

Opportunities and threats in the beer-banana value chain in Central Uganda



A. Rietveld¹, S. Mpiira², W. Jogo¹ and C. Staver³

¹ Bioversity International-Uganda, ² National Agricultural Research Organisation,

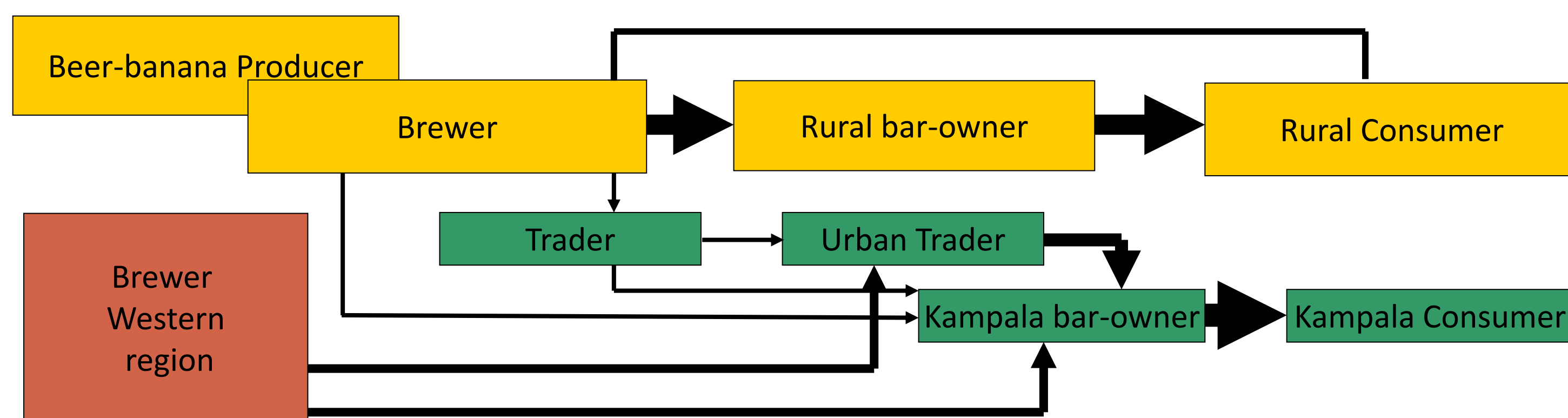
³ Bioversity International-France



Introduction

- Banana is one of the main crops for both auto-consumption and cash in Central Uganda.
- The brewing or beer-banana type is an important component of many farmers' livelihoods in Central Uganda.
- Products made from beer-bananas are: Banana-Juice, Banana-beer and the distillate Waragi.
- Alcohol consumption in Uganda is highest in the world and an estimated 80% of consumption consists of fermented home-made drinks (WHO 2005)
- Taking into account the rapidly increasing population, one would expect growing markets for alcohol.
- Beer-bananas however seem to be neglected by research and extension and more and more abandoned by farmers.
- One reason for the latter is the banana disease *Xanthomonas Wilt (BXW)* which was first found in Uganda in 2001 and is both extreme and rapid (Tinzaara et al., 2011) in its impacts.
- Beer-bananas are especially susceptible to insect transmitted infection of the disease.

Value chain for beer-banana in Central Region



- Most beer-banana producers make banana-juice for home-consumption, few make the investment to commercialise the juice
- 35% of brewers produce all beer-banana they use for processing themselves, 14% of brewers does not produce any beer-banana.
- 86% of brewers sell to bar-owners or consumers in the own village, 25% sells to village traders and 5% to a Kampala bar-owner
- Especially banana-beer is almost exclusively consumed in locality
- Half of Kampala bar-owners get their waragi directly from one brewer, usually based in western region of Uganda
- Few Kampala bars sell banana-beer; 66% of owners says it's due to scarcity of the product, waragi however is ready available

Changing consumer preferences

Consumer preferences as quoted by rural and Kampala bar-owners in percentages

	Men		Women		Below 25 years		Between 26-60 years		Above 61 years	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
Artisanal Waragi	80	49	47	8	67	25	72	47	67	87
Industrial Waragi	0	14	0	0	0	48	0	12	0	0
Banana-beer	5	0	0	8	8	2	0	0	16	6
Bottled beer	15	37	47	82	25	25	22	39	16	6
Other home-made brews	0	0	6	2	0	0	6	2	0	0

- Reasons for decreasing banana-beer consumption are: low 'alcohol content/price' ratio; short shelf life; taste and low availability
- With increasing incomes consumers give preference to bottled beer over banana-beer and waragi



Methodology

- Our Research question was: "What is the future for beer-banana production and processing under current circumstances?"
- A value chain study was conducted using several sources of primary and secondary data collected in 3 sites in Central region.
- Secondary data used was baseline data collected for the Austria funded project 'Growing bananas with trees and livestock'.
- Primary data consisted of 5 surveys directed at different actors in the value chain (producers of beer-bananas (N=42); brewers (N=48); village bar-owners (N=20); traders (N=6); and Kampala bar-owners (N=40)).

Beer-banana in farming system

- 66% of the Farmers in the baseline (N=208) grow beer-bananas.
- The main varieties used for brewing are Kayinja (used by 100% of brewers) followed by Kisuubi (used by 44% of brewers)
- Management of beer-bananas plantations is usually low
- 90% of farmers mention BXW as main constraint for production

Income from brewing and trade and changes

Production & Income from brewing before and after BXW outbreak

	Current production ranges (L/month)	Average production in (L/month)	Average production before BXW (L/month)	Current average income (UGX/month)	Average income before BXW (UGX/month)*
Waragi	7-140	46.4	88	150.262	295.729
Banana-beer	100-960	232	340	79.472	110.000

* Calculation based on current price information

- More brewers produce waragi than banana-beer. The quantities (in litres) per brewer however are higher for banana-beer.
- A considerable number of brewers has ceased to produce either banana-beer or waragi because of decreasing availability, focussing in stead on only one of the products
- Brewers derive on average 50% of their total income from brewing
- Income from sales of beer-bananas is average 15.000 UGX/month and income from sales of rural bar-owners is 88.264 UGX/month
- In comparison to mere beer-banana producers, more brewers use more different BXW control measures in their plantations

Conclusions and recommendations

- Banana-beer is out-competed by bottled beer and waragi
- Home-made waragi is widely consumed and popular in rural and urban areas because of its high alcohol content and low price
- Few brewers market waragi to Kampala in spite of higher prices
- Collective marketing of waragi to Kampala could lower individual transaction costs, increasing profits for brewers
- Banana-juice is expected to find a market but initial investments for serious commercialisation are relatively high
- Sustained profitability of beer-bananas is important for farmers' livelihoods and also a condition for successful BXW-control

References

- World Health Organisation; Global status report on alcohol, 2004, Geneva
- W. Tinzaara, E.B.Karamura, G. Blomme, W. Jogo, W. Ocimati, A. Rietveld, J. Kubiriba and F. Opio; Why sustainable management of banana *Xanthomonas wilt* in East and Central Africa has been elusive; Promusa proceedings, forthcoming