

Communique on the East Africa Staples Food Trade Public Policy and B2B Forum

26-27th April 2023, Panari Hotel, Nairobi, Kenya

With funding from United States Agency for International Development (USAID) through the Economic Recovery and Reform Activity, Trademark Africa and The Eastern Africa Grain Council (EAGC) held a Collaboration, Learning and Adaptation Event (CLA) christened the East Africa Staples Food Trade Public Policy Dialogue (PPD) and B2B Forum on 26th and 27th April 2023 at the Panari Hotel in Nairobi, Kenya. Attended by over 180 delegates from 8 countries in Eastern Africa, the forum was convened to deliberate on the status and current staple food production and trade landscape in the region. The outcomes of the discussions from the PPD were aimed to inform appropriate policy and programmatic interventions by EAGC and TMA through the ERRA programme. The forum identified and analysed constraints and opportunities in the grains and pulses sector from national and regional perspectives as provided by the participants. Short, medium and long-term policy and private sector interventions were proposed towards addressing the challenges in the sector while taking advantage of the opportunities.

Day 1 of the forum brought together key agribusiness stakeholders, primarily from the private sector but also from government and development partners, from Kenya, Tanzania, Rwanda, Burundi, Uganda, DR Congo, Malawi and Zambia. A regional-level conversation and policy dialogue was held about critical issues facing grains and pulses production, trade and as well as on regional-wide solutions to be pursued by governments, the private sector, researchers, development partners and other key stakeholders.

A Business-to-Business networking luncheon held on day 2 provided an opportunity for key private sector players to identify and hold business discussions with key suppliers and market actors within their business interests to help identify and negotiate new market and supply chain opportunities. As a result, trade contracts for immediate and future business linkages and partnership were developed. Specifically, business opportunities for trade in grains, equipment, and machinery as well as structured trade financing for the staple food supply and market chains were identified.

THE CONTEXT BEHIND THE EAST AFRICA STAPLES FOOD TRADE PPD AND B2B FORUM

Regional trade in staple food commodities is an important aspect of food security and economic ecosystem in Eastern Africa. Countries that produce significant surplus of these commodities, such as Tanzania, Uganda and Zambia, play an important role in filling gaps in food availability in deficit countries such as Kenya, Rwanda and South Sudan, in return for market access for their surplus produce. Complementary crop calendars also underpin regional trade flows throughout the year whereby a harvest in one country of sub-region complements a lean season in another.

Significant progress has been made over the years to create the necessary infrastructure, policy environment and systems to facilitate intra-regional food trade. Staple food standards have been harmonized in the East African Community; cross-border trade has been simplified through the Simplified Trade Regime and One-Stop Border Posts, among others, and investments in transport infrastructure, to name a few. However, major challenges persist which have meant that, while intra-regional staple food trade flows have increased over the years, the above-mentioned opportunities remain greatly underutilized, much to the detriment of rural livelihoods, regional economies, job creation and food security.

TMA and EAGC, therefore, convened this forum to identify priority investments required to address bottlenecks in the sector and find sustainable solutions.

Opening remarks

The forum was officially opened by remarks from both EAGC and TradeMark Africa. Speaking in his capacity as the Board Director representing Kenya in the EAGC Board, **MR. JOSEPH KIMOTE**, Managing Director of the National Cereals and Produce Board:

- **WELCOMED** participants to Nairobi and to the forum.
- **REITERATED** that the workshop is about networking, building business relationships, and doing business.
- **POINTED OUT** that the staple food grains sector has been going through very difficult times as for example the price of fertilizer soared to unprecedented levels, hence the need for urgent dialogue to find solutions
- **HIGHLIGHTED** what Kenya has been doing to navigate the challenges under the Economic Recovery Strategy whereby the Government of Kenya subsidized fertilizer for farmers and is in the process of strengthening the Warehouse Receipt Systems Council.



Speaking on behalf of TradeMark Africa, **MR. MARK PRIESTLEY**, the Chief of Party of the USAID/Feed the Future-funded ERRA programme:



REITERATED the importance of regional trade in staple food commodities for food security, supporting agribusinesses and the wider economy in Eastern Africa.

POINTED OUT that the key objectives of the USAID/Feed the Future-funded Economic Reform and Recovery Activity are to support job creation, build more resilient economies and facilitate regional trade.

BRIEFLY PRESENTED EAGC's and TMA's prospective partnership under the ERRA programme to address systemic bottlenecks undermining staple food trade in the region.

CALLED ON participants to engage actively during the forum by sharing their insights, ideas, queries and experiences that can help EAGC and TMA deliver more impactful interventions within the scope of their prospective partnership.

Keynote presentation on the state of play of trade in food grains in Eastern Africa

In his keynote presentation on the state of play of trade in food grains in Eastern Africa,

EAGC's Executive Director, **MR. GERALD MASILA**:



HIGHLIGHTED the scale of global grain production and trade. Global grain trade is bigger than the GDPs of most African countries.

REMINDED delegates that Africa remains a major food importer despite having the bulk of the arable land in the world.

NOTED that opportunities for intra-regional trade are underpinned by comparative advantages and complementary

crop calendars.

REITERATED the challenges that prevent the opportunities to be fully realized, such as fragmented production, the policy environment, climate change, and poor post-harvest handling, among others.

FURTHER REMINDED that despite these challenges, food security and prosperity is best achieved collectively as a region.

PROVIDED POTENTIAL SOLUTIONS which lie in: empowering farmers, strengthening food safety systems, green financing, and addressing information and data gaps.

Panel discussions by industry experts

The forum featured 4 panel discussions by industry insiders from across Eastern Africa.

The first panel discussion on *Strengthening Linkages and the Policy Framework for Structured Grain Trade* was moderated by **MS. ANATARIA UWAMARIYA**, Director of



Business Competitiveness at Trademark Africa and featured **H.E AFANI IDRISSE MANGALA**, Governor of Maniema Province in DR Congo; **MR. ASANGYE BANGU**, Ag. Managing Director of the Warehouse Receipt Regulatory Board in Tanzania; **MS. VIOLET NYANDO**, Policy & Advocacy Manager at the Cereal Growers Association in Kenya; **DR. HERBERT KYEYAMWA**, Managing Director of Agroways (U) Ltd in Uganda; and **MR. DANIEL MUNYAMBU**, Country Agribusiness Specialist at Absa Bank in Kenya.

The panel discussants pointed out that the challenges of the past have presented important lessons that will help improve future implementation of instruments of structured trading systems such as the Warehouse Receipt System which is being re-energised in many countries and requires customisation to fit each country's context.

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REMINDED that the challenges of the past have presented important lessons that will help improve future implementation of instruments of structured trading systems such as the Warehouse Receipt System which is being re-energised in many countries and requires customisation to fit each country's context.

HIGHLIGHTED the significant infrastructure gap that exists in Eastern Africa, particularly in countries like DR Congo, which undermines access to markets and regional integration.

RECOMMENDED continuous capacity building of value chain players to empower them to adopt structured grain trade.

CALLED FOR better implementation of existing agricultural trade policies and creation of a policy for structured trading systems.

The second panel discussion, titled *Grain Trade Across Borders: What Works and Opportunities for Improvement*, was moderated by **DR. ANDREW Edewa**, Director of Standards and SPS at TradeMark Africa and featured **MR. BEN AKABWAI**, Head of Operations at Acila Enterprises in Uganda; **MR. JACKSON MUTINDA**, Finance Manager at Winnie's Pure Health Products Limited in Kenya; **MS. JOSEPHINE BUNGEI**, Chairperson of Cheptarit Star farmer group in Kenya; **MR. PETER KAZUNGU BYEMARO**, Country Coordinator – Farm to Market Alliance at WFP in Tanzania; and **MR. BERNARD BAHATI** – Director at OKAPI Agrobusiness in DR Congo.

In discussing the opportunities for regional grain trade, the discussants pointed out that population growth in East Africa is creating ever-increasing demand and opening up more markets for food trade.

The panel:

NOTED the opportunities in staple food trade presented by regional integration – particularly the recent accession of the DR Congo into the East African Community, a growing population, rising incomes and an expanding manufacturing base across the region.

ACKNOWLEDGED the risks undermining intra-regional staple food trade, which include, among others, financing challenges, inconsistencies with meeting standards, high cost of transport and other trade logistics, currency volatility and periodic flare-ups in the geo-political space.



RECOMMENDED investments to strengthen capacity of domestic and regional food safety systems, trade financing, market linkages for smallholder farmers and better post-harvest management of food crops.

The third panel discussion on *Sustainable Grain Trade: Inclusion, Climate Change and Trade Finance*, moderated by **MS. GLORIA ATUHEIRWE**, Director of Women in Trade at Trademark Africa and featuring **MR. ADAM MOLLEL**, Director at Dodoma Milling Ltd in Tanzania; **MS. JOSEPHINE KAIZA**, Managing Director of Building Rural Incomes Through Entrepreneurship (BRITEN) in Tanzania; **MS. LILIAN BYARUGABA**, Sector Head Agriculture at Equity Bank in Uganda; and **MS. CHRISTINE MAIORANO**, Head of Administration and Logistics, MBEKO Shamba SARL in DR Congo. The panel discussed solutions for improving financial inclusivity and adapting to climate change along the food value chain. On financial inclusivity, the panel presented the following interventions required to bring more women and youth into financial services:



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PRESENTED solutions to reduce carbon footprints, which include, among others, producing commodities on productive zones only; thus protecting non-agricultural areas; promoting renewable energy in agricultural operations; and incentivising the private sector to provide and/or utilise modern technologies along the food value chain.



RECOMMENDED various steps that can be considered by financiers, value chain players, government and development partners to enhance financial inclusion of women and youth in agribusiness. These include tailor made products and services for the youth and women; subsidising the cost of financial services targeting women and youth in agribusinesses; strategic partnerships between financiers and other industry players to de-risk lending to women and youth and capacity build them through financial literacy programmes; and supporting women and youth to establish sustainable business networks to establish better footprints in the staple food trade ecosystem.

The fourth panel, which discussed *Information systems and Knowledge Management for Improved Policymaking*, was moderated by **MR. ERIC SIRALI**, Director of ICT4Trade at



TradeMark Africa and featured **DR. HONEST KESSY**, Director of Markets and Food Security at the Ministry of Agriculture in Tanzania; **MR. PROTASE ECHESSAH**, Senior Program Officer for Policy at the Alliance for a Green Revolution in Africa (AGRA); and **H.E MADAME VUMBI SIKUJUWA APOLINE**, the Minister of Agriculture for Maniema Province in DR Congo.

The panel pointed out that addressing data and info gaps is a gradual process. Progress has been made but there's a long way to go. Discussants also highlighted ongoing initiatives such as the Regional Food Balance Sheet revamp implemented by COMESA with support from AGRA; stock monitoring system and building traceability of stocks through the warehouse receipt system in Tanzania; regular trade publications; and continuous improvement of variables that feed into domestic food balance sheet processes in Malawi.

The Panel:

ACKNOWLEDGED the progress being made in improving data and information systems for staple food crops in Eastern Africa, further pointing out that there remains a long way to go to have fully-established and well-functioning data and information systems.



HIGHLIGHTED Current initiatives in this space, which include revamping the regional food balance sheet system with support from AGRA and hosted by COMESA Secretariat; stock monitoring system and building traceability of stocks through the warehouse receipt system in Tanzania; regular trade publications; and continuous improvement of variables that feed into domestic food balance sheet processes in Malawi.

CALLED FOR significant support to DR Congo to build its market information systems to reach the level of its regional counterparts.

RECOMMENDED stronger governance structures for market information systems at country level and modalities for greater participation of stakeholders especially the private sector.

Thematic group work sessions

The group work sessions during the PPD forum were held on Day 1 evening. These group works were designed to allow participants to delve deeper into the issues affecting regional staple food trade (both positive and negative) and suggest practical and priority solutions to address them. The PPD participants were thus assigned to four thematic groups, these being:

- i. Logistics and trade finance
- ii. Strengthening farmer groups and facilitating procurement of agro-inputs
- iii. Strengthening industry-level capacities for greater compliance with food safety measures and standards
- iv. Competition, policy and market development for grain trade

In each group, participants were asked to respond to 4 main questions in their respective themes. These were:

- i. What works well right now?
- ii. What does not work well?
- iii. What interventions should be considered to mitigate the above risks and address challenges?
- iv. Please prioritize the solutions by distributing 100 points across the solutions presented in (iii) above (the higher the points assigned the higher the priority).

Delegates through their group discussions proposed priority interventions to strengthen staple food trade in Eastern Africa.

Outcomes of the PPD Forum-

On **logistics and trade finance**, stakeholders recommended as priority interventions:

- **Structured logistics management**, which entails a system of engaging, pooling and possibly certifying logistics service providers to facilitate cross-border movement of food crops.
- **Policy advocacy** to remove non-tariff barriers to trade that are related to logistics and transportation, which could include, among others, harmonization of some regulatory measures regarding load limits of trucks.

- Establishing and strengthening existing **guarantee funds** to de-risk agricultural lending.



On **strengthening farmer groups and facilitating procurement of agro-inputs**, stakeholders prioritised:

- Streamlining the **registration process for new products** at country and/or regional level.
- **Standardisation of efficacy testing** of non-biological agro-chemicals
- **Harmonisation of domestic taxes on farm inputs** in the East African Community to improve fairness in trade of these inputs and expand access to them by smallholder farmers.
- **Capacity building for the inspectors and regulatory bodies** especially for biological products
- Investments to **make seed systems more efficient**, such as plant breeding and bulking of inputs for farmers.



On **strengthening industry-level capacities for greater compliance with food safety measures and standards**, stakeholders prioritised:

- **Strengthening enforcement and incentivizing voluntary compliance** of quality and safety standards across Eastern Africa.
- Facilitating **expeditious domestication of EAC trade protocols in DR Congo** to facilitate grain trade with the rest of the EAC. This includes the adoption of harmonized East African Standards and other provisions of the EAC Customs Union and Common Market Protocols.
- Incentivising **adoption of structured trading systems** among the value chain actors considering that these systems inherently facilitate compliance with standards and food safety measures.
- Establishing **structures for seed, commodity and product traceability** in quality and safety.
- **Mobilising both technical and financial resources** from the public, private and third (development) sectors for implementation and compliance with quality and safety standards.



On **Competition, Policy and Market Development for Grain Trade**, stakeholders put forward the following priorities:

- Understanding and addressing the **geopolitical economy** to ensure alignment of political goodwill with interventions and programmes that support trade.
- Supporting efforts to **improve national and regional processes to address non-tariff barriers** to trade and move towards a **common currency in the EAC**.
- Supporting **social innovations** to help more women and youth engage more productively in agribusiness.
- Facilitating trade across the value chains through **capacity building, business models, structured trade, B2B linkages and innovations** along the value chains.



Outcomes of the Exhibition and Business-to-Business Session



An exhibition featuring 10 companies was held throughout the 2-day Forum, through which exhibitors gained valuable contact time with current and prospective clients. In addition, the **B2B session** held on April 27th yielded grain trade opportunities resulting to 71 grain trade contracts for immediate and near future trade of **551,456MT of various grains with an estimated cumulative value of USD 285.9 million**. The B2B Forum further yielded non-grain business opportunities, including trade finance requirements, requirements for technical assistance and equipment financing.

EAGC will closely follow up and avail its G-Soko Grain Trading System to support trade actualization.

About the Eastern Africa Grain Council



The Eastern Africa Grain Council (EAGC) is a membership-based organization representing the grain sector in Eastern and Southern Africa. The Council exists to facilitate efficient, structured, profitable and inclusive grain trade in its 10 mandate countries, namely Kenya (Regional Headquarters), Uganda, Tanzania, South Sudan, Ethiopia, Burundi, Rwanda, Zambia, Malawi and the Democratic Republic of Congo.

EAGC draws its membership from grain sector value chain actors in its Member States, which include farmers, traders and processors. Support service providers and complimentary sectors such as agro-input suppliers, financial services and animal feed manufacturers also form part of the Membership. In facilitating structured grain trade in the Eastern Africa region, EAGC provides trade facilitation services through the EAGC G-Soko Grain Trading System; market and cross-border trade information through the Regional Agricultural Trade Intelligence Network (RATIN -www.ratin.net); pursuing appropriate policy reforms to support growth of structured grain trade through the Agricultural Trade Policy Advisory Forum for Eastern and Southern Africa (ATPAF-ESA); and capacity building of grain industry stakeholders through the Grain Business Institute (GBI).

About TradeMark Africa



TradeMark Africa (TMA), formerly TradeMark East Africa, is an Aid-for-Trade organisation that was established in 2010, with the aim of growing prosperity through increased trade. TMA operates on a not-for-profit basis and is funded by: Belgium, the Bill and Melinda Gates Foundation, Canada, Denmark, the European Union, Finland, France, Ireland, the Netherlands, Norway, the United Kingdom and the United States of America. TMA works closely with regional intergovernmental organisations, including the African Union (AU), the African Continental Free Trade Area (AfCFTA) Secretariat, the East Africa Community (EAC), the Intergovernmental Authority on Development (IGAD), the Common Market for East and Southern Africa (COMESA), the Southern Africa Customs Union (SACU), national Governments, the private sector and civil society organisations.

For more information, please feel free to contact the EAGC Secretariat through the addresses below:

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