

# La Laiterie du Berger

December 2020



## Project overview

In 2018, La Laiterie du Berger (LDB) decided to “spin-out” its milk collection activity by creating Kossam, a subsidiary in which LDB and a farmers’ cooperative (supplying cow milk to LDB) are shareholders. In addition to Kossam collecting milk from farmers and selling it to LDB, Kossam also provides animal feed as well as coaching to farmers.

EDFI AgriFI will lend the equivalent in XOF/ECO of EUR 600,000 to LDB that will provide Kossam with a shareholder loan and equity investment of the same amount.

## Funding objective

Kossam is setting up an investment plan that will be financed by a large proportion via a grant received by the Master Card Foundation and a loan from AgriFI. This will allow Kossam to:

1. Develop its milk supply chain by:
  - a. Increasing the number of farmers collected: between 2,500 and 4,000 farmers will be collected by 2023 in the Richard Toll area. It should allow to collect 3,000 tons of fresh milk by 2023;
  - b. Investing in “mini-farms” (little barns where a farmer stalls its best dairy cows);
2. Support, give training to farmers and improving access to veterinary services and animal feed;
3. Empower Kossam and the farmers’ cooperative capacities and governance.

## Investment rationale

- Local economic growth: LDB and Kossam are creating economic opportunities for cattle breeders. Between 2,500 and 4,000 herders will join the cooperative by 2023;
- Partial substitution of imports: the project will foster local production of fresh milk;
- Food security and rural development: increased yields for farmers improves livelihood and contributes to food security in the country;
- Farmers empowerment and entrepreneurship: The project has a structuring effect on the milk value chain by empowering farmers and developing entrepreneurship;

EDFI [AgriFI](#), the EU Agriculture Financing Initiative, is an impact investment facility funded by the European Union, with a mandate to unlock, accelerate and leverage sustainable investments in medium, small and micro agri-enterprises (MSME) that operate in developing countries, with a specific focus on smallholder’s inclusiveness. AgriFI is managed by [EDFI Management Company](#) on behalf of the 15 European Development Finance Institutions (DFI).

## AT A GLANCE

- **Investment/Project:**  
La Laiterie du Berger
- **Total AgriFI financing:**  
EUR 600,000
- **Financial instrument:**  
Subordinated debt
- **Regions:** Africa
- **Country:** Senegal
- **Sector:** Dairy
- **Allocation:** AgriFI Global

## ENVIRONMENTAL & SOCIAL ASSESSMENT

Based on Environmental and Social (E&S) risks/impacts the E&S risk category is **B**.

<https://lalaiterieduberger.wordpress.com>

- Gender-smart investment: Women have been historically involved in Senegal's milk value chain and Kossam is collecting currently around 38% of women.