

BILLS SUPPLEMENT

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Bill No. 25 *Dairy Industry (Amendment) Bill* **2024**

THE DAIRY INDUSTRY (AMENDMENT) BILL, 2024

MEMORANDUM

1. Policy and principles of the Bill

The policy behind the Bill is to give effect to the Government Policy for Rationalisation of Government Agencies and Public Expenditure (RAPEX) which was adopted by the Cabinet on 22nd February 2021.

2. Defects in existing law

The Constitution establishes a definite number of Government agencies, including constitutional commissions, authorities, boards, local councils and other statutory bodies. These were established to perform certain specified constitutional functions. Over the years, however, there has been a proliferation of agencies established by Acts of Parliament, Executive Orders and administrative arrangements. Whereas most of the agencies are necessary due to the critical nature of the functions they perform, Government has established that a certain limited number of agencies were established without due consideration to the aspects of institutional harmony, functional duplications, overlaps and affordability. Government has also established that some agencies have served the purpose for which they were established. The mandate of a few other agencies has been overtaken by events. Such agencies need to be rationalised.

More importantly, the proliferation of agencies has created mandate overlaps and jurisdictional ambiguities among the agencies.

Additionally, the high cost of administering the agencies has drained the national treasury at the expense of effective service delivery. This has overstretched the capacity of Government to sustain them. Government has also established that the generous salary structures of the agencies has created salary disparities between employees of the agencies and public officers in the traditional civil service leading to demotivation of human resources in the mainstream public service.

3. Remedies proposed in the Bill.

The intention of the Bill is to amend the Dairy Industry Act, Cap. 85, to—

- (a) enable the mainstreaming and rationalisation of the functions of the Dairy Development Authority into the Ministry responsible for agriculture thereby, *inter alia*, relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure on the maintenance of the Authority whose functions may be performed by the Ministry with less cost and financial drain;
- (b) facilitate efficient and effective service delivery by clearly delineating the mandates and functions of the Ministry responsible in respect to the administration of the Act, thereby avoiding duplication of mandates and functions;
- (c) promote coordinated administrative arrangements, policies and procedures for—
 - (i) ensuring the efficient and successful management, financial accounting and budgetary discipline of government agencies and departments;
 - (ii) enabling the Government to play its proper role more effectively; and
 - (iii) enforcing accountability.

4. Provisions of the Bill

The Bill has 26 clauses. Clause 2 of the Bill provides for the objectives of the Bill. Clause 3 provides for the purpose of amending the Dairy Industry Act, Cap. 85, which is to mainstream the functions of the Dairy Development Authority into the Ministry responsible for agriculture. Clause 4 seeks to dissolve the Dairy Development Authority and transfer the functions of the Dairy Development Authority to the Ministry responsible for agriculture. The rest of the clauses of the Bill seek to give effect to the consequential amendments resulting from the abolition of the Dairy Development Authority.

FRANK TUMWEBAZE

Minister of Agriculture, Animal Industry and Fisheries



THE DAIRY INDUSTRY (AMENDMENT) BILL, 2024**ARRANGEMENT OF CLAUSES*****Clause***

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A Bill for an Act

ENTITLED

THE DAIRY INDUSTRY (AMENDMENT) ACT, 2024

An Act to amend the Dairy Industry Act, Cap. 85 to mainstream the functions of the Dairy Development Authority into the Ministry responsible for agriculture in order to give effect to the Government Policy on Rationalisation of Government Agencies and Public Expenditure, and for related purposes.

BE IT ENACTED by Parliament as follows:

1. Interpretation

In this Act, unless the context otherwise requires—

“agency” means a body established by an Act of Parliament and includes an authority;

“commission” means a body established by the Constitution;

“currency point” has the value assigned to it in the Schedule to this Act;

“Government” means the Government of Uganda;

“Ministry” means the ministry responsible for agriculture.

2. Objectives

(1) The main objective of this Act is to give effect to the Government Policy for Rationalisation of Government Agencies and Public Expenditure adopted by the Cabinet on 22nd February, 2021 and contained in Cabinet Minute No. 43(CT 2021).

(2) Without prejudice to the general effect of subsection (1), the following objectives shall be deemed to fall under the objective specified in that subsection—

- (a) the merging, mainstreaming and rationalisation of agencies, commissions, authorities and public expenditure thereby, *inter alia*, relieving the Government of the financial drain on its resources and the burden of wasteful administration and expenditure;
- (b) the facilitation of efficient and effective service delivery by clearly delineating the mandates and functions of government agencies and departments and thereby avoiding duplication of mandates and functions;
- (c) the promotion of coordinated administrative arrangements, policies and procedures for—
 - (i) ensuring the efficient and successful management, financial accounting and budgetary discipline of government agencies and departments;
 - (ii) enabling the Government to play its proper role more effectively; and
 - (iii) enforcing accountability; and
- (d) the restructuring and re-organisation of agencies and departments of Government by eliminating bloated structures and functional ambiguities in Government agencies and departments.

3. Purpose of amendment of Cap. 85

The purpose of amendment of the Dairy Industry Act, Cap. 85 is to—

- (a) mainstream the functions of the Dairy Development Authority into the Ministry responsible for agriculture; and
- (b) dissolve the Dairy Development Authority and transfer the functions of the Dairy Development Authority to the Ministry responsible for agriculture.

4. Dissolution of Dairy Development Authority

The Dairy Development Authority established by Cap. 85 is dissolved.

5. Amendment of long title of Cap. 85

For the long title to Cap. 85, in this Act referred to as the “principal Act”, there is substituted the following—

“An Act to provide for the Ministry responsible for agriculture to promote and control the production, processing and marketing of milk and dairy products and generally to facilitate the development of the dairy industry and for other connected matters.”

6. Amendment of section 1 of principal Act

Section 1 of the principal Act is amended—

- (a) by repealing paragraphs (a), (b), (e); and
- (b) by substituting for paragraph (k) the following—

“Minister” means the Minister responsible for agriculture;”.

7. Amendment of title of Part II of principal Act

For the title to Part II of the principal Act, there is substituted the following—

“PART II—ADMINISTRATION OF ACT”

8. Amendment of section 2 of principal Act

For section 2 of the principal Act, there is substituted the following—

“2. Administration of Act

This Act shall be administered by the Ministry.”.

9. Amendment of section 3 of principal Act

Section 3 of the principal Act is amended—

- (a) by substituting for the word “authority” in the head note of the section, the word “Ministry”;
- (b) by substituting for the word “authority” in the introduction to the section the word “Ministry”;
- (c) by repealing paragraph (a);
- (d) by repealing paragraph (d); and
- (e) in paragraph (h), by repealing the words “and do any act as may be done by a body corporate.”

10. Amendment of section 4 of principal Act

Section 4 of the principal Act is amended by substituting for the word “Dairy Development Authority” wherever it appears the word “Ministry”.

11. Amendment of section 5 of principal Act

Section 5 of the principal Act is amended—

- (a) by substituting for the word “authority” wherever it appears in the section, the word “Ministry”;
- (b) by repealing paragraph (h); and
- (c) by repealing paragraph (i).

12. Repeal of Part II of principal Act

Part III (sections 6, 7, 8) of the principal Act is repealed.

13. Repeal of Part IV of principal Act

Part IV (sections 9, 10, 11, 12) of the principal Act is repealed.

14. Repeal of Part V of principal Act

Part V (sections 13, 14, 15, 16, 17, 18, 19) of the principal Act is repealed.

15. Amendment of section 20 of principal Act

Section 20 of the principal Act is amended—

- (a) in section (1), by substituting for the word “authority”, the word “Ministry”;
- (b) in section (2), by substituting for the word “authority”, the word “Ministry”;
- (c) by substituting for subsection (4) the following—

“(4) A person aggrieved by a refusal for registration or revocation or suspension of his or her registration may appeal to a competent court against the Ministry’s decision.”;
- (d) in section (6), by repealing the words “, on the recommendation of the board,”; and
- (e) in section (7), by substituting for the word “authority”, the word “Ministry”.

16. Amendment of section 21 of principal Act

Section 21 of the principal Act is amended in paragraph (a) by substituting for the word “authority”, the word “Ministry”.

17. Amendment of section 22 of principal Act

Section 22 of the principal Act is amended by substituting for the word “authority” wherever it appears the word “Ministry”.

18. Repeal of section 23 of principal Act

Section 23 of the principal Act is repealed.

19. Repeal of section 24 of principal Act

Section 24 of the principal Act is repealed.

20. Amendment of section 25 of principal Act

Section 25 of the principal Act is amended—

- (a) in section (1), by repealing the words “, after consultation with the authority,”;
- (b) in section (1)(g), by substituting for the word “authority” the words “Ministry”;
- (c) in section (1)(h), by substituting for the words “authority” the words “Ministry”;
- (d) in section (1)(j), by substituting for the words “authority” the words “Ministry”;
- (e) in section (1), by inserting immediately after paragraph (j) the following—
 - “(k) prescribing standards for the construction, ventilation, lighting, cleanliness, drainage and water supplies of all or any premises on which milk or dairy products are produced, cooled, processed, manufactured, handled or stored;
 - (l) prescribing the locations, capacity and form of operation of all or any cooling, processing or manufacturing premises;
 - (m) prescribing minimum standards for milk and dairy products and prohibiting the sale of any milk or dairy

product which does not conform to the minimum standards;

- (n) prescribing methods of treatment and disposal of any waste product or effluent resulting from the production or processing of milk or dairy products;
- (o) prescribing methods of cooling, processing or manufacture of milk or dairy products;
- (p) prescribing methods and conditions of use, and limitations thereon, of preservatives, colouring or other substances added to milk or dairy products;
- (q) prescribing types and methods of packing any milk or dairy products;
- (r) providing for the grading of milk and milk products, prescribing designations and descriptions to be used and prohibiting the sale or delivery for sale of any milk or dairy product under any designation or description other than that appropriate to the grade of the milk or dairy product;
- (s) prescribing methods of grading milk or dairy products;
- (t) providing for the issue of grading certificates to producers, processors or manufacturers and for the suspension or revocation of the certificates;
- (u) prescribing precautions to be taken for the protection of milk or milk products and providing for methods of disposal of infected or contaminated milk or dairy products;

- (v) providing for the inspection of premises, and persons in or about those premises, where milk or dairy products are produced, cooled, processed, manufactured, handled or stored and of any vessels, containers and equipment used in the premises;
- (w) providing for the inspection, sampling, examination and analysis of milk and dairy products at any time before retail sale;
- (x) providing for the examination, sampling and analysis of any article or substance found on any premises where milk or dairy products are produced, cooled, processed, manufactured, handled or stored;
- (y) providing for the use and cleanliness of vehicles used for the conveyance of milk and dairy products;
- (z) prescribing the duties and qualifications of inspectors, graders, sampling officers and analysts;
- (aa) authorising any officer employed by the authority or any person authorised by the authority or a police officer to seize and detain milk or any dairy product where he or she is of the opinion that an offence has been committed against any order or regulation made under this Act, and to detain the person or persons concerned in the alleged misdemeanour; but any person detained or articles or vehicle seized under the foregoing powers shall be taken as soon as possible before a court of competent jurisdiction, to be dealt with according to law;
- (ab) prescribing conditions under which milk or dairy products may be imported into or exported from Uganda; and
- (ac) prescribing anything which the authority is

empowered to prescribe under this Act, or which may be required for better carrying into effect the provisions of this Act”; and

- (f) by repealing subsection (3);

21. Repeal of section 26 of principal Act

Section 26 of the principal Act Cap. 85 is repealed.

22. Amendment of section 28 of principal Act

Section 28 of the principal Act is amended by repealing the words, “after consultation with the authority,”.

23. Amendment of section 29 of principal Act

Section 29 of the principal Act is amended by repealing the words “, after consultation with the authority,”.

24. Repeal of section 30 of principal Act

Section 30 of the principal Act is repealed.

25. Repeal of First Schedule to principal Act

The First Schedule to the principal Act is repealed.

26. Savings

(1) All pending applications for any kind of registration under Cap. 85 shall be continued under the Minister and Ministry.

(2) The board members and staff of the Dairy Development Authority shall be paid their terminal benefits in accordance with the terms and conditions of their service.

(3) Compensation is not payable to any member of the board of the Dairy Development Authority for loss of office resulting from the dissolution of the Coffee Development Authority.

(4) The staff of the Dairy Development Authority may be redeployed to serve in the public service subject to availability of positions.

(5) On the commencement of this Act, all the property, assets, rights, obligations, and liabilities of the Dairy Development Authority shall vest in the Government of Uganda under the Ministry.

(6) Any proceedings commenced by or against the Dairy Development Authority may be continued by or against the Attorney General.

(7) A licence, permit, certificate or authorisation issued by the Dairy Development Authority under Cap. 85 which is in force immediately before the commencement of this Act shall have effect from the commencement of this Act as if granted by the Ministry.

(8) The terms and conditions including the rights and obligations under a licence, permit, certificate or authorisation in force immediately before the commencement of this Act, shall not be less favourable than those that applied immediately before the commencement of this Act.