

# Capitalization sheet

## Producers' organization - The Green Farmers



- **General process of Green Farmers' activities and flow diagrams**
- **Material and Human resources**
- **Results**

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Capitalization sheets produced within the framework of the Agro-ecological Intensification and Diversification of Peri-urban Agriculture Project in Siem Reap Province, Cambodia (IADA phase 1)

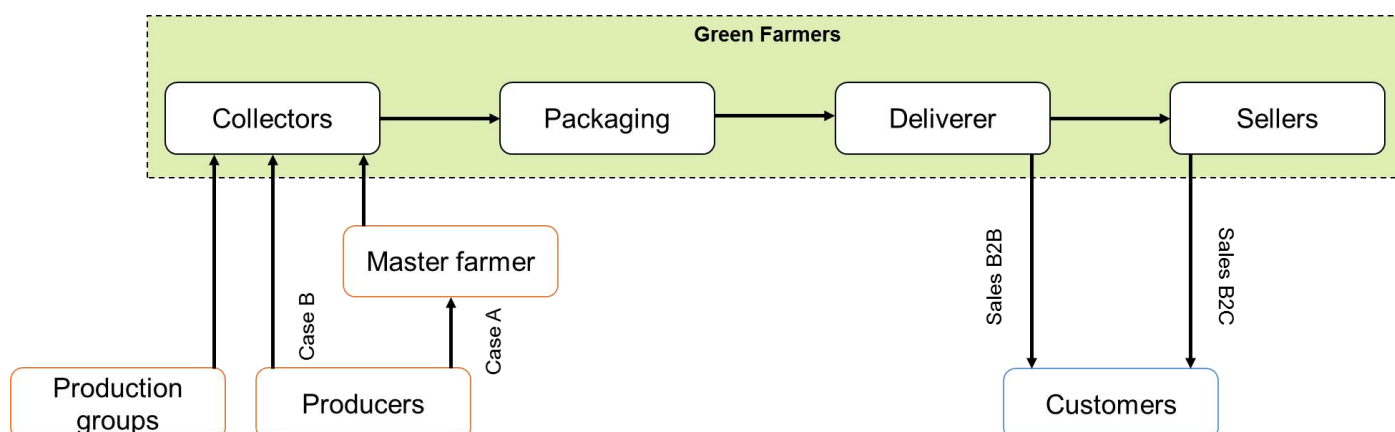


## Producers' organization – The Green Farmers

Before the creation of Green Farmer (GF), producers of “safety vegetables” were organized in small groups located in the direct vicinity of the production sites. Each group had 4 staffs responsible of the orderings, packaging, invoice and deliveries of their products, and was supported on the administrative level (financial follow-up and clients' prospection) by the marketing officer of Agrisud. As the number of groups was growing from 2011, Agrisud became overloaded with the administrative work and couldn't keep up with all the requests. Therefore in 2018 Green Farmers was created to handle and internalize all the tasks related to products ordering, handling, delivery and administrative procedures associated, replacing the small groups by one overarching entity.

### General process of GF's activities and flow diagrams

#### Product flow diagram



#### Analysis elements

- > The ratio is about 1 MF per 10 members (in village).
- > 4 collectors are part of GF and take 1 commune each.
- > A minimum volume of product is sometimes required by the collector to justify the delivery (especially when the production site is far away from GF — like Banteay Srey).

The general flow of products go from producers to customers through GF. Though, we have to distinguish between some specificities.

The first one deals with the collection of the raw products in the commune by collectors of GF. When the villages in the commune are distant from each other's (example of Banteay Srey), the collector is responsible of gathering the products directly from the producers (case B). But, when the villages are close enough for the products to be gathered ahead by the master farmer (MF) (example of Krabei Real), then the collector pick them up directly from the MF (case A).

The second one deals with the delivery. If the products are sold in B2B (Business to Business), the deliverer bring them directly to the customers. But if the products are sold in B2C (Business to Consumers), the products are handled by the sellers of GF (on King's Road market) with the help of the deliverer if needed.



### Analysis elements

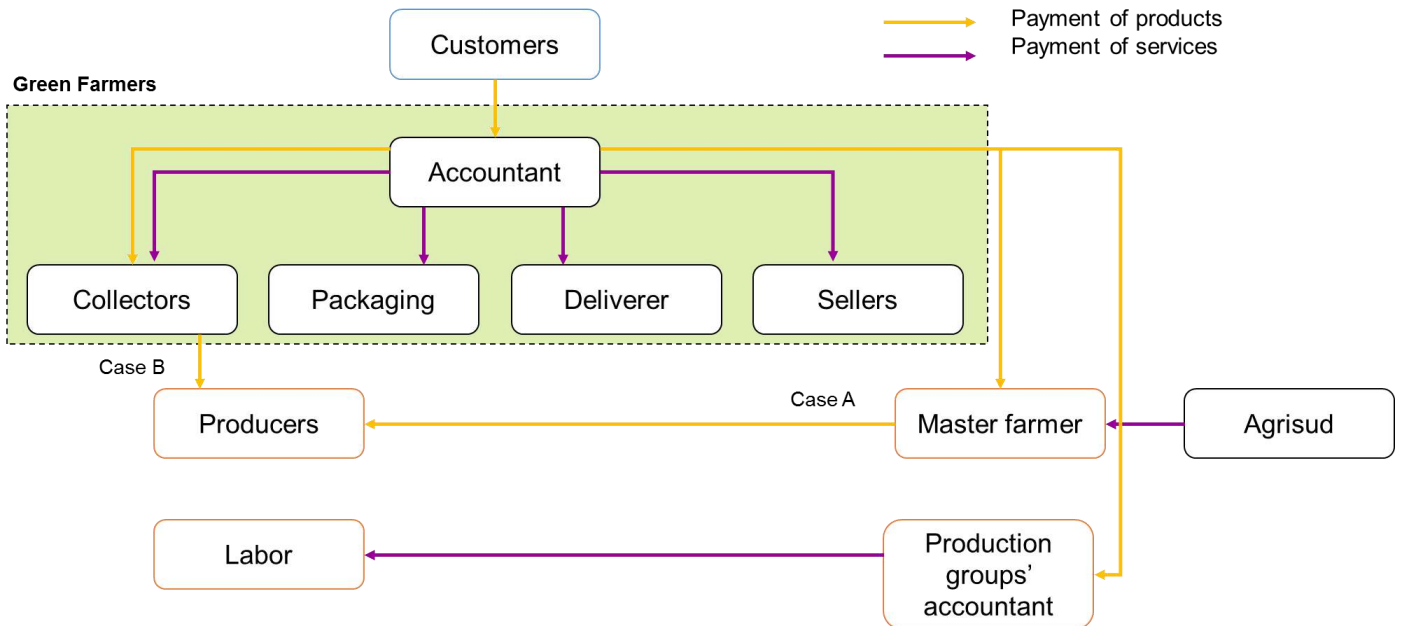
> To face the problem of seasonal variation of production over the rainy season, greenhouses can be used. Besides, it is important that from the beginning of the relation, GF sensibilizes their customers to the quantity shortage of some products during the rainy season.

### Money flow diagram

Among the money flows we should separate the ones related to payment of products and services from the payment of member fee and/or shares and interests.

#### Payment of products & services

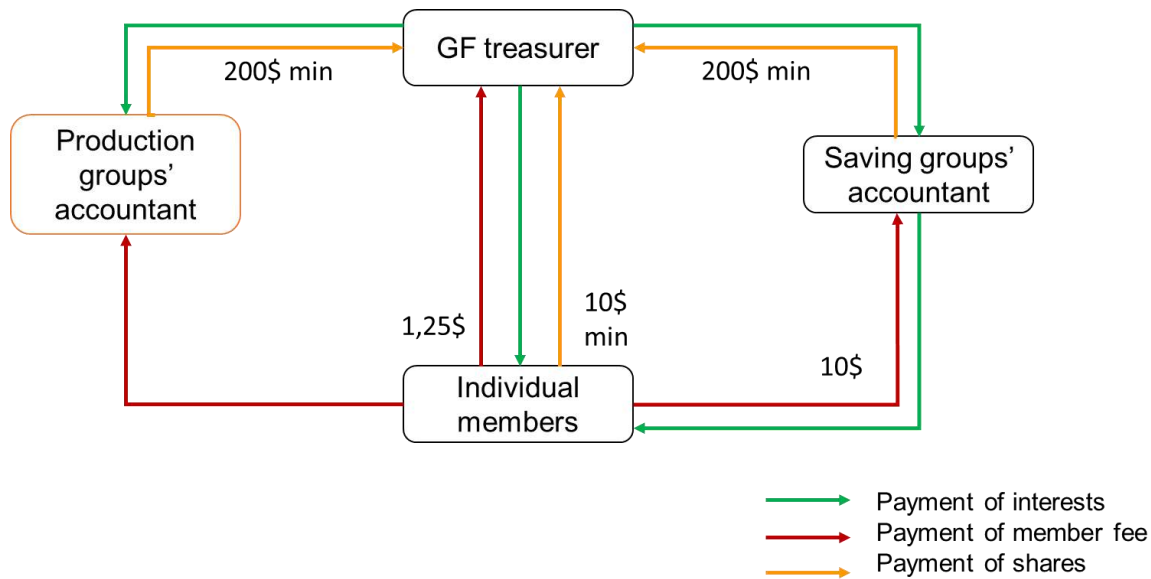
Retributions for services are issued by different entities based on the structure hierarchy of the different groups/organizations. The operation staff responsible of the transport and handling of the products are paid by GF's accountant while the MF is paid for his services (production supply data collection – kobo tool & producers follow-up – farmers practices check) by Agrisud (as pictured below). As for the labor of the different production groups, the attendants are paid by the production groups themselves, which retrieve the salaries from the profit earned on the sale of the products.



Regarding the products, GF is the one paying the raw or processed products respectively to the producers and production groups. However, depending on the case (A or B) carried out to collect the products in communes, 2 distinct modalities are followed. In case A, GF pays the MF who had been in contact with the collector, and this MF is further responsible of handing the money to the producers. In case B, the collector pays directly the producers.

The issuer of money is the customer in any case. Though, the delay of payment from customers may vary from 2 weeks (restaurants) to 2 months (supermarkets), while producers/GF's staff need to be paid in a shorter delay. For this reason, GF uses a working capital (made of the member fees and shares of its members) to be able to pay the producers (within two weeks of product collection), and its employees' salaries (every month) prior to payment by clients.

## Payment of member fee/shares and interests



As shown on the diagram above, groups as well as individuals can be members of GF. However, individuals unlike groups, have to pay member fees, which amount is displayed on the figure. In addition, they have to buy shares, which are for both compulsory, although the minimal amount requested is different. Groups have to buy a minimum of 20 shares, equivalent of 200\$, whereas individuals have to pay a minimum of 1 share, which is 10\$. We also note that, if individuals want to be members of groups they, have to pay member fees to them.

At the end of the year, interests are distributed to all members during the General Assembly meeting. The interests given to members of GF amount to 65% of their profit and are equally distributed among members on the basis of number of shares bought. As such, the more the number of shares, the higher the interests paid back. We note that individuals also perceive interests from the saving groups, which is 5% of the profit per member.

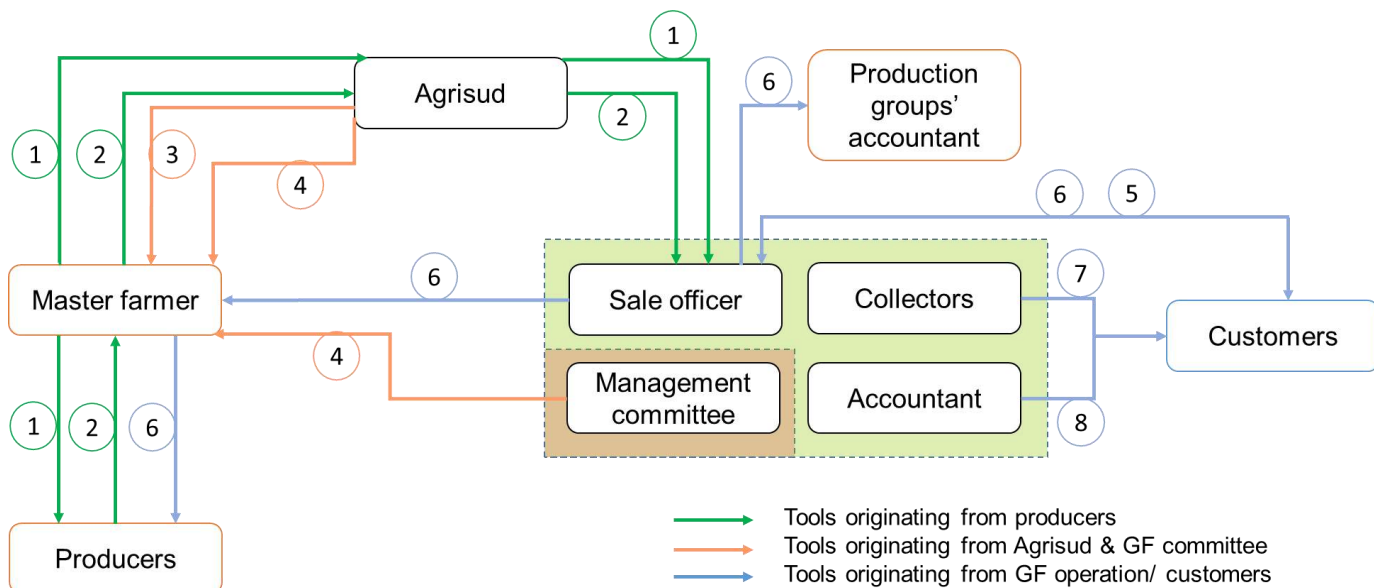
Production groups' (not individuals) members of GF can also borrow money from GF, if this latter has enough in store and committee approves the transaction. In this case, when GF buys product with them, the price is cut from the amount that has been borrowed by the group. For instance, if the spice group borrows 50\$ from GF, and GF buys for 100\$ of turmeric, then GF will only pay them 50\$.

## Information flow diagram

The general flow of information is as followed:

Customers order through GF the products they want according to a list of products with prices set at the beginning of the cropping season. When GF's sale officer receives an ordering, he will then contact the MF and/or production group and ask them to prepare the command. One collector will collect the command directly from producers or MFs and producers groups depending on the case (see production flow diagram), and bring it to GF. Finally the products are delivered to the client who receives an invoice and later on a receipt when payment has been processed. The "safe" production is certified by follow-up of MFs and producers practices.

The diagram hereafter is illustrating this flow.



In the next table, all tools used by the different actors of the chain are brought together and briefly described. Each number (as displayed on the previous figure) refers to one type of tool/document. So when a N° appears many time, it means it is the same information or type of document that passes from one actor to the other (namely the case of N°1, 2, 4 & 6).

N°	Type of document	Frequency	Description
1	Peer-to-peer review (farmers practices check)	Every 3 months	In order to guarantee that producers produce according to the “safety” guidelines of agroecology, MFs are responsible of checking the agricultural practices of GF’s producers. If any problem, a technical advisor from Agrisud can help out. This document is then transferred to Agrisud (as MFs are under supervision of Agrisud) who passes it on to GF’s sale officer.
2	Production supply data (kobo tool)	Every 15 days (on the 10 <sup>th</sup> and 25 <sup>th</sup> of each month approx.)	MFs are in charge of recording the production supply data they collect from the producers of their commune, ie. type of products grown, quantity, date of sowing, estimated date of harvesting and products ‘prices. Every 15 days a technical advisor of Agrisud collect the information from MFs and report them on the kobo tool. The data are then analyzed by the monitoring staff of Agrisud and the summary is transferred to GF’ sale officer by mail

3	MF follow-up	At least 1 time/year though every meeting is subject to some discussion	Agrisud check on MFs knowledge and practices of agroecological safe production, also to make sure that they have updated and right information to train producers.
4	Economic data review & cropping planning	2 times/year	Every half year, Agrisud and GF join for a meeting with GF's producers to review about economic data. The meetings are organized per commune and data provided deal with the economic results in terms of best sellers, quantity sold, prices on the markets, comments and requests from customers....Agrisud provides information from market whereas GF provides the ones from clients. The aim of this review is to decide on the products to grow, quantity and prices for the next cropping season according to the previous sales results and requests from clients.  Therefore, in the end of the meeting, they can elaborate on the cropping planning.
5	Price list	Every 15 days	From the summary of kobo tool transferred to GF every 15 days, this latter can create the price list and forward it to clients for orderings.
6	Orderings	When needed	On reception of price list, customers within 15 days can order by phone or mail directly to GF. When they receive a new ordering, they transfer it to the production group concerned and/or MF who passes it on to the producers to prepare the command.
7	Invoice	On delivery to customers	On every delivery, the collectors bring the invoice to the customers. The invoice is also saved on GF's database, so as to follow from year to year the sales for each customer and thus to be able to ask for feedbacks from clients and edit biannual summary for cropping planning meeting with producers.
8	Receipt	On payment by customers	To certify that payment from the customer has been processed, GF's accountant edit and send a receipt to the customer.

### Analysis elements

> When the collector picks up the products with the MF, he has a different bag for each farmer, so that GF's staff who controls the delivery from farmers can easily check that the order is matching both in terms of nature and quantity. If not, the sale officer contacts the MF to discuss the issue with farmers.



### Analysis elements

> In order for GF to be able to take over these new tasks, it will be necessary to train the staff.



Delivery from the collectors to GF



Quality and quantity control



Products' cleaning



Products' packaging

In the near future, the objective is for GF to be independent from the services of Agrisud. Therefore, the idea concerning the collection of the production supply data (N°2) and data of peer to peer review (N°1), is that GF directly works and retributes MFs (self-managed business) for their services. As for the follow-up of MFs (N°3) and producers it will be handled directly by GF committee and/or sale officer, who will also centralize economic data (N°4) from both markets and clients.

The originality of the approach lies in the fact that the MF, beyond its role of trainer and referent on agroecological practices, also ensures a function within the marketing circuit by making the link between GF and the producers via the kobo tool and guarantees by its monitoring of the producers, that the products sold on these new circuits come from agroecological practices. The implementation of this post-project compensation system, provided by GF, ensures the sustainability of the MFs activities.

## Material and Human resources

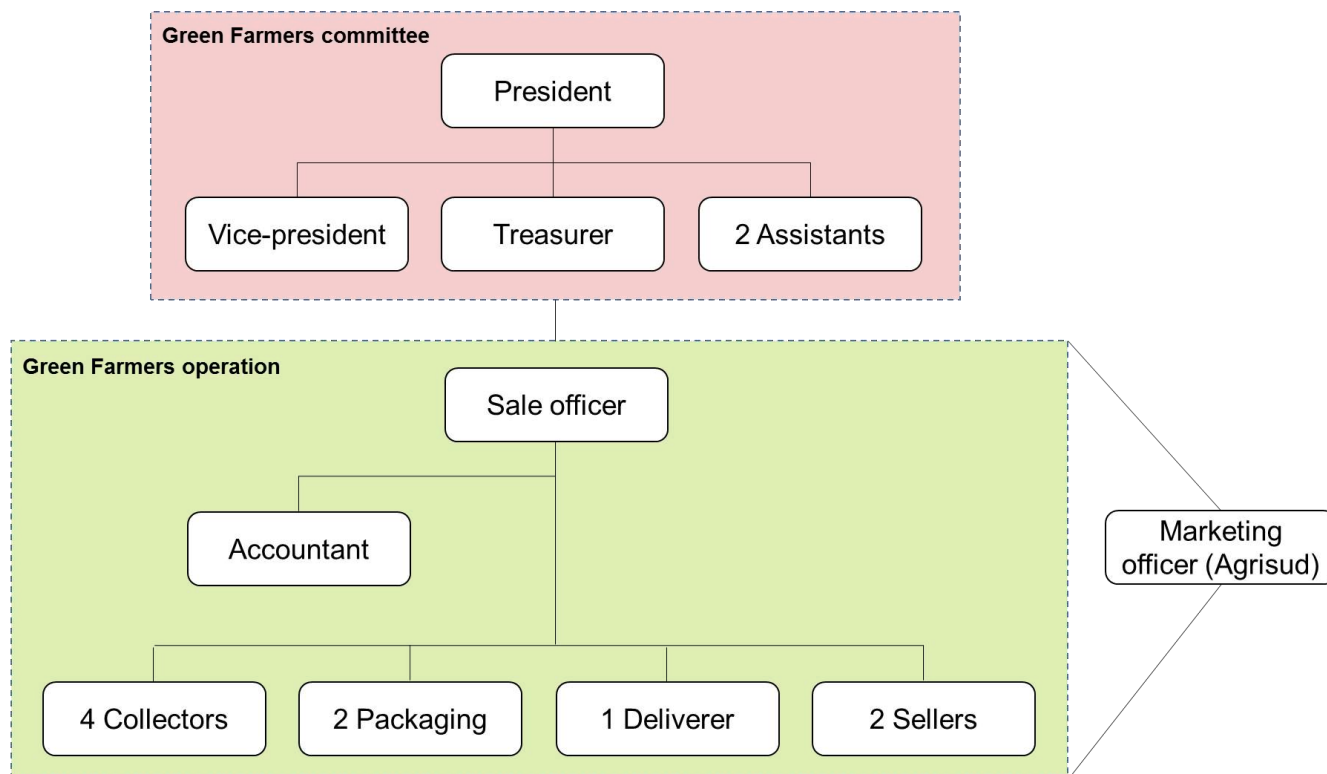
### Material

The materials and tools required in support of the different flows are:

Information Flow	Products Flow	Money Flow
KoBo tool	3 Trucks	1 Calculator
6 Tablet/ smartphone	3 Motorbikes	Cash & working capital
1 Computer	Baskets	1 Motorbike
1 Spreadsheet,	2 Scales	
Presentation and	Tents/ table/ trestles	
Word processing	2 Refrigerators	
software,	"I'm a plant" bags	
1 Phone	Bottles	
1 Whiteboard	1 Calculator	
Recording book	Ices boxes	
Pens	<u>Preparation of the</u>	
Invoice book	<u>products</u>	
Receipt book	Knife	
	1 Table	
	1 Sink	
	2 Aprons	
	Stickers	

## Human resources

The figure below represents the structure of GF's organization and the roles of the main entities are defined in the following table.



Entity's name	Roles
GF committee	<ul style="list-style-type: none"> <li>- prepares the group meetings</li> <li>- solves problems and coordinates the work in relation with other external entities</li> <li>- signs the documents and takes decisions</li> <li>- keeps and saves documents of GF</li> <li>- checks costs and profit with accountant (once/month)</li> <li>- disseminates new information to members</li> </ul>
GF Sale officer	<ul style="list-style-type: none"> <li>- reports to the management committee</li> <li>- disseminates the group information from GF committee to GF staff and from GF to members</li> <li>- promotes and finds the market</li> <li>- updates the list of products available</li> <li>- receives customers' orders</li> <li>- prepares the invoices for customers</li> </ul>

Marketing officer (Agrisud) - promotes and finds the market

GF accountant - collects the invoice duplicata and enters it in the database  
- receives the payment from customers and distributes it to the production groups and producers (via collectors or MF)  
- edits salary sheets of GF's staff  
- records and reports cost and profits

MF - follows up members' activities,  
- disseminates the group informations to members,  
- receives orderings from group and divides it to members  
- distributes the money to members

Producers/ production groups - produce or transform the different products,  
- respect and comply with cropping planning guidelines and agroecological practices  
- join group meetings.



### Analysis elements

> Awareness work is important to build the collective strategy. On creation of GF, Agrisud had to explain to farmers the advantages of working in cooperation, illustrate their speech by other organizations' examples, promote the financial support, and wider market access, profit earning at the end of the year...

> It took 1 year to set up GF : From January 2017 to December 2017 – visit from similar project – creation of business plan – preparation of GF's documents (status, internal rules), also used in order to promote the GF in villages (activities of GF, roles of members, purpose of group...)/ from May: dissemination starts – farmer have time to reflect on it about a month / September to October: collect of the share and member fees / from October to December: buying of material, and staff organization. Ask for official registration since the start of the project as it takes about 1 year.

## Results

- ⇒ 807 members of GF, totaling up to 826 shares
- ⇒ Among the members, are producers but also saving groups and 5 production groups (rice bank, neem, spices, beverages and essential oil)
- ⇒ CA= 59232\$ in 2018, for a volume of products sold = 53185kg
- ⇒ One year to structure GF from the elaboration of the business plan to the first sale

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