



Enabling Agricultural Value-Chains

# National Alliance of Agricultural Co-operatives in Uganda Ltd.

Registered and Regulated under the Co-operative Societies' Act 2020  
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## **USING COOPERATIVES TO RESPOND TO COVID-19 IN UGANDA**

Agriculture is the main form of economic activity in most of Africa and South Asia and is dominated by subsistence farming which offers little opportunity for men and women to escape from poverty or withstand shocks, with less than 10% of smallholders being considered to be involved in organised, formal supply chains, with women less likely than men.

Commercial Agriculture for Smallholders and Agribusiness (CASA) – a DFID funded programme, aims to increase sustainable investment in agribusinesses with smallholder supply chains and increase the involvement of poorer smallholders in those supply chains. CASA seeks to drive changes in the ways in which investors view and invest in agribusinesses that work with smallholder supply chains. Specifically, CASA will increase economic opportunities for smallholder farmers by;

- i. Demonstrating the commercial viability of agribusinesses with significant smallholder supply chains and attracting more investment into these businesses;
- ii. Deepening the smallholder impact of investments made by development finance institutions and impact investors;
- iii. Enabling more smallholder farmers to engage with and trade into commercial markets.

The expected outcomes of CASA are increased, sustainable investment in agribusinesses with smallholder supply chains and increased involvement of poorer smallholders in those supply chains, with demonstrably higher smallholder incomes. These outcomes will drive impacts of increased smallholder incomes, improved food security and inclusive and sustainable economic growth. Key cross-cutting priorities will be women's economic empowerment, nutrition and climate resilience.

From the expected outcomes and target beneficiaries of the CASA project being producer organisations, NAAC proposes to come on board to provide leadership on engagement of co-operatives so as to support the project to contribute to achieving its objectives and overall goal as well as support to short-medium term COVID 19 interventions.

The onset of the Corona virus (COVID 19) in China in late 2019 and its vast and fast spread to the rest of the world to date, has caused major disruptions to countries' economies, crippling not only the health, transport, education, tourism sectors (to name a few), but with anticipated shocks to the agricultural sector as well. Agricultural production is expected to face disruptions which will in turn affect food systems and global food security. It is worthy to note that both lives and livelihoods are at risk from this pandemic as the disease continues to spread quickly. This is no longer a regional issue—it is a global problem calling for a global response. We know that it will eventually retreat, but we don't know how fast this will happen. We also know that this shock is somewhat unusual as it affects significant elements of both food supply and demand, (FAO, 2020).

We all recognise that the world risks a looming food crisis, unless measures are taken fast to protect the most vulnerable, keep global food supply chains alive and mitigate the pandemic's impacts across the food system. Without a doubt, all models indicate that even with the disruptions seen so far, the developing world, Uganda inclusive will be most affected, with contractions in GDP of at least 90% in the most moderate scenarios, although extremes of up to 140% have been predicted for worst-case scenarios (McKinsey, 2020). Vulnerable groups include small-scale farmers, pastoralists, and fishers who might be hindered from working their land, caring for their livestock, or fishing. They will also face challenges accessing markets to sell their products or buy essential inputs, or struggle due to higher food prices and limited purchasing power. Informal labourers will be hard hit by job and income losses in harvesting and processing. Millions of children are already missing out on the school meals they have come to rely upon, many of them with no formal access to social protection, including health insurance.

Most organizations therefore are working on actions to avert immediate hardships faced by farmers and agribusiness and the longer term implications that these disruptions will cause. There is need to directly support or advocate for farmers and food businesses to receive economic support of any form to ensure agricultural production, related activities and trade in agricultural products and services are only minimally disrupted and also that the risk of food insecurity post Covid-19 is averted well in advance. This will help minimise the effect on incomes of the vulnerable smallholders and hence livelihoods at household level. In this very same vein, NAAC is working to support the various actors and stakeholders in the agricultural ecosystem to develop interventions aimed to achieve objectives in this cause. The co-operative model is again at the centre of all interventions proposed by NAAC.

The food supply chain is a complex web that involves producers, consumers, agricultural and inputs, processing and storage, transportation and marketing among others. However, as the virus spreads and cases mount, and measures tighten to curb the spread of the virus, there are countless ways the food systems at all levels will be tested and strained in the coming weeks and months. As of now, disruptions are minimal, as food supply has been adequate, and markets have been stable so far. Although there has been no challenges in terms of the logistics involving the movement of food, people movement has been affected and market places are performing out of their usual routines. We have also already seen a spike in prices especially for cereals, although this extra prices have not been transferred back to producers. Logistics disruptions are expected to affect prices of perishable food commodities like bananas, fresh cassava and potatoes as well as high value ones like fish, fruits and vegetables. The quarantines, if extended will also affect agro processing due to shortage of labour.

The key interventions proposed by NAAC in the short term to enable SHFs and agribusinesses to manoeuvre through the Covid-19 period have been clustered in to short, medium and long term interventions as highlighted below;

### **Short-Term Needs (over 3 months' period)**

#### **Information and awareness among farmers on Covid-19**

##### ***Sensitisation of farmers on Covid-19 and mitigations***

NAAC proposes that the project teams up with other partners to compliment government efforts and through the cooperatives and POs to continue spreading messages on prevention of Covid-19, through sensitisation of farmers on how best they can contribute to halting the spread of the virus but this time **with specific SOPs targeted to the farming community**. This will include development of customised guidelines for handling farm implements, the dos and don'ts on the farm etc. The sensitisation will be done in-line with the ones developed by

government. The awareness will be done by both government and our network of community champions in Co-operatives as well as the digital communication platforms in these cooperatives to ensure accurate information reaches the members and other citizens in the communities. NAAC will coordinate the work of its network which will do work alongside the government agencies.

**Completion of the Agricultural Co-operative MIS** – All the proposed interventions require remote communication and coordination capability, and NAAC has a laid out plan of developing a comprehensive MIS to enable a proper profiling of farmers and co-operatives and other actors in the agri-food market system in Uganda. This MIS will create an integrated platform to ease interaction with the various actors extending crucial support to farmer co-operatives. However, due to the need to observe guidelines to avert the spread of the Covid-19, it is possible to compile data for the project area to enable support provision to target farmers.

**Supply and availability of food commodities-** One of the critical issues at the moment is the availability of adequate food supplies. This has been affected by some of the restrictive measures proposed by authorities in the lock down. NAAC will profile member cooperatives and organize them to respond to this. This will involve assessing their capacity and provide them with the necessary short term support required to mitigate the crisis in their communities. Using our advocacy strategy, NAAC will engage authorities to allow cooperatives to do this following the SOPs provided by the Ministry of Health. This will also involve engaging cooperatives to fulfil the principle of concern for the community by not hiking commodity prices but instead stabilising prices and protecting members of the community from the profit oriented traders.

**Facilitating delivery of produce from producers to processors and eventually to the market** – NAAC will coordinate bulking of farmers' produce at co-operative level and facilitate delivery of such produce to identified off-takers who will be able to provide the air conditions to producers. NAAC will work through its network of partnerships to secure permits to ensure agro-processors remain operational to provide service to farmers, and also ensure identified transporters are able to deliver farmers produce to the market without disruptions.

### **Advocacy for an enabling environment for Agriculture amidst Covid-19**

NAAC has already developed an Advocacy brief calling on stakeholders to prioritize agricultural production. NAAC will continue to do this using other platforms for engagement with decision makers. On top of the already highlighted advocacy issues in the brief published last week, NAAC will lobby for a special interest free input loan to small holders as a way of supporting and encouraging production in the sector among other. The NAAC will also use its network to ensure that the current policy responses to crisis are properly informed and create value to the farming community. This will be done through interactions with the State house media team, OPM, MPs, press releases, press conferences, TV and Radio programmes. The advocacy is going to be multi-faceted which will help build enough momentum in the farming community and pile pressure on the decision makers if need be.

### **Medium-Term Actions (12 months' period)**

**Creating Strong And Sustainable Mass Mobilisation Systems and Structures Within Cooperatives To Provide Information Including Tailored Messages On Issues That Affect Them As Human Beings, Famers Or Co-operators.**

In 2018 Uganda was invaded by fall army worm, late last year the desert locusts attacked some parts of Uganda, and currently the Covid-19 is at play. Much as the first 2 incidences majorly affected the farming community and yet the Covid-19 is national (human health concern),

cooperatives need to develop internal SOP's, swift and efficient information sharing mechanisms that will help them prepare to cope with any such emergencies. For sustainability, these mechanisms need to be built alongside and within their usual information needs. NAAC will invest in building such structures within the cooperative fraternity to make use its network of mass media to scale up information about production and other farming activities. This will help reduce the impact of these disruptions on the farmers.

### **Engagement with input markets to facilitate access to quality and timely inputs**

NAAC is desirous of putting in place a mechanism to aggregate agro-input demand for producers in the project area and facilitate direct communication with seed, fertiliser, pesticide and herbicide suppliers to enable delivery of supplies directly to farmer co-operatives. NAAC through its regional staff will also facilitate procurement of movement permits for suppliers and extension staff to ensure farmers are able to receive support and supplies on a timely basis so that they conduct all farm activities on time. The same arrangement will be made for repair of agro-equipment like tractors, tillers, rotavators, and others.

### **Advocacy for increased effectiveness of government extension system**

In the current crisis, emphasis seems to be on Covid-19 preventive and management activities. NAAC proposes to engage decision makers to ensure the government agricultural support mechanisms are fully operational to facilitate the farming activities and to ensure small holders have all the technical support and guidance they require.

**Facilitating access to production capital** – Many farmers could find it hard to access the credit needed to invest in various farming activities during this period, which could have a big effect on production and other activities at various value-chain levels. NAAC will seek for better terms for credit and other financial services for farmers. Through its partnership with the Agricultural Insurance Consortium, NAAC will ensure that access to agricultural insurance is not disrupted, so that access to credit is eased

### **Long-Term Action (less than 3 years)**

#### **TBD**

- Advocacy for public and private sector investments
- Post-Harvest handling and storage
- Value addition and processing
- Marketing and Market processes

It is our hope that these interventions will contribute to other actors' to ensure everyone is staying healthy and continuing to strategize how to best leverage our local food systems to continue to provide access to fresh, nutritious food to our communities and protect the livelihoods of the vulnerable smallholders during and after these unprecedented times.