



## Njombe Milk Factory - transforming subsistence Dairy Farming

### Summary of Achievements

- Transformation of subsistence dairy farming by supporting over 600 farmers through breed improvement, business management support and training of farmers on good practices
- Investment in effluent water plant to improve water use efficiency
- Improvement in processing capacity from 5000 liters in 2019 to 7,000 liters per day in 2020
- Genetic improvement through Artificial Insemination

Construction of 6 collection centers and provision of cooling tanks to improve milk storage and preservation

Njombe Milk Factory is, as the name suggests, a Njombe based producer of dairy products including fresh and cultured milk, cheese, yoghurt, processing about 7,000 litres of milk per day. Njombe Milk Factory is a very active member of the SAGCOT Dairy strategic partnership in Ihemi Cluster. Banking on the linkages accessed through the SAGCOT Dairy Strategic Partnership and its long term strategic plan to tap the dairy market's enormous growth potential, Njombe Milk Factory is transforming subsistence dairy farming through breed improvement, pasture improvement, business management support and training of farmers on good animal health practices. This continues to make a significant contribution to growth of the dairy value chain and socio-economic development in the SAGCOT area and beyond.



### **Economic Impact and Inclusivity**

With unwavering zeal to transform the Dairy Value Chain, Njombe Milk Factory is supporting over 600 farmers in Njombe and Mbeya regions through provision of extension services, technology transfer, knowledge as well as capacity building directed towards improving the business management capacity of Dairy Farmers' Associations. This support goes on to contribute to the growth of the value chain while embodying socio-economic development in the Njombe and Mbeya regions. It also helps to generate income for smallholder farmers and enhance food security.

### ***Improved milk quality and production***

The Njombe Milk Factory has employed some bold measures to improve milk production sustainably by addressing the animal genetic potential, training the farmers on improving animal nutrition and facilitating the availability and supply of quality animal feed which is essential for improving milk production especially in local cattle breeds which produce as low as 1 – 3 litres of milk per day. Within the context of improving animal nutrition, the factory provides whey milk protein, a highly nutritious by-product from the cheese and milk production to smallholder farmers in Njombe where it is used as a source of nutrients for lactating cattle. This has tremendously led to an increase in milk production and overall health of the animals. The volume of milk produced continues to increase steadily, leading to an increase in the processing capacity at the factory i.e. from 5,000 litres per day in 2019 to between 6,000 - 7,000 litres per day in 2020.

In order to improve the raw milk quality standards, the Njombe Milk Factory provides chemicals and milk testing equipment to farmers. This has improved compliance with quality standards among farmers following the ability to check mastitis micro-organisms, milk density, and adulteration. A combination of these factors have contributed to overall increase in profitability among dairy farmers and a significant improvement in capacity utilization at the processing level. High compliance has contributed to improved competitiveness in the

value chain by eliminating the cost of adding milk solids to improve quality. Subsequently, improvement in the quality of milk means that raw milk has all the necessary ingredients for production of dairy products and by-products, thus allowing for maximum profitability and optimal utilization of resources.



### **Genetic improvement**

In an effort to improve the animal genetic potential for milk production, the Njombe Milk Factory collaborates with the Njombe Regional Authorities and the Ministry of Livestock and Fisheries through the SAGCOT Dairy Strategic Partnership to deliver Artificial Insemination in the region. The factory provides artificial insemination equipment and refills the nitrogen tanks for cattle semen while the government provides extension services. Addressing genetic constraints has improved dairy cattle productivity from 6-8 litres per animal to an average of 18-20 litres per animal per day and has stimulated an increase in commercial dairy enterprises among smallholder farmers in Njombe. This is a significant leap towards building an inclusive Dairy Value Chain in the SAGCOT region and yet another proof that public-private partnership is key in transformation of the agricultural sector.

### **Milk Collection Centre**

The Njombe Milk Factory has built six milk collection centres in Njombe which are now connecting dairy farmers with formal markets. Additionally, the company supports dairy farmers by funding the running of the collection centers whereby it has installed cooling tanks to improve milk storage and preservation.

### **Green Growth**

Following the guidance on inclusive green growth by the SAGCOT Centre Ltd, the Njombe Milk Factory has invested in the effluent treatment plant for wastewater treatment with the aim to improve water use efficiency by purifying industrial waste water for its reuse. Investment

in the effluent plant also means that the water discharged from the factory will have no harmful effect on the environment.



### **Dairy Sector Overview**

According to *The Tanzanian Dairy sector: Value Chain Mapping and Nutrition* study by Global Dairy Platform, Tanzania has the largest indigenous cattle population of East Africa and many households are involved in the sector. The country has a long history of keeping dairy cattle but has the lowest yield per cow of the region. Tanzania's dairy sector has the potential to significantly improve food security and nutrition in the country. Demand for milk in Tanzania has grown over the past decade and is predicted to rise further driven by growing population, urbanization and economic growth.

Tanzania has significant dairy livestock resources, which have the potential to transform the lives and incomes of smallholder farmers along the value chain. However, the milk production of local cattle is typically low (1-3 litres/animal) and the country's dairy industry is small. Most of the milk is for subsistence consumption sold to informal traders and don't reach the commercial market. Just 2-5% of milk produced is formally traded.

In order to address these challenges and opportunities in the dairy sector, SCL and its partners have developed a dairy value chain strategic partnership. This initiative is based in Ihemi Cluster, where 4,000 smallholder farmers are currently providing raw milk to ASAS's dairy processing plant and 820 small holder farmers providing raw milk to Njombe Milk factory. Both ASAS Dairies Ltd and Njombe Milk factory are currently processing below their capacity. Through the Dairy Value Chain Partnership, smallholder farmers engagement is improving to ensure a sustainable sourcing of high-quality raw milk and ensure the factories operates at full capacity.