



# MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

## PRIVATE SECTOR DEVELOPMENT UNIT



**PSDU FIELD  
VISIT BULLETIN**

**SEPTEMBER 2023**



## VISION

“ A Competitive Economy for National Development”

## MISSION

To Formulate Sound Economic Policies, Maximize Revenue Mobilization, Ensure Efficient Allocation and Accountability for Public Resources so as to Foster Sustainable Economic Growth and Development

## CORE VALUES

Professionalism, Result - oriented, Efficiency and Effectiveness, Teamwork, Integrity, Transparency and Innovativeness

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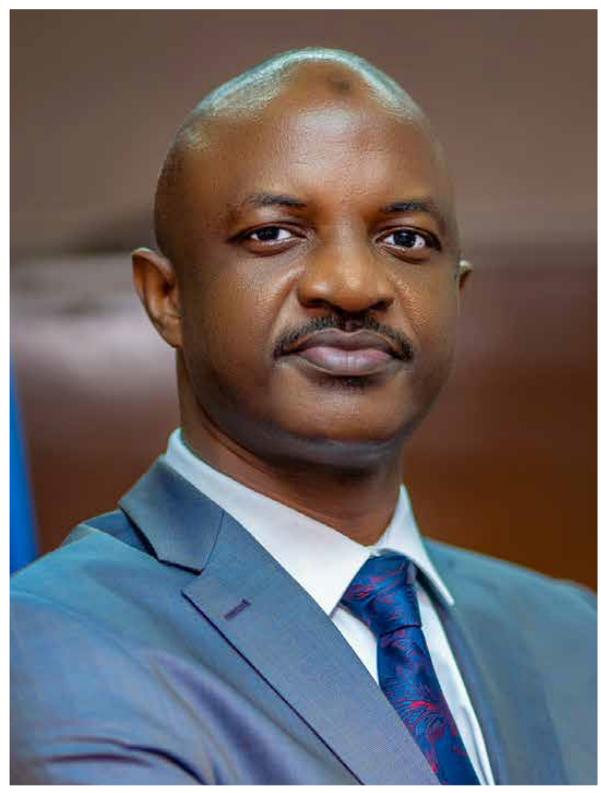


**MOPPED UGANDA**

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# WORD FROM PERMANENT SECRETARY AND SECRETARY TO THE TREASURY



**Warm greetings to our esteemed stakeholders,**

**T**he private sector is the engine of growth and development, and it contributes immensely to the growth of our economy.

The business conditions in the country have continued to improve and sentiments about doing business have remained optimistic. Uganda's annual inflation eased to 9.0% in March 2023, down from a peak of 10.7% in October 2022.

Going forward, we shall continue to vigorously undertake short- and medium-term interventions to revamp the economy and strengthen economic resilience through fiscal consolidation which entails enhanced domestic revenue mobilisation, reduced government domestic borrowing to support the private sector, scaling down on government expenditure, allocative efficiency

of the available resources and reduction of supplementary expenditures.

In the current FY 2023/24, a number of strategic interventions have been prioritised including; maintenance of roads (including last mile roads), construction of power sub-stations and transmission lines, small scale solar powered irrigation, rehabilitation of the metre gauge railway and engagements are under way for the construction of the standard gauge railway. These are key components of ensuring private sector growth and competitiveness.

The field activities undertaken by the Private Sector Development Unit (PSDU) of this ministry are very vital, as they enable us to understand the business operations, the environment in which the private sector players operate, the challenges they face and enable us to make appropriate interventions to aid business growth and competitiveness in the country.

We remain committed to provide long-term capital to support entrepreneurs through Uganda Development Bank and Uganda Development Corporation, in addition to financing ongoing initiatives such as the Small Business Recovery Fund (SBRF) and Emyooga programme.

Enjoy this first edition of the field visit Bulletin.

A handwritten signature in black ink that reads "Ramathan Cyoobi". The signature is fluid and cursive.

Permanent Secretary and Secretary to the Treasury

# WORD FROM HEAD / PRIVATE SECTOR DEVELOPEMNT UNIT (PSDU)

This Ministry through its Private Sector Development Unit (PSDU) implements the second National Strategy for Private Sector Development (NSPSD II) which provides a framework for coordinating and consolidating all private sector competitiveness issues.

This framework provides for continuous engagement with key public and private sector players in order to appreciate the environment in which private sector operates to inform policy and budgetary processes.

As part of its mandate, PSDU has undertaken several field visits in the year 2023 to appreciate the business environment better and has made several recommendations for policy.

This first edition of the PSDU field visit bulletin therefore summarizes the key field activities that have been undertaken across several value chains, and the key lessons learnt.

Enjoy this edition of the bulletin.



Head / Private Sector Development Unit



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# INTRODUCTION

The Ministry of Finance, Planning and Economic Development (MOFPED) launched the second National Strategy for Private Sector Development (NSPSD II), 2022/23 – 2026/27 in December, for the consolidation and coordination efforts for private sector competitiveness.

The Private Sector Competitiveness bulletin is a key communication tool in the implementation of the strategy. It provides regular updates and progress on the key Private Sector Development Unit (PSDU) activities, which include field visits and stakeholder engagements covering the Macro, Meso and Micro pillar interventions and their impact to private sector competitiveness.

It also provides the key private sector information to the private sector players, policy makers and development partners,

This first episode of the PSDU competitiveness bulletin focuses on the key PSDU field visits, across the various value chains, and a number of initiatives currently being undertaken in the unit.

## A. KEY PSDU FIELD ACTIVITIES

The Ministry of Finance, Planning and Economic Development (MoFPED), through the Private Sector Development Unit (PSDU) engages key public and private sector players in order to understand their business operations, the environment in which they operate, the challenges they face and also make recommendations for policy. The ministry also works to understand the opportunities in such environments and the constraints to utilizing the available opportunities.

From December 2022 when the NSPSD II was launched, the Unit has mapped out and undertaken various field activities in line with its consolidation and coordination efforts for private sector competitiveness.

**Field visits have been undertaken in the following sub-sectors.**

- |     |                |     |        |
|-----|----------------|-----|--------|
| i   | Sugar.         | v   | Coffee |
| ii  | Vegetable oil. | vi  | Grain  |
| iii | Fish           | vii | Apiary |
| iv  | Horticulture   |     |        |

## B.0 THE SUGAR SUB SECTOR.

The PSDU mapped out key players in the sugar value chain, to understand and understand the key issues associated with the agro-industrialization and value addition in the sugar sector. The following sugar factories were visited.

- i Kakira Sugar Works Limited.**
- ii The Sugar Cooperation of Uganda (SCOUL)**
- iii Kinyara Sugar Works**
- iv GM Sugar**
- v Mayuge Sugar**
- vi Victoria Sugar Limited**

## B.1 KAKIRA SUGAR WORKS LIMITED (KSL)

### B.1.1 Why Kakira Sugar Works?

**K**SL is the leading producer of sugar in Uganda.

It was founded on 1st January 1930 and is one of the oldest sugar milling companies in the country, accounting for half the national sugar production (Over 185,000 tonnes), employing up to 12,684 persons with 9,500 registered Out grower Farmers on 30,000 Ha.

KSL is one of the largest baggase cogeneration plants in Africa, generating 51MW of electricity and exporting 32MW to the national grid.

Has an established ethanol plant producing 22,000,000 litres of ENA or ethanol per

year. As part of its CSR (Cooperate Social Responsibility), KSL has established and maintains 16 schools (7 nursery schools, 8 primary schools and 1 secondary school) to provide education to over 3685 students.

### B.1.2 Key products in the Sugar value chain at Kakira.

**Kakira produces a variety of products from the sugar value chain including;**

- Brown and Light sugar
- Varieties of sweets.
- Ethanol and spirits.
- Generates 51MW (Megawatts) of electricity and exports 32MW to the national grid.



Varieties of sweet products at Kakira





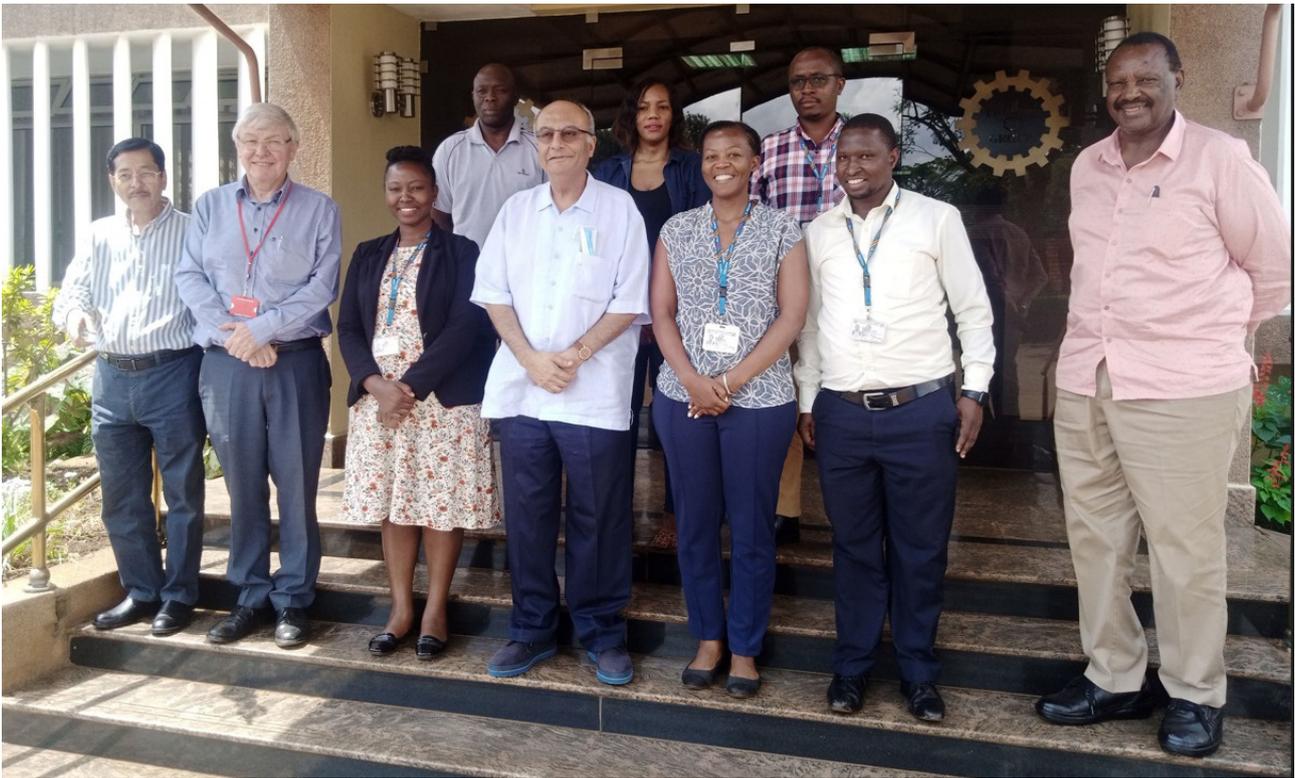
Varieties of sweet products at Kakira



Varieties of sugar products at Kakira Sugar.



Varieties of spirit products at Kakira.



PSDU team with the Kakira team.



Head P/SDU and M&E Coordinator taking a tour around Kakira Sugar factory with the Kakira staff.



PSDU team in the distillery section at Kakira Sugar Works Ltd

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 Tel: +256 414 444 000

 [sales@kakirasugar.com](mailto:sales@kakirasugar.com)

## B.2 SUGAR COOPERATION OF UGANDA (SCOUL) – LUGAZI SUGAR

### B.2.1 Why SCOUL?

SCOUL is the third largest manufacturer of sugar in Uganda, producing about 60,000 Metric tonnes (MT) annually. It has over 10,000 workers with 25,000 to 30,000 family members accommodated on their estate.

SCOUL generates 30MW of electricity and exports 18 MW to the national grid.

SCOUL owns 1 secondary, 11 Primary and 4 Nursery schools providing affordable education to the workers and the community.

### B.2.2 Key products in the Sugar value chain at SCOUL.

**SCOUL produces a variety of products from the sugar value chain including;**

- Brown and Light sugar
- Extra Neutral Alcohol and Technical Alcohol.
- Fertilizers (Bio compost & Pressmud)
- Carbon dioxide (CO<sub>2</sub>)



Fertilizers at SCOUL

Small packaging of sugar products





PSDU team with the SCoul team.

Carbondioxide plant at SCoul



Dry-iced carbon dioxide in a vessel.



PSDU team having a boardroom discussion with the SCoul team, led by Mr. Shammah

**SUGARCANE PROCESSING AND UTILIZATION OF BY PRODUCTS AT SCoul**

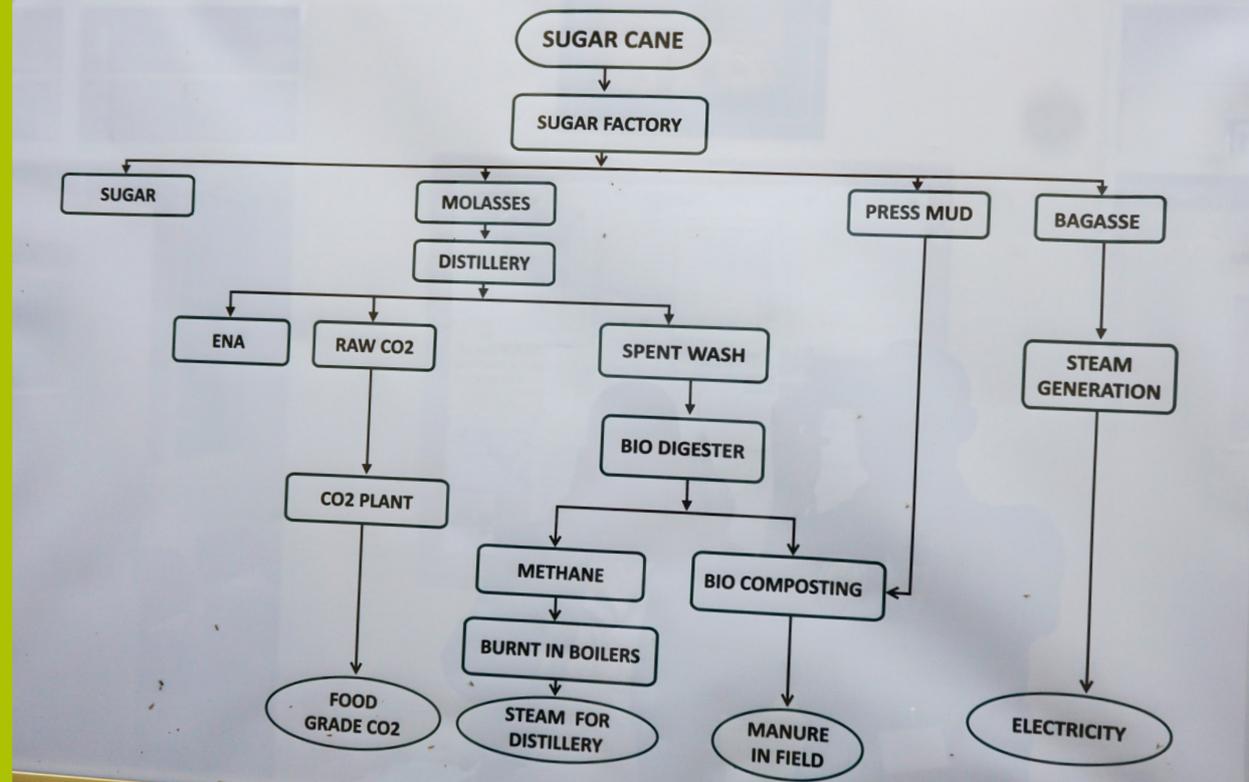


Chart showing sugar utilization at SCoul

## B.3 KINYARA SUGAR WORKS LIMITED (KSWL)

### B.3.1 Why Kinyara Sugar Works Limited?

Kinyara Sugar Works Limited was established in 1972 as National Sugar Works Ltd in Masindi district. It is the second largest producer of sugar in Uganda, and the leading producer of refined sugar in the country. KSWL has an installed capacity of 75,000 Metric tons of industrial sugar per annum.

Kinyara Sugar Works Limited has a nucleus estate / plantation of 21,000 hectares, Out

Growers Estate of 31,705 hectares, 7,300 number of out growers.

KSWL has approvals of quality in regards to its manufactured refined from various companies within the country such as Coca-Cola, Haris International, and Pepsi Cola.

KSWL generates 9.5MW of electricity (versus the 14.5MW installed capacity), and a small amount of this electricity is sold to the national grid.

### A New Vision newspaper article dated Wednesday 26<sup>th</sup> July 2023, reporting about PSDU's field Visit to Kinyara Sugar Works

By Vision Reporter

The finance ministry has hailed Kinyara Sugar Works Limited for producing ample amounts of brown and refined (white sugar) required for the local and regional markets.

This followed a tour of the factory in Masindi by finance ministry officials led by Diana Nanono, the head of the private sector development unit.

"I am impressed by your capacity to produce both the light brown and brown sugar plus the white sugar," Nanono said on Friday.

"We have visited the factory, learnt that you produce brown and light brown sugar and the white sugar used by beverage companies and confectionery industries," she emphasised.

The refinery, commissioned by President Yoweri Museveni in 2022, produces 75,000 metric tonnes of industrial white sugar annually.

The industrial refined sugar

## Government hails Kinyara Sugar on refined sugar

### NATIONAL STRATEGY FOR PRIVATE SECTOR DEVELOPMENT

Diana Nanono, the head of the private sector development unit in the finance ministry, said the Government in December launched the second National Strategy for Private Sector Development that largely co-ordinates all the private sector developments across the 20 programmes of the National Development Plan III where sugar which is under the agro-industrialisation one.

"As the finance ministry, we often engage with the private sector to understand the

business environment challenges in order to be able to recommend adequate policy interventions by management," Nanono said.

"We think that we will be able to engage management on this issue because it requires relevant regulation and proper enforcement. We think that this is something that the Government needs to take up and address effectively to enable these companies to operate effectively," she said.

is used to produce products like syrups, biscuits, sodas and alcohol.

Some manufacturers had complained of inadequate sugar on the local market and questioned the increased prices for refined sugar.

However, Aldon Walukamba, the corporate communication manager of Kinyara Sugar, said: "We currently have over 5,000 metric tonnes of industrial refined sugar in stock despite our being able to supply all local users that have placed

orders with us."

"The same people claim that the cost of imported sugar is \$860 per metric tonne compared to our price of \$915 per metric tonne," Walukamba said, emphasising, "this amounts to a difference of 6.1%

and can hardly be categorised as irregular."

During the tour, Nanono said: "There has been a lot of discussion in the media on this aspect, but we have been able to see for ourselves. We have seen the different tonnes of white sugar that have been piled in their stores and we know that the Government will make the right decision on this matter."

She added: "We have come here to understand the business environment, challenges and how the Government can make adequate policy interventions to resolve whatever issues they

may be facing."

Kinyara has since supported the Government's decision to put in place a policy measure imposing 25% duty on imported industrial refined sugar, a move protested by manufacturers of soft drinks and confectioneries.

"This will help protect the local production of industrial refined sugar. We finally have the right policy framework in place that will allow us to access the local market and this policy will encourage more producers to also install industrial sugar refineries," Walukamba said.

Walukamba said all finished products produced in Uganda benefit from a minimum protection from imports of 25% while others have the benefits of 35% or even 60% protection.

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### B.3.2 Key products in the Sugar value chain at Kinyara Sugar Works Limited.

**KSWL produces a variety of products from the sugar value chain including;**

- Brown and Light sugar.
- Refined / industrial sugar.
- Extra Neutral Alcohol.
- Agricultural inputs such as bio-products (fertilizers and pesticides), chemical fertilizers and herbicides.

# Kinyara Biopesticides

The Farmer's Choice for a sustainable farming future.....

Manufactured  
by  
**Kinyara Sugar Ltd**  
P.O Box 179, Masindi, Uganda  
Tel. +256 362 600 200, +256 757 777 279, 0414 236 382, e-mail: [BoliampalliR@Kinyara.co.ug](mailto:BoliampalliR@Kinyara.co.ug)

**KINYARA SUGAR LIMITED**  
 INDUSTRIAL SUGAR REFINERY PLANT  
 COMMISSIONED ON: 5-2-2022  
 BY  
 HIS EXCELLENCY YOWERI  
 TIDUHADURWA KAGUTA MUSEVENI  
 THE PRESIDENT OF  
 THE REPUBLIC OF UGANDA

Different varieties  
of Fertilizers at  
Kinyara.



PSDU team besides a huge pile of refined sugar.



Aerial view of Kinyara Sugar Factory.

PSDU team arriving at Kinyara Sugar Works.



PSDU team having a boardroom meeting with the top management of Kinyara Sugar Works Limited.

PSDU team inside the factory, to understand the process of making sugar.



## B.4 GM SUGAR LIMITED

### B.4.1 Why GM Sugar Limited?

**G**M sugar was incorporated in 2005 and started full operations in 2010 under a new management.

The company employs over 300 direct employees and 300 contract farmers, 2000 unaided and 200 aided out growers.

The company owns 4000 acres and has purchased additional 10,000 acres for expansion of its nucleus estates.

GM is one of the producers of refined sugar in the country. However, due to inconsistent orders, refined sugar is only produced on order.

The company produces a wide range of non-sugar products mainly plastics. These include water tanks, chairs, tables, cups, and a wide range of household plastics.

### B.4.2 Key products in the Sugar value chain at GM Sugar Works Limited.

- Brown and Light sugar.
- Refined / industrial sugar.
- Extra Neutral Alcohol (ENA)
- Plastics production unit, producing products such as water tanks, chairs, tables, cups, kettles, jerrycans, among others.



PSDU team taking a field tour at GM Sugar.



PSDU team in the sugar stores / stock room at GM sugar.



PSDU team having a discussion with GM sugar directors



PSDU team in the plastics stock room at GM sugar.



# B.5 MAYUGE SUGAR

## B.5.1 Why Mayuge Sugar?

Mayuge sugar started in 2005, and it is one of the 3 producers of refined / industrial sugar in the country. It employs over 600 direct employees and has a nucleus estate of 15,000 acres of sugarcane. 75%- 80% of the sugarcane crushed per day comes from the cane out growers, and it crashes 7,500 tonnes of cane per day (TCD).

Even when the facilities for the production of refined sugar are in place, refined sugar is only produced on order due to limited orders.

The company also generates 31 Mega Watts of electricity with 20 Mega Watts consumed by its operations. It has secured an agreement with Uganda Electricity

Transmission Company Limited (UETCL) to supply power to the national grid. The supply is expected to start in September 2023.

## B.5.2 Key products in the Sugar value chain at Mayuge Sugar.

- Brown and Light sugar.
- Refined / industrial sugar.
- Extra Neutral Alcohol (ENA)
- Electricity



PSDU team in the sugar stores / stock room at Mayuge sugar.



PSDU team having a meeting at GM sugar.



PSDU team and directors of MAYUGE SUGAR

## B.6 VICTORIA SUGAR LIMITED (VSL)

### B.6.1 Why Victoria Sugar Limited?

Victoria Sugar Limited is one of the new sugar manufacturers in the country, and it produces only light brown sugar. The company directly employees 250 people and over 1,000 people are employed indirectly.

The company sits on 30 acres and also owns 3,000 acres from which seedling cuttings are planted.

The company has a network of out growers covering 13,000 acres. Out growers contribute 95% of the sugarcane required by the company.

VSL currently supplies 100% of its sugar to the local market with export plans to Kenya, South Sudan and Congo.

The company has a Tonnes Crashed per day (TCD) of 1,000tonnes. The ongoing expansion works at the factory will increase the TCD to 3,500tonnes.

VSL generates 2 Megawatts of electricity per day (which is utilized by the company) with a capacity to generate 15 Megawatts per day after one year.

The company has also installed a plant to produce 30 Kilo liters of Ethanol per day starting October 2023.

### B.6.2 Key products in the Sugar value chain at Victoria Sugar Limited.

- Light Brown sugar.
- Molasses
- Electricity

Field Visit at VSL



PSDU team Infront of the Etahnol (ENA) facility being aonstructed at VSL



PSDU team in the stock / sugar store at VSL



PSDU holding a boardroom discussion with the directors of Victoria Sugar Limited



The Monitoring and Evaluation Coordinator handing over a copy of the Second National Strategy for Private Sector Development (NSPSD II) to the Managing Director of Victoria Sugar Limited in Luweero.

## B.7 LESSONS AND POLICY ISSUES IDENTIFIED IN THE SUGAR SUB SECTOR.

- i There is need to undertake targeted Research and Development in the sugar industry, so that new high yielding cane varieties can be planted, with a shorter maturity period.
- ii URA needs to maintain and strictly enforce the 25% tariff on refined sugar imports to protect local manufacturers. The manufacturers in the beverages and confectionaries sector should therefore utilize the locally produced industrial sugar.
- iii Enforcement of the Sugar Policy 2010 and the Sugar Act 2020 to ensure protection along the entire sugar value chain.
- iv Undertake more Research and Development in a wide range of secondary factories that can sprout out of the sugar value chain. These include mega carbon dioxide plants, fertilizer plants, medical spirits / alcohol-based products, among others.

# C.0 THE VEGETABLE OIL SUB SECTOR

The PSDU visited two players in the vegetable oil value chain, to understand the key issues associated with the agro-industrialization and value addition in the sector.

The following vegetable oil factories were visited.

- i BIDCO Uganda Limited (BUL)
- ii Nile Agro Industries Limited.

## C.1 BIDCO UGANDA LIMITED (BUL)

### C.1.1 Why BIDCO Uganda Limited (BUL)?

Bidco Uganda Limited (BUL) is a key private sector player and value chain leader in Uganda's Vegetable oil industry. It plays a key role in supporting Uganda's effort to achieve a domestically sustained vegetable oil industry rather than depending on imports to feed the population.

Bidco expanded its raw material base by establishing an oil palm plantation in Kalangala, which accounts for 10% of vegetable oil market supply in Uganda.

With its modern oil refinery, BUL produces a wide range of products including fortune vegetable oil, cowboy, bar soap, palm oil, detergents, sunflower oil, among other products.

C.1.2 Key products at BIDCO Uganda Limited value chain.

**BUL produces a variety of products from the sugar value chain including;**

- Fortune Vegetable Oil
- Cowboy
- Bar soap of various varieties
- Sunflower cooking oil
- Magic



## Oils



Fortune Butto, Fortune Gold, Fortune, Golden Fry and fortune sunflower oil in varying quantities.

## Fats



## Spaghetti



## Spices



## Soaps



Blue bar soap, Light star bar soap, magic soap, white star magic, BUL star, BULL, KUKU and start natural.

## Detergent



White star magic and Bleu breeze.



Ministry of Finance team from PSDU having a group photo with the managers of Bidco Uganda Ltd.

Finished products being stored, ready for distribution.



The docking area, where the ship carrying crude palm oil from Kalangala docks. The oil is transported through the connected pipes to the refinery.

# C.2 NILE AGRO-INDUSTRIES LIMITED

## C.2.1 Why Nile-Agro Industries Limited?

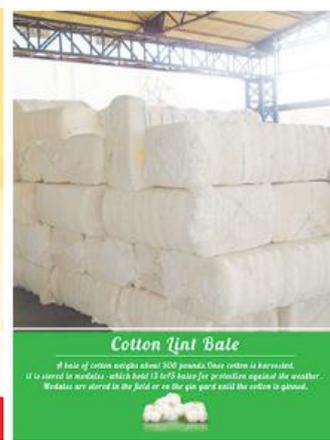
Nile Agro Industries Limited is an agro-based flagship company that has now emerged to a group of companies called MMP GROUP.

The company started back in 1999, as a small family-based business in processing, refining, and marketing of vegetable cooking oil. Nile Agro has rapidly evolved and diversified over the years to production of Laundry Bar Soap, Wheat Flour, Plastic products including jeri cans and Water Tanks. Nile Agro industries has a vegetable oil mill and refinery in Jinja with an installed daily processing capacity of 150MT. The mill crushes cotton seeds to produce virgin edible oil.

## C.2.3 Key products at Nile-Agro Industries Limited value chain.

Nile-Agro Industries Limited produces a variety of products from the sugar value chain including;

- Cooking oil
- Wheat flour
- Laundry soap.
- Plastic products.
- Cotton Lints Bales
- Cotton seed meal
- Detergents
- Fats
- Margarine



Pamba Soap, Simba Soap, Star Soap



PSDU team visiting Nile Agro factory



Varieties of cooking oil ready for distribution.



Varieties of ready products ready for distribution.



Distribution trucks at the factory.

## C.3 LESSONS AND POLICY ISSUES IDENTIFIED IN THE VEGETABLE OIL SUB SECTOR

- i. URA should strengthen the regulatory framework in porous border areas to close out smuggling of goods from Kenya into Uganda because it causes revenue loss to both government and the private sector.
- ii. MAAIF should support domestic production of oil crops including expanding oil palm plantations and developing high yielding varieties for sunflower.
- iii. URA and local governments should improve the road network in the country for efficient transportation of goods by private sector.
- iv. There is need to support the establishment of a seed conditioning facility to maintain the quality of planting material used for production. This will deal with challenges related to supplying farmers with degenerated seed.
- v. There is need for an oilseed board in Uganda to oversee the oil seed sector.

# D.0 THE AQUACULTURE SUB SECTOR

The following entities were visited under the aquaculture sub-sector.

- i. Yalelo Fish.
- ii. Source of the Nile (SON).

## D.1 YALELO FISH

### C.1.1 Why YALELO FISH?

Yalelo is an aquaculture farm in Buikwe Distrit which does cage farming of Nile Tilapia on Lake Victoria.

Yalelo has its own hatchery from which it obtains the Tilapia fry/fingerlings which are stocked on the lakes.

These fingerlings are kept under strict management conditions for nine months to obtain a minimum weight of 500g (harvest weight).

Yalelo sells it's fish to local people at the farm, its numerous outlets in the country, and also exports fresh fish to other countries such as Kenya.





Boardroom meeting with Yalelo team



Group photo with Yalelo staff

Visit to the Yalelo fingerlings hatchery.



Boats and feeding equipment used on the lake.

## D.2 SOURCE OF THE NILE (SON) FISH FARM

### D.1.1 Why Source of the Nile Fish farm?

Source of Nile (SON) Fish Farm is an aquaculture farm in Jinja which does cage farming of Nile Tilapia on Lake Victoria.

SON fish farm has its own hatchery from which it obtains the Tilapia fry/fingerlings which are stocked on the lakes.

These fingerlings are kept under strict management conditions for nine months to obtain a minimum weight of 500g (harvest weight).

SON fish farm sells to local people at the farm but also export fresh fish to EAC countries like Kenya and Democratic Republic of Congo



## D.3 LESSONS AND POLICY ISSUES IDENTIFIED IN THE AQUACULTURE SUB SECTOR

Uganda Investment Authority should study incentives that are applicable to the fish farming players such as Yalelo and Source of the Nile Fish farm, and advise on how these can be obtained.

ii. UNBS should engage widely with private sector in the establishment and development of the standards applicable to the aquacultural sector.

iii. Fish farm exporters such as Yalelo, SON, should apply to URA to join the authorized economic operator program to reduce on the time spent at the border post while having their goods cleared for export.

iv. Government should consider exemption on all agricultural related equipment.

v. Government through MAAIF should consider zoning areas for aquaculture. Companies whose operations are dangerous to the fish industry should not be granted permits in the vicinity of such areas (NEMA, MAAIF, UIA).

vi. Government through Ministry of works and Local Government should ensure the construction and maintenance of roads for easy and quick delivery of products. UNRA can partner with local authorities and central government to maintain the access roads.

vii. Government should support the establishment of a fish feed companies to reduce costs associated with transporting feed.

# E.0 THE HORTICULTURE SUB SECTOR

Agricado Farms Uganda Limited was visited under the horticulture sub-sector.

## E.1 AGRICADO FARMS UGANDA LIMITED.

### E.1.1 Why Agricado Farms Uganda Limited?

Agricado farms Uganda limited is a player in Uganda's horticultural value chain, which started in 2019 as a fruit farm and exporter of Hass Avacado as well as Macademia.

It has a fruit farm located in Mubende district covering 8 acres of land and a packaging / sorting office at Ntinda in Kampala District.

The farm has expanded and diversified their product market and currently grows

and exports other fresh horticultural commodities including; garden eggs, hot pepper, red chili and green chili to the international markets such as the EU and the Middle East.

Agricado farm exports 20,000 kgs of produce every month.



Agricado produce



PSDU staff with the Agricado team



Sorting of produce



Packaging of produce

Hass ovacado



## **E2. LESSONS AND POLICY ISSUES IDENTIFIED IN THE HORTICULTURE SUB SECTOR.**

- i MAAIF should ensure full operationalization of the agricultural chemical control Act to ensure safe utilization of chemicals, to produce safe and healthy fresh fruits meet the export quality and safety standard.
- ii MAAIF should use set up a model horticulture farm and use it to demonstrate to others private sector players within the sub-sector.
- iii Private sector should look into the prospects of value addition such as production of Avocado oil, and also explore other possible products that can come out of the horticulture value chain.

# F.0 THE COFFEE SUB SECTOR

**M**buga Kyamagero Coffee Roasters and Packers (MKCRP) was visited under the coffee sub-sector.

## F.1 MBUGA KYAMAGERO COFFEE ROASTERS AND PACKERS.

### F.1.1 Why Mbuga Kyamagero Coffee Roasters and Packers?

MKCRP limited is an aggregator and coffee processor in the Ugandan coffee value chain with integrated activities along the whole coffee value chain, dealing in both Arabica and Robusta coffee.

MKCRP performs aggregation of coffee,

processing, packaging and marketing of the finished goods. It has large aggregation stores for coffee awaiting roasting.

The marketing and distribution is done through the fleet of available vehicles, referrals and door to door delivery.

MKCRP also works with the maize value chain in which it aggregates, processes and markets maize flour and animal feeds. The firm has a maize mill for maize processing.

They produce different varieties of coffee, under their brand, "Gayaza coffee".





Coffee  
Roasting



Roasted  
coffee  
beans



Fleet of vehicles ready to deliver produce to the market.



## F.2 LESSONS AND POLICY ISSUES IDENTIFIED FROM THE FIELD VISIT

- i. Uganda Coffee Development Authority (UCDA) should strengthen its coffee quality assurance system to ensure that the quality of coffee is maintained from production to processing.
- ii. UCDA should also ensure maximum production at farm level by establishing strong extension services close to the players.
- iii. Government through UDB or Post Bank can consider supporting coffee roasters by availing access to affordable finance so as to expand their operations.
- iv. The government should also set clear eligibility criteria for the operators who wish to access the agricultural funds from UDB.

# G.0 THE GRAIN SUB SECTOR

The following entities were visited under the aquaculture sub-sector.

- i. **Agroways Uganda Limited**
- ii. **Zirobwe Agali Awamu Agribusiness Training Association.**

## G.1 AGROWAYS LIMITED

### G.1.1 Why Agroways Uganda Limited?

i. Agroways Uganda Limited is an aggregator/large off taker in Uganda's grain value chain. The player buys grain from farmers and other small off-takers, improves its quality by cleaning it (primary processing), adds value, packages it and sells to bigger and higher markets in Uganda and the in region (Kenya, South Sudan and Burudi).

ii. Agroways Uganda Limited working with the Uganda Warehouse Receipt System Authority introduced the warehouse receipt system offering storage services to farmers and smaller off takers who want to keep their grain under the silo storage technology and benefit from high prices during scarcity.

iii. The player provides farmers with quality inputs, extension knowledge advisory services on production and quality management, so as to solve the challenge of produce that doesn't meet required quality standards at the international market

iv. Agroways performs value chain activities at various points of the value chain from aggregation, transportation and value addition. The firm has aggregation centers in several parts of the country through which they procure the grain and transport to the warehouse in Jinja.



## G.2 ZIROBWE AGALI AWAMU AGRIBUSINESS TRAINING ASSOCIATION (ZAABTA)

### G.2.1 Why Ziobwe Agali Awamu Agribusiness Training Association?

i. ZAABTA is a member-based company limited by guarantee with 5,233 members in 173 farmer groups, operating in the five districts of Luwero, Kayunga, Mukono, Nakaseke and Nakasogola.

ii. It is one of the private sector value addition actors and manages an integrated agricultural value chains for Rice, Soyabeans, Beans, Maize grains and Horticulture with operations along the entire value chains from procurement, bulking, cleaning, processing, packaging, storage, and marketing of produce from smallholder farmers to profitable markets.

iii. ZAABTA uses a One Stop Center Model of operation to support its members to access production materials, credit, farm in puts, agricultural extension services, market linkages and processing to its farmers.

iv. It has aggregation stores in different districts, where members store produce waiting for

transportation. ZABTA adds value to the farmer's produce and sells it to ready markets in Uganda, Kenya and Tanzania.

v. The Association has a commodity and treasury services department which provides affordable loans in form of inputs and planting materials to its members, which is paid back at the end of the harvest seasons. However, due to limited finances, they are only able to support 70 members which is a small number compared to their total number of members.





## G.3 LESSONS AND POLICY ISSUES IDENTIFIED FROM THE GRAIN SUB-SECTOR

- i. Government through MAAIF should regulate the supply chain for agricultural inputs. These can be supplied through licenced and regulated channels.
- ii. Government through UNBS and MTIC should regulate the supply chain for grain to ensure that the players are registered and trained on the SPS grain standards.
- iii. Government through MAAIF should establish a regulatory framework for contract farmers and the off-takers to operate under clear enforceable terms leading to sustainable trade.
- iv. The Ministry of Agriculture Animal Industry and Fisheries and Ministry of Trade Industries and Cooperatives (MAAIF) through the Parish Development Model should provide a mechanism of working with medium off takers that are able to link farmers to available markets.

# H.0 THE APIARY SUB SECTOR

About Westlink Delicacy Api group Limited was visited under the Apiary sub-sector.

**W**estlink Delicacy Api group Limited is a private sector player in the apiculture sub-sector, adding value addition on honey and it's products.

ii. An aggregator of Honey in the Apiculture sector in Uganda, performing various activities at different points of the value chain, from aggregation, transportation, value addition/processing, packaging and marketing.

iii. Under a household name **"ZEDEK – Back to nature"**, they have a wide range of products including shea butter, chia seeds, Kisoro pure honey, hibiscus, bee propolis, candles and bee venom.

iv. It is a member of TUNADO (The Uganda National Apiculture Development Organization). The products can be found at Kingdom Kampala, ground floor, World of bees shop, Kyambogo outlet shop as well as Ntinda outlet shop.



Executive Director of Westlink Delicacy Api group Limited showcasing the ZEDEK products to Ms. Diana Nannono, Head, Private Sector Development Unit (PSDU).



ZEDEK products at Kyambogo outlet shop.



ZEDEK products at Ntinda outlet shop.

## H.2 LESSONS AND POLICY ISSUES IDENTIFIED FROM THE APIARY SUB-SECTOR.

- i. The Government should build the Small and Medium Enterprises' (SMEs) capacity to meet the stringent requirements for business formalization to access funds to boost production.
- ii. Government through UDB should fund small honey enterprise via their Umbrella organizations like TUNADO who in turn shall support their members through the strategic investment plan to formalize their businesses by providing training.
- iii. MAAIF should support establishment of model farms to encourage the development of SMEs through upgrading.
- iv. MAAIF should support development of a well-structured supply chain to improve the efficiency of value chain activities.

