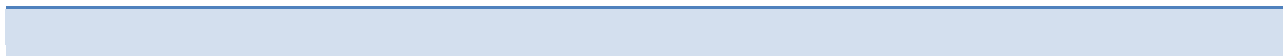




# **USAID-COMPETE PARTNER FUNDING SUPPORT**

## **EAGC Quarterly Technical Report July-September 2012**



## **1. INTRODUCTION**

This report from Eastern Africa Grain Council (EAGC) is for the period of 3rd quarter 2012 (July to September) 2012 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:

- a) 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.
- b) 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.
- c) 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.
- d) 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.
- e) 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.
- f) To engage directly with national governments in the EAC to ensure full adoption and institutionalization of the EAC's harmonized grains standards.

## **2. INSTITUTIONAL STRENGTHENING**

### **2.1. Regional and Country Operations**

EAGC continued with the implementation of the regional and national programs under the support of USAID COMPETE. The three country offices in Kenya, Uganda and Tanzania were fully operational. EAGC continued to deliver services to its members and stakeholders across the region. The following activities were carried out in the 3<sup>rd</sup> quarter of 2012.

## **2.2. EAGC Stakeholders Meeting in Uganda**

On Friday 25th May 2012, EAGC with support from USAID COMPETE organized a consultative meeting that drew EAGC members and stakeholders from the various organizations and line ministries Such as Trade & Agriculture. Over 70 participants attended the meeting and represented EAGC Members and stakeholders.

The objective of the meeting was to review the achievements of EAGC and obtain feedback on key Issues and priority areas specific to the Uganda Chapter which will inform the planning and set pace for the implementation of new EAGC strategic business plan 2013.

## **2.3. Recruitment of Uganda Country Manager**

Following the departure of Ms. Harriet Nabirye, the new Country Manager for Uganda was recruited in July. Ms Lilian Bahinya is the new Country Program Manager. Before joining EAGC, Ms Bahinya was working for ABC Capital Bank, Uganda where she was the Business Development and Customer Relationship Manager. She was previously the Country Coordinator of the African Farmers Service Centre in Uganda, and also served as the Head, Agricultural Banking with the Stanbic Bank Uganda and has also worked for Grofin Uganda and DFCU Bank.

## **2.4. Membership Recruitment**

Membership recruitment drives went on throughout the 3<sup>rd</sup> quarter. The following organizations were recruited into EAGC membership;

- Coast Millers Tanzania
- Garnet Enterprises Ltd-Kenya
- Azania Millers Tanzania
- Hughes Agricultural Tanzania

## **2.5. EAGC Ethiopia Chapter established**

EAGC hosted the Ethiopia grain stakeholders meeting in Addis Ababa on 17th September 2012. The meeting was hosted in partnership with the Ethiopia Agricultural Transformation Agency, (ATA), the Ethiopia Commodity Exchange (ECX), and ACDI/VOCA Ethiopia, who co-funded the meeting.

After the Meeting, the stakeholders agreed and officially established EAGC Ethiopia Chapter. A total of 8 companies registered as EAGC Members. The EAGC Ethiopia Chapter Members later met on 2nd September 2012 and elected an interim board.



**EAGC ETHIOPIA STAKEHOLDERS, IN ADDIS ABABA**

## **2.6. Representation of members in Grain Trade Forums**

EAGC represented its members in various stakeholders' forums including:

### **a) Uganda**

- Rice Value Chain Analysis Workshop-27<sup>th</sup> August 2012
- Beans and Coffee Value Chain Analysis Workshop-29<sup>th</sup> -30<sup>th</sup> August 2012

### **b) Tanzania**

- Tanzania Markets Policy Action Node(PAN)'s Public-Private Dialogue on Trade Barriers-31<sup>st</sup> August 2012
- Nane-nane Exhibitions-1<sup>st</sup> to 8<sup>th</sup> August 2012

### **c) Kenya**

- Kenya Agricultural Transformation Forum-22<sup>nd</sup> August 2012

### 3. PROGRAM ACTIVITIES AND ACHIEVEMENTS

#### 3.1. STRENGTHENING STRUCTURED TRADING SYSTEMS:

During the period of reference, the STS team focused on harmonization of regional grain standards and continuous education and capacity building of stakeholders to increase their knowledge and awareness of STS and support their uptake to utilization and becoming practitioners in STS.

##### 3.1.1. Development of STS Handbook-2<sup>nd</sup> Edition

EAGC in collaboration with regional and international experts developed STS handbook through a writeshop. A team of 16 experts converged in Arusha from 23<sup>rd</sup>-27<sup>th</sup> July 2012 to develop the book. The handbook will be used as reference material for the STS trainers. The book contains 7 key chapters- Postharvest Management, Regional Grain Standards, Commercial Storage and Warehousing, Market Information Systems, Trade Contracts and Arbitration, Warehouse Receipts Systems and Collateral Management and Commodity exchange.

During this writeshop, EAGC forged stronger partnership with CTA and NRI and this will ensure commitments to subsequent trainings and result in roll out of EAGC training programs.

##### 3.1.2. MOU with TWLB and TNS

EAGC signed a tripartite agreement with Tanzania Warehouse Licensing Board (TWLB) and Techno-Serve (TNS)-Tanzania. The MOU is a commitment by 3 parties to improve warehouse standards and training levels; whilst ensure that there is a suitable framework for effective development of WRS.

##### 3.1.3. Farmer training on STS

EAGC trained farmers during the Tanzania Agribusiness Expo held on 20<sup>th</sup> and 21<sup>st</sup> July 2012 in Arusha.

The STS training that addressed on the harmonized grain standards, WRS, MIS, aggregation of grain and Postharvest Management. The STS brochure (Swahili version) was printed and distributed to the farmers. A total of 207 farmers were recorded.

In Kenya, 450 farmers were trained during the Agribusiness Expo held on 8<sup>th</sup> and 9<sup>th</sup> August 2012. The farmers were trained on STS and MIS (with focus on new RATING system).

In addition to the above, the Tanzania team in partnership with Ministry of Agriculture trained members of Jikuzeni Kware SACCO in Hai District (Kilimanjaro Region). 40 farmers who belongs to the SACCO received training on STS components-aggregation, group marketing, grades and quality standards and WRS.



FARMERS BEING TRAINED DURING THE ARUSHA EXPO

##### 3.1.4. Progress on Tanzania STS working Groups

The four STS working groups were formed in March 2011 with an objective of supporting the formation of an efficient and functional WRS in Tanzania with common WRS approaches and harmonized rules and protocols considering the envisaged establishment of an Exchange. The groups are still very active and hold regular meetings to address the various STS issues allocated to them. The policy working group had its meeting on 4<sup>th</sup> Sep. 2012 to discuss the impacts of the Cereals and other produce Act and its impacts to

the private sector. The WRS working group being convened by EAGC held its meeting on 21<sup>st</sup> September 2012 while the Farmer Mobilization and Capacity Building Group held its meeting on 6th and 7th September in Morogoro.

The working groups are addressing the following issues:

- Strengthen the capacity of regulatory body, warehouse operators and inspectors to operationalize WRS and attract enough investment to expand storage capacity.
- Policy advocacy/ dialogue with government: e.g. lobby the government on- taxation on grain handling equipment, existing laws such as Commodity & other Produce Act, review and amendment of WRS Act, lifting of export ban e.t.c
- Strengthen the capacity of FBOs to access markets -Marketing and the Cooperative Act needs to be reviewed.
- Develop a road map for establishment of a suitable Commodity Exchange that reflect the realities in Tanzania.

### **3.1.5. Grain Fumigation Training in Kenya**

EAGC conducted the Fumigation Seminar on 6th & 7th August in Nairobi and in Eldoret on 14th & 15th August 2012 where a total of 23 grain practitioners were trained. The Trainer was Mr. Jerry Heath, an Expert on Fumigation from the USA whose time was secured under EAGC's collaboration with CNFA's Farmer to Farmer Program. Mr. Ian Goggin represented USAID COMPETE during the training. The training was conceptualized way back in 2011 when EAGC together with USAID-CNFA, brought in Mr. George Kornstad- a Grain Handling Specialist from USA who was engaged with EAGC members who operate grain warehouses to assess their operations and identify gaps for capacity building. Mr. Kornstad noted the fumigation malpractices and recommended a course on fumigation.

### **3.1.6. Grain Fumigation Training in Uganda**

EAGC, through its subsidiary, the Eastern Africa Grain Institute (EAGI), conducted a 5-day training workshop for national fumigators. The objective of the training was to increase the number of licensed fumigators in Uganda. The workshop was organized by EAGC in partnership with Ministry of Agriculture, Animal Industry and Fisheries, Ministry of Trade, Industry and Cooperatives, Makerere University Faculty of Agriculture and Uganda Commodity Exchange.

The training took place in Jinja, from 17th to 21st September 2012 and a total of 20 fumigators from across the country were trained and examined. The training



**TRAINEES UNDERTAKING PRACTICALS AT THE AGROWAYS WAREHOUSE IN JINJA**

was offered by Uganda National Agro Input Dealers Association (UNADA) while Makerere University Faculty of Agriculture did the post-training examination. The qualified trainees were licensed to offer the fumigation services in Uganda.

With the increased number of qualified and certified fumigators in Uganda, it's expected that there will be reduction in fumigation cost from 5.5shs to per kg to 2.shs per kilogram, quality of the stored grain will be preserved longer due to timely pests control and prevention and finally there will be reduction in storage cost which will attract more depositors.

### **3.1.7. Kenya Consultative Meeting on EAC standards**

EAGC and Kenya Bureau of Standards (KEBS) with support from USAID COMPETE organized a consultative meeting on the proposed EAC standards held on 14th September 2012 at the Jacaranda Hotel in Nairobi. The meeting brought together the key stakeholders across the Grain Value Chain to deliberate and develop a consensus on acceptable moisture content levels for 18 Staple Foods standards which had previously been agreed at the regional level but were contested by Kenya just before its endorsement by the EAC council of ministers in November 2011. Kenya's (KEBS) concerns at the time of requesting for a delay in declaration of the draft standards as new East Africa Standards 2011 by the council were moisture content, ungraded cereals and exception clauses by partner states in the draft standards.

While submitting their request on the EAC draft Staple Foods Harmonized standards, KEBS wrote to EAC urging other partner states to review moisture content from 13.0% to 14.0% for most of the disputed standards key among them was maize, beans, wheat grain, millet, sorghum grain and pulses.

The stakeholders therefore resolved that the moisture content for Maize, Sorghum and Dry Soy Beans should be changed to 13.5%, that of wheat, Rice, Beans and rest of pulses be changed to 14.0% while that of dry split peas be retained at 12.0%. However, if any member wishes to apply for a waiver or exemption for any valid reason, they need to do so through the Eastern Africa Grain Council (EAGC).

To arrive at the moisture content position, the meeting considered the aflatoxin, relative humidity, ambient temperature and grain temperature as factors influencing the requirement for moisture content for grain storage. Other factors that guided the position were food safety, affordability, fair trade, trade facilitation, quality parameters and public health concerns and these factors were supported by scientific analysis, economic considerations, regional and international best practices.

The issue of ungraded cereals and pulses, and that of Exceptions Conditions by Tanzania & Burundi were resolved in April 2012 and therefore were not conversed. The participants felt that the Kenya stakeholders need to be consulted in future before making submissions to East African Standards Committee (EASC).

## **3.2. MARKET INFORMATION SYSTEMS**

### **3.2.1. ATAB Market linkage Workshop**

EAGC participated in the ATAB Market linkage Workshop which was hosted by USAID COMPETE funded project, AGMARK. The market linkage workshop which took place on July 19, 2012, aimed at giving agro dealers engaging in grain bulking and aggregation in Uganda and grain traders from Kenya,

Rwanda and Southern Sudan a networking platform to discuss business and establish formal market linkages. The event attracted 83 participants drawn from Kenya, Uganda, Rwanda, Democratic republic of Congo and Burundi. The participant responses and interactions illustrated great enthusiasm and commitment for establishing market linkages that would lead to the establishment of formal and sustainable market linkages across borders through the use of a well established trade platform RATIN.



**PARTICIPANTS OF THE ATAB MARKET LINKAGE WORKSHOP**

### **3.2.2.RATIN SMS Functionality**

EAGC activated the RATIN SMS functionality in Kenya and Tanzania. The Kenyan number for SMS query is +254705606666. Each of the 5 countries will have specialized lines that make it possible for farmers to query RATIN information at no extra cost. This is achievable through installation of PC in each of the 5 countries. So far, Kenya and Tanzania installation is complete with the SMS software also acquired.

### **3.2.3. Training on Increasing Agricultural Input and Output Trade through Innovative MIS in Africa**

EAGC in collaboration with IFDC conducted an international training workshop on “Increasing Agricultural Input and Output Trade through Innovative MIS in Africa”. The training workshop took place between August 27 and 31, 2012. The participants were 34 in number drawn from over 9 countries. During the workshop, EAGC was able to demonstrate, to the participants, how useful the Regional Agricultural Trade Intelligence Network (RATIN) is valuable in creating opportunities for small scale farmers and traders in the regional grain sector. The system captured the attention of most participants and it stood out as a one of the unique models in the regional front.

### **3.2.4.Budget Synopsis in Tanzania and Uganda**

EAGC held meetings on budget synopsis for Uganda and Tanzania members where key issues affecting the agricultural and business sector in the 2012/13 budget were discussed. The meetings took place in



Kampala and Dares Salaam on 6<sup>th</sup> and 17<sup>th</sup> August 2012 respectively. The meetings attracted key stakeholders from EAGC membership and other stakeholders from both private and public sectors.

### 3.2.5. Training Food Balance Data Contributors

EAGC has been implementing the process of upholding the regional food balance sheet in the region. In partnership with USAID-COMPETE, great strides have been achieved including the uploading of the EAC Regional Food Balance Sheet Web Portal on RATIN site. EAGC had been recruiting the private sector as contributors of the stored stocks.

EAGC and COMPETE team visited EAGC members and trained the focal people on data-uploading in each of the selected organizations and even got data uploaded to the RFBS portal. These trainings were done in Kenya, Tanzania and Uganda in the month of September.

## 3.3. AGRIBUSINESS FAIRS

### 3.3.1. Report on Agribusiness Expo Tanzania

EAGC conducted the Tanzania Agribusiness Expo on 20<sup>th</sup> and 21<sup>st</sup> July 2012. This event was held in Arusha at the Selian Agricultural Research Institute (SARI).

The Expo themed, “Promoting Agribusiness for economic development and prosperity” was inaugurated by the EAC Deputy Secretary General (Productive and Social Sectors) Ms Jessica Eriyo who represented the EAC Secretary General, the Ambassador Dr. Richard Sezibera.

The event attracted 20 exhibitors and 2 sponsors (Mijingu Fertilizer & Mining Ltd who donated fertilizer for the crops demo and FMD- who donated a generator for power supply). Despite the challenge on farmer mobilization, the Expo recorded 1504 farmers who participated in both days.



**DR. KEN KAMBONA (SECOND LEFT) OF USAID EA ISSUING CERTIFICATE TO AN EXHIBITOR**

### 3.3.2. Progress on Agribusiness Expo Kenya

The EAGC Agri-business Expo took place on the 9<sup>th</sup> and 10<sup>th</sup> 2012 at the Rift Valley Institute of Science and Technology (RVIST) with joined efforts between the three partners EAGC, CGA and RVIST. The theme for this year’s Expo was “Integrating Innovations and Technology for Sustainable Agribusiness”.

This event was inaugurated on day one by Hon. John Mututho-the Chairman of the Parliamentary Select Committee on Agriculture. On the same day, he launched the Amiran One-Acre Irrigation Kit. The

irrigation kit had been set-up at RVIST for demonstration purposes. On day 2, the expo was closed by Mr. Humphrey Mwangi-Director Agribusiness, Ministry of Agriculture who represented the Minister for Agriculture, Hon. Sally Koskei.

The Expo addressed among other topics; importance of agricultural innovation and technology as key drivers of agribusiness, Impact of transformative and dynamic innovations and use of technology on growth of the agribusiness, positive effect of innovations and technology on improved productivity, diversification of new products, employment creation and expansion of new markets, enhanced broad entrepreneurial activities among the youth for expanded growth and opportunities.

The following are the key accomplishments during the Kenya Agribusiness Expo 2012.

- *Participation by Exhibitors and Sponsors*

The Agribusiness Expo received support in form of sponsorship Amiran (K) Ltd, Brazafric Enterprises Ltd, USAID KMDP II, KCB Bank, Kenya Seed Company and Virtual City.

A wider range of stakeholders in the agricultural sector including millers, farm machinery, service providers such as banks, warehouse operators and input suppliers as well as government agencies, research institutions and international organizations operating in the Eastern Africa region participated in the Expo. A total of 62 exhibitors and 4 organizers and partners displayed their products and services, thereby adding to the success of the Expo. They belonged to the following categories: 17 Gold, 12 Silver and 22 Bronze and 11 special categories. Please find appendix 1 attached to this report to see the list of exhibitors.

- *Participation by Farmers*

Approximately 5000 farmers visited the Expo in Nakuru. They benefited from linking with the exhibitors.

- *Exhibitors Networking*

On the Thursday 8<sup>th</sup> August 2012 evening, a networking dinner was held at Nakuru Golf Club where 150 guests enjoyed food, entertainment and networking.

- *Launch of Amiran One-Acre Irrigation Kit*

Amiran (K) Ltd, the official sponsor used the Expo to launch its new ‘One Acre Irrigation Kit’ which is expected to revolutionize small holder crop production in Kenya. This was the first time the technology was introduced to the public.