

# Fruit Drying in Uganda

## Opportunities and Constraints at the Processing Level

### Introduction

In Europe, the demand for organic tropical dried fruits such as pineapple, mango and banana is large and increasing. Uganda exports large amounts of dried fruits; but is not able to meet the demand in Europe.

This research investigates the opportunities and constraints faced by the fruit drying companies at the processing level.

We distinguished between three main types: large private companies operating for several years; smaller newly established companies; and NGO managed companies. These 3 types of companies have different strengths and weaknesses, and there are also problems which are common for all of them. The situation is illustrated in the figures below.

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### Methods

The study was carried out in Uganda in 2008. Three smaller fruit processing companies, three larger companies and three NGO's were included in the study.

Thirteen outgrowers associated with one company were also interviewed as they were drying the fruits for the company.

Other key respondents such as NOGAMU, UgoCert and IMO were also interviewed.

### Conclusion

The smaller companies could benefit a lot from sharing the burden of marketing and distribution; either by using a Ugandan exporter or by making joint ventures with European companies.

The big companies must keep increasing their processing capacity and get more outgrowers certified so they are ready to export more when the market demands it.

The bigger companies could also buy products from the smaller companies when their own production is not enough. This would be a good back-up for the bigger companies and a manageable task for the smaller companies.

The NGOs must improve their efficiency and management in order to be competitive. However, if they do not manage, they can play an important role in linking the farmers with companies and support them with training, organisation, logistics etc.

### Small companies

The smaller companies are generally newly established (about 5 years old) and in the infancy stage.

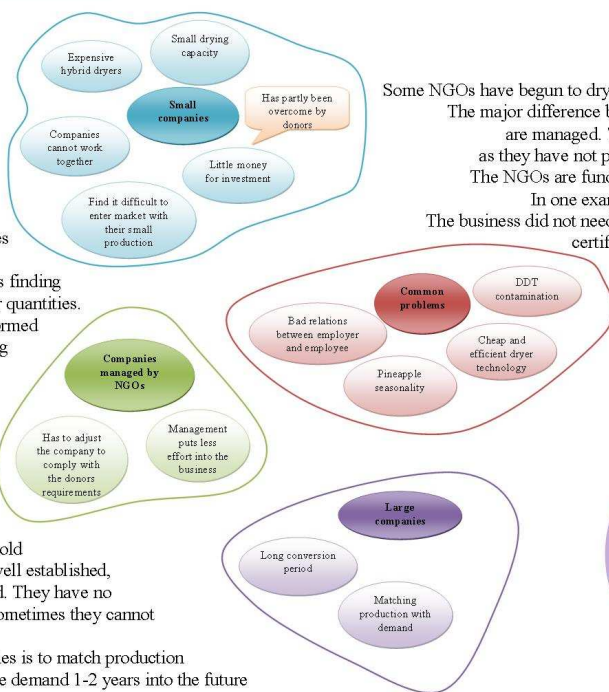
The biggest constraint faced by these companies is their small processing capacity. This prevents them from getting orders from big importers in Europe who want to buy large quantities from a single exporter.

The smaller companies have difficulties finding customers who are interested in smaller quantities. Some of the smaller companies have formed organisations with the aim of combining their production and selling it under one brand. However, due to problems in collaboration, the organisations do not work as they were intended.

### Large companies

The bigger companies are 10-15 years old and have some experience. They are well established, more professional and better organised. They have no difficulties selling their products and sometimes they cannot produce enough to meet the demand.

The biggest problem for these companies is to match production with demand. They have to estimate the demand 1-2 years into the future because it takes time to educate and certify new outgrowers and develop processing capacity.



### Companies managed by NGOs

Some NGOs have begun to dry fruits to help small scale farmers find a market for their produce. The major difference between ordinary businesses and NGO-businesses is the way they are managed. The NGO managers put less effort into making the business work as they have not personally invested money and also do not stand to earn the profit. The NGOs are funded by donors and therefore have to comply with their conditions.

In one example the donor wanted the project to support at least 250 farmers. The business did not need that many farmers to supply it, but must pay for the training and certification of them all; thereby making the business less competitive.

This furthermore harms the individual farmers because they will only be able to sell a small part of their organic products to the company, while the rest has to be sold as conventional fruits in the local market.

### Cultivation of the fruits

There is no shortage of organic fruit. The outgrowers are producing more than the companies are buying and are willing and able to expand their production. Furthermore, a large group of conventional farmers are interested in converting to organic production and supplying the companies as the payment is higher and the market more stable. The farmers do not have any major problems in cultivating the fruit.

## Common Problems

### Pineapple seasonality

Pineapple is a seasonal fruit, which means there is surplus in the high season and shortage in the low season. Researchers from The Agricultural research Centre for International development (CIRAD) France and Gembloux Agricultural University, Belgium have developed a simple technique which enables farmers to induce the flowering of pineapples outside the natural harvesting season. Introduction of this could help both farmers and companies.

### Fruit drying technology

Several companies using hybrid dryers have had problems with smoke escaping from the biomass burner thereby contaminating the fruit and making it unsellable.

The simple cabinet dryers used by the out-growers of one company are totally dependent on solar energy for drying the fruits. As a consequence, large amounts of fruits gets spoiled when the weather changes and it starts raining.

### DDT

The government is spraying DDT to combat malaria. The organic dried fruit companies have not yet been affected since their outgrowers are located in different areas.

### Bad relations between employer and employee

Out of fear of getting fired, the employees do not feel safe to suggest changes and improvements in the workplace. This might prevent the company from improving and developing. The managers are often unwilling to increase the salary of its employees even after several years of service. In result, the employees with long experience leave the company and inexperienced people are hired.

