

ATTACHMENT 1

APPLICATION NARRATIVE TEMPLATE: EXPANSION OF CONTRACT FARMING AND AGRICULTURE PRODUCE MARKET NETWORK TO SMALL SCALE FARMERS IN SOUTH KORDOFAN, SUDAN

Application guidance

The Application should not exceed seven (12) pages in length (not including the detailed budget and budget narrative which are to be attached).

Guidance on filling and formatting:

1. The Application must be in English.
2. It must be typed in a Microsoft Word compatible program, single spaced with a 12-point Arial font.
3. It must have one-inch (or 2.5 centimeter) margins on all sides of the paper and be printed on A4 or 8 ½ x 11-inch paper.
4. Page numbers: the Tender number and the name of the applicant (Produce Buying/ trading Company) must appear on each and every page.

A. GENERAL INFORMATION (not to exceed 1/2 page)

1. Name of business/company:
2. Proposed partnership start date:
3. Proposed partnership end date:
4. Total Cost share requested from Mercy Corps: SDGs..... and US\$.....
5. Total co-investment from the company commits: SDGs..... and US\$.....

B. APPLICANT BACKGROUND

1. **What is your Business Background? (which year did it start, what does it deal in, number of states it operates in, number of staff, type of produce bought and quantities and any other relevant information).**

2. **Company mission, vision, value and objectives (if available):**

Name of company:

3. Write brief notes (number of years, farmers, feddans, quantities etc.) on your company's experience in:

(a) Contract farming?

(b) Developing a produce aggregation and buying network

(c) In-depth promotion of company business among women farmers and buying networks

(d) Environmental impact mitigations on company activities

C. PRODUCTS AND SERVICES OFFERED BY YOUR COMPANY

The application must satisfy the following:

- 1. Explain how your company has been promoting production among small holder farmers using the contract farming model. Explain what you provide and how it is recovered. How has it successfully expanded to buy from new areas?**
- 2. Explain how your company's produce buying network is organized (until farmer level)? How your company establishes it in new areas and how your company builds their capacity? How did you successfully expand to buy from new areas?**
- 3. What are the quantities of the crops you bought in the last buying season?**
- 4. What is your experience buying agricultural produce from small scale farmers in rural areas? How many farmers did you buy from last buying season? What types of crops did you buy? What is the estimated quantity you bought?**
- 5. Explain how your company has been specifically targeting women as part of your produce buying networks and contract farmers?**
- 6. Name and write brief notes on how your company operates its business? (How do you buy and sell the Agriculture produce? Who are your major**

Name of company:

suppliers of produce? Where are your end markets? What are the types of crops you buy?)

7. What is your experience working with buying agents? How many buying agents do you have? What are the types of capacity building that you offer the agents?
8. How will your Company increase production and buying/ trading with women farmers and or women agents?
9. How will your Company mitigate any environmental risks related to your activities?

D. BUSINESS EXPANSION DESCRIPTION AND ACTIVITIES

Activities below can be revised to suit a company's strategy and plans as long as the objective of the SOW can still be met.

Note: number of farmers, agents, demonstration gardens etc. proposed below are based on the assumption that the applicant will target 1,000 farmers living in 10 communities. If the company intends to target more or less this number, the company should edit the numbers proposed below accordingly.

1. Which activities will you undertake to expand the contract farming model in the targeted localities and units? Describe how each activity below (same in the attached SOW) to show how the company will achieve them.

Main Activity 1: mobilization and sensitization of community leaders, government officials and select community 10 contract farming agents

- 1.1 Meet leaders of communities, farmer groups and government officials to introduce the contract farming model and resource requirements.
- 1.2 Sensitise 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

Main Activity 2: Register and Contract of 1,000 farmers

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

Name of company:

Main Activity 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 1,000 farmers in 80 groups. Topics will include but not be limited to land preparation, planting and spacing and ensuring an appropriate healthy plant population.
- 3.2 Set up 80 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.

Main Activity 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.

Main Activity 5: Provide crop management training to 80 groups containing 1,000 farmers to manage at least 1,000 feddans.

- 5.1 Contract farming agents conduct second technical training to 80 groups containing farmers

2. Which activities will your company undertake to expand produce buying networks to groups in localities and units? Describe how each activity in the attached Scope of Work (SOW) will be undertaken.

Main Activity 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.

Main Activity 7: Buy agriculture produce from the small-scale farmers

- 7.1 Equip buying 10 agents to check the quality of produce
- 7.2 support agents to mobilize produce

3. Provide a work plan in a table format like below to show what your Company will achieve and when?

Summarized Work Plan: Revise according to your detailed plan in the template provided and list of activities above)

Activity	Target to be achieved	Timeline	Responsible person
a) Main Activity 1: Buy-in from community leaders, government officials and select contract farming agents			
1.1 Meet leaders of communities, farmer groups and government officials to introduce contract farming model and resource requirements	•		
1.2 Sensitise 10 communities and farmer groups	•		
1.3 Identify 10 contract farming company agents to recruit farmers	•		
1.4 Train 10 contract community farming agents	•		
1.5 Equip 10 contract farming agents to promote contract farming among smallholder farmers	•		
<u>Main Activity 2: Register and Contract of 1,000 farmers</u>	•		
2.1 Register and contract 1,000 farmers through agreements	•		
	•		
<u>Main Activity 3: Provide pre-season agriculture extension training to 40 groups containing 1,000 farmers and establish 40 demonstration plots.</u>	•		
3.1 Conduct agriculture extension training to 40 groups with 1,000 farmers	•		
3.2 Set up 40 demonstration training plots and use them to train farmers	•		
<u>Main Activity 4: Provide subsidised seeds to 1,000 farmers and support them to plant at least one feddan.</u>	•		
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	•		

Name of company:

	•		
<i>Main Activity 5: Provide crop management training to 40 groups containing 1,000 farmers to manage at least 1,000 feddans.</i>	•		
5.1 Contract farming agents conduct second technical training to 40 farmer groups	•		
	•		
<i>Main Activity 6: Develop a network of 10 entrepreneurial male and female produce buying agents.</i>	•		
6.1 Select and train 10 male and female community level/group level produce buying /aggregation 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	•		
<i>Main Activity 7: Buy agriculture produce from the small-scale farmers</i>	•		
7.1 Equip buying agents to check the quality of produce	•		
7.2 support agents to mobilize produce from farmers and aggregate it for sale	•		

E. DETAILED BUDGET AND BUDGET NARRATIVE

The applicant must ensure costs in budget are detailed, justified, and reasonable for the objectives of the business expansion and meet the criteria below.

1. Detailed Budget (Attachment 2)

Please use the Detailed Budget Template to develop a detailed budget reflecting all proposed costs for the business expansion

2. Budget Narrative (Attachment The budget narrative should include:

Name of company:

- A description of each item of cost, including why each of the items is necessary to carry out business expansion activities
- Indicate how the unit cost for each item was determined (estimate, purchasing history, quote, etc.)

3. **Unallowable Costs**

The following costs are considered unallowable to be charged on Mercy Corps or farmers under this proposed business expansion partnership support: The company applying to expand their business through this partnership should cover the following costs as part of their contribution to the partnership. The contribution of the company should be at least 30% of the partnership budget; the higher the contribution, the higher the chance of a proposal being selected.

- Salaries of personnel, office supplies, facilities rental, financial administration
- Purchase of vehicles, motor vehicles, office or salespoint equipment or furniture
- Construction or physical improvement of offices/facilities
- Travel outside of the targeted state and Khartoum.
- Business capitalization
- Cost of tillage, planting, weeding, harvesting and storage
- Any other costs that that are not directly related to the actual implementation of the business expansion activities, reasonable and realistic

4. **Costs which Mercy Corps can contribute to under this partnership**

To support businesses to expand contract farming and produce buying networks to include more smallholder farmers, Mercy Corps can contribute a portion of the following costs. This should be correctly reflected in the budget

- Cost of trips (car rental or fuel) to the locations where the contract farming and produce buying networks will take place
- Cost of training trainers and farmers: this includes cost of training materials, posters, cost of daily facilitation fees where external consultants are really required.
- Partial cost of seeds needed by farmers to a maximum of 50%; the farmer should be able to pay the remaining 50% either at upfront or at time of harvest
- Cost of sensitization such as by using radio stations, loud speakers etc.