Common Fund for Commodities

CFC signs new Trust Fund Commodity Partnership Agreement with the Dutch government

Second Agreement continues collaborative efforts, now focusing on improving international food security

En marge of the 25th Meeting of the Governing Council of CFC in December 2013, a USD 5.5 million agreement was signed in which the Dutch Minister for Foreign Trade and Development Cooperation confirmed support for a new program managed by the Common Fund for Commodities. Entitled *CFC Dutch Trust Fund Commodity Partnership DTF I*, the program facilitates increased support for enhancing commodity production and productivity, improving value chains, modernizing irrigation and strengthening the position of small-scale producers.

The projects to be funded under the Trust Fund arrangement will align with the Dutch government's food security priorities, including sustainable development of the agro-food business/horticulture sub-sectors. Within that field, supported interventions will follow the CFC's established policies for selection, approval and implementation. The program will be completed by 31 December 2020.

The recently signed Agreement is the second trust fund arrangement between the CFC and the Dutch government. The previous partnership was a USD 4.7 million agreement in support of the "Five Year Action Plan 2003 – 2007". This plan enabled the CFC to provide additional assistance to projects in developing countries that improved access to markets, enhanced diversification and value addition, improved market structures and increased effective participation of all stakeholders in value chains.

Depicted left to right: Mr. Jaap Smit, Policy Advisor, Sustainable Economic Development Department, Ministry of Foreign Affairs and Mr. Parvindar Singh, CFC Managing Director a.i.

Selected highlights of the supported interventions include:

- Development of organic banana farming in Ethiopia and Sudan, including distribution of appropriate varieties, establishment of packing stations and export to foreign markets.

- Establishment of 13 cassava processing centers in West Africa, enhancement of production and productivity, and development of cassava products for direct sales to consumers.

- Development of harmonized quality standards for hides and skins in West Africa which were adopted by UEMOA; development of national sector associations as well as a regional professional association: ASOAC - *Association Sous Regionale des Professionels de Cuir et Peaux de l'Afrique de l'Ouest (West African Leather Industry Association)*.

- Training on prevention of pre-slaughter defects on hides and skins to increase acceptance for processing, reduce wastage and obtain higher prices; revival of Leather Association of Tanzania and assistance in creation of Livestock Development Fund.

- Export of green beans from Ethiopia and Sudan, including enhancement of productivity and establishment of appropriate mechanisms to ensure conformity with international trade quality standards.

Content

- Establishment of 15 production/processing centers serving more than 75 producer groups for shea butter in Sub-Saharan Africa; formalization of "Codes of Practice" and development of quality standards which were endorsed by 16 national standardization bodies as well as regional organizations (CEAC, COMESA, ECOWAS, UEMOA).

- Establishment of commercially viable hand pulpers and small scale coffee washing stations in Rwanda and Ethiopia to enhance the quality of green bean and coffee liquor and improve sales price by 6 ETB per kilogram for pulped coffee compared to sun-dried coffee.

- Introduction of a Warehouse Receipt System in Tanzania and Malawi, including refurbishment of warehouses and issue of receipts for maize and cashews, leading to higher incomes to farmers.

Lessons learnt from the implementation of the individual projects as well as the overall Agreement were reported to the Dutch Minister. The collaborative experience gained during the implementation of the first Trust Fund was instrumental in developing the newly signed Agreement.

The CFC's Managing Director a.i. has communicated his great appreciation to the Dutch Minister for the government's continued support. As an important member country of the Common Fund for Commodities, the Netherlands' decision to once again entrust substantial funding to the CFC's management will further their shared goal of improving the livelihoods of disadvantaged stakeholders in commodity value chains.

Ministry of Foreign Affairs of the Netherlands

Reviving the coffee sector in the Democratic Republic of Congo

CFC supports small-holder coffee farms to reduce rural poverty

The project is constructing micro-washing stations (MWS) accompanied by drying sheds to enable farmers to improve the quality and process coffee closer to where it is grown.

Official statistics from the Democratic Republic of Congo (DRC) demonstrate the country's challenges in the coffee sector. Its total estimated coffee production is 63,000 metric tons per year, yet officially reported exports were only 8,167 metric tons in 2012/2013. Very little coffee is consumed domestically, so where is the remainder going?

In the border regions of Eastern Congo, it is common knowledge that coffee producers are at the mercy of illicit buyers. As tax rates are significantly lower in Rwanda and Uganda, coffee is often smuggled into neighboring countries. This helps to explain why official Congolese coffee exports plummeted from a historical high of 130,000 metric tons per year in the mid-1980s down to about 6% of that today.

Quality coffee for sustainable incomes

At the request of the DRC government and the International Coffee Organization (ICO), the Common Fund for Commodities (CFC) is funding a project to support small-holder coffee producers in this vulnerable region. The CFC is contributing USD 1.4 million, including a USD 700,000 contribution by the OPEC Fund for International Development (OFID). Co-financing has been provided by Belgium's Directorate General for Development Cooperation (DGD) and Dutch NGO Cordaid for parallel activities. The Belgian NGO Vredeseilanden will manage and implement the project through its Congolese representative VECO DR Congo as part of a larger program with ambitious objectives.

The project will focus on improving farmers' capacity to produce top quality coffee and their access to international markets. It aims to provide financial security to coffee producers affected by war in three provinces of DRC (Orientale, North Kivu and South Kivu). Upon completion, this project will serve as a model for providing people displaced by war with sustainable incomes that contribute to economic stability for the entire country. The project is scheduled to run from 2014 to 2017.

Micro-washing stations (MWS) play a central role

As a first step in the process, the project will pilot the use of micro-washing stations (MWS) which enable farmers to process coffee closer to where it is grown, as well as receive better market prices than selling the raw fruit.

Each MWS will be owned by a group of at least 100 smallholder coffee producers, each contributing USD 50. As the total cost of building and equipping a washing station is about USD 10,000, the remaining USD 5,000 will be provided by the project in the form of necessities like roofing materials, fermentation tanks, scales, moisture meters and a mini eco pulper with a capacity of 1.2 metric tons of cherries per hour. These investments will be reimbursed to the central cooperatives overseeing the washing stations. The repayment periods will depend on the coffee market: higher prices mean faster repayment. Over time, this revolving loan fund will help establish new MWS groups.

A management committee was formed for each MWS. As part of their responsibilities, they developed a procedure manual with hand-drawn illustrations which allowed them to effectively share information with the entire group, including members who are illiterate. By production region, the MWS groups will form a coffee marketing cooperative. On the island of Idjwi (South-Kivu) and in Ituri (Orientale Province), existing cooperatives will integrate the MWS in their structure. New cooperatives will be formed in Ruwenzori and in the Beni-Lubero area, both in North-Kivu.

Connecting to international markets

VECO will also broker relationships with international coffee buyers. High-quality, micro-station washed coffee is attractive to specialty coffee buyers, but it may take a few years for coffee from Eastern Congo to build a strong reputation on the world market. Once trading relationships are well established, VECO will exit the process.

One of the project's ongoing challenges will be mobilizing capital. Financial institutions are still reluctant to invest in the DRC, fearing high insecurity and corruption levels. Another challenge will be convincing authorities in the DRC to harmonize coffee tax regimes with neighboring countries to discourage smuggling. Currently, tax rates in Rwanda and Uganda are around 1.5% of the FOB value versus more than 10% in the DRC.

Brighter future for Congolese coffee farmers

Better prices from quality coffee buyers will boost coffee production considerably. The project distributed 3 million seedlings of coffee varieties well-adapted to the region, in close cooperation with the DRC's Office National du Café (ONC) and Institut National pour l'Etude et la Recherche Agronomiques (INERA). The seedlings provide an opportunity to promote good agricultural practices, including agroforestry with shade trees.

The program intends to support the construction of at least 80 MWS (43 with CFC/ICO support). But Eastern Congo shows even greater potential. It is estimated that the island of Idjwi alone could accommodate 120 MWS. To date, the new MWS have been established faster and in greater numbers than originally predicted, meaning that additional financial support may be necessary sooner than the project's target end date of 2017.

Regardless of international coffee prices, completion of this project will enable smallholder farmers in Eastern Congo to obtain far better prices than they receive today. In 2013, coffee farmers in the program region had an average annual household income of USD 300. By the end of the program, the average household income is expected to double due to the combined effects of improved quality, increased production and connections to specialty markets. The increased income will demonstrate the benefits of regional peace and offer young people an appealing alternative to joining rebel groups. In addition, the dramatic improvements in quantity and quality of exported coffee will provide considerable economic gains to the government of the DRC and the country as a whole.

Contributed by Ivan Godfroid, VECO DR Congo

Each MWS group has a management committee. As part of their role, group leaders train participants on effective procedures using illustrations.

Sharing knowledge: Nigerian smallholder rubber farmers seek inspiration from Indian colleagues

Nigerian rubber farmers participate in week-long study tour to India

The Common Fund for Commodities (CFC) promotes the enhancement of commodity value chains and stimulates countries to share best practices – especially in the form of South-South cooperation.

In January 2014, a team from Nigeria visited Kerala, India's primary rubber producing region. The group included five Nigerian farmers (representing the States of Edo, Delta, Ogun, Akwa Ibom and Kaduna) and four representatives from the Nigerian Rubber Research Institute, the Federal Ministry of Trade and Investment and the Federal Ministry of Agriculture and Rural Development.

The objective of the visit was to gain insights from the advanced Indian rubber production and processing industry. This visit was part of the CFC funded project *"Promoting Development of Economically Viable Rubber Smallholdings in West Africa"* (CFC/IRSG/21). It is being implemented by the World Agroforestry Centre in collaboration with the Rubber Research Institute of Nigeria, under the supervision of the International Rubber Study Group. Since its commencement in July 2009, this project has distributed high-yielding rubber clones, established four model farms in traditional rubber-growing regions, introduced high-value varieties to intercrop with rubber and completed a number of trainings with farmers and extension officers.

Learning best practices from Indian smallholders

Over the course of the week-long tour, the Nigerian participants witnessed the various stages of the Indian rubber commodity chain[1)]:

- **Farming**: The group visited typical smallholder rubber plantations in India to observe field hygiene practices, tapping methods and nursery management. They also learned about produce handling, as rubber is often intercropped with pineapple and plantain in India.

- **Small-scale processing**: They met Indian smallholders who use a two-roller sheeting machine to process RSS4 grade rubber and generate bio-gas from rubber effluent to use as an energy source for heating the rubber sheets and cooking.

- **Factory production**: They toured the Malankara rubber factory that processes baled crepe rubber and latex. This factory generates all of its energy requirements from solar power and has an effluent treatment plant to reduce fresh water consumption.

In addition to rubber farming and production, participants also learned about value-added products from rubber trees, such as furniture made from the wood.

Applying lessons from India to Nigeria's rubber sector

The delegation returned from its tour with new inspiration for revamping the Nigerian rubber industry through the development of smallholdings. The Indian Rubber Producers' Societies can serve as a model: They encourage collective production, enable farmers to improve their negotiating power on both the supplier and buyer sides and remove the middleman margin. In addition, they keep price variations transparent by publishing them in newspapers and sending market information to farmers by text message on their mobile phones.

Further training of Nigerian smallholders will be encouraged in the areas of field hygiene, latex handling, budding techniques, tapping techniques, effluent management, production of rubber for export, labor management, rubber intercropping and mixed farming. The project will also consider recommending that a percentage of the tax revenue from rubber exports be earmarked for research and development.

Following the tour to India, the project's 2014 goals in Nigeria include setting up a rubber sheeting facility, developing a training program using Lohashilpi rubber sheeting machines and creating a marketing network for rubber exports.

In Kerala, India, it is common to intercrop rubber with pineapple or plantain. This provides additional income sources to farmers as the rubber trees mature. *[Image credit: vinathorat at BCMTouring.com]*

1) Ninety percent of the Indian rubber farmers are smallholders with an average plantation size of 0.5 hectare, but they can reach the world's highest productivity and enjoy relatively high farm gate prices. The total planted area is 759,000 hectares. India has about 495,000 people employed in the rubber industry, over 3000 rubber producers' societies (RPS) and 12 established trading companies. Rubber production in India is controlled through the Rubber Board, which also set up the Rubber Training School for those involved in the rubber value chain.

During their study tour to India, the Nigerian farmers observed local smallholders using Lohashilpi rubber sheeting machines.

National cotton classing systems in Kenya and Mozambique

Improving transparency and pricing with standardized classification

Since 2012, the Common Fund for Commodities (CFC) has been funding a project on national cotton classing systems with a co-financing contribution from the OPEC Fund for International Development (OFID). The project was developed with the assistance of the International Cotton Advisory Committee (ICAC). A private firm, Wakefield Inspection Services, is responsible for the implementation of the project.

Modernizing quality assessment

Cotton is an important commodity for many African countries, including Kenya and Mozambique. Traditionally, cotton (lint) prices were based on quality parameters determined by visual and manual inspection. Modern classification instruments offer more objective, verifiable and accurate results, giving buyers and sellers a transparent platform for assessing quality. Objective quality assessments reduce ambiguities that lead to arbitration and litigation and place cotton farmers in a better position to negotiate prices for national and international markets. Assessment of quality through these modern techniques can increase prices by up to USD 50 per ton of lint.

The main objective of the project is to introduce national cotton classing systems in Kenya and Mozambique. It will establish a functioning national cotton classing system in both countries, with 100% bale sampling and testing using High Volume Instruments (HVI). The new classification system will allow ginners to negotiate better prices for their cotton lint, and in turn pay higher prices to farmers. Besides benefiting these two countries directly, the project's outcomes could be applied to other cotton-producing countries hoping to adopt a similar approach.

Four laboratories equipped with HVI

In Mozambique, three classing facilities have been established in the main cotton producing regions of Beira, Nampula and Montepuez. Kenya's laboratory is located in Nairobi, acting as a hub for the scattered ginneries. Construction work is complete and HVI machines have been commissioned at the four laboratories.

The construction of cotton classing facilities was challenging as a whole, including ensuring that the Ambient Air Management Systems (AAMS) provided consistent temperature and humidity levels. The laboratory in Kenya was completed without incident, but more work is required on the AAMS in Mozambique before the facilities will be fully functional in August 2014.

Training

Training is a core component of the project. As only 3 of the 18 available classers in Mozambique had knowledge in operating HVI machines, the cotton classers have received extensive training on machine operations and data interpretation. In addition, project personnel were trained at the United States Department of Agriculture (USDA) in 2012. This helped them to develop system manuals and other reference materials as well as adopt CSITC[1)] and USDA guidelines.

The project is making full use of the expertise available at the Regional Technical Centre (RTC), located at the Tanzania Bureau of Standards in Dar es Salaam. The RTC was established by one of the many other cotton-sector projects that have been funded by CFC over the past decade. Besides providing training programs for classers, the RTC will also serve as a reference laboratory by testing samples from the four laboratories included in the project.

The project should be operationally complete by the end of 2015. In the coming year and a half, cotton organizations in Kenya and Mozambique and national regulatory bodies will work to train local cotton sector stakeholders as they work towards their goal of classing 100% of each country's cotton crop.

Article contributed by Mr. Moses Charles Bujaga, Regional Manager, Wakefield Inspection Services, Dar es Salaam, Tanzania

1) CSITC = Commercial Standardization of Instrument Testing of Cotton. The guidelines have been developed and internationally accepted in the framework of the CFC project: CFC/ICAC/33.

Training workshop at the United States Department of Agriculture (USDA) cotton office in Memphis, Tennessee

Trained cotton classers demonstrate cotton testing using an HVI machine to stakeholders

Remembering Dr. Gamani Corea: An advocate for commodity-driven economic development

Among his many accomplishments, Dr. Corea influenced the creation of the CFC

Economist, diplomat and international development advocate Dr. Gamani Corea passed away on 3 November 2013. His departure leaves behind the legacy of a man who spent his life championing a new economic order that addressed the needs of developing countries.

Dr. Corea was born in Sri Lanka in 1925. He studied at Corpus Christi College, Cambridge and Nuffield College, Oxford from 1945 to 1952. While in the UK, he earned two bachelor's and master's degrees, from both the University of Oxford and the University of Cambridge, followed by a doctorate in economics from Oxford.

From the very start of his career, Dr. Corea took an interest in the political and economic developments shaping Sri Lanka after its independence. He held a number of influential positions as an economist before being appointed Sri Lankan Ambassador to the European Economic Community in 1973.

His influence, however, reached far beyond the borders of Sri Lanka. While Dr. Corea was best known for his position as Secretary-General of UNCTAD from 1974 to 1984, his work with UNCTAD actually dates back to the organization's founding. At the first session of UNCTAD in 1964, he helped to create the Group of 77 developing countries. As Secretary-General, he focused on economic reforms which could provide better prospects for marginalized countries, specifically through trade in commodities. He pressed for an Integrated Programme for Commodities around a Common Fund. His vision led to the foundation of the Common Fund for Commodities (CFC), which was officially established in 1989.

As the "founding father" of the Common Fund for Commodities, Dr. Corea's passing was deeply felt by current and former representatives of the CFC. Twenty-five years after the CFC's foundation, his vision of commodity-driven development is more relevant than ever. The CFC will strive to ensure that Dr. Corea's legacy lives on through the practical, commodity- focused work it carries out on a daily basis.

Dr. Gamani Corea, 1925-2013

Amb. Ali Mchumo, Former Managing Director of the CFC (September 2004 – August 2012), remembers Dr Corea:

"I had first heard the name of Dr. Gamani Corea way back in 1976 when, as a young politician and a junior government minister, I took keen interest in following the proceedings of UNCTAD IV which was taking place in neighboring Nairobi, Kenya. It will be recalled that it was at this conference that Dr. Corea, as Secretary General of UNCTAD, had tabled the Integrated Programme for Commodities (IPC) and the proposal to establish the Common Fund for Commodities (CFC). It was the diplomatic and technical economic skills of Dr. Corea which led to successful conclusions of UNCTAD IV, adoption of the IPC and the establishment of CFC. Even if the actual negotiations for the Agreement establishing the CFC and its eventual ratification took many more years, and the CFC itself came into operation 13 years later when Corea was no longer in charge of UNCTAD, there is no doubt that he deserves the distinction of being remembered as the founding father of CFC. It was for this reason that when I was elected as MD for the CFC in 2004 (little did I know back in 1976 that I would have the honor to serve as MD of the CFC almost 30 years later!) and went on this mission to Sri Lanka, I felt compelled to pay him a courtesy call at his retirement home in Colombo to express my genuine admiration and gratitude to him for his invaluable contribution towards the establishment of the CFC and for fighting for the interests of developing countries during his long active life."

Following his death, international leaders reflected on his contributions:

"He stood out in the world as a Sri Lankan economist, civil servant and diplomat whose special contribution was to the economic advancement of the developing nations. His demise leaves a major void in the field of economic expertise, administration - both national and international, and diplomacy. His career was a trail of excellence that can hardly be matched."
President Mahinda Rajapaksa, Democratic Socialist Republic of Sri Lanka

"Gamani was an outstanding international civil servant and diplomat, a brilliant economist, and above all, a warm and caring human being. His contribution to the world of UNCTAD during his time as its Secretary-General was particularly important in ensuring that the voice of developing countries was heard and that their developmental priorities were not lost sight of."
Dr. Manmohan Singh, Prime Minister of India

"Gamani Corea played a significant role in UNCTAD's formative years, helping to mould it into the organization we know today. We owe him a great deal, and his passing is an occasion of great sadness for us."
Mukhisa Kituyi, Secretary-General, UNCTAD

"His death is a great loss, not only to his country but also to the international community he had served so brilliantly."
Jan Pronk, Deputy Secretary-General of UNCTAD during Dr. Corea's tenure

Improving yields for oil palm growers in Colombia and Ecuador

FLIPA and CFC partner to introduce new technologies that boost productivity

Oil palm is typically considered a large plantation crop due to the concentration of vast plantations in Malaysia and Indonesia, where nearly 85% of the world's palm oil supply originates. However, smallholder oil palm production is rapidly growing in Latin America and palm oil has emerged as an important commodity in several countries.

In Colombia, the area dedicated to oil palms has expanded from 250,000 hectares to over 500,000 hectares in the past 15 years. Over the same time span, oil palm fields in Ecuador have increased from 180,000 hectares to 280,000 hectares. This rapid expansion cannot be attributed to deforestation. Instead, oil palm was planted on converted pastures or replaced annual crops such as rice, maize and cassava.

Smallholder farmers are the primary beneficiaries of oil palm's rapid growth. Today, 85% of the oil palm growers in Colombia cultivate less than 30 hectares. In Ecuador, 87% of the palm growers have less than 50 hectares and 42% have less than 10 hectares. Oil palm has contributed to alleviating poverty in both countries; however, most small growers experience low yields, and therefore low profits. This puts the sustainability of small farmer production at risk, and it reduces the potential for leveraging this crop as a development mechanism.

The project introduced a number of innovations in water management. Simple ditches allowed for better surface drainage and wide rows between plants improved irrigation.

A three-step approach to sustainably increasing yields

In 2009, the Common Fund for Commodities (CFC) provided a grant to the Latin American Fund for Oil Palm Innovation (FLIPA) to address the issue of low yields. The project's objective was to make Latin American palm oil production more competitive and sustainably increase yields, thereby reducing per unit production and processing costs and increasing the incomes of small-scale farmers and processors.

The project was implemented in three phases. First, it identified technological interventions that significantly increase yields. Second, it organized a technology transfer system that allowed effective outreach of a limited number of technicians to a large numbers of farmers. Finally, it developed strategic alliances with oil palm processors to ensure the continuity of the project's activities.

Using simple technologies to solve complex problems

The project applied basic interventions such as improved irrigation, mulching and drainage. It also focused on nutritional balance, as well as insect and disease management. Only four months after demonstration plots were established, farmers began noticing larger fruit bunches. In Ecuador, 17 lead farmers reported yield increases of 40% in only 24 months. In Colombia, the lead farmers reported 50% less water usage for irrigation, a 90% reduction in labor required for irrigation and over 30% increases in yield, all within 20 months.

Farmer-to-farmer knowledge transfer

During the second year of the project, a "farmer-to-farmer" technology transfer system was introduced to enable a limited number of extension agents to address the needs of a large number of growers. To start, a lead farmer was identified in each growing area. These lead farmers established improved technologies on their farm, received extensive training, organized local farmers' groups and hosted events at their farm.

Farmer-to-farmer technology transfer is more effective than using extension officers alone. Lead farmers adopt new technologies first, and then explain the process and demonstrate results to other farmers in their growing area.

Farmer-to-farmer interaction on demonstration plots has proven successful for a number of reasons. The plots let farmers "see it to believe it" and farmers are more receptive to listening to other farmers than technicians. In addition, successful adoption of technologies by the leaders encourages members to follow suit, meaning that the speed of leader adoption determines the rate of the whole group.

Strategic alliances ensure sustainability

During the final year of the project, the emphasis shifted to strengthening strategic alliances with processors who will assume much of the responsibility for technology transfer activities. This will allow farmers to keep improving their productivity, while at the same time offering processers better access to quality fruit for extracting oil. The processors' vested interest in the growers' performance will ensure sustained technical assistance to small growers.

The project is in its last year of implementation, but several thousand small farmers have already adopted improved management processes and the number will continue to grow with the involvement of the processors. The project has also successfully used various local media outlets to promote the program and its achievements.
The project will conclude with dissemination meetings to be held from 17 to 20 June in Ecuador and from 22 to 25 June 2014 in Colombia.

Contributed by Fernando Lukauskis (CIAT - FLIPA)

Third Call for Proposals: Projects recommended for approval by the Consultative Committee

For the period 2013 to 2015, new guidelines for the Operations of the Common Fund for Commodities were approved by the Governing Council. These guidelines mandate the Secretariat of the CFC to invite proposals for commodity development funding through an open call. The third call for proposals was initiated in August 2013 and the submissions were reviewed by the Consultative Committee (CC) of the CFC in January 2014. Five proposals were recommended by the CC for approval.

1. **Expansion of the Dairy Farm and Value Addition** *Overall cost: USD 576,875; CFC financing: USD 272,000 (Amhara Regional State, Ethiopia)*

This project aims to meet the demand for dairy products in the region, especially from two universities near the farm which require hygienic, packaged milk and cheese. Proposed investments in processing, packing and labeling would add value by improving the hygiene, quality and range of the farm's products. Introducing improved cattle breeds would increase the farm's overall productivity and turnover. By implementing the project, the farm could serve the region's increasing demand for affordable, high-quality dairy products and contribute to greater food security for the local population.

2. **Implementation of a Milk Fractionation Process as Technological Alternative to use of Raw Milk** *Overall cost: USD 9.332 million; CFC financing: USD 1.5 million (Cesar Department, Colombia)*

The project aims to assist the Colombian company Alquería S.A. with establishing a milk fractionation plant. Using membrane filtration technology, the plant will produce premium dairy ingredients such as Milk Protein Concentrate (MPC) and Lactose. The company will market its products to nutritional supplement manufacturers, specialized food and drink companies and high-value dairy product producers. After completing this project, Alqueria will be the first national company producing dairy ingredients in Colombia and will compete against international suppliers with competitive prices and short delivery times.

3. **Rural Injini (Engine) Inclusive Maize Trading & Processing – Joseph Initiative Ltd.** *Overall cost: USD 1.93 million; CFC financing: USD 0.5 million through Dutch Trust Fund (Uganda)*

The project aims to support Ugandan smallholder farmers to efficiently bulk and process maize to sell to regional wholesalers. Joseph Initiative's trading approach combines rural collection centers with village buying agents to collect small quantities of maize from remote farmers and pay them immediately. This model incentivizes smallholders to improve quality and intensify production. Joseph Initiative concentrates on farmers producing 1 metric ton or less per year, as they are below the aggregation thresholds for commercial traders. A reliable market and access to inputs and finance will increase farmers' incomes. Including a large number of producers, increasing productivity and potentially reducing the current 40% post-harvest losses could lead to substantial improvement in Uganda's food security.

4. **Commodity Value Chain Finance Program** *Overall cost: USD 800,000; CFC financing: USD 400,000 for which OFID financing is requested (Burkina Faso)*

The project aims to stimulate smallholder cashew production by expanding a micro-credit program with the CFC's support. The requesting organization ACFIME is a registered micro-finance institution operating in Burkina Faso. The ACFIME focuses on micro-credit for smallholder farmers and farmer groups, in particular women. ACFIME intends to expand by targeting 3000 cashew producers. Collaboration between producers, processing factories, traders and ACFIME will sustain the development of the cashew value chain. Incluvest BV in the Netherlands has provided restricted capital to the pilot Cashew Value Chain Finance Program and will assist in developing new product/market combinations.

5. **Production & Export of Fresh Vegetables for the European Market** *Overall cost: USD 3,000,000; CFC financing: USD 750,000 through Dutch Trust Fund (Ethiopia)*

The project targets production of fresh vegetables in Ethiopia for local consumption and export to Europe and possibly the Middle East. Initially, the focus is on snow peas, sugar snaps, baby corn and green beans. The project will establish a nucleus farm *cum* processing facility for production and packaging of agricultural products. Extensive outgrower involvement is foreseen following the effective start-up. Durabilis NV is a Belgian company with social development goals and more than 10 years experience in producing fruit and vegetables in Africa and Latin America for the European market. Durabilis will lead a start-up company called Koga Veg until it reaches maturity and can be managed by a local team.

Common Fund for Commodities

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