
Module 11

Forming a group

Group formation in fruit production

Trainer's note:

In an informal group discussion, enquire about the general advantages of cooperation. Use the points brought out as a stepping stone to apply them to fruit production.

Main group activities in fruit production

- ?? establishing and managing group nurseries
- ?? conducting marketing activities
- ?? providing services

General aspects

- ?? Small groups are preferable in the beginning. Discussions are easier and more open.
- ?? A group can work first on a trial basis. It can carry out small, limited activities. This helps to detect crucial points that might have been overlooked in the beginning. If the group solves its problems, the cooperation is extended. The group can be officially registered later.



Group meeting

- ?? Seek advice from outside if necessary. Projects and institutions may assist you to come to conclusions.
- ?? Get information about the legal and registration procedures that you need to consider.
- ?? It is easy to increase the number of members, once a group is successfully established.
- ?? Hold or attend regular training on leadership and group management.

Trainer's notes

Prepare a table in discussion with farmers and participants

Positive effects

- Learn from each other
- Solve transport problems
- Share risks
- Individuals can specialize in specific tasks
- Gain larger influence, in markets and with public
- Share the work
- Delegate some duties

- Positive influence in the community
- Training in leadership
- Achieve economies of scale
- Accumulate investment capital

- Easier access to credits and loans
- Easier collaboration with extension services and aid agencies

Negative effects or possible problems

- Targets are not clearly agreed upon
- Members' expectations differ
- Work distribution is unequal
- Some members are more active than others
- Some members are more innovative than others
- Individual members' financial situations differ
- Leadership questions and decision-making process becomes more complicated
- Members have different time horizons
- Unequal sharing of profit or loss
- Mistrust among group members
- Increased administration and paperwork for the group
- Members do not stick to group agreements

Activity What to do?	Timeframe Until when?	Responsibility By whom?	Finances Costs and inputs?	Output Expected results
Supply mango scions (Kent) from Siaya to Kisumu	January next year	Mr Daudi to travel and collect scions for 5 farmers.	Travel expenses, Ksh 200 + 1 night in hotel in Kisumu, Ksh 400 + procurement of 400 scions, Ksh 2000 = total: Ksh 2600	Rootstock of 350 mangos can be grafted on 5 farms
...

Pre-workshop assignment:

For a discussion on group nurseries or group marketing, participants should come prepared to say—

- How many fruit trees and of which type and cultivar do they want to plant later? (for a nursery)
- How many fruit trees and cultivars do they have established already? What yields do they expect? (For marketing)

Practical exercise: Financial contributions and personal commitment

- Estimate all investment and running costs involved in the group activities. Divide the total amount by the number of potential group members. Is everybody ready to contribute that much?
- If a member works more for the group than others, how is that member compensated?
- Seriously discuss how to repay credits or loans and how to handle financial losses as a group.
- Apart from financial contributions (shares, fees), potential members can prove their commitment by physical activities that all members agree upon in a given period (for instance, to plant a number of fruit trees in one's orchard, to level a site, to prune one's trees . . .).
- What assistance do you expect from outside and from whom?

**Leadership**

- ?? Sometimes, leaders and official positions (chairperson, treasurer, secretary) are not necessary initially. A committee can be established to work out the first activities and present the plan to the group.
- ?? Developing and establishing structures for decision-making requires open-minded discussion.
- ?? A group leader needs to clearly defined tasks and should be experienced to deal with them. The leader should have sufficient time to fulfil the required duties. Do not expect that group leadership will solve all group members' problems without support from the members themselves.
- ?? If you vote to have a leader, have you agreed whether the leader is to be paid something?

Role play on leadership:

Arrange for a mock committee and have participants act out their individual duties.

Practical exercise: Group nurseries for fruit trees

Consider and discuss the following questions:

- Who owns the nursery site?
- Has the group set clear targets (species, cultivars, number of trees)?
- What capital and investment are required for the inputs (see nursery establishment)?
- Are markets identified and is distribution planned for the improved cultivars?
- Do group members get plants free of charge?
- Do group members get paid if they work in the nursery?
- Is there a plan to distribute the work among the members?
- Can someone send a child or relative to work in the nursery instead of coming personally?
- Who sells the fruit trees?
- How will the incoming money and accounts be handled?
- Does the nursery maintain a revolving fund for operational costs?
- How often does the group meet?
- Who calls for meetings?
- Who does administrative work?
- Who is responsible for procurement? . . . and so on

According to experience . . .

- ?? Group nurseries work well if they are a joint venture among farmers from the neighbourhood who intend to establish fruit trees on their individual farms.
- ?? It is an advantage if the members already know each other and can cooperate smoothly.
- ?? A viable number of members in terms of group structure is 4 to 5.
- ?? If the group members are committed, each member can achieve a nursery output of 1000 improved fruit trees; that is, a group nursery with 3 members can raise 3000 fruit trees.

Marketing groups for farmers



Trainer's note

This topic is complicated. Our module highlights only some common problems and reasons for failure of group marketing. Handle the module as a discussion and use it to consider the situation relevant to farmers and solicit their opinions.

Common problems of individual farmers in marketing

Forming a farmer group for marketing activities is useful to overcome certain farm-level constraints:

- ?? transport
- ?? facilities or inputs (packing materials, storage, grading facilities)

- ?? produce in the required quantity and quality
- ?? information on markets
- ?? organization and management capacity

Advantages of group marketing for customers

Well-organized group marketing has advantages for the customer:

- ?? a larger amount of produce available
- ?? less seasonal fluctuation in supply
- ?? a given, defined quality of the required quantity maintained
- ?? better service offered in grading, packing, transport
- ?? organized management (fewer contact persons)
- ?? agreed prices and way of payment
- ?? reliable business partner

Advantages for individual group members

In collective group marketing, some issues are of major importance for each group member:

- ?? reliable financial agreements and payments
- ?? standard agreements for grading, packing and transport
- ?? reliable orders
- ?? reliable time schedule
- ?? ensured flow of information and communication
- ?? availability in quantity, time and place of inputs such as packing material
- ?? reliable internal organization of the group
- ?? reliability and commitment of management and leaders

Difficulties to overcome in group marketing

Mainly two problems turn out to be crucial:

- ?? cooperation among the members
- ?? financial issues

Other problems:

- ?? a marketing group tends to tackle people's problems rather than technical problems
- ?? lack of transparency in financial issues and payments to individuals
- ?? lack of clearly defined targets and marketing strategy
- ?? unclear work distribution between individual farmer, group and customer
- ?? reliability of individual members
- ?? communication problems and mistrust between farmer, group and customer
- ?? unforeseen market changes and market development
- ?? external policy influences on the group
- ?? production risk
- ?? lack of infrastructure

To handle constraints and requirements, we propose at the beginning:

- ?? *Small groups (10 to 20 farmers)*
- ?? *Open groups that consolidate slowly*
- ?? *Lowest possible input level (hired transport, used but clean paper boxes for packing, no large overhead structures, offices)*
- ?? *Limited trial activities*

Marketing activities and responsibilities in steps [to here]

Trainer's note:

For discussion, ask the following questions and record the farmers' answers. Make a table like the example below:

A) Activities column

Which steps and activities are required to take the farmers' products from farm to market?

Which information flow and financial exchanges are included?

B) Responsibilities column

In case of group marketing, who will be in charge to ensure these necessary activities?

Table: Activities and responsibilities in collective group marketing

Activity	Responsibility (as example)
Production	farmer
Collection in village	farmer, group
Grading	farmer, group-developed standards
Quality control	group management
Packing	farmer, group
Organising transport	group management
Physical transport	hired (external) or own group means
Delivery to market/ customer	group management, the one in charge
Payments of customers	group management, the one in charge
Market information, dissemination to farmers	group management, the one in charge
Search for new markets and customers, public relation activities	group management, the one in charge
Book-keeping, accounts, pay farmers	group management, the one in charge
Group meetings, planning	group management
Planning of production	group, farmer

Trainer's summary on marketing groups

?? Group marketing is helpful to overcome an individual's problems.

?? Group marketing can achieve solutions related to small-scale production.

?? Group structures are problematic as such.

?? Personal interests, financial situations have strong influence on groups.

?? Clear definition of targets and work distribution are required.

?? Commitment and reliability of group members is essential.

?? Do not expect an outcome without your personal input.