

Give farmers agricultural asset finance, banks told

BY PHILIP WAFULA

KAMPALA. Banks have been urged to provide farmers with agricultural asset finance to enable them acquire loans for purchasing equipment without the burden of huge upfront costs.

Mr Ahmet Yenisehirli, the Middle East and Africa Business Manager for New Holland, a global brand of agricultural and construction machinery, said without proper financing, agricultural mechanisation will not improve.

"Banks have to increase the appetite for financing smallholder farmers. Globally, farmers are the safest people to whom you can lend money because we don't have any issue with the repayment of agricultural mechanisation," Mr Yenisehirli said at the Meta Plant and Equipment Uganda Limited's new home in Kireka, a Kampala suburb last Thursday.

Mr Micheal Woodward, the general manager in-charge of the agricultural division, said Ugandans are broad-

ly transitioning towards mechanised farming.

Mr Mark Davidson, the Meta Plant and Equipment Uganda Limited general manager, said they are about to release a special rate finance stream across local banks, which he said will be a "game changer".

For decades, agriculture remains the primary source of income and sustenance for the majority of Ugandans, and has been the backbone of the country's economy. The 2024 Uganda Bureau of Statistics (Ubos) Census reports that 61 percent of households engaged in crop production, while 37 percent were involved in livestock farming.

However, while agriculture is pivotal to livelihoods, challenges persist, including limited adoption of modern technologies, among others.

As a result, the organisation relaunched New Holland tractors, Field King and Dezzi equipment to change the scope of agricultural mechanisation in the country, and has partnered with Centenary, dfcu, and Equity

WHAT THEY SAY...

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Financial gap.

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Mr Ahmet Yenisehirli, the Middle East and Africa Business Manager for New Holland Ltd

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Target.

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banks in pursuit of that milestone.

Mr Stephen Namunyala, an agribusiness specialist with Centenary Bank,

said in the long run, this collaboration will spur growth in agriculture and transform the lives of Ugandans.

"Two years ago, the bank's agriculture department was transformed into a division called 'Mission Critical', which aims to have 40 percent of the bank's portfolio in agriculture.

"The interest rates will be between eight percent and 25 percent per annum, while the repayment period for such equipment will be five years, although negotiable. Customers will, however, be required to make an initial payment on the asset of between 10 percent and 50 percent, also negotiable," Mr Namunyala said.

Mr Apollo Okwir, a farmer in Amuria District, said he initially bought a tractor for personal use, but the community got interested and wanted support for farming.

"I finished and now am helping the community with the tractor," he said.

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