AFRICAN UNION
INTERAFRICAN BUREAU
FOR ANIMAL RESOURCES

INVESTMENT BRIEF |

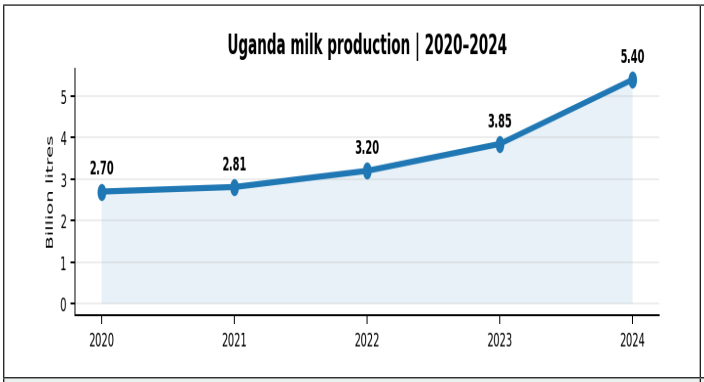
Unlocking Uganda's Dairy Economy Through Youth- and Women-Led Agribusiness Commercialization

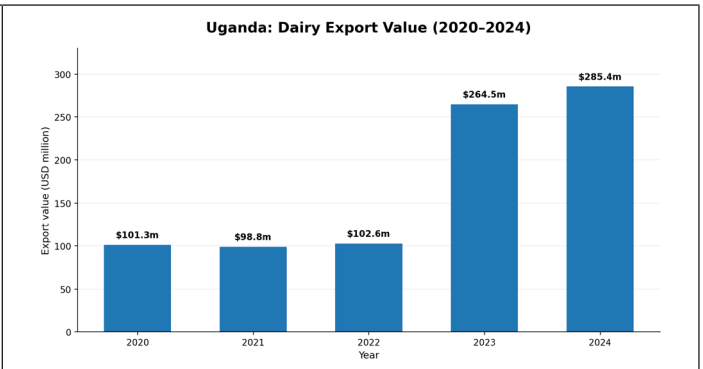
Youth- and women-led agribusiness as a response to Africa's dairy trade gap

5.40bn L	USD 285.4m	68.7%	63.5 L
Milk produced • 2024	Dairy exports • 2024	Processing utilization	Per-capita consumption

An expanding production and export base

Milk production doubled from 2020 to 2024, while the value of dairy exports nearly tripled. However, productivity, aggregation, quality, logistics, and processing efficiency continue to limit value capture.



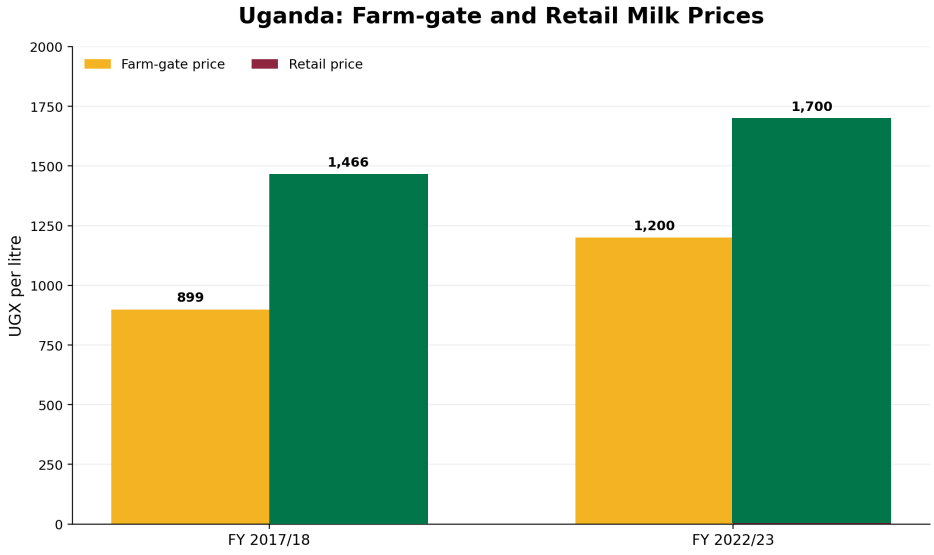


***PROCESSING** | 3.379m L/day installed • 2.321m L/day operating • 68.7% utilization. The difference signals supply-chain and operating constraints—not guaranteed unmet demand.*

DOMESTIC MARKET | 63.5 litres per capita annually versus the WHO 200-litre benchmark. Affordability determines addressable demand.

Farm-gate and retail price signals

FY2017/18–FY2022/23: farm-gate prices rose by 33% (UGX 899 to 1,200/litre); retail prices rose by 16% (UGX 1,466 to 1,700). However, the difference does not indicate a producer profit margin.

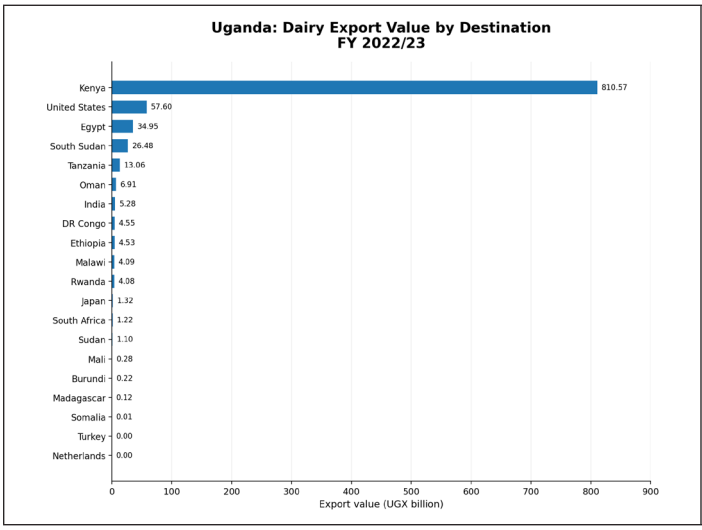


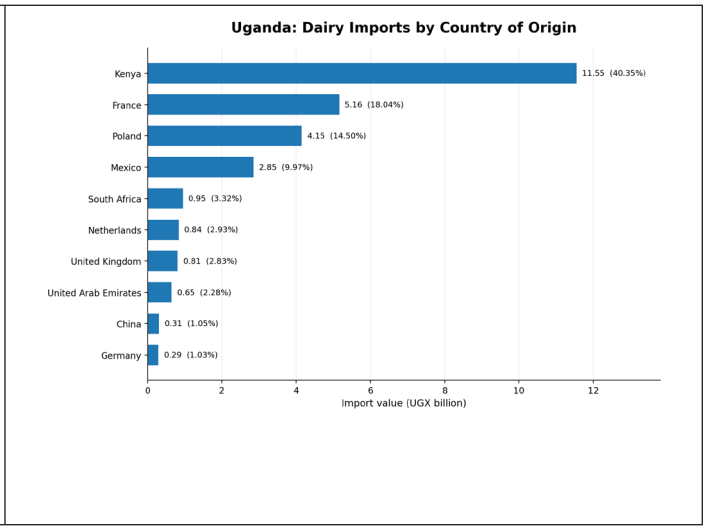
Africa's dairy trade gap: room to grow competitive supply

The 2025 African Agriculture Barometer estimates that Africa imported USD 7.5bn in dairy products and exported USD 1.1bn in 2023, resulting in a USD 6.4bn deficit. This signals a trade gap, not an immediately addressable market, as product specifications, prices, standards, and regulations differ.

USD 7.5bn	USD 1.1bn	USD 6.4bn
Imports	Exports	Trade deficit

Uganda's trade position



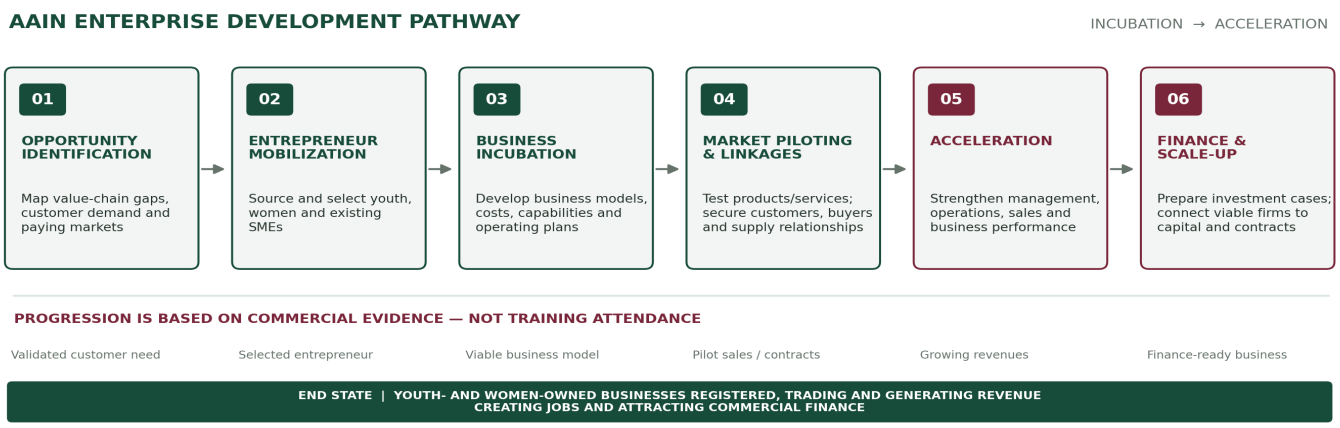


Exports in FY2022/23 were concentrated in Kenya, which accounted for about 83% of export value. The FY2024/25 import-origin profile shows several external suppliers.

Where youth- and women-led enterprises can respond

FEED & FODDER Silage • fodder • pasture seed • feed services	**ANIMAL HEALTH** AI • veterinary inputs • animal-health services	**AGGREGATION** Bulking • chilling • testing • milk transport
VALUE ADDITION Yoghurt • cheese • pasteurised milk • butter	**DIGITAL SERVICES** Traceability • records • payments • market info	**ENTERPRISE & JOBS** Owners • technicians • operators • sales teams

AAIN's role: turning opportunity into an operating business



Programmatic convergence and complementarity

AU-IBAR	AAIN	NATIONAL PARTNERS	MARKET & FINANCE
Continental leadership	Incubation & acceleration	Public technical services	Processors/buyers
Policy alignment	Business development	Standards & coordination	Banks / SACCOs
Technical oversight	Investment readiness	National ownership	Contracts & capital

Convergence brings together AU-IBAR's livestock-sector mandate, AAIN's enterprise-development expertise, national institutions' technical and policy roles, and private actors' access to markets and finance. It complements existing dairy, youth and women's initiatives by creating a coordinated pathway from sector opportunity to viable enterprise, rather than duplicating stand-alone training.

THE OFFER TO INVESTORS

- Youth as owners, not trainees: businesses in fodder, breeding and animal health, cold chain, processing and digital services.
- Proven delivery: AAIN's six-stage incubation, where graduation means paying customers and revenue.
- Blended finance: grants de-risk the start; banks, SACCOs and processors bring loans and offtake.
- 36 months, four phases, starting in the western Uganda milk shed under AU-IBAR leadership and the IRLVC Programme.

WHY IT MATTERS FOR AFRICA

- Africa imports USD 7.5 bn of dairy a year while holding 20% of the world's cattle. Uganda proves an African producer can supply that demand.
- Where Member States stand: Egypt, Kenya and Ethiopia lead on volume; South Africa on processing and exports; Uganda on growth and youth-enterprise design.
- The model travels: Ethiopia, Tanzania and others have the milk but not yet the enterprise layer. IRLVC can replicate Uganda's path.

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