Cover story

# SOROTI FRUIT FACTORY TO BOOST TESO CO-OPERATIVES, FAMILY INCOME

Soroti Fruit Factory is expected to start commercial production later this year. The Government says this will eliminate profit-hungry middlemen who have been cheating farmers in the entire Teso sub-region

By Samuel Sanya

Clad in a yellow T-shirt, the old man, John-Brown Elyeru, sports a wide smile as he rises from under the mango tree in the middle of his large compound. Like many farmers in Awasi village, Dakabela county in Soroti district and the entire Teso region, Elyeru has a large orange farm with a couple of mango trees scattered in between.

In order to realise the full potential of the flourishing orange and mango farming in the Teso sub-region, the Government, through the Uganda Development Corporation (UDC) in collaboration with the Korean International Co-operation Agency (KOICA) has invested $7.4m (about sh28b) in the Soroti fruit factory to add value to the produce in the region.

During a recent visit to the factory site by trade minister Amelia Kyambadde and the UDC board, the minister said the factory would be instrumental in lifting households out of poverty by guaranteeing stable prices.

She noted that the factory was on track to start commercial production later this year, after initial dry tests were successful. The factory is set to embark on wet tests in June for the next three months, which will pave way for commercial operations. After a long wait, the finish line is in sight.

Buoyed by the factory, Elyeru said farmers in the area under the Teso Tropical Fruit Growers Co-operative Union, which is an amalgamation of about 58 smaller co-operatives in eight districts in the region, are already increasing their production to feed the factory.

*"My expectation is that prices will improve and that the farmers will definitely benefit because the factory will be there,"* **Fruit farmer**

He said in most cases, farmers have been selling their produce in sacks of close to 130kg for as low as sh40,000 during the harvest season and between sh70,000 and sh100,000 to middlemen during the periods of scarcity in the off season. Elyeru is hopeful that the factory means prices will be more stable and high throughout the year.

"My expectation is that prices will improve and that the farmers will definitely benefit because the factory will be there. I am sure that with the factory, the demand will be higher than what we presently supply," Elyeru said.

"That is why we are expanding our farms so that we sustain the factory, we do not want what happened to Meat Packers factory to happen here after they failed to get enough animals for slaughter to sustain the factory," he added, vowing to add acreage to his to his orange farm that gives him a rich harvest each year.

### Variety

Phillip Musoke, the production manager at the Soroti Fruit Factory, said it will make both fruit concentrate and fresh juice when it starts production. It will directly employ about 100 full-time staff and benefit over 50,000 farmers.

Musoke added that a few aspects such as procurement of ready-to-drink packaging material are to be imported from China.

"Otherwise, the factory is ready to start." He said middlemen had been exploiting farmers by giving them about sh200 per kilogramme of oranges.

However, the factory was looking to more than double this price to about sh500 per kilogramme.

"This factory will motivate famers to increase their acreage. This will benefit everyone in the fruit processing value chain. Farmers will be the direct beneficiaries.

However, agricultural input suppliers, middle men and financiers such as banks will benefit as people borrow to expand production," Musoke said.

Workers picking mangoes in Nwoya district. The factory in Teso could also benefit neighbouring regions

### Agricultural bank

Kyambadde asked MPs who attended a meeting at the factory to support the Bill which would establish of an agricultural bank. MPs who attended the meeting include Cosmas Elotu (Dakabela County), Herbert Edmund Adriko (Soroti Municipality), Violet Akurut (Katakwi Woman MP) and Joseph Andrew Koluo (Toroma County).

Kyambadde said this Bill would cater for the interests of farmers. She also said a Cabinet paper was being prepared to ensure that the Soroti Fruit Factory receives a power sub-station to ensure stable electricity supply.

### Spray machines

She said the Government had acquired 240 motorised spray machines to boost the fight against pests and diseases.

Kyambadde noted that by adding value to the fruits grown in Teso, household incomes and livelihoods of the people there would improve.

### Factory to benefit all

Yudaya Kadondi, a senior economist at UDC in charge of the construction of the factory, said once the facility starts operations, it will have capacity to process six tonnes of oranges every hour and two tonnes of mangoes every hour. Initially, Kadondi said the factory will be operating for eight hours every day; later it will operate for two and then three shifts.

### Tonnes of fruit produced

Kadondi pointed out that the Teso sub-region produces about 648,000 tonnes of oranges and 25,000 tonnes of mangoes per year, which are sufficient to sustain the factory. She noted that the Teso Tropical Fruit Growers Co-operative Union has been awarded a 20% stake in the factory, with the remaining 80% stake to be held by the Government.

She noted that no effort has been spared to ensure that the factory's eventual output meets local and international standards.

Kadondi said already, Teju Orange and Mango juice was being made at an experimental level, at Makerere University using produce from the Teso sub-region.

## Factory targeting African market

In order to middle income status, the Government aims at improving the volume of non-traditional exports such as fruits and juices, especially to markets within the East African Community, the Common Market for Eastern and Southern Africa (COMESA) and Africa as a whole.

Amelia Kyambadde, the trade minister, pointed out in a Cabinet paper that fruits and juices, such as those that will be produced at the Soroti Fruit Factory, are some of the nine priority exports earmarked for growth under the recently ratified African Continental Free Trade Area (AfCFTA).

Uganda's export receipts increased by 13.9% to $819.4m during the quarter which ended in January last year, mainly supported by an increase in coffee export receipts. Although coffee remains the key commodity export of Uganda, other commodities such as sorghum ($17.8m), cocoa beans ($15.9m), and fish ($10.7m) are on the rise.

Bank of Uganda data shows that the value of fruits and vegetable exports hit $43.2m in 2016, up from lows of $5.2m a decade earlier. Even though fruit exports are still low, the current data represents a huge 731% jump in value over 10 years.

Emmanuel Mutahunga, a senior trade ministry official and acting executive director of the Uganda Development Corporation (UDC) which oversees the operations of the Soroti Fruit Factory, said fruits offer significant potential in improving Uganda's export receipts under the national export development strategy.

"The national export development strategy aims at increasing export of value added products to regional markets, such as fruit juice from the Soroti Fruit Factory. In addition to exporting packed fresh fruit juice, we also intend to export fresh fruit," Mutahunga said.

Opian Jorem Obicho, the chairperson of the board of directors of Teso Tropical Fruit Growers Co-operative Union (TEFCU), said the region has about eight million orange trees and five million mango trees producing close to 700,000 tonnes of fruit every year.

However, Obicho noted that production can be ramped up if the right type of extension services are provided to farmers as well as subsidised inputs such as tools and pesticides through the regional co-operative.

Violet Akurut, the Katakwi district Woman MP, urged the Government to expedite the takeover of Odina citrus farm by the union so that they can use it to scale up production to sustain the factory. Odina citrus farm is a 1,000-acre government scheme designed by Israel and established in the 1970s, but has since been abandoned.

## Farmers ask government for inputs

There is a looming fear that Soroti Fruit Factory may turn into a white elephant because of its expected production capacity that fruit farmers in Teso may not be able to sustain. However, Opian Jorem Obicho, the chairperson board of directors Teso Tropical Fruit Growers Cooperative Union, said the factory would consume less than a third of the total production in the Teso sub-region.

He said most fruits produced in Teso are sold to Kenyan, Rwandan and Tanzanian middlemen who then sell them to processors. The processed juice is then sold at a premium in Ugandan supermarkets.

Obicho challenged the Government to invest in cold storage facilities to preserve the excess produce that will not be consumed by the Soroti Fruit Factory before it is sold to buyers within the region and beyond.

He also said oranges are heavy feeders on soil nutrients and, therefore, the Government should supply fertiliser in addition to seedlings that are supplied to the region by the army-run Operation Wealth Creation.

Obicho also noted that the co-operative needs specialised extension workers to advise on how farmers should navigate the onslaught of fruit flies and diseases.

He, however, pointed out that the factory was an opportunity to strengthen the co-operative movement in the Teso sub-region.

"Every sub-county has one extension worker who cannot reach every farmer. In my county alone, there over 2,000 farmers. The Government needs to invest in water for irrigation and fertiliser. In the seventh and eighth seasons, the yields start to drop, we need fertiliser," Obichu said.

Emmanuel Mutahunga, the acting UDC executive director, said although the factory would consume about 21,000 tonnes of oranges in the initial year with a single shift, it would expand production through extra shifts to narrow surplus production in Teso in the subsequent years. "One of the tasks of the Soroti Fruit Factory is to market the orange and mango fruits themselves in the supermarkets. We are going to work with the co-operative union to ensure that it is as strong as possible," he said.

A KOICA official shows Kyambadde around the Soroti Fruit Factory recently. Photos by Samuel Sanya