EAGC MEMBERS UPDATE: FEBRUAY 2016

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EAGC Revamps the Grain Sector in South Sudan

On 11th February 2016, the Eastern Africa Grain Council (EAGC) in partnership with the GIZ-FSDAM, World Food Programme (WFP) and USAID FARM Project organized the grain sector stakeholders’ workshop themed “Revamping the grain sector in South Sudan: Role of Private Sector and Service Providers”. The workshop which was held in Juba, South Sudan, drew participants from all levels of the value chain including farmer cooperatives, input suppliers, grain traders, financial institutions and development support organizations like SNV, AGRA, SSADP, IFDC, FAO, et al.

The workshop focused on the following objectives; 1. Identifying major constraints affecting the grain sector performance in South Sudan and propose possible strategies to address them; 2. Creating an understanding of EAGC as a Private Sector institution for championing the grain sector issues in South Sudan and the Eastern Africa region; 3. Fostering partnerships between Private and Public sectors players to accelerate implementation of solutions to address the value chain constraints and 4. Establishing a road map/ way forward to invigorate the sector for optimum benefit of the value chain actors.

Issues around grain sector especially challenges, gaps and opportunities in the sector were discussed. The workshop resolved to have all stakeholders commit to work together in a multi-stakeholders approach to tackle the major issues. These issues were; Knowledge gaps, Market linkages, Low productivity, Poor and unavailability seeds and Lack of proper regulations (policy)

Moving forward, it was unanimously agreed that Knowledge/training gap and policy advocacy were key issues to be addressed urgently. A committee comprising of grain value chain actors and financial institutions was proposed to organize the South Sudan Agriculture Fair spearheaded by EAGC.
The Eastern Africa Grain Council Executive Director and the Regional Marketing Information and Communication Manager were in Malawi from the 24th to the 27th February for an EAGC Malawi stakeholder’s visit and recruitment of the EAGC Malawi staff. EAGC has anticipated to open country office in Malawi towards realization of operating 10 country offices in the region.

To begin with, the EAGC conducted selection of the staff members and the interviewing process will continue in the course of the week before the final candidates are appointed to run the office.

During the visit, the team met with key stakeholders in Malawi who include the Global Communities, the partners who are supporting the entry of EAGC in Malawi, Agricultural Commodity Exchange (ACE) - Malawi, AHCX - Commodity Exchange, the National Small holders Farmers Union (NASFAM) and Agri- Seed, all of whom, agreed to join EAGC.

Towards this, meetings with Key Government Officials and a Malawi Grain Stakeholders meeting are scheduled where the EAGC Malawi Chapter will be launched. Meanwhile the EAGC RATIN team will immediately link the Malawi markets to RATIN through a partnership with ACE Commodity exchange, and a review of the grain sector in Malawi will be carried out before the launch and stakeholders meeting.

From left: Davis Manyenje, The AH CX General Manager, EAGC Executive Director Gerald Masila, the AIMS Programme Manager, Nobel Moyo and Janet Ngombalu the MlS&C Regional Manager at the Global Communities offices in Malawi

**EAGC Moves to Open Country Office in Malawi**

**Benchmarking to Boost Trade Networks among EAGC members**

The Managing Director of Sarura Commodities Limited-Rwanda, Mr. Augustin visited the Smart Logistics Limited Warehouse in Kenya on 26th February 2016. Sarura Commodities is a new member of EAGC from Rwanda which trades by consolidating harvest into warehouses and storing in compliance with international standards and endeavours to directly link smallholder farmers to premium off-takers.

Mr. Augustin visited Smart Logistics to benchmark from smart Logistics Ltd which trades in pulses (Beans, Green Grams, Soya) and maize and operates a warehouse. Smart Logistics Ltd warehouse is also one of the warehouses linked to EAGC -G-Soko online trading system. He wanted to learn about the warehouse receipting system and financing and also about the G-Soko system.

From the visit, Mr Augustin learnt a lot from Ms Rose Mutuku, the Managing Director of Smart Logistics. EAGC’s Warehouse Inspection Specialist, Fred Simon facilitated immersion training on warehouse inspection standards, inspection process as well as G-Soko online system.

Sarura Commodities limited anticipates to have his warehouses inspected and linked to G-Soko system which facilitates efficient and structured grain trading. EAGC member stakeholders can leverage on experiences and networks from each other to increase trade networks and improved services.
The EAGC participated in a consultation forum held on 16th, February 2016 at Serena Hotels- Nairobi. The EAC Common Market Scorecard 2016 Kenya Private Sector Consultations was organized to review the progress in the implementation of the EAC Common Market Protocol in preparation of the EAC Common Market Scorecard 2016 report.

The EAC (CMS) is an analytical document that is designed to track the implementation of the EAC Common Market Protocol. The CMS focuses on 3 pillars of the Protocol: free movement of goods, services and capital respectively amongst the EAC Partner States.

The monitoring of the Common Market is led by the National Implementation Committee, chaired by the Ministry of Labor and EAC Affairs is supported by IFC/World Bank. The meeting brought together representatives of a number of apex institutions such as the Kenya Bankers Association, Institute of Certified Public Accountants of Kenya, Law Society of Kenya, the Tourism Regulatory body, the Sugar Directorate, representatives of architects, EAGC, KEPSA, IFC/World Bank consultants and Staff, and the Capital Markets Authority.

EAGC was particular on the Free movement of Goods pillar and presented on the following:

a. **Implementation of Harmonized Staple Foods Standards**: the harmonized standards were gazetted in Dec 2013, with the intention of facilitating regional trade in staple food commodities. EAGC is working with EAC in the review of the Standards to address the gaps and also lay the foundations for improved implementation of the Standards

b. **Rice trade in the EAC**: derogations in the application of the EAC CET on rice created loopholes for smuggling of rice into Tanzania, subsequently flooding the domestic and regional markets with rice from outside EAC. This has led to imposition of 75% CET on rice from Tanzania by Uganda and Rwanda, subsequently restricting regional trade in rice. The root problem is the lack of assurance of the origin of rice; as such EAGC is proposing putting in place a traceability and certification system for rice of East Africa origin to verify origin of rice and thus guide the correct application of import duty.

c. **Sanitary and Phytosanitary challenges (SPS)**: SPS requirements between EAC states are different from one another, and in some cases SPS requirements are superfluous, e.g. radiation certificates required in Tanzania for export consignments. These superfluous SPS requirements and limited uniformity in SPS controls prevent free movement of goods, especially grain commodities.

d. **The Elimination of Non-Tariff Barriers Bill 2015**: the Bill was passed by the EALA in 2015 with the intention of providing a legal mechanism to enforce the Customs Union Protocol provisions of removing NTBs. However, the law is not strict enough (it lacks “teeth”), so its impact will be limited.

EAGC was invited to send more information on the above issues and any other matters affecting free movement of goods to the conveners of the meeting for consolidation in the CMS report.

From the discussions, it was also noted that private sector consultations have already taken place in Uganda and Rwanda (and now Kenya). Consultations in Tanzania will take place on 3rd and 4th March, and EAGC will be invited to participate through the Country Office.

WE ARE EAGC!

WE FACILITATE AN **EFFICIENT, STRUCTURED AND PROFITABLE** GRAIN TRADE IN THE REGION
EAGC Certifies Five More Warehouses in The Region

The number of EAGC GSoko certified warehouses in the region have risen from 25 to 30. This follows the certification of 3 more warehouses in Kenya and 2 in Uganda. The five newly certified warehouses are; Shalem Investments Ltd in Meru (K), Sipili Cereal Bank in Nyahururu (K), Smart Logistics Solution Ltd in Machakos (K), Rewa Grains in Mukono (UG) and Savannah Commodities Company Ltd in Kampala (UG).

The certification of additional warehouses opens opportunities for cross border trade besides enabling farmers and traders across the region to access professional storage and grain handling services and ensure safety and quality of grains being traded in the region.

1. Shalem Investment Ltd Warehouse in Meru - Kenya
2. Savannah Commodities Company Ltd Warehouse in Uganda

High-level ASARECA Strategy Development Meeting - Entebbe, Uganda

The EAGC Executive Director joined other key stakeholders and professionals at the ASARECA Strategy Development meeting that was held in Entebbe. The meeting brought together key stakeholders from the Agricultural Sector. EAGC was representing the Private sector to outline the need of private sector participation in the Research and policy process.

At the end of the meeting, the team developed key strategic focus and direction for ASARECA which will guide its operations now and into the future. EAGC is a key stakeholder in the EASARECA forum.

EAGC Adopts Communication Plan For G-Soko Route to Market

The Executive Director led EAGC staff drawn from country programs in a three (3) day workshop hosted at Maanzoni Lodge, Kenya.

The workshop which ran from 21st to 24th February 2016, was informed by the ongoing Communication Strategy Implementation process, GSoko Communication plan and EAGI curriculum validation. The workshop brought together EAGC Communication consultants, Impact Africa and Africa Practice, GSoko partners Virtual City and EAGC staff aimed to conceptualize, articulate and harmonize the EAGC GSoko Communication and Route to Market Strategy for EAGC - GSoko online Trading System.

Key objective of the Workshop were to provide a platform for the partners to build a consensus on the EAGC G-SOKO Communication and Marketing Needs, while harmonizing the Stakeholders Roles in the Communication Strategy and Route to market. As a participatory process of developing the EAGC G-SOKO Communication Strategy, it ensures ownership by all the partners.

The EAGC members desire for business growth, availability of quality grains, increased profit margin and access to finances. The Gsoko system aims at ensuring these expectations of the members are achieved. Gsoko which is a trading system is the automation of the warehouse receipting system. The WRS has been in existence and Gsoko will improve the performance of WRS. Moreover, all the activities of the departments within the EAGC contribute the Gsoko system.

On 24th, stakeholders were invited to participate in the EAGI Curriculum validation session. EAGI has developed curriculum that is more specific and comprehensive to serve specific needs of our stakeholders.

Participants during EAGI Curriculum validation session
AGRI-Profocus Becomes the First EAGC Member in Burundi

Burundi Country Program Representative, Yves Batungwanayo received the first Burundi EAGC member. This month, Agri-Profocus in Burundi registered as EAGC member and initiated partnership areas to benefit from the opportunities offered by EAGC.

The Agri Profocus Country coordinator acknowledged the need to have structured systems for agricultural producers. EAGC will facilitate learning process in the grain structured systems to enable Agri Profocus adopt pick up with ease.

The country coordinator suggested that EAGC organizes exhibitions and training on grain standards so that the FBO’s can understand guidelines in quality standards. Moving forward, EAGC will strive to recruit more members in Burundi.

EAC Countries Review Cereals and Pulses’ Standards

Farmers and traders in East Africa dealing in cereals and pulses will have to observe common standards across the region when the process of harmonising them is finalised. Each country have their own standards, which poses a challenge to trade across the region. But, in 2005, an effort to develop the same standards across the value chain for grains and pulses.

This was accomplished in 2013. In total, 22 standards were developed but various stakeholders raised concerns about some of the conditions being too stringent to enable trade and, therefore, there was need for a review.

Out of these, the five in focus cover maize, millet and wheat grains as well as dry beans and soya beans.

East African Grain Council (EAGC), represented by Country Manager participated in the review meeting held in Kampala in February. The main aim of the review is to enable those involved in trade of these to access regional markets with ease. This way, the farmer will be a beneficiary because if the standards are stringent, some farmers may not be able to sell their produce. Each country is to come up with a position to be presented at a regional meeting, due to take place in Kenya, to conclude the harmonisation.

More Farmers receive Post Harvest Handling Equipments

EAGC Uganda team has conducted member visit and handed over Post Harvesting Handling equipments to several farmers to boost grain quality and reduce post harvesting losses.

The equipments issued were Maize Shellers, tarpaulin and moisture meters. Among the Farmer groups that have received is Katine Joint Farmers Cooperative Union Society Ltd; a member of EAGC in Eastern District of Dokolo.

The function was presided over by Ambassador Philip Idro, an EAGC Director in Uganda.
Trade Facilitation and Linkages Forum

Techfortrade, a UK charity organization that support sustainable and scalable technology innovations that facilitate trade and alleviate poverty, organized and facilitated traders meeting at Waterbuck in Nakuru to discuss trade facilitation and linkages within the county. Eastern Africa Grain Council participated in the meeting which brought together business people; traders, processors and farmers in the grain sector. EAGC will use this opportunity to lobby for more membership and benefit traders in the trade linkages through business to business meetings.

Success Story: FBO’s Earn Income from Maize Shellers Issued by EAGC

Recently EAGC issued Maize Shellers to the Farmer Based Organizations (FBOs). Among the groups that received these post harvest equipments, in Kenya include Satellite cooperative, Nzoia Grains and Suwerwa Huruma FBO have earned income from shelling maize for members and nonmembers. Nzoia grains cooperative have earned ksh10,000 shillings, Satellite cooperative earned Ksh7,000 from shelling maize while Suwerwa Huruma was the luckiest after earning Ksh29,500. These FBOs have invested the money in the expansion of their structures and other kind of investments.

This is a good progress since the revenue obtained from maize shelling is assisting in the development of the farmers groups, improving their livelihoods.

Country Programs Holds National Standards Review Meetings

The EAGC Country Programs Managers in the region hosted National Consultative Meetings on EAC Standards. The Rwanda Standard Board (RSB) in partnership with EAGC Rwanda Program hosted the review meeting on EAC Standard review from 25th to 26th February 2016 in Kigali.

Kenya Country Programs participated in the RFBS National Standards held on 16th February in Nairobi. The participants agreed that the Kenya position should be presented during the regional meeting scheduled from 1st to 4th March in Mombasa Kenya. The meeting had representation from Millers, Inspection companies, Processors, Commodity traders and Government agencies i.e. KEPHIS, KEBS and NCPB.

Among the contentious issues discussed was the wheat standards which the stakeholders said were too stringent and would therefore hinder trade.

In Uganda, Country Program participated in the National Standards Review meeting held on 15th February in Kampala where EAGC position was reiterated and adopted for discussion in the regional meeting. Uganda National Bureau of Standards led technical discussions. This meeting was covered in the leading media television.

EAGC Burundi Office held a meeting with the Ministry of Agriculture and Livestock in February to analyze the Regional Food Balance Sheet data available for public sector that was been presented by focal point of MINAGRIE.
The Annual Agriculture Policy Conference (AAPC) is an annual event that brings together key stakeholders and policymakers in the agricultural sector in Tanzania to discuss topical matters pertaining to agricultural policy in the country. The Conference is organized jointly by the Ministry of Agriculture, Livestock and Fisheries and the Policy Analysis Group (PAG). PAG started as one of the Working Groups created by EAGC under the Grain Sector Multi-stakeholder Forum, with the lead convener being the Agriculture Non-State Actors Forum (ANSAF). The Group has now grown to approximately 15 members.

This year’s AAPC is the 2nd edition of the Conference and carried the theme, “Agricultural Sector Transformation for Food Security, Jobs Creation and Poverty Reduction”, and sought to discuss agricultural policy in Tanzania particularly in the context of the soon-to-be-launched ASDP II. The Conference also hosted an exhibition on the sidelines which showcased a number of innovations and products in the agricultural sector.

EAGC was keen on Agricultural Sector policy discussion on the role and impact of NFRA activities on markets, the Collective Warehouse Based Marketing (COWABAMA) initiative, and food security. EAGC, represented by the Trade Policy Analyst, was amongst the panelists for the Session.

EAGC asserted that analysis is necessary to understand why NFRA’s procurement practices have a seemingly small impact on the market prices. Possible reasons could be variations in budgetary allocations and actual disbursements to NFRA, and delays in effecting payments to farmers (hence few bother to try sell to NFRA). Therefore, it would be useful to simulate for 100% disbursements to NFRA and the impact thereof.

There’s already the EAC Regional Food Balance Sheet which performs more-less a similar role with government to monitor food markets with respect to availability and prices. EAGC stated that RFBS is a true Public-Private Partnership, but so far private sector participation in the RFBS process is limited. Therefore, the private sector needs to play a more active role in the RFBS as they also stand to gain from the initiative.

On the COWABAMA initiative: the initiative is very positive, however in the long term EAGC envisages greater private sector participation in aggregation/warehouse operation. As such, EAGC proposed that stakeholders should begin analyzing whether aggregation/warehouse operation is a viable business that the private sector can invest in.
RATIN SMS System Successfully Installed in Rwanda

Regional Agricultural Trade Intelligence Network (RATIN) SMS System was installed successfully in Rwanda. For some period, Rwanda stakeholders and users of our RATIN services could not access market price information through their mobile phones. But now, stakeholders will have opportunity to access market prices with ease using their mobile phones by sending query SMS.

The system was configured in both English and Kinyarwanda to ensure that users have a choice in accessing information in their preferred language.

EAGC monitors for Kimironko and Nyabugogo were trained on the use of SMS System to enable them assist farmers and stakeholders in subscribing to the system.

Four markets in Rwanda; Kimironko, Musanze, Mahoko and Rubavu market were profiled. Soon Rubavu market and Goma border will be monitored and market prices availed in the RATIN system. This was a continuous process of establishing market status in the country for more market information access.

MEDIA COVERAGE

http://www.monitor.co.ug/Magazines/Farming/East-Africa-countries-review-cereals-pulses--standards/

EAC Standards Meeting Uganda https://youtu.be/Zai_VQ8Mfew

http://www.nation.co.ke/business/seedsofgold/Better-times-lie-ahead-for-maize-farmers/
In the month of February, EAGC has increased membership base by registering new members across the region. This is a clear indication that EAGC is impacting positively to the stakeholders hence attracting more members.

1. Winnies Pure health - Kenya
2. Equatorial Nuts Ltd - Kenya
3. CFC Stanbic - Kenya
4. Holiday Grain - Kenya
5. G-Market Co. Limited - Tanzania
6. AgriProfocus - Burundi

### March 2016 Key EAGC Activities

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<td>Nairobi, Kenya</td>
<td>WRS Bill briefing to Cabinet Secretary for the Ministry of Agriculture-Kenya</td>
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<td>1st to 2nd</td>
<td>Nakuru, Kenya</td>
<td>Agribusiness Finance Training</td>
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<td>1st to 4th</td>
<td>Mombasa, Kenya</td>
<td>Regional EAC Standards Harmonization Workshop</td>
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<td>7th March</td>
<td>Nairobi, Kenya</td>
<td>Board Audit Meeting</td>
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<td>9th to 10th</td>
<td>Eldoret, Kenya</td>
<td>Partners Field Visit (AGRA, SIDA, DFID)</td>
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<td>Kenya - 11th, Uganda - 14th, Rwanda - 15th, Tanzania - 17th</td>
<td>Uganda, Kenya, Tanzania and Rwanda</td>
<td>EAGC Members Meetings and Country Programme Committees</td>
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<tr>
<td>16th March</td>
<td>Kigali, Rwanda</td>
<td>Stakeholders Consultative Workshop on Africa’s Agriculture Transformation for the 2nd African Transformation Report by ACET</td>
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<td>18th March</td>
<td>Dar Es Salaam, Tanzania</td>
<td>RFBS Contributors Meeting</td>
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<td>21st to 22nd</td>
<td>Nairobi</td>
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<td>23rd to 25th</td>
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<td>25th March</td>
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<td>22nd April</td>
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IMPORTANT INFORMATION AND WEB LINKS.

You can read and view on the following links

EAGC ANNUAL REPORT 2014-2015

EAGC INFORMATION PACK
ATPAF-ESA BULLETIN VOL III
http://eagc.org/documents/EAGC_Policy_Brief_FINAL.pdf