

REPORT OF THE NATIONAL CAPACITY-BUILDING WORKSHOP ON CONTRACT FARMING TO AGRI-VALUE CHAIN ACTORS IN KAMPALA UGANDA 19th October 2023.



1.0 INTRODUCTION

The global crises of COVID-19, Conflict, and Climate Change pose challenges to EAC economies and business growth. The East African Business Council (EABC) partnered with Sequa GmbH under the Business Scouts Fund in the project on "Enhancing Competitiveness of Agri-food Industry and Mitigating the Impact of Global Crises to Improve Food Security in the EAC Region." During the training participants were trained on the latest development in Contract Farming to Agri-value chain and EAC Export Procedures for Food Products. The training sought to improve the technical and contractual capacity as well as enhance the understanding of export procedures & and documentation for Agri-actors.

Following the Regional training, the EABC in collaboration with Private Sector Foundation Uganda (PSFU) organised the National Capacity-Building Workshop on Contract Farming on 19th October 2023 in Kampala, Uganda.

2.0 BACKGROUND AND OBJECTIVE OF NATIONAL CAPACITY-BUILDING WORKSHOP

Contract farming for agri-actors is rooted in the need to strengthen agricultural value chains, enhance productivity, and promote sustainable partnerships within the agricultural sector. Contract farming offers numerous benefits, including market access, improved

production practices, risk sharing, and income stability for farmers. However, successful implementation of contract farming requires agri-actors to clearly understand its principles, processes, and best practices.

By providing training on contract farming, agri-actors such as farmers, processors, and buyers can acquire the necessary knowledge and skills to engage in effective contract farming arrangements.

The main objective of the training was to improve the capacity and skills of agri-actors in Contract Farming in Uganda in a bid to enhance the competitiveness of the Agrifood industry and mitigate the impact of global crises on food security in the region.

The training aimed to equip them with the ability to negotiate fair and mutually beneficial contracts, understand their rights and responsibilities and effectively manage the various aspects of contract farming, such as quality control, pricing mechanisms, and dispute resolution.

3.0 PARTICIPANTS

The workshop convened **35 Agri-Value chain stakeholders** from the Agri-Value chains, and the media to deliberate on the farming principles, processes, and best practices of Contract Farming in the Region. The list of participants is attached as an **appendix**.

4.0 OPENING REMARKS

Perishable goods, which encompass a diverse range of products such as fresh fruits, vegetables, dairy items, and seafood, play a pivotal role in the regional economy. The workshop highlighted the significance of understanding the demand for these products, particularly in the context of cassava, where countries like Kenya are actively seeking alternatives for compost production due to a surge in demand.

Mr. Martin Maku, Sector Coordinator of Agriculture, Agribusiness and Forestry at PSFU said that one of the key takeaways from the workshop was the variation in demand, production, and competitiveness among East African countries. **For example**, Uganda's cassava demand is estimated at around 1 million tonnes per annum, while Kenya surpasses that with approximately 2 million tonnes. This variation underscores the need for a nuanced analysis to inform regional economic strategies.

Discussions also emphasised the advantages of contract farming, citing the assurance of a ready market and access to essential services such as extension services and risk-sharing networks. The participants advocated for the passage of a contract farming bill into law to address challenges such as inconsistency, compliance, and funding, ultimately fostering sustainable economic growth within the region.

Mr. Maku further urged that the contract farming bill becoming law is imperative for addressing challenges that hinder the growth of our agricultural sector. We call upon government policymakers to prioritise and support this legislative process, contributing to the reduction of barriers affecting our country's agricultural development.

The East African Community remains committed to fostering regional cooperation and economic growth. The workshop plays a crucial role in harmonising trade policies and creating economic opportunities for all Member States. As the journey towards greater

regional cooperation continues, the outcomes of this workshop are expected to contribute significantly to the development of the East African agricultural sector.

5.0 THE TRAINING SESSION

The workshops featured presentations by industry experts who shared insights, best practices, and case studies related to contract farming and export procedures. These presentations provided participants with a solid foundation and practical knowledge.

Participants engaged in interactive discussions, group activities, and hands-on exercises to reinforce their learning and encourage knowledge sharing. These activities facilitated a collaborative learning environment and allowed participants to apply the concepts learned.

Participants received practical guidance on drafting and negotiating contract farming agreements, understanding legal considerations, managing risks, and resolving disputes. They also gained insights into export procedures, including documentation requirements, quality standards, and market access.

The workshops provided valuable networking opportunities, allowing participants to forge connections with industry experts, potential business partners, and government officials. These connections can lead to future collaboration and partnerships.

6.0 ACHIEVEMENTS

The following key achievements were highlighted:

- i. The workshops successfully enhanced participants' understanding of contract farming and export procedures. Participants gained practical knowledge and skills that they can apply to their respective roles and businesses.
- ii. The workshops facilitated networking and collaboration among participants, fostering potential partnerships and information sharing. Participants expanded their professional networks and established valuable connections within the industry.
- iii. The workshops raised awareness about the importance of contract farming and export procedures in the agricultural and export sectors. Participants gained a deeper understanding of the benefits, challenges, and opportunities associated with these activities.

7.0 RECOMMENDATIONS

Participants provided key recommendations provided below.

- i. Provide post-workshop support, such as access to resources, mentorship, or advisory services, to help participants implement the knowledge and skills gained during the workshops effectively.
- ii. Organise regular training sessions and workshops to ensure participants stay updated on the latest developments, trends, and regulations in contract farming and export procedures.
- iii. Foster stronger engagement and collaboration between government entities, industry associations, and private sector stakeholders to create an enabling environment for contract farming and export procedures.

POST-TRAINING EVALUATION ON THE PERCEIVED BENEFITS OF THE NATIONAL TRAINING

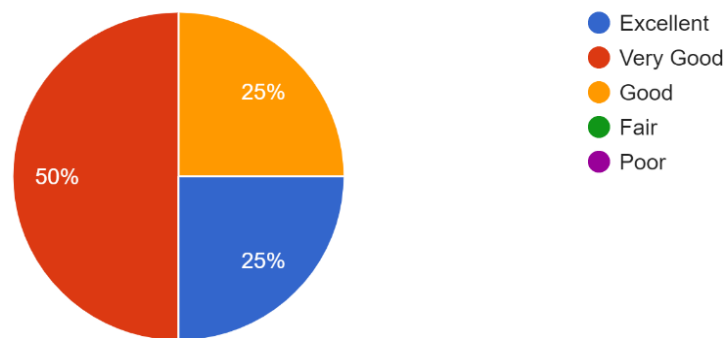
EABC conducted a post-training evaluation to get the perception of the benefits of the training. The following were the comments from the participants are summarised below:

PART A: GENERAL PERCEPTION OF THE TRAINING

1. Overall organisation and structure of the capacity building workshop.

Most of the participants (50%) were of the view that the organisation of the workshop was Very Good. Moreover, 25% of the participants rated the overall organisation and structure of the workshop as Excellent and Good respectively. The chart below provides a summary of the responses.

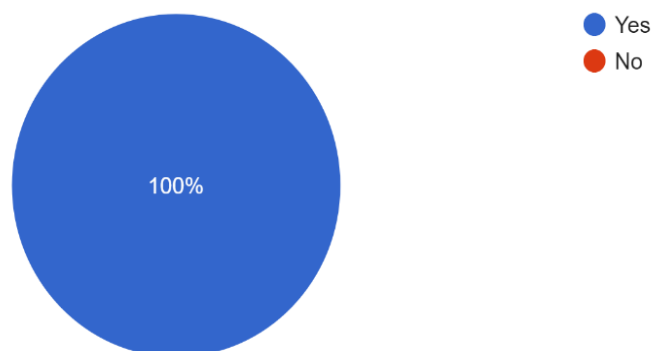
Chart 1: Overall organisation and structure of the capacity building workshop



2. Training objectives

All respondents replied that the training objectives were clearly stated and achieved during the training. Chart 2 below provides a representation of the responses.

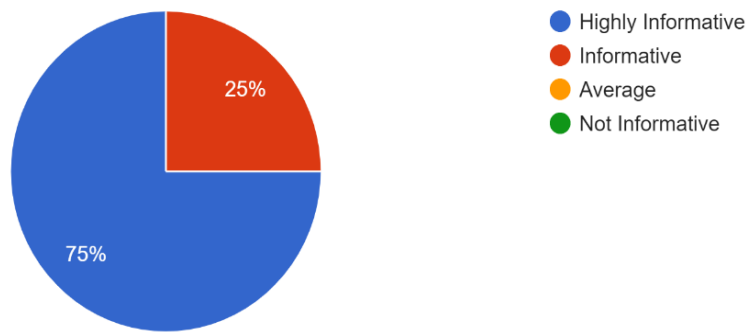
Chart 2: Clarity in stating and achieving the training objectives



3. Content of the training sessions

Most of the respondents (75%) were of the view that the contents of the training were Highly Informative. The remaining respondents (25%) viewed the content as Informative. None of the respondents viewed the contents were Non-Informative or Average. The responses are provided in Chart 3 below.

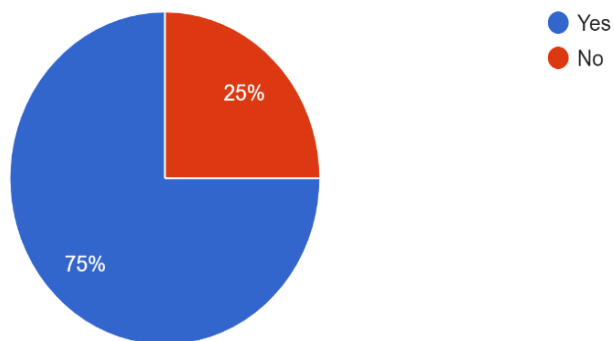
Chart 3: Rate the content of the training sessions.



4. Relevance of the training materials

Most of the respondents (75%) were of the view that the training materials were useful and relevant. However, 25% of the respondents had a different opinion. Chart 4 below provides a depiction of the responses.

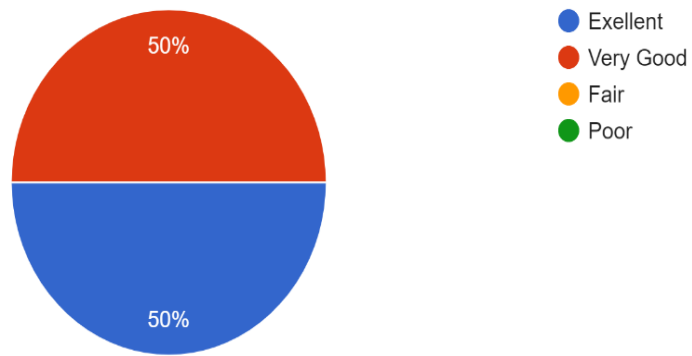
Chart 4: Usefulness and relevance of the training materials



5. Knowledge and experience of the trainer in delivering the content

Most of the respondents (50%) rated the knowledge and experience of the trainer as Excellent and Very Good respectively.

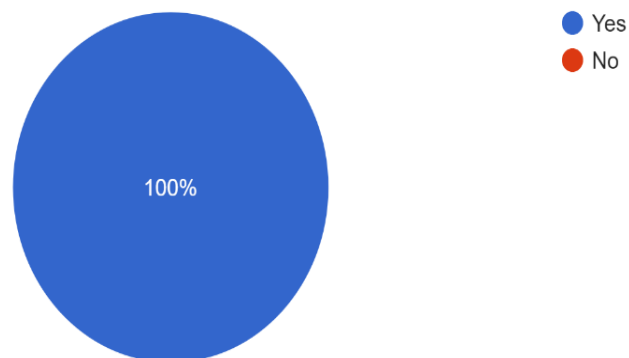
Chart 5: Rate of the trainer's knowledge and experience



6. Quality of interactions and engagements

All the respondents were of the view that the training sessions were interactive and engaging. Chart 7 below provides the summary of the responses.

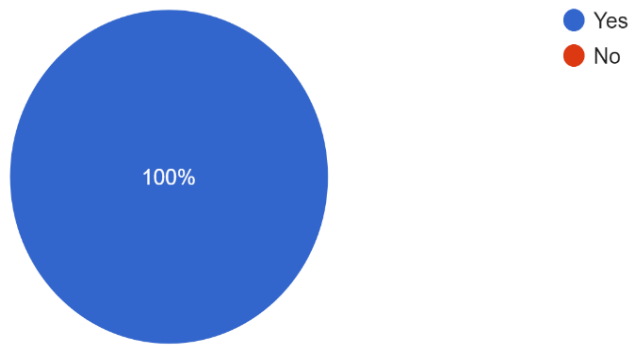
Chart 6: Quality of interactions and engagements.



7. Opportunities for participants to ask questions and seek clarification during the training.

All the respondents felt that they were given adequate opportunities to ask questions and seek clarification during the training. Chart 8 below stipulates the responses.

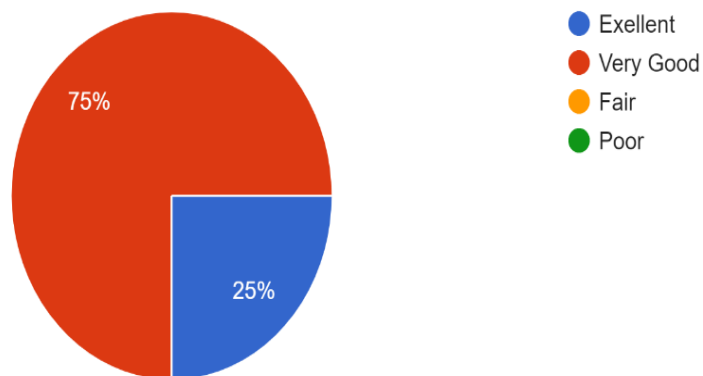
Chart 7: Opportunities for participants to ask questions and seek clarification during the training.



8. Rating of the training facilities and arrangements

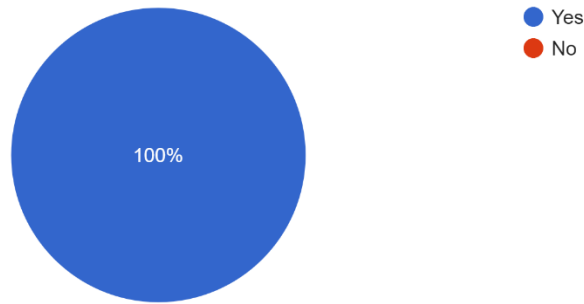
Most of the respondents (75%) reported that the training facilities and arrangements were Very Good. The rest of the respondents (25%) rated the facilities and arrangements as Excellent. The results are provided in Chart 8 below.

Chart 8: Rate of the training facilities and arrangements



9. Capacity and skills in contract farming

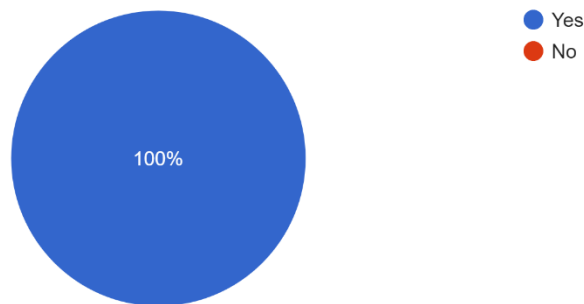
All the participants were of the view that the training objectives met the requirement to enhance their capacity and skills in Contract Farming. Chart 9 below provides a depiction of the responses.



10. Perception of the participants on the acquired capacity on contract farming

Participants were asked to rate their perception of the capacity acquired on contract farming after the training. All the participants perceived that they were better equipped to engage in contract farming after attending the training. The perception of the participants is depicted in chart 10 below.

Chart 10: Perception of the capacity to engage in contract farming arrangements after attending the training



PART B: TRAINING IMPACT AND OUTCOMES

11. Relevant aspects of the training

The responses below highlight aspects of the training that were relevant and useful to the trainees:

- i. Factors to consider when engaging in contract farming and solutions to contractual challenges.
- ii. Arrangements within contracts.
- iii. Rights and responsibilities on both ends.
- iv. Resolution of conflicts within the contractual system.
- v. Mutual Agreement between buyers and producers/farmers in contract farming.
- vi. Insight into contractual terms and agreements.
- vii. Understanding the contract between farmers and buyers.
- viii. Effective communication between involved parties.
- ix. Execution of a contract.
- x. The practice of contract farming.
- xi. Steps to establish a contract in farming.
- xii. Legal formalities in making contractual agreements.

- xiii. Overview of the contract farming process.
- xiv. Key considerations when entering contract agriculture.
- xv. Negotiating and formalizing agreements.

12. Proposed areas for improvement

Respondents proposed the following areas for improvement:

- i. Involvement of additional education experts.
- ii. Providing education to farmers regarding contract farming.
- iii. Assisting farmers in identifying crops accepted on an international level in contracts.
- iv. Offering education to farmers on the intricacies of contract farming.
- v. Workshops should be conducted often.
- vi. Allocate more time for the workshops.
- vii. Grasping the farmer's contract and exploring effective methods to benefit both parties.
- viii. Instructing on pesticide usage.
- ix. Educating on the initial stages of the process.
- x. Let's intensify educational initiatives.
- xi. Helping farmers identify crops internationally recognised in contracts.
- xii. Providing a guide for engaging in contract farming.

13. Possible changes or improvements to be made in the professional practice of the trainees

The respondents provided the following areas of improvement in their professional practice following the training:

- i. Educating farmers on the initial stages of the contractual process.
- ii. Involvement of additional education experts.
- iii. Assisting farmers in identifying crops accepted on an international level in contracts.
- iv. Enhance training efforts such as conducting quarterly capacity-building training.
- v. Grasping the farmer's contract and exploring effective methods to benefit both parties.
- vi. Instructing on pesticide usage.
- vii. Ensuring the language used for communication aligns with the relevant group.
- viii. Providing a guide for engaging in contract farming.

14. The impact of the training on the members of the trainees' organisation

The respondents identified the impact of the knowledge gained from the training on the members of their organisation as provided below:

- i. Enhancing the structure of contractual arrangements.
- ii. Illustrate the steps for resolving disputes.
- iii. Offering clear clarification within the contractual elements.
- iv. Ensuring thorough reading and understanding of the contract before acceptance.
- v. Discover the process of creating a contractual agreement.
- vi. Optimal preparations for contracts.

- vii. Engaging in trade through contractual arrangements.
- viii. The organisation has gained from capacity building, enhancing understanding of aspects, policies, and contractual.
- ix. The training we have undergone has been immensely beneficial.
- x. Provide members with comprehensive education.
- xi. Transform the previous understanding of members.
- xii. Transforming member's perception of contract farming by emphasising on the importance of adhering to the contract to avoid legal issues.
- xiii. Educating our farmer groups about the intricacies of contract agriculture.

15. Additional comments

The respondents provided additional comments/suggestions regarding the training programme as follows:

- i. Detailed and regular training should be extended to different regions of the country to provide effective education to farmers and buyers.
- ii. We request the continuation of this training for a deeper knowledge acquisition.
- iii. Undertaking regular training and training others in return through a wider outreach programme.
- iv. Promote productivity and educate about the crops involved.
- v. Regular training is highly beneficial and should be consistently implemented to empower farmers and buyers.
- vi. Allocate more time for training.
- vii. Extend training to more farmers.

MEDIA

UBC Television Uganda: <https://youtu.be/nGw7dLY5oOo>

Appendix

LIST OF THE PARTICIPANTS KAMPALA, UGANDA

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