

SAVINGS MOBILIZATION THROUGH THE FORMATION AND ESTABLISHMENT OF RURAL PRODUCE ORGANIZATIONS (RPOS).



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Project Site: Budongo County, Masindi District and near Kinyara Sugar estate, Uganda



PHOTO: WWW.GOOGLE.COM

Sugarcane plantation cultivated by a Budongo youth group

Background

Budongo is an agricultural area with a high and growing population due to the proximity of Kinyara Sugar Limited. Tulihamu Budongo Savings and Credit Cooperative (SACCO) was established in Budongo sub county by members wishing to access financial services which the formal financial services in Masindi could not provide.

The SACCO was registered in 2005, with 7 board members, supported by 3 members of the audit committee, 7 staff and 997 members.

Project summary

Savings mobilization through the formation of Rural Produce Organizations (RPOs) is a new financial model to be implemented in Budongo sub county. RPOs are to be established throughout the sub county and later lead to the formation of a farmers marketing cooperative that will be bulking farmers produce. A rural information system will also be installed in the sub county to link farmers to marketing information and intelligence. Our

objectives are to organize 15 RPOs in 5 parishes by January 2010. We will be promoting a savings way of thinking amongst 1,000 farmers and mobilize over 50,968 USD in savings by September 2010. Marketing information will be available and we hope to have set up a market for bulked produce by October 2010

At the parish level, the RPOs will help with the provision of HIV/AIDS information and new materials will be produced to reach all the farmers and help reduce the spread of the infection. We will also encourage and provide employment opportunities, particularly to the youth, and promote involvement in cereal production.

Contribution to the Decent Work Country Programme's priority (DWCP):

- Reduce poverty through increased opportunities for youth employment and productivity;

Partners

Our partners for this project include:

- Production Department Masindi District;
- The Micro Finance Support Centre, for external agricultural loans;

- Uganda Cooperative Alliance, for technical guidance on the RPO model;
- Uganda Commodity Exchange – for guidance on rural information systems
- Masindi farmers Association for advisory services;
- Kinyara Sugar Growers Limited (KSGL), for mobilizing the sugarcane farmers;
- The Association of Micro Finance Institutions in Uganda – AMFIU, for guidance on product development and research;
- Mid North Private Sector Company for capacity building and consultancy.

Beneficiaries

The project will target 1000 farmers in the five parishes of Budongo, namely Kabango, Nyabeya, Kasongore, Kasesene, Nyantozzi and also over 500 sugarcane farmers from the neighbouring sub counties. Over 1000 people in the community will also indirectly benefit from the project.

Expected achievements

- Establishment of RPOs at parish level to organize 1000 cereal crop farmers;
- Establishment of a farmer's database and instalment of a rural information system;
- Establishment of a market network with potential markets like World Food Programme (WFP);
- Establishment of a marketing cooperative, registered at a national level;
- Construction of a warehouse with a goods reception system set up by and linked to the SACCO;
- Reduction of farm input costs;
- Increased production and centralized bulking of the produce;
- Increased savings mobilization, and farmers accessing credit with low interest rates.

Project duration and budget

Project duration: October 2009 – September 2010

Total budget: USD 75,022

Contributions from COOP^{AFRICA}: USD 50,000



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