Case Study

Agricultural Inputs in Liberia
An Inclusive Business Model to Close the Gender Gap

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Introduction

GROW believes that supporting women in agriculture is not only right but also smart. Closing the gender gap by providing female farmers with the same access to productive resources as men could increase yields on their farms by around 30 percent. Further, since GROW largely drives systemic change through the private sector, we are cognisant that our strategies need to make business sense in order to receive the buy-in of our partners and succeed.

Almost 60% of Liberia’s vegetable farmers are women. Yet, on average, women make up just a third of the client base of Liberian agro-input dealers - suggesting a large untapped market. Tailoring agro-dealers’ service offerings to better meet the consumer preferences and needs of women should therefore be a priority to bring about business growth and success.

This case study examines GROW’s work to introduce an inclusive business model that improves access to agro-inputs and agricultural advisory services for female smallholder farmers while boosting sales for agro-dealers. Using the results of several rounds of qualitative research combined with insights from existing quantitative data, this case study presents the results of the program’s partnership with agro-dealers. The case study also examines the “sales agent” model and its potential both to bring agro-inputs closer to female farmers and also to provide a pathway to economic empowerment for female sales agents.
Liberian farmers have limited access to quality agro-inputs as well as information on proper input use and improved agricultural practices. This hinders vegetable production and farmer income. Historically, taxes on imported agricultural inputs have been high, while the few traders that do import agro-inputs focus mainly on government and NGO contracts and have little interest in serving smallholder farmers directly. Some agro-dealers do value farmers as their customers but lack agronomical knowledge to provide strong advice and the business management skills to effectively run and grow their businesses, ultimately limiting the value offered to farmers.

GROW has been working with agro-dealers in Liberia since 2017 to help professionalise their operations and improve the services offered to customers, thereby boosting sales and creating a stronger network of dealers that will attract larger scale investment in Liberia’s inputs market and further increase farmers’ access to affordable products. Driven by an inclusive business model, this includes decentralising dealers’ sales outlets from shops located in urban centres to stalls at weekly markets located closer to farms as well as new marketing messages meant to expand client outreach. Most recently, a sales agent model was introduced that pairs farm-level advice and training to farmers with the sale of inputs; sales agents receive an agreed commission from agro-dealers for facilitating inputs sales. Between June 2019 and January 2020, over 22,000 farmers – 48% of whom were female – were trained by 101 sales agents working for 22 agro-dealers.

GROW’s intervention is informed by an inclusive business strategy that involves helping agro-dealers to understand and serve both their male and female farmer customers more effectively. Improved bookkeeping has equipped dealers with comprehensive data on sales and their customer base for the first time. This includes information on what, how much, and to whom they sell seeds, fertilisers or chemicals. Furthermore, agro-dealers have increased sales over the past two years by expanding points of sale and recruiting male and female sales agents to strengthen outreach, launching new marketing initiatives, and offering agronomic training — information that agro-dealers also track by customer.

Using operational research to refine GROW’s inclusive business strategy for agro-inputs

GROW undertook operational research in 2017 to inform an inclusive business strategy for agro-dealers and better target female smallholder farmers. Further rounds of research were carried out in April 2019 and February 2020 to nuance the approach and understand what works and what required improvement. Each round of research used a combination of existing quantitative data from GROW’s monitoring system and qualitative data collected through structured interviews, focus group discussions and observation. Key recommendations on consumer preferences and behaviours included:

- **Decentralised distribution**: Cooperatives and women groups provide easy access to a large network of potential buyers outside urban centres. Female sales agents can easily tap into these formal and informal networks.

- **Quality & Trust**: Farmers want to buy quality agricultural inputs from sellers they trust. Face-to-face contact and a permanent presence (e.g. through expanded points of sales at markets and sales agents) is essential. Trust and personal advice matters more for female farmers than male farmers.

- **Affordability & Packaging**: Repackaging inputs to sell in smaller quantities can mitigate the need to issue informal loans to farmers with limited purchasing power, many of whom are women.

- **Marketing**: Weekly markets are an easy way to reach women selling their produce. Radio is a preferred information source for both male and female farmers. Professional shop signs, branded T-Shirts and business cards for both agro dealers and sales agents attract customers.
**Results**

Between 2018 and 2019, **22 participating agro-dealers increased annual sales by 77% and almost doubled their customer base to 17,000 farmers.**

Agro-dealers’ female clients have grown by 120%; at the end of 2019, female clients accounted for 33% of agro-dealers’ total client base (up from 28% in the previous year).

At the same time, **sales to female farmers have grown by 248% (compared to a 73% growth for male farmers) over the past year and now make up 29% of total sales (compared to 17% last year).** Instances of husbands buying inputs for their wives are reported by both dealers and farmers, but we do not have information on the scale at which this happens.
Findings

1. Understanding and Adapting to Female Farmer Preferences

Our research revealed that agro-dealers observe different consumer preferences according to the gender of their customers, with many noting that women tend to attribute greater importance than men to the provision of correct and detailed advice on input use. “Women need and want more information,” said one agro-dealer in Bong County.

This is consistent with female farmers’ preference for personal advice and recommendations from people they know and trust on where to buy inputs. Conversely, male farmers are often attracted by the appearance of agro-dealers’ shops or market signs. A personalised and trustworthy advisory service to accompany the sale of inputs is an essential ingredient to recruiting and retaining female customers. In one community in Margibi County, GROW found that male farmers were willing to start buying from a new outlet that was located closer to their farms than their long-standing agro-dealers. In contrast, the women remained loyal to their existing dealers at Red Light Market. One woman reported that she had tried out the new input dealer, but as he had not provided any advice, she did not go back. Another female farmer said: “This person doesn’t know me. He would need to come [to the community] and provide advice.”

However, while women may be harder to recruit as clients than men, once acquired they often bring other, follow-on customers with them by providing a trusted recommendation to their friends. GROW’s focus on training agro-dealers on customer interaction and correct input use is therefore a great starting point to expand their female customer base. Once satisfied customers, women would very likely act as a free and effective advertisement for agro-dealers who successfully meet their needs by spreading the word.

2. Female Sales Agents Increase Female Farmer Outreach

A key component of GROW’s support to agro-dealers in 2018 was the provision of an agronomist to train agro-dealers and their farmers (in stores, on farms and through demonstration farms) on safer inputs use and good agricultural practices. In 2019, in a step to ensure sustainability of the model, agro dealers—with support from GROW—recruited and trained sales agents to improve outreach and support to farmers and attract new customers. At the time of the first sales agents’ training in June 2019, one third of the 179 sales agents were female: a small success given all agro-dealers recruited from within their existing – and predominantly male – networks.

Agro-dealers and farmers agree that women’s agronomic training needs are greater than men’s and female farmers tend to have less access to inputs. This, combined with women’s preference for information and trusted advice to accompany their inputs purchases, meant the newly recruited (and agronomically trained) sales agents presented a prime opportunity for agro-dealers to better cater for the needs of their existing female customers and attract new ones.

GROW’s support to the agro-dealers included messaging about the benefits of recruiting female sales agents, who can more readily access female networks than their male counterparts through cooperatives and women’s groups. They can also act as role models demonstrating that farming can be a lucrative business, gaining trust and with it new customers. In other words, female sales agents are essential for increasing outreach and agro dealers’ sales.

GROW’s research in 2019 investigated the risk of women experiencing conflict at home in response to their new role as sales agents. Conversely, we found that men responded well to the idea of their wives and partners as “teachers”. Similarly, our follow-up research in 2020 did not reveal instances of female sales agents’ change in status leading to an increase in arguments around family welfare and income.

The value of health and safety

A better understanding of health and safety considerations was identified as the main benefit for many female farmers on receiving improved information on products from their dealers and sales agents. Some recounted how they used to “taste the chemicals” to check if they were diluted correctly but now understand the negative health impact. Many highlighted the need to wear proper protective gear and keep children away from fields which have been sprayed. One group of women reported having headaches in the past which have improved with better knowledge on how to protect themselves when using chemicals.
3. Sales Agent Model Offers a Pathway to Women’s Economic Empowerment

Aside from understanding the reasons for drop-outs, identifying the benefits of the sales agent role for both women and men is important to ensuring the model’s sustainability and potential for replication and scale. It also helps to ascertain whether GROW’s agro-inputs work facilitates women’s economic empowerment, defined by Sida as the “process which increases women’s real power over economic decisions that influence their lives” (Törnqvist and Schmitz 2009).

In order to make the sales agent model sustainable, GROW encouraged agro-dealers to pay a sum agreed between them and their agents as commission for inputs sold to customers recruited through the agronomic training. To incentivise uptake as well as to support outreach and training of an initial group of farmers, each participating sales agent received branded gear from their associated agro-dealer, including a t-shirt and cap. Further, sales agents who trained more than 50 farmers and facilitated LRD$25,000 of sales for two consecutive months received additional performance incentives that correlated to training topics, such as knapsack sprayer and Personal Protective Equipment kits.

Many sales agents invested their commission in inputs for their own farms and, combined with their improved knowledge of agronomic practices, have increased their yields and incomes (see for example Box 3). Some sales agents have started related business ventures, such as renting out newly purchased irrigation equipment or spraying farms in exchange for a fee or farm labour. Another male sales agent in Nimba County has used the outreach and training activities to recruit farmers to his cooperative.

Our qualitative research captured evidence of female sales agents controlling the usage of their additional income, for example to buy land (see Box 3). This was especially the case among younger sales agents and elderly widows. Non-monetary incentives were also recorded; increased self-esteem and community reputation was a commonly cited benefit. “Nobody [in my community] knew me before; now they call me boss lady!” recounted a female sales agent in Bong County.

4. Challenges: Address Preconceptions to Ensure Sustainability

Attrition among sales agents was expected and by the end of January 2020, of the 179 sales agents trained only 101 were considered active, i.e. providing agronomic training to farmers and earning commission on input sales. However, female sales agents experienced a significantly higher rate of attrition than their male counterparts and by January only a fifth of active sales agents were female.

Interviews with active and inactive sales agents and their agro-dealers in Nimba and Bong, where female drop-out rates were highest, revealed that most inactive sales agents had no direct connection with farming. Interviews with selected agro-dealers suggested some women were included simply to make up female numbers. One inactive sales agent reported she attended the training provided by the agro-dealer as she knew the dealer’s wife, but did not continue to train farmers as she subsequently took up a job as nursery care worker: her primary profession.
Conversely, high-performing sales agents were typically farmers themselves and had an existing rapport with their agro-dealer as regular customers. Most agro-dealers’ farmer networks were predominantly male, meaning recruiting female farmers as sales agents required the additional work of cultivating relationships with farmers outside their existing customer base. Some agro-dealers also showed prejudice against employing female farmers. For example, one agro-dealer referred to women as “weak” and stated that they “will run away” and “don’t deal well with stress”. This prejudice can best be understood within deep-seated cultural attitudes surrounding the role of women – and particularly uneducated female farmers – in certain business activities.

Our research also revealed that childcare responsibilities and mobility issues, which are common hindrances to women’s participation in professional activities, did not contribute to the high female drop-out rate. Active female sales agents reported family members looked after children while they were out providing agronomic training to farmers, while female agents travelled in groups to more remote locations to ensure safety and share transport costs. Similarly, neither of these factors was cited by inactive agents as reasons for dropping out.
Conclusion

GROW’s data and research show that female sales agents are an effective way to reach a previously under-served customer segment. Female sales agents trained more female farmers than their male counterparts – 40% on average. Further, female sales agents trained almost as many total farmers as male sales agents (on average, 202 vs 223 respectively) and facilitate comparable sales (with variances across counties). Across all agro-dealers that adopted the sales agent model, sales to female farmers on average grew three times faster than to male farmers.

GROW has supported agro-dealers to decentralise their sales model; from shops located in urban centres to stalls at weekly markets and ultimately to a model of sales agents visiting farms to provide advice and sell inputs. For some agro-dealers, this has been a natural continuation of their practice of utilising farmers in remote communities to pass on knowledge and win over new customers. Other dealers were initially reluctant to sign up to the model but were gradually convinced by the increasing sales made through their agents.

Improved bookkeeping has allowed some agro-dealers to develop a better understanding of their customer base and awareness of their female customers.

However, few at this stage appreciate that specifically targeting female farmers can boost sales. GROW’s messaging on how female sales agents can effectively reach out to female customers, and therefore make business sense, did not convince some of the agro-dealers. In fact, the recruitment of female sales agents has revealed a deep-seated prejudice by some agro-dealers against female involvement in their business. Rather than being isolated opinions, these stem from wider societal norms that undermine the active participation of female farmers in the more profitable aspects of agriculture.

The programme’s experience over the past year has provided convincing evidence of how women can contribute to agribusiness success in rural Liberia. The previously invisible potential of women as consumers and distributors of agro-inputs has been brought to light through disaggregated sales and customer data. Using these business-relevant metrics, GROW will now need to actively petition agro-dealers to overcome their reluctance to collaborate with women. Some agro-dealers are already seeing how female farmers drive their business expansion and are ready to spread the message and act as role models to others.

References

1, FAO, 2011
2,GROW Outreach Multiplier Study, November 2018. The study found that 56% of the members of vegetable farming households in Liberia are female.