

# BANKS OFFER LOANS, INSURANCE, SKILLS AT HARVEST MONEY EXPO

By Vision Reporters

The scent of fresh soil and roasted chicken rose in the air as farmers, bankers and agribusiness players gathered under tents at the Vision Group Harvest Money Expo at the Kololo Independence Grounds.

Neatly arranged trays of seedlings of avocado, bananas, coffee, vegetables and fruit trees glowed in the sun. Nearby, there were displays of irrigation equipment and conversations about yields.

The banking sector stood out, demonstrating their role in supporting agriculture through tailored financial solutions.

From February 27 to March 1, financial institutions exhibited products designed to reduce farming risks, expand access to credit and strengthen farmers' financial skills.

## WHY SPECIAL AGRICULTURAL FINANCING?

Uganda's agricultural sector is predominantly dependent on natural weather, making it vulnerable to various challenges, such as weather changes, price fluctuations and poor infrastructure, for example, some roads becoming impassable during the rainy season.

Despite agriculture's contribution to the economy, poor access to finance is a major constraint to the transformation of the sector from subsistence to commercial.

According to the Economic Policy Research Centre (EPRC), less than 12% of all disbursed loans in Uganda go to agriculture. And yet, this is a sector that employs about 68% of the population, according to the Uganda National Housing



Some of the equipment offered under Vehicle and Asset Financing by dfcu Bank

Census of 2024. EPRC cites lack of bankable security, trust and proper records as some of the bottle necks to accessing financing.

In efforts to bridge the financial gaps, the Government came up with initiatives to provide funds to farmers to commercialise their farms and scale up productivity.

One such intervention is the Agricultural Credit Facility (ACF).

Prossy Namala, working with Bank of Uganda, explains that ACF was set up by the Government in partnership with commercial banks, Uganda Development Bank Ltd, Micro Deposit Taking Institutions and Credit Institutions and has been operational since 2009.

The facility, Namala explains, accessed through commercial banks, aims to provide medium and long-term financing to all activities in the agriculture production value chain, with focus on commercialisation and value addition.

"Our loans are disbursed to farmers and agro-processors through commercial banks at

commercial terms or rates of not more than 12% per annum. It is given to all farmers from opening the garden, managing the farm, buying machinery and even micro-borrowers like one who wants to buy juice makers and do value addition, among others," she says.

At the expo, there were several banks offering agri-financing, including Pearl Bank, dfcu Bank, Equity Bank and Opportunity Bank.

## PEARL BANK DRAWS STRONG ATTENTION

Pearl Bank has positioned agricultural finance as a core priority, tailoring its services to meet the needs of farmers across the value chain. This commitment is based on the central role agriculture plays in Uganda's economy, with 65%-68% of the population, depending on farming. It is also why the bank continues to participate in the Harvest Money Expo, which management considers a valuable platform for reaching farmers.

"Management ensured our

## EQUITY BANK STRENGTHENS VALUE CHAIN SUPPORT

Equity Bank considers agriculture one of its core pillars and invests heavily in strengthening farmers across the value chain.

According to Francis Ssansa, the pillar head for food and agriculture at Equity Bank Uganda, the institution works with the agriculture ministry and district agricultural officers to train farmers in good production practices.

He added that the bank also supports oil palm growers under the National Oil Palm Project in regions such as Greater Masaka and the districts of Buvuma, Bugiri, Mayuge and Namayingo by offering financing and access to technology that boosts productivity.

participation because we have benefited greatly from previous expos. As a bank, we are intentional about agriculture and improving the livelihoods of Ugandans," said Julius Akais Osauro, the supervisor of agriculture and partnerships.

The bank provides seasonal loans, with repayment schedules aligned to harvest cycles so farmers avoid pressure during low-income periods, according to Osauro. The bank also offers asset financing for machinery, such as tractors, planters and harvesters. For farmers who transport produce, Pearl Bank finances trucks and refrigerated vehicles to help maintain product quality from farm to market.

Osauro added that the bank supports value addition through financing equipment for processing. This enables farmers and agribusinesses to access higher value markets, instead of relying only on raw produce sales.

## DFCU BANK TARGETS SMALLHOLDERS

Farming in Uganda is shifting

from subsistence to structured agribusiness. According to Alex Madolo, a relationship manager for food and agriculture at dfcu Bank, this shift demands financing that reflects the realities of the sector.

He explained that agriculture operates within seasonal cycles, faces climate risks and experiences frequent price fluctuations, which makes tailored financing essential for farmers.

dfcu considers agri-financing a catalyst for enterprise growth and economic development. Thus, the bank is reaching smallholders through financial inclusion initiatives, according to Romalo Lubega, the relationship manager for agriculture. The bank trains farmers in financial literacy, value addition and good agronomic practices through the dfcu Foundation.

After training, farmers are assessed for the dfcu Mobi Loan, an automated facility available through internet banking.

Lubega noted that there are options for those without access

to smartphones, ensuring inclusion for farmers in remote areas. The more a farmer transacts, the more their loan limit grows.

The bank also offers the Agriculture Credit Facility at a 12% interest for investments in irrigation, machinery, drones, cold storage and fertilisers. Exporters receive support through financial guarantees, local purchase order financing and forex hedging services to cushion them against foreign exchange fluctuations.

However, access to credit alone is not enough.

"Many farmers do not keep proper records. Without records, it is difficult to analyse production trends, measure growth or identify weaknesses," Lubega said.

He added that informal operations where farms are not registered as businesses limit farmers' ability to access financing. He urged farmers to keep records, embrace banking to reduce the risks of carrying cash and improve post-harvest handling to minimise losses.

dfcu, Lubega added, is working to expand banking agents in rural areas to reach unbanked farmers.

"We encourage farmers to form groups and register as community-based organisations. In a group of 20 farmers, at least one should be able to read and write to help with record-keeping," he advised.

## CENTENARY BANK EXPANDS AGRICULTURAL SOLUTIONS

At the Centenary Bank stall, Innocent Tumwesigye, the manager of business banking at the Ntinda branch, outlined the institution's agricultural portfolio. Products range from micro-agricultural loans to the Agricultural Credit Facility offering. The bank finances equipment such as tractors and seed trucks at a 2% interest rate.

Young people can benefit from the agriculture youth loans at a 10% interest rate, while women farmers are supported through the super woman account. Centenary also offers savings accounts for individuals, Savings and Credit Co-operatives, as well as Village Savings and Lending Associations.

Tumwesigye encouraged farmers to open bank accounts, embrace insurance to shield themselves from unpredictable weather and market shocks, as well as formalise operations so they can access larger financing.

Compiled by John Odyek, Jackie Nalubwama and Jacky Achan