

Factsheet final findings Global Challenges Programme Call 2



Local and International business collaboration for inclusiveness and Quality improvement in Dairy chains in Thailand, Indonesia, Tanzania and Kenya (LIQUID)

Summary

The project LIQUID aims to provide a better understanding on how producer organization collaborations and quality management systems contribute to two performance indicators: milk quality improvement and value chain inclusiveness. LIQUID involves research and capacity building.

Dairy value chains are important food chains in many developing countries, with the potential to contribute to food security, social change and poverty reduction. However, as the quality of raw milk and of processed dairy products is often low, producers miss income opportunities and consumers are exposed to health risks. The introduction of dairy development programs as collaborative efforts based at the producer organizations should help farmers get a better income and improve dairy quality at the same time. For women, important actors in dairy production, and the poorest smallholders, highly dependent on this income, the improvement of milk quality could make a major difference in their household economics. Dairy development programs, however, considering the continuing lack of good milk quality, seem not to function as expected. In dairy production and processing, women and other disadvantaged groups play essential roles as they supervise the home-based activities. Particularly when innovations for quality improvement are required, all actors need to be included. By identifying barriers and constraints to inclusive milk quality improvement, LIQUID offers opportunities for dairy development practice.

Preliminary/Final Research Findings

It seems that the success of milk quality improvement through inclusive producer organizations is a trade-off. On the one hand, milk quality improvement requires a strong business-oriented organization. On the other hand, inclusive producer organizations are usually not the most efficient in their business operations. Levels of inclusiveness and social inequalities can be related to informal institutions and the hidden effects of formal regulations, organisation structure and farmers' organization-grade as well as urban-rural locations of farms. The more remote the farm location, with limited access to informal and formal markets, the more essential the producer organization is to smallholder dairying. As the organization grows, however, the more market-focused and less inclusive it becomes. Insights into power balances in formal and informal dairy value chains as related to the inclusive development effects of milk quality improvement activities can be considered as the key results of our program.

Final achievements

For how to best improve food security and hygiene in the Dairy Value Chain in Tanzania, Ledo finds that improvement strategies revolve around approaches that integrate poor smallholder farmers along the chain through support programs (training, technical assistance and infrastructure development) involving dairy companies, local businesses, governments and non-governmental organizations. As quality improvement is often not the primary goal of these programs, they are too general to bring about a significant upgrade in milk safety system performance. Ledo's study with the farmers shows that, despite of the positive perception of the support of the non-commercial program, neither of the support programs achieves safety and hygiene control improvements. To improve on this, Ledo has developed a customized tool that does seem to help the smallholders. The customized assessment tool was able to differentiate

accurately between the actual safety and hygiene control practices of dairy chain actors. The resulting actor performance profiles provided a starting point for the development of tailored training programs to farmers with similar performance levels.

Messages to

A) Actors from private sector:

- Seek collaboration with researchers to find out institutional opportunities and constraints;
- Focus on the long term if you want commitment from local producers.

B) Civil society and practitioners organizations:

- Seek collaboration with private sector;
- Coordinate your activities with colleagues from other organizations and countries.

C) Policy makers:

- Explore constraints in the implementation of current rules instead of developing new rules;
- Support inclusiveness by giving the good example.

Knowledge products

- Academic paper (1, 2019) [Persistent challenges in safety and hygiene control practices in emerging dairy chains, the case of Tanzania](#)
- ILRI Livestock Brief (12, 2017) [Uncertainty in smallholder milk production in Tanzania: Implications for investment](#)
- Academic paper (1, 2019) [Inequality regimes in Indonesian dairy cooperatives: understanding institutional barriers to gender equality](#)
- Academic paper (5, 2018) [Exploring the Sustainability of the Cooperative model in Dairy: The Case of The Netherlands](#)

Knowledge networks

- [International Cooperative Alliance](#) (ICA)
- [International Centre of Research and Information on the Public, Social and Cooperative Economy](#) (CIRIEC)

Co-creation

- In the individual projects, active consultations, exchanges and knowledge sharing activities with farmer groups, farmer respondents and other grass root stakeholders have been organized to embed the research directly into existing structures and address existing needs.
- In the individual projects the collaboration with local, regional and national governments institutions has been sought to ensure knowledge uptake and the sustainability of research results.
- At the programme level, communication within the consortium, with stakeholders and with related projects has been used to allow for co-creation, feedback and reflection as well as changing agenda's and focus according to urgency.

Future research and activities

The integrated nature of effective dairy development activities are central to our Dairy Development Event planned for 27 November 2019. From a food systems approach the demand for Dairy Development will be discussed, including both the sustainability of the sector (economic, social and environmental) and institutional issues. With stakeholders from all parts of the dairy value chain, and in collaboration with AgriProfocus and the F&BKP, we aim to develop an agenda for future research on Dairy Development (also in the framework of the new Netherlands Food Partnership).

Our research shows that the trade-off between inclusiveness and market orientation in producer organizations is matched by a larger clash in dairy development. On the one hand, dairy development is subject to normative marketing approaches that advocate dairy development as a panacea for world poverty. On the other hand, more nuanced, context-dependent, culture-specific approaches are advocated by practitioners and development organisations. Addressing this contrast and its implications warrants our attention in the final phase of LIQUID.

Consortium Partners

- [Wageningen University & Research, Management Studies Group](#) (NL)
- [Royal Friesland Campina](#) (NL)
- [Agriterra](#) (NL)
- [International Livestock Research Institute \(ILRI\)](#) (Tanzania)
- [Sokoine University of Agriculture](#) (Tanzania)
- [Egerton University](#) (Kenya)

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Project websites

- [F&BKP Research Project page](#)
- [LIQUID website](#)
- [WUR project website](#)
- [LinkedIn Group](#)