



Kenyan milk loses its cream

by Fidelis Zvomuya

"It doesn't matter how much milk you spill, as long as you don't lose the cow."— Harvey Mackay

Kenya's dairy sector reported a loss of production amounting to more than 20 million litres of milk worth 200 million shillings during the first month of the recent post-poll skirmishes.

Kenya Dairy Board managing director, Machira Gichohi, says that despite this loss, the country would, however, not experience

milk shortages or retail price increases. His board projected this year's milk production to grow by 20% more than the 410 million litres last year.

However, this projection is now in jeopardy. Gichohi says that areas in the central, North Rift and western regions which are regarded as the



milk pot of the country, had borne the brunt of the chaos and production in affected areas suffering a 50% drop in daily production.

Recovering losses

Gichohi believes that the sector would resume normal production once calm has been restored, but added that farmers might take a long time to restock their herds, which were lost during the upheaval. "Losses in terms of investment might take some time to recover, as the skirmishes

have eroded investor confidence in the country. These developments come at a time when the world is experiencing a milk shortage of up to 40% because of recent droughts in New Zealand and the US," Gichohi says.

Kenya, dubbed one of the fastest growing dairy industries in the developing world, saw its future economic golden goose being crippled by the current political mayhem that has caused untold suffering, not only to human beings, but also on the country's livestock.

A country in turmoil

Political violence erupted in many parts of Kenya on 30 December last year, immediately after the Electoral Commission of Kenya declared incumbent President Mwai Kibaki the winner of the election held on 27 December. Kibaki's main challenger, Raila Odinga, rejected the result and claimed that he had in fact won the election.

Ethnic groups perceived to have supported Kibaki, have borne the brunt of the violence, mostly in areas of Nyanza and Rift Valley where they are the minority. More than 1 500 people are said to have died in the violence there.

The level of brutality exhibited by the attackers is blood curdling, with scenes comparing to horror movies, as they move from door to door hacking to death members of communities.

The groups are ruthless and callous, and appear to be on a revenge mission. There revenge is not aimed only at human beings, but also at the country's dairy herd, said Kenya Cooperative Creameries (KCC) director, Kipkorir Menjo, in a telephone interview with Dairy Mail Africa.

Farmers are going through very traumatising times, Menjo adds. They are caught up in violence which threatens to erase the gains made by the dairy industry over the years. "We are slowly losing our regional market share as a company and it looks almost impossible to regain it. Government has no choice but to move with speed and take steps to help to cushion the effects of violence," he says.

Once a thriving industry

Kenya has the largest dairy industry in sub-Saharan Africa. Developments in the industry span a period of more than 90 years and went through various evolutionary stages to become what it is now.

The country's dairy industry is based on smallholder milk production, with about one million small-scale farmers producing some 70% of the country's marketed milk. This has created some 500 000 waged jobs and over 700 000 jobs in the support service industry.

In 2006, production in the country had risen by 36% over the preceding years – from 2,8 billion litres in 2002 to 3,8 billion in 2006. This milk was being produced by an estimated 3,3 million strong dairy herd.

The country has 34 active processors with an installed processing capacity of 2,9 million litres per day. Kenya processed 362 million litres in 2006, making a substantial contribution towards the country's gross domestic product (GDP).

Dr Jacob Ole Miaron, permanent secretary in the ministry of livestock and fisheries development, confirms the effects of the violence on dairy operations, especially livestock management, thefts and killings.

But Miaron says his government is still to conduct an audit of the effects and come up with a report to determine the losses in livestock, production and cost. He says that production in some parts is going on uninterrupted, with the Rift Valley province having been heavily affected.

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Hunger among the herds

The Rift Valley province provides about 52% of the total dairy population and is Kenya's bread basket. KCC's Eldoret depot based in the North Rift region, has seen milk deliveries declining by half. Menjo says the violence has affected milk delivery, as farmers fear for their security.

"Also, animal feed is failing to reach the farmers who need to supplement their animals' diets. Milk being transported to the depot was drained by youths manning a road block in one of the areas, causing major losses for farmers."

He says the factory is currently receiving 11 000 litres of milk daily, down from the 25 000

litres it was collecting before the violence erupted. KCC initially closed eight of its factories following the outbreak and has since reopened them. The plants are Eldoret, Sotik, Kapsabet, Lessos, Eldama Ravine, Kilgoris, Iten and Ainabkoi.

Francis Mwangi, KCC's managing director, says that they closed these plants for ten days after the deliveries were stopped for security reasons. He says they lost nearly two million litres of milk during this period.

KCC controls 40% of the domestic milk market and has an estimated processing capacity of 1,2 million litres per day. While the deliveries ceased, the company lost Sh40 million in revenue. Mwangi says they are facing a possible further drop in milk intake during the dry period.

Some lost all

Augusta Abate, assistant representative for Kenya in the United Nations' Food and Agriculture Organisation (FAO), says that 75% of the estimated 300 000 people displaced from the Rift Valley by mid-January this year, have become destitute.

They have lost their tools, livestock, seed and fertilisers. The unrest erupted at a time when farmers in the region were supposed to be harvesting and preparing the land for planting before the extended rains in March and April.

The USAid-funded Early Warning Systems Network (FewsNet) warned that the political crisis was likely to cause severe food insecurity in both rural and urban areas. In its 10 January report, FewsNet says that milk delivery to factories has been affected, leading to shortages and price hikes.

Livestock theft was widespread during the violence and dairy farmers in the areas hit by the unrest, will need help to resume milk production, says Abate.

FewsNet confirmed that the price of almost all farm inputs including fuel, fertilisers, chemicals and feed, has increased, forcing farmers to reduce their operations.



Machira Gichohi, managing director of the Kenya Dairy Board

A surplus of hope

Kenya is the only country in the central African region that has a milk surplus. With a large dairy cattle herd populating the region, besides satisfying the east African regional market, Kenya was also exporting milk to Yemen, Nigeria, Southern Africa, Rwanda, Burundi and Botswana, where most of it was being used for the school milk programme.

Recently Kenya together with Rwanda and Uganda, were chosen to be part of the Bill and Melinda Gates Foundation's US\$42,8 million grant that is to be channelled through the Heifer International programme, providing cows to people in poor countries.

This year Kenya was heading towards a total production of more than 4 billion litres of milk – a 20% increase over the 2002 production figure.

"We do hope things will go back to normal soon and we will not lose our continental status as the highest producer of good quality milk," Menjo says. **DMA**