



## **DAIRY DEVELOPMENT AUTHORITY**

### **PRESS RELEASE**

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#### **LAUNCH OF DDA ANNUAL PERFORMANCE REPORT 2021-2022**

Greetings dear members of the fourth estate. We have invited you today to share with you details of the dairy sector performance in the year 2021-22. Dairy Development Authority (DDA) is the government agency established under the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) mandated by the Dairy Industry Act, 1998 to Develop and Regulate the Dairy industry in Uganda.

This report is our annual publication to demonstrate accountability to the people and Government of Uganda on whose behalf we perform the mandate, and the leadership of the Ministry of Agriculture, Animal Industry and Fisheries. Despite some challenges, the dairy industry is on course for recovery from the effects of the Covid-19 pandemic and repositioning itself again for social economic transformation through employment, contribution to household incomes, GDP, and foreign exchange earnings. Our most exported products now include: milk powder, yoghurt, cheese, butter, ghee, butter oil, UHT milk, casein and whey protein powder.

We have registered key achievements in the volume of exports which began to rise; milk production and productivity was also in steady growth; licensing of dairy stakeholders; staff recruitments and also aligned our interventions to support the implementation of the Parish Development Model.

## **Industry Performance**

During the year, milk prices at international, national, and regional levels remained high with limited volatility compared to the previous years. International raw milk retail prices stabilized at an average of \$0.5 per litre higher than the previous year. Asia and the US recorded higher milk prices compared to other trading regions like Europe, Oceania, and South America.

Meanwhile, the national farm gate milk price averaged 1,181 UGX (\$ 0.32) while the retail prices averaged 1,667 UGX per litre (\$0.45). This puts the Ugandan dairy sector at a nominal value of **UGX 3.8 trillion**. These were all slightly higher than the prices for last FY 2020/21. Northern and Northeast milk sheds continued to record higher milk prices both at the farm gate and retail.

Regardless of milk prices, the industry continues to fetch a positive balance of trade in dairy products. Dairy exports bounced back to 102.6 million USD of value in FY 2021/22 from 92.4 million USD in FY 2020/21 compared to 4.2million USD in imports. The new export destinations include the United States and Somalia.

Overall, milk production rose significantly to 3.22 billion litres <sup>from 2.86bn</sup> during the period of review despite the reported drought in selected milk sheds in the country. The rise in national milk production is attributed to significant production in the Northeast and Midwest primarily due to the adoption of improved high-yielding breeds and the increased accessibility of DDA staff and resources to dairy farmers through its regional offices. Coupled with sustained training of farmers and distribution of demo dairy inputs, average milk productivity reached 4.8 litres per cow across regions.

Licensed milk collection centers have also increased from 475 with a total installed capacity of 2.21 million litres in 2020/21 to 547 with a total estimated capacity of 2.3 million litres in 2021/22 to match rising milk production.

Meanwhile, licensed processing plants have increased from 116 in 2021 to 160 in 2022 with an installed capacity of 3.4 million litres. These are mainly cottages responding to economic effects of the Covid-19 pandemic. Milk

processing capacity stands at an average of 2.3 million litres with more than 21 milk products processed countrywide.

The authority has continued to guarantee and sustain the safety of dairy products for consumption and trade. A higher proportion of milk products tested for quality and trade requirements continue to pass conformity tests in both regional and national laboratories.

In its efforts to increase milk production and enhance productivity, the Authority trained 79 dairy farmer groups and 88 dairy farmer cooperatives across the country. These comprised more than 8,535 dairy stakeholders trained in good/modern dairy farming practices such as feed production, management and utilization, disease identification and prevention, hygienic milk production, value addition, group strengthening, record keeping, and climate-smart agriculture to increase milk productivity.

Furthermore, 15 dairy farmer cooperatives and 22 farmer groups were supported with dairy farming inputs such as milking machines, milk cans, chuff cutters, milking buckets, and pasture seed in the last FY 2021/22. Thirty-eight new dairy farmer groups were mobilized, formed, and strengthened in the different regions during the period of review to benefit from institutional support and exploit the benefits of bulk production, storage, and marketing.

Meanwhile, to reduce post-harvest losses and enhance storage, processing, and value addition in the last FY, one milk collection centre was rehabilitated and equipped with 3,000L milk cooler. Four women groups and 1 youth group were trained in Yoghurt making in Midwest to support the emergence of dairy cottages in the region. While, in regards to professionalizing the dairy stakeholders, 124 stakeholders were skilled in milk processing and value addition at Entebbe Dairy Training School.

To strengthen regulation and improve competitiveness, 1,136 dairy businesses countrywide were registered and licensed compared to 880 registered during the Covid-19 pandemic in 2020. This performance recorded is classical evidence of economic recovery from the impact of the Covid-19

pandemic. There was significant movement between businesses along the value chain with more processors and bulking businesses licensed.

DDA inspected 4,319 dairy premises, businesses, and consignments. These premises include; milk factories, tankers, MCCs, retailers, and cooler/freezer premises. More so, forty-nine market surveillance activities were carried out during the financial year 2021/22 to ensure the safety of dairy products for consumption and protect consumers.

While 1,981 consignments valued at UGX 30.4 billion and UGX 206 billion for imports and exports respectively were inspected in the border posts, these accounted for only 51.8 percent of the total value of the country's trade volumes. In addition to inspections, 41 enforcement operations were conducted to ensure increased compliance with the dairy standards and regulations in place.

In pursuit of professionalizing the dairy industry through professional training, the Authority seeks to upgrade EDTS to a Training and Incubation College. The majority of the trainees at the School are youth and women who are skilled in clean milk handling, entrepreneurship, and value addition specifically yogurt and cheese making.

### ***Key Milk Export Market Initiatives***

#### **1. Update on Kenyan Market**

The Kenya market for dairy products is open for all processing factories to access. The Kenya Dairy Board is issuing permits that are requested.

#### **2. Update on Algerian Market**

The Algerian market for dairy products starting with powdered milk is in the final stages of penetration having conducted the technical verification of the dairy value chain regulatory framework by the Algerian team in December 2022. Hopefully in the upcoming Joint Permanent Commission (JPC) and Business to Business meetings slated for March 2023 in Algeria will see some deals being signed off.


MAAIF/ DDA are working with Ministry of Trade, Industry and Cooperatives, Ministry of Foreign Affairs to organize the event where the Dairy processors will participate.

### ***Challenges and Recommendations***

Dismal funding for dairy value chain interventions hampered procurement of inputs, farmer trainings, and strengthening of the regulatory environment. Limited budgetary support stifled the number of stakeholders skilled in value addition, raw milk cold chain infrastructure, and rehabilitation /equipping of MCCs.

The huge demand for storage facilities, value addition, and international compliance requires significant financing from Government and other development partners. We appreciate Governments' commitment to improving the dairy sector, which has a great potential of earning incomes at household levels across the nation and forex earnings for the country.

For God and My Country



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