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Small Producer Agency in the Globalised Market

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Transforming agriculture in Uganda: nine points for action

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Agriculture is hugely important in Uganda: it employs 68 per cent of the population, underpins millions of livelihoods and contributes to the economy. There are plenty of institutions, policies and initiatives in place to support the sector. Yet agricultural productivity is declining and farmers are having a tough time. Even when local and global food prices are riding high, farmers are not pocketing the windfall. How can this sector provide much-needed jobs for Uganda's expanding population when existing farmers are struggling to get by? What can be done to transform the sector and boost productivity? A nine-point action plan suggests a route forward.

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There are many organisations to support agriculture in Uganda — the Uganda National Farmers Federation (UNFFE), Empowering Small Holder Farmers in Markets (ESFIM), the Hivos Knowledge Programme, and public institutions such as the National Agricultural Advisory Services, the Uganda Coffee Development Authority, the Cotton Development Authority, the Dairy Development Authority and the National Agricultural Research Organization, as well as countless other policies and initiatives. Yet agricultural productivity is declining. Real growth in agricultural output declined from 7.9 per cent in 2000–2001 to 0.7 per cent in 2007–2008.[1] This rate of growth falls far short of the annual rise in average gross domestic product (6.5 per cent), population (3.4 per cent), and the 6 per cent target set by African governments under the Comprehensive Africa Agriculture Development Programme.[2]

Meanwhile, production costs are rising at a higher rate than what can be recouped from local, regional and even global markets. Farmers are forced to scale up productivity and source resilient and profitable markets — often with limited access to information and no strong producer organisations in place to negotiate their interests. Associations that are meant to help farmers are weak, uncoordinated and suffocating under the weight of elite and political capture.

Blocks and barriers

Many other political factors pose further barriers to productive agriculture, not least of which is the lack of clear agricultural governance. Policy documents are as numerous as the institutions that run them and those institutions appear to work independently and often compete against one another.

The government assigns little money to agriculture — just five per cent of its annual budget, or less[3] — and this is often misspent. For example, the media reports financial irregularities in how the National Agriculture Advisory Services (NAADS) programme is implemented. This programme is meant to help farmers adopt improved technology and management practices, but the 2008 Auditor General's report reveals that only 37.1 percent of the total US$107 million spent on NAADS between 2001 and 2006 may be considered useful expenditure.[4]

Equally problematic is the fact that many programmes and policies are often blind to context. For example, in 2010, while I was chief executive officer at the Uganda National Chamber of Commerce, we proposed a youth venture fund that was welcomed by the Ministry of Finance Planning and Economic Development (MFPED). It was delivered but the conditions were so stringent that many young farmers struggled to meet them.

A nine-point action plan

How can we overcome the existing problems and exploit opportunities to transform the agriculture sector in Uganda? I propose a nine-point plan that focuses on reforming policies to support smallholders, adopts better strategic thinking and makes support more relevant.

1. Coordinate policies and services. The planning and implementing agricultural projects is scattered over a wide range of ministries, agencies and political offices — smallholder farmers do not know where to go for services and guidance. There must be a one-stop centre for agricultural solutions and a national agriculture policy must be put in place.

2. Revitalise cooperatives. Cooperatives offer vital services, such as credit and insurance, to small-scale farmers, and if strengthened can act as a bank for their members. But existing laws fail to address key issues such as dispute settlement, offences and penalties, ethics and code of conduct. The 2008 SACCO (Savings and Credit Cooperative Societies) Act, which is pending in Parliament, should be fully enacted to allow full operations of cooperative movement in Uganda.

3. Remove barriers to markets. The laws between the central and local governments of Uganda should be harmonised. At the moment, smallholders wishing to export a few kilos of maize to Kenya have to go through a series of state bureaus to get formal certification. Visiting these multiple agencies costs money and can reduce profit margins. A central access point — for instance, at Busia on the Kenyan border —for documentation would be more efficient.

4. Invest in strategic production. Take coffee as an example. The top five exporters of coffee between 2005 and 2009 were Brazil, Vietnam, Germany, Colombia, Switzerland and Belgium. If Uganda invested in value addition and compliance with standards for coffee exports, we could catch up with leading coffee exporters.

5. Bring the Republic of Southern Sudan into the East African Community (EAC). Southern Sudan is largely pacified, with populations settling down in payams (sub-counties) to set up farms of various sizes. Formalising membership of Southern Sudan into the EAC could provide opportunities for Uganda's fresh food exports, particularly if we increase value addition at farm level, or through private-private partnerships.

6. Subsidise business development services for smallholders. Strengthening and expanding entrepreneurship, management programs and their outreach, especially to the women in rural areas, will boost the potential and power of smallholder farmers. The efficiency of agencies, such as Enterprise Uganda, should also be evaluated and subsidised to deepen entrepreneurship skills at the farm level.

7. Exploit emerging information and communication technologies (ICTs). In Uganda, 10.4 million people have mobile phones and 3.2 million use the Internet usage. There are also 228 FM radio stations. These are huge platforms for communicating information to boost production and market efficiency. Young urban farmers around Kampala are even using Facebook to market their eggs and vegetables. State agencies and the private sector should accentuate this opportunity by narrowing the digital divide in rural areas and establishing ICT centres to facilitate computer access, internet services and training opportunities for farmers and other rural actors.

8. Harness partnerships for extension services. Less than 14 per cent of farmers in Uganda see an extension worker each year. Under NAADS, there are just 1,600 extension workers to serve 4 million farmer households. Private-private, or public-private, partnerships could help bridge the gap. NAADS should urgently tap into the pool of extension link farmers that were trained in animal husbandry and agronomic practices by the Uganda National Farmers Federation. The Government could also coordinate a national farmer extension services programme by working with other private sector companies and civil society organisations — such as the Agency For Transformation, Volunteer Efforts For Development Concern or Participatory Ecological Land Use Management — that have trained and deployed private extension workers.

9. Invest in disease research and development. This is vital to tackle diseases such as banana wilt, cassava streak virus disease or Newcastle disease in poultry, which have a huge impact on agriculture. The 31 per cent decline in coffee exports in 2010 is mainly attributed to coffee wilt. Disease research, including the development of new crops, should integrate farmers from inception to end, and we should learn lessons from other countries, such as Ethiopia, which effectively managed and contained banana bacteria wilt in 1973.

Next steps

Discord in how policies are designed, implemented and monitored leave Ugandan farmers at the margins, striving to find affordable and authentic inputs. Little access to information further limits farmers' capacity and stamina to make independent choices around efficient production and market governance. And there are too many competing and inefficient institutions running agricultural programmes, services and initiatives. To boost productivity rates, we must urgently adopt a common national agriculture policy and improve the coordination between existing policies. The agriculture sector must better harness information technology and put in place strong producer organisations and systems to look after smallholder interests. Only then will agriculture in Uganda be transformed for the better.

Notes

[1] UBOS. 2008. *2008 Statistical Abstract.* Uganda Bureau of Statistics (UBOS), Kampala. [2] CAADP is an initiative of the New Partnership for Africa's Development under the African Union. It aims to accelerate growth and eliminate poverty and hunger among African countries by enhancing development in agriculture. Key targets include achieving an annual growth rate of six per cent in the agricultural sector, and an allocation of ten per cent of the public budget to agriculture. [3] MOFPED. 2009. *Background to the budget 2009/2010: Enhancing strategic interventions to improving business, and revitalise production to achieve prosperity for all.* Ministry of Finance, Planning and Economic Development (MOFPED), Kampala. [4] EPRC. 2009. *Agriculture sector public expenditure review, phase three: Efficiency and effectiveness of agricultural expenditures.* Economic Policy Research Centre (EPRC), Kampala.

The Knowledge Programme Small Producer Agency in the Globalised Market aims to map, elicit and integrate knowledge on the dilemmas confronting small-scale producers in global, regional and national markets. The programme works with different actors to bring new voices, concepts and insights into the global debate. It seeks to support the development community, including policy makers, producer organisations and businesses in their search for better informed policies and practices.

The programme is led by the Humanist Institute for Development Cooperation (Hivos) and the International Institute for Environment and Development (IIED).

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