



TUNADO

THE UGANDA NATIONAL APICULTURE DEVELOPMENT ORGANISATION

*A membership & apex body for coordinating apiculture sector
in Uganda*

THE 2nd UGANDA'S APICULTURE BUSINESS FORUM REPORT

Supported By;



EQUATORIAL MALL KAMPALA
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Compiled by Christine Nandora

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INTRODUCTION

This report provides a brief of key discussion points at the 2nd Uganda's Apiculture Business Forum conducted by The Uganda National Apiculture Development Organisation (TUNADO) in partnership with Trias Uganda and Swisscontact Uganda at Equatorial Mall from the 17th to 18th November 2016. The objectives of the forum were:

- To equip sector players with necessary knowledge and skills to improve and grow towards a more formal, sustainable and business oriented enterprises specifically through;
 - ❖ Provision of tips for apiculture enterprise formalisation process
 - ❖ Business visioning and planning
 - ❖ Unlocking business opportunities up for harnessing in the apiculture sector
 - ❖ Coaching and mentoring honey value chain actors in business positioning
 - ❖ Case presentations on how MBO can work with financials for members to access credit

WELCOME REMARKS

The forum opened with an opening prayer (By Mr. Adrole Escole), committing the forum into God's hands. Thereafter, welcome remarks were made by Mr. Biryomumaisho Dickson, the Executive Director (ED) of TUNADO on behalf of the Chairman of TUNADO Board. The executive director informed the participants that the Chairperson was unable to attend the forum as he was sick. He welcomed the guest to the second Apiculture business Forum which follows the first one that was conducted in 2015 and apologized for starting late. He thanked Trias and Swisscotntact Uganda for supporting the forum.

He gave a brief background on what trigger TUNADO to start conducting business forums. Key points included:

- To increase the business acumen of the honey value chain actors; including the beekeepers, processors and traders.
- He noted that in Uganda 80% of the businesses (groups, CBOs and others) are "informal" in that they are either not registered, don't have the right documentation, no records are kept, no bank accounts or are acting illegally.
- The businesses operating informally limits access to resources and funds.
- The business forum was organized to provide information on where and how to access services available to the different actors in the apiculture chains.
- With the above reasons, TUNADO realized the need to improve the business acumen-ship of the honey value chain actors hence the Business forum.
- He gave a brief introduction on the objectives of the business forum and concluded by wishing participants fruitful deliberations.

PRESENTATION FROM UGANDA INVESTMENT AUTHORITY (UIA)

The objective of the presentation was to get members acclimatized with the mandate of Uganda Investment Authority, how actors in the honey value chain can position themselves to access services offered by the authority and the incentives available for the different actors at UIA. The presentation was made by Ms Yvone Munabi, Investment Executive - UIA.

Key points from the presentation:

- Who is an investor:
 - ❖ An investor is a person who puts his/her money in a venture and hopes for a return. This implies that anyone can be an investor.
- UIA reports indicate that Ugandans are the largest investors in the country; Ugandans are important investors.
- There are certain things we are entitled to because we are all potential investors.
- She noted that bees are very important for our livelihoods

Brief highlights on Uganda (opportunities for the Honey value chain actors):

- In relation to beekeeping, Uganda has a good climate (Modified equatorial), high population, is located along the equator has Lake Victoria as the largest fresh water lake and is the Source of the Nile which is the only river that flows North.
- Market size and Market access:
 - ❖ Uganda has a population of 35 million people; this is market for the products.
 - ❖ Neighboring countries of East Africa and South Sudan have a total population of 160 Million people, great lakes region 300 Million and COMESA 400 Million people. This should all be viewed as Market for the hive products.
 - ❖ View business in relation to our surrounding but also consider global trends.
- Agreements such as the COMESA allow us to sell our products across the borders.
- There is need to be aware of the restrictions; what is allowed and what is not allowed so as to be relevant and be able to defend oneself if need arises.
- Need to know what forms/ state of the products are acceptable and where (such as what kind of packaging is allowed). This is essential to participate in cross border trade.

Investment climate

- The investment climate is changing, what are we doing to ensure that the environment is good for us? The current investment climate is characterized by;
 - ❖ Unpredictable economic environment
 - ❖ Fully liberalized economy
 - ❖ Competitive market access
 - ❖ Good Governance
 - ❖ Trainable labor force
 - ❖ Excellent weather Climate and conditions

- ❖ Strong natural resource base Friendly population
- ❖ Government commitment to private sector
- ❖ Security of investment

Incentives available to the honey value chain actors/ investors and requirements to access the incentives

- There are rules and regulations for one to access the incentives.
- The incentives exist by law and therefore everybody can access them, local and international/ foreign investors.
- Most of the incentives are relate to money in Business i.e tax shield. That is one of the reasons why businesses have to be registered.
- The incentives are to help Government encourage people to invest in specific sectors.
- The way incentives are calculated depends on how your business runs. Do you have records?
- One needs to have the basics such as financial records or activity records. With no record, one cannot predict hence has no control.
- The most known incentives are tax holidays but they are not the only incentives. Tax holidays are actually being reduced.
- To access these incentives, you need to be running a registered business and if possible have an investment license. Investment licenses are mandatory for foreign investors while it is a good thing to have for local investors
- Obtaining an investment license is free.
- There are industrial parks where the government fits similar businesses together (such as the Namanve industrial park). To access such an incentive, you need to be registered and then you apply to access the land in the industrial park.
- There are rules and regulations to protect investments if your business is registered.
- Documentation is important if you are to protect your business. Documents such as the receipts, invoices are important. Documentation is also helpful for business continuity even in the absence of the proprietor.
- When you are importing machinery, you can get a tax relief but your business needs to be registered with a Tax Identification Number (TIN) number.
- When your business is registered, there is a form of dispute resolution. For example, if you supply and you are not paid, it is easier to dispute between parties.

Agreements and associations

- Uganda has signed different trade agreements to allow trade across borders. Such agreements include AGOA, COMESA and others. These are to facilitate market access and actors should take advantage of such agreements. There is also general demand for hive products.

- One needs to know how all these apply to their business. One needs to know the rules and regulations in the neighboring cross border markets, what's happening, how to access them, what's allowed and what's not allowed.
- How does world trade relate to simple business like honey? Rules are made at global level to regulate trade. Participants ought to know these regulations to access certain markets.
- UIA can provide information on alternative businesses one can engage in. There is need for diversification.

Investment facilitation

- UIA helps in product certification; to differentiate our products.
- UIA works with other agencies such as UNBS to serve people.
- Policy recommendations: UIA links grass root people with the government. UIA bridges the gap.
- Other ventures honey value chain actors can engage in (a long side bee keeping) include:
 - ❖ Tourism (Api-tourism)
 - ❖ Crop farming (pollination services)
 - ❖ Livestock (pollination of pasture crop)
 - ❖ Services such as ICT, education (in information access and marketing)
 - ❖ Energy (such as Candles)
- Businesses in the beekeeping value chain
 - ❖ Making hives
 - ❖ Consolidating honey
 - ❖ Processing
 - ❖ Tourism
 - ❖ Flowers
- Climate change initiatives being carried out by the actors that can be turned into opportunities
 - ❖ Conserving the bee forage (in Gulu, they conserve shea nut trees)
 - ❖ Planting bee forage such as caliantra
 - ❖ Beekeeping requires trees to survive this avoid bush burning, spraying all of which preserve the environment.
- The above if well packaged, UIA can establish if members qualify for carbon credit.
- Other services offered by UIA:
 - ❖ The One Stop Centre (OSC) services for business registration, licensing, facilitation and aftercare are offered at Uganda Investment Authority (UIA). The investment related Government departments and agencies within the OSC, currently include:
 - ❖ Uganda Registration Services Bureau (URSB) for company registration.
 - ❖ Uganda Revenue Authority (URA) for tax advice and registration.

- ❖ The Directorate of Citizenship and Immigration for Control for issuance of work permits and other immigration documents.
- ❖ The Lands Registry which assists in the verification of land ownership.
- ❖ The National Environmental Management Authority (NEMA) to facilitate the investor to environmental compliance.
- ❖ Uganda National Bureau of Standards (UNBS) for standards advice.

PRESENTATION FROM UGANDA REGISTRATION SERVICES BUREAU (URSB)

The objective of the presentation from URSB was to make the participants aware of what it takes to register/ formalize their businesses and the benefits associated with formalizing businesses. Yvone Atwiine who works as a registrar at Uganda Registration Services Bureau delivered the presentation. She started with a brief introduction of the organization, its mandate, and requirements for registering different kinds of businesses and the associated benefits of registering businesses. The presentation was very useful in providing understanding on the disadvantages of not formalizing businesses and the session ended with an interactive Q and A session.

Key points from the presentation

- The mandate of URSB is to register Businesses, intellectual property rights like patents, copy rights, registration of marriages and businesses. It deals with the “birth and Death” of companies.
- There are two ways you can register your business:
 - ❖ Business name registration which cost only 24,000 UGX. Here, you indicate your partners, name of the business, what you do and you receive a certificate. A business name is more personally attached and is not as wide as a company. You can get a TIN against that business name.
 - ❖ Company registration.
- The requirements to register a company are:
 - ❖ Reserve a name by carrying out a search and know if it is available.
 - ❖ Prepare/ draft a Memorandum and Articles of Association.
 - ❖ Appoint directors. After the 2012 companies act, it’s also possible to have a single member company (sole proprietor). For a single member company, you need to appoint a nominee director for continuity- people who will act on your behalf in case you are not around.
 - ❖ Register where the company is located.
 - ❖ You require approximately 170,000 UGX to register a company for a share capital of 1,000,000 UGX.
 - ❖ Someone else can run the company for you.

Benefits of having your business registered.

- If your business is registered, you can use your business to access credit from banks and other financial institutions.
- You become competitive on the market and can bid for contracts.
- It's easier to enter into the market (market access).
- Benefit from participating projects.

There are different branched of URSB to help you register.

- ❖ At UIA
- ❖ Amamu (head office)
- ❖ Posta Uganda
- ❖ In Arua
- ❖ Mbale
- ❖ Mbarara
- ❖ Moroto (opening soon)
- ❖ Gulu
- ❖ Nakivubo

PRESENTATION FROM UGANDA REVENUE AUTHORITY (URA)

Two officials from URA participated in the forum; Mr. Oporot Patrick and Mr. Joseph Kamulegeya both from the department of tax payer education. Mr. Oporot Patrick delivered the presentation with the objective to create awareness on the different taxes payable by the different honey value chain actors including taxation of honey processing equipments.

Key points from the presentation

- URA was established by the act of parliament in 1991
- The mandate of URA is to collect revenue/ taxes for the central government; which revenue is to help everyone in Uganda.
- The difference between URA and Local Government (municipal or town councils such as KCCA) tax is that URA taxes depending on whether you are taxable or not whereas the local governments may tax everything.
- For individuals to be taxed, they should be making a profit / income of 2,820,000 per year.
- URA taxes net profit: i.e Total revenue less total expenses for the year. That is why it is important keep records. If you have records and you are taxed more than what you should be, it is easy to refute the taxes.
- Profits are taxed depending on whether you are registered as a company or a business name. For companies, tax is 30% of the net profit. For business name, the threshold is 2,820,000.

- If your total revenue is less than 150,000,000 Million a year, you are treated as a small tax payer and are taxed on pre-exemptive tax (assumed tax). This applies when you have a record or rough estimate of your sales but don't have records of expenses.
- Tax rates also differ depending on where you operate from; e.g if you operate from KCCA, Municipalities or villages.
- There are two collection departments at URA:
 - ❖ Customs department that collects taxes on imports/ for foreign trade
 - ❖ Domestic tax department that deals with items traded within the country.
- To achieve vision 2040, for example transformed agricultural sector, we need to collect revenue from taxes and not depend on borrowing. Therefore there is needed to be compliant.
- Revenue mobilization becomes difficult with businesses operating informally hence the need to have people register their businesses.

Challenges that prevent registration:

- Limited understanding of the process. Registration can be done in 34 municipalities across the country.
- Farmers prefer to sell small quantities and by cash.
- People don't want/ fear to register because they don't want to pay taxes but they lose more than the tax when their businesses are not formally registered.

What has URA done?

- Sensitization through workshops, tax hubs and clinics
- Simplified the registration process
- Established one stop centers in 34 municipal councils.

What taxes are applicable?

- Income tax for small businesses
- Income tax for large businesses
- Withholding tax (with records, if you are charged more withholding tax you can defend it and you are refunded).
- Pay as you earn tax
- Value added tax (payable only when you process honey and the cost of value added is more than 5% of the cost of processing).

Incentives in the sector

- If you import machines, there is no customs duties charged
- The expenses incurred in your business are allowed against the cost you make.

Only profits are taxed.

- Capital allowances

- All losses are recognized after verification

Business formalization

- You can register for a business name from upcountry and obtain a certificate of registration
- You can register a company and get a certificate of incorporation.
- Get a Tax Identification Number (TIN) which can be obtained free of charge. TIN can be obtained from URA, online and from the one stop shops.
- One needs to make proper/ accurate declarations. URA can detect wrong declarations from backward or forward linkages (where you buy or where you sell). Therefore, record keeping is very important.

PRESENTATION FROM MINISTRY OF TRADE INDUSTRY AND COOPERATIVES (BUBU)

The objective of the presentation was to identify how the Government strategy “Buy Uganda Build Uganda” will benefit the apiculture sector. The presentation was done by Mr. Oule David from Ministry of Trade.

Key points from the presentation

- The Buy Uganda Build Uganda (BUBU) Policy was established in 2014 to increase consumption of local products and increasing participation of the locally established firms in domestic trade.
- Locally established firms need to be assisted to have a fair share of their domestic market.
- We must become more competitive in world trade by first taking the advantage of the domestic market.
- This is a step in fighting poverty by participating in the process of economic growth through trade

How the BUBU policy will be achieved

- Increasing participation of the private sector in supplying Government institutions with goods and services it requires.
- Increasing the consumption of local products by individuals in the local population and the private sector.

Challenges faced by the policy

- The procurement process by Government of local materials is still unclear to many local traders.
- Local service providers or traders want to be given preference.
- Public procurements bring to the economy a lot of monetary resources and employment opportunities

What needs to be done to promote the BUBU policy?

- Reliability and sustainability in general. Production and supply is still very low and can be sustained for just a few months. There is need to increase production.
- Formalization of local business entities. Most businesses are not formally recognised/registered which makes it difficult to engage with.
- Improve reliability and sustainability of already existing suppliers.
- Ensure compliance to standards. BUBU will select a few products and assist producers to be excellent in those selected products.
- Lobby stockists to give local products shelf display space.
- Mainstreaming of BUBU in all business transactions. BUBU should be mainstreamed in all government agencies in a uniform manner so that its not taken to be breaking regional laws and agreements.
- Develop and implement BUBU communication strategy.

BUBU implementation strategy

- Take stock of the local producers and improve their capacity to supply. Identify them, build capacity, formalize them, improve their reliability, and mandatorily apply preference schemes under PPDA Act.
 - ❖ This is intended to increase number of local producers benefiting from Government Procurement)
- Enhance the quality and competitiveness of local products and services.
- Brand and market Ugandan products and services.
 - ❖ The strategy will ensure conformity and compliance to standards.
 - ❖ The expected outcome is increased consumption of products locally and internationally.
- Increasing efficiency and participation of local products in public sector procurement.
- Increase the visibility of local products in local outlets.
 - ❖ Expected outcome is that consumers will consider local products as their first choice.
- Increase awareness about BUBU policy.

Results from implementing the BUBU strategy:

- The strategy that will be implemented in 5 years will lead to:
 - ❖ Creation of employment
 - ❖ Increase in the national tax revenues
 - ❖ Great contribution of internal trade to the export development strategies.
 - ❖ Greater pride and definition of “Ugandan Product”/reduced marketing costs.

The second day of the forum started with an opening prayer led by Ms Grace who committed the day into God's hands. This was followed by a recap of the previous day's presentations. In a participatory process, Participants were taken through highlights of the presentations of the previous day from Uganda Investment Authority, Uganda Registration Services Bureau, Uganda revenue Authority and Ministry of Trade (Buy Uganda, Build Uganda). This was followed by a Presentation from Uganda Export Promotions Board official.

PRESENTATION FROM UGANDA EXPORT PROMOTIONS BOARD (UEPB)

Mrs. Noreen Kamoti delivered the presentation with the objective of highlighting the kind of support UEPB offers to processors to export their bee products?

Key points from the presentation

- Introducing UEPB
 - ❖ UEPB is a government body under the ministry of trade, industry and cooperatives.
 - ❖ Was established by the act of parliament in 1996
 - ❖ Its mandate is to promote the development and growth of exports in Uganda
- The roles and responsibilities of UEPB
 - ❖ They provide trade information; they provide information such as: where is the market, who is buying and at what price.
 - ❖ Trade promotion; deals with making your products known and is done through participation in events such as trade fairs.
 - ❖ Market development: UEPB develops strategies to develop the market i.e, how to link the farmers to distributors in case of small farmers who don't have the capacity to export their products.
 - ❖ Building export capacity and competencies; UEPB offers market Focused Trainings
 - ❖ Promoting public awareness, knowledge and appreciation of export trade; this is why they conduct the export week
- UEPB is based on three pillars:
 - ❖ Market information (the largest)
 - ❖ Market development
 - ❖ Trade promotion
- If you are considering exporting your products or already in the export business, UEPB can help you connect to the export market.
- Where is the market for bee products (Market demand)
 - ❖ Statistics show that global demand for honey and other bee products has been on the increase and is higher than the supply (global demand for honey stood at 649,406 tonnes in 2015).

- ❖ Ugandan honey is generally organic and consumers are increasingly looking at natural products.
- ❖ Quality is a very key issue to consider when exporting our products.
- ❖ You need to know customer preference and work at providing what the customers want.
- ❖ The United States has a big market/ demand for natural honey, there is need to improve quality and customer preference to meet the regulations of the US market.
- Beeswax:
 - ❖ The price of beeswax is higher than that of honey. The demand for bees wax is high and was growing at a rate of 13% global rate in 2015.
- Competition
 - ❖ The demand is high but who is selling to these markets? We need to understand our competitors in the international market. Understand your competitive advantage; for example our bee products are organic.
 - ❖ Branding is also key. People always want to associate with the best. The foundation of our honey is building the brand.
 - ❖ We need to build a strategy on how to penetrate the market and stay in the market.
 - ❖ We need to focus. There is need for persistence if we are to reap big.
 - ❖ Increase and sustain production.
 - ❖ Increase the product value by branding your products.
 - ❖ How do you work with others (networks) to build the sector? Individual farmers produce small quantities but if there is organization, we get bulk products especially for wax. For example,
 - From each hive you get 0.5 of wax
 - From 1,000 farmers you'll get 500 tons of wax
 - 1 kg of wax is US\$ 8 you able to get a Total of US\$ 4 million
- Market niche to consider: considering that most of our products are organic by default, we can consider two market niche;
 - ❖ Fair trade
 - ❖ Organic honey
- The legal requirements for exporting honey and other bee products
 - ❖ Residues: this establishes the maximum residue requirements for use of unauthorized drugs.
 - ❖ Proof of compliance such as health certificate, quality certificate, laboratory report.
 - ❖ Proper packaging and labeling; for example, you cannot export honey packed in plastic containers.
- Requirements for exporting honey
 - ❖ Health Certificate – MAAIF

- ❖ Certifications based on end use
- ❖ Certificate of Origin - URA
- ❖ Customs Declaration – Customs Agent
- ❖ Commercial Invoice - Exporter
- ❖ Packing list - Exporters
- ❖ Airway bill or Bill of lading - Transporter

PRESENTATION FROM MASINDI DISTRICT FARMERS’ ASSOCIATION (MADFA)

The objective of the presentation was to showcase the business case of MADFA SACCO and the commercial farmers in Masindi. The manager of MADFA SACCO Mr. Bob Muzoora delivered the presentation that started with a brief background about why and how MADFA was established.

Key points from the presentation:

Background of MADFA:

- Masindi District Farmers’ SACCO was established by farmers under Masindi District Farmers’ Association to address financial services access by farmers. It was started to deal with the fact that farmers were not accessing financial services from banks that looked at farmers as being risky.
- It started in 2005 as a savings and loan association with 30 members and was registered in the same year as a cooperative savings and credit society (SACCO)
- It is governed by a Board of directors who are elected by the annual general assembly. The general assembly also elects a supervisory committee (internal audit committee). The Board of Directors appoints management and staff to run the day-to-day operations.
- The vision of the SACCO is “A wealth and united farming community in Bunyoro region”.

Current performance

- MADFA SACCO is currently serving 16,385 farmers in Masindi and Kiryandongo districts
- It has a savings of UGX 1,109,244,797; loan portfolio of UGX 1,909,736,526
- It has two branches (Masindi and Kiryandongo) and 2 field offices
- It is managed by 24 full time staff

Services offered

- MADFA SACCO provides its members “financial services PLUS”.
- In addition to financial services, members are supported to access: high quality inputs, agronomical training and financial education, and are linked to remunerative markets.

- This is achieved through partnership with MADFA, Masindi Seed Company, Masindi warehouse and AK Oils and Fats, a Member of Mukwano group of companies.

MADFA SACCO – MADFA model under Trias ESOEP program Role of MADFA in the Model

- Uses the ‘Enabling Rural Innovations’ approach
- Mobilizes farmers into self help groups
- Strengthens the farmer groups
- Conducts agronomical trainings for members (increased production and productivity)
- Links the groups to MADFA SACCO for financial services
- Conducts financial education trainings
- Financing farmers’ enterprises (LIMA loan)
- Discounting warehouse receipts
- Provide farmers low cost savings methodologies (savings boxes)

Challenges that MADFA SACCO faces

- Fund diversion. Farmers use the loans for different activities they were intended for.
- Market access still a challenge (warehousing costs discourage massive bulking and collective marketing)
- Enterprise failure due to prolonged dry spells (climate changes)
- Low financial intermediation as a result of low incomes

Future plans

- Loans in kind
- Staggered disbursements
- Strengthening of small farmer group association (marketing cooperatives)
- Contract farming (Mukwano – Sunflower)
- Crop insurance
- Block farming Vs mechanized agriculture

PRESENTATION FROM MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES (MAAIF).

The objective of this presentation on the “Farm Based Bee Reserve Establishment Project” was to inform the members the objectives of the project and how the participants can benefit from it. The presentation was presented by Ms Kangave Alice, Principal Entomologist at Ministry of Agriculture Animal Industry and Fisheries. Below are the key points from the presentation.

- The project is being implemented by the Ministry of Agriculture, Animal Industry and Fisheries, under the livestock subsector in 24 districts in Central Uganda.
- The project is funded by the Government of Uganda with a budget of UGX 7,120,820,000 to be implemented from 2015 to 2020.
- Honey bees strongly influence:

- ❖ Ecosystem conservation
- ❖ Ecological relationships
- ❖ Stability
- ❖ Genetic variation in the plant community
- ❖ Floral diversity
- ❖ They help in specialization and evolution through pollination
- There is a reduction in the number of honeybees each year, the reason for developing this project. The reduction is mainly due to:
 - ❖ Spraying with chemicals (spraying crops)
 - ❖ Land clearing for industrial and agricultural development
 - ❖ Bush fires, which destroy honeybees and their fodder /bee-forage.
- The project was developed to protect honey bees because of the important socio-economic contributions they make to Uganda such as their role in crop pollination, enhancing plant biodiversity and income generation for rural communities.
- The general objective of the project is “To build capacity and equip 6,000 beneficiary households and at least 24 Local Government staff in the sustainable bee-reserve management practices for increased economic and environmental benefits.”
- The project is being implemented in; Lyantonde, Masaka, Mpigi, Luweero, Nakaseke, Nakasongola, Mubende, Kiboga, Lwengo, Bukomansimbi, Kalungu, Sembabule, Gomba, Wakiso, Mityana, Kayunga, Mukono, Buikwe, Kamuli, Buyende, Kaliro, Mayuge, Luuka and Iganga Districts. These are the districts considered to be badly off in the sector of beekeeping due to high levels of chemical use among other reasons
- In neighboring countries such as Tanzania, they have forest bee reserves. But these take long to establish therefore we started with farmers making bee reserves on their land. This can be government land if the district allows.
- The specific objectives are:
 - ❖ Develop guidelines for use in the conservation of bees at district level.
 - ❖ Impart skills and knowledge to stakeholders in management of bee-reserves.
 - ❖ Capacity building of District Local Governments for strategic bee management planning.
 - ❖ Establish mechanisms for quality assurance, monitoring and evaluation of bee management programs.
- The expected outputs of the project are:
 - ❖ 480 Bee-reserves established and supported in 24 project districts.
 - ❖ 2,400 mother colonies identified and supported.
 - ❖ 24 honey collection and value addition centres established and supported.
 - ❖ 240 acres of bee forage established
- The project will supply inputs to groups or individuals. The inputs include:
 - ❖ 480 Bee-reserves established and supported in 24 project districts.
 - ❖ 2,400 mother colonies identified and supported.

- ❖ 24 honey collection and value addition centres established and supported.
- ❖ 240 acres of bee forage established
- The ministry is linking up with the local governments and the 24 districts have already nominated focal persons who are already working on the project.
- The 24 districts have been sensitized, 5 districts have received the beekeeping equipments (beehives and protective wear).

PRESENTATION ON WORLD OF BEES LTD

The presentation was delivered by Mr. Biryomumaisho Dickson, the Executive Director of TUNADO. The objective of the presentation was to inform participants on the way forward for World of Bees Ltd.

Key points from the presentation

- As TUNADO, a strategy to establish a business wing was started two years ago to provide a solution to the challenges in the sector including:
 - ❖ Dependency on donors to carryout activities and for running TUNADO which affects sustainability of the organization.
 - ❖ TUNADO receives bulk orders for bee products which can only be fulfilled/ met if farmers are brought together to market as one.
 - ❖ Difficulty in accessing finances from banks and other financial institutions.
 - ❖ The time taken to get for payment from supermarkets is long (60-90 days)
- The process of establishing the business wing was rigorous and involved organizing multi stakeholder platforms (supported by Trias and later Swisscontact Uganda who gave technical advice) in 2014. The idea was presented to the board, the concept presented to the Annual General Meeting (AGM), a consultant was engaged and a technical committee was formed. A validation workshop was also carried out and TUNADO business wing called World of Bees was established.
- The Business wing will be a one stop centre for beekeeping
- The services that will be offered include:
 - ❖ Specialized trainings that will be paid for.
 - ❖ Marketing of honey and other bee products
 - ❖ Beekeeping consultancies
 - ❖ Market information
 - ❖ Apiculture promotion (advertisements)
 - ❖ Policy influence
- The company has already been registered with TUNADO as a company limited by shares and all share owned by TUNADO. It will be separately managed from TUNADO (with its own structure). This means every member of TUNADO by default owns equal share in the company.
- Up to date, progress has been done. Several negotiations have been made with different stakeholders. We are almost concluding negotiations with *Bees for the world*, a company

in Germany who are willing to buy our products. Field visits to various producers were made (kisoro, bushenyi, kabarole bee keepers, BBC, kabale, Adra, honey pride and others).

- Bees for the world are interested in beeswax first, second interest is in propolis and honey is the third interest. Since bees wax is not food, exporting it to Europe is very easy. They are interested in non-residue beeswax. Europe and Us have problems of (i) residues in their wax (ii) they use frame hives which requires foundation comb hence you can't extract bees wax.
- There will be capacity building to enable farmers improve on the quality of their products. Currently the quality of bees wax is very low compared to the one they require. Bess for the world, made a ranking of who will be exporting first; in round one are mostly those that have the s and Q marks; gates honey, adra, BBC, honey pride, Kabale among others. Second round includes Kabecos, kabarole bee keepers and kisoro bee keepers.
- Negotiations have been made with investors; open capital adviser, AgDevCo, Self help Africa (an NGO that focuses on Beekeeping), PSFU and Trias.
- Guidelines are being made on how the business wing will operate and also on the members who will supply bees for the world.
- Appeal to everyone to support the initiative and to be ready to supply as we plan to open it next year.

PRESENTATION FROM CENTENARY BANK

The objective of the presentation was to highlight why many honey value chain actors fail to access the financial facility with lessons learnt in lending money to honey value chain actors. The presentation was made by Anyagan Andrew Timothy, agriculture credit supervisor with Centenary bank.

Key points from the presentation

- There are different risks in agriculture, some related to production and others to marketing including:
 - ❖ Price fluctuation which makes it difficult to make an analysis of someone's capacity to pay
 - ❖ Lack of diversification. Farmers specialize in on enterprise and when there is total loss, there is no fall back.
 - ❖ Seasonality of production. Some loan products don't have grace periods.
 - ❖ Exposure to household risks. Small scale farmers with limited incomes have household expenditures they have to cater for and this may make loan repayment difficult.
 - ❖ The key man risk. In case of the absence of the proprietor, the enterprise collapses. Business continuity is a challenge.

- ❖ Information asymmetry. Information is very limited and farmers don't document. When (financial) records are needed to make a financial decision, they can be availed.
- ❖ Lack of collateral. In the event that you fail to pay, the bank will recover the money by selling the collateral but most farmers don't have collateral.
- ❖ Delay in financing.
- What has centenary bank done to help farmers get credit
 - ❖ Refine our processes; how we assess the projects and who is legible for the loan
 - ❖ Broadened our scope, the minimum amount to loan is 100,000 UGX.
 - ❖ Staff training to enhance their capacity
 - ❖ Designed a number of products in view of the challenges faced by farmers
 - ❖ Offer financial literacy training to honey value chain actors (basic book keeping, how to manage their cash flows etc)
 - ❖ Partnerships and collaborations with other stakeholders. E.g TUNADO loan scheme
 - ❖ Insurance against natural calamities. The bank is working with several insurance companies.
 - ❖ Broadening outreach through a wide branch network. The bank has about 65 branches across the country.
 - ❖ Deferent products are being developed for the different clients
 - ❖ Engagements with policy makers to ensure a dynamic and broadly focused policy and regulatory environment to enhance access to finance.
- Agribusiness product suit. Loan products available to the farmers.
 - ❖ Production loans which cover the production cycle
 - ❖ Marketing loans
 - ❖ Revolving production loan designed to take care of the repeated visits to the bank.
 - ❖ Farm asset and equipment
 - ❖ Letters of credit
 - ❖ Bank over drafts
 - ❖ Money transfers
 - ❖ Cente mobile banking
 - ❖ Agricultural lease

PRESENTATION ON BUSINESS MODEL CANVAS

The presentation was delivered by Ms. Birungi Phionah and the objective was to enlighten participants on how to write business plans.

Key points from the presentation:

- The business model canvas helps in developing a business plan. It is a business model on how to develop your product, how to package it and how to market it.

- The canvas has 9 building blocks:
 - ❖ Customer segments: develop a product in the view of the customer needs (a product that will meet customer needs)
 - ❖ Value proposition: what problem are you solving?
 - ❖ Channels: how am I going to let people know about my product? Design appropriate channels to reach your customer segment.
 - ❖ Customer relationships: how do you interface with your customers?
 - ❖ Revenue streams: how much is this going to earn me?
 - ❖ Key resources: what do I need to develop my product or service for my customer and market segment?
 - ❖ Key activities: what are the key activities that have to be carried out to get this product?
 - ❖ Key partnerships: who should I build alliances with to get the product I want?
 - ❖ Cost structure: what are the major costs and fixed costs?
- Putting together answers to these questions in a document will make a business plan.

CLOSING REMARKS

The executive director of TUNADO thanked members for participating and called upon the members to participate again in next year's business forum. He then invited the Country Director of Trias to give closing remarks.

Ms. Josephine the Finance Manager Represented Mr. Ntungwa Januario, the Country Director of Trias Uganda. She thanked TUNADO for the job well done in the beekeeping sector. She said that it is in Trias's interest to build TUNADO's capacity such that it can serve her membership better and see more entrepreneurs growing and sustaining their businesses. She thanked Swisscontact for synergizing Trias's support to TUNADO particularly the business forum. This is the reason Trias continues to support TUNADO. She also thanked value chain actors for being active and pledged that Trias will continue supporting TUNADO God willing for the next 5years. She then declared the the 2nd Uganda's Apiculture Business Forum closed.

Appendix 1: Questions and answers

Questions and Answers for UIA and URSB

Qn: If you are operating a business with a business name, how long does it take to incorporate it into as a company?

Ans: You cannot change a business name into a company. Those are two different procedures. You will have to first close the business name and then go through the procedure of registering the company.

Qn: What do you require to move/change from business name to company name? What is the documentation required?

Ans: Business name and company name are different and are regulated by different acts. You need to file a notice of cessation to close the business name and then register a company. The requirements to register a company are:

- Reserve a name by carrying out a search and know if it is available.
- Prepare/ draft a Memorandum and articles of association.
- Appoint directors (particulars of directors).
- Register where the company is located.

Qn: A year ago, I registered an exporting company. But when I was importing machinery from France, I was taxed for the machinery yet you say machinery is tax exempted. I paid 18% tax.

Ans: Machinery that you are going to use in your business is tax exempted. They only tax machinery that is going to be sold once it gets into the country so that business people don't make abnormal profits.

Qn: At the district level, officers are asking groups and individuals to register. Is there a difference between the two?

Ans: Businesses registered at sub-county level are not recognized by URSB.

Qn: How can we market our products locally and internationally so that people understand our existence?

Ans: We need to formalize our businesses and build brands for our products to be recognized.

Qn: How easy is it to cease a company?

Ans: A business name is easy to cease, you file a notice of cessation at a cost of 10,000 UGX. For a company, it's a bit lengthy and rigorous; you go through processes like appoint a liquidator to look into your accounts, pay off your creditors among others.

Qn: Whose role is it to sensitize communities? Why do you tell people to come to your offices? The government is supposed to serve people; you look for them and not them looking for you.

Ans: It is the role of URSB to sensitize communities and we are doing our best to reach out. However, the demand for our services is currently high but the personnel is low so we are overwhelmed.

Qn: Why do most business in Uganda collapse?

Ans: It is not the role/ mandate of URSB to make business survive. URSB only registers businesses and sensitizes people on the benefits of registering their businesses. However, there are many reasons why businesses collapse. It has something to do with the kind of people managing the businesses, how do you market your products, is your business too small to sustain your needs?

Qn: Are there any investments in Glass packaging materials in Uganda or in the region:

Ans: There is one in Kenya but you can always make a request to UIA of any goods and services you require and they will connect you to the supply.

Qn: How can a farmer benefit from Carbon credits?

Ans: Benefits from carbon credit are better tapped into as a group. There is need to understand how to position ourselves to tap into this opportunity. TUNADO can visit UIA offices for further discussion.

Qn: How do you enhance the production capacity of the small farmers?

Ans: This can be done through trainings, putting farmers in touch with scientists and researchers, making them stakeholders.

Qn: Can we have land reserves/ parks at all district for new investors:

Ans: There are currently 22 parks across Uganda and hope to have an industrial park per district. There are two types of parks; Manufacturing and science based industries.

Qn: how do you cover the gap between policy makers and the grass root farmers?

Ans: there are several ways we are trying to do this:

- Having such types of conferences and forums where we interact.
- We request that actors on the ground root farmers to voice out their concerns through groups and associations such as TUNADO to reach us since you know your businesses better.
- Share reports and attend meetings.

Questions and Answers for URA

Qn: What is the VAT registration process?

Ans: Registration of VAT arises in two ways:

- Voluntary: we check wherever you qualify to register for VAT because VAT involves refund.
- Involuntary/ compulsory: your annual sales should be more than 150,000,000 UGX and should be dealing with items that qualify for VAT.

Qn: How has URA invested in People?

Ans: URA gives back to communities. We organize teams to help people who are most affected such as disabled. We have an office called PCA public and corporate affairs who handle issues that are sensitive. Painting zebra crossings, country wide. We look for the most vulnerable of the vulnerable.

Qn: Is URA directly in touch with Customs? When I reached at the border, I was asked to go to URA and get a letter because they didn't know what kind of tax to be paid.

Ans: You should understand what you want, it is your right to object and you will be refunded.

Qn: Clarify on allowances that are not taxed

Ans: - Night allowance

- Safari day in not taxed
- Sitting allowance is taxable at 30%

The problem is you don't separate these allowances

Qn: At customs, you pay 18% tax on goods which were supposed to be tax exempted. They promise to refund but they never do.

Ans:

Qn: can I remove the seal once it is put?

Ans: No. you should not remove a seal once it's put.

Qn: Most farmers are still small scale and low on taxes. What is URA doing to bring their tax base up?

Ans: - we do free trainings, engage in forums such as this one and also organize workshops.

Qn: Should beekeeping be taxed at all levels of the value chain? Can't it be taxed only at high levels of the chain to avoid extinction of beekeeping?

Ans: The beekeeping chain is long with many actors. The question is, is it profitable? There is no tax for business the make annual returns below 10million.

Qn: Are there people who have sued URA and have won the case? Just to have a picture that you are fair.

Ans: Yes. Some people have sued and have won and have been refunded.

Questions and Answers for BUBU presentation

Qn: The issue we need to look at now is our attitude towards Ugandan products. We need attitude change. How can we sustain these new ideas we bring out? The “proudly Ugandan” promotion for UIA died out. We should look at selling the products we have. How do we sustain the market? Why are we saying BUBU when we don’t have what to sell? How does the government motivate production?

Ans: change of attitude takes a long time. The products must be of quality so that there is value for money. You should also be a consistent supplier. The products are there but the quality is not good. Align our products to demand.

Qn: how will we ensure sustainability?

Ans: This is an issue that will need coordination. You can’t be sustainable as an individual; there is also need to coordinate government plans.

Questions and Answers for MADFA SACCO presentation

Qn: From the total amount in the SACCO, have you tried to mobilize loans from financial institutions to build a warehouse in order to avoid members losing money due to price fluctuations.

Ans: We do specialization and there are warehouses that offer the services we require.

Qn: Have you reached the level where after bulk buying, you add value and put the products in a warehouse so that you can export your products?

Ans: We are looking at value addition even at small farmer groups’ association level. But at the moment we are not yet doing it.

Qn: looking at the apiculture sector, is it something you are considering to include on your focus? Can this model be replicated into Apiculture?

Ans: We are in partnerships with beekeeping organizations.

Qn: What is the interconnectedness between farmers and beekeeping?

Ans: We encourage farmers to diversify. Besides crop farming, we encourage members to have hives/ keep bees.

Qn: what challenges did you face/ are you facing with the piggy banks? When you started, how many were there in the group and who decided the minimum amount of savings?

Ans: The issue came up at the general annual meeting and we deliberated upon it and members considered a low income earner and decided that the minimum saving should be 200 shillings. There is transparency and good records are kept to avoid challenges.

Questions and Answers for Centenary Bank presentation

Qn: From your explanation, it seems difficult for a beekeeper to acquire a loan from the bank. If so, can you give us the outline of what is needed/ requirements for a bee keeper to acquire a loan?

Ans: To get a loan with Centenary Bank, one needs to have an account with the bank, apply for a financial card, meet with the loans officer and fill the loan application form. The amount of money you want will determine the requirements. Different amounts require different collateral. More details can be obtained from any branch of the bank.

Qn: Do you have staff at branch level with knowledge of the challenges of agriculture/ farming?

Ans: Each and every branch across the country has a staff with agriculture training.

Qn: What are the terms and conditions of the lease loan?

Ans: The key highlights are, you need to have an account with the bank, have to contribute 20% of the cost of the equipment. For all the products the interest rates are prime based. And the prime is currently at 23% but we add another margin of interest depending on the risks involved. Then you are able to lease. The margin does not exceed 6%.

Qn: Who can get what amount of money and when and clarify on the interest rates.

Ans: Your capacity to pay determines how much money you get. We assess your business and your ability to pay the loan.

Qn: Through some line on Superwoman loan

Ans: Superwoman loan is out of the focus for today's presentation on agriculture/ lending for agriculture, reason I did not present about it. The bank has many loan products that are not applicable for this forum.

Questions and Answers for MAAIF presentation

Qn: How will capacity building be done and how will it reach the grass root farmers?

Ans: In the districts where the project is being implemented, the focal people in the production department will take the stir. Depending on the training needs of the reservoirs.

Qn: How will you select beneficiaries?

Ans: The reservoirs are selected by the district people. A MoU has been developed that stipulated criterion for selecting beneficiaries. The issue of land ownership is very key in the MoU.

Qn: Are beneficiaries going to get all the inputs listed?

Ans: No, a benefiting reservoir may not get anything especially when the reservoir is not being well handled.

Qn: What are you doing to stop the extinction of bees due to Spraying?

Ans: As MAAIF, we are making a lot of noise on the issue. But the noise also needs to come from outside, from the grass root. Lobbying should be done by all of us so that bees are not sprayed with chemicals.

Questions and Answers for World of Bees presentation

Qn: For a business company, you need directors, share capital, memorandum and articles of association. How come you registered without directors?

Ans: There is a provision for an individual company. In this case, TUNADO is the allowed under new act to register a company limited by shares a reason it was allowed to register World of Bees.

Qn: Was this the best business model to have a limited company? In my opinion, the best thing would be a cooperative arrangement where people contribute for the products. The business model proposed will have to make profits, be taxed; so why choose that?

Ans: These issues were discussed in the initial stages of idea development. We discussed with the board of directors, carried stakeholder engagement meetings and a decision was reached to proceed with the company by 9TH TUNADO AGM.

Qn: When exactly is World of Bees beginning operation?

Ans: By January/ February 2017, we hope to have recruited staff for world of bees.

Qn: As the company will trade in quality products with Q and S marks which call for a need to help farmers to get those marks. Is TUNADO doing something about that?

Ans: TUNADO has already made a draft MoU with UNBS and soon we shall be signing the MoU to certify products of our members with Q and S marks. But they have to first train staff of TUNADO to help them in certification.

Appendix 2: Pictures of the business forum



TUNADO ED Mr. Biryomumaisho Dickson Giving a presentation on World of Bees



Some of the participants at the 2nd Apiculture Business forum



Centenary Bank Credit Supervisor Mr. Timothy during his presentation.



Some of the participants at the 2nd Apiculture Business forum



Group Picture of the 2nd Apiculture Business forum participants and some of the presenters.

