

CSO POSITION PAPER



ON THE AGRO-INDUSTRIALIZATION PROGRAMME IN RESPONSE TO THE NATIONAL BUDGET FRAMEWORK PAPER 2026/27



January, 2026

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**ON THE
AGRO-INDUSTRIALIZATION PROGRAMME**

IN RESPONSE TO THE

**NATIONAL BUDGET
FRAMEWORK PAPER 2026/27**

JANUARY, 2026

Acknowledgement

This CSO Position Paper on the Agro-Industrialization Programme, in response to the National Budget Framework Paper (NBFP) FY 2026/27, was prepared and developed through a participatory and consultative process involving civil society organizations working on agriculture, food systems, nutrition, and budget advocacy issues.

We acknowledge the invaluable contributions of the Food Rights Alliance under the CASCADE Project, Action Against Hunger, the Civil Society Budget Advocacy Group (CSBAG), Food Rights Alliance, Participatory Ecological Land Use Management (PELUM) Uganda, the East and Southern Africa Small Scale Farmers Forum (ESAFF), World Vision Uganda, Wimat Development Foundation, Caritas Uganda for their active participation in the development of this Position Paper.

We particularly commend the Government of Uganda, through its established planning and budgetary frameworks and participatory platforms, for deliberately creating and sustaining meaningful space for Civil Society Organizations to engage in national budget processes. These platforms allow CSOs to provide citizen-focused evidence and insights that enhance transparency, accountability, and inclusiveness in budgeting. As Civil Society Organizations, we reaffirm our commitment to use this opportunity responsibly by providing evidence-based inputs, engaging in constructive dialogue, and supporting effective implementation to ensure public resources promote inclusive and sustainable development.

1.0

Background

Agriculture remains the backbone of Uganda’s economy, employing over 70% of the population and contributing 24.9% to national GDP in FY 2023/24. The sector has demonstrated consistent growth, with agricultural GDP rising from UGX 39.1 trillion in FY 2021/22 to UGX 50 trillion in FY 2023/24. Agricultural exports accounted for 35% of total national exports, with notable gains in coffee, dairy, maize, and fish. Labor productivity in agriculture has increased to USD 1,260, and over 159,000 jobs have been created in the agro-industrial value chain **(Finance & Development, 2026)**.

In January 2025, Uganda hosted the Heads of State and Governments, discussed, and adopted the landmark 10-year CAADP Strategy and Action Plan (2026-2035) and the Kampala Declaration. These Continental frameworks provide a basis for building resilient agri-food systems for food security and economic growth. Together, these frameworks provide a coherent policy and investment rationale for allocating public resources toward agro-industrialization programmes that simultaneously drive economic transformation, improve nutrition outcomes, enhance climate resilience, and deliver value for money, making them central to Uganda’s medium- and long-term budgetary priorities.

Agro-industrialization is a core pillar of Uganda’s development trajectory, firmly anchored in Uganda Vision 2040, the National Development Plan IV (NDP IV) and the Comprehensive Africa Agriculture Development Programme (CAADP). Uganda Vision 2040 identified agro-industrialization as a strategic driver for transforming the economy through value addition, agro-based manufacturing,

employment creation, and export competitiveness. Building on this foundation, NDP IV prioritizes agro-industrialization to accelerate inclusive economic growth, enhance food and nutrition security, raise household incomes and strengthen linkages between agriculture, industry, and markets. Specifically, NDP IV underscores the need for nutrition-sensitive and climate-resilient investments, recognizing that improved agricultural productivity and value addition must translate into better dietary outcomes while safeguarding livelihoods against climate shocks (**NDPIV, 2025**).

The implementation of the Agro-Industrialisation Programme under NDP IV is managed through a multi-sectoral institutional framework led by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), in collaboration with the Ministry of Trade, Industry and Cooperatives (MTIC), the Ministry of Finance, Planning and Economic Development (MoFPED), the Ministry of Energy and Mineral Development (MEMD), and the Ministry of Lands, Housing and Urban Development (MLHUD), Ministry of Justice and Constitutional Affairs (MoJCA) Local governments, the Uganda Development Corporation (UDC), the Uganda Industrial Research Institute (UIRI), the Uganda Investment Authority (UIA), the National Agricultural Research Organization (NARO), the Uganda National Bureau of Standards (UNBS), and farmer organizations and cooperatives are additional important institutions. The NDP IV cost the AGI programme at an annual average of 2.448 trillion to be shared among these institutions and deliver the planned outputs to achieve the set outcomes.

The FY 2025/26 marks the second year of implementing the NDP IV and subsequently the agro-industrialization programme. The year proceeds the mid-term implementation of the plan calling for a review to measure performance. Therefore, the plan and budget for this year is pivotal in determining the momentum of implementation and potential to achieve the set goals.

For the current FY 2025/26, the AGI programme was allocated 1.8 trillion lower than the NDP IV costing of 2.4 trillion. The programme is proposed to receive 1.471 trillion in FY 2026/27 to finance a range of priority interventions aimed at strengthening agricultural productivity, value addition, and resilience. The proposed allocation will support agricultural research and innovation; mechanization; provision of critical agricultural inputs, including fertilizers; and expansion of water for irrigation infrastructure to improve productivity and reduce climate-related risks. In addition, the programme prioritizes strengthening extension services; promoting agro-processing and value addition; and investing in post-harvest handling and storage facilities to reduce losses and enhance market competitiveness. Resources are also earmarked for inspection, certification and enforcement of quality standards, product traceability, and improved market access, alongside efforts to expand agricultural insurance and improve access to affordable finance for commercial farmers. Further investments will focus on strengthening disease surveillance, diagnostics, and laboratory management, as well as supporting the implementation of climate change adaptation policies, in line with national development priorities.

This paper, therefore, presents a critical analysis of the proposed national budget framework paper for the agro-industrialization programme, reflecting on the first year of implementation and projecting the mid-term trajectory.

2.0

Civil Society Observations

2.1 BUDGET PERFORMANCE FY 2024/25- 2025/26

In the FY 2024/25, the Agro-Industrialisation Programme was allocated UGX 1.857 trillion, representing about 2.6% of Uganda’s total national budget of UGX 72.1 trillion. However, 2.07 trillion was approved for the programme, representing 86% of the NDP IV programme annual costing and an 11% higher than the NBFPP proposed allocation as reflected in the figure below.

Figure 1: FY 2024/2025 Semi-Annual Budget Performance (Semi-Annual Budget Performance Report FY 2024/2025)

	Approved Budget	Revised Budget	Released by End Dec	Spent by End Dec	% Budget Released	% Budget Spent	% Releases Spent	
Recurrent	Wage	234.852	234.852	77.863	76.416	33.2 %	32.5 %	98.1 %
	Non-Wage	223.329	247.955	135.495	72.365	60.7 %	32.4 %	53.4 %
Dev.	GoU	677.265	681.959	287.892	85.360	42.5 %	12.6 %	29.7 %
	Ext Fin.	929.263	929.263	329.277	77.144	35.4 %	8.3 %	23.4 %
GoU Total		1,135.447	1,164.767	501.250	234.141	44.1 %	20.6 %	46.7 %
Total GoU+Ext Fin (MTEF)		2,064.710	2,094.030	830.527	311.285	40.2 %	15.1 %	37.5 %
Arrears		2.836	2.836	2.836	2.602	100.0 %	91.7 %	91.7 %
Total Budget		2,067.546	2,096.866	833.363	313.887	40.3 %	15.2 %	37.7 %
<i>A.I.A Total</i>		0.000	0.000	0.000	0.000	0.0 %	0.0 %	0.0 %
Grand Total		2,067.546	2,096.866	833.363	313.887	40.3 %	15.2 %	37.7 %
Total Vote Budget Excluding Arrears		2,064.710	2,094.030	830.527	311.285	40.2 %	15.1 %	37.5 %

Figure 1 indicates that by the end of December 2025, UGX 833.36 billion (40.3%) had been released and had spent UGX 313.89 billion 37.7% of the released funds and 15.2% of the approved budget. Whereas, the programme experiences low releases compared to the approved budget, low budget absorption remains a going concern that requires parliamentary intervention. MAAIF, as the chair of the AGI programme should be put to task to explain the circumstances that curtail fund absorption with action-oriented strategies on how to improve budget performance.

2.2 NDP III (FY 2017/18-2023/24) Key Programmes Achievements.

The programme registered notable achievements during the period. These should be benchmarked on and scaled up in the NDP IV period. They include, among others;

Post harvest loss management: Storage capacity increased from 550,000 Metric Tons to over 1.26 Metric Tons. Post harvest losses declined from 37% to 16–18% for priority crops. In addition, 52 storage facilities and 58 value-added equipment units were established.

However, there are notable challenges that need to be addressed for instance; the agricultural sector is still dominated by small-scale farmers, and Micro Small and Medium Entrepreneurs (MSMEs). These are scattered, operating on limited capital which limits their scales of production, access to appropriate technologies and inputs, including skilled labour. This has been the perennial limitation of Uganda's agricultural sector to match demand and sustain its share of the market.

Inadequate coordination across actors: The sector is multisectoral multistakeholder. Despite the efforts to organize the sector under the AGI programme, limited progress has been registered in improving coordination at the sector and programme level. There is competition for resources among the sectors that contribute to the AGI programme at the time of budgeting. Competition has also been observed among actors. The shrinking funding space has exacerbated this competition. Poor coordination has also been observed in the management of results and the reporting of performance. This is evidenced by the low participation during the Joint Programme Annual Review. The AGI programme ministries and stakeholders are largely not represented at both the political and technical levels.

2.3 PROGRAMME PROPOSED ALLOCATIONS FY 2026/27

Insufficient Fiscal Prioritization of the Agro-Industrialisation Programme to Deliver NDP IV Outcomes

According to the National Budget Framework Paper (NBFP) for FY 2026/27, the Agro-Industrialisation Programme is projected to receive an allocation of UGX 1.470 trillion, which represents approximately 2.1% of the total national budget of UGX 69.599 trillion. This allocation reflects a decline both in absolute terms and as a share of the national budget compared to FY 2025/26 where the Programme was allocated UGX 1.857 trillion (2.6%) of the national budget. The proposed FY 2026/27 allocation, therefore, constitutes a 20.8% nominal reduction (UGX 387 billion). This impacts the programme's ability to achieve food security, value addition, and inclusive economic transformation.

Recommendation:

1. *Parliament should advocate for reversing the proposed 20% budget reduction, ensuring that the Agro-Industrialisation Programme receives funding at or above UGX 1.8 trillion in FY 2026/27. The government needs to stick to the principle of progressive realization and ensure progressive allocation. Adequate financing is essential to sustain gains in agricultural productivity, value addition, and rural employment, and to meet Uganda's commitments under CAADP and the Kampala Declaration, which require allocating at least 10% of national expenditure to agriculture*

Figure 2: Proposed AGI programme Budget Allocation by Vote

Vote / MDA	FY 2024/25	FY 2025/26	FY 2026/27
	Approved Budget	Approved Budget	Proposed Budget
	(UGX bn)	(UGX bn)	(UGX bn)
Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)	1,182.51	947.453	708.996
Ministry of Local Government	0.396	0.461	1.051
Ministry of Trade, Industry and Co-operatives	1.07	1.82	1.82
Ministry of Water and Environment	330.392	335.078	219.398
Ministry of East African Community Affairs	0.25	0.19	0.400
National Planning Authority (NPA)	0.738	0.61	0.61
Uganda Registration Services Bureau (URSB)	0	0.1	0.600
Kampala Capital City Authority (KCCA)	0.35	0.27	0.600
National Animal Genetic Resource Centre and Data Bank (NAGRC&DB)	39.036	76.48	76.08
Uganda Investment Authority (UIA)	0	0.2	0.500
National Agricultural Research Organization (NARO)	105.15	181.022	178.022
National Environment Management Authority (NEMA)	2	1.6	1.900
Uganda National Bureau of Standards (UNBS)	0.94	0.72	1.92
Uganda Freezones and Export Promotion Authority		0.3	0.600
Local Governments (Vote 601)		278.382	278.382
Grand Total for the Programme	2,064.71	1,833.71	1,470.88

Source: The National Budget Framework Paper FY 2026/27- FY 2030/31

Figure 2 reveals that the consecutive two years of implementation of

NDPP IV, LGs receive less than 20% of the total programme budget allocation (15% and 18%), respectively. The AGI programme is one of the core transformative programmes reaching out to the majority of the population (70%). LGs are the wheels that deliver these services. The low allocation to LGs indicates the inability of the programme to reach out and deliver services.

The figure further revealed that MOTIC, a sector much needed by the programme to drive production and productivity through trade and industry has consistently received less than 1% of the total programme budget allocation ie 0.05, 0.1, and 0.12 respectively from FY 2024/2025 to FY 2026/27.

It is further revealed that MOWE, responsible for supporting the programme with water for production and issues of climate change to enhance resilience and sustain production receives less than 20% of the total programme budget (16,18 and 14%) respectively. It should be noted that water for agricultural production requires huge levels of investment. These levels of allocations explain the low performance and access to water for agricultural production among farming communities.

Compliance to standards and quality of produce has remained one of the leading barriers of trade of agricultural produce in the region and beyond. UNBS is responsible for supporting the programme on issues of standards and quality compliance. The analysis reveals that UNBS has consistently received less than 1% of the total programme budget (0.05, 0.04 and 0.13%) respectively.

Recommendation:

1. *Government should ensure that both domestic and external resources are effectively channeled to Local Governments for implementation at the grassroots level*

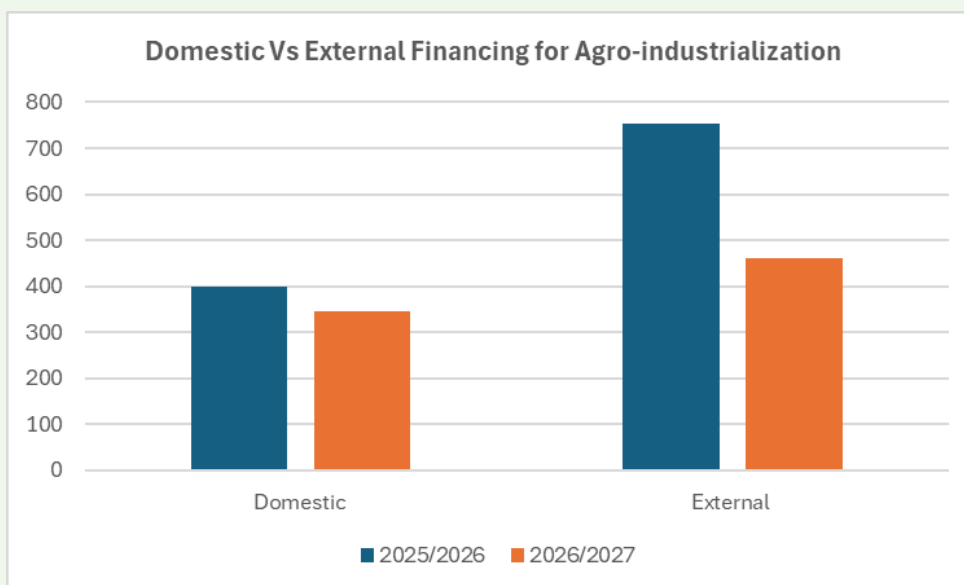
2.4 High Dependency on External Financing for the Agro-Industrialization Programme

Although the AGI programme is considered among the strategic pillars under the ATM framework to drive Uganda’s structural transformation and economic growth, consistently, there is still significant dependence on external funding for the development vote of the programme as shown in the figure below. We commend the government of Uganda for consistently bridging this gap as projected to reduce to zero by FY 2029/30 and/or end of NDP IV. However, the current trend reveals a mere 11% increment on bridging this gap from the current year to the next FY 2026/27. This trend if not interrupted, indicate that government will not meet this much needed target by 2030.

Table P1.1 Overview of Programme Expenditure and Medium Term Allocations (Ush Billion)

<i>Billion Uganda Shillings</i>	FY2025/26		FY2026/27	MTEF Budget Projections				
	Approved Budget	Spent by End Sep	Proposed Budget	2027/28	2028/29	2029/30	2030/31	
Recurrent	Wage	257.153	61.968	259.150	272.107	285.713	299.998	314.998
	NonWage	424.185	48.825	356.709	409.703	491.643	589.972	707.966
Devt.	GoU	398.513	30.724	395.015	434.516	521.419	625.703	750.844
	ExtFin	753.863	23.997	460.006	447.061	273.671	0.000	0.000
	GoU Total	1,079.850	141.518	1,010.873	1,116.326	1,298.775	1,515.674	1,773.808
	Total GoU+Ext Fin (MTEF)	1,833.713	165.515	1,470.879	1,563.387	1,572.446	1,515.674	1,773.808
	A.I.A	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Grand Total	1,833.713	165.515	1,470.879	1,563.387	1,572.446	1,515.674	1,773.808

For instance, in the FY 2025/26, domestic resources amounted to UGX 398.513 billion, with a marginal decline projected to UGX 395.015 billion in FY 2026/27. In contrast, external financing stood at UGX 753.863 billion in FY 2025/26 and, although projected to decline to UGX 460.006 billion in FY 2026/27.



As the global development cooperation architecture continues in turbulence with limited foreseeable predictions to change for the better, there is a need for the government to first track efforts to overtake external funding for this programme.

Recommendation:

1. *Government should first track the target of bridging the external domestic funding gap by at least 25% annually beginning with FY 2026/27. This will safeguard the programme from the external funding shocks currently experienced.*

2.5: Inadequate Extension Worker Coverage at Parish and Sub-County Level

Access to agricultural extension and advisory services is a key determinant of agricultural technology adoption and uptake by actors along the agriculture value chain.

We commend the Government of Uganda, through the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), for the continued efforts made in strengthening agricultural extension services in recent years. In particular, the Government has prioritized the retooling and capacity enhancement of extension workers, including targeted refresher trainings aligned to climate-smart agriculture, priority value chains, and parish-level production systems. We further acknowledge MAAIF’s efforts to scale up the use of digital and ICT-enabled extension platforms to improve farmer profiling, advisory delivery, and monitoring across Local Governments, as well as the integration of extension support within flagship interventions such as the Parish Development Model (PDM) and externally financed agricultural transformation projects.

However, extension services remain critically understaffed at the Parish and Sub-County level. This undermines routine farmer support, technology adoption, and value-chain upgrading. As of 30th June 2025, only 4,310 out of 9,667 positions were filled, leaving a staffing gap of 58% as shown in the figure below. The Auditor General’s 2024 Report further revealed that only 44% of the required extension worker positions in Local Governments had been filled, equivalent to approximately 2,561 staff out of an approved establishment of 5,874, leaving a shortfall of over 3,300 extension workers nationwide. Although the government targets to recruit 5,000 more extension workers and provide logistical support, there is no budget provided.

Figure 3: Agriculture Extension Staffing Status 2025.

STATION	ESTABLISHED POSITIONS	FILLED POSITIONS	VACANT POSITIONS
Districts	1,901	945	956
Sub-counties	7,582	3,284	4,298
Cities	184	81	103
Total	9,667	4,310	5,357

Mobility and facilitation (non-wage) is fundamentally registered for extension service delivery (Programme, 2025). The NBFP FY 2026/27 proposes to allocate 41.3 billion non-wage under LGs. This represents an average annual allocation of 282 million per DLG, including cities, and 23 million per month. This is accordingly distributed to extension workers at district and sub-county levels, extension workers in livestock, crop, fisheries, and in some LGs, agricultural engineers. If this allocated non-wage of 41 billion is distributed among the existing extension workers (4310), each extension worker will be allocated 9.6 millions annually and UGX 800,000 per month.

Recommendation:

1. *We recommend that parliament allocates wage-bill to facilitate the recruitment of an additional 5,000 proposed extension workers.*

2.6: Food Safety Risks along the Agro-Industrialization Value Chains.

High aflatoxin contamination remains a critical food safety risk along agro-industrial value chains, undermining human health, market access, and economic returns for smallholder farmers, especially in staple crops and cereals such as maize, groundnuts, and sorghum. Aflatoxins, toxic metabolites produced by *Aspergillus* fungi, contaminate crops in the field, at harvest, and during storage, yet many farmers and value-chain actors lack awareness and access to appropriate management technologies to prevent contamination early in the production cycle. Although Uganda has taken steps to strengthen national testing capacity through decentralized laboratories and support from research institutions, and efforts are underway to develop and commercialize the toxigenic biocontrol product Aflasafe locally, practical challenges persist: limited awareness and understanding of aflatoxin control among farmers and extension staff, weak uptake and availability of Aflasafe on

the market, ongoing registration and commercialization barriers, and insufficient integration of pre- and post-harvest best practices across value chains. These gaps are compounded by inadequate enforcement of food safety standards, scarce incentives for adoption of aflatoxin mitigation technologies, and logistical barriers that restrict the product from becoming accessible, available, and affordable for most smallholder producers, undermining the potential of capacity building and nationwide aflatoxin control efforts.

Recommendations:

- 1. The government should fast-track local production and subsidized distribution of Aflasafe for smallholder farmers.*
- 2. The government through MAAIF should conduct a country-wide assessment to map aflatoxin hotspots and risks.*
- 3. MAAIF to train extension workers and farmers on practical aflatoxin prevention and control.*

2.7: Inadequate prioritization of Nutrition outcomes in the National Budget Framework Paper

The proposed interventions under the Agro-Industrialization Programme partially reflect nutrition-sensitive approaches, though nutrition outcomes are largely implicit rather than explicitly targeted. Investments in agricultural research, extension services, irrigation, mechanization, and the provision of inputs can improve food availability and productivity, thereby indirectly contributing to better nutrition. Similarly, support for agro-processing, post-harvest handling, storage, quality standards, and food safety systems can reduce losses, improve food quality, and enhance access to safe foods.

Without explicit targeting, indicators, and budget tagging, agro-industrialization investments risk improving production and incomes

without translating into better nutrition outcomes. Embedding nutrition-sensitive interventions will enhance the programme's impact, equity, and value for money

However, the proposed interventions do not explicitly prioritize nutrition objectives, such as promoting diverse, nutrient-dense crops, biofortified varieties, or value chains that directly address micronutrient deficiencies. There is also limited articulation of how agro-processing investments will improve the affordability and accessibility of nutritious foods, particularly for vulnerable populations. While climate change adaptation is included, its linkage to nutrition resilience, especially for women, children, and smallholder households, is not clearly defined. To strengthen nutrition sensitivity, the programme would benefit from explicit nutrition tagging, clear nutrition-related indicators, and targeted investments that link production, processing, and markets to improved dietary diversity and nutrition outcomes. Without these measures, the programme risks prioritizing production and commercialization objectives over the broader goal of improving nutrition and human capital development

Recommendations:

- 1. Parliament should direct increased and ring-fenced funding for diverse, nutrient-dense and bio-fortified crops, nutrition-oriented agro-processing, and climate-resilient food systems that directly benefit women, children, and vulnerable households. This will ensure that agro-industrialisation delivers not only production and income growth, but also measurable improvements in nutrition and human capital outcomes.*
- 2. Parliament should task the Government to embed explicit nutrition objectives, indicators, and nutrition budget tagging across the Agro-Industrialisation Programme. This includes mandating MDAs to report on how agro-industrial investments contribute to improved dietary diversity, food quality, and affordability, and ensuring alignment with national nutrition commitments and CAADP obligations to establish a favorable legal and policy framework.*

2.8: Absence of a favorable financing model for medium-scale and nutrition-sensitive farmers

To address persistent financing constraints in agriculture, the Government has introduced a dedicated financing scheme for large-scale commercial farmers aimed at boosting production, strengthening food security, and advancing the agro-industrialization agenda. Under this arrangement, government-owned financial institutions, Pearl Bank Uganda, Pride Microfinance, and Housing Finance Bank, will provide loans amounting to UGX 176 billion, with the Government subsidizing approximately UGX 40 billion annually in interest costs to improve affordability. The scheme is expected to support private large-scale farmers to produce about 132,600 metric tons of maize, beans, soya beans, sorghum, and animal feeds across an estimated 114,661 acres. This initiative complements existing financing mechanisms such as the Agriculture Credit Facility (ACF), Emyooga, and the Parish Development Model (PDM), which primarily target lower-income segments of the population.

While this financing model is commendable, its design limits eligibility to farmers with 50 acres or more, effectively excluding medium-scale farmers and capital-intensive enterprises operating on smaller land sizes. In addition, the scheme places strong emphasis on a narrow range of mono-nutrient commodities, with limited attention to the production and processing of nutrient-dense foods, thereby constraining its potential contribution to nutrition-sensitive agro-industrialization and broader human development outcomes.

Recommendation:

- 1. Revise financing criteria to allow farmers with smaller land sizes or capital-intensive enterprises on limited acreage to access affordable credit. Explicitly link eligibility to production of diverse, nutrient-dense crops, bio-fortified varieties, and nutrition-focused agro-processing initiatives, ensuring alignment with Uganda's nutrition objectives*

2.9: Deteriorating soil fertility.

In Uganda, organic fertilizer use remains significantly below recommended levels, with most smallholder farmers relying on limited or no soil amendments, which constrains crop yields and reduces the potential for value addition along the agricultural value chain. Uganda's fertilizer use is extremely low ($\approx 1.5\text{--}2.5\text{kg/ha}$) compared with regional peers like Kenya at 32–35 kg/ha and Rwanda at 23–29 kg/ha. The sub-Saharan average is at 8 kg/ha.

Low organic fertilizer application contributes to soil nutrient depletion, low productivity, and limited food security, perpetuating poverty in rural communities. Investing in organic fertilizer production, distribution, and subsidized access is therefore critical to improving crop yields, enhancing the quality of agricultural produce, and supporting agro-industrialization. Strategic investment would not only increase farm-level productivity but also strengthen Uganda's capacity to process and export high-value agricultural commodities, boosting national income, employment, and resilience against food insecurity. Without deliberate efforts to scale up organic fertilizer use, the country risks underutilizing its agricultural potential and missing opportunities for sustainable economic transformation.

We would like to commend the Government for allocating 80 billion shillings to subsidies and encouraging the use of fertilizers. In the FY 2025/26 government, which has been seen as a positive move toward improving fertilizer use and the resultant improvement in production and productivity. The said fertilizer was meant to have been procured from a local supplier, which has been discovered not to be operational. We would also like to commend the Government of Uganda for supporting the procurement of soil testing equipment for Local Governments. Soil testing is crucial for understanding soil health, determining nutrient levels (like N, P, K, micronutrients) and pH, guiding precise fertilizer application to boost crop yields while saving money, preventing over-fertilization and environmental pollution (like water contamination),

diagnosing plant problems, and informing construction decisions for foundation stability. However, according to the different extension workers CSOs interacted with, the soil testing kits are not adequately doing the job for which they were procured

Recommendations:

- 1. The contracted company in question is allowed to procure organic fertilizers from another company as we wait completion of his/her company*
- 2. The government allocates funds to the tune of 20 billion to procure digital soil testing kits.*
- 3. Promote Agroecological interventions for the restoration of soil, plant, human, and animal health*

2.10: Absence, weakness, or an outdated legal and Policy framework

Finalizing and operationalizing the Food and Nutrition Policy and the Food and Nutrition Bill is critical to the success of Uganda's Agro-Industrialization Programme, as agro-industrial growth must be anchored in clear nutrition, safety, and demand objectives. These instruments would provide a coherent legal and policy framework linking agriculture, health, trade, education, and industry, ensuring that value addition goes beyond volumes and exports to improve the availability, affordability, and quality of nutritious foods. By setting enforceable standards for food quality, safety, fortification, and labelling, the Food and Nutrition Bill would stimulate agro-processing investments in nutrient-dense value chains, strengthen consumer confidence, and expand domestic and regional markets. A finalized Food and Nutrition Policy would also guide public investment toward nutrition-sensitive value chains and align research, extension, and industrial processing with national nutrition priorities. Importantly, under the Comprehensive Africa Agriculture Development Programme (CAADP) (CAADP, 2026), Uganda is obligated to establish favorable legal and policy frameworks to support agricultural transformation;

concluding these instruments would therefore demonstrate compliance with continental commitments while strengthening the foundations for a people-centered, market-driven, and nutrition-responsive agro-industrialization pathway that delivers jobs, incomes, and improved health outcomes

National Agro-inputs and Food Safety Authority Bill, 2023: Seeks to address longstanding regulatory gaps in the control of veterinary drugs, which are currently governed under the National Drug Policy and Authority Act, 1993—a framework primarily designed for human medicines. Weak oversight by the National Drug Authority has contributed to widespread circulation of counterfeit and substandard veterinary drugs, misuse of antibiotics, and rising antimicrobial resistance. In response, the Cabinet directed the Ministry of Health (MoH) to amend the National Drug Authority (NDA) Act to remove veterinary drugs and mandated MAAIF to establish a dedicated authority through this Bill. Once enacted, the Bill will strengthen quality assurance, licensing, and surveillance of agro-inputs and animal products, enhance food safety, improve animal health and productivity, and support domestic, regional, and international trade in livestock and livestock products.

Recommendations:

1. *Fast-track the finalization, passing, and Operationalization of the Food and Nutrition Policy and the Food and Nutrition Bill.*
2. *Set and Enforce Standards for Food Quality, Safety, and Fortification*
3. *Fast-track the finalisation and implementation of the National Agroecological Strategy*
4. *Fast-track the operationalization and passage of the National Agro-inputs and Food Safety Authority Bill, 2023*

2.11: Underperforming Agro processing infrastructure

The disconnect between value addition infrastructure and production further impedes value addition. There is a mismatch between the quality and quantity of locally produced raw materials with those required by the established infrastructure, which leads to operational challenges. Also, some Agro-Processing Facilities (APFs) have been installed in areas where there is no raw material base to support them. For example, the ultra-modern milk cooling facility in Bukwo. Over 2,263 Agro-Processing Facilities (APFs) have been established across the country, including the zonal industrial hubs and industrial parks, and urban markets. APFs like rice hullers and maize mills have positively impacted local communities by improving the quality of processed products and enhancing access to markets, which has led to better household incomes. However, 40% of APFs are non-functional, while over 50% are performing below capacity, signifying wasted resources. Most of them are operating below 60% capacity. The largest 9 diary processing firms are operating at 57%, while most of the coffee processing is at 40%, maize mills at 46% and fish processing at less than 30%.

A World Bank study revealed that Uganda loses approximately \$400 million annually due to limited value addition, with over 75% of its agricultural output being exported raw. This highlights the significant challenges in managing the harvest process.

Table 3.2: Overall performance of the Agro-Industrialisation Programme by 31st December 2024

Sub-programme	Output Performance (%)	Performance Rating
Institutional Strengthening and Coordination	94.14	Very good performance
Agricultural Production and Productivity	74.61	Good performance
Storage, Agro-Processing and Value Addition	26.71	Poor performance
Agricultural Market Access and Competitiveness	52.59	Fair performance
Agricultural Financing	93.83	Very good performance
Average Performance	68.4	Fair performance

The table above reveals that storage, agro-processing and value addition is the worst performing sub-programme, despite its potential to increase both foreign exchange and local revenue.

Recommendation:

1. *We recommend that the Government revert all government agro-processing infrastructure back to MAAIF for reallocation to areas with maximum raw material.*

2.12: Counterfeit and adulterated Agro-inputs

The proliferation of counterfeits in the form of seeds and planting materials, herbicides, fertilizers, and veterinary drugs results in low production and productivity. Counterfeit inputs are estimated to comprise up to 30% of the agro-inputs market, with farmers continuing to suffer losses resulting from counterfeits and banned substances that are harmful to crops, animals, and human health. This is compounded by inefficient regulation and limited means of verification due to the limited availability of laboratory tests. The quantity of certified seed produced is very low when compared with the national quality seed requirement. Currently, only about 8% of the total national quality seed requirement is met. Only 11% of the quality maize seed requirement is met, and only 2% for rice and beans. This is largely due to very limited quantities of breeder and foundation seed produced and supplied to private seed multipliers for multiplication. Because of this, the country faces the challenge of the proliferation of counterfeits in the form of seeds & planting materials, resulting in low production and productivity. The environmental impact is equally detrimental, with potential soil degradation and water pollution from harmful chemicals. In addition, counterfeits pose health risks to both humans and livestock due to exposure to toxic substances. Further, counterfeits undermine market trust, complicating the adoption of new agricultural technologies and modern agro-practices.

Recommendation:

1. *We recommend that the Government allocate funds for the establishment and operationalization of a National Seed company.*
2. *We recommend that the Government allocate funds for the development of Regulations under the Agricultural Chemical (control) Act Cap. 35 and expedite the review the Pesticide residual monitoring plan.*

3.0

Conclusion

In conclusion, agro-industrialization presents a critical opportunity to advance inclusive growth, food and nutrition security, and value addition under the National Budget Framework Paper (NBFP) 2026/27. Civil society emphasizes the need for increased and well-targeted public investment that prioritizes smallholder farmers, strengthens agro-processing and storage infrastructure, and promotes sustainable and nutrition-sensitive value chains. Aligning agro-industrialization financing with accountability, environmental sustainability, and market access will be essential to ensure that budget allocations translate into equitable livelihoods, resilient food systems, and improved nutrition outcomes for all Ugandans as proposed in the NDP IV.

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Pictorial Moments from Generating this Paper.



Civil society organization (CSO) representatives who participated in the CSO Retreat on the National Budget Framework Paper (NBFP) 2026/27 at Esella Country Hotel, Kampala, pose for a group photograph on 6 January 2026. Photo credit: Food Rights Alliance (FRA).



Mr. David Ssenyonjo, Parliamentary Budget Officer, delivering a presentation on the overview of the National Budget Framework Paper (NBFP) FY 2025/26 and the identification of key CSO advocacy issues at Esella Country Hotel on 5 January 2026. Photo credit: Food Rights Alliance (FRA).



Mr. Peter Eceru, from Action Against Hunger, presenting the AGI proposals during the CSO Retreat on the National Budget Framework Paper (NBFP) 2026/27 at Esella Country Hotel, Kampala, pose for a group photograph on 6 January 2026. Photo credit: Food Rights Alliance (FRA).



Mr, Peter Eceru, from Action Against Hunger, presenting the AGI proposals during the CSO Retreat on the National Budget Framework Paper (NBFP) 2026/27 at Esella Country Hotel, Kampala, pose for a group photograph on 6 January 2026. Photo credit: Food Rights Alliance (FRA).

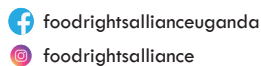
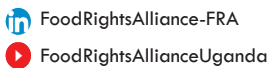


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