

Communique on Strengthening Competitiveness in Export-Oriented Staple Food Value Chains in East Africa Project Launch Workshop in Tanzania

April 8, 2024, Four Points by Sheraton Hotel Dar es Salaam, Tanzania



A group photo of the stakeholders during the launch at Four Points Sheraton hotel, Dar es Salaam

Introduction

The Eastern Africa Grain Council (EAGC), in collaboration with Trademark Africa (TMA), launched a three-year project on “Strengthening Competitiveness in Export-Oriented Staple Food Value Chains in East Africa” on the 8th of April in Dar es Salaam. This project is funded under the USAID-funded “Economic Recovery and Resilience Activities (ERRA)” program, implemented by TMA, and will boost export-oriented staple grains trade in Kenya, Tanzania, and Uganda - with Kenya being the destination market and Tanzania and Uganda as suppliers due to their surplus production.

This project is particularly significant given the volatility and gradual decline that has characterized the region's trade in food commodities. Numerous challenges, such as minimal aggregation, informal trading, and limited integration of farmers into formal trade, contribute to substantial transactional costs. Furthermore, the absence of adequate storage and quality management infrastructure, a deficiency in post-harvest handling expertise, and a scarcity of information about export markets aggravate these issues.

Attended by over forty stakeholders of the staple grains value chain actors, the workshop sought to create awareness on the project which aims at achieving several objectives. See annex I on the list of participants. Firstly, the project seeks to strengthen farmer-operated grain business hubs (G-Hubs), enabling them to utilize technology to enhance grain production, quality, and trade. Additionally, the project aims to develop enterprise-level capacities and institutional mechanisms to scale up Sanitary and Phytosanitary (SPS) standards and quality compliance, thereby increasing export-oriented grain trade. Furthermore, it aims to establish and enhance an information hub to inform regional food balance sheets and shape national and regional food security and trade policies, fostering an enabling regulatory environment for trade.

Key remarks

Gerald Masila, Executive Director of EAGC, shared his excitement about launching the project, highlighting how it aligns with EAGC's mission to support structured grain trade for the benefit of all involved. He stressed the project's expected positive impacts on the sector, including better production, increased access to financing, skill improvement, guidance on SPS and quality standards, and stronger trade connections. Masila also emphasized EAGC's commitment to food security and safety, focusing on ensuring food is accessible, available, acceptable, and affordable in the market.

Speaking at the launch, **Michael Kitulizo, EAGC Country Director for Tanzania**, highlighted EAGC'S vision to be the leading voice for the grain industry in Africa; he emphasized that through the project, EAGC will amplify export-oriented market access, empower smallholder farmers with the necessary skills and resources, enhance firms' export capabilities, and foster collaboration to improve the policy environment.

Ms. Lilian Masalu, the Program Manager of Trade Mark Africa's Tanzania Office, state that there is an opportunity through EAGC to expand the market reach. We aim to utilize this platform to explore capacity building initiatives, focusing on standards and market information systems. These efforts will help us understand the required quantity of produce in the markets and ensure our products meet the necessary standards. Trade Mark is committed to supporting both the private and public sectors to enhance the agricultural sector in the region.

Speaking on behalf of **Craig Hart, the USAID Mission Director in Tanzania, Mr. Junior Ndesanjo** emphasized Tanzania's significant progress in the production of key staples like rice and maize. This surge reflects the country's prowess as a leading net exporter within the region. However, Mr. Ndesanjo noted that despite these remarkable strides, Tanzania's agricultural sector has yet to realize its full potential. Various challenges, particularly those impacting regional trade and competitiveness, continue to hinder its growth.

Irene Mlola, Director General of The Cereals and Other Produce Regulatory Authority (COPRA), underscored COPRA's commitment to supporting the project objectives. This support will encompass ensuring regulatory compliance within selected crops, which align with COPRA's priority crops. Ms. Mlola emphasized that collaboration with EAGC will focus on public training and awareness initiatives regarding quality standards. The aim is to bolster the concept of self-regulation and compliance among SMEs/Growers. Additionally, efforts will be directed towards ensuring food security and fostering connections to joint opportunities. This includes aligning data and information to enhance trade insights and promote data-driven decision-making.

Gungu M. Mibavu, Director of Marketing and Food Security at the Ministry of Agriculture, highlighted Tanzania's active involvement in implementing trade protocols under EAC and SADC, positioning the country as the regional food basket. The decision to ratify the African Continental Free Trade Area demonstrates Tanzania's commitment to this role. Mr. Mibavu believes that through collaborative efforts, greater partnerships with the private sector can be forged to stimulate investment in agricultural sector development and achieve sustainable food security outcomes, wealth creation, and hunger eradication.

He also shared the ministry's initiation of the Building a Better Tomorrow Youth Agribusiness Initiative (BBT-YIA) Program (2022-2030), aimed at promoting youth and women participation in agriculture by addressing three key challenges: access to land, capital, and markets. The program adopts a participatory approach involving the government, private sector, development partners, and other stakeholders. Mr. Mibavu invites additional partners to join in implementing this program."

Project intervention areas

The project will focus on crucial intervention areas, including:

Smallholder farmers: Interventions for smallholder farmers will concentrate on several aspects. First, there will be training and technical assistance aimed at enhancing farmer G-hub management so that farmers can operate as commercially oriented entities. Additionally, efforts will be made to link farmers to service providers for

inputs and equipment. Integrating climate adaptation into production and post-harvest management will also be emphasized to improve overall production and trade.

Firms/ SMEs: At the firm level, interventions include various engagements. These involve advancing the process of Industry-self-regulation initiated in 2022 under the USAID policy link project. Moreover, there will be a focus on scaling up the utilization of private sector-driven post-harvest handling and quality solutions, such as aflatoxin decontamination machines, driers, cleaners, and aflatoxin testing labs. Support will also be provided for access to Business Development Services (BDS), such as technology for financial management, as well as access to finance and cross-border trade facilitation.

Improving policy environment: This work area will improve the policy environment surrounding staple grain trade. Efforts will include activating a more structured sector platform to facilitate engagement with governments on issues impacting export-oriented trade. There will also be a focus on strengthening an information hub and streamlining data collection to generate and provide data and information to the sector, thereby informing trade and food security policy responses.

The project implementation will adopt several approaches:

- Upscaling of private sector-driven solutions: This involves linking and promoting private sector-driven solutions.
- Market systems development approach: Provision of market-focused interventions along the value chain to increase market access.
- G-hubs model: Enhancing the capacity of farmer organizations to link farmers to services and markets.
- Structured trading system: Providing organized and predictable exchange services.
- Inclusivity: Focusing on the inclusion of women and youth.
- Policy interventions: Creating an enabling environment for staple foods export trade.

Plenary Session

Trade Mark Africa (TMA) collaborates with the Eastern Africa Grain Council (EAGC) to extend support to smallholder farmer groups at the grassroots level. This includes training sessions on various aspects such as production techniques, aggregation of produce, and addressing challenges like climate change, aflatoxin management, and other related issues.

In appreciation of the efforts by USAID, EAGC, and TMA, rice farmers express gratitude for the programs and platforms provided. They acknowledge the significance of these initiatives, particularly as processors involved in the program.

Efforts are made to map Small and Medium Enterprises (SMEs) and farmer groups participating in the project early on to ensure smooth implementation.

Farmers inquire about ways to repay EAGC for their commendable work and suggest EAGC to reach out to farmers in different regions of the country, while also advocating for favorable financial accessibility and loan services that will enable their business maintain competitiveness in the market after processing.

Concerns were raised about farmers aggregating their produce at storage facilities while awaiting favorable market conditions. They seek guidance on how EAGC can facilitate initial payments to farmers once they aggregate their produce at the warehouses.

Farmers practicing organic farming express a need for proper certification. An inquiry was made on how EAGC can assist them in obtaining the necessary certification.

EAGC emphasizes its commitment to commercializing agriculture sustainably through training and capacity-building programs aimed at equipping farmers with improved agronomic practices for better quality and quantity production.

Outcomes of the workshop

The workshop realized outcomes around the following:

- a) Awareness and understanding of the project, its objectives, approaches, and expected results were created among staple grains value chain actors.
- b) Consultations were conducted with value chain actors to determine the best strategies and processes to boost project results.
- c) Synergies and possible collaboration with stakeholders were explored to ensure strong outcomes.

Way forward

- Enhancing cross-border market access for Tanzania and Uganda to tap into the Kenyan market's export potential.
- Promoting export trade of Kenyan cereals to various market destinations, especially for pulses.
- Strengthening smallholder farmers' access to essential Business Development Services (BDS) for enhanced production and trade.
- Building the capacity of enterprises across the grain export value chain to boost their export capacity.
- Facilitate the creation of a sector information hub platform, fostering public-private partnerships to enhance the conducive environment for export-oriented staple food trade.

This communique is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of EAGC and TMA and do not necessarily reflect the views of USAID or the United States Government.

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).

Contacts

Mbaazi Avenue, Off King'ara Road
P.O Box 218-00606, NAIROBI
Tel: +254 733 444 035/0710 607 313
E-mail: grains@eagc.org
www.eagc.org | www.ratin.net | www.grain.institute

About USAID-ERRA

The Economic Recovery and Reform Activity (ERRA) is a US\$75 million five-year program spanning from 2022 to 2027, funded by the United States Agency for International Development (USAID) through TradeMark Africa (TMA). ERRA aims to promote transformative trade and investment reforms in the East and Horn of Africa while supporting the region to return to a growth pathway and recover from the negative impacts from the COVID-19 pandemic while advancing competitiveness, resilience, and sustainability.

About TradeMark Africa (TMA)

TradeMark Africa (TMA) is a leading African Aid-for-Trade organisation that was established in 2010. TMA aims to grow intra-African trade and increase Africa's share in global trade, while helping make trade more pro-poor and more environmentally sustainable. Our focus on reducing the cost and time of trading across borders through enhanced trade policy, better trade infrastructure, standards that work for businesses, greater use of digital innovations and a focus on creating trade access for vulnerable groups, has contributed to substantially lower cargo transit times through improved border efficiency, and reduced trade barriers.

TMA recently rebranded from TradeMark East Africa (TMEA), reflecting our ambitions to serve partners in driving continental-wide trade gains, and are expanding from East and the Horn of Africa to Southern and West Africa. TMA operates on a not-for-profit basis and is funded by institutional and philanthropic development partners. TMA works closely with regional and continental intergovernmental organisations, national Governments, the private sector, and civil society organisations to deliver results that drive shared prosperity and reduce poverty. For more information, please visit www.trademarkafrica.com.

Annex I: Workshop attendance

	Name & Organisation
1.	Abigael Cinema, COTECNA Limited Kelvin Msola, Kibaigwa Flour Supplies
2.	Beatrice Philemon, The Guardian Limited
3.	Nuruh Mgwihira, NMB Bank Plc
4.	Rehema Mbugi, MEDA Tanzania
5.	Lydia Gadi Jacob, JUWANATA
6.	Lameck Kikoka, RUDI
7.	Johanes Msuya, Equity Bank
8.	Sesilia Jeremia, Norgesvel TZ
9.	Severine Msaki, Msaki Sembe Millers
10.	Vinod Kumar, Wilmar Rice Tz Ltd
11.	Severina P. Mwakateba, A-A Nafaka Store Supply Ltd
12.	Francis Mwakitila, EAGC
13.	Happyness Mfinanga, EAGC
14.	Michael Kitulizo, Mema Holding
15.	Samson Haonga, Haonga Millers
16.	Heromin Makota, Kilagano AMCOS
17.	Phineas Ocholla, Tanzania Bureau of Standards
18.	Birendra Lekhwar, Wilmar Rice Tz
19.	Moringe Laizer, Babati District Council
20.	Crispin Makofi, Makofi Enterprises
21.	Lohay Langay, Gallapo AMCOS
22.	Evaline Kaaya, Endanoga AMCOS
23.	Flora Lunda, Nambala Womens Group
24.	Eliphaz Mungure, Gendi AMCOS
25.	Junior Ndesanjo, USAID-TZ
26.	Gungu Mibavu, Ministry of Agriculture -TZ
27.	Vicky – Sidney Msamba, AMDT Dar es Salaam
28.	Tunsime Kyando, Technoserve Tanzania
29.	Honest Mseri, ANSAF
30.	Tabrani Kinosi, UWAWASE
31.	Hassan Eddy, UMA
32.	Irene Mlola, Director General, COPPRA
33.	Nina Malekia, COPPRA
34.	Shadrack Mtunha, CRDB Bank
35.	Gerald Masila, EAGC Executive Director
36.	Penina Gichuru, Monitoring and Evaluation Manager, EAGC
37.	Straton Bwanamdogo, EAGC
38.	Prudence Mushi, EAGC

39.	Sharifa Chikaha, EAGC
40.	Wesley Aondo, COTECNA
41.	Rejeali John Sarakikya, Kingori AMCOS
42.	Jane Komba, Mpitimbi AMCOS
43.	Peter Gama, Regional Agricultural Officer Morogoro
44.	Yiniko Msuku, Rainbow Haulage and Commodities
45.	Lilian Masalu, TMA Tanzania
46.	Mariam Lulida, Mafada Kilimo Ltd
47.	Samwel Hizza, EAGC
48.	Gillian Kipkemboi, EAGC