

Banks urged to support dairy farms

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Experts from the ministry of Water and Environment and Heifer International have called upon banks to accord dairy cooperatives affordable interest rate so that they can access water infrastructure solutions.

The dairy sector, which contributes 6.5 per cent directly to Uganda's agricultural economy, continues to find challenges with access to reliable water systems.

Speaking on behalf of the Ministry of Water and Environment, Directorate of Water Resources Management, Uganda, Joseph Wasswa, Principal Engineer

and Manager for Production (Central Region), underscored that water is not only a fundamental human right but also a cornerstone of agricultural productivity, food security, and economic transformation.

Wasswa urged financial institutions to design financing products tailored to the realities of dairy farmers:

“Cooperatives have a role to ensure they have water systems installed and well-maintained. Financial water products provide a pathway for cooperatives to develop their own systems. If financial institutions design products aligned to the dairy value chain, solutions like those in Dwaniro

and Muyenje will be easily scalable.”

Wasswa was speaking at the Water for Dairy Business Workshop organized by Heifer International held at Onomo hotel. Many financial institutions are still hesitant to lend to the agricultural sector due to the perceived risk. While there has been some improvement in the credit extended to players in the agricultural sector, it is still not enough.

Wasswa promised that the ministry will create an enabling environment for dairy cooperatives to access more credit.

“Our policies and regulations encourage investment, facilitate collaboration, and ensure quality

standards in water infrastructure regions. We also encourage financial institutions to explore partnerships that reduce the risk of such investments and make financing more accessible to farmers' cooperatives. Cooperatives also have a role in ensuring that systems installed are well-maintained.” Wasswa noted.

Edna Nyamwaka, a project manager at Heifer International, noted that the water project installed in Dwaniro and Muyenje in Kiboga district had enabled the cooperatives to see an improvement in the water quality they use in their dairy businesses, which has resulted in the reduction of income losses that come from milk rejections.