



FY 2020/21 AGRICULTURE BUDGET AND COVID 19 PANDEMIC

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1.0 INTRODUCTION

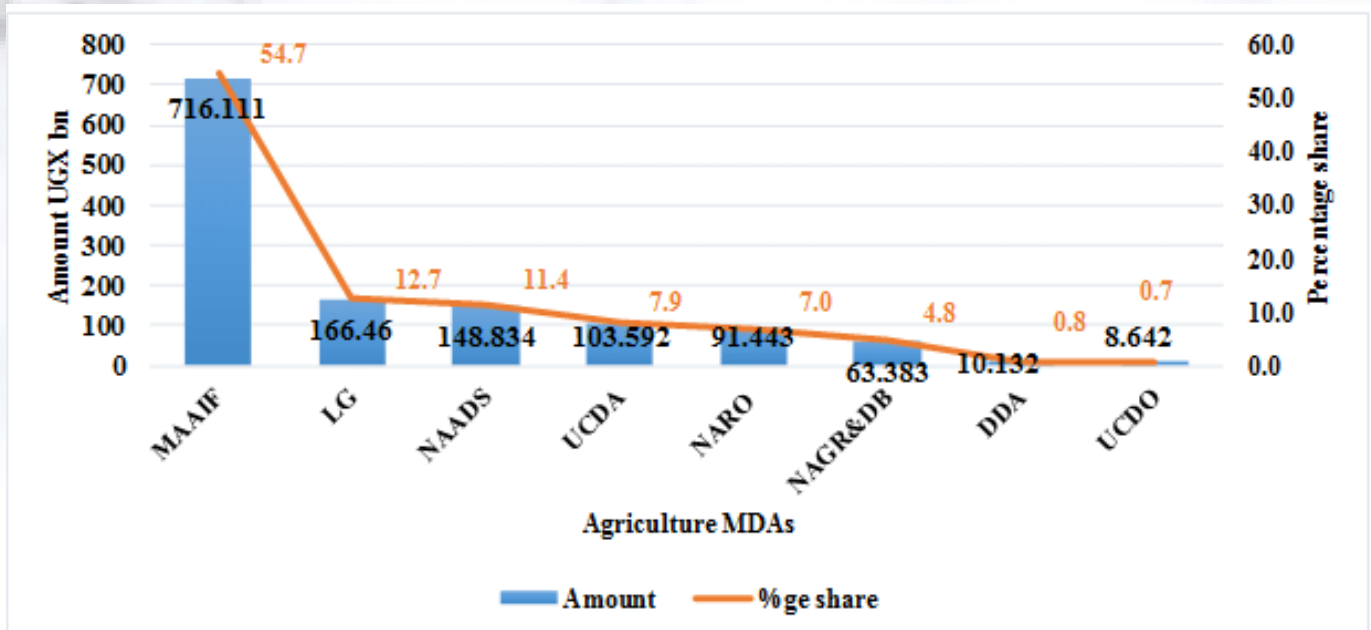
As Uganda and other countries around the globe battle the COVID 19, it is apparently clear that the pandemic has far more reaching effects than just the largely anticipated health risks. With the current restrictions limiting mobility of labor and other factors of production, various sectors of the economy have largely been affected negatively. Among the sectors affected by the anti-COVID 19 measures is the Agriculture sector.

Agriculture remains important to the livelihoods of majority Ugandans and the entire economy. In the FY 2018/19, agriculture exports earned Uganda USD 1,323.57 million according to Bank of Uganda statistics. Uganda's agriculture employs over 60 percent of the population in addition to other advantages like being central in averting malnutrition, ensures food security and enhancing household income which is an avenue for combating poverty at household level.

2.0 FY 2020/21 AGRICULTURE SECTOR PROJECTED BUDGET

In the FY 2020/21, the agriculture sector is projected to receive UGX 1,324.80 billion which is 3.7% of the total budget. The FY 2020/21 projected budget of UGX 1,324.80 billion is more than the FY 2019/20 budget of UGX 1,054.15 billion by UGX 270.65 billion. See figure 1 for intra-agricultural sector budget allocations.

Figure 1: *Agriculture intra-sectoral allocations FY 2020/21*



Source: Agriculture Sector FY 2020/21 Ministerial Policy Statement

From figure 1, it is observed that MAAIF is projected to receive the largest share of the agriculture budget at UGX 716.111 billion (54.7%) while UCDO is projected to receive the least share at UGX 8.642 billion (0.7%).

2.1 Major Capital Investment under MAAIF in the FY 2020/21

MAAIF has got a total of five programs namely; Crop Resources, Directorate of Animal Resources, Fisheries Resources, Agriculture Infrastructure, Mechanization and Water for Agricultural Production, and Policy, Planning and Support Services. See table 1 for details

Table 1: Details of MAAIF programs' projected budgetary allocations FY 2020/21 (UGX '000)

Program	Project	Output	Amount	
Crop Resources	Agriculture Cluster Development Project	Roads, Streets and Highways	105,661,976	
		Purchase of Office and ICT Equipment, including Software	60,098,000	
		Construction of irrigation schemes	46,288,206	
		Acquisition of Land by Government	6,002,033	
Directorate of Animal Resources	Meat Export Support Services	Acquisition of Other Capital Assets	500,000	
		Livestock Infrastructure Construction	7,010,400	
	Regional Pastoral Livelihood Improvement Project	Livestock Infrastructure Construction	29,790,000	
		Developing A Market-Oriented And Environmentally Sustainable Beef Meat Industry In Uganda	Purchase of Motor Vehicles and Other Transport Equipment	4,171,000
Acquisition of Other Capital Assets	859,750			
Fisheries Resources	Support to Sustainable Fisheries Development Project	Fisheries Infrastructure Construction	1,000,000	
Agriculture Infrastructure, Mechanization and Water for Agricultural Production	The Project on Irrigation Scheme Development in Central and Eastern Uganda (PISD)-JICA Supported Project	Construction of irrigation schemes	7,610,000	
		Improving Access and Use of Agricultural Equipment and Mechanization through the use of labour Saving Technologies	Government Buildings and Administrative Infrastructure	8,000,000
			Purchase of Specialized Machinery & Equipment	7,281,836
			Livestock Infrastructure Construction	1,400,000
Valley Tank Construction (livestock)	6,160,000			
Policy, planning and Support Services	Agriculture Value Chain Development	Acquisition of Land by Government	1,000,000	
		Government Buildings and Administrative Infrastructure	14,982,667	
		Purchase of Motor Vehicles and Other Transport Equipment	3,803,280	
		Acquisition of Other Capital Assets	4,387,305	
		Construction of Irrigation Schemes	41,505,488	
	Retooling of Ministry Agriculture, Animal Industry and Fisheries	Purchase of Motor Vehicles and Other Transport Equipment	900,000	
Purchase of Specialized Machinery & Equipment		2,000,000		
Total			360,411,941	

Source: Agriculture Sector FY 2020/21 Ministerial Policy Statement

2.2 Major Capital Investment under NAADS in the FY 2020/21

See table 2 for details on National Agricultural Advisory Services program for FY 2020/21

Table 2: Details of NAADS programs' projected budgetary allocations FY 2020/21 (UGX '000)

Program	Project	Output	Amount
Agriculture Advisory Services	Government Purchases	Purchase of Motor Vehicles and Other Transport Equipment	1,117,200
		Purchase of Specialized Machinery & Equipment	40,144,786
		Agri-Led Strategic Interventions	5,461,000
Total			46,722,986

Source: Agriculture Sector FY 2020/21 Ministerial Policy Statement

2.3 Major Capital Investment under NAGR & DB in the FY 2020/21

See table 3 for details on National Animal Genetic Resources Centre and Data Bank (NAGR & DB) for the FY 2020/21.

Table 2: Details of NAGR & DB programs' projected budgetary allocations FY 2020/21 UGX ('000)

Program	Project	Output	Amount
Breeding and Genetic Development	NAGRC Strategic Intervention for Animal Genetics Improvement Project	Government Buildings and Administrative Infrastructure	17,787,617
		Roads, Streets and Highways	500,000
		Purchase of Specialized Machinery & Equipment	7,976,000
		Acquisition of Other Capital Assets	7,941,300
Total			34,204,917

Source: Agriculture Sector FY 2020/21 Ministerial Policy Statement

3.0 OBSERVATIONS

As alluded to prior, the agriculture sector is crucial in harnessing a post COVID 19 economic recovery in Uganda given its historical legacy of being Uganda's economic and livelihoods backbone. From the programs in MAAIF, NAADS and NAGR DB in tables 1,2 and 3 respectively indicates that little or no special attention has been paid to facilitate the agriculture sector ignite a post COVID 19 recovery.

- Inadequate agricultural supplies as NAADS plans to distribute agricultural supplies to 576,716 farmers across the country in the FY 2020/21. This number is limited given the fact that COVID 19 has largely affected the mobility of majority farmers in addition to breaking the supply chains in most areas.
- According to the Food Agriculture Organization (FAO) Uganda losses over 14.5% in post-harvest losses. A look at the MAAIF programs, there is no output on construction of silos to improve on post-harvest handling practices among Uganda's farmers.
- Limited access to Agricultural Credit by the small scale farmers. Small scale farmers have always faced challenges by commercial lending institutions because they are largely considered high risk by formal lending institutions. We are cognizant of the presence of the Agriculture Credit Facility (ACF) by government, however access to this facility by small scale farmers is highly limited. Besides this, numerous initiatives by government to salvage the economy from the devastating effects of COVID 19 don't benefit farmers directly. Much has Government plans to capitalize Uganda Development Bank (UDB), it is worth noting that the percolation of this initiative lies disproportionately to famers. UDB majorly located in Kampala leaving farmers out of Kampala underserved.

3.1 Recommendations

- NAADS should reconsider and adjust its budget for purposes of increasing on the number of farmers benefiting from the agricultural inputs supplies. This also calls for timely supply of the agricultural inputs for farmers to enable planting in the right season.
- There should be a plan to have government silos at least at district level to cushion farmers from post-harvest losses. This will save the country in crises such as COVID 19 by guaranteeing food security and also save farmers from post-harvest losses.
- The government should also strengthen agriculture value addition support to farmers in form of skilling and removing taxes on value addition equipment to foster growth of SMEs
- In addition to capitalization of UDB, there is need to co-opt the Microfinance Support Center (MSC) that identify and group/categorize small scale farmers to enable them access the much needed credit

4.0 CONCLUSION

In conclusion, COVID 19 has revealed the need for agriculture to be prioritized given the need to have constant food supplies in addition to guaranteeing food security at different levels. Government should thus do due diligence in planning and investing in the agriculture sector. This should target both farmers on a commercial scale and those in the subsistence agriculture.

REFERENCES

- Ministry of Agriculture, Animal, Industry and Fisheries (2020), Agriculture Sector Ministerial Policy Statement FY 2020/21
- Parliament of Uganda (2020), Parliamentary Budget Committee Report FY 2020/21