REPUBLIC OF NAMIBIA

MINISTRY OF AGRICULTURE, WATER AND LAND REFORM

IMPLEMENTATION GUIDELINES FOR THE DAIRY VALUE CHAIN DEVELOPMENT SCHEME 2024/2025

1. Background

The purpose of Dairy Value Chain Development Scheme (DVCDS) is to develop and support a modern and self-sustaining dairy industry based on small, medium and large holder production systems. The scheme seeks to link informal milk production to formal markets including OMAs, catering services and retailers thereby increasing the production of milk and dairy products in the country.

Due to the low market share of milk and dairy products in the formal market, the country relies mainly on imports. The scheme has the potential to make Namibia self-sufficient in milk and dairy products through the integration of small-scale rural dairy producer into the mainstream of the national dairy industry. One of the most effective models is to eventually organize producers into milk cooperatives/ associations/ organised groups which collects, process and/or directly market their milk and dairy products to formal markets.

The programme will be implemented in **Otjozondjupa, Omaheke, Hardap and Zambezi Regions** during 2024/2025 financial year, targeting to benefit 60 existing dairy producers.

Specific objectives

The scheme aims to address the following:

- Linkages of informal milk producers to formal domestic markets including OMAs, catering services and retailers;
- Ensure a year-round sustained milk supply at national and household levels;
- Support the development of a functional milk cold chain system;
- Enhance the quality and safety of milk and dairy products from dairy producers;
- Facilitate affordable and consistent production input supplies to the targeted dairy producers;
- Enhance value addition and skills development in Namibia's dairy industry;

The scheme is expected to result in the following benefits:

- Increased dairy production and productivity;
- Enhanced value addition and skills development;
- Improved quality, safety and affordability of milk and dairy products;
- Enhanced food and nutrition security;
- Increased job creation and income generation;
- Reduced importation of dairy products;

2. Program Packages

2.1 Provision of subsidy on inputs, equipment, machineries, materials and services

- Government will provide 60% subsidy on production stock.
- Government will provide 50% subsidy on veterinary medicines.
- Government will provide 50% subsidy on feeds.
- Government will provide 65% on machineries, equipment, materials, construction of shelter and milking parlour **once off.**

The description of the subsidies are presented in table 1 below:

Table 1: Description of subsidy

Description	Dairy cow production	Maximum subsidy amount (N$)	Dairy goat production	Maximum subsidy amount (N$)
Production stock (60% subsidy)				
Production stock	1 × dairy/dual (limited to pure Brown Swiss) - purpose bull	27 000.00	1 × buck (based on breed standards excluding local breeds)	6 000.00
	5 x dairy/dual (limited to pure Brown Swiss) - purpose cows	75 000.00 (15 000.00 per cow)	30 dairy goats (based on breed standards excluding local breeds)	45 000.00 (1 500 per goat)
	5 x dairy/dual (limited to pure Brown Swiss) - purpose female calf)	3 750 (750.00 per calf)	N/A	N/A
	Semen straws (sexed) including services (insemination)	20 000.00	N/A	N/A
Veterinary medicines (50% subsidy) once-off				
LA Antibiotic (intra-mammary)	5 x 100ml	1 000.00	5 x 100 ml	1 000.00
Vitamins (ADE)/Multivite	4 x 100ml	600.00	4 x 100 ml	600.00
Multimin + SE/Metabolic	4 x 100ml	1000.00	4 x 100ml	1000.00
Feeds (50% subsidy) once-off				
Dairy feed & High Protein/energy feed 50kg	60 bags (Max N$ 300.00/bag)	18 000.00	30 bags (Max N$300.00/bag)	9 000.00

Phosphate concentrate +Salt or phosphate lick or mineral/phosphate block	Max 12 bags phosphate concentrate + 12 salt (Max N$ 500.00/combination) or 24 bags phosphate lick (Max N$ 250.00/bag)	6 000.00	20 blocks (Max N$ 200/block)	4 000.00
Fodder Value Addition (65% subsidy)				
Molasses (liquid)	10 x 25kg (maximum of N$ 200.00/25kg)	2 000	10 x 25kg (maximum of N$ 200.00/25kg)	2 000
Plastic polyethene (Black or White multilayer co-extrusion LDPE)	6 x 5m x 4m (max N$ 400 per 5m x 4m Polythene plastic)	2 400	6 x 5m x 4m (max N$ 400 per 5m x 4m Polythene plastic)	2 400
Inoculants (e.g Magniva)	1 x 200 gram	3 000.00	1 x 200 gram	3 000.00
Machineries, equipment's and materials (65% subsidy)				
Feeding buckets and stands	Max 3 feeding buckets or a trough and 2 hay stands	4 500.00	Max 4 feeding buckets or a trough and 2 hay stands	4 500.00
Fridge/freezer	Max 1 fridge/freezer with 450L	4 000.00	Max 1 fridge/freezer with 450L	4 000.00
Stainless Steel milking buckets	Max 20L	800.00	Max 20L	800.00
Stainless Steel milking cans	Max 100L	1 300.00	Max 100L	1 300.00
Cold storage tanks	Max 5 000L	26 000.00	Max 1 000L	26 000.00
Milking machine	Max 20L milking machine (4 teats)	15 000.00	Max 20L milking machine (2 teats)	12 000.00
Processing machinery	Pasteuriser Max 500L	40 000.00	Pasteurising Max 100L	10 000.00
	Homogenizer Max 500L	30 000.00	Homogenizer Max 500L	30 000.00
	Cream separator Max 1 x 20L	8 000.00	N/A	N/A
	Butter processor Max 1 x 10L	1 700.00	N/A	N/A
	Yoghurt/ Ice cream making Machine 100L	40 000.00	Yoghurt/ Ice cream making Machine 100L	40 000.00

	Cheese making machine/equipment 100Ls	35 000.00	Cheese making machine/equipment 100Ls	35 000.00
	Milk Powdering machine	30 000.00	N/A	N/A
	Milk/yoghurt/ice cream production line 500 L	140 000.00	Milk/yoghurt/ice cream production line 500 L	140 000.00
Sour milk culturing containers	Max 300L containers	500.00	Max 300L containers	500.00
Materials and consumable	1 x Mastitis testing kit / Electronic mastitis detector	1 500.00	1 x Mastitis testing kit / Electronic mastitis detector	1 500.00
	1 x Milk quality testing kit	300.00	1x Milk quality testing kit	300.00
	2 x post-teat dips	400.00	2 x post-teat dips	400.00
	2 x pre-teat disinfectant	200.00	2 x pre-teat disinfectant	200.00
	200 (2L,1L, 500ml, etc.) packaging containers	700.00	200 (2L,1L, 500ml, etc.) packaging containers	700.00
Biosecurity material	Protective gear (head nets, Gum boots, apron, overalls, stepping/disinfecting pad, disinfecting chemical, masks and surgical gloves)	1 000.00	Protective gear (head nets, Gum boots, apron, overalls, stepping/disinfecting pad, disinfecting chemical, masks and surgical gloves)	1 000.00
Description	**Dairy cow production**	**Maximum subsidy amount (N$)**	**Dairy goat production**	**Maximum subsidy amount (N$)**
Shelter and milking parlour (65% subsidy)				
Iron sheets 6m x 0.47mm x 90mm	5 sheets (Max N$450/sheet)	2 250.00	5 sheets (Max N$450/sheet)	2 250.00
Leap channel 50 mm x 38mm x 6 m	3 channels (Max N$400/channel	1 200.00	3 channels (Max N$400/channel	1 200.00
Square tube 50 x 50mm x 6 m	6 tubes (Max N$330/tube)	1 980.00	6 tubes (Max N$330/tube)	1 980.00
Round tube 40 mm x 3mm x 6 m	12 bars (Max N$ 230/bar)	2 760.00	N/A	N/A
Round tube 20 mm x 2 mm x 6 m	N/A	N/A	8 bar (Max N$ 80/bar)	640.00

Diamond mesh 1.2 m x 2 mm x 30 m	N/A	N/A	1 mesh	1 000.00
Accessories	Nuts, welding rods, chain, etc.	450.00	Nuts, wielding rods, etc.	450.00
Cement bags 50 kg (42 grade) - Parlour	Concrete for a 6 x 6 m area 40 bags max (Max N$ 71.50/bag)	2 860.00	Concrete for a 6 x 6 m area 40 bags max (Max N$ 71.50/bag)	2 860.00
Cement bags 50 kg (42 grade) – Applicable to Silage pit 5x3m flooring & 1m wall	Concrete for a 6 x 6m area 40 bags max (Max N$ 71.50/bag)	2 860.00	Concrete for a 6 x 6 m area 40 bags max (Max N$ 71.50/bag)	2 860.00

The maximum subsidy per beneficiary per annum for the Dairy development (cattle) is N$200 000.00 and N$100 000.00 for the Dairy development (goat).

3. Capacity building

- Capacitate identified Training of Trainers (ToTs technical staff and breeders) in dairy production, processing and marketing as well as animal health.
- Training of dairy producers in production, processing and marketing.

4. Monitoring of the scheme

- Responsibility of the focal person, supported by the CASOs at regional level.
- Project Support Services will be responsible for the overall monitoring of the project at national level.

5. Implementation modalities

- The funds for subsidy will be transferred to Regional Councils.
- Regions will create awareness on the project and register interested farmers, thereby creating a database of dairy producers who will be eligible to benefit.
- The regions will convene meetings with retailers to identify and register retailers who will partake in project implementation.
- The subsidy voucher will be issued to registered and approved farmers against the quotation obtained by the farmer.
- The retailers will redeem the balance with the Regional Councils.
- The producers can participate in auction or import the items mentioned in the implementation guidelines with prior notification to the MAWLR and claim his/her subsidy portion as stated in the implementation guidelines after verification by MAWLR.
- The producers can also participate in sales of quality animals, machinery, equipment and materials which are rare in commercial supply chain, from private farmers or entities either directly through subsidy or indirectly through claims to redeem the balance, as in the bullet above.
- Producers will be verified and monitored by MAWLR staff members.

6. Requirements for beneficiaries

- Namibian citizen.
- Existing livestock (goat & cattle) producers involved in dairy production.
- Producers to indicate dairy marketing plans.
- Beneficiaries to be verified by MAWLR staff members prior to participation.

7. Conditions for beneficiaries

- Producers should register with MAWLR.
- Producer should be willing to join an association/cooperative with fellow farmers for collection, processing and marketing purposes.
- Producers to utilize subsidized inputs, equipment, machinery and materials for intended purposes.
- Preference will be given to women, youth, marginalised and people living with disability.

8. Institutional implementation framework

The Government recognizes implementation arrangements that involve the coordination and collaboration with stakeholders as key success to the project.

- The Directorate of Agricultural Production Extension and Engineering Services (DAPEES) will oversee the implementation of the project in the regions, and ensure timely availing of subsidy budget for inputs, awareness creation, monitoring, and facilitate training including demonstrations, farmer information and field days.
- Regional Councils and Traditional Authorities shall support in creating awareness, mobilize the youth, women, marginalised and people living with disability to participate in the project.
- The implementing Regional Councils shall be responsible for the payment of service providers based on Memorandum of Understanding between the MAWLR and the Regional Councils. The dedicated bank accounts with the Regional Councils shall be used for the implementation of the dairy subsidy.
- Furthermore, the Regional Councils shall provide financial reports and bank statements as proof of payments to service providers.
- The Chief Agricultural Scientific Officers (CASOs) should be signatories to the bank accounts as they are charged with the responsibility of ensuring the successful implementation of the project.
- The Directorate of Veterinary Services (DVS) will support on health and hygiene issues in project implementation.
- Farmers Associations/Cooperatives shall support members to participate in the project.
- The MAWLR shall register the beneficiaries at the respective ADCs.

9. DVCDS Regional Budget Allocation 2024/25 financial year

A total of Five Million Namibian dollars (N$ 5 000 000.00) will be transferred to the implementing Regional Councils for the processing of subsidized inputs and services as in table 2 below:

Table 2: DVCDS Regional budget allocation for 2024/25 financial year

Activity	Omaheke	Otjozondjupa	Hardap	Zambezi
Provision of Subsidy on machinery and equipment, inputs and services	1 000 000.00	1 000 000.00	1 000 000.00	1 000 000.00
Capacity building	250 000.00	250 000.00	250 000.00	250 000.00
Total	**1 250 000.00**	**1 250 000.00**	**1 250 000.00**	**1 250 000.00**

For Further Information contact:

Head Office

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Prospective farmers in Omaheke, Otjozondjupa, Hardap and Zambezi Region should contact the following focal persons for further information:

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Water and Land Reform