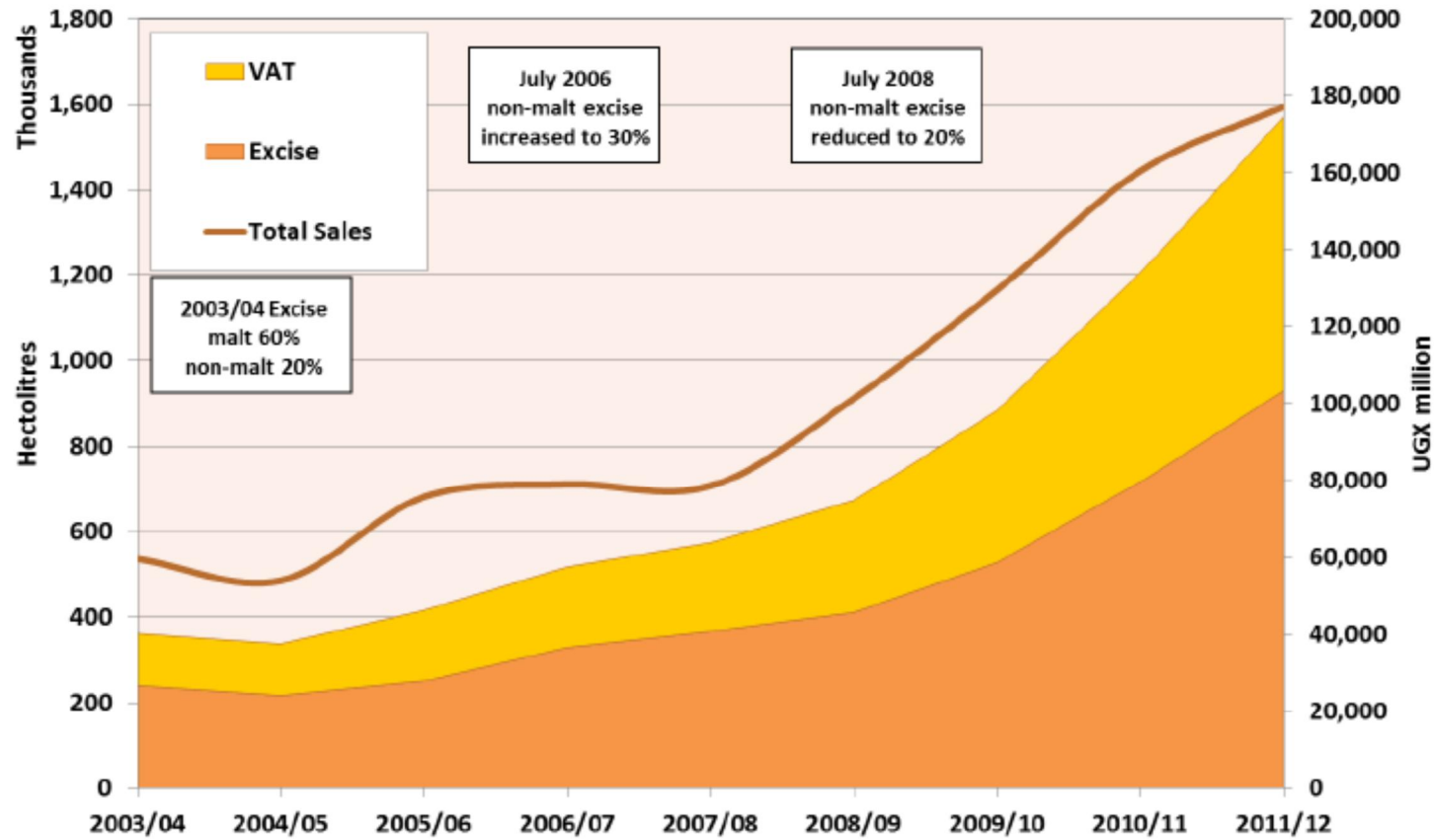




# Indirect Tax Contribution

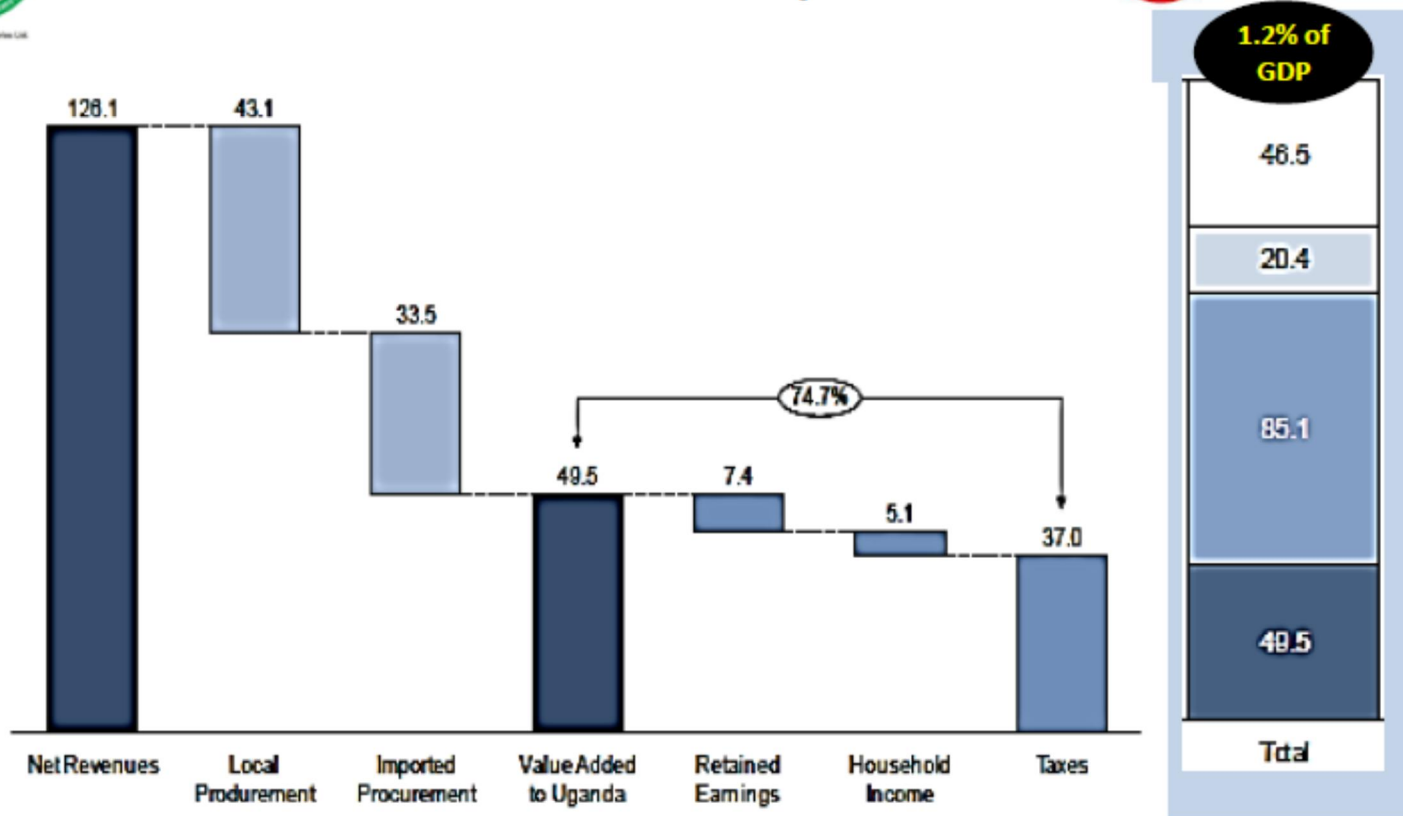


### NBL Domestic Sales, Excise & VAT Trends: 2003/04 to 2011/12





# Socio-Economic Impact



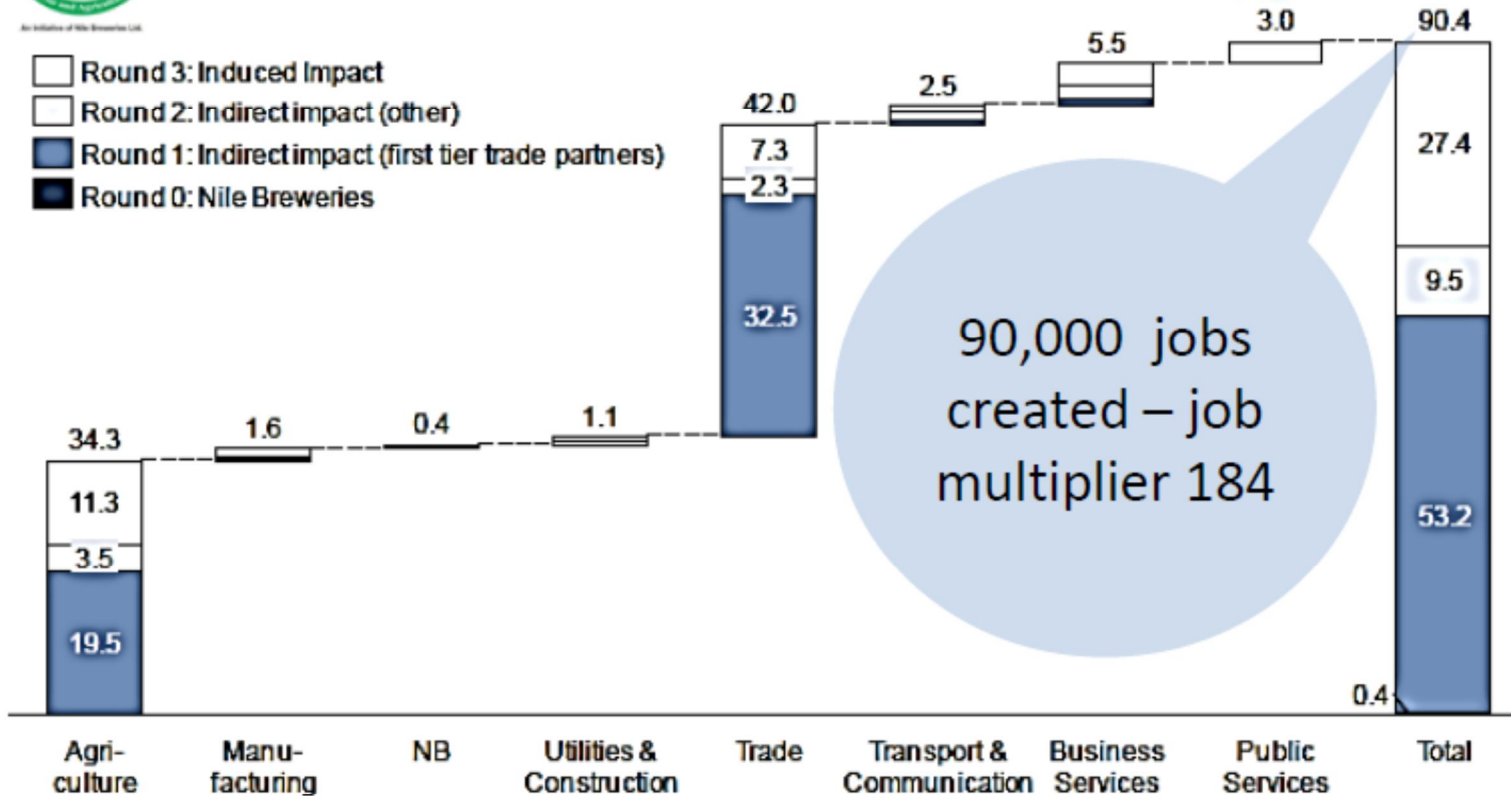
INSEAD Socio-economic Impact Analysis of NBL operations in Uganda for F/Y ending March 2011: Value Added in million US\$



# Socio-Economic Impact – Jobs created



- Round 3: Induced Impact
- Round 2: Indirect impact (other)
- Round 1: Indirect impact (first tier trade partners)
- Round 0: Nile Breweries



90,000 jobs created – job multiplier 184

INSEAD Socio-economic Impact Analysis of NBL operations in Uganda for F/Y ending March 2011: jobs created



## Local Enterprise Development & contract farming



From the launch of the Eagle project NBL had outsourced its operations to one company. In 2009 NBL introduced contract farming and started signing forward contracts with farmers associations and commercial farmers.

- In partnership with local consultant companies NBL facilitated farmers' group formation and training.
- Five (5) major Farmers associations now supply directly to NBL and have established the necessary facilities – storage, processing (cleaning) equipment etc.
- Each of these associations now supplies stocks worth > 3.0 billion Uganda shillings per year.
- Quantities supplied have increased by over 40% and supply is more reliable and sustainable.
- Other thirty (30) associations have farming contracts and supply the grain to the direct suppliers.

### Advantages of contract farming:

- Guarantees Market for the farmers produce and this attracts investment
- Stipulates the price so the farmer is guarded against falling prices due to over supply
- The farmer or association may use the contract to secure funding from banks.
- They get direct technical support from NBL and or its partners.
- They get access to certified good quality farming inputs from NBL
- NBL supports Enterprise development – assist associations or suppliers to grow into business enterprise.

### Requirements to qualify for a contract:

- Farmers groups should be legally registered
- Have formal structures on the ground (farmers associations)
- Proof of land ownership or lease (Commercial farmers only)
- Show capacity to run the programme – infrastructure/ financial resources



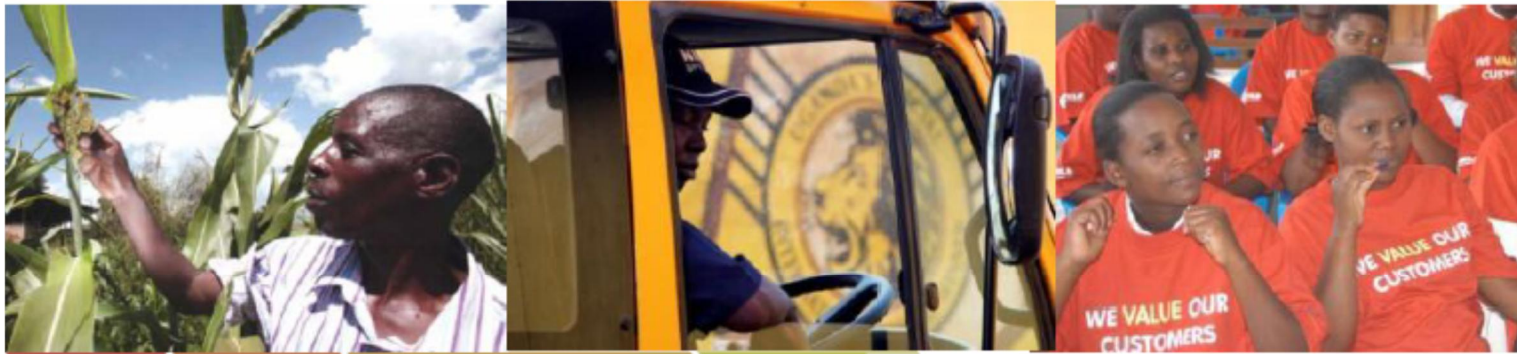




# Corporate social responsibility



## “From grain to glass” – HIV/AIDS & health in value chain



Others : Supports tree planting and good farming practices to conserve the environment and supports enterprise development etc.



## Key challenges/ Burning issues



The programme is faced with several agronomic and quality challenges that affect both sorghum and malting barley production and the key ones include the following:

- Fluctuating Weather (Little or too much rains)
- Low Yields/ poor seed quality/ lack of adaptable high yielding varieties.
- Lack of capacity to open up land/ Lack of financing
- Lack of food safety standards in the supply chain
- Recovery of grain from farmers – Developing royalty and lock in of farmers.
- Inflation of commodities/ price fluctuations
- Fragmented farms/ gardens
- Low fertilizer usage, no crop rotation
- Low herbicide/fungicide/insecticide usage
- No irrigation schemes
- Little mechanisation
- Poor barley technical knowledge
- Diseases.
- High post-harvest losses – currently at 25 - 30%
- Quality of the grain
- Poor road infrastructure.
- High input costs



## Conclusion



Nile Breweries has operated in Uganda for over 50 years, and it produces some of the country's favourite brands of beer.

Since 2001, it has been a member of the SABMiller family of companies, bringing global standards to its operations in management, marketing, and technology.

As has been demonstrated, NBL has made a significant impact on the Ugandan economy, and one that has grown over time, with the launch of the Eagle Lager project, based on indigenous sorghum production. Looking ahead, ramping up local barley production in Uganda to supply the local malting facility at NBL, suggests that this impact will only increase.

Indeed, NBL provides, in important respects, a model of how the subsidiary of a multinational firm can operate in such a way as to promote the development prospects of the economy in which it is embedded which can be emulated and replicated in all developing markets.

### References:

1. Ethan B. Kapstein, INSEAD, René Kim and Willem Ruster, Triple Value, December 2008: The Socio-Economic Impact of Nile Breweries in Uganda
2. Global status report on alcohol and health, World Health Organisation 2011

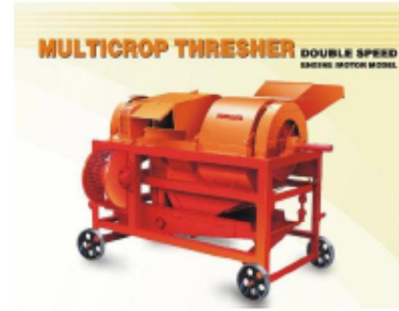




Hand hoe



Mobile dryer



MULTICROP THRESHER DOUBLE SPEED  
MAKING MATCH MODEL

# Thank You

## Any Questions?

**Bukwo Barley Nucleus Farm**