

MSD and Food Security: The case of rice in Northern Uganda

15th October 2019



BEFORE: Northern Uganda rice market system characteristics

High consumer preference for aromatic rice, super and Pakistan basmati

Lack of market support functions & services

Seed market dominated commercial seed companies and 3 rice QDS producers.

Rice seed average price Ugx 4,500 kg

Unbranded rice average price Ugx 2,500 kg

Very long supply chain with very high transaction costs

Farmer productivity average yields 0.6 MT / ac

Weak or non-existent market institutions (i.e. associations)

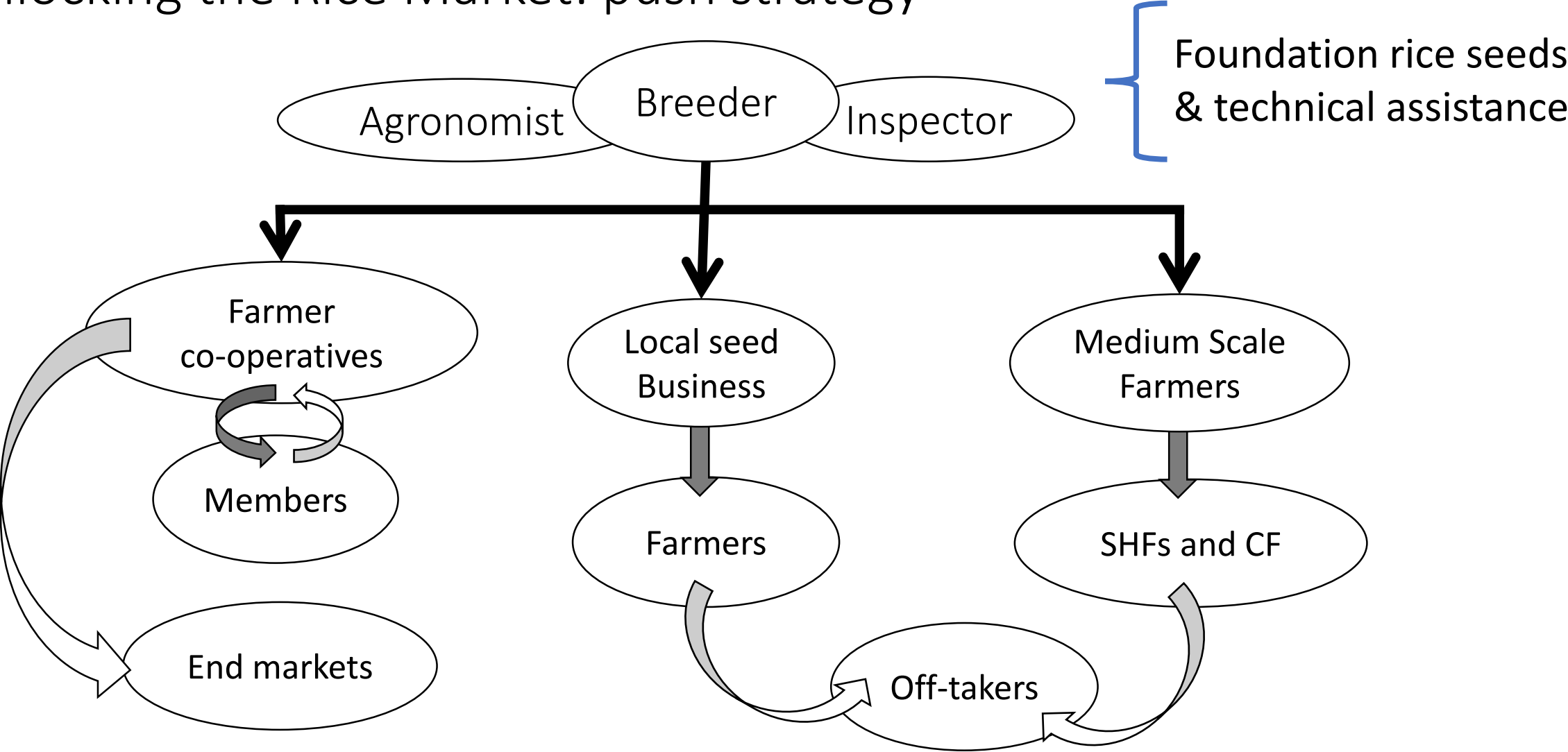
Limited quantity retained for HH consumption



LOW PRODUCTIVITY

PROBLEM!

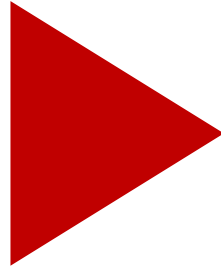
Unlocking the Rice Market: push strategy



Model built on a variety with the right characteristics (Namche 3 and 5), financial incentives for production and marketing of Quality Declared Seeds to smallholder farmers

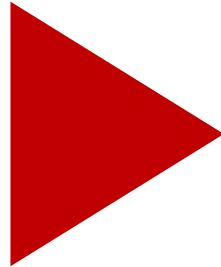
Structuring the Grain Market: pull strategy

Partnerships with large millers



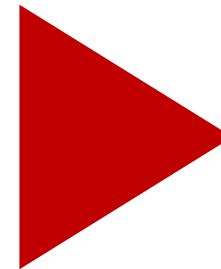
Facilitated long-term commercially-viable relationships between farmers and aggregators.

Brand building



Promoting rice brands from Northern Uganda in the Ugandan market.

Synergies with support functions



Facilitated business partnerships that increase access to mechanization, skills, private post-harvest handling services and off-take markets.

CURRENT SITUATION: NU Rice Market System structure & outcomes

Shift to upland rice consumption
esp. Namche Varieties

Market support services
e.g. threshing,
mechanisation, fertilizer

Up to 10 Local Seed
producers targeting
smallholder farmers

Supply chains with no
more than 3 actors,
reduced transaction costs

Rice seed
average price
Ugx 3,500 kg

Unbranded rice
average price
Ugx 2,500 kg

Increased Farmer
productivity: average
yields at 1 MT / ac

Entry of big commercial
rice millers in Northern
Uganda



**ENHANCED RICE
PRODUCTIVITY**

Increase in quantity
retained for home
consumption and
marketable volumes

RICE AND FOOD SECURITY



Key Indicators 2018 --> 2019

Increase

Production per household

+ 34 %

Number of rice farmers

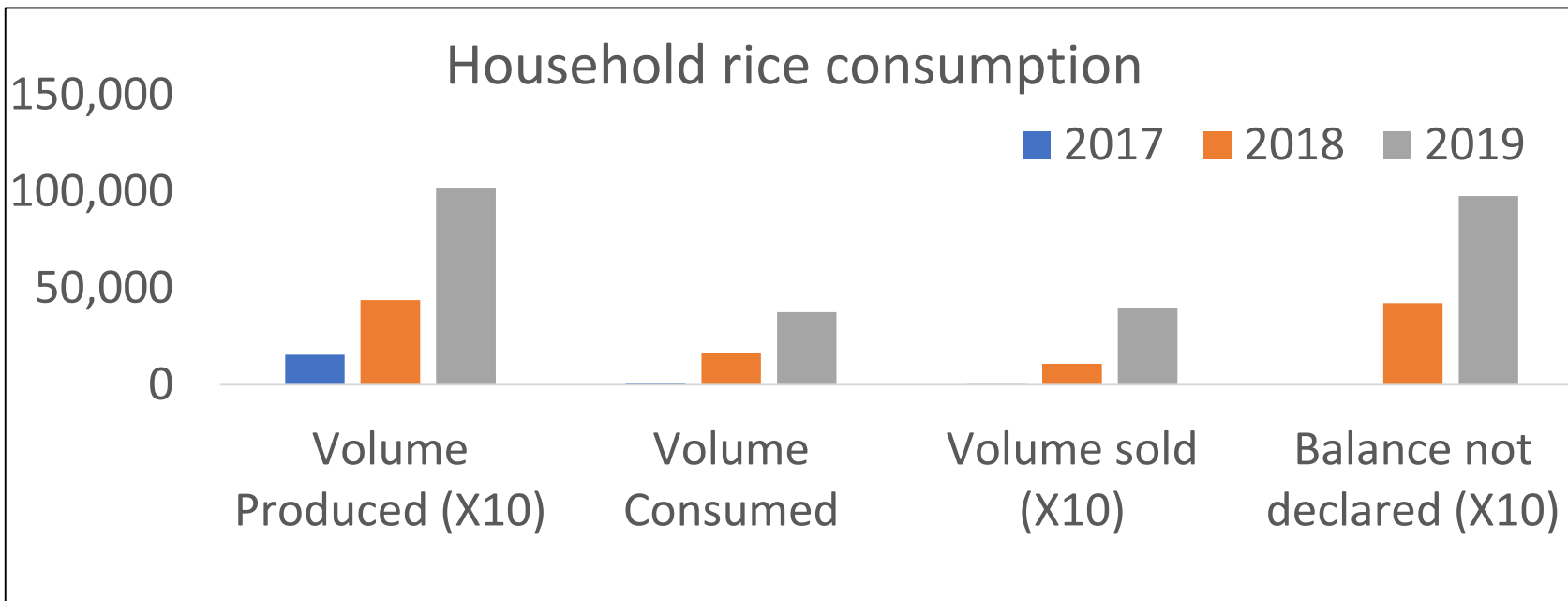
+ 3 %

Total rice production

+ 38 %

Average household income
(c.f. 2017)

+ 18 %



Household consumption is 4% of volume produced

Crop value per acre

Crop	Value / acre (Ush)
Rice	1,370,956
G-nuts	618,486
Sesame	521,169
Soybeans	510,840
Maize	425,894
Sunflowers	402,498
Sorghum	399,792

130 % growth in quantity retained for consumption between 2018 -> 2019

KEY LEARNINGS FOR MSD AND FOOD SECURITY

1

High-value crop production and sales increase HH incomes: which is key to enhance economic access, utilization and stability aspects of food security.

2

Households only retain high-value crops for consumption if the production is high enough. Low production is key risk for communities who depend majorly on own production for food availability and access.

3

Reinforcing market participation of households at risk of food vulnerabilities tend to increase their chances of being food secure. Food Security projects may also want to adopt that.