



## USAID-COMPETE PARTNER FUNDING SUPPORT TO EAGC

### QUARTERLY REPORT-APRIL TO JUNE 2011

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#### 1.0 Introduction

This report from Eastern Africa Grain Council (EAGC) is for the period of April to June 2011 covering the achievements under USAID-COMPETE funding support to EAGC. The Grant is aimed at strengthening institutional coordination and regional structured grain trading system through integrated regional market information systems, policy and reduced barriers to trade. The objectives of the entire Grant are as follows:

1. To facilitate institutional strengthening to enable EAGC to deliver services to its stakeholders across the region with a particular emphasis on strengthening the capacity of satellite offices in Uganda and Tanzania.
2. To formalize regional agricultural markets and structured trade systems in the Eastern and Southern Africa region through training of trainers in harmonized grains standards, rules of trade (tariffs, simplified certificate of origin (SCO), Sanitary and Phytosanitary Standards (SPS), WRS/Commodities Exchanges and dispute resolution.
3. To expand RATIN into a truly regional market information platform that integrates national MIS providers and provides timely and accurate data and analysis to all value chain participants and is the region's preferred source of market information.
4. To hold a successful Grain Trade Summit in Uganda in October 2011 to discuss the systems required to formalize, strengthen and integrate the regional staple foods value chain, increase stakeholder participation in structured trading systems and promote regional trade and food security.
5. To organize Agribusiness Fairs in Kenya and Tanzania to bring small-scale farmers and FBOs together with leading regional traders and processors to build linkages across the value chain.
6. To engage directly with national governments in the EAC to ensure full adoption and institutionalization of the EAC's harmonized grains standards.



Mr. Gerald Masila, EAGC (L) and Mr. Steve walls, USAID-COMPETE(R) signing the Grant Agreement on 1<sup>st</sup> April 2011

## 2.0 INSTITUTIONAL STRENGTHENING

### 2.1 Annual General Meeting and Luncheon

The 4<sup>th</sup> Annual General Meeting (AGM) was held on 19<sup>th</sup> April 2011 at Jacaranda Hotel in Nairobi. The meeting brought together twenty one (21) EAGC members from Kenya, Uganda and Tanzania. Besides the AGM, EAGC organized a Members' Luncheon titled **"Food Security in Malawi; Progress and Challenges-A Smallholder Farmers perspective"** that was attended by 54 EAGC members and partners. The key note address on the title was given by Mr. Joshua Varela, Commercial Director of the National Smallholder Farmers' Association of Malawi (NASFAM).



A section of participants at EAGC Members' Luncheon

## 2.2 EAGC Board

The EAGC Board remains the decision making organ of the council. The secretariat through the Executive Director is responsible to the Board on all matters related to the program.

There was a transition in the EAGC board where a new board of directors was elected during the AGM. See below the new and the old board of directors.



Mr. Judah Bett –New EAGC Chairman, (seated middle) with the outgoing and new EAGC Board members and, extreme left (standing) is the immediate former Chairman Mr. Nick Hutchinson.

## 2.3 Regional and Country Operations

Through the USAID COMPETE Grant, the three country offices in Kenya, Uganda and Tanzania were fully operational. In this regard, EAGC continued to deliver services to its members and stakeholders across the region.

## 3.0 PROGRAM ACTIVITIES AND ACHIEVEMENTS

### 3.1. Market Institutions Established and Strengthened

#### 3.1.1 Support to Warehouse Receipt System

- a) In Kenya, the WRS task Force through the Legal and Policy team concentrated on the WRS bill which is expected to go through the Parliamentary process for enactment. The team reviewed the appropriate clauses/sections and content in the WRS bill. Pending in the process is the review Legal section of Draft Policy report and recommendations.



Some members of the legal and policy team in a WRS meeting

The maize deposited under the WRS scheme in Nakuru was sold in April 2011. The small holder farmers who stored maize when the farm-gate prices were as low as Ksh.1000 per 90kg bag sold maize at Ksh.2500. they were also able to pay back the loan amounting Ksh.200, 000 they acquired from Equity bank.

- b) EAGC in Uganda has continued to play the role of promoting the WRS since Uganda Commodity Exchange (UCE) is mandated to license warehouses in Uganda. EAGC has been working with MASSGA warehouse in Masindi. EAGC Uganda office has been building the capacity of farmers on post-harvest handling and storage, bulking and collective marketing and use EAC grain quality standards in Masindi district. It's expected that the grain volumes under WRS in MASSGA warehouse will increase following EAGC's intervention.
- c) In Tanzania, EAGC continued to play the role of promoting the WRS since Tanzania Warehousing Licensing Board is mandated to license warehouses. EAGC is partnering with TWLB to support harmonization of rules and protocols for Warehouse operation in Tanzania. EAGC is the main convener of the WRS, Commodity Exchange and Policy Advocacy working groups formed in March 2011. The working groups continued to meet as per their Terms of Reference. The WRS working group has formulated a ToR for a consultant to review policies affecting WRS in Tanzania.

### 3.2 Agricultural Information Generation, Dissemination and Networking Systems Strengthened

#### 3.2.1 Update of RATIN and EGT Africa websites

EAGC continued to provide market information through RATIN. The site was kept updated with daily price information for maize, sorghum, millet, beans and rice commodities throughout the period. A total of 18 markets (8 in Tanzania, 6 in Kenya, 4 in Uganda and 4 in Rwanda) were monitored.

Cross-border flow data for 5 border points as monitored by border monitors was also uploaded on RATIN website on monthly basis.

Both EGT Africa and RATIN websites were kept active with daily updates on prices and cross border volumes. Other information dissemination channels including SMS facility, weekly bulletin and emails were used to distribute information to the stakeholders.

### **3.2.2 Harmonization of Data Collection Methodology**

The Terms of Reference (TOR) for the MIS Consultant were developed and the Consultant has been engaged to carry out the task of data collection methodology harmonization using the two manuals developed by UBOS and Market Analysis group as basis. A draft report will be presented to MIS stakeholders at the workshop expected on 20th July 2011. A final report is expected beginning of August 2011.

### **3.2.3 Formalize Relationship with National Data Service Providers**

Talks are ongoing to formalize relationships with national data service providers. A meeting has been held between EAGC and the Ministry of Agriculture-Rwanda and a formal MoU is being drafted to define the scope of collaboration with ESOKO. MoUs will be fast tracked to guide data and information sharing and dissemination. A draft MoU with the MAS (FAO, WFP and FewsNet) group defining the terms of collaboration among the partners has been developed is being shared among stakeholders and will soon be signed to expand the coverage of Market data collection activities.

### **3.2.4 Identify and contact MIS national partners to integrate into RATIN**

A number of partners in Kenya, Tanzania, Uganda, Malawi and Zambia have been identified and will be documented in the upcoming MIS report by the consultant. Draft MoU with Farm-Gain Uganda has been drafted and is under review. MoUs will be signed through July and August.

### **3.2.5 Hire IT Consultant to integrate and expand MAS Database and overhaul RATIN website**

The IT consultant was retained by EAGC through the last two months for the purpose of carrying out an extensive systems audit. A comprehensive report has been submitted and is forming the basis of systems' development and integration. A meeting has since been held between EAGC, COMPETE and the FAO IT consultant to refine IT systems expectations and the roles of the database developer. The partners will continue to engage on a monthly basis to keep track of progress.

### **3.2.6 Develop a strategy for the most effective distribution of RATIN information**

List of RATIN information users is being developed to drive market intelligence utilization. Current recipients of weekly RATIN report have increased to 1500 person weekly.

### **3.2.7 Develop regional (EAC) Food Balance Sheet**

National consultative meetings have been held and reports submitted. The meeting in Tanzania was done on 24<sup>th</sup> May 2011. In this meeting, members of National Food Balance Sheet Committee were identified. The Committee was scheduled to meet on 21<sup>th</sup> June 2011 at the Ministry of Agriculture to finalise the Tanzania NFBS template. The other meetings were done on 7<sup>th</sup>, 16<sup>th</sup>, 28<sup>th</sup> June in Kenya, Burundi, and Uganda respectively. The Rwanda national meeting is scheduled for 6<sup>th</sup> July ahead of the regional meeting in Arusha. National standing committees in Kenya, Burundi, and Uganda have been proposed and await launch by respective Permanent Secretaries of Ministries of Agriculture.



A section of the participants at the FBS meeting in Nairobi

### **3.3. Grain Value Chain Stakeholder Capacity Built**

#### **3.3.1 Development of the STS Hand Book**

EAGC published a new version of the STS hand book for training purposes. The book contains six(6) main modules:

- Post-harvest Management & Storage
- Grades & Standards
- Warehouse Receipt System
- Commodity exchange
- Trade contracts
- Market Information

The hand book was used during the TOT workshop in Dar es Salaam.

#### **3.3.2 STS Training of Trainers (TOT)**

##### **3.3.2.1 Training of Trainers Workshop in Rwanda**

EAGC with the support from USAID-COMPETE organized a one day Training of Trainers (TOT) workshop on Structured Trading Systems (STS) at Top Tower Hotel-Kigali on 30th May 2011. The workshop was designed to equip the trainees with knowledge and training skills in Grades and Standards, Trading contracts and Arbitration procedures for trade dispute resolutions, Market Information Sourcing and Dissemination for trade purposes and Warehouse Receipt Systems.

A total of 35 professionals representing different organizations that work closely with grain producers were trained. This workshop was considered successful having targeted 30 trainees. The trainees were taken through the following principal components of grain structured trading:

- a) Post Harvest Management & Storage
- b) Need for adoption of the harmonized EAC Quality Grain Standards and Grades
- c) Use of Warehouse Receipts to facilitate Credit and Commodity Markets
- d) Market Information Sourcing and Dissemination for Trading
- e) Use of Trade Contracts

After the training sessions participants provided positive evaluation of the workshop and asked for follow-up trainings. Action plans were also discussed and agreed on.

EAGC also hosted Private Sector stakeholders (Millers and Traders) and the workshop participants in a cocktail which was intended to recruit EAGC members in Rwanda. Six companies confirmed to join IFDC in the EAGC membership and they included:

- a. MINIMEX
- b. SOSOMA Industries
- c. Rwanda Farmers Federation-IMBARAGA
- d. Rwanda Rural Development Authority
- e. Rwandan Products & Marketing Ltd
- f. Conseil de Concertation des Organisations d'Appui aux Initiatives de Base (CCOAIB)

As a result of this, EAGC is following up on the registration of the Rwanda Chapter and nomination of representatives from Rwanda into the EAGC board of directors.



Some scenes of the STS training of trainers' workshop in Kigali on 30th May 2011

### **3.3.2.2 Training of Trainers Workshop in Tanzania**

EAGC Tanzania teamed up with FAO SHFS to organize TOT on STS on 28<sup>th</sup> June, 2011 at Peacock Hotel in Dar es Salaam Tanzania. A total of 40 trainees representing Southern Highlands, Western, Eastern, Lake, Central and Northern Zones of Tanzania attended. The workshop was quite encouraging since attendance was good in terms of number and type of participants being the people involved in training others and this guarantees replication of the training to the next level.



Cross section of participants during the TOT workshop

All five zones were asked to prepare their ToT plan showing how and what they will train where and when. They were also asked to indicate the kind of support they will require from EAGC. Most indicated that they will require backstopping from EAGC when conducting ToT.



Participants from Central and Coastal Zone presenting their action plans during the workshop

### **3.3.2.3 Training of Trainers Workshop in Uganda**

The preparation for the Uganda TOT workshop has started. Nomination forms have been sent to potential trainees prior to the selection of the right trainees who can later work with farmers and traders at the lower level. The workshop is slated for August 2011.

### **3.3.3 Preparation for Annual Agribusiness Fairs**

The preparation for the 9<sup>th</sup> Annual Agribusiness Fair 2011 in Kenya went on throughout the first quarter. The Fair organized by EAGC in partnership with CGA and Rift valley institute of Science & Technology (RVIST) will be held on 28th-29th July 2011 in Nakuru. The Fair's theme is "ENHANCING RETURNS ON AGRI- BUSINESS INVESTMENT; OPPORTUNITIES & CHALLENGES".



Exhibition layout of 2010 ABF

The Agribusiness Fair Stakeholders' Briefings and Launches were conducted in Nairobi and Nakuru on 19<sup>th</sup> and 25<sup>th</sup> May 2011 respectively. The Nairobi Briefing & Launch was attended by 48 stakeholders and members of press. The stakeholders were concerned that the business fair should create a bigger opportunity for business to business linkages especially for exhibitors. In this regard, they challenged EAGC to mount a serious marketing campaign that would attract a bigger number of farmers than had been experienced in the previous business fairs. The briefing was captured and featured by various media houses including KTN prime –business news at 9:00pm.



From left; John Kimemia (RVIST), David Nyameino (CGA) and Gerald Masila (EAGC) during press briefing on the 9th- Agribusiness Fair

The briefing and launch in Nakuru was successful, 65 stakeholders and reporters attended and just as the Nairobi launch, there were concerns that the publicity in last year's event was poor, hence more effort needs to be put in place this year to encourage more farmers to participate and inform them of the business fair benefits to them .



(L) Signing of MOU between EAGC and CGA on the Agribusiness Fair (R) section of participants in the Nairobi launch

A total of 120 exhibitors have been invited to the Fair and 50% have confirmed participation. More than 50 companies have been invited to sponsor. Follow ups are ongoing and 12 companies have shown willingness to sponsor. The Mobilization of farmers and exhibitors is ongoing and EAGC has identified institutions to work with and bring farmers to the fair.



A section of the demonstration plot at RVIST

In Tanzania, the selection of the Venue at Selian Agricultural Research Institute has been finalized. The selection of the event organizer is ongoing with TOR developed and sent out. The event has been moved to June 2012 so that the organizers can prepare enough to conduct a successful Fair.

### 3.3.4 Preparation for the Biannual African Grain Trade Summit

#### 3.3.4.1 Dates, Venue and Event Organization

The 4th Biannual African Grain Trade Summit will be held on 14<sup>th</sup>-15<sup>th</sup> October 2011 at Munyonyo Speke Resort in Kampala, Uganda. The preparations started in April where Request for Proposals (RFP) to organize the event was circulated to some of the identified event management firms. The selection of the event organizer for the upcoming grain summit was done on 23<sup>rd</sup> May 2011. This was after request for proposals (RFP) to manage and organize the summit was sent out to four (4) event management firms in Kenya and Uganda. Four (4) proposals were received and Brand Magnets Ltd, LA RISORTAS Ltd and Corporate Reflection Ltd were invited to make presentations on their proposals. LA RISORTAS Ltd was awarded the tender to manage the upcoming 4th African Grain

Trade Summit. LA RISORTA through Ludovica Bellingeri has been engaged before in organizing the past Grain Trade Summits under USAID RATES and EAGC.

### **3.3.4.2 Formation of Summit Committees**

Technical Committee and Host Country Committee were formed to support the Grain Summit. The TORs for the Committees were also developed. Furthermore, the summit website was reviewed and changes made.

### **3.3.4.3 Theme and topics**

So far a theme and topics have been identified and are currently under review by the technical committee before they are circulated the stakeholders.

Theme: ***“Strengthening Strategic Partnerships for Accelerated Grain Trade in Africa”***

Tentative topics:

1. Investment across grain value-chain through Public-Private Partnerships (PPPs)
  - Opportunities for Investments
  - Attracting Private Investors to African Public-Private Partnerships
2. Private sector involvement in public sector trade policy development & reforms
  - Stimulating private sector involvement in policy formulation
3. Regional integration
  - Development of Regional Food balance Sheet for Food Security
  - Facilitation of Bilateral trade across neighboring countries in EAC



Speke Resort, Kampala