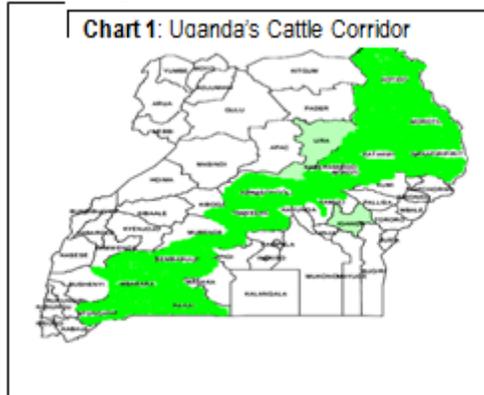


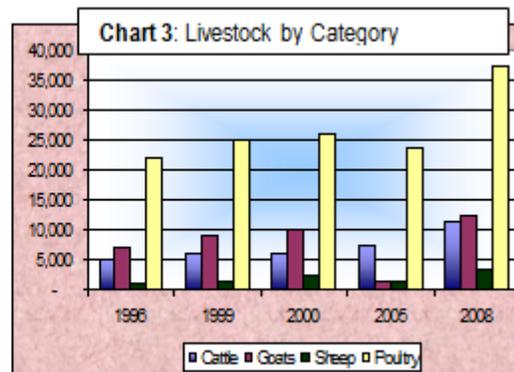
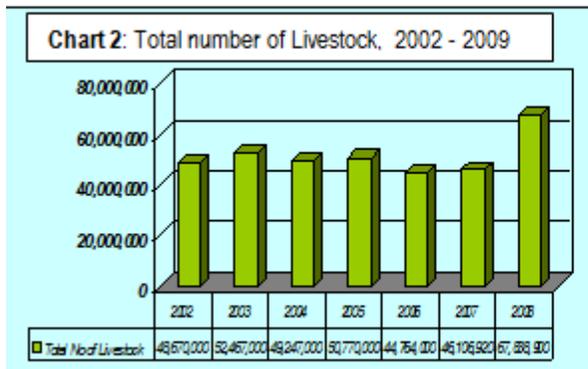
Livestock Sector Profile

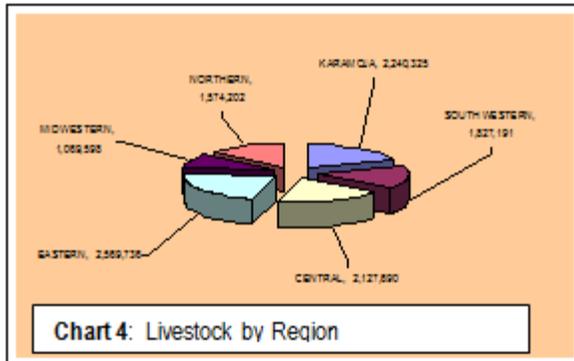
The livestock sector is one of Uganda's important growth sectors contributing about US \$ 290 million to total GDP in 2008/09 up from US \$ 210 million in 2007/08. It constitutes 17 percent of the agricultural GDP and is a source of livelihood to about 4.5 million people in



the country. The sector is categorized into cattle, goats, pigs, sheep and poultry. The growing local and regional demand for meat and milk products has escalated the number of livestock in the country over the years to an estimated 68 million in 2008 compared with about 49 million livestock in 2002 (Chart 2).

The 2008 national livestock census estimated the number of cattle at 11.4 million whereas the sheep, goats, pigs and poultry were estimated at 3.4 million, 8.5 million, 3.2 million and about 27.5 million respectively (MAAIF, 2009). I



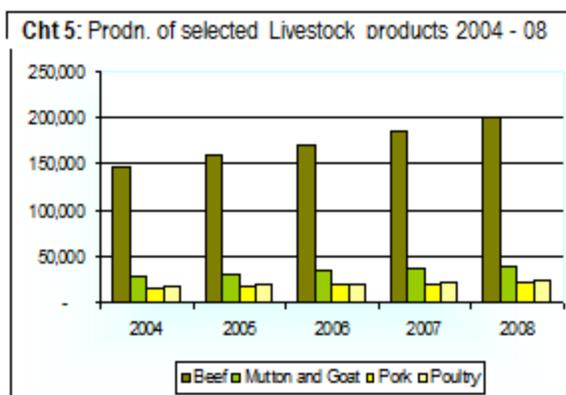


(MAAIF, 2009). In economic value, cattle are

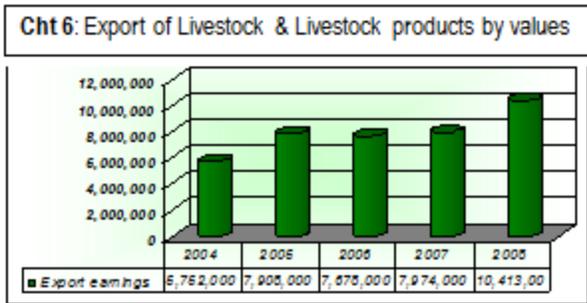
considered the most important livestock although other animals such as goats, sheep, pigs and poultry are equally important. Uganda's cattle corridor extends from the south western, through central to the north eastern region (Chart 1). 93.6 percent of Uganda's cattle herds are indigenous; - Ankole (29.6%) and Zebu/Nganda (70.4%), whereas 0.8% are beef exotic/cross breeds and; 5.6% are dairy exotic/cross breeds. In terms of distribution, the eastern region (23%), Karamoja (20%) and central region (19%) have the highest number of cattle followed by the south western (16%)

1 Uganda Shillings equivalent to 1,874 USD (Bank of Uganda Exchange Rate November 2009) and the northern (14%) regions (Chart 4). 98.7 percent of goats in Uganda are indigenous whereas 1.3 percent are exotic (Boer 79.1% and Galla 3.7%). The Sheep flock is dominated by indigenous breeds (99.2%) and the exotic/cross breeds are only 0.8%. The central region has the highest number of pigs dominated by the Landrace and Large White breeds. 44.6 percent of poultry in Uganda is indigenous while 44.4 percent of poultry reared are exotic breeds.

Livestock Production 2004 - 2008



The annual production of livestock products has recorded progressive growth since 2004. Beef production by 2008 stood at 200,743mt, an 8% increment from 147,552 mt in 2004. The production of goat meat/mutton, pork and poultry meat stood at 39,900mt, 22,509mt, 25,066mt respectively (MAAIF 2009). Uganda's meat processing firms produce between 300 and 700 kgs of meat products daily. The national per capita consumption of meat is estimated at 6 kgs while the annual meat consumption deficit is estimated at 80,000mt. Opportunities for large scale meat production and processing exist to step up the current production levels which only meet half of the national demand.



Exports of Livestock and Livestock Products by

Value

Uganda's livestock export earnings have grown in the last five years from an estimated US \$ 5.75 million in 2004 to about US \$ 10.4 million in 2008 (Chart 6). The Hides, skins and furskins are the major export earners followed by dairy products and bird eggs, meat, live animals and meat preparations. The major export markets for the products are Kenya, Tanzania, Rwanda, Southern Sudan, D.R. Congo and Burundi. Southern Sudan is the major destination for Uganda's meat products. Other potential export markets for livestock and livestock products exist in the Middle East countries and the European Union.

Competitive strengths

- Ugandan beef industry is compliant with the Arabic norms of Halaal in the animal slaughtering process;
- Tropical weather climate favors Livestock farming;
- Adequate supply of trained & affordable human resources such as Veterinary doctors, agriculturalists, farm engineers and researchers.
- Available market for livestock and its products in Uganda, within the EAC and the COMESA region comprising over 495 million people.
- Ankole cattle have low cholesterol levels (48.4mg-60.5mg/100mg of meat) and low fat (3.33%-6.48%) level which is a good health quality attribute.
- Research & Development: Research in the sector is ably supported by the National Agricultural Research Organization (NARO) and the National Agriculture Advisory service (NAADS). Through research, technologies in the sector have been generated to improve productivity in animal health, pasture feed production, breeding and nutrition of livestock.
- Uganda has about 1,000 valley dams and tanks to supply water to livestock.
- Current legal framework supports private sector investment.

Investment in the Sector

70.8% of Uganda's households are engaged in livestock rearing and 99.1% engage their families as the main source of labor for livestock rearing (National Livestock Census 2008). The sector has attracted vast investments of over US\$ 176 million (UIA Database) from both local and foreign investors. The investments include ranching, meat processing, poultry breeding/farming and leather processing. The sector has created employment opportunities for farmers, butchers veterinary doctors, farm engineers and researchers among others.

Licenses/Regulations & Fees required for operations

The livestock sector is governed by several policies and regulations to ease smooth operation and investment. The policies include the national delivery of veterinary services, national veterinary drug policy, national hides, skins and leather policy, animal breeding policy and the animal feeds policy among others. The laws and regulations include the Animal Diseases Act, importation of poultry and poultry products Act, Cattle Trading Act and Code of Meat Inspection Act. Uganda is reviewing some of the laws in view of its membership to regional trade groupings such as the East African Community, Common Market for East and Southern Africa and the World Trade Organization. The recently enacted Meat Industry development law was instituted to improve production, processing and marketing of meat and meat products.

Table 1: Licenses/Fees in the Livestock sector

LICENSE CATEGORY	FEE (UGANDA SHILLINGS)	FEE (US DOLLARS)
Cattle Trading	1,500/=	0.8
Hides and Skin Dealers	2,000/=	1
Hides and Skin Exporters	40,000/=	21
International movement for domestic Products	40,000/=	21
International movement for domestic Animals	40,000/=	21
Movement Permits	2,000/=	1

Specific Sector Incentives

- Inputs used for agricultural purposes are duty and tax free on importation;
- Deductible annual allowances of 20 percent on specialized trucks, trailers, tractors, plant and Machinery used in farming;
- Deductible annual allowances of 20 percent on farming costs for farm works such as labor quarters, immovable buildings, fences, daps, drains, water and electricity supply works and other works necessary for the farm;
- Income exemption for the interest earned by a financial institution on a loan to any person for the purpose of farming, animal and poultry husbandry;
- Income exemption for persons engaged in agro processing;
- The following items are VAT exempt;
 - Supply of veterinary services
 - Supply of veterinary equipment
 - Supply of poultry and livestock
 - Supply of machinery used for the processing of agricultural products;
- VAT Zero rated items include;
 - Supply of fertilizers, pesticides and hoes
 - Supply of machinery, tools and implements suitable for use only in agriculture
- Withholding tax is exempted for the following;
 - Supply or importation of animal drugs
 - Supply or importation of plant and machinery

Quality Standards

Quality standards in the sector are generally monitored by the Ministry of Agriculture, Animal Industry and Fisheries as well as the Uganda National Bureau of Standards. Uganda is also developing regulations and guidelines that conform to sanitary and phyto sanitary standard measures on meat and animal health. Within the East African Community framework, the sanitary and phyto sanitary code harmonizing standards and procedures for the health as well as safety of animals and animal products were certified. Other regulations that have supported quality standards in the sector include the Uganda standard code of practice for grading and preservation of hides and skins, Uganda standards for canned corn beef and the draft guidelines for butchereries.

General Investment Opportunities

Construction of modern abattoirs to enable meat production and processing;
Production of animal drugs for the treatment of animal diseases such as Trypanosomiasis, Newcastle, East Coast Fever, Foot and Mouth disease, Contagious Bovine Pleuropneumonia, Contagious Caprine Pleuropneumonia and lumpy skin disease;
Vaccine production units;
Laboratories for disease surveillance and diagnosis;
Forage seed production and processing;
Animal feeds processing and distribution;
Commercial breeding and production of semen for the local and export market;
Game ranching and farming particularly ostrich and crocodile farming;
Tanning of hides and skins;
Extensive ranching;
Export of live animals, meat and meat products.
Dairy milk processing plants for dairy products such as butter, ice cream, yogurt and traditional ghee.

Specific Opportunities in the Beef Industry

1. Establishment of feedlots close to industries producing agricultural byproducts and crop residues in Busoga and Masaka;
2. Beef Ranching;
3. Conservation of feed (Hay and Silage) for sale;
4. Nucleus breeding farms for beef breeds;
5. Processing of traditional beef products such as smoked, salted and sun dried meats;
6. Modern abattoirs.
7. Nucleus breeding for local goats such as Mubende and improved exotic breeds such as the Boer goats.

Specific Opportunities in the Poultry Industry

1. Feed manufacturing;
2. Hatchery units in targeted zones to produce day old chicks for sale;
3. Commercial eggs and table bird production to supply the local and regional markets particularly southern Sudan;
4. Poultry processing plants to produce chicken carcasses for human consumption.

Specific Opportunities (Pigs)

1. Nucleus pig breeding and pig multiplication centers - the growing foreign community in Uganda has increased the demand for pork and bacon
2. Abattoirs for pigs

Table 2: Selected Ranches in Uganda Appendix

	Name of Company	Location	Estimated number of Cattle
1	Kisozi Ranch	Mpigi	5,000 – 8,000
2	Namalire Mixed Farm and Cattle Ranchers	Nakasongola	6,000
3	Incafex Ranchers	Nakasongola, Sembabule, Luwero and Mubende	7,000
4	Shuuku farmers	Bushenyi	5,000
5	Kisombwa ranching scheme	Mubende	5,000
6	Itendero farmers	Bushenyi	2,000
7	Kibwejana	Mubende	2,000
8	Rainbow Ranching Scheme	Sembabule and Kiruhura	6,000
9	Ugagri Ranchers	Nakasongola	
10	Ziwa ranchers	Nakasongola	

Source: Uganda Beef producers Association

Table 3: Selected Meat Processors in Uganda

	Meat processors	Location
1	Top Cuts	Kampala
2	Quality Cuts	Kampala
3	Your Choice/Farmers Choice	Kampala
4	Sausage King	Kampala
5	Rosa Butchery	Kampala
6	Royal Cuts	Kampala
7	Gourmet King	Kampala
8	Ranchers Ltd	Kampala
9	Fresh cuts	Kampala

Table 4: Number of Livestock 2002 - 2008

	2002	2003	2004	2005	2006	2007	2008
Cattle	6,328,000	6,519,000	6,567,000	6,770,000	6,973,000	7,182,190	11,408,750
Sheep	1,141,000	1,175,000	1,552,000	1,600,000	1,648,000	1,697,440	3,410,370
Goats	6,852,000	7,092,000	7,566,000	7,800,000	8,034,000	8,275,020	12,449,670
Pigs	1,710,000	1,778,000	1,940,000	2,000,000	2,060,000	2,121,800	3,184,310
Poultry	32,639,000	35,903,000	31,622,000	32,600,000	26,049,000	6,830,470	37,385,800

Source: Ministry of Agriculture, Animal Industry and Fisheries

Table 5: Annual Production of Livestock Products (Metric Tonnes)

	2004	2005	2006	2007	2008
Beef	147,552	159,356	172,105	185,873	200,743
Mutton & Goat	29,328	31,674	34,208	36,945	39,900
Milk	1,100,000	1,188,000	1,283,040	1,385,683	1,496,538
Pork	16,545	17,869	19,298	20,842	22,509
Poultry	18,424	19,898	21,490	23,209	25,066
Hides	13,000	14,040	15,163	16,376	17,686
Skins	1,200	1,296	1,400	1,512	1,633

Source: Ministry of Agriculture, Animal Industry and Fisheries

Table 6: Livestock and Livestock Products Exports by Value '000 US \$ 2004 - 2008

	2004	2005	2006	2007	2008
Live Animals	131,000	85,000	31,000	1,711,000	2,109,000
Meat & Meat Preparations	451,000	831,000	469,000	261,000	530,000
Dairy Products & Birds Eggs	306,000	432,000	306,000	668,000	4,990,000
Hides, Skins & d Furskins	4,864,000	6,560,000	6,872,000	5334000	2,784,000

Source: Uganda Bureau of Statistics, 2009

References:

Bank of Uganda (BOU), Ministry of Agriculture Animal Industry and Fisheries (MAAIF) Dairy Development Authority (DDA), Uganda Bureau of statistics (UBOS), Uganda Investment Authority