Malindi, Kenya. The Manyeso Dairy Co-operative Society Limited, was registered officially in 2005. It has its roots in the Manyeso Dairy Women Group which was established in 1995...

The Group was formed from six women groups who had benefited from a Heifer Project International (HPI) project through donation of heifers to the community. As a result of introduction of the relatively higher milk yielding animal in the area, local milk production capacity was boosted and the participating groups had milk in excess of their home needs. A market was needed for this milk and the affected groups realized they needed to approach the issue through a concerted effort. They therefore formed the Manyeso Women Dairy Group whose main objective was to “serve local farmers in marketing of milk and dairy related services”.

Support to the Group
Since the marketing problems arose from the introduction of high milk yielding cattle to the area by HPI, it was natural for HPI to come to their rescue. HPI provided an in-kind soft loan, through provision of two milk cooling tanks of 1,000 litres capacity each, worth Ksh. 1.2 million. HPI also provided the technical assistance to set up and manage the new technology. The total assistance (coolers and technical assistance) from HPI was about Ksh.2 million of which the soft loan component was Ksh.620,000 with the balance as a support grant.

The Malindi Municipality also supported the Group by providing them with a plot including the buildings, thereby minimising their investment costs. Group members contributed to operating capital through the purchase of shares. Each member was allotted a maximum of 310 shares, at Ksh.20 a share. Other membership charges included a registration fee of ksh.100 per member. The members shares have to date only managed to generate an operating capital of Ksh.354,886. Over and above marketing of milk, the Group was, during its progressive days,
also offering other services, such as A.I. and animal feeds, to its members.

The Manyeso dairy has also received a lot of attention from the government extension services and from NGOs. It had been projected as a hope for the coast region which is a milk deficit area.

Challenges and Success

The initial challenges and perceived risks to the Manyeso women dairy group were the lack of milk market (i.e., buyers), failure to get resources required to set up the necessary market infrastructure especially getting a plot of land and other facilities such as coolers and the challenge to cultivate members’ confidence to deliver milk to the group regularly.

The Manyeso Women Group dairy was considered a success story until last year when it lost major milk buyers including Kilifi Plantation and Superior Dairy which closed down. The loss of the major buyers resulted in other problems including cashflow and non payment of suppliers, which lead to erosion of members’ confidence and hence reduced milk delivery to the dairy.

Although sometimes hailed as a success story, the operating accounts bottom line were in the red for all other than two (2000 & 2001) of the nine years (1997 to 2005). However, the milk intake had shown an impressive improvement from annual intake of 87,500 kg in 1997 to 351,500 kg in 2001. There was however a turn around and a gradual decline to an annual intake of 204,500 kg in 2005. However, the 2006 total intake was drastically reduced. For the 10 months of January to October, the dairy has only managed to collect 1,332 kg of milk, receiving a low of 34 kg in September.

Some of the successes for the Manyeso Women Dairy Group that have been highlighted are that it has had a positive impact on the household of the women who form the group through improved nutrition (availability of milk) and income to the families, provision of services – A.I., credit (cash), animal treatment and animal feeds. The group also provided, to the community, a general confidence in dairying as a means of improving their livelihood.

Registration as a Society

It was not clear why Manyeso women dairy group registered as the Manyeso Dairy Co-operative Society Limited in late 2005, as, until recently, co-operative societies have been very unpopular. It is interesting that the chairperson is now a man. One of the reasons blamed for the low milk intake is the non payment of members for milk supplied. In addition there is a general complaint from the women that the dairy has been “unfairly snatched” from them.

Future plans

The current management has great expectations and are of the view that there is a bright future for the dairy in the area and Manyeso Dairy will prosper. The future plans for the Society are to carry out a vigorous market campaign (they have already approached some buyers); raise capital from willing members to offset the farmers debts (for unpaid deliveries); reach a consensus with individual farmers on the best payment method (daily, weekly or monthly) so as to improve their confidence with the society; and acquire and install milk processing facilities (the society has already been promised some money by the Constituency Development Fund [CDF] for purchasing a pasteurizer and cream separator); write a 5 year development strategy; establish a farmers savings scheme, a village banking system and member emergency funds; establish money generating activities; and establish member stores for supply of farm inputs and home consumables.

The co-operative does however have high operating costs with five members of staff at the dairy: a manager, accountant, milk clerk, milk collector and a watchman with a monthly bill for the staff and utilities of Ksh.92,000. Serious effort and resources will be needed to improve members confidence in the new co-operative.