



Malawi Dairy Development Alliance

Increasing Production and Processing for Affordable Milk

THE CHALLENGE

Milk producers in Africa lose millions of dollars annually due to poor milk handling and lack of affordable inputs. Proper treatment of cows, cleaned cans and churns, milk kept at the right temperature, and appropriate feed and veterinary medicine are all essential to optimum milk yields. In Malawi, where consumer demand for milk far exceeds its supply, milk is imported and sold at significantly higher prices. At the same time, local milk processing plants and farmer-owned milk bulking programs are struggling to compete with the larger dairy processors operating in the country. As a result, the ability of the local dairy industry to operate profitably is significantly limited.



THE APPROACH

The Malawi Dairy Development Alliance increases domestic milk production and processing capacity, thereby reducing the cost of dairy products to consumers and stimulating the local dairy industry from dairy farmers to local retailers. Together, USAID, Land O' Lakes, and local and regional associations support the alliance by providing farmers and processors with access to finance and training in cattle health, sanitation, and market development practices. From heifer loan schemes which provide farmers with access to credit so that they may buy heifers to loan guarantee programs benefiting local milk processing facilities, the alliance provides rural dairy farmers, feed producers, and small and medium-size dairy processing facilities with the resources and information to achieve a successful local dairy industry.

PARTNERS

Land O'Lakes, Inc., CAPS Ltd./CP Feeds, Central Region Milk Producers Association, Lilongwe Dairy, Mpotto Dairy Farmers Association, SSLPP Malawi, World Vision Int'l., Volunteer Service Overseas, Government of Malawi, Peace Corps

RESULTS

- Farmers receiving just one cow will have increased their income by at least \$895 per a year in a country where annual income averages \$250.
- By the end of 2008, this alliance will have reached more than 4,500 rural farmers.
- Cumulative value of milk collected has exceeded two-year target by 24 percent.
- Loans to farmers and cooperatives exceed more than US \$260,000.

