

**Seeds of GOLD** SOIL TO GOLD

# Katugga grinds cash from groundnuts

Geoffrey Katugga a Senior Four dropout earns Shs2.4m a month from adding value to groundnuts, writes **Fred Muzaale**.

clothes to give it a try.

**Investment**

In 2014, Katugga invested Shs5m to start the venture, which money he had saved from his previous business.

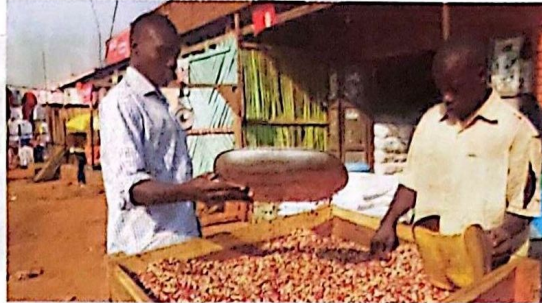
The 28-year-old bought a grinding machine from Kampala in Katwe at Shs2m. He also invested some Shs2.5m in buying groundnuts and paying rent.

Katugga started the business to offer commercial groundnuts grinding services to farmers and other people who needed it, and also to grind his own groundnuts for sell.

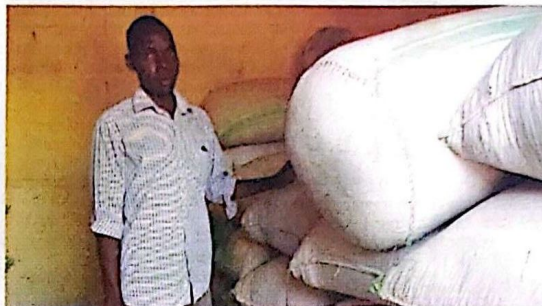
He says he buys groundnuts from farmers from the districts of Soroti, Kaberamaido, Arua, Gulu and Masindi.

"Sometimes I go and buy it myself from the farmers but sometimes I buy from traders in Kampala," he says.

He buys a bag of 100 kilogrammes



Katugga (L) joins a worker to sort the kernels before roasting.



Geoffrey Katugga stands next to his stock of groundnut bags.

**Process**

The process of making peanut butter starts with roasting dry raw groundnut kernels. The raw groundnuts are first sorted to remove the split, mouldy and shrivelled nuts and any stones. Sorting and cleaning helps to reduce chances of aflatoxin contamination in the final product. During roasting nuts are exposed to dry heat at a temperature of 120-120 °C or onwards, depending on the nuts.

David Kalule Okello of NaSARRI says the above process adds value by imparting flavour and aroma to the nuts. He says the process is also very important in the initiation of process for oil extraction.

**The steps**

- Remove the top of the groundnuts cover (called the skin) if you desire.
- Place in the grinder or blender, the quantity depends upon the size of the blender and how much butter one needs to process.
- Grind until groundnuts turn to a paste.
- Open the grinder cover and use a wooden spoon to mix.
- Continue grinding until a smooth consistency is formed and you do not see any more broken kernels.
- Pour into the containers and cover properly.

**Challenges**

Katugga's biggest challenge is the high cost of electricity which he says cuts into his profit margin. He says he wants to buy a diesel powered grinding machine as a solution.

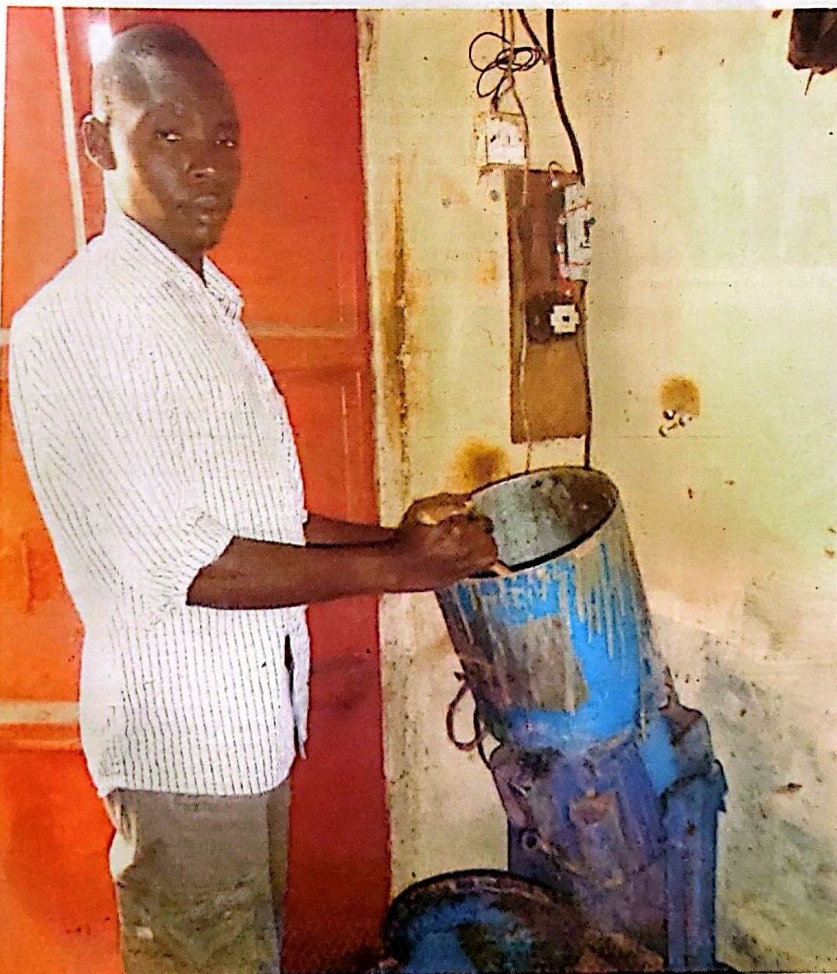
He also says the prices of groundnuts sometimes go up making it hard for him to buy them or he is forced to increase the price of the paste if he is get some profits. Also, Katugga says some groundnuts also have of chuff or grass which makes him lose a lot of money and he also has to incur some cost to sort them.

**Achievements**

Using proceeds from the venture, Katugga has bought a plot of land on which he constructed rentals that earn him Shs2m a month. He also uses the money to pay for his children's education and also look after his family. "This venture is far better than hawking of clothes which I was doing previously," he says.

**Shs600000**

AMOUNT OF MONEY HE GETS WEEKLY FROM THE VENTURE



Katugga mixing the groundnut paste inside the grinder at his processing unit. PHOTOS FRED MUZAALE

**marketing**

**Packaging**

The packages or containers used to store groundnut products should be able to exclude air and moisture pick-up. If air enters it will accelerate the process of rancidity which induces off-odours and off-flavours while moisture will encourage mould growth and subsequent aflatoxin production.

at Shs350,000 although he says, the prices shoot to Shs450,000 a bag during periods of scarcity.

**Grinding charges**

Katugga charges his customers Shs30,000 to grind a bag of 100 kilogrammes while grinding one kilogramme costs Shs300.

"The machine is very efficient and fast and can grind 500 kilogrammes a day," he says. In a week, he can grind about 2,000 kilogrammes of customer's produce and earns about Shs600,000 from this service.

However, he says, he earns more from selling his own groundnut paste. He says after grinding a kilogramme of groundnuts he bought at Shs3,500, he sells it at Shs4,500. By doing this, he gets a profit margin of Shs800 from every kilogramme, when he deducts the transport and electricity costs. In a week he sells between 500 and 700 kilogrammes of groundnut paste. In a good week, he says he earns a profit of Shs600,000 and in a month Shs2.4m.

"During shortage of fresh beans is when my business is good because beans act as a substitute to the paste," he says.

**Did you know?**

Groundnuts also known as peanuts is a plant that belongs to the pea family. It is native to South America, but it can be found in Asia, North and South America, Africa and Australia today. Groundnut grows in warm climates in sandy soil. The oldest known groundnut originates from Peru.

**THE FACTS**

**SHS3,500**

THE RETAIL COST IN SHILLINGS OF A KILOGRAMME OF GROUNDNUTS

