



POLICY GAPS ANALYSIS

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List of Acronyms

- ACODE – Action for Development
- ASSP - Agricultural Sector and Strategic Plan
- CDO – Cotton Development Organisation
- DSIP - Development Strategy and Investment Plan
- EALA = East African Legislative Assembly
- EAOPS - East African organic products standard
- FGDs – Focus Group Discussions
- GoU - Government of Uganda
- GVC - Global value chain
- HACCP – Hazard Analysis Critical Control Points
- ICS - Internal Control System
- ICT – Information and Communication Technology
- IFOAM - International Federation of Agriculture Movement
- KIIs - Key Informant Interviews
- KOAN Kenya Organic Agriculture Network
- MAAIF - Ministry of Agriculture, Animal Industry and Fisheries
- MFI - Microfinance Institution
- MICs- Market Information Centres
- MIOs - Market Information Outlets
- MoFPED - Ministry of Finance, Planning and Economic Development
- MoLG - Ministry of Local Government
- MPs – Members of Parliament
- NAADS - National Agricultural Advisory Services
- NAP- National Agricultural Policy
- NARO - National Agricultural Research Organisation
- NDP - National Development Plan
- NGO - Non Governmental Organisation
- NOGAMU – National Organic Movement of Uganda
- NSCS – National Seed Certification Services
- OA - Organic Agriculture
- OTP - Organic Trade Point
- PELUM – Participatory Environmental and Land Use Management
- PSF – Private Sector Foundation
- RAs - Research Assistants
- RUCID – Rural Community Integrated Development
- SACCOs – Savings and Credit Cooperatives
- SMEs – Small and Medium Enterprises
- SPSS - Statistical Package for Social Scientists
- SSA - Sub-Saharan African Africa
- TOAM Tanzania Organic Agriculture Movement
- UCDA – Uganda Coffee Development Authority
- UEPB- Uganda Export Promotions Board
- UgoCert - The Uganda Organic Certification Ltd
- UNBS - Uganda National Bureau of Standards
- UNCST – Uganda National Council of Science of Technology
- UNFFE - Uganda National Farmers Federation
- Ushs – Uganda Shillings
- WRS - Warehouse Receipt System

Executive Summary

1. Introduction

NOGAMU is currently one of the dominant organic movements in the world. It strives for increased incomes and improved livelihoods in Uganda through adoption of Organic Agriculture (OA). There are concerns from buyers, processors and exporters that organic products are limited in supply hence curtailing business operations. On the other hand organic producers complain of remunerative markets. The reality is that there is an insatiable market for quality natural organic produce. One of the causes of this has been identified as barriers anchored in the OA policy framework. The National Organic Agriculture Movement of Uganda (NOGAMU) sanctioned this study to contribute to identifying the policy gaps in order to contribute to lobbying and advocacy mechanism to tackle policy barriers to trade in organic products. In this regard, studies were proposed in the each of the three participating East African countries (Tanzania, Kenya, Uganda) to better understand the barriers, and to inform the policy advocacy work designed to bring about policy change.

2. Methodology

This study adopted a cross-sectional design, and utilized both quantitative and qualitative approaches. The study Population consisted of farmers who are located in districts where NOGAMU operates through collaborative partnerships with a number of organizations. These were Gulu, Pader, Kayunga, Namutumba, Mubende and Kasese. The districts were purposively selected. The total sample size was 284 households, of which 49 were found to be certified organic. Surveys, Focus Group Discussions, Observations and Key Informant Interviews (KIIs) were used as the data collection methods. The Key Informants were purposively selected on the criteria of their exposure and experience with organic agriculture. Structured Questionnaires and checklists were the data collection tools that were used.

3. Key findings

The challenges confronting OA in the study location are many. The major challenge given was pests and diseases. Organic pesticides are more expensive than the conventional ones. For example, 1 kg of Nimbecidine costs Ushs. 25,000; 1 kg of Bio-catch costs Ushs. 25,000 – 35,000; while 1 kg of Stanes Bio-Dewcon and Bio-Power costs between Ushs. 40,000-60,000. This is a disincentive for the farmers to use these chemicals, hence increasing their vulnerability to effects of pests and diseases. In some instances, organic crops fetch the same or lower prices compared to conventional crops. Moreover, these prices are quite volatile making it difficult to plan for production and to forecast profit levels. This is further exacerbated by limited domestic market. About markets, it's a challenge to NOGAMU and its partners to penetrate the niche organic markets through certifying more farmers. Other economic challenges are hinged to significant amounts of inputs needed, time and financial resources required by OA.

Past work has also shown that with regard to policy challenges, like most Sub-Saharan African (SSA) countries, Uganda has no OA policy to guide decision-makers, farmers and development stakeholders. OA is not even mentioned in the existing agricultural policy documents (e.g the NAP of 2013) and in the National Agricultural Research Policy. Institutional challenges include the fact that there are very few institutions in Uganda that have a curriculum to teach OA. Furthermore, they lack adequate support and facilitation by the government. One of the key issues that were investigated was if there were any known policy barriers to regional trade of organic products faced by organic farmers in Uganda. The key issues that were obtained from this were that currently there is lack of an operational organic agriculture policy in Uganda.

Organic farmers and traders operate in a rudimentary way with no proper framework to guide them. The East Africa region approved an organic standards document. The EAOPS was adopted by the East African Community in April 2007 and thereby became an official standard for Burundi, Kenya, Rwanda, Tanzania and Uganda. Its official name is EAS 456:2007, East African organic products standard (EAOPS). However, Tanzania, Rwanda and Kenya have enacted country specific organic agriculture policies. The quality or certification standards are also slightly different between the East African countries. This has in part, led to Ugandan organic commodities being underrated in Kenya markets. It is so unfortunate that in spite of some seemingly strong support for organic agriculture, in the current National Agricultural Policy it is not given due attention. There exists a Draft policy (released in 2009) document for organic agriculture but this has to be adopted by government after a series of processes in order to become operational. Historical attempts to formulate a policy can be traced to 10 years ago.

Organic certification is rather slow and relatively expensive hence not readily affordable and accessible to most smallholder organic farmers in Uganda. Many organic farmers are not certified as organic producers and thus face entry barriers to very lucrative markets in developed regions, such as the EU. Another major hurdle to regional trade in organic products is the fact that the Government of Uganda places most of its emphasis on conventional agriculture. National Development Plan (NDP) and specific strategies and policies such as the launching of current Operation Wealth Creation program are examples. Such programs emphasize the intensification of production using inorganic inputs.

There are limited efforts on organic farming awareness efforts made by the Government or the private sector to make organic agriculture attractive to both conventional agriculture farmers and urban consumer groups in Uganda. Its notable, however, NOGAMU undertakes promotion of Uganda 's organic products at the local, regional and international markets. At the International level, NOGAMU assists and works with the organic export companies and arranges the promotion of their products to international buyers. NOGAMU also mobilizes smallholder farmers into groups, focuses them towards particular enterprises and equips them with the necessary skills and knowledge to allow sufficient production for marketing

The low investment priority for the agricultural sector in Uganda also has serious implications for the sector and the whole economy as a whole. Neglect of the agricultural sector as an engine of growth is clear. Low funding has also led to low growth rate of the food sector (2.6%), compared to a high annual population growth rate of 3.2%. Since most of the organic products in Uganda are produced for the external market with stringent quality standards, it implies that farmers in organic agriculture need credit to be able to meet the costs of production, the requisite post-harvest handling of organic produce and organic certification. These costs do not encourage conventional agriculture farmers to convert easily to organic agriculture.

Organic farming has the potential to greatly contribute to the economic growth of Uganda through organic crop intensification. Without farm yield-augmentation, good and reliable markets, organic smallholder farmers are likely to remain in poverty traps just like those who grow traditional crops. Further, without an operational National Organic Agricultural Policy that is synchronized with the Government Seed Policy and Fertilizer Policy, it will be difficult for the organic farmers to purchase imported organic fertilizers cheaply neither lobby for this. The policy gaps also imply that pests and diseases are a very big problem to organic farmers in Uganda. This leads to low yields obtained in most cases and this has implications for farm income. Organic certification is also seemingly expensive for the farmers where there is no over-arching organic farming and marketing policy in Uganda.

There is very little awareness of the importance of consuming organic products in Uganda and hence farmers have to rely on regional and international markets as extra market outlets. There are still bottlenecks in exporting perishable organic products. These include the lack of sufficient cold storage facilities around the country for perishables and refrigerated trucks to carry produce. In addition, there is the fact that freight charges in Uganda are still relatively higher than those in other East African countries, which reduces Uganda's comparative advantage to lucrative European markets. The lack of well organized farmers' associations in Uganda also plays a big role in limiting the smallholder farmers' access to some of the purchased organic inputs and certification process

4. Conclusions

The Ugandan government has taken several important steps promoting organic farming system which prohibits the use of synthetic inputs, such as drugs, fertilizers and pesticides. However, the country is still losing a lot of money because organic agriculture, which is environmentally friendly and nutritiously more healthy is not given due attention. While successes have been recorded, Uganda's organic industry still faces challenges. There is lack of a policy and DSIP and NAP do not clearly depict the importance that ought to be attached to organic farming. There a number of tariff and non-tariff barriers that out to be removed to ensure that Uganda exports more organic products to more lucrative markets of Europe, Asia and America. Besides, many farmers are not fully aware of the fact that organic agriculture is more paying. If this is well articulated, more farmers will adopt the organic farming approach. Many are still not well organized to benefit from group dynamics that include; access to inputs at lower prices and access to remunerative markets.

5. Recommendations

Need for Evidence of Benefits from Organic Farming

Conventional farmers are very aware of the initial heavy costs of transitioning from conventional agriculture to organic farming. One of the ways by which to increase interest in organic farming in Uganda would be to carry out research and provide empirical evidence to public sector policy makers that indeed organic farming confers a lot of benefits to organic farmers.

Promotion of Value Addition Activities

There is need for Government policy to shift towards value chain development that is geared towards pathway for agro-based industrialization that exploits the vast agricultural produce as raw materials. This implies value addition to organically produced raw materials for the domestic and export markets.

Need to Address Counterfeit Seed Problem

Counterfeit seed on the market is a big problem since it leads to reduced yields of organic produce and has an impact on farm incomes. One of the major hardships mentioned by key informants was the existence of fake seed on the market. There is need to strengthen the regulatory process to ensure that counterfeit seed or planting material is kept away from the market.

Need to Improve Farmers' Access to Formal Credit

The high cost of certification as indicated by farmers and key informants is one of the factors affecting regional trade in organic products. Access to credit through farmers' unions can play a key role in meeting these costs including those derived from post-harvest handling activities

Need for Vigorous Government Awareness Campaigns

Empirical evidence that shows the fact that the benefits accruing to organic farmers are on average, higher than those obtained by conventional farming for selected cash crops needs to be presented to public sector policy makers

Need to Improve Market Information Services

Organic farmers need adequate, timely, reliable, and relevant ICT-based market information to reduce the chances of accepting any price offered by traders, brokers or supermarkets and thus avoid exploitation by receiving very low prices. NOGAMU has played a significant role in the provision of market information and this has to be intensified.

CHAPTER ONE

INTRODUCTION

1.1. Project Background and Context

Ecological agriculture fosters biodiversity that is, in itself, resilient to impacts of climate change (Ensor, 2009). It depends on and sustains ecosystem services as well as tapping into and enhancing the knowledge, practices and innovations of local communities leading to more reliable and increased food security and incomes. Biodiverse agriculture works with nature, in contrast to the 21st century ‘conventional/industrial’ agriculture, which leads to factory-style agricultural systems and reduced diversity (Lim Li Ching, 2011). The challenge confronting East Africa then is to speed up, scale out, and share relevant knowledge, practices and experiences and appropriate policies and strategies to put into practice ecological organic agriculture by educators and farmers.

Policy barriers to regional organic trade abound. In Tanzania for example the government cashew warehouse receipt system (WRS) requires all raw cashew to be sold into the WRS, mixing conventional with organic produce, where traceability is lost, and all efforts to improve quality are wasted, while the world market for organic cashew is vibrant. In Uganda DDT spraying for Malaria control is threatening organic farmers certification. In Kenya there are array of produce and inputs labeled organic but without any verification on the claims and this reduces consumers’ confidence in genuine organic products. Regionally the different national Bureaus of Standards do not recognize each other’s compliance certificates for processed goods. It is clear that policy makers need to be lobbied to support reforms and provide exceptions to well meaning but counterproductive policy instruments.

There are constant complaints from buyers / processors / exporters that there are no organic products, and from organic producers that there is no market. The reality is that is a ready market for quality natural produce, and many thousands of producers looking for markets. It is clear there is weak communication and coordination between the different actors along the value chains. Meanwhile consumers are constantly asking NOGAMU,..... “where can we buy organic produce?” Studies indicate that consumers are prepared to pay a premium for quality ‘natural’ produce (Owusu, V and Owusu, M. A. (2013). Dealers confirm that demand is high. Driven by health consciousness and food safety concerns around chemical contamination, it is clear that consumers are ready to buy if produce is available.

1.2. Purpose and Objectives of the Studies

Tanzania Organic Agriculture Movement (TOAM) in collaboration with the Kenya Organic Agriculture Network (KOAN) and National Organic Agriculture Movement of Uganda (NOGAMU) wish to create an influential joined-up lobbying and advocacy mechanism to tackle policy barriers to trade in organic products. To this end, the aim was to:

1. undertake research and gather data on the policy gaps that hinder or facilitate national and regional trade in organic products,
2. estimate the value of organic trade lost by policy barriers,

3. raise consumer awareness,
4. lobby governments on key policy barriers,
5. Create three national and one regional organic policy platforms.

In this regard, studies were proposed in the each of the three participating East African countries (Tanzania, Kenya, Uganda) to better understand the barriers, and to inform the policy advocacy work designed to bring about policy change. NOGAMU therefore hired a consultant to undertake this study in Uganda.

1.3. Audience for the Studies

The main target audiences for the study findings are policy makers in each of the three countries, along with other organic stakeholders: farmers, civil society farmers' organizations, and experts who will share the findings of the research studies and use it as a platform to advocate for policy change.

1.4. Scope of the Study

Study 1: Policy gap analysis: the value of organic trade lost and documentary evidence of the hardship caused by the policy barriers to regional trade of organic products in EA

Purpose: Research and gather data on the value of organic trade lost and documentary evidence of the hardship caused by the policy barriers, undertake policy gap analysis on the current national and regional policies as related to EOA development, gathering views and issues from network members, and use it to lobby policy-makers and influencers (line ministries in Agriculture and Trade, MPs, EALA, national investment promotion agencies) for policy change.

The study addresses the following key issues and questions:

- To identify, evaluate and document key policy barriers to regional trade of organic products in the relevant country;
- To quantify the value of organic trade lost as a result of the barriers identified;
- To document evidence of hardship caused by the barriers identified;
- To make key recommendations that can improve trade of organic produce in the region;
- To guide future awareness raising, advocacy and policy improvements in the organic sector in East Africa.

Study 2: Poor farmers barriers to organic trade: documentation and analysis of policy barriers to poverty reduction through trade in organic products.

Purpose: Research study to gather data, document and analyze poor farmers' barriers to organic trade, leading to conclusions and recommendations for remedial action, particularly relating to policy advocacy.

Under this, this study addresses the following key issues and questions:

- To document and analyse poor farmers barriers to trade in organic agricultural produce in Uganda
- To identify policy barriers that restrict poor farmers access to organic markets
- To identify key recommendations that can improve poor farmers access to organic markets / national trade of organic produce in each participating country;
- To guide future awareness raising, advocacy and policy improvements in the organic sector in the respective country.

CHAPTER TWO

METHODOLOGY

2.1 Study Design

The baseline adopted a cross-sectional design, and largely utilized both qualitative and quantitative approaches.

2.2 Study Population

The study population consisted of farmers who were drawn from selected districts that are located in the geographical area where NOGAMU operates. Relevant institutions that work with NOGAMU were also approached for relevant information.

2.3 Study Sites

The study was conducted in sample of districts that were selected purposively taking into considerations; regional agro-and ecological zones representation to cater for location specific variables. A total of 6 districts were selected from the 13 project districts located in 4 regions of the country where NOGAMU operates. NOGAMU operates in Buikwe, Kayunga and Luweero (in the Central Region), Ntungamo, Kasese, Mitooma and Sheema (in the Western Region), Buyende, Iganga and Namutumba (in the Eastern Region) and Amoratar, Gulu and Pader (in the Northern Region). The selected districts are shown in table 1 (by region);

2.4 Sampling Procedures

The sample size was determined using the formula below;

$$= \frac{rd(1-rd) \text{ popsize}}{rd(1-rd) + ((me/c)^2 (popsize - 1)}$$

Where:

- sample size refers to the sample size required for the desired margin of error and population size.
- c refers to the confidence level z score (95%=1.96)
- popsize refers to the size of the population of interest which was given by NOGAMU as 20,000 farmers.
- me refers to the desired margin of error (i.e, 5% = 0.05)

- rd refers to the response distribution (50% = 0.5)

Table 1: Sample Districts and Sample Size

Region	District selected for the survey	Sample size
Central	Kayunga	47
	Mityana/Mubende	60
Western	Kaseese	40
Eastern	Namutumba	48
Northern	Gulu	41
	Pader	48
Total		284

Source: Survey Data

From the formula, the sample was supposed to be 269. However, the study attained a sample of 284 households which is adequate for statistical analysis and inferences. The sample deliberately constituted of 50% females. Out of the total sample size, 49 farmers were certified under group certification.

2.5 Pre-Field Activities

A number of preparatory activities were; consultations with the Client (to harmonise understanding of the concepts, methods and expectations of the study), review of project documents, preparation of tools, consultations with project staff on the tools, pre-test of the draft tools and training of the Research Assistants.

2.6 Quality Control

Selection and composition of the research team

To ensure collection of quality data, a team of graduate research assistants (RAs) with experience of conducting household based surveys were recruited and thoroughly trained. Care was taken to recruit research assistants fluent in the local languages of the selected study sites. Where deemed necessary, interpreters were hired to improve on communication.

Field interviewer training

Training of interviewers consisted of a combination of classroom training and practical experience. During the training, the questionnaire sections, questions, and instructions were discussed in detail.

The training covered the objectives of this assessment, study procedures, identification of eligible respondents, gaining consent, interviewing skills, facilitating and recording of responses techniques to enable them to collect quality data. Additional specialized training was provided on the specific duties of the supervisors, team leaders and overall coordinator.

Pretesting and Piloting

The data collection tools were pre-tested by each interviewer, with at least two interviews conducted by each of them. The pre-test was done both in English and local languages from selected villages in Wakiso district. This area was outside the geographical scope of the study area. The collected data were assessed for validity, reliability, consistence, ambiguity and congruence of themes and items. A feedback session was held after the pre-test to share observations and experiences with the tools. Results of the pre-test were used to validate and finalize the questionnaire.

2.7 Data Collection Methods and Processes

The study used a combination of qualitative and quantitative methods of data collection and will include the following;

Structured Interviews using a Questionnaire

Structured interviews were conducted with a sample of farmers using a structured questionnaire. The interviews among other things investigated the challenges and their possible mitigation measures to improve the industry.

Focus Group Discussions (FGDs)

A total of 4 FGDs composed of 8-10 participants were conducted. The FGDs explored information on organic farming with emphasis on challenges and policies that can be used to improve adoption of organic farming. Other aspects included; factors affecting organic farming success. A focus group discussion checklist was used for this purpose.

Observations

Observations were also made to observe the crops grown, post-harvest storage facilities, challenges and other observable features. These were then anchored to the policy framework identifying their strengths and weaknesses.

Key Informant Interviews (KIIs)

KIIs were held with relevant technical officials in selected Institutions with which NOGAMU partners to advocate and lobby for organic farming policies. These included; AFIRD, Kulika-Kampala, CARITAS, UNBS, UEPB, PELUM Uganda, BIO-FRESH Ltd, and NARO. Specific names of the KII respondents were captured during the interviews, but have been concealed to protect them. In addition, more information was obtained from the farmers' interviews and internet literature searches. The interviews focused on existing levels of support to farming households, existing plans and strategies to promote improved production and nutrition, and resources available. Key informants were recruited purposively depending on their relevance, availability and prior working experience with NOGAMU. The institutions that were visited and key informants interviewed include:-

2.8 Data Processing and Analysis

Processing and Analysis of Quantitative Data

Quantitative data were entered using SPSS (Version PASW 18), and analysed. Graphics were done in MS Excel 2010. An analysis plan was formulated in line with the key variables in the study. Data were analyzed at descriptive, bi-variate and multivariate levels. Percentages and frequencies were used.

Processing and Analysis of Qualitative Data

On the other hand, qualitative data from key informant interviews and focus group discussions were transcribed and typed out. Content and thematic analysis procedures were used to establish answer patterns to the raised issues and in tandem with the survey objectives. Themes and sub-themes relevant to the objectives of the study were identified to enable qualitative coding.

NB: Due to lack of adequate data, it was not possible to estimate the actual value of organic trade lost by policy barriers.

CHAPTER THREE

EMPIRICAL FINDINGS AND DISCUSSIONS

3.1 Policy issues based on synthesis of farmers responses

The challenges confronting OA in the study location are many. However, they all fall under, economic, policy, social-cultural, and institutional categories. Tables 2 and Figure 1 below show the major challenges faced by organic farmers. These are followed by solutions from these respondents on how the challenges can be handled. The major challenge (given by about 17%) was pests and diseases. Organic pesticides are more expensive than the conventional ones. For example, 1 kg of Nimbecidine costs Ushs. 25,000; 1 kg of Bio-catch costs Ushs. 25,000 – 35,000; while 1 kg of Stanes Bio-Dewcon and Bio-Power costs between Ushs. 40,000-60,000. This is a disincentive for the farmers to use these chemicals, hence increasing their vulnerability to effects of pests and diseases. This is an economic challenge to organic farmers. Another economic challenge is the low farm-gate prices received. The prices are not low per se but, but are considered low basing on the cost of production.

In some instances, organic crops fetch the same or lower prices compared to conventional crops. Moreover, these prices are quite volatile making it difficult to plan for production and to forecast profit levels. This is further exacerbated by limited domestic market. About markets, it's a challenge to NOGAMU and its partners to penetrate the niche organic markets through certifying more farmers. According to Namuwoza and Tushemereirwe (in Willer, H. and Kilcher, L. (Eds.) (2011)), Over 65 %of the companies that deal in commodities indicated limited supply of products from smallholder farmers as one of the major challenges. This calls for faster certification of those who qualify. This is because the market is big and growing. According to International Federation of Agriculture Movement (IFOAM), the global market for organic foods and drinks increases by 10- 20 per cent annually. Certification may also act as a non-tariff barrier for exporting countries (Martinez and Bañados, 2004). Group certification systems reduce certification costs by close to ten percent (AgroEco and Grolink, 2008). Therefore, to link smallholders in developing countries to organic export markets certification through group certification schemes based on an internal control system (ICS). This calls regular trainings, inspections, documentation, produce separation and tracing in the hands of producer organizations, be it cooperatives or export companies working with contract farmers.

This sub-sector provides a unique export opportunity for many developing countries. Other economic challenges are hinged to significant amounts of inputs needed, time and financial

resources required by OA. The key environmental challenge affecting the development of OA is the severe impact of long droughts. This makes it practically impossible to prepare organic manures, which need significant quantities of water. Other challenges raised were; lack of farm equipment; lack capital and heavy rains sometimes.

Table 2. Major Problems in General Faced by Organic Farmers

Problem	Frequency	Percentage
Pests and Diseases	98	16.8
Low Farm-gate Prices Got	91	15.6
Drought	76	13.0
Lack of Farm Equipment	62	10.6
Lack Capital	60	10.3
Markets Not Readily Available	38	6.5
Heavy Rains	26	4.5
Price Fluctuations/Instability	24	4.1
Lack of Good Storage Space	22	3.8
High Transport Costs	21	3.6
Lack of Seed/Planting Materials	21	3.6
Poor quality produce	14	2.4
Lack farming skills	12	2.1
Wild animals	5	0.9
Late Provision of Seed	5	0.9
Late Payment	4	0.7
Poor Roads	4	0.7
Total	583	100.0

Source: Survey Data

Past work has also shown that with regard to policy challenges, like most SSA countries, Uganda has no OA policy to guide decision-makers, farmers and development stakeholders. OA is not even mentioned in the existing agricultural policy documents (e.g the NAP of 2013) and in the National Agricultural Research Policy. Institutional challenges include the fact that there are very few institutions in Uganda that have a curriculum to teach OA. Furthermore, they lack adequate support and facilitation by the government. The MAAIF pays limited attention to this important emerging sub-sector whose future is bright and significant. Furthermore, there are no defined syllabuses on OA in institutions of higher education, which essentially teach and promote only conventional types of agricultural technologies. This practice has hampered the building of sufficient capacity to promote OA in the country. In social terms, agriculture is largely regarded in Uganda as an activity for women; and invariably is OA. Unfortunately, it is very difficult for women to make a significant

contribution to this sector principally because they do not own land. They only have access to it and this prevents them from investing in long-term OA technologies that can make OA.

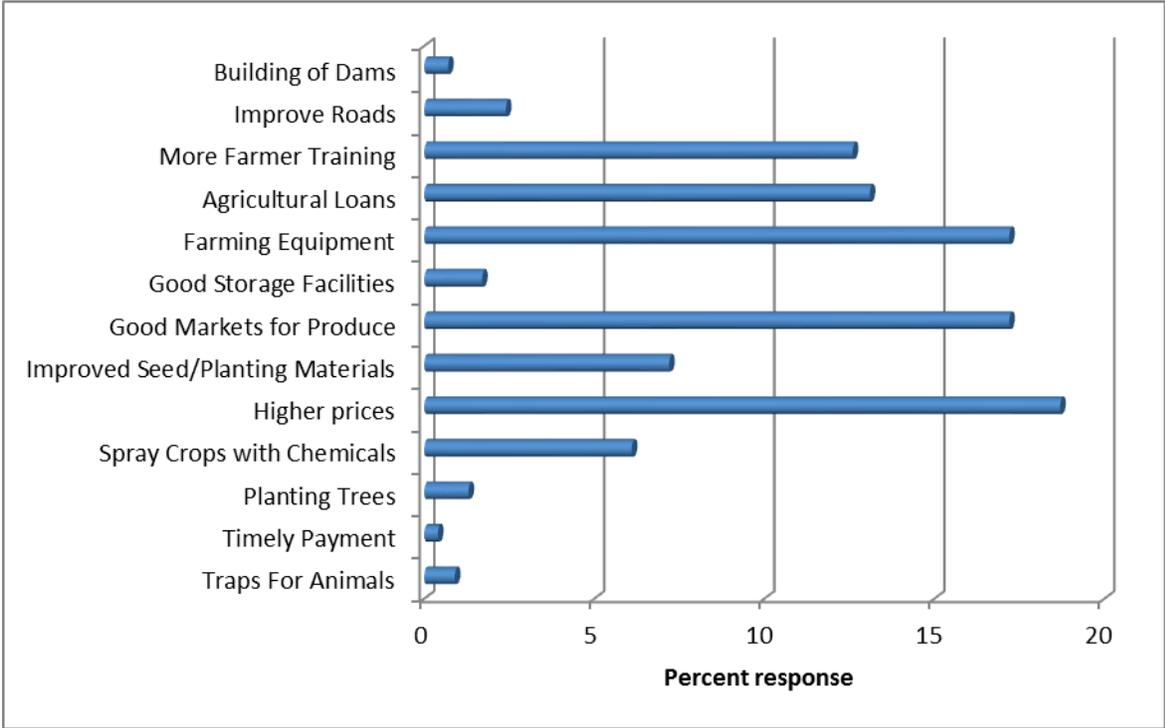


Figure 1. Solutions Suggested by Organic Farmers

3.2 Hardships for Organic Farmers due to these policy barriers

Organic farming has the potential to greatly contribute to the economic growth of Uganda through organic crop intensification. This implies using yield-augmenting inputs such as organic fertilizers, organic pesticides, herbicides, etc to boost farm productivity in order to improve food security or farm incomes. Improving the livelihoods of organic farmers means that there must be enhanced organic agricultural productivity which should lead to improved food security and farm income enhancement. Without farm yield-augmentation, good and reliable markets, organic smallholder farmers are likely to remain in poverty traps just like those who grow traditional crops. There are hardships that organic farmers may face in general due to these policy barriers. These include but not restricted to the following below.

(i) Lack of Access to Organic Technologies

Without an operational National Organic Agricultural Policy that is synchronized with the Government Seed Policy and Fertilizer Policy, it will be difficult for the organic farmers to purchase imported organic fertilizers cheaply neither lobby for this. It will be very difficult for organic farmers

to access improved seed cheaply because there is no policy framework under which to support farmers' unions in lobbying for this. With this policy gap it is indicated that among the major problems that organic face in getting and using improved variety seed or planting material is that they are not readily available to them. Problems of improved seed for example include fake or counterfeit seed sold on the market. If planted, counterfeit seed leads to low germination rates and the crops are very susceptible to diseases and pests. Genuine improved seed is also expensive for the farmers. Imported organic fertilizers, pesticides and herbicides are also too expensive for the majority of smallholder farmers to purchase.

Locally available organic fertilizers, such as manure and compost are labour intensive when applied on a large scale, yet the cost of labour is also very high. In addition, many organic practices are also labour intensive. In some cases farmers have to travel long distances to get genuine improved seed. In some cases the seed bought is already expired and will have lost its viability. Therefore there must be avenues to be followed that can lead to organic crop intensification that leads to significantly improved farm yields per acre for various commodities in Uganda. This means that the potential of realizing higher farm incomes through higher yields will only be exploited by organic farmers if measures that lead to increased adoption of organic yield-augmenting technologies are put in place. Policy gaps also means that it will be difficult for organic farmers to get tax exemptions or tax reductions on some of the imported organic inputs, such as organic fertilizers and organic pesticides. Without these tax reductions, imported organic inputs remain out of reach of many farmers and hence farm productivity remains very low and so are farm gross returns per acre of land. This implies the level of food security and farm incomes remains low without yield-augmenting technologies.

(ii) Increased Pests and Diseases Burden

The policy gaps also imply that pests and diseases are a very big problem to organic farmers in Uganda. This leads to low yields obtained in most cases and this has implications for farm income. The low yields due to lack of pest and disease control stems from the fact that organic inputs, such as fertilizers, pesticides and herbicides are very expensive for the smallholder farmers.

(iii) Relatively Costly Certification: No Access to Lucrative Markets:

Since there is no *operational organic policy framework*, it is difficult to organize value chain strategies for the organic commodities thus there is no direct government support to overcome these barriers. Organic certification is also seemingly expensive for the farmers where there is no over-arching organic farming and marketing policy in Uganda. However, if farmers are well organized and all of

them pay their dues, they can acquire group certification through the support of NOGAMU. This will call for intensive sensitisation about benefits compared to costs. Thus many organic farmers in Uganda find it difficult to penetrate regional markets, especially the Kenyan and European markets. Ugandan organic farmers find it very difficult to label their produce as organic unless they are certified as organic farmers. This means many organic farmers are denied access to good and reliable markets where they would have otherwise fetched very high (premium) prices for their commodities. This impedes access to the more lucrative Kenyan and European markets that have a big consumer base with higher awareness and thus demand for organic products than the Ugandan markets.

(iv) Lack of Appropriate Infrastructure

There is very little awareness of the importance of consuming organic products in Uganda and hence farmers have to rely on regional and international markets as extra market outlets. However, with cross border trade, there must be appropriate infrastructure in place. In Uganda there are still bottlenecks in exporting perishable organic products. These include the lack of sufficient cold storage facilities around the country for perishables and refrigerated trucks to carry produce. In addition, there is the fact that freight charges in Uganda are still relatively higher than those in other East African countries, which reduces Uganda's comparative advantage to lucrative European markets. These charges related to air navigation, landing, parking fees, and aviation fuel. For example in 2003, a B747 aircraft with a capacity of 393 tons was being charged \$ 1,975 at Entebbe compared to \$1,750 and \$1,430 at Nairobi and Dar es Salaam (Rudaheeranwa, 2009). This challenge is also obtains for water transport given that Uganda is a landlocked company.

(v) Weak Farmer Groups/Associations

The lack of well organized farmers' associations in Uganda also plays a big role in limiting the smallholder farmers' access to some of the purchased organic inputs and certification process. Most of the problems farmers encountered by farmers engaged in organic farming are similar to those faced by farmers engaged in conventional agriculture. Climate change with unreliable rainfall is another major concern for organic farmers.

The aforementioned challenges faced by farmers as well as what was synthesized from the key informants are streamlined in the objectives of the draft policy. These are; (i) to create an enabling environment for production, processing and marketing of organic products, (ii) to ensure the credibility of OA through adoption of appropriate standards, certification and accreditation, (iii) to

support and strengthen, technology development and disseminate in OA, (iv) to develop domestic, regional and international markets for organic products, (v) to support provision of information, knowledge and skills on OA principles and practices at all levels of the value chain, (vi) to augment sustainable use of natural resources and conservation of the environment, (vii) to conserve indigenous biodiversity and validate, optimize and protect indigenous knowledge, (viii) to harness the active participation of special interest groups in OA industry. With such good objectives, enactment of an OA must be fast tracked to benefit the country.

3.3 Policy Barriers to Regional Trade based on synthesis of Key Informants

(i) Lack of An Operational Organic Agriculture Policy

The results from key informant interviews were arranged according to the key issues sought. One of the key issues that were investigated was if there were any known policy barriers to regional trade of organic products faced by organic farmers in Uganda. The key issues that were obtained from this were that currently there is lack of an operational organic agriculture policy in Uganda. Uganda is one of the fastest growing organic certified lands in Africa. The products grown organically and sourced from Uganda include; cotton (lint, yarn and finished garments), coffee (Arabic and Robusta), sesame (simsim), dried fruit (pineapples, apple bananas, mangoes, jack-fruit), fresh fruits (pineapple, apple bananas, passion fruits, avocados, papaya (pawpaw), ginger), jack-fruit, vanilla, cocoa, fish, shea butter and shea nuts, bird eyed chillies, dried hibiscus, honey and bark cloth. These products are exported to Europe, USA, Asia and other parts of Africa among others. The numbers of organic exporters in Uganda has been growing and are fully certified or in conversion, from internationally accredited certifying bodies operating in Uganda.

However, there is very little support at national level to have an operational organic agriculture policy. Organic farmers and traders operate in a rudimentary way with no proper framework to guide them. The East Africa region approved an organic standards document. The EAOPS was adopted by the East African Community in April 2007 and thereby became an official standard for Burundi, Kenya, Rwanda, Tanzania and Uganda. Its official name is EAS 456:2007, East African organic products standard (EAOPS). However, Tanzania, Rwanda and Kenya have enacted country specific organic agriculture policies. The quality or certification standards are also slightly different between the East African countries. The East African common market policy is also not yet functional. This has in part, led to Ugandan organic commodities being underrated in Kenya markets. It is so unfortunate that in spite of some seemingly strong support for organic agriculture, in the current National Agricultural Policy it is not given due attention.

There exists a Draft policy document for organic agriculture but this has to be adopted by government after a series of processes in order to become operational. Historical attempts to formulate a policy can be traced to 10 years ago. In 2004 the MAAIF constituted a multi-disciplinary OA Policy Development Technical Committee of 26 people. These included NOGAMU, UCDA, ACODE, UEPB, IFOAM and NARO. Other stakeholders included; Universities (Makerere University and Uganda Martyrs University, Nkozi; UNCST, UNBS, CONSENT, UNFFE, CDO. In Uganda Organic Standard was adopted, while in 2007, as part of the East African Community, Uganda adopted the regional standard, the East African Organic Products Standards (EAOPS) developed under a joint UNEP-UNCTAD initiative, with a standard and a mark, code named, KILIMOHAI ORGANIC. The benefits of a regional standard as opposed to a national one are many as it enhances fostering of cooperation.

The strategy put in place to implement the policy is based on interventions in nine policy areas: the promotion of organic agriculture as a complementary agricultural production system; the development of a system of standards, certification and accreditation; the promotion of research, to enable technology development and dissemination; support to the development of local, regional and international markets for organic products; the generation of information, knowledge and skills through education and training; the improvement of post-harvest handling practices, preservation, storage and value addition; the sustainable use of natural resources; and participation of the special interest groups such as women, youth, and the poor and vulnerable (Rukondo, 2014).

In July 2009, the government released a Draft Uganda Organic Agriculture Policy. The draft policy describes the vision, mission, objectives and strategies to support the development of organic agriculture as*“one of the avenues for delivering self-sustaining growth as it provides mechanisms for individual farmers to improve productivity, add value and access markets which are keys to achievement of the Poverty Eradication Action Plan objectives”* (Rukondo, 2014). In July, 2012 the OA policy was approved by the Technical Planning Committee (TPM) which also recommended development of implementation strategy, which was done and awaits discussion. It was envisioned that the OA policy would be mainstreamed in the DSIP, which was unfortunately not done (Byamugisha, 2013).

Between 2002 and 2007, the nation's ranks of certified organic farmers swelled by 359 percent and the acreage being farmed organically grew by 60 percent. By 2003 Uganda had more land devoted to organic farming than any African nation and more than twice that of its closest competitors

(Tanzania and South Africa). Certified organic exports increased from US\$3.7 million in 2003/4 to US\$22.8 million in 2007/8. In 2006, the farm-gate prices of organic pineapple, ginger, and vanilla were 300%, 185%, and 150% higher, respectively, than conventional products. Currently, there are over 400,000 farmers that are registered. If the policy is finally enacted it will increase the response and enthusiasm.

(ii) Organic Certification is slow and to many a farmer it is costly

Organic certification is rather slow and relatively expensive hence not readily affordable and accessible to most smallholder organic farmers in Uganda. Many organic farmers are not certified as organic producers and thus face entry barriers to very lucrative markets in developed regions, such as the EU. They lack adequate Government support to reduce the level of the certification costs. It has been documented that in East Africa an individual farm may pay between \$500 and \$3,000 to obtain certification (Bouagnimbek, 2009). Thus these costs may represent a large share of farm revenue for smallholder farmers. Some of the natural organic alternatives for controlling pests and diseases are very tedious and time consuming and are labour intensive, especially where it requires planting crops that act as pesticides. However, the cost of certification is reduced by the fact that NOGAMU encourages farmers and undertakes group certification. This is a big financial relief to farmers interested in certification.

There are clear systems of supervision. Farmers are registered, trained, inspected, certified and monitored. NOGAMU trains the farmers but other bodies out inspection and certification. These organisations, such as UgoCert, have the manpower and international accreditation to enforce standards. If they have not been using chemicals, they can be certified within a year. However, if the farmer has been using chemicals, he has to undergo a conversion period of three years. This is counted from the time he/she last used the chemicals. During this period, his/her produce can be certified as 'organic-in-conversion'. Since the market is small, they cannot get premium prices until fully certified (Muwanga, 2014).

NOGAMU undertakes promotion of standards among different stakeholders at various levels in the organic sectors these include producers, processors exporters and other stakeholders. This process is achieved through programmes organized through mass media and training, information materials on standards distributed to members and the public. Awareness creation is paramount and must be intensified. NOGAMU also provides a number of other services in other areas such as

training aimed at building capacity and compliance levels to applicable standards among producer and exporter groups, these services include;

- Assisting farmers groups to develop and implement Internal Control Systems (ICS)
- Assisting producer groups and companies to develop multi quality Internal Quality Management (IQM) systems.
- Provision of consultancy services to members and the general public in the areas of IQM/ICS design and establishment, in training and certification.
- Translation of standards into local languages

NOGAMU also offers services such as training and assisting groups in complying with other complimentary standards such as Fair Trade, Utz and HACCP

(iii) Public Sector Concentration on Conventional Agriculture

Another major hurdle to regional trade in organic products is the fact that the Government of Uganda places most of its emphasis on the growth of conventional agriculture. In order to address the barriers to growth faced by conventional farmers in Uganda, the Government has been working through the National Development Plan (NDP) and specific strategies and policies such as the launching of current Operation Wealth Creation program. Such programs emphasize the intensification of production of selected food and cash crops to increase farm yields among other things. The focus of these programs includes interventions that support various actors along the value chain. For instance, this includes facilitating the availability of key agriculture production inputs among which are conventional fertilizers, other agro-chemicals and improved seed. However, organic farming does not seem to be a priority in these government schemes.

Intensification of conventional agriculture has been prioritized in the Agriculture Sector Development Strategy and Investment Plan (DSIP) which is an implementation plan for the National Agricultural Policy (NAP) under several programs. These include (i) enhancing farm production and productivity; (ii) improving access to markets and value addition; (iii) creating an enabling environment for the private sector; (iv) and institutional strengthening of the agricultural sector, all of which are important aspects of crop intensification. To achieve this, Government intends to make investments geared towards eradicating these constraints to conventional agriculture and also make an outlay of the opportunities that could be exploited by different actors along the various commodity chains in order to realize the objectives of the NDP and DSIP. Organic agriculture has not been given priority in these Government plans. It is therefore imperative for the sub-sector to lobby for a place in these plans. Many of the organic crops grown by farmers in Uganda also appear in the

new draft Agricultural Sector and Strategic Plan (ASSP). Some progress has been registered though through the Government where organic farming was included in the Export Promotion Strategy 2008-2012 and there is an existing draft of the National Organic Agricultural Policy.

(iv) *Limited Awareness Campaigns for Organic Farming*

There are limited efforts on organic farming awareness efforts made by the Government or the private sector to make organic agriculture attractive to both conventional agriculture farmers and urban consumer groups in Uganda. There is little domestic demand for organic products in Uganda and the major destination markets include among others, NOGAMU shops in Kabalagala and Jinja and super markets in Kampala. The importance of consuming organically produced commodities is not very obvious to the majority of Ugandan consumers. This means that there is lack of effective awareness campaigns to promote organic products. There have been very vigorous Government awareness campaigns for the adoption by farmers of improved varieties of major food and cash crops such as conventionally produced rice, maize, beans and groundnuts in the last 10 years, with glaringly positive response. However, the same cannot be said of organically produced rice, maize or beans.

However, it should be noted that NOGAMU undertakes promotion of Uganda 's organic products at the local, regional and international markets. At the International level, NOGAMU assists and works with the organic export companies and arranges the promotion of their products to international buyers. This is done mainly through arranging participation in international trade fairs such as Biofach in Germany , the All Things Organic show in USA and the Middle East Natural and Organic products Export. NOGAMU also collaborates with the Uganda Export Promotion Board (UEPB) and Uganda 's Foreign Mission in promoting Uganda 's Organic products to international buyers. In the recent past NOGAMU has collaborated with the International Trade Centre (ITC) to bring international buyers to Uganda on a tour aimed at bringing more visibility of Uganda 's organic companies and products. NOGAMU also continues to collaborate with the Centre for the Promotion of Imports from Developing Countries (CBI) and other International Agencies in promoting Uganda 's organic products. At the local and regional level, NOGAMU organizes participation in trade fairs and other events where information and products from member companies and producer associations are show cased. In all promotional events, NOGAMU assists in the mobilization, preparation of relevant products and information and also offers technical and organization back stopping to participating companies and producer groups. NOGAMU organizes awareness campaigns of organic through both the print and electronic media such as Magazines, radio and Television talk shows, and

by engaging in various strategic alliances / collaborations and periodic distribution of information to her membership and the general public.

(Source: http://www.nogamu.org.ug/index.php?page=nog_marketing)

(v) Low Public Investment in Agricultural Sector

The low investment priority for the agricultural sector in Uganda also has serious implications for the sector and the whole economy as a whole. Neglect of the agricultural sector as an engine of growth is clear. Low funding has also led to low growth rate of the food sector (2.6%), compared to a high annual population growth rate of 3.2% (UBoS, 2014). The sector's growth rate has been rather disappointing, fluctuating between 0.8% and 2.9% in the period 2006/07 and 2012/13 (Mwesigwa, 2015). Over time, the approved budget for agriculture in relative terms has declined from an estimated 5.1% of total government spending in 2001/02 to 4.3% in 2009/10. According to the National Budget Framework Paper for 2015/16, government cut allocations to the Agricultural sector by almost 12 % to Shs 417bn. The sector received Shs 473.7bn in the 2014/15 budget (Mwesigwa, 2015). The Maputo commitment of 10% of the total national budget has never been achieved. Over time, government has reduced commitment to increase spending in agriculture as approved budget allocations to the sector are more or less stagnant and actual spending is declining (FAO, 2013).

Since most of the organic products in Uganda are produced for the external market with stringent quality standards, it implies that farmers in organic agriculture need credit to be able to meet the costs of production, the requisite post-harvest handling of organic produce and organic certification. These costs do not encourage conventional agriculture farmers to convert easily to organic agriculture. Therefore the lack of increased support to the agricultural sector by the Government in general, targeted agricultural credit in particular also affects sources of finance to meet the inherent costs of organic agriculture. This in turn has an impact on regional trade in organic products since it impedes the facilitation of organic certification process that has a big bearing on access lucrative Kenyan urban markets.

Low investment priority for the agricultural sector by Government has also affected private sector led initiatives such as investments in cold storage facilities and refrigerated trucks for perishable organic produce. This type of infrastructure requires the state to lend a hand to the private sector to be able to take off since some of the investments require big capita outlays. In addition, there is very little effort if any, by the Government to lead research in organic farming in terms of pre-production, production and marketing aspects, such as improved organic seed production, farmer-friendly

organic soil fertility improvement, farmer-friendly post-harvest handling, value-addition agro-processing and market niche development. All this serves to show that without the development and growth of organic agriculture there cannot be increased regional trade in organic products.

(vi) Lack of Value Chain Development

Another policy barrier to regional trade of organic products from Uganda is the lack of a policy framework that focuses on value chain development as a pathway to economic growth of Uganda through agro-based industrialization of the country that uses organic agricultural produce as raw materials. Global value chain (GVC) development has been considered in Uganda. The National Development Plan (NDP) 2010/11-2014/15, includes one key intervention, that is, “*supporting and strengthening key product value chains to access high value markets and penetrate global value chains through Public Private Partnerships and inter-government sectoral collaboration.*” Key products of emphasis include dairy products, poultry, beef, fish products, coffee, floricultural and horticultural products, maize, beans, cassava, processed bananas and processed mineral products. Value chain development in Uganda is basically domestic value chain. That is, strengthening production integration within the Ugandan economy and increasing value added generation in order to serve domestic and regional markets for a few conventionally produced products. Currently, value chain development in Uganda is and has been in terms of developing production capacities and enhancing value added generation in primary commodity sectors, not as a strategy for long-term industrialization in Uganda. There is, however, a need for policy shift towards value chain development as a pathway to agro-based industrialization that feeds on agricultural raw materials.

In general, the non-tariff barriers that limit market access (as low as 13% in 2013 for Uganda’s intra-EAC trade) include; road blocks, weigh bridges, poor infrastructure, restrictive sanitary and environmental protection measures, import or export restrictions and price controls. In 2012, when some of the barriers were removed, Uganda’s value of regional exports increased from US\$ 4.5 Billions to US\$ 5.5 Billions (Adude, 2014).

3.4 A synopsis of NOGAMU activities

NOGAMU undertakes a number of activities that have over the years attempted to address some of the policy gaps. As mentioned earlier, NOGAMU has enormously contributed to certification, training, group formation and marketing. Marketing involves promotion of Uganda's organic products at the local, regional and international markets. At the International level, NOGAMU assists and works with the organic export companies and arranges the promotion of their products to international buyers. This is done mainly through arranging participation in international trade fairs such as Biofach in Germany , the All Things Organic show in USA and the Middle East Natural and

Organic products Export. NOGAMU also collaborates with the Uganda Export Promotion Board (UEPB) and Uganda 's Foreign Mission in promoting Uganda 's Organic products to international buyers.

NOGAMU collaborates with the International Trade Centre (ITC) to bring international buyers to Uganda on a tour aimed at bringing more visibility of Uganda 's organic companies and products. NOGAMU also continues to collaborate with the Centre for the Promotion of Imports from Developing Countries (CBI) and other International Agencies in promoting Uganda 's organic products. At the local and regional level, NOGAMU organizes participation in trade fairs and other events where information and products from member companies and producer associations are show cased. In all promotional events, NOGAMU assists in the mobilization, preparation of relevant products and information and also offers technical and organization back stopping to participating companies and producer groups. NOGAMU organizes awareness campaigns of organic through both the print and electronic media such as Magazines, radio and Television talk shows, and by engaging in various strategic alliances / collaborations and periodic distribution of information to her membership and the general public.

(Source: http://www.nogamu.org.ug/index.php?page=nog_marketing).

Market linkages

At the local level, NOGAMU mobilizes smallholder farmers into groups, focuses them towards particular enterprises and equips them with the necessary skills and knowledge to allow sufficient production for marketing. One of the challenges of relying on the smallholder farmers is the failure for them to sustain the supply over a long period of time and for a wide coverage of markets. NOGAMU then identifies suitable markets for these groups in form of local organic outlets, supermarkets, local exporters, schools, other traders and markets, and links them to these markets. Exclusive local organic outlets continue to be established in partnership with member organizations to serve as marketing points for small holder farmers' groups in the respective localities but also bring organic products closer to consumers. Shop Organic Ltd is located at Kabalagala and in Jinja now being supplied by over 60 farmers groups countrywide, with a range of fresh and processed organic products. At the International level, NOGAMU assists local organic exporters to be linked to importers of organic products from various international markets. This is done through profiling the export companies and identifying appropriate import companies to which the former could be linked. NOGAMU normally initiates and monitors this linkage until the first order has been placed by providing appropriate information and support to both the export and importing companies.

Market information services

NOGAMU has established an Organic Trade Point (OTP), a one stop centre for organic market information and related enquiries to local farmers and exporters as well as importers looking for organic products from Uganda. The OTP is equipped with modern communication facilities including 24 hour fast internet connection and has links to major international market information portals. The OTP has developed market profiles regarding specific export destinations for use by existing and potential exporters. It also runs a data base which serves as a focal point for market linkages, captures information on organic export companies, volumes and supply capacity, seasonality of products and information on packaging. Member companies and producer organizations can access the internet at the OTP for market related information at a subsidized fee and the general public can also access the same services at an additional but affordable fee.

Organic market promotion

NOGAMU undertakes the promotion of Uganda 's organic products at the local, regional and international markets. At the International level, NOGAMU assists and works with the organic export companies and arranges the promotion of their products to international buyers. This is done mainly through arranging participation in international trade fairs such as Biofach in Germany , the All Things Organic show in USA and the Middle East Natural and Organic products Expo. NOGAMU also collaborates with the Uganda Export Promotion Board (UEPB) and Uganda 's Foreign Mission in promoting Uganda 's Organic products to international buyers. In the recent past NOGAMU has collaborated with the International Trade Centre (ITC) to bring international buyers to Uganda on a tour aimed at bringing more visibility of Uganda 's organic companies and products. NOGAMU also continues to collaborate with the Centre for the Promotion of Imports from Developing Countries (CBI) and other International Agencies in promoting Uganda 's organic products. At the local and regional level, NOGAMU organizes participation in trade fairs and other events where information and products from member companies and producer associations are show cased. In all promotional events, NOGAMU assists in the mobilization, preparation of relevant products and information and also offers technical and organization back stopping to participating companies and producer groups.

CHAPTER FOUR

CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions

The Ugandan government has taken several important steps in transforming conventional agricultural production into an organic farming system which prohibits the use of synthetic inputs, such as drugs, fertilizers and pesticides. However, the country is still losing a lot of money because organic agriculture, which is environmentally friendly and nutritiously more healthy is not given due attention. This system of farming contributes to mitigating climate change, as Green House Gas (GHG) emissions per ha are estimated to be on average 64 per cent lower than emissions from conventional farms. It has also been shown that organic fields sequester 3–8 tonnes more carbon per hectare than conventional agriculture.

While successes have been recorded, Uganda's organic industry still faces challenges. Organic farming isn't easy. Producing certified crops takes patience and much proper training in the effective use of organic techniques to battle familiar farming challenges like pests and soil degradation. Farmers must also be educated in the ultimate economic benefits of adopting a more labor-intensive method of agriculture. Still, future growth seems likely because organic's rewards and incentives, in the form of a wide export market, are tangible. The market for organic food and drink is estimated at U.S.\$50 billion and growing. While much of that product demand originates in wealthy developed nations, it creates opportunity for developing countries like Uganda to build a sustainable export business that protects natural resources while boosting the economy through the creation of long-term jobs.

There is lack of a policy and DSIP and NAP do not clearly depict the importance that ought to be attached to organic farming. There a number of tariff and non-tariff barriers that out to be removed to ensure that Uganda exports more organic products to more lucrative markets of Europe, Asia and America. Besides, many farmers are not fully aware of the fact that organic agriculture is more paying. If this is well articulated, more farmers will adopt the organic farming approach. Many are still not well organized to benefit from group dynamics that include; access to inputs at lower prices and access to remunerative markets.

Pests and diseases are quite rampant yet the prices of inputs are high. The prices farmers receive are still low and so farmers do not get value for the investments made. The quality of planting materials

has been compromised by the profit motivated, unscrupulous traders. Many such materials either do not germinate, are susceptible to harsh conditions or yield poorly, which makes farmers lose their hard earned money. Droughts are becoming common partly due to climate change. The effects of climate change on organic farmers is not known with certainty due to lack of adequate funding to undertake research.

There is still a high dependency on rudimentary tools and methods of production. For example, use of hoes is still dominant because of lack of appropriate farm machinery and equipment. Farmers lack adequate capital to invest in their endeavors in order to attain acceptable economies of scale. Price fluctuations are also common which erodes farmers' planning capacity. All the above mentioned issues will be addressed terminally with presence of an Organic Agriculture Policy like it has been done among some EAC partner states, Rwanda and Tanzania. Fast tracking the Organic agriculture policy in this era when people are adopting more healthy living, cannot be overemphasized. NOGAMU will have to seek for partnerships and support from a number of organisations and development partners to lobby for and have the policy finalized.

4.2 Recommendations to Improve Trade of Organic Produce

(i) Strengthening Farmers' Associations/Groups

Since the costs of certification are a big hurdle to farmers in Uganda accessing regional markets, there is need to try out another model of meeting these costs. This study suggests the strengthening of organic farmers' groups in order to reduce on the individual burden for each farmer. Smallholder farmers can be certified in groups. Group certification can be done with a hybrid of Participatory Guarantee System (PGS). This is another way of making sure that produce is organic. PGS for Ugandan farmers could be designed to involve several stakeholders, such as farmers' groups, NGOs and the National Environmental Management Authority (NEMA) and international companies for third party certification. It has been shown that membership in a farmers' association is one of the key avenues that facilitates the adoption of improved planting material or improved seed or access to other services by most smallholder farmers. The National Agricultural Policy (NAP) has several programs that include (i) enhancing farm production and productivity; (ii) improving access to markets and value addition; (iii) creating an enabling environment for the private sector; (iv) and institutional strengthening of the agricultural sector. This is in line with strengthening of farmers' associations/groups to improve the members' welfare.

There is need for NOGAMU and other stakeholders to partner with organizations that have good experience in training and re-training farmers on how to effectively strengthen their collective action framework. This implies training farmers and creating incentives for the formation of proper horizontally and vertically integrated groups that would bring more services closer to the farmers. That is, creating One-Stop centres where farmers can access credit for production, post-harvest and marketing activities for their organic products. The existing groups are very loosely integrated and cannot help farmers for instance reduce the certification costs per farmer. Horizontal integration means effective cohesion among small primary groups/associations of organic farmers (30 to 100 members) joining hands together to form farmers' different unions (1,000 to 5,000 members each union) who can join NOGAMU and other stakeholders to lobby for policy changes. Vertical integration of the unions implies that these unions would engage in the production, post-harvest handling and marketing of organic produce or would add value and directly sell to European customers or exporters with higher bargaining power. These unions would enforce strict adherence to organic farming by certifying the produce on behalf of larger international certifying firms. It is easier for organic farmers' unions to enter into **FAIR-TRADE** arrangements with European markets than individual smallholder farmers. With an operational National Organic Policy, stakeholders such as NOGAMU, NGOs, CBOs, etc should lobby the European markets for increased Fair-Trade arrangements with Ugandan farmers' unions selling agro-processed organic products.

(ii) Need for Locally based evidence of Benefits from Organic Farming

Conventional farmers are very aware of the initial heavy costs of transitioning from conventional agriculture to organic farming. One of the ways by which to increase interest in organic farming in Uganda would be to carry out research and provide empirical evidence to public sector policy makers that indeed organic farming confers a lot of benefits to organic farmers. This means determining the farm yields and gross margins per acre that accrue to organic farmers and comparing these statistics to conventional farmers of the same commodities. In effect this is evidence-based quantitative impact evaluation of organic farming for selected major cash crops in Uganda. To generate interest in organic farming, conventional agriculture farmers have to visit demonstration farms that practice organic farming and also allow them compare the yields obtained from these organic farms with those from their farms for selected major cash crops. Empirical evidence of the benefits from organic farming that are beyond those of conventional farming should be given to traditional farmers and government policy makers if more attention is to be given to organic farming. With evidence of benefits from organic farming provided to public policy makers, it might be easier for urban consumers have to be convinced by NOGAMU, NGOs, CBOs, NEMA and other stakeholders of the

importance of healthy diets and environment conservation. The domestic demand for organic products in Uganda is still very low thus this empirical evidence is required. Anecdotal evidence from one or two case studies will not be adequate.

There have been very vigorous Government awareness campaigns for the adoption by farmers of improved varieties of major food and cash crops because rigorous empirical evidence has been generated to make the case for conventionally produced rice, maize, beans, groundnuts, millet, simsim, etc, etc. With this evidence of benefits, it would be possible to lobby various entities to wage nutrition-based awareness campaigns for the consumption of organic products. This would be similar to campaigns for quality protein maize, orange-fleshed potatoes, etc. Higher domestic demand for organic products implies higher derived demand from organic-based agro-processors. *There is need for NOGAMU and other stakeholders to lobby Government to push through the National Organic Agricultural Policy to become operational. This would be under the National Agricultural Policy and would be synchronized with the National Seed Policy and the National Investment Policy.*

(iii) Promotion of Value Addition Activities

There is need for Government policy to shift towards value chain development that is geared towards pathway for agro-based industrialization that exploits the vast agricultural produce as raw materials. This implies value addition to organically produced raw materials for the domestic and export markets. Organic value-added/processed products have a higher value-to-volume ratio than raw organic produce. This means that the Ugandan exporters of value-added/processed organic products would be more competitive in terms of penetration of both domestic and foreign markets with the resultant increase in derived demand for organic raw produce from smallholder farmers. The increase in derived demand for farmers' produce also implies an assured and stable market outlet and contractual arrangements to supply the agro-processors and exporters. An increase in the demand for organic raw products by agro-processor, implies that farmers' unions have to supply the former large quantities without interruption. This inevitably leads to farmers' unions entering into fixed-price forward contracts with agro-processors.

If the unions are vertically integrated, then they would enter into contracts with exporters or consumers in outside Uganda. Fixed-price forward contracts usually attract higher farm-gate prices for farmers which gives them a better capacity to meet the costs of organic agriculture. This chain link implies that all the actors along the value chain of organic agriculture have the potential to benefit from the increased penetration of regional. There is need for public-private partnerships that

foster investments that create room for actors to enter into organic product agro-processing. This can only come after NOGAMU and other stakeholders engage the government.

(iv) Need to Address Counterfeit Seed Problem

Counterfeit seed on the market is a big problem since it leads to reduced yields of organic produce and has an impact on farm incomes. One of the major hardships mentioned by key informants was the existence of fake seed on the market. There is need to strengthen the regulatory process to ensure that counterfeit seed or planting material is kept away from the market. The MAAIF is given the responsibility of enforcing seed rules and regulations in guiding the operations of the seed industry. The day to day operations of the seed industry were delegated to the National Seed Certification Service (NSCS), a unit of the MAAIF. However, given the nature and range of responsibilities, the NSCS requires adequate human and financial capital to enforce quality products through supervision and regular monitoring and evaluation of genuine seed or planting material producers and sellers to curb the problem. There is need to lobby for increased funding to the NSCS and more staff recruitment as part of the solution to the counterfeit planting material problem.

(v) Need to Improve Farmers' Access to Formal Credit

The high cost of certification as indicated by farmers and key informants is one of the factors affecting regional trade in organic products. Access to credit through farmers' unions can play a key role in meeting these costs including those derived from post-harvest handling activities. Some of these costs are beyond the reach of smallholder resource-constrained farmers. Organic smallholder farmers' incomes are limited and yet they could be forced to sell their produce shortly after harvest due to liquidity problems and poor storage facilities. Farmers' health care, school fees, social and cultural obligations, and other domestic problems may force them to sell their organic produce to meet these financial demands as quickly as possible. These are virtually emergency sales which leave some of the farmers exposed to the mercy of the traders and brokers who, more often than not, offer different and in most cases low prices for these emergency sales hence increasing the liquidity constraints. It has also been indicated that some organic agronomic practices are labour intensive, yet labour costs are high. Individual organic smallholder farms are too small and risky for most rural finance institutions in Uganda, including microfinance organizations. Therefore is more prudent to have farmers borrow from these financial institutions through unions of the farmer groups/associations, since the latter can guarantee loans funds borrowed by members. There is need to strengthen farmers' unions to be able to access investment finance for their individual members. Government policy through the Micro-Finance Outreach programme and/or "Prosperity for All"

under the Ministry of Finance, Planning and Economic Development (MoFPED) can effectively address this problem, through the SACCOs created.

(vi) Need for Vigorous Government Awareness Campaigns

Empirical evidence that shows the fact that the benefits accruing to organic farmers are on average, higher than those obtained by conventional farming for selected cash crops needs to be presented to public sector policy makers. Thus NOGAMU, NGOs, CBOs and other stakeholders are then likely to convince government to launch vigorous awareness campaigns promoting organic agriculture products, both raw and processed to the domestic markets. In addition, awareness government campaigns for farmers have to be done to encourage them to grow improved varieties of organic crops or producing organic livestock products.

(vii) Need to Improve Market Information Services

Organic farmers need adequate, timely, reliable, and relevant ICT-based market information to reduce the chances of accepting any price offered by traders, brokers or supermarkets and thus avoid exploitation by receiving very low prices. NOGAMU has played a significant role in the provision of market information and this has to be intensified. This emphasizes the point that delivery of good and timely market information to farmers is very crucial in forming their price expectations and enterprise budgeting. In simple terms, the availability of market information enables farmers to check on the prices they receive and compare these with the prevailing market prices. If farmers receive prices lower than those they expect elsewhere they, for example, decide to sell to alternative markets, negotiate more forcefully to gain a better price, or improve product quality and presentation. There is need for investment in the area of ICT-based market information provision via Market Information Centres (MICs) or Market Information Outlets (MIOs), especially at the farmers' union offices. This can also be done through public-private partnership arrangements. Good, reliable market information will facilitate the movement of organic products from surplus to deficit regions in East Africa.

(viii) Ratification and fast tracking of the Non-Tariff Barriers Act

The East African Community Legislative Assembly recently passed a binding legislation to eliminate non-tariff barriers to trade among East African Community partner states. It is known as the East African Community Elimination of Non-Tariff Barriers Act, 2015. The law will contribute to increased intra-EAC trade once ratified nationally by each of the five states — Kenya, Burundi, Rwanda, Tanzania and Uganda. Non-Tariff Barriers are partly to blame for the still limited intra-EAC trade, estimated at 13 per cent in 2013. It should be fast tracked for implementation.

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