



THE AGRICULTURE CLUSTER DEVELOPMENT PROJECT



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RDC Lira gives the closing remarks. On the left are the RDCs Kwania, Oyam & Apac. Inset are participants listening attentively

Business to business linkages for ACDP commodity value chains Actors goes to the grassroots

One the recommendations from the mid-term review in September 2020 was to have direct facilitation of Productive Alliances between farmer organizations and off-takers through mediated participation.

The aim of these Alliances is to build a three-way partnerships in which off-takers contribute inputs, equipment, and technical assistance to mature farmer organizations so that they are able to co-finance business plans that may be constrained by ACDP matching grant ceilings.



Asst. Commissioner Yafesi Ogwang gives closing remarks at the Hoima meeting. In the picture are Asst. Commissioner Ms Acayo & Farmer Organization specialist Mr Muhanguzi

ACDP has been organizing a series of stakeholder engagement meetings bringing together Business development service actors, Financial institutions, Farmer organizations, Input dealers and Produce buyers.

These meetings are on-going in the different regions , so far eight meetings have been held in Cluster two in Iganga, Cluster three in Tororo, Cluster four in Mbale, Cluster five in Soroti, Cluster six in Gulu, , Cluster seven in Lira, Cluster 10 in Hoima and Cluster 12 in Nebbi.

The objective of the Productive Alliances is to establish relationships between stakeholders in the ACDP commodity value chains, establish Innovation platforms and create markets linkages

Farmer organizations

The Lira cluster business meeting attracted a number of farmer organizations, who included Agali farmers' cooperative limited, United cooperative limited, Kole, Dokolo local seeds cooperatives and Loro coffee growers. The Hoima meeting also included farmer organizations like the Masindi farmers' cooperative, Hoima district farmers' cooperative enterprises and Kikuube producers association. Most of these cooperatives are ACDP matching grant beneficiaries who have already constructed stores and are bulking farmers' produce. For example, Agali Farmers' Cooperative in Lira district produces beans and supplies to schools and the local markets. This cooperative was in the process of finalizing a MoU for a market in Kenya.

In their testimonies, the challenges cited were cross cutting and these included; buyers who buy directly from the farm thus affecting bulking.

Lack of Access to finance, the numerous requirements demanded by the banks for credit and the long process of acquiring the funds. If successful, the financing would come in when the season was over.

Poor post-harvest handling techniques, poor markets, price fluctuations and the lack of finances by the produce buyers to buy off the farmers produce most times resulted into the farmers selling off their produce instead of bulking.

Therefore, ACDP is conducting these mediated business to business linkages to bring together the different actors along the commodity value chains. So far the products offered by the Financial institutions if accessed could resolve most of the financial issues currently faced. Farmers were advised that farm records were critical for loan acquisition.



A farmer gives his testimony on commodity markets at the Business to Business meeting - Nebbi town, cluster 12

Financial institutions

Present at the meeting, Financial institutions like Equity bank, Post bank, Stanbic bank, Opportunity bank, Housing Finance bank and Centenary bank including the regulator Bank of Uganda offered a number of financial products that farmer organizations and Produce buyers can take advantage of to meet their financing needs. These included,

The Agricultural credit facility: The major product by most of the banks participating in the Productive Alliance meetings is the Agricultural credit facility administered by Bank of Uganda. Loans under the ACF are disbursed to farmers and agro-processors through partner institutions like the Banks and Micro deposit taking institutions. Speaking at the Lira and Hoima cluster meetings, the BoU officials said this facility was available at 12% for SMEs engaged in Agriculture and agro- processing of raw materials. It could be used to acquire things like machinery, storage facilities among others. For the producers dealing in grain, the ACF was available at 15%.

Other Financial products offered included Agro- care loans, Agro- marketing loans offered by Post Bank; SACCOs and Investment loans, Asset financing and Post Covid production loans by DFCU, Youth loans and NGO & Partner loans offered by Equity bank, Agro-save account-interest accrues annually, John Deer Tractor loan with a six percent (6%) and group financing by Opportunity bank. In addition to the ACF, banks were also offering other agricultural financing packages that were tailored to the client needs. Farmer cooperatives and produce buyers organizations were advised to visit any of the banks for their financial needs.

Agricultural Insurance

A representative of the Agro-consortium, an insurance agency representing twelve insurance companies shared the benefits of agricultural insurance and what farmers should do to have their crops or animals insured. He said this scheme was set up to help small scale farmers and had two main benefits,

The infographic is titled "Subsidized Agriculture insurance under ACDP programme comes with Comprehensive Yield INSURANCE for your farm!". It is presented in a clean, modern layout with a light blue and green color scheme. At the top, it features the logos for PULA (Productive Alliance Uganda) and AC (Agricultural Consortium). The main heading is "Subsidized Agriculture insurance under ACDP programme comes with Comprehensive Yield INSURANCE for your farm!".

The infographic is divided into several sections:

- What is Area Yield Index Insurance?**: Explains that it is a comprehensive insurance cover that protects farmers against risks that might affect their harvest.
- How does it work?**: States that when an area qualifies for a payout, the farmer will receive a monetary payout.
- What is covered by the insurance?**: Lists "Floods", "Drought", "Notifiable Pests & Diseases", and "Hail". A sub-note mentions "Including Windstorms, frost, excessive rainfall, and heatwaves."
- What is not covered by the insurance?**: Lists "Poor farm management", "Theft", "Wars", and "Terrorism".
- How do I get insurance cover?**: A six-step process:
 - Fill in a registration form to get Agriculture
 - Details required Name, District, Sub County, Parish, crop planted, phone Number
 - Pay only Ushs. 11,500 to insure Ushs 450,000 subsidized input costs
 - Pay the insurance money at your farmer organisation
 - You are added to the list of farmers to get insurance cover for the season
 - You would get a payout when yield falls below 70% of the long-term average in your area.
- How does the insurance benefit YOU as a farmer?**:
 - Insurance protects you from risks that may negatively affect your yields.
 - In the case of a catastrophe, insurance will allow you to bounce back to your original income state.
 - Provides you with income security.
 - Encourages you to invest more in your farm due to protection.
 - Being under this insurance cover will give you tips on how to increase and protect your yields.

At the bottom, it provides contact information: "In case you have questions or want to report a loss, please call Toll free 0800105050 OR +256-414-500945/6. You can also email us info@acp.org." Logos for ACDP, MAAP, and aBi are also present.

(i) to minimize/mitigate losses during production and to (ii) unlock credit from financial institutions. Through this scheme, he said many farmer's loans had been paid off. The agency was in its 5th year of operation and would go on until 2025. The products included Drought Insurance and Area yield index insurance. The Insurance covers floods, drought, hail and notifiable pests and diseases. Under ACDP, the scheme intends to do a pilot and insure more risks than it was currently doing.

These meetings have provided great networking opportunities for example, One off-taker said,

"Our Interest is in input distribution & buying maize from farmers - Muhanguzi Amos, Offtaker, Kamwenge Community Dev't project Ltd ."

Some of the representatives of a farmer group showed interest, for example, a farmer organization representative said *"I have farmer groups with over 200 tons of maize harvested at the end of February, we could link up and do business. Waniangala, Mbale district,*

These and many others are some of the networking opportunities that are happening in the business to business meetings.

Stories from the Field

Karubanda Tukorerehamwe Cluster is a farmer organization based in Kagorogoro village, Bukinda sub county in Rukiga district. It was established in 2013 and were growing only Irish potatoes until they enrolled in the ACDP e-Voucher system. They were supported with subsidized inputs, trained and started growing beans.

Karubanda Tukorerehamwe was awarded an ACDP matching grant of Ugx 231m and they co-funded with Ugx114m. The group has been able to construct a storage facility of 40 MT capacity.

“We used that money to construct our storage facility with a capacity of 40 tons, we managed to buy machines for sorting and grading beans Our machines have not started working that is why we are using casual labourers to sort the beans because we have a supply to make in three days.” Ms Muhwezi said

Farmers have been trained in better farming practices like terracing, applying fertilizers, mulching and planting in lines which has increased yields.

Bean Farmers reap big from bulking with community owned storage facilities



Karubanda Tukorerehamwe Cluster bean storage facility, Rukiga district

“Before ACDP we were producing **two tonnes of beans**, we were trained on good agronomic practices so the yields have increased from **two tonnes to 25 tonnes**” says Ms Muhwezi

This not only improved their yields but also improved the quality of beans both at production and at postharvest .

“ This has increased our income because yields have increased as every member on average produces 700kilograms. Most organizations are now interested in working with our group since we are serious in business. It has also improved our markets. Before we had poor quality beans and low volumes but now, we have high quality beans and big volumes.”

We have been able to create jobs for the members of the public to work at our stores but we still need government funding to improve our capacity.

“In the stores right now, we have 10 tonnes of beans. We face challenges of capital and transport. If we had enough capital, we would have collected all the beans in the sub county and filled the store to the required capacity. Collecting beans is not easy because we have to go to the different villages yet we do not have our own transport means”

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Production & Editorial

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Nambale Agri-Business Co-operative offers maize bulking facilities to its members



Maize Mill installed at Nambale Agri-business cooperative- Iganga district

Nambale Agri-Business Co-operative limited located in Iganga district was first established by a small group of five women in 2004 with the objective of supporting each other and improving food security in their households.

Their main objective is to increase the production of maize and add value to the maize they grow.

In 2020, Nambale ACE won a matching grant worth **UGx 343,998,725**. Of this total amount the cooperative contributed **UGx 113,519,579**, while Government through ACDP contributed **UGx 230,479,146**. This grant was used to construct a store, buy machinery; and for the extension of a three-phase electricity power line.

They were later joined by other members of the community (20 female and 5 male) and the group evolved into a village savings and loan association. A women led initiative, the group expanded and registered as a co-operative which now comprises of 855 members and has four rural producer organizations.

The Association now works with 15 village agents and provides services to approximately 1,180 farmers. The services include collective purchase of inputs, planting, spraying, shelling services, storage and bulk marketing of maize.

Nambale ACE on average bulks 800MT of maize annually and sells to the World Food programme and the Busia Cross Border Traders' Association. In addition, the ACE supplies maize flour to schools like Wanyange Girls in Jinja, Busiro S.S in Jinja and Nakalama S.S in Iganga.