



The Inclusive Development of the Economy Programme

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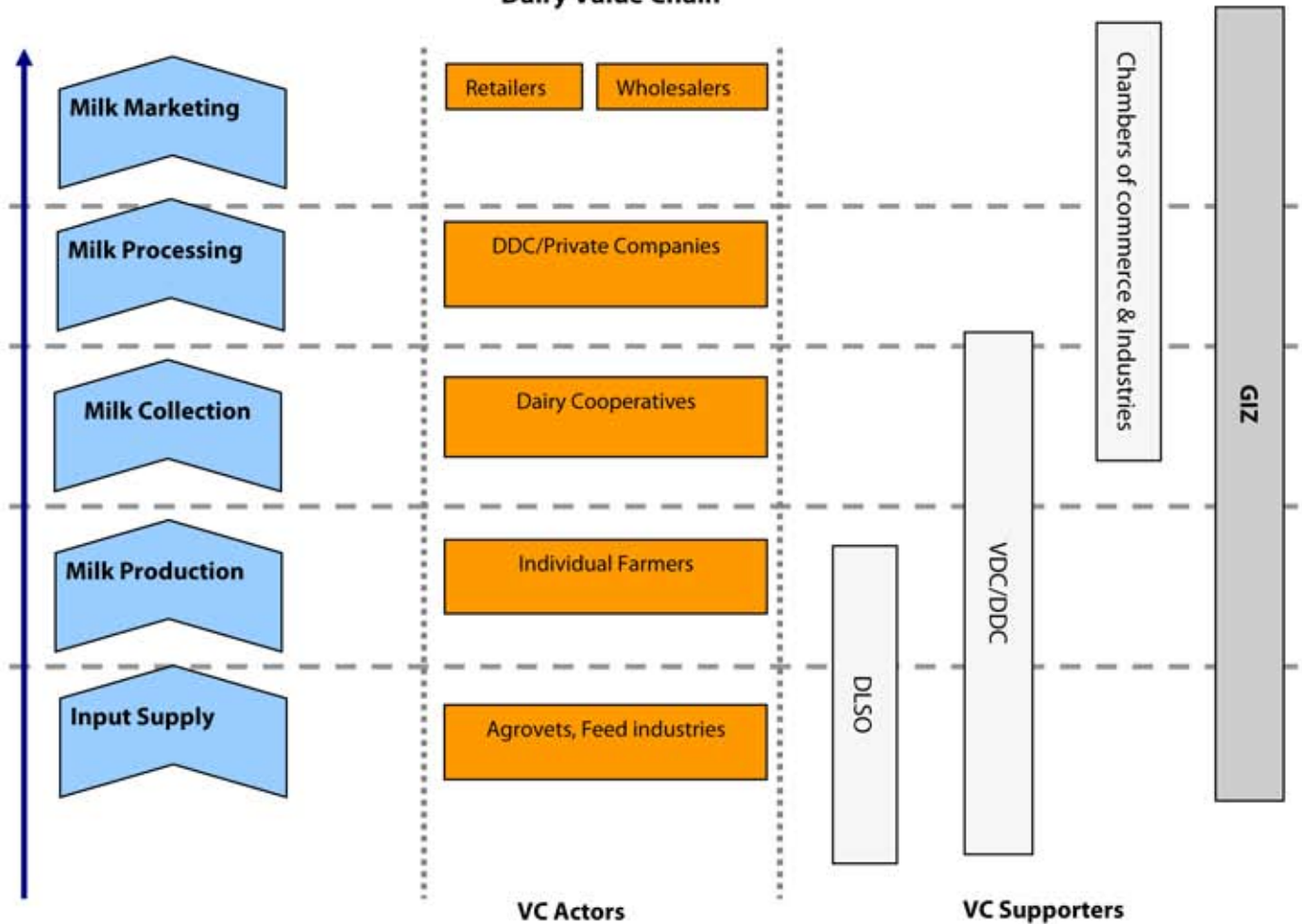
Promoting balanced and socially fair economic growth



Value Chain Development: Dairy

Rupandehi

Dairy Value Chain



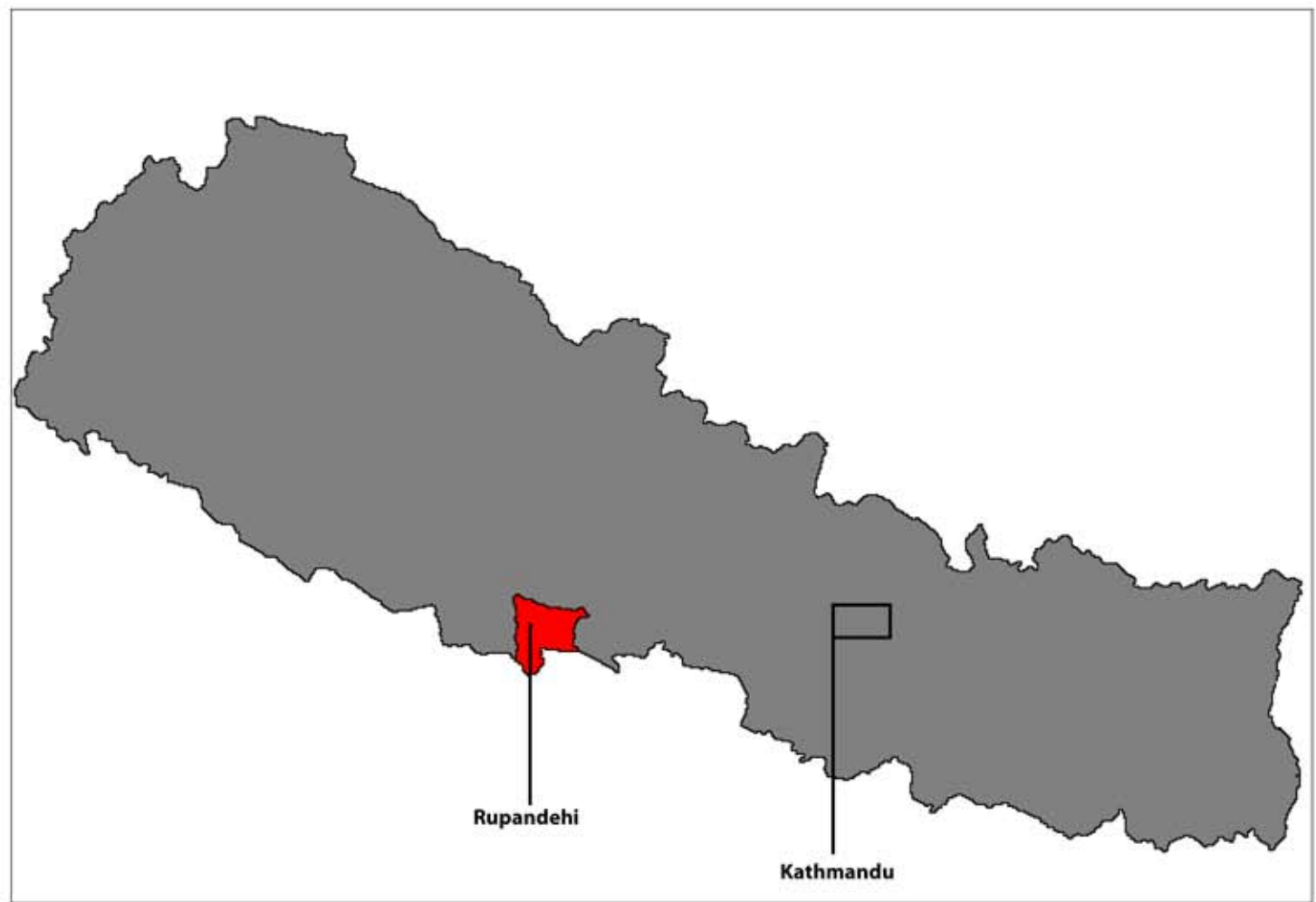
Focus of the intervention

An in-depth analysis of the dairy value chain in the Rupandehi district has identified a number of bottlenecks, which hamper the full exploitation of the sub-sector's full potential in the district. In particular it was found that:

- The cost of forage is high and farmers are not aware of dairy cattle feeding basics. Furthermore, the practice of silage or hay making is lacking and the process of producing forage is not mechanized ;
- Access to animal health and breeding services is limited: Major health problems are fertility, mastitis, parasites, metabolic diseases (imbalanced feeding) and insufficient preventive measures. Moreover, no quality Artificial Insemination (AI) services are available and cases of repeated breeding are common. The calving intervals are high, particularly in buffaloes. Furthermore, cattle sheds are not improved (i.e. not comfortable, clean and well ventilated) and the environmental sanitation around cattle sheds is usually poor. Moreover, small dairies have too limited skills and insufficient technological capabilities to diversify their product range and they are not well organized ;
- Often there are no chilling vats available in remote villages;
- Shortage of raw milk for large dairy plants ;

- District cooperative union is not business oriented ;
- No entrepreneurship skills exist in dairy farmers and there is almost no practice of making business plans. Furthermore, access to credit and insurance is lacking .

A series of activities have been implemented by INCLUDE focused on addressing those bottlenecks and aiming at creating employment and income opportunities for women and disadvantaged groups. INCLUDE has supported the District Milk Producer Cooperative Union (DMPCU), Rupandehi, in its institutional development and the organization of different trainings and workshops. In this regard, INCLUDE has supported the organization of trainings on topics such as scientific and commercial dairy farming, cooperative management, value chain development and adult education. Furthermore, the programme supported DMPCU, Rupandehi, in recruiting junior technical assistants (JTAs), providing artificial insemination (AI) training and providing AI equipment. The programme also supported DMPCU, Rupandehi, in distributing grass seeds and distributing posters and pamphlets on dairy farming. The programme further supported DMPCU, Rupandehi, in conducting training of trainers on hay and silage production and growing grass in community forestry.



Dairy



Based on economic potential studies and stakeholder discussions conducted in 2009, INCLUDE has selected the dairy sub-sector in the Rupandehi district as an entry point for value chain promotion. The dairy sub-sector has been identified as a major provider of employment in the programme region with a significant potential for income growth.

Rupandehi is currently one of the major producers of milk in Nepal and has a significant potential for growth in this sub-sector. Looking at the potential of inclusive employment creation and income generation through the promotion of milk, this sub-sector has been chosen for the assistance through the Value Chain (VC) approach.



IMPACTS and ACHIEVEMENTS (as of May 2011)

- The average income of farmers active in the milk sub-sector has taken a dip of 11% from annually NPR 16,686 per household in 2009 to NPR 14,722 per household in 2010. The increase of 34 percent from annually NPR.14,722 in 2010 to NPR.19,771 in May 2011 more than compensated the previous dip, however.
- The number of people active in Rupandehi's milk sector has increased by 11.6 percent in the period from 2009 to May 2011. The number of people active in the milk sector was 13,536 (Male 9,881, female 3,655 and disadvantaged group 3,904) in 2009, which increased to 15,312 (Male 9,933, female 5,379 and disadvantaged group 4,913) by May 2011.
- The strengthened cooperation structure in the sector resulted in an increase of the members of the cooperatives by 7 percent between 2009 and June 2011 and 7 percent between 2010 and May 2011.
- The production of milk has dipped by 12.5 percent between 2009 and 2010 before it grew again by 24 percent between 2010 and May 2011.
- 62 dairy farmers (including 24 women, 3 Dalit and 6 Janjati) representing 25 primary dairy cooperatives in Rupandehi were trained on commercial dairy farming through ToT. They in turn further trained 1,012 dairy farmers including 375 women, 136 Janjati, 35 Dalit and 58 Madhesi.
- 45 persons were trained on Adult Education. Out of this, 20 were the participants of the ToT on Commercial Dairy Farming and 25 were technical staff of DLSO, Rupandehi. They are expected to advise dairy farmers on commercial dairy farming in an effective way.
- 502 dairy farmers of 26 primary dairy cooperative received 470kg of grass seeds distributed by DMPCU, Rupandehi.
- About 2,300 cows and buffaloes have undergone artificial insemination through the use of AI equipment.
- 18 persons including four women and two Janjati were trained on cooperative management and value chain development. They further trained 91 dairy farmers including 18 women at village level.