

TranZDVC Bulletin

The newsletter for the Transforming Zimbabwe's Dairy Value Chain for the Future (TranZDVC) project

DECEMBER 2019

FROM THE PROJECT COORDINATOR

The Zimbabwe Agricultural Growth Programme's Transforming Zimbabwe's Dairy Value Chain for the Future (TranZDVC) project's power lies in the strength of its partners. This monthly newsletter is a means to share our exciting and important work, but also to show how we combine for greater impact in key strategic areas. The newsletter is also designed to share key updates of TranZDVC activities in Zimbabwe with stakeholders, partners and donors.

TranZDVC is working to commercialize dairy farmers – communal, small-scale and medium –scale – in Zimbabwe by promoting the adoption of good agricultural production and marketing. Raising small-scale productivity will increase the net incomes of smallholder households.

Towards this goal, the TranZDVC is investing in interventions that will contribute directly to continued development of Zimbabwe's dairy sub-sector. The project is focusing on interventions that will enable more smallholder dairy farmers to increase their production and productivity and sell milk at fair and profitable prices into reliable markets.

These interventions involve greater use of technologies that raise milk yields; new finance and credit products geared for small-scale farmers and farmer groups; compliance with practical quality assurance and safety standards; private-public partnerships for delivery of cost-effective extension services; strengthening producer organisations and securing new investments in the milk supply chain.

In this issue, we describe some of these interventions on dairy farming in more detail and, hopefully, generate discussion from readers that will improve our performance and outreach.

Specifically, we have an article on the recently held baseline and milk validation workshop. The main purpose of the workshop was to give an opportunity to all stakeholders to validate the information collected in the baseline and milk mapping survey conducted in May and June 2019.

Another article focuses on TranZDVC's efforts to transform farmer- owned and managed Milk Collection Centres (MCCs) into dairy hubs that offer competitive services to members and markets.

We also feature highlights of the European Union Delegation's visit to Wonderklip Farm, an integrator operating in Featherstone, Mashonaland East province. Focus is also on project updates from our partners.

On behalf of TranZDVC, I would like to thank all participating stakeholders that have allowed our staff to work with farmers and other agricultural organisations in the country. I would also like to express my gratitude to the larger TranZDVC family.

Thank you for being part of the TranZDVC family. We value you and your support. Wishing you a happy holiday season and best wishes for 2020.

Dr Edson Chifamba.

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MILK VALIDATION STUDY FINDS VALUABLE INFORMATION: READY TO INTEGRATE FINDINGS

The Zimbabwe Agricultural Growth Programme's Transforming Zimbabwe's Dairy Value Chain for the Future (TranZDVC) project held a half-day baseline and milk mapping survey validation workshop which provided a set of recommendations which were critical in making some adjustments to ongoing activities and determining the future and development of action focus for the remaining phases.

Titled "Transforming the Zimbabwe Dairy Value Chain for the Future – Milk Mapping Validation Workshop," the event took place on 22 November 2019, in Harare and had mobilised and pooled critical dairy stakeholders – both private and public, including partners, and senior government officials.

The main purpose of the workshop was to give an opportunity to all stakeholders to validate the information collected in the baseline and milk mapping survey conducted in May and June 2019. The study, conducted in 60 districts of Zimbabwe, examined information base on milk densities, dairy infrastructure (functional and none functional), viability, knowledge, practices, breeders, feed entrepreneurs, and markets. Researchers also set out to understand the level of support services against which to monitor and assess the project's progress and effectiveness during implementation and after conclusion of European Union funding. The information gathered will be used as a base to measure improvement during the course and at the end of the project against the interventions made by the project.

TranZDVC commenced in January this year and will run through January 2022. The project is implemented by a consortium of We Effect (lead organisation), Zimbabwe Association of Dairy Farmers, Zimbabwe Farmers Union, and Zimbabwe Dairy Industry Trust. The action targets 4,000 small to medium-scale dairy farmers and larger anchor dairy farms.

In his welcome address, Goran Forssen, We Effect Country Representative, said that a key activity during the inception phase had been to conduct a milk mapping survey, to provide an independently assessed information base on various aspects of the dairy sector.



Goran Forssen, We Effect Country Representative, welcoming workshop participants.

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Deputy Minister Vangelis Haritatos presenting the key note address at the baseline and milk mapping validation workshop.

Honourable Vangelis Haritatos, Deputy Minister of Lands, Agriculture, Water, Climate and Rural Resettlement, the keynote speaker, said: "This survey was organised at the right time when Government needs well informed statistics to pursue a number of growth initiatives in the dairy sector to improve milk quantity and quality in Zimbabwe."

The deputy minister also said, "Government recognises and appreciates the initiatives and efforts by stakeholders in the local dairy sector that have seen a steady growth in milk production from a low of 36 million in 2009 to 75 million litres in 2018 and is targeted for further growth.

However, the current production is still far short of the national demand of approximately 130 million litres per annum."

Jacob Mupande, the TranZDVC Monitoring and Evaluation Officer, presented major highlights of the baseline and milk mapping survey.

One of the highlights of the milk mapping exercise showed that Zimbabwe is currently producing 6.7 million litres of milk per month, translating to over 80 million a year.

Mupande said: "The baseline also sought to determine how much the dairy sector is contributing to the Gross Domestic Product (GDP) of the country."

Takings from milk and its by-products currently contribute a low of 0.3 % to the total GDP as a result of a struggling dairy sector compounded by a several operational challenges. These include low level of management, climate, land tenure, poor soil fertility, access to services and inputs, low adoption of improved technologies, marketing, and limited access to energy. One major constraint identified was inadequate feed resources and high cost of commercial feed. The revitalisation of the dairy industry is significant in contributing to a growth in the country's GDP.

A total of 1,935 farmers across the seven farming sectors in Zimbabwe were interviewed during the baseline and milk mapping survey.

Of the total, 50,222 cows owned by dairy farmers, dairy/pure breeds represented 54 %. Cross breeds and indigenous breeds constituted 14 % and 42 % respectively.

The study found out that few farmers were using green energy despite electricity supply challenges in the country. Of all the surveyed farmers, none was using green energy for milking. Instead, most farmers in each sector used solar energy for lighting.

In addition, the survey established that 35.5% of smallholder farmers and dairy employees were trained on own feed production either through formal training or on the job training.

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This number is low if the sector were to address issues of distress on providing recommended feeding regimes for dairy cows. More deliberate and targeted trainings for newly identified and supplementary trainings were needed to have at least 75 % of feed produced at the farm.

An examination of breeding policy by sector still indicated that bulls were out rightly the major breeding policy across all sectors.

Farmers in the A1, A2 and communal area sectors stated that this was not by preference, but was motivated by a limitation of accessing straw, logistics around storage and management as well as limited access to artificial insemination services.

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Of the total, 50,222 cows owned by dairy farmers, dairy/pure breeds represented 54 %. Cross breeds and indigenous breeds constituted 14 % and 42 % respectively.

Only 9% of the study sample had input and output supply contracts or had existing arrangements with the private sector.

From expert opinion, out-grower schemes had the best contractual arrangements especially for small-scale farmers so that they gained footing in the sector at a faster rate anchored by renowned players in the industry.

Out of 1,935 farmers, only 356 (18%) were participating in study circles, with only 42 being females.

One hundred and thirty-five farmers had access to finance for their dairy activities. At the start of the survey in May 2019, banks and other financial institutions indicated the availability of financial products targeting farmers and expressed willingness to support dairy farmers.

A1 farmers comprised the largest proportion of farmers accessing loans from financial institutions. This was explained by a drive by government through the Ministry of Women Affairs, Community, Small and Medium Enterprises Development to provide loans to smallholder farmers through its development partners.



Large-and small-scale commercial farmers had to some extent, been able to access loans due to their capacity to provide collateral to banks and other loan facilities.

Only 12% of the interviewed input suppliers indicated they had financial access due to lack of the prerequisites such as collateral as most of them were renting the buildings they were operating in.

Participants acknowledged that TranZDVC is a complex project with many partners, agencies, and science disciplines. Despite that complexity, the participants found that the study on the whole was well managed by We Effect, and the national agricultural partners had a strong sense of ownership of the study. It was very evident that the whole TranZDVC team is determined to meet the objectives of the action, to contribute and to work as a team. The participants were generally impressed by the energy and commitment of the action's coordination team, and the leadership of the various partners to the baseline and milk mapping study.

However, recommendations were made to strengthen implementation activities, such as:

- Better integration of crop and livestock production and improved market functioning will lead to increased agricultural production, which in turn leads to increased incomes for dairy farmers.
- Farmers should diversify their sources of incomes, through the forage value chain and increase incomes through sales of quality dairy products.
- Project-supported multi-stakeholder platforms should be established to increase understanding among relevant actors of the dairy products quality needed by buyers, of market prices and of the timing of markets as well as improved productivity achieved with support from agricultural extension personnel.
- Project staff should help establish market links with private dairy companies (e.g. seed for fodder production, abattoirs, processing, and machinery).

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TRANSFORMING COLLECTION CENTRES INTO DAIRY HUBS

As the sun rises in Tsonzo, Watsomba area in Mutasa district in Manicaland province, scores of farmers troop to the Tsonzo Milk Collection Centre (MCC) to deliver their milk. They come in different modes of transport – on foot, bicycles, motorbikes and in cars, delivering varying quantities of stainless steel containers.

For Washington Sagonda, a 34-year-old farmer from the area, this has been a daily routine for the last seven years. Washington is one of the 39 farmers who are members of the Tsonzo MCC. Currently, 30 farmers are actively supplying milk to the MCC.

Previously, he was involved in horticultural production supplying vegetables to the Mutare market some 43km from Watsomba. He diversified into dairy farming from the proceeds, starting with two cows.

“My journey has been a remarkable one, starting off with two cows, I’ve built my herd to 50 cows. Out of these, 19 are heifers and 14 are currently milking” says Washington as he prepares to conduct the afternoon milking session.

In 2018, Washington won the Overall National Small-Scale Dairy Farmer of the Year award organised by the Zimbabwe Association of Dairy Farmers. From the 14 milking cows, Washington produces an average of 205 litres of milk per day, which he supplies to the Tsonzo MCC.



Washington Sagonda milking one of his heifers. He is one of the top producers at the Tsonzo MCC.

The active members of the MCC cumulatively deliver 700 – 750 litres of milk per day. At least 90% of the milk is supplied to Dairiboard Zimbabwe Limited who collect the milk from the centre and 10% is sold fresh to the local community. No milk processing activities are happening currently, due to unreliable electricity supply. As a result, pasteurizing equipment is lying idle. A diesel generator is used for cold chain management.

Despite the activities of dairy farmers who are striving to earn a living from dairy farming, Tsonzo and other MCCs in Zimbabwe are facing a myriad of challenges hampering efficient delivery of services. The main challenges include low milk intake, high overheads costs, poor cold chain development, lack of access to markets, technical and business skills to run such centres, and poor governance.

“As a result, the contribution of milk coming from the smallholder dairy sector has remained fairly insignificant and has failed to surpass three per cent.

The project intends to pursue a different strategy aimed at addressing persistent problems faced by smallholder dairy farmers and their MCCs, said Dr Edson Chifamba, the Project Coordinator for the Transforming Zimbabwe's Dairy Value Chain for the Future (TranZDVC) project.

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This will result in the technological upgrading of MCCs through the Matching Grants Facility responding to the investment needs of the MCCs and small-scale processors. This window will support investments in establishment/upgrading of bulking centres, procurement of cooling tanks and related cooling systems and small-scale processing equipment. Solar and other energy saving technologies protecting the environment will be promoted.

Zimbabwe currently has 37 MCCs dotted around the country's 10 provinces whose membership are mainly communal and small-scale commercial farmers.

For farmers like Washington, the transformation of the MCCs will also result in a boon for their dairy production as a result of improved dairy breeds, improved milk output and quality and improved access to finance and ad increased incomes.

"I have applied for the matching grants and I plan to install solar power to the borehole I use to water my herd and water supply to the milking station. With a reliable water source, I will also be able to grow fodder, leading to reduced production costs", said Washington in conclusion.



Farmers delivering milk to the Tsonzo MCC. Transforming MCCs into dairy hubs will improve their service delivery.

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PROJECT UPDATES

ARTIFICIAL INSEMINATION TRAINING SET TO IMPROVE FARMERS' MILK PRODUCTION CAPACITY

To strengthen the provision of artificial insemination services, TranZDVC trained technicians in a five-day event at Elangeni Training Centre in Bulawayo, from 4-8 November 2019. Thirty two inseminators, including veterinarians from the Department of Veterinary Services, Dairy Services Unit technicians, Agritex and Zimbabwe Association of Dairy Farmers extension staff, were equipped with the requisite artificial insemination management techniques. This will enable them to effectively deliver artificial insemination during and after action implementation.

Artificial insemination is one of the most important reproductive technologies implemented by the dairy industry. Adoption and implementation of good dairy management practices is essential to increasing milk yields and overall herd productivity. The dairy sector in Zimbabwe will benefit from such in-country dairy herd improvement programmes. However, most farmers in the country lack the technical knowledge to develop their own on- farm breeding plan and in line with this, carry out their own artificial insemination. They also lack the experience to identify heifers on heat and the importance of maintaining a good body condition for fertility. Extension service providers require the same knowledge and experience to assist farmers.

TranZDVC seeks to co- finance, through Zimbabwe Dairy Industry Trust and any other interested large-scale processors, the acquisition of improved dairy heifers, semen and artificial insemination equipment for inseminators. Aggressive artificial insemination is in line with the dairy industry strategy to increase milking cows to 28, 000 by 2022 to achieve 130 million litres per annum.



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MILK COLLECTION CENTRES GOVERNANCE AND FINANCIAL MANAGEMENT CAPACITY BUILDING WORKSHOP

During 25-29 November, the Zimbabwe Association of Dairy Farmers extension team, milk collection centre (MCCs) chairpersons, bookkeepers and milk handlers/attendants from 21 MCCs and seven from where new MCCs will be established (Green fields) were trained in a workshop on good governance, financial management, hygienic milk handling, and milk product standard certification procedures at Cresta Jameson in Harare. The participants also toured a medium-scale dairy processing plant called Competitive Brand Shapers (CBS) in Graniteside, Harare.

Markets are strong but production systems are generally inefficient, with growth coming from increases in the number of cows rather than in milk production per animal. The main problems faced by MCCs include poor access to markets, lack of technical and business skills to run such centres and poor governance systems. Operational costs are high due to large labour force, low processing volumes and low product standards for those involved in processing. TranZDVC intends to pursue a different strategy aimed at addressing persistent challenges faced by smallholder dairy farmers and their MCCs. To achieve long-term impact, TranZDVC is carrying out various results-focused capacity building activities targeting farmers, MCCs and dairy industry service providers.

The results-focused approach ensures that participants learn by doing. It also ensures that these new ways of working are adopted and passed on to others with similar experiences.

Taking into account the impact at economic level, these capacity building efforts targeting one of the project's objectives is to raise milk yields per animal by enabling farmers to adopt new technologies including improvement in herd genetics, use of feed supplements, and adoption of hygienic milk handling systems.

will lead to MCCs' improvement in their service delivery capacity and increase milk sales, higher quality milk, lower costs and higher pay-outs to delivering farmers.

Further to the capacity building efforts, TranZDVC supports private, public and community partnerships to ensure institutional sustainability in addressing management and governance problems at MCCs.



Training participants pose for a photo after a factory tour at Competitive Brand Shapers at Competitive Brand Shapers in Graniteside, Harare.

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EVENTS

EUROPEAN DELEGATION VISITS MILK AGGREGATOR AT WONDERKLIP FARM

The European Union (EU) Delegation in Zimbabwe conducted a Field Monitoring Mission from 25 - 29 November 2019 covering the six projects under the Zimbabwe Agricultural Growth Programme (ZAGP). The EU was represented by Alice Peslin and Joachim Knoth, For the Transforming Zimbabwe's Dairy Value Chain for the Future (TranZDVC) project, the focus was on Wonderklip Farm in Featherstone, in Chikomba district, operated by Francois and Michelle Viviers. Operating under TranZDVC project, the farm has been selected to become a milk integrator and establish a milk hub.

Wonderklip Farm's dairy enterprise operates with 80 cows, with 20 currently milking. The milk is supplied to Dairiboard Zimbabwe Limited. The Viviers have identified 11 neighbouring small-scale dairy farmers to train in dairy production, assist in heifer acquisition and collect their milk as an integrator. The farmers' stock is predominantly indigenous breeds with low milk output. As an integrator, Wonderklip Farm will improve the breeds through heifer acquisition and artificial insemination, aiming to increase production to at least 10 litres per day per cow for the farmers.

Under Window 1 of the project's matching grants facility, the Viviers have applied for a grant to acquire a planter, bailer and forage chopper to use within their farm and also the other 11 farmers who will be part of the dairy hub.



Working with 11 resettled farmers in Featherstone, Wonderklip Farm aims to become a dairy hub, providing training in dairy production and offering technical advice.

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