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Original Article

Correlating NAADS Agricultural Initiatives in the Tea Sector and the Industrialisation Potential for Community Transformation and Poverty Reduction in South-Western Uganda (2015–2025)

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Community transformation and poverty alleviation are central to every country's holistic development agenda as emphasized by the Millennium Development Goals (MDGs, 2000–2015) and the Sustainable Development Goals (SDGs, 2015–2030). Since 1986, Uganda has implemented a range of political, economic, and social interventions aimed at fostering community transformation and poverty reduction. However, these efforts have yielded varying levels of success. Among these initiatives was the enactment of the Poverty Eradication Action Plan (PEAP) in 1997 which led to the establishment of the National Agricultural Advisory Services (NAADS) in 2001. NAADS was designed to be a key instrument for promoting agricultural investment as a means of transforming communities and alleviating poverty given agriculture's dominance in Uganda's economy. Although NAADS has recorded considerable achievements in enhancing agricultural production, it has underperformed in promoting agro-processing, an omission that has limited its overall impact (Fiala and Apell, 2017). This study investigated the extent to which opportunities arising from the increased distribution of tea seedlings and the subsequent expansion of tea farming have been leveraged to establish value-addition enterprises, such as green leaf and processed black tea industrial facilities in the Greater Bushenyi districts, one of the primary beneficiaries of NAADS. Employing a descriptive research design and a mixed-methods approach, data were collected from key stakeholders in the agriculture sector at both district and national levels. The findings indicate that the government's goal of community transformation and poverty alleviation has been hampered by the failure to integrate agro-industrialization into the design and implementation of NAADS. The study concludes that it is only through coordinated, well-financed, and strategically implemented efforts that Uganda can realize the full transformative potential of its tea sector and agriculture more broadly.

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INTRODUCTION

The least developed countries especially those of Africa, such as Uganda, have grappled with community transformation trajectory since the time of independence. Community transformation in a holistic sense as one of the national and international development approaches is a broader concept that has economic, social and political overtones. It takes on an economic dimension in the sense that economically vibrant citizens are an engine of a country’s development pathway. Socially, community transformation connotes a state of affairs whereby human beings (citizens) of a country are empowered with the ability to sustainably cater for their social needs such as food, health, housing, education, clothing and interpersonal relationships. On the political front, community transformation is concerned with a state of being whereby citizens are empowered with the ability to meaningfully participate in the governance affairs of their country. In a nutshell, community transformation is a measure of citizens’ wellbeing which in contemporary development discourse has been tied to the extent of being either above or below the acclaimed international and national poverty lines. In other words, the prevailing poverty

situation has now become a measuring rod to assess community development in different country settings. However, it needs to be noted that governance and politics are central to understanding, analysing, and shaping transformations towards sustainable community development (Patterson et al 2016). This is because (1) governance is inherently implicated in any intentional effort to shape ‘transformations towards sustainability’, and (2) transformations towards sustainability are deeply and unavoidably political, and need to be recognised as such (Patterson et al 2016). This paper, therefore, has undertaken an analysis of the state-inspired community transformation through the agricultural dimension. This was inspired by the fact that Uganda is fundamentally an agricultural-based nation. According to Waswaga (2007), Uganda is a predominantly rural country with over 86% of the population living in rural areas and 72% of them engaging in agriculture as their main source of livelihood. UBOS (2022) put the number of households that were dependent on land for their livelihoods at 7 million which represented 80% of the total households in Uganda.

The above state of affairs in Uganda calls for a holistic policy approach which would, among other macroeconomic reforms, integrate agriculture policies that increase returns to the products of poor people (Mucunguzi, 2011, Mucunguzi, 2024). This presupposes that the policy must not only focus on increasing agricultural production and productivity but also on ensuring that value is added to the agricultural products and that markets are found for these products (Mucunguzi, 2024). As a consequence, establishing processing industries to increase the value and life span of agricultural products would have to be part of the policy agenda for Uganda's quest for community transformation and poverty reduction (Mucunguzi, 2024).

Before Uganda attained independence in 1962, tea growing had been introduced by the British colonial administration in the early 1900s and alongside other cash crops like coffee and cotton, the tea crop became one of the most important cash crops for Uganda's socio-economic development. Tea growing during the colonial period was mostly spearheaded by Europeans and Asians but after independence, the government continued to place a lot of focus on the tea sector by supporting indigenous farmers to enter into the sector. Indigenous smallholder farmers started to grow tea in the early 1960s. The significance that the government attached to the tea sector was underscored by the establishment of the Uganda Tea Growers Corporation (UTGC) in 1966 by an Act of Parliament to act as the driver for accelerated tea production. As a consequence of that support, the UTGC established 4 smallholder factories to process green leaf that was produced by smallholder farmers. These were the Igara tea factory in Bushenyi district, the Mabale tea factory in Kyenjojo district, the Mpanga tea factory in Kabarole district and the Kayonza tea factory in Kanungu district.

Locating the first government-supported tea processing factories all in South-Western Uganda signified the strategic geographical and climatic

advantage that the region possessed and still possesses for tea production. The booming period of tea production suffered a significant decline in the 1970s due to the political and economic situation that prevailed in Uganda then which led to the decline of the smallholders and the government-owned tea factories. However, this decline was reversed from the 1990s onwards after the assumption of power by a new political regime known as the National Resistance Movement (NRM). Since then, expansion of tea activities increased as part of the President's poverty eradication campaign and this led to the development of the tea strategy to expand tea production, processing and marketing within the old and new growing areas through the provision of tea seedlings and agricultural advisory services. From 2010, the promotion of tea production received a significant boost. For example in the 2014/2015 financial year, the government placed the task of providing tea seedlings to NAADS which resulted in the distribution of tea seedlings to farmers. It is estimated that NAADS had distributed close to 500 million tea seedlings to farmers in all regions of Uganda by the beginning of the 2023/2024 financial year (NAADS, 2023)

According to Uganda Agriculture Advisory Services (NAADS), close to 80.000 farming households in Uganda are involved in tea production and it supports over 150.000 skilled and unskilled workers and approximately 1.000.000 people directly derive their livelihood from tea growing (NAADS, 2023). Traditional tea-growing districts are Mukono, Buikwe, Mubende, Mityana, and Masaka in the central region, Kyenjojo, Kibale, Hoima, and Kabarole in the western region, Bushenyi, Buhweju, Kanungu, and Kabale in southwestern Uganda. Later, tea growing was expanded to new Districts like Kabale, Kisoro, Rubanda, Rukungiri, Sheema, Nebbi, Zombo, Isingiro, Ntungamo, Mitooma, Rubirizi, Kamwenge, and Mbarara (NAADS, 2023).

The government's overriding principle in the promotion of tea growing in Uganda was poverty eradication. In 1997, the government embarked on an all-embracing poverty eradication strategy named the Poverty Eradication Action Plan (PEAP) to act as a guideline for future poverty eradication endeavours. This followed the previous not so well coordinated poverty eradication efforts according to Mucunguzi (2011). Thus PEAP was supposed to be a strategic holistic poverty eradication policy framework and it targeted to provide improvements in the road network, agricultural modernization, universal primary education, primary health care and promotion of the private sector (Mucunguzi, 2011).

In line with the PEAP framework and agriculture being the cornerstone of the economy, the government of Uganda later introduced NAADS in 2001 to act as an all-embracing one-stop centre for the provision of agricultural services for the purpose of achieving rapid socio-economic transformation of the citizens. By this time the hitherto government-owned tea factories had been privatized but they continued to be the main drivers of tea production and community transformation. In addition, a number of other tea farming activities and processing industries have been opened in other parts of Uganda.

It should be noted however that among the pillars of PEAP especially the one of enhancing agricultural production, competitiveness and income had a component of increasing agro-processing industries. So as NAADS embarked on supporting tea farming through the distribution of free tea seedlings to farmers from 2015, there arose a high anticipation of the establishment of many small-scale cottage industries to take advantage of increased green tea production and black tea powder as a raw materials.

The role of agriculture in enhancing household productivity, income and poverty reduction is widely acclaimed. The Ministry of Finance, Planning and Economic Development (2019) notes

that commercializing agriculture has the greatest potential for increasing household productivity and incomes while addressing unemployment in the rural communities through nurturing agro-based industries across the country, that act to employ labour that will have been released from primary agriculture. It was due to this realisation that the Uganda National Development Plan (NDP) III (2020/21-2024/25) adopted the theme “sustainable agro-industrialization for inclusive growth, employment and wealth creation”, which was assumed to result in “increased household income and reduced vulnerabilities” (Ministry of Finance, Planning and Economic Development, 2023). However, the agricultural sector has continued to suffer from low productivity and value addition due in part to limited investments in mechanization (Kahurubuka, 2023).

PROBLEM STATEMENT

There have been many calls for intensification of financing in the agriculture sector for enhanced employment opportunities and community transformation (Nakazi, 2019). Tea is Uganda's fourth largest agricultural export commodity after coffee, fish, and maize and it earned over \$85 million in 2022 (Nakazi, 2023). Tea's contribution to export earnings during the National Development Plan (NDP) III 2020 – 2025 through the agro-industrialization efforts was expected to increase further as Uganda exploited new markets such as South Sudan (Nakazi, 2023). While financing had up to 2023 focused on supporting tea farmers with seedlings to increase green tea production, not many government and private sector-led investments have been extended in supporting the establishment of more green tea processing factories and black tea powder value addition cottage industries to absorb the high volumes of green tea and black tea powder production that the tea growing districts had witnessed. Instead, farmers were faced with high volumes of unsold green tea due to little absorption capacity by the existing green tea processing factories. To compound the problem, even the

processed black tea powder which is majorly for export has frequently suffered price fluctuations at the major export auction market in Mombasa, Kenya (Monitor, 2021, FAO, 2022, Shiferaw, 2023 & Mamello et al, 2023). This situation has ultimately and adversely affected the incomes of citizens engaged in the tea growing sector thus contravening the government efforts for community transformation and poverty reduction. Yet, it should be noted that the above outlined challenges being experienced by farmers and the government in the tea sector could have been so much alleviated if attention had been paid to supporting/financing cottage/small-scale manufacturing enterprises (SMEs) to take advantage of increased volumes of green tea produced by farmers. The establishment of back tea powder value addition chain industries/SMEs would further have led to faster socio-economic community transformation and poverty reduction in tea-growing districts of Uganda.

Therefore, this research was born out of the need to delve into the assessment of the extent to which the opportunities presented by the increased supply of tea seedlings and attendant increased tea farming coverage have been exploited in terms of the establishment of more green tea leaf and processed black tea value enhancement enterprises for community transformation and poverty reduction in Greater Bushenyi districts as one of the major recipients of NAADS support.

LITERATURE REVIEW

Agriculture is the oldest industry in the world and it continues to lead as time goes by. The Uganda Bureau of Statistics (UBOS) estimates that about 68% of Uganda's working population is employed in agriculture whereby Uganda produces a wide range of agricultural products including coffee, tea, sugar, livestock, fish, edible oils, cotton, tobacco, plantains, corn, beans, cassava, sweet potatoes, millet, sorghum, and groundnuts (UBOS, 2023). The role played by the agricultural sector in

economic development has been underscored by many scholars.

According to Praburaj (2019) and Annemarie (2015), the role of agriculture in the development of an economy may be stated as a contribution to GDP, contribution to employment, contribution to exports, source of food supply, prerequisite for raw materials for industries, creation of infrastructure, relief from shortage of capital, helpful to reduce inequality, improvement to rural welfare, creation of effective demand, contribution to capital formation and extension of market size.

Kadzere (2016) has explored how agricultural development is closely interconnected to economic development and industrialization, especially in Africa. He illustrates the relationship in the following words:

“Recent developments in Zimbabwe can be used to highlight the importance of agriculture. If one looks at the Zimbabwe situation from a purely agriculture and economic growth perspective, one would conclude that when the country’s agriculture did well, the economy boomed, and when agriculture failed, so did the economy. If Zimbabwe’s agricultural development and economic growth circumstances were to be extrapolated across the continent, the crucial role of agriculture in economic growth and subsequent industrialization of Africa would be better understood”.

Dethier and Effenberger (2012) noted that agriculture is crucial for economic development and industrialization in Africa, and policymakers should create conducive environments in their countries for this to happen. They further argue that agriculture has multifunctional effects on economic growth and development including reducing poverty; creating jobs, increasing food and nutritional security, health, providing raw materials for processing, value chain addition and boosting agribusiness activities and investments in rural services. The

“silo model” of service delivery adopted by most Ministries of Agriculture across Africa needs to be changed to more integrated services approaches that are more effective and more efficient. That will benefit the continent’s agriculture, its economic growth and concomitant industrialization.

Mucunguzi (2024) notes that in a predominantly agriculture-based economy like that of Uganda, a holistic policy approach becomes even more imperative for agriculture-based households in which the biggest portion of poor people falls. Mucunguzi (2024) sums up the above requirement in the following words:

“Uganda being a predominantly rural country with over 86% of the population living in rural areas and 72% engaging in agriculture as their main source of livelihood according to (Waswaga, 2007) and UBOS (2022), a holistic policy approach would, among other macroeconomic reforms, integrate agriculture policies that increase returns to the products of poor people. This presupposes that the policy must not only focus at increasing agricultural production and productivity, but also at ensuring that value is added to the products and that markets are found for these products. As a consequence, establishing processing industries to increase the value and life span of agricultural products would have to be part of the poverty eradication policy agenda”.

The above-cited literary works are just a tip of the iceberg in Africa, Uganda inclusive. A lot has been mentioned about reforming the agriculture policies in Africa but yet little effort has been undertaken so far. Therefore, there is an unfettered call for governments in Africa to “walk the talk” by repositioning agriculture in the mainstream political, social and economic policy arena if the sector is to play its rightful role in development.

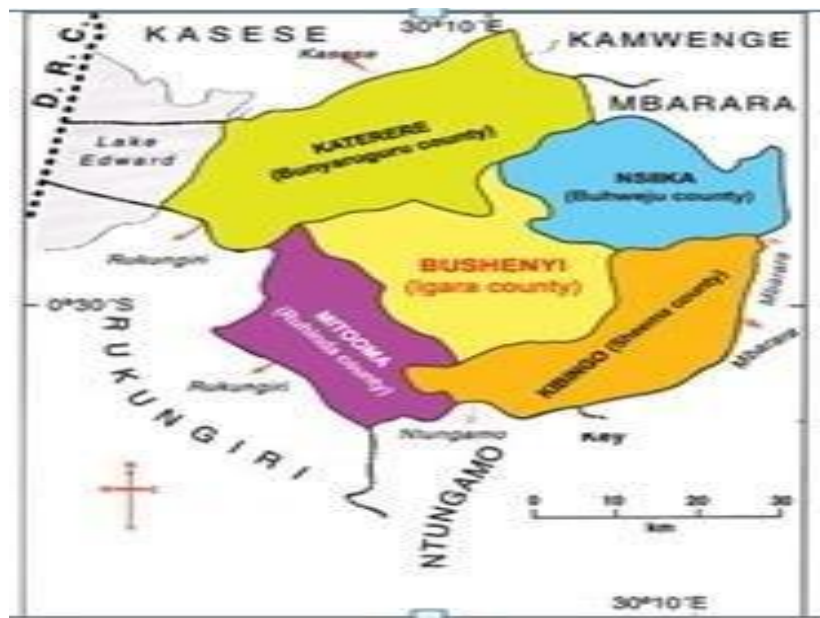
RESEARCH METHODOLOGY

The study adopted a descriptive research design while involving both quantitative and qualitative

research approaches. This research design was appropriate because the research wanted to fully describe the circumstances pertaining to the tea sector. The quantitative approach helped in collecting data from the technocrats at NAADS/Operation Wealth Creation (OWC) offices, district-based staff, leaders of tea farmers groups and directors and staff of farmers companies who are involved in overseeing the tea sector in the country at national and local levels. These respondents were tasked with providing information on the number of transformative community/SME projects that have been strung up in their areas of operation, the socio-economic impact that has been realized, the challenges that have been faced in establishing transformative community/SME projects and the alternative approaches that can be employed to encourage the establishment of more transformative community projects/SMEs in the tea sector in Greater Bushenyi Districts and ultimately the entire country. The qualitative approach aided the generation of in-depth information from the owners and staff of existing tea processing factories on all the four issues under investigation so as to secure a balanced/triangulated scorecard on the ways through which the tea sector can be transformed into industrial SMEs for faster community transformation and poverty reduction in Greater Bushenyi districts and Uganda as a whole. In addition, the study involved a review of international literature on tea value chain enterprises and SMEs, identifying relevant lessons and benchmarks that could inform Uganda’s tea sector development. The research was conducted in the Greater Bushenyi sub-region, comprising the five districts of Bushenyi, Rubirizi, Mitooma, Sheema, and Buhweju. This area was selected due to its historical significance as one of the first regions to adopt tea farming in the early 1900s as well as the researchers’ familiarity with the local context. Specifically, the study targeted the following categories as respondents: directors and technical staff of NAADS/OWC, district-based political and technical staff, directors/staff of tea processing

companies, leaders of zonal tea farmers groups and owners of value addition industries/enterprises. A total of 300 respondents were selected through a purposive sampling technique and data was

collected using structured questionnaires and interview guides. Respondents were selected due to their positions and relevancy to the study. The map below shows the study area.



The research process followed the ethical guidelines contained under the Kabale University Ethics Committee (KABREC) as well as the National Council for Science and Technology, a body that is responsible for overseeing all research activities nationally. Both bodies cleared the research undertaking after being presented with all ethical considerations.

PRESENTATION AND INTERPRETATION OF FINDINGS

Quantitative Results

Number of transformative community projects/SMEs that have sprung up in the tea-producing communities of Greater Bushenyi since the onset of NAADS assistance

Table 1: Number of Transformative Community Projects/SMEs in Tea-producing Communities of Greater Bushenyi Since the Onset of NAADS Agricultural Assistance to Farming Communities

Statement	SD (%)	D (%)	N (%)	A (%)	SA (%)	M	SD
I believe that a great number of industries/SMEs should have sprung up in my area to utilize green and black tea to manufacture new products	0.0	2.1	7.9	48.3	41.7	4.3	0.7
I believe that a great number of industries/SMEs have sprung up in my area to utilize green tea leaves to manufacture new products	29.0	49.3	16.9	4.8	0.0	0.98	0.8
I believe that a great number of industries/SMEs have sprung up in my area to utilize black tea powder to manufacture new products	35.2	45.5	15.9	3.4	0.0	1.8	0.8
Different products produced from raw tea leaves and black tea powder have a huge internal market	95.9	4.1	0.0	0.0	0.0	1.04	0.2

Statement	SD (%)	D (%)	N (%)	A (%)	SA (%)	M	SD
Different products produced from raw tea leaves and black tea powder have a huge external market	91.7	4.1	1.7	2.4	0.0	1.15	0.6

Source: Primary Data, (2025)

Perception of Potential for Tea-Based Industries in Greater Bushenyi

A large majority (90%) of respondents agree that a significant number of industries and SMEs should have been established in the area to utilize green tea leaves and processed black tea powder to manufacture new products. These results are statistically significant with the high perception (Mean=4.3 and standard deviation =0.7). The following words from one of the respondents summarize the feelings of people in this tea-growing area about their expectations of NAADS. “We had very high hopes that the government would follow a holistic approach in boosting the tea sector in Uganda by not only supplying free seedlings to the tea farming communities but also financing the establishment of processing industries, quality controls, infrastructural expansion (roads and power extension) and supporting both local and external market penetration”. This suggests that the community holds strong and consistent support for the idea of developing industries based on tea resources. The positive perception aligns with the belief that tea could be a key driver for local economic development and job creation. It reflects the community's recognition of the potential economic opportunities that could arise from utilizing tea leaves and black tea powder in various industries, such as manufacturing and product development.

Perception of Actual Development of Tea-Based Industries Utilizing Green Tea Leaves

In contrast, 78% of respondents disagree that industries/SMEs have already sprung up in the area to use green tea leaves, with only 4.8% in agreement and 16.8% unsure. These results are statistically significant with the high perception (Mean=0.98 and standard deviation =0.8). This significant

difference in perception highlights a clear disconnect between the community’s recognition of the potential for tea-based industries and the actual existence of such industries. The low percentage of agreement suggests that respondents are frustrated with the lack of progress in developing these industries. Many respondents averred that the government did not pay much attention to the establishment of new factories as the following quotation from one respondent states. “Before the intensification of tea growing through the supply of free tea seedlings in Greater Bushenyi districts from 2015, there were only four (4) tea processing factories namely Mcleod Russel tea factory formerly known as Ankole tea factory (1960), Igara tea factory (1969), Buhweju tea factory (2006) and Kyamuhunga tea factory (2013)”. “With the increased tea growing in the region and the resultant high volumes of green tea leaves produced from 2015, many people expected a leap in the establishment of more tea processing factories to produce black tea powder for export and other industrial purposes but this wasn’t the case”. “However, from 2015, only 3 tea processing industries were added to the already established ones namely Swazi Highland Tea Factory (2016), Global Village Tea Factory (2018) and Tea Maria Factory (2022) but this was a drop into the ocean”. It was reported thus; “during peak harvesting seasons, many farmers remain stuck with unsold green tea leaves due to a lack of absorption capacity by the existing processing factories”.

The above issue may stem from challenges such as insufficient investment, regulatory barriers, or lack of infrastructure necessary to foster such growth on the side of the government as the leading agency for community development and poverty reduction. This finding points to a gap between potential and

reality, which requires the government's strategic interventions to facilitate the establishment of tea-processing industries and SMEs in the region.

Perception of Actual Development of Tea-Based Industries Utilizing Black Tea Powder

A majority (80.7%) disagree concerning the substantial growth in industries or SMEs utilizing black tea powder as a raw material in their area, while 3.4% agree, and 15.9% are unsure. These results are statistically significant with the high perception (Mean=1.8 and standard deviation =0.8). This reinforces the previous finding that respondents perceive limited progress in the local tea industry. Despite recognizing the potential, the community seems to be experiencing a lack of tangible outcomes in terms of local industries for processing tea into new products. A respondent remarked that “while some SMEs have sprung up in the region to produce a range of beverages that use black tea powder as a raw material, this is still a small fraction of the industrial potential that was initially anticipated”. It was further reported that “several tea processing industries were initiated in Bushenyi and Buhweju districts following the surge in green tea production after the 2015 NAADs interventions but their progress has been hampered by high establishment costs and limited direct government assistance”. “The anticipated industrialization in the tea sector has not fully materialized”. “Industrialization of the tea sector would have increased domestic consumption of tea products and opened up opportunities for export through a more diverse range of finished goods”. “More importantly, it would have created numerous forward and backward socio-economic linkages, as evidenced by the beehive behaviour of economic activities in areas surrounding the few operational tea processing factories such as the vibrant commercial centres of Butare, Kyamuhunga, Mashonga, and Burere in Bushenyi and Buhweju districts”. “This shortcoming has exacerbated the tea marketing challenges”

This underutilization of tea resources represents both a missed opportunity for community transformation and a challenge for economic development. Encouraging the development of local industries could alleviate this issue by creating jobs and stimulating economic activities.

Perception of Internal Market for Tea Products

All respondents (100%) disagreed that there is a substantial internal market for raw green tea leaves and processed black tea. These results are statistically significant with the high perception (Mean=1.04 and standard deviation =0.2). This strong consensus indicates that the local community does not perceive an existing or growing demand for tea products within Uganda. However, on the other hand, some respondents reported that to “a small extent some individuals have ventured into establishing small cottage industries namely Kakombe Tea under Bakwoline Establishment SMC Limited and Mashonga Best Millers Limited in Bushenyi district and Nyakahita Specialty Tea in Buhweju district”. That “while there is both huge internal market potential for such specialty orthodox tea products in Uganda, the quality standards are not met and public awareness is not raised”. They argued further that “these SMEs are facing serious challenges, particularly in acquiring the necessary machinery, which must often be imported”. That “without government support in the form of affordable loans and tax incentives, the potential to expand and establish more such investments will remain difficult”.

This lack of internal market demand poses significant challenges to the tea industry's growth and could limit the profitability of local tea producers. It may suggest that local markets are either unaware of the benefits of consuming tea or that local consumers prefer alternatives, making it critical for stakeholders to foster market development and awareness campaigns.

Perception of External Market for Tea Products

Similar to the internal market, the majority of respondents (95.8%) disagreed that there is a large external market for raw green tea leaves and processed black tea, with only 2.4% agreeing. These results are statistically significant with the high perception (Mean=1.15 and standard deviation =0.6). This result reveals scepticism about the competitiveness and reach of Uganda's tea in international markets. The respondents seem to perceive that there are barriers to entering the global market. Most respondents sighted the challenge of quality standards, trade regulations, and marketing strategies. This suggests that stakeholders in the tea sector should investigate the dynamics of external markets, identify gaps in the export infrastructure, and develop strategies to make Ugandan tea more competitive globally.

Results on Testing Hypothesis of the Number of Transformative Community Projects that Have Sprung in Tea-producing Communities and

Community Transformation and Poverty Reduction

Ho: The number of transformative community projects that have sprung in tea-producing communities have no significant relationship with community transformation and poverty reduction.

Ha: The number of transformative community projects that have sprung in tea-producing communities have a significant relationship with community transformation and poverty reduction.

The level of significance is 1%

The statistical test used was Pearson's correlation

To establish the relationship between the number of transformative community projects that have sprung in tea-producing communities and community transformation and poverty reduction, the researcher ran a Pearson correlation test. Pearson correlation was run and the findings are illustrated in the Table below.

Table 2: Correlation between Numbers of Transformative Projects/ SMEs and Community Transformation and Poverty Reduction

		Community transformation and poverty reduction	The number of transformative community projects/SMEs
Community Transformation and Poverty Reduction	Pearson Correlation	1	.338**
	Sig. (2-tailed)		.000
	N	290	290
The number of transformative community projects /SMEs	Pearson Correlation	.338**	1
	Sig. (2-tailed)	.000	
	N	290	290

** . Correlation is significant at the 0.01 level (2-tailed).

Table 2 shows that the value of Pearson's correlation coefficient was 0.338. The analysis of the correlation between the number of transformative community projects/SMEs and community transformation and poverty reduction yields a Pearson correlation coefficient of 0.338. This indicates a positive weak association between the number of transformative community projects and the level of community transformation and

poverty reduction. The correlation is statistically significant, with a p-value of 0.000, which is well below the commonly accepted threshold of 0.01.

The statistical significance of the correlation suggests that the relationship is unlikely to have occurred by chance, and we can confidently reject the null hypothesis in favour of the alternative hypothesis. This supports the conclusion that the

number of transformative community projects and SMEs positively influences community transformation and poverty reduction if established in a coordinated public policy planning and implementation.

DISCUSSION OF FINDINGS

Many scholars have emphasized the critical importance of industrialization within the agricultural sector. In addition to Dethier and Effenberger (2012), Kadzere (2016), and Mucunguzi (2024), who have strongly advocated for the industrialization of agriculture, Uganda's Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) has also made efforts in this direction. Under the framework of Uganda Vision 2040 and the Third National Development Plan (NDP III, 2020/2021–2024/2025), MAAIF developed the Agro-Industrialization Programme Implementation Action Plan in 2020. This plan aimed to operationalize the first objective of NDP III which targeted enhancement of value addition in key growth sectors. While this initiative marked a positive step, the potential benefits for community transformation and poverty reduction have not been fully realized, largely due to limited implementation.

Fowler and Rauschendorfer (2019) noted that Uganda's agro-industrialization ambitions faced serious challenges, including inadequate policy coordination, a weak enabling environment, underutilization of agro-processing units, and a lack of reliable agricultural statistics—factors that significantly hinder planning by both government and the private sector. Perhaps in response to such critiques, MAAIF formulated the 2020 Action Plan. However, this initiative has largely remained on paper rather than translating into tangible outcomes due to the government's failure to prioritize such a development agenda.

Adesina (2017) argued that there is strong evidence to show that no region of the world has ever moved to an industrialized economic status without the

transformation of the agricultural sector. He further suggested that a strong, modernized agricultural foundation is crucial for overall economic development, leading to industrialization and wealth creation. That such transformation involves not just increased production but also value addition and processing of agricultural resources. The Economic Policy Research Centre (2017) reasoned that Uganda's heavy reliance on agriculture simply implies that for inclusive industrialization, employment creation and wealth enhancement to be achieved, transformative manufacturing that builds on the agricultural sector is essential. To achieve transformation, investments in modern farm inputs and production systems must occur to boost sustainable agro-supply chains for industry.

All the above arguments point to the fact that the government of Uganda is responsible for driving the agenda for agroindustrialization.

CONCLUSIONS AND RECOMMENDATIONS

This study adds to the growing chorus of voices advocating for the industrialization of Uganda's agriculture sector. Despite clear evidence of agriculture's role in socio-economic transformation, Ugandan policymakers have historically neglected agro-industrialization in favour of focusing solely on increasing production.

For example, under the National Agricultural Advisory Services (NAADS) program initiated in 2001, little attention was paid to post-harvest processing and value addition. This oversight limited the program's transformative impact, especially in tea-growing regions such as Greater Bushenyi.

It is therefore recommended that the upcoming Fourth National Development Plan (NDP IV, 2025/2026 – 2030/2031), which prioritizes “sustainable industrialization, full economic monetization and private sector growth” should:

- Operationalize agro-industrialization through practical support, not just policy statements;

- Provide affordable financing, tax incentives, and technical assistance for local entrepreneurs establishing tea-based SMEs;
- Develop robust market linkages for finished tea products locally and internationally;
- Ensure coordinated planning and implementation across ministries and agencies.

Only through such coordinated, well-financed, and strategically implemented efforts can Uganda realize the full transformative potential of its tea sector and agriculture more broadly.

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