

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

April 5, 2024, Hotel Africana, Kampala, Uganda



A group photo of the stakeholders during the launch at hotel Africana in Uganda

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 5th of April in Kampala. 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 eighty stakeholders (see annex I) of the staple grains value chain actors, the project aims to achieve several objectives. Firstly, it 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

Giving his remarks, **Gerald Masila, Executive Director of EAGC**, conveyed his enthusiasm for the project's commencement, underlining its alignment with EAGC's mission to champion an enabling environment for structured grain trade, maximizing benefits for all stakeholders. He underscored the anticipated advantages of the project for the sector, which encompass enhanced production, increased access to agricultural finance, capacity building, mentorship in SPS and quality compliance, and strengthened trade connections.

Speaking at the launch, **David Mutazindwa the chairman of EAGC's Board of Directors**, 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.

Robert Mwanje, the chairman of The Grain Council of Uganda (TGPU) emphasized Uganda's significant agricultural potential, noting that the country produces an excess compared to neighboring Zambia, Malawi, and Zimbabwe. He referred to a statement made by Dr. Antonio FAO about 1.5 years ago, suggesting that if Uganda organized its agriculture effectively, it could feed the entire continent. Mr. Mwanje highlighted Uganda's export capacity of 10,000 MT per day and storage facilities exceeding 1 million MT. However, he lamented that despite these capacities, the country is only operating at about 5%. Additionally, he pointed out that approximately 40% of the available production is lost due to post-harvest losses, indicating a significant challenge that needs to be addressed.

Commissioner of MSMEs, Ministry of Trade, Industry, and Cooperatives (MTIC), Uganda, Mr. Joshua Mutambi, mentioned that MTIC spearheaded the development of the grain policy, with contributions from all stakeholders. He also noted the recent launch of the ministry's strategic plan for the next five years. Mr. Mutambi expressed MTIC's enthusiasm for the program's commencement, noting the sector's transition from solely a food sector to an export trade sector. He pledged full support from the ministry, highlighting the keen interest of the newly appointed Minister of Trade, who officially opened the workshop on behalf of the government.

EAGC country director representing Uganda members in the EAGC board and Chairman of the CPC, Mr. Emmanuel Asiimwe, highlighted the challenges with grain handling technology innovations in Uganda. He pointed out prevalent poor post-harvest handling practices, particularly inadequate drying in the field and inefficient shelling techniques, often resulting in the crushing of wet kernels. This improper handling leads to mold growth and aflatoxin production during storage of the wet grain.

Mr. Asiimwe discussed an intervention involving the development of a small-scale sheller, dryer, and cleaner tailored to smallholders. This initiative presents an opportunity for smallholders to access affordable equipment suitable for their production scale, thus enabling them to obtain high-quality produce. However, he emphasized the need for further interventions to ensure the implementation of quality standards. This ensures that quality is maintained from the production level onwards.

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

General comments:

Mr. David Wozemba, the Country Director AGRA mentioned the issues the project is targeting are all in line with the agro-industrialization agenda therefore we should capitalize on our competitive advantages to fit into the agenda. The project therefore comes in handy to contribute towards the agenda and EAGC and Trademark were called upon to work with AGRA and other development partners to synergize rather than compete towards the achievement of the agenda. AGRA alongside the government got a funding from the Global aimed at reducing food loss which is also part of the goals of the project. The funding is set parameters to be used as indicators of food loss from production, top aggregation, processing, marketing and at the household level and will most likely go towards the private sector so the speaker was looking forward to interacting with the members present during the implementation of that project.

Farmers were grateful to the project for targeting trade as they are positive this will give them an entry point into the market for their produce. The speaker also applauded TMA for including textiles in the scope of the sectors to be funded because this was seen as an opportunity for cotton farmers to get market for their produce. Thanks were accorded to aBi Development for advocating for increase in production. The farmers have however been lacking a market linkage which has led to minimal impact on their livelihoods despite increasing production.

Questions and Answers

A number of questions were asked by the stakeholders and all were answered by EAGC and these included the following

1. What is the spread of the resources for the different value chains (staples, horticulture and textiles) that are targeted by the ERRA project?

The agreement between USAID and TMA Uganda was signed in January 2024 and therefore the project is still in its initial stages. Exact figures for the value chains could not be provided yet but the project targeting staples has the biggest funding out of all the value chains.

2. Ms. Christabel Tumwebaze from USAID Feed the Future was inquisitive on opportunities for the ISS activity to collaborate with EAGC to further implementation of the existing policies for example the national grain trade policy and national grain trade implementation strategy.

She mentioned that ISS was eager to leverage on the resources present for implementation of the policies because this is in line with the third objective of the project “To Establish and strengthen an information hub to inform regional food balance sheets and national and regional food security and trade policy response that creates enabling regulatory environment for trade”.

3. On food safety, the implementation strategy includes having independent grain quality auditors who will be in charge of supporting trade through ensuring grain safety and quality, a role to be implemented by UNBS.

The ISS is keen on working with ministry of trade on its implementation and would like to know of opportunities to collaborate.

4. The ISS recently concluded a study on the impact of aflatoxin on the Ugandan Economy to ensure food safety and are running an aflatoxin campaign in line with food safety.

Ms. Tumwebaze inquired on opportunities to work with EAGC for the campaign. EAGC will be able to partner with other appropriate actors and interested parties to be able to deliver the project. This is part of the indicators and outcomes expected by leveraging private sector investment in creating an enabling environment.

5. How will EAGC ensure that there is no project overlap and competition and ensure synergies of resources?

The project is aimed at creating synergies of resources and therefore ensures there will be no overlap or competition in the activities.

6. What is the selection criteria for the beneficiaries?

The project does not exclude any value chain actors who are interested in the project. The project is addressing export-oriented trade of staples and is thus focused on bottlenecks to trade. The project will therefore target mainly G-Hubs and SMEs to link them to markets and service providers and build capacities to ensure that the businesses are run efficiently. The project will also focus on women, youth and people with disabilities to build their capacities.

7. How will EAGC ensure that the project is impactful and sustainable?

The project will foster building of networks between the value chain actors which will allow business interactions beyond the period stipulated for the project. The deliverables of the project will also show how impactful the project will be because for all volumes traded, there is a direct impact on the sector.

8. Will the farmers get the right value for their produce? How will EAGC ensure price stability for grain in case of bumper harvest?

The G-soko system ensures that the value for quality is given to the producers.

9. How is the Ministry planning on ensuring quality of grain at the export border points which are notorious for poor handling of grain and sale of poor-quality grain?

There are measures by the ministry however those only apply to those that take their grain for testing. She stated that she hopes in partnership with this project, the laws will be revised to allow for follow up on the informal sector

10. How will financial institutions be on-boarded so that farmers and traders can be able to quickly access financing on manageable terms for trade?

Financial institutions are part of the private sector service providers targeted by the project and more financial institutions will be brought on board to ensure that financial services are available to the value chain actors that need them

11. In the program and project design, how will risk be managed so that the grain traded is insured?

Trade shall be conducted via G-Soko trade system in which the payment is made to the G-soko settlement account before delivery of goods and quality of the goods is assured before loading so that the buyer is assured of good quality grain and the seller is assured of the payment on delivery of goods.

12. How will the middlemen be handled and how will the project ensure premium price for grain?

Through the G-soko trade platform, farmers in their Ghubs are assured of premium price

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.

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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

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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 to 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 Attendees

	Name	Organization
1.	ELICHU SAMUEL	PINGIRE HARBOR PRODUCERS AND MARKETING COOPERATIVE SOCIETY
2.	BWAMBALE A. ADAM	NYAKATONZI COOPERATIVE UNION
3.	TWESIGA SOSIMU	FARM UGANDA
4.	NAMUKASA MARY	UBC
5.	SSWMPIJJA JOHN	HM PRODUCTION
6.	ISAIAH LANGA	PERRY/ PELA COMMODITIES
7.	MAKAKA MOSES	BAIDA
8.	ADUBANGO MICHEAL	NYAMAHASA A.C.E
9.	RICHARD REEVES WANASOLO	TAABU ICSL
10.	WAZEMBO DAVID	AGRA
11.	GERALD MASILA	EAGC
12.	GEORGE MAHUKU	IITA
13.	SERUWAGI GEOFFREY	DATS
14.	CAROLINE NANKINGA	MAAIF
15.	GRACE EJANG	KANA GRAIN MILLERS
16.	MUSISI RONALD	EQUITY BANK
17.	ANNA NAMBOOZE	TRADEMARK AFRICA
18.	ALEX BAMBONA	MAAIF
19.	ASIIMWE EMMANUEL	FARM UGANDA
20.	BRENDA KWATAMPOLA	OWE/PM
21.	KABAKYENGA CLARE	MANYANKABI AREA COOPERATIVE
22.	EWAFU JOSEPH	ACILA ENTERPRISES
23.	NANKYA PROSSY	ZAABTA
24.	OLALOKENE PAUL	AGROWAYS
25.	DAVID BAZIWANE	TRADE MARK AFRICA

26.	OGWANG ALEX	ALITO JOINT FARMERS COOPERATIVE
27.	PATRICK ZIKANGA	CHEMIPHAR (U)LTD
28.	PETER KYAJJA	BRAZAFRIC
29.	HARRIET NABIRYE	THE GRAIN COUNCIL OF UGANDA
30.	MWANJE ROBERT	TGCU
31.	ASINGWIRE DENIS	KATERERA AREA COOPERATIVE
32.	ACEKU DANIEL	KAJOFACO
33.	NATUHWERA SEBASTIANO	NYAKYERA ACE
34.	HAMIS KATENDE	RWIBAAL FARMERS COOPERATIVE
35.	KYEYUNE SABAT	NABUTONGWE MAIZE MILLERS
36.	PENINA GICHIRU	EAGC
37.	SUSAN ATYANG	ABI DEVELOPMENT
38.	SUMAYYA NAAMALA	ABI DEVELOPMENT
39.	DR. JOSHUA MUTAMBI	MTIC
40.	SEBOWA PAUL	MTIC
41.	KABIA DICKSON AMANI	EAGC
42.	TUSABE TIMOTHY	EAGC
43.	JOAN KAAGAZA	DFCU BANK
44.	CYNTHIA BIRUNGI	AFEX COMMODITIES
45.	TEMEGEN TEAME	SERETE GRAINS (U)LTD
46.	DAVID MUTAZINDWA	KINONI
47.	JOANITAH NANYONDO	EAGC
48.	SARAH AKOTH	EAGC
49.	ANNET TUMWEKWASE	SYOVA /EA SEED
50.	SAMUEL MBULAMUKUNGI	DHERO
51.	OCAKI COSMAS	MAAIF
52.	AKAKI EMANUEL	EAGC

53.	MAMASIA BEATRICE	OMIA AGRIBUSINESS
54.	BASINGIRE MABLE	AGRITECH
55.	MULUMYA MIKE	TEA GROWERS
56.	CRISTABEL TUMWEBAZE	USAID FEED THE FUTURE
57.	KIIZA GEORGE	TURGE BUSINESS SERVICES
58.	ANDREW JJUNGO	SARD-NET
59.	WABULEMBO ROBIN	FRONTIERS FOR AGRICULTURAL PROMOTION
60.	TERESA OMARI	KALAMOX
61.	JIMSLEY OMARI	KALAMOX
62.	AINEMUKAMA RITAH	EAGC
63.	GILLIAN KIPKEMBOI	EAGC
64.	MIYINGO JOSEPH	BIRYA UNITED AGENCIES LIMITED
65.	DESIRE MUGUME	SENA GLOBAL LIGHT
66.	SSENTONGO GEOFREY	MAAIF
67.	KASHAIJA ISAAC	RICE BUSIESS SECTOR
68.	AIJUKA BENJAMIN	EAGC
69.	KAKAIRE UMARU	EAGC
70.	PAUL OCHUNA	EAGC
71.	KUKUNDAKWE JULIET	EAGC
72.	DEO WASSWA	CAPITAL FM
73.	KENNETH KAZIBE	NILE WEST
74.	ALOSYIOUS KASMIA	NEWVISION
75.	WYCLIFFE SEBUNYA	RADIO ONE
76.	MICHEAL AGABA	DAILY MONITOR
77.	SSSEMAGONJA RONALD	INNERMAN RADIO
78.	BEATRICE OZUMA	UBC WESTNILE
79.	MUGULA DAN	DAILY STAR

80.	BABU ISA	S24TV
81.	JAVIN SSEBWAMI	ROYALWAY MEDIA
82.	GEORGE OKELLO	PMA DAILY
83.	ELICHU SAMUEL	PINGIRE HARBOR PRODUCERS AND MARKETING COOPERATIVE SOCIETY