... tax collec- ... URA's efforts, citing its negative impact on the economy ... locally are actually much better than those smuggled from neighbouring countries," he said.

Farmers stuck over delayed clearance of sugar factory

According to the CN Sugarcane Growers Association, the prolonged postponement is causing heavy losses as cane becomes over mature in fields with no nearby processing facility.

BY TAUSI NAKATO

Sugarcane farmers in Namayingo District are facing a deepening crisis, with more than 2,525 acres of mature cane left unharvested due to delays in clearing the CN Sugar Factory to begin operations.

According to the CN Sugarcane Growers Association, the prolonged postponement is causing heavy losses as cane becomes overripe in fields with no nearby processing facility.

Outgrowers, who depend on the factory for support and are guaranteed market, say rising costs and declining crop quality are threatening their livelihoods and putting the local economy at risk.

Troubles surrounding the factory stem from a court ruling delivered on January 20, 2025, by Justice Douglas Karekona Singiza, ordering the factory's closure.

The judge ruled that the Ministry of Trade had acted illegally by issuing licences to CN and other factories despite provisions in the Uganda Sugar Act requiring licensing to be handled by a constituted Sugar Board.

The case was filed by the Uganda Sugar Manufacturers Association Ltd (USMA), which argued that irregular licensing had led to an oversupply of mills and instability in sugarcane availability.

The court also found that the factory was established within a prohibited 25-kilometre radius of Bugiri Sugar Factory, contrary to zoning policy.

CN Sugarcane Growers Association Chairperson Twaliki Isabirye says the situation has created a crisis among outgrowers who invested heavily in anticipation of the factory's operationalisation.

"We have 939 farmers with 2,525 acres of sugarcane ready for harvest, but there is nowhere to take it. The delay in clearing the CN Sugar Factory is hurting us economically," he says.

He added that some farmers have left cane unharvested as it dries up in gardens, leading to further losses.

"We borrowed money to invest in these plantations, but now we are struggling to service our loans. Some of our property is being seized, even as sugarcane dries up in the gardens," Mr Isabirye says.

He appeals to the government and the Uganda Sugar Industry Stakeholders Council to expedite the clearance process, saying farmers' livelihoods depend on the factory.

Mr Steven Wanyama, one of the affected farmers, says accessing mills in Bugiri and Mayuge is a major challenge.

"We are forced to transport our cane to distant mills, which incurs high transport costs. Trucks can break down and take up to two days to reach the mill, reducing profits and increasing risks," he says.

Mr Wanyama, who owns 75 acres of sugarcane, warns that fire outbreaks pose a serious risk to farmers without nearby processing options.

"With CN not operational, we risk losing our crops and breaching contracts. Farmers' labour, land and livelihoods are at stake due to the ongoing uncertainty," he says.

Another farmer, Mr Kauta, says transport costs to alternative factories range between Shs750,000 and Shs1m per trip, while weighbridge discrepancies often result in lower recorded weights, further eroding profits.

He added that most farmers grow sugarcane on leased land for five to six years, expecting up to three harvests.

Those who planted in 2023 now face overmature crops with lease periods nearing expiry, reducing chances of recovering their investments.

Mr Julius Katerevu, the chairperson of the Uganda National Association of Sugarcane Growers (UNASGO), says farmers nationwide are suffering from low sugarcane prices linked to monopolistic practices among millers.

He says farmers have repeatedly appealed to the government and the Sugar Council to release pending licences, arguing that increased market access is key to securing better prices.

Mr Katerevu, who also chairs Mukono Outgrowers Cooperative Society Limited, alleges that some millers are deliberately frustrating the licensing process to limit competition, despite the council's mandate to review and approve applications.

A man inspects a sugarcane plantation that caught fire in Namayingo District. Farmers say they are stuck with mature cane following government delays in issuing a licence to CN Sugar Factory. PHOTO/TAUSI NAKATO

HOPEFUL

Last week, the Sugar Council said it is considering granting a licence to CN Sugar, located in Namayingo District.
Rajbr Singh Rai, the Chairperson of the Uganda Sugar Industry Stakeholder Council, told the press that they would consider CN's application at their next sitting, whose date has not yet been established.
"Their application was only submitted by them and received by the Council in the last meeting, and a team was formed to visit them and verify," Rai said.