



GLOBAL EVENT

JOHANNESBURG SOUTH AFRICA

CLUSTERING AND GROUPING FARMERS FOR ECONOMIES OF SCALE

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Presentation Overview

- What is “clustering” and why is it important?
- Benefits to small farmers
- Clustering the small farmer
- Gaining economies of scale
- Contribution to the economy
- Examples (3)

What is “clustering” and why is it important?

- Simple definition: A number of farmers who loosely work together and cooperate with one another based on geographic location, needs, etc.
- In CaFAN, small farmers are clustered based on geographic location, size of farm, crops grown, market, immediate needs, etc.
 - We do not force farmers to work in groups; however, we create an enabling environment for them to work together and when they work together, they create their own form of organization.
- Clustering helps to address many issues faced by a single farmer – low productivity, high cost of labour, access to information, lack of competitiveness, etc.

E.g. Labour Clusters

- Benefits: reduce cost of labour, higher productivity, more income, reduced cost of production, etc.



Grenada: Maroon cluster reaping sweet potatoes



St. Vincent: Vermont cluster sharing the art of farming with school children

Benefits of Clustering



- Competitiveness
- Shared costs
- Policy action and dialogue
- Growth
- Goal fulfillment
- Networking
- Education and training
- Marketing and promotion
- Reduce food loss
- Institutional support
- Government support
- Investment
- Research and Development
- Upgrading

Benefits of Clustering



Clustering the small farmer

- In targeting domestic and regional markets, CaFAN has encouraged the classification of small farmers into three categories: (1) commercial, (2) semi commercial, (3) subsistence and (4) emerging-subsistence.
 - *The purpose: to ensure policies and agricultural work programmes are more focused and result oriented.*
- By clustering (e.g. 10) small farmers, we increase their output by 2.5 to 3 times in comparison to a single unit/large farmer with a multiplier effect that extends to an entire community.

Clustering the small farmer

- In the last few years, agriculture focus is gaining momentum - largely as a result of the contribution of small-scale farmers who supply over 70% of the world's food. These farmers have refocused their efforts to supplying domestic markets and sending surplus to regional markets and moving the Caribbean territories closer to achieving food security.
- Small farmers' commitment to seeing farming as a business has seen a greater focus on strengthening farming enterprises.

Gaining economies of scale

- Owning the value chain is one of the greatest means for small farmers to gain economies of scale.
- Owning more, if not all, of the value chain is the only way the farmer will get more sustainable valuable profits.
 - By reducing or even eliminating the “middle persons” farmers are able to double their price without increasing the price on the market.
- Value chain is a chain in which every link has a value and the more links that is owned by the farmer, is the more he/she controls the value chain.

Contribution to the economy

- Producing fruits and vegetables for the tourism sector;
- Reducing imports – saving foreign exchange – e.g. potatoes in Jamaica
- Earning foreign exchange – e.g. exports of taro to the UK market – opportunities exist to export sweet potatoes to US markets;
- Providing employment in rural communities – providing incomes to rural households –especially in Jamaica, the Windward Islands, and Haiti;
- Reducing rural to urban migration – potential in Jamaica, Guyana, and Suriname.

E.g. 1 Greggs Dasheen Cluster

- NB: Greggs is a village in SVG whose main crop is dasheen (Taro)
- Started with training farmers in ICM linked to production and marketing;
- Community group formed in 2002;
- First group marketing in 2004 to Grenada after the devastation of Hurricane Ivan.
- In 2005 trial shipment of Dasheen to UK.

ECTAD Greggs Dasheen Cluster

- When started, price of Dasheen was .25 to .30 per lb to the farmer. By eliminating the middle persons, price to farmer became stable at a minimum of .70 per lb.
- Other neighbouring villages were added to the programme.
- More buyers in the UK – extended to France.
- Employment and income generated within local villages.

Dasheen farmers owning the value chain





Cabbage intercropped with dasheen.



Dasheen field in Richland Park.



Dasheen holes on a steep slope.



Newly planted holes next to ripening dasheen.

E.g. 2 NEFO GRENADA

- Started as a community group – now formed and registered as North East Farmers Organisation.



E.G 2 - NEFO GRENADA

- Started as a community group – now formed and registered as North East Farmers Organisation.
- Train, market and socialise together.
- They are one of the main suppliers to the Marketing Board (MNIB) who exports to the U.S.
- Develop projects that benefit them and the community including Study tours to other countries.



E.g 3 Vincy Klus – Agri-business

- History: Founded - September 16th 2010
- Membership of 40 producers and Value Chain stakeholders spread over country
- The cluster and its operation is governed by five (5) committees:
 - Marketing and Promotions
 - Finance
 - Advocacy & Lobbying
 - Education & Information
 - Business Support Business Support

E.g 3 Vincy Klus – Agri-business



E.g 3 Vincy Klus – Agri-business

- St Vincent grows many of the raw materials used in production
- Vincy Klus buys directly from farmers
- Contracts are signed for production of raw materials
- New orchards are introduced
- Feedback from public is passed on to specific company

Thank you!

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