****THE REPUBLIC OF UGANDA

**MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES**

**GUIDELINES FOR USE OF PRODUCTION AND MARKETING GRANT BY LOCAL GOVERNMENTS FOR FY 2018/19**

Ministry of Agriculture, Animal Industry and Fisheries,

Lugard Avenue,

P.O. Box 102,

ENTEBBE

# FOREWORD

The overall vision, mission and investment strategy of the Agriculture Sector is guided by six principles that are derived from the country’s experiences, with and the Agriculture Sector Strategy Plan (ASSP 2015/16-2019/20); and the third year of implementation of the current National Development Plan 2 (NDP 2). The sector’s mission is to transform the sector from subsistence to commercial agriculture, with a vision of creating ‘a Competitive, Profitable and Sustainable Agricultural Sector’.

The Government recognises the importance of agriculture and the role it plays in economic growth and development. This is reflected in the fact that agriculture has been identified as a national priority in both the National Development Plan (NDP) II and Uganda Vision 2040. According to the Census report (NPHC 2014) the Agriculture sector employs about 68.4 percent of Uganda’s labour force, accounts for about 50 percent of the national exports revenue and contributes 25% of the national Gross Domestic Product (GDP).

Over the medium term (FY 2015/16-2019/20), the sector aims to improve food and nutrition security, increase income at household level in the country and increase agricultural exports to USD four (4) billion by FY 2019/20. This will be achieved through; increasing production and productivity, increasing access to critical farm inputs, improving agricultural markets and value addition of the priority commodities and strengthening the institutional capacity of sector stakeholders.

More specifically, Government will continue to provide support towards implementing strengthening agriculture research and technology uptake, promoting technology uptake and extension services to farming communities, vector, pest and disease control, increasing access to critical farm inputs, promotion of sustainable fisheries and aquaculture, mechanization/ farm power, putting measures in place to mitigate the continued climate change and uncertain changes and uncertain weather patterns, support to value addition, increasing access to critical farm inputs, sustainable land management and use of fertilizers, regulation and certification services and promotion of sustainable fisheries and aquaculture.

The implementation plan for NAADS interventions under Operation Wealth Creation (OWC) for the FY 2018/19 in all District Local Governments (DLGs) will focus more on supporting the key strategic commodities in line with the current Government strategy aimed at concentrating resources on strategic and priority areas to ensure greater impact on household incomes and national export earnings. This support will focus on provision of seedlings for the key strategic perennial commodities including Tea, Fruits (Citrus, Mangoes Apples and Pineapples) and Cocoa.

In line with the above strategic direction, the commodities to be supported under NAADS/OWC interventions during the coming season have been selected with a special focus on the key strategic commodities (above) while also putting into consideration the priority commodities submitted by the respective District Local Government.

While primary implementation of sector plans lies with the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), the Local Governments remain very crucial to obtaining the mission and vision of the agricultural sector. It is on this note that I call upon all Local Government Production departments to partake in the sector’s development, through utilising and planning for the Production and Marketing Grant (PMG) as specified within these guidelines, whilst collaborating with MAAIF to report progress in the implementation of this grant on a quarterly basis.

Pius Wakabi Kasajja

**PERMANENT SECRETARY**

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**LIST OF ACRONYMS**

ACP Animal Check Point

ATAAS Agricultural Technology and Agribusiness Advisory Services

AU African Union

BBW Banana Bacteria Wilt

BMU Beach Management Unit

CBPP Contagious Bovine Pleuropneumonia

CLR Coffee Leaf Rust

DATIC District Agricultural Training and Information Center

DSIP Development Strategy and Investment Plan

FMD Foot and Mouth Disease

FPCP Fish Product Check Point

IPF Indicative Planning Figure

LG(s) Local Government(s)

MAAIF Ministry of Agriculture, Animal Industry and Fisheries

MFPED Ministry of Finance, Planning and Economic Development

MTEF Medium Term Expenditure Framework

NAADS National Agriculture Advisory Services

NDP National Development Plan

PMG Production and Marketing Grant

PFA Prosperity For All

PMA Plan for Modernisation of Agriculture

PPP Private Public Partnership

UBOS Uganda Bureau of Statistics

# EXECUTIVE SUMMARY

The Production and Marketing Grant (PMG) is a conditional grant given to all districts in Uganda to implement functions of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) at the Local Government (LG) level.

In line with the Local Government Act, 1997, the following functions are vested in MAAIF for implementation at the LG level;

* Controlling epidemic diseases, pests and parasites affecting crops, animals and fish: this includes reporting, investigations, diagnosis, surveillance, vaccination, and treatment;
* Enforcing agricultural laws and regulations (including those pertaining to crop, livestock and fisheries sub-sectors: controlling inter-district movement of animals and animal products, enforcing quarantine restrictions and animal welfare issues);
* Supporting the extension services
* Supervising the distribution of inputs provided by MAAIF under the OWC initiatives.
* Carrying out inspection and certification of agricultural inputs such as agro-biological and animals feeds;
* Ensuring veterinary public health: control of Zoonoses, ensuring hygiene of livestock products;
* Registration and licensing of traders in agricultural chemicals, seeds, livestock and fishing;
* Collection of agricultural statistics.

Plans to utilise the PMG grant should specify how it will be used to meet the sector’s medium term priorities, stipulated in the National Development Plan 2. Its medium term priorities are;

* Increasing agricultural production and productivity.
* Improving access to critical farm inputs.
* Improving agricultural markets and value addition in the twelve (12) priority commodities.
* Institutional and enabling environment strengthening for agricultural development.

The Budget Strategy for FY 2018/19 will, therefore, continue to emphasise implementation of the commodity approach, with focus on the twelve (12) key food security and household income commodities, which Operation Wealth Creation is also focusing on. MAAIF and Local Governments will give special attention to the following:

* MAAIF will strengthen agriculture research and climate change resilient technologies and practises;
* Ensuring availability of quality agricultural inputs at farm level including fertilizers;
* Strengthening extension services through continued implementation of the single spine extension system
* Pest, vector and disease control
* Agriculture mechanization
* Support to agro-processing
* Increased regulation, certification, and quality assurance

The PMG funds should be planned for in a way that ensures 55% is utilised in capital development project (s) and 45% in recurrent activities. Section Four (4) of these guidelines gives a breakdown of activities, per sub sector, which fall under capital development and recurrent activities. It also shows the formula used to allocate PMG funds among the 122 districts (excluding Kampala District).

The implementation of PMG activities for the Financial Year 2018/19 will be done in accordance with these guidelines and shall be spearheaded by the District Production teams, that is, the District Production Coordinators, District Veterinary Officers, District Fisheries Officers, District Agricultural Officers and District Entomology Officer. Quarterly work plans are expected to be delivered to the Permanent Secretary – MAAIF at the beginning of each quarter, accompanied with the Performance Form B of the previous quarter.

# SECTION 1: INTRODUCTION

## 1.1 Background

The overall mechanism by which Government allocates its resources is the Medium Term Expenditure Framework (MTEF). The MTEF sets sector and Local Government spending ceilings within a rolling five-year framework. The level of expenditure is determined by the resource envelope, which takes into consideration the macroeconomic environment and the prospects for resource mobilisation.

The Grant supports implementation of MAAIF related functions in Local Governments. Therefore effective, PMG was initiated to support both **capital development** and **recurrent expenditures** for activities relating to pests and disease control; regulatory services, quality assurance services; agricultural statistics, food security information and functions in Local Governments. The PMG has two parts: Wage and Non Wage

**Wage**

The budgetary provision for the Wage Component is currently UGX 39.54bn that has been allocated to pay district agriculture extension staff; although it may change in the final MTEFs of 2018/19. The distribution will depend on the existing pay roles of individual districts.

**Non-Wage**

This has been a total annual budget of UGX 12.07 bn for the FY 2018/19; which is distributed in accordance to the district Indicative Planning Figures (IPFs). The Non-Wage is the operational funds for staff at the district headquarters. Non-wage funds are divided into two; the Recurrent and Capital Development funds. There is also a budget provision of shs.39.6 bn non-wage funds in 2017/18 and will still be the same in the FY 2018/19 budget to leverage agricultural extension service delivery countrywide so as to beef up the activities of other agrarian service providers, both public and private.

## 1.2 PMG allocation and Budget Priorities in the Financial Year 2018/19

Agriculture Sector priorities for the FY 2018/19 are in accordance with the National Development Plan II as articulated in the ASSP 2015/16-2019/20. The priorities are also designed to address the 13 generic challenges to the sector as identified by H.E the President of the Republic of Uganda. These are mentioned in the Sector Budget Framework Priorities as mentioned below

* 1. **RECENT DEVELOPMENTS IN THE SECTOR**

The sector has had emerging issues notably the following;

1. **Increased tick resistance to acaricides**

The country is facing a complicated escalation of tick resistance to acaricides. This scenario is already having a negative impact on dairy and beef production in the affected districts. The resistance was majorly caused by poor animal management practices, i.e. undermining the use of the different classes of acaricides due to the manufacturing and marketing of a combination of acaricides that are a mixture of two or more classes of acaricides. Since decentralization in the 1990s, the control of ticks and tick borne diseases became the responsibility of individual farmers and Local Governments. Unfortunately, the Local Governments failed to obtain the sufficient capacity due to low staffing among other things. Consequently, all instruments used by government such as acaricide zoning, enforcement of rational drug use, maintenance of community deeps, almost seized.

Government is currently undertaking measures to reverse the situation by ensuring putting in place mechanisms for sustainable control of ticks and tick borne diseases which will involve less intense acaricide application, use of disease tolerant indigenous animals, immunization of improved/ exotic breeds against tick borne diseases, and increased pasture/ graze management. In the short term however, we are in the process of importing acaricides for cleansing which will to kill the resistant ticks. This is however a short term measure which cannot cover all the farmers. The Ministry has tried to obtain additional funding for the FY 2017/18 from MFPED amounting to UGX 10 billion to comprehensively tackle this matter with less success.

In the next FY 2017/18, an additional resource of UGX 6.7 billion has been availed for tick control. This is however still insufficient as the projected amount to cover us for the whole year is estimated at UGX 12 billion.

1. **Reported outbreak of the avian influenza**

On the 3rd January 2017, the Ministry received reported cases of a disease which was similar to the highly pathogenic avian influenza, commonly known as Bird flu/ Avian Flu. The onset investigation against the disease was started when the suspected cases of mass death of wild birds was reported by Uganda Wildlife Education Centre at Lutembe Beach in Wakiso. Quality assurance was undertaken by submission of specimen samples to collaborating laboratories in Italy which investigations revealed a viral infection with similar characteristics, but not the HN1.

Quarantine restrictions were immediately put in place in the 3 districts of Kalangala, Masaka and Wakiso over a 10 km radius from the focus of the infections. Neighboring countries subsequently put a ban on trade of poultry and poultry products from Uganda. The government later requested for lifting of this ban and technical risk assessment teams were sent from neighboring countries. The assessments evaluated Uganda’s preparedness for such disasters, our outbreak response capabilities, bio-security issues among others. Government has since set up a task force to ensure increases surveillance and reporting mechanisms such that in future, such alarmist communications are not broad casted to the public without proper scientific evidence. The Ministry is in negotiations with development partners to set up robust diagnostic infrastructure for such outbreaks anywhere in the country.

1. **Continued climate change and uncertain weather patterns**

The last two seasons have manifested unpredictable and less than expected rainfall patterns in various districts across the country. This caused food shortage in some districts. The Ministry and stakeholders are closely observing the different districts across the country to assess whether the Season A 2017 will be better.

As corrective measures, we have fast tracked the finalization of the Irrigation policy. Areas of mandate overlap that caused a delay in the past, between MAAIF and Ministry of Water and Environment, have been resolved under the mediation of the Office of the Prime Minister. The final draft of the policy has undergone stakeholder consultation as required and the Ministry has sought a certificate of financial implication from the Ministry of Finance to enable it to fulfill the conditions for the policy to be discussed in Cabinet. We target to have this policy approved before June 30, 2017.

The Ministry will dig 500-700 on farm valley dams to create more capacity for water harvesting. Priority will be given to the districts that were most affected by the recent drought.

Government has also identified potential investors to manufacture solar water pumps in the country in order to reduce their cost and make them affordable to an average Ugandan farmer.

1. **Outbreak of the army worm**

Uganda is experiencing an outbreak of a new crop pest known as the Fowl Army Worm. MAAIF first received reports on the severe outbreak of a strange caterpillar on maize plants in the second season of 2016 in the districts of Kasese, Bukedea and Kayunga. Samples were picked up and NARO positively identified the pest.

The worm is a native to the tropical and sub-tropical regions of America with a migratory capacity of 2,000 kms per annum. In Africa, it has been reported in Nigeria, Togo, Ghana, Zambia, Tanzania, Zimbabwe, South Africa, Malawi, Mozambique, Namibia and Kenya. The pest is known to feed on more than 80 plant species including cereals, legumes and many pasture grasses.

The Ministry is tackling the control of the army worm through a three phased approach – the short term, medium term and long term. In the medium term, we will undertake research to develop a sustainable control method for the pest. In the long term, we shall use the research findings to engage the private sector and other stakeholders to develop sustainable chemical and mechanical approaches to maintain the pest. In the short term, the Ministry is undertaking the following;

* A national task team comprising of scientists from the Ministry (including NARO), seed producer associations, Uganda National Farmers Federation and OWC Officers, has been set up to oversee the short term control activities.
* We have procured acaricides to give to farmers in the districts that were most affected by the recent drought. We are in discussions with the private sector i.e. importers of agro-chemicals, to import and sale to farmers, affordable but effective acaricides, as a sustainable response to the pest.

1. **Focus on export promotion by Government**

In order to achieve the target of achieving middle income status during the NDP II period. Government is pursuing deliberate actions to increase exports and improve the balance of trade through focus on quick win products especially targeting fruit and vegetable export markets.

In this regard, the Ministry if working with the private sector to ensure that the prevailing constraints to fresh – exports, i.e. issues of standards, traceability and post-harvest handling are handled. The Ministry will, from FY 2017/18 promote model export villages for horticulture and vegetables in the districts surrounding Entebbe International Airport i.e. Mukono, Wakiso and Luwero.

Support will be provided to prospective horticulture farmers, by supporting pilot farms with a complete set of irrigation infrastructure, on 6 acre land (both drip and sprinkle irrigation), and green house infrastructure to farmers engaged in the growing of the following products: pepper, abanero, sweet pepper, cherry tomatoes, lettuce, passion fruits, herbs/ chives, French beans, cow peas and butter nuts. The lessons from the pilot will guide the roll out to peri-urban areas in the medium term.

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## 1.4 SECTOR BUDGET FRAMEWORK PRIORITIES IN BFP 2018/19

These include the follow;

1. Strengthening Agricultural Research; MAAIF through NARO with close collaboration with DLGs will set up demonstrations of various enterprises (notably Tea, Coffee, Cocoa, Fruits, Cassava, Maize, beans, dairy and others) across the different (9) agro-ecological zones, targeting at least 300,000 farmers
2. Implementing a single spine agriculture extension system; this will further be fast tracked. After the 2016/17 was finalised, almost 78% of the sub counties will have at least one extension staff
3. Strengthening Farmer Group Formation and cohesion; this will include commodity associations, platforms, federations and cooperatives. The exercise of registration of all farmers by category will be completed in the FY 2017/18. This will enable adequate planning for the various categories of farmers in the different farming regions and zones. Under DDA, training dairy farmers across the country will be undertaken to boost milk production
4. Value addition; Value addition will be supported through accelerating public investment in the entire value chain of the priority and strategic commodities, while giving greater emphasis on production of high value perennial crops will be emphasized. MAAIF will also continue its PPP support to boost processing of Milk and other dairy products, oil palm, oil seeds and cotton. Under NAADS, Medium scale fruit processing equipment; Motorised; Maize milling equipment (grinding mills-hullers, shellers, etc.); Milk coolers and generators; Rice milling equipment (threshers, hullers-polishers, cleaners, graders, etc.) will be purchased. Under CDO, establishment of a new Cottonseed Processing Plant and will fast tracked.
5. Controlling pests, vectors and diseases; this will be emphasized in the FY 2018/19 budget to ensure that communicable diseases are effectively managed in order to promote crop and livestock health as a means to higher production, productivity and market penetration.
6. Increasing access to critical farm inputs; this will mainly be implemented together with the Operation Wealthy Creation (OWC) initiatives. Programme interventions involving the provision of planting materials for especially the six (6) strategic commodities, namely: Tea, Citrus, Mangoes, Pineapples, Apples provide Artificial Insemination (Kits) will be emphasized. In order to improve the national herd, we will under NAGRC& DB and NAADS and also undertake Pasture improvement interventions
7. Agricultural mechanization; MAAIF will fast track the promotion of sustainable local manufacturing and maintenance of suitable agricultural machinery for farm production and postharvest processing. Preliminary engagements are already under way with potential investors so as to interest them in setting up local tractor assembling plant(s) and mechanisation workshops. This will be fast tracked in FY 2017/18.
8. Water for production; Undertake efforts to increase availability of water for agriculture production at farm level through digging at least 520 valley tanks of between 5,000 to10,000 cubic meters of water; giving priority to areas affected by the recent draught and food shortages. MAAIF also intends to commence for a new irrigation scheme with support of JICA/government of Japan I Eastern Uganda
9. Fertilizers; MAAIF will focus on providing fertilizers to farmers through the e-voucher subsidy Programme; it is anticipated that over 10,000 farming households will benefit from these scheme during the piloting phase in FY 2018/19; and the programme will be rolled over in the medium term. More fertilizers are expected to be purchased and distributed to farmers under the WC/NAADs activities. More fertilizers will be provided to cotton and coffee farmers under the interventions of CDO and UCDA respectively. MAAIF will also work with MFPED and other relevant financial institutions to facilitate access to credit support for fertilizer bulk purchasing for farmers and businessmen.
10. Regulation and certification; To improve access to high quality seeds and planting materials, the Ministry will continue to formulate and review policies, laws and regulations for agricultural inputs including seeds and planting materials supply and use; strengthen the national certification and regulation system and regulatory institutions to guarantee the quality of seeds and planting materials on the market. Enforcement activities to control the fake inputs on the market will be intensified in FY 2018/19 with assistance other law enforcement agencies.
11. Promotion of sustainable fisheries; Government will undertake the following: Strengthen the newly created Fisheries Protection Force to stop illegal fishing activities on all the major water bodies, reviewing the Fisheries Act to streamline the regulation of fisheries activities at landing sites and in districts, Registration and licensing of fishermen and women, promoting recovery of depleted stocks of the large commercial fish and developing, the fishery of small pelagic (mukene) fish through restocking of the major water bodies, promoting commercial aquaculture through streamlining the approval requirements for private sector to engage in cage farming, increase the volume/ availability of fish fingerings to farmers through MAAIF and now, strengthening monitoring and enforcement activities on the major water bodies;

**All Local Governments were to, therefore, plan for the PMG funds using the information above.**

1. **Beneficiaries of PMG**

The PMG is shared among 122 districts in the country, excluding Kampala District which is an urban centre. As indicated in ***Section 1.1***, the Grant strictly supports implementation of MAAIF related functions in Local Governments. Implementation and reporting on utilisation of the grant is done through the District Production Office.

# SECTION 2: THE AGRICULTURE SECTOR POLICY AND PLANNING FRAMEWORK

## 2.1 Sector mandate

The constitutional and legal framework for the management of agricultural services in Uganda as prescribed in the 1995 Constitution Schedule 6 Article 189 and the Local Governments Act 1997 Section 97 and 98 vest the following responsibilities for Central Government under the Agricultural Sector:

* Setting National Standards;
* Formulating Agricultural Policy(ies);
* Making National Plans for the Provision of Services and Co-ordinating Plans made by Local Governments;
* National Research Policy;
* Controlling and Managing Epidemics and Disasters;
* Monitoring and Co-ordinating Government Initiatives and Policies as they apply to the Local Governments;
* Co-ordinating and Advising Persons and Organisations in Relation to Projects Involving Direct Relations with Local Governments;
* Assisting in the Provision of Technical Assistance to Local Governments;
* Inspecting, Monitoring and Providing Technical Advice, Support, Supervision and Training.

## 2.2 Agriculture Sector Planning Framework

**Vision 2040**

Vision 2040 provides for the development of a 30 year vision to be implemented through six 5 year National Development Plans (NDPs); Sector Investment Plans; Local Government Development Plans, Annual work plans and budgets. It provides development plans and strategies to operationalize Uganda’s Vision Statement which is “**A transformed Ugandan Society from a peasant to a modern and prosperous country within 30 years**”.

Government plans to transform the agriculture sector through the following interventions over the next 30 years; invest in the development of all major irrigation schemes in the country; ensure continued investment in technology improvement through research for improved seeds, breeds and stocking materials; reform the extension system in the country; collect adequate agricultural statistics; improve capacity for regulation and enforcement especially in safety standards and quality assurance and invest in the development of a phosphates industry in Tororo to reduce the cost of fertilizers.

**The National Development Plan II (NDP II)**

* H.E. the President of Uganda launched the NDP II on 11th June 2015.
* Following NDP I, the NDP II will remain the primary Government national strategic plan for guiding sector level planning and the allocation of resources through the Medium Term Expenditure Framework (MTEF).
* The NDP II has identified agriculture as a key sector contributing to wealth creation and employment over the medium term 2015/16-19/20.

## 2.3 The Agriculture Sector Strategic Plan (ASSP) 2015/16 to 2019/20

The National Agriculture Policy (NAP) is the overall guiding policy framework for the sector which was approved by Cabinet under Cabinet Minute CT (2013) 337; and launched on 25th September 2014. The NAP guides all agriculture and agriculture related sub-sector plans, policy frameworks and strategies.

The national planning framework is guided by a 25 year development plan (Vision 2040) which guides the five year national development plans. The current five year planning framework is the National Development Plan2 (NDP2). As a requirement; the Agriculture sector has developed a Sector Strategic Plan to elaborate the sector undertakings and planned investments in order to meet the NDP 2 agriculture undertakings. **The Agriculture Sector Strategic Plan (ASSP) 2015/16 to 2019/20** was developed and Cabinet Secretariat approved by cabinet on 19th April 2017.

In the NDP 2, the Agriculture sector targets to increase agriculture exports from USD 1.3 billion in FY 2013/14 to USD 4 billion in FY 2019/20. Its medium term objectives are;

***Increasing Agricultural Production and Productivity through:*** strengthening agricultural research, technology development, dissemination and adoption; reforming the agricultural extension service delivery system to ensure delivery of advisory services and adoption of improved technology; accelerating the development of priority strategic commodities; and mainstreaming crosscutting issues of gender, youth, HIV/AIDS, environment, climate change, food and nutritional security.

***Increasing access to critical farm inputs through:*** promoting agriculture mechanisation; improving access to high quality seeds and planting materials; increase access to water for agricultural production; enhancing access and use of fertilizers by all categories of farmers; and controlling pests, vectors and diseases.

***Improving agricultural markets and value addition for the 12 prioritised commodities through:*** promoting value addition, agro-processing and storage as a means to increase access to domestic and regional markets; promoting appropriate technologies and practices for minimising post-harvest market losses along the commodity value chains; developing and expanding a sustainable market information system; developing, maintaining and improving physical agricultural market infrastructure; developing and improving food handling, marketing and distribution systems; and strengthening national capacity for quality assurance, regulation and safety standards to promote increased trade at all levels

***Institutional and Enabling Environment Strengthening in the Sector through:*** strengthening institutional capacity of MAAIF and related agricultural agencies; and improving the capacity for quality assurance, regulation, food and safety standards for products in all sub-sectors.

## 2.4 MAAIF Key Functions in Local Governments

In line with the Local Government Act, 1997, the following functions are vested in MAAIF for implementation at the local government level;

* Controlling epidemic diseases, pests and parasites affecting crops, animals and fish: this includes reporting, investigations, diagnosis, surveillance, vaccination, and treatment;
* Enforcing agricultural laws and regulations (including those pertaining to livestock and fisheries sub-sectors: controlling inter-district movement of animals and animal products, enforcing quarantine restrictions and animal welfare issues);
* Carrying out inspection and certification of agricultural inputs such as agro-biological and animals feeds;
* Ensuring veterinary public health: control of Zoonoses, ensuring hygiene of livestock products;
* Registration and licensing of traders in agricultural chemicals, seeds, livestock and fishing;
* Collection of Agricultural Statistics

**National Sector Policies for Local Government Implementation**

Government is committed to Prosperity for All (PFA), a vision that derives from the NRM manifesto of 2006, and is carried forward in the NRM Manifesto of 2011. The cardinal principle of PFA is to identify and support economic enterprises that will enable households to earn daily, periodic and long-term incomes, with a target of a minimum gross income of UGX 20 million per household per year. To achieve the PFA vision, all government agencies and local governments must implement existing programs / interventions like Operation Wealth Creation in an integrated and co-ordinated manner and with a higher level of efficiency in order to bring about economic transformation, especially in rural areas.

# SECTION 3: AGRICULTURE SECTOR PRIORITIES

## 3.1 Budget Priorities for FY 2018/19

The Agriculture sector’s priorities in FY 2018/19 are in accordance with the national budget strategy 2018/19 and the National Development Plan II; as articulated in the ASSP 2015/16 - 2019/20. The priorities are also designed to address the 13 generic challenges to the sector; as identified by H.E the President of the Republic of Uganda. These include the following:

1. In order to address the challenge of low commercial production levels, MAAIF will strengthening agricultural research and climate change resilient technologies and practices. MAAIF through NARO; with close collaboration with DLGs will setup demonstrations of various enterprises (notably Tea, coffee, cocoa, fruits, cassava, maize, rice, bean, dairy and others) across the different nine (9) agro-ecological zones, targeting at least 300,000 farmers. The demos will serve as reference points for technology showcasing, farmer training and opportunities for investment. Multi-stakeholder Innovation Platforms (MSIPs) shall be established and supported along the commodity value chains.
2. Implementing a Single Spine Agricultural Extension system will further be fast tracked. Government in FY 2015/16 provided some additional wage funds of UGX: 10 billion to total to UGX: 16 billion for recruitment of extension staff to support the Single Spine Extension System. This raised the staffing levels to 46%. The ratio of extension to farmers is at 1:2400 Households which is still low. Government further allocated an additional UGX 23 billion in FY 2016/17 for recruitment of more extension staff for the Single Spine extension System and the projected level of recruitment for the current year 2016/17 will be at 68% and will raise the ratio to 1:1500.The staffing gap will still be high because the recommended ratio is 1:500 per Household. After the 2016/17 is finalised, almost 78% of the sub counties will have at least one extension staff. But for every sub county to have at least two extension staff as per the approved administrative structure, MAAIF still requires in FY 2017/18 an additional wage of UGX 14bn to fully complete the recruitment of extension workers in local governments and lower local governments.
3. MAAIF will strengthen farmer group formation and cohesion including commodity associations, platforms, federations and co-operatives. The exercise of registration of all farmers by category will be completed in FY 2017/18. This will enable adequate planning for the various categories of farmers in the different farming regions and zones. Farmer education and refresher trainings of extension staff will be undertaken in all districts. This will involve equipping extension staff with the basic knowledge and skills needed to provide extension services. The knowledge and skills to be provided will include; basics of agronomy, livestock management, poultry, soil management, nutrition and agribusiness among others. Ethics and standards for agricultural extension delivery will also be developed in FY 2017/18 and a framework for supervision of extension services and enforcement of the standards will be established. Under DDA, training dairy farmers across the country will be undertaken to boost milk production. Collective marketing (bulk), around the milk collection centers will also be fast tracked. DDA will also rehabilitate and equip two (2) Milk collection centers. Accelerating public investment in the entire value chain of the priority and strategic commodities, while giving greater emphasis on production of high value perennial crops will be emphasized. Efforts will be made to engage private sector partners to start processing cocoa beans; more PPPs to ensure increased rice production and processing will be initiated; more private sector engagement in the processing of coffee, fish, tea and beef for exports will be fast tracked. MAAIF will also continue its PPP support to boost processing of Milk and other dairy products, oil palm, oil seeds and cotton. MAAIF will also support Agricultural Value Chains Development under NAADS where Medium scale fruit processing equipment; Motorised; Maize milling equipment (grinding mills-hullers, shellers, etc.); Milk coolers and generators; Rice milling equipment (threshers, hullers-polishers, cleaners, graders, etc.) will be purchased. Under CDO, establishment of a new Cottonseed Processing Plant and will fast tracked and will focus on construction of seed cotton stores, bale shade, weighbridge, electrical and mechanical installations and front office.
4. Controlling pests, vectors and diseases remains a big challenge and will continue to be prioritized in FY 2018/19. Controlling crop and livestock pests, diseases and vectors will be emphasised in the FY 2018/19 budget to ensure that communicable diseases are effectively managed in order to promote crop and livestock health as a means to higher production, productivity and market penetration. Surveillance, prevention and control measures will be implemented for each of the priority commodities and for the seven major livestock diseases, namely: Trypanosomiasis; east coast fever; foot and mouth disease; rift valley fever; African swine fever; rabies; and animal brucellosis.
5. Increasing access to critical farm inputs will continue to be emphasized in FY 2018/19 sector budget. This will mainly be implemented together with the Operation Wealthy Creation (OWC) initiatives. In line with the policy strategic direction by H.E The President, during FY 2018/19, the funds for the NAADS Secretariat will continue to focus mostly on supporting NAADS/ OWC Programme interventions involving the provision of planting materials for especially the six (6) strategic commodities, namely: Tea, Citrus, Mangoes, Pineapples, Apples and Cocoa. In order to improve the national heard, we will provide Artificial Insemination (Kits) and related services through NAGRC & DB and NAADS and also undertake Pasture improvement interventions through NAADs i.e. Clear over 500 Pasture demo sites, fence 500 Pasture demo sites, provide 5,572 Kgs of Pasture seeds. Under UCDA we will procure and distribute 125 million seedlings (Robusta 150 million and Arabica 30 million seedlings targeting over 500,000 households.
6. Government recognises the fact that agricultural mechanisation has proved to have the potential to enhance labour use and efficiency; providing greater precision in farm operations; reducing agricultural losses; and its contribution to value addition to products through processing and packaging. In this regard, therefore, MAAIF will fast track the promotion of sustainable local manufacturing and maintenance of suitable agricultural machinery for farm production and postharvest processing. Preliminary engagements are already under way with potential investors so as to interest them in setting up local tractor assembling plant(s) and mechanisation workshops. This will be fast tracked in FY 2018/19. The Ministry will also roll out mechanization activities under NAADS/OWC through purchase over 100 tractors and implements for various regions across the country to make it easy for medium and large-scale farming. Through NAADS, MAAIF will also provide 1 million hoes, 300 Motorised sprayers, 300 Manual sprayers, 50 Pasture Cutters/Crushers, 20 Pasture - Hay Ballers, 20 Community Cocoa fermentation structures and 1 Fish hatchery.
7. Undertake efforts to increase availability of water for agriculture production at farm level through the following through digging at least 720 valley tanks of between 5,000 to10,000 cubic meters of water; giving priority to areas affected by the recent draught and food shortages. MAAIF also intends to commence construction (civil works) for a new irrigation scheme with support of JICA/Government of Japan in Eastern Uganda. The Ministry is also in discussions with private investors to start the local manufacturing of solar powered water pumps to ensure that our farmers in rural areas can obtain power/energy efficient water pumps at reasonable/affordable prices. Under UCDA, we will support water harvesting techniques, utilization, and use of appropriate technologies, as an adaptation to climate change on a demonstration basis. ( 4 demonstration per District in 96 Districts)
8. In order to address the challenge of depleted soils and low use of fertilizers in many parts of the country; Cabinet last year approved and passed the National Fertilizer Policy and Strategy. This is meant to create regulatory framework for an efficient and effective well-functioning fertilizer market. Institutional arrangements for implementation of the new policy are being drafted; but in the short run (2017/18); MAAIF will focus on providing fertilizers to farmers through the e-voucher subsidy Programme; it is anticipated that over 10,000 farming households will benefit from these scheme during the piloting phase in FY 2017/18; and the programme will be rolled over in the medium term. More fertilizers are expected to be purchased and distributed to farmers under the OWC/NAADs activities. More fertilizers will be provided to cotton and coffee farmers under the interventions of CDO and UCDA respectively.
9. MAAIF will also work with MFPED and other relevant financial institutions to facilitate access to credit support for fertilizer bulk purchasing for farmers and businessmen. This intervention targets increasing access to finance for importers and agro-dealers, strengthening business linkages to promote suppliers’ credit, piloting use of warehouse collaterals at import and retail levels by banks, sensitizing bankers on risk management and collateral warehousing for fertiliser importers and dealers, and conducting training of trainers for agro-dealers, stockists and organised farmer groups on fertiliser use and benefits.
10. To improve access to high quality seeds and planting materials, the Ministry will continue to formulate and review policies, laws and regulations for agricultural inputs including seeds and planting materials supply and use; strengthen the national certification and regulation system and regulatory institutions to guarantee the quality of seeds and planting materials on the market. Enforcement activities to control the fake inputs on the market will be intensified in FY 2018/19 with assistance other law enforcement agencies.
11. The Ministry through NAADS will provide grain storage facilities (in the cereal-growing areas) in collaboration with World Food Program and the private sector. Under CDO construction of 2 seed cotton stores, 4 cottonseed stores, 1 bale shed with a weighbridge, electrical and mechanical installations and a front office will be undertaken.
12. The Ministry priority interventions under the fisheries will include:

* Reviewing the Fisheries Act to streamline the regulation of fisheries activities at landing sites and in districts.
* registration and licensing of fishermen and women
* Promoting recovery of depleted stocks of the large commercial fish and developing the fishery of small pelagic (mukene) fish through restocking of the major water bodies
* Promoting commercial aquaculture through streamlining the approval requirements for private sector to engage in cage farming
* Increase the volume/ availability of fish fingerings to farmers through MAAIF and OWC.
* Strengthening monitoring and enforcement activities on the major water bodies; and
* Controlling the new breed of weed and water hyacinth.

## 3.2 Sector Medium Term Priority Strategies

Emphasis should also be given to the Agriculture Sector Medium Term Priority Strategies as discussed above; i.e.

* Increased production and productivity
* Increasing access to critical farm inputs through support to: provision of seed, planting, stocking and breeding material; mechanisation; water for agricultural production; and fertilisers
* Improving agricultural markets and value addition for the twelve (12) priority commodities.
* Institutional and Enabling Environment strengthening.

**Strengthen disease, pest and vector control and quality assurance services in Local Governments**

LGs should ensure that funds are used for the following:

* Developing infrastructure for disease, pest and vector control and quality assurance services;
* Providing logistics support for disease, pest and vector control and quality assurance services; and
* Developing capacity of the staff at local governments for provision of disease, pest and vector control and quality assurance services

**Strengthening regulatory services**

LGs should ensure that funds are used for the following:

* Monitoring of compliance with set standards for seed, agricultural chemicals, animal drugs and animal feeds
* Inspecting premises and dealers
* Building capacity in safe use and training of farmers
* Inspecting the sustainable use of water bodies and other fisheries resources.

**Strengthen the agricultural statistics and information system in Local Governments**

LGs should ensure that funds are used for the following:

* Establishing a functional relationship between the MAAIF Statistics Division and local governments in district and sub county level;
* Identifying data needs for agricultural statistics in District Local Governments; and
* Developing and strengthening capacity for collection, analysis and dissemination of agricultural statistics at Local Governments.
* Collecting and submitting agriculture related data to MAAIF Headquarters.
* Crop, livestock, fisheries and entomology data collected, and analysed.

**In FY 2018/19, MAAIF and Local Governments will give special attention to the following:**

1. Continuing to re-structure and implement the refined Agriculture Single Spine Extension System, which involves recruitment and retooling of extension workers at the district and sub county levels.
2. Intensifying agriculture research aimed at improving production and productivity; and to supplement Government efforts under the single spine extension system.
3. Ensuring the availability of adequate inputs at farm level (seed, planting material, and breeding material, stocking material, fertilizer, pasture and feeds); in collaboration with the Operation Wealth Creation initiative. **Under this priority, the perennial crops of Coffee, Tea, cocoa and Fruits (citrus seedlings, mango seedlings and pineapple suckers) will be supported.**
4. intensifying efforts to control pests, vectors and diseases;
5. Increasing water for agricultural production at farm level through direct public project support and promoting Public Private Partnerships (PPPs).
6. Supporting value addition of priority commodities. This will be provided through assisting farmers to access agribusiness loans and providing demonstration value addition equipment to selected farming groups through NAADS/ OWC initiatives.
7. Increased regulation and enforcement in capture fisheries; and promoting aquiculture. Emphasis will be put on enforcing fisheries laws and regulations with the use of the Agriculture Enforcement Police Unit; and identifying sites, undertaking feasibility studies and initiation of construction of the proposed aquaculture parks;

**Operation Wealth Creation (OWC)**

This initiative was launched in 2014, by H.E. The President of Uganda, as a result of the success enjoyed by the ‘Luwero-Rwenzori anti-poverty campaign’. Standing Orders of Procedure (SOP) for OWC were thereafter produced and distributed in February 2015. According to the SOP, the main focus of OWC is to:

1. Provide for strategic interventions in: distribution of seed, planting, stocking and breeding material; value addition; tractorisation and mechanisation; and water for production focusing on small scale irrigation
2. Streamline the output marketing structures through: farmer cooperatives / institutions; handling post harvest handling structures; and marketing, addressing both domestic and international markets.

Under OWC, District Local Governments are mandated to:

1. Carry out planning, selection of priority commodities within the framework of the zonal priorities, ascertaining beneficiaries, receipt and verification of technologies
2. Provide agricultural extension and advisory services
3. Mobilise LG resources to support implementation of OWC
4. Carry out inspection, monitoring and evaluation at district level
5. Documentation and reporting (District performance reports)

Funds utilised for inspection, monitoring and evaluation under the Production and Marketing Grant should be used to support mandate iv) as indicated in the eligible spending areas by subsector in ***Section 4.3*** below

# SECTION 4: PMG RESOURCE ALLOCATION AND UTILISATION.

## 4.1 ALLOCATION OF FUNDS TO DISTRICTS

The total IPF for the FY 2018/19 is UGX 12.07 billion and this is shared among 122 districts (excluding Kampala district). The allocation of funds is done based on three parameters; Land area (ha), Population, Population in hard to reach to stay areas, poverty head count, rural population and fixed allocation. The following points regarding allocation should be noted:

1. Statistics for the mentioned parameters are obtained from Uganda Bureau of Statistics (UBOS) and communicated to all Accounting Officers through the Second Budget Call Circular from the Ministry of Finance, Planning and Economic Development (MFPED). The allocation of the funds is generated from Online Transfer Information Management System (OTIMS).
2. Variables, weights and justification

| **Variable** | **Weighting** | |  | **Justification** |
| --- | --- | --- | --- | --- |
| **Wage** | **NWR** | **Dev** |
| Land Area (Hectares) | 5 | 10 | 10 | Land suitable for agriculture to an approximate target population for agriculture. |
| Population | 53 | 63 | 68 | The target population is in both rural and urban area for both agriculture and commercial services. |
| Population in Hard to Reach Hard to Stay Areas | 2 | 2 | 2 | Those areas which are hard to reach are given priority. Island areas are classified as hard to reach and therefore fishing areas are compensated. |
| Poverty Headcount | 10 | 10 | 10 | Approximates need, with higher poverty levels getting a higher allocation. |
| Rural Population | 30 | 0 | 10 | Most of the people in the rural countryside are engaged in agriculture. Additional weight is therefore given to rural population |
| Fixed allocation | 0 | 15 | 0 |  |

## 4.2 UTILISATION OF FUNDS

The PMG non-wage component for FY 2018/19 will be UGX 12.27 billion. Non-wage is divided into two, development and recurrent expenditure.

1. The **Development expenditure** will be utilised for infrastructure undertakings and other development projects. Overtime Local Governments are expected through various projects to put in place infrastructures such as slaughter slabs, cattle markets, cattle dips, water reservoirs, fisheries infrastructure, irrigation demonstrations etc. **55% of the PMG sent to each district should go towards Development/ Capital Expenditure.**
2. The **Recurrent expenditure** will cater for operational costs such as fuel, training, farmer field visits, Monitoring and Evaluation, maintenance of equipment, vaccination, etc., related to activities of strengthening disease, pest and vector control, regulatory services, quality assurance, collection of agricultural statistics, supporting the extension services and supervising the distribution of inputs provided by MAAIF under the OWC initiatives.
3. **45% of the PMG sent to each district should go towards Recurrent Expenditures.**

## 4.3 Commodity Approach and Operation Wealth Creation

Resources should be allocated to implement the commodity approach strategy. The PMG budgets/work plans for FY 2018/19 should specifically indicate how the district(s) will promote the production of the priority commodities. The zoning strategy should guide the districts (regions) on the appropriate commodities per individual district.

In support for OWC, funds utilised for inspection, monitoring and evaluation under the Production and Marketing Grant should be used to support LG mandate of inspection of the distribution of inputs.

## 4.5 Eligible Spending Areas by Sub-sector

In summary, the sections above (4.2.1 – 4.2.5) state that;

1. Local Governments (regions) are required to implement the commodity approach in accordance to the Zoning Strategy **(refer to the Annexes 1 and 2)** and use the PMG to provide support to the mandate of inspection, monitoring and evaluation of OWC activities.
2. All Local Governments are required to prioritise and align their plans to achieve the medium term objectives stated above.

# 5.0 NON WAGE OPERATIONAL FUNDS TO SUPPORT AGRICULTURAL EXTENSION

Agricultural Extension Service is one of the decentralized services delivered by DLGs Production and Marketing Departments as the core and frontline service providers. The National Agricultural Extension Policy and Strategy have been approved by the cabinet to ensure effective implementation. It is essential that DLGs have resources for recruitment and delivery of services to farmers and other actors along the value chain.

The District Local Governments have a provision of shs.39.6 billion non-wage funds in 2018/19 budget to leverage agricultural extension service delivery countrywide so as to beef up the activities of other agrarian service providers, both public and private. The frontline extension service providers in all the districts are expected to:

1. Organize the farmers through mobilization and registration of these farmers so that they can benefit from all the agrarian service providers both public and private.
2. Empower farmers with situational analysis demand articulation and priority setting skills that will guide farmers deal effectively with their immediate needs and thus make appropriate demands in terms of services, technologies, information and other relevant interventions.
3. Conduct meetings for farmer groups and other value chain actors to guide them on enterprise selection.
4. Develop farmers into higher level organizations like Producer and Marketing Groups and train them on group dynamics and leadership skills.
5. Link farmers to research and other value chain actors.
6. Increase farmer awareness on the existing improved technologies produced by research (NARO) - Improved seeds, artificial insemination, fertilizer use, pest & disease control, soil and water conservation, climate smart agricultural technologies and also appropriate technical skills like post harvest handling, value addition, taking farming as a business.
7. Interest the farmers to take on these technologies through demonstrations and intensified discovery methods, focused group discussions and direct trainings.

The provided fund will be used at two levels

1. District level
2. Sub-county level
3. **DISTRICT LEVEL (for each District)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***Item*** | ***Number of staff*** | ***Rate*** | ***Quantity*** | ***Amount for one quarter***  ***(3 months)*** | ***Total Amount for the FY 2017/18*** |
| 1. **ALLOWNCES** | | | | | |
| **a)Allowances for DPMO,DVO,DAO,DFO, DE,SVO,SAO,SA Engineer, AHO)**  Per diem | 1 | 110,000 | 6nights | 660,000 | 660,000X4  =2,640,000 |
| SDA | 1 | 12,000 | 4 days | 12,000 | 12,000X4 =48,000 |
| Fuel (Diesel) for vehicle | 1 | 3,200 | 1,679.68750 | 5,375,000 | 5,375,000X4 =21,500,000 |
| Subtotal **24,188,000** | | | | | |
| **B) VEHICLE MAINTENANCE AND OFFICE REQUIREMENTS** | | | | | |
| Vehicle maintenance + MC Maintenance |  |  |  |  | 600,000 |
| Maintenance of office equipment |  |  |  |  | 350,000 |
| Air time |  |  |  |  | 250,000 |
| Stationery |  |  |  |  | 287,025 |
| Welfare: (Tea, allowances, disinfectants) |  |  |  |  | 1,200,000 |
| **Sub-total** | | | | | **2,687,025** |
|  | | | | | |
| 1. **QUARTERLY ACTIVITIES** | | | |  |  |
| 1.Planning and staff meetings DARST Inclusive | | | |  | 290,041 |
| 2. Workshops and Capacity building for Extension Workers | | | |  | 1,600,000 |
| 3. Supervision , technical backstopping and engaging the farmers | | | |  | 500,000 |
| 4. Conducting tours, field visits for Extension Workers to ZARDIs and other areas with good innovations for learning purposes and also participating /or attending agricultural shows at regional and national level | | | |  | 1,650,000 |
| 5. Coordinating commodity value chains and promoting platforms to bring the actors together | | | |  | 1,500,000 |
| 6. Attending national level workshops and training courses | | | |  | 1,500,000 |
| 7.Supervision and monitoring of Agricultural Extension Services by District leaders (CAO, RDC, C/P LCV, Sec, for Production, Production Committee, DPMO & Subject Matter Specialists (SMSs) | | | |  | 3,028,000 |
| **Sub-total** | | | |  | 10,068,041 |
| **TOTAL FOR ALL DISTRICTS PER QUARTER** | | | |  | 3,096,453,298 |
| **ANNUAL ALLOCATION FOR ALL DISTRICTS**  **3,096,453,298** **X 4** | | | |  | **12,385,813,193** |

**II) SUB-COUNTY LEVEL**

**Total number of sub-counties – 2 staff per Sub-county**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| ***Item*** | ***Number of staff*** | ***Rate*** | ***Quantity*** | ***Amount for one month*** | ***Amount for one quarter***   1. ***months)*** | |
| 1. **ALLOWNCES** | | | | | | |
| **a)Allowances for two staff per Sub-county** |  |  |  |  |  | |
| SDA | 2 | 12,000 | 2 x 10days | 240,000 | 720,000 | |
| Fuel (Petrol) for Motor cycle | 2 | 4,000 | 2x5lit x 10 days | 400,000 | 1,200,000 | |
| **Sub -total** | | | | | **1,920,000** | |
| **b) Attending district level meetings** |  |  |  |  |  |
| Per diem | 2 | 110,000 | 2x2nights |  | 440,000 |
| Fuel | 2 | 4,000 | 2x 5lit |  | 40,000 |
|  |  |  |  |  | **480,000** |
| **Sub-total on allowances** | | | |  | **2,400,000** | |
| **Total Allowances for a year 2,400,000X4=9,600,000** | | | | | | |
| **SDA 12,000X4=48,000** | | | | | | |
| **B) VEHICLE MAINTENANCE AND OFFICE REQUIREMENTS** | | | | | | |
| Motor cycle Maintenance |  |  | 1 |  | 200,000 | |
| Cartridge/toner for computer |  |  |  |  | 100,000 | |
| Air time |  |  | 2 |  | 100,000 | |
| Stationery |  |  | 2 |  | 100,000 | |
| Demonstration material |  |  | 2 |  | 200,000 | |
| Extension kits (Soil testing, Insemination, Spirit levels, Thermometers, Ear tag applicator, syringes, Moisture metres, Measuring tape, etc.) |  |  | 2 |  | 434,000 | |
| **Sub-total** | | | | | **1,134,000** | |
| **Annual allocation FY 2017/18 for vehicle maintenance and office equipment 1,134,000X4=4,536,000** | | | | | | |
| 1. **QUARTERLY ACTIVITIES** | | | |  |  | | |
| 1.Tours Exchange visits and field days | | | |  | 2,500,000 | | |
| 2. Registration of farmers as per provided formats | | | |  | 1,513,519 | | |
| 3. Supervision and monitoring of Agricultural Extension Services by Sub-county leaders (Sub-county Chief, Sec, for Production, Production Committee) | | | |  | 3,300,000 | | |
| **Sub-total** | | | |  | **7,313,519** | | |
| **Total allocation for Quarterly activities in FY 2017/18** | | | |  | **=7,313,519X4=29,254,079** | | |
| **Total for each Quarter at Sub-county** | | | |  | **= 6,807,126,202** | | |
| **Annual allocation for all sub-counties** | | | |  | **= 27,228,504,807** | | |

**Totals**

1. **Total allocation for the districts - 12,385,813,193**
2. **Total allocation for the sub counties - 27,228,504,807**
3. **Grand total - 39,614,318,000**

Below are tables showcasing spending areas in respective sub-sectors

**Table 1: Livestock Sub Sector**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Functional Areas** | **Capital Development Activities** | **Recurrent Activities** |
|  | Animal Disease prevention, control and Eradication in Uganda | * Equipment maintenance * Purchase of simple equipment like spray equipment, fridges for storing chemicals and vaccination drugs. * Purchase of reagents | * Vaccinations against Epidemic Animal Diseases; Foot and Mouth Disease (FMD), Contagious Bovine Pleuropneumunia (CBPP) in Cattle, Rabies in Dogs and Cats and New Castle Disease (NCD) in Poultry. * Animal Disease Surveillance, Diagnosis and quality operations |
|  | Disease control infrastructure  Developments for Tick Control | * Construction of crushes and dips if necessary * Construction / Maintenance of veterinary clinics | * Initial start up purchase of Acaricides to spray against ticks, tsetse flies and biting flies |
|  | Enforcement of veterinary regulations  Vector/Pest Control   * Tsetse Control * Trypanosomiasis Control and Vector Control in Uganda | * Establishment of border posts including construction and equipping of office block where applicable * Establishment of a miniature (small holding ground) for livestock where there is livestock trade * Infrastructure Development of Two (2) Fixed Animal Check Points per district * Purchase of Traps * Trap Deployment * Trap Maintenance * Trap Impregnation with chemical called Glossine | * + Compiling and maintaining records of veterinary inspection |
|  | Infrastructural development for apiary and sericulture | * Set up infrastructure for apiary and sericulture for quality control |  |
| 5. | Establishment of appropriate infrastructure for public health and marketing | * Establish strategic primary livestock markets in each district * Establish slaughter slabs at sub-county and rural growth centres |  |
| 6. | Building capacity of local government personnel in livestock disease, pest and vector management |  | * Develop programme and sponsor short term training for local government personnel |
| 7. | Supervision and monitoring |  | * Hold planning meetings * Prepare plans * Review plans * Draw up, monitoring plans * Disseminate plans to stakeholders * Conduct spot checks on markets, slaughter slabs etc. * Field inspection, monitoring and evaluation of stocking and breeding materials provided to beneficiaries under OWC * Review monitoring reports from extension staff * Prepare and disseminate review reports to MAAIF and extension staff |

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**Table 2: Crop Sub-Sector**

|  |  |  |  |
| --- | --- | --- | --- |
| **No** | **Functional Areas** | **Capital Development Activities** | **Recurrent Activities** |
| 1 | Infrastructure for pest and disease control, marketing and quality assurance developed at Local Governments | * Establishment of Diagnostic Plant clinics (centres where farmers can submit diseased samples for quick diagnosis and advice) * Procure Basic kits for the established plant clinics e.g., Computers, GPS, Microscopes, Dissecting kits, protective gear, furniture, reagents, reference materials) * Operate a mobile plant clinic * Construct mini-laboratories for reference of materials for further diagnosis at regional level * Procurement of laboratory consumables * Construction of market stalls. |  |
| 2 | Logistical support for pest and disease control, field inspection, monitoring and evaluation and quality assurance put in place at Local Governments | * Retooling of the District Plant Protection Inspectors and or Local Government extension staff * Examples of farmers supported with improved crop varieties i.e. coffee seedling, cassava cuttings, irish potatoes, tea etc. | * Carry out inspection, certification and quality assurance of seeds, agrochemicals and plant and plant products * Field inspection for inspection, monitoring and evaluation of seed and planting materials distributed to beneficiaries under OWC * Procure fuel, oils and lubricants for the Plant Protection Inspectors * Provide work space and stationery to Local Government Plant Protection Inspectors * Conduct demonstrations on pest/disease control management to LG Plant Protection Inspectors |
| 3 | Staff capacity for pest and disease control and quality assurance developed at Local Governments |  | * Recruitment of District Plant Protection Inspectors * Training of the District Plant Protection Inspectors * Train Community Based Surveillance persons and Regional Inspectors * Liaise with districts to identify community based surveillance partners * In-service refresher training courses conducted for Border post and Regional Plant Protection Inspectors * Generate, print and distribute pest/disease management information packages to the affected farming communities |
| 4 | Support development infrastructure for irrigation | * Development of small scale water harvesting and irrigation system * Maintenance/construction, rehabilitation of irrigation infrastructure i.e. carvels, irrigation heed works, ox- ploughs |  |
| 5 | Logistical Support for irrigation and mechanism | * Retooling staff in irrigation and mechanisation demonstrations | * Train staff and stakeholders in water harvesting and small scale irrigation * Provide/ develop TOR’s/ specifications for irrigation structures * Development of water users association * Train of mechanism/ ox cultivation * Provide fuel for the equipments |
| 6 | Land use planning | * Establishment of farm land use planning units * Purchase of equipment i.e. maps, kits, e.t.c. |  |
| 7 | Logistical support for land use planning | * Retooling staff in farm land use planning | * Train staff in land use and management * Train in soil and water and facility management * Support to revival of participatory bye laws formulation and implementation * Linkage with private sector players. |

## 

**Table 3: Fisheries Sub Sector**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Functional Areas** | **Capital Development Activities** | **Recurrent Activities** |
| **1.** | Develop infrastructure for fisheries quality assurance | * Development of cold chains from landing site to consumer. * Demonstration fish ponds stocked with fish flies. * Development of fish handling and storage facilities at landing site and markets * Checking of fish fingerling hatcheries for the provision of quality fish fingerling for stocking of natural and artificial water bodies. * Provision of machinery for on farm production of quality farm fish feeds | * Establishment of fish and Fish Product Check Points (FPCPs), similar to Animal Check Points (ACPs) |
| **2.** | Provide logistical support for fisheries quality assurance in local governments |  | * Two (2) week refresher courses for training in: fish handling and fisheries quality assurance; good aquaculture (pond) management practices; fish feed formulation; quality fish fingerling production. |
| 3 | Provide logistical support for fisheries co-management |  | * Support to protection of fish breeding area * Training meetings for BMUs * Patrol boats inspection to curb illegal fishing markets. |

**Table 4: Agricultural Statistics and Information Systems**

|  |  |  |
| --- | --- | --- |
| **No** | **Functional Area** | **Activities** |
| 1. | Situation Analysis for Agricultural Information System | * Undertake a capacity needs Assessment at district and lower local governments * Carry out a data needs assessment * Make an inventory of all existing agricultural statistics and its status |
| 2. | Advocacy | * Development of tailor-made advocacy materials for use at district and within the lower local governments * Creating awareness and sensitising key stakeholders within the local governments on the role and importance of reliable agricultural statistics. |
| 3. | Human resource requirements and Development | * Carry out a human resource capacity needs assessment * Identify focal person for the Agricultural Information system * Constitute a District technical taskforce with members from the District production and Marketing offices * Constitute a Sub county technical taskforce with members from the District production and Marketing offices * Make an inventory of all staff at all local government levels who have ever participated in the collection and generation of agricultural statistics * Develop district and sub county manpower plans for generation of agricultural statistics * Develop and implement capacity building/ training plan for the existing and identified staff |
| 4. | Tooling and provision of kits to facilitate agricultural statistics collection. | * Establish an inventory of existing infrastructure at districts and sub counties to facilitate collection of Agricultural statistics * Procure tools and kits to facilitate collection, analysis and dissemination of Agricultural statistics. |
| 5. | Development and implementation of Work plans | * Development of Sub county work plans and budgets * Aggregation of Sub county work plans into district level work plan and budget * Implementation of developed work plans |
| 6. | Supervision and technical backstopping | * Supervision, monitoring and evaluation of Sub counties by district technical team * Supervision, monitoring and evaluation of parishes and villages by sub county technical team |
| 7. | Reporting | * Preparation of district and sub county progress reports for submission to MAAIF. * Compilation and submission of accountabilities |

# SECTION 6: PLANNING

**Format for Work Plans and Performance reports**

A work plan should be submitted to MAAIF at the beginning of each quarter in a format provided by the MFPED.

In order for the district to plan effectively; and MAAIF to process and compare district plans and be able to track the overall targets for the entire sector, a uniform format has been developed for use by all the districts. **The Performance Contract Form B should be used as the format for the grant and a detailed physical performance.**

**SECTION 7: CHALLENGES IN IMPLEMENTATION OF PMG**

**Issue 1: Effectiveness of Operation wealth creation**: Whereas the intervention is good and has been positively received by the citizens, there are some challenges in the programme which among others include: Low Quality of inputs (like planting materials and breeding stock) procured by government, destruction and improper management of agricultural inputs during transportation, selection process of farmers is also questionable and distribution of inputs during offseason. ***The Local Governments therefore recommended that, government needs to align the distribution of inputs on seasonality and incognizance of the current weather patterns; clearance for distribution should be done by the extension worker after proper quality assessment is done and there is need to separate different species of inputs during transportation to avoid mixture.***

**Response: There are two levels of quality assurance verifications that are carried out;**

1. **At the centre, MAAIF (certification and Inspection Department) and NAADS secretariat carry inspection, verification and certification of seed companies, nurseries at the beginning of the season.**
2. **At the district and sub county level, all inputs are received and inspected technically by the District Veterinary Officer and District Agriculture Officer as Subject Matter Specialists (SMS).**
3. **In order to address the changing weather patterns, NAADS secretariat issued call off orders in time in order for the suppliers to distribute in time**

**Issue 2: Recruitment of Agricultural Extension workers:** In the FY 2015/16, Government provided UgShs. 10 billion for recruitment of extension staff to support the Single Spine Extension System. In FY 2016/17, an additional UgShs 20.1Bn has been to expand recruitment of these staff up to sub-county level. This will increase the Extension staffing levels across Local Governments to about 68 percent leaving a gap of 32% in the LGs. ***It was therefore proposed that in FY 2017/18, government should find additional funding to cater for these staff and also provide the necessary logistics like transport, training kits as well as set up mini demonstrations at Sub-county level to train farmers.***

**Response: Government through MFPED did not provide additional provide the additional 32% wage requirement for the FY 2017/18. This wage maybe provided in the medium term. Government further provided UGX 39.6 billion for the non-wage operational funds of the Agricultural Extension Workers.**

**Issue 3: Water for Production (Irrigation)**: As a result of the long drought, declining and inconsistent levels of rainfall averages, the country is likely to face hunger spells which will affect mostly rural Ugandans whose household food requirements depend on rain-fed agriculture. Government needs to explore possibilities of setting up and encouraging irrigation plants. Whereas government is implementing a number of Water for production schemes and constructing valley dams in some areas, there is need to scale up this effort. ***For instance, government needs to look at areas with lakes and rivers to ascertain the possibility of using them to provide water for irrigation for instance, Lakes Mburo, Kyoga, Albert and George among others can provide water for the nearby Local Governments. Water from Sipi falls can be used to also giver water for production in other areas around the Elgon region. This will go a long way to provide water for stressed areas.***

***Response: Government is carrying out conditional assessment (identification of beneficiaries, water resources assessment, e.t.c. to capture and prioritize areas for intervention that were hit by prolonged drought. A number of feasibility studies and designs are being carried out in specific district by various actors.***

**Issue 4: Agricultural Credit Facility (ACF):** Government in in 2009 set up ACF with the key objectives where to promote commercialization of agriculture through provision of medium and long term loans focusing on value addition (Agro-processing), Agriculture, Modernization and Mechanization. However, Local Governments are not aware of the facility and few farmers/farmer groups have exploited this facility. This is because inadequate sensitization. On the other hand, for those that have heard about the facility, a number do not have the collateral to access these loans. ***It was therefore proposed that government embarks on sensitization drives within the Local Governments and various provisions should be made to allow those without collateral to access these loans.***

**RESPONSE:**

**MFPED in conjunction with Bank of Uganda developed an Agriculture Credit Facility Communication strategy to sensitize the public on the operations of the ACF and how to access the funding. Through this facility, farmers will be able to access all the information about the Agriculture Credit Facility**

**Issue 5: Implementation of the Agricultural insurance scheme:** Local Governments noted that because of unpredictability of current weather patterns. Rain dependent agriculture is becoming a risky venture. Farmers plant their crops anticipating constant rains but are disappointed by it unreliability or excessive rain, fire, flooding, drought, epidemics, crop pests and diseases. In 2016 for instance there is likely loss of crops and animals across the country and is likely to bring a reduction of production. The investments made by farmers will be put to waste. The need to expedite a government supported agricultural insurance scheme government cannot to be over emphasized. ***Local Governments therefore proposed that government expedites the establishment of this scheme to cushion farmers in case of loss in investment caused by the above factors to allow them to reinvest and sustain their business.***

Response: In the FY 2016/17, Government operationalized the Uganda Agriculture insurance scheme. The scheme has raised significant interest by farmers and financial institutions particularly those offering agriculture loans, farmers. To that end a number of farmers have benefited and received insurance cover for both crops and animals, these include farmers under Nucafe, Centenary Bank, Community funds, Kaweri, e.t.c

In the FY 2017/18, Government shall continue implementing the Uganda Agriculture Insurance Scheme as a pilot, to further subsidize agriculture the returns expected crop and livestock farming. The scheme shall cover all schemes of the country focusing on strategic crops and animals.

# SECTION 8: CONCLUSION

The above guidelines will help districts in the planning and utilisation of the Production and Marketing Grant for the Financial Year 2017/18. Annual and quarterly work plans are expected to be delivered to the Permanent Secretary – MAAIF at the beginning of each quarter. This should be accompanied with the Performance Form B of the previous quarter. District Administrations that fail to comply with the guidelines will receive appropriate sanctions.