

#### Kenya Market-led Dairy Programme (KMDP)





KMDP Phase-I: 1<sup>st</sup> July 2012 - 31<sup>st</sup> December 2016 KMDP Phase-II: 1<sup>st</sup> October 2016 - 1<sup>st</sup> July 2019

KMDP works across the dairy value chain with smallholder dairy entrepreneurs, medium and large scale farmers, dairy cooperatives and farmer organisations, milk processors input suppliers and service providers, including for dairy training and advisory, industry associations and policy and regulatory bodies (e.g. Kenya Dairy Processors Association, Kenya Dairy Board and the Ministry of Agriculture Livestock and Fisheries). The overall goal of KMDP is to contribute to the development of a competitive, market-driven and private sector-led Kenyan dairy sector, with beneficiaries across the value chain. Enhanced competitiveness is defined as being the result of the combination of cost price of raw milk (productivity), efficient milk collection, processing and marketing, quality of milk and dairy products, and level playing field and effective competition in the market. The project contributes to an improved business and investment climate of the Kenyan dairy sector. It promotes and facilitates business-led networks and collaborations between Kenyan and Dutch dairy sector stakeholders for enhanced trade, exchange of knowledge, skills development and innovation. The Dutch dairy sector has valuable knowledge and technology to offer, provided these are adapted to local needs and are affordable. The transitioning from aid to trade relations in the dairy sector, is used by the project as a strategy for increased sector growth and competitiveness, and for achieving food security and food safety.

### **KMDP Intervention Areas**



Practical Skills and Farm Management



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Milk Quality

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Functional Dairy Value Chains

International Linkages



# 1. Practical Skills and Farm Management



To address the skills gap in the dairy sector, KMDP-II continues to facilitate linkages between Kenyan dairy advisors and Dutch experts from PUM and Dutch training institutions. These dairy advisors are also linked to Dutch input suppliers and service providers who have set up business in Kenya, and have local presence. Dairy Advisory focuses on smallholder lead farmers and medium and large scale farmers and is being professionalized by equipping and training the dairy advisors with tools for benchmarking farm performance, advising on the most optimal feed ration for different categories of cows, and for monitoring herd fertility and key performance indicators in the farm.

In the dairy value chain KMDP supports dairy cooperative



societies and milk processors with setting up their own training & extension units. As a third intervention in the field of practical skills development, KMDP-II promotes and supports a pilot that builds upon the PDTC concept developed under KMDP-I. In this case a local dairy training company collaborates with host or training farms (Practical Dairy Training Centers) and offers 1-day to 1-week skills based training for various target groups. Lastly, KMDP-II supports initiatives and partnerships between Kenyan and Dutch institutes for dairy education and training, with emphasis on E-Learning and other structured training and education materials and concepts, that are contextualized to the Kenyan situation and needs.



### 2. Feed and Fodder



KMDP has built up rich knowledge and experience as regards good practice forage production and preservation for smallholder, medium and large scale dairy farms (from seed to feed). In addition, KMDP has successfully piloted commercialization of quality forages and of forage contracting services. This was achieved through the SPEN model and the concept of "maize train" (i.e. mechanized agricultural contracting services for maize production, harvesting and silage making), and by facilitating introduction of innovative machinery for making baled silages. Through replication and upscaling, this will ensure enhanced access of quality forages for small, medium and large-scale dairy farms. In 2018 KMDP-II also started a pilot on introduction of feed rationing software to help optimizing total rations and margin above feed costs. KMDP participates in sector platforms that discuss forage availability in Kenya and supported the National Fodder Conference in Nakuru in December 2017 and the Animal Production Society in Nanyuki in March 2018.



# 3. Milk Quality







KMDP-II works with 17 dairy cooperative societies and 3 milk processors (Meru Dairy Cooperative Union, Happy Cow Ltd and Bio Foods Ltd) on a number of issues related to milk production, collection, bulking and marketing; service provision and governance & management. The interventions on milk quality range from more generic to specific, in terms of piloting innovations and policy influencing. On the generic level milk collectors, transporters and graders of dairy cooperatives are trained and milk quality policies are being developed and implemented in 17 cooperatives.

Next to this KMDP has a targeted approach where it supports Happy Cow Ltd from Nakuru and two of the cooperatives that supply the processor with milk, with implementing a milk quality tracking & tracing system and a quality based milk payment system. At policy level KMDP-II works with Kenya Dairy Board (KDB) and the Kenya Dairy Processors Association (KDPA), where it supports the milk campaign and development of a strategic plan.

## 4. Functional Dairy Value Chains



KMDP-II (as in KMDP-I) promotes and support within the partnerships it has with processors (3) and dairy societies (17) so-called functional dairy value chains, characterized by formal and inclusive relationships between farmers, dairy societies and processors with inclusion of youth and women. Important drivers for such relationships are trust and loyalty, timely payment, fair and stable prices and provision of quality services from the processor to the dairy society to the farmer. This includes services provided in-house and in collaboration with private input and service providers. These services should be geared towards enhancing productivity at the farm level, and efficiency & quality in raw milk collection and marketing. As this will contribute to enhanced profitability and sustainability of the dairy enterprise and the industry as a whole. Functional dairy value chains are also characterized by a stable and conducive relationship of dairy value chain actors and input/service providers with policy makers and regulators. Be it at the level of Counties or national government. With a common vision on how to address systemic bottlenecks for sector growth and competitiveness. At this level KMDP supports Kenya Dairy Board and Kenya Dairy Processors Association, the latter with strategic plan development. KMDP also participates in national forums for feed & fodder, milk quality and TVET (practical skills development).



# 5. International Linkages

KMDP promotes and facilitates international knowledge exchange, business linkages and other partnerships for learning and sharing of information. This is seen as an important condition for fast-tracking adoption of good agricultural practices and innovations that are necessary to enhance the competitiveness of the sector, its long term sustainability and its attractiveness for investors. KMDP-II supports investors' forums, dairy trade fairs and exhibitions, market studies/scans, international study tours and trainings, and most importantly business-to-business linkages (B2B). B2B linkages and partnerships are considered as a more sustainable way of promoting change, innovations and best practices than aid relationships, as they are market-led and will prevail as long as there is demand for the products and services. KMDP has been successful in forging B2B linkages between Kenyan and Dutch input suppliers and service providers, and assisted others with setting up base in Kenya and investing in the sector. This is partly facilitated through KMDP's Innovation Fund where private investors receive co-funding for innovative business cases, demos and pilots to address sector systemic issues.



# Contact Us

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Everyone, everywhere can start and run a **profitable** dairy farm

