Growing commercial dairying in pre-commercial areas

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Adapted hubs approach
Example of Leah Mwilaki’s milk business

• Situated outside Morogoro; interlocks input & output transactions where farmers access inputs or services with their milk delivery as collateral (check-off); earns about $700/month from sales to informal outlets and a milk processor

• She is a critical linkage in the **adapted hubs approach** to grow farmer groups and build commercial dairying in pre-commercial marginalized areas

• Multi-stakeholder **innovation platforms** at various levels can spread the benefits and other innovations for inclusive dairy value chain development
Examples of where it is working

• Higher revenue (20%) from milk sales for pre-commercial milk producers

• Participation in farmer groups in Tanzania trebled from 15% to 47%, each implementing a tailored site development plan, making their voices heard and enjoying economies of scale

• Increased use of inputs and services boosts productivity (NB: use of inputs and services increases net annual household income up to three-fold from USD 138 to USD 430 per typical herd compared to 80% who don’t – NBS/FAO)

• Provides a platform for accessing training/expert support and ‘ladder’ towards collective bulking / more complex models (e.g., coops) when milk supply increases. The complex models often do not work for pre-commercial areas!

• Multi-stakeholder innovation platforms complement hubs by positively influencing information sharing among stakeholders, solving of common problems, improving VC coordination, strengthening relationships and are strategic for policy dialogue/advocacy
Inputs and processes to achieve scale

- Happens widely but is not recognized and supported to grow *(Leah’s business has doubled with support!)*

- Generate **local evidence on benefits** for use by private (value chain actors) and public investors

- Engage myriad ‘Leah-type’ businesses as entry points or “**crystallizing agents**” in short dairy value chains (*where women often control income from milk while men control income from cattle sales*)

- Facilitate **partnerships at community level** comprising the micro-enterprises, producers, producer associations, processors, local govt, NARS, NGOs, research

- Nurture national and local area **innovation platforms/alliances** for co-learning, policy dialogue and catalyzing widespread innovation (*e.g.,* the Dairy Development Forum in Tanzania)
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