

# From Parish to Market

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Identifying export opportunities for Parish Development  
Model products

Dr Isaac Shinyekwa (EPRC), Maya Denis Makika (EPRC),  
Harriet Conron (IGC)



# Motivation - why focus on export markets?

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- Exposure to export markets **improves price transmission to farmers**, so they can make better decisions about what to grow
  - Ultimately enhancing farm productivity, and facilitating entry into the monetised economy
- Understanding which opportunities are the most promising can help MAAIF to direct **commodity-specific extension services**
- Provide guidance to the UIA and the private sector on investment opportunities along PDM value chains
  - Especially where existing capacity to produce higher value added products is low – spurring domestic value addition
- Export promotion is expensive - guide UEPB to direct resources to **most promising product-market combinations**

# What are the PDM commodities?

- Original ministerial guidelines prioritise 18 commodities under Pillar 1 (“Production, Processing and Marketing”)
- These have since been updated by MAAIF to include district-specific lists of priority value chains for development

Table 4: **Priority Commodity List for the Parish Model**

1. Coffee	10. Fish
2. Cotton	11. Dairy
3. Cocoa	12. Beef
4. Cassava	13. Bananas
5. Tea	14. Beans
6. Vegetable Oils/Oil Palm	15. Avocado
7. Maize	16. Shea Nut
8. Rice	17. Cashew Nuts
9. Sugar Cane	18. Macadamia Nuts

Sironko

Crops: Coffee, Banana

Livestock: Cattle, Dairy

Fisheries: Aquaculture

Entomology: Apiculture

# Risks – local surplus causes prices to collapse

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- **Risk** – local surplus of specific commodities causes a prices to collapse
  - E.g. price effects of Kenyan import bans on maize, dairy and poultry
- **Solution** – link to diversified export markets

## Pineapple prices fall to sh200 in Masaka, farmers stuck

Independent Reporter February 16, 2020 Business, NEWS 1 Comment



**“Successful implementation of the Parish Development Model requires ready market and value addition for the production surplus from the parish”**

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Hon. Matia Kasaija, Minister for Finance

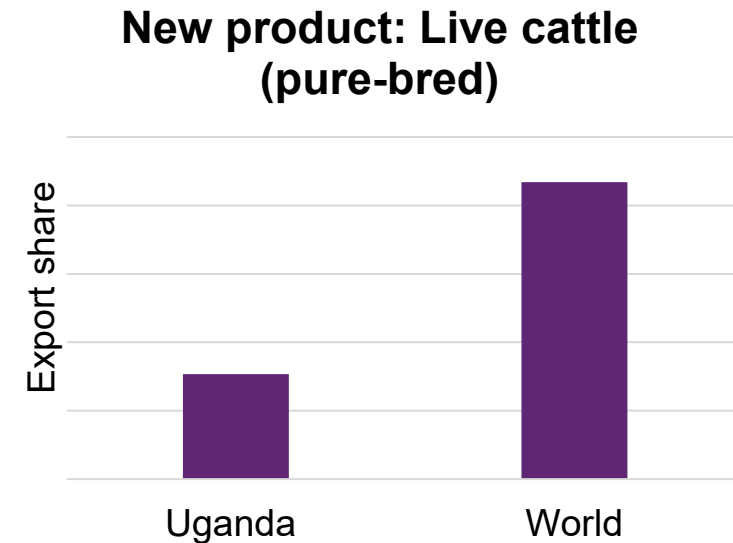
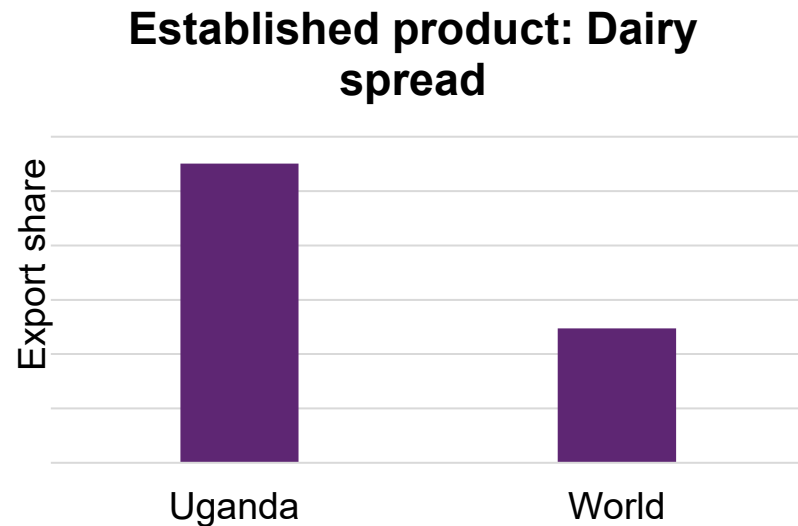
Ministerial Statement on the Parish Development Model, September 2021

# A framework for export growth

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Two ways to grow exports – **volume** and **diversification**

Exports can be diversified in two dimensions – new **products**, and new **markets**



# Established --- Markets --- Newer

Established --- Products --- Newer

Newer products, established markets



Newer products, newer markets



Established products, established markets



Established products, newer markets



# How to identify export market opportunities?

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- 1. Product listing:** Define a list of raw and higher value-added products Uganda could produce from the PDM commodities
- 2. Market potential:** Screen all potential trading partners for political and commercial risk, macroeconomic size and growth potential
- 3. Product-market opportunities:** Combining products from (1) and markets from (2), identify large and growing product-market combinations
- 4. Product-market access:** Screen potential opportunities identified in (3) for accessibility in terms of concentration, tariff and transport costs
- 5. Categorise opportunities:** Group new opportunities by intensive and extensive margins of trade expansion



# Established --- Markets --- Newer

Dollar values = Size of import market (Comtrade)

## Newer products, established markets (37)

Filled chocolate bars – Germany (\$388m),  
Netherlands (\$253m), Belgium (\$116m)

Butter – Kuwait (\$26m), Oman (\$20m)

## Newer products, newer markets (4,966)

Filled chocolate bars – UK (\$444m),  
USA (\$352m), France (\$311m)

Butter – Netherlands (\$707m), China  
(\$491m), Belgium (\$384m), Saudi  
Arabia (\$188m)

## Established products, established markets (178)

Milk – Kenya (*\$7.8m*)

Cotton, not carded/combed – China (*\$5.5m*),  
Bangladesh (*\$2.6m*)

## Established products, newer markets (2,064)

Milk – Hong Kong (*\$14m*), Singapore  
(*\$5.4m*), China (*\$4.9m*)

Cotton, not carded/combed – Egypt  
(*\$467,000*)

*Dollar values = Uganda's export potential (ITC)*

**Full list of 7,210 realistic export opportunities available at: [bit.ly/3Qxijut](http://bit.ly/3Qxijut)**

# Policy recommendations (1)

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## **From Parish to Market:**

MAAIF - Deliver commodity-specific extension services

Cooperatives, Parish Councils – Help smallholders aggregate harvests

UIA – Guide investment in processing capacity

National Platforms, MDAs - Develop commodity-specific export strategies

- Identifying regulatory barriers e.g. SPS issues, provide compliance and certification options for exporters
- Identifying opportunities for investment along the value chain e.g. processing facilities

MTIC – Prioritise investments in transport and warehousing infrastructure

BoU, MoFPED - Help firms to access trade finance

# Policy recommendations (2)

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## Newer products, established markets

37 opportunities  
Medium risk

**UEPB focus:** increasing capacity to produce at internationally competitive prices

## Newer products, newer markets

4,966 opportunities  
High risk

**UEPB focus:** increasing capacity & similar products

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## Established products, established markets

178 opportunities  
Lowest risk

**UEPB focus:** increasing volumes

## Established products, newer markets (2,064)

2,064 opportunities  
Medium risk

**UEPB focus:** similar products present opportunities for market penetration

# Contacts

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## International Growth Centre

c/o Bank of Uganda - Research Department  
Plot 37/45 Kampala Road  
PO Box 7120  
Kampala

[uganda@theigc.org](mailto:uganda@theigc.org) / [www.theigc.org](http://www.theigc.org)

## Economic Policy Research Centre

College of Business and Management Sciences  
Makerere University  
Plot 51 Pool Road  
Kampala

[www.eprcug.org](http://www.eprcug.org)

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