



Talho  
Moris

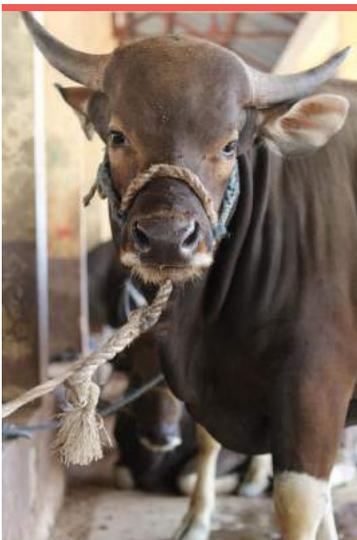
## Local Butcher Beefs Up Its Production Capacity

MDF supported local butcher Talho Moris to create jobs at their expanded processing facility and increase their production capacity, improving incomes for rural households and the demand for local meat.



### The Company

Talho Moris (TM) is a local Dili-based butcher that was established in 2015. CJ and Kunfi Sequeira opened the store to fill a gap in the market: a place to buy quality local meat. They wanted to prove that high-quality meat could be produced safely and hygienically in Timor-Leste.



### The Context

After crop agriculture, livestock is the most important source of income for many rural households in Timor-Leste. Though scale and size vary across districts, 87% of households engage in some sort of poultry, cattle, pig, and goat farming<sup>1</sup>. However, cattle are the only category of livestock which is partially commercial.

The preferred use of cattle is in cultural ceremonies. Using cows as a regular source of income is rare, with the majority being free-grazing and little invested in fattening or veterinary services - in turn affecting the quality of the meat.

In Dili, consumers tend to prefer local fresh meat over imported frozen meat, even though the latter is cheaper by USD1-2 per kg.

Before TM opened its doors, the only option for buying fresh meat was the local market which had several quality issues such as unhygienic facilities, traditional slaughtering systems, improper handling during transportation and inconsistent weighing mechanisms.

<sup>1</sup> (MAF, 2015) Timor-Leste Population and Housing Census 2015



## The Challenge

TM was able to position itself as a supplier of good quality local meat for Timorese customers, expatriates and supermarkets relatively quickly. However, it struggled with processing capacity, managing only ten cows per week against demand of 25.

As TM is the only butcher shop that processes competitively in Dili, MDF recognised potential in helping TM to increase its capacity, in turn triggering positive consequences for cattle farmers. In particular, to meet the increased demand from Talho Moris, local cattle traders would need to source more livestock from additional farmers, thereby increasing the overall size of the domestic cattle market.



## The Solution

Based on these factors, MDF supported TM in the expansion of their processing facility.

MDF purchased specialised butchery machinery including a bandsaw, mincer and vacuum packing machine, and also supported the adding of a new cool room, with the long-term objective of improving husbandry practices and influencing farmers to think of cattle farming as a commercial business.

After purchasing and installing the new machinery, TM recruited four new staff members, three to operate the machinery and one customer service employee (three males and one female). All the staff were trained in the safe and efficient use of the new machinery.

## The Results

Since its partnership with MDF, TM has increased its weekly processing capacity in the facility from 11 cows per week to 17.5. This change occurred during the last four months of 2017 after all the new machinery was purchased and installed.

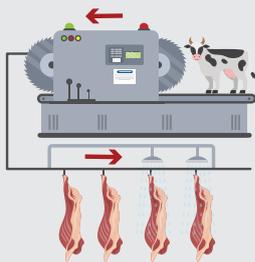
The volume of beef sold per month (in TM's shop and at the supermarkets) and TM's sales revenue increased by 50% after the above-mentioned activities were completed.

This has resulted in an additional revenue of USD23,000.

An unintended but positive outcome was that TM has begun discussions with the Ministry of Agriculture and Fisheries to manage the operations of the national slaughterhouse. TM hopes to enhance its operations and improve animal welfare by reducing the time taken to slaughter cattle. Since the time of writing, the initial stages of the licence have been approved.

Over the 4 months after completion of all partnership activities, 13 additional farmers were able to sell to TM and earn an additional income of USD16,000 (after cattle rearing costs).

The cattle farmer survey found<sup>2</sup>, that while neither male nor female household members invested time or effort in cattle rearing, the income from the sale of cattle was used for children's school fees and for building a house.



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Sales revenue increased by **50%**



**13** additional farmers earn additional income of **USD16,000**



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<sup>2</sup> MDF in-house monitoring visit, November 2017