This flyer describes the tool ‘2-2 Trade’, which is a tool for improving farmer-firm business relationships.

This tool is part of the AgriProFocus’ learning trajectory on “farm-firm relationships and contracting: taking market linkages to the next level”. The trajectory includes action research of several actual business cases, the development of the tool and a coaching trajectory for application of the tool.

The tool raises awareness of farmers and firms about the strengths, weaknesses, and importance of their relation.

The tool has been developed in close cooperation between Centre for Development Innovation of Wageningen University and Research Centre (WUR-CDI), the Royal Tropical Institute (KIT) and AgriProFocus.

What are Farmer-Firm relations?
We speak of farmer-firm relations when both parties cooperate and coordinate their activities, with the aim of doing business with each other repeatedly. To do so they engage in at least some communication and planning prior to transaction.

Why are they important?
Value chains are getting longer, markets more distant and segmented. This offers opportunities and challenges for millions of farmers and thousands of firms. Did you for instance know that:
- Post-harvest value creation in Africa is 60% of the value of primary production, whereas this is 400% in Latin America and 200% in Asia?
- By 2030, more people in Africa will be living in towns than in rural areas?
- In Africa the middle classes are growing faster than in other continents?

2-2-Trade
‘It takes 2-2 Trade’ is a tool for the assessment and improvement of farmer-firm relations. 2-2 Trade focuses on bringing the most important perceived strengths and weaknesses of the relation between farmers and firms to the surface, by letting both groups score their perceptions on a number of topics. Subsequently 2-2 Trade suggests a pathway to come to better mutual understanding and to improve farmer-firm relations to the benefit of both.

3 phases and 9 steps
The 2-2 Trade process follows three phases, each with three steps. The 2-2 Trade book provides detailed advice to go through 9 subsequent steps and warns for pitfalls. The 2-2 Trade workbook provides handy tools for implementation.

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Phase 1 – Analyses
To support the analysis of often complex farmer-firm relations, a framework of 7 farmer-firm challenge areas is suggested.

For each challenge area a checklist of topics and characterization options is available; this helps the facilitator to systematically and efficiently come to grips with the farmer-firm case at hand. In this first phase you will collect information on your farmer-firm case by doing interviews or focus group discussions with farmers and firm staff. This leads to a thorough overview of the challenge areas and issues of particular interest for the farmer-firm case. These identified issues are transformed into statements.
Phase 2 – Assessment
The statements formulated in the previous phase are now scored by both farmers and firms, bringing out their perception on each of the issues.

The 2-2 Trade method includes a custom made excel spreadsheet for analyzing the results of the assessment and easy distillation of the issues on which farmer and firm have different views. Understanding needs to be created and/or issues on which (joint) action needs to be undertaken in order to enforce the farmer-firm relation.

Phase 3 – Action
The results of the assessment are discussed with farmers and firms in a joint meeting in order to:

• Acknowledge those issues on which both farmer and firm agree as strengths of the current business relation and stressing them as important ‘assets’ of the farmer-firm relation. Assets which need to be maintained.

• Discuss the issues where the assessment showed that farmer and firm disagree on it being a weakness or a strength of the current business relation. The joint meeting offers the immediate opportunity for both parties to explain their views, to create understanding and to discuss opportunities to improve the situation.

• Acknowledge those issues on which farmers and firm agree that they are weaknesses, which need to be addressed in order to improve the farmer-firm relation. The facilitated discussion enables both farmer and firm to understand the weakness and its importance as well as it offers the opportunity to discuss possible (joint) action to solve these weaknesses.

Experiences so far
In Kenya, Uganda, Rwanda and Benin 13 farm-firm relations have been assessed and brought to the next level. Cases concerned a/o the value chains of bananas, cassava, coffee, dairy, maize and cashew. These cases also enabled us to improve the 2-2 Trade method.

The improved method is available to facilitators and practitioners in the following ways:
- The book ‘It takes two to trade – Understanding and improving farmer-firm relations in Africa’.
- The AgriProFocus on-line platform: http://agriprofocus.com/two-to-trade
- A coaching trajectory during which practitioners and facilitators are trained in using the 2-2 Trade method as well as coached while applying it on a farmer-firm case of their choice.

In case you are interested in the book, the on-line version or the coaching trajectory, please do not hesitate to contact us or to check out on-line which 2-2 Trade activities are planned on the short term.

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Join our online platform on:
http://agriprofocus.com/organised-farmers

2-2 Trade in a nutshell
What it is:
√ Participatory
√ Action oriented
√ Flexible
√ Easy to apply

What it isn’t:
≠ Does not yield objective information about the strength of a farmer-firm relation
≠ Does not yield academic data, nor can it be used for comparative analyses between cases
≠ Research and obtaining data is not a goal of 2-2 Trade