

Nutrition First. Milk Second.

MARKET RESEARCH PLAYS CRITICAL ROLE AS FIRST TIME ENTREPRENEUR AVOIDS PUTTING THE CART BEFORE THE HORSE



Field of Dreams – ten acres of Sorghum cultivation irrigated with rain guns

Inset: Ms. Anna Mann, USDA's International Program Specialist inspecting 45kg silage bales produced by Mr. Bandara during a visit to the island

A trained engineer by profession, Mr. Nalaka Bandara wanted to set up a dairy farm, but knew he did not have the industry background he needed to do so. He began his efforts to increase his dairy knowledge by connecting with the Market-Oriented Dairy (MOD) Project team, a USDA-funded project focusing on building the capacity of the dairy value chain in Sri Lanka. During their discussions with Mr. Bandara, the MOD team highlighted a fundamental mistake that local dairy farmers often make: failing to understand the need for availability of high-quality fodder throughout the year. MOD's Business and Value Chain Director, Mr. Asoka Kuruppu, also highlighted the economic opportunities that exist in the dairy sector for the

commercial sale of fodder and silage, inputs that are needed to meet the feed requirements of Sri Lanka's dairy farmers.

Dairy farmers in Sri Lanka traditionally have not paid for fodder or silage and instead have depended on the limited quantity that they can grow themselves or on the lower quality grasses that grow on the roadsides. Convincing farmers of the value of purchasing and stocking silage made with high quality grasses is a challenge. MOD trainings have helped dairy farmers to understand the benefits of year-round feed to increasing milk production and the need to purchase green fodder or silage to meet any feed shortfalls. Seeing this shift in mindsets, Mr. Bandara realized that there is a growing demand and a great business opportunity in fodder and silage production for the dairy industry and he set his sights on developing a commercial silage business.

With support and guidance from MOD's Productivity Director Dr. Sivayoganathan Mr. Kuruppu, Mr. Bandara registered his company, created a brand for quality silage, gained knowledge of the best practices in making quality silage, and planted ten acres of Sorghum. He also purchased required machinery for silage production such as a grass chopper, rain guns for irrigation, and an innovative silage packing machine introduced by MOD. To expand his output, he also encouraged other cultivators to grow fodder with the assurance that he will purchase their production.

To sell his silage product, which comes packed in 45kg plastic bales, the MOD team facilitated Mr. Bandara's introduction to dairy farmers through the Project's partner processors and to large farms. Today, he has a total of 15 acres dedicated to silage production between his farm and the outgrowers and produces 50,000kg of silage per month.

Mr. Bandara appreciates the guidance provided by the MOD team to develop his business from concept to implementation, saying that "without MOD I would have made the classic mistakes made by others entering the dairy sector. I am appreciative of the continued support as I grow my business. With the advice from MOD, I am now focusing on improving the skillset of my laborers in handling the silage packing machine to get the optimal efficiency, looking at ways of increasing the yield in my existing acreage and expanding the outgrower base." To make the business sustainable and profitable in the long run, he is also focusing on mitigating the impact of potential external risks such as prolonged droughts and shortages of vital fertilizers. He added, "in terms of demand, the forecast is good. Through MOD's education of dairy farmers, the demand for silage in the market is growing and I cannot keep up with the demand."

Market-Oriented Dairy (MOD) Project, based in Sri Lanka, is funded by the United States Department of Agriculture (USDA) 'Food for Progress' initiative and implemented by IESC. The project aims to double the milk production of participating dairy farmers and enable them to obtain a higher price premium for fresh milk through interventions primarily designed to enhance their technical knowledge and create an

entrepreneurial, business-oriented mindset. The project also supports enterprises along the dairy value chain to meet the demands of the country's dairy sector to catalyze a sustainable growth. The project's sub-partners are Sarvodaya, University of Florida, Global Dairy Platform and SEAF.