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FACT SHEET
UGANDA

Uganda's Feed and Fodder Sector

Reclaiming Regional Agro-Industrial and Aquaculture Leadership

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Overview

The Core Economic Reality

Across Uganda, feed and fodder constitute a staggering **60% to 70%** of total livestock and aquaculture production costs. Uganda is uniquely positioned as a leading source of exports for feed ingredients within the East African Community (EAC), driven by rising cross-border dairy and poultry demand. Yet, despite this immense potential, the foundational input of the livestock economy remains entirely uncoordinated. Resolving the inefficiencies and massive post-harvest wastage within Uganda's feed sector is no longer just a farming issue; it is the ultimate macroeconomic key to stabilising the dairy and aquaculture industries and reclaiming regional agro-industrial dominance.

The Problem: The Deficit, The Wastage, and The Financing Trap

Uganda's feed and fodder value chains are paralysed by three concurrent structural failures:

1. **The Concentrate Deficit:** Uganda faces a glaring supply-demand gap for formulated concentrates. The nation has an estimated annual feed demand of **5.6 million metric tonnes (MT)**, but local production stands at only **3.1 million MT**, leaving a critical **2.5 million MT structural deficit**.
2. **The 80% Fodder Wastage:** While Uganda boasts a massive surplus in raw, rain-fed fodder production (estimated at 48.29 million MT annually), an astounding **80% of this biomass (38.55 million MT) is lost to wastage**. This catastrophic inefficiency is driven by a severe lack of conservation, mechanisation, and storage infrastructure.
3. **The Financing Trap:** The unstructured and informal nature of the sector locks primary producers out of affordable development credit. Farmers and feed aggregators are forced to rely on crippling commercial agricultural loan rates of up to **28%**. Bureaucratic hurdles actively block their access to much cheaper development funds, such as the **12%** rates offered by the Uganda Development Bank (UDB) or the **8%** rates from the Microfinance Support Centre (MSC).

Quantifying the Devastation and Opportunity

Findings from recent targeted national assessments—conducted under a broader initiative aimed at diagnosing and building resilient African feed and fodder systems (RAFFS Project)—have accurately quantified the massive market failures driven by supply-chain crises, alongside the multi-million-dollar opportunity of structuring the sector.

1. **The Aquaculture Collapse:** Upstream feed shortages and high input costs have caused Uganda's aquaculture sector—once the third largest in Africa—to shrink by a devastating **one-third**.

2. **The Import Burden:** Driven by domestic supply inefficiencies and the inability to process local raw materials efficiently, Uganda's animal feed imports are projected to reach **63 million kilograms by 2028**, a sharp increase from 50 million kilograms in 2023.
3. **The Sector Score: In** recent baseline vulnerability assessments, Uganda's feed sector officially scored a mere **35% to 37% (classified as strictly "Unstructured")**. This reflects disjointed industry players, lack of regulatory oversight, and highly risk-averse investments.
4. **The Women-Led Commercialisation:** AWARFA-N Uganda (African Women in Animal Resources Farming and Agribusiness Network) is aggressively mobilising women-owned enterprises, targeting the establishment of a **500-tonne storage facility** and the procurement of a commercial milling plant by 2027. They are aggressively targeting the highly lucrative trade in dairy, poultry, and fish concentrates.

The Investment Pathway: Export-Driven Commercialisation & Dairy Zoning

Fodder commercialisation in Uganda requires formally recognising the structural divide between the large, self-sustaining dairy farms in the South-West and the land-constrained, smallholder-dominated Eastern region. The Eastern dairy zone faces seasonal shortfalls that create a lucrative opening for contracted fodder supply. Linking commercial fodder producers directly to large dairy processors (such as Jesa, Chessa Dairy, and Lato Dairies) via forward contracts is the essential mechanism needed to secure guaranteed off-take. This guaranteed market demand is the missing key to unlocking single-digit credit from the UDB and the MSC for upstream fodder producers.

Urgent Policy Recommendations

To align with agro-industrialisation goals, the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), the Dairy Development Authority (DDA), and financial institutions must execute the following directives:

1. **Align the Animal Feeds Act for Commercialisation:** Leverage the newly enacted Animal Feeds Act to move beyond mere quality regulation. The government must actively incentivise and de-risk private sector investment in large-scale feed milling, pelleting, and fodder aggregation hubs.
2. **Eliminate 80% Fodder Wastage via Infrastructure:** Redirect agricultural funding toward the establishment of mechanised hay baling, silage production, and community-level storage hubs. Converting the 38.55 million MT of wasted biomass into tradable, preserved commodities will immediately stabilise prices.
3. **De-Risk Women and Youth Enterprises:** Financial institutions must streamline restrictive bureaucratic documentation requirements so that women-led cooperatives (like AWARFA-N) can access single-digit development loans (8-12%) rather than being exploited by 28% commercial agricultural rates.
4. **Formalise Regional Fodder Trade:** Transition the sector from informal, cross-border trading to a structured, export-oriented commodity market. Uganda must capitalise on East Africa's booming demand for dairy and poultry feed by formalising export corridors.

Expected Impact

By formally structuring the feed and fodder market, Uganda will definitively eradicate its 2.5 million MT concentrate deficit and reclaim its title as Africa's aquaculture powerhouse. Most importantly, it will transform 80% post-harvest fodder wastage into a multi-million-dollar export engine, substituting costly imports and securing thousands of formal, structured jobs for women and youth across the agrifood system.