

THE DAIRY INDUSTRY PROFILE FY 2024/25

INTRODUCTION

This profile summarizes statistical insights relating to milk production, processing and marketing to give the state of the National Dairy Industry and issues pertaining to its competitiveness.

Livestock contributes 16.9% to agricultural GDP, 8% to agricultural exports. Dairy industry accounts for 72% of Livestock GDP, 84% (US\$264million) of export value of livestock products. Whereas the dairy industry registered an annual growth rate of 3%, it operates under its potential due to the challenges in productivity, processing, and market. The Dairy is considered a strategic industry under the Agro-Industrialization pillar of the Ten-Fold Growth Strategy.

Despite a **3% annual growth rate**, the sector operates below its potential due to challenges in productivity, processing, and market access.

16.9% Livestock contribution to agricultural GDP and **8%** to agricultural exports.

72% Dairy industry contribution to Livestock GDP.

84% (USD 264 million) of livestock export value.



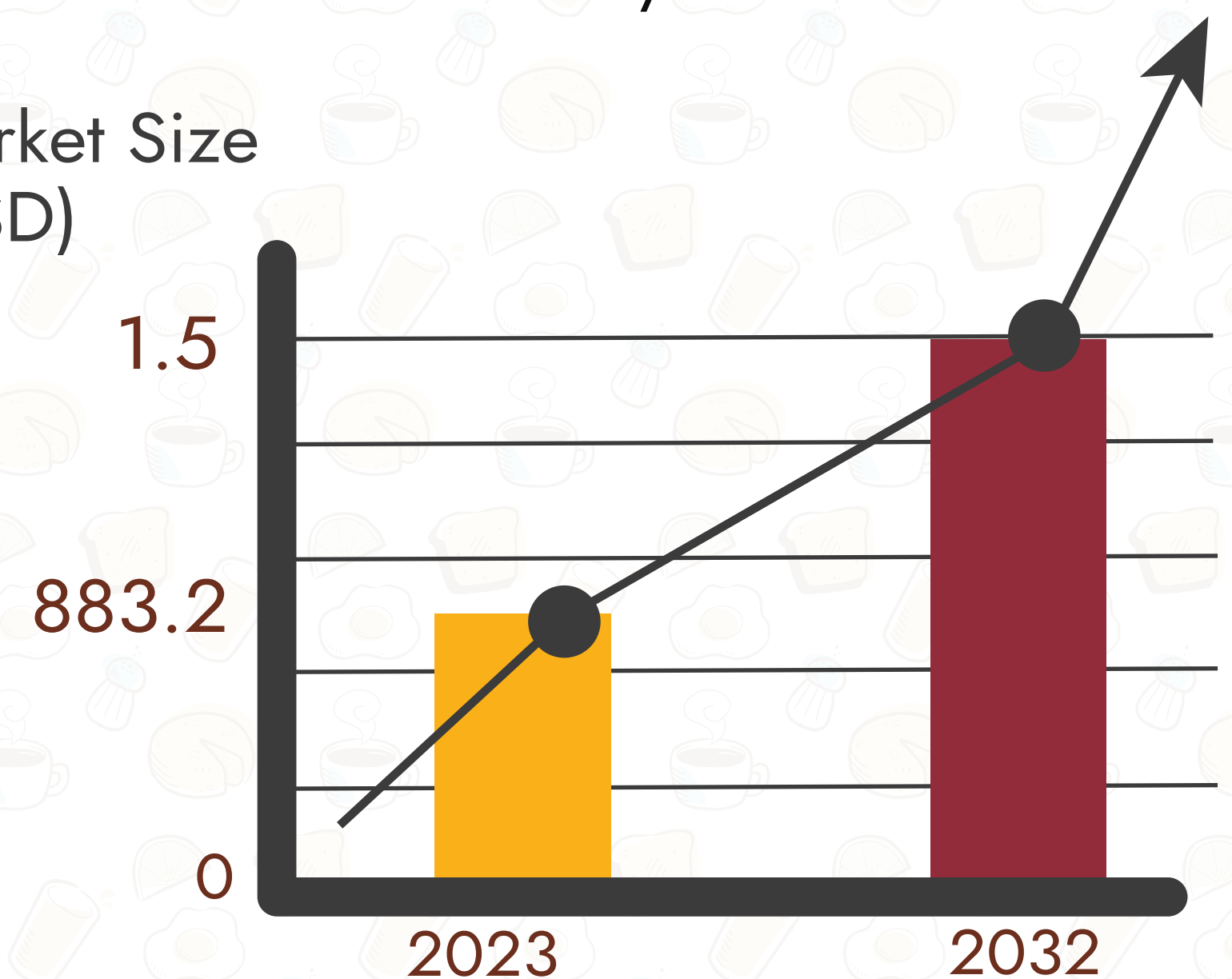
SECTION 1: GLOBAL DAIRY INDUSTRY



Global Market size

Estimated at USD 883.2 billion (2023), projected to reach USD 1.5 trillion by 2032

Market Size
(USD)



(Source: FAO, 2023).

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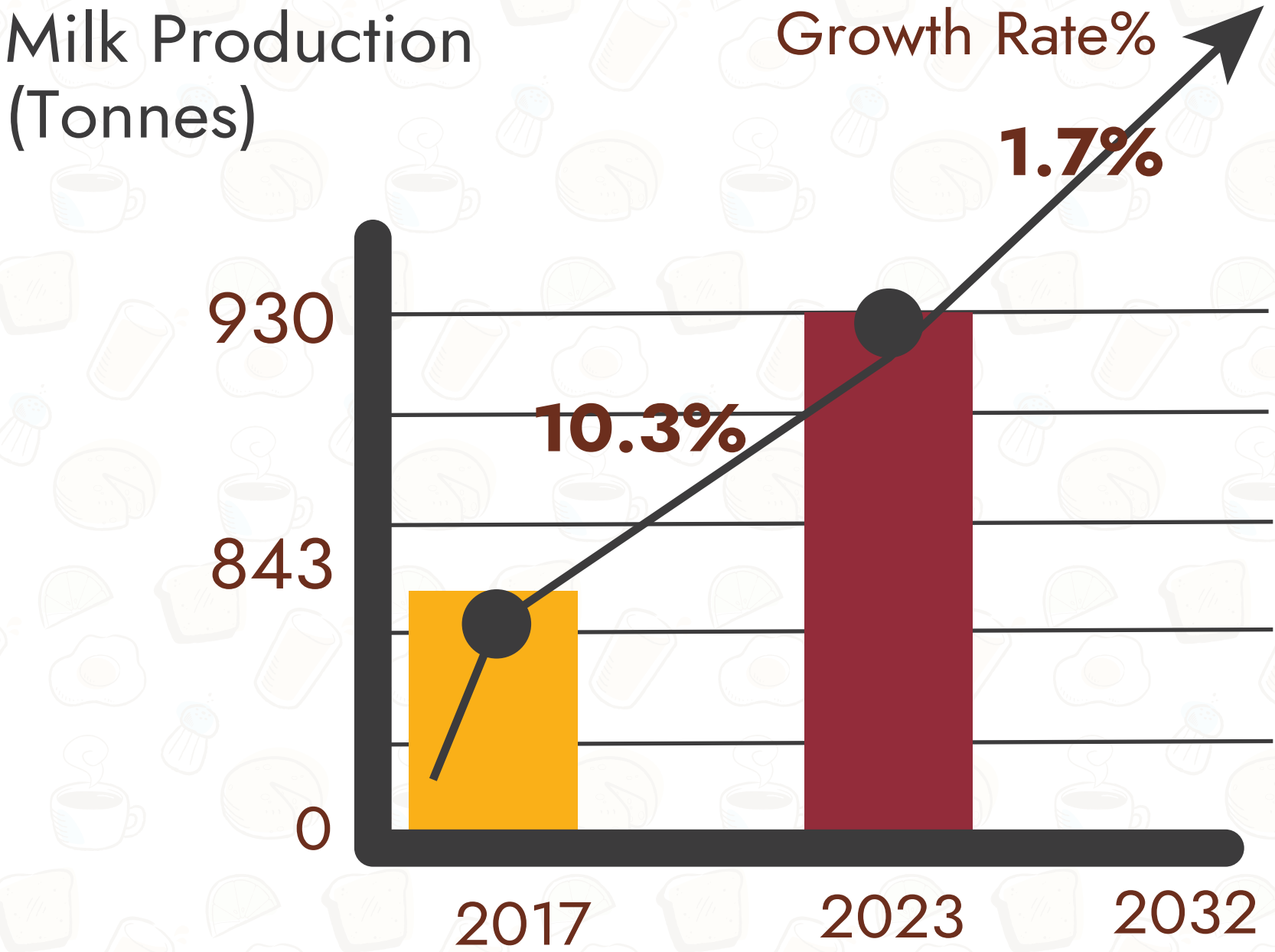
Global Milk Output

Global output increased by **10.3%**, from **843** million metric tonnes (2017) to **930** million metric tonnes (2023) and estimated to grow at an annual growth rate **1.7%** (2023–2032)



SECTION 2: REGIONAL DAIRY INDUSTRY

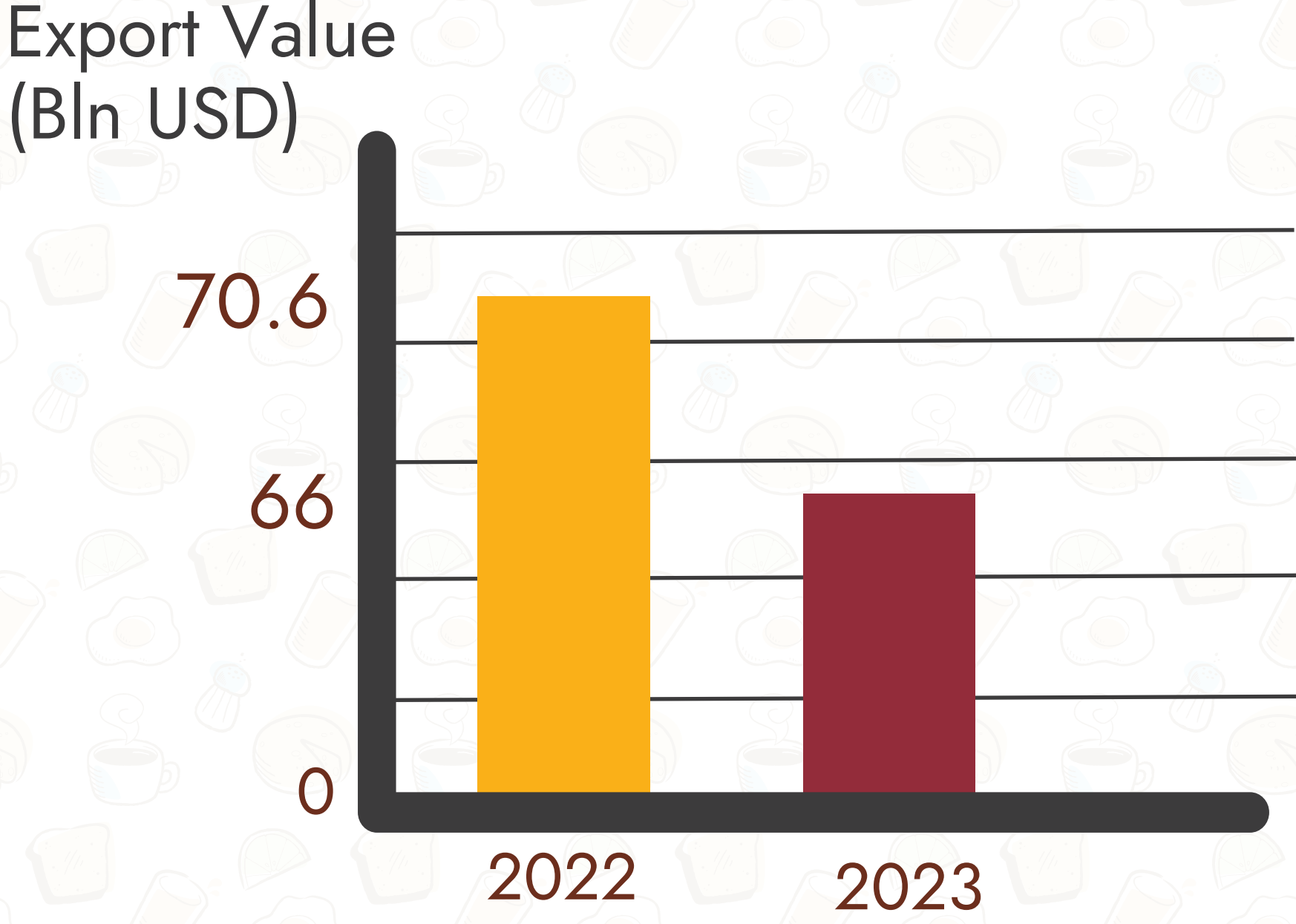
The African continent is a net importer of dairy produce, valued by the International Trade Centre at **USD 103.1** billion and Dairy imports by the EAC region in 2022 were estimated by the International Trade Centre at **USD 185.2** million. Kenyans consume around **110 liters** of milk per person each year.



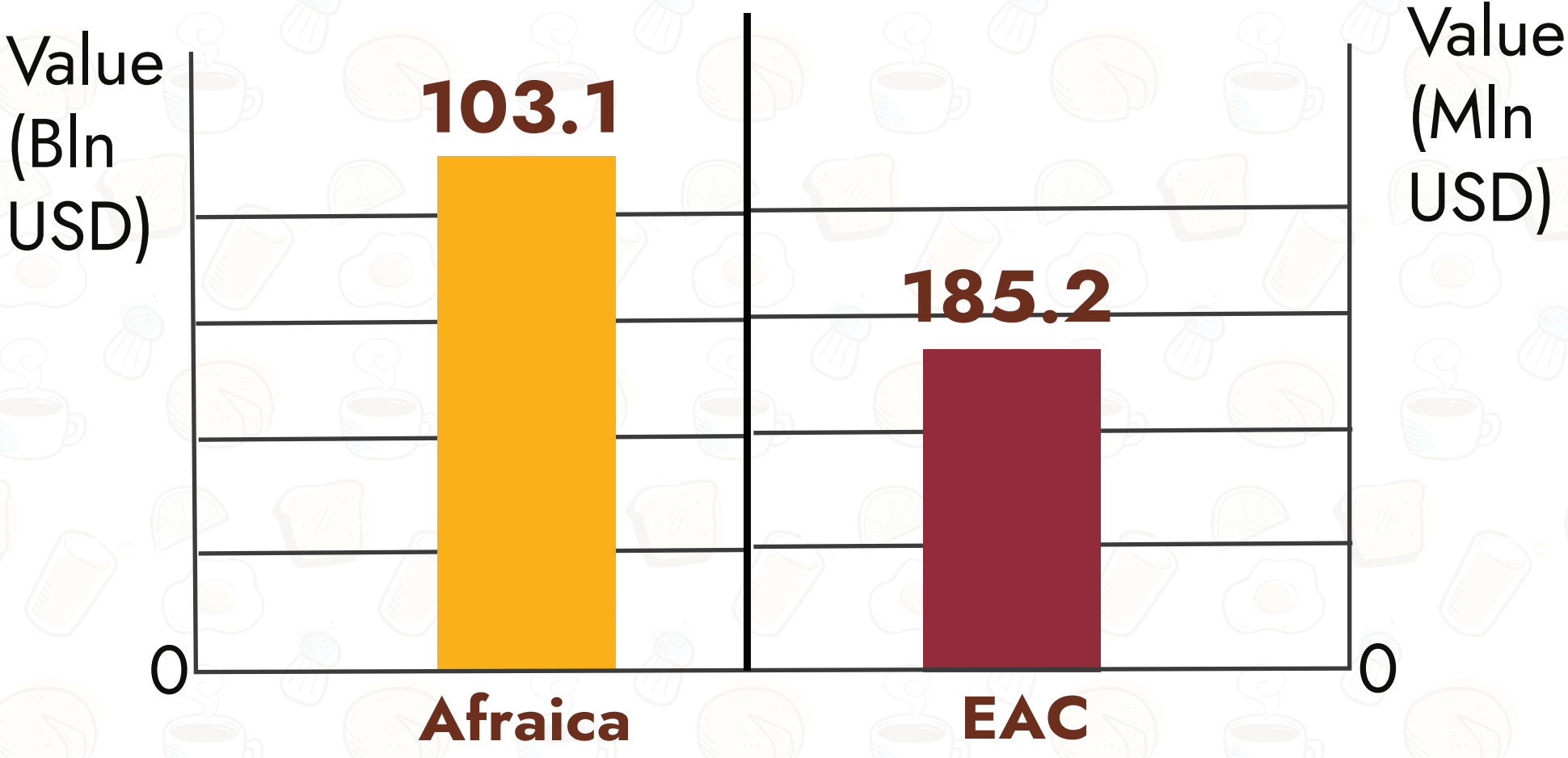
Annual growth rate is estimated at **1.7%** (2023–2032).

22% India's contribution to the global milk out and is the as the largest producer in the world followed by United States, Pakistan, China and Brazil. Uganda's shares is estimated to account for **0.6%**.

The export value of dairy product worldwide reached about **66 billion** U.S. dollars in 2023, down from around **70.6 billion** U.S. dollars in the previous year.



African and EAC Milk Imports

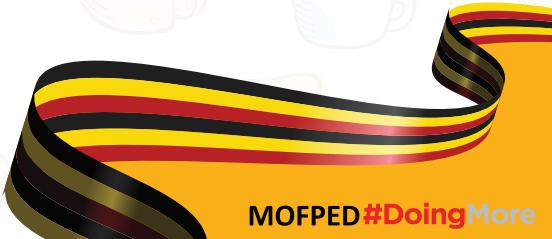


SECTION 3: UGANDA'S LEGAL AND POLICY FRAMEWORK

MAAIF is mandated to coordinate interventions, laws, policies and plans that directly affect the dairy industry.

1	Animal Breeding Act Cap 47.
2	Animal Diseases Act Cap 48.
3	Cattle Traders Act Cap 52.
4	Dairy Industry Act Cap 67

Focus areas include disease control, breeding, animal feed standards, and dairy product quality assurance.





SECTION 4: NATIONAL DAIRY MARKET OUTLOOK





1	Market Size	USD 446 million (2023).
2	Milk Production Volume	5.40 billion liters (2023)
3	National Herd Size	16.70 million heads.
4	Domestic Milk Consumption	800 million liters (20.7% of total production).
5	Per Capita Consumption	63.5 liters, below the WHO recommendation of 200 liters.
6	Formal Dairy Exports	UGX 978 billion (2023). Exports represent 42% of Uganda's agricultural export value
7	Formal Dairy Imports:	UGX 28.6 billion (2023)



SECTION 5: NATIONAL MILK TRENDS

i Trends in Milk production and herd size

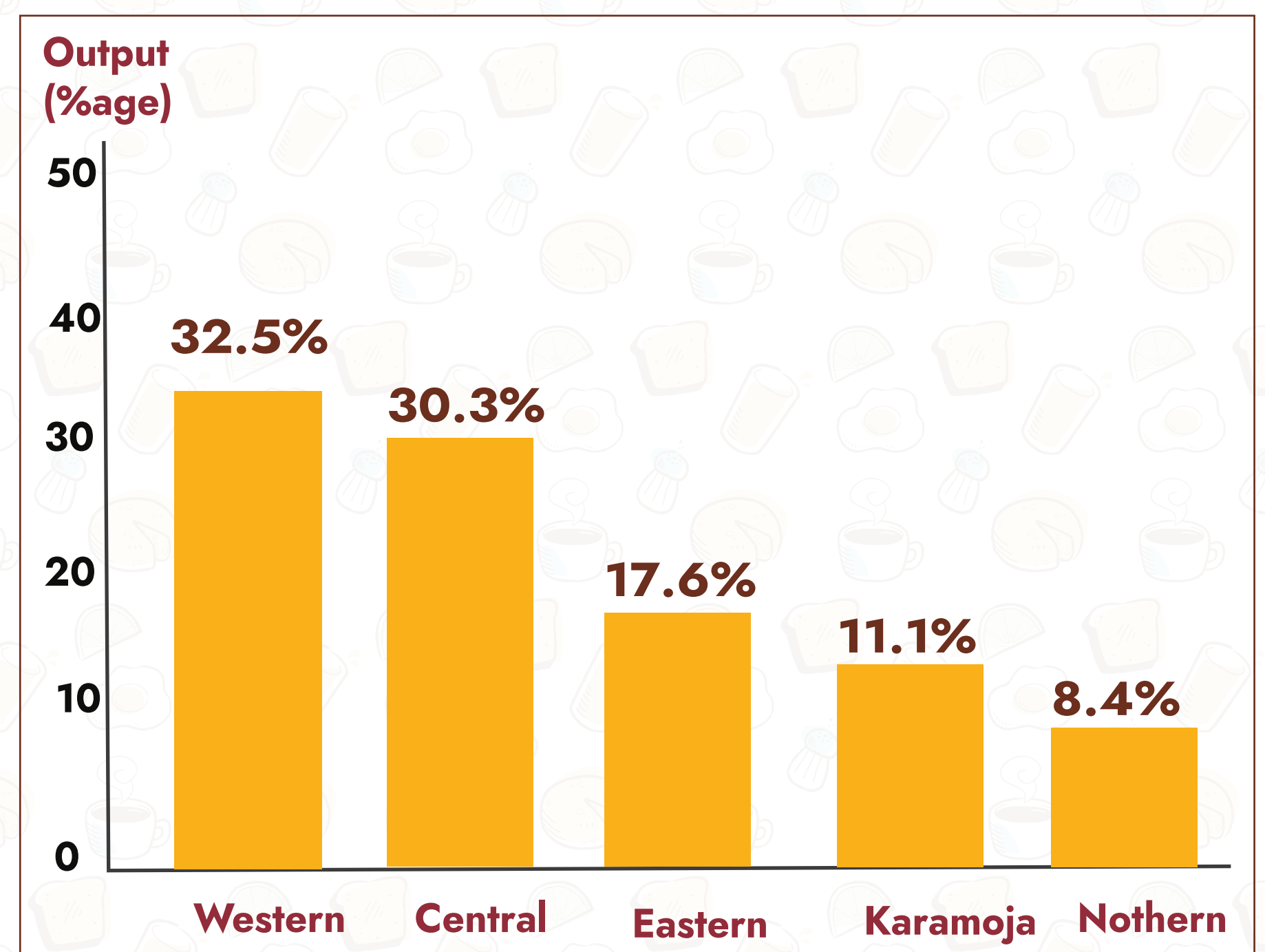
The national herd size in grew by **29%** between 2013 from **13.02 million** to **16.7 million** heads of cattle as of 2023.

2023	   	16.7 million
2013	  	13.02 million

Milk production increased by **103%** from **1.9 billion** litres to **3.85 billion** litres over same period and during the year 2024, milk production increased from 3.85 billion litres to **5.4 billion** litres showing a **40%** growth. National productivity average: **4.8 liters/cow/day**.

ii Trends in Milk production and herd size

Western region is the leading milk producing region accounting for **32.5%** of the total milk output in the country followed by central (**30.3%**), Eastern (**17.6%**), Karamoja (**11.1%**) and Northern (**8.4%**). Highest in the Central region (**6.6 liters/-day**), lowest in Karamoja (**2.9 liters/day**).



SECTION 6: DAIRY VALUE CHAIN INFRASTRUCTURE

- i.) Milk Collection Centers (MCCs).
- ii.) Milk Bulking Centers.
- iii.) Milk Coolers.
- iv.) Registered Road Milk Tankers in 2022 for Milk Transportation.

Milk shed	No.of Tankers	%age
Central	99	51.3
Midwest	24	12.4
Southwest	70	36.3
Total	193	100

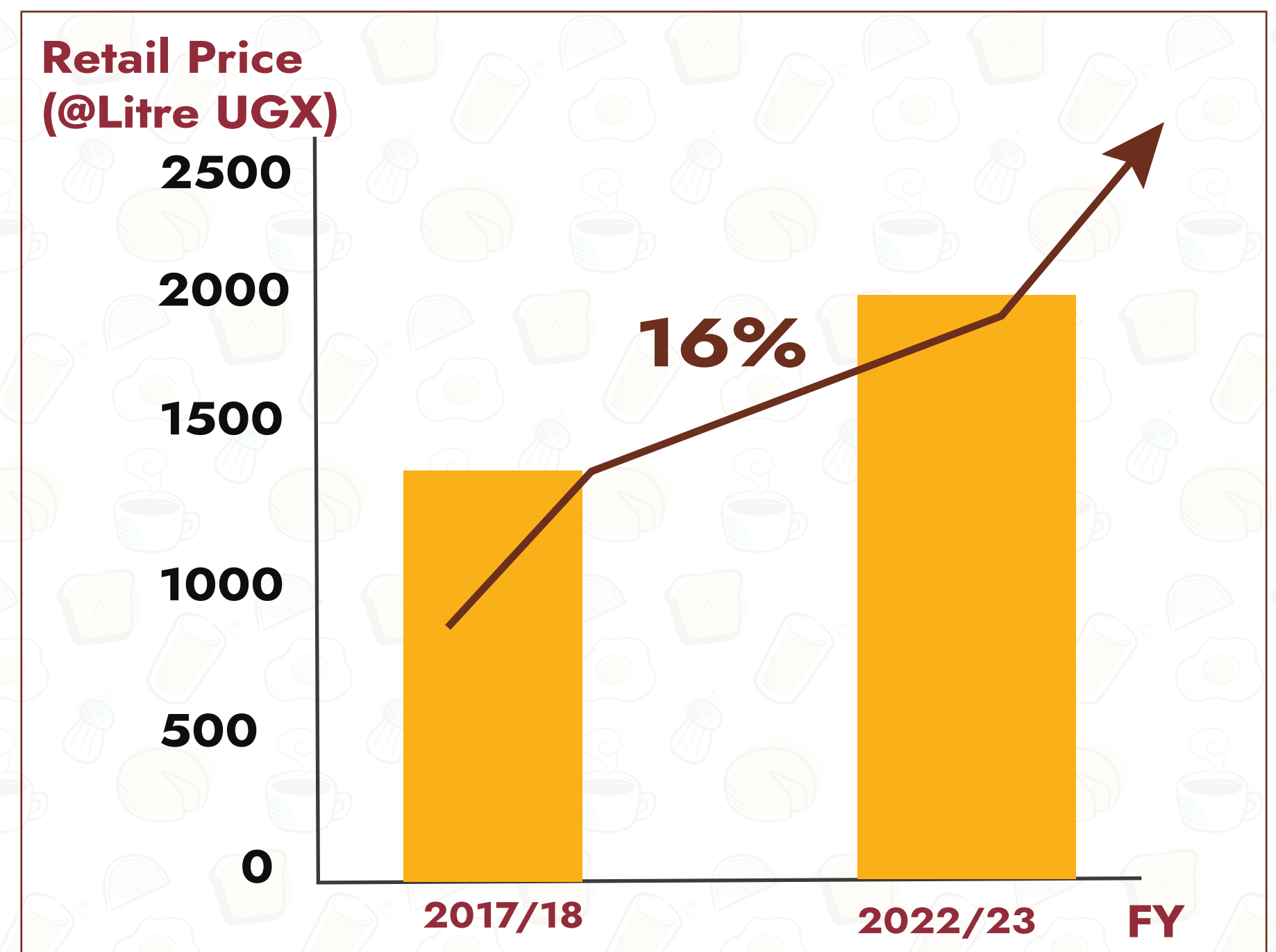
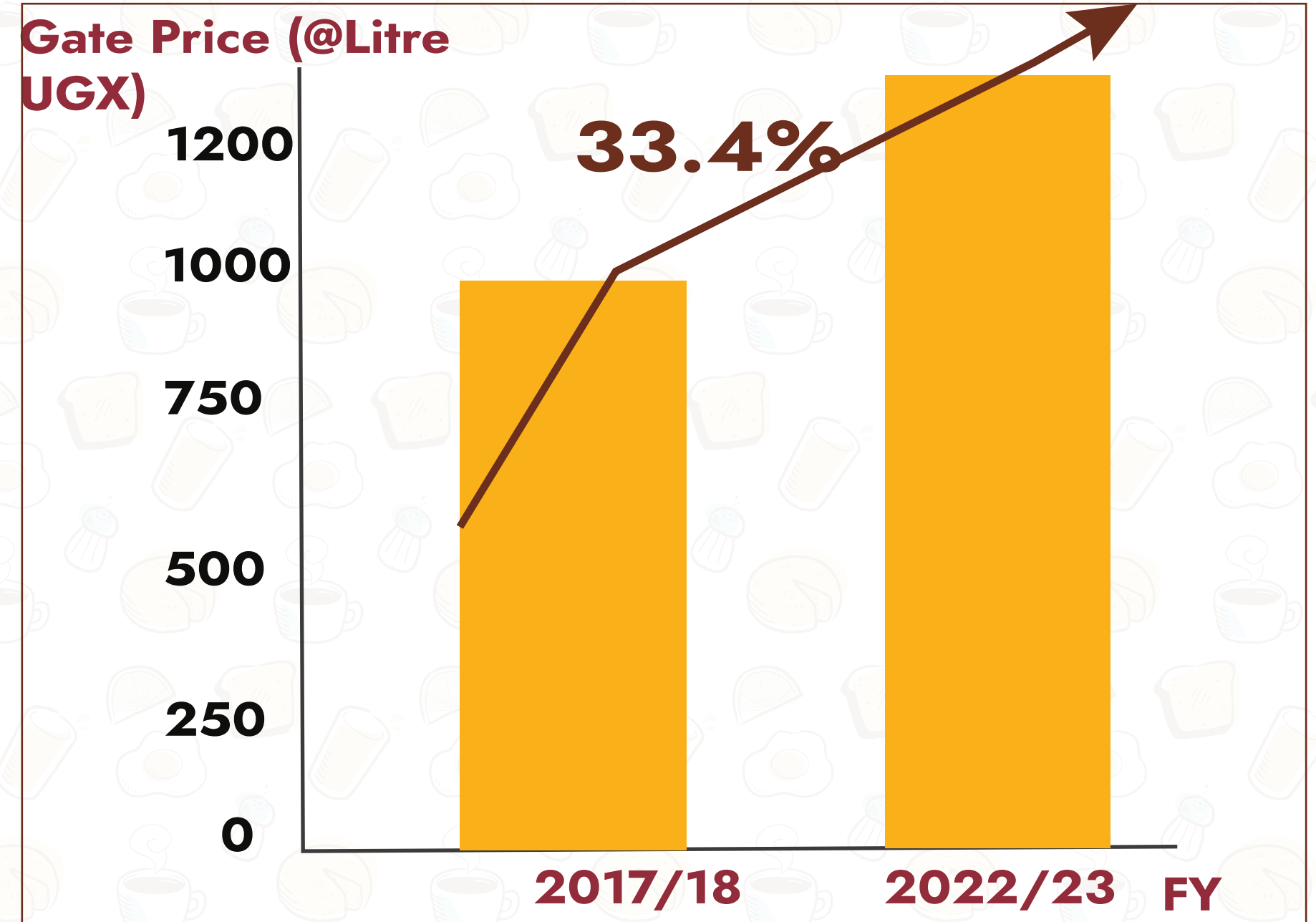


SECTION 7: DAIRY VALUE CHAIN INFRASTRUCTURE

There are **145** dairy processing facilities ranging from large, medium, small scale and cottages with a total installed capacity of **3.4million** litres of milk. The facilities however operate at **2.3million** litres indicating operational efficiency of **68.7 %**.

Milk shed	Diary Processor	Installed capacity (Ltrs)	Operating capacity (Ltrs)
Southwest	59	2,107,910	1,431,430
Central	48	1,252,470	878,240
Midwest	6	11,00	900
Northeast	15	4665	3,360
Northern	6	10,900	5,350
Eastern	11	1900	15,00
Total	145	3,378,945	2,320,780

Source: DDA License Register



ii Milk and Dairy Products ex-factory prices

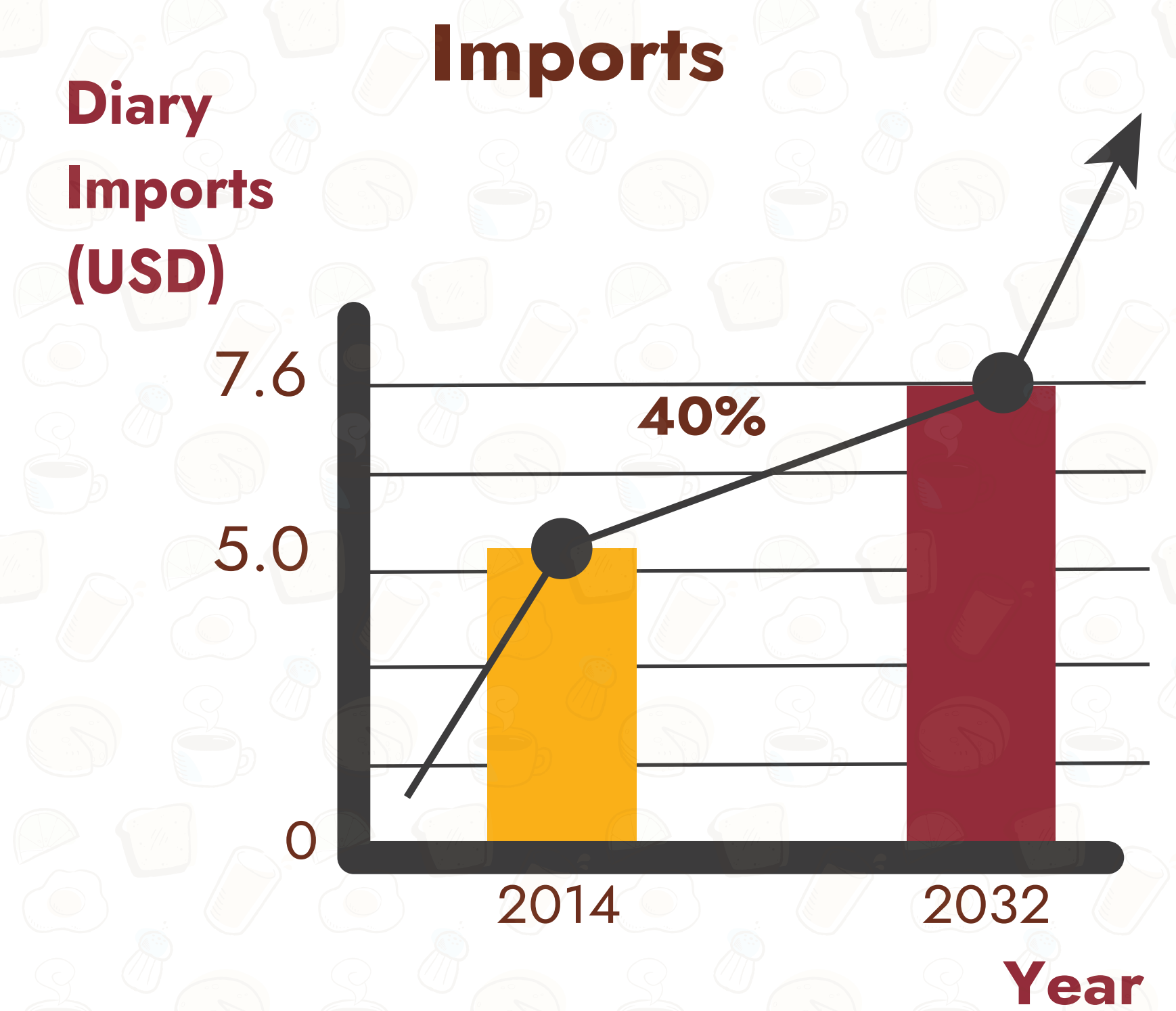
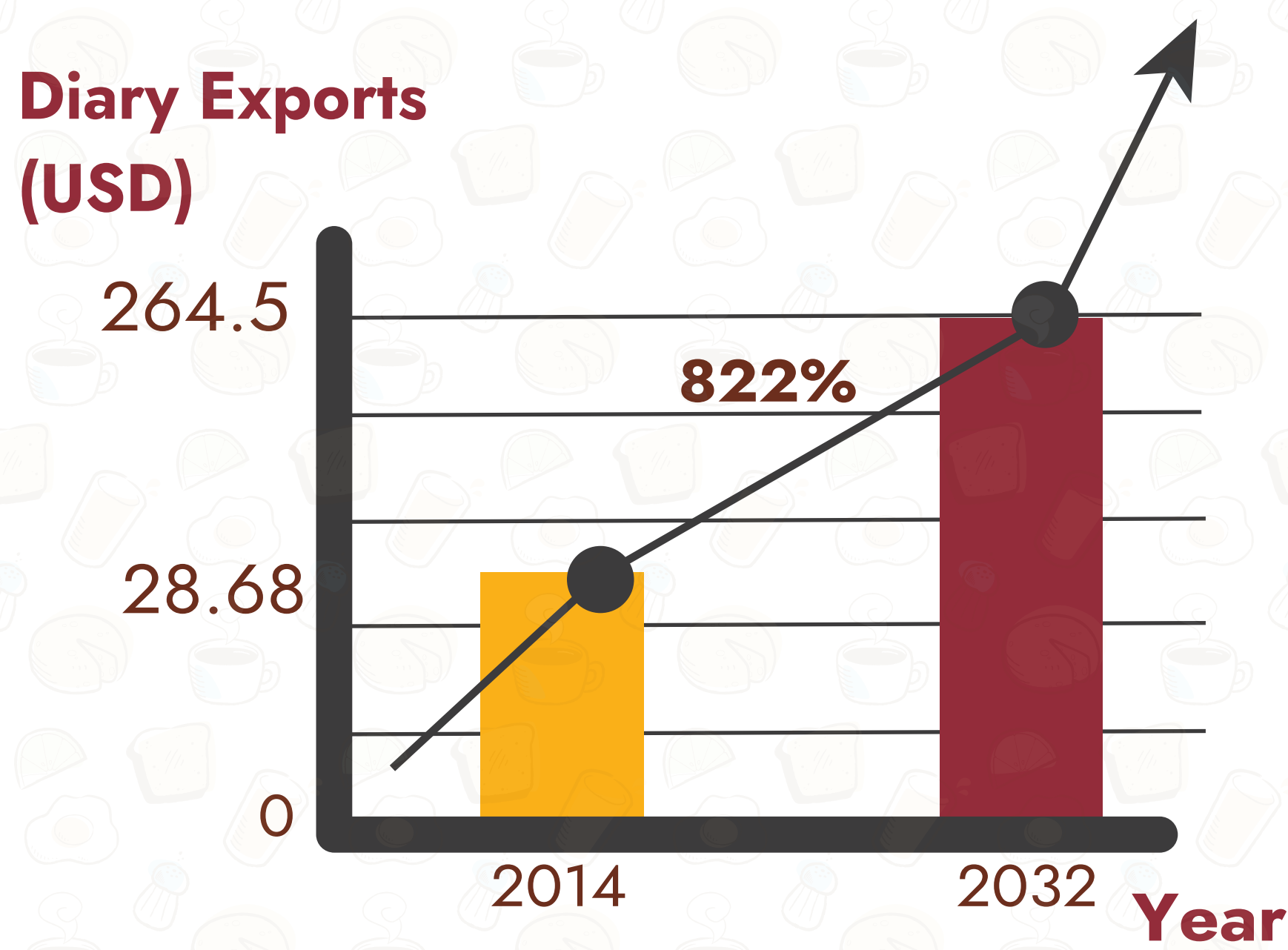
Product name	Average ex-factory price (Ugx/kg)
Yoghurt	4,386
Whole Milk powder	18,500
UHT liquid milk	2,250
Pasteurized milk	2,438
Cheese	23,711
Butter	11,478
Ghee	13,794
Casein	23,582

i Farm gate and Retail Prices.

The national average farm gate price per litre increased by **33.4%** from **UGX 899** **FY2017/18** to **UGX 1200** in **2022/23** while the national average retail price per litre increased by **16%** from **UGX 1,466** in **FY 2017/18** in **FY 2017/18** to **UGX 1700** in **2022/23**

iii Milk and Dairy Products ex-factory priceS

Dairy exports increased by **822%** from **US\$ 28.68million** in 2014 to **US\$ 264.5million** in 2023 while imports increased by **52%** over the same period. Import of dairy products increased by **40%** from **US\$5.0million** in 2014 to **US\$ 7.6million** in 2023.



iv Composition of Dairy Exports

Milk powder is the most exported product accounting for **54.2%** of the total export value, followed by **UHT (33.1)**.

Product name	Value Billions Ugx	% Share
Milk powder	529.0	54.2
UHT	323.0	33.1
Casein	60.9	6.2
Butter	45.2	4.6
Ghee	8.2	0.8
Yoghurt	7.8	0.8
Whey	2.1	0.2
Cheese	0.3	0.03
GRAND TOTAL	976.36	100

v Milk Export Destinations

EAC market:

Tanzania, Kenya, Rwanda, Burundi, Congo, Southern Sudan.

COMES and SADC:

Mali, Egypt, Somalia, Nigeria, Ethiopia, Madagascar, Malawi, Mauritius and Seychelles.

Beyond Africa:

India, UAE, Syria, Japan
Oman, USA, Nepal
Bangladesh China, Russia Federation, Azerbaijan, Qatar, Saudi Arabia, Bahrain.



No.	Country	Value (Billions Ugx)	% Share
1	Kenya	810.57	83.02
2	United States	57.60	5.90
3	Egypt	34.95	3.58
4	South Sudan	26.48	2.71
5	Tanzania	13.06	1.34
6	Oman	6.91	0.71
7	India	5.28	0.54
8	DRC	4.55	0.47
9	Ethiopia	4.53	0.46
10	Malawi	4.09	0.42
11	Rwanda	4.08	0.42
12	Japan	1.32	0.14
13	South Africa	1.22	0.12
14	Sudan	1.10	0.11
15	Mali	1.10	0.03
16	Burundi	1.10	0.02
17	Madagascar	1.10	0.01
18	Somalia	1.10	0.01
19	Turkey	1.10	0.0019
20	Netherlands	0.00	0.0002
TOTAL		976.36	100

vi Milk Imports.

No.	Country	Value (Billions Ugx)	% Share
1	Kenya	11.55	40.35
2	France	5.16	18.04
3	Poland	4.15	14.50
4	Mexico	2.85	9.97
5	South Africa	0.95	3.32
6	Netherlands	0.84	2.93
7	United Kingdom	0.81	2.83
8	UAE	0.65	2.28
9	China	0.31	1.05
10	Germany	0.29	1.03
11	Others		5.0

Dairy Export Market Mapping to

New and emerging potential markets: These include Algeria, Nigeria, Serbia, Russia Federation, Azerbaijan, Qatar, Saudi Arabia, Bahrain, in addition to EAC, COMESA and SADC market.

Dairy Products	Value (UGX)
Milk powder	10,000,000,000,000
UHT milk	600,000,000,000
Casein	120,000,000,000
Butter/AMF	90,000,000,000
Whey powder	5,000,000,000
Lactose	20,000,000,000
Yoghurt	150,000,000,000
Ghee	16,000,000,000
Cheese	600,000,000
TOTAL	11,001,600,000,000/=



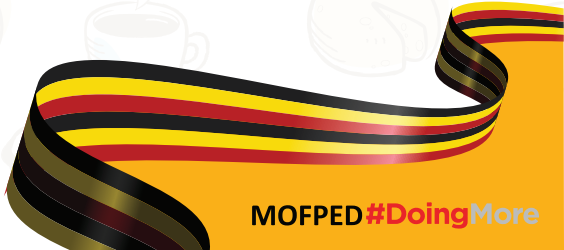
SECTION 9: ISSUES LIMITING COMPETITIVENESS AND THE ACTIONABLE RECOMMENDATIONS

- i. Underutilization of the installed milk procesing capacity due to insufficient raw material.

Recommendation; Promotion of Pasture Production and Fodder Conservation for increased milk production.

- ii. Low productivity per cow is at 4.8 liters per day per animal due to lack the necessary knowledge and skills to ensure higher productivity.

Recommendation; MAAIF should rehabilitate and equip the Entebbe Dairy Training School (EDTS) as a center of excellence.



iii. Limited milk consumption by the local population consuming only 64 liters per liter per capita.

Recommendation; Undertake expansion of the school milk program in the country.

iv. Deployment of Non- tariff barriers to Ugandan processors by neighboring Governments for example denial of export permits, import quotas, import levies, import bans and other restrictive business practices.

Recommendation;

v. Limited access to authentic inputs by farmers especially rural smallholder farmers who are the majority in the industry.

Recommendation; MAAIF should rehabilitate the cold chain infrastructure to reduce post-harvest losses during marketing.



Diary Milking Technology



Mechanised Dairy Farming



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