

MONTHLY DIGEST (Livestock Sub-sector in the EAC)



© Can Stock Photo - esp11003942



RECENT DEVELOPMENTS IN LIVESTOCK SECTOR IN THE EAC (August, 2015)



**Information in this Document is
Proprietary Property of the Registered
Trustees of Kilimo Trust. Don't Copy
and/or Use without Written Permission**

KILIMO TRUST: *regional solutions to local problems*



Prepared by



regional solutions to local problems

www.kilimotrust.org

Table of Contents

1) NEWS IN THE LIVESTOCK SUB-SECTOR IN THE EAC: AUGUST, 2015.....	2
1.1 Smallholder Poultry Farmers to benefit from a Chicken gene-improvement Program	2
1.2 SADC to Harmonize Livestock Regulations among Partner States	2
1.3 Informal Milk Sub-sector in Kenya to be regulated	2
1.4 Increasing Competition for Market Share in the Dairy Industry in Kenya-New KCC Loses Its Market Share to Githunguri Dairies	3
1.5 Kenya Livestock Insurance Program Pilot to start in October 2015	3
1.6 Training on FMD Control Takes Place in Uganda.....	4
1.7 Trans-boundary Acquisition of a Uganda Poultry Feed Manufacturing Company	4
1.8 South Korea to join efforts of developing Beef Industry in Rwanda	5
1.9 Apiary in Rwanda Receives a Boost from Singapore	5
1.10 Lira and Hoima to join other districts in Uganda in Livestock and Fish Program Pig Value Chain Improvement of the CGIAR	5

1) NEWS IN THE LIVESTOCK SUB-SECTOR IN THE EAC: AUGUST, 2015

1.1 Smallholder Poultry Farmers to benefit from a Chicken gene-improvement Program

The African Chicken Genetic Gains (ACGG), an Africa-wide collaborative initiative spearheaded by the International Livestock Research Institute (ILRI) was launched in Tanzania in July 2015. Tanzania is the third country in addition to Ethiopia and Nigeria where the program will be implemented. It is designed with an over-arching goal of improving chicken genetics and the delivery of adapted chickens to support poverty reduction, productivity growth, increased household animal protein intake, and the empowerment of women farmers in rural communities.

The five-year project in these countries has been leveraged by success from a similar project that is helping Ugandan farmers improve their chickens. In Uganda the project introduced a 'hybrid' chicken from India known as a Kuroiler, which closely resemble indigenous chickens, produce five times the number of eggs per year (150-200) and attain almost twice the body weight (3.5 kg) in less than half the time of indigenous backyard chickens. Typical indigenous hens in Uganda produce just 20 to 40 eggs per year, with a male chicken weighing around 1.5 to 2 kg after 9 to 12 months of growth. ACGG in Tanzania, Ethiopia and Nigeria will be funded to the tune of US\$ 11 million from the Bill and Melinda Gates Foundation.

Partners in the program include universities, smallholder chicken producers, research centres, NGOs, government agencies, including the Tanzania Livestock Research Institute (TALIRI) and Sokoine University of Agriculture. ACGG, which will work with more than 2,400 smallholder farmers, particularly women will identify and cross-breed high producing exotic chickens with local breeds resulting to highly productive chickens that meet preferences of local markets. ILRI noted that in order for the program to realize its goal, it is important to exploit its economic viability in addition to being participatory.

<http://africacgg.net/2014/11/06/acgg/>

<http://clippings.ilri.org/2015/02/13/uganda-chicken-project-inspires-bigger-plan-to-improve-african-chicken-breeds/>

<http://africacgg.net/2015/08/06/tanzania-women-poultry-farmers-to-reap-benefits-from-new-project/comment-page-1/#comment-74>

1.2 SADC to Harmonize Livestock Regulations among Partner States

Member States of SADC including Tanzania, just like COMESA resolved to harmonize livestock regulation and collectively accelerating prevention and control of transboundary animal diseases and zoonoses in the region. This resolution was made in a regional seminar, in Maseru, Lesotho, in July 2015 organized by AU-IBAR/VET-GOV Programme. Participants noted that this move puts the livestock sub-sector at the frontline of SADC's progression towards regional economic cooperation.

<http://www.au-ibar.org/vet-gov>

1.3 Informal Milk Sub-sector in Kenya to be regulated

Lack of regulation in the informal milk market in Kenya will be a thing of the past with introduction of regulations to govern it. Recognizing that the status quo poses health hazards to consumers who procure milk from informal sources, the Kenya Dairy Board has drafted and submitted draft rules to stakeholders for discussion. There has been a proliferation of milk vending businesses popularly known as ‘milk ATMs’ in the recent past, a relatively new technology in Kenya that has seen consumers even more exposed to risks emanating to mishandling of the delicate commodity. Indeed, the Kenya Dairy Processors Association has in addition complained that the source of the milk finding its way to the outlets is not always known. The trend has been driven by a burgeoning clientele which cannot afford pasteurized milk from conventional retail outlets. It is against this backdrop the new rules will see informal milk trader be required to obtain a license before starting their business or the old ones having to meet a health standards check before being license. If the new rules are implemented, it will result in centralization ‘milk ATMs’ thereby simplifying routine product sampling, testing and follow-ups all geared towards improvement of raw milk quality.

<http://www.businessdailyafrica.com/Corporate-News/milk-trading-license/-/539550/2825926/-/4mo7d/-/index.html>

1.4 Increasing Competition for Market Share in the Dairy Industry in Kenya-New KCC Looses Its Market Share to Githunguri Dairies

Historically, market share of dairy products in Kenya has been dominated by two giant processors: Brookside which is privately owned and the State-owned New KCC in that order. However, this has changed in the recent past with the ousting of the New KCC by Githunguri Dairy Farmers Co-operative, the maker of Fresha Milk Products. The dairy regulator KDB has indicated that New KCC now controls 15% of the raw milk market, 5% lesser than in 2014, losing out marginally to Githunguri Dairy which now occupies the second position at 16%. Although Brookside still dominated the market by June 2015, the top three companies are increasingly relinquishing their market dominance to smaller firms which together now control 31% of the market. Indeed, the market share of small dairy processing firms has increased from 24% in 2014 to 31% in 2015, indicative of increased competition in the dairy industry for a country which has the highest per capita consumption of milk in East Africa.

<http://www.businessdailyafrica.com/Corporate-News/New-KCC-cedes-market-share-to-Fresha-milk-firm/-/539550/2822824/-/146qacn/-/index.html>

1.5 Kenya Livestock Insurance Program Pilot to start in October 2015

Kenya’s State Department of Livestock in the Ministry of Agriculture, Livestock and Fisheries has finally announced the start of implementation of the Kenya Livestock Insurance Program (KLIP) in October 2015 in three out of the 14 counties of Northern Kenya at a cost of US\$ 800,000. KLIP which was leveraged by ILRI’s Index-Based Livestock Insurance (IBLI), in partnership with World Bank Group and the Government of Kenya will benefit 5,000 targeted livestock farmers directly in the short run in Marsabit, Turkana and Wajir counties. The Government of Kenya has additionally pledged US\$ 2 Million to roll out the program to all the 14 counties of Northern region whose farmers suffer massive losses of their livestock in perennial droughts and also

subsidize the general public. This is all towards ensuring that the livelihoods of people of Northern Kenya who largely depend on livestock are not disrupted every time there is a drought which is hitherto the case.

<http://clippings.ilri.org/2015/08/10/klip-a-new-kenya-livestock-insurance-program-will-start-to-serve-pastoralists-across-northern-kenya-in-october/>

1.6 Training on FMD Control Takes Place in Uganda

An outbreak of Foot and Mouth Disease (FMD) mid 2014 in Uganda put the country's preparedness to test necessitating intervention from FAO-Uganda and the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) aimed at facilitating risk analysis and characterization of viruses in different parts of the country. A preliminary activity to this effect has been training of more than 100 animal health experts in July 2015 in recognition and reporting of Transboundary Animal Diseases (TADs) as well as in various methods for sample collection, storage, shipping, lab processing and diagnosis. A final FMD strategic document is due for dissemination in December, 2015 whose implementation would be geared towards confirming Uganda as a non-FMD endemic status country by 2024.

<http://www.thebeefsite.com/news/48450/training-boosts-ugandas-foot-and-mouth-resilience/#sthash.xSYTQ1Oo.dpuf>

1.7 Trans-boundary Acquisition of a Uganda Poultry Feed Manufacturing Company

The poultry industry in Uganda is the latest beneficiary of cross border acquisition as a leading South African food brands manufacturer RCL Foods has attained a 33.5% stake in Hudani Manji Holdings Ltd (HMHL), the largest processors and suppliers of chicken and feeds in East Africa. The resultant company which will now be called HMM-Rainbow will become the largest processor and supplier of chicken feeds and fresh and frozen chicken locally and in the East and Central Africa region. RCL Foods, which is listed in the Johannesburg Stock Exchange with a market capitalization of about 16 billion Rand is expected to inject more funds into the Ugandan operation to grow the company's operations in the region. This will include expansion of broiler farms to reach 540,000 birds per cycle within the next 18 months and rolling out of a network of Yo Kuku outlets to facilitate access of the company's products both locally and regionally. It is interesting to note that the management of RCL Food reported that the choice of HMHL as its vehicle to venture into the East African market was due to relatively better investment climate in Uganda.

<http://www.independent.co.ug/news/news/10500-yo-kuku-chicken-processor-enters-joint-venture-with-south-african-firm#sthash.jQnJdNPI.dpuf> and
<http://www.thepoultrysite.com/poultrynews/35542/rcl-foods-expands-across-africa-with-ugandan-poultry-business-purchase/>

1.8 South Korea to join efforts of developing Beef Industry in Rwanda

Ongoing measures to develop the beef sub-sector in Rwanda have recently received a major boost with the support of South Korea through a framework of bilateral cooperation between the Ministry of Agriculture and Animal Resources of Rwanda and Korea Rural Economic Institute (KREI). The initiative will specifically targets to improve productivity and quality along the value chain, thus increasing the country's beef and livestock exports. As a preliminary step, experts from KREI conducted a one week training programme in August 2015 in Rwanda to share expertise, experience and knowledge with local livestock stakeholders on how to improve processing and increase supply of beef products. One of the expected outputs of this initiative will be an increase in meat production from the current 1.8 million kilogrammes to 4.7 million kilogrammes by the end of 2015. Milk production is equally slotted to increase within to 16.4 million litres from the current annual national output of 5.8 million litres.

<http://www.newtimes.co.rw/section/article/2015-08-25/191878/>

1.9 Apiary in Rwanda Receives a Boost from Singapore

A company from Singapore-Apiary Singapore has injected RW 3 Million to boost honey production and quality in Rwanda. The company is working with 12 bee keeping co-operatives in a deal that was signed in 2015. According the State Minister of Agriculture in Rwanda, the country is yet to exploit its potential to commercialize bee keeping saying that bee farmers needed to improve on their apiary practice to tap the hug Asian export market. This is all amidst complaints by bee farmers that some of the challenges constraining their efforts to increase honey production is lack of proper equipment and death of bees from ingesting pollen from nectar laced harmful agro-chemicals.

<http://www.newtimes.co.rw/section/article/2015-08-18/191658/>

1.10 Lira and Hoima to join other districts in Uganda in Livestock and Fish Program Pig Value Chain Improvement of the CGIAR

A pig value chain program under CGIAR Livestock and Fish Research program in Uganda through the Irish Aid-funded project is extending a pig business hub model-MorePORK to Lira and Hoima districts. The project aims to enhance access of pig farmer to business development services as well as technical support to participating farmers. The project will also facilitate collective marketing by farmers that will enable them to negotiate better prices for their animals as well as access to auxiliary farm input and service through a check-off system. The 3 year project is a follow-up of initial projects supported by European Commission-IFAD (2011-2013) in Kamuli, Mukono and Masaka districts.

The Livestock and Fish Research work to improve the pig value chain in Uganda started in 2012 amidst reservations of its impact due to inter alia limited policy support of the value chain and societal prejudice against pork consumption. However, after research, public and private-sector partner engagement and practical interventions along the pig value chain, results are starting to trickle in. One of the projects-the Smallholder Pig Value Chain Development (SPVCD)-helped

producers address feed constraints by formulating pig feeds using locally available resources and improving animal health by designing protocols to control Africa Swine Fever. Closely related was the Safe Food, Fair Food project that improved pork safety through research on prevalence and control of pork tapeworm through training of farmers, butchers and health inspectors. ILRI, which leads this work together with its local partners have championed the formation and registration of seven pig farmers' cooperative societies that help farmers to collectively market their pigs and jointly access inputs and services

At pork processing node of the value chain, the SPVCD project has undertaken a feasibility study for the setup of a centralized pig abattoir in Masaka District and a business plan for this facility. Earlier on, MorePork project had facilitated setup of a biogas plant at one of the cooperative the project was working with, the only formal centralized pig abattoir in the country, as a pilot study on off-farm waste management.

<http://livestockfish.cgiar.org/2015/06/05/uganda-vcd/> and
<http://livestockfish.cgiar.org/2015/08/26/uganda-pigs-summary/>