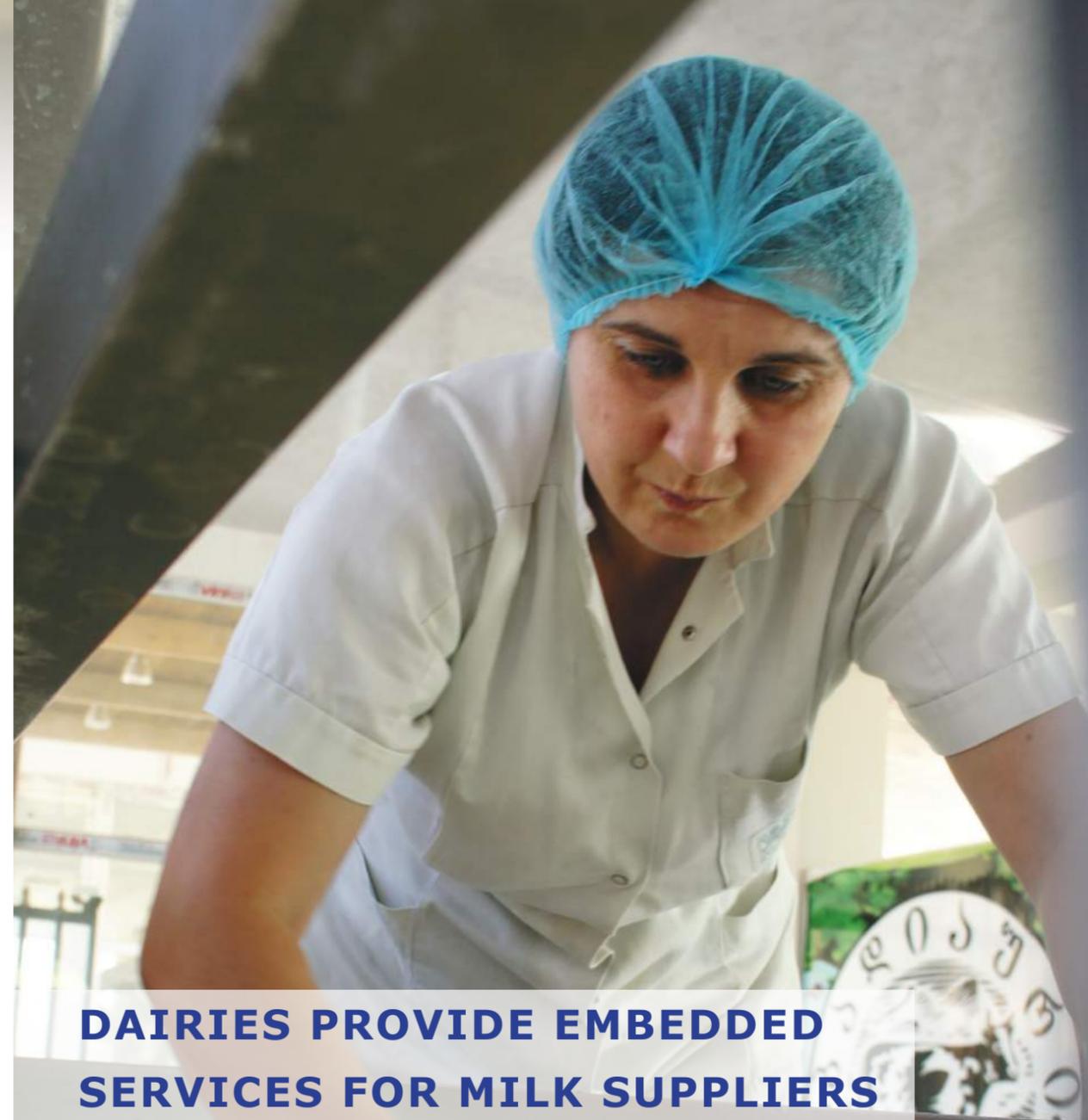
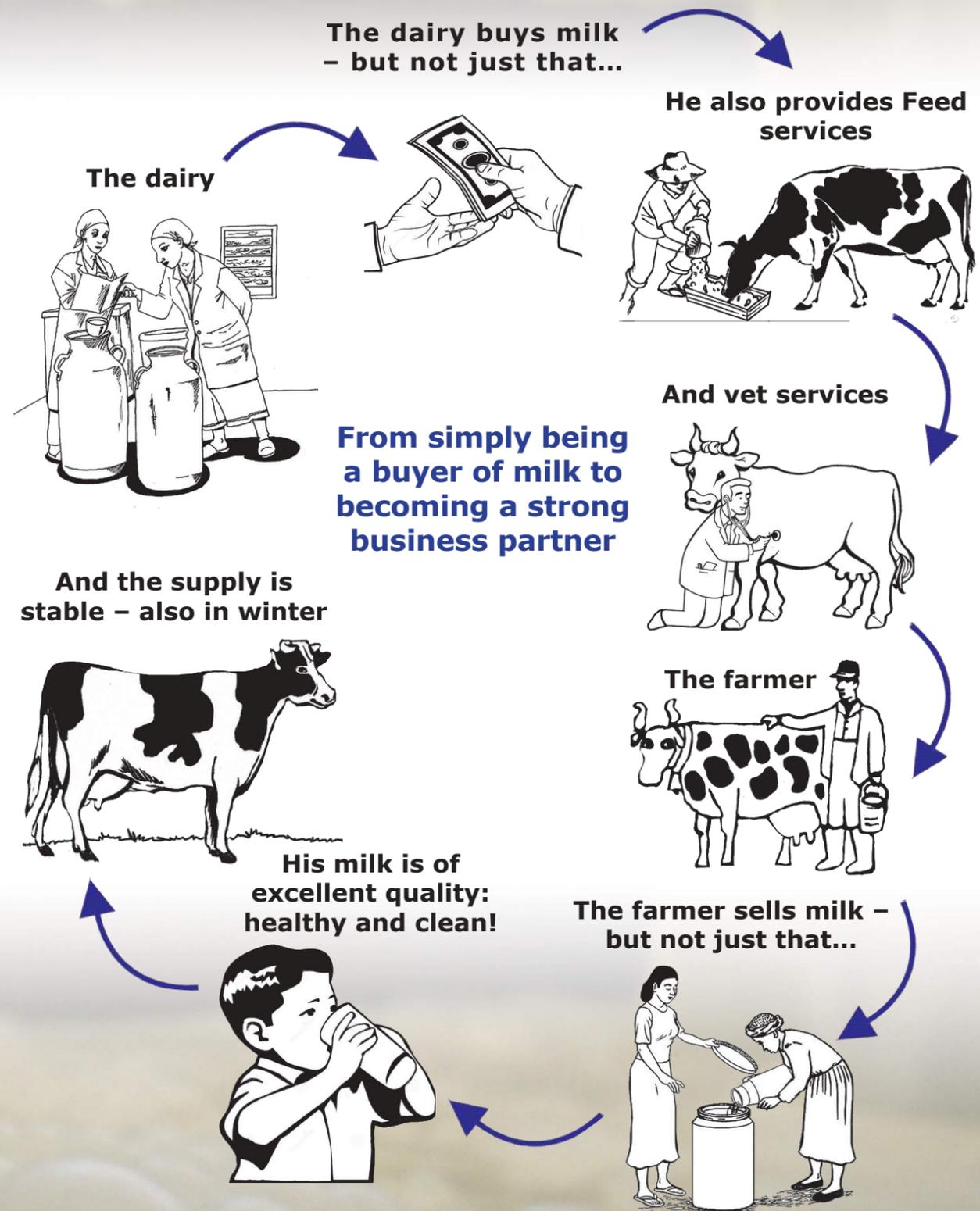




[WWW.MOLI.GE](http://WWW.MOLI.GE)

MOLI-Project aims at improving the livelihoods of 7,000 livestock farming families in 5 municipalities in the Kakheti region. The interventions focus on connecting farmers with small businesses, such as dairies, feed mills, veterinary pharmacies and machinery service providers that provide improved inputs, services and advice in order to **increase the dairy and meat production, enhance market access** and, together with local government, **create a successful business-enabling environment.**

MOLI-Project is a rural development project implemented by HEKS/EPER, in partnership with HELVETAS Swiss Intercooperation and Association of Business Consulting Organisations of Georgia – ABCO Georgia, with the financial support from the Swiss Cooperation Office for the South Caucasus.



**DAIRIES PROVIDE EMBEDDED SERVICES FOR MILK SUPPLIERS**



### Dairies need to provide farmers with a variety of services in order to improve the quantity and quality of milk

Due to inappropriate feeding of cows the Georgian dairy sector does not have access to a stable supply of milk throughout the year. It fluctuates between an excessive milk supply in summer and an inadequate supply in winter. As a result, farmers, on the one hand, receive a very low price for their milk in summer, while dairies, on the other hand, are not able to produce sufficient cheese in winter. At the moment, most small farmers are still only feeding their cattle with grass from the pastures and do not use any improved feed, which means that in winter cattle is generally underfed and are not able to produce an adequate amount of milk.

Aside from the low quantity of milk, also the quality of milk (and cheese) is low and needs improvement. At present, inappropriate hygienic conditions of cattle continue to affect the quality of milk, the health of the animals and ultimately the health of consumers. Considering that in many villages access to veterinarian services is very limited, most farmers have

little experience and knowledge about the use of preventative treatments to minimize risks of diseases in cattle. Moreover, due to stricter enforcement of food safety standards throughout the dairy supply chain, more dairies and ultimately small farmer families, risk being fined or closed down if they do not invest in food safety measures.

### Our intervention

After having identified the main challenges that exist in the Georgian dairy sector, MOLI designed a business model that builds on the capacities of dairies as provider of embedded services.

Dairies are collaborating with veterinary technicians who provide farmers with prophylactic and curative services and advice on hygiene and nutrition

Dairies are establishing commercial relations with feed mills in order to promote the use and access to improved feed for milking cattle.

The model makes use of and builds on the strong and trustful relation that exists between farmers and dairies, which allows for the provision and financing of the embedded services.

Dairies are improving the sanitary and hygienic conditions on their premises, by implementing a management system that helps them become compliant with the food safety regulations

### What are the Adapted Good Practices?

- By providing embedded services (vet services, feed, credit, etc.) the relation between farmer and dairy is becoming stronger and this creates stability, trust and a more effective and profitable business for both parties. The services provided by the dairy are financed through the practice of deduction of milk payments.



- By promoting and facilitating the use of improved feed, farmers are able to increase milk production throughout the year. Dairies are using different feed-support models:
  - o Dairies refer farmers to a neighbouring feed mill who provide the farmer with improved feed
  - o The dairies supply the improved feed themselves
  - o The dairies promotes improved feed and give advice on better feeding practices
- By providing veterinary services to farmers that supply milk to the dairies on a daily basis, the risk of poor quality milk is minimized. The cattle receive proper and timely treatment from the veterinarian

in order to ensure that the cows stay healthy. Advice on hygienic improvements help to ensure that the milk is clean and safe for consumption.

- Thanks to the support of input suppliers, veterinary technicians attached to dairies have better access to drugs at more affordable prices.

### Benefits

- Dairies are able to increase the production of cheese and ensure that milk prices do not fluctuate so strongly during the course of the year thanks to the stable supply of milk in winter.
- Small farmer families and dairies increase the production of milk and cheese thanks to better feeding practices of cattle, especially by using improved feed, but also by using hay that has been prepared in summer. The latter is not a common practice (renting a machine for haymaking costs money), but thanks to access to credit from the dairy, this has become an option for some farmers.
- Small farmer families gain better access to markets thanks to improvements in the quality of milk (clean and safe).
- Small farmers families help reduce the risk of droughts, as the use of improved feeding practices (especially improved feed but also the use of better hay) leads to a lower dependence on pastureland.
- Consumers benefit from better access to high quality and healthy cheese throughout the year.



### Key Messages

- You want a stable supply of better quality milk throughout the year? Then invest in your relation with your milk suppliers: by providing better services to your suppliers (improved feed, veterinary services, credit) you can help them produce more and better milk all year round.
- Make sure you and your suppliers give care and all due attention to the health and nutrition of milking cows as well as the hygiene on the farm: this should be equally important to the sales of your cheeses!
- Introducing the new services does not have to happen overnight. Do this step-by-step and in collaboration with your milk suppliers in order to ensure that both parties benefit in the most optimal way.