

GEMS4

Wholesale & Retail

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Overview

GEMS4 (Growth and Employment in States – Wholesale and Retail) is a five year, £16m, DFID funded programme. It aims to increase growth, income and employment by improving efficiency in the wholesale and retail sectors of the Nigerian economy, focusing on women and the poor. At the point of completion, GEMS4 is active in 8 different areas (below), as well as providing cross cutting support in access to finance and women's economic empowerment.

- Micro-retailing
- Tomato
- Rice
- Waste Management
- Feed Finishing
- Skin Preservation Salt
- Mobile Money
- Access to Markets for Rural Producers



GEMS4 has achieved its targeted results



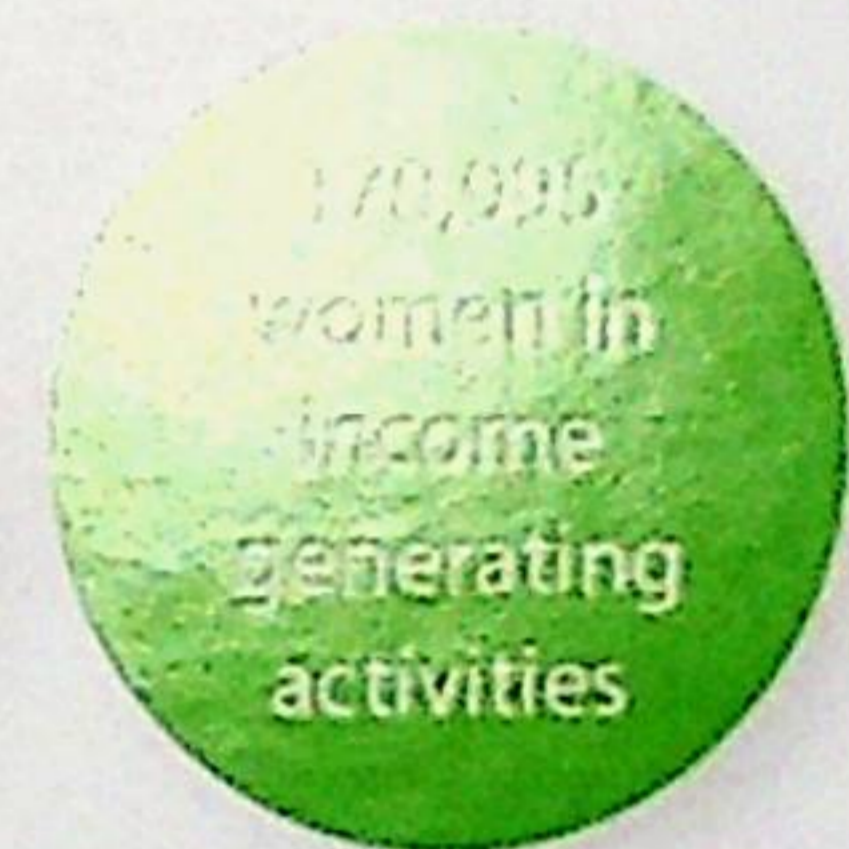
Impact
against targets of
500,000 and 10,000



Outcomes



Outputs



5 out of 5 Outcome indicators achieved or surpassed in total

8 out of 8 Output indicators achieved or surpassed in total

GEMS4 has made a difference to real people...

"What we have been doing with GEMS4 since December 2016, if we had been doing this for the last five years or more we would have been much better off than now."

Mohammed Ahmed Adamu, the Executive Director of Green Sahel Agro Ventures Limited (GSAV), who partnered with GEMS4 to introduce the agro support services model to rice farmers in Jigawa state.

"In the two years I have embraced Good Handling Practices in my business, there has been a lot of positive difference in my life because my profit margins have increased."

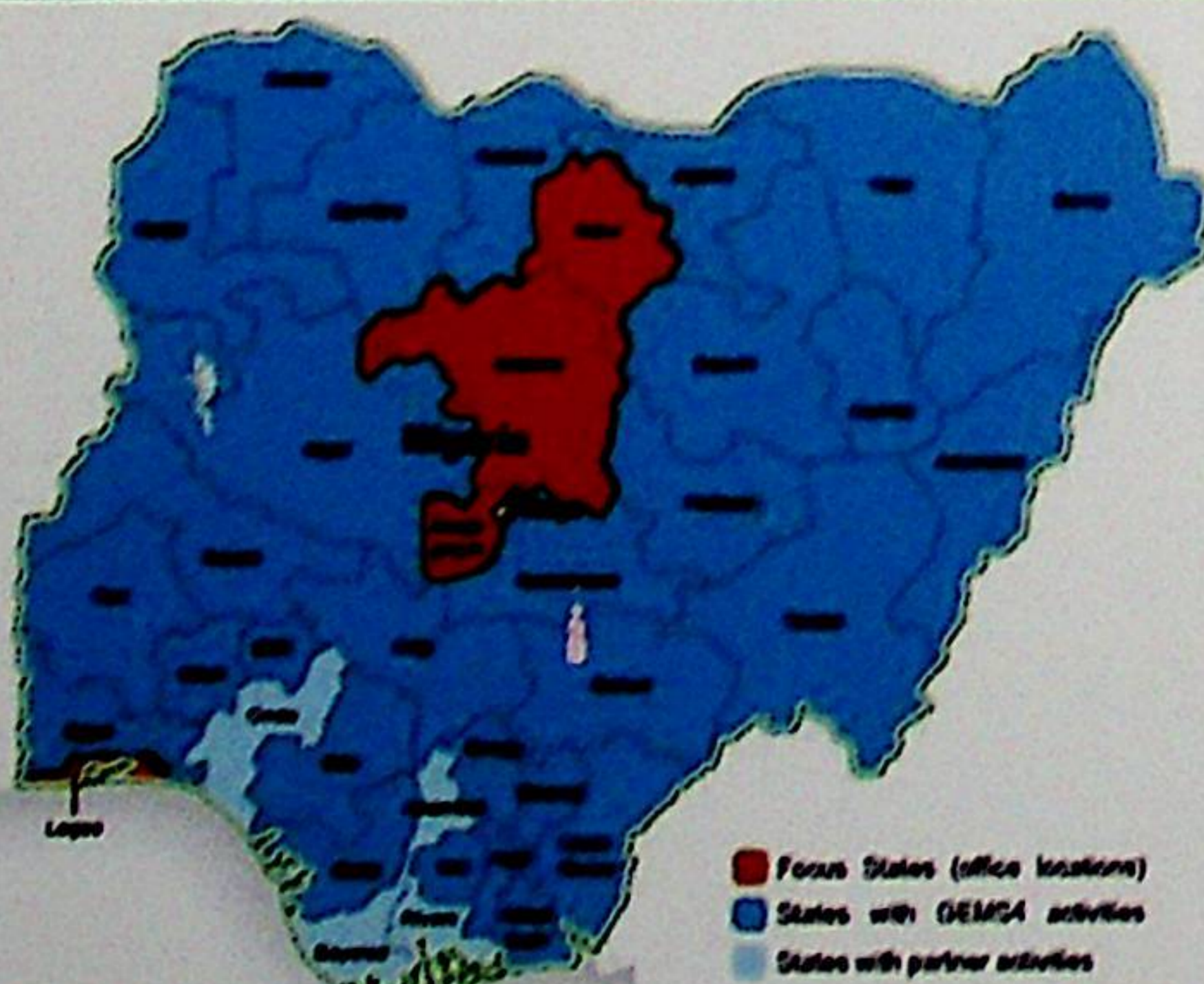
Theresa Etsekhune, a tomato retailer in Sabon Gari, Zaria, Kaduna State, who took Good Handling Practices (GHP) training with GEMS4.

"I am now guaranteed a ready market for my paddy with prompt payment. This is very good for me."

Adamu Bulama, rice farmer and community leader of Babba Village in Auyo LGA in Jigawa State, who has worked with Green Sahel, a GEMS4 partner.

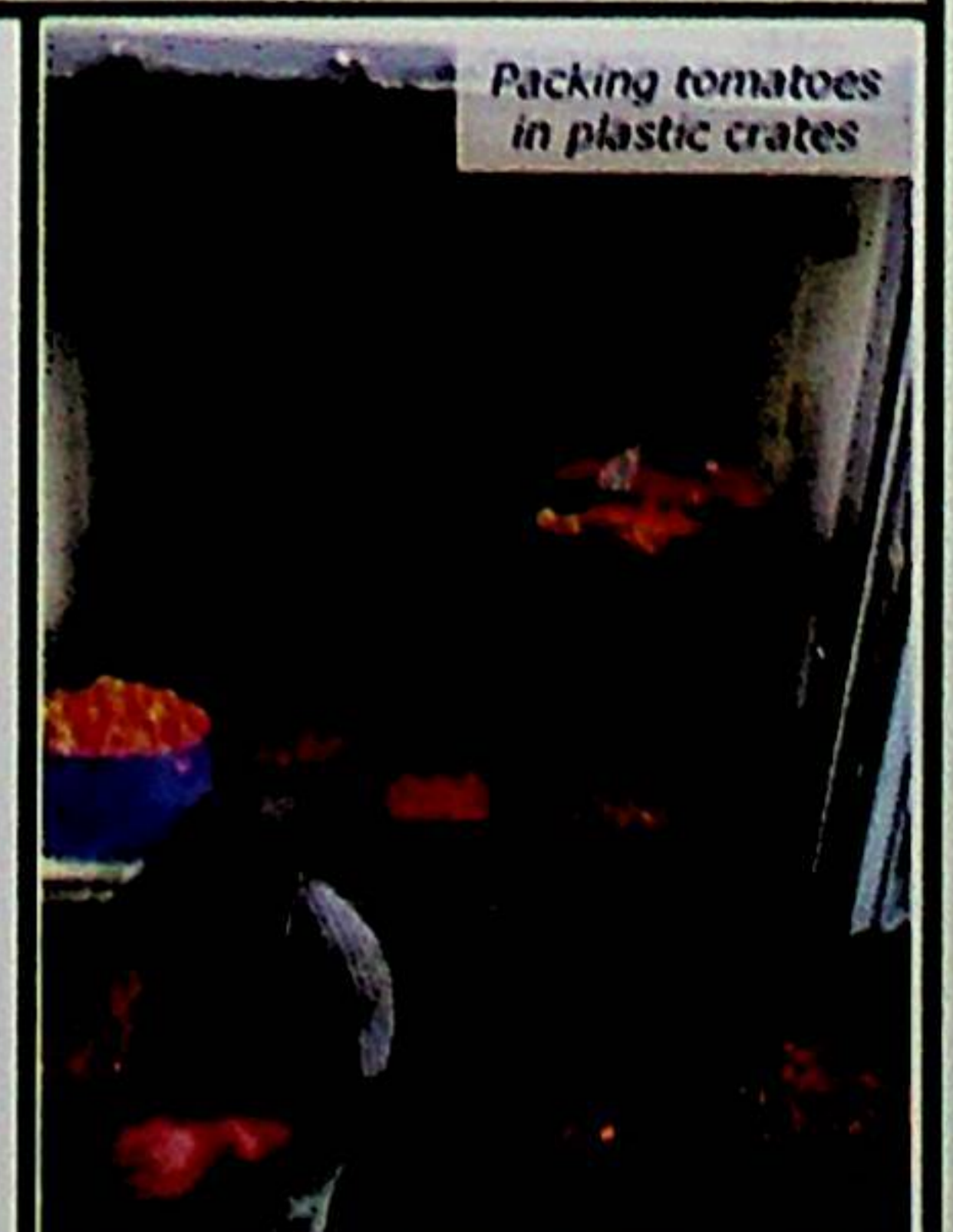
"I am very glad to be part of the wholesale Buyers' Club. My business has really benefitted from it. My family also benefits."

Shakirat Oyewale, a member of the Kpatungu cluster of Quintessential Business Women's Association (QBWA) in Minna, Niger State. GEMS4 has supported QBWA.



Operational Footprint

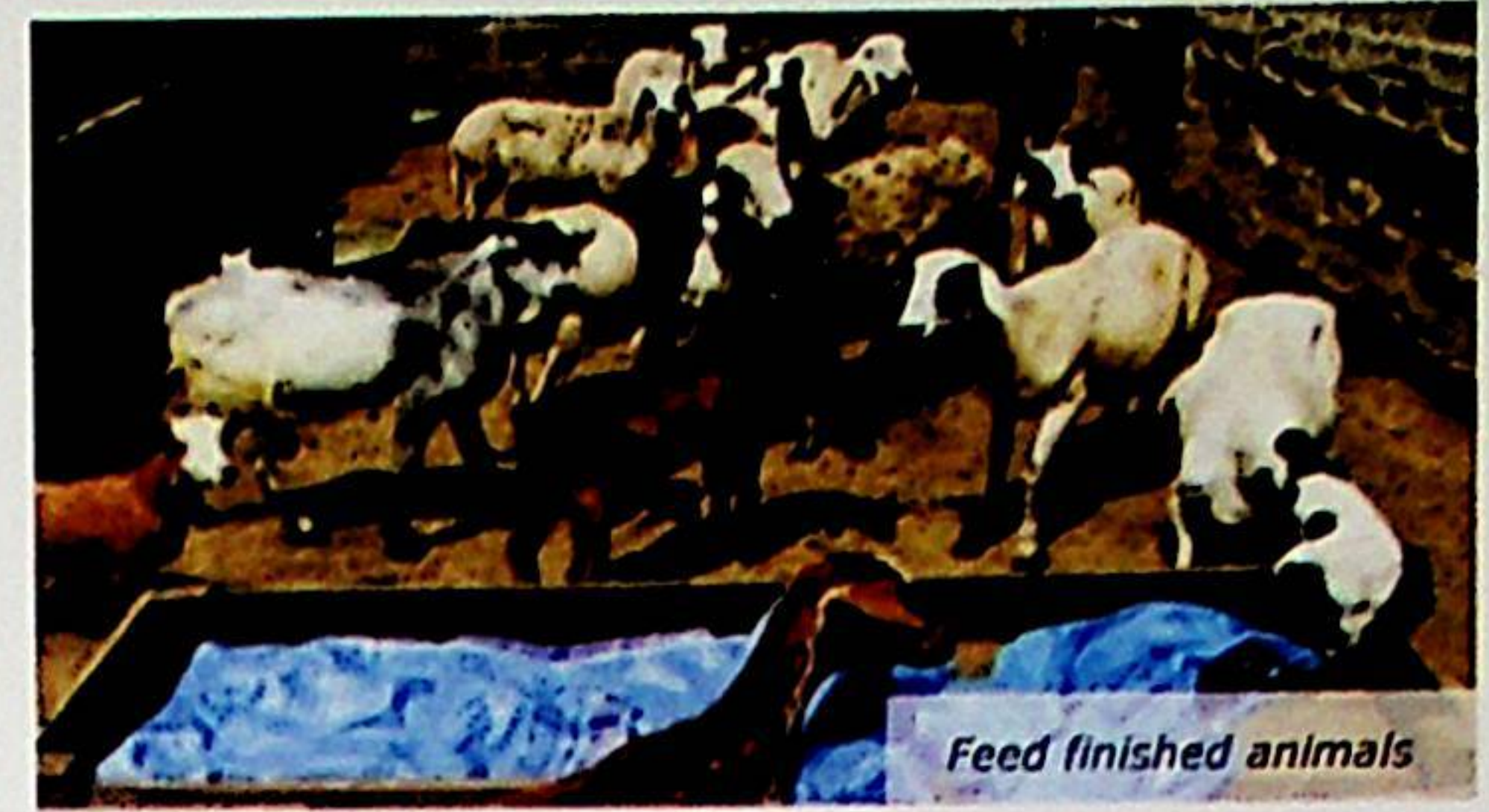
- GEMS4 has four office locations, with a head office in Abuja, and sub-offices in Lagos, Kano and Kaduna.
- Over the life of the project, our interventions have reached all 36 states, with **primary intervention activities in 32 states** and particular focus on four focal states: Kano, Kaduna, Lagos and FCT.
- GEMS4 has **52 full-time employed staff** (2 international, 50 Nigerian), plus various short term contracted consultants (international and national).
- By the end of the project the **total spend**, including Inception, will be approximately **£16.05m**.



Areas of GEMS4 Intervention

Micro Retailing

- Micro-retailers are traditionally constrained by long supply chains and weak bargaining power. GEMS4 introduced new innovations into the market, such as the Buyers Club model, which supports partner organisations and allows micro-retailers to group together and take advantage of bulk purchase prices, improving profit margins.
- As GEMS4 exits, over 100,000 micro-retailers have benefitted, and are making more money. Partner organisations continue to expand their business operations - scaling to new states, investing in IT platforms, warehouses, vehicles, etc.



Tomato

- The tomato market traditionally suffered with issues of post-harvest loss (up to 45%), and reduced prices for farmers during seasonal glut periods. To overcome this GEMS4 introduced Good Handling Practices (GHP); introduced over 25,000 Returnable Plastic Crates (RPCs) and set up a crate rental model; linked farmers to two tomato processing plants; mapped tomato clusters, facilitated new rail transport and packaging methods.
- As GEMS4 exits there is better handling of produce, better transport, less wastage. There are also increased opportunities to access high-value markets at premium prices. The market has embraced the use of GHP (dealers, wholesalers, farmers, processing plants); state authorities are exploring regulations to further encourage the uptake of RPCs and GHP; crate rental businesses are being established and alternative rail operators are crowding in to copy the approach.

Rice

- Rice farming was traditionally constrained by low quality paddy and a lack of linkages to higher end processors. GEMS4 linked farmers to two commercial mills; partnered with two agro-service providers to provide better access to inputs and modern practices; developed a Nigerian rice brand with a commercial mill and a distributor; mapped rice clusters in 18 rice producing states; facilitated new financial products tailored to rice; promoted investment in the sector.
- Today farmers are supplying to commercial mills for increased prices - planting more land and employing more workers; mills are packaging rice in smaller sizes and employing branding to achieve higher value; the two agro service providers are expanding their coverage.



Waste Management

- Traditionally there has been a negative perception of recyclable waste collection, both as a job, and in terms of business opportunity. Limited market linkages and lack of working capital have constrained growth in the sector. GEMS4 has raised awareness of the opportunities available, both to job seekers and firms; linkages have been facilitated between aggregators and off-takers and new credit mechanisms introduced.
- Today the waste management market is growing. Three successful business models have been introduced to partners who are expanding operations, and over 1000 sustainable jobs have been created. Success has been seen with community level household collection and larger concession-based operations. Further expansion is expected in other states with new financing mechanisms now available.

Feed Finishing

- Rearing cycles for livestock in Nigeria are less efficient than modern practices allow, with poor veterinary practices and low usage of supplement feed. This reduces incomes compared to their potential. Focusing on small ruminants (sheep and goats), GEMS4 has raised awareness of the benefits of modern feed finishing practices, and has trained and incentivised paravets to provide required services to farmers.
- Today the small ruminant farmers who engaged in feed finishing are receiving higher prices, and the success enjoyed by the partner firms has encouraged them to expand their operations.

Skin Preservation Salt

- Skin traders lose up to N3 bn annually because of skin downgrades arising from inappropriate preservation using table salt. GEMS4 has promoted Skin Preservation Salt (SPS) to the market, which increases the shelf life of skins to three weeks and reduces downgrades.
- Today there is good market awareness and sustained demand for SPS. A distribution network serves small dealers in the northern states.

Mobile Money

- The wholesale and retail sector was constrained by the lack of secure, convenient and efficient payment solutions, with many traders incurring high transaction costs. GEMS4 successfully lobbied the Central Bank of Nigeria for a change in the transaction limit ceilings for mobile money transactions, and worked with financial institutions to boost mobile money provision in informal markets through agent deployment and training.
- Today, mobile money is much more prevalent and financial institutions are continuing to provide mobile money services in informal markets.

Access to Markets for Rural Producers

- Traditionally rural producers and farmers sell in local markets at low prices as they are unaware of, or don't have access to, higher value markets. This is particularly an issue for women who are often culturally constrained from traveling further afield. GEMS4 has strengthened existing collective groups of rural producers and facilitated linkages to off-takers; working with producers of black soap, garri, shea nut, and moringa.
- As GEMS4 exits rural producers are receiving higher incomes as a result of selling to alternative and additional markets. The off-taker partners are embracing the model and expanding, including investment in new manufacturing capacity, additional warehousing etc.

Case Study 1 – Good Handling Practices



Adarnu G. Mohammed lives in Igabi LGA of Kaduna State. He is a retailer of tomatoes and peppers in Chechenya Market and was trained in Good Handling Practices in October 2014 by a GEMS4 GHP master trainer.

Since the training, he has changed his approach, he washes, sorts, and grades his produce as he was taught. As a

result of his new practices, he is able to sell his produce for higher prices. He currently sells a 5kg basket of well-handled peppers for N700; when he had no GHP skills he could only earn N600 per basket.

Overall he has noticed that his gross profit from sales has increased from around N5,000 – N6,000 monthly to about N9,000 – N10,000 monthly. His success has been noticed by other traders in the market and fellow tomato and pepper sellers, and even okra sellers have also started copying him and are now using GHP.

Case Study 2 – Women Black Soap Producers

Oyebiyi Ijagun is a member of the Ifo-Sowapo black soap making cluster in Ede Community of Osun State. Black soap making is her main source of livelihood, but work outside the home is frowned upon by her husband so she can only sell at the local market or by trade to passers-by.

The situation changed when KASMO Ltd, an off-taker working with GEMS4, began to procure soap from her community. Oyebiyi is now part of a cluster group of women that have been trained on making better quality soap in the vicinity of their homes. KASMO's agents pay N830 per kilo for the quality black soap, whereas she only receives N500 per kilo in the weekly market.

In her own words "since GEMS4 introduced us to KASMO, and they started coming to buy from us, my business has increased in quantity and quality. I am very grateful to GEMS4 for this."

