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USAID KENYA DAIRY SECTOR COMPETITIVENESS PROGRAM

QUARTERLY PROGRESS REPORT
OCTOBER 2009 - DECEMBER 2009

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Contractor Information:

Mulinge Mukumbu/Daniel Diang'a
Land O'Lakes, Inc.
P.O. Box 45006, 00100,
Nairobi, Kenya
Phone: 254-20-3748526 or 3748685
Fax: 254-20-3745056

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List of Acronyms

ABSTCM Ltd	African Breeders Services Total Cattle Management Limited
BDS	Business Development Services
CAIS	Center for Artificial Insemination Services
DTF	Dairy Task Force
ESADA	Eastern and Southern Africa Dairy Association
GMP	Good Management Practices
HPI	Heifer Project International
KCC	Kenya Cooperative Creameries
KDB	Kenya Dairy Board
KDSC	Kenya Dairy Sector Competitiveness Program
KENDAPO	Kenya National Dairy Producers Organization
KLBO	Kenya Livestock Breeders Organization
LOL	Land O'Lakes, Inc.
MOLFD	Ministry of Livestock Development
MOLD (DVS)	Ministry of Livestock, Department of Veterinary Services
NGO	Non Governmental Organization
PERSUAP	Pesticide Evaluation Report Safer Use Action Plan
PEV	Post Election Violence
PIS	Performance Improvement Services
PMO	Pasteurized Milk Ordinance
PMP	Performance Management Plan
RMC	Resource Mobilization Centre
SBO	Smallholder Business Organizations
SoW	Scope of Work
SITE	Strengthening Informal Sector Training and Enterprise
SNV	Netherlands Development Organization
USAID	United States Agency for International Development
WWS	World Wide Sires Consortium

Executive Summary

The report summarizes the key activities implemented and the associated accomplishments for the Kenya Dairy Sector Competitiveness Program (KDSCP) in the first quarter of the 2009/10 Fiscal Year. The KDSCP activities contribute to the achievement of intermediate results under USAID/Kenya Mission's SO7 on "Increasing Rural Households Income."

Key Highlights

The key highlights for the reporting period include:

- Reached an additional 23,803 rural households in the quarter. These are households reached through program-facilitated capacity building events including field days, exposure tours, farm demonstrations, service provider trainings, among other program-facilitated activities.
- Facilitated capacity building of more than 12,200 dairy farmers in the quarter. Program interventions focused on training dairy farmers in operational zones to equip them with necessary technical skills to increase herd productivity and incomes. The training forums, organized in collaboration with key stakeholders such as private service providers, Ministry of Livestock extension personnel, Kenya Dairy Board, covered diverse topics such as feed/fodder production, appropriate feeding regimes, feed conservation and formulation, modern breeding techniques and milk handling hygiene.
- Realized an exponential growth in milk volumes traded by smallholders' farmers. Groups working with the program recorded an impressive increase in volume of trade with 68,480 metric tons moved in the period from 23,292.8 metric tons in the previous quarter. This was mainly due to participating farmers adopting productivity-enhancing technologies that the KDSCP is promoting with the onset of the rainy season.
- Uptake of Artificial Insemination in breeding in areas where most farmers were using bulls for breeding has been observed. Overall, the proportion of farmers using artificial insemination has gone up and now stands at 56% of farmers participating in program compared to 40% at the start of the program. In Kericho, the proportion now using AI is 50%. Officials of farmer groups and service providers in Trans Nzoia Milk shed cite increased business as a result of the KDSCP program. The Agricultural Development Corporation (ADC), the distributor of semen in Trans Nzoia Milk Shed recorded a 21% increase in volume of semen moved between March and October, 2009.
- Sixty-nine out of the 70 Smallholder Business Organizations (SBOs) participating in the program are operating profitably. Member farmers now receive fairer prices for their produce (milk). A number of these organizations have also embraced gender balance in their management, with women and youth elected as group officials.
- Program milk quality interventions have started bearing fruit at the farm level. Program-facilitated farmers and farmer groups milk procurement staff trained on milk handling and hygiene have reportedly begun to bear positive results. Suka Cooperative Society has reported zero volumes rejected based on quality after receiving these trainings in sharp contrast to previous periods before receiving the training.

- Facilitated the successful revival of the Kenya Dairy Processors Association in the reporting period. This is a major step forward and will ensure that processors speak with one voice on policy and regulatory issues going forward. The association collapsed some time back mainly due to a lack of direction and wrangles among the processors in the country.
- Facilitated training of **47** breed inspectors to meet the demand for dairy animal registration. Before this, the breed societies did not have enough breed inspectors to handle the nationwide interest in animal registration. For participating farmers, this initiative is expected to realize immediate and considerable gains in terms of added wealth from increased value of registered animals. Since registered animals are expected to use Artificial Insemination when breeding, it is anticipated that the superior and higher-producing progenies/offsprings will help the program realize its target of increasing yield per cow per day to 15 liters.
- A Good Manufacturing Practices manual for the dairy industry was approved as an official Kenya Bureau of Standards industry standard in the reporting period. This standard forms the basis for Good Manufacturing Practice training for milk collection centers, milk bars/shops and milk processing plants staff and personnel that will begin in the second quarter of 2010. The program will now commence training of 1250 actors along the value chain and include “compliance to the standard” as a requirement for licensing. The text of the proposed Dairy Regulations was finalized, having been approved by a public committee representing the concerned government ministries and associated dairy industry organisations. The Dairy Regulation has been submitted to the Kenya Dairy Board for legislation as a sub-regulation under the Kenya Dairy Act. Kenya Dairy Board will submit the text to the Ministry of Livestock Development. When legislated, the dairy regulation will form the basis for quality assurance throughout the dairy industry. A related achievement in the quarter included completing the final text of a reader friendly Code of Hygiene for the industry.
- The program contracted a consultant – Vedaman Consultants – to work with the technical working group appointed by the Permanent Secretary, Ministry of Livestock Development to develop the Dairy Master Plan in the quarter. The consultant is currently in the field collecting stakeholder views. Once finalized, the Master Plan will provide the technical direction for the industry in an effort to enhance competitiveness.
- In this quarter, the program supported the Dairy Task Force’s National Dairy Stakeholders’ Forum. The theme of the forum was “promoting synergy in the dairy sector”. The forum was organized with an aim of enhancing competitiveness in the dairy industry through stakeholder interaction, networking and development of sustainable alliances across the value chain. The minister and his permanent secretary attended the forum and effectively fielded questions from the stakeholders.
- Implemented action plans developed by stakeholders to build capacity to improve operations of the Smallholder Business Organizations (SBO) and farm-level productivity. Seventy farmer groups working with the program have participated in capacity building activities. We have now exceeded program target of fifty groups by end of Year 2.
- Provided technical assistance in producer group formation and registration, as well as training in group leadership and governance to seven (7) new farmer groups in the reporting period. The program also provided market information and technical assistance that aided the development of market linkages with traders, processors and other bulk purchasers of milk to ensure that the milk produced reaches the market for these new groups. These efforts have now enabled over

3500 dairy farmers to access better markets at better prices than when they were selling milk individually.

- Aided the development of strong and business-oriented smallholder dairy cooperatives in the quarter. In the reporting period, Suka Cooperative in Nakuru milk shed was linked to a feeds manufacturer. The 514 farmers affiliated to the cooperative are now able to access animal feeds on credit and pay by end of month from milk proceeds
- The program carried out training for **22** farmer cooperatives in the quarter through business performance review workshops, training in business and financial management, commercial/co-operative law, dairy record systems, milk-cooling operations, artificial insemination project management, and merchandise management. All farmer groups working with the program have now had their committee officials trained. This is expected to improve management at the farmer group level, resulting in greater benefits to member farmers.
- In the reporting period, 10 cooperatives in Kinangop milk shed had their strategic plans finalized, while 8 groups finalized business planning in Kericho milk shed. This now brings the total number of groups with strategic plans to 14. The remaining 56 groups are projected to finalize their plans by end of the year.
- Engaged with the cumulative 295 service providers who now provide additional services against a target of 150 by end of year two of program implementation. In the reporting period, **96** service providers (of the cumulative total of 295) were trained and linked to dairy cooperatives in Kinangop and Nyeri milk sheds. A further 6 were recruited and linked to farmer groups in Trans Nzoia milk shed.
- The program leveraged an estimated \$978,000 in nonproject resources through collaborations with other sector players via the DTF in the reporting period. This was achieved through stakeholder contributions to sector initiatives – both in kind and monetary. A significant proportion was realized from farmers’ participation in program-organized events.

I.0 Introduction

Land O'Lakes is implementing the Kenya Dairy Sector Competitiveness Program (KDSC) with the financial and technical support of the United States Agency for International Development (USAID). The KDSC is a five-year program that aims to improve Kenya's dairy industry competitiveness. Under this program, Land O'Lakes, Inc. employs a market-driven value chain approach, utilizing a Business Development Services (BDS) methodology. The KDSC will help transform the Kenyan dairy industry into a globally competitive, regional market leader, with the overall goal of increasing smallholder household income from the sale of quality milk. Land O'Lakes is facilitating this transformation, while the industry stakeholders are leading it.

The Program objectives are three-fold:

- Increase competitiveness of the Kenyan dairy sector through collaboration among sector stakeholders and increased capacity of public sector agencies to serve the needs of the sector;
- Increase marketing of milk meeting quality standards by producer-owned milk bulking/cooling businesses; and
- Enhance access to market-linked business development services and technologies by male and female dairy farmers and processors producing dairy-related inputs.

In its implementation, the program pays particular attention to environmental and gender concerns and effects corrective action as appropriate. The KDSCP takes into account the varying roles, assets, knowledge and skills that men, women and youth bring to dairy farming. The program therefore facilitates the implementation of opportunities for integrating youth and family members into dairy value-chain economic activities.

Towards Strategic Objective 7

The KDSCP contributes to the USAID Strategic Objective 7.0 on "Increased Rural Household Incomes." The Program is implemented through a range of activities grouped into three broad components. The components and the associated deliverables are:

Component I: Enhanced Capacity for Milk and Production Input Quality Certification and Market Promotion

Deliverables comprise:

- Increased smallholder household income
- Increased use of technology
- Improve and enact industry policies and acts that enhance competitiveness
- Develop and implement/enforce quality certification frameworks and work towards a graded payment system
- Dairy enterprises achieve national/international certifications and enforcing quality regulations on suppliers
- Increase feed marketed under new quality standards

Component 2: Dairy Smallholder Business Organization (SBO) Development

The key deliverables are:

- Producer organizations strengthened.
- Increased number of MBCs with HACCP and /or SBOs with national certifications.
- Increased raw milk sales by SBOs under agreements that pay premium for quality.
- Increased gross revenue of milk bulking/cooling businesses from sale of inputs and services other than milk
- Increased number of SBOs transformed into sustainable businesses entities
- Increased number of cooling units installed/rehabilitated by SBOs

Component 3: Availability of dairy Business Development Services

Key outcomes/ impacts will include:

- Enhanced range of business services to producers
- Increased value of services/inputs provided by business service providers
- Increased number of smallholders purchasing private sector services at full commercial rates
- New technologies or management practices made available for transfer
- Increased number of dairy farmers receiving loans from financial service providers
- Increased number of smallholders engaged in new, diversified dairy-related enterprises
- Increased number of dairy farmers receiving short-term training

Implementation Strategy and Key Activities

The KDSC Program is implemented using innovative, international best practice approaches and methodologies that ensure achievement of expected results and sustainability of impacts long after the end of the program. Using this methodology, Land O'Lakes, Inc., the implementing agency, using local service providers and facilitators, supports market-based services/solutions, and action-oriented policy research to overcome both industry-level and enterprise-level constraints to competitiveness at key points along the dairy value chain. Industry stakeholders have since been engaged to identify competitiveness constraints, and propose solutions to these constraints.

2.0 Program Implementation

This section expounds the key activities undertaken during the period under review, and the associated accomplishments/progress realized. As previously mentioned, the interventions under KDSCP are grouped into three broad areas/components, namely activities for enhancing quality of inputs and products, including policy and standards review and advocacy activities. Dairy smallholder business organization development and farm-level productivity activities; and activities that aim to increase dairy business development services. Achievements in the reporting are summarized below:

2.1 Component One: Enhance Capacity for Milk and Production Input Quality Certification and Market Promotion

Program interventions in this component continued to focus on strengthening dairy sector institutions and associations to equip them with the necessary skills and technical capacity to enhance industry competitiveness. The program also put considerable effort in organizing and facilitating stakeholders meetings in the reporting period to galvanize collective stand/action on issues affecting the industry. This is informed by the fact that building institutional competence is key to facilitating development and fostering longer-term sustainability through the empowerment of local actors.

Activities in the quarter also focused on reviewing industry standards to improve dairy products quality and expand markets. A sample of the activities and outputs realized in the quarter include:

- Continued facilitating capacity building of three dairy associations – Kenya Livestock Breeders Organizations (KLBO), Dairy Processors Association, and Kenya Livestock Producers Association (KLPA)
- Continued reviewing/developing industry standards to enhance product quality
- Continued facilitating meetings of the National Dairy Task Force and the Regional Working Groups
- Developed the terms of reference and selected a consultant to carry out a consumer preference survey for dairy products as a first step towards dairy products market promotion/ consumption campaigns
- Hired a consultant to develop an industry integrated management information system in the quarter

2.1.1 Continued facilitating capacity building of three dairy associations

Previous progress reports have highlighted capacity building activities for a number of industry associations. These efforts have started bearing fruit, with some of these organizations – notably the Kenya Dairy Processors Association (KDPA) – which were hitherto not operational relaunching. This is expected to give the industry a much-needed boost especially in marketing and dairy products quality issues. The program also facilitated training of 47 breed inspectors in the quarter, a move that will considerably increase the number of animals registered in the Kenya Stud Book in the country, and subsequently increase the value of animals and total wealth of participating farmers. Specific activities and achievements in the reporting period are expounded below.

Facilitated capacity-building interventions for Kenya Dairy Processors Association (KDPA)

We are pleased to report the successful revival of the Kenya Dairy Processors Association in the reporting period. This is a major step forward and will ensure that processors speak with one voice especially on policy issues going forward. The association collapsed a while back mainly due to a lack of direction and wrangles between the processors in the country.

Kenya dairy industry is the second-most-developed in Africa; however, the sector is highly unstructured and is characterized with a lot of inefficiency along the value chain. Trade of dairy products in the region and beyond is significantly compromised by the fact that local products are uncompetitive besides other cross-border challenges. A processors association is very critical in among other things growing the market for the dairy industry locally, regionally and internationally, lobbying for improved environment that foster development in the sector.

To revive the Kenya Dairy Processors Association consultative meetings were held to collect the view from the stakeholders - mainly the processors - on the process of reviving the association (KDPA). The meetings were structured taking in to account varied engagements in the industry that various processors and stakeholders have. In that regard three meetings were held as follows.

- ❖ Large processors consultative meeting
- ❖ Medium, small and cottage/mini processors consultative meeting
- ❖ A joint processors and stakeholders consultative meeting

The consultative meetings were designed to gauge the processors' keenness and willingness to revive and sustain an association and establish the overall agenda for the KDPA. Additionally, the meetings were meant to review the legal instruments and strategic plan and eventually establish a governing body and agree on an operations framework.

The three consultative meetings were held and a review of the memorandum and articles undertaken by a legal consultant hired by the program. A caretaker committee was then formed to spearhead the association's revival process. The caretaker committee proceeded to develop a 5-year strategic plan which was reviewed and adopted by the committee. A launch of the association took place on October 15, 2009, at Sarova Hotel in Nairobi, and a new caretaker committee was established to prevail over the existing board to readmit members before a formal election was undertaken. ESADA was mandated to coordinate the activities of the association in the interim before a fully operational KDPA secretariat is set up. ESADA will among other tasks keep register of members and call for application for membership from stakeholders.



A section of participants at the KDPA launch in Nairobi

The association will help the program to realize a number of key targets, especially on dairy products market promotion. Already, the program is working closely with the KDPA in the assessment consumer preference, planning dairy consumption campaigns and in the development and adoption of quality payment systems. This partnership is expected to go along way in enhancing industry competitiveness in the long run.

Facilitated capacity building interventions for Kenya Livestock Breeders Organization (KLBO)

Two major activities were successfully carried out in the reporting period:

1. Supported the KLBO to develop a marketing plan aimed at creating awareness about the organization and encouraging farmers to register their animals with the Kenya Stud Book (KSB).
2. Facilitated the training of **47** breed inspectors to meet the demand for dairy animal registration. Before this, the breed societies did not have enough breed inspectors to handle the nationwide interest in animal registration.

Dairy breed inspectors training

Following a very successful session on the benefits of registering animals for farmers at the Livestock Breeders Show and Sale in June 10th–12th, 2009, there was renewed demand for animal registration and performance recording. One of the main bottlenecks to registration and recording has been that there is a scarcity of competent persons to inspect the dairy animals for admission to the stud book register at the Kenya Livestock Breeders Organisation (KLBO). The KLBO then requested the KDSC program to facilitate a breed inspectors training to aid the exercise.

The aim of this initiative was to create a pool of inspectors accredited to KLBO who will be available to inspect dairy cattle upon request. Kenya has an estimated 3.5 million dairy cattle. 60% are Holstein-Friesians and their crosses, 30% are Ayrshires and their crosses while 10% comprise of Jerseys and Guernseys together with their crosses. Of the 3.5 million dairy cattle, only about **2%** are registered, whereas less than **0.5%** of milk produced is recorded. The five-day training was carried out from November 30, 2009 to December 4, 2009 at Chester Hotel in Nakuru. The training entailed both theory and practicals. In compliance with the program implementation methodology, an advertisement was placed in the local dailies announcing the training and inviting interested parties to apply. Applications were received and a short list prepared. Letters were sent out inviting successful applicant to the training. The trainees were requested to pay a registration fee of KES 5000. In total, 47 participants drawn from all the dairy producing area in Kenya were selected. These included a number of KLBO staff some of whom were newly recruited.

This initiative is expected to realize participating farmers immediate considerable gains in terms of increased wealth from increased value of registered animals. Industry experts estimate value of registered animals to more than double in the short term, because all registered animals are awarded registration certificates.

In the long run, the following benefits are expected to accrue to the farmers:

- Increased production for progenies: Registered animals are expected to use Artificial Insemination when breeding. This will result in superior and higher producing offspring.
- Registered animal scan also participate in agricultural and breeders shows. The shows expose farmers to markets – for dairy animals and even milk markets. Such farmers also act as service providers, and earn extra income as model farmers.

- The country currently supplies the region with dairy animals. Such buyers of dairy animals only buy registered animals, whose lineage is well-documented. Farmers registering animals will therefore be able to tap into such markets in the near future.
- At the national level, the industry will be able to know the number of dairy animals we have in the country and thus be able to plan – e.g. , be able to plan for semen importation, and
- It is expected to result in a higher number of cattle being registered and recorded. This in turn translates to better selection of bull dams, hence better bulls used for semen production, giving rise to improvement of the dairy industry in the long run.

Progress and benefits from this initiative will be reported in future reports.



Participants in a theory session



A facilitator takes participants through a cattle judging/practical session

Facilitated capacity building interventions for Kenya Livestock Producers Association (KLPA)

Initial assessment of the KLPA indicated that the association faced a number of constraints. Key among them was lack of clear understanding of who its main membership consisted of and lack of an advocacy agenda. The association has a Chief Executive Officer who has been seconded to it from the government and has offices in Nakuru.

The first activity in building its capacity was therefore to engage with its board to facilitate the process of self identification and creation of purpose in line with the demand of the external environment in which it exists. A training of the board was held in Nakuru. The main issues that came out of the training

was that the board had not spent any time developing relationships among its members and there was considerable rivalry that had led to its failure to function properly. The CEO felt that he lacked direction from the board.

The key resolutions that came out of the training were;

1. Membership- The board felt that they need to have more discussions with various livestock associations in order to build a membership base out of this group. The issue was to be discussed in their next board meeting.
2. Strategy and approaches- The board felt that they needed to re-look at their strategy and the approaches that they will be using in their service provision to their members, and they agreed to hold a special board meeting to discuss those issues.
3. Main thrust of their work- The board agreed that their role was lobbying and advocacy for issues in the livestock sector and that they needed to come up with an action plan on this. They also resolved to bring the issue for discussions in their next meeting.

The board has since never met. The rivalry within the board is such that there is little hope that the organization will actually become the apex lobbying and advocacy association for the livestock sector it hopes to become unless the board was reconstituted and new membership developed. The KDSCP offered to facilitate a meeting of livestock associations to act as a recruitment opportunity for the KLPA and also to train them on lobbying and advocacy. Unfortunately, the leadership did not have sufficient ownership of the process and expected emoluments for attending the meeting.



KLPA board members in an experiential training exercise during the Board training in Nakuru

The program has since resolved to change its approach of working with the KLPA going forward. We plan to stimulate action from the industry players via two key channels:

1. KLPA was formed by members of KLBO, mainly the breed societies. The program hopes to facilitate a meeting between the KLBO board and the KLPA board with an aim of KLBO demanding lobbying and advocacy services from KLPA and hopefully being able to enforce change of leadership at KLPA.

2. The conclusion from the capacity building efforts made on KLPA is that one of the key impediments to the development of a competitive environment in farming in Kenya is the lack of professionalism and institutional infrastructure to enforce ethical standards of behavior. The key recommendation on this is the development of a coordinating mechanism for the dairy cluster as recommended by the CEO meeting. The cluster would then be able to set enforceable standards of excellence in all aspects of the dairy value chain. This would then be the forum where associations representing farmers would be forced by peer pressure to think competitiveness and to provide services to their membership. This is the approach the program will be adopting going forward.

Progress will be reported in future reports.

2.1.2 Continued reviewing/updating/developing industry standards and documents

As mentioned in previous progress reports, improving milk quality by establishing quality certification frameworks is one of the main program intervention areas for improving industry competitiveness. Program efforts therefore continued to focus in this area in the reporting period and resulted in the code for Good Manufacturing Practices (GMP) being approved as an official industry standard. A Good Manufacturing Practices for the dairy industry was approved as an official Kenya Bureau of Standards industry standard in the reporting period. This standard forms the basis for Good Manufacturing Practice training for Milk Collection centers, Milk Bars/Shops and Milk Processing Plants staff and personnel that will begin in the second quarter of 2010. The program will now commence training of 1250 actors along the value chain and have compliance to the standard as a requirement for licensing.

The text of the proposed Dairy Regulations was finalized, having been approved by a public committee representing the concerned government ministries and associated dairy industry organisations. The Dairy Regulation has been submitted to Kenya Dairy Board for legislation as a sub-regulation under the Kenya Dairy Act. Kenya Dairy Board will submit the text to the Ministry of Livestock Development (MoLD). When legislated, the dairy regulation will form the basis for quality assurance throughout the dairy industry. A related achievement in the quarter included completing the final text of a reader-friendly Code of Hygiene for the industry.

This now takes the total number of quality certification frameworks developed by the program to three (GMP Code, Dairy Regulations and the Code of Hygiene). The program has now surpassed the program target of two quality certification frameworks developed. Focus now shifts to advocating for implementation/enforcement through the relevant industry bodies, mainly the KDB.

Other achievements in the quarter included completing the final text of the Code of Hygiene:

- Developed Scope of Work (SoW) and selected a consultant to carry out a consumer preference survey for dairy products: The KDSCP team developed a Scope of Work (SoW) and recruited a consultancy firm to carry out a consumer preference survey as a towards dairy products market promotion/ consumption campaign. Seven bids were received, reviewed and the assignment awarded to ESADA. The objective of the exercise is to assess consumer perceptions on existing dairy products and assess their preferred sources of the same. The findings of the assessment will inform the interventions needed for market promotion. The exercise should be finalized by end of Quarter 2.
- The program contracted a consultant – Vedaman Consultants – to work with the technical working group appointed by the Permanent Secretary, Ministry of Livestock development to develop the Dairy Master Plan in the quarter. The consultant is currently in the field collecting

stakeholder views. Once finalized, the Master Plan will provide the technical direction for the industry and make it competitive.

- Completed the final text of a reader-friendly Code of Hygiene for the industry, and the successful completion of the dairy regulations.

2.1.4 Continued facilitating meetings of the National Dairy Task Force and the Regional Working Groups

The KDSC program supported the DTF's national Dairy Stakeholders Forum in the reporting period. The National Dairy Stakeholders' Forum was organized with an aim of enhancing competitiveness in the dairy industry through stakeholder interaction, networking and development of sustainable alliances across the value chain. The theme of the forum was "creating synergies for dairy development". The key note address was given by the Minister for Livestock Development Hon. Mohamed Kuti.



Hon. Kuti officially opened the forum in Nakuru



A section of participants at the stakeholders' forum held in Nakuru

In his speech, the minister recognized the role of the National Dairy Task Force in bringing together stakeholders to chart ways of enhancing synergy in developing the industry. The Minister noted that the impressive performance in the dairy industry could not have been possible without linkages between the various players in the industry which has led to the improved efficiency in the production, supply and marketing chain. He also noted the potential the industry has in extending beyond traditional dairy producing areas, noting that the North Eastern region is able to transport over 300,000 liters of milk per day to Nairobi even without the requisite infrastructure to support this production. He therefore noted that the creation of synergy by the coming together the various stakeholders has the potential of building on these new areas of industry expansion.

Presentations during the forum focused on the role of the various stakeholders in enhancing the competitiveness of the dairy industry. These included government institutions, development partners, and the private sector. Participants were also taken through the new developments in the industry and briefed on progress on the action plans developed at the KDSCP preparation phase and approved by stakeholders in October, 2008 when the program was officially launched.

Participants gave their feedback by identifying issues that were of most interest to them, what they would like to see in future meetings and key issues that need immediate action. Participants' views varied widely but the issues most commonly quoted as being of interest to the participants were;

- Opportunity to get an overview of the industry and the opportunity to network with other stakeholders.
- The demonstration of an integrated dairy management information system.
- Presentation of successful models of development in the industry such as the dairy business hubs approach for enhancing milk marketing and service delivery by EADDP and the milk-shed approach by KDSCP.

For future meetings, participants also expressed varying issues but the most common issues raised were;

- More time for the meetings. A number of participants felt that the forum should be held for 2 or 3 days.
- Farmers should be given an opportunity to share their experiences.
- Meeting should be action oriented, reporting action taken since the previous meetings and charting the way forward

The issues that need immediate implementation were identified as;

- Expansion and support for AI services across the country and focus on breeding as a whole
- Implementation of the policy framework
- Implementation of the integrated management information system.
- Implementation of disease-free zones

During the discussion sessions, most participants indicated strong support for the stakeholders' forum and demanded for an annual or biannual frequency of meetings with a more action oriented focus. This fits in well with the National dairy task force system of sub-committees that can now feed into the issues identified and report progress in the next forum. Recommendations for the various subcommittees are summarized at the end of this report.

In addition, the holding of a successful national dairy stakeholders forum with the consequent demand by stakeholders that this becomes a regular biannual event can be seen as a key step in building a sector-wide institutional framework that coordinates and provides leadership to enhance sector-wide synergy and thereby increase the industry competitiveness. However, the linking of the national level to regional and local milk-shed levels remains as a critical gap in the institutionalization process. The consultants' recommendation to fill this gap is therefore;

Creation of a national dairy task force coordinating subcommittee supported by consultants that will be mandated to do the following;

- Integrating national level activities to the regional and milk-shed levels.
- Ensuring there is adequate information flow vertically from the grassroots to the national level and vice versa.
- Providing capacity building input at all the levels to ensure that there is understanding at all levels on the co-operation versus competition paradigm that this process is hinged on. This is especially critical at this stage of growth because the natural instinct in value chains is refusal by stakeholders to cooperate in the mistaken belief that this may give undue advantage to competitors.

- The subcommittee will therefore be mandated with attending the milk-shed and regional working group meetings and report recommendations to the national dairy task force while taking the opportunity to share with the regional and local levels the recommendations and decisions of the national level.

Participants included representatives/officials from all the key sector institutions, including the Ministry of Livestock (all departments), the Kenya Dairy Board; processors in the country (the Dairy Processors Association interim committee was represented); the Ministry of Cooperatives; development partners, including Mespt, TechnoServe, Heifer Project International, SITE, SNV, EADDP, KDSCP, AKFEMA; breed companies including Coopers, ABS, CAIS, SEMEX; research institutions- KARI, University of Nairobi; financial institutions; service providers including input suppliers, equipment suppliers, machinery suppliers; farmer representatives from all the milk sheds; federation leaders; and milk shed /regional working group leaders, among others.

The KDSC program has started work on an Integrated Management Information system that will enhance information sharing among stakeholders. Other recommendations are now being looked into by the various subcommittees of the Dairy Task Force and progress will be reported in future reports.

Other related activities supported by the program in the quarter include facilitating meetings of three Regional Working Groups, six milk shed working groups and two Dairy Task Force meetings. The meetings addressed a number of industry issues with the main one being a resolution to push for the introduction of alternative acaricides to control tick borne diseases to guard against development of resistance to acaricides currently in the market. Other resolutions were rehabilitation of dams with the support of the Constituency Development Funds (CDF) in Kinangop and Lessos milk sheds, need for small SBOs to federate in Kericho and Trans Nzoia milk sheds, among others. Program support in facilitating these meetings enabled leveraging of an estimated \$978,000 in nonproject resources through collaborations with other sector players in the reporting period. This was achieved through stakeholder contributions to sector initiatives – both in-kind and monetary. A significant proportion was realized from farmers’ participation in program organized events. This also included 2 coolers: one cooler was donated by International Organization for Migration (IOM) for Cherangani Dairy Group (10,000 lt) and another donated by Ministry of Special Programs to Naitiri Dairy Cooperative (5,000ltrs).

2.2 Component 2: Develop Dairy Smallholder Business Organizations (SBO)

The KDSC program continued implementing action plans developed by stakeholders to build capacity of the Smallholder Business Organizations (SBO) and to increase farm level productivity. Cumulatively, seventy-three **farmer groups have had their capacities built compared to the target of 50 groups by end of year two of program operations.** These include 70 Smallholder Business Organizations (SBOs)/Cooperatives/Bulking centres and three sector-wide farmer organizations. We aim to surpass year three target (75 producer groups strengthened) by end of quarter 2 when we recruit additional SBOs in to the program. Accomplishments in the reporting period are discussed below.

2.2.1 Facilitated capacity building of SBOs working with the KDSCP program

Program interventions centered on four key activities in the reporting period:

Provision of technical assistance in producer group formation and registration

The KDSC program provided technical assistance in producer group formation and registration, as well as training in group leadership and governance to seven (7) new SBOs in the reporting period, for a cumulative total of 70. The SBOs include Abardare East (Gatanga Milk shed), Umoja dairy (Kericho Milk shed), Three Ton Dairy (Lessos milk shed), Meebot, Bamwai, Taito, and Wamuini (Trans Nzoia Milk shed). The program also provided market information and technical assistance that aided the development of market linkages with traders, processors and other bulk purchasers of milk to ensure that the milk produced reaches the market for these new groups. These efforts has now enabled over 3500 dairy farmers access better markets that pay better prices than what they used to get for their milk.

As indicated in previous reports, farmers selling individually are paid lower prices than those bulking because of higher transaction costs incurred by processors, especially transport costs. In Abardare East for example, farmers say they used to be paid Kshs. 15 per liter of milk. Member farmers have since been linked to a farmer marketing federation in the milk shed and are currently being paid Kshs. 27 per liter of milk, a more than Kshs. 10 rise in income per liter. The same farmers have also been linked to input suppliers who supply them feeds on a check off system.

Reorientation of operations in farmer groups

The program aided the development of strong and business-oriented smallholder dairy cooperatives in the quarter. This has enabled the groups to provide members with access to appropriate inputs (including artificial insemination services, feed concentrates and supplements, animal health products, etc.); collect, bulk, and market farmers' milk competitively; leverage credit facilities; and provide forums for farmer-education that enhance dairy productivity.

While the program continues to promote supply of production inputs and services on a check off basis to member farmers by groups, program facilitated business/operations analysis indicate that this sometimes comes at a very high cost to farmers. The program therefore promotes linking private providers to the groups, who then supply these inputs and services to farmers and get paid by the farmer groups.

In the reporting period, Suka Cooperative in Nakuru Milk shed was linked to a feeds manufacturer. **The 514 farmers affiliated to the cooperative are now able to access animal feeds on credit and pay by end of month. This will increase efficiency and reduce operational costs of the group, resulting in increased incomes (price paid per liter of milk) to member farmers.**

Training of committee members of farmer groups

The program carried out training for management committees of **22** farmer cooperatives in the quarter through business performance review workshops, training in business and financial management, commercial/co-operative law, dairy record systems, milk-cooling operations, artificial insemination project management, and merchandise management. **All famer groups working with the program have now had their committee officials trained. This is expected to improve management at the farmer group level, resulting in greater benefits to member farmers.** The cooperative officials have also taken through the revised cooperative act and given copies of the act as well as manuals on management.

Development of strategic and business plans for the second set of farmer groups working with the program

Program facilitated capacity and performance assessment findings indicate that most of the SBOs do not have well-thought out strategies to enhance their growth and development and achieve member satisfaction (read strategic plans). In addition, the principles of cooperative management are poorly applied and most groups do not have business plans. The KDSC program has therefore been facilitating the development of strategic and business plans for farmer groups as a first step towards enhancing operations and improving profitability of farmer groups in all milk sheds. In the reporting period, 10 cooperatives in Kinangop milk shed had their strategic plans finalized, and a further 8 groups finalized business planning in Kericho milk shed. **This now brings the total number of groups with strategic plans to 14. The remaining 56 groups are projected to finalize their plans by end of the year.**

2.2.2 Facilitated capacity building of 12,200 dairy farmers in the quarter

Program interventions focused on training dairy farmers in the operational zones to equip them with necessary technical skills to increase herd productivity and incomes. The training forums, organized in collaboration with key stakeholders such as private service providers, Ministry of Livestock extension personnel, Kenya Dairy Board, covered diverse topics such as feed/fodder production, appropriate feeding regimes, feed conservation and formulation, modern breeding techniques and milk handling hygiene. A key emphasis area is on-farm demonstration on feed conservation techniques to enable smallholders conserve feed in wet seasons (when feed is abundant) for use in the drier parts of the year. The program has facilitated a number of Training of Trainer (ToTs) kind of sessions for private service providers to enhance wider outreach to farmers in targeted areas as an embedded service with considerable success. The section below reviews a sample of activities undertaken in the reporting period and the results realized.

- The program and its collaborators, including a pool of experienced dairy service providers, organized and facilitated various learning platforms to educate farmers on the best animal husbandry practices. Seminars, field days and on-farm demonstrations were conducted on a range of dairy related areas such as foliage production, feed conservation, clean milk production and good animal husbandry practices. Smallholders from some farmer groups also had opportunity to participate in farm and daughter tours, whereby farmers from one region would visit successful farmers (trainers) in another region with similar agro-ecological conditions to see for themselves and learn the best dairy herd management practices. In this quarter, **12,200** farmers have been reached with direct trainings provided through these forums. This now takes the total number of farmers trained over the life of the project to **36,736**.

Farmers attending the forums have been keen to learn about conservation and utilization of maize stove and enrichment with urea and molasses, ensiling, among other feed conservation practices. The smallholders have reported enhanced efficiency in utilization of feeds and storage to meet feed scarcity in periods of adversity, a common occurrence due to unreliable weather patterns witnessed in the previous years. **Approximately 36% of the farmers now conserve feeds as compared to 11% at the beginning period. Program activities targeting milk quality enhancement through the training of farmers has also started bearing fruit as shown in Box I.**

Perhaps the most outstanding outcome of the farmer trainings is the uptake of Artificial Insemination in breeding in areas where most farmers were using bulls in breeding. Overall, the proportion of farmers using artificial insemination has gone up and now stands at 56% of farmers participating in program compared to 40% at the start of the program. In Kericho, the proportion now using AI is 50%. In Trans Nzoia, they average 40%. Officials of farmer groups and service providers in the area cite increased business as a result of the KDSCP intervention, especially those who have been linked with the farmer groups. The Agricultural Development Corporation (ADC) the distributor of semen in Trans Nzoia Milk shed recorded a 21% increase in volume of semen moved between March and October, 2010 as shown below.

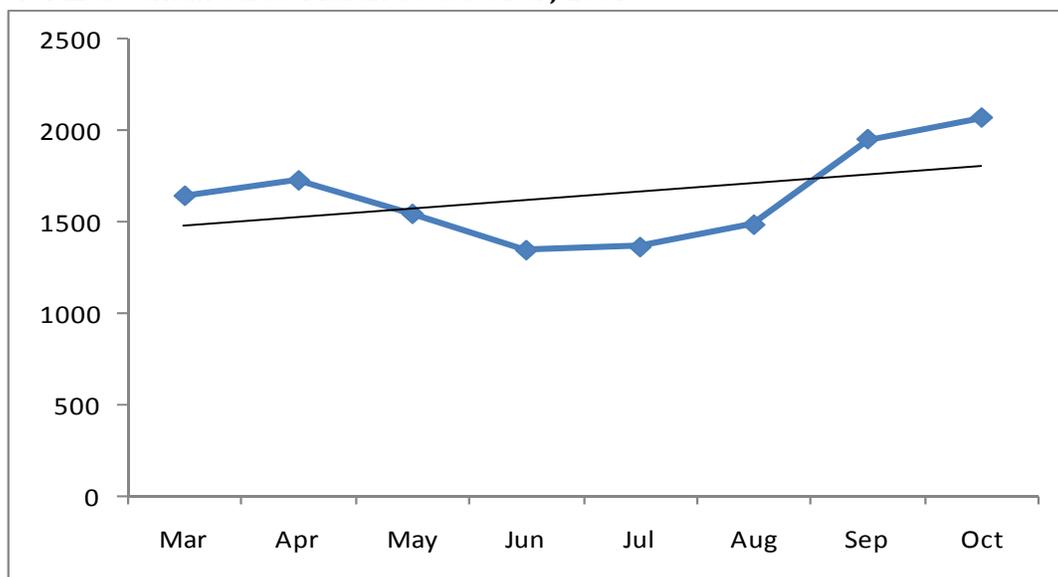
Box I: Program intervention on improving dairy product quality yields benefits in the most unlikely of places – farm level

The Kenya dairy sector competitiveness program (KDSC) considers the quality of milk reaching the market as the key to helping the industry be competitive locally, in the region and internationally. We have therefore invested considerable resources in training the Kenya Dairy board (KDB) inspectors on Pasteurized Milk Ordinance, regulatory inspection, and in reviewing industry standards and regulations to enhance product quality and in farm level training on milk handling and hygiene. Further, the program has partnered with other industry players in encouraging and providing information to value chain actors to enable the purchase state of the art milk analyzers. These efforts have started bearing fruit in the most unlikely of places – at the farm level.

In the past, farmers have often complained of conspiracies to reject milk especially in the rainy season (like currently experienced) when there are surpluses. Some stakeholders have argued that processors often change their testing parameters, especially where they have written supply contracts with suppliers - farmer groups/bulking centers. This seems to be changing, especially where bulking centers have invested in milk analyzers and the cooperative staff and farmers have been trained on milk handling and hygiene. In Suka Cooperative Society in Nakuru Milk shed, volumes of milk bulked have risen considerably in the rainy season – September 2009 to now - while the proportion of milk rejected has remained zero. Farmer group officials claim they test milk when collecting from the farmers and reject milk that do not conform to the set standards themselves. The group claim there is no time the processor – Brookside dairy – has returned their milk in the whole year and credits the program for this. They say the KDSC intervention, especially helping train their staff and farmers on milk handling and hygiene has changed their fortune for the better.

While the severe drought experienced in the year may have contributed to this, the cooperative officials specifically mentioned program interventions, especially training, as having helped them and farmers improve milk quality.

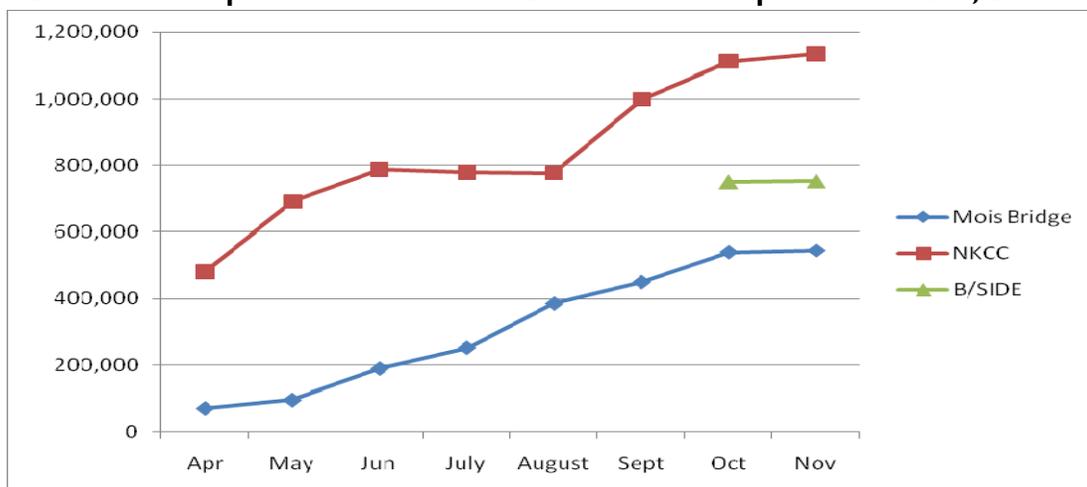
Figure 1: ADC semen sales: March to October, 2009



Source: ADC AI Centre

The program activities in this component have realized two key benefits, i.e., increased milk volumes marketed through the cold chain (Figure 2), and linked farmers to product markets and thus enabling them to increase their revenues/earnings (Box 2).

Figure 2: Milk sold to processors in Trans Nzoia Milk shed: April –November, 2009



Box 2: Collective marketing enabling a community ravaged by war to create wealth through dairy farming (narrated by the farmer group chairman)

Meebot Dairy co-operative began as a maize-growing group after receiving one million Kenya shillings from Agricultural Development Corporation in 2008, but the project could not take off following the change in the climate; as a result, the project was frustrated. In March 2009, we heard of the launch of KDSCP, which we attended and thereafter registered with the program and from that time we have never looked back. We travelled to Nairobi in June to attend the breeders’ show, and what we saw in

Nairobi changed our lives given that some of the dairy animals exhibited there were from ADC, which is in our neighborhood in Kitale, Trans Nzoia milk shed.

We have since participated in all capacity building workshops and also travelled to Kabiye dairy in Nandi in an exchange visit where our members were greatly motivated to do something in our area similar to what Kabiye dairy is doing. We therefore requested the program to help us organize a field day in Kitale, which was well-attended by about 2000 people including dairy farmers and leaders in the area, where the idea of starting a dairy cooperative was sold, an office opened and members registered. Bulking of milk began on the 1st October 2009, with 35 kg of milk, and by the end of November we had delivered 10,800 kg to NKCC.

We would like to report that the program has been a blessing to our people who had been drastically affected following the fight between the government to rid the area of the SLDF people, a war that has left more widows and idle youths in the area. The field day held in the place was the first of its kind since independence and it also provided the opportunity for people to come together for the first time after the war ended.

The project has therefore brought hope to the people in that the women of the area have a source of income of at least Kshs. 2000 per month, and the youth are also having the opportunity to deliver the milk or start keeping animals because there is a direct market to NKCC. The committee is planning to put a cooler at Kitale, which would help federate the people from Elgon to deliver their milk under one number to NKCC. We have scheduled joint meetings with NKCC and the KDSCP to visit the place in January. We are therefore happy with all that the program has enabled us achieve so far. We hope to improve our lifestyles and grow rich.

Program efforts have also bore fruit to processors who greatly appreciate the increased volumes they now collect from farmers. The New KCC management recently wrote a letter of appreciation, which shows the benefits that the KDSCP intervention has realized (Appendix 2).

2.3 Component 3: Increase Availability of Dairy Business Development Services

2.3.1 Capacity building of service providers

The KDSCP implementation method focuses on capacity building of providers, i.e., switching from assisting micro enterprises directly to ensuring sustainable access to services, via functioning markets. To achieve this objective, and for effectiveness, outreach and impact, the program uses a portfolio approach in provision of BDS. This entails working with multiple partners as BDS providers rather than work with one or just a few and also the capacity building of the providers to provide a range of services (with some embedded), rather than just one for increased effectiveness. So far the program has recruited and is working with a total of **295 service providers who now provide additional services against a target of 150 by end of year two of program implementation.** In the reporting period, a total of **96** service providers were trained and linked to dairy cooperatives. A further **6** were recruited and capacity built and linked to farmer groups in Trans Nzoia milk shed.

Linking private service providers to farmer groups and facilitating signing of contracts between the two entities that requires the private SPS to provide services and be paid on a check of system has proved to be a very viable system of operating.

Box 3: KDSC program helps a service provider to grow his business and increase income (narrated by the SP)

I joined the KDSCP in the month of March 2009, when the program was launched at Ambwere plaza. This program to me came at the right time for I had been in the industry for about 20 years, after my graduation in clinical health from ADC in 1987. I have been offering clinical services and AI services, but with a lot of challenges. When the program was started, I wanted to know what kind of assistance this program would offer, but it later dawned upon me as time went by that there was nothing monetary that the programme was offering but they were there to equip us with the knowledge for us to serve the farmers better and in turn increase our customer base.

When the time came for the group of farmers from Trans Nzoia attend the breeders show in Nairobi in June, I also went and the trip changed the way I viewed dairy farming. As a result, I resolved to work hard as service provider. After the Nairobi trip, I attended workshops organized by the program, and thereafter I started putting the knowledge in practice. I have since increased my AI services from 14 straws per month to a minimum of 55 straws. The program has also helped me get a contract with Tongaren farmers where I now provide AI services and get paid by the cooperative at the end of the month from the farmer's dues. I now have a customer base of about 100 farmers with an income of about **Kshs. 1000** per day. Our lives as family have improved, and I am able to take care of my four children comfortably. I now see a very bright future and am grateful to the Land O'Lakes through the KDSC program for opening my eyes. I would like to also thank the milk shed team for their tireless effort and dedication to the program. God bless you all.

Program facilitated business analysis of the cooperatives often reveal huge operational losses, which in most cases occur as a result of services and products other than milk bulking and cooling. Linking the groups with service providers who do not require retainer and transport allowances is therefore a cost-cutting approach that some of the groups working with the program (e.g., Ihururu dairy farmers Cooperative) have embraced. Service providers have also benefitted immensely from this arrangement, with some recording considerable growth in business volumes (Box 3). **This has enabled over**

103,633¹ farmers currently working with the program to access BDS services, inputs and technologies against a target of 80,000 by end of year 2 of program implementation.

2.4 Challenges

The main challenge experienced in the quarter was the slow response from USAID on approval of contracts for contracted assignments. We are currently waiting for approvals for two contracts – consumer preference survey and the good manufacturing practices training contracts. We hope that this will be sorted out going forward to enable us carry out planned activities in time.

¹ This is the number active members of farmer groups working with program and an estimate (by SPs) of other farmers reached who are not members of farmer groups working with the program.

3.0 Performance Data Table

Impacts					
Performance Indicator	Baseline Value	Year 2		Cumulative Actual	Comments
		Cumulative Annual Target	Actual - Q1 (FY 2010)		
Household level impacts					
Number of rural households benefiting	0	110,000	23,803	126,459	We have surpassed the program target. We aim to surpass the Year three target (180,000 households) when we recruit new groups in to the program.
Sub-Sector Level Impacts					
Total volume of milk purchased from smallholder dairy farmers (MT)	93,170.35	115,170	68,480	159,786	A considerable increase in volumes bought was observed in the quarter. This increase can likely be attributed to farmers adopting program promoted productivity enhancing technologies with the onset of rains.
Number of producers accessing/ receiving/ utilizing BDS services, inputs, technologies, and management practices	0	80,000	23,803	103,633	Program has linked all farmer groups with service providers in the 8 milk sheds, surpassing the target by a significant margin.
Component I - Enhance Capacity for Milk and Production Input Quality Certification and Market Promotion					
Number of Quality certification frameworks (Milk product, Animal feeds) developed, implemented/enforced	0	1	2	3	The GMP has now been approved as an official Kenya dairy industry standard. The program has also facilitated the development of Dairy regulations and facilitated the development of a reader friendly code of hygiene.
Total Value of non-project resources leveraged (US \$)	\$0m	\$30M	\$978,000	\$4.7 M	<p>This has mainly been leveraged through the Dairy Task Force, with a small (but significant) proportion coming from farmers.</p> <p>Flame tree consultants, an ICT provider working with the program, also won a \$53,000 grant in the ILO COP challenge to promote efficiency in dairy and coffee coops by use of ICT in the quarter</p> <p>A further \$13,000 was leveraged through the stakeholders' forum held in the period.</p> <p>We have begun a number of collaborative engagements with other development actors that will enable us surpass the target in year three. These include developing a farmers guide</p>

Impacts					
Performance Indicator	Baseline Value	Year 2		Cumulative Actual	Comments
		Cumulative Annual Target	Actual - Q1 (FY 2010)		
					(ToR has been developed by SNV); development of E Dairy, submission of proposals to other donors by SBOs working with the program (Iari Dairies successfully passed the first submission of a business plan to Bid Network), among other initiatives.
Component 2 - Dairy Smallholder Business Organization (SBO) Development					
Number of producer organizations strengthened	0	50	73	73	The program is working with 70 SBOs in the eight milk sheds and three sector wide organizations. All the SBOs and 3 sector wide organizations were capacity built in the reporting period. We have therefore surpassed the program year two target.
Number of SBOs/MBCs with HACCP and/or national certification	0	32	0	0	GMP training is planned for the next quarter that targets to train 1250 actors along the value chain. Once this is finalized, we will surpass the program target on this indicator. This is scheduled for quarter 2 of 2010.
Number of SBO/MBCs transformed into sustainable business entities	0	25	69	69	Only one farmer group engaged with the program has so far reported a negative profit and loss account. All other 69 are operating profitably. The said group's (Sotik Dairy) officials misappropriated funds. The matter is currently being handled by The Bonmet District Cooperative office.
Number of cooling units installed/rehabilitated in SBO/MBCs (Number)	0	15	2	7	2 coolers were operationalized in the quarter. 1 cooler was donated by IOM for Cherangani Dairy Group (10,000 lt) and another donated by Min. of Special Prog. For Naitiri Dairy Coop. - 5,000ltrs.
Component 3 - Availability of Dairy Business Development Services					
Number of firms providing new business services to producers (Number)	0	150	96	295	Program activities have focused on embedded service provision to increase the sales volume and revenues for the providers. All providers are trained on feeds & feeding and feed conservation.
Number of producers receiving short-term training	0	54,000	12,200	36,736	Service providers have taken a longer time than expected to embrace farmer training as an embedded service. This will be sorted out in the next quarter.

Appendix 2: Letter of Appreciation from the New Kenya Cooperative Creameries Limited

NEW KENYA CO-OPERATIVE CREAMERIES LIMITED

KITALE

10-12-2009

TO: K.D.S.C.P. ---TRANSNZOIA MILK SHED

RE APPRECIATION

On behalf of New KCC Ltd; I wish to register my sincere appreciation for the tremendous work your group has done in our milk catchement areas of the entire TRANSNZOIA districts and its environs.

In July, 2009 during the milk shed working groups meeting, the milk deliveries to KITALE FACTORY WAS AT 27,000 litres of milk per day.

Due to intensive enlightenment on the importance of working as groups milk deliveries to our factory at the end of November 2009, had risen to an average of 48,000 litres per day.

The effects of the program have yielded positively to our esteemed dairy milk farmers and we thank the project coordinating team in the region.

**FACTORY KITALE
RES. Sylvester K. Biwott
For Nkcc Ltd**

Appendix 3: Success Stories

Service providers working with the KDSC program tell their story

MATILDA SITOKO - TEL: 0724518474

I am Matilda Sitoko, an Animal Health Officer trained by ABS, who completed the course in December 2003 and immediately started practicing. I have been serving farmers around Matunda, Moi's Bridge, but with a lot of challenges. My main challenge over the years has been the fact that there are very few women compared to men offering AI services, and many people think it odd to have a woman offer such services. This has not discouraged me at all. The other challenge has been the resistance by farmers to adopt AI, with the majority saying, among other things, that it is expensive. This has in the past really affected the volume of business.

When I began practicing, I was serving about 5 farmers with about 15 animals. Things however started changing when I joined KDSCP in March 2009. After making a formal application, I made it a point not to miss any workshop or seminar organized by the program. I would always seek to accompany Mr. Kamau, the coordinator of the program, to field days. I remember attending the trade fair at Chepkoilel campus in September, where I had an opportunity to sell my services, and also assisted in the KDSCP stand. I signed an MOU with Tarakwa cooperative in August 2009 and Moi's Bridge that established the link between me and the farmer organizations, giving me access to their farmers. This enabled me to promote my business, train farmers on silage making and pasture establishment, besides the AI services and clinical service I used to offer. Today, I have expanded my market to Soi, Nangili and Lukuyuni, where I am doing about 49 inseminations per month.

I would therefore like to state that participating in the program has been of real benefit to me, first because I have gained a lot of experience and am doing more services than I did before. My income has also increased by about 60 percent as from August 2009 and am actually very busy. I would therefore like to thank the programme for the difference it has made in my life and hope I will be able to buy a motorbike to help me reach more customers effectively.

SAMUEL NDIEMA - TEL: 0728024469

My name is Samuel Ndiema, a service provider who joined the KDSCP from the time of its launch in March 2009. At the time I joined the program, I had little business experience and lacked confidence, besides which the business level was low. I have attended the workshops on breeding, and learned the need for proper communication with the farmers. By my educating them, they started having more interest in my service.

Through the program, I have gained experience, and farmers are now very happy with my services. The demand for my services has increased tremendously from 5 straws per month to 60 straws at the end of November 2009. The program has not only boosted my business but also helped improve my income. For the last two months, I have managed to raise enough money to pay for my training for the Breeders' Inspectors course in Nakuru. This course will enable me to inspect and register animals. I would like to say that my income has increased considerably from the time I joined the program. I have personally seen a lot of improvement and do hope that with time I will be able to secure a loan and purchase a motorbike that will help me reach the farmers better. I am happy for the program to have come to the district and do know this is just the beginning of better things to come.

U.S. Agency for International Development

USAID/Kenya Mission

C/O American Embassy

UN Avenue, Gigiri

Nairobi, Kenya

Tel: +254-20-862 2000

Fax: +254-20-862 2680 / 2681 / 2682

www.usaid.gov/ke