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The Impact of the NAADS Programme: directions for the future

Geoffrey Okoboi, Annette Kuteesa, Mildred Barungi



Key Findings

- There are over 5 million agricultural households in Uganda. Yet the National Agricultural Advisory Services (NAADS) program supports only about one-quarter of these households per year.
- The NAADS program was designed to focus more support to vulnerable households (i.e. households headed by women, PLWDs and youths). The program however is not effectively targeting these households.
- Lack of information and guidance on how to join and effectively participate in NAADS, and nepotism and discrimination by NAADS administrators are the main reasons cited by vulnerable households for their low participation in NAADS.
- NAADS is the major source of agricultural extension services in the country. Nonetheless, the quality and frequency of extension services remains a major challenge.
- Farmers supported by NAADS have a greater opportunity to access and use credit. Most of these farmers who access however do not invest the credit they access in agricultural production.
- Since inception, NAADS has supported beneficiary farmers with improved technologies as well as built their capacity to use them –with the objective of fostering technology adoption, increased productivity and commercialization. This objective is yet to be achieved.

- The poor quality of “improved” inputs that is distributed by NAADS to beneficiaries is widely cited as the major discouragement to adoption and cause of low productivity.
- A few farmers have benefited economically from NAADS. The include farmers who were given high value enterprises such as perennial crops (e.g. coffee, bananas, etc.), livestock (e.g. dairy cattle, pigs, etc.), and those contracted to supply inputs (e.g. seedlings) to NAADS.

Key Recommendations

- Ministry of agriculture should urgently review the process of hiring extension personnel (ASPs) so as to close the loopholes related to quality and frequency of extension services.
- Since the over arching goal of NAADS establishment was to provide extension services to all farmers, then MAAIF should refocus the program away from selective input distribution to national extension services delivery.
- In case government is still interested in affirmative action, then in this second phase of NAADS implementation (ATAAS project), MAAIF should deliberately target and fully support more women, PLWDs and youths headed households with production inputs and extension advice, and market information.

Background

The National Agricultural Advisory Services (NAADS) organization was established by an Act of Parliament in 2001¹. The organization is mandated to operate a new extension system for 25 years.

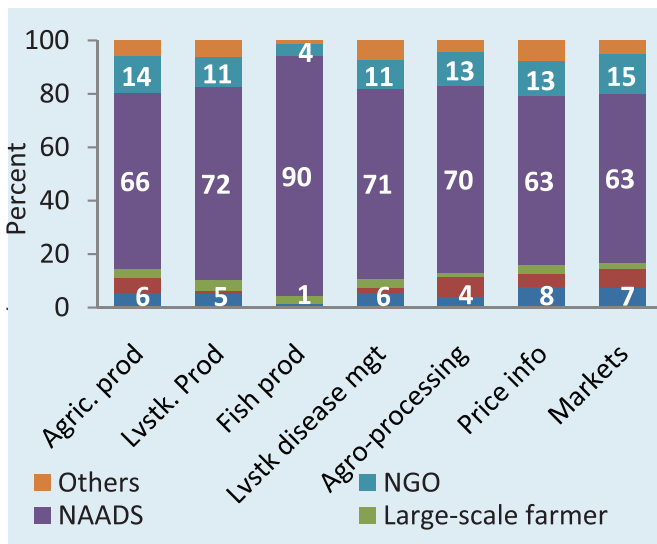
The goal of NAADS is to assist poor male and female farmers to become aware of and be able to adapt improved technology and management practices in their farming enterprises so as to enhance their productive efficiency, their economic welfare and the sustainability of farming operations². In particular, the program is supposed to pay more attention to women, people living with disabilities (PLWDs) and youth

headed households who are regarded by government as disadvantaged.

Implementation of the NAADS program is phased into projects. The first phase started in July 2001 and ended in June 2010; costing US\$108 million. The second phase -jointly implemented with the National Agricultural Research Organisation (NARO) under the Agricultural Technology and Agribusiness Advisory Services (ATAAS) project, started in July 2010 and is expected to end in June 2015. The total budget of ATAAS is US\$666 million, of which 70% (US\$468 million) is managed by NAADS secretariat⁴.

Due to the public-good nature of extension services, NAADS has become the main source of extension services in the country (Fig. 1). Besides extension advice, NAADS also supports farmers enrolled in the program with improved inputs as well as trains them in their use.

Fig. 1. Farmer’s sources of extension advice in Uganda in 2009/10 (%)



Source: Okoboi et al. 2013

Note: Agric stands for agriculture; prod, production, mgt, management, info, information, and NGO, non-governmental organization.

For the years NAADS has been in operation, the program has faced challenges including misappropriation of resources by both administrators and beneficiaries⁵ –leading to public outcry that the program is not performing as planned.

Our Aim

The aim of this paper therefore is to examine the impact of the NAADS program on achieving the intended objectives.

That is: household adoption of improved technologies, increased access and use of credit, crop productivity, commercialisation, and income.

The Analysis

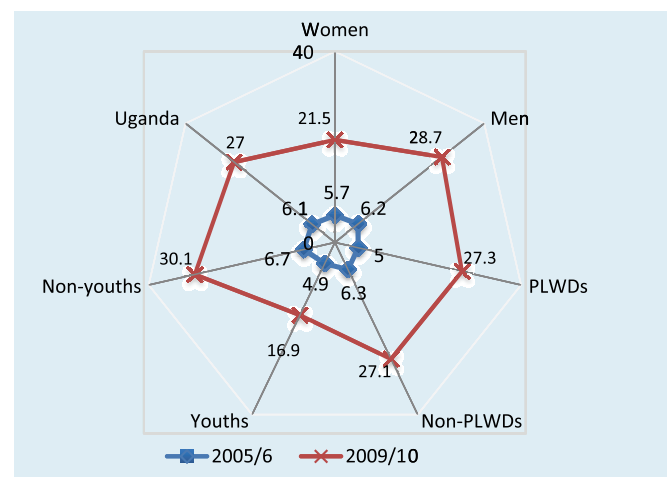
Our analysis involves comparing the agricultural achievements (adoption of improved technologies, increased access and use of credit, crop productivity, commercialisation, and income) of households of that have participated in NAADS with those that have never participated in NAADS. The condition is that these households should have been of similar background characteristics (i.e. woman/man, age, PLWD/non-PLWD, education, size of land owned income level, urban/rural) before participation in NAADS. In the analysis, we use the national household survey data collected from the same households in 2005/6 and again in 2009/10 –by Uganda National Bureau of Statistics (UboS). We compliment UboS data with qualitative data collected through focus group discussions with NAADS beneficiaries as well as non-beneficiaries –in period September and October 2012.,KLLL

Our findings

1. Low participation of disadvantaged households in NAADS

First, we looked at the coverage of NAADS –generally in terms of share agricultural households and specifically in terms of vulnerable or disadvantaged households. Figure 2 indicates that in 2009/10, NAADS supported only 27% of the 5 million agricultural households in the country while in 2005/6 the proportion supported was just 6%. Fig. 2 also indicates that for the period under analysis, the priority of NAADS was less on the disadvantaged households –as would be expected. It is evident in Figure 2. That little attention by NAADS was directed to households headed by women and youths.

Figure 2. Participation by household head category in NAADS, %



Source: Okoboi et al. 2013

2. Lack of information and nepotism affecting effective participation in NAADS

The main reasons cited by women, PLWDs and youth household heads for limited participation in NAADS are: lack

of information and guidance on how to join and effectively participate in NAADS, nepotism and discrimination by NAADS administrators in selection of participants, and prejudice by some male and/or non-disabled persons against PLWDs and women –especially widowed household heads.

3. Access to NAADS extension services has increased but service quality has deteriorated

Between 2005/6 and 2009/10, the proportion of agricultural households accessing extension services generally increased (Figure 3). But the most notable increase was among farmers who were actively engaged in NAADS activities in 2009/10. That is NAADS II and NAADS III compared to non-NAADS.

Much as NAADS supported farmers reported high access to extension services provided by NAADS contracted Agricultural Services Providers (ASPs), they also decried the poor quality and low frequency of the services. The farmers noted that many ASPs lacked knowledge, skills and time to satisfactorily handle their production and marketing challenges. We found that many ASPs were qualified in non agricultural disciplines, had regular jobs and extension work was part time.

4. High access to credit by NAADS farmers but low use for agriculture production

Between 2005/6 and 2009/10, access to agricultural credit by farmers who participate in NAADS has increased (Figure 4a). This is due to the fact NAADS supports its farmers to form and operate saving and credit cooperatives (SACCOs) –which are then linked to financial institutions for access to credit products. Figure 4b however shows that in 2009/10, the share of NAADS farmers using credit for agricultural production significantly declined.

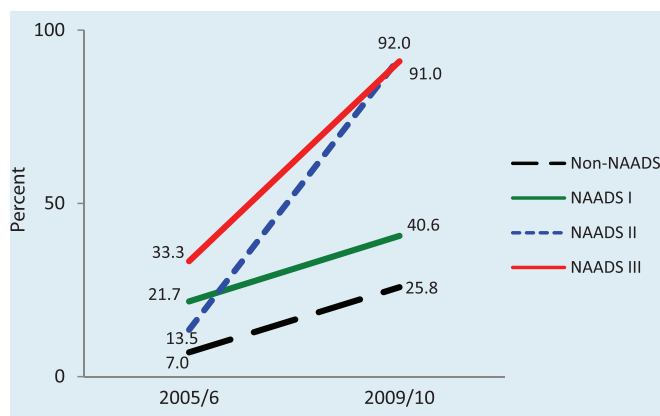
The high cost of credit vis-à-vis the high gestation period required before farmers get returns from agriculture is the main reason farmers do not use agricultural credit in farm operations – and instead divert it in quick income generating businesses such as Boda-boda (motorcycle taxi) services.

5. Distribution of free inputs by NAADS has not spurred technology adoption

Since inception, NAADS has distributed improved inputs to beneficiary farmers as well as trained them on modern farming practices –with the objective of fostering technology adoption. Figure 5 shows the proportion of farmers using the various improved inputs in 2005/6 and 2009/10. What is clear in Figure 5 is that over the period, there has not been a notable increase in the proportion of farmers using improved inputs –except for improved seeds. Overall, no major difference is observed in the adoption behavior of NAADS and non-NAADS farmers.

The poor quality of “improved” inputs that is distributed by NAADS to beneficiaries as well as the high price of those on the market are the reasons widely cited as the major impediment to adoption.

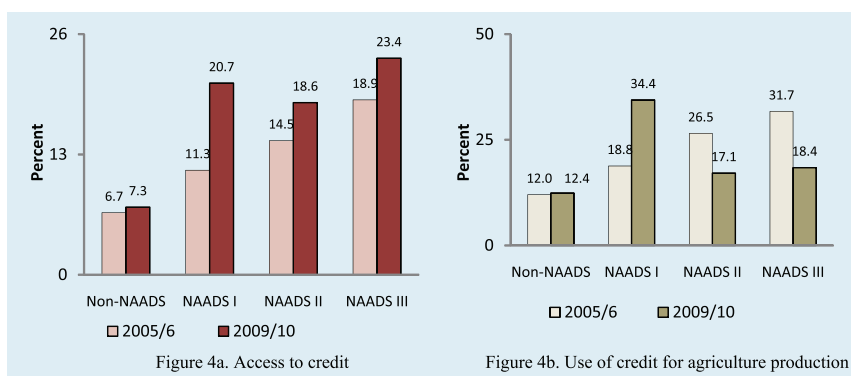
Figure 3. Access to extension services, %



Source: Okoboi et al. 2013

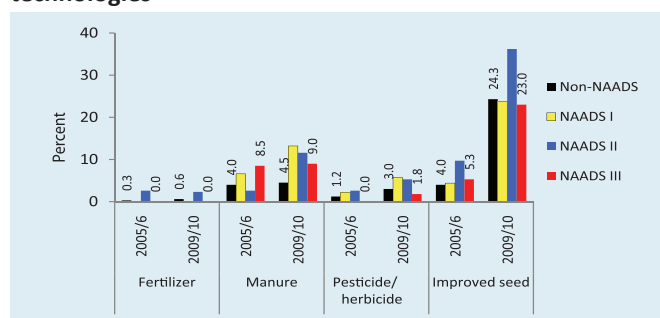
Note: Non-NAADS stands for farmers who did not participate in NAADS both in 2005/6 and 2009/10, NAADS I, farmers who participated in NAADS in 2005/6 only, NAADS II, farmers who participated in NAADS in 2009/10 only, and NAADS III, farmers who participated in NAADS in 2005/6 and 2009/10.

Figure 4. Agricultural households access and use of credit



Source: Okoboi et al. 2013

Figure 5. Agricultural households use of improved technologies



Source: Okoboi et al. 2013

6. Distribution of free inputs by NAADS has not sparked productivity and commercialisation

One of the key results areas of NAADS success is increased agricultural productivity and commercialization in general and specifically -a significant increase in the productivity

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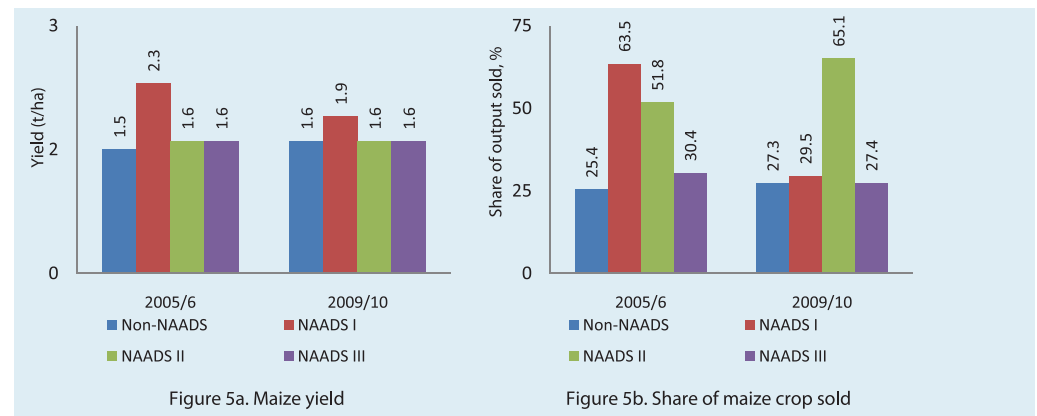
Geofrey Okoboi, Annette Kuteesa, Mildred Barungi are Senior Research Fellows at the Economic Policy Research Centre and project leader for the GDN project.

and commercialization of farmers supported by NAADS. To assess this objective, we examined the farmers’ yield and share of sales of maize, beans, groundnuts, bananas, potatoes and coffee. The picture we obtained from the result was simple and clear: over time and across farmers (i.e. NAADS and non-NAADS), there is no significant difference in the yield and share of crop sales. The results for maize yield and crop sales for example are presented in Figure 6. As you can see from figure 5a, for two periods and for the different categories of households, the yield of maize grain sales is basically the same. As for the share of maize grain sold, for most groups of farmers the proportion sold is below 30% -implying that maize is a subsistence crop and not a commercial crop as widely thought.

also implies that NAADS interventions have not had a significant effect on producers’ income. In the field, we encountered strong opinions from the primary beneficiaries (producers) of NAADS support, and community leaders that suggested that NAADS has not had a meaningful impact on their income status. The reasons why farmers supported by NAADS do not make get a good harvest and hence money, are many. These among others include the poor quality of inputs, low quantity of inputs, late timing of in distribution of inputs, and ineffective extension services.

There are a few farmers that have however benefited from NAADS support –especially in the first five years of NAADS implementation. These include farmers who were given inputs high-value inputs –e.g. perennial enterprises

Figure 6. Maize yield and share of crop sold



Source: Okoboi et al. 2013

8. The impact of NAADS support on the income of primary beneficiaries is minimal.

From the preceding results, it is clear that NAADS interventions so far have had very little effect on technology adoption, production, productivity, and commercialization. This

such as bananas and coffee, livestock such as exotic heifers and pigs. Others include farmers who were given contracts to supply seedlings and other planting materials to NAADS and farmers who are part of NAADS administration –sit on committees and get sitting allowances

Endnotes

- 1 National Agricultural Advisory Services Act, 2001.
- 2 World Bank (2001). A project appraisal document on a proposed credit (US\$45 million) to the Republic of Uganda for National Agricultural Advisory Services Project. World Bank, Washington.
- 3 MAAIF and MoFPED (Ministry of Finance, Planning and Economic Development). 2000. Plan for modernisation of agriculture: Eradicating poverty in Uganda. Government

strategy and operational framework. MAAIF and MoFPED, Kampala.

- 4 This policy brief is based on the EPRC working paper 99 / AGI working paper 7, a study supported by Africa Growth Initiative at Brookings.
- 5 Auditor General Report of 2007; Monitor Newspaper of February 5, 2008.

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