



French - Ugandan Cooperation

**AGRICULTURAL CONSULTATION & SECTOR
STRUCTURING PROJECT**

A . C . S . S .



BRIEF ABOUT ACSS PROJECT

**STRENGTHENING THE DAIRY SECTOR IN UGANDA THROUGH
STAKEHOLDERS ORGANIZATIONS**

The Agricultural Consultation and Sector Structuring Project (ACSS) is a component of the Uganda French technical cooperation. It is funded by the French Development Agency and the French Ministry of Foreign Affairs and implemented in partnership with the Ugandan Ministry of Agriculture Animal Industry and Fisheries. Since July 2007, the implementing agency of ACSS Project is the Dairy Development Authority.

The total cost of the Project is 2 million Euros, including the cost of foreign technical assistance and the contribution of the Government of Uganda.

The project provides support to the dairy sector at two different levels:

- **At local level:** local dairy farmers organizations and dairy cooperatives are helped, both in terms of capacity building and in form of equipment facilitation, in order to improve the marketing of their products, and the provision of services to their members.
- **At national level:** support is provided to national dairy stakeholders organizations (processors, farmers, traders associations) in order to strengthen their capacities to represent, lobby and advocate on one hand, and also provide information and training to their members on the other hand.

An important research component, implemented in partnership with CIRAD, a French Tropical Agriculture Research Institute, NARO and the Universities of Makerere and Mbarara, conducts major research works in the fields of milk quality and animal feeding.

The Project started three years ago, in April 2003. At local level, the Project has been operating since then and up to recently only in Mbarara District (now divided into 4 Districts of Mbarara, Ibanda, Insingiro and Kiruhura).

Achievements reached in Mbarara District:

In three years of existence, the Project has been able to support the implementation of around 40 small or medium scale collective projects benefiting to more than 25 farmers groups, including: five new milk collection centers, equipped with coolers, three raw milk

selling points, two yogurt units, two pasteurization units, one milk-products selling point in Kampala (retailing pasteurized milk, ghee and yogurt). Thanks to the support of the Project, 8 milk collecting centers got new premises or were able to refurbish the existing centers, 10 cooperatives were equipped with 300 new milk cans and 7 groups purchased their own milk trucks. In addition five farms now produce foliage seed for distribution to the farmers. There are also two credit schemes for farm equipment and four input shops.

One of the major achievements of this period was the establishment of Mbarara Dairy Development Fund, which is managed by a committee made up of farmers' group representatives. The fund provides match grants of a maximum amount of Ush 6 m/= to Mbarara dairy farmers associations to help them implement their projects. Farmers' groups can be granted up to a maximum of 50 % of the cost of the investment they intend to undertake.

Extension to the Districts of Bushenyi and Ntungamo

Given the good results achieved in Mbarara District, and the strong demand from neighboring areas, it was decided in 2005 to extend the project activities to those two new Districts.

After a preliminary phase aimed at improving the Project's knowledge of its new partners and working area, the activities were officially launched in Bushenyi in March 2006 in Bushenyi and May 2007 in Ntungamo.

In those two Districts, Activities implemented and methodology will be similar to those used successfully in Mbarara.

Around 50 local groups and cooperatives should be assisted, and around 80 projects be implemented. The number of farmers benefiting from this support should therefore be around 3,500 in those two new Districts, to be added to the 3,000 already benefiting in "Great Mbarara".

From this 3 years experience and data collected in Mbarara, it is expected that the implementation of these projects should generate a value addition on each liter of milk of 10 to 50 Ush, that is to say an increase of 10 to 25% of milk incomes (depending on the type of project, direct sale of raw milk to public being so far the type of project generating the biggest net margin).

Over the three years of its existence, ACSS has been able to achieve concrete results in the area of the farmers' increased capacity to manage their markets, transportation and production. It's action is widely appreciated by grassroots level beneficiaries because of its ability to provide material support which allows, when combined with capacity building activities, to really enhance incomes and living conditions of rural populations.

Its extension to those two new District should be allow quite a good number of rural households to benefit from its action.