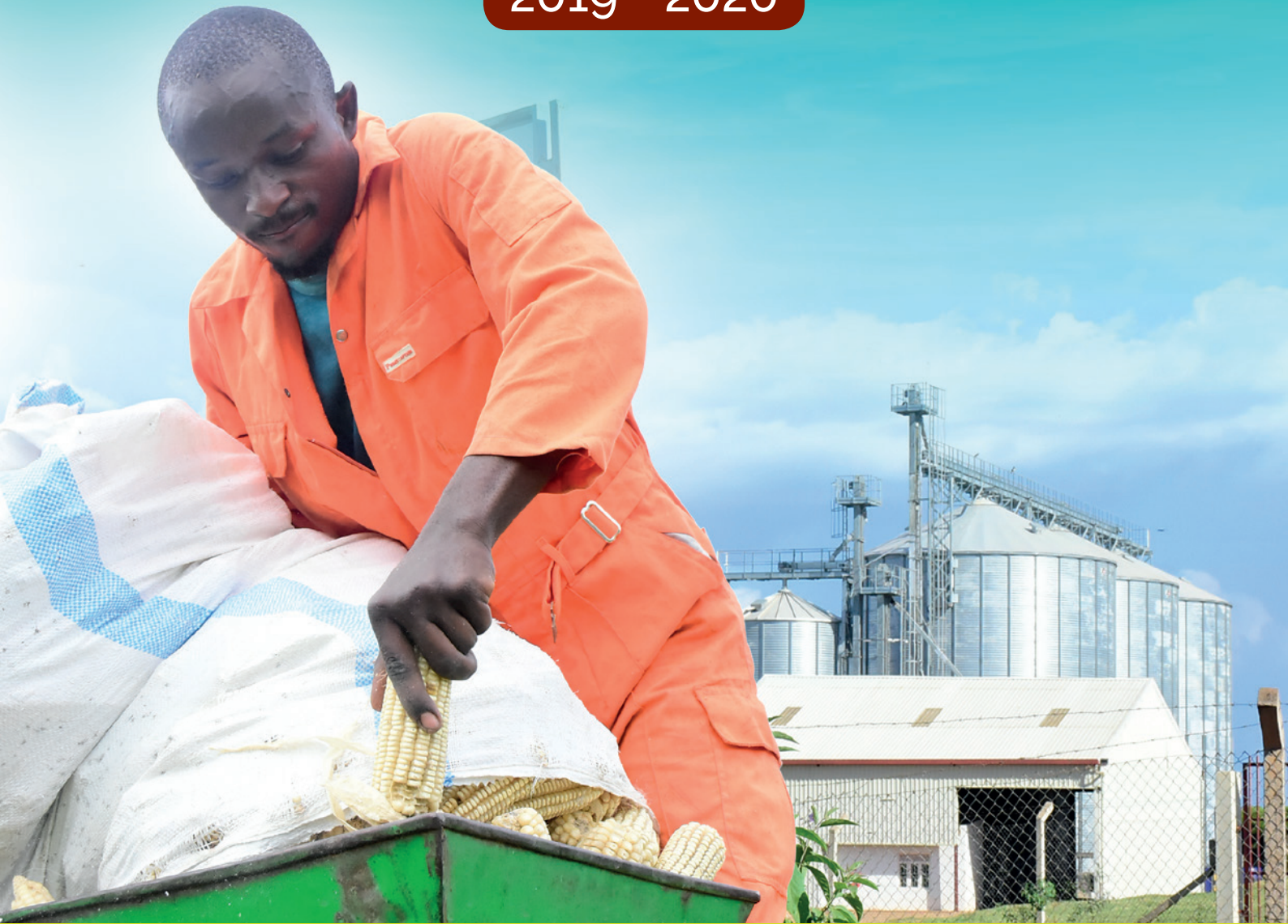


# KILIMO TRUST

## ANNUAL REPORT

2019 - 2020



*Transforming Lives Through Agribusiness*









## LETTER FROM THE CHAIRPERSON OF THE BOARD OF TRUSTEES

*Greetings to our esteemed funders, partners, and collaborators, beneficiaries and the extended KT family. On behalf of the Board of Trustees, it gives me great pleasure to present the annual report for financial year July 2019 to June 2020.*

This year has been particularly challenging due to the covid-19 pandemic that affected the implementation of some of the planned activities under different projects. As we were closing the financial year in June 2020, all the countries in East Africa were in some form of a lock down for close to three months or more. In some countries, cross-border movements and flights were banned, gatherings including meetings as well as movements of people between districts, rural to urban and vice versa were prohibited. All this affected trade and implementation of some activities in the different countries.

We are however incredibly happy to note that the organisation has been resilient amidst all these challenges and was able to achieve outstanding results. As an organisation, we remain committed to our vision of sustained and equitable wealth creation, food and nutrition security for smallholder farmers and other value chain actors in East Africa. We are also delighted that on 26th November 2020, we celebrated our 15th anniversary as a proudly East African agricultural development organisation that is transforming lives through agribusiness. I want to thank my predecessor, Prof. Joseph Mukiibi who played a major role in shaping Kilimo Trust through its growth since its establishment as one of the Founding Trustees and the Board Chair until September 2019.

Since the establishment of Kilimo Trust in 2005, I am happy to note that close to 400,000 smallholder farmers have been transformed by improved livelihoods directly by our interventions, a remarkable achievement that is in line with our current strategy that targets to transform up to 500,000 smallholder farmers in the EAC by the year 2023. The cumulative results in this report are collaborative efforts of the farmers and our dedicated staff as well as our partners and collaborators in the five country offices. On behalf of the Board of Trustees, I thank you all.

In the new year, Kilimo Trust will continue to build on the investments we have made as well as strengthen the partnerships and collaborations we have built through the years. We believe that to transform Agriculture in East Africa, we must think, work, and take advantage of our collective strengths to build strong agribusinesses along agricultural value chains.

I wish you good health and prosperity in the New Fiscal Year 2020/21!

Prof. Geoffrey C. Mrema

**CHAIR, BOARD OF TRUSTEES**

Kampala, Uganda.

15 /03/ 2021







## MESSAGE FROM THE OUTGOING CEO

*To the entire Kilimo Trust family; funders, current and past partners, stakeholders and friends, I am profoundly proud to share with you the KT July 2019 - June 2020 Annual Report with yet more exciting results.*

For the last 3 years I served at KT as the Chief Executive Officer (CEO), transforming lives of the smallholder farmers and other value chain actors through our different interventions was our mandate. Our results had always been spearheaded by the collaborative minds of all our partners, stakeholders and staff who undeniably work towards achieving the results in every report that was developed.

In the year under review, the results have been drawn from REACTS-II, CHIPS, CARI-II, CARI-EA, SIKIA, and IMAP4CSA projects being implemented in Uganda, Kenya, Tanzania and Rwanda. KT in this year reached 102,119 smallholder farmers and value chain actors to influence change in the way of doing business. Through the Markets and Policy Analysis (MPA) program, KT has got the mandate to influence strategies and programs of governments, the private sector, relevant institutions in the EAC partner states and development funders which its results are also shown in the report. The MPA program has continuously enabled the organization to undertake analytical work and provide evidence-based recommendations on the design and execution of interventions to create impact.

Over the past 15 years Kilimo Trust, has influenced regional trade of different commodities, created jobs through its different interventions, linked farmers and other value chain actors to markets, leveraged investments from both public and private sector. I am proud to note that I have been part of the KT team that is rooted in the commitment to achieve its vision of “sustained and equitable wealth creation, food and nutrition security for smallholder farmers and other VC actors” for a strong and reliable agricultural sector for all.

As it was the third transition of CEOs at Kilimo Trust, I am excited and equally proud that I am retiring when Kilimo Trust as an organization is among the “to go to” institutions in East Africa. As the saying goes, ‘that which goes round comes around’, and as a proud value chain actor in the agriculture space, I will surely still be part of KT Transformation even in my retirement.

I would like to welcome the new CEO, Dr. Birungi Korutaro, an agribusiness specialist with more than 14 years of experience in the practical application of value chain analysis and development, agribusiness and market development. She will be supported by a very strong technical team of Country and Program Team Leaders in all the 5 EAC countries to keep Kilimo Trust as the leader in this area.

**Dr. Mary Shetto**  
The Out-going CEO







# KILIMO TRUST OVERALL ACHIEVEMENTS

Key Performance Indicators	Baseline (2017/2018)	Strategy 5 Year targets	Achieved 2019/2020	Cumulative KT Results (2005 to June 2020)
Number of farmers benefitting from KT Interventions	137,292	500,000	102,119	389,645
Volumes (MT) of commodities traded through structured trade	216,648	800,000	224,441	450,079
Value of commodities (\$) traded through structured trade	122,000,000	320,000,000	75,037,293	208,588,434
Value (\$) of investments leveraged from private and public sector partners	48,000,000	45,000,000	2,449,917	56,130,643
No. of Jobs created through KT interventions	-	1,500	700	1,200
Number of business linkages established	180	150	70	357





## INDIVIDUAL PROJECT CONTRIBUTION TO THE RESULTS)

Intermediate Key performance Indicator	2019/2020 Achievements							Total	Cumulative to-date
	Contributing projects								
	CHIPS	REACTS-II	CARI-II	CARI-EA	SIKIA	iMAP4CSA	2SCALE		
Number of farmers benefitting from KT Interventions	2,294	19,482	22,302	28,186	25,394	4,461	170	102,119	389,815
Volumes (MT)of commodities traded through structured trade	127,496	65,619	15,043	16,283	-	-	-	224,441	450,079
Value of commodities (\$) traded through structured trade	31,300,000	33,273,985	5,415,480	5,047,828	-	-	-	75,037,293	208,588,434
Value (\$) of investments leveraged from private and public sector partners	-	1,869,463	319,829	260,625	-	-	-	2,449,917	56,130,643
No. of Jobs created through KT interventions	-	121	-	579	-	-	-	700	1,200
Number of business linkages established	35	-	2	13	-	20	-	70	357



# KT COUNTRY OUTLOOK

## Uganda (HQ)



### EAYIP Project

Funder: **Heifer International**  
Value Chains: **N/A**  
Regions Covered: **N/A**

### REACTS II Project

Funder: **AGRA**  
Value Chains: **Maize and Beans**  
Regions Covered: **Central, eastern, Western and Northern**

### CARI-EA

Funder: **AGRA**  
Value Chains: **Rice**  
Regions Covered: **Central, Northern, Eastern**

### DINU

Funder: **European Union/GOU**  
Value Chains: **Rice, cassava, soybeans, groundnuts, and poultry**  
Regions Covered: **Northern Uganda**

### FIEFOC -II (Lot 1 and 2)

Funder: **AfDB/GOU**  
Value Chains: **N/A**  
Regions Covered: **5 Watersheds (Wadelai, Tochi, Ngege, Doho-II and Mubuku)**

### R4iCSA

Funder: **IKEA Foundation**  
Value Chains: **Rice**  
Regions Covered: **Eastern Uganda**

### Coffee Diversification Market research

Funder: **IDH**  
Value Chains: **Non Coffee Priority value chains**  
Regions Covered: **Eastern, Central, Western**



## Tanzania



### CARI-II (Ongoing)

Funder: GIZ  
Value Chains: Rice  
Target regions: Shinyanga, Coastal, Morogoro, Mbeya, Songwe

### CARI-EA (Ongoing)

Funder: USAID/AGRA  
Value Chains: Rice  
Target regions: Mwanza, Lindi, Morogoro, Zanzibar, Subawanga, Katavi, Mpanda, Iringa and Mbeya

### IMAP4CSA (Ongoing)

Funder: Enabel/WEHUBIT  
Value Chains: Rice  
Target regions: Iringa

### CARI-II (Ongoing)

Funder: Mezzanine/Voda-com South Africa  
Value Chains: Maize & Sunflower  
Target regions: Simiyu and Mwanza

## Kenya



### 2-SCALE Groundnuts Project

Funder: IFDC/2SCALE  
Value Chains: Groundnuts  
Target Counties: Meru & Tharaka Nithi

### 2-SCALE Soybeans Project

Funder: IFDC/2SCALE  
Value Chains: Soybeans  
Target Counties: Embu, Kirinyaga & Nyeri

### Improving Soybean Production

Funder: Innovate UK/DFID  
Value Chains: Soy beans  
Target Counties: Embu, Kirinyaga, Nyeri, Nakuru & Machakos

### REACTS-II

Funder: AGRA  
Value Chains: Beans, Greengrams, Irish potatoes  
Target Counties: Siaya, Migori, Kisumu, Homabay, Nandi, Uasin-Gishu, Trans-Nzoia, Elgeyo Marakwet, Nakuru, Makeni, Tharaka Nithi & Meru

### R4iCSA

Funder: IKEA Foundation  
Value Chains: Rice  
Target Counties: Kisumu, Busia & Kirinyaga

### CARI-EA

Funder: USAID/AGRA  
Value Chains: Rice  
Target Counties: Kirinyaga, Kisumu, Homabay & Busia

### Coffee Income Diversification Study

Funder: IDH  
Value Chains: Coffee and Non-Coffee Products Intergration  
Target Counties: Embu, Kirinyaga, Nyeri, Muranga, Nandi, Kericho & Bungoma

## Rwanda



### Rural Youth Employment Support (R-YES) Project

Period: 2020-2024  
Funder: IFAD & BMZ  
Value Chains: Vegetables, Maize, Poultry, Piggery, Dairy, Rice and Potatoes  
Target regions: Eastern, Northern, Western and Southern Rwanda

### REACTS II

Period: 2018-2021  
Funder: AGRA  
Value Chains: Rice and Beans  
Target regions: Bugesera, Kamonyi, Ruhango, Nyagatare, Gatsibo and Rusizi









**Enhancing  
incomes and  
accelerating wealth  
creation for smallholder  
farmers (SHFs) of  
potatoes, retailers and  
vendors**





# CHIPS PROJECT

Calories and Household Incomes from Potatoes Sub sector (CHIPS) Project: Structuring Enterprises and Trade of Potatoes to Enhance Incomes for Smallholder Farmers in Tanzania While Delivering Affordable Prices for Low Income Consumers in East Africa is the project with the goal of enhancing incomes and accelerating wealth creation for smallholder farmers (SHFs) of potatoes, and retailers and vendors (SRVs) of potato foods in Tanzania.

Outcomes	Key Delivery Indicators (KDIs)
I. Effective collective marketing/ procurement of outputs and inputs by trading associations and cooperatives of SHFs, Small scale retailers and Vendors <b>enhanced</b>	1.1 Effective collective marketing/procurement of outputs and inputs by trading associations and cooperatives of 20,000 SHFs and 15,000 SRVs (1,500 small scale retailers and 13,500 small vendors) 1.2 AMCOS and SRV-TA comprise of the targeted 20,000 SHFs and 15,000 SRVs (1,500 small scale retailers and 13,500 small scale vendors) established 1.3 Collective marketing and procurement of outputs and inputs by trading associations and cooperatives of SHFs and SRVs practiced by 100% of the members 1.4 Capacity of SHFs and SRVs in professional management of individual enterprises built
II. Supply of market preferred potato and potato products by SHFs, Small scale Retailers and Vendors <b>Increased</b>	2.1 Increased supply of at least 3 types of varieties market preferred potato produced by 18,000 SHFs and 12,000 SRVs 2.2 The needs of SHFs and SRVs are met by the potato seed system by 75% 2.3 Full GAP, GPHH and standard business practices adopted by at least 75% of the SHFs 2.4 Good Food Handling Practices (GFHP) and standard business practices adopted by at least 50% of the SRVs under the consortia
III. Competitiveness and efficiency of trading in potato and potato products through sustainable business consortia <b>Increased</b>	3.1 At least 8 commercially viable, sustainable and inclusive business consortia comprise of at least 80% of the targeted 20,000 SHFs (30% women, 30% youth) and 50% of the targeted 15,000 SRVs (30% women, 30% youth) established 3.2 Formal supply/purchase agreements among the consortia members established and implemented 3.3 Financing for production and trade facilitation improved 3.4 An increase of profitability for at least 80% of the targeted 20,000 SHFs and 50% of the targeted SRVs evidenced
IV. Equitable involvement of women and youth in decision making and access to resources and benefits of potato value chain <b>Increased</b>	4.1 Key strategy to ensure women and youth are empowered to take decisions in regard to their roles as either SHFs or SRVs developed 4.2 Key strategies to ensure women and youth have access to financial resources to support their roles as either SHFs or SRVs implemented 4.3 At least 2 women-youth specific financial products/arrangements agreed between the targeted women/youth and financial institution
V. Capacity of KT and its partners in the development of SRVs businesses and trade associations for trade-based food security in the EAC, <b>Improved</b>	5.1 A model for establishing a functional urban-based trade association developed, documented and disseminated 5.2 An effective, competitive and objective selection criterion for assessing and approving consortia members established 5.3 Knowledge products for the private sector from lessons learnt and information provided developed and disseminated 5.4 Modernized systems and procedures for MEL implementation - through enhanced KT and partner M&E Units findings documented and shared.

# Financial Summary Results

Project Title		CHIPS PROJECT					
Reporting Period		Jul 2019 - December 2019					
Overall Revised Project Budget		2,405,395					
Project Budget Jul 2019 - June 2020		243,093					
Total Amount Spent by December 2019		2,405,394					
Balance on Project Budget by December 2019		0					
		Current Performance			Cumulative Project Performance since inception		
	Category	Planned (P)	Actual (A)	Performance (A/P)*100	Planned (P)	Actual (A)	Performance (A/P)*100
A	Capital Expenditures	-	-	0%	49,000	54,515	111%
B	Personnel	82,133	82,133	100%	725,925	615,307	85%
C	Project implementation costs	47,499	49,389	104%	353,220	498,203	141%
D	Project Admin Costs	4,343	4,343	100%	157,249	138,306	88%
	Total	133,975	135,865	101%	1,285,395	1,306,331	102%
E	Sub-grants (ARI Uyole & TAHA)	31,254	10,067	32%	420,000	370,444	88%
F	Macthing Grants	77,865	91,214	117%	700,000	588,511	84%
	Forex Difference					140,108	
	Grand Total	243,093	237,146	98%	2,405,395	2,405,394	100%





# CHIPS Project Results



**467** Farmer Business Organisations (FBOs) and **211** Small Retailer and **284** Small Vendors Trade Associations formed fostering business linkages that have led to trading of over **127,496MT** of potatoes among the partners.



**437 MT** of clean seed potato have been collectively procured by **3,837 SHFs** (36% women) from ARI- Uyole, Mtanga Farm and QDS producers by farmers and planted by famers engaged under consortia.



**35 FBOs** signed supply agreements with inputs suppliers to access fertilizer and agrochemicals and **4,819** farmers have accessed **3,152 MT** of fertilizers through collective procurement of fertilizers.



**1,157,041** mini-tubers (potato seed at very early stage) produced since project inception and **437 MT** of clean seed potatoes distributed to **3,837 SHFs**. Our interventions alone have made contribution to reduction by 0.1 % in the acute clean seed demand of more than 0.4million MT per annum.



**13,415** farmers trained on GAP, **10,863** on GPHH and **13,997** on FBS. In addition, **11,390** SRVs were trained on Business and Entrepreneurship skills, **7,541** on use of standard weights and measurement and **11,570** on Group formation, and **6,751** on GFHP.



**256** demonstration plots were established. farmer yield rose from less than **8 MT/ha** to **13MT** per ha..



**35 FBOs** signed supply agreements with inputs suppliers to access fertilizer and agrochemicals. **4,819** farmers accessed **3,152 MT** of fertilizers; out of such amount **33.2MT** worthy **TZS 54,860,000 (GBP 19,640)** was through inputs pre financing.



**TZS 339,285,836 (GBP 112,538)** in savings was mobilized by **108** SRV groups and **152** FBOs.



**754 SRVs** accessed loans amounting to **TZS 1,498,776,000 (GPB 536,559)** from VIBINDO Microfinance, Yetu Microfinance, Dar es Salaam Community Bank, FINCA Bank, Akiba Commercial Bank, Access Bank, Equity Bank, CRDB Bank, Tanzania Postal Bank, NADO SACCOS and Good Samaritan Ministry (GSM).



Njombe Town Council contributed **GBP 3,333** to Lusitu Agribusiness Group (LAG) for completion of packhouse. the package included a new tractor loan worth **75,000,000 (GBP 25,338)** through Youth and Women Fund where KT supported LAG to develop the business plan.



Beula Seeds Company was supported to develop business plan through which the company accessed tractor loan worthy **TZS 75,000,000 (GBP 25,338)** from CRDB Bank



**21** potato supply agreements were concluded including: **4** MoUs signed between consortia partners for market facilitation.



## Lessons learnt & challenges of CHIPS project implementation

### Lessons

- a) Access to seeds of preferred varieties is key driver of market driven potato value chain development.
- b) Public investment in initial stages of potato seed multiplication is crucial and more private investment is crucial at commercialization stages for sustainability of seed system
- c) High demand for seeds by engaged farmers has motivated them to contribute money in Arumeru for collective procurement of 60MT of seed from TARI Uyole or any authentic source.
- d) Strong Farmer Business Organization and Traders Associations are crucial for collective marketing and procurement of potatoes. This poses the need for strengthening farmers groups particularly in advancing them to be legal business entities.
- e) Potato value chain is dominated by the chain of interspatial linked traders with solid informal system of sharing market information.
- f) Collective marketing system is good to farmers and traders since it reduces costs e.g. cost of transport of waiting, to have one voice on negotiating with buyers and it help to reduce middlemen involvement.
- g) Policy advocacy is crucial on issues affecting round potato trade.

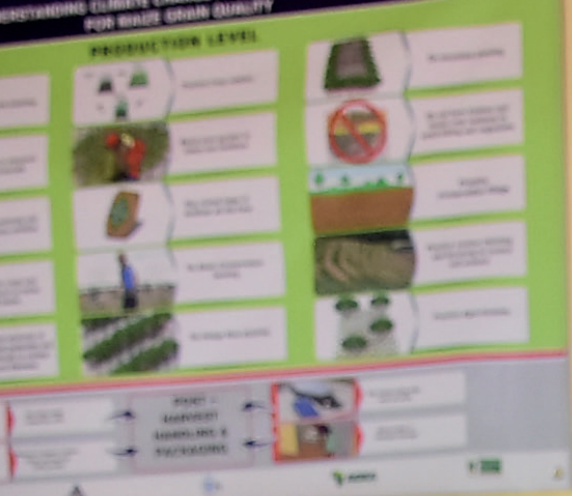
### Challenges:

- a) The speed of seed multiplication by ARI Uyole and Beula Seeds Company took longer than was originally anticipated
- b) Due to high investments required and highly specialized nature of potato seed production; we failed to attract other private sector into the business thereby leaving a big supply gap in the seed sector estimated at over 1 million MT in Tanzania.
- c) Highly informal nature of SRVs business made it difficult to mobilize them into cohesive groups.













# REACTS-II

## Project



**Goal:** To increase incomes by 20% for 315,795 small holder farming households (105,265 direct and 210,530 indirect beneficiaries) and 5% for other value chain actors (SMEs) reached by the project.

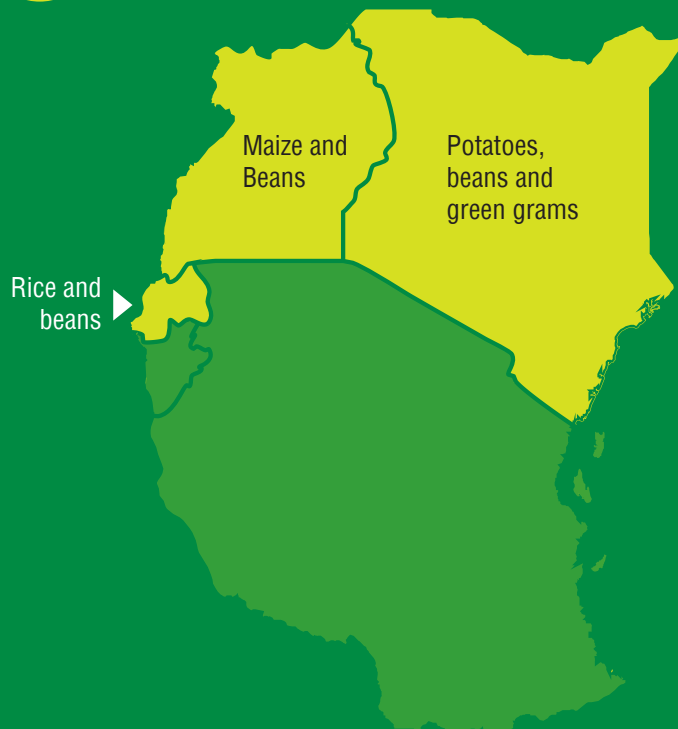


### Objectives:

1. Strengthen and expand access to inclusive and sustainable input and output markets.
2. Strengthen partnerships with governments and development partners investments in agricultural sector to ensure synergies and complementarities



**Is implemented in 3 EAC countries**





What was broken	Actions taken to address the challenge
Low levels and un-predictable national and regional trade in agricultural products	
<i>Weak value chains and information asymmetry, resulting in mismatch between demand and supply</i>	Periodic market analysis and engagement (thru market linkages)
<i>Low business orientation of SHFs (especially coops) and SMEs along different Value chains</i>	Training and nurturing SHFs and SMEs to run sustainable and profitable businesses (business & financial mgt, leadership and governance)
<i>Poor quality agricultural products and high PHLs</i>	Establishment of quality control and enhancement systems at SHFs & SMEs level (Training on standards and improved access to PHH technologies)
<i>Value chain actors working in silos - Trade is multi-faceted issue which call for multi-sectoral coordination</i>	Establishment or strengthening commodity or multi-sectoral alliances and partnerships for improved value chains development advocacy and coordination
<i>Low productivity - due to limited use of agro-inputs and poor production techniques</i>	Engagement of private sector (VBAs) in provision of extension
<i>Limited access to productive assets especially finance</i>	Establishment of business linkages between providers of productive assets (technologies, finance) to SHFs and SMEs

## REACTS-II Financial Performance

Should be at 75% performance

Reporting Period		Jul 2019 - June 2020					
Overall Project Budget		1,399,674					
Total Amount Spent by June 2020		1,144,592					
Balance on Project Budget by June 2020		255,082					
		Current Performance			Cumulative Project Performance since inception		
	Category	Planned (P)	Actual (A)	Performance (A/P)*100	Planned (P)	Actual (A)	Performance (A/P)*100
A	Direct Project Implementation costs	300,715	291,981	97%	824,756	622,429	75%
B	Direct Project Staff Salaries -Kilimo Trust	179,571	165,014	92%	417,212	399,925	96%
C	Support Staff Costs - Kilimo Trust	0	-	100%	91,055	42,528	47%
	Grand Total	480,287	456,995	95%	1,333,023	1,064,882	80%
D	Indirect costs to Kilimo Trust (%)	62,576	49,313	79%	66,651	79,710	120%
	Grand Total	542,862	506,308	93%	1,399,674	1,144,592	82%



## KEY HIGHLIGHTS FROM REACTS-II PROJECT IMPLEMENTATION FOR FY19/20

**65,619MT** of produce, valued at **US\$33million** has been traded through established consortia

- ▶ Of this 2,306 MT of maize and beans, valued at US\$ 696,304 has been traded across borders directly from REACTS-II supported partners thru a whatsapp platform
- ▶ Commitment from Kenya traders(under APAK) to directly source from Ugandan counter parts supported by the project – Those who feared to go past Busia are directly sourcing from cooperatives without even the need to travel
- ▶ Increased trust – Kenyan buyers send money to aggregators they have never seen, even before receiving the consignment







**US\$1.8million** was leveraged by REACTS-II from private sector and other development partners e.g.

- ▶ REACTS-II partnered with USAID's Soybean Innovation Lab (SIL) to scale up fabrication and uptake of multi-crop threshers
- ▶ Supported some FOs prepare winning proposals, thus leveraging resources from USADF
- ▶ Interested other development partners like WFP in Rwanda to invest in value chain coordination, through financing a platform initiated by REACTS-II i.e. our ability to influence others







- ▶ Support to VAs (99 youths) has increased service provision to SHFs e.g 35,975 SHFs accessed fertilisers, seed, production and PHH support services from VAs
- ▶ 3,758MT of inputs (seed and fertilisers) have been accessed by SHFs mainly through VAs or bulk procurement by cooperatives

## Performance on Key Indicators

Key Performance Indicator	CURRENT - Results Delivered FY 19/20			Cumulative Performance		
	FY 19/20 Planned targets (P)	Actual	%	Overall Target (P)	Actual	%
Number of small holder farming households benefitting from at least one project intervention	45,000	19,914	44%	105,625	84,277	80%
No. of SMEs in inputs and output markets supported	25	24	96%	100	99	99%
Number of youths providing (VBAs) providing technological services or engaged in trade along focus VCs	82	99	121%	500	311	62%
Number of business linkages between input suppliers (seeds and fertilizers) and farmer business organizations established	4	9	225%	75	70	93%
Number of technologies demonstrated (production & PHH technologies)	4	1	25%	10	7	70%
Quantity of certified seeds procured (MT) by SHFs	400	924	231%	1,500	1,484	99%
Quantity of fertilizers procured (MT) by SHFs	3,000	2,834	94%	5,735	5,732	100%
Number of storage facilities upgraded/constructed	6	21	350%	39	35	90%
Number of end market reports produced to guide VCA's investments	2	2	100%	5	5	100%



Key Performance Indicator	CURRENT - Results Delivered FY 19/20			Cumulative Performance		
	FY 19/20 Planned targets (P)	Actual	%	Overall Target (P)	Actual	%
Number of business linkages established between buyers and sellers of produce	0	1		40	38	95%
Quantity (MT) of produce sold through established business linkages	58,000	65,619	113%	120,000	108,691	91%
Value of produce (US\$) sold to markets	19,700,000	33,273,985	169%	40,560,000	47,895,292	118%
Value (US\$) of loan leveraged from financial institutions	520,000	827,754	159%	1,500,000	1,349,573	90%
Number of SHFs accessing financial services	5,000	14,170	283%	25,000	21,937	88%
Number of individuals who have received REACTS-II project supported short term agricultural sector trainings	16,000	49,566	309%	80,000	77,864	97%
Number of public and private alliances (value chain coordination platforms) established/strengthened	0	0	0%	3	3	100%
Value (USD) of new public and private investment in agriculture sector leveraged by REACTS-II	1,200,000	1,869,463	156%	3,500,000	2,968,029	85%

## Lessons

- Logistics management is a key ingredient in fostering national and regional trade. Thus, agricultural trade projects should be intentional in engaging logistic players for robust value chains.
- Most private sector support should be targeting SMEs because they are an important bridge between big firms (national and multi-national) and cooperatives (farmers).
- Upscale promising low cost and efficient aggregation models such as village agent model, consortia approach and motorized tricycles to improve service delivery and operational efficiency of supply chains.
- Biggest bottleneck in fostering trade are: (i) access to affordable trade finance, (iii) access to appropriate post-harvest technologies especially drying facilities and (iii) tailored business development services (more importantly for cooperatives is the business orientation)
- Special programs are needed to strengthen capacity of trade associations like APAK and NePEU to support their members take advantage of trade opportunities.
- Digitizing agricultural systems is key to increasing agricultural value chains efficiency (e-extension, e-commerce, digital payments, and dissemination of timely market information).











# CARI-II

## INTRODUCTION

CARI Phase I aimed in the first project phase to empower rice farmers by increasing the competitiveness of domestic rice supply and thus raising their income above the poverty line. Both, the increase of productivity and the improvement of the quality have been achieved predominantly through GAP (Good Agricultural Practices) and FBS (Farmer Business School) trainings.

In Tanzania alone, more than **39,000** smallholder farmers received trainings in GAP and around **32,000** participated in FBS. Furthermore, local processors benefited from a reliable supply of high quality rice, as they entered stable supply chain relationships with smallholders. Approximately **30,000** are farmers engaged in the value chain through contracts with off-takers. Local businesses gained better access to finance as result of the improved linkages.

The second project phase (CARI 2) focuses on promoting inclusive business models among the value chain actors. Through Multi Actor Partnerships (MAP) CARI 2 supports organizational and regional exchange as well as coordination of development organizations.

The experiences of the first phase show that access to financial services remains a bottleneck for smallholder farmers and local processors. Through targeted support to the demand and supply side as well as improved linkages between actors of the value chain, CARI is working on easing the access to finance for its partners.

While the first project face mainly focused on the production of paddy rice, the second phase increasingly supports local processors with technical expertise to provide high quality rice to their customers.

## CARI-II Objectives

### Intervention areas:

- ▶ Increased experience sharing amongst actors of the rice value chain
- ▶ Sustainably improved inclusive business relationships
- ▶ Improved access to financial services for actors of the rice value chain
- ▶ Improved policy framework for rice value chain.



# CARI-II Results

Sub-Targets	CURRENT - Results Delivered to June 2020			CUMULATIVE - Results of the Project since Inception up-to June 2020			Notes
	Planned (P)	Achieved (A)	Performance (A/P)*100	Overall Target (P)	Cumulative Achievements so far (A)	Overall Performance (A/P)*100	
Number of Farming HHs registered	20,000	27,362	137%	36,949	27,362	74%	
Number of Farming HHs Aggregating	20,000	19,533	98%	36,949	19,533	53%	The 19,533 farmers contracted aggregated and supplied a total of 34,576MT of paddy
Total number of SHF benefitting from project interventions	20,000	22,302	111%	36,949	22,302	60%	
Total number of female SHF benefitting from project interventions	6,000	9,798	160%	11,085	9,797	88.4%	44% of all farmers engaged are women
Number of SMEs Engaged	4	6	150%	4	6	150%	
Number of SHF/HH Achieved Increased income	20,000	14,206	88.3%	20,000	14,206	88.3%	A total of 3,446 farmers under rain-fed systems made losses due to acute drought conditions
Average Change in Income (US\$) /year per HH - for the targeted commodities	1,048	365.4	35%	1,257	365.4	29%	Drought conditions affected farmers' incomes especially in the rainfed systems
Technical Assistance Cost (US\$)	155,630	83,958	54%	383,563	309,935	81%	
Matching Grants Fund disbursed (US\$)	257,912	257,912	100%	499,873	257,912	52%	
Total Cost of the Project (USD)	413,542	341,870	83%	883,436	567,847	64%	
Average cost of project per farmer	20.7	12.5	60.1%	24	21	86%	



**Farmers integrated and contracted:** CARI Tanzania consortia partners have registered a total of 27,362; 12,021 of which are (44%) are women. The target of 30% women has already been surpassed. Furthermore, MG partners signed contracts with 19,533 (53%) of the integrated farmers for aggregation of paddy.



**Yield and income increment:** CARI II project registered mixed results on income and yield increment for farmers. Yield increased for farmers in irrigated systems to an average of 5.6MT/ha from 4.06MT/ha achieved in CARI I; but they dropped for farmers in rain-fed systems from an average of 3.06MT/ha achieved in CARI I to 2.3MT/ha due to acute drought conditions in 2018/2019 season. Incomes also took the same trend though overall; income increment was only USD 365.4/ha



**Trainings conducted:** A total of 5,196 farmers were trained on GPHH; 6,227 on Nutrition, 3,286 on FBS; 4,534 on Financial literacy and 14,588 on SRP plus the missed standards for Tanzania. Field observations show that 88% of the farmers who were trained under CARI I are adopting GAP while 61% are using GPHH skills.



**Paddy supply to MF partners:** contracted farmers delivered a total of 34,576MT of paddy to millers while non-contracted farmers delivered 17,899MT of good quality paddy. MF partners report that 95% of all paddy supplied by farmers meets market requirements as measured against EAC quality standards for milled rice.



**Access to Finance:** A total of 7,604 farmers accessed USD 847,003 as input pre-financing from various banks while MF partners accessed USD 675,518 Million for mostly investment in improved processing and storage facilities and working capital.



**MoUs signed with partner institutions:** KT has signed an MoU with TADB to ease access to finance for MG partners. In addition, KT signed MoU with ACT to facilitate MG partners and farmers membership in the private sector voice for rice agricultural issues in Tanzania.



**EAC Rice Platform inaugurated:** The EAC Regional Rice Platform (ERRP) was officially launched in Nairobi on January 23rd, 2020 by the Deputy Secretary-General of the EAC Secretariat

## Lessons learnt

- i) The promotion of simple and relevant farm mechanization services is very important in supporting farmers to improve quality and quantity of paddy.
- ii) Demonstration plots played a big role on encouraging farmers to follow SRP practices.
- iii) Inputs accessibility is a key tool to farmers adhering to Good Agronomic Practices (GAP).
- iv) Relying on rain fed farming system is still a big challenge for transforming small holder farmers and development of the rice value chain







# CARI-EA

## INTRODUCTION

CARI-EA is **USD 3.1 Million** 3- year program funded by USAID through AGRA running from 1 April 2019 – April 2022.

CARI-EA project aims to enhance rice processing, marketing, trade and production systems that will enable the sustainable increase in incomes for additional **220,000** smallholder rice farmers in East Africa.

## Project Goal and Objectives

The central aim of CARI-EA is to enable locally produced rice in East Africa to competitively substitute the current over 300 million US\$ worth of rice imports to the East Africa Common Market. Specifically CARI-EA will;

- a) Increase productivity, commercialization, profitability and resilience for enterprises smallholder producers of rice.
- b) Strengthen and expand access and competitiveness in the national and regional markets for the locally produced rice.
- c) Strengthen local, national and regional enabling policy and institutional environment for optimal commercialization of the rice sector

## CARI-EA Key Results (2019 – 2022):



**220,000** smallholder farming households integrated in structured input and output markets.



**3** rice brands and **2** manufactured rice products, developed for EAC regional markets.



**500,000MT** of paddy sold through structured markets **1** regional rice platform established.



**35,000MT** of quality agro-inputs (seed & fertilizer) accessed by farmers.



**USD 6,000,000** accessed by value chain actors from formal financial institutions.



**120,000** value chain actors access finance and other business development services.



**USD 4,000,000** leveraged from public and private sector.



**246,000** farmers and SMEs trained on identified capacity gaps.



# CARI-EA Results

Sub-Targets	CURRENT - Results Delivered to June 2020			CUMULATIVE - Results of the Project since Inception up-to June 2020			Notes
	Planned (P)	Achieved (A)	Performance (A/P)*100	Overall Target (P)	Cumulative Achievements so far (A)	Overall Performance (A/P)*100	
Number of Farming HHs registered	27,500	28,186	102%	220,000	62,893	29%	
Number of Farming HHs Aggregating	15,000	17,582	117%	120,000	23,102	19%	
Total number of SHF benefitting from project interventions	18,750	29,281	156%	150,000	45,692	30%	
Total number of female SHF benefitting from project interventions	29,333	26,784	91.3%	88,000	26,784	30.4%	
Number of SMEs Engaged	10	9	90%	21	22	105%	
Number of SHF/HH Achieved Increased income	15,000	17,582	117%	120,000	23,102	19%	
Average Change in Income (US\$) /year per HH - for the targeted commodities		N/A			N/A		Data not yet available
Technical Assistance Cost (US\$)	<b>270,011</b>	<b>243,224</b>	<b>90%</b>	<b>899,168</b>	<b>243,224</b>	<b>27%</b>	
Matching Grants Fund disbursed (US\$)	324,505	309,809	95.5%	1,911,610	309,809	16.2%	
Total Cost of the Project (USD)	<b>594,516</b>	<b>543,387</b>	<b>91.4%</b>	<b>3,133,378</b>	<b>543,387</b>	<b>17.3%</b>	
Average cost of project per farmer	22	19.3	88%	14.2	8.6	61%	

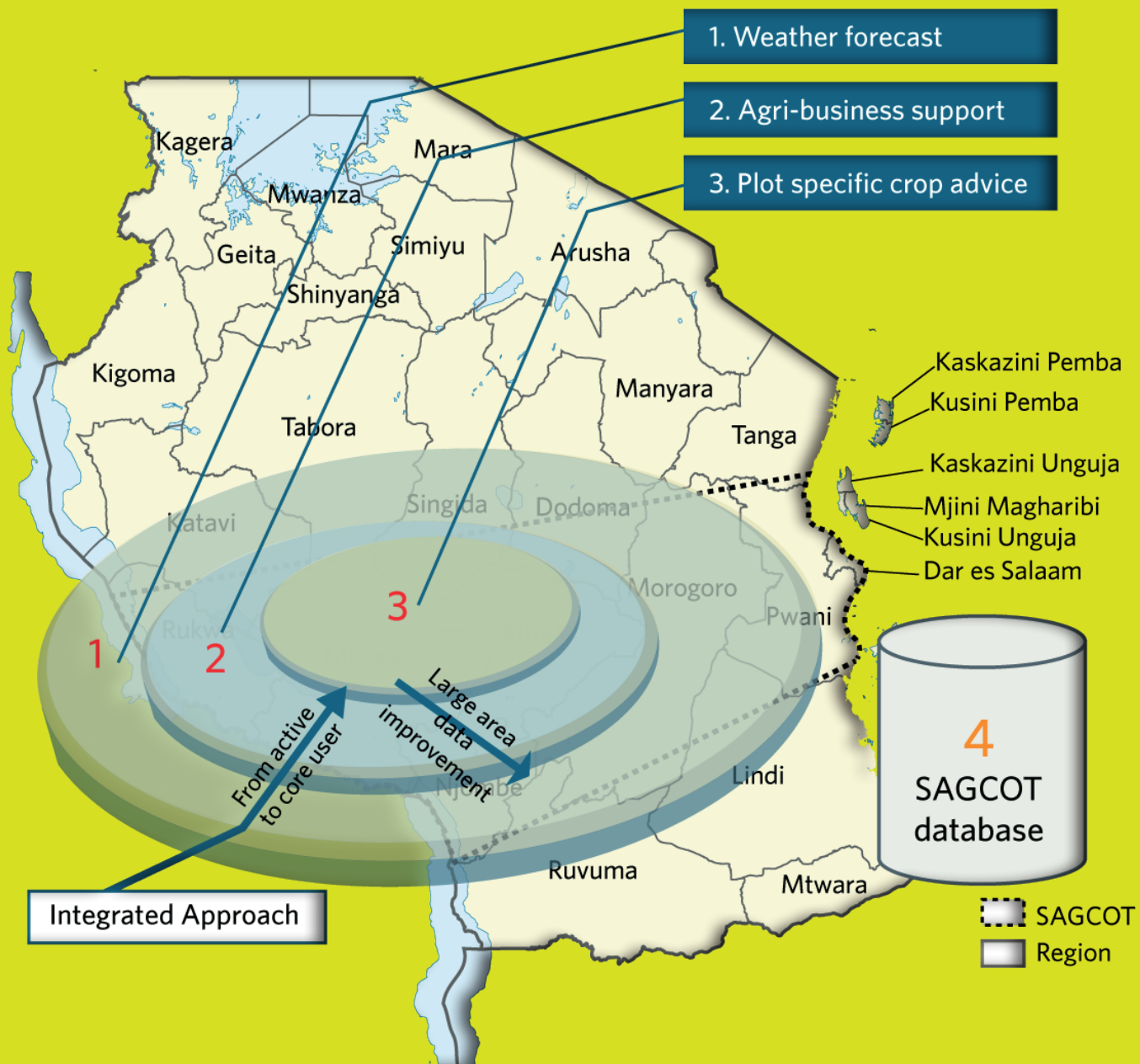
- 13 business consortia were established and are fully operational. They are; i) in Uganda - Upland Rice Millers, Diners Group Ltd, ZAABTA, Equator Seeds Ltd and A K Purongo Ltd; ii) in Kenya - Mwea Rice Growers Multipurpose and Tag Ahero CBO in partnership with western millers limited; and iii) in Tanzania - RM Holdings Ltd, Kyela Rice Processors Ltd, Musoma Food Company Ltd, Ruaha Milling Company Ltd, Faki Rice and Milling Enterprises Ltd and Mamboleo Farm Ltd.
- 62 companies were profiled and several are in partnership with the established consortia.
- 327 training sessions involving 29,281 farmers were conducted to increase farmers' capacity on business skills, GAP, record keeping, group dynamics and demonstration of good postharvest handling practices especially drying and use of tarpaulins
- 16,283 MT of locally produced paddy valued at USD 5,047,828 and 16,073 MT of milled rice valued at USD 15,200,302 were traded by farmers and millers;
- EAC Regional Rice Platform constituted and operationalized with 12 members, 2 from each Partner States representing public and private sectors
- EAC Regional Rice Development Strategy Development commenced with support from CARD Secretariat
- CARI-EA has attracted support from the Executive Office of the President of Kenya hence;
  - All Government institutions to buy rice from farmers through their cooperatives
  - Cooperatives to mop up, mill and sell the rice to Kenya National Trading Corporation (KNTC), a government owned agency/parastatal

- iii) By May 2020, KNTC had bought over 700MT of rice worth Ksh.130 Million (1.3M USD)
- iv) Released Ksh.500M (5M USD) towards the proposed rice revolving fund
- v) The Kenya Power & Lighting Company (KPLC) to change the power tariff from domestic to industrial rates for rice millers
- v) Construction of Thiba Dam in Kirinyaga and lining of irrigation canals by the National Irrigation Board (NIB) expedited

## Lessons learnt

- 1) Any slight production shock towards local rice production, swiftly triggers the major rice millers within the country to advocate for rice importation through the Uganda Rice Millers Council hence a need to enhance resilience of SHFs to production shocks
- 2) COVID-19 restrictions have greatly reduced inflows of imported rice volumes within the region which has encouraged several importers to start exploring either setting up out grower schemes or sourcing rice from within the EAC partner states such as Tanzania e.g. SWT in Uganda as opposed to over reliance on suppliers outside the region e.g. in Pakistan and Thailand. Hence, investments in increasing local rice production will be critical to supporting such schemes
- 3) Building of SHFs out growers' schemes pivoted around large and medium scale producers is critical for securing buy in from large rice importers who also doubles as millers especially in Uganda. A case of Ssunad Ltd
- 4) Integration of E-extension advisory services and other online solutions must now be emphasized in the light of the devastating COVID 19 pandemic to boost efficiency along the rice value chain through increased accessed to timely extension services, productivity & quality enhancing technologies such as inputs and mechanization services.
- 5) Integration of farmers into digital platforms e.g. EZY Agric of Akorion and establishment of agro input kiosks within farming communities will greatly increase resilience of farmers to production related shocks that often greatly increase the cost of production across the different value chain nodes due to increased logistical costs of sourcing productive assets.
- 6) Upscaling low cost and efficient aggregation models such as village agent model & use of motorized tricycles to improve service delivery to farmers, and operational efficiency across the different nodes of the rice value chain. E.g. integration of youth to provide commercial production and post-harvest handling support services





# SAGCOT

## Integrated Knowledge and Information for Agriculture - SIKIA

### Introduction

SAGCOT Integrated Knowledge and Information for Agriculture (SIKIA) project started on 1st October 2016 and will run for 3 years. The project employs the latest technology to provide reliable information to rice farmers in Tanzania(SAGCOT area) to increase their production and productivity.

The goal of this project is to realize the delivery of actionable information services, acquired from satellite geodata (e.g. environmental, crop status via Synthetic Aperture Radar(SAR) and plot boundaries information), augmented by more detailed data acquisition under the clouds (multispectral agronomic information) and web-based information.

The project is implemented in partnership with TechForce Innovations B.V, Netherlands; Milan Innovancy B.V., Netherlands; Kadaster International, Netherlands and Alliance for a Green Revolution in Africa (AGRA),Kenya

### Expected project results include

**125,000** farmers and **400** other Value Chain Stakeholders using actionable information services

**15%** increase in food production (Yield)

**45%** increase in farmers income

Increase in value chain efficiency

### SIKIA Information services are

- ① Weather forecast
- ② Agri-business support
- ③ Plot specific crop advice
- ④ SAGCOT database



# SIKIA Results

	CURRENT - Results Delivered in the FY to June 2020			CUMULATIVE - Results of the Project since Inception up-to June 2020		
Sub-Targets	Planned (P)	Achieved (A)	Performance (A/P)*100	Overall Target (P)	Cumulative Achievements so far (A)	Overall Performance (A/P)*100
Number of Farming HHs Engaged (Plots measured)	0	0	0%	3,000	3,199	106%
Number of Farming HHs Engaged (Information services)	25,000	25,394	101%	50,000	25,394	50%
Number of SMEs/Lead firms Engaged	400	402	100%	400	402	100%
Number of HH achieved increase income	200	200	100%	3,000	200	6.67%
Average Change in Income (US\$) /year per HH – for the targeted commodities	45%	25%	56%	45%	25%	56%
Technical Assistance Cost (US\$)	116,498	113,547	97.5%	558,959	497,253	90%
Total Cost of the Project (USD)	116,498	113,547	97.5%	558,959	497,253	90%

## 1) Market and Input Linkages

- a) 1304.3MT of paddy worth USD 460,000 sold collectively to MW millers in Morogoro from our farmers due to linkage established by SIKIA project.
- b) 3,048 SHFs sold paddy through structured market linkages
- c) Access to Inputs: 680 Bags of fertilizer worth USD 16,176 were accessed by farmers in Kyela on credit from Mpendakazi Company supplying Yara Fertilizer as a result of the linkages established by SIKIA project.

## 2) Farmers' Phone numbers uploaded in SAF system

A total of 25,394 farmers' phone numbers were uploaded in SAF system. They received weather information via SMS.

## 3) Agribusiness Engagement: a total of 402 agribusiness registered into Spatiotemporal Agribusiness Framework (SAF) System.

## 4) Trainings: 38,154 farmers trained on GAP, GPHH and FBS.

## Lessons learnt

- a) Installation of all ICT solutions in the beginning of project implementation goes a long way in ensuring targets and original design are met even when challenges arise.
- b) Withdrawal of funding to a project adversely affects project targets.









# Iringa Mitigation, Adaptation, Productivity for Climate Smart Agriculture (IMAP4CSA) Project

## Introduction

IMAP4CSA is a 2-year project (June 2019 – June 2021) funded by the Belgian governmental cooperation through their development agency Enabel. The project falls under the Enabel's Digital for Development (D4D) program called Wehubit on scaling up digital solutions.

### Project objectives:

- a) Mitigation actions to climate change contributing to a reduction of GHG emissions up to of 20 %, reduction of water use of 15% and higher nutrient use efficiency of 15%; through utilization of Sustainable Rice Production (SRP) techniques
- b) Adaptation to climate change contributing to increased access to digital solutions of 50%; by providing farmers with actionable information services, based on digital data systems hence supporting them in better decision-making in risk management.
- c) Productivity and income: increase with 50%; through utilization of digital solutions and in-field support by KT and Rikolto to farmers in 4 rice irrigation schemes directly benefitting 10,000 farmers.

## IMAP4CSA Results

- a) **Manual Publication:** Customized, adapted and published the SRP manuals (farmers' and trainers') in collaboration with USAID NAFKA project
- b) **VBA Recruitment:** 20 VBAs have been engaged on the project to assist with dissemination of digital messages to farmers and plot mapping.
- c) **Demo Plots:** 12 technology demonstration and learning sites in the areas of intervention were established.
- d) **Online Platform** operationalized
- e) **Farmer digital profiling:** A total of 4,461 farmers have been profiled and entered in online platform .
- f) **Plot Mapping:** A total of 5,019 plots have been mapped and uploaded in online platform
- g) **Trainings:** 20 VBAs and 3 extension officers were trained on measuring farmers plots using KYP app while 1,106 farmers have been trained on SRP



## Lessons learnt

- Engagement with Iringa region government authorities is critical to the success of IMAP4CSA since a lot of government officials are now realizing the importance of engaging private sector for the development of the agricultural sector. Several high-level government officials are now participating more in project meetings.
- Strong sector-wide partnerships with others in the rice industry to create transparency, trust and shared vision is critical to moving the rice sector forward in Iringa.
- Plot Mapping of plots took much longer than expected due to massive flooding and will now be done in the dry season
- Drone permit difficulties have delayed the start of monitoring crop growth during the season.



GAPs Manual for Rice farming in Tanzania

# The Markets and Policy Analysis (MPA) Program

## Introduction

The Markets and Policy analysis unit's specific objectives are to:

- ▶ Generate timely and accurate evidence-based information to influence strategies and programs of governments, the private sector, relevant institutions in the EAC partner states and development funders.
- ▶ Support other programs/projects of Kilimo Trust in undertaking analytical work and provide evidence-based recommendations on the design and execution of interventions.

A number of projects have been implemented by the unit and they include:

### Result Area 1: East African Youth Inclusion Project (EAYIP)

EAYIP is a co-created project between Heifer International and the MasterCard Foundation (MCF) aimed at improving the livelihoods of the youth by creating jobs and entrepreneurship opportunities of 25,000 economically disadvantaged young men and women (ages 15-24) in Uganda and Tanzania. It is based on Heifer's East Africa Dairy Development (EADD) hub model. It will create youth owned and managed businesses as well as employment opportunities around hubs in dairy and other agricultural value chains. It is a \$19m project (funded with US\$18million from Master Card and US\$1 million from Heifer International) to be implemented over a period of five-years (Oct 2016 - Sept 2021). Kilimo Trust is one of the Service Providers for EAYIP responsible for the market and value chain studies, policy analysis and advocacy.

Between July 2019 and June 2020, we delivered the following:

- ▶ Trained CSOs in EAYIP districts in youth advocacy
- ▶ Supported CSOs and the Hubs in Advocacy
- ▶ Facilitated a stakeholder workshop
- ▶ Updated the legal and policy framework report and manual to include the policy and legal framework governing Business Operations in Agriculture (business incorporation; summary of policies and laws guiding business/cooperative registration, incorporation and functionality; Process of formulation of Sub-County Bye laws and District Ordinances and entry points; Product Certification



## Result Area 2: Under REACTS II Project

- a) Updated three (3) End Market Studies under REACTS II: Maize, rice, and green grams in the 3 EAC countries – Kenya, Uganda and Rwanda.

## Result Area 3: Other Consultancies

- a) Ministry of Water and Environment.

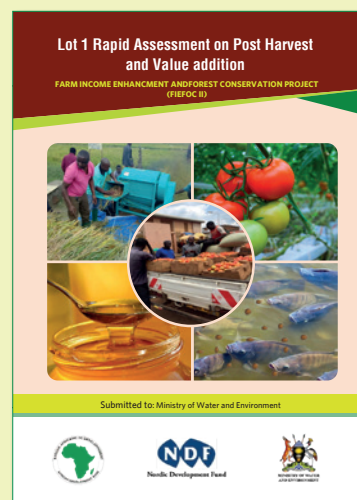
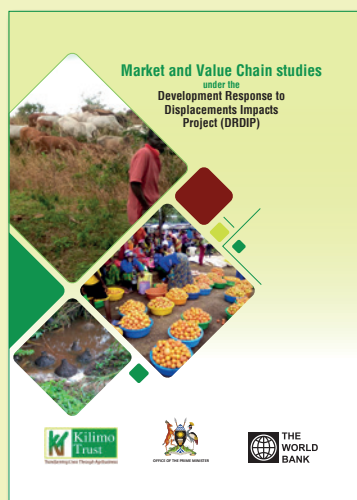
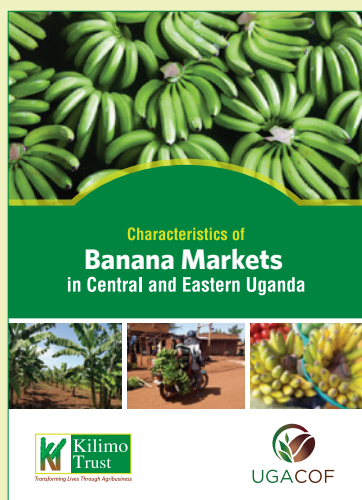
Developed post harvest handling training manuals for rice, horticulture, apiculture and aquaculture under The Farm Income Enhancement and Forestry Conservation programme (FIEFOC II) in the Ministry of Water Environment Project that is funded by the African Development Bank. Kilimo trust is implementing the Post harvest handling aspects in the 5 watershed that include 41 districts.

- b) UGACOF Market Study

Conducted a banana markets characterization study to establish opportunities for integrating demand-driven banana enterprises into coffee farming systems in central and eastern Uganda for UGACOF, one of the largest coffee exporting companies in Uganda.

- c) World Bank

Conducted 16 market and value chain assessments to guide the implementation of the livelihood's component of the Development Response to Displacement Impacts Project in the office of the Prime Minister (DRDIP) among refugee hosting communities, non-hosting communities, and settlements. The aim of the studies was to get a clear and better understanding of the appropriate economic systems and structures to build upon existing markets and businesses, in order to sustainably engage both the host and refugee communities in each of the refugee hosting districts. The value chains included: Goat, honey, dairy, tomato, onion, soybean, okra, sesame, banana, apiary, carpentry, bakery, agro processing, trading, crafts and artisans.



# Our Key Partners

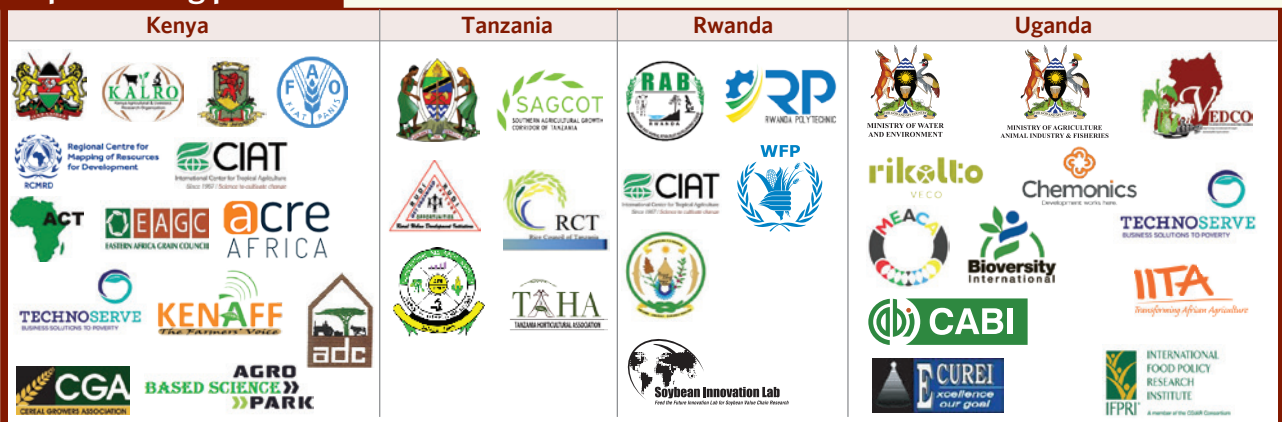
## Funding Partners



## Private Sector



## Implementing partners







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