



RWANDA DAIRY COMPETITIVENESS PROGRAM II

Quarterly Report

July 1– September 30, 2013

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Submitted to

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July 1, 2013 – September 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

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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
DOAL	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
PLWHA	People Living with HIV and AIDS
PMP	Performance Management Plan
PSF	Private Sector Federation
PSTA III	Strategic Plan for the Transformation of Agric. 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 July 1 to September 30, 2013 that also summarizes Year two progress. 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. Highlights for the past year ending September 2013 include the following:

National Dairy Strategy validated and incorporated into PSTA III

Following a lengthy consultative process that started early in 2012, the National Dairy Strategy (NDS) was validated by the Agriculture Sector Working Group (ASWG) on April 23, 2013. The NDS is now the guiding document for development of 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 (EDPRS 2) as a national policy document. RDCP II facilitated the strategy development and validation process and will continue this role in implementation of the strategy which is now under way. After preparation of the NDS the validation process consisted of a series of steps that included RDCP II and the Rwanda Agriculture Board (RAB) jointly hosting Milk Shed Dairy Working Group sessions. These sessions also served as dissemination platforms for the NDS for district and provincial leadership.

Seal of Quality Program launched and certification services supported

The process of conceptualizing and seeking buy in for the Seal of Quality (SoQ) program that had been underway since project inception was crowned with an official launch in collaboration with the Ministry of Agriculture and Animal Resources (MINAGRI) directorate of Rwanda Agriculture and Livestock Inspection Services (RALIS) on May 3, 2013. The launch also served as a formal handover of milk testing kits and equipment relevant for the roll out of the program across Rwanda's main milk-sheds. The testing and pre-auditing of recipients in collaboration with RALIS commenced in the last quarter. In addition under the leadership of RALIS, Ministerial Instructions relating to quality regulations were prepared and sent to MINAGRI for internal review. The latter is a key component of the enabling environment that is required to effect positive change in the dairy sector, particularly to facilitate the transition from the informal market to the formal market.



Figure 1: Dairy quality mark developed to represent the Seal of Quality program

transition from the

Food Safety Management Systems (FSMS) training

A key milestone this year was the facilitation of a food safety management systems (FSMS) training for 16 staff from the implementing agencies of MINAGRI, RALIS and RAB. The training provided by the Rwanda Bureau of Standards (RBS) prepared the core teams from these agencies to serve as inspectors and auditors in the dairy value chain. This critical skill was previously lacking in the above institutions and yet



Figure 2: Some of the quality inspectors RDCP II facilitated to be trained on FSMS training at the RBS offices

important for implementation and monitoring of best milk quality practices in Rwanda. The training was completed in four separate weekly sessions since January with the final module held in September. The training activities comprised of both classroom and practical sessions in the field.

Rwanda National Dairy Board Institutional framework reviewed

Following validation of the NDS, the RNDB framework was discussed and an appropriate roadmap for restructuring approved. This followed a critical analysis of the role anticipated of the dairy board vis-a-vis its current status. The proposed roadmap necessitated support to Private Sector Federation of Rwanda (PSF) that will be the eventual host institution for the new Rwanda National Dairy Platform (RNDP). In September 2013, USAID approved a grant for RNDP, through PSF, and requisite documentation for grant disbursement is being processed. This grant will facilitate the positioning of RNDP as the advocacy organ for dairy stakeholders under the auspices of PSF's Milkshed Dairy Public Private Dialogue-PPDs.



Figure 3: Like elsewhere in the country, the Southern Provincial administration collaborated with RDCP II to hold a Public-Private Dialogue on dairy matters in the Southern milkshed.

During 2013, the Dairy Public-Private Dialogue was introduced into the Milk Sheds where RDCP II is operating. The forums were hosted jointly between RAB, RDB and provincial administrators for public and private dairy stakeholders to discuss both the NDS and the sector challenges specific to each milk shed.

This was an opportune moment for dairy sector leaders to gain empowerment with the endorsement of the government leaders namely the Governors, District Mayors and private sector supporters. This culminated in the constitution of milk-shed working groups that have been tasked with facilitating dairy dialogue on an ongoing basis. District and provincial representation in the MS-DWGs ensures the dairy subsector is profiled in subsequent provincial and district plans.

Engagement with end market actors



Figure 4: Transporter is delivering milk to Agiragiteraka MCC in Musanze district. This MCC was reopened after four months of closure with intervention of RDCP II and local administration intervention

In the last quarter, RDCP II was requested by Inyange to support efforts to introduce its Milk Zone franchise into dairy retail outlets across Kigali. This is an important step in offering informal traders an opportunity to transition to a more formalized trading operation. As of the end of September, negotiations between a number of large traders and Inyange were ongoing with contractual arrangement being discussed.

RDCP II has worked through the year to develop strong market linkages between MCC's and Kigali based buyers. This has resulted in various MCC's that were previously dormant or almost collapsing becoming commercially viable for the first time. The list includes Kivu Dairy and Koibu Urumuri in Rubavu, Agiragitereka Kinigi in Musanze, CTSOR in Rulindo, COOPAG in

Rwamagana and Nyagisozi MCC in Nyanza.

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. 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.

Farmers and service providers trained

RDCP II has continued facilitating the training of service providers in every district. The service providers are then facilitated by RDCP II to train farmers at sector level. The training focuses 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. This training is relevant for the implementation of the RDCP II plans or 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. Participation at these trainings was as follows:



Figure 6: Farmers from Kicukiro District undergoing training on record keeping, heard health and feeding best practices

- 3,459 farmers (2,150 male & 1,309 female) farmers were trained this quarter in addition to the 4,815 trained through the end of last quarter.

This brings the cumulative number of individuals trained to 8,274 – surpassing the annual target of 4,500. The total number of individuals trained so far is 8,517 (5,574 male & 2,943 female)

- 66 service providers (25 female and 41 male) including transporters, traders and MCC staff were trained on dairy production, clean milk production and handling, dairy business management and gender mainstreaming. The cumulative number of service providers trained over the year is now 389.
- In addition to 591 cows reported inseminated last quarter, 429 cows
- were inseminated by trained service providers across Gatsibo, Kayonza, Kicukiro, Nyagatare and Rwamagana districts. The cumulative number of cows inseminated is 1020 cows for 964 farmers (722 male & 242 female).
- 579 trained farmers to date in eight districts (Gasabo, Gatsibo, Gicumbi, Kicukiro, Nyabihu, Nyanza & Rwamagana) have received routine follow-up and more 316 farmers were reached through the annual M & E survey to determine farmer technology and dairy best practice application. Based on the annual survey, 92% of beneficiaries applied at least three technologies for improved milk production and quality.

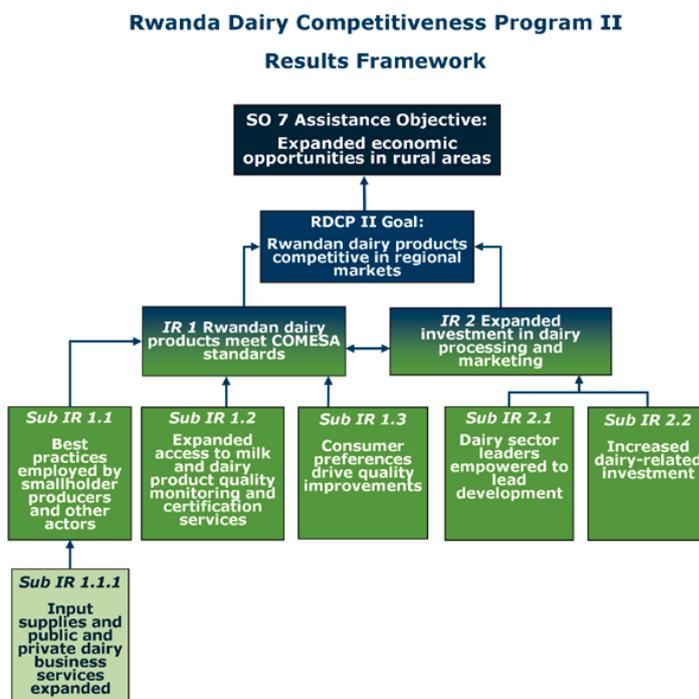
Newly developed dairy financial products and services ready for launch

By the end of September, four financial institutions, KCB, Duterimbere, UOB and Letshego (formerly RML), were ready for product launch of newly developed loan products. By the end of the quarter UOB and Letshego had received first loan applications and had either disbursed and or approved loans to a value of 19 million Rwf to a mix of MCC and processor clients. All the financial institutions have plans for product roll out and expansion in October 20

RDCP II Performance and Results

RDCP II has positioned itself to achieve its targets over the Life of the project with some key results, as per the PMP. Since inception, RDCP II has played a key role in advocating for dairy policy reforms starting off with the validation of a National Dairy Strategy (NDS), a guiding national document that highlights areas of focus for the sector to grow over the next five years. The orientation of the sector provided by the NDS is a key achievement towards the success of the project. Some results to this end include the conceptualization and launch of the Seal of Quality as a mark of excellence in dairy in partnership with MINAGRI. This is a critical step to motivate the actors to increase the volume and value of dairy products. In addition, the number of beneficiaries receiving USG assistance reached 8,517 during this period. This support includes training and services support provided through RDCP II service providers and extension agents. These interventions are expected to result in increase in net dairy income and new jobs, as well as attract new investments into the sector (Refer to FTFMS table for details of achievements by indicator).

Figure 1: RDCP II Results Framework



IR 1: Rwandan Dairy Products Meet COMESA Standards

Rwanda produces about 450 MT annually of milk which is largely marketed through poorly regulated informal routes. This results in losses to the sector both in volume and value of dairy products marketed. RDCP II aims to position Rwanda as a hub for high quality dairy products by benchmarking local standards to regional COMESA standards and working with sector actors to achieve the same through a reward mechanism for implementing a range of best practices under the Rwanda SoQ program. Progress has been made across the points in the dairy value chain from farmers trained, and transporters engaged, as well as processors and MCCs enrolled and encouraged to drive this process. Pre-audit visits to selected dairy enterprises under the SoQ program have been done and coupled with on-going monthly tests, and key information to advocate for dairy regulations has been obtained. RDCP II has worked closely with RBS, RAB and RALIS to ensure these agencies are well prepared to support this shift. As at the end of the period, draft Ministerial Instructions had been developed and distributed for review by the Dairy Subsector Working Group. The Instructions are aimed at enforcing best dairy practices across the entire dairy chain from production through transportation and handling and processing. This will be the basis for a fully functional national inspection and certification program under RALIS.

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



Figure 5: Dairy farmers in Gicumbi District were trained on feeding technologies.

Key achievements:

- 3,525 (1,334 female and 2,191 male) individuals trained in addition to 4,992 trained up to the end of last quarter making a cumulative total of 8,517 individuals trained. This surpasses the annual target of 4,500 (see FTFMS table for disaggregation details).
- 2423 farmers received Mucuna forage legume seed while 180 received Calliandra tree legume seed.
- 429 cows were inseminated by trained service providers across Gatsibo, Kayonza, Nyagatare and Rwamagana districts in addition to 591 cows

inseminated last quarter.

- On 167 cows checked for pregnancy after insemination, 67% were tested positive in Nyagatare District (Kagitumba, Kayonza and Mbare sectors) and 45% in Kicukiro District (Gahanga sector). The PD exercise is still on-going.
- The service was performed by ERAGIC and Nyamata Agri-Inputs Ltd, two RDCP II grant beneficiary service providers.
- 66 service providers (25 female and 41 male) including transporters and MCC staff trained on dairy production, clean milk production and handling, dairy business management and gender mainstreaming (Table 1). Cumulatively, 389 service providers were trained.

Consistent with achieving 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, RDCP II continued capacity building of service providers and farmers. The approach taken was as described in previous reports in which selected service providers were trained on the best practices and then used as TOTs to train farmers. The total number of service providers trained during this quarter was 66 and, cumulatively, up to the end of the quarter 389 have been trained. 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 from five districts.

Implementation of the Plans

During this quarter, RDCP II facilitated training and followed-up, through service providers and grant recipients, farmers in eight districts (Bugesera, Gisagara, Kamonyi, Kayonza, Musanze, Rubavu, Ruhango, & Rwamagana). In this regard, 3,525 individuals were trained. Cumulatively for the year 8,517 individuals were trained. This number surpasses the expected 4500 for the year. The training also fostered closer linkages between the farmers and milk buyers including MCCs and processors. For example, 264 farmers in Rugerero and Rubavu Sectors of Rubavu District were linked, through the training sessions, to Kivu Dairy (MCC).

Surprisingly, as a consequence of competitive informal milk markets, even farmers around Kivu Dairy were not aware of the Kivu Dairy milk market. The training provided an opportunity for them to meet each other (Kivu Dairy staff and farmers). Kivu Dairy and the farmers agreed on a work partnership in which the farmers promised to increase milk production and quality and agreed to take their milk to the MCC. Kivu Dairy agreed to pay them prices based on quality. As a result of this arrangement, by the end of this quarter, Kivu Dairy was receiving 30% more milk.



Figure 6: Kivu Dairy ensures that milk cans are diligently cleaned at the MCC facility before farmers or transporters to return to farms or aggregation points

Apart from training of large groups of farmers, RDCP II and its service provider partners have offered ad hoc training to farmers. For example, a leading forage producer from Rwamagana District, Faro, and five of his neighbors (3 female & 2 male) were trained on urea treatment of sorghum stover and use of molasses to increase cow appetite. After the training and demonstration, Faro fed his cows with the urea treated sorghum stover, and milk production increased from 4 to 6 liters per day (50% increase).

A total 2,423 of the trained farmers received Mucuna forage legume while 180 were given Calliandra tree legume seed. The farmers were expected to plant the seed and create a seed base for cropping larger acreages. As has been reported previously, the legume forage and seed can be fed as protein sources for ruminants.

Out of the 878 farmers trained in Rubavu District, 468 did not get legume seed because they preferred Trifolium species (clover) forage legume seed which is suitable for planting at altitudes of more than 2,300 meters.



Figure 7: This was part of insemination kits under the grant extended to ERAGIC

Unfortunately, Trifolium legume seed is not abundant in Rwanda. RDCP II will facilitate farmers to acquire vegetative material for transplanting and explore the feasibility of accessing the Trifolium seed from other countries, particularly Kenya. Using hormones for cow heat synchronization obtained from RAB (GoR), RAGIC, a RDCP II grant recipient, 964 farmers benefited from artificial insemination services for their

cows. The service was performed by ERAGIC an RDCP II grant beneficiary service provider. Numbers of beneficiary farmers per district are as follows: Nyagatare (280), Gatsibo (279), Rwamagana (300) and Kicukiro (105). The beneficiaries of the AI program are largely from the GIRINKA Program that also received the RDCP II facilitated training described above.

ERAGIC began pregnancy diagnosis (PD) of cows in Nyagatare District bred at least 60 days prior to the PDs. Out of 102 cows examined, 68 (67%) were pregnant to the first insemination. This is a high first service conception rate; on average, the conception rate to the first insemination is about 50%.

In Kicukiro District, through RDCP II facilitation, Nyamata Agri-inputs Ltd inseminated 42 cows for 42 farmers with sexed semen and used hormones obtained from RAB for heat synchronization. Cumulatively, by the end of this quarter Nyamata Agri-inputs Ltd had inseminated the agreed 120 cows using sexed semen. It also began PDs for cows inseminated more than 60 days ago, and, out of 65 heifers and cows examined for pregnancy 29 (45%) were pregnant. This is a good pregnancy rate. In general, pregnancy rates are lower (about 40%) when sexed semen is used.



Figure 8: The inseminators who received a grant from RDCP II launched the campaign in Nyagatare District

Table 1: Service providers (SPs) from MCCs, sector and district offices, cooperatives and private companies trained during quarter IV across five districts

Milk Shed	District	Sector(s)	Service Provider Institutions	Number of Trainees		
				Female	Male	Total
Eastern	Nyagatare	Rwimiyaga	Cooperatives: ITABAZA Training target group: Cooperative staff	3	9	12
	Rwamagana	Gagengeri, Fumbwe, Karengye, & Musha	Cooperative/MCC: COOPAG Training target group: Milk transporters	4	22	26
	Musanze	Busogo, Kinazi & Muhoza	MCC: Iwacu Zirakamwa, Agiragitereka, Kinagi & COOPIZI Sectors: Busogo & Muhoza Pvt. Company: ATVET & PAIRF	2	8	10
Northern	Rulindo	Base, Bushoki, Ntarabana, Rukozo, Shyrongi & Tumba	MCC: CTSOR Pvt. Company: NIYO Sectors: Base, Bushoki, Ntarabana, Rukozo, Shyrongi & Tumba	4	8	12
			Dairy industry representatives (PSF, trader, farmers representatives, cheese maker representative) participated to ESADA conference and a study visit in Zimbabwe	1	5	6
Total				25	41	66

Farmer follow-up

By the end of this quarter, of the farmers trained to date in eight districts (Gasabo, Gatsibo, Gicumbi, Kayonza, Kicukiro, Nyabihu, Nyagatare, Nyanza & Rwamagana) have received routine follow-up and 316 farmers were reached through an annual M&E survey to determine farmer technology and dairy best practice application (Table 2). The RDCP II grant recipient, ERAGIC, followed-up 198 farmers that are included in the total for the quarter.



Figure 9: Dairy farmers in Kamonyi District receive Mucuna legume seed from service providers after RDCP II facilitated training I

A total 895 farmers were followed-up during Year 2. Based on the annual M & E survey, 92% of beneficiaries applied at least three technologies for improved milk production and quality. As reported previously, the analysis of follow-up data showed large application of clean milk production best practices, improved feeding practices, provision of larger water quantity to cows than before training, parasite control, and Mucuna legume establishment. In general, trained farmers applied best practices that did not have a cost implication or reduced cattle mortality.

The total number of farmers and others that have applied improved technologies or management practices during the quarter was 2,985 in addition to 1,802 reported for the last quarter, making a cumulative total of 4,787. Improved technologies include silage and hay making, use of treated crop residues, minerals, feeds concentrates, cow vaccination, control of mastitis, milking hygiene, and record keeping.

In addition, 293 male and 6 female new created jobs (total 299 jobs converted to full-time equivalent) were recorded at farm level since October 2012. The cumulative number of jobs tracked since the last quarter was 330 (299 male & 31 female). Because of the lag period before jobs can be recorded, this number is below the expected target. However, with time it is anticipated that a larger number of jobs will be created. The average wage for all the milk sheds is 8,696 Rwf/person per month with minimum and maximum wages of 2000 and 35,000 Rwf/person per month, respectively. In general, the maximum wages were paid by large farms in the Kigali Milk Shed.

Despite good results in terms of technology adoption and new jobs created, the milk sales at farm level and gross margin per cow have not yet increased accordingly. The gross margin reported during a farmer survey of USD 328.92 37% lower than the baseline figure of USD 526.31. This is largely due to the difference in baseline average milk price of 209 Rwf per liter across the 17 RDCP II districts compared to the average price at farm level of 182 Rwf per liter in six districts visited during the follow ups. The latter price is closer to the prevailing milk prices across MCCs and milk traders in the surveyed six districts. Although the survey reached six districts out of the 17 covered by the program, the price

disparity calls for a closer analysis of key indicator values and, where necessary, adjusting them.

Table 2: Farmers reached during M & E annual survey and trained farmers follow up.							
MILK SHED	DISTRICT	FARMER TRAINING FOLLOW UP			ANNUAL FARMER SURVEY		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
KIGALI	GASABO	124	45	169	27	5	32
	KICUKIRO	68	45	113	23	23	46
	GICUMBI	77	37	114	30	7	37
NORTH	NYABIHU	94	30	124	54	11	65
SOUTH	NYANZA	33	26	59	34	13	47
EAST	RWAMAGANA			0	32	57	89
TOTAL		396	183	579	200	116	316

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

Key achievements:

- 228 private enterprises applied dairy improved technologies promoted by RDCP II. Enterprises include producer organizations, milk collection centers, processors, milk traders' trade associations and milk kiosks.
- Milk collection centers marketed volume of milk increased from 16 Million to 25.2 Million
- 15 tricycles were handed over to private dairy businesses (6 MCCs and 1 feeds processor)
- 2 generators delivered to 2 milk collection centers
- 2 Feeds mill delivered to 2 feeds processors
- 1st installment of 10 Million Rwf paid to Veterinary Yield Entrepreneurs Cooperative for the purchase of surgical and AI kits

Two grantees received animal feed equipment: Nyagatare Agronomist Development Cooperative (Nadco) in the Eastern Milk Shed and Vetroprox in the Southern Milk Shed. As will be described below, several MCCs and processors including CODERU and Dukundamatungo MCCs and Haji Enterprises milk processor received tri-motorcycles to improve milk collection and delivery.

One service provider, Veterinary Yield Entrepreneurs Cooperative (VYEC – Itabaza) received a capacity building grant for delivery of AI and veterinary extension services. This service provider has been trained by RDCP II and is in the process of acquiring equipment to engage in commercial AI and delivery of veterinary services.

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.

In addition, following RDCP II training and support, up 288 private enterprises (micro and small mostly) have applied dairy improved technologies and management practices. These include service providers who were trained during the previous quarters and are currently training farmers in different sectors of RDCP II area of operation, MCCs and aggregation points which are improving their milk quality through adoption of dairy best practices and use of milk testing kits. All milk delivered to MCCs enrolled by RDCP II is being tested and contractual partnerships with processors as result of improved milk collection system are under negotiation. See details on linkages created in section 2.1

General

RDCP II participated and was evaluated in district project evaluations conducted during this quarter. In addition, RDCP II staff participated and presented papers at the RAB and the Eastern and Southern African Dairy Association (ESADA) conferences in Kigali and Zimbabwe, respectively.

District project evaluations

In general, RDCP II received positive evaluations from the districts that paved way for the 2013 to 2014 registrations. The districts commended RDCP II for having tangible results backed by improved farmer practice, milk production increases, milk quality improvements, and positive farmer testimonies. However, some districts recommended that RDCP II increases its visibility through more branding and office location signs.

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

RALIS, a MINAGRI Directorate, is responsible for milk quality inspection and certification. Despite being a key in promoting competitiveness of the dairy subsector, previously, milk quality inspection and certification received no particular attention. RDCP II therefore has over the last year worked to cultivate a relationship with RALIS to position dairy as a subsector in need of this key function. This culminated in the launch of the Rwanda SoQ program by MINAGRI and facilitated by RDCP II. RDCP II has succeeded in advocating for this priority focus on the sector that has led to the drafting on Ministerial Instructions to regulate milk quality. Such milk quality monitoring guidelines and regulations are expected to pave way for a reward mechanism for complying entities and guarantee good quality milk to processors and healthy and nutritious products for end consumers.

Key achievements:

- Necessary documents for SoQ certification process were developed in collaboration with and implemented by RALIS
- Carried a milk quality pre-auditing to 9 dairy enterprises (processors, milk bars, cheese makers etc.)
- Grant proposals from ISAE and UP for a mastitis control program in collaboration with UC Davis were submitted to USAID for approval

In June RDCP II contracted DQAL to sample and test milk collected from MCCs and processors enrolled in the SoQ program across the four milk sheds.

The DQAL pilot testing is an ongoing activity to December 2013. The results for June, July and August have revealed a high percentage of poor quality milk samples. Results have shown high total bacterial counts and somatic cell counts in raw milk, high total coliform counts in fermented milk, and high heterotrophic counts and enterobacteria in water used at MCCs and processing units. See annex for breakdown of results. These results are a very useful tool to determine how and where to tackle issues related to milk quality.

The aim of the SoQ program testing is to ensure that the dairy value chain actors who produce and handle milk are following best farm practices and prescribed handling procedures. This ensures that the environment where milk is handled remains clean, hygienic and safe at all times, and that milk meets the prescribed quality standards.

In the last quarter RALIS began monitoring and pre-auditing Blessed Dairies, Haji Enterprise, Fromagerie la Reine, Muhe Farms, Dukundamatungo, Savannah, Abashumbabeza, Zirakamwameza Dairy and Angeanna Kiosks (selected pilot beneficiaries). A full audit will be scheduled after completion of the training on ISO 17020, and 17025 for RALIS, RAB auditors and inspectors by RBS which will take place in early October. All necessary documents for the SoQ certification process were developed in collaboration with and implemented by RALIS. Actors in the SoQ program have been pre-audited and their respective audit reports submitted to beneficiaries for their review. The reports include the pre-audit findings to enable the beneficiaries to act upon the non-conformities (NCs). This will be followed by a full audit and those who comply with the expected SoQ parameters will be SoQ certified. The auditing and certification activity is carried based upon the developed audit checklist from the Code of Hygienic Practice for milk and milk products; and COMESA standards for milk and milk products. This process is a result of several months of support to and collaboration with RALIS. RDCP II milk quality manager and milk quality field specialists have engaged with on an ongoing basis the technical team at RALIS. It has backed up the team to acquire the skill set and confidence to perform these duties in the field. The five new technologies mentioned in last quarterly report continue to be used at various levels of the dairy value chain. These practices (listed below) provide a valuable means to largely for instant, efficient milk quality determination. The visual changes from these tests are important in helping both the producer and the milk transporter recognize the results. The tests introduced are:

- UdderCheck™ for instant cow-side mastitis detection which is being promoted at farmer level
- Under the SoQ program, PortaSCC™ has been introduced at MCC level to determine somatic cell counts



Figure 10: MCCs across the country have been involved in the DQAL pilot testing to ensure improved milk quality and quantity

- Also the SoQ 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.

UC Davis has continued collaboration with ISAE and UP to develop practical mastitis control and prevention training modules which will be incorporated into the curricula for their veterinary and animal production students. In collaboration with ISAE and UP, grant applications were prepared and submitted to USAID for approval. This training program will commence in the first quarter of Year 3 when approval is obtained from USAID. Increased skills capacity of veterinary graduates in extension approaches on how to control mastitis is key to upgrading service delivery in the dairy sector. Mastitis is consistently shown to be the major contributor to poor milk quality in Rwanda. Given this challenge, extension agents should be equipped with the skills to prevent and control mastitis

IR 1.3 Consumer preferences drive quality improvements

Dairy consumers in Rwanda over the years have not had the privilege of choice over the quality and diversity of dairy products. This component is aimed at profiling dairy and the benefits of consuming high quality products to consumers. Consumer preference will therefore become a motivating factor for dairy businesses to improve their product offering to match consumer demand. This can only be achieved through education and training of dairy actors as well as consumers to generate the power to influence quality. RDCP II has made good strides towards achieving this objective through a set of interventions during this period.



Figure 11: A consignment of the SoQ kits distributed to some dairy sector players

The SoQ Program launched in May was a major milestone towards creating a platform for consumer preferences required to drive quality improvements. Promoting certification provides awareness to consumers that these products are superior to uncertified product

As previously detailed the SoQ process consists of two primary strategies, Quality Testing and Marketing, which will be implemented simultaneously. During the quarter RDCP II met with various Kigali based marketing firms who presented proposed marketing campaigns linked to the SoQ certification. In the next quarter RDCP II in collaboration with industry partners both private and public will design and launch the campaign in readiness for Seal of Quality certified products and premises which will become available as we move towards the end of the calendar year.

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, with one supporting the other.

During the quarter RDCP II held refresher training in marketing and sales. The training attracted 10 male and 2 female processors to reflect on how best they can develop and market their products to end-users. The training highlighted the importance of applying general principles of marketing such as understanding the market terrain, pricing, packaging, branding, merchandising, promotion, customer handling and effective communication.



Figure 13: Some of the local dairy products which have come on market in recent times

Whilst attending the training the participants acknowledged that they were doing business without applying the principles of marketing and branding. They requested RDCP staff to continue extending expertise and technical marketing assistance. In the next quarter, RDCP II staff will follow up with specific visits to processors to facilitate improvements on how to market, brand, package and display their products.

IR 2: Expanded Investment in Dairy Processing and Marketing

Dairy marketing in Rwanda is predominantly driven by poorly managed unregulated informal traders presenting a huge opportunity for investment in dairy processing and marketing. This component aims to identify and clearly profile these opportunities to attract appropriate investment in the sector. RDCP II is facilitating this by encouraging existing local processors to increase their capacity as well as ensuring new comers find the ground prepared for investment. To achieve this, the program has adopted a multi-faceted approach that combines evidence based research and dissemination of information through various forums with stakeholders. In addition, RDCP II provides needed support to entities interested including banks and financial institutions that provide capital. This support ranges from product development, relationship building and confidence building between institutions to nurture new relationships.

Key achievements:

- 728,596 USD leveraged through partnership with investors in private sector ;
- 29,851 USD loan value approved by 2 financial institutions for the dairy enterprises
- 7.09 Million USD identified as informal cross-border trade of milk
- 25.2 Million liters of milk channeled through Milk collection Cooperatives
- key Dairy stakeholders were facilitated to attend the Eastern and Southern Africa Dairy Association (ESADA) 9th conference
- Small scale processors, milk sellers, PSF management and interim RNDP leadership participated to the Dairy exhibition in Harare Zimbabwe
- Rwanda National Dairy Platform (RNDP) was adopted as the new name of the organization formally known as the Rwanda National Dairy Board (RNDB) through a consensus vote by the founding members.
- Cheese makers' association developed a Quality improvement plan (QIP) for their respective cheeseries against which their observance of quality practices may be measured.
- Rwanda Milk Sellers' Association (RMSA) contracted a Retail partnerships based on Milk Zone franchising with Inyange industries

RDCP II aims to increase 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 team worked intensely to prioritize key areas of investment support at district level in all the 17 districts of operation. This called for a participatory approach to sensitize district authorities about the need for the same. Over the next year, RDCP II interventions in the districts are in line with their respective work plans.



Figure 14: RDCP II has directly invested in the sector through grant component. The above tricycles have been granted to smallholder processors and farmers across the country

IR 2.1 Dairy Sector Leaders Empowered to Lead Development

Private Sector Federation of Rwanda 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. RDCP II received approval of the grant from USAID towards the end of this quarter. And relevant documentation is being prepared for disbursement of funds for activities to begin in October 2013. 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. This activity is aligned with the NDS recommendation of the importance of having a body that represents the dairy sector in a professional and credible manner.

During this period, key dairy stakeholders were facilitated to attend the Eastern and Southern Africa Dairy Association (ESADA) 9th conference and dairy exhibition that took place from 23 to 27 September 2013 in Harare, Zimbabwe. In addition to RDCP II staff, the participants included small scale processors, milk sellers, PSF management, and the interim RNDP leadership in addition to RDCP II staff. This provided an opportunity for them to gain exposure and to network with other global and continental dairy leaders. The ESADA program included topics related to quality and standards, value addition, productivity and MCC management all of which provided valuable insights for the visiting Rwandan delegation.

Build capacity of RNDB and DSWG

The Rwanda National Dairy Platform was adopted as the new name of the organization formally known as RNDB through a consensus vote by the founding members of the latter.

The legal process to establish the same was guided by the PSF legal team and backed by the entire RNDB/RNDP leadership. During this period, RNDP endorsed an interim leadership to follow up the formalization of the registration with the Ministry of Public Service as the line institution. The interim Chairman Frederick Karangwa is the lead person in contact with the Ministry officials.

During this quarter, RDCP II team spent time facilitating respective district work plans to allow for district approval and subsequent INGO registration as part of the annual program requirement for registration with the Immigration Department. The above activities constituted an interactive process between the districts stakeholders and did not necessitate the convening of the quarterly Milk shed DSWGs.

Facilitate institutional and association capacity building

During this quarter RDCP II continued 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.



Figure 16: One of the members of the Cheese makers' association receiving certificate of completion of a training facilitated by RDCP II in collaboration with Rwanda Development Board

The Cheese makers' association held various meetings to deliberate on the future of the cheese subsector in Rwanda. This follows a Master-Cheese training of trainers received in the

previous quarter. They have developed a QIP for their respective cheeseries against which their observance of quality practices may be measured. The QIP was developed with guidance from a Local Consultant, Theogene Rutagambwa, who worked alongside the International Cheese Master Trainer Kobus Mulder during the cheese makers' training and will address the immediate concerns identified by the consultants.

A key next step to initiate a coordinated marketing plan for cheese makers was not achieved during the last quarter as the cheese makers did not make progress with the initiative. Nevertheless this remains a key goal, 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 will engage the International trainer on a second visit during late November /early December to work with selected cheese trainers' at their factories with hands-on practical demonstrations at their cheeseries as part of the ongoing initiative to upgrade the quality of cheese in Rwanda.

Following discussions with the Chairman of the Rwanda Milk Sellers' Association (RMSA) about future prospects of the association, RDCP II has engaged RMSA to identify opportunities and gaps in the sector that both parties could exploit. In the last quarter RDCP II hosted several meetings with the milk sellers from both the supply end (wholesaler) and the demand end (retailer).

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. Given this limitation, it is the important for RMSA to forge partnerships for sustainable and efficient growth of the sector. Key developments among the partnerships in this quarter included:

- Retail partnerships based on Milk Zone franchising with Inyange; Inyange Industries accepted RDCPII offer to act as liaison on discussions with RMSA members to develop a Milk Zone franchising concept. This initiative attracted the attention of the key milk sellers, several of whom are now into negotiations to obtain the Milk Zone franchise in over 12 prime milk retail locations in the city of Kigali.
- Improved milk supply linkages and potential partnerships

Dialogue between several large milk haulers and Inyange was at an advanced stage as at the end of this quarter, Angeana Fresh Dairy limited had increased its supply to Inyange from 4,000 liters to 10,000 liters per day over the last six months and as



Figure 12: This is one of the milk zones being launched by the country's largest milk buyers, Inyange Industries, as a way of increasing consumers' access to milk.

of the end of September it has been further increased to 15,000 liters per day. In addition RDCP II linked other suppliers to Inyange with a potential to supply of 22,000 liters per day to the processor. These suppliers are from the informal sector, however their apparent willingness to engage with the largest formal buyer in the country provides a real opportunity to shift the focus of the Kigali supply chain to become more focused on formal buying arrangements including stipulations relating to quality parameters.

Foster a competitiveness-enhancing enabling environment

To enhance the enabling environment key partnerships among RAB, RALIS, RDB, RBS, PSF and NAEB continue to be critical. In addition maintaining their mutual understanding of the importance of a more professional dairy sector is an important task for RDCP II staff as other commodities compete for the attention of these organizations. The continued focus on dairy as a priority commodity will help to maintain the spotlight on areas that need to be addressed on an ongoing basis.



Figure 14: These are some of the key stakeholders in the dairy sector attending a marketing training at RDCP II office with a goal to professionalize the way they run their MCCs and small scale processing

Following progress and achievements of previous quarters including the launch of the SoQ program in May, several steps have been made towards roll out of the latter with RALIS and DOAL. To begin with, a testing routine was established with selected pilot coops and companies and results for the last 3 months (July, August and September) are now available. Feedback has been delivered to the coops and advice on how to improve their quality. In collaboration with RALIS, RDCP II aims to have a reward mechanism in place at the end of the pilot program to ensure sustainability of the program. This will be supplementary to the certification of enrolled entities.

RALIS, with RDCP II support, initiated a pre-audit of selected MCCs and dairy businesses to prepare them for a final audit as the last step to attain certification upon compliance with all recommendations of the joint audit team. This was critical to the operationalization of the program as well as to prepare RALIS for the task ahead. As of the end of the quarter, RALIS had submitted draft Ministerial Instructions to the Dairy Subsector Working group and were waiting for the review and comments from the latter. RDCP II will explore any hindrances to progressing of the same and propose the best way forward with the required public institutions namely MINAGRI and RALIS.

A key policy related achievement in the last year was the validation of the NDS and its incorporation as the guiding document for dairy development into the

PSTA III for the next five years. This engagement allowed RDCP II to be involved at the highest levels of dairy policy development. Several policy recommendations coincide with core project activities including the launch of the SoQ in May and the subsequent development of draft Ministerial Instructions related to milk quality was another ongoing intervention through the last quarter. The instructions were circulated for discussion to dairy partners public and private and have been earmarked for discussion at the next DSWG. RDCP II developed the ministerial instructions in collaboration with RALIS as it is critical that this intervention is a MINAGRI driven one.

During the last quarter the use of oxo-biodegradable plastic was approved by REMA to be used in a range of products including cheese. This followed ongoing engagement from RDB, Minicom and RBS that highlighted the long term development of the sector that required exemption from the current plastic regulations. RDB is currently working with investors to manufacture this type of plastic in Rwanda.

Leadership training, mentorship and networking

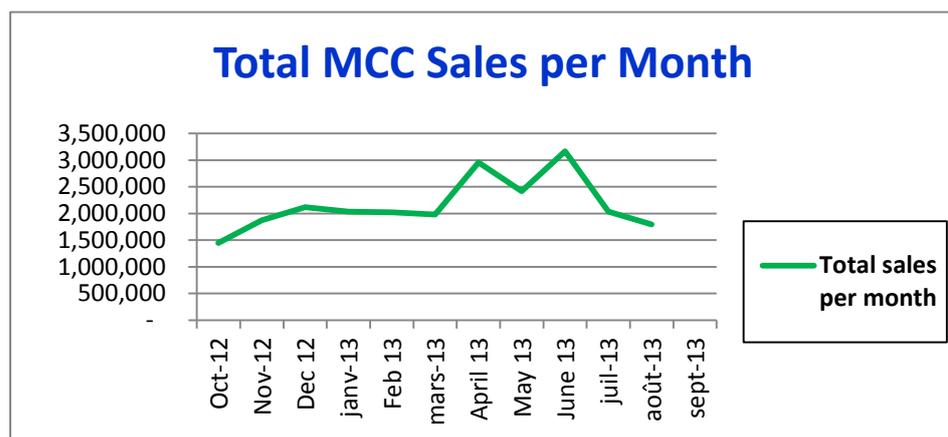
In the respective milk-sheds, RDCP II maintained close contact with selected milk-shed working group members during the district planning process for the GoR financial year July 2013 to June 2014. Building upon district priorities, each district developed key indicators for progress with a focus on dairy interventions and activities. In addition, participation in district and provincial forums helped to keep district staff informed about developments in the dairy sub sector. This interaction demonstrates how development of the milk-shed dairy working groups, earlier in the year has helped to maintain the profile of dairy in their areas of operation as previously it was not an identified priority.

IR 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 officials to prioritize initiatives which position dairy activities as attractive opportunities. These include operationalization of MCCs and cooperatives which were closed or not functioning well. Close supervision and mentorship of the same when re-opened fosters confidence building and realization of

commercial opportunities previously missed. This ongoing support throughout the year and the last quarter to MCCs has improved the volume of milk



through such MCCs as shown in Annex III. MCC Milk sales has increased from October 2012 to June 2013. The sales decrease experienced from July to September 2013 can be explained by the competition of informal market with MCCs during dry season, while during the rainy season, when there over production, MCCs become the main selling point for dairy farmers. See the chart below on MCCs sales evolution. Source: RDCP II monitoring data

In addition RDCP II continued efforts to link the end market directly to several MCC's. MCCs are the consolidation points for milk before it's dispatched for either value addition or consumption and their functionality is completely dependent on their ability to sell milk collected every day. During the last quarter RDCP II saw the benefits of good market linkages across the milk-sheds notably Kivu dairy and Koaibu Urumuri in Rubavu, Agiragitereka Kinigi in Musanze, CTSOR in Rulindo, COOPAG in Rwamagana and Nyagisozi MCC in Nyanza.



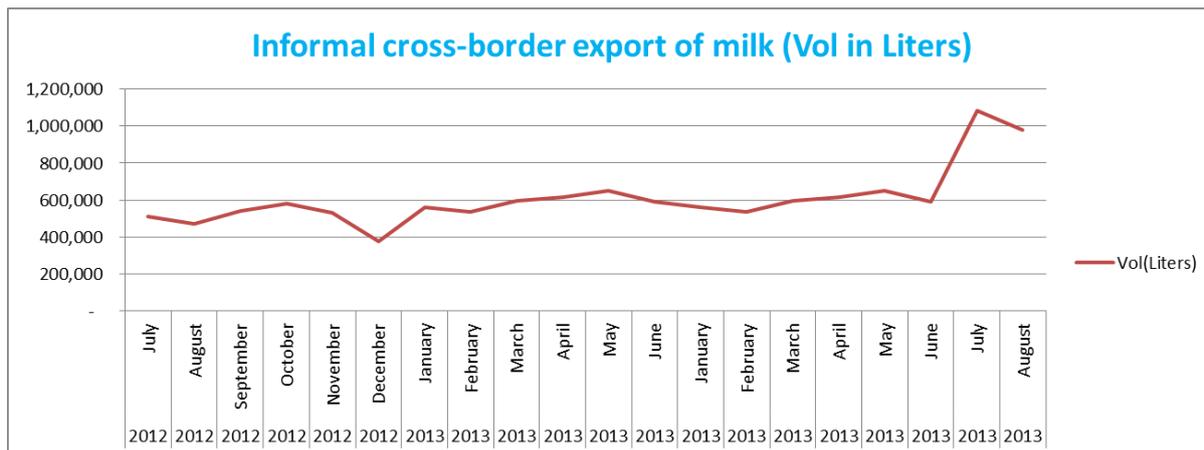
Figure 18: CTSOR is one of the MCCs that has been linked to Blessed Dairies, a rapidly growing medium processor.

The total MCC sales for the whole fiscal year (Oct 2012 to September 2013) was 25 213 808 liters, a significant increase in comparison to the baseline value of 16,067,127 liters.

Promote Investment

Investment promotion is a key milestone for RDCP II. Towards the end of this quarter, RDCP II received approval from USAID to contract Inspired International to conduct a 'Deep Dive' analysis related to value added investment opportunities. Through this activity, RDCP II will collaborate with RDB to guide dairy investments in Rwanda over the life of the project. This analysis will highlight key areas for investment advice and potential leverage at the time of investment.

The table below shows the high volumes of raw milk and fermented milk crossing Rwanda's borders informally on a monthly basis. It is worth noting both the gradual increase over the past twelve months and in particular the doubling in volumes and values exported in the last quarter when compared with the same period last year. The Deep Dive will explore the reality behind this data and provide insights on how best to maximize value added incomes for the sector.



Source: National Agricultural Export Development Board-NAEB

In the last year RDCP II continued to work with enterprises along the value chain, upgrading and increasing their handling or processing capacities using the business innovation grants. 54 businesses across all milk sheds have now been approved to receive grants to bring about increased output, efficiency and profitability. In preparation for receipt of equipment RDCP II staff continued to work with the recipients to put in place regular data collection processes including improved record keeping, analysis related to profitability and best practices required to obtain SoQ certification.

RDCP II also completed customs pre clearance in advance of shipments arrival of milk cans and processing equipment arriving in Kigali early – mid October.

Stimulate supply and demand for dairy-related financial services

Following the signing of MoU's between five banks and microfinance institutions interested in developing loan products earlier this year, Inspired International has made good progress. Towards the end of the last quarter initial loan appraisals approvals were carried out, however product launches, which were scheduled for September were delayed due to internal bureaucracies of respective banks. However, Letshego MFI (formerly RML) disbursed its first new dairy loan in Nyanza to a small processor valued at RWF 3 million in September. Similarly Urwego Opportunity Bank (UOB) approved a loan to a Rwamagana based MCC in September to purchase a truck to transport milk valued at 16 million Rwf. Duterimbere MFI set the official launch date on October 28 in Nyagatare for the dairy loan portfolio named *Giramata* and designed the promotional material shown below. Kenya Commercial Bank (KCB) received board approval to launch their loan product in October. In summary four financial institutions are ready to actively promote their new dairy loan products - a significant achievement for the financial services sector.

In addition to financial institution engaged with RDCP II, other investments in dairy sector were also reported. Kinazi Dairy Cooperative (KIDACO) completed a building for dairy activities worth 150 million RWF (223, 880 USD) while Immaculée Kayitesi invested 96.5 Million RWF to set up a milk collection and selling business. Both businesses are located in Southern Milk Shed.



Figure 13: Some of the bankers and other practitioners in financial sector attending a workshop facilitated by RDCP II in line with an initiative aimed at creating financial products in form of loans to dairy farming

Facilitate investment in underserved markets

The loans and saving products developed by the three microfinance institutions and bank are ready for launch as of the end of the last quarter will provide an opportunity to reach the previously underserved market. Duterimbere is particularly aware of including female clients in their portfolio and the RDCP II gender advisor has highlighted the importance of targeting female loan applicants in the product appraisal and roll out process for all of these financial institutions involved to date.

Monitoring & Evaluation and Knowledge Management

M&E continues to fulfill the key function related to tracking project performance across all project indicators. During the quarter the revised PMP for RDCP II was submitted to and approved by USAID and will be effective from Oct 1 2013 for the remainder of the project. The M&E department focused mainly on the following activities:

- Assisted RDCP II to staff finalize the district work plans in the 17 districts covered by the project for the GoR fiscal year 2013/2014 as part of requirement for annual INGO registration which was received in September.
- Conducted the annual survey in 6 districts(Gasabo, Kicukiro, Gicumbi, Rwamagana, Nyanza and Gicumbi) on farmers enrolled in the program to assess progress made as result of RDCP II intervention and collated and entered the results into the project PMP for the quarterly and end of year report.
- Participated in various workshops and webinars organized by USAID for its implementing partners on Feed The Future data collection, reporting requirements and use of FTFMS and PRPMS system in preparation of end of the year reporting process.
- Initiated the process of integrating RDCP II database and M&E activities into a web based M&E system (IMPACTS) managed by Land O' Lakes Head office based M& E department which allows real-time monitoring and reporting.

Gender Mainstreaming

The gender guiding tool which was developed and customised at the beginning of the reporting year so that field and technical staff and subgrant awardees/service providers take it upon themselves to integrate gender into their activities ensuring that female and male farmers benefit from the

opportunities the project offers continues to be the primary means to profile gender into all RDCP II activities.



Figure 14: These women are involved in collecting milk from farms in Bugeshi sector, Rubavu District bordering the Eastern Democratic Republic of Congo

In the last quarter the gender advisor continued to be a resource for partners including Livestock Infrastructure Project (LISP) under the Ministry of Agriculture harmonising and customising training manuals specifically in the area of gender mainstreaming and cooperatives development. As in previous quarters it continues to be critical to integrate the gender dimension so that the SP's may themselves integrate gender into the activities they execute for the benefit of women as well as men.

Following the training almost all women reported that some level of efficacy was gained and they urged the project to continue with training initiatives. Male participants testified that they previously had the wrong attitude towards women but their attitude had changed because of the training. One male trainee commented "*In my family I have been earmarking the cow to be mine but now I am going to change since my wife too looks after it, I realise I was being unjust to say the cow is mine alone*"..., a statement that other men present confirmed murmuring "yes" that is true.

It is in this regard that a follow up template has been developed by the gender mainstreaming component to track changes as a result of gender mainstreaming trainings and to register results related to the change of attitude towards skills transfer to women thus promoting efficacy among females.

ITABAZA Cooperative - sub awardee, trained 10 co-op members in the importance of gender mainstreaming (3 female & 7 male). It will carry out AI in Nyagatare district. The training prioritized from the outset that the grant should offer benefits to both female and male dairy farmers and that opportunities offered by the cooperative should be equally available to the female farmers.

During the year, the RDCP II gender advisor chaired the LOL gender task force comprising of experts in gender who meet and learn from each other by sharing experiences from other projects and countries. In addition, dairy sector gender mainstreaming has been part of the agenda of milk-shed DSWGs organized in collaboration with RAB zonal offices thus raising women as well as women's issues in this dairy platform.

Grants and Investment

During the last quarter RDCP II received approval from USAID to award a grant to PSF which will drive institutionalization of the RNDP across the dairy sector and work towards creating a viable and credible entity which represents the entire dairy sector. RDCP II also submitted four approval requests for capacity building grants for four institutions, UP ISAE, RAB and DQAL related to building mastitis microbiology platforms to assist with control and prevention of this disease which continues to be a major cause of poor quality milk across Rwanda. It is anticipated final approval will be received for these four applications during October 2013. Also during the quarter RDCP II delivered 12 motorized tricycles to 7 MCCs (Dukundamatungo, Coopag, Mudacos, Codecol, BMCC, Coderu and Hadi Enterprises) which will facilitate the transportation of milk from aggregation points to the MCCs. It also delivered and installed 2 generators to 2 MCCs (IAKIB and CTSOR) in preparation for receipt of their respective cooling tanks which are scheduled to arrive in the country in mid-October. Two private companies Nadco, Eastern Province, and Vetoprox, Southern Province, took delivery of animal feed processing equipment in September. Installation was underway at the end of the quarter with the first feed expected to be manufactured and sold during October. Vetoprox also received 1 tricycle to facilitate transportation of raw material and feeds to the dairy clients.



Figure 15: These bicycles are part of grants so far given out to facilitate transportation and collection of milk across the country.

Initial disbursements have been made under the grant to Veterinary Yield Entrepreneurs Cooperative to help them pilot a self-sustaining business that provides commercial veterinary, AI and dairy production extension services in Nyagatare district. This group comprises recently qualified veterinarians who wish to progress a career in private veterinary practice as opposed to entering the public sector. This activity has stimulated interest from a similar group of young vets in Musanze who have also applied for a grant to support their BDS initiative.

As recommended by the NDS, encouraging and providing confidence to young vets to see a viable commercial future in animal practice is key to developing long term professional skills service delivery in the dairy sector.

RDCP II is in advanced stages of submitting for approval to USAID several service provider sub awards. These awards will provide AI and associated dairy productivity training to be given by private service providers across all 17 districts of operation all of whom have interacted with RDCP II over the past year. The project has also identified the next SoQ recipients to receive kits and training as part of the continued efforts to raise skills required both technically and practically to monitor quality of milk at MCC's, aggregation points and points of sale. All of the above activities have shown investment by parties involved

whether it is in service provision, milk collection and delivery or value addition. It also demonstrates expansion of activities across all milk-sheds now that suitable collaborating partners have been identified. RDCP II continued to raise the profile of dairy as a key activity worthy of investment all along the dairy value chain. When asked about why she invested in a new dairy plant in Nyanza funded by a loan 96.5 million, Immaculee Kayitesi answered, *"I was given confidence through all the discussions about dairy that this was a sector worth investing in."*

Stakeholder Collaboration

This quarter the Agriculture Joint Sector Review –JSR took place on July 2, 2013 following the completion of PSTA and EDPRS II. The NDS was incorporated into the PSTA III as the GoR policy document for the dairy sector. This was an opportunity for agriculture stakeholders to review progress and contribution of the sector to economic growth. In line with the Comprehensive African Agriculture Development Program (CAADP I) end of cycle I and start of a new CAADP cycle, committing governments to eliminate extreme poverty by 2013. Stakeholders debated upon key government priorities and budget allocations to the same. Rwanda was applauded for consistently investing at least 10% of national budget into agriculture. RDCP II COP and DCOP participated in this event.

Districts and Provincial Administration

This quarter saw the completion of the annual district and provincial planning cycle with all partners involved in the completion of district and provincial workplans. RDCP II presented work plans to all 17 districts and approval for each for the year 2013-2014 was received. This is a requirement for all INGO programs in districts before they receive their certificate of registration which was granted in September. 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.

Rwanda Agriculture and Livestock Inspection Services (RALIS)

Following the launch of the SoQ, RDCP II has been working with RALIS to establish the necessary dairy regulations to ensure sustained milk quality best practices and SoQ program implementation SoQ program. RDCP II in collaboration with RALIS piloted routine quality testing through a contract with DQAL. The first set of test results for July, August and September have been collected. In addition, RDCP II facilitated RALIS to conduct the first pre-audit inspections of selected dairy businesses with a goal of guiding them towards certification.



Figure 21: One of the RDCP II staff (extreme right) demonstrating to farmers based in Kicukiro district on how to carry out cow-side milk testing

Rwanda Development Board (RDB)

RDCP II maintained close contact with RDB over the use of the Masaka Business Incubation Centre (MBIC) at which the first Master Cheese Training Workshop took place. RDCP II has initiated discussions with the German technical Cooperation Agency-GIZ over a long term arrangement to make the center more useful to support dairy businesses in a sustainable manner. GIZ will lead a joint planning process for the sustainability of the center. RDCP II DCOP Dennis Karamuzi was also appointed to the Agriculture Sector Skills Council - an initiative of RDB to steer capacity growth across various sectors guided by experts in the sectors. The Agriculture Sector Skills Council is composed of members from public, private and civil society with an interest in skills and knowledge building.

Private Sector Federation (PSF)

In a bid to bring on board PSF as a mentor organization for the Rwanda National Dairy Platform (RNDP) and its affiliated member associations, RDCP II is maintaining a close association with the private sector advocacy organization. At the end of this quarter, RDCP II received approval from USAID for a grant to PSF to reposition RNDP as the industry leader and advocate. 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 as recruitment of key support staff.

Rwanda Agriculture Board (RAB), provincial and district administration

As one of the implementing agencies 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 this quarter, RAB submitted a grant request to have 2 dairy laboratories refurbished in Ngoma and Rubavu districts. RDCP II has made visits to Rubavu laboratory that is strategically located to support milk quality initiatives in the Northern-Western Milk Shed which supplies the bulk of their milk to the Democratic Republic of Congo-DRC (RDCP) II will further explore the benefits of the requested intervention and determine a way forward.

Challenges and Lessons Learned

Ongoing challenges and lesson learned continue to be observed, listed below are some of the most notable from the last quarter and year to date.

- Inadequate infrastructure including decrepit roads that limit access to services in some sectors allocated to RDCP II may impede project implementation particularly during the rainy season; in order to increase return on service providers' time and effort of promoting their services in these areas, RDCP II is encouraging service providers to consider working in sectors where there is demonstrated demand for services and a shortage of credible dairy service providers.
- Intermittent insecurity in the Northern and Western provinces of Rwanda has been of concern and could compromise delivery of targets in the Northern Milk Shed.

- RDCP II's "light touch" BDS approach focuses on partnerships, which requires on- going reiteration of the process to ensure collaboration, buy-in, and support for project interventions, adoption and sustainability of project initiatives. Although this approach can at times take longer for outputs to show through to the more direct implementation approach in the long run, once adoption has been observed it is more sustainable.
- Through erection of game fences, the Government of Rwanda has partly addressed the problem of disease outbreaks, particularly foot and mouth disease in sectors adjacent to game parks. However, the consequent livestock movement and milk distribution quarantines from such disease outbreaks can delay project implementation or progress.
- Timeliness of grant awards to deserving farmer groups with limited skills to write grant proposals can be sped up when such groups are trained or assisted to develop proposals.
- The pace of roll out of project activities in the districts can be dependent on engagement of local government and cooperative leadership through on-going discussions, and participation in civil activities.
- The traditionally low rates of female involvement in cattle rearing, cattle ownership, and the dairy trade has compromised achievement of RDCP II beneficiary sex targets; however, RDCP II has been affirmatively selecting women for training as service providers and in dairy cattle management.

Based on feedback from district project evaluations, project branding and visibility are important because they convey an image of transparency and accessibility to the public. RDCP II is working to provide regular updates to keep district partners informed of project interventions and progress.

Annexes

Annex I: FTFMS Table

Annex II: Success Story: Kivu Dairy Brings Quality to the Market

Annex III: List of Cooperatives Supported by RDCP II

Annex IV: Volume of Milk Collected by MCCs

Annex V: EMMP Annual Report

Annex I: FTFMS TABLE

4.5.2(7): Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	0	3000	0	0	4,500	607	3,002	1,383	3,525	8,517	10,000	15,000
Type of individual					4,500	607	3,002	1,383	3,525	8,517	10,000	15,000
Producers	0					607	2,951	1,257	3,459	8,274	8,900	13,350
People in government							40	34	0	74		
People in private sector firms	0						11	91	66	168	1,100	1,650
People in civil society								1		1		
Disaggregates Not Available												
Sex					4,500	607	3,002	1,383	3,525	8,517	10,000	15,000
Male	0				2,250	451	1,969	963	2,191	5,574	5,000	7,500
Female	0				2,250	156	1,033	420	1,334	2,943	5,000	7,500
Disaggregates Not Available												
4.5.2(13): Number of rural households benefiting directly from USG interventions	0	2500	0	0	5,000	607	3,593	4,976	8,501	8,501	10,000	15,000
New/Continuing												
New	0				5,000	607	2,986	1,383	3,525	3,525	5,000	7,500
Continuing							607	3,593	4,976	4,976	5,000	7,500
Disaggregates Not Available												
Gendered Household Type	0				5,000	607	3,593	4,976	8,501	8,501	10,000	15,000
Adult Female no Adult Male (FNM)	0				2,300	140	654	796	1,564	1,564	4,600	6,000
Adult Male no Adult Female (MNF)	0				200	42	405	456	557	557	400	500
Male and Female Adults (M&F)	0				2,500	425	2,443	3,633	6,198	6,198	5,000	8,500
Child No Adults (CNA)							91	91	182	182		
Disaggregates Not Available												
4.5.2(14): Number of vulnerable households benefiting directly from USG interventions	0	1,000	0	0	2,000	197	1,165	1,739	3,875	3,875	2,800	3,920
New/Continuing	0											
New	0				2,000	197	968	574	2,136	2,136	800	1,120
Continuing							197	1,165	1,739	1,739	2,000	2,800
Disaggregates Not Available												
Gendered Household Type	0				2,000	197	1,165	1,739	3,875	3,875	2,800	3,920
Adult Female no Adult Male (FNM)	0				920	68	683	825	1,365	1,365	1,840	1,640
Adult Male no Adult Female (MNF)	0				80	5	0	34	86	86	160	320

Annex I: FTFMS TABLE

Male and Female Adults (M&F)	0				1,000		119	455	853	2342	2,342	1,400	1,960
Child No Adults (CNA)							5	27	27	82	82		
Disaggregates Not Available													
4.5.2(23): Value of incremental sales (collected at farm-level) attributed to FTF implementation	759.26	0	151.85		151.85		0	0	0	(202.56)	0	227.77	303.70
FTF 4.5-4 : Gross margin per dairy cow	223.05	0	0		267.66		0	0	0	189.04	189.04	289.96	312.27
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	3,459	8,275	12,000	14,000
Type of organization													
Producer organization	0				7,500		607	2,951	1,257	3,459	8,274	11,250	13,125
Non-producer-organization CBO	0				500				1	0	1	750	1,875
Disaggregates Not Available													
Sex	0				8,000		607	2,951	1,258	3,459	8,275	12,000	14,000
Male	0				4,000		451	1,934	912	2,150	5,447	6,000	7,000
Female	0				4,000		156	1,017	346	1,309	2,828	6,000	7,000
Disaggregates Not Available													
4.5.2(28): Number of private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) that applied new technologies or management practices as a result of USG assistance	0	100	0		250		1	128	165	228	228	400	500
Type of organization	0				250							400	500
Private enterprises (for profit)	0				150			6	7	62	75	240	300
Producers organizations	0				85		1	23	29	1	54	135	170
Water users associations											0		
Women's groups											0		
Trade and business associations	0				7			98	1		99	12	15
Community-based organizations (CBOs)	0				8							13	16
Disaggregates Not Available													
New/Continuing	0				250		1	128	165	228	228	400	500
New	0				250		1	127	37	63	63	150	100

Annex I: FTFMS TABLE

FTF Indicator 4.5.2-38: Value of new private sector investment in the dairy sector or food chain leveraged by FTF Implementation	0	#####		\$0	\$4,000,000	\$0	\$0	\$185,312	\$543,284	\$728,596	\$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	0	3	2	2
Sector	0										2	2
Inputs	0						0	0	0	0	1	1
Outputs							0	0	0	0		
Macroeconomic							0	0	0	0		
Agricultural sector-wide	0			1	1		1	2	0	0		
Research, extension, information, and other public service	0							0	0	0	1	
Food security/vulnerable								0	0	0		
Climate change adaptation or natural resource management (NRM) (ag-related)								0	0	0		
Disaggregates Not Available								0	0	0		1
Stages of development	0				1		0	0	0	0	2	2
Stage 1 of 5 Number of policies / regulations / administrative procedures analyzed	0			1				2	0	0	2	
Stage 2 of 5 Number of policies / regulations / administrative procedures drafted and presented for public/stakeholder consultation	0						1	0	0	0	1	2
Stage 3 of 5 Number of policies / regulations / administrative procedures presented for legislation/decrees								0	0	0		2
Stage 4 of 5 Number of policies / regulations / administrative procedures prepared with USG assistance passed/approved								0	0	0		

Annex I: FTFMS TABLE

Stage 5 of 5 Number of policies / regulations / administrative procedures passed for which implementation has begun	0					1				0	0	0		
Disaggregates Not Available										0	0			

First name	Last name	Comment												
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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	Quarter 4		PPR	PPR	
Custom Indicator 1 a : Volume of milk marketed by Milk Collection Centers (in Liters)	16,067,127					19,280,553		0	0	9,340,582	15,873,227	25,213,808	20,887,266	22,493,978	
Custom Indicator 1.1.1 a: Value of inputs and services used by members of targeted cooperatives (USD)	231.63					324.28		0	0	0	227.78	227.78	370.60	393.77	
Custom Indicator (a): Change in net dairy income among targeted households(in USD)	526.31					105.26		0	0	0	(197.39)	(197.39)	157.89	210.52	
Custom Indicator 1.2 a: Number of new milk quality assessment technologies/protocols adapted/implemented	0					2		0	0	5	0	5	2	3	
Custom Indicator 1.3 a: Number of new products awarded RSOQ	0					5		0	0	0	0	0	8	8	
Custom Indicator 1.3 b: Percentage of milk marketed under RSOQ	0					10%				0	0	0	15%	20%	
Custom Indicator 2.1 a: Number of dairy related firms and organizations newly aligned within and provided a voice by dairy sector affinity organizations	0					70		0	0	12	0	12	70	70	
Custom Indicator 2.2 a : Number of dairy enterprises with upgraded production facilities resulting from successful financing applications						500		0	0	0	1	1	500	600	
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	0	20,000	30,000	

Annex I: FTFMS TABLE

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%	38%		38%	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%		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%		85%	75%	80%



FIRST PERSON

Kivu Dairy Brings Quality to the Market

**Higher Incomes for Farmers,
Better Milk for Consumers**



Through a Kivu Dairy interest free credit program made possible by RDCP II, 30 farmers have adopted the process of collecting milk with metal cans instead of wooden cans, a best practice that helps ensure hygiene as a way of enabling business growth. Kivu Dairy encourages farmers to clean cans as soon as they deliver milk.

“The Seal of Quality Kits in addition to the training on milk testing, handling and quality has enormously boosted our dairy business.”

*— Mr. Bosco Musafiri,
Kivu Dairy manager*

Telling Our Story

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

Improving quality for a perishable good that spoils quickly—milk—requires access to disease-resistant livestock, a dairy farmer’s clean hands, rapid product transportation, hygienic processing, and adequately-refrigerated distribution centers. In the Rubavu district of Rwanda, which shares a border with Democratic Republic of Congo, this process does not necessarily come easily given mid-1990s conflict, which centered on tensions between cattle owners, Tutsis, and farmers, Hutus. Damaged during the conflict, the dairy sector lags and requires technical assistance to produce quality milk.

Mr. Bosco Musafiri is the manager of Kivu Dairy. His company is a client of the Rwanda Dairy Competitiveness Program II (RDCP II), an initiative designed to integrate stakeholders— from the farm level to the end-user’s point of sale. Launched in early 2012, this project funded by the U.S. Agency for International Development (USAID) and implemented by Land O’Lakes International Development provided Seal of Quality kits, containing milk testing gear, to 31 dairy cooperatives and five milk processors. “The project has enormously boosted our dairy business,” says Musafiri. “The kits brought us new and better technology to help differentiate the grades of milk.”

In Rwanda, four grades divide the formal milk market. Grades 1 and 2 contain low bacteria counts. Grade 3 and “Not Acceptable” contain levels that could cause serious illness or death to consumers. Informal kiosks, which are Kivu’s main competitors in the market, often offer Grade 3 or lower. Between 85 - 95 percent of Rwandan milk drinkers shop at kiosks because impurities are often undetectable visually. It is also more affordable.

“Now, we offer price-based incentives to encourage farmers to deliver high quality milk, which attains a higher price for the farmer,” says Mr. Musafiri. Current outcomes are promising. Daily collected milk volume has increased 50 percent, from 800 liters to 1,200 liters. Additionally, Kivu’s interest-free credit arrangement has allowed 30 farmers to acquire hygienic, metal milk cans. Improved milk quality and quantity gave Inyange Industries, Rwanda’s largest milk buyer based outside Rwanda’s capital, Kigali, the confidence to contract with Kivu Dairy to supply 1,500 liters of clean milk daily, providing a welcome and worthwhile income boost for Kivu’s milk suppliers.

Annex III: LIST OF COOPERATIVES SUPPORTED BY RDGP II

LIST OF MILK COLLECTION CENTER ENROLLED BY RDGP II					
DISTRICT	SECTOR	COOPERATIVE	SITE	LITERS COLLECTED /DAY	COOLING TANK INSTALLED CAPACITY
NORTHERN MILK SHED					
Musanze	Muhoza	Iwacu Zirakamwa	Musanze Town	-	2 200
Musanze	Kinigi	Agiragitereka	Kinigi	1 100	2 200
Rulindo	Rukozo	ABIKI	Rukozo	100	2 500
Rulindo	Base	CTSOR	Base	780	0
Rulindo	Ntarabana	Karenzi milk Collection Center	Kajevuba	1 500	2 000
Nyabihu	Muringa	INKOMEZAMIRYANGO	Nyirabihururu	800	2000
Nyabihu	Bigogwe	CEMO	Arusha	2 000	2 200
Nyabihu	Bigogwe	UPROCENYA	Bigogwe	1 700	5 000
Nyabihu	Rambura	CEZONYI	Nyiragikokora		2 200
Rubavu	Kanzenze	Zirakamwa-Twicundire	Mizingo	600	2 100
Rubavu	Kanama	CODAMIN	Nkomane	500	2 200
Rubavu	Kanama	Koperative y'aborozi ba Gitwa	Gitwa	1 500	2 200
Rubavu	Gisenyi*	CODERU	Gisenyi	500	5 000
Rubavu	Bugeshi	KOAIBU URUMURI	Bugeshi	-	2 500
Rubavu	Rugerero	Kivu Dairy	Rugerero	1 200	6 000
Rubavu	Busasamana	KABU	Busasamana	800	-
Rubavu	Mudende	KAMU ZIRAKAGWIRA	Mudende	2300	5 000
Rubavu	Bugeshi	TUZIKAMIRE KABUMBA	Kabumba	1500	-
Rubavu	Mudende	TUGEMURE MATA	Mudende	1 200	-
		KIGALI MILK SHED			
Gasabo	Bumbogo	GASABO ZIRAKAMWA	Bumbogo	-	2 500

Bugesera	Mayange	CODECOL	Mbyo	200	1 500
Bugesera	Nyamata	BMCC(COPEM&COE DIBU)	Nyamata	400	5 000
Gicumbi	Byumba	IAKIB	Kageyo	21 000	20 000
Gicumbi	Byumba	GIRAMATA	Byumba	2 800	2 800
Gicumbi	Kajevuba	KAJEVUBA MCC	Kajevuba	1 500	
Gicumbi	Rutare	COARU	Rutare	1 500	
Gicumbi	Bukure	COPEMOBU	Bukure	2 000	5 000
		EASTERN MILK SHED			
Nyagatare	Karangazi	Abarwanashyaka milk supply	Karangazi	2000	2000
Nyagatare	Nyagatare	Abashumbabeza	Nyagatare	1500 - 2000	3000
Nyagatare	Rwimiyaga	Bwera Ntoma Rutungu Tworore(BNRT)	Rwimiyaga	5000	5000
Nyagatare	Rwimiyaga	Isangano Giramata Gacundezi(IGG)	Rwimiyaga	3000	3000
Nyagatare	Rwimiyaga	Kirebe Kamate Zirakamwa(KKZ)	Rwimiyaga		4800
Nyagatare	Karangazi	Terimbere mworozi (Mbare)	Karangazi	5000 - 6000	5000
Nyagatare	Katabagemu	Katabagemu Farmers Cooperative	Katabagemu	1500-2000	5000
Nyagatare	Karangazi	Rwabiharamba Dairy farmers Cooperaive	Karangazi	4000	8000
Nyagatare	Matimba	Matimbatwororekijya mbere (MATWOKI)	Matimba	2500 - 3000	5000
Nyagatare	Rwempasha	Bweya, Cyenjojo, Rwempasha, Kazaza (BCRK)	Rwempasha	3000 - 4000	5000
Nyagatare	Nyagatare	Nyagatare dairy Marketing Cooperative society(NBMCS)	Nyagatare	3000 - 4000	3000
Nyagatare	Tabagwe	Muvumbazirakamwa Dairy Cooperative	Tabagwe	2000	5000
Gatsibo	Kiramuruzi	Murambi dairy cooperative society (MUDACOS)	Kiramuruzi	1500	300
Gatsibo	Kiziguro	Kiziguro Dairy Cooperative	Kiziguro	500	2500
Gatsibo	Kabarore	Kibondo Farmers Cooperative	Kabarore	2000	5000
Gatsibo	Rwimbogo	Rwimbogo Dairy Business Center	Rwimbogo	4000	5000
Rwamagana kigabiro	Kigabiro	Dukundamatungo dairy Cooperative	Kigabiro	1500-1700	2000

Rwamagana Rubona	Rubona	CECOLA -Zirakamwa	Rubona	100-150	2000
Rwamagana Musha	Musha	KOAMUSHA	Musha	N/A	still new
Rwamagana Gahengeri	Rwamagana	COOPAG	Gahengeri	200-250	5000
Kayonza	Ndego	COABONDE	Ndego	1200-1500	4000
Kayonza	Mulundi	Mulundi Farmers Cooperative Society (MUF COS)	Mulundi	1200-1500	5000
Kayonza	Gahini	Gahini Dairy Farmers Cooperative(GAF CO)	Gahini	800-850	2000
Kayonza	Gahini	Rubaya Milk Cooling Center	Gahini	N/A	still new
Kayonza	Mukarange	Mukarange Milk Colling Center	Mukarange	N/A	still new
Nyanza	Kibilizi	KIBILIZI Farmers Cooperative	Nyanza	600ltrs	0
		SOUTHERN MILK SHED			
Huye	Rusatira	AGIRAGITEREKA/	Huye	1500ltrs	2500
Nyanza	Busoro	GWIZUMUKAMO	Nyanza	1300ltrs	2000
Nyanza	Nyagisozi	GIRAMATA MWOROZI		1200ltrs	2000
Kamonyi	Rugalika	RUGALIKA MCC	Kamonyi	600ltrs	1500
Nyanza	Muyira	TWIYORORERE KIYAMBERE	Nyanza	0	2500
Kamonyi	Kayenzi	COOPEKA/KAYENZI	Kamonyi	1200ltrs	2000
Kamonyi	Gacurabwenge	AMIZERO Y'ABOROZI	Kamonyi	1000/1500ltrs	2000
Huye	Kinazi	KINAZI MCC	Huye	0	2000
Ruhango	Byimana	BYIMANA MCC	Ruhango	0	0
RUHANGO	Bweramana	BWERAMANA MCC	RUHANGO	1000ltrs	2000
GISAGARA	Ndora	Ndora MCC	GISAGARA	0	
Huye	Kinazi	KINAZI MCC	Huye	0	
Huye	Rusatira	AGIRAGITEREKA Collection Center	Huye	500/700ltrs	2500
Nyanza	Kinazi	2 KIDACO collecting without a cooler	Nyanza	4500-5000ltrs	No cooler
Huye	Ngoma	3 NGOMA FARMERS COOPERATIVE colecting without a cooler.	Huye	400ltrs	No cooler

Annex IV: VOLUME OF MILK COLLECTED BY MCCs

LITERS OF MILK COLLECTED PER MONTH																	
MCC NAME/PROCESSORS		DISTRICT	Oct-12	Nov-12	Dec 12	Jan-13	Feb 13	Mar-13	April 13	May 13	June 13	Jul-13	Aug-13	Sep-13	Total		
NORTH	1	BUGESHI TUZIKAMIRE KABUMBA	Nyabihu	15 200	18 520	20 160	21 600	23 040	18 240	12 640	11 400	25 000	23 750	26 200	28 400	244 150	
	2	CEMO Nyabihu	Nyabihu	31 096	38 846	62 610	67 050	77 771	66 918	65 208	55 966	45 567	53 674	36 680	28 880	630 266	
	3	CEZONYI Nyabihu	Nyabihu	72 590	69 761	66 111	73 143	72 243	70 576	65 294	65 150	56 000	61 957	50 165	45 234	768 224	
	4	CODERU	Rubavu	-	-	-	-	1 872	3 546	3 780	3 452	4 369	4 056	2 753	7 358	31 186	
	5	Gishwati Farm (Processor)	Nyabihu	-	-	-	-	-	-	-	-	-	-	-	-	-	
	6	KAMU Zirakagwira	Rubavu	28 476	22 805	23 979	20 487	40 544	42 818	31 254	23 548	39 411	38 625	51 703	48 488	412 138	
	7	KIVU Dairy	Rubavu	25 035	33 918	28 237	26 536	31 249	30 119	27 033	29 517	27 093	31 897	27 965	30 699	349 298	
	8	Zirakamwa Mizingo	Rubavu	15 332	7 993	23 765	24 830	23 316	6 010	8 736	7 781	11 277	11 978	10 165	12 538	163 721	
	9	Agiragitereka - Kinigi	Musanze	-	-	-	-	-	-	2 658	17 117	18 194	27 852	14 256	16 017	96 094	
	10	CTSOR- Rulindo & ABIKI	Rulindo	-	-	-	-	-	-	4 640	20 142	16 944	15 643	14 467	12 610	84 446	
	11	Zirakamwa - Muhoza	Musanze	11 508	9 746	7 987	-	-	-	-	-	-	-	-	-	29 241	
	12	CODAMIN	Rubavu	11 000	10 123	10 100	10 106	9 219	9 991	10 334	5 574	9 866	10 535	10 045	11 567	118 460	
	13	KOABU Urumuri	Rubavu	-	-	-	-	-	-	-	-	-	-	-	13 458	13 458	
	14	INKOMEZAMIRYANGO	Nyabihu	15 000	14 870	15 640	15 430	17 450	15 890	16 320	13 950	14 150	14 765	12 345	13 600	179 410	
	15	MUHE FARM (Processor)	Nyabihu	-	-	-	-	-	-	-	-	-	-	-	-	-	
	16	UPROCVENYA	Nyabihu	-	-	-	-	-	-	-	-	11,549	17,681	13,936	15,922	29 858	
SOUTH	17	BWERAMANA Turengeborozzi	Ruhango	4 622	4 120	5 403	4 912	3 754	4 220	3 754	9 240	5 986	5 130	3 200	3 800	58 141	
	18	Cooperative Amizero y'Aborozi	Kamonyi	30 026	9 497	15 973	17 025	5 344	6 565	7 310	8 159	13 457	17 919	18 765	24 753	174 791	
	19	MIGINA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	20	GWIZUMUKAMO Busoro	Huye	17 301	5 035	14 535	19 556	22 084	26 427	13 118	22 557	22 983	20 220	18 759	26 821	229 394	
	21	HADJI Enterprise	Nyanza	30 485	30 621	31 218	33 317	32 423	34 084	36 178	33 750	33 850	32 640	33 781	36 478	398 825	
	22	KOPEKA- KAYENZI	Kamonyi	26 700	23 400	26 400	27 500	23 000	16 810	16 810	24 290	12 200	27 500	24 400	25 700	281 900	
	23	KIDACO	Huye	144 252	144 375	146 755	153 966	166 245	161 310	120 000	161 610	169 867	5 735	4 835	4 300	1 383 250	
	24	Zirakamwameza Dairy- Immaculee	Nyanza	39 600	39 600	39 600	39 600	39 600	39 600	39 600	39 600	39 600	39 600	39 600	39 600	39 600	475 200
	25	Agiragitereka- Huye	Huye	-	-	-	-	-	-	39 000	33 000	30 000	24 215	21 009	19 432	166 656	
	26	Nyagisozi Giramata Mworozzi	Nyanza	18 544	19 211	17 065	20 211	23 940	22 694	23 471	15 618	16 897	20 904	17 791	19 170	235 515	
EAST	27	Abashumbabeza	Nyagatare	-	-	-	-	-	2 300	40 462	42 951	32 091	18 522	10 126	7 516	153 968	
	28	Abarwanashyaka	Nyagatare	-	-	-	-	-	23 810	29 047	94 766	9 935	48 034	7 573	213 165		
	29	CECOLA Zirakamwa	Rwamagana	-	-	-	-	5 006	5 203	-	-	-	2 340	4 625	17 174		
	30	DUKUNDAMATUNGO- Kigabiro	Rwamagana	52 395	39 522	51 504	59 594	56 627	53 716	48 479	49 801	52 352	44 841	44 892	46 560	600 283	
	31	MUDACOS	Gatsibo	9 474	10 940	12 213	14 069	13 946	15 494	2 300	2 400	2 200	12 793	7 452	9 072	112 351	
	32	COABONDE	Kayonza	-	-	-	-	-	-	-	38 846	35 825	25 675	12 330	12 330	125 006	
	33	COOPAGI-Gahengeri	Rwamagana	-	-	-	-	-	-	-	-	-	-	-	2 406	2 406	
	34	Katabagemu Dairy Farmers (Nyakigando)	Nyagatare	43 380	43 476	51 365	-	-	31 420	38 781	41 129	38 898	29 319	19 522	18 288	355 578	
	35	Rwabiharamba Dairy Farmers' Cooperative	Nyagatare	45 000	64 599	71 520	-	-	59 870	79 144	85 642	64 354	34 638	23 295	24 257	552 319	
	36	Kirebe Kamate	Nyagatare	138 275	161 277	172 403	178 205	184 876	137 368	181 507	179 531	177 887	111 083	71 380	43 475	1 737 266	
	37	Kiziguro Dairy Farmers' Cooperative- Ndatem	Gatsibo	5 382	5 554	3 755	3 353	-	-	3 662	3 237	3 755	4 542	5 875	5 337	44 451	
	38	Isangano	Nyagatare	46 842	78 706	92 675	88 442	79 342	67 354	75 511	83 877	77 842	45 636	30 577	20 091	786 895	
	39	Nyamiyaga (Gahini) Dairy Farmers Cooperati	Kayonza	-	-	-	-	-	-	-	13 800	55 500	4 800	6 000	-	80 100	
	40	Muvumba Zirakamwa Dairy Cooperative	Nyagatare	-	-	-	-	-	-	-	-	-	7 713	3 043	3 438	14 194	
	41	Matimba Tworore Kijyambere	Nyagatare	-	-	-	-	-	-	2 434	4 666	3 990	2 217	1 157	1 377	15 841	
	42	Buhabwa Dairy Farmers Cooperative	Kayonza	-	-	-	-	-	-	-	63 360	10 950	19 260	13 200	21 000	127 770	
	43	Nyagatare Dairy Marketing Society Cooperat	Nyagatare	29 522	33 342	51 397	57 878	41 237	31 802	38 233	31 721	10 608	2 165	3 585	3 411	334 901	
	44	Terimbere Mworozzi-Mbare	Nyagatare	93 527	198 088	124 700	128 793	102 276	82 046	908 545	106 956	906 246	46 089	17 612	9 083	2 723 961	
45	BCRK	Nyagatare	-	-	-	-	-	-	-	-	-	60 785	31 039	21 456	113 280		
46	Rwimbogo Dairy Business center	Gatsibo	-	-	-	-	-	-	-	-	-	16 250	9 225	12 538	38 013		
47	BUGESERA MILK COLLECTION CENTER (BMCC)	Bugesera	10,946	7 620	9 580	9 130	7 744	10 203	10 653	11 257	11 012	12 652	14 326	13 049	117 223		
KIGALI	48	CODECOL	Bugesera	6 499	6 463	6 540	6 882	5 986	6 490	6 516	6 803	3 190	601	3 969	6 363	66 302	
	49	YAMI Ltd	Gasabo	2 121	2 533	2 568	2 910	2 804	3 085	1 023	1 638	1 891	1 759	1 760	1 280	25 372	
	50	IAKIB- Gicumbi	Gicumbi	438 417	456 050	514 253	549 016	532 551	599 417	620 640	629 796	589 511	632 159	630 184	276 259	6 468 250	
	51	Gasabo Zirakamwa Cooperative	Gasabo	-	-	-	-	-	-	-	-	-	-	-	-	-	
	52	Blessed Dairies Ltd	Gicumbi	-	-	101 027	102 577	162 022	170 054	204 916	223 788	209 034	194 488	184 146	162 652	1 714 702	
	53	Bukure MCC	Gicumbi	-	-	-	-	-	-	-	36 171	39 809	48 780	63 520	65 309	253 589	
	54	ANGEANA	Gasabo	-	261 322	300 200	256 300	220 647	122 209	115 406	131 400	133 700	160 407	83 096	81 142	1 865 829	
	TOTALS			1 447 600	1 871 932	2 121 235	2 032 417	2 024 150	1 979 841	2 954 362	2 419 236	3 168 121	2 035 702	1 794 503	1 364 711	25 213 808	

Annex V: EMMP ANNUAL REPORT

RDCPII Environmental Regulatory Compliance Status Update

RDCPII's environmental mitigation and monitoring plan was approved by USAID in October 2012. Two overarching activities were categorized as medium/unknown risk and require mitigation activities to reduce the risk of harm to the environment. These activities are:

- 1) Technical assistance provided to stakeholders in:
 - Milk processing techniques
 - Improvement of milk quality
 - Improved animal husbandry practices
 - Feed & fodder production or development

- 2) Provision of grants to SMEs and farming organizations for:
 - Expanded dairy production operations
 - Feed/Forage production or manufacturing
 - Milk bulking, processing, and transport
 - Provision of improved animal husbandry and animal health services and input supply
 - Development of laboratory services
 - Inspection services
 - Other – to be identified

This section provides a review of the mitigation activities implemented by the Rwanda Dairy Sector Competitiveness Project II (RDCPII). An EMMP reporting table for RDCPII and its current sub-grantees is provided in the table below:

Technical assistance provided to stakeholders

The RDCPII team understands that to increase the likelihood that beneficiaries are adopting environmental best practices, information needs to be shared repeatedly and woven into dairy production and processing capacity building activities. Since receiving approval, the RDCPII team has reviewed project approaches, activities and training materials to identify activities where mitigation activities have already been integrated and those not being addressed. The only curriculum that still requires inclusion of mitigation measures is the BDS training curriculum (for RDCPII EMMP mitigation measure: *Integrate environmental compliance into BDS training curriculum*).

Our current approach curriculum already includes key public health, environmental conservation information. Specific examples include:

- Prevention of overgrazing: Availability of animal feed (supplements and forage) is an important limiting factor to livestock production in Rwanda. Traditional free grazing is not sufficient because of shrinking land availability and competition with agriculture production areas. RDCPII aims to prevent expansion of severely degraded from overuse and reduce any conflict between agriculture and dairy production. For farmers to maintain a healthy herd, increase dairy animal birthing rates and increase milk production, adequate year-round supply of nutritious animal feed is paramount. Thus increased production and storage of forage and supplemental feeding practices are a large part of the RDCPII dairy training curriculum. Because of small parcel sizes, project recommended forage species can be grown along fencelines/borders (e.g. vines, shrubs, trees) or serve a dual purpose (improve soil fertility, provide food for humans, wood can be used for construction). Preservation and storage of crop residues is another key technique promoted by RDCPII.

- Animal Health: A primary objective of the RDCPII project is to increase farmer incomes through dairy-related activities. To ensure increased milk production and improved reproductive rates, farmers must keep animals healthy and free of disease. Thus, all dairy farmer beneficiaries receive targeted and repeated animal health trainings for better disease identification, treatment and control. RDCPII is also working with animal health service providers to improve their technical capacity. All trainings include the safe use and handling of animal health drugs including withdrawal periods for milk (the period of time that milk from animals receiving drug treatments before it can be consumed by humans).

Although the majority of RDCPII beneficiaries have received key environmental messages (mitigation activity), implementation of periodic site visits and compliance checklists has not yet started. These monitoring activities will begin in the coming year.

Provision of grants to SMEs and farming organizations

To date, RDCPII has submitted an environmental review and recommended determination for 66 sub-awards. 56 of these were approved, 6 rejected and 4 are still undergoing review. For all sub-awards receiving a decision of Negative Determination with Conditions include an Environmental Mitigation and Monitoring Plan (EMMP). These EMMPs including 2013 results are provided in the table in Annex IV.

Similar to the approach outlined above, RDCPII has integrated the capacity building of stakeholders on mitigation measures have been integrated into the overall capacity building program. For example, UC Davis, and RDCPII implementing partner, training material is designed for creating protocols and streamlining laboratory management including sterilization (by autoclaving) and incineration (if application) that is appropriate for those specific labs. Waste disposal and basic regulatory and food safety is the integrated part of milk microbiology training program. In fact RAB extension lab already have proper disposition of waste in place. After training RDCPII continues monitor the progress as well as adherence with the protocol and environmental measures compliance for 4-6 months.

The RDCPII Seal of Quality activity includes the capacity building of 29 MCCs and 5 processors. Under this activity RDCPII works with dairy farmers, milk collection centers (MCCs) and milk processors to improve the overall supply of milk being supplied to consumers. Hygiene can be split into various milk-harvesting practices, such as health and personal hygiene, environmental hygiene, milking procedures and milk handling, and finally post-milking procedures. All environmental mitigation measures (i.e. specific training messages) are integrated into and throughout the curriculum for each stakeholder group. For example, at farmer level key messages include basic hygiene (hand/teat washing, can washing) and maintaining good animal and public health. Similarly, MCCs and processors receive messages on equipment cleanliness and disposal of tainted milk. While delivering these messages, the RDCPII technical team educates stakeholders on safe disposal of waste water and milk (i.e. do not dump into streams or where animals or children may access it). Most of the capacity building activities of MCC's and processors are provided as part of the approved Seal of Quality sub-award. Thus, the details of the mitigation measures will be discussed in the sub-awards activity section below.