



The dairy market system in the pastoral and agro-pastoral areas of Ethiopia is predominantly subsistence-based, which means communities have limited access to markets and institutional support around agriculture and livestock management is limited. That's why [Feed the Future](#) is providing technical and financial support to companies like Berwako Milk Processing PLC, a venture recently established by local entrepreneur Amir Mukhtar in Jijiga, the capital of the Somali Region of Ethiopia.

Berwako Milk Processing PLC is just one of six companies receiving a matching-grant through the Innovation Investment Fund of the Pastoralist Areas Resilience Improvement Through Market Expansion ([PRIME](#)) project in Ethiopia. PRIME is funded by the U.S. Agency for International Development ([USAID](#)) and implemented by Mercy Corps.



Photo Credit: USAID/PRIME - Amir Mukhtar shows off his milk processing facility

### **What is the Innovation Investment Fund?**

The IIF facilitates finance to growth-oriented medium to large-scale enterprises through matching grants/contracts, leveraging local capital for investments in a range of market

development activities that improve market linkages, generate employment, and increase financial inclusion. To date, the IIF has signed agreements with six companies for a total value of around \$6 million USD, with private sector cost-share of \$24.8 million USD, or 80 percent! The IIF provided a \$370k grant to Berwako, which the company matched with \$1.3 million of its own financing, mainly for purchasing equipment to expand production capacity.

### **Have you tried Camel Milk?**

Almost a year into its start-up, Berwako is collecting camel and cow milk from approximately 300 households to process 1,200 liters of raw milk per day. The higher price Berwako offers for high-quality milk has already resulted in better raw milk and increased incomes for local milk-producing households. The company has also started marketing its products in Jijiga and other urban areas, such as Addis Ababa. Due to high demand, it is now expanding into neighboring countries such as Somalia and Djibouti. Berwako is even considering producing camel milk yogurt.

The Somali community especially highly prizes camel milk, a traditional product that has been enjoyed by generations of pastoralists. Perhaps not surprising, as camel milk has less fat than cow milk and camel milk is available even during the dry season when cow milk production significantly decreases in the pastoral areas. Currently Berwako is the only processor of camel milk in Ethiopia, but that first-mover advantage won't last for long. There are already signs that other companies are moving into the fray.

Nonetheless, Mukhtar is optimistic about his company's prospects. "While the completion of this project poses numerous challenges," he says, "the vision of working together with the milk-producing communities and the support we are getting from USAID keeps us confident that what we are doing will bring tremendous benefits to the households we create markets for, consumers and the national economy."



Currently working with two milk consolidation cooperatives in Danusha and Bombas, Berwako is playing an important role in catalyzing the regional dairy market and adding to the resilience of pastoralist households. The PRIME project supported the cooperative members through training on milk sanitation and quality, and additional support to the cooperatives for the provision of dairy equipment and technical capacity building will be provided by Berwako. This model ensures that a sustainable partnership is forged between Berwako and its suppliers.

### **What is the Impact?**

With 36 full-time staff, nine of which were hired since PRIME's started its support, Berwako is aiming to process around 5,000 liters of milk per day by the end of the year. It is anticipated that USAID's support to Berwako under Feed the Future will enable more than 3,000 pastoral and agro-pastoral households to have access to a more reliable, fair and regular market for their milk, resulting in increased household income, resilience, and nutrition. In a virtuous circle, better access to markets will stimulate more production, improving livestock productivity and quality, which in turn will improve household nutrition and resilience. The work with Berwako and dairy cooperatives are complemented by PRIME's Behavior Change Communication activities, including a 20-episode Soap Opera for Social Change developed in partnership with Warner Brothers as well as local Theatre Group Performances. These and other activities reinforce key messages that contribute to household nutrition, especially for women and children.

[The USAID project](#), which is designed to increase household incomes and enhance resilience to climate change through market linkages in Ethiopia's dryland areas, will continue to work with Berwako and other local entrepreneurs as part of Feed the Future to facilitate new and innovative products and services that will benefit Ethiopia's pastoral and agro-pastoral community.