

Productivity and growth in organic value chains in East Africa – potentials and challenges for accessing local high value markets

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Implications

The project 'Productivity and Growth in Organic Value Chains (ProGrOV)' is a collaboration between universities in Uganda, Kenya, Tanzania and Denmark addressing the need for sustainable development of smallholder farming systems in East Africa with focus on value chains for local high-value markets as well as export chains. While some research has focused on improving productivity and Natural Resource Management of smallholder farmers in Eastern Africa this has most often not been linked with studies of how to link improved production to market access and quality demands. NGO's have demonstrated the synergy of supporting ecological intensification through improved marketing and innovation capacity of groups of smallholder farmers but only very few research projects have studied this potential synergy (Pali et al., 2007; Hawkins et al., 2009; Høgh-Jensen et al., 2010). ProGrOV contributes to the development of a platform of scientific capacity and evidence on potentials of organic value chains and agroecological approaches to agricultural development.

Background and objectives

Increased market orientation linked with intensification of farming methods is suggested as a vehicle for economic rural development in African countries. Sub-Saharan Africa's agribusiness sector faces the challenges that most crops are produced by small-sized farms with poor market access and limited capacity for quality assurance and grading for high value chains. At the same time the current pressure on natural resources such as soil and water is not sustainable.

Organic agriculture and food systems, based on agro-ecological approaches, is an interesting case of smallholder farmers' intensification from the perspective of market access via high value chains, improved food security and livelihood and improved natural resource management (Halberg et al., 2006; Bolwig et al., 2009). However, the degree and type of improvement in natural resource management and in livelihood for smallholder farmers varies between different organic value chains. The actual development outcome depends on the dynamics and processes in the product chains such as the character of power relations, the importance of training, differences in the approach to cash crops versus whole farm development, and the coordination-, financial- and managerial skills/back up of the intermediaries involved (Pali et al., 2007; Sultan et al., 2008; Bolwig et al., 2010). ProGrOV address the need for an integrated research into - on the one hand - how to organise organic high value chains to improve chain management and livelihood benefits for the farmers and - on the other hand - further develop agro-ecological methods for farming systems intensification based on sustainable natural resource management. The overall hypothesis of the project is that 'Improved organic value chains may serve a dual purpose for:

- developing and demonstrating innovating partnership models for chain based economic and social growth; and at the same time
- improving productivity potential and sustainable natural resource management'.

Key results and discussion

The project will be completed in 2016, however, some preliminary findings on major challenges facing the development of organic value chains in East Africa can be extracted

from the initial phase. Production and to a certain degree also the market is fragmented with a large number of smallholder producers and lack of organized chains. A consequence of this is that farmers have limited access to information on the market and depend on information from traders that act as intermediaries between producers and the market. Furthermore, the farming community are facing challenges in logistics amongst themselves to collectively produce sufficient amounts, as well as the transport from the farming community to the high-value markets in urban centres or tourism hubs in itself is challenged by limited infrastructure and distances. In addition the development of the organic sector is facing suspicion and misinformation on concepts, implementation and potential of organic agriculture among agricultural policy makers and national research and extension actors; but also, for example, within the tourism sector. Misperceptions relate to organic agriculture being associated with low productivity, low technologies, old-fashioned and out-dated, and that agriculture in Africa is 'organic by default'. These initial findings and experiences of ProGrOV underline the need for scientific documentation of the potential of Organic Agriculture in countries such as Uganda, Kenya and Tanzania.

How work was carried out?

The project is a combined research and capacity building project aiming at strengthening research based knowledge for supporting increased productivity and sustainable growth in organic production and value chains, and building capacity for future development of the OA based value chain in Kenya, Uganda, and Tanzania. Research is implemented via 9 PhD and 6 MSc studies at Makerere University in Uganda, University of Nairobi in Kenya and Sokoine University of Agriculture in Tanzania. Each student has supervisors from their own university and from either Aarhus University or University of Copenhagen. All studies are interlinked either through the chain being addressed or the produce itself (pineapple, vegetables, livestock). The project is developing a 'value chains approach' based on information feedback loops on market requirements, retailers requests, etc., that are translated into quality attributes guiding the research questions in the studies related to the organic farming systems. The field work in the individual studies is undertaken in a participatory approach in collaboration with farmers and with support from the organic movements in the three countries (NOGAMU, KOAN, and TOAM). Economic studies are based on data collections through surveys and interview of stakeholders.

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