

Challenges and opportunities of animal feed processing and marketing in Ethiopia: AKF Experiences



Harry Schimmel, Manager, AKF Operations and Sales, Hschimmel@deheus.com

January 2016

Overview of Alema Koudijs Feed Plc

- Alema Koudijs Feed PLC (AKF) is a Joint Venture between Alema Farms PLC and De Heus Animal Nutrition BV from The Netherlands.
- De Heus has been active in animal feed milling since more than 100 years, and has more than 50 feed factories in 13 countries including Ethiopia.
- AKF was established in 2009, with the goal to supply Ethiopian livestock farmers with quality feed in order to increase production and profitability. Currently, we are producing more than 20.000 quintals per month. 70% is poultry feed, 30% is dairy and cattle feed.
- We are sourcing raw materials through traders mainly, but we are eagerly looking for direct sourcing from producers and Unions. This to take out the middle man and to increase benefit for both seller as well as buyer.
- The animal feed we distribute from our factory as well as through distributors through out the country. Cooperatives and Unions could be a good way to distribute quality feed to poultry and livestock farmers.
 - Annual demand for maize: 100,000 quintals
 - Annual demand for soybeans: 25,000 quintals

AKF engagement in N2Africa Pawe cluster partnership

- High potential and conducive environment for soybean production
- Undergoing efforts by N2Africa, EIAR, MBI and others
- Partnership facilitation for sourcing quality soybean grains from Mama Union through N2Africa and EIAR-PARC.
- Signing of contractual agreement for sourcing more than 300 tons of soybean



Challenges

Raw Materials

- Quality of the supplied raw material; foreign matter, moisture, etc.
- Direct purchase from producer/processor; We would like to cut the middleman, but the Unions and processors should be well organized to deliver the right quality in time
- Aflatoxin; especially in the noug and peanut cake aflatoxin levels are too high. Caused by poor harvesting and storage conditions.
- Making long-term forward contracts is still not common

Feed

- Awareness of the necessity and benefit of feeding concentrated feed
- Distribution; finding suitable and dedicated people to distribute our products in certain areas
- Quality; we are producing according to international standards from our mother company De Heus. There is no real certification for feed suppliers, that's why it is difficult to sell quality
- Unions and Cooperatives are ideal ways of distributing feed, however we face difficulties in doing business since with many unions there is no real business environment.

Opportunities

Raw Materials

- Ethiopia is rich in raw materials, protein and energy sources are widely available. A lot of uncultivated land, so production and supply will be able to increase.
- Direct supply through producers and Unions/Cooperatives.

Feed

- Commercial poultry and livestock (especially dairy) is still relative small, a lot of opportunities to grow.
- Working with Unions and Cooperatives for the supply of feed to their members.



Alema Koudijs Feed PLC (AKF)

Tel: +251 911 245308, Email: alemakoudijs@gmail.com,

P. O. Box 1944, Bishoftu, Ethiopia