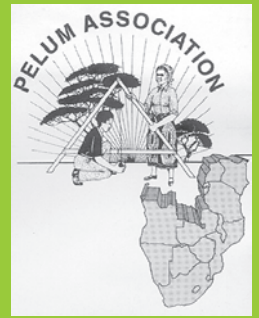


PELUM Uganda Newsletter

Participatory Ecological Land Use Management

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Inside this issue:

THEME: 'Value Addition as a vehicle to access markets.' 1

VALUE ADDITION AND MARKETING, THE EXPERIENCE OF SATNET IN THE RWENZORI. 3

Accessing markets through value addition – a case of Mududu women farmers' group in Tororo district. 5

Add Value and make low prices a dream. 7

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THEME: 'Value Addition as a vehicle to access markets'.



A farmer displaying locally processed products at the World food Day exhibition in Tororo.

Dear Reader,

Welcome to the March 2009 issue of the PELUM Uganda E-Newsletter.

This year, we begin with yet another important issue on Value addition to farm products as a better approach to market entry. Value addition means improving on a raw product by taking it to, at least, the next stage of production, in agriculture it includes any activity that takes an agricultural

product and adds value to it, before it leaves the area in which it was produced. For example solar drying of pineapples, jackfruit, groundnuts and beans. Value addition in agricultural products is important because it acts as a means of securing better financial returns to the farmers and increases shelf life for the products. Some of the aspects in agricultural value addition include; processing, fortification and preservation.

Value addition is still a challenge for Uganda because;

- Farmers lack the necessary knowledge of agricultural products value addition

- Most farmers operate on a subsistence level and lack the financial and technological capacity to process their products. .
- There are few private agro-processing industries and they are mainly located in urban areas.
- Uganda still imports more than it exports.

More than 85% of the Ugandan farm produce is comprised of perishables such as vegetables, fruits and tubers which has made many farmers to yield to the pressure from buyers who offer low prices for fear of their products rotting once not sold on time. This alone has been a frustrating factor to many farmers. Over time, emphasis has been put on teaching farmers how to produce than how best to enter the market under the assumption that there will always be ready buyers for the fresh produce.

Yet globally, agribusiness, particularly the food sector, is rapidly consolidating and increasingly responding to the changing tastes and preferences of consumers. Many consumers have higher incomes than ever before. They are focusing more on convenience, quality, variety, service, health, and social consciousness. They are also faced with the increasing value of (and demands on) their time. In a nutshell, consumers are more value conscious than ever.

Value Addition in agricultural products was emphasized by the UN Secretary General, Mr. Ban Ki-Moon While in Accra, in a message to Africans on the occasion of the 19th Anniversary Celebration of the Africa Industrialization Day (AID) where prescribed the processing of raw materials as the solution to African economies in the wake of the global financial crisis because a slowdown in the global economy would hit exporters of primary products hard. The

Secretary General noted that primary products accounted for more than 50 percent of the value of Africa's exports. So he cautioned that this would make the continent especially vulnerable to global economic shocks.

Therefore it is important for Ugandans not only to produce goods using their local raw materials but also to export goods of high quality and competitive prices to foreign destinations. The current situation where Ugandans import finished products far in excess of what they export is not healthy to the economy and does not empower Ugandans with purchasing power.

In this respect, PELUM Uganda is working towards strengthening the capacity of Member Organizations in market oriented farming through mobilizing members to identify the pertinent issues in market oriented farming among which is Value Addition. PELUM Uganda also provides relevant information to its partners and other development actors at large through various publications like the quarterly E-Newsletter. This facilitates the Member Organizations to be better able to provide relevant and quality services to target groups.

In this issue, you will read more about the experiences of some PELUM Member Organizations in their efforts to support farmers to add value to their produce; SATNET experience in Value Addition and marketing in the Rwenzori region, CIAT shared a case study of Madudu women farmer's group in Tororo district on accessing markets through Value Addition and JESE advising farmers on how to add value and make low prices a dream.

For comments and compliments on
this issue please write to:

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VALUE ADDITION AND MARKETING, THE EXPERIENCE OF SATNET IN THE RWENZORI.

By **Baluku Elias Rwamanyonyi**

Communication and Advocacy Officer (SATNET)

Sustainable Agriculture Trainers Network (SATNET) is a network of 55 sustainable agriculture training organizations from the five districts of the Rwenzori region comprising of the Kabarole, Kasese, Bundibugyo, Kyenjojo and Kamwenge. The network promotes and facilitates sharing of information and knowledge on best practices in the field of sustainable and organic agriculture in the Rwenzori region. To ascertain this, SATNET strengthens the capacity of her Member Organizations (MOs) through provision of technical trainings, providing information and other support services geared towards strengthening the effectiveness of the MO trainers and institutional capacity of the MOs to equip farmers with skills and appropriate technologies in sustainable and organic agriculture. SATNET also engages in lobbying and advocacy for farmer friendly policies at local and national levels.

SATNET is involved in a range of programs all drawn from systematically undertaken strategic planning exercise with all MOs and other partners. These include among others Agribusiness and Marketing, Communication and Advocacy, Capacity Building and Agricultural Research. These are interlinked to the program objectives and jointly contribute to the networks mission of improving the livelihood of the community through capacity building of member organizations and their trainers, advocacy, networking and research in sustainable and organic agricultural production and marketing systems.

Agribusiness and Marketing is one of the areas where SATNET has excelled. Member Organization capacities have been enhanced through organizing technical trainings and study/exposure visits required and relevant to the individual MO. Most of these trainings have been organized with a focus of ensuring that farmers can begin to look at agriculture as a business and not a mere traditional survival mechanism.

From all these trainings, the greatest discovery has been appreciating that value addition is the vehicle to access markets. In view of this, SATNET MOs have acquired knowledge and skills in value addition both primary and secondary.

Almost every Member Organization is involved in some form of value addition both primary and secondary and joint/collective marketing. Under primary value addition, farmers have facilitated to take up this concept in its easiest but worthy while way like cleaning their produce such as potatoes before taking them to the market, drying grains on tapelines not the bear ground as the case of cocoa in Bundibugyo and maize in Kamwenge, Kyenjojo and Kasese etc. in Kabarole, one of the farmers Mr. Okwir Joseph of BELSCARD has gone a step ahead and marketed his matooke in the neighboring district of Bundibugyo where he now has ready but also promising market. Under secondary value addition that involves changing the form of the product, remarkable progress has been made.

As a result of this, the influence of their farmers on the local market is steadily growing.

The major areas so far are

- Juice processing being promoted by Karugahe Farmers Partnership in Kasese district. This is now adding value to the pineapples and passion fruits and making their shelf lives longer. At present, some of their juice can be found in some of the supper markets in Kasese town.
- Nyankwanzi Farmers Empowerment for Development is engaged in wine processing, adding value to banana juice. This is enabling them to get to the market more firmly. Bamugisa Farmers are producing Kibiito wine and marketing it through the Organic shop in Fort portal town.
- Many other MOs are involved in wet coffee processing. This has enabled them to reap more from their coffee but also get to the market in a

more advanced way. The wet coffee processing is being promoted by Gender and Development Association (GEDA), Burangwa Evisuka Ningabo, Green Home, Kabarole District Farmers Association, Bukonzo East Training Team (BETT) in Kasese and Kabarole districts.

- Honey and other bee products are being processed by Banyangabu Bee keeping Community (BBC), Kabarole Bee Keepers Association, Kamwenge Bee Keepers Cooperatives Society (KABECOS) and Alpine Honey Producers under (BETT). The products of these organizations like honey, Propolis, candles and others are dominating supper markets within the Rwenzori region.
- Herbal medicine processing Rwenzori Herbal and Environmental Activists Association (RHIVA), Medicinal Plant Farmers of Rwenzori (MEPFAR) processing essential oil from citronella while Tooro Herbal Medicine Research Center (THEMEREC), Tooro Botanical Gardens and Ndongo United Herbalists are adding value to lack herbs like Artemisia that has increased their popularity and subsequently their demand on the market.
- Rice hulling and packaging by Community Sustainable Initiative Link (COSIL) in Kamwenge and North Rwenzori Agriculture and Conservation Link (NORRACOL) in Bundibugyo. This has resulted in establishment of Mahyoro and Bundibugyo as producers of rice steadily taking up a formidable share of the regional rice market.

- Kyempara Farmers are processing cooking oil from sunflower. These are located in Bwera town council in Kasese district.

These are some of our MOs with valuable experiences in value addition and getting to the market.

Worthy mentioning is that all these have not been a bed of roses. These MOs have encountered some challenges, notably;

- The quality and quantity of production is still a challenge in most groups. Most of them are still failing to access bigger markets because of low quantity and quality products.
- No farmer or farmer group owns an organic or fair trade certificate which could give farmers a fair deal in marketing their produce.
- Some of the farmers still lack trust in cooperative marketing.

All in all, we do not hesitate to say that it's very evident that our MO efforts towards the market have largely found their success under value addition.



A rice huller at COSIL in Mahyoro – Kamwenge district



A BBC member of staff in their honey processing unit at Ruboona in Kabarole district.

ACCESSING MARKETS THROUGH VALUE ADDITION – A CASE OF MUDUDU WOMEN FARMERS’ GROUP IN TORORO DISTRICT

PATRICK ENGORU & ELIUD BIRACHI
INTERNATIONAL CENTRE FOR TROPICAL AGRICULTURE (C.I.A.T)

The traditional agricultural sector today faces some new marketing realities. Changing demographics, more sophisticated competitors and over capacity in some sub sectors means that there are fewer customers to go around. However, while some are fighting for shares of flat or fading markets, others are using the concept of value addition to open or access new markets. The latter is an important pillar of one of the 2-fold goals of marketing, “to attract new customers by promising superior value”. This article aims to highlight how this concept has been put into action from just one out of the many examples we have encountered in the course of our work.

One of the most memorable groups we visited was Mududu women farmers’ group in Tororo district which is now one of the members of the Tororo Multipurpose Agribusiness Training Association (T.M.A.T.A), a one stop initiative by Sasakawa Global 2000. According to Loyce Ogoola, the group’s current chairperson (and also the association’s), it was virtually on the verge of collapsing prior to joining T.M.A.T.A. They had heavily invested in groundnut production; cultivated huge areas, followed the recommended agronomic practises, used fertilisers and planted expensive new varieties. Over a number of seasons they got bumper harvests, however, so it seems had every one else in Tororo and other districts. The market was flooded causing drastic drops in price and losses to the farmers; however, to add insult to



LOYCE OGOOLA (IN WHITE T-SHIRT) WITH SOME OF HER GROUP MEMBERS

injury, even at these miserably prices, buyers were hard to find.

When Mududu women farmers’ group joined T.M.A.T.A their motivation was to link up with other farmers groups to enable bulking of produce for collective marketing. This would in turn boost their negotiation potential probably leading to better produce prices. It would also enable them not only to acquire but also fulfil contractual obligations in the process guaranteeing markets for its members. They achieved all this, but T.M.A.T.A had even more to offer in regards to other core services in production,

marketing and agro-processing. The latter especially resulted into even more benefits, for example, now on top of selling groundnuts as before; they are also selling groundnut paste and peanut butter. The latter in particular is doing extremely well, for example, according to Loyce; their processed peanut butter is really appreciated and is sold in places as far off as Nairobi. They are in fact already getting contracts for it. However, the group is not even satisfied with that, now they are pushing the product into schools and super markets. They are also trying to get other innovative uses and markets for the huge quantities of groundnut husks they generate.

According to Loyce Ogoola, Mududu women farmers' group and T.M.A.T.A in general appreciate the fact that markets are continuously dynamic and do not want to be complacent with the success they have achieved. They have pushed for a goal of continuous innovation especially in regards to value addition to safe guard their achievements to date. This in a way resonates with the second of the 2-fold goals of marketing, "to keep and grow current customers by delivering satisfaction".



Peanut butter is one of the group's most lucrative products

Add Value and make low prices a dream

J. Masanyu

Joint Effort to save the environment (JESE)
Fort portal Rwenzori sub Region.

It will have taken almost 40 years for African, Caribbean and Pacific (ACP) small-scale farmers; the main stakeholders and beneficiaries of the rural development of agriculture to achieve agricultural output and livelihoods improvement. For long time researchers and technicians believed that small scale farmers are hostile to change but to the contrary, small scale farmers are constantly innovating new ideas in order to adapt to new climatic , agronomic and socio- economic conditions .

Big companies have always sidelined small-scale farmers in agro-processing; in belief that they knew better what the market segments needed, which has consequently offered inappropriate solutions for livelihood improvement. This has time and again left small scale farmers in vicious cycle of poverty. The first step towards effecting change has been the acknowledgement of the existence of knowledge and skills with in small-scale farmers in their own socio- economic setting. JESE has

made this a reality through intensive mentoring and coaching of small scale farmers. Currently, the organized small scale farmers mentored by JESE, are worth being referred to as experts who are earning an increment in income from value addition, and even able to back stop other farmers intending to improve their returns from agriculture. Small Scale farmers in JESE's area of operation who used to earn shs 1,000= from a chunk of honeycombs are currently earning shs 14,000= from the same chunk after value addition initiatives. This gives a clear indication that value addition transforms the product value six times as much as compared to the original value and brings high returns on investments.

Amidst persistent challenges of inadequate storage, processing and transportation facilities for agricultural produce in developing countries ,Small scale farmers can still earn precious prices and sustainable incomes from their efforts invested in agriculture if they treat value addition with due priority.

CALL FOR ARTICLES

Please submit articles to:

Email: pelumuganda@utlonline.co.ug
before 29th May, 2009.

Under the theme:

'Promoting Organic Farming as an approach to sustainable agriculture in Uganda'

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