



UGANDA POTATO PLATFORM

Transforming the Irish potato sub-sector from subsistence to a commercially viable industry

Secretariat: Uganda Agribusiness Alliance, Victoria House, Kira Road, Bukoto, Kampala

Contact: Steve Hodges, +256 753 461348, steve.hodges@ugandaagribusinessalliance.com

POTATO POLICY/PRACTICE BRIEF #2: APPROPRIATE WARE POTATO STORAGE

THE PROBLEM:

There is a lack of appropriate storage for ware potatoes at all levels of the supply chain: at the local village an farmer group level, at county/District aggregation point levels, and at key market point levels particularly in Kampala. This is an urgent problem, because without storage, farmers lose money: if potatoes are sold at the time that many farmers harvest potatoes, prices are lower; one month after many farmers can get 50% more for their potatoes, and two months later they can get 100% more (twice as much) for their potatoesⁱ. Village level small scale storage by fellow farmers costs about 1000 shillings for one to seven days, and aggregation point storage costs about 10,000 shillings/monthⁱⁱ. Even where storage exists, if it is not constructed appropriately 20% -30% of harvested potatoes are lost; with proper storage post harvest loss is reduced to 7% (PASIC and CIPⁱⁱⁱ) There is no dedicated market storage space in Kampala, so potatoes are stored on trucks until sold; and Kampala traders must pay a fee to the truck company.

THE SOLUTION:

Provide more farmers, and especially farmer groups, with training on requirements for appropriate storage of ware potatoes at the village and farmer group level. If farmer groups lack capacity, build the capacity of farmer groups so that its members can more effectively work together to provide shared storage. Whenever possible, locate storage facilities where traders and other buyers can easily find and access the storage facility to buy the potatoes. Develop dedicated potato storage space at major trading points like Kampala, so that potatoes can be immediately offloaded, sorted and graded to add value and convenience for wholesale purchasing.

THE BENEFITS:

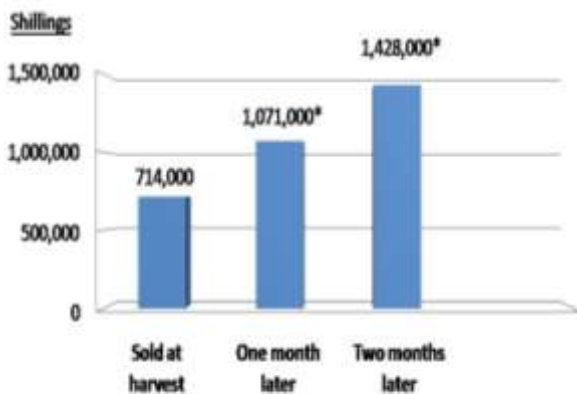
According to research by The International Food Policy Research Institute, the average size Irish potato farm in Uganda is .6 acres (.25 Hectares)^{iv}; FAO calculates that average yield for Irish potatoes in Uganda is 7.14 MT/Hectare.^v Based on these findings, the average yield per farm in Uganda is 1.785 MT. As Table 1 shows, the income received by the farmer

can nearly double if the potatoes are stored for two months, when the supply of potatoes has significantly reduced in the market.

TABLE 1.

IMPACT OF STORAGE ON PRICE RECEIVED BY FARMER

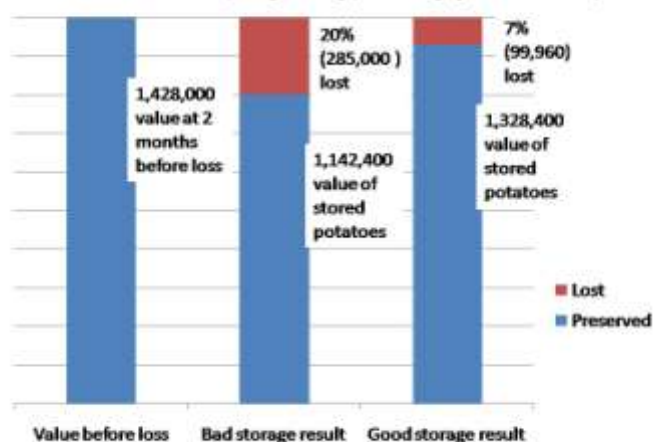
In Ugandan shillings, for average yield of 1.785 MT per harvest



* (without calculating any loss during storage)

Steve Hodges, Uganda Agribusiness Alliance, 2017

TABLE 2
IMPACT OF WELL-CONSTRUCTED STORAGE ON REDUCING LOSS OF POTATOES
Price at 2 months after harvest, in Ug. shillings, for average yield of 1.785 MT/harvest



Steve Hodges, Uganda Agribusiness Alliance, 2017

As Table 2 indicates, when storage is properly constructed, losses are reduced from an average of 20% to an average of 7%, saving the typical farmer almost 200,000 Ugandan shillings per season.

THE CHALLENGES:

The construction of more storage, and more properly constructed storage, has several challenges. First, many Irish potato farmers lack the resources to construct storage. Second, the possibility of combining resources with other farmers in farmer groups in order to construct storage is often constrained by the lack of sufficient cooperation and capacity of farmer groups. Third, even when a farmer or farmer group may have the resources to construct storage, they lack knowledge about the way to construct potato storage properly so that losses during storage are reduced. Fourth, traders associations at major market locations including Kampala have lacked the resources to construct proper facilities adequate for unloading, sorting, grading and packing. Fifth, public investment through government funding of storage and provision of extension advice about storage has been woefully inadequate compared to the scale of need.

THE POLICY ALTERNATIVES:

1. Provide training for greater number of potato farmers on the requirements for appropriate storage of ware potatoes. This should be done by government extension services as well as NGOs operating in potato growing areas.
2. Build the capacity of farmer groups to collaborate around shared storage. This should be done by government as well as NGOs operating in potato growing areas.
3. Promote public/private project to establish centralized, permanent and appropriately constructed storage space in Kampala for Irish potatoes. It is the mandate of government to promote private public producer partnerships that advance agriculture in Uganda. And a PPPP should be attractive to private investors as well: note that a market study done by Dahlberg for GrowAfrica in 2016 found that the potential market for potato storage in Uganda is \$9 million USD, second in size only to the potential market for the seed segment of the Irish potato value chain.^{vi}

ⁱ Musika, Lauren, 2017: Group conversation, Potato Experts Meeting, 29 September 2017, IFDC Offices, Kampala.

ⁱⁱ Musika, Lauren, 2017: Group conversation, Potato Experts Meeting, 29 September 2017, IFDC Offices, Kampala.

ⁱⁱⁱ PASIC.... A. Wasukira, A. et al. 2014: Post-Harvest Innovations For Better Access To Specialized Ware Potato Markets: A Proposed Business Case, Uganda, International Potato Centre, Kampala, Uganda.

^{iv} IFPRI (International Food Policy Research Institute) Socio-Economic Data in Mbowa, Swaibu and Mwesigye, Francis, 2016: Investment Opportunities and Challenges in the Irish Potato Value Chain in Uganda, EPRC Research Report No. 14, p. 15

^v FAO Stat 2014, in Mbowa, Swaibu and Mwesigye, Francis, 2016: Investment Opportunities and Challenges in the Irish Potato Value Chain in Uganda, EPRC Research Report No. 14, p.4

^{vi} GrowAfrica/Dalberg, 2016: Investment Opportunities for Potatoes in East Africa (PowerPoint)