

**MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY
AND FISHERIES**

Agriculture Cluster Development Project



**ACTIVITY REPORT FOR FLAGGING OFF VALUE ADDITION
EQUIPMENT AND HANDING OVER DUMMY CHEQUE TO MATCHING
GRANT BENEFICIARIES.**

Transforming Uganda's Agriculture Through Agro- Industrialisation

OCTOBER 10, 2020

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List of Acronyms

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1.0 Background and Introduction

The Agriculture Cluster Development Project (ACDP) is a 6-year (2016 – 2022) project implemented by Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) with a loan of US\$ 150 million from International Development Assistance (IDA) of the World Bank. The Project Development Objective (PDO) is to *“To raise on-farm productivity, production and marketable volumes of Beans, Cassava, Coffee, Maize and Rice in twelve (12) geographic clusters in 57 districts*. The project districts include the following;

Cluster	Districts	Commodities
Cluster 1	Masaka, Mpigi, Rakai, Kyotera & Kalungu.	Maize and Coffee
Cluster 2	Iganga, Bugweri, Namutumba & Bugiri	Maize, Rice & Coffee
Cluster 3	Butaleja, Tororo, Pallisa & Butebo	Rice, Cassava & Maize
Cluster 4	Kapchorwa, Bukwo & Mbale	Maize & Coffee
Cluster 5	Kumi, Serere & Soroti	Rice & Cassava
Cluster 6	Amuru, Gulu, Omoro & Nwoya	Rice, Beans & Coffee
Cluster 7	Apac, Kole, Kwanja, Oyam, Lira & Dokolo	Rice, Maize, Beans & Coffee
Cluster 8	Kabarole, Kamwenge, Bunyangabu, Kasese, Kitagwenda	Maize, Beans & Coffee
Cluster 9	Kyenjojo, Kyegegwa, Mubende, Kakumiro, Kibaale, Kasanda & Kagadi	Maize, Beans & Coffee
Cluster 10	Hoima, Kikuube, Masindi, Kiryandongo	Maize, Rice & Coffee
Cluster 11	Ntungamo, Kabale, Bushenyi, Isingiro, Rubanda & Rukiga	Beans & Coffee
Cluster 12	Nebbi, Pakwach, Arua, Maracha, Yumbe & Madi-Okollo	Cassava and Coffee

The project targets to support 450,000 farmers aggregated into 300 Area-based Commodity Cooperative Enterprises (ACCEs) comprising of 3,000 Rural Producer Organizations (RPOs) constituted by 30,000 Farmer Organisations (FOs).

The project consists of three key development elements, namely:

a) The e-Voucher Agro-input Subsidy Scheme

In order to raise farm level production and productivity, the project supports intensification of on-farm production through provision of subsidized agro-inputs (improved seed and planting materials, fertilizers, pesticides, herbicides, pruning & stamping tools-for coffee and post-harvest handling materials). For eligible farm households, support under the project continues to be in the form of: (i) a time-bound, partial and diminishing matching grant to help finance the purchase of key inputs and on-farm storage; and (ii) targeted training in the most effective use of inputs. The project provides 67%, 50% and 33%, while the farmer contributes 33%, 50% and 67% of the total cost of inputs respectively over the three cropping cycles. In the fourth season, the farmer is weaned off the subsidy as he/she is expected to have learnt the value of, and adopted the use of purchased quality agro-inputs. The mechanism of agro-input delivery (e-Voucher Management System) facilitates direct interaction between the farmer and the agro-input dealers, and hence reduces the cost of transaction and ensuring timely access to quality agro-inputs.

b) Provision of Matching Grants to Farmer Organizations

The project supports Farmer Organizations to develop post-harvest and value addition infrastructure and facilities for enhanced market access. The project provides matching grants of up to USD 75,000 to support 67% of required investments by Farmer Organizations (FOs) in acquiring postharvest and value addition infrastructure, and facilities. The support is meant to enable farmers undertake bulking, value addition, and collective marketing of quality produce for better prices, thus realize better incomes.

c) Rehabilitation of Road Chokes

The project also supports participating districts to make improvements on existing farm access roads. Such improvements are focused on eliminating key choke points that impede the flow of farm inputs and produce from production centres to storage/value addition centres, and markets. Such choke points include, inter alia, stretches of road in swampy areas that are low and regularly too muddy to traverse, and bridges that are impassable. The selection and prioritization of road chokes to be rehabilitated is based on strict criteria among which include roads that: a) connect high production area to a bulking centres, processing facility and/or

market; b) are not under the Uganda National Roads Authority (UNRA); c) not selected for rehabilitation by a district under different funding and; d) the district has a maintenance plan for it.

1.1 Project Progress on ACCE-level Warehousing, Value addition and Marketing sub component

Under Sub-component 2.2 (ACCE-level Warehousing, Value addition and Marketing) of the project, ACDP supports investments of locally based farm cooperatives and associations in community-level post-harvest handling, grading, bulking and storage, and processing for value addition. The mechanism for this support is matching grant that finances two-thirds (67%) of the cost of developing infrastructures and purchase of equipment needed to scale up and improve the effectiveness of ACCEs. To date, the Ministry has signed grant agreements with 193 selected Farmer Organization (*Full list Appendix 1*) from 24 pilot districts and approved additional 378 Farmer Organizations which are being prepared for grant agreement signing. As of September 30, 2020, Government had disbursed UGX 21.7 Billion to 111 (One hundred and eleven) beneficiaries in the 24 pilot districts.

Most of the funded Farmer Organisations have completed the first implementation phase of their respective projects that includes construction of stores and processing infrastructures (*Appendix II- Status of constructions as at June 30, 2020*). These facilities are expected to offer storage for 1,250 metric tons of Maize, 1,200 metric tons of Beans, 1,800 metric tons of Coffee, 1,000 metric tons of rice, and 650 metric tons of cassava. These organisations are now ready for installation of the Agro-processing machinery and equipment. The various machinery and equipment was ordered from Six different companies (China Huang pai Food Machines Ltd, Musa Body U ltd, Weighcom, Tonnet Agro Engineering Co. U Ltd, Brazafrica and SCOGEM) all located in and around Kampala. The equipment (Rice mills; Maize mills, Generators, Bean Seed cleaners, Coffee hullers, Cassava processing equipment, Dryers, among others) was arranged for delivery to 47 different project sites.

Table 1: List of funded investment items under first Cohort of Matching Grant Beneficiaries

No.	Type of Investment	No. of Farmer Organizations	Value (UGX)
1.	Storage facilities	102	12.7 Bn
2.	Machine Shelter	78	5.4 Bn
3.	Value Addition Equipment	96	7.3 Bn
4.	Solar Dryers	16	455 M
5.	Moisture Meters	36	138 M
6	Weighing Scales	33	150 M
7	Three Phase Power connections	26	1.4 Bn
8	Accessories(Computers, Generators, Capacity building, land)	32	5.6 Bn
9	Environmental and Social Safe Guards	111	1.74 Bn
	Total		34.88 Bn

The total value of matching grants under the first cohort is UGX 34.88 billion, in which Government's (67%) contribution is UGX **23.4 Billion** and farmer contribution (33%) is **UGX 15.04 Billion.**

Given the size of this equipment and the numerous sites, it was not feasible to launch separately at each grantee location. Therefore, in order to create appropriate visibility, the project team organised all the ready machinery and equipment to be dispatched on the same day and event. This event was held at Namalele Agricultural Referral Mechanization Centre, Wakiso District, on October 10, 2020. In the same event, a dummy cheque worth **UGX 60 Billion** was handed over to representatives of the second and third batch/cohort of beneficiary Farmer Organisations.

2.0 Objectives

This activity had the following objectives;

- I. To publicise project achievements to date, in order for the public to have a full picture of the impact the project is creating among the various communities.
- II. To flag off all ready value addition equipment purchased by Farmer organisations

3.0 Participants

The activity was attended by the following categories;

- a) MAAIF Top Policy Management Representatives among whom at included;
 - i. Hon. **Vincent Bamulangaki Ssempijja**, Honourable Minister MAAF
 - ii. Hon. Lt.Col (Rtd) **Bright Rwamirama**. Minister of State for Animal Industry., Honourable Minister of State for Animal Industry, MAAIF
 - iii. Hon. **Henry Aggrey Bagiire**, Minister of State for Agriculture, MAAIF
 - iv. Mr. **Pius Kassajja Wakabi**, Permanent Secretary, MAAIF
 - v. Mr. **Ssegawa Ronald Gyagenda**, Under Secretary, MAAIF
 - vi. Dr. **Juliet Sentumbwe**, Director Animal Resources, MAAIF
 - vii. Dr. **Henry N. Opolot**, Commissioner Agricultural Extension and Skills Management, MAAIF and ACDP Project Coordinator.



From row: Hon Bright Rwamirama, Hon. Vincent B. Ssempijja and Hon Henry Bagiire

- b) Representatives of Farmer Organisations (grantees)
- c) Representatives of Suppliers of Value addition equipment
- d) Representatives of Cluster Multi Stake holder platforms (Resident District Commissioners, LC V Chairpersons, Chief Administrative Officers, District Production Officers)
- e) MAAIF Staff

4.0 Proceedings

4.1 Pre event activities

a) Planning meetings

Prior to the event, Staff from Project Coordination Unit staff and MAAIF held a number of planning meetings both in the office and the activity venue (Namalele). Similar meetings were held with suppliers of equipment in an effort to validate and establish actual number/ type of equipment that farmer organisations. The meetings

were attended by representatives of MAAIF (Permanent Secretary, Undersecretary MAAIF, Project Coordinator, Asst. Commissioner Mechanisation, Asst. Commissioner Agribusiness), PCU staff, Office of the President staff, and representatives of State House. In these meetings, we were able to agree on the program, venue, protocol, activity lay out and talking points for a number of speakers at the event.

b) Press Conference

On 8th October, 2020, a press conference was held at the Media Centre, and a statement (*Appendix III*) was presented by Hon. Vincent B. Ssempijja, Minister of Agriculture, Animal Industry and Fisheries. The purpose of this media briefing was to inform the public of the scheduled event where His Excellency the President of the Republic of Uganda, Mr Yoweri Kaguta Museveni was to hand over a dummy cheque worth UGX 60 Billion, and also flagging off Post harvest and value addition equipment and Machinery to beneficiary farmer organisations. As a result of this press conference, many stories ran on print media, national TV (NTV Uganda, UBC TV), radios and a number of online platforms.



The public was also informed of the invited guests at the event who were: representatives of farmer organisations (only the recipients of the Post-harvest and value addition machinery), the Suppliers of the equipment, the district local governments and staff from MAAIF and other agencies.



Front page article in Newvision newspaper of Monday 12, October 2020.

4.2 Activity Roll outs

4.2.1 Inspection of Value Addition equipment by Chief Guest

Upon arrival, the Chief Guest; H. E Yoweri Kaguta Museveni, the President of Republic of Uganda toured the exhibition area where 36 trucks full of value addition equipment were parked for inspection.



President Yoweri Kaguta Museveni interactine with Project Cordinator Dr. Henry Opolot, Assistant Commissioner Mechanisation (MAAIF) and Representatives of China Huangpai Food Machines Ltd during inspection of machinery.

During the tour, the president was accompanied by Hon Ministers, the Project Coordinator, and the Assistant Commissioner Agricultural Mechanisation. He also interacted with suppliers, and appreciated the quality of machines procured by farmers under the ACDP Matching grants. He commended the project leadership and farmers for procuring mainly from Ugandan companies such as Musa Body (U) ltd, Tonnet Agro Engineering (U) Ltd, Weighcom (U) Ltd, SCOGEM and Brazafrica among others.

4.2.2 Remarks from Project Coordinator

The Project Coordinator **Dr. Henry Nekelet Opolot**, gave opening remarks (*Appendix IV*) in which he provided a brief about ACDP, progress to date, challenges and opportunities for the future of the agriculture sector. He thanked the President for allowing ACDP activities to continue uninterrupted during the lockdown, evidenced by this quote:

‘ I wish to thank H.E the President for his wise leadership especially in allowing agriculture sector to continue its operations during the COVID-

*19 lock-down following Ministry of Health Standard Operation
Procedures (PC, 2020).*

Among the key achievements mentioned was increase in yield per unit area for the project commodities, by approximately 30% for Maize (1.61MT/ha – 2.09MT/Ha), 26% for Rice (2.32MT/ha – 3.01MT/Ha), 19% for Beans (1.06MT/ha – 1.26MT/Ha) and 9.4% for Coffee (1.38MT/ha – 1.51MT/Ha).

Under support to value addition and market access, the project has signed Matching Grants with 193 Area Commodity Cooperative Enterprises (ACCEs) in the 24 pilot cluster districts valued at UGX 62.8bn (with GoU Contribution of UGX 42.1 billion).



Dr. Henry Opolot , ACDP National Coordinator giving remarks at the flag off event

He especially appreciated farmers for co-funding:

‘Special appreciation goes to our Farmers who apply, co-fund and receive inputs in the project, these are the most crucial element in the success of this project. Their participation in the project has demonstrated that the mission of transforming farmers from subsistence to commercial farming is possible’ (PC,2020).

4.2.3 Remarks from Matching Grant Beneficiary

The beneficiaries of matching grant were represented by **Mrs. Muhwezi Christine**, Chairperson, Karubanda Tukore hamwe Cluster group in Rukiga district. In her remarks, she expressed her sincere gratitude to HE the president of the republic of Uganda for allowing the operations of the ACDP project. She highlighted some of the key challenges they have been facing as low yields, lack of reliable source of good quality inputs (seeds, fertilizer) and poor post-harvest handling and storage facilities, which have since been solved by the ACDP project interventions. She further mentioned some of the benefits achieved through the ACDP project as availability of food for their entire households, and school fees for their children generated from incomes got through the sale of surplus produce. She concluded by pledging to mobilise more farmers into the project and also to actively participate national building activities.



Mrs. Christine Muhwezi giving her remarks on behalf of grant beneficiaries.

4.2.4 Remarks from Permanent Secretary, Ministry of Agriculture, Animal Industry and Fisheries.

The Permanent **Mr. Pius Kassajja Wakabi**, gave remarks (*Appendix V*) in which he underscored the contribution of Agriculture Sector to the National Development Plan III's vision of transforming the Ugandan Society from a Peasant to a Modern and Prosperous Country, through its own Mission "To transform Subsistence Farming to Commercial Agriculture". To attain this, key interventions under the sector are focused on development of value chains of 12 priority commodities (bananas, beans, maize, rice, cassava, tea, coffee, fruits and vegetables, dairy, fish, livestock (meat) and four strategic commodities (cocoa, cotton, oil seeds, and oil palm). He further informed the audience about the contribution of ACDP in transforming the agriculture sector as quoted below;

‘Your Excellency the activity being flagged off today directly contributes towards the Sector Agenda of Agro-industrialization through provision of postharvest handling and value addition facilities and capacity building of farmer organizations in agribusiness skills’ PS, 2020.

4.2.5 Remarks from Minister of Agriculture, Animal Industry and Fisheries

In his remarks, **Hon. Vincent Bamulangaki Ssempijja** emphasised the role of MAAIF as one of the key ministries at the forefront of the transformation of Uganda into a middle-income country by 2040. He further outlined nine key interventions which are being rolled out simultaneously, and which are integral to all the MAAIF programs, projects and activities: these are;

- i. Commercialization
- ii. Research and Development
- iii. Access to critical farm inputs
- iv. Provision of Stocking Materials
- v. Provision of agro-processing machinery
- vi. Enhancing Extension Service delivery
- vii. Providing water for production
- viii. Agricultural mechanization and
- ix. Support for key strategic commodities for export.



Hon. Vincent B. Ssempijja giving remarks

He thanked the World Bank and the other development partners for working with MAAIF in rolling out these interventions. He further emphasised the key role played by the private sector in the development of value chains.

4.2.6 Speech by Chief Guest H.E Yoweri Kaguta Museveni

The Chief Guest **HE Yoweri Kaguta Museveni**, the President of Republic of Uganda and gave his remarks (captured from his official media page) as below;

‘Today I officiated at the handover of value addition equipment and grants to beneficiary farmer organizations at Namalere Agricultural Referral Mechanization Centre in Wakiso This project is aimed at reminding farmers that agriculture is a business and they should earn from it. It is no longer about “ Nkolerera Kida Kyonka”, directly translated to “I am working for my stomach only” and it is just the beginning, we are going to do more for the farmers.

Meanwhile, these machines are made here in Uganda by companies like Musa Body limited and the other companies.



Chief Guest HE Yoweri Kaguta Museveni giving remarks

I am happy that we are moving in the right direction as far as transforming Agriculture from subsistence to commercial is concerned.

We started the Palm oil project in Kalangala. The people on the island have become very rich now because of that project.

We are building for you a leather processing plant at Kawumu and we are also going to put up an industry to make paper out of banana fibres. This is because we are spending about \$300m importing paper.

I would also like to take this opportunity to warn the people of NAADs and the Ministry of Agriculture to save our people from these fake imported seeds. We have very good local seeds.

For months now, I have boycotted onions because we no longer have “serious onions”. We are losing our original seeds with real flavor like onions, tomatoes, oranges, and others just because some outsiders said we should lose them. They must be restored.

I remember when I went to the USA for the first time in 1987 and they gave me a pineapple, it tasted 'strange'. I am therefore protesting our people from using imported fake seeds, we need to keep our foods with their natural flavour’.

Finally, he thanked the farmers for making contribution to purchase of value equipment and other inputs supplied by ACDP.

After his remarks, he flagged off trucks of equipment and handed over a dummy cheque to beneficiaries.





5.0 Conclusions

The flagging off of agro-processing machinery by **H.E Yoweri Kaguta Museveni** was indication of ACDP's progress towards achieving its objectives and vote of confidence by the Executive. Some of the action points from the event were;

- The Agriculture sector in general should desist from promoting crop (Onions, Bananas, Oranges etc) varieties that do not have some traditional attributes.
- The project was appreciated for promoting local industry by enabling farmers purchase agro- processing machinery from local suppliers/ manufacturers which augers well with current policy of Buy Uganda Build Uganda (BUBU). The project will work towards vetting more local companies to participate in the next Agribusiness Matchmaking Expos.
- The Project was also credited for integrating production and Agro- processing , which empowers farmer to meaningfully participate in the entire value chain.
- The ACDP pilot model has been successful to a great extent and should be rolled out to other districts.