



SEASONAL MARKET OUTLOOK

Collective Voices for Sustainable Development

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Summary Performance of the First Season of 2023 with Average Retail Market Price Performances of Selected Commodities.



Introduction

The 2023 first season production forecast for bimodal rainfall areas in the country, which have two rainy seasons, turned out as predicted, with below-average harvests. This was primarily due to irregular and erratic rainfall, including prolonged dry spells in April and May, severely impacting crop yields. Additionally, severe drought conditions affected up to 85 percent of cropland in various northern, eastern, and western districts, as indicated by the FAO's Agricultural Stress Index. Furthermore, late June brought torrential rains causing flash floods and landslides in the eastern Elgon Region, resulting in fatalities, infrastructure damage, and localized crop and livestock losses.

About ACSA

ACSA is a legally registered national network of Civil Society Organisations (CSOs) which works with smallholder farmers to promote sustainable agriculture, agricultural market development and environmental conservation, and undertakes research and advocacy. ACSA has membership of 29 CSOs spread country wide in 46 districts with a Mission “to Empower civil society organizations (both church and non-church actors) working with smallholder farmers to advocate for favorable agrarian policy environment for sustainable communities” and a Vision of “Smallholder farmers living in a Sustainable Environment.” ACSA’s focus areas are; Advocacy and Lobbying, Research and documentation, Capacity building of member organizations, Capacity building of ACSA secretariat, Networking and partnership Building, which are undertaken under the overall Goal of: “Relevant agriculture policies and services for Small Holder Farmers (SHFs) are implemented to foster profitable sustainable agriculture enterprises”.

Background

The Parish Development Model (PDM) serves as Uganda's comprehensive strategy to enhance its food system's strength and resilience, focusing on the cultivation of 14 crucial commodities: maize, bananas, beans, cassava, sweet potatoes, dairy, coffee, tea, cocoa, and fish. This approach is designed to effectively address household poverty and food insecurity by targeting interventions at the grassroots level of parishes. With a total of 10,694 parishes across the country, each accommodating populations ranging from 450 to 30,000 individuals, Uganda aims to unify efforts to alleviate poverty and combat food insecurity. The current World Food Program's Hunger Map underscores the urgency, highlighting that approximately 15.6 million Ugandans lack sufficient access to food. Through the Parish Development Model, Uganda seeks to establish a more robust and sustainable framework for addressing these pressing challenges within local communities.

In Uganda, several key food commodities hold significant importance for the population's dietary needs. Cooking banana (matoke), dry cassava chips, sorghum, millet, beans, and white maize are all staples that play a vital role in sustaining Ugandans' food security. The prominence of these commodities varies across regions, with the staple food differing by geographical area. Matoke is a central component in the central, western, and southwestern regions, while millet is predominant in the eastern part of the country, and sorghum holds its importance in the east, north, and northeast. Dry cassava chips, beans, and white maize also contribute significantly to the diet of a considerable portion of the population. In particular, cassava chips are essential in the eastern (Soroti), northern, and northwestern (Arua) regions. Matoke stands out as a primary commodity in Mbarara and Kampala.

The reliance on sorghum and millet is particularly strong in Lira and Soroti, which also serve as supply sources for Karamoja. Beans, a widely consumed commodity, are prevalent across the nation, with a particular focus on monitoring in Kampala and Lira, where the latter is also a production hub. Lastly, Masindi functions as both a production and commercial center for white maize. These variations highlight the dynamic nature of Uganda's food system and its regional reliance on different staple foods.

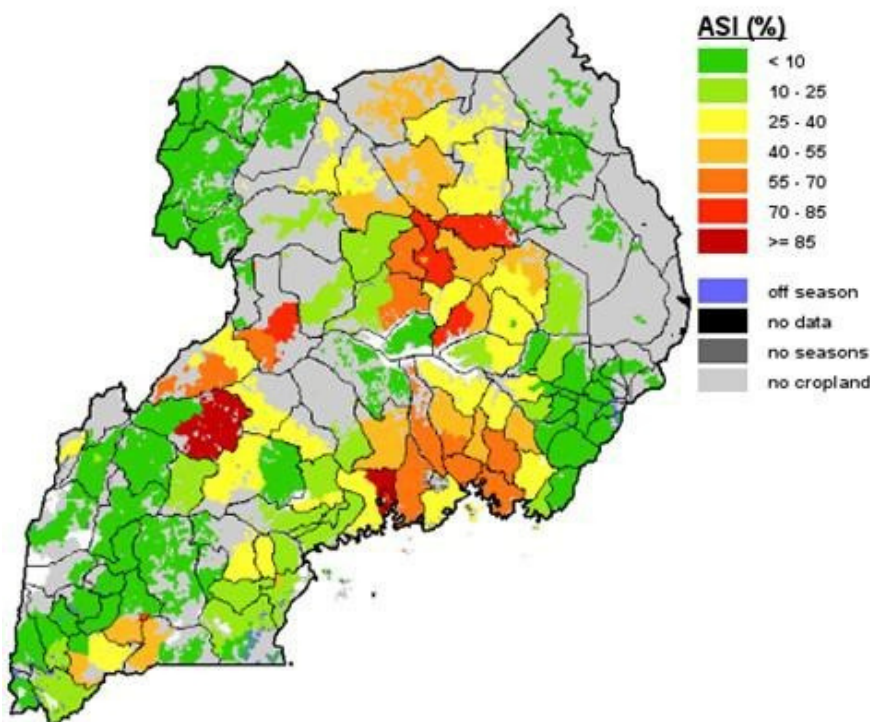
Seasonal Performance

► The production in the bimodal rainfall pattern areas

The 2023 first season production forecast for bimodal rainfall areas came to be as predicted - below-average. These areas, which encompass a significant portion of the country, are characterized by two distinct rainy seasons. The first rainy season typically occurs from March to June and contributes to the first season harvest, which is expected to conclude in July. Unfortunately, the first rainy season of 2023 exhibited unfavorable conditions. Cumulative precipitation amounts were below-average in both the northern and southern cropping areas. Furthermore, the distribution of rainfall over time was irregular and erratic. While the month of March saw an onset of rainfall that was both timely and above-average, the subsequent months, namely April and May, experienced prolonged dry spells. These dry periods in April and May had a detrimental impact on crop yields. Although there was an improvement in vegetation conditions due to above-average rainfall in June, the damage caused by the earlier dry spells proved irreversible. The FAO's Agricultural Stress Index (ASI), a measure of agricultural stress caused by various factors including drought, indicated that severe drought conditions had affected a substantial portion of cropland. As of mid-June, up to 85 percent of cropland in numerous northern, eastern, and western districts were experiencing severe drought conditions, as indicated by the ASI map (inserted below). In late June, torrential rains caused flash floods and landslides in eastern Elgon Region, impacting over 20,000 people and resulting in fatalities, infrastructure damage, and localized crop and livestock losses.

Uganda - Agricultural Stress Index (ASI)

from start of season 1 to dekad 1, June 2023



Source: FAO, July 2023

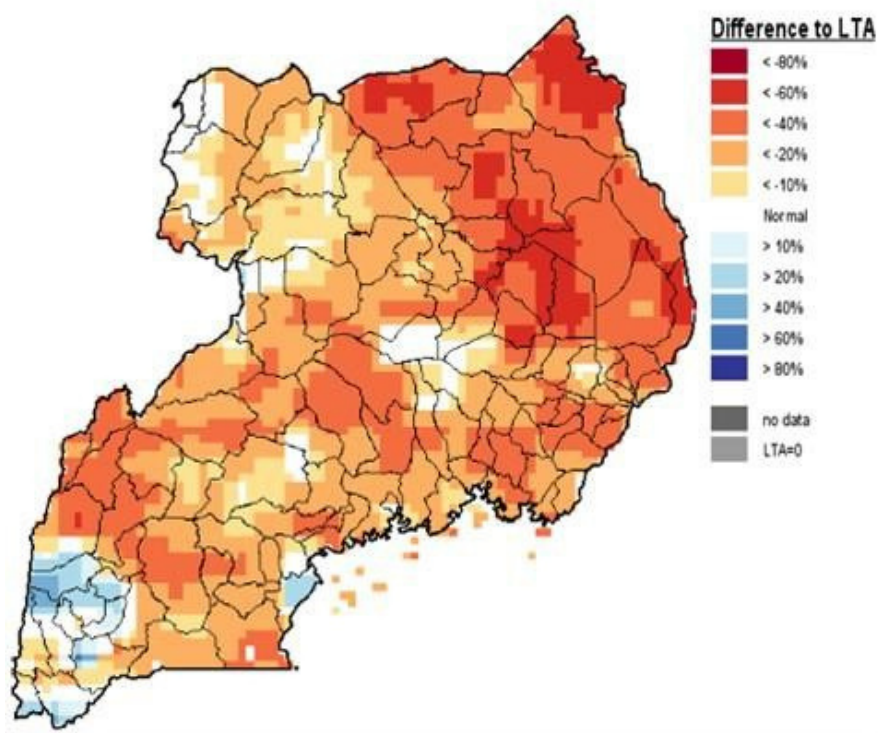
► Reduced 2023 harvest expected in Unimodal pattern area of Karamoja region

In the unimodal rainfall agro-pastoral Karamoja region, the harvesting of 2023 crops is scheduled to commence in August, with cereal production anticipated to be below-average. The cultivation process was hindered by heightened incidents of cattle raiding and criminal ambushes during April and May, limiting the use of animal traction and land access. Despite the early onset of the rainy season in mid-March, spanning from April to September, unexpected heavy rains led to floods and waterlogging, disrupting planting. Subsequent rainfall displayed near-average cumulative levels, but with irregular timing, including prolonged dry periods in April and May. These dry spells adversely affected vegetation and crop yields, compounded by the challenges posed earlier in the planting season.

As per the most recent forecast from the Greater Horn of Africa Climate Outlook Forum (GHACOF), the weather outlook indicates below-average precipitation levels anticipated across much of the region until September. This forecast raises concerns about the condition of pastures and cereal yields, as the likely shortage of rainfall could have an adverse impact on these agricultural aspects.

Uganda - Precipitation anomaly

Relative difference to Long Term Average - May 2023



Source: FAO, July 2023

Worsening food insecurity in Karamoja region

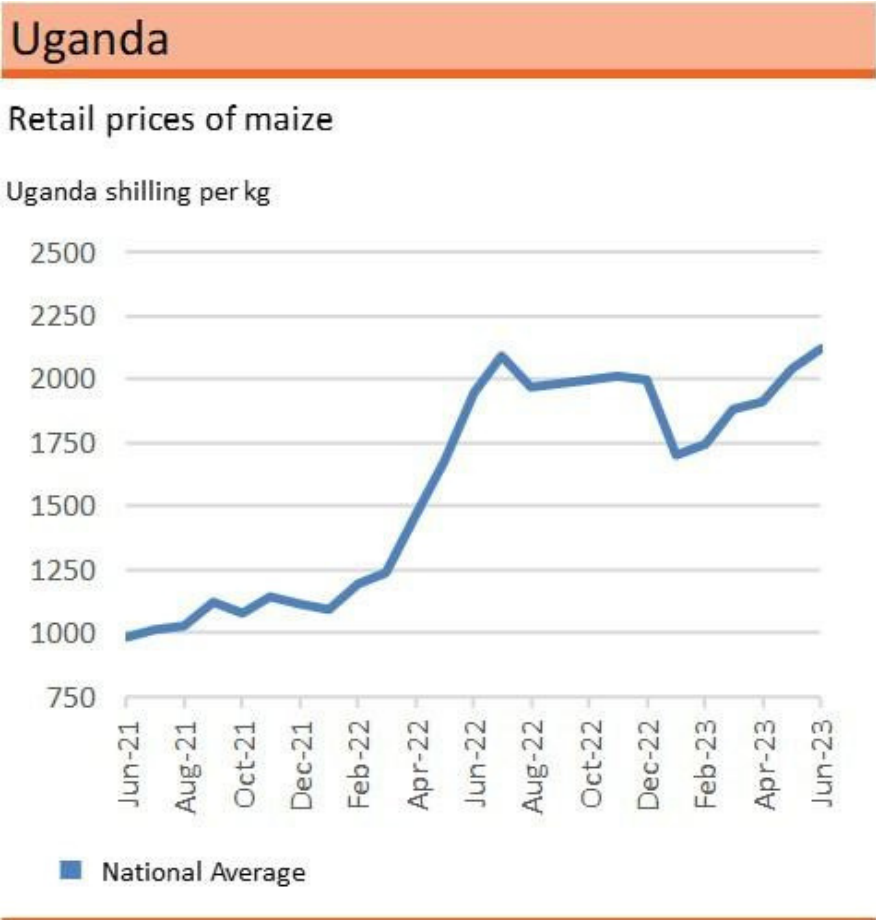
The Karamoja region is experiencing a worsening food insecurity situation, as indicated by the latest analysis from the Integrated Food Security Phase Classification (IPC). Approximately 582,000 individuals are projected to face severe acute food insecurity between April and August 2023. This includes 480,000 people classified in IPC Phase 3 (Crisis) and 102,000 people in IPC Phase 4 (Emergency), accounting for 45 percent of the analyzed population—a stark increase from the 25 percent recorded between June and August of the previous year.

This deterioration in food security over the past year can be attributed primarily to ongoing insecurity, leading to loss of livelihoods, and consecutive poor local harvests. The situation has been exacerbated by below-average cereal production in neighboring bimodal rainfall areas that usually produce surpluses. This shortfall in cereal availability has further strained the region's ability to address its structural food deficit.

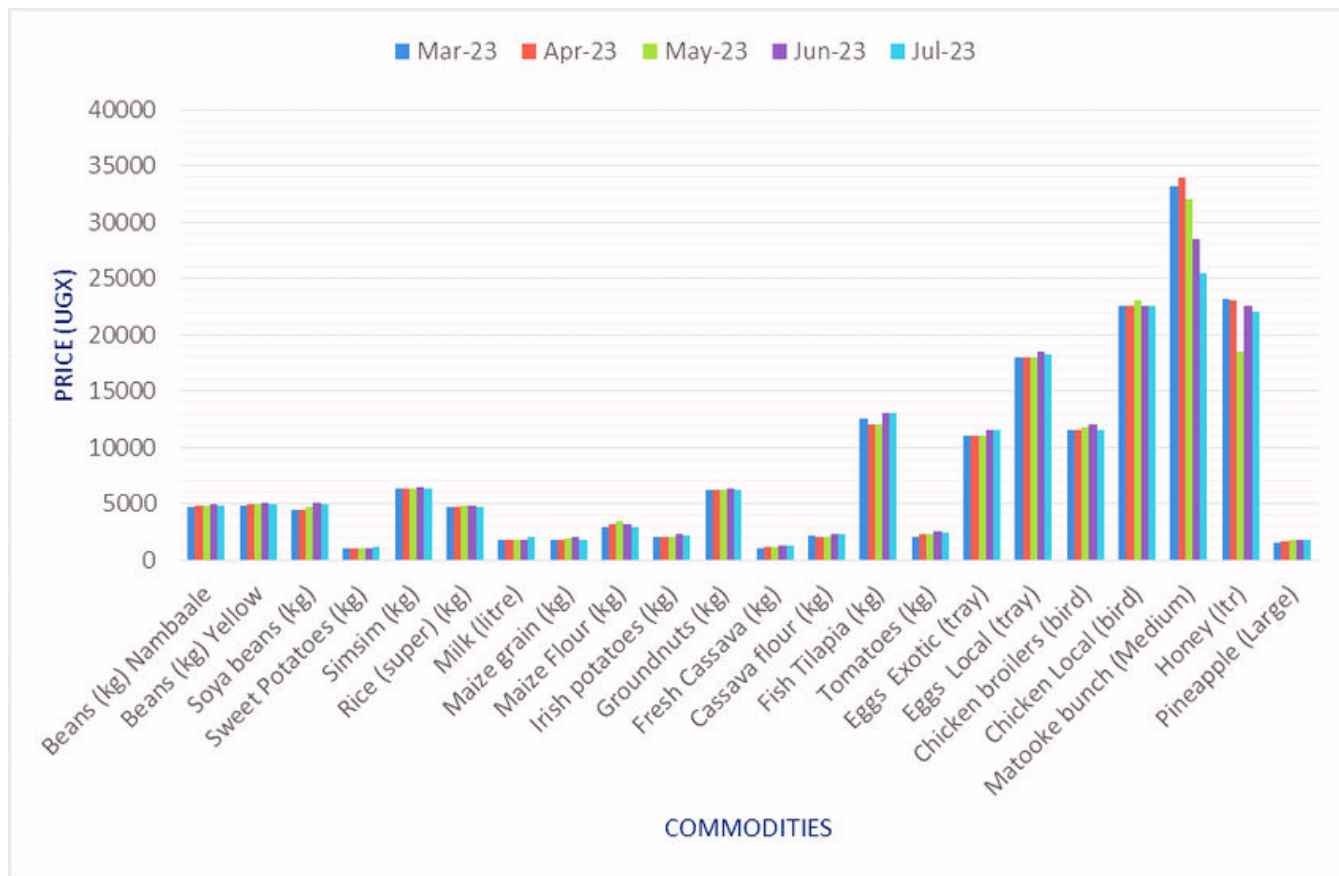
By the end of June 2023, the country has been hosting over 1.5 million refugees and asylum seekers, notably including 883,000 individuals from South Sudan and 495,000 from the Democratic Republic of the Congo. Many of these refugees lack sufficient access to income-generating opportunities and depend heavily on humanitarian aid for sustenance.

Price of maize at record levels

Maize has become a staple food in all regions of the country, serving both human and livestock consumption needs. In 2023, there has been a remarkable upsurge in the national average price of maize. From January to May, prices experienced a substantial 20 percent rise, driven by seasonal fluctuations and the rapid depletion of stocks due to reduced production resulting from the 2022 drought. Notably, by May, maize prices hit record highs, exceeding the already elevated values of the previous year by around 10 percent. Concerns arising from the performance of the 2023 first season harvest and sustained strong export demand have further exacerbated the upward pressure on prices during this period.



Bar graph showing comparison of national monthly average retail market price performances of selected commodities from March to July, 2023



Source: ACSA Market information 2023

The impact seasonal performance on the food security

In western, southern, and parts of central bimodal Uganda, rural households are benefiting from seasonal increases in food access and income due to the first-season harvest in June, leading to Minimal (IPC Phase 1) outcomes. However, in the eastern and northern bimodal areas, where the first season's March to May rainfall was below average and erratic, most rural households are experiencing delayed harvesting and unusually low food availability for June. This is compounded by reduced income from crop sales and higher-than-normal food prices, causing constraints on market-purchased food. Many of these regions have faced consecutive seasons of below-average crop production, resulting in diminished coping capacity. Consequently, Stressed (IPC Phase 2) outcomes are likely to persist until around November.

In Karamoja, households are enduring an extended and challenging lean season following a delayed and significantly below-average harvest in late 2022. Access to food is restricted due to elevated staple food prices and depleted coping resources, including exceptionally low livestock holdings. As a result, most areas are expected

to continue experiencing Stressed (IPC Phase 2) and Crisis (IPC Phase 3) outcomes throughout the projection period, with the most vulnerable households potentially reaching Emergency (IPC Phase 4). From September to November, the main harvest is anticipated to temporarily improve food and income availability, leading to a reduction in the population facing Crisis (IPC Phase 3) or worse outcomes, albeit only for a limited period.

The reliance on maize as a pivotal staple extends across all regions of the country, serving as a vital food source for both human sustenance and livestock nourishment. Yet, the current concerning trend of below-average production over consecutive seasons is resulting in widespread food shortages and rapid food inflation shortly after each harvest in various regions. These challenges bring to light a pronounced vulnerability, particularly in areas marked by unimodal rainfall patterns, where the more crop failures could precipitate severe famine. The unpredictable and adverse climate, exemplified by the unexpected torrential rains of June 2023 in the Elgon region, causing landslides after an extended period of dry season, further complicates the landscape. Adding to the complexity, the prevalence of pests and diseases complicates matters, with managing their impact proving difficult due to the heavy dependence on a limited set of crops for both human and animal consumption. In the face of these multifaceted challenges, building resilience within communities becomes imperative, aiming to adapt to changing conditions and establish sustainable food systems.



Conclusion and Recommendations

For smallholder farmers, the evolving weather patterns and pest dynamics present both challenges and opportunities. In response, a holistic and proactive approach can empower them to build resilience and thrive in the face of uncertainty. Integrating these strategies empowers smallholder farmers to build resilience against evolving weather patterns and pests, contributing to sustainable livelihoods and food security. Here's a comprehensive set of strategies that farmers can adopt:

1. **Diversification:** Encourage farmers to cultivate a variety of crops and incorporate livestock rearing to mitigate risks associated with crop failures and market fluctuations.
2. **Climate-Resilient Practices:** Provide training in climate-resilient agricultural practices, such as conservation agriculture, agroforestry, and water-efficient irrigation methods, to adapt to changing weather patterns and optimize resource use.
3. **Crop Rotation and Intercropping:** Educate farmers about the benefits of crop rotation and intercropping to enhance soil fertility, reduce pest and disease pressures, and improve overall crop yields.
4. **Post-Harvest Management:** Emphasize proper post-harvest handling and storage techniques to minimize losses, ensuring quality and marketability of produce.
5. **Value Addition:** Train farmers in value addition techniques such as processing and packaging to increase product value and access higher-value markets.
6. **Access to Finance and Market Linkages:** Facilitate access to financial services and credit, enabling investment in improved practices and technologies. Establish market linkages to connect farmers with buyers and cooperatives.
7. **Digital Solutions:** Introduce digital tools for weather forecasts, market prices, and best practices, helping farmers make informed decisions and adapt to changing conditions.
8. **Gender Equity and Community Engagement:** Ensure gender-inclusive programs, promoting women's participation and addressing gender-specific challenges. Foster community through knowledge-sharing sessions and peer learning.
9. **Government Collaboration and Monitoring:** Collaborate with government agencies to align programs with national agricultural policies. Implement robust monitoring and evaluation mechanisms to assess impact and identify improvements.
10. **Capacity Building:** Continuously train farmer-support officers to stay updated on agricultural innovations, trends, and best practices.
11. **Irrigation Systems:** Encourage adoption of suitable irrigation systems to manage water availability and reduce dependence on unpredictable rainfall.

11. **Alternative Livestock Feeds:** Develop and adopt alternative sources of feeds like Black Soldier Fly Larvae (BSFL) to reduce competition between livestock and human food sources.

12. **Locally Adapted Varieties:** Promote adoption of locally adapted crop varieties informed by research, enhancing suitability to changing climates and pest pressures.

In light of these challenges and opportunities, it is imperative to recognize the significance of farmer-support programs in empowering smallholder farmers and bridging knowledge gaps. These programs play a transformative role in enabling farmers to navigate the complexities of modern agriculture. The ACSA network has emerged as a hub for such initiatives, offering crucial training and on-farm extension support to communities across the country.

Several organizations within this network have taken a lead in driving this positive change:

- i. Kulika Uganda has not only established a training center of excellence but has also ensured its presence in all regions of the country. This widespread reach is a testament to the impact of dedicated training initiatives.
- ii. The Agency For Integrated Rural Development (AFIRD) has strategically positioned its training center in Namayumba, Wakiso, catering to farmers in the Wakiso and Mpigi districts, contributing to localized empowerment.
- iii. Uganda Youths at Risk Development Network (UYDNET)/KSAM farm has harnessed its training farm in Najjembe Buikwe to mentor and guide farmers across the nation, fostering a culture of learning and growth.
- iv. The Mityana District Modern Farmers Association (MDMFO) has extended its impact through a training and demonstration farm in Lubanja, Mityana. This initiative reaches farmers in Mityana, Mpigi, Kasanda, Mubende, and Kiboga, promoting knowledge sharing and best practices.
- v. Homeland Organics and Agro-tourism Center Limited, operating a practical training farm at Kibalinga Mubende, is addressing the unique needs of farmers in Mubende, Kyegegwa, and Kasanda districts.
- vi. The RUCID Organic Agriculture Training College in Rubanja, Mityana district, stands out for its comprehensive approach, training farmers in production and value addition, including post-harvest handling. This holistic training equips farmers not only with cultivation skills but also with strategies to maximize the value of their produce.

These organizations are at the forefront of developing innovative farmer extension support services. Through the guidance and mentorship of farmer-support officers, they enable farmers to navigate production challenges effectively, particularly in the face of dynamic weather patterns. The impact of these initiatives is reflected in the empowered smallholder farmers who can sustain profitable farms despite evolving climate conditions.

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