

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

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Introduction

- Uganda's organic sector has significance worldwide and in Africa with respect to certified farmers and land (table 1)

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

Category	Value	Rank World	Rank Africa
Producers (no.)	206,803	1	1
Organic land (ha)	296,203	17	1
Share of org. land	2.33%	34	2

- 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



Picture 1: Supply chain of certified organic products

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

Interviewees	No.
Company managers & staff	8
Consultants & certifier	4
Farmers in two districts	38

- 50 expert interviews (table 2) in the central region (figure 1)

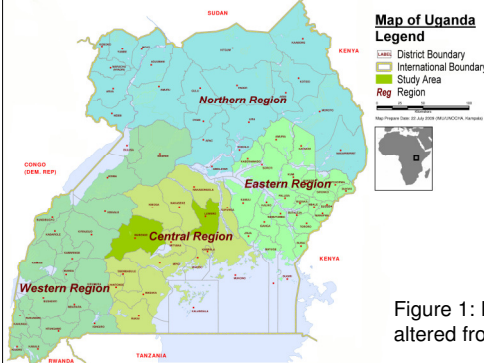


Figure 1: Map of Uganda, altered from UNOCHA 2009

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

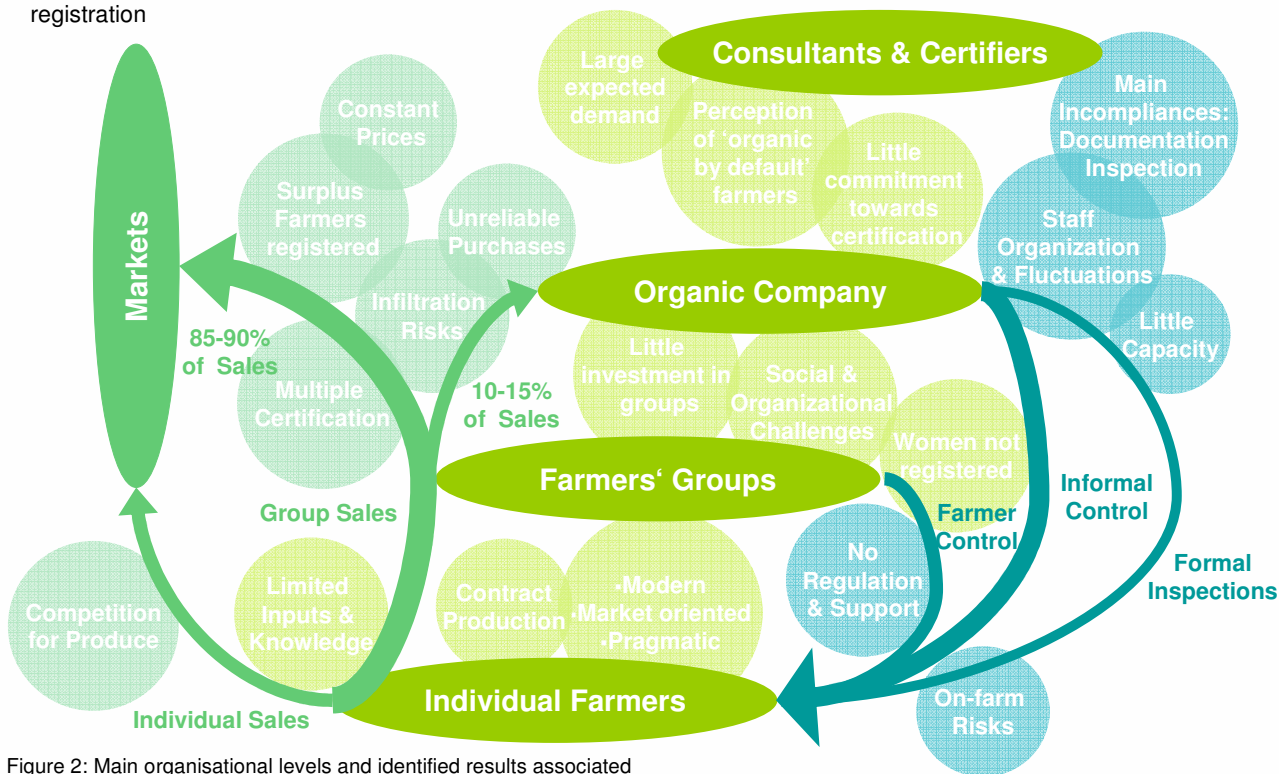


Figure 2: Main organisational levels and identified results associated

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