

AID-FOR-TRADE CASE STORY

DENMARK

AFRICAN ORGANIC

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Country: Uganda

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BACKGROUND

The objective of the Danish Business-to-Business programme is to create economic growth and social development in Uganda. The aim of the programme is to create long-lasting and sustainable partnerships between Danish and Ugandan companies. The partnership between *African Organic* and the Danish company, *Solhjulet*, is an example of this.

African Organic

African Organic is run by Amin and his wife Gulzar Shivji with about 154 smaller farmers as suppliers. These small suppliers account for about 80 percent of the total production. The remaining 20 percent is grown by *African Organic* themselves on their farm north of Kampala. At the farm, organic products are developed and the smaller suppliers are trained. *African Organic* is certified as an organic and fair-trade producer. Their products include fresh fruit, vegetables, herbs, and spices. In collaboration with *Solhjulet*, *African Organic* has also started production of dried snacks. In addition, *African Organic* exports fruit meat, which is used in e.g. 'fruits from Uganda' yoghurt produced in Denmark. In packing, the company employs mainly women (75%).

Solhjulet

The Danish company, *Solhjulet*, has existed since 1972 and is specialised in the delivery of organic and sustainable products to Denmark from several African countries, including Uganda. The company delivers produce to Danish companies, including restaurants, dairy companies, catering firms, and supermarkets.

The partnership

The partnership between *African Organic* and *Solhjulet* has existed since 2003, supported by the Danish Business-to-Business programme. As a result of this partnership, the production by *African Organic* has increased steadily to about DKK 3.9 million in 2008. This steady development has been geared to allow *African Organic* to remain in control, both on the supply side and the logistics. The partnership has been concentrated on training and exchange of information. In addition, the partnership has focused on environmental concerns and work place conditions under the slogan: 'Fair for Life'. As part of this, *African*

Organic has established a child day care clinic on the its farm, enabling women to continue to work with small children. Finally, information about HIV/AIDS is provided through the training programmes. Both partners have been interested in further developing their partnership and employees from Solhjulet have been in Uganda once every three months.

All extensions of production in African Organic have taken place in partnership with Solhjulet, using the Danish company's knowledge of trends in the European consumer markets. The extensions have been dominated by innovative thinking and have been implemented through joint efforts from both partners. African Organic now exports at least 2 tonnes of fruit and vegetables to Solhjulet every week and in high season as much as 15 tonnes a week is exported. Fresh fruit and vegetables are flown out every Thursday, while dried fruit and spices are transported by truck to Mombassa and from there by ship to Europe. Keeping a constant temperature during transportation of fruit and vegetables in containers has presented a problem, which the two companies are trying to solve in partnership.