



Bankable Investment Opportunity
West Nile Region

Market
potential

Competitive
advantage

SECTOR:
AGRICULTURE
SUB-SECTOR:
AGRO-PROCESSING

Financial
viability

Government
support

Investment Project #1:

HONEY PRODUCTION AND PROCESSING

Market potential

- The global demand for honey is estimated at 1.8 million metric tons, with market value of USD 7.8Bn. Uganda produces 100,000 – 200,000 metric tons of honey per year, with potential for growth to meet domestic and international demands.
- An investment in 50 – 500 beehives produces 420 - 2100 litres of honey per year. Investing in 1000 beehives produces over 6000 litres of honey per year.

Financial viability

- Total capital investment required for 50 – 500 beehives is USD 13,900 – 70,000 for a 5-year project. The capital requirement increases to USD 130,000 for 1000 beehives.
- Cost of capital is 10 – 15% per annum.
- Operational costs range from USD 7,800 for 50 beehives to USD 120,000 for 1000 beehives, over a 5-year project.
- ROI is 22 – 33%, payback period of 3 years.

Competitive advantage

- West Nile has extensive local knowledge and expertise to support bee keeping, honey production, processing and marketing.
- High (and growing) numbers of youth population in West Nile provide investors with plenty of affordable labour.

Government and OSC support to key challenges

- Enhanced enforcement of food safety regulations and quality assurance protocols, and issuance of quality standards certificates, would facilitate access to regional and international markets.
- Continued promotion of import substitution initiatives, including BUBU, would facilitate growth of market share away from international products.