**The Grain Council of Uganda-TGCU**
Plot 103 Bukoto Street-Kamwokya
P.O. Box 31448 | Tel: +256-393-517499 |
Email: info@tgcu.org | Web: www.tgcu.org

**JUNE 2017**

**Welcome Note:**

On behalf of The Grain Council of Uganda, we welcome all readers to the June 2017 Edition of “The Grain News”!

This edition brings you highlights on activities and events in the grains subsector. During the month, you may have missed some useful information that could guide you in making informed decisions for your grain enterprises.

Thank you once again to all who have provided feedback to the newsletters and also to those who have provided articles. We encourage you to keep sharing information and stories from your different areas of operation for the next issue.

Happy reading.

**Editor**

**Highlights in this edition:**

*Fertilizer policy launched to boost agriculture productivity*

**Announcements:**

1. **25th Source of the Nile Agricultural and Trade Show**, Jinja Show Grounds, 17th - 23rd July 2017  
   +256-782/750-767952
   www.ussia.or.ug
3. **The Agribusiness Congress east Africa: Kampala**, 29 November-1 December 2017  
   29-30 Nov: Congress; 1 Dec: Exhibitions/Demonstrations  
   www.agri-eastafrica.com
4. **TGCU Member Annual subscription for 2017**: We remind you to renew your member subscription for 2017 accordingly

**ZIMBABWE BANS CORN IMPORTS AFTER BUMPER CROP**

Zimbabwe has banned the import of corn after enjoying a bumper crop that authorities hope will be enough to feed the nation and stimulate home-grown production.

Once the "breadbasket" of Africa for its fertile land and modern farming practices, a programme of seizing farms from white owners which began in 2000 seriously damaged productivity, causing the country to become heavily dependent on food imports. For four months now, import permits are not issued.

It was reported that Zimbabwe expected to produce 2 Million MT of corn in 2017; - enough to meet domestic demand. The country has set aside $200 million (180 million euros) from the Treasury and private coffers to purchase the crop from farmers at the increased price of $390/MT in a bid to encourage domestic production. However, there are fears that corn from Zimbabwe's neighbours sold closer to the market rate (around $160/MT) could be smuggled in illicitly by criminals to cash-in on the agricultural stimulus.

Last year the country declared a state of disaster after a regional drought caused by the El Nino weather phenomenon ravaged crops, left tens of thousands of cattle dead and reservoirs dry.
Ms. Beatrice Byarugaba, director agriculture extension services in the Ministry of Agriculture, Animal Industry and Fisheries represented the honorable minister to launch the National Fertilizer Policy.

The agriculture sector which employs over 70% of the Ugandan population has been facing a decline in productivity over the last five years. In 2015/16, agriculture recorded a growth rate of 3.2% compared to 4% for industry and 6.5% in the services sector. One of the reasons identified for this decline is the low use rate or absent use of inorganic fertilizers. The poor performance in agriculture has ripple effects in the economy which is felt through constrained wealth creation and low domestic private consumption of goods and services.

**Soil fertility and use of fertilizer**
- It was reported that Uganda’s annual soil nutrient depletion rate stands at an average of 87 kgs of nutrients (NPK) per hectare per year. These nutrients are nitrogen (N), phosphorus (P) and potassium (K) or NPK for short. This can be broken down into a loss of 38 kgs of N; 17 kgs of P and 32 kgs of K.
- the application rate of about 2 kg of nutrients per hectare per year in Uganda is too low. An average of 200 kg per hectare of inorganic fertilizer needs to be applied annually to replenish the soil nutrients and boost agricultural productivity.
- On-farm crop yields are reported to be three time less than the attainable potential yields. She noted that the implications of the unacceptably low levels of soil nutrients and fertilizer use pose challenges for the attainment of Sustainable Development Goals 1 & 2 of ending extreme poverty and attainment of zero hunger by 2030.
- Uganda cannot attain its target of exporting 20 million bags of coffee per year by 2020 from the current 3.5 m bags per year if the challenge of low soil fertility is not addressed.

Launching the policy, Ms. Byarugaba pointed out the following:
- the mission of the policy is to have a fertilizer industry that provides affordable and accessible fertilizers to the farmers for increased and sustainable agricultural productivity and farm income.

The policy was developed by the ministry of agriculture, animal industry and fisheries, in close collaboration with the Economic Policy Research Center, the Alliance for a Green Revolution in Africa, academic, media, civil society and Parliament. The policy was approved by Cabinet in May 2016.

**COMESA gets new seed trade regulations**

National Seed Review teams from seven states (Kenya, Uganda, Rwanda, Burundi, Zimbabwe, Zambia and Malawi) participated in the launch of national seed laws that have been aligned to the Common Market for Eastern and Southern Africa (COMESA) Seed Policies. The teams met to discuss strategies to improve the movement of seeds across the region. The launch was held in Nairobi by COMESA in partnership with the FoodTrade East & Southern Africa (ESA) programme.

The aim of harmonizing country seed laws and regulations under the COMESA Seed Harmonization Implementation Programme (COMSHIP) is to bring about consistent domestication, application, monitoring and improvement in seed certification, quarantine and phytosanitary measures and in the evaluation and release of seed varieties among COMESA member countries. It will give smallholder farmers in the region better access to quality inputs and related technologies.
VECO East Africa is a regional program of Vredesilanden, a Belgian international non-governmental organization. During the month, VECO East Africa embarked on a program to facilitate the training of farmer group leaders in store management. The first batch of the trainees was selected from 6 different farmer groups and Area Cooperative Enterprises from Busoga and Bugisu sub-regions. These are groups that VECO East Africa is supporting to build their businesses and enable them to trade in a more competitive manner. A four-day workshop was conducted in Iganga after which participants were taken on a tour of a TGCU member’s warehouse - Agroways Ltd in Jinja. The purpose of the visit was to expose participants to proper processes of handling grain from receipt to dispatch. They were also taken through the requirements of grain at the warehouse and provided with an option of selling to Agroways as one of the quality markets.

News from the National Executive committee (NEC) of the Uganda National Farmers Federation (UNFFE) is that preparations for the 25th Source of the Nile Agricultural and Trade Show are already in progress. This year’s Show will witness celebrations of the Silver Jubilee, having commenced in 1993.

This year’s Show is scheduled to take place from 17 July - 23 July 2017. The Show is always designed as a Centre for exposing the latest innovations and technologies in the agricultural and trade sectors as well as establishing business linkages.

The Theme for this year is: “Managing Challenges of Climate Change for Sustainable Agriculture”

Event date:
Monday, 17 July 2017 - 9:30am to Sunday, 23 July 2017 - 5:30pm

Venue:
Jinja Show Grounds

Contact persons:
1. Augustine Mwendya +256-772 616 926-
Chief Executive Secretary UNFFE
info@unffe.org
2. Hon. Victoria Sekitoleko +256-753 545182-
Chairperson Organizing Committee
3. Otebba Orisai Paul +256-782/750-767952 -
Show Manager
During the second Uganda Investments Authority (UIA) consultative conference, the Executive Director revealed that UIA has promised to reserve 10 acres (20%) of land in all government industrial parks to accommodate Small and Medium Enterprises (SMEs) that are involved in value addition activities. The Authority is committed to promote local investment by introducing new and good policies for local investments so that foreign direct investment acts just as a supplement towards Uganda's national development. Local investors are expected to take lead in the country's industrialization process and small investors would be helped to grow into large investors who qualify to get bigger chunks of land in industrial parks. Therefore 10 acres of land has been reserved for those individuals who are involved in value addition.

Government plans to develop 22 industrial parks across the country and this will lead to equal distribution of industries which will give every Ugandan a chance to engage in production. UIA will allocate free working space to small scale business people involved in value addition and every one with capacity is urged to apply to UIA for working space in any industrial park. Small investors are urged to organize themselves into groups so that they can easily benefit from UIA's trainings that would help them grow their businesses.

The Minister of Trade Industry and Cooperatives, Hon. Amelia Kyambadde, is disappointed that government agencies have not established themselves at the Mirama Hills One stop border post. Government agencies currently at the border post include immigration and Uganda Revenue Authority customs. Those missing include Uganda National Bureau Standards (UNBS), National Drug Authority (NDA) and Ministry of finance among others. She made the observation while inspecting a new road and the one border stop. Goods that go through this border at the moment are mainly agricultural products which the minister said should be checked before crossing either side by the agencies.

Since UNBS is directly under her docket, the minister said she would engage them first before engaging other ministries. She observed that trade volumes through the border have increased from five trucks in November last year to 35 trucks being cleared today.

This has been made possible with the completion of the Ntungamo-Mirama hills road which was constructed by government through the Ministry of works with funding from DFID through Trademark East Africa (TMEA’s) trade facilitation Program.

The Zambian Finance Minister, Felix Mutati assured the private sector that government would ensure there are no more export bans. Mr Mutati said that government would also remove the ten percent tax on maize exports following an outcry from the concerned stakeholders. The government would see to it that it facilitates simplification of documents at border entry points to allow smooth trade within the African region. The Zambian government would also engage East African countries to smoothen the trading agreements so that there is more regional trade.

The Finance Minister said this in Lusaka at the Regional Grain Trade Facilitation Forum organized by the Eastern Africa Grain Council (EAGC) and the Zambia Commodity Exchange (ZAMACE).
During June, there was not much activity on the chat group as most traders had not started buying grain as most of it was newly harvested and the moisture content was still high. It was mainly millers who made small purchases to run their mills. However, in some areas in Eastern Uganda, it was reported that while some foreign traders bought wet grain (maize) and hired places to sun-dry it before packing it, others ferried it to their countries immediately. Traders on the platform also deal in other commodities like sorghum, beans, etc. Most of the traders who make big purchases plan to start buying grain in mid-July when the moisture content has dropped.

Below is the little information that was shared on the platform.

<table>
<thead>
<tr>
<th>Average maize prices recorded on the platform- June’ 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week in June</td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td>5th - 10th June</td>
</tr>
<tr>
<td>12th – 17th June</td>
</tr>
<tr>
<td>19th – 24th June</td>
</tr>
<tr>
<td>26th – 30th June</td>
</tr>
</tbody>
</table>

MODERN MILLING PLANTS (SEIKO) FROM CHINA

PLEASE CONTACT: Francis on +256 772 430485

Source of processing equipment: (Cleaning, drying and storage - silos, etc.)

1. Petkus – Germany 2. CIMBRIA - Denmark
5. PEERUM – Poland

Agro-inputs- Seed, fertilizers, etc.
Pearl Seeds, FICA Seeds, Equator Seeds, Grow More Seeds, Balton (U), NASECO, etc.

Grain packaging
1. ASKAR General Merchandise Ltd- hermetic Grainpro Products (bags, cocoons, etc.)
2. Vestergaard- ZeroFly Storage Bag (with insecticide)

Are you in need of irrigation services?
We have a specialist and supplier on board.

QMS Training (for ISO certification) - Aurora Quality Consultants

Most of these supply companies are members of TGCU and have offered special, concessional packages for fellow members.

Contacts can be availed on request.

Quality Tractor tyres: contact Theo on: +256752132271
Maize

Harvesting of several crops for season 2017 started in all regions but the quality was affected by some rainfall received in a number of locations. The month started off with limited supplies on the market as the harvest was ongoing. The moisture content of new maize was between 18 and 20 percent. Many big traders targeted a later time in July when they would buy maize. The average price of old maize was between Ugx 12000 and Ugx 17000 per kg. A lot of maize flowed into the market even bringing the price to Ugx 600/Kg in some places. An estimate of 40-50 truckloads of maize was registered daily. Supplies were mainly from Kampala, Jinja, Masindi, Kiboga, Kyankwanzi, and Gulu but also from Lira.

A big number of traders from the East African region purchased maize at different locations in the country. In Kamwenge, Rwandese traders loaded unsorted new maize grain destined for Kigali. About 5 or 6 trailer trucks left Kamwenge loaded with maize on a daily basis. Maize was bought at Ugx.1100-1000/kg depending on quality. Unusual maize supply was received from the central region, such as Wakiso, Gomba and Masaka. Towards end of June, maize was at Ugx.1150/kg while the old-stocked maize was at Ugx.1350-1400/kg. Towards the end of month, prices had dropped to Ugx 800 in some places.

Beans

The opening week alone registered 1500Mt of assorted beans on a daily basis at Busia. Yellow beans were preferred at Ksh.63/kg (Ugx.2160), Nambale at Ksh56/kg (Ugx.1920), Mixed beans at Ksh.46/kg (Ugx.1577) and Red beans at Ksh.54/kg (Ugx.1852). In Kampala the beans price continued to decline during the opening of June. Mixed beans were offered cheaper at Ugx.1600/kg. Nambale beans cost Ugx.1850-1900/kg wholesale price. Yellow beans were offered at Ugx.2200-2300/kg wholesale price in Owino/Kisenyi markets.

Others:

In Masindi, groundnuts, rice were also harvested. Millet continued to flow from Ethiopia via Busia and the price reduced to Ugx.2300-2400/kg. Newly harvested millet cost Ugx.2500-2600/kg.

Betta Grains trades in unbranded cereals and milled flour products targeting smallholder women and youth resellers and Nairobi’s urban families. Their product range includes beans, maize, rice, and various milled flours.

Betta Grains supplies cereals to a whole range of wholesale customers ranging from micro or small enterprises owned by women and youth, who procure cereals for resell at a markup, to schools, hospitals, churches, restaurants, and food vendors.

The group has partnered with a number of organizations in the East African region to analyze and disseminate information on prices for different commodities in the East African Region. They also summarize volumes of exports and imports on a weekly basis.

According to the table below, Betta Grains have analyzed volumes of maize, beans, rice, wheat, sorghum, millet, soybean and groundnuts exported in the region. Uganda emerges as the leading net exporter and Kenya is importer. Occasionally, Tanzania exported commodities to DRC and this was probably maize being exported from the Southern Africa countries. Kenya continues to experience huge maize shortages, as the Kenyan government expands its purchase to Zambia, and other Southern Africa countries.

### East Africa Regional Grain Trade Analysis for June 2017

<table>
<thead>
<tr>
<th>Country</th>
<th>Exports</th>
<th>Imports</th>
<th>Net Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uganda</td>
<td>70,952</td>
<td>6,648</td>
<td>64,304</td>
</tr>
<tr>
<td>Tanzania</td>
<td>5,249</td>
<td>270</td>
<td>4,979</td>
</tr>
<tr>
<td>Rwanda</td>
<td>2,656</td>
<td>7,892</td>
<td>(5,236)</td>
</tr>
<tr>
<td>Kenya</td>
<td>2,314</td>
<td>68,626</td>
<td>(66,312)</td>
</tr>
<tr>
<td>TOTALS</td>
<td>81,171</td>
<td>83,436</td>
<td>(2,265)</td>
</tr>
</tbody>
</table>

*Source: Betta Grains*