



# Fertile Investments in Uganda's Agriculture



Agriculture accounts for over 80% of Uganda's labour force and for 27% of the country's exports. It is therefore a very important sector in Uganda's growing economy as shown also by its contribution of 23.9% to the country's Gross Domestic Product. Those who invest in Uganda's agriculture cannot therefore go wrong. Investment is needed in five different sub-sectors of this economy sector, namely: crops, livestock, processing derivatives from livestock, fisheries and forestry. In agriculture, as in other sectors of Uganda's economy, investors are given special incentives. These include among others: duty-free tax import of plant and machinery, training expenditure as well as scientific expenditure at 100%, capital allowance on plant and machinery at 50 to 75%, etc.

Within the crop sector of agriculture Government of Uganda is seeking investment partnerships for scientific research and multiplication of high yielding and disease resistant seeds. The manufacture of herbicides and pesticides is another area which requires partnerships. Above all, in the crop sector, Government is seeking partnerships that will promote the addition of value to Uganda's wide range of agricultural crops. Commercial farming and processing is therefore open to many investors who are welcome to set up commercial farms as well as processing firms in collaboration with local partners.

Uganda's livestock industry is full of investment opportunities ranging from scientific research to the physical establishment of cold storage facilities for livestock products for both internal consumption and export. Scientific research and breeding of livestock is being carried out at slow speed as dictated by financial and other constraints. Also running at a very slow pace is the development of livestock drugs and the manufacture of livestock feeds. Yet there is need to improve both the quality and quantity of livestock in the country; including its birds. Livestock farming is practised in many parts of the country and livestock therefore provides livelihood to a significant proportion of people in Uganda. There is rising demand for livestock and livestock products within the country and in the neighbouring countries within the Great Lakes Region. The expansion of production in livestock and livestock products would therefore meet this demand and make good investment.

The processing of livestock derivatives is another area which is open for investment. Investments could be made in many areas associated with livestock and birds. Among these are: beef processing including the production of canned, corn and minced beef; the dressing of chicken and chicken parts; the production of buttons and clothes accessories from cow-horns; the processing of all kinds of livestock leather into clothing and other useful lines.

The fisheries sub-sector in agriculture offers investment opportunities in fish farming and fish processing. Fish farming can be undertaken as cage fish-farming in lakes and water bodies as well as in dams and ponds on dry lands. Both call for expertise which requires deliberate investment. Ugandan fish supplies are currently dwindling. This has made Government to embark on a vigorous exercise of protecting fishing areas from catching immature fish. This has added to a serious shortage of fish, both for the domestic and for the foreign market; yet external demand for Uganda fish is growing. Investing in fish-farming in Uganda should therefore yield a good dividend.

Uganda's forestry sub-sector is another area which is open for investment. Investors are invited to enter into partnership to realize commercial farming of trees so as to increase forest cover in the country. While this investment will benefit Uganda and its partner first and foremost, the world at large benefits from Ugandan trees which suck up carbon dioxide from the atmosphere. Apart from live trees, other investments in forestry are needed in the development of wood and wood-processing industries such as furniture-making.

The right time to invest in Uganda is now. The country has good track record of a fully liberalized economy. Access to markets is guaranteed by Uganda's location right at the heart of the Great Lakes making it a land-linked country to the north, east, west and south of its borders. This location also guarantees a market for products made in Uganda.



**Embassy of Uganda** - Viale Giulio Cesare, 71 - piano 2, Scala A/B 00192 Rome, Italy.  
Email [info@embassyofuganda.it](mailto:info@embassyofuganda.it) • [www.embassyofuganda.it](http://www.embassyofuganda.it)  
Tel • 0039 06 3225220, 0039 06 3207232 Fax • 0039 06 3213688