



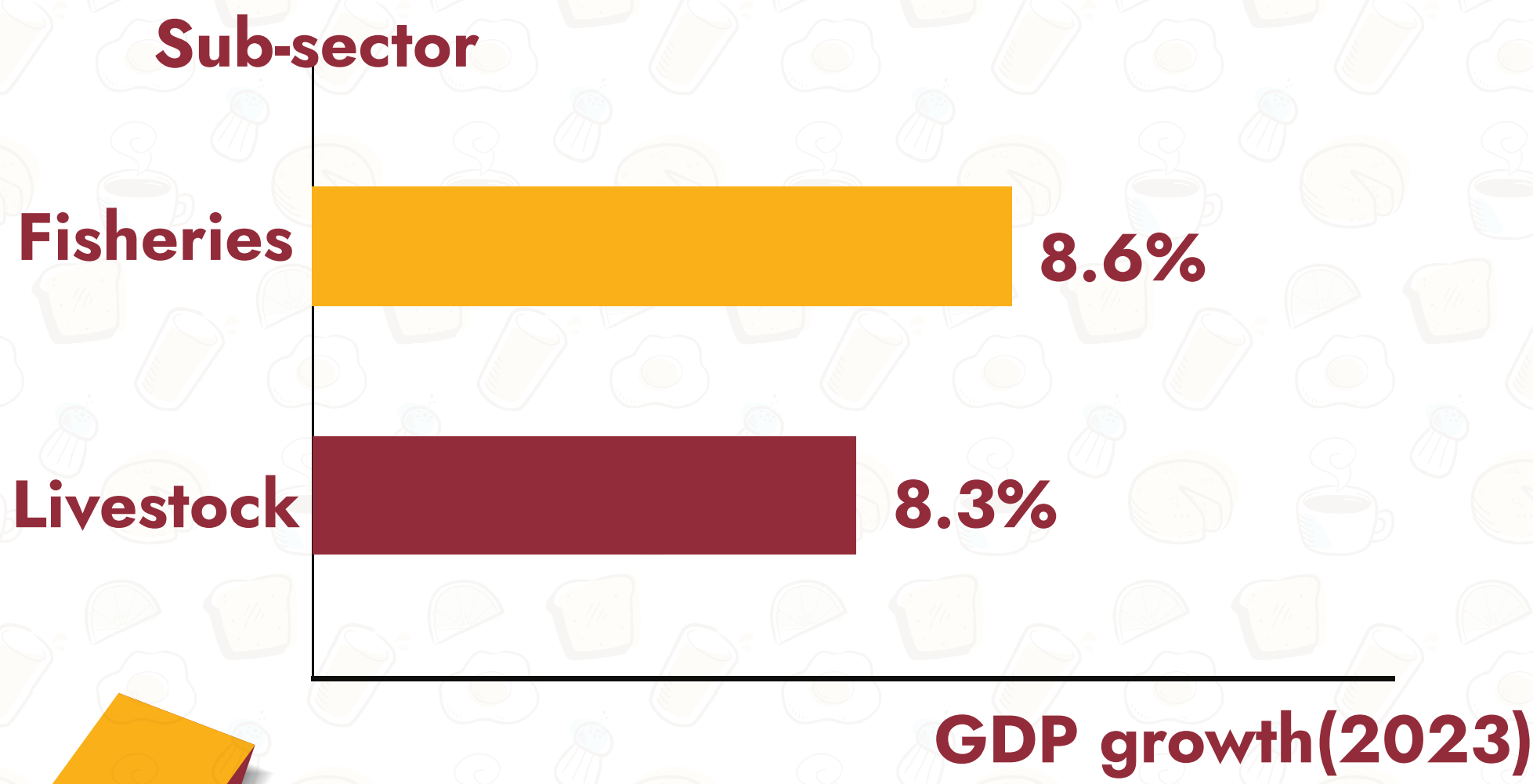
ANIMAL FEEDS INDUSTRY PROFILE FY 2024/25

INTRODUCTION

The livestock and fish sub-sector contribute **UGX 11.186** trillion to the economy accounting for a combined **24.3%** of agricultural GDP, **6%** of national GDP, **8%** to commodity exports (UBOS, 2023).

With impressive GDP growth rates of **8.3%** and **8.6%** in livestock and fisheries respectively, the two sectors are expected to play a key role in delivering agro-industrial led economic growth under 10-fold growth strategy of Government. The sectors remain below potential due to challenges in animal nutrition, including poor feed management, limited processing capacity, and outdated feeding methods, gaps in knowledge of nutritional requirements and seasonal feed shortages. There is a need for investment in modern feed production systems to ensure a competitive animal feeds industry as the foundation for growth of Livestock and Fish farming activities.

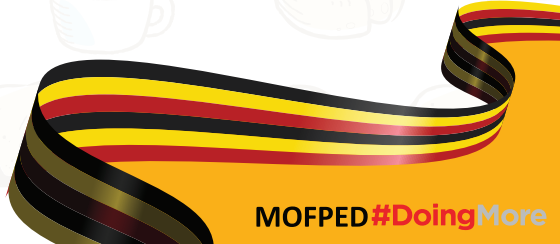
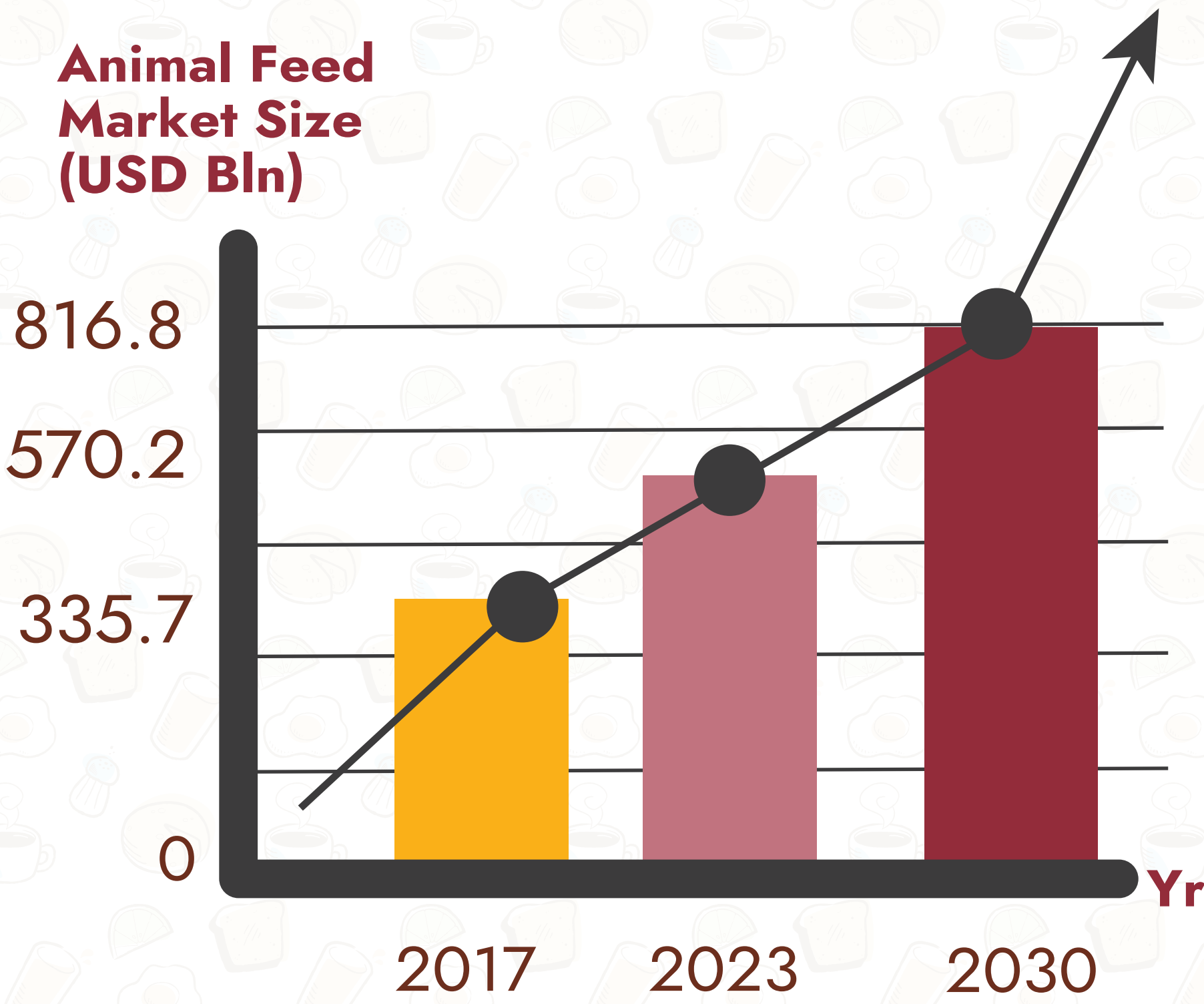
This paper, therefore, provides information on the status and salient issues pertaining to a competitive animal feeds industry and further proposes strategies to avert seasonal feed shortages to spur sustainable growth of livestock and fish farming activities.



2.0 GLOBAL ANIMAL FEED INDUSTRY.

Global animal feed market size grew from USD 335.7 Billion in 2017 to an estimated **USD 570.2 Billion** in 2023 and is projected to hit **USD 816.8 Billion** by 2030 (IAFIF, 2023) attributed to the increasing global market demand for animal protein products and the anticipated growth in population as shown in graph below.

Aggregate global consumption of animal protein products is expected triple by 2050 and producers are expected to make more investments to increase production of animal protein products and hence increased demand for animal feed.



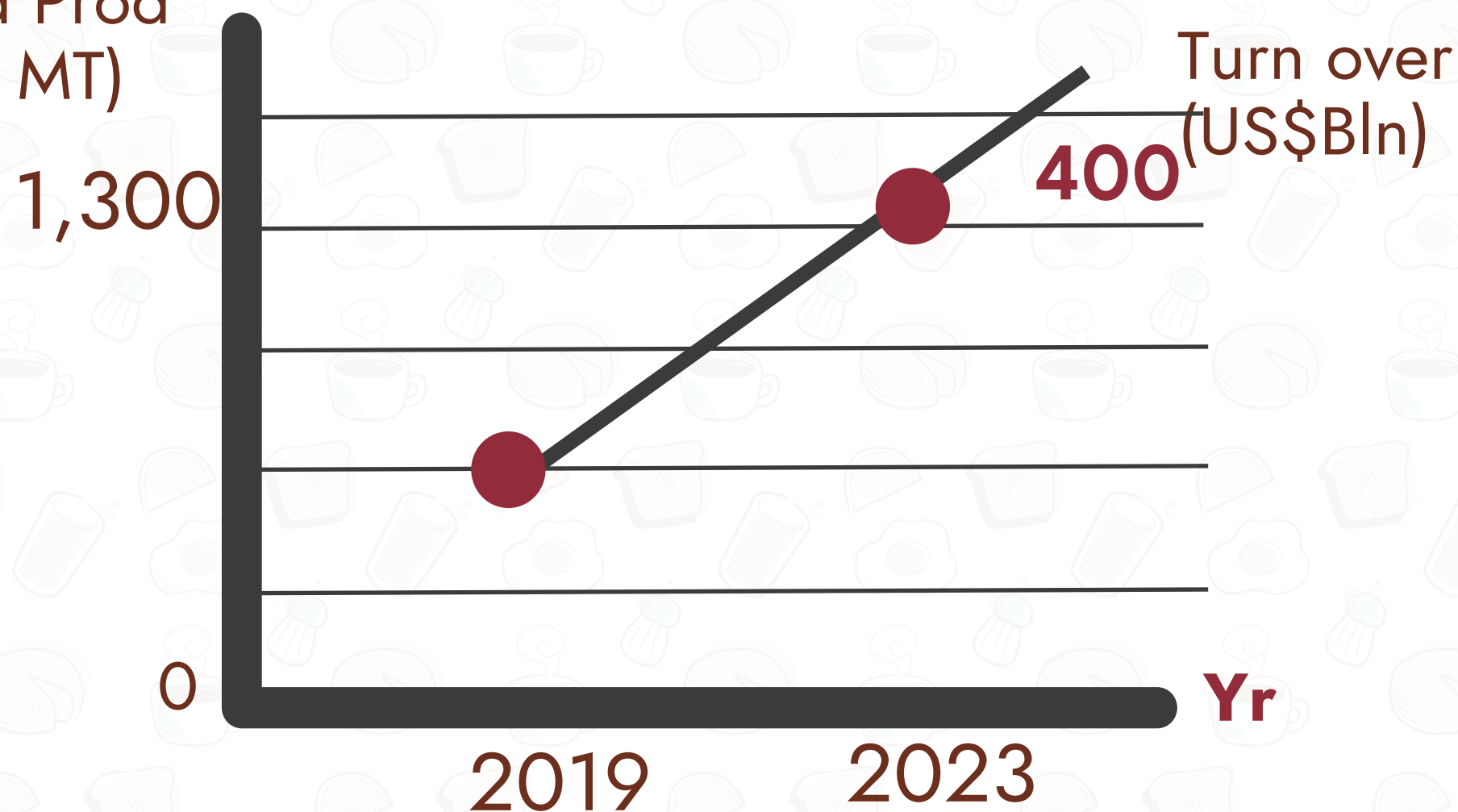


3.0 GLOBAL PRODUCTION OF ANIMAL FEED.

10%

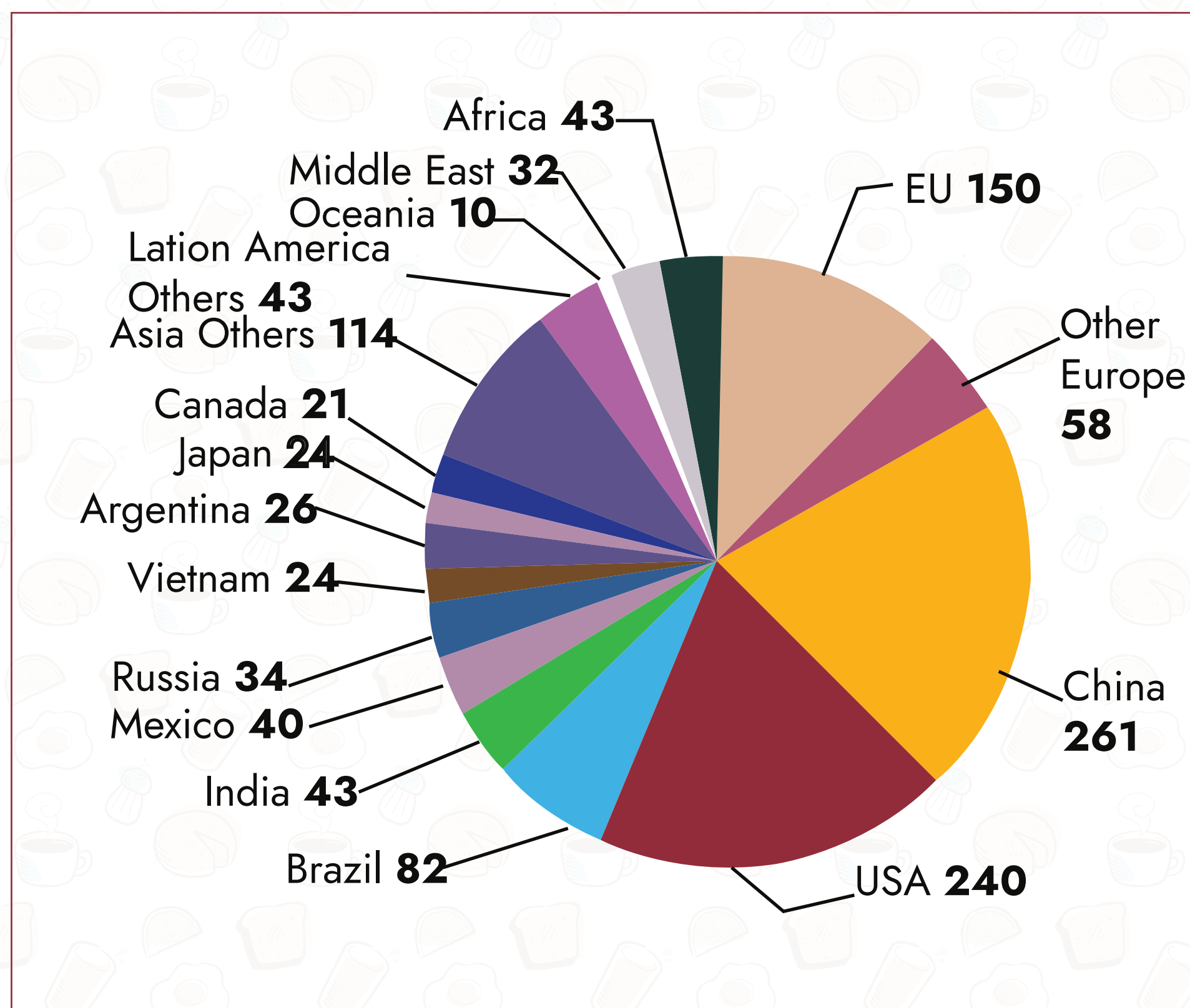
Global animal feed production growth rate to **1,300 million** MT between 2019 and 2023 generating an estimated annual turnover of over **US\$400 billion**.

Global Animal Feed Prod (Mln MT)



2022 Global Animal Feed Production (1245MT)

Global Feed Production 2022(MIO. T)

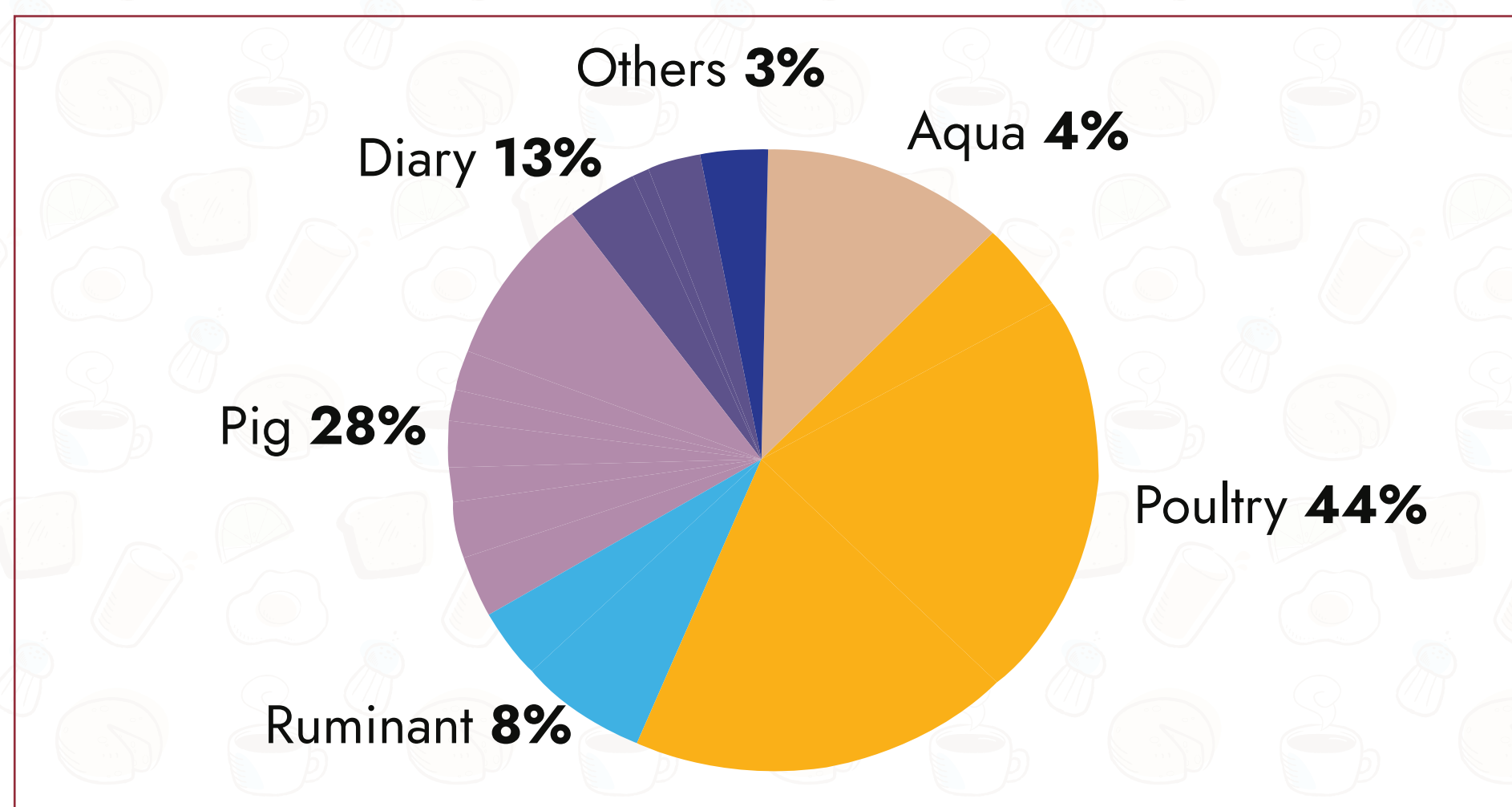


Source: FEFAC/IFIF Regional & National Associations

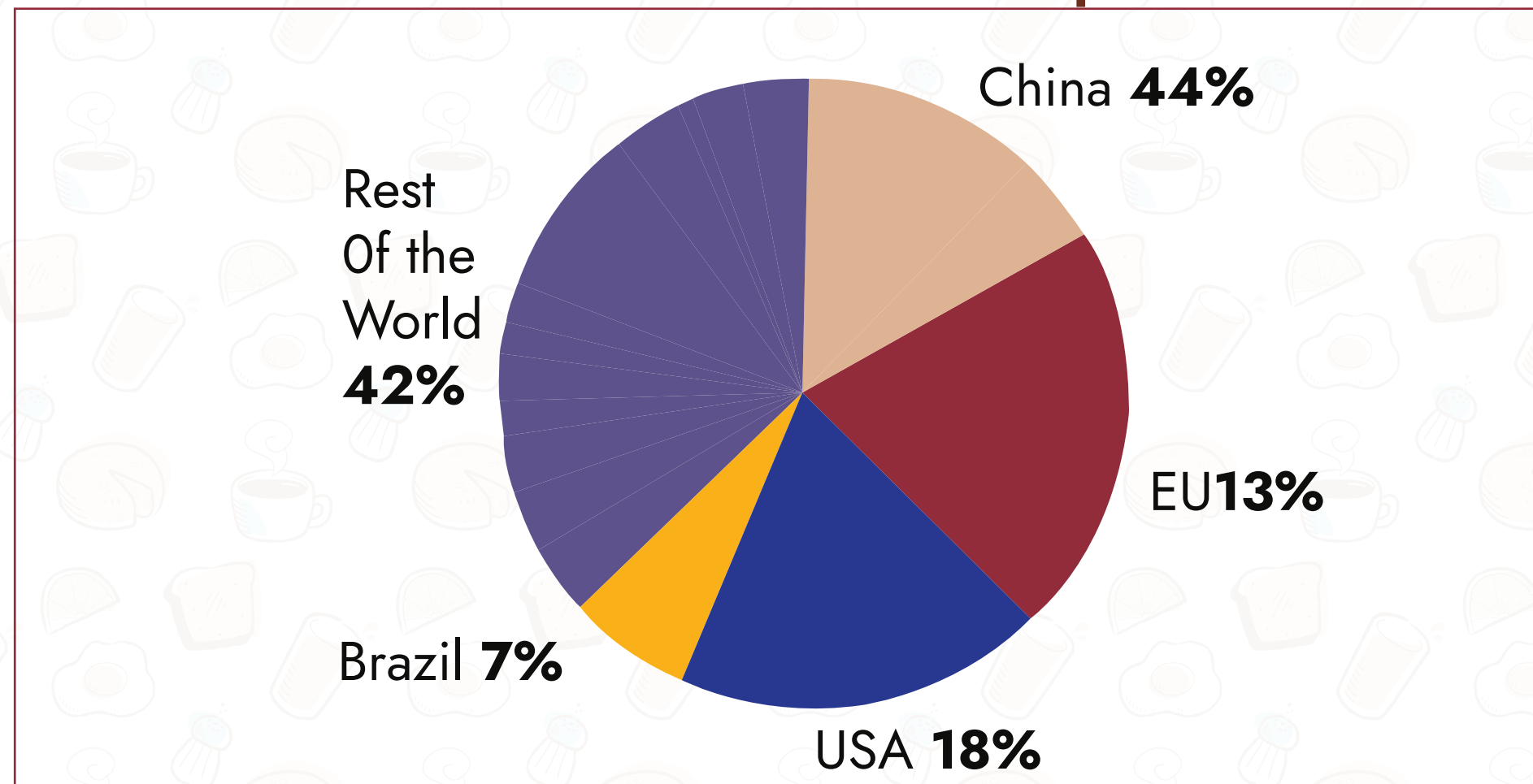


4.0 GLOBAL ANIMAL FEED MARKET SEGMENTATION

Global Feed Market %age by species-2022 estimates

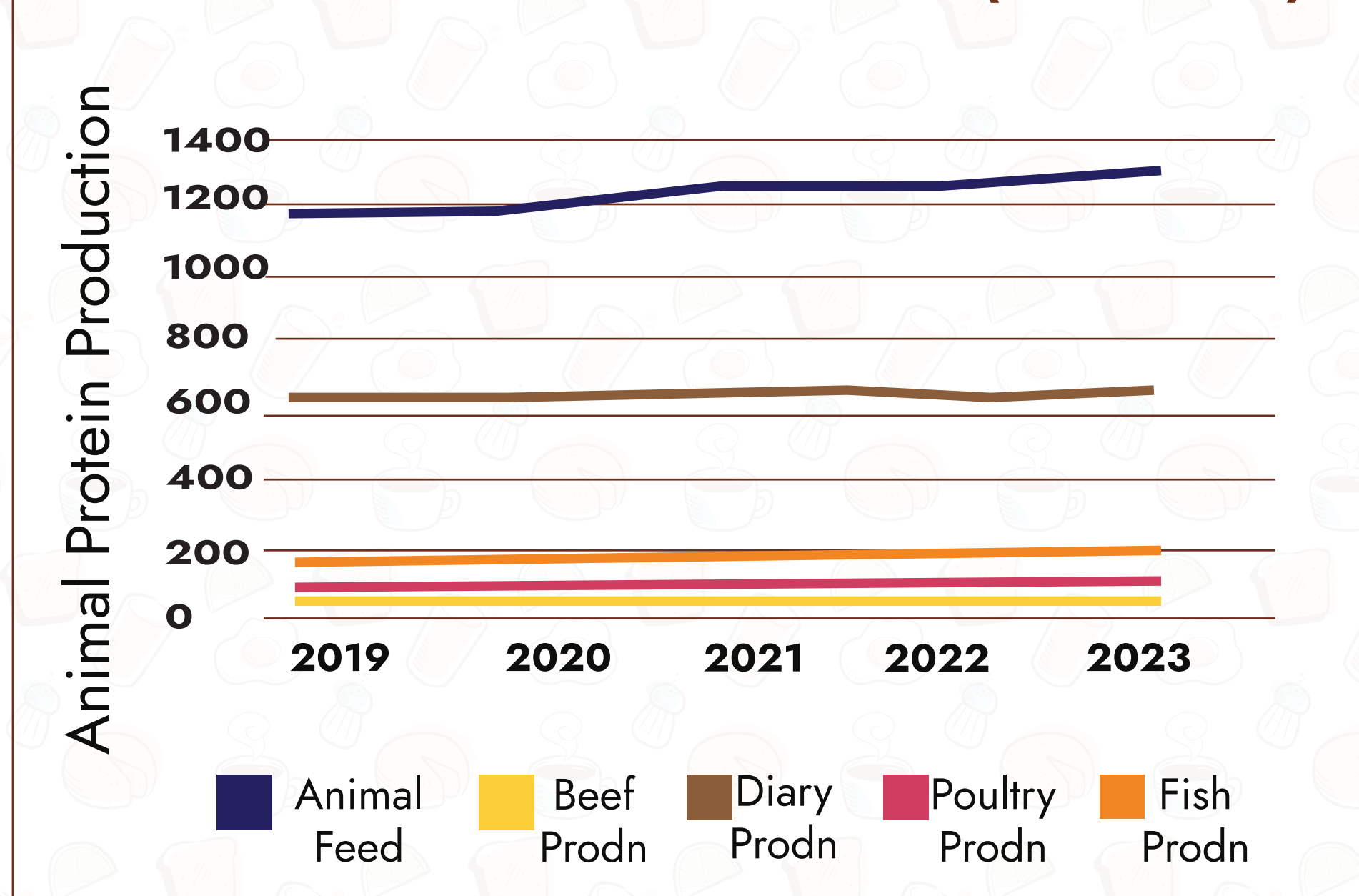


4 countries Produce over CA 58% Compound feed Globally



Source: FEFAC/IFIF Regional & National Associations

Global Animal Protein Production (Million MT)



Source: United States Dept of Agriculture



5.0 THE AFRICAN ANIMAL FEED INDUSTRY

The African Continental Free Trade Area (AfCFTA) is key in unlocking competitiveness of the Animal feed value chain by fostering partnerships for value chain coordination, technology transfer and infrastructure development.

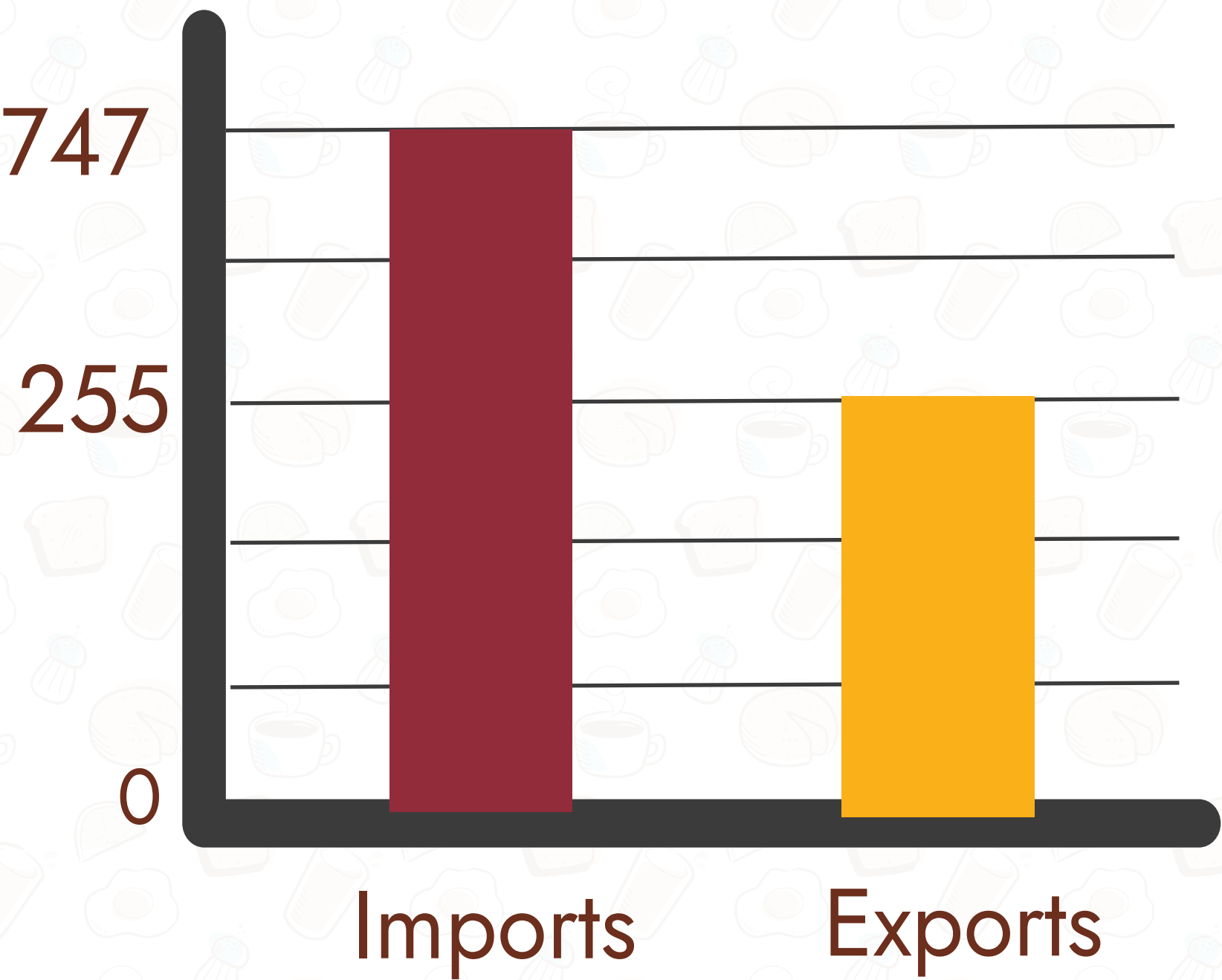
(AfCFTA) animal feed market is segmented into four main categories with production estimated at **51.42 million MT** accounting for **4%** of the global production (*Altech Firm Market Intelligence Report, 2023*).

Afcfta, Animal Feeds Market

1.	Production	US\$21 Billion	2023
2	Market Size	51.42 million MT	2023
3	MS Projection	US\$27 billion,	2029

EAC Imports and Exports

(Million USD)



Source: (ITC, 2023).

Afcfta Animal Feed Market Segmentation

55% Poultry Feed; Demand is driven by growth in the Poultry industry expected to grow at 5.6% annually.	20% Ruminant Feed; Demand is driven by growth in Dairy and Beef industry. expected to grow at 3.6% and 3.8% respectively	10% Aqua Feed; Demand is driven by growth in aquaculture industry expected to grow at 6.0%	15% Swine, Pets, Camels etc. Demand is driven by growth in piggery.
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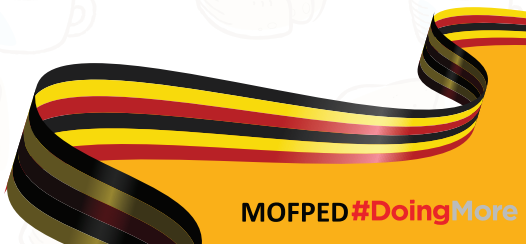
Source: Mordor and Altech Market Intelligence Report, 2024

6.0 CROSS CUTTING ISSUES

Investment in livestock, fish and animal feeds industries is guided by the national Development Plan (NDP). The new strategy to grow the economy by ten-fold is to increase agroindustry exports by 5-fold from US\$4 billion to US\$20 billion by 2040. A competitive animal feeds industry with efficient animal feeding systems would enable Uganda achieve its development targets with animal protein production.

	Animal Protein Product	Status (2023)	Target (By2040)
1	Milk	3.8 billion Liters	20 billion Liters
2	Beef	231,000 MT	350,000 MT
3	Fish and Aqua Products	0.651 million Fish	1.5 million Fish

The Animal Feed Act, 2023 was established as a legal framework to guide establishment of effective feed production and supply systems in the country.





7.0 UGANDA'S OUTLOOK OF THE ANIMAL FEEDS INDUSTRY

Animal Feeds Industry Outlook

1.	Industry Animal Feed	150,000 MT (MAAIF,2023)
2	Animal Feed Roughage	51.7million MT (MAAIF,2023)
3	National Animal Feed Requirement	39 million MT (MAAIF,2023)

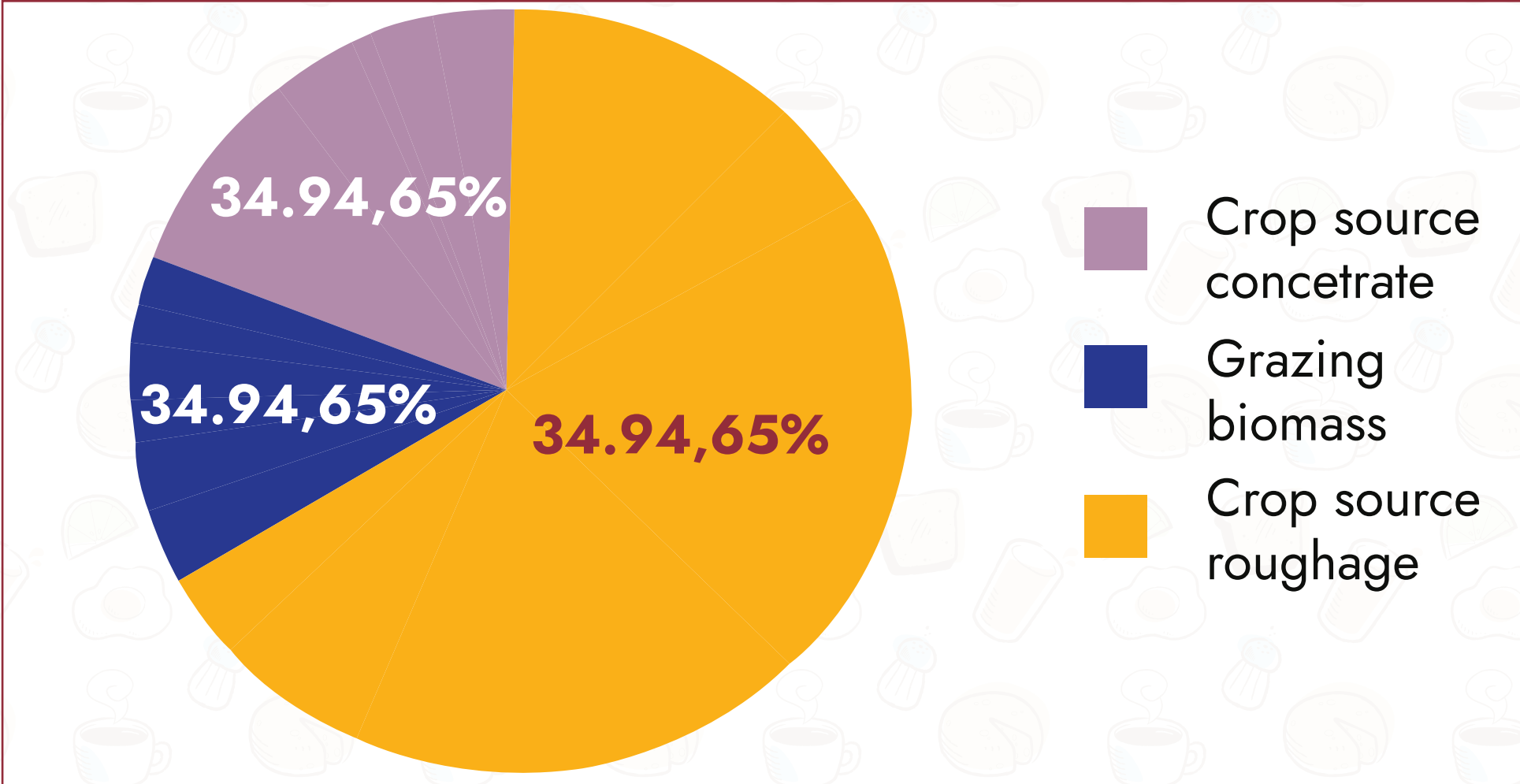
AfCFTA Animal Feed Market

URA Animal Feed Formal Exports, 2023 3,144Mt USD 1.0 Million	Export Composition Premix 2% Oil Seed Cake Maize Brans 98%	URA Animal Feed Formal Imports 2023 136,878 Mt USD 52.0 Million
Import Composition Premix 95% Oil Seed Cake Maize Brans 5%		

Source; URA, MAAIF, 2023



8.0 NATIONAL ANIMAL FEED BASKET (MILLION MT)



Source; URA, MAAIF, 2023



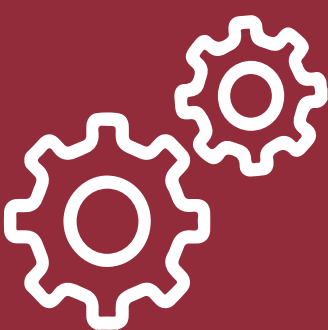
9.0 NATIONAL DEMAND FOR ANIMAL FEED:

Livestock populations grew by **26.9%** to **221.9%**, the proportion of households keeping livestock increased by **30.3%** to **95.6%**. The expanding livestock and fish sector are driving a rising need for high-quality animal feed demonstrating need for investment in feedproduction. The national feed requirement is **39 million MT** (ruminant stock, **37.6** and Monogastrics, 1.4

Aquaculture Feed Needs



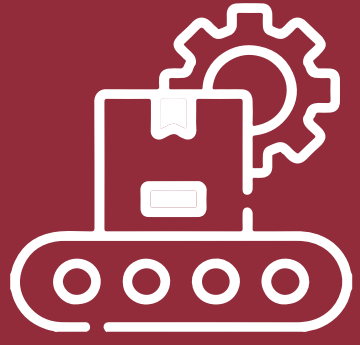
Source; URA, MAAIF, 2023



10.0 NATIONAL ANIMAL FEED PRODUCTION POTENTIAL:

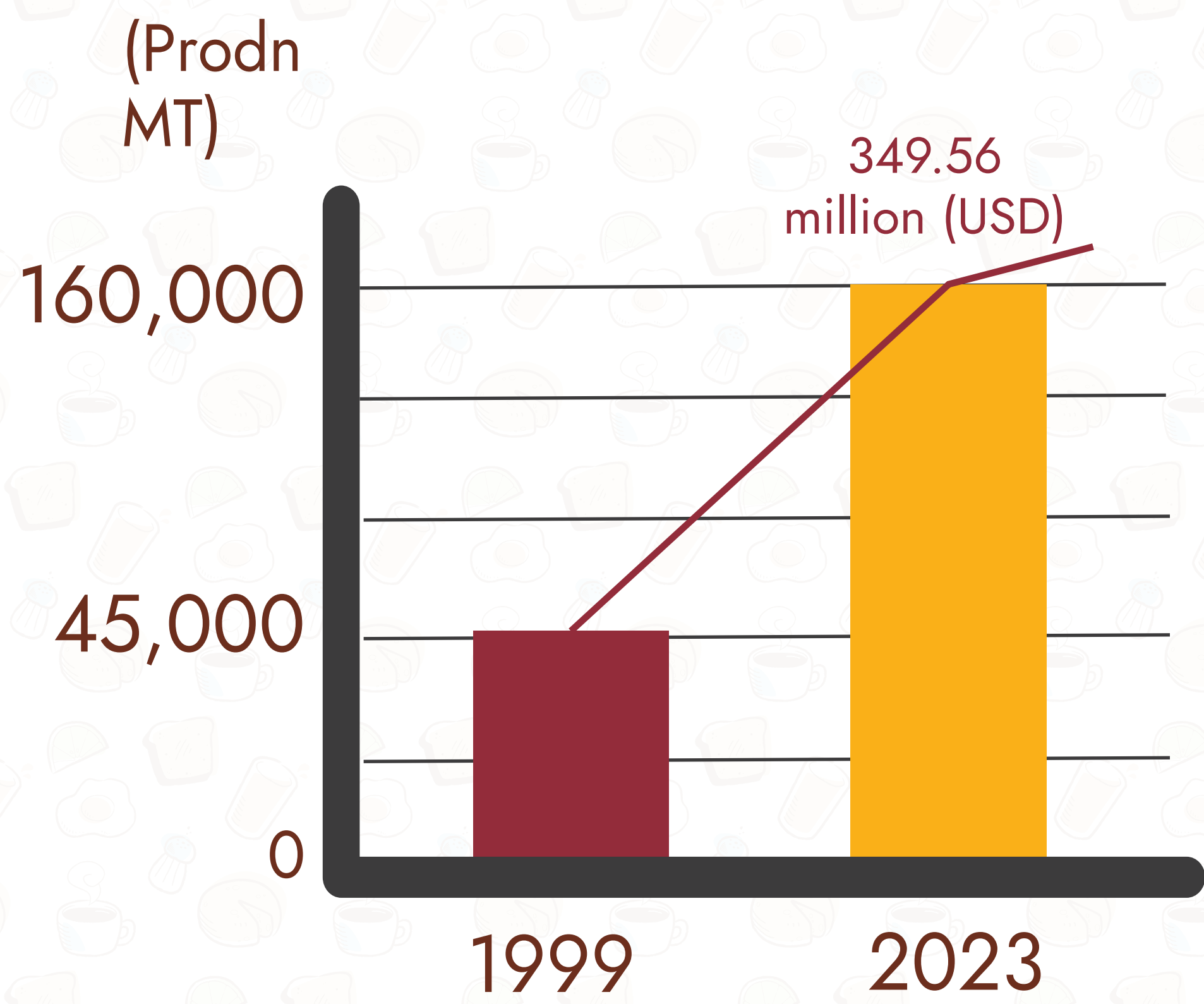
Uganda's feed production capacity stands at approximately 54.1 million MT, surpassing the national demand of 39 million MT. This surplus of 15.1 million MT creates a significant opportunity for regional and global exports, positioning Uganda as a key player in reducing trade imbalances.





11.0 INDUSTRIAL FEED PRODUCTION

Animal feed production increased from **45,000MT** in 1999 to **160,000 MT** in 2023 generating USD **349.56 million** in 2023 which is an amalgamation of poultry, ruminant, aqua, and swine feed accounting for **70%, 20% and 10 %** of the value respectively.



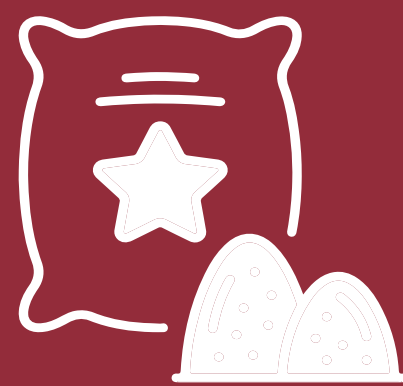
12.0 ANIMAL FEED MANUFACTURERS AND INSTALLED PROCESSING CAPACITY.

Animal feed manufacturers in the country include Mutima Feeds Limited, Biyinzika international, Grain Pulse Limited, Biyinzika Enterprises, Mukwano Industries.

Annual Concentrate Feed Production by ZARDI ('000 Mt).

Agro-ecological zone	Potential Availability	Actual Availability
Eastern Highlands	2,313.6	337.3
Lake Albert Cresent	8,569.5	7,640.0
Lake Victoria Cresent	857.4	117.7
Northern farming system	4,598.5	2,556.5
Northern Moist Farmlands	171.2	62.6
Southwestern Highlands	65.8	8.8
Westenile farmlands	97.6	27.3
Western Highlands	1,170.8	53.9
Western Rangelands	161.4	32.2
National	18,005.9	10,836.2

Source: MAAIF



13.0 RAW MATERIAL FOR INDUSTRY ANIMAL FEED.

Available ingredients include Maize, Sorghum, Cassava, Sweet Potatoes, Cotton, Soya Bean, Sunflower and Fish whose agro-processing gives rise to by-products including Bran, Oil seed cake and Fishmeal used in the manufacture of animal feed.



Annual Quantities of Major Concentrate Feed Ingredients used in Feeding Monogastric (MT).

Zone	Potential Availability			Actual Availability							
	Grain			Bran	Oil Seed Meals/Cakes			Lake Source			Premix
	Maize	Sorghum	Millet	MB	CSC/CSM	SBM	SFC/SFM	FM	LS	Salt	Premix
Eastern Highlands	45,753.2	8,958.2	8,958.2	72,881.5	14,068.1	7,346.8	8.3	5,690.3	3,179.2	616.5	616.5
Lake Albert Cresent	28,227.2	3,069.9	3,069.9	73,416.8	13,325.8	7,429.1	5.2	5,472.5	3,025.2	614.7	614.7
Lake Victoria Cresent	87,823.2			209,783.2	41,510.4	21,222.8	29.2	17,037.3	9,601.7	1,786.3	1,786.3
Northern farming system	29,487.4	4,053.6	1,351.2	30,374.6	5,767.3	3,064.2	1.2	2,341.3	1,304.3	256.2	256.2
Northern Moist Farmlands	27,508.9	27,084.5	13,542.2	88,759.9	15,872.4	8,985.4	7.2	6,527.6	3,596.9	741.2	741.2
Southwestern Highlands	6,336.2	543.4	543.4	18,172.2	3,596.0	1,834.3	19.9	1,442.7	809.8	154.5	154.5
Westenile farmlands	35,655.0	4,000.6	4,000.6	91,295.7	16,386.1	9,238.3	9.3	6,724.8	3,707.0	762.8	762.8
Western Highlands	50,951.5	9,258.7	9,258.7	89,504.0	16,699.1	9,059.1	16.2	6,855.9	3,814.4	753.4	753.4
Western Rangelands	22,562.3	3,755.5	3,755.5	43,618.4	8,215.0	4,408.4	3.6	3,358.2	1,870.3	367.6	387.6
Total	334,305.0	60,724.3	44,479.7	717,806.2	135,440.3	72,588.5	100.0	55,450.6	30,908.7	6,053.3	6,053.3

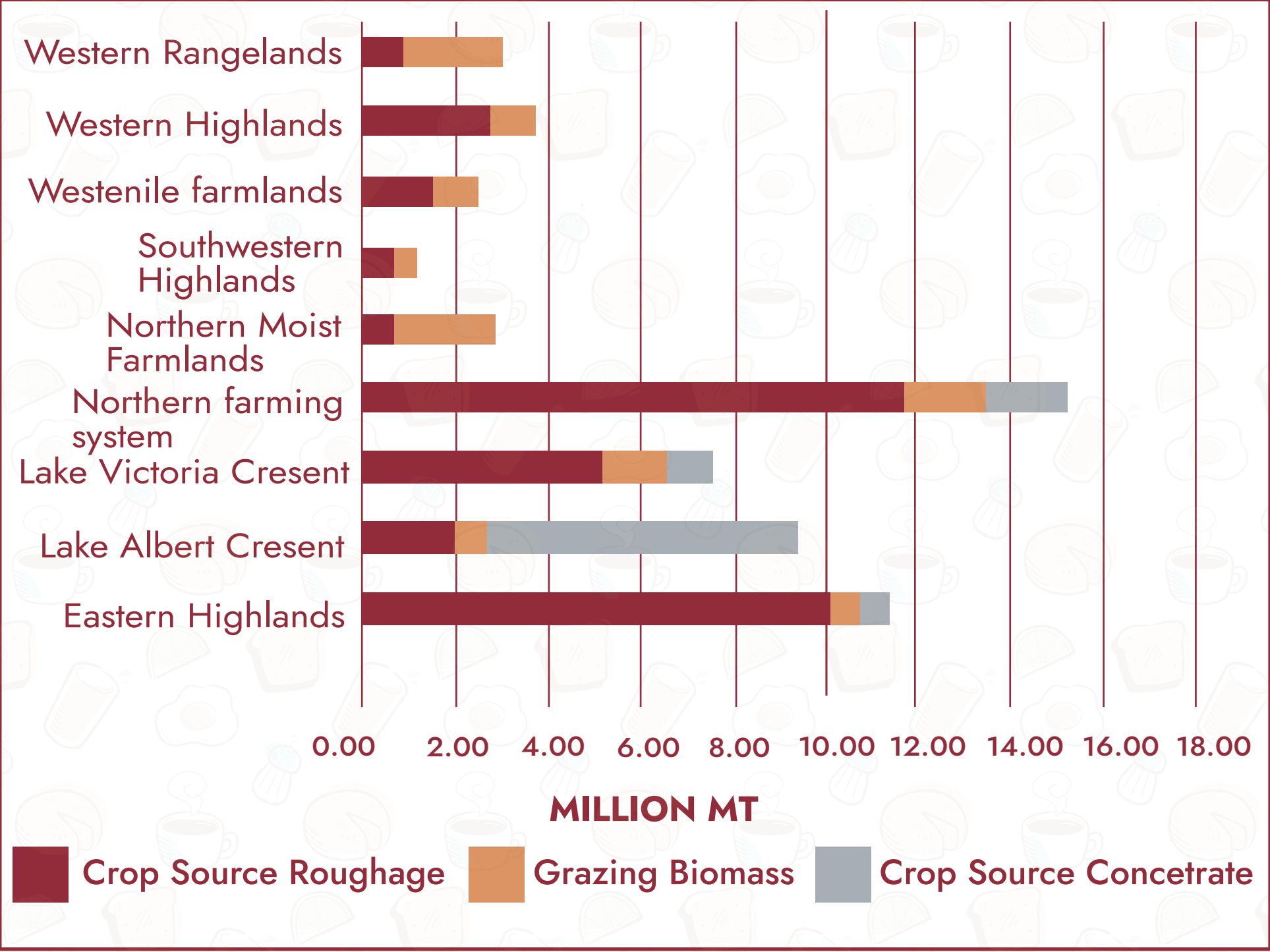
Source; URA, MAAIF, 2023

Annual roughage (pasture forages, hays, silages) feed production by ZARDI geographical coverage (MT)

Agro-ecological zone	Potential Availability (000)	Actual Availability (000)
Eastern Highlands	32,746.0	12,284.2
Lake Albert Cresent	17,003.2	2,725.2
Lake Victoria Cresent	15,475.2	7,925.9
Northern farming system	42,988.0	15,148.2
Northern Moist Farmlands	5,494.7	3,246.0
Southwestern Highlands	1,500.7	574.5
Westenile farmlands	4,210.9	2,638.5
Western Highlands	13,853.1	3,632.3
Western Rangelands	7,165.1	3,493.7
National	140,436.9	51,668.6

Source; MAAIF, 2023

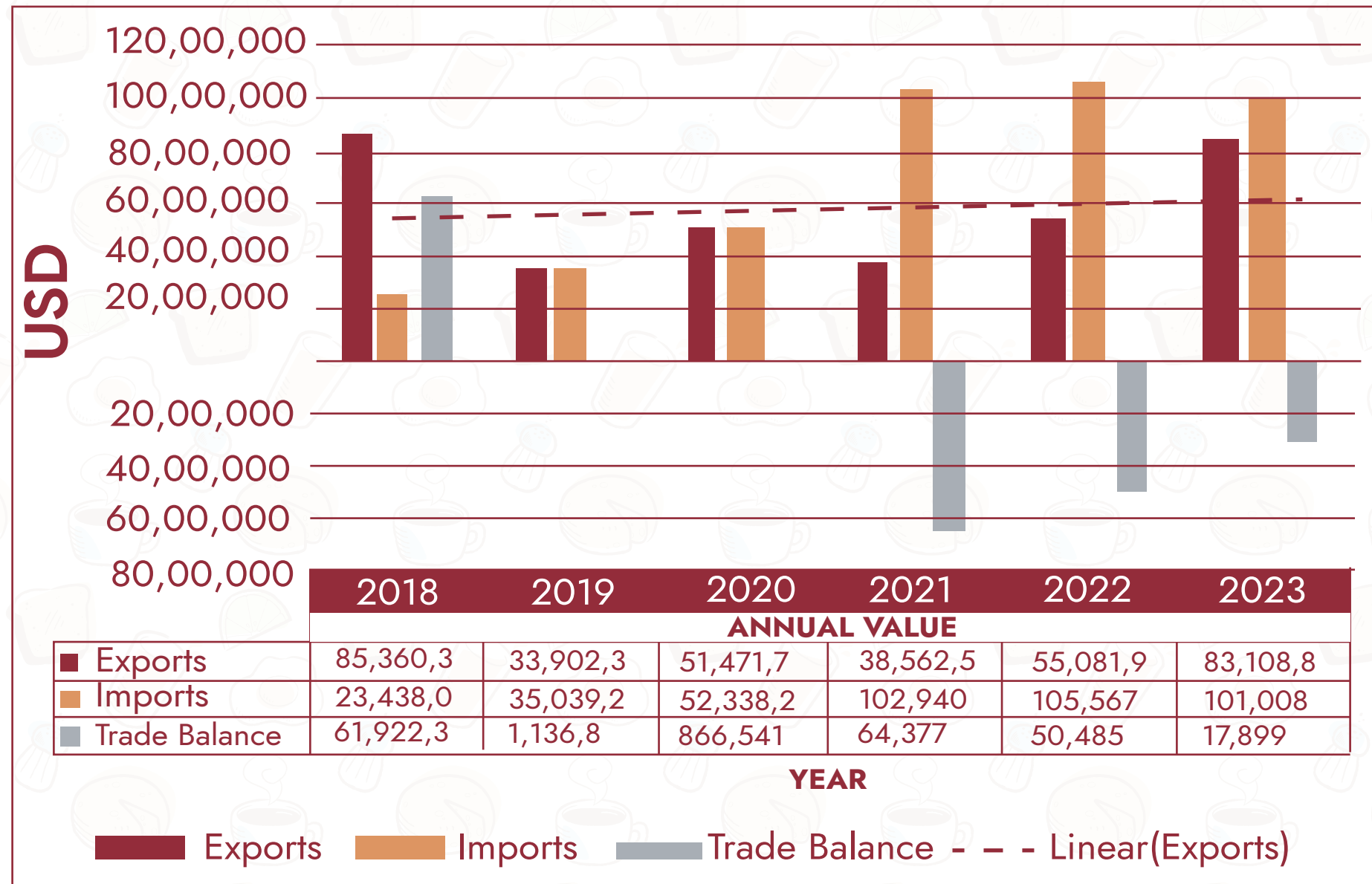
Uganda Feed Basket by Ecological Zone (MILLION. MT)



Source; MAAIF Agroecological Zoning



14.0 EXPORTS AND IMPORTS OF ANIMAL FEED (USD)



Source; UBOS, URA, MAAIF, 2023

i Composition of Exports

Concentrates account for 2% of exports while oil seed cake, brans, and another animal feed residues account for 98%. Kenya accounts for 75% of animal feed exports earning Uganda UGX 2.9 billion annually. Other destinations include Rwanda (22%), Tanzania, South Sudan, DRC and Burundi. (URA, 2023).

ii Composition of Imports

Premixes account for 95% of imports and animal feed residues account for 5%.

The imports originate from 43 countries including:

No.	Country	%age
1.	Netherlands	39
2.	Belgium	24
3.	Egypt	10
4.	Zambia	9
5.	Vietnam	7

Livestock and Fisheries Sector Exports

Export product Description	Annual Value (USD)					
	2018	2019	2020	2021	2022	2023
Live Animals	1,543,369	563,008	10,165,475	22,086,300	24,359,029	26,700,597
Meat and Meat Preparations	6,924,490	2,267,651	2,221,595	2,312,053	3,696,166	3,209,695
Dairy products and bird's eggs	74,089,915	70,119,332	76,813,734	88,555,354	118,198,291	98,913,038
Fish, Crustaceans and molluscs and preparations thereof	171,667,570	176,483,900	127,626,613	118,612,873	149,608,195	137,490,683
Feeding stuff for animals (not including unmilled cereals)	85,360,360	33,902,139	51,471,735	38,562,586	55,081,936	83,108,827
Hides, Skins and furskins	51,063	17,636	97,490	277,289	83,180	88,997
Animal Oils & Fats	3,490	7,000	38,517	31,075	73,723	43,975
Livestock Sector Export Total	339,640,257	283,360,845	268,435,158	270,437,530	351,100,520	349,555,810

Source; URA, MAAIF, 2023

15.0 ON-GOING INTERVENTIONS

The Livestock and Fish Development agencies including MAAIF, NAGRC & DB, NARO, DDA and NAADS have undertaken initiatives to increase the effectiveness of animal feeding systems through;

- Assent to the Animal Feeds Act 2024 to regulate animal feed production and trade.
- Promoting access to animal feed i.e. import of animal feeds into the country is zero rated and under taking supply of improved pasture seed to livestock farmers to increase the green cover of improved pastures and feed milling equipment.
- MAAIF through ZARDIs is undertaking Development of legal guidelines for contract farming and further establishing out grower schemes for pasture and fodder production.

- iv. Providing tax exemptions on value addition equipment which are considered on basis of item by item.

v. Promoting mechanization in animal feed production through provision of equipment including Tractors, grass harvesters, Forage choppers and Hay bailers.

vi. Supporting feed production using Government ranches and stock farms i.e. NAGRC&DB operates a 5Mt/hr animal feed production plant at Kasolwe stock farm, storage silos of 3000Mt capacity and 1Mt/hr Fish feed processing plant to support access to animal feed in form of fodder and compounded feed. FY 2023/24;

i) 18,846Mt of silage to Dairy and Beef farmers,

ii) 13,483Mt of compounded animal feeds to poultry, piggery, goat and dairy farmers at subsidized pricing.

iv. Limited access to credit to support expansion of animal feed businesses.

v. Limited access to skills and efficient technology for good animal feed manufacturing practices.

vi. Inadequate regulatory guidelines for contract farming giving room for breach of partnerships and cooperations agreements.
- ## 17.0 CONCLUSION
- Transitioning to compounded graded feed at national, level requires investment in technology in feed production systems for efficient production and distribution. The increasing demand for animal protein products calls for a matched growth in production of animal feed implying anticipated growth in the market size of animal feed. The current status of the national animal feed industry largely depends on importation of feed concentrates and export of raw material for animal feeds.
- To sustain the current and increasing animal feeding needs, there is need for policy actions below:
- i. MAAIF should operationalize the Animal Feeds Act 2024 by developing regulatory guidelines to enforce the Act and enhance self-regulation of animal feed production and trade in the country.

ii) UNBS should enhance monitoring, inspection and enforcement of Animal Feeds Standards.

iii) MFPED through the Tax Policy Department may consider studying the possibility of an increment in the duty rate on account that there is locally available capacity.

iv) MAAIF through its livestock development agencies should promote production of animal feed under contract farming schemes by ensuring an enabling regulatory framework for contract farming.

v) MFPED should support MAAIF, NAGRC and DB and other livestock and Fish development agencies with animal feed production infrastructure and equipment to promote production of animal feed in form of silage under the ZARDIs.
- ## Funding for the Industry
- | Vote | Sub Programme | Ushs(Bln) | |
|------|---|---|------|
| 1 | National Animal Genetic Resource Centre and Data Bank (NAGRC&DB). | NAGRC and DB Strategic Intervention for Animal Genetics Improvement through animal feed production. | 12.1 |
| 2 | Dairy Development Authority. | Increasing milk production and productivity through improved animal feed resources. | |
- ## 16.0 ISSUES PERTAINING TO A COMPETITIVE ANIMAL FEEDS INDUSTRY.
- i. Inadequate regulatory guidelines and un-regulated animal feed trade, animal feed milling leads to sub-standard feed.

ii. High export of raw material for the animal feed causing seasonal availability and inconsistency in quality of animal feed.

iii. Large quantities of animal feed concentrates are imported to out compete the local manufacturers.
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- vi) MAAIF should strengthen research, development and innovation for efficient animal feed production technologies.
- vii) MAAIF should establish enabling regulatory framework for contract farming.
- viii) MFPED should enhance access to finance for animal feed production as an input into the Livestock and Fish sector.
- ix) MFPED should fast track finalization of the facility to support large scale farmers.

Issues Limiting the Competitiveness of the Animal Feeds Industry

ISSUES		ON-GOING INTERVENTION	RECOMMENDATION
1	Inadequate regulatory guidelines -Un-regulated animal feed trade. -Un-regulated animal feed milling. -Sub-standard feed.	1.Assent to the Animal Feeds Act 2023 to regulate animal feed production and trade.	1. MAAIF should operationalize the Animal Feeds Act 2023 by developing regulatory guidelines to enforce the Act. 2. MAAIF and UNBS should promote self regulation by supporting establishment animal feeds quality control laboratories. 3. UNBS should enhance monitoring, inspection and enforcement of Animal Feeds Standards.
2	Unregulated importation of animal feed inform of concentrate to out compete local manufacturers.	1. Import of preparations used in making animal feeds is zero rated. 2. Import of complete feed is 10% rated.	1. MAAIF should operationalize the Animal Feeds Act 2023 by developing regulatory guidelines to enforce the Act. 2. MAAIF and UNBS should promote self regulation by supporting establishment animal feeds quality control laboratories. 3. UNBS should enhance monitoring, inspection and enforcement of Animal Feeds Standards.
3	Unregulated export of raw material for manufacture of animal feed causing seasonal availability of raw material and animal feed.	Undertook to increase raw production through the PDM	1. MAAIF should support acquisition of enterprise specific equipment for PDM SACCOs including animal feed processing equipment, post-harvest handling and value addition equipment.
4	Limited access to credit to support expansion of animal feed businesses.	Financing options under the; ACF, UDB and GROW offer cheaper capital.	1. MFPED should fast track finalization of the facility to support large scale farmers.
5	Limited access to efficient technology for animal feed manufacturing practices causing limited manufacturing capacity in the country.	1. Tax exemptions on value addition equipment are considered on basis of item by item. 2. NAGRC&DB is establishing animal feed production units on GOU Ranches. 3. NAADS has distributed animal feed milling equipment to farmers.	1. MFPED through TPD should study the proposal exempt tax on complete sets of value addition equipment as opposed to part by part basis. 2. MAAIF should fast track the operationalization of the facilities. 3. MTIC and UDC should expedite the establishment of the floating fish feed plant.
6	Inadequate regulatory guidelines for contract farming giving room for breach of partnerships and cooperation agreements.	1. MAAIF is undertaking Development of legal guidelines for contract farming. Contract farming bill is before parliament..	1. MAAIF should establish enabling regulatory framework for contract farming.
7	Limited public sensitization on the negative impact of aflatoxins to human and animal health..	1. MAAIF developed aflatoxin management guidelines.	1. MAAIF, MTIC and UNBS should support farmers and processors with affordable testing kits for managing aflatoxin levels.



MOFPED **#DoingMore**