

# Maziwa Zaidi (More Milk) in Tanzania

## Strengthening business linkages in dairy value chains

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### Key messages

- Strong business linkages among dairy value chain agents are key to upgrading Tanzania's dairy value chains
- Existing linkages are either weak or have not been fully exploited to the mutual benefit of value chain agents
- The single most important constraint to strengthening and fully exploiting the linkages is the limited business skills of the value chain agents
- Training, **coaching** and **mentoring** milk producers and traders on dairy business management including simple gross margin analysis and business planning would go a long way in strengthening linkages
- District extension services should provide for extension staff with basic agribusiness skills

### Objectives and approach

- **Objective:** facilitate the strengthening of business-to-business (B2B) linkages in order to make dairy market hubs in the MoreMilkiT project functional
- **Approach:** participatory needs assessment, site-specific planning, training milk producers on dairy enterprise management, experimenting with formal business contracts between producer groups and input and service providers, training, mentoring and coaching of selected milk traders

### Key results and lessons

- Functional producer organization-based hubs established in seven sites
- Functional milk trader-based hubs established in six sites
- Close coaching and mentoring of agents in dairy business management is key to changing behavior and strengthening linkages
- Understanding of agents' business environment is crucial to designing capacity building intervention

### Opportunities to invest and scale

- Local governments should hire extension staff with agribusiness skills to support dairy market hubs
- Producer groups should strengthen the governance of their groups and provide continuous support to their members in dairy business management
- Milk traders should acquire knowledge and skills for business analysis and for support to milk producers to increase farm productivity
- Public investment in rural infrastructure such as roads and electricity is needed to enable milk processors establish viable linkages with milk producers



*Milk traders developing their business plans at a business opportunity seminar in Morogoro, 30<sup>th</sup> Nov -3<sup>rd</sup> Dec 2016*



*Representatives of milk producer groups visit ASAS Dairies Ltd to explore the possibility of supplying milk to the company*

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