



**Partners in Aid**

AUSTRALIA

## **Empowering Women Headed Families Economically Through Sustainable Dairy Farming Initiatives Towards the Long-Term Goal of Ending the Cycle of Poverty in Sri Lanka**

### **YGRO PROJECT ANNUAL REPORT 2025**

#### **Background**

It is more than a decade since the war ended in the North and East of Sri Lanka, but those affected and their families, including the present generation, are still reaping some of the after-effects of the war.

Since 2014, Y Gro has worked in two main geographical divisions in Jaffna, setting up fifty dairy farms. It has been proven that dairy farming is a viable livelihood initiative in the region, one which can contribute to the household economy as well as being a valuable addition to the country's economy. Based on this, Y Gro intends to continue to assist in setting up dairy farms in new geographical locations within Jaffna.

In 2024, PIA funded a short project supporting Y Gro's initiatives helping Jaffna war widows to establish dairy farms in the village of Uduvil. Following the success of this project, PIA decided to fund a further project based in three more villages with the goal of improving the income of female-headed households through the support of dairy farming.

The project submitted to PIA by Y Gro was a three-year project. However, after a great deal of discussion, the PIA Board decided to only fund the first two years, since the third year covered only the provision of good quality equipment to the five best performing farmers to enable them to develop their farms to a higher level.

#### **Local Context**

Some years ago, Y Gro identified Sandilipay, a division in Jaffna, as the most appropriate area in which to facilitate improvements dairy farming. Sandilipay is one of the main divisions in Jaffna, consisting of 79 villages. The area is well suited for agricultural activities as the quality of soil is good and there is access to underground water. There are good marketing options in Jaffna. Crop agriculture is the main source

of livelihood. However, Sandilipay is also known to be an area with rich resources for dairy farming: access to water, land space, grass fields, easy access to milk collection centers and with sufficient Jersey breed cows. There are two collection centres run by YARLCO, and seven existing milk collection centres run by Nestles which transfer the milk to chilling centres and eventually transport the milk to their factory in the Kurunegala district.

However, Sandilipay also has areas that are known as poverty pockets. The majority of people earn their livelihood from wage labour and have no way of increasing their livelihoods or engaging in entrepreneurship as they do not have the capital. Lack of education also keeps them in poverty. The daily wage earners earn approximately 1500 LKR (5 USD) a day which is insufficient for basic needs and the educational needs of their children. Female-headed households are particularly vulnerable.

Most women heads of household in Sandilipay earn money through home agriculture activities, day to day labor jobs, or home tailoring. They often struggle to make ends meet as the income from these sources is usually not steady. As a result, they often remain in a state of poverty, caught up in a cycle of debt. Although there are sufficient resources for effective dairy farming in Sandilipay, they have not been put to optimum use to address key poverty issues within the area. Cows are often just tethered in the fields with a minimum of attention paid to more effective animal husbandry.

The project has targeted three small villages in the Sandilipay Divisional Secretariat, based on their poverty/vulnerability and market accessibility for the sale of milk. From these villages, project participants with the potential to be economically empowered through the engagement in dairy development were selected. All were from female-headed households. The marriages of most the women targeted by the project were destroyed one way or another by the civil war. Many of these women suffered repeated displacement during the war but have subsequently returned to their village of origin. For some, their previous social networks in these villages dissipated. The trauma of the war has left its impact psychologically on many of these women.

## **Project Goals**

The goal of the project is to empower female-headed households by addressing their livelihood and income challenges by enhancing their knowledge and skills as dairy farmers, providing them with the necessary basics on an as-needs basis, and advocating on their behalf with milk collection centres. It was anticipated that these women, as a result of their success, would become catalysts who would motivate and help other women in the village to become effective dairy farmers.

The project was also seen as contributing to the economy of Sri Lanka as the milk produced will be sold to a reputed buyer such as Nestles, thus reducing Sri Lanka's importation of 60% of its milk in powdered form. It was anticipated that this would reduce the cost of importing milk, saving much needed foreign reserves.

## Specific Goals

The project began in July 2024. 2024 was the 'entry year' for the project, during which the following specific goals were to be met:

- *With the involvement of the veterinary surgeon, the selection of 35 women based on poverty, vulnerability and a dairy potential assessment.*
- *Technical knowledge transfer through training and dairy animal welfare advice and participation in vet clinics. All the farmers were encouraged to grow CO 3, Super Napier grass and fodder trees.*
- *Allocation, as needed, of low value investment items, such as milk cans, 'A' Frames, racks, grass-cutting knives, and cow nutrition. This would assist in keeping the project participants interested.*
- *Advocacy on behalf of women with Nestle and YARLCO*

The entry year was to be followed by the 'empowerment year'. During this empowerment year, using a dairy score card, and the assessment of the Field Officer and the veterinary surgeon, a selection of 30 of the farmers was to be made for empowerment as dairy farmers. Additional training was to be carried out, and a few high-level investments were to be provided to these 30 farmers on an as-needs basis.

## **THE CURRENT SITUATION**

The project is currently in its 'empowerment year'. Several changes have been made to the initial project implementation plans in response to experience and learnings as the project has proceeded. Motivating field visits to other villages in which women had been helped to become better dairy farmers, and visits by some of the latter to the Sandilipay project villages were an important addition to the project, although not part of the original project.

## **Outputs/Outcomes Against Specific Goals**

*Selection of 35 women based on poverty, vulnerability and a dairy potential assessment using a score card. to participate in the project*

Ultimately a total of 40 women was selected to participate in the project. All but four of these women already had at least one cow, some more. However, 9 of these women dropped out early in the project despite serious efforts on the part of project field officers to energize them. A number of reasons were given for the extent of the drop out – physical or health issues, too difficult to manage the new farming requirements, inability to attend trainings, or, according to most remaining participating women, because those dropping out had simply wanted to receive the hardware handouts without wanting to put in the extra effort required to become effective dairy farmers.

As indicated above, the entry year was to be followed by the 'empowerment year', during which 30 of the best performing farmers were to be selected to receive further training and additional equipment. However, the 31 women who remained in the

project have become the women to be involved in the 'empowerment year', with no further selection process.

*Technical knowledge transfer through training and dairy animal welfare advice and assistance through vet clinics. All the farmers to be encouraged to grow CO 3, Super Napier grass and fodder trees.*

Capacity building has been carried out, with four separate training sessions covering seven topics. During focus group discussions carried out with the women, they mentioned a range of different issues they had learnt from the trainings, the general consensus being that the trainings had been particularly valuable in helping the women change how they looked after their cows and that this had resulted in increased milk production. In a focus group discussion involving 7 women, five said that their income had increased by 30-40%, and one felt that her income had not changed. (One had just got a cow.). In another group, 7 out the eight women presents had increased their income.

Visits had also been arranged for the veterinary surgeon and 4 clinics held.

*Allocation, as needed, of low value investment items, such as milk cans, 'A' Frames, racks, knives, and cow nutrition. This would assist in keeping the project participants interested.*

At this stage, there has been virtually no provision of higher-level investments to the selected farmers. This will take place in the 2025-26 fiscal year. However, several small items have been provided to the women:

9	women	have	received	nipper	cuttings
20		grass	cutting		equipment
9		'A'	frames,		and
21	milk cans.				

In addition, 16 women have received subsidies for lactating cows.

#### Advocacy on behalf of women with Nestle and YARLCO

In the past, women had sold their milk within the village – demand was irregular, and payment not always forthcoming. YGRO field officers had advocated on the women's behalf with Nestle and YARLCO. The women now had arrangements with these companies to receive regular incomes from these companies in exchange for their milk. Nestle paid the women in cash, but YARLCO paid the money into the women's own bank accounts. YARLCO also had a savings scheme to help the women save.

#### **Progress towards Achieving the Main Project Goal**

It was clear from discussions with the women that most had increased their income because of the project. Asked what this had meant for them, meeting children's educational needs was the first item mentioned. Children's education was clearly very

important to the women, and while some older children helped with some of the dairy activities, it was very clear that this was never allowed to affect the child's schooling. Improvement in the quality of food that could be bought for the family was also mentioned as a result of the increased income. Some women also indicated that the increase in income further motivated them to expand their dairy business. Most importantly, the increased income helped them escape from a cycle of debt.

Some women had informally helped other women in the village with advice with respect to the latter's cows. One of the lessons that Y Gro had learnt, was that to enhance the role of catalyst farmer of those participating in the project, in future, the selection process for women would pay more attention to the possible participant's willingness to share their learnings and help others in their community.

## Future Plans

The remainder of the project supported by PIA will focus on the distribution of dairy equipment, and most importantly, of 19 crossbreed cows. While all but four women had at least one cow at the beginning of the project, it is important for continuity of the women's income that they have a second cow when the first is dry.

## Expenditure

To date, two payments have been made to Y GRO for this project:

19/6/2024 - AUD\$17,965 and

28/8/2025 - AUD\$46,939

## Current and Anticipated Risks and Action to Mitigate Risks

RISK	PROBABILITY	SEVERITY	ACTION TO MINIMIZE RISK
Disease that may affect livestock	Medium	High	Maintaining a good relationship with vet doctors and treating cows on time for prevention, awareness for farmers on disease prevention.
Climate change such as drought, floods, cyclone affecting the income of the family due to inability to maintain the dairy farm.	Low	Low	Encourage savings for the family. Provision of relief in case of a dire emergency.
Farmers withdrawing from the programme	Low	Medium	Ensure that farmers are genuinely interested in the intervention at the time of selection.  Encourage a contribution from the farmers in setting up and maintaining the dairy farm.

			The initial phase of the programme will be based on capacity building and depending on the interest level the other interventions will be provided.
High inflation impacting the livelihood	High	High	Provision of special economic relief for dairy farmers when impacted
Increase in prices of cow nutrients/lack of nutrients due to high demand and lessor imports	High	High	Connect farmers to sustainable sources Promote home-based nutrient productions such as Azola.
Sudden cow deaths	Low	High	Cow insurance to recover cost

**Note: Probability = how likely it is to happen? (low, moderate, high)**

**Severity = how bad would the results be if it did happen? (low, moderate, high)**

**Julie Kirk-Sullivan, Project Co-ordinator  
2025**

**November**