 

**Farmer to Farmer East Africa**

**Volunteer Assignment Scope of Work**

**NOTE: THIS SCOPE OF WORK AWAITING FINAL EDITS**

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| **Summary Information** |
| Country | Kenya |
| Assignment Code | KE114 |
| Country Project | Dairy  |
| Assignment Title  | LEDCA Feed mill strategic business plan development  |
| Host Organization | Lower Eastern Dairy Alliance (LEDCA) – Supported by USAID – Kenya Agricultural Value Chain Enterprises Project |
| Type of Value Chain Activity | Business/Enterprise Development (E) |
| Type of Value Chain Activity | Information and Input support services (S) |
| Assignment preferred dates | April – June 2017 |
| Assignment objective | Facilitate LEDCA on development of a strategic business plan |
| Desired volunteer skills/ expertise | Strategic business Plan development specialist  |

1. **BACKGROUND**

The Lower Eastern Dairy Alliance (LEDCA) was established in 2013 through the collaboration between USAID-KAVES and the dairy farmer groups that sell raw milk directly to consumers. The alliance comprise of 19 dairy farmers groups situated in Machakos, Makueni and Kitui has a total membership of 2,500 individuals. The Alliance is registered under the Cooperatives Societies Act Cap 490 Laws of Kenya.

The three counties cover approximately 44,714 KM2, which is 7.6 percent of the entire country’s land mass. In this zone, agriculture is largely rain fed and the main livelihood zones include the marginal mixed farming and southeastern medium potential mixed farming zones. The region has a population of 2, 610, 872 people (2009 KNBS Census), the population distribution is varied with the high rainfall areas having high population densities.

The zone in which the Alliance operates is classified as semi-arid and is largely a milk deficient region. Milk consumed in the area is mainly supplied from Embu, Kiambu and Kajiado counties. In addition, long life milk, particularly UHT, is also significantly consumed in the region. Despite the low milk production in the region, there are several milk collection centres serving dairy farmers in the region as well as sales outlets. Dairy farming is generally small scale in nature and is concentrated in Matungulu, Kangundo, Masii, Wamunyu in Machakos County; Kikima and Kathonzweni in Makueni County; and Kitui Central in Kitui County. There are nine mini dairies which have a high potential for development while the main cooperative societies are situated in Makueni, Kathonzweni, Kikima and Wamunyu.

Among the challenges facing the county in relation to dairying include lack of sufficient ingredients for dairy meal formulation including, maize germ, molasses, wheat pollard and bran, and cotton seed cake. Others include high cost of commercial feed, artificial insemination (A.I), unreliable service providers which results in some cows failing to calve in a whole year, high fluctuation in the price of milk, and frequent water and feeds shortages. Some of the opportunities in dairying include investment in value addition, breeding, commercial feed manufacturing, provision of reliable cost effective A.I services, and branding of milk by co-operative societies. There is also need for feed preservation through the total mixed ration (TMR), which involves giving the cow what is enough in terms of its weight and milk production level among other considerations.

##  Objectives, membership and organization of LEDCA

The overall objective of the Alliance is to organize and promote the welfare and economic interest of its members. In particular, the Alliance aims to,

1. Arrange for Co-operative marketing, processing, grading, packaging and transporting the members produce and such other operations as may be necessary for the most profitable disposal of the produce.
2. Arrange for the purchase and resale of farm inputs and chemicals and other similar requirements of the members.
3. Foster education and training to the members, Delegates, Board of directors, employees and the general public.
4. Provide co-operation and good will between members and the Alliance.
5. Co-operate with other co-operatives in order to promote members interest and in furtherance of the Alliance’s objectives.
6. Apply the Co-operative principle of co-operation among co-operatives in order to promote members’ interests. As such the Alliance shall affiliate to the relevant National Co-operative Union and the Apex society.
7. Lobby and advocate for better policies in Dairy sub- sector

The membership of the Alliance consists of original primary cooperatives who have signed the application for registration and new primary cooperatives admitted in accordance with the by-laws. The registered office and address of the Alliance is **Wamunyu FCS LTD, P. O. Box 23 – 90103, Wamunyu**. The Alliance members are required to pay an entrance fee of Ksh. 10,000 with each share having a nominal value of Ksh. 1,000 for a minimum of 100 shares. The 18 dairy cooperative groups which have joined the Alliance are in the process of purchasing membership shares.

1. **ISSUE DESCRIPTION**

In line with its objective of facilitating members’ access to affordable and high quality dairy feeds, the Alliance considered establishing a livestock feed manufacturing enterprise to facilitate affordable access of livestock feed to the members. USAID KAVES supported the farmers by conducting a feasibility study to establish the viability of the feeds mill. The feasibility study showed that LEDCA region has an estimated dairy cattle population of 31,016. At least 60% of animals in a dairy herd are expected to be in milk for 9 months, each consuming 4 dairy meal per day. Therefore, the estimated demand for dairy meal attributed to LEDCA members and lower eastern region is 20, 377 MT per year. This translates to an average monthly dairy meal requirement of 1, 698 MT which is equivalent to 24,259 seventy kilogram bags. An estimated 20% of all dairy entrepreneurs in lower eastern are supplementing their dairy cows with concentrate feeds. This meant that LEDCA had a market amongst the affiliate dairy groups and potential market remains non affiliate dairy groups. This market is further expected to grow in view of increased adoption of dairy farming in the area as well as increased adoption of better feeding practices for the existing dairy cows. This assumption was meant considering that the region was also supplied with animal feeds supplements by over 10 feed processors selling through agrovet dealers.

Following the report which showed a viable business, USAID gave LEDCA a feeds milling plant valued at Ksh 1 million. The alliance rented a premise and made contributions from members with which they bought raw materials and ingredients to begin the operations. The Feed mill was launched on July 2015 and has been in operation since then having employed staff to run the operations of the plant. To step up the operations, LEDCA borrowed Ksh 2 m from Chase Bank. In addition, USDA is considering giving grants to further increase the ability of the alliance to procure raw material in bulk to increase the production capacity as demand for the products increase. However, being a farmer owned organization, LEDCA has challenges of separation of roles and responsibilities between management and leadership. This possess challenges of checks and balances to ensure proper accountability.

For the purpose of this assignment, Lower Eastern Dairy Alliance (LEDCA) through USAID- KAVES has requested CRS for F2F technical volunteer to work with the alliance to strength proper record keeping, develop a strategic plan for the group and advice on the business management so that the feed mill is able to operate efficient, profitably and grow its market share.

1. **OBJECTIVES OF THE ASSIGNMENT**

The assignment’s main aim is to support LEDCA with technical volunteer assistance in business skills management training to cope with the vast rapid development and competition in agricultural enterprises, assess the marketing potential of the Alliance dairy feeds, conduct training on record keeping and facilitate the development of a five –year strategic business plan with a detailed first-year action plan and budget. These will be essential tools for planning and managing LEDCA to ensure the sustainability of its products and services.

Specifically, the volunteer assignment will involve the following:

* Assist the LEDCA to evaluate their business management skills, determine relevant training needs and carry out training
* Assess the LEDCA’s market potential for the dairy feeds. This will involve carrying out SWOT analysis, market research and analysis, product distribution channels and repackaging strategies.
* Develop five-year strategic business plan: F2F volunteer will facilitate LEDCA management on developing a comprehensive business plan for a five-year period with market analysis and business potential for their dairy feeds, sales forecast and promotion techniques, long-term (strategic) objectives, management structure, operations, financial strategies and financial projections.
* First-year action plan: This includes anticipated year one gross sales calculation and year one operational and business expenses estimation. A detailed budget for the first year of the alliance’s activity will be developed as well.

This being the first F2F assignment with LEDCA, the volunteer expert will be expected to identify gaps for future F2F volunteer training

**Host contribution** – LEDCA has committed to mobilize the management and leadership of the alliance to scheduled trainings. The alliance will also avail key personnel to work closely with the volunteer, in developing appropriate records, developing of strategic plan and business plan and in market development and will implement lessons learnt even after the assignment is completed.

1. **ANTICIPATED RESULTS FROM THE ASSIGNMENT**

The anticipated deliverables include:

* Five-year strategic business plan for LEDCA developed
* Record keeping guidelines and or templates developed
* 1st year action plan with budget developed
* Assignment related photos
* PowerPoint presentation at the end of the assignment to the USAID-KAVES, CRS and LECD Management
* Debriefing with USAID, USAID-KAVES and CRS in Nairobi after the assignment
* Detailed field trip report
* Outreach activity, press release or a media event back in US
1. **SCHEDULE OF VOLUNTEER ACTIVITIES IN KENYA**

A detailed schedule of planned activities will be developed with F2F, USAID-KAVES, LEDCA personnel and volunteer once identified. The assignment duration is however estimated at 3 weeks.

# DESIRABLE VOLUNTEER SKILLS

The volunteer must have the following qualifications and competencies:

* University degree in business management or a related field.
* Five years' practical experience writing or supporting the creation of strategic plans for farmer associations.
* Proficient computer skills including MS Word, Excel and PowerPoint.
* The volunteer should be prepared to live in a rural and hot setting with limited or no access to amenities such as air conditioning or internet.
* Previous experience in rural African settings an advantage, although not essential
1. **ACCOMMODATION AND OTHER IN-COUNTRY LOGISTICS**

While in Nairobi, the volunteer will stay at The **Zehneria Portico** 10 Karuna Road, Westlands | P.O. Box 66249-0800 | Nairobi |Website: [www. zehneriahotel.com](http://zehneriahotel.com/); Telephone: +254 731617469/264 | Mobile: +254 733988813 | Email:reservation@zehneriahotel.com or any other hotel identified by CRS and communicated to the volunteer prior to arrival. While in the field, the volunteer will stay in hotels to be identified prior to volunteer arrival

CRS will pay for hotel accommodation, and provide volunteer with per diems to cater for meals and other incidentals. The volunteer may get an advance which has to be cleared before departing Kenya. For more information, please refer to country information that will be provided.

**H. RECOMMENDED ASSIGNMENT PREPARATIONS**

* CRS-F2F designs assignments with the assumption of some pre-departure preparation by the volunteer. Actual preparation time will vary based on the experience of the volunteer, as well as informational or training resources the volunteer has readily available. CRS relies on the volunteer to assess the tasks outlined in this SOW and to make his or her own judgment about how much and what kind of preparation is needed prior to arriving in Kenya.
* The volunteer should prepare materials for hand out which can be printed at CRS office in Nairobi before commencement of the assignment. Flip charts, markers, masking tapes can be obtained at CRS offices. Depending on the training venue the volunteer may use a laptop and projector for power point presentations. But if the training venue is in the community, it will be difficult to use PowerPoint.
* CRS strongly recommends that the volunteer become familiar with CRS programs in Kenya, the livestock project description, other information in the briefing pack before arrival to Kenya

**I Key Contacts**

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