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# AGRIBUSINESS DIGEST

A QUARTERLY NEWSLETTER THAT BRINGS YOU UPDATES AND INSIGHTS FROM THE WORLD OF AGRIBUSINESS



## RELIEF TO FARMERS

Rabo Foundation, DFCU Bank through its partner the ADC extended relief to farmers.

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ADC'S Acting General Manager talks to us.



POWERED BY



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## EDITORIAL



KATIA MUGENZI, EDITOR

## OUR FOURTH ISSUE IS HERE!

**Dear Esteemed reader**  
Welcome to the 4th issue of the **Agribusiness Digest**. We are very grateful to you and those that continue to subscribe to our newsletter.

We hope that you are well and keeping safe by following the Ministry of Health guidelines during this COVID-19 pandemic. We are thrilled to bring you all the news that has been happening here at the ADC.

The pandemic stalled many of our activities especially during the lockdown, but we nevertheless worked passionately to reach out to farmers through digital platforms. The ADC team together with its partners reached out to those affected by COVID-19. You will also be introduced to Obuko Emmanuel who is the Act. General Manager and many more interesting stories.

We hope that you enjoy your read and keep safe!

**For more on what the ADC does, follow our pages on Facebook @agribdc and Twitter @agribdca.**

## Q&A

# FARMING, A PROFESSION OF HOPE.



**Alexander Ruhweza, a franchise support associate at Jibu Water with a speciality in agribusiness shares with us his journey in the agricultural sector.**

### **Before you ventured into Agriculture, what were you doing?**

Agriculture has always been my side business which I ventured in during my university days. I used to do part time work on a farm while in Australia. On my return to Uganda, desire to practice agriculture that can help me has never withered.

### **What type of Agriculture do you carry out?**

At the moment, I practice animal husbandry, specifically cows and goats. I am also doing maize, soybean and passion fruit on a large scale in FortPortal.

### **As a large scale farmer, do you operate the passion fruit plantation as an individual or as a cooperative?**

Actually, the passion fruit growing done on large scale falls under a project called KadAfrica and we specifically work with girls only.

### **Tell us more about this project. Why girls in particular?**

Great question, firstly the girl child is more vulnerable, marginalised and have a number of problems she faces. Because of that, we designed this project where we recruit 20-30 girls, look for a nearby church with free land and put that land to use. Churches have a lot of land available, so we sign a contract with them to use about 2 acres of their land for

a minimum of three (3) years. This land is divided into sub plots and we provide seedlings and chemical inputs. After the crop is grown, we buy the harvest from them. With this, the girls come out empowered with both farming and business skills. This has greatly improved the standard of living for most of them and their family members.

### **What is the criteria for the girls you choose to work with?**

Our focus is on the girl within the age brackets of 13-24 years because statistically this group is vulnerable to evils such as early pregnancy, defilement, early marriages and STDs. Contextually, we felt it right to assist this fragile group hence the choice of criteria.

### **When did you start this project?**

The project has been in existence for 7 years. I can proudly say that it has grown exponentially to about 70 acres of passion. In addition, we are slowly moving into soybean growing known as the Alexander Macrea project which will have a forward integration so as to produce processed soya products.

### **How many girls are you working with at the moment on KadAfrica ?**

Around 2,000 girls.  
Is this project specific to areas within FortPortal only and are there plans on expanding?  
We are currently present in Kabarole and Kyenjojo but growing slowly as we are limited by funds. If we are to expand, we will do so within surrounding areas like Kyegegwa, Kasese, Bundibugyo and Ntoroko.



# RABO FOUNDATION, DFCU BANK THROUGH ITS PARTNER THE ADC EXTENDED RELIEF TO FARMERS



"WE ARE GRATEFUL FOR THE FOOD RELIEF. AS A COOPERATIVE, OUR CONCERN WAS MOSTLY ON THE WOMEN WHOSE CROPS WERE WASHED AWAY AND HAD NOTHING TO FEED THEIR CHILDREN." SAID THE CHAIRPERSON BUNDIBUGYO IMPROVED COOPERATIVE. "

In light of the COVID 19 pandemic and natural disasters; landslides that have adversely affected some of the members of supported FBOs, the Agribusiness Development Centre (ADC) together with its investment partners Rabo Foundation and Dfcu bank extended food assistance, sanitation and personal protective equipment to over 350 small holder farming households which were affected by the recent landslides in Bundibugyo, and COVID 19 affected vulnerable households in Kamuli and Masaka districts.

The 350 affected small holder farmers are among the over 8000 trained members of Farmer Based Organizations currently in ADCs Agribusiness Training program. Each household received a package consisting of 20Kgs of Maize Flour, 10Kgs of Beans, 5kgs of Cassava Flour, 5kgs of Rice, 1 liter of Cooking Oil, 3 Packets of Salt and 2 Bars of iodized salt and a mask.

# MEET OBUKO EMMANUEL



## **Tell us about yourself in detail.**

I am called Obuko Emmanuel. I am currently the Ag General Manager at the Agribusiness Development Centre (ADC) where I also double as the Project Manager for Innovations. In terms of study, I have a keen interest in the agricultural sector. I hold a bachelor's degree in Environment Management from Makerere University and a Master's in Business Administration in Social Entrepreneurship commonly known as Entrepreneurship for Impact. I have over 10 years of experience in the Agricultural Sector. I first worked with AVSI Foundation Uganda as a Business Development Officer and later on as a Business Training Consultant under the Agricultural Skills for Youth project. Still at AVSI, I worked as a Program Officer for the women income generating activities, a gender specific project from 2009-2012.

In this specific project, one of my major achievements was to inform the value addition for cash transfer programming as the main means of bridging the livelihood gap at household level. I was part of the research team that influenced directives on models which I combined with my duties at Gulu University with the women empowerment association. Specific

to Agriculture, I have about 8 years of work experience in the sector with both individual farmers and farmer based organisations.

My Journey at the Agribusiness Development Centre started off as a Business Advisor directly in charge of the Northern Region right when the organisation had begun. One of my major duties was to support the team in module development, carry out the stakeholders meetings to introduce the agribusiness development centre to the different stakeholders in the region, managed to score and enrol different farmer organisations while vetting their legibility through the ADC advisory committee and started off the trainings that were due.

I later worked as Monitoring and Evaluation manager, which had a number of gaps that needed to be filled. This included the monitoring and reporting tools that were relevant to the work ADC does. While in that position, I created a training list for participants to keep track of who we have trained and for accountability purposes. I set up a reporting tool for the Business advisors who are regional based, to easily report on their activities. I developed with a consultant, a real time monitoring and evaluation platform called the

***I hold a BA in Environment Management from Makerere University and a Master's in Business Administration in Social Entrepreneurship***

EMMANUEL OBUKO

ADC Results Platform that shares ADC results on real time basis. I moved to Innovations department as the Project Manager Innovation, I managed to co-create Emata which is a dairy management information system that is supposed to digitize the dairy sector in terms of payment and monitoring quality and deliveries of milk between FBO's and their members. The main aim of Emata is to create proper flow of information and foster an improved payment system for farmer organisations. For ADC, the Innovations department was established based on the different gaps identified with the

face-to-face services that the ADC started with, we could only reach a certain amount at a high cost. The cost of reaching our farmers was about USD 150 - USD 220 per farmer. We can only reach maximum 50 per farmer organisation. With innovations, we have an opportunity to reach thousands of farmers under these organisations at a significantly reduced cost. What we are looking at under innovations is a huge reduction of the cost to about USD 1.5 – USD 5. That is a significant reduction and in terms of reach, we are looking at reaching hundreds of thousands.

Moving forward, one year later, I am the acting General Manager. It is a difficult position. It isn't easy to manage the team especially knowing that the team is very independent in terms of thinking; interesting for me of course because I have kind of enjoyed every department in the organisation except marketing and communications but I have done a lot of collaboration with marketing and communications. I think it is a huge role and of course I am happy to sit in for the time being.

**Tell me a little bit about your childhood. Were you always interested in agriculture or agribusiness?**

My childhood experience was very interesting most especially with my parents. My dad was a civil servant but my mum was raised by a very strong teacher farmer and when I say teacher farmer, her grandfather was a teacher but a very strong farmer in the area. In the modern time you would call him a model farmer who was one of the pioneers of the Lango Cooperative union and it was one of the strong unions that did a lot of trade in cotton. So my mum actually went to school from cotton trade and thanks to the Lango union, families of the members used to benefit extra.

My entire family was involved in cotton production processes. From my mother's point of view, they never lacked as a family and that's why they had a very big family and my grandfather was very generous and had a number of kids but all that was thanks to his family or crop production activities. I think it was very interesting.

I met him at his late days, I would say, of his life but you would still see the strength and energy when he discussed issues around cooperatives and unions so it wasn't my first time actual joining the ADC hearing the issue around cooperatives or farmer unions but I think I was already introduced to it by my grandparents and then of course my mum also played a role in that.

I one time opened about five acres of land. I was working with farmer organisations. I experienced something around a personal engagement with agriculture. The five acre were for tomatoes. In those five acres, we made a huge loss. We made that huge loss because we lacked the right information and the right skill set to ensure that the tomato fields were well managed.

At that point, I actually missed out on the critical ingredients of understanding the dynamics of the market before engaging. Even with what we managed to harvest, we were struggling with marketing and of course moving forward in terms of lessons learnt, I got to realise that it is not just a 'me' problem but a sector problem. Several youths that I worked with had the same issues accruing in the sector. I think those are basically my drivers so from my childhood I had an engagement

At that time cassava and sweet potatoes were our staple foods and we had a responsibility to take care of those fields. At the time we had about two acres. So you're looking at

me being woken up by mum in the morning with a cane saying "Hey please, go and do your weeding for the morning" so I also had those experiences and it shows you how the young mind set is tuned.

**It's interesting that you were caned to go and weed. I hope you are doing the same to your kids.**

My kids love the garden. They have a garden but in Kampala things are challenging.

It is not like the real one where you wake up at 5:00 am to go garden. It is more of pick that flower, or come and help me prune, cut this leaf off, remove that flower off but they love it.

**What is ADC's contribution to the agriculture sector?**

It is enormous. The ADC is actually looking at technical assistance in a sector which is one of the core gaps in the agricultural sector and what ADC is focussing on is



actually what makes farmer organisations individual farmers vibrant and very professional. We are looking at governance and leadership structures of farmer organisations and we are trying to strengthen those governance and leadership structures. We want and hope that we can enhance organisations being accountable, transparent, and relatable with different entities or different relevant support systems. That big gap, many organisations actually lack a lot in leadership and governance. Once you go to these organisations and ask for things like the minimal, are you holding AGMs? Are you holding meetings to maybe decide on items? Do you have things like plans as association? Do you have small items like a constitution or articles of association that you utilise to guide you as an organisation or as a farmer group? Many of them really lack these items and many of them that have these items do not understand the concept around the items. They have them as documents that probably were prepared for them by third-class or third-party people. The ADC is trying to engage and involve these people in helping them understand the dynamics around governance and leadership; what they need to do, how to understand

their roles, what policies they should have to be more professional and to be more relatable if you go to the bank, it wants to understand what your article of association is if you want to access finance so for them to be financially included by all financial institutions or to be financially acceptable, they need to show a professional level of operation. A little bit of standards. Articles of association, minutes for meetings, the people in structure. They should be clear with roles and responsibilities laid out. That's our start point. Beyond that when you are an organisation, there are always resources that need to be managed. Many of these resources are financial then of course you have the other resources that relate to human beings or human resources.

You need to have a clear understanding of managing your members within an association but most importantly also finance as a resource. How do you do that? Many of these organisations out there lack the ability to manage finance. You have seen several organisations open up today and go bankrupt or are closed tomorrow.

We have seen several organisations take out credit facilities and over

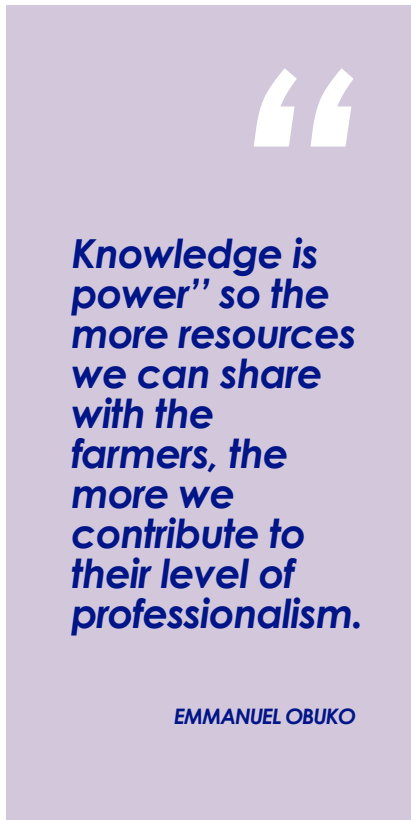
time they are unable to pay the credit facilities. All that stems from mismanagement but because they are not just professional. You do not have a budget, a business plan, policies that relate to finance. That is what the ADC is trying to do by bridging that gap on finance for these organizations both at management and member level. We are looking at marketing which is also a huge gap in the sector. For marketing, we're looking at organisations doing production that is not based on market farms. You have a lot of produce available but you don't know where to take this produce because you lack information since you never did the right research, you never got pre-information that informed your production before you actually engaged in the activity so the ADC is asking the right questions and helping these people understand that they need to ask the right questions before you engage in production have you surveyed the market? Do you understand the dynamics on what you want to produce? By any chance is it possible for you to take on a contract so that you know the moment you are producing this, it is where you are going to take that item. For that, this is the minimum



pricing for it, so you also protect your organisation. What we are trying to do with these organizations so much relates actually with the sector and for the ADC of course in overall what we want to do is to create more professional farmer organizations that get paid for the efforts and the hard work that they do a farmer organisations.

If you look at the value chain, the least aid in the agricultural value chain is the farmer but the person who does the most difficult work is the farmer. The most poor in the chain is the farmer so what we as the ADC are contributing is we want to ensure that this farmers gets better paid but the only way to achieve that is if the farmer can be better organised and more professional in what they do and how they do these items so that is our huge contribution to the sector.

Specific To innovations, we are combining both physical non-innovative and innovative ways to engage with the farmers so innovatively we are trying to ensure that we reach more people with learning resources. They normally say "knowledge is power" so the more resources we can share with the farmers, the more we contribute to their level of professionalism. For diary under innovations, we are trying to build on better management systems to help farmers have fluid processes that are improve their efficiency and effectiveness. A number of diary cooperatives complain about diary late payments and some also complain about missed payments in terms of uninformed deductions so with the systems specifically Emata, we hope that the diary sector can be more transparent actually through a full chain digitization so you deliver your milk, the quality and quantity is recorded instantly, set up in the platform, the farmer instantly receives the message stating that



you have delivered a certain amount of milk, this is the income that you're supposed to expect from that amount of milk you've delivered so that is accumulated over time. The moment payments are ready instead of calling each farmer to come to you are digitizing the payment. Money is transferred on mobile, so the farmer receives his money as is, so you have your records already as a farmer for your pay and then you receive your money digitally.

The farmer does not need to travel to the FBO or lose a little bit of money to go back to the FBO to receive your payment. On your digital platform, your payment is also safe. Safety is also guaranteed so there is also a reduction in the risk in the sector. We have the eLearning platform which is a very interesting platform which will help the organization actually leverage on the resources we have in the physical and have them available virtually so we are

talking about price risk management content, marketing content, financial content, good governance and leadership content and beyond that we shall have a resource library that will have supplement content.

Beyond the ADC scope of content, we shall have additional content that the farmers or public can access with the concept of "knowledge is power". To our stake holders. We are doing a lot of linkages both forward and backward we are doing support in the chain. We are doing support to different financial institutions. We are linking several farmer organizations to DFCU bank and Rabo foundation to access credit facilities. We are supporting market opportunity linking for these farmer organizations. We help them identify relevant markets but also help them build a strong link with these markets. We are supporting them to identify possibilities to enjoy economies of scale from bulk purchase of inputs so those are part of the training items we are basically doing so overall what we want to do as ADC is to help build more self-sustainable and bankable farmer based organisations because that's where the future is.

**How has ADC's work been hindered by COVID-19 and is ADC doing anything about it, what's the way forward?**

It has affected the ADC. Based on government directives, our activities which are more physical, like our trainings in respective regions, were disconnected. We cannot reach farmers. In terms of directly engaging with them. We are currently working with 106 FBOs and based on the directives, we cannot reach the 106 FBOs. In terms of innovations, we cannot complete several items because we need to interact and meet physically. Based on the directives by the government, all those cannot be done. We needed to install servers. We needed to have

our internal office facilities and equipment installed. That is pending because we are no longer working physically. We are basically working virtually. Our expenditure I would say were also significantly affected because now we have a shift in some activities. Now we are doing work digitally meaning that we have to create new lines and smarter lines to ensure that those digital lines stay present. Overall I would say the gaps and the effects have been enormous. We have faced it not so easy as an organization and it is basically around the different activities.

That is I would say the finite items of course for how we are coping and adapting, of course the ADC is very creative and innovative and that's why we have an innovations department but beyond the innovations department we have an inter-departmental knowledge bank that does a lot of idea exchange. We have marketing and communications, M & E but we also have the programmes staff that have been very present in understanding how as an organization we need to actually quickly adapt and cope with COVID-19 so the ADC has managed to set up a digital work space in a number of specs: the team working digitally, we have digital meetings that happen, we do updates on the digital activities that the team needs to carry on, there are digital assignments that are ongoing like we are reaching out to our farmer organizations with them two surveys.

One survey was done to understand whether SMS as one of the digital platforms we are using to reach out to the FBO members is relevant and adding value for them or not. That survey was concluded and then the next survey we are doing is understanding the effects of COVID-19 actually on the different farmer organizations. Of course the

objectives of the surveys are very clear. For the effects of COVID we want to understand how we can better position ourselves as an organization but also helps us as an organization in decision making. Once we commence or reconnect with the farmer organizations, what can we do directly or which gaps are we already looking at in terms of bridging for these farmer organizations based on the information received from them.

For the investment members, we are also looking at opportunities for them, understanding the financial positions for these organizations that we are working with, understanding how they can design models that can help actually rebuild some of these organizations that are sinking. I think that is what the survey intends to do for the people we are working with. For the SMS channels, like I said already, we want to build on the relevance of the channels for the SMS. So what we are doing currently is we are working online hopefully soon we shall have our e-learning platform which is ready. We are going to launch it digitally. We have the bulk SMS channel which we are utilising on a daily basis to share small learning tips with the FBOs so for now our focus on finance because we know finance is critical across so we are basically sharing key information on finance through COVID how can they cope financially with the COVID situation?

We also have a business WhatsApp page under the ADC that is helping a lot in experience sharing and also supporting each of the FBOs that are enrolled or that are active on the platform to support each other on coping mechanisms, market opportunities, and information sharing that they can use during these COVID period but also post COVID period. In terms of SMS we are sending out about 3,937 SMSs daily. For the WhatsApp page we

have 36 FBO representatives active on the WhatsApp discussion platform so that's how we're coping as ADC. For the surveys, we are also basically gathering information on the effects of the floods for the different farmer organizations so it's COVID plus the floods.

#### **What motivates you in life?**

Personally I have a number of things that motivate me. My big drive is having the ability to make people happy with what I do. I am motivated if people around me are smiling and happy. If I can be part of change for the people then that's a motivator for me but of course the bigger motivators for me are also my family. I'm happy and proud of my background. That is my parents, they've always pushed me.

I've seen what they've ben trough and what they've managed to accomplish and also my marriage I think I am happy about what is present so I think those are the big motivators but the most important for me is of course I want to be part of change. If people are happy, I'm happy the farmers most especially in the sector. If the farmers are happy, has a smile at the end of the day and I did something to contribute to that smile I'm motivated; that's what keeps me going.

#### **Do you have a life quote?**

Maybe from the hashtag of Rabo foundation "Together we can" I always believe in it because there's a power in what we can achieve together. That's why I believe so much in team strengthening and team work as opposed to focusing on individual. If you do any item in isolation, you can only achieve to a certain extent but if you try to as much as possible include a number of people and work together, you build models that are more sustainable. That's the concept around it.



# EFFECTS OF COVID 19 ON THE FARMER BASED ORGANIZATIONS (FBOS)

**Agribusiness Development Centre (ADC) supports farmers in 4 different regions of the country by training them in good governance, financial literacy, marketing and a special training for coffee and cocoa farmers in price risk management.**

During the pandemic, ADC carried out a research through its experienced group of business advisors in the Eastern, Western, Central and Northern regions to find out how the pandemic had affected their businesses and lives so that solutions are found to the challenges.

**Below are some of the challenges and some of the solutions ADC adopted:**

- Drop in Prices for example milk ugx 800-500, Cocoa 7000-6500 which leads to increased side selling.
- High Prices of Agricultural Inputs like quality Seeds/Fertilizers or pesticides.
- Low liquidity levels for SACCOs due to low Savings, and credit due to lack of mobilization [Two most areas where SACCOs remain Liquid]
- There is a high default lending {90% of borrowers are into arrears}
- Low subscriber growth because of halt in operations which means there are no new members coming registering

- Lost contracts with Buyers [Millers] because the FBOs could not meet the required quantity.

- Exporters are holding on stock, no longer buying from local buyers. [Cocoa – Bundibugyo]

**All the above challenges need a combined effort from ADC and its partners to support the FBOs to get back on their feet.**



ADC has created an e learning tool to give farmers trainings virtually to continue building their capacity so that they can become self-sufficient. An SMS system was also adopted during the lockdown, daily messages that enlightened farmers on measures of how to keep safe from COVID19 and the daily tips on financial literacy especially during a crisis.

ADC also created a WhatsApp group where most farmers who have smart phones can interact and share experiences but most importantly it acts as a market connection for farmers who advertise on the platform but also referrals from the Business Advisors and processors on the group.

Finally, one of ADC's effort is towards working with Partners to create packages and develop sustainable modules to support farmers. Great appreciation goes to those that have supported ADC to be able to continue supporting Farmer Based Organizations (FBOs).



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**In** partnership with Rabobank, the largest agri-bank in the world, we offer customised agri-solutions to meet your needs. Additionally, we offer a vast range of specific finance and products along the value chain that take into consideration the specific characteristics of the sector including seasons, price fluctuations and climate disruptions.

### dfcu Save for Loan

- Loan amounts of up to UGX 50 million
- Loan tenor of up to a period of 24 months
- No repayments during the grace periods
- Flexible repayment structure tied to expected cash-flows
- Agric/ crop insurance premiums integrated in the product offering.

### dfcu Agri Asset Finance

- Attractive interest rates
- Flexible repayment structure
- No need for collateral as the asset to be acquired is the collateral
- Repayment period of up to 60 months
- Linkage to renowned agri equipment suppliers with after sales support.

### dfcu Farmer Group Account

- No account maintenance fees
- Attractive interest rates on your savings

- Free intra-transfer between the farmer group account and group members
- Account is linked to mobile banking for mobile payments
- No early redemption fees charged on loan facilities
- Free capacity building and financial literacy trainings for members.

### dfcu Agri-Production Loan

- Attractive interest rates
- Loan tenure of up to 24 months
- No repayments during grace periods
- Grace periods offered on loan repayments
- Linkage to well renowned agri-input supply companies
- Fast loan processing to ensure that farming activities are timely carried out.

### Agricultural Credit Facility (ACF)

As on of the partner financial institutions, the Bank contributes 50% and government also contributes 50% towards agriculture loans

Interest rates for as low as 12%

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