

STANDARDS AND TRADE FACILITY (STDF) PREPARATION GRANT (PPG)

PPG Title:	Strengthening the Capacity for Phytosanitary Controls of Floriculture Sector in Uganda
Budget requested	US Dollar 30,000
Full name and contact details of the requesting organization	Ministry of Agriculture Animal Industry and Fisheries Department of Crop Protection P.O.BOX 102 Entebbe Email: ccpmaaif@gmail.com Telephone: +256-414320115 Fax:+256-414-320642
Full Name and Contact details of the contact person for follow up	Ms. Tumuboine Ephrance Head phytosanitary and Quarantine, Department of Crop Protection Ministry of Agriculture Animal Industry and Fisheries P.O.Box 102 Entebbe –Uganda Email: ccpmaaif@gmail.com//etumuboine@gmail.com Tel: +256414-320801 Fax: +256414-320642

BACKGROUND AND RATIONALE

Flowers have been promoted by Ugandan Government since the 1990s as non traditional export commodity. This is part of the country's export diversification drive. The flower industry is dominated by cut flowers especially roses (Sweet heart) with over 5058 MT exported annually to Europe (Netherlands), resulting into 14.9 million Euros in revenue. This is translated into Uganda Shs. 42.5 billions as revenue to the economy. There are 18 flower farms involved in the production and export of cut flowers especially roses owned and managed by the private sector (support letter Annex 2). All the farms are located in Central Uganda except one (Pearl Flowers) which is located in the Western part 416 Km from Central region. All these farms grow roses under screen house conditions of different sizes. Other flower products such cuttings have access to other markets in the European Union, south Africa as well as other African countries. However, the phytosanitary requirements differ and they have always complied with the import requirements.

Although exports of cut flowers both in volume and earnings have been rising in the last 8 years, there was significant decline over the 2005-2006 periods by 23% by value and 9% in volume. The decline was partly due to power shortages that constrain production, damage by storms on several farms as well as inability of the growers to meet quality requirements such as optimal temperature regimes and freedom from pests in the international trade arena. During the period 2007-2008 period, the export of roses increased by 6% by value and 7% by volume while 2008-2009 period export the volume and value declined by 9% and 11% respectively. However, there were improvements in total volumes of flower exports in 2008 (5547 tons) which again declined slightly (5058 tons) in 2009. Currently, the increasing presence of quarantine pest being detected in the exported flowers is a set back to flower industry. The decline in value and volume was attributed to interception leading destruction of flower consignments resulting into lower sales. Almost all farms have had their flowers intercepted at one time or another for non compliance due to pests within the last three years. Of the consignments shipped to Europe 17% is intercepted as non compliant due to the presence of harmful organism. This has led to an increase on percentage of samples from 10%, 50 % and now 100% portion of the consignment inspected at the entry points in EU leading to increased inspection charges. The resultant increase in inspection charges has led.

Previous attempts to target higher value horticultural market especially US flower markets without success. The strategy to access other markets has prompted Uganda Flower Exporters Association has attracted funding from UNIDO from 2004-2006. Other projects have been implemented in the flower sector, on new production practices, training in post harvest controls and pest management programs. Despite the fact that projects addressed pest management programs, market accesses is still hampered by low level of compliance to the import requirements of the flower exports.

The capacity building project Floriculture Uganda developed a curriculum for the training at of personnel at Bukalasa Agriculture and Mountain of the Moon University. After completion of training the students were either offered diploma certificates or ordinary certificates depending

on whether the trainees had had advance level training or ordinary level training. The major output of the project is that personnel working at flower farms would have general knowledge in flower production.

Previous pest management programs have had great impact on the control flower pests as indicated by no interceptions due to pests other than Lepidoptera. Such scenario would mean that other pests are easily detected and controlled. However, depending on the nature of the pest different protocols are needed and they are not available with regulators or the producers.

It is mandatory that requirement of the importing countries that agricultural products including flowers moving in international trade are accepted by phytosanitary certificates. This is an assurance that consignments have been inspected for freedom from pests. However, Uganda phytosanitary certification is hampered by lack of capacity to ensure that the flower consignment is virtually free from quarantine pests. The inspectors lack the capacity in form of skills and infrastructure to inspect and detect the different stages of *Spodoptera littoralis* in flowers for export off farm. In other words, at the exit point the inspectors lack the capacity to detect the pest in cut flowers. The farms also lack the capacity to detect and identify the pest early enough to prevent it from infesting the flowers

Trade in cut flower has increasingly paid attention to phytosanitary controls and to prevent possible transmission of plant pests through agricultural products and other regulated articles through international trade. Of late Uganda has had increased frequency of notification of non compliance due to the presence of *Spodoptera littoralis* in cut rose flowers in the Netherlands.

Where as the interception of cut flower was due to *Helicoverpa armigera* from 2007-2008, this pest has been deregulated after a pest risk analysis had indicated that the pest may not establish in the EU. In addition, the frequent interceptions indicated that despite the efforts, the pest could not be eradicated in flower consignments. However, in 2009 to date non compliance is mainly due to Cotton leafworm (*Spopodptera littoralis*). *S. littoralis* has a wide host range, highly polyphagous, and economically important on 87 plant species and thrives well in dry climates. This enables the pest to survive even on other hosts putting roses at risk. The extent of the pests spread in the region and which particular hosts are present therein is need further assessment.

According to Crop Protection Compendium CABI, 2007), *Spodoptera littoralis* is widely spread in Africa and beyond including Uganda's neighboring countries of Kenya, Rwanda, Tanzania and Burundi. However, there is no evidence whether cut flowers from these countries have been intercepted due to *S. littoralis*.

The frequent interceptions of flowers have resulted into increased costs to the flower farms. Loss due to interception is estimated at a rate of one intercepted consignment per month out of 72 consignments for a period of March - June. Each consignment on average is valued at Euros 50,490 Euros. Thus, the industry looses 151,470 Euros a year. Cost of controlling the pest on the farms is estimated at 10,080 US\$ annually per farm. Therefore the project will benefit the flower industry in the following ways:

- Increase in salable volumes in a year.

- Improved image in the market - no interceptions
- Reduced use of pesticides - This is because the project will come out with a specific strategy to control the pest which should be efficient and effective. Since there will be no trial and errors with pesticides.
- Better quality of products. Sprays exert stress on crops and reduce quality of products. Any reduction in pesticide application results into better quality.

In addition many producers, in particular of cut flowers, and traders had to deal with significant financial-economic problems during the Global meltdown and several workers were laid off. (Source; Floraholland Annual Report, 2009). In addition, regional markets combine informal and formal trade of goods. In the formal trade enforcement of phytosanitary quality controls is mandatory while informal trade it is variable or non existent. This is a problem as it facilitates the spread of pests through uncontrolled movement of cut flowers from pest free areas to infected ones from neighboring countries.

To eradicate the pests and increase competitiveness, several areas requiring action in the phytosanitary system in Uganda have been identified. These include; need to update official pest lists, detection and identification of plant pests, retrieve plant health information and of basic facilities. Strengthening of surveillance systems and creating awareness is very crucial. The Uganda IPPC Phytosanitary Capacity Evaluation recommended the development of and adoption of a new Plant Protection Act in line with international requirements and provision of Pest risk assessment and pest surveillance. The PCE also recommended further development and implementation of awareness and training programs. However, systematic surveillance, data collection and analysis, inspection techniques and pest diagnosis are key areas that need urgent attention. The project will try to train in the surveillance for the detection of the pest in the environment as well as in the flower farms.

The assistance given to cut flowers includes; attempts to target higher market value horticulture exports for broader European markets have not been successful. USAID assisted in targeting US flower markets and helping Uganda Flower exporters Association drafting a business plan (SCOPE Project 2004-2006).. Other projects included: Netherlands (WSSD) project (2008-2010) focusing on improving the cold chain management training and identification of indigenous species; USAID APEP, 2003-2008) working with flower producers on new growing practices, private sector investment, training in post harvest controls and pest management programs.

In Uganda, numerous public agencies and private organizations play a role in the management of agricultural health. These include; Department of Crop Protection in the Ministry of Agriculture Animal Industry and Fisheries (MAAIF), Uganda Flower Exporters Association (UFEA), Fresh Handling limited (FHL) and Export Promotion Board in the Ministry of Tourism Trade and Industry. These are directly involved in the adoption and enforcement of phytosanitary standards for flowers. These entities collaborate most often to ensure that import conditions are met.

Support to the Department to work with other stakeholders in public and private sector will be needed in the project preparation phase. These include; Uganda Flower Exporters Association (UFEA), Export Promotions Board (EPB) and Fresh Handling Limited (Annex 1, 2 and 3).

The activities to be carried out are related to those that were handled in Kenya Plant health Inspectorate Services including capacity building in the detection and inspection of *Bemisia tabaci*, which helped in the development of an Early warning system for the management of whitefly pest. The Early Warning System was developed and is effectively operational in Kenya by both the private sector and Plant health inspectorate. The system has dramatically reduced flower interceptions in the EU markets due to *Bemisia tabacci* to zero. Uganda may need to modify or adopt or replicate similar mechanisms to suit the surveillance systems for the *Spodoptera* spp and other lepidoteran pests. It is envisaged that several stakeholders will form a network including farm scouts, farm owner/managers, members of Uganda flower exporters Association and Department crop protection inspectors. At each stage of the network information gathered will channeled to the department of crop protection for decision making. Once the system if formed, more commodities will be included.

Overall ACTIVITIES

The following activities will be undertaken during the Project Preparation Phase

1. Stakeholder discussions
2. Preparation of the project outline
3. Stakeholders workshop to further specify the objectives and implementation arrangements

ACTIVITIES OF THE INTERNATIONAL EXPERT

- Study and design a strategic framework for monitoring the cotton lead worm (*Spodoptera littoralis*)
- Design an early warning system to predict the pest outbreak
- Design a traceability system to track the flower consignment/lots along the supply chain
- Establish the capacity of the farms and the public sector to detect and identify the pest
- Determine the strength of the current inspection procedures and control measures to contain the pest
- Determine whether the neighboring countries Kenya and Rwanda are having similar pest problem
- Prepare a project outline
- Discuss the findings with stakeholders at a stakeholders workshop
- Formulate the project proposal

II Implementation

Start Date December 2010
End Date April 2011

Activity	Responsible	Completion date	Expected output
Stakeholder discussion	International Expert	December 2010	Project proposal formulated
Preparation of project outline	Department of Crop protection + International Expert	February 2011	Project activities specified
Stakeholders workshop to further specify project objectives	Department of Crop Protection, Uganda Flower Exporters Association EPB, FHL	April 2010	Objectives and implementation arrangements finalized

STAKEHOLDERS

Department of Crop Protection (DCP). The Department of Crop Protection is the National Plant Protection (NPPO) of Uganda. It is charged with the regulation of safe movement of plants and plant products. This helps to prevent the introduction and spread quarantine pests in the Uganda's territory. The department will assess the capacity of the Plant Protection Officers of the various farms and come up with the best surveillance system for the farms. Enforcement of the system will also be done based on international standards. Participation of all the stakeholders will be done in a stakeholder's workshop that will be organized by the Department of Crop Protection.

Uganda flower exporters Association (UFEA). This is an umbrella organization of all the 18 flower farms. Each flower farm employs a Crop Protection Specialist that helps in designing and implementing the crop protection strategies. The association will coordinate the training of staff and the early warning system. All the data from the farms will be database at UFEA for onward transmission to the Department of Crop Protection regulatory authority for decision making.

Fresh Handling Limited (FHL). This is a private sector entity charged with handling of flowers before export. The firm ensures that flowers are of good quality and makes sure that the flowers reach their destination. Of recent the firm helps in the consolidation of these exports and collaborates with the clearing agents at the point of destination on behalf of the Flower exporters. It also acts as a link between the flower exporters and their corresponding market outlets in the European Union. Therefore they need to have capacity of ensuring that the right phytosanitary controls are in place. The FHL will be contacted through interviews and validation workshops. (Support Letter annex3)

The Export Promotions Board (EPB). The ministry of Tourism Trade and Industry is the national is the National Inquiry Point on SPS matters in Uganda. The will ensure that compliance to the import export and import requirements in the international market are well coordinated.

Plant Protection Service of the Netherlands. The Netherlands is one of the biggest destinations of the cut flower. They may provide the technical capacity in the phytosanitary inspection and surveillance procedures for the pests as well as control. The Netherlands will be involved by interviews with the relevant sectors in the export market.

The project preparation phase will require an international consultant who should be solicited by the STDF secretariat but the Department of Crop Protection will coordinate most of the activities.

Detailed budget

Item	Description of inputs	Estimated budget (US\$)	Requested (US\$)	In-kind (US\$)
Expertise International Consultant	Per-diem for the consultant for 30days@ \$350 (daily remuneration)	10,500	10,500	-
Travel				
INTERNATIONAL	Flight charges (round trip-) economy class) outside Africa	3000	3000	
LOCAL	Hire of vehicle for 30 days@\$120			3,600
	Fuel@20\$/day	600	600	
Daily subsistence allowance	30days@120\$	3,600	3600	-
Stakeholder meetings and workshops	Lunches and breaks for 50 participants @50.7\$ x 3 times	7600	7600	
	Hire of venue 10 days@50\$	500	500	
	Facilitation allowance 3 days@ 60\$ x 4 facilitators	-	-	720
General Operational Expenses	Telephone calls	400	500	
	Photocopying	200	300	200
	Fuel	2000	1800	200
	Stationery	150	500	50
	Coordination	500	300	200
Other costs	Contingency	1003	800	300

Total cost		30,000	30,000	2,170
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