



Psaltry Nigeria Case Study

Cassava processor embraces Farmforce's contract farmer management and traceability tools to supply Heineken and expand.

Psaltry's Success and Opportunities

A decade after founding, Yemisi Iranloye's Psaltry International was one of the largest food-grade starch processing companies in Nigeria, producing over 10,000 tons annually. The center of their success was a commitment to sourcing from small-scale producers, creating a local supply of increasingly high quality cassava tubers.ⁱ To build this supply, Psaltry started contracting smallholder farmers in 2012, offering above market prices to incentive farmers to plant cassava as a commercial crop. With this move to contracting, Psaltry realized it needed better farmer management to grow the business and to better forecast farmer yield and the corresponding cassava deliveries to the processing plant. With the potential to supply to **Nigerian Breweries**, the local subsidiary of **Heineken International**, Yemisi realized she needed to formalize how Psaltry managed their smallholder sourcing and to add transparency in the supply chain to work with international companies like Heineken.

Heineken's Local Sourcing Goals

Driven by the goal of strengthening the African agricultural sector, while reducing its carbon footprint and securing sustainable supply chains, Dutch brewer **Heineken** is committed to sourcing 60% of raw materials in its African beers from local sourcesⁱⁱ – Psaltry is an important supplier and partner towards this goal in Nigeriaⁱⁱⁱ. Heineken, with international standards, wants more transparency in its supply chain, knowing where cassava that goes into its beer is grown and to have reliable forecasting on how much cassava starch it can expect on a weekly basis to better manage its beer brewing. In 2015, this was a significant demand on Psaltry, with farmer record keeping done on paper, with a rural network of agronomic extension agents working with the supplier farmers.

Seeing an opportunity, the International Fertilizer Development Center supported Psaltry to integrate Farmforce's cloud-based Advanced Farming platform to digitize all farmer records and to roll out the web and mobile application to revolutionize how they worked with contracted smallholder farmers.

Understanding Priorities, Integrating Farmforce

When discussing how to integrate Farmforce to support Psaltry's work with smallholders, it was critical for the Farmforce team to understand both company KPIs and each of the current processes used in sourcing, farmer agronomic trainings, distribution of seedlings and inputs and loans offered. Along with the rest of the industry, previously record keeping was done on paper and it was an issue getting real-time yield forecasts and keeping track of loan repayments from the smallholder farmers. Senior management prioritized creating transparency in their systems to meet supplier standards

from **Heineken** and wanted better tracking and forecasting on farmer yield to project delivery quantities.

On-site trainings were conducted with Psaltry's executive management, IT and field teams in Nigeria. Through remote technical integration workdays, all of Psaltry's current farmer data was uploaded onto the platform and modules were configured to reflect exactly what the teams wanted to manage the relationships with the farmer. Demonstrating early in the discussions how Farmforce would help address many of the challenges limiting the company's commercial success was important for staff buy-in and subsequent use in the organization.

Two years into using Farmforce, in October 2017, Psaltry's CEO noted that Farmforce had completely changed their farmer management approach. Field staff no longer need to come into the office to submit reports and, for the first time, the company has reliable knowledge on where all their cassava comes from and can now project delivery volumes. Psaltry has grown the number of smallholder farmers they contract and manage on the platform by 70%, while also improving a range of internal and external critical business operations.

Impact on Psaltry's Operations

Management and field staff at Psaltry explained to Farmforce's implementation and customer support teams what has changed in their operations and how it has supported the business growth:

Dynamic Farmer Database and Field Mapping - Psaltry now has a real-time, digital database of all the farmers they work with and can see Google Earth maps of each field location and status of all cassava crops being grown. Previously the field staff would know farmer locations but it was difficult to share this with management in the office, now they can view the data on the web platform.

Preferred Supplier Relationship – Supplying to **Heineken** has grown as Psaltry digitally demonstrates robust transparency in their upstream supply chain, showing where the cassava is coming from as well as communicating clear supply forecasts.

Real-time Yield Forecasts – Now with information on the acreage each farmer is producing cassava on, Psaltry field officers record a yield forecast on the mobile application when visiting the farmers, information that is instantly aggregated and available to management to see how production is progressing.

Impact on Farmers – With clear tracking of when field officers visit and conduct agronomic trainings with farmers, Psaltry is able to better manage these contact points and officers can spend more time with farmers since reporting automatic on the mobile application, instead of having to fill out Excel and Word documents to report their activities. Also, Psaltry has records of both farmer input costs and harvest values, so they now analyze farmer revenue and demonstrate the positive impacts of contracting to supply cassava on smallholder livelihoods.

Harvest Delivery Record Keeping – When farmers deliver their harvest to Psaltry collection centers, records of bag weights are immediately recorded on the field officer's mobile application and a receipt is printed on the spot via a hand-held Bluetooth printer connected to the app. This supports more formal business relationships between farmers and Psaltry, and the clear documentation adds transparency to the cassava purchase process. Collection weights are then accessible to the

warehouse, so they know what delivery volumes to expect – all manual paperwork and subsequent discrepancies are eliminated.

Input and Loan Tracking – To support use of improved inputs for higher productivity, Psaltry offers farmers input loans linked to cassava production. Field officers now record, and print a receipt, when farmers take a loan. The Farmforce mobile application can auto-calculate the amount of inputs and loan value necessary given the area under cassava cultivation. Having digital farmer records and loans linked to specific farmers in Farmforce has eliminated loans to ‘ghost farmers’ and records are kept on crop status throughout the season, reducing the chance that farmers will refuse to repay due to claiming their harvest was destroyed. Crop damage is always photographed via the mobile application and geo tagged when it occurs. Field officers also apply harvest delivery payments against outstanding loan balances in the mobile application, always issuing receipts to farmers and records visible to management in the office.

Next Steps for Psaltry

Building on its business success to date, Yemisi and her team plan to continue expanding their sourcing from smallholder farmers and will use Farmforce when they set up their first international operation in Kenya. In order to digitize more of their operations, Psaltry will soon use the tools on the platform to track specific inputs delivered to farmers and within their own warehouse operations, all steps to increasing the transparency and traceability in their operations to make better strategic management decisions.

Farmforce is a cloud-based mobile and web platform with customers in 25 countries across 3 continents, providing sourcing and digital transparency solutions with over 200,000 smallholder farmers. Our robust, mature solution has already demonstrated measurable benefits for five years and is available in 12 languages, with client facing offices in Nairobi, Guatemala City and Bangkok. For more information about how Farmforce could help you, visit www.farmforce.com or contact us at sales@farmforce.com

ⁱ O. Alawode. Nigeria: Inclusive cassava business grows from strength to strength. <http://spore.cta.int/en/article/inclusive-cassava-business-grows-from-strength-to-strength.html>

ⁱⁱ Partnering for Growth in Africa. Heineken Company Website. www.theheinekencompany.com/sustainability/local-sourcing-africa/partnering-for-growth-in-africa

ⁱⁱⁱ Nigerian Breweries, IFDC/2SCALE, Psaltry Sign Partnership Agreement To Optimize Cassava Productivity. Feb 2015. <https://ifdc.org/2015/02/16/nigerian-breweries-ifdc2scale-psaltry-sign-partnership-agreement-to-optimize-cassava-productivity/>