



*A Competitive Economy for National Development*

## Livestock associations and cooperatives: Implications for livestock sector transformation

### Executive Statement

*Institutions are crucial in ensuring inclusive and transformative development of the livestock sector. Critical in these are institutions at the local government and grassroots level that act as social capital, extension support and regulator for livestock owners. Often overlooked and not supported are the livestock associations and cooperatives. This brief highlights with evidence from key informants that livestock associations and cooperatives are the foundation for livestock sector transformation. Therefore, there is a need to invest in building capacities, support coordination and partnerships between national and sub-national level cooperatives and associations.*

### Introduction

Institutions are crucial in ensuring inclusive and transformative development of the livestock sector. The development of the livestock sector is critical to the achievement of Uganda's agro-industrialisation programme of the third National Development Plan (NDP III) and the Sustainable Development Goals. However, most discussions on the institutional livestock framework overly focus on state institutions and overlook the non-state institutions, especially the livestock associations and cooperatives that are spread across the livestock value chain. These associations play critical roles such as (i) regulating the activities of members, (ii) promoting production, processing, marketing and consumption of livestock products and (iii) offering financial and advisory services to members, among others.

In addition, their involvement in the policy-making process is critical for strengthening marginalised stakeholders' voice in communicating their views to the government. Therefore, given their contribution to livestock sector development, these associations should be identified, empowered and facilitated to play an active role in government interventions. Over the past years, the number of associations and cooperatives has significantly increased. It is expected to grow with more calls by the government to form groups. These have implications for livestock sector transformation if well harnessed. This brief provides the key findings from the recent study "Transformation for Agro-Industrialisation: A Case of Livestock

Value Chain" by the Private Sector Development Unit (PSDU) of the Ministry of Finance and Economic Development in collaboration with the Economic Policy Research Centre. The report findings relied on both desk reviews and key informant interviews.

### Key findings

**Adequate livestock associations and cooperatives exist across Uganda.** About 49 livestock associations and cooperatives in Uganda are mainly located in the western part, some in the North, others in the central region, and almost none in the eastern part of Uganda (ICPALD 2020). These are also livestock specific. However, the majority are for meat. Key informants from the Dairy Development Authority (DDA) and JESA Farm Dairy indicated that they encourage value chain actors to form associations to increase their profitability and access government support.

In some cases, associations are formed based on a segment of the livestock value chain. For instance, for the cattle sub-sector, national-level institutions include the Uganda National Dairy Trader's Association (UNDTA), Uganda Meat Producers Cooperative Union Limited, Uganda Leather and Allied Industries Association and Uganda Dairy Processors Association, among others. A key informant said that:

*"At the national level, government through DDA and NAADS gave out coolers, and these are stationed in villages where smallholder*

farmers can sell their milk. This has been effective, for example the case of the Nabitanga cooperative in Ssembabule. They started small, and we trained them and gave them a cooler. They have now managed to buy land and put up cottages, installed machines that can add value. They are now well established with well-trained staff.” (Key Informant, 2020).

**Persistent poor coordination, cooperation and monitoring of the actions of the associations and cooperatives.** There are existing livestock organisations (Figure 1). However, coordination and interaction between the national associations/cooperatives and the district/sub-county associations remain poor. This has led to frustration and mistrust among some stakeholders and hindered the achievement of potential synergies. In addition, transparency and accountability have been compromised because of the limited monitoring of such associations/cooperatives’ activities. Consequently, this has led some value chain actors to think that some of these associations represent only a few members’ views. Key informers reasoned that,

“The existing national associations are not strong on the ground (districts and other grassroots livestock organisations), and people are unaware of the activities of national associations.” (Key Informant, 2020).

“There exists associations at different stages of the value chain, for instance, Uganda Meat Producers Cooperative and transporters of live animals associations. However, these associations are not effective. They only come on board when there is an opportunity to exploit, e.g. receiving inputs. The associations are not addressing core issues such as quality upgrading.” (Key Informant, 2020).

**Some livestock sector associations are weak and inactive.**

Active participation in transformative livestock sector interventions is undermined by belonging to weak and inactive associations. In addition, inactive associations are associated with few or declining members, which has implications for collective action. Key stakeholders attributed this weakness to factors such as governance challenges and limited government support. For instance:

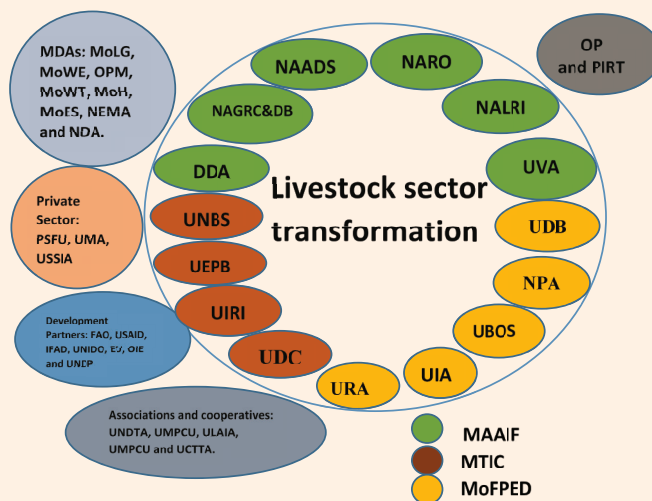
“Some associations in Mbarara have failed due governance challenges even with plants to process milk in place. There is a need to work with the Ministry of Trade, Industry and Cooperatives to train these groups and the groups need to benchmark (Key Informant, 2020).

“Association building is not easy because you have to (1) convince the people to form groups, (2) ensure that you have a business plan and good accounting practices, (3) register and comply with the law and (4) build trust. Therefore, some of the established associations need government support in the form of training so that they take off.” (Key Informant, 2020).

**Associations are rarely consulted in the design and implementation of critical livestock interventions.**

In some cases, failure to involve associations and their members has resulted in counterproductive policies and laws. For instance, the law against the sale of raw (unlabeled or unpacked) milk in urban centres (cities and municipalities) resulted in UNDTA seeking redress from the court. The regulation was overturned. Whereas such regulations might have good intentions, affected parties need to be involved. A respondent said:

**Figure 1** Institutions responsible for livestock transformation



Source: Compiled from MoFPED, 2021

*“Policies are good but the way they are brought does not give traders enough time to prepare. For example, the law on the sale of raw milk in urban centres would be good, but considering the cost of the investment, milk traders would need more time and funding to be able to embrace milk processing.” (Key Informant, 2020).*

## Conclusions

Livestock sector associations and cooperatives are crucial for livestock transformation and economic development. Evidence has shown that the quality of livestock associations affects interventions by state and non-state actors. Therefore, improving associations and cooperatives at national and subnational levels could achieve significant benefits for the sector.

## Policy Recommendations

1. **Strengthen the capacity of livestock associations and cooperatives.** Associations and cooperatives require targeted training depending on their development level and need to build their capacity to carry out their activities successfully. For instance, such training can focus on (i) group formation and dynamics; (ii) development of business plans; (iii) good accounting practices; (iv) registration and compliance with the law; and (v) value chain development. Consequently, this will contribute to the improvements in the livelihoods of the members and value chain development.
2. **Establish coordination and monitoring systems for cooperatives and associations at the national and sub-national level:** This requires the government to provide technical and financial support to existing associations to develop clear and practical strategies to coordinate and monitor their activities. This will increase the visibility and boost cooperation, transparency, and accountability, which will endear members to their associations and cooperatives.
3. **Strengthen partnerships between government and livestock associations for policy development.** Such partnerships should focus on consulting with and actively engaging livestock associations and cooperatives in the policy processes and interventions, thus positioning them as partners in development. Notably, such partnerships will enable the government to leverage the technical knowledge and unique skills that these associations and cooperatives possess.

## References

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