



KILIMO TRUST: PROMOTING REGIONAL SOLUTIONS TO LOCAL PROBLEMS

A case of institutions linking farmers to ready markets

BY HALIMA ABDALLAH
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Uganda's progress in reducing poverty over the last two decades is a remarkable story of success (The Uganda Poverty Assessment Report 2016). The newly released findings show that much of this poverty reduction was built on agricultural income growth that particularly benefited poor households through improved regional crop markets, among other factors.

However, in spite of Uganda being known as an agricultural country (Food basket for East Africa Community), no clear marketing structures for agricultural produce have been established to take advantage of the existing and growing regional markets. The vacuum saw the rise of middlemen who have for years been accused of exploiting the farmers-paying low farm-gate prices and reselling at higher prices, earning supernormal profits.

"What we need is increased bulking of agriculture produce but up to now we have not structured our farmers so they continue to operate individually" said Mr. Okasaai, Director of Crop Resources in the Ministry of Agriculture.

Stakeholders in the agriculture industry have registered an invaluable achievement in reducing these inefficiencies and increasing trade, which if adopted by governments could see the volumes of trade in agricultural produce within the EAC member states increase.

The recently concluded Development of Inclusive Markets in Agriculture and Trade (DIMAT) project in Uganda used a markets approach to ultimately increase incomes of farmers of beans, cassava, rice and passion fruits.

The UNDP/GoU funded project employed an integrated approach with the ultimate aim of creating and strengthening value chains by increasing quantities, and the quality of the produce supplied by farmers to buyers (traders and processors) to which the project linked them.

A model including an impressive 20 business partnerships had been established and remain operational, with trade transactions still on-going. For the period 2014 and 2015, a total of 9,922 metric tons valued at \$ 3.4 million of produce was bulked and sold. "Most of these farmers were bulking produce collectively for the first time," says Fiona Lukwago, Project Team Leader at Kilimo Trust.

Uganda's Ministry of Agriculture intends to increase agricultural productivity to cater for the food and nutrition security of a growing population in addition to supplying neighboring countries who are already major buyers albeit informally.

Kilimo Trust, one of the implementers of the DIMAT project, is supplementing government's efforts to achieve the desired results. An organization working on agriculture for development across the East Africa Community (EAC), Kilimo Trust is successfully spearheading market-oriented solutions designed to reduce poverty in the region providing regional solutions to local problems in ways that enhance security of incomes, food, and nutrition in the EAC region. Kilimo Trust's approach has always been to start with the mindset change - training farmers to understand that farming is a serious business, and that market opportunities beyond Uganda, should be tapped into, for increased economies of scale, and incomes.

farmers in Northern Uganda had 100% increase in production due to certainty of the buyer.

Certainty of the market was also a big driver for increasing yields through investment in improved seed and other inputs. Incomes were increased most when farmers were linked to the markets that pay a premium for quality.

There must be an established onward market in the region or elsewhere for the national buyer. This ensures off-take from the immediate off-taker and increases their willingness to contract farmers.

For faster adoption and commercialization, ALL capacity building efforts/catalysts for ALL parties in the market system must be business oriented/profitable. All trainings provided must have component of monetary gain or loss if practised or not. The value proposition to all concerned parties, including non-farming communities must be very clear and understood, for buy in and cooperation.

Additional learnings include; Demonstration and piloting of technologies for efficiency (farm



Farmers loading harvests for the sale



Farmers in a passion fruits garden

The farmers targeted by Kilimo Trust under the project, grew Rice (seed and grain), Passion fruits, and Beans (seed and grain). Farmers, e.g. those who were linked to big rice millers instead of small rudimentary mills, registered more value because of the opportunity to sell separately, the broken rice, husks, bran and whole grain. The business linkage with passion fruit farmers in Kiyembe, Kabale district saw over 500 metric tons of passion fruit bulked and sold. The model benefitted farmers from

level and post-harvest) is key for increased adoption. The DIMAT project was limited in funding these demonstrations and pilots and so adoption was slow in areas where this was not done.

Even after appreciation of good agro-economic practices and the returns from such, farmers were limited and could not expand their land under cultivation due to labour constraints. Most could not plant in lines or weed frequently due to the high cost of labour. Introduction/access to appropriate farm machinery would have gone a long way in increasing commercialization and efficiency in production.

Structure is key - Farmer organisations must operate in a Business-like structured manner, and be well organized to attract financiers, credible buyers, input suppliers and other partners. Good organization also increases trust among farmer groups and associations, which results in collective marketing/bulking and efficiency in aggregation.

This project was implemented by a consortium of Kilimo Trust, Enterprise Uganda and the Private Sector Development Companies.

Kanungu and Kabale districts who, through the project, were linked to Inyange Industries Ltd, in Kigali Rwanda as a regional market for their produce.

According to Food and Agricultural Organisation of the United Nations (FAO) both quantitative and qualitative food losses of significant volumes occur at all stages in the post-harvest system from harvesting through handling, storage, processing and marketing to final delivery to the consumer.

Uganda for instance loses on average up to 40% of overall volumes of produce, while Sub-Saharan Africa loses 20 million tons annually valued at \$4 billion according to FAO. This was demonstrated by some farmers in Central Uganda, who had incurred losses in value, of up to 100% before benefiting from trainings provided by the DIMAT project. After the post harvest handling training, targeting one of the contracted buyers (Victoria Seeds), these same farmers' produce was accepted by the seed company, who also paid a premium price for quality.

Although connecting farmers to buyers is important, what remains a challenge is sustainable volumes. Farmers have singled out access to, and utilization of

available production technologies as being the major contributing factor to low production.

Adoption of high yielding technologies In a bid to increase marketable volumes and also reduce on post-harvest losses, the project linked producers with agro-input suppliers, in addition to building their capacities to utilize these technologies.

In Kanungu and Kabale for example, over 300 passion fruit farmers were trained in good agro-economic practices including post-harvest handling, and use of a more productive trellising technology which accords high yields as opposed to traditional systems that used branched shrubs.

Adoption of the new technology increased yields up by 110%. The quality also resulted in higher prices.

"Thank you very much for teaching us how passion fruits are managed. Now the second season is ending with expenditure of US\$ 255,000, and production is US\$ 1,725,000, therefore the profit from 9 plants is 1,470,000. Each kilo was sold at 1,500 to 2,000," said Bashir Katoryo a beneficiary. Passion fruit farmers especially appreciated the knowledge in how to make passion fruit growing a profitable business.

In spite of that, it was observed that it takes time to build trust among partners to finally make investment decision. According to Kilimo Trust it could work better if partners work together before making any binding commitments.

"It is the role of government to get the farmers working together in groups that transform into vibrant cooperative societies, so government's support comes in the provision of infrastructure like stores at Sub-County levels and empowering the private sector to do its part," said Mr. Okasaai.

Results and Learning

The UNDP funded DIMAT project saw over 4,000 farmers improving their business skills and accessing financial services. 18 bankable business plans were developed by the producer representatives, 1,648 farmers opened up bank accounts and 35 Saving Associations were formed and/or revived. Farmers also access more than UGX 800,000,000 to increase their production to meet the target market demand.

Ultimately, 4,623 farmers accessed and utilized agro-inputs (seeds and agro-chemicals) during the project period. The impact of training provided saw increased yield and production. The average beans yield increased from 0.35MT/Ha to 0.8MT/Ha and rice yield increased from 0.8MT/Ha to 1.8MT/Ha.

The main ingredient that the project team found key for success was the certainty of the market, said Fiona Lukwago. Within 1.5 years, small farmer groups in Gomba district increased from 100MT to 500MT supply to Victoria seeds Ltd, farmers in Kitumbi Farmers Group increased seed production from 2.47MT to 10MT to Grow more seeds, Equator Seeds Ltd rice

A farmer's tale of growing money in a nursery bed

BY HALIMA ABDALLAH

Silver Safari grows beans, Irish potatoes, sweet potatoes and peas to ensure food security for his young family. The surplus he sells however is hardly enough to meet his family needs.

Safari, 34, is a farmer in Ruhija Sub-County Kabale district. He is a primary six drop out blessed with five children all of whom are school going age and one wife. With meagre income, it means that he has been stressed to keep them in school while meeting the family welfare.

In 2006 however, he opted to expand his farming scope to include passion fruits because it was fetching higher value on the market. In spite of that the yields were poor because of frequent pest attacks and fungal diseases like brown spot, collar rot and woodiness virus

Besides that he did not practice best agronomical practices like pruning and applying fertilizers. Maximum harvests were 20 bags per hectare per year. With improved farming methods and practices, the same land can produce up to 63 bags up by 215%.

Safari was only to earn US\$ 2,000,000 per year from passion fruit proceeds of his local variety after going through other risks like being cheated by middlemen. In spite of this, he persisted.



Farmers in the green house

His persistence on the crop turned his fortunes when traders recommended him to be focal person for the DIMAT project when it started in Kabale district. He would later be selected to host a model passion fruit model nursery because of his experience in running a passion fruit seedlings business.

The project constructed a 15,000 seedling nursery and 10,000 liter cement water tank valued at US\$ 25 million to

ensure sustainable access to grafted disease tolerant passion fruit seedlings which are more resistant to diseases.

Currently, Silver has mastered the technique of grafting local purple onto yellow variety and care for passion fruit vines from planting to harvesting. There are 4,280 grafted seedlings ready to be sold at subsidized prices to farmers and Silver expects to earn US\$ 4,280,000 when he sells the first batch of improved seedlings.

With the new technology under the trellising system, using proper spacing and agro-chemicals, Silver has established 1/2 acre of his own passion fruits and hopes to expand this orchard to at least 2 acres.

It is hoped that the new trellising system will also reduce the rate of deforestation in the area and improve quality of the harvest.

Alongside other farmers who have adopted the technology, Safari supplies the fruits to Inyange Industries Limited in Rwanda and Bio-Fresh (U) Ltd.