SNV facilitates the development of commercial and climate smart dairy value chains. We enable value chain actors to improve markets with the objective to increase incomes and make safe and nutritious dairy products available to consumers. We develop market-based services that increase the production of dairy, link markets with farmers, and professionalise service provision. We work with partners and governments to create an enabling environment and accelerate investments in the sector.

The opportunity

The demand for safe and nutritious dairy products in developing countries is rising rapidly, due to an increase in both urban populations and incomes. This demand is currently met through imports. Professionalising local value chains offers opportunities to fulfil this demand.

The challenge

A low level of skills, a lack of quality inputs and extension services result in low productivities. Insufficient cold storage and handling techniques, with poor logistics, hamper the inclusion of small and medium sized farmers in supply chains. These constraints hamper the sector’s ability to meet the increasing domestic demand. Greenhouse gas emissions by cattle and adherence to food safety standards are two additional concerns for the sector.

Our approach

We work at the forefront of the ‘aid to trade’ agenda. By leveraging local and Dutch dairy expertise, we build competitive value chains and stimulate sustainable development. Ultimately we seek to achieve sector transformation. Focusing on local ownership and emphasising market-based solutions, SNV supports local partners to develop the necessary infrastructure and market-based services to develop an inclusive and commercially viable dairy sector that will increase actors’ profits.

We work with processors to improve their efficiency and grow their supply chain, connect commercial markets with farmers, increase production, improve the quality and availability of input supplies and services, and accelerate investments. At the same time we work with governments and stakeholders to create an enabling environment and a value chain governance that will realise sustainable and scalable results.

SNV’s dairy value chain approach consists of the following elements:

- **Market systems development**: we analyse local challenges and identify opportunities to grow the value chain. We support producers, suppliers, processors and authorities to jointly prioritise bottlenecks in the value chain, agree on interventions and allocate investments. We address these bottlenecks by developing market-based services. For example, we stimulate...
Our dairy sector development approach

milk quality based payments. We facilitate cooperation between suppliers, producers and processors on business opportunities, production and pricing;

- Public Private Partnerships: SNV works in public-private partnerships to address bottlenecks and develop best practices. These partnerships are also vehicles for change by scaling-up innovative solutions and improving value chain governance;

- Inclusive Business: we work with several value chain partners. We stimulate processors to jointly invest in order to overcome constraints in the dairy sector. We manage funds with matching grants for companies that come up with innovations that stimulate inclusive growth. We transform producer groups to become more entrepreneurial and ensure that they are included in value chain development. In this way they become strong market players, that can negotiate mutually profitable deals;

- Smart extension services: market-based (i.e. paid) extension services help professionalise the value chain. We develop Farmer Field Schools and model farms (i.e. ‘seeing is believing’) for practical training. We support the provision of mobile phone based extension services and market price information;

- Sustainable intensification: we increase farmers’ climate change resilience and reduce their resource- and the carbon-intensity, by improving their efficiency and productivity. We promote for example the use of proper paddocking and fencing; improved breeding; fodder and silage management, and water storing techniques to bridge (extended) dry periods;

- Financing: access to finance is crucial to leverage increased production and efficiency, resulting in accelerated sector growth. SNV links producers, producer organisations, service providers and processors, to banks and other financial institutions. We help them create business plans and to be investment ready.

In addition to professionalising value chains and grow profits, our projects improve consumers’ dietary behaviour, address gender imbalances, and create employment opportunities for young people, through our dedicated methodologies - Sustainable Nutrition for All (SN4A), Balancing Benefits, and Opportunities for Youth Employment (OYE) respectively.

For the first time in my life, I was able to feed my 35 milking cows throughout the year, even during the extended drought. As a result, we did not experience a significant reduction in our milk production. Before the training, we used to get 100 litres of milk per day in the rainy season and 50 litres in the dry period. Now our average is 250 litres in the rainy season and 150 litres in the dry season.

— Bells Katongole, a farmer in Uganda participating in the SNV TIDE project

Our donors and partners
We manage programmes for Comic Relief, the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), and the Dutch Ministry for Foreign Affairs (Dutch MFA).

Our non-commercial partners include Wageningen University and Research (WUR), AgriProFocus, Agriterra, IFPRI, and the PUM Netherlands Senior Experts Program.

Kenya Market-led Dairy Programme (KMDP)
2013 – 2019 | Kenya | €9.5 million | Dutch MFA
The second phase of KMDP (2017-2019) aims to transform the Kenyan dairy sector to a fully commercial and professional market, after the first phase (2013-2016) aimed to increase the sector’s vibrancy and competitiveness. The project uses market based approaches and is implemented in collaboration with stakeholders from across the dairy value chain. The programme has two related pillars of intervention: increasing the effectiveness and efficiency of the Kenyan dairy value chain, and; improving international trade relations. To date, the income of 20,500 farmer households has increased and productivity has increased by 4.4% annually.

Enhancing Dairy Sector Growth in Ethiopia (EDGET)
2012 - 2018 | Ethiopia | €9.7 million | Dutch MFA
In line with governmental priorities and building on previous project experiences, the EDGET project is aiming to increase the income for 65,000 Ethiopian dairy farm households. In addition, the project will improve the nutrition status of 500,000 school children. The project is developing rural dairy markets; promoting improved feeding practices and use of commercial fodder as a supplement; developing and testing new dairy-based products for children, and; developing partnerships and policies to increase the sustainability of the project’s results. To date, the project has increased the income of 55,000 farmers.

The Inclusive Dairy Enterprise Project (TIDE)
2015– 2019 | Uganda | €9.5 million | Dutch MFA
The TIDE project’s overall goal is poverty reduction by improving the incomes, household nutrition status and employment opportunities for 20,000 dairy farmers. To achieve this, the project is improving productivity, commercial milk quality, pro-active dairy sector regulation, and household nutrition behaviour. The project is training farmers on breeding practices, animal nutrition and disease control. We also monitor and maintain the quality of our approach by training our partners and trainers to ensure their work meets the required standards. In 2017, more than 3,400 farmers increased their income and 3,600 people gained employment due to the project.

Our Experience
SNV has extensive experience running large, complex dairy market programmes. SNV currently manages 9 dairy projects in 7 countries, with a total value of €34 million.
**Market-led Dairy Innovations Project (M-DIP) (phase I and extension)**  
2015 – 2019 | Zambia | €4.8 million | GIZ

The project is establishing market-based, private sector-led, support services for smallholder dairy farmers around existing dairy cooperatives in the Southern Province of Zambia. Smallholder dairy cooperatives are able to increase the income of their members by offering or brokering a variety of services, rather than merely providing basic services, to store and chill milk. Through public-private partnerships focusing on key production bottlenecks, cooperatives are linked to service providers to help farmers access goods and services, such as agro-inputs, technical services, dairy skills training, business support, fodder, artificial insemination and access to credit for investments in dairy enterprises. The project aims to reach 20,000 farmers. To date, the project has improved the income for 1,600 households.

**Inclusive Milk Supply Chain Development to Increase Food Security**  
lead: Bhutan Chamber of Commerce & Industry (BCCI) | 2015 – 2019 | Bhutan  
€250,000 (total value 2.8 million) | Netherlands Enterprise Agency (RVO)

In the absence of a significant domestic dairy sector, Bhutan has to rely on imports to fulfil a growing domestic demand. This project aims to establish an inclusive milk supply chain to increase local food and nutrition security, while improving the incomes of smallholder dairy farmers in Bhutan. The project is strengthening 40 farmer groups, establishing professionally managed milk collection centres, and provides training to farmers on best agricultural practices to improve milk quality. Value chains are strengthened to enable sales in urbanised areas and substitute imports. To date, the project has increased the income for 300 farmer households and created employment for 300 people.

**Integrated Dairy Farming for Income & Employment for Women and Youth (IEWY)**  
2016 – 2021 | Tanzania | €2.4 million | Comic Relief

The IEWY project is implemented in four districts in the Kilimanjaro region in North East Tanzania. The project is increasing the incomes and improving the livelihoods of rural households in the dairy value chain, with a particular focus on women and young people. We improve the productivity of smallholder dairy farmers, strengthen service delivery of producer organisations to their members, help women to increase the control over their income from dairy activities, and create employment for young people. The project is using insights gained from other projects. For instance, using biogas for cooking saves women a lot of time, which they can spend on productive activities. To date, the project increased the income for 1,850 farmers and created 134 jobs.

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