USAID REVIVES DAIRY INDUSTRY IN MALAWI

Margaret Lombwa of the Dedza district in central Malawi never thought she could be a dairy farmer. Only a few people had cows in her district, and she had no money to purchase one. But with a loan and intensive training, she now proudly displays her two healthy cows. Through a USAID-supported program in Malawi, thousands more women and men have a steady income through dairy farming.

Lombwa and her husband, like 85% of Malawians, are rural small holder farmers. With less than a one hectare piece of land, even the best harvest yielded barely enough to feed the family, and didn't stretch to pay school fees for six children.

The stairs out of poverty for Mrs. Lombwa are even steeper. Only since the mid-1990s have girls been encouraged to go to school in Malawi, and among adult women, the literacy rate is still only 50%. By local tradition the family assets belong to the husband, making it difficult for a woman to gain access to capital to start a small business or further her education.

USAID aims to increase incomes for poor farmers in Malawi through high-value agricultural products like dairy. Since 1999, with support from USAID, the Minnesota-based dairy cooperative Land O’ Lakes has been active in Malawi to revive the small farmer dairy industry, which had stagnated in recent decades. The program works directly with farmers in villages, providing training, technical assistance, and in-kind loans, and also at the national level, to promote pro-business policies.

Since the program works especially with farmers with no experience in dairy farming, training and support is extensive. Farmers learn how to grow and prepare livestock feed using local plants, like grasses and peanut hulls. They are advised how to build a shed for the cow and grain storage. A field officer gives door to door support in business skills such as record keeping and financial management.

Through a special loan program, Land O’Lakes donates a pregnant heifer to a farmer. The breed is especially suited to local conditions, and is a good milk producer. The recipient commits to raise the
The dairy program is one way that USAID reaches households in Malawi that are most vulnerable to shocks such as droughts and illnesses. Land O' Lakes has piloted a program that trains youth, most orphaned by HIV/AIDS, in dairy production. Whether burdened by illness or food shortage, the dairy farmers are more resilient to such shocks. The added income, training, and free fertilizer allow them to get through difficult times.

Membership in the Dedza dairy group has grown from five members to 77, with more than half of them women. The program reaches all three regions of Malawi, currently with about 6,000 members. The dairy industry in Malawi has a lot of room for growth, since 60% of dairy products in Malawi are imported. With USAID support through dairy farming, families like Mrs. Lombwa's have the resources to thrive as well as contribute to a growing, lucrative industry.

cow and donate the young back to the program, which then goes on to another new dairy farmer.

Once she had received training and obtained a cow, Mrs. Lombwa became a member of the local milk 'bulking' group. This local group of about 75 farmers shares the use of a cooling center, where an electrically cooled and sterile tank stores milk. Each farmer delivers milk daily -- by foot, or by bicycle -- to the tank, up to 8 kilometers away, where it is picked up by a private milk processing company.

The program's dairy farmers earn on average about $600 per year from the sales of the milk. Per capita income in Malawi is only about $180.

"We're sending our children to secondary school with the money," says Mrs. Lombwa proudly. And she adds with a smile,"I can afford a new dress once in awhile."

Although it takes about two years for a new dairy farmer to realize profits, Mrs. Lombwa's field officer attests that few farmers fail with their cows. They get an immediate benefit of free fertilizer for their crops from the manure, and training and support through Land O' Lakes.

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Since 1960 USAID has provided assistance to Malawi, with total funding of approximately $700 million. Projects currently address health, education, economic growth, natural resource management, democracy and governance, and food security. Throughout its programs, USAID/Malawi works to reduce the prevalence of HIV/AIDS, improve the status of women, and support policy reform. For further details about USAID and USAID/Malawi, visit www.usaid.gov/mw