

# NEADAP Report

## Dairy extension by processors

**Authors:** Kevine Otieno: [informkevo@gmail.com](mailto:informkevo@gmail.com) | Annabelle Daburon: [annabelle.daburon@wur.nl](mailto:annabelle.daburon@wur.nl)

## 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.

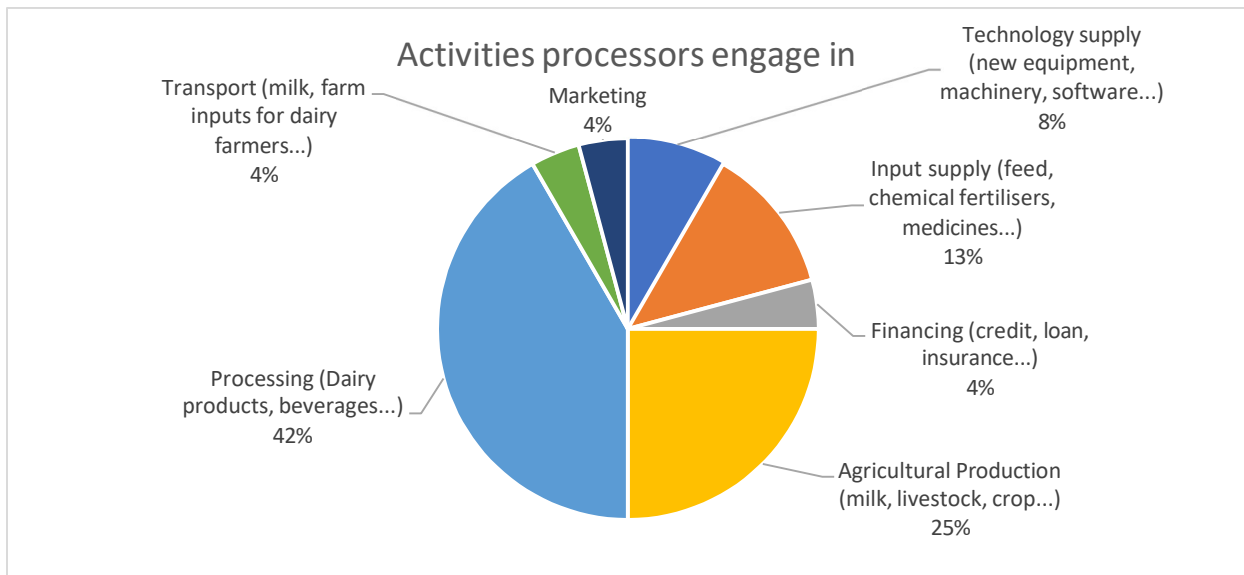
This document gives more detail about the dairy advisory services by processors. Find out other parts of the study through these links:

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

## Key features of processors

NEADAP conducted a survey to map and assess the capacity of dairy processors to deliver sustainable dairy advisory services in six East African countries. The **13 processors** that responded to the survey were distributed as follows: Burundi (30.77%), Tanzania (23.08%), Kenya (15.38%), Rwanda (15.38%) and Uganda (15.38%). This does not reflect the number of processors per country.

The processors have been operating for 0–3 years (7.69%), **4–7 years (46.15%)**, 8–11 years (23.08%) and more than 15 years (23.08%).



**Figure 1: Activities processors engage in**

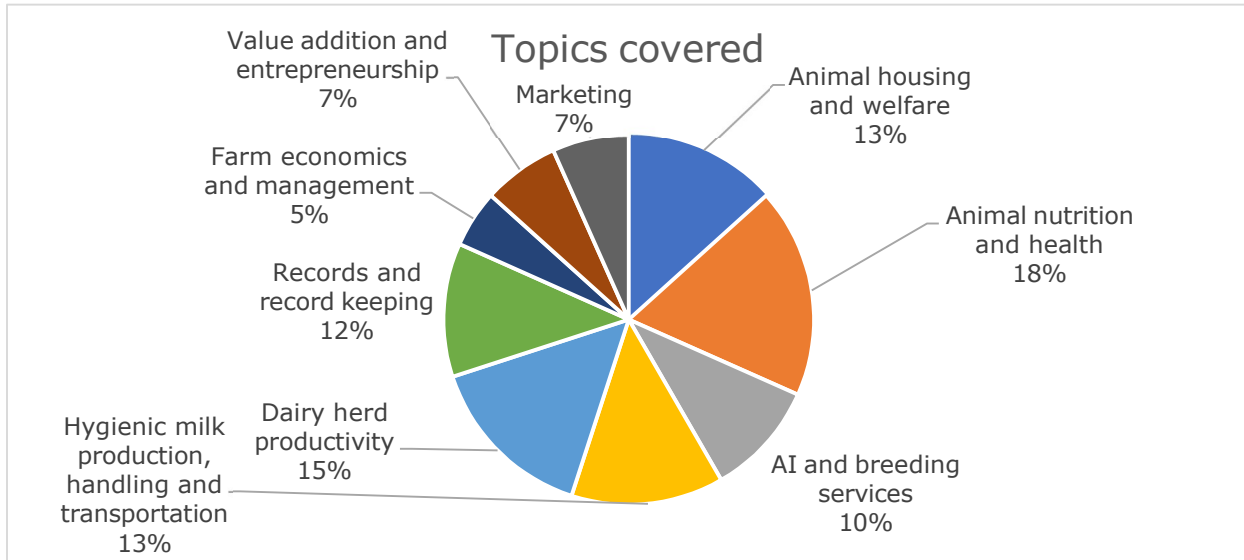
The main activity of the dairy processors that took part in the survey is **dairy processing (42%)**, followed by agricultural production (25%) and input supply (13%). The other activities are indicated in Figure 1.

The processors have staff compositions of 6–10 members (7.69%), 11–30 members (23.08%), 31–50 members (30.77%), 51–100 members (15.38%) and >100 members (23.08%). The gender balance of staff was as follows: 1–5 female staff (15.38%) and 6–10 female staff (38.46%). Also, 61.54% of the processors indicated that they had 11–30 members of staff aged under 30. In terms of numbers of staff dedicated to the extension service, responses were 1–5 extension staff (54%), 11–30 extension staff (23%) and 31–50 extension staff (23%).

In their dairy advisory service, processors cover a range of topics, as shown in Figure 2. Their main topics include animal nutrition and health (18%), dairy herd productivity

(15%), hygienic milk production, handling and transportation (13%), animal housing and welfare (13%), records and record keeping (12%), and AI and breeding (10%).

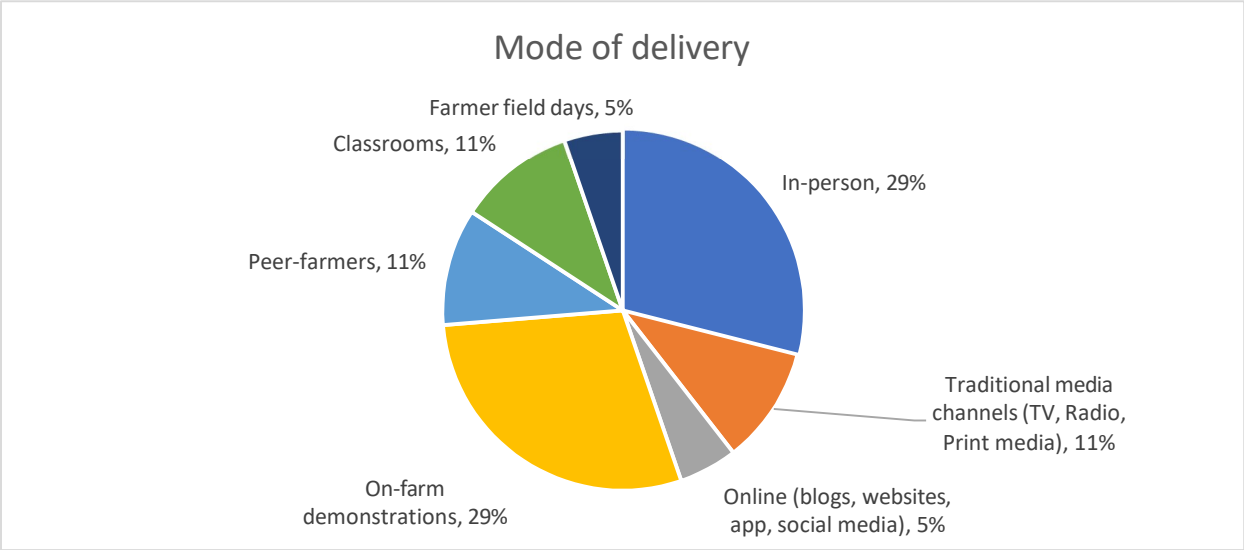
**They focus mainly on technical content, not on topics to strengthen their clients' soft skills.**



**Figure 2: Advisory topic areas**

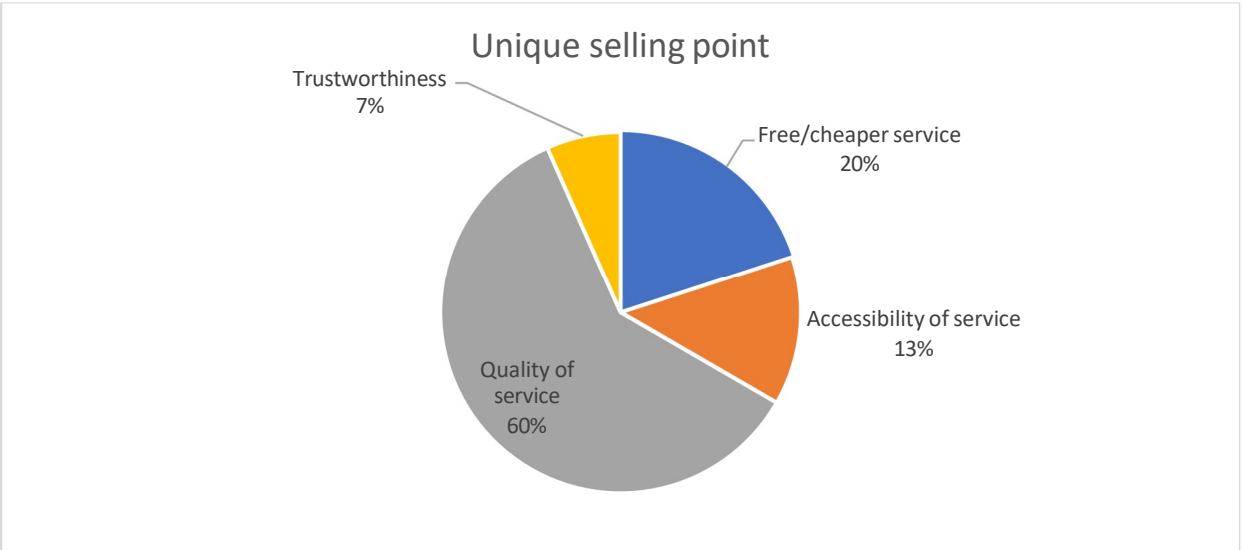
Processors target their dairy advisory services to **small-scale dairy farmers (67%)**, dairy animal breeders (13%), milk handlers (13%) and members of a cooperative society (7%) – that is, processors focus on producers with little attention for intermediaries or other dairy stakeholders that play an essential role in dairy value chains (input suppliers, milk traders and transporters, health practitioners, etc.). They describe their ideal customer for dairy advisory service as small-scale specialized dairy farms (31%), small-scale mixed crop and dairy farms (31%), medium-scale specialized dairy farms (19%), large-scale specialized dairy farms (12%) and medium-scale mixed crop and dairy farms (8%).

The audiences targeted by the dairy advisory services are mostly majority male (61.54%), followed by gender-balanced audiences (30.77%). Majority female audiences only comprise 7.69%. The age groups of the audiences are mostly **30–60 years (69.23%)**, under 30 years (15.38%) and all age groups represented in equal proportions (15.38%).



**Figure 3: Mode of advisory service delivery**

Processors deliver their **dairy advisory services mainly in-person (29%) and through on-farm demonstrations (29%)**. The other modes of delivery are shown in Figure 3. All the respondents monitor the impact of their dairy advisory services, using feedback reports (69%) and follow-up farm visits (31%). Overall, 92.31% of the respondents indicated that they collaborate with other value chain actors with complementary services in a mutually beneficial manner.



**Figure 4: Unique selling point**

Quality of service (60%) remains the strongest factor for customer loyalty to the dairy advisory services offered by processors. This is followed by affordability of the service

(20%), accessibility of the service (13%) and trustworthiness/reliability of the service provider (7%).

## SWOT analysis

|   |  |
|---|--|
| <b>Strengths (answers = 15)</b> <ul style="list-style-type: none"><li>• client relations (33%)</li><li>• service packaging/adaptability (33%)</li><li>• experienced staff (20%)</li><li>• capital (13%)</li></ul>   | <b>Weaknesses (answers = 12)</b> <ul style="list-style-type: none"><li>• fund constraints (75%)</li><li>• regulatory impediments (8%)</li><li>• inexperience (8%)</li><li>• farmers unwilling to pay (8%)</li></ul>  |
| <b>Opportunities (answers = 13)</b> <ul style="list-style-type: none"><li>• increased investments in dairy chain (46%)</li><li>• increasing demand for dairy extension services (23%)</li><li>• networking (8%)</li><li>• political goodwill (8%)</li><li>• changes in climate (8%)</li><li>• social capital – trust with clients and partners (8%)</li></ul> | <b>Threats (answers = 11)</b> <ul style="list-style-type: none"><li>• resource constraints (27%)</li><li>• inflation and high operational costs (27%)</li><li>• pests and diseases (18%)</li><li>• poor networking (9%)</li><li>• poor policies (9%)</li><li>• trust issues (9%)</li></ul> |

## Self-assessment of critical success factors for dairy advisory service provision by processors

The capacity of processors 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 processors successfully delivering dairy advisory services, as well as factors that hinder this success, were queried during a workshop with the processors engaged in advisory service provision.

### 1. The capability to act and commit

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

#### Critical success factors

- Policy (in form of standard operating procedures within the organization)
- Human resource (job descriptions, having the right person employed, setting key performance indicators)
- Constitute an extension team and resourcing (financial and training)
- Legal compliance

#### Hindering factors

- Inadequate financial resources
- Inadequate human resources (no regular training and capacity building)
- Inadequate organizational policies to guide extension services

## 2. Capability to deliver on development objectives

This capability assesses if the processor 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

- Adequate finances
- Reliability (good services to the customers)
- Effective communication (in both the channel and the content of the message to customers)
- Existence of a plan (to measure how sustainable the organization is)
- Effectiveness of policies and clear implication in terms of costs and other obligations
- Team composition
- Support from top management (efficiency in support and approvals of set objectives)

#### Hindering factors

- Uncoordinated work force
- Lack of commitment from top management
- Inadequate finances
- Improper articulation of the objectives (poor communications)
- Failure by the customer to adopt to the set organizational objectives

## 3. Capability to adapt and self-renew

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

#### Critical success factors

- Monitoring and evaluation tools and a team with the capacity to do so
- Continuous capacity building of the personnel
- Effective and efficient communication of the changes to customers
- Use of digital technology
- Flexibility in adopting new ways of doing things
- Compliance and aligning to new policies from government

#### Hindering factors

- Lack of monitoring and evaluation
- Resistance to change
- Lack of flexibility
- Non-compliance

### **4. Capability to relate to external stakeholders**

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

#### Critical success factors

- Participation in external workshops for an opportunity to connect with other dairy value chain actors
- Transparency (open-door approach and communication to stakeholders)
- CSR activities creates network with more partners
- Aligning the organizational objectives with the stakeholders
- Turnaround time (in response to complaints and concerns)

#### Hindering factors

- Poor communication
- Unreliability of the organization
- Disregard of stakeholders' interests

### **5. Capability to achieve coherence**

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

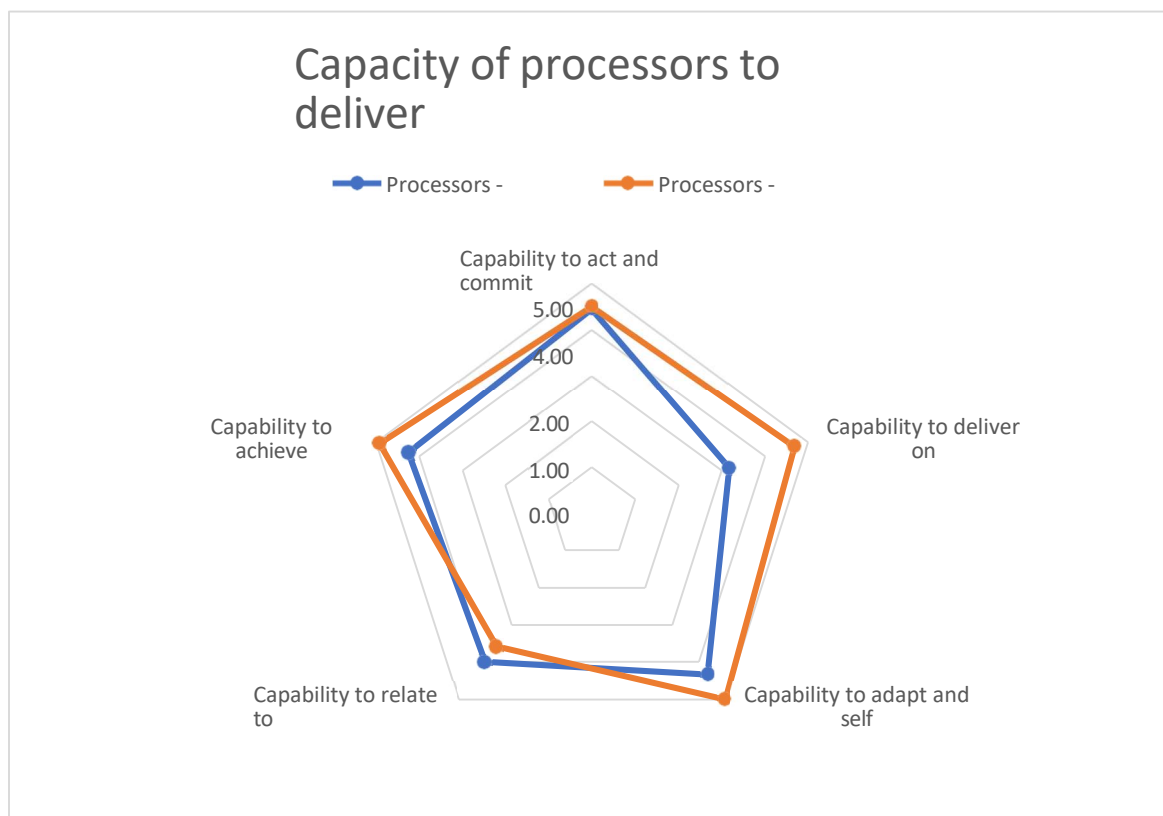
#### Critical success factors

- Good communication flow
- Formulation of standard operating procedures
- Continuous assessment to ensure that all the activities work as planned
- Team-building activities
- Good policy (identifies the gaps and how to respond and who does what)

### Hindering factors

- Lack of clear policy framework
- Lack of team work
- Lack of proper communication
- Internal politics

Figure 5 summarizes the average capacity of three processors, 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 processors did a self-assessment and compared their capacity when they first started delivering dairy advisory service (all three were established more than 15 years ago) and the current capacity at the time of the survey.



**Figure 5: Processor 5C analysis**

The results show that successful organizations perceive themselves as having strong to very strong capabilities in the five domains except in their capability to relate to external stakeholders. Since their creation, they have progressed in almost all their capabilities, especially in their capability to deliver on objectives. However, they mention a setback in their capability to relate to external stakeholders, which hinders their success.



## Recommendations from professionals for professionals

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

- Conduct a needs assessment before starting the work
- Ensure there is a good policy framework to guide the roles of the institution
- Conduct a stakeholder engagement and ensure that there is the right network
- Resource adequately in terms of people and finances
- Set up monitoring and evaluation tools
- Ensure good communication channels.

## Recommendations drawn from results for decision-makers

- There is strong demand from stakeholders for opportunities to strengthen networks with other stakeholders in the dairy value chain in East Africa. By being better connected, these stakeholders have more chance to identify, access and create business opportunities as well as to adapt their dairy advisory services to demand.
- Investing in dedicated extension services appears to be an efficient way for processors to secure their sourcing. Supporting processors with these ambitions seems to be a way that decision-makers can invest in a more sustainable dairy sector.
- Facilitating access to funding opportunities, allowing processors to invest in advisory services or equipment (cold chain, milk handling, etc.), could alleviate the current constraints faced by many processors. Joint initiatives with financial institutions could be considered.
- By adopting a multistakeholder approach in capacity building/training opportunities, all stakeholders impacting the quality of milk and dairy products could be reached. This could secure a lasting effect of advisory services.
- Processors have a vantage point in the dairy value chain and, as such, they can design their dairy advisory service to ensure end-to-end monitoring of milk production.

## 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.