

INDIGENOUS PLANT TASK TEAM (IPTT) / CRIAA SA-DC
KALAHARI MELON SEED (KMS) OIL DEVELOPMENT PROJECT

PROCEEDINGS OF THE WORKSHOP

**Marketing Information and Practical Training
for Local Centre Co-ordinators
Involved in Collective Marketing of Kalahari Melon Seeds**

Held at Ongwediva ELCIN Centre on 20 - 21 August 2008

Prepared by Padelia Phillipus & Michel Mallet
CRIAA SA-DC, Windhoek
September 2008

ACRONYMS AND ABBREVIATIONS

CRIAA SA-DC	CRIAA - Southern Africa Development & Consulting
DEES	Directorate of Extension and Engineering Services (MAWF)
EWC	Eudafano Women's Co-operative
GMP	Grain Marketing Promoter
IPTT	Indigenous Plant Task Team
KMS	Kalahari Melon Seed
LC	Local Centre
LCC	Local Centre Committee
LDC	Local Development Committee
MRFC	Mandume Regional Farmers' Co-operative (Ohangwena Region)
MAWF	Ministry of Agriculture, Water and Forestry
NAB	Namibian Agronomic Board
NNFU	Namibia National Farmers' Union
OmRFC	Omusati Regional Farmers' Co-operative (Omusati Region)
OnRFC	Ongushu Regional Farmers' Co-operative (Oshana Region)
RFCs	Regional Farmers Cooperatives
URFC	Uukumwe Regional Farmers' Co-operative (Oshikoto Region)

INTRODUCTION

This marketing information and practical training workshop was targeted at the Co-ordinators of Local Centres, Associations and organised groups who were going to be involved in the collective marketing of Kalahari Melon Seeds (KMS) in a significant scale this year. Invitations were extended to Co-ordinators/Leaders from Local Centres newly involved in KMS marketing, as well as from more experienced Local Centres so as to share experience.

This 2-day workshop was organised with the support of the IPTT and PhytoTrade Africa, and in co-operation with the NNFU through its programme supporting the collective marketing of crops by Regional Farmers' Organisations in Northern Namibia.

The workshop had 3 objectives:

- Share knowledge and experience about the marketing of KMS
- Equip participants with the required tools to manage collective marketing of KMS
- Plan the marketing campaign, back-up support, and monitoring and evaluation.

A total of 27 participants (22 women and 5 men) attended the training workshop:

- 11 participants from Eudafano
- 9 participants from RFCs
- 4 participants from other centres
- 2 Extension Officers from MAWF
- 1 NNFU Programme Co-ordinator.

The workshop was organised and facilitated by Padelia Phillipus and Michel Mallet of CRIAA SA-DC and Johanna Uupindi - Grain Marketing Promoter (GMP) of RFCs attached to the NNFU Oshakati Office.

PROCEEDINGS

DAY 1

Mr. Michel Mallet opened the workshop at 9:00. He welcomed the participants and explained the objectives and the programme of the workshop (see *Annex 1*). The participants introduced themselves (see List of Participants in *Annex 2*). The participation of Agricultural Extension Officers was acknowledged with appreciation.

KMS MARKETING AND QUALITY REQUIREMENTS (Padelia Phillipus)

The growing market demand for KMS oil was explained. From 10 tonnes this year, it could increase to 30 tonnes per year in future if the supply of KMS could be adequate. Presently, there are 2 processors of KMS oil both in Ondangwa: Eudafano Factory and Oontanga Oil Producers. KMS oil is exported to high value niche markets and also sold locally in smaller volume. Hence the need to scale-up the production and marketing of KMS beyond the associations of EWC.

The production and marketing of KMS at community level provide an opportunity for income generation for rural people based on a traditional product.

Quality requirements for marketing Melon Seeds:

- **Type of seeds:** KMS (eenhanga domukokotwa), cleaned and dried, fresh melon seeds from the harvest of the current year or from the previous year (if still good quality), free of sand, soil and insect infestation.
- **Packaging:** Melon seeds must be packed in cleaned bags (new and good second hands) and only strong bags must be used, well closed, not excessively full to prevent them from bursting when loading and off-loading or during transportation from the centre to the buyer.
- **Traceability:** This is referring to the ability to trace back products along the supply chain from the oil processed back to the individual producer of seeds. It is needed for controlling the quality along the supply chain, as well as supporting the claims made with regard to community-based production and trade. Therefore, the workshop will train the participants how to properly use the recording forms and number the bags to ensure traceability.
- **Precautions:** A firm warning to farmers not to allow their field, and their storage facilities to be sprayed with DDT or other toxic chemical substances that can cause contamination to the products.

Meme Selma Nakaziko from the Omuthiya Centre added that melon seeds should not be kept in such containers as paint buckets or old bags that have contained salt because it can contaminate the products.

Price for Kalahari Melon Seeds (KMS)

- Community trade price: Affording the producers a better price for their product, based on the price structure of Eudafano Women’s Co-operative (EWC).

Sylvia Uuwanga explained the KMS price structure of Eudafano Factory, with a minimum price of N\$3.00/kg to producers for KMS delivered to the LC:

N\$/kg	Individuals & small delivery below 500kg	EWC Associations / other producer groups & large delivery (over 500kg)		
		Near distance	Far distance	Certified organic
Producer price	3.00	3.00	3.00	TBA
Association’s & group’s margin for logistics	-	0.50	0.50	TBA
<i>Collection centre price</i>	3.00	3.50	3.50	TBA
Transport to Factory	0.50	0.50	1.00	TBA
Factory delivery price	3.50	4.00	4.50	TBA

- Near distance: within 50 km away from the factory
- Far distance above 50 km away from the Factory
- Organic certified products: price to be advised (TBA)

The participants discussed the equivalent price per lata and agreed that there is not accurate equivalent in kg of a lata because there are different lata sizes. A “standard” lata of 20 litres would give around 12kg to 13kg of KMS.

Participants stressed that the producer price of N\$3.00/kg is workable but could be improved as the extraction of melon seeds requires a lot of labour. Therefore the participants suggested if price for the producers could be increased from N\$3.00 to N\$3.50/kg in order to encourage farmers to produce more.

LOCAL CENTER MANAGEMENT (Johanna Uupindi)

Farmers should market in groups in order to supply the necessary quantity and organise collective transport.

EWC Associations and Regional Farmers’ Co-operative branches have a lot of experience in managing LCs, because they have been involved in the marketing of KMS and marula kernels or Mahangu grain for many years. Meme Rauna Kafidi from Dinina Association added that to establish a centre is not something complicated, as long as the farmers are working together and are sharing a common interest.

The Local Centre Committee (LCC) managing the affairs of the centre, is made up of 5 to 7 members:

- Chairperson and deputy chairperson
- Secretary and deputy secretary
- Treasurer
- And possibly 2 additional members

A Local Centre (LC) must be well organised, with committee being trained and be able to:

- Organise meetings with producers
- Organise intake
- Control the quality of the seeds at the centre and weigh the bags
- Record information in the forms
- Organise the transport of bags and selling to the Buyer
- Get payment from the Buyer and pay producers their dues
- Keep good records and proper bookkeeping
- Ensure financial transparency and accountability (answerable to the producers regarding financial matters).

SELLING OF KMS (P. Phillipus & J. Uupindi)

- Transport: It can be arranged by either the LC or the Buyer. The Buyer could agree to come to the LC with its own truck or the LC can hire a private truck to deliver to the Buyer. In the situation where the LC is required to arrange its own transport, Eudafano Factory pays N\$0.50/kg for KMS delivered to the Factory.
- Delivery and payment to LC: At least one LCC representative (preferably 2) should accompany the truck to the Buyer to make sure about the kg weighing and the number of bags from the centre (see transport and delivery form), and arrange the payment from the Buyer.
- Payment to producers: The LCC is in charge of paying the producers from the payment received from the Buyer and record these payments with the appropriate form.

TRAINING OF RECORDING OF FORMS (P. Phillipus & J. Uupindi)

The following forms were presented to the participants and discussed:

- Registration form (if needed)
- Centre intake form
- Delivery form, and
- Payment form.

The workshop debated the issue of membership fee payable by the producers to LCs, which are not part of EWC nor branches of RFCs. It was resolved that there is no need for them to pay membership since they are not being directly supported by these organisations.

The forms presented at the workshop were the same as those used for Mahangu marketing but they were found confusing for KMS. Sylvia Uuwanga from EWC Factory confirmed that these Mahangu forms are different from those used by EWC. It was agreed that recording forms for the marketing of KMS should be the same as those of EWC and made simple to understand by the producers (see *Annex 3*).

DAY 2

INFORMATION DISSEMINATION TO FARMERS (P. Phillipus)

How to improve communication and promotion of KMS marketing?

Information should be disseminated at 3 important times in the year.

What	How	When	Who	Where
Marketing info: . where to sell . quality of seeds . price	. Meetings . Oshiwambo Radio program . Churches . Schools . Pamphlets . Local Councillors . Workshops	May-July	. Farmers . CRIAA . NNFU . RFCs . EWC . DEES	. Local centres . Associations . New potential areas . LDC's meetings . Traditional authority meetings
Planting info: . types of seeds to plant . info meetings	same as above	October - January	same as above	same as above
Harvesting info: . extraction . quality requirements	same as above	April - June	same as above	same as above

NNFU and EWC (with the help of CRIAA if needed) should have regular Radio programme (NBC Oshiwambo) on melon seed production and KMS marketing.

Meme Martha Vilho from Omauni and meme Saima Mutileni from Onkani to inform the workshop that Producers from their areas do not usually know about the marketing opportunity, where to sell KMS nor the price offered to them. They explained that melons harvested are fed to kids in case of food shortage, or can be used as feeds to animals, such as chicken and pigs.

LOCAL CENTRE COSTS AND BOOKKEEPING (J. Uupindi & M. Mallet)

Costs of a Local Centre / Association include:

- Storage of bags (storage place, security etc.)
- Stationary: photocopies of forms, books, pens etc.
- Loading and off-loading of bags
- Taxi fares for LCC (bank, return trip to LC after delivery to buyer, etc.)
- Cell phone air time (calls to Buyer, to transporter etc.)
- Any LCC bonus allowance on successful completion of marketing (if decided in advance by LC members)

Income of a Local Centre / Association:

This is what brings money to the LC and cover its organisation and marketing costs:

- Logistics margin (equivalent to RFCs' "commission") - each farmers contribute to the centre margin in every kg of KMS
 - Transport margin to cover the truck costs of bags to the Buyer - collective transport may be cheaper especially when combined with Mahangu, it could generate an additional surplus if savings are made
- Each RFC has to decide the % sharing of the logistics margin between LCs and RFC on the same basis as the Mahangu marketing "commission". This is because RFCs also have marketing costs to cover, particularly their contribution to the GMPs.

Bookkeeping:

LCCs are responsible to account to the producers for all income and expenditure of the LC marketing campaign. Each LCC shall keep all receipts and invoices of income and expenditure and record them in a book (a simple example is shown below). All vouchers should be dated and signed.

Care should be taken when giving a cash advance for expenses: the advance must be dated and signed by the recipients and the LCC; the advance must be settled by the recipient by submitting the invoice and/or receipts and bringing back any change.

Simple format for bookkeeping at LC

Date	Description	N\$ in (+) received	N\$ out (-) paid	N\$ balance
	Total:			

Whereby:

- Date: date of payment made (-) or income received (+)
- Description:
- N\$ in: N\$ amount received as an income
- N\$ out: N\$ paid out
- N\$ balance: balance from previous line, plus income of the line or less expense of the line

LC budgeting:

LCs should estimate their marketing costs and agree on acceptable expenses in advance. This is particularly important for such expenses as cellphone airtime, travel by LCC members, and any incentive bonus payment to LCC members for a well managed marketing campaign.

Surplus / loss:

Proper budgeting and expenditure control should avoid LCs making a loss (when costs are not covered by the LC income).

When a LC makes a surplus, the LCC should meet with the LC producers and agree on what to do with the money left.

For example a surplus could be used to pay for 1 or several of the following expenses:

- Buy a scale at the centre
- Pay the LCC an incentive bonus for a job well done (for example N\$0.05 or N\$0.10/kg marketed to be shared between the active LCC members)
- Pay a bonus to producers above the N\$3.00/kg
- The money could be saved for other activities for the LC.

WAY FORWARD

The workshop resolved the immediate actions to be taken to support the marketing activities of the local centres (LCs) of Regional Farmers' Co-operatives (RFCs) and other KMS producer groups.

Follow-up visits and meetings to be conducted soon by CRIAA and/or NNFU especially for the new centres, which require additional training on the recording forms, bookkeeping and budgeting, as well as to observe their intake.

CRIAA will also collect samples of KMS at intake or delivery to monitor quality. Monitoring visits (or by telephone) will be conducted by CRIAA and NNFU at the end of the marketing campaign to collect the marketing and financial data for each LCs.

Towards April 2009, another workshop will be convened to evaluate the 2008 marketing campaign and prepare the next one.

CONCLUSION AND RECOMMENDATIONS, CLOSING OF WORKSHOP

M. Mallet concluded by saying that the good attendance and participation made the workshop very positive. KMS producers should now be in a better position to understand marketing management and quality requirements.

The main recommendations from the workshop were:

- More training and back-stopping is needed for Associations and LCs in bookkeeping and recording
- LCCs which have well managed the marketing of KMS should receive a small incentive bonus payment for their effort.

M. Mallet closed the workshop by thanking all for their active participation and wished them a safe journey back home.

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Marketing Information & Practical Training for Local Centre Co-ordinators

WORKSHOP PROGRAMME
ELCIN Ongwediva, 20 - 21 August 2008

The workshop is organised with the support of the Grain Marketing Promoters (GMPs) of the Regional Farmers' Co-operatives (NNFU/NAB project) and the Eudafano Women Co-operative.

RFCs/NNFU GMP: Johanna Uupindi
Eudafano Factory: Sylvia Uuwanga
CRIAA SA-DC: Padelia Phillipus (Project Officer) & Michel Mallet

DAY 1: Wednesday 20 August

8:00 - 9:00	<i>Registration</i>	
9:00 - 9:30	Opening: welcome and prayer Introduction of participants	Michel Mallet All
9:30 - 10:00	Introduction to the workshop: objectives and programme	Michel
10:00 - 10:30	Recap on KMS marketing and quality requirements - Presentation and discussion	Padelia Phillipus
10:30 - 11:00	<i>Tea break</i>	
11:00 - 12:00	Recap on Local Centre management - Presentation and discussion	Johanna Uupindi
12:00 - 13:00	Recap on selling of KMS: - transport, delivery and payment to LCs and farmers	Johanna & Padelia
13:00 - 14:00	<i>Lunch</i>	
14:00 - 15:30	Training on recording forms	Padelia & Johanna
15:30 - 15:45	<i>Tea break</i>	
15:45 - 17:00	Training on recording forms	Padelia & Johanna

DAY 2: Thursday 21 August

8:00 - 8:30	Summary of Day-1	Michel & Padelia
8:30 - 9:30	Information dissemination to farmers: - How to improve communication and promotion of KMS marketing?	Padelia
9:30 - 10:30	Local Centre costs and bookkeeping	Johanna
10:30 - 11:00	<i>Tea break</i>	
11:00 - 12:00	Way forward: - Planning further support, monitoring & evaluation	Michel & Padelia
12:00 - 13:00	Conclusion and recommendations, closing of workshop	Michel & Padelia
13:00 - 14:00	<i>Lunch</i>	
14:00 - 15:00	Workshop administration: transport allowance payment	CRIAA

LIST OF PARTICIPANTS

RECORDING FORMS