**Affordable dairy nutrition in sight for Ethiopian children  
Low-income families should gain from a new initiative to develop the dairy value chain**

Ethiopia was the destination when the partners in a new Nordic multi-sector initiative met to find ways to produce affordable, nourishing food for young families living on a few dollars a day.

Led by the Global Alliance for Improved Nutrition (GAIN), the initiative focuses on the unexploited potential of Ethiopia’s dairy value chain. The aim is to establish cooperative partnerships between Nordic companies and local Ethiopian businesses.

**Joint venture opportunities**Arla Foods Ingredients from Denmark and Sweden-based Tetra Pak joined the fact-finding trip, along with GAIN, the Danish NGO DanChurchAid and Confederation of Danish Industries (DI). Over five days, the partners met with Ethiopian dairy farmers, manufacturers, aid organisations and authorities to investigate opportunities for new joint ventures that can help alleviate malnutrition and create local jobs.

One of the projects discussed was the development of a multi-nutrient powder supplement for children aged two and below. Here, Arla Foods Ingredients expects to contribute processing expertise and dairy ingredients in the form of whey protein and whey permeate.

“Clinical studies have shown that whey-derived ingredients can provide some of the essential nutrients which undernourished children and their mothers lack in their daily diet,” says senior project manager at Arla Foods Ingredients, Charlotte Sørensen.

**Not about food aid**To secure the long-term success of such ventures, GAIN stresses that they must be economically sustainable for the companies involved. Local commercial partners are also essential to drive these initiatives and develop them on a regional scale.

“The initiative is not about food aid,” says special advisor at GAIN Henrik Gundelach. “It targets ordinary citizens who need to buy food on an overall budget of $2-5 a day.”

Danida – the development cooperation organised under the Danish Ministry of Foreign Affairs – is helping to fund the preliminary investigations. According to programme officer at the Danish Embassy in Addis Ababa, Nynne Solvej Warring, Danida may provide further support for future business cases or joint ventures that link Danish and Ethiopian companies in the dairy sector.

“Ethiopia can come a long way with the right partnerships and knowledge from Danish companies such as Arla. Right now there is a high demand for green growth,” she says.

**Dairy growth potential**With 54 million cattle to draw on, the highest number in any African country, Ethiopia’s dairy industry has such growth potential. However, a series of hurdles need to be overcome, such as raising the milk yield of Ethiopian cows, which currently produce less than two litres a day.

“Much of the milk produced is consumed by the farmers themselves. Many families do not have access to a market where they can sell their products,” Warring explains.

A lot of milk also goes to waste due to the lack of a proper cold chain for distribution.

**In line with NGO goals**Mads Schack Lindegård, DanChurchAid’s regional representative in Ethiopia, welcomes the initiative, which he says is in line with the NGO’s focus on sustainable development and food security.

“The project is an opportunity to link the many poor farmers we work with on a daily basis to a scalable business model,” he explains. “We see this initiative as a way to promote inclusive investments that also benefit local farmers.”

Senior advisor at GAIN, Charlotte Pedersen, hopes the visit to Ethiopia has laid the foundation stone for a series of beneficial projects in Ethiopia and other countries in East Africa.

“Now we have gathered the partners. The next steps are to prepare the business case and secure financing,” she says.

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