

More income for small farmers in Madagascar

Lecofruit and GIZ introduce micro-irrigation systems, organic farming and sericulture



The challenge

Over Around 30 percent of Madagascar's national economy relies on the agriculture sector, which depends largely on small farmers. However, they hardly benefit from the profits of the exportation to international markets. Lecofruit (Légumineuses Condiments Fruits de Madagascar S.A.) is one of the few European companies that buy vegetables directly from the farmers before exporting them to Europe. The company signs contracts with the farmers of the Madagascar highlands, primarily for the supply of green beans. Around 10% of these are produced organically.

Nonetheless, the farmers' productivity remains low, mostly due to the scarce water supplies in the region and the inefficient irrigation systems in place. This makes the farmers solely dependent on the unpredictable rainy season. Micro-irrigation systems could contribute to the improvement of resource efficiency, especially during the dry season. In addition, farmers could save time and manpower which opens up the opportunity to cultivate further products. By now, some villages have embraced sericulture as a means of generating an additional source of income. They are, however, not sufficiently equipped for competitive production, as they lack access to the equipment needed and only have little practice in silk farming. In order to be able to profit from silk trade, the farmers would have to invest more in the processing stages of the product. More financial funds and technical know-how are needed for promoting sericulture as well as organic farming.

Our approach

Since 2012, Lecofruit, a subsidiary of the French company Basan, which has been operating in Madagascar since 1989, and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) have been supporting communities in the Madagascar highlands to increase the productivity of their farming activities and to diversify their income sources through the activities within a development partnership. The project is part of the develoPPP.de programme which GIZ implements on behalf of the German Federal Ministry for

Economic Cooperation and Development. Efficient irrigation will increase the productivity of the farmers' vegetable plants and fields, so that their production can be further expanded. The main objective of increasing productivity is to secure Lecofruit's competitiveness in European markets and thus, to secure the income of the farmers on a long-term basis. The transition to organic farming further increases their chance of benefiting from growing European markets. Through the exploitation of sericulture, they are able to generate an additional source of income, while the processing of silk keeps the added value within their community.

What we do

A considerable part of the vegetable exports from the high plateau from Madagascar are handled by Lecofruit. The trader buys certified green beans from over 11,000 farmers, two thirds of which are sold to European supermarkets. Lecofruit's purchase agreements provide the farmers with a stable income base with purchase prices that are established on an annual basis. The company wishes to meet the increasing demand for certified organic produce in the European market and is therefore committed to the development of organic farming in Madagascar.

"Lecofruit's strategy with small Malagasy farmers is to double their income within four years. To this end, Lecofruit has asked the GIZ to become its partner in order to support it in making decisions and implementing this strategy. Indeed, the GIZ has a proven track record when it comes to partnering with the private sector, in particular in the area of agribusiness."

Christophe Berthou, Director of Lecofruit



Contact

GIZ – develoPPP.de
Annika Powitz
P +49 6196 79 7377
E develoPPP@giz.de
I www.develoPPP.de

Lecofruit S.A.
Christophe Berthou
P +261 20 22 22 373
E christophe.berthou@basan.mg

The success of fresh produce traders, such as Lecofruit, relies heavily on the reliability of their supply chains. For this reason, Lecofruit supports its contract partners in increasing productivity and quality standards and invests in the development of value chains. Lecofruit provides the contracted farmers with the necessary investments for the acquisition of suitable micro irrigation systems, with know-how for the transition to organic methods of production and sericulture as well as seeds, fertilizers and pesticides. The repayment of the loans is regulated within the purchase agreements between Lecofruit and the farmers.

Many farmers have doubts when it comes to adapting cultivation practices to newer methods and the certification of their produce. Lecofruit therefore draws on the many years of experience accumulated by GIZ, who will take over the sensitization of the small farmers' families during the project. In order to further increase the number of participating farmers, awareness activities among Lecofruit farmers and technicians are being developed and intensified.

Expected impacts

- Long-term business relationships are established between Lecofruit and the families in the Madagascan highlands that increase their competitiveness, allowing them to profit from growing markets together.
- Sustainable irrigation and farming practices conserve natural resources in the highlands and protect soils and the environment.
- 370 instructors have been trained that have already passed on their knowledge on the installation and the use of micro irrigation systems to around 5000 farmers in the regions of Itasy, Vakinankaratra and Analamanga.
- Around 70 technicians at Lecofruit have been trained in organic farming which have passed on their knowledge to 1,270 farmers.

- 12 technical workers at Lecofruit and other local organizations have been trained as agricultural advisers in sericulture in order to introduce the farmers to this area with the goal of producing 4000 kilogram of silk until 2014.
Several species of silkworms were tested for their profitability. Unfortunately, due to diseases of a majority of the silkworms, the output is relatively low so far. 28 future organic vegetable and silk producers have been trained and, with the support of the project partners, the communities have built 6 nurseries for silkworms. Furthermore, plantations with mulberry trees have been set up as the silkworms feed exclusively on the leaves of these trees.
- The yearly income of small farmers in the Madagascan highlands has increased by 8% for conventional farmers and 64% for organic farmers.

At a glance

Term:	September 2012 until August 2014
Country:	Madagascar
Objective:	Increase productivity of small farmer agriculture in Madagascan communities and diversify their household incomes.
Partner:	Lecofruit S.A. and GIZ
Impacts:	<ul style="list-style-type: none">• Micro-irrigation systems increase the productivity of Madagascan small farmers.• Organic farming and sericulture generate new income opportunities.• Improving living conditions of farmers by increasing and securing their income which contributes to rural development and a limitation of the rural exodus.

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Registered offices Bonn and Eschborn
Business Unit Private Sector Cooperation
Dag-Hammarskjöld-Weg 1-5
65760 Eschborn, Germany

P +49 6196 79-2371
F +49 6196 79-1115
I www.giz.de

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