

BEEF

AGRO-INDUSTRIALISATION

Can an agro-processor led model support the development of the Beef value chain in Uganda?

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1. Introduction

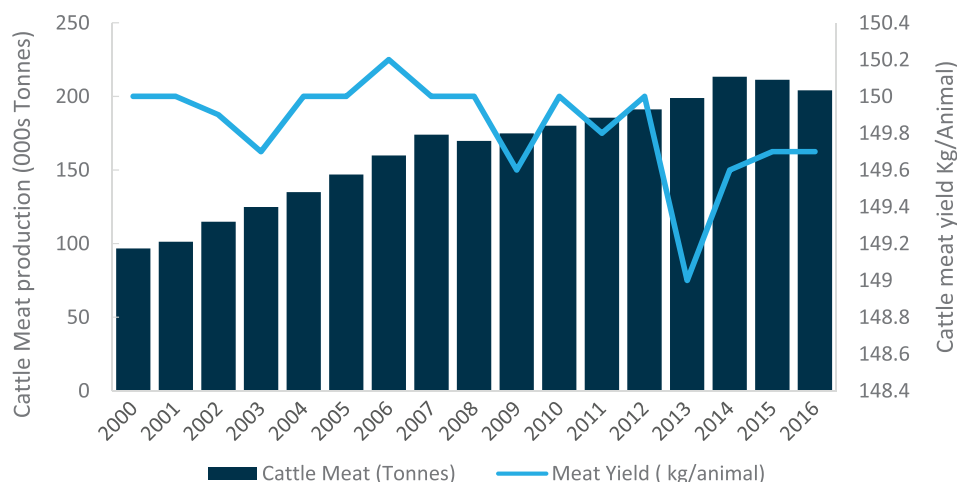
Livestock contributes about 4.2 percent of Uganda's Gross Domestic Product (GDP) and 17.3 percent of Agricultural GDP (MFPED 2018). The subsector also provides livelihood to about 4.5 million people in the country (UBoS 2015). Despite, its national importance, the sector's annual growth has significantly declined from 2.9 percent in 2014/15 to 1.6 percent in 2016/17 and 2.0 percent by FY 2017/18. Cattle are the major livestock in Uganda and account for 74 percent of the country's total livestock. Uganda's cattle population is largely made up of indigenous cows (94 percent) and the most dominant indigenous breed is *Zebu/Nganda* (70 percent), followed by *Ankole* (30 percent). Cattle production is concentrated in the "cattle corridor", which extends from South-Western to North Eastern Uganda. In 2018, the Economic Policy Research Centre (EPRC) produced a report titled—*Fostering a sustainable Agro-Industrialisation Agenda in Uganda*—and this report recommended the use of large scale agro-manufacturers as anchors to support the development of agricultural value chain in Uganda (EPRC, 2018). The case study examines whether such an agro-processor led model can support the development of sustainable beef processing in Uganda. The case study is based on review of publically available documents as well as interviews with key beef players such as Fresh Cuts Uganda Limited, Egypt-Uganda Food Security Company Limited (EUFSC), and Uganda Meat Producers Cooperative Union (UMPCU).

2. Cattle meat production

Figure 1 shows the trends in Uganda's cattle meat production and meat yield during 2000–2014. It is indicated that cattle meat output more than doubled from 97,000 tonnes in 2000 to 213,000 tonnes in 2014. However, much of this growth resulted from increased number of cattle slaughtered rather than meat yield improvements. Indeed while the number of animals slaughtered for beef increased more than two-fold from 645,000 in 2000 to 1,364,947 in 2016¹, carcass weight for beef cattle at slaughter stagnated at an average of 150 kilograms (kgs) per animal during the same period (Figure 1). This leaves a gap between processors' requirements and producers' capabilities. For instance, one of Uganda's largest beef processor—**Fresh Cuts Uganda Limited** demands that animals supplied for slaughter be Boran breeds/ or crosses of Boran and Friesians, not less than 280 kgs (live weight) and not more than 3 years old. On the other hand, Egypt-Uganda Food Security Company Limited requires only male beef animals, less than 3 years old with a live weight of 300 kgs/ animal. These requirements are hard to meet by farmers since most of them don't raise beef breeds specifically for the beef industry but supply cull animals primarily raised for dairy production. The low weight of the local animals is below the classification demanded of animals meant for export market, hence

¹ <http://www.fao.org/faostat/en/#data/TP>

Figure 1: Uganda's cattle meat production and yield



Source: Author's computation using FAOSTAT data online, 2018.

they need to be fattened². Therefore public interventions can target intensification of the feedlot systems to fatten animals for slaughter in addition to increasing awareness for farmers to invest in faster maturing beef breeds that respond to processors requirements.

3. Organisation of Beef for Agro-manufacturing industries –The Case of Fresh Cuts Uganda Limited

Fresh Cuts (U) Ltd obtains beef for processing from two sources namely:

- (i) **Uganda Meat Producers Cooperative Union (UMPCU)**– is an apex organization comprising 33 primary cooperative Societies located in the “cattle corridor”, with over 2,651 individual members. Under this supply model, Fresh Cut and UMPCU, agree on the following ; number of animals to supply per week, price per kilo every after three months, transport from slaughter house to Fresh Cuts processing plant, carcass weight, drug residue content of the carcass and payment is made after 30 days of delivering the carcasses.

Since 2002, Fresh Cuts has a running contract with UMPCU to supply live animals that are: (i) less than 3 years old, (ii) have at least 280 Kgs live weight, (iii) are free of drug residuals and (iv) are preferably of Boran breed/ crosses of Boran and Friesian. However, due to the scarcity of beef specific breeds from the cattle farmers, Fresh Cuts now accepts any breed³. The company requires 60 animals or 10 tonnes of meat per week from UMPCU, pays on average UGX 6,800 to 7,500 per kilo for animals that meet its weight specifications⁴.

To meet the processor’s requirements, UMPCU buys from farmers, transports them to different collection centres, fattens them and checks for antibiotics before supplying them to Fresh Cuts. The cooperative provides extension services, credit and basic quality control tests to its members for maintenance of quality and standards but also to lock in the farmers to constantly supply the cooperative. Fresh Cuts adopted this supply model in order to obtain high quality live cattle for slaughter at the high quality abattoir—Egypt Uganda Food Security Company Limited, Bombo. Export quality control requirement demands that carcasses for export must be slaughtered in a high quality slaughter house.

The major constraints in this supply model include: (i) lack of adequate cash for spot payments to cattle farmers⁵; (ii) Lack of farmer loyalty to constantly supply a single cooperative⁶; (iii)

Slaughtering cattle at the high quality abattoir in Bombo increases cost of processing since the company does not process 5th quarter⁷; and (iv) majority of farmers supply in calf cattle⁸ which reduces the meat yields.

(ii) Carcasses from Uganda meat packers limited

The second supply source of Fresh Cuts carcasses is the Uganda Meat Packers Limited (UMPL). Fresh Cuts uses this channel to diversify supply sources. In this model live animals are delivered by traders to the abattoir for slaughter. It is from these traders that the company procures animals. The largest obstacle in this model is the lack of slaughter facilities such as weighing scales, cold facilities and poor hygiene⁹. Fresh Cuts collects carcasses from the abattoir to its processing plants in refrigerated trucks.

4. Beef processing and manufacturing

Fresh Cuts dominates beef processing in Uganda, covering about 50 percent of Uganda’s processed beef sector. With a weekly processing throughput of 70 tonnes of meat (Approximately 150-200 carcasses per week), the company is Uganda top beef processor. Despite the large market share, the firm is only using about half of its installed capacity (400 carcasses) which increases operational costs.¹⁰ The firm has plans to establish a high quality slaughter house in Nakaseke industrial park; however, this has not yet taken off due to lack of sufficient beef processing services in the Nakaseke industrial park.¹¹ Furthermore, the enforcement of quality and standards for production of quality beef carcasses in Uganda is lacking. Farmers do not yet appreciate that quality determines the price offered for carcasses. With quality improvements, there exists huge potential of beef exports to high value markets such as to the United Arab Emirates (UAE).¹² There is also a need to reduce export bureaucracy for beef processors to boost export competitiveness of Uganda beef products.¹³

4.1 Research and Development/ Institutional support

Fresh Cuts does not have any institutional links with any government research agency such as National Animal Genetic Resources Centre and Data Bank (NAGRC-DB). On the production side, as earlier mentioned, the firm relies on the UMPCU to ensure that animals are

2 Interview with Mr Sherif El Kallini, CEO of Egypt-Uganda Food Security company reported in the Daily Monitor online of 27/2/2018 accessed at <http://www.monitor.co.ug/News/National/High-costs-slow-journey-export-Uganda-beef/688334-4320926-ohoe5ez/index.html>

3 Ankole breed is not preferred since it’s bony and has less carcass weight at slaughter.

4 This price for UMPCU’s supply is renegotiated every after 3 months to cater for cattle price fluctuations in the market. However, if UMPCU supplies carcasses that do not meet its weight requirements, the price per kilo is revised downwards.

5 Farmers demand immediate cash payments while Fresh Cuts pays UMPCU 30 days after delivery of cattle

6 Farmers side sell their cattle to other traders that offer better prices and claim that the animals died.

7 Offal, hooves, liver, heart and carcass heads. Fresh Cuts has to find a willing buyer of these from Kampala and subsidizes them on the transport cost to move the 5th quarter from Bombo to Kampala where market for these is high.

8 Fresh Cuts reported that about 45 percent of live cattle supplied for slaughter are in calf.

9 Due to the relatively poor hygiene and quality control of beef produced at the UMPL, Fresh Cuts supported the abattoir with 2 water tanks.

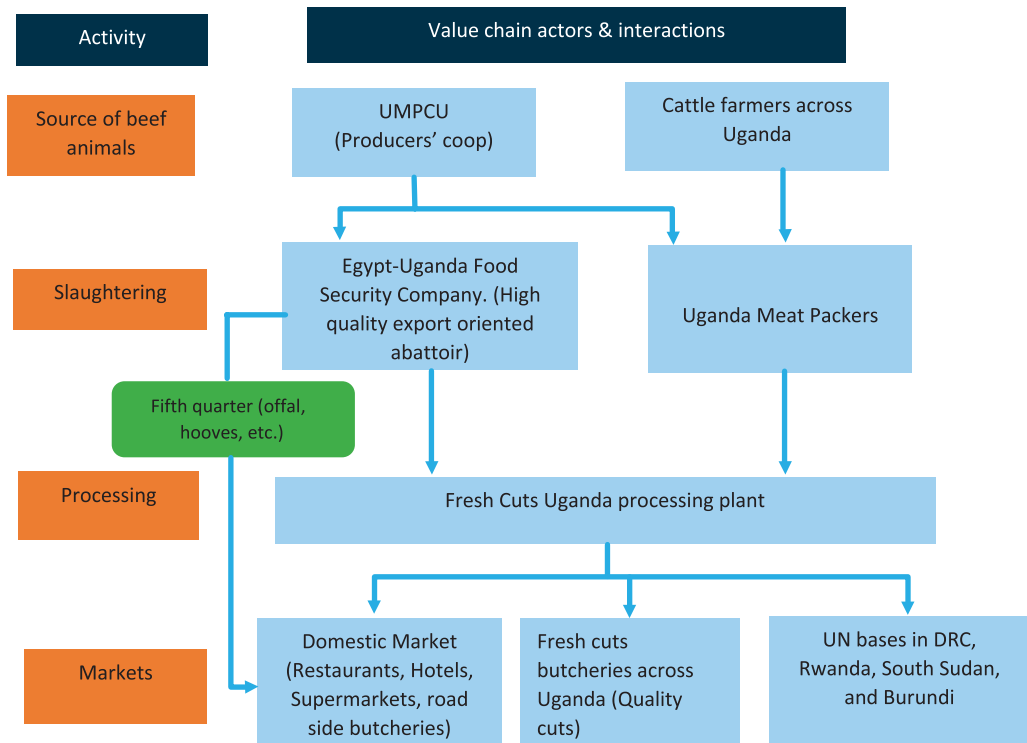
10 By July 2018, the company employs 130 people and consumes power worth UGX 50 million per month.

11 Government has not put in place sufficient water, power and tarmac roads. Carcass cleaning alone requires 1000 litres of water per carcass. Transporting of animals for slaughter on marram roads reduces meat quality. The existing borehole in Nakaseke is not sufficient.

12 Previous studies such as Uganda Investment Authority (2009), 2009), Agriteria (2012) and ACET (2015) reported that despite the large market potential of Uganda’s beef in international markets as UAE, Dubai and Europe, exports were limited due to strict sanitary and phyto-sanitary requirements.

13 Veterinary inspection and certification takes too long. URA takes 3 days to grant an export permit to the processor at the border point which increases the cost of preservation of beef.

Figure 2: Organisation of the beef manufacturing at Fresh Cuts (U) Ltd



Source: Author's compilation based on key informant interviews, 2018.

supplied for slaughter. On the processing side, the company imports technical personnel to train workers on beef processing and handling.

During the consultations for this case study, Fresh Cuts suggested that strengthening of beef producers' cooperatives across the cattle corridor is important to ensure that farmers get the right breeds, extension services and inputs to improve quality of beef. There is also a need to establish a Meat Development Board to ensure coordination of the beef industry, enforce standards, disease control and grades and to link processors to research and development as is the case in other African countries such as Namibia and Botswana. Government needs to undertake infrastructural expenditures into the supply of disease control services and investment expenditures into intermediate market activities such as setting up export-quality abattoirs.¹⁴

4.2 Markets

Fresh Cuts sells meat in both domestic and regional markets. Domestically, the firm supplies institutional consumers such as hotels, restaurants, NGOs as well as individuals. The company has 6 distribution centres and over 12 retail outs. Regionally, Fresh Cuts has contracts to supply UN bases in DRC, Rwanda, South Sudan, and Somalia. Despite the huge market potential for Uganda's beef products in the Middle Eastern countries, Fresh Cuts has not been successful in penetrating these specific markets due to strict sanitary and phyto-sanitary requirements. According to Fresh Cuts,

penetration of high value international markets requires stringent enforcement of quality and hygiene standards—from farm to processing—investments in quality control facilities such as cold storage facilities at slaughter houses.

4.3 Product Space for Beef

Table 1 shows the type of cattle exports during 2007-2015. It is revealed that Uganda's beef product space is narrow. Specifically the country's cattle exports largely comprises live cattle and cattle meat (with bones). These are low value beef products targeting regional markets in DRC, South Sudan, Kenya, Rwanda, and Burundi—due to less stringent restrictions on quality standards. On the contrary, export volumes of other processed beef products such as beef preparations and dried cattle meat remain meagre while exports of high value processed meat products such as meat meal and boneless veal and beef is hardly existent. According to Fresh Cuts, the strong export demand for live animals has constrained the supply of choice animals to abattoirs and meat processing facilities.¹⁵

Furthermore, previous attempts by Fresh Cuts to venture into international markets have met head winds. Specifically, Fresh Cuts (U) Limited reported that its beef samples to Dubai were banned at the airport. This is because, while Uganda is a member of the World Organisation for Animal Health (OIE), the country is not yet listed as

¹⁴ Disease zoning and improving traceability systems.

¹⁵ Key informant interview with Fresh Cuts Uganda Limited and Uganda Meat Producers Co-operative Union

Table 1: Export of cattle and beef products in values, USD ('000)

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015
Live cattle	1474	1667	3835	3938	1374	798	1583	-	-
Cattle Meat	61	49	39	819	149	4	123	142	33
Beef & Veal (Boneless)	32	35	0	0	0	50	233	31	27
Beef preparation	6	0	0	0	0	3	1	6	0
Meal , meat	0	0	0	0	0	0	0	0	0

Source: FAOSTAT data online, 2018

arisk free or a controlled risk country.¹⁶ Moreover, the international beef industry increasingly demands for traceability of meat from producers to consumers and this is non-existent in the Ugandan beef industry. **Therefore public intervention to boost beef exports should increase investment in quality testing laboratories to meet domestic and external standards.**

Meat preparations: Includes meat & offal that is boiled, grilled, fried or cooked. It includes meals that contain more than 20 percent meat by weight. (Table 1) **Meat cattle:** includes cattle meat that is either frozen, chilled or fresh but containing bones. **Beef & Veal:** are preparations of meat or offal, whether chopped, minced or of blood. They may be smoked, cooked or raw and then enclosed in natural or artificial casings. **Dried meat:** Includes salted, in brine or smoked meat.

5. Beef Value Chain and the Proposed Agro-Industry Model

A survey of available literature and stakeholder consultation reveals that although government has provided an enabling environment through a favourable policy environment¹⁷, the beef value chain is not yet fully integrated as per the proposed model in the AGI Report (EPRC, 2018). In particular, beef production, processing and marketing is not directly anchored on specific agro-manufacturers; nonetheless, there exists an indirect relationship. Presently, the beef value chain comprises individual cattle traders, retailers as well as a few organized agro-processors (i.e. Quality Cuts, Fresh Cuts, Sausage King and Your choice etc). While cattle rearing comprises three production systems (i) pastoralists with an average of 10-200 heads; (ii) agro-pastoralists (with an average 2-20 heads) and (iii) commercial ranches (300-8000 heads of cattle).

Cattle markets are managed by private traders on a profit basis in markets established by local authorities (ACET, 2015). As such investment in marketing infrastructure and veterinary inspection is limited and in most cases non-existent. Furthermore, cattle markets

are essentially a buyers' markets—sellers are not assured of getting a true price of their cattle.¹⁸ The purchase price of cattle in Uganda is determined from the physical attributes of the animal and guessed yield (IGAD, 2013). In addition, there exist no standards or weighing facilities to guide the negotiation process. Moreover, due to rudimentary animal transport practices, the transit of animals leads to a reduction in value in the beef value chain. As such the supply of beef animals for slaughter is typically based on a framework of one-off transactions rather than on –going relationships among value chain actors. This implicitly implies that supply of beef will remain erratic.¹⁹ This situation adversely affects the efficient utilization of meat processing capacity and hence their competitiveness in the domestic and export markets.

With regards to processing, formal beef processing is limited and concentrated to a few players. Specifically, beef processing is largely monopolized by a single meat processing company, Fresh Cuts (U) limited.²⁰ Moreover, the large beef processors are not directly linked with specific cattle farmers for their supplies, instead they source animals for slaughter through a network of traders who select animals of a specific size and age, regardless of breed. As such the processor is not directly involved in providing key support services to farmers (there exists no direct backward linkages between processors and cattle farmers). The major constraint to beef processing is underutilization of the processing capacities and lack of enforcement of quality standard of the cattle supplies. The underutilization is to a large exacerbated by the cattle farmers' marketing behavior.²¹

Provision of key supportive services remains largely a task of the government (ACET, 2015 and ADF, 2002). There is limited private agro-manufacturer investment in the provision of these supportive services. As such key sector challenges remain. Agriterro (2012) reported lack of commercial orientation among key pastoralist producers, weak veterinary and extension services, limited

¹⁶ To be listed, MAAIF must submit an annual report for tracking diseases with requisite fees to an international committee to decide if the country is risk free or not. Fresh Cuts reported that MAAIF tracks disease but has not been submitting reports to the committee.

¹⁷ Government has put in place several policies and regulations i.e. the national delivery of veterinary services, national veterinary drug policy, national hides, skins and leather policy, animal breeding policy and the animal feeds policy, meat industry development law etc.

¹⁸ Traders encounter significant risks as cattle farmers often sell sick or pregnant animals first without their knowledge.

¹⁹ Smallholders keep livestock to supplement subsistence nature of livelihoods rather than for commercial purposes.

²⁰ Fresh Cuts (U) Limited commands over 50 percent market share while Sausage King, Your choice and others take the remainder.

²¹ Farmers only sell cows for slaughter due to household pressures or sell unproductive female cows. They don't specifically rear animals for beef production.

investment in livestock infrastructure, shortage of breeding services to improve local breeds, high disease prevalence and poor pasture management as key constraints limiting beef production in Uganda.²²

6. Gaps/ Weak Links of the Model with Regards to Current Operation of Beef Value Chain.

During the consultations undertaken as part of the drafting of this case study, stakeholders highlighted the following weaknesses in the proposed model.

- a) The model assumes that the beef value chain is properly organized with specialized beef farmers, properly regulated cattle markets and commercially oriented cattle suppliers. Currently, farmers mainly supply unproductive female cattle of any breed, regardless of initial use (e.g. for dairy production). In addition, supply of high quality cattle for beef processing is not assured since cattle is sold according to a particular household's current pressures rather than based on commercial orientation. Moreover, unless cattle purchases in primary markets is based on live weight, agro-processors are unlikely to get the required carcass weight.
- b) The proposed model can only be successful with strong cooperatives such as UMPCU at the production segment of the beef value chain. Strong farmers' cooperatives are important for ensuring quality standard, breed improvement and provision of key support services to cattle keepers.²³ Moreover, due to the stiff price competition among private cattle traders, it is difficult to lock in individual farmers to constantly supply to a single processor. Therefore, stakeholders suggested that there is a need for government to rehabilitate its ranchers, as an initial step to ensure constant supply of quality beef breeds to the processors.
- c) Government must improve the existing infrastructure at slaughter houses to enable the proposed model work efficiently. Despite the benefits of combining a commercial abattoir with beef processing, processors are not currently incentivized to establish own high quality slaughter houses until they secure long term market contracts. It is not lucrative to operate a high quality slaughter house on the existing slaughter-for-a-fee model. Secondly, processors stated that the potential business from by-products of slaughter such as hides and skins, horns, hooves, intestines yields little returns but requires heavy investment.
- d) Finally, at the moment, there is limited investment in

laboratory infrastructure to cope with the stringent sanitary and phyto-sanitary requirements demanded in high value international markets. For example, Uganda's beef exports remain banned to key international markets such as UAE and EU due to absence of a National Residue Control Plan for beef and laboratories.²⁴

7. High Impact Areas along the Beef Value Chain for Public Intervention

7.1 Cattle production

Currently 30 percent of cows slaughtered are pregnant, this negatively impacts on future herd growth. Investment in farms that combine feedlot fattening (see appendix, Box 1) with artificial insemination services could significantly change the structure of herds towards having few quality cows and a high proportion of bulls required for beef output. The current production systems do not provide regular and adequate market supply of quality live cattle for beef processing. As such supply responds slowly to increased demand signals.

Investment in storage and transport for agro-industrial byproducts to improve feed supplies —Landell (2012) reported that national wide availability of these products was enough to fatten over 10 percent of all slaughtered cattle per year and could cover up to 20 percent of annual feed needs.

7.2 Slaughter houses / abattoirs

Slaughtering is handled by fee-for-service slaughterhouses and abattoirs. According to Fresh Cuts and City abattoir officials, traders pay UGX 15,000 as slaughter fees per animal. The status of the three main slaughter houses is presented in Table 2. It is evident that two slaughter houses operate above their installed capacity by between 200–300 percent. Moreover stakeholders reported that a high percentage of the animals presented for slaughtering (between 60 and 80 percent) are females. This is an indication that Uganda cattle keepers are not specialising in beef production but dispose of animals that they view as no longer being productive.

Cattle traders attached to different abattoirs buy live animals and organise slaughter for on selling to butcheries. The actors at this stage are urban or rural traders who purchase cattle irrespective of their breed. Cattle traders can sell their slaughtered animals on spot or have informal contractual arrangements with large scale processors or traders (ACET 2015). There is limited processing by large scale slaughter houses. It has been argued that the current slaughter for fee model cannot attract investment in a modern standalone abattoir (EU study on beef (2012) cited in Agriterria (2012)). What would be more feasible is establishment of commercial abattoirs that purchase their own live animals, slaughter them and sell good quality carcass to the market or other beef processors.

7.2.1 Areas of public intervention at slaughtering level

The current practise in which slaughter houses operate on fees for

²² Pastoralists tend to keep cattle mainly for prestige and tend to have more cows than bulls, while in commercially oriented beef production, bulls or steers are preferred because of their bigger weight. Moreover, farmers prefer not to sell except in case of emergency, and usually sell culled (sickly and old) animals first.

²³ Fresh Cuts indicated that it was convenient to work with a formal organized cooperative than directing working with informal farmers.

²⁴ This infrastructure exists for the fisheries sector under the Fisheries directorate, MAAIF

service discourages investments and largely explains the sorry state of most slaughter house facilities in Uganda. It is thus necessary to institute better capitalized slaughter houses through three different options (i) Slaughterhouse owners (the local authorities) go into the meat processing business; (ii) Slaughterhouse operators (or other investors) buy slaughterhouses outright; and (iii) A public-private partnership arrangement is established between traders (and investors) with the city authorities that own slaughterhouses.

7.3 Beef retailers/ butcheries

These are estimated to have annual through put of 170,000 tonnes of beef per year and are responsible for distributing about 85 percent of the meat sold to final consumers (Agriterria, 2012). They source beef carcasses from traders who transport the beef on motorbikes or pick-up trucks. It is estimated that there are 5,000-7,000 such outlets spread across the country (ibid). There is minimal beef processing at this level since these butcheries primarily sell cuts straight off the carcass. Beef processing at this stage usually involves mincing of meat using mincing machines. The key constraints facing these actors with regards to beef processing include; use of rudimentary mincing machines, lack of cold storage facilities and high power costs for cold storage. In addition, quality and standards of the minced meat remains low and largely depends on the personal experience of the butcher. Moreover, the butcher blocks commonly used in small butcheries cause the spread of bacteria and contaminants due to soft wood being used for chopping the meat for the consumers. Hardwood blocks are widely unknown among road side butchers and too expensive for that type of small scale entrepreneur. Overall, these informal beef retailers remain a major distribution channel in the beef value chain in Uganda as such any planned public intervention should target improving the their operations.

Areas of public interventions:

- Improving meat hygiene by investing in hard wood butcher blocks
- Improving turnover and profitability by investing in small scale cooler showcases
- Improving meat hygiene by investing in hygiene training for butchers.

7.4 Super market based butcheries

Super markets process beef by offering a range of retail cuts and processed meats such as beef stew, T-bone steak, beef chops, roast beef, beef shin, veal steak etc. Beef processing involves marinating, which can add a premium of between 35 and 67 percent, depending on the meat and the cut (ACET, 2015). However, Agriterria (2012) reported that minced beef is the best seller among beef products sold in super markets in Uganda. Beef handling in super market butcheries is more hygienic but costly. However, literature indicates that growth of this channel has been suffocated by limited supply. Indeed, the European Union (2012) forecasted an annual demand for premium beef for Kampala alone to be above 3,300 tonnes in 2017(EU Report 2012 cited in Agriterria (2012)). This was validated by Fresh Cuts (U) Limited, the leading meat processor in Kampala, whose export target is 25 tonnes of beef but could only export 7 tonnes . Demand for premium meat is supported by hotels restaurants, institutions and oil companies. Given the high demand for high quality meat, public investments should be directed towards improving areas of processing (premium cuts, sausages, marinated meat, minced meat,). In addition, investment in cold storage transportation between consumers and the butcheries need to be improved.

7.5 Modern meat processing plants

Modern beef processing in Uganda is to a large extent limited and is dominated by processors involved in packaged retail cuts and processed beef. The processed meat products from the agro-manufacturers include prime cuts, retail cuts plastic packed, sausages, ham and minced meat. Besides domestic production, about 50 percent of the processed meat is exported to Democratic Republic of Congo and Sudan on contractual basis. Despite Uganda's large cattle population, export of processed beef remains limited due to stringent sanitary and phyto-sanitary standards. Moreover beef processing is still constrained by limited capacity of slaughterhouses, limited investment in slaughter facilities, poor quality control slaughterhouses etc.

Areas for public investments:

- Improving cold chain by investing in cooler equipment for existing delivery vans or in special cooler vans;
- Improving meat hygiene in investing in hygiene training for

Table 2: Status of slaughter houses in Uganda

National abattoirs	Installed capacity	Daily throughput (animals)	Business model	Technical and hygiene status
City Abattoir Ltd., Kampala (KCC)	100-150	250-300	Service fee for slaughter	Overstrained, hygienic risk
UMI Ltd., Kampala	150-200	30-100	Commercial slaughter	Underutilized, basic hygiene standard
Nsooba Slaughterhouse Ltd., Kampala	50	150-200	Service fee for slaughter	Overstrained, hygienic risk
Soroti Meat Packers Ltd., Soroti	Unknown	Unknown	Slaughter, processing, canning	Not operational, building fit for further use

Source: 2012 EU Beef Report.

- butchers; and
- Improving turnover and profitability by investing in basic management and marketing training and food safety training.

7.6 Beef marketing/ transportation

Cattle transporters transport animals through cruel means and hence destroy quality of beef in the process. Therefore, there is a need to support traders to acquire transportation fleets to enable traders to buy animals from the rural market, transport it to slaughter, and sell beef. And while some stakeholders suggested establishment of slaughterhouses in the cattle corridor districts and transportation of carcasses to processors as a measure to curb the poor transportation of live animals. Fresh Cuts Uganda stated that this was not a feasible solution since the market for intestines, offal, hooves, heads and hooves is in Kampala. Moreover transportation of carcasses requires investment in refrigerated trucks.

Institutional gaps and areas of public interventions

Despite the supportive institutional setup, many gaps exist. Agrittera (2012) reported that despite the rich body of legislation pertaining to food safety and compliance with international Sanitary and Phytosanitary (SPS), many of the areas covered in this legislation were outdated and not in line with international standards. Besides, enforcement of the existing regulation remains inadequate. Also institutional regulation is biased towards export oriented beef products with little or no emphasis on the domestic market, beside meat inspection at the slaughter houses. In addition, unlike the dairy sub sector which has a fully-fledged regulatory authority (DDA), the meat sub sector does not have any regulatory body to oversee and enforce the much needed policies and improved practices for the sector.

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Box 1: Balunzi Cooperative Society, Ziobwe Feedlot

The members of the Balunzi Cooperative Society provide cows and calves according to their ability (contributions ranging from 1–4 animals per farmer). Balunzi's feedlot had a stock of 70 cows aged 3–6 year, and 30 bull calves aged 6–8 months. The major costs of the feedlot include fencing, growing maize, pumping water from the river, additional feeds, drugs, veterinary services (extension service consultations), and labour. The cows are kept in a kraal and graze on 5 hectares of improved pasture daily, but briefly. Calves are initially housed in a special structure until they are ready for grazing on an improved pasture of Guinea grass and stargrass. Supplementary feeds consist of maize silage, molasses, and vitamins. The silage is planted twice a year on 2 ha of land, and water is pumped from the Lwajjali River, 700 meters away from the feedlot. Feeding depends on each animal's weight; mature cows (300–400 kg) consume 20 kg per day, while bull calves may consume 5 kg per day. On average, the farmers invest approximately UGX 500,000 (US\$200) in buying and keeping a single calf, including feeding. Bulls are kept for about one year before being sold for approximately UGX 600,000 (US\$240) each, yielding a margin of about 20 percent. Ten to fifteen percent of the proceeds are retained by the cooperative, and the rest is shared among the members.

Source: ACET (2015).

Beef

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