



P.O.Box 376, Likuni Road, Lilongwe .

Phone; 01 975 875. Email; [malawimilkproducers7@gmail.com](mailto:malawimilkproducers7@gmail.com)

## Newsletter

Issue 6; December 2011

### **Cost price per liter of milk up again**

The MMPA team has done fresh calculations on the cost of production for a liter of milk at the farm level. These calculations became necessary as many prices for farmer inputs have gone up in the last six months. The price of milk received by the farmers has however been the same. The calculations take in account all fixed and variable cost the farmer has to pay for; such as feed ,veterinarian medicine, khola maintenance, breeding ,equipment and the cooling cost at the MBG level just to name a few.

The introduction of taxes such as the 3% withholding tax and 16.5% Value Added Tax [VAT] on many items has also pushed up the cost.

The cost of production figures are based on an average production of 8.5 liters per cow/day for the duration of a normal lactation [305 days] or a total of 2550 liters per annum. The cost at the farm include the maintenance of the milking cow and the raising of 1 young animal to take over production at some point. We also calculated in the cost per liter, all expenses incurred by the MBG in wages, fuel and oil, depreciation of equipment and other marketing cost.

**The results of these calculations show that the cost of production of one liter milk has risen to MK 68.75.**

This means that farmers in general are losing money as most of them are being paid MK 65.00 per liter on average across the country.

**MMPA thinks it is necessary for all the processors to raise the farm gate price [ the price paid to the farmer] to MK 75.00 per liter in order for farmers to be able to make a living.**

From the farmer point of view it is very important to try to increase production per cow as that is your only way to increase income. Good feed, lots of water and timely breeding can help the production per day.

If and when another devaluation of the Kwacha takes place we have to revisit these numbers again to see what the effect will be on the cost price.

If you are interested in the complete breakdown of the study contact the MMPA office

## **REPORT FROM THE KATETE PRACTICAL TRAINING CENTER**

As the year of 2011 is coming to an end the staff at Katete Practical Training Center would like to take this opportunity to wish all our students a very *Merry Christmas* and a *Prosperous New Year*.

This year has been a good year at the school; since we have opened we have trained 130 student 50 men and 80 women. We are very proud of our graduates and encourage them to practice what they have learnt. If you look after your cow properly she will look after your family.

After looking and learning from what happened last year during this time, we feel it would be best to **close the school till the 11 of January 2012**. We are well aware that besides it being the holiday season it is also the time to plant.

However we do encourage the MBG's and Associations to use this time to identify the farmers in your areas that you wish to attend next year's trainings. A small reminder, that students should be in line for a pass on-animal or require further knowledge to make their business a success.

We would also like to say thank you to Land O Lakes for sending us 20 of their new farmers this year. We envision the practical training course being an important tool for all Dairy Farmers in Malawi.



**MR. BANDA SAYS A VERY SPECIAL  
HELLO TO ALL HIS STUDENTS**

**Update on AI services**

Since the start of our program around 4000 straws have been distributed to the regional associations and the AI technicians in the field. We had a breakdown of one of our machines but with the help from Land O Lakes, who helped us to bring in Liquid nitrogen from Zimbabwe, we were able to keep the program going. But it made MMPA realize that the production of Liquid nitrogen needed another boost in the future. We talked this over with our Donor FICA, Land O Lakes and Lilongwe Dairy and came up with the following Financing agreement.

Land O Lakes will give MMPA a grant for 16.9 % of the purchase price, Lilongwe Dairy will give MMPA an interest free loan for 28.7 % and the remaining 55.4 % will be financed by MMPA.

The machine has a much larger capacity [40 li/day] than the machines we have now and will give us enough capacity to support all AI technicians. The machine has been ordered and is paid for and we expect arrival mid-January next year.

As an extra note; calves are being born now from the start of our program and they look very good. We also encourage AI technicians to report births to CREMPA and MDFA offices so they can claim the pregnancy bonus

### **Planning ahead**

It is planting time again and most farmers are very busy trying to get the crop in the ground. This is also the time to start thinking about the next dry season and ask yourself what will I be feeding my cows then. We again advise all our farmers to plant pasture or harvest grass young even if it is the grass that grows along the roads. Local grasses when cut and dried young, make for good hay to feed later. You can also plant improved grasses such as Rhodes grass and Teff grass [Aragrostis Teff] that will give you a good crop. Bunda College has also planted Lucern and has seeds available for pasture establishment. Contact Bunda for more information.

**Don't forget; cut it young, dry it, bundle it and store it**

### **Khola maintenance**

With the rainy season upon us we like to encourage all farmers to make sure their Khola is in good shape. It is very important to make sure the bedding area where the cow lays down is clean and dry, the roof is fixed and the floor is repaired and easy to clean Sand is an excellent bedding material as it not collects bacteria as much as husks or hay. By doing so it helps to improve the quality of the milk and it keeps your cow healthy

**This will be the last newsletter of this year. We hope you have enjoyed our previous issues and we encourage all stakeholders to make use of our efforts keep the information going out to the farmers.**

**The MMPA team wish you all a Happy and Healthy 2012,**