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NATIONAL AGRICULTURE POLICY

FINAL DRAFT¹

MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES

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Acronyms and Abbreviations

AU	Africa Union
ASWG	Agricultural Sector Working Group (MAAIF)
BFP	Budget Framework Paper
BMU	Beach Management Unit
BoU	Bank of Uganda
CAADP	Comprehensive Africa Agriculture Development Program
CDO	Cotton Development Organisation
COCTU	Coordinating Office for the Control of Trypanosomiasis in Uganda
DDA	Dairy Development Authority
DSIP	Development Strategy and Investment Plan
ENR	Environment and Natural Resources
FAO	Food and Agriculture Organization of the United Nations
GDP	Gross Domestic Product
GoU	Government of Uganda
IDP	Internal Displaced Person
IFPRI	International Food Policy Research Institute
ILO	International Labour Organisation
LG	Local Government
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
M & E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MEMD	Ministry of Energy and Mineral Development
MLHUD	Ministry of Lands, Housing and Urban Development
MoWT	Ministry of Works and Transport

MTIC	Ministry of Trade, Industry and Cooperatives
MWE	Ministry of Water and Environment
NAADS	National Agricultural Advisory Services
NAPS	National Agriculture Policy Secretariat
NARO	National Agricultural Research Organisation
NARS	National Agricultural Research System
NAGRC&DB	National Animal Genetic Resources Centre and Data Bank
NDP	National Development Plan
NRM	National Resistance Movement
PEAP	Poverty Eradication Action Plan
PER	Public Expenditure Review
PFA	Prosperity for All
PMA	Plan for Modernization of Agriculture
PPP	Public Private Partnership
RDS	Rural Development Strategy
SACCO	Savings and Credit Cooperative Organisation
TPM	Top Policy Management
UBOS	Uganda Bureau of Statistics
UCDA	Uganda Coffee Development Authority
UNFA	Uganda National Farmers Association
UNFFE	Uganda National Farmers Federation
UNHS	Uganda National Household Survey

GLOSSARY

Agricultural sector: includes crops, livestock, agro-forestry and fishing activities.

Agriculture (also called farming or husbandry): the growing of crops, livestock and fish

Commercial agriculture: production of crops, livestock or fish for sale.

Farmer: a person who grows crops, rears livestock or fish.

Private sector: is that part of the economy, which is run by private individuals or groups, usually as a means of enterprise for profit, and is not controlled by the state.

Subsistence farming: a type of farming in which most of the produce is consumed by the farmer and his family, leaving little or nothing for sale.

1. INTRODUCTION

1. This National Agriculture Policy has been formulated in line with the Constitution of the Republic of Uganda. Objective XI (ii) provides that the state shall “stimulate agricultural, industrial, technological and scientific development by adopting appropriate policies and enactment of enabling legislation.” Objective XXII (a) provides that the state shall “take appropriate steps to encourage people to grow and store adequate food.” This policy is aimed at translating these high level national obligations into policies and strategies to enable their achievement. This policy shall guide all agriculture and agriculture related sub-sector policies, policy frameworks and strategies existing or to be formulated in future.

2. This policy provides guidance to all actors in the agricultural sector to make investments that will increase agricultural incomes, reduce poverty, improved household food and nutrition security, create employment and stimulate overall economic growth. The range of investments cut across the entire commodity value chain, from production, through processing to marketing, with the aim of easing constraints faced by the private sector. Such investments to support the private sector aim to improve access to improved agricultural technologies, improved farming practices, appropriate value addition technologies, improved financial products, and linkage to markets by providing better infrastructure, especially in rural areas.

3. In addition to the constitutional obligations, the government has a national vision aimed at achieving prosperity for all. Agricultural development is at the center of this vision, given that over three quarters of the country’s labor force is engaged in agriculture. As such, government’s vision is to see progressive annual improvement in incomes of households that are dependent on agriculture.

4. This policy derives from the need to achieve national development objectives of increasing household incomes, food and nutrition security and employment as contained in the National Development Plan (NDP) in which agriculture is identified as one of the primary sources of growth in the economy. This policy also guides the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and other stakeholders in planning and making sector investments that enable households to progressively move towards higher incomes from daily, seasonal and long-term sources from the three sub-sectors: crops, livestock and fisheries. The detailed investments to operationalize this and other sub-sector policies are contained in Agriculture Sector Development Strategy and Investment

Plan (DSIP), whose implementation will be through annual plans contained in the sector Budget Framework Paper (BFP). In short, the National Agriculture Policy derives its mandate from the Constitution of the Republic of Uganda and the National Development Plan.

2. BACKGROUND

2.1 Importance of agriculture

5. Agriculture has been and continues to be the most important sector in Uganda's economy because it employs the largest proportion, 65.6 percent in 2010², of the population aged 10 years and older (UBOS, 2010)³. In 2010/11, the sector accounted for 22.5 percent of total GDP. Agricultural exports accounted for 46 percent of total exports in 2010. The sector is also the basis for much of the industrial activity in the country since most industries are agro-based. Even though its share in total GDP has been declining, agriculture remains important because it provides the basis for growth in other sectors such as manufacturing and services. Being the largest employer, the majority of women (83 percent) are employed in agriculture as primary producers. In the face of the global financial crisis, agriculture contributes to foreign exchange revenue from regional trade and therefore improving the country's balance of payments position, and in the process helps to stem further depreciation of the shilling. Agriculture also provides direct and indirect linkages with other sectors of the economy, supplying food for workers in services and industry, export products, and in the process generating employment opportunities for many people.

6. Uganda has a comparative advantage in food production and has the potential of becoming the food basket of the region. In recognition of this potential, the Government has committed itself to scale up investments that would lead to increase agricultural production and productivity while addressing constraints to accessing domestic, regional and international markets both in the short and long-term⁴.

7. Agriculture has the potential to be a significant source of economic growth and poverty reduction. Research by IFPRI (2008)⁵ demonstrated that if agriculture

² Uganda Bureau of Statistics, 2011

³ Uganda Bureau of Statistics, 2005. 2002, 2011. Population and Housing Census. Main Report. March 2005.

⁴ MFPED, 2009. Budget Speech FY 2009/10

⁵ Benin, et al, (2007). Agricultural Growth and Investment Options for Poverty Reduction in Uganda. International Food Policy Research Institute. December 2007.

in Uganda grew at 6 percent per annum, the poverty rate would be cut by an additional 7.6 percentage points to 18.9 percent, much lower than the 26.5 percent that would be reached if agriculture continued to grow at the average rate of 2.8 percent per year observed between 2001-2008. It is for these several reasons that agriculture is being given a lot of attention in national development. Failure to do so would mean leaving behind the majority of Ugandans and that would affect the development outcomes in other sectors such as health and education, in addition to holding back overall economic growth.

8. Indeed, despite the global financial fuel and food crisis being experienced at the time of formulation of this policy, Uganda's economy remained robust largely due to the resilience of the agricultural sector. Uganda's economy in the FY 2010/11 registered a robust real growth rate of 6.3 percent, compared to the average sub-Saharan growth rate of 4.7⁶ percent.

2.2 Agricultural sector performance

9. Despite the importance of agriculture in the economy, the sector's performance has not been impressive. Real growth rate in agricultural output declined from 7.9 percent in 2000/01 to 0.1 percent in 2006/07 (UBOS, 2008)⁷. However, the sector made some modest recovery and grew at 2.6 percent in 2008/09 and 2.4 percent in 2009/10 but declined again to 0.9 percent in 2010/11. The average real growth rate over a ten year period (2001/2002 to 2010/2011) was 1.8 percent. This growth rate of the agricultural sector is much below the NDP annual target of 4.9 percent and the 6 percent annual target of the African Union's Comprehensive Africa Agriculture Development Program (CAADP)⁸. It is also below the annual population growth rate of 3.2 percent, implying that per capita output of agricultural production has been declining and that there is a short fall in food available per person. Since, Uganda does not import significant quantities of food, in fact it is a net food exporter, implies that households may be eating less meals than before.

10. Recent trends in agricultural productivity show a mixed picture. Progress has been made in increasing crop yields especially for millet, simsim, cassava and sweet potatoes. This has been attributed to several factors including improved

⁶ Source: IMF/ World Bank: World Economic Outlook April 2010 (www.imf.org/external/pubs/ft/weo/2010/01/#ch2fig)

⁸ CAADP is an initiative of the New Partnership for Africa's Development (NEPAD) under the African Union. It aims at accelerating growth and eliminating poverty and hunger among African countries by enhancing development in agriculture. The main goal is to help African countries reach a higher path of economic growth through agriculture led development. The main principles being the pursuit of 6 percent average annual sector growth rate and the allocation of 10 percent of the public budget to agriculture. Uganda is a signatory to the CAADP principles and objectives.

availability of disease resistant varieties (specifically cassava), local and regional markets Yields for some crops such as maize, cotton, coffee, and matooke have declined in recent years for different reasons including pests and disease attacks, and non-adoption of improved varieties. There is, however, great potential to increase crop production through yield increases because farm level yields are several times below what is obtained at research stations.

11. Livestock numbers have increased across all types: cattle, sheep, goats, poultry and others. However, domestic and regional demand is higher than supply. This is an opportunity to increase production. Constraints to growth in livestock sector are mainly related to diseases, lack of good breeds and lack of good quality pastures and feeds for livestock. The demand for crop products by the livestock and fish sub-sector creates both forward and backward linkages within agriculture demonstrating the huge potential for overall sectoral growth.

12. Fish statistics indicate that there has been a gradual decline in fish stock in Uganda's lakes as a result of overfishing and interference with the breeding grounds for fish, especially in wetlands. Catches have been fluctuating, in 1995, 213,000 tonnes was caught, rising to 435,000 tonnes in 2004, but declined to 382,000 tonnes in 2010. Consequently, some processing factories have closed for lack of adequate fish to process. However, there is great potential to boost fish production by restocking lakes and controlling illegal fishing practices, as well as investing in aquaculture and in the production of fish feeds. Despite enormous benefits and potentials within the fisheries sub-sector, it faces specific problems, particularly related to resource depletion caused by overfishing of stocks, non-compliance with regulations and destruction of breeding grounds, especially wetlands.

13. Agricultural commercialization has increased. Between 1999 and 2005, the share of marketed production increased for all crops, except for matooke and cassava that experienced disease attacks. National accounts also show increased monetization of agriculture. The average share of monetary agriculture in total GDP between financial year 2003/2004 and financial year 2010/2011 was 13.8percent while that of non-monetary agriculture in the same period was 9.5 percent⁹.

⁹ MFPED, 2009. Background to the Budget 2009/2010.

2.3 Food and nutrition security status

14. The food security situation since 1992 has not been satisfactory. The country's average caloric intake per person per day improved from 1,494 in 1992 to 2,193 in 1999 but declined to 2,066 in 2002 and to 1,971 in 2005. Although the overall trend is positive, the average intake is still less than the recommended daily calorie intake of 2,300. Food caloric intakes vary geographically: Kapchorwa has the highest caloric and protein intake, followed by others in Western Uganda – notably Mbarara, Ibanda and Bushenyi. The least amount of caloric intake is found in Karamoja and Acholi sub-regions. Districts in Northern Uganda show relatively higher rates of protein intakes than those in Central Uganda¹⁰.

15. Regarding the food security situation in Uganda during the period 1992/93 – 2005/06, the proportion of the Ugandan population that was food insecure reduced from 83 percent in 1992/93 to 59 percent in 1999/2000 before rising to 63 percent by 2002/03. The 2005/06 Uganda National Household Survey (UNHS) indicated that the prevalence of food insecurity increased to 66 percent in that year¹¹. The prevalence of stunting among children aged 5 years and below declined from 45percent in 1988/89 to 38percent in 1995 and the rate has only marginally changed since then. About one in three children in Uganda are stunted¹². For Uganda, like other developing countries, nutritional inadequacy has long lasting negative impacts especially on children's cognitive outcomes and labour productivity of poor households. The agricultural sector lost over US\$ 34 million worth of productivity in 2009 alone due to iron deficiency anaemia in the adult population. Other losses to agriculture occurred as a result of time lost due to illnesses associated with other types of malnutrition or time lost while dealing with family illnesses or deaths associated with malnutrition.¹³ Nonetheless, the overall food security situation in the country remains generally satisfactory

2.3 Agricultural policy environment 1997 – 2010

16. The policy environment for agriculture in Uganda since 2001 was shaped by the PMA which was a multi-sectoral policy framework for agriculture and rural development. The PMA was part of the wider planning framework for the country – the Poverty Eradication Action Plan (PEAP) – first formulated in 1997¹⁴. Prior to

¹⁰ EPRC, 2009. Understanding the Determinants of Food Insecurity in Uganda 2005/06.

¹¹ Ssewanyana, S et al, 2006. Understanding Food Insecurity in Uganda: A Special Study. Report prepared for USAID Uganda Country Office.

¹² For example the highest rates of stunting is in South-western Uganda (43percent) followed by the North and Western sub-regions at about 34percent¹².

¹³ Government of Uganda, 2011. Uganda National Nutrition Action Plan 2011-2016

¹⁴ The PEAP was revised in 2000 and 2004 and ended in June 2008. A five year National Development Plan (NDP) replaced the PEAP as Uganda's planning framework

the formulation of the PMA, agricultural interventions were scattered and there was no comprehensive policy framework to guide the sector. However, important policy reforms were undertaken in the agriculture sector from the late 1980s to mid 1990s. The most significant were the liberalization of crop marketing for key agricultural commodities by dismantling state controlled marketing boards (coffee, lint, and produce marketing boards). This policy reform freed the commodity markets and created opportunities for the private sector to perform the marketing function much more efficiently than government parastatals. Despite these policy reforms, interventions in agriculture needed to be brought into one holistic framework, to coordinate their implementation. At the same time, it was recognized that agriculture was much broader than the mandate of MAAIF which needed the support of other ministries and agencies to achieve agricultural development objectives.

17. The multi-sectoral nature of the PMA gave it the breadth that agriculture needs to move forward, and as such had seven key pillars (research and technology development, national agricultural advisory services, rural finance, agro-processing and marketing, agricultural education, physical infrastructure, and sustainable natural resource utilization and management), whose implementation mandates spread across 13 ministries and agencies. The concept behind the PMA was simple – that to reduce poverty among poor households, the majority of who depend on agriculture, a multi-sectoral approach had to be taken, hence the seven interventions.

18. A PMA evaluation in 2005 found that the concept was still valid, but implementation of the framework was a challenge¹⁵. Right from the start of implementation, government and development partners provided financial support and institutional development to mainly two of the PMA pillars: agricultural research and technology development (NARO or NARS in general); and national agricultural advisory services (NAADS). The pace of development and implementation of the other five pillars was slow and overtime gaps for their non-implementation started emerging. For example, in 2005, strong views emerged from key stakeholders on the need for rural financial services and value addition (agro-processing), yet both were specific PMA pillars whose implementation was slow.

¹⁵ The report thus states “The overall logic of the PMA still holds good, but there have been confusions over the function of the PMA, insufficient emphasis on some of the constraints identified, and weaknesses in the implementation which should be addressed.” (GoU: A Joint Evaluation. Uganda’s Plan for the Modernization of Agriculture, October 2006).

19. The need to fill the gaps in PMA implementation led to emergence of alternative thinking about agriculture and rural development. Thus in 2005, Government formulated the Rural Development Strategy (RDS) with the overall objective of raising household incomes, like the PMA, but proposing a more focused approach to supporting farmers through input provision and formation of cooperative societies. The focus of RDS was the sub-county, and this led to the development of the Sub-County Development Model.

20. In 2006, Government formulated a much broader vision of Prosperity for All (PFA). The goal of PFA is to improve lives of all Ugandans in all aspects - higher incomes, improved access to services such as health, education, water, and reliable physical infrastructure – all this happening in a peaceful and democratically governed country. In February 2008 Government also formulated a PFA policy to guide public sector interventions aimed at enabling Ugandans to earn higher incomes. Agricultural commercialization, enterprise combination, farmer group formation, collective marketing, value addition and rural financial services are key aspects of the PFA policy.

21. Moving into the future, the National Development Plan (NDP) will guide national level plans as well as sectoral policies and implementation plans. This national agriculture policy is one such for the agriculture sector, but its implementation will be through the Agriculture Sector Investment Plans and plans of other relevant ministries and agencies. Therefore, in hierarchical terms, this policy sits between the NDP and the Agriculture Sector Investment Plans.

2.4 Agricultural sector management

22. Managing agriculture through a multi-sectoral approach, such as the PMA, presents governance challenges. Inter-institutional collaboration towards a common goal, in this case raising household incomes and reducing poverty, is not automatic. It requires strong cross-sectoral coordination and accountability because the mandates for various interventions fall under different ministries and agencies across government, both at the centre and in local governments.

23. MAAIF is responsible for managing and coordinating agricultural policies and interventions. It does so through the Ministry's autonomous and semi-autonomous agencies, local governments, other ministries, departments and agencies (MDAs), private sector, civil society and development partners. In a bid to enhance efficiency in delivery of agricultural goods and services, several statutory bodies were formed under MAAIF. These include, NARO for research,

NAADS for advisory services, NAGRC&DB for animal genetic development, UCDA for coffee development, CDO for cotton development, DDA for dairy development, COCTU for control of trypanosomiasis, and the PMA Secretariat for multi-sectoral coordination. The creation of these bodies left the Ministry headquarters to concentrate on agricultural policy formulation, planning, regulation, disease and pest control, and sector monitoring and supervision.

24. The local governments concentrate on implementation of delegated and decentralized functions and services. While the rationale for this institutional set up is appreciated, different interventions and investments are not well coordinated to deliver sector objectives. As the PEAP evaluation of 2008 points out, there are weaknesses in institutions of collective decision-making and oversight of the PEAP¹⁶, and that applied to the PMA, and will apply to the NDP and DSIP if there is insufficient coordination and political supervision.

25. Local governments continue to play a big role in the performance of the agricultural sector. They implement government programs like NAADS and provide support to other sector interventions. The local governments continue to provide, through mobilization, monitoring, supervision and guidance, and support to agricultural development. In spite of this, the link between MAAIF and local governments remains weak probably because of poor interpretation of different roles of central and local government agencies.

26. Farmer-owned institutions are important for mobilizing farmers around a common objective, delivery of services, as well as policies that support agricultural development. Farmer institutions are key entry points for service delivery to individual households or communities. Farmer institutions under the former Uganda National Farmers Association (UNFA) are the longest existing in Uganda's agriculture having started in 1992. UNFA has transformed to Uganda National Farmers Federation (UNFFE) to embrace various commodity associations and service providers. There are also farmer organizations formed under NAADS right from the village to national level. Other commodity associations and groups include Beach Management Units (BMUs) for fish, and several organizations for dairy, among others. However, farmer institutions are still characterized by limited

¹⁶ The report thus states "There are weaknesses in the institutions for collective decision-making and oversight of the PEAP, particularly around the functioning of the cabinet system, which contribute to the problems of policy coherence at the national level. These problems, which are deeply embedded in the existing governance institutions are becoming more serious as government gets more complex" Oxford Policy Management (OPM), 2008. Independent Evaluation of Uganda's Poverty Eradication Action Plan (PEAP). Final Draft Synthesis Report. June 2008.

capacity to perform their functions and to deliver and/or demand delivery of quality services.

27. Parliament is responsible for approval of the Ministerial Policy Statement and the agricultural budget presented by the Minister of Agriculture, Animal Industry and Fisheries. In addition, Parliament, through the Sessional Committee on Agriculture, Animal Industry and Fisheries is mandated to provide independent oversight over the implementation of MAAIF activities as contained in the Ministerial Policy Statement every financial year.

2.5 Agricultural policy implementation

28. In 2006, MAAIF developed a Development Strategy and Investment Plan (DSIP) as its medium-term plan. It was designed to translate national goals and priorities contained in the PMA into a plan for public sector interventions in the agricultural sector. The DSIP was also designed to clarify the objectives and outputs for the sector and to bring out priority areas for spending between 2005/06 and 2007/08. The DSIP drew from the PMA priority areas in which public sector action was required in the medium term to support the modernization of agriculture especially those that fell within the mandate of MAAIF and its agencies. It is these priority areas that informed the DSIP investments and have been the basis for the Ministry's planning and budgeting exercises in recent years.

29. Although no comprehensive review of its performance was done, internal assessment by MAAIF coupled with a comprehensive Public Expenditure Review (PER) in 2007 showed that the first DSIP was not effectively implemented. The main challenges were cited as weaknesses in internal coordination and failure to align spending to the DSIP priorities. The strategy expired in June 2008, and a second DSIP for agriculture, for the period 2010/11-2014/15, was completed in March 2010. The revised DSIP is a detailed and costed plan for implementation of agricultural sector strategies contained in the NDP and in this policy.

30. Despite the challenges, there have been reforms undertaken in an attempt to strengthen the policy and implementation environment for agriculture and rural development. For example, in 2007, Cabinet directed that the PMA Secretariat relocates from the Ministry of Planning and Economic Development (MoFPED) to MAAIF to strengthen the implementation framework of the PFA strategy. NAADS has also been restructured under the PFA following a number of evaluations and political interventions. The direct contribution of agriculture to PFA is by assisting agricultural households to engage in activities that will progressively raise their incomes annually. This will involve identifying and promoting a mix of

agricultural enterprises that will gradually raise household incomes. Previous government support has consistently gone to small scale farmers but this has been expanded to also include medium and large scale farmers. The support to be provided will include input provision, technical advice, organizing farmers into production groups, marketing groups or savings and cooperative societies (SACCOs). By forming groups, farmers will be able to produce large quantities of uniform quality products that make collective marketing possible as well as enabling them to bargain for higher prices¹⁷.

31. Even though for a while the parallel existence of the PMA, RDS and PFA created some policy inconsistency, this policy is intended to harmonize the different thoughts and approaches to agricultural development. However, the challenge of sector-wide coordination still remains and must be addressed.

2.6 Agricultural development challenges

32. Agriculture in Uganda faces several challenges at the different stages of the commodity value chain. They include low production and productivity, low value addition to agricultural produce, lack of sustainable access to markets, failure to maintain a consistent policy regime and functional institutions in the sector, and insufficient agricultural manpower and skills. Each of these challenges is briefly discussed below.

2.6.1 Low production and productivity

33. There are several factors that have led to declining or stagnant levels of production and productivity. The fluctuations in agricultural growth since 1997 are mainly attributed to weather variations which affected crop, aquaculture and livestock production. In some cases, drought led to receding water levels in some lakes leading to erosion of fish breeding grounds. Pests and diseases have remained a big problem for increasing yields in crops and livestock. Low and declining soil fertility also contributes to low crop yields.

34. Other constraints are limited use of productivity enhancing inputs such as improved seed, improved breeding stock, stocking materials, fertilizers, mechanization, and irrigation. Land tenure especially as it relates to ownership and access remains an issue especially among women farmers. Production infrastructure related constraints include lack of quarantine stations, holding grounds and fish landing sites. Specific problems in fisheries sector include resource depletion caused by overfishing of stocks, using illegal fishing gear, non-

¹⁷ Bahigwa, G, 2007. "Understanding Prosperity for All" in From Poverty to Prosperity, PMA Quarterly Bulletin. Vol. 5 No. 1. September 2007.

compliance with regulations and destruction of breeding grounds. Sustainable use and management of water, soil and land resources remains a critical factor for agriculture production and productivity.

2.6.2 Limited post harvest handling and value addition to agricultural products

35. There is limited agricultural value addition (agro-processing) in Uganda. The key challenges include high post harvest losses, lack of access to affordable technology (know-how and machinery), as well as the medium to long term financing for this type of investment. Lack of access to sufficient, reliable and affordable energy in rural areas limits investments in agro-processing industries, as well as simple facilities such as refrigeration to enhance the shelf life of perishable commodities such as milk, fruits or vegetables. Investment in agro-processing factories requires steady and adequate supply of raw materials, and this is not always the case for many commodities. Attracting agro-processors and establishing sustainable public private partnerships also remains a challenge, in addition to sourcing and accessing financing for such partnerships.

2.6.3 Lack of access to sustainable input and output markets

36. Accessing product markets for agricultural produce on a sustainable basis is important for Uganda's agriculture. Limiting factors include inadequate knowledge and information market size and requirements for different products. Poor transport infrastructure limits efficient movement of commodities from production to consumption points in domestic and regional markets. It also limits the distribution of inputs to producers. Good road networks linking markets would reduce transaction costs for traders, and bring higher benefits to producers. However, the linkages from production to these markets are non-existent for some products or weak in others. Regional markets are not yet as sensitive to some of the quality restrictions as are international markets. Meeting quality standards for international markets remains a challenge. High transaction costs due to poor infrastructure and high fuel prices reduce the competitiveness of Uganda's products in regional and international markets. Other exogenous factors such as volatility of world and regional prices, and unfavorable policies of trading partners, create uncertainties in the market and therefore impact on investment decisions by producers.

2.6.4 Weak policy and regulatory environment

37. One of the principal responsibilities of the public sector in agriculture is to create an enabling environment for the private sector to invest in production, processing and trade. There have been shortfalls in some of these, especially

maintaining consistence around agricultural policies in the last ten years. Existence of multiple initiatives does not help the agricultural sector. In fact it has created policy uncertainty for different stakeholders. This policy is intended to address this matter so that there is only one policy guiding agriculture in Uganda.

38. Another challenge has been poor coordination of MAAIF, other MDAs towards a common goal, as well as coordination between MAAIF and local governments. Part of this institutional coordination and management of agricultural sector interventions include harmonization of donor support and interventions in the sector. There is lack of regular and reliable agricultural statistics for effective planning and monitoring. As a result, decision makers cannot adequately provide to farmers early warning information on markets, and on prices and availability of inputs, among other knowledge vital for optimum farm management decision making.

39. There have been institutional constraints manifested in weak enforcement of inputs specific policies, laws, regulations and standards leading to the spread of disease, substandard inputs and products in the market. Hence the need to strengthen the national certification and regulation system to guarantee the quality of agro-inputs. Also critical is the need to have appropriate and comprehensive policies and regulations on the key inputs and related processes of plant variety production and user protection. The roles and responsibilities of key stakeholders have not been clearly clarified especially those of the public and private sectors.

2.6.5 Insufficient agricultural manpower and skills

40. Meaningful transformation will only happen if farmers receive practical and usable knowledge, whether from private or public providers. The public extension system is weak, and NAADS has not solved the problem of inadequate knowledge reaching farmers. Suspension of recruitment of agricultural extension staff in local governments in 2002 led to staff attrition, thus creating manpower shortages especially in sub-counties. This has been made worse by the expansion in the number of local governments without the corresponding increase in staff levels. The conversion of some public extension workers to NAADS further weakened the public extension system, without increasing the reach to farmers. Besides, agricultural training institutions need to be strengthened, with their curricula geared towards supporting evolving needs of the agricultural sector in Uganda. Agricultural Training Institutions produce diploma holders and yet these no longer recruited by LGs though farmers tend to prefer them to degree holders.

41. Agricultural training and skills development in Uganda is limited. It is currently offered at a few institutions including universities, agricultural and cooperative colleges, farm schools, primary and secondary schools and some training institutions such as teacher training colleges and vocational schools. In the non-formal sector, agricultural education and training is provided by several players, including government and non-governmental organizations such as Agricultural Development Centers (ADCs), Agricultural Research and Development Centres (ARDCs), and District Agricultural and Information Training Centres (DATICs). However, more institutions are needed and the supply does not match the numbers and quality of the human resource base required for agricultural development. In 2006, Government developed a National Agricultural Education Policy and Strategy aimed at promoting farming as a business and professionalism in agriculture. This policy has not been implemented.

2.6.6 Disease burden

42. Ill health among the agricultural workforce resulting from poor nutrition and diseases such as malaria and HIV/AIDS reduces agricultural labour productivity, lowers agricultural production and increases household vulnerability to food insecurity¹⁸.

43. Agricultural crop production of farming households is negatively affected by malaria illness leading to loss in agricultural output. In 2011 a study on the UNHS 2005/06 data found that up to 24 percent loss in agricultural output was recorded among households that were affected by malaria. A related effect is a 1 percent increase in the number of days lost due to malaria resulting into a 0.153 percent reduction in agricultural production.¹⁹

44. Despite numerous achievements of fighting HIV/AIDS in Uganda, HIV/AIDS poses a challenge to labor productivity because it primarily affects the most productive age group of women and men between 15 and 49 years and their children. HIV/AIDS continues to cause a decline in the supply of labour for agriculture production through illness, deaths and time spent in caring for sick

¹⁸ A study by MAAIF in 2002 revealed that 76.9percent of sampled households had decreased agricultural production in the previous 10 years. This was explained by HIV/AIDS related factors. In almost one fifth of the sampled households, labour shortage was directly linked to HIV/AIDS death [MAAIF, 2002: Impact of HIV/AIDS on agricultural production and mainstreaming of HIV/AIDS in agricultural extension service]

¹⁹ Aheisibwe, Ambroze Rwaheru. The effect of malaria on Agricultural Production 2011

relatives. In addition, the epidemic drains household income and loss of household knowledge about farming methods, skills and experience. Given the magnitude of the epidemic and its gradual impact on communities, many households are likely to be directly or indirectly affected. This has been aggravated by the fact that there was no cure yet and the availability of drugs that prolong life has been limited.

2.6.7 Emerging threats to Agricultural Development

45. In addition to challenges within the agricultural sector, there are several emerging threats that may undermine the sector. Some of these include high population growth rate, climate change and oil discovery.

46. High population growth and its effect on decreasing per capita land, in an environment where productivity is not rising fast enough to maintain levels of production needed to provide enough food for the growing population. Increasing population results into land fragmentation given our land use patterns, and in densely populated areas it leads to land degradation, as land is use every season without replenishing the soil nutrients.

47. Climate change has not received as much attention as it should at policy and implementation levels. Climate change effects such as droughts, floods and landslides have the potential to alter production patterns, bring about pest and diseases that have not been known before, and in the process have significant impact on rural populations that are ill-prepared to cope with the impacts on their livelihoods.

48. The discovery of oil, if not handled properly can turn attention away from agriculture. Once oil production starts, it will bring in large amounts of money at a faster rate to government than agriculture can. This could lead to low food production, but because the country will have money, it may resort to importing food leading to further damage to the sector.

2.7 Opportunities for agriculture

49. There are several factors in favour of agricultural development in Uganda. The country has adequate land and water resources to enable it to produce enough food for domestic consumption and have excess for export. A study by the PMA Secretariat on farmer categories in 2009²⁰ found that the proportion of land utilized by farmers varied by agricultural production zone, ranging from 46 percent in

²⁰ Farmer Categorization Study. PMA Secretariat, 2009.

North West Savannah Grasslands to 88percent in Highland Ranges. Therefore, there is opportunity to expand agricultural production by increasing cultivated acreage. However, this becomes limiting in densely populated areas forcing households to either subdivide further the small farms or to migrate to less densely populated parts of the country.

50. However, the biggest gains will be obtained from using improved inputs including seed, stocking and planting materials, to boost productivity. Current crop yields are about one third of what has been obtained at research stations. Therefore, crop yields can be increased substantially, and this is the most promising option especially as land available for expansion gets more limited with increase in population. Uganda will have to increase its use of inorganic fertilizers on soils that have lost fertility due to overuse without replenishment.

51. As rains become more erratic due to climate change and other factors, Uganda's agriculture will increasingly rely on irrigation to ensure a steady supply of food. Fortunately there are abundant water resources in rivers and lakes, and in ground water, in many parts of the country.

52. The future of Uganda's agriculture will depend on how the country takes advantage of what science has to offer. There is capacity in the country to develop appropriate technologies to boost production and productivity. This needs more support though, especially funding agricultural research that is aimed at addressing the needs of farmers. Biotechnology has a lot of benefits it can bring to farmers and holds promise to solve Africa's food problems. However, while the potential for agricultural biotechnology exists, more is needed in terms of having the right policy framework and legislation for it, as well as the scientific work that it requires.

53. In Uganda both organic farming and inorganic farming are practiced. While organic farming cannot offer the long-term solution to Uganda's food production needs as population increases and regional demand expands, it still offers an opportunity for the country to access niche markets.

54. Urban and peri agriculture has made a significant contribution to the survival of the urban poor. It supplements their incomes, creates employment opportunities and contributes to their food and nutrition security. Despite its growing importance, it remains largely illegal in many urban towns because it is taken be a disorganized and pervasive activity and has lacked a supportive policy and regulatory framework. In light of the above, some urban authorities have began to

respond. For example in 2005, Kampala city developed city laws for urban agriculture.

55. At policy level, agriculture is at the centre of the national development agenda. There is general consensus that agriculture can and does play a significant role in raising household incomes, providing employment and contributing to overall economic growth. The NDP recognises agriculture as a primary source of growth in Uganda.

56. Even though Uganda is a land locked country, it is land linked to domestic markets and regional markets all around the country (Tanzania, Kenya, Sudan, DRC, Burundi and Rwanda). Several of these countries face food supply shortfalls periodically for a variety of reasons. Regional integration through East African Community (EAC) and the Common Market for East and Southern Africa (COMESA) has developed formal mechanisms for trade within the region. Uganda will continue to position itself to consolidate and expand food supply and agricultural products to these markets.

57. At continental level, the African Union is encouraging member states to invest more in agriculture by adopting the principles in Comprehensive Africa Agriculture Development Program (CAADP). African Heads of State and Government in 2003, under the Maputo Declaration, committed themselves to invest in agriculture targeting an annual growth rate of 6 percent, by increasing funding to agriculture to 10 percent of the national budget. While different countries may need to spend less or more than 10 percent of their national budgets in agriculture to achieve sector growth rates that will reduce food insecurity and increase farmer incomes, the commitment by African leaders to developing agriculture is commendable and important for the sector.

58. At the international level, there is also renewed support to agriculture to contribute to the achievement of the Millennium Development Goals (MDGs) and targets of 2015 and beyond. The World Bank's 2008 World Development Report was on agriculture for development. The Bank had not focused on the sector for almost 25 years. Therefore, the renewed recognition of the central role of agriculture to development in low income countries should help galvanise strategies and provide a basis for mobilizing more resources to invest in the sector.

2.8 Agricultural financing

59. Public expenditure reviews reveal that there has been inadequate funding to agriculture, both public and private, and inefficient use of resources. The share of agriculture funding in the national budget increased modestly from 3.8 percent in

fiscal year (FY) 2007/08 to 4.5 percent in FY 2011/12²¹. Total agriculture lending by regulated financial institutions and MDIs declined by 21.6 percent between 2007 and 2010. Agriculture needs more funding but it is also important to increase efficiency in resource use.

60. The Agriculture Sector Investment Plans will assist government and partners to define public interventions to meet the key objectives in the agricultural sector. It is a combination of policies and programmes around which funds can be mobilized. In time the Agriculture Sector Investment Plans will entirely supersede MAAIF's existing portfolio of projects and, therefore, bring much more coherence to investments in the sector. In short, the DSIP forms the basis for seeking resources to implement this policy.

61. The current project portfolio is inherently problematic: the entire development budget is under projects. These have overlaps between them and delays in implementation, sometimes for a year or more. Unrealistic cost estimates are common; there are problems with the release of counterpart funds; and, most particularly, the efforts and resources of the ministry as a whole are distorted by the existence of stand-alone projects with their own priorities and funding. Using these projects as a basis for structuring the sector's budget is no longer appropriate and implementation of the DSIP will lead to the streamlining of the existing projects into the main recurrent budget. A portfolio of new projects will be designed by MAAIF. This will be the basis for the implementation of the revised DSIP, to be funded largely by government using domestic finance and donor sector budget support, and occasionally with direct-donor project support in specific circumstances.

62. The role of the public sector in lending to agriculture will be to provide support in form of loan guarantees to encourage financial institutions to increase their portfolios to the sector. This will be particularly important as commodity value chains grow bigger and the need for machinery and equipment grows. Equally important will be public sector investment in risk management and mitigation measures in agriculture, including irrigation to reduce dependence on rainfall and weather-based insurance to hedge against weather related agricultural failure. This can only be sustainable through access to private capital from commercial sources, but initially supported by the public sector through guarantees and capacity building where necessary. It is important to consider private spending as part of agriculture sector spending and explore funding opportunities from private commercial sources.

²¹ MFPED, 2011. Background to the Budget 2011/12

3. GUIDING PRINCIPLES, OBJECTIVES AND STRATEGIES

3.1 Guiding Principles

63. Agricultural policy in Uganda shall be guided by six principles. These principles are derived from the country's experiences and lessons learned in implementing the PEAP, the PMA, and the Local Government Act, 1997

- (i) The Government of Uganda is pursuing a private sector led and market-oriented economy. In doing this the government shall work on constraints that hinder the private sector to invest more in agriculture. Government shall support existing or form new partnerships with the private sector. Government actions shall aim to strengthen the private sector.
- (ii) Agricultural development will be pursued according to the agricultural production zones. Commodities that are best suited for each zone will receive public sector support for both food security and commercialization. Efforts will be made to support commodity value chain development of strategic commodities in the different zones in order to develop viable agro-industrial centres.
- (iii) Agricultural development services will be provided to all farmer categories as individuals or in groups, ensuring gender equity. Focusing on some strategic commodities in different zones will be in addition to providing general agricultural services to all of agriculture as is currently done through government agencies and local governments.
- (iv) Government shall continue to provide agricultural services through the decentralized system of government and will work to strengthen it. In particular, MAAIF will increase its collaboration with and support to district and sub-county local governments to improve the quality of service delivery to farmers. MAAIF shall also improve its supervisory and monitoring functions in local governments.
- (v) Government interventions will pursue growth and equity. In so doing agricultural interventions will be balanced across the different regions, agricultural zones and across genders. Where necessary, government shall pay special attention to parts of the country with specific needs and vulnerable or marginalized groups.

- (vi) Government shall ensure that key agricultural resources including soils and water for agricultural production are sustainably used and managed to support adequate production for the current and future generations.

3.2 Policy Objectives and Strategies

3.2.1 Vision

64. The vision of the policy is “A Competitive, Profitable and Sustainable Agricultural Sector”²².

3.2.2 Mission

65. The mission of the policy is to: “Transform subsistence farming to sustainable commercial agriculture.”

3.2.3 Objectives and strategies

66. The overall objective of the agricultural policy is to promote food and nutrition security and household incomes through coordinated interventions that focus on enhancing sustainable agricultural productivity and value addition, providing employment opportunities, and promoting domestic and international trade.

67. In pursuing the broad objective, Government shall pursue six inter-related specific objectives. For each of the stated objectives, Government shall pursue specific strategies to achieve them, working closely with all stakeholders in agriculture including central and local government ministries, departments and agencies, private sector, civil society, farmers and development partners. In the formulation of these strategies, reference has been made to existing policies.²³

²² Vision and Mission is as contained in the MAAIF Institutional Development Strategy 2009-2020 draft.

²³ MAAIF Development Strategy and Investment Plan 2009/10-2014/15; MAAIF Institutional Development Strategy 2009-2020; Plan for Modernization of Agriculture 2000; The Food and Nutrition Policy 2003; Prosperity for All Policy; The National Agricultural Research Policy 2003; National Biotechnology and Biosafety Policy 2008; National Agricultural Advisory Services Act 2001; The Local Government’s Act 1997; The Uganda Export Promotion Board Statute 1996; The Agricultural Seeds and Plant Statute 1994; Agro Zoning Strategy 2004; The National Agricultural Education Policy 2004; The Marketing & Agro-Processing Strategy 2005; The National Irrigation Policy 2005; Fertilizer Policy; Fisheries Policy; Livestock Policy; Extension Policy.

Objective 1: Ensure household and national food and nutrition security for all Ugandans

68. Increasing household food and nutrition security is dependent on expanded production, increased incomes to support purchases, improved storage and accessibility to vital market information. To realize this objective, the Government shall:

- i. Promote agricultural enterprises that enable households to earn daily, periodic and long-term incomes to support food purchases.
- ii. Promote and facilitate the construction of appropriate agro-processing and storage infrastructure at appropriate levels.
- iii. Develop and improve food handling, marketing and distribution systems and linkages to local and export markets.
- iv. Support the establishment of a strategic food reserve system at all levels.
- v. Support the development of a well coordinated system for collecting, collating and disseminating information on food and nutrition security to households and communities.
- vi. Encourage and support local governments to enact and enforce by-laws and ordinances regarding household food security
- vii. Promote production of food security enterprises and consumption of nutritious food
- viii. Promote production and consumption of diversified nutritious foods including indigenous foods at household and community levels.
- ix. Strengthen the capacity of farmers and farmer groups and support them to scale up farm level production and productivity.
- x. Promote appropriate technologies and practices for minimizing post harvest losses along the entire commodity value chain.

Objective 2: Increase incomes of farming households from crops, livestock, fisheries and all other agricultural related activities

69. To increase household incomes in an economy where prices are market determined, farmers have to increase the volume of their output, improve quality and organize for collective marketing. Increased access to recommended technologies and inputs and mechanization is critical for raising farm productivity. Therefore, Government shall implement the following strategies to boost production and productivity as a means of raising household incomes:

- i. Provide vaccination services for animal vector and disease control.
- ii. Promote the population's access to agricultural training and skills development.
- iii. Facilitate farmers to organize themselves into production and marketing groups or cooperatives to increase their bargaining power and better service delivery.
- iv. Strengthen capacity for pest, weed, disease, vermin and vector control at all levels.
- v. Promote large scale farming enterprises, block farming and out grower schemes where appropriate.
- vi. Encourage and promote dry season livestock feeding through pasture preservation and other forms of feeding practices
- vii. Promote financial services to enable farmers to access agricultural inputs, services and equipment along the value chain

- viii. Generate, demonstrate and disseminate appropriate, safe and cost-effective agricultural technologies and research services.
- ix. Promote strategic partnership between research and technology development and advisory services at all levels.
- x. Increase availability and accessibility to productivity enhancing technologies, practices, advisory and technical services by all categories of farmers.
- xi. Promote the growth of a vibrant private sector led agricultural input supply system that is responsive to farmer and sector needs.
- xii. Stock vaccines and essential drugs for all notifiable diseases. Strengthen the certification and regulatory system to guarantee the quality of agriculture inputs at all levels.
- xiii. Develop and implement a policy and regulatory framework for biotechnology in agriculture.

- xiv. Promote agricultural mechanization through application of appropriate machinery and expansion of animal traction.

- xv. Support development and sustainable use, management and maintenance of water resources for agriculture to boost production and value addition.

Objective 3: Promote specialization in strategic, profitable and viable enterprises and value addition through agro-zoning

70. Commodity specialization and agro-zoning strengthens agri-business, enhances profitability and market access and leads to creation of on-farm and off-farm employment. Creating additional employment opportunities will necessitate increased commercialization of agriculture and value addition to agricultural projects. Adding value to agricultural products is vital for the development of agro-industries. The benefits include increasing shelf life of products, reducing transport costs associated with movement of unprocessed bulk produce and increased earnings. The Government shall:

- i. Establish and operationalize agriculture production zones in Uganda.
- ii. Ensure provision of basic infrastructure and utilities to encourage investment in agro-processing.
- iii. Promote the development and dissemination of efficient, cost-effective and appropriate technologies for processing and preservation of agricultural commodities.
- iv. Promote establishment of large scale farming enterprises and out grower schemes.
- v. Support private and public sector initiatives aimed at establishing agro-processing industries.
- vi. Establish and enforce standards and quality assurance for agricultural products to compete in domestic, regional and international markets.

Objective 4: Promote domestic, regional and international trade in agricultural products.

71. In order to sustain improvements in agriculture, farmers need to be assured of market outlets for their produce. They need sustainable market access. To promote trade in agricultural products, the Government shall:

- i. Develop and expand nationwide a sustainable market information system that is accessible to all the stakeholders.
- ii. Ensure the development, maintenance and improvement of physical agricultural market infrastructure at strategic locations. (Crop and livestock markets, abattoirs, fish landing sites, etc).
- iii. Ensure the development of infrastructures and utilities that are key to agricultural trade (transport infrastructure, energy, etc).
- iv. Strengthen national capacity for quality assurance, regulation and safety standards to promote increased trade at all levels.

- v. Promote Uganda's agricultural products in local and international markets and trade fairs.
- vi. Address supply and demand constraints to domestic, regional and international markets.

Objective 5: Ensure sustainable use and management of agricultural resources

72. Achievement of the above four objectives largely hinges on the extent to which the environment and natural resources that are key to agricultural production are sustainably managed and utilized. Society needs to be guided on the proper use and maintenance of key agricultural resources particularly soils and water for production. To ensure sustainable use and management of agricultural resources, the Government shall:

- i. Periodically map and document the state of agricultural resources and the use patterns in the country.
- ii. Regulate the exploitation of agricultural resources to ecologically sustainable levels.
- iii. Ensure collection, analysis and dissemination of information to households and communities regarding good practices for proper use and conservation of agricultural resources.
- iv. Promote and support the dissemination of appropriate technologies and practices for agricultural resources conservation and maintenance among all categories of farmers.
- v. Strengthen the capacity for collection, analysis and dissemination of agricultural meteorological data at all levels.
- vi. Establish more meteorological stations at strategic points around the country.
- vi. Develop capacity to harvest and utilize rain water for agricultural production.
- vii. Promote land use and farm planning services in the sector.
- viii. Encourage and support local governments to enact and enforce ordinances and by-laws regarding utilization and management of agriculture resources.
- ix. Develop capacity for planning and budgeting processes at all levels to address climate change and its impact on agriculture

Objective 6: Develop human resources for agricultural development

74. Successful implementation of this policy will require skilled professionals and farmers. The sector requires well trained professionals in a wide range of disciplines at the centre and in local governments in order to provide efficient services to farmers and agribusinesses. In addition, farmers themselves need constant training or access to new knowledge and agricultural practices. In order to achieve this objective, government shall:

- i. Support existing and increase the number of agricultural training institutions at all levels of education. Encourage sustainable funding for the institutions
- ii. Promote professionalism in agriculture, strengthening the linkage between formal and non-formal agriculture education
- iii. Promote positive attitudes towards agriculture
- iv. Develop capacity of farmers and farmer organizations to engage fully in agribusiness.
- v. Provide support to farmers enterprise selection and decision making
- vi. Undertake education programmes to engage farmers more effectively in the liberalized market environment
- vii. Encourage continuous training, promotion, career development and retention of agricultural staff at MAAIF and in the local governments.
- viii. Enhance research capacity to generate new knowledge and technologies for agricultural development
- ix. Reorient the curriculum at the universities and agricultural training institutions to focus on the needs of the agricultural sector
- x. Promote utilization of appropriate indigenous knowledge

4. AGRICULTURAL SUPPORT SECTOR POLICIES AND SERVICES

75. The achievement of the objectives of this policy is dependent on complementary policies, roles and responsibilities in other sectors. These sectors include energy, transport, agricultural finance, agricultural training, natural

resource use and management. Without the actions of supportive sectors, the agricultural sector is not likely to achieve its objectives. Government shall set up a planning and coordination mechanism that will link the Ministry responsible for Agriculture and the relevant support sectors and services. These responsibilities of other sectors are clearly specified in the NDP and the Office of the Prime Minister is tasked to establish a mechanism for coordinating the inter and intra-sectoral linkages of the different projects and programmes.

4.1 Ministry responsible for Energy and Minerals²⁴

76. The policy strategies on agricultural mechanization, transportation, storage and value addition will require increased and affordable energy. Currently energy sources for agriculture include hydroelectric power and petroleum and petroleum products, but their costs are high. The other forms of energy (wind, biogas and solar) are not well developed. The Energy Policy for Uganda should ensure that appropriate strategies to make sure that for energy and associated services are made available for agriculture and agriculture related services. The Ministry responsible for Energy will undertake and scale up investments in energy for agriculture.

77. The policy strategies to increase agricultural production and productivity require access to quality and affordable fertilizers. The country's mineral potential such as in oil, lime and phosphates provides an opportunity to develop a local fertilizer industry. These need to be exploited. The Ministry responsible for Mineral Development will promote investment in the local manufacture of fertilizers.

4.2 Ministry responsible for Transport infrastructure

78. The policy strategies on production, marketing and trade and processing will require a well developed and maintained transport infrastructure network. Transport in Uganda includes roads, rail, water and air transport. The roads, especially feeder and community roads are currently in a poor state while the other forms of transport are characterized by high cost, inefficiency and insufficient capacity. The Government Transport Policy aims at developing and promoting transport services that will support increased agricultural and industrial production and promoting trade²⁵. Ministry of Works and Transport and Local Governments will ensure that their policies, strategies and investments take into account the needs of the agricultural sector.

²⁴ Adapted mainly from the Uganda CEM, 2007 and the Energy Policy for Uganda, 2002

²⁵ Works and Transport Sector: BFP for FY 2007/08-2009/10

4.3 Ministry and Agencies responsible for Agricultural finance

79. Commercialization of smallholder agriculture will require access to financial products and services – loans and savings. Further along commodity value chains there is a similar demand for both short term working capital and medium to longer term finance for productivity and quality enhancing investments in marketing and processing. From the point of view of regulated financial institutions, the agricultural sector, especially at the production end, is unattractive due to the twin issues of risk and cost. Borrower’s farming investments are vulnerable to unreliable weather patterns and rampant pests and diseases, while a scattered and small scale clientele means a bank faces high costs of information capture and client servicing. The Ministry responsible for Finance, Planning and Economic Development, in collaboration with other financial sector players, will continue to develop policies, financial products and services that are appropriate to agriculture to guide the players along the value chain to get short term, medium term and long term agricultural financing. Information on the financial products and services shall always be appropriately packaged and made available to all beneficiaries.

4.4 Ministry responsible for Water, Environment and Natural Resources

80. The Ministry responsible for Water and Environment undertakes off-farm water development. It is partly from these sources that the strategy for water for agricultural production in this policy is based. The availability of bulk water supply is currently grossly inadequate, MWE should increase investment in off-farm bulk water development, in collaboration with MAAIF. Joint planning between MAAIF and MWE is critical for provision of water for agricultural production to cover irrigation, livestock and aquaculture.

81. Climate change aspects like heavy rainfall, floods and hailstorms have become common and frequent and have considerable negative effects on agricultural activities and food security. Currently, there are no reliable predictions or early warning systems of the likely impacts of climate change in Uganda. In addition, drought and other climatic extremes are other factors contributing to food insecurity in famine prone areas in Karamoja region and the cattle corridor. Large parts of the region are semi-arid, with annual rainfall of less than 500 mm and subject to a high degree of unreliability, both from year to year and in the distribution within each year. The ENR sector should mainstream appropriate policy measures on environmental management and natural resources in its programmes and intervene, in collaboration with MAAIF and other relevant ministries and agencies in mitigating the impact on agriculture in these areas. An Environment and Natural Resources (ENR) Sector Investment Plan, which among

others addresses the above sector concerns, has been completed for implementation in collaboration with MAAIF, other relevant ministries and local governments.

4.5 Ministry responsible for Market infrastructure

82. The policy strategies on production, storage, marketing and quality assurance and control will require a well developed and maintained agricultural marketing infrastructure. The infrastructure includes, but is not limited to physical crop and livestock markets, fish handling facilities, abattoirs, warehouses, silos and cold chain storage. Though the quantity and quality of the stock of market infrastructure has improved over time due to investments by government, local governments and the private sector, it is still inadequate, generally in poor condition and unevenly distributed. Ministry responsible for Local Government in collaboration with relevant ministries and Local Governments should work with the private sector on appropriate policies, set up, rehabilitate, improve and manage marketing infrastructure and ensure that the facilities are located at strategic central points for producers, processors, traders and consumers.

4.6 Ministry responsible for Market information

83. Farmers and agribusinesses require market information to take advantage of market opportunities in the domestic, regional and international markets. Though there are several market information products and services in Uganda, both in public and private sectors, the scope, access, quality and timeliness are generally insufficient. Ministry responsible for Trade and Industry shall collaborate with MAAIF, other relevant ministries and the private sector to implement policies, establish efficient, sustainable and proactive market information systems for farmers, traders and processors. In addition, the users should be empowered to benefit and take timely advantage of the information provided.

4.7 Ministry responsible for Trade and Industry

84. Trade services include financial services, market information, storage and transport. As Uganda's domestic and external trade in food and agricultural products expands, there is need to ensure compliance with the internationally recognized food safety regulations and standards. The Ministry responsible for Trade and Industry in collaboration with the Ministry responsible for Agriculture and the private sector should review or enact necessary laws and regulations and enhance private and public sector capacities to enforce and implement them. Training institutions will improve the ability of agribusinesses to comply with standards and regulations.

85. Agricultural trade related services include trade information, trade finance, standards and regulations. The Ministry responsible for trade and industry should, in collaboration with the Ministry responsible for Agriculture, the private sector and other related MDAs, develop and implement a national agricultural trade and marketing information system; increase awareness of the private sector on available financing options and standards; formulate and implement agriculture and food standards and policies on sanitary and phyto-sanitary standards and promote effective positioning of Uganda's agricultural products and services in regional and international markets.

4.8 Agricultural training and skills development

86. The policy strategies on production, marketing and value addition require skilled and creative human resources. The Ministries responsible for training and skills development should promote investments in agricultural education, research and advisory services in collaboration with the Ministry responsible for Agriculture and the Local Governments.

4.9 Agricultural labour ²⁶

87. The number and diversity of large scale agricultural enterprises (e.g. plantations and estates) in Uganda is increasing²⁷. Effective delivery of the policy strategies on production and farm employment will require the improvement of labour issues related to working conditions (e.g. wages, hours of work, leave) and conditions of life (e.g. medical benefits, education facilities, housing, occupational safety and health). Labour laws are still inadequate to bring about dialogue on labour issues in estates and plantations. Ministry responsible for Labour should ensure fundamental principles and rights for agricultural workers as well as labour standards are adhered to by employers.

4.10 Agricultural Statistics

88. Agricultural production, productivity and marketing planning, measuring performance, forecasting will require timely and quality agricultural statistics. Government developed a Plan for National Statistical Development which provided a base for the MAAIF sector strategic plan (2007-2011). Sources of data include censuses, surveys and administrative records. The success of the plan will depend on the financial and technical input of other stakeholders including Uganda Bureau of Statistics, Ministries and Agencies, Bank of Uganda, Local Governments and farmers. UBOS and Local Governments should continue to

²⁶ Based on ILO Working Paper No. 93 on "Uganda: Multinational enterprises in the plantation sector: labour relations, employment, working conditions and welfare facilities (2003)"

²⁷ The number and scope has increased from sugar, and tea and now include flowers, and coffee

integrate agricultural data needs into their statistical systems. A functional system will be established to ensure a direct linkage between the statistics departments in the Ministry responsible for Agriculture, and the Local Governments.

4.11 Agro-processing

89. One of the principle focuses of the National Industrial Policy is agro-processing (including food processing, leather and leather products, textiles and garments, sugar, dairy products, and value addition in niche exports)²⁸, The PFA policy allocated primary processing activities to MAAIF and tertiary processing to MTI. The Uganda Industrial Research Institute has also been providing research and development services to agro-processing. MTI, in collaboration with MAAIF should foster the link between primary and tertiary agro-processing levels and foster development and nurturing of start-up agro processing enterprises in relevant production zones.

4.12 Community empowerment and development

90. Community mobilization and empowerment is necessary for the policy to achieve its objectives of farmer participation of women, men, the youth and the vulnerable in agricultural programs. The Ministry responsible for Community Mobilization and Empowerment should mobilize communities to participate in planning, demanding for better services, managing and sustaining investments in agriculture.

91. The Ministry responsible for Agriculture should incorporate gender issues in all agricultural interventions taking into account diverse livelihood needs of women, men, youths and the vulnerable.

4.13 Health and Nutrition

92. The policy strategies of increasing labour productivity, household food and nutrition security require an agricultural workforce that is healthy and well nourished. Therefore, partnerships should be strengthened between the Ministries responsible for Agriculture, Health, and other partners to ensure that issues of nutrition and health are mainstreamed in their programmes. This is aimed at empowering farming households to adopt positive behavioral change and mitigate the effects of disease and poor nutrition.

²⁸ Source: National Industrial Policy: A Framework for Uganda's Transformation, Competitiveness and Prosperity

4.14 Land for Agricultural Production

93. Sustainable use and management of agricultural resources is an objective of this policy. This objective is also addressed in several policies and laws on land management including the new land use policy and amendments to the Land Act. MAAIF will collaborate with MWE, MLHUD and Local Governments to achieve this objective.

4.15 Population

94. At 3.4 percent per annum, in 2010, Uganda's population growth rate was one of the highest in the world. And, the momentum remains strong because of the age structure, youthfulness of the population and high fertility and mortality rates. While it is an opportunity for the country's labour intensive agriculture, it also poses challenges to sustaining agricultural growth, assuring adequate food security and gainful employment. In the past, agricultural growth was sustained mainly through area expansion. But culture and population pressure are contributing to smaller farm sizes in some parts of Uganda²⁹. The ministry responsible for population affairs in collaboration with MAAIF shall take necessary policy measures to address the challenges and take advantage of population growth.

4.16 Farmers Organizations

95. Facilitated farmers work together in groups thereby contributing significantly to productivity and incomes. Farmer institutions can be powerful advocates for new policies to support agricultural development. Over the years, the Uganda National Farmers Federation (UNFFE), the longest running farmers' institution in Uganda, NAADS, and the Uganda Co-operative Alliance (UCA) have mobilized small-scale farmers into groups or co-operatives to over 45,000 farmer groups nationwide. In addition to offering avenues for extension service delivery, some of these groups have been engaged in collective production and marketing. There are also commodity specific farmer organisations, for example in coffee, fisheries and dairy. The promotion of the Warehouse Receipt System (WRS) and Savings and Credit Co-operative Societies (SACCOs) should further strengthen these organisations to undertake joint activities especially with respect to marketing.

96. Therefore, empowered farmers and farmers' organizations whose capacity in management, entrepreneurship, and group dynamics skills has been enhanced will

²⁹ Uganda Country Economic memorandum, Vol 2 pp73.

mobilise farmers to increase production and productivity as well as engage in higher-level value chain activities including collective marketing.

4.17 Vulnerability

97. Vulnerable groups include households headed by women and children, the elderly, the poor and people living with disabilities³⁰. Vulnerable households are less productive and usually suffer food insecurity, a situation worsened by the disease burden. For example, in 2006, about 9 percent of rural households were headed by widows or widowers mainly due to HIV/AIDS and 7percent had members who were disabled³¹. MAAIF shall mainstream the needs of vulnerable groups in its plans and interventions.

4.18 Agencies responsible for early warning, disaster preparedness and management

98. The policy strategies on national food and nutrition security require among others the establishment of effective forecasting, early warning mechanisms and strategic food reserves in order to respond to emergency situations. The agencies responsible in collaboration with the Ministry responsible for Agriculture will prioritize and implement these interventions at all levels.

5. IMPLEMENTATION FRAMEWORK

5.1 Implementation Issues

99. This policy shall be implemented by Government of Uganda (GoU) through the Ministry of Agriculture, Animal Industries and Fisheries (MAAIF), other related ministries, departments and agencies, the private sector, farmers and farmers groups, civil society and development partners. For effective implementation of the policy, the Government shall ensure that the following implementation issues are addressed:

- i. Establish and operationalize an agriculture service delivery system with optimal structures and capacities at all levels.
- ii. Improved coordination and supervision by MAAIF of its agencies, local governments and other actors in the agricultural sector.
- iii. Functional and well-coordinated inter-sectoral linkages between MAAIF and the other MDAs.

³⁰ UNHS 2005/06, Qualitative Module report

³¹ *ibid*

- iv. Enhanced private sector capacity to support Government in policy implementation.
- v. Improved monitoring of policy implementation across different agencies at the center and in local governments.
- vi. Improved alignment of strategies and implementation plans in MAAIF and other MDAs.

5.2 Institutional roles and responsibilities

100. The institutional roles that are specified hereunder for MAAIF refer to the ministry as well as all the associated semi-autonomous agencies. The roles of other MDAs that are critical for effective implementation of this policy are provided in Chapter four. MAAIF has overall responsibility of ensuring that this policy is fully implemented and monitored. This will necessitate strengthening intra-sectoral and inter-sectoral linkages with local governments, private sector, civil society, development partners and the farmers.

5.2.1 Ministry of Agriculture, Animal Industry and Fisheries

101. The mandate of MAAIF is to *“support, promote and guide production of crops, livestock and fisheries, so as to improve quality and increased quantity of agricultural produce and products for domestic consumption, food security and export”*.

102. MAAIF’s core functions shall be ³²:

5.2.1.1 Policy and Programme Coordination and Monitoring

- i. Formulate and review national policies, plans and legislation, standards and programmes relating to the agricultural sector.
- ii. Design, develop and maintain national information base on the agriculture sector including agricultural statistics.
- iii. Mobilize financial and technical assistance for the development of the agricultural sector.
- iv. Promote the interests of local governments, private sector, farmers, and other sector stakeholders in relation to the sector.

³² These are as stated in the MAAIF Ministerial Policy Statements plus a few others that have been come as Cabinet directives in the areas of Agricultural zoning, enterprise selection, primary processing, mechanization, agricultural input supply system, farmer organization, commercialization.

- v. Coordinate, facilitate, monitor, supervise and evaluate (a) national agricultural development projects and programmes; (b) the operations of the Ministry's semi-autonomous agencies; and (c) sector output.
- vi. Monitor private providers of services in the agricultural sector to ensure compliance with national standards.
- vii. Account to Parliament for the performance of the sector every year.

5.2.1.2 Regulation and Quality Assurance

- i. Control and manage crop and animal epidemic diseases, pests and vectors affecting production.
- ii. Intensify regulatory services to ensure that all actors adhere to the rules and standards.
- iii. Control the use of agricultural chemicals, enforce zoo sanitary and phytosanitary regulations including seed quality standards.
- iv. Promote and regulate livestock and fisheries activities including aquaculture.
- v. Support and regulate the agricultural input supply system.
- vi. Establish technical specifications and quality assurance standards for agricultural infrastructure.

5.2.1.3 Advisory and Training Services

- i. Provide technical advice, quality assurance, technical audits and support supervision in the areas of agricultural advisory services for crop, livestock, fisheries and entomology
- ii. Provide training and capacity building in the fields of agricultural extension and vector and vermin control, as may be required by the local governments

5.2.1.4 Research Services

- i. Generate and disseminate appropriate, safe and cost effective technologies.
- ii. Enhance the participation and coordination of the public and private service providers in delivery of high quality and efficient agricultural research services.
- iii. Empower farmers by involving them in identifying and prioritizing their research needs and in procuring agricultural research services, while technically and professionally guiding them to make informed choices.

5.2.1.5 Value Chain Development

- i. Promote and support commercialization of the agricultural sector through value chain development.
- ii. Establish and fully operationalise agricultural production, processing and marketing zones countrywide.
- iii. Guide strategic enterprise selection at farm level to ensure competitiveness and profitability of the chosen commodities.
- iv. Promote primary and secondary processing of agricultural commodities
- v. Promote sustainable utilization of natural resources for agricultural production.
- vi. Promote non-traditional high value agricultural production, including apiculture, sericulture and spices.
- vii. Operationalize water for agricultural production (crops, livestock, fisheries, primary processing).
- viii. Promote labour saving technologies and agricultural mechanization and engineering.
- ix. Promote, coordinate, monitor and build capacity of farmer organizations.

5.2.1.6 Local Government Support³³

- i. Inspect, monitor and evaluate agricultural activities of local governments.
- ii. Co-coordinate Government's agricultural policies, initiatives, projects and programmes as they apply to local governments.
- iii. Provide technical assistance, support supervision and training to Local Governments agricultural advisory services personnel.
- iv. Facilitate development of agricultural services infrastructure.
- v. Restock and multiply and distribute improved genetic resources to producers.
- vi. Strengthen human and financial capacity of local governments to plan and implement agricultural projects and programmes.
- vii. Promote collaboration among districts in the same agricultural production and marketing zone to achieve economies of scale.

5.2.2 Local Governments

103. The core functions of the districts and lower local governments shall be to:

³³ These functions of MAAIF are in relation to the Local Governments as specified in the Local Government Act and other statutory instruments.

- i. Implement all the decentralized and devolved agricultural services, including the advisory and regulatory services
- ii. Develop and implement appropriate bylaws to regulate food security, animal movement, local taxation and any other areas that support the effective implementation of agricultural programmes
- iii. Monitor implementation of agricultural plans and policies at the district and within the lower local governments.
- iv. Mobilise and empower farmers and farmer groups to produce, process and market their commodities.
- v. Sensitize and guide communities and implementers on addressing traditional and cultural issues affecting selection, promotion and utilization of strategic agricultural enterprises.

5.2.3 Private Sector

104. The private sector shall complement public sector institutions and be responsible for the following core activities:

- i. Invest in agricultural production at different scales: small, medium and large.
- ii. Invest in processing and value addition to agricultural commodities.
- iii. Participate actively in technology multiplication and dissemination.
- iv. Participate in marketing of both inputs and outputs domestically, regionally and internationally.
- v. Provide agricultural finance services to support investment in production, processing and marketing of agricultural produce.
- vi. Build capacity in-house of private sector entities in developing viable market outlets, accessing key services, establishing PPPs and dialoguing with government and other stakeholders.
- vii. Advocate for improved policy, regulatory and institutional framework that effectively supports private sector activities.
- viii. Invest in rural infrastructure through PPPs

5.2.4 Civil Society

105. Civil Society, including the higher level farmer organizations, traditional, cultural and faith based institutions shall undertake the following core functions:

- i. Mobilise farmers to access financial products and services , farm inputs, markets and other relevant agricultural goods and services;
- ii. Advocate for improvement in agricultural services and the prevailing policy and regulatory environment;
- iii. Monitor implementation of government programmes

- iv. Develop and implement complementary agricultural programmes in line with government policy and plans
- v. Contribute to policy formulation and reviews at all levels

5.2.5 Development Partners

106. The role of development partners shall be to:

- i. Share good practices and alternative approaches to agricultural development
- ii. Provide financial and technical support when required
- iii. Adhere to partnership principles between Government and donors.

5.3 Implementation Coordination

107. This policy shall be implemented through a sector wide approach that involves both state and non-state actors at the center and in local governments. Effective implementation will necessitate two types of coordination mechanisms to be established: intra-sectoral coordination to deal with internal issues within the MAAIF and inter-sectoral coordination to focus on creating functional linkages between MAAIF, other MDAs and the local governments.

5.3.1 Intra-sectoral coordination

108. The Top Policy Management (TPM) of MAAIF will ensure that there is consistency and coherence in policy formulation, implementation and monitoring by MAAIF and all the affiliated semi-autonomous agencies. The TPM will ensure that the programmes that fall under the semi-autonomous agencies are properly synchronized to meet the overall vision, mission and objectives of the agriculture policy. This will necessitate bringing together the plans and budgets of the ministry and agencies within the sector wide approach to address common goals in line with this policy. The decisions of TPM shall be guided by the Agriculture Sector Working Group (ASWG) which is broader than the TPM and is comprised of a wider section of stakeholders in the sector.

5.3.2 Inter-sectoral coordination

109. The Cabinet and Parliament will ensure that implementation of this policy is well coordinated. An inter-ministerial coordination arrangement will be established to advocate and lobby for cross-sectoral collaboration to address the needs of this policy. In particular, this mechanism should guide and help in strengthening the vertical linkages between MAAIF and local governments to ensure effective implementation of the policy. For this purpose, a National Agriculture Sector Secretariat (NASSEC) shall be created. Rather than create a new institution, the

PMA Secretariat shall be re-designated as the NASSEC. The Parliamentary Committee on Agriculture will play an oversight role to ensure that the agricultural sector is allocated sufficient resources to enable implementation of the policy strategies that are identified in this policy.

6. MONITORING AND EVALUATION

6.1 Purpose of the M&E system

110. MAAIF shall develop a monitoring and evaluation (M&E) system. The purpose of the system shall be to regularly and transparently assess the processes put in place to implement the policy, investments made, sector performance and any changes on household incomes and food and nutrition security. MAAIF shall use the results from the M&E to make necessary adjustments for a better performance and outcomes of the sector. MAAIF shall develop this system in collaboration with other agricultural sector stakeholders and shall link it with other relevant national policy monitoring and evaluation systems.

6.2 Operationalising the M&E framework

111. MAAIF shall collaborate with other agricultural sector stakeholders in the operationalisation of the M&E system. The operational framework will also define roles and responsibilities in the M&E system.

112. MAAIF shall collaborate with other stakeholders including local governments and set up effective agricultural statistics and management information systems to collect, manage and analyze data and report information that can be used in the M&E system. It will also set up mechanisms to review progress to ensure that the policy, programmes and processes are on track to meet the sector objectives. The review processes shall be transparent, broad and inclusive. MAAIF shall disseminate the outcomes of the reviews to the public through various avenues.

113. MAAIF shall develop and promote linkages and networking between all its agencies, programmes and projects as well as with agricultural sector stakeholders in order to improve knowledge sharing and information exchange and learning.

7.0. Communication strategy

114. The strategy should address agriculture and agriculture related information and knowledge from within and without the sector. MAAIF developed a communication strategy which sets out a framework for communicating agriculture and agriculture related information and knowledge from within and outside the sector. The framework provides for refining and synthesizing the knowledge generated to share through various communication channels. The information provided will improve awareness, understanding and enhance dialogue, buy-in, collaboration, engagement and participation of all stakeholders in policy implementation.

115. A two- way communication between government and other stakeholders will be institutionalised through raising awareness, facilitating opportunities for public dialogue, sharing knowledge, and enabling information flow from grassroots level to reach decision makers to inform evidence based planning at all levels. The Agriculture sector working group will use this information to debate and provide appropriate feedback mechanisms for communication between and among different technical and non technical audiences, government and non government audiences, development partners and the wider population at subcounty, district regional and national levels.