



Investment Project #3: **CASSAVA FLOUR PROCESSING**

Market potential

- Cassava plants are widely grown in West Nile, with yields of up to 14,000 kgs per acre. Markets include household consumers, brewery industry, pharmaceutical industry and exports to mainly China and EU.
- In 2019, Uganda earned USD 4.9M from cassava flour exports mainly to UK, Rwanda, Belgium, Qatar and Canada.
- The investment opportunity targets production of 246,000 kgs of cassava flour in Year 1, growing to 264,000 kgs by Year 5.

Financial viability

- Total capital investment is estimated at USD 69,300 for a 5-year project, with cost of capital (debt) at 10 – 15% per annum.
- RoI is 23% over 5-years, equivalent to a cumulative profit of USD 72,111.
- Payback period of 5 years.

Competitive advantage

- Cassava plants can thrive in harsh weather conditions and have high yields per acreage.
- Availability of highly effective pesticides to mitigate pests like mealybug ensures high yields are maintained. NARO has also introduced cassava varieties that are more resistant to pests and have higher yields.

Government and OSC support to key challenges

- Government agencies are actively promoting awareness, access and affordability of highly effective pesticides and disease resistant cassava varieties to address the challenge of pesticides affecting yields.
- Government agencies (including OSCs and the Uganda Export Promotion Board) are supporting investors and farmers to secure quality standards, certifications and licences for accessing foreign markets.