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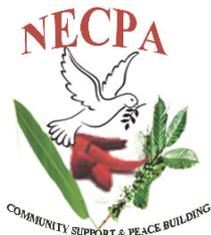
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www.farmafrica.org

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Info@farmafrica.org

Registered charity no
326901 (England &
Wales)



COMMERCIALISING CHILLI PRODUCTION: PROJECT LEARNINGS

Farm Africa and the North East Chilli Producers Association (NECPA) implemented a three-year project from August 2018 to September 2021 to create a more competitive and profitable chilli value chain in Lira, northern Uganda, to capitalise on growing international demand for varieties of African bird's eye (ABE) dried chillies.

Through this partnership, Farm Africa strengthened the technical capacity of NECPA extension workers to support market-orientated chilli production with a network of 3,000 farmers (120 groups of 25 farmers in Aromo, Barr and Amach sub-counties). By engaging the 3,000 farmers into a more market-oriented approach to chilli production, NECPA is now in a position to meet the minimum volume requirements for export and increase their sales.

In delivering this project, Farm Africa supported NECPA to identify, train and empower active community members to strengthen the input delivery system in the value chain and chilli marketing strategies. The project facilitated the training of young people, 30 as solar dryer artisans, 20 as organic pesticide formulators, and trained 53 community members as local seed multipliers and 20 as field agents. The project was delivered by a field team of four under the leadership of Julius Esanyu as Project Coordinator and funded by aBi Development Ltd and Ajahma Charitable Trust.



PRIVATE SECTOR ENGAGEMENT

One of Farm Africa’s key methodologies for delivering projects and reaching out to target communities is working with local partners (community-based organisations, cooperatives, farmer associations and private agribusinesses alongside national and local government structures). These partnerships are critical to achieve project goals and require a high level of timely due diligence.

Partner selection: When selecting a private company to partner with; their legality, experience, profitability and sustainability are key parameters to consider. For cooperatives and associations; the composition and functionality of the governance system, the functionality of internal control systems and sustainability plans are key considerations. Poor governance, accountability and transparency plagues many SMEs. However, with proper training and mentorship the project has progressed and achieved most of the objectives initially set.

MARKET ACCESS IN CROP VALUE CHAINS

Quality drives the market: Through the promotion of customised locally built solar drying technology, most farmers improved drying, resulting in quality dried chilli. Coupled with the increased volumes of production by the participating farmers, the dried chilli business became attractive to many traders who invested in the farmers’ businesses.

Certification: Being a high value crop targeted for export, certification of producers became paramount through the National Ministry of Agriculture, Animal Industries & Fisheries. Certification strengthens market assurance for producers and quality assurance for traders due to traceability concerns. Uganda has a liberalised economy that gives room for a free entry and exit market. In the open market system where the chilli market is not structured, quality control is very difficult since traders flood in during harvest season competing for produce. As the demand for dried chilli for export rises, stringent regulations are required for quality assurance. Few regulations currently exist with no set quality control standards. Self-regulation for producers and traders is required in order to attain and retain the required international standards. Government support is critical in supporting and facilitating an environment that enhances the competitiveness of Uganda dried chilli in export markets.

WORKING WITH COMMUNITY/ LOCAL STRUCTURES

The project worked with existing savings groups, smallholder farmer groups, and women and youth groups in the sub-counties it targeted. Through these groups, the project identified active community members to train as field agents who buy dried chilli from farmers and sell seeds to them; and local artisans who make and sell solar dryers to the farmers. The project also trained young people who are now making and selling organic pesticides to the rest of the farmers.

Part of the project’s success is attributed to its engagement with local government structures to support activity delivery and ensure sustainable interventions. The project developed a strong working relationship with district and sub county local government structures, including the national line ministry. Local leaders were engaged in project monitoring, review and consultative meetings. This made it easy for Farm Africa to continue delivering the project during COVID-19 with the guidance and support from the government arm, and the office of the Resident District Commissioner (RDC) and production department.

There are challenges to working through established structures. The interests and priorities of community groups did not always align with project aims, and as such it took time to tune them into the goals of the project. For instance, 26% of farmers did not plant chilli until towards the end of the project cycle as they focused their efforts on group savings and loan schemes.

STAKEHOLDER ENGAGEMENT AND FARM AFRICA FEEDBACK MECHANISM

Farm Africa used Community Accountability and Reporting Mechanisms (CARMs) to engage project stakeholders and give feedback on the design, implementation and the impacts/outcomes of project interventions. The staff engaged both active and passive feedback mechanisms with beneficiaries, other community members, local government, and other development partners and business partners.

1. Through feedback from project beneficiaries, Farm Africa improved the design and affordability of solar dryers to suit low income earners by customising features such as the shape, size, materials used, pricing and mode of payment.
2. Feedback from the field agents about competitors in the field, price changes and chilli volumes availability against demand enabled NECPA to compete favourably in chilli marketing.





STRENGTHENING THE INPUT SYSTEM

The main inputs needed to support the chilli value chain were improved chilli seeds, organic pesticides and solar dryers to enhance chilli production and post-harvest handling of dried chilli. While the project desired higher volumes of chilli for export, the greatest starting point was to invest in quality seed access, increase access to resources and training for crop protection and support quality drying. The success of the project in terms of increased volumes for export arose from the well managed input system of trained local seed multipliers, and youth who made and sold organic pesticides and solar dryers with locally available materials.

The challenge in developing the input system starts with setting up sustainable market supply systems that recognise and support local players to ensure long-term project interventions are sustainable. Often organisations and groups focus on aid funding with a heavy reliance on handouts, yet this approach is not sustainable and does not provide for scale and impact.

For example, to increase the access to high quality seeds for farmers, Farm Africa and NECPA facilitated training of 53 seed multipliers in Quality Declared Seed (QDS) systems. The multipliers managed to produce quality chilli seeds and 98% of the farmers reported easy access to improved seed. Access to improved seed increases farm productivity and incomes.

PROJECT TAKE-OFF AND SUSTAINABILITY

Gender mainstreaming: The project has continued to engage both men and women in primary production in the chilli value chain. This has helped improve on household decision making around household expenditure and income management. Community feedback has shown that the involvement of men, women and youth in primary chilli production has helped to increase chilli volumes.

Technical capacity: The project also strengthened the technical capacity of NECPA in terms of governance and leadership, resource mobilisation, financial management, human resource management and business growth strategies, which will ensure that NECPA continues to operate their business effectively.

By engaging with the National Ministry of Agriculture, the project supported NECPA to acquire an export licence, which will ensure that NECPA engages in more lucrative export markets and are able to make a return on investments that trickle down to the smallholder chilli producers and increase their overall household income.

The community network of field agents, local artisans and seed multipliers will continue to operate as private service provider (PSPs), offering their services to the community at a fee. This will ensure the self-reliance and independence of youth within the community.