



TranZDVC Bulletin

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

NOVEMBER 2019

FROM THE PROJECT COORDINATOR

Welcome to all readers of this inaugural quarterly newsletter of We Effect's Transforming Zimbabwe's Dairy Value Chain for the Future (TranZDVC) project.

The TranZDVC project, which commenced in January 2019, aims to address the root causes of underperformance of the dairy value chain in Zimbabwe by strengthening the linkages between production, processing and financing. The EURO seven million project is part of a EURO 40 million European Union- funded Zimbabwe Agricultural Growth Programme (ZAGP). Project lead implementer WeEffect, is partnering with the Government of Zimbabwe, Zimbabwe Association of Dairy Farmers (ZADF), Zimbabwe Farmers Union (ZFU) and Zimbabwe Dairy Industry Trust (ZDIT).

I am happy to share with you this issue of the newsletter which contains information on what we are collectively achieving, as well as articles and photographs that capture the essence of our field and capacity-building initiatives. During the past 10 months, there have been remarkable achievements in getting the work started. A project launch was held in Nyanga, in Manicaland in July with the full participation of our partners. These diverse partners come from national extension institutions, non-governmental organizations, and farmers' organizations.

We see the current work process as presenting opportunities for future work. It will enable us to support better national activities, and to place ourselves more strategically with the government and development partners. Our partnership approach will also give us more capacity to meet with our constituents at the highest level, and strengthening our relationships with these partners.

In June 2019, the project conducted a baseline and milk mapping exercise. As a result of the mapping exercise, the project has identified the milk densities in the traditional milk areas in Zimbabwe. This has also led to the selection of at least 33 districts where the project will be implemented. We now seek to generate impact for the dairy value chain by learning from past and current work, trying new ideas, technologies and approaches.

For us to have an impact and the expected outcomes, it is indispensable to have a strong monitoring and evaluation framework, gender mainstreaming activities across the different objectives and development of outreach and communication materials for our target audiences.

In this newsletter, you will read about the project's approaches to revive Zimbabwe's dairy sector and progress to date. Elsewhere in this issue, you will also read about the bottlenecks affecting the dairy value chain and get an insight on the partners implementing the project. We wish to thank the European Union, our major donor, and the Swedish International Development Cooperation Agency (SIDA), for their vital support and assistance so far. We are proud and pleased that our partners and supporters are as engaged, committed and excited as we are.

Thank you for being part of the TraZDVC family. We value you and your support.

Dr Edson Chifamba



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TRANSFORMING THE ZIMBABWE DAIRY VALUE CHAIN FOR THE FUTURE



Zimbabwe's dairy herd of 123,000 cows in 1990, at one point, produced more than 260 million litres of milk annually, but production declined over the years, with an estimated 38 000 dairy cows left. Current annual milk production is 75 million litres against an annual demand for milk of 120 million litres hence there is a deficit of 45 million litres.

Constraints hampering dairy production in Zimbabwe include inadequate supply of feedstuffs, diseases and parasites, droughts, and feeding systems. 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 are also contributory factors to smallholder dairy production challenges.

This EU funded Transforming Zimbabwe's Dairy Value Chain for the Future (TranZDVC) project seeks to tackle these challenges and underlying systemic issues in the dairy value chain in Zimbabwe and setting a foundation for growth for the future. This will be achieved through a cohesive approach, strengthening linkages and integrating production, processing and financing.

The budget for the action is EUR 6,999,610 with the EU undertaking to finance 90% of eligible cost. The remaining 10% is We Effect 'own contribution' that will be financed by the Swedish International Development Cooperation Agency (SIDA).

Specific objectives and expected results are:

1. To improve economic, social and environmental performance of the dairy value chain.

- Establishing performance monitoring and evaluation framework for the dairy value chain.
- Analysing and understanding the root causes of the underperformance of the dairy value chain.
- Improving dairy value chain performance and enhancing strategic multilateral partnerships.

2. To improve enabling environment for sustainable and inclusive dairy value chain.

- Reducing the cost of compliance with regulators.
- Improving business and financial services to core value chain actors and creating an enabling dairy operating environment.

The key project components include the following:

1. Dairy Value Chain Matching Grants:

The matching grants component seeks to achieve the following:

- Promote the establishment of multilateral partnerships that leverage investments in dairy productive assets and infrastructure and to address some of the bottlenecks and/ underlying challenges within the dairy value chain in Zimbabwe.
- Support to dairy breeding and breeding services through procurement and making available potential high-quality breeding heifers and semen towards dairy breed improvement.
- Promote entrepreneurial and enterprise development enhancing participation of women and youth in the dairy business.
- Provide opportunities to successfully participate in formal domestic and international markets through improving production techniques, breed improvement, modernise dairy management systems, new product development, packaging and labelling and increase investments in skills and technology.

The dairy value chain matching grants will be accessed through:

Window 1: Co-financing 50 % investment needs for private sector actors including large-scale farmers serving as integrators. This window is expected to support the establishment of 20 out-grower schemes with an average matching fund contribution of Euro 40,800 to each out-grower dairy scheme. Examples of investments would be towards purchase of cooling facilities, milk pasteurizers, among other requirements.

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Window 2: Co-financing 70 % investment needs for farmer owned milk collection centres (MCCs) and small-scale processors. The budget allocation to this window is Euro 350,000 and is expected to support investments in 30 schemes with an average matching fund contribution of Euro 10,000 per scheme. This window will support investments in the establishment of bulking centres, technological upgrades, upgrading of bulking centres, procurement of cooling tanks and related cooling systems and small-scale processing equipment.

Window 3: Co-financing 70 % investment needs for small-scale farmers, and entrepreneurs with 50 % investment allocation going towards youth and women. This window is expected to support around 500 farmers with an average matching fund contribution of Euro 2,000 per farmer towards procurement of irrigation equipment, fodder equipment among other things.



Following proper hygiene protocols such as proper cleaning of milking utensils and having an effective uninterrupted cold chain is key to meeting formal milk marketing requirements. The project will work to counter some of the challenges facing the operations of milk collection centres (MCCs)'s low milk intake, high overheads costs, limited energy access, governance and poor cold chain development. Here, a smallholder dairy farmer delivering milk at the Gokwe MCC, in Midlands province.

2. Climate Smart Dairy Production

The project will promote climate smart innovations, technologies and practices that improve dairy productivity while contributing to climate resilience (climate proofing) and greenhouse gas emissions mitigation. This will include own-farm sustainable fodder production, artificial insemination and breeding business management, water harvesting, conservation techniques. Focus will also be on the use of renewable energy solutions such as solar and biogas for milk pasteurisation, cold chain and pasture development.

Additionally, the project will support the drying, packaging and marketing of slurry (biogas waste) for organic farming. This will allow dairy farmers to diversify production at household level, further increasing household income.

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The project will support farmers with dairy breed improvement through breeding services by providing high-quality breeding heifers and semen. Low-cost supplementary feeding also helps smallholder farmers like Sbusisiwe Madyangove from Chikomba district in Mashonaland East province, increase overall dairy productivity.

3. Dairy Sector Information Needs and Knowledge Management

Harmonisation of dairy sector performance through a coordinated data collection system to develop a centralised database will be a key project component. The database will be accessible to core and extended dairy value chain actors for informed decision-making and generation of sector performance reports.

The action will actively engage the value chain actors on joint strategic planning activities leading to the development of dairy sector strategic plan to guide the activities of all industry players, including farmer organisations, organisations providing services to the dairy sector, processors and Government.

4. Institutional Strengthening

Milk collection centres will be transformed to become dairy hubs to improve their service delivery capacity through partnerships with private sector actors. This will be achieved through partnerships with processors, anchor utilities and contracting private sector services.

This component will also focus on capacity building and strengthening of value chain service actors to improve co-ordination, provide regulatory and advisory services for dairy value chain optimisation.

5. Inclusive business for financial and business service support

Inclusive business models will be designed and implemented in supporting dairy value chain enterprise development and growth. This will be achieved through leveraging private sector dairy integrators to provide access to new and more secure markets, training and technical assistance, other business support and micro-finance services for smallholder dairy farmers and their MCCs.

Agro-dealer farmer networks will be established and strengthened to enhance access to low-cost dairy inputs such as feed to dairy farmers in the targeted areas.

6. Small-scale Processing and Value Addition

Support will be extended to small-scale processing enterprises with clear business growth opportunities and potential to contribute to local employment especially dairy hubs that are geographically isolated and depend on the local market demand.

The selected enterprises will receive business development support services from contracted service providers in milk hygiene, handling, product development, product safety, quality and certification of milk products, management and traceability.





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TRANSFORMING ZIMBABWE'S DAIRY VALUE CHAIN FOR THE FUTURE (TRANZDVC) PROJECT IMPLEMENTING PARTNERS' PROFILES



	<p>We Effect (Lead Organisation) We Effect, is a Swedish international non-governmental organisation (INGO) established in 1958 by organizations from the cooperative movement in Sweden. Its vision is a sustainable and just world free from poverty and its mission is to strengthen the capacity of member-based, democratic organizations to enable women and men in poverty to improve their living conditions, defend their rights, and contribute to a just society. We Effect's main method is 'help to self-help' and its focus sector areas are rural development, financial services, adequate housing and gender equality. We Effect works in 25 countries in Asia, Europe, Latin America, and Eastern and Southern Africa and has provided development support in Zimbabwe since 1985.</p>
	<p>Zimbabwe Association of Dairy Farmers (ZADF) ZADF, formerly known as National Dairy Farmers Association, was formed in 2013, to promote, advance and develop the production of milk and dairy products in Zimbabwe. The ZADF achieves this objective by advancing and protecting the interests of all sections and categories of milk producers and by so doing play a pivotal role in the dairy industry in Zimbabwe. Anyone who produces milk and pays a levy to ZADF is classified as a member. In 2018, ZADF had a membership of approximately 1,000 dairy farmers, of which 400 were women and 600 were men.</p>
	<p>Zimbabwe Farmers Union (ZFU) ZFU is a national farmers' union representing predominantly smallholder farmers in Zimbabwe. It had 71,698 individual members of which 39,147 were women and 32,550 were men in 2018. Its vision is to be the leading farmers' representative body in Zimbabwe and its mission is to promote and advance farmers' interests and welfare through representation, networking, information dissemination, capacity building, formation of commercially viable enterprises, environment, gender and HIV mainstreaming, and mobilisation of resources and members.</p>
	<p>Zimbabwe Dairy Industry Trust (ZDIT) ZDIT constitutes of a board which represents all constituent organisations engaged in the dairy industry in Zimbabwe. The ZDIT Board is made up of Trustees who are representing constituent member organisations within the dairy value chain namely government, dairy farmers, processors, retailers and stock feed manufacturers.</p>

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UNLOCKING AND TRANSFORMING ZIMBABWE'S DAIRY SECTOR DEVELOPMENT POTENTIAL

The Transforming Zimbabwe's Dairy Value Chain (TranZDVC) for the Future project, which commenced in January this year, was launched on 17 July 2019, in Nyanga, Manicaland province. The TranDVC project is part of a larger Zimbabwe Agricultural Growth Programme (ZAGP).

Project lead implementer WeEffect, in partnership with the Government of Zimbabwe, Zimbabwe Association of Dairy Farmers (ZADF), Zimbabwe Farmers Union (ZFU) and Zimbabwe Dairy Industry Trust (ZDIT) launched the project where at least 200 people attended, including dairy farmers, farmers' associations, government officials, and the private sector.



Speaking during the launch, Hon Air Chief Marshal Perrance Shiri (Retired), the Minister of Lands, Agriculture, Water, Climate and Rural Resettlement, said the launch of the project had come at an opportune time, as government was working on strategies to revitalize the dairy sector.

"I believe this launch has been organised at the right time when the Government is pursuing a number of growth initiatives in the dairy sector as a strategy to improve milk quantity and quality in Zimbabwe", said Minister Shiri.

Hon Air Chief Marshal Perrance Shiri (Retired), the Minister of Lands, Agriculture, Water, Climate and Rural Resettlement, giving the keynote address. In his speech, he noted how ZAGP is in line with the Government's thrust of revitalising the country's livestock sector.



The launch event was attended by at least 200 people including dairy farmers, farmers' associations, government officials, and the private sector.

The project is investing in interventions that will contribute directly to continued development of Zimbabwe's dairy sub-sector. Addressing participants at the event, Goran Forssen, the We Effect Country Representative said: "The project is about increasing the production of milk in Zimbabwe from a current level of 75 million litres to 120 million litres per year and increasing the participation by small-scale farmers, especially women and youth, in the dairy value chain".

To achieve this, the project is targeting 4,000 small-scale dairy farmers that are currently unable to participate in organized marketing of milk.

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Matching Grants

The shortlisting of the Matching Grants beneficiaries has been completed for all the windows. TranZDVC will issue out five Window 1 grants, eight Window 2 grants and 125 Window 3 grants in 2019 and the rest in 2020.

Heifers

The project has developed heifer procurement guidelines. At least 200 in-calf heifers will be distributed through the large scale processors - Dairibord Zimbabwe Ltd., Dendairy, Prodairy/Keshelmer, Kefalos and Nestle.

Dairy Stakeholder Workshop

A dairy stakeholder workshop was conducted in March 2019 in Harare. The stakeholders managed to identify the bottlenecks and systemic issues affecting the dairy value chain performance at input supply, production, processing, distribution and retailer node. A joint analysis workplan development was conducted to address the bottlenecks through improved coordinated action to optimise dairy value chain performance.

National Milk Mapping

The national milk mapping exercise successfully conducted across 60 districts in Zimbabwe to assess the milk production potential. The exercise was conducted in partnership with ZADF, ZFU, ZDIT, Agritex, Fintrac, Leadership for the Economic Advancement of the Disadvantaged (LEAD) and the Department of Veterinary Services (DVS). The exercises mainly assessed the following

- The milk densities and the production potential across the different farming sectors in Zimbabwe.
- Development of an inventory of dairy infrastructure including disused dairies, dairy breeders and feed entrepreneurs in Zimbabwe.
- Market assessments for milk and milk products.
- Knowledge and practises including dairy value chain financing.
- The mapping identified the capacity building and training gaps for the dairy project and the dairy industry.

Contact the TranZDVC team to access the full report.

Dairy Sector Information Needs Assessment

The project conducted an all stakeholder Performance Indicator Information Needs Assessment Workshop focusing on the establishment of performance monitoring and evaluation framework for the dairy value chain. The identified information gaps contributed and guided the national milk mapping exercise. A joint workplan was developed to address the information gaps within the dairy sector.

DVC performance improved and strategic multilateral partnerships enhanced

A strategic partnership was developed with the University of Zimbabwe to develop the dairy semen supply chain to improve small-scale dairy farmers' access to high quality semen for dairy cross breeding. The University farm will be utilised for breeding, semen collection, assessment and storage. Other strategic multilateral partnerships development in progress include Unki Mine partnership for dairy development in Shurugwi and Gweru districts and the Chinhoyi University of Technology (CUT) partnership for Makonde and Zvimba districts dairy development.

Dairy Sector strategic plan

A dairy multi-stakeholder platform has been established by the Zimbabwe Dairy Industry Trust (ZDIT) for improving dairy sector coordination and strategic plan development. The dairy herd health section of the strategic plan is currently being developed in partnership with Food and Agriculture Organisation (FAO) led Transforming Zimbabwe's Animal Health and Food Safety Systems (SAFE) project. A draft plan will be in place by end of 2019.

Inception Report

A detailed inception report which includes: milestones, revised log frame, workplan and budget revision highlights was developed.

Building Service Delivery Capacity of MCCs

Capacity development and five year strategic business plan development for 18 MCC is currently in progress.

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Mobilisation of Farmers and Engagement of MCCs

Twenty-five milk collection centres have been engaged for the TranZ DVC project approach and strategies. To date, over 1000 farmers have been registered across eight provinces.

Support for Value Addition

Five small-scale processors have been engaged and a capacity needs and market assessment conducted for new product development for the identified processors. Strategic business plan development is progress for the small-scale processors.

Dairy Standards Development.

Five milk products have been identified for review and for new standards development. through the FD:005 milk and milk products technical committee. This will enhance market access for the milk products through improved quality and competitiveness. The new standards to be developed include sweet butter, alovera dairy products and lactose free milk. The old standards to be reviewed include cold chain management standards and flavoured milk.

