



## FAO's value chain support for Uganda

Moving from subsistence to sustainable agricultural livelihoods through technical capacity building and innovation

FOCUS:  
VALUE CHAINS

### Understanding the problem

The backbone of Uganda's economy, agriculture employs more than 70 percent of the population as well as generates half of the country's export earnings and nearly a quarter of its Gross Domestic Product (GDP). Since most Ugandans live in rural areas and practice farming, raising agricultural incomes – a core objective of Uganda's National Development Plan II (NDP II) – is critical to reducing poverty, boosting prosperity and creating jobs, especially for women and youth.

Agriculture in Uganda is primarily practiced on a subsistence level. Most farmers use rudimentary methods of cultivation like hand hoes and seeds saved from the previous season, leading to low and poor quality yields that often do not generate sufficient income to meet basic needs. While agriculture supports food security at a subsistence level, it is not sufficiently commercialized to enable smallholders to thrive. The sector faces numerous challenges including underdeveloped value chains, limited post-harvest processing capacity, inadequate market information services; high market volatility; high cost and risk of investment; inadequate access to conventional commercial bank and microfinance loans; poor savings habits of farmers and other actors in the value chain and the high costs and limited availability of high quality inputs.

Despite these challenges, Uganda's significant natural resources, including ample fertile land and relatively regular rainfall mean that agriculture has the potential to revolutionize the national economy. In this context, the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) prioritized agricultural value chain development in the Agriculture Sector Strategic Plan (ASSP) 2015/16 – 2019/20, which aims to transform subsistence farmers into enterprise farmers and enterprise farmers into commercial farmers.

### FAO's response






Since 2011, FAO has been working with the Government of Uganda through MAAIF, the Ministry of Trade, Industry and Cooperatives and other partners to develop and strengthen value chains for the priority commodities of dairy, rice, potatoes and fruits like mangoes and pineapples. Working to address all nodes of these value chains, FAO has used the Farmer Field Schools (FFS) and Farm Business School approaches to train more than 4 500 farmers in best practices and technical skills with other trainings on topics such as sustainable production, Training of Trainers (ToT) on potato crisps production, modern beehive management, integrated pest management (IPM), record keeping, business management and digital tools to improve cooperative management. In addition, 200 dairy farmers were trained on best practices in breeding, including assistance with artificial insemination and genetic diversification of herds.

Furthermore, FAO is working to ensure that farmers are organized into cooperatives to enhance their negotiating capacity with buyers as well as facilitate knowledge exchange, supporting the creation and registration of 28 new cooperatives as well as two district-level small, medium enterprise (SME) associations with 120 members to enhance market access and networking.

Seeking to bridge the gap between farmers and the market, FAO has facilitated the establishment of a National Potato Stakeholders' Platform for networking as well as marketing of potatoes and potato products; disseminated potato investment profiles through the Uganda Investment Authority; linked farmers with buyers and buyers associations, generating 15 Memorandums of Understanding; enhanced access to market and weather information through InfoTrade Uganda subscriptions; supported the formation of business-oriented farmers associations and Village Savings Loan Associations (VSLAs); linked farmers cooperatives to different financial institutions such as FINCA Uganda and the Microfinance Support Centre and provided the Government with trade policy analysis and recommendations.



### KEY FACTS

-  **70% of the working population is employed in the agriculture sector**
-  **More than 4 500 farmers supported to strengthen value chains since 2015\***
-  **28 new cooperatives formed and registered with FAO support**
-  **USD 1.15 million mobilized by FAO since 2015\***
-  **Geographic coverage of FAO interventions (districts)**  
Kabale, Rubanda, Kisoro, Kole, Lira, Lowero and Bugiri districts
-  **In partnership with**  
The Government of Uganda, the European Union (EU) and the Government of Venezuela

## PARTNERSHIPS AND RESOURCES

With financial support of more than USD 470 000 (more than 400 000 euros) from the European Union to implement the project “Strengthening linkages between small actors and buyers in the Roots and Tubers sector in Africa” as well USD 500 000 from FAO for Technical Cooperation Programme (TCP) projects and USD 50 000 from the Government of Venezuela for the project “Partnership for Sustainable Rice Systems Development in Sub-saharan Africa,” FAO has worked to enhance value changes in alignment with its Country Programming Framework (CPF) 2015-2019. In collaboration with MAAIF, the National Agricultural Research Organisation (NARO), the Ministry of Trade, Industry and Cooperatives and District Local Governments (DLGs), FAO supports the development of producer and trader organizations and platforms as well as increased access to appropriate value addition technologies of selected commodities. These partnerships also include providing institutional support to develop marketing systems, trade policies and agreements as well as supporting agri-business capacity building with Government services providers to mainstream the value chain approach in the extension system.

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## GOING FORWARD

Through its seven years of support to value chains in Uganda, FAO has identified areas of work that require additional attention and support to maximize the impact and sustainability of results:

- Project implementation timelines are sometimes too short to sustain long-term results and should be conceived as multi-phase projects to allow sufficient follow up over a longer period (ideally six to eight years).
- Greater support for the Government’s up-scaling capacity. The Government is often unable to do more than maintain pilot projects and should be supported to up-scale successful interventions.
- In addition to expanding and reinforcing value addition trainings, trainees should receive in-kind support to facilitate their access to the equipment needed to undertake value addition activities.
- Despite some changes in recent years, the conditions for and access to agricultural finance and insurance still require reform in order to meet the needs of smallholders who often face difficulties in accessing loans and are not convinced of the advantages of agricultural insurance.
- Supporting the development of business-oriented farmers associations and business-oriented sub-sections of cooperatives in coordination with the Government, other development partners and the private sector.



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