

Adoptable Ideas

4Ps approach to boost commercial agriculture

By Jeff Andrew Lute

Although there is marked increase in agricultural production, many farmers, especially in rural areas, are still facing challenges, such as lack of ready markets, unstable prices, poor quality seeds and climate change effects.

Therefore, some farmers have abandoned the sector. The challenges in the sector have also come in the way of the advancement from subsistence to commercial agriculture, which in turn affects production levels.

According to the Food and Agricultural Organisation (FAO) statistics, the agricultural growth rate rose from 0.8% in 2011/12 to 3.5% in 2015/16.

The sector's contribution to the Gross Domestic Product (GDP) is currently 26.2% and the target is to raise it by 5.6% as stated in the National Development Plan II.

To that effect, the Government is focusing on increasing food production and food security by providing crops for food and for export.

While opening the 25th annual Source of the Nile Agricultural Show in July, President Yoweri Museveni observed that because 69% of the population engaged in subsistence agriculture, the advancement of the agricultural sector is affected.

He said some farmers that attempt commercial agriculture fail on enterprise selection and practise nonprofit-oriented agriculture, leading to produce that either attract low prices or demand on the international market.

Museveni said commercial agriculture guarantees food, income security and poverty eradication, and urged all stakeholders to mobilise farmers across the country to embrace commercial farming.

The 4Ps approach

In efforts to promote commercial agriculture and increased production, the Government, in partnership with SNV – The Netherlands Development Organisation, is rolling out a new approach codenamed the 'Public-Private Producer Partnership (4Ps) programme.

It follows a three-year 4Ps pilot project that is ending this year.

The 4Ps approach is driven by a market opportunity that the three partners (producers, private sector and brokers) come together to discuss the sector.

The \$2.3m (about sh8.2b) project was funded by the International Fund for Agricultural Development (IFAD). It was implemented by SNV in five countries, including Uganda, with each



Workers picking tea leaves in Fort Portal. The 4Ps approach was introduced to promote commercial agriculture

FEEDBACK

'Farmers are partners'

With the 4Ps approach, farmers are regarded as partners and not as beneficiaries. This means they are involved in decision-making and negotiations. For a partnership to be effective, one must have a shared vision and dream, and in most cases, there is a market gap to be addressed, such as a need for vegetable oil.

Connie Magomu Masaba, the 4Ps project manager in the Ministry of Agriculture, Animal Industry and Fisheries



Seedlings in a palm oil farm in Kalangala, where BIDCO partnered with farmers

taking about sh1.6b. The other countries are Senegal, El-Salvador, Mozambique and Vietnam.

In Uganda, the project focused on the oilseed sector (sunflower, sesame and soya bean) in West Nile, the north and the east.

During the review of the project in Kampala recently, Nico Janssen, the 4Ps SNV project manager, said the project is aimed at strengthening market linkages between producers and private sector players to scale up production and productivity.

The initiative targeted 20,000 farmers in the five countries. In Uganda, 5,000 smallholder farmers have so far benefited

from the three-year project through various groups.

"We went through a rigorous process of identifying in each country which agribusinesses were active, those interested in working and buying from smallholder farmers and matchmake them into a partnership," Janssen noted.

All partnerships were done on a shared business plan by both players (farmers and private sector) linked up between SNV and other brokers, to ensure each side is committed to something for sustainability.

"This was formalised in agreements on how to establish systems on quality control, transparency, pricing, volumes and how farmers get

paid. It helps to build trust and confidence by holding both parties accountable," he said.

Janssen said SNV also focused on inculcating a business mind in farmers so they understand the quality demand of the private sector.

They also set out to educate them how to calculate their profit and losses as well as learn to work together for increased production.

According to Janssen, if farmers form groups, their productivity and negotiating power for better prices of their produce increases.

He noted that partnerships are important in the agricultural sector because both producers and the private sector depend on one

another.

"If an enterprise does not have a good relationship with the producer, they cannot easily access raw materials for their industries, which automatically puts them out of business. And if producers or farmers have no buyers, they cannot predict what they need for production," Janssen explained.

He asked the Government to take on the 4Ps approach to boost the agriculture sector for economic development and

improve people's livelihoods.

"Many Ugandans will get attracted into joining agriculture if there is market and standard pricing. It is an approach that will change people's mindset from subsistence to commercial farming because of the levelled ground," Janssen said.

Connie Magomu Masaba, the project manager in the agriculture ministry, says the Government is to roll out the 4Ps approach in other parts of the country to promote commercial agriculture.

She said the approach makes agriculture profitable to all farmers at various levels.

"With this approach, farmers are regarded as partners and not as beneficiaries. This means they are involved in decision-making and negotiations. For a partnership to be effective, one must have a shared vision and dream, and in most cases, there is a market gap to be addressed, such as a need for vegetable oil," Magomu said.

She emphasised that farmers are required to provide the relevant raw materials to the private sector for them to add value.

Magomu said if the country wants to promote commercial agriculture, then producers must always be treated as partners because they play a significant role in the market.

"Issues, such as market access, can easily be addressed through this approach because the buyers will always be available. Farmers can also get quality inputs with support from the private sector because they have an interest," she added.

Magomu cited the 4Ps approach in the palm oil sector in Kalangala district, where farmers produce 4,700 hectares of palm oil while in the private sector, BIDCO Uganda Limited produces 6,500 hectares.

"The farmers have partnered with BIDCO and the Government to ensure this collaboration works. The amount of produce farmers contribute is significant and as such, we now have two mills, which is an assured market for the farmers. They benefit by accessing the market, good pricing and accessing good palm oil seedlings from the private sector," she noted.

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