

**STRUCTURAL ADJUSTMENT PARTICIPATORY
REVIEW INITIATIVE (SAPRI) UGANDA**

**IMPACT OF LIBERALISATION ON AGRICULTURE
AND FOOD SECURITY IN UGANDA**

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***For
The National Steering Committee***

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ABBREVIATIONS

ACMV	-	African Cassava Mosaic Virus
CMB	-	Coffee Marketing Board
EEC	-	European Economic Community
GDP	-	Gross Domestic Product
HIV/AIDS	-	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IFCD	-	Irish Foundation for Co-operative Development
IMF	-	International Monetary Fund
LMB	-	Lint Marketing Board
NGO	-	Non-Governmental Organisation
NRM	-	National Resistance Movement
PPA	-	Participatory Poverty Assessment
PMB	-	Produce Marketing Board
RFS	-	Rural Farmers' Scheme
SAP	-	Structural Adjustment Programme
UCDA	-	Uganda Coffee Development Authority
UPPAP	-	Uganda Participatory Poverty Assessment Project
WB	-	World Bank

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EXECUTIVE SUMMARY

Introduction

Agriculture in Uganda is the backbone of the Economy, employing more than 70% of the population, employing 80% of the women, and contributing to 43% of the GDP. It is rain-fed, dependent on rudimentary technology – the hand hoe, and 90% of it is carried out by smallholder farmers, on limited land of 2.5 acres on average – excluding the pastoralists. Reforming the Agricultural Sector in Uganda therefore, has been a fundamental move in the reform of the whole economy.

Objectives of the Study

The objective of the study was to establish the extent to which the objectives of the liberalisation policies namely; increased agricultural production, higher incomes to farmers and better food security situation, were achieved. In addition, the study examines the kinds of socio-economic and gender differentiated impact of the policy on different categories of the population.

The components of liberalisation policy and the assumptions behind them.

Liberalisation policy is based on the claim that Uganda's agriculture had stagnated because the state had discouraged farmers to produce through the following:

- a) Maintaining an overvalued exchange rate. It was argued that Uganda kept an overvalued exchange rate and therefore, foreign traders found it expensive to buy Uganda's agricultural products leading to reduced export earnings. In addition little was passed down to the farmer. *The solution was to liberalise the exchange rate so that it is dynamic and determined by forces of supply and demand.*
- b) Monopolisation of trade in agricultural products using its parastatal marketing boards i.e. the Coffee Marketing Board (CMB), the Lint Marketing Board (LMB) and the Produce Marketing Board(PMB), which were corrupt and inefficient as to commit another sin of not paying farmers on time. *The anti-dote to this was deemed to be 'rolling back the state' and 'getting prices of agricultural inputs and commodities right' through the market mechanism.*
- c) The above reforms were to be accompanied by a tight control over inflation so that the real value of agricultural products was passed on to farmers. This meant correcting some of the 'mistakes' the state used to make such as printing money and over-borrowing from banks.

The expected outcomes of this liberalisation policy package would be increased agricultural production and incomes to farmers and a better food security situation.

Methods of Data Collection

- Secondary literature on liberalization and agriculture/food security was collected from libraries and NGO collections.
- Statistics: These were collected from the Bureau of Statistics (Entebbe); Agricultural Secretariat (Bank of Uganda); Departments of Agriculture in the districts of Masaka, Masindi, Kumi and Apac; Uganda Coffee Development Authority; Bunyoro Growers Co-operative Union; and M. Nsamba Coffee Works Ltd.
- Fieldwork in Apac, Masaka, Masindi, Kumi, Rakai, and Kabale. This involved participatory generation of information through interviews and focused group discussions.

The Impact of Liberalisation on Agriculture and food security? The Findings

a) *Has Liberalization Led to Increased Agricultural Production?*

Broadly speaking, liberalisation has led to increased production of some crops such as coffee when the prices were higher than the cost of production. However, the real decisive factors responsible for increases have been non-price factors such government and NGO interventions, the presence or absence of domestic and regional conflicts, disease, existence of transport infrastructure, forms of land tenure and availability of labour.

b) *Have Farmers' Incomes Improved During the Liberalisation Period?*

The returns to farmers have improved because of liberalisation but this did not lead to tangible improvements because farmers produce very little quantities and some do not have enough resources to take advantage of the positive aspects of liberalisation by responding appropriately to price signals.

c) *Liberalization and Geographic, Socio-economic and Gender Differentiation*

Liberalisation has had differential impact in regional, socio-economic and gender terms. Farmers have unequal access to productive resources and, therefore, higher prices tend to build on the inequalities.

d) *Has Liberalisation Improved Food Security?*

With regard to food security, it is clear that expansion of export or cash crops has a tendency of reducing the amount of food crops grown, especially when this takes place on the basis of insecure land tenure and a non-changing technological base.

Conclusion and recommendations

While liberalisation can stimulate production, it is important to recognize its limitations. For liberalisation to lead to increased production and rural incomes, there must exist other enabling factors such as good infrastructure, free flow of market information, security of land tenure and security of persons and property. We propose the following necessary pre-conditions for liberalisation to benefit the farmer, improve gender relations and food security:

- The current expansion in coffee production should be reassessed in light of the fact that many non-traditional coffee growing areas have taken on coffee growing. The current low prices of coffee are clearly, a product of over production. There is need to encourage growing of other crops such as cotton and other food crops with a view of satisfying domestic needs. Export production cannot be meaningful unless there is a strong domestic market.
- Improved rural transport and infrastructure e.g. roads and markets.
- Improve rural farmers' access to information and communication technologies e.g. radio, through which major agricultural extension information is traditionally channelled.
- Improve poor farmers' access to resources e.g. agricultural credit, particularly for women farmers.
- The rampant land tenure insecurity in the country calls for concrete land tenure reform that will empower women and poor farmers' to access and control land.
- Improve food storage information and technologies that should be followed by deliberate enforcement through local byelaws.
- Improve poor farmers' access to key agricultural inputs.

The Impact of Liberalisation on Agriculture and Food Security in Uganda 1987-2000

INTRODUCTION

In Uganda, it is well known that agriculture is the backbone of the Economy, employing more than 70% of the population, employing 80% of the women, and contributing to 43% of the GDP. It is also well known that it is rain-fed, dependent on rudimentary technology – the hand hoe, and 90% of it is carried out by smallholder farmers, on limited land of 2.5 acres on average – excluding the pastoralists. Reforming the Agricultural Sector in Uganda therefore, has been a fundamental move in the reform of the whole economy.

In 1987, the National Resistance Movement (NRM) government initiated a decisive and far reaching liberalisation policy that promised to revitalise agricultural production and bring prosperity (better incomes) to rural people.¹ The principle components of the policy were the liberalisation of the exchange rate and trade in agricultural inputs and products, and control of inflation.

Overvalued exchange rates were projected as one of the reasons why foreign traders found it expensive to buy local agricultural products. As a consequence Uganda experienced a balance of payment crisis and farmers cut back production. The then Permanent Secretary in the Ministry of Planning and Economic Development, E. Tumusiime-Mutebile argued that

In Uganda, over-valued exchange rates act as an implicit tax on agriculture because they undervalue agricultural output. With overvalued exchange rates, producer prices are lower than they need be, but consumers of food and users of imports are subsidised. In other words, over-valued exchange rates turn the domestic terms of trade (the relative prices of traded and non-traded goods) in favour of urban areas, which mainly consume imports, and against the rural areas, which mainly produce exports.²

By liberalising the exchange rate, it was believed, the redundant capacity/resources would be galvanised for production.

¹ E. O. Ochieng, 'Economic Adjustment Programmes in Uganda 1985-9' in Holger Bernt Hansen and Michael Twaddle (eds.), *Changing Uganda*, Kampala: Fountain Publishers, 1991; Lateef K. Sarwar, 'Structural Adjustment in Uganda, the Initial Experience,' Holger Bernt Hansen and Michael Twaddle (eds.), *Changing Uganda*, Kampala: Fountain Publishers, 1991; Joshua B. Mugenyi, 'IMF Conditionality and Structural Adjustment Under the National Resistance Movement' in Holger Bernt Hansen and Michael Twaddle (eds.), *Changing Uganda*, Kampala: Fountain Publishers, 1991; Mahmood, Mamdani, 'Uganda: Contradictions of the IMF Programme and Perspective,' in Dharam Ghai (ed.) *The IMF and the South: The Social Impact of Crisis and Adjustment*, London, Zed Books Ltd, 1991.

² E. Tumusiime-Mutebile, 'Selected Issues in Stabilisation and Adjustment Policy in Uganda,' Kampala: Ministry of Planning and Economic Development Discussion Paper No. 3, January 1990.

Another component of the liberalisation policy was the 'rolling' back of the state and 'getting prices right'. It was argued that one other reason for the stagnation of the agricultural sector was that the state had been setting prices for agricultural products at ridiculously low levels that farmers simply abandoned or reduced production of exportables. Besides, government-marketing agencies, such as LMB, CMB and PMB, were inefficient and corrupt and they would not pay farmers on time. This is not to mention that these parastatal organisations were mechanisms through which the state ripped off farmers.

Finally, control over inflation, through silencing the 'printing presses' at the Bank of Uganda and restricting government borrowings, were critical for farmers to get realistic prices and hence increased incomes. In summary, dynamic liberalised exchange rates and market-determined prices of agricultural inputs and commodities in a non-inflationary situation, were supposed to lead to increased agricultural production/productivity and rural incomes. Export led agricultural production would be the basis for growth for the entire Ugandan economy.

Debate on the Effects of Liberalisation on Agriculture

Right from the start, critics argued that liberalisation might not achieve about the stated aims.³ The basic argument was that the presumed impact of liberalisation policies, namely increased production as a result of increased prices and/or incomes, was not tenable. Currency devaluation, sometimes erroneously, presumed that there were redundant resources that would immediately be put to production once foreign buyers were encouraged to buy more of agricultural commodities by a weaker shilling. Critics argued that devaluation was not likely to bring about any significant increase in production because of the absence of other factors that are critical for production to take place. These factors could range from lack of access to and control over land (security of land tenure), through monopoly in agricultural inputs and commodity markets, transport costs to the state of the infrastructure.

The claim that an urban bias existed against rural dwellers was put under scrutiny. Jamal Vali and Weeks, convincingly demonstrated that after Amin's 'economic war' and industrial decline, wages declined to very ridiculous levels that a wage could not buy an average family enough food for a week. Therefore, a sweeping claim that urban people had fattened at the expense of rural people was not borne out by historical facts.⁴ Moreover, as indicated in the text below:

³ Mamdani Mahmood, 1991, *ibid*; J.M.A. Opio-Odongo, 1990, *ibid*; Erisa Ochieng, 1991, *ibid*.

⁴ Jamal Vali and J. Weeks, 'The Vanishing Rural-Urban Gap in Sub-Saharan Africa', *International Labour Review* Vol. 127 No. 3, 1988.

African governments were not merely predatory in their relationship to agriculture. A more accurate characterisation of their policies would be to say they were ambivalent and outright contradictory. Side by side with extraction of surplus through the export taxes and monopsonic behaviour of their marketing boards, African governments have transferred resources to rural areas through input and credit subsidies, social expenditure, infrastructure development, extension services, and so forth.⁵

In a situation where a parallel market of agricultural commodities existed, increase in agricultural commodities prices could as well channel products that used to go through *magendo* (black market) to official markets without leading to any increase in production.⁶ In fact devaluation could very easily nullify the gains of price increases by raising costs of agricultural production.⁷ According to Mugenyi, the merits of devaluation have been put under the microscope: it may increase receipts of exports but at the same time drive up import costs; with declining terms of trade rampant in Africa, income loss from imports may far exceeds gains from exports, leading to overall decline of purchasing power and contraction' A rise in agricultural costs of production, together with the removal of subsidies and social incomes (education and health) effectively meant that nominal prices could not translate into real incomes, at least for those categories of farmers who did not have adequate resources to grow exportables.

Furthermore, critics argued that liberalisation policies were based on the assumption that Uganda had fully grown markets with free flow of information. However, markets in Uganda are partial constructions. In other words, farmers' incomes were pumped out of the rural areas not only through the market but also through extra-economic processes. Even when the state has been rolled back, the market could be made non-competitive through political monopoly over rural resources. Moreover, a market was not an ahistorical and abstract concept but rather a historical product whose creation requires the active role of the state. A market is not simply forces of supply and demand, it is also social forces meeting and trying to maximise gains. Liberalisation policies shrank the home market and elevated external markets with serious consequences for a true foundation for development.

Besides, critics argued that supporters of liberalization programmes tended to presume that rural areas were undifferentiated and that the benefits of increased prices would benefit rural dwellers uniformly. However, rural people were differentiated along social and gender lines. This differentiation meant that certain

⁵ Thandika, Mkandawire and Charles C. Soludo, *ibid*, p.15.

⁶ Thandika, Mkandawire and Charles C. Soludo, *Our Continent, Our Future: Africa Perspectives on Structural Adjustment*, Ottawa: International Development Research Centre, 1999, p. 55.

social categories had limited access to productive resources and, therefore, would not benefit from increased prices. In addition, some critics were of the view that export-led agricultural revival would tend to move resources away from production of food crops towards export crops. Therefore, the nutrition and food security of the country and the households would be diminished, especially in poor families.⁸

Finally, critics noted that demand on the international markets of agricultural produce was not competitive and that developed countries kept in place a cohort of tariff barriers that limited the amount of agricultural products that Uganda can export. In the case of coffee, there was this phenomenon of price falls that very quickly translated into lower prices and, therefore, political resistance to liberalization. International market trends could also have negative consequences for farmers and the nation.

Objectives and Methods of the Liberalisation Policy

The debate on the impact on agriculture was carried out without concrete empirical base. Many of the papers for and against liberalization were written in the early years of liberalization when the programme had not had time to have impact. These papers lacked time-series data/information that would demonstrate the relationship between liberalization and production/food security over time. Some analysts argued in late 1980's that a revelatory analysis should be carried out after four or five years, while others argued for 10 to 15 years.⁹ Katarbarwa argues that 'adjustment programmes take time to give results, for example for cotton, the highest number of years required to achieve 95 percent adjustment was estimated to be fourteen. Considering that a more meaningful structural adjustment program was initiated in 1987, 95 percent adjustment in the Cotton industry is estimated to be achieved by the year 2001. It is therefore, incorrect to pass a 'guilty verdict' on structural adjustment programmes whereas the available evidence actually vindicates them.

This paper is a preliminary attempt to make an analysis of the relationship between liberalization, on the one hand, and agricultural production and food security, on the other, after 14 years.¹⁰ We contend that 14 years should be sufficient a time period for liberalization to have impact. To what extent has devaluation been responsible for agricultural production trends over the 14-year period? To what extent has this liberalization of exchange rates and markets for agricultural inputs and commodities led to increased incomes and poverty reduction? In what ways have the

⁸ Opiyo-Odongo, 1990, *ibid*, p. 11.

⁹ See Namara Katarbarwa, 'The Impact of Structural Adjustment Programmes on Agricultural Production in Uganda', M.Sc. Thesis 1993.

¹⁰ The benchmark for our analysis is the year 1987, although we are aware of the fact that there was an initial attempt to implement, rather unsuccessfully, liberalization programmes in the 1981-1984 period. The liberalisation beginning from 1987 has been hailed as the most profound and far-reaching programme.

programmes changed rural social and gender structures? Has liberalisation improved the food security of Uganda as a country and of households across regions? What are the general implications of the strategy of agricultural revival for the development of Uganda?

To answer these questions we have collected and analysed statistics of the agricultural department and other written or verbal information from government officials in the districts of Kampala, Masindi, Masaka, Apac, Rakai, Kabale and Kumi, and papers written by scholars and practitioners. In addition the analysis has benefited from case studies carried out in Kyanakase village (Masaka Village) and Mpumwe village (Masindi District) in 1990/91, 1995/1996 and 2001. During the second visit in 1995/96, the same households were visited and interviewed as regards issues of costs of production, output of their major cash crops (coffee for Kyanakase and maize for Mpumwe) based on social stratification and the distribution of proceeds from agriculture.

It is the argument of this paper that liberalization (especially when accompanied by increasing prices) has, to a certain extent, contributed to the increase in production of certain tradable crops. However, this has been possible with the assistance of other structural factors such as land tenure security and access to land as in Kyanakase village, access to good infrastructure, peace and security, government and NGO agricultural programmes, etc. Areas not well served with good infrastructure or which have been victims of civil war (such as Kitgum, Gulu and Kasese), have not benefited much. This is not to mention the fact that there are peasants who did not grow any tradable crops and could not take advantage of the liberalization. Furthermore, the bulk of the proceeds of agriculture are still siphoned off by the non-farming sectors, especially health and education. Because of unequal access to productive resources liberalization tends to create inequalities along social and gender lines. Finally, where liberalisation leads to increased production but under an unchanging technological base, production of food crops has tended to decline, reducing the amount of food available. This is how the food security of the nation and households has been affected.

To substantiate the above claims we examine the level of implementation of liberalization and delineate its role in agriculture from roles of other factors that are not part of the liberalization policy package.

Liberalisation in Practice

Those who have pointed out that the programme of liberalization was implemented in a piecemeal fashion are no doubt correct. Up to about 1993, the various components of liberalization that are supposed to rejuvenate agricultural production had not been implemented in full. As E.A Brett noted there was 'incomplete implementation stemming from the government's ability to resist the terms imposed on it through a variety of stratagems, ranging from foot dragging to outright refusal to

implement recommendations'.¹¹ The fact is that most members of the NRM were sceptical of SAPs from the time they were fighting a guerrilla war. It was only in 1992 when the pro-SAP faction triumphed as symbolised by the sacking of a Minister of Finance who was opposed to SAP.

The other impediment to the NRM's ability to implement SAPs was the NRM's accommodation of different tendencies in what it described as broad-base government. Broad-baseness not only meant that the NRM could not very easily implement radical economic reforms but it also meant that it had to have a bloated cabinet as mechanism of buying the cooperation of other political forces.

Finally, the civil war that erupted in northern Uganda and in Teso in eastern Uganda, forced the government to divert resources or even to ignore some of the components of liberalization such as non-printing of currency to cover budget deficits (financing the war). Equally, civil society organizations and individuals in the general population were opposed to SAP fearing that it would have adverse effects on the poor.

While all this foot-dragging was taking place, the International Monetary Fund (IMF) and the World Bank (WB) kept up the pressure and in the process burst the political consensus that had been generated around broad-baseness. The ending of the broad based government and the ascendance of the technocrats to drive forward the liberalization programme accompanied the full implementation of the liberalization. Therefore, the reforms that were supposed to lead to increased agricultural production were implemented rather grudgingly and their effect on agriculture was rather minimal than was anticipated during the 1987-1994 period. It took three years (1987-1990) to abolish official exchange rates and to legalise a market driven exchange rate regime. Parastatal marketing boards – PMB, CMB and LMB – remained monopolistic agencies in the trade of food products, coffee and cotton. PMB monopoly in the purchase of cash and food crops was abolished in 1989; CMB in 1991 and LMB in 1993. Inflation remained a feature of life in Uganda. Sometimes government printed money or heavily borrowed money from the banks as it did in 1992 and 1993.¹² Increased money supply fuelled inflation which run from 338 % per annum in 1987, 184% in 1988, 90% in 1989, 33% in 1990, 28% in 1991, 52% in 1992, 6 % in 1993, 16 % in 1994, 8.2 % in 1997 to 0.2 in 1998.¹³ One of the assumptions of SAP was that for farmers to get real value for the products required, a non-inflationary situation was necessary. As can be seen from the statistics inflation remained an acute problem and, therefore, reduced on

¹¹ E.A. Brett, 'Structural Adjustment in Uganda, 1987-94,' *Copenhagen: Centre for Development Research, 1995, p. 12.*

¹² Charles Harvey, and Mark Robinson, 'Economic Reform and Political Liberalisation in Uganda', *Sussex IDS Research report 29, 1995.*

¹³ Charles Harvey, and Mark Robinson, *ibid. p. 23* ; E.A. Brett, *op.cit p. 15*; and *Agricultural Policy Committee: 'Report of Economics of Crops and Livestock Production, Processing and Marketing 1998/1990', Kampala: Agricultural Policy Secretariat, 2000.*

the real incomes to the farmers at least until 1993 when inflation was brought to single digit figure.

Given this state of affairs the issue becomes what indeed were decisive factors that account for the production trends up to 1992 period when the full implementation of liberalization was realized? To make sense of this we begin by examining the coffee deliveries vis a vis prices and then examine and explain production trends in the districts of Masaka, Masindi, Kumi, Apac, Rakai and Kabale.

It is clear that between 1987 and 1992, higher prices led to increased deliveries of coffee into the official markets. These increased deliveries were not a result of increased production but because of coffee that used to be channelled through unofficial (magendo) market. Germina Ssemwogerere notes, for example, that

There was a 50% increase in coffee delivered to the Coffee Marketing Board, CMB, in the last quarter of 1987 a period of no fresh production since harvests are December/January and May/June. This was attributed to diversion from smuggling.¹⁴

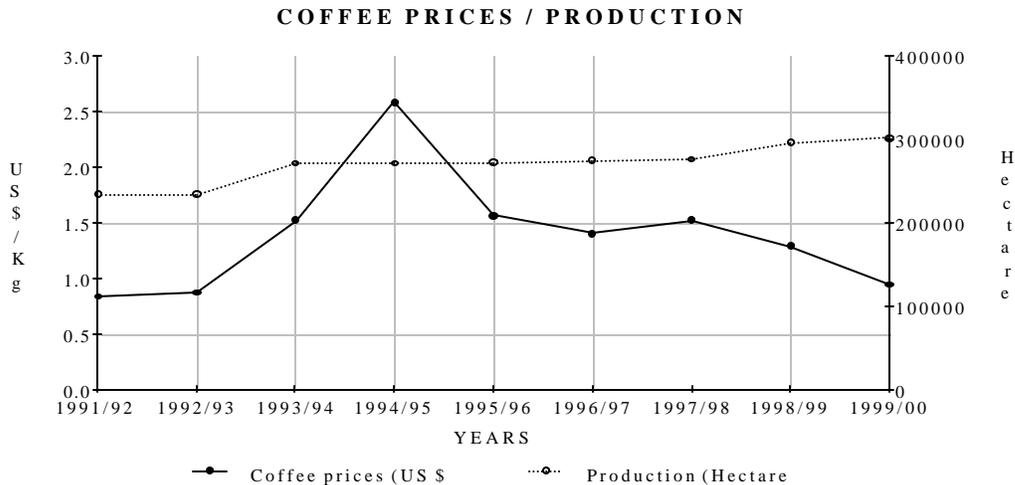
Half hearted implementation of the programmes meant that over-valued exchange rates encouraged smuggling to neighbouring countries such as Zaire. In addition government continued to extract taxes from coffee through CMB and the inefficient marketing system did not pass on the benefits of devaluation. Moreover, farmers' fortunes are also affected by the trends of international coffee market prices. Low coffee prices in international market meant low prices given to the farmer. The 1993/1994 Annual Report of the Uganda Coffee Development Authority (UCDA) notes that 'the low world prices between 1989 and 1993 had led to abandonment of coffee by many of the coffee producers in the last two years, finally leading to a reduction in world coffee production and supply'.¹⁵ The report also points out that until 1993, the price of one kilogram of robusta coffee was lower than the cost of producing it.¹⁶ The implication of this observation is that coffee production trends from 1987 to 1993 were determined not by price liberalization but mainly because of other factors, such as the weather, security or peace and improvement of the infrastructure. We summarise this information in Graph one below.

¹⁴ Germina Ssemwogere, 'Structural Adjustment Programmes and the Coffee Sector in Uganda: 1981-1987', Paper presented to the Balance of Payments and Domestic Financial management Workshop, Nairobi, Kenya May 27-30, 1989.

¹⁵ Uganda Coffee Development Authority, 'Annual Report October 1st, 1993-September 30th, 1994', p. 5.

¹⁶ *Ibid* p. 12.

Graph One: Coffee Production and Price Trends for Uganda by Hectares



The graph depicts coffee production and prices trends for the period 1992 – 1999/2000. Coffee production rose from 250,000 hectares in 1992/3 to 300,000 hectares in 1999/2000. The explanation for this rise in coffee planting, however, has less to do with coffee prices and more to do with a number of non-market factors. The only period when prices were sufficiently high as to induce rehabilitation of old coffee *shambas* and the planting of clonal coffee seedlings was the period between 1992/93 and 1994/95. The moment the prices began to decline in 1995, expansion slowed down. The interesting trend in the graph is that while prices are declining we begin to see fresh expansion in coffee planting from 1997. Declining coffee prices are certainly a disincentive to increased planting. Therefore, the explanation for the expansion in planting in the period of low prices has to be sought from elsewhere. According to the Uganda Coffee Development Authority (UCDA) the explanation for the expansion is the government and NGOs' programmes for coffee planting. Under these programmes, UCDA is encouraging the destruction of old coffee trees especially those affected by the coffee wilt disease and replanting them with clonal coffee. Secondly, government is promoting clonal coffee planting as part of its poverty reduction initiatives. As a result clonal coffee planting has not only been promoted in traditional coffee growing areas but to new ones such as Gulu, Lira, Apac, Nebbi, Kitgum, Arua, Tororo, Pallisa, etc. Initially UCDA supplied seedlings free of charge.

This year's [1999] production consisted of 7,107, 302 Robusta clones and seedlings and 3,204,052 Arabica seedlings. As in the past, most of these plantlets

were bought and planted by farmers themselves. However during the year UCDA directly bought some of these plantlets in its Coffee Wilt Control and Poverty Alleviation Programs. This effort has been supplemented by Local Authorities and NGOs.¹⁷

As can be seen from this extract government programme for planting coffee was supplemented by NGOs such as World Vision, Irish Foundation for Co-operative Development (IFCD), etc. These government and NGO efforts together with some measure of peace and stability, and infrastructure development accounts for the increased coffee planting even when the prices of coffee have declined.

In the early 1990s, government of Uganda embarked on a diversification programme given that the prices of export crops on the world market were unpredictable.¹⁸

Non-traditional exports

The non-traditional export crops included here are flowers, *Matooke* banana, Apple banana, hot pepper, chilli, okra, Green beans, passion fruits, fish and others.

Exports of flowers begun in 1993 with 97 tones valued at US\$ 158,000 and by 1999 the quantity exported had risen to 1,563 tonnes of the value of US\$ 7,328,000 and has since been increasing as shown in the table below.

Table 1: Flower Exports from Uganda, 1993-1999

Year	Quantity (tonnes)	Value ('000 US\$)
1993	97	158
1994	241	531
1995	133	343
1996	380	2809
1997	537	3592
1998	1522	6704
1999	1563	7328

Source: Dijkstra 2001, Op cit., p. 19.

¹⁷ Uganda Coffee Development Authority, 'Annual Report October 1st-September 30th, 1999', p. 16.

¹⁸ Tjalling Dijkstra, 'Export Diversification in Uganda: Developments in Non-Traditional Agricultural Exports,' African Studies Centre (University of Leiden) Working Paper 47/2001.

Table 2: Exports of fresh produce from Uganda 1993-1998

Commodity	1993	1994	1995	1996	1997	1998
	Quantity (tonnes)					
<i>Matooke</i> banana	375	642	420	465	451	451
Apple banana	56	87	79	123	144	111
Hot pepper	5	8	8	25	107	236
Chilli	108	96	87	100	92	170
Okra	19	18	16	35	52	110
Green Beans	11	18	16	29	72	119
Passion fruit	5	5	5	58	38	30
Others	241	176	162	150	269	353
Total	820	870	793	985	1225	1580

Source: Dijkstra (2001), *Ibid* p. 59.

The emergence of non-traditional export crops has benefited from the abolition of taxes, improvement of the transport infrastructure and political stability. The main limitation is fierce competition on the international market and high freight costs. The fish sector was also liberalized. "In Uganda alone, the number of fishermen had increased from 1000 in 1989 to 1700 in 1996"¹⁹. This led to a proliferation of fish fillet processing factories exporting fillet to the European Economic Commission (EEC). The trends in fish exports are highlighted in the table.

Table 3: Exports of Fish and Fish Products in Uganda, 1981 - 1999

Year	Quantity (tones)	Value ('000 US\$)
1981	n.a.	0
1982	n.a.	0
1983	n.a.	0
1984	n.a.	16
1985	n.a.	2
1986	n.a.	11
1987	n.a.	3
1988	n.a.	24
1989	n.a.	143
1990	1664	1386
1991	4687	5313
1992	4851	6498
1993	6138	8943
1994	6564	10403
1995	16046	32262
1996	14075	46251
1997	11819	27864
1998	13346	45350
1999	9628	24837

¹⁹ *Dijkstra (2001), Ibid. p. 34.*

Source: Dijkstra (2001) Ibid. p.41.

The fortunes of the fish export sector have faced several set backs as a result of several bans on the ground of epidemics such as cholera. On the whole however the commercialisation of fish has led to the depletion of fish stock in most of the water bodies in the country as artisan fishing competes with more sophisticated commercial fishing trawlers. Likewise, it is purported that the fish fillet factories have contributed a lot to increasing pollution of the lakes especially, Lake Victoria. According to Dijkstra.

Initially fishermen had reacted by using finer-mesh nets. They used 87.5 mm (3.5 inch) gill nets instead of 125 mm (5 inch) ones to catch tilapia, and seines of 5mm mesh size instead of 10mm to catch mukene. All this was illegal, but the law was not effectively enforced. Fishermen also continued to practice beach seining although the government had banned this method of fishing. The decreasing mesh size in mukene fishing led to an increased catch of young Nile perch and tilapia, while the use of beach seines destroyed the breeding nests of these two species. The result was a further decline in fish stocks. Some of the fishermen then tried a more drastic approach, namely poisoning²⁰.

The above analysis leads us to observe that the resort to the use of poisonous chemicals to catch fish (fish poisoning) resulted in the decline in fish consumption as people in most parts of Uganda abandoned eating fish and furthermore, the European Union, which is the main market for Uganda fish fillet, imposed a ban on Ugandan fish. These trends however demonstrate that liberalization unregulated can lead to unsustainable exploitation of fish resources.

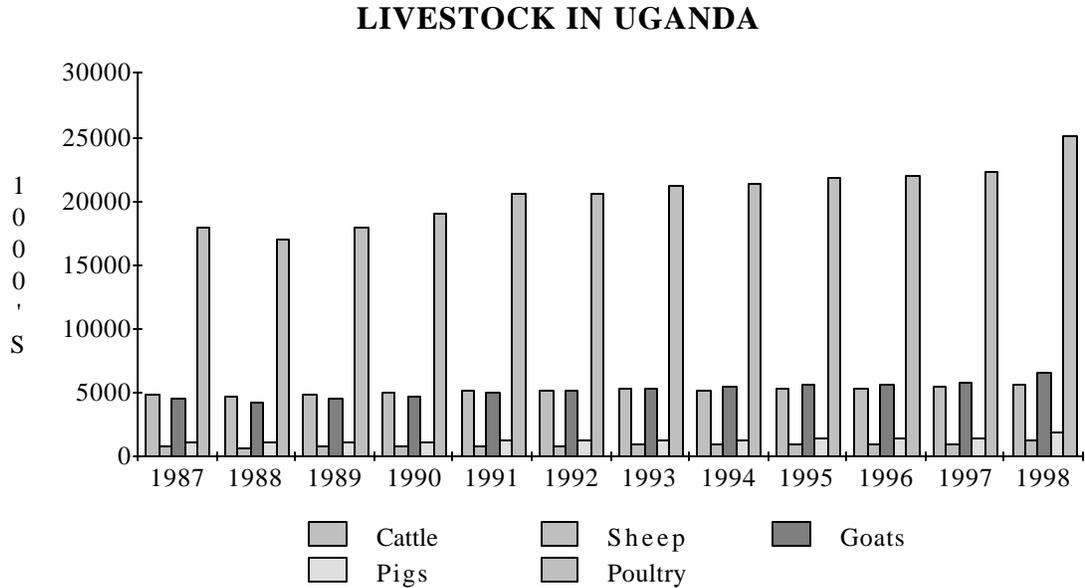
Livestock Production Trends

Livestock is an integral part of the agricultural production system and contributes 15% of the agricultural GDP. The smallholder and pastoralists own over 90% of the national cattle herd and nearly all the small ruminants, pigs and poultry²¹ however livestock are vulnerable to civil strife hence the depletion of stocks in Kumi, Acholi and Lango where cattle rustling and war have had their toll to date. Under liberalization, the additional constraint on livestock production resulted from rises in the costs of veterinary drugs, shrinking consumption of meat and dairy products as a result of retrenchment and the restructuring of the labour market as well as currency devaluations that reduced the real value of the shilling. Part of the response to this has been a dramatic shift towards poultry rearing and consumption as evidenced below.

²⁰ Dijkstra, Ibid., p. 44.

²¹ Agricultural Policy Committee (1998/99), *ibid.* p. 165.

Graph two: Livestock Production Trends in Uganda

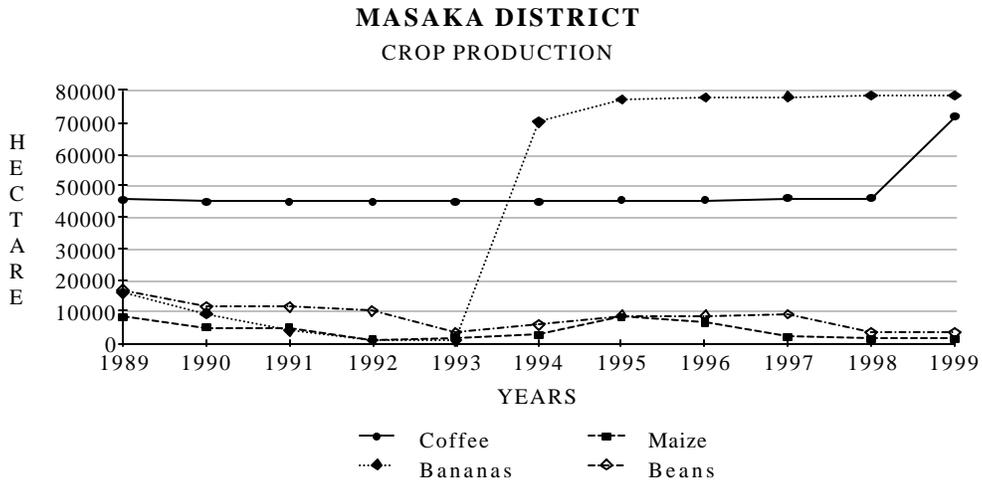


Source: Agriculture Policy Committee (1988/99), *Ibid.* p. 169.

Production Trends Across Regions

We begin here with Masaka District. Graph three shows trends in acreages devoted to crop production over years.

Graph Three: Crop Production Trends for Masaka District by Hectares



Source: Masaka District Agricultural Office

Once again it can be seen that coffee production in Masaka has remained more or less stagnant in the liberalization period. Even during the coffee boom, high prices at best encouraged rehabilitation of the more than forty years old coffee trees. As such there were no new areas planted. Part of the explanation is that in Masaka the land tenure is such that the bulk of the producers are tenants living on land they do not own. Individual tenants occupy small patches and many 'borrow small patches of land' from landlords to grow annual crops such as beans and groundnuts.

From 1998, we see a dramatic rise in coffee planted. As explained for the national coffee production trends this rise in planting is due to the government and NGO programmes to control the coffee wilt disease and reduce poverty.²² The graph also shows that banana production declined between 1989 and 1993 and then increased dramatically between 1993 and 1995 before levelling off. The decline is a result of the rampant banana weevil disease that struck Masaka district. The rise is a product of concerted efforts of the Local Authorities and the District Agricultural Department who sensitised farmers to plant marketable and pest resistant varieties. According to records from the Agricultural Department²³, the National Banana Research Program introduced 5 new varieties namely FHIA 1, FHIA 17, FHIA 23, KM 5 and KIBUZI that are currently being widely screened in the district. Low production during the pre-1993 period was influenced by rampant banana weevil, conservative attitudes by farmers to adopt new varieties and drought in 1992. The effort to plant banana was accompanied by favourable weather, relative peace and improved infrastructure.²⁴

It is important to note that coffee and bananas in Masaka are often inter-planted. Increase in coffee planting has been at the expense of bananas. Thus, when the prices of coffee went up, there was a tendency in Masaka to cut back on bananas. Even more important to observe from the graph is the fact that the increase in production of bananas and coffee tends to lead to a reduction of other food crops such as maize and beans. An increase in production of coffee and bananas is simultaneously being accompanied by a further reduction in other crops. We shall come back to this point when discussing issues of food security.

Masindi District Production Trends and the Explanation

According to graph three, production in Masindi declined during the civil war that ended in 1986. However, with the restoration of peace production began to go up for all crops. In the case of maize the principle cash crop for Masindi District, there

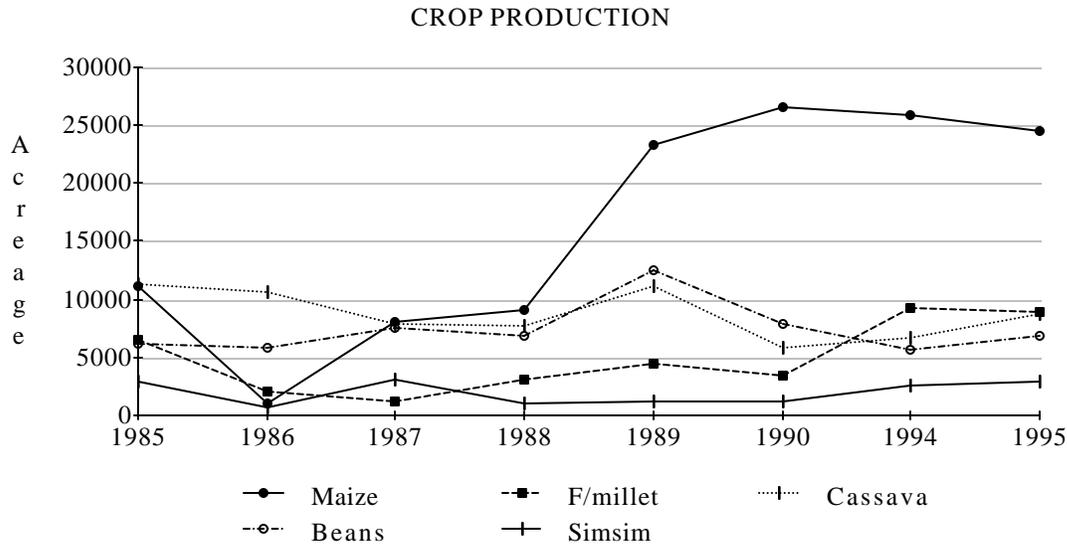
²² *Annual Agriculture Report for the Financial Year 1998/99, 11 June, 1999.*

²³ *Agriculture Returns for Year 1988/1999, 11 June 1999.*

²⁴ *Interviews conducted by Mr. Samson Opolot and James Nsaiga with the District Agriculture Officer, Ms. Prosy Mulumba on the 9th February 2001, at the Masaka District headquarters.*

was tremendous increase in production from 1988 reaching peak acreage of 26604.2 in 1990, thereafter declining.²⁵

Graph Four: Crop Production Trends for Masindi District by Acreage



Source: Masindi District Agricultural Office

The resurgence of production from 1987 onwards was boosted by introduction of the rural farmers scheme (RFS). RFS boosted production of cereals such as maize, finger millet and sorghum. However, production of some crops was affected by the abrupt dry spell experienced in 1988 that was estimated to have caused a reduction in yields ranging between 30 to 50 percent. Root crops continued to suffer because of diseases. Cassava was affected by cassava mosaic disease and weevils affected bananas. Regarding the traditional export crops namely coffee, tobacco and cotton.

Table 4: Crop Production in Masindi District

Food crop	1985		1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996		
	Area (ha)	Acreage																							
Maize	11199	989.3	8065.2	9072.7	23358.6	26604.2	0	0	0	0	0	0	0	0	0	0	0	25960.6	24526.6	0	0	0	0	0	
Finger millet	6515	2138.7	1227	3012.3	4482.2	3510.2	0	0	0	0	0	0	0	0	0	0	0	9311.8	8959	0	0	0	0	0	
Cassava	11277.4	10684.7	7897	7676.7	11096.6	5880	0	0	0	0	0	0	0	0	0	0	0	6606.8	8702	0	0	0	0	0	
Beans	6114.5	5809.7	7615	6804.8	12561.2	7962.5	0	0	0	0	0	0	0	0	0	0	0	5718.8	6809	0	0	0	0	0	
Sim Sim	2876.3	656.5	3017.3	1004.5	1235.6	1217.8	0	0	0	0	0	0	0	0	0	0	0	2631.5	2879	0	0	0	0	0	
Coffee	0	0	0	0	1090.4	1300.4	1402	1462	1417	316	868	1000	0	0	0	0	0	0	0	0	0	0	0	0	0
Cotton	0	0	0	0	234.7	3260	1495	1407.6	1415.8	2599.4	2362.3	5000	0	0	0	0	0	0	0	0	0	0	0	0	0

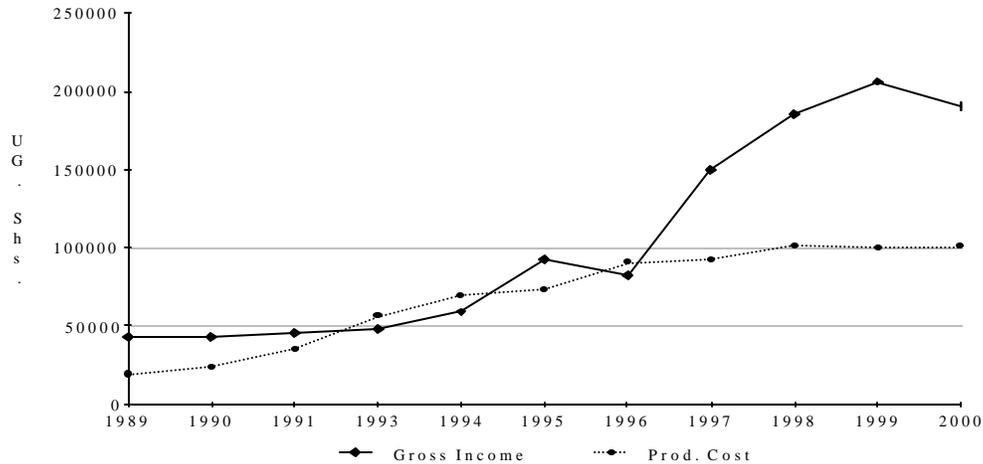
Source: District Agricultural Office reports.

Cotton production was negatively affected by unclear policies that kept farmers guessing what they would gain from planting more of it. Production would have gone much higher up but for the rural feeder roads that were not rehabilitated until

²⁵ It is unfortunate that with the onset of decentralization in Masindi District, the agricultural department stopped collecting agricultural production statistics.

well into the early 1990s. The problem was compounded by the fact that the costs of transport and production went up because the liberalization of petroleum products meant that production could not pick up very much. Yearly Agricultural Return Form III, for the years 1995 - 1990 indicate the fact that prices of agriculture inputs are way above incomes of farmers as a major cause of poor agricultural production.

Graph Five: Cost of Maize Production in Mpumwe Village, Kibanda, Masindi District



Source: District Agricultural Office Reports.

The figures in this graph were collected from farmers in Mpumwe village in 1991/92, 1995/96 and 2001.²⁶ The graph shows cost of production of one acre of maize in Mpumwe over years. These costs are compared with the average income from 10 bags of 100 kilogram each. 10 bags is the average yield of Mpumwe village up until the present.

As can be seen from the graph, the costs of production were generally higher than the gross income from maize up to 1996 when prices begin to go higher than the costs of production. Besides higher prices and prompt payment, the lowering of costs of production after 1996 was due to the fact that farmers in Mpumwe adopted costing saving ox-plough leaving the use of tractors which are expensive. In addition, farmers in Mpumwe reduced their costs of production by inter-planting maize with beans.

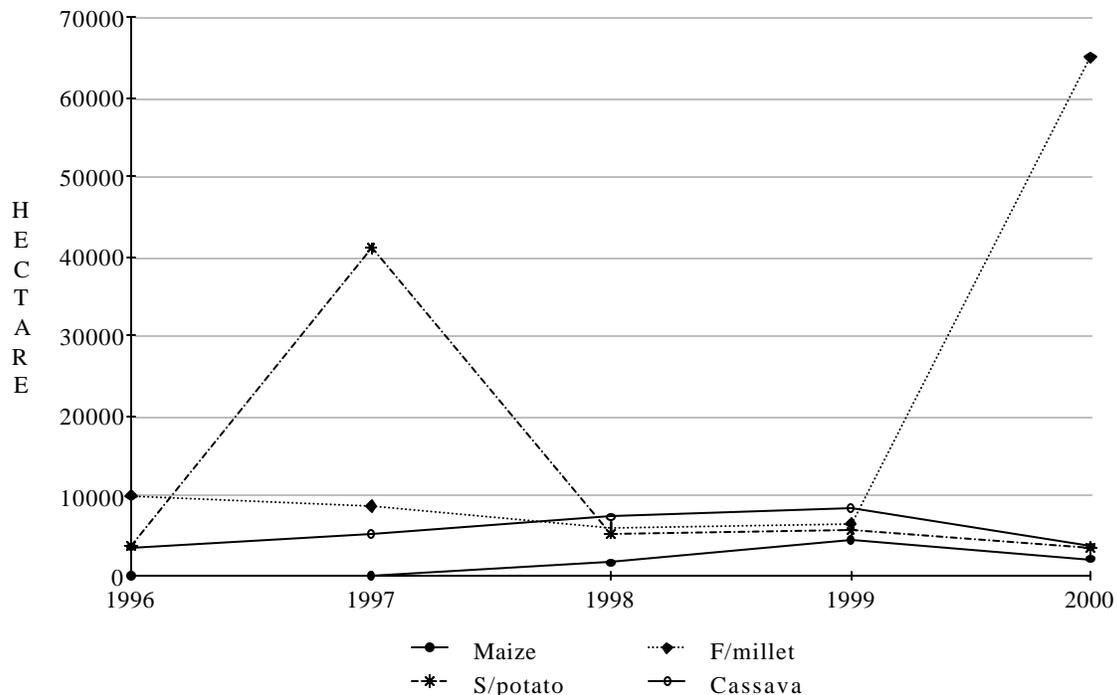
In Mpumwe farmers prefer to grow maize not only because of the liberalization of prices and the fact that the farmers are paid promptly but also because its labour demands are much less than for crops such as millet. Farmers avoid producing a lot of cassava because cassava has a long gestation period despite the fact that it

²⁶ Nyangabyaki Bazaara, 'Agrarian Politics, Crisis and Reformism in Uganda, 1962 – 1996'. Phd Thesis, Queens University, Kingston, Canada. September 1997. Fieldwork in Mpumwe Village, Masindi, February 2001.

also fetches high prices. In 1992, the roads to Mpumwe were extremely bad. The mechanical vehicle that could be used to carry maize to Kigumba was the tractor. However, the improved infrastructure has meant that traders can very easily move with lorries to Mpumwe and ferry produce.

In Kumi discussions with farmers and the agricultural officer indicated that insecurity due to war and cattle rustling between 1987 into the 1990s was a major cause of changes in crops produced and general agriculture production levels in the district. This instability led to labour shortages and massive looting of livestock depriving the communities of oxen that formed the fulcrum of agriculture production in the district. This information is illustrated in graph VI below.

Graph Six: Crop Production Trends in Kumi District by Hectarage



Source: Kumi District Agricultural Office

According to records from Kumi District Agriculture Office, presently less than 50% of arable land is cultivated as indicated by the fact that only 715 sq km out of 2,457 sq km of arable land is being cultivated. This compares poorly to over 60% of arable land that was being cultivated during the pre-insurgency era²⁷. The end result is that there is persistent low agricultural production in the district. The impact of insurgency on agriculture has been compounded by incessant drought during dry and flooding during rain seasons owing to the flat topography and poor water holding capacities of the soils in the district.

²⁷ Kumi District Local Council Food Situation Report presented to the Donors Conference held in International Conference Centre, Kampala, 21st April 1997.

These factors combined have impoverished farmers in the district and as a result, most farmers have shifted from growing labour intensive crops like finger millet and cotton to less demanding crops like sweet potatoes. For example, the above graph shows that sweet potato production radically shot up in 1997 leading to over production and subsequent losses to farmers that in combination with drought explained the drastic drop in production between 1998 and 1999. However, since then production has been rising. In contrast, production of other crops such as maize, finger millet and cassava has been on the decline particularly after 1999.

Interviews with Kumi Agriculture Department Officials and farmers revealed that land is also a limiting factor as it is getting scarce and agricultural inputs are more expensive and inaccessible to the majority of farmers, the bulk of them being poor. However insecurity remains a constant factor that account for the levels of agriculture production because of cattle rustlers from Karamoja.

Pests provide another limitation to agriculture production in Kumi District. The notable pest are the Africa Cassava Mosaic Virus (ACMV) for cassava, Leaf minor and Webworm for groundnuts, Loose Smut for Sorghum and Aphids for cowpeas, cotton, and groundnuts. Weeds like Striger, Spear Grass and Oxalis Species are also raking havoc on productivity²⁸. With the demise of cotton as a cash crop in Kumi, government with the support of NGOs is promoting, sunflower and clonal coffee as an alternative cash crops in the district²⁹. However, even with these initiatives in mind, other factors such as the poor road network and produce marketing system are bound to undermine progress towards optimum agricultural production in the district.

The general conclusion we can draw here is that liberalization has brought greater *returns* to the farmer when prices have been higher than cost of production. However, the bulk of the production in the post liberalization era has mainly been a product of non-price factors. The issue we now turn is have the benefits of this reform translated into *real* incomes? What have farmers benefited from liberalization?

GEOGRAPHICAL, SOCIO-ECONOMIC AND GENDER DIFFERENTIATION

As noted earlier, one of the assumptions behind liberalisation policies is that one of its effects, namely prices will benefit all farmers. This assumption is blind to geographical, socio-economic and gender differentiation. Quite clearly the liberalization policies implemented by the NRM has had differential effects on the

²⁸ F. I. Oumo (1998), "Main Crop Diseases/Pests and their Spread", Agriculture Office, Kumi District.

²⁹ Madina Apolot conducted the interviews with Ms. Janet Asege (Agriculture Officer), Mr. David Ongodia (farmer) and Al Hajji Umar Okodel (farmer/ LC V Chairperson, Kumi District) on the 14th February, 2001 in Kumi District.

peasants in Uganda. Liberalisation has led to greater inequalities along geographical, socio-economic and gender lines.

Uneven Regional Development

Uganda has for many years been characterized by uneven regional development. It will be recalled that the colonial state deliberately divided Uganda into a cash growing south, a labour reserve in northern and southwestern Uganda and Karamoja as a cattle reserve. As a result most of the development are to be found in southern Uganda. This regional imbalance in development has persisted. Infrastructure, for example is highly developed in the cash crop growing areas and poorly developed in northern Uganda and Karamoja. People in such areas were unable to take advantage of the liberalization policies except perhaps Lira district that has been growing the high priced semis product.

Most serious, some areas in Teso, Kitgum, and Gulu have never tasted peace and security. Without peace the benefits of liberalization can never be realized. Therefore, liberalization has promoted some regions and left behind other areas. This clearly attests to the fact that the assumption of liberalization that the benefits of 'getting the price right' benefits all regions is not true. The problem of regional uneven development requires more than the market to bring them up; it also requires affirmative action through politics.

Socio-economic differentiation

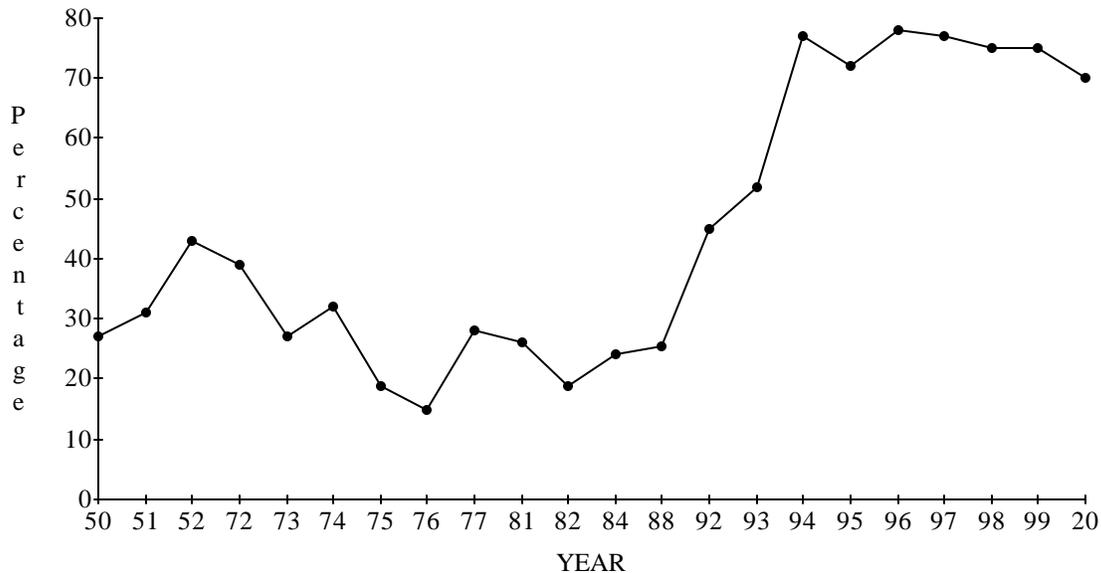
As in assumptions regarding the spread of the benefits of liberalization in regional terms the same problem is present when it comes to benefits along socio-economic divides. Of course, for neo-classical economics the losers to the reforms are supposed to gain from the benefits of growth arising from the policy. However, in the Ugandan debate, supporters of liberalization assumed that rural areas were undifferentiated and that the benefits of liberalization would benefit them all. As we shall prove in a moment, rural areas are characterized by inequalities as a result of differential access to productive resources, roads, markets, etc. As a result the amount a family can farm is dependent on the amount of productive resources available to it. There are categories of farmers who have not grown tradables because they do not have resources to do so. Therefore, such families will not benefit from price increases for crops. To illustrate our point let us use some examples from the districts visited.

In Kyanakase village in Masaka District, Bukoto County, Kaswa sub-county, the majority of the people live on mailoland as tenants. Before the 1928 *busulu* and *envujjo* law they were paying exorbitant rents to landlords and as a result tenants reduced production. The colonial state realizing that production was declining enacted the 1928 law that put a ceiling on the amount landlords could extract from

their tenants and guaranteed security of tenure to every peasant up to 3 acres. The effect was dramatic: production went up.

Over years, however, tenants have been sub-dividing the land to uneconomic levels. With little land they can only plant few coffee trees. With few coffee trees, hence little volume output, no amount of price will make a difference for such tenants. Government abolished taxes on coffee exports and as a result the return to coffee growers climbed up. In 1950 a peasant received 27% of the world coffee price, 31% in 1951, 43% in 1952,³⁰ 39% in 1972, 27 % in 1973, 32% in 1974, 19% in 1975, 15% in 1976, 28% in 1977,³¹ 26% in 1981, 19 % in 1982/83, 24 % in 1984, 25.5 in 1988, 45% in 1991/92, 52% in 1992/93, 77 % in 1993/94, 72% in 1994/95, 78% in 1995/96, 77% in 1996/97, 75% in 1997/98, 75% in 1998/99 and 70% in 1999/00.³²

Graph Seven: Percentage of the World Coffee Price the Farmer Receives.



Source: UCDA Reports.

The figures show clearly that with the abolition of the export duty and the liberalization of the exchange rate and market of commodities has led to the coffee growers to receive more of the world coffee price. Does that mean higher incomes for rural people? For some farmers the increased fraction is meaningless because they have very few old and sometimes diseased coffee plants that yield a few kilogrammes of coffee. More seriously, there are those coffee growers who sell

³⁰ 'A Critique of the International Monetary Fund 1980-84' Weekly Topic January 21, 1986.

³¹ Mahmood Mamdani, *Imperialism and Fascism in Uganda*, Nairobi :Heinemann Educational Books 1983, p.49.

³² Uganda Coffee Authority, 'Key Indicators in the Coffee Sub-sector Since Liberalisation', Kampala: UCDA, 2000.

coffee before it ripens (green as opposed to red beans). Usually those who sell when the coffee is not ripe have social problems such as school fees or severe sickness. In districts such as Rakai, the most critical issue for them to increase production is not prices, rather it is access to adequate land and security of tenure in that land. As one peasant in Kyanakase argued, *'twali tulowoza nti Mzee (Yoweri Kaguta Museveni) eby'ettaka yali agenda kubikutula. Naye nakati nze sinaba kuwa olukumi olwo busulu kubanga ebeyi eyemwanyi egudde* (translated as, "we thought that mzee Yoweri Kaguta Museveni would resolve the land problems. I have not paid the shs.1000 to the landlord because the coffee prices are too low at shs.300 per kilogramme").

Here this peasant was referring to the 1998 Land Act, which creates a stalemate between the tenant and the landlord. Tenants do not own the land they work and have to pay a symbolic rent of shs. 1000 which is of no value to the landlord. On the other hand, the landlord owns the land but cannot sell the land because the tenants cannot accept to leave unless compensated.

The realities of coffee growers are that gone are the days when coffee growing was worth the while, when like in the 1950s coffee growing led to prosperity and virtually each coffee growing family would be eating meat every weekend. Gone are the days when coffee farmers would pay for their children up to the University. Even Universal Primary Education has created more demands on the parents in the form of alternative fees such as uniforms, feeding, private coaching, etc, which they cannot afford.

Regarding medicare the peasants in Kyanakase reported that they rarely go to government cost-sharing health units. They gave a number of reasons for this. First, government health units lacked many drugs that could only be found in private clinics. Secondly, officials always tried to inflate the amount of money they extracted from the patients by giving treatment phased over a long period just to ensure that every time a patient came to get a dose of treatment he or she would pay another user charge (cost sharing fee). Patients found it better to go to private clinics. But this worked only if there was some kind of prosperity in the village. The moment the coffee prices fall very low as it is now (2001), they can neither go to the government health units or private clinics. The problem becomes compounded because this may mean selling savings such as goats or even a *kibanja* (land). Alternatively, they will stay at home without treatment and weakened by disease. This is particularly so in districts such as Rakai and Masaka which have a long history of the HIV/AIDS problem. In hoe agriculture, the basic input into agricultural production is human labour. The moment family members fall sick productivity declines! Health services are inputs into agricultural production. If they are unavailable, production declines.

Educational and health costs reduce on the real income from liberalization. But in addition, the farmers' income was sliced by high prices of petroleum products. Government undertook massive infrastructure development or rehabilitation with the

objective of getting peasants from subsistence into a market economy. However, this noble objective was diminished because transport costs were high. Some people have argued that the taxes on coffee abandoned because of liberalization were smuggled back through the back door and imposed through petroleum products. This could be discouraging production for the market.

The main point here is that liberalization has increased the fraction of the world coffee price passed to farmers. However, we need to be careful when assessing whether or not this means that farmers' income increased given that the costs of productions could be increasing, education and health costs are high and costs of transportation could be a hindrance to extending the market in agricultural products. Inevitably this will lead to social differentiation over a long period and disinheritance of peasants who will become an army of jobless people.

Gender Differentiation

Liberalisation has certainly had an impact on the division of labour in the households as well as gender relations. To begin with division of labour, crops grown for cash usually are dubbed '**men' crops**'. Depending on the class position of the particular household, an expansion in the production of a given crop will alter the load of work between the men and women. In an affluent household, where labour is hired for all the tasks, the burden of both the man and woman will be purely supervisory. In rich peasants homes, where family labour is used side by side with hired labour, the burden of the woman will not be as heavy as that of the middle peasant who depend mainly on family labour. With middle peasants, increase in crops grown for the market without changing to superior technology causes strain on the available labour. The women will often be required to contribute to the growing of cash crops and also ensure the food security of the home. This is besides the fact that she has to do the usual chores such as looking after the children, cooking, etc. Among poor peasant homes, the man does wage labour and woman cultivates food for home consumption. But sometimes they are both forced to go out for wage labour.

Generally speaking intensification of production for cash/export under the same technological base will work against women. Women will be called upon to take on additional responsibilities. In Kumi, for example, loss of oxen and collapse of the ploughing technology following loss of cattle looted has dramatically changed the division of labour and the crops grown. Whereas in the presence of livestock men only attended to opening land with oxen and to a limited extent harvesting, presently men are in various degrees present in all stages of agriculture production that is opening land, planting, weeding and harvesting. With the collapse of the distinction between cash and food crops, the man are actively participating in growing the same crops as women, the only difference being the expectation that women will have to ensure food for domestic consumption is kept aside from their own

acreage.³³ We should emphasise that the assistance given to women is indeed dismal and the collapse of ox-plough use has meant additional burdens to women.

In Kabale, lack of land has generated a floating population of men removed from productive work. It has been reported that in many instances, women carry out cultivation work with men doing nothing and women pay taxes for their men.

In terms of gender, at least the relationship between men and women, changes triggered by liberalization will be mediated by culture, social class position (assets available). Liberalisation tends to reinforce the patriarchal power wielded by men and marginalises women further. When liberalization is accompanied by higher income, the men tend to want to acquire more wives and unleash competition among wives (divide and rule). Here the women may even hand over the money they have for the man to decide how to spend it. Some of the interventions such credit for women triggers a different dynamic not anticipated by the policy makers behind the credit. In polygamous homes giving credit to one of the wives will automatically worsen the condition of the wife who received the credit.³⁴ The husband will cut back on the help arguing that now that the credit recipient has received help from outside he (the husband) would devote the resources at his disposal to assist members of the family who have not been so lucky to get credit. In a sense, then credit shifts the gender relations and worsens the conditions of the woman who received credit.

However, in places such as Kabale where some women carry out agricultural production without the help of the men, and where women pay taxes for their men, the gender relations are such that women make a lot of decisions regarding the income they get. Women in Kabale are aggressive and independent. Liberalisation tends to strengthen the women but the long-term consequence will be that they will be dis-inherited through sub-divisions and loss of land through distress sales.

In districts ravaged by HIV/AIDS, widows face additional burdens. This is because they have to carry the burdens that the husbands used to undertake. In some districts a widow's access to land is no longer guaranteed. According to the findings of the Uganda Participatory Poverty Assessment (UPPAP) in Kumi

Some widows do not have land. It was grabbed by either their own elder children or by the relatives of their late husbands. When they access land, women call out for help to access hoes and pangas for farming ... we need good seeds e.g. groundnuts, maize and beans to improve incomes ... we also need bulls (oxen) for ploughing. However, there is a problem in that our produce fetch low prices and we cannot afford inputs yet we sell all our food to get some little money.³⁵

³³ Interviews were conducted on the 14th February 2001 in Kumi Madina Apolot

³⁴ Darlison, Kaija 'The Role of NGOs in Poverty Alleviation in Uganda: A Case Study of Nakanyonyi World Vision Project in Mukono District.' (M.A. Thesis, Makerere University, 1995).

³⁵ Uganda Participatory Poverty Assessment Process (UPPAP), Kumi District report, Ministry of Finance, Planning and Economic Development, January 2000.

To conclude this section, liberalization is changing gender relations. The character of that change varies across culture, region and class. But generally where the change is not accompanied by better technologies of production and forces that challenge the patriarchal systems, gender relational changes are extremely oppressive and exploitative to women.

LIBERALISATION AND FOOD SECURITY IN UGANDA

The liberalisation of agriculture in particular has led to a renewed interest in the food security debate. Even more, importantly, the occurrence of food shortages and famines in the liberalization period has led to some people raising questions as to the relationship between liberalization and food security. In 1997, the issue of food security led to feverish debate. The Prime Minister, Kintu Musoke admitted that government had verified famine threat in 19 districts of “Apac, Iganga, Kamuli, Tororo, Mukono, Kitgum, Gulu, Soroti, Mbale, Kumi, Moroto, Kotido, Rakai, Kasese, Kapchorwa, Masindi, Kisoro, Kabale, Pallisa and Kabarole.” The number of districts increased, however, to include Lira and Moyo.³⁶ The minister reported that government had so far released 852 million Uganda shillings to purchase emergence relief and was planning to release more funds.

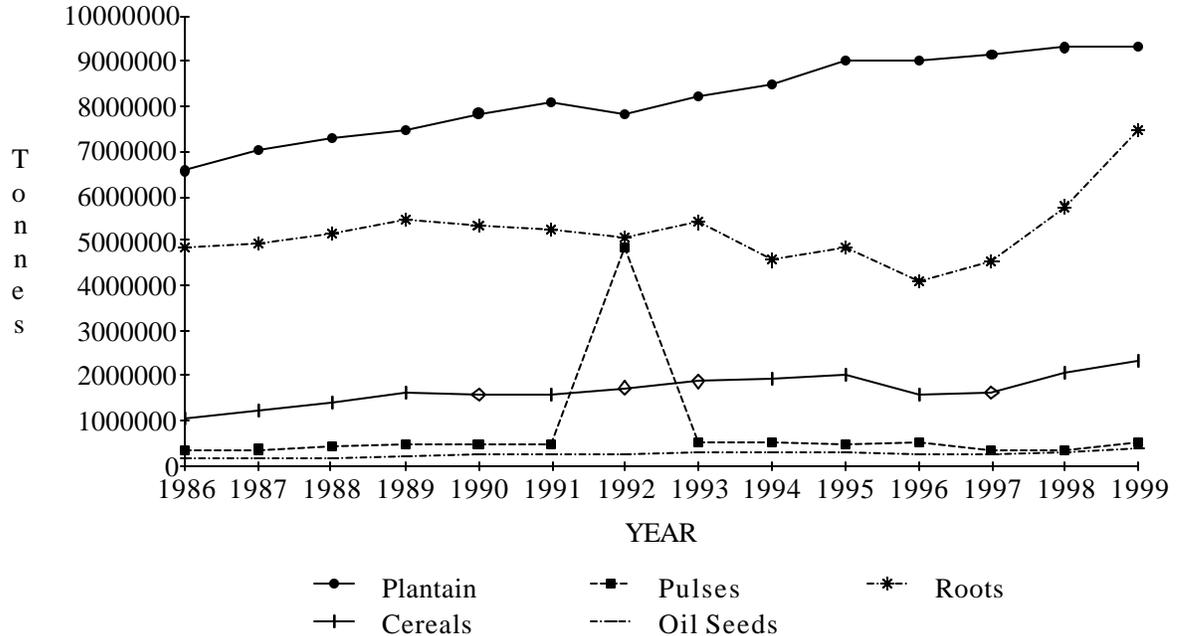
Part of the emphasis of the structural adjustment programmes was on the liberalisation of local markets and foreign trade. Since the famine of 1917-1919, the colonial state and post colonial state ensured food security by forcing peasants to keep famine reserves. The system was kept in place until mid-1960's when it was abandoned all together. However, whenever there was threat of famine, district authorities banned the selling and movement of foodstuffs. In mid-1960s the state created Produce Marketing Board (PMB) as parastatal that was to be exclusively in charge of food trade at the national and international levels. As is the case of CMB and LMB, PMB offered farmers extremely low prices. According to the assumptions behind liberalization, the participation of government parastatals in foodstuffs trade was detrimental to farmers. They reacted by cutting back production. The abolition of parastatal monopoly and leaving the market to set prices would lead to increased production.

In 1989, market monopoly of PMB in foodstuffs trade was brought to an end.³⁷ The question is did this liberalization of food trade lead to increased production in foodstuffs? What has been the implication of this to food security?

³⁶ Republic of Uganda, Parliamentary Debates (Hansard) Official Report 2nd Session –First Meeting Issue No. 12, 1st July 1997-31st July 1997. Kampala: Government Printer, p.1962.

³⁷ COOPIBO, SNV-Uganda and Oxfam-Uganda (1998), “The Impact of Agricultural Price and Market Liberalisation on Food Security in Uganda”, Proceedings of a workshop held at Hotel Equatoria, Kampala

Graph Eight: Production Trends for Major Food Crops 1986-99



Source: Agricultural Policy Committee

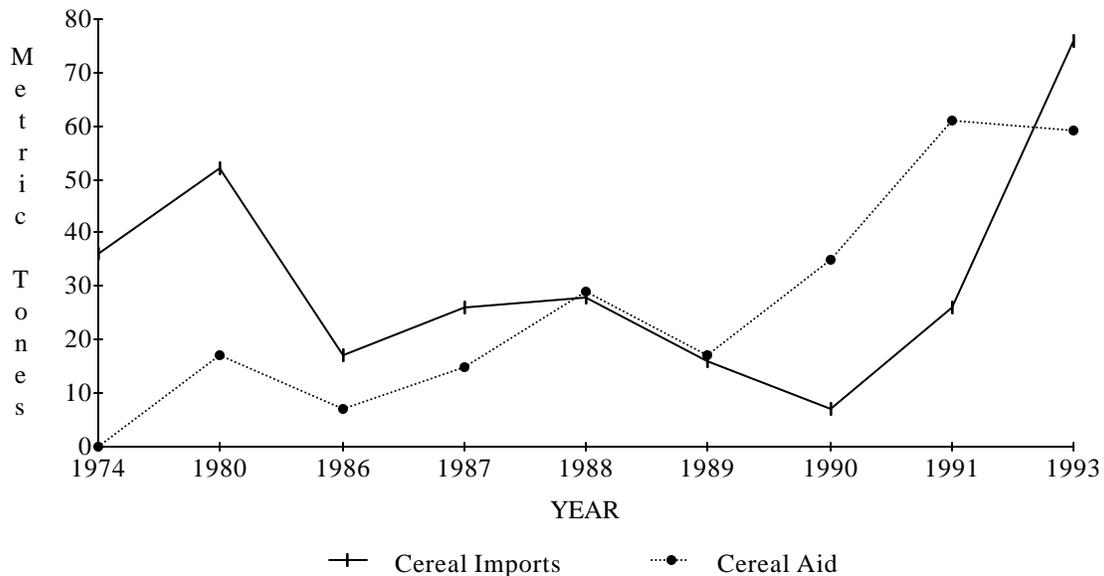
According to these statistics apart from pulses and oil seeds that have been relatively stagnant over years, banana and root crop production has been rising in general terms. This may perhaps explain decline of production of other crops particularly those that are labour intensive. Does this production trend mean that Uganda produces enough for food security? Food security is here understood to mean access to a balanced diet at all times. This is controversial topic. Some people argue that Uganda has always been self-sufficient. Others think that Uganda has been self-sufficient in food except in drought prone areas such as parts of Ankole, Kumi and Karamoja.³⁸ However, in our opinion, self-sufficiency should not be construed to mean food security. One can be self-sufficient but not food secure. To put it in another way, it is possible for Uganda to import nothing meaning that it is self-sufficient when in reality her people are half starving.

Food security issues need to be looked at two levels: the national and individual household level. At the national level, the issue is whether or not Uganda is producing enough food for its people. Opinion has it that Uganda does not produce enough of the food it needs for its population. To make the matters worse tastes of Ugandan urban groups have been changing from domestically produced to imported foods. According to the Agricultural Policy Committee at the Agricultural

³⁸ Jamal Vali, 'Structural Adjustment and Food Security in Uganda', *World Employment Programme Research Working Papers*, International Labour Office, Geneva, 1989.

Secretariat (Bank of Uganda), the ‘country still...imports ...wheat, rice, other cereals, cooking oil, and to a lesser extent sugar and other processed foods and fruits mainly for urban consumers’.³⁹ The graph below shows the cereals that were imported into Uganda up to 1993.

Graph Nine: Cereal Imports into Uganda⁴⁰



Source: Agricultural Policy Committee

Besides, following Amartya Sen’s entitlement theory, a country may have enough food that can feed everyone and yet some of its people are starving because there is no system to transport food from one part of the country to another or merchants hoard the food so that prices can shoot up much to their advantage. The Agricultural Policy Committee argues that

Although the country (Uganda) is routinely said to be self –sufficient in food, the majority of Ugandans, although not starving, are poorly fed. Protein and energy deficiencies in food and inadequate intake of micronutrients are prevalent in all parts of the country and especially so among the poor. At the rural household level, most families do not get adequate supplies of vegetable foods such as beans, groundnuts, and field peas to last from one harvest to the next. To a lesser extent this also applies to the basic staples namely bananas, cassava, sweet potatoes and millet. At the national level the country is not producing enough of these foods for own consumption and for the market. This tends to translate in high domestic prices and wide seasonal variations in these prices⁴¹.

³⁹ Agricultural Policy Committee, ‘Report on Economics of Crops and Livestock Production, Processing and Marketing’, Agricultural Secretariat, Kampala 2000, p.23.

⁴⁰ These figures have been gathered from World Report of various years: 1988, 1989, 1990, 1991, 1992, 1993 and 1995.

⁴¹ Agricultural Policy Committee, ‘Report on Economics of Crops and Livestock Production, Processing and Marketing’, Agricultural Secretariat, Kampala 2000.

Has liberalization brought food insecurity both at the national and households levels? Generally speaking emphasis on exports, including non-traditional crops, in the context where food production is not increasing faster than the population, leads to heightened food insecurity. There is increasing evidence that liberalisation has hurt food security and led to food insecurity among sections of Ugandan society. The concern here ranges from the fear that increasingly, more food crops such as maize, beans and millet are being marketed and promoted as exports under liberalisation. This has resulted in reduced food reserves and food insecurity particularly among poor households in regions where these are staple foodstuffs. Likewise, the assumption that all farmers benefit from higher produce prices and therefore, develop the capacity to resort to the market during periods of food shortages cannot be taken for granted. Available evidence shows that liberalisation has simply accentuated rural and urban social differentiation in access to food, with the consequence that a few rich farmers and capitalists could be the beneficiaries of the higher prices at the cost of the poor. Proponents of this argument observe that poor farmers are structurally limited by the small land holdings at their disposal, which makes it impossible - even if a few may rent additional land - for them to respond to price increases with more production. Let us illustrate with the case of Kyanakase village in Masaka.

In Kyanakase, the majority of the households are tenants on mailo land. They live on small pieces of an acre or less which they devote to bananas and coffee. When coffee prices went up they tended to reduce bananas to give way for new coffee plantings. As can be seen liberalization induced some planting but this was achieved at the expense of their self-sufficiency in bananas. Because they devote all or much of the land to bananas and coffee, they have no land to grow other crops such as beans and groundnuts. Therefore, they 'borrow' pieces of land for growing these and at the end of the season they give a portion of their produce to the landlord. Tenants in this village rarely eat proteins. They cannot eat dry beans because there is no firewood to cook them. If one wants to eat dry beans, he or she must buy firewood. Otherwise, they cook using twigs of coffee! Meat is scarce and expensive in Masaka. In the village there is no land where one can rear goats, cattle and pigs. Few tenants try rearing cattle, goats and pigs but do so at a high cost because the animals are grazed while tied on ropes to prevent them from destroying neighbour's crops. Very few people rear range chicken because as they say chicken destroy lusuku (the banana plantation). This refers to the fact that maintaining bananas involve mulching to maintain moisture and to keep down the weeds. As the grass rots, and generating insects, the chicken will spread it destroying the mulch. Many tenants prefer not to rear chicken. So there are very few chicken in the village and they cost at the rate of Kampala prices. 'In this village,' one tenant said, 'we shall not lie to you. We eat meat on Easter and Christmas holidays. Sugar, only when some one is sick or for a child.' In this village, there is perennial hunger and food shortages, and malnutrition is prevalent. Liberalisation

has tended to worsen the food security of this village by diverting the little resources to export production.

Even in other areas where peasants have access to bigger pieces of land adoption of highly priced crops under the same technological base leads to a cut back in the production of other crops, usually food crops. Sometimes because of school fees or sickness they sell their food harvests at low prices only to buy it back or carry out wage labour to get food in the scarcity period.

Elsewhere in Kumi food security is being undermined by many factors particularly insecurity of cattle raids by the Karimojong, pests, floods and drought as already has been elaborated in the earlier sections of the paper. As a result, there is declining food production that translates directly into food insecurity. Additionally, farmers noted the absence of proper food storage facilities, as the traditional granary is prone to thefts particularly within the context of the insecurity being experienced in many parts of the district. The figures in the table below show the declining trend of food production in Kumi District.

Table Five: Crop production in Kumi district (hectares)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Maize	7115	9360	4263	12050	3397	1583	1101	5908	910		0	0	516	3955	822
F/Millet	45001	41500	18940	25759	14595	14907	5762	30852	14355	20869	10571	7213	1317	6338	6289
S/potato	22226	17600	19453	6862	9909	13073	29313	41878	18298	3116	3707	2900	1695	1597	812
Cassava	32743	29430	36239	26200	23638	12138	3519	10039	2275	1998	3205	1491	2609	3458	1458
G/Nuts	30466	24330	17537	14729	8784	9157	2569	21783	8229	16259	8051	7998	3214	9929	5876
Cowpeas	7495	6800	7279	5585	8453	5546	2583	9135	10420	1069	1910	199	822	3398	861
Cotton	1258	1000	28912	2000	1974	5411	6340	861	11044						

Source: Kumi District, Department of Agriculture, 1997.

Other than cotton production that improved slightly in 1994, there has been a continuous decline in production of all the other crops, the majority being food crops. The most dramatic fall in production affected finger millet between 1999 and 2000 yet finger millet has for long been the staple food in Kumi and Teso in general. According to the Kumi District Agriculture Office, despite increases in acreage of food planted since 1998, the total output has not been able to meet the required levels to guarantee food security. As a consequence, the food availability is very poor throughout the district. The situation is worse off in the rain shadow areas along the shores of Lake Bisina in the sub-counties of Ongino, Malera, Kolir, and parts of Kumi, Mukura and Kapir sub-counties. In order to arrest the chronic food shortages in the district, Kumi has been a recipient of food relief supplies as far back as March – April 1997 which has been distributed to most of the affected areas however the food relief supplies are limited and in the words of the agriculture office, amount to a mere drop in the ocean⁴².

⁴² Oumo, F. I. (1997), "The Current Agricultural Food Situation in Kumi District: A Brief to the FAO Journalist". Department of Agriculture, Kumi District.

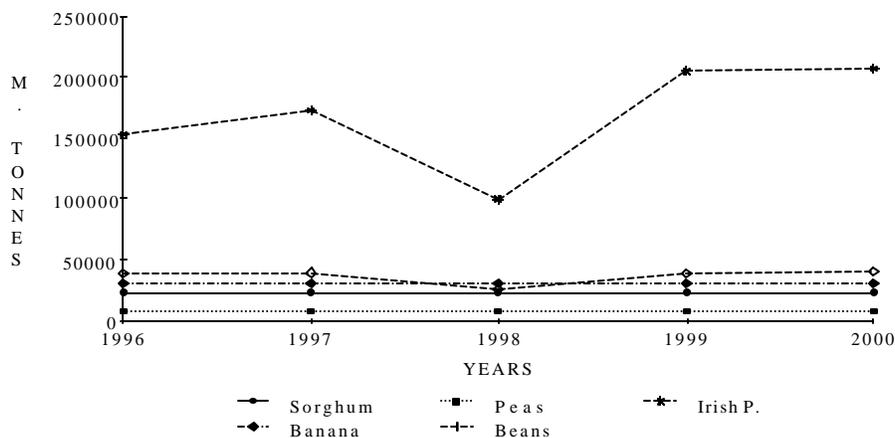
To conclude this section, Uganda cannot be construed to be food secure, because production does not cover the domestic needs and under consumption and malnutrition exists. Uganda does not have an elaborate food processing and storing facilities nor financial reserves to deal with emergency.

The Kabale District Case

Kabale District is among the most densely populated in Uganda, located in southwestern Uganda in what used to be South Kigezi Province. Kabale District comprises of four counties namely Kabale Municipal Council, Rubanda, Ndorwa and Rukiga. Apart from the municipality located in the valley, the other counties are on the surrounding hilly topography that makes this district unique. On these hills, peasant farmers practice subsistence farming. Kabale is food self-sufficient because the soils are generally fertile and the climate is conducive however owing to land concentration and lack of resources for land rejuvenation the soils have overtime been losing their fertility. The District receives rainfall for most of the year; the long rains occur between mid August - December, followed by short rains in mid March - May and short dry spell common between June and July.

According to Mr. Mutabazi⁴³, the Director Production and Marketing, Kabale District, traditional food crops like Irish potatoes, beans, sorghum and sweet potatoes also act as cash crops whenever there is surplus. However recently, new cash crops like wheat, pyrethrum, tobacco and clonal coffee are being promoted in the district. The coming graphs contain information on acreage and production of cash and food crops in the district.

Graph Ten: Food / Cash Crop Yields in Kabale District



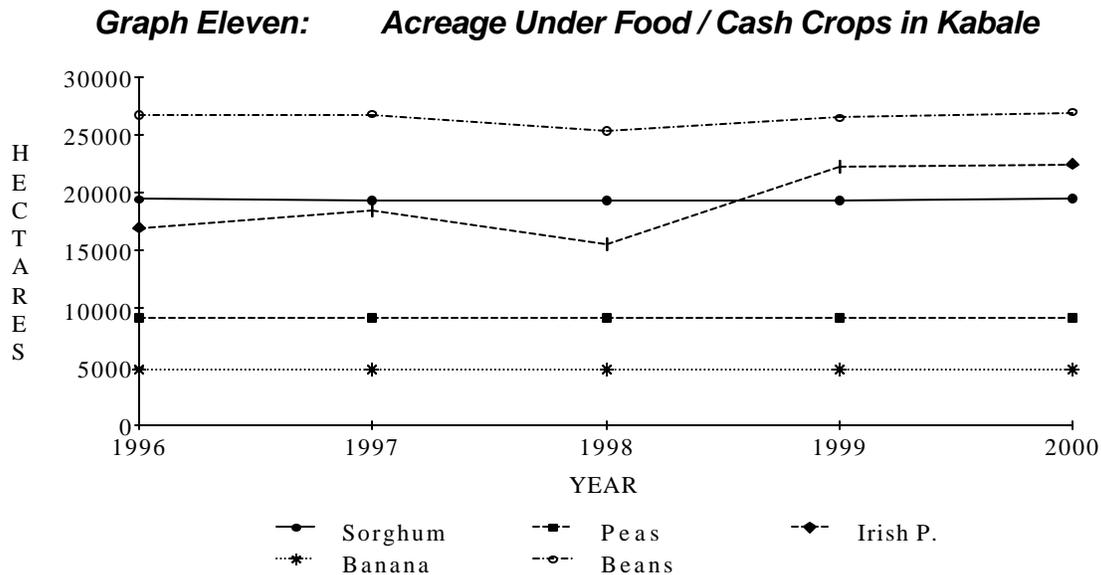
Source: Figures compiled by the Director, Production and Marketing, Kabale District.

The graph shows the production trends for food crops (also the traditional cash crops) in Kabale District. The production of Irish potatoes was the highest for the

⁴³ Interview held with Samson Opolot in Kabale Town on 31st may, 2001.

period under review followed by beans, bananas and sorghum. Whereas the production of Irish potatoes and beans has been fluctuating due to the fact that these two are responsive to market forces, production of peas, bananas and sorghum remained constant. For example, the graph below shows that acreage under beans and potatoes increased between 1996/97 before a sharp decline in 1998 attributed to adverse weather conditions. This is followed by an increase in acreage planted and production of these crops from 1999 onwards.

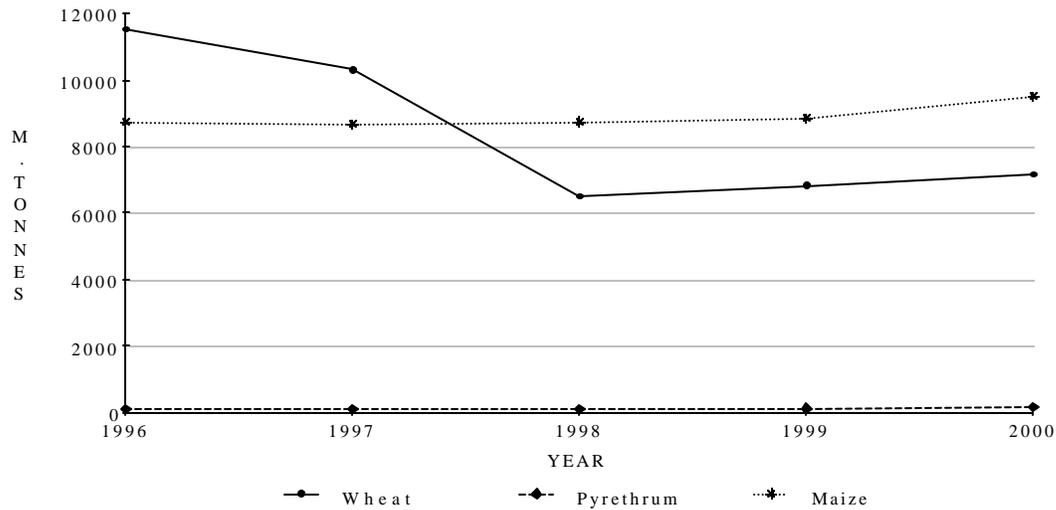
According to Mr. Mutabazi, farmers feel there is need to secure prices of these traditional cash crops by fixing minimum prices for each of them. Irish potatoes and beans continue to fetch reasonable prices but the factors of supply and demand dictate price levels at harvest periods when poor farmers, who cannot store produce, have to sell at bottom low harvest season prices.



Source: Figures compiled by the Director Production and Marketing, Kabale District.

Besides the above traditional crops that have doubled as food and cash crops, there has been a deliberate attempt to introduce new cash crops in Kabale District in the names of wheat, pyrethrum and maize. In the coming graphs we show the production trends for these crops and present a discussion of the likely explanations for them.

Graph Twelve: Cash Crop Yields in Kabale District
CASH CROP YIELDS IN KABALE DISTRICT

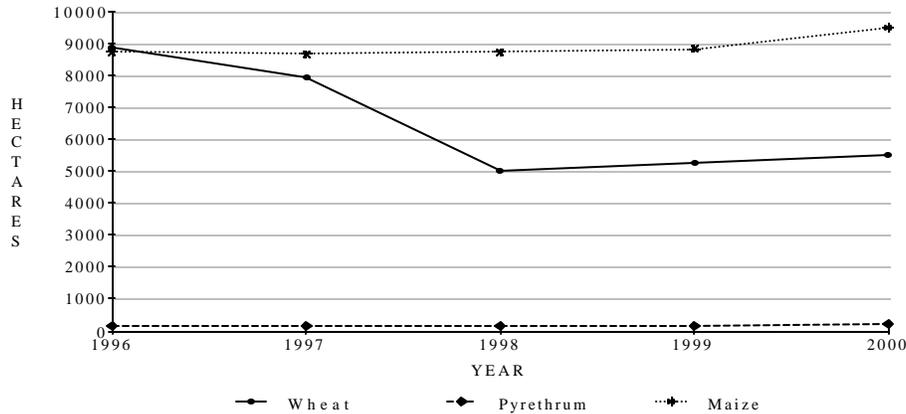


Source: Compiled by the Director, Production and Marketing, Kabale District.

According to the above data, whereas wheat production was highest between 1996/7, this was gradually followed by a sharp decline in 1998 when production of maize gradually exceeded wheat production to date. On the other hand, production of pyrethrum albeit the lowest shows gradual but steady growth. The reason for the big decline in wheat production is linked to the introduction of pyrethrum, by a United States Agency for International Development (USAID) sponsored project. Under this project, farmers obtain ready inputs (e.g. knowledge, seeds and extension services) and also handles harvesting, drying of flowers and marketing of the so-called “magic flower”. Constrained by limited land, most farmers have shifted the land put aside for cash crop growing to pyrethrum and maize at the cost of wheat. The next graph shows a clear correspondence between acreage of each of the cash crops grown and the production we have discussed above.

According to Mr. Mutabazi, the main impact of liberalisation in the district is in the form of promoting new cash crops. That is pyrethrum, wheat and maize. Otherwise, the trend in the production and marketing of traditional crops has not altered much since liberalisation. This he attributed to the terrain whereby Kabale’s hilly countryside does not attract much commerce for bananas, irish, beans, sorghum from Kampala. Rather, the major terms of trade of the district are with Rwanda to the extent that a trade blockade with Rwanda, as in the recent ban on Ugandan milk and beef exports to Rwanda, hurts the Kabale farmers real hard.

Graph Thirteen: Acreage Under Cash Crops in Kabale District



Source: Compiled by the Director, Production and Marketing, Kabale District.

Food Security in Kabale District

Kabale District is largely food self-sufficient save for few occasions when adverse weather (elongated dry or wet) conditions such as El nino, led to poor food / cash crop production in the 1997/98. Since food production is seasonal, the poor who grow little may suffer if the bad weather exceeds the limited food stocks that they would have stored to see them to the next harvest. Besides, a majority of poor households lack the means to properly store crops in order to fetch better terms of trade so they sell at bottom low harvest rates and in an effort to obtain enough income to cover basic demands, sell more produce and retain inadequate food stocks to see them to the next harvest. Hence there is a growing class of food insecure poor people in the district.

Although there was little evidence of the poor expanding their limited land to production of most cash crops like wheat and pyrethrum, it was noted that a number of them tend to divert labour, much needed for subsistence production, to paid casual labour on cash crop farms owned by the rich farmers. Therefore, casual labour and reducing on meals taken by a family per day were seen as the key coping mechanisms the poor resorted to when confronted by food scarcity. For that matter some family members, especially children, in poor households have been forced to do without certain meals and eventually missed on the desired levels of nutrition to ensure normal growth. To support the assertion about declining levels of nutrition, it was observed that these days, owing to the commercialisation of milk production, there is a tendency for milk from poor households to find its way into the market at the cost of desired levels for household protein consumption⁴⁴. As a result, not only have women lost out on income from ghee (a product of fermented milk consumed and marketed to be used in cooking) but also children who are losing out on milk to feed on.

⁴⁴ These insights by Samson Opolot were obtained from Mr. Sunday Mutabazi, DAO / Director of Production and Marketing, Kabale District, 31 May 2001.

VOICES OF RURAL PEOPLE ON AGRICULTURAL LIBERALISATION AND FOOD SECURITY IN UGANDA

In this section we analyse some views of rural people on liberalisation, agriculture and food security. These views were collected by the Uganda Participatory Poverty Assessment Process (UPPAP), which conducted participatory poverty assessments (PPAs) in nine pilot districts of Uganda in 1998⁴⁵. Among others, UPPAP sought to establish local people's knowledge of government policies and among those focused on was agriculture liberalisation. Overall, people in different communities perceive liberalisation differently and within contexts, views differ by social position. Other views were obtained during participatory discussions for this SAPRI research phase.

In Kabarole District, UPPAP established that people in Mahasa and Nsorro said:

*In the 1980s (Obote's regime), it was only Coffee Marketing Board (CMB) and Produce Marketing Board (PMB) which were solely responsible for marketing agricultural items. Since PMB ceased to buy produce, we are free to sell to any market of our choice unlike in the past. Market liberalisation is good for a farmer because he/she can sell produce to a buyer at an agreed price. This gives room for bargaining unlike during the regime of marketing boards when prices were dictated to us.*⁴⁶

The positive attitude to liberalisation in Kabarole stands in contrast to views from Kapchorwa District. Here a member of a focus group was quoted to have said:

I have been hearing about it (agriculture liberalisation) only as stories. I haven't understood what it is all about. If you are talking about PMB, we never saw its agents here. They stopped in Kapchorwa town. They couldn't reach here because the roads were impassable ... Today because we do not get enough market information, when rich business men come here they set the prices, and buy cheaply. We accept because of ignorance of market prices and lack of alternative markets. This is where death came to substitute poverty ... In the good olden days when cooperative societies and unions were still functioning; we kept coffee in our homes until cooperatives came with the money to purchase it.

Furthermore in Kapchorwa farmers link declining agricultural extension services to agriculture liberalisation. A farmer observed that:

⁴⁵ UPPAP is a project under the Ministry of Finance, Planning and Economic Development that is being implemented in partnership with donors and civil society organisations. The nine pilot districts where the PPAs were conducted are Kumi, Kotido, Kabarole, Kampala, Kalangala, Kisoro, Bushenyi, Moyo and Kapchorwa.

⁴⁶ Uganda Participatory Poverty Assessment Process (UPPAP), Kabarole District Report, Ministry of Finance, Planning and Economic Development, January 2000.

We do not receive any extension services like in those days of 1960s and early 1970s. This affects the production of crops and livestock. In those days government used to provide cattle dips, spraying chemicals and guidance on pruning coffee trees.⁴⁷

In Kumi farmers associated agriculture liberalisation with exploitative traders. Most farmers wait for traders to reach them because owing to poverty and poor transport and communication they cannot access markets where they can maximise prices for their produce. A farmer lamented thus:

A whole sack of potatoes goes for only 3,000/= Not being aware of markets where produce could be sold at fairer prices is a concern to us. Even then the high costs of transportation and poor roads deter any ambition of trying to follow alternative markets.

This particular farmer had no choice but to sell her potatoes during the harvest period when prices are usually low.

In Moyo, farmers were not sure about liberalisation of agriculture, however, poor infrastructure stands as their main concern for reaching produce markets. Women were particularly affected since they do most of the produce marketing. Other limitations include insecurity from Sudan Antonov Bomber plane which hampers settled farming and cross-border trade. Farmers also complained that government forces them to grow cash crops like cotton without streamlining marketing procedures and they end up losing in the end.⁴⁸

In Bushenyi District, men and women revealed that because of liberalisation they were able to sell whatever they had, whenever and wherever they wanted. Women noted that the policy had led to commercialisation of traditional food crops, which enabled them to get and control some income. However, community members agreed and revealed that liberalisation was affecting food security. Owing to demand for cash coupled with ready markets some food crops like beans, millet, potatoes were sold without keeping aside for the family and for planting in future. This had negative impact on nutrition especially for children in poor families.⁴⁹ In Kalangala District, economic liberalisation was said to have some positive attributes in terms of prompt payment as this rich farmer from Bbeta village suggested:

⁴⁷ Uganda Participatory Poverty Assessment Process (UPPAP), Kapchorwa District Report, Ministry of Finance, Planning and Economic Development, January 2000.

⁴⁸ Uganda Participatory Poverty Assessment Process (UPPAP), Moyo District Report, Ministry of Finance, Planning and Economic Development, January 2000.

⁴⁹ Uganda Participatory Poverty Assessment Process (UPPAP), Bushenyi District Report, Ministry of Finance, Planning and Economic Development, January 2000.

We are happy with the policy because of the prompt payments... I can send my children to school because I get ready cash from my coffee compared to a time when payment could be done after a long time.

However poor coffee farmers thought differently. One of such a farmer had this to say:

...There is no money in coffee. I sold 60 bags but got "no money". No farmer can ever buy a car; that is a lie unless the price of a car comes down to 10,000/=. It is only traders who can afford (cars).

Fishermen in Kalangala also had their own complaints on liberalisation. According to them, liberalisation has created a rapid increase in the number of fillet processing industries around Lake Victoria causing pollution of the lake waters and food insecurity as much of the fish is exported as fillet and communities feed on the bones residue. A fisherman was quoted as saying this:

In the 1950s, we used to have very few fishermen, say about six boats per island in Kalangala. Now, with changes in government policies, we have an average of 300 fishing boats per island! In 1958, I could catch 200 "Semutundu", one of the rare species of fish, now it is impossible. If I am lucky, I can catch about 10 of them a day but in most cases, I only catch one. We also used to catch 300 Tilapia in the past but now the average is 20 per day or nothing at all.⁵⁰

It can be argued that from this review, local perceptions of the impact of liberalisation on agriculture are critical of what they have gained and lost. For the progressive farmers liberalisation has improved prices and promptness of payment and freed farmers to sell produce when and wherever they deem best. The majority of farmers, however, are concerned that poor infrastructure and transport, lack of information, landlessness, insecurity, as well as forms of powerlessness, especially of women, have hampered the gains from liberalisation.

CONCLUSIONS

Uganda has been hailed as one of the countries that have fully implemented liberalisation policies. We have demonstrated that in the initial years up to 1993, government could not liberalise fully until it was politically secure against a backdrop of insurgency, political dissent and getting rid of broad-based government. Therefore, the increment in production during those years was a result of non-market structures like restoration of peace and stability, rural infrastructure, etc.

From 1993 we witness complete liberalisation and the benefits the farmer derives from this is prompt payment as opposed to what used to happen with marketing boards. Liberalisation can stimulate production as long as prices are high enough

⁵⁰ Uganda Participatory Poverty Assessment Process (UPPAP), Kalangala District Report, Ministry of Finance, Planning and Economic Development, January 2000.

to cover the costs of production leaving a good profit margin. We can see this in the coffee sector during the boom of 1993 -1995. Coffee farmers who had abandoned the crop rehabilitated their gardens and planted. However, when prices are lower than the costs of production as they appear to be at the moment, then liberalisation ceases to stimulate production. In general, however, the increase in agricultural production as demonstrated by data from the sampled districts has largely been as a result of state programmes for example, the promotion of clonal coffee by government and NGO's.

In fact the evidence available shows that liberalisation has not improved real incomes of farmers, particularly the small ones. The obvious reason being that prices of agricultural inputs rose in the wake of higher produce prices thus increasing production costs and undermining profit. Therefore, Liberalisation in as far as it means higher income can only benefit those who have resources to grow those crops that are attracting higher prices on the market at that moment. In other words, these could be rich farmers and capitalists as opposed to poor farmers that do not own adequate land and do not have access to infrastructure, and are affected by high transport costs due to high taxes on petroleum products.

In this sense, liberalisation has potentials for inequality at the regional, social class and gender levels. Poor farmers sell raw coffee beans and fetch low prices while rich farmers and trader who can hoard and sell when prices are 'right' and reap the benefit. Liberalisation will have more meaning in the context of a developed domestic market because then real forces of supply and demand will emerge. For those homes that have little resources, there is more struggle along gender lines characterised by the intensified oppression of women. On the other hand liberalisation has never benefited conflict-ridden areas implying that peace is a precondition for successful liberalisation to occur.

Finally liberalisation has affected the food security situation of this country in a number of ways. First of all there have been changes in tastes for food as evidenced in the increasing consumption of rice imported from Asia causing yet to be analysed implications for local food production for example, among rice producers in Eastern Uganda. Food security has been further compromised by the emphasis on marketing of non-traditional export crops such as maize and beans. In general the export crop production drive in some instances has led to a decline of food security in some homes. In this case, poor farmers tend to increase production of cash crops at peak price moments at the expense of food crops such bananas as was the case in Masaka District, and this was on top of the limited access to land and insecurity of tenure. By reducing food production, therefore, liberalisation has also affected nutritional levels for example in places like Buganda region where malnutrition levels are high.

RECOMMENDATIONS

Uganda has been put on the path of a market economy. There are obvious benefits from a liberalized economy, especially when other necessary conditions are in place such as good infrastructure, free flow of market information and security of land tenure. However a market economy has a bad side to it. It can lead to concentration of resources in a few hands and increase poverty and food insecurity for many. In that sense, it is important to continue to review the effects of liberalization and to take corrective measures. In this civil society can remain vigilant in generating concrete data information that can convince policy makers that particular aspects of the market are harming sections of society to the detriment of the rest. We propose the following necessary pre-conditions for liberalisation to benefit the farmer, improve gender relations and food security:

- **Improve the technological base:** The findings indicate that liberalization cannot work under the present underdeveloped scientific and technological conditions in Uganda. Where it has been successful, the developed north, liberalization has found developed technological, socio-economic and political infrastructure to ensure success. To reach these levels Uganda needs improved rural transport and communication systems to ensure knowledge and access to markets, which are also poorly developed particularly in rural areas.
- **Improve Quality and Quantity of Extension Services:** The study established that liberalization has mainly benefited farmers who have access to agricultural and veterinary extension services. Extension services ensure that farmers are guided on the optimisation of yields and processing produce for the market however the quality and quantity of rural extension services has been on the decline in the recent years mainly because of poor remuneration and incentives to technical staff to work up-country. Hence extension workers have neglected farmers in marginal parts within districts and the country as a whole with adverse effects on agriculture productivity. Under this state of affairs few farmers are capable of tapping the standards demanded by the export – led agriculture growth that liberalization seeks to promote in Uganda.
- **Safety Nets for the Poor:** The assumption that liberalization would benefit farmers equally was in total disregard of power relations and the reproduction of inequality and class divisions in agriculture production. The results of the study show that where poor farmers have tried to respond to market forces, they have done so in distress by selling green coffee, selling raw/unprocessed food in gardens at bottom-low harvest prices benefiting traders and rich farmers who purchase and store such produce to sell when they fetch better prices. In terms of gender there has been a general tendency for men to take over production and marketing of traditionally female crops (non-traditional cash crops) further entrenching the poverty and powerlessness of women. Food security has also suffered as a consequence as hitherto protein reserves (milk, eggs, vegetables, etc) and other foodstuffs have increasingly ended up in markets as costs of living increased under liberalization. This calls for safety nets for the poor farmer, the

majority women, in the names of subsidized inputs, credit, skills, improved rural transport and communication access to markets and information.

- ***Control the Costs of Production:*** The study established that even where price increments have occurred and some farmers have benefited from higher prices, this has in most of the cases not transformed into better welfare for the majority of farmers. Findings show that the costs of transport, fertilizers, hoes, herbicides and the overall cost of living went up during the era of liberalisation eroding much of the benefit from increased prices. Unless the costs of production are kept under manageable or realistic levels, liberalization will simply reinforce rural inequality and underdevelopment of the dominantly peasant economies.
- ***Resolve Land Tenure Impasse:*** The rampant land tenure insecurity in the country calls for concrete land tenure reform that will empower women and poor farmers' control over land. Right now the 1998 Land Act simply left the struggle to a stalemate between tenants that cannot be evicted but tied to the limited acreage at their disposal and landlords that can limit the expansion of tenancy but not evict them altogether. This cannot promote agricultural growth and development as the case of Kabale and Masaka demonstrate. Farmers cannot increase acreage, even if they would have wished, nor can they plant trees to control wind and soil erosion, among other innovations that could be mentioned.
- ***Address Problems of Food Storage/Processing Technologies:*** Most of the exploitative conditions confronting farmers arise partly because they cannot store their produce in order to sell as and when prices are optimised. As it were, most of the poor sell food immediately after harvest fetching low prices. Lack of food storage facilities also curtails saving food for seed and domestic consumption undermining food security and production. Investing in food storage technologies and enforcing rules to this effect, as in colonial times, would go a long way in improving food security and agriculture production in rural areas. Complimentary to food storage is the need to invest in agro-processing technologies in order to add value to farm products. For example, oil press technologies have enabled farmers in Northern Uganda to sell oil as opposed to sim sim seed adding value to their incomes. Even at national level it is still not clear why there is a preference for relying on the policy of importing food whenever there is famine as opposed to constructing silos to store food stocks. Or inviting traders in the name of investors to export unprocessed agricultural produce instead of investing in agro-processing.
- ***Open-up Markets of Developed countries:*** Whereas liberalization has attained relative success in opening – up Uganda's economy there has been no corresponding liberalization of markets of developed countries to the bulk of Uganda's agricultural exports. Developed countries maintain strict tariff regimes that are protective of their farmers at the expense of farmers in developing countries. So whereas they are called upon to produce more of this and that

crop, to which they often respond, farmers in developing countries like Uganda are not aware that little if any of these products find their way into foreign markets. Those few that reach these markets (coffee, for example) fetch low prices because they would have been promoted elsewhere on global scale. For example, while clonal coffee is being hyped as the dream coffee variety to propel Uganda farmers' incomes future, similar promotions of clonal coffee have already taken place in East Asia notably, in Indonesia, on massive scale. What comparative advantage does Uganda have by becoming another mass producer of clonal coffee?

- ***Facilitate and enforce development of District Databases:*** unlike the past, particularly under the colonial set-up, it is becoming more and more impossible to obtain credible data on agricultural growth trends from districts. The situation seems to have been aggravated by decentralization since there is evidence from field officers to the effect that since districts decentralized, there has been no data collection. Among others, district officers complain that they are under staffed, lack financial resources and logistics like transport to enable them gather and store such data. However data is very important for effective implementation, monitoring and evaluation of the trends in agriculture and food security matters in the country considering the changing policy environment under globalisation.
- We recommend that local authorities should be encouraged to research, monitor and evaluate production and marketing trends in the respective districts as used to be done in the past. Forms like the Agriculture Form 3 should be re-introduced and enforced to guide agriculture officers in recording this important data. Likewise, livestock and other agricultural production trends are very important and need to be monitored and reported on a regular basis.

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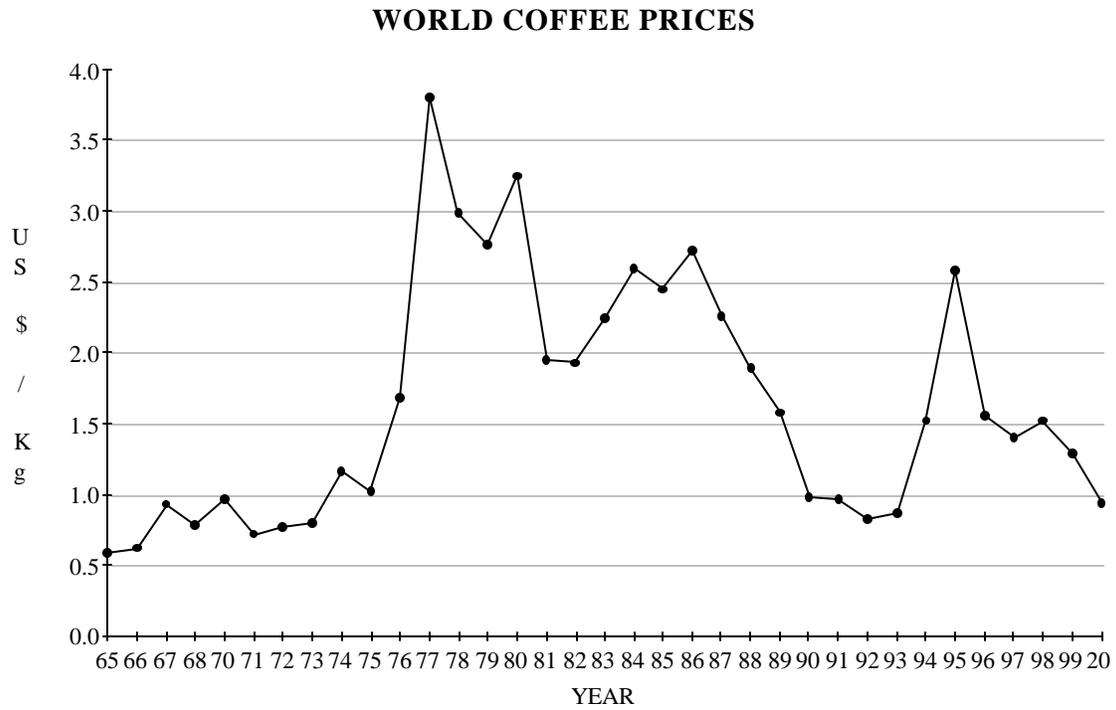
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APPENDICES

Appendix I: Graph Fourteen: World Coffee Prices

Source: UCDA databank

Appendix II: Key indicators in the Coffee sub-sector

**UGANDA COFFEE DEVELOPMENT AUTHORITY
KEY INDICATORS IN THE COFFEE SUB-SECTOR SINCE LIBERALISATION**

PARAMETER INDICATOR	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00 Provisional
A. PRODUCTION									
(a) AREA (Hectares)	233,600	233,600	270,406	270,828	271,900	274,068	275,792	295,708	300,991
Robusta	204,900	204,900	240,000	240,000	240,000	240,000	240,000	254,615	254,615
Arabica	28,700	28,700	30,000	30,000	30,000	30,000	30,000	31,830	31,830
(b) PLANTING (Total)	N/A	N/A	502,000	998,600	2,135,100	4,622,970	6,383,115	10,330,686	17,469,831
Robusta Plantlets	N/A	N/A	215,000	487,600	1,430,600	2,957,970	4,609,115	7,126,634	14,137,662
Arabic Seedlings	N/A	N/A	287,000	511,000	704,500	1,665,000	1,774,000	3,204,052	3,332,169
Cumulative Planting (Robusta)			215,000	702,600	2,133,200	5,091,170	9,700,285	16,826,919	30,964,581
Cumulative Planting (Arabica)			287,000	798,000	1,502,500	3,167,500	4,941,500	8,145,552	11,477,721
Grand Total									42,442,302
(c) INCREASE IN (HA)									
Robusta	N/A	N/A	406	828	1,900	4,068	5,792	9,263	14,546
Arabica	N/A	N/A	215	488	1,431	2,958	4,609	7,127	12,725
Cumulative Increase in Area	N/A	N/A	191	341	470	1,110	1,183	2,136	1,821
			406	1,235	3,135	7,203	12,995	22,257	36,803
(d) YIELDS									
Production (60-Kg Bgs)	2,800,000	2,900,000	3,200,000	3,900,000	4,400,000	3,173,000	3,173,000	3,853,222	3,200,000
Robusta	2,600,000	2,600,000	2,900,000	2,900,000	3,500,000	3,950,000	2,823,000	3,424,598	2,650,000
Arabica	200,000	300,000	300,000	400,000	400,000	450,000	350,000	428,624	550,000
B. EXPORTS									
(a) Total Volume (60-Kg. Bgs)	2,800,000	2,900,000	3,200,000	3,300,000	3,900,000	4,400,000	3,173,000	3,853,222	3,200,000

Robusta	1,884,183	1,841,510	2,471,960	2,284,109	3,762,347	3,789,013	2,6911,878	3,291,540	2,390,682
Arabica	169,034	247,132	533,245	507,644	386,456	448,101	430,460	356,449	526,575
(b) Total Value (US \$ million)	104.55	108.70	273.66	432.49	388.92	355.13	276.47	283.01	164.76
Robusta	91.74	90.58	192.31	338.76	345.14	288.86	227.36	247.88	121.87
Arabica	12.81	18.12	81.35	93.73	43.78	66.27	49.11	35.13	42.90
(c) Value to Farmer (% of World Price)	45	52	77	72	78	77	75	75	70
(d) Farm gate Prices-Average (Shs/Kg)									
Robusta (Kiboko)	215	238	465	850	650	573	700	720	450
Fair Average Quality (FAQ)	540	975	1,200	1,700	1,340	1,250	1,540	1,550	975
Arabic Parchment	471	650	2,000	1,770	1,300	1,200	2,075	1,430	1,300
(e) Exchange Rate (Shs / US\$)* (*Bureau Middle Rate)	935.04	1,237.35	1,217.18	1,003.40	975.45	1,051.79	1,0848.77	1,237.93	1,771
C. GENERAL INFORMATION									
Number of Exporters	N/A	18	86	117	94	60	46	46	35
Number of Primary Factories	N/A	142	163	204	184	233	382	364	279
Number of Grading Factories	N/A	7	10	17	18	25	29	30	31
Number of coffe farmers (mlns)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Number of Nursery operators (Total)	N/A	60	208	370	437	539	651	660	955
Robusta	N/A	50	182	315	350	451	567	570	569
Arabica	N/A	10	26	55	87	88	84	90	386
Number of DCCs	3	3	4	4	27	27	27	31	31
Number of Buying Stores	N/A	N/A	N/A	159	169	171	269	286	N/A
Number of Roasters	N/A	N/A	N/A	3	4	3	6	7	5
D. PRODUCTION COSTS									
Farmers' Production Cost (Shs/Kg)									
Traditional Robusta	310	320	313	390	310	270	330	272	375
Clonal Robusta	N/A	310	185	221	221	231	200	235	285

Arabic Parchment	N/A	N/A	968	773	552	682	836	740	850
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MARGINS**Farmer's Gross Margins (Shs / Kg)**

Traditional Robusta	N/A	N/A	N/A	N/A	N/A	396,000	354,000	360,800	60,000
Clonal Robusta	N/A	N/A	N/A	N/A	N/A	1,112,900	1,495,000	1,297,000	420,000
Arabic Parchment	N/A	N/A	N/A	N/A	N/A	763,000	675,000	495,000	337,500

Farmer's Profitability (Shs/Kg)

Traditional Robusta	N/A	N/A	N/A	N/A	N/A	330	320	328	50
Clonal Robusta	N/A	N/A	N/A	N/A	N/A	369	450	365	140
Arabic Parchment	N/A	N/A	N/A	N/A	N/A	1,018	964	660	450

Processor's Cost (Shs/Kg)	N/A	N/A	N/A	232	N/A	N/A	N/A	200	180
Processor's Hulling Fee (Sh/Kg)	N/A	N/A	32	32	33	33	32	30	30
Processor's Margin (Sh/Kg)	N/A	90	N/A						

Exporter's Cost (Sh/Kg) Vertically Integrated

Robuster Exporter	N/A	N/A	N/A	538	230	170	181	260	40
Direct Robuster Exporter	N/A	N/A	N/A	538	230	186	210	260	40
Direct Arabic Exporter	N/A	N/A	N/A	510	N/A	300	318	318	400

Exporter's Margin (Sh/Kg) Vertically Integrated

Robuster Exporter	N/A	N/A	N/A	12	100	70	141	210	74
Direct Robuster Exporter	N/A	N/A	N/A	12	40	54	23	210	74
Direct Arabic Exporter	N/A	N/A	N/A	30	N/A	300	434	272	144

Source: Uganda Coffee Development Authority.

Appendix III: Integrational Prices of Uganda's Major Export Crops

TABLE 2

Integrational Prices of Uganda's major Export crops (Unit Values in US \$ per kg)

Commodity	Coffee	Cotton	Tea	Tobacco
1982	2.0	1.8	0.7	—
1983	2.4	1.6	0.9	1.3
1984	2.7	1.8	1.3	2.1
1985	2.3	1.5	0.8	1.3
1986	2.8	1.0	1.1	—
1987	2.1	1.5	0.9	—
1988	1.8	1.4	1.0	1.5
1989	1.5	1.7	1.0	1.2
1990	1.5	1.5	0.8	1.2
1991	1.0	1.5	1.0	1.9
1992	0.9	1.0	1.0	2.6
1993 J.A	0.9	0.9	1.7	1.7

TABLE 3

Quantity of Major Exports (Tones)

Commodity	1987	1988	1989	1990	1991
1992					
Coffee	148,153	144,234	176,433	141,489	127,438
Cotton	3,443	2,088	2,321	3,808	7,819
Tea	2,100	3,079	3,195	4,760	7,018
Tobacco	0	39	490	2,269	2,467

Source:

L. Kasekende and G. Ssemogerere; Exchange Rate Unification and Economic Development: The Case of Uganda, 1987-92.

World Development, Volume 22 Number 8, August 1994.

Appendix IV: Uganda Coffee Exports

Uganda Coffee Exports from 1964/65 to 1999/2000

Coffee Season	Quantity (60 Kg Bgs)	Value (US \$)	Unit Value (US \$ / Kg)
64/65	2,158,736	76,820,312	0.59
65/66	2,855,621	106,126,982	0.62
66/67	2,637,862	146,548,850	0.93
67/68	2,967,825	139,078,017	0.78
69/70	3,193,638	185,874,447	0.97
70/71	3,032,609	130,818,018	0.72
71/72	3,139,559	145,469,659	0.77
72/73	3,677,100	175,549,153	0.80
73/74	3,283,183	228,518,975	1.16
74/75	2,861,399	175,337,140	1.02
75/76	2,431,524	245,222,735	1.68
76/77	2,449,737	558,521,578	3.80
77/78	1,742,575	312,097,360	2.99
78/79	2,353,031	389,108,354	2.76
79/80	2,219,802	433,471,715	3.25
80/81	1,973,458	230,463,637	1.95
81/82	2,785,647	322,030,310	1.93
82/83	2,194,888	295,259,322	2.24
83/84	2,519,024	392,677,096	2.60
84/85	2,500,031	367,591,092	2.45
85/86	2,392,198	390,362,568	2.72
86/87	2,280,206	308,594,658	2.26
87/88	2,318,341	263,239,573	1.89
88/89	3,114,396	294,867,882	1.58
89/90	2,364,751	139,566,731	0.98
90/91	2,085,004	121,343,113	0.97
91/92	2,030,829	101,442,768	0.83
92/93	2,088,642	108,873,991	0.87
93/94	3,005,205	273,658,850	1.52
94/95	2,792,753	432,651,034	2.58
95/96	4,148,803	388,916,157	1.56
96/97	4,237,114	355,126,641	1.40
97/98	3,032,338	276,476,134	1.52
98/99	3,647,696	282,207,230	1.29
99/2000	2,917,257	164,763,989	0.94

Source: UCDA databank.

Appendix V: Terms of Reference of the Study

Purpose of the Study

The purpose of the study is to assess the impact of the policy of price and market liberalisation on agricultural production and food security. The elements of food security to be examined include availability as well as access to food, the levels and quality of employment, market and non-market accessibility to food, price changes in basic foods and inputs, changing relationships with land and environmental factors, and changing roles and relationships between the two gender.

Specific Terms of Reference

1. Analyse the production trends during SAPs for both cash and food crops during SAP and identify the reasons for changes, if any.
2. Analyse the output trends during for both cash and food crops SAPs, and identify the reasons for changes, if any. Is the output better? Who has gained and who has lost and why?
3. Establish whether, as a result of liberalisation, there has been a shift in resources from the production of crops for food to crops for cash and effects if this shift on household food security.
4. Assess the extent to which the probable shift in resources from food to cash crop production has affected women's access to and control over household income and food security.
5. Assess the changes in internal terms of trade in the agricultural sector before and after liberalisation. What has been the impact on small and marginal farmers as well as marginal labourers?
6. Analyse trends in the distribution of income and assets in rural areas. Examine the changes in farm size and land ownership and how they correspond to changes in crop mix and income levels for all farmers (whether or not they are land-owners).
7. Assess the extent to which farmers and agricultural workers have participated in the formulation and implementation of policy changes.
8. Analyse the allocation of family labour by gender and age, between food crop and cash crop production and the control of agricultural income by gender. Have these changes led to increased social stratification among population groups?
9. Analyse changes in elements of food security during SAPs, indicating their relative weight. In so doing, the researcher should incorporate a gender analysis.
10. Use participatory methods to document people's views on implementation and acceptability of the price and market liberalisation policy.
11. Make recommendations based on the above on how present policies can be modified and monitored with the participation of affected groups.

Likely Hypothesis to be Tested

1. As a result of liberalised policies, there has been a shift in the crop mix and other elements of food security leading to food insecurity.
2. As a result of the liberalisation policies, there has been extra burden on women who have the responsibility of feeding their families, because of food crops have become cash crops.
3. The liberalisation policy has led to deterioration in the agricultural terms of trade.
4. As a result of liberalisation policies, incomes and incentives

Appendix VI: Limitations of the Study

- Like in all studies, the study has limitations. The time available for research and analysis was limited. Such a study would have benefited from more in depth research and analysis.
- In addition, agricultural production figures were not available in Kabaale and Rakai. Similarly in Kumi and Apac, production figures were merely projections. The study was supposed to benefit from participatory methods, however, these methods were applied only to a limited extent because of time constraints.
- It is recommended that another follow up study be mounted to build on what this study has managed to achieve. SAP has evoked a lot of emotions based on divergent ideologies. We need a study, which cuts through these ideologies with concrete data so that policy making in future is informed by objective understanding of processes on the ground.