



Dairy Development Authority

ANNUAL PERFORMANCE REPORT



FY 2018 / 2019





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Contents

Acronyms.....	Vii
Statement from the Chairperson Board of Directors.....	1
Message from the Executive Director.....	2
1.0 Introduction.....	3
Vision.....	3
Mission.....	3
Objective.....	3
Duties of the Authority	3
2.0 Status of the Dairy Sub Sector.....	4
2.1 Milk Production.....	4
2.2 Milk Collection, Marketing & Processing.....	4
2.3 Dairy Exports & Imports.....	5
2.4 Milk Consumption.....	5
2.5 Raw Milk Prices in the FY 2018/19.....	5
2.5.1 Farm Gate Milk Prices.....	5
2.5.2 Raw Retail Milk Prices.....	6
2.5.3 Regional Milk Prices.....	6
2.5.4 International Milk Products Prices.....	7
2.6 Key Investment Opportunities in the Dairy Sub Sector.....	8
2.6.1 Establishing Milk Collection and Bulking Centres.....	8
2.6.2 Milk Transportation.....	8
2.6.3 Animal Breeding and Supply of Stock.....	8
2.6.4 Dairy Processing and Value Addition.....	8
2.6.5 Establishment of Dairy Industry Support Services.....	8
3.0 Key Planned Interventions for FY 2018/19.....	9
4.0 Financing and Budget Performance for the FY 2018/19.....	10
DETAILED ACHIEVEMENTS IN THE FY 2018/19.....	12

5.0 Dairy Production and Marketing.....	12
5.1 Building Capacity of Dairy Stakeholders.....	12
5.1.1 Value Addition Promotion.....	12
5.2 Promotion of Pasture Production and Fodder Conservation.....	13
5.3 Promotion of Milk Consumption.....	14
5.3.1 Mass Milk Consumption Campaigns.....	14
5.3.2 June Dairy Month Celebrations.....	17
5.4 Promotion of Milk Marketing and Reduction of Post-Harvest Losses.....	18
5.5 Institutional Strengthening.....	19
5.6 Subsector Coordination and Collaboration.....	19
5.6.1 Celebration of World Food Day.....	19
5.6.2 Ministry of Finance, Planning and Economic Development.....	20
5.6.3 National Agricultural Show at the Source of the Nile.....	21
5.6.4 Development Partners.....	21
5.6.5 Ministries and Development Agencies.....	22
5.7 Formation & Strengthening of Dairy Farmers Groups.....	22
6.0 Strengthening Quality Assurance and Regulation.....	24
6.1 Registration of Dairy Businesses Country Wide.....	24
6.2 Analysis of Milk and Milk Product Samples	24
6.3 Inspections.....	24
6.4 Market Surveillance.....	24
6.5 Enforcement of Dairy Regulations.....	25
6.6 Participation in Key Regulatory and Standards Meetings.....	25
6.7 Promotion of Hygienic Milk Production.....	25
7.0 Dairy Sub Sector and Sustainable Development Goals.....	27
8.0 Dairy Technologies and Innovations.....	29
9.0 Monitoring & Evaluation.....	30
9.1 Snapshot of the Performance Indicators FY 2018/19.....	30
10.0 Vote Performance Challenges by End FY 2018/19.....	32
11.0 Focus for the Next Financial Year 2019/20.....	33
12.0 Conclusion.....	33

List of Tables

Table 1: Uganda's Milk production (Billion Litres) of the last four years (2015-2018).....	4
Table 2. Average Farm gate and Retail Milk Prices, UGX.....	7
Table 3: DDA Budget Performance, FY 2018-19.....	10
Table 4: Impact of the Dairy Sector performance on the SDGs.....	27
Table 5: Outcome Indicators for the FY 2018-19.....	31
Table 6: DDA - KPIs , FY 2018-19.....	31

List of Figures

Figure 1: Trend in the Value of Dairy Exports and Imports 2015-2018.....	5
Figure 2: Farm gate milk prices in the FY 2018-19.....	6
Figure 3: National Average Raw Milk Retail Prices in the FY 2018-19.....	6
Figure 4: Half Year International Milk Product Prices.....	7



Acronyms

ASSP	Agriculture Sector Strategic Plan
AIA	Appropriation in Aid
COMESA	Common Market for Eastern and Southern Africa
CSR	Corporate Social Responsibility
DDA	Dairy Development Authority
DFCS	Dairy Farmers Cooperative Society
EAC	East African Community
EDTS	Entebbe Dairy Training School
FY	Financial Year
GOU	Government of Uganda
JDM	June Dairy Month
Kgs	Kilograms
KPIs	Key Performance Indicators
LG	Local Government
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MCC	Milk Collection Centre
MoFPED	Ministry of Finance ,Planning and Economic Development
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NDS	National Dairy Strategy
SADC	Southern African Development Community
SMP	Skimmed Milk Powder
SNV	Netherlands Development Organization
SDGs	Sustainable Development Goals
UAE	United Arab Emirates
UGX	Uganda Shillings
URA	Uganda Revenue Authority
USA	United States of America
USD	United States Dollars
WMP	Whole Milk Powder



“
The country
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”

Statement from the Chairperson Board of Directors

The Financial Year 2018/19 is the fourth year in implementing the DDA's Strategic Plan II and National Dairy Strategy II; that are aligned to the Sustainable Development Goals, Agenda 2063, the EAC 2050, Vision 2040, the National Development Plan II, NRM Manifesto and the Agriculture Sector Strategic Plan II. As we get close to the end of the National Dairy Strategy II and DDA Strategic Plan II, am glad to report significant progress in the subsector so far.

The country has registered an increase in milk production from 400 million litres in 1986 to 2.51 billion litres in 2018. The value of marketed milk increased from USD 784 million (UGX 2.87 trillion) in 2017 to USD 850 million (UGX 3.1 trillion) in 2018; giving evidence that dairy is increasingly becoming a profitable business. Efforts have been made to further grow a favorable balance of trade in the sector, as dairy exports increased from USD 130 million in 2017 to approximately USD 150m in 2018, while dairy imports slightly increased from USD 5.18 million to USD 5.26 million over the same period. This largely in pursuit of export promotion and import substitution programmes of Government.

The Authority is proud of the NRM leadership that has maintained an enabling environment for dairy business to thrive. DDA will continuously work hard to have a significant contribution towards achieving Vision 2040. On behalf of the Board members and my own behalf, we thank the Government of Uganda for the unwavering support extended to the Authority and continued confidence in us. I also applaud the Management and Staff of DDA for successfully implementing the FY 2018/19 commitments.

Mrs. Bernadette Katureebe





“ The Authority will continue to focus on value addition and marketing to further increase Milk prices. ”

Message from the Executive Director

Dairy Development Authority is committed to growing the dairy sub-sector, while observing its core values of accountability, integrity, loyalty, teamwork and professionalism.

In the FY 2018/19, the Authority's focus was on addressing key constraints to agricultural production and productivity and dairy regulation in line with the National budget Strategy. In that regard, a number of interventions were prioritized and by the end of the financial year, the Authority managed to:-

- Train 121% of the targeted dairy stakeholders along the value-chain.
- Procure and distribute 315 milk handling utensils.
- Inspect 98% of the targeted dairy premises /equipment /consignments.
- Analyze 94.3% of milk and milk product samples.
- Register and license 1,443 dairy businesses of which 21% were new businesses.
- Rehabilitate one Milk Collection Center to reduce post-harvest losses.

The Authority will continue to focus on value addition and marketing to further increase Milk prices, improve household incomes and exports.

It's my pleasure to present the DDA Annual Performance report for FY 2018/19.

Dr. Jolly K. Zaribwende

1.0 Introduction

The Dairy Development Authority is a statutory body under the Ministry of Agriculture, Animal Industry and Fisheries. It was established under the Dairy Industry Act, 1998 with a mandate to develop and regulate the Dairy Industry.

Vision

"A dynamic, profitable and a well-regulated dairy sector"

Mission

To provide sustainable dairy development and regulatory services for increased production, processing, marketing, consumption of milk and milk products.

Objective

To provide proper coordination and efficient implementation of all Government policies which are designed to achieve and maintain self-sufficiency in the production of milk in Uganda by promoting production and competition in the dairy industry and monitoring the market for milk and dairy products.

Duties of the Authority

Under section 5 of the Dairy Industry Act 1998, the Authority:-

- Registers and licenses milk processors and traders;
- Supports dairy farmers' marketing organizations;
- Advises the Government on milk standards and coordinate the enforcement of those standards in liaison with the Uganda National Bureau of Standards;
- Controls and regulates dairy and dairy-related import and export activities in conformity with the External Trade Act, but without violating the Animal Diseases Act;
- Implements Government policy designed to promote the development of the dairy sector;
- Supports various dairy development activities such as dairy extension, dairy breeding, dairy research, dairy training, dairy products development and general market promotion, including promotion of dairy export(s);
- Acts as arbitrator in any conflict between dairy companies and processors;
- Coordinates all dairy processing and marketing promotional activities, such as seminars, trade fairs and workshops;
- Pools dairy processing and marketing data;
- Advises the Government on research priorities of the dairy sub sector and
- Does anything connected with, or necessary for the performance of the foregoing duties.

2.0 Status of the Dairy Sub Sector

2.1 Milk Production

Increasing milk production in the country is one of the top priorities, as spelt out in the National Dairy Strategy II and DDA Strategic Plan II. In the FY 2018/19, several interventions that included promotion of feed production and conservation, extensive skilling of dairy stakeholders in good dairy farming practices, increased adoption of dairy farming as a business; among others led to an increase in milk production. The country has registered an increase in milk production from 400 million litres in 1986 to 2.51 billion litres in 2018.

Table 1: Uganda's Milk production (Billion Litres) of the last four years (2015-2018)

Years	2015	2016	2017	2018
Production	2.08	2.20	2.28	2.51

2.2 Milk Collection, Marketing & Processing

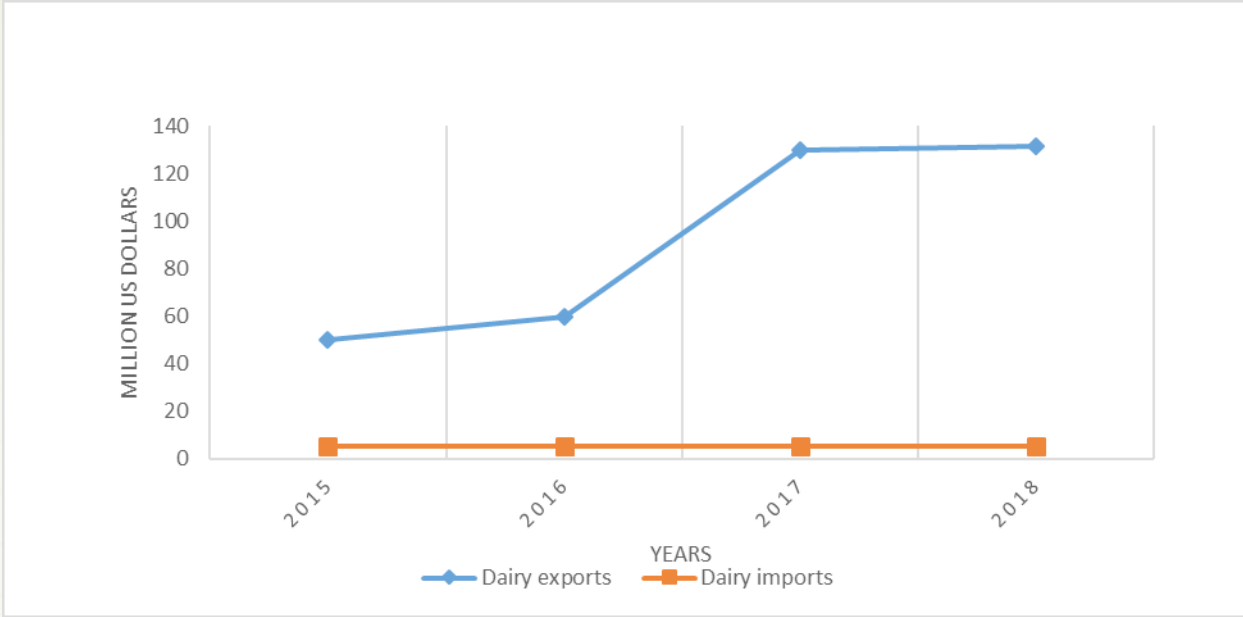
- Rural Milk Collection Centres increased from 461 with total installed capacity of 1.7 million litres in 2017/18 to 471, with total capacity of 1.8 million litres in 2018/19.
- Marketed milk stood at 80.2 % of the total production in 2018.
- The value of marketed milk increased from USD 784 million (UGX 2.87 trillion) in 2017 to USD 850 million (UGX 3.1 trillion) in 2018.
- Dairy processing plants (Large, Medium, Small scale and Cottages) have increased from 100 with processing capacity of 2.7 million litres in FY 2017/18 to 120 with total processing capacity of 2.72 million litres. The increment is as a result of increased investments in dairy cottages that are striving to add value to the milk.



2.3 Dairy Exports & Imports

The country has continued to enjoy a favorable balance of trade in dairy. Dairy exports increased from USD 130 million in 2017 to USD 131.5 million in 2018 while Dairy Imports slightly increased from USD 5.18 million to USD 5.26 million over the same period. Exports have increased due to improved compliance to both regional and international markets standards and enhanced dairy processing capacities. The Dairy exports included Casein, Whey proteins, UHT and milk powder (WMP & SMP) and were mainly going to EAC, COMESA countries, SADC, UAE, Nigeria, Syria, Japan, Oman, USA, Nepal & Bangladesh.

Figure 1: Trend in the Value of Dairy Exports and Imports 2015-2018



Source: DDA, FY2018/19

2.4 Milk Consumption

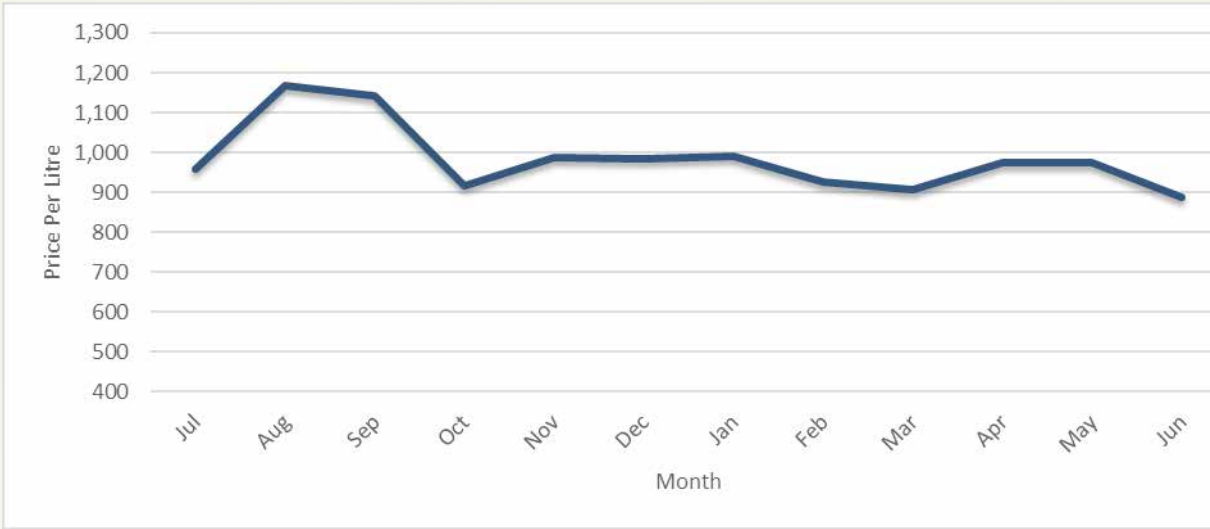
Milk per capita consumption has since increased from 25 litres in 1986 to approximately 63 litres in 2018. Government through DDA continues to prioritize milk consumption campaigns in an effort to have every one consume at least 200 litres of milk annually; as recommended by the World Health Organization.

2.5 Raw Milk Prices in the FY 2018/19

2.5.1 Farm Gate Milk Prices

The national average farm gate price per litre increased from UGX 899/= FY 2017/18 to UGX 984/= in FY 2018/19. By end of the FY 2018/19, in the month of June 2019, Farm gate prices in all regions ranged between UGX 750 to 1, 075, with an average of UGX 888. Factors affecting price fluctuations include; seasonality, market dynamics and International markets. The figure below indicates the trend of the national average Farm Gate Milk Prices during the year of performance.

Figure 2: Farm gate milk prices in the FY 2018-19

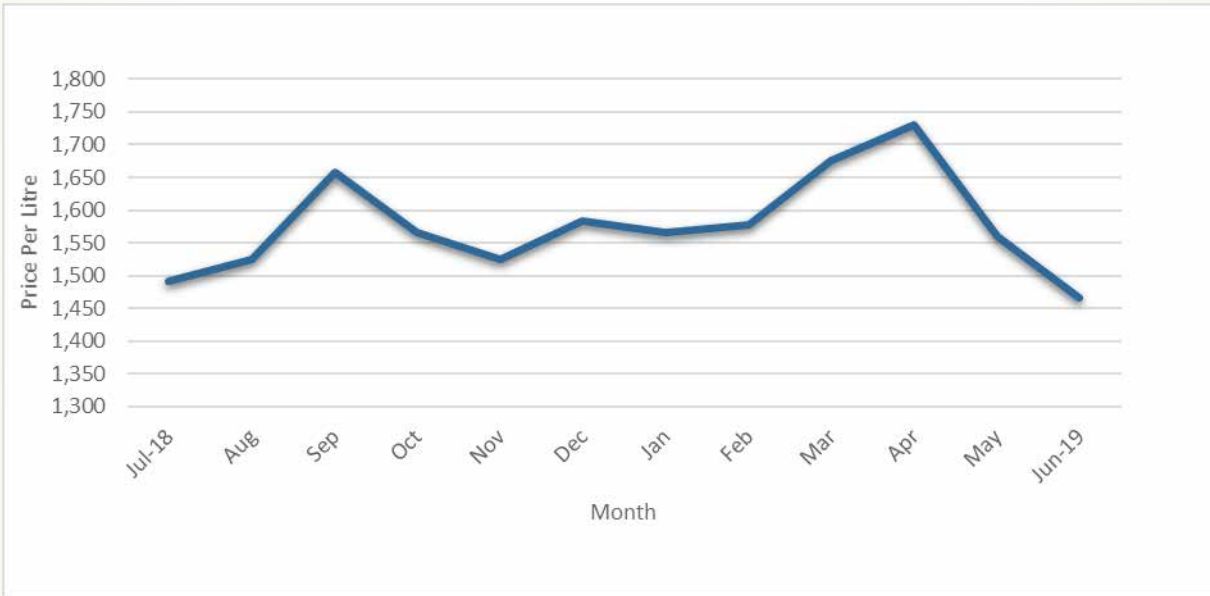


Source: DDA, FY2018/19

2.5.2 Raw Retail Milk Prices

The national average raw milk retail price per litre increased from UGX 1,466/= in FY 2017/18 to UGX 1,577 in 2018/19. In the last month (June 2019) of the FY, prices in all regions ranged between UGX 1,150 and 1,796 with an average of UGX 1,465.

Figure 3: National Average Raw Milk Retail Prices in the FY 2018-19



Source: DDA, FY2018/19

2.5.3 Regional Milk Prices

In the last year, Milk registered low prices in the South West region compared to other Regions. A litre of milk was sold at a farm gate price of 846/= and retail price of 1,312/= only. The Northern Region recorded higher milk prices overall the other regions in the country with a retail price of 1,876 per litre.

Table 2. Average Farm gate and Retail Milk Prices, UGX

Region	Farm gate	Retail
South Western	846	1,312
Central	863	1,646
Eastern	952	1,444
North Eastern	993	1,585
Northern	1,319	1,876
Mid-Western	933	1,600
National Average	984	1,577

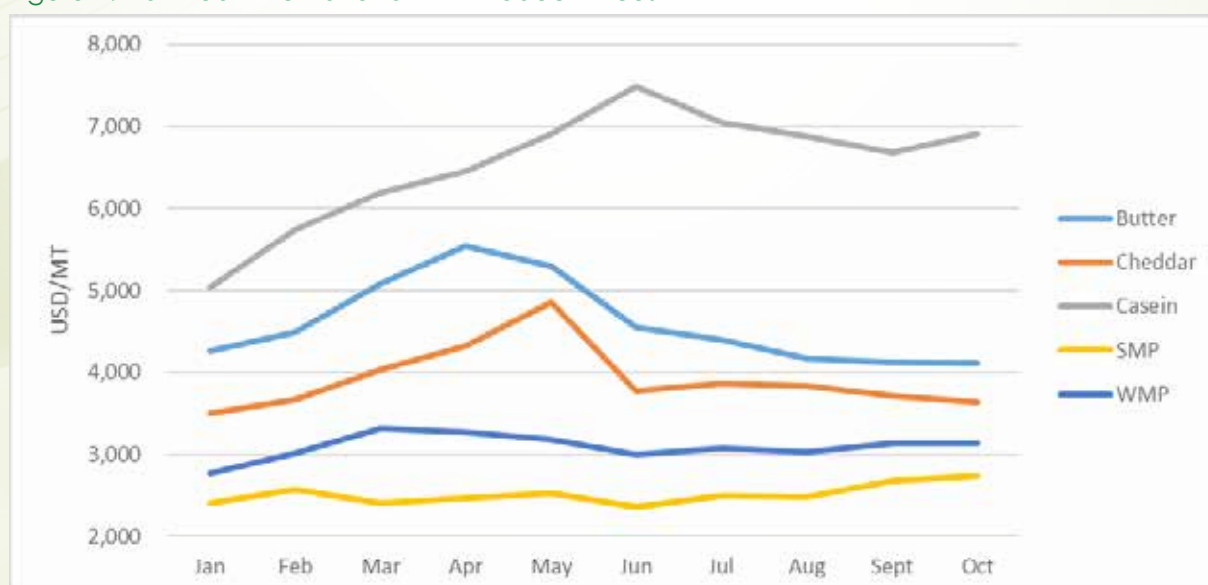
Source: DDA, FY 2018/19

2.5.4 International Milk Products Prices

Local Milk prices are influenced by the international and Africa regional products market prices. In the current half of the year, the international milk prices were largely stable for milk products. However, distinctively the casein increased to 7,494 USD per Metric tons (MT) in June before stabilizing at 7,000 USD/MT. However Skimmed and Whole Milk Powder prices have stagnated around 2,514USD/MT and 3,096 USD/MT since January 2019.

Butter and Cheddar Cheese prices increased in the first half of the year before falling steadily to an average of 4,200USD/MT and 3,768USD/MT in the last three months respectively. Consequently, the downward trend in international prices had a huge bearing on falling domestic milk prices.

Figure 4: Half Year International Milk Product Prices



Source: Global Dairy Trade Statistics

2.6 Key Investment Opportunities in the Dairy Sub Sector

2.6.1 Establishing Milk Collection and Bulking Centres

The country registered substantial increase in milk production and productivity. This increment requires much more investments in cold chain infrastructure to mitigate post-harvest losses. Private sector players can set up milk collection and bulking centres to supply chilled milk for market access and reduction of post-harvest losses. The Authority inherited 40 dilapidated Milk Collection Centres (MCCs) and about 35 of them can be rehabilitated through partnerships with the private sector.

2.6.2 Milk Transportation

The steady increase in milk production coupled with continuous investment in dairy milk collection and processing facilities requires more road milk tankers as one of the recommended means of milk transportation.

2.6.3 Animal Breeding and Supply of Stock

National Herd stands at 14 million and approximately 93% are local breeds characterized by low milk production. Opportunities still exist in areas of breed improvement such as embryo transfers, importation of improved stock and Artificial Insemination to further increase milk production.

2.6.4 Dairy Processing and Value Addition

With an increase in milk production, investments in dairy processing for local, regional, international markets is critical. Currently, 80.2% of the total milk produced is marketed and only 33 % of the marketed milk is processed; leaving 67% to be sold in the raw form. The DDA strategy is to increase processed milk from 33% to at least 50% locally.

2.6.5 Establishment of Dairy Industry Support Services

Opportunities exist in provision of dairy related support services that include; farm input supplies, dairy additives, provision of dairy equipment's and maintenance services as well as dairy market information.





3.0 Key Planned Interventions for FY 2018/19

Financial Year 2018/19 marked the second last FY for the implementation of the NDP II, ASSPI, NDS II and DDA Strategic Plan II. The planned interventions were directly feeding into the above strategic documents with well spelt outputs. Specifically, the Authority focused on the following key outputs:-

- Improving human resource capacity for the development of the dairy subsector, through trainings and skills development. This was done through field based activities and Entebbe Dairy Training School (EDTS) respectively.
- Continue with the rehabilitation and equipping of the EDTS that was prepared to become a center of excellence in dairy skills development;
- Promoting the use of food grade materials to enhance quality and safety of milk and milk products;
- Continue with the rehabilitation of the cold chain infrastructure to enhanced milk marketing and also reduce post-harvest losses;
- Strengthening and equipping of regional offices with the aim of enhancing service delivery;
- Strengthening coordination for the development of the dairy subsector;
- Ensuring compliance to dairy standards and regulations;
- Strengthening monitoring & evaluation function;
- Continue with management of DDA property;
- Enhancing Corporate Governance.

4.0 Financing and Budget Performance for the FY 2018/19

The Authority's total budget was UGX 6.735 billion. This included UGX 1.570 billion for recurrent wage, UGX 2.123 for Non-wage recurrent, UGX 1 billion from AIA, UGX 2.042 for Development. The budget was financed by GoU.

Out of the approved budget of UGX 6.735 billion, only UGX 5.751 billion was released; representing 85.4% of the total approved budget, as summarized in the table below:-

Table 3: DDA Budget Performance, FY 2018-19

Budget Type	Item	Approved Budget (UShs Billion)	Total Release (UShs Billion)	Total Spent (UShs Billion)	% of the Budget Released	% of the Budget Spent
Recurrent	Wage	1.570	1.570	1.567	100	99.8
	Non-Wage	2.123	1.976	1.970	93.1%	92.8
Dev't	Gou	2.042	1.887	1.876	92.4	91.9
	AIA	1.000	0.317	0.313	31.7	31.3
Grand Total		6.735	5.751	5.726	85.4	85.0

Source: DDA, FY2018/19



DETAILED ACHIEVEMENTS IN THE FY 2018/19

5.0 Dairy Production and Marketing

5.1 Building Capacity of Dairy Stakeholders.

Human capital development in dairy subsector and agriculture in general is critical to realize increased production and productivity in Uganda. DDA prioritized to train and skill dairy stakeholders in various aspects along the dairy value chain.

In a bid to build dairy production capacity of the youth, people with disabilities, women and men country wide, a total of 4, 879 (Males = 3,193, Females = 1,686, Youth = 1230, PWDs = 45) were trained. The training was in feed production, dry season feeding, breeding technology, disease control, hygienic milk production and farm infrastructure. Other areas included; dairy registration, milk testing, group formation and management, dairy regulation and standards which aim at enhancing milk quality and increasing dairy production and productivity for income generating country wide.



DDA Staff training farmers of Bushika Intergrated Area Coop. enterprise (BIACE) - Bududa District in feed production, management and utilisation

5.1.1 Value Addition Promotion.

Value addition in the dairy sub sector plays a pivotal role in reducing post-harvest losses and increasing household incomes; increasing net dairy exports notwithstanding. The Authority is promoting skilling in value addition where a number of dairy stakeholders, the majority being the youth, have been skilled in yoghurt production, ice cream, cheese making and product packaging. Quality control and assurance, entrepreneurship have also not been left out since they are critical aspects in value addition. The skilling is done through Entebbe Dairy Training School and field based training. A number of former trainees have been able to establish cottages country wide and the quality of milk and milk products has improved as a result of the training.

In the FY 2018/19, a total of 505 (Males = 292, Females = 213, youth = 276) dairy stakeholders were skilled in yoghurt making and ice cream processing, quality assurance and regulation. The same stakeholders were sensitized also on HIV/AIDS during training sessions.



Probiotic Yoghurt at Amuria United Farmers' Cooperative Society Limited and Cheese making at Mbale Dutch Farm in Mbale District respectively.

5.2 Promotion of Pasture Production and Fodder Conservation

Increasing access to critical farm inputs is one of the key agricultural interventions as highlighted in NDP II, ASSP I, NDS II, and DDA SP II. Promotion of pasture production and fodder conservation is one of the key drivers in increasing production and productivity. DDA procures and distributes improved pasture seeds and seedlings to dairy farmers. Fodder conservation helps to mitigate dry season challenges.

In this FY, a total of 825 calliandra seedlings, 50 bags of Napier, 95kgs of Centrosema pubescens, 370 Kgs of chloris gayana seeds and 108 kgs of lab lab seeds were distributed to dairy farmers to enhance the adoption of improved pasture and forage production for increased milk production.

The beneficiaries were dairy farmers from the following groups :- Unyama DFA, Koro Dairy Development Farmers Association, Puranga Dairy and Coffee Farmers Association, Kasangati DFCS, Lwemodde DFCS, Buikwe DFCS, Kakyolu DFCS, Bugaga Kulunda DFCS, Kakooge DFCS, Bugerere DFCS, Kisubi DFCS, Nampate DFCS, Busia District Farmers' Association, Buyende DFCS, Butagaya DFCS, Namwendwa DFCS, Luuka DFCS, Butebo DFCS, Buzaaya DFCS, Kibuku DFA, Balawoli DFCS, Kyankwanzi Community Church DFCS, Dwaniro DFCS, Kiboga DFCS, Mubende Livestock DFCS. Special consideration was given to women country wide.



An established pasture garden in Mbale District



Conserved pasture for dry season feeding

5.3 Promotion of Milk Consumption

Currently, Uganda's milk per capita consumption stands at 63 liters; lower than the 200L recommended by W.H.O, which calls for interventions to boost milk consumption. This is done through school milk program, celebration of World June Dairy Month and also other key events organized by Government.

5.3.1 Mass Milk Consumption Campaigns

The Authority strives to promote milk consumption through school milk program and consumption campaigns.

A total of 3,000 liters of pasteurized milk were distributed to the general public during the National Budget Month exhibition at Kololo, as a way of giving back to the public and also inculcating to the public the values of drinking milk for good health and promotion. Blood donors who had been organized by Nakasero blood bank were part of the beneficiaries.



Children receiving milk during Milk Consumption Promotion at East Kololo Primary School.

The Authority partnered with MoFPED and URA to celebrate the National Budget Month at East Kololo Primary school. DDA painted classrooms with milk consumption promotional messages and also distributed milk and milk products to pupils, as part of the CSR to increase Milk Consumption. The activity was extended to Shimon Demonstration School where hundreds of children were served with milk and milk products.





Milk Consumption Promotion Campaigns at Shimon Demonstration School.



5.3.2 June Dairy Month Celebrations.

June Dairy Month is celebrated annually world over to recognize the dairy stakeholders along the dairy value chain. In Uganda, DDA takes lead in these celebrations. The theme for this year's celebration was; **"Quality Milk Production for Improved Nutrition and Income"**. The event was successfully organized and held in Lyantonde District, in collaboration with SNV TIDE. Some of the outputs from the event included:-

- Sensitized communities (students, pupils, teachers, patients and the general public) on the benefits of milk consumption. Four (4) schools; (Kyabbuza Primary School, Bright and Grace Nursery & Primary school, Bergen Nursery and Primary School and Lyantonde SSS) and Lyantonde Hospital (Maternity and Children wards) in Lyantonde District were visited by DDA, Lyantonde LG officials, Dairy stakeholders and Development Partners. Sensitization was also done through Town drives.
- Served milk and milk products to over 22,000 people, that included school children, farmers, key invited guests, exhibitors and the general public.
- Distributed a newly introduced vectoclor acaricide to 100 farmers in Lyantonde District.



Demonstration on the chuff cutter during the June Dairy Month 2019

5.4 Promotion of Milk Marketing and Reduction of Post-Harvest Losses.

One of the key issues that the Authority seeks to address is reducing post-harvest losses and improving milk quality through the use of appropriate food grade utensils. In an attempt to promote equity in access to dairy farm inputs/equipment, a total of 315 milk cans were procured and distributed to rural men, women and the youthful dairy farmers countrywide.



Secretary for Kitgum Livestock DFCS receives milk cans at DDA Northern Region Office.

Post-harvest losses are critical threats to the dairy chain value actors to an extent that it has negative impacts on productivity and thus household incomes through the loss of valuable milk. These post-harvest losses partly result from the failure to transport the raw milk to chilling facilities yet the commodity is highly perishable.

Government through DDA rehabilitates the dilapidated milk collection centers that it inherited from Dairy Corporation; to enable the farmers immediately chill the milk before it is transported to processing plants. This has reduced post-harvest losses and improved household incomes.

In the FY 2018/19, Gulu Milk Collection Center was rehabilitated in Northern Region to serve over 1500 farmers, consumers and processors.

5.5 Institutional Strengthening

Vibrant institutions are key in delivering their mandates. In the last FY 2018/19, the Authority;-

- Constructed new administrative unit in Gulu Municipality to boost its operations in the Northern region.
- Procured a double cabin pickup vehicle and continued with rehabilitation works for the Entebbe Training school in an attempt to make it a center of excellence.
- Functionalized and equipped the regional offices in the North Eastern and South Western Regions.

5.6 Subsector Coordination and Collaboration

5.6.1 Celebration of World Food Day

Uganda celebrated the World Food Day on the 16th of October, 2018 in line with the UN General Assembly Resolution of 1979 under the theme; *A zero hunger world by 2030 is possible*. National celebrations were held in Nabilatuk District in Karamoja Sub Region with the following objectives; heighten awareness on hunger and food security issues, promote yield enhancing technologies to increase productivity, support technical cooperation among countries, encourage participation of women, youth and marginalized groups in production and agricultural sector decision making and strengthen National and International efforts in struggle against hunger, malnutrition and poverty.

Dairy Development Authority participated towards achieving the above theme and used the opportunity to;-

- Build strategic networks with other sector players (organizations and individuals);
- Demonstrate proper milking, milk handling and transportation using recommended milk handling utensils to avoid post-harvest losses;
- Disseminate literature to the sector players such as training manuals, processing flow charts, standards for milk and dairy standards; among others.

Uganda celebrated the World Food Day on the 16th of October, 2018 in line with the UN General Assembly Resolution of 1979 under the theme; *A zero hunger world by 2030 is possible*.



Showcasing Dairy Products Produced Locally in Uganda

The function generally exposed the great potential for dairy farming in the Karamoja sub region as evidenced from the different dairy stakeholders like Caritas, Mercy Corps, and different LGs about the success stories of dairy farming in Karamoja. It was a great success for the Authority to share knowledge, information and demonstrate new technologies with a number of stakeholders from different organisations, individuals from different Ministries on possible collaborations and partnerships in developing dairy sector in the region.

5.6.2 Ministry of Finance, Planning and Economic Development

The Ministry of Finance, Planning and Economic Development (MOFPED) organized the National Budget Month exhibition for the Financial Year (FY) 2019/20, with the theme 'Know Your Budget'; whose objectives were to increase buy-in and support for Government programs, improve accountability and service delivery. The Authority participated in the exhibition at Kololo Independence grounds.

5.6.3 National Agricultural Show at the Source of the Nile

The Ministry of Agriculture, Animal Industries and Fisheries (MAAIF), in collaboration with the Uganda National Farmers' Federation (UNFFE) organized the 26th National Agricultural Show, under the theme “Fostering Agricultural Value Chains Innovation for Farmer-Led Food Security, Household Income and Job Creation”. The aim was basically to disseminate new technologies in Agriculture, and providing a network platform for all the stakeholders in the Agricultural sector. The Authority participated and achieved the following key objectives:-

- Exhibited the various dairy services provided by DDA and enhance DDA's visibility and publicity, at the ten-day show;
- Showcased various locally value added dairy products using locally sourced raw materials for food security, household income, job creation and sustainability of the dairy industry;
- Exhibited some of the approved dairy equipment used in hygienic milk handling and value addition, for food security, household income and job creation;
- Provided dairy advisory services to the DDA stall visitors in areas of hygienic milk production, milk productivity, dairy value addition, dairy regulation and standards.
- Managed to reach out to at least 600,000 people.

5.6.4 Development Partners

In the FY 2018/19, the Authority collaborated with SNV TIDE Project, abi-Trust, EADD/Heifer International and Send a Cow in implementing the National Dairy Strategy.

SNV-TIDE Project supported in the construction of the mini processing plant in Uganda to promote value addition along the dairy value chain. They also pioneered the Quality Based Milk Payment System in South Western Uganda to reward the production and marketing of quality milk.

Heifer International and abi-Trust supported dairy farmers with milk chilling equipment and improved breeds.

Besides training dairy farmers in sustainable farm systems, Send a Cow has supported the dairy Industry by increasing milk yields per cow per day to 8.6litres per day from the National average of 7.1litres in the Eastern and Northern regions.

5.6.5 Ministries and Development Agencies

In the attainment of its broad objectives, the Authority works closely with the Ministry of Agriculture, Trade, NAGRC & DB, NAADS, NARO and UNBS. MAAIF being the mother ministry provides policy guidance in the dairy sub sector as well as advocating for resources. Ministry of Trade helps in promotes marketing of dairy products locally and externally to boost dairy exports.

Other Agencies supported in improving dairy breeds, regulation and research in the dairy Industry that has enhanced dairy production and productivity and safety of dairy products.

5.7 Formation & Strengthening of Dairy Farmers Groups.

One of the key interventions to increase production and productivity in the NDP II is to strengthen farmer group formation, platforms and cooperatives. The Authority has been forming dairy farmer organizations and strengthening the existing ones. In the FY 2019/18:-

- A total of five (5) dairy farmer groups were created in the districts of Pader, Butebo , Nabilatuk , Kiruhura and Soroti; to aid men and women in commercial farming and milk marketing for income generation;
- A total of seven (07) dairy farmer groups were strengthened, their leadership engaged and guided on aspects of organizational management, registration and involvement in dairy as a business.



Stakeholder engagement meeting with Butebo DFCS in Butebo District.



6.0 Strengthening Quality Assurance and Regulation

The Authority has been carrying out a number of dairy regulatory activities that are in line with its mandate. Some of the activities include registration of dairy businesses, dairy inspections, enforcement, and market surveillance.

6.1 Registration of Dairy Businesses Country Wide

As per Dairy (Marketing and Processing of Milk and Milk Products) Regulations, 2003 and as amended in 2006 and 2015, the Authority is mandated to register all dairy businesses in the country to ensure compliance to the dairy standards and regulations. During the FY 2018/19, a total of 1,443 dairy premises/equipment/importers/exporters were registered and licensed country wide.

6.2 Analysis of Milk and Milk Product Samples

Ensuring quality and safety of milk and milk products is one of the key priorities set by the Authority. Several analyses were carried out to ascertain whether the milk is fit for human consumption. During the FY 2018/19, a total of 4,776 milk and milk product samples were analyzed.

6.3 Inspections

Inspections form part of the key planned activities every financial year. It is the responsibility of the Authority to ensure that milk handling premises, equipment, export and import consignments conform to the set dairy standards and regulations.

In the FY 2018/19, a total of 3,863 dairy premises/equipment/consignments were inspected countrywide to ensure compliance to dairy standards and regulations.

After inspection, feedback meetings were held with dairy stakeholders in Masaka, Kyankwanzi, Nakaseke and Kiboga Districts to ensure continuous compliance.



Road milk tankers being inspected for compliance.

6.4 Market Surveillance

The Authority carries out market surveillance activities to ensure that the milk and milk products on the market meet the dairy standards and regulations. This is one of the ways of ensuring safety of the milk and milk products being traded. The findings from market surveillance guide on the next course of action.



Routine Market surveillance in Mbarara District

6.5 Enforcement of Dairy Regulations

The Authority regularly conducts enforcement operations as one of the activities to ensure compliance to dairy standards and regulations to curb malpractices along the dairy value chain.

In the FY 2018/19, the Authority conducted fifteen (15) enforcement operations in Luwero, Kabarole, Sembabule, Ngoma, Kampala, Mbarara, Soroti, Kiruhura, Lira, Nakaseke, Kiboga, Nakasongola, and Kasese to ensure compliance with dairy standards and regulations.

6.6 Participation in Key Regulatory and Standards Meetings

In the FY 2018/19, the Authority was involved in a number of meetings that included;

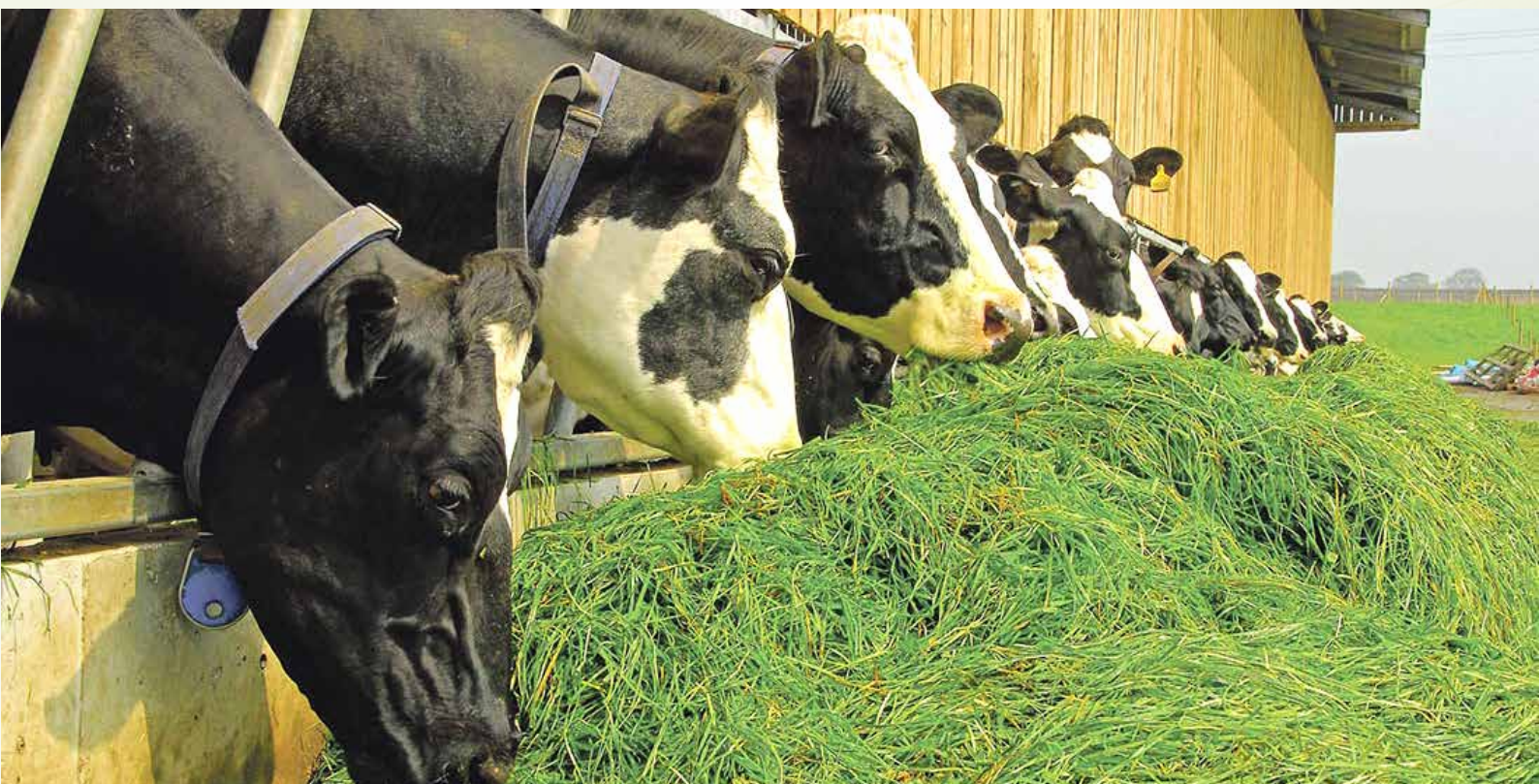
- 3rd party Accreditation of the EAC Proficiency Testing Schemes.
- Policy meeting with International Organization for Standards (ISO) aimed at enhancing its involvement and influence on the International Standards development processes.
- Participated in Standards harmonization meetings during which nine (9) standards were drafted.

6.7 Promotion of Hygienic Milk Production

The Authority promotes hygienic milk production in the country. In the FY 2018/19, the Authority constructed a modern milking parlor at Katerero Dairy Farm in Buyanja, Rukungiri District to improve on hygienic milking. The construction is always on the cost sharing basis.



Dairy Infrastructure Development to stimulate hygienic production.



7.0 Dairy Sub Sector and Sustainable Development Goals.

The Dairy subsector both influences and affects the 17 Sustainable Development Goals (SDGs). The Dairy subsector in Uganda has directly impacted on the following SDGs. SDG 1: End Poverty; SDG3. Good health and wellbeing; SDG 5: Gender and Equality; SDG 6: Clean water and Sanitation; SDG 7: Affordable and Clean energy; SDG 10: Reduced inequality and SDG 13: Climate Action.

Through its programmes the sector influenced Quality of Education of school Children (SDG 4), Sustainable Cities (SDG 11) and Communities, Life below water (SDG 14), Life on Land (SDG 15) and : Peace and Justice (SDG 16).

In the last FY 2018/19 the outcomes of the dairy sector directly impacted on four Sustainable Development Goals. The summary of the key outcomes is shown in the figure below.

Table 4: Impact of the Dairy Sector performance on the SDGs

SDG Goal	DDA Outcomes
SDG 2: Zero Hunger	The dairy sub sector feeds nearly 40 million people in Uganda with nutritious Milk and Milk products. In the year of performance at least 70 percent of the milk and its products produced was locally consumed.
SDG 8: Decent Work and Economic Growth	The sector has provided livelihoods and employs a significant portion of the population. It has contributed to Economic growth through significant increase in exports. A significant proportion of the population is engaged in Agriculture – dairy sub sector in milk production. An increase in the number of dairy processors in the last FY has added decent jobs into the country.
SDG 12: Responsible Consumption	The Dairy subsector promotes consumption of nutritious food among the population in Uganda. The Authority promoted milk consumption through key events in Schools and Health facilities
SDG 17: Partnerships for the Goals	The Authority works in partnership with all the stakeholders along the dairy value chain. The Authority has also forged partnerships with Development Partners, the private sector and other MDAs of government. SNV in partnership with the Authority supported in construction of Ante-Uganda mini dairy processing plant in South Western region.



8.0 Dairy Technologies and Innovations

DDA procured a state of art mobile van to ensure quality and safety of milk and milk products. The On spot Milk testing equipment and mobile laboratories were demonstrated to the public in order to create confidence in the regulation activities of the Authority. These were attained to instill public confidence on the compliance standards on the milk and milk products tested.



Mobile Laboratory Van for on spot raw milk testing.



Automatic milking machine

9.0 Monitoring & Evaluation

The Authority continues to strengthen Monitoring and Evaluation function as stipulated in the National Policy on Public Sector Monitoring and Evaluation 2013; a policy that was put in place by the Office of the Prime Minister that is the coordinator of Government Programmes.

In the FY, monitoring and evaluation exercises were conducted with the following objectives:

- To establish whether activities were implemented according to the plans;
- To assess the impact of DDA interventions;
- To specifically learn lessons that will guide planning and policy in subsequent financial years.

The monitoring and evaluation reports indicate that there has been considerable improvement in the dairy subsector especially in the area of quality and production and notably;-

1. Quality Based Milk Payment System; an initiative of the Authority in collaboration with SNV TIDE has significantly led to the improved quality and household incomes.
2. Continuous provision of food grade milk handling equipment through cost sharing has contributed to hygienic milk production and marketing.
3. Provision of pasture seeds and planting materials has improved animal feeding; something that is key increasing milk production.
4. Most milk marketing associations had formed self-regulatory committees and this had greatly contributed to the compliance to dairy standards and regulations.
5. Dairy farmers' organizations/ associations have continuously embraced value addition, on top of raw milk marketing. This has greatly contributed to the reduction in post-harvest losses.

9.1 Snapshot of the Performance Indicators FY 2018/19

The Authority registered considerable success on the indicators that had been approved by the Office of the Prime Minister, for the FY 2018/19. The summary of the outcome and output indicators is shown in the tables below.

Table 5: Outcome Indicators for the FY 2018-19

Outcome indicators	Target – FY 2018/19	Achievement – FY 2018/19
Production volume of milk(in billion litres)	2.33	2.51
Proportion of milk and milk products conforming and complying to standards and regulations.	87.5%	92.3%

Table 6: DDA - KPIs , FY 2018-19

Programme	Output Indicators	Targets	Performance	%AGE
55 – Dairy Development and Regulation	No. of dairy stakeholders trained/ skilled along the dairy value chain.	4800	5384	112%
	No. of milk handling equipment / utensils procured and distributed.	315	315	100%
	No. of milk collection centers rehabilitated and functional.	2	2	100%
	No. of dairy premises /equipment /consignments inspected.	2700	3848	143%
	No. of milk and milk product samples analyzed.	5000	4776	96%
	No. of dairy premises /equipment /importers /exporters registered.	1200	1443	120%

10.0 Vote Performance Challenges by End FY 2018/19

Despite a number of achievements registered, the Authority experienced the following constraints:-

1. Partial releases that affected the implementation of key planned activities. Out of the approved budget of UGX 6.735 billion, only UGX 5.751 billion was released; representing only 85.4 % of the total approved budget.
2. As of FY 2018/19, the Authority's MTEF was stagnant at UGX 6 billion for six Financial Years. This has been crippling the Authority in terms of :-
 - Regulating the sector equitably given its national wide mandate. It should be noted that increased production and exports of dairy products are a direct function of quality assurance activities i.e. inspections, registrations, enforcement and market surveillance.
 - Rehabilitating more Milk Collection Centres (MCCs).
 - Establishing and equipping regional laboratories, acquisition and equipping mobile laboratories.
 - Strengthening the existing regional offices in South Western, Northern and Eastern Uganda, and also be able to open more regional offices to take services closer to the public.
 - Opening up more border post offices at Kikagati, Mpondwe, Katuna and Mutukula to effectively monitor the export and import of dairy products.
 - Recruiting to fill critical positions like Director- Technical Services, Principal Legal Officer, Public Relations Officer, Dairy Inspectors and Dairy Development Officers.
 - Procuring motor vehicles to facilitate inspection, enforcement and market surveillance activities country wide.
3. Cess suspension and non-compensation of Cess amounting to approximately UGX16 billion annually (2018). Cess was suspended by H.E The President of Republic of Uganda and directed Ministry of Finance, Planning and Economic Development to address the gaps as a result of the suspension. Nonetheless, the Authority has been budgeting for Cess compensation activities for the past eleven (11) years and funds have never been released to the Authority.
4. There was a court injunction on levy collection and this frustrated the Authority's effort to mobilize revenue close to UGX 1billion.
5. The amended regulation to stop the sale of loose milk was contested in April, 2016 in court and therefore could not be implemented (enforced). This has compromised quality and safety of milk in the market for consumers and also competes with processed milk, where there was heavy investment.

11.0 Focus for the Next Financial Year 2019/20

The FY 2019/20 will mark the last FY of implementation of NDPII, ASSPI, NDSII, and DDA SPII and will focus on the following:-

Promotion of Dairy Production and Marketing

- Promotion of access to critical farm inputs such as pasture seeds and planting materials.
- Reducing dairy post-harvest losses through rehabilitation of milk collection centres.
- Continue with the rehabilitation and equipping of the Entebbe Dairy Training School; that is skilling the public in value addition.
- Human capital development that involves skilling dairy stakeholders in value addition, good dairy farming practices; among others.
- Promotion of milk consumption through initiatives such as School Milk Program.
- Coordination of the subsector by continuous building of partnerships for dairy development.

Quality Assurance and Regulation

- Strengthening compliance to dairy standards and regulations
- Ensuring quality and safety of milk and dairy products.

Support to Dairy Development and Regulation

- Strengthening Planning and Budgeting function.
- Enhancing Corporate Governance.
- Strengthening Human Resource management.
- Strengthening the Internal Audit function and property management.
- Strengthening the Monitoring and evaluation.

12.0 Conclusion

- The Authority managed to surpass the set targets during the period of reporting. Performance of the sector clearly indicates that Dairy is a very profitable business in all the segments of the value chain; with numerous investments opportunities still available.
- Dairy farmers in the country are leading the transformation into the Middle Income Status. This is already evident in Southwestern Uganda. The Authority and Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) are committed to ensuring that this transformation is achieved throughout the country.
- In the long run, the Authority will focus on ensuring that Uganda becomes Africa's leading dairy exporter; after over taking South Africa. This is possible given the growing quantities and value of dairy exports.







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NORTHERN

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Municipality

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Malaba Customs Area
MAAIF Building

BUSIA

Busia Customs Area
MAAIF Building

ENTEBBE INTERNATIONAL

AIRPORT
Customs Business
Centre(CBC)