



KIT CASE STUDY

Pluralistic service systems

Sesame in Nampula, Mozambique

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Before the 1990s, extension services were seen as a service to be provided solely by governments. During the 1990s, however, confidence declined in the effectiveness of public-sector extension agencies. This led to the emergence of an alternative paradigm, where it was assumed that market-based solutions and the privatization of extension provision could become an effective and sustainable base for development. A large number of governments and aid agencies experimented with this. In many countries, however, privatization (often achieved merely by withdrawing funding for public-sector agencies) resulted in most farmers losing their access to any form of advice, let alone impartial and independent advice (Christoplos, 2010; Davis et al., 2012; Swanson et al., 2010).

Other organizations have jumped in to fill this gap, including the private sector, NGOs and farmer organizations. The result has been 'messy' systems, referred to as 'pluralistic service systems', in which farmers are supported by different actors, funded from different sources (Wongtschowski et al. 2013).

But how can such pluralistic systems operate successfully? Two major questions need further analysis in this regard:

1. To what extent do these service providers work together? In other words: what are – if at all – the coordination mechanisms in the pluralistic system?
2. To what extent are these emerging systems responding better to farmers' needs?

The Royal Tropical Institute (KIT), in collaboration with SNV, Common Fund for Commodities (CFC), Centre for Development Innovation and Agri-ProFocus, have made a purposeful effort to answer these questions by documenting case studies in the vegetable oil seed sector, where a number of innovative projects have tried to strengthen different service providers and seed producers. Field work was conducted in Burkina Faso, Ethiopia, Mozambique and Uganda; this document presents the case of the sesame value chain in northern Mozambique.

Introduction

Sesame is on the rise across many African countries and Mozambique is one of them. Increasing worldwide demand has led to the entry of new buyers which in turn has resulted in rising prices. Traditionally, Export Trading Group (ETG) has dominated the market in Mozambique and it still maintains around two-thirds, yet increased competition from new buyers has changed the playing field. As a result, sesame is becoming a new cash crop for many farmers. However, productivity levels remain low due to a combination of limited hardware (infrastructure, inputs, finance, transport etc) and

software (knowledge, advice, organization and information). Indeed, agricultural business services are key to improving the 'soft' conditions for inclusive sustainable development through smallholders and indirectly improving access to the hardware (Wongtschowski et al. 2013, 4).

This case study aims to provide a brief overview of the various services offered with regard to sesame, how these cater to the demand of farmers and other actors in the value chain, and the extent to which activities between service providers are coordinated. Field work was conducted in the Nampula, Meconta, Monapo and Mogovolas districts of Nampula prov-

Box 1: A changing market

Global demand for sesame is rising rapidly, which is being driven by rising demand from China and India. As a result, sesame is increasingly becoming an important cash crop across Africa for more and more small-scale farmers. Besides Mozambique, countries like Burkina Faso and Ghana have begun to grow sesame. Ethiopia, where sesame has been a cash crop for quite some time, remains by and large the number one producer in Africa.

Prices are rising fast which is also beneficial to farmers. For example in Mozambique prices, according to farmers and stakeholders, have doubled in the last two years. Farm gate prices went over 50 meticaís per kilo (1.7 USD per kg) in the 2012/2013 season.

However, there remains a huge instability in prices. This is partially because almost all sesame is grown for export. Export of basic commodities is typically characterized by high price variations. Farmers would therefore benefit from the use of storage until prices increased (towards January), and the setting up of processing facilities. Processing could include advanced cleaning like dehulling (which ETG is already doing with most of their sesame). This will increase access to higher value markets and diversify risks. Although not realistic in the short term, further processing, leading to the development of new products such as oil or tahini, would also help to bring down reliance on one particular market. Moreover, sesame processing would create a lot of extra added value within Mozambique.

Another more long-term issue is the risk of oversupply. With many farmers starting to produce sesame across the African continent, at some point, supply will surmount demand, which will result in a fall in prices. Again, further processing would help to diversify marketing channels as well as agricultural production schemes based on more than one cash-crop (rotation with sorghum or soy could be an option).

ince over a 10-day period in October 2013. Semi-structured interviews were conducted with government officials (SDAE, SPER, SPA), a public research organization (IIAM)¹, processors/exporters (ETG), private companies (Morais Commercial, Oruwera), NGOs (Agrifuturo, SNV, Agri-Profocus, International Fertilizer Development Center (IFDC), Esoko). Three focus group discussions were held with farmers and a two-day oil seeds platform meeting was attended, which included around 10 stakeholders involved in the sesame value chain of north Mozambique.

Chain description

Sesame has only recently been grown as a potential cash crop. In the previous two decades sesame was produced but only on a very small scale. In the early 2000s, some NGOs did try to support sesame production but these were small initiatives. Sesame production never really took off, possibly because world demand and prices compared to now did not result in the same 'pull-factor', combined with high occurrence of pests troubling farmers (which remains an issue today).

Figure 1: Sesame value chain of north Mozambique



¹ SDAE (District Services for Economic Activities); SPER (Provincial Rural Extension Services); SPA (Provincial Agricultural Services); IIAM (Mozambican Institute for Agrarian Research).

Figure 1 displays how the sesame value chain in Mozambique is generally structured. Most sesame production in the Nampula region is carried out by small-scale farmers. Average area size per farmer is often small (often less than a hectare) and productivity levels are low; FAOSTAT estimates average productivity nationwide to be at 660 kg/ha. However, surveys among farmers showed a much lower average level of productivity. SNV estimates yields are around 350 kg/ha (SNV 2011)². Although sesame is a new cash crop for Mozambique as a whole, Nampula seems somewhat behind in terms of productivity levels compared to a province like Sofala³.

Farmers generally produce sesame in small quantities, usually not more than 100 kg, which is then bought by companies. Farmers sometimes sell their produce through associations, but predominantly they sell directly on an individual basis. Key sesame companies include ETG, Indo Africa, and Olam (currently to a very limited extent in north Mozambique). ETG is by far the largest buyer with an estimated market share of 65%. Sesame is purchased locally through scouts and is stored in warehouses. However, Chinese companies are also increasingly buying from farmers, although at the time of research, neither farmers (nor other stakeholders) could clarify their names. Buying often occurs through contracts in which a trading company is operating on a short-term basis (two to three months) to purchase a set amount of sesame. As such, companies work with local scouts and do not deal directly with farmers.

Some very basic cleaning is conducted by farmers and more advanced processing is then conducted by buying companies. ETG is currently the company with the most advanced processing capacity, since they own dehulling machinery.

Most sesame is exported through the companies already mentioned since consumption of sesame in Mozambique is negligible. Sesame export is mainly to China and also to the Middle Eastern region, Europe, the US and Japan.

There are some small initiatives for processing sesame into new products but this is only marginal. ETG is currently conducting trials to start up oil processing in Nacala. It is predicted that for oil processing to be viable, national sesame production would need to double. In Nacala, Irmãos Semedo processes sesame into oil and the Mozambican NGO ADPP roasts sesame, together with cashew nut kernels, and sells it locally. However these quantities are very small and do not

have a significant impact on sesame demand. Another exception is Sanoil, which uses cotton seed for producing oil and purifying it using sesame.

Input supply

The vast majority of farmers use farm-saved seed of low quality for sesame production, or purchase local varieties. Improved varieties are rarely used. IIAM, the government agricultural research centre, was lacking basic seed in 2012 (a commonly cited problem) but now has 1.5 tonnes of pre-basic seed available for the Nampula region.

A collaboration project between the public/NGO sector (SNV) and the private sector (ETG) started in 2010 (discussed on page 5). To improve productivity and disease resistance ETG imported an improved variety from Tanzania. Yet the project, as part of the total amount of sesame purchased from farmers, is only 1.3% of ETG's total supply. Some other initiatives (see Table 1) also make use of improved varieties.

Both pesticides and fertilizers are, with some exceptions (for example in tobacco farming), hardly used by farmers in Mozambique. For pesticides, most farmers consulted said they did not use them and, if they do, only limited amounts or the wrong products. Consequently, pests are still a major issue expressed by all farmers and many stakeholders that were interviewed. Fertilizers are no exception to this; nationwide less than 3% of farmers use fertilizers (Censo Agro-Pecuário, 2009/2010).

Policies

There is no policy or national strategy in Mozambique that addresses sesame since it is only starting to come up as a potential cash crop. The Strategic Plan for Agricultural Development (PEDSA) covering the period 2011-2020 mentions sesame as a potential cash crop but without providing a strategy on how to actively promote sesame production. Centro de Promoção da Agricultura (CEPAGRI), the government office responsible for agro-business and linking companies to producers, has no strategy in place either.

The same goes for government agencies at different levels in charge of extension services. At the local level, the extension officer occasionally organizes meetings between stakeholders in the district and a field day once a year, but these meetings are general and do not specifically address value chains (see also the section on coordination of services below).

² FAO estimates national production over 117,000 MT in 2012. After consultation with several stakeholders this number seems highly unrealistic. In fact, the total export of sesame, estimated by FAO to be 22,000 MT, seems closer to the truth (estimations with stakeholders went up to 30,000 MT). The significant gap between these two numbers is a big question mark since close to all production in Mozambique is exported. The same questions should be raised over estimated levels of productivity. The Censo Agro-Pecuário (2009) estimates total production of 35,000 MT.

³ Based on comparison with SNV analysis of sesame value chain in Sofala.





Farmers discussing their experiences with the ETG-SNV project

What is in place in terms of service provision?

Overall, service provision towards farmers and other actors that want to participate in the sesame value chain is still in its infancy.

Public extension

The government provides extension services, in theory for all farmers although, more recently, a more demand-led approach is starting to emerge. Extension services are generally still very much more production-oriented and focus on food security crops, regardless of market demand. Moreover, staff numbers are low. In the districts where interviews were conducted, staff numbers ranged from four to 11. Nationally, it is estimated that one extension worker has to serve over 500 farmers, often living widely dispersed. Moreover, financial means for training and transport/fuel are lacking.

The situation is even less favourable for sesame. Since sesame has only recently become a potential cash crop, knowledge among extension workers on production and marketing of sesame is very limited.

The local government extension offices have been important in registering farmer associations. For example, in the Monapo district, 10 associations were said to have been registered in 12 months but not specifically related to sesame production. Organizing farmers is important to benefit from economies of scale on inputs, potentially entering into contract-farming arrangements, obtaining loans, etc.

SNV-ETG

A collaboration project between the public/NGO sector (SNV) and the private sector (ETG) started in 2010, with the first phase lasting for two sesame production cycles. A second phase will involve scaling up in the Nampula region (Nacala) and starting in Beira, and is expected to be implemented in 2014. The project is essentially a contract farming scheme in which farmers, in return for services delivered by SNV and ETG, commit themselves to selling their sesame to ETG after harvesting.

Services delivered by SNV include technical assistance on the whole production cycle, from land preparation to post-harvest management. The market linkage with ETG, brokered by SNV, has also been essential. Finally, pesticides, an improved sesame variety from Tanzania, and post-harvest mechanization tools have been provided by ETG. Overall, however, ETG has taken responsibility for a lot of the costs (for example, by buying the tractors).

Yet, the total supply of sesame from all farmers engaged in the project in 2013 constituted a mere 1.3% of ETG's total supply. However, sesame quality, in terms of oil content, is considerably higher than most other sesame seeds ETG receives⁴. In the first year, side-selling was a problem but during the last production cycle, SNV started to introduce the concept of 'trust groups', using the concept of groups, as used in microfinance, in order to reduce sure side-selling, with positive results achieved.

⁴ According to SNV staff, sesame produced by non-project suppliers has an impurity of around 14% while the impurity of sesame produced through the project was estimated at 2-5%.

Other initiatives/interventions

Besides the service providers mentioned above there are several other initiatives developing, which have some connection to sesame production:

- **Morais Commercial** is an agro-dealer and a seed production company. Through its three stores, pesticides, fertilizers and seeds are sold, accompanied by technical advice on how to use them (embedded services). In addition, last season 100 'emerging' small-scale producers were contracted for seed multiplication, including some for sesame. The basic seeds were purchased from IIAM.

Morais only provides inputs on credit when farmers have a contract/guarantee with a buyer. The only exception is pesticides; when a pest outbreak is occurring pesticides may be provided and paid back after the harvest is sold.

Morais has received considerable external assistance from donors/NGOs. In training and organizing farmers for seed multiplication, as well as in proposal writing and the development of a business plan, Morais has been supported by SNV. At the time of writing, the company was working on a proposal to contribute to the ProSAVANA-project at national level, which will also involve supporting sesame production. Morais is also collaborating in a programme with SNV to set up a warehouse and to buy processing machines. These machines will facilitate cleaning, treatment and drying of sesame seed. The majority of its clientele are small-scale farmers.

- **Oruwera** is a small seed production company, which currently works with individual farmers and farmers associations (amounting to around 300 farmers in total). Farmers multiply seeds which are then purchased by Oruwera. Throughout this process, Oruwera provides technical assistance to farmers. However, a major constraint is the lack of basic seed provided by IIAM (as well as the lack of private sector involvement in basic seed production). This constraint presents a challenge to the financial sustainability of Oruwera and future service provision. Like Morais, Oruwera has been supported in the development of a business plan by SNV.
- **Clusa-SANA** implemented a large programme supported by USAID/Agrifuturo that lasted around three years to the end of October 2013, including 24 crops and targeting around 75,000 farmers. In the second year, sesame

became one of the 24 crops supported through the programme. However, results with regard to sesame were not available at the time of this research. Services provided were market linkages with buyers and technical assistance. Another component of the programme was the provision of market information services through Esoko, a provider of market information through mobile phones (SMS) thereby increasing farmers' bargaining power and reducing information asymmetry between farmers and buyers. This was said to be successful until farmers started to change their mobile phone provider to Movitel. This network has become popular especially in rural areas because of its improved coverage compared to other providers. However, since Movitel does not yet have the technology to send out mass text-messages, on which systems like Esoko depend, the impact of these services have been limited.

- **Lurio Green's (LG)** main activity is to cultivate eucalyptus on its own property, which has around 120,000 hectares (although not all land is cultivated). On the side, however, it is currently running an out-grower scheme for sesame production with small neighboring farmers. However, this should be considered more of a corporate social responsibility policy than a commercial activity. Services provided include technical advice, harvesting assistance, brokering between buyers and producers, and market information (prices and best vending location). The company also has a credit scheme for seeds: farmers have to return 24 kgs if they received 20 kgs of seed (20% interest rate). They receive pesticides for free. However, most farmers cultivate less than a hectare of sesame, since they also receive support in other value chains.

Other crops cultivated are soy and beans. In 2014, 70 hectares (of the 120,000 ha in total) will be divided in blocks where farmers, currently assisted by LG, will cultivate 1-2 hectares each of the various crops, including sesame. In 2014, LG will also assist with the registration of associations; right now contracts with farmers are on an individual basis. LG will also set up a demo-plot to teach improved agricultural practices. Of the 70 hectares, approximately 20 hectares in total are reserved for sesame.

Two other initiatives related to sesame production and service delivery are Corredor Agro (an out-grower scheme) and IKURU (a farmer-owned business). However, unfortunately at the time of research, both were not available for interviews.

Table 1: Service provider description

Name of service provider and number of field staff	Type	Who pays for services provided?	Target group	Services provided	Number of farmers and/or volume of production sold with support of provider
Government extension service, staff depending on district (from 4 to 11).	Public.	Public (free).	Small to medium-scale farmers.	Technical advice, some marketing but very limited. Some training in forming association/cooperatives and assistance in registration is provided. However for sesame all of this is very limited.	Number of farmers assisted with regard to sesame is unknown but is estimated to be low to none since extension staff have little knowledge of sesame and lack capacity..
SNV + ETG.	PPP (private and NGO).	Donor and private money (cost-sharing) but unsustainable for now.	Small to emerging farmers (2.5 ha? and above) right now but will increase in 2014. Male and female, but in practice more male.	Production (technical assistance, inputs like seeds and pesticides, harvesting assistance) and marketing (through ETG).	Estimations differ but around 300 farmers.
Lurio Green.	Private.	Private (not commercially viable, more of a CSR activity). Farmers do not pay.	Small-scale (around 1 ha).	<p>Out-grower scheme with minimal sesame production</p> <ul style="list-style-type: none"> • technical advice for extension advisors • harvesting assistance (but manually) • brokering between buyers and producers • market information (prices and best vending location) • credit scheme for seeds, farmers have to return 24 kg if received 20 kg of seed (20% interest rate) • pesticides for free <p>In 2014, 70 ha divided in blocks: 20 ha for sesame. Farmers assisted by LG will cultivate around 2 ha of various crops including sesame. LG will also assist with registration of associations and set up demo-plot.</p>	Around 35 farmers.
Oilseeds Platform (SNV + APF).	NGO.	Cost-sharing.	All actors in the sesame chain in north Mozambique.	<ul style="list-style-type: none"> • Market information • Brokering • Coordination of actors. 	All stakeholders - last meeting around 25 participants in total attended for three value chains.
Clusa - SANA (+Esoko).	NGO.	Donors.	Small-scale and large-scale farmers.	<p>24 crops, targeting around 75,000 farmers. Second year sesame was supported. Services provided:</p> <ul style="list-style-type: none"> • market linkages with buyers • some improved seeds • technical assistance <p>Esoko provided market information services i.e. price information through SMS.</p>	<p>Results not available at the time of the research.</p> <p>Reach of SMS was limited by technical limitations.</p>
Oruwera.	Private with some donor support.	Farmers.	Farmers.	Assistance and quality control during certification process.	About 300 farmers for multiplication.
Morais Commercial.	Private but with donor support.	Farmers (embedded services).	Small, medium, large-scale farmers, government and NGOs.	<p>Three input stores selling seeds, fertilizers and pesticides (sometimes pesticides on credit to reliable customers in times of need) accompanied by technical advice (i.e. embedded services).</p> <p>100 more advanced small-scale producers were contracted for multiplication of seeds, some of it sesame.</p>	<p>100 farmers for multiplication.</p> <p>Amount of clients buying inputs unknown.</p>

Demand side

Demand for services among farmers is high. As part of the field work, farmers were interviewed through three focus group discussions (consisting of around 15, 10 and four farmers, respectively). Farmers were asked about three issues: (i) technical support (extension), (ii) pesticides and (iii) finance.

Strictly speaking, agricultural business services are limited to ‘soft’ interventions only. Services may include advice on how to obtain finance or pesticides but since micro-credit facilities and pesticides are limited, supply needs to be organized first before services would become effective (be it embedded or through separate service providers). However, there is an important role to play for service providers for technical production advice; a pluralistic system is emerging characterized by government extension, some technical advice rendered by NGOs, as well as by the private sector.

When asked to provide specific information on what technical assistance farmer want, advice on preventing and efficiently

killing pests was predominantly mentioned. This should come as no surprise since pests are indicated to be one of the major constraints for sesame producers. Besides pest management, assistance on agricultural practices, like row planting and intercropping and proper harvesting techniques, were also mentioned.

When asked what kind of service providers they would prefer, most farmers preferred technicians from the private sector or NGOs since they regard the public extension system as weak due to insufficient funds⁵.

Currently most small-scale farmers do not receive any assistance. In fact, a larger role and responsibility for the public sector in service delivery seems unequivocal since service delivery through the private sector will not fill the enormous gap between supply and demand⁶. Table 2 highlights the farmers’ needs and to what extent they are provided. It is interesting to see that some of the issues seen by others as key for increased production (like improved seeds, transport/ infrastructure, irrigation, for example) were not mentioned by farmers themselves.

Table 2: Service demand and supply by various actors

Which services are needed (according to farmers)?	Services provided by public sector	Services provided by private sector	Services provided by civil society
Support to access/buy pesticides.	-	Pesticides in most rural areas are hardly available, occasionally through associations. Agro-dealer presence is very low (Morais with three stores is one of the few).	SNV-ETG project , Lurio Green provide some pesticides.
Access to finance.	-	Little to no micro-credit facilities for small-scale farmers. Sometimes inputs are provided on credit (Morais for example, or ETG-SNV project) or provided in some other way (Lurio Green).	-
Technical advice.	Limited	Non-existent for sesame, extension officer expected to do so in the near future (but to a limited extent due to low capacity and means).	SNV-ETG project, Lurio Green, Clusa-SANA.

⁵ These results were somewhat biased since they were held in areas near SNV ETG intervention project area, while the research was locally facilitated by SNV. Farmers were therefore quick to mention their interest in participating in the project as well, thereby receiving the same type of support.

⁶ Based on focus group discussion with farmers who said they did not receive any assistance from the public sector. Basic statistics confirm that the rural extension structure of Mozambique is significantly understaffed.

Coordination of service provision

Coordination of service provision in the sesame sector is minimal. In general, the public sector is organizing district-wide meetings involving various stakeholders. However, due to a lack of financial resources, these meetings only take place once every three months at most, and a field day once a year⁷. More importantly, these meetings do not concentrate on specific value chains – its challenges and the actors involved – but instead are open to stakeholders from different value chains, which reduces the attention that could be given to a specific value chain.

As such, the only form of coordination between service providers in the sesame sector is conducted through the oilseeds platform, which since 2011 has been organized and funded by SNV and Agri-Profocus (APF). The oilseeds platform brings together various stakeholders (producers, NGOs, public and private sector) in the Nampula region for three value chains (soy, groundnuts and sesame). Issues are discussed and action plans are made which are then supposed to be acted upon by identified responsible actors.

SNV and APF are facilitating, organizing and funding the platform meetings. However APF is a structural partner while SNV's participation is temporary. After a few years, SNV's responsibilities will have to be transferred to another member-organization of APF active in Mozambique. At the moment of writing, a potential new partner had not yet been identified, which could pose a risk to the future sustainability of the platform.

The first platform meeting took place in November 2011, and a sixth meeting was recently held. Meetings now take place over two successive days. On the first day, the three oilseed value chains meet independently and discuss current developments and reflect on previous goals and formulate new ones. On the second day, in addition to some general presentations, the three value chains meet together and present their findings from the previous day. Platform meetings may also include group discussions and field visits.

The platform seems to be helpful in fostering interaction between stakeholders within the sesame value chain. Without any alternatives for coordinating service provision and exchanging knowledge and building networks between stakeholders, the platform is very important. To measure the importance of such interaction is challenging but two clear examples can be seen:

- Lurio Green now uses a different variety (Lindi instead of Nicaragua) for its sesame production as a result of a platform meeting where different kinds of seeds were discussed, including their advantages and disadvantages.



The 6th oilseeds-platform meeting November 2013

- Attendees of previous platform meetings concluded that studies conducted by IITA (International Institute for Tropical Agriculture) were too localized and therefore not yet validated for wider use. IITA, who at times attends the platform, is now trying to generate studies with a broader geographical focus.

Performance and impact of the platform could be further improved. Participants say that it is hard to hold actors accountable for the proposed actions committed to during planning. An observation made was that proposed actions were too general. No clear targets, in terms of quantity and deadlines, or a proper description of the task at hand and its related activities, were part of the planning. In addition, no serious reflection on the success or failure of previous proposed planning is conducted.

Another possible improvement might be the separation of the three value chains. This would reserve more time for a more in-depth discussion with participants that are committed to the subject. Meetings should be held on different days to make sure stakeholders active in more than one value chain are able to participate in all discussions.

Last but not least, the platform is the only initiative representing such a wide spectrum of actors (public, private, farmer organizations and civil society) in the sesame sector. Hence, it would be interesting to see how the platform could wield its potential influence to affect policies and set the agenda for the benefit of its members. Examples of such common interests could be an increase in the availability of basic seed or training of government extension workers in sesame production.

⁷ Innovative ways of organizing meetings more frequently could be found. A field visit to a local company or farms shouldn't be too costly and possibly cost-sharing arrangements for transport could be found.

Trends and suggested future directions

Service provision in the sesame value chain is only just beginning. Some trends can therefore be observed concerning current provision of services, but it is hard to make comparisons with the past. For instance, there was some sesame production in the 1990s, and at the beginning of the 20th century in the Nampula region, but only on a very small-scale.

With the increasing production of sesame in Mozambique in Nampula (and also other regions, most notably Sofala) it can be observed that NGOs are becoming increasingly involved as service providers in the value chain. Many initiatives, which include sesame production, are starting up now that sesame is considered a serious cash crop. However, it remains a question, and point of attention, as to what extent these NGO efforts will be sustainable. Since no projects focussing specifically on sesame have concluded at the time the field work was conducted for this study, it was not yet possible to evaluate this aspect.

However, the public sector seems to be lagging behind in supporting the rise in sesame production with a targeted policy. There are no policies in place that facilitate coordination of relevant actors, encourage establishing linkages between producers and buyers or legislation to curb unfair competition⁸.

The private sector is somewhat more involved in service provision through ETG's involvement in its partnership with SNV. However this project is very small in comparison with the core business of ETG, which is to buy sesame from farmers or associations, without providing any embedded services. Other competing buyers, like Chinese companies or Indo Africa, do not currently provide services. They arrange transport of sesame from the farmers to their warehouses (after which most goes through Nacala international export) but they should not be considered an advisory service.

Other private actors involved in the sesame value chain are starting up schemes in which services will be provided (Lurio Green, Oruwera, Morais Commercial, as well as others not featured in this study). These companies have less involvement in the sesame value chain compared to the sesame buyers mentioned above, although their importance should not be marginalized⁹.

In general, and beyond the scope of the sesame value chain, a trend towards more service provision by the private sector is being witnessed in Mozambique. There seems to be an increasing willingness to rely on the private sector and its targeted expertise to provide services. An example is the potential for multiplication of pre-basic seed by private companies. Another example is the gradual withdrawal from government subsidized input supply (although some seed crops, most notably maize, remain heavily subsidized). At the same time, the private sector realizes that services are able to play an important role in securing supply.

It is important to note that this kind of service provision has a tendency to focus on more advanced farmers (for example in the SNV-ETG project) since commercial interests outweigh developmental goals for a commercial enterprise. Moreover, service provision by the private sector remains somewhat marginal since service delivery also brings about additional costs. These costs become especially high when competitors enjoy the benefits of such efforts (through side-selling by producers). SNV is aware of this and seems to achieve some results through establishing relations between ETG and farmers, yet this requires time and financial resources which require public sector and NGO support.

As such, there is a fundamental role for the government and NGOs to play in providing advisory services, as well as coordination efforts for service provision by private, civil society and government providers. With the increasing demand for sesame in the coming years this holds true especially for the sesame value chain. At the same time, government service provision is often ineffective and not market-oriented. It should therefore play, as much as possible, the role of enabler for service provision by NGOs and the private sector. This could entail, for example, support for coordination efforts (supporting the platform financially, as one possibility), setting regulations for fair competition and providing soft loans for local agri-businesses involved in sesame.

Finally, the public sector, together with NGOs, can support the provision of services by the private sector at local, farmer-level. Emerging farmers, associations and even agro-dealers may be strengthened and trained to provide services in the community. Such services might include veterinary services, training, seed multiplication, input provision, support with installation of basic irrigation systems, and agricultural practices (technical assistance), amongst others¹⁰.

⁸ Formal institutions and activities do exist, yet in practice they are not always effective. For example, at the district level there are meetings organized by SDAE involving actors, however these meetings include all value chains and therefore lack focus.

⁹ To give one example: lack of quality seed is a serious constraint for the further development of the sesame sector in Mozambique. As such, the efforts of Oruwera to produce seed deserve attention, although their reach in terms of amount of farmers directly involved compared to ETG's activities is negligible.

¹⁰ In Mozambique, an example of this approach put into practice is iDE's programme working with Farmer Business Advisors. Emerging farmers are trained in Caia and Mopeia (central region of Mozambique) to become Farmer Business Advisors providing a range of services. A comparable approach is that of lead-farmers, used in various programmes (IFDC amongst others)



There are several added advantages to this approach:

- Service provision is local and targeted to the demand of clients;
- It is provided by individuals and/or groups in the community that are trusted;
- Sustainability is enhanced since these providers have been part of the community before any intervention started and are therefore likely to stay after the intervention.

It seems that this 'middle way', besides strengthening public service provision and a rise in private service provision, is essential since both public and private sector will not close the significant gap that exists between demand for services by small-scale farmers and the current supply.

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