

Gulu dairy farmer pockets Shs2.3m per week

Dr Tonny Kidega has doubled his profits since he started adding value to his milk at Gulu country dairy farm, writes Julius Oculungi.

A few years ago when Dr Tonny Kidega ventured into livestock farming, his ambition was to reap big from selling raw milk.

The 37-year-old dairy veterinarian would later start a farm - Gulu country dairy farm on a 35 acres piece of land in Unyama Sub-county, Gulu District, to fulfill his plans. This was in 2013, two years after his contract with Heifer International ended.

"I used to work with Heifer International as a dairy veterinary officer, I was working with small holder farmers who were given dairy cows to solve their nutrition needs and was in charge of about 300 farmers, but after funding to the organisation ended, I had to think of an alternative," says Dr Kidega.

His ambition would propel him to what he loved - improving the dairy industry in northern Uganda.

In 2013, Dr Kidega started with 13 cross breeds of cattle he bought from Western Uganda with funding from a colleague.

"The milk demand was too high, when we had just started the farm, the supply overwhelmed us, people used to line up at our farm and the distribution points were just too much compared to our supply," Kidega said.

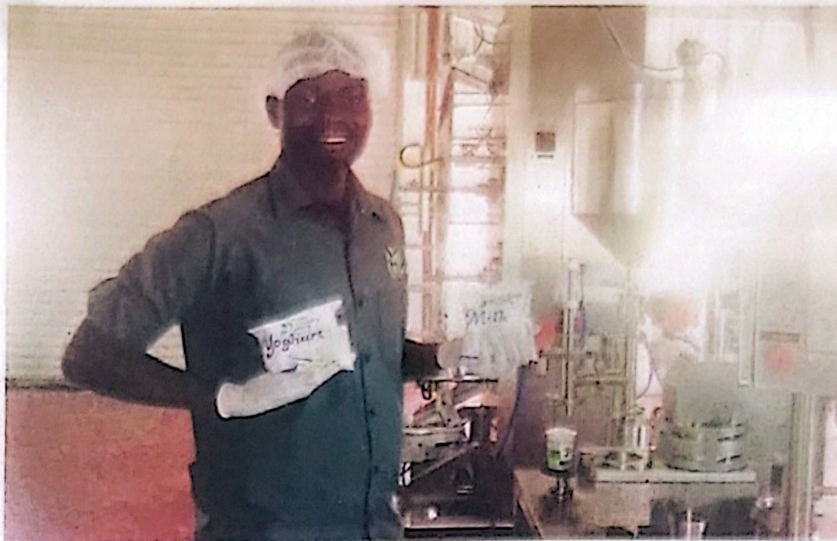
Daily, Gulu country dairy farm used to produce about 250 liters of milk, translating to a daily earning of Shs425,000.

Monthly, Dr Kidega says he would get Shs12 million and an annual income of about Shs150 million from selling raw milk within Gulu Municipality and rural areas.

However after analysing, the cost of production, market trends and the profits he was getting through selling raw milk, Dr Kidega sought better options - adding value to his milk.

He then thought of producing yogurt and his aim was to create a market within the rural areas where to sell the products.

"We were under pressure to produce milk because you have to sell whatever amount of milk you have very fast, we never had the time to think about going beyond what we



Dr Tonny Kidega displays some of the yogurt and pasteurized milk produced from Gulu Country Dairy. PHOTOS BY JULIUS OCUKUNGI

were doing," explains Dr Kidega.

Did you know

Cow's milk has long been associated with good health, making it one of the most consumed beverages throughout the world. It contains valuable nutrients, and it can offer a range of health benefits. Calcium, for example, can prevent osteoporosis.

THE FACTS

Shs200m

AMOUNT DR KIDEGA BOUGHT A MINI DAIRY PROCESSING PLANT AT.



He stands beside a vehicle he bought for transporting yogurt to the market..

Shs300m

THE AMOUNT OF MONEY KIDEGA MAKES PER YEAR FROM VALUE ADDITION

Starting

In September this year, Dr Kidega from his savings bought a mini dairy processing plant at Shs200 million from Tessa, a manufacturing plant in Israel to kick start production.

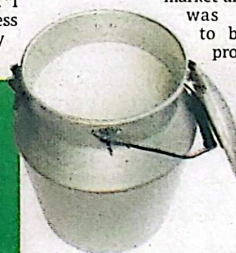
The processing plant installed at his farm in Gulu district is equipped with a pasteurizer, packaging components, harmonizer, a storage tank, cold room and storage room. "I carefully weighed in on the business I was undertaking with selling only

raw milk, I thought of increasing the revenue base and one way to do such was through adding value to milk produced at the farm," he says.

Production

In their first week of production, Dr Kidega said they produced 2,000 yogurt packaged in 150 ml pouches but ended up distributing them for free since they were new in the market and no one

was willing to buy their product.



PACKAGING

He says he gets his packaging materials from Tarmopac in Kenya and Luuka packaging in Kawempe, Kampala. He added that ingredients used to mix milk such as vanilla and strawberry are imported from Atribon Company in France.

His clients

Dr Kidega said he currently sells pasteurized milk to Watoto babies' home in Gulu town who are his biggest clients. The other clients are hotels, supermarkets, individuals and schools.

Prices

150 ml of yogurt sold in both pouch and plastic cups cost Shs1,000 while pasteurized milk sold in 250 ml pouches goes for Shs1,500.



Employment

Dr Kidega says he currently employs 30 permanent and more than 100 non-permanent staffs at both the processing plant and the dairy farm.

Breakdown

In the second production, he said they used 250 litres of milk to produce yogurt packaged in 150 ml pouches, 150 ml plastic cups and also pasteurized milk packaged in 250ml pouches.

He noted that the products were accepted by customers who had earlier tested their yogurt for free adding that all the products were bought.

Three months in the business now, Dr Kidega says they have been able to penetrate the market within the districts of Gulu, Nwoya, Amuru, Omoro, Pader and Kitgum.

He says they are expanding to west Nile districts such as Adjumani, Arua, Pakwach and Nebbi.

After every two days in a week, he says, they use 500 litres of milk to produce 300 pouches of pasteurized milk, 1,000 cups of yogurt and 1,000 pouches of yogurt.

He noted that weekly, the dairy farm earns Shs2.3 million adding that monthly, he earns approximately Shs20 million.

Dr Kidega, he expects to earn annually Shs300 million up from Shs150 million he used to earn selling raw milk in the past. He currently has 65 livestock on his farm and uses 25 of high improved breed for milk production.

Challenges

Dr Kidega says his biggest challenge is the stiff competition from other companies producing yogurt that have penetrated the market in the region.

He added that consumption of milk is also low among locals in the region adding that the problem gets worst with those in the rural areas who do not know about yogurt.



The farmer displays some of the already packaged milk products in the cold room.