

An SMS Dairy Cattle Sourcing Network in Western Kenya

By Solomon Mulindi¹

AgriTrade Network

In Western Kenya we have been building up a network of eight Market Access Companies (MACs) and fourteen Information Boards (IBs) from Kakamega to Busia and Bungoma. Through the network we have been developing a successful service which connects farmers to good quality dairy cattle. Our MACs and IBs are also helping to get the farmers better links to the markets in the production of maize, sunflower and bananas.

AgriTrade Clients

Alex Adala is in charge of the livestock in the Luanda Division of the Ministry of Livestock Development. He is helping the farmers to improve their dairy herds. In this area they do not have suitable cattle for breeding to improve their dairy cattle and increase the milk production. AgriTrade is helping these and other clients to source dairy cows by using our network. It all starts with a simple SMS message.

SMS to the Cattle Rearing Areas

Our network connects the farmers from Luanda, Busia Kakamega and Samai to the cattle rearing areas of Tranzoia, Uasin-gishu and Nandi Districts. Farmers wanting to buy improved cattle breeds can send a SMS to me. I then send on a message to the network.

In Kapsabet we have a Trade Agent, Solomon Rabon, who has an Information Board and an Agro-Vet conduct point. Solomon provides three services:

1. Scouting for dairy cattle which fit the needs of the farmers. A typical SMS message might read: **Required, in-calf heifer, breed Ayrshire preferably advanced pregnancy.**
2. Organising the movement papers with the veterinary department at the origin of the dairy cows, after receiving the reference number of no objection

permit from the destination of the animals.

3. Arranging for the transportation of the cattle after purchase.

For these services Solomon Rabon is paid 10% commission by the seller; an average of 3,500/Ksh. The buyer pays for Solomon's scouting costs, the transport of the cattle and movement permits.

Advice and Follow-Up Service

Advice for the farmers on purchase and follow up services is provided either by me or by my contacts, like Alex Adala, in the Ministry of Livestock Development. We will travel with the farmers if we are needed to give advice on the selection of the cows. We also use the AgriTrade network to put the farmers in touch with Agro-Vets who provide vaccinations and Artificial Insemination (AI) services. Busia Agro-Vet MAC is one of our network links.



A network link: Busia AgroVet MAC and IB

Do the Numbers Add Up?



Rose's first improved crossbreed cow from the network and her original Zebu

In Busia, Rose Auku is one of our clients. She wants to improve her herd and has benefited from the services and market links provided by AgriTrade to improved dairy cattle breeds. She has used the network twice to improve her small herd. Her original cows were Zebu; not good milk producers. Now she has Friesian/

¹ Interviewed by Anne Dennig in February 2009.

Ayrshire crossbreeds and is happy about the income that she is getting from the milk produced. The AgriTrade network also provides her links to AI services and technical advice when the need arises, e.g. fertility management of the cows.

Cows are expensive, so farmers like Rose need to get their money back for their investment through selling milk and calves. Rose has a ready market for the milk from her neighbours and colleagues at school. The average price for a 2 ½ year old in-calf heifer or first calver is 35,000/ Ksh (of mixed breed or pure breed of moderate milk production). Transport costs from Kapsabet are on average 7,000/ Ksh, with other logistics such as movement permits, travel etc, costing 3,000/ Ksh. Management costs (vaccinations, herdsman, feeds, pasture) are around 3,000/ Ksh monthly.

These cows produce an average of 10 litres per day for a lactation period of 10 months. The milk price is 35/ Ksh per litre at farm-gate. This gives a return per month of 10,500/ Ksh; if we take the total variable cost per month to be 3,000/ Ksh that leaves a margin of 7,500/ Ksh.

To this we can add the other benefits; the value of calves (a bull is worth 2,000/ Ksh when sold at two weeks; a female is worth 15,000/ Ksh after a year) and manure of course. If the revenue in one lactation of 10 months is 105,000/ Ksh and the costs per lactation are 30,000, that makes a gross revenue of 75,000/ Ksh over 10 months. So it is worth the initial outlay on the heifer with the chance of such a good income.

Network Improvements and Expansion

We are starting to get more repeat business; the farmers are pleased with the arrangement and results. Alex Adala would like to improve the facility by putting an IB board to advertise the service in Luanda at the Dairy Cooperative Society shop or Agro-Vet shop. He would also like more information onto his phone on availability and prices of breeding stock.



Alex Adala and Solomon Mulindi in Luanda

So far AgriTrade has been sourcing dairy cattle for farmers in Alex's area; but there could be other helpful market linkages developing; in Luanda. Alex is also a member of the Dairy Goat Association; this could prove very useful for AgriTrade because of his extensive network in the development of the dairy goat sub sector. Moses Gichiru has already expressed interest in sourcing dairy goats for the Nakuru peri-urban area. As our network grows new links appear.

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