

AGRA Impact Series

Agrodealer turns around loss making venture after proper training



February 2021

One of the biggest areas of focus in Nigeria for the Alliance for a Green Revolution in Africa (AGRA) and the Partnership for an Inclusive Agricultural Transformation in Africa (PIATA) is the expansion of the agrodealer network.

In fact, since 2018, AGRA has funded and trained 1,327 agrodealers to provide modern seeds, fertilizers and agrochemicals to 295,000 farmers.

Among the beneficiaries of this agrodealer support program is 36-year-old Salisu Muazu who operates a farm inputs shop in the Makarfi local government of Kaduna State.

Muazu has been running his enterprise for over one decade, but he has constantly been running into losses owing to the hefty costs of transporting supplies from other cities. He has also, on several occasions, been a victim of dishonest merchants, who sold him fake seeds and adulterated chemicals.

Yet his biggest challenge in the business has been improper knowledge of agrochemicals and viable seed varieties, a shortfall that for many years meant he could not satisfactorily address his clients' concerns.

"The business was not profitable because I could not fully gain the confidence of customers," Muazu said.

However, things changed for him in 2019 when he was chosen for an agrodealer program by the North-West Agro-input Dealer Association (NOWAIDA), which was funded by AGRA and PIATA. The project sought to provide training and credit facilities for selected members, who were also introduced to improved seed varieties, quality agrochemicals, and proper business management.

"I tested the improved seeds recommended during the training for my maize crop that year and my harvests from 0.43ha of land increased from 10 to 23 bags. This opened my eyes to new ways of scaling up my business," he said.

After the training, Muazu restocked his outlet with certified seeds and agrochemicals, which coupled with his new business skills, enabled him to expand his market. In essence, he is now adequately helping reduce food shortage in his community by making available to farmers the right inputs for production. This is in line with the World Bank's assertion that the "wider uptake and more intensive use of improved seed, fertilizer, and other inputs would go a long way

to closing the African 'agricultural performance deficit.'”

Consequently, by winning the favor of farmers in his region, Muazu's business underwent a remarkable transformation. In just five months, he had already recuperated 50 percent of the losses he had made in more than 10 years. Some of the gains came from the fact that he now works with suppliers who deliver inputs directly to his store, effectively eradicating his transportation costs. He also only deals with accredited suppliers, ending his chances of losing money to fraudulent merchants.

Additionally, he can constantly maintain his stock at optimum quantities through credit facilities

accorded to him by suppliers following his association with NOWAIDA.

“Because of this credit facility, the sustainability of my business is not threatened when I offer vulnerable farmers a grace period to pay,” he said.

In the meantime, AGRA and PIATA plan to replicate the success of the NOWAIDA project elsewhere in Nigeria and Africa, with the full understanding that improving the delivery of service by agrodealers to farmers ultimately contributes to food security and better economic prospects for countries.



I tested the improved seeds recommended during the training for my maize crop that year and my harvests from 0.43ha of land increased from 10 to 23 bags. This opened my eyes to new ways of scaling up my business.”

Salisu Muazu,
Farm inputs shop owner