

COOPERATIVE DAIRY PROCESSING AND MARKETING



Source: www.ilo.org/uganda

Project site: Central region, Uganda



PHOTO: WAMALA GROWER

Dairy cows at Wamala Growers Cooperative Union LTD.

Background

Wamala Growers Cooperative Union Ltd was registered in 1968 and acquired ranching land in 1972 for collective marketing of animals, particularly on the Kampala market. By the end of 1980 the total stock was 15000 heads of cattle.

On a smaller scale, the union has been selling milk produce mostly to middlemen. Registered low sales and income are mainly due to poor handling and transport problems. The union wants to capitalise on its experience of selling cattle and improve its capacity and skills to make the most of the growing demand for milk and derived products.

Project Summary

The project aims to improve the union's dairy production, storage, packaging, and collective marketing, which will in turn increase the farmers' bargaining power leading to higher sale prices, thus making dairy production a profitable venture.

We intend to procure:

- A milk tanker for collection and distribution of milk to

the Kampala market where a litre can be sold for a minimum price of USD 0.35;

- A yoghurt processor to generate higher levels of profit as half a litre of yoghurt fetches a minimum USD 0.35 whole sale price and USD 0.52 retail price. It will also improve nutrition;
- Refrigerators and a generator, mandatory to the preservation of milk quality;
- Milk cans and lactometers to ensure hygienic milk handling and milk quality. They will be distributed to primary societies for onward delivery to farmers.

This project will create several job opportunities, as staff will be needed to run the new equipment. Training will also be provided to empower cooperative members with essential business skills and increase the sense of patronage and accountability at the primary cooperatives' and the union's level.

Contributions to the Decent Work Country Programme's priorities (DWCP):

- Reduce poverty through increased opportunities for youth employment and productivity;
- Reduce incidences of child labour.

Partners

The main partners are the primary societies and their members who agreed to support the implementation of the project by supplying the ranch with more milk.

Secondary partners are:

- The Uganda Cooperative Alliance Ltd (UCA), which has a vast experience in value addition;
- The Cooperative Development Department, which is by law mandated to guide, supervise and regulate cooperatives.

Other potential partners include the Dairy Development Authority, the Land O' Lakes and Cooperative Societies in Ankole region involved in Yoghurt processing, the Uganda Industrial Research Institute (UIRI), and the Faculty of Food Science Technology Makerere University.

Beneficiaries

The milk will fetch higher selling prices, earning the primary cooperative members and the Union a higher income. The community will benefit from new employment opportunities, improved nutrition, and supplying milk to the Union at better prices.

Expected achievements

Increased milk production, from 3000 to 7000 litres;

- Increased price per litre of milk paid to the farmer, from USD 0.13 to USD 0.35;
- Improved marketing resulting in distribution of milk in towns and institutions such as schools;
- Improved milk hygiene after introduction of proper milk collection cans as opposed to the former use of jerry cans;
- Improved milk quality by testing the milk at the collection stage using lactometers;

- Enhanced cooperative members' patronage and accounting skills through training;
- Added value to milk production through processing and packaging of yoghurt;
- Increase in employment opportunities for youth in the production, handling, processing, and distribution of milk and derived products.

The farmers will be able to send their children to school thus reducing the incidence of child labour. The increase in milk supplies will improve the community's nutrition precedent and the life expectancy of people with HIV/AIDS. Finally, the improved perception of the cooperative movement should result in a 20% membership increase for primary cooperatives.

Project duration and budget

Project duration: 9 months, April - December 2009

Total budget: USD 50,000

Contribution from COOP^{AFRICA}: USD 35,000

Contacts

ILO Office Dar es Salaam
COOP^{AFRICA}
Kazi House, Maktaba Street
P.O. Box 9212
Dar es Salaam
United Republic of Tanzania
Tel: +255.22.2196700
Fax: +255.22.2122597
Email: coopafrica@ilo.org
www.ilo.org/coopafrica

Wamala Growers Cooperative
Union
PO.BOX 99
MITYANA-UGANDA
Tel: +256.464.44.2044
Mobile: +256.772.92.8326

Main contact person:
Herbert.K. Kizito, General
Manager
Email: kizitoherbert@yahoo.com

Second contact person :
Stanley Kijambu, union secretary
Email: kizitoherbert@yahoo.com



This project is funded by DFID