

Lessons in marketing organic from Africa - the EPOPA Programme

Peter Lustig

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- MSc Agronomy
- Teaching degree - Agriculture
- **KRAV** (Swedish CB)
 - Certification officer 1989 - 93
 - Managing director 1994 - 98
- **Project Consultant**
 - Project Consultant in Grolink since 1998 -
 - Project Manager Vi Agroforestry Project 2004 - 2005
 - Training Manager in Grolink
 - Organic Agriculture Development 1999 - 2002
- **Project Leader in EPOPA**
 - Organic Sector Development Training 2003 -
 - UCIL Spices 2006 –
 - DECUT 2006 –
 - Training 2006 –



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Programme Objective

To initiate and facilitate export of organic products in order to improve the livelihood of African farmers



Irene Kugonza from Bundibugyo, Uganda farming cocoa and vanilla for ESCO.

A programme funded by Sida

- Initiated in 1994
- Start in Uganda 1995
- Start in Tanzania 1998
- (Zambia 2003-2006)
- Since 2002 in 2nd phase, up to mid 2008
- Evaluations
 - 2000
 - 2004
- Research
 - DIIS and others
- Impact Assessment
 - For each project



Intervention strategy

Simple logic for export projects:

- Lack of market is a major limiting factor for agricultural development
- There is a market demand for organic products
- African small-holders are close to organic and can't afford expensive inputs
- Access to international organic markets can provide income and incentive to increase production and productivity

Approach used

- Work through existing exporters
 - Exporter contracting farmers
 - Exporter responsible for extension and certification
 - Improving organic farm or production management
 - Improved quality
 - Group certification
 - 3-5 years for a project
- To strengthen the organic sector as a phase-out strategy

Farmers benefit

- More than 60 000 farmers has got 15-40% higher price on their cash crops 1997-2005, this is the organic premium
- With 8 persons in an average household, EPOPA affects around 480 000 people in Uganda, Tanzania and Zambia
- The farmers may increase their total income by 50% or more:
 - Organic premium
 - Increased productivity
 - Improved quality
 - Reduced costs for chemical fertilizers and pest control

Words from an exporter

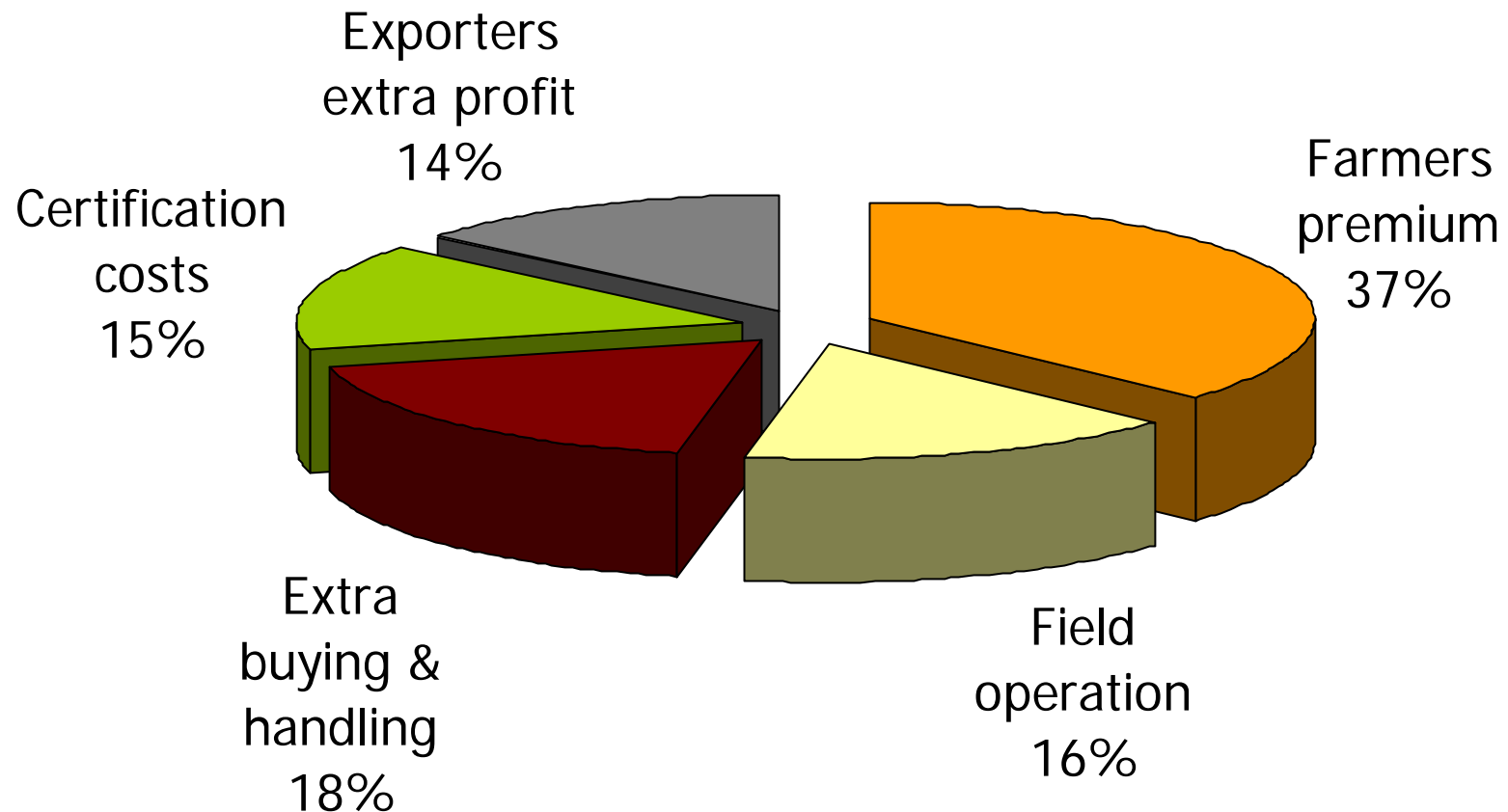
"If EPOPA hadn't supported us we wouldn't exist today. Now many people are benefiting from the export of pineapple, 140 farmers and some 30 skilled and unskilled workers. We are in business and will stay there."



Edward Mulondo,
Manager of Bio Uganda



Use of the organic premium



EPOPA projects in Uganda 1

Export projects since the start	Project Period
Lango Union Organic Farming Project (LUOFP)	1 June 1994 to 31 August 1997
Kawacom Coffees: Bushenyi, Nebbi and Sipi	1 April 2002 to 31 March 2005
Outspan Sesame - extension	1 April 2005 to 31 March, 2006
ESCO Cocoa & Vanilla - extension	1 April 2005 to 31 March, 2006
RECO Processed Food Ingredients	1 September 2003 to 31 August 2006
Greenfields Nile perch Fish	1 Jan 2004 to 31 December 2006
BioUganda Dried fruits	1 July 2004 to 30 June 2007
Ibero Robusta coffee [Diversification]	1 July 2004 to 30 June 2007
North Ugandan Shea	1 May 2005 to 30 April 2008
Tamteco Fragrant Herbs	1 July 2006 to 31 Oct 2008
Bee Natural Product, honey	1 Oct 2005 to 30 September 2008

EPOPA projects in Uganda 2

Limited Support projects since the start	Project Period
Bio Uganda Dried Fruits LSE	1 Nov 2002 to 31 October 2003
Ibero Vanilla LSE	1 March to 30 November 2003
Bark Cloth LSE	1 Sept 2003 to 28 February 2005
Gumutindo Arabica Coffee LSE	1 January to December 2004
Lakeside Vanilla and Fruit Products SSE (UMS)	1 October 2004 to 28 February 2006
Uganda Aromatics SSE (Naseco)	1 January 2005 to 30 november 2006
Biofresh Fresh Tropical Fruits SSE Extension	1 April 2005 to 30 June 2007
Nile Teas Hibiscus SSE	17 Oct 2005 to 31 January 2007
CNPU OAE Vanilla SSE	1 October 2005 to 31 Oct 2006
UCIL Cardamom SSE	1 Jan 2006 to 30 June 2007
Amfri Dried Fruits SSE	1 Jan 2006 to 28 February 2007
Barkcloth SSE Extension	1 December 2005 to 31 October 2006
Mpongwe Groundnuts SSE	1 October 2005 - 30 Nov 2005

EPOPA projects in Tanzania 1

Export Projects since start	Project Period
Kyela Organic Export Project	1 Sept 1998 to 30 April 1999
Safflo Safflower	1 Jan 2004 to 31 October 2004
KNCU Arabica coffee extension	1 May 2006 to 30 April 2008
KCU Robusta Coffee	1 April 2005 to 31 March 2006
Premier Cashews	1 September 2005 to 31 Januari 2006
Dabaga Canned Pineapples extension	1 July 2003 to 30 Sept 2006
Fidahussein Rufiji Honey	1 January 2004 to 31 December 2006
Tanica Instant Coffee	1 January 2004 to 31 December 2006?
Golden Food Products, spices	1 May 2005 to 30 April 2008
Tanpro Peanuts	1 July 2005 to 30 June 2008

EPOPA projects in Tanzania 2

Limited Support Projects since start	Project Period
Fadeco Dried Products LSE	1-31 September 2002
Matundamema Dried Fruits LSE	1 April to 30 November 2003
Essential Zanzibar Oil Zanz-germ SSE	1 Nov 2003 to 30 April 2004
HOPE-LIMA (Mbeya coffee) SSE - extension	1 st April 2005 to 31 Mar 2006
West Lake Vanilla SSE	1 Nov 2005 to 28 Feb 2007
Biosustain Sesame SSE	1 May 2006 to 31 Jul 2007
Sea Products Tuna	1 October 2006 to 31 September 2007

EPOPA projects in Zambia

Export Project	Project Period
AOFI Lemon Grass Essential Oils project -extension	1 april 2005 to 31 December 2006

Limited Support Project	Project Period
Mpongwe Groundnuts SSE	1 October 2005 - 30 Nov 2005

The Lango organic cotton project

- The Lango project was the very first EPOPA project, initiated in 1994.
- It was supported by EPOPA until 1997
- After EPOPA support was phased out, it had its ups and downs (as did the organic cotton market), but overall the business has continued and data from the project show very strong development recently.

The Lango organic cotton project

At the time of the end of EPOPA support it had:

- 5,100 farmers
- 288 tons of cotton exported
- 102 tons of sesame exported

	2000	2002	2004	2006	2007
No. farmers	9.725	12.267	12.000	15.000	27.000
Cotton (tons)	220	313	857	615	1166
Conventional price (UGS/kg)	350	400	600	450	450
Organic price (UGS/kg)	400	470	675	530	600
Difference in price	14%	18%	13%	18%	33%

(Guijt and Woodhill 2008)

Organic cotton East Africa

Currently in East Africa (Uganda and Tanzania) there are:

- 100 000 farmers
- 550 000 acre of organic cotton

Majority is in Uganda

EPOPA support 1

EPOPA support to export projects covers:

- Management assistance
- Staff training
- Field officer training
- Organic agriculture, extension and demonstration gardens
- Development and revision of ICS
- Farmer mobilization techniques and inputs
- Seed money for farmer's inputs
- Setting up of tree / crop seedling nurseries
- Technical consultancy and agricultural improvements
- Product quality management and quality improvement measures

EPOPA support 2

EPOPA support to export projects covers:

- Development of new crops and products
- Market surveys and buyer contacts
- Product development
- Participation in organic trade shows
- Project presentations / brochures
- Organic certification procedures and issues
- Share in certification costs
- Certification to additional standards as required by the market

Profitable development

- For the exporter the investment shall be paid back in 3 years and business show profit
- Compared to increased income for farmers, most projects pays back in 3-5 years (farmers' extra income is more than total project costs).
- The EPOPA programme allows exporters to enter a new market, for others to follow – which they do
- With more exporters, farmers get a better deal and are less dependent

Institutional Development and Capacity Building

Developing/supporting institutions and capacity
to take over after EPOPA

- Certification and Standards Development
 - National Standards
 - Organic Standards East Africa (IFOAM-UNEP-UNCTAD)
 - UgoCert and TanCert (IFOAM Accredited)
- Training
 - In-project training
 - Organic Sector Development
 - Organic Project Manager
 - Exporter seminars
- National Development
 - Support to national movements (NOGAMU & TOAM)
 - Local markets
 - Policy actions
- Reports: www.epopa.info

Other development issues

EPOPA attempts to:

- Mainstream HIV/Aids in all projects
- Empower women and be gender sensitive
- Assist the farmer to organize themselves
- Ensure that organic is more than just no-use of agro-chemicals
 - Bio-diversity conservation
 - Improved farming methods

Weaknesses & Limitations

- Farmers are opportunistic and not always reliable business partners
- Exporters are opportunistic and not always reliable business partners (to farmers and to importers)
- Value-addition projects have been a real challenge
- There are few competent exporters
- Consultants from development circles are often not so business-minded

Lessons learned

- There are a limited number of crops where farmers and exporters are competitive in international markets.
- 3 year project cycle is too short for
 - Complicated production
 - Converting conventional producers
 - Develop new products (value addition)
 - Developing new markets (e.g. Sustainable fish)

Why success of EPOPA?

- Continued strong demand of organic products and increased policy support
- Clear market focus of the projects and focus on tangible results using commercial actors to link farmers to markets

Why success of EPOPA 2?

- Integrating extension work into the commercial chain so that the exporters are responsible for extension work, finance by income from the trade
- The use of group certification to facilitate the certification process.

Impacts of EPOPA

- 60 000 smallholders earn 25-50% more
- Positive impact on conventional price
- It's being copied by others
- Improved motivation for farming, to improve livelihood, increase production
- Concept for trade in commodities sustainably produced by smallholders

Impacts on food security

- Increased income undoubtedly contributes to more food security
- Increased diversity on farm leads to better nutrition and resilience
- Increased production
- Improved productivity for all crops, not only export crops

Grolink

- Grolink offers:
 - Advisory and training support worldwide with a range of initiatives including
 - Organic production & processing
 - Organic certification
 - Marketing support
 - Extension system
 - Policy development.
 - Our clients include private companies, NGOs and governments.
 - Grolink work in Africa, Asia, Europe and Latin America
 - www.grolink.se
 - info@grolink.se

EPOPA Key data

Country	No. projects	No. farmers	Farmer income from organic crops (US\$)	Farmer premium (US\$)	Total export value (US\$) (last completed season)
Tanzania	15	24,000	2,300,000	390,000	6,100,000
Uganda	19	87,000	12,600,000	2,600,000	25,000,000