Application of Internal Control Systems in Organic Export Companies: Two Case Studies from Uganda

Moritz Reckling and Sara Preißel
University of Kassel, Institute for Socio-cultural Studies, Email: morireckling@web.de

Introduction
- Uganda’s organic sector has significance worldwide and in Africa with respect to certified farmers and land (table 1)
- Farmers are certified organic under contract production by export companies using an internal control system (ICS)
- The ICS ensures quality along the supply chain (picture 1)
- However, certification difficulties are among the main constraints for a further development of the organic sector

Table 1: Certified organic sector of Uganda; Willer and Kilcher 2009

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>Rank World</th>
<th>Rank Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producers (no.)</td>
<td>206,803</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Organic land (ha)</td>
<td>296,203</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>Share of org. land</td>
<td>2.33%</td>
<td>34</td>
<td>2</td>
</tr>
</tbody>
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- Farmers are certified organic under contract production by export companies using an internal control system (ICS)
- The ICS ensures quality along the supply chain (picture 1)
- However, certification difficulties are among the main constraints for a further development of the organic sector

Materials and Methods
- Qualitative research aiming to describe ICS application and explore constraints for improving performance

Table 2: Interviewees and number of the empirical study

<table>
<thead>
<tr>
<th>Interviewees</th>
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<tr>
<td>Company managers &amp; staff</td>
<td>8</td>
</tr>
<tr>
<td>Consultants &amp; certifier</td>
<td>4</td>
</tr>
<tr>
<td>Farmers in two districts</td>
<td>38</td>
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- 50 expert interviews (table 2) in the central region (figure 1)

Results
- The certification difficulties are much more complex as indicated by incompliances found by the certifier
- Besides the marketing situation, the organisational setting and external influences of ICS operators needs attention (figure 2)
- The ICS is used as a marketing tool only
- Adaptation of ICS procedures: Increased control (informally, through farmers, of purchasers); ‘field estimates’; and multiple registration

Figure 2: Main organisational levels and identified results associated

Conclusion
- To improve the certification of small-scale producers in Uganda and elsewhere it is recommend to have the focus on both:
  - ICS-concept development: Policy makers, certifiers and farmers associations need to update the ICS concept and to ensure proper guidelines and consultation accordingly
  - Supporting an effective ICS application: Those promoting organic agriculture need to rethink their perception of farmers and organise adequate trainings and consultation, based on horizontal and vertical knowledge exchange
- Further research is required verifying the results for other settings and defining improvement strategies

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Figure 2: Main organisational levels and identified results associated

Figure 1: Map of Uganda, altered from UNOCHA 2009