



Public Policies and Agribusiness Innovation in Uganda: A case study of fish, banana and vegetable value chains

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Policy context

- Dynamic policy context influenced by structural adjustment programs
- Emphasis on poverty eradication since 2000 (PEAP)
- Agricultural development is the key strategy for poverty eradication (PMA)
 - Majority of the poor are small-holder farmers

Key Policies

- Liberalization and privatization
- Structural reforms – improve infrastructure
- Civil service reform – improve efficiency of public sector
- Decentralization
- Land policies
- Agricultural policies
 - NARS –market responsive, demand driven ...
 - NAADS – demand driven, farmer owned
 - Agric Sub-sector specific policies (dairy, beef ...)

Targeted value chains

- **Fish**
 - Fastest growing non-traditional export sector
- **Banana**
 - Uganda is one of the top World banana producers
 - Both food and cash crop with a variety of products
- **Vegetables**
 - Emphasis on vegetable for export
 - Hot pepper, Okra

Innovations in fish value chain

- Co-management of Fisheries resources through BMUs
- Quality assurance
 - Independent committee by UFPEA



Innovations in fish value chain

- Primary processing for differentiated local market (hotels & supermarket)
- Reducing post harvest loses
 - Customers purchase live fish kept in small pond
- Use pond water as liquid fertilizer



Innovations in banana value chain

- Farmer organization to reduce exploitation by traders
- New products (banana chips) and new markets (crafts)
- Shortening the brewing process
 - More alcohol yield



Innovations in vegetable value chain

- Charcoal cooler to improvise for cold-room
- Basket packaging for the supermarket
- Small producer cooperatives
- Processing
 - Chilli sauce
 - Oil from chilli seed



Drivers of innovation

- Profit orientation and personal inspiration
- Threats in business including competition
- New market opportunities
- Access to information and exposure

Policy related constraints

- Infrastructure
 - Poor roads
 - Cold chain facilities
 - Quality testing laboratory services
 - Facilities for hygienic fish handling at landing site



Policy related constraints...

- Lack of favorable credit facilities and the no subsidy policy
- Lack of Govt action to support value addition of local products



Policy related constraints...

- Stringent and ever changing export market demands
 - Higher investment by entrepreneurs and Govt.
- Weak enforcement of existing laws and regulations
- Education
- High freight charges
- Open access to the lake resources
 - Difficult to control fishing activities

Supportive policies

- Non-taxation of agricultural exports
- Liberalization of trade and service delivery
 - Allows pluralistic service provision
- Burning of illegal fishing gears to protect juvenile fish

Interfaces for learning & Innovation

- Weak interaction between organizations for purposes of learning
- Competition is barrier to joint learning within the value chain
- Limited access and use of internet for learning
 - Mainly used for communication & marketing
- Limited interface between agribusiness firms, research and training institutions

Conclusions

1. Major constraint is not lack of supportive policies but rather implementation of policies
2. Innovation in value chain is stimulated by value addition but this requires Govt support
3. Organization is essential for innovation but organization is an innovation itself
4. Knowledge is key to innovation but it is enhanced by organizational interaction
 - Area of weakness

Conclusions

5. Utilising global knowledge requires access and skills to use internet – capacity building is necessary
6. The knowledge and technology generation centres are detached from agribusiness firms

Challenge is how to mainstream them in the value chains to enhance innovation

**Thank you
very
much for
your
attention**