

It works to work together

With more than 3.5 million animals, Ethiopia has the largest cattle population in Africa. Milk production, however, is very low, and its per capita consumption is lower than the African or the world's average. This means that the potential demand is large. But farmers need to tackle different challenges in order to increase production. One of the most important ones is to develop efficient marketing approaches. As seen in the northern province of Tigray, setting up co-operatives can be an important step forward in this direction.

Abraham Lemlem

Although Ethiopia has a relatively high number of animals, cattle breeders face many difficulties. This is particularly true in the northern province of Tigray, where more than 80 percent of the population is made up of subsistence farmers – and where food production covers only 40 percent of the population's needs. Free and uncontrolled grazing predominates, and grazing lands are common property. Poor management has led to a loss of most palatable species, and to an invasion of less palatable ones. Even worse, many areas have altogether lost their vegetative cover, resulting in sheet and gully erosion. This has gradually led to environmental degradation and to decreasing crop yields and livestock numbers.

In efforts to increase milk yields, REST, the Relief Society of Tigray, introduced Begeit cattle to this region. Originally bred in Ethiopia's lowlands, Begeit cows are known for their many advantages – they are well-adapted to local conditions and give high milk yields. Many farmers were able to get up to eight litres of milk per day. But then they faced a problem they had not expected: how to sell their milk. Although their own consumption increased dramatically, how could they increase their incomes and get additional benefits?

Box 1. Abeba Yebiyi's story

Abeba Yebiyi is a 55 year old woman living in the Degua Tembien district (or *woreda*), in the centre of the Tigray region. She is the head of a family of eight, trying to earn a living and sustain her family under very difficult conditions. In June 2004 she received a cow from REST, which later gave birth to four calves (one male and three female). Ms Yebiyi sold the male calf to a neighbour, earning 600 birr (approximately US\$ 55). She now has two heifers (one of which is pregnant), one lactating cow and one female calf. This has added a completely new dimension to her household. While before they were basically limited to growing barley, and surviving on a limited diet, the whole family now cares for their animals and enjoys the benefits. The cow yields an average of eight litres of milk per day, for ten months of the year. This is more than the whole family can consume.

Ms Abeba is now a member of the local milk co-operative. So she supplies them with milk, earning 5 birr per litre – adding up to a potential total of 12 000 birr per year (around US\$ 1000). Taking into account what she spends on feed and the animals' health, she and her family make a net gain of almost 700 dollars. They also spend less money on fuel, using some of the cows' dung for this purpose. And they even sell some of this dung, earning some extra cash.

Forming marketing groups

As seen in Box 1, many of the farmers who worked together with REST experienced a number of benefits, especially in terms of milk and dairy products. But meetings with farmers, extension workers and local authorities made it clear that extra efforts were needed to market these products, to ensure that farmers could earn a steady monetary income, and expand the benefits of milk production to the population at large. A shared idea was that of forming marketing groups, considering these had to operate as "milk units". Small-scale farmers were to organise themselves in order to collect and sell the milk, and at the same time to process it and sell different value added products. All groups were to become independent entities within a community, and would be recognised as co-operatives once they were legally certified.

There were different objectives for forming these co-operatives. One was to help farmers commercialise their products, so that they could earn more income. But it was also expected that by making more milk available, the nutritional status of the population would be improved. For their part, farmers hoped to increase the efficiency of their milk processing procedures, lessening the amount of milk lost during the processing of dairy products. This was all conceived as a "dairy development scheme", where success depended largely on the development of marketing facilities, and also on the availability of small-scale processing techniques. Farmers were interested in producing high quality dairy products, and also in being able to store them. By working together, they aimed at solving their problems collectively, in ways that individuals cannot. This meant co-ordinating knowledge, wealth and capital. It was clear that operating as a large group could improve the living standards of individual members, by reducing production costs and obtaining better prices.

The first measure taken was to assign specific roles and responsibilities to all those involved. Committed farmers were invited to join together, and to dedicate the necessary time and energy to milk production. REST agreed to provide dairy cows to the groups on a credit basis. They also agreed to provide forage seeds and animal feed (such as molasses), as well as cans and milking equipment. As part of its regular programmes, REST also agreed to continue providing extension and technical support.

Most importantly, one of REST's roles was to help in organising the co-operatives. This required following strict procedures, such as filling in an application form for the local authorities, registering all members, opening a bank account, and describing in detail all planned activities and expected results. Most co-operatives were set up by farmers from one village or from a single area; in most cases forming groups of at least ten members. These were all set up as voluntary organisations open to anyone interested, with equal voting rights for all members. Following Ethiopian law, dividends were to be divided in accordance to the number of shares each member has, and also in relation to their contribution.

Setting the scene

But while all co-operatives have to follow Ethiopian law, one of the main requisites for them being officially recognised is the elaboration of their own by-laws. These are internal norms which regulate all procedures, and which determine the roles and responsibilities of all members. The preparation of these by-laws was thus an essential part of the process, resulting in a specific

Box 2. A successful co-operative

The Daero milk processing and marketing co-operative, in the Wukro district, was established in May 2006. Originally formed of 15 members, it is now twice as big. Together with the government's co-operatives department, REST helped its members get organised, and provided a number of Begeit cows. An important step in its formation was the development of its own by-laws, and the identification of duties and responsibilities. Those participating in the co-operative's management bodies received training, and were also invited to visit other co-operatives. By doing this they could get a clear picture of operating procedures, problems faced, and how to solve such problems. But the support provided by REST is now limited to the visits of extension agents, and the co-operative is the one in charge of supporting its members. Every month, for example, wheat bran is sold at a reduced price to all members with milking cows. Several members have also received loans.

Its most important service, however, is the commercialisation of milk. At the moment, each member has at least one crossbred and one Begeit cow, so they are all producing milk. Approximately 220 litres of milk are collected every day at the selling post, from which different products reach the market. Every day, consumers buy 120 litres of whole milk, 20 litres of boiled milk, 60 litres of yoghurt, 250 gr of butter and 18 litres of skimmed milk. This provides a total daily income of more than 1000 birr.

Product	Amount	Price/unit (birr)	Daily income (in birr)
Whole milk	120 lt.	4.00	480.00
Boiled milk	20 lt.	5.00	100.00
Yoghurt	60 lt.	7.50	450.00
Skimmed milk	18 lt.	2.00	36.00
Butter	0.25 kg.	80.00	20.00
Total			1086.00

Subtracting all operational costs (like rent or the salary of a sales person), the co-operative gets a net monthly income of 7578 birr – the equivalent of more than US\$ 8000 per year.

and detailed document. As part of this process, it was necessary to determine the co-operative's objectives, the way agreements are reached or decisions are taken. It was also necessary to decide what is needed to be accepted as member, including the expected duties – especially for the internal management bodies. A special section of these regulations looks at the allocation of profits. All milk co-operatives deduct 30 percent of the net income gained in one year, using it to cover all management costs. The remaining profit is divided among all members.

Members of the different co-operatives set up in recent years like to point out the many services, and therefore, benefits they are getting. As seen in Box 2, the commercialisation of dairy products results in a considerable amount of money becoming available. Most co-operatives are therefore able to provide specific services. Some provide credit at affordable rates; others help farmers with animal feed. And in addition to these services, all co-operative members get paid for their milk, on a regular basis (in a way that "it is as if we are getting a salary"). Put together, this all provides a very favourable setting for farmers to develop their own ideas, increasing yields, processing their products, obtaining higher incomes and improving their living standards. Within this framework, it is clear that farmers' entrepreneurship will help solve the problems they still face. ■

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Call for articles

Scaling up and sustaining the gains December 2009, Vol. 25.4

The next issue of LEISA Magazine will have a new look, with new sections. At the end of our jubilee year, it is a good occasion to look at how sustainable agriculture practices have developed and spread over time. We want to look at initiatives that have been taken to scale up successful methods and approaches. Equally, we will look at the factors that have hindered the spreading of sustainable agricultural practices. And we want to learn about what it is that has helped some sustainable practices to continue while others have not.

We would like to pay attention to the different dimensions of upscaling. What characteristics does a good practice need for it to be disseminated and picked up by others? What institutional arrangements are important (for example collaboration between farmers' organisations, government extension departments, private sector and/or NGOs)? And what are the policies that encourage or inhibit scaling up processes? How do they come about? How does relevant information reach those in charge of drafting them? Have successful advocacy campaigns influenced local policies?

We invite you to contribute to this challenging theme. Please do **not** send us a full article, but a *500-word summary* of your experience, pointing at the factors that have contributed to, or hindered, the wider dissemination of sustainable benefits. What makes your experience special, and why do you think it is relevant to others?

Please send your ideas to Jorge Chavez-Tafur, editor, at j.chavez-tafur@ileia.nl. We look forward to hearing from you before August 15th, 2009.



... that certain Australian acacia species have tasty and nutritious seeds that can be stored for many years, thus serving as famine reserve food? You can read all about it on our **blog**, LEISA's Farm. There you can also find many other interesting items related to sustainable agriculture, and sign up to receive new posts in your inbox: www.familyfarming.typepad.com.