



**Expert Meeting on
Investment, Innovation and Entrepreneurship for Productive
Capacity Building and Sustainable Development**

30-31 March 2015

**Business Linkage Program between UNCTAD, Tanga Fresh Ltd and
TIC-Tanzania Investment Centre**

by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD



The Multi-year Expert Meeting (MYEM) on Investment, Innovation and Entrepreneurship for Productive Capacity-Building and Sustainable Development

3rd Session

30-31 March 2015

Geneva, Switzerland



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The overview of Business Linkage Program between UNCTAD, Tanga Fresh Ltd and TIC- Tanzania Investment Centre 30-31 March, 2015 Geneva, Switzerland

- Overview of smallholder dairy farming:
- Milk Procurement.
- Processing.
- Distribution.
- Business linkage program
- Challenges.
- Way forward/strategy.

Overview of smallholder dairy farming.

- **The dairy sector is one of the key sectors in Tanzania with high potential for improving food security, creating employment especially for rural households and contributing to economic development.**
- **6,000 smallholder dairy farmers with an average of 6 people family members (36,000 people) excluding service providers, milk attendants, transporters and distributors.**



Procurement.

- Raw milk is procured mainly from smallholder and few medium dairy farmers.
- Brought to the chilling centre by foot, bicycle, motorcycle and few by car.
- Milk is checked on quality parameters for adulteration, alcohol test, resazurin test.
- Milk is poured in a cooling tank for storage at a temperature not exceeding 4° c.



Procurement...Continue!

- Insulated trucks are then going to collect raw milk from the collection centre to the plant.
- Samples are taken from the truck driver to the laboratory for analysis.
- Raw milk is then received at a milk reception point at the plant.

A FARM AT PONGWE: 51% of our farmers are women.



Processing:

- Processing department communicates daily with Milk Source and Logistic department.
- Depends on the stock of raw milk, the milk is processed into various products:
 - Pasteurized milk, Low fat, Mtindi(cultured/sour milk), Yoghurt, Cream, Cheese, Butter and Ghee.
 - Cheese is produced when the supply of raw milk is higher than the demand!



Distribution:

- The logistic department is controlling the stock and distributing the products to various destination.
- ❑ Tanga, Dar es Salaam, Morogoro, Dodoma, Mwanza, Zanzibar etc.
- ❑ Communication with the agents or distributors.



Business Linkage Program

- Prospective participants were identified by Tanga Fresh Limited in collaboration with TIC.
- Tanga Fresh Company Ltd nominated initial **93 suppliers** out of their data base of more than **6,000** milk suppliers deemed to have great potentials for being incorporated into Business Linkage Program.
- Each Training workshops have to comprise **30 farmers**



Business Linkage continues

- Further to interviews conducted by Empretec National Trainers, **82 out of 86** suppliers who attended interviews successfully qualified to become beneficiaries of the Program who shall represent their Unions.
- Since inception of the linkage collaboration two training sessions have been conducted and 55 farmers have graduated.

ETW Group I picture on graduation day 10th May 2014





Business Linkage Achievements so far:

- 55 smaller holder dairy farmers graduated the UNCTAD entrepreneurship training model
- Tanga Fresh Management has recognized the role of entrepreneurship training for the successful performance of the company strategy: TFL believe that if only 50% of the current supplying small holder dairy farmers are trained on entrepreneurship they could increase milk production by 50% more of the current production.

Challenges

- ❑ 1: High level of raw milk supply-seasonal fluctuations
- ❑ 2: Poor entrepreneurship skills by our farmers
- ❑ 3: Low cattle feeds availability during dry season
- ❑ 4: -Poor dairy breeds in the region
- ❑ 5: Low marketing potential for processed milk especially in rain season

Way forward/strategies:

- **Fund raising for UHT project which requires TZS 6Billion.**
- ***Fundraising for farmers training on entrepreneurship (product and behavior-dairy as a business)***
- ***Launch commercial cattle feeds production to control the supply fluctuation***
- ***Establish Heifer Development Fund to be able to supply at least 1,000 quality dairy heifers per annum across the region***
- ***Generic milk marketing***



THANK YOU FOR LISTENING

The Multi-year Expert Meeting (MYEM) on Investment, Innovation and Entrepreneurship for Productive Capacity-Building and Sustainable Development - 3rd Session / 30-31 March 2015, **Geneva-Switzerland.**





Tanga Fresh Milk collection centre:



Tanga Fresh Raw milk transport tankers



TFL raw milk reception platform:



TFL Processing Floor:



TFL HQ Laboratory:



Tanga Fresh Distribution vehicle:



