

# Proceedings of the first Dairy Business Platform Meeting conducted in Addis Ababa, Ethiopia

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*By: DairyBISS Team*

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*Dreamliner Hotel, Addis Ababa, Ethiopia*

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## **1. Introduction**

The moderator, Ato Yared Tsertse, requested the participants to introduce themselves by giving their names, position and expectations from the workshop. Accordingly, the participants made their introductions. A total of 25 participants, of whom two women attended the workshop (see for the attendance list annex II).

### **1. Opening speech**

Ato Yared invited Mr. Jan van der Lee, project leader of the Dairy Business Information Service and Support Project (DairyBISS), to make the opening speech. Mr. van der Lee gave a welcoming speech to the participants. In his speech Mr. van der Lee warmly welcomed the participants. He also mentioned that a lot is expected from the participants to attain the objective of the DairyBISS project. As one of the objectives of the DairyBISS project is to establish a dairy business platform that functions as an effective private sector network for business development, B2B relations, business information, learning and advocacy, he said effort was made to call potential stakeholders who are actively working in the dairy sector.

Finally, he wished to have relevant discussions to achieve the objectives of the DairyBISS project and officially declared the workshop opened.

Ato Yared, the moderator, thanked Mr. Jan van der Lee for doing the opening speech and invited Mr. Girmay Murutse to present the objectives and strategies of the DairyBISS.

## **2. Presentations**

In the morning session three presentations were given by the DairyBISS staff members. One was on the objectives and strategies of the DairyBISS project, the other on the findings of the baseline survey conducted on the dairy farms, firms and advisors and the third was on the dairy business opportunities report.

### **3.1 Objective and strategies of DairyBISS Project**

Mr. Girmay Murutse, Dairy Business Network Advisor for DairyBISS project presented the objectives and strategies of the DairyBISS project. According to his presentation, the DairyBISS project is a three years project (2015-2018) funded by EKN (Embassy of the kingdom of the Netherlands). He also explained the input, output, outcome and impact of the project. Moreover, detailed clarification was given on the strategies and approaches the project will be implementing in order to achieve the objectives of establishing a dairy business platform that initiates and follows activities in business development, capacity building and business information development. To have an effective private sector network for dairy business development, the importance of involving the potential stakeholders along the dairy value chain was explained in the presentation. Additionally, the possible stakeholders for the dairy platform from government and non-government organizations were mentioned. At the end Mr. Girmay listed some of the innovation areas to be covered in the project and announced that the project is open to incorporate additional ideas as well.

### **3.2 Brief report on baseline study on dairy farms, firms and advisors**

Mr. Tinsae Birhanu, Dairy Business Advisor for the DairyBISS project presented the baseline survey conducted from Sep 3/2015 to Sep 18/2015. He explained the objectives, methodology, results and the preliminary conclusions obtained from the study (annex 2). In the study interviewees from input suppliers, service providers, cooperatives/unions, commercial dairy farms, advisors, traders and retailers were included. The study was conducted in three milk sheds namely Adam Weliso milk shed, Adama Asela milk shade and the greater Addis milk shed. In the study, interests of the respondents towards joining the platform, composition of the members of the platform, frequency of meetings, fees and fee structure of the platform, level of the platform, location of the platform, expectation of the

platform and communication means in the platform were assessed. Based on the result obtained in the study the following preliminary conclusions were drawn.

- There is a wide-spread interest in joining the dairy business platform.
- For the dairy business platform, members should come from farms, firms, cooperatives/unions, government, NGOs mentioned with *less often mentioned: retail, research and finance*.
- On frequency of meetings of the platform: start with frequent meetings – at least quarterly.
- Payment: first show value of the platform, then ask for a (small) annual fee (flat rate?).
- On the level of the platform: national vs. more local (later?).
- Location of platform meetings: start in Addis Ababa, maybe make it rotational depending on level of platform.

### **3.3. Business opportunities in the dairy value chain in Ethiopia**

Mr. Adriaan Vernooij presented the findings of the study conducted on business opportunities in the dairy value chain in Ethiopia. He explained the rationale for rapid dairy sector development in the country and the need of answering questions such as

- What is necessary?
- Who can supply?
- How to kick-start the commercial dairy value chain?

As per the result of the study Mr. Vernooij explained the existing opportunities in the dairy sector in the country such as on feed production, young stock rearing, breeding service, veterinary, animal health, housing design and equipment, milk processing plant, training, education and advice.

## **4. Discussions**

In completion of the presentations, the floor was opened for discussion. Accordingly, the following questions and comments were raised by the participants.

Questions and comments	Response
Some the partner companies listed in the slide seem not active, why are these projects included?	The stakeholders slide can form the proposal and needs some updating; actually only Velocity Dairy withdrew
Ambo university is mentioned as one of the project partners. What is the rational to partner with them as compared the other institutions?	The project has started some activities initially with Ambo, but does not exclude any other knowledge institute.
The project target area is Oromia region. What is the reason behind this?	The project is mainly working with medium and large dairy farms. These farms are mainly concentrated in this region.
The EMDIDI is neglected from the baseline survey. Though it is the body concerned with the regard to capacity building and other responsibility in the dairy sector	EMDIDI will also be further consulted as part of the DairyBISS activities.
In the baseline study result, it is indicated 92% are profitable. This doesn't look correct.	The 92 % means that these firms indicated that they see their business as profitable, but not all shared their turnover/costs/profit information.
Different development organizations are working in the platform approach. What is the integration of the DairyBISS platform with these organizations?	The project has a close link with LMD, EDGET and LIVES and is open to share their experiences.
Objective of the project has to be in line with the existing strategy of the government.	Consultations have been held with the government during the preparation phase.
How are the milksheds in Oromia defined?	The sub-milk sheds around Addis have been labeled according to the main roads and the secondary towns and districts.
How can internet be used if 80% of farms have no access to internet?	Farms indeed lack access, while firms prefer internet as a medium.
Some opportunities seem to be lacking from the BOR: <ul style="list-style-type: none"> <li>• Packaging</li> <li>• Manure management</li> <li>• Standards for processing plants</li> </ul>	These points are important input to our study. But for this study not incorporated
3-4 Billion liters of milk is produced per year, if this figure is divided into the total population the per capita milk consumption will be higher than the figure indicates.	Of course if the total amount produced is divided into the total population the per capita will raise. But the problem is the amount of milk produced that is not consumed (in every stage there is wastage)

## 5. Group discussion

In the afternoon, the participants were divided into three groups to each discuss one topic and present the result of the discussions afterwards. The three discussion topics were platform membership, activities and functioning of the platform and communication. After one and half our of discussion each group presented the agreed points.

### 5.1 Activity and functioning of the platform

The team assigned to discuss on the activity and functioning of the platform presented the activities that have to be accomplished by the platform and how to make the platform functional. The group emphasized the following points of discussion:

- Information supply
- BDS
- Case studies/innovations/technologies/bench marking
- Advisor network
- Training and coaching
- B2B facilitation
- Lobbying
- National or regional setup
- Meeting location
- Frequency of meetings

### 5.2. Membership of the platform

The second group was dealing with the membership of the platform. The group emphasized the following points of discussion.

- Criteria: capital, no. of employees, turnover
- Government relationships: open for decision
- Development agencies: observers, not decision makers
- Cooperative and unions: can be member

- Coordination-steering committee: do you need a board, coordinator, screening committee (preparation team).
- Relationship with Associations (members should represent the commercial entity, not the association)
- Fees and fee structure

### **5.3. Communication**

The third group discussed the communication means and ways to be practiced for the platform, advisors and dairy stakeholder. Points of discussions were

- Logo
- Name
- Website
- Social media
- Info centre: what info from whom
- Smart phone app
- Member directory

## **6. Presentation and discussions**

Each group gave a presentation after their discussion.

### **6.1. Membership of the platform**

This group has presented the consensus reached by the participants of the discussion. Accordingly, membership has to fulfill the criteria such as: the member should be working along the dairy value chain and committed to the platform. The commitment should be approved by MoU. The government bodies in the platform should be considered as main stakeholders in order to work in the facilitation process. The development agencies will also be members of the platform so that their activities will be aligned with the platform. Cooperatives and Unions are agreed to be main stakeholders of the platform. Dairy related associations are considered to be members, provided that the representative in the platform should have his own dairy related unit. A steering committee comprised from private, government, NGOs and knowledge institutions will be established and will be responsible to lead the platform. Of course the leading role will be given to the private sector. The team agreed to the

introduction of a membership fee. Each member will be charged an equal amount of fee. But since the practice of paying membership fee isn't common, the fee should be subsidized for the first three years' time. It was suggested to pay 30%, 60% and 90% for the coming three years. And it was also suggested that there is a need of demand creation, the function of the platform has to be highly recognized.

## 6.2. Activities and functioning of the platforms

The activity and functioning of the platform team presented the following points:

- **Information supply:** The information which is important in the dairy sector was identified as standards and regulation on dairy products, how to establish dairy business, training and capacity building opportunities, public awareness on dairy quality, info on emerging issues(diseases outbreak),overview of all project dairy related info on sources of overseas inputs and local suppliers.
- **In business development services:** build network of different professionals, identification of specific opportunities along the value chain, linking value chain actors.
- **In B2B:** Conducting forums and exhibitions.
- **Case study and innovations:** on feed formulation and feed ration, AI –evaluation of the current practice, animal health, input supply, cooling chain and proper milk containers, fodder seed production, bench marking (technical and financial).
- **In Advisor Network:** Set minimum standard for the dairy farms, technical backstopping and monitoring, feed composition at feed mills, efficient milk collection.

## 6.3. Communication

The team discussed on the means of communication that the platform has to implement and presented the findings as follows:

The team tried to classify the type of information, what communication means to employ for each info and what brand to be used.

What	How	Branding
Project status	Meetings/field visit	Name
Lessons other network	Exchange visits	dairy business platform (SBN, APF)

Events	Website	
Sector challenge and opportunities	Facebook	Logo(Cow, milk, people)
Info exchange techno	website, Facebook, call, email	
Business opportunities (Eth and Inter)	website, Facebook, email, SMS	Dairy business platform
Best practices(success story)	website, Facebook, email	
Dairy directory	Newsletter, application, radio	local language by dairy board
What project does what (alignment)	IVR program, trade fair, exhibition/Milk day Info center/office The web site is agreed to: www.dairyethiopia.com	Woreda level, notice board

## 7. Discussion on the presentations

After each group had presented their conclusions, there was time for questions, comments and additional remarks.

Questions and comments	Response and conclusions
If the membership is based on MoU, there is a need of preparing guidelines on how the platform will operate.	To prepare the TOR, nominees from different stakeholders along the dairy value chain were listed, and the assignment was given to the DairyBISS team to select a team having four members as a task force.
It is good to consider the membership fee, but before collecting the fee, it is better to consider the regulation of the government (need to have legal entity).	This will be looked into by the DairyBISS team
In the platform stakeholders government and private sector are recommended to be members, what will the modality for the membership fee?	This will be looked into by the DairyBISS team

## **8. Closing remark**

Mr. Jan Van Der Lee, project leader, gave the closing remarks of the meeting. He appreciated the contribution and active participation of the audience. In the meeting many valuable points were raised and most of them need further clarifications. The taskforce is expected to come up with the required guideline as to how the platform will be an effective private network for dairy business development. In general the meeting was successful and he thanked everybody once more for their participation.

## Annex I: Agenda

### Objectives

- To review the progress of issues identified in the Dairy BISS baseline survey and lessons learnt
- Brief report of the dairy business opportunities in Ethiopia
- To come up with the action plan of the next dairy BISS platform meeting
- To agree purpose and functioning of the dairy business platform

### Date and location

Region	Date	Location
Addis Ababa	06/10/2015	Dreamliner hotel

### Program

Time	Tasks	Approach	Responsible
<b>8:30am</b>	Registration		DairyBISS
<b>9:00am</b>	Introduction of participants	speech	Moderator
<b>9:15am</b>	Opening speech	Speech	Jan van der Lee /Dairy BISS project leader
<b>9:20am</b>	Objective of the project and platform	Presentation	Girmay M.
<b>9:35am</b>	Brief report of the Dairy BISS baseline survey	Presentation	Tinsae Birhanu
<b>10:00am</b>	Discussions and reflections		Moderator
<b>10:30am</b>	<b>Tea Break</b>		
<b>10:45am</b>	Brief report of the dairy business opportunities in Ethiopia	Presentation	Adriaan Vernooij
<b>11:15am</b>	Discussions and reflections		Moderator
<b>12:30</b>	<b>Lunch</b>		
<b>1:30pm</b>	Group discussion- three rounds	Reporters	Girmay, Tinsae and Jan
<b>2:45pm</b>	Presentations of the group discussion	presentation	Presenters from each group
<b>3:00pm</b>	Discussions and comments		Moderator
<b>4:40pm</b>	Closing remark	Speech	Jan van der Lee

## Annex II: List of participants

S/N	Name of participants	Gender	Institution/Company
1	Yohannes Mehari	M	AGP-LMD
2	Kassahu Melesse	M	DIARC
3	Tesfaye Kumsa	M	Anno Agro-industry
4	Ashenafi Mengistu (PhD)	M	Addis Ababa University
5	Adriaan Vernooij	M	Wageningen UR
6	Jan Van der lee	M	Wageningen UR
7	Wytze Heida	M	SNV, Friesian
8	Hirut Yohannes	F	Ruth and Hirut PLC
9	Chala merera	M	Ambo University
10	Melaku G/michael	M	GGGI-Ethiopia
11	Desalegn G/medhin	M	EMDIDI
12	Anteneh Mebrahtu	M	
13	Tadesse guta	M	EMDIDI
14	Bisrat Terefe	M	Fares D.I.C.
15	Dr. Birahne Kassa	M	Sara Dairy farm
16	Mokonnen Gesh	M	EMDIDI
17	G/egziher G/mariam	M	Life agro industry
18	Adigna Tolera(professor)	M	Hawassa University
19	Mahlet Yohannes	F	SNV-Ethiopia
20	Mergia Bekele	M	Yonad Business promotion
21	Tinsae Birhanu	M	DairyBISS
22	Girmay Murutse	M	DairyBISS
23	Yared Tsertse	M	Moderator
24	Debay Tadesse	M	
25	Jan Van de Haar	M	Cow grow breeding PLC