

Evolution of “The Tipping Point” in the Dairy Value Chain

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Background of Strengthening the Dairy Value Chain

- In Bangladesh, 80% of the population lives in rural areas and 73% of rural farming households are **small-scale** farmers.
- Small-scale mixed farms and landless households produce over 90% of the milk in the country. They have an average of 2-3 local cows.
- The dairy sector in Bangladesh has failed to integrate or benefit smallholding or landless producers, giving them few incentives to increase production for meeting the country's needs.
- An estimated 85% of the population faces an acute shortage of milk, and at 30 ml per capita per day.

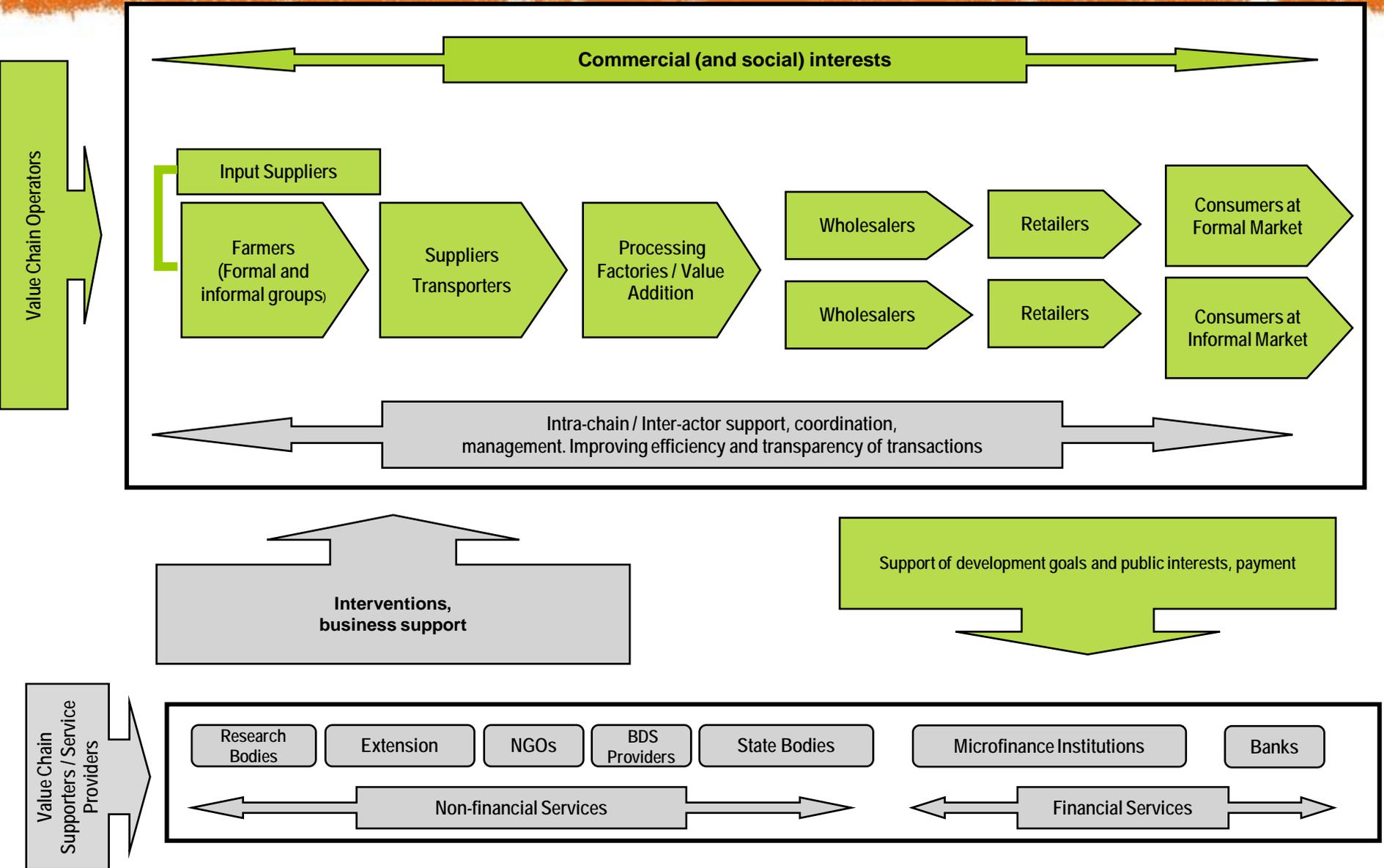
Background of Strengthening the Dairy Value Chain

- The entire northern and northwest region of Bangladesh represents a particularly weak dairy value chain.
- Bangladesh is ranked 3rd for total cattle population in Asia and 12th in the world. Livestock are a very important asset for these households.
- Active milk value chain participation, improved dairy practices and management, and enhanced market access for rural people can have a significant impact on the lives and livelihoods of the rural poor.
- The SDVC project proposed to improve the livelihoods of 35,000 rural small-holding and landless households by enhancing their participation in and profit from the milk value chain.

SDVC: Analysis

- Conduct Value Chain Analysis
- Identify key 'bottlenecks'
- Fix bottlenecks using a facilitation (M4P) approach

SDVC: Analysis



SDVC: Objectives

1. Improve Milk Collection Systems in Rural and Remote Areas
2. Increase production by improving access to inputs, markets, and services by mobilizing groups of poor producers and input service providers
3. Improve the breeding/Artificial Insemination network
4. Ensure access to quality services at the producer level
5. Improve the policy environment

SDVC's Impact

- More than 50% increase in average household-level milk production.
- 97% increase in milk sales income for participating farmers.
- In many cases, increases in milk productivity at household-level are actually as high as 65% and increases in income as high as 140%.
- 46% increase in household-level milk consumption.

SDVC's Impact

- 40% increase in milk collection for 75% of the trained Milk Collectors.
- More than 95% increase in income of Livestock Health Workers (LHW).
- Consistent sales growth of up to 10% month-on-month for the trained Dairy Input Shops.
- Trained 201 Livestock Health Workers (22 % women), 170 Dairy Input Sellers (19 % women) and 56 Artificial Insemination (AI) Technicians.
- The project engaged 85% of project participants as women.

Lessons Learned from SDVC

Markets work more effectively

- when power relationships are rebalanced in favor of poor producers so that they have more agency, bargaining power, discretion, freedom, and choice.
- when poor producers have the information they need about dairying practices and market prices and opportunities.

Markets work for poor producers

- when they have access to the productivity-enhancing inputs and technologies .
- when risk and uncertainty are reduced.

Lessons Learned from SDVC

Other lessons learned

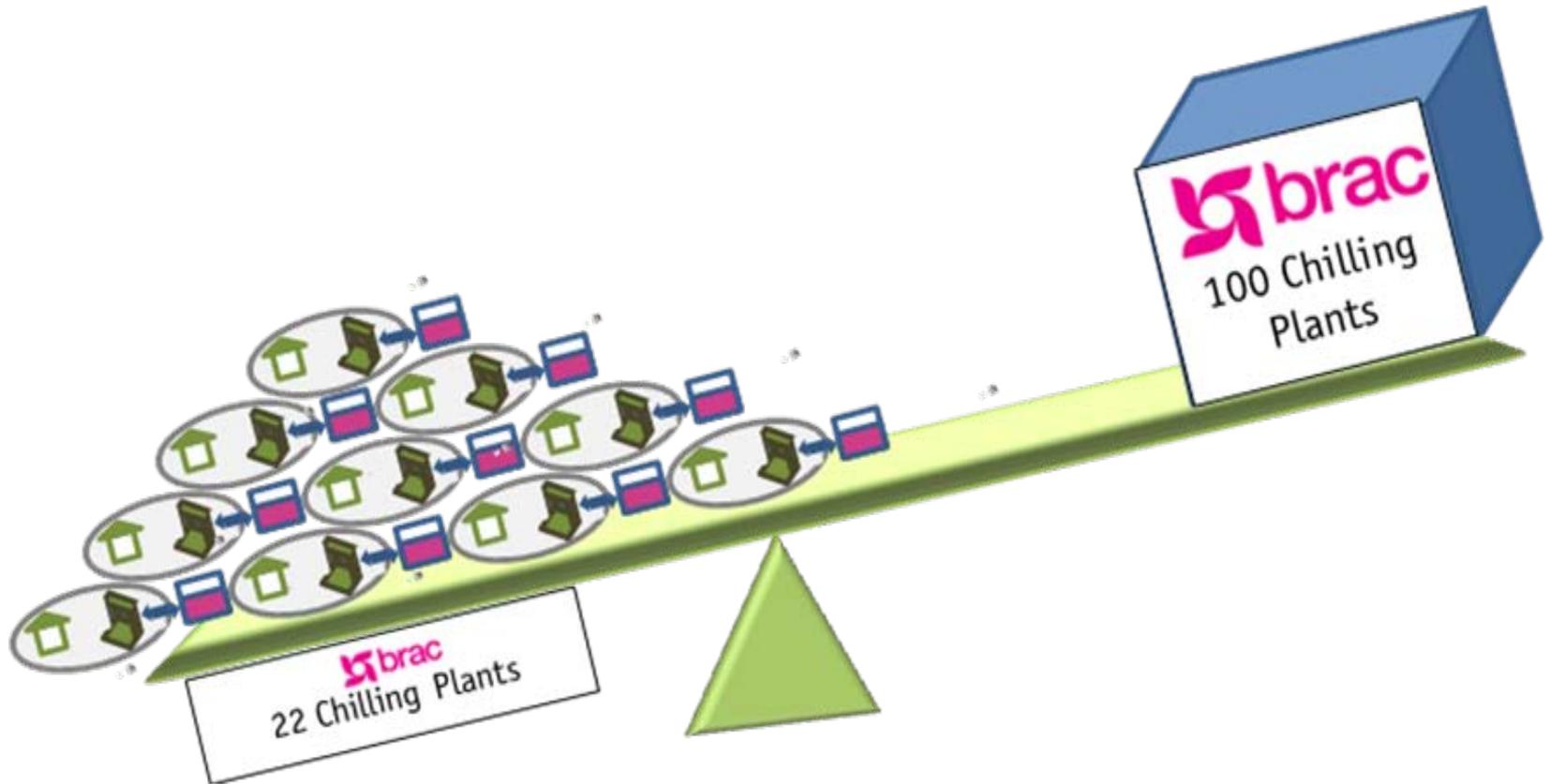
- **Adaptability** and **flexibility** are essential; by the implementing organization, supporters and funders.
- Few qualified staff members have the requisite skills and capabilities for market-based approaches to development.
- It is important to take a holistic approach to value chain analysis; from producer to end consumer (including all actors and input providers in between).

“Tipping Point” Theory of Change

A breakthrough is a change that represents an important leap forward that is not easily reversed, and leads to significant scaling of impact.

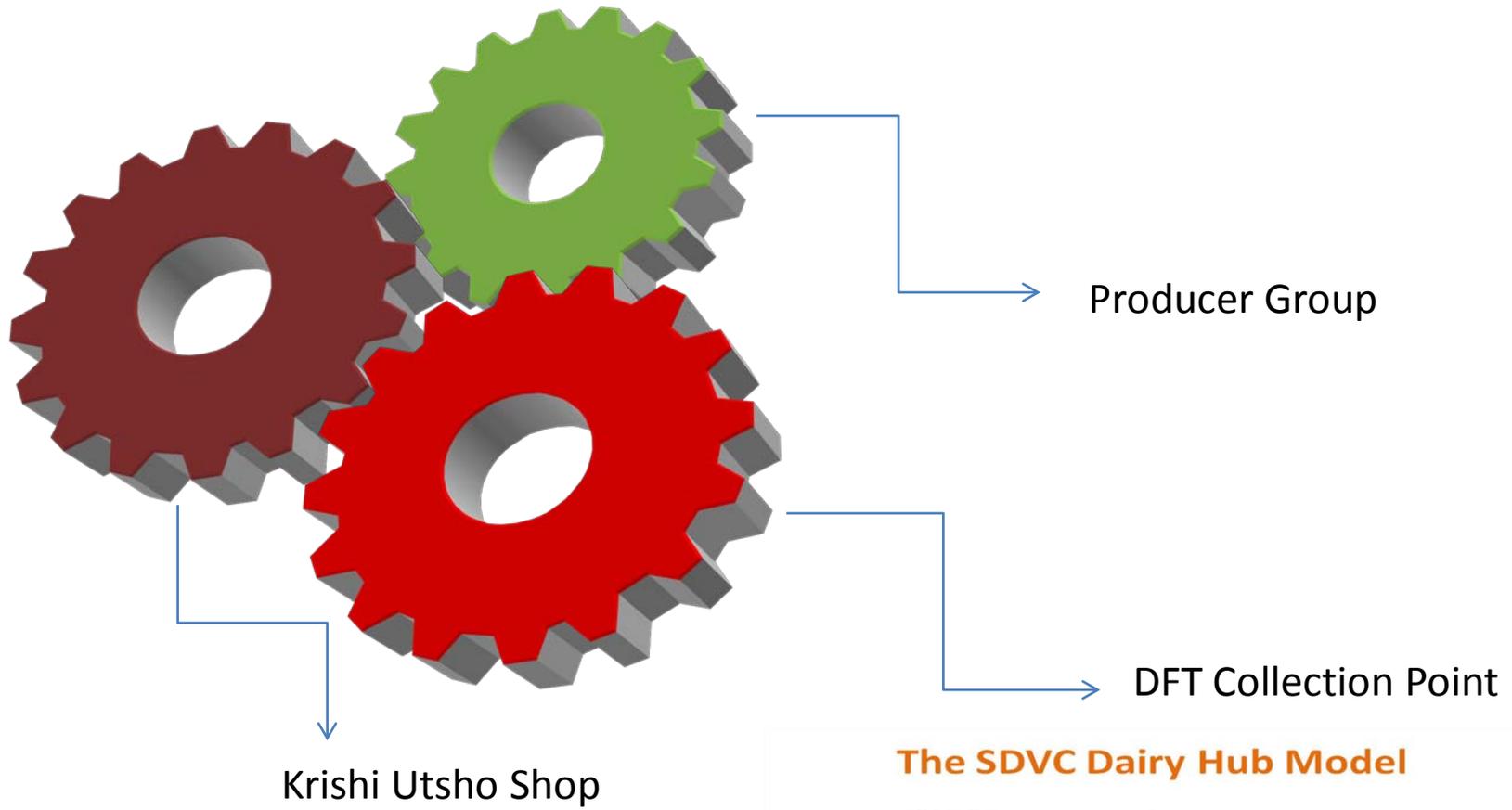
- Policy change that has the potential to affect large numbers of people;
- Something positive that occurs for the first time, setting a precedent for others to follow; or
- Incremental change that reaches a threshold level or tipping point that represents a point of no return

“Tipping Point” Theory of Change

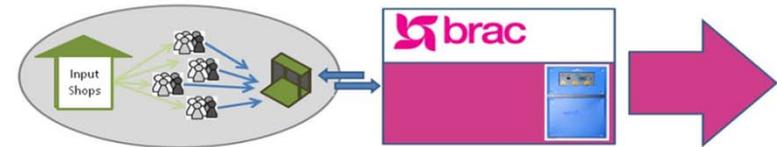


Key activities of “Tipping Point” and “Dairy Hub Model”

Three pieces of the puzzle: Group, Input shops and DFT



The SDVC Dairy Hub Model



Key activities of “Tipping Point” and “Dairy Hub Model”

- Dairy producer groups established in SDVC-I will integrate additional farmers to increase production and incentives for investment by large milk processors.
- The initiative is located in geographic clusters already targeted by SDVC’s partner, BRAC Dairy, for expanded investment and production.
- Digital fat testing will be established in BRAC-owned community level collection points and chilling plants.
- The project will work with existing and additional promising micro-entrepreneurs, LHWs and AIs who are providing dairy inputs and services to strengthen their businesses.

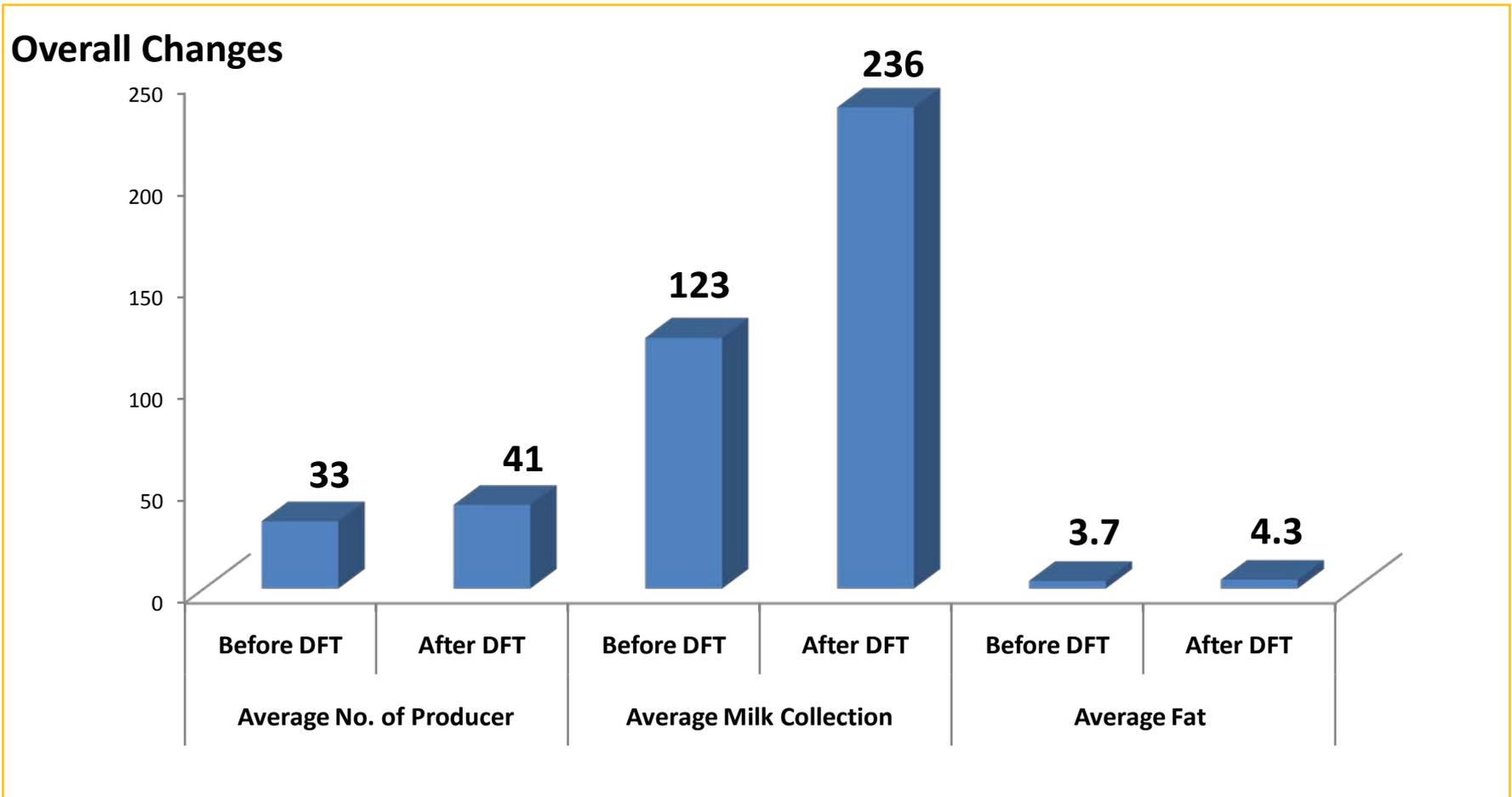
Keys to Success

Current Status of DFT Pilot

Name of Collection Point	Daily Avg. No. of Producers in Oct 2013	Daily Avg. Milk Collected in Oct 2013	Avg. Milk Fat% in Oct 2013
Batia	42	300	4.2
Char Narua	28	175	4.2
Dhoroil	47	273	4.5
Mohonpur	36	132	4.2
Par Bhangura	103	1075	4.5
Buruj	45	245	4.3
Boithabanga	50	288	4.3

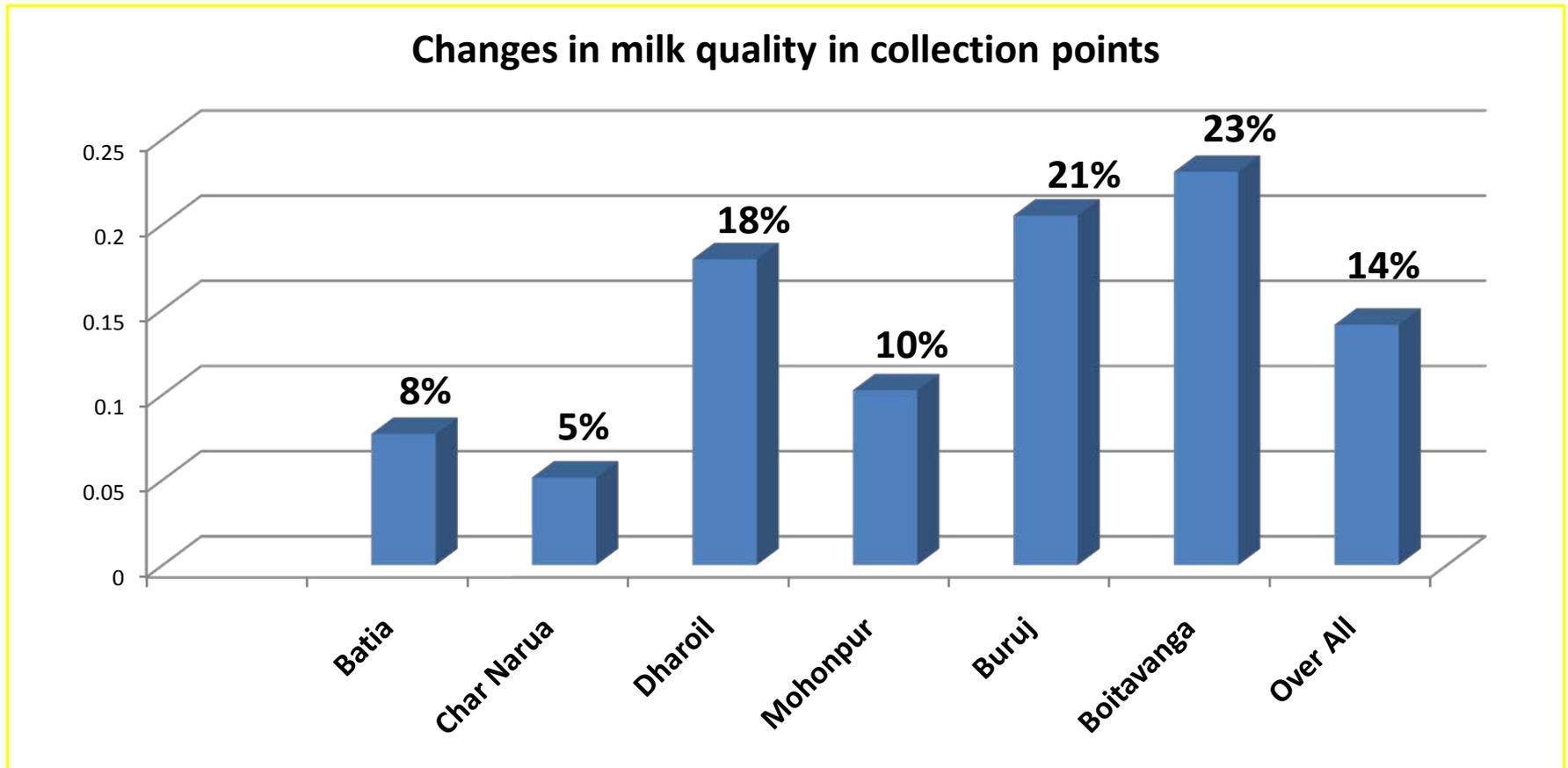
Keys to Success

DFT progress so far



Keys to Success

Breakthrough changes in milk quality





THANK YOU