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TranZDVC Bulletin

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



AUGUST 2021



FROM THE PROJECT COORDINATOR

Matching Grants Facility: A game changer in Zimbabwe's Dairy Value Chain

Welcome to our August 2021 issue of TranZDVC Bulletin, the newsletter for the Transforming Zimbabwe's Dairy Value Chain for the Future (TranZDVC) project.

This month, we cover the successes achieved under the project's Matching Grants Facility (MGF), featuring stories from Nharira in Chikomba district, Mashonaland East province, demonstrating how this innovative financing strategy is bearing fruit for the dairy value chain.

It is pleasing to note that TranZDVC's effective partnerships are beginning to yield results in some key areas that we are working on to actively transform Zimbabwe's dairy value chain. Broadly, the interventions we have been focusing on include the allocation of matching grants to promote investments in dairy productive assets and infrastructure, dairy breeding services through distribution of high-quality breeding heifers and semen. We have also covered good ground in climate smart dairy production, institutional strengthening, and implementation of inclusive business models.

The increased demand for milk and milk products in Zimbabwe offers an opportunity to transform milk value chains to economies of scale.

The stories shared in this issue, although confined to Chikomba district, are a clear demonstration of how innovative financing can spur investments to overhaul the country's dairy value chain. The grants implemented under different categories (Windows 1 to 4), have ensured access to affordable finance. This has always been a challenge for the dairy value chain players.

The availing of the competitive innovative grants has come as a timely intervention, enabling the dairy sector to invest in capital equipment. This is complemented by the knowledge and skills acquired through the project trainings. The grants have introduced technologies such as renewable energy options, mechanised farm equipment, feed mills, irrigation equipment and milk cans, processing equipment, feed mills, tractors, milking machines and milk cans.

Investments have also been made in transportation, milking parlours, pasteurisation equipment, borehole drilling, cold room facilities, packaging machinery and milk cooling tanks.

I have no doubt that with such interventions, TranZDVC is on track to boosting milk production in Zimbabwe. We hope you find value in this newsletter and we welcome your feedback.

Dr Edson Chifamba, TranZDVC Project Coordinator

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Matching Grants Making a Difference in Milk Production and Processing

Zimbabwe's dairy value chain faces a number of challenges that are hampering production. For the producers, these include a depleted dairy herd size, limited access and high cost of quality dairy breeds, low farm production and productivity and climate and weather variability affecting optimal dairy production. Farmers are also burdened by the high cost of production and limited access to dairy extension services.

For producers, the bottlenecks encountered include limited number of MCCs to meet smallholder demand and poor governance. Low milk supplies create higher processing costs per litre and low capacity utilisation.

The TranZDVC project's Matching Grants Facility is creating a new breed of dairy value chain players as the sector seeks to optimise production through procurement of dairy productive assets and infrastructure and distribution of high-quality breeding heifers and semen.

Under this facility, farmers, processors and milk collection centres commit to invest in productive assets, infrastructure and improved breeds. The project matches these investments at different levels.

To date, at least 179 grants awards have been allocated to small to large-scale farmers, milk collection centres, small-scale processors and feed entrepreneurs.

The smallholder dairy sector consists of small herds on small land sizes and communal grazing lands. These farmers mainly use indigenous breeds and their crosses with low milk yields.

To improve the dairy breeds, TranZDVC imported and distributed improved dairy breeds to dairy farmers across the country.

At least 500 in-calf heifers have been distributed to 284 smallholder farmers. The project is also implementing artificial insemination (AI) through the provision of sexed and conventional semen to dairy farmers. At least 2,000 out of 4,000 cows have been identified for AI Artificial servicing in the project's target areas.

Through these initiatives, TranZDVC is promoting entrepreneurial and enterprise development and enhancing participation of women and youth in the dairy business.

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Scaling Greater Heights: The Story of Esther Marwa

When Esther Marwa ventured into dairy farming with five heifers in 2019 in Chikomba district, Mashonaland East Province, little did she know that within a few years, she would grow to be one of the top milk producers in the district.

Marwa's farming enterprise is in Nharira, a predominantly smallholder farming area, 200km south east of Harare. Marwa is the chairperson of the Nharira Dairy Co-operative which supplies milk to the Nharira-Lancashire Milk Collection Centre (MCC).

"What motivated me to venture into dairy was the realisation that there was a huge market in the dairy industry as the bulk of milk products are imported, predominantly from South Africa. I saw this as an opportunity to tap into the market and I don't regret it.", said Marwa.

Marwa started her dairy enterprise with 5 in-calf heifers producing 95 litres of milk per day.

However, it has not been smooth sailing for her and other dairy producers in the district, as they encountered bottlenecks common within the dairy value sector in Zimbabwe.

Smallholder farmers participating in the TranZDVC project have become eager to learn modern dairy farm management with little capital, but with increasing knowledge and skills about dairy farming, farmers are now starting to invest in their farms and run them as businesses rather than for subsistence existence.

"My vision is to also expand my business to go beyond milk production and to become a dairy breeder and supply farmers in the district with improved dairy breeds."

"When I started in January 2019, I faced a number of challenges that hampered my production. Topping the list was a lack of a reliable water source as we were using a borehole with a manual bush pump. Dairy farming requires a lot of water and Chikomba district is a relatively dry area. I also didn't have improved dairy breeds to ensure a higher milk output in addition to lack of sound technical knowledge essential for running a viable dairy business".

Marwa successfully applied for TranZDVC's Window 3 (70:30 match) of the matching grants facility and the heifer matching facility in 2019. She invested in a solar powered water pump with a 5,000 litre tank and received three in-calf heifers.

"I now have access to a reliable water source to water the cows as one dairy cow requires at least 50 to 60 litres of milk per day. The more a cow drinks, in addition to good feeding and good animal husbandry practices, the more milk it produces", she said.

Having a reliable water source has also enabled Marwa to plant pastures as supplementary feed for her dairy cows. TranZDVC is also focusing on reducing the cost of feed for dairy farmers, which can be as much as 70%.

She planted Rhye Grass, wild oats and Lurcene as supplementary feed for the cows. TranZDVC trained the farmers on fodder production and feed processing as a strategy to reduce cost of feed.

"We received training from the project on the production of pastures and producing feed for our dairy cows. Commercial feeds are very expensive and producing our own feed reduces production costs significantly resulting in improved profitability.

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Marwa installed a solar powered water pumping system and a 5,000 litre water tank for watering her dairy herd and irrigating pastures.

According to Bester Piroro, a project officer with the Zimbabwe Association of Dairy Farmers (ZADF), five farmers under the Nharira MCC benefitted from the heifer matching facility.

“We expect to see a significant increase in milk production within the member farmers. Currently, the MCC is receiving 300 litres of milk per day and we anticipate to increase to at least 800 litres per day by September 2021 as a result of the increased and improved dairy herd.”

From the successes she has achieved so far, Marwa enthusiastically shares her future vision, “My vision is to also expand my business to go beyond milk production and to become a dairy breeder and supply farmers in the district with improved dairy breeds. With the extension support and training we receive from TranZDVC, I can achieve this in the next few years.”



Marwa receiving her in-calf heifers from Lands, Agriculture, Fisheries, Water and Rural Resettlement Deputy Minister, Vangelis Haritatos during the in-calf heifer handover ceremony held in April 2021



Part of Marwa's dairy herd. After adding six heifers to the herd through the heifer matching facility, she now has a bigger vision of becoming a dairy breeder.

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Nharira Milk Collection Centre Goes Green

The Nharira Milk Collection Centre (MCC) received support from Window 2 of the Matching Grants Facility. This window provides 70% financing for farmer owned MCCs and small-scale processors. It supports 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. This part of TranZDVC's institutional strengthening activities to transform MCCs to become dairy hubs and improve their service delivery capacity.

According to Bester Piroro, the ZADF Project Officer, the 46 member (30 active) Nharira MCC was facing various challenges hampering its operations and delivery of efficient services. Chief among these included low milk intake as a result of low production by dairy farmers, high overheads costs (energy bills), use of firewood for milk processing, poor water supply and governance issues.

“When the project started in 2019, farmers were supplying 150 litres of milk per day to the MCC. There was an unreliable water supply system and they were also faced with erratic

electricity supply and also high bills for electricity usage due to the equipment in use”, said Piroro.

The two grants awarded to the MCC have laid the foundation for its transformation into a dairy hub through investment in a solar powered system to cool processed milk and a solar water pumping system.

Milk is processed on-site at the MCC and the dairy products (raw and fermented milk) are sold directly to consumers in the local area or nearby growth points and urban areas.

Nharira MCC receives an average of 7,000 litres of raw milk per month and sells at least 500 litres as raw fresh milk. 6,500 litres are processed and sold as fermented milk – Amasi and Hodzeko. Maintaining the cold chain is therefore critical to ensure good quality and safe milk products sold to consumers.

The solar system is powering the cooling system for the raw and processed milk. The cold chain system in the dairy value chain starts at the farm level and continues through transportation, processing, retailing and finally to consumer.

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“The MCC now has a reliable source of electricity supply through the solar system installed. Electricity from the main grid was unreliable and very costly for the MCC. They were spending at least USD100 per month on electricity charges, but now, with the renewable energy source, they have reduced our costs to zero and can now keep our milk for longer periods, up to a month.”, added Piroro.

Before the installation of a solar powered water pumping system, the MCC relied on the local authority's water supply system which is often unreliable.

‘Every drop counts for us as dairy farmers. A reliable, high quality water supply is essential to dairy production. The MCC had previously drilled a borehole using funds generated from milk sales. The grant we received covered the installation of the solar system, 5,000 litre water tank and tank stand’’, added Esther Marwa, the cooperative's chairperson.

TranZDVC is set to unlock the full potential of the Nharira MCC and other MCCs across the country with a combination of interventions such as innovative financing mechanisms, capacity building, breeding services and inclusive business models.



Early morning milk delivery. Members of the Nharira Dairy Cooperative delivering milk. The MCC receives an average of 7,000 litres of milk per month.



With investments on reliable water sources powered by renewable energy, farmers are now growing fodder to feed their dairy herds.