



NEADAP Report

Dairy extension by cooperatives

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Introduction

The Netherlands East Africa Dairy Partnership (NEADAP) is committed to supporting dairy advisory services in East Africa. As part of this work, we explored the existing diversity of extension models in the six countries of NEADAP and provided representatives of different dairy advisory services with an opportunity to reflect on their success factors and their own capabilities and performance so they could identify areas for improvement.

Building on this initial analysis and data, we will organize a collaborative process that brings together professionals from East Africa to gain a better understanding of dairy advisory services in the different countries and explore strategies to foster a sustainable and impactful dairy extension service ecosystem. This collaborative effort will shed light on the priority investments required to strengthen different types of dairy extension services and how they can mutually benefit from one another.

Ultimately, our aim is to create a roadmap for decision-makers to foster an environment conducive to dairy farmers thriving and experiencing the positive impact of these services.

This document gives more detail about the cooperative dairy advisory services. Find out other parts of the study through these links:

- [Exploring dairy extension in East Africa: study methodology and findings](#)
- [Dairy advisory services: Consultants](#)
- [***Dairy advisory services: Cooperatives \(this report\)***](#)
- [Dairy advisory services: Digital platforms](#)
- [Dairy advisory services: Financial institutions](#)
- [Dairy advisory services: Input suppliers](#)
- [Dairy advisory services: Processors](#)
- [Back to the overview at NFPCconnects](#)

Key features of cooperatives

NEADAP conducted a survey to map and assess the capacity of cooperatives to deliver sustainable dairy advisory services in six East African countries. The 42 cooperatives that responded to the survey are distributed as follows: Uganda (30.95%), Tanzania (21.43%), Burundi (19.05%), Rwanda (14.29%), Kenya (7.14%) and Ethiopia (7.14%).

The cooperatives have been operating for 0–3 years (7.14%), 4–7 years (35.71%), 8–11 years (19.05%), 12–15 years (9.52%) and more than 15 years (28.57%). A similar pattern is observed for the length of time they have been offering dairy advisory services.



Figure 1: Activities cooperatives engage in

Most cooperatives (32%) are engaged in agricultural production via their members, followed by input supply and transport (17% each) and processing (14%). Other activities include financing (11%), marketing (6%) and technology supply (3%).

The staff composition among the surveyed cooperatives is as follows: 1–5 members (26.19%), 6–10 members (23.61%) and 11–30 members (35.71%). This trend is also reflected in the number of **female staff working in the cooperative, which was 1–5 women (69.05%), 6–10 women (19.05%) and 11–30 women (7.14%).** Interestingly, **66.67% of the cooperatives reported that they had 1–5 members of staff aged under 30.** This is a significant move in incorporating youth in the management and running of cooperatives.

The topics covered by cooperative dairy advisory service agents closely mirror their activities: dairy herd productivity (18%), breeding and reproduction services (17%),

animal welfare and housing (13%), animal health (13%), hygienic milk production and handling (12%), value addition (11%), farm economics (8%) and record keeping (8%).

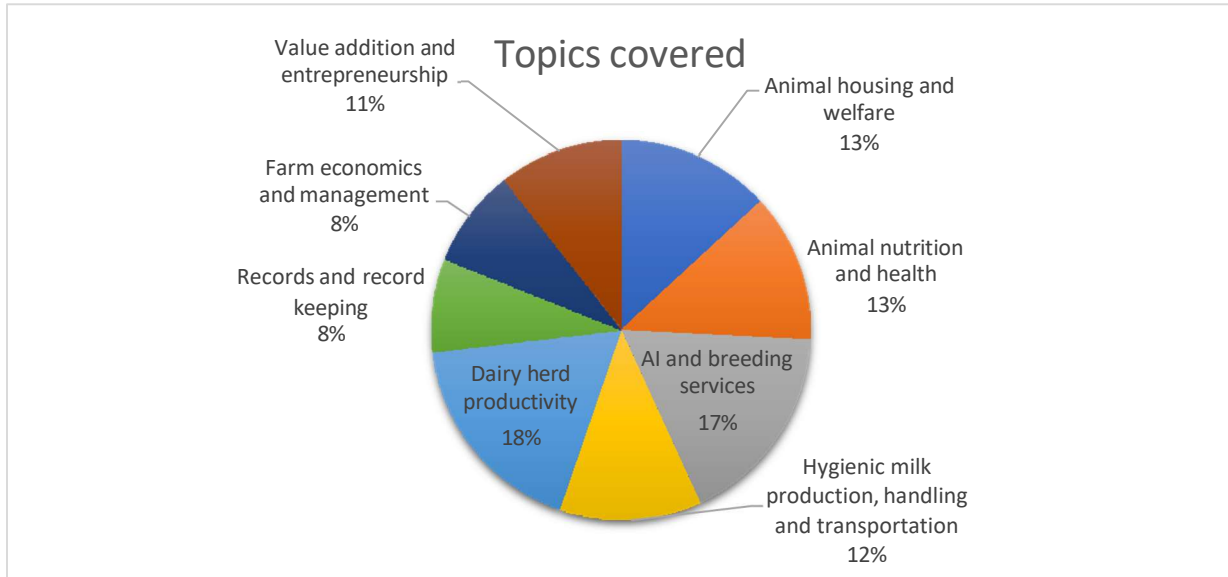


Figure 2: Advisory topic areas

Cooperatives deliver most of their advisory services via a combination of on-farm demonstrations (26%), in-person (25%) and facilitated peer-farmers exchange (23%). Farmer field days, media and online channels are not frequently used by cooperatives that responded to the survey, as shown in Figure 3.

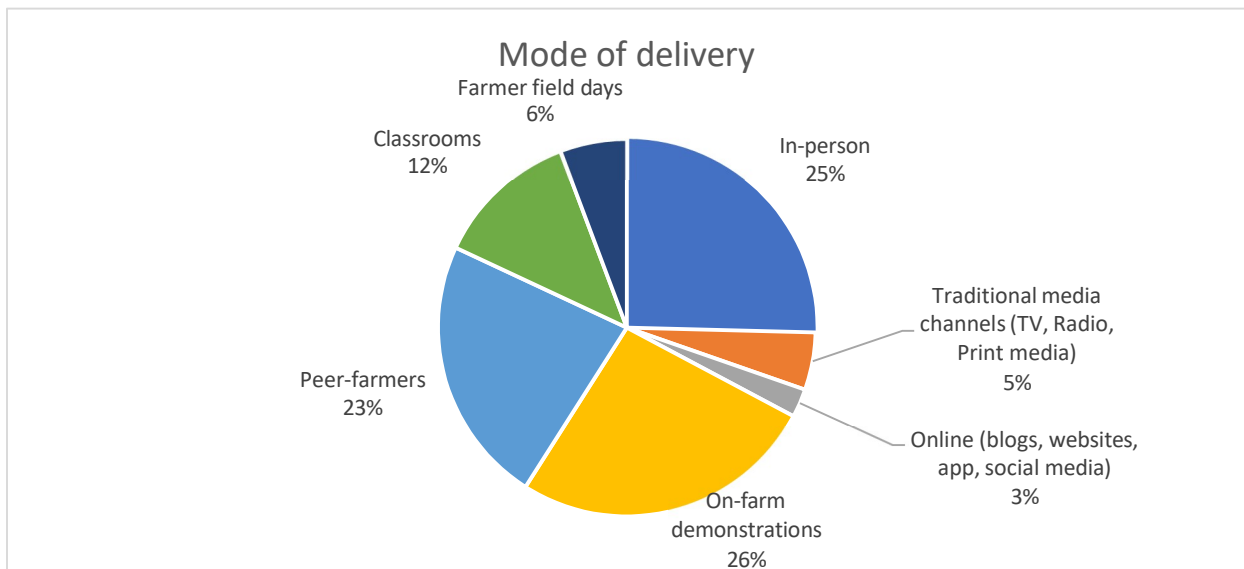


Figure 3: Mode of advisory service delivery

Of the surveyed cooperatives, 88.1% indicated that they monitor client satisfaction through follow-up farm visits (41.7% of the time) and feedback reports (58.3% of the time). Those that do not monitor client satisfaction cited inadequate resources (75%) and not having any plans to do so (25%).

Overall, 90.48% of cooperatives indicated that they collaborate with other service providers in dairy advisory, and they described their relationship as mutually beneficial. Those that do not collaborate cited lack of contacts of potential partners (4.76%) or did not give a reason why they do not collaborate (4.76%).



Figure 4: Unique selling point

Of the cooperatives surveyed, 73% cited quality of service as their biggest selling point. This is followed by trustworthiness/reliability (16%) and the affordability of their services (11%).

SWOT analysis

<p>Strengths (answers = 46)</p> <ul style="list-style-type: none">• client relations (28%)• experienced staff (26%)• service packaging/adaptability (13%)• access to funds – to capital (11%)• strategic plan (9%)• trust and reputation (7%)• geographical position (4%)• government support (2%)	<p>Weaknesses (answers = 47)</p> <ul style="list-style-type: none">• fund constraints (64%)• weak structures/inefficiencies (11%)• poor technology (9%)• few staff (6%)• inexperience (6%)• bureaucracy (2%)• farmers unwilling to pay (2%)
<p>Opportunities (answers = 45)</p> <ul style="list-style-type: none">• increased investments in dairy value chain (44%)• increasing demand for dairy extension services (24%)• networking (9%)• new technologies (9%)• political goodwill (7%)• changes in climate (4%)• social capital/trust (2%)	<p>Threats (answers = 47)</p> <ul style="list-style-type: none">• natural calamities (26%)• resource constraints (26%)• new entrants (9%)• pests and diseases (9%)• inflation (6%)• poor networking (6%)• poor policies (4%)• benefactor over-reliance (4%)• limited skilled employees (4%)• trust issues (4%)• poor infrastructure (2%)

Self-assessment of the critical success factors for dairy advisory service provision by cooperatives

The capacity of cooperatives to offer dairy advisory services can be assessed and monitored via the Five Capabilities (5C) framework (Huisman & Ruijschoot, 2013). Five interlinked capabilities, none of which is sufficient by itself, overlap in the assessment of organizational capacity to deliver a sustainable dairy advisory service.

The critical factors that can lead to cooperatives successfully delivering dairy advisory services, as well as factors that hinder this success, were queried during a workshop with the cooperatives representatives engaged in advisory service provision.

1. The capability to act and commit

This capability measures the ability of the cooperative to plan, decide and execute these decisions collectively (as an organization) in order to commit to and act on its mandate.

Critical success factors

- Organized communication and reporting channels
- Regular meetings
- Cooperation between directors
- Setting clear policies and objectives
- Putting in place solid management structures
- Registration and membership to relevant bodies
- Hiring qualified staff in adequate numbers

Hindering factors

- Inadequate funding/resourcing
- Communication gaps
- Poor leadership
- Laxity due to available options (cooperative management relaxes because farmers will get the service anyway)
- Lack of awareness among farmers about the importance of extension
- Insufficient knowledge transfer
- Poor means of transport – infrastructure and equipment

2. Capability to deliver on development objectives

This capability assesses if the cooperative has the ability to develop, implement and monitor its operations to ensure its growth and the growth of the sector in which it operates.

Critical success factors

- Capable board of directors
- Teamwork between staff and management
- Multiple funding avenues
- Shared vision
- Ability to translate objectives to business with public–private entities
- Adequate qualified staff
- Possesses capital assets needed to meet the demands of farmers
- Strategic planning

Hindering factors

- Farmers failing to adopt dairy advisory services due to culture
- Lack of adequate tools and resources to use
- Missing clarity on added value (farmers may not adopt dairy advisory if the benefits thereof are not clearly defined)

- In-fighting among management
- High operational costs (inflation)

3. Capability to adapt and self-renew

This capability measures the ability of the cooperative to implement monitoring and evaluation structures and learn from the results so as to stay adaptive and innovative in dairy advisory service delivery.

Critical success factors

- Moving with trends (tech, exchanges, networks, etc.)
- Following market dynamics – glut/scarcity seasons
- Sharing knowledge and willingness to learn from past mistakes
- Matching needs to available expertise
- Continuous adjustment of budgets and plans

Hindering factors

- Lack of innovation
- No clarity on gender/marginalized groups inclusion
- Poorly skilled staff
- Poor remuneration of extension staff
- Education levels of board members – affects how decisions are made as some are stuck in the old ways of doing things
- Inability to adapt to market forces and dynamics

4. Capability to relate to external stakeholders

This capability assesses the ability of the cooperative to collaborate with key sector players in order to achieve a sustainable dairy advisory service industry.

Critical success factors

- Strategic location
- Clear reporting channels
- Accountable and transparent leadership

Hindering factors

- Lack of awareness about available partnership/networking options
- Poor business expansion strategy
- Unskilled staff
- Poor reporting systems/poor accountability

5. Capability to achieve coherence

This capability assesses the ability of a cooperative to be united in its mandate to deliver core products and services.

Critical success factors

- Regular meetings with stakeholders and involving them in decision-making

- Functional guidelines by management
- Transparency
- Pursuing common goals
- Cooperation among members – team work
- Emphasis on quality with the aim of building a trusted brand

Hindering factors

- Some members overlooking the contribution of others – big boss mentality
- Disunity among the members – not working towards a common goal
- Lack of trust on leadership
- Conflicts of interest
- Lack of capacity – human and social capital

Figure 5 summarizes the average capacity of three cooperatives, considered by the sector as successful, that responded to a detailed survey to deliver sustainable dairy advisory services (0 is very poor; 5 is very strong). Via a questionnaire, these cooperatives did a self-assessment and compared their capacity when they first started delivering dairy advisory services (two of them were established more than 15 years ago and one between 4 and 7 years ago) and their current capacity at the time of the survey.

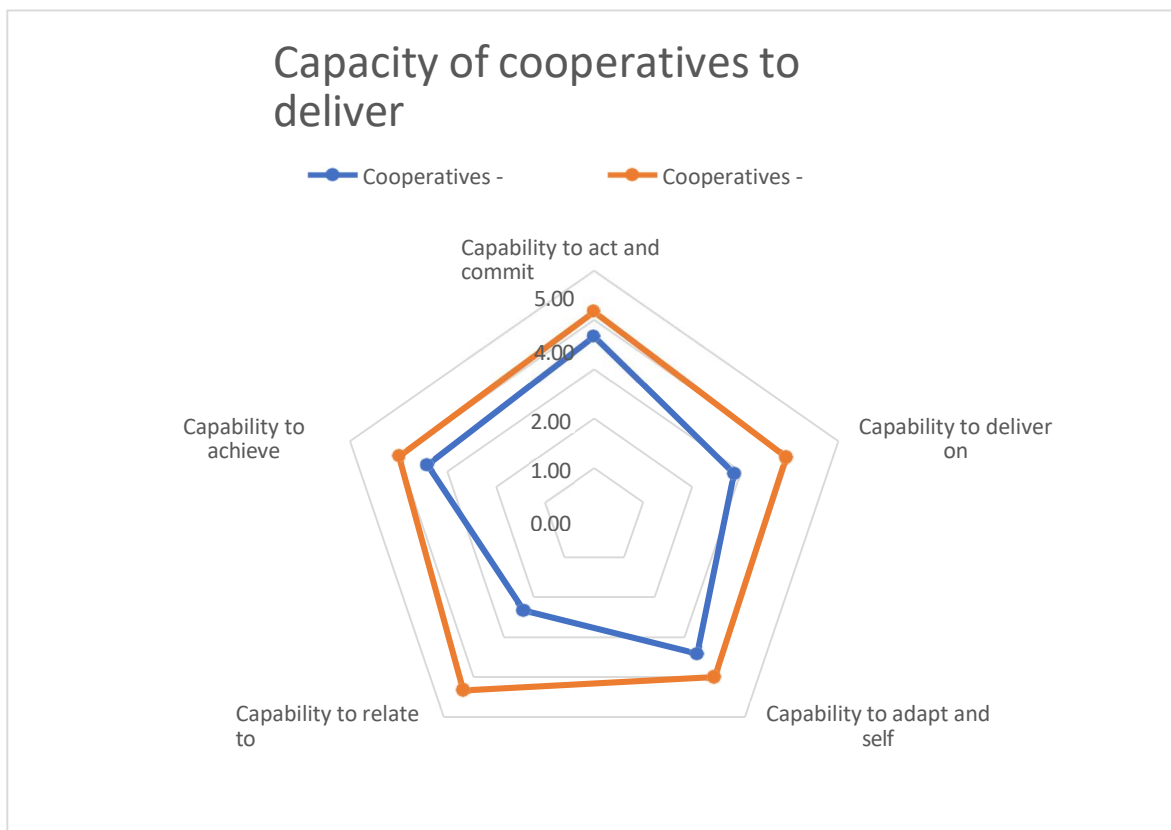


Figure 5: Cooperative 5C analysis

The results show that successful organizations perceive themselves as having strong capabilities in the five domains. Since their creation, they progressed mainly in their ability to relate to external stakeholders and to deliver on objectives. Their ability to relate to external stakeholders is a key factor of their success.

Recommendations from professionals for professionals

During a workshop, the cooperatives themselves identified several critical factors that a cooperative should prioritize in the early stages of setting up a dairy advisory service:

- Needs assessment and identification from the members of the cooperative
- Developing a sound business model and plan by the dairy cooperatives
- Operationalization of the objectives of the cooperative – assigning responsibilities
- Profiling/mapping the members (farmers) who belong to the cooperatives to plan service delivery
- Increasing milk volumes in the cooperative (helping farmers reduce rejection of poor-quality milk and/or improving quantity of milk produced at the farm)
- Looking for opportunities for cooperatives to actualize capital investments (e.g., cooling plant installation, milk tankers, etc.).

Recommendations drawn from results for decision-makers

- **Cooperatives have large memberships that are committed for the long term.** Having a strong dairy advisory service delivered by cooperatives will enhance technology and skill transfer much faster by virtue of the large memberships. Also, this model is more likely to succeed as it can overcome the barrier of members unwilling to pay for dairy advisory service by making a deductible cost on deliveries made by the farmer.
- **Soft skills training is critical to creating a robust dairy advisory service by cooperatives.** Dealing with a large number of farmers calls for prudence in management and decision-making while building up the organizational capacities, which necessitates dedicated support for cooperative management as well as extension staff, as most cooperatives are started by local farmers who are unlikely to be trained in management of such organizations.
- **Facilitate the installation of and ability to use computers and software** (for record keeping and client relation management), milk handling equipment and transportation vehicles. Supporting digitization can offer new opportunities for cooperatives regarding their dairy extension services, such as being able to access additional services and knowledges, spread information, connect with others and increase visibility. Specific attention should be given to making the digitization process inclusive (women, youth, older generation).
- **Facilitate networking and capability of cooperative to relate to external stakeholders.** By strengthening their ability to network and tap into external

resources, expertise or other skills, cooperatives could secure their dairy advisory services.

- **Bring cooperatives together on one platform** (a database of key sector players) where they can connect with each other and find opportunities that will help them move towards their core mandate.
- **Strengthening management and communication skills of cooperative staff** is an essential success factor.

Questions for your organization

We invite you to reflect on the capabilities of your organization:

- What was the capability status of your dairy advisory service when it started?
- What has improved since then?
- What capability is still lacking?

You can use the pdf questionnaire (see intro-methodology report) to guide you in a more detailed reflection.