

## Vacancy for Magoye Dairy Cooperative

Developing a Marketing and Pricing Strategy

AS.8400

### Who are we looking for?

An enthusiastic financial professional with a heart for the dairy sector. You have experience in financial analysis and developing strategies to improve a business. You are results-oriented and a good coach. Last but not least: this exciting assignment appeals to you.

### Context

Magoye Smallholder Dairy Farmers Cooperative (MSDFC) is a dairy cooperative established in 2005. The cooperative is located in Magoye, 160 km southwest of Lusaka, the capital of Zambia. MSDFC has a registered membership of 760, all of which have dairy as their main business. MSDFC on average collects 2,200kg/day. Members own 4-5 cows on average, that have an average milk yield of 3 litres per day.

Agriterra recommended that Magoye should look into the establishment and implementation of separate business units for its milk collection centre, agro-shop, transport services and hammer mill.

Magoye sells 100% of its collected milk to Parmalat, sells veterinary drugs and maize bran through its agro-shop, owns three trucks that are used to serve dairy farmers in the outer region in terms of feed supply and leasing out for additional income, and owns a hammer mill that is in use to cut maize for home consumption or feed.



### Country

Zambia

### Period

A week in April

### Deadline

1 April

### Number of experts we need

1



## The assignment

### *Optimisation of business units*

Magoye aims to increase its membership by providing attractive membership services. Magoye should therefore offer the highest possible price to its members, supplemented by high-quality services to provide more added value. In several cases, members have left the cooperative due to lack of added value. More added value can be created by managing the Milk Collection Centre, agro-shop, transport and milling services as separate business entities. In addition, these services should be offered at differential rates according to whether they are provided to a member / non-member and whether they are paid for on cash or credit basis. MSDFC thus needs a marketing and pricing strategy for its business units in order to operate as a better business.

If MSDFC management is able to run the cooperative as a business through an improved capitalisation of the business units, more profits will be made that can be reinvested in the growth of the cooperative. As the cooperative grows, production is expected to become more efficient and economies of scale can be achieved, which will lower production costs to the benefit of the members.

### *Objective*

Develop a Marketing and Pricing Strategy for Magoye Dairy Cooperative in order to increase profitability of its business units.

### *Methods*

- Discussions with Management on operational objectives and targets of the cooperative;
- Reviewing financial performance of the separate business units;
- Identifying areas of improvement in terms of cost-efficiency and profit maximisation;
- Devising pricing strategy for each business unit;
- Devising marketing strategy for each business unit;
- Identifying KPIs to measure performance of each business unit;
- Building capacity of staff to implement marketing and pricing strategies.

### *Expected results*

Recommendations on how to improve the management of the business units, including:

- Pricing strategy
- Marketing strategy
- Budgeting
- Financial forecasting
- Establishing KPIs and sales targets
- Separation of accounts

### *Coordinated support*

Agriterra is working closely together with SNV Zambia, which is supporting Magoye Dairy in the area of business planning, amongst other areas. SNV will develop business plans jointly with Magoye Dairy and the pricing and marketing strategy to be developed as part of this assignment will be a key input in these business plans.



### Profile of the Agripooler

	Profile
Knowledge	Financial analysis, agriculture/dairy
Experience	Developing marketing and pricing strategies, experience with cooperatives
Competencies	Analytical, results-oriented, coaching skills, culturally-sensitive
Language level	Proficient in English

**Contact:**

Paul Daniëls

[paul@vabnet.nl](mailto:paul@vabnet.nl)

tel.: +31 6 470 80 671