Milk Consumption Status and Trends
Key Note Address for the Dairy Stakeholders’ Event 2015
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Status Update & Consumption Trends
The per capita consumption of milk and milk products is higher in developed countries, but the gap with many developing countries is narrowing. Demand for milk and milk products in developing countries is growing with rising incomes, population growth, urbanization and changes in diets. Since the early 1960s, per capita milk consumption in developing countries has increased almost twofold (FAO). However, according to FAO, the consumption of milk has grown more slowly compared to that of other livestock products; meat consumption has more than tripled and egg consumption has increased fivefold. Dairy stakeholder would therefore have to work harder to match other livestock products.

Per capita milk consumption in Africa is:
- Medium (30 to 150 kg/capita/year) Kenya -130L, north and southern Africa.
- Low (< 30 kg/capita/year) in most of Central Africa and a bigger part of East Africa.
- Uganda per capita consumption has risen by 27% from 44 litres in 2009 to 56 litres (DDA 2013) but 60 to 80 litres is quoted in some recent literature. There is need for us to conduct studies to give us the imperial evidence of where we stand.
- None of the African countries have what is considered as high per capita consumption. (> 150 kg/capita/year).

The range of milk products available on the shelves has greatly increased in the past years and varies significantly from region to region depending on dietary habits, the milk processing technologies available, market demand, and social and cultural circumstances. The growing demand for milk and milk products offers a good opportunity not only for producers but all actors in
the dairy chain to enhance their livelihoods.

More than 6 billion people consume milk and milk products worldwide and the majority of these people live in developing countries (FAO). This means that the market for milk and dairy products is on our doorstep. By volume, liquid milk is still the most consumed dairy product throughout the developing world Uganda included. Although the bulk of the liquid milk still goes through the informal sector and traded in raw form, processing capacity has increased from 720,000 litres in 2010 to 1.3 million litres in 2014. During the same period two raw milk traders have transformed to processing and one is in the process of completing the plant. Actual figures of liquid pasteurized milk consumed in Uganda are very difficult to come by. We appeal to the Dairy Development Authority and the processors to come up with a system where the country can access this information. Traditionally, demand is for liquid milk in urban centres and fermented milk in rural areas, but all types of processed products are becoming increasingly important in all four regions of the country as the urban centers develop in these areas.

Ugandans mainly take milk in tea and coffee. The high milk producers of the southwest and northeast have continued producing traditional products such as omuzigo (sour butter), eshabwe, amakamo (Ankole), adwarak (Teso) Cak ma wac (Luo) (cultured milk) and some of these have reached the urban-based grocery shops and supermarkets.

**Milk Consumption and its Drivers**
Milk demand is driven by two main factors: **human population growth** and **per capita milk consumption**. Uganda's population growth of 3.34% (2013) (one of the highest in the world) has contributed to the increased demand and consumption of milk and dairy products in the country.

The second driver of milk consumption is **increasing per capita consumption**. For example, if the Uganda milk consumption increases from the current 56 litres to the Kenya 130 litres level, the country will require more litres of milk to satisfy this demand.
However, this driver in turn depends largely on per capita income developments.

**Affordability** - Milk and milk products are expensive. The retail price of pasteurized milk has risen by 67 – 108%\(^1\) in the last two years (2013 – 2015). Currently half a kilogram of Gouda cheese is retailed at UGX 29,200 in Kampala, which is out of reach for the bulk of the Ugandan population.

Increased income or lower prices lead to increased consumption of animal-based foods and processed foods. It may be expected that increasing income levels will stimulate the demand for milk and dairy products, meaning that future milk production in the country will need to increase. Should this not be the case, dairy prices will rise significantly as the demand outstrips supply thus affecting consumption.

**Urbanization** is expected to continue to grow in developing countries like ours. It leads to new and improved marketing distribution infrastructure, attracts large supermarkets, better transportation systems thus affecting consumption patterns. However, it increases access to foreign suppliers and the importance of imports. It ultimately results in globalization of food consumption and increases competition for the local products.

**Replacement of milk with other beverages.** Consumers are now spreading their fluid intake across a much larger pool of beverage options particularly mineral water. The theme for today "Drink milk for good health." We should therefore be aware that the young generation with 48.7% of the population under 14 years and 21.2% between 15 – 24 years may be conscious of what they eat and drink, opting for other beverages letting the Uganda produced milk and milk products be exported to be consumed elsewhere\(^2\).

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\(^1\) 2013 price for one litre pasteurized milk ranged from UGX 1,200 to 1,500 compared to UGX 2,500 in 2015

\(^2\) Uganda dairy export value increased fivefold from US$5 million in 2008 to over US$25 million 2013 (DDA 2014)
They may be questioning the once proclaimed health benefits of milk. Fat content may be viewed with contempt. Parents have pulled milk from their children's diets and many schools do not provide it at all thus a milk drinking culture is not nurtured.

Recent changes in food industry retail marketing and distribution system may have a profound effect on consumption. The growth of “supermarkets” and advertising of other beverages is at the center of this. Supermarkets are expanding beyond the original markets, moving from urban to rural areas. They are convenient for the urban consumer. With this advancement we may be seeing more consumption of processed milk and dairy products. However, they may also increase availability of cheaper less healthy food that will compete with milk and dairy products.

Consumer attitude and behavior, lack of innovative and inspirational promotions will also continue to influence milk consumption. Erratic electricity supply can have an effect on consumption of raw and pasteurized milk in favour of UHT milk.

The growing middle class, urbanization and the previously untapped market potential represents significant growth opportunity for dairy industry stakeholders. The onus is on us to nature this potential to fruition. Let us all take the necessary actions that will enable us achieve our goals.