

Quarterly Report July 1 - September 30, 1993

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Uganda: Cooperative Agriculture and Agribusiness Support Project
Contract Number: 617-0111-C-00-9100

Prepared by:
Vic Amman, Chief of Party

Prepared for:
Agricultural Cooperative Development International
50 F Street, NW, Suite 900
Washington, DC 20001
Phone: 202/638-4661
Fax: 202/626-8726

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ACTIVITY REPORT ACDI CONREP
CAAS PROJECT JULY - SEPTEMBER 1993

A. <u>Planned Activity</u>	<u>Outcome</u>	<u>Comments</u>																					
1. Attend Cooperative Day at Kasese.	Attended with Joshua Walton, ACIDI Vice President - Africa Region.	Josh was called upon to make some remarks, which he did. He pointed out that to attract foreign investment there is an urgent need to improve the quality and reliability of the telecommunications and electrical supply. This could best be accomplished through privatization and joining with a foreign investor. This was well received and the Prime Minister invited him for an evening meeting for further discussions. So far, no progress has been made.																					
2. Prepared a paper on Supply and Demand for Edible Oil in Uganda making projections to year 2000.	The paper was reviewed by USAID/Kampala after which, some revisions were requested and made. It was presented to the Permanent Secretary, Ministry of Finance and Planning for consideration.	If the ideas presented in the paper are accepted by GOU, there could be another extension to PL-480 oil imports. The paper shows that oil demand is increasing at 5.5% annually while 90% of the oil consumed is imported. The analysis shows that self-sufficiency will not happen until the end of the century at the earliest.																					
3. Initiate a new approach to oilseed multiplication.	Contracted with the following institutions and farmers to participate in a seed multiplication scheme to produce seeds for distribution to growers: 1. Namulonge Research Institute, multiply sunflower and soybeans.	The response from growers was better than expected as shown below:																					
		<table border="1"> <thead> <tr> <th><u>Sunflower</u></th> <th><u>Acres</u></th> <th><u>Acres</u></th> </tr> <tr> <td></td> <th><u>Planned</u></th> <th><u>Planted</u></th> </tr> </thead> <tbody> <tr> <td>East Acholi</td> <td>20</td> <td>22</td> </tr> <tr> <td>Namulonge</td> <td>60</td> <td>71</td> </tr> <tr> <td>Kakira</td> <td>100</td> <td>125</td> </tr> <tr> <td>Serere</td> <td><u>200</u></td> <td><u>170</u></td> </tr> <tr> <td></td> <td>380</td> <td>388</td> </tr> </tbody> </table>	<u>Sunflower</u>	<u>Acres</u>	<u>Acres</u>		<u>Planned</u>	<u>Planted</u>	East Acholi	20	22	Namulonge	60	71	Kakira	100	125	Serere	<u>200</u>	<u>170</u>		380	388
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2. Serere Research Institute, multiply sunflower.
3. Kakira Sugar Works sunflower and soybeans.
4. progressive farmer(S.Kakuba) to multiply sunflower and Soybeans.
5. East Acholi Cooperative Union to produce sunflower seeds for distribution in Kitgum Area.

<u>Soybeans</u>		
Namulonge	25	25
Kakira	-	25
S. Kakuba	62	20
	87	70

The rains have been very late so the crop was just emerging on my visits to the planting sites during the past three weeks. MAGRIC is not sure how many of their normal participants are raising sunflower or how much. During the past two seasons their outgrowers produced 22.5 mt. of seeds. An agreement was made between the new growers and UCA. All growers (except Madhvani) received part of their budgeted funds as an advance for land clearing, ploughing, weeding etc. After harvest, seeds will be purchased, cleaned, treated and bagged by MAGRIC. Distribution to growers for sowing will be through the oil millers. Seed will be loaned to farmers and repaid "in kind". Seventy-five percent of the factory gate value of these seeds will be paid to UCA's revolving fund. Twenty-five percent will be returned by the oil millers to cover their administrative costs.

4. Coordinated a National Seminar for Medium and Small Scale Oil Millers.

The Seminar was held at the International Conference Center in Kampala. The turnout was excellent, 120 people attended and discussions were very useful to everyone in attendance. The seminar was chaired by Charles Kabuga, General Secretary, Uganda Cooperative Alliance, the Guest of Honor was

Participants were generally pleased with the seminar, representation was from all parts of the country. Discussions centered on the need for training in machine operation and maintenance, problems of obtaining finance to purchase raw materials and to cover operating costs and problems of obtaining spare parts. The seminar participants agreed to form an Oil Millers Association, so they could speak

Honorable Richard Kaijuka, Minister of Trade & Industry. Mr. Keith Sherper, USAID Director closed the seminar.

with one voice on issues. The next seminar will be held before the end of the 1993 Calendar year.

5. Plans to implement small scale lease/purchase scheme proposed in 1993 MYOP update.

A Small and Medium Scale Oil Mill Census prepared by Ms. Rita Laker Ojok shows that there are already 92 small and medium scale expellers in 73 locations. Most are installed but some are in the planning stage.

Most units are operating at very low levels of capacity due to frequent breakdowns, lack of funding to purchase raw materials and to cover operating capital requirements, in some cases operators lost interest.
6. Prepared a proposal for CAAS Core Committee's approval to fund inspection of the rehabilitation of the Gibuzalle Wet Pulperly because the Bugisu Co-op Union had been complaining of the shoddy quality of work by the consulting engineers provided by CAAS.

Funds would be used to repair and correct the shoddy installations of civil works and machinery.

Funds were approved in the amount of US\$13.98m for engineering supervision.

Magric's engineer visited Gibuzalle and prepared a report which pointed out engineering shortcomings in the installation and rehabilitation of the wet pulperly. Funds in the amount of US\$5.6million were granted to Bugisu Cooperative Union to hire a local Contractor to complete the work. On an inspection visit in early October, I found the repair work nearly complete and the society ready to purchase coffee.
7. Prepare a Rhizobium production proposal for commercial production.

Sent under the CAAS Core Committee Chairman's signature, a proposal to three possible partners, Magric (U) Ltd., Kakira Sugar Works and Uganda Manufacturers Association.

Responses were received from all firms contacted. Kakira Sugar Works is definitely interested in a Matching Grant proposal. They have written to indicate they are definitely interested and wish to see a proposal. Magric was not interested and UMA wants further discussion.

B. Other Activities Carried Out:

1. Visited the Kinakulya Cooperative Women's oil mill at Kiboga. Dr. Rico Cruz, a VOCA Volunteer had set up the machinery and was in the process of training operators. Oil was being produced and the small mill was running satisfactorily. However, there is a definite need for management training and continued assistance in operations training.

Later I visited the small oil mill at Bugiri where Dr. Cruz had input a short training session. However, they were having trouble in getting their machine to function properly. There is need for a fulltime person in Uganda to train small mill operators. This was the part of the proposal which was presented in the updated MYOP which was rejected so the small miller operators training unavailability continues.

2. Reviewed the proceedings of the Small and Medium Oil Millers Seminar. These will be published next quarter; funds have been approved by the CAAS Core Committee.
3. Review the "Training Manual For The Operation Of Small Scale Oil Press" by Rico O.Cruz, VOCA Volunteer. This will also be published, however, some pictures of the machinery are needed to complete the publication.

Plans For The Next Quarter

1. Complete reviews of Seminar Proceedings and Operating Manual for Small and Medium Scale Oil Mills and get them published and distributed.
2. Coordinate a second Medium and Small Scale Oil Millers Seminar. However, a VOCA Volunteer must first be recruited to help prepare the by-laws etc. for the Oil Millers Association.
3. Continue to visit seed multiplication sites to oversee progress.
4. Prepare a Matching Grant agreement between CAAS Core Committee and Madhvani Co. Ltd. for purchase and installation of the Rhizobium Inoculation Production Unit.
5. Visit Gibuzalle Wet Coffee Pulper and other sites funded under the CAAS/PL-480 funding, e.g. Inuula Silk Enterprises, Snow Pea Project, and other projects.
6. Prepare agreements which apply to the seed distribution program; one will be between UCA and Oil Millers and another between Oil Millers and Growers.