

First Mile Project by The International Fund for Agricultural Development (IFAD)



Name of project

First Mile Project

Description of project

The First Mile Project is about how small farmers, traders, processors and others from poor rural areas learn to build market chains linking producers to consumers. Good communication is vital. The project encourages people in isolated rural communities to use mobile phones, e-mail and the Internet to share their local experiences and good practices, learning from one another. While communication technology is important, real success depends on building trust and collaboration along the market chain. Ultimately farmers and others involved develop relevant local knowledge and experience and share it – even with people in distant communities – to come up with new ideas.

The First Mile Project is supported by the Government of Switzerland and is implemented in collaboration with the Agricultural Marketing Systems Development Programme (AMSDP) of the Government of the United Republic of Tanzania. The AMSDP is a seven-year programme to increase rural poor peoples' food security and incomes by improving the structure and performance of the country's crop marketing systems.

In mid-2005 the First Mile Project Phase 1 started working with small farmers in parts of Tanzania to improve their access to markets and market information.

The project set out to:

- facilitate learning among local groups to improve market linkages
- generate locally developed good practices in building markets
- empower small farmers to get access to information and communication technologies (ICTs), based on their own needs

A little less than ten months later, in March 2006, project participants met to discuss and assess the impact of their work on market chain development. After just one agricultural season, they agreed there had been considerable impact on their access to markets and on their production and incomes. For an initial investment of US\$200,000, the project's activities contributed to a gross increase in income of participants of more than US\$1.8 million.

First Mile project showed that poor rural people can come up with innovative solutions if they are given the support they need to be able to try out new ideas and exchange learning, relevant local knowledge and experience.

And, by being able to make new deals, farmers achieved some very promising results in terms of increased production and income within a short time.

The First Mile Project did not start from scratch. It built on the foundations established by the AMSDP, and particularly on its work to strengthen the organization, leadership and financial management of producer groups. The core groups set up by the AMSDP to implement its activities in the districts were crucial in enabling the First Mile team to reach farmers. In some districts the core groups became the intermediaries, helping farmers negotiate with others in the market chain and helping them share and develop ideas over the Internet.

Two other key initiatives established by the AMSDP are savings and credit cooperatives and the warehouse receipt system, which enables farmers to store their harvest and sell it in bulk at the right time. This gives them better bargaining power and higher profits. And if an emergency arises while they are waiting to sell, they can borrow cash through credit cooperatives.

Implementation methodologies

By working in collaboration with others in market chains, farmers were able to make new deals, very often using mobile phones. These experiences were shared at the village level on local billboards and at face-to-face meetings. They were also shared between districts, through **Linking Local Learners**, a methodology that combines face-to-face learning, in which local groups learn together through experience and discussion, with use of an Internet-based learning platform. The sharing of learning and experiences often inspired others to pick up on innovative ideas and practices.

Farmers' groups learned together how to improve their access to markets and boost production and incomes. Their shared experience is archived and accessible to all subscribers to Linking Local Learners at www.linkinglearners.net

What is innovative about this project?

There are many innovative aspects to the First Mile initiative.

Following are a few:

- The project employs information and communication technologies in practical ways that are and appropriate for and accessible to poor farmers in isolated rural communities. Mobile phones, for example, are reconfiguring the links in traditional market chains.
- Through the Linking Local Learners approach, the project enables farmers and others in the market chain to share knowledge, experience and good practices, and learn together – even with distant communities - to come up with new ideas and locally-relevant solutions.
- Farmers, processors, traders and others in market chains are building trust and working collaboratively, instead of competitively, so that all are benefiting. The project has, for example, helped farmers negotiate deals with others in market chains and helped to eliminate the cheating and mistrust that has hindered fair trade in the past.
- The project has a built-in sustainability strategy. Phase 2, which will get underway in September 2007, will support the emergence of commercially rural service providers that can use modern ICTs to provide marketing services to small farmers. The focus will be on how to achieve sustainable and reliable services along market chains in rural areas of Tanzania. Over two years, the project will experiment with:
 - mechanisms for sustaining local connectivity that helps farmers maintain access to market opportunities through small local enterprises.
 - use of SMS to connect with on-line databases of locally relevant market intelligence.

Evidence of impact

The many lessons and good practices emerging from the First Mile Project have been well-documented and widely shared through a strategic approach to knowledge management. As

mentioned earlier, for an initial investment of US\$200,000, the project's activities contributed to a gross increase in income of participants of more than US\$1.8 million.

Following are a couple of examples. More detailed information can be provided if required:

In just one season, some small farmers doubled and sometimes quadrupled marketed volumes and increased their income. For example, five farmers' associations in Songea and Namtumbo districts managed to sell 70 tonnes of maize at US\$ 143 per ton in early 2006 by using mobile phones, price updates broadcast by radio and the market intelligence gathered by *shushushus*, or market spies. This was more than double the price obtained by other farmers' groups in the same period who didn't have access to near real-time market intelligence.

Farmers in Hai district earned higher gross incomes because they were marketing commodities they had not sold before. For example, 156 producers earned US\$32,000 selling safflower directly to the export company Quality Food Products Ltd.

Costs associated with project implementation

The First Mile Project is implemented in conjunction with the Tanzanian Government's Agricultural marketing Systems development Programme, which is funded partly by an IFAD loan. The specific activities related to the First Mile Phase 1 cost US\$200,000. First Mile Phase 2 has a budget of US\$1 million over two years.

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