Profit Making for Smallholder Farmers
Proceedings of the 5th MATF Experience Sharing Workshop
25th - 29th May 2009, Entebbe, Uganda
Charles Katusabe with his cow he purchased from his garlic income
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Editors: Dr. Ralph Roothaert and Gilbert Muhanji

Workshop organisers: Chris Webo, Fatuma Buke, Gilbert Muhanji, Monica Nyang, Dr. Ralph Roothaert and Renison Kilonzo.


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Executive Summary

Participants in the workshop shared experiences from nine projects in Kenya, Tanzania and Uganda. All projects had a common objective: to add value to an agricultural product and link smallholder farmers to profitable markets in a lasting way. The commodities included bulb onions in Kenya and Tanzania; fresh fruits in Kenya; cashew nuts, oyster mushrooms, and local poultry in Tanzania; upland rice, yam, lemon and citronella grass, and garlic in Uganda.

The Minister of State for Animal Industry of Uganda emphasised that agriculture dominates the economies of East Africa and employs over 75 percent of the national population above 10 years old. He urged all stakeholders of the Maendeleo Agricultural Technology Fund to support the whole value chain including technical aspects of production, processing and marketing.

A study on the role of farmer organisations revealed that women were well represented as members in farmer groups, but much less so at leadership levels in apex farmer associations. Apex associations have helped farmers to access markets for both inputs and outputs through economies of scale.

Most projects discussed during the workshop had been implemented for one year or more. Some achievements reported were:

- Collective marketing of upland rice has resulted in a higher price paid to Ugandan farmers up from UShs. 650 to UShs. 1000 per kilogram, while farmers in Kenya have seen the price of onions increase by 280 per cent. Bringing chicken together in collection centres has increased profit margins by 17 percent for farmers in Tanzania,
- Quality seeds are now readily available for upland rice farmers in Namutumba District in Uganda and for bulb onion farmers in Kieni District in Kenya,
- Equity bank is providing commercial training on credit management to onion producer groups,
- The Pallisa Farmers District Association has registered farmer groups for planting, training and joint marketing of lemon and citronella grass. Cashew farmers in Tanzania have organised themselves in a producer groups called ‘Masasi High Quality Farmers Products Limited’. Garlic farmers in Uganda have come together under an umbrella organisation called ‘Kabumu Garlic Cooperative Marketing Society’ which has purchased land and build a permanent fresh garlic store with office space,
- Hot water treatment has been successfully introduced to 24 farmer groups to improve the quality of yam planting materials in Uganda,
- 573 farmers in Tanzania were organised in 13 business support units and have 21 reliable market outlets for their fresh mushrooms.

Many lessons were learned, such as:

- Women's role in decision making is hampered by their minimal representation in apex executive committees yet at the grassroots women groups often perform better than those of the men. Policies should enforce minimum levels of women in leadership roles,
- Apex associations need strong private partnerships to invest in value addition processes and increase services to members. The associations should aim to have a sustainable source of income through business activities or commissions charged top members for services provided,
- Government taxes and levies need to be harmonised to avoid double or triple taxation in the value chain and therefore reducing the competitiveness of smallholder farmers,
- Farmers under-declaring yields undermine repayment in seed credit schemes. This can be avoided through better record keeping,
• Business training sessions for farmers and intermediaries are crucial for the development of commercial villages,
• Business forums for buyers and sellers need to be facilitated,
• Organic cashew production is controversial in Tanzania and negatively affects the policy environment for smallholder farmers. Diversification of cashew marketing channels might save organic farmers,
• Construction of cribs has increased shelf life of yams from two to six months, hence increased bargaining power for the farmer marketing association,
• The success of collective marketing hinges on the strength and stability of producer groups. Farmers need to know the marketing demands and understand how they are part of the process,
• Availability of crop residues remains a constraint for mushroom production in areas with many dairy cows due to competition for feed,
• Farmers need to carefully consider their form of marketing associations; company or cooperative forms have different implications for their members,
• In terms of sustainability, it is advisable that the primary facilitating organisations need to reconsider their role after a while and become secondary and provide support on a commission basis to farmer organisations,
• Workshops and meetings should not be the main channel for monitoring and evaluation; projects need to rely more on direct monitoring for collection of records related to marketing. Regularly review the monitoring system and improve it,
• Good brokers listen to farmers, are transparent, provide market information, and are part of marketing. Bad middlemen who break agreements need to be avoided,
• Farmer organisations need adequate financial resources to avoid a situation of farmers selling their crop while it is still in the field during times of need,
• Contractual agreements and arbitration mechanisms are important tools to enhance success in collective marketing,
• Farmer marketing associations need to create a good democratic space by formulating and implementing bylaws and practicing good governance. They need to gather market information and communicate well within and outside the organisation. They need to have a regular source of income and use their resources efficiently. Training on business skills is a good investment. Partnerships with the private sector are essential.
Acknowledgement

The workshop organisers are indebted to all individuals and organisations who were committed to make the workshop a success. The workshop was sponsored by the Gatsby Charitable Foundation, UK. The Kilimo Trust has funded the five Round V projects which are presented in these proceedings.

Our sincere gratitude goes to Hon. Bright K. Rwamirama, Minister of State for Animal Industry, Ministry of Agriculture, Animal Industry and Fisheries in Uganda who officially opened the workshop and shared his inspiring views on the way forward for the agricultural sector in East Africa.

We express our appreciation to all the MATF Advisory Panel Members for their guidance and structural contributions. We are also grateful to all participants who contributed wholeheartedly through sharing their project experiences and ideas that made the workshop a great learning experience.

We are grateful to the Centre for Integrated Development (CIDev) and Africa 2000 Network (A2N) for organising trips on the last day of the workshop to provide a chance for participants to experience farmers’ innovations on clean yam planting and marketing, and on upland rice production and marketing. We also thank the farmers who received the visitors and all those in the projects presented here who showed that innovation in smallholder agriculture pays off and is here to stay.

Finally, we also appreciate Dr. Philip Taylor of United Kingdom for proofreading this document.
Abbreviations and acronyms

<table>
<thead>
<tr>
<th>AA</th>
<th>Apex Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>A2N</td>
<td>Africa 2000 Network</td>
</tr>
<tr>
<td>AP Member</td>
<td>MATF Advisory Panel member</td>
</tr>
<tr>
<td>APEP</td>
<td>Agricultural Productivity Enhancement Program</td>
</tr>
<tr>
<td>ASSP</td>
<td>Agriculture Services Support Programme</td>
</tr>
<tr>
<td>BDS</td>
<td>Business Development Services</td>
</tr>
<tr>
<td>BSUs</td>
<td>Business Support Units</td>
</tr>
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<td>CAA</td>
<td>Community Agricultural Advisor</td>
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<tr>
<td>CBO</td>
<td>Community Based Organisation</td>
</tr>
<tr>
<td>CBT</td>
<td>Community Based Trainer</td>
</tr>
<tr>
<td>CERUDEB</td>
<td>Centenary Rural Development Bank</td>
</tr>
<tr>
<td>CF</td>
<td>Contact Farmer</td>
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<td>CIDev</td>
<td>Centre for Integrated Development</td>
</tr>
<tr>
<td>CIDI</td>
<td>Community Integrated Development Initiative</td>
</tr>
<tr>
<td>COTE</td>
<td>Community Based Technical Expert</td>
</tr>
<tr>
<td>CV</td>
<td>Commercial Village</td>
</tr>
<tr>
<td>DALDO</td>
<td>District Agricultural and Livestock Development officer</td>
</tr>
<tr>
<td>DED</td>
<td>District Executive Director</td>
</tr>
<tr>
<td>DUCON</td>
<td>Dutch Connexion</td>
</tr>
<tr>
<td>ERTA</td>
<td>Enhancing Regional Trade alliances</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agricultural Organisation</td>
</tr>
<tr>
<td>FARM-Africa</td>
<td>Food and Agricultural Research Management - Africa</td>
</tr>
<tr>
<td>FCI</td>
<td>FARM Concern International</td>
</tr>
<tr>
<td>FFS</td>
<td>Farmer Field Schools</td>
</tr>
<tr>
<td>FICA</td>
<td>Farm Inputs Care Centre</td>
</tr>
<tr>
<td>FLO</td>
<td>Fairtrade Labelling Organisation</td>
</tr>
<tr>
<td>FMA</td>
<td>Farmer Marketing Association</td>
</tr>
<tr>
<td>FO</td>
<td>Farmer Organisation</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>HBGMA</td>
<td>Highridge Banana Growers and Marketing Association</td>
</tr>
<tr>
<td>HH</td>
<td>Household</td>
</tr>
<tr>
<td>HORTI</td>
<td>Horticultural Research Institute</td>
</tr>
<tr>
<td>IITA</td>
<td>International Institute for Tropical Agriculture</td>
</tr>
<tr>
<td>KABUMU</td>
<td>Katebwa, Bukuuku and Mugusu</td>
</tr>
<tr>
<td>KARI</td>
<td>Kenya Agricultural Research Institute</td>
</tr>
<tr>
<td>KDF A</td>
<td>Kabarole District Farmers Association</td>
</tr>
<tr>
<td>KILICAFE</td>
<td>Association of Kilimanjaro Specialty Coffee Growers</td>
</tr>
<tr>
<td>LZARDI</td>
<td>Lake Zone Agricultural Research Development Institute</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MAAI&amp;F</td>
<td>Ministry of Agriculture, Animal Industries and Fisheries</td>
</tr>
<tr>
<td>MNRT</td>
<td>Mache Natural Resources Technologists and Supplies</td>
</tr>
<tr>
<td>MATF</td>
<td>Maendeleo Agricultural Technology Fund</td>
</tr>
<tr>
<td>MHQFPL</td>
<td>Masasi High Quality Farmers Products Limited</td>
</tr>
<tr>
<td>MOA</td>
<td>Ministry of Agriculture</td>
</tr>
<tr>
<td>MOFSC</td>
<td>Ministry of Agriculture, Food Security and Cooperatives</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>NAADS</td>
<td>National Agricultural Advisory Services</td>
</tr>
<tr>
<td>NADIFA</td>
<td>Nakasongola District Farmers’ Association</td>
</tr>
<tr>
<td>NARI</td>
<td>Naliendele Agricultural Research Institute</td>
</tr>
<tr>
<td>NARO</td>
<td>National Agricultural Research Organisation</td>
</tr>
<tr>
<td>NCD</td>
<td>Newcastle Disease</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>OXFAM GB</td>
<td>Oxford Committee for Famine Relief Great Britain</td>
</tr>
<tr>
<td>PM&amp;E</td>
<td>Participatory Monitoring and Evaluation</td>
</tr>
<tr>
<td>PPP</td>
<td>Public Private Partnerships</td>
</tr>
<tr>
<td>RALOCBFA</td>
<td>Rakai Local Breeders and Farmers Association</td>
</tr>
<tr>
<td>RECA</td>
<td>Relief and Environmental Care Africa</td>
</tr>
<tr>
<td>SACCOS</td>
<td>Savings and Credit Co-operative Society</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprise</td>
</tr>
<tr>
<td>SILC</td>
<td>Savings, Investment and Loans Committee</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strengths, Weaknesses, Opportunities, Threats</td>
</tr>
<tr>
<td>TANCERT</td>
<td>Tanzania Organic Certification Association</td>
</tr>
<tr>
<td>TOR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>ToT</td>
<td>Training of Trainer</td>
</tr>
<tr>
<td>UEPB</td>
<td>Uganda Export Promotion Board</td>
</tr>
<tr>
<td>URA</td>
<td>Uganda Revenue Authority</td>
</tr>
<tr>
<td>VIC</td>
<td>Veterinary Investigation Centre</td>
</tr>
<tr>
<td>WRS</td>
<td>Warehouse Receipt System</td>
</tr>
</tbody>
</table>
1.0 INTRODUCTION

1.1 FARM-Africa and MATF

FARM-Africa is an international non-governmental organisation (NGO) which has a 24-year strong track record of transforming lives. Founded in Kenya in 1985, the organisation has worked to improve the standard of living for almost two million people in Eastern and South Africa regions. FARM Africa’s vision is that of “a prosperous rural Africa” and mission is “to reduce poverty by enabling marginal African farmers and herders to make sustainable improvements to their well being through more effective management of their renewable natural resources”.

To reach the vision and accomplish the mission, the organisation has priorities in pastoral development, community forest management and small holder agriculture and livestock development. In addition, other cross-cutting issues include HIV/AIDS, mitigation of resource based conflict and gender mainstreaming.

FARM Africa’s organisational strategies have four outcomes which are to:-
1. Develop models of good practice that demonstrably reduce poverty,
2. Improve policy environment to facilitate uptake of models,
3. Improve agricultural practice by development partners,
4. Increase public understanding of African agricultural development.

The Maendeleo Agricultural Technology Fund (MATF), managed by FARM-Africa was established in 2002 with joint funding from the Rockefeller Foundation and the Gatsby Charitable Foundation which, since 2005, has been channeled through the Kilimo Trust. MATF vision is to improve the agricultural gross domestic product and livelihoods of rural and peri-urban communities in East Africa through agricultural innovations while enhancing productivity of natural resources. The fund is a grant making initiative that incubates innovations; links small-scale farmers to profitable markets; enables them access new technologies and skills; generates models of good practice; and scales out successful impact.

Since inception, 56 organisations in Kenya, Tanzania and Uganda have benefited from 67 grants that have been disbursed ranging from £30,000 in the first round to currently £80,000. Types of technologies and approaches that have been supported include 20 crop production systems, 8 livestock production systems, 13 agricultural practices, methods of processing and nutrition and 9 market access approaches.

In 2008, an external evaluation of MATF programme concluded that MATF has been successful in transforming lives of the farmers and their households. As the immediate beneficiaries, their productivity has improved as well as income, which has resulted in improved standards of living – better housing, improved water supply, education for children and payment of medical bills.

An impact assessment on some of the successful technologies revealed that for the various agricultural technologies and interventions adopted, the return on investment range between USD1.3 to USD 24.3 for every USD 1 spent.

These impacts are being replicated elsewhere. An example is the Ministry of Agriculture in Kabarole District in Uganda, which has identified garlic production as one of the district’s strategic enterprises and uses its own resources to promote its production by smallholder farmers. Another example is the District Agricultural and Livestock Development Office (DALDO) in Tanzania, which has adopted in its programmes, the project interventions of the Agricultural Research Institute (ARI)-Mulingano of applying gypsum on salt-affected soils to improve the soils under irrigation. There are also many examples of farmer groups that were not directly involved in the MATF interventions but have also adopted the technologies and approaches.
MATF's current level of impact, in terms of number of farmers engaged and effect on their income, is likely to continue into the future at a similar level which is a strong indication of sustainability. Two to three years after completion, most of the projects continue on their own due to farmers adopting the technologies and owning the processes.

MATF's success is attributed to partnerships in a network of over 250 reputable grass roots development organisations and partners, who have been carefully selected to make projects work and also address weaker linkages in the value chain.

MATF is leaving a mark behind due to its multi-faceted approach dubbed TAESSSI:-
- Technology support,
- Appropriate dissemination methods,
- Enhancing market access,
- Strategic partnerships, including private sector,
- Savings and credit services,
- Targeted capacity building and empowerment,
- Integrated natural resource management.

1.2 Round V

For the last seven years, during Rounds I to IV, project innovations supported by MATF have shown a steady progression from agricultural production to value addition and onto marketing. Promotion of value addition processes and marketing among smallholder farmers has been necessary to transform them from subsistence level to farming as a business. In order to break the poverty cycle, smallholder farmers have to be encouraged to generate income and not just to depend on their produce for food. The objective of Round V therefore has been to generate, deepen and sustain the economic impact of proven production and post-harvest technologies by facilitating better access to existing and new profitable markets and/or through profitable value addition.

In Round V, five new projects were funded that focus on value addition and market linkages for smallholder farmers. These are:
- Africa Now: Fresh fruit processing and enterprise development in west Kenya,
- Farm Concern International (FCI): Trade alliances for bulb onions and market access in Kenya and Tanzania,
- Dutch Conexxion (Ducon): Improved farm management, organic certification and fair
trade labelling of the cashew nut production in Masasi District, Tanzania,

- Africa 2000 Network (A2N): Promotion of NERICA upland rice production and marketing in Namutumba District, Uganda,
- National Crops Resources Research Institute (NACRRI): Production and processing of citronella and lemon grass in Pallisa District, Uganda.

Around the same time, four projects from previous rounds were given a one-year extension to move up the value chain from production to value addition and to marketing. These are:

- HORTI-Tengeru: Oyster mushrooms cultivation in Hai District, Tanzania,
- Lake Zone Agricultural Research and Development Institute (LZARDI): Thermo-stable NCD vaccine for sustainable poultry interventions and profit maximisation, Tanzania,
- Kabarole District Farmers Association (KDFA): Garlic production and marketing in Kabarole District, Uganda,
- Centre for Integrated Development (CIDev): Clean yam planting material in Kayunga District, Uganda.

1.3 The workshop

The 5th Maendeleo Agricultural Technology Fund (MATF) experience sharing workshop was a three-day event that took place in Entebbe, Uganda, from the 26th to 28th May 2009. Forty one participants representing NGOs, research institutions, private sector and government departments from Kenya, Tanzania and Uganda attended. The workshop reviewed the Round V projects and extension projects mentioned above. Similar workshops have been held in the past for Rounds I, II, III and IV. Participants shared experiences from their projects’ impact on reducing poverty through market-oriented agriculture.

The objectives of the workshop were to:

1. Learn about best practices of adding value and linking smallholder farmers to profitable markets,
2. Enhance project strategies towards adding value in agriculture for smallholder farmers in East Africa.

During the first day, introductions and presentations of the several projects were made, and brief discussions were held. During day 2, in-depth discussions were held in break-out groups on value addition processes, private sector partnerships, market linkages, and farmer marketing associations. On the third and last day, field trips were made to two projects in Uganda: on clean yam planting materials and upland rice.
1.4 Highlights from minister’s speech

Agriculture dominates the economies of East Africa and continues to contribute to GDP and employs over 75 percent of the national population aged above 10 years. Agriculture has great potential and continues to have the greatest impact on food security and poverty eradication and remains the principle engine of economic growth in East Africa. The sector faces great challenges that cannot be solved by efforts of governments alone but by participation of all stakeholders.

Non-governmental organisations (NGOs) have been instrumental across all major agricultural development processes, including policy development, extension, access to inputs, rural finance, agricultural markets, development of rural infrastructure and in providing the general enabling environment. The role of Kilimo Trust, MATF, FARM-Africa, Rockefeller Foundation, Gatsby Trust, UN Agencies and other development partners for complementing the efforts of the East African governments in promoting food security and poverty eradication in the region through their agricultural interventions is appreciated.

Major agricultural enterprises in East Africa have been supported through MATF. The funds granted have been used to promote upland rice, yam, garlic and lemon grass in Uganda; cashew nuts, mushrooms and poultry in Tanzania; and bulb onion and dried fruits in Kenya. The government of Uganda recognises and supports such efforts of fighting poverty, addressing food security and improving people’s livelihoods.

Current production of rice, the second most important cereal to maize in Uganda, is 164,000 tonnes and another 60,000 tonnes are imported. Through interventions such as those of MATF, it is estimated that by 2013 Uganda will be producing approximately 335,000 tonnes of rice and therefore producing enough for local consumption. Many farmers are adopting rice because of its high potential both as cash and food crop. Uganda has a target of increasing productivity to about 4 tonnes of paddy rice per hectare, or 2.6 tonnes of milled rice, such that farmers can earn over UShs.1.2 million per acre of rice grown (or 3 million per hectare).

Yam is a lowland crop that is important for food security in the rural households and for urban dwellers where it forms an additional delicacy of their meals. Garlic has high potential for becoming a major cash crop in Uganda fetching almost 5 times more income than onion yet they grow almost in the same ecological conditions. The ministry of Agriculture, Animal Industry and Fisheries through National Agricultural Research Organisation and its extension services has supported technology development to address planting materials and post-harvest handling of garlic. Lemon grass is an important crop from which the extracts are used in beverages, food, perfumes and toothpaste.

In Uganda, the framework for prosperity for all has a target of every household to earn at least UShs.20 million per annum, which is approximately USD 9,000. All the key stakeholders of MATF are urged to consider supporting the whole value chain of the various enterprises in the technical aspects of production, primary processing, secondary processing and marketing to link up other stakeholders in the value chain of specific production, and to ensure that all stages in the value chain are addressed. Through the commercialisation approach, agriculture will progress from subsistence to industrialisation.

Prosperity for all therefore implies that all should work hard to move out of poverty and farmers should therefore wisely maximise the opportunities under MATF to increase household food security to eradicate poverty.
2.0 PROJECT EXPERIENCES

2.1 Promotion of NERICA III upland rice production, processing and marketing in Namutumba District, Uganda

By M. Mukirane, Africa 2000 Network-Uganda

Project background

The promotion of NERICA III upland rice production, processing and marketing in Namutumba District is a three-year project that started in September 2007. The overall goal is to enhance income security of smallholder farmers.

Namatumba District is newly established with a high level of poverty among its people. The district has abundant land with high potential for mechanisation. Upland rice has a high potential in the area with competitive advantages in terms of markets, environment and health issues.

The project objectives

The project intends to significantly transform livelihoods of smallholder farmers in the district by addressing identified constraints:

• Strengthen farmers’ institutions,
• Develop innovations along the rice value chain,
• Improve access to production inputs,
• Increase production of rice for markets among smallholder farmers,
• Improve access to markets for increased incomes,
• Promote use of post-harvest technologies,
• Track, document and disseminate project achievements, successes and challenges for wider uptake by development practitioners in Uganda and the East African region.

The market driven approach and organisational strengthening of farmer institution will sustain the intervention beyond the project life.

Technology

The project is utilising proven technologies that were successfully used in project implemented by A2N-Uganda and other partners, titled “Promotion of NERICA III Upland Rice Production” for over 6,133 farmers in 11 districts of Uganda. Productivity increased from 960 kilograms of paddy rice per acre to 1700 kilograms due to the adoption of technologies and best practices.

NERICA III is a variety that combines traits of African and Asian cultivars. It is tolerant to drought, resistant to diseases and suppresses weeds. It supports heavy heads and does not shatter in the field. It has 2 percent more protein than ordinary rice and matures in less than 100 days. It can yield up to 4 tonnes per hectare with adequate inputs.

Upland rice production is a viable enterprise with proven high returns on investment. Gross margin from an acre ranges between
UShs.700,000 to UShs.1,350,000 for low and high input respectively.

Commerciably, the demand for annual rice imports in Uganda is worth US$ 90 million (URA import returns, 2005). Over 66,000 small scale farmers are currently estimated to be engaged in rice production in the country.

Partnership

Principal partners
- Upland Rice Millers - Provide technical support in post harvest handling to farmers,
- AFROKAI - Quality assurance at post harvest level through price guarantee arrangement,
- FICA Seed Ltd - Provision of timely high quality inputs.

Subsidiary partners
- Namutumba District local government - mobilisation, provision of extension services and demonstration sites,
- APEP - offer technical assistance in technology transfer, post-harvest handling, input supply linkage and output supply linkage,
- National Agriculture Advisory Services (NAADS) - provide support in institutional strengthening, advisory services as well as access to selected farm inputs.

Strategies for value addition and marketing
- Private sector and business services development,
- Opportunities for viable micro- small and medium sized rice operations,
- Public-Private Partnerships (PPPs),
- Training in post-harvest handling and value addition,
- Training in finance management, savings mobilisation and credit management, farming as a business, and participatory market research,
- Employment generation along value chain,
- Production and marketing plans,
- 6 Collection centres, marketing committee and records.

Project performance, achievements and outcome
- Farmers procured their own rice planters that have reduced drudgery. This is an indicator of ownership and sustainability,
- Good group leadership and structures are in place,
- Farmers paid for their tarpaulins each at UShs.28,000,
- 28 groups have opened group accounts with Centenary Bank. Each association saved UShs.200,000 thus UShs.5,600,000 in total,
- 78 Individuals from the groups/ associations have opened saving accounts with the Centenary Bank,
- 14 farmers out of the 78 individuals met the criteria and accessed loans from the bank to engage in rice production,
- Production increased from 850 to 1500 kilograms per hectare for both high and low inputs respectively.
Table 1: Production figures (showing achievements to-date)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>Total</th>
<th>Target</th>
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<tbody>
<tr>
<td><strong>No. of HH</strong></td>
<td>420</td>
<td>152</td>
<td>650</td>
<td>1,222</td>
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<td><strong>Acreage</strong></td>
<td>480</td>
<td>62</td>
<td>750</td>
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<td><strong>Yield (mt)</strong></td>
<td>408</td>
<td>93</td>
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<td><strong>Sales (mt)</strong></td>
<td>288</td>
<td>78</td>
<td>0</td>
<td>366</td>
</tr>
<tr>
<td><strong>Earnings (Million UShs)</strong></td>
<td>288</td>
<td>78</td>
<td>0</td>
<td>366</td>
</tr>
<tr>
<td><strong>Production Costs (Million UShs)</strong></td>
<td>201</td>
<td>35</td>
<td>0</td>
<td>236</td>
</tr>
<tr>
<td><strong>Profit (Million UShs)</strong></td>
<td>87</td>
<td>42</td>
<td>0</td>
<td>129</td>
</tr>
<tr>
<td><strong>Savings mobilised (Million UShs)</strong></td>
<td>13.05</td>
<td>6.3</td>
<td>0</td>
<td>19.35</td>
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</tbody>
</table>

Production, quality assurance and savings

**Key lessons learnt**
- Threshing and drying from tarpaulins has greatly contributed to quality,
- Linkage to buyers through collective marketing gives premium price of UShs.1000 per kilogram as opposed to UShs. 650 per kilogram,
- Through stakeholder meetings challenges such as acquiring quality seeds have been addressed,
- Exposure visits both within and outside the communities enhance adoption of technologies,
- Diversifying on sources of credit has benefited farmers.

**Key challenges**
- Production challenges such as pests (stalk-eyed fly, rats, birds), drought, weeds, and lack of appropriate implements,
- General rise in farm costs (e.g. seeds rising from UShs 1500 to UShs 2500 per kilogram),
- Farmers’ dependency syndrome on government extension services leading to low commercial orientation,
- Partners commitment weak, no compliance clause (i.e. AFROKAI delayed to purchase farmers grain resulting in farmers selling to middle men),
- Farmers under declaring of yields to avoid loan repayments,
- Government agricultural officers demanding ‘direct’ benefits from the project.

**Way forward**
- Strengthening farmers association,
- Signing of memorandum of understanding with CERUDEB,
- Having strategic partners meetings,
- Providing extension services, and
- Close monitoring of farmers to assess actual yields.
2.2 Fresh fruit project, Western Kenya
By J. Ongiri, Africa Now

Background and objectives
Small-scale fruit farming is a major activity in western Kenya. Thirty percent of the fresh fruits is sold in the local markets, 10 percent is consumed at household level and 60 percent goes to waste.

The main objective of the three-year project is to directly improve the livelihoods of 600 local fresh fruit farmers and indirectly impact on an additional 3,000 farmers in Busia, Vihiga and Homa Bay districts in Kenya through the use of solar-drying technology. This is being done through good agronomic practices, value-addition and guaranteed markets in western Kenya with the support of five partners namely Ministry of Agriculture, micro finance institutions, agrovet stores, KARI in Kakamega and MNRT.

Expected outputs
- Increased income directly for 600 farmers and indirectly for another 3,000 farmers,
- Established three drying centres within the three districts,
- Improved market-access through sustainable linkages,
- Balanced participation of men, women and youth,
- Improved modern production, processing and marketing of solar dried fruits,
- Evaluated project through a participatory monitoring system,
- Documented and shared experiences, best practices and lessons learnt.

Strategy for value addition and marketing
- Three drying centres to be established in Busia, Homa Bay and Vihiga districts,
- The technology uses solar (sun) energy for fresh-fruit drying,
- The dried fruit chips are packaged in 100 to 500 grams packets,
- Deep-freezers are used for storage at the drying centres,
- The packaged dried fruits are collected by MACHE for re-packaging and sale to both local and international market,
- Surplus to be sold locally to retail shops and supermarkets by the groups.

Achievements to date
- 25 meetings for awareness creation conducted and one baseline survey report produced,
- Drying sites and Agro-vet stores identified in the three districts,
- 30 farmer groups formed and registered by Ministry of Social Services,
- 55 farmers from the three districts trained as training of trainers (ToTs) on basic agronomic practices in banana and pineapple growing,
- 90 Farmers trained on group dynamics and leadership skills in the three districts,
- A total of 1200 tissue culture banana plantlets have been planted in both Busia (700) and Vihiga (500) districts,
• 3 financial institutions identified in the three districts for establishment of a revolving and grant fund,
• Most farmers have shifted from traditional to modern farming,
• Pineapple farmers in Homa Bay have been linked to Sunset hotel in Kisumu.

Challenges
• The project is in its preliminary stages and was adversely affected by post election violence that engulfed the country in 2007,
• KARI Kakamega is not able to produce tissue culture banana as was anticipated by the project,
• Ministry of Agriculture has inadequate staff on the ground to effectively serve the project,
• Low leadership skills in groups,
• Most of the youth hardly recognise farming as a business,
• In one community in Vihiga District women are not allowed to plant bananas,
• High expectation from partners in terms of allowances,
• Lack of commitment from the previous private sector partner, leading to change of partner selection.

Way forward
• More than one market outlet to be identified for a better bargain and efficiency for farmers,
• More emphasis on training of project officers and farmers to keep up with the technology on value addition.

2.3 Production, processing and marketing of citronella and lemon grass oils in Pallisa District, Uganda
By S. Musaana, R. Nabuzale, O. Odoi and S. Mulekwa, NARO

Background
Farmers in Pallisa District in Uganda depend on annual crops for food and cash. In seasons of crop failure, they face abject poverty. Most of the farm holdings which are three to five acres are over-cropped.

The two crops with potential to generate income for the rural poor are citronella and lemon grass. They are perennial, less labour intensive and can be easily produced by both men and women. These crops, which prevent soil erosion are not eaten by animals. Their essential oils have local, regional and international markets in soap making and perfumery.

A cost benefit analysis done in Tororo shows that one or two acres of these crops are enough to sustain a family. An earning of UShs.2,400,000 per annum from unprocessed grass and UShs.7,800,000 from oil has been recorded.

The crops are relatively new in the district and farmers lack enough planting materials as well as the knowledge and skills in production and processing. This calls for mobilisation, sensitisation, capacity building and technology transfer activities. Partners in various inputs include National Agricultural Research Organisation (NARO), Uganda Export Promotion Board (UEPB), Pallisa Farmers’ Association (PAFA), RABONG, Local Government (LG), Ministry of Agriculture, Animal Industries and Fisheries (MAAI&F).

Objectives
1. To commercialise citronella and lemon grass production,
2. To increase the income and contribute to improved welfare of the farming households,
3. To build the capacity of the institutions involved in grass production in the district (farmers, community, civic and political leaders, etc),
4. To build the capacity of the farmers to plan, monitor and evaluate own activities and progress in a participatory manner;

5. To change farmers attitude towards commercial farming of the essential oil crops.

Implementation
- Activities to increase yields include production techniques and conservation farming,
- Increased access to information – field days, farmer to farmer, dealing with language barriers, role of women, building institutional capacity through civil servants, politicians, partners, CBTs, and farmers.

Achievements
The project has started very recently and has developed an implementation plan through PAFA. Sources of inputs and markets for output have been identified. Affiliated farmer groups will gradually increase from 110 to 250.

Strategy for value addition
- MAAI&F has provided one processor, which is ready for installation,
- PAFA has identified and registered farmer groups for planting, training and joint marketing,
- NARO and Rabong have identified more markets and are ready to train farmers on quality and quantity,
- NARO has skills on market diversification.

Challenges
- Limited tools and stock of planting materials,
- Difficulty in getting pure tap water at the processing site for quality oil production which is required,
- Inadequate means of transport to get the grass to the processor;
- Gender inequity in the community and therefore need for sensitisation and training,
- Limited skills and manpower in PAFA as the lead implementer,
- Lack of wages for processing,
- Lack of cohesiveness in common interest groups,
- Tension between civic and political leaders,
- Single processor.

Key lessons learnt
- Private-public partnerships are essential for successful working,
- Establish steady markets for soap and candles before training farmers on how to make them,
- Saving culture is an asset to the project.

Way forward
- Continue with project transparency,
- Minimise processing and marketing challenges,
- Ensure project sustainability by creating farmer profits and promoting farming as a business,
- Put in place viable monitoring, evaluation and feedback systems.
2.4 Enhancing regional trade alliances (ERTA) for bulb onions targeting the Nairobi onion market share: Smallholder commercialisation and market access

By S. Mwangi, Farm Concern International

Background
The project which started in 2005 is being implemented by FCI and partners. With the emerging food markets in the sub-Saharan Africa region, FCI utilised the opportunity to assist small farm producers to commercialise onion production. There was an urgent need to find ways to avoid exploitation by middlemen in the onion business. A related challenge was the proliferation of market intermediation among the smallholder farmers by various pseudo services providers. The value chain for the bulking and marketing of the bulb onions needed better institutionalisation and strengthening.

Rationale

<table>
<thead>
<tr>
<th>Enhanced commercialisation</th>
<th>Technology adoption</th>
<th>Market access/value chain efficiency</th>
<th>Increased farm-gate price (over 40%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved seeds</td>
<td>Improved agro-practices</td>
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</table>

Considering the process of commercialisation, FCI addressed:-

1. Technology such as access to improved seed, improved agronomic practices, efficient post-harvest management through better curing practices,
2. Inefficiencies in the value chain,
3. How to increase the farm gate price of bulb onions.

Objectives
The main objectives were to develop sustainable and gender sensitive access to markets and increase onion market share by 50 percent as well as increase household incomes by 30 percent. To attain these, FCI was to:

1. Assess current onion management practices,
2. Establish Commercial Villages (CVs) and governance structures in Kieni District, Kenya, and Keratu District, Tanzania,
3. Enhance the capacity of CVs and Community Based Technical Experts (COTEs),
4. Establish and strengthen partnerships between CVs and private business sector,
5. Monitor and evaluate enhanced bulb onions commercialisation, trade alliances, and household incomes.

Partnerships
- Farm Concern International - Lead partner in facilitation of market and technology development,
- Ministries of Agriculture (MOA) and MOFSC – Enhanced competitiveness’ and adoption of commercial practices by onion chain actors,
Private sector players for access to improved seeds, better agronomic practices, better post maturity management and enhanced marketing. Input suppliers: Osho Chemicals, Seminis and other seed companies, Value chain financiers such as Equity Bank and formal/rural SACCOs.

Value addition and market strategy
Improved quality seeds, better nursery management and on-farm crop husbandry leads to efficient curing technologies and packaging that results to improved bulb onion shelf life and market appeal that is a benefit to value chain actors. Improved marketing is achieved through collective marketing, bulking points, business partnerships and buyer-seller forums.

Achievements
- 1900 Households mobilised,
- 45 Farmer producer groups and market support units established in both countries,
- Over 20 wholesalers who move over 10 tons/week,
- Onion traders' association in Wakulima market in Nairobi,
- Quality of bulbs enhanced – better quality through curing,
- Market intermediation – prices increase by an average of over 280 percent,
- Storage structures in two CVs in Kieni,
- Partnerships with Seminis, Osho and transporters. Osho supplies chemicals through stockists,
- Equity Bank is providing training on credit management to producer groups.

Key lessons
- Practical market exposure is key to adoption of marketing skills,
- Private sector players are key in process of commercialisation,
- Business trainings conducted to the farmers and intermediaries play a crucial role to enhance development of the CVs,
- CVs are becoming key decision making organs in the community, especially in influencing utilisation of development funds.

Key challenges
- Maturity of CVs is slower than anticipated:
  - Prolonged dry spells slow down commercialisation,
  - Political instability affects maturity of CVs,
- No collective input purchase yet,
- Market information still absent,
- Commercialisation of the crop has not been realised yet in Tanzania,
- Use of locally saved seeds in Tanzania.

Way forward
- Include other crops alongside onions,
- Strengthen business relationships,
- More market exposure for farmers,
- More business forums of buyers and sellers.
2.5 Increasing income of smallholder cashew farmers through good agricultural practices, organic certification and fair trade labelling in Masasi District, Tanzania

By R. Ladda and J. Mbuvi, DUCON/FLO

Background
Problems of cashew farming in Masasi district have been ranked through a farmer survey:
1. Prices of cashew nuts have been low and the market is not conducive for smallholders,
2. Inputs are not available or not timely available and costs are high,
3. Farmers lack capital and knowledge on good farming practices,
4. High incidence of pests and diseases,
5. Adverse weather conditions.

Individual smallholder farmers cannot solve these problems alone. However, the farmers can come together in a producer group to address their common problems. They should not wait for help from outside such as government or NGOs – instead be pro-active to solve their problems.

In October 2007, a three-year project to assist cashew farmers was started with financial support from MATF and implemented by Dutch Connexxion (DuCon).

Objectives
One important component of the project is to set up a cashew farmers producer organisations in line with the standards of the Fairtrade Labelling Organisation (FLO). The producer organisations together form a company called the Masasi High Quality Farmers Products Limited (MHQFPL).

The objective of MHQFPL is to provide agricultural services to its members in collective marketing, collective purchase of input and extension, access to credit for members and training of members. FLO standards require the farmer organisation to be democratic, transparent and accountable.

Partnerships and training
During the first year of implementation, six village based farmer producer organisations were formed. Ducon has been working to facilitate the producer organisations in problem ranking, SWOT, and strategic planning sessions in six villages. In the second year these six organisations formed the apex company called MHQFPL. DuCon has focused on capacity building of leaders of MHQFPL.

The core of the project is about giving training on different topics for different partners. Contact with most partners is initiated by Ducon and the partnerships are established with the farmer organisations and MHQFPL to ensure ownership and sustainability after the project has finished. Functions of these partners are:
- Strengthening of organisations – District Economic and Social Empowerment Program (DESEMP) provided initial financial support given by the Government of Finland. Rural Urban Development Initiative (RUDI) started up the organisations and the company. The company registered with Fairtrade Labelling Organisation (FLO) to develop itself as a democratic and transparent organisation,
- Business skills development - Artemus Africa Foundation of Canada provided technical assistance in business training to the farmer groups. Food and Agricultural Organisation (FAO) of the United Nations working in Mtwara and Lindi region is also planning to give business development training to farmers in Masasi,
- Farmer field schools (FFS) – Started with support from ASSP in Pemba/Zanzibar. FAO is also starting FFS in Mtwara and Lindi regions,
• Good Agricultural Practices – are developed by NARI researchers and brought to the farmers by the district extension staff and NARI,
• Organic and Fairtrade Certification – AgroEco (a Dutch/Tanzanian consultancy firm in organic agriculture) has given technical assistance in setting up an Internal Control System (ICS) that can guarantee the organic integrity of the crop. Tancert is the Tanzanian organic inspection body and recommends on how to improve the ICS. FLO-CERT will give the fairtrade certificate, while a FLO liaison officer gives technical support regarding the certification.

Achievements and outcomes
- Recruited 800 members from 6 villages
  - Increased knowledge on good agricultural production,
    - 6 FFS of 150 farmers graduated in 2008,
    - 10 FFS of 250 farmers graduated in 2009,
- Timely and cheap supply of inputs to members,
  - MHQFPL was first to supply sulphur to its members in 2009. Sulphur is sprayed on trees to prevent powdery mildew disease,
  - Sulphur offered at 80 percent of the price of cooperatives and at 50 percent of the local market price,
- Organic Group Certificate,
  - Second inspection of TANCERT completed in 2009,
  - Organic group certificate expected in 2009,
- Start-up of Processing Unit,
  - Discussions with OLAM Tanzania Limited and FAO to start-up a unit,
  - Process cashew harvest of 2009 season in Maugura,
- Aim to have fair trade certificate in 2010,
  - The organic and fair trade certificates add value to the farmers’ products.
Except for training in cashew cultivation, farmers are also trained in entrepreneurship, allowing them to make proper cost-and-benefit calculations of their agricultural practices. Such business development training is not only useful at the level of individual farmers, it is also essential for the leaders of the farmer organisations as they venture into input supply and marketing.

Lessons learnt
• Public partners often lack money, time and commitment and it is doubtful that these partnerships will last after involvement of Ducon and MATF ends,
• Business to business partnerships - private partners have the money and time to be fruitful to farmer organisations hence creating win-win situation for both.

Key challenges
• Low production and high cost associated with cutting down of trees,
• Price premium not yet realised because there is no separation of conventional and organic Warehouse Receipt System, and the organic production is controversial,
• Making the organic internal control system cost-effective,
• Storage capacity of nuts,
• Handing over of the project management to the farmer apex company. MHQFPL needs support in processing and lobbying.

Way forward
• Forge partnerships with private partners to assist in input supply and linkage to markets,
• Alternative markets: semi-processed kernels,
• Be involved in advocacy to gain interest of public sector partners,
• Increase membership base of farmers association in order to get larger volumes for export.

2.6 Yam production for wealth creation in Kayunga District, Uganda
By P. Ssetenda, CIDev

Project background
Kayunga district is close to Mukono town and Kampala city where demand for yams is very high. Previous interventions by the Centre for Integrated Development (CIDev) led to an increase in marketable quantities of yams produced, but the farmers were still unable to attract good prices for their yams.

Project objectives
The first MATF supported project implemented by CIDev aimed to introduce appropriate production technologies and soil and water conservation. CIDev introduced the hot water treatment technology to kill nematodes and ensure cleaner yam planting materials as a basis for quality products. The project also adopted storage cribs which provide good storage for the yams and hence increased shelf life. The intention is to produce large quantities of quality yams for the market and hence increase incomes for the farmers.

The one-year extension project set out support for marketing of the yam crop, while at the same time increasing production. In order to achieve this goal, the project aimed at:
• Increasing organisational capacity of farmer groups for collective marketing, identification of profitable markets and price negotiations,
• Increasing skills among farmers to undertake quality production for market and ensure proper post harvest handling of yam tubers for greater profitability,
• Increasing flow of market information for yams and yam products among farmers,
• Introducing a participatory monitoring and evaluation system that encourages farmer-led documentation and dissemination at community level.

Partnerships
CIDev worked in close partnership with IITA who provided proven research information; the Local government which provided its technical personnel; and local artisans who fabricated hot water tanks.

Strategy for value addition and marketing
CIDev put emphasis on quality compliance as required by the market:
• Ensuring there was easy access by all farmers to hot water tanks (smaller tanks of 200 litres that were locally fabricated and provided to each farmer group),
• Introducing cribs to increase the shelf life of the yams in storage and enable farmers market in times of scarcity,
• Transforming the farmer groups from lose organisations to legally recognised business associations,
• Linking farmer organisations to business development services to transfer the knowledge and skills necessary to manage consumer driven businesses,
• Facilitating market linkages.

Achievements and outcomes
• Hot water treatment has successfully been introduced to 24 farmer groups,
• 20,000 yam tubers of various cultivars were obtained from Namulonge research institute and cultivated in order to increase marketable varieties,
• Formation of farmer Sub-county and district committees ensured ownership of the activities by farmers. The committees in turn have formed a vibrant marketing association,
• 52 community agricultural advisors (CAA) are in place to support fellow farmers on basic technical production and post harvest techniques,
• Gender trainings resulted in 40 percent of the households working as a unit in the production of yams,
• District heads, farmers and other stakeholders now understand the market dynamics, consumer preferences and the form and structure of various yam markets,
• A Memorandum of Understanding (MoU) between the district marketing association and St. Balikudembe leaders has been drawn up for farmers to supply yams,
• 900 leaflets on yam market prices were produced and utilised by farmers. There is increased participation of women in decision making at committee level and confidence in articulating technical issues,
• Farmers decide when to meet and what to discuss while CIDev is only invited to provide input or information.

Lessons learnt
• Construction of cribs at group level as collection centres for yams on their way to the market increased the shelf life from two months in the soil to up to eight months in the cribs,
• Strengthening of farmer groups through training, information exchange, existing CAAs and strong functional committees has increased knowledge and changed farmers’ practices,
• Strengthening farmers’ understanding on the marketing concepts, and the formation of farmer-led marketing committees ensured successful collective marketing.

Challenges
• The one year period was too short for marketing committees to confidently move on their own,
• It is a small group of people who understand the importance of yams as a food security crop, and therefore it takes long to popularise yams beyond Buganda area,
• To increase yields as the project never realised the targeted yields of 3500 kilograms from 2500 kilograms on 1/2 acre of land due to prolonged drought in the area.

Way forward
• The community structures both at the district and sub-county levels need further strengthening to ensure sustainability and collective marketing. The established market linkages will continue to strengthen farmer networking, hence reducing exploitation by the middlemen.
• Further exploration and popularising of other yam products, e.g. flour.

2.7 Increasing farm gate price of indigenous chicken through collective marketing in Sengerema, Kwimba and Missungwi districts, Tanzania
M. Ngendello and G. Sonda, LZARDI

Background
The project was implemented by LZARDI in Sengerema, Kwimba and Missungwi districts in Tanzania as an extension phase of an earlier project in Round IV supported by MATF. The Round IV project focused on disseminating thermostable Newcastle Disease (NCD) vaccine to a wider community. The main objective was to reduce mortality of local chicken caused by NCD from 80 percent to 20 percent.

However, as the flock sizes increased there was a drop in producer prices of chickens. Profit margins for farmers reduced from 18 to 10 percent. Profit for middlemen and retailers (assemblers) were 42 percent and 22 percent respectively. There was a need for developing strategies to increase producers’ profit margins.

Objectives
• To strengthen the supply chain at household level through introduction of programmed hatching and improved husbandry practices,
• To organise collective marketing through establishment of collection points and strategic marketing,
• To increase producers profit margin for indigenous chicken from 10 to 17.5 percent.
Partnerships
Key partners are LZARDI, VIC, input stockists, district councils, traders and farmer groups

Strategies for value addition and marketing
• Production of good quality chicken through programmed hatching, vaccination and feeding,
• Establishment of assembling, packaging and selling centres,
• Establishment of SACCOS/SILC,
• Strengthen linkages of different actors along the chain – producer, assembler, wholesaler and retailer,
• Identification of and targeting seasons with high poultry prices – November to December; June to July,
• Use of safe package materials and transportation,
• Review of taxation policy for indigenous chicken.

Achievements
• The production of chicken at household level has been stabilised. The average flock size per family at one particular time ranges from 50 - 300 chicken. Due to programmed hatching farmers were able to hatch up 200 chicks in one day,
• The assembling, bulking and selling in batches increases profit margins by 17.5 percent. After transportation to the city the profit margin went down to 15 percent,
• Managed to advise the local council taxation system to avoid double or triple taxation for both farmers and traders,
• Some of the SACCOS are strong enough to support both production and marketing,
• Four groups are establishing permanent collection and selling structures,
• The intervention taken by other organisation (OXFAM GB in two districts).

Lessons learnt
• Collective marketing works well if producer groups and SACCOS are stable,
• At some point in time the profit margins for key actors along the chain were 20 percent, 30 percent and 32.5 percent for assemblers, wholesalers and retail sellers respectively,
• Selling in bulk at farm level is more profitable to farmers,
• Some middlemen and traders do not honour contracts or agreements.

Key challenge
Dishonest actors along the value chain, especially middlemen who do not honour market arrangement agreements.

Way forward and conclusion
• Strengthen the knowledge on collective marketing and SACCOS to farmers,
• Strengthen the knowledge on chain value approach to all key actors (advantages and limitations),
• Increase profit margins through collective marketing at farm level and through marketing associations.
2.8 Improvement of access to profitable markets by smallholder farmers in Hai District, Tanzania

By N. Kaaya, HORTI Tengeru

Background

The project is an extension of the first project on Oyster mushrooms production that was supported by MATF, and implemented by the Horticultural Research Institute Tengeru (HORTI) in Hai District in 2005. Mushrooms cultivation is low-input simple technology utilising crop residues and generating high income within 3 months. Demand is high in villages; supermarkets, tourist hotels and retail markets in urban areas.

To ensure good mushroom marketing; quantity, quality and good frequency of supply are required, hence the need for good business management for smallholder farmers. The purpose of the one-year extension project was to improve smallholder farmers' access to high value markets by organising them into market oriented business support units (BSUs).

Objectives

- To increase the number of farmers who are aware and skilled in mushrooms production and marketing from 300 to 500,
- To improve efficiency and effective management of business support units and the apex farmer organisation for continued supply and marketing of mushrooms

Partnerships

1. HORTI Tengeru – project coordination, technical support, M&E,
2. Hai and Siha districts councils – organising farmers into BSUs, disseminating the technology to non project farmers, technical support,
3. Mamkwe Multipurpose Kisomeri Enterprises and Neema Mwendo – trainers of trainers and suppliers of mushrooms planting material (spawn),
4. Mnisi Enterprises, Mr. Ndosi and Kunoga enterprises – marketing of fresh mushrooms,
5. Fresh Mark of Shoprite supermarkets and hotels in Moshi – bulk buyers of mushrooms,
6. Bumako Rufid and SACCOs – micro-credit providers.
Strategy for value addition and marketing
1. Participatory market research and linkages to identify serious buyers,
2. Formation of 13 BSUs for collective marketing,
3. Training farmers on mushrooms production, processing, marketing,
   leadership and governance, group cohesiveness, and record keeping,
4. Linking BSUs to spawn producers,
5. Linking BSUs to experienced SACCOs to obtain credit,
6. Dissemination of the mushrooms technology and creating demand
   through leaflets, newspapers, radio programs, demonstrations,
   agricultural shows and trade fairs to expand the market.

Project outputs
• 573 farmers in 13 BSUs skilled in mushroom production and marketing,
• 10,000 bottles of quality spawn of Oyster mushrooms strains with market qualities were distributed,
• 21 serious markets were identified and linked to BSUs. Contractual arrangements were made possible through
  Fresh Mark,
• Supermarkets are buying mushrooms based on trust with the marketing partners in the project,
• BSUs implement scheduled and staggered quality mushrooms production, and collective marketing after sorting,
  grading and bulking,
• Mushrooms production increased from 1.6 tonnes to 16.2 tonnes worth TShs.49,997,000.

Project outcomes
Public-private partnerships lowered project’s costs, and improved production levels, quality, efficiency and profits. Farmers
have used incomes derived from mushrooms sales for expansion of mushrooms growing structures, house improvements,
payment of school fees, purchase of dairy cows, poultry, goats, furniture and new businesses.

Key challenges
• Currently farmers depend on rice straw fetched from the lowlands at high transport costs and are reluctant to use
  crop residues such as maize sheath, wheat straw, grasses and banana leaves because these are feeds for their dairy
  cows. They are being encouraged to use coffee husks and grevilea timber dust,
• Extension workers reliance on incentives such as transport and lunch allowances for carrying out regular monitoring
  makes support after end of project difficult,
• Poverty among the farmers is an impediment to building of mushrooms growing sheds and acquisition of production
  equipment,
• Overcoming the resurgence of fly maggots and beetles which lower the quality of mushrooms and hence reduce
  sales.

Way forward
The DED and DALDO of Hai and Siha districts councils are committed to train more village field staff to make follow–
ups on quality, production and marketing of mushrooms.

The Hai District Council is supporting farmers at the Nane-Nane agricultural trade fair. Farmers will demonstrate
mushrooms production, and quality packaging of fresh and processed mushrooms for marketing to high value markets.
They look forward to continue supporting the dissemination of the technology to reach more people in the 2 pilot
districts and new districts with similar environmental conditions in Kilimanjaro region.
2.9 Promoting commercial garlic seed production, value addition and access to profitable markets for farmers in Kabarole District, Uganda

By J. Baguma, KDFA

Background
Kabarole District Farmers Association (KDFA) is a membership based organisation set up to strengthen, support and empower its members in order to improve their productivity and profits.

From 2005 to 2007 through the support of FARM-Africa’s MATF, KDFA promoted garlic production in Kabarole District in partnership with 7 other organisations covering 6 sub-counties and targeting more than 800 farmers. It focused mainly on introducing appropriate garlic production technologies, training and demonstration of improved production technologies, post-harvest handling and storage.

In 2008, a one-year extension project started to promote commercial garlic seed production, value addition and access to profitable markets in 3 sub-counties.

Specific objectives
• To improve access to viable garlic seed for smallholder farmers,
• To build the capacity of smallholder farmers to produce garlic and to add value at household level,
• To build the capacity of a garlic marketing society to participate in the value chain,
• For target farmers to realise improved earnings, profits and social welfare from their enterprise,
• To build the capacity of partners and garlic farmers in the planning, monitoring and evaluation of their project,
• Farmers to exploit profitable markets, both locally and internationally,
• To document and disseminate project achievements, successes, challenges and garlic best practices for uptake in and outside Uganda.

Technology
• Commercial garlic seed production,
  o seed selection,
  o multiplication,
  o aging: breaking the dormancy of seed through treatment with different temperatures and humidity levels and
  o storage,
• Garlic value addition,
  o pooling, sorting, grading, packing and labelling of fresh garlic,
  o processing, branding and packaging of garlic products.

Partnerships
• KDFA is the lead organisation,
• NARO - seed selection, multiplication and aging,
• Community Agribusiness Capacity Services (CABCS) - formation and strengthening of the garlic marketing society.
• FRUITEX Enterprises Limited – garlic processing, branding and packaging,
• Gatsby Club Fort Portal – training of local artisans in the fabrication of simple processing equipment for use at household level,
• Centenary Rural Development Bank (CERUDEB) – provide crop finance to the garlic marketing society at time of harvest,
• NAADS Kabarole – sharing technologies on garlic production and processing and providing market information.

**Strategy for value addition and marketing**

**At KDFSA level**
- Local and external market survey for fresh and finished garlic products,
- Identification of FRUITEX - to train and share processing information and technologies,
- 4 different garlic products on market under KADFEX trade mark.

**At farmer household level**
- 12 local artisans selected for training in fabrication of simple processing equipment,
- Group facilitators train 27I garlic farmers in use of this equipment,
- Garlic farmers buy and use the equipment at household level,
- Home consumption of garlic is encouraged and local market demand created.

**At farmer group and marketing society level**
- 30 parish based garlic special interest groups from the 3 target sub counties of Katebwa, Bukuuku and Mugusu formed into primary cooperative society groups,
- Formation and registration of KABUMU as a cooperative marketing society through CABCS support,
- Training of selected group facilitators and project staff by FRUITEX,
- Opening a bank account with CERUDEB for KABUMU Cooperative Society using their own membership fees and the commission realised through pooling and sale of fresh garlic,
- Purchasing appropriate equipment for processing and value addition and stationery for proper documentation,
- The society to acquire crop finance from CERUDEB for bulk purchase from farmers, as well as sorting, grading, packaging, labelling and selling fresh and processed products.

**Project achievements**

KDFSA has already registered a total sale of USh 24 millions for 5,500 kilograms by 15 seed producers through a pooling strategy. Each beneficiary earned an average of UShs 1.6 million while a commission of UShs 1.2 million went to KABUMU Cooperative Society. This has assisted them to open a bank account and purchase basic office equipment.

The most noticeable achievement was the target small holder farmers coming together under an umbrella organisation of KABUMU Garlic Cooperative Marketing Society. Through KDFSA, they purchased land
and built a permanent store with office space at Mugusu Trading Centre in Kabarole District. It is registered with the Cooperative Department at National Level.

This cooperative has created a good exit strategy for the project. With this expected recognition and support from the Local Government, the Uganda Cooperative Alliance and Microfinance Institutions, KDFA is now confident that the project is in a strong position from where it can move on and address the remaining challenges without further donor support.

**Other achievements**
- 22 percent of the target farmers provided with garlic seed,
- Project beneficiaries sell through the cooperative society and benefit from the pooling strategy,
- Processed products command a 25 percent local market share,
- Big recognition of KDFA as an authority on garlic production and processing,
- Strong and lasting partnership created.

**Lessons learnt**
- Identification and selection of partners needs to be carefully done. FRUITEX Enterprises Limited participated beyond their obligations,
- CABCS advised wisely to adopt the cooperative society form of association as opposed to a company limited,
- Participatory monitoring and exposure visits can bring about an element of quick adoption, confidence and project ownership,
- Incorporating cross-cutting issues such as selling agro-forestry trees can bring in additional income and a positive and lasting environmental impact in the target area.

**Key challenges**
- Overcome the late registration of KABUMU Cooperative Society,
- To gain the much needed crop finance from CERUDEB to purchase farmers garlic,
- To market all the garlic produced through the pooling strategy. Only 40 percent was marketed through KABUMU Cooperative Society,
- To purchase seed from the seed producers for quick distribution to new beneficiaries. Demand for seed remains high.

**Way forward**
- KDFA to keep a close supervisory role on the garlic seed producers, seed recovery, aging of seed and allocation to new beneficiaries,
- Maintaining partnerships among FRUITEX, KDFA and KABUMU Cooperative Society,
- Strengthening of KABUMU Cooperative Society with an executive board,
- KABUMU Cooperative Society to be a core institution involved in the processing and marketing of garlic products,
- KDFA and FRUITEX to eventually play secondary support roles on a commission basis to be agreed upon by all parties (e.g. advisory, lobby and advocacy, credit acquisition and management, garlic product development and promotion, market information and research, etc.),
- Strengthening the relationship between KABUMU Cooperative Society and CERUDEB for future credit access, and linking the Society with the Uganda Cooperative Alliance for further technical support.
3.1 Role of farmers’ organisations in agricultural technology innovations: a case of 5 selected MATF projects in East Africa

By M. Nyang and C. Webo, MATF

Background
Farmer organisations (FOs) and associations take many different forms varying in both size (of membership) and the services they provide.

Farmer organisations include any of the following:
- Farmer groups,
- Farmers associations, federations and unions,
- Agricultural cooperatives owned and controlled by their members,
- Chambers of agriculture having a general assembly elected by farmers.

In this study the term ‘Apex Association’ (AA) is used for secondary level farmer organisations that comprise several affiliate groups.

The objective of this study was to understand the role played by FOs in agricultural development with particular emphasis on accessing services in agricultural technologies and constraints encountered. Its scope was to assess the functions of the AAs and benefits to the associate farmer groups and members.

The field work involved focused group discussions and formal interviews focusing on these issues:
- Membership,
- AA structure,
- Value addition and markets,
- Farmers’ benefits,
- Policy influence and change,
- Service to members,
- Challenges and way forward.

Table 2: Five case study projects visited

<table>
<thead>
<tr>
<th>Location</th>
<th>Project and technology</th>
<th>Apex associations</th>
<th>FO interviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>ISAAA-TC Banana</td>
<td>HBGMA</td>
<td>Apex 1 Farmer groups 4</td>
</tr>
<tr>
<td></td>
<td>Farm Concern International</td>
<td>Lower Lari CV</td>
<td>Apex 1 Farmer groups 1</td>
</tr>
<tr>
<td>Tanzania</td>
<td>TNS- Specialty coffee</td>
<td>AKSCGA-branded KILICAFE</td>
<td>Apex 1 Farmer groups 3</td>
</tr>
<tr>
<td>Uganda</td>
<td>NADIFA- Cassava</td>
<td>NADIFA- factory groups</td>
<td>Apex 1 Farmer groups 5</td>
</tr>
<tr>
<td></td>
<td>CIDI- poultry</td>
<td>RALO CBFA-local chicken</td>
<td>Apex 1 Farmer groups 2</td>
</tr>
</tbody>
</table>

An upland rice farmer shares her ideas during an group meeting in Namutumba, Uganda
Results

AAs membership
There are more women members in the organisations than men, yet this is not reflected in the leadership (Table 3).

Table 3: Membership and Leadership in Apex Associations (AAs)

<table>
<thead>
<tr>
<th>Farmer Organisation</th>
<th>Overall Membership</th>
<th>Leadership at Executive Level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%male</td>
<td>%female</td>
</tr>
<tr>
<td>NADIFA</td>
<td>42.7</td>
<td>57.3</td>
</tr>
<tr>
<td>RALOCBFA</td>
<td>58.8</td>
<td>41.2</td>
</tr>
<tr>
<td>HBGMA</td>
<td>30.0</td>
<td>70.0</td>
</tr>
<tr>
<td>FCI</td>
<td>46.7</td>
<td>53.3</td>
</tr>
<tr>
<td>KILICAFE</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Conclusions

• Women’s role in decision making is hampered by the minimal representation in the group and executive committee leadership

• Internal cohesion and a clear membership driven agenda are central to the success of an AA

Recommendations

• Engender the AAs and affiliate groups constitutions. More females in leadership levels should be encouraged and where policy exist it should be enforced as the minimum

• Conduct SWOT analysis to identify opportunities that can be explored to enhance cohesion

Farmer organisation structure
Democratic processes were observed to be used in the selection of representatives in the leadership at various levels. They all had a constitution and byelaws that govern their operations and leadership.

Conclusions

• AAs are formed by members, thus accountable to them. Affiliate group members have a stake in the success of the AA

• Need for strengthening the AAs to enhance internal democratic governance structures

Recommendations

• Engender the AAs and affiliate groups constitutions. More females in leadership levels should be encouraged and where policy exist it should be enforced as the minimum

• Leadership training and mentoring, especially in the areas of financial management, records keeping and investment in viable enterprises
Value addition and markets
All the AAs visited carried some value addition, to enhance the value or quality of their commodity.

<table>
<thead>
<tr>
<th>Conclusions</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• AAs help farmers access the market for both inputs and outputs through the potential economies of scale (Case of KILICAFE, RALOCBFA and NADIFA)</td>
<td>• Explore and identify opportunities for value addition and contractual linkages in the value chain through market research</td>
</tr>
</tbody>
</table>

Farmers’ benefits
Members whose expectations are met or are potentially met stick with their groups. Those who expect quick gains fall out before too long.

<table>
<thead>
<tr>
<th>Conclusions</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Members must derive tangible benefits from the AA as a motivation to their participation and support. Satisfied members will always continue working towards the achievement of the AAs objectives in the short and long run</td>
<td>• Infuse creativity and innovation into commercial production for linkages with private sector</td>
</tr>
<tr>
<td>• Identification of markets and linkages assures guaranteed incomes e.g. coffee price increased from TSh 450 to Tsh.2000 per kilogram for specialty coffee upon export market identification</td>
<td>• AAs should partner with private sector to invest more into value addition process e.g. Cassava factory-NADIFA and PIKNIK, banana processing - HBGMA</td>
</tr>
<tr>
<td>• Strong AAs are effective partners in development and can become useful channels of communication</td>
<td>• The governments should identify and strengthen key institutions that can provide the requisite training for farmers and entrepreneurs in the AAs</td>
</tr>
<tr>
<td>• Other linkages would involve SMEs and BDS providers in the region for entrepreneurial development and up-scaling</td>
<td></td>
</tr>
</tbody>
</table>
### AAs and Policy Change

The policy environment in the countries is generally favourable. There are government policies in place that enhance and support the objectives of the Farmer organisations in East Africa.

<table>
<thead>
<tr>
<th>Conclusions</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• AAs serve as a platform for lobbying central government and local authorities on better taxation policies and manipulations from middlemen</td>
<td>• The government should harmonise the taxes and levies charged on farmers as they are a disincentive to production and greatly distort market prices</td>
</tr>
<tr>
<td>• Effective AAs need supportive policies that encourage their formation, with the farmers being in charge without any interference from the external environment</td>
<td>• The government should establish an appropriate legislative environment, that includes support for independent, transparent and clearly defined AA auditing functions</td>
</tr>
</tbody>
</table>

### Association and Service to Members

Farmers are able to access a number of services from their AAs, otherwise not easy.

<table>
<thead>
<tr>
<th>Conclusions</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• AAs act as facilitators in bringing service providers and members together for effective service delivery</td>
<td>• The AA should form networks within the region to gain numerical strength, merge resources and thus attract other service providers for enhanced services to the members</td>
</tr>
<tr>
<td>• Strategic partnerships fostered between AAs and private sector service providers lead to improved quality, competitiveness and wider scope of services to members</td>
<td>• The governments and developing agencies can create more impact in the rural areas by working with, supporting and involving AAs in the planning, design and implementation of programs while supporting them in implementing farmers own agenda</td>
</tr>
</tbody>
</table>

### Challenges Encountered by AAs

Most of the AAs visited were at their formative stage and are established with some development agencies initial support and are not ready to be independent.

<table>
<thead>
<tr>
<th>Conclusions</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• AAs effectiveness and efficiency is affected by both the internal and external environment. Those AAs that can balance the act and mitigate the challenges of the two environments become more focused and therefore deliver on their goals set during the formation</td>
<td>• AAs should aim to have a sustainable source of income through business activities or commissions charged to members for services provided</td>
</tr>
<tr>
<td>• Scarcity of resources limits the scale, scope and spread of AAs and their activities and thus their development impact</td>
<td></td>
</tr>
</tbody>
</table>

### Way Forward

- AAs efforts should be focused on developing and strengthening affiliate groups and a marketable agricultural product. Demand for a product as a result of promotion by an NGO or donor should be adequately addressed to enhance success of the market linkages developed,
- Private sector involvement by investing in AAs, especially those willing to work with organised farmer groups to build their capacity,
- AAs require long term support with a defined exit strategy by the supporting body. This will help AAs learn and build their capacity in organisational and financial management and democratic process.
3.2 Challenges from the field and the way forward

Background
In the first quarter of 2009, MATF commissioned a study to review the strategies of individual Round V projects of linking farmers to profitable markets. The study showed that:

- there has been a gradual shift in focus of MATF funded projects from production to value addition and to the markets,
- regular monitoring visits for Round V projects revealed challenges of:
  - private sector involvement in dried fruits,
  - marketing associations for upland rice,
  - commercial villages in Tanzania,
  - adverse policies for organic cashew,
  - business skills of farmer association for essential grass oils.

Nature of the study
- Need to synthesise lessons and improve implementation strategies,
- Views from external experts sought.

Objectives
- To assess progress in value addition and market linkage processes and partnerships,
- To review the functioning of farmer apex marketing associations,
- To advise on practical ways forward and capacity building.

The study recognised many achievements of the individual projects which have been incorporated in the relevant sections of chapter 2. Table 4 summarises the common challenges experienced by Round V projects with regard to facilitating market access.

Table 4 : Showing the common challenges

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Upland rice, Uganda</th>
<th>Citronella &amp; lemon grass, Uganda</th>
<th>Bulb onion, Kenya &amp; Tanzania</th>
<th>Fruit processing, Kenya</th>
<th>Cashew, Tanzania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers still sell to middlemen and local buyers</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>No value addition taken place yet</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Marketing channels are unclear</td>
<td></td>
<td>☑</td>
<td></td>
<td>✓</td>
<td>☑</td>
</tr>
<tr>
<td>Sources of income for farmers’ association on only from membership</td>
<td>☑</td>
<td>☑</td>
<td></td>
<td>✓</td>
<td>☑</td>
</tr>
<tr>
<td>Links not yet established with end markets in major towns, no negotiations yet with private sector</td>
<td></td>
<td>☑</td>
<td></td>
<td>✓</td>
<td>☑</td>
</tr>
<tr>
<td>The project relies on workshops to get M&amp;E information</td>
<td>☑</td>
<td>☑</td>
<td></td>
<td>✓</td>
<td>☑</td>
</tr>
</tbody>
</table>

These and other challenges that arose from the presented projects were discussed during a plenary session.
An interactive panel discussion came up with the following conclusions and recommendations with regard to improved marketing mechanisms for smallholders:

1. Weak farmer groups or apex organisations with poor production, processing and leadership, makes marketing irrelevant,
   • When improving on production and processing, marketing contracts and systems must be very clear. People at the production level need to know the marketing demands and understand how they can be part of the process,
   • In order to scale-up the business model, strengthening of farmer groups and producer organisations is key to the success of programs in all projects,
   • Leadership of farmer organisations is key;
     a. Choose the right people to lead farmer groups and apex organisations,
     b. keep checks and balances in organisations, that is, transparency of business and regular assessment whether the leader of group is still performing his or her duties,
     c. having regular elections and mechanisms so that leaders can be changed,
     d. Leaders have to be trained and their mandate has to be clear to avoid defensiveness,
     e. Farmers or other members need to know and agree on their leaders’ responsibilities.

2. Collective marketing does not work easily e.g. only 5 percent of upland rice was collectively marketed;
   • It is important to differentiate between collective selling and collective marketing. There is more than just selling commodities together in the process of commercialisation. Marketing requires dialogue with market actors and also concluding deals. This means when marketing collectively, one must have a good idea of who the buyers are, what the prices are and what the market demands are in terms of quality, delivery and volumes. Farmers need to own marketing processes in order to make it work,
   • Think through marketing carefully. What does the market want?
   • It is also important to recognise that the broker is part of marketing. He listens and makes his strategic moves based on the market information,
   • It is important to think beyond and understand what the other person is doing with the product,
   • Record keeping is important, e.g. what is the estimated volume of marketable products? Having a monitoring system in place is essential,
   • Technology development should be done in partnership with all the actors and collaborators – farmers, processors, buyers, researchers, extension persons. Those buying into the technology need to be involved to get right the product they want,
   • It is important to develop quality standards to be able to access better markets, possibly export markets like the European Union which has particular standards that need to be met,
   • Establish a remuneration or a reward system for persons involved in the wide process of marketing, for it is unreliable to depend on volunteers. Marketing persons should be transparent and knowledgeable in systems and procedures. NGOs need to co-monitor the employed marketing officer in case he or she is too smart for farmers to cope with.
   • The organisation needs physical resources such as safe storage facilities, good documentation and records.
   • As you design collective marketing systems, the socio-economic situations of the farmers you are dealing with need to be understood to win their trust – their challenges, economic needs and their livelihoods,
   • Farmers test systems that are not working by releasing their produce in the market in small quantities, that is, they are reluctant to surrender 100 percent in one go. They could release in quantities of 40 percent, 60 percent.

3 Lack of finances and investment opportunities for scaling up businesses
   • Farmer organisations need adequate financial resources to avoid a situation of farmers selling their crop while it is still in the field during times of need.
3.3 Guidelines on making markets work for the poor resulting from thematic group discussions

On the second day of the workshop, the participants were divided into three groups to reflect on experiences from the Round V and extension projects related to the following themes:

- Value addition processes,
- Private sector partnerships and market linkages,
- Farmer marketing associations.

3.3.1 Value addition

**Group Leaders:** C. Walaga, and S. Sarwatt  
**Members:** M. Mukirane, B. Sulayi, J. Ongiri, G. Opio, N. Kaaya, S. Musaana, M. Nyang, M. Ngendello

Value addition was defined as any process or activity that enables farmers to earn more from their produce. It involves evaluation of the ideal value addition processes and begins right from production until the product reaches the consumer.

The group ranked the projects according to how they performed in skills development, collective marketing, quality improvement and market demand. The results were that among the first five, garlic project was the best performing followed by poultry, mushroom, onion and rice. Value addition aspects that have worked well in the projects include:

- High yielding disease resistant varieties with market quality,
- Use of tarpaulins for threshing and drying rice,
- Collective marketing of rice, poultry,
- Use of animal traction, tractors, or other mechanisation that enables farmers to expand their enterprises,
- Banks are in competition and are looking for clients to lease out items which avoids the necessity of collateral.
- Farmers must develop a savings culture,
- All stakeholders (small traders, big traders, processors, bankers, and district production officers) need to come together in an organised value chain platform to discuss how to improve the value chain.

4 Develop an implementation and monitoring system right from the start and keep improving on it – be critical to know and think about how to get regular feedback from the field on a regular basis how the program is developing.
• Processing facilities (e.g. garlic),
• Improved post-harvest handling and storage (e.g. garlic, yam),
• Organic certification and fair trade for cashew nuts,
• Programmed hatching, improved feeding system and breeds for poultry production.

Factors contributing to good value addition:
• Training of farmers in agronomy (e.g. yam), production, processing, grading, labelling and packaging,
• Capacity building of institutions in agronomy, business and management skills,
• Good public - private partnerships (PPP),
• Links to reliable sources of inputs, financial institutions and markets,
• Community mobilisation for bulb onion,
• Strong farmer groups for bulb onion,
• Organised district based company and mobilisation of 800 farmers for cashew production,
• High demand for products,
• Market contracts, SACCOs, stable supply, increased profitability and strong farmer groups for poultry production.

Challenges related to value addition processes:
• Farmer mobilisation and organisation of collective marketing turned out to be a difficult, but not impossible process,
• High cost of establishing collection centres for poultry marketing,
• Delays of partnerships in fruit project,
• Memorandum of Understanding not in place with partners for garlic and bulb onion production,
• High cost of seeds, and uncertain seed viability for bulb onions,
• Slow process of replacement of old trees (low yield and quality) in cashew nut production.

External Factors
• Inadequate extension services, political division in extension services, and lack of incentives for extension workers,
• Weak partnerships and inhibitive government Warehouse Receipt System,
• Weather changes for yam production.

3.3.2 Private sector partnerships and market linkages

Group Leaders: N. Mbise and J. Wekundah

Win-win situations for farmers and the private sector were realised in the following projects: garlic, bulb onion, cashew nut, mushroom, upland rice, and poultry.

Advantages for the private sector and farmers:
• Input supplies – income for spawn supply,
• Technical service providers - commission for sales,
• Buyers – income, volumes of products,
• Farmers – processing skills, access to equipment, access to spawns, capacity building, income, improved seeds, quality products,
• Financial institutions and banks – clients, income through interest,
• Artisans –income from sales of equipment,
• Transporter and trade associations – income.
What contributed to the success of reaching a win-win situation?
• Financial incentives,
• Linkages were made,
• Shared interest, interdependencies, trust,
• High value products were available,
• Organisation and coherency, good governance and transparency,
• Available budgets for marketing, available marketing channels.
• Access to credit and BDS,
• Competition among players,
• Proper project design, M & E.

What contributed to the market success
• There was demand, 
• Proper adoption of tested technologies, 
• Improved quality, 
• Increased quantities, 
• Proper market segmentation, 
• Cohesion of groups, 
• Changed attitudes, 
• Honourd contracts, 
• Information, networking and sharing

Challenges to establishing good partnerships with the private sector
• Cost of meetings necessary to establish the relationship, 
• Timing, 
• Making the right choice, 
• External factors – ramifications caused by post election violence, 
• Unclear price differentials and consumer preferences, 
• Mistrust, 
• Presence of wrong type of middlemen, 
• Lack of contractual agreements and arbitration mechanisms, 
• Imperfections in market information,

Reasons for lack of ability to market collectively and get good prices
• Lack of strong farmers organisations to negotiate – poultry, 
• Lack of skills and structure of farmers association - cashew nuts and PAFA, 
• Diversified social needs – all projects, 
• Mistrust – all, 
• Lack of crop financing - garlic and cashew nut, 
• Lack of physical infrastructure (storage, collection centres) - cashew nut, garlic, onion 
• Lack of quality control – rice 
• Lack of price differentials – cashew, chicken and garlic 
• Limited adoption of technology for value addition – onion, fresh fruit, cashew

Guidelines for strengthening market access for smallholder farmers:
• Needs assessment by external consultants on the whole value addition chain: markets ➔ processing ➔ production
• Proper project design,
• Stakeholders identification, selection and role definition,
• Meeting of stakeholders and formation of project team to include experts in marketing, processing, production,
• Develop clear ToRs for the team to be specific and development of an MoU,
• Work planning and PM&E, including:
  o Sourcing for financing,
  o Forming viable farmer marketing groups depending on size,
  o Regular provision of market information based on demand, price, supply, quality, consumer preference, market appraisals, market trends,
  o Capacity building on costing and pricing at all levels, negotiation skills, governance and leadership,
  o Participatory development of a marketing channels,
  o Set up of infrastructure -- transport, stores, weighing equipment, packing containers, quality control,
  o The farmers marketing associations should join advocacy bodies so that their voices can be heard e.g. Chambers Associations.

3.3.3 Farmer marketing associations

Group Leaders: F. Makini & C. Webo
Members: Rajab, Stanley, Moses, Peter, George, Moses, Renison, Annet, Rita

None of the marketing associations in the current projects are strong since they are still in a formative stage.

Challenges within marketing associations
• Building trust among members is hard due to past negative experiences with co-operatives,
• Lack of support from local administration through finance and double taxation,
• Challenges to produce required quantity and quality, e.g. pests and diseases, adverse climatic conditions,
• Poor infrastructure,
• Lack of involvement of the private sector.

Guidelines for different actors to strengthen marketing associations
1. Farmers
• Production driven by market demand,
• Produce better quality products,
• Commitment to the association,
• Support association activities.

2. Farmer associations
• Build economies of scale,
• Lobby the government,
• Gather and disseminate market information to the farmer organisation,
• Communication within the organisation and outside,
• Enhance the democratic space by formulating and implementing the bye laws and practicing good governance,
• Efficient use of association resources.

3. Business facilitators
Act as a catalyst to:
• Enhance capacity development,
• Facilitate private sector partnership through identifying and forge partnership,
• Nurture partnerships.
### 4.1 List of participants

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Organization/Country</th>
<th>Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Moses Mukirane</td>
<td>Africa 2000 Network-A2N (Uganda)</td>
<td><a href="mailto:mumzc@yahoo.com">mumzc@yahoo.com</a></td>
</tr>
<tr>
<td>2</td>
<td>Justus Ongiri</td>
<td>Africa Now (Kenya)</td>
<td><a href="mailto:ongirjusto@yahoo.com">ongirjusto@yahoo.com</a></td>
</tr>
<tr>
<td>3</td>
<td>Ssetenda Peter</td>
<td>CIDEv (Uganda)</td>
<td><a href="mailto:pssetenda@yahoo.com">pssetenda@yahoo.com</a></td>
</tr>
<tr>
<td>4</td>
<td>Buyondo Sulayi</td>
<td>CIDEv (Uganda)</td>
<td>Farmer</td>
</tr>
<tr>
<td>5</td>
<td>Jaap Blom</td>
<td>DANIDA (Uganda)</td>
<td><a href="mailto:Jaap.blom@asp.or.ug">Jaap.blom@asp.or.ug</a></td>
</tr>
<tr>
<td>6</td>
<td>Jennifer Mbuvi</td>
<td>DUCON/FLO (Tanzania)</td>
<td><a href="mailto:j.mbuvi@fairtrade.net">j.mbuvi@fairtrade.net</a></td>
</tr>
<tr>
<td>7</td>
<td>Rajabu Ladda</td>
<td>DUCON/FLO (Tanzania)</td>
<td>c/o Ducon</td>
</tr>
<tr>
<td>8</td>
<td>Halima Abdallah</td>
<td>East African Newspapers (Uganda)</td>
<td><a href="mailto:hakusule@yahoo.com">hakusule@yahoo.com</a></td>
</tr>
<tr>
<td>9</td>
<td>Helen Altshul</td>
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Participants of the 5th MATF experience sharing workshop