FEED THE FUTURE
The U.S. Government's Global Hunger & Food Security Initiative

FEED THE FUTURE UGANDA INCLUSIVE AGRICULTURAL MARKETS ACTIVITY

REFUGEE RAPID MARKET SYSTEMS ASSESSMENTS NAKIVALE, RWAMWANJA AND PALABEK SETTLEMENTS (AUGUST 16, 2022)

Photo credit: FTF IAM

USAID
FROM THE AMERICAN PEOPLE

FTF IAM GOAL

FtF IAM enables and incentivizes market actors to test and scale business models that are inclusive for women, youth and marginalized groups and facilitates investments and behavior changes that encourage other market actors to respond to market demand.

OVERVIEW

Uganda's agricultural market is not performing to its potential

Agri-Inputs Markets

- Limited access to quality seeds and other inputs; smallholders not targeted as a market
- Input sector governance and regulation not adequately addressing counterfeits

Agri-Outputs Markets

- Low quality products at aggregation and processing limiting access to higher value markets
- Weak relationships between buyers and farmers that are short term and offer farmers limited services

Lower Incomes for participants in the agricultural market

FEED THE FUTURE
The U.S. Government's Global Hunger & Food Security Initiative

REFUGEE SETTLEMENT MARKET SYSTEMS ASSESSMENT

Objectives

1. To gain an understanding of the constraints and opportunities existing in the market systems in refugee settlement areas.
2. To develop recommendations on approaches and models that will strengthen refugee engagement in agricultural market systems.

USAID
FROM THE AMERICAN PEOPLE

CROSS CUTTING FINDINGS

Constraints:

- Food rations are reducing, and refugees are increasingly motivated to invest in agriculture
- Limited access to high-value markets that offer embedded services for the farmers
- Low private sector engagement (agri-input dealers and off-takers) in agriculture value chains in the settlement
- Limited access and underutilization of the available financial services
- Limited access to quality agri-inputs and embedded services e.g. extension services
- High cost of hiring land for individual farmers (Rwamwanja and Nakivale – 150,000/200,000 per acre, Palabek 30,000 – 50,000 per acre)

CROSS CUTTING FINDINGS – Constraints Cont'd

- Limited technical capacity by the processors to make the required operational and technological upgrades needed to sell to higher value markets
- Processors have limited knowledge of the requirements of end markets
- Limited access to extension services in the settlement which limits the production of quality produce.
- Limited access to technology for production (PHH) and quality management
- Poor agronomic practices
- Limited engagement in livestock farming

CROSS CUTTING FINDINGS

Opportunities :

- Majority of the refugees are involved in agriculture – Maize and Beans (Nakivale and Rwamwanja), various value chains in (Lamwo)
- Humanitarian agencies invest in the introduction and adoption of high-value crops in the settlements e.g. rice, garlic, groundnuts etc
- Other agencies have built the capacity of farmer groups e.g. in financial services and group organization/governance.
- Opportunities for refugees to provide labor
- Existence of value addition for maize, honey and milk but there is difficulty in meeting the quality standards

RWAMWANJA

Opportunities

- Refugees mostly involved in production of subsistence maize and increasingly in beans
- Producer associations that are growing crops like garlic, rice, groundnuts sell within their communities and the host communities
- Existence of cooperatives within the settlement
- Streamlined GBV response

Constraints

- Lack of a competitive market for their produce
- Small land sizes and few opportunities for hiring.
- There are no private companies that offtake produce from the settlement directly.
- The markets in the settlement were negatively impacted by COVID-19

PALABEK

Opportunities

1. Good relationship between refugees and host community: Refugees hire land and work as laborers
2. Refugees practicing agriculture
3. Organized groups in existence

Constraints

1. Small plots 30x30 ft limiting high scale production
2. Markets for inputs not developed due to high subsidies
   - Limited market viability for inputs business - highly subsidized
3. Successful groups cannot access improved inputs and markets and aggregate surplus
4. None existent land hire agreements cause losses for farmers
5. Gender Based Violence (GBV) on farm and off-farm activities
6. Heavy humanitarian support with limited market systems support builds dependency culture

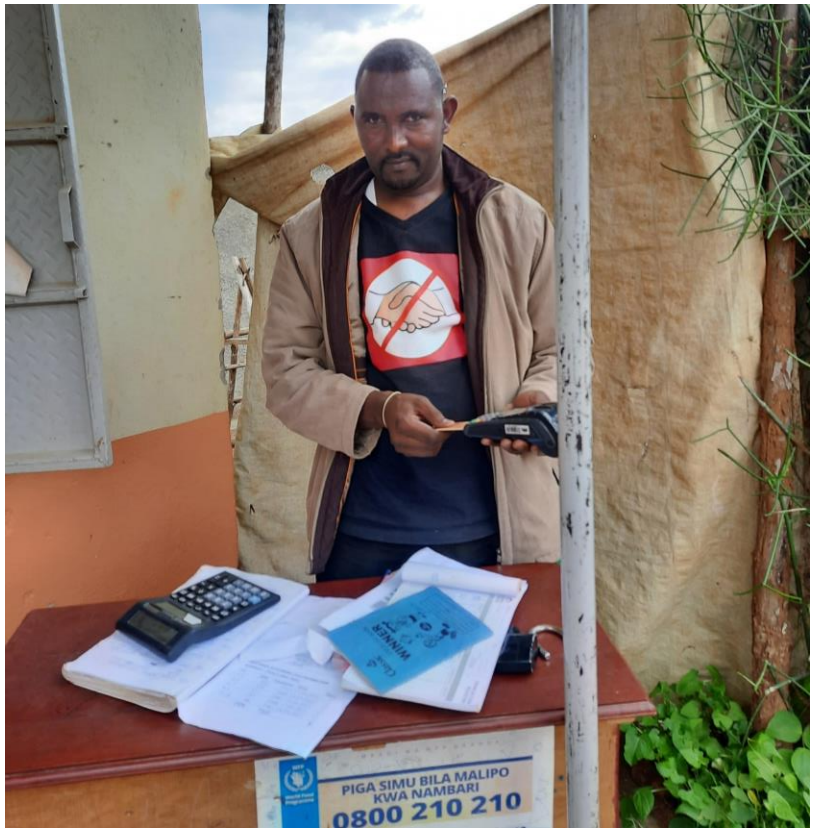
NAKIVALE

Opportunities

- 95% of the refugee livelihood is agriculture.
- High matooke production in host community
- Potential for horticulture, but challenged with prolonged drought, access to water and markets
- Enormous market for maize flour milled locally.
- Mobile money services available mostly rendered by nationals.
- Many SACCOs, bank agents and functional VSLAs
- VSLA also double as farmer groups – great platform for training

Constraints

- Challenge with post-harvest handling and access to quality agri-inputs
- Small plot sizes (0.25-0.5 acres). Better for higher-value crops (ex. beans vs. maize) and need for land leasing and off-farm job opportunities.



ON-GOING ENGAGEMENTS

- FtF IAM is Co-financing/incentivizing private sector actors to scale their investment in the settlements (agri-input distributors/manufacturers, high value market actors and Financial Service Providers)
  - -Scaling last-mile distribution of quality agro-inputs for the refugees;
  - -More distributors and agro-retailers investing in refugee settlements, suppliers of quality inputs
  - -building relationships with community-based agro-retailers; more farmers accessing and purchasing quality agro-inputs.
  - -Engagement of financial service providers to develop products that address some of the financial landscape gaps through identifying more market-led solutions tailored to farmers' needs
- Co-financing private sector–Leveraged on existing farmer groups, agency models and infrastructures established by previous USAID projects and other humanitarian agencies to attain steady supply chains or to increase market
- Created an opportunity for the activity to engage the locals, OPM and private sectors to engage better.
- Profiling existing and new partners to determine their interest/business opportunities.
- FTF is providing private sector processors with TA

ON-GOING ENGAGEMENTS

- In pipeline Turaco Valley in Rwamwanja acquired UNBS certification and now needs to strengthen the supply chain and access to capital to increase productivity
- Our partners have found a viable market space (partners are making sales in the settlement and there is a viable market for the maize flour and inputs)
- Scaling business models to resilience zones; organizing learning and information sharing events (including SWG) to foster crowding-in of private sector actors in resilience zones.
- FtF IAM private agribusiness partners are leveraging on the capacity built by other donor initiatives to hire agents and engage groups in private business; as well as learning and adapting based on the market demand. Ex. Targeting new value chains and off-takers, offering new products and services; looking for finance for refugee groups and agents
- Activity is layering on existing interventions/activities (reduce duplication and reduce risks associated with the intervention)