

NEWMAN FOODS LIMITED OUTGROWER POLICY

This framework is grounded in Newman Foods' stated commitment to "transform Uganda's Agricultural abundance into Global Excellence" and the objectives of Development Partners to create dignified jobs for youth through strengthened out-grower capacity.

1. CORE PRINCIPLES

These principles are based on the company's stated values, ensuring an ethical and sustainable relationship with its outgrowers:

- **Commitment:** Newman Foods Limited is dedicated to providing a consistent and reliable off-take market for outgrowers' produce, fulfilling its commitment to creating great products and impacting lives locally and globally.
- **Integrity:** Newman Foods Limited guarantees transparency, honesty, and ethical conduct in all interactions, especially with outgrowers. This implies clear and fair communication regarding contracts, pricing, and quality standards.
- **Empowerment:** Newman Foods Limited aims to encourage outgrowers to take initiative and give their best. The program delivers long-lasting change and innovations, helping outgrowers and their families thrive.
- **Quality:** Newman Foods Limited expects adherence to credited production standards to ensure high-value products. This commitment drives customer satisfaction and allows the business to grow its market share, benefiting the entire supply chain.

2. PARTNERSHIP STRUCTURE AND SCOPE

A. Target Crops and Value Chain

The partnership focuses on value chains critical to the company's agro-processing and export business:

- **Primary Focus:** Irish Potatoes, Sweet Plantain, Maize.
- **Other Key Crops:** Chili/Hot Peppers.

B. Outgrower's Inclusion and Job Creation

- **Target Group:** The program explicitly targets the creation of dignified and fulfilling work for young women and men in the horticulture value chain.
- **Capacity Building:** The support is used to build the capacity of out-growers to enable them to consistently supply the raw materials needed for manufacturing.
- **Scale:** The partnership was established with a goal to employ over 5,000 young individuals in the horticulture value chain, indicating a large-scale, structured engagement model.

3. KEY TERMS OF ENGAGEMENT (OUTGROWER OBLIGATIONS AND BENEFITS)

A. Out-Grower Obligations

- **Adherence to Best Practice:** Outgrowers must adopt Modern Commercial farming techniques and sustainable agricultural practices as advised by Newman Foods Limited.
- **Supply Consistency:** Outgrowers are required to grow specific products (like chili and Irish potatoes) to ensure a stable supply for the company's manufacturing and export needs.
- **Quality Standards:** Outgrowers must meet the specified quality and grade requirements for raw materials, necessary for both local and international markets (e.g., European markets for fresh produce).

B. Company Support and Benefits for Outgrowers

Newman Foods Limited provides the following:

1. Technical and Capacity Development

- **Capacity Development (Training/Extension):** With support from Development Partners, Newman Foods provides training to its outgrowers in modern farming methods, specifically targeting improved production (yields and quality), post-harvest handling, and the expansion of dignified job opportunities.
- **Mindset Change:** The training actively promotes a shift from subsistence farming to a commercial, entrepreneurial mindset. This includes encouraging outgrowers to view their farm as a business, adopt best practices, and strive for the quality standards required for global markets. Crucially, this mental preparation is key to navigating the financial leap and ensuring that all outgrowers—including women—are equipped to manage and invest for profitable growth.

2. Market and Financial Resilience

- **Market Access (Guaranteed Off-Take):** Outgrowers gain access to a stable, reliable market for their produce, including guaranteed off-take to meet demand in local, regional, and international markets (e.g., UK, Germany, Switzerland).
- **Pricing and Payment:** The pricing and payment modalities are structured to be fair, transparent, and prompt, in line with the goal of developing better and more structured agricultural market systems that protect outgrowers while enhancing their income.
- **Input Facilitation/Finance:** Outgrowers receive support to access quality inputs (seeds, fertilizer, technology) on favorable terms, a core component of effective outgrower schemes essential for achieving high yields and quality.
- **Financial Literacy and VSLA as Capacity Building:** Newman Foods supports training in Financial Literacy, often through the Village Savings and Loan Association (VSLA) model. This training helps outgrowers (especially young individuals in rural areas like Mityana) manage personal and business finances, invest in their farming enterprises, and become more reliable and self-reliant suppliers.

3. Social and Inclusion Focus

- **Gender Mainstreaming:** Newman Foods is committed to actively promoting Gender Mainstreaming within its outgrower scheme. This commitment ensures that women are equitably included in training programs, benefit fairly from financial and input support, and are represented in leadership roles within the farmer groups and VSLA structures, recognizing their critical role in agricultural production. Furthermore, special emphasis is placed on influencing community perceptions regarding the girl child. This policy aims to champion the principle that female children must be educated and afforded the same opportunities as their male counterparts, preparing them to be the future skilled and empowered entrepreneurs in the agricultural value chain.

4. HOW TO BECOME A NEWMAN FOODS LIMITED OUTGROWER

A. Outgrower Selection Criteria (Minimum Requirements)

This section outlines what the company looks for in a potential out grower.

- **Geographic Location:** The outgrower's land should be within the company's designated operational areas.
- **Land Availability:** A minimum or optimal land size of half an acre is required to grow the specific commercial crop (e.g., Irish potatoes, chili) to ensure adequate volume.
- **Commitment to Quality:** Commitment to following the company's Good Agricultural Practices (GAPs) and specific quality/production standards.
- **Motivation and Experience:** Demonstration of motivation to participate and relevant agricultural knowledge or experience in growing the targeted crop.
- **Group Membership:** Preference or requirement for outgrowers to be part of an organized outgrower group or cooperative, which Newman Foods' extension staff can easily work with.

B. Outgrower Application and Mobilization Process

The process for joining Newman Foods Limited's out grower scheme is managed by the Extension Services team in close collaboration with local community structures.

i. Onboarding Process

Newman Foods, through its Extension Workers, initiates engagement by conducting Community Meetings with Local Leaders (e.g., parish, village chairpersons). The company presents the scheme's requirements and benefits. Outgrowers who meet the basic selection criteria are identified and their information is compiled.

ii. Group Formation & Registration

Identified outgrowers are organized into formal Outgrower Groups or Producer Cooperatives (which may include the establishment of VSLAs). This group is the key entity for engagement. The group then officially registers with Newman Foods, providing a list of all participating members and their representatives.

iii. Farm Suitability Assessment

A dedicated Extension Worker visits the land of each registered outgrower to conduct a detailed Farm Assessment. This is crucial for verifying land suitability, soil conditions, acreage, and the outgrower's capacity to apply best practices, ensuring the farm can meet the required quality and yield targets.

iv. Mandatory Training & Capacity Building

Enrollment is contingent upon the successful completion of mandatory training. This intensive program covers: Good Agricultural Practices (GAPs), optimal crop production techniques, post-harvest handling, quality standards, and detailed VSLA management to build financial resilience.