

COMMON FUND FOR COMMODITIES

Press Release

CFC/FIGG/46

COMMON FUND TO ESTABLISH A SUSTAINABLE SORGHUM SUPPLY CHAIN FOR AGRO-PROCESSING

The Executive Board of the Common Fund for Commodities (CFC), in its 51st meeting held in Amsterdam on 13 and 14 April 2011, has approved the project “East African Sorghum Value Chain Development” (CFC/FIGG/46). The total project cost is USD 4,044,000 of which the Common Fund finances USD 1,000,000 as a grant. The OPEC Fund for International Development (OFID) will contribute half of this amount, as foreseen in the CFC/OFID agreement supporting earmarked project funding activities. The private Sector Partner East African Breweries (EABL) will contribute the remainder of USD 3,044,000 in cash and in kind contributions.

Main goal of the project is to improve the level of food security and living standards of sorghum farmers in Eastern Africa by an increase in sorghum production and providing sustainable market access for these farmers. This will be achieved through a Public Private Partnership (PPP) that will develop a functioning supply chain of sorghum from smallholder primary producers to large scale agro-industrial processors. A reliable supply of sorghum will enable EABL to substitute a considerable amount of currently imported grains.

As an outcome of the project, East African sorghum farmers will be able to improve their productivity and increase their net incomes through greater access to improved inputs, processing technologies, and marketing options provided through commercial agribusinesses and producer associations.

The project will build upon substantial experiences gained within the CFC financed project “West African Sorghum Supply Chain” that has been awarded with the *2010 World Business & Development Award* issued jointly by the International Chamber of Commerce, the United Nations Development Programme (UNDP) and the International Business Leaders Forum.

The East Africa project seeks to make a decisive step forward; that is by introducing new beverage brands that are marketed on the basis of their 100% content of locally sourced raw materials.

The project will be implemented by EUCORD who will also be responsible for the administration and financial management of the project funds. The FAO Intergovernmental Group on Grains will act as the Fund’s so-called “Supervisory Body” for the project.

Project specific information can be obtained from EUCORD (Avenue Louise 500, 1050 Brussels, Belgium. www.eucord.org. phone+32 (0) 2 648 8937)

Note to the Editor: The Common Fund for Commodities is an intergovernmental financial institution established by the United Nations. The main objective of the Fund is to assist Developing Countries which are dependent on the production and export of primary commodities. The main target groups are commodity producers in Least Developed Countries and the poorer strata of the population in other Developing Countries. The Common Fund is headquartered in Amsterdam, the Netherlands.

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