

Scope of Work for Call for Proposal

EXPANSION OF CONTRACT FARMING AND AGRICULTURE PRODUCE MARKET NETWORKS AND IN SOUTH KORDOFAN, SUDAN

SOW Objective: To support contract farming companies to expand contract farming models and produce buying networks to small holder farmers in South Kordofan State

Key activities: sensitization of communities and leaders, selection of groups of smallholder farmers to do contract farming, training of contracted farmers, providing seeds at a subsidized price, identifying and training buying agents and buying from farmers.

Targeted localities in South Kordofan State: Kadugli, Aref AlShargi, Dilling and Habilla Localities.

Localities have been divided into 2 clusters: companies can apply for one or both clusters.
The targets/outputs specified in below are for one cluster.

- Cluster 1: Kadugli and Alref Alshargi localities
- Cluster 2: Dilling and Habila localities

Mercy Corps is seeking to contract a minimum one, business operator in the sector of agriculture within South Kordofan. The aim of this partnership is to improve access to inputs (seeds, land preparation equipment etc.), agriculture extension training and markets for **a total of 1,000** small-scale farmers and agribusinesses in the 4 targeted localities of South Kordofan State. Mercy Corps is aware that the different economic operators operationalize different models of their businesses therefore, this SOW serves as a guide of services required for this call for proposal. Mercy Corps will assess the appropriateness of the customized activities to achieving the program targeted goal against proposals that will apply for this purpose.

The applicant should be prepared to contribute at least 30% of the proposal budget; the higher the contribution, the higher the chance of selection.

1) Background:

Mercy Corps, in partnership with the Adventist Development and Relief Agency (ADRA), is implementing a SIDA-funded program called 'Strengthening Agricultural Markets and Food Security (SAFE) in South Kordofan and Blue Nile states.

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.

ADRA is the global humanitarian organization of the Seventh-day Adventist Church. Through an international network, ADRA delivers relief and development assistance to individuals in more than 130 countries—regardless of their ethnicity, political affiliation, or religious association. By partnering with communities, organizations, and governments, ADRA is able to improve the quality of life of millions through 9 impact areas.

2) Purpose / Project Description:

The SAFE program's overall goal is to reduce vulnerability, increase income and food security of small-scale farmers in South Kordofan State.

This program is being implemented through an approach which seeks to improve the way the agribusiness companies and institutions in the agricultural value chain market operate and engage with their customers to ensure farmers are better served. This approach aims to support these agribusiness companies and institutions which buy products from farmers or provide goods and services to farmers to enable them to expand their outreach to farmers and adapt the way they work with farmers so that more farmers receive better services. In doing so, this program will facilitate long term development of the agricultural market systems which will bring more benefit to all parties involved in the system.

The program will seek service contracts with match contributions with private business operators (those selling seeds to farmers or buying produce from farmers).

Specifically, the program aims to achieve the following objectives:

Objective 1: Male and female small-scale farmers have increased and more climate-resilient yields.

Objective 2: Male and female small-scale farmers increase sustainable natural resource management practices

Objective 3: Male and female small-scale farmers have improved market linkages

Objective 4: Increased gender equity and increased empowerment of men, women, boys and girls in farming and access to finances and markets

Objective 5: Increased preparedness and ability to respond to disasters

3) Agriculture produce markets and contract farming in South Kordofan State

South Kordofan state is among the top rainfed agriculture production states in Sudan. The most commonly purchased agricultural products are sorghum, sesame, groundnuts, gum Arabic, cow peas and hibiscus.

4) Proposed activities to be taken into consideration by the business operator applicants during its performance

Expanding contract farming model to include small holder farmers in targeted areas

1- Mobilization and sensitization of community leaders, government officials, farmers and select 10 community contract farming agents

- 1.1 Hold meetings with leaders in all targeted villages to introduce the contract farming model and communicate resource requirements.
- 1.2 Sensitize communities and farmer groups on contract arrangement
- 1.3 Identify contract farming company agents to recruit and train farmers
- 1.4 Train contract farming agents on arrangement and agriculture extension
- 1.5 Equip contract farming agents to promote contract farming among smallholder farmers

2- Register and Contract 1,000 farmers

- 2.1 Through contract farming agents, register and contract 1,000 farmers through agreements or Memorandum of Understanding

3- Provide pre-season agriculture extension training to 40 groups containing 1,000 farmers and establish 40 demonstration plots.

- 3.1 Conduct agriculture extension training to 40 groups with 1,000 farmers. Topics will include but not be limited to land preparation, planting and spacing and ensuring an appropriate healthy plant population.
- 3.2 Set up 40 demonstration training plots, one for each group. The demonstration plots should be used for providing practical training to farmers.
- 3.3 Provide 1,000 A-4 sized agronomic and crop management guide posters (or one for each farmer contracted showing) key agronomic and crop management information. Design and information will have to be approved by Mercy Corps before it is printed.

Training plan and training content has to be approved by Mercy Corps before training starts.

4- Provide subsidised seeds to 1,000 farmers and support them to plant at least one feddan.

- 4.1 Provide certified seeds to farmers on credit at a subsidized price with Mercy Corps paying 50% of the cost of the seeds to a maximum of \$62. The seeds must be certified by the relevant agriculture ministry and must be for groundnuts, sesame and white sorghum or Hibiscus. If the company offers tractor ploughing services as part of its contract farming model, this can be done as a credit arrangement with the farmer on a cost recovery basis without charging Mercy Corps.

The sales plan has to be approved by Mercy Corps and recorded in Mercy Corps templates and will be directly overseen by Mercy Corps staff and verified by community leaders.

5- Provide crop management training to 40 groups containing 1,000 farmers to manage at least 1,000 feddans.

- 5.1 Contract farming agents conduct second technical training to 40 groups containing farmers. This will include topics such as pest, disease and weed management, harvesting and post-harvest handling.

Expanding produce buying networks to groups in targeted localities, units and villages

6 -

Develop a network of 10 entrepreneurial male and female produce buying agents.

- 6.1 Select and train male and female community level produce buying agents
 - 6.2 Develop and equip produce buying agents with produce quality guidance manuals
 - 6.3 Train produce buying agents on business skills and produce sourcing
- Training content and training plan will have to be approved by Mercy Corps.

Buy agriculture produce from the small-scale farmers

7.1 Equip buying agents to check the quality of produce and buy produce from farmers:

7.2 Support agents to mobilize produce from farmers and aggregate it for sale

5) Expected Outputs from the proposal

- 1) (a) Leaders in 10 communities and 1,000 farmers sensitized on contract farming
- (b) 10 contract farming agents selected and trained in contract farming and Training of Trainers (TOT)
- 2) 1,000 farmers in 40 groups sign agreements to farm on contract for produce buying company
- 3) (a) 40 groups consisting of 1,000 farmers on contract farming model trained on good agronomic practices of producing the selected crops
- (b) 40 demonstration garden plots established.
- (c) 1,000 A-4 sized black and white agronomic and crop management posters, one given to each farmer targeted. Or 1 for each farmer targeted if the target is less than 1,000.
- 4) 1,000 contracted farmers provided seeds subsidised by Mercy Corps (maximum contribution from Mercy Corps is \$62 to plant at least one feddan).
- 5) 40 groups, consisting of 1,000 farmers applying a contract farming model, who've been trained to manage weeds, pests and diseases.
- 6) 10 male and female-led produce buying businesses established and buying produce.
- 7) Up to 1,000 farmers market their crops through this company at a rate not lower than the going market price.

6) Eligibility of Agriculture Business Operator selection

Only produce buying businesses which meet the criteria below qualify to be considered.

- a. Must be a legally registered company and possess a license to trade in produce.
- b. Must have been operating in Sudan, buying agricultural produce for at least 3 years.
- c. Must have been engaged in contract farming for at least two years
- d. Experience working with smallholder farmers and produce buying agents for at least 1 year
- e. Evidence of existing extensive networks would be an added advantage.
- f. Willing to contribute to the cost of expanding its contract farming and produce buying networks to areas targeted by SAFE program.
- g. Having the capacity to contract at least 1,000 farmers to produce listed crops.
- h. Must show willingness to promote women as produce buyers and contract farmers.
- i. Will pass all Mercy Corps due diligence efforts and have a good reputation in the region

Other: Mercy Corps will also consider other factors such as:

- j. Institutions with demonstrated specific efforts, tools and capacity to serve women clients.
- k. Demonstration of creativity and technology in improving access and reducing operational costs in rural areas (digital training, produce aggregation and mobile payment platforms).