government Agricultural and Rural Development Policy and Institutional Framework is critical for success.

SECTION B – METHODOLOGIES (PRODUCER GROUPS AND CLUSTERS)

(i) Steps for Promoting and Strengthening Producer Groups

- (a) Appointment of Group Dynamics Specialist/Facilitator
 - Qualified and experienced professional in the discipline with knowledge of the agricultural sector.
- (b) Identification of main commodity producing area(s)
 - Ministry of Agriculture/ Extension Service.
- (c) Preparation of articulation re: context and rationale for Producer Group development in the context of modern agribusiness
 - One page hand-out on “linking producers to markets”.
- (d) Contact/meet/interview producers /community leaders
 - In the community along with Extension Officer.
- (e) Determine the specific/immediate needs of producers and Producer Groups
 - Focus Group meeting/application of needs assessment questionnaire.
- (f) Identify level of group functionality and gaps in capacity
 - Forming, storming, norming, performing.
- (g) Develop and execute capacity building programme
 - Group dynamics training.
- (h) Group strategic planning
 - Vision, mission, organisational structure, programmes, budget, etc. (Yr 1-3/5).
- (i) Group action plan
 - Major group initiatives and responsibilities, budget, etc. (Yr 1).
- (j) Legitimated/formal entity
 - Articles of incorporation – association/coop.
- (k) Implementation of group action (Yr 1)
 - Meetings (monthly/AGM), resource mobilisation, project implementation, monitoring.
- (l) Group performance review- functionality and capacity-building needs

(ii) Value Chain Cluster Development

- (a) Appointment of Cluster Specialist/Facilitator
 - Qualified and experienced professional in the discipline with knowledge of the agricultural sector.
- (b) Preparation of articulation re: context and rational Value Chain Cluster development
 - Simplified.....linking producers to markets and increasing rural retention of income, employment.
- (c) Define broad economic region
 - Along country lines within which producer group is located.
- (d) Field/producer/stakeholder interviews to inform Value Chain/Cluster Analysis
 - To identify transactions, chain actors and business relationships.
- (e) Cluster mapping and initial engagement
 - Using industrial classification code- size and dominance; specialisation, linkages, etc.
- (f) Cluster Analysis/diagnostics
 - Product and market segmentation; SWOT, GAP analysis; Porter's Five Forces analysis, Value Chain analysis, Market trend analysis; Competitive Positioning analysis.
- (g) Producer Group sensitisation and capacity building
 - Taking ownership and leading the process.
- (h) Assessing institutional /stakeholder support
 - Old and new Institutions for collaboration.
- (i) Cluster Focus Group meeting(s) and strategy formulation
 - Increasing stakeholder understanding and commitment, activities, structure.
- (j) Launch Cluster Dialogue platform for action
 - Establish formal Value Chain cluster (dialogue-action platform).
- (k) Controlling the process
 - Monitoring and evaluation.

**SECTION C – RESULTS OF GROUP STRENGTHENING AND CLUSTER DEVELOPMENT IN
THE CFC-FUNDED PROJECTS ON PROTECTED AGRICULTURE (PA) AND
ROOTS & TUBERS (RT) IN THE CARIBBEAN**

(i) Promoting and Strengthening Producer and Processing Groups along the PA and RT Industry Value Chains

PA Project

Jamaica:

- Jamaica Greenhouse Growers Association (JGGA) and St. Ann group trained in group dynamics, time management, business planning, strategic planning, marketing and, GAPs and development of PA databases.

Trinidad & Tobago:

- Cluster of T&T Tropical Greenhouse Operators Association (TTTGOA) and Mayaro Greenhouse Growers Association (MGGA) formed. Groups trained in group dynamics, business planning, strategic planning, marketing, GAPs and, development of PA databases. Assistance provided in NGO registration.

Haiti:

- Needs assessment of embryo cluster conducted for Hydroponics Gardens of Haiti, Haitian Farmers Coop (REMUSOV) and, Myriam Duret.
- Haitian Association of PA producers (ASH) formed.

Jamaica, Trinidad & Tobago, Haiti:

- Eight hundred and twenty-four (824) stakeholders trained in several aspects of PA systems along the value chain (368 T&T; 273 Jamaica; 183 Haiti).
Training topics: Structural design and management, seedlings and crop establishment, crop care, growth media and plant nutrition, fertigation systems, managing the greenhouse environment, pest and disease management, water management, harvesting and post-harvest operations, marketing and, business management.

RT Project

Jamaica

- Assistance provided in business development, needs assessment, strategic/action/business plans, admin/accounting practices and, links to processors (Twickenham Bammy Industries and Central Food Packers) for cassava producers in St. Thomas and St. Catherine. This linkage has produced a 300% increase in cassava processing by Twickenham Industries.
- GAPs training of 6 producer groups of cassava, sweet potato and yam from St. Thomas, Clarendon, St. Catherine and Manchester increased production efficiency.

- ICM training for 7 Producer Groups from Clarendon, Trelawny, Clarendon, Manchester and, St. Thomas in collaboration with the Rural Agricultural Development Authority (RADA).
- Three Processor Groups (Twickenham Industries, Bomacks and, United Greenhouse Growers Coop) trained by Jamaica Bureau of Standards in “Elements of Food Safety”.
- Twenty personnel from Twickenham Industries and Bowmacks trained in GMPs; Food safety gap analyses were conducted in the 2 factories.
- Altogether, 635 stakeholders (producers and processors, marketers) have been trained in GAPs/ICM/HACCP/GMPs in Jamaica.

Trinidad & Tobago

- Assistance provided to Tobago Cassava Products Ltd in business planning to develop the cassava industry in Tobago has led to greater supply of the root by local farmers.
- Strengthening (strategic and action plans) of Rio Claro Cassava Producers has increased production.
- GAPs training and supply of improved planting material of sweet potato to Cunupia Farmers Association has increased production and productivity.
- Rio Claro cassava Group of 80 farmers were assisted with needs assessment and strategic/action/business plans.
- Tobago cassava group of 22 farmers formed and assisted with needs assessment and business planning.
- Twenty GAPs Training Workshops have been held at which 246 producers (132 in cassava; 114 in sweet potato) were trained in Marketing record keeping, Growth and development of crops, Propagation techniques, Crop care, Harvest and Postharvest, Food safety management systems and, Value-added product development. Assessments indicated an increase in knowledge and skills of the producers.
- 297 processors/workers in processing plants of the Trinidad & Tobago Agribusiness Association (TTABA), THA Marketing Division and, farine producer groups in Tobago were trained in aspects of HACCP/GMPs and appropriate Food Safety Management Systems (FSMS) identified (with gap analyses) for these plants.
- Altogether, 740 stakeholders (producers, processors, marketers) have been trained in GAPs/ICM/HACCP/GMPs in Trinidad & Tobago.

Haiti

- GAPs training and planting material assistance provided to sweet potato and yam farmer groups in Les Cayes and Salagnac led to increased production.
- Group strengthening exercises (needs assessment, strategic planning) were conducted with cassava groups in Levy, Les Cayes and Salagnac.
- GAPs training of 29 farmers in sweet potato and cassava was conducted in collaboration with district Agricultural Research Centre in Salagnac.
- A GMP training needs assessment was conducted with small processing groups in Les Cayes and Salagnac and 19 processors trained in GMPs at Les Cayes.

- Assistance was provided to bakers in producing breads and cakes using mixtures wheat:cassava flour in an effort to substitute for wheat; evaluations of palatability and nutritional quality of the final products were carried out.
- Altogether, 339 stakeholders (producers, processors, marketers) have been trained in GAPs/ICM/HACCP/GMPs in Haiti.

St. Vincent and the Grenadines

- Two hundred and seventy-five stakeholders along the RT Industry Value Chain were trained in all aspects (GAPs/ICM/HACCP/GMPs) of Root and Tuber production.

Dominica

- Two hundred and fifty stakeholders along the RT Industry Value Chain were trained in all aspects of Root and Tuber production; additionally, fifty-eight processors were trained in HACCP/GMPs.

To enhance sustainability, further support will be necessary as the groups progress to the next stage of in their development.

(ii) Value Chain Cluster Development

Work is still in progress to establish Value Chain Clusters for RT & PA in Jamaica and Trinidad and Tobago.

By December 2012, geographic demarcation and mapping of RT (Cassava) Cluster Value Chain and VC actors/Cluster stakeholder interviews were completed for Jamaica and partially completed for Trinidad and Tobago (vegetables and cassava).

The next stage was to sensitise producer groups and build their capacity to take ownership of the process via the establishing of formal Cluster Value Chain dialogue platforms with other identified value chain/cluster members. This will depend on the availability of Cluster and Group Dynamics facilitators and the readiness of the producer groups to interface with other chain/cluster stakeholders.

SECTION D – LESSONS LEARNT

- Skilled and experienced Producer Group dynamics and Value Chain Cluster facilitators were found to be imperative for proper execution of the methodologies and achievement of intended results. However, not many qualified facilitators were available in the Caribbean Region.
- An enabling institutional and policy environment was critical to the strengthening of Producer Groups since this is an on-going process influenced by quality leadership.
- Cluster Value Chains can only be successfully established if there are fully functional Producer Groups ready to interface with other sensitised stakeholders.

- The use of Value Chain methodologies were in an infancy stage in the Caribbean Agricultural Sector and further assistance to Governmental and Private Institutions was considered necessary for development of the PA and RT industries in the Region.