

The role of agribusiness in collection, processing and sales of dairy products in Africa RISING Ethiopia districts

The number of women engaged in agriculture is increasing as more men withdraw from farming in search of higher paying employment. The ability of women to realize their full productive potential is constrained by numerous social, economic, political and environmental factors (IFPRI 2012).

Africa RISING aims to provide support for social, technological and economic empowerment, through intensification of farming systems that improve food, nutrition, and income security, particularly for women and children, while conserving or enhancing the natural resource base.

Table 1 Dairy cow population in the 4 Africa RISING Districts

	Endamehoni	Basona Worena	Lemo*	Sinana
Cross breed cows	306	6,145	2,086	1,805
Local breed cows	16,364	23,512	21,867	68,043

*does not include the dairy cows in Hosanna municipality.

Although the rapid assessment did not assess farm production/processing and marketing system, results from studies by the IPMS and LIVES projects indicate that the majority of the cross breed cows are usually concentrated in urban and peri-urban centres. Local breed cows are also kept by peri-urban farmers, but most are found in rural areas and on farms. Most farms in peri-urban areas produce and sell milk (from cross breed and local cows), while farmers in rural areas usually sell lactic butter which is produced on the farm from soured milk (from local breed cows).

Commercially processed and marketed dairy products in the 4 Africa RISING sites include raw milk, skimmed milk, boiled milk, irgo (naturally fermented yoghurt), fresh butter, lactic butter, ayeb (soft local cheese), boiled milk, butter milk and whey. Agribusinesses involved in handling milk and other dairy products include commercial dairy processing companies, cooperative companies, privately-owned dairy companies, dairy shops, butter traders/shops, dairy cafes and hotel/restaurants.

Table 2 Agribusinesses involved in processing/sale of dairy products in the 4 Africa RISING sites

Dairy Product	Endamehoni	Basona Worena	Lemo	Sinana
Fluid milk	Dairy Union	Com. companies Dairy cooperative Private dairy Dairy shops Dairy cafes	Dairy cooperative Private dairy	Dairy cafe
Boiled milk		Dairy cafe (inside)		
Irigo	Dairy cafe (inside)	Dairy cafe (inside)	Dairy cafe Inside)	Dairy cafe inside
Fresh butter	Dairy union	Dairy coop. Dairy cafe	Dairy coop. Private dairy	
Lactic butter	Butter traders	Butter traders/shop	Butter traders	
Ayeb		Dairy coop Private dairy (mozzarella) Dairy cafe	Dairy coop Private dairy	
Butter milk (Arera)	Dairy union			
Whey (by product ayeb production)			Dairy coop Private dairy	

Source: Africa RISING rapid agribusiness assessment study 2014

The table shows that Basona Worena district has the greatest variety of businesses in the processing and marketing of dairy products. This is in line with the finding that most business are located in or near peri urban areas where most of the higher yielding cross breed cows are kept. On the other hand, Sinana District, which has the

highest number of local breed cows has almost no butter traders involved in the purchase and sale of lactic butter. Key informants suggest that most milk in rural areas of Sinana is consumed in the households and communities in line with the local habits of drinking milk.

Recommendations

Table 3 Major findings and recommendations rapid assessment dairy value chain businesses

Findings	Recommendation
When milk production increases, businesses – other than the dairy cooperatives - are emerging to process and sell dairy products, in particular private milk processors, milk shops, dairy cafes.	Expansion of private and new businesses models should be encouraged when milk volumes increase. Developing the value chain with producers and input/service providers should be encouraged and documented.
The dairy product range varies considerably between sites and businesses e.g. only few of the dairy cafes sell fluid milk to outside customers, very few dairy business sell skimmed milk, butter milk or whey.	Similar businesses in different sites can gain experiences from each other in developing their product range, including sale of by-products. Also additional products can be introduced/tested
Processing technologies for dairy are based on raw milk.	Food safety of dairy products should be studied and heating technologies should be explored to reduce spread of zoonotic diseases and improve product quality.
On-farm processing and marketing of lactic butter from soured milk is (female) labour intensive	New churning technologies (based on sour cream) and business models should be explored – based on a study of the existing system
Demand for milk and dairy products within the district and outside the district are not known.	Consumer demand studies for existing and new dairy products should be conducted



Butter grades Photo credit: ILR\Dirk Hoekstra

The Africa Research In Sustainable Intensification for the Next Generation (Africa RISING) program comprises three research-for-development projects supported by the United States Agency for International Development as part of the U.S. government's Feed the Future initiative.

Through action research and development partnerships, Africa RISING will create opportunities for smallholder farm households to move out of hunger and poverty through sustainably intensified farming systems that improve food, nutrition, and income security, particularly for women and children, and conserve or enhance the natural resource base.

The three projects are led by the International Institute of Tropical Agriculture (in West Africa and East and Southern Africa) and the International Livestock Research Institute (in the Ethiopian Highlands). The International Food Policy Research Institute leads an associated project on monitoring, evaluation and impact assessment.

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