



USAID
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ETHIOPIA
Dairy Development

LAND O'LAKES, INC.
INTERNATIONAL DEVELOPMENT
Innovative Solutions for Global Prosperity

Background

Ethiopia is home to the largest population of cattle in Africa, an estimated 48 million head (2007). Cattle are maintained by smallholder, commercial and pastoral farmers. Seventy-five percent of the cattle population is located in the high- and mid-altitude areas, while the remaining 25 percent are in lowland and pastoral areas. Demand for milk is expected to grow as Ethiopia's population of 74 million (2007) expands and demographic changes result in an increasingly urbanized population. Ethiopia, the fastest-urbanizing country in Africa with 4.3 percent growth per year, has unmet demand for milk and milk products.

Program Description

Land O'Lakes, Inc., implements the Ethiopia Dairy Development Project (EDDP). It provides enhanced income opportunities for smallholder dairy producers, including people living with HIV (PLHIV), promotes investment in milk processing and marketing capacity, and expands the availability of nutritious dairy-based foods for Ethiopia's growing urban population. Land O'Lakes works with farmers, processors, and others in the dairy sector. EDDP is working in the Greater Addis and Lake Tana milk sheds and also in Mekele and Humera. To the extent practicable, the program supports women dairy producers and women processors and marketers of dairy products. Also, in promoting the increased use of dairy products, women are given special attention since they have greater influence on decisions affecting family nutrition.

World Wide Sires (WWS), Ltd, our partner, aims to improve the breeding and herd management practices of smallholder farmers and dairy businesses. WWS is also introducing best management practices and quality artificial insemination as an efficient management tool in the dairy business industry.

HUNDEE is a nongovernmental organization (NGO) operating in the Addis Ababa milk shed. HUNDEE works with us to practice a traditional support system for heifer programs. Women are the most marginalized groups in the social, economic and political life of HUNDEE's target communities and special emphasis is given to them.

The Ethiopia Dairy Development Project contains four main components:

- Milk shed development
- Growing markets for Ethiopian milk and dairy products
- Support for continued development of the dairy sector
- Support for PLHIV

In order to achieve the project goals and implement activities for the above components successfully, the project addresses the following key implementation strategies:

- a) Improve efficiency and quality of milk and milk products; improve production at lower cost per unit to sustain industry competitiveness
- b) Stimulate dairy business development: improve business and financial management practices, which will open more investment opportunities and market growth
- c) Strengthen market linkages; link value chain actors to work together to promote the sector.
- d) Advance industry organization: promote the formation of skillful and strong dairy cooperatives and groups for collective marketing and use of economies of scale
- e) Work with government, NGOs and faith-based groups to identify PLHIV beneficiaries and care and support associations; train them in business development skills, animal husbandry and milk production; facilitate access to credit and purchase inputs; and link them to local dairy cooperatives where they can sell their surplus milk
- f) Develop an IGA tool kit to assist PLHIV to select an appropriate IGA and enter into business



The project focuses on these areas:

- Market development
- Increased productivity and efficiency throughout the dairy value chain
- Private sector focus and investment
- Smallholder impact including PLHIV
- Gender mainstreaming
- Environmental conservation

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