

If local farmers exploit the proposed rice fund by the Government and adopt better farming practices and rice varieties, there will be no need for the importation of tonnes of rice to meet the local demand for rice

Rice millers welcome creation of rice fund

By Edward Kayiwa

The Uganda Rice Millers Council (URMC) has welcomed the Government's creation of a rice fund in the Uganda Development Bank (UDB), saying they expect local production to treble as a result.

URMC chairman Ambassador Philip Idro said in an interview, the facility will provide cheap funds that farmers need to mechanise, build stores, conduct research and follow recommended agronomical practices to boost rice production.

This follows the scrapping of the preferential tariff of $250 per metric tonne allowed importers of brown rice who had asked for it as an incentive to set up infrastructure and develop the rice sector in the country.

However, this did not happen, but the said investors continued importing rice at that reduced tariff while the rest imported rice at the higher tariff of $345 per metric tonne which was set by the East African community member states. The Ministry of Finance and Economic Development said in a communication it would now set up the fund in UDB to be accessed by all the players to be used to develop the sector.

"The minister's intervention is in the right spirit and as rice farmers and millers, we welcome it. Also, the current commercial bank rate does not encourage our farmers and millers to invest, which stifles production, yet we face a lot of competition from imported rice. Now with the fund in place, we will be able to invest in new mills, tractors, irrigation systems and modern storage facilities," he said.

Currently, Idro said, farmers are producing 1.5 tonnes of rice per hectare, but the funding can increase it to at least five tonnes. He said currently, the country produces only 65% of the rice it consumes, but with support, that gap would be bridged.

"There is no reason why we should be importing a lot of rice when we have the capacity to supply enough and end hunger and food insecurity in the country. All we need is a fair market ground, financial support, technology and the right policies in place," he added.

Idro said the rice farmers and miller are preparing to meet with the Government, commercial banks, and other stakeholders, to discuss how the rice industry in the country should be structured.

"We need to meet with the Government because the biggest issue to us is how to structure the rice industry in the country. We need to lay a strategy of stopping dumping, smuggling, unfair competition, financing option, and marketing," he said.

He said their major strategies include strengthening research, technology, and building local capacity in multiplication of varieties, dissemination of certified seeds, post-harvest handling improvement, processing marketing; and mechanisation.

"The strategies will result in the tripling of rice production in Uganda, from about 334,250 tonnes in 2013 to an anticipated 500,000 tonnes by 2018," he said.

According to the Uganda Bureau of Statistics, about 80% of rice farmers in Uganda operate on a small scale, with acreage of less than two hectares, using simple technologies.

He said even though rice production in the country has increased, the country's inability to reach self-sufficiency in rice is the result of several major constraints in the industry, which require urgent redress.

"Some of these issues include lack of access to cheap funds, unlevelled market ground and lack of information on modern farming technologies," he said.

BETWEEN THE LINES:

- The Uganda Rice Millers Council chairman, Ambassador Philip Idro, said in an interview, that Uganda Development Bank will provide cheap funds that farmers need to mechanise, build stores, conduct research and follow recommended agronomical practices to boost rice production.
- Kenya's rice production stands at 560,000 tonnes, which is only 33% of its rice needs, so the rest is provided through importation.
- Tanzania's ministry of agriculture says the EAC common external tariff protected their industry, forcing the players to adopt best farming practices, technology and seed varieties.

Tanzania

Tanzania, the only country in the East African Community (EAC) that insisted on the high tariff on imported rice across the board, seems to have reaped the dividend. Its production has grown by at least 480,000 metric tonnes, to 2.5 million tonnes in 2016.

Tanzania's ministry of agriculture says the tariff protected their industry, forcing the players to adopt best farming practices, technology and seed varieties.

The Tanzania Competitive Africa Rice Initiative agrees, saying the EAC common external tariff protected local farmers and millers from an uneven market ground from rice importers.

Observers say the consumers paid higher prices for rice, but the prices are coming down because of the increased production and advancement in the industry.

Kenya

Kenya rice imports are still large because, like Uganda, it had also negotiated an exemption to the EAC common external tariff to allow Pakistani rice in. Kenya had a deal with Pakistan to allow in the Asian country's rice with a 35% dut in reciprocity for special treatment o Kenya's tea exports to Pakistan.

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