

# Press Release



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## USAID and Irish Aid Collaborate to Help Transform Milk Production in Ethiopia

**Addis Ababa, Ethiopia, July 9, 2014** – The United States Agency for International Development (USAID) and Irish Aid announced today a collaboration to provide funding to assist the development and adaption of technologies and business models required to transform the dairy sector in Ethiopia. The **Dairy Innovation Fund** will be used for the design, demonstration and field-testing of technologies and business models that can demonstrate high potential for increased commercialization of milk products.

The fund will support entrepreneurs with innovative business models and technologies that demonstrate great potential for commercialization such as artificial insemination or in vitro fertilization services, distributing inputs to dairy farmers, producing and distributing animal feed, distributing veterinary care or creating long shelf life milk products such as cheese, butter, UHT and powdered milk.

With the largest number of milking cows in Africa, Ethiopia's potential for dairy development is considerable. However, productivity and consumption remain low. Ethiopians currently consume 19 liters per capita of milk per year, a mere 10 percent that of Sudan and 20 percent that of Kenya. Feed supply availability, lack of genetic improvement of native dairy cows and low milk consumption are some of the main challenges holding the sector back.

But challenges are also opportunities for creative entrepreneurs and innovators with a talent for solving problems. If milk consumption in Ethiopia were to approach Kenyan per capita levels by the year 2020, the market will need to supply over 10 billion liters of milk a year; this can be a major opportunity for job creation and economic development for the nation as well as a lucrative business opportunity for investors.

“To take advantage of the opportunities and overcome the challenges, it is important for Ethiopia to adopt technologies and business models that work within its unique environment,” said U.S. Ambassador to Ethiopia Patricia Haslach. “We look forward to this new collaboration with the Government of Ireland and look to continue our excellent partnership with the Federal Democratic Republic of Ethiopia.”

Ambassador of Ireland to Ethiopia Aidan O'Hara said, “Ireland is on a mission to become a world leader in sustainably produced food. We export to 175 countries worldwide and we hope that through our collaboration with USAID, the **Dairy Innovation Fund** will allow Ethiopian farmers and consumers to benefit from the latest techniques and technologies.”

The Irish Aid contribution of 10 million birr (about 514,000 USD) will be provided through USAID's Ethiopia Sustainable Agribusiness Incubator activity, implemented by Precise Consult International and part of the U.S. Feed the Future Initiative. The activity's goal is to transform Ethiopian agriculture sector-by-sector by enhancing the competitiveness in the dairy, honey, and sesame value chains. Through Feed the Future, the U.S. supports the Government of Ethiopia's commitment to country-led development programs that facilitate economic growth and development.

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