****THE REPUBLIC OF UGANDA

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

**GUIDELINES FOR AGRICULTURE SECTOR BUDGET ALLOCATIONS TO LOCAL GOVERNMENTS,**

**FY 2019/20**

Ministry of Agriculture, Animal Industry and Fisheries,

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ENTEBBE

# FOREWORD

The guidelines for agriculture sector budget allocation to Local Governments have been formulated to provide District Production and Marketing Departments with a guiding framework to incorporate, harmonise and implement agriculture sector priorities within their planning framework for the FY 2019/2020. Additionally, these guidelines have been produced in line with the overall mission, vision and investment strategies of the agriculture sector. The guidelines are therefore informed by objectives of the National Agriculture Policy (2013); National Development Plan II (2015-2020); Agriculture Sector Strategy Plan (ASSP 2015-2020); and the National Agricultural Extension Policy (2016).

In the FY 2019/20, Government will continue to prioritise investments aimed towards; 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 provide support towards strengthening agriculture research, promoting technology uptake and extension services to farming communities, vector, pest and disease control, input distribution through NAADS and Operation Wealth Creation, mechanization/farm power, putting measures in place to mitigate climate change and its effects on sustainable agriculture, support to value addition, sustainable land management and use of fertilizers, regulation and certification services and promotion of sustainable fisheries and aquaculture.

The agriculture sector budget allocation to Local Governments includes two separate grants, the Production and Marketing Grant and the Agriculture Extension Operation Grant. 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. The total funds available for PMG in FY 2019/20 stand at UGX 12.07 billion. On the other hand, the Agriculture Extension Operational Grant was put in place by Government as support towards continued transformation of the country’s agriculture extension system and support to implementation of the National Agriculture Extension Policy. The National Agriculture Extension Policy aims to, among other objectives, empower farmers and other value chain actors (youth, women and other vulnerable groups) to effectively participate and benefit equitably from agricultural extension processes and demand for services; and to develop a sustainable mechanism for packaging and disseminating appropriate technologies to all categories of farmers and other beneficiaries in the agricultural sector. Local Governments have a pivotal role in ensuring the success of these two objectives within the policy. The total funds available for the extension grant in FY 2019/20 stand at UGX 39.6 billion

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 District Production and Marketing Departments to continue partaking in the sector’s development, through planning and utilising the agriculture sector budget allocations to Local Governments efficiently, and as specified within these guidelines.

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 guidelines for planning and utilisation of the agriculture sector budget to Local Governments are derived from the mandate of the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) at the Local Government (LG) level as per the Local Government Act, 1997; sector policies and strategies including the National Agriculture Policy (2013), National Development Plan II (2015-2020), Agriculture Sector Strategy Plan (ASSP 2015-2020), and the National Agricultural Extension Policy (2016); budget priorities for FY 2019/20; and existing/emerging sector strategic interventions including Operation Wealth Creation, the four acre model and the nucleus farmer model. .

The budget strategy for FY 2019/20 will 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:

* Re-organisation of public support to our farmers through the nucleus farmer/ parish development model
* Agriculture mechanization
* water for agriculture production:
* Pest, vector and disease control
* Agriculture mechanization
* Regulation and certification
* Fisheries promotion and enforcement of good fishing practices
* extension service delivery
* value addition
* agriculture financing
* Farmer group formation and registration
* Cotton development in Uganda
* Animal genetic development

**Emerging sector interventions: Nucleus farmer strategy**

Starting FY 2019/20, Government will roll out a nucleus farmer strategy to reorganise zonal agricultural interventions under the commodity approach. This strategy provides an alternative method of channelling Government resources to increase production, productivity and value addition in the agriculture sector. It enables engagement of progressive/successful farmers at sub-county and regional level as an engine for increased production. Government interventions will be along the promoted value chains according to the production zones, which will be sub-divided into sub-zones as districts, sub-counties and parishes. Each zone will produce commodity varieties to fit existing demand in the domestic, regional and international markets. The nucleus farmer strategy will therefore be implemented at parish, sub county and zonal/regional levels. At the parish level, a four acre model will be rolled out; while the sub county and regional levels will involve identification and support to sub county nucleus farmers and regional entrepreneurs/processors.

The national priority commodities will be emphasized in implementing the nucleus farmer strategy and Government will not support more than two enterprises per region at a given time. All the distribution mechanisms for inputs (including mechanization, water for production and fertilizers) under the agriculture sector will be streamlined to promote the selected priority enterprise in each of the regions. The strategy will be implemented in two major phases: the piloting phase which will be implemented in 2 zones covering 3 districts in each zone, will last for two years (up to the end of the current Agriculture Sector Strategic Plan – National Development Plan 2); and, the second phase which will be the roll out to all the 10 agricultural production zones in the country.

**Budget allocation and utilisation**

The agriculture sector budget allocation to Local Government is split into two grants, the Production and Marketing Grant and the Agriculture Extension Operation Grant.

***Production and Marketing Grant***

Total PMG funds for FY 2019/20 stand at 12.07 These guidelines show the formula used to allocate PMG funds among the 128 districts (excluding Kampala District). The funds should be planned for in a way that ensures 55 percent is utilised in capital development projects and 45 percent is utilised in recurrent activities. The guidelines provide a breakdown of activities, per sub sector, which fall under capital development and recurrent activities.

The District Production teams, that is, the District Production Coordinators, District Veterinary Officers, District Fisheries Officers, District Agricultural Officers and District Entomology Officer will spearhead implementation of the grant. 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.

***Agriculture Extension Operation Grant***

Total funds for the Agriculture Extension Operation Grant, FY 2019/20 stand at UGX 39.6 billion. The allocation criteria for this grant considered the number of staff in post to be facilitated to execute extension services and the number of sub-counties/towns councils or municipal divisions under each district. The fund will be used at district and sub-county level and should be planned for in a way that ensures 25 percent of the funds are used for development projects, while 75 percent of the funds are used for recurrent activities. The budgets/work plans should specifically indicate how the district will promote the production of the priority commodities, as per the commodity approach and nucleus farmer/zoning strategy. 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.

# BACKGROUND

### Introduction

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.

Agriculture Sector budget allocations to Local Governments are divided into two grants: the Productions and Marketing Grant (PMG) and the Agriculture extension operational grant.

The Production and Marketing Grant (PMG) supports implementation of MAAIF related functions in Local Governments. These functions are in line with the Local Government Act, 1997, and are provided in detail in Section 1.2. PMG has two components: wage and non-wage.

The Agriculture extension operational grant was created by Government in the FY 2016/17 to support extension service delivery to farmers and other actors along the value chain in District Local Governments. This grant only includes non-wage funds.

These guidelines highlight the medium term objectives within the planning framework of the agriculture sector; challenges recently faced by the agriculture sector; sector budget priorities targeted to deal with the arising challenges and meet sector objectives for FY 2018/19; allocation criteria, utilisation and performance reporting guidelines for the two sector grants to the Local Governments; and arising sector plans and interventions.

### The Agriculture Sector Policy and Planning Framework

##### 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:

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

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

1. Controlling epidemic diseases, pests and parasites affecting crops, animals and fish: this includes reporting, investigations, diagnosis, surveillance, vaccination, and treatment;
2. 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);
3. Carrying out inspection and certification of agricultural inputs such as agro-biological and animals feeds;
4. Ensuring veterinary public health: control of Zoonoses, ensuring hygiene of livestock products;
5. Registration and licensing of traders in agricultural chemicals, seeds, livestock and fishing;
6. Collection of Agricultural Statistics

##### Agriculture Sector Planning Framework

1. 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.

1. 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 remained 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 identified agriculture as a key sector contributing to wealth creation and employment over the medium term 2015/16-19/20.

1. The Agriculture Sector Strategic Plan (ASSP) 2015/16 to 2019/20

The Agriculture sector developed a sector strategic plan to elaborate the sector undertakings and planned investments in the NDP II. **The Agriculture Sector Strategic Plan (ASSP) 2015/16 to 2019/20** was approved by cabinet on 19th April 2017. The ASSP is guided by the National Agriculture Policy (NAP), which is the sector’s guiding framework for all plans and strategies.

In the ASSP (NDP II), the sector’s key target is to increase agriculture exports from USD 1.3 billion in FY 2013/14 to USD 4 billion in FY 2019/20. In order to achieve this, the sector’s medium term objectives include;

***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.

##### National Sector Policies for Local Government Implementation

1. Prosperity For All (PFA)

Government is committed to 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.

1. 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:

* 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
* 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:

* Carry out planning, selection of priority commodities within the framework of the zonal priorities, ascertaining beneficiaries, receipt and verification of technologies
* Provide agricultural extension and advisory services
* Mobilise LG resources to support implementation of OWC
* Carry out inspection, monitoring and evaluation at district level
* Documentation and reporting (District performance reports)
1. **National Agriculture Extension Policy (2016)**

The overall development and growth of the sector as stated in the National Agricultural Policy (NAP) is anchored on three strategic objectives. One of these objectives is to strengthen the capacity of government and non-governmental institutions in the sector to efficiently deliver productivity enhancing and regulatory services necessary for the sector’s growth. Agricultural extension is one of the services that will play a pivotal role in realizing this transformation. In order to provide long-term strategic direction for agricultural extension services in the country, the National Agriculture Extension Policy (NAEP) was produced, with four objectives:

* To establish a well-coordinated, harmonized pluralistic agricultural extension delivery system for increased efficiency and effectiveness.
* To empower farmers and other value chain actors (youth, women and other vulnerable groups) to effectively participate and benefit equitably from agricultural extension processes and demand for services
* To develop a sustainable mechanism for packaging and disseminating appropriate technologies to all categories of farmers and other beneficiaries in the agricultural sector
* To build institutional capacity for effective delivery of agricultural extension services.

# RECENT DEVELOPMENTS IN THE SECTOR

The following are the recent developments in the Agriculture Sector;

1. **WATER FOR AGRICULTURAL PRODUCTION:** MAAIF in partnership with the Ministry of Water and Environment have commissioned the construction of five irrigation schemes under FIEFOC II project. The schemes are Doho II in Butaleja district (1,178 ha), Mubuku II in Kasese district (480 ha), Wadelai in Nebbi district (1,000 ha), Torchi in Oyam district (500 ha), and Ngenge in Kween district (880 ha). MAAIF has also completed the designing of 50 small scale irrigation demonstrations and water harvesting sites in selected districts under 9 Zonal Agriculture Research and Development Institutes. Construction was rolled out and is expected to be completed by June 2018.
2. **PROMOTION OF AGRICULTURE MECHANISATION:** MAAIF has used the 3 sets of heavy equipment acquired by the Governments of Uganda and Japan to construct and rehabilitate 155 valley tanks (Northern Uganda – 2; Central Uganda – 75; Eastern Uganda – 20; Western and Southern Uganda – 58) with a total capacity of 8,000,000 m3. These were constructed in districts found in the cattle corridor or those heavy affected by drought. MAAIF started the rehabilitation of the Namalere Referral Agricultural Mechanization Workshop which will skill and increase knowledge of Ugandans in agricultural mechanization, assembling and testing machinery, operating, and, maintenance and servicing of Government equipment. MAAIF trained 50 private heavy equipment operators, engineers, technician and mechanics in equipment operation, maintenance and management. The target is to ensure that all districts have trained operators, engineers, technicians and mechanics to increase the benefits from the Government machinery recently acquired and distributed across the country.
3. **INCREASING THE QUALITY AND QUANTITY OF DAIRY AND BEEF PRODUCTS FOR EXPORTS:** Milk production increased from 2.08 billion litres in 2015 to 2.2 billion litres in 2016, representing a 6% growth rate. The value of marketed milk had a 5% increase from USD 716 million in 2015 to USD 752 million (about 2.7 trillion) in 2016. Marketed milk stood at 80% of the total production and this is likely to increase further after the rehabilitation of more milk collection centres. In FY 2016/17 our milk processing capacity stood at 1.9 million litres daily and is likely to increase to 2 million litres by June 2018. Due to increased compliance of Uganda’s milk products on both regional and international markets, the value of our dairy exports increased from USD 50 million in 2015 to USD 60 million in 2016. MAAIF is also rehabilitating rural milk collection centres to enable our farmers to chill milk produced in a timely way. 2 milk collection centres with a collection capacity of 8,200 litres were rehabilitated in Kayunga and Masindi which are already being utilized by over 1,000 dairy farmers. Soroti milk collection centre has also been rehabilitated and only awaits installation of the cooler. MAAIF constructed a modern holding ground (5 square miles) and an animal quarantine station (4 square miles in size) to fatten bulls which will be supplied to the modern export abattoir in Bombo.
4. **PROMOTING COTTON PRODUCTION TO ENHANCE EXPORTS AND DOMESTIC VALUE ADDITION:** MAAIF supported farmers in 60 districts in Eastern, Northern, West Nile, Mid-West and Western Regions with 1,615 MT of cotton planting seeds with which they opened 190,000 acres of cotton. The farmers produced a total of 151,071 bales of lint (@ 185 Kg) contributing about UGX 136 billion to household incomes, USD 42 million in lint sales and UGX 44 billion in cottonseed sales. Out of the 151,071 bales of lint produced, approximately 140,510 bales of lint were exported.
5. **PROMOTION OF COFFEE PRODUCTION AND PRODUCTIVITY ACROSS THE COUNTRY:** MAAIF supported 1,066,258 households in 96 districts spread across Central, Eastern, Western, South-western and Northern Uganda to establish 710,172 acres of coffee. This increased the area under coffee in each of the regions. The Ministry certified 4,186,606 (60 kg) bags of coffee for export in FY 2016/17 compared to 3,556,692 bags the FY 2016/17 registering an increase of 39%. The total value of exports amounted to USD 490.25 million compared to USD 351.53 million for the previous period, an 18% increase. As at November 2017, 2,012,119 (60 kg) bags were certified for export, valued at US$ 228 Million compared to 1,385,002 bags valued at US$ 155 million in the same period in 2016. This brings the total amount of coffee exported from July 2016 to November 2017 to 6,198,725 (60 kg) bags of coffee, providing evidence that we are moving towards achieving the national target of 20 million bags by 2025.
6. **FISH PRODUCTION AND ENFORCEMENT OF GOOD FISHING PRACTICES ON WATER BODIES:** MAAIF in partnership with other Government Agencies increased enforcement activities on the water bodies across the country. This reversed the declining trend of the quantity and value of fish and fish products. As a result of the increased enforcement on the water bodies, the country has started realizing an increase in the fish exports from 18,052 MT valued at USD 117.6 million in 2015 to 19,546 MT valued at USD 121.5 million in 2016.
7. **CONTROL AGAINST ANIMAL DISEASES TO INCREASE PRODUCTION AND PRODUCTIVITY OF THE LIVESTOCK SUB-SECTOR:** Animal vectors, pests and diseases remained the biggest hindrance to animal production and productivity. The Ministry developed an implementation strategy to deal with resistant ticks through application of a new acaricide Vectoclor which the ticks have not been exposed to before, and is expected to kill them and cleanse the cattle of the resistant ticks. The application of the new acaricide Vectoclor was tested in Kiruhura with 600 litres of the vaccine. A few farms (1 farmer per parish) were selected for the piloting phase. The farmers were also taught how acaricide is applied. The application of the tick resistance cleansing acaricide will be rolled out to other areas of the country to cover the 27 most affected districts by December 2018. An acaricide zoning strategy and implementation plan was also rolled out to manage movement of acaricides across zones that will be used after the resistant ticks have been cleansed. The zoning strategy comprises dividing the country into two using the natural barrier of the River Nile, to have the North Nile Zone and the South Nile Zone.
8. **Bills and Policies**: In the FY 2017/18, Principles of the fisheries bill, National Fisheries and aquaculture policy, coffee development and National Irrigation Policy bill were passed by Cabinet.

# AGRICULTURE SECTOR PRIORITIES

### Budget Priorities for FY 2019/20

The Agriculture sector’s priorities in FY 2019/20 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 sector’s budget priorities for FY 2019/20, include the following:

1. **RE-ORGANISATION OF PUBLIC SUPPORT TO OUR FARMERS THROUGH THE NUCLEUS FARMER/ PARISH DEVELOPMENT MODEL:** MAAIF will refocus our public support to farmers through piloting the nucleus farmer/ zoning model. We will support at least 1 farmer in each parish to demonstrate the 4 acre model; support sub-county nucleus farmers who will mobilize and organize farmers to produce sufficient quality and quantities of an identified commodity in line with the agriculture zoning strategy; and, partner with a Regional Entrepreneur/ Processor who will process as much produce as possible by linking whatever is produced with processing, thereby also creating job opportunities along the value chain within the region. The strategy will increase the quality and quantity of raw materials for our growing industrial sector; provide surplus labor to industry; save from capital investment in non-agriculture; and produce more food to meet the increasing demand of a growing non-agriculture labor force (including the oil industry), and, for export.
2. Government is working on specific value chains to be the means of creating linkage between Government, Local Government, Extension service providers, Agriculture Research and other private sector value chain actors.
3. **AGRICULTURE MECHANIZATION:** MAAIF will set up regional mechanization centers in accordance with the established national agriculture administrative zones, managed by a Senior Engineer. The centers will also have 1 mechanical Engineer, 1 Irrigation Engineer and 1 Civil Engineer. The centers will also be equipped with tractors and maintenance tools/ workshops. The regional mechanization centers will work in close partnership with the MAAIF Mechanization department and will be responsible for construction of water for agriculture production infrastructure in the different regions. The Centers will also backstop and build the capacity of District Engineers to ensure effective and efficient utilization of district mechanical equipment. The regional mechanizations centers will also be responsible for maintaining government tractors and repair/maintenance of privately owned tractors in the district at a cost recovery basis. The establishment of regional mechanization centres will be done in a phased manner over 3 years, beginning with Western and Northern regions. The Ministry will also train 200 tractor operators from Namalere to close the capacity gap that exists in the Agriculture sector. MAAIF will commence with 2 regional mechanization centers; which will establishment of the others will be rolled over in the medium term.
4. **WATER FOR AGRICULTURE PRODUCTION:** MAAIF will continue with its support to ensure increased capacity of households to have enough water at farm level through continued subsidizing of digging of valley dams in water stricken areas with the equipment already acquired by the mechanization Unit of the Ministry and the ones to be procured for the regional mechanization centers. MAAIF will also purchase a complete set of borehole and well drilling and installation equipment to further assist farmer’s access on farm water for irrigation. MAAIF will give more focus on increasing water for irrigation for coffee and horticulture. This will further contribute to government efforts to achieve the target of increasing the production of coffee to 20 million bags per year, and enhance our horticultural exports. Government efforts of supplying quality coffee seedlings will continue, and will be complemented with investment in the maintenance of existing coffee trees.
5. **PEST, VECTOR AND DISEASE CONTROL:** MAAIF will continue to invest in controlled research especially to develop biological coping mechanisms for the Fall Army Worm and other pests and diseases. MAAIF will also continue to ensure that appropriate pesticides are available in the market at affordable prices, through, among others, partnership with the private sector. For livestock disease control, MAAIF will continue testing the various tick resistance cleansing acaricides in the different application zones. So far, the activity has shown positive results and will be scaled up. Through NARO support will be provided to support the ongoing research in developing acaricides that are suitable for Uganda’s conditions. To fight against the spread of livestock diseases (especially FMD), partnerships will continue to be established with the private sector who can produce/ import and market animal drugs at affordable prices to our farmers
6. **REGULATION AND CERTIFICATION: I**ncreased focus will be put on food safety and standards for both domestically consumed products and food for export. Research findings show that the increased opportunistic diseases affecting Ugandans may be associated with the quality of food we eat. Under dairy and beef, MAAIF will ensure that standards of meat consumed domestically are enhanced at national, district, Town councils abattoirs, and, increase enforcement of the cruelty of animals and general meat inspection. Government will continue improving regulation in the dairy sub sector to ensure increased production and use of safe dairy products, and, increased exports of the dairy products. MAAIF is also aware of the certification and inspection challenges and will recruit and retool crop inspectors in the various districts. This will also improve monitoring at the boarder points.
7. **FISHERIES PROMOTION AND ENFORCEMENT OF GOOD FISHING PRACTICES:** The Fisheries and Aquaculture policy was finalized and will be presented to Cabinet for clearance. The Ministry will also table the Fisheries Bill which will streamline the roles of different fisheries enforcement agencies, standards and fishing requirements. In the meantime government will continue to use law enforcement agencies to supplement the role of the Ministry in Fisheries enforcement. Under aquaculture, MAAIF will rehabilitate and operationalize regional aquaculture parks and hand them over to the private sector though Public Private Partnerships; and, rehabilitate regional hatcheries to multiply fish seed for private sector.
8. **EXTENSION SERVICE DELIVERY:** MAAIF will continue recruiting extension workers at the Districts and Sub-Counties to achieve the target of 5,000 extension workers providing extension services to our farmers. MAAIF will also train and tool these extension workers to reach all the farmer categories in all parts of the country. MAAIF will utilize the lessons learnt through implementation of the various programs on the best ways in which knowledge can be passed on to our farmers for adoption of the improved technologies which will lead to increase in production and productivity while responding the local and export market opportunities.
9. **VALUE ADDITION:** MAAIF recognizes that value addition is largely private sector led, but certain ventures are strategic in nature and require a government push. MAAIF through existing agencies such as Uganda Development Bank and support from Government, will increase its support to private processors through PPP arrangements in accordance with the new PPP Act. MAAIF will support private sector to increase the distribution of coffee washing, drying and packaging equipment; establish tea factories; establish vegetable oil mills; establish cotton processing and spinning factories; establish dairy milk cooling and regional processing factories; and, will continue to support the private sector to manage the world standards accredited meat abattoir. MAAIF will construct 3 more animal holding grounds to support the Bombo Abattoir and 2 other upcoming internationally accredited abattoirs.
10. **AGRICULTURE FINANCING:** MAAIF recognizes the challenge caused by lack of reliable and regular rainfall and seasonal information, and how it affects access to agriculture credit and insurance packages in Uganda. MAAIF will work in conjunction MOFPED to explore alternative ways in which more reliable data on rainfall and seasonal variations can be captured systematically, and continue the engagement with insurance and financial institutions on how to increase availability of agriculture credit for the different categories of farmers.
11. **FARMER GROUP FORMATION AND REGISTRATION:** MAAIF recognizes that lack of reliable data on the characteristics and categorization of our farmers’ affects planning and implementation of Government’s programs. MAAIF will therefore complete the registration of all farmers in their respective categories and groups.
12. **COTTON DEVELOPMENT IN UGANDA:** MAAIF will continue to support cotton production and improvement in quality with the aim of contributing to the National Economy through increased incomes. More effort will be dedicated to farmer mobilization and sensitization, support to mechanization for land opening, increasing access to cotton planting seed and increasing domestic value addition. The Ministry will support twenty (20) farmers with 100 acre blocks to establish commercially operated farms which will increase cotton production and productivity, and reduce dependence on small scale farmers for cotton production.
13. **AGRICULTURE RESEARCH AND DEVELOPMENT:** The Ministry, through National Agriculture Research Organization (NARO) continues to respond to the various needs identified along the various crop and animal value chains. This is being done alongside various challenges, with the main ones being under funding for agriculture research and development; and weak promotion of research findings. NARO plans to among others relocate the Livestock Research Institute from Sukulu hills to Maruzi; and invest in the development of anti-tick vaccines for the control of Brown Ear, Blue and Bont legged ticks in Uganda. The vaccine production unit will enable Uganda to commercially produce vaccines for ticks, Foot and Mouth Disease and other vectors/ diseases which might come on board. The target is to start production of enough vaccines for the local, regional and international markets. The Livestock Research Institute will develop improved genetics and breeds for increased beef and dairy productivity, and upscale current research in pasture and nutrition for all year round livestock feeding.
14. **ANIMAL GENETIC DEVELOPMENT:** The Ministry will optimize the capacity of NAGRC&DB to produce and supply breeding stock through purchase and multiplication of superior genetics, review and develop strategies for increased access, availability and utilization of improved genetics, ARTs and breeding stock by farmers, build strategic animal breeding partnerships with other organizations and farmers and Strengthen the animal health management systems on all NAGRC&DB centres e.g. animal health laboratory on each centre farm, capacity building. Specifically we will target at producing a minimum of 3391 breeding cattle for both dairy and beef, 1.5 million mother breeder chicks; produce at least 120,000 litres of liquid nitrogen; produce 108,000 doses of semen and extend it to farmers; and train at least 1300 Artificial Insemination technicians.

# EMERGING SECTOR INTERVENTIONS: THE NUCLEUS FARMER/ZONING MODEL

### Introduction

Starting FY 2018/19, government will roll out a nucleus farmer strategy to reorganise zonal agricultural interventions under the commodity approach. This strategy is in line with strategy 3.3.6 of the National Agriculture Extension Policy (2016) and provides an alternative method of channelling Government resources to increase production, productivity and value addition in the agriculture sector. It enables engagement of progressive/successful farmers at sub-county and regional level as an engine for increased production.

The British-based Commonwealth Development Corporation (CDC) was a pioneer of the nucleus farmer model. Variations of this original approach have since been used in China, India, Indonesia, Papau New Guinea, Kenya, Ghana, Malawi and Zimbabwe among others. A common approach has seen sponsors, whether private or government, commence with pilot estates, then after a period, introduce the technologies and management techniques to out growers/satellite farmers[[1]](#footnote-1).

Government interventions will be along the promoted value chains according to the production zones, which will be sub-divided into sub-zones as districts, sub-counties and parishes. The focus will be put on production of high value commodities to suit the domestic, regional and international market preferences. Each zone will produce commodity varieties to fit existing demand.

Both the PMG and Agriculture extension operational funds will be utilised to support this strategy in FY 2019/20.

### Parish 4-acre model

Under this model, each extension worker will be given a target of focused support to at least 1 parish model farmer, alongside their routine extension services to other farmers. Identification and support of parish model farmers will have to be undertaken in line with criteria below.

1. The parish model farmer will at least have 4 acres of land, divided into 4.
2. The first acre will be for crop husbandry where the farmer will grow crops as guided by the National Zoning Strategy.
3. The second acre will be for pasture/ animal husbandry.
4. The third acre will be for food crops for home consumption
5. The fourth acre will be for the home and related facilities.
6. The model farmer will also be required to have at least an iron roofed house in order to promote water harvesting.
7. Using funds allocated for capital projects, the model farmer will be supported to have the basic water harvesting infrastructure, which may be a 10,000 litre fabricated water tank, a water harvesting pond or a valley tank. The water harvested will be used to demonstrate irrigation through the use of an ordinary can.
8. The manure from the animals will be decomposed to be used as organic fertilizers for the crops.
9. On each of the model farms the following has to be addressed:
* Increasing production and productivity in both crop and the animal plots
* Promoting good agriculture practices i.e. proper pre and post-harvest handling.
* The acre with the house will have ordinary infrastructure for food storage. This is intended to increase competitiveness of the produce.
* Ensure appropriate methods of water harvesting, water storage, and water use for both crop, animal husbandry and/ or fish farming and home consumption
* Ensure adequate food security and nutrition, especially for the mothers and the young ones within the household.
* Encourage one type of commercial animal keeping per household.
* Ensure appropriate use of animal manure for: a. fertilizers; b. creation of power – bio-gas. It is anticipated that out of the 7,431 parishes in Uganda, at least 7,000 parishes (rural and per-urban) will benefit from this activity while excluding the urban parishes.

Local Governments will therefore be responsible for:

1. Running evaluation exercises of potential model farmers. Evaluations should document the appraisers, farmers’ experiences, past production record and desire to cooperate among others.
2. Provision of training and extension services to the parish model farmers, particularly in water for agricultural production.
3. Allocation of capital funds to support water infrastructure for parish model farmers.

### Sub-county nucleus/lead farmer

A nucleus farmer will be identified and supported at the sub county level. The farmer will be responsible for the following:

1. Mobilizing and organizing farmers engaged in the production of the identified commodity and ensuring their appropriate registration with terms and conditions of engagement to be determined between them and the nucleus farmer. The nucleus farmer will also be responsible for the training and registration of farmers into membership groups, SACCOs and Area Cooperative Enterprises with terms and conditions agreeable to the members, the nucleus farmer and Government.
2. The nucleus farmer will be the link between NAADS/ OWC, other private agro input dealers, and, the farmer groups. The nucleus farmer will also be responsible for ensuring the quality of the inputs supplied to the farmer groups. The inputs will include certified/ quality controlled seeds, planting, breeding and stocking materials, fertilizers, pesticides, fungicides, animal vaccines, acaricides and other fish, crop and animal production chemicals/ drugs.
3. The nucleus farmer will ensure that the farmer groups receive adequate farm based extension services either through private providers or public extension services. The extension services will be focused on getting the best yields from the selected commodities being promoted.
4. The nucleus farmer will be responsible for coordinating the required infrastructure investments with Government or with private investors such as water for agriculture production, infrastructure, communal/ group services such as water pumps, mechanization equipment and implements, basic storage, pre and post-harvest equipment such as driers, hullers, threshers e.t.c. In case of beef/ dairy enterprises, the nucleus farmer will also be responsible for ensuring the availability of sub-county based coolers, feed mills e.t.c.
5. The nucleus farmer will also be responsible for linking and guaranteeing availability of agricultural financial credit services, agriculture insurance to members of the farmer groups either from Government or private financial services providers.
6. After bulking and undertaking basic post-harvest handling to ensure high quality of the produce on behalf of the farmer groups, the nucleus farmer will be the link with the regional entrepreneur/ processor of promoted value chain. The nucleus farmer will also ensure that the farmers produce meet the quality and quantity of the processor.
7. In performing of his duties, the sub-county nucleus farmer will closely work with the area opinion leaders/ elders, Village Chiefs (LC1), Parish Chief, Sub-County Chiefs and District Local Government political and technical leadership as appropriate

Local Governments will therefore be responsible for:

1. Running evaluation exercises of potential nucleus farmers. Evaluations should document the appraisers, farmers’ experiences, past production record and desire to cooperate among others.
2. Maintenance of farmer and group performance records (see ***Annex I***).
3. Budget support in mobilisation, training and sensitisation activities of the nucleus farmer
4. Provision of farmer extension services to nucleus led groups.
5. Support in capital development projects for mechanisation, water for production and equipment for value addition among others.

### Regional Entrepreneur/Processor

1. The overriding principle at zonal level will be to process as much produce as possible by linking whatever is produced with processing, thereby also creating job opportunities along the value chain within the region. The value addition will also improve the quality of the products and shelf life, enable focused regulation and certification, and meet the high expected quality and quantity standards at regional and domestic markets. The strategy will promote the creation of synergies in the different zones to develop different farming systems at production and marketing for example linking by-products of cereal to animal feed and vice versa.
2. The regional Entrepreneur will be charged with processing and selling to the local, regional and international market. The regional Entrepreneur will work hand in hand with zonal research offices, officers from the Ministry of Trade Industry and Cooperatives (MTIC) and Uganda National Bureau of Standards (UNBS). Government will as appropriate, guarantee credit facilities for value addition, bulking and transportation costs to ensure that the value chains function effectively.
3. Government interventions will be guided by the Public Private Partnership Policy. The Regional Entrepreneur will be expected to work closely with other private sector actors engaged in provision of other support inputs such as pesticides, fertilizers, acaricides, and tools among others. The Regional Entrepreneur will guarantee market for all the produce from the district aggregators and be supported with warehousing infrastructure. The selection of a regional entrepreneur will as much as possible competitive in line with the procurement laws of Uganda.
4. Government will support the signing of Memoranda of Understanding between the Regional Entrepreneur, the Nucleus Farmer and the Farmer Groups showing the quality and quantity of produce that shall be supplied by the farmers and the indicative prices that will be offered by the entrepreneur/processor. This will minimize claims of unfair trade relations between the value chain partners.
5. The Regional Entrepreneurs will work closely with the ZARDIs to ensure that appropriate varieties are generated to suit the local environment and the market demand. The distribution of inputs will be holistic in zones with high value commodities i.e. seeds/ seedlings, fertilizers and provision of water for agriculture production.
6. To support the Regional Entrepreneurs, Government will capitalize Uganda Development Bank with UGX 10 Billion each year for the first 2 years.

### Implementation Arrangements

1. Government will focus the investments in the agriculture sector to be in line with the zoning plan. The 12 National Priority Commodities will be emphasized and Government will not support more than two enterprises per region at a given time. All the distribution mechanisms for inputs (including mechanization, water for production and fertilizers) under the agriculture sector will be streamlined to promote the selected priority enterprise in each of the regions. Government will support the different players along the selected commodity value chains.
2. The nucleus farmer model will involve Government engaging all the stakeholders across the value chain to ensure efficiency through developing and maximizing the linkages by both the public and private players. The various stakeholders across the value chain will continue to be engaged for the successful implementation of this strategy.
3. The strategy will be implemented in two major phases: the piloting phase which will be implemented in 2 zones covering 3 districts in each zone, will last for two years (up to the end of the current Agriculture Sector Strategic Plan – National Development Plan 2); and, the second phase which will be the roll out to all the 10 agricultural production zones in the country.

# PRODUCTION AND MARKETING GRANT

### Allocation of funds

1. The total PMG allocation for the FY 2018/19 is UGX 12.07 billion and this is shared among 128 districts (excluding Kampala district).
2. The total wage component allocation is 71.59 while the total non-wage allocation is 12.07
3. The allocation of funds is done based on six parameters (variables): land area (ha), population, population in hard to reach to stay areas, poverty head count, rural population and fixed allocation. Weights and justification for the variables are as shown in
4. .
5. All 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 the Online Transfer Information Management System (OTIMS).

### Utilisation of funds

1. The PMG non-wage component is to be divided into two, development and recurrent expenditure.
2. **55% of the PMG non-wage component allocated to each district should go towards development / capital expenditure.** The development expenditure will be utilised for development related projects, particularly infrastructure undertakings. Over time, Local Governments are expected to put in place infrastructures such as slaughter slabs, cattle markets, cattle dips, water reservoirs, fisheries infrastructure and irrigation demonstrations among others. More details of eligible capital spending areas, divided by sub-sector, are shown in Appendix 1.
3. **45% of the PMG non-wage component allocated to each district should go towards recurrent expenditures.** The recurrent expenditure will cater for operational costs (such as fuel, training, farmer field visits, monitoring and evaluation, maintenance of equipment and vaccination among others) related to the control of diseases, pests and vectors, strengthening of regulatory services and quality assurance, collection of agricultural statistics and supervising the distribution of inputs provided by MAAIF under the OWC initiatives. More details of eligible recurrent spending areas, divided by sub-sector, are shown in Appendix 1.
4. In allocation of resources between capital and recurrent expenditure, the PMG budgets/work plans for FY 2018/19 should specifically indicate how the district(s) will promote the production of the priority commodities, as per the commodity approach and nucleus farmer/zoning strategy described in Section 4 above.
5. Funds utilised for inspection, monitoring and evaluation under recurrent expenditure for PMG should be used to support the LG mandate of inspection of the distribution of inputs as required by the OWC guidelines.
6. All Local Governments are required to prioritise and align their work plans to achieve the sector’s medium term objectives as stipulated in the ASSP and NDP II.

### Planning and performance reporting

1. A work plan should be submitted to MAAIF at the beginning of each quarter in a format provided by the MFPED.
2. 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.**

### Challenges in implementation of Production and Marketing Grant

**Issue 1 – Inadequate agriculture planting inputs/seedlings distributed to the farmers in all sub counties**

**Response:**

* Prior to the commencement of the agricultural season, each DLG is issued with an advice slip - specifying the commodities/enterprises and the corresponding quantities expected by each DLG. Registration of selected/target farmer beneficiaries usually commences immediately after receiving the advice slips.
* In addition, , enterprise specific guidelines are normally issued each season to all District Local Governments; There is need to comply with the guidelines to ensure proper selection/targeting of beneficiary farmers for distribution and use of the relevant agricultural inputs.
* In order to ensure equity, all DLGs are advised that the beneficiary farmers should only benefit from one enterprise in a given financial year in accordance with the enterprise specific guidelines to complement efforts of establishing ‘ *a 4 acre model*’

**Issue 2- There was a concern of inputs distributed to farmers that were not requested for by a particular district and poor quality of inputs procured.**

**Response:**

**Concerns of inputs distributed to farmers that were not requested for by a particular district:**

In a circular to all Chief Administrative Officers ref: NAADS/SEC/014, dated January 22nd, 2018, all District Local Governments were requested to submit a list of priority commodities (planting & stoking/livestock materials, agricultural production machinery and value addition equipment) to be supported by NAADS under operation wealth creation for the medium term (FY 2018/19, 2019/20 and 2020/21).

Accordingly, all 127 DLGs submitted their priorities to the |NAADS Secretariat. This information will be used to guide the planning and allocation of resources for the Medium Term to all DLGs with effect from FY 2018/19.

The commodities to be supported have been selected with a special focus on the key strategic commodities including Tea, Fruits (Citrus, Mango, Pineapple and Apple) and Cocoa in line with the Agriculture Sector Strategic plan; while also putting into consideration the agro-ecological and other critical factors that are specific to individual districts and/or regions and the priority commodities submitted by the respective District Local Governments.

In addition, emphasis will be put on provision of planting materials for the key food security crops, namely, maize, beans, cassava, banana, and sorghum, as a measure to address food security concerns depending on the uniqueness of the respective agro-ecological zones.

**Poor quality of inputs procured:**

Regarding the need for quality assurance for both planting and stocking/livestock materials, it should be noted that:

1. As part of quality assurance, pre-delivery quality verification of planting materials (seeds/seedlings) is conducted by MAAIF Seed Inspection and Certification Unit together with NAADS Secretariat. Where considered necessary, further verification may be done through on-spot inspection/supervision during loading and delivery of materials.

The District authorities are advised to carry out further verification of the planting materials upon receipt, which should include germination tests in the case of seed. The results of the verification by the Subject Matter Specialist (SMS) should be communicated to the NAADS Secretariat in the Technical Inspection Report as part of the relevant documents for supporting payment.

1. With regard to livestock, stocking material are inspected by a joint team of technical staff of MAAIF and the National Diseases Diagnostic, Epidemiology Centre (NADDEC) with the involvement of DVOs of selected beneficiaries within regions to ensure that they meet the required quality. Where considered necessary, further verification may be done on-spot inspection/supervision during loading and delivery of materials.

The District authorities are advised to carry out further verification to ensure that stocking materials delivered conform to the specifications as communicated by the NAADS Secretariat***.***

**Issue 3. Outbreak of persistent pests and diseases in both crop and livestock specifically Tick Borne diseases and Fall Army Worm.**

**Response:** With the global climatic/weather changes, there are a number of diseases that are emerging in both the livestock and crop sub sectors. The most recent plague in the country is the Fall Army Worm that has re-emerged and is affecting the maize crop in some districts of the country. With the help of international and regional bodies and development partners; Strategic measures to sustainably contain the spread of the Fall Army worm were completed with the setting up a National Task Force of researchers, Ministry officials and the Private sector. Also, regional control platforms were established. MAAIF will continue to invest in controlled research specially to develop biological coping mechanisms for the Fall Army Worm and other pests and diseases. The Ministry will in the short run ensure that appropriate pesticides are available on the market at affordable prices, through partnership with the private sector. For livestock disease control, the Ministry will continue testing the various tick resistance cleansing acaricides in the different application zones. So far, the efforts have shown positive results and will be scaled up. To fight against the spread of livestock diseases (especially FMD), partnerships will continue to be established with the private sector who can produce/ import and market animal drugs at affordable prices to the farmers.

**Issue 4:** Lack of transport facilities for the recruited Agriculture Extensional Workers to ensure easy service delivery.

**Response:** The Ministry has procured and will distribute 117 motor vehicles, and 843 motorcycles which will be distributed to the districts. Through the Agriculture Extension Operational Grant, Local Governments were allowed to procure Motor Cycles for the Extensional workers.

### Background

The overall development and growth of the sector as stated in the National Agricultural Policy (NAP) is anchored on three strategic objectives. One of these objectives is to strengthen the capacity of government and non-governmental institutions in the sector, in order to efficiently deliver productivity enhancing and regulatory services necessary for the sector’s growth. Agricultural extension is one of the services that will play a pivotal role in realizing this transformation. Furthermore, agriculture extension is key to achieving objectives in the sector’s medium term plans as documented in the Agriculture Sector Strategic Plan (ASSP) 2015/16-2019/20. In order to provide long-term strategic direction for agricultural extension services in the country, the National Agriculture Extension Policy (NAEP) was produced, with four objectives:

1. To establish a well-coordinated, harmonized pluralistic agricultural extension delivery system for increased efficiency and effectiveness.
2. To empower farmers and other value chain actors (youth, women and other vulnerable groups) to effectively participate and benefit equitably from agricultural extension processes and demand for services
3. To develop a sustainable mechanism for packaging and disseminating appropriate technologies to all categories of farmers and other beneficiaries in the agricultural sector
4. To build institutional capacity for effective delivery of agricultural extension services.

Government of Uganda created the Agriculture Extension Operational Grant to support the operationalisation of the policy and ensure extension service delivery to farmers and other actors along the value chain in District Local Governments.

### NAEP strategies and activities

District Production and Marketing departments have an important role to play in enabling the sector realize objectives b and c of the NAEP. Among others, district production and marketing departments are vital in achieving the following strategies and activities to achieve the two objectives:

1. Strengthen farmer organizations;
* Profile existing farmer organizations and create a database for all farmer groups/organizations in the country.
* Review existing farmer institution development guidelines and update them to address identified gaps.
* Mobilize farmers to form viable groups/ organizations.
* Build capacity/train groups leaders and sensitize farmers.
1. Transform farmers’ organizations into farmer owned commercial entities well integrated into value chains for better markets linkages (at local, regional, and international levels), and access to other support services;
* Sensitize and promote sustainable production of area specific commodities/enterprises.
* Equip the members of farmer organizations with entrepreneurship skills.
* Strengthen the linkage of existing farmers’ organizations to markets and financial services.
* Support the integration of farmers’ organizations into profitable value chains.
1. Provide targeted support and guidance to promote good governance in farmers’ collectives/ groups such as associations and cooperatives;
* Establish standards and guidelines for good governance.
* Perform regular auditing of the farmer organizations using the guidelines.
* Sensitize farmers on the roles and responsibilities of group members in ensuring good governance.
* Train farmer group leaders in good governance.
1. Development of capacity of farmers and other value chain actors in production, agribusiness skills, value addition and post-harvest management through systematic training programs as a way of professionalising the farming community;
* Conduct studies for farmer profiling and capacity needs assessment along the entire value chain (from production to consumption).
* Implement farmer capacity development activities tailored to needs of the respective farmer categories.
1. Promote demonstrations/incubation centres for product development, value addition and agro processing;
* Identify products to be promoted and demonstrated in demonstration/incubation centres.
* Design and implement demonstration/incubation centres through public private partnerships focused on strategic enterprises.
* Document and disseminate results/lessons of demonstrations/incubation centres.
1. Identify and support successful farmers and private organizations to develop into hubs for farmer training and innovation sharing through public private partnerships (PPP);
* Conduct scoping studies to identify, profile, and map successful farmers and other actors producing priority strategic commodities.
* Designate successful farms and other enterprises as centers of excellence & learning
* Establish PPP for promoting sharing and exchange of innovations and learning at local level.
* Undertake exchange/learning visits.

### Allocation of funds

1. The total allocation for FY 2018/19 is UGX 39.6 billion
2. Guidance on the allocation criteria of this grant was sent to all district production and marketing departments. The allocation criteria consider the following;
* The number of staff in post to be facilitated to execute extension services
* The number of Sub-Counties/Towns Councils or municipal Divisions i.e. the Lower Government under each district

### Utilisation of funds

1. The fund will be used at two levels; district level and sub-county level and have two components: recurrent and development.
2. **25% of the funds will be used for development expenditure**. This is meant for development projects including, but not limited to, procurement of transport equipment, setting up of demonstrations and procuring of insemination kits and protective clothing.
3. **75% of the funds will be used for recurrent operational expenditure, both at the sub county and district level.**
4. In allocation of resources and preparation of work plans, the following vital roles of frontline extension service providers should be put into consideration:
* 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.
* 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.
* Conduct meetings for farmer groups and other value chain actors to guide them on enterprise selection.
* Develop farmers into higher level organizations like Producer and Marketing Groups and train them on group dynamics and leadership skills.
* Link farmers to research and other value chain actors.
* 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.
* Interest the farmers to take on these technologies through demonstrations and intensified discovery methods, focused group discussions and direct trainings.
1. The budgets/work plans should specifically indicate how the district(s) will promote the production of the priority commodities, as per the commodity approach and nucleus farmer/zoning strategy described in Section 4 above.
2. Detailed key outputs and targets for agricultural extension are provided as Annex II.

### Planning and performance reporting

1. A work plan for utilisation of this grant should be submitted to MAAIF at the beginning of each quarter in a format provided by the MFPED.
2. 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.**

# CONCLUSION

The above guidelines will help districts in the planning and utilisation of sectoral budget allocations for the Financial Year 2018/19. 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

# ANNEX I: ELIGIBLE SPENDING AREAS FOR THE PMG, BY 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 regulationsVector/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
 |

Table 1: Eligible spending areas for the 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 equipment
 |
| 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 2: Eligible spending areas for the 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 3: Eligible spending areas for 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
 |

**ANNEX II: TECHNICAL OUTPUTS AND TARGETS FOR THE DISTRICT PRODUCTION DEPARTMENTS FY 2018/2019**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S/N |  **Key Outputs** | **Indicators** | **Key Targets** | **Means of Verification** |
| 1. | Extension and advisory services provided | * Number of households visited and supported
* Number of trainings conducted
* Number of sensitisation talk shows
* Extension and advisory services provided in accordance with the agreed guidelines
 | * All (100%) households supported
* Extension and advisory services provided in accordance with the agreed checklist[[2]](#endnote-1)
 | * Field Reports
 |
| 2. | Farmers trained in the application of improved and appropriate yield enhancing technologies (seeds, fertilizers, improved breed/stocks, improved feeds | * Number of technologies adopted by Households
* Percentage of farmers using improved technologies
* Percentage change in yields, production and incomes resulting from adopting the technologies
 | * At least 3 technologies adopted by each household
* At least 40% of farmers using improved technologies
* At least 10% change in yields, production and income
 | * Reports
* Field reports
 |
| 3. | Service providers along the value chain (input dealers, agro processors, traders, manufacturers, exporters, marketers, private extension service providers) registered. | * Percentage of Service Providers registered
 | * All (100%) Service providers along the value chain (input dealers, agro processors, traders, manufacturers, exporters, marketers, private extension service providers) registered by 30th June 2019
 | * Inventory of Service providers
 |
| 4. | Priority Commodities promoted and commercialised along the value chains | * Number of trainings conducted
* Percentage of households and value chain actors participating
* Number of crops/associations/planforms formed
 | * 70% of the Households participate in the trainings conducted
* At least 70% of the households and value chain actors are participating in commercialised agriculture
 | * Training reports
* Marketed produce
* Survey reports
* Bulking centres
 |
| 5. | Basic agricultural statistics on acreage, numbers, production, productivity, value addition and marketing along the value chain collected, analyzed and shared | * Timely collection and submission of data
* Data collected in line with the agreed standard
 | * Data collected half yearly
* Data collected in accordance with the agreed tool[[3]](#endnote-2)
 | * Reports
* Dully filled Data Collection Tool
 |
| 6. | Farmers and Farmer organisations trained in agribusiness. | * Number of Farmer and farmer organisations trained
* Number of households having income generating enterprises
 | * 50% of farmers and Farmer organisations trained
* 50% of farmers participating in Commercial Agriculture
 | * Field reports
* Survey reports
* Annual reports
 |
| 7. |  Farmer households and Farmer organizations at sub county and district level profiled and registered | * Percentage of Farmer households and farmer organisations profiled and registered
 | * At least 50% of the farmer households and farmer organizations at sub county and district level are profiled and registered by 30th June 2019
 | * Register of farmer households ad farmer Organisations
* Field Reports
 |

1. C, Eaton, C., Shepherd, A.W., 2001. Contract Farming: Partnerships for Growth. Food and Agriculture Organisation [↑](#footnote-ref-1)
2. Checklist to be provided by Ministry of Agriculture, Animal Industry and Fisheries [↑](#endnote-ref-1)
3. Data Collection tool to be provided by Ministry of Agriculture, Animal Industry and Fisheries [↑](#endnote-ref-2)