

Edible oil sector producing below capacity - player

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KAMPALA. The edible oil industry is tasking government to play a lead role in enabling farmers to intensify their production capacity.

"There is a huge deficit. As a result the millers go and import palm from Malaysia. We propose that government departments focusing on the oil sector support farmers of the greater north to specifically grow sunflower and other oil seeds to increase production capacity of these factories," Mr Paul Omara, chief executive officer Ngetta Tropical Holdings, said.

He made the plea while speaking to journalists moments after Mr Michael Werikhe Kafabusa, the State minister of trade, launched Virgin Gold oil at Golden Tulip Hotel in Kampala last Friday.

Mr Omara told journalists that Uganda imports 65 per cent of its cooking oil, mainly palm oil from Malaysia and Indonesia.

While attributing the huge imports to low production levels at the farming level, he said Uganda has about 68 millers, with majority operating at 30 per cent.

"This means they are operating below capacity," he said.

"Our factory alone requires between



Edible oil. Cooking oil made in Uganda. PHOTO BY ERONIE KAMUKAMA

six to 10 million kilogrammes, that is Shs6b to Shs10b for every six months. But in this season two of 2017, we bought

LACK OF MARKET

Recommendation: Many farmers lack market for their sunflower yields. Therefore, ensuring a steady market through a cooperative arrangement would stabilise prices for small-holder farmers

grains worth Shs1.2bn which is far below the capacity we need," Mr Omara said about Ngetta Tropical Holdings which is currently working with more than 24,000 farmers from 33 cooperatives in northern Uganda.

The partnership that began in 2015 uses an approach where the factory connects with small-holder farmers to ensure steady supply of sunflower grains.

Through capacity building, the project has enabled farmers' cooperatives to act as business other than simply a collection of farmers.

According to Mr Werikhe, the world's total production of sunflower oil in 2014 was nearly 16m tonnes with Ukraine, Russia and Argentina as the largest producers.

The Ministry of Trade regards sunflower as a high value export crop whose production is being promoted within the plan for modernising agriculture to alleviate poverty.

Like Mr Omara, he said as Uganda's vegetable oil production registers growth, demand for the product still outstrips local supply, forcing the country to rely on imports.

"Data indicates that Uganda's edible oil demand stands at 120,000 metric tonnes against a production capacity of only 40,000 metric tonnes, leaving a deficit of 80,000 metric tonnes annually," he said.