

# Widow reaps smiles from an organized milk market

*For 54-year-old Elizabeth Chimbanga, it is a story of how a thriving private sector could dramatically impact the life of a rural farmer; a story that describes the transformation of a woman's life from poverty to hero.*

**C**himbanga is a widow who has four children of her own, two are independent of her, however, she also takes care of her chronically ill sister and her two children; one of whom is in primary school and the other in secondary school.

Recently, she lost another sister who has left behind two children who are both currently in primary school; a total of six children reside under Chimbanga's care.

For a smallholder farmer, looking

after six children would be a struggle but Chimbanga now has a different story to tell.

The woman people knew as a struggling widow at Goliati in Thyolo District less than two years ago, is now the epitome of change that speaks of the benefits of a well-structured value chain in dairy farming.

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hard in the past,” says Chimbanga. A middle-income earner now, Chimbanga sits on the veranda of her modern-built house, gazing at the setting sun with all smiles.

Behind her house is a simple Kraal made with basic and traditional construction materials including tree trunks, split reeds and mud.

Though traditional, the Kraal is of good quality, of the few within her home’s radius. It houses one dairy cow. Adjacent to the Kraal is a green vegetable garden, fenced with split reeds at half-mast. From the Kraal comes piles of manure for the vegetables.

What is new is that just less than a year ago, the now-happy Chimbanga and her colleagues did not have the opportunity to access a cross-bred cow with the promise of a better yield of milk.

This has been made possible through the pass-on scheme that has been set up by Lilongwe Dairy Limited “In the past, much of the milk could go bad because of the frequent

power outages at the bulking groups which would make it difficult to maintain the temperature in the cooling tanks” recalls Chimbanga.

Now, with the setting up of the new cooling center, the company directly procures warm milk from the farmers and manages the cooling thereby significantly reducing the wastage that used to occur at the cooling centers.

She goes on to say, “the company is now offering a steady market and stable prices” which will enable her to plan her monthly household expenses.

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All that is now history. The day we met her, Chimbanga had just sold around 15 liters of milk to the Lilongwe Dairy Limited making approximately MK80,000 per month compared with the MK 30,000 per month she earned before.

The company opened its first rural milk cooling and storage facility at Goliati thanks to the Malawi Innovation Challenge Fund (MICF) - a US\$21 million competitive, transparent mechanism that provides matching-grant finance for innovative projects proposed by the private sector active in Malawi’s agricultural, manufacturing and logistics sectors.

Supported by the United Nations Development Programme (UNDP), UK Aid and Germany through KfW, the MICF is designed to be a quick, responsive mechanism that is not overly bureaucratic and understands the needs of the private sector.

Since its establishment in 2014, MICF has facilitated the in-country manufacturing of innovative products pushed through the domestic and export markets, and has integrated the poor in their supply chains on purely business terms.

“The initiative has helped us to secure a stable market. We look forward to more exposure,” she says.

Through the project, the Lilongwe Dairy Limited has set up a new milk collection model which involves erecting a central milk collection centre with a 40,000 liters capacity milk cooling tank in the main milk







catchment area and deploying smaller milk collection tankers that would go out and directly collect warm milk from the farmers.

Further, the initiative has long-haul tankers moving between the Milk Cooling Centre and the factory.

This allows farmers to supply warm milk, thereby reducing milk wastage by as much as 5% as the milk collection cycle is reduced from 24 hours to 8 hours.

For some time now, milk wastage and losses have been the major concern among budding dairy farmers across the country due to an unpredictable power supply, among other challenges.

The problem has been worse in the Southern Region (which contributes about 95 percent of national milk production) most notably in Thyolo, Mulanje and Chiradzulu where over 12% of milk is wasted due to the scarcity

of storage facilities and milk buyers.

There is confidence amongst smallholder dairy farmers that the opening of the first rural milk collecting center and cooling plant, will help reduce milk wastage even more.

Blantyre Agriculture Development Division (ADD) Programme Manager Erick Haramani is optimistic that the about 37,000 tonnes of milk that Malawi produces annually (worth about 6.4 billion Malawi Kwacha), will now be safer and will primarily help to raise incomes for smallholder farmers and will benefit the country over all.

“The ultimate goal is to ensure that there is no wastage. We want our farmers to produce quality products that can penetrate even international markets,” he says, adding that this would protect smallholder farmers from potential market abuses.

According to the Lilongwe Dairy Limited General Manager, Edwin Chilundo, the milk wastage rate has dropped to three percent since the plant opened in April 2018.

“We might not satisfy the needs of all farmers but the potential is huge and our impact has already been noted. Reducing milk wastage is what we want to achieve,” he said.

The second round of the MICF was launched in 2016, specifically targeting the manufacturing and logistics sectors in the country by addressing challenges players in the industry face at all levels.

Through the project, Lilongwe Dairy introduced a new business model that is aimed at improving the efficiency in the distribution and logistics sector, according to Kasia Wawiernia, UNDP Deputy Resident Representative Operations.

“This project has achieved its very ambitious aim of introducing a new method of handling the milk supply which will significantly reduce the amount of time milk is handled by the farmer through the Milk Bulking Groups, thereby reducing the risk of milk wastage resulting from the absence of a proper cooling system and thus increasing the quality of the milk at the same time through technical backstopping to the farmers,” she says.

With the initiative, Chimbanga and many other small-scale dairy farmers across the country would have a different tale, altogether.

Alongside 25,000 other smallholder households, Chimbanga is currently yielding the fruits borne of MICF, which directly contribute to Sustainable Development Goal 1 (no poverty, 8 (Decent work and economic growth) and 9 (Industry, Innovation and infrastructure).

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# Project Building Blocks

New Milk Collection Model introduced to 2300 existing farmers and traceability tool developed



Provision of technical backstopping of 2300 existing farmers. Introduction of a system for monitoring animal health and performance



Pass on scheme introduced and 50 pregnant locally bred heifers distributed; Installation of 40,000 litres cooling tanks for warm milk storage



Pass on scheme expanded and 150 pregnant locally bred heifers distributed to farmers. UHT packaging equipment installed



10.95 million litres of Milk collected per annum from small holder farmers through the milk collection center



2300 existing smallholder farmers get an additional income through reduced milk wastage. 150 new farmers receive additional income through milk sales from new heifers. 20 new jobs created



Empowered lives  
Resilient nations.

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