



THREE INCOME SOCIAL-AGRO INITIATIVE (Zambia) LIMITED

**A Visionary Social Agriculture Initiative
at Enterprise Level designed for Zambia**

A Social-Business based on Enterprise Execution Model

Prepared for the Minister of Agriculture
Government of Zambia



THE SIMPLE QUESTION :

How to bring unutilized/unused lands of the small-holder farmers into the fold of Zambian GDP from Agriculture that must build food & livelihood security *naturally* and, that must change the lives of the farmers as a household without any kind of direct or indirect burden on them.



THE CONCEPT : Conceptualization:

THE LAND DOESN'T GROW ANYTHING ITSELF BUT BUSHES.

BUT IT HAS THE POWER TO GROW ANYTHING BUT BUSHES.

THE DIFFERENCE IS NOT THE LAND.

IT IS ONLY US HUMAN WHO ARE CAPABLE OF DOING BOTH.

WE CAN ALLOW THE LAND CONTINUE GROWING BUSHES.

OR CONTINUE GROWING **WHATEVER WE NEED MOST.



THE IDEA : Three Income /



Regularity of income is peace of mind. It stabilizes tensions, perspectives, self-control, thereby evolves an ethical, energetic, enterprising being in a person. It makes a person ready for a positive impact on himself and the people he/she makes life with.

If that "person" is a farmer at a difficult and naturally disadvantaged position, taking care of all challenges in a holistic manner is the way to solution.

That is why the 3 Income initiative is our path to walk in the format of a social-business at enterprise level.



First Income : Renting out unutilized / unused land in possession

Those farmers who are in possession of lands that they have never been using or kept unused or have no projection to use for agriculture may rent out to an entity for a period of 5 years for a *regular rental income.

This rental income will be given in following ways depending upon individual requirement(s) and necessities:

Agreed Total Rental Income (TRI-01)

Agreed Total Rental Income (TRI-01) be given at a time to form a **startup Capital** for the Farmer for his/her own agriculture initiative on more of his/her unused lands or any agriculture related business initiative the Farmer wants to take as a side & simultaneous activity.

We believe that personal drive is the prime mover for a person to bring about changes for himself/herself. If we can help remove the challenges, unthinkables might happen. As a Three Income Initiative, our business is to profit from the enterprising farmers, we will find them or we will turn them into one. If we fail to do that, we know we will definitely fail as a business.



Why do we want it that way ?

1. Farmer may start doing farm input supply business from the farm targeting the surrounding farmer community.
2. Farmer may buy agricultural machinery for rental business or attain transport facilitating vehicles for local agriculture produce.
3. Farmer may start poultry, goat / sheep rearing, milk and milk based products production, fish farming, targeted fruit producing plantations etc.

Above model is not only helping an individual, it has the capacity to develop a community of farmers by offering direct linkages to benefits.

Yearly total amount (TRI-02)

Yearly total amount (TRI-02) be given at a time so that the Farmer can use the income for a major enhancer of his/her household which benefits as a household for all family members.



Why do we want it that way ?

1. Farmer can get a Solar Power Unit for the household and the farm.
2. Farmer can have TV, Fridge, and other electronic items that are useful to the household.
3. Bicycles or or any other low cost transport mode that can be used by the members of the household.
4. Any other infrastructural establishment that will enhance the value of his/her farm at the same time enhance the living of the household. Making a vehicle worthy road leading to the farm is a game changer as far as farming is concerned.

Above model of payment ensures upliftment as a household. It will help develop relationships and bonding among family members. Members will see a common purpose towards a better future thereby ensuring natural participation.



**NOTHING IS MORE
EXCITING AND
BONDING IN
RELATIONSHIPS
THAN CREATING
TOGETHER.**

Rental income per Monthly Receivable Basis. This rental income will help the farmer to meet his/her regular expenses that help to sustain lives as a household.

Why do we want it that way ?

1. TRI-03 will be used for immediate needs of the household. Needs that are recurring basis per monthly term, i.e. mealie-meal, cooking oil, supply of relish, household cleaning staff, clothing, medical needs, school fees, transport costs etc.
2. TRI-03 will act as a supplement to other regular income the farmer might have already. Or it will work better with the regular monthly salaries as Supervisor from Three Income Initiative on the farm.
3. TRI-03 in combination with regular monthly salaries ensure constant and definite peace of mind that will result in immediate positive impact on our supervision purposes, and on the household management of the farmer.


Above model of payment is designed to liberate a person from recurring worries that hinders forward thinking. Our purpose of having him/her as Station Supervisor will be better served if we can offer him/her a worry free status of living.. We will get dedication naturally, that will result in better performance.



Responsibilities of the farmer to access this First Income :

1. Going through a Farmer Identification & Land Identification Process.
 - > Surveyors will visit the farmer at the farm and fill out a prescribed Form.
 - > This Form will set a preliminary process that may result in a personal interview or a group interview (of the household).
 - > Final decision will be made after a board meeting or on a recommendation process made by a Group within offices.



2. Have a legal contract with Three Income Social-Agro Initiative Z Ltd. on land rental agreement.
 - > This will be a legally binding contract between the Farmer and Three Income Social-Agro (Z) Ltd.
3. Make an agreement on mode of payment (as described above a b c i, e. TRI-01 / TRI-02 / TRI-03).
4. Cooperate and be attached with  on execution of mode of payment of a & b i.e. TRI-01 / TRI-02.
5. Attend motivational sessions as and when required.

Second Income :

Work as Station Supervisor on the rented land to get regular monthly salaries.

This particular income is absolutely conditional. **Three Income Initiative** will not rent land from any absentee land owner, rather It will only rent from a farmer who lives on the farm. Program also intends to hire both **farmer and the spouse** in the same role and capacities. They will supervise the works of farm workers in cooperation with Agriculture Specialists deployed in the area.

This Second Income will be given to the farmer as Salaries at the end of each month. The farmer will have to accept a job with its due responsibilities disregarding the sense of Landlord which fetched First Income.



Responsibilities of the farmer to attain regular monthly salaries as a Station Supervisor.

How do we want him/her to be involved with our overall objective?

1. Work as a station supervisor, not as a farm worker.
2. Supervisor will be provided with written instructions by the Agriculture Specialist who will visit the farm on a regular basis.

3. Supervisor will arrange farm workers from the vicinity, will deploy them on the required actions, and supervise the performance of the farm workers.
4. Supervisor will execute necessary land preparations, nursery, bed and line making, transplant or sowing, due maintenance of the crops by applying fertilizers, herbicides, pesticides, spraying, weeding, whatever may be required by the area Agriculture Specialist.
5. Supervisor will make sure that the farm workers are paid on the farm at an agreed rate and quantity of days worked.
6. Supervisor will keep all input, farming equipment, and assets under his/her custody and provide continuous security.
7. Supervisor will provide total security to the crop from beginning to the end. Supervisor will supervise the crop up to the storage if it is at his/her farm and look after by taking part in the storage management activities.

Above model of second income will encourage the farmer to see a **successful journey for own benefit and Three Income Initiative.**



Third Income :

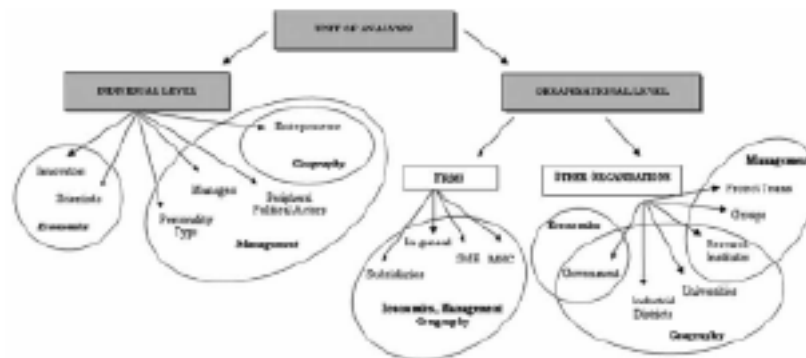
Profit share as a Bonus or Gift or as a Social Responsibility Action of **Three Income Initiative**.

Why do we want it this way?

Three Income Initiative is a business and enterprise level program which wants to profit from its venture. At the end of each crop, profit and loss account will ascertain profit and loss of the crops originated from the rented land.

Each rented farm land will be accounted and audited individually. As if a separate business on its own. Reason being, that, several pertinent factors will play to determine variations of profitability compared with next or nearby farms concerning the same sizes of rented land and same crop.

Therefore, individualization of accounting and executions of each and every farming effort is a must. It will help formulate individualized actions to better utilization of merits or better management of demerits.



The idea of "Three Income" is based on "Let us profit or benefit from what you have and what we can merge in". Let us benefit together." If one or the other is not benefited or profitted, it will result in failure thereby forcing the program to be stalled or cut off.

Profit making is conditional to continuity making the program recurring and perpetual. Profit making is our only viable vehicle to attain greater purpose of "progress together". It will help the program to go further, spread to other areas where the same model can be replicated.

Each rental farm will be accounted for on its own. Farmer will receive a portion of the profit as Bonus depending upon his/her efforts as Station Supervisor. However, **Three Income Initiative** will not subject the farmer to bear any loss that may occur due to unforeseen reasons.

***Above mode of payment is designed to empower the farmer for his/her own journey to becoming a smallholder to middle sized farmer who will contribute more to the overall food security of Zambia over the years to come.

Our objective is to reach a point when the same farmer will do all of his/her lands on his/her own without being in need of renting out land or work as supervisor. **Our success is to make us redundant as Three Income Initiative with that particular farmer.** We want to move on and include another new Farmer so that we distribute benefits to more Farmers.



Criteria : How are we going to determine the percentage of profit share or Bonus?

In determining profit share or Bonus, we will strictly follow the following mechanism.

1. Workability : How the farmer performed as Station Supervisor. in achieving our target on produce.

2. Responsibility : How the farmer acted as the head of household.

How he/she used first and second income on the household.

As a father to children

How much he spent on children education, clothing, medicine and personal care.

As a husband to the spouse

How much care he provided to the spouse. How he performed his family responsibilities in a regular basis.

3. Sociability : How he participated as a community farmer.

4. Citizenship : How well he performed his citizenship responsibilities.



What is income for?

The idea of 3 incomes as a consecutive and continuous process ensures poverty as seen and poverty unseen are eliminated during the lifetime of this engagement as and on an individual basis.

The notion of poverty must not be taken as a negative feature. rather it is the cause for our action. Farmers at subsistence level are entangled in many issues of lives that force them to remain as is for a long time. Usually a vicious cycle always wins over their meagre efforts.



It is evident from the basic question & answer of "**Why keep land unused for agriculture?**", that it is not always the Farmer is at default at personal level, other factors are also at simultaneous play to downsize.

Instead of blaming and crying on "other factors" as a constant threat, **Three Income Initiative** looks into how to empower the farmer using his/her own resources, like land and labor, 2 major components in Agriculture. Empowering his/her unused land is a confidence builder, showing the value of resources up front. It will change his/her attitude towards his/her own resources.

Farmers usually keep land unused for the following apparent reasons:

1. Size of the possession is just too big for the farmer.

It may occur due to receiving land as a part of family inheritance. Those who buy farm land for farming usually will not keep any portion unused. It would be unwise to block investment

2. Lack of capitalization or no capitalization at all.

Farmer only uses portion of the land that he/she can provide input for. Even providing those necessary inputs at the right time and at the right quantity is a constant struggle. This phenomenon also is a major cause for bad crop or failure of crop which restricts the farmer to become solvent and budget input mobilization. Bad crop season may also wipe out capacities for the next moves.

Labor is also an input that comes from immediate family members which are deemed free (when it is not). Maximum farmers who have unused lands think "land is free and labor is free". This notion also is a stumbling block for an enterprise, no wonder why most of the subsistence farmers only use less than 20% of their land in possession. Farmers do not want to or cannot deploy extra labor which they cannot pay at the end of the day. It means, they do only that much that they can do by themselves. In fact, where possession of land is bigger, the percentage of unutilized/unused land is also correspondingly bigger. This is where Zambia as a nation is stuck in building a viable food security parameter, because more lands show up as assets in the book, not performing in the books of GDP.

3. Lack of management, implementation and accounting skills:

Farming at any scale requires continuous engagement and management of issues pertaining to the crop chosen. Each crop comes with its own intrinsic challenges. Subsistence farmers usually concentrate on crops that they find easy. So an abundance can occur in a certain area which forces over-supply and causes less-price for the produce. It is as if "let us become poor together" initiative.

4. Difficult placement of the farm and the lands.

It can be said that only 5 to 10 percent of Zambian agriculture lands are placed within economically feasible accessibility.

Cost of transport for both input mobilization and marketing of produce are a serious physical challenge. This situation can demoralize a farmer forever and settle for a status quo. He/she accepts realities as a "natural fate" and continues living with it.



ENTERPRISE-LEVEL BUSINESS : EXECUTION MODEL

Three Income Initiative is a pure profit & loss brick-and-mortar business. It is objectively determined that profiting from the initiative is a must for the sake of continuity. In the process, if the Farmers are benefited, we will consider that also our profit. Cash profit and Social Satisfaction Profit.

To achieve both ends, Three Income Initiative will adopt the following Execution Model :

AREA OFFICE MODEL

The Area Office will be treated as an independent unit of business. Area Office will be responsible for all activities pertaining to the needs and necessities of that particular area addressing farmers, typography, physical infrastructure available and not available thereof. It has to plan for better utilizations of what is available, and create opportunities where needed.

The Area Office will have to work as a living organ and be responsive to local and locational challenges and opportunities as well. It must convert the vision of 3i into visible realities. Achievement of an area office and failure thereof will not affect the other, it will be only for itself, thereby, without burden to other or overall operations. Problems will be rectified on an individual basis, but lessons learned will be put to work in all other area offices.

As for example, if it is found that by creating some feeder roads increase natural accessibility to many farmers and farms, it must take actions to develop the infrastructure distributing the costs to all farmers' individualized farms. Take it as an input that will result in reducing our transport costs years to come from all the beneficiary farms. Removing any barrier that reduces costs to the overall business is an investment rather than a cost. So an area office will look at its own operations on a longtime outlook and it is bound to increase its operational efficiencies. This positive attitude will increase bond with the participating farmers and non participating farmers as well.



MAKE UP OF AN AREA OFFICE

Each area office will have a visible identity or branding starting from the architecture of the offices to the furniture and stationery. This is required for a morale booster for our own human resource. We need to energize ourselves for a vision and we have a mission to execute. Whole operation will have to be visible so that it builds confidence and trust between us and the farmers we intend to include into our vision.

Next to location visibility, comes the need for human resource. How are we going to execute the operations. The make up of an area office will look and take following human resource infrastructure:

1. Area Office Manager	1
2. Agriculture Specialists	5
3. Soil Specialist	2
4. Solar/Electrical Technician	2
5. Agri Equipment Handlers	5
5. Transport / Drivers	5
6. Accountant / Audit / Cost	3
7. Security / Intelligence	5
8. Office Management Help	3
9. Input Manager	1

Above operational management staffing is at a minimum level depending upon the total hectares we intake in an area and number of farmers we can induct. At an average 350 to 500 hectares inclusion from an avg. of 100 to 150 farmers will be ideal for an area office. It is a process to maximize the number of beneficiaries. We have to remember all the time that we are not going to be a big commercial farmer, but a big enterprise with bigger number of farmers.



THE COMBINATION

The Three Income Social Agriculture model will be our main objective to achieve. It has direct bearing on the Farmers. But to achieve a greater business goal; we plan to set up a safety net for the business. We plan do it with direct combination of other 2 businesses which impact on value addition to other produce of the Area, which will help export growth of Zambia, and which will provide marketing solutions to the core business of Three Income initiative. We will have following business activities :

1. Agricultural Produce Processing for local and International Market : P2M Zambia Limited



We intend to Register a Company by the name and style **P2M Zambia Limited**. Producer to Market solution. We will buy local produce from the local Farmers for the purposes of direct selling to the bigger market, and also for the purpose of processing. In fact we will choose to produce those items that will feed our processing units for value addition and seek export market. For example, we will do Three Income Initiative to produce Ginger and Garlic so that we have our own supply for processing and ready for export to USA, Europe, Bangladesh. We can export to Bangladesh upto 75000 MT yearly, and we have connections in the USA for a big size export regularly. Many other Zambian produce are good for export if value addition and processing is done rightfully. We can export thousands of tons of Halal Beef to the USA per month, only we need a Halal Processing Unit. We intend to grow Livestock with the same farmers we will do agriculture with. We can export a large number of Goats and Sheep to Middle Eastern Countries live and also as Halal Meat. Our enlisted farmers and also non enlisted farmers will grow Goats and Sheep variety along with their normal works. A simple Mango Pulp Processing Unit can generate income for the local Farmers that go waste year in year out. Even Mango fruit farming will be our business with many farmers. We can grow many types of traditional and non-traditional varieties of fruits targeting processing and export.

Objective of these necessary supporting functions is to make the Three Income Initiative more economically viable. In fact we will be able to do more infrastructure development works to lessen the burden on funds at hand for an Area Office. and also to offer more on Rent and Salaries to Farmers.

The Three Income Initiative needs more supporting and complementary solutions. Why ? If we look at the issue why? Farmers have been failing all along for ages, are not only internal but also external impediments. A holistic approach is the key to solutions. We call it the **"imperative combination."** There has to be a produce > processing > market + export combination. A subsistence farmer is not failing for his/her own fault, he/she is just a piece of the puzzle. Even Government interventions through subsidies and other models cannot work, because, the element of "business to make profits" is not there. Govt. and NGOs are not in the "business of business" that is why it is like nobody's business to uplift subsistence farmers once for all. **Rather, what it is now is, keeping the subsistence farmers as is forever is the business for all intervention players including the Govt. For example FISF program maintained by Zambian Govt.** is internally at fault as an idea, because just some seeds and few bags of fertilizers cannot accomplish agriculture. That's why 90% of subsistence farmers use this program as a means to survive a few months having some cash at hand for the food he/she needs at the moment. They see it as a survival tool for today, not as a future building input. That is why The Three Income Initiative is so pertinent as realistic. It removes his/her immediate worries in totality so that he/she can see the future ahead.

2. Flat out Retailing of the produce : Organic Relish Zambia Limited



We intend to go into the retailing business aggressively so that we grab the proper value of the crops, livestock, poultry, fish, etc. we grow with our farmers. It will provide us more power to support listed farmers and the area farmer community as a whole. We can provide clinical and medical services to the people of Area Office, we can provide educational support to the children of the farmers of the area.

Organic Relish Zambia Limited will be a Brand to sell beef and processed beef, goat meat, lamb meat, village chicken, fish from the grower and wild catches of the fish farmers. It will sell organic vegetables that we will produce through listed farmers. Our main entry will be our own listed farmers, we will try our best to utilize them if they can grow and supply us with the items we need to retail. It is not hard to look after chicken and goats and cattle while doing work as Station Supervisor. That is why we do not intend listed farmers to work as Farm Workers. They will handle multiple tasks if not burdened with one single work. They are free to be more enterprising and productive. This is how real

upliftment will happen naturally..There is no magic that can motivate a person other than offering a clear future in front of him/her. In fact, this will be their 4th Income which will help Capital Formulation naturally, because their all pertinent expenses are to be met by the Three Income Initiative that they will get from.

