What farmers did not know was that to realise significant increase in production, there was need to change the production system by adopting semi-intensification; ensuring that cows have sufficient access to water (not just once a day) and providing supplementary feeding ('balanced diet') on a structured basis, particularly during the dry seasons.

**The Challenge**

For over three decades, dairy farmers in Southwestern Uganda have invested in crossing their traditional Ankole cows with the Friesian Holstein breed, thus creating crossbreeds with higher potential. By 2015, more than 80 % of all dairy households in the Southwest owned crossbreeds. This however, did not fundamentally change the production system and milk yields only increased marginally.

**The TIDE Approach**

In designing the TIDE project, emphasis was placed on having a private sector driven approach to capitalise on the commercialisation trend in the dairy sector by actively supporting farmers to adopt a business approach to dairy. The project applied an inductive approach to planning. Based on the assessment and analysis of the context and the predominant farming systems in the area, the project identified measures through which farmers can increase production and the quality of milk. These interventions and measures are then packaged into products that can be taken up by the private sector. The project approach to creating change is explained through the following three examples.
Kick-starting the input market for products and services

By 2015, when the TIDE project started, the only inputs available for dairy farmers were veterinary drugs (including acaricides) and some AI services. There were no input markets that farmers could access to increase production. TIDE developed a broad range of product/service options for farmers to choose from. Companies that were willing to develop relevant products and make those accessible to farmers were provided with financial incentives in the form of a subsidy (ranging from 50 to 25%) on products (e.g., water for production, paddocking, on-farm practical dairy training) sold to dairy farmers.

Leveraging finance

Besides access to knowledge, dairy farmers also require funds to make investments in infrastructure and equipment. While TIDE initially attracted large scale farmers who were able to mobilise savings and invest on their farms, this initial demand soon dried up. The next group of farmers, who had seen their peers invest and reap the rewards, did not have the ready cash or access to savings. Having failed to make any progress with commercial banks, TIDE partnered with Savings and Credit Cooperative Organisations (SACCOs). The project offered to subsidise loans for dairy farmers to reduce the interest rates to 12% per annum given the high interest loans charged by SACCOs.

Making school milk the ‘new normal’

In August 2016, the project launched the school milk program in partnership with the Ministry of Education and Sports, the district local governments in the project area and Ministry of Health.

The driving aim behind the School Milk Program was to:
- Alleviate malnutrition and temporary hunger among school children and subsequently increase school enrolment and class attendance.
- Develop the dairy sector by increasing milk sales in the short term and milk demand and market in the long term.

---

### Tide Contribution to the Dairy Sector Transformation

Since 2015 when the TIDE project was launched in Southwestern Uganda, the dairy sector has experienced exponential growth as shown below.

<table>
<thead>
<tr>
<th>Export value of dairy products</th>
<th>Milk marketed in South-western Uganda</th>
<th>School milk consumption</th>
<th>Production system at farm level</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5 Million</td>
<td>300,000 pupils</td>
<td>1,500,000 ltrs/day</td>
<td>Highly mechanised: 0</td>
</tr>
<tr>
<td>$100 Million</td>
<td>300,000 pupils</td>
<td>100,000 ltrs/day</td>
<td>Semi-intensive: 25%</td>
</tr>
<tr>
<td>Processing</td>
<td>Processing</td>
<td></td>
<td>Extensive: 0</td>
</tr>
<tr>
<td>Capacity</td>
<td>10 million ltr/year</td>
<td></td>
<td>Highly mechanised: 0</td>
</tr>
<tr>
<td>Milk coolers</td>
<td>Processing</td>
<td></td>
<td>Semi-intensive: 25%</td>
</tr>
<tr>
<td>Farm gate milk price</td>
<td>250</td>
<td></td>
<td>Extensive: 100%</td>
</tr>
<tr>
<td></td>
<td>UGX 400 ($0.18)</td>
<td></td>
<td>Up-scaling by 25%</td>
</tr>
<tr>
<td></td>
<td>UGX 900 ($0.25)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Building on the results of TIDE 1, phase II will have two components, i.e. deepening and up-scaling.

- **Under the deepening component**, TIDE II will focus on the current TIDE project area (7 districts) in order to increase impact (supporting farmers to reap benefits from the investments made). From market creation the focus will shift to market development: ensuring that the market delivers products and services to dairy farmers that are accessible, relevant, affordable and of high quality.

- **Up-scaling** will be pursued by following the market in the products and services developed under TIDE II that are relevant for commercial farmers throughout Uganda (mostly peri-urban Kampala and Rwenzori region). Private sector companies will be actively supported to market their products and services in those areas (mainly through mobilising technical expertise and networking).

### The TIDE 2 Impact Ambition:

- **Direct impact**: To double income for 5,000 farmers (already counted in TIDE 1), create 1,000 new jobs and improve nutrition for 500,000 additional children within the TIDE project area.

- **Outreach**: to reach 2,000 farmers (both directly and indirectly) with improved income outside the project area.

---

**For more information contact**

Anton Jansen  
Project Manager  
The Inclusive Dairy Enterprise Project (TIDE) Phase II  
ajansen@snv.org  
Plot 10, Haji Kasaka Road, Kiyanja Ruhanj-Kamukuzi  
P.O. Box 1653 Mbarara.

**Country Office**

Plot 36, Luthuli Rise, Bugolobi, Kampala Uganda  
Tel: +256 (0) 414 563200  
+256 (0) 312 260058  
Email: uganda@snv.org

---

www.snv.org/country/uganda