
**FACULTY OF AGRICULTURE AND ANIMAL SCIENCES
DEPARTMENT OF AGRIBUSINESS AND EXTENTION**

**THE PERCEPTION OF SMALLHOLDER FARMERS ON VILLAGE SAVINGS AND
LOAN ASSOCIATIONS ON PRODUCTIVITY OF ARABICA COFFEE IN BUYOBO
SUB-COUNTY, SIRONKO DISTRICT**

BY

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**A SPECIAL PROJECT RESEARCH REPORT SUBMITTED TO THE DEPARTMENT
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REQUIREMENT FOR THE AWARD OF THE DEGREE OF BACHELOR OF
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DECLARATION

I hereby declare that this content is truly my original work and it has never been submitted to any institution for any academic award.

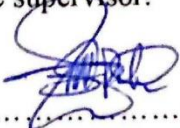
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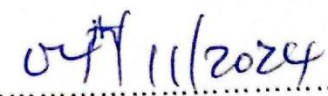
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APPROVAL

The research was conducted and completed under close supervision of my academic supervisor and it been submitted to the department of Agribusiness and Extension with approval of my academic supervisor.

Sign: 

Date: 

Mr. Okiror Simon Peter
Academic Supervisor

DEDICATION

I dedicate this research to my lovely parents Mr. Gutaka Willison Woniala and Mrs. Gutaka Loy who have been there for me throughout this academic journey. May God bless you abundantly.

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I thank the Almighty God for the far He has brought me. I extend my sincere gratitude to my parents, friends and classmates for the continuous support they have given me and the encouragement always that they have given me.

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LIST OF ABBREVIATIONS AND ACRONYMS

FY	Financial Year
GOU	Government of Uganda
ICO	International Coffee Organization
Mt	Mount
MY	Market Year
NGO	Non-government Organization
UCDA	Uganda Coffee Development Authority
UCF	Uganda Coffee Federation
UGX	Uganda Shillings
US\$	United States Dollar
VSLA	Village savings and loan associations

ABSTRACT

Coffee is a significant cash crop in Uganda's economy and village savings and loan associations (VSLAs) are self-managed community-based savings group that provide sustainable and affordable financial solutions to smallholder farmers. This study focuses on assessing the effect of VSLAs on the productivity of Arabica coffee among smallholders in Buyobo sub-county, Sironko District. A cross-sectional research design was used to collect both qualitative and quantitative data from 120 randomly selected respondents (80 male and 40 female). Descriptive statistics was generated from cleaned, coded and entered into Microsoft excel and analyzed using SPSS version 25. Results of this study show that few people participate in VSLAs (38.8%) and most people were not participants in VSLAs (74.2%). The study also revealed that among the people who participated in VSLAs (n=46), 71.1% mentioned the benefit they get from VSLAs as access to credit, 17.4 % got a benefit of savings and those who had a benefit of trainings in the group were (10.9%). This study indicated that n=46 who were in VSLAs, n=44 were able to access financial services from VSLAs (95.7%) and 4.3% were unable to access financial services from the VSLAs. The findings from this study showed that among the n=44 who cultivated coffee and were in VSLAs, the majority used the finances got from VSLAs for coffee production (72.7%) and they majorly invested in purchase of farm inputs (78.1%), labour payment (3.1%) and also post-harvest handling (18.8%). In conclusion, it is perceived that those who were in VSLAs were able to access finances that help them to invest in their coffee hence increased production.

CHAPTER ONE

1. INTRODUCTION

1.1 Background

Coffee is one of the crucial commodities for Uganda's agricultural sector, contributing to domestic and foreign earnings in the country (Uganda Coffee Development Authority [UCDA], 2019; Wang et al., 2015). Uganda's coffee industry has a long history dating back to the early 20th century when coffee was introduced as a cash crop by the British colonialists (International Coffee Organization [ICO], 2019). Uganda produces both Arabica and Robusta coffee varieties (Miriti et al., 2023; Wang et al., 2015). Arabica coffee (*Coffea arabica*) is mostly grown in the highlands of Mt. Elgon in Eastern Uganda (Mbale, Namisindwa, Manafwa, Bududa, Sironko, Bulambuli, Kapchorwa, Kween, and Bukwo); in Western and Southwestern Uganda (Kabarole, Kasese, Kabale, Rubanda, and Kisoro); and in Northwestern Uganda (West Nile) in the areas of Yumbe, Arua, Nebbi, and Zombo (**Figure 1**). On the other hand, Robusta coffee (*Coffea canephora*) is predominantly grown in Central Uganda in the areas of Mubende, Luwero, Mukono, Mityana, and Mpigi (Miriti et al., 2023). It is also produced in Northern Uganda, in the areas of Gulu, Oyam, Apac, Lira, and Karamoja.

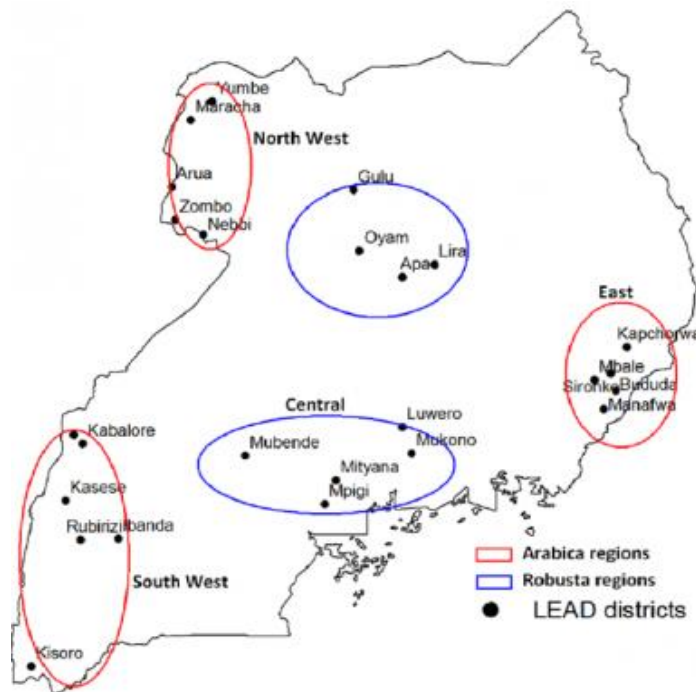


Figure 1: Map of Uganda showing coffee varieties grown in different regions (Miriti et al., 2023).

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