

Supported By:



Implemented By:



Commercial Villages for Markets Access and Financial Services Project



Implemented Through
The Commercial Village Model

Project Brief

Beans | Maize | Banana

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Commercial Villages for Markets Access and Financial Services Project

Stromme Foundation has supported Farm Concern International, FCI, to implement Commercial Villages for Market Access & Financial Services Project for 1,000 smallholder farmers organized into 5 Commercial Villages in Rubirizi and Bushenyi Districts, Uganda. The Commercial Villages have recorded sales worth USD 422,244 for 11 months from beans, maize and banana through the Commercial Village Model. Collective marketing is facilitated through strategic partnership with 10 Wholesale buyers. The Commercial Villages savings of USD 27,852 has been achieved within the same period.

Input Suppliers

5



Financial Institutions

4



Commercial Village Savings (USD)

27,852



Informal Markets

5



Male Farmers

501

• 50.1% Men farmers participating in market & trade



Women Farmers

499

• 49.9% Women participating in Agri-Trade
• Engaged in negotiation with buyers



Wholesale Buyers

10



Youth Farmers

400

• Engaged in agriculture trade & enterprise



Sales (USD)

422,244

• USD 422 increase in household income



Commercial Villages

5



Smallholder Farmers

1,000

• Organised into commercial villages



Commercial Producer Groups

8



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Winning Markets For Farmers in Africa

Introduction

In Uganda, access to competitive markets remains one of the major challenges facing smallholder farmers. Specifically, smallholder farmers are constrained by low level of commercialization, limited access to markets, multiple layers of predatory market players that reduce gross margins and, limited access to market information. Farm Concern International (FCI) is implementing the **Commercial Villages for Market Access & Financial Services (COVIMAP)** project to address these market constraints. FCI is applying the value network approach to targeted value chains in Rubirizi district of Uganda, to improve access to markets for 1000 households, 10 wholesale buyers in 5 villages.

The main objective of this project is to improve market and trade efficiency for smallholder farmers and wholesale buyers along target value chains. This is being achieved through the Commercial Village Model, saving groups and linkages to financial institutions, business partnership with formal and informal market actors; digital innovations for trade and extension, as well as linkages to business development service providers. Specific interventions include;

- Market research and value chain analysis through developed tools; Selection of; 1 anchor value chain, 2 core value chains and 3 non-core value chains; buyer identification, price improvement by 10%.
- Commercialization of target value chains through the Commercial Village Model; prioritized value chains based on markets; increased productivity by 10%; 5 Commercial Villages with 40% women and at least 30% youth, increased profitability by 15%
- Linkages to markets through the Market & Trade Hub Model and, Traditional Informal Market Efficiency (TIME) model, targeting wholesale buyers, agro-processors, agro-trading companies prioritized and engaged as business partners with Commercial Villages in the Rubirizi district

The project anticipates the following outcomes;

- I. Increased savings by smallholder farmers
- II. Improved bargaining power leading to improved profitability
- III. Improved quality on commodity transacted in villages and markets
- IV. Improved quantity on commodity transacted in villages and markets
- V. Increased savings by smallholder farmers.

Rubirizi and Bushenyi districts are characterized by traditional marketing systems that are predominantly informal with high levels of trade and business inefficiencies, poor information flow as well as several chain actors. The marketing systems also have low volumes of market demanded varieties as well as inefficient transport arrangements which often results in high cost of products. In some villages, farm produce does not reach potential markets. The project is harnessing various domestic marketing systems through market driven production and market access of selected value chains. Therefore, improving market and trade systems is paramount in facilitating market access and linkages for the benefit of farmers, traders and other business support service providers.

The Commercial Villages Model (CVM)¹ goal is to systematically build capacity of 1000 smallholders in 5 villages of Rubirizi & Bushenyi, Uganda turning them into profitable farmers, increase incomes and build capacity of farming families for socio-economic growth and break-off poverty cycles’.

The COVIMAP Pilot Project has been implemented since July 2017 by Farm Concern International (FCI) with support from Stromme Foundation and close collaboration with Community Volunteer Initiative for Development (COVOID). Farm Concern International, FCI has partnered with Government Agencies, Research Organizations and Development partners in implementing the Commercial Villages for Market Access and Financial Services (COVIMAP) Initiative in Rubirizi and Bushenyi districts of Western Uganda.

Commodities worth USD 422,244 and savings worth USD 27,852 have been made by the Commercial Villages farmers over the last 11 months.

The project is aiming at increasing farm gate value of the target commodities by 10% and facilitate annual sales worth USD 750 per household translating to USD 1.5 Million. Additionally, household and wholesaler buyer's incomes are anticipated to increase by at least by USD 250 and USD 300 respectively per year. The project has enabled 499 women and 700 youth farmers to participate in commercialization and market access for the target commodities. The above results have been achieved through strategic business partnerships between the smallholder farmers, Commercial Villages, other farmer organizations and market actors who will be evolved into business partners with a major focus on increasing profitability and enhancing value chain efficiency. The project has incorporated innovative capacity development

499 women and 700 youth farmers are participating in commercialization and market access for the target commodities

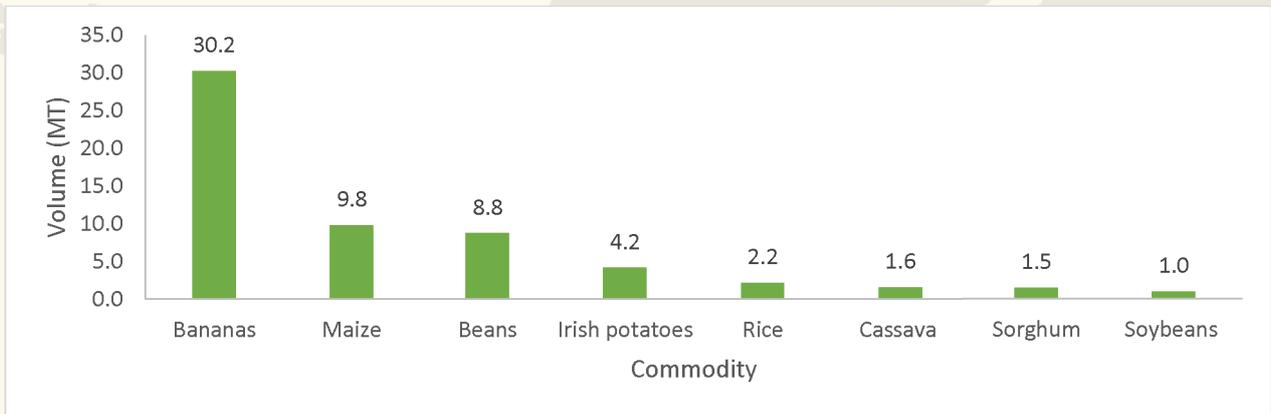
approaches that create mechanisms for increased capacity of all actors thus improving quality for traded commodities, enhance supply chain efficiency, skills and other resources as well as link actors to business support services. The project has increased farm gate value of Maize, Bananas and Beans and facilitated annual sales worth USD 0.42 million within the first 11 months of implementation. Additionally, household incomes have increased to USD 422 per household and Commercial Village savings worth USD 27,852 have been

mobilised. Through the implementation period, 5 main markets have been profiled and trade partnerships with 10 wholesale buyers and 5 formal buyers completed. Commercial Villages farmers have been linked to 5 Business development service providers who include seed entrepreneurs, input and technology suppliers.

Achievements

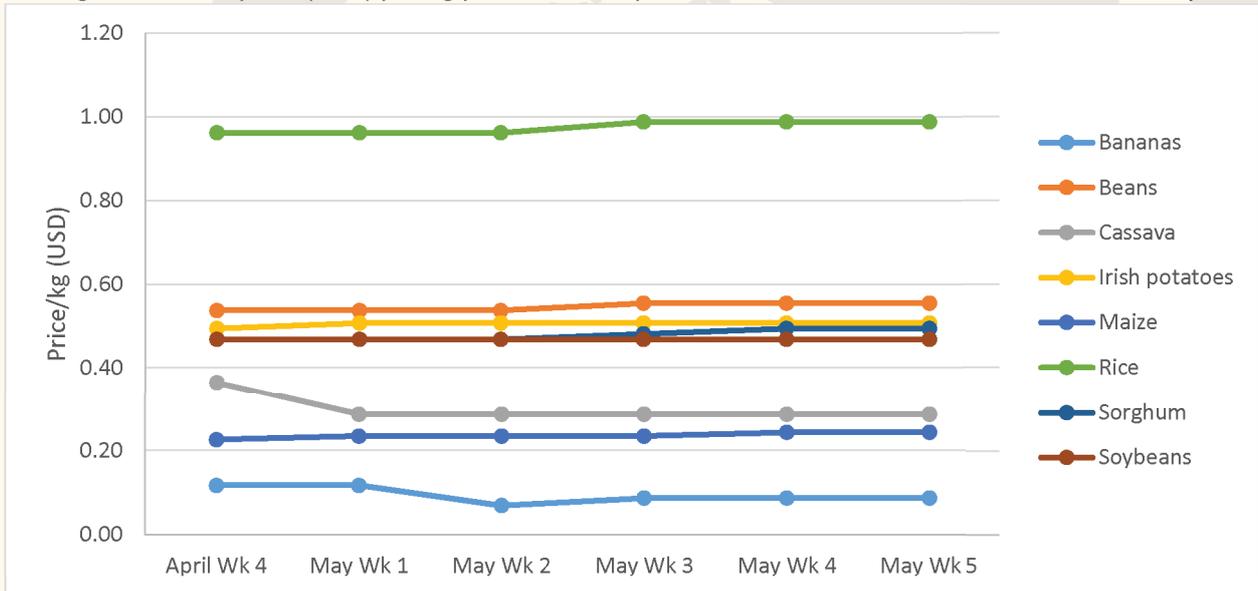
- Viable market opportunities prioritized based on a Value Chain Analysis
- Commercialisation of Bananas, Beans and Maize for 1,000 smallholder farmers
- 10 wholesale buyers engaged and linked to 5 Commercial Villages
- Improved productivity and profitability with a total of USD 0.42 Million worth of trade facilitated
- Commercial Village savings worth USD 27,852 mobilised

Total Volumes in MT for various commodities from selected markets in Kasese and Bushenyi



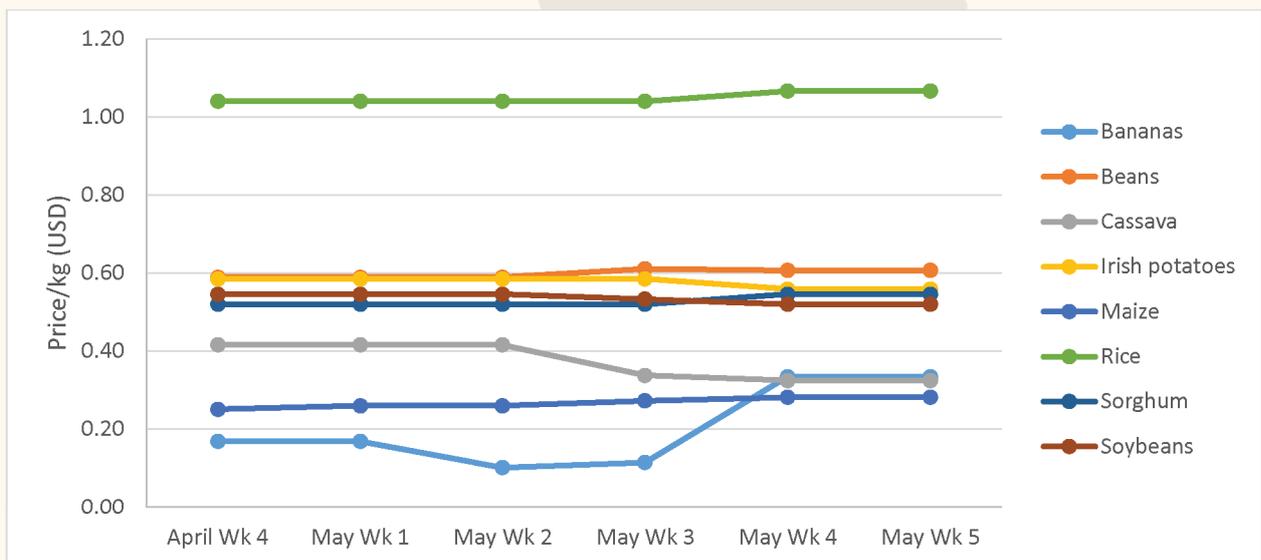
Source: Market Information System – Farm Concern International, FCI, 2018

Average wholesale price (USD) per Kg per commodity from selected markets in Kasese and Bushenyi



Source: Market Information System – Farm Concern International, FCI, 2018

Average retail price (USD) per Kg per commodity from selected markets in Kasese and Bushenyi



Source: Market Information System – Farm Concern International, FCI, 2018



Commercial Village Leadership team discussing with traders during a market visit at Mpondwe – Lubiruha: Photo Courtesy of FCI



Mr. Charles Bareberaho, a member of Kyarutakoba I Commercial Village, Rubirizi district, weeding beans in his garden: Photo Courtesy of FCI



Stromme Foundation EA staff (extreme left and extreme right) with FCI staff (in orange shirt) and the sub county Agricultural Officer during a demo site visit in Kyarutakoba I CV, Kichwamba sub-county, Rubirizi district: Photo Courtesy of FCI

Implementing Partners:

Partnerships are core to FCI's implementation approach which builds synergy through integrated collaboration with various partners. FCI highly appreciates the following implementing partners that have played a critical role in contributing towards increasing commercialization of prioritized value chains.

- District Local Governments in Rubirizi and Bushenyi
- Ministry of Agriculture Animal Industries and Fisheries
- National Research Organization (NARO)
- COVOID SACCO

Strategic Partners

- Eram Uganda Ltd
- Kaho Ltd
- Solar Now
- Dream World Ltd

Supported by:



Farm Concern



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