

Purchase for Progress - P4P

Uganda



QUICK FACTS

Project start date:
February 2009

Number of farmers' organizations (FOs): 55

Number of members:
62,643 (51% women)

Sales to WFP: US\$ 6,049,803
(16,760 mt)

Sales to other markets:
An estimated US\$ 2,245,874
(6,222 mt)

Main commodities:
Maize, beans and sorghum

Main P4P activities

- Market infrastructure development
- Capacity development
- Pro-smallholder procurement practices

Funding

P4P Uganda's technical and administrative costs are sponsored by the Bill and Melinda Gates Foundation and USAID. Food purchases are financed by donations to WFP's regular operations.

Figures as of March 2014

P4P in Uganda

In Uganda, P4P focuses on strengthening the capacity of farmers' organizations (FOs) to aggregate and sell commodities to quality buyers, such as WFP.

Through partnerships with the government, indigenous and international NGOs, and other partners, P4P has provided smallholder farmers with the necessary training and equipment to increase their production, improve crop quality and strengthen FO marketing capacity. P4P is also promoting Village Savings and Loans Associations (VSLA) to facilitate credit access among P4P-supported FOs. P4P also seeks to connect FOs with institutional and private sector buyers, such as millers or exporters, that can provide an assured source of demand beyond WFP. This approach has built on WFP Uganda's Agriculture and Market Support (AMS) project to enhance prospects for sustainability.

Background

Over the past 15 years, the Ugandan economy has experienced steady growth averaging over six percent per annum. However, most gains have been achieved in the industrial sector, with agricultural growth rates lagging behind at 1.9 percent annually. As a result, even though the economy is largely based on agriculture, with over three quarters of the population dependent on the sector for their livelihoods, the incomes and overall quality of life of farmers and rural populations have not significantly improved over the past 15 years. The major constraints to gains in the agricultural sector include poor market infrastructure, limited regulation of quality and inadequate productivity. In many places, basic physical infrastructure such as roads, storage facilities and access to market information is not in place. At the same time, post-harvest handling practices that improve and ensure quality have not reached their potential.

Learning and sharing

P4P has emphasized an honest and transparent examination of what works and does not. After 5 years of testing various approaches on the ground, the pilot is currently being evaluated. Key lessons are being compiled and will be shared widely.

Achievements

- **Capacity development:** P4P has contributed to the strengthening of farmers' organizations, including those in areas devastated until very recently by long-term displacement in the north. Training has been provided to 41,000 smallholders, more than half of whom were women.
- **Equipment:** In order to address grain quality issues, eight sets of industrial-scale grain processing equipment, including cleaning, sorting, drying and bagging machines were leased to large private sector companies, or FOs, which provide services to smallholder farmers in rural areas.
- **Infrastructure:** 33 satellite collection points (small-scale warehouse facilities) were handed over to communities to facilitate the aggregation of commodities and collective sales to both WFP and other markets.
- **Access to credit:** Through training sessions, farmers were supported to strengthen 747 Village Savings and Loan Associations, in which members contribute and are able to borrow money at reasonable interest rates. A total cumulative capital of US\$ 866,352 was directly mobilized by farmers.



World Food Programme

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Nubu Namutebi is now a dairy farmer thanks to P4P Uganda. Nubu shows off what she considers her key P4P achievement- a Friesian cow. Nubu states:

"Before P4P, my maize harvests and my earnings from the maize crop were low. I could not save much money after selling the grain. But now, with increased maize production where maize is sold at a high price, I have managed to slowly save money and buy a 'muzungu [exotic] cow' something I wasn't able to do before. Even on a day that I have not sold my crop harvest, I am sure of earning UGX 10,000 (more than US\$ 3.75) per day from the sale of milk. This P4P project has really changed my life. Although I am not rich, I am not very poor either".

KEY PARTNERS

- Action Against Hunger (ACF)
- Agency for Technical Cooperation and Development (ACTED)
- CESVI
- Food and Agriculture Organization of the United Nations (FAO)
- Food for the Hungry
- Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)
- Ministry of Trade and Cooperatives
- Office of Relief and Development Support (ORDS)
- Samaritan's Purse
- Soroti Rural Development Agency (SORUDA)
- TechnoServe

- **Post-harvest handling:** P4P has assisted farmers and traders to reduce post-harvest losses through training on appropriate drying and cleaning techniques, as well as access to equipment and storage facilities.

Challenges

- **Grain quality:** Since WFP only buys grain graded as 1 or 2 according to the East African Maize Standards, purchases from smallholder farmers in Uganda have been limited due to challenges reaching these quality standards. P4P has had some success in driving the market towards improved quality but improvements on a farmer level have been challenging as there is little incentive for farmers to improve quality because many buyers do not offer premiums for quality products.
- **Access to credit:** Though Village Savings and Loan Associations have proven effective, many farmers still lack access to credit from formal financial institutions at accessible interest rates.
- **Warehouse receipts system (WRS):** Implementing the warehouse receipts system in Uganda has proven challenging, but efforts continue.
- **Side selling:** The length of the WFP tendering process has led farmers' organizations or their members to sell stocks to other buyers offering ready cash as market prices have increased.

Partnerships

The Government of Uganda is a key P4P partner. WFP has signed a Joint Action Agreement with the Ministry of Trade and Cooperatives and the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) to promote smallholder access to quality markets. Regular meetings are held under the supervision of the Ministry of Trade and Cooperatives. The main participants to these meetings are WFP, the Ministry of Trade and Cooperatives, MAAIF and USAID. WFP is also participating in the maize platform which is a forum to address all issues related maize trade and quality. WFP has launched a [special operation](#) that aims to reduce post-harvest losses by supporting smallholders with storage structures at the household level. ACTED, Samaritan's Purse, Food for the Hungry, ACF, ORDS and CESVI provided training on farming as business, post-harvest loss reduction, market information analysis and stores management. TechnoServe developed business plans with ten satellite collection points. These business plans address risk mitigation, membership revenue, project income statements and capital investment.



Read more about

[WFP in Uganda](#)

[Scaling up successful post-harvest programme](#)

[New grain equipment to benefit smallholders](#)

[Farmers in the north see good times ahead](#)

WFP ACTIVITIES IN UGANDA

In Uganda, WFP has three strategic priorities: Emergency Humanitarian Action (EHA), including general food distribution to refugees; Food and Nutrition Security (FNS), which combines food and non-food based activities in selected post-conflict and food insecure communities like Karamoja; and Agriculture and Market Support (AMS) which incorporates P4P. Food needs for EHA and FNS operations are met by procurement from both large traders and P4P-supported smallholder farmers.