

Bridging the Regulatory Gap for Small Scale Milk Traders



Smallholder Dairy Project (Collaborative R&D) Project by
 Ministry of Livestock and Fisheries Development, (MoLFD)
 Kenya Agricultural Research Institute (KARI),
 International Livestock research Institute (ILRI)



NATURE OF THE PROBLEM BEING ADDRESSED

- Inappropriate regulations that have been identified as the most important constraint to enterprise development in developing countries
- The tendency to adopt international food-quality-assurance standards and Western models of dairy development in developing countries excludes dominant traditional milk markets from policy
 - Examples of the dominance: Kenya - 80%; Tanzania - 98%; Nicaragua -86% and India - 83%
 - Reasons for the dominance: Informal markets sell cheaper milk for poor consumers, satisfy traditional tastes and offer better prices for milk producers
 - Pilot country for the innovation: Kenya

THE QUESTIONS BEING ANSWERED

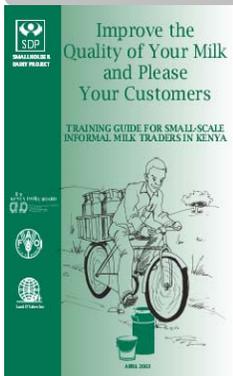
- Can policy and technology help bridge the gap between regulated and unregulated markets?
- Can training and licensing rather than policing be offered to improve milk safety in traditional markets?

NATURE OF THE INNOVATION

- The innovation is mainly institutional with a technological component
- The innovation answers a need by the Kenyan dairy development authorities for science-based information as a basis for equitable and locally derived food-safety-assurance regulations and standards
- The partnership focuses on changing mind-sets as well as written policy, using scientifically derived risk information. In addition, new milk cans of appropriate designs were developed with the small milk traders to meet their specific milk-handling needs, and training guidelines to help them get licensed are being completed

NATURE OF THE PARTNERSHIP

- Smallholder Dairy Project (SDP) funded by the UK Department for International Development (DFID) and involving the Kenya Ministry of Livestock Development (MoLD), the Kenya Agricultural Research Institute (KARI) and the International Livestock Research Institute (ILRI)
- Others involved: The regulatory authority - Kenya Dairy Board (KDB); University of Nairobi (UoN); Kenya Medical Research Institute (KEMRI); Ministry of Health (MoH); an international NGO - Land O' Lakes (LoL); and, FAO
- Small milk trader groups: The main beneficiary entrepreneurs whose businesses are hurt by inappropriate regulations and whose voices have not been heard before.



THE ROLE OF THE CGIAR IN THE INNOVATION

- The CGIAR is involved through ILRI's Market Opportunities Theme by helping design research studies, assessing technical impacts, analyzing health risks, and providing strategic lessons learnt elsewhere
- ILRI's key message is that dairy development in the South needs to focus on raising the welfare of small-scale farmers and market agents and meeting the needs of poor consumers rather than striving to adopt Western dairy models
- The evidence indicates that this approach promises greater benefits to the poor without compromising consumer health since most of the unpasteurised milk sold in Kenya is boiled before it is consumed. It also does not compromise formal dairy development that is important for development of dairy export markets

IMPACT

- It is now widely accepted that most milk in Kenya will continue for some time to be marketed and consumed without having first been industrially pasteurized
- The acceptance of this fact is reflected in both Kenya's new Dairy Development Policy and its revised Dairy Bill
- Once Bill is passed (expected in 2005), KDB will consider wider training and certification of small market agents who currently do not qualify to receive trading licenses
- Besides traders, the innovation benefits poor producers (approx. 1 million), who gain greater access to milk markets, and poor consumers, who gain access to more hygienic milk sold at more competitive prices. The small milk traders now know they have the ability to speak up and be heard
- KDB and an known as SITE (Strengthening Informal Sector Training & Enterprises) plan to scale-out activities within Kenya with DFID funding. Beyond Kenya, ASARECA and FAO are already using the lessons to inform dairy policy revision processes in the region