

Demand for milk on the increase

By Mwangi Mainqi

Due to aggressive marketing by New Kenya Co-operative Creameries (KCC), there is a deficit in supply of milk and related products to the tune of 200,000 litres of milk a day, needed to satisfy local and international demand.

According to the company's chairman Matu Wamae, New KCC receives about 300,000 litres a day from farmers compared to the daily requirement of over 500,000 litres.

The milk processor has in the recent past secured major international markets including the lucrative Middle East market, estimated to be worth billions. New KCC is presently servicing an order of over 2.2 million litres of milk from the Republic of Yemen. The company is also exploring the West and North African countries among others.

Managing Director Francis Mwangi told *The Financial Post* that the company is encouraging farmers to deliver all their milk. "We have secured ready markets and all we need is plenty of milk," says Mwangi.

Mwangi adds that the company is now buying milk from farmers at Ksh 20 per litre from Ksh 17 per litre in a bid to encourage dairy farmers to step up production and also discourage consumption of unprocessed milk.

Edwin Okila, African Breeder Service Programme Coordinator, estimates that the country loses 95 million litres of milk or Ksh 1.005 billion annually, due to poor handling and hygiene.

Okila says that the volume of processed milk in the country stands at one million litres a day while the country has the capacity to process over 3.9 billion litres a day. In a bid to resolve this, New KCC has intensified farmers support programmes involving provision of field extension services as well as credit facilities through a number of financial institutions which accept milk deliveries as collateral. The objective is to ensure increased production of quality raw milk and products for sale in the local and international markets.

Mwangi, however, cites poor roads as a challenge to the sector. "Farmers in remote areas have not been able to transport the commodity to processors due to poor infrastructure. This calls for partners in the sector, including the local communities to work towards resolving the problem."

Kenya has earned Ksh 5.2 billion over the last five months from export of milk and milk products, with the dairy sector becoming one of the leading forex earners for the country, says Agriculture Minister Kipruto arap Kirwa.

