

## EDITOR'S NOTE

### Empower farmers for value addition

There is a raging storm in the coffee cup! The aroma is not as scintillating as it should be, thanks to a deal that is making Uganda's coffee cup bitter. And yet, for many years, coffee has been the farmer and the country's golden crop. It is only last year that the dark bean was overtaken by gold as the leading foreign exchange earner. Even then, coffee grossed over \$650m (about sh2.3 trillion), the highest ever earnings from the crop by the country.

Apparently, recently, a deal was signed to give a foreign company more leeway in buying Ugandan coffee, before adding value to it. In the stormy coffee deal, there are clauses that directly infringe on the free market economy in the country. This is what is making coffee farmers wail. However, it all goes back to the farmers' capacity to do the things that large 'investors' can do, for example, adding value and improving the quality of coffee.

For years now, farmers have been crying to Government to empower them through their respective co-operatives to improve the quality of coffee. The Government can still increase this ability by giving local farmers the same incentives as the investors are getting, for example, the tax holidays, land for setting up processing plants and support them with export guarantees. Ugandan farmers will certainly perform! Empower local farmers.



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# CHEAP LOANS PROPEL

In a 10-part series, *Harvest Money* shall carry stories focusing on the success of aBi interventions countrywide. In the fourth story, **Andrew Masinde** explores VisionFund and how it has transformed lives in West Nile region

**A**nastazia Izama, a resident of Toloro village, Moyo sub-county in Moyo district, is a model farmer who has risen from grass to grace.

She has four acres of oranges, half-acre of mangoes and a piggery project. She also grows rice, groundnuts and sunflower.

Izama attributes the success of her farm to the loans and capacity building from VisionFund, a microfinance institution and subsidiary of World Vision. Prior to that, she had attempted to seek loans from commercial banks, but was put off by the high interest rates. She says the moment bank officials would learn that she was a farmer, they would turn her away.

"They would claim that giving loans to farmers was risky because of challenges such as losses in bad seasons, hence defaulting on repayment," she says.

In 2019, she sought a loan from VisionFund Uganda.

"The only condition was I needed to be part of a group and I belonged to one. I was given a loan of sh500,000, which I used to buy agro inputs and to pay for labour on the farm," Izama says.

She has since borrowed five times from Vision Fund and her amounts have increased to sh1m. Izama says the loans have improved her farm. She plans to get another loan to buy a rainwater harvesting tank.

#### FISHING

Another beneficiary, Felix Chandiga, used to work with a friend on River Nile, but the earnings were insufficient to cater for his large family.

On many occasions, he earned sh30,000 per day from fish sales and sh10,000 would be paid to the owner of the boat, sh5,000 to the owner of the net and remaining sh15,000 would be shared with his colleague.

In 2020, VisionFund was carrying out outreaches in communities, urging people to form groups in order to access loans to boost their projects. Chandiga joined one of the groups and after it was registered, he borrowed sh1m from VisionFund and bought a boat. He uses his boat to transport passengers and goods on the river and earns at least sh300,000 per day.

He secured another loan of sh600,000, which he used to set up a pork butchery in Palorinya centre.

"Had VisionFund not come to this place, I would still be fishing and earning

aBi



Izama feeding her pigs that were bought using a loan from aBi. She has borrowed five times



Izama showing off the house she is completing in Moyo

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BRANCHES...**  
VisionFund has 23 branches and three offices operating in the eastern, western, central, northern and southern parts of Uganda.

peanuts! Today, I am respected and my plan is to construct a permanent house using my savings and a loan, where necessary," Chandiga says.

#### REFUGEES

Mary, (second name withheld) fled the war in South Sudan. When the 32-year-old came to Uganda, she was resettled in Palorinya Refugee Settlement with her eight children. She was doing well in Kajo Keji, her home region, where she ran a tea house and was a midwife in her village. She struggled to rebuild her life in Uganda as she had to start from

scratch.

"I baked pancakes from the maize flour distributed by the UNHCR, which I tried selling at the market. With time, I joined savings groups started by non-governmental organisations (NGOs) among the refugees where I was trained in accounting and business skills," Mary says.

In the group, she accessed small loans that she invested in her business. Mary also got a small garden in the settlement, where she grew cow peas for sale in the market. Occasionally, she would buy groundnuts and process them into peanut butter that she sold at a profit.

In 2019, VisionFund Uganda extended