Collective action (CA) by farmers generally remains indispensable to maximizing their welfare. CA in dairy value chains in Tanzania has often taken the form of producers in a formal group collectively bulking and selling milk to a processor (case 1). But CA can also thrive where producers in a formal group individually sell milk to milk traders (case 2) and final consumers (case 3). More investment in R4D is needed to examine incentives for and sustainability of CA in different contexts.

Objectives and approach
Objective: understand the nature of CA in Tanzania’s dairy value chains so as to recommend particular models for scaling.

Approach
- Dairy market hubs in the MoreMilkIT project sites as platforms for studying CA
- Case 1: akin to producer (marketing) cooperative but can also take on the role of a supply (consumer) cooperative.
- Cases 2 & 3: akin to supply cooperative without collective bulking and marketing.

Key results
- CA in case 1 has been relatively successful among intensive milk producers whose cattle are mainly for milk production. But role of processing is limited, catering for only 3% of marketed milk currently.
- CA in cases 2 and 3 has been relatively successful among semi-intensive and extensive milk producers whose cattle are also sold for beef. This is the most common as 97% of marketed milk is sold directly to consumers without processing.

Corollary
- CA in both input and output markets more likely where producers face greater risk of exploitation due to the specialized nature of their assets.
- Producers producing both milk and beef likely to act collectively to procure non-allocable inputs but not to collectively sell only one product.

 opportunities to invest and scale
Public investment in building the capacity of milk producers to act collectively.
Public investment in further R4D to understand the dynamics of and incentives for collective action. For instance, processors procuring milk from the extensive system would like to deal with producer groups rather than individual producers. What would be the right incentives for producers to collectively bulk and sell their milk?
Producer investment in their producer groups in terms of membership fees, joint economic activities, good governance and fostering of the cooperative ideology.

Key messages
- Collective action (CA) by farmers generally remains indispensable to maximizing their welfare.
- CA in dairy value chains in Tanzania has often taken the form of producers in a formal group collectively bulking and selling milk to a processor (case 1).
- But CA can also thrive where producers in a formal group individually sell milk to milk traders (case 2) and final consumers (case 3).
- More investment in R4D is needed to examine incentives for and sustainability of CA in different contexts.