



# COMMERCIALISING CHILLI PRODUCTION

2018 - 2021 | LIRA, UGANDA

**Farm Africa is spicing up Uganda's chilli sector. Huge market demand for African bird's eye chillies represents an incredible opportunity for small-scale chilli farmers. In partnership with the North East Chilli Producers Association, this project will enable small-scale chilli farmers to capitalise on this growing international demand.**

Agriculture is the backbone of Uganda's economy, employing 70% of the population and making up half of the country's export earnings. As most Ugandans are engaged in farming, unleashing the country's agricultural potential is critical to reducing poverty, boosting incomes and creating jobs for women and young people.

African bird's eye (ABE) chillies are a hot commodity on the global market. Globally, demand for high-quality ABE chillies outstrips supply. Market inefficiencies and supply constraints impede Ugandan smallholders from accessing lucrative markets. Many small-scale farmers living in Lira District in northern Uganda are growing ABE Chillies but are failing to meet their full market potential.

Through the delivery of technical expertise and support, Farm Africa will help the North Eastern Chilli Producers Association (NECPA) adopt a more

market-orientated business model, opening up new export opportunities which will allow chilli farmers to command a higher price for their produce. Farm Africa will help NECPA identify different high-value ABE chilli markets, and support the organisation to develop the agricultural, processing and marketing systems needed to meet high-value markets' standards.

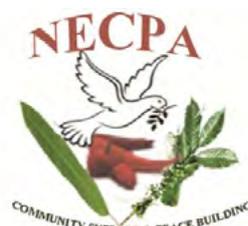
Farm Africa and NECPA will develop local seed multiplication businesses to ensure that farmers can plant in-demand varieties of ABE chillies. To improve chilli quality and cut post-harvest losses, the project will teach young people how to make chilli drying racks and organic fertilisers and pesticides. Strengthening the input supply and post-harvest handling sectors will not only help farmers break into new markets, but will also create income-generating opportunities for young people and women.

Low and unpredictable yields, poor post-harvest handling and a limited understanding of market requirements stop many smallholder farmers from breaking into highly-profitable ABE chilli markets. Farm Africa will provide NECPA and agricultural extension workers with export-focused agricultural training to help farmers meet buyers' need for timely large instalments of quality produce.

## THE NORTH EASTERN CHILLI PRODUCERS ASSOCIATION

The North Eastern Chilli Producers Association (NECPA) is a female-led agri-business that supplies farmers with inputs and markets their goods. NECPA is a key player in Uganda's chilli industry: selling 44% of all exported chillies in 2017, providing 17,000 farmers with agricultural extension and marketing services, and managing relationships with major exporters.

Alongside the technical support they provide farmers, NECPA offers psychosocial support to their members, the majority of whom have been deeply affected by war.



## FARM AFRICA

Farm Africa is an innovative charity that reduces poverty in rural eastern Africa by helping farmers grow more, sell more and sell for more: we help farmers to not only boost yields, but also gain access to markets, and add value to their produce. We place a high priority on environmental sustainability and develop approaches that help farmers to improve their yields and incomes without degrading their natural resources. Our programmes vary hugely, ranging from helping crops farmers to boost harvests, livestock keepers to improve animal health, and forest coffee growers to reach export markets, but core to all of them is a focus on the financial sustainability of the farmers' businesses and environmental sustainability.



This project is part-funded by aBi Development Ltd.



AGRICULTURAL BUSINESS INITIATIVE



### MARKET-ORIENTATED PRODUCTION

With technical assistance from Farm Africa, NECPA will increase chilli growers' yields and help them meet international buyers' quality standards by:

- Organising farmers into producer groups and providing them with agronomic support and planning tools so that they can meet buyers' need for timely and large instalments of produce.
- Training 3,000 farmers in organic and GlobalGAP certified ABE chilli production.
- Equipping 29 government and NECPA agricultural extension officers and 12 input suppliers with the ability to train smallholder farmers in improved soil and water management and post-harvest handling.



### QUALITY EQUIPMENT AND SEEDS

This project will help smallholder farmers gain access to the appropriate equipment, inputs and seeds by:

- Training young people to make chilli drying racks and organic fertilisers and pesticides, which will be sold through NECPA to the organisation's members.
- Calling for investment in chilli seed development and production by government and research institutes.
- Supporting the commercialisation of the production of high-quality seeds for in-demand chilli varieties.



### ENTERING INTERNATIONAL MARKETS

This project will identify different high-value ABE chilli markets and ensure smallholders and cooperatives are meeting buyers' needs. Farm Africa will support NECPA to:

- Register as an export company, achieve certification for their produce and engage with prominent international food and retail industry players.
- Analyse the costs and benefits of enrolling farmers in different certification schemes.
- Identify internal business and marketing capacity gaps, and provide tailored training in relevant financial and management concepts.
- Help senior staff write detailed business plans, design marketing strategies and set goals.
- Facilitate farmers' access to high-quality seeds for chilli varieties with the highest market demand.
- Train 30 young people to build and sell solar dryers that enable farmers to preserve their chillies and add value before export.



### ACCESS TO FINANCE

Chilli producers and agribusinesses lack the working and investment capital needed to capitalise upon market opportunities. Farm Africa will connect:

- Smallholders to village-level banks and build farmers' financial literacy so that they can address cash flow problems.
- Small and medium-sized enterprises to commercial financial institutions so that they can hire the staff and purchase the equipment they need to improve their businesses.