

AGRA Impact Series



Farmers preparing the paddy for drying. Normally, paddy that has more than 14% moisture content is pre-dried before milling or storage. At the back, is one the warehouses were traders aggregate the paddy. Landmark Media Consultancy/Joseph Buule.

UGANDA

Young traders reap from a new rice brand

Because of AGRA's support Zaabu rice brand was established at a local miller in central Uganda. The brand did not only increase production and quality of paddy but it also created job opportunities for the youth.

Because of the recurrent production of low volumes and poor quality of rice among rice producers in East Africa, there was a need to devise strategies for increased production and post-harvest handling of paddy grown in the region. Therefore, Kilimo Trust (KT) and East African Community Secretariats in Kenya, Tanzania and Uganda designed a proposal that aimed at increasing productivity of paddy, expand businesses in rice trade as well as increasing resilience of SMEs acting in the rice value chains. Altogether, these aimed at increasing the competitiveness of locally grown rice in the region to substitute the over US\$300,000 worth imports into East Africa's rice markets. Fortunately, the United States Agency for International Development (USAID) through the Alliance for a Green Revolution in Africa (AGRA) commissioned the Competitive African

Rice Initiative in East Africa (CARI-EA) project in April, 2019. In Uganda, the three-year project focused at clustering various actors along the rice value chains into consortia with the aim of empowering the farmers' ability to increase the quantity as well as the quality of paddy grown on farms.

“With the main purpose of reversing of rice imports mainly from Asia, CARI-EA project focuses at identifying local millers with state of art mills so as to take lead of the consortia. With the consortia approach, the miller sources other actors like the agronomists, input dealers, financial service providers as well as traders to work as colleagues in the quest for developing the rice value to a level that would increase the competitiveness of locally grown rice. In total, six consortia have been established in the various

regions of Uganda,” says Henry Mawanda, a program Officer at KM. Through AGRA’s support, several developments were made, not only targeting the smallholder farmers but other actors in the value chain.

Godfrey Mayambala, a managing director at Zirowwe Agali-awamu Agri-business Training Association (ZAABTA), which is a registered farmer association that has transformed farming communities since 2004, says that KT has facilitated a number of achievements in the rice value chains in the area. “The association, with a mission of creating a self-sustaining and strong farmers’ organisation with outstanding agribusiness services in the country, currently operates in six districts of central Uganda that include Kayunga, Luwero, Mukono, Nakaseke, Nakasongola and Wakiso. It supports the rice value chains through numerous pathways. For example, ZAABTA’s contribution to increased volumes and quality in rice production is by providing the required agronomic advice and inputs like fertilizer and seeds required for efficient rice production. It also offers milling, marketing as well as storage facilities to rice farmers and traders,” says Godfrey. Because the well-established farmer pre-financing approach, where rice farmers can obtain seed

and other inputs on credit and pay back later after harvesting and processing the paddy at the mill, together with other services like extension, input supply and post-harvest handling, ZAABTA became one of implementing partner for the CARI-EA project under DIMA Rice consortium.

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Godfrey adds that because they possessed a modern rice mill that was acquired in 2018 and with a milling capacity of 2.5MT per hour, a pre-cleaner, miller and grader, ZAABTA’s position could not be doubtable in increasing rice competitiveness under the DIMA Rice consortium. The consortium is one of the six beneficiary consortia supported by CARI-EA project under a matching grant arrangement, where the implementer meets 60% of the budget and AGRA meets the rest. Other partners in the consortium include Pearl Seed Limited a company that supplies improved upland rice varieties like Namche5 and NARICA-4 together with Grainpulse Limited and Africa One that supply fertilizers.



Godfrey displaying the state of art mill with pre-cleaner, miller and grader sections. The mill produces rice free of dust and stones with less broken grains. Landmark Media Consultancy/Joseph Buule.



Paskali Mpooza, a 73-year old beneficiary farmer with his harvest after being processed at Dima Rice mill. He notes that because the rice is no longer contaminated with soil, straw dust and stone particles, it is more easy to sell. So, he expects to earn close to UGX: 13,200,000 (US\$3,771) from the paddy he harvested from the three acres he planted. Landmark Media Consultancy/Joseph Buule.

The US\$93,948 AGRA support has created a lot of success in rice trade in that area. “Over 70% of the targeted beneficiary farmer base (11,000) have been trained in several skills like good agronomic practices, post-harvest handling, agribusiness and financial literacy, climate change, record keeping as well as leadership and governance. The skilling has improved the farmers’ yields by 40-50% from the 1.0-1.2MT, three years ago to more than 2.0MT of processed rice from an acre. With an average price of UGX: 2,350,000 (US\$671) per MT, farmers are thus earning UGX: 1,880,00-2350,000 (US\$537-671) as additional income from the venture,” explains Godfrey. In relation to that Godfrey adds that they have so far trained and equipped four extension agents. “These are key in routine monitoring of farmers’ fields. They evaluate the farmers’ level of adoption to the new innovations and thereby offering more support in the agronomy of growing rice. Because farmers are organised in groups, each village based agent can cover close to 60 farmers in a week, thus reaching nearly 240 rice farmers in a week,” he notes.

To support farmers with monetary constraints, Godfrey says that through a pre-financing arrangement, many smallholder farmers have been able to access farming inputs such as seeds, fertilizers, pesticides and labour on credit. The loan is paid soon after the farmers harvest and sell the rice. “So, there has been increase in volumes of paddy processed at the facility. This is because of the increasing number of farmers growing rice and the increasing yields per area. The 40% increase in volume of paddy milled at the facility has increased the milling efficiency from 25% to 40%. It is also worth noting that because of AGRA’s support, we were able to register Zaabu Premium Rice brand with the Uganda National Bureau of Standards (UNBS) in late 2019, that has created many opportunities for youth,” he asserts.

The DIMA Rice consortium’s impact has not only benefited farmers but other actors in the rice value chain. The integration of several youth as marketing agents for a brand with a growing demand in the country has created avenues for improving livelihoods for many young lives. Shafik Kyambadde Ssalongo is a rice trader

in his mid-20s. He has worked with the facility for more than two years. Like many young Ugandans, Shafik's education was jeopardized by financial constraints at home. "I could not study beyond senior four because my parents were constrained with school fees. I re-located to Kampala soon after I realised that I could no longer afford formal education. I started doing casual work to earn some income to pay for the necessities like food and accommodation," he narrates. Luckily, through a friend, Shafik was connected to a motorcycle taxi business. "In search for a better living, I started operating a motorcycle taxi business, which is locally known as 'boda boda', carrying clients in and around the Kampala metropolitan area. One day as I doing my duties, I was hired a female client who



was travelling to Ziobwe to buy milled rice at Dima rice mill. Little did I know that such a mill existed.

The discovery of Dima rice mill became a turning point for Shafik. "On the return journey as I was carrying the client back to Kampala, I requested the trader to introduce me to the rice trading business. She trusted me. I started to deliver rice to her and her friends. As time passed, I learnt the dynamics of the business," he says. Because he had a motorcycle, Shafik started trading more volumes of rice. "I started the trade in 2018. I started with a stock of 25 kg per day. I carried the milled rice on the motorcycle. I could fetch the rice early in the morning, then look for customers. Later in the day, I could resume the taxi business," he adds.

Having noticed the uniqueness in the quality, Shafik's clientele increased. "I got many orders, which in some cases, I could not handle. This was because of the meagre capital I had to buy large quantities of the rice from the mill. So, I approached the managers at the mill and explained my challenge. Because I was born and spent much of childhood in the neighbourhoods of the facility, I was trusted," he explains. This thereafter expanded his trade to 100kg per day towards the end of 2018. A year later in 2019, Shafik's sales had risen to more than 200 kg per day. "I obtained the rice on credit and with the increasing sales, the profits increased. But, I later shifted the focus to Ziobwe town near the milling facility to concentrate more on the rice trade. I could search for market along the main road to the facility and after getting orders, I transported the rice on the motorcycle. The market based mainly comprised of the retail shops and restaurants," he says. He adds that the success to his

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Shafik Kyambadde Ssalongo

Rice Trader



Shafik (R) receiving payment after selling milled rice to a female client at the milling facility. . Landmark Media Consultancy/Joseph Buule.



Shafik weighing the milled rice in a 5-kilogram bag before selling it to clients. Landmark Media Consultancy/Joseph Buule.



Shafik (R) counting the cash he received after selling milled rice to a male client (L). At the end of the day, he earns a difference of more than UGX: 100,000 (US\$29).

Landmark Media Consultancy/Joseph Buule.

business was due to the fact that Zaabu Premium rice is comparable to imported rice brands. It is free of stones and dust. The rice also has less of the broken grains unlike much of the locally produced rice.

Later in 2020, Shafik relocated and permanently settled in Zirowe town near the mill to concentrate at the business after the trade expanded to nearly 1,000kg per day. However he was still operating a credit basis. “In the due course, I was saving to become financially independent, which I achieved at the end of the year 2020. From the accumulated savings, I was able to buy a plot of land worth UGX 3,000,000

(US\$857) on which I started to construct a home that will cost up to UGX: 15,000,000 (US\$4,286) to completion. At the beginning of this year, he established half an acre of rice from which he harvested 12 bags of paddy. After processing, Shafik obtained 800 kg of milled rice from which he earned UGX 1,800,000 (US\$514). “I am happy that I am occupying a bigger portion in the rice value chain, as a consumer with my family, as a trader and as a farmer. I have planted an acre of rice in the second season from which I expect to double the earnings,” he concludes.