

A photograph of Medius Bihunirwa, a woman with dark hair pulled back, wearing a red top and a necklace. She is speaking into a microphone. The background is a colorful mural with silhouettes of people, a wind turbine, and palm trees. Large white text is overlaid on the image.

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Medius Bihunirwa is the head of the Farmer Enterprise Development Unit at Kabarole Research and Resource Centre (KRC), Uganda, where she works with smallholder farmers, enhancing the quality of their produce and improving their access to markets. In her role as member and researcher of the Hivos/IIED Knowledge Network, she has delved deeper into the concept of farmer agency and their interest in being part of a value chain.

Interview: Laura Eggens



Photo: Pamella Vasconcellos/PUC (Rio+20 page)

KRC carries out market studies and shares the results with farmers. As part of its efforts, it brings the farmers and traders who are involved in a particular value chain together, especially those working with coffee, banana, maize and cocoa, and analyses the results and possibilities. “I learnt a lot about ‘economic agency’ from the Hivos/IIED Knowledge Network: the level of power that people have because they understand their position in the value chain and are able to make informed choices and decisions about which kind of markets to access. If you only focus on the classical value chains, you may fail to understand the other dynamics that small producers in rural Uganda need to deal with.”

Does the value chain approach work? I find that this is a good approach, because it looks at the different segments of the chain, helps us connect them and improve efficiency. But pro-poor value chains are not always well developed. If I make a value chain analysis, I need to be very critical: does the smallholder farmer really benefit from being part of it? You often find that other stakeholders, like traders, input dealers, processors or retailers, are well organised. In reality, the majority of smallholder farmers are not well organised: only about 10 or 20 percent of the farmers around the world jointly market their products. And then we need to contextualise the sophisticated value chains that are the focus of international debates. Do farmers really need to supply supermarkets? In many countries in Africa the majority of consumers are not supermarket-goers. They buy from informal markets. As development actors and promoters of the value chain approach we

“Does the farmer really benefit from being part of a value chain?”

don’t always take the time to understand the realities of the smallholder farmers, and to understand the different ways in which they are trying to connect to different markets on their own, within their own means, using their own knowledge.

How do farmers do this? For example here, in Kabarole, banana farmers from Kasenda market their products in an informal way. Using mobile phones, they contact relatives in different towns, such as Fort Portal and Kampala, to find out the selling price in different regions. This information is then disseminated through their own networks. When traders come to their village, they already know the prices and have the capacity to negotiate. The farmers cut the bananas on the agreed date and the traders come to collect them. The cycle ends there. There are no rules, it is an informal way of doing things. Development workers often think that these farmers will be cheated. But when we did an in-depth analysis of these arrangements, we found that there are very high levels of trust. Their group ties are very strong, even without a formal organisation. Using their kinship ties to connect to the market, they are able to beat the formal arrangements that are there. These are pertinent issues that development workers need to think through.

Is there any way to support these farmers? At KRC we focus on the power of information. For the banana farmers in Kabarole, we have been able to build on their existing internal arrangements. We do market analyses with our partners at a national level and have a toll-free line whereby farmers can call for information. Farmers then make the decision to sell in a specific place on the basis of information that is well researched, in addition to what they find out through their own network. The liberalisation of trade has encouraged traders to go as far as the farmers' gardens, which makes it even more important that farmers have the right information. With more than 10 million Ugandan citizens using mobile phones, over 5 million browsing the internet daily and millions tuning into more than 200 FM radio stations broadcasting in local languages, should we only focus on the co-operatives that used to connect farmers and small businesses to markets in the 1970s and 1980s?

In Kenya, a study reported that 42% of the milk is sold directly from farmers to consumers and usually delivered to their doorsteps. Another 17% is sold to mobile traders on bicycles, and 15% to small shops, kiosks or milk bars that are mostly unlicensed. In comparison, registered dairy co-operatives purchase just 24% of all dairy farmers' milk. Similarly, only 2% of the milk produced in Ethiopia reaches the market through the formal dairy chain. The debate therefore needs to shift to understanding how the majority of small-scale farmers are making markets work for them. We need to strengthen these "alternative" ways if we are to support the majority of small-scale farmers.

Without organisations? For me it makes little sense to keep stressing the importance of formal arrangements. I'm not saying that we should do away with them, but attention also needs to be given to the informal arrangements that exist alongside them. Only a small percentage of farmers belong to these organisations, despite their benefits. Most development policies and programmes focus on farmers as part of formal organisations, so these support mechanisms exclude the majority. The problem is that the majority of non-organised farmers are not willing, for one reason or the other, to go into these formal arrangements. They have examined for themselves the opportunities and constraints of joining a group and have also analysed their own situation at home. They choose to do their business in their own way, based on their own analysis of the situation and the resources that they have available. In general, the political will needs to be there to protect smallholders in markets and support what farmers are already doing.

Do you only focus on local markets? We work together with farmers in order to understand the different market dynamics at a local, national and an East African level, and then the farmers use their own analysis to make their own choices. Their interest in working at these different levels depends on their capacities and the degree to which they are organised. Usually, it is only after they understand the dynamics of the local and national markets that they get interested and willing to move towards international value chains. It is also clear that many farmers choose to stay at a local level.

Why do farmers prefer to sell at local markets? In certain periods local markets give farmers better options. One of the benefits is that they can get quick cash. Many financial responsibilities, such as household needs or paying school fees, cannot wait. For smallholder farmers to sell large quantities, they often have to bulk their produce with other farmers, sometimes for a minimum period of one month, which delays payment. A coffee farmer revealed to us that, in the three years that he has been a member of his village producers group, he has never sold through this group. He needs to pay his children's school fees, and the group has to wait to sell, especially if it aims at international markets. So he sells to traders who will give him cash. Also, the type of product farmers grow determines the market they focus on. For instance, bananas are very perishable and require a quick sale the moment they are ripe, or you lose your product. With no refrigeration or little infrastructure, perishable products cannot be preserved for long. We need to see how much would farmers gain, but also how much they can lose when bringing their banana from their garden to the market, also including the costs of transport. We advise the farmers on these costs and benefits, enabling them to make the best decision for them.

Does it help to focus on regional markets? In East Africa in general, as in many other places, there is a growing demand for food products. Neighbouring countries buy a lot of foodstuffs from Uganda. When farmers sell to traders from Kenya or from South Sudan they receive a higher price, especially when compared to what the Ugandan middlemen pay. And in addition to higher prices, these markets give farmers a guarantee. But the biggest problem is the capacity and limited resources of smallholders to access these international markets, even at a regional level. International value chains are long and complex, so we try to reduce the number of middle traders and let farmers sell directly. Our objective is that they are able to join the international markets directly.



Working together with farmers in order to understand the different market dynamics and then making a better decision. Photos: KRC

Can a certification process contribute? A certification process can certainly play a role. But the most important thing is that certification standards need to be contextualised. I think that the standards set for the European market cannot be the same standards that the East African farmers should follow. There are already East African organic standards, which makes the certification process a bit easier for smallholders. Nonetheless, only a very small percentage of farmers in my country can be certified. These farmers know that they can add value to their product, but they are limited by their immediate financial constraints. I think that the agricultural financing mechanisms need to be strengthened first. A certification process can then help and encourage farmers to produce in a certain way, for example, organically. But then again, we have to consider that the majority of Ugandan smallholders are already producing naturally, even though they are not certified. They are not adding anything artificial to their soils or crops. Their use of mulching comes from their desire to maintain the soil, not because there is a need to produce for a certified market.

Are farmers encouraged in other ways? Looking at the market before one looks at the production process is a very important contribution of the value chain approach, but this perspective should not be limited to the international arena. For instance, the majority of smallholder farmers in my country produce without really knowing what the market wants. They just push their produce into the local market when it is ready. When we understand what the market wants, we can help develop farmers' capacities to meet these specific demands. When they produce for a particular market,

they must meet particular quality standards. With the right information, they decide on their own if they want to produce for this market.

If the local context is so important, why join an international knowledge network? Being part of it has widened my knowledge on how small producers try to deal with markets in different contexts. I have seen how Bolivian farmers use their kinship ties for marketing meat and other products, realising that this is happening in my own country as well with different products. I was impressed by the strength of small producers' organisations in Latin America, seeing that they have been able to change national policies. These are all important lessons which have helped me understand our situation better.

Before, I was fixated on uniting small producers in organisations, considering this as the only way for farmers to access better markets. But the cases we studied with all other members of the Knowledge Network helped me get a clearer picture. As I said, I realised that we were leaving out a large majority of farmers because they do not belong to an organisation. This is something that we are internally reflecting on in my organisation. While the value chain approach has its advantages, it is important to be critical, and look at the constraints that are there, and the opportunities. One of our main conclusions is that, by stimulating and strengthening farmers' "economic agency", they are empowered to make an even better decision.

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