

# Khovsgol Dairy Project Annual Report 2016



It has been a good and productive year for Khovsgol Dairy Project (KDP). We have, in spite of the limited financial resources, launched many of our goals for the year and developed the project in the right direction.

In 2016, KDP raised funds for project activities through private and government funds, crowd funding and private donations.

With these funds, we have worked in three main areas:

- 1) Capacity building and training of Sarlagiin Saikhan Khishig cooperative
- 2) Sponsorship of dairy training of two young girls from Khatgal village
- 3) Study trip to Mongolia

**1) Capacity building and training of Sarlagiin Saikhan Khishig cooperative**  
Sarlagiin Saikhan Khishig (SSKh) is the projects target group. The cooperative was founded in 2015 in the village Khatgal and currently consists of 23 herders. Membership distributes on 20 women and 3 men and these members represent 23 nomadic families.

The board consists of 7 members, of which there is a chairwoman and an accountant. The KDP intends to capacity build the cooperative so that in a few years they can take over as the project's Mongolian local partner. The objective of the capacity building is also to prepare SSKh to take over ownership and operation of a future modern dairy (Khovsgol Dairy)

KDP cooperate with the Mongolian Non-Profit Organization Global Communities (GC) on the task of capacity train SSKh, via their EMIRGE program. Global Communities is supported by USAid and has since 2010 helped more than 800 Mongolian herders to organize themselves in cooperatives. Read more about the organization here: <http://www.globalcommunities.org/mongolia>

The seven core principles of Global Communities efforts to organize herders in cooperatives:

- Voluntary and open membership
- Democratic member control
- Member economic participation
- Autonomy and independence
- Education, training and information
- Cooperation among cooperatives
- Concern for community

*Sarlagiin Saikhan Khishig cooperative members at the yak festival in Erdene-Arlag*



*From left: Khukhii, chairwoman Anhmandakh, Daliamyagmar and Maya at Global Communities Annual Meeting*



*Global Communities Annual Meeting in Dugan hatred, Bornuur Soum, Tov province*

In 2016, the Global Communities held 3 training workshop for SSKh.

### **February 26th to March 1st**

Workshop on Cooperative basic principles and concept

GC participated with 5 teachers, including Mrs. Tuul Tuvshinbayar as Program Manager for Global Communities, as well as board members from existing GC cooperatives.

Summary of the training:

- Cooperative management and responsibility
- Procedures in the cooperative
- Rights and duties of the members
- Participation of members
- Challenges in running a cooperative
- Common problems and solutions
- Good practice models of cooperation
- Holding SSKh General Meeting
- Establishment of SSKh Board
- Preparation of SSKh By-laws and statutes



*Workshop on Cooperative basic principles and concept*

### **June 16th - 18th**

Workshop on starting up a business

Summary of the training:

- Startup business, basic knowledge of business, creation of business modules
- Cooperative governance consultancy; increasing cooperation among members, team work, increasing better relationship among members and management team
- Building positive attitude and good communication among cooperative members



*Sarlagiin Saikhan Khishig cooperative general assembly*

### **October 27th - 28th**

Global Communities Annual Meeting in Dugan hatred, Bornuur Soum, Tov province

Participation of 33 Mongolian cooperatives. SSKh attended by 6 members.

Summary of the training:

- Laws and legislation
- Economy
- Development of a business
- Marketing
- Membership and responsibilities



*Global Communities Annual Meeting in Dugan hatred, Bornuur Soum, Tov province*

### **Hiring a consultant**

KDP employees in July 2016 Khukhii Choirov, a retired bank employee, as a consultant. Khukhii's tasks:

The consultant shall ensure that SSKh activities runs smooth and successful

The consultant shall manages the daily activities of SSKh and lead the members of SSKh

The consultant shall develop an annual report for SSKh, and monthly and quarterly reports

The consultant shall manage the accounting of SSKh and develop annual budgets and forecasts



*Khukhii Choirov*

## SSKh Cultural Promotion- and sales activities supported by the KDP

July 11th -12th - Naadam festival

July 20th - yak festival Erdene-Arlag

July 30th - Naran Zangilaa tourist camp

August 1st - Toilogt tourist camp

October 2nd - 3rd - "Green Autumn Days" in Murun

October 3rd - Khatgal town festival

## Sponsoring dairy equipment

KDP has via crowd funding collected funds to purchase a curd drying machine for the traditional Mongolian dairy product Aaruul, a kind of dried curd, witch is a very important part of the Mongolian diet in the winter in the rural areas.

## 2) Dairy Education

KDP has in 2016 started a sponsorship of a dairy training of two young girls, Nyamdelger and Enkhtuya from Khatgal village, at MUST Mongolian University of Science and Technology, School of Food Industrial technology in the capital Ulaanbaatar. The program takes 4.5 years and costs about \$ 2,500 annually per. person. ecoLeap foundation has in 2016 sponsored Enkhtuya, while Nyamdelger is sponsored through a crowd funding collection.

KDP has chosen to find young girls from the local area for the dairy training, so that they can be employed in the future dairy, since KDP Feasibility Report 2015 shows that there are very few dairy technicians in Mongolia and that it would be difficult to attract qualified employees for the future Khovsgol dairy, especially since initially it is likely there will only be production during the summer months. KDP expects that sponsoring young people from the local community who have been part of the project from the start, they will feel a greater responsibility for the dairy operation and production, than employing outside resources. Furthermore the young local students will be good promoters of modern technics and operation methods to the cooperative members. They will also be better prepared for possible conflict management and resolution of issues between the dairy facility and the cooperative members.

## 3) Study trip 2016

The purpose of the trip was to seek cooperation with educational institutions in UB, Mongolian Dairy Development Board and consolidate cooperation/operations with GC.

**Participants:** Architect Chalotte Vad, Dairy technicians Peter Ulrich and Karl Simonsen, and translator Nurjan Khavdselem.

## Meetings in Ulaanbaatar:

### MULS / Mongolian University of Life Science

Mr. Sukhtulga, Director of International Administration Department

### MULS / Mongolian University of Life Science,

### School of Economics and Business

Erdenechuluun Tumur, Senior lecturer, Department of Agriculture & Applied Economics



Sarlagiin Saikhan Khishig cooperative members promoting and selling their homemade products



Curd drying machine for the traditional Mongolian dairy product Aaruul



Nyamdelger and Enkhtuya, students at at MUST Mongolian University of Science and Technology, School of Food Industrial technology

## **Global Communities**

Mrs. Tuul Tuvshinbayar, Program Manager for Global Communities  
Enkhtuya Boldbaatar, Dairy Program Specialist

### **MUST, Mongolian University of Science and Technology, School of Food Industrial technology**

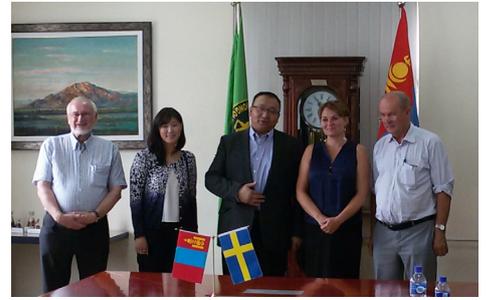
Doctor Soninkhishig from Food Nutrition Department.

### **National Dairy Development Board of Mongolia (NDDDB)**

Mr. Monhjargal. B, Executive Director / National Coordinator

### **JICA / Japanese International Cooperation Agency**

Arai Junichi, Research officer for the Agricultural Sector



*Meeting with Mr. Sukhtulga at MULS / Mongolian University of Life Science*

## **Meetings and activities in Khatgal, Khovsgol province**

Workshops and meetings with SSKh and GC

### **Integrated Livelihoods Improvement and Sustainable Tourism Project in Khuvsgul Lake National Park**

Mrs. Erdenejargal, Project Manager



*Sarlagiin Saikhan Khishig products*

## **Selection of candidates for dairy education (described in section 2)**

Read more about the project on [www.khovsgoldairyproject.org](http://www.khovsgoldairyproject.org)