

Ugandan Dairy Cooperatives Quadruple Sales and Create Jobs with Help from the Food for Progress Program

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In 2006, Uganda's Eastern Dairies, a company comprised of 11 local dairy cooperatives, quadrupled its sales in one year with assistance provided by Land O'Lakes, Inc., under USDA's Food for Progress (FFPr) Program.



Farmers deliver milk to the Eastern Dairies milk collection center.
(Photo by Land O'Lakes/Uganda.)

Before this FFPr project began, the cooperatives' more than 500 members—of which 50 percent are women—were suffering from insufficient household incomes and lacked the ability to independently address Uganda's low milk prices, volatile demand swings and unreliable payments by some buyers. In recognition of these problems, Land O'Lakes submitted an FFPr proposal to provide technical assistance and training to Uganda's dairy industry to increase its productivity and competitiveness through market development, quality assurance and capacity building activities.

In 2005, USDA accepted the proposal and donated 11,100 tons of U.S. hard red winter wheat to Land O'Lakes. The wheat was sold in Uganda and the funds were used to partly pay for the cooperatives to install a 2,000-liter milk cooler at Eastern Dairies. With guidance from Land O'Lakes, the cooperatives reinvested their profits and member contributions to purchase more assets, upgrade their milk bulking center, and open two new sales outlets, which sell more than 15,000 liters of milk per month. As a result, household incomes have grown by more than 50 percent and Eastern Dairies' average monthly profit is more than \$3,000. The expansion of the company has created input and service industry jobs and the company itself has grown from one employee to 10 fulltime workers.

The successes achieved at Eastern Dairies have prompted Land O'Lakes to begin working with MADDO Dairies to set up a new milk collection center in Lwagenge, a remote village in Masaka, Uganda, where dairy market accessibility is limited due to poor roads. Last year, MADDO Dairies was expected to install a new milk cooler with a 3,000-liter capacity, benefiting 80 dairy farmers and helping them reduce spillage and spoilage.

For more information about Land O'Lakes development work, visit <http://www.idd.landolakes.com/>.