Maziwa Zaidi (More Milk) in Tanzania
Strengthening business linkages in dairy value chains
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Faida Market Linkages (Faida MaLi)

Key messages
• Strong business linkages among dairy value chain agents are key to upgrading Tanzania’s dairy value chains
• Existing linkages are either weak or have not been fully exploited to the mutual benefit of value chain agents
• The single most important constraint to strengthening and fully exploiting the linkages is the limited business skills of the value chain agents
• Training, coaching and mentoring milk producers and traders on dairy business management including simple gross margin analysis and business planning would go a long way in strengthening linkages
• District extension services should provide for extension staff with basic agribusiness skills

Objectives and approach
• Objective: facilitate the strengthening of business-to-business (B2B) linkages in order to make dairy market hubs in the MoreMilkiT project functional
• Approach: participatory needs assessment, site-specific planning, training milk producers on dairy enterprise management, experimenting with formal business contracts between producer groups and input and service providers, training, mentoring and coaching of selected milk traders

Key results and lessons
• Functional producer organization-based hubs established in seven sites
• Functional milk trader-based hubs established in six sites
• Close coaching and mentoring of agents in dairy business management is key to changing behavior and strengthening linkages
• Understanding of agents’ business environment is crucial to designing capacity building intervention

Opportunities to invest and scale
• Local governments should hire extension staff with agribusiness skills to support dairy market hubs
• Producer groups should strengthen the governance of their groups and provide continuous support to their members in dairy business management
• Milk traders should acquire knowledge and skills for business analysis and for support to milk producers to increase farm productivity
• Public investment in rural infrastructure such as roads and electricity is needed to enable milk processors establish viable linkages with milk producers

Milk traders developing their business plans at a business opportunity seminar in Morogoro, 30th Nov -3rd Dec 2016

Representatives of milk producer groups visit ASAS Dairies Ltd to explore the possibility of supplying milk to the company