

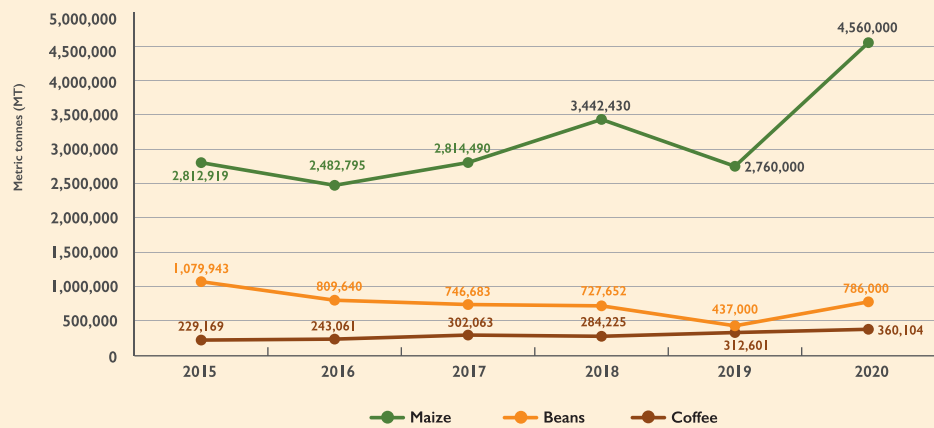
Factsheet: aBi Contribution to National Agricultural Production

The Agricultural Business Initiative (aBi) is a major player in facilitating agricultural sector growth in Uganda. aBi acts as a vehicle for channeling technical and financial support to smallholder farmers through its Implementing Partner (IP) agribusinesses across the country. aBi aims to build a strong and competitive agriculture sector.

The following analysis captures the six-year national total production vs export trends for selected value chains and highlights the aBi-partner supported agribusiness contribution to the national totals;

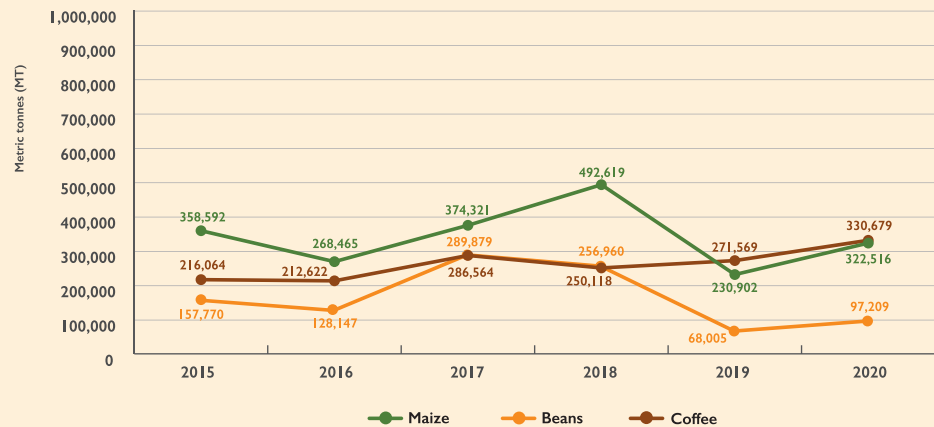
Uganda's Annual Production Trends on Selected Value Chains

Source: Uganda Bureau of Statistics 2021



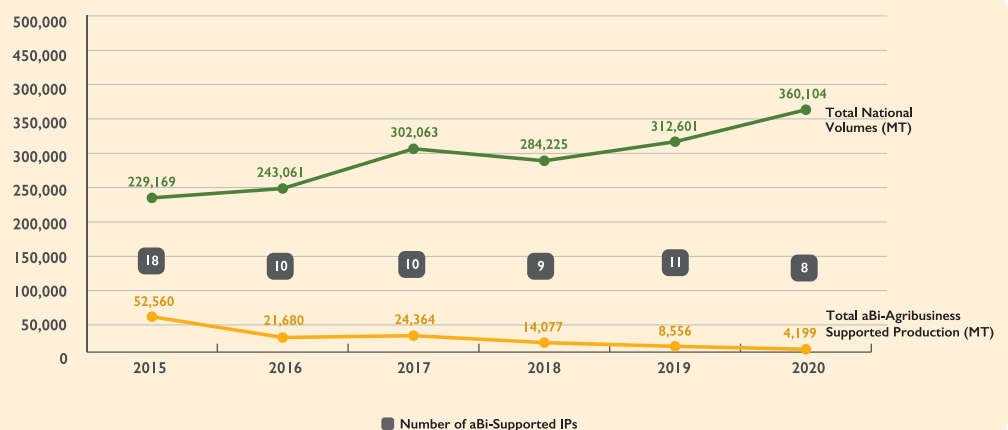
Uganda's Annual Export Trends on Selected Value Chains

Source: Uganda Bureau of Statistics 2021



Annual Trend for Coffee production for aBi-supported IPs and Their Contribution to National Total Volumes

Source: Uganda Bureau of Statistics 2021, aBi Annual Reports, Uganda Coffee Development Authority



Performance Drivers for National and aBi-Supported Agribusiness for Key Value Chains

2015

Increased aBi-supported coffee production volume growth was fueled by increased adoption of improved agricultural practices



The national replanting programme reinforced the production increase.

There was increased cereals production mainly due to increased adoption of improved post-harvest handling practices.



Maize farmers reported improved gross margins averaging

60%

2016

For aBi - supported agribusiness,



coffee yields dropped by over **30%**

down from **422 kg/acre of dry coffee** in 2015 to an average of **280 kg/acre** in 2016 – due to a prolonged dry spell and persistent stem borer infestations.



The price of maize grain rose as high as

UGX1,200/kg

up from an average of **UGX 500/kg**, due to grain scarcity /decreased production across the country. The productivity decline was aided by unpredictable and unstable rainfall, which resulted in significant crop failures.

The 2016 aBi moratorium on all existing and new project disbursements affected agribusiness production for supported partners across all value chains.

2017

Coffee had many aBi-supported projects and accounted for

22%



of the funds, which is reflected in the increased production for aBi-supported Implementing Partners (IPs).



East Africa experienced high demand for beans, mainly from Sudan, which drove prices significantly higher.

The regional market spurred exports, but the prices negatively affected national production.

Maize production was bolstered by the increased adoption of Good Agronomic Practices (GAPs). About

91%

of the aBi-supported agribusiness beneficiaries adopted at least three GAPs in a year marked by the outbreak of fall armyworm and its devastating effects.

2018

Increased maize production and supply led to a price decline to as low as



UGX100/kg

This decline is in large measure attributed to poor post-harvest handling across many parts of the country.

East Africa experienced high demand for beans, that bolstered exports, especially from South Sudan and the Democratic Republic of Congo. **This demand drove farm gate prices significantly higher, from**



UGX 1,400/kg



to UGX 1,900/kg

Coffee was in the top tier of crops with higher sales value than other sub-sectors.



In 2018, driven by more robust impact cases, aBi invested the highest portion of funding (**47%- UGX12.9bn**) in coffee IPs.

2019

Despite the good harvest,



maize production in 2019 declined slightly as fewer farmers engaged in production following a 2018 price collapse in the regional market.

Coffee registered a significant improvement from a negative year-on-year growth of



-21.4%



to 0.5%

National production increased due to favorable weather and expanding acreage as new trees matured.

Bean production increased by



90%

for aBi-supported agribusiness beneficiaries, mainly due to demo training and increased funding to the pulses value chain (particularly beans) to increase productivity, marketing and export.

2020

Maize prices in April rose



45% year-on-year

due to reduced domestic supply following below-average 2019 cereal production and sustained export demand from Kenya and South Sudan. The increased maize prices spurred production.



National coffee production grew as farmers began harvesting new fields planted between 2012 and 2017 and paid more attention to rehabilitating and managing their coffee gardens.



The COVID-19 pandemic led to a global surge in demand for dry beans because of their long shelf life. In Uganda, beans were distributed by the Government as relief food for families affected by pandemic lockdowns. The relief measure boosted national production and exports.

2021



Total coffee production remained more or less the same.

Coffee exports increased due to newly planted coffee, which started yielding supported by favorable weather.



The importation ban imposed by Kenya on maize from Uganda and Tanzania disrupted trade. **As a result, farm gate maize prices in Uganda slumped as low as**

UGX 400/kg



from UGX 600/kg



The effects of COVID-19 affected the availability of quality bean seed,

including high prices of input products on the backdrop of increased demand against limited supply, which rewarded farmers who invested in the costly inputs.