

Impact of PGS, Farm Adoption of ICS and Group Marketing on Household Income

By:

Moses. K. Muwanga

Chief Executive Officer,
National Organic Agricultural
Movement of Uganda (NOGAMU)



Summary

- Background
- Marketing Challenges of Smallholder farmers
- Definitions: PGS, ICS,
- Impact of Implementing ICS/PGS by smallholder farmers
- Cases of positive livelihood improvements through adoption of ICS/PGS

Background and Definitions

- OA is among the fastest growing subsectors in Africa
- This is attributed to a number of factors, including;
 - unfolding market opportunities in Europe
 - Suitability and compatibility to smallholder farming systems
 - Closer to and utilizes most traditional farming practices
 - Relatively low risk ,given production and resource constraints
 - low market entry barriers compared to conventional fruits and vegetable exports
 - Increasing global demand for organic products and associated premium prices, contributing to improved household incomes in the rural communities

Marketing Challenges of smallholder farmers

- Small scale production (small volumes)
- Lack of organisation among the smallholder producers (many work on individual basis)
- Inconsistency in quality and supply
- Inadequate post harvest infrastructure
- High compliance and certification costs

Marketing challenges cont'd.....

- ICS and PGS have been the only clear channels used by the resource poor small holder farmers to access markets and hence improve their livelihoods

Definitions:

- ICS;
 - Part of a documented quality assurance system that allows an external certification body to delegate the periodical inspection of Individual group members to an identified unit within the certified operator.
 - Third party certification bodies only have to re-inspect the well functioning of the system, as well as to perform a few spot check re-inspection of the individual smallholders

Participatory Guarantee Systems (PGS)

- - Locally focussed quality assurance systems that certify producers based on active participation of stakeholders, and are built on a foundation trust, social networks and Knowledge exchange (IFAOM, 2008)

The rationale of ICS

- To facilitate smallholder certification i.e. simplify certification and reduce costs through coordinated documentation
- Implement and maintain a high quality assurance system among smallholder farmers

Benefits of ICS

- Enables smallholder farmers to access organic markets
- Enables developing countries (where majority of producers are smallholders) to commercialise their products at international level.



Key elements of PGS

- **Shared vision** (farmers and consumers)
- **Participation** (involvement of stakeholders)
- **Transparency** (basic understanding of how system works)
- **Trust** (demonstration of this trust through application of social and cultural systems – Local knowledge)
- **Learning process**
- **Horizontality** – Shared responsibility together ,rather than top down

Benefits of PGS

- Offers a more simpler and appropriate arrangement to develop local markets
- Empowers local communities and utilises local knowledge and resources
- Encourages knowledge exchange and sharing among stakeholders
- Particularly adapted to small producers due to a reduction of the paper work and of direct costs of verification as compared to third party certification

Impacts of ICS and PGS

- Facilitated thousands of smallholder farmers to market together (e.g. in Uganda over 200,000 households for export and 115,000 households for domestic)
- Provided stable and continuing access to markets (e.g. most ICS/PGS groups have been continuously marketing for years- steady and assured income for the participating smallholder farmers)

Impact contd...

- Gross income of participating farmers has been seen to increase by 20- 100% after implementing ICS/PGS and linked to markets



Thank you for your attention

mkmuwanga@nogamu.org.ug

www.nogamu.org.ug