REPORT

EASTERN AFRICAN REGIONAL WORKSHOP ON STRENGTHENING THE CAPACITY OF FARMERS’ ORGANIZATIONS TO RESPOND TO CHANGING AGRICULTURE MARKETS

12\textsuperscript{TH} – 15\textsuperscript{TH} NOV 2008, NAIROBI, KENYA

BY GACOKI KIPRUTO
EAFF workshop participants at the KPCU Head Office and the old mill

Milled coffee in bags, ready for the market
TABLE OF CONTENTS

PREAMBLE .......................................................................................................................... 6
EXECUTIVE SUMMARY ......................................................................................................... 7
DAY I ....................................................................................................................................... 8
1. LINKING FARMERS TO VALUE CHAINS ........................................................................ 11
2. REQUIREMENTS FOR FARMERS TO BE SUSTAINABLE SUPPLIERS TO VALUE CHAINS—A PRIVATE SECTOR & AGRIBUSINESS PERSPECTIVE .. 12
3. PRESENTATIONS BY FOs .............................................................................................. 14
   3.1 CAPAD (BURUNDI) PRESENTATION ....................................................................... 154
   3.2 COOCENKI (DR CONGO) PRESENTATION ............................................................ 154
   3.3 IMBARAGA (RWANDA) PRESENTATION ............................................................... 15
   3.4 KENFAP (KENYA) PRESENTATION ........................................................................ 16
   3.5 MVIWATA (TANZANIA) PRESENTATION .............................................................. 156
   3.6 SYDIP (DR CONGO) PRESENTATION ..................................................................... 157
   3.7 TFC (TANZANIA) PRESENTATION .......................................................................... 17
   3.8 UNFFE (UGANDA) PRESENTATION ....................................................................... 18
4. COMPLEMENTARY ROLES OF DIFFERENT ORGANIZATIONS .................................. 18
DAY II .................................................................................................................................... 20
1. OVERVIEW OF KEY TOPICS FOR FARMER’S PARTICIPATION IN VALUE CHAINS ................................................................................................................................. 21
2. ASARECA CASE STUDY: DIVERSIFICATION, PRODUCTIVITY AND VALUE ADDITION .................................................................................................................. 23
3. COLLECTIVE ACTIONS AND ALLIANCES FOR MARKET ACCESS .................... 285
4. EAC-INITIATIVES IN STRENGTHENING TRADE AT REGIONAL LEVEL IN AGRICULTURAL INPUTS IN AFRICA (STAR) ................................................................. 25
5. PRODUCT - MARKET LINKAGES .................................................................................... 26
6. GROUP DISCUSSIONS USING THE ASARECA CASE STUDY .................................. 27
7. COMPLIANCE WITH FOOD SAFETY STANDARDS FOR EXPORT ................... 28
8. BUSINESS AND FINANCE ............................................................................................. 30
DAY III .................................................................................................................................. 32
1. MORNING DISCUSSION SESSION AND GROUP PRESENTATIONS ................. 33
2. VISIT TO KENYA PLANTERS CO-OPERATIVE UNION FACTORY .................. 34
DAY IV .............................................................................................................................................. 36
1. DEVELOPING NATIONAL ACTION PLANS .................................................................................. 37
   1.1 UNNFE - UGANDA .................................................................................................................. 37
   1.2 TFC AND MVIWATA - TANZANIA ......................................................................................... 38
   1.3 KENFNYA NATIONAL FEDERATION OF CO-OPERATIVES – KENYA .................. 39
   1.4 CAPAD-BURUNDI ................................................................................................................. 40
   1.5 KNFAP - KENYA ................................................................................................................... 41
   1.6 IMBARAGA-RWANDA ............................................................................................................ 41
   1.7 INGABO – RWANDA ............................................................................................................... 42
   1.8 COOCENKI AND SYDIP - DR CONGO ............................................................................... 43
2. CONCLUSIONS AND RECOMMENDATIONS ........................................................................... 44
APPENDIX ......................................................................................................................................... 46
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAACP</td>
<td>All ACP Agricultural Commodities Programme</td>
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<tr>
<td>ACP</td>
<td>African, Caribbean and Pacific Group of States</td>
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<td>AFC</td>
<td>Agricultural Finance Corporation</td>
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<td>ASARECA</td>
<td>Association for Strengthening Agricultural Research in Eastern and Central Africa</td>
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<td>CAPAD</td>
<td>Confédération des producteurs agricoles pour le développement</td>
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<tr>
<td>CFC</td>
<td>Common Fund for Commodities</td>
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<tr>
<td>COOCENKI</td>
<td>Coopérative Centrale du Nord-Kivu</td>
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<td>EAC</td>
<td>East African Community</td>
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<td>EU</td>
<td>European Union</td>
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<td>EAFF</td>
<td>Eastern Africa Farmers Federation</td>
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<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
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<td>FARA</td>
<td>Forum for Agricultural Research in Africa</td>
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<td>FO</td>
<td>Farmers’ Organization</td>
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<td>IMBARAGA</td>
<td>Rwandese Farmer Organization</td>
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<tr>
<td>INGABO</td>
<td>Rwandese Farmer Organization</td>
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<td>ITC</td>
<td>International Trade Centre</td>
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<td>KENFAP</td>
<td>Kenya National Federation of Agricultural Producers</td>
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<td>KNFC</td>
<td>Kenya National Federation of Co-operatives</td>
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<td>KPCU</td>
<td>Kenya Planters Cooperative Union Limited</td>
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<td>MFIs</td>
<td>Microfinance Institutions</td>
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<td>MVIWATA</td>
<td>Mtandao wa Vikundi vya Wakulima wa Tanzania</td>
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<td>PANAAC</td>
<td>Pan African Agribusiness Consortium</td>
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<td>SYDIP</td>
<td>Syndicat pour la Défense des Intérêts Paysans</td>
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<tr>
<td>TFC</td>
<td>Tanzania Federation of Co-operatives</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>UNFFE</td>
<td>Uganda National Farmers’ Federation</td>
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<tr>
<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
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<td>SADC</td>
<td>Southern African Development Community</td>
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PREAMBLE

This was a regional workshop that included the apex farmer organizations from the East Africa region and members of the Eastern Africa Farmers Federation. It was held to identify capacity building strategies that agricultural producer organizations and networks at the regional, national and sub-national levels can promote, in order to support small holder farmers to become reliable and profitable suppliers for the agribusiness sector.

A major output of the workshop will be the national and sub-national capacity building strategies to be supported by FAO under the EU-ACP programme, as well as other donors.

The workshop was funded by the EU-All African Caribbean and Pacific Commodities Programme. At a regional consultation workshop that was held in Tanzania in June 2008, a request was made that a session where capacity building strategies could be identified should be held.

This workshop brought together representatives from regional and national producer organizations as well as representatives in agribusiness.

The workshop was necessitated by the current changes in agricultural markets. The opening up of markets and the closing down of state marketing boards have meant that small farmers and other players in the agriculture value chain – processors, buyers, traders and exporters – now have to organize and interact with one another differently. Today's markets demand larger volumes, lower prices and higher quality produce and the actors involved have to constantly adapt to survive and make profits.

Small holder farmers, who are represented by the FOs, struggle to keep up with these changes in agricultural markets and find themselves at a disadvantage as they have high transaction costs and low bargaining power. To deal with these challenges in agriculture, FOs continuously look for new ways to organize their members so they can make more profits and savings through collective actions, such as bulk buying, collective marketing and negotiating credit and contracts. However, they frequently face a number of capacity related obstacles which include: access to markets, access to services and voice.

Strengthening the FOs from national to community levels in capacities that focus on responding to the needs of agribusiness demands can support small holder farmers become reliable and profitable suppliers of agricultural produce.

The aim of this workshop is therefore, firstly, to clarify the roles, functions and responsibilities of FOs at different levels, secondly, identify their different capacity needs, and thirdly, develop capacity building strategies that can be supported under the EU-ACP programme or by other donors. Workshop participants will be able to participate in follow-on capacity building programmes most suitable for their national organizations’ needs.
EXECUTIVE SUMMARY

This four day workshop held for apex farmer organizations from the East Africa region and members of the Eastern Africa Farmers Federation in Nairobi in November 2008 was co-facilitated by FAO and EAFF, under the aegis of the EU-funded All African Caribbean Pacific Agricultural Commodities Programme (AAACP). It was held to identify capacity building strategies that agricultural producer organizations and networks at the regional, national and sub-national levels can promote, in order to support small holder farmers to become reliable and profitable suppliers for the agribusiness sector. The workshop had participation from the Eastern Africa Farmers’ Federation (EAFF) and its member organizations as well as the Pan African Agribusiness Consortium (PANAAC), the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA) and the East African Community (EAC).

Participants learned about the agribusiness value chain as this understanding at the FO level supports the dissemination of knowledge to their members. Part of this understanding is building the capacity of the FO to enable them assist their farmers to adapt to the changing agricultural market environment.

The participants also made a field trip to the Kenya Planters Cooperative Union Limited (KPCU) - a coffee co-operative mill. One of the lessons learnt was that co-operatives that are well organized can become formidable players across the agribusiness value chain, which leads to improved livelihoods of small holder farmers. This coffee cooperative has put in place a traceability system to track the origin of the coffee, the ability to offer advance payments to farmers delivering coffee beans and packaging facilities to market its coffee at the retail level.

Participants also developed funding proposals for the national level activities that were to be carried out for each farmer organization. Some of the issues addressed in the proposals include:

1. Training on negotiation, marketing and networking skills
2. Regional meetings, trainings and exchange visits
3. Market analysis to find sustainable buyers for high potential commodities
4. Farmer training on quality improvement and management and market requirements
5. Creating a database on seeds and input suppliers
6. Develop a communication and dissemination strategy
7. Training on business management at the farm level: record keeping, product handling and product storage

The proposals were presented to and questioned by a number of panelists comprising of workshop participants. This report includes the brief proposals, which were prepared by the participating FOs. They will be reviewed by EAFF and FAO for consideration for funding under the EU-ACP Programme, or by other donors.

After the presentations, a press conference was held where farmers voiced their opinion on national and regional issues.

The workshop was then closed with appreciation being extended by the EAFF President to the presenters, participants and organizers for their contribution to its success.
DAY I
OPENING REMARKS
By Edward Seidler, Senior Marketing Officer, FAO

Edward Seidler expressed his pleasure in being associated with the EU-All African Caribbean and Pacific Commodities Programme, under which the workshop was being funded.

He iterated the importance of this workshop, given that the new agriculture marketing environment, which poses the threat of marginalizing small producers, who make up most of EAFF. If the small producers are marginalized, it would have adverse effects on the ACP economies including falling incomes, reduced food security and poverty. He indicated that the challenge at hand is to ensure inclusive development which means supporting farmers to enter modern distribution systems. Meeting this challenge of ensuring the successful inclusion of small producers could be a key determining factor on whether Africa goes forward or backward.

The Farmer Organization (FO) holds the key to ensuring inclusion of small farmers in the marketing system. With the awareness that the FO is primarily dealing with a largely poor, illiterate and a poorly organized target group, the FO has to improve its capacity to operate effectively in providing support services to members.

The workshop was part of the backbone of the EU-ACP commodities programme. FAO has very useful documentation on the subject of building the capacity of the small scale farmer and their involvement in this workshop was valuable to participants. Available from FAO at the workshop were livelihood development toolkits as well as publications on linking farmers to markets. The role of FAO at this workshop was to support farmer organizations through facilitating the strengthening of farmers’ capacity by educating them on the agribusiness value chain. FAO also ensures that there is inclusive development, meaning that they support FOs to enter modern institution/market systems.

PROGRAMME AGENDA
By Siobhan Kelly, Agribusiness Officer, FAO

Siobhan Kelly, Agribusiness Officer, FAO, briefly introduced the EU-All African Caribbean Pacific Commodities Programme and its objectives, the programme within which the workshop was being held.

The programme partners are experts on various commodity issues and include
1. Common Fund for Commodities (CFC)
2. Food and Agriculture Organisation (FAO)
3. International Trade Centre (ITC)
4. United Nations Conference on Trade and Development (UNCTAD)
5. The World Bank

The programme has four result areas:
- Development of commodity strategies (ITC leads)
- Access to markets, production factors and services (FAO leads)
• Improving access to market-based risk management instruments – not over-relying on specific commodities
• Capitalizing and making use of synergies between regional agencies

The key objective of the workshop was to professionalize FOs so that they in turn can support small scale farmers to become profitable suppliers for agribusiness. FAO’s agro-industry approach focuses on strengthening the agribusiness capacities of FOs and improving the functioning of the entire value chain.

Funds are distributed as stated below:
• € 15 million - cotton
• € 30 million is split across other agricultural commodities (the programme does not include sugar and banana)

The general focus for each of the four days of the workshop was:

DAY I: Overview from agribusiness consortia, farmers and FAO
DAY II: Specific topics on integrating farmers into value chains
DAY III: Core capacities for FOs and responsibilities and functions of regional and national organizations in supporting local farmer organizations.
          Field trip to Kenya Planters Cooperative Union
DAY IV: Developing proposals for national follow-up activities. The best proposals will be picked for funding under the EU-ACP commodities programme, or by other donors.

WELCOME NOTE
By Philip Kiriro, EAFF President

Mr Kiriro expressed appreciation to FAO and indicated that he was pleased about the theme of the programme and the workshop, which sought to improve farmers’ performance in agribusiness.

FAO is interested in the transformation of small scale agriculture, which is only possible through modernization, which calls for a multi-sectoral approach that needs various organized teams. The more competitive the farmer is in areas such as acquiring inputs, farm practices, grading and handling, the more efficient the agricultural sector will become in the Eastern Africa region.

In addition to farm skills, farmers need, for example, bargaining power in order to negotiate contracts, to buy inputs in bulk and to add value to agricultural products, which are services provided by FOs.

The current global food crisis is a challenge to FOs. They can respond to the changing agricultural markets by becoming actors in the value chain and benefit from the increased demand and increased prices in the markets. If farmers do not act, they will be put at a disadvantage since they cannot supply high quality produce or meet the volume and reliability demanded by today’s markets. Instead, other actors in the value chain, mainly dealers, would solely benefit from these market changes.

The objective of this workshop was to identify and develop capacity building strategies for FOs. EAFF and its FO members mainly aim to mobilize small scale farmers and enable
them to benefit and profit from value chain participation. EAFF is focussing on the grassroots, preceding a focus on issues for international assistance. This change of direction is aimed at making the organization even more effective.

Having ASARECA on board at the workshop was very strategic and useful. This association has already built up expertise and capacities, which can be now accessed by FOs.

Mr. Kiriro informed participants that at the time of the workshop, there was a meeting going on with the Government of Kenya and stakeholders in the agriculture sector (2nd National Agriculture meeting) in Nairobi. The Kenya Farmers Association Apex body (KENFAP) was involved in this meeting.

1. LINKING FARMERS TO VALUE CHAINS

By Edward Seidler, Senior Marketing Officer, FAO

This first session focussed on linking producers to markets and linking farmers to value chains.

Subsistence agriculture is not sustainable, as limited land becomes a challenge globally and populations are growing. Small holder farmers will not be able to meet the challenges of daily living. Therefore, linkages across the value chain are important to give farmers access to specialized markets and to contribute to farmers’ livelihoods.

Examples to successfully link farmers to value chains

- In Thailand, farmers were linked to value chains for asparagus and other vegetables, which had a positive impact on their livelihoods as they had good quality produce fetching a market at an acceptable price.
- In India, low technology value addition through sorting of vegetables at the farm level ensured that farmers made a profit.
- In Nairobi, Kenya the standardization of weight/size units at Wakulima Market demonstrates a value chain linkage. Traders use oversized packaging that is designed for the benefit of the middleman, so that one pack/sack/bag would weigh as much as the middleman wanted it to, so that he has less packages to pay the farmer for - prices are determined by package, not by weight. Standardization can make a difference for the farmer who would be paid for weight delivered.

To make value chain linkages sustainable and successful discipline and production planning are necessary pre-requisites. This was identified as one capacity building area for FOs including the dissemination of information to the farmers. Advocacy and lobbying governments to change policies and invest in the sector is already being undertaken.
2. REQUIREMENTS FOR FARMERS TO BE SUSTAINABLE SUPPLIERS TO MODERN VALUE CHAINS – A PRIVATE SECTOR AND AGRIBUSINESS PERSPECTIVE

By Sylvester Gule, Communications Officer, PANAAC

Even though agriculture is a dominant sector in Africa, most African economies have experienced a high rate of urbanization that has led to challenges including food insecurity and poverty. Many of the challenges are easily visible, however interventions are hard to implement as they require the consistent application of economic skills.

Previously, the focus has been on production and productivity, excluding economic skills, which are required for succeeding in competitive markets. It is important for farmers to be trained on basic economics as that will help them on the whole to make profit so that the focus is not just on productivity but also on profitability.

FOs can promote the exchange of information across various countries and regions, which is beneficial for all. Sharing research results can save costs and accelerate agribusiness in the whole region.

For farmers to become sustainable suppliers to value chains, the following requirements are crucial:

- Mobilize farmers to focus on development & support in: technology, communication, human & financial capital.
- Encourage farmers to concentrate on sub-sectors that present best opportunities.
- Disseminate information on research and market intelligence to farmers including sharing the knowledge across FOs.
- Strengthen partnerships along the various value chains to successfully integrate farmers.

Commentators on these presentations noted that:

- Farmers need specific capacities. A major one is being able to negotiate in cases such as contract farming to reach fair deals with businessmen.
- Farmers may begin with low technology value addition such as collection and grading.
- PANAAC and the East African Business Council have addressed issues such as attitude change and financing.
- Farmers need to develop a healthy track record with their bank. Banks will not give farmers money until they learn to develop a trustful relationship with the financial providers.
- It has also become clear that farmers have to solve their own integrity problem. The EAFF President stated two situations that showed the low level of farmers’ integrity:
  1. The writing off of loans of Kenya Shillings 900M from AFC (Agricultural Finance Corporation), a Kenyan governmental organization that gives financing to farmers. This was due to corruption.
  2. Farmers sold their barley to Castle Breweries for more money, although they had a contract with the Kenya Breweries.
Workshop participants raised important requirements on farmers’ agri-business perspective. These include:

- **Farmers need to understand how to get a fair deal in the market place.** As much as farmers may want to be businessmen, they are essentially farmers, so FOs needs to understand that they are not developing farmers into marketers, but teaching them how to measure their output against their profit. This motivates farmers to participate in the value chain. Farmers need to perceive middle men as service providers. To educate farmers on value chain issues would create a feeling of appreciation for the food value chain.

- **Contract and negotiation skills** are lacking amongst FOs and hence amongst the farmers too. In many cases, FOs do not know their specific role in relation to catalysts such as NGOs. Due to a lack of negotiation skills, farmers are left with insufficient information to make the right decisions. Contracts must be based on mutual benefit. If the contract is deemed unfair by any party, it will be dishonoured or reneged. In such a case where agribusiness initiatives are not local, farmers do not understand their role and are therefore unable to work in their own best interests but find themselves working towards the interests of the person who formed the organization and the farmer is not left any better. FOs also need to more actively negotiate with government for policy and infrastructure changes that would be beneficial to the farmer.

- **Benefits and value of being an FO member** need to be reiterated. Producers need to be encouraged to have an interest and to participate and drive the agenda of the FO they belong to, so that the benefits are lasting. Some farmers sell at the farm gate because they want to remain farmers and not become involved in marketing at all. This presents a problem of the balance of returns between farmers and other value chain actors. One major concern is whether farmers are able to capture any added value coming from the next link in the chain. If the FO takes up the roles of collecting, grading, bulking and transporting, it adds value to the farmer's activity.

- **Farmers and FOs need to focus on strengthening the co-operative efforts.** In the DR Congo quinine is produced, which is a very specialised crop. To remain in the value chain, farmers need to realize that it is more sustainable to maintain a contractual agreement, rather than to wait for an unreliable buyer who may today offer a high price and tomorrow not be available to purchase the produce. Organization, loyalty, consistency and keeping the contract are important and they are all outputs of organizations. Education is the best strategy to enable and encourage farmers to stay in the value chain. Especially for niche products that are most liable to price and market fluctuations, bypassing established market channels can cause the collapse of the entire channel when the “cowboy” buyers disappear.

- **Market rules apply:** Farmers must remember that the rules of buyer-seller apply and that they are subject to the market rules. Information on the costs will eventually lead to a realization of price fairness in the farmer's perspective.
• **Education:** Through education the farmer can learn that they can benefit from partnering with financiers so as to access loans to finance their production and enable them to buy inputs. They can also be taught how to go about establishing these partnerships with financial institutions. Most FOs have a general assembly once a year. This forum is useful for capacity building on finance for farmers, learning how to increase their produce through using inputs, understanding the types of crops that are profitable, and how to network and lobby.

3. PRESENTATIONS BY FOs

3.1 **CAPAD (BURUNDI) PRESENTATION**  
*By Annick Sezibera*

CAPAD’s Vision is to have farmers social economic needs met through financial means. Its mission is to ensure the transformation of agriculture and animal husbandry. CAPAD is composed of agricultural producers. The majority of the members are women.

**CAPAD’s Objectives**
- Professionalize agriculture and animal husbandry
- Integrate gender and women in developing communities; the men represent themselves so they have a strategy to promote women
- Promote health and reduction of HIV and AIDS

**CAPAD’s participation in the value chain**
- Give members means of production because no bank finances the agricultural sector and they need to work together with donors
- Develop mutual solidarity where members are called to save little by little to access credit from micro-finance institutions
- Ensure members profit from their produce
- Fight against agricultural disease
- Promote farm hygiene
- Reduce AIDS in agriculture
- Promote alternative activities to crops such as animal husbandry

A key strategy that is being employed is seeking to negotiate contracts for farmers.

3.2 **COOCENKI (DR CONGO) PRESENTATION**  
*By Kambale Kasongo*

COOCENKI’s vision is to help the farmers in their farming and marketing their produce.

**COOCENKI’s Strategy**
First and foremost COOCENKI assists its members in agriculture production and helps them access the services that co-operatives offer through reinforcing co-operative unions.

**COOCENKI’s Partners**
COOCENKI works with various local partners such as WIMA, FOPAC, and LOFEPACO.
COOCENKI’s Participation in value Chains

- COOCENKI helps the co-operative secure loans for their farmers through IMF and other banks.
- COOCENKI helps in the transformation of agricultural products through assisting primary cooperatives by giving them machines.
- COOCENKI negotiates links between farmers and transporters.

3.3 IMBARAGA (RWANDA) PRESENTATION

By Cyiza Bushyama

IMBARAGA has 21,000 members. Their goal is to equip their farmers in the knowledge of entrepreneurship so that they can become more competitive in trade and economic market and be able to manage their organization on the grassroots level. In the Irish potatoes value chain IMBARAGA helps farmers to come up with good seeds. The strategies include:

**Services**

- Helps producers market their produce
- Negotiates good prices for the produce
- Distributes fertilizers and seeds
- Acts as a link between government and producer organizations of agricultural exchange for farmers.
- Works closely with researchers.

**Representation**

- Represents producers in other government bodies in terms of policies and programmes
- Does lobbying at local level

**Challenges faced**

- Low production versus high market demand; supermarkets need more food produced. There is big potential for more productivity.
- Lack of a proper market information exchange system; IMBARAGA does not know how to access new markets that will help producers; middlemen block producer’s access to markets.
- Lack of storage and preservation systems to keep produce for long periods.

**Areas of Capacity Building**

- Learn how to negotiate. Producers need organization management skills and good governance, lobbying and advocacy as well as accurate market information.
3.4 KENFAP (KENYA) PRESENTATION  
By Daphne Muchai

KENFAP is the umbrella organization of other FOs and represents 1.4 million farmers. Their membership is drawn from both FOs and co-operatives, whose representatives sit in their organization council.

Its vision is to have an empowered Kenyan farmer with a strong voice. KENFAP’s strategic objective is to look at agri-business and value chain participation.

Activities under this include:
- Capacity building such as governance, leadership and technical skills. Partners, collaborators, government and other agencies are involved to build capacity in the value chain.
- Value chain analysis for specific produce such as mango, potatoes and beef;
- KENFAP is coming up with a standard bag for potatoes so that the farmers dealing with potatoes would use that specific bag instead of the oversized bags created by middlemen, which end up disadvantaging farmers.
- Strengthening commodity associations: There are 24 commodity associations registered with KENFAP. Capacity is being built right from production to post production handling, up to and including linkages for the commodity associations with other partners and government in terms of funding. The number of commodity associations registering with KENFAP continues to increase.
- Collaborate with partners in terms of marketing. Through contract farming, linking farmer groups with different supermarkets and other retail outlets, encourages farmers to do collective marketing since consistency of supply is a challenge. This practice of partnering in marketing is picking up as farmers have realized the benefit.

Challenges
- Private sector and farmers are having difficulty in trusting each other
- Inputs are very expensive, especially fertilizers
- No good physical market structures; the government has been requested to construct good warehouses for the farmers to store their produce and to construct wholesale markets
- Standardization of the market unit; KENFAP is lobbying the government to come up with standard package sizes for all farm products.

3.5 MVIWATA (TANZANIA) PRESENTATION  
By Haji Kihwele

MVIWATA is a network of 60 small farmer groups in Tanzania. Its vision is to become a strong FO that guarantees small scale farmers successful market access. MVIWATA’s mission is to strengthen small scale farmer groups and enhance communication and advocacy to defend their interests.
MVIWATA is involved in the following activities:

- Strengthen the network
- Empowering small scale farmers
- Lobbying and advocacy for the farmers
- Capacity building
- Newsletter and radio broadcast for agricultural produce

3.6 SYDIP (DR CONGO) PRESENTATION
By Paluku Mivimba

SYDIP’s objective is to help the members participate in agriculture through active observation of the market and assisting with financing. Its mission is to improve the livelihoods of farmers. SYDIP focuses on cassava and potatoes.

Participation of SYDIP in the value chain

- Supports the farmer, the livestock farmer and the fisheries by availing improved seed, soil protection, production and packaging.
- Buys products in bulk and sells it to business men who then transport it to the markets, allowing for all farmers to have a return for their products.

Challenges

- No access to seed material and proper inputs
- The farmers have weak knowledge of improved production techniques
- The government does not support agriculture, leaving the farmers to fend for themselves; as a consequence, farmers are not able to access agriculture credit from financial institutions.
- Lack of access to agricultural information

To address these challenges SYDIP needs to build the following capacities:

- Build the capacity of the FOs so that they may be able to lobby for the farmers and have a voice.
- Link producers to financial institutions so as they may be able to access agricultural credit.
- Promote research and action.
- Support regional exchange and collective actions by producers so that there is access to improved technologies.
- Use modern ways of communication to increase communication between producers.
- Come up with a system of certification and standardization of products.

3.7 TFC (TANZANIA) PRESENTATION
By Edgar Gabriel Shao

Tanzania Federation of Co-operatives (TFC) has been successful in implementing a programme in cashew nuts. It has been able to eliminate the middle men and now buys from the farmers directly and takes it to the warehouse. The government sets the price so that every buyer has to buy at the same price. TFC has trained farmers on quality management aspects including grading and sorting.
Challenges
TFC has to tackle serious challenges. In Tanzania, cooperatives are stigmatized and viewed as a threat to the politicians and to the agribusiness system. They are not regarded as an organization that can bring change.

3.8 UNFFE (UGANDA) PRESENTATION
By Augustine Mwendya, Director Agriculture

UNFFE is a not-for-profit organization formed in 1992. Its vision is to empower farmers through strong farmers’ organization.

UNFFE’s Support Activities
- Pre-production activities: Carries out research for the farmers to know what produce will do well in the market.
- Inputs: Promotes availability and accessibility through information, seed multiplication and opened input shops.
- Production related activities are undertaken by linking farmers to specialized services.
- Post-harvest handling: Trains farmers in post-harvest handling, quality control and food safety, value addition, processing and packaging maize flour, advocacy and advices on proper storage.
- Marketing: (1) Encourages farmers to practise group marketing to increase their bargaining power and also to help them pool their produce for higher prices. (2) Links farmers to big buyers; and (3) Sensitizes members on the warehouse receipt system and disseminates market information.

Farmer’s participation in value chains is very important to reap maximum benefits and to widen their market.

4. COMPLEMENTARY ROLES OF DIFFERENT ORGANIZATIONS
Plenary Session chaired by Philip Kiriro, EAFF President

There seems to be a tendency for FOs to be in all areas of the value chain. Focussing on a few areas is the key to bringing sustainable success. Each organization should focus on its role and avoid compromising, e.g. split the role of lobbying from that of doing business, keeping in mind that lobbying is a key output for the lobby organization.

Experiences shared by the various FOs provided valuable insights. In the case of MVIWATA, the key role is to form farmer groups, as there are other organizations which link producers to markets, do research on crop quality, and work on financing.

In the case of KENFAP, business services and lobbying were split by the launch of KENFAP Services Limited, which was created to make money to sustain the organization. KENFAP can therefore focus on capacity building for each member organization depending on their needs by looking at various parts of the value chain to see where the member organizations would get the best benefit by participating.
Tanzania Federation of Co-operatives concentrates on three things for the farmers:
- Input supplies and price negotiation skills
- Marketing
- Information for better decision making to raise the profile of the rural farmer

UNFFE avoids spreading too thin by strengthening commodity organizations so that the benefits actually cascade down to the farmer.

IMBARAGA uses a model, which builds on each FOs’ specialist skills so that they can work together increasing the efficiency of the federation at large.

COOCENKI focuses on encouraging farmers to move away from working individually to working co-operatively, through joining a farmer network.

ASARECA can assist and teach skills in meeting standards. The Policy Analysis and Advocacy programme in ASARECA seeks to ensure standard harmonization in preparation for participating in European markets.

Areas that would require further information and advice for FOs:
- Risk management for farmers would allow more farmers to access more financing
- FOs are not focussed enough and and this has reduced their overall efficiency across the board.
- There is need to share more examples on how basic low-technology value addition can readily be done by farmers.
- Exchanging information across EAFF members would increase the regional competitiveness as lessons learnt by one FO can be transferred to another FO.
- EAC can create the environment that allows harmonization of standards across the East African region, which would benefit farmers and lead to increased market access.
DAY II
1. OVERVIEW OF KEY TOPICS FOR FARMER’S PARTICIPATION IN VALUE CHAINS

By Siobhan Kelly, Agribusiness Officer, FAO

Siobhan Kelly gave an overview of topics discussed during the first day. She then explained the necessity of linking farmers to markets and the types of linkages that FOs can make to markets. Below are few examples:

- Farmer to domestic traders
- Farmer to small agro processor
- Farmer to modern retailer
- Farmer-to exporter
- Linkages through leading farmers
- Linkages through cooperatives

Supply Side issues in Value Addition

- Small farmers live in difficult conditions, dependent upon the weather and uncertain market opportunities.
- Farmers have daily cash needs like medical bills and school fees that might conflict with the best marketing approaches.
- Farmers have very limited knowledge about market requirements and buyers’ demand.
- Farmers lack access to inputs and technical know-how.

Buyers'/markets’ issues in Value Addition

Buyers request large volumes, high quality produce, at the right price and delivered on time. Farmers struggle to keep up with these requirements.

Product Quality and Safety Issues

- If quality is offered at lower prices, competitiveness in the market is promoted, which in turn ensures that the product quality remains high.
- Improved quality can give greater profit margins, as higher quality produce fetches higher prices. Therefore it is important to guide farmers in improving the quality of their products.
- Complying with standards and improving quality leads to increased access to diverse markets.
- Certification can open niche markets for the farmers, though it can be costly to comply with all the requirements such as good on-farm record keeping.

The FO should make sure a market exists before advising its members to invest in certain produce. Quality maintenance and compliance with standards by farmers means additional costs.

Diversification and Value Addition

- Diversification can be achieved through growing varieties of crops.
- Value can be added through the use of low and high technology strategies, organizational innovations, and the elimination of non-value adding activities. Value can be added across various levels, e.g. production, packaging and marketing.

Lessons on Diversification

Lessons on benefits and challenges of diversification to the small scale farmer include:

- Spreading risks and reducing reliance on one contractor/one produce item
- Reduce pressure on natural resources
- Non high-tech value addition activities such as grading and sorting of produce can improve farmers’ profits.
- Rising farmer household income means less poverty.
Lessons on Financial Services

Financial institutions require clear enterprise and cash-flow plans by farmers.

Lessons on Support and Business Services

- FO are diversifying and offering business services to farmers.
- Some business skills can be outsourced.
- Building alliances with public and private sectors to gain expertise and build economies of scale.

Actions FOs Take to Link Farmers to Markets

- Identifying new markets for members
- Negotiating contracts for them with buyers (the market) and suppliers (of inputs)
- Buying inputs in bulk
- Organizing logistics and collection points
- Monitoring the performance of members
- Identify specialized products for different members

FOs can strengthen the Capacity of Members by:

- Identifying priority skill needs for farmers
- Training in farm planning and cash flow management skills
- Organizing field training days

Managing and Mobilizing

- Managing the finances of the FO
- Negotiate credit with financial institution
- Carry out and appraisal of financial aspect
- Lobbying and networking with public and private communities

Resolving Conflicts

- Managing internal disputes
- Organizing match making platforms
- Carrying out constraint mapping

Additional comments from participants on the value chain included:

- Moving from subsistence to commercial farming is a result of raising farmer’s awareness about issues such as market demand and requirements as well as costing and record keeping.
- Co-operatives are very important business entities since they represent the farmers. However, civil servants have a lot of power over the co-operatives. This threatens the cooperative’s existence and success. Co-operative Acts need to be re-examined to create reforms and make them more farmer-friendly resulting in a new generation of co-operatives.
- EAC is harmonizing the implementation of standards that the market requires which includes, among other things: setting up the legal framework for conflicts settlements and negotiating with the EU access to European markets.
- If FOs encourage compliance with these standards, EAFF will assist members to upgrade their skills in areas such as grading products according to market requirements.
- ASARECA has a program on policy analysis and advocacy, which is in charge of trade, advocating for members to know how to harmonize their commodity outputs to meet the international standards.
- The Eastern Africa Region and market is going to expand, easing movement of goods, infrastructure and people between EAC, COMESA and SADC. If the EAFF members can prepare well, they can compete in the expanding market with increasing demand for quality standards as well as consistent quantity.
2. ASARECA CASE STUDY: DIVERSIFICATION, PRODUCTIVITY AND VALUE ADDITION

By Lydia Kimenye, ASARECA

ASARECA was formed by the agricultural institutes of each of the ten member countries of Eastern and Central Africa and is based in Entebbe, Uganda. Dr. Lydia Kimenye is responsible for a recently introduced unit of ASARECA, which is called up scaling and Knowledge Management. Its objective is to scale up agricultural research outputs. She has been in charge of this unit for the last one and a half years.

Building farmer’s capacity to exploit value adding opportunities and to adopt diversification strategies for increased productivity

Value Addition
The focus of value addition is adding value to the product, which eventually adds value to the seller.

Diversification
Efficiency is the guiding principle behind these diversification strategies. Hedging against risks and maximizing returns are of particular importance. Farm planning and cost benefit analysis must be done.

Diversification could be achieved through the following activities:
• Producing more than one type of product
• Adding value to some of the produce to meet different market requirements
• Using different marketing channels.

Case study on sweet potatoes: value addition and diversification
• The programme began by looking for a market that was away from local production and offered big market potential to absorb larger volumes.
• A feasibility study was conducted, which examined the best way to add value to sweet potatoes.
• An evaluation was undertaken looking into the different types of available value adding technologies
• Finally there was an evaluation conducted, which focused on the farmers’ capacity to produce sweet potatoes.

Results of the feasibility study indicated at least two ways of adding value to the sweet potato:
• Making weaning porridge mixture
• Making poultry feed.

Farmers lacked business skills, financing and the ability to produce quality. These bottlenecks needed to be tackled in order to make this initiative successful.

Product related challenges were:
• Sweet potatoes are bulky and perishable, and they face gluts and droughts.
• Farmers were subsistence farmers hence not commercially oriented.
• Buyers would not be able to differentiate between the various sweet potato varieties thus making it difficult to put a premium price; they had low returns.
**Approach**
To overcome these challenges, an integrated approach was used, which included, for example, linking farmer organizations and capacity building activities.

A critical look was taken across all value addition areas: production, processing and marketing. These areas were split across various farmer groups, with some farmer groups therefore growing sweet potato vines only (and were linked to technology providers) and others focussing on the actual growing alongside value addition and marketing.

In Uganda, a partner, called *Ugachick*, was identified to take up produce for poultry feeds. The produce was sold to *Ugachick* as potato chips, which were cut and dried under the sun by the farmers. *Ugachick* used 15% sweet potato in their poultry feeds, with a monthly requirement of 80 tonnes. The biggest challenge to the farmer was to meet this volume on a weekly basis. Sweet potatoes have to be produced more competitively than maize.

In addition to potato chips, flour was produced to put into baby weaning feeds. Other sweet potatoes were cheaply exported to Europe.

**Lessons learnt**
- Farmers can be assisted to add value without necessarily transforming the commodity.
- It is crucial to undertake a feasibility study of the potential enterprise you want to enter into.
- An integrated value addition approach is preferred.
- Marketing and advertising is necessary to expand demand.
- Understanding the market and its dynamics is important.
- Combine various products
- Minimize transportation costs by adding other products to the shipment

**What can FOs do?**
- Select specific commodities for value addition e.g. COMESA has identified that cassava can be industrialized.
- Think regional, not national when it comes to markets- this will ensure you adhere to quality standards
- Identify good partners to work with and focus on priority areas in which the organization has comparative advantage. Partners can, for example, offer financial services, information and communication services.
- Advocate to help unlock various potentials for example targeting the industrial markets

**On sustainability of the programme and what EAFF and FOs can do, the following came up:**
- The project in Uganda is sustainable with export to Europe and selling to Ugachick. Farmers continue to have challenges meeting the requirements when the support from the project ended. The biggest challenge continues to be maintaining the relationship with the other exporters e.g. the chillies, which PRAPACE (another organization) had been able to assist with the International Potato Centre Project. FARA received funds and is working on raising awareness on sweet potatoes as a healthy diet option as well as an income generating option. ASARECA is involved in other markets with some sweet potato work in Mwanza. There are possibilities for spill-over into other areas of Tanzania. DR Congo could be provided with information on the technologies available so that there is value addition rather than just production.
• In the initial phases, institutional mapping is carried out. Working with agricultural research institutes allows for this to include other partners. As farmer organizations do not feature much in the mapping, both from the agricultural research institutes and the farmers themselves, ASARECA has a programme to ensure they include farmer organizations in their programme of work. EAFF will be linked with the farmers themselves so as to give them support. There is a stakeholder meeting on farmer empowerment early 2009 and EAFF will be invited. This will allow an understanding on what is going on and what else ASARECA can do. In the case of partnerships with outside organizations, visions of both the FO and the partner must be compatible.

• Before subsidies are given, the implications must be understood, as well as the expected outputs of subsidies, especially their contribution to sustainability. Voucher systems for acquiring seeds can be introduced so that the local market does not collapse. There should also be an element of competition built into the subsidy or grant request, so that the grants/subsidies available are given on the basis of showing how it will bring long-term sustainable benefits.

3. COLLECTIVE ACTIONS AND ALLIANCES FOR MARKET ACCESS

Collective action is defined as voluntary action undertaken in pursuit of a common goal. Underlying assumption is trust. Various challenges of farmers and FOs lead to the need for collective action.

Collective actions and alliances are found in various forms and for various purposes as shown below:
- Bulk buying
- Negotiating better prices with intermediaries and buyers
- Negotiating credit with financial institutions
- Market information
- Contract farming
- Structuring out growers’ schemes
- Sharing processing facilities
- Collective marketing

4. EAC-INITIATIVES IN STRENGTHENING TRADE AT REGIONAL LEVEL IN AGRICULTURAL INPUTS IN AFRICA (STAR)

By Timothy Mkunda, EAC

Key socio-economic challenges in the region are food insecurity and poverty. Agricultural inputs can play a part in ensuring that the socio-economic challenges are dealt with.

The STAR project deals with farmer’s access to farm inputs. The goal of the project is to promote food security and agricultural growth through enhanced regional trade and productivity by enhancing access to agricultural inputs (improved seed, fertilizer and crop protection products) in East Africa.

The objective of the STAR project is to build the capacity of farmers as well as expand their market linkages. The project also provides and disseminates market information to the farmers.
This presentation is based on a case study by the East African Community (EAC) of bulk buying of inputs through collective action and how it had a positive effect in the lives of the farmers.

This STAR project is a collective action initiative addressing the accessibility of inputs, which is one of the key things that hinder effective value chains. The STAR project is at its initial stage and is at the moment recruiting two staff who will take it up fulltime. EAFF is one of the organizations that EAC will work with because it would enable farmers to have increased access to inputs which would then bring about increased productivity and thus agribusiness success.

**EAC has taken some measures to address the problems on the ground:**

- Traders control the market because they have information. It is important that everyone across the value chain gets the same information so that decisions can be made to everyone’s benefit. EAC has been working with FOs to provide necessary information on the inputs programme.
- On the issue of alternatives, studies have indicated that using both organic and inorganic fertilizer is the best alternative. However, no specific information is available on whether one option is better than the other.
- Poverty leads to selling of fertilizer. These market distortions have discouraged subsidization. In response, SMART subsidies are being given in Tanzania, where the farmers prove usage of the fertilizer so as to get more.
- Another challenge is that the low fertilizer usage has caused fertilizer companies to close down in Africa. African farmers must therefore use their own resources, which are available, not using fertilizer from other countries.
- In Africa the farm gate price of fertilizer is many times that of farmers elsewhere in the world (up to six times) and this dramatically reduces the profitability of its use.

5. PRODUCT - MARKET LINKAGES

**Market changes impacting on small farmers**

- Expansion of contract farming ensures constant supply and reliable prices.
- Farmers’ share of food value is declining and continues to decline because of less value addition. Most of the money is being made in other parts of the value chain.
- Bulk production and marketing by large farmers and farm organizations take place.

**Risks faced by small holder farmers**

- Rising standards and increasing quality demands from buyers create barriers for farmers.
- Poorer countries are unable to compete and benefit from their lower labour costs.

**What to do to ensure benefit throughout the chain**

- Need to strengthen backward and forward linkages
- Effective supply of change

**Ensuring participation of small holder farmers**

- Farmers need to be buyer responsive and know their market
- Farmers must understand their market
- Farmers need to adopt the quality and safety requirements and standards
- Strengthening farmer-market linkages
**FOs Role – Strengthening small holder’s market access**

- Facilitate FOs development - Farmers need to adapt to the changing needs of buyers as market channels are changing. If the small farmers do not change, they will be marginalized. FOs in a particular region could link up in order to bulk up produce for marketing and so achieve better prices.

- Facilitate fair contracting and access to finance. FOs have to inform farmers about the availability of credit facilities such as cereal banks, which holds the grain for a few months and makes a partial payment to the farmer and then later sells at a higher price, which is passed on to the farmer.

**6. GROUP DISCUSSIONS USING THE ASARECA CASE STUDY**

1. **What are the collective actions that local FOs can undertake to facilitate value addition, specialization and diversification?**
   - Identify the various activities in the value chain and then prioritize them
   - Be involved in capacity building activities
   - Form linkages with the alliances in the community
   - Assist members understand their involvement in technology transfers.
   - Directly facilitate market linkages for the farmers
   - FOs can be a guarantee for the farmers.
   - FOs can lobby for the creation of conducive agricultural policies.
   - Value addition through grading at farm and FO levels
   - FOs can undertake quality control and negotiate contracts for farmers.
   - Provide extension services to facilitate product diversification and value adding activities.
   - Support the creation of specialized commodity apex organizations from the grass roots to the district level.

2. **What are the roles and activities of national FOs?**
   - Lobbying and advocacy on international and local levels and dissemination of information to farmers
   - Training of trainers in production and post harvest handling and quality for members
   - Training in good agricultural practices including the application of fertilizers and insecticide so as to come up with good produce for the market
   - Being involved in exchange visits
   - Linking input dealers to farmers
   - Analyzing market demand and identifying market niches
   - Disseminating market information on price, quality and quantity
   - Provide updates on changing market requirements that farmers are supplying
   - Educate and disseminate information on market requirements so farmers produce according to the demanded quality
   - Coordinate meetings of farmers with interested buyers and assist them in negotiating prices
   - Facilitate farmer’s access to bank loans for production activities
   - Engage in public-private partnerships for policy and law making for the agricultural sector
   - Organize purchasing of inputs for farmers in bulk
   - Keep records on soils, crops and ecological zone mapping
   - Mobilize resources
   - Create credit savings union at national level with local branches.
7. COMPLIANCE WITH FOOD SAFETY STANDARDS FOR EXPORT
   By Astrid Bessler, FAO Consultant

Safety standards and certification are important to both the consumer and the producer. Consumers want safe and healthy food and producers can use certification schemes to market their products.

**Changes in Standards**
- Government used to set standards but now there is a trend towards companies, particularly retailers setting and enforcing more stringent and demanding private standards.
- There has been a shift from testing readymade produce, towards a more preventative process control mechanism of control, which is based on traceability and risk assessment. Initially only the end product was looked at but now, the standards apply across the whole food product process.

**Why it applies to fresh fruits and vegetables**
- There is a growing global demand for fresh fruits and vegetables
- Lucrative prices are paid to farmers, although it is a very volatile market
- New technologies have come up that reduce cost and increase quality
- Fresh fruits and vegetables are mostly affected by sanitary challenges

**Why study compliance with GLOBALGAP?**
It is the most important standard for fresh fruits and vegetables in the world, with 76 GlobalGAP members and around 86,000 farmers registered.

**Confusion between public regulations and private voluntary standards**
There are three levels of requirements to supply the EU: EU regulations, member state regulations and private sector requirements. Importers sell to retailers, who in turn set private voluntary standards. The lines between public regulations and private voluntary standards have become blurry.

**Examples of GAP certification schemes are:**
- Malaysia: The Farm Certification scheme is the government’s initiative on GAP standards
- Kenya: KenyaGap is a public–private sector initiative
- South Africa: The Perishable Products Export Control Board is a government initiative
- Chile: ChileGAP is a private sector initiative.

**Advantages of the public-private sector initiatives are that:**
- They enhance food safety
- Provide institutional support for farmers
- If the brand name is strong, it provides preferred access to markets which would not have been possible without
- Involves business service development

**Limitations are:**
- They may not always include small farmers
- Local standards are not always internationally recognized
- Benchmarking against internationally-recognized standards like GlobalGAP is difficult and costly
- Difficulty integrating individual small farmers
Lessons learnt are:

- There is a need to strengthen public and private sector partnerships through dialogue and alliances to change from sector to food chain approach and to strengthen food safety and quality institutions.
- Capacity building is needed on different levels: 1) Macro level: establishing market information systems on GAP standards, laboratory practices, auditors, traceability procedures; and 2) Farm level: farm business management skills, food hygiene and sanitation and post-harvest management;
- Collective actions can help to reduce the costs of complying with standard requirements.

EAFF and FO’s role in assisting farmers with meeting standards

- FOs can assist their members in complying with difficult standard requirements. As KenyaGAP is still not recognized globally, the farmers have to go through the GlobalGAP certification process.
- FOs can also lobby for farmers supplying supermarkets.
- EAFF FO-members should take the challenge to be price makers for the farmers’ output and not price takers. EAFF should work on complying with the KenyaGAP so that the local consumers also benefit from high quality food. The regional market is vast and fast growing and there is the possibility of working across countries. Therefore producers do not necessarily need to think about serving the EU market, which enforces very stringent standards.
- EAFF can lobby for the accreditation of laboratory service providers so that the cost of analysis will be reduced. The current prohibitive costs of lab analysis make it difficult for farmers to meet international standards.
- FOs can assist with proper technology transfer and information so that the local farmers are able to produce high quality produce to meet market demand, using imported drought and pest resistant varieties of crops in the regional markets.
- The FOs need to lobby the government for a National Food Safety system.
8. BUSINESS AND FINANCE  
By Siobhan Kelly, Agribusiness Officer, FAO

Within the market for financing available to farmers, there is rural financing includes finance for agriculture and microfinance including micro credit (www.ruralfinance.org).

Key Problems for Rural Finance
- Low demand for finance in agricultural areas
- High transaction costs for the banking transactions
- Very high risk in lending to small farmers
- Weak contract enforcement and poor regulatory framework

Solutions for Rural Finance
- Increase economic opportunities and build capacity of entrepreneurs to use financing
- Mitigation of production and price risks by seeking assured markets, which improves repayment
- Introduction of flexible and long term loan products
- Lower the costs of acquiring the finance and promote effective management of rural financial institutions
- Mobilize sound market interventions for the rural people by the FO

Sustainability of Financial Institutions
- They need to mobilize resources and be well capitalized so that they are well able to serve the market
- Repayment of loans is key to their sustainability thus they need to educate farmers on this
- Ensure that they can internally generate money to cover their overhead costs
- Expand their networks

Training materials and guidance on issuance of loans, risk loan and money management should be taught to the farmers.

Trends in Rural Finance
- Rural finance is now demand driven and not pushed to the market
- Liberalization of interest rates has taken place, so that financial institution have to compete against each other
- There is growth of small non-regulated credit institutions
- There is demand for a wider range of financial services
- There is renewed donor interest in rural finance and their products

Lessons Learnt
- Information technology transforms access to financial services e.g. through the computerization of rural banks
- To suit farmers’ needs, financial services need to be customized to rural areas. Products for rural finance must be different from those of urbanized markets
- Poorly designed financial schemes undermine technical viability
- The farmer’s needs must be defined and packaged as a product. For example, loan repayment schemes have to take into consideration the cash flow of farmers.
- If there are many players in the market it provides choices and the market will become accessible and competitive. The rural finance suppliers should get innovative and find ways of meeting farmer’s needs rather than trying to work with existing methods which are not suitable for agricultural finance.
SUMMARY OF DAY II OF WORKSHOP

This day focussed on key topics for integrating farmers into value chains. These included:

- Overview of issues in value chain participation for farmers
- Case study by ASARECA on how farmers can successfully participated in value chains
- Collective action and the benefits it brings to farmers
- EAC’s initiative in strengthening trade at the regional level
- Product-Market linkages and the role of FOs in helping farmers overcome the challenges of value chain participation
- Safety standards and certification as a way of ensuring successful value chain participation
- Rural Finance - trends and current new learning for agribusiness

In short, the key lesson from this is without FOs, small farmers find it extremely difficult to engage in modern value chains. There are many requirements for farmers to be sustainable suppliers to modern markets and value chains.
DAY III
1. MORNING DISCUSSION SESSION AND GROUP PRESENTATIONS

Day 3 focused on two questions: (a) What are the priority capacity building needs of local farmer organizations to respond to changing agricultural markets? and (b) What are the responsibilities and functions of national farmer organizations in supporting them?

**In terms of capacity the four key areas are:**
1. High quality service provision
2. Professional management and organizational skills
3. Adding value and innovation
4. Advocacy, representation and negotiation

This is a graphic representation of the ideal structure of FOs:

![FO Structure Diagram]

For the FO structure above to be effective in meeting farmer needs, it is necessary that at each level, the FO leaders recognize the roles of others in the network of FOs, and determine which FO level is best placed for each role. This will allow for a proper review of present capacity, in order to determine the priority capacity building needs and the best providers of this capacity.

This structure was designed with the farmer in mind so that support is cascaded downwards hence the need for an understanding of the capacity needs at the lower levels. This will enable the right kind of support to be offered from the upper levels.

There were three group discussions where the groups discussed the present capacity of the lower level FOs, then priority capacity needs, and who the providers for these priority needs would be. The discussions were centred on the four key areas:

1. High quality service provision
2. Professional management and organizational skills
3. Adding value and innovation
4. Advocacy, representation and negotiation
The groups then made presentations on their discussions as outlined below (see appendix):

1. Service provision: FOs need to be trained in post harvest handling, packaging and storing of their produce, provision of input, advocacy and lobbying.
2. Management and organizational skills: FOs need to train farmers in agribusiness and entrepreneurship issues as well as in negotiation skills.
3. Adding value and innovation: Collective actions in value addition can be best organized and managed by FOs.
4. Advocacy, representation and negotiation: To create conducive agricultural policies and investment incentives for farmers, FOs have to influence government’s programmes, activities and policies.

2. VISIT TO KENYA PLANTERS CO-OPERATIVE UNION FACTORY

The workshop participants visited the Kenya Planters Co-operative Union (KPCU). This is a coffee co-operative of farmers, which is involved in value addition.

The tour started with the Head Office where participants met the Acting Operations Manager. He gave a little history on KPCU and gave a brief overview of the various coffee varieties found in Kenya. KPCU was founded by farmers in 1937 for value addition to coffee through milling coffee beans. KPCU is wholly owned by coffee farmers.

A question was asked on when farmers are paid for providing the coffee for milling. The response was that it takes a month to pay the farmers. However, farmers can also take a certain percentage of the expected pay as an advance.

KPCU has coffee mills at the head office, Sagana, Dandora and Meru. The Dandora mill is newer and more efficient and is in use. The mill at the head office is inefficient and also too large for the present quantity of coffee being milled by KPCU, which dropped by 70%.

The team of workshop participants then went to Dandora to the active mill to understand the value addition process that KPCU undertakes for coffee.

Value Addition and the Effectiveness of Co-operatives

The workshop participants went to a coffee mill where officers took them through the process from farm produce to value added product. When the coffee arrives from various branches countrywide at the processing plant in Dandora, it is weighed and sorted so that it can be milled according to various grades. Nothing is lost as coffee bean husks are used for fuel in the factory or sold as charcoal. Eco-charcoal is sustainable as it replaces fire wood from the forests. Afterwards, it is milled up to the auction level - the level before it is roasted to make the beverage. A traceability system is used, which facilitates the tracking of coffee beans. To move coffee from one area to another, a permit is required, which has a unique number that allows each registered farmer to follow their coffee all the way to the auction.

Coffee co-operatives register their farm members with the Coffee Board of Kenya, which has branches countrywide.

Supply side support: KPCU has field days as service provision to provide members with fertilizers and pesticides so as to promote the quality of the coffee produced.
Demand side support: For the auction, coffee dealers are given samples of the coffee available for auction, so that they can conduct their own quality tests and know what price to offer for that particular coffee sampled when the market opens.

Additional value addition that KPCU has recently entered into is roasting, packaging and branding their coffee. The roasting and packing is being done at a small scale as the roaster is of a small capacity. When packaged into the branded bags, the coffee retails for Kenya Shillings 150 for every 250 grammes bag.

Additional observations from the field trip were noted as follows:

- The new trend is towards using smaller machines with higher quality output.
- At the point of collection, there is the option for farmers to receive an advance payment with the final payment coming after a month.
- Liberalization has reduced the volume of coffee at KPCU and has stimulated attempts to improve quality. In 2000, KPCU had 100% of the coffee market but by 2005, this had dropped to 70% and by 2008 KPCU had only 30% of the coffee market.
- The introduction of packaging is an attempt to focus on branding and branded produce to achieve better returns.
- Coffee being a high value product, FOs should therefore encourage the production of higher value outputs.
DAY IV
1. DEVELOPING NATIONAL ACTION PLANS

Siobhan Kelly took participants through this session where she described what FOs needed to do to develop action plans that complement the workshops objectives and which could be eligible for funding under the AAACP. Proposals must:

- Focus on strengthening agribusiness capacities of farmers
- Be high potential and catalytic leading to spin off activities based on this one intervention.

Siobhan explained that the budget is for the apex organization to improve its capacity to serve the members. The participants then met in their country/organizational groups to work on these proposals.

The country teams had two and half hours to develop their proposals. A format was provided which they were to use to ensure that they capture each of the following elements of a good proposal: Introduction, Rationale, Approach and Contact information. A list of guidelines was also developed that was to be used by each organization country so that they could capture what was required.

The proposals are included in the Appendix of this document but below are brief descriptions of the content. The proposals were presented to all the participants with a team of three forming a critiquing panel that allowed for a competitive mindset in making the presentations.

1.1 UNNFE - UGANDA

The proposal was to offer training of trainers on improving quality of supply to market. The rationale behind this proposal is that good quality commodities enhance access to market and competitiveness.

Approach
UNFFE will partner with NAMALERE

The activities to be carried out will be:
- Identify and invite FOs to participate in the training
- Contact Partner Institution to prepare training materials
- Conduct the training
- Report writing
- Monitoring and Evaluation

The training will be offered through:
- Lectures
- Group Discussions
- Training Materials
- Question and Answers

Outcomes
- 40 Trained trainers are training farmers on quality improvement
- 30% Of the trained farmers are delivering good quality produce to the market
- Farmers getting high prices for their produce
Comments and suggestions to improve the proposal

- If another institution is to be used, the cost of doing so, as well as the division of roles across the two organizations needs to be clarified. UNFFE expects their role to be limited to providing trainers while NAMALERE’s role will be to train them.
- Training will need to be focussed on specifics and UNFFE intends to focus on four commodities – horticulture(flowers) apiary (honey) potatoes and groundnuts
- Training will need to be focussed on market access and quality of products, and will therefore be focussed on helping farmers understand the market requirements so that they are ready for market.

1.2 TFC AND MVIWATA - TANZANIA

The proposal was on capacity building on value addition and innovation and the rationale is that this is needed to move from subsistence agriculture to commercialized agriculture.

TFC and MVIWATA will partner together to carry out the following activities:

- Improve grading and sorting arrangements
- Improve handling, storage and packaging
- Enhance farm business management

These activities will concentrate on a few commodities namely: Cassava, cashew nuts, fruit and vegetables and maize.

Approach

- Training of trainer (TOT) that includes market board members (MBMs), local FOs leaders and local COOP leaders
- Develop action plans

Outcomes

- Enhanced high quality products in the market
- Improve competitive commodities into the market
- Increased shelf life and maintain quality of products
- Improved farm record keeping

Comments and suggestions to improve the proposal

- The initiatives mentioned need to add value to existing activities and clarification on how the implementation will be conducted is required. TFC and MVIWATA will therefore focus on collection centres and existing.
- Focus may need to be on only one activity as funding available is not sufficient for more than one activity. TFC and MVIWATA will therefore work on ongoing projects in the cashew nut and cassava commodities as this will reduce the total cost. With only six collection centres and groups for cassava, the number of farmers to train is small.
- As MVIWATA and TFC do not have the technical competence to conduct the many activities proposed, competence will come from the cashew nut board and Small Scale Development Organization (SIDO) which will assist in packaging.
- As there are two organizations providing a joint proposal, it is necessary that they are partners already for this to be feasible. As they both serve the farmer, and are both active in the cassava and cashew nut growing areas, they will work together.
1.3 KNFC-KENYA

The proposal by the Kenya National Federation of Co-operatives (KNFC) is for the Co-operative Farmer Empowerment Project in Agribusiness (COFEPA) and it aims at increasing farmer awareness in agribusiness and value chain process in a globalized and liberalized economy in order to change farming from a subsistence to a business activity.

This approach rides on the success stories of community members participating in the whole of the value chain process from production to processing, such as Githunguri Farmers Co-operative Society in Kiambu District, Kenya. Farmers came together and formed a co-operative which then processes the milk and sells to supermarkets in Nairobi. This has led to higher payment to milk producers.

KNFC has seven million members. However the COFEPA Project will be a pilot project covering 3 districts in Central and Eastern Provinces, MERU, EMBU and NYERI. The success stories will thereafter be replicated in other districts in Kenya. There are a number of co-operative managers within the selected target geographical areas who have recently received training on value addition for sustainable human development from Israel will be brought together to exchange synergies and ideas with the ultimate aim of having centres of excellence in agribusiness practices.

To achieve this, several activities are lined up and include:

- 1 National meeting on establishment of co-operative agribusiness forum
- 3 Regional meetings of all stakeholders
- 1 TOT
- 13 Strategic Plans in place
- 12 Trainings for Committee/Staff on Agribusiness and value chain process
- 9 X 3 Trainings for ordinary farmers on Agribusiness and value chain process
- 3 Field Trips for exchange visits within the country

The target beneficiaries of this project are:

- 1 National Apex co-operative organization
- 3 District co-operative unions
- 9 primary co-operative societies
- 900 ordinary farmers

Approach

- The Kenya National Federation of Co-operatives will implement the Project guided by the recommendations of the National Co-operative Agribusiness Forum and the Strategic Plans developed by the participating institutions.
- The grassroots contact persons will be drawn from the District Co-operative Unions in collaboration with local officers from the Ministry of Co-operative Development and Marketing and other service providers.
- The project will strive to benefit the ordinary farmer by ensuring that the farmer gets more money as he/she supports the benchmark set for improved crop/animal husbandry and the value chain process, hence the project will contribute towards adding more money to the farmers’ pocket.
- Consequently farmers’ empowerment will receive more emphasis and farmer institutions encouraged to undertake agro-processing.
- The project will ensure cross-cutting issues are integrated in the course of project implementation such as gender, youth, environmental conservation, HIV/AIDS and decent work country programmes on issues of mainstreaming concerns of child labour in the agricultural sector.
• The Millennium Development Goal (Nos. 1, 3 and 8) will be pursued in order to address poverty reduction, gender and establishment of networks and linkages locally, regionally, nationally and internationally.

Expected outcomes are:
• 1 National Co-operative Agribusiness Forum carried out
• 3 Regional Seminars on Agribusiness and value chain held
• 13 Strategic Plans in Place on agribusiness and value chain
• 900 farmers trained
• 1 TOT carried out

To improve their funding proposal, KNFC needs to:
• Acknowledge that to build on the measure of success of a producer co-operative - money in the farmer’s pocket – the focus will need to be narrowed down as participating across the entire value chain would not be feasible.
• The focus should be more towards the farmer and not so much the value chain/enterprise. It should also be on market access as opposed to gender, youth, HIV etc and other areas that affect the farmer.

1.4 CAPAD-BURUNDI

80% of Burundians are farmers and they deal with markets as individuals.

Focus of proposal
• Capacity building in storage and packaging through Training of Trainers
• Overcoming cost analysis obstacles
• Inform farmers on market quality standards
• Develop a market information system that provides real time information
• Put in place a database on opportunities for diversifying and the process of agriculture products
• Organize meetings between farmers and Microfinance Institutions (MFIs) to analyse and discuss financing.

Approach
• Use mobile phones
• Use national radio
• Identify the pilot areas where the results can be applied to the rest of the county
• Identify two products where we can understand the value chain

Outcomes
• Co-operative members will improve the quality of the produce in the area of agribusiness.
• Remove the obstacles which have thus far made it difficult for farmers to sell their produce.
• Come up with a functional market information system and have a database on diversification information and processing.
• Analysis of the different possibilities which will be done by producers and MFIs.

To improve the funding proposal, the organization needs to:
• CAPAD will also have to work with partners as the areas of intervention are many.
• CAPAD indicated that it would be better to have a pilot collective action around production and marketing for a particular crop be an immediate project to initiate. CAPAD is dealing with this by expanding storage facilities presently as well as group selling skills programme going on, being funded by other donors.
1.5 KNFAP - KENYA

The proposal for the Kenya National Federation of Agricultural Producers (KENFAP) was on value chain development with the rationale that: Kenya’s economy thrives on agriculture, farming is a viable business yet there exist some constraints and opportunities in the value chain and so the focus will be on appropriate intervention strategies. The approach will be a partnership with the Government of Kenya and KACE.

**The activities will be:**
- Identify competent trainees/trainers
- 1-week training on value chain development
- Identify commodities for analysis
- Using the value chain analysis tool improvement of quality
- Analyze the commodity to identify the stakeholders opportunities and constraint
- Stakeholders meeting on value chain actors and supporters per commodity (commodity specific)
- Training on negotiation, marketing and networking skills

**Outcomes will be:**
- Clear understanding of the value chain (constraints and opportunities)
- Intervention strategies developed per commodity
- Improved distribution on income/profit within the chain actors
- Making informed choices by the players

**To improve the funding proposal, the organization needs to:**
- It will be necessary to consult with large scale farmers who have opened market access, as the commodity association members, who are all small scale, can learn from the large scale farmers.
- As much as the training of trainers has been proposed to be conducted in the apex organizations for various commodities, it will be necessary for the programme to be scaled down and focus on only a few activities and a few commodities.

1.6 IMBARAGA-RWANDA

The proposal focuses on increasing market access for potatoes with the following rationale:
- Potato production and marketing is currently a fresh business
- Most farmers live upon this crop
- The market is no longer segmented
- Some coop are engaged in potato marketing

**Activities**
- Analyze potential buyers
- TOT on improvement of quality
- Training on negotiation, marketing and networking skills

**Outcomes**
- Improved quality and sales
- Improved networking and market information
- Increased income (life standards)
To improve the funding proposal, the organization needs to:

• The approach needs to be clear and outcomes separated from impact to society. The focus should be on specific outcomes i.e. either value added produce being sold to existing markets or direct produce being sold to new markets.
• A market survey approach to analyze potential buyers is an expected output. Since output is still low, processing will be introduced at a later stage. If IMBARAGA continues with the existing activities, there will be progress, though it is not possible to target the market with the highest returns as quantities are too low.
• Processing and packaging i.e. value chain participation, will be phase II of the market access and market development.
• IMBARAGA will need to clarify who the trainer will be in the training of trainers approach proposed.

1.7 INGABO – RWANDA

The focus is on transformation of cassava. The main concern that the farmers find themselves in is to be able to process or add value to the production of cassava. There is already a programme to produce cassava seeds in force since 2005. Ingabo tried to treat a disease that had broken out by providing alternative seeds.

Activities
• Information from the market studies-putting to action an earlier research
• Build capacity of local processors –there are two co-operatives who tried to process cassava. The first one got credit and acquired small machines that they cannot even operate. The second co-operative prepared a business plan for them to be able to produce their own flour. The flour produced by these two organizations costs three times the cost of other flour available in the market. These co-operatives made sure they could use methods to improve the flour so that this flour is of higher quality than the other flour available in the market. It now gives hope that there are fewer farmers gathering low prices from the market

Approach
Training of trainers-this is because the initiative would help those who have no idea on how to operate their farms professionally. This will also mobilize producers as not all producers are members of this co-operative.

Outcomes
To ensure that there is quality flour for the market and to ensure that it is available regularly. Today Ingabo, through co-operatives, has tried to transform the flour and has helped the co-operatives in selling. Demand for this flour is so high that other flour traders are placing press advertisements and other advertisements passing off their flour as “flour from Gitarama” because of its good reputation.

To improve their proposal, INGABO needs to:
• Build their own capacity so that they can better document how they will carry out each of the activities. The local farmers have also begun to form value addition co-operatives and these need to be supported so that trade marking and packing are done to protect the product and to protect their markets from unscrupulous marketers who are marketing lower quality produce in INGABO’s name to take advantage of the demand.
• INGABO needs to focus on market retention through quality improvement, certification and packaging. INGABO indicated that since the programme began, the quantity has been increasing with more collections, as a result of the seed multiplication and production improvement programme.

• As the last market survey was conducted in 2006, another one will be required as the prices have changed and the level of farmer co-operation has increased. Ingabo however would rather integrate what is done today in the market with the findings of the 2006 study and then later on it can be extended.

1.8 COOCENKI AND SYDIP-DRCONGO

In the DRC farmers do not understand the market very well. The proposal is to reinforce capacity in the areas of value addition, lobbying and finance. SYDIP and COOCENKI will work together under FOPAC.

Activities
• Organize a meeting for players in the development of this value chain. Players include producers, marketers who work in isolation and should work together.
• Reinforce the capacity of the organizations of producers. The internet will be used to develop a database of these organizations and internet shall be used for communication.
• Management capacity will be built in the organization looking at all the steps of the value chain. For these organizations to operate in the value chain they must each understand their role and then they will play it well.
• Training of Trainers for FOs on standards, lobbying and advocacy and agricultural finance.
• Organize an agricultural trade fair which will allow farmers to display their produce.

Approach
• Pilot project will be carried out since DRC is large. FOPAC has many grassroots organizations and as a pilot project, the focus will be on COOCENKI and SYDIP
• Training and meeting
• Exhibitions

Outcomes
• Actors identified and their roles defined so that there is no duplication but an exchange of ideas and opportunities along the value chain.
• Crops selected are coffee, quinine, beans, maize and cassava. Putting these players together will be part of the plan.
• The organizations will be informed on standards, improving their quality and on processing.

To improve this proposal, the organization needs to:
• There needs to be scaling down of the proposal as it is too wide and three years would not be sufficient to do it. Priorities must be set.
• There needs to be clarification on how this will be practical as the proposal indicates that the actors in the value chain will need to be brought together. It also does not specify crops. There needs to be effort put to identify one crop to focus on.
• The pilot zone needs to be reduced to one small region so that the effectiveness of this approach is tested. COOCERNKI-SYDIP indicated that they will need to mention the indicators of success for each outcome, and will focus at the beginning on the North Kivu area and pick already existing activities, which can be used as an example of successful market access.
• The reason for FOPAC partnership when COOCENKI and SYDIP are already available is for the two organizations to be seen to have one voice.

**FAO Follow Up**

The participants were informed that their proposals contained substance and had sustainable approaches and EAFF with FAO will retain them for discussions with donors and other organizations that may be co-operating with FAO on this project. The concepts may also be developed to share with donors in the various countries e.g. GTZ, DANIDA, and USAID.

### 2. CONCLUSIONS AND RECOMMENDATIONS

The workshop was concluded with messages of appreciation from EAFF, FAO and PANAAC.

**Siobhan Kelly** gave the workshop participants an overview of the presentation made over the first two days (Day I and Day II) where a number of subjects were discussed. After the presentations by various experts and representatives from organizations, there were presentations by farmer organizations on what they have been doing in each of their countries. She highlighted some of the main lessons emerging from the sessions plenary discussions as follows:

• As trade was becoming increasingly structured and governed, domestic markets are increasingly taking on the characteristics of international markets and demanding better quality produce and better presented produce. FO’s therefore need to be more aware of the forward and backward linkages and ensure their members are responsive to buyers needs;

• East Africa private sector should focus on developing and promoting its own set of standards within the region to capitalize on the growing demands of African retailers and middle-class consumers; while schemes such as Globalgap set a good benchmark for standards they are out not in line with African on-farm realities, are complicated, costly and farmers have to constantly update their certification compliance processes to keep up with changing standards’ requirements;

• Innovative financial products and schemes that facilitated farmer-market linkages, such as Drumnet and warehouse receipts systems are important tools for FOs and their members. FOs can also take a more proactive role in national and regional lobbying for policy changes that promote appropriate financial products and an increase in access to finance for small holders.

**Stephen Muchiri** then gave a wrap up on the last two days-(Day III and Day IV). The last two days began with a guide on reviewing the capacity within participating FOs and then identifying their needs. Groups then discussed this, after which a field visit was made to see the how the co-operative movement has included value addition.

On the fourth day, participants were given a format to develop a funding proposal for the national level activities that were to be carried out in each country, with a number of issues coming up including training of trainers, partnerships, value addition using the local products and responding to local needs including public relations, marketing and branding, etc and how these can enhance or improve market access. Presenters indicated the need to support the existing processes.
**Edward Seidler** then gave some closing remarks. FAO has been very happy to be involved in the workshop and is impressed with the interaction that is taking place at the workshop. This kind of sub-regional activity is very useful for farmers to learn what is happening in various countries.

He also thanked the interpreters for doing a good job. He also thanked the support team for the team working long hours and ensuring the smooth running of the organization.

**Lucy Muchoki**

Lucy Muchoki also gave a speech, representing the private sector. She is the currently Interim Chair for PANAAC which represents FARA. There are several regions covered by these organizations. Lucy Muchoki is a FARA and ASARECA Board Member. The purpose of participating in these Boards is to make sure that research is directed to suit African continental agribusiness needs. Lucy thanked EAFF and FAO for organizing this meeting. It was useful for private sector to gain an understanding of farmer experiences and opinions in agribusiness. Private sector was seen as aggressive and is most feared by the farmers especially by Kenyan farmers. Agriculture must be changed by working together. Most of the GDP in Africa comes from agriculture. PANAAC looks forward to working with the farmers.

There was also a press conference opened by the EAFF CEO where the FO leaders gave their opinion on regional matters. The press release makes part of the appendix of this workshop report.

**Chairman’s Note**

The EAFF Chairman gave a closing remark, thanking all participants, indicating that this workshop was very important in that it took a lot of lobbying for it to come to pass. EAFF has now connected national farmer organizations and some of the initiatives can be expanded.

EAFF also believes in commercialization of small scale agriculture. This workshop is part of the process of seeing this come to pass. Partnering with the private sector is good as it allows the farmers to position themselves as action groups that are ready to work and face the private sector as organized groups.

Private sector is in business and if small scale farmers do not come together, the private sector will buy from large scale farmers who are also serious in agribusiness. EAFF has also facilitated information exchange of what is happening in various markets.

The workshop was officially closed.
APPENDIX

- Workshop programme
- Questions raised during the workshop
- Feedback forms
- Press release for press conference
- List of participants
East African Regional Workshop on

Strengthening the Capacity of Farmers’ Organizations
to Respond to Changing Agriculture Markets

11th to 14th November 2008

Kivi Milimani Hotel, Nairobi
Regional Workshop on

Strengthening the Capacity of Farmers' Organizations to Respond to Changing Agriculture Markets

**Day 1:**

The purpose: Create a common understanding of the key issues in value chains, the demands of the agribusiness sector and the constraints for farmer participation in modern agriculture markets.

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<tr>
<th>Time</th>
<th>Session</th>
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<tbody>
<tr>
<td>8.30-9.00</td>
<td>1. Registration</td>
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<tr>
<td>9.00-9.30</td>
<td>2. Workshop opening</td>
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<tr>
<td></td>
<td>- Welcome remarks – Philip Kiruo, President of EAFF (chairman)</td>
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<td></td>
<td>- Opening remarks – Edward Seifler, Senior Officer, Rural Infrastructure and Agro-industries Division, FAO</td>
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<td>- Objectives of the workshop – Shobhan Keity, Agri-business and Enterprise Development Officer, FAO</td>
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<td>- Self introduction of participants</td>
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<td>- House-keeping – Stella Kamuya, EAFF</td>
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<tr>
<td>9.30-10.30</td>
<td>3. Linking farmers to value chains</td>
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<tr>
<td></td>
<td>- Presentation – Edward Seifler, Senior Officer, FAO</td>
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<td></td>
<td>- Plenary Discussion</td>
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<tr>
<td>10.30-10.45</td>
<td>Refreshments</td>
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<td>10.45-12.30</td>
<td>4. Requirements for farmers to be sustainable suppliers to modern value chains – a private sector and agribusiness perspective</td>
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<td></td>
<td>- Lucy Muchoki, Inform Chair, Pan African Agribusiness Consortium</td>
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<td>- Sylvester Gule, Communications Officer, Pan African Agribusiness Consortium</td>
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<td>- Plenary Discussion</td>
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<td>12.30-13.30</td>
<td>Lunch</td>
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<td>13.30-15.00</td>
<td>5. What are Farmers' Organisations doing to help their members participate in agriculture value chains?</td>
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<td>- Brief Statements from FO Representatives</td>
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<td>15.00-15.15</td>
<td>Refreshments</td>
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<td>15.15-15.45</td>
<td>6. What are Farmers' Organisations doing to help their members participate in agriculture value chains? continued</td>
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<td>- Brief Statements from FO Representatives and Other Organizations</td>
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<td>15.45-16.45</td>
<td>7. What needs to change to improve FOs' linkages with value chains?</td>
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<td>- Plenary Discussion</td>
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<td>16.45-17.00</td>
<td>8. Recap on day and summary of key areas</td>
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<td>- EAFF – FAO</td>
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Day 2:

The purpose: Share learning on the key topics for successful farmer participation in value chains

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<th>Time</th>
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<tr>
<td>0.30-9.00</td>
<td>1. Overview of topics for value chains</td>
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<td>1.1 Diversification/productivity and value addition</td>
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<td>1.2 Producer-market linkages</td>
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<td>1.3 Business and financial services</td>
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<td>1.4 Quality &amp; safety standards and certification</td>
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<td>1.5 Cooperative/collective action and alliances</td>
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<tr>
<td>9.00-10.30</td>
<td>2. Diversification/Productivity and Value Addition</td>
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<tr>
<td></td>
<td>Presentation – Dr. Kimonya, ASARFCA</td>
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<td>Group discussion &amp; Plenary Discussion</td>
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<td>10.30-10.45</td>
<td>Refreshments</td>
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<td>10.45-12.15</td>
<td>3. Collective Action and Alliances</td>
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<td>Case Study: Buying inputs in bulk – Timothy Wesanga, EAC and Josephine</td>
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<td></td>
<td>Joseph Mwikela, EAPP</td>
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<td>Group discussion &amp; Plenary Discussion</td>
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<td>Lunch</td>
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<td>Presentation – FAO</td>
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<td>Plenary Discussion</td>
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<td>14.45-15.00</td>
<td>Refreshments</td>
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<td>15.00-16.30</td>
<td>5. Business and Financial Services</td>
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<td>Presentation – FAO</td>
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<td>6. Safety Standards and Certification</td>
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<td>Presentation – FAO</td>
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<td>Plenary Discussion</td>
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<td>17.00-17.30</td>
<td>6. Plenary Discussion – Summary of Results</td>
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Day 3:

The purpose: What are the priority capacity building needs of local FOs to respond to changing agriculture markets and what are the responsibilities and functions of national farmer organizations in supporting them.

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<th>Time</th>
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<tr>
<td>8.30-09.00</td>
<td>1. Overview of capacity building areas and skills</td>
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<td><strong>Plenary session</strong></td>
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<td>09.00-10.00</td>
<td>2. Capacity building needs for local FOs</td>
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<td><strong>Group discussions</strong></td>
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<td>Present Capacity Priorities Needs Providers</td>
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<td>1. Service provision</td>
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<td>2. Professional management and organizational skills</td>
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<td>4. Advocacy, representation and negotiation</td>
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<td>10.00-10.15</td>
<td>Refreshments</td>
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<td>10.15-11.15</td>
<td>3. Responsibilities and functions of regional and national level FOs in</td>
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<td>supporting local level organizations capacity to participate in value</td>
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<td>4. Advocacy, representation and negotiation</td>
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<td>11.15-12.15</td>
<td>4. Group presentations and plenary</td>
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<td>12.15-13.15</td>
<td>Lunch</td>
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FIELD TRIP
Day 4:

Purpose: Develop national follow-up activities for support by the ACP project or other donor programmes

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<tr>
<th>Time</th>
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<tr>
<td>8.30-9.00</td>
<td>1. Overview of potential ways forward for national follow-up</td>
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<tr>
<td>9.00-10.30</td>
<td>2. Participants in country groups design proposals for follow-up support</td>
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<tr>
<td>10.30-10.45</td>
<td>Refreshments</td>
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<tr>
<td>10.45-11.30</td>
<td>3. Participants in country groups design proposals for follow-up support</td>
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<tr>
<td>11.30-13.00</td>
<td>4. Country groups present proposals for peer review</td>
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<td>12.30-13.30</td>
<td>Lunch</td>
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<td>13.30-14.30</td>
<td>5. Groups revise proposals based on peer review</td>
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<td>14.30-15.30</td>
<td>6. Plenary session to discuss the proposal for national follow-up</td>
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<td>15.30-16.00</td>
<td>7. Conclusion and workshop closure</td>
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Last update: EAPFF 10 Nov 2008, 4.20 pm AB
Annex – Questions raised during the workshop

LINKING FARMERS TO VALUE CHAINS

• In many cases, observation has shown producers having lost by being stakeholders in value chains. What percentage should the farmer get to feel a successful player in the value chain?
• What strategies can be used to remain in the value chain? Case in point is that in DR Congo, there was a contract with a quinine producer. A farmer was to produce good quality with a price of US $ 8. Prices went up after negotiation and Asians then came in and offered US $ 60 per kilo! In such a case, it is not profitable to remain in a contractual relationship as the farmer. It makes more sense to provide the buyer with the higher price, contract notwithstanding.
• In DR Congo, the producers are many and they are not members of the FO. There are also other farmers who want to export themselves. The market is therefore bypassing the association/FO because the FO does not have the force necessary to force the market to negotiate with them-they go directly to the farmer. The FO is therefore losing relevance to external actors who come to seek producers, what strategies can our FO employ to counter this?

PRIVATE SECTOR AND AGRIBUSINESS PERSPECTIVE

• The organizations that have been mentioned as coming to assist farmers need to start seeing farmers as partners and not as outsiders; they need to view farmers as "us" and not “them”. They still see farmers as a group far removed from themselves, hence the problem of lack of ownership and sustainability of agribusiness related capacity interventions.
• Will farming become a business when farmers are facing food insecurity? Will they come together to form FOs? It is important for the FOs to build their farmers with the knowledge of value chain and to teach them how they can be able to help themselves as farmers for food security, so that the can concentrate on being enterprising and adding value to their produce.

QUESTIONS ON THE CASE STUDY BY ASARECA

• Did the project continue when ASARECA support ended?
• The project would be good for Rwanda, where these sweet potatoes are considered not a cash crop but a subsistence crop
• There is a problem of quality seedlings, concerning experiences from this project, how can you multiply this success to other countries?
• In DR Congo there is a limitation to production only, how can ASARECA work with FAO and assist DR Congo benefit from value addition technology?
• When the producer has problems being paid for the product, he has challenges storing and stocking the products, how can we be assisted in this?
• Is ASARECA active in Tanzania? In Eastern Tanzania in the Morogoro region, there is an abundance of sweet potato and there is always a glut; there is an opportunity being missed there.
• Besides being aware of the specializations which allow for competitiveness, how can we do this on our own as an organization? We depend a lot on outside support and do not share a vision with our partners.
• How can we help producers give guarantees to financial institutions? We cannot continue living on aid or help, to succeed and be less dependent we need access to finances without having to offer security.
• Do you train organizations? What is your strategy in this? Where are these markets? We cannot produce for markets we do not know.
• Project set-up; were these groups pre-existing legitimate apex farmer organizations or were they project groups? This answers the sustainability question.
• There was a comment about reduced performance after the project ended. EAFF sees an opportunity, how can we fit in to preserve the gains and address standards issues and ensure that farmers continue?
• Payment issues can also be sorted out if EAFF steps in, the waiting period can be shortened.
• If there is an organization that can offer seed money, it would be useful.

QUESTIONS ON EAC’s INITIATIVES

• Inputs alone also do not help. Cost of inputs is high as cost of all chemicals is high. Does EAC think of alternatives, other than inorganic fertilization, is organic fertilization an option that can be promoted?
• Why can we not give preference to organic fertilizer? This would reduce production costs.
• Capacity issue: we do not have information on nutrient requirement for different crops at different stages of their growth; does this project look into this, so that inputs offered are relevant?
• A comment on pricing information; Information on prices does not really help a farmer in the long run. It is current information, yet the farmer at that time when pricing information is being given does not have produce; it would be ready in a few months time, by when the prices would have changed, so how can we prepare farmers in advance so that they can take advantage of the high prices through production planning?
• Farmers do not know in advance what inputs they will need during the planting season. Prices of inputs also fluctuate so one cannot plan on a price they have been given at a certain point in time-it changes all the time.
• There is subsidization of inputs in Rwanda of up to 50% with conditions – land consolidation and growing only maize and wheat. Other crops are not subject to subsidy. The subsidy has affected the private sector businesses in fertilizer supply. The subsidized fertilizer is therefore being exported, and makes its way into Burundi, thus also destabilizing the fertilizer market. EAC needs to comment on this.
• There is also conflict-no training on application of fertilizers is given, even with the inputs, farmers are stuck.
• Farmers are keen to know if the fertilizer was actually a grant to their government.
• Food provision is agribusiness and the key objective is making money. Demand for fertilizer is very low in Uganda, and it therefore makes no business sense for those supplying it. Subsidies and training should be part of the EAC programme, to help familiarization on fertilizer use amongst farmers.
In Malawi, this approach of creating awareness and training made a difference to the harvest quantities and much produce was exported.

- Farmers in Africa have and must accept the responsibility of nourishing the soils, not the traders. Can traders also be capacity built on the value of inputs? This may increase demand by farmers and thus usage of inputs.
- There was once a discussion on establishment of a fertilizer facility. EAFF would like to know if EAC is actualizing this.
- What are the strategies of the EAC in serving their own interests by addressing the demand side for fertilizer? This is to ensure that there is no trade distortion, as is the case in Rwanda and Burundi, where the Rwanda fertilizer subsidy became business in Burundi, which is really a distorted market and not sustainable. How will farmers be part of the process averting such market distortions?

**PRODUCT MARKET LINKAGES**

- There are supply deficiencies and meeting market demand is a challenge:
  - Access to market and deficiency of product are the most important issues for small scale farmers; they do not meet the required standard but their level of production is still very low and they end up loosing the mkt.

**SAFETY STANDARDS AND CERTIFICATION**

- The cost of laboratory analysis of produce is very expensive in Kenya but much cheaper in other markets; why is this the case? What are others doing that Kenya is not doing so that the cost is expensive? In other countries most laboratories in the region lack accreditation and this poses a great problem to the region therefore are not able to meet the international market
- The retailer passes the responsibility of providing good produce to the market to the farmers, and the farmers do not want to take this responsibility as it poses a big problem to them
- Proper technology transfer and information are needed as is the case in Tanzania. Tanzanians buy vegetables and fruit coming from South Africa because they want oranges which are orange in colour and orange inside; they can get oranges locally but the imports are still popular. In response, the Tanzanian Ministry of Agriculture went to South Africa and came back with the seeds and planted them but they did not succeed as they are prone to diseases and purchasing the pesticides was a costly burden to the farmers; the local variety is less prone to diseases and therefore cheaper to produce.
EAFF
Evaluation de l’atelier
ATELIER REGIONAL SUR LE RENFORCEMENT DES CAPACITES DES ORGANISATIONS DES PRODUCTEURS POUR REPONDRE AUX BESOINS ACTUELS DES MARCHES AGRICOLES
Mardi le 11 au vendredi le 14 Novembre 2008
Nairobi, Kenya

Veuillez évaluer l’atelier selon les critères suivants:
Chaque session, l’organisation générale de l’atelier, le logement et la restoration en se servant de l’échelle d’analyse suivante : très bien, bien, pas bien.

**PARTIE 1 – L’ATELIER ET LES INTERVENANTS**

<table>
<thead>
<tr>
<th>1° JOUR: Mardi le 11 Novembre 2008</th>
<th>Très bien</th>
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<tbody>
<tr>
<td>1. Lier les agriculteurs aux marchés – Edward Seidler, <em>FAO</em></td>
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<td>2. Lier les agriculteurs aux chaînes de valeur – Edward Seidler, <em>FAO</em></td>
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<td>3. Les critères pour transformer les producteurs en fournisseurs capables de répondre aux besoins des chaînes de valeur modernes : – du point de vue d’agri business – Sylvester Gule, PANAAC</td>
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<td>4. Que font les organisations des agriculteurs pour aider leurs membres à participer aux chaînes de valeurs agricoles ? – Proposotions des représentants des FO/OA</td>
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<td>5. Que faudrait-il changer pour améliorer les liens entre les FO/OA et les chaînes de valeur ? -discussion pléinaire</td>
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**D'AUTRES COMMENTAIRES- 1° JOUR:**

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<th>2° Jour : Mercredi le 12 Novembre 2008</th>
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<tr>
<td>1. Résumé des sujets sur les chaînes de valeur – <em>Siobhan Kelly, FAO</em></td>
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<td>2. Renforcement des capacités chez les agriculteurs pour pouvoir exploiter l’ajout de valeur – <em>Dr. Kimenye, ASARECA &amp; Discussion pléinaire</em></td>
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3. Action collective et Alliances – *Josephine Joseph Mkunda, EAFF*

4. Améliorer le commerce pour les intrants agricoles en Afrique au niveau régional (Project STAR) – *Timothy Wesonga, EAC & Discussion plénaire*

5. Relier les producteurs au marché – *Edward Seidler, FAO & Discussion plénaire*

6. Assurer la sûreté & la certification – & Discussion Plénaire – *Astrid Bessler, FAO*

7. Services commerciaux et financiers – *Siobhan Kelly, FAO & Discussion Pléinaire*

7. Résumé des résultats – EAFF

**D’AUTRES COMMENTAIRES- 2e jour**

3e Jour, Jeudi le 13 Novembre 2008

1. Résumé des activités des deux derniers jours de l’atelier – *Edward Seidler, FAO & Discussion Pléinaire*

2. Les besoins pour le renforcement des capacités des OA locales – *Discussion*

3. Les responsabilités et les fonctions des OA aux niveaux national et régional dans la facilitation du renforcement des capacités de leurs membres pour participer aux chaînes de valeur – *Discussion*

4. Les interventions par les groupes

5. Visite à Kenya Planters Co-Operative Union Limited – *organisée par EAFF*

**AUTRES COMMENTAIRES- 3e Jour:**

4e Jour: Vendredi le 14 Novembre 2008

1. Observations provenant de la visite à KPCU – *Discussion Pléinaire*

2. Parcours des moyens possibles pour le suivi national dans l’avenir – *Siobhan Kelly, FAO*

3. Elaboration des projets par les participants (selon les pays) – *Discussion*

4. Intervention par les groupes (selon les pays) – *Discussion pléinaire*

5. Revoir les projets présentés par les groupes – *Discussion pléinaire*
6. Session plénière pour discuter du projet du suivi national

**EVALUATION GENERALE DES INTERVENTIONS**

**PARTIE II – ORGANISATION DE L’ATELIER**

**Questions sur l’organisation générale**
1. Organisation faite avant l’atelier (logistique)
2. Organisation de l’atelier proprement dit
3. Hôtel (logement & restauration)
4. Gestion de temps

**AUTRES COMMENTAIRES:**
Please evaluate workshop as below:
Each session, The overall workshop organization, Accommodation and Food by ranking very good, good or not good

### SECTION I – WORKSHOP AND PRESENTERS

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<tr>
<th>Day 1: Tue 11th November 2008</th>
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<tr>
<td>1. Linking farmers to markets – Edward Seidler, FAO</td>
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<td>2. Linking farmers to value chains – Edward Seidler, FAO</td>
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<td>3. Requirements for farmers to be suitable suppliers to modern value chains – an agribusiness perspective – Sylvester Gule, PANAAC</td>
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<td>4. What are Farmers’ Organizations doing to help their members participate in agriculture value chains? – Statements from RO Representatives</td>
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<td>5. What needs to change to improve FOs’ linkages with value chains? – Plenary Discussion</td>
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**OTHER COMMENTS-DAY 1:**

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<tr>
<td>1. Overview of topics for value chains – Siobhan Kelly, FAO</td>
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<td>2. Building capacity of farmers to exploit value addition – Dr. Kimenye, ASARECA &amp; Plenary Discussion</td>
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<td>3. Collective Action and Alliances - Josephine Joseph Mkunda, EAFF</td>
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<td>4. Strengthening Trade at the Regional Level (Project STAR) in Agricultural Inputs in Africa – Timothy Wesonga, EAC &amp; Plenary Discussion</td>
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<td>5. Producer-market linkages – Edward Seidler, FAO &amp; Plenary Discussion</td>
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<td>6. Food safety standards &amp; certification –&amp; Plenary Discussion Astrid Bessler, FAO</td>
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<td>6. Business and financial services – Siobhan Kelly, FAO &amp; Plenary Discussion</td>
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7. Summary of Results – EAFF

OTHER COMMENTS-DAY II:

Day 3: Thu 13th November 2008
1. Overview of the next two days’ activities – Edward Seidler, FAO & Plenary Discussion
2. Capacity-building needs for local Farmers’ Organizations – Group Discussion
3. Responsibilities and functions of regional and national level FOs in supporting local level organizations capacity to participate in value chains – Group Discussion
4. Group presentations
5. Field Trip to Kenya Planters Co-Operative Union Limited – organized by EAFF

OTHER COMMENTS-DAY III:

Day 4: Fri 14th November 2008
1. Observations from field trip to KPCU – Plenary Discussion
2. Overview of potential ways forward for national follow-up – Siobhan Kelly, FAO
3. Participants in country groups design proposals for follow-up support – Group Discussion
4. Country groups present proposals for peer review – Plenary Discussion
5. Groups revise proposals based on peer review – Plenary Discussion
6. Plenary session to discuss the proposal for national follow-up

OVERALL EVALUATION OF PRESENTATIONS

SECTION II – WORKSHOP ORGANIZATION

Overall organizational matters
1. Pre-workshop organization (logistics)
2. Organization of actual workshop
3. Hotel (accommodation & food)
4. Time keeping

OTHER COMMENTS:
PRESS RELEASE

- The Member Organizations of EAFF
- The Board Members of EAFF
- Members of EAFF secretariat
- Representatives from EAC
- Our Guests from FAO- Rome
- Our facilitators
- Members of the press
- Ladies and Gentlemen

Welcome to this press conference at the Kivi Milimani Hotel. This conference would like to present a number of important issues.

The Eastern Africa Farmers Federation is a regional farmers network with membership from National Producers Apex National organizations. It is a non-political and non-profit making organization of farmers in Eastern Africa. It is a voice of all farmers in the region. We are here as representatives of farmers from Burundi, Rwanda, DR Congo Uganda, Tanzania and Kenya for a four (4) days workshop (11-14 November 2008) for a workshop on strengthening the capacity of farmers organizations in responding to changing agricultural markets. The workshop has explored various ways that farmers organizations can help their members access profitable markets, add value to products, link farmers to markets and most important address questions on how farmers should be organized for collective action in production and marketing. The workshop has explored needs for farmers to be sensitized to produce for the market and have capacity needed to plan production, bulk produce for the market and negotiate for profitable markets through relevant market information.

Our membership are predominantly small scale, and are not only facing multiple challenges in production but have no capacity to access the market. EAFF advocates for commercialization of small scale agriculture. This will not be possible unless smallholders are organized around input acquisition, production and marketing and provided with the relevant capacities.

The African heads of states and government have committed themselves to getting Africa economies working through development of the agricultural sector. We have the CAADP where governments of Africa have committed themselves to increasing budget support to agriculture to .10% and ensure annual growth in the agricultural sector by 6%.

60
Ladies and Gentlemen it is a desirable coincidence that we are holding this workshop within the week that the Kenya government is holding its second National Agricultural Sector Conference whose theme is “Transforming Agriculture for productivity, Agribusiness and Markets. The theme is in line with what we would like to see happen in the whole regional. I call upon the governments in our region initiate a similar process to ensure transformation of the agricultural industry in the region. I would like to also take this opportunity to thank the President of Kenya his Excellency Mwai Kibaki for taking a major step to achieve the Maputo Commitment by announcing that his government will increase the budget allocation to agriculture sector from 4.5 to 8% (29 billion Ksh to 49 billion Ksh). This will go a long way in transforming the agricultural sector.

For farmers to be able to participate in the rehabilitation of the agricultural sector there is need for peace and security in the farming areas. Farming in the Eastern African region has been seriously affected by frequent conflicts as such witnessed in the lake region countries Sudan, Somali, and very recently Kenya. We farmer leaders gathered here from Kenya, Uganda, Tanzania, Rwanda, Burundi and Congo DRC condemn as view with concern the various parts of the region most notable, Congo DRC, Somali and Darfur in Sudan. These conflicts have drawn our farmers out of their farms, destroyed property, killed many and in human crimes against women and children. The majority of the internally displaced persons in the conflict areas are farmers. We fully therefore support calls by SADC for immediate ceasefire in Congo and the peace processes initiated by the African leaders in Eastern Africa and UN Secretary General Ban Ki-moon in Nairobi Kenya, on 7th November 2008.

We farmers of Eastern Africa express solidarity with the Kenya farmers and call upon the Government of Kenya ensures that all the internally displaced persons the majority of them being farmers are assisted to return to their farms and revive their businesses. We also express our solidarity with the Kenya National Commission on Human Rights, the Churches and the citizens and farming community of Kenya in support of the implementation of WAKI Report on Post election violence. The implementation of the report will ensure that the violence do not recur in the future. We also call upon the government of Kenya to fast track the necessary reform to ensure sustainable peace and security to the farming community of Kenya.

Thanks and God Bless.

Philip M. KIRIRO
President -Eastern Africa Farmers Federation

Signed: __________________________

Date: 14th November 2008
## List of participants

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<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Organization</th>
<th>Contact</th>
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<tbody>
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<td>9</td>
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