**Scope of Work or 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 small holder 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, Elref Elshargi, 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 the 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 4,000** 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 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.

1. **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 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 this, 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 contract with match contribution 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 also access to finances and markets

**Objective 5:** Increased preparedness and ability to respond to disasters

1. **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.

**Services required through this SoW:**

1. Service part 1 - *(to be completed by Mar 30, 2021)*

- Sharing of business operator information, by organizing sensitization sessions in the targeted villages, on their operations and capacities with farmers of 20 targeted villages or communities in South Kordofan State. The targeted 20 villages/communities are to be selected in discretion of the business operator and the list should be submitted with the proposal application.

- The business operator must produce the sensitization points and submit for approval to Mercy Corps before the sensitization sessions starts.

- The business operator in its own discretion will identify Village/Community Based Agents by the of service. The Village/Community Based Agents will be trained by the business operator on services provided by the business operator, contract farming models that business operator apply and the train them on creating business links btw the business operators, access to services and farmers selected in 20 villages/communities.

- The identified Village/Community Based Agents will organize the group discussions with the farmers of 20 villages/communities and share the information for the oportunity and program operations for the business operator.

2. Service part 2 - *(to be completed by May 15, 2021)*

- Groups of farmers have been identified by the business operator, business operator services modified and contracts or Memorandum of understanding between farmers of identified 20 villages/communities and business operator are signed on production of one or more of the following crops Sesame, groundnuts and or Hibiscus production.

3. Service part 3 - *(to be completed by July 15, 2021)*

- 80 training session with total of 2000 farmers participation, to be conducted in targeted areas, assuming 1 training for 1 group of farmers. Groups of farmers to be divided at minimum based on geographic area and as necessary based on products that will be contracted.

- Prior to Training sessions, the training curricula to be produced by the business operator and submit to Mercy Corps Europe for approval

- Post training sessions, the business operator will create 80 demonstration plots / 1 demo plot per group. Each demo plot will be half a feddan and should include all crops being grown by members of the group under contract.

4. Service part 4 - *To be completed by July 30, 2021*

- Providing seeds at subsidized price to farmers. Subsidy the cost of seeds by MC is 50% of the company price for seeds to a maximum of $62 per farmer.

- Requirement for seed, quality, country standards to apply (standards needs to be given to operations as an attachment to tender package), certification requirement for companies for seed

5. *To be completed by September 30*,

Crop Management training to be provided to the same 80 groups of 2,000 farmers.

- Train 20 agents in rural extension and technical knowledge managing pest, disease and weed management in the contracted products

- The 20 agents provide training to 80 groups

6. *To be completed by October 31*,

Identify 10 entrepreneurs (male and Female) to buy and sell to or from other companies through the network.

-Train the 10 entrepreneurs in business management skills and management of agriculture produce business

-Training curriulum to be designed by the company and submitted to Mercy Corps for approval before training starts

7. To be completed by January 30, 2022

The company will buy products from contracted farmers in the 80 groups

1. **Proposed activities to be taken in consideration by the business operator aplicants 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 20 community contract farming agents***

* 1. Meet leaders of communities and farmer groups and government officials to introduce contract farming model and resource requirements.
  2. Sensitise communities and farmer groups on contract arrangement
  3. Identify contract farming company agents to recruit and train farmers
  4. Train contract farming agents on arrangement and agriculture extension
  5. Equip contract farming agents to promote contract farming among smallholder farmers

***2- Register and Contract 2,000 farmers***

* 1. Through contract farming agents, register and contract 2,000 farmers through agreements or memorandum of understanding

***3- Provide* pre-season agriculture extension training to 80 groups containing 2,000 farmers and establish 80 demonstration plots**.

* 1. Conduct agriculture extension training to 80 groups with 2,000 farmers. Topics will include but not be limited to land preparation, planting and spacing and ensuring an appropriate healthy plant population.
  2. Set up 80 demonstration training plots, one for each group. The demonstration plots should be used for providing practical training to farmers.
  3. Provide 2,000 A-4 sized agronomic and crop management guide poster (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 2,000 farmers and support them to plant at least one feddan.**

* 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 80 groups containing 2,000 farmers to manage at least 2,000 feddans.**

* 1. Contract farming agents conduct second technical training to 80 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 males and females produce buying agents.**

* 1. Select and train male and female community level produce buying agents
  2. Develop and equip produce buying agents with produce quality guidance manuals
  3. Train produce buying agents on business skills and produce sourcing

Training content and training plan will have to be approved by Mercy Corps.

7- **Buy agriculture produce from the small-scale farmers**

* 1. Equip buying agents to check the quality of produce and buy produce from farmers:
  2. support agents to mobilize produce from farmers and aggregate it for sale

1. **Expected Outputs from the proposal**
   1. (a) Leaders in 20 communities and 2,000 farmers sensitized on contract farming
2. 20 contract farming agents selected and trained in contract farming and TOT
   1. 2,000 farmers in 80 groups sign agreements to farm on contract for produce buying company
   2. (a) 80 groups consisting 2,000 farmers on contract farming model trained on good agronomic practices of producing the selected crops
3. 80 demonstration gardens set up.
4. 2,000 A-4 sized black and white agronomic and crop management poster, one given to each farmer targeted. Or 1 for each farmer targeted if the target is less than 2,000.
   1. 2,000 contracted farmers provided seeds subbsidised by Mercy Corps (maximum contribution from Mercy Corps is $62 to plant at least one feddan.
   2. 80 groups consisting 2,000 farmers on contract farming model trained to manage weeds, pest and diseases.
   3. 10 male and female-led produce buying businesses established and buy produce.
   4. Up to 2,000 farmers market their crops through this company at a rate not lower than the going market price
5. **Eligibility of Agriculture Business Operator selection**

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

* 1. Must be a legally registered company and possess a license to trade in produce.
  2. Must have been operating in Sudan, buying agricultural produce for at least 3 years.
  3. Must have been engaged in contract farming for at least two years
  4. Experience working with smallholder farmers and produce buying agents for at least 1 year
  5. Evidence of existing extensive networks would be an added advantage.
  6. Willing to contribute to the cost of expanding its contract farming and produce buying networks to areas targeted by SAFE program.
  7. Having the capacity to contract at least 1,000 farmers to produce listed crops.
  8. Must show willingness to promote women as produce buyers and contract farmers.
  9. 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:

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