East Africa Dairy Development (EADD): A Heifer International Consortium

Agriculture Sector Webinar
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Overview

• Heifer International and Dairy
• About EADD
• Achievements
• Challenges and Opportunities
• The Future
• Possibilities for Collaboration
Heifer International

Heifer’s Goals: a world without hunger, with peace, equity, and shared resources.

Heifer’s Mission: to work with communities to end hunger, poverty and care for the Earth.

Heifer’s Impact: over 65 years, 13 million families in 128 countries have enjoyed better health, greater income and the joy of helping others.

Heifer's Strategy: expand and scale up impact through larger projects that achieve critical mass faster using its ‘passing on the gift’ approach.
Why Livestock? Why Dairy?

- Integral part of smallholder farming systems throughout the world
- A common means of livelihood and critical safety net
- Vital to ecosystem health of smallholder systems
- Meets the rising demand for animal protein (milk in particular) throughout the developing world
Why East Africa?

- Over 70% of the region’s population (180 million people) are smallholder farmers.

- Milk, cattle and land are well positioned to show high impact on the region’s food deficiencies.

- The region produces the most milk in Africa, although value is lost in inefficiencies and poor quality.

- Urbanization and rapid economic growth are creating demand for high quality milk and milk products.

- Heifer has many years’ experience implementing small-scale smallholder dairy projects in the region with great success

  A unique opportunity to overcome rural poverty and malnutrition
EADD at a Glance

- **Scope**
  - Duration: 2008-2012
  - Budget: $ 42.85 Million (BMGF)
  - Beneficiaries – 179,000 dairy farmers on less than $2 per day
  - Kenya, Uganda, Rwanda

- **Partners**
  - Heifer International (Lead)
  - Governments of Kenya, Rwanda and Uganda
  - Bill & Melinda Gates Foundation
  - TechnoServe
  - International Livestock Research Institute
  - African Breeders Services - TCM
  - World AgroForestry

- **Project Management**
  - 170+ All Local Hires

Target beneficiaries by country:
- Kenya: 110,000
- Uganda: 45,000
- Rwanda: 24,000
EADD Vision and Objectives

Vision
Transform the lives of 179,000 smallholder farming families *(approximately 1 million people)* by doubling their household dairy income in 10 years.

Objectives
- Harness Information and Innovation
- Expand Access to Markets
- Increase Productivity and Efficiencies of Scale
A Strategic Focus
On Sustainable Results

• Public - Private Sector Partnerships
• Local Control Tailored to Local Needs
• Farmer-Led, Market-Driven Initiatives
• Expansion of Social Capital Base
• Sustainable Impact
How it Gets Done

1. Farmers are mobilized into associations to set up and run producer companies.

2. Companies are assisted to set up infrastructure to market milk and deliver inputs to members through the ‘Dairy Hub.’

3. EADD staff provide technical assistance to producer companies to achieve farmer goals in sustainable manner.
A Unique Approach
The Community-based Dairy Hub Business Framework

- Farming families
- Village Groups DMG / DIG / DFG
- Dairy Hub CP or TM
- Bulk milk buyers and consumers
- Community-based dairy and livestock services
- Community-based banking and credit services
- Hub-based feed enterprise
- Other hub-based enterprises

Other hub-based enterprises
How the Hub Works – A Virtuous Cycle of Buyers & Sellers

- **FARMERS**
- **CHILLING HUB**
- **VILLAGE BANKS**
- **OTHER RELATED MEs**
- **HARDWARE SUPPLIERS**
- **FIELD DAYS**
- **TESTING**
- **AI & EXTENSION**
- **FEED SUPPLY**
- **TRANSPORTERS**
Achievement - Progress and Impact

1. EADD is on target to achieve its milestones.

2. Synergy and harmony among partners exists.

3. Healthy partnerships with governments and the private sector have been established.

4. EADD has significantly improved household livelihoods.

5. Farmers have access to, and are adopting new technologies.

6. Staff and hub leadership are gender-balanced.

Findings of Mid Term Evaluation by TANGO International October 2010
Achievement 1
Significant Rises in Farmer Income

Box 6: Change in milk productivity per cow

<table>
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<th>Country</th>
<th>June'08</th>
<th>Dec-10</th>
<th>Factor</th>
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<tr>
<td>Kenya</td>
<td>12</td>
<td>29.69</td>
<td>2.47</td>
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<tr>
<td>Rwanda</td>
<td>150</td>
<td>189.70</td>
<td>1.26</td>
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<tr>
<td>Uganda</td>
<td>150</td>
<td>565.43</td>
<td>3.77</td>
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Change in dairy income
- Ke = 1.22 x 2.47 = 300%
- Rw = 1.26 x 1.61 = 200%
- Ug = 2.00 x 3.77 = 754%
Achievement 2
Economic and Social Transformation

**Before**

• Millions of dairy farmers disfranchised, without any say on direction of industry

• Producer prices = less than $\frac{1}{4}$ of retail price

• Less than 10% of farmers banked or enjoy input credit

• Communities considered too poor to invest or secure bank financing

• Few women willing to take up leadership positions

**Now**

• 142,000 farmers mobilized into 3,000+ active communities of producers

• 68 Producer companies set up/revitalized

• Farmers earn $24 million—$1/3 of retail price

• 80% of 90,000 mobilized farmers in Kenya have bank accounts

• $5 million in farmer investment and savings

• 26% leaders are women
HUBs - Pillars of Rural Development

Tanykina Community Health Program
- 2,000 farmers take up health cover

Kiboga West Dairy Plant
- 8,000 litres/day, 1,500 farmers

Kabiyet Dairy Plant
- 36,000 litres/day
- 6,000 farmers

Kipkaren FSA
- 1,500 members
- US$ 1 m savings
<table>
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<tr>
<th>Additional Efforts and Investments</th>
<th>Remarks</th>
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| Inadequate supply of water and fodder during dry season | • Investment needed in community water projects  
• Low cost water/fodder conservation technologies  
• Sustaining milk production/revenue in dry season |
| Poor/inadequate infrastructure (e.g. roads, electricity) | • Farmers lose approximately 30% of milk income due to impassable roads in rainy season  
• Farmers willing to contribute to road maintenance if facilitated |
| Slow adoption of new technologies and systems that could accelerate productivity & profitability gains | • AI up-take lower than expected  
• Innovative methodologies needed to drive up-take of next level technologies  
• Farm mechanization needed to drive productivity  
• Accelerating the integration of women and youth in the value chain |
EADD Phase II Planned:
2012 - 2017

• An additional 450,000 farming families;
• Build on EADD Phase I (people, systems, and partnerships);
• 5 countries planned (Ethiopia, Kenya, Rwanda, Tanzania, and Uganda)
• A call for partners and co-investors to leverage resources and generate synergy for greater impact and critical mass
Opportunities for Collaboration

- Embedded services
  - Infrastructure – cold chain, plants and capacity building

- Invest in business development – people, products, R&D
  - Embedded extension
  - Credit finance

- Project management
  - Capacity building
  - Facilitation & coordination

- Processors & farmers

- EADD/Foundation
  - Other donors

- BDS providers / banks / Universities

- National & local Govt’s

- Road, water, electricity infrastructure
  - Legislation - enabling environment
THANK YOU

www.heifer.org  www.eadairy.org
http://www.gatesfoundation.org/Pages/home.aspx

...Milk for Health and Wealth...