



NEWSLETTER XVIII, DECEMBER 2023

„Ko dô ban tô bi ce ka kè ko dô daminè tô ye”

In Bambara, the local language in Bamako:

„An end can also be a reason to start something new”

Thanks to your support, we could:

- **support people in the local agriculture sector to achieve higher living standards for over 17 years.**
- **overcome countless challenges and continually adapt to new circumstances.**
- **make a contribution to Mali's Gross Domestic Product (GDP). Wages and milk payments from the small-scale dairy DJOM KOSSAM generated at least 42 times the GDP per capita per year over 17 years.**

After 17 years of effort, the board and members of the association Pro Milch Mali analyzed in details the future possibilities of the association in at this year's general assembly and proposed to dissolve the association at the next general annual assembly annual meeting.

In this newsletter, we would like to present a summary of the analysis and explain why we took the difficult decision. We also like to illustrate with some figures on what our contribution was in Mali over the years.

At the same time, we like to thank all friends and interested parties of the association Pro Milch Mali for their long and regular unanimous support.

Looking back to 2022 – Important factors of the analysis:

The aim of the association Pro Milch Mali was to develop the local agriculture sector in Mali, to create local jobs that are based on sustainable and economic principles and thus improve the living standards of the population in the long term.

The small-scale dairy DJOM KOSSAM, which the association regularly supported, was an important local partner in achieving our goal. We continued to pursue the defined strategy to lead DJOM KOSSAM in a profitable and self-financing dairy, which is built and managed by local people in Mali, in 2022. This included regular exchanges regarding operative and strategic business activities as well as building a herd of cows and replacing the damaged solar cooler. At the same time, we were able to further develop our collaboration with the newly founded Center de formation professionnelle en transformation Agro-Alimentaire à Siby (CAAS).

At the beginning of 2022, we were fortunate and achieved successes in building up the cow herd. We were pleased about the birth of four calves. Unfortunately, our joy didn't last long, and we had to suffer further setbacks with the death of two cows and two calves. Nobody could credibly explain to us why the animals died.

The small-scale dairy DJOM KOSSAM also generated a positive financial result in early 2022. We continued to support the small dairy in accordance with our objectives. We replaced the broken solar cooler, painted the building of the dairy after 14 years and created new advertising signs on the street. We planned to purchase more cows towards the end of 2022 to expand the herd to 10 to 15 cows as planned. However, due to the addition sad experiences in the middle



of the year, with the unexpected death of the cows and calves, we decided not to buy any more cows.

Analysis: On the future of Pro Milk Mali and DJOM KOSSAM

The small-scale dairy DJOM KOSSAM was founded in 2005 by Agibou Sall and Stephan Wullschleger as a sales kiosk in Bamako. The idea was to run something bigger than just a kiosk selling local milk. The vision was to build a self-financed and profitable dairy company within Mali that would generate added value along the entire milk processing chain, promotes the production of local milk and thus make Mali less dependent on the import of milk powder. The corresponding business plan was awarded a special prize at Venture 2008, the entrepreneur competition of ETH Zurich and McKinsey. An investor was found through the Venture 2008 competition, which gave a big boost to the implementation of the idea. This created sustainable local jobs, transferred knowledge, and strengthened the local economy.

The project started around 18 years ago with great commitment and success. Despite political uncertainty, the small-scale dairy has been able to pay salaries for three to eight employees per month over the last 18 years with a sales stand in Bamako and the small dairy in Siby. Setbacks such as political arbitrariness (closure of the sales outlet in Bamako), illnesses and accidents among employees, and reduction of the cow herd have repeatedly set the project back in recent years.

The association Pro Milch Mali was founded in 2007 with the aim of promoting the local dairy industry in Mali. In addition to supporting the small-scale dairy DJOM KOSSAM, trainings of farmers were organized as well as providing medical care to farmers and their families and supporting small-scale farmers to build livestock.

The goal was to support DJOM KOSSAM until it could earn a sustainable profit as a standalone company. However, with the possibility of a partnership with the CAAS, the further continuous challenges setbacks and the increasingly difficult political situation, doubts grew as to whether DJOM KOSSAM's strategy mentioned above could be implemented under these circumstances and finally whether the association should continue to pursue its goal.

That's why the discussion began at last year's Annual General Meeting about how we would like to position the association in future. This discussion was continued intensively at this year's Annual General Meeting. The members present together with the board concluded that a proposal to dissolve the association should be submitted at the next general meeting and that the association's activities would cease in 2023 from July 25th.

This was not an easy decision and was associated with corresponding emotions. The board and the members present are convinced that this is the right decision for the following reasons:

1. The Center de formation professionnelle en transformation Agro-Alimentaire à Siby (CAAS) pursues the same goal as the association Pro Milk Mali, namely, to promote local agriculture in Mali. However, CAAS can implement this on a larger and more professional scale. The CAAS organizes training for local women in agriculture and, in a second step, supports the development of possible business activities in the local agricultural sector. The CAAS expressed interest in conducting training in milk processing and building a semi-automated small-scale dairy for this purpose. Since CAAS is being located directly across the street from the small-scale dairy DJOM KOSSAM, we believe it makes more sense to bring our expertise and experience directly to CAAS than to continue to support DJOM KOSSAM.
2. Unfortunately, we see no improvement in the political situation in Mali and no prospect that the Federal Department of Foreign Affairs (EDA) will lift the travel warning soon. Although



travel to Mali is not prohibited, you do so at your own risk. As a small association, we do not see ourselves in a position to develop and implement appropriate security concepts. That's why we haven't taken a trip to Mali in recent years. In the longer term, however, regular contact on site would be needed to continue successful partnerships.

3. Finally, the experiences in 2022 with the repeated loss of animals, together with previous returning challenges, which were mostly overcome thanks to the help of the association and its donations, led to the realization that the structure and size of the association make it difficult to achieve our objective in the next 5 to 10 years.

It was decided at the assembly that no membership fees would be charged for the year and that donations made in 2023 could be reclaimed.

Benefits from the activities of the association Pro Milch Mali

Since the association's board of directors has carried out its work free of charge over the years, all donations could be used directly in accordance with the association's objectives. In this way, we achieved direct added value in Mali in an efficient manner. Around two thirds of the donations were invested in projects such as training farmers, providing medical care for farmers and their families, and supporting small-scale farmer to build livestock. The other third was used to support the small-scale dairy DJOM KOSSAM. It is not possible for us to quantify any direct benefit of the donations to the projects. Since our goal was to support DJOM KOSSAM until the small-scale dairy was profitable, DJOM KOSSAM has been run like a company. We therefore know how much DJOM KOSSAM paid the farmers for the milk and what wages were paid. If you take the sum of milk and wages paid and divide it by Mali's Gross Domestic Product (GDP) per capita, we can proudly say that on average over 17 years, Mali's GDP per capita was generated every year at least 42 times.

I would like to thank you very much for your interest in our activities, as well as your loyal and generous support and wish you all the best for the future.

Best regards

Dr. Stephan Wullschleger
President, Association Pro Milk Mali

Awards:



DJOM KOSSAM's business plan was awarded a special prize at Venture 2008.



The integrated dairy value chain business model was named as a winner of the 2019 GRP Innovation Challenge.