**Value Chain Services**

**Contents**

1. Operational and support services in value chains
2. Analysis of business service needs and provision
3. Farmer Business School

**Operational Services in VC (Micro Level)**

The actors along the value chain need services in order to perform their tasks (B 2 B service):

- Specific input providers
- Primary producers
- Logistics centres, industry
- Traders
- End market

With increasing sophistication of the VC, more and better services are required (→ partly subcontracted)
Operational Services – Mode of Delivery

External
- Tax money
- Subsidized service
- Contracted service (service market)
- Embedded services of input suppliers
- Embedded services of buyers

Internal
- Producer Association
- Primary producers
- Logistics centres, Industry
- Traders

Support Services for VC (Meso Level)

Benefiting chain actors collectively - often public services

End market
- Operational Service Providers
- Operational Service Providers
- Operational Service Providers
- Specific Input providers
- Primary producers
- Logistics centres, Industry
- Traders

Public research
- Extension services
- Market information
- Vocational training
- Introduction of standards

Trade fairs
- Export promotion
- Fairs & meetings
- Joint marketing
- Investment promotion

...
Funding & Mode of Delivery (Meso Level)

Specific Input providers → Primary producers → Logistics centres, Industry → Traders → Exporters

Fees of members (+ benefits from own enterprises)

Operational Service Providers

Operational Service Providers

Operational Service Providers

Assocations Chambers

Contracts

Levies

Public service Providers (e.g. research)

Operational Fees

Types of Service Providers

Operational services

Support services

Private providers

- Business advisors
- Transports
- Technical service providers
- Certifiers
- Cooperatives & producer groups

Public providers

- Agric. extension service to individual farmers
- Agric. extension service
- Research institutes
- Vocational training institutes
- Government agencies for business promotion

- Business membership organizations (BMO)
- Chambers
- Commodity Boards
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**Objective: Sustainable Delivery of VC Services**

**The Challenge**

Improve service quality and availability to poor producers while maintaining the financial viability of service provision, and not crowding out private service providers.

**Basic principle**

Operational services should be paid for privately (fee-based or embedded) to avoid market distortions and assure viability.
### Analyzing the Demand for Services

<table>
<thead>
<tr>
<th>Groups of chain operators along the value chain</th>
<th>Operational service needs of the groups of operators</th>
<th>Characterization of the services needed (e.g. volume, frequency of demand)</th>
<th>To what extent is the service demand met by service suppliers?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers</td>
<td>to be specified</td>
<td>to be specified</td>
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<tr>
<td>Traders/collectors ...</td>
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<tr>
<td>Support service needs of the groups of operators</td>
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<td>Traders/collectors ...</td>
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</tbody>
</table>

### Analyzing the Supply of Services

<table>
<thead>
<tr>
<th>Operational and support service needs (taken over from the demand analysis)</th>
<th>Existing service providers</th>
<th>Problems of service provision</th>
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<tbody>
<tr>
<td></td>
<td>to be specified</td>
<td>Suggested areas of analysis:</td>
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<tr>
<td></td>
<td></td>
<td>- Mechanisms of demand</td>
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<td></td>
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<td>formulation</td>
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<td></td>
<td></td>
<td>- Pricing of services</td>
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<td>- Linkages between operators</td>
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<td></td>
<td>and providers</td>
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<tr>
<td></td>
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<td>- (In)adequacy of service</td>
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<td>arrangement</td>
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<tr>
<td>Potential service providers</td>
<td></td>
<td>Obstacles to service provision</td>
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FBS - Farmer Business School

Farmer Business School
What is it about?

M1 Manage your farm for enough food
M2 Money - know how to start
M3 Make more money with good business
M4 Farming for more income
M5 Make opportunities to diversify your farm enterprises
M6 Manage your money throughout the year
M7 How to get good financial services
M8 Make money with quality cocoa
M9 Benefits from membership in farmer organizations
M10 Rocks and pebbles
M11 Innovaling in planting and replanting of cocoa
M12 Recreating an entrepreneur in practice
Key Features of FBS

- Innovation in the provision of agricultural extension services
- Always linked to one lead crop or specific farming system
- More than 400,000 farmers trained in more than 12 countries and 12 different crops since 2010
- Designed by GIZ (with support from the GATES Foundation) for:
  - Large outreach (+ 5,000 farmers)
  - Low cost (6-15 $/person trained)
  - Often illiterate farmers smallholder farmers
- 5 subsequent mornings in the village/community
- All farmers receive a training notebook, a work book for practical application and a participation certificate
- Well- animated and participatory adult learning
- Follow up of the classroom training
- Strict ToT qualification system

Summary: Main lessons to remember

- Services are essential for value chain development as they enable the value chain to function efficiently.
- Operational services are services that are directly related to the business operations of the VC actors and are needed to perform the business well.
- Support services such as scientific research, vocational training, trade promotion etc. are provided by meso level organizations and are part of the enabling environment of the value chain.
- The improvement of service provision is based on supply and demand analysis and effective service arrangements. Fee-based service provision and embedded service provision (services provided by one actor in the value chain to another) are main solutions for improved operational services.
- The key concept of sustainable service provision is to build the capacity of VC actors to provide services in a way that access to improved services is ensured after the end of a VC promotion project.