

NATIONAL AGRICULTURAL ADVISORY SERVICES
(NAADS)

REPORT

CONSULTATIVE WORKSHOP ON VANILLA SUB-
SECTOR

HOTEL AFRICANA, KAMPALA

23RD MAY 2003.

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LIST OF ACRONYMS

AGOA	Africa Growth Opportunity Act
GMO	Genetically modified
IDEA	International Development Export Agriculture
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MFPEd	Ministry of Finance Planning and Economic Development
MOS	Minister of State
MTTI	Ministry of Tourism, Trade and Industry
NAADS	National Agricultural Advisory Services
NARO	National Agricultural Research Organisation
PEAP	Poverty Eradication Action Plan
PMA	Plan for Modernisation of Agriculture
TOT	Training of Trainers
TNA	Training Needs Assessment
UEPB	Uganda Export Promotion Board
UNBS	Uganda National Bureau of Standards
UNVA	Uganda National Vanilla Association

EXECUTIVE SUMMARY

Vanilla production has been identified as a priority enterprise for promotion and development in a number of districts and sub-counties implementing the NAADS programme. Vanilla provides the opportunity for a shift to high value crop production. Production is, however, characterized by low input/output. Most of the varieties are of inferior quality in terms of yield, growth period, processing and handling characteristics. Additionally, the activities/operations and developments, as well as the stakeholders involved in the sub-sector, are not well documented. This therefore calls for a status review of the sub-sector in a bid to take stock of the available information.

A workshop was therefore held on the 23/05/2003 with overall aim of consultation to highlight constraints, challenges and opportunities existing in the vanilla industry so that action plans can be developed which will lead to maximising of benefits from the enterprise. The workshop was attended by producers, technical staff at districts, processors, development planners, government agencies and the press.

Several papers were presented by representatives of producers/farmers, processors, development partners and researchers which highlighted the plight of the vanilla sub-sector. The outstanding challenges highlighted by the participants were; fear of neglecting other crops in preference to vanilla; possibility of developing tissue culture; availability of correct type of planting material; effective coordination of all stakeholders, information dissemination and training and regulatory requirements.

The participants recommended the possibility of having contract farmers; faster implementation of other PMA priority areas; intensive training in vanilla production and processing; research into various unclear areas; coordination and cooperation among stakeholders; harmonised and timely information flow; development and enforcement of regulations to curb vanilla thefts and to monitor trade; regular meetings to share experiences, safeguarding vanilla quality and encouraging youths to take on vanilla production.

The Minister of Agriculture, Animal Industry and Fisheries, Dr. Kisamba Mugerwa pledged government commitment to support identified strategic interventions to promote vanilla production, processing and marketing.

Dr. Oryokot, Technical Services Manager, NAADS, also assured participants that NAADS is prepared to support them in efforts to improve vanilla production as it considers vanilla of special importance in efforts to transform peasant to commercial agricultural production.

1.0 Introduction

Sixty-three participants attended the workshop (Annex I) including producers, technical staff at districts, processors, development planners, government agencies and the press. The programme for the day is attached (Annex II).

1.1 Opening remarks

The workshop opened at 9.00 a.m. by Dr. Oryokot, Technical Services Manager, NAADS, who welcomed participants on behalf on the Executive Director, NAADS. He informed participants that NAADS considers vanilla of special importance in efforts to transform peasant to commercial agricultural production.

Poverty eradication, as translated into Poverty Eradication Action Plan (PEAP), has become the framework of Uganda's development strategy. Under this plan, the country is implementing the Plan for the Modernisation of Agriculture (PMA), a multisectoral framework designed to move agriculture away from the predominantly subsistence to commercial production. The National Agricultural Advisory Services (NAADS), one of the components of the PMA, has as its mission to '*Improve farmer access to agricultural knowledge, information and technology.*' At the core of transforming agriculture to enable farming households improve their livelihoods in a sustainable manner, is the challenge of raising productivity per unit area, marketability of produce and profitability of agricultural production. To attain this goal, the key factors undermining agricultural productivity, marketability and profitability must be addressed.

Vanilla production has been identified as a priority enterprise for promotion and development in a number of districts and sub-counties implementing the NAADS programme. Vanilla provides the opportunity for a shift to high value crop production. Production is, however, characterized by low input/output. Most of the varieties are of inferior quality in terms of yield, growth period, processing and handling characteristics. Additionally, the activities/operations and developments, as well as the stakeholders involved in the sub-sector, are not well documented. This therefore calls for a status review of the sub-sector in a bid to take stock of the available information.

NAADS was formed to ensure farmer access to information and advice. NAADS has adopted the approach of enterprise selection and specialization. This will encourage farmers to shift from low value to high value crops. There are a number of constraints, challenges and opportunities existing in the vanilla sub-sector and the overall aim of consultation is to highlight these so that action plans can be developed which will lead to maximizing of benefits from the enterprise.

1.2 Workshop objectives

1. Catalogue opportunities, constraints and challenges to increased productivity and profitability;
2. Develop an inventory of available information and technology options for improved vanilla production;
3. Define the roles and responsibilities of the major stakeholders,
4. Initiate a plan of action for the development of a strategy to ensure improved production, productivity, quality control, and marketability of vanilla.

1.3 Address by the Minister/Ministry of Agriculture, Animal Industry and Fisheries (MAAIF): Paper presented - Prospects for Vanilla Production in Uganda (Annex III)

The Minister of MAAIF, Dr. Kisamba Mugerwa welcomed the MOS/MAAIF, Dr. Kibirige Ssebunya and all other participants. He informed participants that the private sector is growing very fast so it was necessary to get together with the MAAIF and forge a way forward. He highlighted existing challenges such as; new diseases e.g. coffee wilt; new enterprises e.g. vanilla and moringa, market challenges e.g. the EURO gap and new opportunities e.g. AGOA and noted that effort to meet all of them is necessary. He emphasized the need to meet so that we share available information e.g. agronomic practices. He noted with concern the challenges in Vanilla enterprise especially theft of vanilla and early harvesting. He appreciated the IDEA project for promoting vanilla.

The Minister raised the following issues as expectations to be met by the workshop proceedings:

- Get to know the other exporting countries and what opportunities there are for us over them
- What are the best areas for growing vanilla
- How best we can improve on the quality of vanilla
- The opportunities for processing and adding value to vanilla
- Identification of researchable issues in the vanilla enterprise
- The need to know best technologies for maximising profitability and production.

The Minister noted that a lot of information is available but scattered. He also challenged participants to find out sustainability of emerging enterprises e.g. Moringa and Neem trees. He appreciated the farmers who have been growing vanilla despite all existing challenges. He called on participants to appreciate each other's responsibilities and each one to play their role effectively. The Minister reiterated government's commitment to support identified strategic interventions to promote vanilla production and processing.

2.0 Paper presentations

The Director Crop Resources in MAAIF, Mr. J.Omoding, chaired the morning session of the paper presentations.

2.1 Paper 1: Opportunities and Challenges for increased vanilla production in Uganda (Annex IV) – presented by Mr. Damus Mulagwe, Chairman of the Uganda National Vanilla Association (UNVA).

Mr. Mulagwe informed participants that the UNVA represents the farmers, processors and exporters. He noted that farming in Uganda is basically small-scale and therefore the biggest challenge in availability of knowledge. He was optimistic that NAADS will address the knowledge/information dissemination constraint. He noted that the extension workers may themselves have to be updated on vanilla production. He informed participants that currently, vanilla is grown in 28 districts in Uganda and UNVA is starting a training program but it has only 3 extension workers. He expressed hope that together with NAADS the association could carry out training of trainers (TOT) for a multiplier effect in information, knowledge and skills dissemination. He emphasized the need to work together with MAAIF and harness available resources to develop vanilla production instead of segregating into various programs.

The chairman also highlighted the need to have seed money for farmers who are starting off vanilla production because the initial investment is high. He noted with concern the rampant thefts of vanilla vines and beans which has led to premature harvesting of vanilla beans. “There is no strong arm to apprehend or arrest thieves and no regulatory framework in growing, processing, harvesting and marketing of vanilla,” he lamented. The UNVA has advised that some bye-laws are set up starting with the vanilla growing districts as MAAIF prepares to put regulations in place.

Mr. Mulagwe informed participants that vanilla is a high technology agricultural product both in production and processing. The aroma and the oil are the most important vanilla products but only come about if vanilla is well handled and processed. He thanked the IDEA for supporting vanilla production and processing but emphasized that there should be ways of financing vanilla from within the country. The farmers also need to be sensitised that growing vanilla is a business hence they need to finance their businesses. He also informed that there are some people from Kenya who are buying green beans from vanilla farmers therefore government should be vigilant on checking who to give licenses for trading in vanilla. He concluded by calling on the day’s forum to form an alliance with UNVA to improve vanilla production and cautioned that disintegrated efforts deter progress.

2.2 Paper 2: Market opportunities and quality requirements for vanilla exports in Uganda (Annex V) – paper presented by Ovia Matovu for Uganda Export Promotion Board (UEPB).

Ms. Matovu emphasized the need to set up a Code of Practice to guide the farmers/exporters in the production and processing. This will also be used in setting up grades for vanilla.

2.3 Paper 3: Challenges to Market Access and Profit Maximisation (Annex VI) – paper presented by Mr. Aga Sekalala (Junior) of UVAN Ltd. on behalf of processors.

Mr. Sekalala assured participants that there would always be a market for vanilla both within Uganda and outside because it is used in making various items such as desserts, ice cream, biscuits, beverages etc and these will always be used. Besides the Standard of Identity (1965) stipulates that ice cream should contain natural vanilla therefore there should be no worry about synthetic vanilla taking over natural vanilla. He however noted that the existing market size of 1800-2000 metric tons per year is not too big and it can always be satisfied if vanilla production is increased.

He was optimistic that there is no challenge to market access in Uganda because the quality of Uganda vanilla is good, production is good and stable, prices are favourable and there are no tariff barriers. The only major constraint to Uganda is that the country does not produce enough vanilla to export e.g. UVAN has orders to the tune of 100 metric tons yet Uganda can only produce 50-60 tons/year. UVAN has set up capacity to handle upto 100 metric tons/year.

Mr. Sekalala emphasized the following points;

- There is no local market worth talking about
- But there is a buyer willing to buy all the vanilla we produce
- Prices will go up and down but the farmer will still get profit even when the price is at the lowest it has ever reached i.e. 2000/= /kg. NB. The cost of production per kg. currently stands at 800/= /kg.
- Uganda can increase its volumes of production by 3 times without adverse effects. Besides other bigger producers are decreasing production e.g. Indonesia, therefore Uganda can take advantage of this.

2.4 Paper 4: Reasons to promote vanilla production (Annex VII) a paper presented by Mr. Steve New on behalf of IDEA Project.

Mr. Steve New informed participants that before they decided to support vanilla production, they together with UNVA carried out analysis on the following aspects that may affect vanilla production:

1. Competitive analysis
 - Is there a market
 - Is the market sustainable
 - Is there knowledge in the country
 - Is there risk of boom production
2. Decentralised system of governance
3. Processing
4. Quality (maturity at harvesting and processing)
5. Marketing
6. Production – can Uganda produce quantities worth exporting?
7. Training requirements for the extension personnel
8. Institutional strengthening that may be required
9. Vertically-integrated approach

He noted that Uganda has two strong elements i.e.

- Good communication (mobile network even for the remote farmers) and
- Use common language with the major buyer (USA) so that even farmers can directly communicate with the importers.

Why should we talk about vanilla production?

1. It is the fastest growing smallholder crop
2. There is room in the market
3. Major buyers are already working with Uganda exporters
4. It is the most profitable crop for smallholders
5. Vanilla needs fairly low capital input
6. It need just labour and it is eco-friendly
7. It is not perishable
8. Many areas can grow it
9. Small holders have advantage in growing it (monitoring is easier over small piece of land)
10. The crop can earn Uganda about \$ 60 million per annum (if we produce 600 tonnes/annum).

Mr. New proposed the following strategic interventions to increase vanilla production in Uganda:

1. Private sector approach
2. Intensive training and extension
3. Strengthening the Uganda National Vanilla Association
4. Applied research

He however noted several challenges for the smallholder farmer;

- Where to get the planting material

- Where to get supporting plants
- Where to get enough mulch

2.5 Paper 5: The current status and future for vanilla research in Uganda (Annex VIII) – a paper presented by Dr.J.J. Hakiza from NARO

Dr. Hakiza noted that NARO has not carried out any research in vanilla production so far since it is not in their mandate. He however highlighted several researchable areas as follows;

- Selection of planting material; vine length
- Intercropping; shade control
- Identification of support tree species
- Spacing; rectangularity
- Increasing pollination and labour utilisation efficiency
- Maximising on bean production
- Looping of vines
- Nutrient management
- Water harvesting and irrigation
- Pest and disease management
- Quality control and
- Curing.

3.0 Questions and Answers to papers presented

After presentation of each of the foregoing papers, participants asked questions and the presenters and other participants provided answers. A summary of the questions and answers is given in the following table:

Paper	Question	Answer
Opportunities and Challenges for increased vanilla production in Uganda	Is there a study going on to establish where vanilla can grow?	Vanilla grows in loamy lug soil with lots of water flowing and usually where coffee and matooke grow, vanilla can thrive very well. However, UNVA has contacted Namulonge and Kabanyolo University farms to carry out research on this and the former has started.
	Highlight UNVA membership and what they are doing. It is not very clear whether UNVA is coordinating all vanilla growers.	UNVA intends to embrace every stakeholder in the country. It intends to have district and sub-county branches.
	What does UNVA mean by working together with NAADS on resources?	<ul style="list-style-type: none"> ➤ UNVA wants NAADS to pull money into sensitisation. ➤ UNVA can be contracted by NAADS to build capacity of service providers ➤ UNVA can also be contracted as a private service provider and train individual farmers if the farmers so demand.
Market opportunities and quality requirements for vanilla exports in Uganda	What percentage can Uganda contribute to world demand?	Uganda can increase production up to 3 times its current production levels and can go up to No. 4 world producer.
	Are prices given commensurate with grade? Who ensures that this happens?	A standard for vanilla has been set up in conjunction with Uganda National Bureau of standards (UNBS) and it was set basing on international standards.

		The prices for vanilla are determined by the market trends.
	Has there been any concern about GMOs in the vanilla enterprise?	UEPB has not yet addressed GMO concerns in the vanilla enterprise.
	What do you been by vanilla being high-tech enterprise?	Growing vanilla is high tech because a lot of skill is required in planting, looping, fertilization, processing, quality control etc.
Challenges to Market Access and Profit Maximisation and Paper 4.	Several issues were raised on the way forward after the two papers, however, these were answered in group discussions particularly in group 4.	

Group 1: Opportunities, Constraints and Challenges

Opportunities to vanilla growing and profitability

Members were asked to prioritise the opportunities and the following table represents their output:

Opportunities	Number of scores
Market is available	11
Favourable soils and climate	4
Farmers' willingness to grow the crop	3
Availability of cheap labour	2
Can be intercropped	2
It can be organically grown	2
Existence of processors	
Not attacked by many pests and diseases (diseases of economic importance)	

Constraints/Challenges to Vanilla growing

Members were asked to prioritise the constraints/challenges and the following table represents their output:

Constraints/Challenges	Number of scores
It is labour intensive	8
Shortage of vines and support vines	5
High skilled labour required	3
Lack of documented agronomic information	3
Low production and productivity of vanilla	2
Lack of credit support	2
High security risk	1
Easily destroyed by domestic animals	1
Unfair trade practices	
Poor quality control	

Group 2: Sources of Information/Technology available

Information available	Sources
Agro-ecological suitability	<ul style="list-style-type: none"> • Extension • Literature • Radio • Drama
Crop compatibility	<ul style="list-style-type: none"> • Extension • Experienced farmers • Practising • Farmers • Practising farmers
Crop husbandry	<ul style="list-style-type: none"> • Seminars • Radio • Exchange visits • Extension
Harvesting	<ul style="list-style-type: none"> • Radio • Newspapers • Middlemen
Marketing	<ul style="list-style-type: none"> • Individual buyers • Radio programmes

Technology options

1. Length of planting vine
2. Bury two feet at planting for faster establishment
3. Keep field mulched
4. Compatible support trees
5. Shade trees
6. Cover crop

7. Avoiding annual intercropping
8. Looping length
9. Flower stimulation

Information not available

1. Destination of the exported vanilla
2. Information on quality control
3. Number of beans to leave per cluster and clusters to leave per plant

Group 3: Stakeholders and their responsibilities

Stakeholders	Roles and Responsibilities
Growers of Vanilla	<ul style="list-style-type: none"> ▪ Plant vanilla ▪ Pollinate plants ▪ Mulch, harvest ▪ Scare away thieves ▪ Market vanilla ▪ Ensure/ adhere to quality ▪ Share information on vanilla
Buyers/ traders (Nviri, Banga, Kajumba)	<ul style="list-style-type: none"> ▪ Link growers with processors ▪ Provide micro finance services ▪ They collect vanilla from farmers ▪ They operate through middle men who, farmers believe, are under paid and use fake notes
Processors/ Exporters (Uvan, Nviri, Banga)	<ul style="list-style-type: none"> ▪ Process vanilla to add value ▪ They decide on farm gate price ▪ They export to other countries
Government Institutions <ul style="list-style-type: none"> ▪ MAAIF ▪ MTTI ▪ NAADS 	<ul style="list-style-type: none"> ▪ Providing an enabling environment of poverty eradication action plans (eg IDEA project etc to stimulate the vanilla sub sector) ▪ Creating policy (PMA, NAADS etc.) ▪ Phyto-sanitary regulations ▪ Provide trade incentives ▪ Provide advisory services ▪ Provide technology development sites ▪ Provide a market information

<ul style="list-style-type: none"> ▪ NARO ▪ Local Government 	<p>system</p> <ul style="list-style-type: none"> ▪ Nothing ▪ Security of crop in terms of theft
UNVA	<ul style="list-style-type: none"> ▪ Provide extension services for some farmers ▪ Hold consultative meetings ▪ Brief stakeholders on quality
Consumers	<ul style="list-style-type: none"> ▪ Mainly for export market esp. US and EU ▪ Consume vanilla through ice creams, biscuits etc where natural vanilla still has a demand.

Group 4: Action Planning

Activities	Time frame	Responsible person
Improving production and productivity		
Grow more vanilla	Immediately	Farmers in suitable areas
Training of farmers	Immediately	Trained service providers
Training of trainers	Immediately	Trained service providers
Generating planting materials	Immediately	Existing vanilla farmers
Quality control		
On-farm quality assurance	Immediately	Vanilla farmers
Good planting material	All the time	Vanilla farmers and MAAIF
Good farm management	All the time	Vanilla farmers and MAAIF
Harvesting mature beans	At least nine months after pollination	Farmers, middlemen. Processors, exporters
Security of farmers	3-4 months to harvesting	Farmers and local governments
Processing	Immediately	Qualified processors
Licensing processors and middlemen	Immediately	MAAIF and UNVA and local authorities
Put in place a Code of Practice	Immediately	MAAIF, UNVA and local authorities
Inspection	All the time	MAAIF and local government
Provide credit	Mid-term	MFPED
Policy development	Immediately	MAAIF and stakeholders

Passing the Vanilla Bill	Mid-term	MAAIF
Research	Immediately	NARO
Farmers to visit Malaysia	Mid-term	NAADS

After each group presentation, discussions were held and most of the issues raised came out as recommendations or challenges and they are summarised below.

Outstanding Challenges

- a) There is fear of extension workers concentrating on promoting vanilla at the expense of other crops therefore they should be sensitised on this.
- b) Looks into possibility of developing tissue culture so as to avoid the bulky planting material that is currently used.
- c) We have to be sure farmers are planting the correct type of vanilla that is required on the market.
- d) Effective coordination of all stakeholders
- e) Information dissemination on available training material and standards.
- f) Laxity of some farmers to manage their crop e.g. laxity in mulching and this compromises quality.
- g) A lot of training is required yet there are a few extension workers who are conversant with vanilla growing.
- h) If there is need to have policy developed for each and every crop.

Participants' recommendations

1. We should look into possibility of contract farming so that farmers can be assisted with initial capital.
2. Other components of PMA should move at a faster pace because they will affect progress of extension services e.g. provision of credit is necessary before farmers can put into practise what they have learnt.
3. Processing vanilla needs a lot of training therefore liberalisation should be gradual since not everybody may produce a good quality product.
4. Since production is market led there may be need to have mid-term implementation plan for NARO to cater for emerging enterprises such as vanilla.
5. UNVA, UVAN and MAAIF should cooperate to improve vanilla production.
6. There should be a deliberate effort to interest the youth in farming so that we have cheap labour.
7. There is need to come up with consistent/harmonised information/knowledge to pass on to farmers.
8. Regulatory measures should be instituted against thefts.
9. Safeguard quality of vanilla produced.
10. Vanilla stakeholders should hold regular meetings at least on a quarterly basis for review and planning.
11. There is need to disseminate indicative prices for vanilla to farmers.

12. UNVA and NAADS should do some research or use available research information to establish soils and climate suitable for vanilla growing and advise farmers accordingly.
13. Experienced vanilla farmers should be utilised in training of new farmers.
14. A regulatory mechanism should be put in place to regulate buyers in the market.
15. Farmers should be trained in credit access and use and sensitised about saving and credit sources
16. Capacity building for both the service providers and the farmers is paramount and it should be reinforced by refresher courses and information circulation.
17. Avail information on cost-benefit analysis of vanilla production.
18. The initiative of vanilla farmers' associations I districts and at sub-county level should be revived.