

Traditional Dairy Value Chain

-Messages from Stakeholders-

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Bangalore***

Opportunity for.....

- Enhancing income of poor families
- Generating employment in rural areas
- Interventions in backward regions
- Improving nutrition status of rural people
- Making milk available at affordable price for both rural & urban poor families
- Meeting demand for milk & milk products
- Contribute to GDP of the country
- Addressing quality related issues in traditional milk sector

TRADITIONAL MILK CHANNEL



MILK PRODUCER MILKS THE ANIMAL



MILK PRODUCER POURS MILK TO THE VENDOR



VENDOR ADDS WATER



VENDOR TRANSPORTS THE MILK TO THE TOWN/CITY



DIRECT SALES BY VENDOR TO INDIVIDUAL AND INSTITUTIONAL CONSUMERS AND CREAM SEPARATION UNITS

MILK PRODUCTS SOLD TO CONSUMERS

Overall Perspectives...

- Action Research approach to understand the dynamics in the Sector
- Value Chain Approach to understand missing links & potential for interventions
- Working along the Value Chain THAN distorting the Value Chain
- Overall Perspectives – Backward Region, Poor Producers & Quality issues at Consumer Level

Messages from Producers....

- Overall Sustained marketing support from vendors
- Livestock services from vendors like buying cattle feed
- Credit services from vendors
- Other services from vendors like support in buying grocery items – link to urban centers
- Involvement of women in different activities
- Unable to store evening milk
- Unavailability of quality based pricing – fat testing

Issues at Producers Level....

- Un-hygienic practices in production of milk
- Lack of access to livestock services – example of how Animal died/milk yield reduced due to unavailability of veterinary services
- Low productivity of animals - example of advantage of breed, artificial insemination, etc
- Quality based pricing
- Vendor do not procure when his market declines

Messages from Vendors....

- Some vendors are also producers
- Low economic status of vendors (Vendors are not rich people)
- Hard work – early morning to late afternoon
- Problem in carrying more milk – vehicle
- Spending more time by standing to ensure quality at producer level– no suitable option available
- Non availability of low cost user friendly cans
- Not aware of quality standard of milk
- Unable to take advantage of “Fat Management”
- No linkage with other vendors
- Spoilage of milk

Messages from Vendors....

- Consumers demand; Not predictable – do not always inform early
- Credit services not available
- Serving both producers & consumers for generations
- No body has ever met me, in context of milk marketing, production OR livestock services
- Dilution of milk – why – prepare different quality of milk linked to price

Issues at Vendor Level....

- Suitable milk testing facility, storage equipment, vehicle for carrying milk, transport containers, chilling facility, cream separation facility not available
- Do not know – how to improve scale of operation
- Business development services not available
- Dilution milk – can it be legalized; like dilution of fat & SNF
- Adding neutralizers – example

Messages from Consumers....

- Happy about services of vendors – door step, fresh milk, good for children, late payment, etc
- Able to get milk at price the consumer can afford
- Able to get milk of any quantity
- Quality – adding neutralizers – one of the concern
- Loyal to vendors – family supplying milk for several years

Issues at Consumers Level...

- Not aware of quality standards
- No scope to interact with other consumers
- Difficult to move from one vendor to other – relationship counts
- Not so much concern about fat content of milk
- Price vis a vis Quality

Messages from Traditional Product Manufacturers...

- Small scale technology not available
 - High labor cost
 - Unable to produce in a hygienic place
 - Examples of traditional products
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- Issue: hygienic production & scale down technology

Messages from Development Practitioners...

- Importance of traditional market
- Need to work along the value chain – for greater understanding; need based interventions
- Address technology issues – Can we scale down the technologies??
- Understand better to support efficiency of vendor operations
- Introduce quality testing across value chain – protect interest of consumers and enhance self life

Messages from Development Practitioners...

- Need to involve vendors as partners in “Strengthening the Value Chain”
- Provide BDS services to vendors
- Improve livestock services for producers – Can vendors be associated???
- Overall – to start with organize the producers, vendors and consumers and promote interactions amongst them



thank you

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