



CRAFT

RECO Industries: Using the wealth of experience in combating climate change

[Taking Climate-Smart steps in Soybean Production]



Soybean in Uganda

Soybean (*Glycine max.*) is a nutrition-rich crop with great commercial value. However, its production remains low due to insufficiencies in input supply, poor harvest handling, lack of suitable storage, and an undetermined market. Rising temperatures and unpredictable weather further exacerbate the crop's yield quality, discouraging farmers from investing in the enterprise.

Noticing these challenges as fixable, RECO Industries, a CRAFT business champion, is pushing for climate-smart and sustainable production methods as measures to make the enterprise flourish.

CRAFT, also Climate Resilient Agribusiness for Tomorrow, is a project committed to capacitating Agro-based Small and Medium Scale Enterprises (SMEs) to ably support smallholder farmers develop key crop value chains that can survive the impact of extreme climate now and in the future.

About RECO Industries

RECO Industries is a processing company established in 1982 and has operations in 5 districts in western Uganda. Although, its mission is to produce the highest quality food & Nutritional products for both local and international markets, it offers value prices that satisfy customers. Additionally the industry is dedicated to the production and marketing of soybeans, locally made therapeutic foods, and fortified blended foods; products—best suited for treating malnutrition among the vulnerable children in the community. In addition, RECO supports smallholder farmers to improve their agricultural practices and attain improved livelihoods.




Climate Smartness

To improve the productivity and resilience of soybean farming systems, RECO industries is training smallholder farmers and producer organizations on CSA practices and technologies. In addition, the company has introduced early climate-resilient and tolerant soybean seed varieties to ensure high yields.

Seeing the lack of proper post-harvest handling technologies is associated with harvest losses and aflatoxin contamination, RECO is also setting up bulking centers. These facilities are to be equipped with solar driers and mobile test kits to enhance the quality of soybean sourced from smallholder farmers. Furthermore, it is reviewing factors that affect optimal efficiency at the company level and in processing units to increase return on investments and ensure company growth.

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Targets

Smallholder Farmers	Producer groups	Value-chain Actors	Yield
10,000 	300 	10; Aggregators, 5 Extension providers, 3 Input suppliers 	11760 MT (Metric tons per year) 

Target market segments and consumers

Because RECO products have an edge over others in the market, the company has captured a wide consumer base that can be categorized into two predominant customer segments: (1) the supply side; these are customers like the smallholder farmers that receive improved seeds and inputs. Then (2) the demand side customers; these buy processed foods from RECO Industries. Such customers include institutions, supermarkets, wholesalers, mothers that buy healthy foods for their babies, and health-conscious consumers that purchase processed soybean-based foods and snacks.

To consolidate and continue expanding the market base, RECO will focus on the five phases of marketing: attention, trust, experience, action, and retention.

Partners

For sufficient production quantities, RECO will work with farmers. Then Producer Organizations will facilitate the aggregation and quality assurance of harvested seed. The company will also engage local seed businesses for seed multiplication, Centenary & Agri-Wallet for financial services, and Crop insurance. To further support this initiative, the Makerere University and Local Governments will also be involved.

Key Objectives and Outcomes

Enhance the capacity of 10,000 smallholder farmers to improve soybean output by 15% through climate-smart agronomy, linkages to input suppliers, and mechanized farming by 2022.	10,000 SHF contracted and capacity build to adopt CSA practices.	
	<ol style="list-style-type: none"> 1) Mobilize and engage farmers on scheduled contract farming agreements. 2) Facilitate and mentor leadership, business management skills, marketing, and financial inclusion. 3) Facilitate and Link farmers to Input and mechanization service providers. 4) Recruitment and train 300 TOTs on CSA ultimate to train the SHFs and follow up on the adoption of CSA. 	
Improve resilience to climate Change amongst targeted farmers through the promotion of appropriate climate-smart agricultural practices.	Adoption of CSA practices for increased productivity	
	<ol style="list-style-type: none"> 1) Facilitate and Set up 300 demo farms to showcase CSA practices and technologies. 2) Profile and link TOT service providers and SHFs to extension and business developments services. 	
Improve efficiency in soybean inputs delivery, agronomy, and markets access	Facilitating inputs, production, financial, and marketing services	
	<ol style="list-style-type: none"> 1) Mapping strategic and establishing inputs delivery channels 2) Organized inputs sourcing, accredited suppliers and link with financial service providers. 3) Conduct farmers deal-making business workshops for VC actors interaction and farmers exposure 	
Improve business turnover by at least 10% through developing new market channels and increasing volumes of soybean marketed.	Increased supply of volume and sales of soybean	
	<ol style="list-style-type: none"> 1) Increase working capital to increase the volume of procured grains. 	
Business case budget	Total: € 964,506	Own funds; 85%