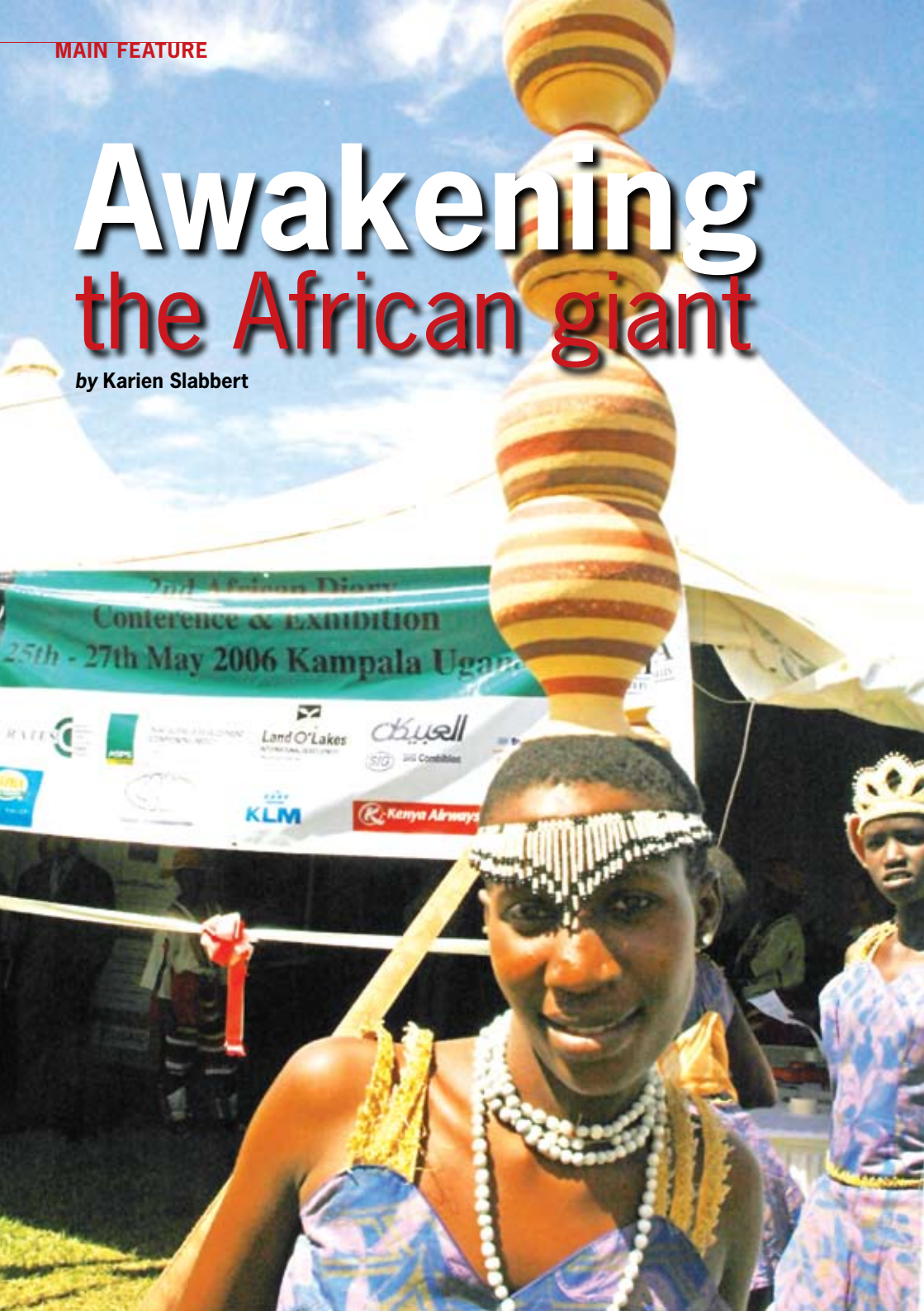


MAIN FEATURE

# Awakening the African giant

by Karien Slabbert



*Africa is facing exciting challenges on many fronts, particularly in creating a dynamic dairy industry. Many countries in Africa have the physical requirements and natural resources to develop sustainable dairy industries, Jack Gherty, former vice-president of the dairy co-operative group, Land O' Lakes, said during the second African Dairy Conference and Exhibition held in Kampala, Uganda.*

**H**owever, African markets have not yet evolved from a supply and demand perspective. In addition, Africa needs to function in a volatile, rapidly changing global market, Gherty added. The conference and exhibition managed to highlight these and other important challenges and opportunities that currently face the eastern and southern African dairy industry.

One of the key questions asked during the conference was whether African dairy is positioned to join the race for international competitiveness. In line with this, the conference focused on African dairy rising to the challenge by capturing the growing spirit of regionalism in Africa.

"These challenges will require the support and commitment of governments, non-governmental organisations, investment agencies, financial institutions, extension offices and farmers. The alarm has sounded and it is time for the 'sleeping giant' to awaken," Rob Janse van Vuuren, chief executive of Zimbabwe's National Association of Dairy Farmers said.

### **Creating a dairy fraternity**

As an organisation, Esada aims to promote increased trade in high quality products within and outside the Eastern and Southern African borders. According to John Anglin, the outgoing chair of Esada, the value of having such an international dairy event lies in the richness of the contacts that are made. It sets a framework, whereby one can move forward to better markets.

"It also boosts everyone's morale and sets achievable goalposts. During the conference, emerging dairy countries, such as Ethiopia and the Sudan, had an opportunity to learn from larger dairy nations such as Kenya," he said

Anglin was adamant that a lucrative eastern and southern African dairy industry presents

numerous opportunities. "Everyone at the conference was reminded of the richness of dairy products, as well as the need to be customer-driven and courageous," he added.

### **Embracing the challenge**

The conference highlighted that, in terms of milk production, Africa needs to embrace the challenge to provide its people with safe, wholesome and affordable milk and dairy products. For this to happen, the African dairy fraternity need to agree on a common vision that enhances regional co-operation, sharing of information and favourable trading terms.

### **Smallholder development**

"Africa still faces a long journey towards dairy development. However, we are now in a position to train small-scale farmers," Austin Ngwira, country co-ordinator for Land O' Lakes said. In addition, public/private partnerships and interventions in production, processing and distribution, as well as effective extension services will help speed up the process, he added.

Ngwira stipulated the need to transform milk-handling processes among smallholder farmers. In addition, marketing and infrastructure systems in Africa are underdeveloped. Other factors Ngwira pointed out were:

- ▶ A lack of support on farming-level
- ▶ Low animal productivity
- ▶ Weak farmer and/or stakeholder organisations
- ▶ Ineffective extension services
- ▶ Smallholder farmers are uninformed about artificial insemination (AI)
- ▶ Bad herd management.

The African dairy sector needs to integrate smallholders into the mainstream dairy industry – without alienating large-scale producers. To do that, one needs to establish an effective market supply chain on a local level, while maintaining health, safety and



Michael Baingana, *Dairy Mail Africa* editor in the Comesa region, with delegates from the Ethiopian dairy industry. With him is Gima Moyes, general manager of the Addis Dairy Co-operative, Worku Bogali, Ethiopian manager of Artificial Insemination (AI) and Abdullahi Edris Lemma, manager of Abdulah Dairy



Ugandan President, Yoweri Museveni took time to attend the African Dairy Conference and Exhibition. Here he shakes hands with Animesh Banerjee, president of the Indian Dairy Association. Dr Kipkirui Lang'at, executive director of Esada, Kristian Robert, director-general of the International Dairy Federation (IDF) and John Anglin, outgoing chairman of Esada look on

quality. However, smallholder dairy farmers must appreciate the fact that they need to become self-sustaining as there is a limit to donor funding and support, Janse van Vuuren said.

### Farmer support groups

Extension services to secure the dissemination of information were key developmental areas conference delegates highlighted. However, delegates pointed out the need to privatise extension services. Another important issue that emerged was strengthening the idea of farmer groups, "which multiply purchasing power among small-scale farmers," Nathan Twinamasiko, executive director of the Dairy Development Authority (DDA), said.

The most important reason for smallholder farmers to join co-operative structures is that they will benefit from economies-of-scale, Twinamasiko pointed out. In addition, well-represented support groups should be formed to co-ordinate the resources available for smallholder development. It is important to set up a forum to plan, co-ordinate, and oversee implementation and review strategies, Twinamasiko said.

Gherty stipulated that local success stories should be duplicated on a regional and national level. "Some farmer groups are phenomenal and manage to have a \$1-million turnover a year. In Ntungamo, in

southwestern Uganda, for example, farmers produce 20 000 litres a day," Anglin mentioned.

### A consumer base

Three key factors form the foundation of any successful and sustainable dairy industry. Most importantly, one needs a consumer base with sufficient disposable income to create and drive the market for milk and dairy products – or alternatively – accessible export markets, Janse van Vuuren said. It is essential to have the human, animal, natural and material resources to secure the production of milk. "There must also be the requisite infrastructure for an efficiently operating processing facility," he added.

### Increased consumption

According to recent research, the annual *per capita* consumption of dairy products in developing countries was 40 kg in 1993. This is compared to 192 kg in developed countries. The predicted consumption for developing countries in 2020 is 62 kg and for developed countries 189 kg.

Therefore, the challenge is to increase the *per capita* consumption of dairy in developing countries, and to narrow the gap between consumers in developed and developing countries. A way to do this in today's economy, Gherty said, is to give products a "brand identity". Otherwise, one must

only compete on cost, he warned. “Brand strength can determine who the industry winners will be. Branded value-added products are the key to success – no matter what industry you are in.”

### Sound economic and government policies

Milk production can only be successful as part of an integrated agricultural industry. Therefore, policy makers should facilitate an enabling environment for developing a strong agricultural environment. The conference highlighted that African policy makers need to realise the importance of milk and dairy products. They must understand that dairying is a long-term enterprise and security of property and land tenure is very important.

*“Everyone at the conference was reminded of the richness of dairy products, as well as the need to be customer-driven and courageous”*

Governments need to negotiate and uphold fair trade policies between African countries. They also need to end ethnic, tribal and regional conflicts, stamp out corruption and support training institutions, as well as extension services, to motivate stakeholders in the agricultural sector.

Sound economic policies will improve the disposable and develop the infrastructure (roads, electricity and water supplies) required. However, sound general policies, good governance and political stability will attract investors.

Other requirements the conference stipulated include statutory regulations to ensure that production systems are environmentally friendly and minimum standards are maintained to ensure consumers are protected from unsafe food, as well as appropriate law enforcement.

### Into the future

African countries have the potential to develop and sustain their own dairy industry and become a global stakeholder. The conference highlighted that many African countries are already showing a keen interest in establishing their own commercial dairy industries. Others with relatively small industries are attempting to grow their industry.

In general, under correct and appropriate regu-



Sandress Nyirenda, the newly elected Esada chair and John Anglin, outgoing Esada chair, make toast to African dairy

lation, with operating and maintained infrastructure, Africa can successfully produce high quality milk and dairy products. Many countries have a suitable climate and adequate land to support efficient farming systems. Admittedly, some countries do have limitations related to fodder production, cow comfort and the requisite infrastructure needed for a dairy industry.

The pace of the evolution of the dairy industry in Africa must be increased. There are many advantages for individual countries in having a combination of large-scale and smallholder commercial enterprises, as they can co-exist and be complementary for the benefit of the industry and the nation. Smallholder milk production has a pivotal role to play in rural development, market growth and poverty alleviation. **DMA**