CASE STUDY 1: Soy processing Uganda, Sesaco

The Uganda Development Trust (UDET), supported through financing from the Alliance for a Green Revolution in Africa (AGRA), United States African Development Foundation (USADF), and the Rockefeller Foundation, assists SMEs to prepare business plans and access credit. From this support, enterprises improve their profits, operating margins, production volumes and number of smallholder farmer suppliers, to name a few achievements.1 One example is SESACO, a food processing company that offers employment opportunities, especially for women. SESACO Foods Company, created in 1987 on the outskirts of Kampala, Uganda, specialises in producing high value nutritious foods made from millet, maize, soybeans, groundnuts and sesame. Notable products include Soya Cup, an instant soy-milk beverage and brown butter, a mixture of roasted sesame, groundnuts and soybeans, used as a seasoning and a substitute for dairy butter. The company has 80 employees (55 of whom are women) with a monthly sales average of UGX 100 million (US$ 39,000). SESACO caters for neighbouring countries Rwanda, Burundi and the Democratic Republic of Congo.

SESACO packaging.
Credit. A4I

While SESACO was effectively "up and running" since 1987, UDET's audit in 2011 found that in addition to inadequate working capital, SESACO did not have a streamlined supply chain for raw materials, its products were sold haphazardly in lieu of a functioning marketing and distribution strategy, management did not provide guides or manuals for staff and the factory machinery was poorly organized resulting in wasted production time. After working through these challenges, SESACO received working capital from the US African Development Foundation to improve machinery, package materials with clear nutritional information, and partner with Makerere University's Food Technology Department to work on product development.

CASE STUDY 2: The Kapchorwa Commercial Farmers Association in Uganda

Kapchorwa Commercial Farmers Association (KACOFA) was started in 2006 by 27 farmers who produce barley, maize, coffee and sorghum. Until recently, KACOFA was unable to support its' members production and marketing activities due to a weak organizational structure and institutional systems. Additionally, the farmers had limited marketing skills and no access to storage. This resulted in low quality grain, low levels of

Grain warehouse facility in Jinja, Uganda.
Credit, A4I

production and few offers for affordable credit.

In order to remedy these challenges, the Minister of Trade, Industry and Cooperatives and the World Food Programme (WFP) established a US $1.4million, 2,000MT warehouse. KACOFA procured fertilisers, hired extension officers, obtained delivery contracts with the WFP and established a warehouse receipt system for its members. [2]

Without a warehouse, around 40% of produce is lost post-harvest. The new warehouse is intended to significantly reduce this loss and increase access to important services including grading, weighing, cleaning, drying and packaging.[3] The KACOFA association has since grown to 6,328 members and has 19 staff members that provide support in production and marketing activities. This has resulted in more secure and productive livelihoods for its members. For example, Joyce Banan, a founding member of the KACOFA, was previously unable to produce more than 8 bags of maize per hectare of land. She can now produce yields of more than 35 bags per hectare, and has been able to send her 3 children to university.[4]

CASE STUDY 3: Lecofruit exports, Madagascar

Lecofruit is the Malagasy subsidiary of the French company Basan, which has been operating in Madagascar since 1989. Since 2012, Lecofruit has received support from various EU initiatives including the Europe-Africa-Caribbean-Pacific Liaison Committee (COLEACP) and Deutsche Gesellschaft fur Internationale Zausammenarbeit (GIZ) in order to diversify farmer income sources and increase productivity.[5] Lecofruit builds relationships between smallholder farmers and exporters to enable smallholders to profit from growing export markets. Contracts are limited to a small portion of farmer's land (typically contracted plots are just 1/100th of a hectare, although households may have more than 1 contract).

One of Lecofruit's main exports is hand-picked French beans, destined for Europe. Lecofruit has contracts with more than 11,000 smallholder vegetable farmers, each with a hectare of land or less. Lecofruit advances seed, fertiliser and pesticides and provides an extension worker for small groups of growers to help them meet the standards required by European supermarkets.[6]

French beans. Credit, Luis Tamayo

Lecofruit is in the process of expanding their scope to provide exports for the growing European organic market. Currently 10% of Malagasy French beans are organic, so Lecofruit has trained around 70 technicians in organic farming practices, who have passed on their knowledge to 1,270 farmers.

As scarce water supplies and inefficient irrigation are large contributors to low productivity in the region, Lecofruit invested in micro-irrigation systems and extension training, employing 370 instructors to help 5,000 farmers. On average, farming households with a contract with Lecofruit experienced a lean period of 1.7 months, compared to 4.4 months for a similar household with no contract demonstrating that contracts can be extremely important for seasonality smoothing.[7] Lecofruit contracts have increased smallholder annual incomes by 8% for conventional farmers and 64% for organic farmers.

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