Milking to potential - Strategic framework for dairy sector development in emerging economies

Authors: Jan van der Lee, Jelle Zijlstra, Bram Wouters, and Simone van Vugt

Introduction
Dairy sectors all over the world are challenged by expanding populations and economic growth. Growing demand for dairy products has led to a significant increase in public and private involvement. This creates opportunities for a range of stakeholders and calls for shared language, objectives, and strategies. The framework presented here was developed to assist stakeholders in designing and implementing dairy development strategies in emerging economies.

Methodology & outputs
The framework and the underlying discussion paper were developed by Wageningen UR at the request of the Dutch Ministry of Economic Affairs, to inform its policy to better connect development aid, trade, and investments. Dairy development experts from public and private sectors and NGOs contributed to the discussions.

The discussion paper can be downloaded from edepot.wur.nl/300997.

5 steps towards a joint dairy sector approach:

1. **Dairy Actors**
   Organize stakeholders to build a dairy sector development strategy
   - Stakeholders who are involved in dairy analysis and are at a high level in the dairy sector.
   - They should make dairy analysis actionable by transforming the proposed solutions and opportunities into future plans and actions.
   - The actors should consider who are the stakeholders (actors in the dairy sector), the stakeholders they are working with, the stakeholders they are trying to reach, the stakeholders they are dealing with, and the stakeholders they are trying to reach.

2. **Dairy Analysis**
   Analyze the sector and its limitations by using the five lenses
   - Dairy Actors
   - Dairy Diagnostics
   - Dairy Goals
   - Dairy Action

3. **Dairy Diagnostics**
   Identify constraints and opportunities
   - The next step is to identify constraints and opportunities, tailored to the country context.
   - Important issues include:
     - Market conditions and climate
     - Farms' quality and competitiveness
     - Access to finance and facilities
     - Overuse of antibiotics
     - Education and research
     - Farm size and scale

4. **Dairy Goals**
   Choose goals and objectives
   - The list of constraints and opportunities influences stakeholders' policies and programs linked to the development of development goals.
   - The list of potential goals is presented by using them and stakeholders' policies and programs linked to the development of development goals.

5. **Dairy Action**
   Identify intervention strategies
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5 lenses to analyse dairy farming in its dynamic context

- **Economic Drivers & Trends**
- **Social Political Drivers & Trends**
- **Biophysical Drivers & Trends**
- **Innovators**
- **Policy Makers**

Highlighted: Typical dilemmas in dairy development
When moving from analysis to action (step 4), stakeholders will have to deal with many dilemmas encountered in emerging economies and developing countries.

Typical dairy sector development dilemmas are:

a. To invest in the formal or in the informal dairy chain?
b. To focus on dairy imports or on local milk production?
c. To rapidly or steadily increase milk production?
d. To develop the local herd or to import grade cattle?
e. To link smallholders to formal dairy chains or to establish large-scale farms?
f. To start from improving agribusiness or from improving the business climate?
g. To focus on sustainability now or later?
h. To take human nutrition as starting point or as outcome?