

## **Dairy Delights: Exploring the Potential in Tanzania's Dairy Value Chain During National Milk Week**

The Tanzania Dairy Board (TDB) has organized the 27th National Milk Week, celebrated nationally in Mwanza, Tanzania, from May 28 to June 1, 2024. This year's theme is "Kunywa Maziwa Salama kwa Afya Bora na Uchumi Endelevu" (Drink Safe Milk for Better Health and Sustainable Economy).

This week-long event will feature exhibitions, workshops, and various activities to mobilise and engage Tanzania's livestock keepers, especially dairy farmers, the business community, investors, and other stakeholders in the dairy value chain. Exhibitors will showcase dairy products, machinery, technology, and animal feeds, creating a comprehensive knowledge exchange and networking platform. Special attention will be given to addressing the importance of milk in nutrition and our nation's health.

This year's event will provide a platform for stakeholders to discuss the benefits of further formalizing the dairy sector for economic sustainability and, therefore, health benefits through greater access to safe milk and milk products. The event seeks to foster collaboration and innovation in Tanzania's dairy industry by bringing together diverse stakeholders who seek to promote collaboration and innovation in Tanzania's dairy industry.

### **Dairy Value Chain Strategic Partnership**

The milk sector in Tanzania holds immense promise, driven by farmers' dedication and critical stakeholders' collaborative efforts. With millions of dairy cattle, the potential to transform smallholder farmers' lives and incomes is substantial. However, despite the recent progress in the improvement of the sector, the dairy sector has yet to realize its

expected performance. Many livestock keepers still rely on unimproved cattle breeds that typically produce low quantities (1-3 litres/animal), and most milk is consumed unprocessed. Only 2-5% of the milk produced in Tanzania dairy farms reaches the commercial market.

### **Key Objectives**

- **Boost Livelihoods and Food Security:** Integrate smallholder farmers into the dairy value chain, increasing access to nutrient-rich milk products.
- **Optimize the Entire Dairy Value Chain:** Involve stakeholders from every segment to identify opportunities for value addition and improved productivity.
- **Foster Inclusive Stakeholder Engagement:** Convene a diverse group, including processors, marketers, government bodies, and development partners.
- **Promote Environmental Sustainability:** Implement responsible resource management practices, such as biogas usage, soil improvement with cow manure, and erosion control through fodder grass cover.

### **Current Impact**

- **Ihemi Cluster:** Over 8,500 smallholder farmers from Iringa, Njombe, and Mbeya regions now supply raw milk to dairy processing plants, showcasing the program's success.
- **Milk Processing Capacity:** While most dairy processing factories operate below capacity, engagement with smallholder farmers is improving to ensure sustainable sourcing of high-quality raw milk.

### **Key Stakeholders**

- **Processors:** ASAS Dairies, Shambani Milk, Profate
- **Development Partners:** Heifer-Tanzania, IRLI, ICRAF, CIAT, Technoserve, AgriProfocus-Tanzania
- **Government:** Ministry of Livestock and Fisheries, Tanzania Dairy Board, TALIRI
- **Industry Associations:** Tanzania Milk Processors Association (TAMPA), Tanzania Milk Producers Association (TAMPRODA)
- **Funding Partners:** Royal Norwegian Embassy, GAIN
- **Regulatory Bodies:** TFDA, TBS,
- **Local Government Authorities:** District and regional authorities
- **Finance Partners:** TADB

### **Building a Stronger Dairy Industry in Tanzania**

The SAGCOT facilitates a critical partnership within Tanzania's dairy sector. This collaboration brings together the government, private companies, and regulatory bodies. Their shared goal? To transform the largely informal and unprocessed milk market into a **thriving, sustainable industry**.

This initiative tackles key challenges that hinder the sector's potential. The informal market's dominance limits economic benefits and raises public health concerns. Factors like import competition, inadequate storage and transportation infrastructure, and a lack of awareness about the advantages of processed dairy products discourage home-based processing.

By working together, the SAGCOT partnership aims to achieve several positive outcomes:

- **Formalization:** The partnership seeks to bring structure and regulation to the dairy market, creating a more stable and predictable environment for all stakeholders.
- **Enhanced Processing:** Promoting healthy, processed milk products can improve food safety, offer consumers a wider range of choices, and create new economic opportunities.
- **Economic Growth:** A thriving dairy industry can significantly contribute to Tanzania's national income by generating production, processing, and distribution revenue.
- **Improved Public Health:** Increased consumption of safe, processed dairy products can lead to better nutrition and overall health for Tanzanians.

Through this collaborative effort, the SAGCOT Centre partnership aspires to create a win-win situation for all involved. Farmers will benefit from a more organized market, processors can expand their reach, and consumers will gain access to high-quality dairy products. Ultimately, this initiative aims to strengthen Tanzania's dairy sector, fostering economic development and public well-being.

### **Promoting Sustainable Practices**

The SAGCOT Centre partnership goes beyond production, emphasizing environmental sustainability through responsible resource management:

- **Biogas Systems:** Implementing biogas systems allows for waste management while generating renewable energy, a win-win for the environment and farmers.

- **Soil Stewardship:** Encouraging cow manure for soil improvement alongside planting fodder grass reduces soil erosion and promotes long-term agricultural health.

The SAGCOT initiative looks forward to replicating its experience and successes in the southern highlands by fostering greater collaboration between public and private sector partnerships. The Agricultural Growth Corridor of Tanzania will expand the partnership to other significant dairy production areas.

### **Milk Production in Spotlight: Livestock and Fisheries Budget 2024/2025 Highlights**

**Milk Production and Processing Figures (2022/2023 vs 2023/2024)**

<b>Category</b>	<b>2022/2023</b>	<b>2023/2024</b>	<b>Percentage Increase</b>
Milk Production	3.60 billion liters	3.97 billion liters	10.3%
Milk Processed	77.90 million liters	81.80 million liters	5.01%
Unprocessed Milk	3.52 billion liters (97.8% of production)	3.89 billion liters (97.9% of production)	10.5%
Collection Centers	246 centers	258 centers	4.9%
Milk Collected	71.80 million liters	93.40 million liters	30.1%

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### **Priority Areas for 2024/2025-Livestock and Fisheries Budget**

1. **Policy and Regulatory Reviews:** Refining policies and regulations to foster a conducive business environment.
2. **Improved Breeds and Productivity:** Emphasis on artificial insemination and distribution of improved dairy cattle breeds.
3. **Feed and Water Supply:** Enhancing the availability of quality feeds and water for livestock.
4. **Health Services:** Strengthening veterinary services to curb livestock diseases.
5. **Extension Services:** Improving extension services for better livestock management practices.
6. **Promotion of Dairy Consumption:** Educational campaigns to increase dairy product consumption.
7. **Milk Collection and Processing:** Investing in infrastructure to reduce post-harvest losses and enhance milk quality.
8. **Public-Private Partnerships:** Encouraging private sector investments to boost dairy sector growth, dairy production, and employment for women and youth.

## **Challenges**

- **Low Per Capita Consumption:** Current consumption is 47 litres per annum, below the FAO, recommended 200 litres.
- **Infrastructure Gaps:** There is a need for more collection centres and improved cold chain logistics to reduce spoilage.
- **Market Access:** Enhancing market linkages and fair pricing for farmers.

## **Future Outlook**

The government's continued focus on policy improvements, infrastructure development, and public-private partnerships aims to create a robust and sustainable dairy sector. These efforts are expected to meet domestic demand and position Tanzania as a competitive regional and international dairy market player.

The SAGCOT Centre remains committed to supporting the formalization and development of Tanzania's dairy industry. By enhancing production capabilities, incorporating financial partners, and promoting sustainable practices, SAGCOT aims to create a thriving and sustainable dairy sector that benefits farmers and consumers. This initiative addresses critical challenges in Tanzania's dairy industry, including:

- **Informal Milk Market:** A staggering 97.3% of milk produced remains informal, limiting its contribution to the national GDP and hindering the recognition of the subsector's potential.
- **Technological and Expertise Gaps:** Limited access to dairy technologies and breeding programs for improved genetics and production restricts growth.
- **Logistical Hurdles:** Efficiently collecting raw milk from dispersed smallholder farmers remains challenging.
- **Financial Constraints:** Smallholder farmers often lack access to financing for essential needs like improved technologies and equipment.