# OUR THEORY OF CHANGE



# THE PROBLEM & ROOT CAUSE

Since 1997, researchers at the University of Sussex have monitored global trends in armed conflict. Their research clearly shows that the number of armed conflicts in Africa has grown 7 fold in the last 10 years. Let's think about that, 7 fold in a single decade.

Why is this? We believe as oxygen is to fire, so are unemployed youth to insecurity. And there are a lot of unemployed youth on this continent. In Nigeria alone, conservatively a wave of 20 million youth entering an oversaturated labor force in the last twenty years, caused youth unemployment to skyrocket... triggering not 1, not 2, but 3 insurgencies.

Today, with a median age of 18, half of Nigeria's population, more than 80 million people, are under the age of 18 and will be entering the workforce within the next 20 years. If a wave of 20 million youth triggered Niger-Delta militancy, the Fulani herdsmen crisis and Boko Haram, what will 4 times that number do?

## HOW OTHER COUNTRIES SOLVED THE PROBLEM

Since 1997, researchers at the University of Sussex have monitored global trends in armed conflict. Their research clearly shows that the number of armed conflicts in Africa has grown 7 fold in the last 10 years. Let's think about that, 7 fold in a single decade.

Why is this? We believe as oxygen is to fire, so are unemployed youth to insecurity. And there are a lot of unemployed youth on this continent. In Nigeria alone, conservatively a wave of 20 million youth entering an oversaturated labor force in the last twenty years, caused youth unemployment to skyrocket... triggering not 1, not 2, but 3 insurgencies.

Today, with a median age of 18, half of Nigeria's population, more than 80 million people, are under the age of 18 and will be entering the workforce within the next 20 years. If a wave of 20 million youth triggered Niger-Delta militancy, the Fulani herdsmen crisis and Boko Haram, what will 4 times that number do?

### LOW ECONOMIES OF SCALE FARMER COOPERATIVES + EISENHOWER STORY

The co-founder of Babban Gona, Kola Masha, was inspired by the fact that 100 years ago, his grandfather was a poor smallholder in South Dakota, who leveraged farmer cooperatives to attain economies of scale and increase his profitability enough to send Kola's mother to university. Hence, Kola leveraged his Eisenhower Fellowship to better understand how to build successful farmer cooperatives. This was accomplished by visiting approximately two-dozen farmer cooperatives in the United States, to better understand the growth and evolution of these cooperatives to become successful farmer co-ops. The learning's from this exercise formed the foundation of what became Babban-Gona.

From Kola's Eisenhower Fellowship we learned that strong cooperatives require (1) Committed leadership, with true accountability to fellow members, (2) Professional management, capable of providing efficient and effective services delivery to members, and (3) Investment to scale, to further capture additional economies of scale.

Nigeria does not lack committed leadership of grassroots farmer cooperatives; however, due to lack of formal education, these leaders struggle to access professional management and investment to scale. Hence, the Babban Gona model brings the missing professional management and investment to scale to leaders of grassroots mini farmer cooperatives, called Trust-Groups.



To solve this challenge, in 2012, I moved to a small village in Northern Nigeria, to the center of the area's most recently impacted by the spread of insurgencies, brutal bombings and searing poverty, with an idea. Could we create an economic buffer to halt the spread of insecurity by unlocking the power of agriculture as a job creation engine?

Upon arriving in the small village in Northern Nigeria, back in 2012, to launch our model, I traveled from community to community, in an effort to share our idea, and recruit farmer members. We failed woefully that first year, barely recruiting 100 brave souls.

But we persevered, kept doing what we promised, slowly we gained peoples trust, and through word-of-mouth more farmers joined us.

Over the last 5 years, with a passionate and committed team, coupled with the help of our many partners, we have grown dramatically. This year serving nearly 20,000 small farmers. More than doubling yields and nearly tripling net incomes, relative to their peers

#### **OUR MODEL**

Our innovative Agricultural Franchise Model ("Model") is designed to support those at the bottom of the pyramid by (1) de-risking rural youth and enabling them to access critical investment to run a successful farming business, and (2) graduating them and their families to additional extension businesses, such as wholesale and retail trading. We operate our Model through two core programs: Babban Gona Direct (BGD) and Trust Group Entrepreneur (TGE), and two extension programs: Last Mile Distribution (LMD) and Women Economic Development Initiative (WEDI).

We provide our members with the following products and service:

- 1 Training & Education: Members receive training via the Babban Gona Farm University (Farm U). Farm U is a training platform which enables smallholder farmer members to
  - \* Access the critical knowledge required to manage their Trust Groups efficiently and effectively,
  - \* Develop a commercial mindset to farming, and
  - \* Adopt critical agronomic best practices to improve their yields.

Members are trained on best agronomic practices, management leadership, and financial literacy. Training also continues in-season with Member Monthly Meetings, where topics are revisited.

Financial Credit: Access to credit is a critical factor limiting the growth and profitability of smallholder farmers. Babban Gona adopts an innovative approach to de-risk members of the farmer groups and raises cost-effective debt to finance its members through a blended finance structure. Through this measure, Babban Gona is helping to close the financing gap and deploy low-cost credit to those who need it the most

- 3 Agricultural Inputs: Babban Gona provides members with high-quality inputs at the best available prices. We source inputs from market-leading manufacturers, assuring our members of quality in the inputs we provide. These quality inputs, alongside the training members receive on the appropriate application and use of inputs, ensure that our members attain higher levels of productivity.
- 4 Harvesting & Marketing Support: Members are provided access to Babban Gona's harvesting & marketing support services that ensure optimal storage practices, access to markets, and ultimately increased profits.

#### **OUR IMPACT**

- **1** Communities We Serve
  - Babban Gona grew to record levels in 2020, with 80,000+ acres under cultivation, and a diversification into rice farming
  - We supported over 38,000 members across 6 states (i.e. Bauchi, Jigawa, Kaduna, Kano, Katsina, & Plateau States)
- 2 Job Creation
  - We provided 82,000+ jobs for our beneficiaries in 2020, with 70% for youth and a third for women.
- **3** Food Security
  - We supported our members to achieve yields of 2x the national average and provided storage for over 62,600 MT of grains to reduce post-harvest losses Increased Profitability
  - We supported our members to increase their profitability to 2x the national average (2020 est. average net income \(\frac{1}{2}\)412,882)
  - We supported 18,500+ rural female entrepreneurs to earn more income for their households
- 4 Education
  - 7,549 members trained via classroom training ■Granted 115 three-year scholarships to our members' dependents







www.babbangona.com

™ info@babbangona.com

Follow us on all social media









in f © • @babbangona