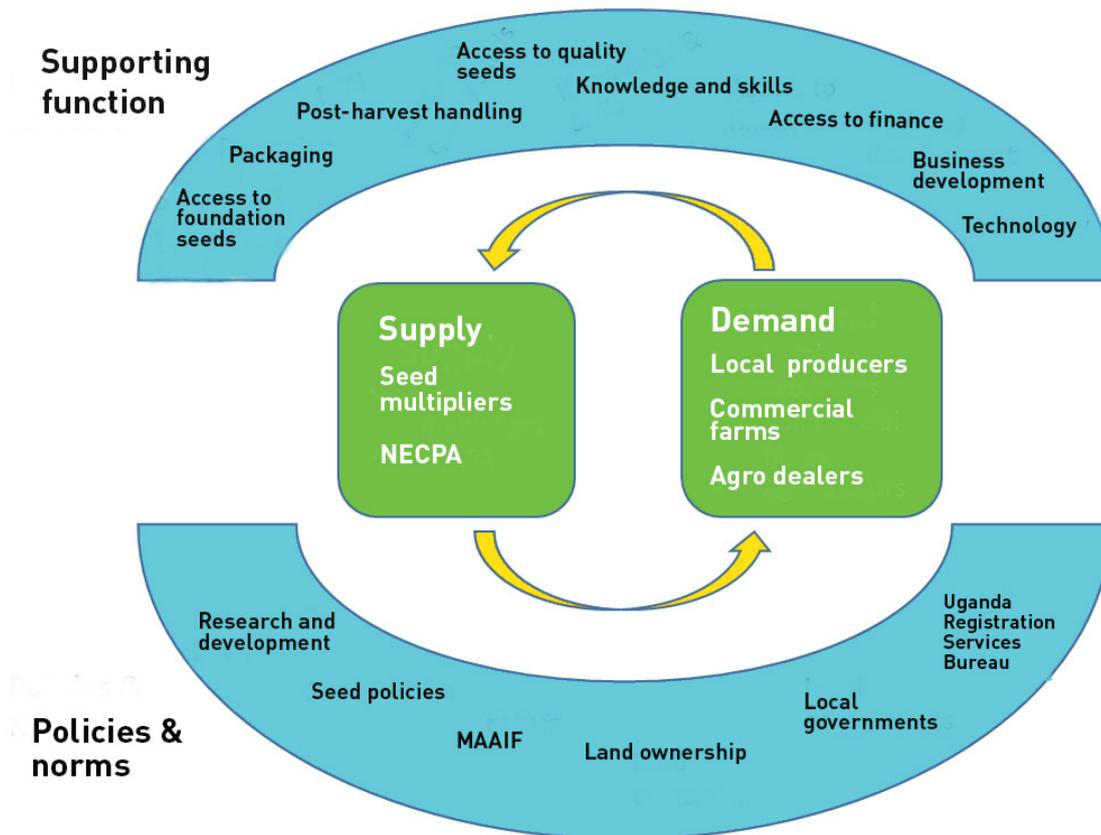


## **SEED PRODUCTION STRATEGY FOR THE NORTH EAST CHILLI PRODUCERS ASSOCIATION (NECPA)**

**Farm Africa and the North East Chilli Producers Association (NECPA) are implementing a three-year project to create a more competitive and profitable chilli value chain within Lira, northern Uganda, to capitalise on growing international demand for varieties of Ugandan African bird's eye (ABE) dried chillies.**

Through this partnership, Farm Africa will strengthen the technical capacity of NECPA extension workers to train 3,000 farmers in Barr, Amach and Aromo sub-counties on market-orientated chilli production. Farm Africa and NECPA will also develop a local seed multiplication business to ensure access to market-fit varieties of ABE chillies. This is expected to improve chilli quality, reduce post-harvest losses and as a result, it will enable NECPA to meet its minimum export quality and volumes.

# SYSTEM LEVEL CONSTRAINTS AND OPPORTUNITIES



ABE chillies are a hot commodity on the global market with a high demand that surpasses supply. The crop offers huge potential for Ugandan smallholder farmers to improve their livelihoods due to its profitable markets globally. However, it has experienced undulating patterns of supply due to the prevailing production and marketing constraints that limit its full potential.

## Constraints

Many small-scale farmers in the Lira district in northern Uganda are engaged in ABE chilli production. However, they face enormous challenges meeting the full market paybacks due to their inability to meet the quality and quantity required by the chilli market.

According to Farm Africa's Market Demand Report (2020, not published), the chilli value chain in Uganda lacks a genuine supply of certified seeds. Most of the seeds supplied are locally processed and often consist of mixed varieties with a lot of impurities. The seeds are also not easily accessible to the final producer due to lack of a streamlined seed market for chilli. As a result, smallholder farmers produce low quality chillies that are not competitive in the global market.

Farmers highly depend on local chilli seeds from the previous season's harvest. Alongside having mixed varieties as explained above, home-based seeds have low viability due to deterioration during storage; the chillies have less vigour and are more susceptible to diseases. This results in poor harvests that do not meet market quality specifications.

Efforts have been made by the Ministry of Agriculture Animal Industry and Fisheries (MAAIF) to engage both state and non-state actors in the enhancement of the seed sub-sector; particularly vegetable seed production. A lot of advancement has been seen in research and production of new varieties of vegetables like onions, tomatoes, cabbages etc, which have high local demand and consumption rates. However, due to lack of quality foundation seeds and limited access to finance to support local seed producers to engage in local seed businesses, the sector has not been fully exploited as is evident by the absence of processed quality seeds in agro-input shops countrywide.

## Opportunities for an ABE chilli seed business

ABE chillies are in high demand in the global market due to their pungency. Seed multiplication offers huge opportunities for smallholder farmers to engage in production and the marketing of quality seeds, especially women and youth (N2Africa, 2016). They have a chance to produce and process chilli seeds under the NECPA umbrella.

With a promising price for dried chilli, the majority of farmers are motivated and getting engaged in chilli production, with an estimated 210 kg (0.2 tons) of chilli seeds worth 8.4 million UGX planted each year for the past two years.

Based on NECPA's long-term experience in ABE chilli production and marketing, this project will strengthen the seed business for chilli in Lira. It will ease access to quality seeds for chilli producers in the district, supplying agro-input shops countrywide and within eastern Africa with quality chilli seeds.





## Key intervention areas

NECPA will promote seed production by its farmers, also known as Local Seed Business (LSB). Specific intervention areas will include:

**1. Selecting progressive farmers as seed multipliers.** Seed multipliers shall be self-motivated farmers with an entrepreneurial spirit, who are willing to succeed. NECPA will start with 50 seed multipliers and scale-out in the following seasons as demand rises.

**2. Training selected farmers on seed multiplication.** After selection, NECPA shall train the seed multipliers to be skilled at understanding LSB, LSB selection criteria, site selection and management, seed entrepreneurship, quality control, marketing, financial management and strengthening the roles and capacities of women and youth in LSB. These skills will enable seed producers to meet the desired quality and quantity of chilli seeds.

**3. Seed production certification by MAAIF.** The project will engage MAAIF to train farmers on seed production and conduct field inspections for quality assurance and certification.

**4. Training seed multipliers on entrepreneurship.** For seed producers to be more market-oriented, their skills and capacities will be developed. This will include training on market intelligence, client relationship management, drawing a good business plan and how to make their products more attractive.

**5. Linking seed multipliers to development partners.** Through strategic collaborations, NECPA will ensure seed producers are supported by the Zonal Agricultural Research

and Development Institutes (ZARDIs), the National Agricultural Research Organisation (NARO), District Local Governments (DLGs) and MAAIF to ensure quality seeds are produced and marketed within and out of their communities following the Quality Declared Seed (QDS) Regulation (2020).

**6. Linking seed multipliers to markets.** NECPA will initially work with four local agro-input dealers and 13 NECPA field based agents in the three sub-counties and train them on how to handle and market chilli seeds. They will be able to act as access points for the produced chilli seeds for both NECPA farmers and other farmers and companies wishing to produce chilli.

**7. Linking seed multipliers to formal financial institutions.** In order to commercialise seed production, farmers need capital to meet the cost of expansion and simple technologies like irrigation, seed processing and packaging equipment. NECPA will leverage the linkage between seed multipliers and formal financial institutions to acquire financial support.

**8. Linking seed multipliers to technology companies.** Simple technologies like irrigation services, seed processing and packaging are key for the success of seed businesses. NECPA will link seed multipliers to companies supplying low cost solar irrigation equipment to boost off-season production of chilli seeds. Linkage to agro-processing companies for access to simple tools for seed processing, packaging and labelling will also be done to ensure products are attractive for marketing even in urban agro-input shops.

Investing in smallholder farming is the number one way to combat poverty in rural Africa. Farm Africa is a leading NGO specialising in growing agriculture, protecting the environment and developing businesses in rural Africa.

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