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**REPORT ON
EARM INQUIRY REQUIRED
IN THE LOWER TRIANGLE
A NEEDS ASSESSMENT SURVEY**

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EXECUTIVE SUMMARY

The primary purpose of the Rural Economic Recovery Project (RERP) is to assist small farmers in the Lumero Triangle to increase their incomes by provision of credit for required agricultural inputs. The Project Needs Assessment has attempted to discover the priority inputs that will increase production of food and cash crops, and those which will help rehabilitate rural marketing and storage facilities.

The commodities division staff conducted extensive field research, surveying 400 farmers, 40 cooperative societies, 37 small businesses, and 5 district cooperative unions in order to develop a full list of needed commodities and to determine the extent of related distribution problems.

Commodities in greatest demand by all persons and institutions interviewed are, in order of preference: bicycles, hoes, machetes (pangas), spray pumps, and pruning saws. Bicycles with spares emerge as the overwhelming first choice, due to their multiple uses; transporting produce to market, moving inputs from homestead to farm, carrying family members to rural clinics, collecting water, and providing transport for social occasions.

The average Lumero Triangle farmer has an annual annual disposable income of about US\$ 6,000, but he will not spend it on goods that are, in his opinion, over-priced, even if he is in great need of crucial productive inputs. This conservative approach partly explains why a variety of agricultural inputs, which are in basic supply in the project areas and easily obtained in Kampala, have low sales to Lumero farmers. Therefore, a combination of cash and credit sales of project commodities, reasonably priced (but not heavily subsidized) will help solve this problem.

As to distribution, the method that appears to have the best chance of ensuring that the farmer will actually receive the commodities is shipment through the RER warehouse to the Primary Cooperative Society and to wholesaler/retailer. This has the advantages of greater financial accountability and effective monitoring and supervision by field staff. We have seen that primary societies with strong member participation and well-organized wholesalers/retailers are best able to control the proper distribution of available commodities to farmers.

The assessment also found a need for small enterprises to produce bricks and tiles for the re-building of war damaged shops, store rooms, and homes. It is recommended that the project supply machines suitable for low-cost, soil based brick/tile manufacturing. However, increased efforts by the Government of Uganda and international donor agencies are necessary to provide management and technical training to selected entrepreneurs and cooperatives. This could be part of

small scale agro-industrial development project , since there is also a strong desire among many Luwero farmers to rehabilitate their maize mills and coffee factories.

We conclude by observing that while the provision of credit and agricultural inputs to the Luwero Triangle farmers is a necessary first step to economic recovery, encouragement of small rural enterprises is vital for further increases in incomes and employment.

NEEDS ASSESSMENT SURVEY - LUSERO TRIANGLE

CHAPTER 1

INTRODUCTION

1.1 The Rural Economic Recovery Project:

The Rural Economic Recovery Project was launched on 27th April, 1987 in the Ministry of Cooperatives and Marketing. This Project is being financed by USAID through Agricultural Cooperative Development International/Development Procurement International (ACDI/DPI).

The main objectives of the R.E.R Project are:

- To assist the residents of the war damaged areas of Uganda in rebuilding their lives and economic productivity.
- To reactivate and reestablish a viable farm input supply and distribution system.
- To help reestablish and reactivate a viable and self sustaining Small Farm Credit System.

The Project is beginning in the Lusero Triangle since this area was completely decapitalized and devastated by the war yet it was once among the most productive areas of Uganda.

1.2 The Purpose of the Needs Assessment Exercise

1.2.1 The main purpose of the needs assessment is to determine the primary requirements for agricultural inputs of the typical farmer in the Lusero Triangle.

1.2.2 Uganda as a country does not have a complete, organized and up-to-date data base. Therefore, if any meaningful analysis of the needs of any group of people or area is to be carried out, an organized sample survey is necessary.

1.2.3 The Lusero Triangle after the war is in a poor position as regards data since some people had been killed, while others had run away, their property destroyed or looted. Though people have been returning, nobody knows exactly how many live there or what their requirements are for rehabilitation and development.

1.2.4 There have been donations and rehabilitation projects launched by local and international agencies in the area, but there is no gazetted information regarding the same. Hence, in order not to duplicate efforts, a survey had to be carried out to determine the farm inputs to be supplied to the area.

1.2.5 It was deemed necessary to carry out a survey so as to establish possible distribution points for the farm inputs so that the farmer in the Triangle would not have to travel long distances in order to buy them. Moreover, the RER Project is supposed to help both the members of cooperatives societies, and non-members. Hence, keeping in mind that the cooperative members would be served by the society nearest to them, the non-members would be catered for by local business entrepreneurs based at the trading center nearest to these farmers.

1.2.6 The needs assessment exercise tried to establish the existence of credit worthy areas, cooperatives societies and individuals who would be able to act as a nucleus of the credit program embodied in the RER Project.

1.2.7 The needs assessment exercise was also a way of acclimatizing the staff of the RER Project to the state of affairs of the Lumero Triangle in general and in particular to the conditions of the farmers who have just returned to their homes.

CHAPTER 2

AREA OF OPERATION

2.1 Sub-Counties in Luero Triangle

Table I shows the area of operation broken down at County and Sub-county levels. Map I in the appendix shows locations of these units in the Luero Triangle.

Table I: Counties and Sub-Counties in the Luero Triangle

<u>District</u>	<u>County</u>	<u>Sub-county</u>
Mpigi	Busiro	Makiso
		Kakiri
	Kyadondo	Masulita
		Nasayumba
Masokota	Boebe	
	Kira	
Mubende	Kiboga	Mangabo
		Kiringente
	Nityana	Mudusa
		Kabulasoke
Luwero	Mubende	Ripenja
		Kiboga
	Busujju	Bukooero
		Lumata
Kasanda	Hweta	
	Buteoba	
Luwero	Mubusa	Bulera
		Seekanyonyi
	Katikamu	Kikanda
		Malangala
Luwero	Mubusa	Bukuya -
		Kiterogga
	Katikamu	Kasanda
		Kikyusa
Luwero	Katikamu	Bamunika
		Zirobo
	Makulubita	Kalagala
		Luwero
Luwero	Makulubita	Butuntumula
		Nyimbwa
	Makulubita	Katikamu
		Makulubita

Luwero

Buruli

Kakooge
Mabinyonyi
Lwampanga
Kalungi
Nabiswera
Nakaseke
Kikasulo
Ngoma
Makyato
Kapeka
Semuto

Nakaseke

2.2 Derivation of the Name "Luwero Triangle"

At the height of the National Resistance Movement (NRM) guerrilla activities in 1983, districts around Kampala City were affected by poor security due to heavy fighting. These were the Districts of Mubende, Mpigi, Luwero and a small part of Mukono. Hence, the name Luwero Triangle was devised for the three districts of Mubende, Mpigi and Luwero, which form a rough triangle. Map I in the appendices shows the shape of the Luwero Triangle.

2.3 The Population of the Area

The main ethnic group in the Luwero Triangle is the Baganda but there are some Banyarwanda, Lugbara, Banyankole and Banyala in isolated places. The 1980 Census showed the population of the area as 980,736 people. Though it is common knowledge that many people died during the war, the conservative total of those who died is approximately 300,000 people in Luwero Triangle alone. Given that the growth rate of Uganda is approximately 2.8% per year, then the estimated population of Luwero Triangle is 850,000. This figure is lower than what it was in the 1980 Census and is much lower than it would have been if such massive killings had not been carried out in the area.

2.4 Upturn 1986

In January 1986, the NRM/NRA which had hitherto been carrying out a guerrilla war in the Luwero Triangle, defeated the regime in place and took up the reins of power. The guerrilla leader became the President of Uganda. It is little wonder therefore, that the former base for the guerrillas for five years was to be given a special place in the rehabilitation process.

The government first put up an SOS, both local and international, to raise US\$ 161 million to give immediate rehabilitation/relief to the war damaged areas. This was necessary because people were returning to their former homes which had been destroyed; in actual fact they were returning to their tracts of land rather than homes.

2.5 Needs Assessment Exercise

The Rural Economic Recovery Project is a stage higher than relief. It is a Project aimed at reinstilling work-habits in the people of the Luwero Triangle; instead of getting free handouts the people have to pay for the farm inputs they receive. It is intended to commercialize the people and to make them think in terms of ordering their priorities.

In order to establish exactly what the people in the area need in form of farm inputs, the RERP had to carry out a Needs Assessment Survey. The Commodity Procurement and Distribution Division of the RERP designed a Questionnaire for Farmers, Primary Cooperative Societies, Local Businessmen and District Cooperative Unions.

Visits to the three district headquarters were made to present the idea of the RERP in general and the needs assessment exercise in particular. The idea was welcomed by the district administrators who are in charge of the running of the districts in general. These, and the district cooperative officers in the and their supporting staff advised on the amendments to the Questionnaire so that it covered the most important issues.

The samples taken from the whole of Luwero Triangle were: 400 farmers, 40 Primary Cooperative Societies, 37 local businessmen and 5 unions. The final breakdown was:

Table II: Samples

	Npigi	Mukwinda	Luwero	Total
Farmers	74	99	227	400
Coop. Societies	7	8	25	40
Businessmen	6	7	24	37
Unions	2	1	2	5

The selection of farmers was done at random. Many farmers were found in their village trading centers, others were found at the Sub-County headquarters and yet others were found in their own homes.

The Primary Cooperative Societies' selection was weighted towards those which were most commercially viable and provided good service to members. The private businessmen who were interviewed were selected with the help of the Resistance Committees in the areas. The selection was done on the basis of their trustworthiness and honesty as well as viability in serving the local populace in their respective areas. Most of them are agents for sugar and salt. Extra care was taken in interviewing local businessmen, since they seem to be smaller in size and slower to recover from the war than cooperatives.

The cooperative unions were included in the sample on the basis of those that serve primary societies and operate units within the Project area.

The entire needs assessment exercise lasted four months. The project staff split into two groups so as to cover more sub-counties per visit. The two groups were accompanied by staff from the districts. Veterinary staff also accompanied the teams in Mpigi District.

2.6 The structure of the report

This report is divided into seven chapters. After the Introduction, the area of operation is surveyed to lay a firm background about the project area. Chapter 3 deals with the analysis of all the findings from the survey.

The sampled farmers' results are analysed per district while the unions, societies and traders are combined for all the three districts.

The socio-economic profile of an average Luero Triangle farmer is dealt with in Chapter 4. This Chapter tries to shed light on the typical farmer and the typical farm tools required.

Chapter 5 explores the distribution strategies which could be used by the RERP for their commodities. The estimated quantities of different farm inputs which are needed in the Luero Triangle are discussed in Chapter 6. This is done using the population figures and the effective demand of these different inputs. The recommendations and conclusions drawn from the needs assessment are in the last chapter.

CHAPTER 3

ANALYSIS OF SAMPLE RESULTS

The Needs Assessment Team decided that the results from farmers should be analysed on an individual districts basis because this would reflect respective district needs. It was found out that the three districts were not very similar in their work habits although all of them fall within the Lumero Triangle. The analysis was done by results from each county.

Results from unions, societies and traders were combined for all the three districts.

3.1.1

MPIBI DISTRICT

Table III: Family Size

	Total	0 - 4	5 - 10	11- 15	15+
	Members				
Kyadondo	23	1	11	7	4
Mamakota	12	2	4	3	3
Busiro	27	2	16	7	2
Soeba	12	2	6	1	3
Totals	74	7	37	18	12
Percent of Sample		10%	50%	24%	16%

The average family is between 5-10 people. This shows that the dependency ratio is very high. There are many exceptionally large families which have more than 10 people each. However, there is a chance that if rural-urban migration could be slowed, the people in the area could grow a lot of food and cash crops.

3.1.2 Table IV: Farmer Cooperative Membership

	Total	Members	Non-members
Kyadondo	23	14	9
Mamakota	12	3	9
Busiro	27	22	5
Soeba	12	6	6
Totals	74	45	29
X		61%	39%

Sixty-one percent of the people interviewed belong to a cooperative society. However, there is a significant indication that a large proportion of the people of Mpigi are on their own. Masokota County in particular has fewer people belonging to cooperatives. This shows the need for having other distribution outlets for RERP goods than cooperatives. Hence, it justifies the need to utilize local businesses in the distribution of farm inputs to some areas. Moreover, the District Administration officials had expressed a view that private businesses, after consultation with the Resistance Committees, would prove to be more reliable and efficient channels of distribution than cooperative societies.

3.1.3 Table V: Effects of War in the Area

	Kyadondo	Masokota	Busiro	Gooba	Total	%
Household goods Taken	21	6	17	12	56	76%
House Damaged	8	1	19	8	39	53%
Animals Taken	19	10	13	6	48	65%
Bicycle Taken	7	3	7	2	19	26%

Most people had their household property looted. More than half of the people had their houses destroyed and therefore building materials are urgently needed. Since many families also lost their animals and bicycles, it is prudent to expect that many of them would want to replace them.

3.1.4 Table VI: Acreage

	0 - 4	5 - 10	11+
Kyadondo	3	9	11
Masokota	-	5	7
Busiro	4	9	14
Gooba	2	6	4
Totals	9	29	36
%	12%	39%	49%

More than half of the people interviewed had more than 10 acres of land. This is certainly an economic size land holding as it would give the family a chance to expand and grow enough crops to eat and have some balance to sell; thus being able to raise money to purchase farm inputs and in the long run improve their standard of living. There are two farmers who have more than 400 acres each.

3.1.3 Table VII: Crops Grown in the Area

	Beans	Maize	Coffee	Bananas	Cotton
Kyadondo	19	17	18	16	-
Kawakota	9	8	9	9	-
Busiro	20	22	20	17	2
Gomba	10	11	10	7	3
Totals	58	58	57	49	5
%	78%	78%	77%	54%	7%

Mpigi District is a coffee growing area. Seventy-seven percent of the people grow coffee and nearly every family that grows coffee also grows maize and beans. Bananas are also widely grown. While beans and maize have been traditionally regarded as food crops, recently, they have been given prominence with the advent of barter trade. It is important that farmers be encouraged to grow these. Bananas are both a food and commercial crop. Indications seem to be that in the long run, bananas will become an export crop either directly, or indirectly through the sale of Uganda Waragi (which is primarily distilled from banana juice). Cassava and potatoes are grown by almost all families as food crops.

3.16 Pre-war and Present Yields

The yields of the last season for all the crops were very low compared to the pre-war yields. This is because many farmers returned to farms (shambas) which had become forests. The breaking of new ground has been slow due to lack of appropriate farm inputs.

Table VIII: Present Yields - 1986

Pre-war Yields - 1976

	Coffee (bags)	Cotton (Kg)	Maize (bags)	Beans (bags)	Coffee (bags)	Cotton (Kg)	Maize (bags)	Beans (bags)
Kyadondo	239	-	255	200	578	-	636	494
Mamakota	153	-	41	309	291	-	115	100
Busiro	250	-	183	121	635	1600	387	180
Bomba	223	-	145	55	452	-	302	216
Totals	864	-	624	686	1956	1600	1440	990

Notes: 1 bag coffee = 65kg
1 bag beans/maize = 100kg

In the period before the war, coffee was more intensively grown and yields up to 200 bags by farmers were being recorded. Maize was also intensively grown in the area with some farmers realizing up to 300 bags per season. There is also a great threat of wild pigs and monkeys which feed on maize, potatoes, beans and bananas.

If the RERP supplies farm inputs in the required combinations and at the right time, these crops could be grown with the same intensity as in pre-war periods.

3.1.7 Table IX: New Crops

It was found that many farmers would like to grow soyabeans, sunflower, cabbage and other vegetables. However, they would need good seeds if good quality output is to be expected.

	Totals	Soyabeans	Sunflower	Others
Kyadondo	23	12	9	15
Mamakota	12	7	4	10
Busiro	27	18	10	25
Bomba	12	8	2	12
Total	74	45	25	62%
%		61%	34%	84%

Other farmers were requesting hybrid maize and bean seeds to improve and increase their yields.

3.1.8 Farm Inputs Required - All Farmers

Table X: Tools

	Bicycles	Spray Pumps	Hoes	Pangas	Axes
Kyadondo	14	15	14	12	10
Mamakota	10	8	10	8	7
Busiro	25	24	20	22	19
Gomba	10	10	8	8	7
Totals	59	52	52	50	43
X	80%	77%	70%	68%	58%

These inputs are what farmers stated as their priorities. The bicycle tops the list with 80% of the respondents placing it first. It is noted that the bicycle, besides being the major means of transport in the rural areas where the feeder road network is very poor, is also a status symbol.

Spray pumps, too, are a priority because these pumps can be used by both cattle farmers and crop farmers to spray the animals as well as crops. Pangas and axes are needed because most farmers found their farms had become forests, so these tools are used to clear the land.

High on the list is the hoe for obvious reasons. Poor farmers cannot afford to purchase tractors. Tractor hire service is very expensive for them especially at this time when they have just returned to their land, having lost practically everything in the war.

Table XI: Weed Removal

	Pesticides	Herbicides	Tractor Hire	Fertilizers
Kyadondo	18	15	8	8
Mamakota	10	8	6	5
Busiro	24	20	16	11
Gomba	10	9	8	8
Totals	62	52	38	32
X	84%	70%	51%	43%

Traditionally, weeds were removed by hoe and hand but now, because of the scarcity and therefore expense of manual labor in the rural areas, and partly because using hand/hoe is slow and tedious, most farmers would like to use herbicides.

Pesticides are in high demand because many of the crops are being attacked by insects. Despite its cost, tractor hire service is nonetheless in demand, since ploughing larger fields using a tractor is faster than using a hoe. However, RERP is yet to find a solution to the question of herbicides and the pesticides since the Government of United States of America, which is funding the Project, is highly restrictive as to the exportation of such chemicals.

Table XII: Building Materials

	Gunny Bags	Iron Sheets	Cement	Wheelbarrow	Nails
Kyadondo	17	19	18	13	15
Masakota	8	10	8	7	7
Buhiro	14	21	20	18	13
Gooba	9	10	8	8	6
Totals	48	60	54	46	41
%	65%	81%	72%	62%	55%

The demand for building materials is very high because many people had their houses destroyed. Wheelbarrows are also in great demand since these can be used to collect the produce from the shambas for delivery to the homesteads.

Table XIII: Cultivation Tools

	Pruning Saws	Slashers	Spades	Forked Hoes
Kyadondo	12	6	3	4
Masakota	8	4	3	2
Buhiro	13	10	6	2
Gooba	6	3	3	4
Totals	39	23	17	12
%	53%	34%	23%	16%

Coffee farmers would like to acquire slashers and pruning saws because these are the tools used to maintain the coffee plots. Forked hoes are demanded because they are the ones that can be used to uproot Lusbugu (Rhizome family) which grew unchecked during the war period.

3.1.9 Farm Inputs Required - Farmers with Animals

Of the farmers interviewed, 64 (86%) keep animals of one kind or another, in addition to the crops they grow; 10 farmers (14%) do not have any animals in their homes.

Table XIV: Types of Animals

	Chickens	Pigs	Cows	Goats	Sheep
Kyadondo	18	13	8	9	4
Mamakota	9	9	4	1	3
Busiro	21	22	15	10	-
Gomba	11	8	11	10	4
Totals	59	52	38	30	11
X	92%	81%	59%	47%	17%

Of the people who keep animals, the majority keep local chickens and pigs. Local chickens are normally kept in homes in practically all parts of the country. These serve as food or presents for visitors, and also help to tell time in the rural areas where watches/clocks are not available.

Pigs have become a common animal in villages since they are easier to look after because they eat practically anything. More importantly, there has developed a situation in most rural areas where roasted pork by the roadside or in small trading centers is considered a delicious accompaniment to the local beer. This has become an important source of income for those farmers who are raising the pigs.

Most farmers were requesting for better breeds of chicken, pigs, cows, and so that they could undertake animal rearing on a more commercial basis.

Table IV: Tools Required

	Totals	Spray Pumps	Barbed Wire	Chicken Mesh	Milk Cans
Kyadondo	19	12	14	3	4
Mamakota	10	8	7	0	2
Busiro	24	21	18	4	3
Gomba	11	9	8	3	2
Totals	64	50	47	12	11
X		78%	73%	19%	17%

The survey revealed that spray pumps are very much required by cattle keepers since the public dips have not yet been repaired. There are two farmers who would like to acquire motorized spray pumps. Barbed wire is also very much needed for fencing off land to be used by animals especially cows.

Table XVI: Building Materials

	Totals	Iron Sheets	Bicycles	Cement	Nails
Kyadondo	19	13	8	12	11
Mamakota	10	9	7	8	5
Busiro	24	18	18	15	12
Gomba	11	8	10	6	4
Totals	64	48	43	41	32
x		75%	67%	64%	50%

The results of this category of inputs goes a long way to reinforce the demand of these goods as displayed in the farm inputs required (3.1.7)

Table XVII: Additional Inputs

	Animal Drugs	Animal Feeds	Shovels	Staple
Kyadondo	17	15	3	-
Mamakota	10	7	4	-
Busiro	22	18	6	-
Gomba	10	8	2	8
Totals	59	48	15	8
x	92%	75%	23%	13%

Of significant demand are animal feeds especially for pigs. Animal drugs for both medicinal and spraying purposes are greatly demanded by almost all the farmers. Many farmers are complaining that apart from the shortage of drugs, veterinary field workers do not visit them, hence a high death rate among the animals. Farmers in Bomba County in particular, are requesting quaboots.

Table XVIII: Demand for Animals and Related Services

	Exotic Cattle	Cattle Dip Repairs	Day Old Chicks
Kyadondo	11	4	2
Mamakota	7	3	1
Busiro	12	7	4
Bomba	7	9	2
Totals	37	23	9
x	58%	36%	14%

The farmers who keep cows are requesting repair of the public cattle dips which had their roofs taken off during the war, and which disintegrated from lack of use and poor maintenance. More than half the farmers would like to be supplied with exotic cows and feel ready and able to look after them. Day-old chicks for both layers and broilers are also demanded by some farmers who would like to participate in the poultry industry.

3.1.10 General Comments

- Mpigi District is generally a very fertile area and contributes a generous amount towards total agricultural produce of Uganda. Therefore, given the right farm inputs, and if the extension staff at the district level did their job efficiently, the potential for agricultural output would be very high and related farm incomes would increase significantly.
- There is generally a lack of transport for taking the farmers' produce to the markets. That is why the supply of bicycles to the area will go a long way in reducing this shortage.
- Also due to poor feeder road network, many vehicle owners are wary about sending their lorries and/buses to such areas to purchase farm produce.

- In most cases, when buyers find their way to these villages, they offer farmers very low prices. Farmers have to accept them because there is no other alternative since they cannot get their produce to market themselves.
- The farmers are not normally paid cash by the cooperative societies when they deliver their produce (coffee and cotton mainly) to the societies' stores. They have to wait for a long time for this cash, so that by the time it is given to them, it is almost meaningless.
- These rural areas lack farm supply shops. By the time the farm inputs reach the farmers, they are unaffordable.
- Most of the respondents were complaining about lack of water supply in their areas. The natural springs from which they used to draw water before the war have all dried up.
- There is need for tractor hire service at reasonably affordable rates if production in the area is to increase to a high level.
- The wild animals especially wild pigs and conkeys have become a menace to practically all crops. The farmers, through their Resistance Committees have reported the matter to higher authorities but no action has yet been taken.
- Many farmers were requesting that REPP supply the farm inputs to them on credit (or half credit) because most of them do not have ready cash to pay for these goods.

MUEBE DISTRICT

3.2.1 Table I: Family Size

	Total	0 - 4	5 - 10	11- 15	15+
Bussujju	10	2	4	2	2
Kassanda	9	0	0	2	7
Kiboga	55	2	26	12	15
Mityana	25	8	11	5	1
Totals	99	12	41	21	25
X		12%	42%	21%	25%

Forty-six per cent of families have more than ten members. Hence, the dependency ratio is high. The largest family recorded is 40 people.

3.2.2 Table II: Farmer Cooperative Membership

	Total	Members	Non-members
Bussujju	10	7	3
Kassanda	9	9	0
Kiboga	55	52	3
Mityana	25	17	8
Totals	99	85	14
X		86%	14%

There is significant cooperative membership in this district. Hence, it would seem as though cooperative societies would be the best channel for distribution of RERP farm inputs.

3.2.3 Table III: Effects of War in the Area

	Bussujju	Kassanda	Kiboga	Mityana	Total	%
Household goods Taken	8	6	47	24	85	86%
House Damaged	-	1	29	24	54	55%
Animals Taken	5	2	36	22	65	55%
Bicycle Taken	3	2	26	20	51	52%

All the families in this area were hard hit by the war. The majority lost everything they owned. Many families were requesting help in the form of blankets, saucepans and other household items. Many farmers lost their animals and bicycles during the war.

3.2.4 Table IV: Acreage

	Total	0 - 4	5 - 10	11+
Bussujju	10	2	3	3
Kassanda	9	0	0	9
Kiboga	55	2	14	39
Mityana	25	6	7	12
Totals	99	10	24	63
X		10%	27%	64%

The majority of farmers have bigger tracks of land of more than 10 acres. Kiboga County in particular has a range of between 50-200 acres. The highest acreage recorded is 900 acres.

3.2.5 Table V: Crops Grown in the Area

	Maize	Beans	Bananas	Coffee	Cotton
Bussujju	8	8	7	10	-
Kassanda	9	9	9	9	2
Kiboga	53	49	51	45	16
Mityana	22	23	21	22	2
Totals	92	89	88	86	20
X	93%	90%	87%	87%	20%

Cassava and Potatoes are grown for home consumption by the families. The popularity of these crops stems from the fact that they take less than six months to grow.

3.2.6 Table VI: Pre-War and Present Yields

	Present Yields - 1986				Pre-War yields 1978			
	Coffee (Bags)	Cotton (Kg)	Maize (Bags)	Beans (Bags)	Coffee (Bags)	Cotton (Kg)	Maize (Bags)	Beans (Bags)
Bussujju	36	-	24	-	115	-	49	18
Kassanda	320	-	180	58	595	-	355	85
Kiboga	1203	3140	667	119	2909	16,130	3441	933
Mityana	683	300	235	58	1210	960	770	115
Totals	2242	3440	1106	215	4829	17,090	4615	1151

It is clearly shown by the table that the present yields are well below the pre-war yields.

3.2.7 Table VII: New Crops

	Totals	Soyabeans	Sunflower	Others
Bussujju	10	5	1	6
Kassanda	9	3	5	8
Kiboga	55	39	19	36
Mityana	25	13	5	11
Totals	99	60	30	61
X		61%	30%	62%

Apart from the crops currently being grown, a healthy percentage of farmers would like to grow crops which are being emphasized by the present government to help in the barter trade agreements. Many farmers expressed a wish to grow cabbages and green vegetables, groundnuts and sisim, so as to improve their diet. This of course will depend on the availability of good seeds.

3.2.8 Farm Inputs Required - All Farmers

Table VIII: Tools

	Bicycles	Hoes	Pangas	Axes
Bussujju	10	9	7	6
Kassanda	8	7	7	5
Kiboga	34	27	22	24
Mityana	21	22	17	18
Totals	73	65	53	53
X	74%	66%	54%	54%

Table IX: Weed Removal

	Spray Pumps	Herbicides	Pesticides	Fertilizers
Bussujju	15	9	6	3
Kassanda	5	6	6	7
Kiboga	23	26	25	24
Mityana	15	14	14	1
Totals	58	55	51	35
X	58%	56%	52%	35%

Table X: Building Materials

	Wheelbarrows	Iron Sheets	Cement	Nails	Gunny Bags
Bussujju	9	7	7	5	5
Kassanda	6	6	5	5	6
Kiboga	23	23	19	18	14
Mityana	15	12	10	7	8
Totals	53	48	41	35	33
X	54%	48%	41%	35%	33%

Table XI: Cultivation Tools

	Slashers	Seeds	Forked Hoes	Pruning Saws
Bussujju	4	3	1	2
Kassanda	2	7	4	1
Kiboga	24	20	22	7
Mityana	12	3	2	6
Totals	42	33	29	16
%	42%	33%	29%	16%

3.2.9 Farm Inputs Required - Farmers with Animals

Eighty-three per cent of respondents keep animals of one type or another and 17% do not keep any animals at all.

Table XII: Types of Animals

	Chicken	Goats	Sheep	Cows	Pigs
Bussujju	3	5	6	6	1
Kassanda	4	5	2	7	8
Kiboga	34	29	28	18	4
Mityana	14	6	8	8	5
Totals	55	45	44	39	18
%	66%	54%	53%	46%	21%

The greater percentage of families keep local chickens. Many farmers expressed the problems of looking after these animals:

- Lack of drugs for both spraying and medical use.
- Lack of feeds especially for pigs.
- Lack of building materials for animal sheds
- Lack of good and constant water supply for the animals
- Lack of working public cattle dips in the area.

- Since many animals were looted from the area, many farmers would like to restock their farms but lack the funds to do so. Many farmers are interested in rearing chickens (broilers and layers) but they cannot get access to day old chicks, the feeds and the related drugs.

The types of farm inputs required by these farmers who keep animals are:

Table XIII: Tools Required

	Chicken Wash	Spray Pumps	Barbed Wire	Milk Cans
Bussujju	3	2	4	4
Kassanda	5	5	3	5
Kitoga	15	17	16	12
Mityana	13	7	6	9
Totals	36	31	29	26
X	43%	37%	34%	31%

Table XIV: Building Materials

	Bicycles	Iron Sheets	Cement
Bussujju	5	5	6
Kassanda	2	4	3
Kiboga	13	15	8
Mityana	12	5	6
Totals	32	29	23
X	38%	34%	27%

Table XV: Additional Inputs

	Animal Drugs (All types)	Feeds	Cattle Dip Repairs	Salt
Bussujju	9	2	1	-
Kassanda	8	3	2	3
Kiboga	41	19	2	-
Mityana	12	3	2	-
Totals	70	27	7	3
X	84%	32%	8%	3%

High on the list of animal husbandry needs are animal drugs (all types). Most farmers complain that the few animals they have managed to replace are dying due to lack of medication.

Feeds, salt and repairs of cattle dips were also brought out in the needs for animal husbandry. Kiboga County had the majority of farmers wanting feed especially for pigs.

3.2.10 General Comments

Looking at the pre-war yields as in (Table 3.2.6), the area is a potentially high yielding one; supplying the area, especially Kiboga, with the necessary agro-inputs would go a long way to maximize yields. However, people face problems in marketing their produce. These problems, similar to the Mpigi district, are as follows:-

- Lack of transport - because of the poor state of feeder roads, getting the produce to the nearest market is difficult.
- Delay in payment for produce especially in the cases of coffee and cotton. Most of the time, coffee/cotton are bought on credit and by the time the farmer gets paid, he does not realize the real value of his produce.
- Lack of proper storage for other produce like beans and maize. Many farmers have these crops ready awaiting for buyers. These are now being destroyed by weavils because of lack of such facilities or the relevant chemicals.
- Lack of organized market buyers for maize, beans etc. Nobody has yet organized the marketing of these products and this may discourage the farmer from growing more.
- Lack of packing materials like gunny bags and Hessian cloth (for cotton). Produce is now delivered at the existing stores and emptied there. This causes deterioration in quality and spoilage.
- On the whole, the area has a poor network of feeder roads and many places lack clean water supply. Many respondents requested credit facilities. The request for tractor hire service was reinforced by most people. Many were sceptical about their efforts to increase production because the area also has an influx of wild pigs and monkeys.

3.3

LUMERO DISTRICT

3.3.1 Table I: Family Size

	Total	0 - 4	5 - 10	11- 15	15+
Buruli	64	4	27	15	18
Katikamu	52	5	34	5	8
Nakasoke	58	6	26	20	6
Mabusana	53	1	30	11	11
Totals	227	16	117	51	43
%		7%	52%	23%	19%

The average family size in Lwero District is of 5 - 10 people. The largest family size recorded is of 50 people.

3.3.2 Table II: Cooperative Membership

	Total	Members	Non-members
Buruli	64	39	25
Katikamu	52	39	13
Nakasoke	58	41	17
Mabusana	53	51	2
Totals	227	170	57%
%		75%	25%

The greater percentage of the respondents were cooperative members. Hence, the non-members will be served by appointed businessmen in their respective areas.

3.3.3 Table III: Effects of War in the Area

	Buruli	Katikamu	Nakasoke	Mabusana	Total	%
Household Goods Taken	48	49	49	50	196	86%
House Damaged	28	44	40	25	137	60%
Animals Taken	35	48	46	30	159	70%
Bicycle Taken	19	47	40	40	146	64%

The whole of Luero District seems to have been very hard hit by the war; hence it will be difficult to satisfy the different kinds of needs that the people of the area have. Some progressive farmers lost lorries, pick-ups and private cars.

3.3.4 Table IV: Acreage

	0 - 4	5 - 10	11+
Buruli	15	17	30
Katikamu	8	22	20
Kiboga	10	19	28
Mityana	3	23	27
Totals	36	81	105
X	16%	37%	47%

The greater percentage of farmers have more than ten acres of land. Two farmers in Nakaseke county have five square miles and four square miles respectively.

3.3.5 Table V: Crops Grown in the Area

	Maize	Beans	Coffee	Bananas	Cotton
Buruli	47	44	18	15	45
Katikamu	48	49	50	48	15
Nakaseke	46	44	50	45	24
Mabusana	50	50	50	45	30
Totals	191	187	168	153	113
X	84%	82%	74%	67%	50%

Apart from Buruli, which is dry, the other 3 counties grow a lot of coffee. However, Buruli grows more cotton than the other three. All the counties grow a lot of beans and maize. Buruli county in particular grows a lot of groundnuts and sisima. In all the counties, cassava and potatoes are grown for home consumption.

3.3.6 Table VI: Pre-war and Present Yields

Considering the pre-war yields of the area, it is abundantly clear that this area has a potential of producing more.

- Present Yields - 1986

Pre-War Yields - 1978

	Coffee (Bags)	Cotton (Kg)	Maize (Bags)	Beans (Bags)	Coffee (Bags)	Cotton (Kg)	Maize (Bags)	Beans (Bags)
Buruli	93	9,361	621	480	303	39,751	1,003	1,232
Katikamu	817	320	128	105	2,514	4,940	1,907	2,300
Nakasoke	613	1,975	1,180	224	3,400	14,580	4,972	2,143
Mityana	989	5,310	168	239	2,877	13,870	1,662	2,970
Totals	2512	16,966	2,097	1,048	9,076	73,141	9,544	8,645

3.3.7 Table VII: New Crops to Grow

	Soyabeans	Sunflower	Others
Buruli	25	2	38
Katikamu	25	1	42
Nakasoke	32	0	43
Mabusana	24	0	49
Totals	106	3	172
X	47%	1%	76%

People in the area would like to grow soya beans except they lack good seeds. Many would like to grow crops like cabbages, tomatoes, and green vegetables to improve their diet.

However, a great percentage want to increase their production of maize and beans.

3.3.8 Farm Inputs Required - All Farmers

Table VIII: Tools

	Bicycles	Hoes	Panga	Asses	Ox Ploughs
Buruli	48	64	44	43	40
Katikamu	45	36	34	33	-
Nakasoke	51	31	42	38	-
Mabusana	49	40	29	30	-
Totals	193	171	149	144	40
X	85%	75%	66%	63%	18%

Most farmers considered these inputs to be their priority items. There is an urgent need for ox-ploughs in Buruli. It also seems that hoes are scarce in Buruli area. All farmers interviewed wanted these.

Table IX: Weed Removal

	Spray Pumps	Herbicides	Pesticides	Fertilizers
Buruli	45	23	28	27
Katikamu	38	34	36	24
Nakaseke	43	38	38	25
Mabusana	47	47	30	37
Totals	173	142	132	113
X	76%	63%	58%	50%

There is great need for these items in this category. Many farmers are complaining about insects which are attacking practically all their crops. Also, due to the high cost of hired human labor, most farmers want herbicides. Spray pumps are, however, in greater demand.

Table X: Building Materials

	Cement	Iron Sheets	Gunny Bags	Nails	Wheelbarrows
Buruli	45	42	39	30	35
Katikamu	43	38	42	39	30
Nakaseke	42	37	41	39	37
Mabusana	39	40	31	41	43
Totals	169	157	153	149	145
X	74%	64%	67%	66%	64%

Table XI: Cultivation Tools

	Slashers	Pruning Saws	Forked Hoes	Spades
Buruli	27	18	14	14
Katikamu	25	23	-	-
Nakaseke	27	18	19	-
Mabusana	20	14	11	17
Totals	99	73	44	31
X	44%	32%	19%	14%

This category of items is not in high demand but if they are brought in, in smaller quantities, they will find a ready market.

Table XII: Additional Inputs

	Tractor Hire	Seeds	Gumboots
Buruli	20	27	28
Katikamu	28	12	11
Nakaseke	26	28	25
Mabusana	34	12	15
Totals	108	79	79
X	48%	35%	35%

Many farmers would like to be supplied with good quality seeds for beans, maize, cabbage, and sunflowers in order to increase their production. Gumboots are also demanded in this area.

Many farmers again requested household goods especially mattresses, saucepans and blankets. Some farmers also were requesting pickups and lorries to replace their own that were looted.

3.3.9 Farm Inputs Required - Farmers with Animals

It was found from the survey that 182 (90%) of the farmers in Luero District keep animals of one kind or the other and 45 (20%) do not keep any animals at all.

Table XIII: Types of Animals

	Chicken	Cows	Pigs	Goats	Sheep
Buruli	36	47	43	40	10
Katikamu	41	17	29	19	4
Nakaseke	29	15	24	12	5
Mabusana	37	41	21	27	15
Totals	143	120	114	98	34
X	63%	53%	50%	43%	15%

Buruli County has a greater population of cows than the other counties. Pigs are popular in all the counties. However, farmers complain that they have a lot of problems in looking after all these animals, such as :

- There are hardly any veterinary extension workers; hence farmers lack the basic knowledge in animal husbandry and health.
- There is a high death rate among the animals due to lack of drugs.
- There is also a lack of construction materials such as barbed wire for fences and iron sheets, chicken mesh for animal sheds.
- Many of the cattle dips are in poor condition, and there is a lack of spray pumps and drugs for spraying.
- There is shortage of water in the area, lack of feed especially for pigs and unavailability of salt for cows.
- Many animals, especially cows were looted during the war and many farmers have not been able to restock.

The inputs required by farmers with animals are:-

Table XIV: Tools Required

	Totals	Spray Pumps	Barbed Wire	Chicken Mesh	Milk Cans
Buruli	52	38	46	25	24
Kassanda	39	39	36	17	11
Kiboga	44	36	28	16	8
Mityana	47	39	36	28	14
Totals	182	152	146	86	57
%		83%	80%	47%	31%

This category of requirements was widely demanded by ranchers, especially spray pumps and barbed wire.

Table IV: Building Materials

	Totals	Iron Sheets	Coconut	Bicycles	Nails
Buruli	52	43	40	38	33
Katikamu	39	34	30	33	20
Nakasoke	44	33	36	30	25
Mabusana	47	35	37	34	28
Totals	182	145	143	135	106
x		80%	79%	74%	78%

Table XVI: Additional Inputs

	Totals	Animal Drugs	Feeds	Salt	(All types)
Buruli	52	49	30	23	
Katikamu	39	36	19	10	
Nakasoke	44	41	21	8	
Mabusana	47	40	24	18	
Totals	182	166	94	59	
x		92%	52%	32%	

The main priority of all farmers who raise animals is animal drugs of all types; for both medicinal and spraying purposes.

Table XVI: Additional Inputs (Continued)

	Totals	Exotic Cattle	Cattle Dip Repairs	Day Old Chicks
Buruli	52	22	19	-
Kassenda	39	5	4	8
Nakasoke	44	10	2	6
Mabusana	47	17	14	4
Totals	182	54	39	18
x		30%	21%	10%

As in the other districts, the few public dips available in the area also are in great state of disrepair.

Many farmers reported that lack of transport is the major problem they face in marketing their animals and animal products. In order to overcome this problem, they need bicycles and containers (especially milk cans) so they can reach the markets which can offer them higher prices for their animals and animal products. The farmers of Buruli County requested a milk cooling plant for the milk. In fact, this county has the largest population of cattle in the whole of Luero District.

3.3.10 Needs for Fishermen

In the whole of Luero Triangle, it is Buruli County where fishermen are found since it is the only county near Lake Kyoga. Even then, it is in only two (2) Sub-counties namely Luapanga and Kalungi that fishermen were among the sample interviewed. Hence, the needs of fishermen will be based on the small number of respondents who are fishermen. Also, it is likely that the Project will be supplying the fishing inputs to these 2 sub-counties only. All in all, 15 people were interviewed who are fishermen.

The breakdown of respondents who are fishermen is as follows:

Table XVII:

	Fishermen	Non-Fishermen
Buruli	15	49
Katikaou	-	52
Nakaseke	-	58
Mabusana	-	53
Totals	15	212
x	7%	93%

The fishermen all had the same requirements.

Item	Type/Size	No. of Respondents	%
Fishnets	5 inch - 6 inch	15	100
Cords & Twine	36, 48, 24, 12, 9, 6 Ply	15	100
<u>Hooks</u>	No. 8, 7, and 9	15	100
Outboard Engines	Johnson or AHP.6	13	87
<u>Boats</u>	20 feet length	10	67
Wire Mesh for Drying Fish	3 metres square	15	100
Refrigerators	Solar Powered or Kerosene	15	100
Ice Plant		10	67

The first three items on the list namely fishnets, cords, hooks were listed as priority items by every fisherman farmer. All the farmers complained about the unavailability of markets for their fish. The Lueaspanga Fishing Cooperative Society lorry which used to ferry the fish to the market, has been grounded for almost two years. Now, all the fishermen rely on the private transporters and fish dealers who come to the landing sites to collect or buy fish. When the place becomes almost inaccessible due to the bad state of roads during the wet season, many fishermen lose their fish due to lack of storage facilities. Fishermen are now demanding wire mesh for soaked fish in order to be able to preserve them. However, the demand for dried fish is lower than that for fresh fish. There is need for refrigerators or construction of a coldroom in order to be able to preserve the fresh fish.

3.3.11 General Comments

- The roads in the whole district are poor. With this state of affairs, lorries/transporters and produce buyers are not able to reach many farmers; therefore, farmers' produce especially beans and maize, is not bought.
- Farmers are suggesting that if they had stores at sub-county level for produce like maize and beans, then they would be able to keep the produce until it is sold. However, all the farmers lack insecticides to preserve them from weavils.

- There is a very great shortage of packing materials like gunny bags.
- Therefore, there is also an urgent need for bicycles in the whole area so that farmers can be able to transport their own produce to the nearest markets.
- The farmers would like to be availed with tractor hire services in their areas if they are to increase their productivity. Coupled with the availability of good quality seeds, like hybrid maize, beans, soya, etc, farmers would be able to produce more. Pesticides and herbicides are in great demand since labor costs are very high. However, wild animals especially wild pigs and monkeys are numerous and destroy practically anything the farmers try to grow.
- Many farmers complained about shortage of clean water supply in their respective areas. The natural springs which used to be their source of water dried up; hence they have to move greater distances to collect water. Bicycles would be a great help to reduce the amount of time wasted in looking for water.
- In the cases of cotton and coffee, many farmers who grow these crops deliver them to their respective societies on credit and have to wait for a long time in order to be paid.
- Farmers in Buruli County in particular were very interested in acquiring ox-ploughs. Being the chief cattle area in the district, they also required a milk collection centre.
- Since the whole area was hard hit by the war, many families live in very poor conditions. There is an urgent need for iron sheets and cement so as to improve the homes of the populace. Greatly demanded also are household goods, such as like saucepans.
- Finally, all the farmers in the area are requesting that most RERP farm inputs be supplied to them on credit (or half credit). Many of them have a problem of ready cash to purchase the inputs.

3.4

DISTRICT UNIONS

There are four District Cooperative Unions and one National Union which operate in the Lumero Triangle. These are:

Type of Union	Headquarters	Affiliated societies in Lumero Triangle
District Unions:		
Mamala Cooperative Union	Mityana	81
East Mingo Cooperative Union	Kampala	270
West Mingo Cooperative Union	Kaweepe	110
Buruli Cooperative Union	Nakasongola	12
National Union:		
Tusitukirewamu Handcraft	Kampala	8

3.4.1a.

Mamala Cooperative Union

This is one of the biggest District Unions in the whole country. The Union has 81 affiliated societies in the Lumero Triangle. It also has its own Units which it operates in the Lumero Triangle. These are:

Unit	Location	Type of Activity
Kateera Coffee Factory	Kateera Trading Centre	Coffee Processing
Kateera Maize Mill	"	Maize Milling
Kiboga Ginnyery Factory	Kiboga Township	Cotton Ginning
Masodde Coffee Factory	"	Coffee Processing
Kyankwanzi Cattle Ranch	Kyankwanzi	Beef Cattle Ranching
Kyankwanzi Pineapple Farm	"	Pineapple Brewing

These units were badly destroyed during the war. Machinery, fencing wires, iron sheets, water pipes etc were looted or damaged: over 3,000 head of cattle were eaten, three tractors looted.

Among the union's most active affiliated cooperative societies, the needs assessment team visited 7 societies, namely:

<u>Society</u>	<u>Location</u>
- Busunju G.C.S. Ltd.	Busunju Town
- Kaswa Budoma G.C.S. Ltd.	Kiboga Town
- Buyaga G.C.S.	Buyaga
- Kigali Kirbedda G.C.S.	Butera
- Baganda Wamu G.C.S.	Kikonge
- Kassanda Kwegata G.C.S.	Kasanda
- Kijungutte G.C.S.	Kikoliba/Ntweta

The union is due to start a credit and saving scheme in a few of its affiliated societies. The success of this pilot project will dictate its spread to the rest of the affiliated societies.

Mazala Union operates a fava supply shop at Kiboga Ginnery. Hence, RERP should be in position to utilize the facility and the storage space for the fava inputs which will be distributed in the area.

3.4.1b

EAST HEMBO COOPERATIVE UNION

This Union is viewed to be one of the richest District Unions in the country. The Union has 270 affiliated societies in Luvero Triangle making it the largest Union in the Triangle. The Union operates the following units in the Triangle:-

<u>Unit</u>	<u>Location</u>	<u>Type/Activity</u>
Namunkekeru Coffee Factory	Kapeeka	Coffee Curing
Namunkekeru Ranch	"	Beef Dairy cattle
Ngoma Ranch	Ngoma	Beef Cattle
Nakaseke Ginnery	Nakaseke	Cotton Ginning
Luvoro Coffee Factory	Luvoro	Coffee Processing
Bombo C.F.	Bombo	Coffee Processing
Kibisi under Rehabilitation	Bombo	Pineapple Growing
Nakakabala	Mabusana	"
Bamunanika Ginnery	Bamunanika	Cotton Ginning
Kalule Bombo	Bombo	Seed Dressing Station.

All the above were badly damaged during the war. Over 10,000 head of cattle were looted rendering the ranches defunct. No replacement has yet been made. Namunkekeru Coffee Factory and Nakaseke Ginnery were badly destroyed. Luvoro and Bombo coffee factories are functioning. Kibisi Pineapple Fara is being rehabilitated. Bamunanika Ginnery is working. The machinery at the Kalule Seed Dressing Station was looted/damaged; hence the process is now being carried out manually.

Among the active and viable affiliated cooperative societies of East Mengo Union, the needs assessment team visited 19 of them, namely:

<u>Unit</u>	<u>Location</u>
Kapeeka G.C.S. LTD.	Kapeeka
Bukatira G.C.S. Ltd.	Kalega Trading Centre
Luwero Kazibira G.C.S. Ltd.	Luwero Town
Zirobwe G.C.S. Ltd.	Nambi
Ddegeya G.C.S.	Ddegeya
Bukiaa G.C.S.	Zirobwe
Ngalonkalu G.C.S.	Ngalonkalu
Mobusana G.C.S.	Kabagole
Buto Kichwa G.C.S.	Bamunanika
Zalilyo Ranching C.S.	Kikyusa
Makyato G.C.S.	Kikyusa
Butiti Magoma G.C.S.	Magoma
Kewerimide G.C.S.	Makyato
Kituntumuzi G.C.S.	Kyangatto
Kalule G.C.S.	Kalule
Wobulenzi G.C.S.	Wobulenzi Town
Mawale G.C.S.	Mawale
Kasaala G.C.S.	Butuntusula
Kibule Nakakata G.C.S.	Kanyanda

G.C.S. = Growers Cooperative Society

The most impressive society visited was Luwero Kazibira G.C.S. Ltd. It has a lot of potential and has been earmarked to participate in the RERP program for distribution of farm inputs.

East Mengo Union does not operate a farm supply shop, but the union is ready to hire a store at Wobulenzi or Luwero.

Alternatively, the union can be helped to repair the stores at Bamunanika ginnery and/or Nakaseke Ginnery.

3.4.1c West Mengo Cooperative Union

This union is another of the biggest unions in the country. The union has 110 affiliated societies in the Luwero Triangle and their main area of operation is Mpigi District. The Union has 6 units located in the Triangle:

<u>Unit</u>	<u>Location</u>	<u>Type/Activity</u>
Kibibi Coffee Factory	Butambala County	Coffee Processing
Kiddusule Coffee Factory	Gooba County	Coffee Processing
Budde Ginnery	Butambala county	Cotton Ginnery
Kigonda Pineapple Farm	Mubende District	Pineapple Growing
Kiganda Ranch	Mubende District	Cattle Ranching
Bukandula Maize Mill	Gooba County	Maize Milling

Units were looted of:

- Factory machinery rendering Bukandula maize mill useless. (Kibibi and Kiddumule coffee factories and Bude Ginnery have been rehabilitated and are now working.)
- Office equipment
- House and office fittings
- Vehicles which were "borrowed" during the war and never returned.
- Staff houses at Kibibi C.F., completely bombed out.
- Cows at Kiganda Ranch (now abandoned) and goods at Kiganda Pineapple Farm (now rehabilitated)

The needs assessment team visited six cooperative Societies which are affiliated with West Mengo Union, and these are:

<u>Unit</u>	<u>Location</u>
Kisolosolo G.C.S.	Kyalimajjala
Kitabuza G.C.S.	Kabulasoke
Kanzira G.C.S.	Kanzira
Batono G.C.S.	Kalongero
Bukwaba Magogo G.C.S.	Bukwaba
Muyobozi G.C.S.	Jeza

The union operates agricultural supply outlets at all their working units and these have helped the farmers in the surrounding areas. However, the high cost of inputs especially those from the Uganda Cooperative Central Union (UCCU) has led to the union being unable to purchase inputs in sufficient quantities. In some cases, farmers are not able to afford these inputs resulting in the inability of the union to sell off stocks.

3.4.1d

BURULI COOPERATIVE UNION

This union is among the poorest Unions in the whole country. Buruli Union has 12 affiliated societies in Luero Triangle, and is the only one which wholly operates in Luero Triangle.

The union has nine units but most of them were completely destroyed/looted during the war. These are:

<u>Unit</u>	<u>Location</u>	<u>Type/Activity</u>
Ginnery Ranch	Nakasongola	Cotton Ginning
Tractor Hire Service Ranch	Ic Ssinja	Beef Ranching
Transport	Nakasongola	Ploughing
	Idi Butiti	Beef Ranching
	Nakasongola	Hire/General Transport
• Petrol Station	-	Fuel Sales + Lubricating Services
Farm Supply shop	-	
Maize Mill	-	
Nakijjwa Farm Lodge	Nakijjwa	Agricultural Farming

- The Ginnery at Nakasongola was looted of most of the parts and spares but has been rehabilitated and is now in working condition. However, at the time of the RERP needs assessment team visit, the union lacked a Ginnery Fitter.
- All the ranches were completely looted of cows. A total of 2,000 head of cattle were eaten. Efforts to restock the farms and rehabilitate structures on the farms have not been fruitful. Currently only 50 cows are at the Ic Ssinja Ranch.
- The Union had its lorries and cars looted. Only one old lorry survived. All the tractors were looted but this unit has now been given 3 tractors under the Emergency cotton Campaign Program.
- The Petrol Station was completely destroyed, although it can be rehabilitated.
- The maize mill was also completely looted and a new maize mill is required but the union cannot afford it.
- The farm supply shop was also completely destroyed; the lodge, however, is operational.

Among the most active and viable cooperative societies affiliated to the union, the RERP needs assessment team visited 5 societies namely:

SOCIETY	Location
- Kazwama Growers Cooperative	Kalungi
- Nakasongola Growers Cooperative	Nakasongola
- Nabiswera Growers Cooperative	Nabiswera
- Nacunkanga Growers Cooperative	Kakooge
- Lwaspanga Fishing Cooperative	Lwaspanga

Considering the poor state of the union, it would seem as though the RERP may have to by-pass it and deal with the societies directly in the distribution plan of RERP farm inputs.

3.4.1e TUSITUKIREMUKU HANDICRAFT COOPERATIVE UNION

This is a national union which deals with the buying and selling of handicrafts from affiliated societies. It has affiliates in the whole of Lumero Triangle, its main contacts being women who belong to cooperative societies. Apart from farming activities, they are engaged in the making of handicrafts as a source of extra income.

The union operates a shop in Kampala where handicrafts from members are sold. However, due to unavailability of imported raw materials like dyes, members' products are of low quality and do not attract many customers. Therefore, they would like RERP to assist them in acquiring better inputs. Of course it is known that the RERP is designed to help the agricultural sector but handicrafts are interwoven in this sector since a person is not wholly engaged in farming.

3.4.2 Union Requirements

Table I: Building Materials

	Iron Sheets Pieces	Iron Bars 3/4"	Cement (tons)	Nails Kgs
East Mengo	9,000	4,000	3,500	2,000
West Mengo	2,000	1,000	1,000	1,500
Mamala	7,000	2,000	1,200	1,000
Buruli	1,000	-	500	700
Totals	19,000	7,000	6,200	5,200

In order to replace the structures which were destroyed by the war, all the unions indicated that building materials are among their priority items.

Table II: Office Equipment

	Calcu- lator	Scales	Cash Box	Adding Machine (Manual)	Furn- iture Chrs	Filing Cabinet	Safes	Type- writer	Table	Dupli- cating Machine
E. Mingo	20	20	15	10	-	10	10	10	-	1
W. Mingo	20	15	10	10	-	10	3	3	-	1
Wamala	25	15	10	10	-	10	5	2	-	1
Buruli	10	15	5	5	25	2	3	1	10	1
Tusituki- rewabu	2	-	2	2	10	2	2	1	3	-
Totals	77	65	42	37	35	34	23	17	13	4

Most of the office equipment was looted during the war and most unions have found it very difficult to replace them. Buruli Union in particular is in very bad shape as regards office furniture.

Table III: Livestock Farms

	Treated Palls	Barbed Wire (Rolls)	Beef Cows	Exotic Cattle (Milk)	Goats	Spray Pumps	Water Pump	Diesel Engine	Cattle Drugs
E. Mingo	3000	1500	1200	1200	400	100	4	2	Various
W. Mingo	2000	1000	500	500	-	50	2	1	-
Wamala	3000	1000	500	1000	500	100	2	2	-
Buruli	4000	1500	1500	500	-	80	2	2	-
Totals	12,000	5000	3700	3200	900	330	10	7	

All the ranches belonging to these unions were looted of all animals. Even the structures and ammunition on the ranch were destroyed. All the unions have found it difficult to restock their ranches and have more or less given up.

Table IV: Transport Requirements

	Tarpaulins	Motor Cycles	New Lorries	Tractors	Tractor Trailers	Pickup 2-3 tons	Tractor Ploughs
E. Mingo	120	3	2	2	2	1	2
W. Mingo	50	2	2	2	2	1	2
Masala	50	2	2	2	1	2	1
Buruli	10	2	2	-	1	1	-
Totals	230	9	8	6	6	5	5

Table V: Tyres and Tubes

	1000 x 20		1200 x 20		1100 x 20		900 x 20	
	Tyres	Tubes	Tyres	Tubes	Tyres	Tubes	Tyres	Tubes
E. Mingo	100	100	100	100	100	100	50	50
W. Mingo	70	70	100	100	50	50	50	50
Masala	100	100	100	100	50	50	30	30
Buruli	30	30	-	-	-	-	15	15
Totals	300	300	300	300	200	200	145	145

All the unions would like to get spares for their lorries. Also, the unions would like to acquire new lorries, in particular, Buruli Union. East Mingo Union asked for a bulldozer.

Table VI: Maize Mill Requirements

	Complete Mill	Millers	Rollers	Grinders	Fan
E. Mingo	2	2			
W. Mingo	2				
Masala	2	1			
Buruli	1		1	1	
Totals	7	3	1	1	

If some of these maize mills were procured under the RERP then it would go a long way in increasing farmers' productivity.

Table VII: Coffee Factory Spares

	Coffee huller Screens	Fans	Motors 40 H.P.	Motors Starters 40 H.P.	Coffee hullers	Generators
E. Mingo	100	100	50	-	8	-
W. Mingo	-	-	8	8	-	1
Mamala	-	-	5	5	3	-
Buruli	-	-	-	-	-	-
Totals	100	100	63	13	11	1

Table VIII: Ginnery Spares

	Generator (Diesel)	New Ginnery units
E. Mingo	1	-
W. Mingo	1	-
Mamala	1	1
Buruli	1	1
Totals	4	2

With the frequent power cuts, generators are needed in order to ensure continued ginning. Buruli Union would like a modern ginnery since the one at Nakasongola was built in the fifties and cannot cope with increased production of raw cotton. Mamala Union would like a new ginnery since the one at Kiboga is almost obsolete.

3.4.3 General Comments

- All the unions were very receptive to the formation of RERP and its role in assisting the farmers of Luero Triangle to acquire farm input at reasonable prices. All of them hoped for RERP assistance for themselves since their respective units in the Luero Triangle also suffered the same fate as individual farmers during the war.

- All of them were positive about the demand for the farm inputs in their respective areas and gave as farmers priorities the following:
 1. Bicycles
 2. Hoes, pangas and axes
 3. Spray pumps
 4. Herbicides and Pesticides.
- The unions said that there is great demand for building materials such as cement and iron sheets
- All the unions complained about their lack of transport. Most of their lorries were looted and those that survived the looting are in great states of disrepair. Hence, they are not able to collect farmers' produce for their various factories/ginneries to process.
- All the unions face the problem of inadequate storage facilities.
- Lack of working capital was another problem faced by all unions. The unions are hoping that when RERP brings in the farm inputs, they will be able to secure them on credit. Their meagre capital is already stretched beyond limits by the financing of cotton/coffee purchases.
- The Needs Assessment Teams were very impressed by the Management and Investment Schedules of East Ningo and Masala Union.

3.5

PRIMARY COOPERATIVE SOCIETIES

The RERP intends to use cooperatives societies to distribute a major portion of the farm inputs procured. Hence, it was deemed necessary to survey these cooperative societies in order to assess their viability and storage facilities. The Credit Team will also survey these societies and assess their credit worthiness. These societies were looted and some completely destroyed but are now trying to revive their operations but with little working capital or cash.

All in all 40 cooperative societies were visited by the Needs Assessment Team and the breakdown per district is as follows:

District	Number of Societies
Mpigi	7
Mubende	8
Luwero	25
Total	40

The complete list of cooperative societies is in Appendix II. The analysis of results from these cooperative societies will be in three sections. Section one will deal with a short overview of each and every society visited, the second section will deal with the needs of each society but compiled per district and the last section will be for general comments.

3.5.1

BRIEF NOTES ON SOCIETIES

a) Mpigi District

1. Kisolezole Growers Cooperative Society

The society is found in Kira sub-county in Kyadondo County. It is affiliated with West Mingo Union. This society deals in both cotton and coffee and is trying to start the buying of beans and maize. The society has two stores; one is in reasonably good condition and the second at wall-plate level. However this store can be completed. Both stores are on leased land. The society participated in the Cooperative Credit Scheme.

2. Balyesima Consumer Cooperative Society

The society is in Soaba-county, Kyadondo county. It is affiliated with Uganda Consumer Cooperative Union. The society owns a maize mill situated at Kawape output is sold to the National Resistance Army and the Ministry of Rehabilitation. They also deal in beans. The society has two stores but only one of them in good condition. The society also operates a shop at Matugga Trading Centre. The society has never participated in the Credit Scheme. Nevertheless, this is one of the progressive societies visited and should be considered for participation in the RERP Program.

3. Kitabuze Growers Cooperative Society

This society is in Snabagabo sub-county, Goema County. It has 500 members. It deals in the marketing of cotton and coffee. The society has five stores but of these only two belong to them and the other three are rented. Their two stores are built on leased land. They do not operate a farm supply shop but are ready to convert one of their hired stores into a shop. The society did not participate in any Scheme. The society is affiliated with the West Mingo Union.

4. Kanzira Cooperative Society

This society is in Muayuka sub-county, Goema County. The society has 600 members. The society deals in the buying of coffee. It has four hired stores. The only one they own is being constructed and is three quarters finished. The store is being built on the society's own land. The society does not operate a farm supply shop but is willing to hire one if necessary. The society has never participated in any scheme. This society is affiliated with West Mingo Union.

5. Batono Growers Cooperative Society

Batono G.C.S is affiliated with West Mingo Union and is situated in Kiziba sub-county, Busiro County. It has a membership of 92. The society deals in the buying of coffee and cotton as the main activity. However, it is also trying to join the maize and beans trade.

The society has no store. The only store they used to have was sold off to pay a loan to West Mingo Union. However, they need to at least replace that store. They could not participate in any Scheme because they still have a huge debt from the union. This debt had been used to build a coffee factory. Therefore, the Needs Assessment team does not recommend this society to be used in the distribution of the RERP goods in the early phase.

6. Bulamba Magogo Growers Cooperative Society

The society has 193 members and is in Kakiri Sub-county, Busiro County. It is affiliated with West Mingo Union. The society mainly deals in the buying of coffee. However, cotton, beans and maize are also handled but in smaller quantities. The society owns one store but also hires two others, but the one they own needs extensive repairs. This store is built on the society's own land. The society did not participate in any credit scheme because it was newly formed at that time of such the schemes.

7. Muyobozi Growers Cooperative Society

This is the largest cooperative society visited in Mpigi District. It has 684 members. It is in Muduma Sub-county, Mawokota county.

The society deals mainly in coffee. It is also involved in the buying of cotton, maize, beans, soyabeans and sorghum. The society has 12 stores spread all over their area of operation. However, all these stores are semi-permanent and need to be repaired. One of the stores is built on leased and this lease has expired; the rest are built on society's own pieces of land. The society operates a farm supply shop and sells fertilizers, hoes and herbicides mainly. This is one of the most progressive societies visited and is highly recommended as a participant in the RERP distribution plan. It is affiliated with West Mango Union.

The Needs Assessment Team have recommended only two cooperative societies namely Balyosilema Consumer and Muyobozi Growers Cooperative Society to be included on the distribution plan of RERP commodities in Mpigi District. Batono G.C.S is definitely out of the distribution plan. However, the rest should be assessed further, or even paid second visits to select others which can participate in the distribution plan of RERP.

3.5.2 b) Mubende District

1. Buyaga Growers Cooperative Society

Buyaga G.C.S. is in Musale sub-county, Mityana. The society is affiliated with Masala Union and has 720 members. Their main activity is the buying of coffee and cotton. The society has 7 stores which are in fairly good state and are all operational. These stores are built on the society's own land. The society did not participate in any scheme but is now participating in the credit/savings scheme started by Masala Union. The society is trying very hard to help its members. RERP should consider it in the distribution plan of the farm inputs.

2. Bisunju Growers Cooperative Society

The society has 300 members and is located at Bisunju Trading Centre. It is an affiliate of Masala Union. Their main activity is the buying of coffee. Currently, the society is hiring four stores. They had been allocated one store by the Custodian Board but it has been reallocated to an individual hence, they need to build a store of their own. The society does not operate a farm supply shop but they are willing to rent one. The society participated in the Credit Scheme. It is among the

progressive societies that the Needs Assessment Team visited and it should be included in the distribution plan of RERP goods.

3. Kigali Kiribedda Growers Cooperative Society

This society is in Bulera sub-county, Mityana County, and is in one of the remote areas of the Triangle. The society is affiliated with Masala Union and has 420 members. The society mainly deals in cotton and coffee. It has 4 stores, three of them rented. Their one and only store is in need of extensive repairs, and is built on the society's own land. The society does not operate a farm supply shop. The society participated in the Rural Savings Scheme. However, despite its remoteness, the society is doing reasonably well and is recommended for the distribution of farm inputs brought in by RERP.

4. Baganda Haru Cooperative Society

This society is found in Malangala Sub-county, Busujju County. It is affiliated with Masala Union. The society has 250 members and is engaged in the buying of coffee and cotton from farmers in the area. It has four stores, but only one is permanent and the other three are semi-permanent; all need extensive repairs.

The three semi-permanent stores are built on the society's own land but the permanent store is built on Government land. The society participated in the Rural Saving Scheme. On the whole this society is also progressive and should be considered in the distribution plan of RERP.

5. Kassanda Kasigata Cooperative Society

Among all societies visited, this society has the highest membership of 1512. It is in Kassanda County. The society is affiliated to Masala Union. The main activity of the society is the buying of coffee and cotton, though currently it is trying to buy beans and maize too. The society has five stores of which two are in good condition and three need repairs. All these stores are built on the society's own land. The society does not operate a farm supply shop but is willing to convert one of the stores into a shop. The society also participated in the Rural Saving Scheme.

6. Kijungutte Growers Cooperative Society

This society is very progressive. Plans of erecting a coffee processing factory were shelved because of the war but are now ready to be implemented. There are only 65 members left alive after the war. This society is affiliated with Masala Union but is in a very remote area. Its main activities are buying coffee, cotton, maize, and

beags. There are three stores, two of which need some repairs but are usable. These stores are built on land which belongs to one of the members. The society faces a problem of transport. However, the members have collected enough money to purchase a lorry. The Needs Assessment Team was very impressed by the society and recommends it be included in the distribution plan of RERP.

7. **Kasuu Budoma Growers Cooperative Society**

This society is in Butesba sub-county, Kiboga county. It is affiliated with Masala Union and has a membership of 600. The main activity is buying coffee and cotton. The society has 11 stores with only one being of permanent nature. The 10 semi-permanent stores need some repairs but are usable. All the stores are on leased land. The society participated in the Credit Scheme. The society appears to be very progressive and is recommended to participate in the RERP distribution plan.

8. **Akatyanira Consumer Cooperative Society**

Among the societies visited, this is the most dormant society. It is situated in Kikandwa sub-county, Kiboga county. It has over 100 members. Currently, no activity is going on. The members are trying to rehabilitate their shop but have little money. This society should NOT be used in the RERP distribution plan until probably in the second phase of the project.

The seven societies recommended should actually be used in distributing the RERP farm inputs. However, as indicated above, the team has reservations about the ability and capability of Akatyanira Consumer Cooperative Society to participate in the distribution of goods.

c) **Luwero District**

i) **Mabusana County**

1. **Daguya Growers Cooperative Society**

The society is in Kalagala sub-county and it deals mainly in coffee. The society has 297 members and is an affiliate of East Mango Union. There are two stores but one of them is hired; hence the society would like to build another store of its own. In the past they ran a shop which was looted and destroyed. The land on which the society's store is built belongs to one of the members. The society is also requesting a maize mill because there is a lot of maize in the area and the society wants to diversify its activities.

- 5. **Mabusana Growers Cooperative Society**

The society has 200 members and is an affiliate of East Mingo Union. It is found in Kikyusa sub-county. The main activity is buying coffee and cotton. The society has four permanent stores which are being utilized one of which has a land title. These stores are built on the society's own land. Unlike other societies visited, (according to its last balance sheet 1985/86,) it is liquid. It ready to convert one of its stores into a farm supply shop in order to serve the farmers in this remote area. It also participated in the Rural Savings Scheme. The society is very capable and will be able to handle the distribution of the RERP goods.

6. **Butto chwa Growers Cooperative Society**

This society is also affiliated with East Mingo and has 500 members. It is found in Rasunanika sub-county with headquarters in Rasunanika Trading Centre. The society has eight permanent stores of which five need some repair. The main activity of the society is the buying of coffee and cotton from farmers. The society is very progressive and is trying to acquire a lorry of its own. This society also requested a brick making machine to help their members rebuild their houses which were destroyed by the war. The society also participated in both the Cooperative Credit Scheme and the Rural Savings Scheme. This society should serve as a distribution point for the RERP goods.

7. **Zalilyo Ranching Cooperative Society**

The main activities of the society include the buying of coffee and cotton. The society used to have a ranch which was looted during the war. Efforts to restock it have not been very successful. This society is in Mbazzi Parish, Kikyusa sub-county. It has 70 members and is affiliated with East Mingo Union. Its store was destroyed during the war and has not yet been rehabilitated. It was felt that this society has too many management and financial problems and that it should NOT be included in the distribution plan of RERP goods unless and until another visit and a second assessment is made by the Credit Team.

Therefore, apart from Zalilyo Ranching Cooperative Society, the other six societies should be considered in the distribution plan of RERP goods in Mabusana County.

ii) - Nakasoto County

1. Kapeeka Growers Cooperative Society

The society is in Kapeeka sub-county. It has 250 members and is affiliated with East Mingo Union. The society deals mainly in cotton and Coffee. Coffee of its stores were destroyed by the war. The one that can be rehabilitated is right now being used as the headquarters of the society. The rest have to be completely rebuilt. All the stores had been built on government land. The society participated in both the Cooperative Credit Scheme and the Rural Savings Scheme. RERP should try and rehabilitate the society's remaining store as part of the project's assistance.

2. Maliyato Growers Cooperative Society

The society has 230 members and deals mainly in coffee and cotton. Its only store was de-roofed during the war, and the remaining structure disintegrated. Currently, the society is renting four stores. The society participated in both the Cooperative Credit Scheme and Rural Savings Scheme. The society and the farmers in the area are trying hard to recover from the war effects, hence should be included in the RERP distribution plan. This society is affiliated with East Mingo Union.

3. Butiti Mingo Cooperative Society

The society is in Kikazulo sub-county and has 220 members. It is affiliated with East Mingo Union. The society deals mainly in coffee and cotton, although it is trying to trade in beans and maize as well. The society has five stores but all of them need extensive repairs. The Needs Assessment Team recommends that the stores should be visited to assess which one can be repaired to store farm inputs, if the RERP plans to include this society in the distribution plan.

4. Kweriaindo Growers Cooperative Society

This society is also in Kapeeka sub-county and has a membership of 335. The society is affiliated with East Mingo Union. The society has two stores but one needs some major repairs. Both stores are built on the society's own land. The society used to operate a farm supply shop but it was looted during the war; now the society wants to reopen it. The society participated in both the Rural

Savings and the Cooperative Credit Schemes. The Needs Assessment Team recommends it be on the distribution plan of RERP inputs.

5. Kituntumuzi Growers Cooperative Society

The society is in Nakaseke sub-county and has 200 members. It deals mainly in coffee and cotton. The society owns one store which survived the war and three others which are being rented, although the three rented ones need repairs. The society is capable of handling agro-inputs and should be included on the distribution plan. This society is an affiliate of East Mango Union.

6. Bukatira Growers Cooperative Society

The society is in Sesoito sub-county and is affiliated with East Mango Union. It has 274 members and its main activities are buying coffee, cotton, maize, and beans. The society has three stores but all of these were de-roofed. However, one store has been completely rehabilitated by the ILD Project and can be used to store inputs. All the stores are built on the society's own land.

The society participated in the Cooperative Credit and the Rural Savings Schemes. This society should also be used in the distribution of inputs procured under the RERP.

iii) Katikamu County

1. Kalule Growers cooperative society

This society is in Nyalabwa sub-county and has 156 members. Its main activity is buying coffee and cotton from farmers. The society has three stores and only one is permanent in nature. However, all the three stores need repairs. The two semi-permanent stores are built on borrowed land and the permanent store is on the society's own land. The society did not participate in any scheme because it was never chosen. Kalule is affiliated with East Mango Union. The Needs Assessment Team agreed that this society should be visited again to reassess its ability to handle farm inputs.

2. Mbulenzi Growers Cooperative Society

The society has 300 members and is affiliated with East Mango Union. The society deals mainly in coffee and cotton but is trying to trade in beans and maize. The society has one big permanent store situated in Mbulenzi Town. It also plans

-- to open a farm supply shop in the same town. The society participated in the Cooperative Credit Scheme. Mbulenzi society also used to own a ranch which was looted of all its animals during the war. It is among the progressive societies in the area which the team visited and is therefore recommended to be included in the distribution plan of RERP inputs.

3. Makule Growers Cooperative Society

This society is in Makubulita sub-county and has 170 members. It is affiliated with East Mango Union. The society deals mainly in coffee and maize, and has four stores, but all of these are semi-permanent in nature and all need extensive repairs. The society participated in both the Rural Savings and Cooperative Credit Schemes. However, the Needs Assessment Team felt that before any decision can be made on this society, another visit should be made to assess the society's ability to handle the farm inputs.

4. Kasaala Growers Cooperative Society

The society is in Butuntumula sub-county, and it deals mainly in coffee and cotton. The society did not indicate its membership. It has two stores and all of these need extensive repairs. These stores are built on government land. The society participated in both the Rural Savings and Cooperative Credit Scheme, and is affiliated with East Mango. This society should be recommended in the distribution of inputs procured under RERP.

5. Lusero Keziabira Growers Cooperative Society

This society has 850 members and is one of the most active societies visited. It is affiliated with East Mango Union. It deals in coffee and cotton, but is also handling beans and maize buying. The society owns three permanent stores and the biggest store is situated in Lusero Town. These stores are built on the society's own land. The society also operates a farm supply shop. It also participated in both the Rural Savings and Cooperative Credit Scheme. This society was once judged to be the best society in Lusero District and in the whole country. The officials of the society are believed to be very honest. The society also owns a lorry. This society seems to be the most capable of handling the distribution of agro-inputs and hence, should be given first priority in the distribution of RERP goods.

6. Kibule Masakata Growers Cooperative Society

This society is also in Makubulita sub-county and is affiliated with East Mingo Union. It has 280 members and deals mainly with coffee and cotton. However, it also intends to engage in produce buying. The society has two stores with one being permanent in nature. However, both of these need repairs since one of them was completely de-roofed. These stores are built on the society's own land. The society was involved in both the cooperative Credit and the Rural Savings Schemes. This society is more active than Masale Growers cooperative Society (3) and it should be considered as a distribution point for farm inputs in Makubulita sub-county.

iv) Buruli County

1. Lwapanga Fishing Cooperative Society

This is a fishing cooperative society near Lake Kyoga and is affiliated with Buruli Union. It has 270 members and these members are fishermen. The society used to help in the transportation of members' fish to the markets, but currently the lorry is grounded due to lack of tyres. The society has one big store/building which is right in Lwapanga Trading Centre. The store requires some minor repairs and painting. This store is built on the society's own land. The society used to operate a farm supply shop but that was looted during the war. This society is willing to convert one of its stores into a farm supply shop. This society would be a very good distribution point, especially for the inputs required by fishermen. The society participated in the rural Savings Scheme.

2. Masunkanga Growers Cooperative Society

The society has 320 members and is found in Kakeoge sub-county. It deals with coffee mainly. This society has two stores but one needs some repairs. These stores are built on government land. The society is willing to convert one of the stores into a farm supply shop. It participated in the Rural Savings Scheme. Therefore, this society should be considered for distributing RERP goods. The society is affiliated to Buruli Union.

-3. Makasongola Consumer Cooperative Society

The society has 30 members and is situated in Makasongola Trading Centre. This society is affiliated with the Uganda Consumer Cooperation Union. The society runs a wholesale shop and is also engaged in produce buying. The shop sells some farm inputs. The society has one store behind the shop but would like to expand that store. Consideration should be given to this society in the RERP distribution plan since it already operates a viable shop.

4. Kazusa Growers Cooperative Society

This society is in the remote part of Buruli County with very poor accessibility since the road is almost non-existent. The society has 350 members and deals mainly in the buying of cotton. The society is also engaged in cattle and salt trade. The society has an office block which is not yet completed and this block is supposed to house the society's store. However, the society owns another two semi-permanent stores which need some repairs. The office block is built on the society's own land. The society participated in both the Rural Savings and Cooperative Credit Schemes. The Team has recommended that this society be included in the distribution plan of RERP to help serve the farmers in this remote area.

5. Mabiswera Growers Cooperative Society

The society is in Mabiswera Trading Centre and has 300 members. It is affiliated with Buruli Union. It deals mainly with cotton but is also engaged in cattle trade. The society has two stores but one needs some minor repairs. However, these stores are capable of storing sizeable quantities of farm inputs. The society is ready to turn one store into a farm supply shop for farmers in the area. The society also participated in both the Rural Savings and Cooperative Credit Schemes. This society is also recommended to be a distribution point for RERP goods.

6. Makasongola Growers cooperative Society

The society has 412 members. This society has a small office in the premises of Buruli Union of which it is an affiliate. The society deals in cotton, coffee, groundnuts and maize. It owns two stores of which one needs major repairs. Also, the society needs to build a small office for

- itself. The society participated in both the Rural Savings and Cooperative Credit Schemes. This society also expressed interest in acquiring a brick-making machine

This society should also participate in the distribution of RERP goods.

In conclusion, the Needs Assessment Team felt that all the societies in Buruli County should participate in the distribution of RERP farm inputs. Because their mother union is poor and has a lot of managerial problems, it probably would not be able to handle the distribution of RERP goods.

3.5.2. Cooperative Societies Requirements

These requirements are divided into

1. Building materials
2. Office equipment
3. Absorption Capacity

1) Building Materials

	Bricks	Iron- sheets (pieces)	Cement Bags	Paint (Lts)	Nails	Ridgepo	Doors	Windows	Iron Bars
Mpigi	-	1152	2210	40	100	55	17	20	-
Mubende	5000	1905	1000	60	250	80	20	30	5
Luwero	44000	3900	3175	1079	800	152	55	40	60
Totals	49000	6957	6385	1179	1150	287	92	90	65

2a) - Office Equipment

	Chairs	Files	Pad Locks	Scales	Tables	Adding Machine
Npigi	60	35	22	20	15	6
Mubende	72	45	24	24	21	6
Lusero	301	82	73	62	69	33
Totals	433	162	119	106	105	45

2b) Office Equipment

	Safe	Dashboard	Type Writer	French	Books of Accounts	Stationary
Npigi	3	6	4	2	All Socie- ties want	All socie- ties want
Mubende	11	7	5	2	All	Assorted
Lusero	29	25	16	5	All	Assorted
Totals	43	38	25	9		

3. Farm Inputs Absorption Capability

All the societies expressed willingness to handle REEP farm inputs and some even indicated the quantities of these inputs that they can distribute over a period of time. The priorities given by cooperative societies tallied with those given by unions and ultimately those given by farmers themselves. These priority items include:

- a) **Bicycles** - All societies indicated that they can handle over 500 bicycles in a 3 months period.
- b) **Spray Pumps** - In fact, most societies were requesting between 200 and 300 spray pumps each.

c) **Herbicides, Pesticides, and Fertilizers:**

There is great need for these items throughout the Lusero Triangle. The societies informed Needs Assessment Team that RERP should supply spray pumps with the necessary drugs.

d) **Building Materials**

Cement and iron sheets are very much in demand since societies as well as farmers would like to rebuild their destroyed structures/houses.

e) **Gunny Bags**

There is an urgent need for gunny bags by farmers since these help in the transportation of their produce. Most societies indicated that they can well dispose off about 2,000 gunny bags each within a period of one month.

f) **Hoes, Axes, Pargas and Ox-ploughs**

These products are in great demand too but their demand is not as urgent as the above five items. However, Buruli County/Lusero District in particular would like to acquire ox-ploughs as immediately as possible.

3.5.3 General Comments

- Most of the societies have transport problems. They rely mostly on their mother unions to provide transport for them in order to transport their produce from their stores to the processing units. Only Lusero Keziabira Growers Cooperative, and Bukiau B.C.S. Society own lorries.
- Very few societies have stores which are in good condition. The bulk of the stores need repairs and some of them really need major repairs.
- Many societies lack books of accounts, stationery, safes, calculators etc. If RERP is to use these societies as distribution points, some basic office equipment will have to be supplied to them first to ensure that proper records are kept. It may even be necessary to organize some basic courses/seminars in record keeping and accounting procedures for society officials.

- All the societies face the problem of insufficient crop finance advanced to them by their respective unions so as to be able to purchase farmers' produce. The idea of distributing the RERP for inputs to the farmers with a credit component was well received by societies.

- Some societies would like to be assisted with brick making machines so as to be able to start rebuilding their destroyed structures and help farmers to rebuild their houses. Many societies also requested that RERP consider importing mill mills as part of the farm inputs so that they can diversify their activities and be able to earn more money.

- Membership in the Cooperative Credit Rural Savings Schemes:

Out of the 40 cooperative societies visited, the following participated in these Schemes:

	Coop. Credit Scheme	Rural Savings Scheme	Both	Non-Members
Mpigi	1	1	-	5
Mubende	2	3	-	3
Lusero	2	2	17	4
Total	5	6	17	12
%	13%	15%	43%	30%

Most of the societies which participated in the Credit/Savings Schemes (plus those that did not) are eagerly waiting for such schemes to be revived due to previous successful implementation.

3.6

LOCAL BUSINESS

The idea of interviewing local businessmen stemmed from the fact that not all the farmers in the Lusero Triangle are members of cooperative societies. In fact, among the sample of farmers interviewed 37% (Mpigi), 14% (Mubende) and 25% (Lusero) were not members of any cooperative society. Hence, since the RERP plans to use cooperative societies as distribution channels for the farm inputs it is clear that these societies would not be in position to serve each and every farmer. Therefore, it was deemed necessary that a few trusted, and honest businessmen be selected to serve farmers in their respective areas. The businessmen who were interviewed are primarily small retail store owners/operators, popularly known as "Dukas".

37 Businessmen interviewed and their breakdown per district is as follows:

District	No of Businessmen
Mpigi	6
Mubende	7
Lusero	24
<hr/>	<hr/>
Total	37
	<hr/>

Appendix III gives a list of all interviewed, the type of business run, home district, location of their business, and a few comments about each business.

In analyzing the answers given by the businessmen, a scoreboard for each question was designed. This scoreboard ranged from 0 to 3.

Zero (0) Represents

- A business/owners do not have bank account.
- A business without a license
- Shop premises without security
- No separate storage i.e. - the shop premises being used as stores
- Very low capital currently invested in the business (between shs 1 - 10,000/=)
- Owner incapable of handling hardwares/farm inputs.

- Owner willing to invest very little capital (Shs 1 - 10,000/=) in farm inputs
- Business has no Books of Accounts.

One (1) Represents

- A sole trader (proprietor)
- Business is of general retail in nature
- Low capital currently invested in the business (i.e. between Shs 11,000 - 49,000/=)
- Owner willing to invest low capital in the business (i.e. between shs. 11,000/= - 49,000/-)

Two (2) Represents

- The business is a partnership
- Deals in bicycle sales and bicycle spares
- The shop premises are small (i.e less than 20' x 15')
- The sales are on retail basis
- Medium capital currently invested in the business (Shs 50,000 - 99,000/=)
- Owners are willing to invest medium capital in the farm inputs (i.e. shs 50,000/= - 99,000/=)
- The shop is built with mud and wattle (semi-permanent)

Three (3) represents

- Business is a limited company
- Business/owners has a bank account
- Deals in hardware/agricultural goods
- Big shop premises (bigger than 20' x 15')
- Shop premises are of permanent structure (bricks/blocks with cement)
- The business is licensed
- The sales are on wholesale basis
- Business premises has security, that is, a nightwatchman and/or burglar proofed doors and windows.

- The stores are separate from the shop premises.
- High capital currently invested in the business i.e. over Shs 100,000/=
- Owners are willing to handle agricultural inputs and would be able to invest over Shs. 100,000/=
- Business has and maintains books of accounts

From the above explanation of the score board, the maximum possible score is 39 points and the least score possible is 1 point.

3.6.1 Ownership of Business

	Sole Trader	Partnership	Limited Company	Total
Mpigi	1	3	2	6
Mubende	4	2	1	7
Luwero	24	0	0	24
Totals	29	5	3	37
%	78%	14%	8%	
Scores	1	2	3	

The rating (scores) was based on the assumption that a Limited Company was likely to be better organized, more efficiently run and likely to be more capable to raise funds than either a partnership or a sole proprietor. Hence, a Limited Company is more able to finance its own operations without relying heavily on the RERP for credit. However, the results from the sample interviewed show that 78% were Sole Traders and the Limited Companies accounted for only 8%. In fact, in Luwero District, all the businessmen who were interviewed were sole traders. See Appendix III.

3.6.2 Bank Accounts

	Business with Bank Accounts	Business without Bank Accounts	Total
Mpigi	6	0	6
Mubende	7	0	7
Luwero	16	8	24
Totals	29	8	37
%	78%	22%	
Scores	3	0	

78% of all business interviewed operate bank accounts with their nearest bank branch in their areas. All the businessmen who do not operate bank accounts are found in Luwero District and hence all of them are Sole Traders.

3.6.3 Possession of a Trading License

Thirty-five Traders (95%) possessed trading licenses for the current year and only 2 (5%) had none; and these are sole traders from Luwero District. In addition, of the Traders who had Trading Licences, 15 of them (43%) are wholesalers and 20 (57%) are retailers. Only one trader holds a manufacturing license and is not included in the above figures.

The maximum score of three was given to the wholesalers since these people are used to bulk purchases. The retailers were given a score of one.

3.6.4 Business Premises

Fifty-nine percent of businessmen had both shop premises and separate stores. Forty-one percent used the shop premises as their stores. Businessmen with separate storage space scored three and those without separate storage scored zero. Both the business premises (shop) and storage space were divided into big and small. Shop and/or storage capacity of up to size 15 square feet was taken as "small". Above 15 sq. feet was taken as "big". 21 Traders (58%) had big shops and/or storage and scored three whereas 15 (42%) traders had small shops and were given a score of two. 81% of the premises were permanent buildings made up of burnt bricks/blocks with cement. 19% were semi-permanent buildings made of mud and wattle. Traders with permanent premises scored three and those with semi-permanent premises scored two. However, there was one trader who was interviewed who had no business premises at all. He repairs bicycles under a tree and hence scored zero. The Needs Assessment Team recommends that this person be given a contract to assemble the bicycles which are being procured by RERP and which will be

distributed in that area. This is an exception, in that many more bicycle repair businesses will be needed should the supply of bicycles and spares increase in the Triangle.

3.6.5 Business Type

	Hardware/ Agricultural Supplies	Bicycles Sales/Spares	General Retail	Bicycles Repairs	Total
Npigi	3	1	2	-	6
Mubende	6	1	-	-	7
Luwero	5	2	16	1	24
Totals	14	4	18	1	37
X	38%	11%	49%	3%	
Score	3	2	1	0	

The items dealt in by the traders were divided up into 4 categories as shown in the table. Hardware/agricultural supplies were rated the highest because farm inputs fall into this category and it would be easier for traders who have been dealing in such items to handle RERP goods. In fact, the Team interviewed three traders who were running farm supply shops. However, most traders who were interviewed were dealing in General Retail (47%). Bicycle repairs were rated the lowest mark because the trader has a specialized line of business and the fact that he did not have any business premises at all.

3.6.6 Security for Business Premises

Seventy percent of traders interviewed had some form of security for their business premises. Security provided was taken to include provision of night watchmen, doors and windows with iron bars, or burglar proof wooden doors and windows. Therefore, there is at least some assurance that petty thefts will not occur. The traders who have security for their premises scored three and those that do not have any form of security for their business premises scored zero.

3.6.7 Capital Currently Invested in Business

Capital currently invested in the business by traders was categorized into four groups viz:

	Amount	No. of Traders	%	Category	Score
Shs	100,000/= and above	22	59%	High	3
Shs	50,000/= - 99,000/=	6	16%	Medium	2
Shs	11,000/= - 49,000/=	5	14%	Low	1
Shs	1 - 10,000/=	4	11%	Very Low	0

32 Traders (86%) expressed ability to handle the fare inputs that the RERP will be distributing. However, five traders (14%) thought themselves unable to handle the goods.

3.6.8 Capital to be Invested in RERP Commodities

This is the capital which the interviewed traders indicated that they would be able to invest in RERP commodities.

	Amount	No. of Traders	%	Category	Score
Shs	100,000/= and above	24	76%	High	3
Shs	50,000/= - 99,000/=	2	7%	Medium	2
Shs	11,000/= - 49,000/=	4	12%	Low	1
Shs	1 - 10,000/=	2	7%	Very Low	0

The percentages show that the majority of traders are willing to invest high capital in the RERP commodities if such commodities are sold to them at reasonable prices. One trader says he is willing to procure goods worth Shs. 3 million. However, a few traders indicated that they are willing to handle the commodities but would like to be extended some credit facilities.

3.6.9 Books of Accounts

57% of the traders interviewed keep books of accounts and the other 43% do not. Some of those who did not have books of accounts claimed that they had them before the war but that they were either looted or destroyed. However, all of them expressed willingness to start using them and some requested a basic course/seminar in using these books of accounts. The traders who keep books of accounts were given the maximum score of three. Those that do not keep the books of accounts scored zero.

3.6.10 General Comments

Most traders welcomed the idea of RERP assistance since many of them are farmers too. The farmers' priorities as given by the traders interviewed were exactly the same as those given by both the Unions and the Cooperative Societies. The items include:

- Bicycles - for transportation
- Spray pumps, herbicides and pesticides
- Building materials like cement and iron sheets
- Hoes, pangas and axes - some villages have never received these items.
- Gunny bags - most farmers have limited storage space and it is easier to transport produce when it is bagged.

Most traders complained that they could try and procure the farm inputs and all the other farmers' needs from the open market but these goods are scarce, expensive and their prices fluctuate too often. The traders cautioned the Needs Assessment Team that RERP had better procure enough farm inputs to satisfy the demand for them in the villages because if fewer farm inputs are procured and delivered to the area, some unscrupulous businessmen and even the cooperative society officials may hike the prices to take advantage of the situation.

3.6.11 Business as Interviewed

Appendix III gives the list of the 37 traders who were interviewed. Included on the list is the total score of each trader based on the rating of the answers given in the questionnaire. The maximum possible score was 39 points. The Team decided to recommend traders who scored 35 points and above.

Name	District	Type of	Score
1. Busiro Machinery Enterprises Ltd.	Mpigi	Limited Company	39
2. M/s Kisenyi and Company Enterprises Ltd.	Mubende	Limited Company	39
3. Bingo Enterprise	Mpigi	Partnership	38
4. Sesuto Akwata Espola	Luwero	Sole Trader	37
5. Naspunge Block Makers	Mpigi	Partnership	36
6. Kasukamu Wholesale	Luwero	Sole Trader	35
7. Lwipex Traders	Mubende	Sole Trader	35
8. Kafumu Enterprises Ltd	Mpigi	Limited Company	35

However, in areas where cooperative societies are unable to serve all the farmers, the Team is prepared to recommend more traders to fill the gap even though some traders may score below 35 points. These businessmen in these areas will have to be visited and further reassessed.

CHAPTER 4

4 THE SOCIO-ECONOMIC PROFILE OF AN AVERAGE LUMERO FARMER

4.1 Family Size and Crops Grown

An average farmer in the Lumero Triangle has 8 people in his household; in most cases, 3 adults and the rest are children (but who can help in the gardens). This farmer has 5 acres of land on which he grows coffee as a major crop, his primary income earner. This coffee is grown on about 1/4 acre of land and can yield up to 18 bags per season. This farmer also grows bananas, potatoes, cassava, beans and maize as the major crops for his family's consumption. If the yields are high, dried maize and beans are sold for extra income. Also, the storage system of these crops is very poor and these crops are prone to spoilage by weavils. Since pesticides are expensive and in short supply, the farmer has no alternative but to sell off the extra yields to avoid loss.

4.2 Estimated Income and Expenditure for an Average Lumero Triangle Farmer for a Year.

Income

Sale of Coffee (20 bags of 65 kg)	20,800
Sale of Beans (1 bags of 100 kg)	2,000
Sale of Maize (3 bags of 100 kg)	4,500
Sale of Banana Brew (60 jerrycans).....	9,000
Miscellaneous Income	3,000
Total Annual Income	<u>49,300</u>

Expenditure

Priority Items:

Salt (24 Kilos)	720
Paraffin (24 ltrs	360
Matches (12 boxes)	120
Soap (12 bars)	940
Poll Tax	100
School fees	1,600
	<u>3,740</u>

Secondary Items

Fish (24)	3,600
Meat (2 kilos per month)	2,400
G. Nuts	11,700
Clothing (every Christmas)	12,000
Entertainment	3,600
Miscellaneous	6,000
	<hr/>
	39,000

Total Expenditure 43,040

Net (Disposable) Income 6,260

Notes

- Included under Miscellaneous Income is:

- Sale of green vegetables
- Sale of fruits like jackfruits, mangoes etc which grow in the banana plantation
- Occasional sale of bananas, cassava and potatoes
- Occasional sale of hens, eggs and piglets.
- Expenditures are divided into two: Priority items - these are the items which each and every farmer (poor or not) has to buy.

- The bulk of the net disposable income is obtained during November to March, when farmers receive their major payments for coffee.

- Included in the Miscellaneous Expenditure is:

- Medical expenses
- Travelling (to visit relatives)
- Funeral expenses
- The hiring of occasional casual labor (when the need arises)
- The buying of milk and sugar for the small children etc.

Therefore, disposable income (net) is normally used for the replacement of simple farm inputs, replacement of domestic wares like plates, saucepans etc, purchases of animals like goats and cows as investments. It is from this income that the farmer will be able to procure the RERP commodities.

4.3 A Farmer's Typical Day

The average farmer's day begins at cockcrow. Since there are many wild animals in the area wild pigs and monkeys the farmer goes to inspect his fields in the morning to assess the damage done to the crops (especially potatoes, cassava and maize). After these rounds, the farmer will come back home for a simple homemade breakfast with his family. The meal normally consists of left-over food (from the night before), or cassava specially cooked for breakfast and plain tea/coffee (without milk, or sugar).

After breakfast, some of the children go to school and the rest of the family goes to the coffee shadeba (garden) to either pick coffee berries or to weed in the coffee garden, or other crop garden. When the sun is high (about mid-morning) the wife will go back to the house to spread the coffee berries (already picked) for drying and to prepare the family's lunch. This meal normally consists of cassava/potatoes and beans. After the meal, the farmer will take some of his dried coffee beans to the nearest cooperative society store or go to the nearest trading centre to meet his friends. Meanwhile, the wife goes to her potato, cassava and/or bean gardens to either work there or to collect food for her family for their evening meal (bananas/potatoes with beans/groundnuts). The children go to fetch water or collect firewood.

4.4. Animals Kept

An average Luero Triangle farmer raises many local chickens for food or presents to visitors. Also, chickens are held as liquid assets. Since pigs are popular in the whole area, a typical farmer will keep about three sows.

Other animals like goats, sheep and cows are acquired either as presents or as the family obtains more income.

4.5 Farm Implements in the Household

In a typical farmer's house, the following implements have to be there:

- (i) Hoes - this is the most important tool in the house. Since all the preparations of fields is done manually, every household has hoes. The average farmer has three hoes in his house.

- (iii) Pangaes - used for cutting trees, harvesting bananas etc. An average farmer has two. One specifically for himself, and the other for general use by all the members of his household.
- (iii) Axe - this is normally required for splitting firewood. An average farmer needs one but in cases where he cannot afford one, he borrows from his neighbors.
- (iv) Slashers and Pruning Saws -
 these are important tools to a farmer with a coffee shade. The average farmer should have one slasher and 2 pruning saws.
- (v) Gunny bags - a typical farmer should have at least 5 gunny bags in which to transport his coffee to the nearest cooperative society. These gunny bags can also be used for drying the coffee; in some cases children also use them as mattresses.
- (vi) Bicycles - the feeder roads in the whole area are very poor. An average farmer should have one or two bicycles. In actual fact, most farmers in the area had bicycles but most of them were looted during the war. A bicycle is the sole means of transport in the villages. The farmers need it to transport their produce to the market, the sick to nearest health centres and to carry water from boreholes or wells to their homes.

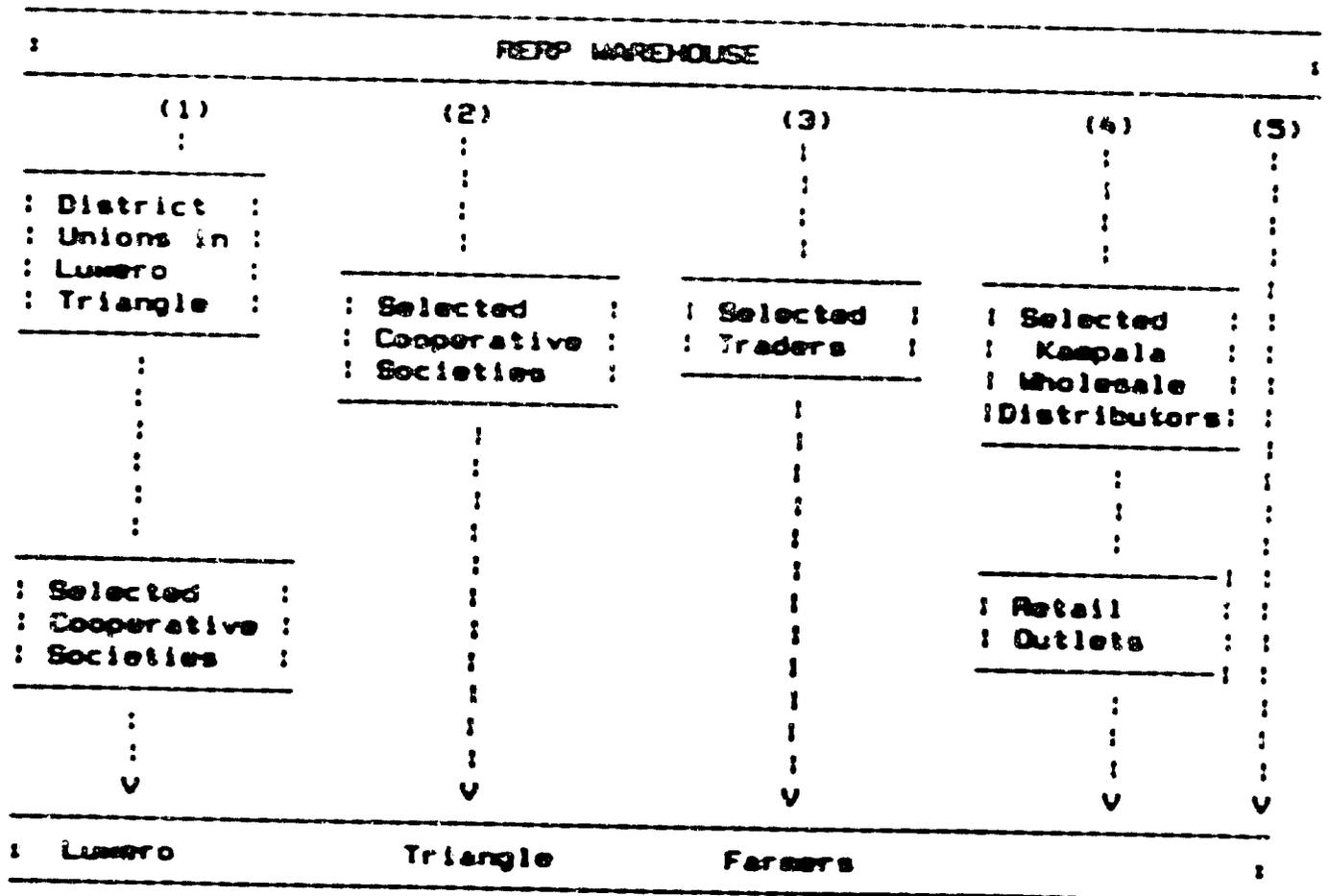
CHAPTER 5

5. DISTRIBUTION STRATEGY FOR RERP COMMODITIES

The present Government of Uganda realizes that in order to serve the people effectively, the people themselves must be involved in the distribution system. Therefore, the existing village Resistance Committees, which are chosen by the people, have played an important role in the distribution of essential commodities like sugar, salt, soap and paraffin. The Resistance Committees have in turn, chosen the agents of such commodities in their areas and have acted as watchdogs to oversee that these commodities are fairly distributed.

Hence, such a system provides a backbone to the distribution strategy of RERP in that the people themselves are aware of protecting their interests and therefore will work to see that what is meant for them will be given to them.

RERP has planned five distribution outlets for the commodities viz:



5.1 RERP Warehouse-District Unions - Affiliated Coop. Societies - Farmers

This strategy is based on the fact that the four District Unions which operate units in the Lusero Triangle would provide:

- a) Transport for the farm inputs from the RERP Warehouse to their respective stores.
- b) Storage facilities for the farm inputs until the affiliated societies collect the goods.
- c) Since the cooperative societies deliver coffee and cotton from the farmers to the Union units for further processing, the union can be used to recover the monies owed to RERP by the societies with the "check off system". In other words, RERP can let the farmers in the area take the farm inputs on credit or half credit from their respective cooperative societies. The cooperative societies will check off the loan from the produce the farmer delivers at the cooperative society store. Hence, the union will in turn check off the society loan (in form of farm inputs) from the amount of produce the society delivers to the unions' units for further processing. The RERP will be able to get the reimbursed monies from the unions. The union will be able to earn a commission on the goods from the transportation and storage of these goods.

This plan is based on the assumption that the unions have some lorries which they can put at the disposal of transporting RERP goods and also that these unions have stores. However, during the survey it has been found out that all the unions do not have enough lorries to serve their own activities. Buruli Union in particular has only one on the road. Secondly, most of the unions' units in the Lusero Triangle which could have provided some storage space for RERP goods were destroyed by the war and need some major repairs like re-roofing.

Therefore, in order for RERP to use this distribution outlet, it has to provide some spare parts for the unions so that they can repair some of their lorries which are not roadworthy and also, assist the unions to repair some of their stores. Also, it would require RERP staff to monitor and supervise the exercise at three levels, viz: union, society and farmer level.

3.2 RERP Warehouse - Selected Coop. Societies - Farmers

In this plan, the selected cooperative societies in the Lusero Triangle would take charge of the farm inputs directly at RERP Warehouse and distribute them to their members. However, the survey of cooperative societies showed that only two of the societies interviewed, namely, Lusero Kaziwira Cooperative Society, and Bukirwa Growers C.S. own lorries. All the others rely on their mother unions for their transport needs. Considering that the union's lorry fleet is small, many of the societies were complaining that it takes too long for the unions to send lorries to their respective stores to collect the produce.

Therefore, RERP should not rely on these societies to come and collect the farm inputs from the RERP Warehouse. The alternatives available are:

- i) The RERP lorry could be used to deliver the inputs to the societies, although it would take a very long time to deliver all the inputs to all the societies' stores.
- ii) RERP can hire private transport or encourage the societies to hire transport from the Uganda Cooperative Transport Union (UCTU) so that this transport cost can be added as a small margin to the prices of the farm inputs.

3.3 RERP Warehouse - Selected Honest Traders - Farmers

The traders will supplement the efforts of cooperative societies and in areas where societies are absent, they can play an important role in the distribution of RERP goods. The recommended list of traders is in 3.6.11.

However, this plan is based on the assumption that these selected traders would have enough money to purchase and transport the commodities from the RERP Warehouse in sufficient quantities for the farmers in their respective areas. Also, it assumes that these traders would not divert the commodities to other channels and charge prices RERP expects them to charge. RERP is willing to extend limited credit facilities to these traders on an individual basis.

5.4 RERP Warehouse to Selected Kampala Wholesale Distributors - to Retail Outlets.

A few Kampala wholesale distributors will be selected to help in the distribution of the RERP commodities in the Luvero Triangle. These wholesalers/distributors will purchase the commodities from the RERP Project directly on a cash basis and will have to provide their own transport for the goods.

However, these distributors are required by the RERP to open or establish their own retail outlets(shops) in the Luvero Triangle before they can be included in the distribution plan. These distributors will also be required to sell the goods with the price range recommended by the RERP to maintain detailed records about the Luvero Triangle customers who buy farm inputs from them.

It is hoped that the above measures will prohibit such distributors from diverting the goods to places other than Luvero Triangle.

5.5 RERP Warehouse - Farmers

It may be necessary for the RERP to involve itself in the direct distribution of farm inputs to farmers, in cases where societies and traders are unable to serve the farmers effectively. Therefore RERP is considering the strategy of loading its lorry with different kinds of farm inputs and stopping it at a strategic area like a trading centre or a Gombolola (subcounty) headquarters and selling the items (for cash only) to the farmers in that area. This would necessitate prior announcements to the farmers in that area about the sale day.

5.6 The Diversion Problem

The Needs Assessment Team has discovered that diversion of commodities supplied, in particular, by donor organizations, is endemic. The currency change has barely made an impact on leakages of goods to Zaire, Rwanda, and back to Kampala. Due to the project area's close proximity to Uganda's major cash market, many commodities distributed by cooperative unions, primary societies and private businesses either:

1. end up being sold directly through shops in Kampala or
2. sold to Kampala-based middlemen who transport them directly to other countries or
3. stock - piled in Kampala or Jinja warehouses for gradual sale via the black market (magendo) to urban consumers.

The current scandal regarding the supply of sugar is an excellent example of what could easily happen to R.E.R. Project commodities. Also, such diversionary activities explain why thousands of hoes, axes, pangas, shovels, cement, iron sheets, etc. imported into Uganda by a host of multi-lateral and foreign government aid programs during the last 4 years never reached Uganda farmers. Our staff discovered that in the Lusero area, farmers are completely without new or replacement agricultural inputs. The pitifully few inputs that do get through are sold at low prices to government or cooperative officials.

We therefore feel that commodity and credit staff must closely monitor the transport and distribution of commodities to farmers. As goods leave the R.E.R. Project Warehouse, two of our staff will follow in a project vehicle to the distribution point. Upon arrival, such personnel will witness on-site provision of commodities to the farmers. Lists of credit/commodity recipients will be examined and farmers interviewed, as additional safeguards.

It is hoped that the above measures will provide checks against distributors diverting the goods to places other than the Lusero Triangle.

5.7 Proposed Pricing Policy

We believe that the project should establish recommended transport, wholesale, wholesale/retail, and retail prices in order to ensure affordability and help prevent re-sale of project commodities. The standard charge for transport/handling of a 12 ton GVW lorry load to destinations in the Lusero Triangle from Kampala is 15%. On top of this, a 15% margin should be added for a wholesaler only, as in a cooperative union or large private firm. In this case, the retailer, a primary cooperative society or small shop, should add 20% for goods delivered to his doors. Should the transaction involve distribution direct from R.E.R. warehouse to retailers, the above wholesale and retail margins should be consolidated for these outlets - about 38%, exclusive of transport cost. In this way, the second goal of this project will also be advanced i.e. rehabilitation of the Ugandan rural commodity distribution network through cooperative society and private business capital formation.

For example, say RER supplies a bicycle with spares to outlets in the Lumero Triangle at U Sh. 3,120 each.

1 Bicycle/Spares =	US\$ 3,120	- C.I.F. Kampala
	468	- 15% Transport
	<hr/>	
	3,588	
	538.2	- 15% Wholesale Margin
	<hr/>	
	4,126.2	
	825.24	- 20% Retail Margin
	<hr/>	
US\$	4,951.44	Total Price to Farmer

OR

1 Bicycle/Spares =	US\$ 3,120	- C.I.F. Kampala
	468	- 15% Transport
	<hr/>	
	3,588	
	1,363.44	- 38% Retailer Margin
	<hr/>	
US\$	4,951.44	- Total Price to Farmer

Round above total to: US\$ 5,000 per bicycle/spares for the recommended retail price.

Such a pricing system, is to a certain extent, tentative. Current rural retail prices will be examined upon our receipt of project commodities, and compared against their C.I.F. prices and the above margin requirements. If the C.I.F. prices are too low or high, appropriate adjustments will be made to encourage full and complete farmer utilization of supplied inputs. The pricing system will be further refined, and revised, based on our practical experience distributing a variety of commodities. We will stress the need to achieve a balance between providing inputs to farmers at reasonable prices, and yet avoiding too low a price so as to prevent re-sale at large profits to Kampala and foreign buyers.

CHAPTER 6

ESTIMATED QUANTITIES OF DIFFERENT COMMODITIES WHICH ARE NEEDED IN THE LUMERO TRIANGLE

This section of the report will project quantities of demanded commodities in the Lumero Triangle using the sample results and the population figures.

However, due to lack of up-to-date information about the population, the 1980 Census results are projected to 1987 level after reducing the deaths and including the births.

It is estimated that about 300,000 people died in the whole of Lumero Triangle.

The distribution of these deaths is shown in the table below. The birth rate, according to the World Bank Annual Report of 1985 is estimated to be 2.8% per year.

6.1 Estimated Population for Lumero Triangle

District	Population 1980	Deaths	Births	Estimated Population 1987
Mpigi	274,100	25,000	51,580	310,680
Mubende	294,162	75,000	54,179	273,342
Lumero	412,474	200,000	52,526	265,000
Totals	980,736	300,000	168,285	849,022

All the district showed the same trend in the family size. The majority of families have between 5 - 10 people but the incidence of 8 people per family was very high, hence, 8 is taken as the average number of people per house.

Therefore:
$$\frac{\text{Estimated Population}}{\text{Average people per household}} = \frac{\text{Number of households}}{\text{per district}}$$

6.2 Estimated Households

District	Estimated Population 1987	Average Per House	Estimated Households
Mpigi	310,680	8	38,835
Mubende	273,342	8	34,167
Luwero	265,000	8	33,125
Totals	849,022		106,127

The number of households will be used to project the estimated quantities of farm inputs that can be absorbed in each district using the % demand of each of these items as computed using the sample results. The quantities of each item as needed is projected from the profile of an average Luwero Triangle farmer.

The population's overall demand and what farmers can afford are two different issues. The rate of Effective demand is required in order to project the quantities of goods which RERP should try and procure.

It was discovered that about one person in every four people interviewed would be able to afford the goods brought in by RERP. The percentage of 25 will be used to project the quantity of goods required.

6.3 Mpigi District

Number of Households = 38,835

Item	Quantity Needed per Household	% Sample Demand	Projected Quantities for District (Total Demand)	Quantities Needed to Satisfy Effective Demand (25%)
Iron Sheets	40	61%	1,258,280	314,570
Bicycles	1	80%	31,068	7,767
Spray Pumps	1	77%	29,908	7,476
Barbed Wire	1 roll	73%	24,382	6,096
Cement	10 bags	72%	279,620	69,905
Hoes	3	70%	81,533	20,389
Pangas	2	68%	52,816	13,204
Gunny bags	5	65%	126,215	31,554
Wheelbarrows	1	62%	24,078	6,020
Axes	1	56%	22,325	5,632
Nails (wire & roofing)	10kg	55%	213,600	53,400
Pruning Saws	2	53%	41,166	10,292
Slashers	1	23%	13,204	2,233
Shovels	1	23%	8,932	1,680
Milk cans	2	17%	5,678	1,420

6.4 Masaka District

Number of Households = 34,167

Item	Quantity Needed per Household	% Sample Demand	Projected Quantities for District (Total Demand)	Quantities Needed to Satisfy Effective Demand (25%)
Bicycles	1	74%	25,283	6,320
Hoes	3	66%	67,650	16,912
Spray Pumps	1	59%	20,158	5,039
Pangas	2	54%	36,900	9,225
Axes	1	54%	18,450	4,612
Wheelbarrows	1	54%	18,450	4,612
Iron Sheets	40	48%	656,000	164,000
Slashers	1	42%	14,350	3,587
Cement	10 bags	41%	140,000	35,000
Nails (wire & roofing)	10kg	35%	119,580	29,895
Barbed Wire	1 roll	34%	9,642	2,411
Gunny bags	5	33%	56,375	14,093
Milk cans	2	31%	4,043	1,010
Pruning Saws	2	16%	10,932	2,733
Forked Hoes	1	-	-	-
Shovels	1	-	-	-

6.5 Lumero District

Number of Households = 33,125

Item	Quantity Needed per Household	% Sample Demand	Projected Quantities for District (total demand)	Quantities Needed to Satisfy Effective Demand (25%)
Bicycles	1	85%	28,156	7,039
Barbed Wire	1 roll	80%	21,200	5,300
Spray Pumps	1	76%	25,176	6,294
Hoes	3	75%	74,529	18,632
Cement	10 bags	74%	245,120	61,280
Iron Sheets	40 pieces	69%	914,240	228,560
Gunny Bags	5	67%	110,965	27,741
Nails (wire & roofing)	10kg	66%	218,620	54,655
Pangas	2	64%	43,724	10,931
Wheelbarrows	1	64%	21,200	5,300
Axes	1	63%	20,868	5,217
Slashers	1	44%	14,575	3,643
Pruning Saws	2	32%	21,200	5,300
Milk Cans	2	31%	8,706	2,176
Forked Hoes	1	19%	6,293	1,573
Ox-ploughs (Buruli county only)	1	18%	5,963	1,490
Shovels	1	14%	4,637	1,159

Not included on the list are pesticides, herbicides, fertilizers and livestock drugs for the reasons that Agricultural Extension Staff in the Lumero Triangle were not able to give even rough estimates of the various types of these items needed by the farmer.

6.6 Consolidated list of estimated quantities of farm inputs that can be absorbed in the Lumero Triangle - based on the Effective Demand

a) Farm Inputs

Item	Mpigi	Mubende	Lumero	Totals
Hoes	20,389	16,912	18,632	55,933
Pangas	13,204	9,225	10,931	33,360
Bicycles	7,767	6,320	7,039	21,126
Spray Pumps	7,476	5,039	6,294	18,809
Pruning Saws	10,292	2,733	5,300	18,235
Wheelbarrows	6,020	4,612	5,200	15,832
Axes	5,632	4,612	5,217	15,461
Slashers	3,301	3,587	3,643	10,531
Barbed Wire (roll)	6,096	2,411	5,300	13,807
Milk cans	1,420	1,010	2,176	4,606
Shovels	2,233	-	1,159	3,392
Forked Hoes	-	-	1,573	1,573
Ox-ploughs	-	-	1,490	1,490
Bunny bags(bales) (1 bale = 300 bags)	106	47	93	246

b) Building Materials

Item	Mpigi	Mubende	Lumero	Totals
Iron Sheets (pieces)	314,570	164,000	229,560	707,130
Cement (bags)	69,905	35,000	61,280	166,185
Nails (Kg)	53,400	29,895	54,655	137,950

c) Fishing Equipments

7% of the total respondents interviewed in Lumero District were fishermen. In fact, all of them are from Buruli County which borders Lake Kioga. Hence, the estimated households which are engaged in the fishing industry are 2,718 households.

Item	Quantity Needed per Fisherman	% Sample Demand	Projected Quantities (Total Demand)	Quantities Needed to Satisfy Effective Demand 05%
Fishnets (different sizes)	5	100%	11,390	2,898
Cords & twines (all sizes)	10	100%	23,180	5,795
Hooks (different sizes)	20	100%	46,360	11,590
Wire mesh for drying fish (3 meters square)	2	100%	4,636	1,159
Refrigerators	1	100%	2,318	580

From the above estimates, it is clearly seen that the requirements of the farmers in the whole of Luero Triangle are indeed tremendous. FENP should try to satisfy some of these requirements within its reach and perhaps publicize the remainder so that other donor agencies may be in position to supply.

CHAPTER 7

7. RECOMMENDATIONS AND CONCLUSION

The survey results show that there is a great need for farm inputs in the whole of Lusero Triangle. In particular, - bicycles as a means of transport, - hoops, pangas and axes as the basic tools each household should have, - and sunny bags for transportation of the produce to the markets are basic farm inputs that the Lusero Triangle farmers require as priority items.

Building materials in the form of cement and iron sheets are also urgently required by the people of the Lusero Triangle. In fact these should be procured and delivered as fast as possible because many farmers are sleeping in shelters which do not even qualify to be called "houses".

Brick making machines, especially those operations that can use the soil or clay which are found in abundance in Lusero Triangle should be brought in by NERP for either cooperative societies or for individuals. They can improve the housing structures in the area as well as generate income through the sale of these bricks. Emphasis is on air dried bricks and kiln fired tiles

This is a new income/employment generating activity for the Lusero Triangle and the country as a whole. Currently, small producers make sun and kiln dried bricks from hand-made molds, by the side of the main roads. These bricks are of low quality and take a long time to cure. The Ministry of Housing and the Ministry of Cooperatives and Marketing are currently participating in a USAID program to supply 23 brick and tile making machines to Cooperatives in the Lusero Triangle. Also, a technical training program in Kasapa, sponsored by the Ministry of Housing, has been established to train operators. These hand-operated, inexpensive (US 1,200 each), low-cement use machines have proven their effectiveness in East Africa. The R.E.R. Project may import up to 12 in year one to help serve small scale entrepreneurs, as well as cooperatives.

However, the above ministries do not currently have the capability to provide quality small business follow-up extension services to the selected entrepreneurs. New brick producers require training in marketing, management, bookkeeping, on-site technical assistance and institutional (producers associations) development, field/Ministry liaison, and new project development. In short, they need a variety of business advisory services to help them finally establish an enterprise that can produce high quality bricks at 5 times the previous number. This would help provide the management "missing link" between a good idea and full field implementation.

Also, the Needs Assessment revealed that maize mills, cotton ginneries, and coffee factories are in need of similar technical and training assistance.

We recommend that the government of Uganda train a number of Rural Industrial Advisors, assigned to the Project Area to provide small enterprise development extension assistance to brick making entrepreneurs initially, plus a wide-range of agri-businesses.

The distribution outlets (in rank order) which should be used for RERP commodities are:

- RERP Warehouse - Coop. societies - Farmers.
- RERP Warehouse - Private Wholesaler/Retailer - Farmers

The credit component is being re-introduced in the Ugandan society after a very long time. It is better to start off with only those outlets that the RERP would be in position to effectively monitor.

The unions should be included in the distribution plan after some further assessment has been done. Even then one or two unions, East Mingo and/or Masala Union, should be tried first to ascertain the workability of the system.

RERP should supply the basic office equipment to the societies which will participate in the distribution of RERP commodities. Some basic courses in book/keeping should be organized for the society officials. This would help in monitoring the distribution of commodities.

It may prove necessary for RERP to completely rehabilitate or rebuild at least 2 stores which belong to the cooperative societies in Katikamu and Nakasoke counties since these areas were greatly affected by the war. In fact, all ten cooperative societies in that area had their stores completely destroyed.

In order to have an efficient monitoring system of the distribution of RERP commodities, a Project Officer should be appointed in each of the 3 districts to serve as a contact person for RERP. Also, this Project Officer should be made mobile (motorcycle to be provided by RERP) so that he can help in the monitoring of the RERP distribution of commodities. This is so recommended because the Procurement and Distribution Team of RERP is so small that it would not cover all the areas of the Lusero Triangle effectively. Such Project Officer should be drawn from the Cooperative Staff at the respective districts.

In conclusion, the Rural Economic Recovery Project has been launched at a very opportune time for the Lusero Triangle farmers. It is gearing the farmers toward self sufficiency without relying on free handouts. Many of us are expressing the optimism that the project will not only spread to the other war torn areas of Uganda, but also to those areas which were not

severely affected by the war because the farmers in those areas also lack basic farm inputs.

We feel that the future of this project lies in providing management, technical, and material assistance to existing and new rural enterprises. As increasing amounts of credit and commodities flow into the hands of the small farmers, local economies will be stimulated and the demand for goods and services will expand. In order to supply a growing cash market, rural agri-based industries i.e. farm implement distribution, brick manufacture, poultry, piggery, beef, dairy, milling, leather, oil seed etc. will need to be established and rehabilitated. As people return to the Luero area to rebuild their farms and homes, additional outlets for cash employment are required, since there is a limit to the ability of the B.U.U. to fully rehabilitate all farmers. Small scale income and employment generating enterprises could accelerate the pace of recovery of war-damaged areas and lay a solid foundation for creating wealth in the Luero Triangle.

APPENDIX II

LIST OF COOPERATIVE SOCIETIES WHICH COMPLETED THE QUESTIONNAIRE

SERIAL NO.	NAME OF SOCIETY	LOCATION/SUBCOUNTY	DECISION
MPIGI DISTRICT			
1.	Fuyobozi G.C.S.	Jeza/Muduusa	Recommended
2.	Kanzira G.C.S.	Matugga/Gosbe	Not Recommended
3.	Balyesina Consumer soc.	Matugga/Gosbe	Recommended
4.	Bukweba Mgoggo G.C.S.	Bukweba/Kakiri	Not Recommended
5.	Batono G.C.S.	Kalongo/Masulita	Not Recommended
6.	Kitabuza G.C.S.	Kabulasoke/Sabagabo	Not Recommended
7.	Kisolosolo G.C.S.	Kyalimajjala/Kira	Not Recommended
MUBENDE DISTRICT			
1.	Busunju G.C.S.	Busunju/Ssekanyonyi	Recommended
2.	Baganda-Kamu G.C.S.	Kikonge/Malangala	Recommended
3.	Kasanda/Kasagatta G.C.S.	Kasanda/Kasanda	Recommended
4.	Buyaga G.C.S.	Buyaga/Musale	Recommended
5.	Kijungutte G.C.S.	Kikolimo/Ntwete	Recommended
6.	Akatyasaire consumer Soc.	Nakwaya/Kikandwa	Not Recommended
7.	Kigali Kiribedde G.C.S.	Bulera	Recommended
8.	Kama-Budosa G.C.S.	Busika/Buteba	Recommended
LUMERO DISTRICT			
1.	Kasaala G.C.S.	Butuntusula/	
2.	Mobulenzi G.C.S.	Butuntusula	Recommended
3.	Kibule Namakata G.C.S.	Kobulenzi/Katikaau	Recommended
4.	Kalule G.C.S.	Kanyanda/Makulubita	Recommended
5.	Masale G.C.S.	Kalule/Nyibwa	To be assessed further
6.	Masale G.C.S.	Masale/Makulubita	
7.	Lumero Kazibira G.C.S.	Lumero/Lumero	Recommended; First Priority
8.	Kwerisidde G.C.S.		Recommended
9.	Makyato G.C.S.	Masale/Kapeeka	Recommended
10.	Kapeeka G.C.S.	Makyato/Makyato	To be assessed further
11.	Kapeeka G.C.S.	Kapeeka/Kapeeka	To be assessed further
12.	Kitutusuzi G.C.S.	Kyagugatto/Nakasoke	Recommended
13.	Buhetira G.C.S.	Kalege/Somuto	Recommended
14.	Bututi Mgogoa G.C.S.	Mogoa/Kikaulo	To be assessed further
15.	Lwampanga Fishing Soc.	Lwampanga/Lwampanga	Recommended
16.	Kazama G.C.S.	Kazama/Kalungi	Recommended
17.	Nabiswera G.C.S.	Nabiswera/Nabiswera	Recommended

LIST OF COOPERATIVE SOCIETIES WHICH COMPLETED THE QUESTIONNAIRE

SERIAL NO.	NAME OF SOCIETY	LOCATION/SUBCOUNTY	DECISION
16.	Nakasongola consumer Soc.	Nakasongola/Mabinyonyi	Recommended
17.	Nasukanga G.C.S.	Nasukanga/Kakoga	Recommended
18.	Nakasongola G.C.S.	Nakasongola/Mabinyonyi	Recommended
19.	Ngalonkalu G.C.S.	Ngalonkalu/Zirombe	Recommended
20.	Zirombe G.C.S	Nasbi/Zirombe	Recommended
21.	Ddegeya G.C.S	Ddegeya/Kalagala	Recommended
22.	Bukuru G.C.S	Zirombe/Zirombe	Recommended
23.	Butto Kichwa G.C.S	Butto/Basunanika	Recommended
24.	Mabusana G.C.S.	Kabalogo/Kikyusa	Recommended
25.	Zalilyo Ranching Soc.	Kikyusa/Kikyusa	Not Recommended

LIST OF BUSINESSMEN INTERVIEWED

SIAL NO.	NAME OF BUSINESS	DISTRICT	COUNTY	SUBCOUNTY AND LOCATION	TYPE OF BUSINESS	SCORES OUT OF 39	GENERAL REMARKS
1.	Desiro Machinery	Rpigi	Kasungati	Ruboveri Limited Co. (Kyadondo)Kasasa		39	Has invested 100,000/= in business and can put 200,000/= in hardware. Has retail and wholesale licences. Operates bank account and keeps books of accounts. Lacks working capital and transport. Currently deals in hardware and farm supply goods. He is one of the top top scores
2.	M/s Kisonyi & Co. Ltd	Rubende	Mityana	Desinbil Mityana Town	Limited Company	39	Uses 200,000/= in business and can put up 230,000/= for hardware. They are wholesalers dealing in soap, ironworks and sale of bicycles. Has bank account and keeps books of accounts. Business premises have security. He scored top marks.
3.	Dingo Enterprises	Rpigi	Kasungati	Rudunoi Jjeza	Partnership	38	He uses 100,000/= in business and can put up 150,000/= in hardware. Has Wholesale licence, bank account and keeps books of accounts. Lacks working capital and needs credit facilities. Sells general merchandise and bicycle spares.
4.	Samto Abata	Luwero	Kasungati	Samto	Sole Trader	37	Has invested 250,000/= in the business and able to invest shs. 2 millions in NERP goods. Has bank account and keeps books of accounts. Premises have security. Deals in wholesale and retail business.
5.	Kampung Black Robers	Rpigi	Desiro	Kabiri	Partnership	36	700,000/= invested in business and wants to put 200,000/= in hardware. It has a wholesale licence, bank account, keeps books of accounts. Premises have security and has separate store. Lacks capital plus transport. Deals in various products.

LIST OF BUSINESSMEN INTERVIEWED

SERIAL NO.	NAME OF BUSINESS	DISTRICT	COUNTY	SUBCOUNTY AND LOCATION	TYPE OF BUSINESS	SCORES OUT OF 39	GENERAL REMARKS
6.	Lusapez Traders	Rubere(w)	Mityana	Busiabi; Mityana	Sole Trader	25	Shs. 5 million currently invested and can put up Shs 1 million for RERP commodities. Does retail business in farm inputs hardware etc. Has bank a/c and keeps books of accounts. Has good security and store. Needs credit facilities.
7.	Kafumu Enterprises Ltd.	Rpigi	Ramabata	Mudomaa; Bujuba T.C.	Limited Company	25	Has invested 700,000/= in business and wants to put 400,000/= in hardware. Has a bank account and keeps books of accounts. They are wholesalers and General Merchants/Agencs. Needs a lorry, lacks working capital and also needs to install iron doors.
8.	Kambaze Wholesale	Luwero	Katikamu	Katikamu; Mubolenzi	Sole Trader	25	Has invested shs. 102,400/= in business and can put up shs 50/= for RERP commodities. Has bank account and has started to re-establish account books. Has wholesale licence in soda and domestic goods. Has security for premises.
9.	Farais	Rubende	Mityana	Busiabi; Mityana Town	Partnership	24	Has retail licence and sells farm supplies. Has invested Shs. 60/- and can put up similar amount for RERP goods. Has not indicated whether or not he keeps books of accounts but has bank account and has security and a separate store.
10.	Petero Luanga & Sons	Rpigi	Gunba	Ssabagabo; Buloodda	Sole Trader	24	Has invested 400,000/= in business and wants to invest 200,000/= in hardware. Has wholesale licence, bank account and keeps books of accounts. Has a separate store and security and he is currently a sugar agent. He needs a lorry to buy or hire.
11.	Luwero Agricultural Promotion Centre	Luwero	Katikamu	Luwero	Sole Trader	24	Has invested 65,000/= and can put up 200,000/= in the RERP goods. Has a bank account and keeps books. Premises have security. Retail farm supplies. Trader interested to set up a feeds mill.

LIST OF BUSINESSMEN INTERVIEWED

SERIAL NO.	NAME OF BUSINESS	DISTRICT	COUNTY	SUBCOUNTY AND LOCATION	TYPE OF BUSINESS	SCORES OUT OF 39	GENERAL REMARKS
12.	Kibyusa African Traders	Luwero	Mabusana	Kibyusa	Sole Trader	34	Capital invested in business 250,000/= and can raise 50,000/= for RERP commodities. Has bank account and keeps books of accounts. Has wholesale licence and deals in domestic goods and he is agent for his subcounty's essential commodities
13.	Haji A. Kalule & Sons	Luwero	Mabusana	Zirobew	Sole Trader	33	Capital invested in business 100,000/= and can raise 40,000/= for RERP goods. Has bank a/c and keeps books of a/c. Has retail licence and deals in domestic goods and bicycles. Has security for premises. Needs operating loan
14.	Sserenkana & Sons	Luwero	Mabusana	Zirobew	Sole Trader	33	Capital invested 120,000/= and can put 50,000/= in the RERP commodities. Has bank account and keeps books of account. Has retail licence and deals in domestic goods. Premises have security.
15.	Fara Supply shop	Mubende	Kasanda	Kasanda	Sole Trader	32	Has invested 200,000/= and can put up another 200,000/= for RERP goods. Retail essential commodities and fara supplies. Has bank a/c but account books were destroyed. Has good security. Needs Credit facilities.
16.	A.B. Kweeta & Sons	Luwero	Makasoto	Makasoto	Sole Trader	31	Has invested 300,000/= in business and can raise 200,000/= for RERP commodities. Has bank account, keeps no a/c books but can introduce them. Runs wholesale business in iron sheets, bicycle spares, soap and soap. His premises need reroofing & other repairs.
17.	Ali Sompala	Luwero	Makasoto	Mabyato; Katoto	Sole Trader	31	Has invested shs. 1 million and wants to put up shs 5 million for RERP commodities. Has no bank a/c but keeps some records. Retail domestic goods. Premises have security and has separate store.
18.	Masaba Modern Stores	Luwero	Katikamu	Bubantamula; Kasiso	Sole Trader	31	Has invested 200,000 in the business and can bring in another 200,000/= for RERP commodities. Has bank account and keeps books of accounts. Has a shop with security but no separate store. Has coffee and Produce Buying Licences. He needs credit facilities.

LIST OF BUSINESSMEN INTERVIEWED

SERIAL NO.	NAME OF BUSINESS	DISTRICT	COUNTY	SUBCOUNTY AND LOCATION	TYPE OF BUSINESS	SCORES OUT OF 39	GENERAL REMARKS
19.	Ayagala Enterprises	Rpigi	Busiro	Makiso; Makiso	Partnership	30	Invested 50,000/= in business and wants to put 50,000/= in hardware. Has wholesale licence, bank account and keeps books of account. No night watchman. Deals in bicycles and their spares.
20.	Mobulenzi Footwear	Luwero	Katibamu	Katibamu; Mobulenzi	Sole Trader	30	Capital invested is 60,000/= and would need credit facilities to handle NERP commodities. Has retail business in shoes and leather goods. Has bank a/c and also keeps books of accounts. No night watchman but doors and windows are secured with iron bars.
21.	Mr. & Mrs. Lule and Family shop	Luwero	Mabusana	Bannanika; Bannanika	Sole Trader	30	Capital invested in business 70,000/= and can raise 150,000/= for NERP commodities. Has bank account and keeps books of account. Has a retail licence and handles various domestic goods and textiles. No store but shop has security.
22.	Rantu & Sons	Mubende	Mityana	Sootanyanyi; Sootanyanyi	Sole Trader	29	Does shs 1/2 million in his business and prepared to invest 1/2 million shillings in hardware. This is retail business; has a bank account but keeps no books of accounts. Deals in domestic fare supply goods. Needs credit facilities. No security.
23.	Mireaba Bakery	Luwero	Katibamu	Dyishwa; Kalole	Sole trader	29	Capital presently invested (not stated) but can put up 200,000/= for NERP commodities. Has wholesale licence but he manufactures bread and commodities handled deal with baking only. Has bank a/c and keeps books of accounts. Has a shop and security.
24.	Yona Niroga Sootanyanyi	Mubende	Kiboga	Kiboga; Kiboga	Sole Trader	28	Has invested 1 million and wants to put up shs. 5 million. Has bank account but keeps no books of accounts. No security. Retail goods for domestic use.
25.	APCB Wholesalers	Mubende	Kiboga	Kiboga	Sole trader	27	Currently has invested 25,000/= and can raise nothing for NERP goods. Has bank account but books of accounts were looted. Has scanty security.

LIST OF BUSINESSMEN INTERVIEWED

SERIAL NO.	NAME OF BUSINESS	DISTRICT	COUNTY	SUBCOUNTY AND LOCATION	TYPE OF BUSINESS	SCORES OUT OF 39	GENERAL REMARKS
26.	Bulemezi Farmers Promoters	Luwero	Katikou	Katikaau; Mbulenzi	Sole Trader	27	Has invested 20,000/= in his business but can put up 100,000/= for RERP commodities. Retailer farm supply goods. Has only a shop which has security.
27.	Kalagala Young Farmers	Luwero	Wabusana	Kalagala; Kalagala	Sole Trader	26	Capital invested in business 10,000/= and cannot raise additional funds for RERP commodities although he is interested to handle them. Has bank account and keeps books of account. Has retail licence and deals in a few domestic goods. Premises have security. Needs credit facilities
28.	P. Ssenfuka & Sons Ltd	Luwero	Katikaau	Katikaau; Butundu	Sole Trader	23	Capital currently invested not given but can put up shs 500,000/= for RERP goods. Has bank a/c but keeps no books of a/c. The Trader has manufacturing licence for making soap. He needs shs 3.5 million to buy raw materials for making soap.
29.	Kakaau Traders	Luwero	Buruli	Kalungii; Kazwana	Sole Trader	23	Capital invested 20,000/= and can invest 50,000/= in the RERP commodities. Has bank account but account books were looted. Has a retail licence dealing in domestic goods. Has no store but shop has security. Needs credit facilities.
30.	Jackson Nutebi	Luwero	Nakaseke	Seuto; Seuto	Sole Trader	22	Has invested 150,000/= in business. Indicates nothing for RERP goods. Has no bank account and keeps no books of accounts. Shop has security but no store.
31.	Wiberforce Lutalo	Luwero	Nakaseke	Kikanulo; Kikanulo	Sole Trader	22	Retails bicycle spares and domestic goods. Has no bank account and keeps no books of account. 90,000/= is invested in business and car put up 100,000/= for RERP goods. Security at premises poor.
32.	Wilson Waterekedde	Luwero	Buruli	Mabiswera; Mabiswera	Sole Trader	21	Capital invested in business shs. 30,000/= and can put up 40,000/= in RERP commodities. Has bank account but keeps no books of a/c. Has retail licence and deals in Groceries. Has no separate store and shop has no security

APPENDIX III

LIST OF BUSINESSMEN INTERVIEWED

SERIAL NO.	NAME OF BUSINESS	DISTRICT	COUNTY	SUBCOUNTY AND LOCATION	TYPE OF BUSINESS	SCORES OUT OF 39	GENERAL REMARKS
33.	Buruli Kwekamba Traders	Luwero	Buruli	Lwampanga; Kasiso	Sole Trader	19	Capital invested in business shs one hundred thousand. He says he is not able to handle hardwares and so no money can be invested in RERP commodities. Has bank a/c but keeps no books of a/c. Holds wholesale and retail licences and deals in domestic goods.
34.	Sarah Mambalirwa	Luwero	Mabusana	Kalagala; Kalagala	Sole Trader	13	Capital invested in business shs 20,000/= and can raise a similar amount for RERP commodities. Has no bank a/c and keeps no books of a/c. Store and shop have no security. Has retail licence and deals in spares,
35.	Joseph Seruyulu	Luwero	Buruli	Lwampanga; Lwampanga	Sole Trader	13	Capital invested shs. 50,000/= and has no money to invest in hardwares for RERP goods. Store and premises have no security. Has no bank account and keeps no books of account. Has retail licence and deals in few domestic goods. Needs loan for operations.
36.	Christopher Naulaza	Luwero	Buruli	Lwampanga	Sole Trader	11	Capital invested 150,000/=. Amount to be invested in hardwares not stated. He deals in Bicycle spares, Food stuffs and general iteas. Information on books of a/c not given.
37.	Ssalongu Kato	Luwero	Katikamu	Mukulubita; Kiteredde	Sole Trader (Bicycle repair)	1	Has no premises. He repairs bicycles under a tree but wants to be a dealer in bicycle spares parts. He needs premises for the operation. Capital invested or to be invested is unknown.

44

APPENDIX IV

POPULATION FIGURES OF 1980 CENSUS FOR LUWERO TRIANGLE

DISTRICT	COUNTY	SUBCOUNTY	POPULATION 1980	
MPIGI	BUSIRO	Wakiso	48,335	
		Kakiri	23,938	
		Kiziba/Masulita	16,045	
		Namayumba	18,011	
	KYADONDO	Gombe	26,591	
		Kira	32,860	
		Nangabo	31,116	
	MAWAKOKA	Kiringente	8,536	
		Muduma	16,598	
	GOMBA	Kabulasoke	30,244	
		Mpenja	21,806	
	TOTAL			274,100
	MUBENDE	KIBOGA	Kiboga	50,294
Bukomero			47,545	
Ntwetwe			19,812	
Buteba			21,025	
MITYANA		Ssekanyonyi	25,892	
		Bulera	42,219	
		Kikandwa	15,770	
BUSUJJU		Malangala	12,732	
KASSANDA		Bukuyu-Kiterogga	30,472	
		Kassanda	28,401	
TOTAL			294,162	
LUWERO		KATIKAMU	128,251	
		NAKASEKE	116,238	
	WABUSANA	94,019		
	BURULI	73,966		
	TOTAL			412,474
TOTAL FOR LUWERO TRIANGLE =			980,736	

APPENDIX V

RURAL ECONOMIC RECOVERY PROJECT - USAID/GOVERNMENT OF UGANDA.
FARMER NEEDS ASSESSMENT - LUWERO TRIANGLE.

1. NAME:
2. FAMILY SIZE:
3. VILLAGE:
4. PARISH:
5. SUBCOUNTY:
6. COUNTY:
7. DISTRICT:
8. ARE YOU A MEMBER OF A CO-OPERATIVE SOCIETY - YES/NO
9. WHICH ONE
10. HOW DID THE WAR AFFECT YOU?
.....
.....
.....
.....
.....
.....
11. HOW MUCH LAND DO YOU HAVE? ACRES/HA.
12. WHAT CROPS DO YOU GROW?
 - a) (e)
 - b) (f)
 - c) (g)
 - d) (h)

13. WHICH OF THE ABOVE ARE THE MAJOR CROPS?

- a)
- b)
- c)

14. WHAT WERE THE YIELDS LAST SEASON

CROPS	NUMBER OF BAGS/KBS	IF BAGS, SIZE OF BAG
a)
b)
c)
d)
e)
f)
g)
h)

15. HOW MUCH DID YOU SELL IN TERMS OF BAGS/KILOS?

CROPS	BAGS/KILOS	SIZE OF BAG
a)
b)
c)
d)
e)
f)
g)
h)

14. WHAT YIELDS DID YOU HAVE BEFORE THE WAR PER SEASON FOR EACH CROP?
 SAY 1978

CROPS	NUMBER OF BAGS/KGS	IF BAGS, SIZE OF BAG
a)
b)
c)
d)
e)
f)
g)
h)

17. WHAT CROPS WOULD YOU WANT TO GROW THAT YOU ARE NOT GROWING

a)	(e)
b)	(f)
c)	(g)
d)	(h)

18. WHAT THINGS WOULD YOU WANT THAT WOULD HELP YOU INCREASE YOUR OUTPUT?

ITEM	TYPE/BRAND	QUANTITY	PRIORITY (CHOOSE 3 ITEMS)
a)
b)
c)
d)
e)
f)
g)
h)

19. HOW MUCH DOES IT COST YOU TO HIRE A TRACTOR TO PLOUGH ONE ACRE?

.....

20. WHAT PROBLEMS DO YOU HAVE WITH MARKETING OF YOUR PRODUCE?

.....
.....
.....
.....
.....
.....
.....
.....

21. DO YOU KEEP ANY ANIMALS? - YES/NO

22. WHICH ANIMALS DO YOU KEEP AND HOW MANY OF EACH TYPE?

ANIMAL

NUMBER

a)
b)
c)
d)

23. WHAT PROBLEMS DO YOU HAVE IN KEEPING THESE ANIMALS?

.....
.....
.....
.....
.....
.....
.....
.....

24. WHAT DO YOU NEED TO IMPROVE ON YOUR ANIMALS?

ITEM	TYPE/BRAND	QUANTITY	PRIORITY (CHOOSE 3 ITEMS)
a)
b)
c)
d)
e)
f)
g)
h)
i)
j)

25. WHAT PROBLEMS DO YOU FACE IN MARKETING YOUR ANIMALS AND ANIMAL PRODUCTS?

.....

.....

.....

.....

.....

.....

.....

.....

26. ARE YOU A MEMBER OF A FISHING COOPERATIVE SOCIETY? YES/NO

27. IF YES, WHICH ONE?

28. WHAT THINGS WOULD YOU WANT THAT WOULD HELP YOU INCREASE YOUR OUTPUT?

ITEM	TYPE/BRAND	QUANTITY	PRIORITY (CHOOSE 3 ITEMS)
a)
b)
c)
d)
e)
f)
g)
h)
i)
j)

29. WHAT PROBLEMS DO YOU HAVE WITH THE MARKETING OF YOUR FISH?

.....

.....

.....

.....

.....

.....

.....

.....

.....

30. WHAT DO YOU THINK SHOULD BE DONE IN YOUR VILLAGE THAT WOULD HELP THE VILLAGE TO INCREASE PRODUCTION AND BRING BACK LIFE TO NORMAL?

.....

.....

.....

.....

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.....

.....

31. ANY OTHER COMMENTS?

.....

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.....

.....

.....

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.....

RURAL ECONOMIC RECOVERY PROJECT - USAID/GOVERNMENT OF UGANDA.
DISTRICT COOPERATIVE UNIONS' NEEDS ASSESSMENT - LUWERO TRIANGLE

1. NAME:
2. HEADQUARTERS/ADDRESS:
3. MEMBERSHIP (SOCIETIES) IN LUWERO TRIANGLE TO YOUR UNION (NUMBER)

4. UNITS AND LOCATION IN LUWERO TRIANGLE (TEN MOST ACTIVE AND VIABLE).

UNIT	LOCATION	TYPE AND ACTIVITY
a)
b)
c)
d)
e)
f)
g)
h)
i)
j)

5. HOW DID THE WAR AFFECT YOUR UNITS INDICATED ABOVE?

6. WHAT ARE THE REQUIREMENTS TO REHABILITATE THE AFFECTED UNITS IN FIVE ABOVE

UNIT	ITEM	TYPE/BRAND	QUANTITY	ESTIMATED COST	PRIORITY (CHOOSE 3 ITEMS PER UNIT)
------	------	------------	----------	----------------	------------------------------------

- a)
- b)
- c)
- d)
- e)
- f)
- g)
- h)
- i)
- j)

7. WHAT DO YOU THINK ARE THE NEEDS OF YOUR AFFILIATED SOCIETIES (BE BRIEF)

- a) TO INCREASE OUTPUT.....
.....
.....
.....
.....
- b) TO OPERATE EFFICIENTLY
.....
.....
.....
.....

8. WHAT ARE YOUR TEN MOST ACTIVE AND VIABLE COOPERATIVE SOCIETIES.

NAME	LOCATION	TYPE AND ACTIVITY
a)
b)
c)
d)
e)
f)
g)
h)
i)
j)

9. DO YOU OPERATE A FARM SUPPLY SHOP IN LUWERO TRIANGLE?

10. IF YES (a) HOW MANY?

(b) WHAT PROBLEMS DO YOU FACE IN OPERATING IT?

.....

(c) WHAT ARE YOUR NEEDS FOR THIS SERVICE?

ITEM	TYPE/BRAND	QUANTITY	PRIORITY (CHOOSE 3 ITEMS)
a)
b)
c)
d)
e)
f)
g)

- h)
- i)
- j)
- k)
- l)
- m)
- n)
- o)

11. IF NO (a) WHY?

.....

.....

(b) WHAT WOULD THE UNION NEED IN ORDER TO OFFER THIS SERVICE?

.....

.....

.....

.....

12. WHAT ARE YOUR MARKETING PROBELMS IN THE LUWERO TRIANGLE?

.....

.....

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.....

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.....

13. ANY OTHER COMMENTS?

.....

.....

.....

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.....

.....

RURAL ECONOMIC RECOVERY PROJECT - USAID/GOVERNMENT OF UGANDA.

PRIVATE BUSINESS NEEDS ASSESSMENT - LUWERO TRIANGLE.

(The Scores are in brackets)

1. NAME OF BUSINESS:
2. LOCATION:VILLAGE:FARISH:.....
3. SUBCOUNTY:
4. COUNTY:
5. DISTRICT:
6. OWNERSHIP OF BUSINESS: : Limited company (3)
Partnership (2)
Sole Trader (1)
7. NAME AND LOCATION OF YOUR BANKERS: Has Bank Account (3)
Has no Bank Account (0)
8. TYPE OF BUSINESS:
9. ITEMS DEALT WITH: Deals in Hardwares/Agricultural goods (3)
Deals in bicycle sales/spares (2)
General Retail (1)
Bicycle repairs (0)
10. SIZE OF BUSINESS PREMISES/SHOP: Bigger than 20' x 15' (3)
Less than 20' x 15' (2)
11. ARE YOUR PREMISES PERMANENT/SEMI-PERMANENT: Permanent (3)
Semi-Permanent (2)
12. DO YOU HAVE A TRADING LICENCE? YES/NO: Yes (3)
No (0)
13. IF YES - IS IT WHOLESALE OR RETAIL: Wholesale (3)
Retail (2)
14. IF NO - WHY NOT
15. WHAT SECURITY DO YOU HAVE FOR YOUR PREMISES:
Business has security (3)
Business has no security (0)
16. DO YOU HAVE SEPARATE STORAGE SPACE: Separate Store (3)
No separate store (0)

17. IF SO, HOW SECURE ARE THE STORES:

.....

.....

18. WHAT IS YOUR CAPITAL INVESTED IN THE BUSINESS:

- High Capital Invested Shs 100,000 and above (3)
- Medium Capital Invested Shs 50-99,000/= (2)
- Low Capital Invested Shs 11-49,000/= (1)
- Very Low Capital Invested Shs 1-10,000/= (0)

19. ARE YOU ABLE TO HANDLE HARDWARES E.G. FARM INPUTS, BUILDING MATERIALS? - YES/NO: Yes (3)
 No (0)

20. IF YES HOW MUCH ARE YOU ABLE TO INVEST IN THIS LINE OF BUSINESS?

- Shs 100,000/= and above (3)
- Shs 50-99,000/= (2)
- Shs 11-49,000/= (1)
- Shs 1-10,000/= (0)

21. WHAT FARM INPUTS DO FARMERS IN YOUR AREA NORMALLY DEMAND?

ITEM	TYPE/BRAND	QUANTITY	PRIORITY (CHOOSE 5 ITEMS)
a)
b)
c)
d)
e)
f)
g)
h)
i)
j)
k)
l)
m)

- n)
- o)

22. WHAT PROBLEMS DO YOU FACE IN YOUR BUSINESS AND WHAT WOULD YOU REQUIRE TO OVERCOME THE?

.....
.....
.....
.....
.....
.....
.....
.....
.....

23. DO YOU KEEP BOOKS OF ACCOUNTS - YES/NO: Yes (3)
No (0)

24. ANY OTHER COMMENTS?

.....
.....
.....
.....

Note: Total Possible Scores = 39 marks
Least Possible Score = 1 marks

RURAL ECONOMIC RECOVERY PROJECT - USAID/GOVERNMENT OF UGANDA.
PRIMARY COOPERATIVE SOCIETY NEEDS ASSESSMENT - LUWERO TRIANGLE.

1. NAME OF BUSINESS:
2. LOCATION:VILLAGE:PARISH:.....
3. SUBCOUNTY:
4. COUNTY:
5. DISTRICT:
6. MEMBERSHIP:
7. MAIN ACTIVITIES OF THE SOCIETY:
.....
.....
8. DO YOU HAVE STORES? - YES/NO
9. IF NO, WHY?
.....
.....
.....
10. DO YOU NEED TO PUT UP ONE?
.....
.....
11. IF YES, (a) HOW MANY DO YOU HAVE?
(b) HOW MANY ARE IN GOOD CONDITION?
(c) HOW MANY NEED REPAIRS?

(d) WHAT MATERIALS ARE NEEDED FOR THE REPAIRS

WHAT FARM INPUTS DO FARMERS IN YOUR AREA NORMALLY DEMAND?

ITEM	TYPE/BRAND	QUANTITY	PRIORITY (CHOOSE 5 ITEMS)
a)
b)
c)
d)
e)
f)
g)
h)
i)
j)
k)
l)
m)
n)
o)

e) ARE SOCIETY STORES ON LAND

1. OWNED BY SOCIETYYES/NO

2(a) LEASED BY SOCIETYYES/NO

(b) WHAT IS THE EXPIRY DATE OF THE LEASE?

3. WHICH IS PUBLIC LAND?

12. WHAT ACCESSORIES DO YOU NEED FOR YOUR STORES AND OFFICE?

ITEM	TYPE/BRAND	QUANTITY	PRIORITY (CHOOSE 3 ITEMS)
a)
b)
c)
d)
e)
f)
g)
h)
i)
j)

13. WHAT INPUTS DO YOU REQUIRE FOR YOUR MEMBERS TO INCREASE PRODUCTION AND/OR OPERATE EFFICIENTLY

ITEM	TYPE/BRAND	QUANTITY	PRIORITY (CHOOSE 3 ITEMS)
a)
b)
c)
d)
e)
f)
g)
h)
i)
j)

14. DO YOU OPERATE A FARM SUPPLY SHOP? YES/NO

15. IF YES - WHAT ITEMS DO YOU NEED IN YOUR SHOP?

ITEM	TYPE/BRAND	QUANTITY	PRIORITY (CHOOSE 3 ITEMS)
a)
b)
c)
d)
e)
f)
g)
h)
i)
j)

16. HAS YOUR SOCIETY EVER PARTICIPATED IN A RURAL CREDIT AND/OR SAVINGS SCHEME - YES/NO

17. IF YES - WHAT SCHEME AND WHEN?

.....
.....
.....
.....

18. IF NO - WHY NOT?

.....
.....
.....
.....

19. WHAT MARKETING PROBLEMS DOES YOUR SOCIETY HAVE?

.....
.....
.....
.....
.....
.....
.....
.....

20. PLEASE LIST THE COOPERATIVE OFFICIALS

CHAIRMAN:
SECRETARY:
TREASURER:

21. ANY OTHER COMMENTS?

.....
.....
.....
.....
.....
.....
.....
.....

The Marketing of Agricultural Inputs in Uganda

By Josephine W. Haraworth

Introduction

The purpose of this study is to provide information on the marketing of agricultural inputs in Uganda, with specific reference to Luwero, for a proposed USAID project for the rehabilitation of Luwero. It is envisaged that small scale credit will be provided for farmers to purchase inputs, and/or for small suppliers to stock inputs, and the first question to be addressed is whether these inputs are readily available in Uganda. Another issue is whether inputs are reaching the farmgate in a quantity and at a price appropriate to current enterprises and incomes.

Although the focus is on Luwero, the districts of Jinja, Kamuli and Iganga in nearby Busoga were also surveyed as a control to demonstrate market function under normal conditions. This area in the hinterland of Jinja, the second major town in Uganda, is ecologically and socially very similar to Luwero, but has been disturbed only minimally in the past decade.

Summary

This report considers the conceptual framework for a marketing study, and then goes on to define in this context the nature of farm inputs, with a preliminary analysis of such factors of production as land and labor. It then reviews channels of distribution for both imported and locally manufactured or crafted goods. It next assesses the size, nature structure and seasonality of demand with special reference to Luwero, and the overall supply and availability of inputs at farm level. It also looks at the components of farmgate prices, and considers issues in relation to the pricing of imported and locally manufactured items. Lastly some related topics are examined concerning technical services, education, packaging, manufacturing, banking and credit.

Marketing is not a simple subject although it can be defined in simplistic terms, and it means different things to different specialists; economists, students of commerce or accountants and so on. The marketing of agricultural inputs cannot be looked at in isolation from the marketing of other goods, both consumer items and primary produce. Similar channels and constraints may apply in many fields and be interrelated. The demand for agricultural inputs is vitally affected by the price farmers get for their produce, in conjunction with yields. In some circumstances farmers may have to choose between different needs. A farmer may more urgently require salt and

sugar, or, money to pay school fees, and he will delay purchase of a new hoe, or be unable to buy insecticides.

The distribution network includes importers and manufacturers. The major importers recently have been donor agencies, government departments, marketing boards, banks, local agents of international companies, large local companies and private individuals. The Uganda Central Cooperative Union (UCCU) is also an importer, but it currently relies on donor aid for most of its stock. Other Cooperative Unions have also imported recently.

Next to the major importers are wholesalers and retailers. These include Cooperative Unions and shops in major towns, especially Kampala and to a lesser extent Jinja. These shops and the Unions supply other up-country Districts, as well as other shops in their own hinterlands. The Unions are more important in the distribution chain in more remote Districts. The Unions sometimes supply their Primary Societies. District Unions and specialized farm shops provide stock for Primary Societies, other retail outlets and market hawkers. The latter are the grass roots suppliers. However most importers also retail, either through their own shops, as is the case with the Central Cooperative Union and some other Unions, or even from office premises. No importer currently has any system of agents.

In addition to commercial outlets, the Ministries of Agriculture and Animal Industry have also distributed inputs through their own field staff, and occasionally directly from their respective Ministry headquarters. Some of these inputs also find their way to shops. These shops also purchase from individuals who have obtained allocations of foreign exchange to bring in specific items, or who are dealing wholly on the black market.

Local manufacturers include those producing hoes, pangas, and animal feeds. Chillington (Jinja) is presently trying to establish a network of agents. Up to now, Chillington has also dealt with all customers at the factory on an equal basis, a minimum purchase being one box of 25 hoes. Nuvita also has "agents", but so far no price incentive is provided. They are merely shops or Unions that sell Nuvita products.

There is in addition a large trade in locally crafted items, including hoes, slashers, plough spares, knives and digging implements of various kinds. Local craftsmen also make watering cans. Busoga is particularly rich in blacksmiths, and the Prisons Department in Jinja also make plough spares in their Prisons Industries section.

In Luwero, the main trading center is Wobulenzi; Luwero itself being more an administrative town. Peripherally Mityana, Mpigi and Mukono are also of importance. There are farm shops in all of these towns and also in Bombo. The shops in Wobulenzi and Bombo are very poorly stocked, both in range and quality of goods.

At the village level many shops stock certain items. These include: DDT, Dieldrin, Dithane and vegetable seeds. Availability in shops at this level is one measure of local demand. However, the quantities involved in relation to the population are very small. On the one hand, it is said that tools used most often could be purchased from markets, which used to be held bi-monthly. However few markets are now operational. On the other hand, many small shops appear to be flourishing and well stocked with a wide range of goods. In former days the East Mengo Cooperative Union used to provide inputs on credit through the Primary Societies who sold these from their stores. They plan to reintroduce this practice. Two other Cooperative Unions are operative in the Luwero triangle: Buruli and Wamala. The Cooperative Department considers the Wamala Cooperative Union to be the best organized in the country.

Demand for inputs depends on the nature of agricultural enterprises being undertaken, the size of farm, and the level of sophistication of the farmers. Demand is affected by price and particularly by price in relation to value of output, or extra output expected from using the input concerned. It is also crucially influenced by other demands of the farmer's income particularly those which may coincide in time with the need to purchase an input. For instance, the payment of school fees may often come at the same time as land preparation. A subsidiary factor in demand is the farmer's familiarity with certain brands of goods, and costs and availability of substitutes. A complicating factor in assessing the overall demand in Uganda is the existence of large underdeveloped and poorly supplied markets for the same goods in many neighboring countries.

Luwero is a relatively rich farming area, with numerous larger farms for growing coffee, and for ranching. It is also relatively more sophisticated as education and technical services reached it before most other parts of the country. The items demanded included tractors, herbicides, pesticides, and even fertilizers. There is also a demand for dip chemicals and veterinary drugs for cattle. Due to the physical damage inflicted during the civil war, there is an urgent need for iron sheets to re-roof houses which are also used for storing crops, and for Cooperative stores. As with most other areas, transport is difficult and bicycles are in short supply, although some for sale at subsidized prices are expected. In harvest season there will also be a need for drying facilities for coffee and for gunny bags.

The supply of inputs is to a large extent determined by the rate of importation, although Chillington has plans to make Uganda self-sufficient in hoes by 1987, and pangas are also now locally made. At present there is a shortage of many items. This is due to lack of foreign exchange, the hiatus in many aid programs during the Okello interregnum, the fact that some are phasing out, and administrative constraints on importation. The shortage is particularly acute in regard to dip chemicals and veterinary drugs for cattle. This is a national shortage, but a few of these things may still be found in more remote places.

It is difficult to evaluate prices. The UCCU claims that their markup is 10-15% over the purchase price, to cover their costs. This is difficult to substantiate. In general, there is a tendency in Uganda for markups to be very high as retailers have small turnovers, thus they wish to make as much as possible per item. Furthermore there is little conformity between prices of the same item at nearby retail outlets.

Present high prices are vitally affecting purchases of some basic inputs, and may soon put others out of reach of most farmers. The price of locally produced hoes in Busoga was Shs. 1800/ each as late as last October. Even at this price they were not in high demand. Eight months later they are selling ex-factory for Shs. 5400/-

In Luwero hoes have recently been given out as aid by the Red Cross. Such assistance, or even sale at subsidized prices, undermines normal commercial activity. No one will buy hoes at any price if they already have or expect a free one.

There are several other issues related to marketing of agricultural inputs which must also be taken into consideration. The first is the lack of technical knowledge of the farmers when handling many agro-chemicals and the poor instructions given on many packages. In relation to this is the fact that many of these agro-chemicals have never been tested under Ugandan conditions, and even many extension staff are unfamiliar with them.

The second is that regulations in respect to loans, and current interest levels serve to make them on the one hand inaccessible, and on the other too expensive for most farmers. The latter also contributes to inflation. Neither regulation nor the availability of loan schemes is well publicized.

Thirdly there is a contradiction between the objective of promoting more local production and that of finding the cheapest inputs.

Conceptual Framework

Markets are a means of satisfying needs by exchanging the surplus production of one with the surplus production of a different good of another. Through the market place demand and supply are balanced through price. Marketing is not however a simple process, nor is it anywhere an ideal means of satisfying needs, if only because of inequalities in income.

Marketing does not only involve producer and consumer but also a chain of middlemen and a number of service agencies of which transport and banking are only two of the more important. In Uganda the producer may often be in another country. The final consumer may also be in another country.

Usually marketing no longer involves the actual exchange of goods, but the use of money. Monetary factors are particularly important in Uganda since, as with other developing countries, its currency is not convertible. Trade is carried out in dollars.

Marketing does not only involve a consideration of institutions and organization, but ultimately behavior. The demand for agricultural inputs depends on knowledge, preferences and choices which are socially determined.

Marketing is subject to government intervention. In Uganda this includes direct intervention through participation in the marketing system at different stages, and indirect intervention through related policies in respect to pricing, taxation, foreign exchange dealings, extension programs and monetary policies.

The marketing of agricultural inputs as a category of goods has particular features. Firstly land and labor must be treated differently from other consumable items. Secondly, livestock is also the subject of rather different considerations than for instance, tools. Thirdly, all agricultural inputs are not strictly consumption goods but part of the production process. Their utilization is thus related to the effective demand and prospective prices for primary produce.

The Market for Land

The first input for agricultural production is land. For the purposes of this study it is assumed that the farmer already has land. However a number of points need to be made which are relevant to development initiatives. Most people in Uganda hold land under tenuous rights classified as "kibanja," that is traditional tenure. Under the 1969 Land Act, land was effectively nationalized. Theoretically, all land is public land unless one acquires individual title from government in the form of a 49 - year lease. The granting of such leases is conditional, after a five year probationary period, on evidence that it has been developed. It also involves considerable

expenditure to have the land surveyed and difficulty and delays in getting a surveyor to do the work, as there are few qualified surveyors in the country.

In practice most people continue to occupy and use land according to the customary practices of the different peoples of Uganda. Very few acquire such leases and often this relates to land previously used in common, not that which was obtained by traditional means.

In Buganda, including Luwero, the situation is, however, complicated by the existence of freehold titles granted under the original 1900 Agreement. This provided for personal estates as well as official "mailo" (for square mile) estates for the Baganda elite. The 1969 Land Act abolished official mailo, and left the position of erstwhile tenants in limbo. As a result of anomalies in current laws, this has resulted in the majority of the population of Buganda having the status of squatters. According to the (Social and Institutional Profile of Uganda, (SIP) USAID Kampala, 1984) in 1984 75% of all holdings in Masaka were in this category. It may be presumed that the same proportion of the inhabitants of Luwero labor under the same disability.

This means that few people can provide security in the form of a title deed for loans for farm development. It is also significant that many have little real security of tenure in Buganda, and this can influence the extent to which permanent improvements may be adopted.

There is no established market for land in Uganda, even though sale and rent are recognized in many places. There are no estate agents or realtors. This inhibits the more progressive farmer from increasing his acreage and some young people from acquiring any at all. In some Districts sales do not take place (e.g. Arua). In others, purchase of additional acreage is restricted to a large extent by lack of contiguous plots of any size (e.g. Busoga). Elsewhere scarcity of land even further reduces the acreage for sale in any one place (e.g. Kigezi) or may result in total unavailability (parts of Bugisu), creating pressure to migrate.

In Luwero, as in other parts of Buganda, there is a backlog of cases involving conflict of ownership so that titles are not clear and clean. As has been said the status of many cultivators is obscure and they can at any time be evicted from their land. In one recent reported case in Luwero the ousted tenant is taking his landlord to the RCI, but he has no formal protection before the law. Land may be sold with squatters on it. For instance, in Masaka one sub-county chief had purchased the land on which his shop, and those of several other people, were situated (SIP). However, tenancies in such case are not recognized. The purchaser, and the original owner, are unable to collect rent from anyone living on their land, although there is a continuation of a certain seigneurial relationship between

landlord and "tenants".

The Market for Labor

Up until recently, hand labor was the norm for all tasks. Only in the districts of Teso and Acholi, where ox cultivation was introduced early, did a high proportion of farmers plough with oxen even by the 1960s. Yet even in these areas all other tasks were also carried out by hand.

After Independence (1962) there was a move to promote mechanization, and the tractor hire unit of the Ministry of Agriculture was established. Many large farmers also bought tractors. However, the tractor hire unit was never an economic proposition and is now defunct. In addition, few tractors were imported during the 1970s and many were grounded through lack of spare parts. Only recently have there been a few new imports. As a result the large majority of farmers still rely on the hoe.

It is often assumed that the "family" provides the labor for African peasant farms. In Uganda it has been shown that this is not a tenable assumption. Within the family in many Districts the man was, and still is, not expected to participate in many types of tasks, while the percentage of school age children in school is rising and thus they are for most of the day during the week unavailable for major farm tasks. Once they leave school they are reluctant to work without pay for their parents.

There are a number of traditional mechanisms to supplement the labor provided by the family. The most common is the communal group which carries out certain tasks in return for food and drink, or which works on each of its members farms in turn. However, this is no longer resorted to in many places. In Masaka, a similar district to Luwero, none of the households in the SIP survey utilized communal work groups.

Hired labor has for many years been a feature of peasant farming in all areas of Uganda, and was more important in some than in others. In Buganda hired labor was in the past often used instead of rather than to augment, that of the family.

There is not, however a formal market for labor, nor are wages standardized throughout the country. The government sets the minimum wage but this is usually only applied to workers on large company-owned estates. There is no government or private agency through which to hire farm labor. Although the Ministry of Labor has employment exchanges, they almost never deal with job placement. They do however handle labor disputes and laborers on plantations are often unionized.

The market for labor includes migrants, either permanent or temporary, and the class of persons normally residing within an area who are usually available for hire. Migrant labor was more typical of earlier decades. They included Banyarwanda who came first to work and then often obtained land and settled;

Alur from Arua who came south to work and settle in the same way; and Jaluo from Kenya who came to work and cultivate for a season or two.

Most laborers are now permanent residents in rural areas. In Luwero, these, residents usually organize themselves into groups of three or four men to do contract work. Women in Luwero do not work as laborers although it is common to find women's groups in other parts of the country, notably the north and Kigezi. In Luwero and some other areas such selling of one's labor is looked down on. To have only one's labor to sell is considered derogatory. It is often difficult to find people prepared to work these days, as it is easier to make money in other ways, such as minor trading.

In Masaka 11% of household heads supplemented their income by working as agricultural laborers (SIP). According to the 1962 Census of Agriculture 35% of farmers in East Mengo District, which includes present day Luwero, employed labor. The comparative figures for Masaka for the census and for the SIP were 52% and 47%, indicating a slight decline. A similar percentage decline in Luwero would give a current figure of 31.5%. In the 1960s the majority (90%) of labor in Buganda was hired on a monthly basis. Another change is that today, 85% are hired on a daily basis (casually).

The cost of labour has escalated, in keeping with the price of other inputs. In the 1960s a monthly laborer was paid Shs. 30/. He might also be allowed a small plot on which to cultivate his own crops, or he might have been given meals with the family. Today laborers in Busoga are paid around 15,000/- per month, and while they are usually no longer provided with plots of land, they may also be given housing and rations.

The basis for casual hire is a fee for a certain task per day. This is calculated in Luwero by measurement with poles. These poles are about 12 feet long. Such payment is subject to negotiation and may vary even within a fairly circumscribed area. It varies even more widely between different districts. Factors which enter into the bargaining are the degree of urgency felt by the employer, or alternatively the degree of need for money by the laborer. Since many laborers do have their own, albeit inadequate, plots, it is both more difficult and more expensive to get labor at times of peak demand. There may also be competing demands for labor within an area from other types of business, such as coffee factories or schools.

The present cost of land preparation by hand is said to be between Shs. 50,000/- and Shs. 70,000/- an 'acre'. An acre is calculated to be made up of four plots each measuring 7 x 9 poles (5184 sq. yds.). Each plot costs about Shs. 6000/- to weed, ie. Shs. 24,000/- an acre. by comparison in the 1960s the cost was about Shs. 3/- per plot. Even in 1980 it had risen to only Shs. 1000/- per acre. As has been said however, every deal is subject to negotiation. It must also be noted that the

standards for measurement vary in different parts of the country, and there may be some variation even within the confines of one village.

Not only is hired labor expensive and in scarce supply, it is also difficult to control the quality of work done. In addition it is common for advances to be given on a daily basis for portions of work completed, and it is equally common if employers are not careful for originally agreed contract prices to have been exhausted before a field is finished.

Labor inputs are possibly the largest element of cost to the farmer. Not only is labor costly in itself but also in tools. Laborers most often require hoes to work with, or slashers, pangas, or axes, and frequently keep them after they have finished their task. One Musoga farmer said he included a new hoe for each laborer as part of the cost of any work done.

Labor Substitution

As a result of these problems farmers are seeking other means of cultivation, with tractors and herbicides. It is stated that at present tractor ploughing costs (old) Shs. 50,000/- to Shs 60,000/- per acre in Luwero. However, new contractors are now entering the field who are proposing to charge Shs. 92,000/- per acre and they are finding customers among the larger landowners at this price.

By comparison, it is currently about Shs. 35,000/- per acre in Busoga, reflecting presumably relative scarcity of tractors and higher demand in Luwero. It may be noted, as another indicator of inflation, that in 1983 the cost per acre was said to have been Shs. 3,500/- in Busoga. Cost may be calculated not only by the acre but on the distance of the plot to be ploughed from the tractor's normal station. If this is more than 2 miles, mileage may be charged on top of the acreage charge.

A major problem with tractors, as with other machines, is shortage of spares so they may be rendered useless by relatively minor faults. Many different makes have been imported in small numbers at different times since 1979, compounding this problem. Tractors are used only for ploughing.

Almost no one in Luwero uses oxen although there are many cattle in the north of the district, where there is also more extensive planting of annual crops, which would favour this means of cultivation. Only one man is known to have ox and plough. These he does not hire out. Before the present disturbances it is said that many farmers and cooperative societies in Luwero had tractors. At present the Agriculture Department staff knew of two or three; yet they would greatly ease the problems of land preparation, where it has lain fallow for many years.

For weeding, farmers are increasingly looking to herbicides. The first herbicides were introduced into Uganda in the 1960s for use in sugar cane cultivation. Later it was recommended by the Agriculture Department to eradicate 'lumbugu' grass, which is a particular problem in Buganda. Today of a random group of twelve farmers who were interviewed, seven had at one time or another used one of the available brands. These include: Roundup, Gramoxone, Dalapon, Tordon, Hyvar-X and Murphamine 2-4-D.

It is calculated that one kg. of Dalapon is sufficient for 4 weedings of one acre. The cost of one kg is Shs. 2000/- in Luwero at the moment (from a Cooperative shop). This is below the present Kampala price at the UCCU, and must therefore be old stock. In Kampala Gramoxone costs Shs. 7000/- per litre, although the shopkeeper questioned said he would soon put this up to Shs. 14,000/-. One litre is said to be sufficient for one weeding of one acre. It is self-evident that labor costs are far higher than even the more expensive herbicides. Herbicides are thus attractive to any farmer whose family cannot supply all his labor requirements, particularly where his major income earners are perennial crops. In Luwero this may be taken to be up to 35% of farmers.

Livestock Marketing

The marketing of livestock in Uganda is somewhat outside normal distribution channels, except where it involves importation. Normally livestock is marketed at cattle auctions - so-called although all types of stock are bought and sold. These are held at designated places throughout Uganda. They are controlled by the Veterinary Department and licensed by local administrations. They usually take place on a weekly basis. Sale of cattle can be suspended due to epidemic diseases.

In general owners take their own stock for sale. In the case of poultry however traders often visit the farms and buy from the farm. Such traders then bring a quantity for sale at the auction. Another exception is pigs. Pigs have only recently been kept in large numbers on a commercial basis. Both animal and meat are often sold differently from other stock as public display may offend Muslim sensibilities. Pigs are therefore sold by private contract between farmers, or as with poultry direct from the farm by traders and butchers.

Buyers at cattle auctions include individuals and traders. Traders may come from fairly distant places to well-established large auctions. Butchers also obtain animals from auctions as well as direct from farms. The Veterinary Department controls movement of stock from one District to another. A license has to be obtained to transport.

Up to the present livestock auctions have not been reinstated in Luwero, so it is difficult for farmers to purchase even local beasts. The Veterinary Department has a proposal to purchase cattle from Buruli County, where there are plenty, and to transport them for sale to other parts of Luwero. It is not known when this may be implemented.

In the 1960s Uganda was building up a national herd of exotic cattle, and there were several breeding programs to develop viable crosses with local stock. By 1972 there were also just under 3 million commercial poultry. Over the past decade this development has been lost. There are now very few dairy cows in the country and certainly less than 500,000 fowls. Losses of exotic stock have continued right up to the advent of the NRM government. These losses include breeding stock of the Veterinary Department.

Luwero and other parts of Uganda have also lost many indigenous livestock to looting and disease. The Veterinary Department prefer to see the former as "reallocation" rather than complete loss. In Luwero many herders were able to take their animals to safety in more remote parts of the District or even further afield. Nevertheless many farmers have experienced substantial losses.

A new start needs to be made. However there does not appear to be any project on line at the moment to bring in grade stock cattle, small stock, or pigs although, as has been said, consideration is being given to a project involving local animals. It must also be noted that there is some informal recovery taking place.

Poultry are in a different category from cattle. Since 1979 a large number of individuals have tried to keep poultry on a commercial basis, either broilers or layers. Most of these enterprises are periurban, small scale (100-500) and conducted by the more affluent and educated, including many women. The spread of commercial poultry keeping to the rural areas is restricted

first by lack of access to feeds, and secondly lack of knowledge.

Nuvita, the main supplier of feeds, is situated in Jinja. It has trade outlets through farm shops in Kampala and Entebbe, and Cooperative Unions in Tororo, Mbale, and Lira. However the Unions only take a consignment of feeds when they come to Jinja for other reasons, so there is frequently a hiatus in supply. The big farmer may manage to come to Jinja himself, but it would be very difficult for a smallholder to do so. Even when there is a supply in town, it is still costly for villagers to come to buy it since feeds are bulky and heavy. A number of smaller feed mills have recently been established, but the quality of their feeds is not monitored by staff nutritionists as Nuvita's is. Most are also periurban and sell their feeds in Kampala or Jinja.

Most chicks are imported, firstly from Kenya, and latterly from Holland and Belgium. There are a number of firms who specialize in this business and who are also involved in hatcheries. They import breeding stock and fertilized eggs. The firms so far prominent in this field are listed in the next section. At present every importer and hatchery has a waiting list. The same restrictions apply as to feeds. It is quite a complicated business for the upcountry farmer to come to Kampala at set times to collect chicks, possibly to go back empty handed if the supplier has taken too many orders.

It is also becoming quite costly to buy chicks. The price was recently raised to Shs. 3,500/- (that is the same price for a four-day-old chick as for one full-grown goat), and the inexperienced can lose many, especially with the unreliable electricity supply.

The Distribution Chain

The distribution chain is not highly formalized. There is no well-defined system providing for intermediaries between direct importers and manufacturers and retail outlets in rural areas. There are no proper wholesalers. Importers sometimes even deal directly with individual customers. There are no trade discounts. Importers do not deal exclusively with accredited agents.

One may however broadly differentiate between different levels of dealers: importers and manufacturers; Cooperative Unions and shops in Kampala and Jinja; specialized shops in trading centers and towns; Cooperative Primary Societies and general village shops; and market vendors. Some items such as wheel barrows, watering cans and rakes are more often carried as stock of hardware shops than those specializing in farm inputs. It was suggested that wheel barrows are most demanded by those with ongoing construction work rather than by farmers.

The distribution system has been complicated by the fact that a high proportion of farm inputs have come into the country under various aid programs, and have been handled by government departments and NGOs rather than being sold through normal commercial channels.

Farmers in Uganda get agricultural inputs from a number of sources at the village level. Firstly, weekly, and bi-monthly, markets or cattle auctions are held in a number of villages in each sub-county. At these markets farmers come to sell their produce and local craftsmen their wares. Market hawkers, who often make a circuit of several markets, bring a great variety of goods for sale at these markets. Farmers are able to buy a wide range of consumer items, including farm inputs. Most of the small farmer's needs can be satisfied at these markets. In some parts of Uganda such markets and auctions are very large. By comparison, those in Buganda are of more modest proportions.

In Luwero, markets and cattle auctions have not yet been fully reinstated, although a few markets have reopened. It may be assumed that with the return of more people, and the resumption of normal life, these markets will soon be a regular feature once more.

Another source of inputs is the small general shop. Small shops at village level in Luwero stock a wide range of different items. Those observed currently include beans, rice, sorghum, Irish potatoes, sugar and salt, mugs, saucepans, cutlery, clothes, soaps, toothpaste, playing cards, pencils, safety pins, bicycle spares, torches, batteries, and even soft drinks and sweets. A few also supply a limited number of farm inputs such as DDT, Dieldrin, vegetable seeds, and Dithane. One shop was selling Dalapon. Many shops were selling human drugs - antibiotics, chloroquine and aspirin - but no veterinary medicines.

Several shopkeepers said they would be interested to sell a wider range of inputs. They mentioned herbicides and fertilizers. They explained, however, that the market for hoes had been spoilt by the recent distribution of free hoes by the Red Cross. One small shopkeeper said his brother had a pickup which could be used for obtaining the inputs. Others normally use public transport when bringing stock for their shops.

In some places Cooperative Primary Societies have sold farm inputs. In the northeast, Uganda Cooperative Society stores have been the sole outlet for IFAD assistance. In other Districts, Societies have depended on their Unions to supply goods on credit for them to sell. In Busoga a limited number of items have been provided to many Societies for sale, including hoes. The Union itself has also experimented with a mobile van. USAID had also facilitated the distribution of some inputs through the Primary Societies including bicycles. In Luwero the Union also used to assist the Primary Societies to stock and sell farm inputs. The East Mengo Cooperative Union plans to reintroduce the practice as soon as it is proved feasible

It is unclear whether Primary Societies usually sell only to their own members. However some goods have been provided in such small numbers, e.g. bicycles that probably only officials were able to take advantage of this opportunity. Certainly, some people accuse the Cooperatives of "feeding themselves first". In the Districts of the northeast of Uganda, under the IFAD Agricultural Reconstruction Program, Cooperative Primary Society stores have been used as trade outlets. Anyone could buy from them. In fact it is known that in many instances traders bought up entire consignments and took them to other parts of Uganda or even to other countries. In general, therefore there is no major reason why Primary Societies should restrict sales to their own membership, if in fact membership is sufficiently formalized for officials to adequately identify all of them.

Some inputs have been sold by the Department of Agriculture through their field staff at the sub-county headquarters. This was mainly over the period 1981-84. Allocations and prices were advertised by radio and days for selling organized together with the sub-county chief. Under the EFC Coffee Rehabilitation Programme hoes and other inputs were also sold directly by Agriculture Department staff working with the program. One such exercise was observed in Masaka. This utilized a lorry to make scheduled trips to a series of distribution points.

At the present time in Busoga the Agriculture Department only has stock which has been carried over unsold from 1984. There have been no recent distributions from Ministry headquarters. However sale of tractors in the past few months has been managed directly by the Entebbe offices, and other inputs received under Japanese aid also appear to have been disbursed centrally. The Agriculture Department in Luwero have no inputs at present at all.

The Veterinary Department also sells inputs, both from its District offices and through other field staff. Many inputs are classified drugs which may only be imported by pharmaceutical firms, or by the Veterinary Department, which controls their use. At the present time District Veterinary offices are without any veterinary drugs, and supplies of acaracides are limited to Bacdip. It is alleged that Veterinary staff personally profit from the sale of these items. In the past the Veterinary Department supplied inputs to their field staff to be sold at subsidized prices. Today Veterinary Officers use their own money to buy from central stores and thus charge what they want.

Finally many NGOs also operate at village level. In Busoga agricultural inputs have been sold at subsidized prices, and at times even given out free, through the rural development program of the Busoga diocese. Other religious groups also have smaller projects. Both the Baptists and Catholic Church has at times been involved in poultry projects. In Luwero the Red Cross have recently been distributing hoes and basing among other items. In

another initiative Euro Accord is to distribute hoes in the north. UNHCR have also at times provided similar aid in the northwest.

At a slight remove from the village itself, farmers can also purchase inputs from the farm shops in the trading centers. In the Luwero triangle those seen stocked a very limited number of items. This may be because farmers are only now returning and demand has to build up. It may also be due to the fact that Kampala is near enough for many farmers to go there instead. A number of shops were identified in Wobulenzi, Luwero, Mpigi, Mityana and peripherally, Mukono. These include: Ssemaganda & Sons and Luwero Farmers (Luwero); Midland Store and Bulemezi Farmers Promoters (Wobulenzi); Mpigi Farm supply (Mpigi); Mukono Farm Shop, Makula Farmers Ltd. (Mukono); Kizawula Growers (Kangulumira); Bulofa Farm Supply (Bulo). This is not necessarily a complete list, nor was it possible to provide indication of how good these shops are.

The better stocked specialist shops sell a wider range of inputs, including pesticides, acaricides, fungicides, herbicides, vegetable and maize seeds, tools and equipment such as spray pumps and watering cans, pye grease, poultry louse powder, deworming powders and other veterinary inputs. Hybrid maize is only stocked and sold in season. Several shops in Busoga had a range of poultry inputs.

Both in Luwero and much of Busoga the large towns of Kampala and Jinja are also sufficiently near for farmers to come in for occasional purchases of items not readily available locally. This can be combined with other business. It is probable that the more prosperous and large-scale farmers get all their inputs from shops in these towns and from the Central Cooperative Union shop and depot in Kampala. Shopkeepers in both towns said they get customers from up-country. These are both individual farmers and business people who have their own shops. While some come from other parts of Uganda, most come from the west where there is a high demand for veterinary products, including acaricides. It must also be noted that there is an increasing number of absentee farmers who normally work and live in town.

All of the commercial outlets in the rural areas - market hawkers, village shops, and shops in the trading centers buy their supplies in the nearest town, either Jinja or Kampala, although some of the specialized shops in Busoga also buy in Kampala. Occasionally some managers of more well-established specialized shops will travel to other places in the country if they hear of the availability of some item which is in great demand but in poor local supply.

A number of Kampala shops, together with the Central Cooperative Union, were named by shopkeepers in Luwero and Busoga as their source of supply, these include: The Pet Shop, Bweginda, Agalyawamu Enterprises, Biyinda Farmers, Soka Enterprises, and Keweremide Trading Co. Four of these shops

carry animal feeds as well as other farm inputs. Some specialized shops in the trading centers also buy from importers and local industries.

The Jinja and Kampala shops buy from importers, from the UCCU, from each other, and from individuals. They also buy from local manufacturers and craftsmen.

The Uganda Central Cooperative union is a major supplier of almost everyone else, including most of the farm shops. In fact a complaint of the District Unions is that they are accorded no preferential treatment and other businesses may buy up most of the items in high demand. As has been said the UCCU does not distinguish between different categories of customer either by providing trade discounts or by only dealing in large quantities. The fact that trade discounts are not generally allowed by any supplier to other businesses results in inputs in the rural areas being much more expensive than in town.

In the past, the UCCU used to be a major direct importer, but over the last decade it has relied on donor aid to a large extent. The managers interviewed admitted that approximately 80% of their stock was from donors. They also purchase from other importers including: Welcome (Uganda) Ltd., Associated Chemical Industries, Phoenix, Twiga (Uganda) Ltd., Fanaldo, Agro-Med, 4-Ways Group of Companies, Magric, Ssembule and others. When they do import, they make use of credits under aid programs. They have recently also utilized EAC credits to import agro-chemicals from Twiga (Kenya) Ltd.

The UCCU, while it has the appearance of an apex organization seems to operate independently of the rest of the cooperative movement. They sell to anyone who wants to buy and in any quantity. They show no special preference for other cooperative unions or primary societies. They are planning to open their own trade outlets upcountry in the near future, in Mbarara, Mbale and Gulu. They admit that these will tend to compete with outlets owned by the respective District Unions in these places, and so far West Acholi Cooperative Union in Gulu has not helped to secure suitable premises for this reason.

Other importers include District Cooperative Unions, government departments, marketing boards, banks, agents of international companies, large local companies and even private individuals. Both government departments and marketing boards import largely for their own use. For instance the Coffee Marketing Board imports huge quantities of gunny bags, while the Tsetse Control department imports bush clearing equipment. Banks import for their clients as part of development aid packages.

The District Cooperative Unions import both for their own enterprises and for sale through farm shops, or the Primary Societies. The East Mengo Cooperative Union for instance had ranches and farms in Luwero as well as coffee factories and ginneries. In both Busoga and Luwero, either presently or in the

past, some inputs have been supplied to Primary Societies for sale from Society stores. In Luwero one cooperative shop was seen selling a few inputs.

Most major drug and agro-chemical companies have agents in Uganda. Not all are active. These operate in different ways. Some are direct importers and distributors, and provide up-country services to a minor extent, their staff being small. This includes Welcome (Uganda) Ltd. Some only promote their firm's products and benefit from commissions on goods supplied by parent firms through the several aid programs. They may import on their own initiative to a limited extent but do not provide technical services. This includes Agro-Med, agents for Bayer, and previously Farm Inputs agents for Hoechst. Others, pre-eminently Ciba Geigy, only offer technical and promotional services but do not import at all.

Welcome is a major supplier of farm shops. Shell Chemical Co. and Twiga also operate in Uganda but have done little importation recently. Farm Inputs appears to have gone out of business and no one knows of a new Hoechst agent. Pfizer also used to have a Kampala agent, but today also nothing is known of local representation.

In addition, there are local independent companies who may also act as agents of more than one overseas supplier, in addition to making speculative purchases as demand arises for other goods. Associated Chemical Industries Ltd. for example sell products of Orbit (Kenya) Ltd., and knapsack sprayers for a firm in Norway. They however also import soap. The 4-Ways Group of companies have the agency for Massey Ferguson, but they have also imported hoes from China, mechanical cultivators from Japan and other goods. These companies act both as importers/wholesalers and retailers. Although they do not have direct retail outlets in most cases they occasionally sell to individual buyers from their office premises. General Machinery/Victoria Motors, which market International tractors, however, has their showrooms on Jinja Road, Kampala.

Retailers also purchase stock from local manufacturers. At present no local manufacturer has any proper system of upcountry agents, although Nuvita lists certain shops and Cooperative Unions as trade outlets. Chillington is trying to institute a system of agents to avoid having to deal with everyone at the factory. Where agents have been extensively used for distribution, as has been the case with products handled by the parastatal Foods & Beverages Ltd., they have frequently been instrumental in large quantities of goods ending up in the wrong place.

Local crafts are also important to the mass of small farmers if only because they are very cheap: a knife costs between (old) Shs. 250/- and (old) Shs. 500/- for instance. They are also often made to meet particular tasks, such as pruning knives for bananas, doggers for yams, and other types of implement for

making holes for building.

Craftsmen primarily make articles to order and frequently, the customer is asked to supply his own raw materials. Some craftsmen deal in a small way with demand in their own immediate village. Others serve a more extensive market through traders. The traders buy in quantity and sell these goods mainly in the markets and auctions, although a few shops were also found selling craft tools. The more sophisticated products, such as poultry equipment, are either ordered by the farmer himself or by the better farm shop.

This is not an exhaustive list of importers, of Kampala based farm shops, or even of farm shops in Luwero trading centers. However it is sufficient to demonstrate the channels through which goods flow from center to consumer.

Demand

Assessment of overall demand for any good in Uganda is, and always has been, difficult. This is largely because of long unregulated borders with neighboring countries, most with equally crude economies, and longer lines of communication to their own capital cities and centers of commerce than with Kampala.

In the 1960s it was well known that Tanzanian, Rwandan and Zairian border areas smuggled their coffee through Uganda, whose marketing agencies had superior organization and more attractive prices. With the collapse of the Uganda economy and the degradation of government marketing boards, the flow has been in the opposite direction. Today there is a shortage in these countries of many of the goods needed in Uganda, including agricultural inputs. It is therefore probable that a large proportion of the aid to Uganda ends up outside the country.

The disparities in official values of currencies among Uganda and its neighbors, and the existence of other scarce goods which may be purchased in these countries also encourages this illicit trade.

The demand for agricultural inputs is determined by the nature of enterprises, their size and scale, and the level of sophistication of the farmer. In Uganda there are regional differences in types of enterprises. There are some large-scale farms, although a majority are very small. Most farmers are also technologically backward.

In the southern sector of Luwero the major crops are coffee and bananas. Beans, groundnuts, sweet-potatoes and maize are also grown. The north is more pastoral and ranching schemes had been established before the civil war. A larger acreage of grain crops was planted as well as other annuals such as groundnuts. Rice had been experimented with.

According to the 1962 Census of Agriculture, 70% of farmers in East Mengo had less than five acres of land. For other Districts the SIP indicated a larger proportion were now in this lowest category. However a feature of Luwero, as with most of Buganda, is the existence of a larger number of commercial farmers than occurs elsewhere in Uganda. The East Mengo Cooperative Union itself had several farms in the Luwero triangle, some of which were totally destroyed. According to figures already quoted at least 30% of farmers use hired labor. It may be assumed therefore that a proportion of that 30% are larger and/or progressive farmers and thus require a wider range of inputs.

Demand is also affected by price of inputs in absolute terms and relative to price of other non-agricultural commodities, and other or alternative inputs. Demand may be higher when prices are low, either through forward buying, or because at a lower price it may be economical to purchase certain inputs. Conversely, when prices are high farmers may defer buying. They may also be unable to raise enough money for needed inputs even though returns to such investment would warrant it. At a certain price it may also simply become uneconomical to use an input.

Absolute prices are escalating. Upward movement in multiple figures is almost a daily phenomenon. The effect of such jumps is to cut off demand for all but urgent necessities. A related factor is that prices of so many other things have also shot up. At the same time, households appear to have a greater variety of consumer needs than they did in the 1960s.

The prices of agricultural inputs will be discussed in a following section. One or two examples of other prices will serve to demonstrate how inflation hits the average farmer. In the 1960s a simple blanket cost Shs. 10/. By 1984 the same blanket cost Shs. 6,500/-. Today it is Shs. 40,000/-. In the 1960s salt cost 60 cents a kg. In 1984 the price was 100/-. Today it is Shs. 1,400/-.

Price may be balanced against other considerations. For instance there may be a preference for particular brands based on known or assumed efficacy. Preference may be a result of ignorance of something new, or based on experience of actual quality and reliability. In the case of hoes the preference is for Chillington (UK), Cock (China), and Chillington (Jinja) in that order. Farmers claim that the Jinja hoes are weak and will bend if they inadvertently hit a stone.

Demand is also influenced by other perceptions. If items are made available well below market prices people tend to buy ahead of need in order to take advantage of the opportunity. It has been a common practice in Uganda, if one can raise the money, to buy in bulk, at wholesale prices. To buy a whole bag of sugar or rice in this way is a hedge against inflation as well as an immediate savings. In the same way, a more affluent farm will

buy whole cartons of hoes at a time, even when they only immediately need one or two, or none. At the same time the expectation of possible future aid may inhibit present purchases of durable items.

The demand for some items is seasonal, as has already been mentioned. Seeds, hoes and even pesticides sell immediately before or during planting and growing periods. The demand for most inputs for cultivation is mainly seasonal, whereas the demand for veterinary products is regular. It was said by traders that purchase of hoes is concentrated in the months immediately after the main harvest of coffee and cotton in December and January, when farmers have money, and immediately before or during the main rains February through May, when need is most acute.

In further defining demand one can divide buyers into three groups. First, there is the mass of poorer farmers who may use only very basic tools, second, the more progressive or educated farmers who are trying to improve their income and therefore use more advanced technology and thirdly the large-scale wealthy and sometimes specialized farmers who are heavily reliant on hired labor. The proportion of the total population falling into each of these groups differs considerably in different parts of Uganda.

The larger number of small farmers in Uganda, and in Luwero use few inputs. These are largely basic tools: hoe, panga, axe and slasher. Nearly all households possess at least two of these items and a majority have three or four. A sizeable minority have other things: basins, spray pumps, spades, forks, rakes, wheel barrows, watering cans or ploughs. Such farmers also use an assortment of traditional tools. Nearly all farmers will need more than one hoe for cultivation. The number will depend on the size of his work force. In Luwero men usually cultivate together with their wives, so a family will need at least two.

One way of calculating the requirement for hoes is to estimate one per adult (i.e. over the age of 16 or 18). A hoe lasts at least two years and probably longer, so the maximum demand per year will be the total number of adults divided by two. In Luwero District the population was 412,000 in 1980. Thus annual demand would at most be 137,000. However it is also probable that the present population may be below that of 1980. Not only were many people killed, but many others fled and are still reluctant to return. Therefore actual requirements may be well below this figure. Other tools are not needed in such large numbers. Often farmers borrow from others to meet their particular needs.

The small farmer will also purchase pesticides if the price is within his reach. In the 1960s when Dudumaki and spray pumps were heavily subsidized, the majority of farmers sprayed their cotton. Many used the insecticide for other purposes as well.

The degree to which a farmer is prepared to invest in other things may be related to his reluctance to purchase hoes at present prices. It is also probable that insecticides are now purchased as a form of crisis management rather than as a regular input. This two which were seen for sale in the villages are DDT powder and Dieldrin. Even though DDT retails for as little as Shs. 300/- for a 250 gram packet, shopkeepers report selling only half a dozen per week.

It is when farmers embark on expansion and improvement that their needs become more extensive. Traditionally loans were given for the purpose of promoting particular improvements or innovations among progressive farmers. Although the administrative category of "progressive farmer" no longer exists because there are no extension programs to serve it, yet people still recognize and refer to some farmers as progressive.

Progressive farmers buy vegetable and hybrid maize seeds and watering cans. They may also seek to acquire better fungicides pesticides, fertilizers, spray pumps implements, or to hire tractors. They are also the first to adopt other innovations, such as pig or poultry keeping. Such innovations have their own input requirements. Under local conditions it is impossible to grow tomatoes without fungicides, and difficult to grow other vegetables without pesticides. At the present time a number of pests and diseases are also rampant in indigenous crops. The sweet potato weevil is wiping out entire fields in some districts. Nematodes which attack bananas are also a growing hazard. These cannot be eliminated without recourse to agro-chemicals.

Wealthy, large and specialized farmers, who are not necessarily the most educated, have the greatest and most consistent demand for inputs. It is the larger farmer, who wants to buy or at least hire a tractor, who is moving into use of herbicides. It is the dairy farmer and rancher who most need dip chemicals and veterinary drugs. Such farmers require fencing wire and other constructional materials. The larger the acreage of crops, or size of herd, the more urgent the need to protect them from pests and diseases. This may also include protection against post-harvest losses by the use of storage chemicals.

One practical measure of demand is the turnover of suppliers. This is not easy to establish without monitoring, but there are some possible indicators. Attached is a list of the requirements for 12 months of the Cooperative Central Union. As has been said, the UCCU is a major supplier of retail outlets at all levels throughout the country. Also attached are the estimates of annual demand for 1986 prepared for the IDA project.

Associated Chemical Industries brings in five to ten tons of Dieldrin at a time. They were able to sell 3000 knapsack sprayers in one month and could sell many more if foreign exchange were made available. 4-Ways Group of Companies have sold nine tractors this year and propose to import 24 more.

Town shops were unable to estimate average weekly sales, with the exception of Busoga Growers farm shop in Jinja. They claim to sell 15 kg of Dithane, 10 litres of Ambush, and five litres of Sumithion a day. These are the fastest selling items. They provided 300 cartons (7500 pieces) of hoes to Cooperative Primary Societies las September-October. These sold slowly and some payment is still outstanding. They are planning to restock with only one tenth the number.

At the level of the trading center the turnover is much less. Shopkeepers said they could sell perhaps 6 Dithane packs of 1 kg a week. Some items are even slower selling. Watercans are sold at the rate of one a month. Others, such as maize seed are purchased seasonally over a short period. One shop in Iganga, a maize producing area, had sold only 57 x 10 kg bags of Kawanda composite earlier this year. This was mostly sold by the kilogram and not by the bag. It was also pointed out that even the demand for Dithane and other agro-chemicals is limited largely to the rainy seasons.

It would appear that while at present functional demand for more technologically advanced inputs is from the large and progressive minority of farmers, there is also a potential demand for these goods from the majority. This would depend on cheaper prices and possibly the provision of subsidies. For the majority, although the inputs demanded are basic and simple ones, even these, present prices are a constraint.

Supply

In the past five years most agricultural inputs have come into Uganda under a variety of bilateral and multilateral aid schemes. During the Amin era the few inputs available, with possible minor exceptions, were manufactured locally or imported by agents of international companies. However, there was very little importation after 1974. No pesticides of any kind, for instance, were available in the country for several years.

The same situation did not apply to veterinary inputs. Veterinary Department records show continued importation of these, if on a slightly reduced scale, in conjunction with such firms as Wellcome and Pfizer. Whether any of these inputs reached the farmers is unclear. Subsequent reports speak of the spread of disease and breakdown of dipping system.

Veterinary drugs were at one time closely controlled by the Veterinary Department and nearly all commercial imports were handled by the Bombay Trading Company, which later became Uganda Pharmaceutical Co. Ltd. Uganda Pharmaceuticals no longer deals in veterinary medicines. The Department's approval must in theory still be obtained by anyone wishing to deal in scheduled veterinary drugs.

Hitherto, the Veterinary Department monopolized the provision of inputs to the farmer. However most items can now be purchased from shops. Since 1984 it has also been agreed to leave the importation and distribution of acaracides to the private sector.

During the 1960s many more inputs were produced locally than is the case today. There was an agro-chemical factory and a fertilizer plant in Tororo. The latter exported single superphosphate to Kenya up until the mid-1970s. A large proportion of hoes and other implements were also manufactured in Uganda.

The more recent supply of inputs has been largely determined by donor aid organizations. Not only have a large proportion of inputs been directly supplied under various aid programs, but hard currency credits have been made available for importation of pre-identified items. Needs are assessed by donor agencies in cooperation with the Ministries of Agriculture and Animal Industry. This also applies to the lines of credit.

This reliance on aid has had the effect of undermining normal commercial initiative. Where goods were directly imported commercial channels have not usually been used for distribution. These goods also often contain an element of subsidy if only because commercial profit margins are not included in the sale price. It is also the case however that at times agricultural inputs have been imported under preferential rate of exchange.

A further effect of this reliance is that there is no regular flow of goods. They tend to be brought in large consignments all at once. In addition there seems to be an assumption that once an immediate need is met, nothing further needs to be imported of that item. It is expected that Uganda Government (UG) will manage any further requirements.

Goods, both those directly imported and those ordered on behalf of Ugandan concerns under lines of credit, are very slow to arrive. By 1985 none of the goods ordered in 1983 had arrived. A schedule for 1986 showed that some orders were still

outstanding which should have been completed by mid-1985.

Where lines of credit have been provided, there have been long delays between initiating an application to purchase inputs and the inputs arriving. It may take a year or more for the Uganda Commercial Bank to scrutinize an application and anywhere up to two years after that for other procedures to be completed and the goods to reach Uganda. In instances where importers have applied for foreign exchange through usual channels, similar, but shorter, bureaucratic delays have been experienced in processing applications. This gives rise to a number of problems which are discussed further below. It must however be stressed that orders which have been made independently of aid schemes are filled with much greater speed.

Direct donors of inputs include:

EEC, IFAD, USAID, UNDP, West Germany, Japan, Finland, Sweden, Italy and Britain.

The largest donors have been the EEC and IFAD. Most donors still have ongoing programs, although some earlier programs are being phased out. Inputs brought into the country include nearly all categories of inputs. The EEC and IFAD programs also have had a major vehicle component mainly for use of government departments. West Germany, Japanese and Italian aid included tractors and agrochemicals. Finland, Sweden, and UNDP contributed hoes and handtools.

There are no readily accessible central statistics on items and quantities of aid imported over the past six years. Although these do exist, both with the donor agencies and Uganda Government (UG) they are not easy to obtain. Even if these were available however the proportion of goods that stayed in Uganda and that which was reexported is not known.

In general IFAD has responded to the general needs of the northeast while the EEC has dealt with particular crop requirements. When aid is provided for a special crop area - IFAD for the northeast, EEC for Karamoja, EEC for coffee and tea there is a filter effect of inputs to other areas and for use on other crops. Inevitably hoes and pesticides have multiple uses and in Uganda no farmer grows only coffee or any other cash crop. This dispersal applies not only to immediately adjacent areas, but also to other parts of the country, or even other countries. Some estimates put this outflow at a minimum of 50% of total assistance.

Receipts from sale of inputs under most of these programs is supposed to have been paid into revolving funds which were then to be used to buy more inputs. These funds are deposited with the Bank of Uganda. So far the only fund which has been active is one banked with the UCB by the EEC. In spite of repeated submissions, no foreign exchange has been released from the Bank of Uganda accounts. It is also apparent that unless original donors have been prepared to take an active part, not only is no initiative made by UG to use these funds, but they are not always even deposited.

A second source of supply has been an IDA credit for the purchase of agricultural inputs. This is part of a 70 million dollar project, of which \$30 million was for rehabilitation and development, and \$40 million for the purchase of agricultural inputs. This amount was augmented by credits from the Netherlands of 15 million guilders, and from Canada 5 million of Canadian dollars. More recently Italy has provided a further \$10 million and the EEC, 5 million ecus.

The original project document is unavailable and there are differing interpretations of original intentions, particularly the period of time over which this money was to be utilized. A very slow start was made in 1983. By 1986 only a few items of the first purchase amounting to slightly over \$7 million, had arrived in Uganda. By April 1986, \$22 million still remained uncommitted. A further amount is claimed to have been committed by the end of June. There is now greater pressure to move faster. It must be pointed out that in the interim not only has the Uganda currency been devalued several times and other projects come on line, but inflation has affected overseas prices as well.

One reason for the slow rate of utilization is that there was insufficient publicity by the UCB, the administering agent, but who perhaps did not understand that this was their responsibility. Neither the East Mengo Cooperative Union and the Busoga Growers Cooperative Union was informed of this project until about March of this year and so far neither has been informed on the progress of their applications.

The second reason is that the objectives for utilization are parallel to those of the EEC and other direct importation programmes, and competitive commercial importation of the same items was perhaps not attractive to businessmen. Thirdly, there have been internal delays within the UCB in scrutinizing applications. The fourth reason is the sheer cumbersomeness of the combined regulations of the World Bank, the Crown Agents (who deal with procurement), the UCB itself, and the Uganda Government. Lastly there are supplier delays which would be unacceptable for normal commercial transactions.

The procedure which is supposed to be followed is for applicants to present their requests to UCB. This often may involve also applying for credit from UCB for local cover to purchase the foreign exchange. Thus the UCB does not merely scrutinize applications in their capacity as agents of the World Bank, but also as bankers to the applicant. This means looking at their credit-worthiness and requiring documentation on assets, and title deeds to be used for security, as well as the commercial standing.

After approval has been given by the UCB, the Crown Agents write technical specifications and tendering procedures are started. There is no preselection process for tendering so this may take a long time. It is also possible for firms to be included who do not have the capacity to fulfill the contract. It is alleged by outsiders that sometimes companies get the contract but provide substandard goods, as there is no adequate system for inspection. USAID has also experienced this problem.

After tenders have been received they must be approved by a UCB committee which includes two members of the Central Tender Board. Then, permission must also be obtained from the Bank of Uganda to use the foreign exchange credits. This also takes time. It was originally assumed that processing applications would take five days. It is nearer to five months. After all approvals have been granted it takes several more months, if not years for the goods to actually arrive.

A complete list of the companies and organizations that have used this credit can be obtained from the UCB extracted from reports to them from the Crown Agents. However, both parties were reluctant to release full information. The organizations which were possible to identify as having already imported under this scheme or in process of doing so are:

- Agricultural Enterprises Ltd.
- Banyankole Kweterana Cooperative Union
- Busoga Growers Cooperative Union
- Coffee Marketing Board
- East Mengo Cooperative Union
- Kungu Farm
- Lint Marketing Board
- Mbale Cooperative Union
- PetCan
- and other individual firms
- Sebei Elgon Cooperative Union
- Tsetse Control Department
- Uganda Cooperative Central Union
- Uganda Tea Growers
- West Acholi Cooperative Union

There is a proposal that some of this credit, particularly that from Italy and the EEC, be utilized by the Uganda Commercial Bank itself, which would directly market inputs through a "supermarket" in Kampala.

The larger part of these imports are not for agro-chemicals. The biggest single orders are for gunny bags and hessian squares. A complete list of applications received up to January 1985 is attached. Most orders are in amounts of tens of thousands of dollars.

A number of companies have also imported inputs by ordinary means. The procedure for importation is first to obtain an import license from the Advisory Board of Trade. The latter was recently abolished but is still temporarily operating until alternative arrangements can be made. Import licenses should only be issued to those having a wholesale trading license and having registered trading premises, but this procedure is not always followed. Application may then be made to obtain foreign exchange. Local cover has to be deposited in a separate account with the importer's usual bankers, who transmit the request to the Bank of Uganda.

Theoretically applicants should hear within a week if their application is successful, but is not the case. There are considerable delays even in providing information on the status of an application. All those spoken to complained of long delays between submitting an application and obtaining foreign exchange. There is also no certainty that an application will eventually be successful. Nor has the government so far established priorities.

The process can tie up capital for six to eight months. If a loan has been obtained for local cover then commensurate interest accumulates. Even when foreign exchange is obtained there may be delays in shipping. Proforma invoices may have passed the expiration date, in the interim requiring fresh invoices to be sought before the Bank will release the money. A proforma is normally valid for 30 to 60 days and there may be supplier price changes after that period.

When an application is unsuccessful and the applicant decides to withdraw it, it may take time to recover the original deposit. Some private individuals prefer to buy foreign exchange on the black market and then supply inputs at a higher local price because of this. They prefer to avoid the red tape.

Many importers take out credit to provide local cover to purchase foreign exchange. Thus prices will also contain an element of interest. Interest is currently 3% a month.

It is impossible in the short run to get a complete list of those who have recently imported, or are now in the process of doing so. However, according to information so far gathered, the following are included:

Chillington (Uganda) Ltd.
Sembule Manufacturers Ltd.
Fanaldo
Associated Chemical Industries
Agro-Med
Agro-Projects
4-Ways Group of Companies
General Machinery/Victoria Motors
Magric
Nuvita Feeds (and probably other millers-see below)
Phoenix
Primex
Shell Chemicals Co.
Spring Valley Farm
Spring Valley Hatcheries
Welcome (Uganda) Ltd.

It is possible that some of the private companies, including Fanaldo and 4-Ways also utilized the IDA credit to import hoes.

Items imported include premix and calcium for poultry feeds, agro-chemicals including pesticides, herbicides, fungicides and acaricides, tractors and implements, mechanical and cultivators and implements, hybrid maize seeds, fertilizers and steel.

Another source of supply is local manufacture. At this time hoes, pangas and barbed wire are being manufactured locally in Jinja, Lugazi, and Kampala. Ox-ploughs were being manufactured in Gulu until recently. Animal feeds are also made locally.

In addition to the dominating Nuvita in Jinja, there are a number of smaller mills including Kayisa (Kamuli), Kenana (Bushenyi), Mukono Church of Uganda, Busega, Kadama (Jinja), Spring Valley Farm (Kampala), and Afi Feeds (Masaka). There are two others whose company names are not known, both near to Kampala, one being six miles on Bombo road. Others are still in the planning stage.

In addition a number of items are locally crafted in Jinja and Kampala, and other places in eastern Uganda. These include hoes, pangas, slashers, knives of various kinds, watering cans, poultry equipment and water tanks. The main problem for local craftsmen is getting suitable raw materials. These are scrap metals from vehicles, pipes and so on. They also use sheet metal which is probably imported.

Manufacturers face the same problems as importers of inputs. Some material requirements, spares and machinery also need to be imported. They therefore experience the same delays and uncertainties. These can result in suspension of production. In the case of animal feeds this results in uneven quality. Local alternatives are sought which are not of the same type or quality as that which should be used. In some instances anomalies in foreign exchange regulations and high interest rates make local products more expensive than imported finished goods. The quality of local production is often also poor.

Up to the present local manufacturing does not fill apparent demand. Hoes and pangas are also being imported in large quantities. Chillington is expanding its capacity with the intention, together with Ugma, of meeting projected demand by 1987. However, on the one hand they may not achieve target production due to discontinuities in supply of raw materials or plant breakdown which they have suffered in the past. While on the other projected demand may prove elusive.

In the case of animal feeds the problem is rather one of distribution than of plant capacity. It is very costly to transport such a bulky commodity upcountry, and so far no retailers have shown much enthusiasm for the task. As a result there has been a proliferation of feed mills nearer potential consumers. So far these produce a poorly controlled quality of feeds.

As has already been pointed out there is at the present time a shortage of many inputs in the country, because of the various constraints to importation discussed above. It is also due both to difficulties in assessing effective demand in Uganda, and the continuous drainage of goods into surrounding countries.

It was noted that the range of farm inputs available at the intermediate trading center level was much better in Busoga than in Luwero. This may merely reflect the fact that farmers are only just moving back into Luwero and thus demand has to build up and be reestablished. It is also a fact that there are many more and better farm shops in Kampala than Jinja, and Kampala is more readily accessible by public transport from most parts of Luwero than is Jinja to its remoter hinterland.

Price

The main determinant of price is the rate of exchange for dollars. This is because not only are the majority of farm inputs imported, but also the few locally manufactured items have imported components. In addition, most other manufactured goods and motor fuels are imported. Thus the price of dollars is an integral element of local prices.

The rate of exchange is also the major component of inflation.² After each devaluation, necessarily the price of all goods has shot up, even of primary produce. Farmers respond rapidly to increases in the price of other things they need to buy, and transport costs are an important part of the price of nearly all marketed goods.

Another element in prices is interest rates. Very many local enterprises have borrowed for establishment, rehabilitation or recurrent business needs. Furthermore, as has already been pointed out, administrative delays can extend the time over which interest accrues.

Consumer prices are also determined by profit margins in the chain of distribution. Due to the fact that most business is conducted on a low turnover, margin on individual items tend to be high. Lastly, relative scarcity is a factor, as is anticipated inflation. When a particular input is in short supply traders often charge in relation to replacement value and not supplier price.

Other elements of price are taxation or alternatively, subsidies, and monopoly control. In Uganda, it must be remembered that the asking price may be pitched high as the seller expects bargaining to take place. This is less often the case in both farm supply and small general shops than in the market place, or in shops dealing in other goods such as cloth, but it does take place.

Over the past five years the Uganda shilling has been successively devalued. In 1980 it still stood at 8/- to the dollar. The first devaluation was more than tenfold to Shs. 100/- to the dollar. Since then the value of the shilling has declined to its present free market level of Shs. 5000/- to the dollar. Since prices of imports are quoted in dollars, and have of course to be paid for in dollars or another hard currency, one can almost chart inflation in local prices running side by side with the devaluation curve. Development loans are also quoted in dollar values, so that as the shilling devalues, so is the loan rescheduled upward. These changes are difficult to plan for, and only the most astute and unprincipled businessmen have made a profit from the situation.

A further complication has been the operation at times of differential exchange rates for different categories of imports. The benefits of these preferential rates, so far as one can calculate, have been consumed by the middlemen and not passed on to the consumer, who has no means of knowing what should be a fair price.

The fact that most devaluations have been in very large percentages has also made them very difficult to absorb. For example, the retail price of a hoe last October was Shs. 1800/-. Present ex-factory prices, 8 months later, are Shs. 54000/-. Other prices follow the same pattern. In these circumstances it is very difficult for the small shopkeeper to revise his prices to provide for their probable replacement value. As one trader said "how can I suddenly ask double the price I did yesterday?" It is also difficult to foresee what the cost of restocking will be.

Profit margins are not easy to ascertain with any accuracy. As has been said, markups on individual items tend to be high. This trend is contributed to by the future uncertainties referred to above. The UCCU claim to add 10-15% on purchase price. They increase this if replacement costs go up, especially due to devaluation. However, one invoice in respect to maize seed (ex Kenya) was seen, in which the difference between cost price and their sale price was well over 100%. It also made provision for taxes and duties which are not charged on agricultural inputs.

The Busoga Growers Farm shop says they add 35% to the cost price of every item. They also increase this if replacement costs go up. Other shops estimate profit margins of between 10 and 15%, but this is probably on understatement.

Some attempt was made to find out prices at different shops, at different levels. It was however difficult to relate these as price increases take time to filter down. Thus for instance the cost of a hoe in the local market in Busoga is presently less than the price ex-factory. It was however observed that there is little conformity between the price of the same item at nearby retail outlets. People in general have become bewildered by the rapidity of price charges and seem to have lost all sense of monetary value. They often do not appreciate how large in real terms such differences in prices are.

Some examples of prices at different levels are given below.

<u>Item</u>	<u>Comparative Prices of Farm Inputs</u>		
	<u>UCCU Kampala</u>	<u>Lumero</u>	<u>Busoga</u>
Dithane 1kg	5,800/-	7-8,500/-	7,500-9,500/-
DDT 150 gm	140/-	250- 500/-	300- 500/-
Ambush 200cc	3,180/-	4,500-7,500/-	not seen
Kawanda maize seed 1 kg	850/-	400/-	600/-
Deildrin 1 kg	1,200/-	2,000/-	-

As may be seen there is little standardization of prices at different levels. Two neighboring shops in Busoga were selling Dithane. One at 7000/- and the other 8000/- for 8000/- for 1 kg. Plantector sprayers were seen in different shops in the same trading center retailing 25,000/-, 35,000/- and 45,000/- town price. Dalpon was selling for 2000/- in Luwero, but for 26000/- from the UCCU, while in two separate shops in Busoga 1 litre of Delnav was being sold at 40,000/- and 44,000/- when the UCCU price was 40,450/-. Fuzol for poultry was selling in one shop for 65000/- per 500 gms and at another outlet for 10,000/-.

Wide differences in prices depend on the ignorance of purchasers or availability of better terms in other places. It also may depend on the ignorance of the seller of present replacement prices.

What is even more confusing is that import prices of the same brand good in the same packing vary widely by depending on the overseas supplier and donor involved. UCCU quotes different prices for the same product received from different sources. An example is Roundup. This is differentially quoted as 1 litre 30,000/- (EEC), and 12 x 1/2 litres 159,240/- (Kenya EAC). The latter works out to 36,540/- a litre, quite a sizeable difference. The Veterinary Department recently found cases of what they considered were excessive overcharging. These are being investigated. One item was Delnav. This was invoiced at 318,000/- for 4.5 litres, whereas the previous UCCU price (which included their 10-15% profit) was 12 litres for 485,000/-. The manner of importation clearly allows abuses.

It is evident that there is also a great amount of potential for overcharging the farmer. The present system of distribution does not deliver the goods at the cheapest or even competitive prices. Yet as has been argued, high prices are the biggest deterrent to purchase. It may simply be uneconomical to use some inputs. This may lead to deterioration in standards of cultivation as farmers opt for lower input lower output strategies.

Subsidiary Issues

Mention has been made of government intervention. It may for convenience be summarized here. First, the government has intervened by being major a participant in the process of identifying requirements to donors. As spokesmen who are often interested parties, being farmers or having shops themselves, the advice of government officials may be influenced by their perceptions of their personal needs.

Government Departments have distributed many inputs through their field staff. They have also in many instances set prices to the farmer. The Veterinary Department still exerts control over the importation of veterinary inputs, except where agents of international firms import on their own initiative, and are the sole distributor of vaccines. The Veterinary Officers

presently buy drugs from headquarters and use these as part of veterinary services in the field.

In the past, both for agriculture and veterinary programs, there has been an extensive system of subsidies on inputs. In a few instances this has been as high as 90% of wholesale prices, more usually 30-50%. This has often obscured the real economic cost and value of using particular inputs, and accustomed the farmer to expecting artificially low prices. Subsidies on veterinary inputs continued throughout the Amin era.

The government controls the granting of import licenses and the use of foreign exchange. It also provides for the regulations under which these are obtained. Through parastatals (railways, lake, and air, and earlier road) it is also involved in determining terms and conditions of transportation. It has waived taxes and other duties on importation of agricultural inputs, but not on all components for local production.

Besides this, because of internal knowledge and contacts, government officials are in a favorable position to utilize donor goods and credits themselves. The same applies to officials of any organization, such as banks and cooperatives, who are in some way preferentially involved in the distribution process.

There are several other issues which are relevant to the marketing of agricultural inputs, which also need some comment. These include the uncontrolled and ill-informed use of agro-chemicals, the lack of accessibility and high cost of the banking system, and the conflict of interest between promotion of local industry and importation of cheaper makes of the same goods.

A large number of agro-chemicals have been introduced in Uganda in recent years. These are manufactured by different companies who are competing for the lucrative market created by the volume of aid under various rehabilitation and development programs. While in theory these products are supposed to be tested and approved by the Agriculture Department, in fact there is substantial evidence that they are approved without testing.

It is also the case that few people are experienced in the use of these chemicals and the drug companies, including local agents, do not have the capability to mount widespread training. There is also no provision for feedback on field results and problems.

In some cases protective clothing is advised, yet handlers often do not have enough money to buy good clothes for themselves let alone special uniforms. More often even basic items like gumboots are not available for purchase. There is also no monitoring of any side effects from the use of these products.

These chemicals are useful and often necessary. Uganda has been suffering from a number of plant pests and diseases that can only effectively be managed with such inputs. However it is essential that importation and use be accompanied by adequate training programs.

With respect to banking, banks do not reach the rural population. In Luwero there is no bank. Even when a bank is physically present its procedures are obscure to the ordinary farmer. Most small farmers do not have requisite security for loans. In addition most agricultural developments will not bear present high interest rates. The return on most investments will not pay for the cost of a loan.

Borrowing has always been expensive and procedurally complicated. Thus loans schemes have been limited to expensive inputs whose initial cost the farmer cannot afford, particularly more permanent improvements and machinery. For other recommended novel inputs the subsidy system has been used. Whereas borrowing has become more expensive and difficult due to the manner in which the bureaucracy presently functions, it should be pointed out that the cost of basic tools is still comparatively small. It has remained small in relation to the value of crops and livestock. Thus the provision of loans for basic tools would appear as unnecessarily cumbersome and costly. Some more peripheral needs such as bicycles are more expensive. Nevertheless to borrow from the bank for such a purpose is still a foreign idea to farmers.

At the present time there are several factories producing local inputs, which have been described. Nevertheless not only have tools been imported, but an effort was made to import animal feeds. The justification is not only that local industry cannot satisfy demand, but that imports are both cheaper and of better quality. There is a contradiction in the objective of providing the cheapest and best to the farmer and the need to develop and protect local industry.

In some instances industry labors under disabilities that overseas manufacturers do not have. For instance not all imports may be brought in under preferential rates, while all finished agricultural inputs qualify. Some inputs for local manufacture are not subject to preferential rates. Secondly local firms are often saddled with debt, now at high rates of interest. The loan which Chillington obtained to import steel (a soft EEC 40 years with no grace period) is calculated to add 700/- to the price of each hoe. If both objectives are to be achieved some rationalization of policies and regulations is needed.

Quality is another issue. This depends ultimately on improvement of factory controls, and in the case of hoes a review of sources of raw materials. If hoes bend, then the strength of the metal is inadequate. This is however rather beyond this study to examine.

Conclusion

When supplies are available nationally, the distribution network while imperfect, is capable of bringing these goods to the farmer, although prices inhibit both demand and supply at the farmgate.

At present in Luwero itself farm inputs are not available in any quality or at prices which farmers can afford. The supply situation is complicated by the free issue of tools and other items as shops will not stock what they cannot readily sell.

There is at present a general shortage of many items, largely those demanded by the more affluent scientific farmer. Some of these inputs could also benefit all farmers, but they are far too expensive. Farmers generally economize on farm inputs rather than on other goods.

CORRECTIONS - NEEDS ASSESSMENT / RER

- PG.1, PARA 3: ANNUAL NET INCOME (ADD NET)
- PG.4, PARA 1.25 - COOPERATIVE (SP)
- PG.4, PARA 1:2.6 - COOPERATIVE (SP)
- PG.7, PARA 3 - LINE 5, - IN THE THREE DISTRICTS AND THEIR, (ADD THREE DIST)
- PG.10, TABLE V, HOUSEHOLD GOODS - CAP G.
- PG.12, PARA 2, LINE 2, COULD (SP)
- PG.19, TABLE III, HOUSE HOLD GOODS - CAP G.
- PG.20, TABLE IV, ACREAGE (SP)
- PG.20, LAST PARA, POTATORS - SMALL p.
- PG.24, PARA 1, LINE 2, TO DO SO. (ADD SO).
- PG.29 - PARA 2, LINE 2, DELETE ARE, AND ING FROM COMPLAINING.
- PG.30 - PARA 3, LINE 2, MATTRESSES (SP)
- PG.33 - PARA 2, LINE 3, AND MILK (ADD MILK).
- PG.33 - PARA 2, LINES 4,5,6. DELETE ESPECIALLY, THROUGH. PRODUCTS.
- PG.34 - PARA 1, LINE 11, SMOKING (SP)
- PG.35, PARA 2, DELETE THEREFORE, CAP. T, THREE.
- PG.37, LINE 7, KIRIBEDA (SP)
- PG.38, PARA 2, LINE 1, KIZIMBIRA (SP)
- PG.45, PARA 7, LINE 1, COOPERATIVE (SP)
- PG.46, PARA 4, LINE 1, GOMBE SUB COUNTY, NOT COUNTY.
- PG.46, PARA 4, LINE 3, ITS OUTPUT, (ADD ITS).
- PG.48, PARA 1, LINE 1, VISITED (SP)
- PG.52, SECTION 5, WABUSARA (SP)
- PG.52, SECTION 5, LINE 9, IT IS (ADD IS)
- PG.53, SECTION 1, LINE 4, DELETE COPPER, (ADD FIVE)
- PG.54, SECTION 1, 111, LINE 9, KALULE (SP)
- PG.56, SECTION IV, 2, 10, DELETE TWO, (ADD WITH).
- PG.57, SECTION 3, LINE 3, COOPERATIVE (SP)
- PG.58, SECTION 3,5,2. NUMBER 3, DELETE CAPACITY, ADD FARM INPUT ABSORPTION CAPABILITY
- PG.59, SECTION 3, INPUT (SP), Absorption (SP)
- PG.65, PARA 1, BUSINESSES (SP)
- PG.71, UNDER NOTES, LINE 11, RECEIVE (SP)
- PG.72, SECTION 4.3, LINE 2, ADD BRACKETS AROUND WILD PIGS AND MONKEYS.
- PG.78, PARA 3, LINE 2, DISTRIBUTORS (SP).
- PG.86, PARA, 4, LINE 3, MOULDS (SP)
- APPENDIX VI, PAGE 119, LAST LINE, DIFFERENT (SP).