



**MINISTRY OF FOREIGN AFFAIRS
OF DENMARK**
Danida



MESPT
MICRO ENTERPRISES SUPPORT
PROGRAMME TRUST

Case Study: Olenguruone Farmers Dairy Cooperatives' Strategic Partnership with MESPT



In the photo are the Olenguruone Dairy cooperative staff and their Milk transportation truck (stainless steel insulated tanker) that was financed by MESPT

Dairy farming is an important player that contributes to the economic and nutritional aspects of the Kenyan population. According to the Tegemeo Institute of Agricultural Policy & Development, 2011, Kenya has one of the largest dairy industries in sub-Saharan Africa. The Food Agricultural Organization (FAO) on the other hand estimates a figure of 5.5 million milking animals (TechnoServe, 2008). According to USAID, the industry generates an estimated 1 million jobs at farm level and an additional 500,000 in direct waged employment and another 750,000 jobs in support services.

Despite the opportunities in the sector, there are numerous challenges. MESPT focus is to intervene in some of those challenges through partnerships with the dairy cooperatives. The priorities include, initiatives that create ripple effects on production and productivity while arresting post-harvest losses and eliminating transactional inefficiencies. MESPT has for the past 15 years carved a niche in developing the growth of micro, small and medium enterprises by providing integrated business solutions for sustainable development through support from the Royal Danish Embassy in Kenya (DANIDA).

A case in point is the remarkable journey of MESPT working with Olenguruone Dairy Cooperative since the year 2013. At the time, the cooperative had 800 small holder farmers producing an average of 2000 litres of milk daily. Through the years, the Sacco has realized tremendous growth of a whopping 3,000 members producing 9,500 litres of milk every day. This is after MESPT interventions which include; support in milk bulking through 2 milk coolers, 3 Chillers, Standby generator, Solar water heating system and Capacity Building of farmers among other initiatives which contributed to a change in their business Strategy.

Strategic partnerships with cooperatives have seen growth of several of them become industry giants; extending their business beyond the primary role of bulking and marketing milk for small holder farmers to venturing into the provision of financial services like the Mavuno Daima Sacco Ltd, owned by Olenguruone Dairy Cooperative.



Mavuno Daima Sacco Ltd Plaza owned by Olenguruone Dairy Cooperative was financed by MESPT and launched in April 2018.

Under the able leadership of the cooperative, farmers united to set up their own Sacco which would offer them better financial terms especially credit and a plaza to host its operations. Through a partnership with MESPT, the dream of owning a one-story new modern plaza was realized and now hosts all Sacco departments as well as the Olenguruone Dairy Cooperative Office Headquarters. The building was officially opened on Saturday 28th April 2018 by the Deputy President of the Republic of Kenya, H.E. Hon. William Ruto and the Nakuru County Governor Hon. Lee Kinyanjui in the company of area MP Hon. Joseph Tonui.

Olenguruone dairy also acquired a Milk transportation truck (stainless steel insulated tanker) through MESPT to facilitate timely delivery of milk to the processors while keeping it safe. The tanker also help to offload milk in installed chillers and collers to allow for more incoming milk. In addition, the milk truck helps the dairy cooperative generate additional revenue by transporting milk for other cooperatives for as far as Uasin Gishu county to Nairobi.

The Trust upholds partnerships and seeks to jointly identify opportunities that strengthen relationships with small holder farmers, like minded partners as well as the County Governments in realizing the agenda of catalyzing sustainable development and creating impact for identified priority projects. MESPT has been and will continue to be a key player in the development of value chains with an overall objective of poverty alleviation through economic empowerment.

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