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RICE PROFITABILITY ANALYSIS OF FARMERS ALONG THE VALUE CHAIN.

A CASE STUDY OF DOHO RICE SCHEME, BUTALEJA DISTRICT

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A THESIS SUBMITTED TO THE DEPARTMENT OF AGRIBUSINESS AND EXTENSION IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF THE A BACHELORS DEGREE IN AGRIBUSINESS BUSITEMA UNIVERSITY, ARAPAI CAMPUS

17TH FEBUARY 2021

DECLARATION

I declare that this dissertation is my original work and has not been submitted in this or any other university for the award of a Degree, Diploma or Certificate.

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This work has been submitted to Arapai campus for examination with the approval of the university supervisor.

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DEDICATION

I dedicate this dissertation to my Dad Mr. Masette Samuel, siblings Wataka Bourn and Wataka Hope; and my dear friends Ochom Geoffrey and Ayingo Sarah for their love and genuine support. God bless you.

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ABSTRACT

Rice is a cereal and cereals are important food and cash crops in Uganda and other developing countries. In a country like Uganda more than 44,000 grow rice and other related cereals like maize, wheat, sorghum, barley and millet the overall, productivity of the cereals particularly rice is very law and this has had a great impact of the profitability. The aim of this research study was to contribute towards rice improved profitability in order for farmers to generate income for their livelihood. The specific objectives were; to establish the socioeconomic characteristics of rice producers or farmers, to determine the profitability of the rice farmers and to determine the factors affecting the profitability of rice. Stratified random sampling procedure was used by divided farmers into groups and selecting them according to their characteristics of importance to the research and also purposive random sampling was employed in this study with the guide of the scheme extension worker. Primary data was collected from the field using a structured interview. Secondary data was obtained from different online published materials and published library books and journals were also used. Data was analyzed; objective one was analyzed using Descriptive analysis. Moreover, objective two was analyzed using Gross margin analysis Approach and lastly objective three was analyzed using both Descriptive and multilinear regression analysis approach. The research results showed that, at farm level, the net income for rice farmers on average was USHS 308,000 per acre. Furthermore, age of respondents; gender; income levels, education level and above all access to market information had a great effect on the net profit income of the farmers.; With the above, it's a clear indicator that this research study if positively recognized by national bodies responsible for improving rice growth would contribute as a great fountain of important rice literature.

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CHAPTER ONE: INTRODUCTION

1.0 Background

PRODUCTION AND CONSUPTION TRENDS.

Rice belongs to the "Gramineae"family and the genus "Oryza" (Arshad, 2010) , *Oryza sativa* L is the most widely grown rice variety in the world (Muthayya et al., 2014) and is one of the fastest growing staple foods in Africa. It is the world's most important staple food consumed by an estimated population of 3.5 billion people(Muthayya et al., 2014). Almost a billion households in Asia, Africa and the America depend on rice systems as the main source of employment and livelihood. It provides 27% of the calories in low- and middle-income countries and it is assumed to continue to be so in the coming decades, be it in terms of food security, poverty alleviation, youth employment, use of scarce resources, or impact on the climate. ((IRRI, 2016).

In sub-Saharan Africa, rice consumption among urban dwellers has steadily grown, with a per capita consumption that has doubled since 1970 (Sumithra *et al.*, 2014). In Uganda, the amount of rice consumed was estimated to be, 299,800MT un milled rice, 188,900 MT in 2011 of milled rice(MAAIF, 2012).Rice has a nutrition composition of which contains 80% carbohydrates, 7–8% protein, 3% fat, and 3% fiber.(Chaudhari et al., 2018),. The rice processing industry also gives a by- product called rice **Bran** that is very important to the livestock farmer because it is rich in in lipids (Aparecida et al., 2012). Other relevant products of rice include rice Broken used for making food item like breakfast cereals, rice flour, noodles, rice cakes, etc. and also used as a poultry feed. rice straw used as animal feed, fuel, mushroom bed, for mulching in horticultural crops and also rice husks used for fuel (Aparecida et al., 2012).

According to (MAAIF, 2015) in 2014 alone rice produced in Uganda amounted to 237,000 MT, of which 57,053 MT was exported and this generated USD28.7 million to the GDP of the country. This was an indicator that rice production was not only serving the nation in terms of food security but also economic development. The contribution of the agricultural sector to the GDP of Uganda was 24.2% in the financial year 2017/2018 (UBOS, 2018).

Rice is also the leading source of income and employment for more than 200 million households across countries in the developing world(Muthayya et al., 2014).

Rice is currently grown globally in over a hundred countries that produced about 672 million tons of rice (paddy) in 2010 and (Data, 2010) more than 715 million tons of paddy rice annually

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