

**'Organic' as a Development Model.  
'private sector perspective'**



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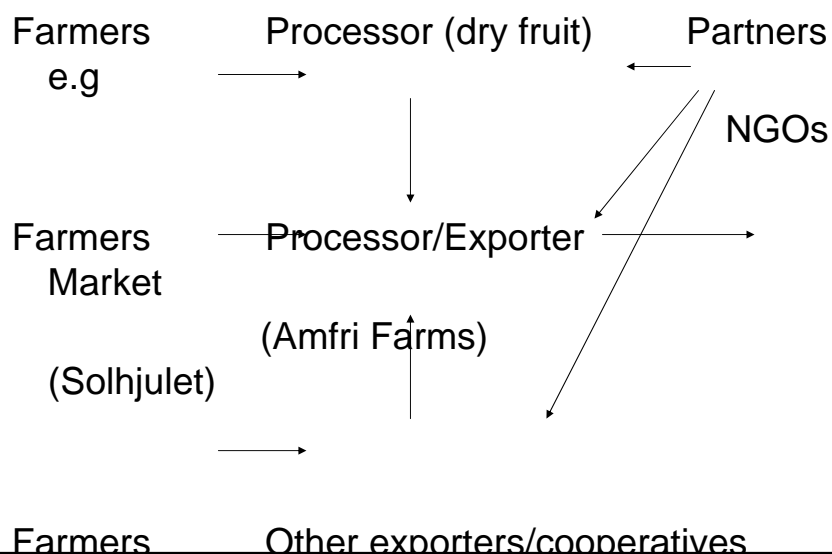
## **Organic Agriculture in Uganda**

- Agriculture accounts for 45% of the GDP, employs 80% of the population of which 85% live in rural areas, 44% in absolute poverty
- Has more than 122,000ha of all certified organic land, 33,900 farms, in Africa (Walaga,2003).
- 15 certified, 9 in conversion companies (NOGAMU,2005)
- Products; coffee, cotton, cocoa, bark cloth, fruits, vegetables, herbs, spices
- Most certified growers are small scale, resource poor farmers

## Amfri Farms Ltd/African Organic

- Production, processing and export of Organic fresh, dried, frozen fruits, vegetables, herbs and spices from Uganda
- Organic certification IMO, Switzerland; EEC Reg 2092/91, USDA/NOP and Naturland (underway)
- Demeter Certification and HACCP implementation in progress
- Currently 138 out-growers in 8 Districts, also own farm
- Products; pineapples, apple bananas, passion fruit, avocados, ginger, papaya, chilies, vanilla, other vegetables, herbs and spices.
- Current markets: Denmark (biggest), Ireland.

## Amfri supply chain



## **Why this system?**

- Farmers; easily conforming production systems, location advantages, lower costs of production, social attachment (most important!)
- Other operators; consistency in supply, cheap and quicker source of information
- Exporter (Amfri); more focus on final packaging and marketing.

## **Core values of this supply chain**

- Trust and transparency; emphasized through inspection
- Clear understanding of critical organic requirements
- Mutual dependence; recognition of each player's role in the chain (ICS)

## **Roles - Farmers**

- Production according to the standards
- Safeguarding organic integrity of products
- Maintaining other quality aspects
- Full participation in group activities

## **How do farmers benefit?**

- Market access
- Organic certification 10,000 USD/year paid by Amfri Farms Ltd.
- Premium prices (30-100%).
- Cash transactions, no credit and produce collected from farm gates
- Free extension services (organic production, post-harvest handling, drying and other related issues)
- Bonuses at the end of the year.

## **Roles - Associated processors/operators**

- Quality management, including organic certification, with respect to market/Amfri requirements
- Organising production, training and servicing of suppliers (farmers)

## **How do other suppliers benefit?**

- Expanded market access, more sales
- Better quality products through closer monitoring
- Specialisation; consistence in supply

## **Roles - Amfri Farms**

- Final packaging and organising delivery to clients
- Marketing; identification of other markets
- Brand manager
- Client service
- Innovation and product development e.g. pulp
- Supply chain management
- Overall quality management incl certification

## **Roles-other partners (like NGOs)**

Help in identification of limitations along the supply chain and give assistance through, for example, providing funding for farmer extension, ICS development and certification, marketing; trade show participation, product development, etc (case of EPOPA programme)

## What are the main challenges?

- Limited Financing to invest at different levels in the chain  
Bank financing virtually unavailable, interest rates in range of 20 to 30%, no government support to the sector
- Limited production capacities of suppliers/farmers  
Caused by 100% reliance on natural cycles, rudimentary tools-drudgery, traditional production systems.
- High cost of production (certification, airfreight costs)
- Poor infrastructure (handling facilities, cool chain for highly perishable produce)

## 'Organic' as a Development Model

- Role of agriculture, in general, unquestionable
- Organic agriculture mostly involves small scale farmers, adding income to the rural environment
- Women (normally marginalised?) bear the labour requirement
- Easily adaptable; recognises role of indigenous knowledge to identify solutions
- Sustainable production system hence a long term effect on standards of living.
- Builds trust amongst players from producer to consumer, hence a feeling of ownership.
- Cheaper option for most resource poor farmers

## Way forward

- Promoting organic as a way of life (BIG CHALLENGE) vs. only organic for market access
- Developing each player's role in an existing chain for its sustainability
- The link to environmental management and commercial agriculture.
- More research into organic agriculture
- Development of necessary infrastructure for certification, quality improvement, value addition.
- Creation of demand; demand pull vs. supply push
- Recognition of organic under mainstream agriculture so its gets a share of budgetary funding. (OA policy!)

**THANK YOU SO MUCH!!!**

