

## **AGMARK – SSMATI QUARTERLY REPORT FOR THE PERIOD (JULY – SEPTEMBER 2010)**

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**Name of Organization** : AGMARK

**Mailing Address** : P.O. Box 14184-00100, Nairobi

**Physical Location** : Ojjo Plaza

**Phone** : 020 3740268 / 0319

**Fax** : 020-3740343

**Email** : [jmutonyi@agmarkkenya.org](mailto:jmutonyi@agmarkkenya.org)

**Organization's Contact Person** : James Mutonyi

**P F Tracking Number** : AGM-STA-010-014

**Title of Activity** : SSMATI

**Start Date of Reporting Period** : 01<sup>st</sup> July 2010

**End Date of Report** : 30<sup>th</sup> September 2010

**Date Report Submitted** : 13<sup>th</sup> October 2010

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## I. BACKGROUND

Organized and structured marketing arrangements not only catalyze agricultural production but also sustain it. Lack of organized marketing of cereal food crops (rice, maize and sorghum) remains a major constraint to production in the surplus producing regions of Southern and Eastern Uganda where trade between Uganda and its neighbors is informal.

Kigezi Region in Southern Uganda is a significant supplier (though informally) of grain to processors in Kigali - Rwanda. However, the main grain processors are faced with the challenge despite having a market for their processed products. On the other hand, Eastern Uganda accounts for an estimated 50% of Uganda annual maize output. Located juxtaposition to Kenya, (a chronic maize deficit country), Eastern Uganda maize production has its dominant market in Kenya where it crosses the Busia border informally. Due to its informal nature, the trade has not been able to tap into the more formal and large buyers in Kenya.

It is against this background that AGMARK is partnering with Uganda Agro-Input Dealers Association (UNADA), in the implementation of the SSMATI project (Sustainable Smallholder Cross Border Trade Integration) whose overall goal is to integrate smallholder surplus production in Southern and Eastern Regions of Uganda into the Rwanda and Kenya cereals value chain respectively, through agrodealers located in the two regions. The project is funded by USAID Complete.

The objective of the program is to develop sustainable value chains and reduce poverty by increasing smallholder farmers' access to commercial staple foods markets.

The program seeks to facilitate agrodealers in Southern and Eastern Regions of Uganda to aggregate surpluses from smallholder farmers and link the commodity to the formal markets in Rwanda and Kenya that are grain deficit countries.

## II ACTIVITIES CARRIED OUT DURING REPORTING PERIOD (JUL–SEPT. ‘10)

<b>Conversion rate:</b> 1US\$ = UGShs. 2,240; 1 US\$ = Kshs. 78
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### 1. TRAININGS:

#### a. Agrodealer Output Marketing Training:

3 Agrodealer training sessions in output marketing were completed, in Eastern and Western Uganda. The agrodealers were trained on grain bulking, storage, quality control. A total of 39 (29M, 10F) Agrodealers were trained.

The agrodealers trained were from Kabale, Kisoro, Kanungu and Isingiro districts in south western Uganda. This brings to a total number of 57 agrodealers trained in output marketing, exceeding the project target of 40 by 42.5%.

#### b. Farmer Meetings and Trainings

3 meetings to sensitize farmers on grain quality standards were held in Kasese, Kabale and Kisoro districts. A total of 121 farmers (43F and 78M) attended these meetings. They were sensitized on the importance of grading their grain to the required quality to fetch better prices from the market.

4 training sessions for farmers on grain bulking were completed for farmers from Iganga, Mbale, Kaliro, Tororo, Manafwa, Kapchorwa, Mukono, Luuka and Sironko districts of Uganda for a total of 98 (78M, 20F) farmers. These are farmers who are located close to agrodealers who have been trained on grain bulking by the project. The training of farmers was done in partnership with the agrodealers. The farmers were trained on the standards of grain required by large grain buyers.

1 training session for farmers was done for a total of 82 groups producing Sorghum and beans in Kabale district, these groups have combined membership of 2,495 farmers.

**Table 1: Groups Trained on Grain Bulking**

Name of Group	Number of Participants	Total Membership	Location
Kabaale District Farmers Association	26(22M,4F) Officials	4,700	Kabaale
Chahi Ifatanyi Forum	67(30M,38F) Officials & members	800	Kisoro
Manyakabi Cooperative Enterprise	11 Officials	750	Isingiro
Rugendabara Mixed Farmers Association	11 members	1,000	Kasese
Mubuku Farming Irrigation Scheme,	14	156	Kasese
Rusofa	1	20	Kasese
Rwenzururu Group of Disabled	1(IM)	356	
Sukuya Area cooperative premises	42(32M,10F)	5,000	Sukuya
Bukusu	38(32F,6M)	5,000	Bukusu

## 2. MATCHING INVESTMENT

The project approved matching Investments for 25 of the 57 trained agrodealers. A total of \$ 85,124.00 was approved. The funds will go towards improvement of stores and purchase of Equipment including Tarpaulins, Moisture Testing Meters, Floor Pallets, Weighing Scales, Sealing Equipment and storage sacks. A summary of the approval is illustrated in table 2 below.

**Table 2: Matching Investment allocation**

No	Region	Male	Amount in US\$	Female	Amount in US\$
1	Eastern Uganda	9	36,954.00	1	4,598.00
2	Western Uganda	6	14,201.00	5	12,350.00
3	Western Kenya	2	6,808.00	2	10,213.00
	<b>Totals</b>	<b>17</b>	<b>57,963.00</b>	<b>8</b>	<b>27,161.00</b>

These agrodealers are from Bulambuli, Isingiro, Kabale, Kamwenge, Kanungu, Kasese, Kisoro, Ntungamo, Kapchorwa, Sironko, Iganga, Mukono and Manafwa districts in Eastern and Western Uganda and Busia, Bungma, Siaya and Samia districts in Kenya.

### 3. GRAIN PURCHASES

Agrodealers trained through the project purchased and bulked 922 MT of grains (Maize, Beans and Sunflower) from a total of 3,781 farmers valued at US\$99,434. They at the same time made sales of 655MT and realized sales of US\$ 80,818 and have employed 198(94M, 104F) people.

**Table 3:** *Agrodealers from Uganda - Volume of output bulked, volume sold and number of farmers supplying grains*

	Name	Enterprise name	District	Volume (MT) of output Bulked	Volume (MT) of output SOLD	No. of farmers supplying grain
1	Washole Daniel	Friends agro input dealers	Sironko	62	50	500
2	Katende James	Bukanga ACE Ltd	Luuka, Jinja	50	0	62
3	Muhamud Yusufu	Kaserem ACE	Kapchorwa	12	8.3	14
4	Wamakesi Samuel	Bukusu ACE	Manafwa	69	6	1,700
5	Nama ACE Ltd	Nama Ltd	Mukono	20	0	70
6	Chelengat Eddy	Tegeres ACE Ltd	Kapchorwa	10	6	105
7	Nafuye Janet	Farmers' Pride Agencies	Sironko	1.8	0	11
8	Waiswa George	Nakalama ACE Ltd	Iganga	21	0	41
9	Kiiza Patrick	Munyakabi ACE	Isingiro	201	100	444
10	Stella Ngategire	Mubuku Farmers Store	Kasese	15	10	0
11	Tumwine Bonny	United Farm Supply Dealers	Kasese	20	20	5
12	Byuvuhore Mark	Byuvuhore Traders Assoc.	Kisoro	371	371	0
13	Tukahirwa Grace	Grabrally Farm Supply Shop	Ntungamo	1.76	3	37
14	Mukirane Gideon	Ruwenzori Agric. Devt.	Kasese	45	35	410
15	Agumisiriza Peruth	Agrima Uganda LTD	Kabale	7.5	6.4	44
16	Lydia Nofaki	New Farm Supply Shop	Kasese	5	3.7	9
17	Dick Ndatira	Kains Consultants Ltd.	Kisoro	7	6	220
18	Scolar Nabakooza	Godwin Agro-Input	Kamwenge	4	29.1	109
				<b>922</b>	<b>655</b>	<b>3,781</b>

\*ACE – Area Cooperative Enterprise

In Kenya, 2 agrodealers purchased and bulked 457 MT of grains (Maize, Beans) from a total of 1,624 farmers valued at US\$95,011. They made sales of 62MT and realized sales of US\$ 39,824 and have employed 91(31M, 60F) people.

**TABLE 4: SHOWING AGRODEALERS FROM KENYA - VOLUME OF OUTPUT BULKED, VOLUME SOLD AND NUMBER OF FARMERS SUPPLYING GRAINS**

	Name	Enterprise name	District	Volume (MT) of output Bulked	Volume (MT) of output SOLD	No. of farmers supplying grain
1	Everlyne Wanyera	Elgon Farmers Centre	Bungoma	258	14.04	1063
2	Zachary Okong'o	Marenyo Cereal Bank	Siaya	198	47.95	561
				<b>457</b>	<b>62</b>	<b>1,624</b>



**Photo 1:** Two of the Agrodealers, Mr Bonny Tuminwe and Gedion Mukirane of United farm supply and rwenzori Agriculture development centre of Western Uganda in their store

#### 4. CROSS-BORDER SALES

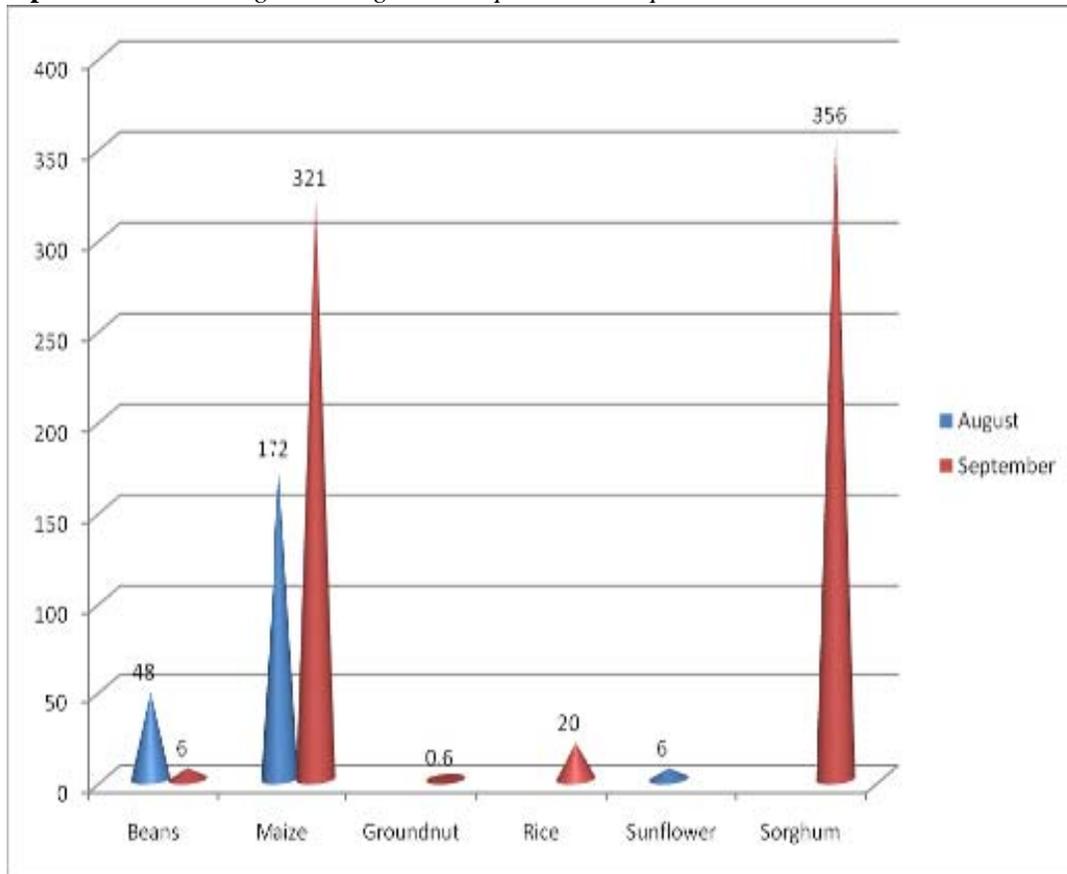
4 Agrodealers made sales to buyers across the borders. Across Kenya-Uganda border, an agrodealer from Ntungamo district in Uganda sold 3 MT of beans to a buyer in Kenya and realized total sales valued at US\$ 1,205; another agrodealer from Sironko district sold 36 MT of Maize and beans to a Kenyan buyer realizing total sales of US\$ 18,841.

Across Rwanda-Uganda border, an agrodealer from Kabale district sold 0.5 MT of beans and 5MT of sorghum across Rwanda-Uganda Border, this sale was made at the Katuna Border and he realized total sales worth US\$ 1,920. Across the same Rwanda-Uganda

Border, an agrodealer from Kisoro district sold 350 MT of sorghum and 21 MT of maize to a buyer in the Chanika border and realized total sales worth US\$15,580.

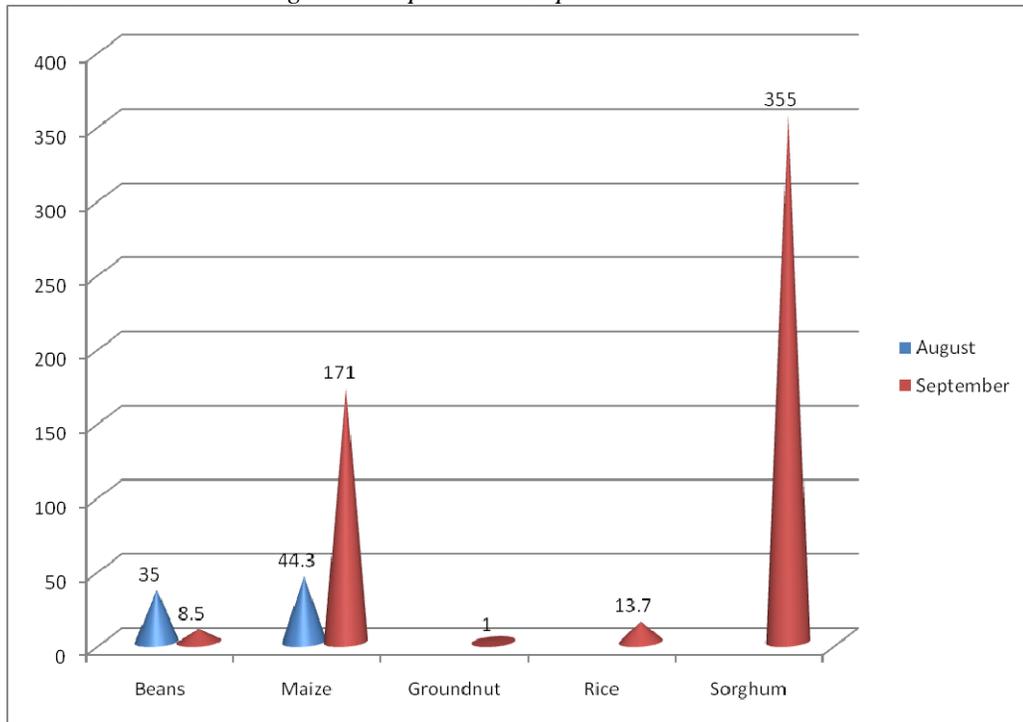
The graph below shows the various grains bought in August compared to September in Isingiro, Kabale, Kamwenge, Kasese, Kisoro and Ntungamo districts

**Graph 1: Grains bought in August Compared To September 2010**



The graph below shows the various grains sold in August compared to September in Isingiro, Kabale, Kamwenge, Kasese, Kisoro and Ntungamo districts

**Graph 2: Grains sold in August Compared to September 2010**



**5. CONTRACTS:**

**a. Contracts signed between farmers and agrodealers;**

8 agrodealers from Manafwa, Isingiro, Siaya, Kasese and Bungoma have signed contracts with farmers to supply them with grains. A total of 5,567 farmers have supplied these agrodealers with 298 MT of grains.

**Table 5: Contracts signed between farmers and agrodealers**

No	Name of Agrodealer Shop	District	No of farmers	Type of Grain	Qty Supplied in MT
1	Bukusu ACE	Manafwa	15	Maize	8
				Beans	4.5
				Sunflower	2.5
2	Manyakabi ACE	Isingiro	444	Maize	200.5
3	Marenyo Cereal Bank	Siaya	5,000	Maize	2.7
4	New Farm Supply	Kasese	9	Rice	4.7
5	Mubuku Farmers Stores	Kasese	3	Rice	15
				Maize	2
				Beans	2
6	United Farm Supply	Kasese	5	Maize	20
7	Rwenzori Agric. Devt. Centre	Kasese	4	Maize	36
8	Elgon farmers	Bungoma	87	Maize	

**b. Contracts signed between buyers and agrodealers;**

A total of 8 buyers (World Food Program, Chahi Innovation Platform, FICA, K. Joseph, Nyakatozi Growers, Rwenzori Farmers Stores, Walyaula Michael, Elgon farmers) signed contracts with 8 agrodealers. These agrodealers have supplied them with 252.4 MT of Maize, Rice and Beans

**Table 6: Contracts signed between buyers and agrodealers**

No	Name of Agrodealer Shop	District	Name of Buyer (s)	Type of Grain	Qty Supplied in MT
1	Friends Agro-Input Dealers	Buyaga	Walyaula Michael	Maize	40
2	Manyakabi ACE	Isingiro	World Food Program	Maize	100
3	Marenyo Cereal Bank	Siaya	World Food Program	Beans	45.7
4	Grabrelly	Ntungamo	K. Joseph	Beans	3
				Maize	2
5	Kains Consultants	Kisoro	Chahi Innovation Platform	Maize	1
6	New farm Supply	Kasese	FICA	Rice	3.7
7	Mubuku	Kasese	FICA	Rice	10
				Beans	2
8	United Farm Supply	Kasese	Nyakatozi Growers	Maize	10
9	Rwenzori Agric. Devt. Centre	Kasese	Rwenzori Farmers Stores	Maize	35
10	16-ADs in Uganda	Bungoma	Elgon Farmers*	Maize	YTS**

\*Elgon farmers is a Kenyan agrodealer who also buys grains from Uganda and sell in Kenya

\*\*YTS-Yet to Supply

Another group-Manyakabi ACE, who were given a contract by WFP to supply 100 MT of maize has a membership of 444 (89M, 355F) farmers, they have employed (on temporary basis) 63 women whose work is to do sorting, cleaning and grading of grains and 50 males lift bags, weigh and stack..



**Photo 2:** Grain being prepared and loading for WFP at Manyakabi Cooperative Enterprise in Western Uganda.

## 6. CREDIT TO AGRODEALERS

2 Agrodealers (1 from Kenya and the other from Uganda) received loans to expand their businesses and purchase grain from farmers. One Agrodealer in Kenya from Bungoma district received a loan of US\$ 25,641 while the Uganda dealer from Bulambili district received a loan worth US\$ 2,232. These loans were advanced after training received from the project. These agrodealers will be supported to improve storage through the matching investment facility.

**Table 7:** Credit issued to agrodealers

No	Name of Agrodealer	Name of Agrodealer Shop	District	Value of Loan in US\$	Value of Loan in US\$	Purpose
1	Washole Daniel Sendi	Friends Agro-Input Dealer	Bulambili	Centenary Bank	\$ 2,232	Business Expansion
2	Evelyn Wunyera	Elgon Farmers Store	Bungoma	Eco-Bank	\$ 25,641	Purchase of Grains

## 7. TRADE FAIR:

Eastern Africa Grain Council organized a 2-day exhibition sponsored by USAID COMPETE and WFP from at Nyakasanga stadium in Kasese district, Uganda. 15 exhibitors, including UNADA/AGMARK/SSMATI, UN-WFP, EAGC, Housing finance bank, Coronet Group, Opportunity Uganda, FEIL, FICA seeds, Afrokai, ACE Audit control and expertise, Lira farm Centre and Nyakatonzi warehouse among others participating.

A total of about 1,500 farmers from districts of Kasese Kabalore Kamwenge and Bundibujjo attended the exhibition; the farmers were sensitized on SSMATI project at the exhibition.

Another agribusiness trade fair by East African Grain Council Fair was held in Nakuru at Rift valley Institute of Science and Technology in Nakuru district, Kenya three (3) days. AGMARK in collaboration with IFDC participated in the trade fair through Kenya National Agrodealers Association (KENADA). KENADA is a national network of Agrodealers whose activities involve selling inputs to farmers, provision of extension services and accessing markets for farmers produce particularly grain and horticultural products.

A total 404(262M, 142F) farmers and 5 agro dealers participated in the trade fairs.



**Photo 3:** Richard Mulondo, Assistant Coordinator (SSMATI western region) with some of the farmers at the Exhibition.

**a) Linkages Established at Exhibition:**

SSMATI Project staff met with Mr. Chris Kaijuka, managing director FICA Seed and Afrokai. Afrokai is currently buying barley and white sorghum from contract farmers from east Uganda at set prices UGX 550 and 500 respectively on behalf of Nile Breweries for the malting plant in Jinja. Afrokai is willing to buy the grains that agrodealers if they meet all the quality standards for the international market. SSMATI will make a follow up.

**8. FIELD VISIT:**

In the month of August, 2 staff from COMPETE (Isaac Tallam and Winnie Gecaga) together with Martin (New Coordinator for WFP – P4P Project) visited GMARK activities in Western Kenya. They held discussions with AGMARK staff involved in the SSMATI and WFP projects in the region. They also visited with a total of 9 dealers who have been trained in output marketing and are currently bulking grain.

Agrodealers visited were Marenyo Cereal Bank (Siaya), Rabs Agrovet (Busia), Akukuranut Development Trust (Teso), Elgon Farmers (Lugari), Lugari Stores (Lugari), Bungoma Chemist (Bungoma) Chebukwa Agrovet (Bungoma) Wayside Agrovet (Bungoma).

4 of these agrodealers have been earmarked to receive equipment through the matching investment funds provided by COMPETE

The COMPETE team stressed the importance of providing information of volumes of grain traded between Uganda - Kenya and Uganda – Rwanda. They also requested that AGMARK provides some diagrams showing the movement of grain between Uganda- Kenya and Uganda – Rwanda.

## **9. STAFF MEETING:**

The Kenya and Uganda teams held a staff meeting in Kampala in August to review the progress of the project and plan for the next six month period. The meeting was attended by the AGMARK country Director, AGMARK finance and administration Manager, the UNADA executive Secretary, SSMATI project coordinator and all the UNADA staff involved in the project. Issues on finance and administration were resolved and the work plan for the period September to February agreed on.

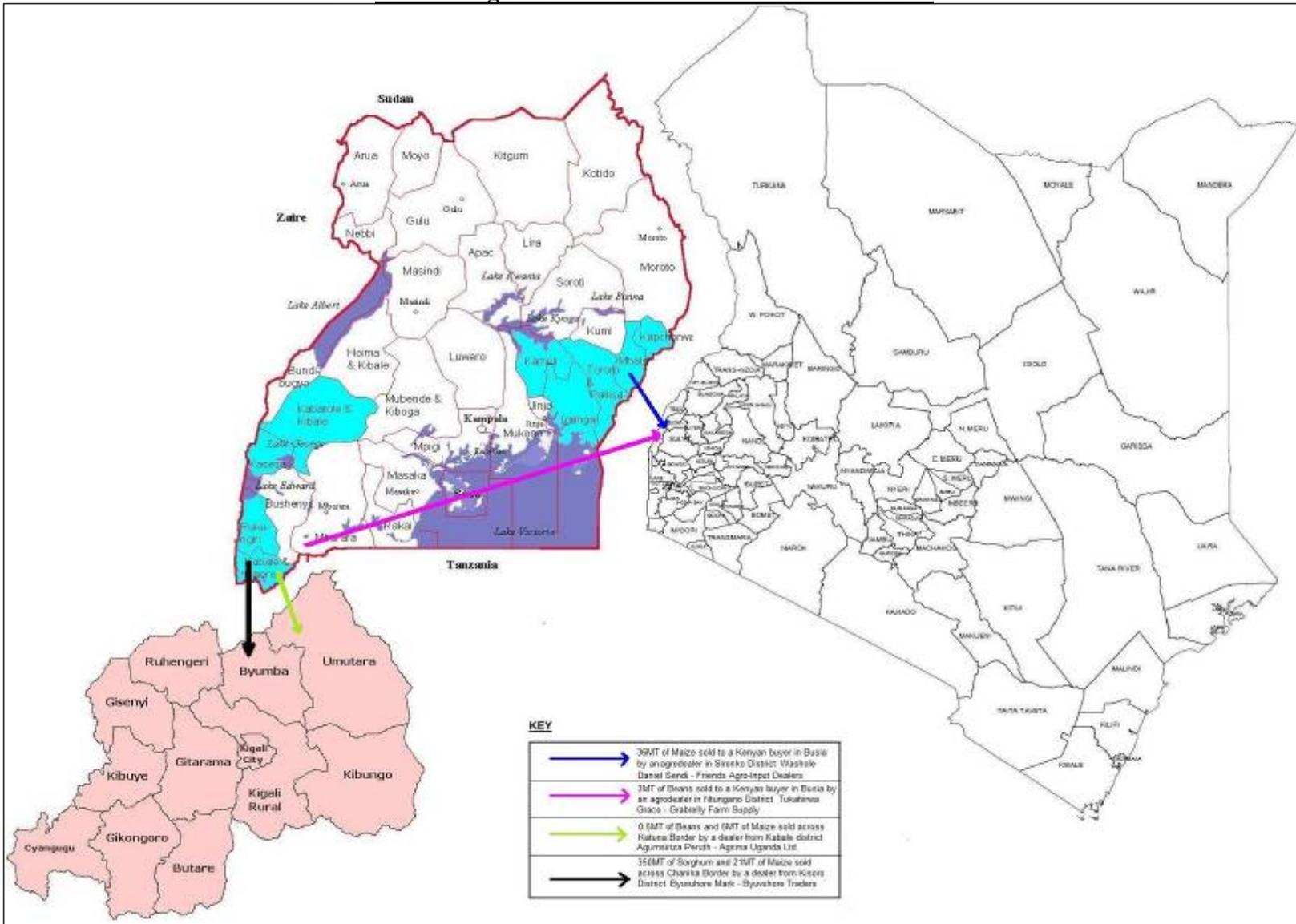
### **Plans for next quarter:**

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1. The main activity will be the processing and disbursement of matching investments to agrodealers and the collection and documentation of data on grain sales and purchases.
2. AGMARK will be deploying additional staff to the project to help speed up these activities

### 3. Annex 1

#### 4. SSMATI Agrodealer Locations and Movement of Grain



**Annex 2**  
**SSMATI PICTORIAL**



*Mr. Jame Birakwate of Kihahi in Kanungu in his store that needs to be renovated to be able to bulk grain that will meet the quality standards that the market requires. The store lacks pallets*



*Mrs. Grace Tukahirwa of Rubare in Ntungamo while opening her store that needs to be renovated to be able to bulk grain that will meet the quality standards that the market requires, the wooden door should be replaced with a metallic one.*



*Mrs. Peruth Agumisiriza of Kabale municipality in Kabale while opening her store that needs to be renovated to be able to bulk grain that will meet the quality standards that the market requires, the store lacks pallets and the still have to be worked on*



*Mr. Thembo Wilfred while making a presentation during the EAGC grain business forum at hotel Margaret in Kasese, that was also attended by some agro dealers involved the SSMATI Project*



*SSMATI Program Coordinator Explaining to agrodealer the Letter of Award*



*Agro dealers at the SSMATI Project office in Mbarara, signing SSMATI Letter of Award*