

**THE EFFECT OF INFLATION ON THE USABILITY OF THE IMPROVED
AGRICLTRUAL INPUTS AMONG LARGE SCALE FARMERS**

CASE STUDY OF MASAKA DISTRICT



BY

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DECLARATION

I, Nakaweesa Mastulah declare that this report is my original work and has not been previously published or submitted elsewhere for any award, academic or otherwise. I also declare that this report contains no materials written or published by other people except where due reference is made, the author was duly acknowledged.

SIGNATURE:

Date

APPROVAL

This is to certify that this report entitled “the effect of inflation on the usability of the improved agricltrual inputs among large scale farmers” was written by Nakaweesa Mastulah under my supervision and it is now ready for submission with my approval.

Supervisor’s Name: **MR. KALULE BENARD.**

Supervisor’s signature.....

Date/...../.....

DEDICATION

This research report is dedicated to my parents Mr. Ssebitaka Rajab & Mrs. Nakatudde Sharifah and family members for their moral support throughout the entire academic program especially during this research.

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My humble gratitude to Almighty God for giving me the strength to work hard; I am indebted to my supervisor Mr. Kalule Benald for his professional guidance on this stage of research project. In addition, I am grateful to my institution

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LIST OF ABBREVIATIONS

FAO –	Food and Agricultural Organisation
DEA -	Department of Economic Affairs
GMO-	Genetically Modified Organism

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the background of the study, statement of the problem, objectives of the study, research questions, scope of the study, and the significance of the study.

1.1 Background of the study

According to Arens (2019) inflation is defined as the persistent increase in general price levels of goods and services without an increase rather a decrease in supply levels in order to match the overlap. This is a costly and restraining more than costs trading organisation a lot of resources when its rates go high.

According to Sseguya (2021) improved agricultural inputs are the combination of improved seeds, fertilizers and crop protectants such as weed master and Genetically Modified Organism (GMOS) among so many other types.

According to Federal Department of Economic Affairs (DEA) (2018) Agricultural inputs are defined as products permitted for use in organic farming. These include feedstuffs, fertilizer and permitted plant protection products as well as cleaning agents and additives used in food production.

Fao (2019) recommended that large scale farmers can be termed as the people who practice commercial agricultural for the purpose of selling and generating income from there and there farms are always capital intensive.

Masaka District is bordered by Bukomansimbi District to the North West, Kalungu district to the north, Kalangala district to the east and south, Rakai district to the South west and Lwengo District to the west. The District of Masaka is approximately 140kilometers by road south west of Kampala on the highway to Mbarara.

1.2 Statement of the Problem

Due to over utilization of land, productivity is on average very low and it is still declining. This calls for utilization of fertilizers or genetically improved agricultural inputs which are again very expensive to an average large scale farmer in Masaka District.

Despite the fact that Uganda government has introduced many reform programs all geared at strengthening and improving the farmer's livelihood like, NAADS programs, Operation Wealth Creation, Bonna Bagagawale, Emyooga among others, agricultural productivity is still low. This could be due to inflation in the general price levels of farm implements basically affecting large scale farmers more than their counterparts.

This study therefore, seeks to examine the effects of inflation on the usability of improved agricultural inputs among large scale farmers using Masaka District as the case study.

1.3 Objectives of the study

1.3.1 General Objective

To assess the effect of inflation on the usability of improved agricultural inputs among large scale farmers in Masaka district.

1.3.2 Specific Objectives

1. To identify the challenges of persistent inflation on the price of improved agricultural inputs to large scale farmers
2. To establish the benefits of using improved agricultural inputs to a large scale farmer.
3. To suggest possible solutions to the challenges of persistent inflation on the prices of improved agricultural inputs.

1.4 Research questions

1. What are the challenges of persistent inflation on the price of improved agricultural inputs to large scale farmers?
2. What are the benefits of using improved agricultural inputs to a large scale farmer?
3. What are the possible solutions to the challenges of persistent inflation on the prices of improved agricultural inputs?

1.5 Scope of the Study

1.5.1 Content Scope

This study sought to identify challenges of persistent inflation on the price of improved agricultural inputs to large scale farmers, benefits of using improved agricultural inputs to a large scale farmer and suggest possible solutions to the challenges of persistent inflation on the prices of improved agricultural inputs.

1.5.2 Geographical scope

This study was conducted in Masaka district which is bordered by Bukomansimbi District to the North West, Kalungu district to the north, Kalangala district to the east and south, Rakai district to the South west and Lwengo district to the west. The town of Masaka is approximately 140kilometers by road south west of Kampala on the highway to Mbarara.

1.5.3 Time scope

The study was conducted within a period of six months that is being effective from January, 2023 and ends in June, 2023.

1.6 Significance of the study

1. This study findings may help in building on the body of the existing literature and knowledge about the influence of inflation on agricultural inputs in Uganda.
2. This study may benefit the academicians/researchers who can use the findings to modify their theories on agricultural inputs.
3. This research may benefit the researcher in fulfilling her partial requirements for the award of a diploma in business accountancy.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents a review of the related literature by other authors and scholars regarding the study variables of this topic. Its major purpose is to examine what has already been established in this area of study.

2.1 Efforts employed by the government towards Agricultural

Abdulai, A., (2001) argued that the Government`s mission in the agriculture sector is to transform subsistence farming to commercial agriculture. Agriculture is the main source of economic livelihood for the majority of Uganda`s population. The sector contributes 23.2% of GDP and the vast majority of the populations directly or indirectly depend on agriculture. Agricultural inputs are those materials used in the production or handling of agricultural products. Timely and convenient availability of these inputs is a critical factor for attaining production targets in the sector.

Meinzen Dick, R. (2002) also showed that the government has adopted a commodity based approach focusing on 11 selected commodities for increased food security, production and exports. These include maize, beans, coffee, market fruits; vegetables, rice, bananas, dairy and beef cattle; and fish. The approach is to ensure availability of improved seed varieties and animal breeds by research organizations. The Government distributes inputs through various ways, these include; Public Private Partnerships (PPPs) arrangements as in the Vegetable Oil Project; community procurement under NAADS; and the MAAIF through provision of seedlings; and the private sector and cooperatives.

Inoni, (2003) argued that the inputs are delivered accordingly to district stores or beneficiaries by suppliers under each project. For instance with NAADS, the main program

through which government provides inputs, communities work with private suppliers to source inputs and the districts quality assure. The farmer fora's at various district levels are also empowered to oversee the supply and distribution of agricultural inputs for some projects; inputs sourced under the MAAIF are distributed directly to beneficiaries by private suppliers. Projects under PPPs, such as VODP import all agricultural inputs. The seeds are raised in private nurseries and later distributed to beneficiaries. Inputs sourced under NARO are produced at research centres and later distributed to farmers for multiplication. Projects that source inputs under the private sector such as the Cotton Development Organization buy inputs from ginners and distribute them to farmers at a subsidized price

2.2 Key challenges to effective distribution of agricultural inputs

Admassie, A. (2004) showed that Failure by local governments to follow established criteria of distribution: The distribution of inputs valued at less than Ug shs 100,000 to food security farmers under NAADS requires full recovery of inputs for further redistribution to other beneficiaries. This is not followed leading to misuse of inputs due to famine and poverty. In Iganga district for example, in Q4 FY 2010/11, redistribution of NAADS food security inputs was inevitable because the beneficiaries consumed the rice seeds and also sold implements to raise income.

Strobl, E. (2008) identified Loss and theft of inputs: Poor methods are attributed to inadequate records and lack of transparency leading to theft and misappropriation of inputs during the distribution process. In Mukono district for example, in Q2 FY 2013/14, distribution of cocoa seedlings was poor as beneficiaries received less quantity than what they requested for as most seedlings were stolen.

Mamalis (2011) showed that Untimely distribution of inputs; associated with delayed procurements and delayed release of funds. For example in Q3 FY 2012/13, Kapchorwa district received a consignment of agro chemical inputs for the Crop Disease and Pest Control project for controlling the Coffee Leaf Rust, Coffee Berry Disease and other

pests that were highly prevalent but the inputs weren't distributed to the intended beneficiaries upon receipt (March 2013) because they were delivered in the dry season which was not the right season for spraying.

Adesoji, S.A. (2009) identified Pests and diseases, the high prevalence of pests and diseases in areas where beneficiaries are located hinder the distribution of inputs. For instance, in Masaka district, in Q4 FY 2010/11, NAADS pigs were not distributed to beneficiary farmers as per schedule due to the outbreak of the swine fever in the area.

Mamalis (2011) identified Political pressure and influence peddling, This has resulted into poor and inequitable distribution of agricultural inputs to farmers. In Manafwa district, for instance in Q2 FY 2012/13, Crop Disease and Pest Control project implementation was constrained due to political pressure and influence peddling from politicians who tried to hijack the project activities so as to benefit from the inputs provided which resulted in to poor and inequitable distribution of the inputs.

Howard, J. (2003) identified Poor quality of inputs distributed; some district officials aren't sufficiently involved in verifying inputs delivered to farmers. In Gulu and Lira districts for example, in Q4 FY 2010/11, inputs under the Agriculture/Improved Rice Production Project such as storage bins, jab planters and line makers distributed to farmers were inappropriate and rice seeds distributed to farmers had low viability, the oxen that were supplied were either sick, immature or of poor quality hence died.

Buule (2014) revealed accessibility of areas, the poor road network and transport availability makes distribution of inputs to farmer's difficult. In Buhweju district, for example, in Q2 FY 2011/12, transporting of acquired agricultural machinery under the Agricultural Credit Facility Project to the tea factory was difficult and costly. This was due to the hilly terrain and impassable roads especially during the wet season which in turn increased the installation costs of the machinery.

Jonah (2018) agreed that the late release of quarterly funds delays beneficiary selection, enterprise selection and initiating procurements for distribution to sub- counties. In Nwoya district for example, in Q2 FY 2013/14, the funds for Q1 under the NAADS project were released late in September, 2013 which led to the delay in beneficiary and enterprise selection hence late delivery of NAADS inputs.

Surib, 2011 suggested wrong weather forecast from the metrological department has led to the untimely distribution of seedlings, hence most inputs such as seeds either end up destroyed because they were distributed or planted in the wrong season. For example in Jinja district, in Q3 FY 2013/14, distributed cocoa plantlets under the Support to Tea/ Cocoa project were kept in nursery beds in farmer's gardens while those that were planted had dried up due to the prolonged dry weather spell.

Fuel scarcity: The distribution of inputs requires transportation to intended beneficiaries' which includes fuel. Scarcity of fuel affects distribution. In Kalangala district for instance, in Q2 FY 2012/13, the distribution of fertilizers to small holder farmers under the Vegetable Oil Project was affected due to fuel scarcity.

Ivan (2019) also showed revealed other challenges: Staffing challenges in local government to verify all procurements in districts; poor coordination whereby MAAIF calls Local Governments to come for inputs that were not planned for such as delegated procurements and with no funds allocated for distribution of inputs; and the changing policy guidelines used by projects every year. All these negatively affect sustainability of long term enterprises such as citrus seeds. Farmers switch from one input to another before realizing the benefits of the established enterprises. For example this was evident in the NAADS project in Q2 FY 2013/14, in Buyende district.

2.3 Causes of Inflation

Surib, 2011 suggested Price stocks. These are substantial increases in the prices of some items, for example, due to drought, floods, or massive oil price hike. These increases in

the prices of these items may feed into cost of production. Aggregate output may fall and given the aggregate demand the price level is pushed up.

According to Hinterhuber (2004), the impact of high price levels is high, which means that even the impact of small increases of price on profits and corporate profitability by far exceeds the impact of other leverages in managing best results. In his study, he found out that 5% increase in average sales prices may increase the earnings before interest and taxes (EBIT) by 22%, on average, compared to a 12% increase on the sales volume and a 10% cost reduction of sold goods, respectively. In other words, of all the elements available to managers, the price is what has the larger impact on corporate results, reflecting on representative gains (Kohlia & Surib, 2011).

Kato, 2008 showed that the impact of commodity price instability on profitability is expected to be different for imports and exports. In addition, it is useful to consider both microeconomic and macroeconomic effects. Microeconomic impact may be broken up into 3 analytical mechanisms: i) the direct price effect (incidence effect), ii) the tax rate effect and iii) the volume effect. The incidence effect relies on taxes collected on tradable goods whose value has changed. It depends upon the initial structure of commodity production and consumption and the initial tax structure on commodities. Higher prices of import commodities should have a positive incidence on taxes levied on imports, but may also affect public expenditures if some commodities are subsidized. This “price effect” may be supplemented by a “tax rate effect”. The government may react to the price shock by implementing some policy changes, typically by providing temporary tariffs or VAT exemptions on food products and oil². Governments in developing countries have widely used this tool since 2007.

(Kato, 2008) showed that the rise in food prices could induce a reallocation of food consumption towards cheaper goods; either imported or domestically produced, and this would reduce tax base (negative volume effect). The magnitude of the latter effect will be small if there are few substitutes to commodities (Kato, 2008)

CroleRees, A. (2001) agreed that excessive growth in money supply relative to the level of production in the economy. This causes the level of aggregate demand in the economy to increase relative to aggregate output, shortages occur and the price level rises.

Abdulai, A., & CroleRees, A. (2001) showed changes in exchange rate. If the external value of the domestic currency falls relative to other nations currencies this may be inflationary. Under this circumstance important goods become more expensive and this may add to domestic cost and price structure on the economy fuelling inflation.

Mugume 2011; Mawejje and Bategeka 2011 wrote that Clearly, Uganda's recent inflation experiences have been more elevated, even when compared to its regional neighbours in the East African Community, for the two years between January 2011 and December 2012 inflation averaged 16.6 percent in Uganda, while it averaged 6.7 percent in Rwanda, 11.8 percent in Kenya and 14.4 percent in Tanzania. In light of the inflationary surge, the Bank of Uganda responded by pursuing a tight monetary policy, having adopted a policy change to inflation targeting regime. The Central Bank Rate (CBR) was introduced in July 2011 as a benchmark interest rate that was intended to influence other interest rates such as the lending and deposit rates that would in turn feed into changes in aggregate demand. Inflation rates returned to single digits by September 2012. While anecdotal evidence links the recent inflationary surge in Uganda to local supply side factors, particularly in agriculture (see for example Mugume 2011; Mawejje and Bategeka 2011; Mukiza 2011), there is limited empirical research to estimate the contribution of agricultural shocks to overall inflation in Uganda. Indeed, inflation and the agricultural output gap follow counter cyclical patterns indicating that variations in food production feed into food and headline inflation.

Bulir (2001) studied the implications of inflation for the distribution of improved agricultural inputs using a cross-country dataset of 75 countries. Inflation was shown to lead to higher income inequality especially in hyperinflation countries, highlighting the nonlinear relationship between inflation and income inequality. For agricultural

households, the effects of inflation are usually felt through the increase in food prices. Ulimwengu and Ramadan (2009) showed that the effects of increasing food prices vary between net sellers and net buyers of food. Specifically, increasing food prices affect household welfare through reduced consumption and increasing income for net buyers and sellers respectively. However, substitution effects imply that food consumption falls across both categories of net sellers and buyers. These results suggest adverse implications of increasing food prices for household welfare.

Nachenga (2001) investigated the relationships among money, improved agricultural inputs, prices, income and interest rates in Uganda during the time period 1982-2010. They show that there is a long run relationship between inflation, the monetary and external sectors. Similar results are obtained by Muwonge and Obwona (2003). The above literature survey indicates the importance of monetary factors in inflation processes. The alternate view that inflation may not always be a monetary phenomenon in Uganda was investigated by Kihangire and Mugenyi (2005). Using ARDL-ECM methods they show that there is insufficient evidence to conclude that non-monetary factors are the major drivers of inflation. Separately, Kabundi (2012) showed that shocks to cereal production have long term effects on inflation in Uganda. Interest in the contribution of agricultural supply shocks to inflation processes, particularly in agrarian economies, is gathering pace.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the research design that was used, study population, sampling procedures and techniques, sample size, data sources, data collection methods and instruments, methods, ethical considerations and limitations of the study.

3.1 Research design

The study followed a cross sectional research design. This design was used because the study variables were largely descriptive and comparative basing on the views of the respondents backed by secondary data, using both qualitative and quantitative data therefore the researcher used the cross sectional research design to collect information from different participants. The researcher used the descriptive design as it's the one required in reviewing different literature written on the topic by different authors and explaining the literature in relation to the current literature.

3.2 Study population

This includes the total number of individuals that make up a universe, the study was comprised of members that constituted the universe, the study concentrated on farmers that are working within Masaka District such as coffee farmers, maize farmers, tomato famers among others that are growing crops like bananas, soya among others. The total population was 100 persons.

3.3 Sampling techniques

The researcher used a stratified sampling technique; here the researcher divided the population into strata that is groups and from each stratum, simple random sampling was used to get responses from the respondents in each stratum. This was intended to add more value to the findings and this method was convenient, less costly, simple and time saving to both the researcher and the respondents.

3.4 Sampling size

The study used a total sample of 50 respondents that were selected from farmers that are working within Masaka District such as coffee farmers, maize farmers, tomato famers among others that are growing crops like bananas, soya among others.

3.5 Sources of data

The data was obtained from two sources namely; primary and secondary data.

3.5.1 Primary source

Primary data was obtained through personal interviews with respondents, observations and self-administered questionnaires that were designed.

3.5 .2 Secondary source

Secondary data was obtained from the company brochures, statistical reports and bulletins, annual reports and textbooks, other student's research work, among others.

3. 6 Data collection instruments

3.6 .1 Questionnaires

A questionnaire is a research instrument consisting of a series of statements and other prompts for gathering information from respondents. This technique helped to collect primary data through setting a number of statements, which was given to a cross section of respondents. The statements were close ended with the questionnaire mainly based on predetermined and standardized statements.

3.6.2. Interview guide

This is the type of method where the researcher asks questions face to face the respondents. This method was employed to find information necessary from the group more quickly just to allow

individual self-expression. It was basically used on those farmers/respondents who do not know to read and write.

3.7 Data Processing, Presentation and Analysis

3.7.1 Data Processing

Data processing included coding and editing all the responses collected from the fields was edited with the view of checking for completeness and accuracy to ensure that data is accurate and consistent. It also helped to remove unwanted responses which were considered insignificant. Coding was done after editing which is done manually and by the use of computer through word processing and Excel.

3.8. Ethical Considerations

1. The researcher attained an introductory letter from the institute to be used for accessing different targeted respondents.
2. The researcher also obtained informed consent of the respondents on the arrival at the data collection sites.
3. The researcher observed and respected the privacy, confidentiality and anonymity of all the participants and respondents in this study.

3.9 Anticipated Limitation of the study

- i. A lot of money was required in this study. This involved buying data for internet, photocopying of articles, making phone calls, word processing, binding, transport. These increased the cost of the study. But the researcher solicited for funding from the Guardians, friends, and in-laws
- ii. There was a threat of time limit and deadlines that need attention considering the fact that the study was carried out alongside other activities like course works, lectures and exams as well. But the researcher followed a time frame designed for the study in order to complete in time.

CHAPTER FOUR

DATA PRESENTATION ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents findings and interpretations of the findings from the study on the relationship between inflation and improved agricultural inputs among large scale farmers. These findings were obtained from a primary source of data and are presented in the tables showing percentages.

Table 1: Gender

Response	Frequency	Percentage
Male	26	52
Female	24	48
Total	50	100

The results in table 1 above indicate that the number of men who responded in the questionnaire constituted to 52% and females constituted to 48% of the total respondents. This implies that the researcher was gender sensitive because she used almost the same number of females and males.

Table 2: Age groups

Response	Frequency	Percentage
Below 25	6	12
25-35	23	46
Above 35	21	42
Total	50	100

Table 2 indicates that age group ranging from 25-35 are the people that take the biggest percentage of 46% engaging in agriculture in Masaka district followed by those with above 35 years with a percentage of 42% followed by those below 25 years. This implies that all age groups were engaged in this study, but dominated by those between 25-35 years because at this age they are still energetic.

Table 3: Duration in Masaka

Response	Frequency	Percentage
Below 1 year	3	6
1 – 3 years	10	20
Above 3 years	37	74
Total	50	100

In table 3 above, 6% of the respondents had lasted in Masaka District for a period less than 1 year, 20% of respondents had lasted for a period between 1-3 years and 74% had lasted for a period above 3 years. This implies that the respondents were experienced and they could give reliable information since they had taken some good years staying in Masaka District.

Table 4: Education level

Response	Frequency	Percentage
Certificate	43	86
Diploma	5	10
Degree	2	8
Total	50	100

From table 4 above it was revealed that 86% of the total respondents were having certificates, 10% of the respondents were holding diplomas, and 8% were holding degrees and this implies that respondents who were used in this study were educated and they could read and write since majority of them are certificate holders and above.

Table 5: Persistent inflation reduces productivity of large scale farmers since they cannot afford to buy many improved agricultural inputs

Response	Frequency	Percentage
Strongly agree	38	76
Agree	12	24
Uncertain	-	-
Disagree	-	-
Strongly disagree	-	-
Total	50	100

In table 5 above, 38% of the total respondents strongly agreed that Persistent inflation reduces productivity of large scale farmers since they cannot afford to buy many improved agricultural inputs, 24% of the total respondents agreed and this implies that government should provide more improved agricultural inputs to large scale farmers.

Table 6: Persistent inflation increases expenses incurred during cultivation and this reduces the profits that would be gained during reaping period.

Response	Frequency	Percentage
Strongly agree	19	28
Agree	31	62
Uncertain	-	-
Disagree	-	-
Strongly disagree	-	-
Total	50	100

In table 6 above, 28% of the total respondents strongly agreed that Persistent inflation increases expenses incurred during cultivation and this reduces the profits that would be gained during reaping period, 62% of the total respondents agreed and this implies that government should put measures that can reduce or curb inflation so as to enable farmers maximize profits.

Table 7: Improved agricultural inputs help large scale farmers to increase their farm income in the short run

Response	Frequency	Percentage
Strongly agree	39	78
Agree	11	22
Uncertain	-	-
Disagree	-	-
Strongly disagree	-	-
Total	50	100

In table 7 above, 78% of the total respondents strongly agreed that improved agricultural inputs help large scale farmers to increase their farm income in the short run, 22% of the total respondents agreed and this implies that small scale farmers should be also encouraged to use improved agricultural inputs so as to increase their incomes.

Table 8: Farmers have been able to increase on their harvests/produces due to existence of improved agricultural inputs

Response	Frequency	Percentage
Strongly agree	28	56
Agree	22	44
Uncertain	-	-
Disagree	-	-
Strongly disagree	-	-
Total	50	100

In table 8 above, 56% of the total respondents strongly agreed that Farmers have been able to increase on their harvests/produces due to existence of improved agricultural inputs, 44% of the total respondents agreed and this implies that farmers should continue to use improved agricultural inputs since they have been proved to be of benefit to farmers.

Table 9: Pests and diseases that affect crops have reduced due to presence of improved agricultural inputs

Response	Frequency	Percentage
Strongly agree	44	88
Agree	6	12
Uncertain	-	-
Disagree	-	-
Strongly disagree	-	-
Total	50	100

In table 8 above, 88% of the total respondents strongly agreed that Pests and diseases that affect crops have reduced due to presence of improved agricultural inputs, 12% of the total respondents agreed and this implies that government should increase on provision of improved agricultural inputs and encourage even small scale farmers to use them to reduce the effect of pests and diseases that attack crops.

Table 10: Inflationary situation leads to high operation costs that are paid by the farmers in Masaka district

Response	Frequency	Percentage
Strongly agree	40	80
Agree	10	20
Uncertain	-	-
Disagree	-	-
Strongly disagree	-	-
Total	50	100

In table 8 above, 80% of the total respondents strongly agreed that Inflationary situation leads to high operation costs that are paid by the farmers in Masaka district, 20% of the total respondents agreed and this implies that the government should intervene and control inflationary situations to allow farmers reduce operating costs which reduces profits.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of the findings, conclusion drawn and recommendations made by the researcher.

5.1 Summary of Findings

From the study findings, it is revealed that Persistent inflation reduces productivity of large scale farmers since they cannot afford to buy many improved agricultural inputs and Persistent inflation increases expenses incurred during cultivation and this reduces the profits that would be gained during reaping period

Further still, it is revealed that Majority of the respondent also agreed that improved agricultural inputs help large scale farmers to increase their farm income in the short run, Farmers have been able to increase on their harvests/produces due to existence of improved agricultural inputs, and Pests and diseases that affect crops have reduced due to presence of improved agricultural inputs

Majority of the respondents agreed that Inflationary situation leads to high operation costs that are paid by the farmers in Masaka district, The government should intervene in the setting prices for improved agricultural inputs, and Providing subsidies to importers of improved agricultural inputs by the government may effectively reduce operation costs of the traders dealing in improved agricultural inputs.

5.2 Conclusion

From the study findings collected and presented, the researcher therefore concludes that inflation has a direct negative effect on the usability of the improved agricultural inputs among large scale farmers. However it was revealed that the government should intervene in the setting prices for improved agricultural inputs, and providing subsidies to importers of improved agricultural inputs by the government may effectively reduce operation costs of the traders dealing in improved agricultural inputs

5.3 Recommendation

From the study findings, the following were recommended;

1. Government through Bank of Uganda should continue to monitor the situation and respond, whenever necessary, with appropriate monetary policy to ensure inflation stays within target and maintain macroeconomic stability.
2. Government should continue to support farmers to grow more food and vegetable seeds and cereals to take advantage of the rising global and regional prices to boost our export earnings.
3. Government should also continue to support the citizens and businesses to recover their sources of livelihood from the impact of the Covid-19 pandemic so that they can weather such shocks.
4. To cushion consumers against high prices, government should re-consider its regulatory role in the domestic fuel market to ensure that fuel price movements are a true reflection of the economic environment.

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QUESTIONNAIRE

Dear respondent,

I am Nakaweesa Mastulah, a student of Buganda Royal Institute of business and Technical education pursuing a National Diploma in Accountancy. This questionnaire you are being requested to complete seeks to establish the effect of inflation on the usability of improved agricultural inputs among Large Scale Farmers. This research is meant for academic purposes only. Kindly spare some time of your valuable time and respond to all the following questions. The information provided will be treated confidentially and will be used for academic purposes only.

SECTION A

BIO DATA OF THE RESPONDENT

1. Age groups

Below 25

25-35

above 35

2. Gender

Male

Female

3. Duration in Masaka

Below 1yr

1-3yrs

above 3yrs

4. Education level

Certificate

Diploma

Degree

SECTION B

5. Persistent inflation reduces productivity of large scale farmers since they cannot afford to buy many improved agricultural inputs

Strongly agree	Agree	Uncertain	Disagree	strongly disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. Persistent inflation increases expenses incurred during cultivation and this reduces the profits that would be gained during reaping period

Strongly agree	Agree	Uncertain	Disagree	strongly disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Improved agricultural inputs help large scale farmers to increase their farm income in the short run

Strongly agree	Agree	Uncertain	Disagree	strongly disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Farmers have been able to increase on their harvests/produces due to existence of Improved agricultural inputs

Strongly agree	Agree	Uncertain	Disagree	strongly disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. Pests and diseases that affect crops have reduced due to presence of improved agricultural inputs

Strongly agree	Agree	Uncertain	Disagree	strongly disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Inflationary situation leads to high operation costs that are paid by the farmers in Masaka district

Strongly agree	Agree	Uncertain	Disagree	strongly disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. The government should intervene in the setting prices for improved agricultural inputs

Strongly agree

Agree

Uncertain

Disagree

strongly disagree

12. Providing subsidies to importers of improved agricultural inputs by the government may effectively reduce operation costs of the traders dealing in improved agricultural inputs.

Strongly agree

Agree

Uncertain

Disagree

strongly disagree