



CASE STUDY

Phata Cooperative

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Landesa is a global nonprofit organization working to develop sustainable and gender-responsive laws, policies and programs that strengthen land rights for millions of the world's poorest men and women. Landesa also helps implement these laws, policies and best practices across countries, companies and communities, translating intentions into pragmatic actions. These efforts have contributed to poverty reduction, food security, empowerment and conflict resolution for more than 400 million people in more than 50 countries.

The Interlaken Group is an informal network of individual leaders from influential companies, investors, CSOs, government and international organizations. The purpose of the Group is to expand and leverage private sector action to secure community land rights. Together they develop, adopt and disseminate new tools and advance new "pre-competitive" mechanisms to accelerate private sector learning on responsible land rights practices.

The Platform on LSLBI in Malawi is a national level initiative formed in 2018, with support from the Interlaken Group. The vision of the Platform is for the private sector; communities; local civil society organizations, including LandNet; and government to work together to achieve inclusive and responsible investments in land in Malawi.

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Executive Summary

Recognizing the extensive literature available on outgrower cooperative farming, this case study seeks to add to this literature by providing in-depth learnings and guidance on good practices for structuring commercial, cooperative outgrower schemes in Malawi and potentially elsewhere. Practical guidance on such schemes is critically important, as they represent an alternative to large-scale commercial estates, which are often criticized for requiring communities to transfer their land rights and uses, while providing limited opportunities for communities to participate in and benefit from large-scale agribusiness. At the same time, outgrower cooperative models are fraught with risk, as small-scale farmers often do not have access to resources (e.g., finance, fertilizer, water, technology), skillsets (e.g., business skills for engaging in contract farming), or time required to efficiently and effectively manage what can be a multi-million dollar enterprise. Furthermore, farmers may lack the skills or ability – due to power dynamics – to monitor and deter self-dealing by cooperative leaders.

The Phata Sugarcane Outgrowers Cooperative (“Phata”) is an approximately 1,100 member cooperative located in the Chikwawa District in southern Malawi. Phata provides an example of a cooperative that has managed to unlock development opportunities by taking concrete measures to mitigate risks detailed above. Based on desk and field research, this case study identifies several fundamental “building blocks” required for creating and sustaining a viable commercial, cooperative outgrower scheme. Each building block includes key lessons and recommendations for areas of improvement.

Although Phata is considered an economic and development success, the case study importantly identifies areas where the Cooperative has had negative impacts and areas in which the Cooperative can do better. Particularly, the case study concludes that Phata could benefit from adopting a more proactive approach to addressing gender equity and establishing a more robust grievance mechanism to receive and address a range of complaints from its members, employees, and the surrounding community.

Introduction: Case Study Objective, Background & Methodology

Case Study Objective

Landesa, the Interlaken Group, and the Malawi LSLBI Platform identified the need for an in-depth case study on the Phata Cooperative after recognizing a lack of detailed and context-specific information available on good practices on structuring commercial, cooperative outgrower schemes in Malawi and elsewhere. Practical guidance on such schemes is critically important, as they represent an alternative to large-scale commercial estates, which are often criticized for requiring communities to transfer their land rights and uses, while providing limited opportunities for communities to participate in and benefit from large-scale agribusiness. At the same time, outgrower cooperative models are fraught with risk, as small-scale farmers often do not have access to resources (e.g., finance, fertilizer, water, technology), skillsets (e.g., business skills for engaging in contract farming), or time required to efficiently and effectively manage what can be a multi-million dollar enterprise. Furthermore, farmers may lack the skills or ability – due to power dynamics – to monitor and deter self-dealing by cooperative leaders.

Phata, however, has managed to unlock development opportunities that commercial, cooperative outgrower schemes offer by taking concrete measures to mitigate the risks detailed above. Based on desk and field research on Phata, this case study identifies fundamental “building blocks” for a successful commercial, cooperative outgrower scheme. Although Phata is considered an economic and development success, each building block includes key lessons and recommendations for areas of improvement, many of which were pointed out by those who participated in the study. Such lessons and recommendations should be considered by Phata and others (e.g., other cooperatives, donors, financial institutions, government) interested in developing and supporting similar cooperative outgrower schemes.

Background: Phata Cooperative and Country Context

The Phata community is located in the Chikwawa district in southern Malawi. Malawi has one of the lowest GDPs per capita in the world, with a population that suffers from chronic food insecurity, land scarcity and degradation, population density, and pervasive poverty. Agriculture, together with forestry and fishing, contribute 26 percent of the country’s GDP; 72 percent of the population relies on agriculture for a living.¹ The



¹ *Agriculture, forestry, and fishing, value added (% of GDP)*, World Bank (2017, 2018), available at <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?end=2017&locations=MW&start=2009&view=chart> (last visited July 2019); and *Employment in agriculture (% of total employment) (modeled ILO estimate)*, World Bank (2017, 2018), available at <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?end=2018&locations=MW&start=2014&view=chart> (last visited July 2019).

majority of Malawi's landholders cultivate subsistence crops on small, rain-fed plots.

Historically, the Phata community was no exception to this national characterization. Like most communities in the area, Phata has traditionally relied heavily on rain-fed agriculture for income generation and household consumption. For years, many families produced cotton as a cash crop but were not seeing strong returns and were concerned by the increasingly erratic rains. In addition to cotton, other popular crops grown by the community include maize, rice, and millet. According to a baseline study conducted in 2012, 42 percent of surveyed Phata community members ran out of home grown food in January and February and 50 percent lived on less than \$1 per day.² The same study found that about 55 percent of respondents are able to read and write,³ which is consistent with 2009 district-level data for Chikwawa that found 53 percent of the population is illiterate.⁴

While Phata community farmers were struggling to sustain themselves with failing cotton crops, a neighboring community was experiencing success growing irrigated sugar cane. With irrigation in place, these farmers were able to capitalize on the area's soil type and climate, which are ideal for producing sugarcane with high sucrose levels. Both communities are located near one of the main operational sites of Illovo Sugar Malawi PLC ("Illovo"), a major sugar producer and processor and one of the largest businesses in Malawi.

Inspired by the success of their neighbors at Kasinthula Scheme, some Phata community members approached village leadership in 2011 with interest to establish their own sugarcane cooperative. Given the concern over the rain patterns, the community wanted to invest in irrigation equipment as part of establishing a new cooperative. To support its proposed irrigation process, the farmers elected to aggregate their small, individual landholdings into a collective scheme. Due in part to colonial legacies, land

Phata Project 2012 Baseline Study⁵

Study Participant Demographics

139 Respondents; 88 male, 51 female
Average age: 44
Average household size: 5.8
77.7% married monogamous and 4.3% married polygamous
7.9% widowed and 1.4 % divorced
89.9% farmers

Income

80.6% of households primarily derive income from agriculture
Average real household annual income 144.55 USD (MK 112,662.20)

Main Crops Grown

Maize, cotton, rice, and millet, in order of prevalence

Literacy & Numeracy

55.4% are literate
72.7% can numerate

Asset Ownership, Access and Control

Average 0.8 ha of cultivated land
Other common assets reported include: home, hoe, bicycle, radio, and axe.
Of the assets studied, most are reported to be owned by men (78%), with most assets accessed by all members (78%).

² "Phata Sugarcane Out-growers Project Baseline Household Income and Beneficiary Effect Survey Report," Phata Cooperative (2012).

³ *Id.*

⁴ *Chikwaw Literacy Rate*, National Statistical Office of Malawi (2008), available at <http://malawi.opendataforafrica.org/apps/atlas/Chikwawa> (last visited July 2019).

distribution in Malawi is highly unequal, with a significant amount of land held in large estates predominately by Malawian elites. However, the majority of Malawians have small parcels – 58 percent of smallholders cultivate less than one hectare – while the country’s approximately 30,000 estates hold between 10 and 500 hectares.⁶ In Phata, .8 ha is the average size of cultivated land, as found in the 2012 baseline study.⁷

Through a participatory process, Phata community members with access to suitable land within the planned scheme area mapped, registered, and aggregated their land. The majority of the land contributed to the scheme was land that had been held customarily. In Malawi, an estimated 65–75 percent of land is customarily held, meaning customary law governs land allocation, land use, land transfers, inheritance, and land-dispute resolution.⁸ Customary land is vested in the President in trust for the people of Malawi and is under the jurisdiction of customary traditional authorities. Chiefs typically rely on clan and family leaders to allocate land to individuals and households from land owned by that group, in accordance with customary laws. In Phata, customary practices dictate transfer of land through the female line. Customary land may be held communally or individualized in the names of a lineage, family, or individual. Generally, the family or individual can lease the land or bequeath it.

In exchange for contributing land to the Cooperative, individuals received membership and a cooperative share proportional to the land size contributed. The Cooperative then registered the collective land under a lease in the Cooperative’s name.

It is within this context that the Phata Cooperative was born and has continued to evolve. As detailed in the timeline below, the Cooperative has undergone two main growth phases with funding from AgDevCo and EU grants. Nearly a decade later, the Cooperative continues to operate as a successful business with nearly 1,100 members. Consistently profitable, the Cooperative has paid \$6.5 million in dividends to farmers over the last six years.⁹

⁵ Phata Sugarcane Out-growers Project Baseline Household Income and Beneficiary Effect Survey Report, *supra* note 2. The baseline study employed random sampling, so these findings can be considered representative of the Phata population living within the project impact area at the time.

⁶ *Malawi USAID Country Profile Property Rights and Resources Governance*, USAID (2010), available at <https://www.land-links.org/country-profile/malawi/> (last visited July 2019).

⁷ Phata Sugarcane Out-growers Project Baseline Household Income and Beneficiary Effect Survey Report, *supra* note 2.

⁸ *Id.*

⁹ *Phata Sugar Cooperative*, AgDevCo (2019), available at <https://www.agdevco.com/our-investments/by-investment/PHATA-SUGAR-COOPERATIVE> (last visited July 2019).



Methodology

Case study findings and recommendations are based on qualitative research and desk research performed by Landesa and LandNet staff between February and March 2019. The goal of desk research was to understand the overall context in which Phata is operating and explore past research findings, most notably AgDevCo's 2018 case study.¹⁰ The objective of the qualitative research was to gather evidence from a variety of stakeholders to ensure objectivity in the analysis, present a range of perspectives, and corroborate findings from desk research. Qualitative research consisted of focus group discussions (FGDs) and key informant interviews (KIIs) with cooperative members, non-member employees, non-member and non-employee community members, financial and management partners, and buyers. Female and male cooperative members were interviewed separately, and an average of eight people participated in each FGD.

For more detail on the methodology, including focus group participants and key informants interviewed, see Annex 1.

Key Building Blocks for a Successful Cooperative

This case study identifies some of the fundamental building blocks to establishing and operating a successful cooperative outgrower scheme grounded in analysis of the Phata Cooperative. Each of the following building blocks offers a summary of the concept, an overview of how each topic was addressed in Phata, and lessons learned from Phata's experiences. Recognizing that this

¹⁰ Id.

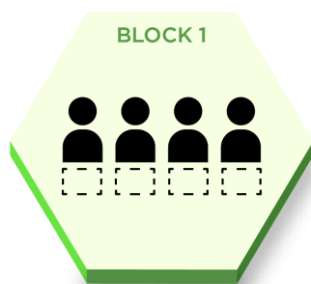
study is based on analysis of one cooperative in a particular socio-economic context, findings are not generalizable. Instead, case study findings highlight some factors that may be especially useful in laying the foundation for the successful operation of an agricultural cooperative.

A cooperative is almost certain to disrupt the existing socioeconomic relationships and situation within a community, bringing with it both positive and negative impacts. While the Phata Cooperative has brought many positive benefits to the community, there have been some negative impacts and areas in which the Cooperative can improve, and which others who are learning from Phata's experience can avoid. Particularly, the Phata Cooperative could benefit from adopting a more proactive approach to addressing gender equity and establishing a more robust grievance mechanism to receive and address complaints from its members, employees, and the surrounding community. The research team identifies recommendations for each of these topics, as well as others, in each building block outlined below.

Collectively, these building blocks establish the foundation for sustained success:

- **Block 1: Community Demand**
- **Block 2: The “Three M’s”: Management, Money, and Market**
- **Block 3: Access to Land & Water**
- **Block 4: Participatory Governance Bolstered by Strong Leadership**
- **Block 5: Dividend Practices**
- **Block 6: Diversified Benefits**
- **Block 7: Gender Equity**
- **Block 8: Grievance and Feedback Mechanism**





Block 1: Community Demand

A minimum threshold requirement before deciding whether to establish a cooperative like Phata is to determine whether there is demand and buy-in from key stakeholders whose participation is critical to the cooperative's success. As the community arguably has the most to gain or lose in such an arrangement, their interest and buy-in is paramount. It is, after all, the contribution of the community's resources, time, and labor that form the backbone of a cooperative.

For Phata, the concept of a cooperative was community generated and driven from the outset. The community was facing challenges in harvesting traditional crops, such as cotton, which had become riskier and less profitable in large part due to insufficient and erratic rainfall, likely attributable to climate change. While Phata farmers were struggling to sustain themselves, they witnessed the success of the neighboring Kasinthula Cooperative, which grew sugarcane and had a supply arrangement in place with Illovo. Kasinthula farmers had received resources in the form of land and funding from the Government of Malawi to invest in irrigated sugarcane farming in 1997. Phata community members witnessed the benefits of the arrangement flowing into Kasinthula, and watched their neighbors renovating their houses, purchasing new motor bikes, and sending their children to school.

Consequently, the Phata community believed that investing in irrigation and cultivating a cash crop like sugarcane would provide better economic opportunities than relying on rain fed cotton production. The community therefore approached village leaders to express their interest in establishing a sugarcane cooperative. This resulted in the establishment of a temporary Development Committee to represent the community and meet with Agricane,¹¹ an agricultural development and management company that was managing Kasinthula at the time, to discuss important next steps, such as identifying financing and land, establishing a buyer relationship, and developing an operating and management plan.

The importance of starting with demand does not end after the initial agreement to establish a cooperative. Critically, future decisions about how the cooperative is structured and operates should also originate from a place of demand. For Phata, the initial grassroots demand from the farmers established the foundation for a cooperative in which sustained membership participation and leadership are critical components, something that is further discussed in Building Block 4.

¹¹ Agricane is an agricultural engineering and development company specializing in a range of services to support the design, development, and management of agricultural projects on the African continent. The company has experience in countries including Ghana, Zimbabwe, Mozambique, Malawi, and Nigeria.



Key Learning

Phata is rooted in grassroots demand that was inspired in large part by the experiences of a neighboring cooperative: they witnessed success and demanded change for themselves. This demand established the foundation for a cooperative structure and operations in which members continue to have a critical role in decision-making.

If the idea for a cooperative is imposed or pushed by an outside actor, like a government or donor, it will likely be more challenging to set-up a sustainable, participatory initiative, so specific efforts should be taken to solicit input and foster community ownership as soon as possible. Phata's example also suggests that accessible case studies of other cooperatives may be useful tools to demonstrate possible impacts and build demand.

The research team was unable to gather specific information about who within the Phata community approached village leadership and Agricane. As a best practice, community representatives should be trusted and represent the diversity of the community. For example, it is important that women's input is captured from the outset.

BLOCK 2



Block 2: The “Three M’s”: Management, Money, and Market

To realize their goal of establishing a sustainable cooperative, the Phata community next needed to secure the “Three M’s”: (1) qualified management to advise the farmers on setting up and running the cooperative, (2) money to finance the start-up costs and operations, and (3) a reliable market for their products. Without any one of these interlinked components, the Phata Cooperative would, most likely, have been unsuccessful.

Management

With the support of local government, Phata community members approached the management company Agricane with a request to advise them on setting up the Phata Cooperative.

In many resource-poor areas like Malawi, it is common for the farmers themselves to divide up responsibilities and perform all of the work within a cooperative. However, many farmer cooperatives struggle, in part because their members are small scale farmers with minimal resources and often with limited formal education and time to invest in managing cooperative operations. Farmers may also have limited connections to the networks and institutions that can open doors to financing arrangements, potential buyers, and technical advice on topics like the installation and management of irrigation, agronomy, and land use planning.

Phata has taken a different approach that distinguishes it from many other cooperatives and underpins much of its success. It approached a trusted, professional management company with local knowledge to support the initial start-up and, now, the continued day-to-day management

of the Cooperative. Agricane helped the farmers identify funding, establish an off-take agreement with Illovo, map land and begin field development, design the Cooperative's governance structure, and develop an operating and financial plan. Importantly, Agricane facilitated these processes in a manner that supported farmer participation and decision-making. Today, Agricane continues to support the ongoing management of the Cooperative. Cooperative management reports to the Board of Directors, which is accountable to all Phata Cooperative members. More information on this structure can be found in Building Block 4.



Key Learning

Phata started from community-driven demand (see Building Block 1) but took steps to ensure that demand was informed. Professional advice can be useful to communities like Phata looking to set-up a Cooperative to help them fully understand the risks and potential benefits, as well as the commitment of time and resources required to make a cooperative a reality.

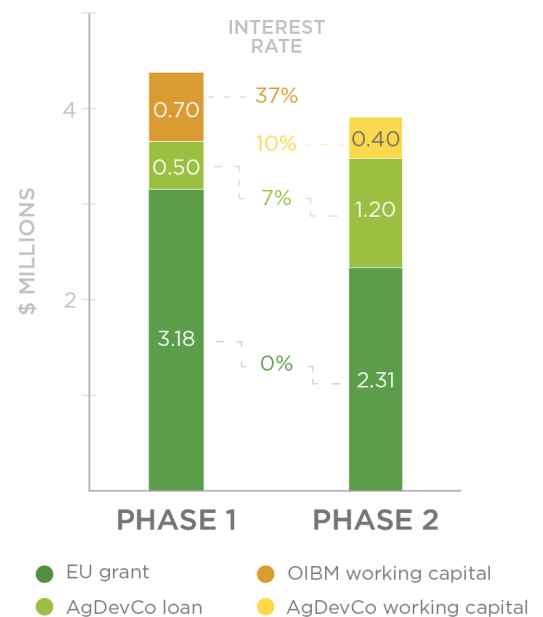
Agricane and the Phata Cooperative have benefited from a long-term relationship in which risks are shared: Agricane's earnings are dependent on the Cooperative's profits and Phata must pay farmers a minimum rent to safeguard farmer minimum income.¹² Cooperatives that have short-term contracts with management companies (such as a contract to assist with start-up only), must plan for the capacity building of members or other staff to take on management responsibilities to ensure sustainability of the cooperative in the long term.

Money

The Phata Cooperative benefited from a confluence of financial opportunity that provided access to affordable financing through grants and development finance.

Agricane helped the farmers identify a \$3.2 million European Union (EU) grant to develop the land for sugarcane production and install center pivot irrigation. The EU grant required a contribution of a little over \$500k that the farmers needed to supply. The farmers struggled to identify affordable financing for this contribution from local banks and were connected to the social impact investor AgDevCo, which provided a capital loan to unlock the EU grant at a concessional rate. AgDevCo also helped facilitate a \$700k loan from the Opportunity International Bank of

Investment Financials



¹² "A Successful Cooperative Model: A Case Study of AgDevCo's Investments in Phata in Malawi," AgDevCo (2018), at 12, available at <https://www.agdevco.com/uploads/Case%20Studies%20-%202018/AgDevCo - LTS Phata Case Study.pdf> (last visited July 2019).

Malawi (OIBM) to provide annual working capital to cover initial operational costs.

When the Cooperative later sought to expand in Phase Two, the Cooperative turned again to the EU and AgDevCo for funding to develop additional land for sugarcane and food crops. During Phase Two, the Cooperative did not need to borrow funds from OIBM.



Key Learning

Affordable finance is essential for a new cooperative, and may include a mixed portfolio (e.g., debt, revenue-sharing, equity, and grants). With the support of Agricane, Phata was able to identify non-traditional financing sources that provided grants and loans at concessional rates.

Market

At the most basic level, for a cooperative to be successful there must be a demand for its product. Without a market, the Phata Cooperative would have failed, and without a reliable market, it would have been substantially more difficult to attract financing and achieve stability. Relatedly, the market plays a critical role in planning for the scale of operations and, in the future, both sustainability and potential expansion planning. It is critically important that there is sufficient demand for the amount of cash crops produced by the cooperative, which includes consideration of the number and proximity of buyers, each buyer's processing capacity, fluctuating demand based on global commodity prices, national regulations and demand, and potential competition from other suppliers.

“

Make sure there is access to affordable finance. This is key. You can't afford to borrow irresponsibly.

– Illovo Manager

“

Financing outgrowers like Phata is atypical for our portfolio. The favorable agreement with Illovo was essential to our decision, as was Agricane's involvement.

– AgDevCo Director

The Phata community benefits from close proximity to Illovo's Nchalo Sugar Mill, and the farmers were able to negotiate an off-take agreement with the company, provided they could meet its quality standards. According to Illovo representatives, the company has been very satisfied with the quality of Phata's sugarcane to date. In fact, last season, Phata's average sugarcane yields were higher than the sugarcane produced directly by Illovo on its estate land.¹³

The off-take agreement with Illovo not only established a consistent buyer for Phata's product but also was a critical factor in the Cooperative's ability to secure financing from AgDevCo. The off-take agreement provided for a 25-year arrangement to

¹³ An Illovo representative explained that yields vary depending on the age of the sugarcane, as it needs to be replanted every seven to eight years. On average, the Phata Cooperative has younger sugarcane plants than Illovo, which could account for the difference in yields.

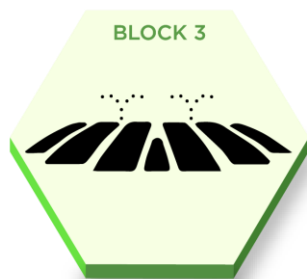
be renegotiated every five years, which covered the full period of the AgDevCo loan. Coupled with a quality product and smart management decisions, the available market for sugarcane



Key Learning

Establishing an off-take agreement provided Phata with a consistent buyer for their product and helped them secure financing for the cooperative. Planning for the establishment of a new cooperative or the expansion of an existing cooperative's production should go hand-in-hand with assessing buyer demand.

enabled the Cooperative to repay its initial working capital loan from OIBM after the first harvest and repay the AgDevCo loan three years ahead of schedule.¹⁴



Block 3: Access to Land & Water

Land and water are the two most fundamental resources required to grow sugarcane, and access to these resources is often interconnected. For example, if a cooperative needs to install an irrigation scheme in order to have enough water to grow sugarcane, then land will likely need to be consolidated by reconfiguring members' individual parcels of land into a single "block" or area. However, if a cooperative is able to rely on rainfall, then it is more likely that members will be able to grow sugarcane within the original boundaries of their parcels.

Location

Due to the climatic conditions of the area where the Phata community is located, where erratic rainfall and drought are common, the Cooperative needed to install central pivot irrigation to reliably grow sugar cane. This type of irrigation scheme requires all land under sugarcane production to be consolidated into a single area, meaning the Cooperative's efforts to secure suitable land and water were intrinsically linked. For example, Phata community members were only eligible to join the cooperative if they possessed rights to suitable land within areas designated for irrigation.¹⁵ Furthermore, to achieve economies of scale, it was critically important for the Cooperative to establish the boundaries within which sugarcane would be grown so that community members with parcels inside those boundaries could determine if they wanted to become members or not.

¹⁴ "A Successful Cooperative Model: A Case Study of AgDevCo's Investments in Phata in Malawi," *supra* note 12, at 5.

¹⁵ Phata Cooperative Constitution, at §5.1(a).



Key Learning

Depending on whether a cooperative needs irrigation or not, membership may need to be contingent on whether a person's land is (or is not) located in the area(s) designated for irrigation. This could place limitations on which community members are eligible to join the cooperative, which could lead to conflict or tension within the community or between the cooperative and the community. A cooperative could help to mitigate the risk of such conflict or tension by sensitizing communities on why certain limitations on memberships are critical for the long-term sustainability of the cooperative. Furthermore, as a strategy to avoid conflict or tensions with community members unable to join, a cooperative could provide other benefits (e.g., employment, shared value projects, etc.). A grievance or feedback mechanism could be helpful for identifying whether such conflict or tension exists, which is explained in more detail in Building Block 8.

Land Size

For Phase 1 of Phata's development, members were required to contribute at least one hectare of suitable land to the Cooperative to meet an EU grant application requirement. This requirement was based on a viability study, which stated that a farmer needs at least one hectare of land to grow sugarcane productively.

This minimum land requirement created a barrier of entry for farmers, as many possessed less than one hectare. To overcome this barrier, some farmers pooled land together with neighbors, family, and friends to meet the minimum land requirement, although they were still required to register under one name. Consequently, farmers that pooled land had to decide as a group who would be the registered member, as well as reach an agreement in terms of how dividends would be shared. At times, accusations have been made against the registered member that dividends are not shared fairly. For farmers with less than one hectare of land and who were unwilling to pool land together, membership in the Cooperative was not possible.

For Phase 2, the minimum land requirement was eliminated after discussion between the Cooperative and the EU. The reasons for eliminating the minimum land requirement were two-fold. First, the viability study that supported the EU grant requirement was found to not be applicable to Phata because members' individual plots were consolidated into one area, and then farmed and managed together. Second, there was a demand to join the Cooperative by farmers with less than one hectare of land.

According to a representative from Agricane, elimination of the minimum land requirement did not result in difficulties for the Cooperative because individual parcels are consolidated into one area, and the mapping and registration process required to do this are the same regardless of land size. Instead, the important factor was whether the land was suitable and located within the irrigated area.

Average Plot Size



After removing the minimum land requirement, the Cooperative offered Phase 1 members the option to break up pooled land to allow each farmer to register individually. Some farmers from Phase 1 have gone through this process, while others have not. The average land size for Phase 1 and Phase 2 members is 1 hectare and .6 hectare, respectively.¹⁶



Key Learning

Although a minimum land requirement may be necessary in some situations to achieve economies of scale, it could impose a barrier of entry for farmers, especially women and other vulnerable groups that tend to have rights to smaller parcels of land. For Phata, a minimum land requirement was found, ultimately, to be unnecessary because individual parcels of land were consolidated into one area, and then farmed and managed together. Consequently, a cooperative should assess the benefits and risks of a parcel size requirement for participation from the outset.

Land Mapping and Registration

All prospective members were first required to apply in writing to the Cooperative's Executive Committee. After receiving and reviewing the application, each prospective member was then required to confirm their land rights by mapping the boundaries of their parcels using a tablet-based digital tool with an in-built GPS. Mapping was required to be carried out in the presence of the respective Village Headman and at least two Development Committee members. All individuals present during the mapping then countersigned the application form as witnesses before final submission to the Cooperative.¹⁷

Although the Cooperative's Constitution only requires the respective Village Headman and two Executive Committee members to be present during the mapping, many male and female members explained that typically several other witnesses were present, including neighbors, extension officers, and Agriscan staff. Considering the possibility of boundary disputes arising during the mapping process, it was especially important for neighbors to bear witness to and verify the GPS results. If farmers were not satisfied with or questioned the GPS results, members explained that the measurements could be retaken to confirm the results.



Key Learning

Due to the possibility of boundary disputes arising during the land mapping process, it is important for neighbors to participate in, bear witness to, and confirm and verify the land mapping results. Although in the short-term this could slow down the land mapping process, in the longer-term it will help to mitigate the risk of boundary disputes, which could create costs and delays for applicants and the Cooperative in the future.

¹⁶ "A Successful Cooperative Model: A Case Study of AgDevCo's Investments in Phata in Malawi," *supra* note 12, at 14.

¹⁷ Constitution, *supra* note 15, at §5.3(b)

Mapping Technology

It is important to note that between Phase 1 and Phase 2, considerable advances were made to the mapping technology to improve the accuracy of results and decrease the likelihood of disputes. For example, during Phase 1, the GPS device required measurements to be recorded by hand on paper, which resulted in risk of human error and/or for intentional manipulation of results. Furthermore, the GPS device did not provide an aerial or satellite image of the Cooperative area, including other mapped parcels. Consequently, members were unable to view each parcel in relation to others.

For Phase 2, the GPS technology was considerably improved through the development of an application by AgriSense.¹⁸ The application allowed prospective members to walk their boundaries themselves and measure their own parcel of land with a tablet. Results were then automatically and digitally uploaded, which significantly minimized the risk of human error or intentional manipulation. Furthermore, the application included a current aerial image (made using a drone) of the Cooperative area, which allowed users to view each individual parcel's size and location in relation to others. The application also allows users to take a photo of the landowner and record basic bio data to help verify identity.

The extent of improvements made to the technology was made especially apparent when GPS results of several prospective members' parcels differed between Phase 1 and Phase 2. Due to limited grant resources, certain prospective members were unable to join the Cooperative during Phase 1, but this determination was made after their land was measured. These prospective members were then later able to join the Cooperative during Phase 2, and as part of this, their land was re-measured using the new application. When comparing GPS results from Phase 1 to 2, several discrepancies were found. These likely resulted from technology differences, as the technology was greatly improved for Phase 2. These discrepancies nonetheless caused some cooperative members to distrust the mapping process.



Key Learning

When mapping land holdings, it is important, if feasible, to use technology that mitigates the risk of human error or intentional manipulation of results. In the case of Phata, to mitigate this risk, it was helpful that the technology solution allowed prospective members to walk and map their own boundaries, and for the results to be automatically uploaded and viewed in relation to other parcels in the area. It is important to note that all cooperatives may not have access to such sophisticated or costly technology, and thus, may need to search for low-cost mapping alternatives.¹⁹

¹⁸ Agrisense is a subsidiary of Agricane.

¹⁹ See, *Geographic Information Systems at Yale: Community Mapping Resources*, Yale University Library, available at <https://guides.library.yale.edu/c.php?g=295854&p=1972667> (last visited July 2019).

Land Use Planning

Cooperative members and village leaders explained that lack of land for grazing is a challenge faced by the Cooperative and broader community. In fact, several community members were hesitant to join the cooperative in the first place because of the risk that not enough land would be left available for grazing. Several Cooperative members explained that this risk has materialized because farmers did not allocate a portion of their land for grazing when they joined. This is understandable, as it would be extremely difficult from a logistical standpoint to achieve economies of scale if each member carved out a portion of their land for grazing or other uses, as all individual parcels needed to be aggregated into one collective, irrigated scheme.

To account for the risk of land scarcity for grazing purposes, the Cooperative includes reserved areas of land for members to use to graze livestock. However, based on feedback from members, it appears that this reserved area is insufficient to meet members' grazing needs. Furthermore, members indicated that the demand for grazing land has increased because of population growth and increases in numbers of livestock. It is possible that increases in livestock are actually a consequence of Phata's success, as members have increased household income to purchase livestock. To help overcome grazing challenges, Phata is currently trialing irrigated pastures and minimal grazing initiatives.



Key Learning

Although Phata responded to members' land use concerns by establishing a reserved area for grazing, such planning has not accounted for long-term needs and changes (e.g., population growth, increased livestock, etc.). Furthermore, it appears that land use planning mainly accounted for areas immediately impacted by the planned investment and did not account for impacts on the Phata community as a whole.

To better ensure the sustainability of a cooperative and to mitigate impacts, land use planning should reasonably account for needs and changes in the long-term, which could entail project reconfiguration (e.g., devoting more land to grazing) or other mitigation strategies (e.g., leasing additional land for grazing). Furthermore, to identify and account for more indirect impacts, it is important for land use planning to extend beyond areas immediately impacted by the planned investment.

Women's Land Rights

Approximately 40 percent of Phata members are women. One of the factors that may enable women's participation is that the Phata community follows matrilineal customs and traditions, which means that land is passed down through the female line instead of the male line. For matrilineal communities, it is common for clan land to be registered in women's maiden names. It is thus possible that Phata's matrilineal customs and traditions created an enabling environment for women to participate in the Cooperative. At the same time, however, considering the matrilineal customs and traditions, it could also be argued that a majority of members should be women, as one must possess land to join.

Overall and with few exceptions, women members explained that they did not think gender affected the land mapping and registration process. However, some male members mentioned that registering land in women's maiden names created conflicts within households. For example, male members reported that some husbands abuse wives who are female members; and even though dividends are paid directly to female members, their husbands still control how dividends earned through the Cooperative are spent. These findings highlight that even though women in matrilineal systems may have the *legal* right to land, men may still have decision-making authority, especially considering that they are typically clan leaders (making decisions around land allocation/use).

For more detailed information on women's participation in Phata, see Building Block 7.



Key Learning

Existing gender customs and norms can create an investment environment that could enable or prevent women's participation in cooperatives. For a cooperative like Phata, which requires members to contribute land, it may be easier for women to join because they live in a matrilineal system. Women living under patrilineal systems may face more barriers joining cooperatives that require land consolidation. However, land ownership is not always the determining factor for whether women are able to join and participate in cooperatives. Other factors, such as decision-making authority over land use and household income, also determine the extent to which women are able to participate in and benefit from a cooperative.

Land Disputes

Although the Cooperative's land mapping and registration process succeeded in identifying enough suitable land for planting sugarcane within the irrigated area, it was not without conflict. Overall, most land disputes were resolved informally, with a few resulting in complaints filed in court. For any ongoing land dispute that resulted in delays to the land mapping and registration process, the prospective member's application was suspended. For an overview of the most common disputes and the Cooperative's processes for responding to such disputes, see Building Block 8.

BLOCK 4



Block 4: Participatory Governance Bolstered by Strong Leadership

The Phata Cooperative was community-driven from the outset. This community participation was shaped by the experienced guidance of Agricane, but this guidance was not prescriptive. Decisions from the land mapping process to the substance of the Cooperative Constitution to the business model were taken together. This has yielded generally good relationships between management and the cooperative members. Respondents in this study largely reported that they, as cooperative members, have the power to make decisions and that management is accountable to the members.

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All information is given and made available to farmers, but farmers are not just informed, they actively participate. Decisions are not made without farmers' input.

– *Phata Extension Officer*

A success factor of the Cooperative is that there is cooperation. Farmers make decisions and management only helps in implementation. Management does not implement anything without discussing with farmers.

– *Female Member, Phase 1*

The Constitution

The Cooperative's Constitution was a key step to embedding this participatory spirit into Phata's ongoing operations and management. The Phata Cooperative's Constitution sets forth the by-laws of the Cooperative, covering such issues as the:

- Main objectives of the Cooperative
- Procedures to join and leave the Cooperative
- Rights and obligations of Cooperative members
- Cooperative governance and management structures, including the composition and duties of governing bodies, election procedures, and schedule of member meetings
- Source of funds, permitted use of funds, and procedure for distribution of net surplus
- Other general matters to ensure smooth and transparent operations of the Cooperative

An outside expert led the drafting of the Constitution and by-laws, which occurred over the course of two years. The expert solicited multiple rounds of inputs from all members, including both women and men, through group meetings. Once the Constitution was finalized, each member reviewed and signed it. It was then reviewed by a local attorney, and submitted to and endorsed by Malawi's Registrar of Cooperatives.

The Governance Structure

The Constitution establishes the Annual General Meeting (AGM) as the main decision-making body of the Cooperative, comprised of all cooperative members who each hold equal voting rights.²⁰ Women and men members largely report that they can make decisions that the management will respect²¹ although women report that they are constrained in their ability to access leadership positions. The AGM meets once a year to share all updates, including information about finances and the dividend, and to hold elections for eligible leadership positions.²² Other special or general meetings can be convened as needed with proper notice and quorum as outlined in the by-laws.²³

The AGM is supported by a Board of Directors, committees, and management responsible for overseeing the Cooperative's affairs. The Board of Directors consists of farmer representatives, independent members, and representation from management, who must all be literate and in good standing within their community.²⁴ Independent Directors must not be members of the Cooperative and must hold expertise that will strengthen and diversify the skillsets of the Board, such as in accounting, law, agriculture, or business.²⁵ Committees assist the Board in specialized areas, such as in finance, farm monitoring, and managing Fairtrade Premiums,²⁶ and serve as liaisons between the Board, management, and farmers.

“

Although it may be tempting to increase dividends by paying less on a loan or cutting fertilizer, it ultimately is not the right decision for the long-term sustainability of the initiative. You therefore need to be careful with who is on the Board. You need to have people with competence and skill, without having a conflict of interest.

– Illovo Manager

²⁰ Constitution, *supra* note 15, at §17.0 (a).

²¹ For instance, several women respondents provided the example of a recent situation in which the members voted to not approve a request to purchase a vehicle for the purpose of transporting committee members, as they preferred to purchase a vehicle that could be used by all cooperative members.

²² Constitution, *supra* note 15, at §17.1.

²³ *Id.* at §17.2, 18.

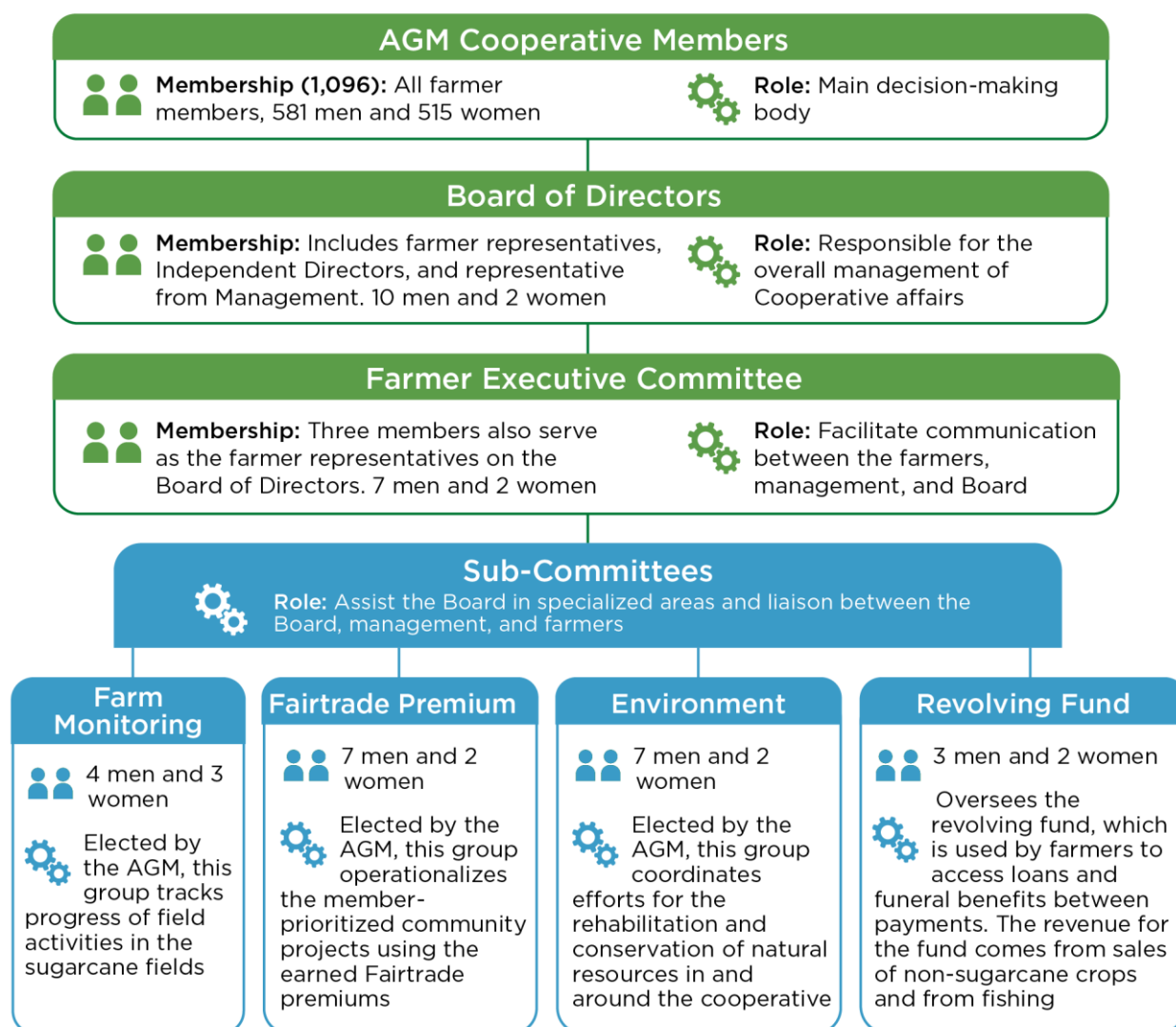
²⁴ *Id.* at §19(a₁), (i).

²⁵ *Id.* at §19(c), (a₂).

²⁶ Under the Fairtrade Program, the Fairtrade Premium is an extra sum of money a cooperative receives to invest in improving the quality of members' lives, additional to the price farmers/workers receive for their produce or labor. This premium is paid at the cooperative level and cooperative members determine how to use the funds. For more information, see *What is Fairtrade?*, Fairtrade Foundation, available at <https://www.fairtrade.org.uk/What-is-Fairtrade/What-Fairtrade-does/Fairtrade-Premium> (last visited July 2019).

Phata Cooperative Governance Structure

*As of June 2019



The Cooperative established minimum education requirements for the Board and committee positions, including requiring that nominees have the ability to read and write. They also established the role of the Independent Directors noted above and term limits for committee positions. These measures were adopted based on the experiences of other, neighboring cooperatives, some of which had faced challenges in financial forecasting and management attributable to both lack of experience and corruption related to abuse of private interest. With these lessons in mind, establishing leadership that could provide independent and prudent financial guidance was a priority for Phata.

Although multiple respondents point to the necessity of education requirements, they do pose a challenge for the participation of women in Phata's governance and decision-making processes – a challenge not unique to Phata. Women cooperative members expressed that due to low levels of literacy among women in the Phata community their participation in the committees is significantly limited. Other limiting factors reported include low self-esteem and confidence to

apply for the leadership roles and competing obligations due to domestic responsibilities. These challenges are further discussed in Building Block 7.



Key Learning

Phata Cooperative members own the decisions, inputs, and outputs of the Cooperative, enlisting support for specialized topics, like management, financial forecasting, and law. Respondents in this study largely reported they believed they had the power to make decisions and management is accountable to the members. The strong relationship of trust between farmers and management structure has been a key to success.

Education requirements for leadership positions support prudent decision-making. Leaders are accountable for decisions; elections and term limits help to curb corruption, as does the inclusion of independent directors on the Board. However, education requirements can pose barriers for some members, particularly women, to participate and have their voices heard. A recommendation for Phata to address this challenge is to offer accredited educational opportunities for cooperative members targeted at skill-building, including literacy training, to help more members meet leadership requirements.

Farm Operations

Phata's participatory nature also extends to the field, shaping how farming responsibilities are shared amongst Cooperative members. Members must contribute labor to the process of cane production, a membership duty outlined in the by-laws.²⁷ The Cooperative hires dedicated staff for activities in the sugarcane fields that require specialized skills, like cutting sugarcane, applying fertilizer, driving, and operating irrigation pumps; some members are hired for these types of work and are paid. In addition, but as part of their membership, members also participate without pay in farming activities in the sugarcane fields and fields where collective food crops are grown. This both fosters buy-in from members and reduces operational costs.

Cooperative members are organized into groups of approximately 30 farmers to allow for rotational participation in weeding, planting, tilling the rice fields, etc. They are not paid for this work. For members who are physically unable to perform labor (e.g., they have duties away from the farm on their scheduled day, they are elderly, physically impaired, etc.), they may appoint a family member, friend, or hire labor to serve in their place. If a farmer fails to participate, he or she can be fined K1,000 (about US\$1.35), which is a penalty suggested by the members to promote fair contribution by all members.

Study respondents report that women and men both contribute equally to the labor groups, and it appears that the ability to hire casual labor/appoint a family member to serve when needed has mitigated potential negative impacts for women, physically disabled, and elderly. However,

²⁷ Constitution, *supra* note 15, at §9(b).

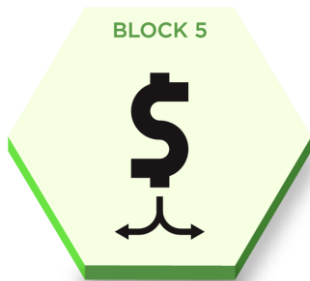
women report that they face barriers in attaining leadership roles on the farm labor groups. At the time of this study, there are reportedly six female group leaders out of 34 farm labor groups. In addition to the barriers identified above, women and men cite security issues as a barrier for female farm group leaders, as the position may require follow-up visits with group members, which is perceived as unsafe for women. These challenges, as well as recommendations, are discussed in Building Block 7.



Key Learning

Labor is an in-kind contribution and a form of participation in the operations of the Cooperative. Phata members find it important that they should all contribute unpaid labor in specific ways as a condition of membership. Other roles that require significant time investment or specialized skills are paid positions; these jobs are open to both non-cooperative members and cooperative members who must apply for the positions.

BLOCK 5

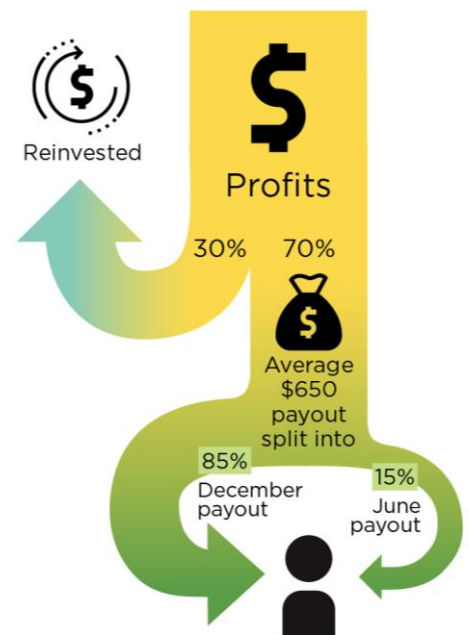


Block 5: Dividend Practices

From its inception, developing a financially responsible and transparent dividend policy, which establishes clear rules and guidelines on the amount of dividends paid out to its members, was a top priority for the Cooperative.

The Cooperative's dividend policy balances payouts to farmers with paying down debt. The policy specifies what share of profits should be allocated for meeting Phata's financial obligations and what share should be allocated for dividends. Specifically, in Phase 1 the Cooperative re-invested 40 percent of profits to cover its operating expenses, repay loans, and build a reserve fund for future investments; the remaining 60 percent of profits went to members as dividends. This translated into an average payout of \$650 in the first year, compared to the average income of \$120 per member before the Cooperative.²⁸ Only after repaying initial working capital and the AgDevCo's loan, the Cooperative adjusted its policy to increase the share of profits distributed as dividends to 70 percent during Phase 2.²⁹

Dividend Policy



²⁸ "A Successful Cooperative Model: A Case Study of AgDevCo's Investments in Phata in Malawi," *supra* note 12, at 8.

²⁹ *Id.* at 5.

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Before, one could
could make K40,000
from the sale of cotton and
now from the same piece
of land, one can make
K400,000 from the sale of
sugarcane.

– *Village Head*

Rules that govern the Cooperative's dividend were found to be sufficiently transparent and clear to all members. Individual payouts depend on the land share contributed to the Cooperative, which is specified in the member's contract. In Phase 2, the average size of land contributed by men and women was 0.75 and 0.73 hectares, respectively, implying that men and women earn similar amounts in dividends, on average. The vast majority of members who participated in the study were satisfied with the amount of payments they receive and only few wish they could be higher.



Key Learning

The Cooperative since its inception has been striking a balance between profit-sharing in the form of dividends and meeting the Cooperative's financial obligations. Establishing and maintaining a financially responsible dividend policy may help agricultural cooperatives gain investors' trust and attract new funding, ensuring sustainability of the business in the long run.

Importantly, Phata management engages members in the process of joint calculation of dividends – specifically, they discuss how much sugarcane was harvested, how much was sold and at what price. As a result, members expressed that they had a fairly solid understanding of the method used to calculate their dividends. Both men and women reported being closely involved in the process of calculating and verifying the amount of dividends they should receive. In addition, management attempts to be transparent about cost deductions that cover operation costs (e.g., electricity and water bills.). Still, a few members mentioned that the costs of water and electricity, which lower profits, seemed unreasonably high and that those costs were not sufficiently clear to them. The Cooperative could dedicate more efforts to involving members in the dividend verification process and in regularly sharing detailed information on reoccurring expenses.

“

Farmers are allowed
to voice their concerns [about
deductions and operational
costs]. When farmers complain
about deductions being too high,
reversals are made to a point
where farmers are comfortable.
– *Women members, Phase 2*

Frequency of the dividend payouts was another important consideration for Phata. Sugarcane is an annual crop but receiving a large sum in one large installment each year may increase risk of theft and may require more careful financial planning and management on behalf of Cooperative members, as one has to ensure there is sufficient savings to last throughout the year. In fact, findings revealed that members used to receive the entire dividend amount all at once, but for the reasons mentioned above, they preferred higher frequency of payouts. While

women members preferred to receive monthly payouts, men opted to receive payouts twice a year, which is the current practice. Dividends are now paid in two tranches: in December, the farmers receive 85% of the total worth of their land parcel contributed, based on the yields and expected revenue. In June, they receive the remaining 15%, after the final audit figures.

Finally, the method used to deliver dividends can have important implications for the members' decision-making power and welfare. In Phata, dividends are disbursed directly into the members' individual bank accounts. The decision to deposit dividends into individual accounts was done primarily to address petty crime. However, direct deposits also afforded a greater degree of control over finances and independence in decision-making to some women members. Some male members, in turn, perceived this as a direct threat to their authority and reported that disagreements over finances among spouses have increased. In addition, some members reported that other types of intra-household disputes intensified because close relatives expected members to share some of the earnings with them. These findings as well as recommendations for addressing them are discussed separately in Building Block 7.



Key Learning

Consistent sharing of information on pertinent topics with members, such as information on dividend calculations, and constantly seeking members' input and feedback, is critical for maintaining trust between management and members and for ensuring accountability.

Frequency of the payouts and method of dividend disbursement should be carefully designed and planned with significant inputs from the members; such features of dividend-sharing can have important implications on members' welfare and ability to make decisions, especially for women. To help members better manage their family finances and to address intra-household disputes, the Cooperative could offer financial planning or family budget training programs as well as conflict-resolution training for members and their households.

BLOCK 6



Block 6: Diversified Benefits

A financially responsible, fair and transparent dividend-sharing arrangement is essential, but not sufficient to ensure that an agricultural cooperative is successful in creating sustainable, positive social and economic benefits for affected communities.

By developing a comprehensive benefits package that provides secure access to staple food crops, offers alternative agricultural activities, provides some members with seasonal or full-time employment, and improves farmers' skills, the Cooperative plays an important role in helping members manage risks related to agricultural production and food security. While dividends

provide members with higher earnings that can create positive spillovers for the local economy, they may also expose farmers to risks associated with overreliance on a single crop whose price fluctuates. In Chikwawa district, like in most rural areas in Malawi where subsistence agriculture is a predominant economic activity, sugarcane cultivation can disrupt traditional food crop production, putting pressure on land and other natural resources.

All these factors combined may increase household vulnerability and food insecurity, adversely affecting the poorest and the most vulnerable community members, who have the least capacity to effectively manage such risks. Phata management was well aware of these issues and took active steps to address them – Phata allocates land under irrigation for food crop cultivation and also offers agricultural extension services and training to improve agricultural productivity.

Because Phata is jointly owned by members of the community, it seeks to not only maximize profits but also to empower its members economically and socially and to contribute to the sustainable economic development of the entire community. In fact, sustainable and equitable community development is widely viewed as one of the primary social objectives of agricultural cooperatives. As such, Phata invests in a number of community development initiatives and offers limited on-site employment opportunities to community members.

Land for food crop cultivation

One of the requirements of the EU grant was allocation of land for food crop production in order to support food security in the community. As a result, more than 70 hectares³⁰ of land within the irrigated project area was set aside for food crop production (maize and sweet potatoes), tree growing (citrus and mango trees) and fruit and vegetable growing (such as beans and bananas). Members can voluntarily work on these fields in exchange for receiving a share of the harvest, which depends on the amount of labor contributed. They are also able to purchase produce at lower prices before it is sold in the market. In addition, during the lean season, the Cooperative distributes maize for free to members involved in maize cultivation.³¹ Profits from sales of produce cultivated on food crop land are later allocated to a revolving fund which can provide short-term loans to members.

In addition, members cultivate *dimba* land which belongs to the project area but is not suitable for sugarcane cultivation. This land is located next to the river and retains some residual moisture which makes it suitable for cultivation during the dry season. On *dimba* land, cooperative members are permitted to grow food crops, such as maize, beans, cassava, sweet potatoes, onions, and tomatoes, which they can consume or sell.

³⁰ “Investment Case Study,” AgDevCo (2018), available at https://www.agdevco.com/uploads/Case%20Studies%20-%202018/AgDevCo_PHATA_Case%20study_A4.pdf

³¹ The amount of maize distributed depends on how much labor the farmer contributes to food crop production.

The Cooperative also owns 10 fishponds, located on 1.2 hectares of land and it supports beekeeping for honey production and pollination. These activities provide additional alternative sources of income for the members.

Agricultural inputs and agricultural extension services for members' personal land

In addition to consolidating some of their land into the Cooperative, many members retained some land in the community in areas outside of the Cooperative. To bolster agricultural productivity on members' personal land, the Cooperative provides members access to a range of agricultural support services including access to agricultural inputs, specialized training and agricultural extension services. Specifically, members reported receiving free tree saplings and seeds (rice, maize, potatoes, beans, and bananas). The Cooperative also provides agricultural trainings and access to demonstration plots to both male and female members, showcasing improved agricultural techniques that can increase agricultural productivity.³²

Food security

Our findings suggest that food security for Cooperative members has largely improved since Phata was founded – members attributed this effect to increased income from cultivating sugarcane and to access to subsidized and free produce, cultivated at the food crop fields.

However, not all members shared similar experiences in terms of access to food. Some members underscored that there was a greater variety of food items for consumption: they reported eating meat at least once a week, eggs, and tea and not eating leftovers.

Other members did not report any significant changes in terms of food security or food variety. As some women members suggested, the extent of food security improvements depends largely on the amount of land holdings contributed to the Cooperative.

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Farmers are able to buy enough food without serious difficulty. However, there is no variety in terms of food intake. There is still so much to be done to improve food security and increase income levels.

– Male member, Phase 1

³² Findings suggest that men and women are able to access these services equally, but findings did not allow for a more in-depth analysis.



Key Learning

One of the potential unintended consequences of establishing an agricultural cooperative dedicated to a single cash crop is that traditional food crop production may be deprioritized, which in turn may lead to food insecurity in the community. Diversified benefits, which include access to a variety of agricultural and non-farming activities, are critical for rural households to manage risks and to support food security.

The EU grant requirement to allocate land for food crop cultivation benefitted Phata members by ensuring consistent supply of a wide range of agricultural products. In addition, Phata provides members with opportunities to improve their agricultural skills and adopt improved agricultural techniques that may further contribute to higher productivity and support long-term food security.

A decision to invest in livelihood diversification should not, ideally, be imposed externally but instead be community-driven, responding to local needs and unique circumstances. Phata's experience also suggests that it is critical for cooperatives to engage in long-term land use planning at the design stage to develop a livelihood diversification strategy for members and to provide capacity building opportunities that can further improve agricultural productivity.

Employment Opportunities

Findings suggest that Phata is able to offer only limited employment opportunities to community members. There is a high demand for jobs at the Cooperative among community members and a mounting frustration among them about the difficulty of finding jobs at Phata. Some members indicated that they believe that access to employment opportunities at the Cooperative is unfair and lacks transparency. At least one person reported paying a bribe for a job at the Cooperative, while others complained about a lack of proper dismissal process.

According to the key informants, this limited availability of employment opportunities for the local community is explained by the fact that the majority of jobs require specialized skills or training that many community members lack. Instead, the Cooperative often hires staff from outside the Phata community, which results in some discontent among community members.

Community development initiatives

Phata has invested in several welfare-improvement projects benefitting the entire community, including:

- Construction of a maize mill for maize processing;
- Purchase of an ambulance, which improves access to healthcare services;
- Installation of safe piped drinking water, which improves public health; and
- Subsidized education fund: the Cooperative subsidizes education costs for a select number of students who are members of the community.

While there are many strategies to finance community development initiatives, Phata relies primarily on the Fairtrade premiums they receive. While an overwhelming majority of the study participants were satisfied with the community-based investments the Cooperative provides, not everyone agreed with them. Specifically, one group of male members expressed a preference for a share or for all of the Fairtrade premiums to be distributed to the members as dividends, instead of being used for community development initiatives. However, these concerns do not appear to be widespread.

In terms of future community development initiatives, over the next five years the Cooperative is planning to provide access to electricity, build a community clinic, and purchase a mini-bus/vehicle with financing from the Fairtrade fund.

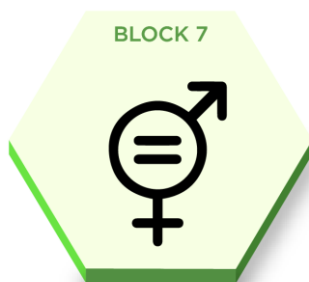


Key Learning

Phata has a strong commitment to community development and invests its resources in projects that serve the broader community and are responsive to local needs.

Phata's experience highlights a central tension between investing in community development and increasing individual payouts. Therefore, it is critical for any community development strategy to be developed through a participatory and consultative process, involving a wide range of community members, including non-members and those who may be vulnerable to social exclusions, to ensure that a range of preferences and needs are properly represented.

In addition to investing in community development initiatives, Phata provides limited employment opportunities for community members, preferring to hire qualified external staff. Developing a clear recruitment/employment policy and establishing a process to share regular updates about vacancies as well as skill requirements are important for improving communication and social cohesion at the community level.



Block 7: Gender Equity

Establishing a new agricultural cooperative like Phata within a community can create risks for women, youth, elderly, migrants, disabled, and other individuals who are often excluded from or disadvantaged by the mainstream political, economic, and societal processes within their communities. Generally speaking, these groups are more likely to grow subsistence crops, are less likely to have secure rights to land and resources, and their interests are

less likely to be understood and prioritized by community decision makers. These factors leave them in a vulnerable position when a community is offered the opportunity to grow crops for sale. For a cooperative model that centers on aggregating individual parcels of land into a collective scheme, it is particularly critical to identify which groups use and access those

resources and assess how underlying social conditions may disproportionately harm certain groups and exacerbate existing inequalities.

Considering the ways in which women are often excluded from decision-making and negatively and disproportionately impacted by agricultural investments, this case study places a particular emphasis on understanding how women have been affected by Phata.³³ Although rural women play important roles in contributing to food and economic security for their families, many face barriers to actively engaging in agricultural projects and investments. Women frequently encounter obstacles to being active members of agricultural cooperatives in emerging markets for a variety of reasons, including cultural norms and expectations, fewer opportunities to participate in decision-making processes, and more limited access to resources like land, education, and services as compared to their male counterparts.

Meaningfully including women in initiatives like Phata and analyzing and mitigating the risks faced by women due to such initiatives are important building blocks to position cooperatives to yield long-term gains and sustainable, improved livelihoods. Phata has had mixed outcomes in achieving gender equity to date. Although Phata has a representative number of female members active in cooperative activities and programming, this has not translated to strong representation in leadership roles. While some women report a number of positive benefits associated with the Cooperative – including increased income for household improvements, food, and school fees – other women (and men) report that increased income (and shifting power dynamics) has disrupted social stability, caused disputes, and contributed to violence within families and gender-based violence against women – serious concerns that the Cooperative leadership will, hopefully, address. Each of these topics is discussed in more detail in the following sections.

Phata Cooperative Membership

Women comprise nearly half (47%) of the Cooperative’s membership. An important factor contributing to this membership is the matrilineal customs of the Phata community.

The majority of land in Malawi is accessed through inheritance, followed by marriage, allocation by traditional authorities, purchase, and lease. In the central and southern regions of the country where Phata is located, inheritance is governed by matrilineal practices, meaning that land is passed down through the female line. For matrilineal communities, including the Phata community, it is common for clan land to be registered in women’s names, using their maiden names.

³³ Although this case study explores the experiences of women as a collective group, it is important to note that not all members of a social group will experience exclusion in the same way or to the same degree, and that membership in more than one group may compound individual disadvantages. Race and ethnicity; gender; status or class; and other social markers combine to determine an individual’s experience of their place in a community, including any experience of exclusion.

Phata Cooperative Membership by Gender

*As of June 2019



Per Phata's membership criteria, only individuals with access rights to suitable land within the scheme area are permitted to be members and only one member is permitted to register per parcel of land registered within the scheme. As membership in the Phata Cooperative is dependent on access to land within the targeted investment area, Phata's matrilineal customs provided an enabling environment for women's participation in the Cooperative.

Understanding Membership Selection Practices from an Intra-Household Perspective

- For married couples, if the land to be included in the scheme is inherited through the female line, the wife will most likely register the family land using her maiden name. In some instances early on, women were willing to register their inherited plots of land in their husband's name; however, due to cases of mistreatment by these men on land that culturally belonged to women, they later changed to use their maiden names.
- In some situations, particularly during Phase 1 when there was a land size requirement, extended families registered their individual parcels of family land as one parcel and agreed on one family representative to be the registered member. The eldest brother of the matriarch was reportedly commonly selected in this instance.
- If the land being registered was acquired through allocation from the chiefs (more common) or informal purchase (more rare), the individual from the household who registered varied based on the unique circumstances of that family, but commonly a male registered as the member.
- Each member must also provide the name of his/her designated nominee who, in the event of his/her death or termination, would be transferred ownership of the share. If the land was inherited through a family line, the nominee is rarely a surviving spouse but rather kin of the original member, to keep the land within the family.



Key Learning

Membership in schemes like Phata is linked to asset ownership, which in many contexts disadvantage the participation of groups with less secure rights to land. Phata's matrilineal customs provided an enabling environment for women's participation in the Cooperative, but other cooperatives may operate in different customary environments. New cooperatives will benefit from a gender assessment to understand how the customs and practices of the community may impact the ability of women to participate. Based on this assessment, cooperatives can better plan to mitigate barriers and create opportunities.

Participation and Leadership

The ability to join a cooperative is a critical first step for women's participation and empowerment, but it is also important to explore the extent to which that membership yields women meaningful opportunities to participate in and benefit from cooperative information, services, and opportunities.

FGD and KI respondents shared that women were able to participate in the initial formation of the Phata Cooperative, including the land mapping and registration process and drafting of the Constitution. Women are reported to be highly active in the farmer groups, contributing field labor and participating in capacity building and training activities at reportedly higher rates than their male counterparts. Specifically, there is strong female participation in Village Savings Loan (VSL) groups and voluntary adult literacy programs.

Although Phata has a representative number of female members active in Cooperative activities and programming, this has not fully translated to strong representation in the Cooperative's leadership roles. A 2016 gender study conducted by an AgDevCo-funded consultant identified that despite socioeconomic benefits flowing to the community, women have not been empowered within the cooperative.³⁴ Historically, women have occupied less than 30 percent of committee leadership positions. Most cooperative employees are also men; female workers represent less than 20 percent of permanent staff positions.³⁵

Recognizing the value of ensuring women have equitable opportunities to participate in leadership roles and the current obstacles they face, the Cooperative adopted a Gender Policy in 2018. The policy sets targets for a minimum of 30 percent women and 30 percent men in committee leadership positions, with the same targets for cooperative staff recruitment,

³⁴ "Gender Policy for Phata Sugarcane Outgrowers Cooperative," Phata Cooperative (2018), at 1.

³⁵ *Id.* at pg 2.

retention, and promotion. To support these targets, the policy outlines several strategies including mentorship opportunities, training programs, and gender-sensitive HR policies.³⁶

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Women fear to stand at nominations and not have any one supporting them.

– *Female member, Phase 2*

Mostly, women do not take part in leadership positions due to lack of self-confidence and adequate schooling.

– *Male member, Phase 2*

Nearly one year after the adoption of the Gender Policy and three years following the gender study, minimum targets are being met in some committees, but not all. This is certainly good progress for the Cooperative and lays the groundwork for continued advancement. Indeed, there is need for continued diligence and improvement to reach targets across all committees (and employment targets), exceed minimum targets, and achieve the strategy objectives beyond leadership targets. Gender policies and their strategies take time, resources, and capacity to implement, and while gender quotas are good starting points, they are rarely sufficient to achieve gender equitable outcomes.

In FGDs conducted as part of this study, women cooperative members expressed that they continue to face barriers to attaining leadership positions. Specifically, they pointed to low levels of literacy among women in the Phata community. Although the Cooperative offers adult learning classes, to date these have been informal and reportedly do not provide the accreditation required to fulfill the requirements for Cooperative leadership positions on the committees. Other limiting factors shared by respondents include low self-esteem and confidence regarding applying for leadership roles. More generally, both women and men respondents expressed that there is a lack of support and encouragement for women to apply for the leadership roles. For example, some respondents expressed concerns that leadership duties would cause instability within the home and that women would have difficulty balancing these voluntary, unpaid duties with domestic responsibilities. Security issues for positions like farmer group leader, which require follow-up visits with group members, were also noted as deterrents for placing women in these positions.

Although there are continuing challenges to achieving strong participation of women in leadership positions, observers note that the women who have served in these roles have done so largely effectively and with noticeable dedication.

³⁶ *Id.* at pg 2-3.



Key Learning

Participation quotas and gender policies are key starting points, but they are not sufficient to achieve goals related to gender equality. Gender policies must be implemented and coupled with resources, political will, and capacity to transition from commitments on paper to real action. Quotas should be coupled with sensitization, training, and capacity development to result in meaningful participation. Even when women have the opportunity to take on leadership positions, education requirements and social norms can pose barriers for women to speak, have their voices heard and exert influence. To help address these barriers, the Phata Cooperative could consider:

- Offering accredited educational opportunities targeted to women;
- Augmenting existing adult education programs with confidence building and public speaking lessons, as well as mentorship opportunities;
- Including an additional component within the existing leadership training program for newly elected leaders targeting female elected committee members; and
- Exploring additional measures to reduce barriers to women's participation in leadership roles, such as providing child care at committee meetings, providing security guards or trusted volunteers to accompany farmer group leaders to visits with their members, or establishing women-only farmer labor groups.

Ultimately, recommendations are best generated from consultations with women to identify the practical action steps with which they are comfortable. Gaining the input and support of trusted men to implement measures is also critical.

Another effective approach cooperatives can utilize is establishing a dedicated task force empowered to implement these activities. Indeed, Phata's 2018 Gender Policy identified the establishment of a Women's Action Group and Gender Task Force as one of its strategies.³⁷ However, at the time of this study, it appears Phata's Gender Task Force has yet to be instituted, or if so, currently has limited capacity. In the FGDs conducted as part of this study, no cooperative members referenced the Gender Policy or Task Force. Phata Cooperative leadership should look to build the capacity of the Gender Task Force identified in the Gender Policy and help raise awareness of both the policy and task force amongst all members and employees.

Gendered Impacts

In addition to exploring women's membership and participation in cooperative activities and leadership roles, it is critical to examine the impacts of activities and how these impacts may affect women and men differently. Cooperatives like Phata have the potential to disrupt existing relationships and power dynamics, bringing both positive and negative impacts that affect different individuals unevenly. A successful cooperative will seek to identify those impacts and devise solutions to mitigate and minimize negative outcomes.

³⁷ *Id.* at pg 2-3.

Many respondents assert that the Cooperative has generally improved food security and livelihood diversification for the average member. It has brought piped water into the community and increased income has supported school fees, home improvements, and purchase of livestock and food, among other positive benefits that are enjoyed by both women and men in the community. For women-headed households in particular, participation in the Cooperative has provided an invaluable income source that enables them, as single women, to support their households in ways not possible before. Some women have self-reported that participation in the Cooperative has expanded their income, leadership opportunities, and independence. As registered Cooperative members, women receive compensation directly into their bank accounts, and some report they are able to make decisions or participate in joint decision-making over how to use that income within their households.

At the same time, there have been negative impacts that disproportionately affect women. For example, the deforestation of land for sugarcane fields resulted in the lack of access to free firewood, which disproportionality affected women who are responsible for procuring firewood. Women respondents explained that they now have to purchase charcoal, which is expensive. Having identified this problem, the Cooperative is launching a new initiative that organizes a women's group for converting trees in an existing wood lot into charcoal using a sophisticated charcoal process and provides members with access to stoves that use minimal charcoal for cooking.

Additionally, increased income has also generated intra-familial disputes, physical and emotional violence, and expenditures on activities that may impose harms on household well-being, such as alcohol and extra-marital affairs – serious concerns that the Cooperative leadership will, hopefully, address. The infusion of additional income has led to conflicts over how to spend the funds for some families. In many places it is not uncommon for women to be disadvantaged by existing social norms in terms of asset ownership and decision-making; indeed, the 2012 baseline study of the Phata project impact area found that “there is little or no consultation between the husband and the wife in terms of decision-making regarding use of assets.”³⁸ Some cooperative group

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Farmers have built iron sheet thatched houses. There is now piped water into the community, a maize mill, and farmers are able to pay school fees for their children.

– Female member, Phase 1

Women play a key role in cooperative activities. Voluntary adult literacy programs and VSL programs are dominated by the women members. When women have been elected to committees, their dedication is visibly better (e.g., attending unscheduled meetings and catching up on paper work). When there's a women-led household, they rely heavily on this source of income.

– Agriscane Manager

We as women are able to make decisions on how to use finances within the households.

– Female member, Phase 2

³⁸ “Phata Sugarcane Out-growers Project Baseline Household Income and Beneficiary Effect Survey Report,” *supra* note 2, at 32.

members now report that some husbands feel resentment or fear towards their wives who are the registered members receiving dividends and who, as a result, may have increased independence and decision-making power. In some cases, this resentment has resulted in physical violence and verbal abuse. It has been reported that other husbands take control of funds, even when they are deposited into a female member's bank account.

For some, the additional income has led to an increase in polygamy, as with increased wealth, men are able to support larger families and take more wives. This is considered a symbol of wealth and affluence in the community. Yet, for some families, this has disrupted familial relationships and resulted in gender-based violence and divorce. Several respondents also observed an increase in the prevalence of HIV/AIDS and other STIs in the community due to the increase in polygamy and rise of extra-marital affairs, particularly with migrants who came to the community for employment with the Cooperative.

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Major disagreements within clans and families cause social instability; every time dividends are received, disputes arise, and these are resolved by chiefs.

– *Male Cooperative Employee*

Men have gone into polygamy and so women who do not have land are left empty handed and sometimes become victims of gender-based violence; children also beat up their parents when they feel they have been treated unfairly in the division of compensation.

– *Female Member, Phase 1*

Negatively, an increase in income levels has resulted in increased alcohol consumption, polygamy, and farmers get huge loans from elsewhere which they fail to repay.

– *Village Head*

Women register land in their maiden names, so compensation goes straight into their accounts. This creates wrangles in marriages as clan heads do not allow women to register land with their spouses.

– *Male Member, Phase 1*



Key Learning

A number of women participate in and benefit from many of the Cooperative's services and opportunities, such as adult learning programs and VSLs. Strengthening women's economic independence, knowledge, and opportunities through participation in cooperatives like Phata can increase their bargaining power and provide an important source of income and independence. However, the influx of new income and changes to established norms and roles within communities and households shifts power dynamics and can be perceived as threatening, resulting in conflict within families and gender-based violence for some women.

Mitigating the risk of some of these impacts, especially those at the intra-household level, is difficult for a cooperative, but it is essential for the sustainability and well-being of members and employees. The Phata Cooperative has already taken steps to signal its recognition of these challenges and the importance of taking steps to mitigate risks in its Gender Policy, which has as one of its objectives to "achieve a more equitable balance in workloads and in the sharing of economic and social benefits between women and men at the cooperative's members' household and community level."³⁹ Phata's Gender Policy outlines solid strategies to support this objective, some of which include:⁴⁰

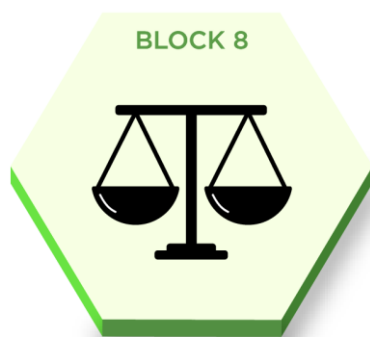
- Setting guiding principles against sexual harassment, gender-based violence, and all forms of gender-related discrimination;
- Conducting trainings and sensitization on financial management;
- Engaging men and boys (and not only women and girls) as agents of change; and
- Establishing a women action group and gender task force.

This research team suggests additional steps Phata could consider:

- Augmenting existing training around dividend disbursement to include training on household budgeting and inter-personal conflict resolution;
- Providing gender-based violence training to leadership, employees, and members;
- Speaking with community leaders to identify if there are measures that can be adopted to provide additional resources for dispute resolution and conflict prevention;
- Providing mental health and general health services (including services that address the needs of gender-based violence survivors), to the extent they are not already available;
- Developing a more robust monitoring and evaluation plan for Phata's Gender Policy that outlines performance indicators, sets timelines, and assigns roles and responsibilities; and
- Implementing grievance or feedback mechanisms that are accessible to victims of gender-based violence.

³⁹ *Id.* at 1.

⁴⁰ *Id.* at 3-4.

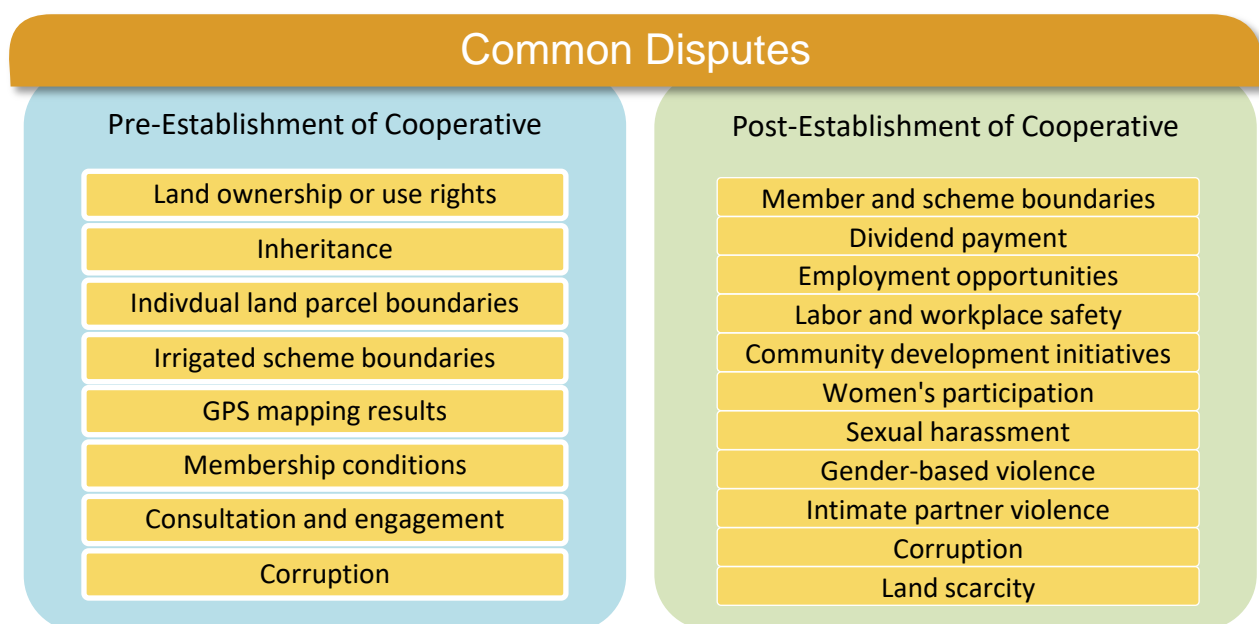


Block 8: Grievance and Feedback Mechanism

A cooperative has the potential to impact – both positively and negatively – communities in a variety of ways, including but not limited to land rights and uses, job opportunities, household income, sources of livelihood, food security, gender norms and customs, and infrastructure. These potential impacts entail both risks and opportunities, which may vary by individual depending on their status and role in a community, as well as their gender.

It is thus common for disputes to arise throughout the establishment of a cooperative, as well after the cooperative is officially up and running. Disputes can occur between a range of different stakeholders, such as community members and leadership, cooperative members and leadership, financial and management institutions, donors, and government. The types of disputes can also vary; the table below details common disputes that can occur before and after the establishment of a cooperative.

Phata is no exception to this trend. Throughout its establishment to present day, the Cooperative has experienced a range of disputes between different stakeholders. Although the Cooperative has sought to resolve such disputes, research findings suggest that Phata could benefit from improved dispute resolution processes and procedures that are more formal, transparent, and accessible.



Pre-Establishment of the Cooperative

During the establishment of Phata, a range of disputes occurred, although they frequently involved land. Boundary disputes were the most common and included disagreements between neighbors regarding individual land parcel boundaries, as well as disputes between community members and the Cooperative regarding whether their land fell within the boundaries of the irrigated area. As mentioned in Building Block 3, disputes also occurred because of discrepancies between parcel measurements taken during Phase 1 versus Phase 2, with members explaining that Phase 1 measurements were often smaller than those taken for Phase 2. Furthermore, female members and a representative from Agricane explained that intra-household disputes occurred frequently over land ownership, inheritance, the amount of land contributed to the scheme, and who should register as the member. Some members also explained that they did not receive enough information regarding the land mapping and registration process, including requirements for membership and how the GPS technology worked. Lastly, according to some members, the Development Committee sold parts of land parcels close to Phata River to individuals who were not from the community. However, this decision was later reversed, following discontent from the community. Although the issue appears to be resolved, some cooperative members continue to accuse committee members of fraudulent practices.

Overall, most of the disputes that occurred during the land mapping and registration process were resolved through an informal process, which entailed first notifying the Development Committee, who would call the different parties to attempt to resolve the dispute. If a dispute was not resolved it would then be escalated to the respective clan chiefs in order of authority – the Village Headman, then Group Village Headman, and finally the Traditional Authority. It was especially important for the clan chiefs to be involved in the resolution of land disputes because they are responsible for allocating and sub-dividing parcels of land to clan members. They were also involved in the land mapping process, and therefore, familiar with the disputes.

Although this process appeared to be effective, it was informal and not consistently followed or monitored. Because the procedures were informal and not written down, prospective members were not given information on what to do or where to go when disputes occurred. Furthermore, if a complaint went through the process outlined above, often an assumption was made that it was resolved, even though no formal or written confirmation was received. In addition, the Cooperative did not involve or seek advice from third parties with expertise on topics at dispute, such as customary land rights, inheritance, and gender norms and customs. This guidance could have been valuable, as expert third parties are less likely to have a bias towards either party to the dispute or a vested interest in the Cooperative. At the same time, however, it is also possible that parties to the dispute would view third parties as “outsiders” and disapprove of their involvement and that such involvement would be viewed as too costly.



Key Learning

For certain disputes, such as land disputes that fall under the jurisdiction of community leaders or local government, it is important to involve these authorities in the resolution of such disputes. This will ensure that disputes are resolved in accordance with relevant laws and policies, as well as customs and traditions.

At the same time, however, a cooperative could benefit from advice and independent oversight from third parties with expertise on topics at dispute. Even though these third parties may not be directly involved in resolving the dispute, they can help provide guidance on the seriousness of the dispute, as well as ensure that proper procedures are followed for its resolution. It is important to note, however, that community members or leaders may disapprove of third party involvement because they are considered “outsiders.”

Post-Establishment of the Cooperative

Although land disputes appear to be less common since the establishment of the Cooperative, Cooperative members and a representative from Agricare explained that they still occur and typically involve boundaries, inheritance, and land scarcity issues. Such disputes are responded to following the same procedures and processes detailed in the preceding section.

In addition to land disputes, and as detailed in the previous building blocks, members mentioned a range of disputes or issues that they currently experience with the Cooperative. For example, women members explained that their participation in committees is limited because of lower literacy levels among women. Members also expressed that they do not understand why the cost of water and electricity is so high, indicating that the current amount paid seems unreasonable. Furthermore, several members explained that there are not enough employment opportunities at the Cooperative and that current recruitment practices are unfair and opaque. And lastly, one group of male members stated they would prefer for Fairtrade premiums to be distributed to members individually, as opposed to being used for community development initiatives.

Although these grievances detailed above have the potential to cause major tensions between key stakeholders, resulting in disruptions to operations, Phata does not have a grievance or feedback mechanism in place to hear and respond to such concerns. For example, although the Cooperative has procedures in place for responding to breaches of its disciplinary rules (e.g., stealing, fraud, harassment, damage to property), they only allow for complaints to be filed by the Cooperative against members or employees.⁴¹

⁴¹ Constitution, *supra* note 15, “Annex 2: Disciplinary Procedure.”

In other words, Phata does not have a grievance or feedback mechanism in place to receive complaints from members, employees, or the broader community against Cooperative leadership and management. Some members did indicate that they were able to share such complaints or feedback directly with cooperative leadership and management or at meetings, such as the annual general meeting. Although these are acceptable means for sharing complaints, all members may not feel comfortable speaking to leadership or management directly or raising concerns in a group setting; a member may also not be able to attend all general meetings. Furthermore, it is important to recognize that such means are not available to Phata community members that do not have a formal relationship (e.g. non-member and non-employee community members) with the Phata Cooperative, but are nonetheless impacted by its operations.

Potential Grievance Map



Key Learning

Although Phata has clear procedures in place for responding to disciplinary offenses, such procedures are limited to offenses against members by the Cooperative and do not extend to complaints against Phata leadership or management by members, employees, or the community at large. To ensure a cooperative is maintaining strong relations with its members, employees, and the community at large, it is important to establish an accessible and effective grievance or feedback mechanism that allows for two-way communication and feedback between such parties. By ensuring access to an accessible and effective grievance or feedback mechanism, a cooperative will be better able to identify and respond to rising tensions or issues, which in turn will mitigate the risk of such grievances causing major harm or disruptions down the line.

Conclusion

This case study seeks to add to existing literature available on outgrower cooperative models by providing detailed learnings and guidance on good practices for structuring commercial, cooperative outgrower schemes in Malawi and potentially elsewhere. As the case study supports, cooperative models can be favorable alternatives to large-scale commercial estates, as they have the potential to provide greater opportunities for communities to participate in and benefit from large-scale agribusiness. Such opportunities cannot be realized, however, without taking concrete actions to ensure cooperative models are sustainable in the long-term and meet the needs and interests of the communities they seek to benefit.

Based on desk and field research of the Phata Cooperative, this case study identifies eight fundamental “building blocks” that are required for a successful and sustainable commercial, cooperative outgrower scheme. Although Phata has unlocked developed opportunities for its members and the surrounding community, the case study importantly identifies areas where the Cooperative has contributed to negative impacts and areas in which it can make improvements. Particularly, the case study concludes that Phata could benefit from adopting a more proactive approach to addressing gender equity and establishing a more robust grievance mechanism to receive and address a range of complaints from its members, employees, and the surrounding community.

Annex 1

Focus Group Discussions (FGDs)

A total of ten FGDs were held with Phata members, non-member employees, and non-member and non-employee community members. For Phata members, a total of eight FGDs were conducted. FGDs were held separately for male and female members, as well as for Phase 1 and 2 members. This allowed the research team to capture different perspectives between genders and phases, and to create a comfortable and candid atmosphere for sharing opinions. For non-member employees, one FGD with men was held, as the vast majority of Phata non-member employees are men. To capture broader community perspectives, one FGD was held with men and women who are members of the community, but not cooperative members or employees. On average, FGDs included eight people.

	Stakeholder	Total
Focus Group Discussions	Male cooperative members	4 (2 Phase 1; 2 Phase 2)
	Female cooperative members	4 (2 Phase 1; 2 Phase 2)
	Male cooperative employees (non-members)	1
	Male & female community members (non-member, non-employee)	1

Key Informant Interviews (KIIs)

A series of semi-structured KIIs were held with a range of stakeholders, including village leaders; cooperative management; and representatives from AgDevCo, Agricane, and Illovo Sugar. The range of topics discussed was similar to the FGDs, although more focus was given to technical aspects of the Cooperative (e.g., finance, calculation of dividends, governance procedures, and yields). KIIs were held in person and remotely.

	Stakeholder	Total
Key Informant Interviews	Traditional Authority	1
	Group Village Headman	2
	Extension Officer, Phata Cooperative	1
	Director, AgDevCo	1
	Manager, Agricane	1
	Former Manager, Illovo	1
	Manager, Illovo	1