



CSBAG BUDGET NEWS BRIEF



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Advocating for a People Centered Budget that Dignifies Humanity



Financing Uganda's Agricultural extension in FY2016/17 and beyond

Agriculture is critical to economic growth bearing in mind that Uganda still struggles with a low Tax to GDP ratio which stands at only 12.9%. The low ration can be attributed to the subsistence sector that contributes little if any to the tax base. The contribution of agriculture to revenue was below 3% in the previous year and as such there is need to improve agriculture and make it a major contribution to the tax base. In addition, improvements in the agriculture sector have potential to increase the level and value of exports implying improvement in the terms of trade. This is clearly not possible without the effective role of extension services.

The role of agricultural extension services is invaluable in enabling farmers improve their production and productivity. Extension plays a critical role in translating new knowledge into innovative farming practices, Improved farming technologies such as high yield crop varieties, chemical fertilisers, and irrigation techniques have been critical to raising yields; however farmers in Uganda have been much slower in adopting these new methods due to a lack of information regarding how to apply them.

CSBAG and its members under the Agriculture Thematic Working Group and Agriculture Private Sector Associations are happy that the Agriculture budget for the financial year 2016/17 had a 67% increment in its allocations. Overall agriculture budget for FY 2016/17 is 854.46bn as compared to FY 2015/16 where agriculture received Ushs 510.49bn. Furthermore it is impressive to note that the FY 2016/17 allocation is in line with the NDP II projection for this financial year. However, although this is in line with NDP II recommendation, the funding available visavie the funding required to revamp this sector is a key issue for debate.

Even with a 67% percentage allocation increment, the sector that is targeted to drive the economy into a middle income country is still poorly facilitated. Low allocation to the agricultural sector implies low funding to the Directorate of Extension Services, which was formed after reforms in the national agricultural extension system were introduced by Government in 2014. A deeper look at the funding to extension reveals that Ushs 24.889bn was allocated to the Agriculture extension vote. The greater percentage of this funding is for recruitment of agricultural extension workers and wages.

While Government is committed to continue the implementation of the single spine extension system and has prioritised this in FY 2016/17, funding to date has been inadequate. In the FY 2015/16 Government undertook the establishment of the Directorate of Agricultural Extension Services at MAAIF Headquarters, recruitment of extension workers at the Local Government. The FY 2016/17 allocation is far below the wage requirement to operationalize the Single spine Extension system in the near future.



Farmers listen attentively to an expert on banana growing. Extension plays a critical role in translating new knowledge into innovative farming practices Photo ©I Redpepper

The current supply of extension workers is equivalent to 1 worker per 2,200 farms against the lobal benchmark of 1 worker per 500 farms. Much is therefore needed to fast track extension hiring. According to the Ministerial Policy Statement for the Ministry of Agriculture, Animal and Industrial Fisheries for the Financial Year 2016/17, while the required staff to implement the single spine extension system is 3,236, only 389 were recruited with a wage bill of 5.08bn implying a staffing gap of 2,847 that would require an allocation of Ushs 37.222bns.¹

Although the Ministry plans to recruit extension staff in the next 3 years to cover all sub counties which plan if implemented will help farmers plan. The current number of extension staff limits adequate and effective application of research and new knowledge by farmers. To date MAAIF has a 5 year **National Agricultural Extension Strategy (NAES)** whose 5-year budget for Ushs 758 factoring in a gradual recruitment of extension staff so as to be in line with the NDPII allocation to the sector.

Benefits of improved extension :

The most direct impact of improved extension delivery will be significantly higher yields across all 12 priority commodities and which studies show can be at least 60%. This increase in productivity translates into increased agricultural production of over Ushs 9 trillion. This means additional production per farming household of Ushs1.9 million per year and increased farm family annual income of 500,000 USH.

An increase in higher value agricultural exports, an improvement in the balance of trade and a stronger Shilling - with threats to crops like Cassava Mosaic, Banana and coffee wilt (now threatening two critical crops for both domestic consumption and export) and striga weed in maize – the need for extension service is greater than ever. Once farmers (who for the large part have remain resilient and used local means to keep afloat) are further supported

there is potentiality for better harvests, lower pressure on government to provide food and higher exports (including fish). These are critical for Uganda's trade competitiveness and leveling of the current negative terms of trade.

Higher **local manufacturing**, given that 40% of total local manufacturing is of agricultural produce.

Welfare benefits, with increased productivity translate into increased household income. Families are more likely to enjoy benefits including affording access to quality health care, access to quality education as many families are in position to pay for these servuces. Most importantly it would improve balance between food security and income as well contribute to closing the gender gap within the sector

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Expanded farmer knowledge will help transform the thinking from farming for livelihood to farming for commercialization and prosperity. And the farmers who will be trained will acquire knowledge they can use for generations. This is good news for the 71% of the farm population that is under the age of 30 and the 52% which are children.

The economic value of these additional benefits we estimate to be a least equal to the increase in yield. Taken together, we estimate that at least half of the current 6 million rural citizens of Uganda will be out of poverty, representing the single greatest impact on poverty reduction in the country's history.

Why it's important to accelerate support for extension

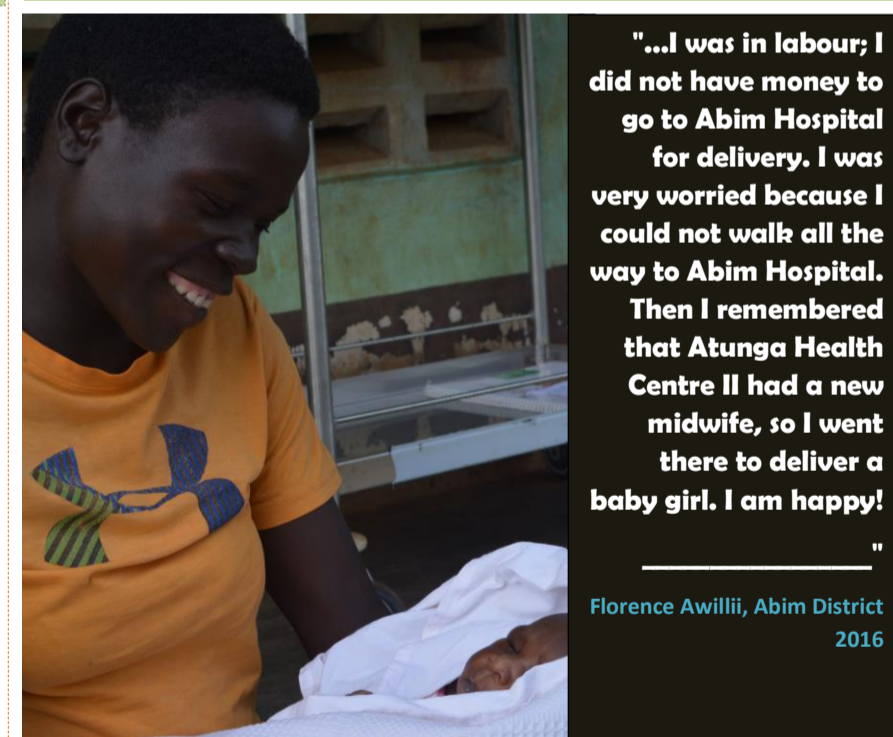
Over 25 African countries have listed extension as one of the top agricultural priorities for poverty reduction. In Uganda, numerous agricultural sector organisations have ranked adequate support for extension services as the top budget priority. Already there have been reports in the press of cattle deaths resulting from inappropriate use of tick dip solution. The situation will only get worse, to the sector's great detriment, if an adequate budget allocation for extension is not assured. Changes to extension will amount to nothing if there is not an adequate budget for staff or staff facilitation.

In conclusion, whereas MAAIF has carefully developed a plan for the gradual hiring of extension staff over the coming 5 years, there is need to fast track this to boost the agriculture yields which are too low. The required funding needs to be availed in the coming years, to boost in wage and non-wage support to extension support at the local level.

OUR WORK IN PICTURES



CSBAG is one of the Leveraging Excellence in Agriculture Development (LEAD) Program team which was launched in June 2016. The LEAD program is designed to spark explosive growth in the agriculture sector. The team is comprised of Government, Development partners, farmers, private sector, and civil society actors.



"...I was in labour; I did not have money to go to Abim Hospital for delivery. I was very worried because I could not walk all the way to Abim Hospital. Then I remembered that Atunga Health Centre II had a new midwife, so I went there to deliver a baby girl. I am happy!"

Florence Awillii, Abim District 2016

Florence is smiling after she delivered from Atunga Health Centre II. Before community monitors intervened, majority of expecting mothers would deliver from home assisted by Traditional birth attendants which posed high risks. The Community monitors trained by CSBAG lobbied for a midwife and Abim District heeded to their cry.

Within 6 months of posting the midwife, Atunga Health Centre II has recorded 39 deliveries as opposed to almost nonexistent deliveries when there was no midwife.