

Maziwa Zaidi (More Milk) in Tanzania

Developing a mixed method approach to assess sustainability of pre-commercial producer groups in dairy systems in Tanzania

Julius Githinji et al (ILRI)



Key messages

- Viable producer organizations (POs) are essential in ensuring input and service delivery to the producers
- Sustainable POs are fundamental in ensuring the interventions promoted by development projects last
- Producer groups' viability is best achieved through a periodic self-assessment that would facilitate a number of processes:
 - Assessment of their progress towards sustainability;
 - Identification and prioritization of sustainability gaps;
 - Partner engagement
 - Decision making regarding facilitative support to pre-commercial hubs leading to an exit strategy for the development project implementers.
- Member loyalty and the PO's relationship with its environment are the strongest attributes for growth.
- POs (cooperatives) in stage 4 score modestly in effective transparent leadership and management and member loyalty attributes, a risk to sustainability

Opportunities to invest and scale

- Public investments to support growth of collective action
- Public investments in supporting POs (farmer groups and cooperatives) to retain members is crucial for stage 4 POs, such would include diversification of revenue streams and bundling of inputs and services in the cooperative business model
- Public investments in using the tool to monitor POs
- Private investments in milk collection

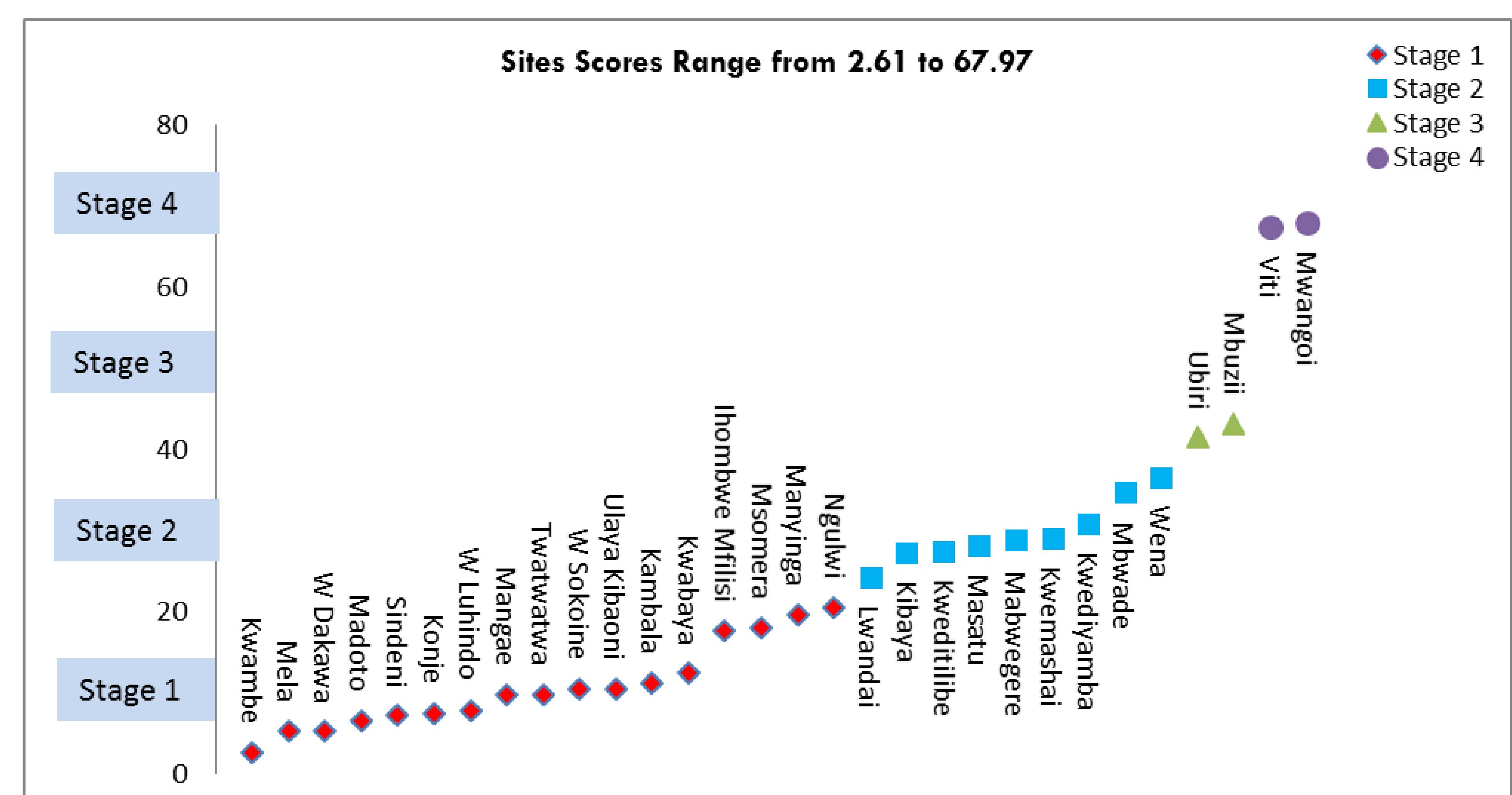
Objectives and Approach

Objective: to develop a tool for assessing sustainability of POs

Approach: The tool has 6 key sustainability dimensions identified as critical in sustaining smallholder dairy POs in East Africa, namely:

1. Financial health
2. Effective and transparent group leadership and management
3. Access to dairy inputs and services
4. Relationship with external environment (CSR)
5. Member loyalty
6. Engagement with milk market

- These are decomposed into specific indicators, respective indicators are allocated weighted scores based on their relative importance in contributing to sustainability. An overall score is derived by aggregating all dimension scores, in total the maximum aggregate score is 76 which is then adjusted to 100%



Key results

POs can be grouped into 5 stages of development based on total scores:

- **Stage 1:** POs are the least developed with a total score of 20% or less. They are struggling and are vulnerable to shocks. Without external support, they are likely to perish.
- **Stage 2:** POs with total score of 21 – 40%. They face many challenges but could survive with considerable support.
- **Stage 3:** POs scoring 41 – 60%. These require little external support.
- **Stage 4:** POs scoring 61 – 80%. These have become self-sustaining; might require modest external support in specific areas to remain on a growth trajectory.
- **Stage 5:** POs scoring 81 – 100% are fully self-sustaining.

- 87% of the POs were in stages 1 and 2, and were all from the extensive cattle feeding areas of Mvomero, Kilosa and Handeni districts.

- POs in stages 3 and 4 were from the intensive cattle feeding district of Lushoto

