Kingdom of the Netherlands

Factsheet

Dairy Sector Rwanda

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The dairy subsector is important to the economic development of Rwanda, and dairy offers a pathway out of poverty for large numbers of households keeping livestock and for those who provide services and value addition throughout the supply chain. The current "farm gate" value of milk is approximately Rwf79.7 billion (US$129.70 million).
The dairy subsector contributes 15 percent to agricultural gross domestic product (AGDP) and 6 percent to gross domestic product (GDP). Dairy's contribution to GDP is likely underestimated when considering ancillary products that can be attributed to dairy, e.g. hides, meat, traction/carting and manure. (*Rwanda National Dairy Strategy*)

Facts and Figures

- Rwanda has an excellent climate for dairy production
- Rwanda has 5 milk production area's in the East, North, Northwest, Kigali and South
- Rwanda has an excellent road network that can ensure movement of milk from production to processing areas
- Rwanda has 96 milk collection centres
- There are over 100,000 households in Rwanda keeping dairy cattle, and much of the labour input on these farms is family based self-employment mainly by women (*Pilot Project Design of QBMPs for Blessed Dairies Ltd, by SNV and The Friesian).*
- The cattle population is 1 194 895 heads out of which 17% are of improved breed. (*Updated Master Plan of the Milk Chain in Rwanda*)
- Annual production is estimated at 445,000,000 litres, the milk supply is outgrowing demand, with less than 50% reaching the formal market, with the unfair sharing of the gross margin whereby the farm-gate price is 16% of the consumer price. (*NDS, 2013-2018*)
- Estimated per capita consumption of milk is 40 litres per year, which increased significantly since peace and stability returned in the late 1990s, but is significantly lower than the consumption in for example. Kenya (around 100 liters) and the WHO standards of 200 liters. (*Rwanda National Dairy Strategy*)

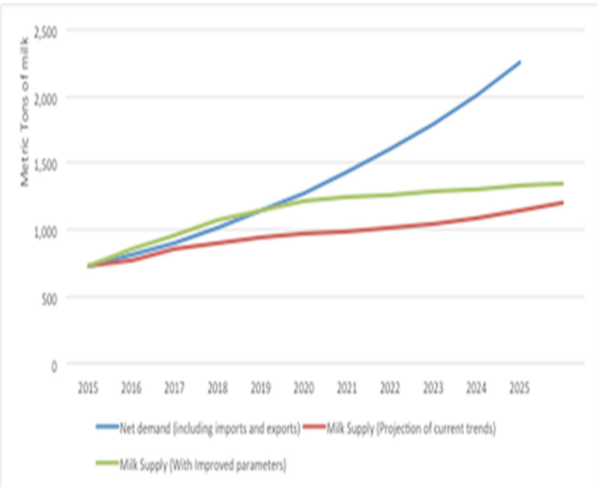
Challenges

- Low productivity and lack of quality maintenance practices across the chain leading to low quality grades and standards
- Lack of quality feeds to match the potential productivity of the existing dairy cattle
- Lack of technical knowledge and appropriate technologies
- Lack of functioning milk centres and poor cooling facilities
- Lack of efficient extension and veterinary services
- Lack of trade intelligence tools
- Lack of timely and relevant market data,
- weak distribution network
- Inadequate packaging and branding

Opportunities

- Only 10 % of Rwanda's milk is currently being processed
- Increasing milk production can provide more incomes through increased daily milk sales for the small holder Farmers, while making the milk and milk products more affordable to the population.
- There is a growing demand within the region for quality milk and Rwanda has a good name for quality in the region.
- The dairy value chain has the potential to generate and create employment opportunities in terms of jobs compared to many other agricultural activities.

Figure: ***Projected milk supply and demand over the next 10 years (Rwanda Dairy Development Project, IFAD)***



The Embassy

The Embassy of the Netherlands in Kigali offers active support to Dutch companies already present in Rwanda and to Dutch companies interested in doing business in Rwanda. In addition, the government of the Netherlands has developed several business support instruments, including financing for demonstration projects, feasibility studies and knowledge acquisition. For more information please visit http://english.rvo.nl/subsidies-programmes. You can also contact the Embassy by sending an email to kig@minbuza.nl or calling to +250 280280281.

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