

YOUTH IN AGRIBUSINESS POLICY POSITION PAPER WRITTEN FOR AGRIPROFOCUS AUGUSTS 2017

THEME: Youth in Agribusiness for Economic Empowerment and Sustainable Development.

Youth in Agribusiness Campaign Slogan: “*Feeding the World, Changing Lives*”

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Preface

Due to their abundant energy, sizeable population, zeal to be champions, innovative minds, technology savviness and flexibility to create networks, the role of youth in driving Uganda’s socio-economic transformation through agribusiness can not be overstated. Albeit only 12 % of the youth want to become farmers yet agriculture is one of the leading sectors in Uganda accounting for 23% of the GDP, 30% of total exports and 65% of raw materials for local industries, (The Uganda Youth Survey Report 2017). This grim situation is largely attributed to a wrong mindset, limited specialized skill and knowledge in agribusiness, weak policies, limited agro-supportive infrastructure, unaffordable financing, and a generally deterring macroeconomic environment. Nonetheless, there are some noteworthy success stories of youth excelling in

This position paper is centered on the findings of a recent youth in Agribusiness caravan that was organized by the youth in Agribusiness innovation community of the AgriProFocus Network in Uganda generate evidence on the youth the employment opportunities in agribusiness and the need to affirm youth responsibility in Agribusiness through the Campaign ‘Feeding the World, Changing Lives’

Agriculture.

There is consensus in Uganda that youth need to be supported to effectively participate in the Agribusiness value chain to create more employment opportunities and equally contribute to Uganda’s socio-economic transformation; several efforts by government, non-governmental organisations, and development partners have been geared towards realizing this. Programmes like National Agricultural Advisory Services (NAADS), Youth Entrepreneurship Scheme (YES), Youth Venture Capital, Entandikwa, Prosperity for All, the Agricultural Credit Facility, Youth Livelihood Fund, Operation Wealth Creation, the establishment of centres of excellence and the promotion of agro-producer cooperatives, savings and credit cooperative organisations (SACCOs), community level groups and associations are all meant to place youth in a better position to take advantage of the opportunities in agribusiness.

Despite these efforts, the proportion of Uganda’s food secure population has declined from 83% in July 2016 to 69% in January 2017. An estimated 10.9 million people are experiencing acute food insecurity of which 1.6 million (5%) are in a crisis situation; found in Central-1 (0.58 million);

Karamoja (0.12million), Teso (0.2million), East Central (0.38million) and South Western (0.31million) regions. All regions in the country have a combined food security stressed population of 9.3 million (26%). (National Food Security Assessment Report 2017)

In addition, Ugandan youths shun the agricultural sector, one of the biggest employers in rural areas, preferring to work in service sector jobs like riding motorcycle taxis (boda-bodas), or as low-wage laborers in industries with a few lucky skilled ones competing neck and throat for the few jobs offered through the services sector like hotels, telecom, and banking. In spite of the opportunities in agribusiness youth unemployment stands at between 64% and 70%, and about 400,000 youths are released annually into the job market to compete for approximately 9,000 available jobs. About 30% of the youths who are institutionally qualified in Uganda are unable to find jobs, and the situation is even worse for semi-skilled and unskilled youths. Youths who remain unemployed, underemployed, some simply unemployable, and do not exploit their full potential, are often associated with high incidences of drug abuse and gambling. Unemployed youths migrate from rural to urban areas for work, which negatively impacts on agricultural productivity.

This position paper considers the following questions:

1. How are youth being organized to tap into the employment and wealth creation opportunities in the agribusiness sector?
2. Is Uganda's macroeconomic environment favorable for youth agripreneurs?
3. Are the regulations and policies of Uganda's agribusiness sector conducive for youth to venture in agribusiness?
4. How is science and technological advancement affecting youth agripreneurship?

Methodology

This policy position paper summarizes issues and observations arrived at during the youth in agribusiness caravan that took place between the 18th and 24th August 2017. The caravan visited farms involved in Piggery, Horticulture, Pulses, Coffee, Dairy, seed multiplication, value addition, processing and marketing in the districts of Masaka, Mbarara, Ntungamo, Bushenyi, Kasese, Kabarole, Mubende. The caravan started with an inspirational forum to prepare the mindsets of the youth so that they are ready to take advantage of the planned learning experience. The caravan was designed to expose youth to the opportunities in and threats to agribusiness. Throughout the caravan, the key thematic areas of learning were:

- a. Cooperative and Agribusiness
- b. Climate Smart Agribusiness
- c. Product Quality and Safety
- d. Agribusiness Promotion and Trade
- e. Inclusive Green Growth Development
- f. Responsiveness to Youth Led Agribusinesses (focus on incentives)

The farms visited by the caravan had the following qualities such as being youth led, presented a high employment potential, working within a cooperative framework, possessed policies and organizational systems among others. More information was obtained through document review.

1. Youth Organizing for Agribusiness

Right from primary school to lower secondary level there is a small theoretical component of agriculture and so many youths that have had a chance have interacted with this kind of learning; unfortunately, until an exam is set this scanty knowledge is rarely tested to grow skill. They eventually turn away from agriculture due to lack of skills or the idea of ‘higher aspirations’ largely supported by general societal expectations that education presents a tool to enable one’s movement away from agricultural pursuits into the much more highly regarded formal wage employment. The result is the predominance of a highly unskilled labour force in agriculture that works ineffectively. Yet the rural youth interact with agribusiness at a very young age, most of this is largely aligned to the subsistence needs of the family. This implies a mismatch between the demands of agribusiness and technical capacity. This is demonstrated to be a severe impediment to Ugandan agriculture as even in a regional comparison, the value added per worker in Uganda is far below that in other EAC member states

The era of district farm institutes had provided an opportunity for agricultural skilling for all levels but today most of these facilities are dysfunctional. In a bid to bridge development partners have organized workshops in hotels to train several young people on agribusiness with average results because that format of learning is theoretical. A few institutions have now embarked on skilling through caravans and other forms of learning visits like the one the Agriprofocus youth caravan have just concluded.

Government has equally invested in a few agro-industrial centres of excellence like the Uganda Industrial Research Institute, the Teso Tropical Fruit processing plant and the Presidential Initiative on Banana presidential demonstration farms scattered around the country, to promote research, create employment for the youth and enhance the production of high quality agro-products. A lot more can be done by for instance reactivating the district farm institutes and investing in similar centres based on a regions agricultural competitive advantage so as to have a balanced investment from government and ensure an equitable distribution of resources for youth development.

Government has also encouraged collective investing by tagging some of the youth loans like the youth livelihood fund to groups. Although this was well intended many cunning youths have only formed these groups to extort the money and disband later. The model that has been sustainable is where the loans have been received by youth who were already doing business through the cooperative model. Right from Netherlands to Uganda it is no longer contestable whether youth should join cooperatives. Nearly every successful agribusiness enterprise the caravan visited

turned out to either belong to a cooperative of some sort or are contracting farmer's collectives to supply produce for the success of their business. Cooperatives are also creating employment for many youths in the agribusiness value chain. This was the case at Kibinge Farmers Cooperative which is running a SACCO, a nursery supplying coffee seedlings to farmers, coffee processing, packaging and international marketing. It is also supporting members with agricultural extension services who have ventured into orchards, piggery, poultry etc. Kazire, herbal juice products in

Recommendation: Government should deliberately promote cooperatives by channeling all support to youth in cooperatives and at the same time should invest in strengthening the cooperative department in MTIC and cooperative extension services in local governments to be able support these cooperatives through leadership training, business developed support, and a strong marketing infrastructure in order for them to run competitive cooperatives enterprises. For this to work well, the legal and regulatory framework on cooperatives needs to be revised from its current state.

Mbarara is also working with farmers' groups and cooperatives. The Presidential Initiative for Banana Development is strictly working with Banana Farmers Cooperatives providing extension services and marketing. All farmer tenants at the Mubuku irrigation scheme in Kasese are members of a cooperative.

2. The Macroeconomic environment and youth in agripreneurship

While the world's youth population will grow significantly, employment and entrepreneurial opportunities for youth, especially those living in developing countries' economically stagnant rural areas, remain limited. By 2050, the global population is expected to increase to 9 billion, with young people (aged 15–24) accounting for about 14 per cent of this total. Uganda's population is equally young, with more than 50 per cent of the population under the age of 18 years and about 11.2 million young adults (10-24 years). Of these, over 80 per cent live in rural areas, with females constituting the largest share.

One would have expected that Uganda being the food basket of Eastern Africa, the Uganda government would prioritize direct investment in agriculture (National Development Plan II and the Vision 2040). Unfortunately, although agriculture is where more than three quarters of the population earns a living, in the 2017/18 budget the sector only received Shs 863bn, a 4.8 per cent increment from last year's allocation. With at least 7.2 million youths of working age and a total of six million of these (80 per cent) being unemployed, it would be expected that these youths would prioritize agriculture as a source of employment, but limited budgetary investment in the agriculture sector has instead made the youth perceive this sector as unattractive for employment. (Uganda's Annual Budget 2017/2018).

The potential that a large and growing young population presents an opportunity for markets for agripreneurs cannot be underestimated. The cohort of Ugandans between 12 and 30 years is the largest in the history of Uganda and is growing even bigger. To this end, there is a significant and

growing youth surge in the demographics of Uganda. Uganda's population structure, clearly demonstrates the demographic pressures the country is facing today with such a large youth population and an even much larger child population moving to enlarge the youth population in the future. This clearly demonstrates the potential agribusiness will provide the youth (ACODE,

Recommendation: To attract more youth in agribusiness, the Government of Uganda and development partners should invest in deliberate youth focused strategies to attract youth in the entire agribusiness value chain such as production, processing, transport, marketing and innovations. These must include the reconstruction, redevelopment modernizing of national agro-marketing stores, reactivating monthly agro-produce marketing auctions and ICT innovations for access to affordable finance and competitive market. Beyond the warehouse receipting system that is largely benefit individual middlemen. The department of cooperatives of the Ministry of Trade Industry and Cooperatives (MTIC) should invest in revamping parish level cooperatives storage and regional grain silos, cold storage for perishables, and affordable produce dryers technology, so that post harvest losses is mitigated, competitive quality of produce enhanced for international markets, and prices realized. To achieve this a deliberate collaboration and coordination between local governments and relevant Ministries Departments and Agencies (MDAs) of government is an imperative. Another option could be in using a private-public partnership between large cooperative unions and the government of Uganda.

Recommendation: Investments must also be channeled to soil testing, improving breeding and extension services to ensure that youth knowledge and skills improve for more productivity. Government continues to use military officers under the Operation Wealth Creation (OWC) many of whom though well intentioned are very limited in technical knowledge, professional orientation in agribusiness and the art of patience negotiations required in extension services if agricultural venture to prosper. This means that agribusiness extension services can only be best harnessed through coordinated efforts between the relevant government MDAs that takes advantage of each government institution in contributing to a complementary role for delivering a successful agribusiness model that can attract our majority youth population. The current disconnect and the tendency of negative rivalries in which each government institution working

2017) but which remains unutilized. The interest rates and the collateral requirements on financing for agriculture are equally a deterrence to youth. Many youths today do not have physical assets of their own. Even the soft loans whose requirements have been relaxed are marred by corruption and partisan political tensions a case of the youth livelihood fund that has registered major failures.

3. Regulatory and policy environment for youth in agribusiness

The 1995 constitution clearly stipulates the universal right to own land, although this is ideal, the cultural and religious practices still limit ownership of land a major factor of production. Female youth in the rural areas who may be involved in agribusiness are frustrated that the fruits of their labour largely goes to their male counterparts. This renders them as unpaid labour and this situation

of Land ownership still constrain youth participation in primary production especially female youth. Development partners and government can continue to engender agribusiness through ensuring that land rights are observed.

The government of Uganda has put in place most of the trade policies in support of agribusiness. However, many young agripreneurs are ignorant of these policies, even those that know are struggling with the trade requirements. One of the areas that youth would like support in is product certification and licensing so that they are able to access markets. Due to the bureaucratic tendencies and the sluggishness of some of the government agencies some of the youth agripreneurs have gone through painstaking waiting procedures that have discouraged them from going through certification. So government should partner with the youth to make these processes smooth (Youth in Agribusiness 2017 caravan Field Report). One particular sector that was raised during the inspirational forum is the beef sector which employs a lot of young people from the herds boys, cattle transporters to the local markets, cattle traders, transporters, market vendors, slaughter houses, butchers, cleaners, restaurants, housemaids who cook in the homes of the big people in government etc. This sector is feeling let down by the bureaucracy in urban authorities such as KCCA who have simply made it impossible to get approvals and licensing for new facilities that would improve their quality and quantity for the growing markets.

A similar area of frustration for today's youth agripreneurs is persistent fake inputs like, seeds, stocks, medicines, equipment, pesticides etc that have affected their safety and quality if productivity. The market is flooded with un tested seed as well as fake pesticides and veterinary medicines that have had a bearing on the marketing of the products. Most markets provided by fair

Recommendations: Responsible ministries departments and agencies need to urgently become more innovative, responsive, with timely and practical solutions necessary to assure youth of a bright future in agribusiness. Specifically, the relevant government institutions should deliberately budget for information dissemination in an innovative youth focused outreach strategy on all relevant policies through radio and TV programmes, news paper advertorials, social media debates and trainings to reach out to more young people in agribusiness. Such communications should deliberately transform youth mindset from viewing farming as peasant workmanship to agribusinesses.

Moreover, a deliberate enforcement of standards and regulations to protect youth agripreneurs from unscrupulous fake inputs dealers to rid the market of fake inputs is an urgent imperative to attracting youth in agribusiness. Equally, government institutions with the responsibility of issuing approvals of business plans and licenses must become facilitators of business and not the stumbling blocks to youth dreams and hopes. And where they fail or succeed in their responsibility, there must be evidence of reprimand and awards mechanisms respectively.

trade require quality organic products yet much of what is being produced by Uganda's youth agripreneurs does not meet the quality requirements.

4. Science, technological advance and agribusiness

From the GMO debate that the caravan held it became apparent the need for, more sensitization to create awareness about the benefits and dangers of GMOs for the citizens to make informed decisions. Generally, the caravan observed that most of the farmers that are in commercial agriculture for export are anti- genetically modified organisms as most of the market prefer organic products. Today's youth agripreneurs are confused by the *Bio Safety Bill* because no one has cared to explain what is embedded in the proposals. For this reason, many do not know the implications and which way to engage with the proposed law.

Amidst, the challenges of climate change, youth agripreneurs would like government and development partners to invest in irrigation, after visiting the Presidential Banana Initiative in Bushenyi, and the Mubuku Irrigation Scheme in Kasese the youth were convinced that adopting similar investment strategies at a national scale would be something worth considering for the country. This would mean similar facilities, such as the "Presidential Banana Initiative" in Bushenyi, in various regions are established focused on agro-products specific to the climatic zone in question. As for irrigation like "Mubuku Irrigation Scheme" in Kasese, the proposal was that it should be spread out in all regions through government investments drawing in the large water catchments systems spread around the country.

Recommendation: *The Government of Uganda should urgently consider expanding the use of improved technology centers of excellence such as is the case at the presidential banana initiative and Mubuku irrigation scheme to other regions of the country to expand the acreage and value addition of regionally comparative advantaged crops and animal products for the international market. It is also important that government invest in information dissemination on new technologies so that farmers make informed decision to use or to object us of these technologies.*

5. Resolutions from the youth

- a. Engage more in contract farming to ensure that youth profitably work with large processors and exporters. This will be more attractive because the youth will be joining cooperatives which will enhance bulk production, bulk storage, and opportunity for better market price negotiations.

- b. The youth also commit to register their businesses and remain compliant to the policies and regulations that support trade in agribusiness. Business legalities will also open new doors for international trade and this is important as they youth have realized their role in improving Uganda's balance of trade position.
- c. The youth have also realized the potential to involve in different levels of the agribusiness value chains apirary, nursery bed operations, silage making, fruit and animal products processing and all other forms of value addition, which have a short investment turn around time but increases the prices of commodities, reduces waste resulting from perishability

6. Conclusion:

The youth are not here to relent but to affirm their commitment that they are ready to ***“Feed The World and Change Lives***. The youth in agribusiness community are calling upon government and other development partners to see them as partners in the battle to feed the world and change lives. This partnership means that everyone should play their part and that through a conducive environment, together the youth will make the much sort after change. Today we invite other youth that have not had the opportunity to be here to join us in our campaign of feeding the world and changing lives and each of the youth agripreneurs here today pledge to be ambassadors of this campaign which they will uphold for all their lives.

7. References

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Annex 1: National Agribusiness Youth Caravan Trail August 2017

