

KILIMO TRUST TRIGGERING UGANDA GOVERNMENT ENGAGEMENT TO MOVE TO A MIDDLE INCOME COUNTRY: Presentation to Uganda Permanent Secretaries on “Strategic Harnessing of Market Opportunities for Wealth Creation through Agriculture & Agribusiness in Uganda”

Through a partnership between Kilimo trust and the Ministry of East Africa Community Affairs, a presentation on “**Strategic Harnessing of Market Opportunities for Wealth Creation through Agriculture & Agribusiness in Uganda**” was made by Kilimo Trust to all Uganda permanent secretaries this Tuesday 13th September 2016.

Kilimo Trust’s main message was to show opportunities of wealth creation in Uganda through national, regional and international trade of agricultural commodities. The emphasis was on maize and beans due to their potential of impacting a large number of small holders and in the main time generating high income compared to other commodities according to the graph below.

through yields increments and suitable land availability, Uganda has comparative and competitive advantage to tap into EAC and COMESA markets due to different commercial treaties that the government of Uganda has signed. In addition, India is a major potential market for pulses. In only 2014, India Market was estimated at 29 million of MT and Africa contributed only 1% to that market. According to the chart below, these markets are yet to grow in future.

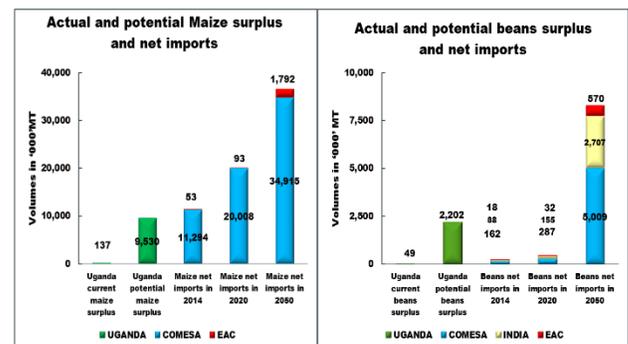


Figure 2: Uganda surplus production and potential markets

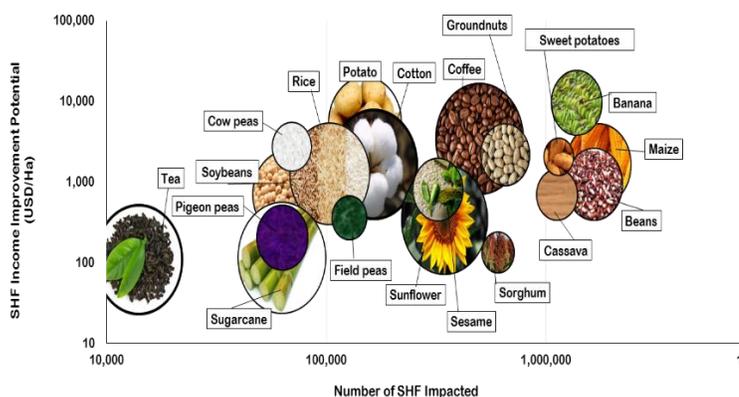


Figure 1: Agricultural Commodities with Greatest Comparative Advantage for Wealth Creation

Being already a surplus producer of maize and beans and having high potential of production increase

Kilimo Trust emphasized the importance of markets in poverty reduction. Using the figure 3, it was demonstrated that poverty reduction is faster by linking agriculture with markets compared to the focus on food staple or high value crop production without targeting market.

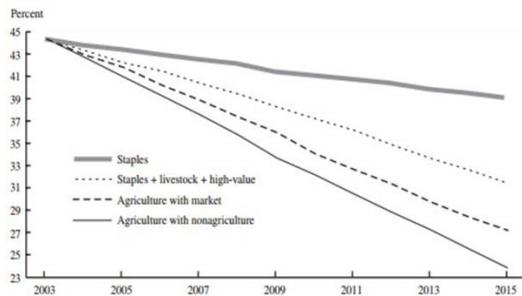


Figure 3: Case of poverty Reduction in Ethiopia (IFPRI, 2006)

During the presentation, Kilimo Trust stressed that there are a number of challenges that need to be dealt with in order to seize that opportunity of wealth creation through trade. These include: **Low economies of scale, inadequate business and technical skills, and insufficient coordination of government support** among others.

The Government of Uganda through its vision 2040 clearly articulates strategies to address the challenges; however, Kilimo Trust's Fiona Lukwago presented the need of multi sectoral synergy towards achievements of the common goal. **Intervention must be done together, concurrently along an entire value chain targeting a specific market.**

Kilimo Trust highlighted her experience in Uganda through various past and current projects implemented. The presenters articulated on the Consortium approach that Kilimo Trust uses to facilitate national and regional trade. Thereby, suggestions on the pillars to target for endorsing agricultural trade were made. These includes: **Commercial Production, Aggregation, Enforcement of produce quality standards, Access to finance and Markets development.**

Kilimo Trusted pointed out her role/contribution in the process and suggested the way forward. The contribution embrace:

- Market Analysis for opportunities
- Selection of consortia partners for common opportunity
- Build the capacity of consortium partners to meet targets including formalisation of the linkages
- Monitor the realization of benefits/value

According to Kilimo Trust experience, agriculture for wealth creation is beyond farm and the farmers and is a multi-sectoral undertaking requiring "the whole of the government" in mission-driven programs. Hence, a multi sectoral task force to champion this approach was recommend

After the presentation, the main queries were about why Kilimo Trust was targeting Maize and beans and how the potential of increase in surplus was measured. The presenters mentioned all the assumptions made for the feasibility of land and yields increase and they emphasized to the requisite of multi sectoral task force to achieve the goal.

After the question/response session, the PS agreed to work with Kilimo Trust in order to start implementing some of the suggested projects.

In our next articles we will be providing information on the development of this partnership between Kilimo trust and the Ministry of East Africa Community Affairs