

Learning from multistakeholder processes on catalysing inclusive agri-value chains: A case of smallholder dairy value chain development in Tanzania

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Introduction

- Dairy development in Tanzania -opportunities for growth in the sector that include majority of (poor) cattle keepers
 - increasing demand for, and consumption of dairy products
 - Current low per capita milk availability
- VC approach as entry point for interventions targeting inclusive smallholder dairy development
- Focus is on 'growing' the existing informal system of milk production and marketing to achieve wider impact on poor men and women

Pushing frontiers of dairy commercialization by developing scalable value chains approaches

Value chain upgrading and inclusive smallholder dairy development

- Upgrading concept- thinking strategically about change (“growing”) in value chain participation for smallholders
 - What leverage points beyond market integration & economic efficiency/growth to unlocking barriers in smallholder dominated VC (enlarging opportunities)
- Mitchell and Coles (2011)- upgrading strategies in smallholder agri-value chains contexts:
 - Horizontal /vertical coordination
 - Process/product upgrading
 - Enabling environment upgrading
 - *Inter-chain/functional upgrading
- Underlying VC upgrading processes – changing practices and institutions that require collaborative effort



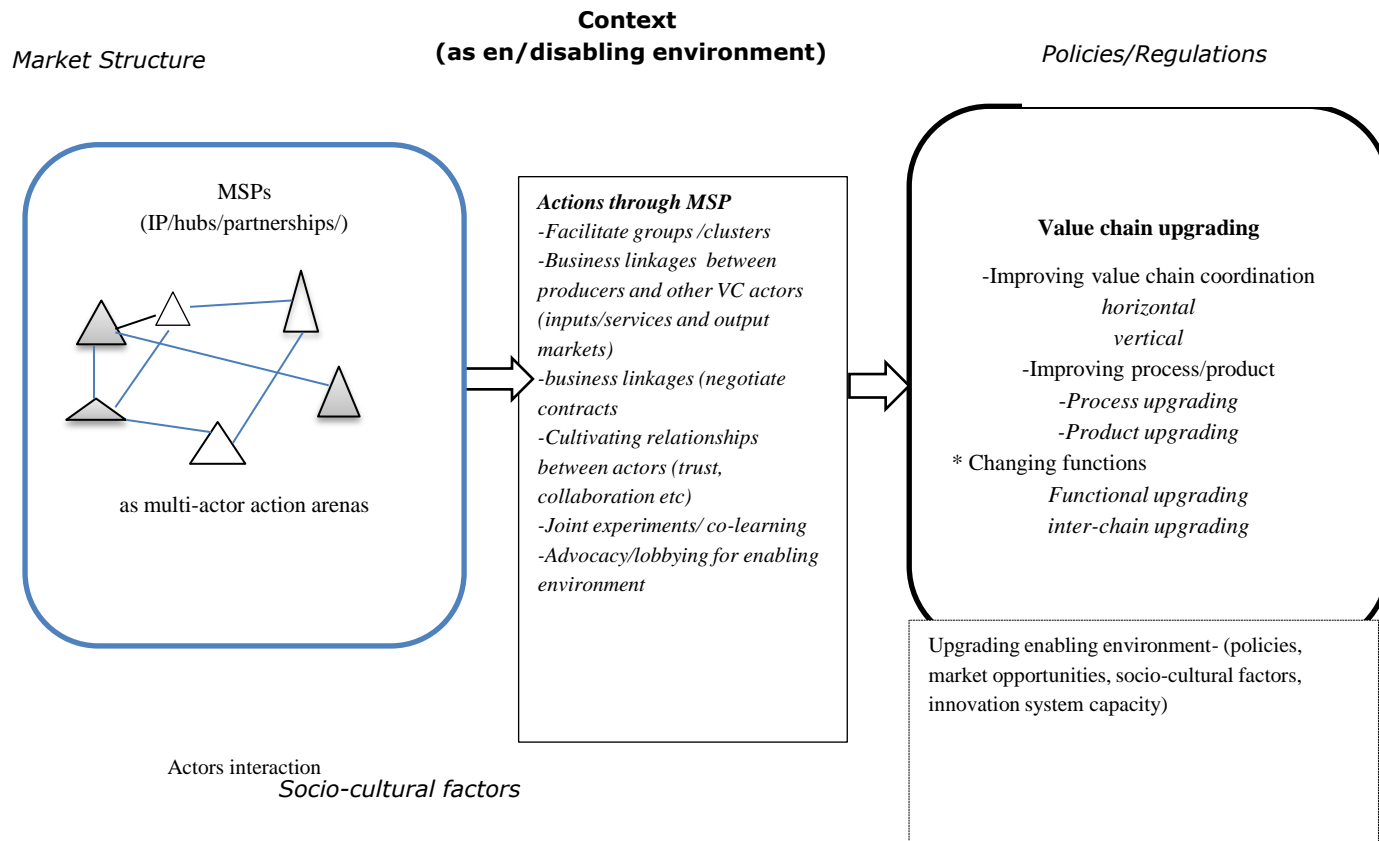


Role of MSPs in VC

- MSPs leverage opportunities for change by co-creating solutions among heterogeneous VC actors
 - Address coordination and market failures
 - Provide spaces for innovation-experimentation, joint learning, networking, negotiation, collective action, and business development
- MSP approaches used in the project:
 - Innovation platforms+ Dairy Market Hubs to catalyse VC interactions +coordination for enhancing inputs/services and output market access & innovation



Conceptual/analytical framework



Research focus and approach

- How do MSP contribute to inclusive smallholder dairy value chain upgrading in Tanzania?
- Case study research- Revisited 6 sites in Lushoto and Handeni (3 per district)

District	Sites	Farmers FDGs	Agro-inputs dealers	AISPs	Milk traders	Extension
Handeni	Kibaya (IP/Hub) Sindenii (IP/Hub) Kwediyamba (Hub)	17 (8M 9F) 19 (9M,10F) 20 (10M, 10F)	3	3 DLO (AISPs)	2 Milk Traders 1 Milk collection centre (Tanga Fresh)	2 Village/ Ward extension
Lushoto	Mbuuzi (IP/Hub) Ubiri (IP/Hub) Wena (Hub)	20 (11F 9M) 25 (13 M 12 F) 21 (14 F 7 W)	2	2 DLO (AISPs) 1 Private AISP	2 Milk Traders 2 Milk collection centres (UWALU and Bumbuli)	3 Village/ Ward extension
	-Project document reviews -Participation in DDF Meeting					

Results

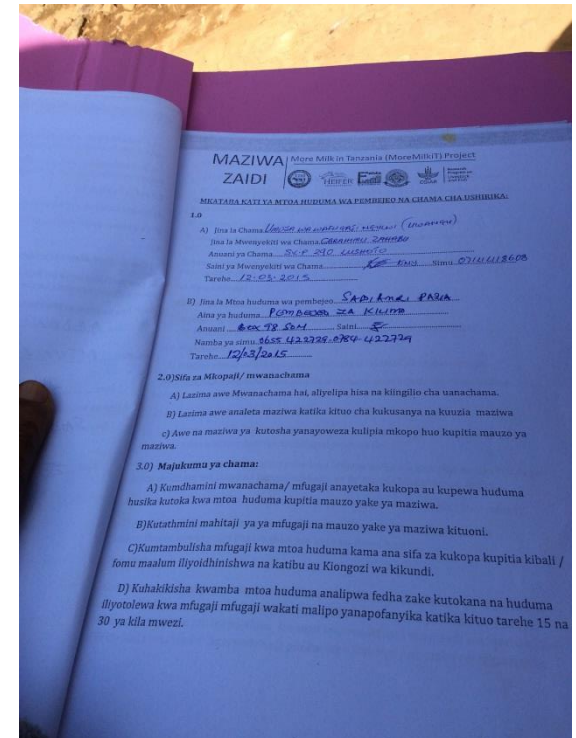
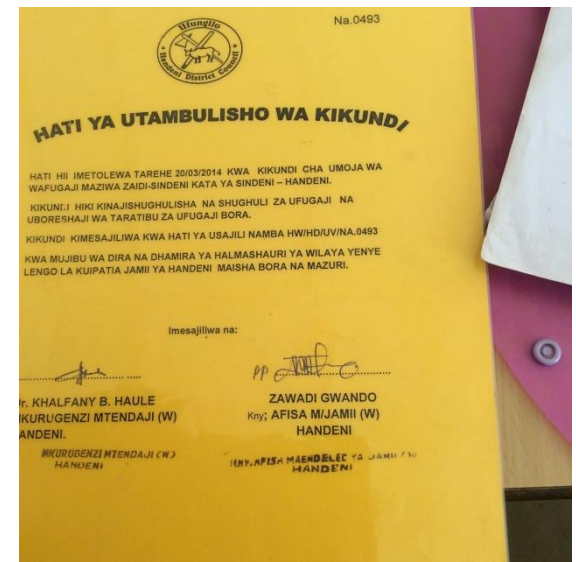
- Overview of findings

Summary of upgrading outcomes

Upgrading strategy	Handeni	Emerging issues	Lushoto	Emerging issues
Horizontal	√ √ √	-Members not active -Collective action not norm	√ √ √	-Not well performing (capacity of groups)
Vertical	√	Contracts not operational -Low demand of inputs No output market link	√ √ √	-Contracts not operational - Low demand of inputs/services - Output market links ? (price)
Process		Practical training/low adoption (feeds-seasonality) -Input/service demand low Low production/marketing	√	-Practical training/low adoption (feeds-seasonality) -Service delivery gaps -Low production/marketing
Product			√ √ (Milk qual test)	Pricing – low volumes Affecting milk traders
Enabling Environment		-Pricing Water/land --Policy gaps		-Pricing -Service delivery -Policy gaps

Discussions

- Horizontal coordination upgrading?
 - Farmer groups formed/strengthened and formalized -BUT limited in operation
- Vertical coordination- Links formalized for inputs & services access BUT not actively used
- Process/product upgrading- Low (market push/pull factors)
- Enabling environment upgrading- Needs more focus



MSPs and farm/above farm level (Enabling environment) issues

- Beyond forming linkages to making them work/beneficial:
 - Working on the underlying barriers
- Training necessary but not sufficient:
 - More collective learning/experimentation e.g. demos/field visits with added support (e.g. extension)
- Enabling environment (Role of DDF?)
 - Breeding policy and service delivery gaps (AI- semen quality, improved heifers, liquid nitrogen),
 - Uncertainties/conflict on Land & H2O
 - Low milk price
 - Access to quality fodder seeds

Concluding reflections

- Adapting MSP to stimulate VC change?
 - Facilitate MSPs to re-orient the dynamics of the value chain (system) toward realizing the desired outcomes
 - Linking planned action and interventions to the process of change (Theory of change)
 - Continuous monitor/capturing changes and learning that feeds into adapting the process?
- The need for building systems capacity to innovate

THANK YOU

