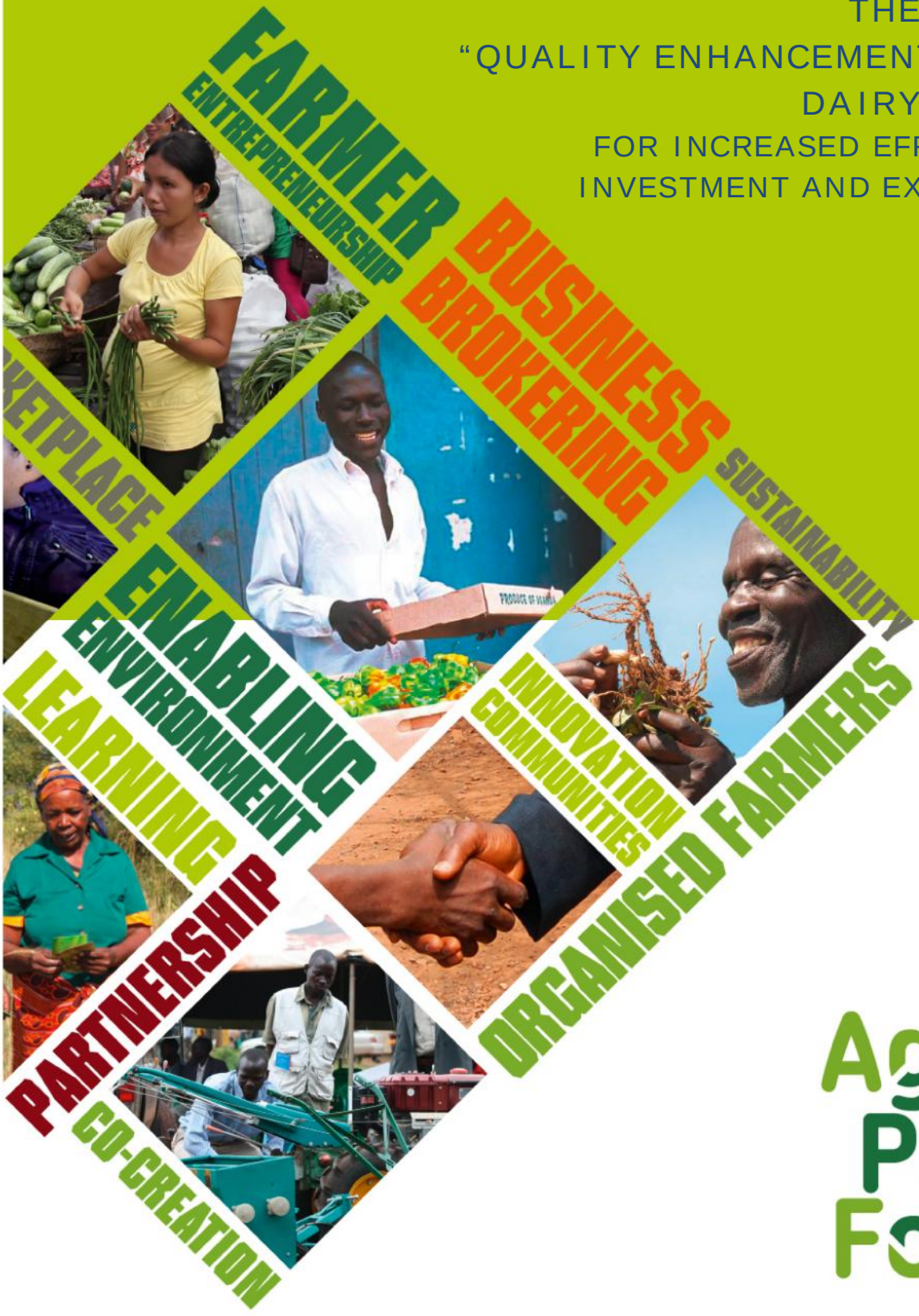
The 1st National Dairy Event Report 2014

THEME:

"QUALITY ENHANCEMENT IN THE DAIRY SECTOR FOR INCREASED EFFICIENCY, INVESTMENT AND EXPORTS..."



Agri Pro Focus

Promoting farmer entrepreneurship

Theme: *"Quality enhancement in the dairy sector"*
" ..For increased efficiency, investment and exports..."

Venue: Hotel Africana, September 18th - 19th, 2014

ABBREVIATIONS

APF	Agri-Pro Focus
BDS	Business Development Services
DDA	Dairy Development Authority
EAC	East Africa Community
EAAD	East Africa Dairy Development
ICCO	Inter-Church Organization for Development Cooperation
MAAIF	Ministry of Agriculture Animal Industries and Fisheries
MCCs	Milk Collection Centers
NDA	National Drug Authority
PFSU	Private Sector Foundation
SALL	Sameer Agriculture and Livestock
SMEs	Small and Medium Enterprises
UIA	Uganda Investment Authority
UIRI	Uganda Industrial Research Institute
URA	Uganda Revenue Authority
UNBS	Uganda National Bureau of Standards
UNDATA	Uganda National Dairy Traders Association

EXECUTIVE SUMMARY

Uganda has a comparative advantage in the production of milk not only within East African Community and COMESA but in the whole of Africa. However, there are still challenges related to quality aspect that need attention by all stakeholders. It is against this background that Agri-Pro Focus Uganda, Uganda Investment Authority and SNV Netherlands Development Organization organized the first national dairy event themed "***Quality enhancement in the dairy sector for increased investment and efficiency***". The event it brought together different stakeholders in the dairy subsector at national, regional and international level. It was officially opened by the State Minister for Livestock, in Ministry of Agriculture and Animal Industries (MAAIF), Honorable Bright Rwamirama As part of his opening remarks he emphasized that dairy is one of the ten commodities that were identified by MAAIF as a priority enterprise in the Development Strategy and Investment Plan (DSIP). The Government has continued to support the sector to great heights and is working on several programs to increase the volumes of milk and the cold chain infrastructure in order to attract more investments in the sub sector.

The two day event took place at Hotel Africana in Kampala from 18th – 19th September 2014 with both forums and exhibitions. The overall goal of the event was to facilitate quality improvement in dairy industry. This was achieved through presentations, open discussions, panel briefs, exhibitions, a networking cocktail and videos. Stake holders present at the event were over 400 participants and 30 exhibitors in number and they ranged from individual farmers, farmer & cooperative groups, private sector, representatives from Government institutions, service providers to the sector, policy makers, academia and NGOs in the dairy sector. Exhibitors stayed by their booths throughout the entire event and they were able to make direct sales , enhance their brand image, launch new products, explore new customers, do live demonstrations and showcase cutting edge technologies in the dairy sector.

Sessions during the event were centered on the payment /financing models of dairy, taxation, factors affecting quality of milk at national, regional, international level, standards/ certification, experiences of processors as well as traders in handling quality. The discussion on the strategies of transiting the milk market from a largely raw to largely processed generated a lot of reactions from the participants.

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1.0 INTRODUCTION

1.1 Background

Through the Presidential Investors Round Table (PIRT) which is a high level meeting chaired by H.E The President aimed at improving the investment climate, the Technical Working Group on Agriculture recommended that Uganda Investment Authority (UIA), Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and other key stakeholder organize annual national product events for the ten products prioritized by Government. The purpose of such national product events is to try to study the opportunities and challenges of the entire product value chain and address all the components constraining the chain in a holistic approach by all stakeholders. It is aimed at increasing productivity, production, food security, incomes, exports and market linkages. It is important to tap into the different resources from stakeholders aimed at improving the investment climate in that particular sector or sub-sector.

Uganda Investment Authority (UIA) approached Agri Pro Focus Uganda to build synergies in organizing such events in relation to the products they promote. The idea was welcomed and it was agreed to start with the dairy sector which is critical for both Government and SNV- host organization and Agri-Pro Focus. This is because Uganda`s agro-ecological conditions favor dairy and farmers can earn daily income, something that is in line with prosperity for all. It was agreed to involve other stakeholders in organizing the two day dairy event that took place from 18th to 19th September 2014 so as to analyze and address issues that affect the dairy sector.

1.2 Methodology and participants

Methodology during the event consisted of presentations, open discussions, panel briefs, exhibitions, a networking cocktail and videos on gender in dairy and corporate video on investment in Uganda which were aired throughout the break sessions.

Participants comprised of individual farmers and farmers' organizations/cooperatives, Service providers: Financial Institutions; Input Dealers for drugs, pasture management, fertilizers and agrochemicals; Agro-Machinery, equipment and tools; Traders; Processors, distributors and Supporting Organizations including private sector, Government institutions, policy makers, academic institutions and non Governmental organizations in the dairy sector among other stakeholders.

1.3 Objectives

The overall goal of the event was to facilitate quality improvement in dairy products. The specific objectives were to:

1. To increase awareness towards feeding and general animal husbandry practices for quality milk
2. To advocate for price differentiation based on milk quality
3. To enhance awareness on milk regulations and standards and encourage enforcement of milk standards and regulations
4. To attract investment in quality dairy equipment and packaging materials
5. To provide networking and business linkage opportunities

DAY ONE

2.0 OPENING SESSION

The facilitator for the day Ms. Maria Goretti Nasuuna welcomed the participants and presented the objectives of the event to them. She then invited Mr. Lawrence Byensi to give the opening welcome remarks on behalf of the Executive director Uganda Investment Authority, Engineer Dr. Frank Sebbowa.

2.1 Welcome Remarks

By Mr. Lawrence Byensi –UIA

Mr. Lawrence Byensi thanked all the stakeholders for honoring the invitation to the first dairy event and he also extended his appreciation on behalf of UIA to all the sponsors of the event. He thanked all the exhibitors for exhibiting and attending the event. He said that the event was a culmination of numerous preparatory meetings by a committee comprising of various stakeholders set up by UIA, Agri-Pro Focus and SNV. He credited the technical committee for the hard work in coming up with the issues for discussion during the event.

Firstly, he expressed hope that the wide range of stakeholders from the dairy sector would create a good platform to adequately discuss and address the numerous issues in the sector most especially regarding quality.

Secondly, carrying out value addition to produce is now a priority for Government. The event would effectively enable the stakeholders to come up with strategies to improve value addition for dairy sector.

Thirdly, he was also hopeful that the event would provide strategies to efficiently support the small scattered business enterprises involved in the dairy sector, hence facilitate them to grow and appreciate issues of quality.

He said that UIA's pledge was to work with key small processors, farmers and others so as to facilitate growth of dairy sector. He informed the participants that UIA runs a one stop center at its office through provision of electronic link with all agencies. By doing so, business registration process and the business environment has improved thus attracting investors.

He concluded his welcome remarks by thanking the Minister of State for Animal Industry (MAAIF), Honorable Bright Rwamirama for honoring the invitation after which he welcomed him to deliver his opening remarks.

2.3 Opening Remarks

By State Minister for Agriculture, Honorable Bright Rwamirama

The Minister on behalf of MAAIF expressed delight at being associated with the audience at the event as they host the first national dairy event of that kind. He appreciated the fact that every year dairy farmers , investors and researchers with innovations and interventions will be making it possible for all stakeholders to meet together to discuss opportunities, challenges and all aspects that are critical for the growth of the dairy sector and entire value chain. He also applauded those farmers and investors who accepted to show case the quality products that Uganda offers to the market.

Dairy is one of the ten commodities that were identified by MAAIF as a priority enterprise in the Development Strategy and Investment Plan (DSIP). The Government has continued to support the sector to great heights and is working on several programs to increase the volumes of milk and the cold chain infrastructure in order to attract more investments in the sub sector. The latter will increase employment opportunities, incomes and contribution to Gross domestic product (GDP).

He was impressed by the fact that the national dairy event was open to entrepreneurs from around the globe to explore possibilities of cooperation, joint investments and business linkages with counterparts. The fact that the event attracted all Government Ministries and agencies that facilitate investment in the sector to guide stakeholders in the value chain and facilitate their business was also commendable.

The dairy industry is estimated to contribute more than 80% of the total output from the livestock sub-sector. The aim of the Government is to increase milk production from 1.8 billion litres in 2013 to 2.0 billion litres annually by 2015, a target of extra 700 million litres for the five year period. The main challenge to the sector however is low quality of the dairy products and inputs. There are insufficient laboratory facilities to ensure quality and integrity of dairy products targeting the market and outside the country.

Uganda has a comparative advantage in the production of milk not only within EAC and COMESA but in the whole of Africa. Investment opportunities exist for high quality animal feed for various aspects. Honorable Rwamirama emphasized that the focus on investment as a major source of employment was timely and many jobs can be generated for the most vulnerable groups such as unemployed youth and women.

The urgent need for entrepreneurship development, vocational training, skills development and financial intermediation to enable young entrepreneurs start, operate and expand businesses cannot be over emphasized. Competitive financial sector policies are needed to promote borrowing for long term investments. Interest rates on commercial credit remain high (18-25%), yet credit is very instrumental in translating business plans into investments. On the international scene, international capital flows play an important role, filling the gap between domestic savings and investment. Honorable Rwamirama urged the stakeholders at the event to help Government to attract more foreign private capital into the country.

He said that Government will continue facilitating investors through transparency and political stability. Democracy is an important element in economic development however, political stability is most important. The environment for business is healthy and friendly. He concluded by stating that Uganda Government's strategy is to modernize the economy through increased production of goods and services, relying on markets and the efforts of the private sector which are seen as the basis for efficient and productive economic activity. The Government will continue to provide the necessary physical infrastructure, legal and policy framework to attract investment.

Hon. Bright Rwamirama thanked the organizers, sponsors as well as invited guests for accepting to participate at the event and declared the event officially opened.

3.0 TOUR OF EXHIBITION SPACE

The Minister of State along with all the participants toured the exhibition space that comprised of over 20 exhibitors. The latter were able to make direct sales, expand customer base and carry out live demonstration of cutting edge dairy technologies. Below is a pictorial of the session

Figure 1: participants interacting and visiting stalls

Figure 2: pictorial cross section of the exhibition tour

4.0 QUALITY OF MILK

This session was facilitated by Ms. Maria Goretti Nassuna and it addressed the factors affecting quality of milk as well as opportunities for quality milk in the East African region.

4.1 Factors affecting quality of milk across the dairy value chain

By Ms. Juliet Sentumbwe –Assistant Commissioner MAAIF

Background: At the close of 2013, the Multi-Stakeholder Platform (MSP) members identified poor milk quality as the next constraint that was pertinent to address. It was noted that 50% of the milk delivered to milk collection centers in the east in Pallisa & Bududa failed at least one of the milk quality tests performed.

Multi stakeholder platform (MSP) members from various segments of the milk value chains had faced a similar challenge, therefore addressing this constraint would increase the amount of milk available for processing; enable more farmers to access sustainable milk markets as well as the benefits connected to these markets.

Milk standards: Milk should contain not less than 3.25% milk fat & not less than 8.50% milk solids not fat. It should not contain added water, preservatives, or other added substances nor shall any proportional of a natural constituent be removed. The density of the milk at 20˚C shall be within the range of 1.028g/ml-1.036g/ml. The freezing point depression of milk shall not be less than -0.525˚C & not more than -0.550˚C.

Stakeholders in dairy subsector include: dairy farmers, herds men, Ministry of Agriculture Animal Industries and Fisheries (MAAIF), Dairy Development Authority (DDA), National drug Authority (NDA), Uganda National Bureau of Standards (UNBS), Extension workers, Kampala City Council Authority (KCCA) & Municipalities, Health Inspectors and Input suppliers

Dr Sentumbwe shared with the participants the biological, chemical and physical causes of poor quality milk at the dairy farm, milk collection center (MCC) & bulking centers, in raw milk transportation, raw milk sales outlets, milk boiling centers and milk processing plants. She also elaborated on the critical limits for monitoring measures and corrective action.

Situation on the ground:

- Majority of raw milk destined for processing passes alcohol test

- Adulteration: water adulteration still a challenge both in raw and processed milk.
- Grading: Provided for in the standard(I,II,III) though not yet utilized at raw milk reception
- Chemical adulteration is not common.
- Labeling : false claims, production and expiry dates omitted, raw milk not labeled at all (traceability impossible),
- retailers, distributors, consumers don't follow storage instructions
- UHT products comply to safety requirements
- Yoghurt, ice creams still require further study or research
- No reliable data on residues in milk such as antibiotic

4.2 Factors affecting quality of milk –International Perspective

By Paulus Hettinga –PUM expert, Netherlands

Regarding the relationship between good milking and residual milk; Paulus advised that it is good to milk cows within the highest period of oxytocine. The longer the period one takes to remove the milk from the cow, the more the residues. If poor quality milking machines are used, they could dry up the animal.

The hormone oxytocine can be stimulated by politely handling the animal(avoiding shouting or / beating), giving concentrate , massaging the udder with towel, stripping the first milk, a comfortable milking place, noise of parlor, pulsators,/music and sucking of a calf.

In order to have good quality milk, handling procedures should be adhered to. Namely: clean hands, short nails, using gloves, tie up the legs, feeding concentrate sufficiently, cleaning udder with water, dry off udder with clean towel or piece of paper, check first strips for presence of mastitis, powerful milking with the full hand, dipping or spraying the teats after milking and feeding roughage after milking and concentrate before (teats remain open so feeding makes them stay standing and hence risk of mastitis is low)

Milk tools and equipment: In order to have quality milk, plastic buckets should be avoided since they attract fat and are very difficult to clean. Stainless steel buckets are ideal and they should be designed in such a way that they do not have connection wielding points. In order to enhance quality, milk should be filtered with paper filters. These show the quality of milk and any likelihood of mastitis.

Milking machines require skilled personnel and good quality ones enhance milk production by the cow and facilitate better health of the udder. Heifers are much easier to milk and milk yield per cow is easier to measure, such data can be used in management system. Paulus noted that there are some poor quality milking machines

in Uganda and he urged the farmers /stakeholders to always strive to attain the good quality ones.

Adhering to cleaning cycles for milking equipment also enhances quality of milk. During first cycle, Pre rinse milking machine/milk coolers and the temperature should be 40 degrees Celsius. Second cycle involves 8 to 10 minutes circulation temperature always > 40 °C. This requires enough water, an alkaline/Chl. detergent often 0.5 % and once a week with an acid. Third cycle involves rinsing the system with cold water.

Milk price quality should be according to the fat content with a bonus given for extra fat content. The quality can be tampered with if one uses bicycle transport with half full cans, air leakage milk pipeline, poor hygiene/ cleaning and when the mixer in milk agitator works so fast. It is preferable that milk is transported while chilled in the cooler.

4.3 Opportunities for quality milk in the East African region

By Robert Walimbwa- Sameer Group

Sameer Agriculture & Livestock Ltd (SALL) has been in the business of Milk collection & dairy processing for about 8 yrs in Uganda. SALL collects raw milk from about 150 milk coolers in various parts of south west & Central Uganda.

Marketing Segments

Sameer Agriculture & Livestock Ltd processes milk into various dairy products, such as Milk powders, Long-life milk products, Yoghurt products, fresh pasteurized milk products, Butter products & Ghee. SALL sells these products in the local markets & exports to more than 10 countries, which includes African, European & Asian markets

Mr. Walimbwa discussed the current harmonized UNBS /East Africa Raw Cow milk standards but cited that there are a number of challenges right from the farmer level to Government level that hamper achievement of the set specifications;

- Microbial /hygiene expectations to meet set limits
- Feeding requirements to meet total solids, fat &
- Protein levels in the standards.
- Respecting the non-milking periods after calving & after veterinary treatments.
- Various adulteration practices intended for gains.

Farmer level Requirements: In order to achieve the required Quality parameters of US EAS 67, the farmer has to:

a) Be made aware of the good animal husbandry practices
b) Get access to cheap veterinary services.

c) Trained in hygienic milk production practices.
d) Get access to cheap financial services.
e) Feel the hand of the Government against malpractices.
f) Be able to grow & preserve animal feeds
g) Use hygienically designed containers.

Expectations from Research Institutes: A multi-disciplinary focus on raw milk quality improvement is the way forward. Research institutes can help in the raw milk quality improvement by availing information concerning;

- Current trends in raw milk properties in the local & imported cow breeds.
- Recent data on various contaminants & microbial aspects in the dairy sector.
- Efficient performance requirements against current practices in various areas of the Ugandan dairy value chain.

Government Level:

For Government to support the consistent quality milk production, the following aspects need review;

- Regular review of education & training programs structure & facilities at college levels.
- Stringent implementation of policies in the sector to create a leveled platform for all players.
- Reduced taxation of agricultural & veterinary materials needed in the dairy production.
- Availing cheap financial services for farmers.

Conclusion: The opportunities for improvement of milk quality are quite immense and even if only a few steps are taken at each level, the effect will be great. Government needs to address the taxation on inputs and support the growing processors by providing an environment that is conducive. It is also clear that a multidisciplinary approach is the way forward and all stakeholders will appreciate the overall objective of getting quality milk at cheap cost.

OPEN DISCUSSION

Issue	Response
Regarding qualified personnel there is a program at the school of veterinary medicine for the dairy value chain right from certificate to degree level. DDA does not have capacity to police malpractice.	DDA is revamping dairy training school in Entebbe and will provide skill development on dairy aspects training started with 17 milk assistants, the graduates are producing good results, and next training

The processors could borrow a leaf from USA where they use a carrot and stick method. Kenya reversed policy directive within 25 days, may be stakeholders should make organized noise to change policy directive on VAT imposed on imports.	is due in October 2014. Contact DDA or visit school
How can we make affordable machinery for dairy and can we make some of the parts of the machines locally	There are many possibilities and an appointment can be made with Paulus Hettinga to address challenges and provide guidance
Sameer, sometimes processors put the price so low for farmers who supply milk, to what extent do you offer fair play?	Sameer announce prices in writing and also on radio. What normally happens is that some raw milk dealers approach Sameer to reduce prices in rainy season, but Sameer has a standard way of working out the price.
Adulteration with regard to hydrogen peroxide; farmers add it to extend the microbiological time of the milk. Studies in Denmark have shown that it is not harmful and that it is a good way to preserve milk in areas where we lack cold supply chain e.g. rural areas. May be farmers and Government in East Africa can harmonize the issue to be a standard instead of punishing farmers	Manpower is limited to police industry if it is openly allowed, however the limits should be acceptable regionally and internationally. Uganda wants to explore new markets yet in these latter two instances it is not allowed. If you are to compute and compare costs of allowing peroxide and providing coolers, the latter seems cheaper.
How much milk do we lose as a result of not observing the quality characteristics?	10% of milk is lost in spoilage however no clear statistics attributed to contamination.
We need information on how to assemble milk plants but information is locked up in NARO. Farmers especially in remote areas cannot get it yet NARO and MUK should start providing researches to public libraries	UIRI have disseminated research information in form of fact sheets and brochures and soon there will be a move to media (print &electronic)
Afflatoxin easily lead to cancer and these mainly come in at production level where storage and handling of grain and preserved fodder is poor. What plans exists to detect Afflatoxin in raw milk?	Afflatoxin is common in brewer's yeast, corn and ability of labs to test it is low yet they do not have the funds to invest in the lab services. The prevention would be better; farmers should avoid serving molded feed. Research has revealed that milk with Afflatoxin is from farms around Kampala yet Sameer gets milk from rural areas.

	Sameer will look into possibility of introducing tests , you never know as more farmers come on board, they might start using the feeds
Sameer group it has been 8 year since you took over from dairy cooperation. During rainy seasons, why not increase production of milk products in rain season to allow farmer to offer / sell milk?	Sameer has a capacity of 500,000 liters of milk in a single shift; currently we receive 25-30% of that capacity so they cannot turn down milk suppliers.

Figure 3: a plenary session during the event

5.0 REGULATIONS AND CERTIFICATIONS

5.1 Regulations, standards and guidelines on milk quality and handling

By Ms. Agnes Baguma, Regulatory Services Manager at Dairy Development Authority

She introduced the regulatory authority as a statutory body mandated to regulate the dairy industry in Uganda. The authority draws its power from the dairy industry act, 1998. The act has objectives supposed to raise income of farmers and promote dairy productivity. The Uganda standard of milk is normal, clean and fresh extracted from the udder of a healthy cow properly fed but excludes first 7 days of milk production of a lactating animal.

The following are some of the regulations used to enforce standards. Standards can be defined as rules or laws to control or govern conduct that can be extended to monitor and enforce rules. Regulations help in creating limits and allocating responsibility.

Ms.Baguma later on elaborated on the dairy industry Act of 1998 and the objectives of the act. Ms. Baguma also enumerated the statutory elements of the Act.

The regulations apply to all milk and milk products brought into Uganda for purposes of marketing and exporting but not those brought into the country for only transit purposes.

Standards

This is the basis for comparison or an approving model. They exist in Uganda and have been harmonized. The custodian for this is UNBS and they are now active participants in the ISO standards.. The standards are compulsory and are supposed to be adhered too. So far the standards available are for raw milk, cheese, butter, flavored milk, infant milk, whole milk, UHT milk, whey powder, yoghurt, sweetened yoghurt, among others. Standards for goats' milk and ghee are in the process. For the products that are imported, the law applies to them as well. There codes of hygiene for milk, its products and for practices done at the milk boiling centers.

Enforcement

This is an operation aimed at ensuring that dairy standards and regulations are adhered too. Operations are done in an organized manner to enforce by punishing persons violating the laws set. The following are some of the violations that are punishable:

- Removal of cream and offering it for sale.
- Handling milk in unsuitable equipment.
- Boling milk in unhygienic environment with the intent to sell for commercial purposes.
- General poor hygiene and sanitation where milk is handled or sold.
- Unsuitable milk handling premises which can lead to microbiological diseases.
- Poor milk transport practices. Milk at 30 degrees centered can't be good milk.

- Non-compliant with dairy standards, adulteration with chemicals or water.

Information is got from surveillance where you ensure continuous conformity and find out if there's need to enforce the laws set. Work is done hand in hand with Uganda police, KCCA, municipal council, courts of law, among others to ensure that laws are enforced and violators punished.

Consequences of non-compliance

- Regulation can be revoked or taken.
- Premises closed.
- Products can be confiscated or destroyed.
- Prosecution of criminals.

Not only does DDA punish individuals who don't conform to their standards but has been rewarding good performers through annual national dairy events where the 1st event took place in March 2013 and the 2nd in April 2014. Milk regulations aim at guarding consumers in producing products that can compete internationally.

5.2 Certification of the Dairy Products

BY Mr. Bashir Byansi- Certificate Officer (UNBS)

UNBS is a parastatal under the Ministry of Trade, Industry and Cooperatives under the UNBS act of 1983 with over 17 functions and celebrating 25yrs of existence in Uganda this November.

Services of offered

- Products testing at the laboratories like the micro biology system certification
- Market and industry surveillance
- Metrology, Calibration services
- Training and consultancy with an information center
- Standards development
- Product and system certification
- Standard is a published document with technical requirements
- Mandatory standards which are compulsory
- Food standards including those of milk and milk products

Keys standards in the dairy sector include : goats milk standard which was brought up this year, milk fat products, raw cow milk, among others, are all available at the resource

center and access is free but if an individual wishes to carry out information they will be charged.

Certification

UNBS carries out two certification schemes which are management systems certification and product certification. In the certification scheme, Ugandan standards are being used and before using any standard it is first studied to see if they suit the Ugandan environment before they are adopted. To date 700 permits have been issued, dairy participants inclusive.

Quality system requirements: UNBS looks at the system performance and how it can sustain quality products because any slight mistake can affect the whole product. They track the chain and check diligence.

Product requirements: UNBS inspects the qualities of the products and encourages people to keep testing and that will allow the use of the UNBS mark.

Administrative and statutory requirements like paying the fees are required.

Procedure

- Make inquiries before you can apply for certification.
- Application for certification
- Factory audit document review and physical assessment.
- Product evaluation that involves testing. They do around four rounds a year.
- Preparation for a product evaluation committee
- Grant of a permit and charge of Uganda Shs. 800,000 for a permit for just one product, even for different brands in one product.
- Surveillance audit. Depending on how your product performs on the market in the process the renewals and suspensions depending on performance.

Benefits

- Gives technical advisory services at little or no cost.
- Consumer confidence.
- Protection against unfair competition
- Easier access to markets
- Goods crossing as far as Europe as far as Turkey
- Reduced costs of doing business
- Safe guarding image of the manufacturer

Companies that have the UNBS mark in the dairy sub-sector include; Rainbow industries, GBK, Jesa, among others

OPEN DISCUSSION

Issue	Response
On average how long does it take to complete the procedure for certification?	Earliest is a month, when inspection is done, and issues arise, one more month will be needed then regulation is ensured. Ideally ,a period of 1-2 months is okay, client can extend period, but if it exceeds 6 months, it is scrapped and process starts again
On making indigenous dairy products like eshabwe and bongo , provide guidance on compliance	UNBS can develop standards for them but we have not received a request. Standard development is demand driven. When a request comes in it is weighed against competing authorities since it is a costly process.
Since DDA advises Government on research priorities, many investors would want to know statistics on production figures	DDA realizes need for data because it helps in planning and analysis. It has opened a unit to collect and process the data. The DDA website indicates changes to accommodate / avail data and is working with other development stakeholders to improve. There are also plans to open regional branches
UNBS- farmers are facing problems of producer groups; the milk they take to some processors is rejected on ground that is has water. Is UNBS helping in calibration of milk testing equipment – may be milk analyzers differ	The milk analyzers is delicate thus should not be moved frequently and that could account for the differences in results. The manufacturer has all the right to receive the milk they want but they are penalized for defaulting so they have to be vigilant. DDA doing much work along the value chain to address this
If a product has been certified and along the way fails to comply to standards, what mechanisms does UNBS have to withdraw the certification	UNBS has full powers to regulate, they do risk assessment and work with manufactures to solve the problem and if all fails, this is scrapped.
Almost three quarters of value chain lies in hands of DDA, yet it has limited presence in rural areas. Who is representing DDA at grass roots so that the regulations can be fair? Don't you think dairy investors,	I agree with you DDA is not seen? on ground , we understand the need to be close, so DDA has opened regional offices, started with south western fully fledged with 9 staff, opened in eastern Uganda ,

farmers and general public are suffering because of the gap?	upcoming in northern, mid western and central

6.0 EXPERIENCES OF ADHERING TO MILK QUALITY STANDARDS & REGULATIONS

6.1 Processor Experience

Maama Omulungi Dairy Ltd - By Mr. Lameck Musoke

Processing is systematic transformation of raw food materials into semi or finished products. Therefore a dairy processor is one that transforms raw milk into semi or finished products. This transformation is done through a number of processes including; cooling, pasteurization, homogenization, incubation, evaporation, condensation etc.

Quality is the degree to which a product fulfills or meets the requirements for which it is meant. Milk quality though subjective is the main key to attract and keep customers.

Standards are mandatory set requirements that determine what a food and/food product must contain to be marketed under a certain name. Bodies responsible include **UNBS** & **DDA**. Some of milk standards

- US EAS 33:2006 Yoghurt — Specification
- US EAS 67:2006 Raw cow milk – Specification
- US 28:2002 Code of practice for hygiene in the food and drink manufacturing industry
- US 163:2000 Code of hygienic practice for milk and milk products

Some of the benefits include food safety, acquisition of Q-mark and quality awards, consumer confidence, increased market base, reduced chances of production losses, business continuity and informed decision making.

However there are challenges attached, these include: regulatory quality compliance, inefficiencies of quality bodies, accessing chemicals used, competition from milk informal market, limited skilled personnel willing to work, high costs including purchase and maintenance of quality equipment, interpretation of some milk regulation and standards.

<u>Way forward</u>

- Refresher trainings by institution responsible to enforce quality e.g. DDA, UNBS, etc.

- Dissemination of quality information at all levels of milk chain.
- Reduction of regulatory compliance costs.
- Streamline the milk market.
- Recruitment of more man power and/or use of improved technologies.

Conclusion

Although, adhering to milk quality standards, regulations and guidelines is COSTLY, TIME CONSUMING, TIRESOME etc., it's the IDEAL way to go if we are to develop the dairy sector. Quality DOES NOT COME CHEAP therefore PROCESSORS need to INVEST to achieve it. There is NO SHORTCUT TO QUALITY; therefore all PROTOCOLS MUST be FOLLOWED to achieve it.

6.2 Traders' Experiences

UNDATA –By Mr. Justus Kabandize

Introduction

Milk traders continue to play a key role which is to procure and market about 60% of all milk in the country from the farm gate up to the factory and other areas of the market. Milk traders have a network which has increased milk consumption and enabled small scale producers to access market. UNDATA has done a lot of work on milk distribution, general and door to door marketing. Initially, the per capita was low but now it is at 50/60 liters per person compared to the recommended 200 liters per person. There is surplus milk because milk consumption culture in Uganda is poor. Serious sensitization should be done first.

Growth in consumption of milk in urban areas has led to increased milk production. These areas provide a reliable market which allows dairy farmers to get a fair price for their produce. It was reported that milk traders add formalin in milk, which was a wrong assumption. The milk traders are under one body UNDATA. UNDATA members are represented on the board and continue to support the authority. It was established in 1999 and has a membership of 9013 members including SME's cottage processors, bulk transports and small scale traders, among others.

Dairy sector legal and regulatory framework: Following the dairy industry act 1998, dairy regulations 2003, UNDATA has been cooperating with DDA which has done a great job in working with it.

Key Regulation Re Forms

- Use of plastic jerry cans to transport milk was outlawed

- All milk traders acquired milk cans
- Milk handlers undergo regular medical examination
- Road side milk collection points were outlawed.
- Traders rented premises and set up milk collection centers with coolers.
- Milk is tested before receiving.
- Transportation of warm milk in cans was outlawed on pickup tracks.
- Milk traders acquired insulated road tankers and set up milk cooling centers in rural and urban areas.
- UNDATA complied with paying a levy to DDA.
- UNDATA milk collection centers are inspected by DDA in urban and rural areas
- UNDATA road tankers were also inspected and certified by DDA.
- Traders pay annual license fees.

Support to UNDATA by Development Partners

- To mobilize and recruit members in all regions of the country.
- Set up a mobile quality control laboratory and monitor quality of milk sold by mobile traders. This was done by an NGO (non Governmental organization).
- Learning tips for members in Kenya, Israel, Ethiopia, Malawi, Egypt
- Preparation and launch of five year strategic plan with help of SNV.
- UNDATA entrepreneurs have made tremendous investments in the infrastructure for milk collection, bulking, transportation and retail.

Estimation of milk equipment is over and above 43 Billion Uganda Shs thus a lot has been invested. A big percentage of this money is obtained from banks as loans since rural farmers lack sufficient fund for investment. Many poor consumers can't afford packed processed milk while some prefer unpasteurized milk as they are disappointed by quality of packed milk.

Many small scale producers do not have access to milk collection and bulking infrastructure and therefore cannot easily sell milk to milk processors. Existing processors cannot absorb all marketed milk.

Challenges

- Rampant poor milk hygiene at farm level and the seasonal milk supply
- Processors don't have the capacity to absorb all marketed milk
- Unreliable power supply which is also lacking in most rural areas
- High interest rate
- Lack of skilled human resource to operate milk processing plants
- Lack of spare parts to repair workshops for modern dairy processing equipment

- High cost of machinery and equipment
- Some farmers fail to market their milk when existing milk factories breakdown.

Conclusions

UNDATA appreciates the reforms brought by DDA. They have resulted in better milk quality and increased consumption. Many traders are investing in infrastructure for better milk handling and value adding and aspire to upgrade the activities.

Most members have reduced the volume of milk sold and transferred it to processing plants by about 70%. Unfortunately processors don't have capacity to produce. Many small scale processors will not be able to market the milk if the government reforms are implemented. Many resource poor households in urban areas can't afford packed milk. UNDATA has the capacity to monitor the quality of raw milk sold by members.

Recommendations

- Government should allow sale of unpacked raw chilled milk at designated outlets which are regularly monitored by DDA and UNBS for quality compliance.
- DDA should recommend collaboration with UNDATA to monitor the quality of milk sold by traders.
- UNDATA is willing and ready to undertake self-regulation of its members than when taken to relevant authorities.
- Government should support UNDATA to implement its strategic plan which will enable members.

UNDATA is indebted to development partners who have brought them this far and hoping to keep together to the next level of development.

6.3 Kinyogoga livestock Farmers' cooperative society limited

Profile of Kinyogoga Cooperative

It was registered on 4th December, 2008 and is located at Kinyogoga Sub County Nakaseke District. It has a membership of 1,764 members of 1,051 are male and 713 are female. It also has 1,742 share holders who have raised UGX 34,429,000 as share capital. Before July 2008, there was no dairy cooperative in the area.

Achievements

Cooperative installed a 5000 litre capacity valued at UGX 95 million and another 3000 litre capacity CP valued at 44 million.

Consistent in paying a Micro Finance Support Centre loan for the cooler and generator **(USD 37,600)**

Currently collects 3500 litres of raw milk daily (highest daily record is 6,300 litres and the lowest is 1200).

Farmers have a reliable milk market and are currently paid UGX 850 per litre- bi-weekly a sum of UGX 16,065,000/-(Aprox. USD 6,426

Manage a check off system for livestock drugs and other inputs and in 2013 made a profit of UGX 20 million

Kinyogoga was voted best performing co-operative in Masindi cluster in a 2012 EADD /PSF dairy award. On 22nd March 2013, Coop emerged the best overall in the Dairy Development Authority organized National Dairy Awards. It was awarded a certificate, a plaque for platinum (Dairy quality award) in the category of top performing primary co-operatives and also received 40 milk cans (50L each), a hose pipe and a metallic strainer. Very recently (on 4th April 2014) again scooped 2 National dairy awards, organized by DDA for the best primary cooperative (Platinum award) and best milk collection center (Platinum award).

Farmers have been exposed to improved farming practices through training, exchange visits, farmer field days and tours.

The cooperative has acquired 2 acres of land and has constructed its own premises.

Impact of the Coop to the community

- 3 hardware shops, 4 stationery shops, 4 medical clinics, 4 mobile money shops, 3 restaurants and 2 welding workshops have also been started.
- 10 money lenders have also come to the area
- Hydro electric power has been extended to the area.
- Local infrastructure has been developed- feeder roads, a new secondary school, four new private primary schools, the old government primary school has been expanded and renovated.

- The availability of services in the area has led to population growth in Kinyogoga trading centre to approx 1,000 people from the previous approx 200. Before the CP was established, there were only four permanent houses in the trading centre but now they are more than 20.
- Other investors have come to the area e.g. Dar Agro which grows and processes maize, cassava, sunflower and are planting eucalyptus trees in the area

Challenges:

- Competition from other milk traders, who often pay higher than SALL thus diverting some farmers and leading to low volumes at the chilling plant
- Unreliable transport for milk especially in the rain season.
- Relatively lower price for milk offered by SALL and high cost of agro-vet inputs.
- Some members do not respect cooperative Bye laws and principles
- Slow adoption of improved farming practices (e.g. improved breeding, animal and feeding interventions) by farmers leading to persistent low farm productivity.
- Poor community roads especially in the rain season causing delayed delivery of milk to the hub.
- Persistent use of plastic containers to transport milk, thus compromising milk quality.
- Persistent supply of low quality milk to the Chilling Plant by some farmers.
- High illiteracy levels among farmers leading to slow learning and adoption of improved technologies and practices.
- Persistent use of risky cash payment methods to farmers

7.0 PRESENTATION OF A STUDY ON MILK QUALITY

BY Mr. Enock Tusingwire-ILRI (International Livestock Research Institute)

Title of study was "The role of dairy processors in milk: A case study of MEKTEI multipurpose dairy and Limuru dairy cooperative (2012) in Kenya.

Summary of findings

Informal milk trade dominates the Kenya milk market with >86 % of milk sold unpasteurized (SDP www.smallholderdairy.org) .In the absence of chilling facilities, milk quality deteriorates due to rapid bacterial multiplication. Generally poor hygiene has been proved as the key contributor for low quality milk. To determine the producers' role in the value chain, results were compared with small holder dairy project done in 2005. Every 3rd farmer on the queue during milk delivery was selected for participation in the study. 297 milk samples were collected from farmers in the two sites and milk was aseptically sampled using an aluminum ladle.

Lab tests were carried out at the University of Nairobi's Department of Public Health, Pharmacology and Toxicology, the Central Vet Laboratories in Kabete, the Regional Vet Laboratories in Eldoret and the Metkei Multipurpose Limited laboratory.

It was discovered that 20% from the two sides (Limuru and Eldoret) was not conforming. Comparison was done in 2005 and by then 60% were not conforming. Comparison of pasteurized milk with informally traded milk suggested that majority of milk did not adhere to standards.

Proportion of farmers observe hygienic milking practices at the farm like washing hands, udder washing, disinfect tits, milk containers use (aluminium and plastic), water source, using piped water and few using rain water, housing cows, and have awareness of drug withdrawal at about 90% in both Limuru and Eldoret.

Conclusion

Given that fewer samples had bacterial count that exceeded KEBs standards, it's apparent that milk quality was remarkable compared to samples collected from milk traders of different cadres in the SDP study (2005). It's apparent that farmers' practices are less to blame for poor milk quality in the market. The low quality of milk is as a result of handling inefficiencies along the value chain particularly in the absence of cold facilities.

Lessons

- Milk quality mostly deteriorates in the hands of milk traders
- Producer awareness and practices are generally good but could be further improved because quality management starts at the farm
- Incentives to improve milk handling practices to improve bacterial quality preferred because rules and regulations seldom work
- Training, certification and regular monitoring of milk handlers on milk quality has been shown to contribute to quality improvement and should be encouraged (https://cgspace.cgiar.org/handle/10568/16492)
- Ultimately, a cold chain is needed to maintain milk quality

QUESTIONS

Since there is little milk production in the country; I expected their issue of good dairy cattle type to be exhaustively discussed in this forum. (Joseph Ahebwe, mobile no. 070/075/077/470407 joeahabwe@gmail.com)

8.0 OPEN DISCUSSIONS OF THE PRESENTATIONS WITH CROSS ANALYSIS

The facilitator for this session Ms. Maria Gorretti Nassuna noted that most of the presenters were taking pride in conformity to standards and regulations

She posed the following question to the participants to guide the open discussion

"Having listened to presentations of the day what is your take home message (this will be taken forward and provide a road map when taking leap in improving quality): What is the main implication for players in sector to make a leap?

She emphasized the fact that many farmers lack the appropriate knowledge and equipment for storage and handling of milk hence they are stuck to the traditional methods. In order to address quality, Civil Society Organizations (CSO's) and Government should focus at the farm level.

Coordination of all stakeholders in the dairy stakeholders is pertinent because it seems there is overlap of roles between some of them. Quality is an incentive to produce more.

Philomena: There is need for all stakeholders to get committed to quality of milk along the value chain. I suggest that DDA or someone else coordinate stakeholders to do this. They should also make the farmer appreciate quality at farm. Prices are vital, whereas processors and traders determine and dictate prices to the farmer, they fluctuate throughout so DDA and others should ask them to open up, agree on a price that is constant and a MoU should be signed to that effect.

Willis: What measures by UNDATA to address contamination and ensure that consumer safety? DDA opening more offices will not improve issues of quality so we should create local quality teams in cattle corridors to work and monitor with DDA e.g. Kiruhura and Bushenyi are not enlightened and need to be sensitized at their own level it can also monitor. Some people look at DDA as police and resort to bad practices once it returns to its base.

"It is clear that poor quality milk is still an issue and the sector has a long way to go in addressing it" Maria Gorretti Nassuna Musoke

Dr. Semambo: The issue of breeding has been neglected along the entire value chain yet it would solve the issue of little milk. It has been clear that the farmers say milk is enough while processors say it is not enough. Most of the milk in the country is got from indigenous animals that do not produce enough milk

This flows into the issue of seasonality: this should be discussed in detail, genetic improvement contributes 20% to performance of animal, 80% is from nutrition so the issue of nutrition should be emphasized. Kenya has mastered it yet Uganda has 2 rains seasons and can make advantage of that to produce sufficient milk

Mr. Walimbwa: the results from the study had no value. Throughout my life I have never seen pasteurized milk having the same bacterial count as raw milk; either the researchers or the pasteurizers did a bad job. The trader should not be blamed for having milk with higher bacterial count. If milk was immediately handed over to the traders, the issues would be okay however the time factor involved gives time for bacteria to grow.

Regarding Price: the processor and Government are looking at best ways of rewarding farmers for the work best done. Breeding has been left out of agenda and yet nutrition and a healthy animal contribute greatly to the quality of milk especially in terms of composition. Poor feeding leads to milk being watery, the composition is affected.

Coordination of stakeholders is DDA's role and it has not been found wanting, it might be a question of time, with time their effect will be felt

Ms. Agnes Baguma: I agree with Mr. Walimbwa's comments on the study. There are two things either the processor was not doing a good job or a trader was not doing good storage/ cooling. Regarding price, a lot of work has been done; many meetings have been organized and attended. The last meeting was at Rwakitura and DDA was among those assigned to come up with a solution. The Minister for MAAIF convened a meeting and they came up with an indicative price because it cannot be fixed. The indicative price during rainy season is 500 Uganda shillings per litre and 700 shillings per litre in dry season. However, the compositions of fat and salt will be considered when determining the final payment. Fat will contribute 60% of actual price per litre, non salt fat 40 % per litre. This will push the farmers to feed their cows well. The next meeting will be in October 2014 and very soon there will be a solution.
Regarding the study, farmers should not be blamed for the high bacteria count because when milk stays for long without cooling bacteria multiplies so the solution would be a good cold chain.

Improvement of quality; this would require a baseline and target. In Uganda there are no figures or trends about quality. Research is essential when talking of quality because it provides a benchmark and this facilitates the assessment.
Justus: As a measure to trace milk that has issues with quality, UNDATA is going to implement a system where each of its members will get an identity card and a tag bearing the number of tag and name of company or individual. Since the UNDATA database will capture all that information any complaint from the consumer can be easily followed up. UNDATA will also sensitize the public on various media and provide a hotline.

Whereas we need the processed milk and there is a strategic plan to phase out raw milk gradually it cannot be completely eradicated. Kenya is an example where raw milk still exists at a low scale but is regulated. We can borrow a leaf as Uganda otherwise this will sideline the smallholder farmer. Quality starts at the farm level and of recent NGOs have been going down at grass roots to guide them on basics of milk handling. Government can also help the traders; however, it is absurd that Government says it is a liberalized economy. Majority of farmers are smallholder farmers yet Government puts focus on middle scale farmers. E.g. rural farmers do not know how to read and hence do not adhere to the withdrawal period after administering antibiotics.

Walimbwa; I want to allay the fear of UNDATA on raw milk. No one has said that traders will stop doing business. Sameer has a large capacity for doing processing in Uganda, since processors have invested, then milk should be handed to them.

It is important for processors, traders and farmers to come to a point of consensus.

Agnes Baguma; for the raw milk traders, apart from taking milk to processors there is another window of trading processed milk products, transporting and collecting the milk.

Felix; we need to create a leveled ground for milk traders regarding quality. For example kinyogoga livestock cooperative is operating a chilling plant yet it has three competitors. Of these two have coolers while the other is a road side seller who compromises quality but consumers are drawn by low prices rather than quality.

Maria Goretti; that implies that the consumer should be empowered with knowledge that will encourage them to pay more for quality

Nicholas Matsiko; we should first provide incentives to farmers to improve production and then enforce quality, if not dairy farmers will be like the coffee farmers who shifted to other enterprises that were more profitable. Milk production is low because farmers are milking twice a day yet processors are not collecting the evening milk so they are forced to sell raw milk to traders.

"We belong to one house –the milk house. Failure to support the milk house by any of the stakeholders will lead to leakage. Strong coordination platform is a necessity for dairy sector" Maria Gorretti Nassuna

I appeal to DDA to stop demonizing UNDATA and instead consider it as a partner in development and in enforcing quality. UNDATA has played a big role in boosting farmers who practice dairy farming as a business.

Matsiko Polly; I am from Ntungamo and I have observed that in 2003 the district was producing 3,000 litres while Bushenyi had a Union which used to produce 260,000 litres every day. Currently, the latter produces less than 700 litres. Due to losses and little pay from producers who buy their milk many dairy farmers are giving up and taking on other enterprises like coffee and milk. A research on the reduction of milk volumes in the country should be done and consideration should be given when paying the farmer. The farmer injects a lot of money in labor, treatment and others.

DDA stopped involving farmers in the decision making; they should be brought to the table so that decisions that are made all stakeholders are informed and decisions are also favorable to farmers.

Stakeholders in dairy sub sector should support producer organizations such as cooperatives and farmer groups. Since DDA has a training center, it can offer training to milk assistants.

Immaculate Kibirango; I am from Buikwe dairy coop society which has attempted to sell milk to Sameer but their prices are so low. Producers should study the production costs and situation on the ground before fixing prices for farmers. The quality and quantity of milk in dry season has been cited as a major issue. Farmers in Buikwe are aware of the importance of proper feeding and preservation of feed, however, Government needs to subsidize the feed preservation and cutting equipment so that it can be affordable to the smallholder farmer as well. Farmers also find Artificial insemination (AI) services very expensive especially for repeats so subsidization of AI services will improve quality animals and hence quality of milk.

Figure 4: Dr. Maggie Makulu during Q &A session

Dr Maggie Makulu; as a veterinary doctor and a dairy farmer I have observed that NGOs are doing a good job, however, Government should not ignore its role. It should support DDA to beef up its presence in the grass roots. Very few local Government staff attend such fora. Most farmers earn income from selling animals and not milk because of production costs such as high costs of inputs yet milk traders and processors offer low prices. Quality pastures at farms are limited and NAADS did not offer good quality fodder seed to farmers.

Samuel Okiya; Instead of pointing fingers regarding quality all responsible bodies should play their role. Farmers feel like orphans, it is only UNDATA that tries to come close to them.

Dr. Wilberforce Kifudde; Processors are claiming that introduction of VAT on dairy inputs and equipment may force them to shut down. Processors should target the export market and they will only shut down if they never did good feasibility studies

Bushenyi farmers are affected because they lacked competition. Kiruhura produces a lot of milk due to competition by many traders. The presence of UNDATA has facilitated good pricing and competition and currently milk is no longer scarce during the festive days unlike in the past. However during July and August, prices for milk have gone down in Kiruhura. This shows that there is a need for stakeholders to address the fragile milk pricing and marketing structure.

Agnes Baguma – DDA; Farmers should have trust in the Government that it is going to solve the issue of pricing milk; all they have to do is to be patient.

DAY TWO

Mr. William Matovu from Heifer International was the facilitator for the first session on day 2. He recapped the key issues of day two as highlighted below:

- The dairy sub-sector is growing but still has critical challenges (e.g. No reliable data for implementation and decision making.
- Human resources for the sector are still limited
- Production and productivity still have to be boosted
- Effects of seasonality are affecting production and pricing
- Issue of value for various value chain players : Stronger coordination platform for dairy sector
- Removal of tax on agriculture inputs and equipment

9.0 INVESTMENT, FINANCING &TAXATION OF DAIRY VALUE CHAIN

This session was chaired by Mr. William Matovu and it addressed milk payment models, investment, financing and taxation of the dairy value chain.

9.1 Quality Based Milk Payment System

By Mr. Irwin Foreman – Dairy Industry consultant from Scotland

This involves introduction of a graded payment system. Western Europe, Zambia < Indonesia, Vietnam, India, China, Brazil, The Netherlands, Zambia, Zimbabwe, USA are some of the countries that have successfully implemented the system.

The system is based on regulations and basic concept is to pay the farmer for the extra work. The fundamental factor is that the road to good quality milk passes through the

farmer's wallet. Consistent quality can only be achieved by providing a financial incentive.

Irwin went ahead to share benefits of improved quality of raw milk. The system changes the pricing structure and not the price of milk. Bonuses are awarded for high quality milk and they are obtained from deductions for producing low quality milk. Taking on the system will require financial investment into better quality control and more comprehensive extension services. The processor benefits immensely from such a system especially in production costs.

The basic problem in dairy sector is that farmers are faced with fluctuating prices and they are not involved in price determination. This virtually curtails them from making strategic long term planning at individual farmer level. Guaranteeing the milk price to the farmer solves this problem.

Quality control: currently there are a range of milk reception tests recognized in Uganda/East African Community and the COMESA (Common Market for Eastern and Southern Africa) which are also non- obligatory. There are a total of twelve tests and some are normative whilst some are confirmative. In practice a different combination tests are used at various locations and threshold values differ at every milk purchasing point. A universal threshold for all milk purchasers is lacking. Irwin listed the ultimate collection of tests for milk ranging from simple ones to more complex ones.

It is vital for the farmer to know the test going to be used for his milk and the price. The whole process should be transparent and also information should be given to farmer upfront on price for their low quality milk. This enables the farmer to predict his income, hence long term planning and investment in infrastructure at the farm level can be actualized.

Successful operation of the system in the formal stream will attract the attention of the farmers in the informal stream, who would consequently want to benefit from the?

The mechanism is based on 2 structures namely: Farmers to MCC (milk collection center) to processer, farmers to processor. The MCC will buy milk from the farmer and test it before selling it to the processor who will also carry out some test at that level. Those two sets of tests do not have to be identical.

The stakeholders in dairy sector would have to form a milk quality control committee to carry out the role of Monitoring and controlling the system. This committee will set a standard price for standard quality milk, and review it every six months because farming goods fluctuate in price and so do their inputs.

In order to ensure quality amongst milk traders and transporters, training and workshops can be organized for them, offer them quality performer license, subjected to routine monitoring. The model can be employed at MCC level, processor level and farmer level

Milk Quality Control should input into place a system for monitoring testing protocols. The results of tests determine grade of milk and consequently price paid to farmer. To make the system easier and fairer, a rolling average price should be based on the average results from previous 5 or 6 tests performed. Suitable tables have to be constructed for each quality parameter for the rolling average payment.

A results database can be generated from the results and this is useful to the dairy sector.

Structure of payment system: currently it is based on microbiological limits according to COMESA requirements, and has this been adapted by EAC.

The new system looks into deductions and payments basing on fat content level and adulteration level. When the system is launched the bacterial grades need to reflect the reality and thresholds should be achievable. The aim of the system is to get 75% - 85% of farmers to fall into the standard price grade. This system will encourage improvement of quality along the three grades within the various stakeholders in the value chain. There are other supplementary tests that can be done.

In essence the payment system is based on a rotating fund hence no external money inflow, the deductions pay for the prices. The traditional payment method where farmer is paid for volume of milk encourages adulteration with water.

Irwin concluded his presentation by highlighting the implementation strategy of the system and sharing with participants an example of a quality payment system operated by a prominent dairy firm in Kenya where payment to farmer is by kilograms of fat. This alternative payment system is the method favored by the processing industry because it reduces the temptation to add water to the milk. It requires equipping the milk reception point with a cryoscope. It also requires accurate and calibrated instruments for fat (and protein) compositional analysis

9.2 East Africa Dairy Development Project Hub model

By Dr. Allan Bisagaya -EADD II Production Coordinator

Background

Initially, donors used a supply driven strategy to solve constraints in the market however it was found to make beneficiaries worse-off and was creating a dependency syndrome. Supply driven strategy is limited in impact, sustainability, outreach and scope.

Donor committee agreed to shift from supply driven to market development approach dubbed Business development services(BDS). BDS refers to the wide range of services used by entrepreneurs to help them operate efficiently and grow their businesses. It embraces the fields of business, commerce and organizational theory. It also involves the creation of long-term value for an organization from customers; markets and relationships.

Dairy Hub model is built on 4 Pillars:

1. Organizing farmers & strengthening farmer organizations.
2. Linking farmers to improved affordable production technologies; AI, proper animal feeding, Animal health care.
3. Linking farmers to markets; Invest in a farmer managed Chilling Plant, Bulk marketing, support farmer groups to negotiate and sign milk supply contracts with buyers.
4. Building the capacity of service providers and stimulating Business Development Services in the Dairy Producer Organizations.

How farmers pay for services through the business hub (check off system

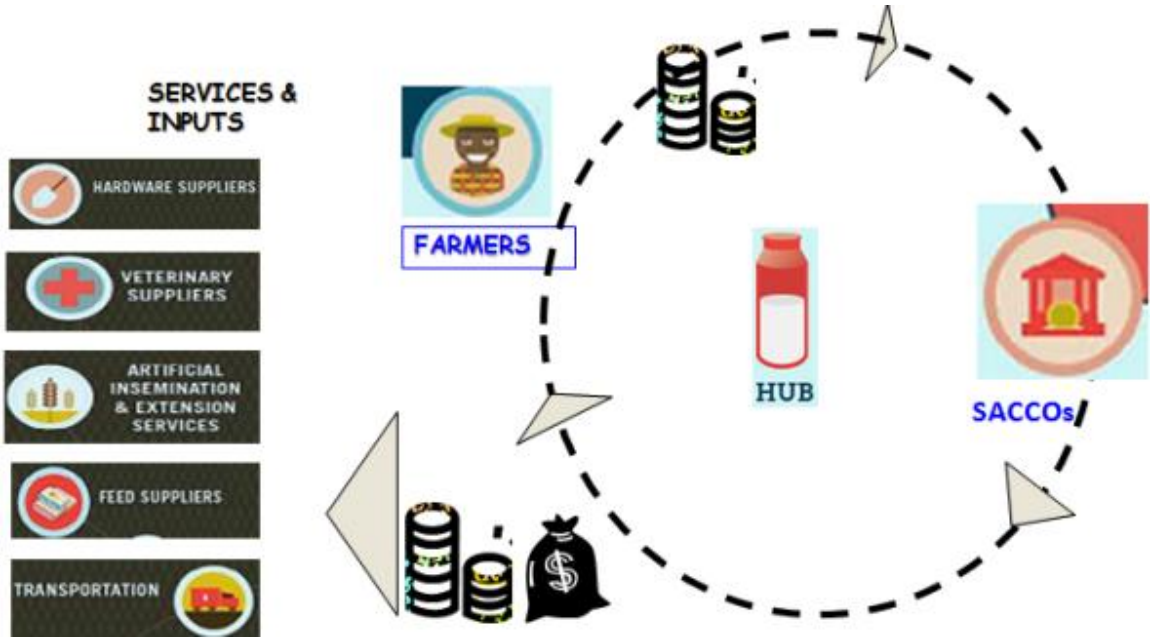

Figure 5: payment system in the business hub model

There are key success factors for ensuring that the benefits of a hub structure are achieved, most important being the scale of farmer participation. Others include:

- Mobilising enough farmers to ensure sufficient supply at collection centre
- Identifying potential markets to ensure competitive pricing
- Identifying and setting up an agreement with a market (e.g. processor) that has the capacity to buy the collected milk (regardless of time of year)
- Ensuring access to the collection centre to farmers at all times of day and year
- Ensuring accurate record keeping at Chilling plant or Cooperative to facilitate credit provision
- Mobilising enough farmers to join the Cooperative so that it can properly market the region to service providers

Benefits of the hub model include:

- Improved marketing power for farmers due to increase in selling price and access to developed markets
- Stabilized demand due to reduction in waste (in wet season/evening milk)
- Access to a centralized market: Service providers can access a large segment of the market
- Improved productivity because model facilitates credit provision to farmers which is a key enabler for providing services

Financing options/mechanisms For the Hub Model

- Check off for farmers using milk as collateral
- Micro Finance Institutions/Banks-Loan facility for coolers, livestock and transport solutions & capacity building including micro-insurance
- Pharmaceuticals-Credit facility to privately owned Agro Vets and Extension workers
- Local Government-Infrastructural investment (Roads, Coolers +Accessories, forage choppers)
- Service & Input suppliers-Access & timely provision
- Milk quality services providing incentives to producers based on premium pricing of milk

9.3 Investment and Financing of the Dairy Value Chain

By Mr. Henry Mutabaazi - Dairy Value Chain Specialist

Agribusiness Initiative Trust (aBi Trust) is devoted to supporting the agriculture sector. It was founded by Governments of Denmark and Uganda and gets funds from DANIDA, USAID, EC, BELGIUM, KFW. It has a number of initiatives regarding value chains, cross cutting issues, financial services women and youth empowerment. aBi Trust considers the entire value chain right the from the farm up to the processor.

A case scenario is one of farmers in south western Uganda where 90% of the infrastructure they were using belonged to an investor. They were obliged to supply their produce to the owner of that infrastructure but they had a desire to have their own infrastructure. aBI Trust intervened by supporting them with milk production infrastructure but there have been issues however they were required to make 50% contribution in milk infrastructure like milk coolers, mini laboratories among others.

The focus was on 100 cooperatives which were members of a much bigger organization; they needed means to transport milk, milk coolers, mini laboratories and aBI trust offered financial services to them for procurement of milk equipment.

Technical assistance is provided for value addition, developing financing, milk quality management, milk processing initiatives, institute strengthening and gender and youth mainstreaming.

50% contribution by farmers

Farmers were required to contribute that percentage for the infrastructure. There was need to motivate farmers to raise money and those who were able to do so did. There was a call to financial institutions to assist famers to get loans to finance the 50% contribution. Interest rates and payment terms were negotiated. aBI Trust does not provide assistance directly to farmers but it first assess the ability of farmer to finance a loan and then it comes in as a guarantor and helps to search for the banks to provide the loans.

OPEN DISCUSSION

ISSUE	RESPONSE
JOEL B If you were to introduce QBMS, what is the size of investment you will need. What is the break even and number of years you need?	The investment would be based on better extension services to a farmer. This would partly entail farm inspection technicians and responding to telephone calls to handle farmers with issues.
DAVID BALIKOWA QBMS costs money which most farmer groups cannot afford and some have no knowledge and skills? How to handle	Electricity coverage grid is small but does not stop operations but can coverage posts on operations with diesel. When giving out equipment there's focus on energy

issues with energy?	consumption.
PIUS ZIMBE If payment is based on fat content they may start adulterating milk with chemicals, how can this be overcome?	It can be avoided by putting financial penalties to discourage them from doing it and all adulterations can be tested for and discovered.

The following session was facilitated by Lawrence Byensi the Director for Investment Facilitation and after care at UIA

9.4 UIA Services and Benefits for Acquiring an Investment License

By Prossie Kikabi

Mrs. Prossie Kikabi is also the coordinator Presidential investor round table meetings at state house where UIA is part. One of her mandates is to ensure that report from that meeting reaches the president in time.

Introduction

In the Vision 2040 it is stated that employment creation is the center for Uganda's long term development. Poverty Reduction Strategy Country Paper (PRSCP) and Poverty Eradication Action Plan (PEAP) all depict efforts to reduce poverty.

Uganda is land linked at the heart of Africa with a potential market of 35million people and there a lot of linkages to other countries like Rwanda, South Sudan and Eastern DRC. Great lakes has a market of 300 million people in addition which is an opportunity too.

With regard to UIA, Uganda is the preferred investment destination and so efforts have been made to ensure we are doing well so as to attract foreigners.

Strategic objectives of UIA

- Sector specific investment targeting.
- Attracting and retaining foreign direct investment. Have research team that looks at project conversion rates. Make sure they are with you to implement your project. Monitoring you an advising you so as to benefit you.
- Developing sustainable foreign domestic investment and Small and Medium Enterprises (SMEs). Special department for SMEs where they put policies,

enterprises creation and development programs, have to initiate because you know your problem, advocacy provision of business information.

- Land and industrial park development strategy. In different countries and looking at our own Ugandans outside the country. Develop industrial parks with basic infrastructure like Luzira.
- Harnessing the Uganda diaspora investments. Working with Ministry of Foreign Affairs, and work with the associations to ensure that we enhance them to do business back home.
- Operationalizing an effective one stop center and stakeholder management. Hosting 5 institutions currently based at URA like URA, URSB NEMA lands immigrations. Looking at an electric web based system. Conduct research publish and circulate findings to stakeholders.
- Sector specification investment start
- Working with others to come up with this investment forum.
- Develop sector profiles

Benefits of registering with UIA

- Before you start they liaise so as to have your project implemented
- Assist in getting secondary licenses and approvals
- Assistance in recommending investors for various services to equity founders
- Allocation on land in industrial parks
- Match making domestic investors with inward missions
- Organize domestic investors to get exposure
- Enjoy the benefits of one stop center
- After care services with specific challenges to investors
- Arranged specialized training and workshops to investors who need upgrade. i.e. discuss prices
- Advantage to them to and the government to plan for you and provided services.
- Assess the confidence levels of investors.

9.5 Taxation Structure of the Dairy Sector

Dan Kahima from business policy division of Uganda Revenue Authority (URA) who represented the assistant commissioner and Ms. Justine Namusabi a technical Officer in customs department detailed on the taxation structure of the dairy sector.

Mr. Kahima

Overview:

Agriculture generally contributes between 25-30% to Gross Domestic Product (GDP) and about 2% to the treasurer taxes. Direct government funding to agriculture is 4% while indirect Government funding to the sector is through infrastructure, health, education, water, electricity etc.

Income Taxes:

The Law imposes tax on every person who has chargeable income.

Chargeable income = Business income + Property + employment Income - All allowable deductions.

Corporate Income tax is the tax on the profits of a company. The corporate tax rate is 30% of the profits.

Individual Income tax is the tax on the profits earned by the Individuals. The rates for tax range from 10% to 30% plus an additional 10% with an annual threshold of 2,820,000

DETERMINATION OF TAXABLE INCOME

Like any other business, the Dairy Sector is allowed quite a number of deductions in determining chargeable income. All expenses and losses are catered for in Section 22 ITA. A Number of capital deductions such as initial allowances and Depreciation allowances are in (Section 27&28). Farm works allowances (Section 35). (Labor quarters and other immovable buildings, fences, dips, drains, water etc). The depreciation rate for the later varies from 20% - 40%.

Other incentives: Exportation of finished consumer and capital goods is exempted from tax for a period ten years, where the person; exports 80% of his or her production. Another incentive is exemption from tax where income derived from agro-processing as long as one meets the conditions.

VALUE ADDED TAX is imposed on final consumption expenditure on goods and services supplied in Uganda. The dairy industry has for long enjoyed incentives or relief from VAT. These have been in form of direct exemptions of supplies or zero rating of goods or services.

Exempt supplies

- The supply of livestock, unprocessed food staff, and unprocessed agricultural products.
- The supply of *veterinary* services (2008)
- Supply of veterinary goods. (Veterinary Equipment) (2011)

- Supply of Feeds for Poultry and Livestock. (Prior to July 2014)
- Supply of machinery used for processing of agricultural or dairy products. (Prior to July 2014)
- the supply of packing materials exclusively used by the dairy industry for packing milk (Prior to July 2014)
- Supply of specialized vehicles, plant and machinery, feasibility studies, engineering designs, consultancy and civil works related agriculture. (Prior to July 2014)

Zero rated supplies

- All exports
- Supply of drugs and medicines (2002)
- Supply of seeds, fertilizers, pesticides and hoes (Prior to July 2014)
- The supply of milk including milk treated in any way (2002)
- Supply of tools and implements suitable for use only in agriculture (2001)

Presentation by Ms. Justine M. Namusabi

Ms. Namusabi supplemented the presentation by Mr. Dan Kahima from Uganda Revenue Authority. In her presentation she highlighted the incentives where tax is exempted are in the dairy sector as indicated below:

- Alminium cans, refrigerated trailers, heat insulated milk tankers
- Imported inputs e.g. animal inputs are exempted from tax although you must be an established farmer, seed, animal feeds, examination gloves and surgical gloves
- Preparations for cleaning dairy apparatus, packaging material of any kind, inputs for use in manufacture of agriculture, machinery, plastic bag biogas, industrial spares for those involved in processing milk.
- Specialized solar equipment such as solar heaters refrigerators. Effluent management plants, animal drugs, Tsetse traps, packing material used in manufacture of fertilizers and selected raw materials.

9.6 Impact of Taxes on the Dairy Sector with Special Focus on VAT

By Moses Ogwal - Director for policy –PFSU (private sector foundation)

The Private Sector Foundation Uganda (PSFU) is the apex body of Private Sector in Uganda and acts as its voice. PFSU developed a paper on Private Sector concerns on the

2014/ 15 Budget .The Dairy sector was one of the areas of concern. The concerns were shared with various parliamentary committees including the one responsible for the various bills- Finance, Value added Tax (VAT) and Excise Duty.

This presentation isolated the concerns of the private sector and related it with the various amendment bills proposed. It also concentrated on the VAT amendment Bill. This bill is one of the instruments used to implement the budget. The special thing is that this bill like most budget instruments starts operating even before being passed.

Challenge: All sectors have needs and hence require resources however the Budget must be balanced. Resource envelope is 15,054 Billion UGX of which 81.8% is from local sources -12,321Billion UGX, 9,577Billion is from taxes, 206 billion is from non taxable sources and 18.2% is from external sources- 2,733 Billion. The result is that aggressive tax measures which may not help increase growth in some key sectors.

Government has committed itself in developing the sector, but tax measures may erode this especially through VAT measures. In theory, the final consumer pays it and assumption that smallholders do not use inputs and supplies which were zero rated and exempted. On the ground the above theory is not true. The majority of the participants in this sector are informal (about 80%), small and cannot be registered in the short run to be able to manage the VAT management regime (turn over must be at least 50M etc). Also there is evidence that inputs are being used by small holder farmers in an increasing manner up-to 800% in 2013 since 2002. The demand of smaller units is a clear indication of use by smaller farmers.

Implications

- Formal (Tax terms) Distributors of finished products like milk, value added products in super markets will demand VAT invoices but may not receive them forcing the supermarkets to pay suppliers less by 18%, the same will happen with all the players in the distribution chain upto farmer who will be paid less the VAT related costs.
- For supply of inputs, the dealers will include VAT on their prices thereby increasing the prices to the farmer who will be the final user. The farmer will have expensive inputs (Input VAT) while selling the products cheaply (less the VAT deduction). This will on the overall affect production, income level especially in rural areas. This will consequently trigger inflation as part of food inflation and strain of government in managing the macro economy.
- We note from distribution points (especially larger super markets) that the demand from Milk has reduced by about 22% for fresh milk and 18% for long life milk while smaller super markets the reduction in sale ranges from 25-30%. This may indicate that the profit arising from milk may actually reduce thereby reducing the corporate

tax. It may therefore be important to note that as Government may raise some taxes in VAT, it may experience lower taxes in income tax and also reduce growth in the sector. The informal sector may realize an increase in sales because VAT may be avoided/ evaded. Sale of unprocessed milk may increase and this may encourage being informal because it pays to be there.

- VAT on packaging material may be contributing to cheaper imports
- Removal on exemption VAT on equipment and machinery will cause machinery to be expensive hence discouraging investments especially value addition and could compromise quality of products.
- Income tax on financial institution like SACCO may reduce the level at which they could serve farmers
- Generally Uganda has removed exemption of taxes on agriculture especially inputs and yet neighbor Kenya increased support to the sector through subsidy of inputs among others by UGX 90 Billion equivalent. Inputs have been cheaper in Kenya and the subsidy will make it cheaper further while Uganda will become more expensive. This will encourage smuggling from Kenya.

CONCLUSION

Some of the new taxes proposed especially VAT may act as an impediment to faster growth of the Sector. It may be better to consider income related tax, possibly a presumptive tax. Support for cooperative may help in the collection of this presumptive tax at point of delivery (not so high to encourage farmer to avoid delivery of products). These taxes need to be removed, at least for the time being. PSFU has proposed other taxes to be considered and prudent management of expenditure so as to ensure the budget balances.

OPEN DISCUSSION

Issue	Response
Willis: Does URA has concrete plans to follow up on utilization of money collected? If not people will not adhere to paying taxes when they do not get services.	It is not an obligation for URA to determine how tax is utilized , it is the Parliament of Uganda with that mandate however URA is trying to do publications to show what tax has done
Does UIA see vision 2040 as a realization given the current levels of corruption in the country?	I will not refute the statement but citizens are part of the Government and are in charge of ensuring that vision 2040 is

	realized. UIA's role is to facilitate investors and private sector. Citizens should cross check that UIA does its work. Colleagues from foreign countries put pressure on UIA while Ugandans are relaxed
Rachael – URA has left out processors because if they receive adulterated milk and there is no tax exemption, their efforts will be wasted. What exemptions are there for processors in case of spoilage and other causes of poor quality milk?	Tax can be imposed any time; these sectors have had exemptions for long. There comes a time when exemptions must stop. Spoilage in business is counted as a loss so it is an allowable deduction
Stella – are there fees for registering with UIA?	Registration is free but because of large numbers UIA put a certain threshold in terms of capital investment. Consideration for domestic enterprises investing worth 50,000 us dollars, this can be invested in three years. Details of the documentation are at the UIA office and website.
Ejang Felix – URA needs to clarify instances where a dealer imports some machinery that is meant to be tax exempted and when the farmer buys from the dealer, they have to pay taxes.	The aspect of domestic VAT is a statutory paradox and it does happen. An item can be exempted from VAT by schedule 5 at point of importation and then after it is in the shop, it is subjected to tax.
Tusiime Didas: How are taxes assessed for those dealing in raw milk and for processors?	As long as you indicate that you have earned income, you are liable to be taxed. The bottom line every one must comply according to their means and needs according to the utilitarian principle
Maama Omulungi dairies ordered for spare parts for a processing plant before the passing of the budget but on arrival of the parts they were required to pay tax. Please clarify.	That is a miss-conception. There are some exemptions that are sector specific and those that general. You apply for the exemption prior to importation, if you did not write to that effect you face taxation. People do not ask, there are toll free lines and the exemption is still on

10.0 BRIEF ON AGRI-PRO FOCUS

Agri-ProFocus was started in 2005 by 33 Dutch member organizations in the Netherlands. In 2009 Agri-ProFocus Uganda was established, next to Dutch organisations, now days Ugandan and local organizations are playing an active role within the vibrant network in Uganda.

It exists to see a world in which farmers earn a decent living and contribute to sustainable food security. It comprises of a network of major stakeholders in Agriculture and Uganda has the most vibrant network. It also has an online platform- www.agriprofocus.com with over 3300 individual members and 489 member organisations. Members are from private sector, knowledge institutions, NGOs and civil society Organisations and Government.

The Agri-Pro Focus Uganda network endeavours to reach synergies and provides a platform for professionals to work across boundaries of their organisations. The Dutch support office team and the Agri-Hub teams organise the market for all involved from farmers' organisations, private sector, public sector, knowledge institutions and civil society to work more efficiently, more innovatively.

The focus is on knowledge sharing & co-creation through network development and coordination, business and partnership brokering and innovation communities. The innovation communities are

- Access to finance coordinated by The Hunger Project
- Market information coordinated by FIT Uganda
- Food security
- Youth in Agribusiness coordinated by ICCO
- Supporting activities for gender in value chains
- Policy and advocacy group coordinated by PELUM offering a platform for debate and learning
- Seed Sector coordinated by WUR-CDI

In 2014 the platform is becoming more sector orientated in order to optimise services. The first has been the Seed sector, secondly the dairy learning lab where stakeholders come together and focus on pertinent issues in the sector.

Theme field visits are also being organized. The Nyama platform will be next and a brainstorming meeting for this has already been organized. The hub is looking forward to interactive sessions on the new online platform which will be launched in October 2014. This will have more functionalities and it will also have special focus on financial services.

On business brokering and services, market information is demand driven. An online database/online directory has been developed and maintained on who-is-who in Ugandan agri-business food and business. Quick-scans and inventories of relevant sectors are coordinated and regional events and sector events co-organised.

11.0 DISCUSSIONS AND WAY FORWARD

11.1 Panel Discussions on Transiting the Milk Market

During this session panel discussants were accorded 5 minutes to discuss on: "The strategy for transiting the milk market from largely raw to largely processed one".

Back ground

The dairy sector has gone through various stages of growth for the past 10 years. There are improved cooling systems with over 4000 milk tankers and volumes picking up to 1.8 million litres however there are issues that have to be addressed if the sector is to grow further. Below are the suggestions as way forward for achieving this.

Figure 6: Panelists during the discussion

DR. Sentumbwe- MAAIF

- Make people appreciate the importance of taking milk since the per capita consumption is very low (people are willing to pay for beer and water)
- Get people to appreciate that they have a role in regulating the whole industry, MAAIF and DDA can help to link to respective legislating bodies
- Complying with quality regulatory issues may be an issue of discussion (by copying from region to do it in most cost effective way)
- Positive trend in parliament regarding policy issue (budget reading) , continuous lobbying is needed

- Add value and get premium for quality products in order to export (raw milk will not)

(Policy framework and regulation, awareness rising for market expansion)

Justus – UNDATA

- Formation of multi stakeholder platform to synergize efforts of sector (each player given value)
- Employ participatory approach
- Private sector approach to address crosscutting issues (policy)
- UNDATA allowed to implement its strategic plan launched in 2013
- Extension services reach grassroots (addressing quality at farm gate)
- Regulations should favor low income earners and in urban and rural areas

(Need for sector coordination (through a multi stakeholder platform), work on a pathway for making processed milk affordable to all and improving extension infrastructure at farm level).

Felix Etyang - Kinyogoga Cooperative

- Extension services at grass roots
- Promote school milk program – awareness raising on processed milk
- Promote / automate dairy cooperatives

Matsiko Mark – UIRI

- Promote establishment of SME involved in milk processing (cottage industries)
- Abolish import tax on dairy processing equipment , ingredients and packaging
- Dairy technology based incubator (small startup companies start with minimum resources – UIRI supporting 8 of them , encouraged them to see)
- Promoting consumption of processed milk e.g. reinstating zero VAT rating on processed milk
- School milk program
- Awareness campaigns on benefits of milk
  (Nurture small enterprises to grow into formalization, policy and sensitization)

Professor Mugisha Anthony – Dean

- Raw milk market dominant (80-90% of market share with readily available and affordable product)
- Transiting should be evolutionary versus revolutionary, imposed versus facilitated, organic and inorganic
- Alternative options should be explored (Proper handling from farm to delivery)
- Increase milk cold chain
- Strengthening regulation
- Establish and enforce appropriate (tailor made standards)
- Offering of training in milk handling and storage along entire value chain
- Consumer empowerment through awareness
- Developing dairy information system to ensure traceability and transparency and grading system

11.2 Summary and Way Forward

- Promote consumption and get people aware of role they can play in regulating the dairy industry
- Coordination: Formation of a multi stakeholder platform (MSP) to synergize efforts of the sector and better coordination
- Awareness: Aggressive promotion of local products, adopt milk school programs, find ways to make dairy sector attractive to educated unemployed youth, carry out awareness campaign to empower consumers to pay for quality
- Build capacity of SMEs or informal sector to add value, adopt cottage industries, dairy based incubation of small dairy businesses
- Marketing: processors tap into export markets finalize and decide on a pathway for making processed milk affordable to all
- Training: Increase rural farmer training to improve quality, increased training of different stakeholders along the value chain
- Policy: Involve farmers in formulation of policies and regulations, offer conducive policy environment
- Transiting should be evolutionary versus revolutionary, imposed versus facilitated organic and inorganic. Promote use of indigenous knowledge and medicine to reduce cost of production
- Taxation: Government should explore ways of taxing the farmers' income instead of inputs
- Extension services : these should reach the grass roots

12.0 CLOSING REMARKS BY COUNTRY DIRECTOR SNV- JEANETTE DE REGT

In her closing remarks, she urged the stakeholders to talk less and work more especially regarding the agreed points and way forward.

She said that SNV has been coordinating such Multistakeholder events for the past four years, one of which was breakfast meeting with his Excellency the president of Uganda. She assured the participants that SNV will continue facilitating the dairy multi stakeholder platform meetings.

She thanked the organizers of the event, the sponsors, participants, panelists and Agri-ProFocus Uganda team for the input into the event's success. She thanked the guest of honor, the state Minister for Livestock for honoring the invitation to the event.

She concluded by the participants to make use of the networking event (cocktail) to make business deals exchange experiences and make useful connections.

APPENDICES

Appendix I: Poems by Albert Mukundane

WHERE ARE THE HAPPY COWS? - BY MUKUNDANE B ALBERT (COOPERATIVE AGRIBUSINESS MANAGEMENT SPECIALIST)

Born amidst pest and diseases, survival for the fittest is at high risk

Strand stuck starving in paddocks, miserable creatures is the scene

More shelter to create and hard way to survive

Where are the happy dairy cows?

Unwelcome revelation seen in death rates

Tortured by food ratio and luck of water

Management is against animal right to live

Accounted with poor milk yields for the enterprises

Centered amidst quarantine and economic pressure

Where are the happy dairy cows?

Are they in heifer projects or investment?

Managed by public or private partners

Integrated in global trade deals

Decentralized in zero grazing arena

Inherited and established by tradition and culture

Where are the happy dairy cows?

The extension services seeing the rays of hope

Advocates of change celebrating the pride and prestige of the animals

Conference resolutions launching the new breed transformation

Cross breeds and exotic are noticed as high breed vigor

Who will take charge of happy dairy cows?

Rising advocacy for more research on happy cows

Full of support for funding and prosperity

Serving and supported by nature

Jumping and producing better products of our motherland

Who will take charge of happy cows?

WHERE ARE THE MILK STANDARDS

Made by the milk stakeholders moving by the integration of value chain

Seeking in adulterated and counterweights of turbulent lake

Defended in the management system Hospitalized by the consumers

Where are the milk standards?

Are the at altar platform or court chambers

Spot picked by the entrepreneurs scrambled by technologies

Centered amidst raw materials and inputs accounted with financial statements

Where are the milk standards?

Are they established by public debates inspected by the environment?

Managed in complex laboratories assessed by professional milk lovers

Launched by the information centre

Where are the milk standards?

Are they hidden in milk cans education institutions of higher learning?

Mushrooming in procurement business of the global world

Cultural heritage of royal empires in financial milk centers infested by corruption

Where are the milk standards?

Modern supermarket of modern era

Decentralized units of zero grazing hub

Fragmented blocks of industrial applications in food and agriculture watered environment marginalized in micro hidden enterprises

Where are the milk standards?

Proficient by information systems rebuilt by the cooperative engineering firms

Master minded by research units advertised by the quality certification

Kept in constant testing and assessing

Where are the milk standards?

Designed by the forces of nature

Accredited by the constitution valued like a presentation memorized like a creed

Protected like the endangered species

Where are the milk standards?

TIME	TOPIC/Activity	Presenter/Speaker

Appendix II: Agenda for the event

8:00- 6:00 pm	Exhibition	
Session Moderator/Facilitator		**Ms. Maria Goretti Nasuuna**
8:30am-9am	Registration – (Videos in the background) • Gender video on dairy • Corporate video APF	Agri-ProFocus, UIA, SNV, DDA, HEIFER
9.00 – 9:15am	Welcome Remarks	By Mr. Lawrence Byensi –UIA
9:15-9:45am	Official Opening of the Dairy Day Event by Guest of Honour	Hon. Bright Rwamirama, Minister of State for Livestock, MAAIF
9:45- 10:15am	Tour of the exhibition space	all
10:15-10:45am	**TEA BREAK at the exhibition**	
Session Moderator/Facilitator(s)		**Ms. Maria Goretti Nasuuna**
10:45-11:45am	Presentations (20min @) (i) Factors affecting quality of milk across the dairy value chain (10min) (ii) factors affecting quality of milk -international perspective (10 min) (iii) Opportunities for quality milk in the East African region	 Ms. Juliet Sentumbwe- MAAIF Paulus Hettinga- PUM expert from the Netherlands Mr. Robert Walimbwa Sameer Group
11:45- 12:05am	Open discussion -Q&A: (20min)	
12:05 -12:25pm **12:25-12:40PM**	(ii) Regulations, standards and guidelines on milk quality and handling (ii) Certification of the dairy products	Ms. Agnes Baguma Regulatory Services Manager Dairy Development Authority Mr. Bashir Byansi-Certificate Officer (Uganda National Bureau of Standards
12:40am - 1:00pm	(iii) Efforts of a farmer cooperative in adhering to milk quality standards (Farmer representative	Mr. Felix Etyang- Farmer from Kinyogoga Cooperative
1:00 – 2:00pm	**LUNCH BREAK**	
2:00- 3:00pm	(iv) Processor experience on adhering to milk quality standards & regulations (v) Experiences from traders towards compliance with dairy sector regulations, standards and guidelines (vi) Presentation of a study on milk quality	Mr. Lameck Musoke Maama Omulungi Dairy Ltd Mr. Justus Kabandize- UNDATA Mr. Enock Tusingwire- ILRI
3:00-3:30pm	Open Discussion of the presentations with cross analysis of issues from all the presentations – with guidance from the facilitator & Q&A (30 minutes)	All presenters on the panel to respond to queries from the audience
3:30- 4:00	**BREAK**	
Session Moderator/Facilitator(s)		**Ms. Maria Goretti Nasuuna**
4:00 - 4:30pm	Open Discussion including cross analysis with the morning issues – facilitator will guide Way Forward on presentations for Day 1	
4:30-5:30pm	Exhibition and One on One meetings	
6:00pm	Closure & Departure Day 1	
DAY TWO		
TIME	**TOPIC**	**Presenter/Speaker**

8:00- 6:00 am	Exhibition	
Session Moderator/Facilitator(s)		**Mr. William Matovu**
8:30am-9am	Registration – (Videos in the background)	Agri-ProFocus, UIA, SNV, DDA, HEIFER
9:00-9:05am	Reflection on Day 1	Mr. William Matovu
9:05 – 9:45am	Quality based Milk Payment System	Mr. Irwin Foreman- Dairy Industry Consultant from Scotland
9:45 -10:05am	Dairy Hub Model	Allan Bisagaya- EADD II Production Coordinator- EADD
10:05-10:20am	Investment and Financing of the Dairy value chain	Mr. Henry Mutabazi Dairy Value Chain Specialist aBi Trust
10:20-11:00am	**TEA BREAK at exhibition space**	
Session Moderator/Facilitator(s)		**Mr. Lawrence Byensi- Director Investment Facilitation & aftercare - UIA**
11:00- 12:00pm	(i) UIA services and benefits for acquiring an Investment License (ii) Taxation Structure of the Dairy sector (iii) Impact of taxes on the dairy sector with special focus to VAT	Mrs. Prosie Kikabi- UIA Dan Kahima -URA Mr. Ogwal Moses- PSFU
12:00- 12: 30pm	Open discussion	
12:50 – 2:00pm	**LUNCH BREAK**	
Session Moderator/Facilitator(s)		**Mr. William Matovu**
2:00 - 2:20pm	Panel Briefs and open discussion (Panel members each presents for 5 minutes on: "The ideal strategy for transiting the milk market from largely raw to largely processed" 1hr 30min)	<u>Panel of Discussants:</u> Ms. Juliet Sentubwe- MAAIF Joshua Akandwanaho- Youth from Frank Farm Mr. Justus Kabandize- UNDATA Prof. Anthony Mugisha- Dean Mr. Felix Etyang- Farmer Mr. Mark Matsiko- UIRI
2:20 - 2:30pm	Open discussion	
2:30 - 2:50pm	Presentation – Synthesis of all key issues from the technical content	Facilitator can present this
2:50 - 3:20pm	Basing on the synthesis – have an open discussion on suggestions for the way forward	Facilitator
3:20 - 3:50pm	Agreed Actions for Follow up	Facilitator
3:50 – 4:05pm	Closing Remarks	Jeanette de Regt SNV Country Director
4:10-5:00pm	Networking cocktail and departure thereafter	

Appendix III: Concept Note

Concept Note.pdf

Agri Pro Focus

REPORT PREPARED BY:

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