



SIATOL

Impact Analysis | March 2016

PRESENTATION OF SIATOL



SIATOL is the leading company in soybean transformation industry in Burkina Faso. Created in 2010 by Marcel Ouédraogo, it produces soya oil for households and soya cake for poultry farmers.

SIATOL get its supplies from a network of 3000 small producers in Burkina Faso who benefit from technical support and input prefinancing from SIATOL. SINERGI BURKINA invested in SIATOL in 2015 to increase its production capacity and its impact in soya value chain.

SIATOL'S PERFORMANCE

- €105k was raised from financial institutions for the soybean purchase campaign
- Sales doubled between 2014 and 2015
- 600 more smallholder farmers joined the network
- Purchase of 650 tons of soybean from 3000 smallholder farmers
- Improvement of finance and accounting

IMPACTS OF SINERGI'S PORTFOLIO

STAKEHOLDERS

SIATOL'S IMPACT IN 2015



EMPLOYEES

22 full-time employees

43 casual employees

Average monthly salary of lowest paid employees (soybean sorters) is **10% higher** than the minimum wage in Burkina Faso



SOY PRODUCERS

3000 smallholder farmers organized, trained and pre-financed

653 tons of soy collected in 2015

Sales of soybean represent an income of **€250**/smallholder on average



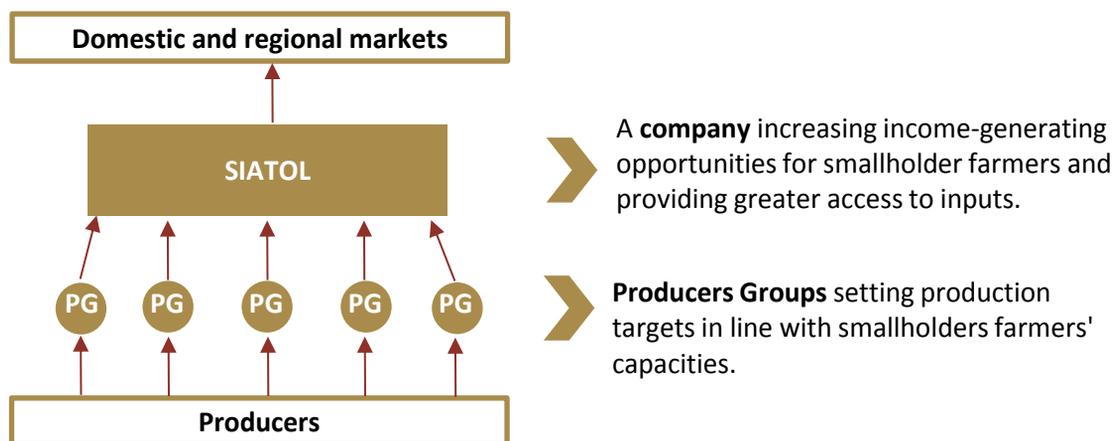
POULTRY FARMERS

Increase in egg-laying rate of client poultry farmers up to **98%** thanks to the higher protein content of soya cake compared to cotton cake.

IMPACT ASSESSMENT : A CASE STUDY

SIATOL, a new actor structuring the soy production chain

- Created in 2010 by Marcel Ouedraogo, SIATOL aims to **ensure sustainable outlets on urban markets for smallholder farmers**, while providing them with technical assistance and prefinanced inputs.
- It markets two products addressing the national and sub-regional market.
 - Soya cake, sold to poultry farmers and poultry feed manufacturers
 - Soya oil, sold to urban households for cooking
- SIATOL operates both **upstream** by structuring soy production, and **downstream** by marketing soy oil and soya cake. It is the only company in Burkina able to process soybean by refining oil extracted from oil cake.



METHODOLOGY

- To better understand the various impacts of the company, an in depth impact assessment study was conducted in February 2016 in partnership with IM-prove (www.im-prove.fr).
- During one month, a team of five led a quantitative and qualitative field survey, meeting local stakeholders to evaluate key company's impacts.
- Surveys and interviews were conducted among 314 soybean farmers, 43 employees and 5 client poultry farmers. Several institutional partners were also met to better understand the soya value chain in Burkina Faso.
- Key findings of this case study are presented on the following pages.

RESULTS FROM THE IMPACT ASSESSMENT (1)

SOY PRODUCERS



- Interviews conducted with **314 farmers** spread over 3 areas with various profiles.
- Diébougou : subsistence farming with very little cash crops
 - Léo : an intermediate level of agricultural development with some cash crops
 - Houndé : a more developed agriculture with a significant part of cash crops

Half of the smallholder farmers live below the \$2.5/day poverty line. They are still able to meet their basic needs with their farming. Still, 50% of surveyed producers are illiterate and have no access to electricity.

By promoting the soybean crop, SIATOL provides smallholder farmers with access to a new cash crop used as a first cash crop or as an alternative to cotton

- **63%** of farmers had never grown soybean before SIATOL
- **19 %** of farmers were not growing any cash crop (cotton, soybean, sesame) before SIATOL.

Soybean is likely to increase their income when compared to cotton or food crops (mostly maize).

- **10%** estimated income increase in comparison with cotton. Indeed, soybean cultivation requires lower expenditure than cotton (seeds twice cheaper, no fertilizer, etc.).
- Soybean provides **revenue diversification while increasing food consumption.** Indeed, growing soybean reduces the need for farmers to sell their food crops on the market: the sales rate of maize decreased from 39% before growing soybean with SIATOL to 25% after.

However, SIATOL must remain vigilant regarding payment deadlines and understanding of contracts by producers.

- **44%** of soy producers do not know exactly what the contract contains (floor price, fixed quantity, cultivation methods, etc.)
- **91 %** of producers recommend working with SIATOL, primarily due to **prompt payment** after weighing.
- However, cash tensions generated **significant delays in payments** in 2015. Each year SIATOL needs to raise adequate working capital to ensure on-time payments.

RESULTS FROM THE IMPACT ASSESSMENT (2)

EMPLOYEES

Access to wage-paying jobs



- **For 30 % of employees**, their position in Siatol is their first wage-paying job
- Several employees are still informal, but the current process to formalize fully all the employees should be completed by the end of 2016 and needs to be monitored closely.

86% of employees think they will still be working for SIATOL in 2 years

- 72 % of employees would like higher wages (current situation due to financial constraints),
- Soybean sorters request more regular payments but value the access to stable wage-paying positions in a country where job opportunities remain scarce for low-skilled workers.
- **Average monthly salary of soybean sorters is 10% higher** than the minimum wage in Burkina Faso .

POULTRY FARMERS

Higher raw material price...

- Average price of soya cake is higher than cotton cake (375CF AF/kg against 200CF AF/kg)
- But soya cake only represents a small share of the total poultry feed formula (about 16%).

... But a greater profit

- Poultry farmers increase significantly their egg-laying rate thanks to the higher protein content of soya cake compared to cotton cake. They increase their gross margin and profitability

SIATOL provides poultry farmers with **access to soya cake at a lower price** than imported products. SIATOL also changed the perceptions of many poultry farmers who discovered the nutritional benefits of soya cake.

“ *Since I use soy oil cake, my egg-laying rate can reach up to 98%* ”
Poultry farmers