

VALUE CREATOR TOOL

AGRITERRA TRAINING PROGRAMME



INTRODUCTION

- How to skip traders and claim up to 40% more margin for the fruit farmer?
- How to reduce post-harvest losses of tomatoes by 20%, via better harvesting, collection, storage or transport?
- How to create access to supermarkets, processors, export or other premium outlets and

markets? Agriterra has developed the 'Value Creator', a Value Chain Analysis and Intervention Module. This tool helps identifying challenges in agro value chains, and defining interventions and solutions.

It is made for Agriterra's business advisors, cooperative managers, experts and farmers. The goal

is to improve the position of cooperatives and farmers in the Value Chain.



VALUE CHAIN AND THE VALUE CREATOR

A Value Chain is a sequence of functions, actors and activities, from input supply to consumption. Goal of the Value Creator is to analyse agro value chains, and come up with interventions and a priority setting.

The Value Creator can be carried out in agro value chains – like fruit, vegetable, rice, dairy - in any country. It entails the analysis and interventions on functions, actors and activities. We take the farmer and cooperative as a starting point.

The Value Creator gives business advisors and cooperatives the practical information and tools to map new value chains and business options, and to determine the cooperative's strategic role in the value chain.

The Value Creator maps:

- Opportunities and threats in the Value Chain
- Strengths and weaknesses of cooperative and farmers in the Value Chain
- Potential new value chains (nursery farm, new outlets, online)
- Pre-harvest interventions: seeds, inputs, techniques, machinery
- Post-harvest interventions: harvesting, collection, grading and storage
- Institutional interventions: financing, policy and certification
- How to execute these interventions and achieve results



It results in a big leap in income, and a new value chain.



THE APPROACH OF THE VALUE CREATOR

The execution has three main steps:

- Pre-study & data collection -> interviews, field visits, gathering figures
- Analysis & calculations -> Strengths, Weaknesses, Opportunities, Threats (SWOT), Value Chain Mapping, developing business options
- Assessment & Action Plan -> Options, validation, choices and strategy

The value chain analysis, which was executed in Quang Ninh in Vietnam, has resulted in attractive opportunities in three fruit value chains. These are among others scaling the success of a new variety of dragon fruit, starting the collection of lychees by farmers to export to China, and supplying custard apples to the supermarkets, which generates a premium. This way Agriterra has introduced 3 new value chains (new variety, export to China, supply to supermarkets).

New value chains and improved value chains require new actors (supermarket) or skip actors (wholesaler). It also means new activities (selecting seeds, cold storage). These changes in the value chain – interventions – lead to more income, more margin, supply security or more yield/ha. Calculations show the required investment and additional income. A single farmer cannot initiate these new value chains. Here the cooperative plays an important role.



WHAT'S IN IT FOR YOU?

- The Value Creator makes cooperatives and farmers autonomous in developing new business opportunities, which leads to more income.
- Business Advisors, cooperatives and farmers will better understand the dynamics of the value chain, and how to improve the position of the farmer in that value chain.
- The Value Creator has practical formats, questionnaires and pictures to use during interviewing, analysing, developing interventions and the annual Agriterra action plan with the cooperatives.
- The calculations, which make business options and interventions tangible, are understandable and manageable for cooperatives and farmers.
- You can apply this tool in all agriculture value chains, in any country.



NEXT STEPS FOR INTERESTED PARTIES

- The best way to learn the tool and how to practice it, is by executing the value chain analysis with an experienced advisor on-the-ground via Agriterra.
- Agriterra can provide presentations, training and workshops on how to use the Value Creator in your organisation.



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Agriterra is an agri-agency founded by the Dutch agricultural sector that professionalises farmer organisations and cooperatives worldwide in order to better serve the needs and interests of their member farmers.

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