

MAIN FEATURE



Ride the wave of Africa's dairy prospects

by Philippe Jachnik

For the past ten years, I have been making regular presentations in South Africa, at the invitation from the country's milk producers and processors. I have seen all the work done and all that remains to be done in order to capitalise on the progress and success the country's dairy sector has already accomplished. At present, South Africa is the only country on the African continent that is a member of the International Dairy Federation (IDF). We hope to change this situation soon.

More recently, during the spring of 2005, it was my pleasure to speak at the first edition of the African Dairy Conference and Exhibition organised by Eastern and Southern African Dairy Association (Esada) in Nairobi, Kenya. The very successful conference was held against the backdrop of a continent that has experienced 5,2% growth in 2004 – the highest rate in more than a decade. The Eastern and Southern sub-Saharan Africa, in particular, must make a decisive contribution to milk and dairy product production. It is clear that, far removed from the wars and disasters the African continent has suffered, a 'new Africa' is emerging.

In early July, the worldwide series of "Live 8" concerts set the stage for the G8 Summit in Edinburgh, Scotland. The summit's objective was to find ways to eradicate poverty in Africa. Milk obviously has a role to play. As a balanced, nutritious food, milk is a key element in household food security. Elsewhere in the world, milk has already substantially contributed towards economic development, as well as by providing structure to the social fabric. When successfully produced, milk also provides small-scale livestock keepers with relatively quick returns.

Nonetheless, milk production and processing require professionalism and rigour. The dairy industry in Africa still has a vast project to implement. In particular, this will involve improving support services offered to dairy farmers, and better farmer linkages

to the industry. Additionally, there needs to be increased action in preparing and enforcing quality and safety standards. This could – and should – lead to increased dairy product trade within this vast zone. The secretary-general of the Common Market for Eastern and Southern Africa (Comesa) with its 22 member countries, observed in Nairobi that this intra-zone trade has tended to decrease over the last few years.

In 2003, the total intra-Comesa dairy trade was worth only 13,8 million euros, whereas the zone's dairy imports were 215 million euros and the zone's exports 26 million euros. Endeavours must be made to put an end to the situation where infrastructure, war and trade barriers hamper intra-zone trade. Recently, the following favourable new economic drivers have emerged in Africa:

- ▶ Peace in Southern Sudan, Burundi, Somalia and Congo
- ▶ Oil in Sudan and good prospects in Uganda
- ▶ Mineral wealth in Tanzania and Congo
- ▶ Commercial and semicommercial agriculture in Kenya, Uganda, Ethiopia, Tanzania
- ▶ New trade zones (Comesa and others).

In the dairy sector itself, the following have emerged:

- ▶ Gradual opening of markets
- ▶ Emergence of transnational players
- ▶ Privatisation of dairy companies
- ▶ Export drive due to increased production.

The African dairy markets still need to respond better to demand and supply stimuli. Additionally, the markets need to overcome the problems linked to the fragmented and seasonal supply of milk, restrictive national policies and practices, and bad infrastructure.

In that part of the world, for the short- and medium-term future, one should focus on taking full advantage of opportunities for livestock development and poverty alleviation, by promoting safe and efficient production, processing and marketing of livestock products, as well as milk and dairy products. *DMA*