



New Farm Africa project to help boost grain trade across East Africa

Farm Africa has received a new £3 million grant from the UK Government, through the FoodTrade East and Southern Africa trade enhancement and promotion programme.

The grant will support 70,000 smallholder grain farmers in Tanzania and Uganda to gain access to regional export markets. The farmers will be linked to buyers in East Africa using an innovative online trading platform, G-Soko, and other market interventions.

While Tanzania and Uganda produce a surplus of staple foods, Kenya only grows enough maize to feed itself one year in every five. Until recently, high tariffs on trade within East Africa meant that it was cheaper for Kenya to import crops from outside Africa. Recent policy developments have helped reduce the barriers to regional trade. The promotion of trade within East Africa is a significant step towards strengthening food security, and creates opportunities for smallholder farmers in these countries to access new markets.

Small holders grow around 80-90 percent of the staple crops consumed in East Africa, but many face difficulties accessing markets. Bigger businesses aren't interested in purchasing

produce from individual farmers growing small amounts. Small-scale farmers are also disadvantaged by the relatively high cost of inputs such as improved seeds and fertilisers and many have nowhere to store their produce so are unable to wait for a better market price for their crops.

To help farmers capitalise on these opportunities, Farm Africa and consortium partners VECO East Africa and Rural Urban Development Initiatives will help Tanzanian and Ugandan smallholders to store their surpluses of rice, maize and beans. These grains will be stored in local aggregation centres, which are linked to certified warehouses that will sell their produce to buyers across the region, leveraging the benefits of the G-Soko platform.

The G-Soko platform provides smallholder farmers with a structured trade function, enabling them to trade their produce transparently, earning them better livelihoods. The platform also unlocks access to finance, by allowing farmers to use warehouse receipts as collateral for loans. Warehouses and traders are also able to manage their inventory and plan ahead.

The certified warehouses will be moisture-controlled to reduce the incidence of fungal infections that are common when grain isn't properly dried, and that can lead to whole harvests being condemned.

Farm Africa and its partners will address these challenges



by enabling smallholder farming cooperatives to sell their grain collectively, and build strong ongoing links with private sector grain traders. These links will not only help farmers to earn a better wage, but having better access to buyers will incentivise them to grow higher and better quality yields.

Farm Africa's support to farmers to improve post-harvest practices, access post-harvest technology and improve storage practices and facilities will increase the amount of produce available for sale, help ensure produce meets the required standards and enable farmers to sell outside peak harvest season, contributing towards increased volumes traded and higher prices received by farmers.

Less chance of wastage

Marc Van Uytvanck, Team Leader of FoodTrade East and Southern Africa said, "This project not only helps farmers to find the best contracts and sell their crops at higher-value markets, but also reduces post-harvest losses and stimulates higher production and improved quality of grains and beans. Storing grain and beans in properly managed, certified warehouses means that there will be a lot less chance of wastage, it will provide farmers with secure markets for their grain and beans, and ultimately result in more and higher quality staple foods being traded across the region, strengthening food security and bringing higher incomes to all involved in the value chain."

Steve Ball, country director for Farm Africa Tanzania, says: "By incentivising farmers to grow bigger surpluses and making regional trade easy and affordable, this project will help lift tens of thousands of grain farmers in Tanzania and Uganda out of poverty as well as taking eastern Africa a step closer to agricultural self-sufficiency."