



ALL ACP AGRICULTURAL COMMODITIES PROGRAMME

EAST & SOUTHERN AFRICA BRIEF

The programme is focusing its support to commodities which are significant in the economies of the countries concerned, i.e. Food Crops & Horticulture products (cassava represents 75% of total root and tuber production and is an important food security staple); tree crops (mainly quality coffees); cereals (maize is becoming the most common dietary staple); and cotton.

This brief provides a succinct description of such support, though interventions in the area of strategy formulation in the various sectors mentioned above; implementation of key aspects of such strategies, in relation to quality, production & processing improvement; diversification options (for products and markets); marketing; producer-buyer linkages (notably for the textile industry); warehouse receipt systems; and risk management.

Food Crops & Horticulture

Support has been provided by the programme to the Food Crops and Horticulture sector through ITC-led Cassava sector strategy development in Zambia, which was validated by the Government in June 2010. FAO complemented the analysis with a value chain mapping and cost analysis. A key concern raised during the process of strategy development was the ability and willingness of smallholder households to supply what is essentially a food security staple food to developing domestic and export markets. To that end, the FAO will finalize a series of recommendations on mechanisms whereby smallholder market integration can be facilitated. Support is also being provided in Malawi to train small-scale entrepreneurs in the processing of high quality cassava flour. FAO is facilitating dialogue with commercial agro-industries in order to establish linkages with cassava processors that will enable access to new market opportunities.

On its part WB-SDN is currently rolling out a series of seven video conference-based seminars on issues pertaining to the horticulture industry. The outcomes of these public-private sector “virtual” meetings bringing together five to seven countries on each occasion will translate in the drafting of a series of policy notes destined to Government decision makers in the industry.

Cotton

After its validation in June 2009 by Heads of State, various aspects of the COMESA cotton-to-clothing strategy are now being implemented with co-ordinated support by programme partners.

A key component of the support consists in strengthening national ginners and farmers association as well as regional bodies. Several workshops and meetings brought together farmers, textile mills, ginners, and ministries concerned. New market opportunities are being explored, associating various countries of the region like Malawi, Mozambique, Tanzania, Uganda, Zambia and Zimbabwe in study tours to markets in China and Bangladesh. Preliminary results of such associations look very promising, with a significant increase of exports from Tanzania or Uganda to various Asian countries.

Efforts are also being made to increase the quality of cotton and reducing its contamination, aspects which are being touched upon by other programme partners. In this context, the FAO carried out a problem diagnosis in cotton growing areas, and proposed training on soil fertility management, GAP and other improved agronomic





practices. A study tour was conducted in March 2010 with participants from Zimbabwe to visit the Cotton Research Trust in Zambia.

FAO is also supporting the sector in Kenya with the application of a business model approach to assist cooperatives strengthen their role in the marketing chain. Building on the FAO-Cotton Development Authority study, 2008, support began with an in-depth appraisal of how cooperatives were currently operating and strategies that needed to be changed or put in place to improve their effectiveness in the chain.

With the support of a local facilitator, training covers capacity building in agribusiness management skills specific to the cotton sector, such as; production and harvesting practices for value addition; diversification and business-to-business partnership strategies. In Zambia, support to the sector is also on strengthening linkages between cotton Cooperatives and buyers, with a focus on developing appropriate models to improve the transparency and efficiency of the inputs systems between the two parties.

The CFC is also contributing to the emphasis on cotton quality with the establishment of a Regional Technical Centre in Tanzania, which was inaugurated in April 2010. The Centre has been furnished with state-of-the-art quality control equipment and key staff trained. The programme is also involved in Kenya and Mozambique, though interventions aimed at improving the efficiency of cotton production in these two countries. The support includes formulation and adoption of best practice ICM packages, and reinforcement of stakeholders linkages for sustaining the ICM built. A situation analysis has been completed, and several workshops and meetings were conducted. Training of trainers was organised in Mozambique.

The WB-ARMT provides technical assistance in the area of risk management. A supply chain risk assessment has been carried out in Mozambique, and support is now being extended to other aspects like weather risk mapping, price risk management and associated training.

Tree Crops

The programme is contributing to improve the quality and quantity of certified coffee produced and processed within member countries of the Eastern African Fine Coffee Association (EAFCA) by building certification and verification capacities within the national institutions of the countries concerned. The project, co-funded by CFC, was officially launched at the Seventh (7th) Fine Coffees Conference and Exhibition in Mombasa.

Aspects linked to price risk management of the sector are also being covered. A three day training course was delivered in Burundi, which was the first ever to be organised independently by EAFCA under the AAACP to an audience of coffee sector participants. Future training events are scheduled to occur in other East African countries over the next twelve months starting with Kenya, Zambia, Ethiopia, Rwanda and Tanzania.

Cereals & Oil crops

A *Grain Farmers' Access to Warehouse Inventory Credit* project covering Ethiopia and Tanzania is being implemented with a co-funding from CFC. Most activities in Tanzania and Malawi are progressing on schedule, with several components being already completed and others in good progress.

In the framework of its collaboration with the Eastern Africa Grains Council to improve the process of policy advocacy, the FAO is currently partnering in a regional process of strengthening staple foods trade policy dialogue. A value chain analysis and trade policy base line for Zimbabwe was used for a National Validation Workshop held in Harare in June 2010. The study will contribute to a regional policy dialogue process, covering seven additional countries in the region.





Cross-Sectoral Activities

A strong focus of the programme is on reinforcement of capacities of farmer organisations. The WB-ARMT proposes a series of training activities, notably on the topic of managing price volatility of key agricultural commodities, whereas the FAO works actively in this area by implementing inclusive business models in view of improving farmer-buyer linkages for cotton-maize systems.

The WB-SDN is also intervening in the region, notably through the publication and dissemination of a guide on the application of value chain approaches in Africa's agriculture and agribusiness.

Risk management represents a large part of cross-sectoral support. In addition to its interventions already mentioned above in relation to the cotton and coffee sectors, the AAACP proposes a series of interventions in relation to supply chain risk assessments (in Mozambique and Uganda), weather risk management (in Malawi and Kenya) and Commodity Policy & Price Risk Management (in Malawi). These activities, implemented by WB-ARMT, aim at better managing the negative impacts of adverse events like drought or price fluctuations which may affect the production of various commodities in the region (coffee, maize, cotton, etc.). Transfer of Capacity to specialized training on indexed based agricultural insurance is also being proposed, in partnership with well-established institutions, to assist local insurance companies and credit institutions in the implementation of dedicated pilot programs. Technical advisory assistance is being provided in the area of Commodity Policy risk management, particularly on the design of a risk management framework and the corresponding institutional settings for following up price trends for key agricultural commodities.

