The Inclusive Dairy Enterprise (TIDE) project

Impact

Poverty reduction through improved dairy farm incomes, household nutrition and employment opportunities for 20,000 farmers.

Uganda's economy has been growing at a fast pace, creating a middle class providing a ready market for processed milk. The dairy sector has responded to these opportunities through increased production and processing capacity, reducing the need for importation of milk products and even exporting some (especially casein and powder milk). The benefits of this growth do not always reach the farmers, especially smallholders, while also youth and women are often left out of the commercialised value chain. In addition, some of the poorest nutrition indicators in the country occur in those areas with the highest milk production.

To address this situation, SNV Uganda has signed a four year partnership agreement with the Netherlands Embassy in Uganda to implement The Inclusive Dairy Enterprise (TIDE) project in South Western Uganda.

The TIDE project is a perfect successor to the joint Dutch-Danish aBi-Trust project that raised incomes of 6,500 cooperative dairy farmers through the installation of 120 dairy milk coolers.

Project districts
Bushenyi, Isingiro, Kiruhura, Mbarara, Ntungamo, and Sheema.

The project will enable small and medium-sized dairy farmers and their organisations to leverage on these investments to improve their incomes and the nutritional status of their families in the six districts.

Using the drive of the private sector, which has expanded processing capacity, more dairy farms will be able to connect to the dairy value chain. The expanding milk markets both in and outside Uganda will be served by improving the quality and seasonality of dairy production. Focus will be on small and medium dairy farms to ensure that women and youth benefit from this transformation.

Project Components

The project has four components to achieve its objectives:

Improved dairy farm productivity: 20 well-managed farms will be transformed into practical dairy training farms. An estimated 5,000 small and large scale farmers will benefit from practical training in farm management, dairy feeding, farm mechanisation and renewable energy options. The focus will be on increasing the milk yield per cow, thereby contributing to more sustainable production systems and to mitigating greenhouse gas emissions. The project will emphasise support to women and youth as key-drivers in transforming the cattle-based economy into modern dairy farms producing for both the local and regional market.

The photo shows a woman with a cow, and the credit is given to Heifer International.
**Improved commercial milk quality:** Through partnerships between farmers, milk traders and processors, the quality of milk will improve. Quality-based payment systems will be introduced as incentives for supplying quality milk.Bulk-selling points of pasteurized milk in Kampala i.e. ‘milk-ATMs’ will promote the sale of safe unpackaged milk by traders to urban consumers. This will address the growing concern about unsafe and unpasteurised milk being sold in urban centres.

**Improved pro-active dairy sector regulation:** To make the formal dairy sector more competitive, the Dairy Development Authority will be strengthened to support sector transformation and market investment opportunities.

**Improved dairy household nutrition:** By bringing processors, cooperatives and parents together, the project will target vulnerable households and children through school milk campaigns to improve their nutritional status and awareness.

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### SNVs approach

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<th>Public-Private Partnerships</th>
<th>Multi-stakeholder approach</th>
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<td>The project co-invests (matching grants) in business cases of farmers and entrepreneurs, which are innovative, scalable.</td>
<td>Support DDA to implement policies and regulations through a consultative approach, creating the pre-conditions for private sector to invest.</td>
<td>Dairy platforms foster collaboration to make the dairy sector more competitive, by sharing information, coordinating initiatives and promoting best practices.</td>
<td>Capacities are developed of farmers to commercialise production, of farmer organisations to increase market leverage, and traders and processors to serve formal markets.</td>
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<td>Example: investments by dairy farms in fodder production</td>
<td>Example: A regulated market in which milk ATMs can thrive</td>
<td>Example: DDA provides investment brokering services</td>
<td>Example: Farmer associations influence market through aggregation</td>
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TIDE addresses the constraints in the milk value chain (from farm to consumer) using a business case perspective. To develop the business case, public and private investment will be brought together within a Public Private Partnership arrangement, with both local and foreign (including Dutch) investors presented with viable business opportunities.

In support of these business cases, the project can make grants or subsidies available to the private sector (farmers and companies) who meet the criteria of the business case. Grants will usually only be made available on the basis of a business plan, that is accompanied by sufficient equity and a loan from a bank or any other lending institution.

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**About SNV**

SNV is a not-for-profit international development organisation. Founded in the Netherlands 50 years ago, we have built a long-term, local presence in 38 of the poorest countries in Asia, Africa and Latin America. Our global team of local and international advisors work with local partners to equip communities, businesses and organisations with the tools, knowledge and connections they need to increase their incomes and gain access to basic services – empowering them to break the cycle of poverty and guide their own development. SNV works in Agriculture, Renewable Energy and Water, Sanitation & hygiene. We have offices in Arua, Lira, Fort Portal, Mbarara and Kampala.

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