

# Quality Based Milk Collection and Payment Experience of Holland Dairy PLC

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24/3/2022

Addis Ababa, Ethiopia





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# Introduction of Holland Dairy PLC



## Short Introduction Of Holland Dairy

- Holland Dairy is a leading dairy company in Ethiopia established in 2008.
- The main Factory is located Bishoftu town 45KM east of Addis Ababa
- Total Employee 231
  - ◇ Factory, 5x MCP, office in AA, “On the road”
- Total Production Capacity 50K Litre/Day
  - ◇ Yoghurt, flavoured yoghurt, Past. Milk, butter, cheese

# Processing Facilities



- ✔ Proudly Ethiopian: >99% of staff is Habesha
- ✔ All ingredients are Ethiopian
- ✔ But: Holland Technology



Factory Compound @ Bishoftu

# Product Mix



**Plain Yoghurt**



**Strawberry Yoghurt**



**Pasteurized milk**



**Gouda Cheese**



**Mozzarella**



## 2. Milk sourcing



## 🌿 Locally Sourced Milk

- 🌿 Ethiopian dairy sector plays an important role in the economy of many rural communities.
- 🌿 To support Ethiopia dairy sector, we are dedicated to only sourcing our raw milk from local farmers. No import, no powders.
- 🌿 More importantly, we're focusing on smallholder farmers to help these local communities thrive.
- 🌿 Our Milk suppliers consists of Smallholder farmers, Cooperatives, Commercial Dairy Farmers and Traders.





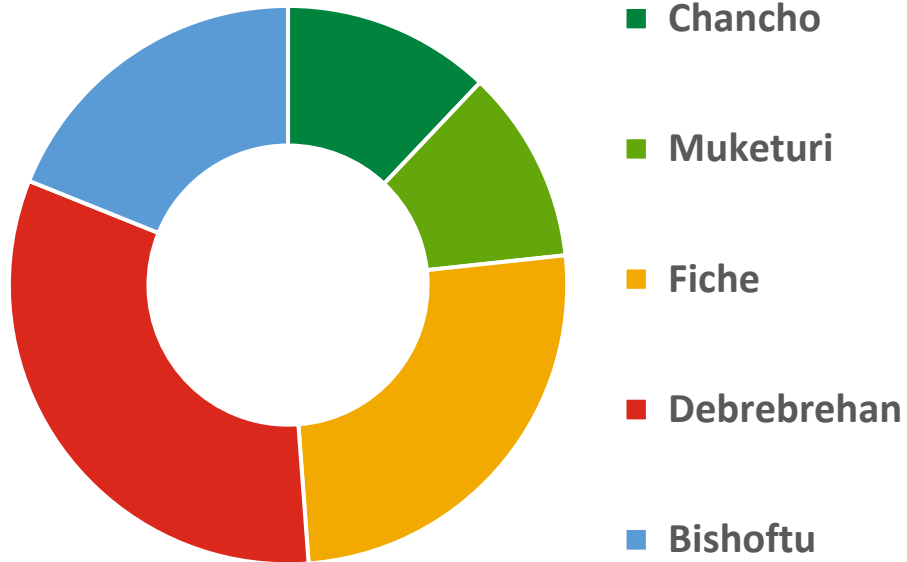
## General Milk Sourcing Strategy

- Holland Dairy sources its milk via a network of collection centers throughout the region that is near the factory (3 -5 hrs. driving distance) in order to collect milk fresh from the farmer.
- Collection centers are equipped with testing equipment and cooling tanks. The complete supply chain is cold / isolated until the shop.

# 🌿 Daily Collection and Plan

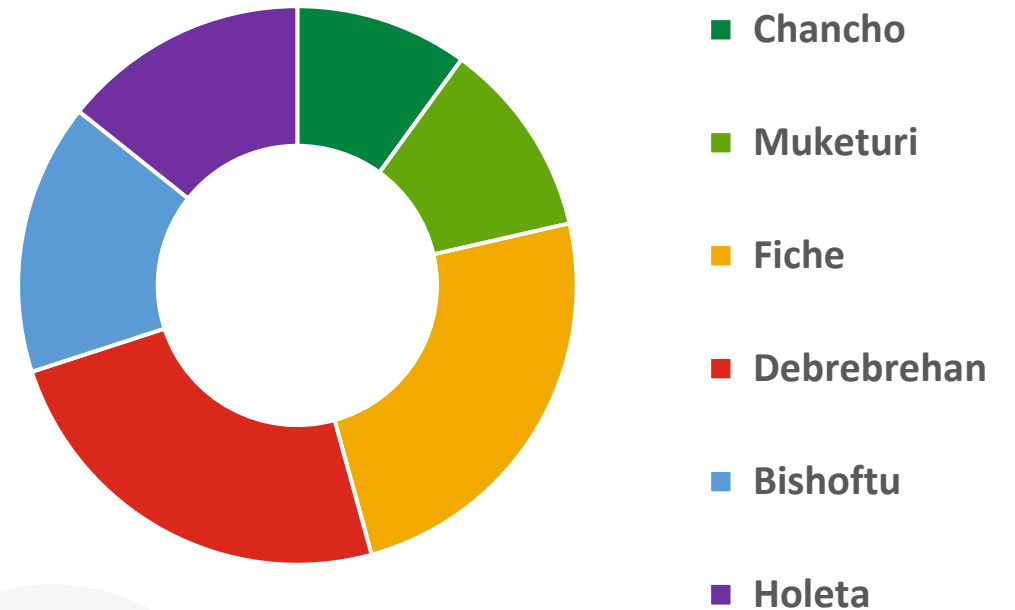


February-22



Growth Plan

December-22



**23,000 LPD**

**35,000 LPD**

## 🌿 Milk Collection Points and Facility

🌿 Currently we have 5 milk collection Points (MCP) have 40K Ltr capacity and 2 Road tankers to transport Milk from MCPs to Factory (38K Ltr capacity).

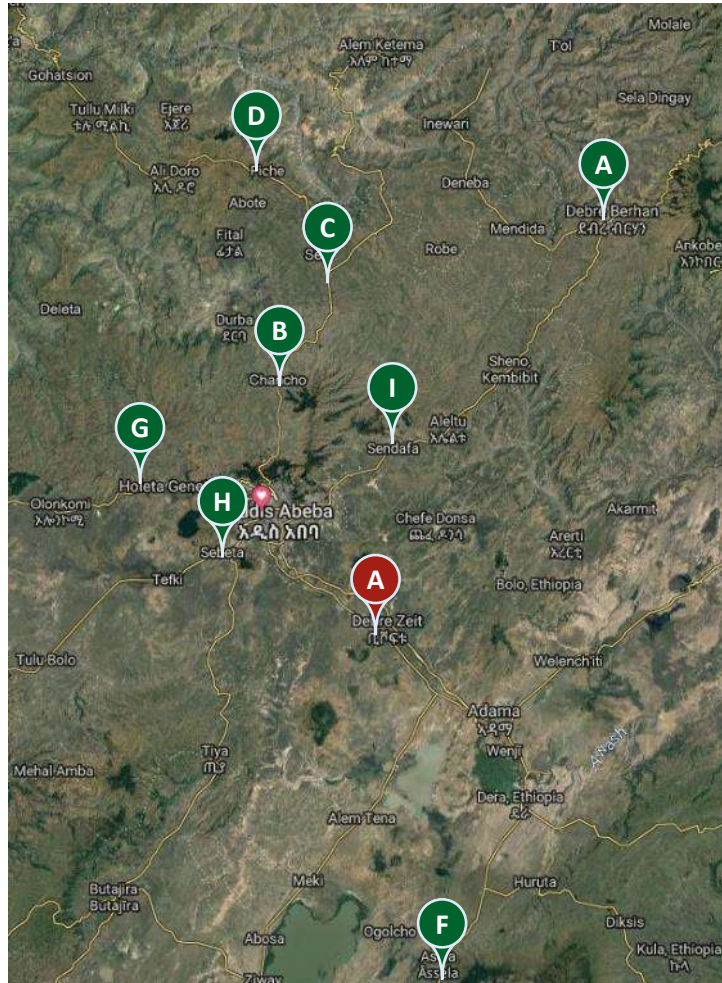


***Milk Collection Point***



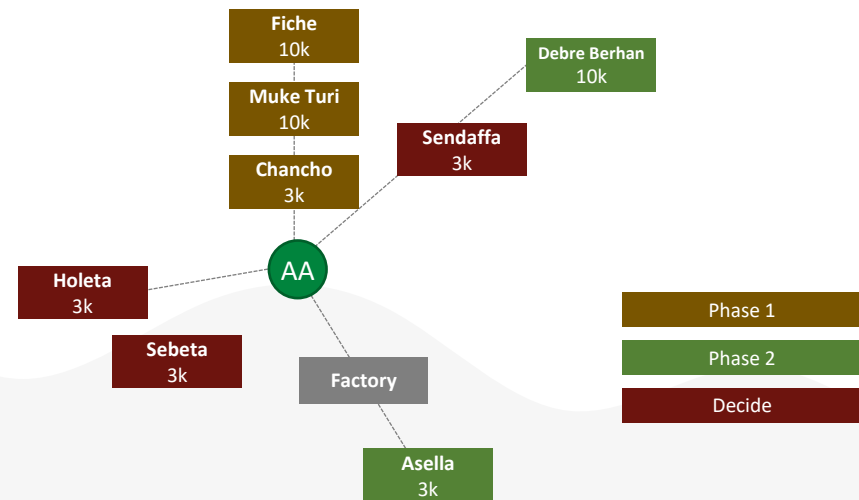
***Road Tanker 24.5K Litre***

# Potential Milk Sourcing Location



## Milk mapping (owned-operated MCP's)

No.	Name	Pricing (Br/L)	Potential Location (L)
A	Debre Zeit	33.00	6,000
B	Chancho	29.20	3,000
C	Muke Turi	28.41	6,000
D	Fitcha	27.25	10,000
E	Debre Berhan	31.58	10,000
F	Assella	30.00	3,000
G	Holeta	29.00	10,000
H	Sebeta	32.00	3,000
I	Sendafa	29.50	3,000
<b>Total</b>			<b>54,000</b>



An aerial photograph of a herd of cows grazing in a lush green field. The cows are scattered across the field, and their shadows are cast on the grass. A large, semi-transparent green circle is overlaid on the center of the image, partially obscuring the cows. The overall scene is bright and vibrant, with a strong green color palette.

# 3. Milk Quality and Pricing system



## 🌿 General Guidelines of Quality for our Milk suppliers

- 🌿 Holland Dairy aims to source the highest possible quality available and aims to improve the quality of the sourced milk over time by giving the right incentives and trainings to the farmers.
- 🌿 Holland dairy pays a competitive price for all their sourced milk from farmers with the aim to give a better price and more stability in off-take than competition.



# 🌿 Minimum Requirements for eligibility

Suppliers should full fill the following minimum Criteria:

## 🌿 FRESH

**Milk suppliers must supply fresh milk twice in a day (morning and Evening ).**

**Milk Can hygiene ( we inspect milk cans at MCP and provide cleaning materials)**

## 🌿 PURE

**No water adulteration or chemical adulteration**

## 🌿 HEATHY

**Bringing Antibiotics treated animals' milk separately without mixing with good milk. Antibiotic free milk is guaranteed by testing all milk before receiving it.**

**No Child labor / Forced Labor**

**Quarterly farm visits for Animal Welfare Check**



# Quality Test and Parameter Testing

## MCP + Receive

### Acceptance Test

- Smell
- Look
- Alcohol Gun
- Temperature Meter
- Lactometer

### Quick MCP Test

- Fat
- SNF
- Density
- Protein
- Lactose
- Salts
- Added Water
- Freezing Point
- Temperature
- Anti-Biotics

### Milk Receive Test (Batch)

- FAT
- SNF
- Density
- Protein
- Lactose
- Added Water
- Temperature,
- Freezing Point
- Salts
- PH
- Conductivity
- Total Solids
- Aflatoxin
- Anti-Biotics
- IBC (individual bacteria count)
- SCC (somatic cell count)

## LAB

### Lab Testing (Individual Samples)

- FAT
- SNF
- Density
- Protein
- Lactose
- Added Water
- Temperature,
- Freezing Point
- Salts
- PH
- Conductivity
- Total Solids
- Aflatoxin
- Anti-Biotics
- IBC (individual bacteria count)
- SCC (somatic cell count)



# Equipment Set-up for Quick MCP Test



# Quality Analysis from MCP to Factory



MCP

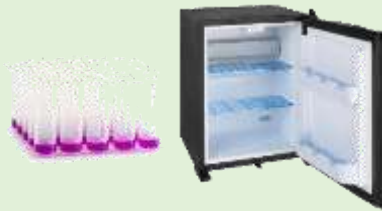


Factory

## Quick Acceptance



## Samples



## Quick MCP Analysis



## Deep Analysis





# Price and Payment

## Factor determine the pricing.

### 1. Quality:

- ◇ No adulteration

- ◇ No Antibiotic

- ◇ Fresh supply ( morning and evening)

2. **Volume:** bigger volume will win better price due to cost saving from testing

3. **Supply to MCP:** those who come to the MCP will gate un additional 0.50ETB

**Payment methods:** All farmers gate paid every two weeks through bank deposit.



## Conclusion

- Holland Dairy Buy only the Best Quality milk.
- For this Quality standard Holland Dairy Pays premium.
- Rejecting antibiotic milk is not affordable for farmers and there is no control by other parties therefore, we are buying Antibiotic milk from farmers separately and will dump it.
- Still, we are not paying milk based on the content of the milk due to absence of regulation and awareness. However, we have a plan to pilot on few cooperatives.



**Any Questions?**