

Upscaling AgriFeeds

By Jacinta Namubiru¹



Jacinta Namubiru is an AgriNet TSS network manager for Eastern and Northern Uganda, and manager of AgriFeeds (a processing plant in Tororo). She explains the recent developments in upscaling their processing business.

Upscaling AgriFeeds



Milling maize at AgriFeeds

Since 2008 we've been developing AgriFeeds into a processing factory; we started with one mill, which we used for milling maize, cassava and millet flour. Because we only had one mill we would have to flush it out each time we changed to a different commodity. So in 2012, with help from a grant from the Agribusiness Initiative Trust (aBi), we were able to fabricate some three other milling machines which have helped us to mill every product separately; so we don't lose on one product in the process of flushing out another one and we can get a pure product at the end of the processing. The capacity of production has also increased, before we'd only process half a ton to a ton of every product but right now with the help from the funding we can produce from 5 to 10 tons per day. We also have a small portable mill for cassava.

In addition to the new mills we used the aBi grant for: a batch mixer for feeds; weighing scales (capable of weighing up to 5,000 kg); and laboratory equipment including an aflatoxins kit and moisture metre etc. The grant has helped us with the costs of

branding our bags and the promotion of our produce. It has also enabled us to apply for UBS certification for both feeds and maize flour

Upscaling has allowed us to increase our production of both maize flour and animal feeds. We produce 30 tons of maize flour per month and 5 tons of feed per day in the peak season (4 months of year). With more capital and depending on the market, we could continue processing throughout the year. When we receive our UBS certification we will be able to expand our market further, as it will be possible to export our flour and feeds.

Sourcing and Markets



The AgriFeeds compound; maize is taken to the mill

AgriFeeds sources maize, cassava and soya beans from our AgriNet TSS networks in Eastern (Tororo, Busia, Mbale and Butaleja) and in Northern (Lira, Soroti, Oyam and Kole). We have TSS agents in all these places.

- Maize

We have up to 40 tons of maize grain in our store. I phone the agents to say what I need and they source and arrange for it to be ready for pick up. Maize comes as grain; already sorted, graded and bagged by the TSS agent. The bags are about 100 kg but this depends on the transport (this is paid per bag so larger bags are often used). At AgriFeeds we re-dry the maize on the drying floor outside the store. Then the maize is re-bagged and stored with pest control fumigation tablets put between the sacks to ensure that no weevils can get into the sacks to attack and spoil the crop.

I can sell the maize on as grain or as flour. Usually the buyers come and see the grain when it is in the store, and then ask us to mill it for them. The maize is de-hulled,

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milled and bagged. AgriFeeds now sells good quality maize flour to local schools and supermarkets, and to both Kenyan and Ugandan traders. Kenyans use maize flour with the germ left in, but although it is less nutritious, Ugandans like to eat white ugali (without the maize germ). The maize germ removed in the milling process goes into our animal feeds, with other ingredients such as sunflower or cotton cake, shells, dried fish (omena), and premixes (containing minerals and salts).

Most buyers want to come and see the maize grain in the store before they commit to buying the flour, so it is difficult to get a commitment at the time of sourcing, and therefore we have been unable to do these maize deals through the TSS Academy.

- **Cassava**

For our cassava marketing we don't mill at AgriFeeds, because it is very expensive to carry cassava chips, as they are light and bulky. We use the AgriNet truck to move with a portable machine, then we mill at the collection point using a small generator. There needs to be 5 - 10 tons of dried cassava chips at each collection point for us to move there. We bag the flour at the collection point and take it to the supermarkets and local traders. Some pay directly. There is no need to bring the cassava flour back to AgriFeeds first as this then adds unloading and loading fees.

It would make sense to have a mill at each collection point. So the next step for cassava is to get the milling and bagging done at the collection point by our agents and then our truck would pick up the flour ready to be taken to the buyers.

We are exploring the idea of exporting cassava flour to Kenya by rail. We could put it on the railway at Kasori, Tororo. It is possible to book a carriage and fill it up with 40 tons (400 bags). We would then pay 15% tax on the value of the produce as the cassava goes over the border. The advantage of this transport is that it is very cheap in comparison to trucks on the road and it's possible to offload in Nakuru or Nairobi. Another advantage is that produce on the

train is insured. We are also exploring the market for cassava to the Ugandan breweries and have sent in a sample for tests. So our market for cassava could be in Kenya and Uganda.

- **Soya Beans**

We source these as grain, as an ingredient for our animal feeds. Farmers bring their beans to our collection points. The agents do the quality control; they dry, clean, weigh and bag the soya for transport to AgriFeeds. There we roast it to kill the toxins, then we put it through the hammer mill and mix it with other ingredients for our animal feeds. Some buyers take it as grain, so we also re-clean and bag some of the soya.

Relocation and Capital to Expand

At present we are renting the stores and land we have here, but we have bought some land along the Tororo Kampala highway and we want to relocate and build there. At the new place we will first have a temporary structure and then build as business expands. We will need 100-150 million UGX for just the basics. The building will have two separate sections, one for flour for human consumption and one for animal feed. We will need some new machinery; a bigger mixer and we may need a generator (as power fluctuations are a problem).

We are interested in exploring toll processing with the TSS. If we charge a processing fee for the TSS deals, this would enable us to put capital into the expansion of our processing plant in our new premises. We could start by toll processing maize into flour and germ, and our buyers for the maize would then become the schools and supermarkets. The maize germ would still be left for AgriFeeds and if we toll processed the feeds, the buyers would be the agrovets and farmers directly.

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