

Producers take rice fight to Speaker Kadaga

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KAMPALA. The Rice Association of Uganda has raised concerns about what it describes as government plan to waive import duty on rice for the next three years.

This follows an April 16 meeting between the Rice Millers Council of Uganda, a different body, and President Museveni during which the council reportedly asked the President to nod to a waiver.

The association now wants the Speaker of Parliament, Ms Rebecca Kadaga, to intervene and ensure government does not grant the waiver.

"We are here because the government is planning to give more concessions this time for much more quantities - about 120,000 metric tonnes..." Ms Rachel Mbabazi, the chairperson of the association, said yesterday in Kampala.

"What this means is that the [rice] farmers will have no market for their own [produce]. So we are urging Parliament, through you, madam Speaker, to help the government to enforce the law," she added.

According to the association, 120,000 metric tonnes is about 60 to 70 per cent of the rice consumed in Uganda.

In January 2017, the Finance ministry increased the duty on imported rice from \$250 (Shs939,176) per tonne to \$345 (Shs1.2 million) per tonne.

This, according to a Food and Agricultural Organisation statement, was to align duty with the East African Community Common External Tariff.

Three months later, the ministry waived it to allow the importation of rice.

Increase in prices

The waiver, which was to apply for four months, was informed by a rise in the price of rice. For example, the retail price of Kaiso rice rose from about Shs3,000 to Shs4,000.

Traders attributed the increase of the prices then to a dry spell, a withering heat over many paddies that reduced the yield.

Ms Kadaga said she would write to the President and the Finance ministry about association's concerns.

"When we were doing that battle of that other rice [Kingdom Rice], I think the impression had been created that there were no small farmers; I got that when I was discussing with the President. That impression had been created in his mind because I remember talking to him and that came up. But let me follow it up."

THE ISSUE

According to the association, 120,000 metric tonnes is about 60 to 70 per cent of the rice consumed in Uganda and if the import duty tax is waived, many local rice producers will face stiff competition in the market.