



COUNTRY FACT SHEET ON FOOD AND AGRICULTURE POLICY TRENDS

Country situation and role of agriculture

The Republic of Uganda, located in Eastern Africa, is a landlocked country occupying a total area of 241 550 km², of which 18 percent is open inland waters and wetlands, and 37.8 percent is arable land. Endowed with significant natural resources, including ample fertile land, regular rainfall and mineral deposits, Ugandan economic growth and development has great potential.

Since the country embarked on liberalization and pro-market policies in the late 1980s, it has witnessed a remarkable improvement in its economic performance.¹ Between 2006/07 and 2012/13, the Government of Uganda (GoU) boosted its investments in infrastructure, yet during

the same period, agriculture-specific spending actually declined - barely reaching an average of five percent.² This low agricultural investment is lower than the recommendations of the Comprehensive Africa Agriculture Development Program (CAADP) which indicates an allocation of 10 percent of the overall government budget toward agriculture and rural development (as expressed in the Maputo Declaration). In spite of this low government investment, the agricultural sector plays a key role in the nation's economic outlay as it provides employment for over 72 percent of the active population, equally divided between men and women.

Selected indicators		2007	2009	2011	2013
SOCIO-ECONOMIC	GDP (current billion US\$) *	12.29	14.82	15.49	21.49
	GDP per capita (US\$) *	400	451.1	440.8	572
	Agricultural value added (% of GDP) *	23.6	25.1	24.7	24.5
	Agricultural value added (annual % growth) *	[average 2007-2013]	1.4		
		[2013]	1.3		
	Total population (thousand)	30 729	32 864	35 148	37 579
	Rural population (% of total)	86.0	85.2	84.4	83.6
	Agricultural labour force (% of total labour force)	76.5	75.4	74.2	73.0
	Human Development Index **	[2013]	0.484 (ranking 164)		
AGRICULTURAL PRODUCTION & TRADE	Per capita cultivated land (ha)	0.27	NA	NA	0.25 (2012)
	Area equipped for irrigation (ha)	14 000 (2012)			
	Value of total agriculture production (constant gross value 2004-2006, billion US\$)	NA	NA	NA	NA
	Value of cereals production (constant gross value 2004-2006, billion US\$)	NA	NA	NA	NA
	Yield for cereals (hg/ha)	15 260	20 383	20 776	21 433
	Cereal import dependency ratio (%)	[2007-2010]	16.2		
	Top 3 commodities	Production quantity	Plantains; Cassava; Meat indigenous, cattle (2012)		
		Production value	Plantains; Cassava; Sugar cane (2012)		
		Import quantity	Palm oil; Wheat; Sugar refined (2011)		
		Import value	Wheat; Palm oil; Sugar refined (2011)		
		Export quantity	Coffee, green; Cotton carded, combed; Tea (2011)		
		Export value	Coffee, green; Sugar raw centrifugal; Tea (2011)		
Top 3 trade partners	Import value	Indonesia; Kenya; India (2011)			
	Export value	Sudan (former); Kenya; Switzerland (2011)			
FOOD SECURITY & NUTRITION	Top 3 commodities available for consumption (2011)	Maize and products; Plantains; Cassava and products (2011)			
	Per capita food supply (kcal/capita/day)	2256	2273	2279	NA
	General (g) and Food (f) CPI (2000=100)	141.4 (g), 142.8 (f)	179.2 (g), 213.9 (f)	221.1 (g), 289 (f)	265.8 (g), 324.7 (f)
	People undernourished (million)	[2008-2010]	8.2		
		[2011-2013]	9.1		
	Proportion of undernourished (%)	[2008-2010]	24.9		
		[2011-2013]	25		
	Global Hunger Index ^	[2013]	19.2 (serious)		
	Access to improved water sources (% of population) *	67	70	73	75 (2012)

Source: FAOSTAT; *WB; **UNDP; ^ IFPRI (accessed on 6th March, 2015) - Note: Food CPI 2009 and 2012: Index base 2008=100

1 During the 1990s and the 2000s, real GDP growth averaged 7 percent per year, the third highest growth rate in Sub-Saharan Africa.

2 FAO. 2014. Analysis of public expenditure in support of food and agriculture in Uganda, 2006/07-2012/13. Technical notes series, MAFAP, by Shinyekwa, I., Katunze, M. and Ahmed, M., Rome. Available at www.fao.org/3/a-i4544e.pdf

The GoU has made important progress towards meeting the Millennium Development Goals (MDGs). Poverty has decreased significantly in recent years, falling from 31 percent in 2005-06 to 22 percent by 2012-13. However, the Nation's high population growth rate of 3.4 percent, the fifth fastest

growth rate in the world, may be affecting economic progress as Uganda is still considered a very poor country.³ The main bottlenecks that have constrained Uganda's development have been underdeveloped human resources, inadequate infrastructure and underdevelopment of agriculture.⁴

1. Government objectives in agriculture, food and nutrition security

Over the last 25 years, Uganda has made significant development progress. In order to consolidate and accelerate this process, the **Poverty Eradication Action Plan (PEAP)** was formulated in 1997 to guide the national development policy and public expenditure planning. In 2007 the GoU approved the **Comprehensive National Development Planning Framework policy (CNDPF)**, which outlined the implementation of the 30-year program **Uganda Vision 2040** (2013), which is composed of: three 10-year plans, six 5-year **National Development Plans (NDPs)**, Sector Investment Plans (SIPs), Local Government Development Plans (LGDPs), and Annual Work Plans and Budgets.⁵

The strategic objective of the first NDP (2010/2015) and its agriculture sector component, the **Agriculture Sector Development Strategies and Investment Plan (DSIP)**, is to restore agricultural growth as an engine to create employment, reduce poverty and increase industrialization. The National Planning Authority is currently outlining the NDP II for 2015-2020, which is expected to inform the budget process of the Financial Year 2015/16.

The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) approved in 2013 the **National Agriculture Policy (NAP)** to unify the country's agriculture approach and guide the future strategies. The overall objective of the NAP is to achieve food and nutrition security and improve household incomes through coordinated sustainable agricultural productivity and value addition, better employment opportunities and promoting domestic and international trade. Aiming at enhancing efficiency, GoU has created seven semi-autonomous institutions under the MAAIF, the most relevant of which are the National Agricultural Advisory Services (NAADS), responsible for public agricultural advisory/extension services, and the National Agricultural Research Organisation (NARO), which coordinates all national agricultural research activities in Uganda.

In order to provide a framework for addressing nutrition issues in the country, the Government launched the **Uganda Nutrition Action Plan 2011-2016**, whose ultimate goal is to reduce levels of malnutrition among women of reproductive age, infants, and young children.

2. Main policy decisions from 2007 to 2014

2.1 Producer-oriented policy decisions

Uganda is putting significant efforts toward addressing the constraints responsible for its low agricultural productivity, which affects farmers' incomes and therefore, their food security. The national agriculture strategy is designed to address these constraints through four investment lines: increasing agricultural production and productivity; increasing access to markets and value addition; creating an enabling environment for the private sector in agriculture; and strengthening agricultural institutions at the centre and in local governments.⁶ The biggest developments are being seen in improving the added value of its production, as well as in supporting strategic commodities such as livestock and rice.

Value chain development

Value chain development is receiving increasing attention in Uganda as a way of enhancing value added generation in primary sectors. The country is successfully tapping into a number of value chains, such as rice, sunflowers, cassava, banana, fish, floricultural and horticultural products through the implementation of various projects such as the Support to agro-processing and marketing of agricultural product project (2013-2017), by distributing high quality seeds and machinery, training farmers, enhancing post production infrastructure and improving the market information. Growth prospects in agriculture face a number of constraints due to high production costs, especially for transport and energy. Regarding transport, GoU is heavily investing in expanding and maintaining the road network with special emphasis on roads in agricultural areas. Since 2009, it has also focused on increasing

3 World Bank, accessed on 17/02/15

4 Uganda Vision 2040.

5 Uganda Vision 2040 final goal is to raise GDP per capita to US\$ 9,500 by 2040 and aims at addressing the strategic bottlenecks that have constrained Uganda's development such as underdeveloped human resources, inadequate infrastructure and underdevelopment of agriculture, among others.

6 MAAIF, 2010. *Agricultural Sector Development Strategy & Investment Plan: 2010/11-2014/15*. Available at: <http://agriculture.go.ug/userfiles/Agricultural%20Sector%20Development%20Strategy%20and%20Investment%20Plan%282%29.pdf>



Woman farmer holding small branches cut from a clonal coffee plant. This action is part of a small-scale irrigation development project in support of the Special Programme for Food Security. Irrigation developments started in the 1960s, developing settlements using a top-down approach. Those projects are now managed by MAAIF.

access to energy in rural areas by constructing various hydropower plants and extending and improving transmission lines.⁷

Another major constraint for agricultural production is the lack of irrigation. To this end, GoU allocated UGX 5 billion (US\$ 1.92 million) in 2013 to the Ministry of Water and Environment to rehabilitate irrigation schemes and provide new irrigation and water harvesting technologies to increase the water supply by 10.1 million cubic meters by 2017.

Supporting livestock to improve food security

GoU highlights in the ADSIP that livestock plays a key role in raising incomes of households and providing a source of protein and other essential nutrients for many families. Beef, dairy cattle, and poultry are identified as strategic agricultural commodities for the country that are to receive increased investment for accelerated production. Therefore, one of the main measures supported by GoU during 2007-2014 has been the distribution of improved cattle breeds and goats, especially in the area known as the cattle corridor. Additionally, MAAIF is fighting poor disease control within the country by promoting large vaccination programmes such as the Livestock Disease Control Project (implemented in 2001 and still running) in order to restrict the distribution of tsetse fly and control of trypanosomiasis. The Dairy Development Authority is promoting post-production infrastructure for increased milk collection and for increased milk quality through projects such as the Dairy Market Access and Value Addition Project.

Promotion of rice production

Given that rice is an emerging priority crop in the GoU strategies because of its potential to greatly reduce household hunger and poverty, GoU has been promoting its production with the double

objective of meeting the local food security demands and exporting any surplus. To this end, the **National Rice Development Strategy (NRDS)** was developed in 2009 to address the challenges affecting the sector and guide its development until 2018. The NRDS seeks to increase rice production in Uganda from about 177,800 MT in 2008 to 680,000 MT of un-milled rice by 2018.⁸ The main identified actions include strengthening the institutional framework; research, technology dissemination and capacity building; production and dissemination of certified seed; increased utilization of agro-inputs; sustainable soil and water management, including irrigation; post-harvest processing and marketing; and easier access to agricultural finance. As a result, rice has become an urban food commodity as well as a rural cash crop in a number of districts allowing Uganda to position itself as a potential rice granary for the subregion, as rice has started to be exported to Congolese, Kenyan, and Sudanese markets.⁹

2.2 Consumer-oriented policy decisions

The most recent figures available from the Uganda Bureau of Statistics paint a mixed picture of food security in Uganda. Overall, Uganda does not lack food: 72.4% of households are categorized as food secure and the latest household survey data suggest absolute poverty has continued to decline through 2012/13.¹⁰ Nevertheless, the typical Ugandan diet lacks diversity and fails to provide sufficient micronutrients, especially among children. To improve this situation, GoU is implementing measures to improve nutrition and promoting income support through cash transfers and by enhancing youth employment.

Food fortification

In 2007, almost 70 percent of the population in Uganda suffered from micronutrient deficiency, mainly due to the difficulty for households to afford foods rich in vitamins and minerals such as fish, eggs, meat and milk. This has led to a high level of iron deficiency anaemia in the country. In response, the Ministry of Health implemented in 2007 the **Strengthening the National Food Fortification Programme** to improve the nutrition values of three staple foods: vegetable oil, wheat and maize flour. According to the Global Alliance for Improved Nutrition, by the end of the programme in 2012, 95 percent of vegetable oil was fortified with vitamin A, and 40 percent of flour was being fortified with iron.¹¹ In view of this result, the **Nutrition Action Plan** has included among its strategies the production of fortified food by local manufacturers and is promoting the consumption of nutrient-enhanced foods through increased awareness of their benefits.

7 Only 14.9 percent of households have access to electricity. Uganda Bureau of Statistics, accessed on 12 March 2015.

8 About 80 percent of rice farmers in Uganda are small scale farmers with less than two hectares using rudimentary tools, little or no fertilizer, poor quality seed, little or no irrigation and poor water management practices. MAFAP, 2012, Analysis of incentives and disincentives for rice in Uganda.

9 Uganda's rice cultivated area and production have almost doubled since 2000. *Ibidem*.

10 UNHS comprises all the IHS and UNHS household surveys carried out by the Uganda Bureau of Statistics.

11 For more information see www.gainhealth.org/knowledge-centre/project/fortification-wheat-flour-maize-meal-vegetable-oil-uganda



High in vitamins, tomatoes ripen at a roadside market near Mbarara in south-western Uganda. Despite the food-growing potential of their fertile country, 35 per cent of Ugandan children are believed stunted from poor nutrition, according to UNICEF (2013).

Introducing cash transfers programmes

Uganda is piloting cash transfer programmes to address the issue of access to food by trying to increase the income of targeted groups. In July 2010, the Cabinet approved the implementation of the **Expanding Social Protection (ESP)** programme, aiming at reducing chronic poverty for poor men, women and children in Uganda. The programme includes two main schemes: the Senior Citizens Grants, for 65 years of age and above people; and the Vulnerable Family Grants, which targets poor households with low labour capacity and a high dependency. Payments are being delivered using Mobile Money and consist of US\$ 8 per month in both cases.¹² These pilot programmes are being carried out in 14 districts in the country, but after evidence on the feasibility and impact of such programmes is shown, they will be scaled up to cover the whole country.

Promoting youth employment

Uganda faces high levels of youth unemployment (62 percent of 18-30 years in 2013) because of an inadequate supply of jobs, insufficient employable skills (i.e., youth skills are not compatible with available jobs) and high rates of labour force growth owing to its highly increasing population. To cope with this, GoU has launched different youth programmes in its quest to reduce poverty. These include the Northern Uganda Social Action Fund, which has been running since 2010, and **Skilling Uganda**, which works with private trainers, employers and graduates to encourage skills developments. Also, in partnership with different banks, the government launched the Youth Venture Capital Fund in the financial year 2011/12 to lend money to viable start-ups. The latest is the Youth Livelihood Programme (YLP) which consists on a fund to provide youth with marketable vocational skills.

12 This amount represents about 20 per cent of the monthly household consumption of the poorest of Uganda's population.

13 World Trade Organization. 2013. *Trade Policy Review*, 2013. Available at: www.wto.org/english/tratop_e/tp_r_e/tp371_e.htm

14 An additional six sectors (fruit and vegetables, dairy products, cereals and pulses, natural ingredients, commercial crafts and value-added manufacturers) were subsequently identified to promote export diversification.

15 Ministry of Finance. 2014. *Budget Speech FY 2014/2015*, available at www.parliament.go.ug/new/images/stories/speeches/bud14.pdf

16 FAO. 2014. *Public sector support for inclusive agribusiness development – An appraisal of institutional models in Uganda. Country case studies – Africa*. Available at: www.fao.org/3/a-i3653e.pdf

17 In June 2014 EAC ministers agreed to increase the applied tariff from 25 to 35 percent, in the face of protests from farmers over the market impact of cheap rice imports. However, Uganda declined to commit to the new 35 percent rate, preferring to maintain a 75 percent duty ad-valorem or USD 200 per tonne, whichever is higher, in order to promote domestic rice production. FAO. 2014. MAFAP Country Profile. Available at www.fao.org/3/a-i4544e.pdf

2.3 Trade- and market-oriented policy decisions

Uganda has a highly liberalized domestic marketing policy for exports with minimal government interventions. Throughout the period, most of its trade measures follow the regulation stated by the regional agreements signed by the country, being the most important the EAC. The national trade balance has been suffering from increasing trade deficit, with the highest (US\$ 3 285 billion) registered in 2012, so GoU is making an effort in enhancing exports.¹³

Development of the export promotion strategy

GoU bases its export promotion strategy on maintaining a stable and competitive exchange rate, zero-rated duty and VAT exemption on exports, and no additional charges or levies. The **National Export Strategy (NES)** was presented in 2008 to diversify and strengthen exports, with a marked focus in engaging the private sector. Six sectors (coffee, fish, tea, cotton and textiles, flowers and services) were identified as main priorities.¹⁴ To this end, several projects have been launched, being the most relevant the Enhancement of Market Access and Promotion of Value-Added Exports (2011-2015) in which GoU is investing UGX 10 763 bn. For the upcoming years, Government's medium term export strategy includes export diversification, ensuring political stability and undertaking investments in infrastructure to facilitate trade.¹⁵

In the context of the EAC, Uganda signed the EAC Export Promotion Strategy for the period 2013-2016 in line with the 4th EAC Development Strategy. In addition, under the Cotonou Agreement (ACP-EU) and the African Growth and Opportunity Act (AGOA), Ugandan products to the European Union and USA markets are free of duties and quotas.

Reduced tariff for selected regional imports

Uganda's exports qualify for preferential tariff rates in EAC and COMESA to protect local producers. The Protocol on the Establishment of the East African Community (EAC) Common Market, entered into force on 1 July 2010, establishes the implementation of a zero percent tariff on goods originating from within the EAC community and a common external tariff, where raw materials attract zero percent, intermediate products attract 10 percent and finished products attract 25 percent. The favourable trading regime with the COMESA region aims at promoting business within the region by making not only raw materials tariff free but products and services as well, which reduces production costs for businesses.¹⁶ Domestic producers of commonly imported commodities (wheat, sugar and rice) are protected by import tariffs and receive significant incentives.¹⁷

Improving Uganda's competitiveness

GoU has implemented different programmes to enhance the competitiveness of the agribusiness private sector, such as the digitization of around half a million land titles. A One Stop Centre has been created in 2013 to provide online registration services for the various licenses required to start a business. This and other measures have permitted reducing the time taken to register transactions from 3-5 years to the current 3–21 days. In addition,

3. Emerging issues and challenges

As already highlighted, one of the main problems of Uganda in resolving food security is its high population growth rate and its low agricultural productivity. Public investment in agriculture remains very low, revolving around three to four percent of Uganda's total budget in the past years. Additional efforts are required in the fields of input utilization, marketing of agricultural products and addressing the issue of land tenure, water for irrigation, which still is a handicap in the economic development of the country.

Need to increase agricultural productivity and promote use of inputs

Indeed, due to high transportation costs, administrative costs and non-trade barriers in Mombasa or Dar es Salaam, agricultural inputs are costly. Consequently, purchased inputs such as inorganic fertilizers are barely used and productivity remains very low. To improve this situation, the government is heavily investing in the construction of quality roads and railways not only at national, but also at regional level. Even though Uganda is part of the Northern Corridor Transit Agreement and other similar initiatives regarding seaport access, GoU still needs to reinforce its communication channels outside the country to lower transport prices and times. Additionally, GoU is promoting the acquisition and distribution of inputs as part of different programmes, as well as investing in the local manufacture of fertilizers. However, the frequent misuse of inputs (seeds being consumed instead of cultivated), misappropriation during the distribution, bad timing (e.g. distributing pesticides when the crop was already collected) or wrong information services have caused these measures not to have the expected impacts.¹⁸ These and other inefficiencies could be solved by developing a long term strategy for inputs distribution, where actions are well coordinated and implemented throughout the country.

Improving the export and commercialization of agricultural products

Although Uganda has diversified its exports in the last one and half decades, the export basket continues to be dominated by primary export commodities. Engaging in trade at low value-added levels

a Small and Medium Enterprises (SMEs) Business Guide has been developed to provide SMEs with information on available financial, business development services and business licensing information. GoU has also invested in capacity building of agro processors and traders to enhance quality and business performance through different programmes, such as the Business Uganda Development Scheme, which was created in 2011 and also provides financial support.



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Two young children with heavy containers of water that they are about to carry home. The Ugandan water supply and sanitation sector has made substantial progress since the mid-1990s. Sector reforms include increases in coverage and the modernization of the installations operating in cities and larger towns, as well as decentralization and private sector participation in small towns. These reforms have attracted significant international attention. However, 25 percent of the population still has no access to an improved water source, according to the WB (2012).

of the value chain reduces income for the country. Uganda has taken a number of steps to improve its exports but still needs to address its main constraints and improve its competitiveness by providing better and more accessible trade information, investing

¹⁸ Ministry of Finance. 2014. *Distribution of agricultural inputs in Uganda: what are the key challenges?* Available at: www.finance.go.ug/dmdocuments/BMAU%20Briefing%20Paper%20-%20Distribution%20of%20agricultural%20inputs%20in%20Uganda%20-%20What%20are%20the%20key%20challenges,%20June%202014.pdf

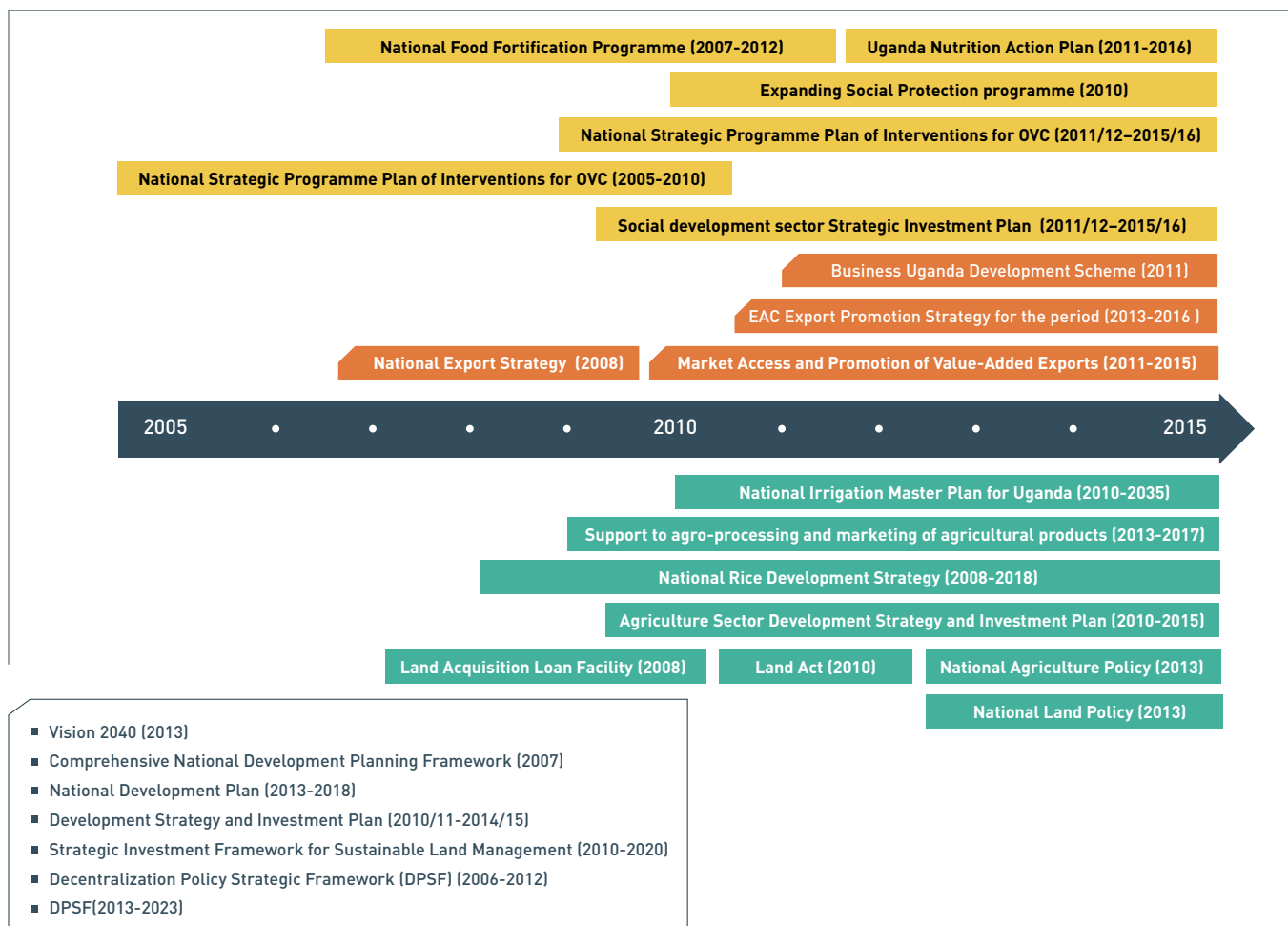
on infrastructure that should enforce the adherence to standards, improving the financial services and supporting institutions that enhance export development, in addition to continue improving the communication routes to reduce the cost and times of transport.

Improving the land access

Land access remains a persistent agricultural and social challenge in the country as Uganda maintains four types of tenure system. In the North, most of the land is communally owned and is considered as a community good for grazing livestock and cropping; whereas in the centre, the land is largely owned by the king and can only be leased for a certain period. As a result, 82% of the country remains unregistered. In an effort to handle land titling, registration and land rights, GoU has developed some initiatives: in 2008 facilitated US\$ one billion for smallholder investors through the Land Acquisition Loan Facility; in 2010, the Land Act stated a legal right protection for land

occupants, threatened by informal eviction; and finally, in 2013, the Government of Uganda gazetted the National Land Policy (NLP) after having initiated the policy process over three decades ago. Nonetheless, the approval of the policy is only the first step in the process of moving towards sustainable and equitable land management. Operationalizing mechanisms, i.e., to create or transform, institutions and developing specific strategic plans are necessary for the success of the policy prescriptions.

MAIN RECENT STRATEGIES AND POLICIES RELATED TO AGRICULTURE AND FOOD SECURITY AND NUTRITION (FSN)



■ Consumer oriented
 ■ Producer oriented
 ■ Trade and market
 Strategic frameworks on agriculture and FSN

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