

Dutch Good Growth Fund



Ministry of Foreign Affairs of the Netherlands

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FAFIN client profile

L&Z



FAFIN Investment Amount:
USD 654,911



Sector:
Agribusiness

L&Z partnership with FAFIN

L&Z Integrated Farms Ltd began producing dairy products in 2011 with a herd of only 29 local breed cows. After a lengthy process of cross breeding with Friesian cattle, L&Z now has 86 mixed-breed Friesian cows that are resistant to various tropical diseases and have improved milk yield.

Today, L&Z is supervised by a board comprising of A.B. Mahmoud (President of the Nigeria Bar Association, NBA), Mezuo Nwuneli and Olumide Lawson of Sahel Capital, M.D. Abubakar (Managing Director), Lamina Abubakar (Non-Executive Director), Zubaida Abubakar (Executive Director) and chaired by Keith Richards.

Since its partnership with FAFIN, L&Z has further expanded its operations across Nigeria and continued to make significant impact on the communities where it works. This includes:

- Establishment of milk collection centers and active organization of smallholder herdsmen in Kano and neighboring communities for milk collection.
- Expansion of processing capacity which has provided a guaranteed market for the milk of smallholder herdsmen. L&Z collects about 21,000 litres of milk monthly from smallholder herdsmen and commercial peri-urban farmers near its factory.
- Increasing the efficiency of the dairy value chain, reducing hawking of processed milk products by the herdsmen's children, increasing farmers income and employment.
- Opening of bank accounts for the smallholder herdsmen cooperatives.
- Playing an active role in encouraging girl-child education by giving scholarships to girls to go to school.

Moreover, L&Z has agreed a pricing structure that gives a premium to the education of the children in the household. The direct interaction between L&Z and the local herdsmen communities has made it possible for 95 children to attend school.



L&Z

L&Z is an integrated dairy processor in Kano State, Nigeria, that actively organizes, aggregates and collects milk from herdsmen. It produces fresh milk and branded yoghurt products and sells them to supermarkets and convenience stores across Nigeria.

L&Z sources milk from its herd of hybrid Friesland dairy cows as well as from clusters of smallholder farmers and commercial peri-urban farmers around Kano. Since FAFIN's investment, L&Z has increased the number of smallholder farmer clusters that it engages with from 3 to 8, reaching almost 180 smallholder farmer families, among which are 106 herdsmen households. L&Z also transacts with 206 women farmers. This off-take provides consistent market access for its smallholder dairy farmers allowing them to improve their livelihood.

Next to engaging with smallholder farmers L&Z also creates opportunities for the young local population. 75% of its permanent workforce is currently below the age of 35.