

COE – CASA Programme – Rwanda

Embarking with SMEs on Smallholder-based Commercial Farming of Vegetables for the Domestic Market

The advent of COE allowed the CASA Programme to include the vegetables value chain in its interventions in Rwanda. To respond to the challenges identified as the main obstacles for vegetable sector development, the programme engaged in vegetable market systems development to transform vegetable farming into commercial and viable businesses that could generate incomes for smallholder farmers through the provision of technical assistance to existing farmer-based cooperatives and agri-SMEs, to improve organisation and financial management; sustainability mechanisms development; operation and production base; possession of functional market strategy; effective external risks management and enabling environment. Currently, CASA is forecasted to reach 14,000 smallholder farmers through partnerships with four SMEs who are investing respectively in processing vegetables for value addition, supplying fresh vegetables to the City of Kigali and feeding schools.



Challenge

Many smallholder farmers in Rwanda are limited by the availability of land, lack of information regarding reliable and attractive markets, lack of access to financial services tailored to their limited capacity, and a lack of skills and competencies that make it hard to adapt to the climate change related shocks and stresses in the current environmental context, especially in Good Agriculture Practices (GAP) and Climate Smart Agriculture (CSA). In addition to this, the country has experienced continuing inflation on food commodities, with direct negative impacts on low consumption leading to food and nutrition insecurity among the average population. This results in poor quality and quantity of vegetable production; lack of domestic vegetable processing and value addition; informal and inequitable linkages between farmers and markets; limited capacity of exporters to engage reliable international buyers; and poor availability of affordable and accessible finance for farmers and SMEs. CASA is supporting 4 SMEs to pilot replicable contract farming in out-growers scheme-based supply chain models by which 14,000 smallholders will access agri-inputs, training for capacity building in GAP and CSA, extension services provision and access reliable markets for their produce. This expands the CASA model into the vegetables value chain.

Value-add of the COE model

The COE package for CASA Rwanda was meant to expand the CASA intervention into additional value chains using the regular programme's tried and tested modalities. It enabled the rapid scaling of activities through these existing responsive and adaptive modalities, under the CASA programme, which allow for more efficient delivery under the tight timeframe of the COE, compared to other procurement and design options available to FCDO. The additional projected outcomes and impact that the COE package enabled are also part of the value-add.

Outcomes & Impact (projected)

- The four business plans poised for implementation will reach 14,000 smallholder farmers and increase the production and availability of a variety of vegetables including: tomato, French bean, onion, cassava leaf, amaranth, garlic, pepper, cucumber, carrot, cabbage, spinach, and leek.
- The four projects are designed as pilots for the SMEs to test the proposed business models working with contracted smallholder vegetable production. These formal out-grower schemes will provide smallholders with a package of agri-inputs, extension services, capacity building and reliable markets. In addition, the models improve post-harvest handling and add value by using varied storage, conservation, and processing techniques.
- Agrilec and Agrah Care, with 7,500 smallholder producers of vegetables, targets the City of Kigali with fresh vegetables and school feeding programmes and will supply 27 schools (32,400 students) with fresh vegetables from neighbouring smallholders organised via a contract farming model.
- Besides fresh vegetables for the domestic market, Shekina Enterprise and Deyi will work with 6,500 farmers and process vegetables for value-addition and will launch six vegetable-based consumer products packaged to be modern, eco-friendly and affordable.

Key activities

- Conduct of a vegetable market intelligence study
- Development of an Inclusive Growth Strategy to drive the vegetable value chain interventions within the CASA Rwanda Programme
- Identification of potential partners and scalable/replicable business opportunities in the vegetable value chain and market system
- Identification of interested SMEs ready to embark with smallholders through investing in production, processing and distribution of vegetables to the domestic market: Shekina Enterprise, Agrah Care, Agrilec and Deyi
- Development of concept notes and subsequently four business plans for the identified SMEs.