



RWANDA DAIRY COMPETITIVENESS PROGRAM II

Quarterly Report

April 1 – June 30, 2013

CA# USAID-696-A-12-00002

Submitted to

**Fina Kayisanabo, AOR
USAID/Rwanda &
Martin Fischer
USAID AO**

Submitted by

**Land O'Lakes, Inc.
P.O. Box 64281
St. Paul, MN 55164-0281**

July 2013

RWANDA DAIRY COMPETITIVENESS PROGRAM II

CA# USAID-696-A-12-00002

QUARTERLY REPORT

April 1, 2013 – June 30, 2013

| | |
|-------------------|--|
| Name of Project: | Rwanda Dairy Competitiveness Program II |
| Regions: | Northern, Southern, Eastern and Kigali Milk Sheds |
| Dates of project: | January 6, 2012 – January 5, 2017 |

Table of Contents

| | |
|---|----|
| Acronyms and Abbreviations | 4 |
| Introduction and Highlights..... | 6 |
| RDCP II Performance and Results | 9 |
| IR 1: Rwandan Dairy Products Meet COMESA Standards | 10 |
| IR2: Expanded Investment in Dairy Processing and Marketing..... | 17 |
| Gender | 21 |
| Grants and Investment..... | 22 |
| Stakeholder Collaboration..... | 23 |
| Monitoring & Evaluation and Knowledge Management | 25 |
| Challenges and Lessons Learned | 25 |
| Annexes: | |
| I: Feed the Future MS Table | |
| II: Success Stories - Rwanda's Cheese Makers Makers Take a Step in the Right Direction Dairy Farming, Empowering Women | |
| III: Approved Grants | |

Acronyms and Abbreviations

| | |
|-------------|--|
| ABS | African Breeders Services Total Cattle Management Limited |
| AI | Artificial Insemination |
| BDS | Business Development Services |
| COMESA | Common Market for Eastern and Southern Africa |
| COP | Chief of Party |
| DCA | Development Credit Authority |
| DCOP | Deputy Chief of Party |
| DPPD | Dairy Public Private Dialogue |
| DSWG | Dairy Sector Working Group |
| DQAL | Dairy Quality Assessment Laboratory |
| EADD | East Africa Dairy Development project |
| EDPRS | Economic Development and Poverty Reduction Strategy |
| EMMP | Environmental Mitigation and Monitoring Plan |
| ESADA | East and Southern Africa Dairy Association |
| IEE | Initial Environmental Examination |
| INGO | International Non-Governmental Organization |
| GoR | Government of Rwanda |
| MCC | Milk Collection Center |
| MINAGRI | Ministry of Agriculture and Animal Resources |
| MINECOFIN | Ministry of Economic Planning and Finance |
| MINEDUC | Ministry of Education |
| MINICOM | Ministry of Trade & Industry |
| MINALOC | Ministry of Local Government |
| MINISANTE | Ministry of Health |
| MS – DSWG's | Milk Shed – Dairy Sector Working Groups |
| MSME | Micro and Small Medium Enterprise |
| NDS | National Dairy Strategy |
| NGOs | Non-Governmental Organizations |
| PLWHA | People Living with HIV and AIDS |
| PMP | Performance Management Plan |
| PSF | Private Sector Federation |
| PSTA III | Strategic Plan for the Transformation of Agriculture in Rwanda – Phase III |
| RAB | Rwanda Agriculture Board |
| RALIS | Rwanda Agriculture and Livestock Inspection Services |
| RARDA | Rwanda Animal Resources Development Authority |
| RBS | Rwanda Bureau of Standards |
| RDB | Rwanda Development Board |
| RDCP II | Rwanda Dairy Competitiveness Program II |
| RMSA | Rwanda Milk Sellers Association |

| | |
|------|----------------------------------|
| RNDB | Rwanda National Dairy Board |
| SoQ | Seal of Quality |
| SP | Service Providers |
| TOT | Training of Trainers |
| UCD | University of California – Davis |

Introduction and Highlights

This is the quarterly report for the period April 1 to June 30, 2013. The Rwanda Dairy Competitiveness Program II (RDCP II) project was designed to reduce poverty through expanded marketing of quality milk that generates income and employment, and improves nutrition of rural households. RDCP II aims to achieve this by linking existing and new smallholder dairy producers to expanding market demand driven by improved quality, reduced transaction costs and increased investment all along the dairy value chain.

National Dairy Strategy Validated

The National Dairy Strategy (NDS) was validated by the Ag Sector Working Group (ASWG) on April 23. The NDS is now the guiding document for development of the Rwanda's dairy sector for the next five years and has been incorporated into both the Strategic Plan for the Transformation of Agriculture in Rwanda – Phase III (PSTA III) and the Economic Development and Poverty Reduction Strategy (EPDRS 2) as a national policy document. RDCP II had a leading role in the strategy development and validation process and will continue this role as implementation of the strategy is now under way.

Seal of Quality (SoQ) launched

The Seal of Quality program was launched in collaboration with the Rwanda Agriculture and Livestock Inspection Services (RALIS) on May 3, 2013. The launch was presided over by the Permanent Secretary in the Ministry of Agriculture and Animal Resources (MINAGRI), Ernest Ruzindaza, and other dignitaries including the USAID Rwanda Mission Director, Peter Malnak. The official launch received high visibility in the national press. This important milestone raises the profile of government efforts to achieve national quality standards for the dairy industry with direct support and engagement of key government institutions: RALIS, RAB (Rwanda Agriculture Board) and MINAGRI (Ministry of Agriculture and Animal Resources).



Figure 1: Milk Quality Technician demonstrating before invited guests at the launch ways to ensure quality standards required for good milk

“Dairy is a great income generator for all players throughout the chain. However, milk is also an extremely perishable product and if not handled and treated correctly this can result in a loss of income to the people who need it the most. The Seal of Quality program is therefore designed to reward for quality and begins at the farm level,” said, Ernest Ruzindaza, the Permanent Secretary of MINAGRI.

Following the launching ceremony, RDCP II distributed the SoQ milk testing kits

to 31 Milk Collection Centers and five small scale processors paving the way for the milk sampling and testing program which commenced in June.

Enabling Policy Environment for Certification Services

During this quarter RDCP II engaged a consultant to work with RALIS to review the current status of dairy regulations and laws that relate to milk and milk products. This assignment included reviewing how best to enact and implement the required policies associated with regulation of milk quality. Following the assignment RDCP II facilitated a two-day workshop for RALIS, RAB and MINAGRI staff to review and draft ministerial instructions that regulate milk handling, collection, transportation, milk sales and also milk quality checklists for the dairy value chain. The objective of this exercise was to provide the documents required for the policy framework which can legitimize activities related to milk quality including the Seal of Quality program launched in May. A draft ministerial order was prepared and is currently under review.



Figure 2: Seal of Quality Logo designed and approved as the program identity/mark

Cheese Makers Trained

RDCP II facilitated a Master Cheese training in May that brought together 17 of Rwanda's cheese makers with the purpose of both improving the quality of product currently manufactured (Gouda and Mozzarella) and to introduce expertise related to cheeses not made locally - Feta and Cheddar.

The enthusiasm shown by the participants during the training of the theory of cheese making was very encouraging. Much emphasis was placed on the fact that cheese making is not about following the same "recipe" every day but that the cheese maker should understand the chemical and bacteriological processes taking place. Prior to the training the cheese makers had little regard for how the daily variation in milk quality and culture activity impacts the finished product. Providing tools and knowledge to improve quality and presentation of product combined with creating a marketing vision to enhance coordinated supply of improved quality cheese were key outcomes of the training.



Figure 3: Participants undergoing cheese training in Rwandan capital, Kigali, in collaboration with the Rwanda Development Board (RDB)

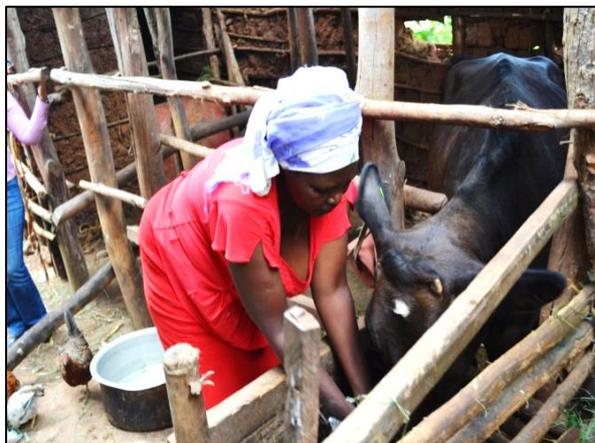


Figure 4: This female dairy farmer was trained by a service provider who was trained by RDCP II

Farmers and service providers trained

The training, being conducted at the sector (*umurenge*) level in every district, is focusing on improving dairy farmers' expertise in the areas of proper feeding of dairy cows, herd health including mastitis control, milk quality and handling, reproductive management, business and cooperative management, and gender mainstreaming in the dairy subsector. Participation at these trainings was as follows:

- 1,383 (420 female and 963 male) individuals were trained this quarter in addition to the 3,609 trained through the end of last quarter. This brings the cumulative number of individuals trained to 4,992 – already surpassing the annual target of 4,500.
- 131 service providers (27 female and 104 male) including transporters and MCC staff were trained on dairy production, clean milk production and handling, dairy business management and gender mainstreaming.
- 591 cows from 580 farmers were inseminated by trained service providers across Kicukiro, Gatsibo and Nyagatare districts.
- 751 farmers in seven districts (Gatsibo, Gicumbi, Kayonza, Kicukiro, Nyabihu, Nyagatare & Nyanza), of the farmers trained to date have received follow-up visits to determine farmer technology and dairy best practice application. Preliminary data analysis shows that beneficiaries are largely applying the clean milk production best practices they have learned in the trainings.

Newly developed dairy financial products and services

Field visits were conducted with Inspired, RDCP II implementing partner, during the quarter to provide and obtain input from farmers towards financial product risk assessment, repayment mechanisms and loan default mitigation strategies in advance of finalizing the structured finance products which will be available in the next quarter. These meetings involved dairy farmers, milk buyers, processors and district representatives in Rwamagana, Nyagatare and Gicumbi.

Following product launch in early August, business opportunity seminars will be held by the respective financial institutions involved in this activity to promote access to the newly developed financial products for the relevant actors within the dairy value chain.

Enhanced capacity of third level educational institutions to control and prevent mastitis

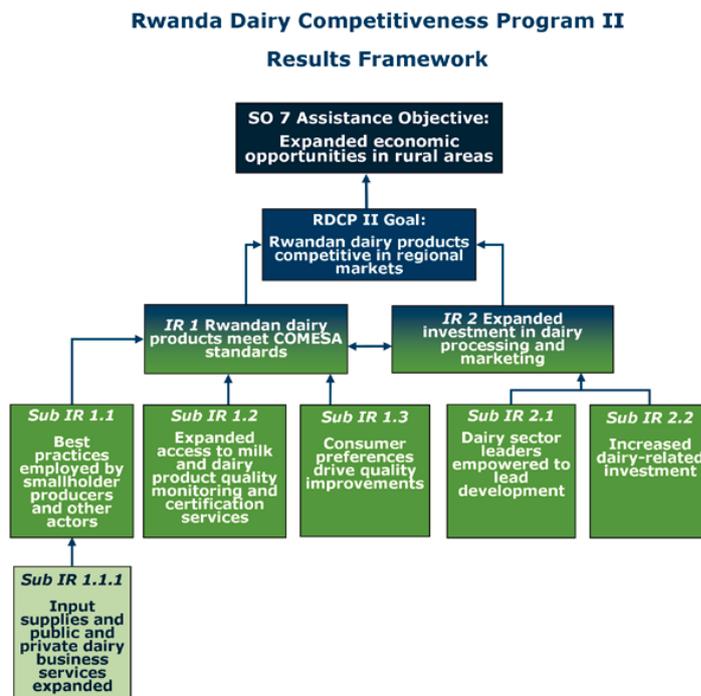
University of California Davis (UC Davis) in collaboration with Rwanda's third level institutions, Higher Institute of Agriculture and Animal Husbandry (ISAE) and Umutara Polytechnic offering qualifications in the animal health sector, finalized the grant applications with both institutions. The grant applications aim to develop outreach capacity of their respective veterinary faculties so that their students become more engaged at farm level in understanding the prevention and control of mastitis. Mastitis continues to be one of the main causes of poor milk quality in Rwanda.

Support will also involve developing micro biology skills and laboratory capacity required to implement the mastitis outreach program for both of these

institutions. In addition lab staff from both RAB and DOAL will be trained so that Rwanda has enhanced analytical capacity when it comes to determining which bacteria cause mastitis. Subject to USAID approval the training program will commence in the next quarter.

RDCP II Performance and Results

Figure 1: RDCP II Results Framework



IR 1: Rwandan Dairy Products Meet COMESA Standards

IR1.1 Best practices employed by small holder producers and other actors

Key achievements:

- 1,383 (420 female and 963 male) individuals trained in addition to 3,609 trained up to the end of last quarter making a cumulative total of 4,992 individuals trained surpassing the annual target of 4,500. (Please see FTFMS table for disaggregation details).
- 368 farmers received Mucuna legume seed
- 78 cows for 67 farmers (16 female and 51 male) in Kicukiro inseminated with sexed semen
- 86 cows for 86 farmers (21 female and 65 male) in Gatsibo, 262 cows for 262 farmers (26 female & 236 male) in Nyagatare, and 165 cows for 165 farmers (50 female and 115 male) inseminated with high quality semen.
- 106 service providers (22 female and 84 male) including transporters and MCC staff trained on dairy production, clean milk production and handling, dairy business management and gender mainstreaming.



Figure 5: RDCP II targets increasing women participation in the dairy sector development

As described in the last report, RDCP II implemented, through service provider led training and farmer follow up, the four core products/activities in relation to best practices i.e., the Feed Flow Plan, the Herd Health Plan, the Reproduction Plan, and the Clean Milk Production Plan and the SoQ. This quarter focused on implementing those plans in collaboration with the selected service providers through ToTS and following up with trained farmers to assess dairy best practices implementation. The total number of service providers at the end of this quarter was 361 including those previously trained.

Volume of milk marketed through MCC's is 9,340,582 liters as of the end of this reporting period. This figure does not yet include all MCC's under RDCP II area of operation. The additional data from other MCC's is being collected and verified so that by the end of the fiscal period all checked and accurate data will be in place. Data collection at MCC's continues to be weak especially by those in Southern and Northern provinces that have not received support /assistance in the past. A key element of RDCP II MCC support is robust record keeping so that MCC's can manage their business based on accurate data.

Implementation of the Plans

Consistent with the RDCP II practice and to facilitate tracking, service providers and MCC personnel were engaged in two districts (Nyabihu & Rwamagana) to train farmers and assist them in implementing the best practices plans. The training also covered gender, cooperative development and business as ancillary topics. The service providers or partners were largely from MCCs, The Rwanda

Agriculture Board (RAB), milk processing and transport businesses, districts and sectors, and local financial institutions. During this quarter, in accordance with the content of the four core products and ancillary topics, RDCP II trained 106 (22 female and 84 male) service providers under MCCs, unions, cooperatives, associations, sector offices (sector vets), and financial institutions (SACCOs) in Bugesera, Gisagara, Huye, Kamonyi, Rubavu, Rulindo and Ruhango districts (Table 1 below).

Through RDCP II facilitation the service provider groups trained in the past (ERAGIC, Nyagatare District) and during the last quarter (UPROCENYA and COOPEMUKA) extended their services to and trained 1,257 farmers in Rwamagana, Bugesera and Nyabihu districts.

In addition to receiving training, 368 farmers in Nyabihu District received Mucuna legume seed and were trained in legume establishment. The farmers were expected to plant the seed and create a seed base for cropping larger hectares. The legume forage and seed can be fed as protein sources for ruminants.

Through an RDCP II grant, using hormones for cow heat synchronization obtained from RAB (GoR), ERAGIC inseminated 348 cows for 348 farmers (47 female & 301 male), largely vulnerable GIRINKA beneficiaries, in Nyagatare and Gatsibo districts. It also arranged insemination of 165 natural heat detection based cow inseminations for 165 farmers (50 Female & 115 male), again largely GIRINKA beneficiaries, in Rwamagana District. Through RDCP II facilitation, in Kicukiro, Nyamata Agri-inputs Ltd inseminated 78 cows for 67 farmers (16 female & 51 male) with sexed semen and used hormones obtained from RAB for heat synchronization. The two AI programs are on-going. While RDCP II has insisted on affirmatively including cows belonging to female owners, the response has been low. This appears to be a consequence of low cattle ownership by women and girls.

Table 1: Service providers (SPs) from MCCs, sector and district offices, cooperatives and private companies trained through RDCP II across 7 districts

| Milk Shed | District | Sector(s) | Service Provider Institutions | Number of Trainees | | |
|--------------|----------|-----------------------------|--|--------------------|-----------|------------|
| | | | | Female | Male | Total |
| Kigali | Bugesera | Kamabuye, Mayange & Nyamata | MCCs: BMCC, CODECOL, & COPEMECA Private Company: Nyamata Agri-inputs Ltd Association: Nyamata Bright Dairy Association SACCOs: Kamabuye & Mayange | 2 | 13 | 15 |
| Southern | Gisagara | Kibilizi & Ndora | Cooperatives: COAKIGI, KOAMZ, & Urugerorwiza Sectors: Ndora and Kibilizi sectors (vets) | 2 | 6 | 8 |
| | Huye | Kinazi, Ngoma & Rusatira | MCCs: Agiragitereka & KIDACO Cooperative: Ngoma Farmers Cooperative Pyt. Company: VETOPROX Sectors: Kinazi and Rusatira sectors (vets) | 2 | 5 | 7 |
| | Kamonyi | Kayenzi & Rugarika | MCCs: Kayenzi & Rugobagoba Pvt. Company: NIR Hope Ltd Sectors: Kayenzi and Rugarika (vets) | 3 | 10 | 13 |
| | Ruhango | Busoro, Byimana & Kinazi | Sectors: Busoro, Byimana, & Kinazi | 4 | 12 | 16 |
| Northern | Rubavu | Kamana & Kanzenze | MCCs: BAIR, CODAMIN, CODERU, KABU, Kivu Dairy, & KOAIBU Union: Union of Dairy farmers in Rubavu (IARU) Sectors: Kanzenze and Kamana (vets) | 3 | 19 | 22 |
| | Rulindo | | Transporters | 6 | 19 | 25 |
| Total | | | | 22 | 84 | 106 |

Farmer follow-up

By the end of this quarter, 751 farmers in seven districts (Gatsibo, Gicumbi, Kayonza, Kicukiro, Nyabihu, Nyagatare & Nyanza), out of the 4,815 farmers trained, had been followed-up to determine farmer technology and dairy best practice application. The follow ups will continue as farmers in new districts are trained. Preliminary data analysis shows large application of clean milk production best practices, improved feeding practices, provision of larger water quantity to cows than before training, and Mucuna legume establishment. There is anecdotal evidence that the additional water provision and improved feeding practices



Figure 6: Dairy farmers in Kicukiro District undergoing training on feeding aimed to enhance the cattle milk production facilitated by RDCP II

including feeding of Mucuna legume, and feed flow plans have led to milk production increases of up to double the initial production. In general, trained farmers applied best practices that did not have a cost implication. While it is impractical to track every trained farmer, farmer attendance during the follow ups was low in some areas because during the months of May and June when the follow ups were conducted most farmers were engaged in paid work under the Vision 2020 Umurenge Program. Surprisingly, many farmers that had not been trained came to the follow up meetings. In some sectors, the number of untrained farmers exceeded that of trained farmers in attendance. This indicates that, in some sectors, the number of untrained farmers is still large.

Foot and mouth disease quarantine

The foot and mouth disease quarantine imposed on Kayonza District was lifted in April, 2013. RDCP II is assisting the three MCCs (Buhabwa, Murundi Sector; COABONDE, Ndego Sector; & Nyamiyaga, Gahini Sector) to access a stable, competitive market for their milk.

IR 1.1.1 Input supplies and Public and Private dairy business services expanded

RDCP II worked with potential grantees to expand and refine their proposals in line with the program's expected outputs and targets during the reporting period.

Four service provider / input supply applications were submitted and approval was received from USAID. Two grantees will receive animal feed equipment: Nyagatare Agronomist Development Cooperative (Nadco) in the East and Vetroprox in the South. CODERU in Northern province will receive cans and a motorized tricycle to improve transport logistics and one service provider, Veterinary Yield Entrepreneurs Cooperative (VYEC – Itabaza) will receive a capacity building grant for delivery of AI and extension services. The total value of these grant applications was \$76,161.

RDCP II service provider trainings continued across several districts. The service providers trained included MCCs, Cooperatives, associations, private companies, sector vets and SACCO's as follows:

Rubavu District

- MCC s - BAIR, CODAMIN, CODERU, KABU, Kivu Dairy, KOAIBU, Union of Dairy farmers (IARU)
- Sector offices - Kanzenze and Kamana, (sector vets)

Rulindo district

- 25 Transporters

Bugesera district

- MCC's - BMCC, CODECOL and COPEMECA,
- Nyamata Agri-inputs Ltd,
- Nyamata Bright Dairy Association,
- SACCOS Kamabuye and Mayange

Gisagara District

- Cooperatives COAKIGI, KOAMZ, and Urugerorwiza,
- Sector offices - Ndora and Kibilizi

Huye District

- MCCs, Agiragitereka and KIDACO,
- Cooperatives Ngoma Farmers Cooperative and VETOPROX,
- Sector offices Kinazi and Rusatira (sector vets)

Kamonyi District

- MCC's Rugobagoba and Kayenzi,
- NIR Hope Ltd
- Sectors offices Kayenzi and Rugarika (sector vets)

Ruhango District

- Sectors offices - Busoro, Byimana, and Kinazi (sector vets)

Kicukiro District

- Gahango Saaco management
- Sector offices Gahanga, Masaka, Kanombe (sector vets)

As listed above, RDCP II continued training of service providers to equip them with skills to serve farmers and in turn grow demand for their products and services. Some of these organizations may apply for grants in due course aimed at providing improved services to farmers. At present RDCP II has worked with them to restructure their approach to emphasize sustainable business development that includes increasing farmer demand for their products and services. RDCP II has received monthly business information reports from 25 dairy enterprises in the quarter of which 24 are MCC's and 1 AI service provider. These reports provide the basis for examining profitability and planning on of focused interventions to improve efficiency in these enterprises.

IR 1.2 Expanded access to milk and dairy product quality monitoring and certification services

In January RDCP II contracted DQAL to train 71 MCC technicians across the four sheds. In the meantime these technicians have been operational in their MCCs using skills acquired to ensure proper milk handling at MCCs. Seal of Quality kits distributed in May are adding value to MCC technician operations allowing them to interpret and disseminate the results back to the farmers. This activity is addressing the quality issues on an ongoing basis at farmer level and empowering the MCC's technical staff to ensure milk quality meets required standards. In June these technicians commenced internal sampling and testing milk quality at farm level using the distributed Seal of Quality kits as well as submitting the samples for external testing at DQAL.



Figure 7: Milk quality technicians trained by DQAL

The DQAL pilot testing will be carried out for six months and will test milk, dairy products and water for a range of quality parameters. The initial results have revealed a high percentage of poor quality milk samples with milk quality deteriorating rapidly as it moves along the value chain with poorest results seen at end market. This is not surprising as there is limited if any cold chain logistics in the informal sector. These results are a very useful tool to determine how and where to tackle issues related to milk quality. In the next quarter the RALIS and RAB will become more engaged in the monitoring process as we move towards the ultimate goal of Seal of Quality certification.

5 new technologies have been introduced at various levels of the dairy value chain as follows;

- UdderCheck™ for instant cow-side mastitis detection which is being promoted at farmer level
- Under the Seal of Quality program, PortaSCC™ has been introduced at MCC level to determine somatic cell counts
- Also under Seal of Quality the antibiotic residue test, to detect presence of antibiotics has been introduced at processor level
- PH meter to test for acidity of milk has been introduced at processor level
- Titratable acidity for levels of lactic acid in fermented milk or yogurt as opposed to fresh milk at processor level

Each of the above testing technologies will contribute to improved milk production and milk quality.

IR 1.3 Consumer preferences drive quality improvements

Seal of Quality launch on May 3 was a major milestone towards creating the platform for consumer preferences required to drive quality improvements. Product certification provides confidence to consumers that these products are superior to uncertified product. It is critical that certification is supported by a credible testing

process which can differentiate levels of quality. This testing process was initiated through a contract with DQAL in June and will continue for a six month period. DQAL engaged RBS to verify that its equipment is properly calibrated thus ensuring validity of the results. The June results were shared with both RALIS and the participants tested so that mitigating actions can be put in place in advance of the next sampling to be taken in July.

This testing activity shows enterprises where they are currently on the quality scale. RDCP II field staff will work with these enterprises over the next six months to actively tackle areas that negatively impact the achievement of higher quality results. Consumer preferences are driven by their awareness and understanding of the facts that relate to milk quality and through the Seal of Quality campaign to commence later in 2013 in which milk safety and related health issues will be highlighted. Seal of Quality certified products provide consumers will a safer option and the associated campaign informs them as to where the safer options can be found.

As previously detailed the SoQ process consists of two primary strategies, Quality Testing and Marketing, which will be implemented simultaneously and are further described below.

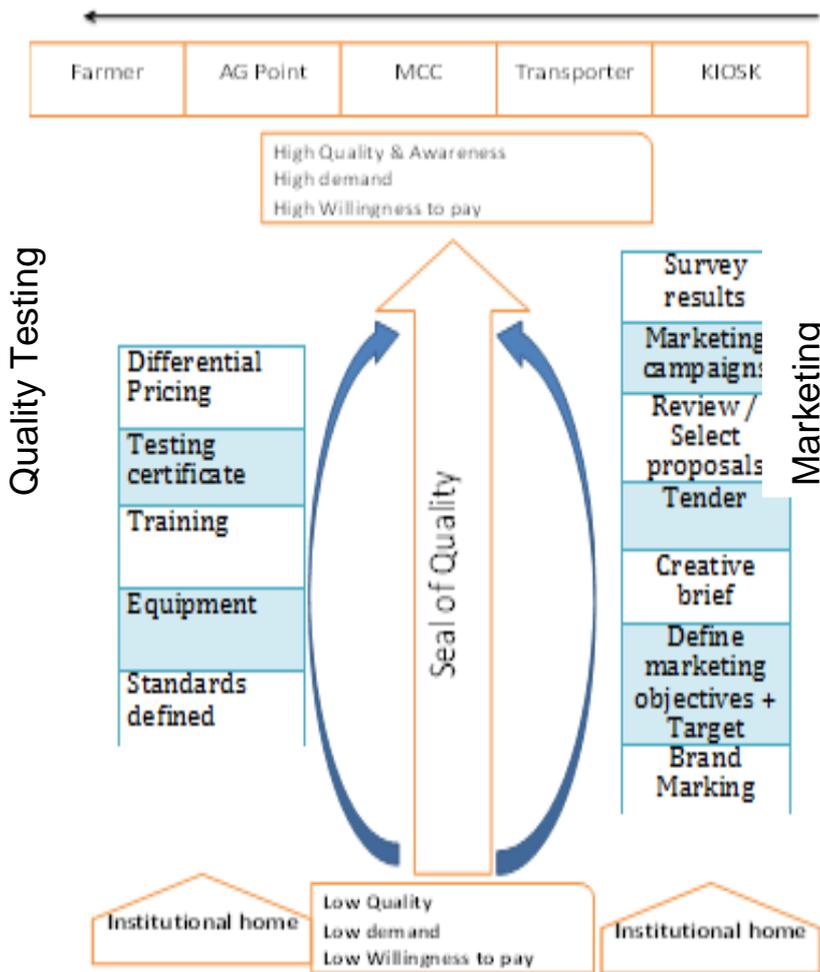


Figure 2: This diagram illustrates how the Seal of Quality program can be rolled out along the value chain.

Quality Testing

The goal of the testing side of the SoQ program is to ensure that dairy value chain actors handle milk systematically following set handling parameters so that milk and its environment remains clean and hygienic at all times.

The institutional home for the testing component of SoQ is RALIS which is mandated at national level to audit and certify value chain actors handling fresh milk. As shown in the diagram above, key steps on the testing side are identified as follows:

- Standards defined. The SoQ program is following international quality standards CODEX.
- Equipment. Testing equipment appropriate at MCC, aggregation point, transporter and processor level has been identified, procured and was distributed during the month of May 2013.
- Training. Training of RAB and RALIS technicians by RBS has already taken place as described above and initial training of MCC technicians has also been completed by DQAL.
- Testing. A pilot testing and sampling program for six months commenced in June and will be managed by DQAL.
- Certification. Actors in the SoQ program will be tested and audited and those found in compliance with parameters will be SoQ certified.
- Differential pricing. Certified product will provide the basis for differential pricing which can be passed down the value chain from consumer to farmer.

Marketing

As the testing aspects of SoQ are operationalized a marketing campaign to promote consumer demand and willingness to pay for improved quality will be designed and launched. The campaign will highlight the availability and health benefits of clean, traceable quality milk and milk products and will promote the importance of selection of these products instead of products with no quality checks. The marketing campaign runs parallel to the testing and certification side of the program as shown in diagram above and ultimately one supports the other.

The institutional home will ultimately be RNDB but in the interim RDB shall act as host for the marketing of the program. The design of the marketing side of the SoQ will get underway in quarter four. The Seal of Quality logo was finalized in advance of the launch of the program. The logo was chosen in collaboration with a range of partners from both the public and the private sector and will be the icon to identify certified products and where they can be purchased.

IR2: Expanded Investment in Dairy Processing and Marketing

RDCP II aims to increase both public and private investment in human, asset and financial capital to enable Rwandan dairy products to become locally and regionally competitive. This calls for concerted efforts and increased stakeholder engagement to improve both policy advocacy and leadership development within dairy organizations and businesses. During this period, RDCP II focused on creating awareness of investment opportunities available in the respective milksheds as identified in the National Dairy Strategy (NDS).

2.1 Dairy Sector Leaders Empowered to Lead Development

Private Sector Federation of Rwanda (PSF) undertook to work with RDCP II to

reinforce dairy leadership both nationally and in the milk sheds. To this effect, PSF applied for grant support to facilitate grassroots mobilization of the various categories of groups that make up the Rwanda National Dairy Platform as stipulated in the NDS. These include Producer associations, Processors, Input and Service Providers, Traders/Milk sellers and Transporters. It's anticipated that with this grant, PSF will both guide and facilitate the formation of a fully representative and accountable institution that upholds the values of the membership and the wider dairy sector. This will also enable the alignment of the new RNDP with the broader PSF mandate of ensuring high level advocacy for the associations under its umbrella.

Dairy related firms, organizations and platforms newly aligned within and provided a voice by dairy sector affinity organizations include 4 Milk Shed dairy sector working groups in North, South, East and Kigali Milk Sheds. Also 3 new dairy cooperatives in Gisagara were formed with RDCP II support and 5 other cooperatives were assisted to put in place correct documentation with Rwanda Cooperative Agency (RCA). RDCP II continues to raise the profile and importance of the dairy sector at district and provincial level. This task has added credibility following validation of the National Dairy Strategy as dairy is now a priority value chain under PSTA III.

Build capacity of RNDB and DSWG

The Rwanda National Dairy Platform (RNDP) was adopted as the new name of the organization formally the Rwanda National Dairy Board (RNDB) through a consensus vote by the founding members of the latter. The legal process to establish the same has since commenced guided by PSF legal team and the entire leadership. PSF CEO appointed Dr. Livingstone Byamungu to lead the process as well as determine the nature of support required to build the capacity of the new RNDP.

Following the creation of Milk Shed Dairy Sector Working Groups (MS-DSWGs) three working sessions were conducted this quarter with the aim to guide kick start the MS-DWGs. These included Northern, Southern and Kigali milk sheds. The first session of the MS-DWGs discussed the expectations of the subsector per milk shed. Clarity on the role of the working groups was provided by the RDCP II Milk shed Facilitators. Members agreed to host quarterly sessions to keep abreast with sector developments. The MS DSWG will be invited to update the national DSWG on rotational basis providing each milk shed the opportunity to voice individual priorities.

Facilitate institutional and association capacity building

RDCP II continues to build on the positive energies of key associations, cooperatives and institutions involved in the dairy sector. A range of associations in the milk sheds were mobilized to submit applications to Rwanda Cooperative Agency (RCA) as a step towards legal registration as cooperatives. This move positions members and leaders to be accountable to each other as well as take advantage of the opportunities as business enterprises. This includes Agiragitereka in Musanze district, Kibilizi dairy farmers cooperative, Urugero rwiza ndora cooperative, Koperative yaborozi Mamba Zirakamwa in Gisagara district and Ngoma dairy farmers cooperative in Huye district. In addition farmers are Muko and Giti sectors in Gicumbi are being mobilized to form cooperatives.

17 cheese makers from Rwanda Cheese Makers' Association (RCMA) as a member association/club of the RNDP received training on improved cheese making skills with joint facilitation of RDCP II and Rwanda Development Board (RDB). The training

was held in May at the RDB incubation in Masaka and was the first dairy related training to be carried at the center since it was established by RDB last year. Following the training RDB have offered free use of the facility to the RCMA for its meetings and also free use of the cooling rooms used to mature cheese.

During this period a Master Cheese Training of Trainers' Workshop was conducted by Mr. Kobus Mulder an International Cheese Master Trainer. The 5-day training focused on both the theory and practice of cheese making and was applauded by the trainees as the first 'practical' hands-on training they have received as members of the RCMA. Mr. Mulder identified key areas for improvement and will continue to support the cheese sector improvement facilitated by RDCP II. Following the training, the RCMA working with the local consultant Mr. Théogene Rutagambwa have developed a Quality Improvement/Management Plan to address the immediate concerns identified by the consultant. A key next step in the next quarter will be initiation of a coordinated marketing plan for cheese members. The goal is that cheese may be sold centrally and adhere to stricter parameters in terms of presentation making it more visually appealing to the Rwandan consumer when compared with imported products.

RDCP II discussed with the President of the Rwanda Milk Sellers' Association (RMSA) about future prospects of the association. This followed the May 2nd launch of the Seal of Quality and explored how milk sellers can benefit from this activity through their improved image in the eyes of the consumer. A key constraint for the RMSA is the low member motivation due to lack of dairy trade regulations leading to disorganized trade in milk and dairy products. Therefore high on the priority is enforcement of dairy regulations which RDCP II is working on with RALIS.

Foster a competitiveness-enhancing enabling environment

In order to enhance enabling environment key partnerships between RAB, RALIS, RDB, RBS and PSF are critical for this milestone to be achieved. During the last quarter the validation of the National Dairy Strategy (NDS) was held on April 23. The NDS has now been incorporated as a policy document within the PSTA III with dairy regarded as a priority value chain. Inclusion in PSTA III will stimulate professionalism and investment at all levels of the dairy value from production to consumption.

RDCP II worked closely with the respective institutions towards fostering a meaningful relationship amongst these key institutions and with their clients. Notably, RALIS launched the Dairy Quality Mark (Seal of Quality) aimed at improving the brand image of Rwandan dairy products locally which will help stimulate export opportunities for the sector as a whole. RDCP II engaged a short term consultant in May to commence the review process with RALIS on areas related to dairy regulation and certification policy. Following the consultant's visit RALIS has commenced the process of drafting ministerial orders related to milk certification. This is a key step in the process of regulating sale of milk through informal end market actors which ultimately determines the quality of milk sold and consumed in Rwanda. Consistent supply of certified clean milk is an essential component to achieve a competitive Rwandan dairy sector and having the required policy in place will contribute to this goal of enhanced competitiveness. The draft ministerial order will be refined and circulated during the next quarter for review before its release for implementation.

Leadership training, mentorship and networking

RDCPII Milk shed teams in three milk sheds hosted dairy subsector working groups

aimed at fostering leadership and networking amongst partners. These working sessions provide a forum for identifying constraints and assessing the needed support towards mentoring a growing dairy subsector in the respective milk sheds. This is further improved by on-going facilitation provided through training to service providers and other value chain actors during this quarter.

2.2 Increased Dairy-Related Investment

Coordinate and leverage industry investment One common constraint for the dairy subsector in the different milk sheds is the lack of information for investment opportunities. Working with the provincial authorities and respective district officials, RDCP II continues to influence the districts to prioritize initiatives which position dairy activities as attractive opportunities. These include operationalization of MCCs and cooperatives which were closed or not functioning well. Provision of close supervision and mentorship of the same once re opened fosters confidence building and realization of commercial opportunities previously missed.

An example of this activity in the last quarter was the collaborative approach between RDCP II staff with district officials in Rulindo district with three enterprises one MCC – CTSOR and two cooperatives ABIKI and Ntarabana. All three enterprises are now functioning with daily milk sales averaging in excess of 2000 litres up from approximately 200 liters per day before these interventions. Similarly collaboration between LISP and RDCP II in equipment and supporting KOAIBU/Tuzikamire Kabumba cooperatives in Rubavu district has made it operational and is now collecting 1200 liters per day all of which is exported by Girabayanywa cooperative into Eastern DRC.

The MCCs are the consolidation points for milk before it's dispatched for either value addition or consumption. Industry investment therefore is guided by the profitability and efficient functioning of MCCs as a key entry at milk shed level.

Through collaboration with LISP RDCP II has leveraged direct investment for new equipment at three MCC's in Rubavu and Nyabihu districts whereby their milk equipment to the value of \$185,312 has been supplied to COCERU , KOAIBU, and UProcenya following distribution of Seal of Quality kits. The supply of this equipment was the stimulus for LISP to provide cooling tanks to these MCC's.

Promote Investment

Investment promotion is a key milestone for RDCP II. During this quarter the scope of work for a *Deep Dive* analysis related to value added investment opportunities was finalized and submitted for approval to USAID.

In addition, RDCP II through the grants process continues to work with various enterprises along the value chain towards upgrading and increasing their handling or processing capacities using the business innovation grants. To date, 54 businesses across all milk sheds have been approved to receive grants which lead to increased output, efficiency and profitability. In preparation for receipt of equipment RDCP II staff have been working with the recipients to put in place regular data collection processes this includes improved record keeping and analysis relating to profitability. Investment in human capital and management systems in dairy enterprises is key to increasing returns to be made from investment in capital items. The grants process will contribute to improved efficiencies in collection, aggregation and value addition

with emphasis on implementing best practices that relate to ultimately obtaining seal of quality certification.

Stimulate supply and demand for dairy-related financial services

Following the signing of MoU's between 5 banks and microfinance institutions interested in developing loan products earlier this year, Inspired International has made significant progress during the last quarter and completed product design with 4 of the 5 institutions involved. Much work revolved around delivery mechanisms with the banks and targeted clients in the various districts selected.

In addition the banks have completed due diligence for their respective client intermediaries. Product launch will start off in August after final training on product management with financial institutions staff by the Inspired technical team.

Facilitate investment in underserved markets

Financial services are limited in both scope and depth to support investment in a wide range of on farm dairy activities. The work of RDCP II sub - Inspired International with the selected banks and financial institutions aims to close this gap. Piloting in the districts of Rubavu, Rwamagana, Nyagatare, Nyanza and Gicumbi Inspired will commence in August with the aim to expand availability of these financial products in other districts in due course. This roll out will foster relationships between potential dairy clients and the banks as the latter has not been proactive



Figure 8: These female milk sellers operate in an area in the Northern Province where there is need for an equipped MCC connected to electricity grid

developing a dairy loans portfolio to date. New financial loan products will be based on the structured finance model whereby loan repayments will be made, with the permission of the farmer, by the milk buyer or processor directly to the lending institution. This mitigates risk and develops a credit history between farmer and lender.

Gender

Gender Integration Trainings

RDCP II has continued facilitating service providers with Training of Trainers programs for farmers through which gender integration is emphasized. Participants, both women and men, have been educated and sensitized on the significant value that gender mainstreaming brings to the development of the entire dairy sector as well as all-inclusive socio-economic development.



Figure 9: Women are being uplifted in terms of socio-economic development through understanding their role in communities

Following the trainings 78% of female participants confirmed that self efficacy was attained and requested for a continuation of such gender-based programs. Following completion of these trainings sampled male participants concurred that women can play a similar role as men in steering agricultural development. As a result of these training programs the gender assessment forms indicated a high interest towards acquiring equal access to and control over resources for women and men alike. 85 % of farmers trained agreed with the concept that females should have equal access to social economic and political opportunities. The number of female beneficiary participants in RDCP programs is currently 31 %. Field staff are working to reach the program target of 50 % through ensuring activities are held at times which are convenient for women to attend and proactively encouraging the selection of female participants.

In this quarter out of the 1,257 participants attending farmer trainings all of which comprise of a gender component 911 were men. This provides a solid platform for raising gender awareness as male participants are being sensitized to gender mainstreaming in their day to day activities.

Grants and Investment

RDCP II places emphasis on leveraging additional investment from both the public and private sectors. This investment helps to ensure ownership and shows a vested interest in long term success and growth. The project actively seeks to support partners willing to invest their own resources in the long term development of Rwanda's dairy sector. This approach builds an exit strategy for RDCP II from the very beginning of the program. All grants awarded have a minimum cost share contribution of 20 % from the beneficiary. In the last quarter LISP equipped 3 MCC's with cooling tanks to a value of \$185,312 following on from these MCC's receiving Seal of Quality testing kits.



Figure 10: These items are part of the milk quality kits granted to RDCP II beneficiaries

During the quarter both local firms and international firms have been contracted to deliver dairy equipment following USAID approval of 14 business innovation grants and one competitive service sub-grant. The awardees, who have been notified, are expected to receive their equipment during the next quarter. This dairy equipment, already procured for 13 milk collection centers and two small scale processors across the country, includes cooling tanks, insulated tanks, generators, batch pasteurizers, and cheese processing equipment. These grants valued at 273,254 US Dollars will provide a significant boost to the recipient enterprises driving their growth and stimulating additional economic growth and activity in their respective sectors.

In the last quarter the Seal of Quality grant was implemented and milk quality testing kits were distributed to recipient enterprises across the four milk sheds.

Four grant applications have been approved by USAID in April with a combined value of \$76, 161 USD one capacity building grant and 3 business innovation grants. The procurement process is complete with two suppliers contracted to deliver the equipment in the next quarter. Two grants will provide two enterprises in the Southern and Eastern Milk-shed with animal feed processing equipment; one will equip a Milk Collection Center in the Northern milk-shed and the fourth is a capacity building grant to a cooperative of young veterinarians to provide Artificial Insemination and other veterinary services in the Eastern Milk-shed.

RDCP II has received a grant application from PSF to rejuvenate the Rwanda National Dairy Board (RNDB) so that it may advocate appropriately for the advancement of Rwanda's dairy sector. The internal review and approval is complete, and will be sent for approval at USAID in the first month of the next quarter.

The second call for grant applications was advertised in May and RDCP II has received applicants' concept notes which are being internally reviewed and submission of full grants proposals for the shortlisted applicants is expected to be executed in the next quarter. There will be emphasis on several capacity building grants issued to recipients across all milk sheds and grants that offer institutional support.

RDCP II disbursed a grant worth 44 million Rwandan francs (70,578 US Dollars) to conduct Artificial Insemination activities as well as training for dairy farmers in the Eastern Province to ERAGIC. 1200 dairy cows will be inseminated and affiliated training, which will be conducted at the sector (*umurenge*) level in every district, will focus on improving dairy farmers' expertise in the areas of proper feeding of dairy cows, herd health including mastitis control, milk quality and handling, reproductive management, business and cooperative management, and gender mainstreaming in the dairy subsector.

Stakeholder Collaboration

The validation of the National Dairy Strategy (NDS) in this quarter provides a great opportunity for on-going collaboration amongst stakeholders namely Rwanda Agriculture and Livestock Inspection and Certification Services (RALIS), Rwanda Development Board (RDB), Rwanda Agriculture Board (RAB), Private Sector Federation (PSF) and the provincial and district administration as all have a vested interest in seeing effective implantation of the NDS.

Rwanda Agriculture and Livestock Inspection Services (RALIS)

The launch of the Seal of Quality program in collaboration with the



Figure 11: RALIS Director General Beatrice Uwumukiza (left), Permanent Secretary in Minagri Ernest Ruzindana (center) and USAID Mission Director Peter Malnak cut the ribbon during the launch of the Seal of Quality program

Ministry of Agriculture and Animal Resources (MINAGRI) was the highlight of this of this quarter. The event brought together value chain actors to witness the commitment of the industry to observing best practices in dairy. This was officiated by the Permanent Secretary of MINAGRI, Mr. Ernest Ruzindaza, and attended by dignitaries including the USAID Mission Director Mr. Peter Malnak. At the same event RDCP II handed over testing kits to 36 MCCs and business organizations enrolled in the seal of quality program across the four milksheds. RDCP II engaged a dairy regulations certification expert to guide RALIS management on how to initiate a fully-fledged dairy products certification program supported by the required policy framework. The consultant Mr. Irwin Foreman proposed a road map for the Rwandan dairy subsector. RDCP II is working with RALIS to establish the necessary dairy regulations to mandate best practices which relate to milk quality on an ongoing basis, this includes implementation of the Seal of Quality program.

Rwanda Development Board (RDB)

RDCP II keeps a close relationship with RDB due to the multitude of roles the latter plays in facilitating investors in general and providing a favourable operating environment to the private sector. During this period, the project engaged RDB on the utilization of the fully equipped training facility at Masaka Business Incubation center. Consequently, RDB provided the facility for the Master Cheese Training of Trainers (TOT) for local cheese processors a key output of the on-going collaboration. It's anticipated that once approved, the deep dive investment analyses for dairy investment opportunities in the respective milksheds will provide key investor information upon which RDB can continue to invite potential investors in the country. RDB will continue to be a key ally for RDCP II to leverage dairy investments.

Private Sector Federation (PSF)

In a bid to bring on board PSF as a mentor organization for the Rwanda National Dairy Platform and its affiliated member associations, RDCP II is maintaining a close association with the private sector advocacy organization. At the end of this quarter, PSF completed a grant application to support the restructuring of the RNDP and its member associations. This includes facilitating a democratic election of the new leadership and development of appropriate tools for operationalization of the same namely strategic plan, Operational /Human Resources Manuals as well recruitment of key support staff.

Rwanda Agriculture Board (RAB), provincial and district administration

As the implementing agency for MINAGRI, RAB plays a key role at the zonal/ milk-shed level in facilitation of the provincial administration regarding the dairy subsector and related investments by government and its partners. During the quarter RAB hosted 3 Milk-shed Working Group Sessions in Northern, Southern and Kigali Milk-shed. These sessions are aimed at building consensus on key



Figure 12: RDCP II staff were taking part in the Nyanza District Open Day that brings together development partners operating in the district

dairy priorities and jointly seeking appropriate solutions for challenges in the sector relevant to each milk-sheds. Both the district and provincial administration have been instrumental in disseminating information to respective officers charged with livestock as well as private sector players operating in districts. This relationship is desirable for the growth of the sector at large. Key leaders at these levels have played a significant role in understanding the role of the private sector. The Milk-shed dairy working groups (MS-DWGs) will remain the forum for exchange of ideas and advocacy at each milk-shed as approved during the Milk shed Dairy competitiveness action planning in the previous quarter.

RDCP II teams continue to participate in district platforms such as the district joint action forum (JADF) meetings and open days and other partner meetings.

Monitoring & Evaluation and Knowledge Management

The presentation of baseline survey findings to RDCP II stakeholders was made in April and recommendations and comments from the workshop were incorporated into the final baseline report.

RDCP II revised the PMP document. The revision included adding milk consumption campaign related indicators, gender equity/women's empowerment indicators, adjusting targets for some indicators. The revised PMP was submitted to USAID for approval.

Field survey on the RDCP II-trained farmers was conducted in seven districts with an objective of fast tracking implementation of dairy best practices including adoption of new technologies.

In this quarter, RDCP II developed district work plans for 2013/2014 as well as annual districts' report for the year 2012/2013 for 17 districts in which RDCP II program is active. These work plans and reports are a requirement for INGO registration and provide the basis for operating at district level.

Challenges and Lessons Learned

Grants delivery process

RDCP II has made significant progress in procuring equipment for grantees albeit with limitations. The biggest limitation has been the long delivery times due to the fact that the equipment is not available in country and must be ordered from external suppliers. RDCP II staff has been working with grantees to ensure they are ready to receive the equipment as soon as it arrives in country during the next quarter.

Service Providers Scarcity

RDCP II aims to build the capacity of existing service providers to sustainably provide appropriate extension and training services to dairy farmer clients across all milk sheds, however the availability of competent and willing service providers remains a key constraint particularly in the southern milk shed. In these cases RDCP II will consider proven service providers from other milk sheds to fill this supply gap.

Service Provider Skills and capacity gaps

Many SPs have limited reporting and recording keeping skills. In order to improve this reality RDCP II staff are working with selected service providers to improve skill sets in this area as valid progress reports are a key requirement of any project support provided.

Cooperative/Business registration

Several cooperatives had been established without having all the necessary documentation in place. RDCP II staff are now assisting these enterprises to comply with the requirements for registration especially those that fall under Rwanda Cooperative Alliance (RCA).

Lack of key dairy infrastructure

Some sectors earmarked by the districts for support by RDCP II have limited/no dairy infrastructure (ie no MCCs). This results in reduced motivation for farmers as well as for service providers in these locations (e.g. Giti, Muko, Kinazi, and Kamabuye). RDCP II continues to engage with the private sector adjacent to these areas with the aim of stimulating interest and opportunities.

Farmers meetings

Farmer meetings during the months of May and June should only be arranged after confirming that the sector is not implementing priority GoR end of year programs. The government priority to ensure activities were complete by the end of GoR fiscal year, June 30, meant that on some occasions, farmers were not available as they were obliged to be involved in district/sector activities.

Annex I. Feed the Future MS Table

| | | | | | | | | | | | | | | |
|--------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Indicator Data | | | | | | | | | | | | | | |
| Current Selection | | | | | | | | | | | | | | |
| Operating unit : | | | | | | | | | | | | | | |
| Implementing Mechanism : | | | | | | | | | | | | | | |
| Current status | | | | | | | | | | | | | | |
| OU Data Entry | | | | | | | | | | | | | | |
| Selected Tab Name | | | | | | | | | | | | | | |

Indicator Data

| Indicator / Disaggregation | Baseline Value | 2012 | | | | 2013 | | | | | 2014 | 2015 | |
|---|----------------|--------|---------|----------------|---------|--------|---------|----------------|-----------|-----------|------------------------|--------|--------|
| | | Target | | Actual Results | | Target | | Actual Results | | | Cumulative Achievement | Target | Target |
| | | PPR | Updated | PPR | Updated | PPR | Updated | Quarter 1 | Quarter 2 | Quarter 3 | | PPR | PPR |
| 4.5(2): Number of jobs attributed to FTF implementation | 0 | 500 | | 0 | | 1,000 | | 0 | 0 | 31 | 31 | 1,500 | 2,000 |
| Location | | | | | | 1,000 | | | | | 0 | 1,500 | 2,000 |
| Urban | 0 | | | | | 400 | | | | | 0 | 600 | 800 |
| Rural | 0 | | | | | 600 | | | | 31 | 31 | 900 | 1,200 |
| Disaggregates Not | | | | | | | | | | | | | |
| New/Continuing | | | | | | 1,000 | | | | | | 1,500 | 2,000 |
| New | 0 | | | | | 1,000 | | | | 31 | 31 | 500 | 500 |
| Continuing | | | | | | | | | | | | 1,000 | 1,500 |
| Disaggregates Not | | | | | | | | | | | | | |
| Sex of job-holder | | | | | | 1,000 | | | | | 0 | 1,500 | 2,000 |
| Male | 0 | | | | | 500 | | | | | 0 | 750 | 1,000 |
| Female | 0 | | | | | 500 | | | | | 0 | 750 | 1,000 |
| Disaggregates Not | | | | | | | | | | | | | |
| 4.5(10): Total increase in installed storage capacity (m3) | 0 | 10 | | 0 | | 20 | | 0 | 0 | 12.50 | 12.5 | 40 | 50 |
| Dry storage | | | | | | | | | | | | | |
| Cold storage | 0 | | | | | 20 | | | | 12.50 | 12.50 | 40 | 50 |
| Disaggregates Not Available | | | | | | | | | | | | | |
| 4.5.2(5): Number of farmers and | 0 | 2,000 | | 0 | | 4,000 | | 0 | 0 | 1,802 | 1,802 | 8,000 | 12,000 |
| New/Continuing | | | | | | 4,000 | | | | 1,802 | 1,802 | 8,000 | 12,000 |
| New | | | | | | 4,000 | | | | 1,802 | 1,802 | 2,000 | 4,000 |
| Continuing | | | | | | | | | | | | 6,000 | 8,000 |
| Disaggregates Not | 0 | | | | | | | | | | | | |
| Sex | | | | | | | | | | | | | |
| Male | 0 | | | | | 2,000 | | | | 1,224 | 1,224 | 4,000 | 6,000 |
| Female | 0 | | | | | 2,000 | | | | 578 | 578 | 4,000 | 6,000 |
| Disaggregates Not | 0 | | | | | | | | | | | | |
| 4.5.2(7): Number of individuals who have received USG supported short-term agricultural sector productivity or food security training | 0 | 3,000 | | 0 | | 4,500 | | 607 | 3,002 | 1,383 | 4,992 | 10,000 | 15,000 |
| Type of individual | | | | | | | | 607 | 3,002 | 1,383 | 4,992 | 10,000 | 15,000 |

| | | | | | | | | | | | | |
|--|---------------|--------------|---------------|----------|----------|---------------|------------|--------------|--------------|--------------|---------------|---------------|
| Producers | 0 | | | | | | 607 | 2,951 | 1,257 | 4,815 | 8,900 | 13,350 |
| People in government | | | | | | | | 40 | 34 | 74 | | |
| People in private sector firms | 0 | | | | | | | 11 | 91 | 102 | 1,100 | 1,650 |
| People in civil society | | | | | | | | | 1 | 1 | | |
| Disaggregates Not Available | | | | | | | | | | | | |
| Sex | | | | | | 4,500 | 607 | 3,002 | 1,383 | 4,992 | 10,000 | 15,000 |
| Male | 0 | | | | | 2,250 | 451 | 1,969 | 963 | 3,383 | 5,000 | 7,500 |
| Female | 0 | | | | | 2,250 | 156 | 1,033 | 420 | 1,609 | 5,000 | 7,500 |
| Disaggregates Not Available | | | | | | | | | | | | |
| 4.5.2(13): Number of rural households benefiting directly from USG interventions | 0 | 2,500 | 0 | 0 | 0 | 5,000 | 607 | 3,593 | 4,976 | 4,976 | 10,000 | 15,000 |
| New/Continuing | | | | | | | | | | | | |
| New | 0 | | | | | 5,000 | 607 | 2,986 | 1,383 | 1,383 | 5,000 | 7,500 |
| Continuing | | | | | | | | 607 | 3,593 | 3,593 | 5,000 | 7,500 |
| Disaggregates Not Available | | | | | | | | | | | | |
| Gendered Household Type | 0 | | | | | 5,000 | 607 | 3,593 | 4,976 | 4,976 | 10,000 | 15,000 |
| Adult Female no Adult Male (FNM) | 0 | | | | | 2,300 | 140 | 654 | 796 | 796 | 4,600 | 6,000 |
| Adult Male no Adult Female (MNF) | 0 | | | | | 200 | 42 | 405 | 456 | 456 | 400 | 500 |
| Male and Female Adults (M&F) | 0 | | | | | 2,500 | 425 | 2,443 | 3,633 | 3,633 | 5,000 | 8,500 |
| Child No Adults (CNA) | | | | | | | | 91 | 91 | 91 | | |
| Disaggregates Not Available | | | | | | | | | | | | |
| 4.5.2(14): Number of vulnerable households benefiting directly from USG interventions | 0 | 1,000 | 0 | 0 | 0 | 2,000 | 197 | 1,165 | 1,739 | 1,739 | 2,800 | 3,920 |
| New/Continuing | 0 | | | | | | | | | | | |
| New | 0 | | | | | 2,000 | 197 | 968 | 574 | 574 | 800 | 1,120 |
| Continuing | | | | | | | | 197 | 1,165 | 1,165 | 2,000 | 2,800 |
| Disaggregates Not Available | | | | | | | | | | | | |
| Gendered Household Type | 0 | | | | | 2,000 | 197 | 1,165 | 1,739 | 1,739 | 2,800 | 3,920 |
| Adult Female no Adult Male (FNM) | 0 | | | | | 920 | 68 | 683 | 825 | 825 | 1,840 | 1,640 |
| Adult Male no Adult Female (MNF) | 0 | | | | | 80 | 5 | 0 | 34 | 34 | 160 | 320 |
| Male and Female Adults (M&F) | 0 | | | | | 1,000 | 119 | 455 | 853 | 853 | 1,400 | 1,960 |
| Child No Adults (CNA) | | | | | | | 5 | 27 | 27 | 27 | | |
| Disaggregates Not Available | | | | | | | | | | | | |
| 4.5.2(23): Value of incremental sales (collected at farm-level) | 759.26 | 0 | 151.85 | 0 | 0 | 151.85 | 0 | 0 | 0 | 0 | 227.77 | 303.70 |

| | | | | | | | | | | |
|---|--------|---------|-----|-----------|-----|-------|-------|-------|---------|---------|
| 4.5.2(27): Number of members of producer organizations and community based organizations receiving USG assistance | 0 | 4,000 | 0 | 8,000 | 607 | 2,951 | 1,258 | 4,816 | 12,000 | 14,000 |
| Type of organization | | | | | | | | | | |
| Producer organization | 0 | | | 7,500 | 607 | 2,951 | 1,257 | 4,815 | 11,250 | 13,125 |
| Non-producer-organization CBO | 0 | | | 500 | | | 1 | 1 | 750 | 1,875 |
| Disaggregates Not Available | | | | | | | | | | |
| Sex | 0 | | | 8,000 | 607 | 2,951 | 1,258 | 4,816 | 12,000 | 14,000 |
| Male | 0 | | | 4,000 | 451 | 1,934 | 912 | 3,297 | 6,000 | 7,000 |
| Female | 0 | | | 4,000 | 156 | 1,017 | 346 | 1,519 | 6,000 | 7,000 |
| Disaggregates Not Available | | | | | | | | | | |
| 4.5.2(28): Number of private enterprises (for profit), producers | 0 | 100 | 0 | 250 | 1 | 127 | 37 | 165 | 400 | 500 |
| Type of organization | 0 | | | 250 | | | | 0 | 400 | 500 |
| Private enterprises (for profit) | 0 | | | 150 | | 104 | 7 | 111 | 240 | 300 |
| Producers | 0 | | | 85 | 1 | 23 | 29 | 53 | 135 | 170 |
| Water users | | | | | | | | 0 | | |
| Women's groups | | | | | | | | 0 | | |
| Trade and business | 0 | | | 7 | | 0 | 1 | 1 | 12 | 15 |
| Community-based organizations (CBOs) | 0 | | | 8 | | | | 0 | 13 | 16 |
| Disaggregates Not Available | | | | | | | | 0 | | |
| New/Continuing | 0 | | | 250 | 1 | 128 | 165 | 294 | 400 | 500 |
| New | 0 | | | 250 | 1 | 127 | 37 | 165 | 150 | 100 |
| Continuing | | | | | | 1 | 128 | 129 | 250 | 400 |
| Disaggregates Not Available | | | | | | | | 0 | | |
| 4.5.2(29): Value of Agricultural and Rural Loans | 0 | 100,000 | 0 | 200,000 | 0 | 0 | 0 | 0 | 300,000 | 200,000 |
| Type of loan recipient | | | | | | | | | | |
| Producers | 0 | | | 20,000 | | | | 0 | 30,000 | 20,000 |
| Local | 0 | | | 60,000 | | | | 0 | 90,000 | 60,000 |
| Wholesalers/processor | 0 | | | 60,000 | | | | 0 | 90,000 | 60,000 |
| Others | 0 | | | 60,000 | | | | 0 | 90,000 | 60,000 |
| Disaggregates Not Available | | | | | | | | | | |
| Sex of recipient | | | | | | | | | | |
| Male | 0 | | | 30,000 | | | | 0 | 45,000 | 30,000 |
| Female | 0 | | | 30,000 | | | | 0 | 45,000 | 30,000 |
| Joint | 0 | | | 100,000 | | | | 0 | 150,000 | 100,000 |
| n/a | | | | 40,000 | | | | 0 | 60,000 | 40,000 |
| Disaggregates Not Available | | | | | | | | | | |
| 4.5.2(36): Value of exports of targeted agricultural commodities | 85,979 | 0 | 0 | \$ 94,577 | 0 | 0 | 0 | 0 | 103175 | 120371 |
| 4.5.2(37): Number of MSMEs, including farmers, receiving business development services from USG assisted sources | 0 | 100 | 112 | 500 | 1 | 120 | 90 | 211 | 300 | 200 |
| Size of MSME | | | | | | | | | | |
| Micro | 0 | | 104 | 450 | | 76 | 68 | 144 | 270 | 180 |
| Small | 0 | | 8 | 25 | 1 | 37 | 21 | 59 | 15 | 10 |

| | | | | | | | | | | | | |
|---|---|-----------|----|---|-----------|--|---|----|---------|---------|-----------|-----------|
| Medium | 0 | | | | 25 | | | 7 | 1 | 8 | 15 | 10 |
| Disaggregates Not | | | | | | | | | | 0 | | |
| MSME Type | | | | | | | | | | 0 | | |
| Agricultural producer | 0 | | 38 | | 50 | | 1 | 88 | 25 | 114 | 30 | 20 |
| Input supplier | 0 | | 5 | | 200 | | | 5 | 4 | 9 | 120 | 80 |
| Trader | 0 | | 55 | | 200 | | | 7 | 39 | 46 | 120 | 80 |
| Output processors | 0 | | 2 | | 50 | | | 2 | 20 | 22 | 30 | 20 |
| Non agriculture | | | 12 | | | | | 18 | 2 | 20 | | |
| Other | | | | | | | | | | 0 | | |
| Disaggregates Not | | | | | | | | | | 0 | | |
| Sex of owner | | | | | | | | | | 0 | | |
| Male | 0 | | 31 | | 233 | | | 49 | 33 | 82 | 140 | 93 |
| Female | 0 | | 17 | | 217 | | | 24 | 23 | 47 | 130 | 87 |
| Joint | 0 | | | | 50 | | | | | 0 | 30 | 20 |
| n/a | | | 64 | | | | 1 | 47 | 34 | 82 | | |
| Disaggregates Not | | | | | | | | | | 0 | | |
| FTF Indicator 4.5.2-38: Value of new private sector investment in the dairy sector or food chain leveraged by FTF Implementation | 0 | 1,000,000 | | 0 | 4,000,000 | | 0 | 0 | 185,312 | 185,312 | 5,000,000 | 5,000,000 |
| 4.5.1(24): Numbers of Policies/Regulations/Administrative Procedures in each of the following stages of development as a result of USG assistance in each case: (Stage 1/2/3/4/5) | 0 | 1 | | 1 | 1 | | 1 | 2 | 0 | 3 | 2 | 2 |
| Sector | 0 | | | | | | | | | | 2 | 2 |
| Inputs | 0 | | | | | | | | | | 1 | 1 |
| Outputs | | | | | | | | | | | | |
| Macroeconomic | | | | | | | | | | | | |
| Agricultural sector-wide | 0 | | 1 | | 1 | | 1 | 2 | | 3 | | |
| Research, extension, Food | 0 | | | | | | | | | | 1 | |
| Climate change adaptation or natural resource management (NRM) (ag-related) | | | | | | | | | | | | |
| Disaggregates Not Available | | | | | | | | | | | | 1 |
| Stages of development | 0 | | | | 1 | | | | | 0 | 2 | 2 |
| Stage 1 of 5 Number of policies / regulations / administrative procedures analyzed | 0 | | 1 | | | | | 2 | | 2 | | |
| Stage 2 of 5 Number of policies / regulations / administrative procedures drafted and presented for public/stakeholder consultation | 0 | | | | | | 1 | | | 1 | 2 | |

| | | | | | | | | | | | | | |
|--|---|--|--|--|--|--------|--|---|-----|-----|-----|--------|--------|
| Custom Indicator 2.2 b : Liters of additional daily milk processing resulting from financing assisted by RDCP II | 0 | | | | | 10,000 | | 0 | 0 | 0 | 0 | 20,000 | 30,000 |
| GNDR-2 : Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment) | 0 | | | | | 50% | | 0 | 35% | 27% | 31% | 50% | 50% |
| GNDR-3 : Proportion of females who report increased self-efficacy at the conclusion of USG supported training/programming | 0 | | | | | 60% | | 0 | 0 | 78% | 78% | 70% | 80% |
| GNDR-4 : Proportion of target population reporting increased agreement with the concept that males and females should have equal access to social, economic, and political opportunities | 0 | | | | | 70% | | 0 | 0 | 85% | 85% | 75% | 80% |



SNAPSHOT

Rwanda's Cheese Makers Take a Step in the Right Direction

Capacity building course plans to upgrade Rwanda's cheeses



Trainees learn how to improve the quality of their cheese. Photo: Emmanuel Nsekanabo/Land O'Lakes International Development

“If we adopt what we have been taught, we will surely improve our cheese quality, meet required standards and [be able to] export to the region.”

**– Innocent Karuranga,
President of Rwanda
Cheese Makers
Association and trainee at
the course**

Cheese makers in Rwanda encounter many challenges, such as outdated equipment and practices. But, the good news is that there are growing opportunities for increasing production and expanding sales – both domestically and regionally – thanks to the American people. To help transform the sector into one that meets international standards for quality and the existing demand for cheese, Rwanda's cheese makers are expressing an enthusiasm for learning and change that will contribute to their success.

In May 2013, the Rwanda Dairy Competitiveness Program II (RDCP II), which is funded by the U.S. Agency for International Development (USAID), invited a South African master cheese maker and trainer to conduct a 12-day training on upgrading cheese processing practices. Implemented by Land O'Lakes International Development, the program provided the training for 17 Rwandan cheese makers to improve how they manufacture Gouda and mozzarella cheeses. They also learned to make feta and cheddar, which is currently not made in Rwanda.

“The training was very important and timely given the need to be competitive in both domestic and regional markets. If we adopt what we have been taught, we will surely improve our cheese quality, meet required standards and export to the region,” said Innocent Karuranga, President of the Rwanda Cheese Makers Association. RDCP II emphasizes stakeholder collaboration for sustainable impact, and decided to collaborate with the Rwanda Development Board (RDB) to host the training. RDB provided the training facility and equipment that is housed in the Business Incubation Center, which they recently established to support entrepreneurship. RDB business incubation programs are developed to prepare and nurture entrepreneurs to start and grow successful businesses.

Eusebe Muhikira, RDB's Head of Manufacturing and Trade, expressed his gratitude towards such partnerships and pledged RDB's continued support to uplift the cheese industry: “We pledge to help the entire dairy sector take advantage of Rwanda's growing airline sector to access regional markets. It's challenging, but achievable.”

RDCP II facilitated the development of a Quality Management Plan (QMP) for the Rwanda Cheese Makers Association and will continue to track their progress in applying best practices. To provide lasting support to high-quality cheese manufacturing, the program will extend individual grants to fund new equipment for organizations that demonstrate compliance with the QMP.



SNAPSHOT

Dairy Farming, empowering women

Rwanda Dairy Competitiveness Program II encourages women to engage in dairy farming



Mrs. Agnes Muziga feeding her cows following the best dairy farming practices

Whilst mobilizing her neighbors to form a dairy cooperative, she encourages her fellow widows and other women to embrace self-confidence, self-efficacy in order to achieve economic empowerment and development.

Telling Our Story

U.S. Agency for International Development
Washington, DC 20523-1000
<http://stories.usaid.gov>

The Rwandan tradition has for many centuries signaled an erroneous perception that dairy farming is an activity not designed for women, which is clearly evidenced by dominance of the sector by men. However, things are steadily taking a different shape as various stakeholders are working towards embracing gender integration in various socio-economic and political spheres.

In the month of February this year, the Rwanda Dairy Competitiveness Program – funded and implemented by the United States Agency for International Development and LandO'Lakes Inc. respectively – facilitated a training program that dwelt on cattle management, milk quality management, business and cooperative development, and gender mainstreaming. Of 499 farmers trained 215 were female directly involved in dairy farming, a milestone that is worth noting.

In the present day, Mrs. Agnes Muziga aged 57 and widowed during the 1994 genocide against the Tutsi, cuts a perfect example of the trainees who have adopted best dairy farming practices. As a result of the RDCP II training and her unbendable efforts to implement what she learnt, her socio-economic status is progressively improving.

Agnes, a mother to four children, owns two cows and one calf. She is a beneficiary of the government's initiative aimed at helping the poor – 'One Cow per family program'. Prior to the training on dairy best practices, her cow was producing seven liters of milk per day. Now, her cow produces 13 liters a day – an improvement of a handsome six liters in three months which is around 86% increment.

"After the training, I embarked on adopting the best dairy farming practices such as zero grazing and artificial insemination and have started seeing significant results" says, Agnes, who was one of the trainees. She attributed the increased volumes of milk to her improved understanding the importance of proper cattle feeding and health management. She is now able to sell 10 liters and save three liters a day for her family's consumption.

Although she is able to hire a herdsman for her cows, she has broken the Rwandan tradition by taking a direct involvement in taking care of her cows. "If the herdsman is absent, I won't leave my cows unattended. I will feed my cows, clean the kraal and milk my cows myself. I appeal to other women to emulate the same and the tradition that dairy farming is a reserved for men," she added.

Whilst mobilizing her neighbors to form a dairy cooperative yet to be registered, in Kicukiro District, she encourages her fellow widows and other women to be self-confident and be able to use what you have with in you to improve our family's wellbeing and prospectus.

Annex III. Approved Grants

| N° | Sub grantees | Grant category | Budget Approved (Rwf) | Budget Approved (USD) |
|-------------|---------------------|-----------------------|------------------------------|------------------------------|
| 1. | | Competitive service | | |
| 2. | | Business innovation | | |
| 3. | | Business Innovation | | |
| 4. | | Business Innovation | | |
| Grand Total | | | | |