

Creation of specialized professional services for small holder farmers (SHFs): private sector role in integrating youth in the labour market arrangements



# 1. Pioneer partnership

Partnerships between private sector players and other actors in the youth employment eco-system can transform communities and provide employment opportunities for under privileged young men and women in emerging economies. In the case of Mozambique specifically, a partnership between a Business Champion Novos Horizontes (NH), an agribusiness company with operations in Southern African countries including Mozambique and SNVs Opportunities for Youth Employment (OYE ) enabled young women and men to realise new employment opportunities in the poultry value chain. Implemented in 2016-2019, the Program and NH partnership ambition were to improve the livelihood of rural out of school male and female youth by creating employment opportunities in the agriculture sector. To start with, select youth from local agricultural technical colleges were equipped with soft and business skills including financial literacy using the OYE approach on the one hand. On the other hand, NH offered opportunities for internships, mentorship and coaching, and tailored technical skills training to the young men and women. In addition, NH contributed in stimulating entrepreneurial support to youth by offering starter kits in form of one day old chicks, feed, and vaccines on credit. This support enabled youth to kick-start their poultry production businesses. To start with, 38 youth were engaged.



38 youth were supported with day-old chicks and technical knowledge to help them establish rearing businesses

## 2. Replicable practice

Based on the positive outcome of this partnership, NH on the one hand, realised the positive role youth could play in 1) enabling the organisation to realise its expansion endeavour in the Southern Africa region in its poultry out-grower scheme and

2) Young people’s contribution in NH’s ability to meet the increasing demand for chicken feed raw material. On the other hand, young people were exposed to opportunities that exists in the poultry value chain such as production of soybean and maize as a result of doing business and learning poultry rearing skills from NH.

Because of this win/win outcome, NH engaged 38 youth under this partnership and consistently supported them with day old chicks including the much-needed technical knowhow on how to raise chicken from scratch, sell and make an income.

In addition, NH working in partnership with OYE provided the required business management skills coupled with technical support that youth needed to succeed in their poultry enterprises and to improve their livelihoods. Additionally, NH continued to have a business relationship with the said youth, and this enabled them to grow their small start-up businesses to the next level. Gradually, other private sector companies and civil society organization are adopting this model in Mozambique and in other Phase 2 2SCALE countries.

To summarize, this practice is addressing constraints in terms of:

<p>Access to nutritious food</p>	<ul style="list-style-type: none"> <li>• <b>Availability:</b> Youth Inclusion in this partnership availed NH products to communities and attracted more youth employment opportunities in the poultry value chain such as production of soybean and maize to meet the increasing demand for chicken feed raw material.</li> <li>• <b>Acceptability:</b> Youth involved in this activity were socially and culturally able to fit and integrate poultry food products into their consumption behaviour and were able to reach out to more consumers with NH products as sales agents.</li> </ul>
<p>Inclusion</p>	<ul style="list-style-type: none"> <li>• <b>Ownership:</b> As part of the partnership, youth ownership of production resources including starter kits in form of one day old chicks, feed and vaccines enabled youth to kick-start and own their poultry businesses.</li> <li>• <b>Voice:</b> In addition to social skills, business and technical skills training received from OYE Project and NH, youth were included in the supply chain of Novos Horizontes and were able to form 3 groups which were commonly known as “NH integrated OYE groups” which increased their voice and bargaining power in poultry value chain market, enabling them to negotiate better terms and conditions of doing business. In addition, youth involvement in the business created confidence and business acumen and were seen as viable and reliable entrepreneurs in their communities.</li> <li>• <b>Rewards:</b> Young people involved in the partnership continue to receive income from the sale of poultry. In addition, each of the 26 young entrepreneurs train at least 2 peer youth as part of peer coaching. This interaction with perceived role models inspires others to join poultry enterprise as a business which increases youth business size, market share and assures sustained income.</li> </ul>

# 3. Preconditions for replication

To ensure a successful replication, the following preconditions are necessary:

**Differentiation and trust a good starting point:** In addition to transforming approaches to youth and private sector engagement, ZSCALE intends to set up and support partnerships and business models with significant potential to attract and employ the youth; to engage and empower women and to improve food and nutrition security, both at grassroots level and at the consumer end of the value chain. This partnership with NH is a good example that private sector companies have potential to partner and work with young women and men. By establishing trusting relationships, and by engaging with ambitious entrepreneurial minded, practically trained, and skilled youth, private sector firms can subsequently see the value of opening doors of employment for more young men and women. This is because youth can help with services such as aggregation, production, and last mile distribution - functions that can enable private sector companies discover unrealised market share potential, among other benefits.

**Private sector contribution to youth workforce and entrepreneurship development is paramount:** As evidenced in the partnership with NH, it helps when private sector firms can allow young people an opportunity to start small and learn by doing. Onsite technical skills or provision of start-up kits/grants as well as in-kind contribution on mentoring and coaching can give youth the much-needed kick-start to get ahead in the world of business and enterprise development. A partnership such as the one with NH is what youth need to build technical skills and knowhow and the much-needed social resources to step up to the next level.

**Mutual benefits are key to doing business with youth:** According to SNVs OYE project manager in Mozambique, private sector companies are open to partnerships when they see what is in it for them – it is a win/win positioning. In the case of youth engagement, it is much more than their commercial value contribution. Youth can bring innovation, they are risk takers and can play a crucial role in business expansion ensuring that the unreached and even poor of the poorest communities, those at the bottom of the pyramid; are part of the bigger picture and can be socially integrated in the communities where they live as evidenced in this case study.

**Start small:** This of course, is a good tip for young upcoming entrepreneurs and wage earners. Starting small can enable young women and men to learn the ropes of the game in workplaces and in enterprise development; enabling them to understand the available opportunities in agriculture and related value chains. Starting small can also enable youth to build the confidence they need to enter new markets and seek better employment opportunities as seen in this case study. As well, by starting small, youth are better placed to build the social network that is so crucial in realising market opportunities and ultimately, increased market share for their goods and services in the long run.

**Power in partnerships:** Transformational change can be realised when institutions work together to create employment opportunities for young women and men. Partnerships such as the one described here can help influence better policy environments that is conducive to create employment opportunities for youth, led by youth. Building and sharing of knowledge and evidence on what works (and does not work) can also trigger and influence policy dynamics in favour of enhanced youth employment environments.

## 4. Results achieved

- This intervention empowered 38 young poultry entrepreneurs by developing their business management and technical skills in poultry rearing and facilitated financial and market access for youth led enterprises. As an immediate result, at least 38 youth led production enterprises were established at the time, with NH providing an immediate market and a secure source of income and livelihood for the youth because chicks are ready for the market in 35-45 days.
- Each of the 38 youth can produce and sell to NH a minimum of 2000 birds in a period of 6 weeks and get an income of more than \$2000 USD.
- In addition, young poultry entrepreneurs improved their working relationship with Novos Horizontes, a leader in poultry business in Mozambique and this increased NH confidence to invest more in young people. This impacted NH business expansion strategy and enabled the organisation to avail more poultry products to consumers.
- Through a starter kit from a micro-finance enterprise, the youth got funds to construct poultry pavilions and buy drinking and feeding troughs. NH then provided chicks, feeds, and medicines -youth were able to access inputs from NH on credit and paid back after they sold the birds.
- In addition, NH provided a platform for youth to learn practical skills in poultry rearing and this increased their understanding and knowhow on poultry rearing. The combination of technical knowhow and social, business skills provided by OYE contributed to enabling youth to consider themselves “professional entrepreneurs” and positioned themselves as role models to peers in their communities.

## Want to know more?

- For more information on this practice, please contact Mr. Theophile Mudenge, The 2SCALE Youth Inclusive Business Specialist/Coordinator at [tmudenge@2scale.org](mailto:tmudenge@2scale.org). You can also visit Novos Horizontes Company Website at <https://novoshorizontes.net/en/2020/07/10/2961/>.
- For more information on this partnership, please watch this video: “Success starts with me” <https://www.youtube.com/watch?v=J-MetBHgY1w>

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