

Weaving the oilseed food web

Oilseed value chain development in Uganda

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The Ugandan government has chosen oilseed as one of several strategic commodities to spearhead the transformation of its agricultural sector from subsistence to commercial farming.

In the late 1980s, as part of the efforts to liberalise the Ugandan economy, the Ugandan government abolished the state marketing boards. Deprived of markets for their produce, farmers were left to fend for themselves in increasingly volatile markets, and many farmer cooperatives collapsed. The various actors in the agricultural sector realised that they had to get organised, and producer associations such as the Uganda Oilseed Producers and Processors Association (UOSPA) emerged.

UOSPA was founded in 1995 by farmers and other stakeholders, including processors, traders, researchers and consumers of oilseed products. Since then it has helped to form hundreds of farmers' organisations, representing over 75,000 farm households across Uganda. UOSPA has been instrumental in increasing seed supplies, and in improving processing capacity. The association also provides training for farmers to help them bargain for better prices, increase their incomes, and save money to reinvest in their farms. Whereas previously the cooperatives focused mainly on marketing, the new organisation supports the development of wide range of processes throughout the oilseed value chain, including production, processing, marketing and research.

Oilseed value chain



The oilseed value chain that has emerged in Uganda now encompasses farmers and a wide range of other stakeholders. The activities of all these stakeholders add up to a viable and competitive process that benefits all participants. Some farmers produce seed and high-quality planting materials that they sell to other farmers at the start of each season. Others have established their own small or medium enterprises for oilseed milling and processing. Yet other farmers produce vegetable oil using a hand mill (a ram press), which they can sell for a higher price.

Through the association, farmers are also able to take advantage of group savings and credit schemes. The capital is then available for loans that can be reinvested in their farms, or used to buy new machinery or inputs such as fertilisers that will lead to higher output.

UOSPA has helped many farmers to increase production, and to extend their activities to other parts of the oilseed value chain, including the production of planting materials and processing. Because most producers are subsistence farmers, UOSPA has encouraged them to integrate oilseed production with their other farm activities. This is intended to help households diversify their farm activities, optimise the use of resources and increase their incomes. Many farmers are now involved in raising animals and crops that link into the oilseed farming system. For example, oilseed plant residues can be crushed into seed cake that can be used as cattle feed or to supply fish farms, or ploughed back into the soil, thus reducing the need for costly artificial fertilisers. The association also has plans to generate energy from the surplus vegetable oil produced on the farms.

Balanced development

The farms represent just one aspect of the oilseed value chain. It is important for UOSPA to consider the whole chain when seeking opportunities to develop the sector. This is not always easy. UOSPA receives support from several donors and other agencies, each with their own policies and preferences for the specific areas they wish to sponsor. UOSPA has to ensure that all relevant areas are addressed, including those that do not receive donor support, such as infrastructure development and links to international markets.

To ensure the balanced development of the oilseed sector, a spider web model is used to depict the various stages in the value chain, including production, processing, trading and marketing. These stages are then viewed in combination with all the areas that need to be considered in developing the chain, including national policies, infrastructure, research and education. The model has guided UOSPA, the government and development partners in the design of a five-year sector development programme called 'weaving the oilseed food web'. The aim of the programme is to achieve a resilient oilseed sector that can cope with any kind of environmental, social, political, economic and institutional challenge. It is an alternative model for public-private partnerships and not a monopoly for multinationals who use smallholder rural farmers only as raw material producers.