

Farmers complain over low price of sugarcane

For two months, sugarcane growers earned Shs125,000 but after elections, the price fell to about Shs90,000, dampening farmer earnings.

BY TAUSI NAKATO

Farmers in the Busoga Sub-region have raised concerns over sugar millers' reduction of sugarcane prices just months after the government set a minimum rate to protect growers.

The Ministry of Trade, Industry, and Cooperatives (MTIC) set a minimum price of Shs125,000 per tonne for sugarcane in the Busoga region, effective from December 19, 2025, to address low prices (as low as Shs90,000) that were harming farmers.

This temporary, two-month measure also eliminated the 5 percent trash deduction, with a review by the National Sugar Industry Stakeholders Council to follow.

The Chairperson of the Busoga Sugarcane Growers Association, Mr David Christopher Mwombwe, said the price reduction is dangerous and unsustainable.

"When farmers are not paid their rightful price, they get demoralised and many will eventually drop out of production. That will create a shortage of raw materials, and even factories with large crushing capacities will struggle to operate," he warned.

Mr Mwombwe said farmers are mostly being exploited by factories with weighbridges located in villages, including Kaliro and Kamuli, where sugarcane is now being bought for as low as Shs90,000 per tonne.

"If this continues, poverty levels in Busiga Sub-region will increase while also affecting future sugar supply," he said.



A truck carrying sugar cane. Farmers have demanded an increase in the price of cane. PHOTO/FILE

SUGARCANE PRICES

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He cited recent cases where Kaliro and Kamuli lowered their prices by Shs10,000 while Kakira deducted Shs4,000 without warning.

Mr Mwombwe called on the government and the Uganda Sugar Council to intervene immediately, saying these cuts risk causing a collapse of sugar-

cane production in the region.

The Chairperson of Kaliro Bwayuya Sugarcane Outgrowers Association, Mr Nathan Mumolu, said even though the government set a minimum price of Shs125,000 per tonne, the sugarcane prices are still too low for farmers to cover production costs.

"The actual break-even price is Shs180,000, considering the high production costs," Mr Mumolu said.

He added that when they ask factories for explanations regarding the prices reduction and reinstatement of the 5 percent trash deduction, they are told to ask the President.

At the national level, Mr Julius Katerevu, Chairperson of the Uganda National Sugarcane Growers Association (UNASGO), has called on the government and the Uganda Sugar Council to regulate sugar investors and ensure they re-

spect industry norms.

"While we value the rule of law and support their operations, they need regulation. The survival of the industry depends on both millers and growers," Mr Katerevu said. "When supply is high, some factories take prices for granted, forgetting that they are the backbone of the industry."

"The council must ensure that raw materials and finished products are properly marketed and fairly priced," he said.

Mr Katerevu added that the volatility of the prices also undermines the council and weakens its function.

Mr Isa Budhugo, a member of the Uganda Sugar Industry Stakeholders Council, said the issue is compounded by the absence of the Sugar and Cane Pricing Committee, which was to set fair prices.

"The law allows us to negotiate with millers, but without the committee and proper oversight, farmers are left vulnerable," he said.

However, Mr Jim Kabeho, the Chairperson of the Uganda Sugar Millers Association, said sugarcane prices were reduced following a drop in global sugar prices.

He said the price of a 50 kilogram bag of sugar fell from Shs135,000 to Shs147,000.

Mr Kabeho explained that the Act provides a formula that millers must follow, which links sugarcane prices to sugar market prices.

"When the price of sugar drops, so does the price of sugarcane," he said.

However, sugarcane analysts say that the price of sugarcane should be determined solely by sugar, adding that millers earn substantial revenue from numerous by-products.

These include molasses, bagasse for electricity generation and production, ethanol, industrial biogas, organic fertilisers, animal feeds, and other confectionery products, among other processed derivatives.

They contend that all these streams should be considered when determining sugarcane prices.

Farmers are demanding the temporary minimum sugarcane price be raised from Shs125,000 to Shs180,000 per tonne, to sufficiently cover production costs.

Prices peaked at Shs240,000 per tonne in December 2023 but later fell sharply after some millers reduced prices to between Shs80,000-90,000 in a December 19 meeting set a temporary minimum to be applied in Busoga for two months pending a national

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The number of members making up the Uganda Sugar Industry Stakeholders' Council. It was established under the Sugarcane (Amendment) Act, 2025. It regulates the country's sugar sector. Appointed by the Cabinet in October 2025, it promotes fair pricing, oversees mill licensing and expansion, resolves disputes, and ensures inclusive governance. The members, include representatives of farmers, millers, and the Trade, Agriculture, and Finance ministries.