

UGANDA INVESTMENT AUTHORITY

AGRICULTURE (BEEF)



Overview of the Agriculture Sector

The Agricultural Sector is the most important sector in Uganda with the largest source of Uganda's export earnings (40% FY 2012/13). The sector (production) currently employs 66% of Uganda's working population, which is a reduction from the traditional 70-80% indicating that more of the work force is shifting to the services and agro processing sub sectors. The sector contributes 23% to total GDP largely accounted for by increased cash and food crop and production.

Uganda has the unrivaled potential to be the food basket of the East African Community, as well as the Great Lakes regions, with the capacity to export processed food stuffs to the wider COMESA economic bloc if more investment is targeted at processing more of the agro products. Currently, Uganda exports substantial surplus to South Sudan, Kenya, Tanzania, and Burundi, Democratic Republic of Congo, Rwanda and some countries in the COMESA region.

Uganda has very fertile soils, particularly around Lake Victoria. Coffee is grown as the main export, with tobacco and tea the next highest-earning agricultural products. Cocoa beans, palm oil and sugar cane are also key cash crops for the country's farmers. The sector's contribution is vital to increasing the country's export earnings, creating incomes to eradicate poverty and providing a source of good quality food stuffs (in most cases organic)

The booklet details the status of production and investment opportunities in the commercial farming of coffee and tea, among other crops; aquaculture to farm the Nile Perch, Tilapia and '*Mukene*' species among others; and livestock for the developing meat industry.

Investing in Uganda's Meat Sector

1.0: Background to the Sector

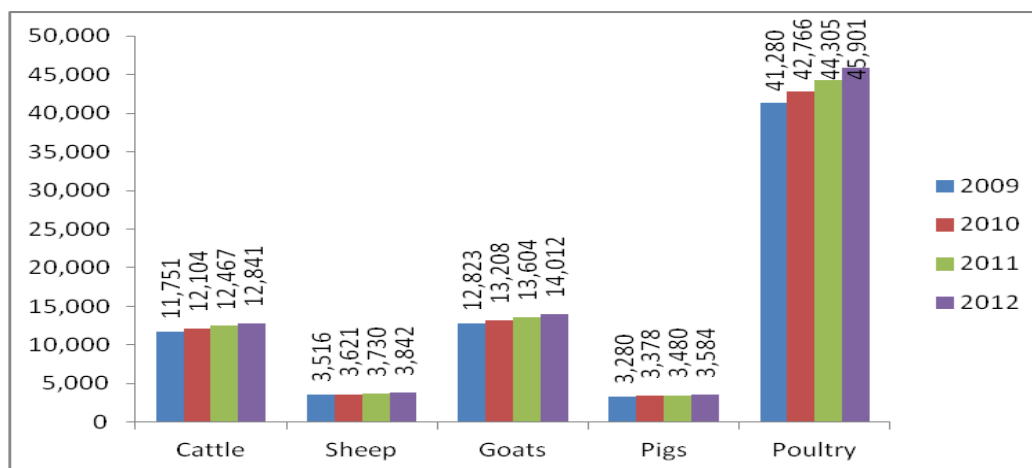
Livestock production constitutes an important sub-sector of Uganda's agriculture, contributing about 9 per cent of Gross Domestic Product and 17 per cent of Agricultural Gross Domestic Product and is a source of livelihood to about 4.5 million people in the country (UIA, 2009).



In economic value, cattle are considered the most important livestock although other animals such as goats, sheep, pigs and poultry are equally important. Cattle are the main source of meat in the country and are reared on rangelands which occupy 84 000 km². The greatest concentration of livestock is found in the "cattle corridor", extending from South-Western to North Eastern Uganda. This corridor covers the districts of Ntungamo, Mbarara, Mpigi, Kiboga, Luwero, Apac, Lira, Soroti, Kumi, Mbale, Moroto, and Kotido (INFOTRADE, 2011).

Most of the beef production is the done on extensive production systems mainly located in the cattle corridor system in Central Uganda. The livestock sector is governed by several policies and regulations including the national delivery of veterinary services, national veterinary drug policy, national hides, skins and leather policy, animal breeding policy and the animal feeds policy among others. The recently enacted Meat Industry development law was instituted to improve production, processing and marketing of meat and meat products.

1.1: Overview of Uganda's Meat Sector



Graph 1: Livestock Numbers ('000), 2009-2012

Source: UBOS (2013)

The meat sub sector is mostly very domestic and self-sufficient, with very limited exports. There is a need to increase production through large scale commercial farming and ranching to take advantage of the increasing demand for Ugandan meat in the region.

i) Cattle

Uganda's beef is ranked 5th best in the world because of its yellow fat that does not contain cholesterol mainly because the cows are naturally grazed. An estimated 90% of the national cattle herd is kept under pastoral and mixed small holder farming systems. Commercial beef ranching is limited accounting for less than 10% of the national herd. The main sources of meat are the culled animals and excess steers in the various farming systems.

One must note that lean meat is preferred as a beef product by consumers. Therefore, farmers that have traditional and indigenous animals are at an advantage as they fetch higher prices. In western-central Uganda cattle corridor, even up to Luwero, zebu and long horned cattle are kept for beef production.

Zebu and the Ankole-Watusi cattle are small, hardy and well adapted to local

conditions, but beef yields are relatively low because the animals don't grow too big. The Ankole-Watusi is medium in size weighing between 900 – 1,200 pounds and the bulls weighing 1,000 -1,600 pounds. Newborn calves weigh between 30 – 50 pounds. Therefore, beef off-take from this sub-sector is very small. There are efforts to introduce newer breeds of cattle to the area, through the establishment of village artificial insemination points. Other types of cattle kept in Uganda include:

- **Boran:** This breed belongs to the large East African short horn Zebu that originated from the Kenya-Ethiopian border. It is an ideal choice for rangeland beef production because it is a vigorous grazer, has low maintenance requirements, high ability to convert low quality feed into prime beef, responds well to high quality feeds and is highly adaptable to dry rangelands and is disease resistant. Mature weights of Boran range from 500-88kg in bulls and 400-550kg in cows;
- **Brahman:** This humped cattle breed was developed in the USA for beef production using Bos Indicus foundation stocks from India. It has high growth rates, is tick tolerant and performs well under a wide range of climatic conditions. Mature weight in cows ranges from 440-650kg and 720-990kg in bulls, with an average daily weight gain of up to 1,800 grams;
- **Bonsmara:** This breed originates from South Africa and was developed from the Afrikaner, Hereford and some Shorthorn breeds. Mature cows weigh between 590-900kg and bulls weight between 892-1,200kg.

ii) Goats

Traditional goats are very good in the production of lean meat as they do not have a lot of body fat. The cross-breeding of the local goats with imported goats, especially Boer goats from South Africa is being done by some farmers to improve on the animal size and to improve on the maturity gestation period. Traditional goats mature in a period of up to 18 months and have a body weight of up to 18 kg while Boer goats mature in a shorter period (9 months) and have a body weight of more than 25 kg. This increase in the body size means that farmers earn more from these animals. A good example of successful cross-breeding is the emergence of

the Mubende breed. The Small East African goat and its larger sister, the Mubende breed, have the finest skin from a non-endangered animal on the world market. There is still opportunity for investment in other cross breeding to improve yields for better and more meat, as well as goat milk.

iii) Sheep

Sheep farming in Uganda for the production of meat is very low as there are many traditional taboos against eating sheep meat. However, there has been an increase in the farming that has also seen the importation of improved sheep from South Africa. This has been in response to an increase in demand regionally.

2.0: Key Products in the Sector and Industry Players

Statistics show that there are 7 small scale meat processing plants producing around between 300 to 700kgs of meat products per day. There is also increased informal and formal exports of meat products and live animals from Uganda to regional markets. Uganda is not exporting as much as what is commensurate with the large livestock population existing in the country. This is because of the difficulties in complying with international sanitary and phytosanitary standard requirements. These difficulties notwithstanding, there are success stories in the sector as well as government and development partner efforts to increase capacity in the sector and improve the products and productivity.

A Story of Success

Company: Quality Cuts

1993: Stephan Duyck, proprietor and Managing Director opened a simple butcher shop in a Kampala suburb selling unprocessed beef, chicken and pork to individual buyers. Quantities were about three cows, one pig and 100 chickens per day

2005: Bought a sausage making plant in Seguku – Imperial Gourmet [now Fresh Cuts], which was later developed into the wholesale arm of Quality Cuts, mainly



dealing with export orders. This tripled the firm's production capacity for the various products including beef, mutton, goat meat, chicken and pork to an average at 22 tonnes per day.

Currently: Quality Cuts sells processed and packaged meat from more than 100 cows (*Boran*), 56 pigs and 3,000 chickens per day. The company supports the farmers who supply them with meat in order to ensure the health of the animals and quality of the meat produced.

Value of investment: Quality Cuts started with a \$300,000 investment and is currently worth of about \$3 million. Ireland Blyth Limited (IBL), one of the largest business groups in Mauritius operating in five main sectors of retail, financial services, seafood, and marine, logistics and engineering & commerce recently signed an agreement to co-own the processing plant. According to Duyck, in an interview with the media, 'the new shareholding structure has not only enhanced professionalism and production capacity but plans are underway to invest \$2.5 million in a pork products processing plant.' The firm also recently signed a memorandum of understanding with the Uganda Meat Producers Union and Notura, a Norwegian Meat firm, to develop a \$10 million abattoir and processing plant in Uganda.

Market: Apart from selling its products locally, Fresh Cuts also exports to Sudan, the Democratic Republic of Congo and Rwanda. Plans are underway to venture into Tanzania soon. Fresh Cuts is currently among the Top 100 Mid-sized companies in Uganda.

Employment creation: Quality Cuts employs about 250 workers on a permanent basis with between 20 and 30 casual workers on a daily basis.

Other key Industry Players

- Uganda Meat Industries on Old Portbell Rd, Kampala. The company has a spacious slaughter house in the industrial area of Kampala. It is one of the leading players in the sub-sector.



- Lubowa Investments Limited on Entebbe Road

- Meat Process (U) Ltd on Ggaba Rd in Kampala are involved in general meat processing

- Farmers Choice a beef, poultry and pork producing company, operates in Kampala under the franchise name 'Your Choice,' producing beef and pork products in the market. In Uganda, sausages are still largely a reserve delicacy for the urban elite communities. Growth in consumption of processed meat products is often more visible among middle-class consumers.



- Sembeguya Estates is a wholly domestic owned goat farm that targets the Arab market. The company entered a partnership with the government of Uganda to distribute local and exotic goats (pure savannah goats are highly productive) to farmers to enable the increase of their productivity targeting the export market. Before distribution, all the goats are pre-treated, sprayed, de-wormed and vaccinated against Peste des Petits Ruminants, a highly contagious goat disease.

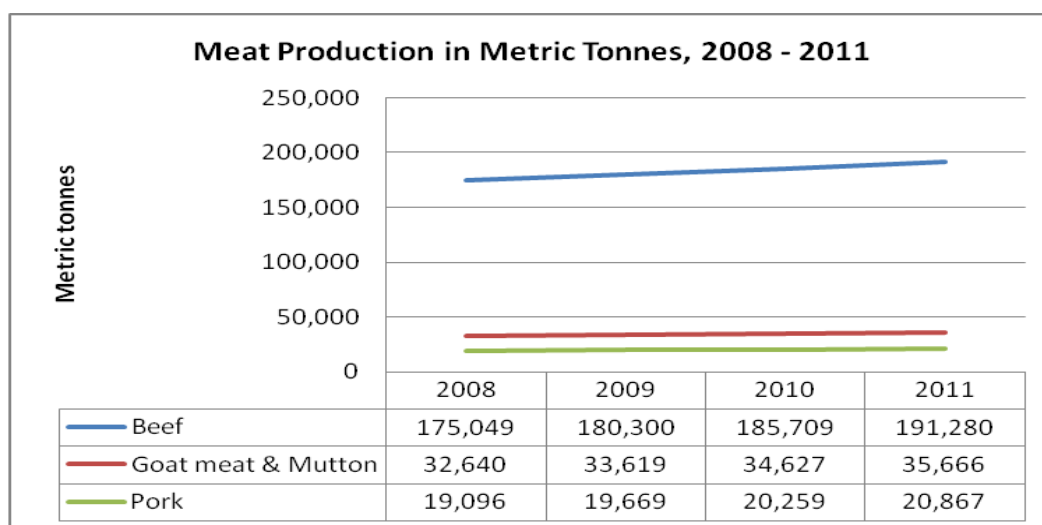


- Ugachick Poultry Breeders is a private Ugandan, family owned and run business. Established in 1992, it has since evolved into a vertically integrated poultry producer, located, about 15 miles North of Kampala.

- Biyinzika Enterprises Ltd, a Uganda/Dutch joint venture in Kampala, which has built sizable clientele base which currently

stands at a market share of 50-60% in supplying day old chicks in Uganda

3.0: Sector Outlook



3.1: Meat Production

Source: Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) – Animal Production and Marketing (2012)

Total cattle ownership is estimated to have increased by 54% since 2005. Nonetheless, current production levels in the sub-sector can still only meet half the domestic and regional demand. The potential for the export market is high and opportunities exist for the expansion of dairy and meat; hides, skins and leather; apiculture and sericulture.

The Hides, skins and furskins are the major export earners followed by dairy products and bird eggs, meat, live animals and meat preparations. The major export markets for the products are Burundi, Democratic Republic of Congo, Kenya, Rwanda, Southern Sudan and Tanzania. Southern Sudan is the major destination for Uganda’s meat products. Other potential export markets for livestock and livestock products exist in the Middle East countries and the European Union.

Exports are still limited because of the prevalence of diseases, lack of an export-standard abattoir and the high demand of the national market (MAAIF, 2011). Access to export markets of livestock and livestock products requires at times significant investments to meet veterinary requirements largely intended to protect the importing country’s animal and human populations. Furthermore, the exporting country must meet additional product quality requirements with respect to production, marketing and processing. Generally, compliance with international or regional standards is often achieved by developing countries at a great cost. Gaining access and maintaining presence in high value markets such as the EU market is often costly as standards and expectations keep on growing due to consumer pressure in the targeted high-value markets. So far one or two meat processors are close to achieving this standard. Herein lies a viable investment opportunity to joint venture with an existing processor to improve the productivity levels and products to international standards.

Trade Statistics for Meat and Meat Preparations by Value (000’ US\$)

	Exports	Re-exports	Imports
2008	530	3	1,242
2009	634	15	1,277
2010	2,171	4	1,719
2011	1,682	11	3,241
2012	1,648	31	2,861

Source: Uganda Bureau of Statistics, Uganda Revenue Authority, Civil Aviation Authority (UBOS: Statistical Abstract 2013)

3.2: Annual production and growth trends

Uganda has enjoyed substantial growth in beef and fed cattle exports over the past years as economic conditions favoured development and expansion of the cattle feeding industry. Similar to the period 2010-2011, livestock/poultry numbers increased between 2011 and 2012 by about 3.2%. These increments were attributed to the steady efforts to control animal diseases and improvement in the livestock production systems as a

result of routine livestock extension intervention services. However, there was a reduction in exports due to increased national demand, indicating a need to increase productivity by promoting large scale commercial farming / ranching with modern techniques that can withstand the climatic changes that have affected output

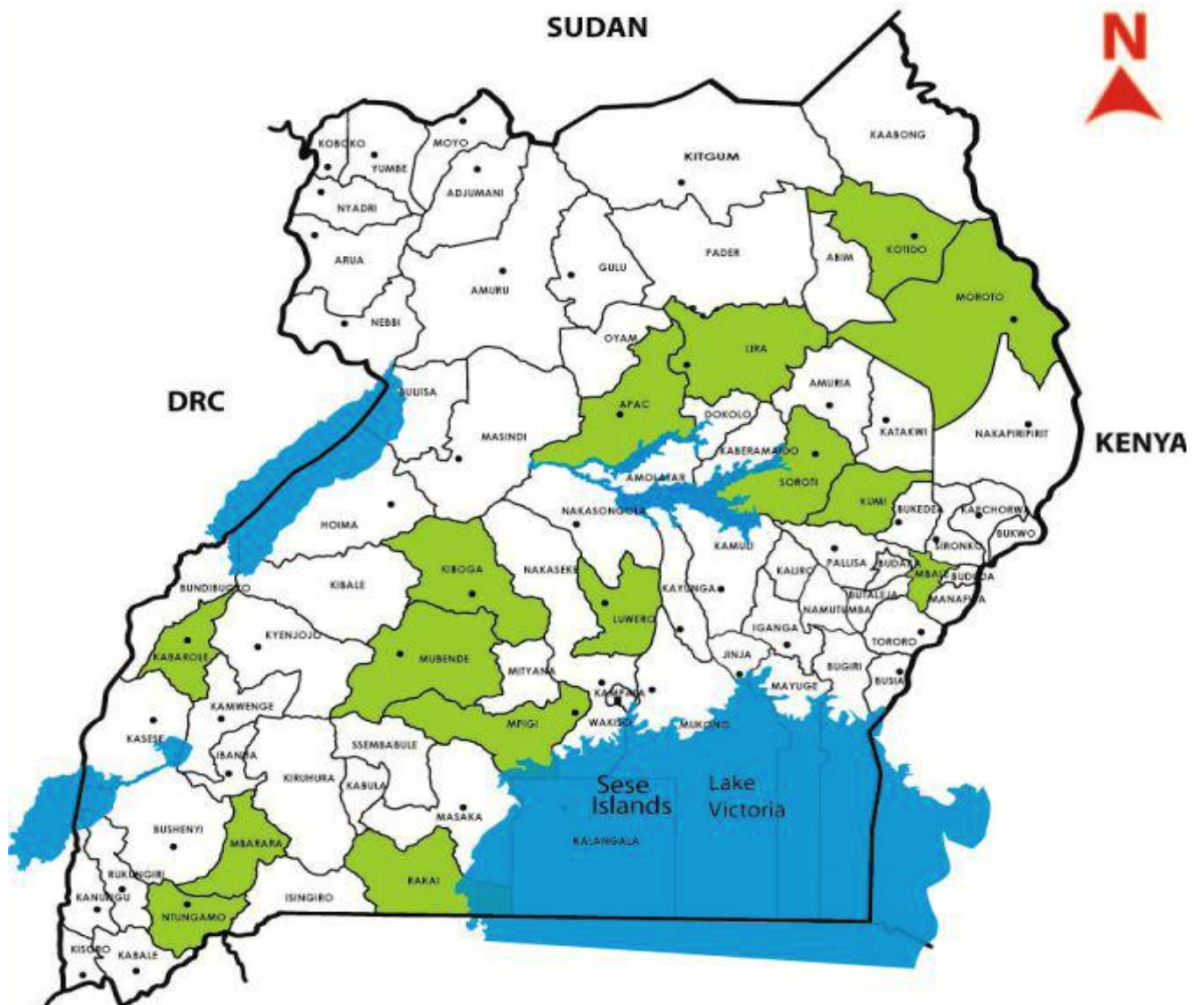
Cattle and Poultry Numbers ('000) by breed, 2009-2012

Year	Cattle		Poultry	
	Indigenous	Exotic	Indigenous	Exotic
2009	10,963	788	33,820	4,737
2010	11,292	812	34,834	4,879
2011	11,631	836	35,879	5,026
2012	11,979	861	39,644	6,257

Source: 2013 Statistical Abstract (UBOS)

Beef production in Uganda uses predominantly indigenous breeds (INFOTRADE, 2011) while improved cattle breeds are kept under intensive management, mostly on small scale and medium sized dairy farms and zero grazing unit. The indigenous breeds are mainly kept under extensive system. The indigenous breeds are East African short horn zebu, long horned Sanga, Ankole, Turkana, and Toposa. The indigenous breeds account for about 95 per cent of the national herd/flock of which the Ankole (50 per cent) longhorn breed¹ is most dominant. Small numbers of exotic tropical beef breeds are found on commercial ranches, most notably Boran and, to a lesser extent, the Bonsmara and their crosses with indigenous breeds. In terms of distribution, the eastern region (23 per cent), Karamoja (20 per cent) and central region (19 per cent) have the highest number of cattle followed by the south western (16 per cent) and the northern (14 per cent) regions

Major Livestock production districts in Uganda



Source: INFOTRADE (2011)

4.0: 10 Reasons why Uganda's Meat Industry is a Viable Option for Investment

1. **Organically fed animals:**

Uganda's animals are fed on natural grass (more than 80% of the feeding), therefore beef is organically produced. This means there are very minimal grain feeding and nutritional supplements.



2. **Low cholesterol and fat level in meat:** The Ankole cattle, the main supplier of meat in Uganda have the leanest meat making it a healthier option for consumption.
3. **Flavour:** Uganda's meat is known for good taste and flavor. This is a good market quality attribute.
4. **Strategic location:** Uganda is strategically located in the Great Lakes region which is ideal for supplying the growing regional markets in Kenya, Tanzania, Southern Sudan, Congo and Rwanda.
5. **Halaal certification:** Uganda's beef is produced under halaal slaughter with independent halaal certifiers. This is a requirement for markets that practice Islam.
6. **Affordable inputs:** Livestock, feed and labour
7. **Available land for agriculture:** Uganda has abundant land for production and processing and the climate and soils are good for poultry feed production.
8. **Improved transport infrastructure:** in form of upgraded road network and air transport.
9. **Effective demand:** Consumption of beef is increasing both in absolute terms and on per capita basis, as the incomes of people increase. Beef consumption in Uganda is only 6kgs per capita, which is below the recommended 50kgs by FAO. The growing incomes represent an opportunity to invest in the sector.

10. **Conducive climate:** Uganda has great potential for the export of meat products to the neighboring countries where the hostile climate hinders production of quality beef.

5.0: Investment Opportunities in the Sector

5.1: Potential areas for investment

1. Meat canning: Although canned meat has wide distribution because of sterility and long shelf life, currently there are no meat canning facilities in the country. All the tinned beef in Uganda is imported from Europe (Denmark and Germany) and South Africa. It is packed in 250 grams and 500 grams containers. The most common brand is Morgan's.
2. Investing in meat processing and canning is a good business opportunity in Uganda and the Great Lakes region.
3. Abattoirs: The construction and operation of modern (international standard) abattoirs
4. Animal breeding and supply of stock
5. Vaccine development
6. Feedlot fattening projects
7. Poultry farming and processing
8. Animal feeds manufacture and innovations, for instance Makerere University in Kampala has developed nutritious organic grass feed from (green house grown) barley
9. Leather processing
10. Development of information marketing systems (local and international) to scale up the production and marketing trends

5.2: Some Indicative Costs of Investment (based on pre-feasibility business plans-2011)

1. An Export Oriented Beef Processing Plant
 - Projected capacity: 1,000 kg of beef cuts and 1,000 kg of processed meat products like sausages.

- Estimated total investment: US\$ 1,168,066
- Estimated payback period: three (3) years

2. Poultry farming and processing

- Projected capacity: 10,000 birds per day to produce dressed chicken and chicken parts for domestic, regional and the Middle East markets
- Estimated total investment: US\$ 6,753,804
- Estimated payback period: five (5) years.

3. Meat canning

- Projected capacity: 5,000 canned products per day of canned meat, corned beef, canned minced meat, canned meat pieces in stew and canned hams
- Estimated total investment: US\$ 2,489, 284
- Estimated payback period: three (3) years

4. Operating modern abattoirs to produce high quality products for the local and the export markets

- Projected capacity: 9,000 tones (carcass weight) per annum for a central abattoir and processing plant in Nakasongola in Central Uganda, and an abattoir with slaughter and cutting lines at Kiruhura in South-West Uganda
- Estimated total investment: US\$ 13,565,900
- Estimated payback period: five (5) years.

5. Undertaking feedlot fattening projects

- Projected capacity: The project aims to purchase young and weaned calves of about 4 months old from a myriad of small scale producers and ranchers within the cattle corridor and have them prepared for slaughter (i.e. fattened) through improved feeding
- Estimated total investment: US\$ 6,753,804
- Estimated payback period: five (5) years.

6.0: Availability of special skills

Uganda has skilled human resource from Universities and Technical Colleges which is trainable and easily adapts to new technologies. There are graduates in Food Technology with industrial practical experience acquired from existing processing plants. Makerere and Kyambogo Universities have 30-40 graduates in food science and technology each year

7.0: Quality Standards and Licenses required for operation in the sector

7.1: Licenses / Registrations Required for Operations

- Certificate of Incorporation from the Uganda Registration Services Bureau (URSB)
- Investment License from the Uganda Investment Authority (UIA)
- Health Certificate for Facilities and Personnel from the District Health Department
- Product Certification form the Uganda National Bureau of Standards (UNBS)
- Tax registration form the Uganda Revenue Authority (URA)
- Environmental Permit from the National Management Environmental Authority (NEMA)

Environmental Aspects

The National Environmental Management Authority (NEMA) and the Uganda National Bureau of Standards (UNBS) are responsible for ensuring compliance with national environmental and hygiene requirements.

7.2: Regulatory Framework and adherence to Standards

Uganda is vigorously pursuing policies, the regulatory framework and its

enforcement so as to conform to SPS measures on animal health and food safety since she is a member of the WTO, and the OIE (World Organisation for Animal Health). The East African Community also has approved its SPS Code harmonizing the standards and procedures for certifying the health and safety of animals and animal products thus facilitating their movements/trade into, out of and within the Community. Below are the applicable regulatory frameworks:

1. The Animal Diseases Act 1964, 2003 selective ban on importation of cattle, beef, semen, ova, embryos, etc in relationship to BSE;
2. The Cattle Trading Act 1964;
3. The Hides and Skins Act 1964;
4. The Veterinary Surgeons Act 1970;
5. The Animal (Straying) Act 1964;
6. The Animal (Prevention of Cruelty) Act 1957;
7. The Cattle Grazing Act 1964;
8. The Animal Breeding Act 2000;
9. The Uganda National Bureau of Standards 1993 and 1998;
10. The National Water Statute;
11. The National Environmental Protection Statute;
12. The East African Community Sanitary Phyto-sanitary provisions;
13. The WTO SPS Agreement and measures;
14. The OIE international Animal Health Codes, among others.

Most veterinary regulatory frameworks are old and are thus being reviewed or entirely reformulated to meet the new economic policies and to harmonise with WTO Agreements and measures. These will also be harmonized with the regional and international regulatory frameworks on similar issues. Uganda also expects to conform to the EAC, WTO / SPS, OIE and Codex Alimentarius standards and procedures so as to guarantee its continued participation in the global market.

7.3: Regulatory Institutions

Ministry of Agriculture, Animal Industry and Fisheries (MAAIF): This is the parent ministry of the livestock sector which designs all government policies and laws promoting the development in the meat industry. Government of Uganda retains the responsibility to control certain epidemic diseases of livestock such as Foot and Mouth Disease, Contagious Bovine Pleuro Pneumonia, Rinderpest and Rabies.

Uganda National Bureau of Standards: Responsible for setting the national standards for products and their enforcement.

National Animal Genetic Resources Center and Data Bank (NAGRC & DB): NAGRC & DB is the custodian of the animal breeding policy and responsible for implementing of all government policies related to animal breeding in Uganda, including artificial insemination.

National Agricultural Research Organization (NARO): NARO is responsible for research in the livestock sector. Different NARO divisions do research and development of technologies in animal health, breeding and nutrition of livestock. Veterinary services in the country are now privatised and are readily available in most parts of the country.

National Animal Genetic Resources Centre and Data Bank (NAGRC&DB) is a corporate body that was established by the Animals Breeding Act of 2001 with the mandate to oversee and spearhead livestock genetic improvement in the country. The semen of high beef breeds is available in Uganda having been imported from the best semen suppliers in the world.

National Environment Management Authority (NEMA): is the lead agency for the development of environmental, including effluent, standards and has the authority to examine factories without prior notice and to shut down polluting productions. NEMA has 108 inspectors in the whole

country.

Ministry of Water, Lands and Environment: Although the Ministry does not have any treatment plants, it has a laboratory that is equipped with an atomic absorption spectrophotometer (AAS) which is able to detect chromium in waste water.

National Water & Sewerage Corporation (NWSC): NWSC is not obligated to accept waste water from a factory if the pre-treatment is not adequate. If the effluents are rejected by NWSC, the factory has to comply with the national effluent standards as defined by NEMA.

Uganda Beef Producers Association (UBPA) is a membership organisation of all stakeholders in the Beef industry. UBPA's core functions are:

- i. Advocacy;
- ii. Effective service provision to its members;
- iii. Mobilisation of its members;
- iv. Income generation for the association;
- v. Information and publicity roles, and;
- vi. Generation of a data bank and record systems as part of information generation and provision.

As part of its mandate, the UBPA is trying to undertake the following as part of a broad development agenda:

- Put in place a modern abattoir as a pre-condition for development of the exports and targeting the export market;
- Operationalise a model ranch programme based on the concept that UBPA would lease two run-down government ranches, rehabilitate them and develop them to be used for beef production;
- Develop a comprehensive market plan for Uganda with the aim of improving the access to domestic, regional and global markets. This would also include UBPA establishing a seal of approval of quality maintenance,

establishing a weighing system, license beef traders, create awareness among consumers, among others;

- Establish a breeding programme including the establishment of a livestock register, a regional member information centre, breeding infrastructure, performance progeny tests and capacity building services;
- Start an animal health programme with the aim of, *inter alia*, establishing disease control zones in Uganda, a pre-condition for exporting beef products;
- Undertake an education and training campaign aiming at raising the awareness of the requirements for enhancing quality and exports.

8.0: Sector Specific Related Incentives

Incentives	Rate	Comments	
Import Incentives	Based	<p>Agriculture as a priority sector has exemptions from import duty</p> <p>Plant and Machinery - Duty free at importation (for most directly used in production), VAT and Withholding Tax exemption</p> <p>For details of the listed incentives please log onto the Uganda Revenue Authority: www.ura.go.ug</p>	
Export Incentives	Based	<p>All exports are tax exempt except raw hides and skins</p> <ul style="list-style-type: none"> • Manufacturing Under Bond taxes) • Duty exemption on plant and machinery and other inputs • Stamp duty exemption • Duty draw back – a refund of all or part of any duty paid on materials, inputs imported to produce for export • Withholding tax exemptions on plant & machinery, animal drugs and raw materials 	
Investment Allowances	Capital	50%	Initial Allowance on plant and machinery for industries located in Kampala, Entebbe, Namanve, Jinja and Njeru

Deductible Annual Allowances (depreciable assets)	75%	Initial Allowance on plant and machinery for industries located elsewhere in Uganda
	25%	Start up cost on actual expenditure incurred over the first 4 years in 4 equal instalments
	20%	Initial Allowance on Industrial buildings
	5%	Depreciation rate for Industrial Buildings
	40%	Computers and data handling equipment
	35%	Automobiles; buses and minibuses seating capacity of less than 30 passengers; goods vehicles with a load capacity of less than 7 tones; construction and earth moving equipment
	30%	Buses; goods vehicles specialized trucks; tractors; trailers and trailer-mounted containers; plant and machinery used in farming, manufacturing or mining operations

Comprehensive- list on www.ura.go.ug

Special Deductions	100%	On scientific research capital expenditures On costs of training /tertiary education of a citizen or permanent resident of Uganda Of income tax payable if 5% of their employees on full time basis are persons with disabilities
	2%	Depreciation allowance granted on expenditure incurred on farm works

Type of Tax	Rate	Comments
Income Tax Rate	30 %	However, corporate tax for mining companies varies from 25% to 45%
Capital Gains Tax Rate	30%	Capital gains are taxable that are delivered from the disposal of assets held by a company
Dividends and Interest	15%	Tax is exempted in case a resident recipient company controls 25% or more of the voting power of the resident company
Value-added Tax (VAT)	18%	Supply of goods used in Agriculture exempted from value added tax

Value-added (VAT)	Tax	0%	Good or services are exported from Uganda Supply of seeds fertilisers; machinery, tools and implements suitable for use only in agriculture. Comprehensive- list on www.ura.go.ug
Capital duty		0.5%	Charged for increase in nominal capital and incorporation of the company

9.0: Marketing Structure of beef Products

There are groups and associations that have organised themselves to influence the supply and demand of the beef industry sector and these are: the Uganda National Beef Producers' Association, the Uganda National Farmers Federation, Uganda Livestock Industries and Uganda Manufacturers Association (UMA). These groups influence the market conditions in terms of supply and demand for the products. The Uganda National Bureau of Statistics certifies the quality of the meat products in order to declare them fit for human consumption.

The meat products market in Uganda has been liberalised since early 1990s whereby the prices of beef and beef products are determined by market forces to a larger extent. This has led to free participation of the private sector and also increased informal marketing of beef. Domestic consumption of livestock products has continued to raise and will continue as incomes go up due to focused Government interventions geared towards poverty eradication. The tourist industry has expanded tremendously, bringing in a new clientele of customers often demanding prime quality and sometimes unique products. This continued expansion of the internal market spells good prospects for medium-term growth in the industry.

The neighboring countries and others in the COMESA have limited available land, unpredictable weather patterns and high population growth rates. This offers opportunities for Uganda to penetrate these markets. The re-establishment of the East African Community has opened a wider

market for Uganda. The Middle East and the Arab countries of North Africa are also a potential market.

Marketing Trends in the Beef Industry

Several trends in the beef industry are driving the need for increased use of Value Chains. Not only are customers increasingly looking for a “story” to be told of where the beef product came from, but also major food service customers are requiring traceability. For example, the high end fast foods service providers audit suppliers’ documentation to ensure that they are complying with food safety regulations, in particular related to UNBS and UBPA.

10. Key/Useful Contacts

1. Uganda Beef Producers Association (UBPA)

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Email: nitco01@yahoo.com

2. Uganda National Farmers Federation (UNFFE)

Tel: +256 414 340249

Email: charlesogang@yahoo.com

3. Uganda National Bureau of Standards (UNBS)

Tel: +256 414 505995 / 222369

Email: info@unbs.go.ug

Website: www.unbs.go.ug

4. Uganda Export Promotion Board (UEPB)

Tel: +256 414 230233

Email: helpdesk@ugandaexportsonline.com

Website: www.ugandaexportsonline.com

5. Uganda Registration Services Bureau (URSB)

Tel: +256 414 233219

Email: ursb@ursb.go.ug

Website: www.ursb.go.ug

6. Uganda Manufacturer's Association

Tel: +256 414 287615

Email: ed@uma.or.ug

Website: www.uma.or.ug

7. Private Sector Foundation Uganda (PSFU)

Tel: +256 312 263850

Email: psfu@psfuganda.org.ug

Website: www.psfuganda.org.ug

8. Uganda Investment Authority

Tel: +256 414 301000

Email: info@ugandainvest.go.ug

Website: www.ugandainvest.go.ug

9. Uganda Revenue Authority (URA)

Tel: +256 417 444602

Toll free: 0800 117000

Website: www.ura.go.ug

10. National Environment Management Authority (NEMA)

Tel: +256 259735

Website: www.nemaug.org

11. Ministry of Agriculture, Animal Industry and fisheries (MAAIF)

Tel: +256 414 531411

Email: ps@agriculture.go.ug

Website: www.agriculture.go.ug

12. Ministry of Trade, Industry and Cooperatives (MTIC)

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