

# FACT SHEET

## Strengthening the Dairy Market in Tanzania

### Background:

Tanzania produces **2.7 billion** litres of milk annually, yet only **2.7% is processed**, with most sold raw through informal channels. This results in high post-harvest losses, reduced farmer incomes, and limited consumer access to safe, nutritious dairy products.

At the same time, malnutrition persists: **30% of children under five are stunted** and **33.7% of school-aged children are anaemic**. Per capita milk consumption is just **49 litres annually**, far below the **200 litres recommended by WHO**. School-aged children are especially vulnerable, with limited access to affordable fortified dairy products in school meals, despite government policies mandating fortified foods.

To address these gaps, GAIN, in collaboration with Galaxy Foods & Beverages Ltd, Arla Foods Ingredients, and key government partners, is implementing a three-year project (2025 – 2028) to strengthen Tanzania's dairy sector as a driver of **nutrition, livelihoods, and sustainability** with funding support from the **Austrian Development Agency (ADA)**.



### Project Goal & Objectives:

#### Goal:



Strengthen Tanzania's dairy sector to improve nutrition, incomes, and environmental sustainability.

#### Strategic Objectives:



- Increase incomes for **7,000 smallholder farmers** (70% women and youth).



- Expand access to **affordable, nutritious dairy products**, especially fortified yogurt for schoolchildren.



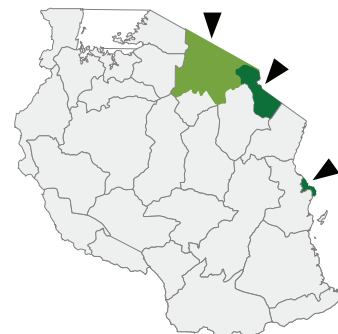
- Reduce the environmental footprint of the dairy sector by scaling **renewable energy-powered cold chain systems**.



- Support government school milk and fortification policies through strengthened supply chains and partnerships

### Geographical Coverage:

- **Arusha:**  
Arusha Municipal,  
Arumeru District
- **Kilimanjaro:**  
Hai, Moshi Rural
- **Dar es Salaam**



### Project Beneficiaries:



- **Smallholder farmers:** 7,000 (approx. 32,900 individuals), majority women and youth.



- **School children:** 128,553 across Dar es Salaam, Arusha, and Kilimanjaro.



- **Households:** Over 7,000 farming families benefitting from increased incomes and improved nutrition.



- **Dairy businesses:** 25 Tanzanian processors and 20 regional actors engaged through training and knowledge sharing

## Strategic Approach and Key Project Elements:

### 1. Improving Milk Supply & Quality

- o Establish **22 solar-powered milk collection hubs** (7 new, 15 upgraded).
- o Train **300 lead farmers** as food safety champions, cascading knowledge and skills to 7,000 farmers.

### 2. Expanding Nutritious Dairy Processing

- o Support Galaxy Foods to scale up fortified yogurt production to **2,000 litres/day**.
- o Disseminate yogurt fortification standards nationally and regionally.

### 3. Promoting School Nutrition Awareness and Access

- o Link **120 schools** directly to dairy suppliers for milk & yogurt.
- o Deliver targeted community and school level nutrition campaigns to improve dietary practices and dairy product consumption.
- o Advocate for by-laws supporting sale of fortified dairy in schools.

### 4. Environmental Sustainability

- o Replace diesel generators with solar, cutting **251 tonnes of CO<sub>2</sub> annually** (~500 trees).
- o Promote circular economy by reusing whey in fortified yogurt production.

### 5. Facilitate cross-country: Learning with dairy sectors in other countries, such as Uganda & Kenya, sharing project insights to promote replication of safe and affordable dairy models across East Africa.



## Desired Results / Outcomes:

**29,000**

*Litres/day of Milk Safely  
Chilled and Processed.*

**5%**

*Increase in Farmer Incomes  
Through Reliable Markets.*



*Affordable fortified yogurt  
sold at **USD 0.25/100ml**,  
expanding access to  
schoolchildren.*



***128,553 students**  
consuming milk and  
fortified yogurt in schools.*



***Stronger policy  
environment for school  
milk and food fortification.***



***Reduced greenhouse gas  
emissions and dairy sector  
waste***

## Partners:

- **Global Alliance for Improve Nutrition (GAIN) Tanzania** – Overall coordination, advocacy, M&E.
- **Galaxy Foods & Beverages Ltd** – Local processor, cold hubs, fortified yogurt production.
- **Arla Foods Ingredients** – Technical expertise on fortified yogurt formulation and marketing.
- **Government of Tanzania:** PO-RALG, Ministry of Livestock & Fisheries, Ministry of Health, Ministry of Education, Tanzania Dairy Board, TFNC, TBS.
- **TAMPA & CTI** – Industry associations supporting scale-up and policy engagement

*This ADA-supported initiative embeds nutrition, sustainability, and market system strengthening to transform Tanzania's dairy sector into a driver of health, income, and climate resilience.*