

THE 6th



NSA Statement Civil Society Perspective on Agriculture Sector Performance During FY 2015/16; Opportunities, Challenges and Recommendations

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1.0 Introduction

The aspirations of Vision 2040¹, the NDP II and ASSP are to transform Uganda from a peasant to a modern prosperous country. This is set to be realized through strengthening the country's competitiveness for sustainable production, wealth creation, employment and inclusive growth. These development frameworks identify increasing production and productivity, value addition and market opportunities as some of the key drivers of growth and development.

The years 2015/16 marked the beginning of the implementation of the draft agriculture sector strategic plan 2015/16- 2019/20 aiming at "transforming the sector from subsistence to commercial agriculture". Like the previous development strategy and investment plan 2010/11-2014/15, the Ministry of Agriculture Animal Industry and fisheries (MAAIF) committed to continue focusing on its medium term priorities of improving agricultural production and productivity among its priority

areas. During this year, MAAIF explicitly focused on increasing household incomes, ensuring food and nutrition security, creating employment opportunities, promoting value addition and trade in agriculture.

We commend the Government of Uganda through MAAIF and other MDAs for the continued effort to provide an enabling environment for the agriculture sector. We recognize the efforts towards the Completion of the Seed policy, Increment in agriculture funding from 580bn for the financial year 2015/16 to 823.42bn in 2016/17², improved budget absorption of 99.2%³, fast tracking the agricultural extension reforms, establishment of Directorate of Agricultural Extension, the Draft National Agricultural Extension Policy and Strategy, recruitment of extension staff, increment in wage and non-wage votes to extension services and the successful launch of the Strategic Analysis and Knowledge Support System Node (SAKSS-node).

¹ "A transformed Ugandan society from a peasant to a modern and prosperous country within 30 years"

² Budget Speech, 2016/17

³ CSBAG position paper on the agriculture sector MPs FY 2016/17

The Non State Actors (NSA) Group comprising of Civil society, Non-Government al Organizations, Farmers and their Organizations, Youths organizations, fisher folk, pastoralists organizations, Private Sector, Women and

their organizations, Faith Based Organizations, Academia, Media and Professional bodies have continued to compliment MAAIF in the implementation of the above strategic commitments.

2.0 Background

On the occasion of this 6th JASAR meeting 2016 convening at Speke Resort Munyonyo on August, 29 and 30 2016, NSAs wish to share insights and recommendations for better collaboration, partnerships and management of the agricultural sector in Uganda in a bid to enhance production and productivity for job creation.

In line with the Malabo declaration's Commitment to mutual accountability actions and results and the CAADP's principles of transparency and accountability; and inclusiveness, NSAs commend the Government of Uganda through MAAIF for upholding these principles and according space to NSAs in planning, implementation, monitoring of results and convening this 6th JASAR 2016.

Whereas the contribution of NSAs to the agricultural sector has remained unquantifiable due to the absence of

systems and frameworks to capture data, their contribution to service delivery and informing policy and programming within the sector has remained visible and reported felt among farming communities across the country

During this review period, NSAs have continued mobilizing and building capacities of farming communities and other stakeholders in production across the value chain and participation in key processes aimed at enhancing the performance of the agricultural sector against key commitments under the CAADP, MALABO, NDP II, ASSP, and Joint Sector Reviews at regional and national levels as well as in preparation for this event.

NSAs have conducted comprehensive analyses of the draft Seed Policy and Strategy, the agricultural extension reforms, the agricultural financing

through budget performance monitoring, Biotechnology and Biosafety bill 2012 among others . They have coordinated and harmonized positions and contributions.

In terms of service delivery, NSAs have continued to provide agricultural extension across the value chain, provided agricultural inputs, facilitated access to financing, promoted value addition technologies and created market linkages for small holder farmers

aiming at increasing household food and nutrition security and incomes.

In consideration of the year in review and the theme for the 6th JASAR 2016 (enhancing agricultural production and productivity for job creation), NSAs present an assessment of sector performance against targets, and analyzed selected drivers of enhancing productivity and creating jobs in the agricultural sector; make prepositions and reaffirm commitment to supporting the sector in the next financial year.

3.0 Agriculture sector performance FY2015/16

3.1 Overview of the agricultural sector

According to the UBOS statistical abstract 2015, the sector contributes 24.8%⁴ of Uganda's GDP and employs 66% of the working population but in a more significant way employs 80% of the women in Uganda. This demonstrates the importance of the sector to the poor, especially women who derive their livelihood from agriculture. The sector is largely private sector led, with Government left with expenditure in research,

seed breeding and certification, extension services, disease control and policy regulation.

According to the 2014 Population and Housing Census, households reporting subsistence agriculture as their main source of livelihood have increased from 68% to 69% and of the 5.2 million farming HH in the country, only 2.3% were in commercial farming. The country's strategic direction to move farmers towards commercial farming needs to be reviewed.

⁴ Rebased GDP estimates for 2013/14

3.2 Budget performance

The approved budget for the sector for the FY 2015/16 was UGX 505.844bn including taxes. Out of the above budget, UGX 384.452bn (67.9%) was GOU funds while the UGX 91.716bn (25.5%) was donor (external financing), UGX 5.213bn (1%) was specifically to pay taxes and UGX 27.744bn (5.5%) was Non Tax Revenue. The composition of the budget by expenditure category was as follows; Wage constituted UGX 55.40bn, Non-Wage Recurrent was

UGX 65.711bn, GoU Development was UGX 223.442bn.⁵

By the end of the FY 2014/15 a total of UGX 525.853bn (103.8%) was released representing a release performance of 89.5% of the approved budget. UGX 497.591bn was spent out of the release representing absorption of 95.0%. At vote level, the highest absorption rates were reported by CDO and NARO at 100% then UCDA, MAAIF and NAADS at 99.8%, 99.2% and 98.4% respectively.

Table 1: Release performance for Agriculture sector FY 2014/15 and Q2 FY 2015/16 (GoU)

VOTE MDA		2015/16 Budget (bns)	Release H1 15/16 (bns)	15/16 performance
10	MA AIF	93.2	16.108	17.30%
121	DDA	5.044	1.081	21.40%
125	NAGRCDB	4.15	1.235	29.70%
142	NARO	37.61	10.102	26.80%
152	NAADS	178.974	12.82	7.20%
155	UCDO	5.301	0.956	1.80%
160	UCDA	27.912	12.926	46.30%
Grand Total		352.191	78%	11%

Source: Budget Performance Report FY 2014/15 and release performance report for FY 2015/16

⁵ Annual Budget performance report FY 2014/15

4.0 Key budget performance issues

4.1 Low budget

absorption: The Semi Annual Budget performance Report 2015/16

highlighted the sector has an absorption performance rate of 70% compared to the national average of 92.9%. The OPM report on performance of externally funded projects implemented by gov't institutions revealed that out of 60 projects, assessed 81% of them were unsatisfactory with the loans unlikely to be absorbed by the project closure date. In Agriculture, 80% of the projects assessed were unsatisfactory. This state of performance constrains efforts and arguments for increasing funding to the agricultural sector.

Recommendation:For MAAIF, to improve on its performance, absorb all resources given and align its priorities to the focus of its mandate;

It should strengthen its M&E function, using the SWAP, to periodically assess and review the sector performance upon set targets. If the cause of poor performance is found to be incompetence among the MDAs and

personnel, performance contract provisions should be enforced, including termination.

4.2 Agricultural Credit:

Out of the outstanding stock of recorded credit of UGX 11.2trillion by April 2016, only 10.3% went to agriculture. The ACF displayed tremendous improvement in the FY 2014/15, with disbursements increasing to 179bn in June 2015 from 150bn in June 2015. However, there is still need for affordable and accessible agricultural finance to majority of farmers, who are small holder farmers. Currently ACF is accessible through commercial banks some of whom have flaunted the 12% guidance from the BoU as the rate at which to lend the funds to prospecting farmers. These rigidities have made access to credit for farmers harder and such there do not get access to the much needed resources to increase agriculture production and productivity ultimately frustrating job creation. On page 24 of the NBFP FY 2014/15, Government promised to revive the Uganda **Cooperative Bank** and

this was followed up with a cabinet paper by the MoTIC.

We thank Government for the planned recapitalization of Uganda Development Bank, however there should be low affordable interest rates that are friendly to SHFs that commensurate with realities at the farm. From the above observation, agriculture credit calls a multi sectoral effort and should be treated as such.

Recommendation: When farmers come together in groups, and are better organised, they need more support from Government and as such we call upon Government to honour the Cooperative Bank promise as this will ease access to credit

4.3 Establishing an Agriculture Insurance Scheme:

We do appreciate the Government for allocating UGX 5bn in FY 2016/ to boost the uptake of agricultural insurance to save farmers from losses. However, Insurance players in Uganda are reluctant to come up with innovative agricultural insurance products. Insurance products to mitigate agriculture risks are offered by only 8 out of the 26 licenced insurers who cover only three risk areas, namely, livestock,

crop insurance and weather indexed.

Recommendation: The Agricultural Insurance bill needs to be passed by parliament immediately. The sector needs at least UGX 50bn to considerably subsidise the insurance industry to uptake agriculture.

4.4 Compliance to the NDP II:

Despite the sector being allocated funds (UGX 854.466bn) over and above the NDP II target (UGX 782.5bn) for the year 2, the sector did not comply with NDP II requirements.

The sector's compliance to the NDP II, according to NPA Certificate of Compliance in March 2016 was 56.1% was below the average score of 68.3%, based on the fact that by 3rd quarter FY 2014/15, only 50.4% of the funds were released, many MDAs did not have strategic plans aligned to the NDP II and the sector accorded less priority to institutional strengthening of MAAIF structure particular the extension and regulation function.

Recommendation: MAAIF and other sector MDAs finalising their strategic plan is paramount even as the sector received over and above the NDP II target.

4.5 Counter Funding:

Counterpart funding is one of the financing challenges for budget

implementation in Uganda as a whole. Key projects are stalled and as such there are overruns and related costs.

Counter funding requirements for FY 2016/17

Counterpart funding requirements FY 2016/17 ('000)	
MAAIF	13,482,533
<i>Vote Function 0101 Crops</i>	<i>11,648,783</i>
Vegetable Oil Development Project-Phase 2	9,836,783
Rice Development Project	636,000
Agriculture Cluster Development Project	516,000
E enhancing National Food Security	360,000
Multisector Food Safety & Nutrition Project	300,000
<i>Vote Function 0102 Animal Resources</i>	<i>883,750</i>
Northern Uganda Farmers Livelihood Improvement Project	333,750
Regional Pastoral Livelihood Improvement Project	550,000
<i>Vote Function 0103 Agricultural Extension Services</i>	<i>950,000</i>
ATAAS (Grant) EU, WB and DANIDA Funded	950,000

Source: Approved Budget Estimates FY 2016/17

Part C, Para 9 of the Budget Execution Circular for the FY 2016/17 notes cases of inadequate counterpart funding for projects leading to delays in project implementation and as such the PS/ST guided that counterpart funding gets first call on all MDA's resources in the FY 2016/17.

Recommendation: MAAIF should adhere to the guidance of the PS/ST and secure funds for counterpart funding highlighted in the table above to ensure success full implementation of projects, not only in the FY 2016/17 but all through the project life. This will enhance the ability of project achieving the desired outcomes.

5.0 Climate Change, production and Inputs

The global average temperature has risen between 0.4 and 0.8 °C over the past 100 years (IPCC, 2014) and are predicted to increase between 1.4 and 5.8 °C by the year 2100. The cost and loss associated with the changing climate in Uganda over the last 10yrs has been estimated at US\$ 200 million⁶ with the agricultural sector being the most affected.

There are efforts for combating climate change effects at global and national levels. At the international level, some policy advancements have been achieved the latest being the Paris agreement and SENDAI framework of action 2015 all of which continued to guide Uganda's policy, strategies and action plans on climate change. Among them being the National Plan for Adaptation, National Green Growth Development strategy, National Climate Change Costed Implementation Strategy and the National climate change policy among others.

Agricultural productivity of most crops and livestock has been declining overall in the last decade

owing to a number of factors which include: high costs of inputs, poor production techniques, limited extension services, over dependency on rain-fed

⁶EAC Disaster Risk Reduction and Management Strategy (2012 – 2016) agriculture, limited markets, land tenure challenges and limited application of technology and innovation (NPA, 2013 and World Bank 2013).

According to the Uganda integrated rainfall variability impacts report 2012, Rainfall deficits experienced in certain areas of Uganda in 2010 and 2011 affected the country in meteorological, agricultural, hydrological and socioeconomic terms. The value of damage and losses caused by rainfall deficit conditions in Uganda in 2010 and 2011 is estimated at 2.8 trillion Shillings or US\$ 1.2 billion of 1.1trillion was experienced in the livestock sector. Significantly, effects were experienced in form of death of livestock.

⁶ EAC Disaster Risk Reduction and Management Strategy (2012 – 2016)

A high dependence on rain-fed agriculture (with only about 0.1 % of production from irrigation) and natural resources implies that our production systems are vulnerable to climate variability and increased intensity and frequency of natural hazards. Because of the low water use in our production the level of production remains 30% of our national potential. The current irrigation coverage of 2.7%, agricultural production remains at 30% of the total national potential, the National irrigation master plan which targets to increase irrigation service delivery by 6.5% per year by 2030 puts MAAIF and MoWE at the center of its implementation.

Recommendation: MAAIF should adopt the National irrigation master plan into its annual plans and budgeting framework with consistent targets to meet the overall outcomes by 2030.

5.1 Research

The agricultural sector in Uganda to reach its full potential in production and productivity and sustainable creation of jobs, consistent and sustainable public financing and investment in research is required. In this regard, the NDP II identifies research as a strategic priority area to the realization of the strategic

outcomes. However, for the last 2-3 financial years, public financing to research has been decreasing both in percentage and nominal figures. Since research is the main function of NARO, the NARO budget has remained inconsistent to the needs of the agency. The agency received UGX 157.47bn (including NTR for the FYs 2014/15, UGX 98.98bn (including NTR) FY 2015/16 and UGX 114.14bn (including NTR) FY 2016/17 –

In terms of content, the current research has largely focused on production of animal breeds and crop varieties and less on research needs along the value chain to include but not limited to soils, feeds and mechanization.

Recommendation: The Government of Uganda through MAAIF should determine and build consensus on the National research agenda in line with Uganda's comparative demand, strategic positioning, national development objectives and Vision 2040.

The Government of Uganda through MAAIF should deliberately increase the allocation of funds to NARO alongside the national responsive research agenda.

To promote and scale up the dissemination and adoption of

pasture seed among pastoral communities and appropriate mechanization technologies developed as prototypes at Namalere and other research institutes.

5.2 Production practices

Uganda's production largely relies on rudimentary technologies and practices such as hand hoe, seed broadcasting coupled with sustainable tillage practices which has a direct impact on loss of biodiversity and agriculture productivity. Uganda among other African countries under the auspices of African Union declared through the "Women's Empowerment and Development Towards Africa's Agenda 2063"⁷ summit in June, 2015 in south Africa joined a campaign to end the use of hand held hoes by 2025.

Recommendation: The Government of Uganda through MAAIF should or be seen to comply to the AU declaration to end the use of the hand hoe and commit it to the Museum. This can be done through increasing access to appropriate technologies as published by NARO and the private sector and improving farmers access to appropriate financing to pay for these technologies.

5.3 Climate Smart Agriculture

The Government of Uganda has committed to pilot and scale up climate smart agriculture in response to the challenges and effects of climate change to production and productivity in agriculture, the CSA policy has set out principles upon which planning and programming should be based.

Recommendation: MAAIF together with other related Government MDAs should popularize and adopt all the guidelines of the CSA policy to ensure youth involvement in agriculture.

⁷ Doc. Assembly/AU/Decl.2(XXV)

6.0 Land and Land use

The contribution of land utilization to the national economy cannot be over emphasized. Land is predominantly the major basis upon which Uganda's physical development and socio-economic transformation is anchored. Agriculture largely thrives on produce and systematic land use zoning, planning and management. Transformation of this from a peasant to commercially competitive sector will require sustainable utilization of land resources.

Land refers to soil land forms, geology, hydrology, climate plant cover and fauna including insects and micro-organisms. The poor land use planning practices, commercialization, industrialization, urbanization and population growth have all exerted immense pressure on land and its resources to the extent that land use has become unsustainable. Agriculture productivity has been reducing at a constant rate in the East African region with countries like Kenya and

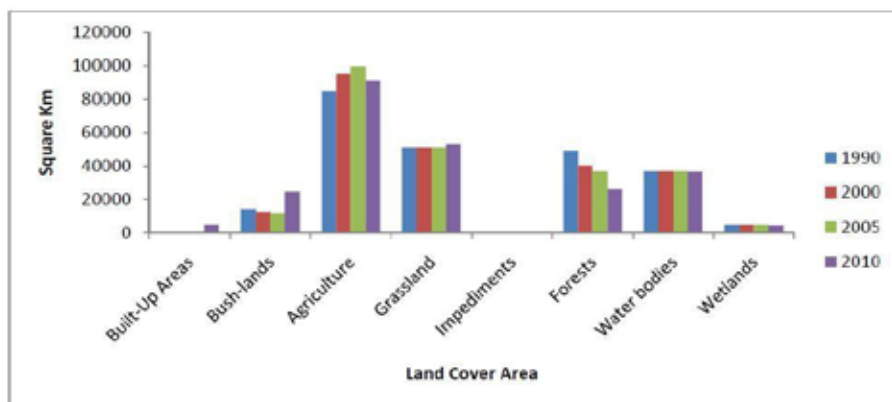
Tanzania with higher fertilizer use registered higher productivity. In Uganda, this has resulted in reduced land for agriculture from 99,703.1sq kms in 2005 to 91,151.8sq kms in 2010⁸ while the built up area increased 10 fold⁹ between the same period.

Further, due to the changing climatic conditions over time with reduced rainfall and increased temperatures since 1970, Uganda's agro-ecological zones are no longer capable of effectively supporting the agronomic practices conducted in the various regions of the country. The old agro-ecological zoning which supported the banana-coffee: Banana-Millet-cotton: Montane; Teso: Northern: Pastoral: and West Nile systems are no longer feasible as soil fertility has reduced tremendously and rainfall patterns changed to the extent that they can no longer support the cultivation of the previously earmarked crops and land use activities.

⁸ UBOS (2015) 2015 Statistical Abstract

⁹ Karugia et al., 2013 Kampala Uganda

Figure 1.2: Land Cover area by type, 1990-2010 (sqkm)



Source: Karugia et al (2013)¹⁰

Agricultural production has grown largely on the account of the expansion of land under agriculture as opposed to improving total area productivity where the total factor productivity has been reducing at an annual rate of 1.3% for the last 20 years. This is an unsustainable conversion of land and loss of agricultural productivity

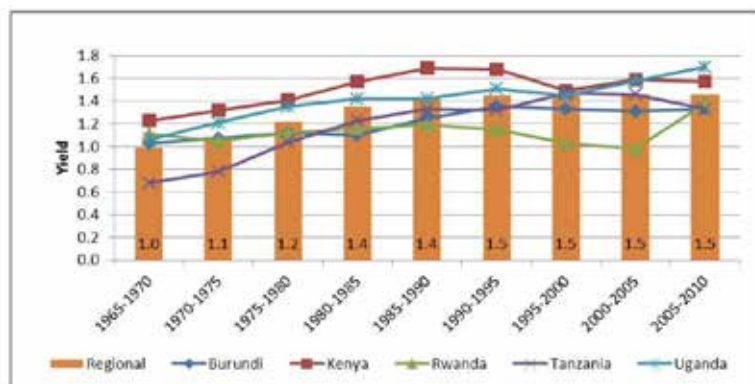
where Uganda is currently producing at 30% of its potential. For instance, in the coffee subsector, the current average productivity is 600Kgs per hectare compared to 3000Kgs per hectare in Vietnam one of the largest competitors on the world market which highlights Uganda's loss of foreign currency earning

potential. If Uganda is to attain the targeted production of 20 million bags of coffee by 2020 productivity must be raised, through proper land use planning, zoning, management and coordination of the competing land uses.

Uganda agricultural production and input distribution is not necessarily based on proper agricultural zoning which reduces productivity of the various enterprises. The various land cover and land use types present specific opportunities that when tapped would catalyse agricultural transformation. For instance, rangelands have presented management challenges related to flooding, and prolonged droughts

¹⁰ Karugia et al (2013) Agricultural Productivity in the EAC Region (1965-2010): Trends and Determinants¹⁰

yet these are well suited for production of tubers and oil seed crops such as ground nuts. Further, rangelands would thrive as cattle strongholds if proper pasture management and water harvesting practices were enhanced.



Source: Computed by the authors using data from FAOSTAT

Figure 1: Cereal productivity (annual average level in t/ha) in the EAC region 1965-2010

The increased annual urbanization rate of 3.5% has and continues to claim previously agricultural land and robs the country of potential land for production. This is caused by lack of proper zoning and management of the urbanization process. In addition, there are numerous land conflicts emerging from pressure on land and tremendous sub-division of the land which reduces land productivity. However, the World Bank ¹¹ has argued that proper land management and strengthening of land tenure has potential to increase land and agricultural productivity by 5-11 percentage points.

Therefore, whereas enhancement of Soil fertility has been poised to emerge greatly from increased fertilizer use, we challenge this notion as misleading and only partly true as there are numerous factors that could increase productivity and mostly resulting from proper land use management.

Recommendations

Updating of National Land Use Maps:

Land cover maps and land evaluation to a scale of 1: 5000 or lower from the current 1: 50,000

¹¹ World Bank (2015) Fact Sheet: Uganda Economic Update; Sixth Edition, September 2015

Promotion of Sustainable Land Use Management:

There is need to finalize the Range land management and pastoralist policy and have it implemented to raise the profile and productivity of the rangelands and other production zones. Rangelands are largely perceived as problem areas but they provide multiple functions.

Improve and increase soil sampling and testing:

For viability before enterprises are promoted and investments made in input distribution. An updated soil atlas for the country needs to be developed. Incorporate soil testing within the extension system.

Enhance inter-sectoral coordination:

Between MAAIF, MoWE, MoLHUD and other relevant agencies.

7.0 Value Addition and Markets

The goal of NDP II is to attain middle income status by 2020. This is set to be realized through strengthening the country's competitiveness for sustainable wealth creation, employment and

inclusive growth. NDP II identifies increasing sustainable production, productivity and value addition in key growth opportunities as objective number one. Uganda's composition and value of exports have been growing for the last ten years. However the imports have continued to increase at a much faster rate due to importation of high value consumer and investment goods widening the country's trade deficit. The trade balance has more than doubled from \$1.2Bn in 2006

to \$ 2.6Bn in 2010. The balance of Payment has continued being not affected by the poor performance of exports to the region and a surge in import demand. Consequently the current account deficit declined to US\$ 302.2 million in the quarter to April 2016 compared to a deficit of US\$ 758.5 million in the quarter ended January 2016. The trade deficit improved by over 60 per cent to US\$ 204 million mainly on account of a lower import bill.¹²

Recommendation: In order to enhance production and productivity for job creation, the Government of Uganda through MAAIF (Which operates at the lower end of the value chain) should plan and invest in value addition and increasing

¹² State of the Economy, June, 2016 by Bank of Uganda.

competitiveness of agric. Products to meet the market demands and food needs within and outside the country. Value addition and standards should be at the heart of AEAS with proper standards and value addition manuals for extension service providers

7.1 Post-harvest handling

We commend the Government of Uganda for the development of policies and strategies in addressing some of the post-harvest challenges in the sector such as; formation of the Uganda Mycotoxin Mitigation Steering Committee, the farmer and producer cooperatives that can facilitate transformation leading to rural economic development by collective production, value addition and marketing.

However, the agricultural sector remains characterized by high post-

harvest losses/food waste registered at 20 – 25% for tubers, 5- 15% of grains and legume, fruits and vegetables at 35% due limited value addition techniques, inadequate bulking, poor and inadequate storage facilities and high energy costs. In addition, limited market information and capacity of the primary producers to meet the standards required for domestic, regional and international markets limits the sector's contribution to national earnings.

Uganda's exports are composed of low value goods that attract low prices and increasingly less acceptance in many markets due to a high potential of contaminations like Aflatoxins in food and feeds. E.g. in 2014/15, Uganda experienced a loss in export value of \$37.56M¹³ due to failure to meet acceptable levels of aflatoxins in Maize, Groundnut and Sorghum,¹⁴

Summary estimates of Aflatoxin prevalence in key crops in Uganda¹⁵

Ground Nut			Maize			Sorghum		
N ^a	R ^b (ppb)	%c	N ^a	R ^b (ppb)	%c	N ^a	R ^b (ppb)	%c
100	4.0-850.0	10-30	100	86.0-3300.0	20-65	100	25.0-514.0	65-100

a= No. of samples, b= range of highest contamination level, c= range of samples above maximum acceptable limit.

¹³ Results Updates on Africa AIMS and C-SAAP, Feb, 2016

¹⁴ Kaaya, A.N., and Kyamanywa, S., and Kyamuhangire, W., 2006. Factors affecting aflatoxin contamination of harvested maize in the three agro ecological zones of Uganda. *Journal of Applied Sciences* 6(11): 2401-2407.

¹⁵ Results Updates on Africa AIMS and C-SAAP, Feb, 2016

Agricultural trade is affected by poor quality management and failure of compliance with standards. Opportunities to increase agricultural trade to high value markets beyond the region such as the European Union have not been exploited to the highest potential either due to slow progress on improving sanitary and phytosanitary (SPS) practices. These have been compounded by climate change, lack of drying infrastructure, high cost of value addition equipment, high cost of energy, lack of

affordable agricultural financing, low awareness on standards and regulations.

7.2 Market access

Despite Government efforts in campaigning and mobilising the

citizenry to “buy Uganda and build Uganda” the country’s balance of trade and balance of payment have consistently remained unfavourable. Although Uganda’s composition and value of exports have been growing for the last ten years, the imports have continued to increase at a much faster rate due to importation of high value consumer and investment goods. The trade balance has more than doubled from \$1.2Bn in 2006 to \$ 2.6Bn in 2010. The balance of Payment has continued being not affected by the poor performance of exports to the region and a surge in import demand. Consequently the current account deficits for year 2015/16 are projected to widen 8.5% of the GDP compared to 7.2% in FY 2013/14.

Uganda’s GDP Growth Rate



Source: Uganda Bureau of statistics,

Over the years, MAAIF has consistently planned and budgeted for value addition. However, This is too scattered throughout the whole budget (across sectors) to be consolidated. It's the selected development projects in MAAIF that have the allocation. It is mostly externally funded. The outputs for value addition are 010305 - Provision of Value Addition extension services, 010108 - Increased value addition of priority commodities, 010106 - Increased value addition in the sector and 014903 - Improving Value addition and market Access.

Agricultural/ farmers' Cooperatives

Whereas the development and sustaining of cooperatives is a mandate of Ministry of Trade Industry and Cooperatives, the functionality integration and efficiency of these organs accrue more benefits to farmers. Farming communities continue to be challenged by access to reliable and sustainable inputs (farm tools and finance) and market linkages. The current set up of cooperatives poses a challenge to farmers as these core desired functions are scattered in different units.

Recommendations:

DAES should integrate issues of food safety and standards (controlling

contaminants in food and feed i.e. pesticide residuals, excessive use of anti biotics, aflatoxins, and use of unacceptable additives in agricultural produce e.g. in meat, milk) within the Extension packages being developed for extension service providers.

Initiatives for technology transfer such as OWC should include appropriate technologies for value addition on their priority technology list for small holder farmers at a cost sharing, at a subsidised rate or hire purchase.

A standard output after clearly defining and ascertaining what the sector means by value addition should be created. Otherwise the word is being thrown around complicates consolidation of financing and results of this aspect

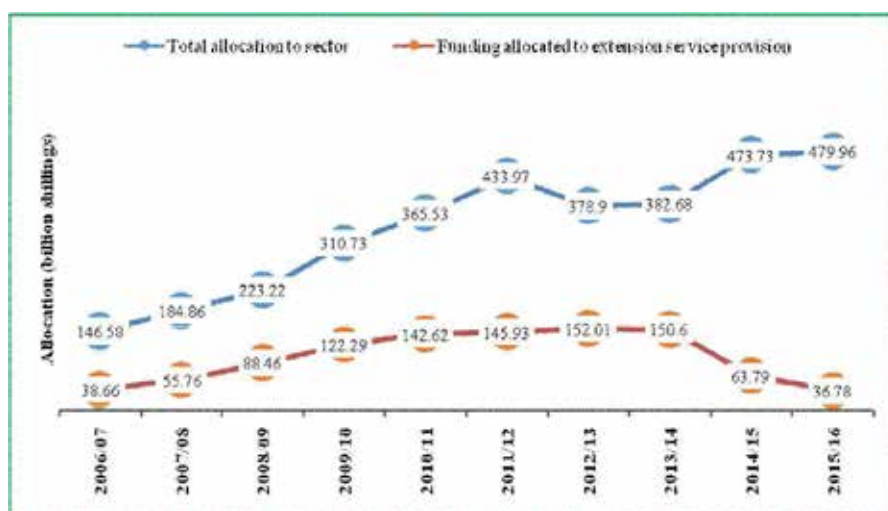
In a bid to strengthen farmer cooperatives there is need for concrete collaboration between MTIC and MAAIF. MAAIF interventions in extension, technology transfer, capacity building in resource mobilization, pre and post-harvest handling, quality assurance and control and market linkage should be harmonised with those of MTIC to improve result and outcomes.

8.0 Provision and Access to Agricultural Extension

The budget allocations to the agricultural sector have been increasing over the years, except during FY 2012/13 and 2013/14 when it dropped to UGX 378.9 and 382.68 billion shillings, respectively

(Figure 1). Similarly, the amount of funds allocated for provision of agricultural extension services have been increasing until they started declining in FY 2014/15 and 2015/16.

Trends in budget allocations (Billion shillings) to the agricultural sector and extension service delivery; 2006/07 – 2015/16



Source: Background to the Budget, various issues

The period of decline in allocations to extension service provision absolutely coincides with the adoption of the single spine extension system in June 2014 (i.e. the beginning of the FY 2014/15).

However, it is also, necessary to note that the single spine was adopted after approval of the 2014/2015 budget, which perhaps partly explains the limited financial provisions for effecting the reform.

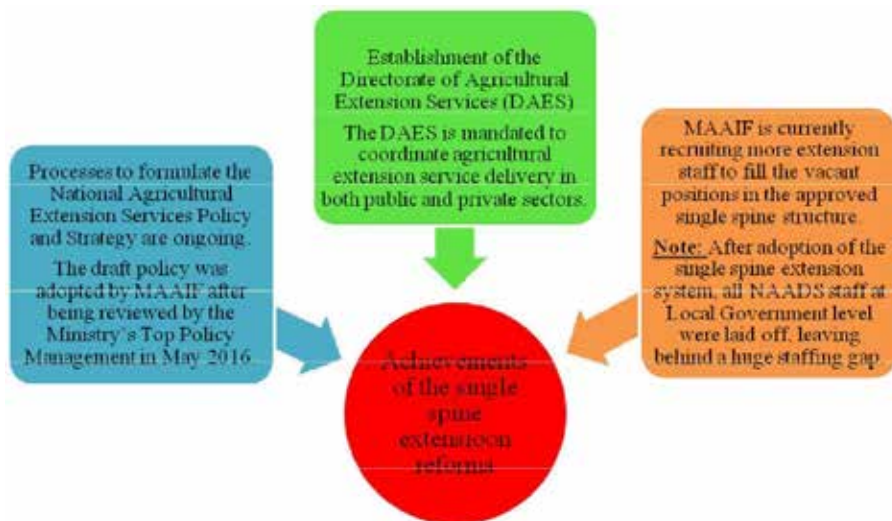


Nonetheless, even in the fiscal year and review (2015/16), the budget allocation to extension service provision was further reduced to 36.78 billion shillings. .

In order to enhance agricultural production and productivity to create jobs is an investment that requires inputs in hard and soft ware make of the farmers. Adoption and proper utilisation of all other agricultural inputs is based on the farmers ability

and capacity. Provision and access to an inclusive, efficient and effective agricultural Extension system is the heart and soul of such an inspiration.

On 1st July 2014 the Government of Uganda through MAAIF commenced the implementation of the single spine extension system - shortly after its approval by Cabinet . By the end of the reporting period, MAAIF had so far recorded the following achievements;



Despite these achievements and other, the new reforms would have performed better but was highly constrained. MAAIF continued grappling with the challenge of inadequate funding as demonstrated below.

a) According to the budget estimates, the Directorate of Agricultural Extension Services (DAES) requires at least 4.26 billion shillings in 2015/16 to ensure effective coordination but MFPED allocated 3.082 billion shillings. Thus, leaving the DAES underfinanced to

the tune of about 1.2 billion shillings (28 percent funds insufficiency), struggling to play its coordination role.

b) According to the DAES, four thousand two hundred seventy (4,270) staff are required to fill the positions in the approved single spine structure in 2015/16 (year 1 of implementation). However, available funds could only allow recruitment of 1,170 staff, implying that the staffing gap will remain huge (estimated at 3,100 people, which is equivalent to about 73% of the total staffing required).

Further analysis of the budget allocation to AE beyond the year in review within the , MAAIF's

2015/16 – 2019/20 financing plan for extension service compared to MFPED's Medium Term Expenditure Framework (MTEF) budget projections for the same period depicts a dull picture. The entire five years under scrutiny indicates that MAAIF will experience huge financing gaps. In absolute terms, the average financing gap is over 394 billion shillings but generally ranges from 113.2 billion shillings (amount required in year 1) to 507.8 billion shillings (amount needed in year 4). Considering the entire 2015/16 – 2019/20 planning period, MAAIF will be short of funds for implementing extension service provision programmes to the tune of 1,972 billion shillings.

Planning period	Amount (Billion shillings)			Financing Gap as a percent of required funds for single spine implementation (Percent)
	Total MTEF allocation to extension services	Budget estimate for operationalising Single Spine	Financing Gap	
Year 1: 20015/16	36.77	149.94	113.17	75.5
Year 2: 20016/17	47.84	454.50	406.66	89.5
Year 3: 20017/18	53.00	513.09	460.09	89.7
Year 4: 20018/19	60.60	568.44	507.84	89.3
Year 5: 20019/20	67.57	550.97	483.40	87.7
<i>Entire planning period</i>	<i>265.78</i>	<i>2,236.95</i>	<i>1,971.17</i>	<i>88.1</i>

Sources: Background to the Budget 2015/16; Framework Implementation Plan for the Agricultural Extension Services, June 2015 Draft

8.1 Budget allocations to local Government s also insufficient to support extension service delivery

Provision of AEAS actually takes place in district local Government s (LGs). The production and marketing grant (non-wage recurrent) for FY 2015/16 was 14.14 billion shillings and projections indicate that it will gradually increase to 17.4 billion shillings by 2017/18. During year 1 (2015/16) of single spine

implementation, there should be 4,270 extension workers and the cumulative number of extension staff is expected to steadily increase to 9,636 workers, in 2015/16, each extension worker will receive facilitation worth 275,950 shillings per month. The level of support to extension workers is expected to decrease remarkably as all approved positions in the single spine structure get filled.

Table 2: MTEF allocations to non-wage recurrent for single spine implementation in LGs

	2015/16	2016/17	2017/18
Cumulative number of serving extension staff per year	4,270	6,953	9,636
Amount of funds allocated by MFPED for non-wage recurrent ¹⁶ (million shillings)	14,140	16,260	17,400
Annual facilitation to extension workers (million UGX/Extension worker)	3.3	2.3	1.8
Monthly financial support available per extension worker (UGX)	275,956	194,880	150,477
Estimated amount of facilitation deemed adequate per extension worker per month (UGX)	500,000	500,000	500,000
Level of inadequacy of support to extension workers (UGX/month/extension worker)	224,044	305,120	349,523

Source: Background to the Budget 2015/16 Fiscal Year;

Presentation made by Ag. Director, DAES (MAAIF) to Cabinet in January 2015

¹⁶ The figures presented are the Medium Term Expenditure Framework (MTEF) allocations for the production and marketing grant to district local Government s. This particular allocation/ grant is used to facilitate extension workers to provide services to farmers.

Unless the issue of funding is addressed, the single spine system will grapple with a low extension worker to farmer ratio, a challenge that the past public extension system also faced. Predictably, the set human resource targets are unlikely to be

met unless during the subsequent years MFPED allocates and disburses more funds than already planned for to enable recruitment of staff who should have otherwise been recruited during the first year of single spine implementation.

9.0 Our Commitments

The NSA are committed to undertake the following in line with achieving the ASSP and Fulfilling their constitutional roles and responsibilities:

Collaborate and partner with Government and MAAIF to inform, design, and implement the pillars of the ASSP and as well as the development of the ASSP results framework.

We will popularize Government programmes and policies and harness our power to invest in the sector through undertaking advocacy and mobilize resources for increased public and private investment and expenditure in agriculture.

Education and capacity Building: We are committed to mobilize the farmers, build their capacities to competitively produce in collaboration with the ministry.

Further, we are committed to re-align our work and resources to fulfill our roles and responsibilities in line with ASSP and Ministerial priorities.

Supporting the establishment and strengthening of farmers networks, groups associations and cooperatives to increase farmers' productivity and production, bargaining power, role in the value chain, market and credit access and financing.

Developing value chain platforms driven by private sector farmers and agribusinesses and collaborating with other NSAs and with Government ministries

(agriculture, finance, trade) to increase the success of the production, value-addition, input supply, and marketing and export agribusinesses along the value chain

10.0 Conclusion

As we conclude, we thank GoU through MAAIF for giving us this opportunity again to actively participate in this 6th JASAR. We commend the efforts of all stakeholders rendered to support the growth of the agriculture sector- the only inclusive opportunity to reduce poverty end hunger and malnutrition.

Quantifying and qualifying the contribution of NSA to the agricultural sector should be a priority of all stakeholders. Development partners, there is need to establish a growing database for NSA to capture data and information on the innovations,

investment and contribution of CSOs to the development of not only the sector but the entire country

We commit to continue working closely with MAAIF and other stakeholders to realize the full potential of the agriculture sector in the realization of Vision 2040 through enhancing production and productivity to create jobs.

We pray for continued support and space from MAAIF and her departments and agencies to foster constructive engagements, participation and collaboration.

11.0 A synthesis of issues emerging from Side events

This section presents a synthesis of issues that emerged from the side events organized by different Non state actors on different titles as presented below;

11.1 Enhancing Agricultural Productivity for Job Creation (Sponsored by OXFAM and Partners)

Oxfam in Uganda and her partners have been promoting two interventions; the Gender Action Learning Systems (GALS), a household Methodology aimed at balancing gender issues to bring about gender justice and women empowerment, and 'Cool Farming', a youth focused agri-business livelihood concept that makes farming accessible, gainful and attractive to young people.

This side event set out to enhance debate, deepen understanding of women and youth involvement in the agricultural sector, collectively share challenges and suggest strategies to counter mentioned challenges. Most importantly, this session illustrated how the GALS methodology has helped women and youth increase their agricultural production and employment. It was also aimed at

engaging government partners for policy reforms and investments in the agricultural sector, focusing on women and youth.

Key Policy Issues

- Unpaid care work; many, including Government do not seem to appreciate the contribution of women in care giving and feeding the family.
- Unfavourable market conditions; these favour men and leave women out, yet women produce much of the food produced and consumed.
- Limited control over resources like land for women is still a challenge; women cultivate about 80 percent of the land and yet own about only one percent of it. They have no security for even the few plots they own.
- Access to financial resources; the Youth livelihood Programmes and Operation Wealth Creation may exist but sensitisation on availability and access is still low.
- Poor infrastructure; transportation and logistics to assist women get their products

to markets in time poses a challenge.

- Access to new farming technology and to government programmes for women and youth is still a challenge; Government programmes seem to target men more than women and youth and as a result women and youth lack confidence and knowledge to use his technology.
- Climate change is still an issue; the recent climate Change Fund benefits were not felt and many women and youth still grapple with resultant challenges

Key Recommendations

- MAAIF together with other related government MDAs should integrate GALS as one of the strategies to empower vulnerable communities to address gender and other related social injustices at community.
- Enhance inter – sectoral coordination between MAAIF and MGLSD to ensure that some of the allocation to the Women Fund benefits women small holder farmers who compromise majority of the farming community.
- There should be allocation of funds towards gender mainstreaming activities and this should be clearly articulated within the sector and be a stand-alone budget.
- MAAIF should promote public awareness on agriculture as a business so as to promote women and youth in businesses along the agricultural value chains
- The GALS approach should be incorporated in the current agricultural extension reforms
- The GALS approach should be used to guide operations and standard operating procedures of the Operation Wealth Creation, the Youth Livelihood Fund, and the Women Entrepreneurship programme. It could help to streamline targeting and generation of gender and youth segregation data of beneficiaries and to assess the impact of these interventions.
- Since GALS is a multi-faceted approach, we see it as having potential or reducing GBV in the agricultural sectors and recommend its use to streamline the roles of women, youth and other actors in the value chain.
- MAAIF should develop and fast track a Youth in Agriculture Policy and Strategy and support grass roots women and youth entrepreneurs for agri-business.
- Government should promote

demand driven agricultural services and promote the removal of structural imbalances.

- MAAIF should put in place agricultural and vocational training centres for rural women and youth.
- Government should promote climate change mitigation and adaptation technologies.

11.2 Strengthening Agricultural Extension Delivery (Sponsored by FRA and partners)

The Ugandan government is currently placing an increased focus on widespread participation from the private sector, farmers, and civil society organizations. The Ministry is encouraging self-sponsorship, and has partnered with Non-State Actors (NSAs) to widely publicize and popularize the JASAR among citizens, more so to constructively provide input into the process. In this year's JASAR, space was provided for key stakeholders in the agricultural sector to exhibit their agricultural products. These included among others; information, education and communication materials (IEC), knowledge and information sharing platform created where MAAIF in collaboration with NSAs

convened side events to support voices under the thematic areas to gain prominence and feed into the National JASAR.

“Strengthening Agricultural Extension Delivery” was one of the themes looked at during the side events in order to analyse the key policy issues and provide recommendations to inform future planning and programming for the sector.

Key policy issues

- Recruitment of extension workers / Financing and sustaining; there is need to recruit the extension workers required as per the plan for the Single Spine Agriculture Extension System. In the last year's JASAR, people's fears were the number of workers recruited but as of 2016, the issue of financing those recruited is coming up.
- Reporting and communication; which is a structural issue. The issue of lines of communication has been most of the stakeholders' fears.
- Financing at the local government level. This is because the farmers get support from this level. The people are not sufficiently in command of the directorate
- Input distribution system. The

gaps have been realized in the delivery of inputs among which include the failure of the inputs to rejuvenate hence the survival rate of the inputs is at a stake

which is a structural issue the relationship between local government power centers and the directorate of extension should be strengthened.

Key policy recommendations

Recruitment of extension workers / Financing and sustaining

- There is need to recruit the extension workers required as per the plan for the Single Spine Agriculture Extension System. In the last year's JASAR, people's fears were the number of workers recruited but as of 2016, the issue of financing those recruited is coming up.
- The financial deficit to sustain the number of extension workers recruited should be addressed
- Profiling of farmers should be given credit
- Recentralizing production so that it's more linked to the ministry
- There are key missing links in extension. There should be a food and nutritionist at the district level
- Facilitation of the extension workers recruited.
- Coordination and harmonization of key players in the delivery of extension workers
- Reporting and communication;

Financing at the local government level

There is need to advocate for more funding at the local level to enable the service delivery reach the farmers

Input distribution system

On-farm demonstration to the farmers should be provided so that they know how practical to multiply the distributed inputs.

Quality assurance system must be given to the stakeholders for the inputs distributed.

The inputs should be demand driven by farmers so that they request for what they need

11.3 Land use for Food Security (Sponsored by FRA and Partners)

The Ugandan government is currently placing an increased encouraging complimentarily with the private sector, farmers, and civil society organizations to publicize, implement and critique it programs. In line with this, The Ministry of Agriculture Animal Industry and

fisheries is increasingly encouraging working together with Non-State Actors (NSAs) to widely publicize and popularize the JASAR among citizens, more so to constructively provide input into the process. In this year's JASAR, space was provided for key stakeholders in the agricultural sector to exhibit their agricultural products. These included among others; information, education and communication materials (IEC), knowledge and information sharing platform created where MAAIF in collaboration with NSAs convened side events to support voices under the thematic areas to gain prominence and feed into the National JASAR.

“Land Use for Food Security” was one of the themes looked at during the side events in order to analyse the key policy issues and provide recommendations to inform the budgetary process starting on September 01, 2016 and future planning and programming for the land sector.

Land is the main factor of production in agriculture alongside temperature and water and a well-functioning extension system. Land is the medium through which climate resilient initiatives/practises such as agro-forestry, forestry, wetland conservation, water management,

rangelands management, and physical investments occur. It is also on land that agriculture takes place. Thus, land should be taken as underlying enabler to the realisation of the right to food, conflict resolution and poverty eradication.

Whereas Uganda's national land laws and legislations have strengthened land rights and recognize collective rights of all Ugandans on land, ownership and control of land by women has only increased to 39% through individual ownership at 14% or jointly at 25%. Despite of this increase most women in Uganda still lack access and control of land. This is due to the dictates of cultural institutions which vest land ownership under the male household and clan heads. In addition, these have not incorporated national and international human rights norms in the administration of land law. This situation has reduced women productivity to 20% of their potential to the detriment of agriculture's contribution to the national GDP and food security in the whole country, laws regulations need to be aligned with reality to guarantee production and productivity.

Key Issues

- Increased annual urbanization: at the rate of 3.5% it increases annually, has and continues to claim previously agricultural land

and robs the country of potential land for production reducing agriculture's contribution to the total economic growth.

- Land for Agriculture increased: There has been a remarkable increase of agriculture land from 59.8% in 1990 to 74% in 2013 (Uganda sustainable development Report, 2015), unfortunately, this has been at the expense of reducing Forests, wetlands, rangelands and water resources. These are faced with rising pressure from agriculture expansion on top of human settlement, urbanization and industrial development
- Uganda agricultural investment is not based on proper agricultural zoning: this has led to mismatches in investment and priority setting, crops grown in some parts cannot simply do well in the places they are planted while parts suitable for construction sometimes are reserved for crop growing leading to crop failure or reduced productivity of the various enterprises.
- Productivity of land decreasing: this is mainly caused by climate change coupled by little or no resilient mechanisms which often times disfavours the farmers.
- There's dual ownership i.e. land lord and tenants: in many parts

of the country, more so in the central region, land ownership is shared between the landlord and tenants. Many things the tenants cannot do without prior approval from the landlords thus making investment decisions slow and often times impossible since the ideas of the tenants' may not align with landlords' plans.

- Increased land disputes: because of land limitedness especially in agricultural districts, influx of foreigners due to porous borders, increased birth rates. There's strife on land as we're all striving for a small and ever decreasing portion, this has given off many conflicts some of which are deadly.
- Laxity of enforcement of land policies on the side of government: despite having laws, regulations that govern land and land use, implementation is weak due to corrupt, limited number of human resource etc. as a consequence violation of such laws is very high subsequently the government has lost grip over land yet it ought to be at the helm of planning and directing programs in the country. Where the government comes in say to reclaim land, double standards have been cited thus losing confidence among its people

further.

- No investment is made in soil enrichment: all efforts to improve productivity are made without considering soil enrichment which would increase its productivity. Due to depletion as a result of over cultivation, there's need to invest in enrichment of the soils if they are to continue serving us with better yields

Key Recommendations

- In line with the above issues raised, some policy recommendations were suggested these included;
- Need to Work backwards to develop implementation frameworks of land related policies and fall them: many land laws and regulations don't have implementation frameworks, thus an urgent need to develop them and act directed by them to achieve the intentions of the designed policies.
- Operationalization of soil maps and plan according to those findings: there's an urgent need to zone the country, MAAIF and MoLHD should endeavour to find out which soil is best suited for which activity and plan accordingly for the maximum utilization of different parts of the country.
- Promotion of Sustainable Land Use Management: There is need to finalize the Range land management and pastoralist policy and have it implemented to raise the profile and productivity of the rangelands and other production zones. Rangelands are largely perceived as problem areas but they provide multiple functions.
- Improve and increase soil sampling and testing: For viability before enterprises are promoted and investments made in input distribution. An updated soil atlas for the country needs to be developed. Incorporate soil testing within the extension system.
- Enhance inter-sectoral coordination: Between MAAIF, MoWE, MoLHUD and other relevant agencies. For now all government agencies work in isolation while dealing with matters related, thus coordination among all will easily drive the land us to a logical conclusion.
- Youth should be encouraged to engage in agriculture since they make up the largest part of Uganda's population. Mechanisms should be designed to woo youth into agriculture thus tapping into the largest segment of the population, these could be inclusion of ICT in agriculture

and usage of modern methods of farming that can appeal to the youth group.

- Farmers should adopt intensive use of land, modern inputs, high value crops, mixed enterprises and soil and water conservation measures in order to bank water and nutrients in the soil for improved land productivity
- For the many foreigners pouring into the country to fight for the little land left, government should get ways of closing borders to all that do not have a useful contribution to make to the country.
- Redesign what we want to do with land and implement the designed policies. In many cases we use land without plan leading to abandoning plans underway or total failure of the started programs, thus drawing designs we want land use to follow will alleviate this constraint and ensure sustainable use of land.
- Ministerial actions on land degradation, soil enrichment should be made known to the public and up scaled to the whole country to ensure maximum productivity of the available land.

11.4 Production and Value Chains - The Dairy Sector (Sponsored by SEATINI)

In Uganda, dairying is one of the investment areas in the livestock sector that farmers have ventured into to improve their standards of living. The dairy sub-sector contributes about 50% of total output from the livestock sector, 20% of the food processing industry, and 9% of the national GDP; thus, the dairy sub-sector is a source of food, income, and employment in the country. The sector is a significant contributor to the nutritional, economic and employment opportunities of the rural communities, with dairy farming being a major activity in the south western, central and north eastern part of the country. It is thus not surprising that in 2006, the dairy sector was identified as a priority sector to be promoted to meet the local milk demand through increased production and become competitive to exploit the export potential under the Uganda Agriculture Production Services and the Uganda National Export Strategy (2008-2012).

Milk production in Uganda is dominated by smallholder farmers who own over 90% of the national herd. Other groups along the value chain are transporters, vendors and processors. These value chain

actors influence standards as well as market conditions in terms of supply and demand for the products. Currently, milk is purchased through producer cooperatives, private companies of milk traders as well as individual dairy farmers that deliver directly to the processing company's milk bulking facilities. The sector has experienced transformation and policy reforms which have emanated from a number of factors including the climate on one hand and a series of policy reforms on the other.

During the Agricultural sector Annual Review (JASAR) 2016 organized by Ministry of Agriculture, Animal Industry at Speak Resort Hotel Munyonyo from 29th to 30th August 2016, and SEATINI shared key highlights of the production and value chains with specific emphasis to the Dairy sector. This event was aimed at providing insights to feed into the agricultural sector and inform policy formulation. The insights were based on the implementation of the project, 'Upgrading quality standards in agriculture for Uganda maize and sesame' which focused on strengthening compliance of the EAC maize grain standards.

During the side event, key constraints and issues to the sector were generated to inform the policy making process. These included:

In Uganda, the dairy sub-sector contributes about 50% of total output from the livestock sector, 20% of the food processing industry, and 4.3% of the national Gross Domestic Product, thus, the dairy sub-sector acts as a source of food, income, and employment in the country. Although the sector directly employs majority of the small holder dairy farmers in Uganda, it has been unable to provide and streamline the value chain actors to ease competitiveness.

The sector is constrained with the cost of production, limited inputs supply and machinery. The sector is faced with limited milking machines and mobile cold storage facilities to store and transport milk from producers to consumers. Subsidies are an important factor for increased production and encourage private investments specifically in the processing and value addition of milk. It should be noted that the sector has hardly had any subsidies which has limited its growth and expansion. Therefore there is need to invest especially in infrastructural development and market access for the sector.

There is need for increased funding towards the Dairy sector. The Dairy Development Authority receives 5 Billion per year, given the need for

the sector to grow and its contribution to the economy, this is not enough to grow the sector especially towards research, production, management and assessments. This data is vital to inform policy formulation and future planning for the sector's competitiveness.

Milk and dairy products market in Uganda has been liberalized since the early 1990s whereby the price of both raw milk and its products is determined by market forces to a larger extent. This has led to free participation of the private sector, with increased informal regulations, marketing and product standards for dairy products. There is need for strong government regulatory measures to ensure standards and regulate milk distribution channels by developing policies that controls milk exports. This will in addition encourage increased consumption of milk at households for child growth.

Processors are not aware of the ever-changing dairy farm production quantities, nor do they have up-to-date information on new cooperatives and milk collection centers being formed. Almost the entire dairy value chain operates unaware of the changes on the market. With so little market information being shared, it is nearly impossible for the dairy chain

in Uganda to operate efficiently, profitably, or competitively. There is need to organize milk producers into cooperatives in addition to promotion of farmers centred collection centres in Uganda.

The reform of the dairy sector opened up investment opportunities across all stages of the milk value chain. At the inputs level of the milk value chain, there has been an increasing role of the private sector in the supply of inputs; breeding stock, veterinary drugs, supplementary feeds, and all services. As more players join in the supply of inputs, the markets are being flooded with new and poor quality inputs and services which are contributing to a high rate of non-adoption of critical technologies in dairy farming. Strong government regulatory measures are required to ensure quality standards in the delivery of veterinary inputs and extension services thus a need to equip the veterinary workers, research for better breeds and an organized system for animal insemination so as to maintain production quantities and sensitize farmers on good farming practices.

The sector value chain actors in addition highlighted the following additional issues to be put into consideration; there is need to develop a National Dairy Policy and a

National Dairy Sector Development strategy that is aligned to NDP II; the pending bill that is already in parliament on the “loose” sale of Milk should be passed to control the quality standards of milk on the market; there is need to harmonize taxes within the EAC; there is need to eliminate VAT on the milk and milk products so as to increase processing, value addition and consumption and encouraged to form Community managed disaster risk reductions – at local, parish and sub county level to address issues of climate change.

As a result of the event, the following were the key recommendations for the sector development, increased market access and competitiveness.

- Develop a National Dairy Policy and a National Dairy Sector Development strategy that is aligned to NDP II
- Increase budget allocation to DDA from 5 billion to 10 billion
- To harmonize taxes within the EAC region so as to increase competitiveness
- To remove VAT on the milk and milk products so as to increase processing, value addition and consumption
- To form community managed disaster risk reduction strategies – at local, parish and sub county

level to address issues of climate change mitigation and adaptation

The event created synergy with different organization including the private sector, CSOs and the government for policy reforms and investments in the Dairy sector. In addition, it deepened understanding of the production and the value chain within the dairy sector, proposed policy reforms to bridge the gaps within the Dairy legal framework.

SEATINI would like to extend appreciation for the support extended during the side event. NSA are committed to continue working closely with MAAIF and other stakeholders to realize the full potential of the agriculture sector in attaining Vision 2040 through enhancing production for increased competitiveness. We pray for the continued support and space from MAAIF and other agencies to foster constructive engagements, participation and collaboration.

11.5. Agricultural Financing (Sponsored by CSBAG and Caritas-UFCOVP)

Agriculture remains the backbone of Uganda's economy, employing about 72% of the total labour force (formal and informal), 77% of whom are women, and 63% are youth, mostly residing in the rural areas. The agricultural sector contributed 23.6% to GDP in 2015/16. This demonstrates the importance of the sector to poverty eradication and economic sustainability, especially for women.

Despite of its importance, the sector doesn't get adequate funding from the government sources making it largely private sector led, majorly by small scale farmers. Government commits to cater for expenditure in research, regulation, seed multiplication and certification, extension services, pest and disease control. However even in these areas much is lacking, thus CSBAG and UFCOVP organized a side event as part of JASAR,2016 to interrogate the current situation of agricultural financing, suggest ways of making it efficient and respond to the need of the majority of farmers who are small scale.

Key issues

- Agricultural credit is difficult to access by majority of the farmers who are small scale. Normally credit is offered by commercial banks that charge high interest on credit hence impeding SSFs.
- Post bank is financed with public resources but tends to operate like private sector business. Using ken as an example, participants suggested setting an interest rate capping to protect its citizens from over exploitation by private banks.
- If a declaration like Maputo recommends that at least 10% of the budget allocation should be made to the agricultural sector, it does not necessarily mean that is what you must allocate. "A 10% allocation to the agricultural sector for an economy like Uganda is far too low to spur growth.
- Donors too claim to prioritize agriculture yet their average contribution to the agricultural sector is 6%, their darling sectors are energy and public administration. However, it should also be noted that even in the agricultural sector, their interests may not necessarily be our interests.
- There is lack of coordination amongst government programs as it is common to find some

issues of the agriculture sector being coordinated under the BOU while others are in state house. Because of this poor coordination, almost 50% of sector allocation never reaches its intended home.

- Government is faced with a challenge of guess work. Using guess work has affected funding to agriculture. Nobody knows the number of farmers. Why can't farmers also be registered and get name tags so that when you go to the communities you can be able to tell that there are many farmers in this community?
- Farming is treated as a leisure activity which is wrong. It is common to hear people say "I will retire and go to my farm." 69% of the people are cultivating for food despite the potential to expand. There is need to focus more and make farming a major activity and even punish those without gardens.

Key policy recommendations

- Agricultural Credit Facility (ACF) should not be the mandate of Bank of Uganda: BOU is mandated to deal with monetary policy. No wonder, the facility is underutilized as it is misplaced. ACF being made an independent

entity would be an opportunity for employment for a few more youth and women who would earn some income that would be invested in farming. Being made an independent entity would also make it conspicuous and make it accessible to the common farmers who look at Bank of Uganda as an entity only accessible to the rich and elites

- There should be a limit on public servants' involvement in the private sector to avoid double standards while legislating to foster regulation of private sector.
- The budget allocation to the agriculture sector should be increased to a level sufficient to spur growth in the sector other than only considering fulfilling what the Maputo declaration recommended.
- Donors that are really interested in agriculture and its development should be given assistance by creating an enabling environment for them to operate so as to grow the sector with their help.
- Financial institutions should be regulated and penalized if they don't abide with availing credit to the farmers at reasonable interest. Added to this Insurance schemes should be introduced to help cushion banks not to fear

risks and thus make financial services accessible to farmers.







- Harmonize various agriculture and poverty alleviation interventions into the











cooperative bank to lend registered farmers at below market rates.








For God and My country

NSA Contributors to the Statement











1.	Agri pro Focus	
2.	Agency For Integrated Rural Development	
3.	Africa Forum on Agricultural Advisory Services	
4.	Afri Banana Products Ltd	
5.	Action Aid International Uganda	
6.	ACORD	
7.	ACCRA	
8.	Access Agriculture	
9.	Agency for Transformation	



10.	Alliance for food Sovereignty in Africa	
11.	Association of Women Professionals in Agriculture and Environment	
12.	Caritas Kampala	
13.	CARITAS Uganda	
14.	Center for Participatory for Research and Development	
15.	Civil Society Budget Advocacy Group	
16.	Climate Change Action Net work	
17.	Coalition of Pastoralist Civil Society Organizations	
18.	Community Integrated Development Initiatives	
19.	Eastern and Southern Africa small scale Farmers Forum	

20.	Ecosystems Based Adaptation Food Security Assembly	 EBAFOSA Ecosystem based Adaptation for Food Security Assembly
21.	Fit Uganda	 FIT FIT Uganda Ltd
22.	Food Rights Alliance	 FRA Food Rights Alliance
23.	Forum for Women in Democracy	 FOWODE Empowering The Future
24.	Kabale University	 KABALE UNIVERSITY KAB
25.	National Organic Agriculture Movement in Uganda	 nogamu Simply Organic
26.	Oxfam	 OXFAM
27.	Participatory Ecological Land Use Management	 PELUM Participatory Ecological Land Use Management
28.	Private sector Foundation Uganda	 PRIVATE SECTOR FOUNDATION UGANDA Your Partner in Private Sector Led Development
29.	Pan African Climate Justice Alliance	 PACJA PANAFRICAN CLIMATE JUSTICE ALLIANCE
30.	Self Help Africa	 Self Help Africa
31.	Send a Cow Uganda	 Send a Cow Change a family's future

32.	Southern and Eastern African Trade, Information and Negotiations Institute	 SEATINI Southern And Eastern Africa Trade Information and Negotiations Institute Strengthening Africa in World Trade SEATINI UGANDA
33.	Teens Uganda	 TEENS Uganda
34.	The Hunger Project	 THE HUNGER PROJECT
35.	Transparency International	 TRANSPARENCY INTERNATIONAL
36.	Uganda Agribusiness Alliance	 UAA
37.	Uganda Debt Network	 UGANDA DEBT NETWORK DEBT IS SLAVERY
38.	Uganda Environment Education Foundation	 ENVIRONMENTAL EDUCATION FOUNDATION Uganda
39.	Uganda Land Alliance	 UGANDA LAND ALLIANCE Promoting Land Equity & Justice

40.	Uganda National Farmers Federation	
41.	Uganda National NGO Forum	
42.	Uganda Seed Traders Association	
43.	Volunteers Efforts for Development Concerns	
44.	War on Want Northern Ireland	
45.	Women and Girl Child Development Association	
46.	World Vision	

47.	Uganda farmers Common Voice Platform	
48.	Trocaire	
49.	Kikandwa Environmental Association	
50.	The farmers' media	
51.	Caritas Masaka Diocesan Development Organization (MADDO)	
51.	Caritas Kasanaensis	 Caritas Kasanaensis
52.	Caritas Lugazi	 Caritas Lugazi
53.	Chain Uganda	
54.	CAADP NSA Coalition	
55.	Central Archdiocesan Province CARITAS Association	

56.	CONSENT - Uganda	
57.	African Agriculture Journalist Network	

- 58. Disaster Risk Reduction and Sustainable Development Association
- 59. Afro soft Technology
- 60. Youth Plus Policy net work
- 61. Youth leading in Environmental Change
- 62. Agriculture Journalist Association of Uganda
- 63. Agribusiness incubator
- 64. Tusubira Women Development Agency
- 65. Uganda Coalition for Sustainable Development

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