



11th meeting of the COMCEC Agriculture Working Group

Country Presentation, Uganda

By

Dr Mukama Charles

COMCEC Focal Point

Ministry of Agriculture, Animal Industry and Fisheries



Agriculture Sector in Uganda



- Uganda total area is 241,550.7 Sq.Km
- 80% land is arable but only 35 % is being cultivated
- Uganda Population is 34.9 million persons.
- Agriculture most important sector in Uganda
- Accounted 25.4% of Uganda's GDP
- 71.9% of Uganda population is employed by Agriculture
- Over 40% of total Uganda exports agriculture growth (Mainly Raw and Semi Processed)
- Over 4.2m small holder farmers





Current production structure of agriculture



- Dominated by small-scale farmers estimated at 2.5 million households (90% of the farming community),
- Majority own less than 2 acres of land each and
- have no capacity to manage risks.
- Marketing risk is one of the top six agriculture risks identified by PARM study in Uganda, 2015





Ranking of most severe risks:



Economic impact of agricultural risk is estimated to amount to USD 606 million to USD 804 million/year. Top six risks make up more than 99% of average annual losses

Risk	Average Severity	Average Frequency	Worst Case Scenario	Score
Crop pest & diseases	very high	very high	very high	5.00
Post harvest loss	very high	very high	high	4.75
Price risk food & cash crops	very high	high	high	4.35
Livestock pest & diseases	high	very high	medium	4.10
Droughts	medium	medium	very high	3.50
Counterfeit inputs	medium	very high	low	3.40
Karamoja cattle raids	low	high	very low	2.37
Floods	very low	high	very low	1.75
Hailstorms	very low	high	very low	1.75
Thunderstorms	very low	high	very low	1.75
All other natural risks	very low	high	very low	1.75
Insurgency	very low	very low	medium	1.50



Marketing challenges for farmers in Uganda



- Liberalized environment
- Subsistence/capacity issues
- Scattered small scale farmers/ defunct cooperatives
- Inadequate road network
- **Information asymmetry between producers and traders. Producers in the remote areas are seldom aware of prices of their produce in the terminal markets.**
- High transaction costs of output trading.
- The lack of or high costs of financial services
- Post harvest losses(about 40% for perishable crops),
- Limited contracting
- Non compliance to standards and quality
- Volatile and fluctuating prices





What does MI mean to Agric Sector?



- Up-to-date, or current, market information enables farmers to negotiate with traders from a position of greater strength.
- It facilitates spatial distribution of products from rural areas to urban areas and between urban markets by sending clear price signals on quantities and varieties required.
- Historical market information enables farmers to make planting decisions in line with urban consumer demand, including those related to new crops.
- It permits traders to make better decisions regarding the viability of intra and, perhaps, inter-seasonal storage.
- Assists agricultural planners and researchers and can make an important contribution to our knowledge of urban food marketing systems.



Uganda's Policy Direction

- Uganda is a private sector led economy. Govt mostly provides only conducive environment for the private sector production.
- The Government National Development Plan (NDP) defines agriculture as a leading sector.
- The Agriculture Sector Strategic Plan (ASSP) - 5-year strategy for the Ministry - 2015/16 to 2019/20. Defines the priorities and interventions for the period.

Priority Objectives:

1. Increasing agriculture production and productivity,
2. Increasing access to critical farm inputs,
3. Improving agricultural markets and value addition for the 12 prioritized commodities (coffee, cotton, tea, maize, rice, beans, cassava, bananas, fruits & vegetables, meat, dairy, and fisheries)
 - Strengthen farmer groups as viable institutional arrangements for production and market development.
 - Promote Value addition, post-harvest handling, storage and marketing.
 - Develop Market Information, Infrastructure And Quality Standards.
4. Strengthening Institutional capacity of MAAIF & public agric agencies.



Several Actors in Uganda Due to Liberalization



Name of provider	Type of provider	Product coverage	Type of information/services	Data collection technology	Dissemination technology	Information users	Funding
National MIS							
FARMGAIN Africa	Private	Food crops and export crops	Prices, stock availability, product flows, regional prices and other advisory services.	Interviews and observation by enumerators and data from regional sources.	Email, website, mobile SMS	farmers, traders, government	Internal cross-subsidies and donors
AGRINET	Private	Food crop for domestic market	Prices, stock availability and traders.	Interviews observation by enumerators	email, website, mobile SMS	farmers, traders, government	Internal cross-subsidies and donors
Infotrade.	Private	Food crop for domestic market	Prices, stock availability and traders.	Interviews observation by enumerators	email, website, mobile SMS	farmers, traders, government	Internal cross-subsidies and donors
Uganda Coffee Development Authority (UCDA)	Public	Coffee	Local market prices; export parity prices; supply availability and output forecasts.	Interviews by field officers of UCDA	email, website, mobile SMS	farmers, exporters and government	Government and donors.
Regional MIS							
Regional Agricultural Trade Intelligence Network (RATIN)	NGO	Food crops traded in regional market	Regional prices, stock availability, product flows, trading platform (GSOKO)	Mainly sourced from national platforms	email, website	farmers, traders, government	Internal cross-subsidies and donors
Betta Grains	Private	Food crops traded in regional market	Prices, stock availability, product flows, comparative regional prices	Interviews and observation by enumerators and sourcing from national platforms	email, website	farmers, traders, government	Internal cross-subsidies and donors
FEWSNET	Donor	Food crops traded in regional market	Local market prices; regional prices; supply availability; regional produce flows and output forecasts.	Sourcing from national and regional platforms	email, website	farmers, traders, government	Donor.



MI Challenges and Recommendations



Challenges

- Collection of Market data and analysis is costly
- Market data is dynamic, difficult to meet the need at real time,
- MI is both private and public, ownership is a problem,
- Many players in the provision of MI
- Distortion of MI by different beneficiaries

Recommendations

- Standardization of the price and data collection parameters to allow for both the private and public data to be comparative statistics.
- Public and private harmonization of the service delivery and dissemination of information
- Certification process of private sector public market information service providers
- References of the data collected from both public and private mediums
- Issues of compensation of data sources from the private sector
- Agree on the issues of data Verification, traceability e.t.c



Opportunities in Uganda's Agric Sector



- Uganda centrally located,
- Comparatively good climate of bi-annual seasonal rains that makes it ever green in most parts of the country.
- High demand of agricultural commodities especially food from all neighbours of Uganda
- Diverse microclimatic zones that enable production of a diversity of agricultural products
- Arable land has good soils,
- The land has the potential to feed 200 million people (FAO).





Why invest in the Agricultural Sector cont..d



- Uganda is a member to bigger markets for which access is duty and quota free e.g. EAC (over 125m people), COMESA (over 400m people), EU, AGOA, and other emerging markets in Middle East, China, Japan, etc.
- Sound Macro economic framework conducive for investment e.g. liberalization, privatization, excellent incentive regimes, abolition of export taxes, etc.



Investment opportunities cont..d



- ***DAIRY AND DAIRY PRODUCTS;***

Capacity of 1.8 billion litres annually

Opportunities exist for powdered milk production, flavored and UHT milk, butter and ghee production, cheese, cream and ice-cream and establishment of collection and distribution facilities.





Investment opportunities cont..d



- ***Meat and Meat products;***

Cattle 11.4 million, goats 12.4 million, sheep 3.4 million, poultry 52 million all with potential to more than double; all ideal for meat exports, leather processing, animal feeds manufacture and commercial breeding, abattoirs of international standard.





Opportunities and comparative advantage Cont..d

- High potential of producing cheap hydro electricity from several parts of the country to provide rural electrification.
- Unique products e.g. meat from the Ankole cattle (low Cholesterol), Arabica coffee, Good Quality Cotton and Tea host of many organically products e.g. fruits and vegetables.



- Promotion of Public- Private sector partnerships.
- Private sector lead economy and conducive political climate.
- Strong agriculture research system e.g. the Rice centre of excellence at Namulonge.

Very Attractive tourist sites





End



THANK YOU
FOR
LISTENING