

MONTHLY DIGEST (Livestock/Dairy Sub sector)



EAC LIVESTOCK SUB-SECTOR NEWS UPDATES (January, 2016)



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Contents

List of abbreviation	3
1. DAIRY DEVELOPMENT INITIATIVES IN EAST AFRICA	4
1.1 An Italian-Tanzania Project Awarded for its contribution in improving lives of Dairy Farmers in Njombe, Tanzania	4
1.2 Regional Program to control spread of zoonotic diseases in East Africa	4
1.3 New vaccine to unlock doors to EU for beefs Farmers in Kenya	4
1.4 Kenyan Consumers unlikely to benefit from El-Nino tiding as milk prices remain high	5
1.5 Dairy Farmers and ‘Tax-man’ in Uganda at Crossroads	5
1.6 Kenya expands Meat, fruits and vegetables export Market to Qatar	5
1.7 Progress on More Milkit Program in Tanzania	6
2. RESEARCH FINDINGS IN DIFFERENT FRONTS OF LIVESTOCK SUB-SECTOR	6
2.1 Diseases, low-quality feed and poor Marketing Skills impediments to realization of economic benefits of Free-Range Poultry	6
2.2 Leveraging uptake of index-based livestock insurance with community savings and loan groups in Northern Kenya	7
3. THE LIVESTOCK SUB-SECTOR IN EAST AFRICA IS ‘BASKING’ IN AN ERA OF INNOVATIONS	7
3.1 First Ever Cattle Online Market in Kenya	7
3.2 Premier Lab for Embryo Transfer set up in Kenya	8

List of Abbreviations

AMP	The Africa Milk Project
DDA	Dairy Development Authority
EPT	Emerging Pandemic Threats
FAO	Food and Agriculture organization
IBLI	Index-Based Livestock Insurance.
ILRI	International Livestock Research
IVF	Invitro Fertilization
KDPA	The Kenya Dairy Processors Association
UCCCU	Uganda Crane Creameries Cooperatives Union

1. DAIRY DEVELOPMENT INITIATIVES IN EAST AFRICA

1.1 An Italian-Tanzania Project Awarded for its contribution in improving lives of Dairy Farmers in Njombe, Tanzania

Africa Milk Project (AMP) is the first prize winner in the category of “Sustainable development of small rural communities in marginal areas” during the Expo Milan 2015. The project partners the Italian civil society organization CEFA with Italy’s largest milk co-operative, Granarolo on one hand and Njombe Livestock Farmers Association (NjoLiFa) on the other to improve livelihoods of smallholder farmers in Njombe district in Tanzania. Founded in 2004, the project has been instrumental in showcasing the ability of commercial orientation of dairy in improving incomes and nutrition of dairy farmers. Through a school feeding programme, the project has provided 24,000 pupils with pasteurized milk a benefit that has been credited with improvement of school attendance in the district. Although NjoLiFa is a profitable business with the support of the project, it is challenged by a limited market in Njombe district, inaccessibility in markets such as in Dar-Es-Salaam as well as limited skilled staff. Despite these challenges, the project has been hailed as a milestone in the relationships between co-operatives-ran enterprises and commercial businesses.

http://brussels.cta.int/index.php?option=com_k2&id=12096&view=item&Itemid

1.2 Regional Program to control spread of zoonotic diseases in East Africa

Kenya, Ethiopia, Uganda and Tanzania are set to benefit from a program-“Emerging Pandemic Threats (EPT-2)”-that aims at mitigating risks of diseases to livestock and human. The initiative will also support broader goals of risk assessments and management by better defining livestock production and marketing systems. This was announced during a two-day program launch in Kenya between 12th and 13th January 2016. EPT-2 is funded by the United States Agency for International Development (USAID) to the tune of USD 87 million and coordinated by the Food and Agriculture Organization of the United Nations (FAO).

During the launch, the Cabinet Secretary for the Ministry of Agriculture, Livestock and Fisheries who officiated the event noted that Eastern African countries feature highly on the list of high-risk countries where zoonotic diseases such as Ebola and MERS-Cov are endemic. Indeed, researchers have found that over ten zoonotic diseases are responsible for 2.2 million human deaths annually especially in low and middle income countries. The five year program (2015-2019) represents part of the US Government’s investment into the country-led Global Health Security Agenda (GHS). It aims at mitigating hazards resulting from biological risks by accelerating progress in ensuring countries have robust systems to prevent, detect and respond to pandemic zoonotic diseases and also to curb the threat of antimicrobial resistance. Based on recommendations from the meeting, teams will be constituted in the implementing countries in collaboration with a number of national and international partners to prepare country implementation plans which should be concluded by end of February 2016.

<http://www.fao.org/africa/news/detail-news/en/c/380890/>

1.3 New vaccine to unlock doors to EU for beefs Farmers in Kenya

Kenya’s has been locked away from the EU beef market for a long time now. This has been due to in part endemic prevalence of the foot and mouth disease in the country. However, fortunes are slowly changing with release of a new livestock vaccine by researchers from the Kenya Veterinary

Vaccines Production Institute (Kevevapi) to control the disease. It was developed after three years of trial and testing. An official from Kevevapi reported that trials of the vaccine and the first batch of 430,000 doses that can immunize the same number of animals is ready. The announcement was made during a launch of the re-aligned strategic plan of the institute for the period 2013-2017. The new oil-based vaccine is an improvement from the current water-based one and is hailed to have long immunity period and a longer shelf life.

<http://www.nation.co.ke/business/New-vaccine-beefs-up-meat-export-dream-for-Kenya/-/996/3043670/-/4enees/-/index.html>

1.4 Kenyan Consumers unlikely to benefit from El-Nino tiding as milk prices remain high

Regulatory role of the Kenya Dairy Board (KDB) has been put into sharp perspective due to its apparent failure in protecting consumers from exploitation through high milk prices despite abundant production brought about by El Nino rains. In fact, the Consumer Federation of Kenya is accusing KDB of colluding with processors to maintain high milk prices. However, in a rejoinder, an official of the largest privately-owned processing companies in the country; Brookside Dairies observed that the market is yet to correct itself from demand-supply dynamics and that milk prices are unlikely to come down in the near future. Conversely, an official from the Kenya Dairy Processors Association (KDPA) elucidated the situation noting that El Nino effects between October and December 2015 did not contribute to much of milk production to warrant downward revision of prices of milk.

http://www.the-star.co.ke/news/2016/01/20/no-hope-for-cheaper-milk-despite-greener-pastures_c12786166

1.5 Dairy Farmers and ‘Tax-man’ in Uganda at Crossroads

Plans by the Government of Uganda to start levying taxes on dairy farmers has been met with apprehension by dairy farmers under the umbrella of Uganda Crane Creameries Cooperatives Union (UCCCU). The farmers say that the move will only derail growth of a rather nascent dairy industry in the country. Representatives from UCCCU were however quick to note that farmers were not opposed to taxes as long as the industry is allowed to grow to attain a level where taxes will not be punitive. In addition, levying taxes to farmers is seen as counterproductive as doing so is likely to result in non-delivery of milk to processing plants by farmers in an attempt to evade taxes. UCCCU with funding from The Netherlands and Denmark through aBi Trust have been instrumental in boosting the dairy industry in the south western Uganda, resulting to increased milk production, value addition and cold chain management.

<http://allafrica.com/stories/201601130622.html>

1.6 Kenya expands Meat, Fruits and Vegetables export Market to Qatar

For the first time, Kenya will soon start exporting meat, vegetables and fruits to Qatar as a result of talks between the two countries. Meat exports from Kenya will rival those from Australian and New Zealand whose exports currently dominates the market. This comes in the wake of efforts by Qatar to increase production of meat and poultry products and substitute imports which currently stand at 90% of all food items.

<http://bizna.co.ke/qatar-to-import-meat-from-kenya/>

1.7 Progress on More MilkiT Program in Tanzania-Traders receive training in developing bankable business plans

The MoreMilkiT project works with milk traders in Morogoro and Tanga regions of Tanzania to set up dairy market hubs that will be used to pilot approaches to increase milk production and marketing. Funded by IrishAid, the project is implemented principally by International Livestock Research Institute (ILRI) in partnership with Faida MaLi, Tanzania Dairy Board, Sokoine University of Agriculture and Heifer International as the implementing partners. As part of on-going activities, the project recently held a five-day business opportunity seminar in Morogoro to train 23 milk traders, including six women, from 22 project villages in Morogoro and Tanga. The seminar focused on milk marketing and dairy business management practices aimed at helping producers cum traders to add value to their milk and identify business opportunities for selling inputs and services. In particular, the seminar enabled trainees to develop individual business plans including enterprise budgets that will be a basis for their subsequent mentoring and coaching. It was facilitated by Faida MaLi, one of the implementing partners of the project. Trainees reported that the seminar allowed them an opportunity to network with others players in the dairy value chain while noting that business plans would help them improve and expand their milk businesses. The trainees were expected to later train other traders within the network of the project.

<http://livestockfish.cgiar.org/2016/01/18/tanzania-milk-traders/>

2. RESEARCH FINDINGS IN DIFFERENT FRONTS OF LIVESTOCK SUB-SECTOR

2.1 Diseases, Low-Quality Feed and poor Marketing Skills impediments to realization of economic benefits of Free-Range Poultry in Kenya

According to research conducted by the Kenya Agricultural and Livestock Research Organization (KALRO), there are about 22 million indigenous chickens kept in the rural areas of Kenya under the free-range system. Indigenous chickens constitute an estimated 76 % of total poultry population and produce about 55% and 47% of total meat and eggs respectively underpinning the importance of the sub-sector. However, while free range poultry farming is considered simple and economical, the feeding program followed under this system often compromises on the quality of nutrients sufficient to support growth and eggs production. In fact, scavenging diets contain only 11.2% of mean Crude Protein (CP) too little to promote growth and egg production for a successful commercial venture. To put this situation to focus, egg production of indigenous chicken raised under free range system is about 40-100 compared to 150 eggs per year under improved housing, disease-control and feed supplementation. This is despite existence of feed supplements in the market such as fish meal, cotton seed, sunflower cake, maize germ, bone meal and oyster shells which are sold in smaller packs, therefore, affordable to rural farmers. Exacerbating the problem is existence of diseases which cause an average of 40-60% mortality rate in chicks in their first eight weeks against the backdrop of unaffordable vaccines. The research recommends that one way of farmers bringing the vaccine costs lower is by pooling together to form clusters that will enable them procure the drugs - and even feeds in bulk.

Housing under free-range production is also underdeveloped in rural areas. An ideal poultry house should be comfortable, not crowded and protective of weather extremities, predators and

diseases. In addition, in-breeding of free-range poultry among rural farmers is also a menace that contributes to low stock productivity. It was thus recommended that farmers of free-range poultry replace breeding stocks every year by introducing cocks from distant villages. To realize full economic benefits of free-range chicken, farmers should supplement traditional word of mouth marketing with other means such as social media marketing.

<http://allafrica.com/stories/201601181893.html>

2.2 Leveraging uptake of index-based livestock insurance with community savings and loan groups in Northern Kenya

Up-scaling research innovations in agriculture and livestock especially among vulnerable livelihoods is often a tough call for researchers and innovators. It is against this backdrop that the International Livestock Research Institute (ILRI) is looking into partnering with group saving and loans organizations as a possible effective avenue conducting extension work on index-based livestock insurance (IBLI). However, there is little evidence to suggest that this kind of synergy has increased IBLI uptake above the 6-9% household baseline rate in the area according to findings of the latest research brief by ILRI. The study titled “Integrating index-based livestock insurance with community savings and loan groups in northern Kenya”, revealed that this is due to chronic vulnerability to drought-related shocks and declining coping abilities in inhabitant communities. The study was as a result of collaboration between IBLI project and CARE Kenya with an objective of assessing impact of integrating an insurance product for pastoralists’ most productive asset alongside access to informal financial services.

The study found substantive differences between the savings and loans groups profiled, including interest rates, collateral requirements, and savings-to-loan ratios. Nevertheless, members of savings and loans groups accumulated more savings and accessed more loans than their non-members. Despite these findings, increasing understanding of IBLI hinges on improving training of members of the groups and developing a package of more accessible educational tools for use. In addition the study revealed, most households are reluctant to borrow to purchase insurance, due to high interest rates and negative social and economic effects on default. As such, the study recommended further subsidization of insurance premiums or loans as one way of increasing IBLI uptake.

<http://ibli.ilri.org/2016/01/18/integrating-index-based-livestock-insurance-with-community-savings-and-loan-groups-in-northern-kenya/>

3. THE LIVESTOCK SUB-SECTOR IN EAST AFRICA IS ‘BASKING’ IN AN ERA OF INNOVATIONS

3.1 First Ever Cattle Online Market in Kenya

Cowsoko, a word coined from ‘cow’ and a Swahili word “soko” meaning ‘market’ is a novel online market for trading in cattle and related quality inputs in Kenya. The first of its kind in East Africa, the platform is a brainchild of a Kenyan entrepreneur who noticed a gap in the supply side-lack of a formal market for cattle and on the demand side- limited information and accessibility of quality cattle. Cattle traded on Cowsoko are bred by quality cattle vendors from their own recorded pedigree and non-pedigree herds. The founder of Cowsoko, a graduate of Animal Science from

Egerton University pointed out that Cowsoko is dedicated to empowering dairy farmers to connect with buyers, sellers and service providers anytime anywhere across the world. Noteworthy, is that Cowsoko enables farmers whether small-scale or large-scale, to explore opportunities in dairying and which were hitherto not accessible to them.

However, setting up of Cowsoko has not been without the usual challenges that face star-ups. In particular, the business has struggled with cost of payment integration on the digital platform. The founder of Cowsoko noted that most service providers charge 3-4 % of the sales a situation that delayed plans to accept large payments on the platform. In addition, due to a few number of products traded on the platform, the business is faced with chronic deficit in supply at any one given time, a situation that compromises trust by customers. Lack of a criteria for valuation of dairy cows traded on the platform has also dealt the business a hard blow as customers become subjective in determination of prices. Despite these challenges the entrepreneur expressed confidence in the business noting that it is already serving markets in Rwanda and Uganda.

<http://makambaonline.com/index.php/2016/01/26/kenyan-entrepreneur-creates-online-cow-market/>

3.2 Premier Lab for Embryo Transfer set up in Kenya

Having improved breeds for maximum production is a desire of many dairy farmers. However, getting embryos and quality breeds has been difficult due to the high costs involved. This is set to change with the launch of the first ever cow In vitro Fertilisation (IVF) Embryo Transfer (ET) laboratory by a Kenyan company; Indicus East Africa in partnership with a Brazilian company- In vitro Brasil. The Managing Director of the laboratory which is based in Uasin Gishu County will use genetics to improve cattle breeds which will be sold to farmers at affordable prices. Specifically, improvement of breeds through IVF locally will cut costs for farmers who have been importing pedigree animals from South Africa. The laboratory has the capacity to produce more than 20,000 embryos annually with a projected success rate of 45%. The technology has an advantage over that the traditional Artificial Insemination (AI) in that it has a capability of determining the ideal sex for the unborn calf.

<http://www.standardmedia.co.ke/business/article/2000187026/local-farm-sets-up-lab-to-offer-cheaper-and-better-embryo>