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KIT CASE STUDY

The Ugandan oilseed sector

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Before the 1990s, extension services were seen as a service to be provided solely by governments. During the 1990s, however, confidence declined in the effectiveness of public-sector extension agencies. This led to the emergence of an alternative paradigm, where it was assumed that market-based solutions and the privatization of extension provision could become an effective and sustainable base for development. A large number of governments and aid agencies experimented with this. In many countries, however, privatization (often achieved merely by withdrawing funding for public-sector agencies) resulted in most farmers losing their access to any form of advice, let alone impartial and independent advice (Christoplos, 2010; Davis et al., 2012; Swanson et al., 2010).

Other organizations have jumped in to fill this gap, including the private sector, NGOs and farmer organizations. The result has been 'messy' systems, referred to as 'pluralistic service systems', in which farmers are supported by different actors, funded from different sources (Wongtschowski et al. 2013).

But how can such pluralistic systems operate successfully? Two major questions need further analysis in this regard:

1. **To what extent do these service providers work together? In other words: what are – if at all – the coordination mechanisms in the pluralistic system?**
2. **To what extent are these emerging systems responding better to farmers' needs?**

The Royal Tropical Institute (KIT), in collaboration with SNV, Common Fund for Commodities (CFC), Centre for Development Innovation and Agri-ProFocus, have made a purposeful effort to answer these questions by documenting case studies in the vegetable oil seed sector, where a number of innovative projects have tried to strengthen different service providers and seed producers. Field work was conducted in Burkina Faso, Ethiopia, Mozambique and Uganda; this document presents the case of the sunflowersector in Uganda.

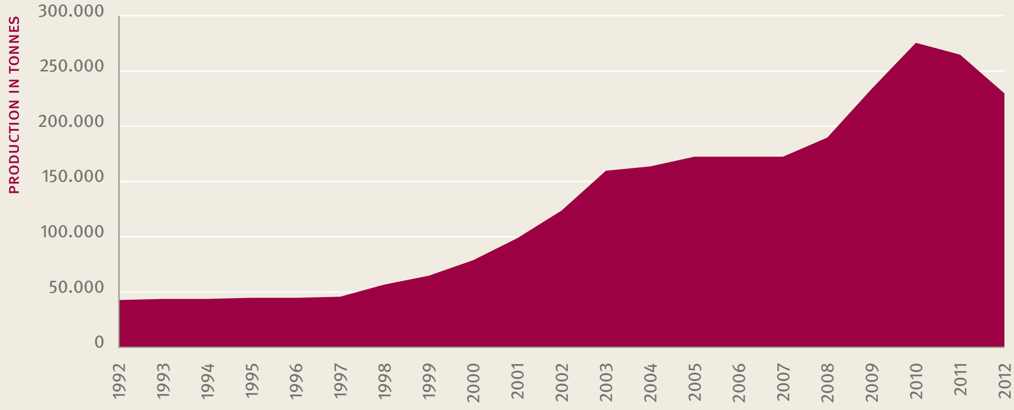
Introduction

Oilseed crops, including groundnuts, soya, simsim (sesame) and sunflower, have been produced in northern and eastern Uganda as subsistence and commercial crops for eight decades. The sector was first built around cotton, groundnut and simsim, flourishing in the 1950s and 1960s when sunflower and soybean were also introduced, but declining in the 1970s and 1980s when imported palm oil took the majority of domestic market share. Production in the eastern and northern parts of Uganda was also affected by political instability and rebel activities in the 1980s and 1990s (Vellema et al., 2011).

Since the start of the 2000s, political stability has returned and major investments have been made by the public and private sector. The resulting growth in the sector led to more service provision to farmers, whether through the private sector, NGOs or government programmes.

This case study discusses developments in the oilseed sector, focusing on the sunflower sector around Lira. The decision was made to focus on sunflower, since it is increasingly grown as a commercial crop, whereas simsim and groundnut are traditionally used as food crops with only excess produce being sold. Soya is also predominantly sold as a cash crop, but its

Figure 1: Overview of national sunflower production in Uganda 1992-2012



Source: FAOSTAT (2013)

market share is smaller than sunflower and, during recent years, support services have focused less on soya and more on sunflower. In addition, the Lira area is a major hub for sunflower production and processing: 80% of national sunflower production comes from five core districts around Lira (Apac, Lira, Oyam, Dokolo and Soroti). Lira town itself is the focal point of the oilseed milling industry, with associated seed distribution and provision of technical services (IFAD, 2010).

Data for this study was gathered during a two-week field visit in October 2013 with the main stakeholders in the sunflower value chain around Lira. A total of 17 key informant interviews were held with:

- Government representatives: two Vegetable Oil Development Project (VODP) staff, one District agricultural officer (DAO) of Apac district, one Assistant Agricultural Officer of Alebtong district, and one researcher from the National Agricultural Research Organization (NARO);
- Local NGOs: the Agency for Sustainable Rural Transformation (AFSRT) and Caritas;
- Private sector actors: one medium-size processor (Ronco), one large-scale processor (Mukwano), one trader (Lira Resort), one input-provider (Farmers' Centre), and one seed multiplier (Equator Seeds);
- Other support actors: the Food and Agricultural Organization (FAO), two facilitators from the Oilseed Subsector Platform (OSSUP), two farmer cooperatives (Alito and Acwec Omio), and the Uganda Oilseed Producers and Processors Association (UOSPA);
- Four farmers from Agago district.

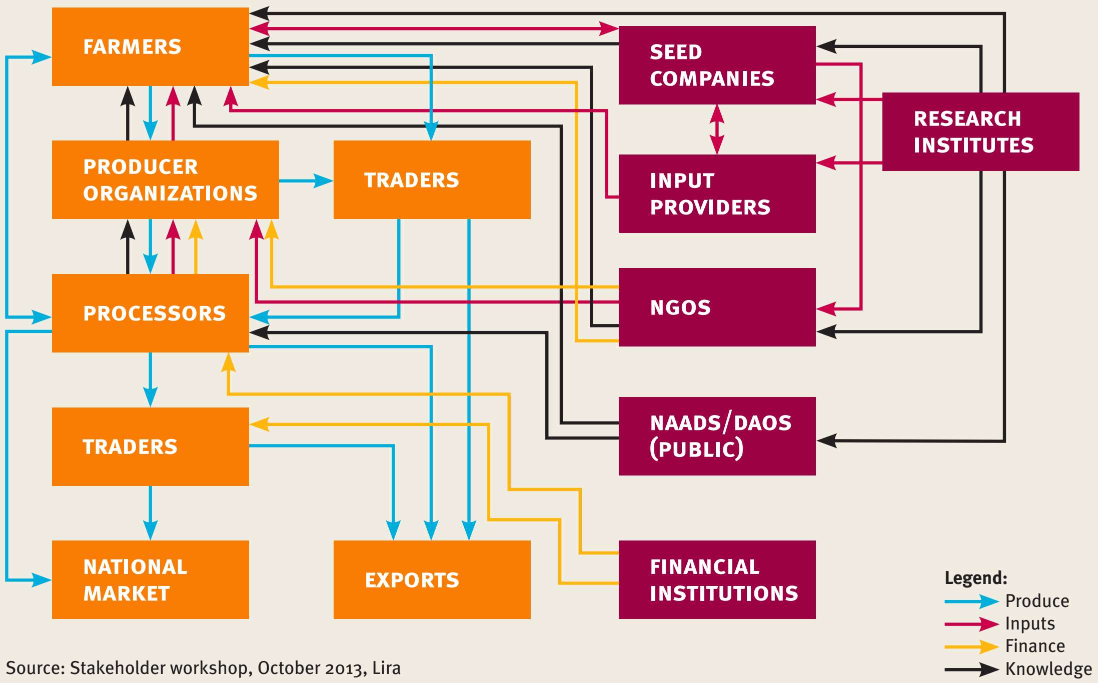
A stakeholder workshop was also held, which included value chain mapping and reconstructing a timeline of main events in the sunflower sector during the last ten years. Twenty representatives, most from the above listed organizations, were present. Lastly, two focus group discussions with farmers were held with around 20 farmers per group, both in Akokoro subcounty, within Apac district.

1. Chain description

Since 2001, the sunflower value chain around Lira has undergone major changes, including changes in support services. Around 2001, the value chain had the following features:

- An estimated 10% of farmers were growing sunflowers. Sunflower varieties used were Sunfola, an open-pollinated variety distributed by UOSPA, or local varieties, which were being re-used at the end of the season. Research institutes were hardly focusing on developing new varieties.
- There were very few sunflower oil processors. They were not providing services to farmers, and had low bulking and post-harvest facilities. Buying of produce was only done via traders, i.e. middlemen. The number of other support actors, including seed suppliers and input providers, was also fewer.
- NGOs were mainly focusing on relief, due to the civil conflict in northern Uganda. Other main actors working on sunflowers were branch organizations such as UOSPA, and the national NGO, Appropriate Technology (AT) Uganda.
- The government supported the sector via VODP funded by IFAD, which had been in place since 1997. There was an absence of sector coordination at regional and national level.

Figure 2: Value chain mapping



Source: Stakeholder workshop, October 2013, Lira

However, since 2001, a lot of changes have been observed:

- Around 60% of farmers in the Lira region are now growing sunflowers. Mukwano, a major Ugandan commodity trader, was important in the expansion of the crop, beginning local sourcing of sunflower in 2001 to substitute their imports of palm oil. In 2003, Mukwano introduced the hybrid variety PAN 7531 among farmers around Lira, which they imported from South Africa. This variety has higher oil content than Sunfola. In 2007, they moved their processing plant from Kampala to Lira.
- Local research institutes are investing in the development of new sunflower varieties, with foundation seed distributed to local seed companies who multiply these in cooperation with farmers.
- The value chain has become more vertically integrated: processors and millers have started working directly with farmers, although middlemen still play an important role as well. There is also more horizontal integration, as farmers are more organized. It was estimated by workshop participants that around 50% of the farmers are organized in small farmer groups (20-30 farmers), whether by millers themselves through contract schemes, or by NGOs. Another 5% are organized via cooperatives, and the rest of the farmers are still unorganized.
- The domestic market for sunflower oil has increased significantly, due to population growth and changing consumption patterns. Production of sunflower oil increased from 29,200 tonnes in 2000 to 76,900 tonnes in 2012 (FAOSTAT, 2013). Vegetable oil is now exported regionally, with Kenya, Rwanda and Tanzania being the main buyers. The private sector is currently getting organized to start exporting to the EU market as well. Exports are, however, marginal compared to in-country sales; total exports of sunflower oil (crude and refined combined) was 5,000 tonnes for 2011 (ITC, 2013). There is not only a market for processed oil, but also for its by-product, feed cake, which is being used as animal fodder and exported. In 2012, the main importers were Kenya (13,000 tonnes), Thailand (5,000 tonnes) and Tanzania (400 tonnes).
- The government initiated NAADS in 2001, via the NAADS Act, which is now in its second phase. This programme has a larger scope, focusing not only on sunflower crops, but also other (oilseed and non-oilseed) crops.

Access to business services has increased accordingly. Farmers now have improved access to seed and other inputs through input providers, NGOs and millers. Their access to financial services has improved, and also to knowledge, including technical advice and market information.

2. What is in place in terms of service provision?

Sunflower production in Uganda, especially around Lira, is a booming business, which is being led by numerous initiatives for service provision by all types of private, public and civil society actors. Service provision covers a broad range of topics, including seed provision, agronomy, and farmer organization. Table 1 shows an overview of the service provision to sunflower farmers around Lira. This overview is not exhaustive, but includes all actors who were interviewed for the study.

Table 1: Service provider descriptions for sunflower in/around Lira

Name of service provider and number of field staff	Type	Who pays for services provided?	Target group	Services provided	Number of farmers and/or volume of production sold with support of provider
VODP II Extension provided via DAOs and contracting private service providers.	Public.	Free services funded by IFAD, Bidco Uganda Ltd, the government and SNV.	Farmers (small-scale male and female); millers.	Technical advice, group formation, linking farmers to markets and service providers; stimulating private sector investment.	Approx. 75,000 farmers around Lira.
NAADS Two staff (crop and livestock) per sub-county (approx. 850 sub-counties in the country).	Public.	Free services funded by the government, World Bank, IFAD, EU and Danida.	Smallholders with two priority crops in each district.	Input demos and farmer group development.	The target is 60 groups of 25 people per subcounty which is around 10,000 farmers per district.
DAOs One officer per subcounty (the study area includes approx. 11 subcounties).	Public.	Free services paid for by the government.	Farmers (small-scale male and female).	Extension; coordination among NGOs in the district; group formation.	Should cater for 10,000 farmers per district.
AFSRT 12 extension workers covering several projects.	NGO.	Free services, funded by Broederlijk Delen, SNV, and ICCO.	Farmers (small-scale male and female); private sector (seed companies).	Cooperation with private sector in seed multiplication; conflict transformation; technical advice; livelihood support; facilitation of OSSUP.	Lango, Teso, Bunyoro districts; in total approx. 22,000 farmers are targeted.
FAO field staff.	UN organization.	Free services, funded by the UN.	Returning communities in order to restore their productive capacities, food and income security.	Build farmer field schools (FFS) to increase productivity; mobilise savings; single focus on sunflower.	1,600 FFS groups, benefiting over 48,000 households.
UOSPA Four extension agents.	NGO.	Members (farmers and millers) contribute; also funding by NGOs (e.g. Agriterra) and FAO.	Farmers (small-scale male and female); millers.	Promote increased production and better marketing; negotiate between farmers and millers.	24 smaller millers; 47,250 farmers in 947 farmer groups (nationwide).
Caritas Eight extension workers.	NGO.	Free services funded by ICCO, and Broederlijk Delen.	Vulnerable households (women-headed, low capacity, dependent).	Promote increased production through demonstration plots; providing market linkages.	130 groups, including 3,300 farmers.
Mukwano Six extension workers, 25 field coordinators (who are also traders).	Private (large-scale processor and trader).	Embedded services: farmers buy seeds on credit and receive technical advice in return.	Farmers (small-scale male and female).	Seed provision; technical advice; output marketing.	60,000 farmers.
Ronco Three extension staff.	Private (small-scale processor).	Embedded services: farmers receive technical advice and seeds for free, borrow post-harvest tools, and sell their produce back to Ronco.	Farmers (small-scale male and female).	Agronomy; provision of tools to increase post-harvest quality; linking to input providers; providing a ready market.	150 farmers.
Farmer Centre 11 field workers, 40 community agents.	Private (input dealer and trader).	Farmers pay for inputs; farmer centre buys their produce; funded through trusts.	Farmers (small-scale male and female).	Input provision, technical advice, training in post-harvest handling, and 'farming as a business'.	10,000 farmers, organized in 100 groups of 10-30 farmers.
Equator Seeds[1] No extension workers, field staff are AFSRT's.	Private (seed company).	Embedded services: farmers buy foundation seeds but can keep multiplied seeds; 80% of funds are private, 20% comes from AGRA, SNV, and MAAIF.	Farmers (small-scale male and female).	Technical advice.	9,000 farmers; 90 farmer groups.
Alito cooperative Four extension staff.	Coop.	Farmers pay membership fee; many funders (e.g. FAO, WB, IFDC).	Farmers (small-scale male and female).	Technical advice; marketing; processing.	5,000 farmers.
Acwec Omio cooperative No own field staff.	Coop.	Farmers pay membership fee; inputs are bought on credit; funded by USAID, and UOSPA.	Strong focus on female farmers: 2/3 of the members are female.	Technical advice; marketing; processing.	1,000 farmers (320 men, 680 women).

[1] NB: Equator Seeds is an example of an increasing number of agro-dealers who do on-farm demonstrations

Below, the roles of the actors are described in more detail.

Government/public

In 2001, the NAADS Act marked an important change in the way extension was being executed. NAADS promotes the development of farmer groups, and empowers them to procure advisory services and to manage their links with marketing partners. It is 'public-private', because farmer groups are encouraged to contract private sector service providers or NGOs, who are awarded short-term contracts to promote specific enterprises and provide advisory services. In practice, the 'old' DAOs were being transferred to NAADS. Additionally, every subcounty has two agricultural advisory service providers (AASPs), and community development offices are established at district and subcounty level to work with farmer organizations. Also, each parish has a community-based facilitator working on a voluntary basis, who collaborates with the AASPs. Depending on the district or subcounty, sunflower, or oilseeds in general, may or may not be a priority crop.

Service delivery is intended to be more demand-driven, as farmer groups decide for themselves which crops and practices to focus on. In practice, opinions about NAADS are mixed. An IFPRI report from 2007 concluded that NAADS had had a substantial positive impact on the availability and quality of advisory services provided to farmers. The findings, however, also showed that the impact of NAADS had been production-focused, with improvements in post-harvest handling technologies and practices, as well as use of marketing information, lagging behind. This is consistent with its mission to promote more commercially-oriented agriculture. However, farmers cannot always choose which enterprises to take on, but instead have to adopt those identified by the district or subcounty NAADS agents (Kimbowa, 2012). During our study, it was emphasized that government officials do not have the means to serve all farmers in their district. One NAADS farmer mentioned that they were disappointed with the programme as they rarely saw a service provider. This has worsened with recent changes in district boundaries, where DAOs have to cover an even wider area. Another disadvantage mentioned is that they are not specifically focusing on sunflowers.

Another important government project is the Vegetable Oil Development Project, which is specifically focusing on the oilseed sector. VODP was launched (in partnership with IFAD) in 1998, in order to increase household cash income among smallholders by revitalizing and increasing domestic vegetable oil production in partnership with the private sector. VODP has been instrumental in raising the profile of the oilseed sector, including sunflower, and providing support via existing structures. It supports, for instance, the testing and releasing of new varieties by research institutes, and the process of seed multiplication and distribution to farmers by UOSPA. In addition, the programme supports general extension provided by the DAOs. VODP has contributed to an increase in the area planted to sunflower from 2,000 ha in 1998 to 81,500 ha in 2007 (IFAD, 2011), and is now entering its second phase. This has a stronger focus on improving linkages between farmer and various actors (input dealers, finance, traders and processors).

NGOs

Eighteen NGOs working in Lira have a focus on sunflower production and/or other crops, including four international NGOs and 14 local ones. NGOs are especially active in providing technical advice to farmers. During the workshop, it was estimated that around 60% of sunflower farmers are reached with information, through government or NGO programmes. NGOs support farmer groups in various ways, including through the provision of knowledge. Most groups have a lead farmer who receives extra training and subsequently becomes more responsible for training farmers. Working in a group also helps farmers to organize a system for savings and loans. AFSRT, for instance, is subsidized by the Belgian NGO, Broederlijk Delen, to form village savings and loans associations to whom they also provide extension services and seed (on credit). Cooperatives seem to attract NGOs, as their existing structure makes them easier to provide services to. Alito cooperative, for instance, has received assistance from eight different NGOs and organizations[2].
NGOs also supply seeds (free or subsidized) and market information. This includes knowledge on prices and training on how to negotiate with traders and millers. UOSPA is especially active in the latter, facilitating meetings between farmers and medium-size processors, to help price negotiations and the discussion of other relevant issues.

Advisory services are always offered for free; AFSRT was the only NGO considering charging for their services, which they feel would make farmers more commercial and more aware of the costs involved.

Private sector

The private sector is also heavily involved in service provision. Good quality seeds are very important for farmers to grow quality crops with high oil content. This is why Mukwano, for instance, decided to distribute their own high oil content seed variety (PAN 7351) imported from South Africa, to farmers. This contract scheme has been successful; Mukwano currently works with 60,000 farmers, approximately one fifth of the farmers growing sunflowers in the study area.

Some seed companies, such as Equator Seeds, have started multiplying new varieties in collaboration with farmers. Farmers buy foundation seed from the company, multiply it, and then sell this seed back to the company, while keeping

[2] These include AFSRT, UOSPA, the Citizens Network for Foreign Affairs, the Integrated Seed Sector Development project, the International Fertilizer Development Center, the Cooperative League of the USA which provides technical assistance to develop cooperatives, and the National Agricultural Research Organisation.

some for their own production. Training is given on how to germinate and plant the seed. Mukwano, for instance, has demonstration plots where they show farmers how to plant and grow seed of the different varieties at the beginning of the season. Equator Seeds works together with a local NGO, AFSRT, who train farmers on seed multiplication.

Smaller processors and agro-dealers are also involved in providing farmers with extension services. For smaller processors who have started business recently, such as Ronco, this is a way of securing their supply in a market which is becoming more and more competitive. All services provided by the private sector discussed in this study are embedded services: farmers pay for seeds, but in return receive technical information and an outlet market.

Farmer organizations

Cooperatives are also important in offering services to their members, and several larger cooperatives in the region have been developing in recent years. For instance, Alito cooperative has increased from 58 members in 2004 to over 5,000 members in 2013. Alito offers technical advice to its members, inputs on credit, as well as output marketing and sometimes processing. These larger cooperatives, such as Alito and Acwec Omio (see Table 1) have been set up to strengthen the position of farmers in the value chain through joint output marketing and provision of inputs.

Many smaller farmer groups (with about 30 farmers) have also been organized by the private sector and NGOs. Here, the primary goal is to provide an easier outlet for service provision. Recently, however, strengthening the role of farmers in value chains is becoming a greater priority for NGOs and the government, as an important way to improve the market position of farmers. Smaller farmer groups are being clustered by NGOs in order to form official registered cooperatives. FAO, for instance, now supports the organization of farmer field schools into associations and cooperatives for sunflower production.

Media

In recent years, radio and newspapers have become an important source of information for farmers, providing technical advice as well as information on market prices. For example, Mt. Meru has a weekly radio programme which provides technical support and announces the prices being paid for sunflower seeds. Farmers can contact programme presenters with their questions and feedback. Newspapers and market information boards in villages have also been instrumental in the dissemination of market prices.

Sales of locally processed sunflower oil at Lira market (picture taken by Bill Vorley, IIED)

3. Demand side

Who is demanding services?

Sunflower farming in Lira district is dominated by 'middle wealth' farmers (IFAD, 2010)[3]. Since sunflower is purely a cash crop, better off farmers have more capital to invest in it. These are also the farmers who are better able to deal with the risks of producing sunflowers, such as fluctuating prices and high production costs. Poorer households, including women-headed households are less likely to grow sunflowers due to cash constraints and a stronger priority on food crops.

As previously highlighted, sunflower farmers are increasingly organized in groups, in order to access extension services and inputs. Unorganized farmers, however, find it difficult to receive services from NGOs, the private sector or the government, and they increasingly risk being left out of developments. Members of the Acwec Omio cooperative said that many NGOs were coming in and giving them technical advice and training, for example on post-harvest handling, as well as saving schemes. On average, they received training three times a year. Non-cooperative members only have access to extension services via demonstration plots organized by Mukwano and the government, or via the radio.

Farmers have little scope to demand group formation themselves, with community development officers organizing where NGO agents work in a district. Farmers interviewed during a group discussion felt they just had to wait and see whether services would be supplied to them or not. While NAADS allows farmers to apply for services themselves, one farmer group interviewed for the study complained that they had registered under NAADS, but had never been visited by an officer.

[3] Among sunflower farmers, those cultivating 2-3 acres are categorized as 'poor', 'middle' wealth farmers cultivate 4-10 acres, and 'rich' farmers cultivate more than 10 acres. Middle wealth and rich farmers are able to hire labour, and are dominant in sunflower farming (IFAD, 2010).

Table 2: Service demand and supply by various actors

Which services are needed (according to farmers)?	Services provided by public sector	Services provided by private sector	Services provided by civil society
Technical advice on growing sunflowers.	Component of the NAADS programme; low frequency, high expertise.	Mukwano extension agents, smaller processors, cooperatives employing their own extension officers; low frequency, high expertise.	Main service supplied by NGOs, also via cooperatives or the private sector; high frequency, low expertise.
Training on post-harvest handling.	Component of the NAADS programme, although less focus on post-harvest handling.	None; Mukwano agents are rewarded for quantity over quality.	Training by NGOs is now focusing more on post-harvest handling.
Setting up savings and loans groups.	x	Cooperatives providing credit.	NGOs, for instance AFSRT.
Training on how to negotiate on prices and marketing.	Component of the NAADS programme, although less focused on sunflowers.	Cooperatives setting prices jointly.	NGOs; UOSPA.
Timely seed supply.		Mukwano, seed companies.	NGOs giving free or subsidized seeds.

Is service supply matching demand?

Most of the farmers interviewed received some kind of access to services, either from NGOs, cooperatives or Mukwano. Members of the Acwec Omio cooperative felt best supported, receiving enough technical knowledge on how to grow sunflowers and on post-harvest handling, while wanting to receive more information on pest and disease control. Demands for knowledge on how to grow and handle sunflowers were strongest amongst non-cooperative members, who wanted more training on production and harvesting in general.

In addition, all farmers mentioned seed supply as a major issue for improvement, even though a lot of investment has been made in seed supply in recent years. Seed germination rates were reported to be poor, and seed provision, whether by the private sector or NGOs is often late. Farmers also complained that the prices of seeds supplied by Mukwano are high. They requested more information on how to actually negotiate for better prices for their produce, and how to save and use their money, particularly as the margins farmers make are small and prices fluctuate, making budgeting difficult. Lastly, farmers wished to have buying centres and/or storage places closer to their homes, as currently they often have to travel long distances to places where oilseed is collected by middlemen or traders, such as Mukwano's collecting points.

Quality of service provision

When discussing the quality of service providers, three issues stood out: the frequency of visits; the range of services (software and hardware) provided; and the expertise shown by service providers. A local NGO, such as AFSRT, consisting mainly of staff strongly socially embedded in Lira and its surroundings, was valued for its 'high interest' in farmers' needs. This is expressed by a high frequency of visits, and the broad range of services provided, including information on setting up village savings and loans groups. In addition, NGOs are valued for providing equipment or seeds at subsidized prices, or for free. A disadvantage of services provided by NGOs is that some provide similar trainings with slightly differing messages, thereby confusing farmers. Coordination should thus be increased. Also, NGOs tend to disappear after a while, unlike government services or Mukwano, for instance.

Government service providers are especially valued for their constant presence, although the frequency of service provision could be higher. Government officials and Mukwano extension agents are also seen as well-trained researchers, with farmers feeling that their knowledge is more advanced than that of NGO officers. So although frequency of their training is lower, government officials are still valued for their expertise. It was also discussed whether farmers would be willing to pay for training. Most of them agreed they would, if they felt the training was worth the investment.

4. Coordination of service provision

Many actors, private as well as civil society, have started up businesses and projects in recent years, especially since the restoration of peace in the region. Thus the need for coordination is becoming stronger, and a number of initiatives to provide coordination between service providers have been established.

For example, there is increased coordination between NGOs. Seven local NGOs are organized in a cluster, through which they coordinate their activities[4]. They apply for funding together and have started to align their extension methods and the geographical areas in which they work. Additionally, in 2006 a 'Food Security and Agriculture Livelihoods' cluster was set up, in which most of the NGOs working in the region are brought together by the government, jointly with FAO. FAO is the lead agency of this cluster, which aims to provide farmers who returned to their communities after the civil unrest with opportunities to restore their productive capacities, and food and income security. The cluster also tries to bring alignment in extension methods, and the geographical spread of activities.

Another important platform for coordination is the OSSUP, funded by IFAD and SNV, and facilitated by AFSRT since 2012. In 2005, OSSUP was established by several actors in the sector to promote subsector coordination. It started with a national platform and now has four local hubs in which economic actors and service providers meet each other.

All workshop participants and people interviewed mentioned OSSUP as important in bringing more coordination and communication between actors. Different actors, including service providers, processors, farmer organizations, research institutes, government representatives, the NGO sector and financial institutions, hold platform meetings to share knowledge, information and experience, contributing to the development of the oilseed sector. The platform has quarterly meetings to discuss issues of relevance to the stakeholders, and to form a joint agenda. OSSUP has been attributed with a number of interesting results (Vellema et al., 2011) including:

- Greater efficiency throughout the value chain, through dialogue and concerted action. For example, the platform was instrumental in convincing Mukwano to release their exclusive rights on selling PAN 7351, and input dealers registered with the Ugandan National Agro-input Dealers Association (UNADA) are now also allowed to sell the variety.
- Increased interaction between actors in the value chain. In Lira, for instance, the platform helped in bringing NGOs and seed companies together to collaborate in seed multiplication. Another example is increased collaboration between input suppliers to make better seed varieties available to farmers.
- Engagement of the financial sector: banks created new financial products for small farmers, and a number of actors joined together to successfully advocate for more supportive government policies and financing for the subsector.

Table 3: Links between different service providers beyond the platform

Service provider	Government (NAADS)	Private sector: Mukwano	Private sector: smaller millers and agro-dealers	NGOs	Cooperatives
Government (NAADS)					
Private sector: Mukwano	Via OSSUP; no collaboration beyond the platform.				
Private sector: smaller millers and agro-dealers	Via OSSUP; no collaboration beyond platform.	No interaction, competition between millers.			
NGOs	Government coordinating activities in geographical areas; NGOs not keen to work with NAADS.	Work together in service delivery to farmers; important in setting up contracting scheme.	Work together in service delivery to farmers.		
Cooperatives	Receive some extension information from government agents.	Not much collaboration: Mukwano organized their own farmer groups for effective produce delivery.	Not much collaboration.	Work together in service delivery to farmers.	

[4] The seven NGOs are: The Agency for Social and Rural Transformation (AFSRT), Caritas, Facilitation for Peace and Development, Development Training and Research Centre, the North East Chilli Producers' Association, Initiatives for Community Empowerment and Support, and Pioneers Action for Sustainable Development.

Thirdly, some private sector actors are also coordinating their activities. Ronco, a medium-sized miller which provides extension services to farmers, often consults other medium-sized millers about how they handle the provision of extension services and seeds. They also collaborate in ordering spare parts for their machinery.

A final remark concerning coordination is that very few initiatives include farmers in coordination so are not very demand-driven. Farmers are represented in OSSUP, but only via a few big cooperatives that are members of OSSUP, which does not seem to be representative. Farmers are also represented by UOSPA. In recent years, UOSPA has had some internal political struggles and, as a result, their role in the sector has been weaker. Recently, however, they installed a new board and are gaining greater influence.

5. Trends

Trends in demands and services offered

In the Ugandan oilseed sector, the main challenges for farmers are to raise land and labour productivity, in order to boost production and thereby raise their income. Farmers already use improved sunflower seeds, but they consider fertilizer expensive, and its availability is not assured. A stronger focus on productivity enhancing technologies is thus needed, but is also difficult since rainfall and weather variability continue to affect farmers' coping strategies. On the other hand, the growth seen in recent years confirms that farmers are dynamic, respond to price signals and adopt improved technologies (IFAD, 2010). Looking at the demands of the private sector, its need for high quality produce is slowly growing. High quality is demanded, for instance, for export to the European market, but these exports still form a small part of total production. This increased demand for better quality leads to a stronger focus of services on better post-harvest handling, drying and storage techniques.

Comparing these needs with available services, we see that the main focus of services is still on teaching farmers improved agricultural practices. The focus on post-harvest handling is however steadily growing, as well as the focus on providing farmers with market information and training in negotiating capacities. This latter focus is important, since stronger competition between buyers is also affecting farmers; with the right capacities, they can better negotiate with traders who try to lower their prices.

Trends in roles of actors

This sunflower case study is an example of a maturing market, where roles and service delivery are in the process of changing. For the private sector, providing extension services is important, and will remain so, due to the increasing economic competition within the sector. For smaller processors who recently started business, delivering services is important in order to secure their supply. For the bigger and more established millers such as Mukwano and Mt. Meru, raising production volumes is important. Mukwano has invested heavily in oilseed extraction plants in Lira, and is currently operating below capacity, at 60%. They are therefore focusing on raising the number of farmers who are working with them from 60,000 to 100,000 in the coming years. In the future, competition could bring a stronger focus on post-harvest services, in order to increase quality.

The role of agro-dealers in the supply of inputs is becoming stronger, and they are also becoming involved in service delivery and field demonstrations. Many agro-dealers have recognized the need to do on-farm demonstrations and provide services, alongside the selling of inputs and buying of produce. Equator Seeds, for example, is working with farmers in the multiplication of seeds.

The government is still influential via VODP II and NAADS. The role of the public sector (e.g. NAADS) is becoming more demand driven, with farmers deciding what kinds of crops and/or techniques they want to receive training on. DAOs might not be the most effective in delivering extension, but act as gatekeepers for other agencies, such as NGOs, to interact with communities, and are therefore important in the management of extension and coordination between actors. The government is also focusing more on including the private sector, since increasing productivity is in the government's interest as well. They, for instance, provide loans for smaller processors and millers, and offer the possibility of funding for joint proposals from NGOs and millers.

The vision of VODP II is that by 2020, the private sector will be providing most services, without receiving government subsidies or financial support from NGOs. The government is aiming to withdraw from service delivery, and instead focus on coordinating service delivery between actors. The subsequent strategy is to work with millers and processors, as well as agro-dealers and seed companies, to take over most of the extension functions in the oilseed crop value chains. Private service providers are therefore being contracted by the government to set up such a system, in liaison with private millers and processors. The system will be partly financed by public government funding.

Another trend observed is that farmers are increasingly becoming organized, and more 'empowered', with smaller groups joining to form associations, which in future could become cooperatives. This may improve farmers' ability to demand the services they need from either the government or NGOs.

Lastly, NGOs have shifted their focus over the last ten years from restoring peace and meeting basic needs to increasing agricultural production, often in partnership with the private sector. Mukwano's service provision to farmers was, for instance, set up with NGO support, and their site-coordinators

Manual winnowing of groundnuts in Apache district

are mainly former community workers. Secondly, they are increasingly focusing on organizing farmers into producer groups and cooperatives, and on issues such as marketing, price negotiations, and setting up savings and loans groups.

Trends in coordination, collaboration and facilitation

Due to development of the sector, the need for coordination has become stronger. Actors have started coordination in several ways, such as in sharing information and aligning extension information and localities. The question remains: how much of this increased coordination is actually 'showing' on the ground? The OSSUP platform at national and regional level has made some achievements, including linkages between individual actors, improving the provision of inputs, and obtaining a better picture of pressing issues in the sector. Other initiatives, such as the two clusters of NGOs mentioned, have only developed in recent years, so effects are not that visible yet.

In terms of collaboration, the Ugandan government (including NAADS and VODP) believes that market-oriented advisory services can, to a large extent, be provided by 'triangular' relations in the value chain (e.g. producer/service provider/processor, or agro-dealer/service provider/producer). In order to achieve this, all service providers (public or private) will need to make steps in that direction, starting with coordination, capacity development, fair competition and no subsidies. Some progress towards 'triangulation' can be seen, for example in the Mukwano case, where a private company has worked together with NGOs to organize farmers and train site coordinators. Another interesting example is that of Equator Seeds contracting farmers to do seed multiplication, and hiring extension agents from an NGO (AFSRT) to train farmers on how to do multiplication. This specific collaboration is a result of coordination via OSSUP, through which the NGO and the agro-dealer met. OSSUP is thus important for bringing actors together.

Triangular relations need collaborative finance arrangements. The Equator Seeds example, for instance, is 80% financed by the company, and 20% comes from donor funding. Donor funding is still involved, but the relationship with the farmers is commercial: farmers have to buy foundation seed from Equator Seeds, and the company buys the multiplied seed back from the farmers.

The sustainability of service delivery and suggestions for future policies

These trends show shifting roles in service delivery. In particular, there is an increasing role for the private sector, as it realizes that service delivery is important for business, in ensuring good quality produce, and securing supply from farmers in a situation of greater competition. NGOs and the government, on the other hand, still have a role to play, in linking farmers to private actors and coordinating the sector, respectively. This case shows that a maturing sector, with increasing competition, is in need of coordination.

Attention is also needed on the sustainability of all actors' efforts. Looking again at Mukwano, their service provision to farmers was set up with NGO support and their site-coordinators are mainly former community workers. The question for the future would be: could they do without this support? Mukwano emphasized that they want to continue with employing extension agents to support their field staff, and they have recently contracted another NGO to work together with them - the Agribusiness Initiative Trust, which provides support with finance schemes.

This is profitable for Mukwano, as it receives funding from NGOs to continue its work. But it is questionable for NGOs whether this is sustainable. In the future, should private sector actors be willing to pay for NGO services, instead of depending on public funding? The provision of inputs by NGOs and the government is still subsidized. Some NGOs were thinking of reducing or completely withdrawing these subsidies. Farmers might be willing to pay for high quality services, if they could see good profits for their crops.

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