

SNV KENYA



Kenya Market-led Dairy Programme

SNV

SMART DEVELOPMENT WORKS

Kenya Market-led Dairy Programme (KMDP)

Goal:

To contribute to the development of a vibrant private sector driven dairy sector with beneficiaries across the value chain

Objectives:

- I - Increase efficiency, effectiveness and inclusiveness of the dairy value chain
- II - Promote innovative models that address systemic issues in the sector

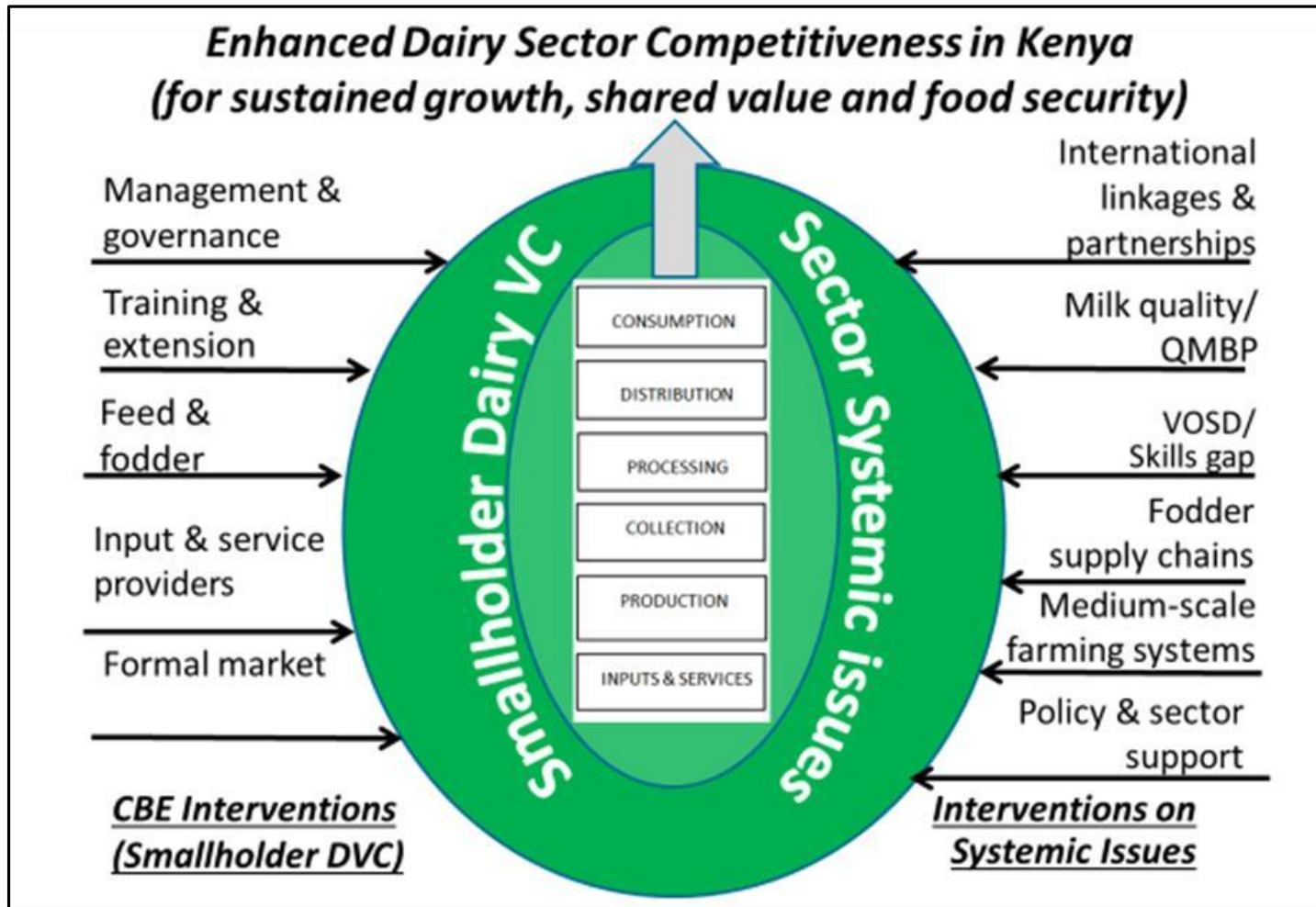
Funded by: Embassy of the Kingdom of the Netherlands

Budget: EUR 5,494,628 (EUR 4,995,628 + EUR 499,000)

Project duration: 4.5 years (July 1st 2012 – December 31st 2016)



KMDP Interventions Summary



KMDP Interventions

I. Smallholder Supply Chain

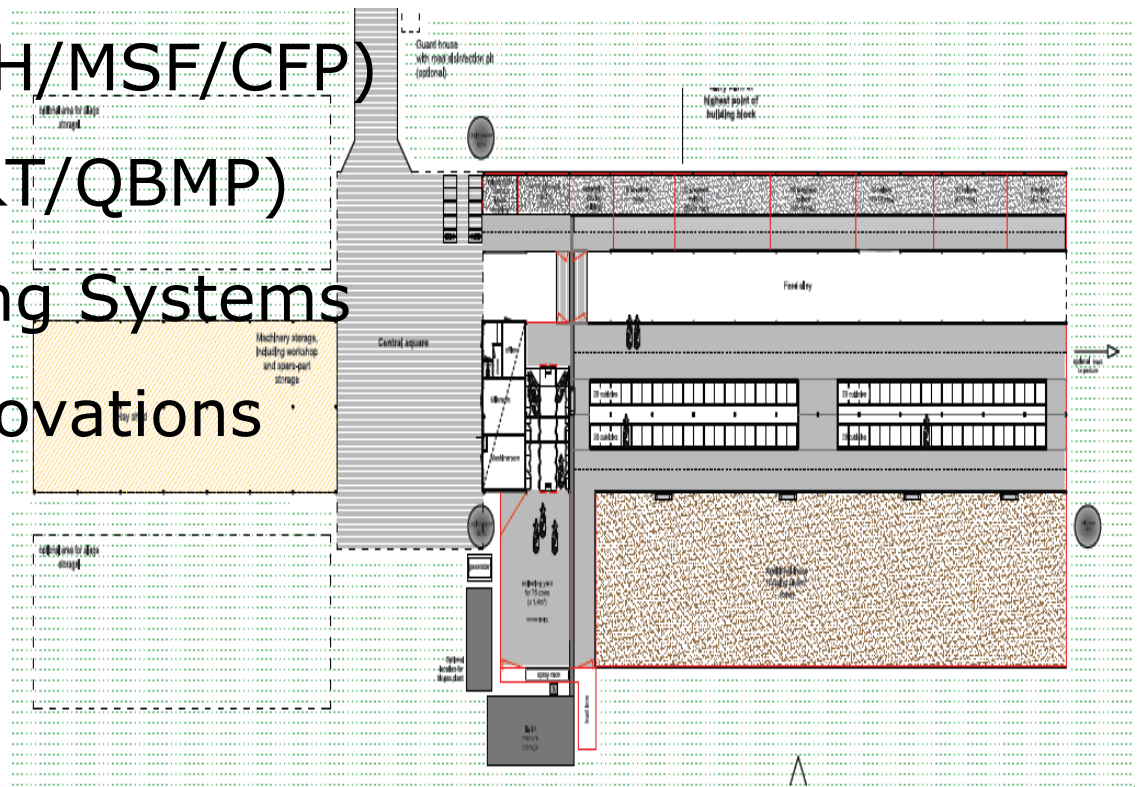
- Clients: 19 CBEs and 2 processors
- Coverage: North Rift, Central and Eastern
- Key interventions:
 - Management and Governance
 - Training & Extension
 - Feed and Fodder
 - Linkages with Input Suppliers and Service Providers
 - Milk marketing through the formal channel



KMDP Interventions

II. Sector Systemic Issues

- Skills/knowledge gap (DTI, PDTCs, DAS)
- Feed/Fodder (SH/MSF/CFP)
- Milk Quality (T&T/QBMP)
- MSF/LSF Farming Systems
- Technology/Innovations



KMDP Interventions

a. Skills/knowledge gap

- Dairy Training Institute – Naivasha
- Practical Dairy Training Centres
(Mawingu, Willens, Lewa)
- Local Dairy Consultants



Linkages/partnerships:

DTC, Qpoint/NABC, Nuffic, CowSignals



KMDP Interventions

b. Feed & Fodder

- Commercial fodder producers
- On-farm fodder (SH/MSF)
- Seed companies
- Soil and Feed testing



Linkages/partnerships:

PUM, The Friesian, SoilCares

KMDP Interventions

c. Milk Quality

- Sector study: feasibility QBMP systems in Kenya
- Implementation of QBMP pilot (Happy Cow Ltd)



Linkages/partnerships:

The Friesian, Delta Instruments, Happy Cow, DTC
Egerton University

KMDP Interventions

d. MSF/LSF Farming Systems

- Study groups/forums
- Organization development (EDFA)
- Demo farms, field days and exposure visits
- Farm recording system
- Modular cow house design

Linkages/partnerships:

PUM, The Friesian, Vetvice, Uniform Agri



KMDP Interventions

e. Technology and Innovations

- International study tours, exhibitions
- Promote and facilitate international linkages
- Feasibility studies and publications
- Demo and pilot projects (Innovation Fund)



Linkages/partnerships:

NABC, ESADA, PUM

The Friesian, Vetvice



Partners

Strategic Partners:

EKN, WUR CDI, PUM and The Friesian

Local Partners/Beneficiaries:

SH and MSF Farmers, dairy societies, processors, input suppliers, service providers, training institutes, industry associations, government agencies

Business Linkages:

DTC, CowSignals, Roodbont, CRV, FrieslandCampina, NABC, Uniform Agri, SoilCares, others

KMDP's Success and Illustrations

Recent Strategic Review of KMDP concluded that:

- KMDP is addressing important and strategic issues in the sector
- KMDP has an effective approach to drive development (demand driven and business-led)
- KMDP's interventions show high uptake and scalability amongst clients.

Illustrations:

- Inclusive model allowing transitioning of smallholder farmers to small commercial entities/dairy entrepreneurs
- Increased management capacity, service provision incl. farmer training and economies of scales at dairy societies (CBEs) – T&E units/agrovets
- More sustainable and inclusive business models 2 processors (farmer training, enhanced volumes, price stability, milk quality)

KMDP's Success & Illustrations

- Development of competent dairy development consultants (LCBs)
- Practical Dairy Training Centres/Farms are a good model for hands on training at the farmers doorstep.
- Commercial Fodder Farmers (CFPs) supported with increased fodder supply to the sector
- Medium Scale Farmer (MSF) model as an effective tool to drive innovation and good dairy farm management practices
- MSF model as a platform for spin-off to smallholder farmers
- Strong network of international technical advisors and B2B linkages for transfer of skills, knowledge and technology
- Willingness of clients to pay for technical advise
- Adequate synergy between various KMDP interventions and clients

KMDP's Challenges

- Lack of inclusiveness by industry players (investing in supply chain and self regulation)
- Lack of sector governance (quality standards/enforcement, market imperfections) and investment by government in e.g. training infrastructure, laboratory facilities
- At the start of KMDP: insufficient dairy knowledge in the KMDP Team (both locally and international)
- Initial project design as regards to support structures (PM&E/documentation and administration)

Opportunities for Synergy

- With other Dutch funded projects in Kenya such as NUFFIC, Equity Foundation, WUR, SoilCares, IFDC, Scope Insight, Agriterra, AgriProFocus, Good Growth Fund
- With private sector initiatives as part of the aid to trade agenda
- Netherlands Business Hub Nairobi, NABC
- In the EA region other DGIS/SNV funded dairy projects
- Dairy projects funded by other donors (e.g. GIZ, USAID)

Partnerships

What key factors would you consider within your partnership to have contributed to the success of the project?

- Private sector/demand driven versus donor/supply driven
- KMDP clients setting the agenda for KMDP support
- Co-investment by clients through a minimum 50-50 cost sharing
- Focus on dairy entrepreneurs (incl. service providers) and market based solutions
- Strong focus on innovation and facilitation of international linkages for knowledge transfer (amongst others through Innovation Fund)
- Donor policies (aid to trade, inclusive business, entrepreneurship) and donor project management style/approach (flexible and programmatic)

Partnerships

What hasn't worked and how would you do it differently?

- Unforeseen but unavoidable cumbersomeness of dealing with government-led institutions, e.g. DTI/State Department of Livestock and Kenya Dairy Board. Lesson learned: different allocation of effort and financial resource.
- Same for some of the NUFFIC NICHE and FDOV projects, especially those which are supply and CSR driven.

Sustainability

How can you scale up innovations within your project and what resources [financial, technical, other] would that require?

- More publicity of the results of the project and use of new media (Facebook)
- Provide manuals, handbooks, SOPs to guide replication (such as cow house design, fodder fact sheets)
- Support dairy advisors (LCBs, SPEs) to enhance their skills and to market their services and products
- Business to business/trade relationships
- A strong dairy sector training infrastructure for skills development
- Dairy sector players willing to apply more inclusive business models

Lessons Learnt

- Work at all levels with “entrepreneurs” willing to (co-)invest, apply market-based solutions and follow a demand-drive approach
- Need to inform and expose farmers and other dairy sector actors to best practice locally and internationally (seeing is believing and filling the gap of “we did not know what we did not know”)
- The importance to innovate: transfer of (relevant) international knowledge, expertise and technology and to facilitate B2B for sustainability
- The importance of developing affordable and competent knowledge delivery mechanisms, preferably backed up by international expertise
- To optimize the number of implementing partners in a programme (consortium) with a view of strategic collaboration and lean management/decision making structures

Thank you!

