A Decade Stronger
“Long-term strategies and commitments from both the public and private sector are needed, combined with action across a wide range of policy areas, to create an enabling environment for structured grain trade in Africa. Structured grain trade can be well managed and governed in an efficient and principled manner through effective cooperation among countries and the various trading blocs.”
Hon. Francois Kanimba. Minister for Trade and Commerce, RWANDA

“The Africa Grain Summit will help in charting the way forward on resolving the issue on postharvest grain losses which are currently at 40% in sub-Saharan Africa. By stemming these losses we can help to increase farmers’ incomes,”
Anne Mbaabu, Director of Alliance for Green Revolution in Agriculture’s (AGRA)

“What EAGC does matters and it makes a difference as the voice of the grain sector in Africa”.
Kate Snipes, Agriculture Councillor representing US Ambassador to Kenya

“RATIN is the best invention on real time price data globally”
Mr. Olivier Vyuzura –BURUNDI

“G-Soko platform, is instrumental in driving regional integration and trade, while assuring quality grades and standards for economic growth.”
EAC Director Productive Sectors Jean Baptiste Havugimana

“We thank EAGC for its incredible improvement in services to the Tanzania members including daily updates on regional market information, training, trade forums and workshops among others.”
Julius Wambura, Frabho Enterprises, TANZANIA

“Guaranteed delivery of exact quantity and quality of grain through an online system”
Raphael Group Ltd., TANZANIA

“I was the first EAGC Member in Malawi, and I joined immediately after attending their structured trade training in Blantyre. I immediately changed my post-harvest handling methods. Now I am a happy farmer, able to operate my farm as a business.”
Mrs. M. Chirwa of Zekoko Company, MALAWI
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A DECADE STRONGER

FACILITATING EFFICIENT, STRUCTURED, INCLUSIVE & PROFITABLE GRAIN TRADE IN THE REGION

269
EAGC members in 2016

# OF MEMBERS
ETHIOPIA - 35
SOUTH SUDAN - 9
UGANDA - 54
KENYA - 112
RWANDA - 22
BURUNDI - 4
D.R. CONGO
TANZANIA - 61
ZAMBIA - 3
MALAWI - 8

2006
EAGC launched

42 54 60 77 89 107 125 151 184 269

EAGC MEMBERS AND FARMER BASED ORGANISATIONS HAVE BENEFITED FROM...

- Specialised EAGI courses held for 1,440 trainees across 5 countries
  50

- Village aggregation centres that received post-harvest handling equipment
  139

- Business expos & trade summits in 5 countries, with >80,000 attendees
  30

- USD in loans issued via the Warehouse Receipt System
  $3.5 million

- Warehouses certified (Kenya - 18; Tanzania 18; Uganda 17)
  55

- Markets across 7 countries covered by RATIN market information system
  59

- Major policies influenced, e.g. harmonisation of grain standards
  10

- Increase in income of EAGC maize farmers in Kenya in 2016
  15-40 percent
EAGC is marking its 10th anniversary, celebrating ten years of achievements in advocating for and facilitating an efficient, structured, inclusive and profitable grain trade in the Eastern Africa region, and emerging a decade stronger!

In the first African Grain Trade Summit in 2005, a resolution was passed to form a regional umbrella organization to bring together all grain value chain stakeholders; from the farmers, to the traders, to the processors, to address crosscutting issues, specifically the transaction costs incurred in trading grain. EAGC was born!

From its humble beginnings EAGC has flourished into an organisation that is the leading voice of the grain industry in the region. We begun with just 28 founding members in 2006 and have now grown to a total of 269 members spanning 10 countries.

Over the last ten years we have worked hand-in-hand with our members and partners to strengthen the grain value chain in the region, by:

- Building a structured grain trading system, with a total of 53 warehouses certified since 2015
- Facilitating trade of 124,000 MT of grain through structured trading systems since 2012
- Rolling out the Warehouse Receipting System, which has issued US$3.5m in loans through six financial institutions that have developed specialised lending products within the last three years
- Improving post-harvest handling by facilitating the establishment of 78 farmer-operated grain aggregation centres and training over 10,000 farmers per annum on the correct techniques
- Establishing EAGC’s capacity building division, the Eastern Africa Grain Institute, which has delivered 50 specialised EAGI courses across five countries, including South Sudan, to 1,440 participants since 2014
- Developing the Regional Agricultural Trade Intelligence Network (RATIN), which has been recognized as the regional Market Information System hub, providing comprehensive grain market intelligence in 59 regional markets across seven countries
- Connecting all grain value chain stakeholders through hundreds of Business-to-Business (B2B) trade facilitation forums, Africa Grain Trade Summits, agribusiness expos, conferences and trainings. The Agribusiness Expos alone benefitted 80,000 attendees
- Weighing in on all policy measures that affect the industry, and influencing and shaping more than ten major Government policies, including the Warehouse Receipt Systems Bills (which we expect will very soon be passed into Kenya law)
- Taking the lead on the harmonization and implementation of grain trade standards in the Eastern Africa region, including stakeholder facilitation, negotiation and resource mobilization to get the standards gazetted, and following up with training over 8,000 farmers per annum on the standards
- Ensuring food safety and security through initiatives like the Regional Food Balance Sheet (a tool to support food security policy decisions), and applying measures to combat aflatoxin
- Creating markets for pulses, under the SITA partnership with ITC, which promotes export of pulses from Eastern Africa to India, and the transfer of technologies for pulses handling, processing and value addition from India to East Africa

The above list of achievements illustrates some of the significant milestones we reached in the pursuit of our mandate as defined in our strategic plan and EAGC Articles of Association.

We could not have done this without the support of our members, the Board of Directors, development partners, Eastern Africa States’ Ministries and our staff at the Secretariat.

In particular we would like to acknowledge all the partners who have provided EAGC institutional core support from the very beginning. We invite you to celebrate our achievements of the past decade as we forge a way forward into making grain trade in the region structured, inclusive and profitable!
The EAGC G-Soko Platform is a service provided by EAGC to facilitate regional and national trade in grains. G-Soko comprises a network of village aggregation/grain bulking centers (VACs) linked to certified warehouses installed with a software automating the grain intake and grain warehousing and management process, and connected to a virtual trading platform with a clearing and settlement process, all regulated and administered by EAGC, under the law of contract and operating under defined set of protocols, procedures, rules and regulations.

The G-Soko process starts with the identification and registration of farmers who are organized in groups to operate VACs. Through VACs, farmers consolidate the small volumes of grain they produce. They aggregate and transport the grain to an EAGC certified warehouse for grading and weighing; with an option to either sell the grain immediately or store it in the G-Soko certified warehouses for future sale. All of the EAGC certified warehouses operating on the G-Soko platform guarantee the buyers and sellers the quality of the grains stored.

Upon the option to store grains, the certified warehouse issues the grain depositor a G-Note that has various uses:
(i) it can be nominated for trade,
(ii) it can be used to access credit or,
(iii) used for input purchase.

The G-Note can be traded, transferred from the seller to the buyer, and payment is transferred to the seller via a settlement bank. Traded commodities include maize, beans, rice, wheat, millet, sorghum and assorted pulses. G-Soko also facilitates structured trade financing for those who are interested in buying the grain deposited at EAGC G-Soko Certified Warehouses in Kenya, Uganda and Tanzania.

The G-Soko trading system enables smallholder farmers to access better markets, obtain credit and reduce postharvest losses. It allows farmers to venture into more profitable farming activities with increased incomes and better livelihoods. Traders, millers and other processors are assured of better quality, consistent and reliable supply of grains at a lower cost and effort.
The greatest challenge to the grain value chain in Eastern Africa is lack of structured trading systems. Small-scale farmers do not fully understand the expected grain standards, grain graders in commercial warehouses lack the skills to grade and secure grain, and farmers and traders do not have information on where to buy and sell grain.

EAGC, in partnership with FoodTrade East and Southern Africa (ESA), developed a grain trading solution that addresses the challenges of all actors in the grain value chain. The G-Soko system ensures value chain players uphold EAC grain standards, and links farmers to village aggregation centres, warehouse operators, financial institutions and traders in an automated online system.

“Farmers who bring their maize here have an advantage, they can access farm inputs without paying immediately, they can access funds through the warehouse receipting system, we also aggregate and sell in bulk.” stated Nahashon Kagiri, the Chairman of Ngarua Cereals and Cooperative Board.

Ngarua Cereals Cooperative used to be a farmers group that aggregated maize through a centre. After working with EAGC, they received digitized weighing scales, moisture meters and a laptop, all powered by a solar system to manage their warehouse, and automated to the G-Soko system.

The Cooperative grades grain to meet EAC Standards, aggregates the grain, which is automatically reflected on G-Soko.

“Grain commodities are a high capital investment, EAGC under WRS has brought commodities collateral where we can now get access to finance in an easy way, not many banks were for agriculture, now they understand,” stated Rose Mutuku of Smart Logistics. The receipt of good grain in the warehouses allows financial institutions to provide loans to grain owners using grain as collateral, addressing challenges related to access to finance.

The G-Soko system has a trading platform that allows farmers to nominate their grain for bidding. Farmers set a reserve price and the highest bidder buys the grain. This commercial transaction is processed through G-Soko’s Settlement and Clearance procedures that ensure all parties meet their contractual obligations.

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Access to finance facilitates national and regional trade, providing capital to invest in increased production, storage and infrastructure. EAGC’s model for improving financial inclusion for smallholder farmers is the Warehouse Receipting System (WRS).

The system, which was launched in 2008, allows farmers and traders to deposit maize at certified warehouses and obtain a warehouse receipt (also referred to as a G-note under G-Soko), validating the grain type and quantity. The warehouse operator guarantees the safety, quality and quantity of the grain, and is legally bound to provide it to the depositor in the future.

The depositor can then take the warehouse receipt to a bank or other financial institution and use it as collateral for a short-term loan. By doing this a farmer can get money to pay expenses, and can buy inputs for the next season. A trader can get money to buy grain in bulk from farmers.

The grain stays in the warehouse until the depositor wants to sell it (ideally when the price is high). When the grain is sold, the warehouse delivers the grain to the buyer. The bank is repaid the loan plus interest, and the warehouse operator is paid for the costs of storage. Even after these deductions, the depositor typically gets a better price than if s/he had sold the grain immediately at harvest time.

The WRS has been highly successful, with thousands of farmers and traders benefiting from US$3.5m in loans to date. However, farmers and traders still have difficulties in accessing loans as financial institutions fear the risk of exposure due to weak collateral management. EAGC has been working hard to address this perception and has managed to convince some institutions to finance farmer operated warehouses.

The success of WRS has resulted in increased interest by financial institutions to understand Structured Commodity Trade Financing. EAGC through the EAGI has undertaken capacity building of finance professionals (including commodity traders; credit and risk managers; trade finance specialists and marketing managers; import and export traders; finance managers and directors; bankers) to support the development and implementation of products for Structured Grain Trade and agribusiness financing.

To date, six financial institutions have developed new commodity financing products and signed tripartite agreements with warehouses for lending:

- Rafiki Micro-Finance
- Unaitas Sacco
- Equity Bank
- Sidian Bank
- Co-operative Bank
- Chase Bank

More banks are expected to launch products in the coming years.
John Ngahiu’s capacity to increase his income vastly improved when he discovered he could use grain as collateral security for bank loans. Like most small-scale traders in Eastern Africa, his disposable income and business cash flow limited the quantities of grain he could buy from smallholder farmers. However, the Warehouse Receipting System (WRS) allowed him to access financing.

“You take your maize to the EAGC certified warehouse, they measure the quantity and quality, and if it’s good, they give you a warehouse receipt in exchange for it. Now that’s the receipt you take to the bank. I respect Equity Bank, after 30 minutes you have the money that’s on that receipt, 70-80% of the value of the receipt, according to what you agree,” Ngahiu marveled at the warehouse receipting system.

EAGC works with private warehouse owners and farmer associations to establish a network of certified warehouses. The WRS has increased access to credit for smallholder farmers and small-scale traders, who now can take secured loans during the harvest season, as they wait to sell their grains when the prices are higher.

“In the months of January and February, when children go back to school, we would take loans and pay school fees. Around end of February extending to March we used the funds for fertilizer and seed. Now in late March to May during the planting season, grain is in its highest demand, so we start releasing the grain we have in the store for sale,” Ngahiu explained.

Ngahiu had taken loans secured on grain from 2012 to 2015, storing his grains at the Lesiolo Grain Handlers warehouse that was certified by EAGC. Cargill later acquired the Lesiolo warehouse in 2015, and begun to buy grain directly from farmers for the company’s use.

“The business becomes so hard for us traders, if you don’t have money, you cannot trade. Because now to get a loan is a headache, especially without a title deed or a log book, but credit through grains is easy,” grieved Ngahiu at the sale of the Lesiolo warehouse.

Ngahiu had received loans from Equity and Chase banks. In 2012, he took a loan of 6 million and paid it back within the year, and in 2014 he had an overdraft of Ksh. 50 million from Chase bank for the purchase of grain, all secured by the grain he had aggregated from smallholder farmers.

“We could get a profit margin of between Ksh. 500-600 per bag, and I’d sell an average of 6,000 bags in a year. In 2012 I had about 6,000 bags of wheat, and another 6,000 of maize, all supported by the banks, and after selling it, I got good money.”

EAGC has created a structured system that enables grain traders and farmers to access credit from financial institutions using grain as a collateral.
EAGC has worked relentlessly for the past decade to help solve one of the key challenges facing the agricultural sector in Eastern Africa; post-harvest loss and its negative impact on food security.

Regionally post-harvest losses are estimated at US$1.6 billion per year, or roughly 14 percent of the total value of grain production. Small scale farmers lose large volumes of their grains as a result of poor harvesting methods and insufficient access to the right materials and equipment for drying, sorting, cleaning, grading, weighing and storage.

EAGC (alongside its private sector members and partners) has been instrumental in addressing these issues, by:

- Building capacity and providing training in post-harvest management practices
- Promoting the establishment of farmer-operated grain aggregation centres that pool resources to provide common storage facilities and marketing mechanisms
- Providing post-harvest handling equipment such as tarpaulins, moisture meters, proper storage bags, sieves and weighing scales
- Sensitising farmers through Agribusiness Expos that promote post harvest technologies; and educating farmers on improving quality, safety and marketability of farm produce
- Providing access to systems designed to better integrate farmers into the value chain including grain bulking systems, WRS, contracts, online trade platforms, etc (see pages 8-9 for more information)

EAGC’s interventions have increased uptake of post-harvest practices, including pest control, mechanical shelling, drying, moisture checking, cleaning and sorting.

As a result of improved grain quality management farmers have been able to access markets, with a number securing supply contracts with institutions such as UN WFP, School Feeding Programs, and National Cereals and Produce Board (NCPB).

Improved post-harvest handling enabled >12 FBOs to access institutional buyers in 2015, including:

- 10 aggregation centres who received contracts to supply grain; maize and beans to WFP P4P in the 2014/2015 harvest (Jan-Mar 2015) while 5 were contracted to supply 308 MT in the 2015/2016 harvest (January- March 2016)
- 2 Farmers associations in South Sudan were also contracted to supply WFP, South Sudan a total of 175 MT of maize
- A number of farmer aggregation centres in Kenya, who accessed School Feeding Programs through a partnership between EAGC and SNV Netherlands

These farmers were able to fetch higher prices; Ksh. 2,650-2,800 per 90-kg bag, as compared to the average prevailing market price of under Ksh.2,300, equating to a 15% - 40% increase in income.
Farmers continue to record the greatest losses of grain during and after harvest, largely due to the way they handle their produce and the decay caused by pests and organisms. However, reducing post-harvest losses requires education on how to cut, handle, thresh, dry and store grain.

Christopher Kipkerir has been farming for the past 16 years, and produced the highest yield in the past five years. "Before we were informed of how we lost our maize, we were not aware, and couldn't take that precaution. You lose most of your maize through rotten grains, harvesting when the maize is not dry, the maize actually spoils because it retains water."

Kipkerir, anticipates a good harvest of 25-30 bags per acre in December 2016; he has 20 acres of land. He explained how lack of knowledge of post-harvest handling resulted in massive losses in the past. Although he had farmed for years, EAGC’s training on harvesting and post-harvest management increased the quantity and quality of produce he sent to the warehouse.

“EAGC has been training us on the dangers of the grains not being dry when you harvest, the moisture content, and as we prepare to take our maize to the warehouse, they are normally handy, always with us. They even bring the experts from the stores to train us on how to dry the maize and prepare the maize so that you have quality maize," stated Kipkerir.

Samuel Rutto, EAGC Regional Technical Expert, explains that EAGC enforces self-regulation of the regional grain standards. By training farmers to improve on production, and aggregate grain at village aggregation centers that inspect and grade the grains deposited, farmers adhere to the requisite standards and thus are incorporated into structured trading systems.

Previously Kipkerir would harvest and store his maize at home, where weevils and rats would infest them. EAGC’s constant training and field visits reinforced the role of storing grains in warehouses to reduce post-harvest losses, and the resultant benefits that would accrue from warehousing.

“When you store your maize at home you may not be able to control weevils, rats, you lose more maize, and the charges of controlling insects is high. It’s cheaper for the big stores when they preserve grains against insects, they’re charged per tonnage. I sell the same grain when its not spoiled. And when you take your maize to the warehouse, it’s insured. As a farmer you may not think of that. You also get the bargaining power, you sell your maize in bulk with other farmers, and bargain better." Kipkerir paid highest regard to the role of storage in post-harvest management.
Launched in 2012, the Eastern Africa Grain Institute (EAGI) has become a centre of excellence for knowledge and capacity development in grain trade in Eastern Africa.

The Institute’s specialized courses attended by warehouse operators, traders, input suppliers, government and financial institutions have resulted in improved storage management, grading skills and decision making, as well as the development of commodity financing products by financial institutions.

EAGI generates income from fee-based courses and is working towards financial sustainability. The Institute has steadily expanded its reach and now offers courses across all ten EAGC countries on a virtual basis. Plans are in the pipeline to offer courses on an e-learning platform thus expanding the training and capacity service across and beyond the continent.
Although the Eastern African region has made headway in harmonizing grain standards, the challenge remains in implementing a mandatory maize grading system that meets the prescribed quality and safety of grain. The traditional methods of testing samples of maize are not effective in controlling quality, and lead to massive losses for smallholder farmers.

Kevin Njoroge, a warehouse operator in Kitale, is one of the beneficiaries of EAGC grain graders training. “Before the training, we used to bite the maize with our teeth, and test whether the maize was dry or not. We would take a bite, if it cracked, or if we felt the middle part was somehow wet, we would say it’s not dry and perhaps unsafe; that was the test,” he said.

Njoroge represented Waumini Soko Huru CBO warehouse. In a week long grain grading training in Mombasa, EAGC’s Ugandan based grain expert, Rose Nakamuli, taught Njoroge in a team of 42 warehouse operators how to grade and handle wheat and maize.

“Initially we were storing our maize in a semi-permanent store, which had rats, because there were many spaces and entrances. Sometimes it would leak from the roof, it was not easy to fumigate, and almost impossible to get Grade One maize. EAGC took us through a training process to understand the requirements of a good warehouse,” stated John Wangombe Mahinda, Chairman of Waumini CBO.

The first training on warehouse management stirred the founding members of Waumini CBO to build a permanent structure for the warehouse. Once the structure was up, EAGC trained the warehouse operator, Njoroge, to equip the group with the capacity to grade and handle grain.

“We used to put the bags on the floor. But there I was taught that you are supposed to stack and arrange the bags on palettes. And you don’t just throw bags on top of the palettes, you arrange them,” Njoroge explained. The grain graders training qualified the warehouse operators to select the best grain for trade, and manage warehousing effectively.

EAGC further equipped the CBO with grading equipment, weighing scales, moisture meters, solar panels, computers and printers.

Waumini CBO now has a certified EAGC warehouse that is owned by 32 members and serves up to 200 farmers in a season, most of whom provide between six to ten bags for aggregation. They now sell grain to the World Food Program (WFP) and two schools in Trans Nzoia county. “The WFP only became a client after we received EAGC certification. Before we were certified by EAGC, WFP was not buying grain from us because we did not have that structure or systems that could meet the grade and quality of the maize they required,” said the Chairman.

Waumini CBO’s investment in a permanent warehouse structure, and EAGC’s commitment to training and providing grain handling resources, make it easier for warehouses to achieve grain consistent with EAC grain standards and therefore to access markets.
The Regional Agricultural Trade Intelligence Network (RATIN) is a web-based Marketing Information System that provides grain trade information within Eastern Africa. RATIN provides structured market data in the form of daily market prices, cross border trade flows and warehouse stock levels.

Since its launch in 2006, RATIN has steadily improved user functionality and expanded its product offering and coverage.

The network has been continuously updated and improved to meet user needs, including a major overhaul and relaunch in 2012, and system-wide update in 2015. As part of this process the range of products increased from five to 19.

RATIN has simultaneously expanded its reach to now cover 59 key regional grain markets across seven countries. Plans are underway to extend coverage to all 10 countries in the Eastern African region, as well as to develop partnerships in the Southern, Western and Northern Africa regions.

RATIN has been recognized and approved as the regional Market Information System hub for the region to provide comprehensive grain market intelligence. The network has proven valuable to all grain value chain stakeholders, facilitating and boosting regional structured grain trading and food security, whilst ensuring profitability of all the actors in the sector.

**How it works**

RATIN’s information is collected by enumerators based at the main markets, border points, warehouses, and at food balance sheet committees. They collect data, submitting it via smart phones to the system for collation, analysis and dissemination via RATIN’s web portal, SMS, email and newspapers.

Data is validated by RATIN with system programs coded, and run, to flag out of range data and other outliers. Additional data quality feedback is also provided by farmer groups, traders and associations, all of whom are system users.

**Impact of RATIN data**

- Developed into the Regional Food Balance Sheet - a partnership with governments, EAC and relief agencies, to support food security decisions, especially imports & price setting by governments (more info on p23)
- Used in production of quarterly Informal Cross Border Trade Bulletins (produced in complement with WFP, FAO and FEWSNET)
- Employed for research purposes to inform policy and decision making
- Provided information for policy intervention leading to lifting of bans and allowing duty free maize imports
- Extensively published in electronic and print media (over 50 times per annum), including the East African, to support coverage of grain sector issues, reaching over 4,000,000 across the region

**For more information visit the RATIN website - www.ratin.net**

**By the numbers**

- Website hits to date and over 7,000 web users per month
- Regional markets covered across seven countries
- SMS subscribers, plus 5,000 daily news subscribers
Small-scale farmers and traders in Eastern Africa bare the cost of information through the loss of potential income. Knowing where to find customers, what to sell to them, when to sell to them and at what price, is at the centre of discussion for farmers groups, traders and corporates alike.

Josephine Ibunge, a farmer with Chaptarit Women’s Star Group used to collect market information through their limited networks. “If we would want an item, we would ask farmers we knew from other areas, how much is a bag of maize in your area? Sometimes we randomly asked the traders who came to visit us about the market prices in their areas, and then we’d estimate the price to sell to them based on that information.” Ibunge explained.

The ability of smallholder farmers to gather and use market information is central to increasing their incomes. Grain prices in Eastern Africa differ according to seasons; during harvesting prices of the grain within the locality are low, and yet the same grain can fetch higher prices in a different locality within Eastern Africa, where planting is in season. The Regional Agriculture Trade Intelligence Network (RATIN) is changing the face of access to market information in Eastern Africa. Through a network of 59 market and border monitors that span across seven countries in Eastern Africa; RATIN collects market data on a daily basis, which is submitted through GPS enabled phones, processed and made available to members every day before 10am.

“RATIN has come in as the best platform now, whether one wants to buy or sell maize or beans, even ndengu! It just shows the actual market prices from all across the region. So we can leave a lower price here and sell to a region where you make higher profits. Can you believe it comes on your phone!” Ibunge explained how ideal RATIN had proved to be.

Gerald Masila, the Executive Director of EAGC, says that RATIN was developed so that the actors in the grain value chain could have relevant and timely market information to equip them to make decisions about trade, entry into new markets and to reduce transaction costs.

Rose Mutuku, a trader and the founder of Smart Logistics, explained how RATIN provided real information that she used to make decisions on target markets and prices within the region. “We get to know about our counterparts in the region; market information on the seasonality, for example we move grain from Uganda and Tanzania to Kenya, we get to know the seasons in those countries, the going prices and varieties,” She said.

“When you are selling something, a difference of Ksh.50 per bag after you have paid all your expenses is very high for us! So we have chosen to sell to traders who are as far as Thika yet we are in Nandi. We leave traders who want to put things down for us. After all you can get a bag leaving you with Ksh. 30 when you sell it to locals here, so we are happy to go a long distance to increase the profit to Ksh.100 per bag.” Ibunge illustrated the rewards of market information.
EAGC brings together all actors across the grain value chain through various conferences, summits and forums. The Agribusiness Expos, the African Grade Trade Summits (AGTS), and Business to Business Trade Facilitation Forums are the most established of these trade facilitation and networking events.

**B2B TRADE FACILITATION FORUMS**

EAGC’s Business to Business (B2B) Trade Facilitation Forums are designed to support members in trade facilitation and networking for increased regional trade. The forums bring together producers, traders and processors, with the objective of making connections and doing business. EAGC supports the processes by designing standard trade contracts that buyers and sellers sign as an expression of interest to trade with each other.

The forums, hosted in Arusha, Tanzania; Kampala, Uganda; Kigali, Rwanda; and Nairobi, Kenya, have successfully created business opportunities for members and stakeholders. Several firms in Kenya, Uganda and Tanzania have traded across borders on different commodity including Maize, Soybean and Common beans. In 2015 the B2B forums held in Arusha and Kigali led to 95 trade contracts signed for 289,876 MT of grain, valued at US$1.6 million.

**AFRICA GRAIN TRADE SUMMIT (AGTS)**

The African Grain Trade Summit (AGTS) is a continentally-recognised grain industry conference that attracts stakeholders across the value chain from all over the continent for discussions on key industry issues, including strategies for sustainable growth in grain production, new post-harvest technologies, marketing challenges and developing trends in grain trade.

**AGRIBUSINESS EXPOS**

EAGC’s Agribusiness Expo is the region’s biggest agricultural business trade show, covering Tanzania, Uganda and Kenya. The two-day, annual event is designed to increase interaction, dialogue, rapport and business linkages between farming community and agribusiness stakeholders, including suppliers/manufacturers of inputs and implements and service providers – financial institutions, grain handlers, etc. The Agribusiness Expos also provide farmers with a unique opportunity to learn about grain sector issues, trends and technologies. To date, 22 expos have been held - eight in Kenya, seven in Uganda, six in Tanzania and one in Malawi.

**BY THE NUMBERS**

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<th>&gt;80</th>
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<td>THOUSAND</td>
<td>Business expos and trade summits held across five countries</td>
<td>value of 95 grain trade contracts signed in 3 B2B forums in 2015</td>
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Agribusiness Expo attendees to date

BY THE NUMBERS
“Today we are providing soya in large quantities to a company like Soy Afric, who we were previously trying to get into, but we were unable to. Before EAGC took in soya as an agri-commodity I was trading 200-250 tons, today I’m able to move 2000 tons of soya, and it is my capacity that is the limiting factor, not the market.” Rose states with satisfaction.

Smart Logistics was recently appointed as a supplier to export pulses to India under the SITA project through the support of EAGC. Rose travel to India where she was able to establish many useful connections with not only buyers, but also manufacturers.

“In our meetings in India they even brought in the manufacturers of our grain handling equipment. So you are able to talk to them and they know you now, I can call the MD, I can write to them,” Rose says.

Today Smart Logistics deals with pulses, maize and sorghum, operating a 4,400 Sq ft warehouse with capacity of 4,000 bags, and eight Village Aggregation Centres across Eastern Kenya. Smart Logistics commenced operations with minimal capital, but with the support of EAGC, they are now handling contracts totaling a billion shillings.

Over the years EAGC has hosted Business to Business (B2B) trade facilitation forums, Africa Grain Trade Summits, agribusiness expos, conferences and trainings. These forums have significantly contributed to the development of the grain value chain by establishing market linkages, facilitating trade and transferring technical knowledge.

Rose Mutuku, Managing Director of Smart Logistics, is one of the 80,000 participants who has attended these forums and proudly attests to their many benefits, which for her include a much deeper network, expanded market and stronger business.

Shortly after joining EAGC, Smart Logistics participated in the EAGC’s 2nd Africa Grain Trade Summit (AGTS) in Arusha, Tanzania, 2009, where they gained the information and contacts they needed to expand in to handling other grains like maize and pulses. “The AGTS Summit was an eye opener and market breakthrough to us in the grain market.”

Over the years Rose has participated in many B2B forums across the region, making new connections that have proven key to her business success.

“The B2B forums are so fantastic, we have received so much business out of them - we are meeting processors, we are meeting traders, we are meeting other stakeholders, even farmers. The meetings create trust and partnerships. We are now able to talk to each other as peers.”

These meetings have directly led to commercial contracts between Smart Logistics and companies like UNGA, Bunda Cakes and Soy Afric, to name a few. For example, in 2015, Smart Logistics participated in a B2B meeting in Arusha where they made contact with Soy Afric, a fellow EAGC member. With the right training on grain handling from the EAGC, Smart Logistics was able to meet Soy Afric’s standards.
EAGC recognises that efficient, structured and profitable grain trade cannot be attained without a business-friendly policy environment that is supportive of the grain sector. As such, for the past decade EAGC has taken a keen interest in policy developments in Eastern and Southern Africa. The Council has continuously engaged in public-private policy dialogue with national and regional policy makers (including the African Union, COMESA, EAC and SADC), providing a voice for the grain sector in order to create an enabling environment for the sector to thrive.

AFRICAN GRAIN TRADE SUMMITS

EAGC hosts the African Grain Trade Summit every two years to facilitate high level policy dialogue between policy decision-makers and business leaders. The first African Grain Trade Summit in 2005 called for the establishment of a regional body that would provide a voice for the grain sector, paving the way for the establishment of EAGC in 2006. Since then, the biennial event has proven to be one of the Council’s most potent tools in achieving progress in the agriculture and trade policy arena (as per the below timeline).

Establishment of EAGC

1ST AGTS NAIROBI 2005

2ND AGTS NAIROBI 2007

3RD AGTS DAR ES SALAAM 2009

4TH AGTS KAMPALA 2011

5TH AGTS MOMBASA 2013

6TH AGTS KIGALI 2015

Paved the way for introduction of Warehouse Receipts System in Kenya as a solution to grain marketing and financing problems

Initiated the process towards harmonisation of Eastern African Staple Foods Standards within the EAC and developed the Grain Score Card

Called for removal of maize export bans by Tanzania (later removed in 2012) and renewed focus on warehouse receipting & commodity exchanges

Launched the Structured Grain Trading Handbook

Created Communities of Practice & Action Groups to address challenges along grain value chain and lead public-private policy dialogue

ATPAF-ESA

EAGC with support from the United Nations Foods and Agriculture Organisation established the Agricultural Trade Policy Advisory Forum for Eastern and Southern Africa (ATPAF-ESA). EAGC is the lead partner in the forum, which acts as a coordination and collaboration mechanism to effectively advise on regional policy developments.

The Forum has roles built around four pillars:

- Improved policy monitoring
- Enhanced evidence-gathering
- Policy capacity building of stakeholders
- Enhanced public-private policy dialogue

Key achievements over the past ten years include:

- Introducing EAC harmonised standards
- Becoming a private sector signatory to the COMESA CAADP Compact
- Being recognised as voice of the grain sector
- Facilitating increased private sector involvement in policy formation and implementation, nationally and regionally
In July 2016 Tanzanian grain exports came to a halt. Trucks of maize, maize products and rice were held at all borders, after the Tanzanian government imposed a silent trade ban, with no prior warnings.

“I was in shock! Because I thought the country had done away with all trade bans, and this ban was not even announced, and that’s why I was not in the picture.” David Tuhoye, an EAGC member, expressed his surprise. Tuhoye had several clients exporting maize from Tanzania to the Eastern Africa region; the exporters reached out to EAGC for help.

The Tanzanian Government had introduced a temporary suspension of exports on food staples declaring concerns of food insecurity in 43 districts in the country. The suspension was on staple foods such as maize, rice and beans, however due to lack of clarity, border officials extended the ban to produce like tomatoes, onions, cassava and livestock. The government hoped to use the period of the suspension to conduct an assessment of food availability in the country.

“A lot of people had contracts to supply export maize to Kenya, very lucrative contracts, and they had taken money from the buyers for the products.” Stated Tuhoye.

EAGC carried out a rapid assessment within the month of the suspension, collecting evidence from farmers groups, traders and aggregation centres, and established that Tanzania had a food sufficiency level of 123%. Food was in abundance in the country. EAGC convened a meeting in August 2016 with grain farmers, traders and grain processors in Dar Es Salaam to discuss the decision by the Government to suspend food exports in July 2016.

The Tanzanian Ministry of Agriculture invited EAGC and the grain stakeholders to Dodoma, where EAGC presented the study’s evidence on the impact of the export suspension on both the Tanzanian agricultural sector and broader economy.

“EAGC’s regional policy expert Kim Muhando was given a task to explain our problem to the Minister of Agriculture in Dodoma, about the concern of the loss of revenue of the commodity business, the real impact of the ban. It’s the loss of trading opportunities, future business, and our reputation as reliable suppliers! The loss of forward contracts, loss from non-delivery of performance, Tanzania seemed like a country you could not trade with!” Tuhoye explained the sentiments of all those affected by the ban.

Although the temporary suspension of exports on food staples continues, EAGC convinced the Tanzanian government to lift the ban on grain value added products, maize flour, milled rice, and pulses by Early September. EAGC and Tanzanian grain stakeholders continue to hold discussions with the Tanzanian Government to completely lift the staples export ban.

POLICIES INFLUENCED

- Harmonization of EAC Grain Standards
- Warehouse Receipting System bills
- Removal of export bans in Tanzania
- Removal of VAT on agricultural inputs
- Removal of Cess & other taxes - Kenya
- Finance Bills/ Annual Budgets
- AFFA and Crops Act - Kenya
- Soyabean value chain policy-Tanzania
- Maritime Insurance policy
- Lobbying against adhoc price control setting
EAGC has worked tirelessly to harmonise grain trade standards across the EAC in order to improve intra-regional trade and reduce cross-border compliance costs. After years of stakeholder facilitation, negotiation and resource mobilisation by the EAGC, the Harmonised Staple Foods Standards was finally gazetted in 2013.

EAGC has since assisted in the implementation of standards through numerous interventions, including:

- Capacity Building and Training on Grades, Standards and food safety for graders, farmers and financial institutions
- Working with EAC & National Standards Boards to develop training curriculum for graders
- Sensitising farmers on standards, food quality and safety matters through Agribusiness Expos
- Distributing training manuals / guides to FBOs

Furthermore, in 2015 EAGC commissioned a gap analysis study on the implementation of the Standards, identifying key challenges such as technical deficiencies in some parameters, limited capacity to enforce and implement the Standards, and inconsistencies in sampling and testing procedures. Based on the study’s recommendation, EAGC has since lead a detailed review process to make nine of the Standards in particular easier to implement and enforce.

**BY THE NUMBERS**

- **22** regional grain commodity standards harmonised across EAC region
- **54,000** farmers received training in post-harvest handling to date

**GRAIN GRADING AND TESTING**

Accessing affordable grain grading and testing services is a key challenge facing many grain stakeholders. To address this EAGC has entered a partnership with Soy Afric and SGS Kenya to undertake laboratory testing and grading of grains, pulses and their by-products.

The partnership will enable EAGC members and all grain stakeholders to access affordable, convenient, high quality testing services in a state of the art laboratory. This makes it possible for stakeholders to meet grain standards, thereby increasing profitability, facilitating grain trade and improving food safety and security along the supply chain.

**TIMELINE OF HARMONISATION OF GRAIN TRADE STANDARDS**

- **2010** Negotiation, harmonisation and public review initiated
- **2013** Gazettement of Harmonised Staple Foods Standards by EAC
- **2014** Standards officially become law in all EAC States
- **2015** WFP, millers and traders raise concerns about the standards
- **2016** EAGC asked to conduct gap analysis on implementation of standards
- **2016** Review process initiated, including national & regional workshops, development of testing procedures, etc.
When the Ministry of Health in Rwanda posted a tender for the supply of enriched porridge, SOSOMA Industries Ltd. was well-versed with the required cereal standards. SOSOMA Industries had been participating in EAGC’s workshop that brought stakeholders in Rwanda together to discuss the national standards of grain.

SOSOMA Ltd.’s grain quality control manager attended the series of workshops. They took part in setting the cereal standards and through the process learned more about was expected of them.

“EAGC has made a big impact on harmonising the standards in Eastern Africa. They helped us win the Ministry of Health’s bid for porridge. We provided flour for porridge that met the required standards. We provide porridge flour for hospitals and health centers in the whole of Rwanda” stated Musabyimana Thadee, Executive Director of SOSOMA Industries.

SOSOMA fortifies grain flour to improve the diets of invalids, children and vulnerable communities. The company’s participation in developing national standards for grain in Rwanda guided them, ensuring that the grain they sourced met the proposed harmonized standards.

“We provided a product made of Maize and Soya Beans, and enriched with vitamins and minerals. EAGC worked with us to ensure that the grain we sourced met the standards; grade one, free of aflatoxin and that the grain was safe and would appeal to our market.” Thadee explained how participating in these workshops enriched the company.

The Ministry of Health required companies applying for the tender for provision of fortified flour to meet the standards laid out in the Rwandan Bureau of Standards on cereals and their products.

EAGC engagement with SOSOMA on grain standards begun before the EAC had adopted the law on harmonized grain standards. SOSOMA participated in the training workshops held for grain handlers, and in discussions on the harmonization of EAC grain standards.

EAGC was one of the lead organizations in championing the harmonization of grain standards in Eastern Africa, which were adopted by all members’ states in July 2014. Dating back to 2009, EAGC mobilized regional grain stakeholders into various technical committees and hosted national committees in all of Eastern African states to discuss the provisions of grain standards. Once the national positions on the standards were reached, EAGC hosted regional forums where national positions from each of the countries were brought forward and harmonized, eventually leading to the EAC harmonized grain standards.

“We also participated in workshops in Nairobi and Uganda where we met suppliers of our raw materials, high quality grain that meets EAC standards. In fact recently we have signed a contract with Co-operatives in Uganda and Tanzania, I don’t know any other organization apart from EAGC that plays such an important role in our region!” declared the Executive Director of SOSOMA Industries Ltd.
All of EAGC’s interventions and activities over the past decade have helped to promote food safety and security in the region, including:

- Training warehouse operators, graders, and promoting adoption of practices and technologies that improve food safety
- Implementing grain standards that both facilitate the trade of grain to where it is needed, and stipulate standards such as foreign matter limits and aflatoxin limits to minimise harm to consumers
- Facilitating post-harvest handling and access to storage to minimize loss and contamination
- Creating awareness on food quality and safety issues at Agribusiness Expos
- Providing market information through RATIN to strengthen the ability of markets to provide access to affordable food to poor households
- Supporting efforts of the EAC, through, for example, the Food Security & Nutrition Action Plan to harmonise approaches to food security
- Supporting the Comprehensive Africa Agriculture Development Programme that seeks to reduce food insecurity

Whilst significant progress has been made, there is still a clear need for EAGC (and its members and partners) to continue striving towards improved food security and safety in the region.

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**ENSURING FOOD SAFETY AND SECURITY**

**REGIONAL FOOD BALANCE SHEET**

The Regional Food Balance Sheet (RFBS) was established as a tool to support food security policy decisions, especially to rationalize imports and price setting by governments.

The ICT based tool brings together data from the public sector represented by Ministries of Agriculture; Food Relief Agencies represented by the WFP; and over 250 private sector institutions coordinated by EAGC.

The RFBS demonstrates the food situation at national and regional level, empowering policy makers with timely, reliable and accurate information on food surplus and deficits to improve food security.

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**FIGHTING AFLATOXIN**

Aflatoxin contamination in food grain and feed has been a major regional issue for the last decade, negatively impacting health, trade and food security.

Since its launch, EAGC has been leading the fight against aflatoxin, working on a range of interventions to reduce the incidence, including:

- Assisting with the harmonisation of aflatoxin control measures and improving the regulatory environment
- Running aflatoxin control training programs
- Providing moisture metres, tarpaulins, etc. to assist farmers in drying grains safely
- Sourcing cheaper kits and methods for measuring aflatoxins
- Conducting field surveys, regular analysis and random sampling during harvesting at farm level to assess the prevalence and extent of contamination
- Working with EAC to increase aflatoxin testing in maize
- Participating in the development of the Partnership for Aflatoxin Control in Africa (PACA) Strategy 2013-2022
- Advising on the EAC Aflatoxin Communication Strategy

Despite these interventions, aflatoxin remains a big threat to the industry, partly due to ignorance arising from the fact it is not visible to the naked eye. Effectively controlling aflatoxin will therefore require more education / training and cost effective testing, in addition to efficient disposal methods.

EAGC will continue fighting aflatoxin, but increased attention from governments and donors, and a coordinated response involving all stakeholders across the grain value chain will be critical to success.

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**FOR MORE INFORMATION ON THE FOOD BALANCE SHEET VISIT THE WEBSITE - RFBS.IN**
Farmers’ methods of managing food safety in the Eastern African region are changing as perceptions towards aflatoxin draw closer to the reality.

In 2013 the Eastern African Community harmonized standards for safe minimal levels of aflatoxin in staples; a maximum of 13.5% moisture content in grain. Implementation remains a challenge for most farmers, who lack the capacity to measure moisture content and dry maize to meet these levels.

Julius Mavuti Chairman of Kyambeke Kyamwani Cereal group, an area hit hard by aflatoxin, explained how they used to measure their moisture content. “Although we had heard of aflatoxin, we did not understand about this moisture content. So we’d make an effort to dry the maize as much as we could. To measure whether the grain was dry, we’d put our hand into the sack, if the hand felt warm inside, you’d know it was not yet fully dry, and needed to dry more.”

In ensuring food safety of grain within the Eastern African region, EAGC has trained farmers in the region about aflatoxin, and equipped them with tarpaulins for drying grains on and moisture meters for ensuring that grains are stored when they are dry and safe.

“When the EAGC field officer came here, he found when we had scattered beans and maize, here in the house, on the ground. EAGC trained us and after a short while returned with a tarpaulin and a moisture meter, we are very grateful.” Julius expressed.

Jonathan Muthama another farmer with Kyambeke Kyamwani Cereal group proposed a plant that would assist the farmers in achieving aflatoxin free grain. “You must build a drying machine for maize, drying on the ground is normal, but if we want be done with aflatoxin, we should raise standards and get a drying plant, the machine would dry grains and we would pack them in sacks.” He said.

Some of the EAGC members and partners are working towards providing affordable grain drying machines to farmers. As for now, farmers like Muthama have no choice but to use the sun and maintain food safety by using tarpaulins and moisture meters provided by EAGC.

“EAGC TRAINED US AND AFTER A SHORT WHILE RETURNED WITH A TARPALOIN AND A MOISTURE METER, WE ARE VERY GRATEFUL.”
CREATING MARKETS FOR PULSES

In its early years EAGC was primarily focused on the production of grain cereals such as maize, wheat and rice. However, recognising the many advantages of grain pulses, the Council has since expanded its scope to include a strong focus on the sub-sector.

Grain pulses have the ability to generate significant income and contribute to overall food-security in the region. They are a major source of protein and important nutrients, particularly in cereal based diets. Furthermore, most pulses contribute to the sustainability of soil fertility in dryland cropping systems due to nitrogen fixation, reducing the need for inorganic, commercial, fertilizers.

EAGC has been advancing the development of the pulses sub-sector, through numerous initiatives, including:

- Partnering with the International Trade Centre (ITC) under the project “Supporting India Trade with Africa (SITA)”
- Developing a pulses handbook to market pulses across Eastern Africa and India (under SITA)
- Developing the Tanzania Value Chain Roadmap for Pulses (under SITA)
- Linking FBOs that are growing pulses to buyers
- Facilitating meetings and consultations to develop a roadmap for the pulses sector in Kenya
- Establishing a partnership with the International Crops Research Institute for Semi-Arid Tropics (ICRISAT) and ITC for Pulses in Kenya
- Exploring areas of collaboration for pulses with the Machakos County Government

Exports of pulses over the last 12 years have increased from US $2.4 billion in 2002 to US $7.7 billion in 2014. In the coming years export volumes are expected to continue to increase as demand for pulse-based proteins grows due to demographic trends. This, in combination with flat yields in the production of pulses by major consumer countries, presents a huge market opportunity. EAGC will continue to strengthen and support the development of pulses to ensure its members are best placed to capture the opportunity.
Unpredictable weather and erratic rainfall have resulted to great losses for farmers in the semi-arid areas of Eastern Africa. With little knowledge of the lucrative potential of alternative grains to maize, farmers keep planting maize and hoping for increased rainfall yet their yields remain low, with some harvesting as little as 90kg of maize from one acre.

Mary Mathuli, 32, a member of Muvau farmers based organization based in Makueni farms sorghum, pigeon peas, cowpeas and green grams. In the past two years, her income increased from Kshs. 6,000 to Kshs.18,000, simply by changing the seed she planted, from maize to pulses.

“When EAGC asked me to stop planting maize and start with pulses I wondered, here in Makueni we largely eat maize, how can these Ndengu help me? They explained that pulses would produce more, and I could use the income to buy maize, pay school fees and buy clothes,” says Mathuli.

Mathuli planted the green grams on an acre, and in that season she harvested 4 bags of green grams, where she had previously only harvested a bag of maize. In the second season, the same acre produced 6 bags of green grams, which she attributed to better post-harvest handling of the pulses. This difference in yield and income made her fully shift from planting maize to pulses.

“If you plant maize, the rain comes and goes, and yet it still remains without producing. But with the pulses, they must bear, even with little rainfall. You also sell a kilogram of maize, you’ll get between Kshs.10-15, at best 20. But with green gram, a kilo goes for Kshs.100 at worst Ksh.70” she says.

Janet Ngombalu, Regional Programs Coordinator at EAGC, explains that the growing market demand for the nutritional value of grains and protein-based pulses, like green grams and cowpeas, has resulted in surprising payouts for farmers. EAGC encourages farmers to plant pulses because they are used for the fortification of staples like Ugali. Traders are also responding to market demand for packaged pulses.

After training them on pulses, EAGC linked Muvau FBO with two traders; Mwailu Enterprises and Smart Logistics warehouses. Both traders have commercial contracts with Muvau FBO to buy the organization's green grams, cowpeas and sorghum.

“Last year I was so happy selling my green grams, I received 18,000 and decided to renovate my house. My house has four rooms, my roof was made of sticks, I removed all the sticks, and put timber and iron sheet. The renovation cost me Kshs.55,000. I paid part of it with the Kshs.18,000 from pulses. I stay in a beautiful house. In 2016, I also sold green grams, and do you see the beautiful work on the wall of that house? It’s from those green grams,” with pride, Mathuli pointed to artwork on her walls.
MEMBERSHIP APPLICATION FORM

PLEASE COMPLETE IN BLOCK CAPITALS

Name of Applicant (Company/Organisation):

Name and position of contact person:

Physical Address:

Postal Address:

Telephone No: (country code, area code and number)

Fax No: (country code, area code and number)

E-mail address:

Website:

Core business (trader, producer, processor, National Level association, allied industry/service provider e.g. inputs, banking, insurance etc.):

State date of incorporation, or of commencement of business:

MEMBERSHIP FEES:

☐ Active Membership
  This membership is open to Traders, Producers, Processors.
  ■ Registration - US$ 100.
  ■ ANNUAL subscription - US$ 300. Entitles you to 1 year of benefits starting from date of receipt of payment.
  ■ 5 YR discounted subscription - US$ 1200. Entitles you to 5 years of benefit starting from date of receipt of payment.
  ■ Bank charges are to the senders account.

☐ Associate Membership
  This membership is open to National Level Associations.
  ■ Registration - US$ 400.
  ■ ANNUAL US$ 600. Entitles you to 1 year of benefits starting from date of receipt of payment.
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