Upgrading Uganda’s rice markets: constraints and opportunities

Most of Uganda’s rice is produced by smallholder farmers with the purpose of marketing for family income. Based on the field survey conducted in Namutumba district (Eastern Uganda), while identifying the importance of various chain actors, this study uses value chain approach to analyze constraints and upgrading opportunities in the distribution channels.

Whereas rice farming is supported by several local, national and international organizations, farmers still encounter a number of quality related challenges: (i) low milling recovery due to many semi and unfilled grains as a result of striga weed which affects susceptible NERICA 4, the most widely grown cultivar by Ugandan smallholder farmers (ii) presence of foreign matter in paddy attributed to lack of drying facilities. The latter is also a major challenge faced by rural millers as it necessitates regular servicing. In addition, rural millers have limited financial credit for advancing to farmers for quality drying. Those who give out credit on individual basis are able to recover only a percentage of the total amount disbursed. Full credit recovery was achieved by millers who advanced tarpaulins to farmer groups. Power cost is extremely high accounting for 69% and 86% of total operation cost for electricity and diesel mills respectively. Efforts by rural town millers to form clusters for minimizing electricity cost have instead become more costly because of defaulting members. Quality plays a limited role in farm gate pricing since rural millers produce one rice grade and farmers do not separate different rice varieties during drying. Medium scale processors like Upland Rice Millers, however, are able to brand their rice according to varieties and grain features for example: (i) ‘Kayiso’ for lowland long and narrow grains (ii) ‘Upland’ for NERICA varieties and (iii) ‘Super’ for lowland short and thick aromatic grains. The prices for these brands are different with ‘Super’ being the most expensive. It also commands the highest demand on the market. Its supply is limited however, due to its long maturity and low adaptability to different agro ecologies. Frequent power rationing and inadequate paddy received during off season are some of the challenges common to all millers.

Switching from susceptible NERICA 4 cultivar to the newly released high yielding and striga resistant NERICA 10 will help in curbing the effects of striga. To improve rice quality, rice millers should offer credit in form of tarpaulins to farmer groups. Training farmers in postharvest handling more especially separating different varieties during drying is necessary for improved milling quality.