

# AGRA's Investment and Support to Rice Value Chain

**10<sup>th</sup> CARD Genera Meeting**



# AGRA

Sustainably Growing  
Africa's Food Systems



**Antananarivo, 11<sup>th</sup> March 2026**

Strategic  
choices of rice  
as priority  
value chain

- AGRA has prioritized rice value chain in **8 out of its current 12 focus countries 3**
- **Focus countries:** Burkina Faso, Kenya, Ghana, Mozambique, Mali, Nigeria, Tanzania & Uganda
- **Non-focus countries:** Ivory Coast, Sierra Leone & Senegal

~US\$40  
million  
invested into  
Africa's rice  
sector  
development

- **Plant breeding and agronomy-** supported the development and release of 90 improved rice varieties (of which 44 have since been commercialized)
- **Access to markets and yield improvements-** with AGRA's support SHFs sold high-quality produce worth over US\$562M (2019 & 2020 seasons) across Burkina Faso, Ghana, Nigeria, and Tanzania. Yield increased from under 2MT/Ha to 3.5MT/Ha (Burkina Faso), 2.3MT/Ha (Nigeria), and 3.7MT/Ha (Tanzania).
- **Inputs distribution and extension services-** AGRA supported 40,000 agro-deals and 33,000 VBAs (Village Based Advisors) who are actively distributing necessary inputs and assisting farmers in adopting new technologies (including in rice farming).
- **Inclusive finance-** through its consortia approach and blended finance model, AGRA helped in unlocking over \$95.M in additional financing within the rice value chain across its countries of operation in west Africa.

## Regional level engagements

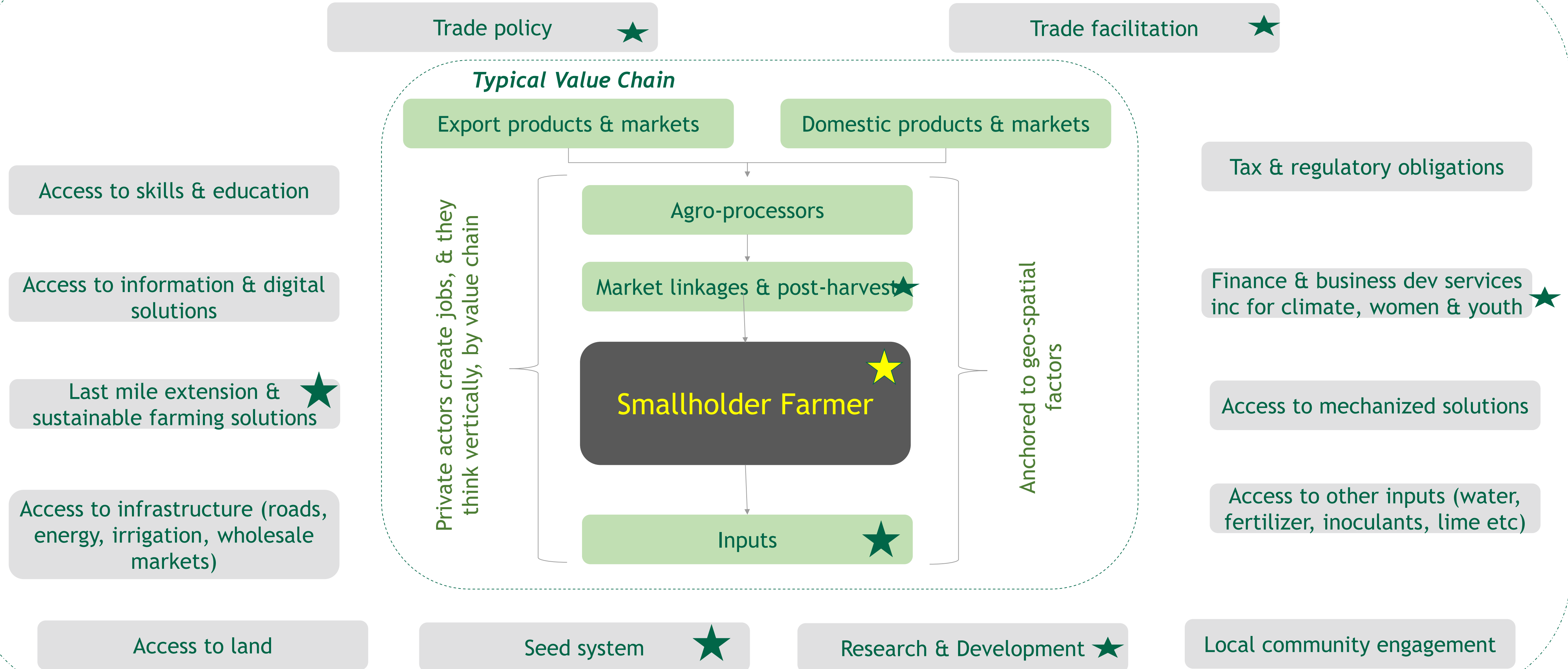
- **Regional Trade Facilitation and Policy Reforms-** AGRA has been working with ECOWAS on the ERO initiative aimed at helping key actors in WA rice sector better coordinate policy, value chain development, financing, and R&D to work synergistically, etc.
- **Strategic Grain Reserve (SGR)**– AGRA's work aimed at improving the functionality of regional strategic grain reserves to avoid negative on private sector investment and participation of small farmers in markets.
- **COMESA Mutual Recognition Agreement (MRA)**– for development and implementation of mutual recognition framework (MRF) as a key instrument to support a more predictable environment for regional food trade.
- **COMESA Regional Food Balance Sheet (RFBS)**- strengthening data availability and forecasts on crop production, cross-border trade, input supply, and data aggregation.

## Institutional capacity strengthening

- Strengthen local, national and regional **enabling policy and institutional environment** for optimal commercialization of the rice sector (case of Regional Rice Coordination Platform for EARDS, EAC).

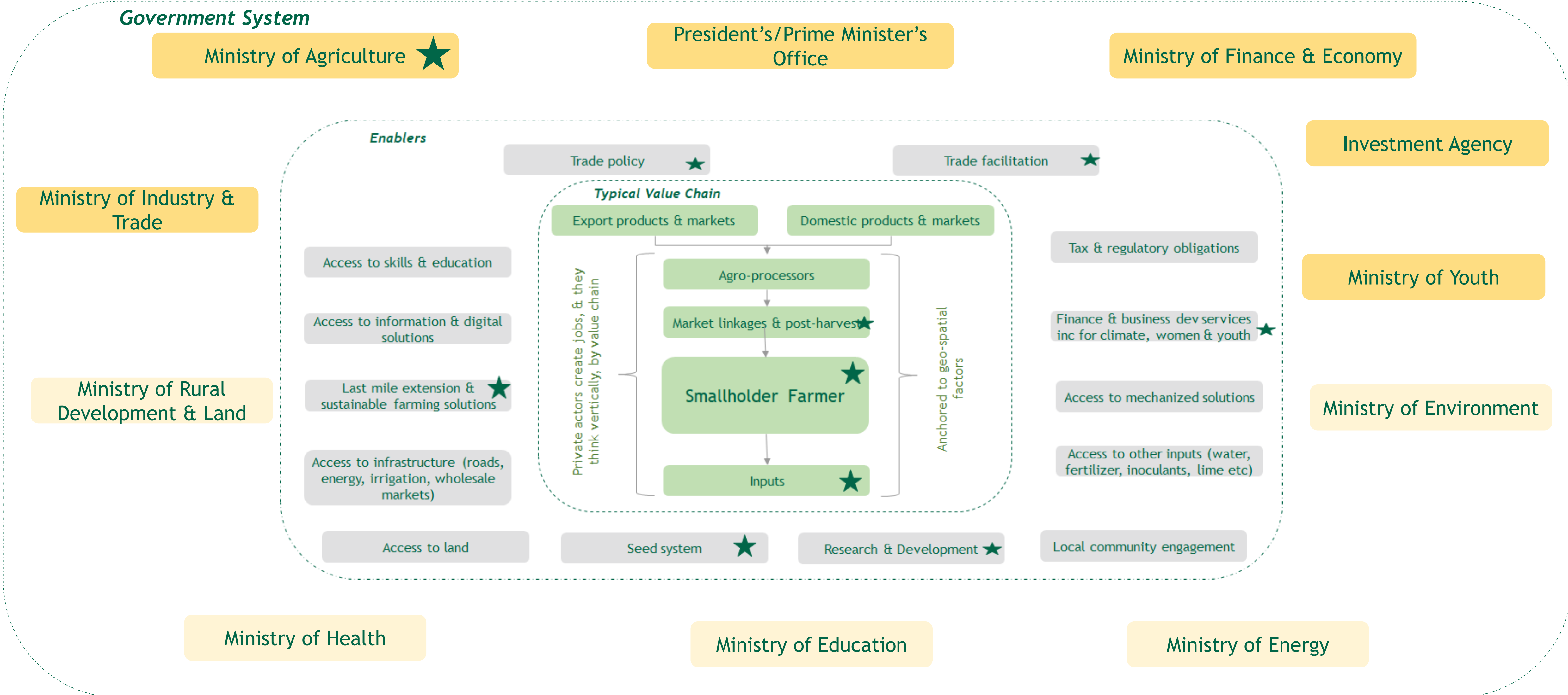
## Market System







### Enablers



★ AGRA's main traditional strength we will build from  
 ★ AGRA's second traditional areas of relative strength

Modern industrial policy coordinates all other policies around value chain needs, delivering policy coherence for systems to reach tipping point



<b>Resource Partners</b> 	<b>Partnerships for Continental Agenda</b> 	<b>Research + Thought Partners</b> 	<b>Public Sector</b> 	<b>Private Sector Delivery Partners</b> 	<b>Technical Development Partners</b> 
<p>Strategic alignment of investments from the public sector, private sector, foundations, and development partners to amplify impact</p>	<p>Engagement of the RECs, AFCTA and the AU and leveraging AGRF as a platform to further the Agriculture continental agenda</p>	<p>Coalitions at national and continental level to drive momentum on specific issues including innovations</p>	<p>Working with governments towards improved strategic direction, government, and mutual accountability</p>	<p>Working across all relevant Private Sector companies to leverage their investment in food systems transformation to increase reach, improve efficiency and enhance sustainability</p>	<p>Partnerships with our peers in Agricultural Development, grantees, and other delivery partners to transform agricultural systems</p>

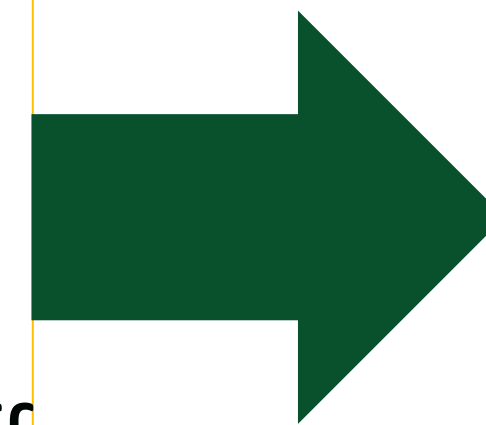


# Mobilizing Private Sector to Drive Competitiveness of Locally Produced Rice

***A case Study of CARI-EA***

## *Reclaiming regional markets by enhancing the sector competitiveness*

- Spending **US\$300 million per annum** on rice imported into the East Africa Common Market area
- Rice demand in the East Africa exceeds supply (second most consumed grain after maize)
- No uniform application of a Common External Tariff (CET) for rice coming from outside the EA common market due to bi-lateral trade agreements with other countries outside the region



- Need to go beyond trade-restricting policy tools to focus on:
- **Competitiveness of rice farms and mills**

**Note:** A 75% CET was agreed years ago; only problem is its implementation; only Tanzania mainland and Rwanda apply it. Kenya applies 30% to imports from Pakistan; Uganda gives duty free quotas to some businessmen; Zanzibar rarely applies any tariff on rice.

**Goal** To contribute to inclusive transformation of the rice sector in East Africa for sustainable increase in incomes of 220,000 women, men and young people employed in the value chain of locally produced rice in the East Africa Community

- Objectives**
1. Increase productivity, commercialization, profitability and resilience for enterprises of smallholder producers of rice.
  2. Strengthen and expand access and competitiveness in the national and regional markets for the locally produced rice.
  3. Strengthen local, national and regional enabling policy and institutional environment for optimal commercialization of the rice sector

- Targets**
- 220,000 farmers directly impacted (440,000 indirectly)
  - Capture at least 20% of the rice imports (US\$ 60 Million/year) and replace with rice from paddy locally produced in the EAC
  - Large importers of rice into EAC, are sourcing at least 30% of supply from locally produced rice
  - New Investment into the rice value chain to the tune of USD 10 million leveraged from private sector investors

- **Key partners**
  - 22 lead firms (mainly rice processors)
  - EAC Secretariat
  - Kilimo Trust as a facilitator

*To solve key challenges constraining EA rice competitiveness, AGRA and partners focused on (1) process innovation, (2) mechanization, (3) seed and GAP, and (4) trade facilitation*

## Prioritized challenges

### Farm level

- Low crop productivity due to limited use of production enhancing technologies across EAC countries
- Inefficient market linkages

### Ecosystem/business level

- Limited access to financial services mainly due to shortage of appropriate and affordable financial products for smallholder farmers and other value chain actors including traders, processors and providers of production & postharvest handling technological services.

### Regional/ policy level

- Limited coordination of the rice sub-sector at the EAC regional level and inconsistency in implementation of EAC protocol supporting regional/cross border trade

## Delivery models and interventions

### Processor-based supply chain upgrading

#### Process innovation

- Processor-guaranteed **input finance**
- Crowding in supply chain actors through a coordinated platform (consortia)
- Supply chain digitization & Good Manufacturing Practices (GMP)
  - EzyAgric (reducing paddy origination cost by 60%)
  - E-Prod, CTC software

#### Mechanizing most rice-farming operations (partnership with service providers)

- Laser-guided leveling technology for improved water management (this accounts for 40% of paddy yield)
- Rotavation (reducing land preparation cost from \$80 to \$50 per acre)
- Combine harvesters and threshers, planters and weeders

#### High-yielding varieties

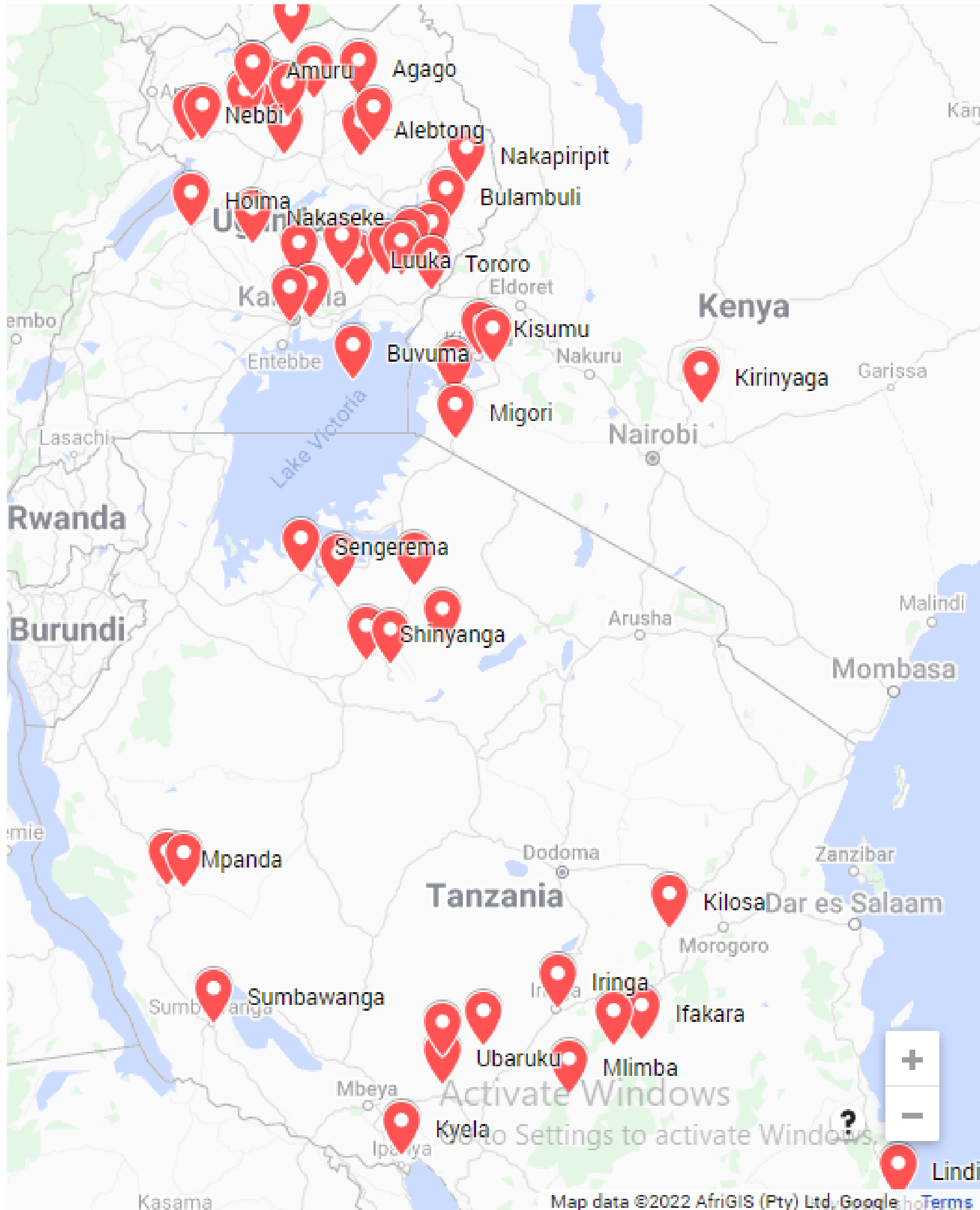
- SARO 5 and Arise Gold 6445 in Tanzania
- Komboka (with possible ratoon crop) in Kenya
- NamChe 5 variety in Uganda

#### Good agronomic practices

- Transplanting that reduced the quantity of seed from 60-80 kg to 8-12 kg per acre (hence lower production cost)

### Trade facilitation

- Rules of origin translated and disseminated
- Eastern Africa Rice Platform launched, B2B convening, brand development
- Collaboration with CARD to develop the EA rice strategy



Focus countries  
**Kenya: Central and Western regions**  
**Uganda: Eastern, Northern and Central regions**  
**Tanzania: Southern Highlands and Northern region**

Farmers reached  
**190,096 (40%F)**  
 Smallholders reached in the 3 countries

Kenya – 31,666  
 Tanzania - 92,569  
 Uganda - 65,861

Consortia and Agri-SMEs  
**22**  
 Processor-led Business consortia established with 42 SMEs engaged



**190,096** smallholder farming households integrated in structural input and output markets



**249,880 MT** of rice products worth **USD 131M** traded through structured arrangements



**USD 6.2M** leveraged from public and private sector investments



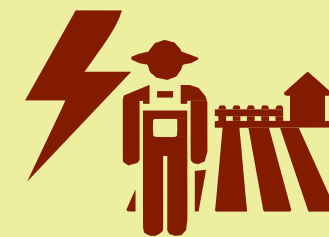
**88%** adoption of productivity-enhancing technologies



**313%** Increase in farmer commercialization



**2,144** New jobs created along the rice value chain



**80,517** farmers (**43%**) with adaptive/coping strategies to shocks



Up to **85%** increase in farmer incomes



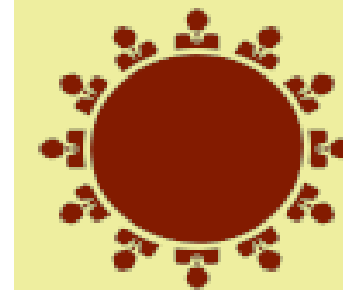
**462** women owned enterprises supported and **397** youth enterprises established



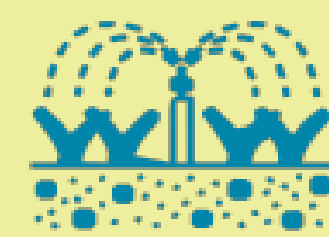
**23,571MT** of quality agro-inputs (seed & fertilizer) accessed



**823%** increase in local rice sourcing by engaged rice processors



**A 12**-member EAC Rice Platform was launched in January 2020



**25%** and **29%** increase in productivity among the irrigated and rainfed systems respectively



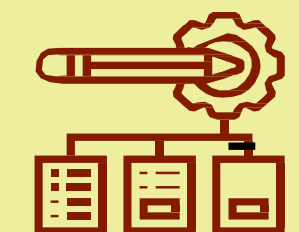
**271%** increment in profitability among engaged SMEs



**3** new rice brands (ZAABU, MealTime and Farmers' Pride) were developed and introduced on the market



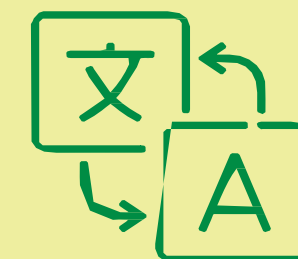
**32,142** value chain actors accessed finance **USD 10.7 M**



Developed and validated the first draft framework for the East Africa Rice Development Strategy (ERDS). Development of the ERDS is currently on-going with support from Coalition for African Rice Development (CARD) Secretariat



Published Report on Policy Issues affecting East Africa Community Intra-Regional Trade in Rice and three policy briefs noted in the 14th Ordinary Meeting of the Sectoral Council on Agriculture and Food Security (EAC/SCAFS/14/Decision 16)



Translated the rice component of the EAC Rules of Origin into the most spoken languages in the EAC Partner States, (i.e., Swahili, Kinyarwanda, French and Luganda) and this was published

- This investment aimed to reclaim at least 20% of the market (estimated at US\$60 million per year).
  - *By April 2022 (i.e., 2 full seasons)\*, rice millers and traders had sold US\$ 131 million worth of rice through structured markets (both paddy and milled rice); i.e., US\$65.5 million on average per year. This is 109% of the target.*
- 220,000 smallholder rice farmers impacted
  - *190,096 impacted; i.e., 86% of the target*
- US\$10 million leveraged
  - *By April 2022, the program had attracted US\$6.2 million in new investments for the rice sector in the 3 target countries; i.e., 62% of the target*

1. **Proper land preparation and planting through mechanization** has the potential to reduce labor requirements by 50% and significantly reduce costs as well as water use.
2. Actualization of the **implementation of the 75% CET on rice imports** from Asia and institutionalization of import quotas can improve competitiveness of farmers, millers and other value chain actors – local production has potential to bridge the supply gap.
3. To increase competitiveness of local rice and profitability at processor and farmer level, **aggregation infrastructure needs to** be established for bulk purchasing from farmers who are not in well-organized irrigation schemes.
4. EAC partner states need to invest in **maintenance of strategic reserves of key commodities such as rice** to not only stabilize prices against external shocks e.g., the C19 pandemic but also cushion the local rice sector in seasons where production volumes are too low due to climate change or too high from bumper harvests.
5. **National and regional verified rice sector statistics** are critical in guiding partner state governments on initiatives geared towards increasing inter regional trade and competitiveness of locally produced rice (e.g., tax exemptions).
6. Integration of **smallholder farmers into digital platforms** and establishment of last mile agro-input distribution networks within farming communities greatly increases resilience of farmers to shocks.
7. **Sustainable rice production practices and adoption of the cyclic economy** have the potential to reduce the impact of rice production on the environment.
8. **The matching grants mechanism for engaging value chain actors** has proven effective in attracting not only private sector actors to immensely invest in the value chain but also makes them attractive to other funding.

## Kenya: MRGM

## Rice Value Chain Consortium - CARI EA - YouTube

## Tanzania: Nondo Investments

## Southern Highlands Rice Value Chain Consortium - CARI EA Tanzania - YouTube

# Impact stories

*(double click to each story for more info)*

**AGRA Impact Series**

**UGANDA**

**Young traders reap from a new rice brand**

Because of AGRA's support Zaabu rice brand was established at a local miller in central Uganda. The brand did not only increase production and quality of paddy but it also created job opportunities for the youth.

Because of the recurrent production of low volumes and poor quality of rice among rice producers in East Africa, there was a need to devise strategies for increased production and post-harvest handling of paddy grown in the region. Therefore, Kilimo Trust (KT) and East African Community Secretariats in Kenya, Tanzania and Uganda designed a proposal that aimed at increasing productivity of paddy, expand businesses in rice trade as well as increasing resilience of SMEs acting in the rice value chains. Altogether, these aimed at increasing the competitiveness of locally grown rice in the region to substitute the over US\$300,000 worth imports into East Africa's rice markets. Fortunately, the United States Agency for International Development (USAID) through the Alliance for a Green Revolution in Africa (AGRA) commissioned the Competitive African

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**Exploiting local fabrication capacities to enhance post-harvest**

Farmers in Eastern Uganda were equipped with the right knowledge that made them increase rice yields per area. The quality of the grain plus the price improved as well.

Uganda's fertile soils and conducive climate enable the country to grow a variety of staple crops with ease hence making it a food basket for many nations in the great lakes region. However, due to the chronic maize knowledge in good agronomic practices, post-harvest technologies and trade systems among farmers plus several other actors along the value chain of the crops, the country has always experienced low productivity and marketability of its crops. The small holder farmers, who are the majority of the production level grow small acreage of crops like beans, maize and rice. Because they do not use improved input innovations like high yielding seeds, pesticides and fertilizers, their yields are normally limited, hence limiting the potential of turning big from agriculture. In a way to upgrade their livelihood, a number of interventions by government and

other development agencies like NGOs and foreign governments of developed nations, have been investing in Uganda's agricultural communities and related sectors to increase productivity of the farms. Others have gone beyond to invest in improvement of the crops' quality and marketability within and beyond the country's boundaries. For example, the Alliance for a green revolution in Africa (AGRA) is implementing a five-year project known as the Partnership for Inclusive Agricultural Transformation in Africa (PIATA) in eleven African countries, Uganda inclusive. The project that was launched in 2017 with the aim of transforming farms from subsistence to sustainable businesses through engaging with private SMEs along the value chain is reaping from its investments. In Uganda, the Competitive

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**Building up Knowledge for Potential Rice Farmers in Eastern Uganda**

With more farmers in Eastern Uganda being equipped with the requisite knowledge for increasing rice yields per area, there have been notable improvements in both grain quality and price.

Uganda's rice markets have long been dominated by poor quality rice due to knowledge gaps in the supply chain. Combined with the low productivity from the rice fields owned by smallholder farmers, it has not been possible to satisfy the market demands for volume and quality. This situation left traders and millers with no alternative but to import both paddy and milled rice, mainly from Asia, to meet the demand in the local markets. This was the basis for the Alliance for a Green Revolution in Africa (AGRA) intervention among various rice value chain actors to increase production, quality as well as the competitiveness of Ugandan-grown rice. The Competitive African Rice Initiative in East Africa (CARI-EA) project launched in 2019, was implemented by Kilimo Trust (KT) and the East African Community Secretariats in Kenya, Tanzania and Uganda with the aim of boosting the region's trade in locally grown rice. The three-year project also sought to substitute the East African Community's common market rice import bill, estimated at US\$300,000,000. Innovations such as the use of improved rice seeds, fertilizers and mechanized tillage, not only increased productivity per unit area, but blended well with a number of post-harvest practices like drying, threshing, and winnowing to produce high quality grains to the satisfaction of the common market's utility. According to Henry Mawanda, the program officer at KT, strategies for increasing volumes of locally grown rice were aligned to increasing the utilization capacity of local millers whose operating capacity had been trading at a low of 20%.

With nearly 60% of Uganda's rice farmers selling milled rice rather than paddy, controlling aggregation was a challenge. The CARI-EA project centralised the management of post-harvest handling practices such as drying, sorting and grading in order to raise the quality of grain

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**A practical approach to building up rice markets - Uganda**

The Competitive African Rice Initiative in East Africa (CARI-EA) project supported by the Alliance for a Green Revolution in Africa (AGRA), is credited with not only increasing the production volumes of rice in Eastern Uganda, but also in the improved capacity and quality of processed grains. The Diner's rice brand is among the forerunners satisfying local consumer demand, as well as meeting stringent export quality requirements.

Located in the business hub of Mbale city, 250km from the capital Kampala, Diner's Group Limited (DGL), whose portfolio includes crop agronomy, agricultural extension, agro-input supply and farm mechanization, explains Henry, "To bridge the financial gaps and provide agriculture insurance services for the rice growing communities, Post Bank Uganda Limited, Equity Bank Limited and Micro-Finance Support Centre were included together with MUWA Insurance Company." In all the interventions, the smallholder farmers were the center of focus, with the aim of increasing rice productivity and marketability. Mohammed Ssekatawa, the managing director of DGL, says that the company has contributed to the improvement of the region's rice trade. It is also worth noting that prior to the formation of DGL in 2013 with two other colleagues, Mohammed was a prominent rice trader in the Kampala area. He had observed a gap in the quality of rice traded in Uganda, prompting him to conduct a

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**Improving Uganda's rice production**

The partnership between the Alliance for a Green Revolution in Africa (AGRA) and a local miller is paying off for rice farmers from Nakigya village in eastern Uganda. Having recently received agronomy and post-harvest handling skills, they now report an increase in the production volumes and quality of the crop, as well as commanding higher prices at the market.

Nakigya has a long history of rice production in Uganda, whose portfolio includes crop agronomy, agricultural extension, agro-input supply and farm mechanization, explains Henry. "To bridge the financial gaps and provide agriculture insurance services for the rice growing communities, Post Bank Uganda Limited, Equity Bank Limited and Micro-Finance Support Centre were included together with MUWA Insurance Company." In all the interventions, the smallholder farmers were the center of focus, with the aim of increasing rice productivity and marketability. Mohammed Ssekatawa, the managing director of DGL, says that the company has contributed to the improvement of the region's rice trade. It is also worth noting that prior to the formation of DGL in 2013 with two other colleagues, Mohammed was a prominent rice trader in the Kampala area. He had observed a gap in the quality of rice traded in Uganda, prompting him to conduct a

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**Young traders reap a tidy profit with new rice brand - Uganda**

Zaabu Rice brand, is the pride of a local miller in central Uganda. Supported by the Alliance for a Green Revolution in Africa (AGRA), the new brand has not only increased production and quality of the paddy, but also expanded job opportunities for the youth.

The focus of the CARI-EA project is the reversal of rice imports by identifying local millers with state-of-the-art mills to take the lead of the country's rice value chains. In Kenya, Tanzania and Uganda, a program officer at KT. In the consortium approach, the miller sources other actors like agronomists, input dealers, financial service providers as well as traders to work as colleagues in developing the rice value to a level that would increase the rice value in the region. In total, six consortia have been established in the various regions of Uganda. Several developments were made with AGRA's support that targeted smallholder farmers as well as other actors in the value chain. Altogether, these combined efforts sought to increase the competitiveness of locally grown rice in the region in order to substitute over US\$300,000 worth of rice imports into the market of East Africa. The United States Agency for International Development (USAID), in partnership with AGRA, commissioned the Competitive African Rice Initiative in East Africa (CARI-EA) project in April, 2019. In Uganda, the project focused on clustering various actors along the rice value chain into consortia to support farmers' farmers' ability to increase the quantity as well as the quality of paddy grown on farms.

**AGRA Impact Series**

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**New Rice Brand Credited with Quality Improvement and Competitive Pricing - Uganda**

Diner's Group Limited is credited with originating a quality rice brand in Eastern Uganda. Supported by a grant from the Alliance for a Green Revolution in Africa (AGRA), Diner's rice brand not only fills the long-awaited quality gaps in the rice market, but also shifts rice prices to more competitive levels.

In the trade of locally produced rice was partly due to inefficient market linkages. The trader's locked knowledge on the ideal quality standards necessary for effective participation in the rice trade. "Previously, there had been a heavy reliance on imported rice into the country in order to fill the desirable quality and quantity gaps in the market. Having identified millers and traders as the key stakeholders for off-taking the paddy and milled rice, respectively several consortia were organized to pull in the various stakeholders identified for the improvement of the rice trade in Uganda," he explains. Together with other actors in the rice value chain, The DGL Consortium, which is based in the eastern part of Uganda is one of the six consortia that are supported by the project in the country. "It comprises Diner's Group of Limited (DGL) as

*Double click to open each of the papers above*

# Thank you



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