



NEADAP Report

Dairy extension by input suppliers

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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 dairy advisory services by input suppliers. 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](#)
- [Dairy advisory services: Digital platforms](#)
- [Dairy advisory services: Financial institutions](#)
- [Dairy advisory services: Input suppliers \(this report\)](#)
- [Dairy advisory services: Processors](#)
- [Back to the overview at NFPCconnects](#)

Key features of input suppliers

NEADAP conducted a survey to map and assess the capacity of input suppliers to deliver sustainable dairy advisory services in six East African countries. The **41 input suppliers that responded to the survey are distributed as follows:** Ethiopia (29.27%), Tanzania (26.83%), Kenya (14.63%), Burundi (12.20%), Rwanda (9.76%) and Uganda (7.32%).

They have been operating for 0–3 years (19.51%), 4–7 years (31.71%), 8–11 years (31.71%), 12–15 years (2.44%) and 15+ years (14.63%).

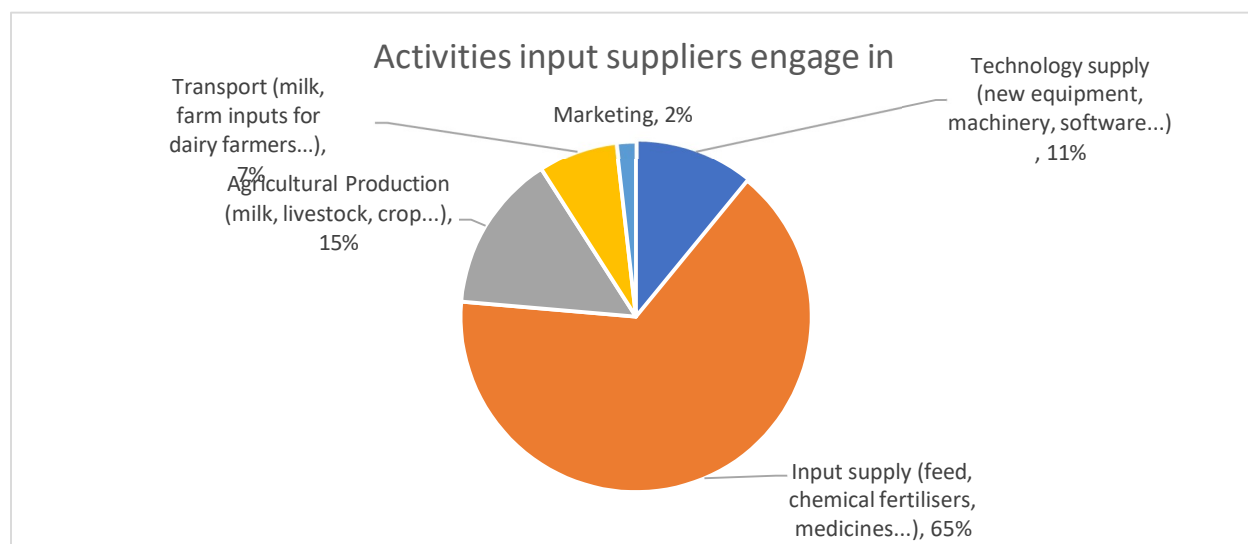


Figure 1: Activities input suppliers engage in

Input suppliers engage in multiple activities, but input supply as a business is the mainstay of 65% of the respondents. Other activities respondents engage in are agricultural production (15%), supply technology (including installation and servicing of machines, equipment and software) (11%), transportation services (for milk and farm inputs) (7%) and marketing (2%).

The input supply organizations have a staff size of 1–5 (45%), 6–10 (30%), 11–30 (12.5%), 31–50 (2.5%), 51–100 (2.5%) and >100 staff members (7.5%). In organizations with 1–5 staff members, a clear majority of them are younger than 30 (70%) and female (77.5%).

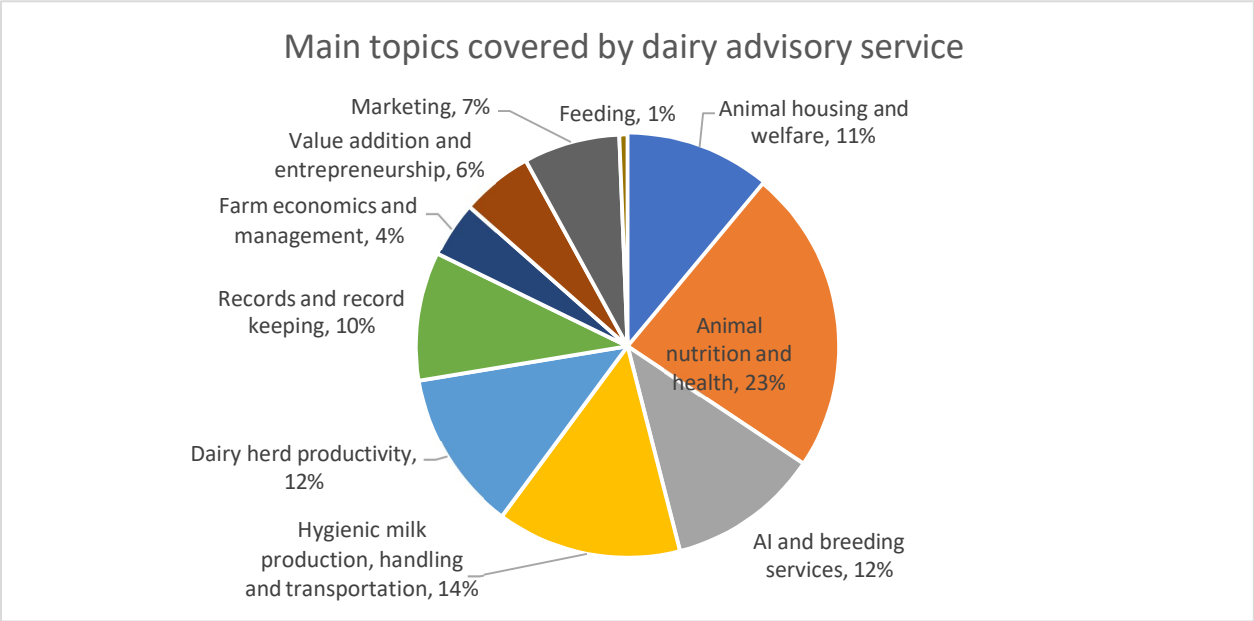


Figure 2: Advisory topic areas

The topics covered by their dairy advisory service reflect the type of product they are offering. A significant proportion of them **cover topics on animal nutrition and health (23%) followed by hygienic milk production, handling and transportation (14%). They also cover topics on dairy herd productivity (14%), AI and breeding (12%), animal housing and welfare (11%) and records and record keeping (10%). These services target small-scale dairy farmers (68%), members of the cooperative society (13%), commercial dairy farmers (11%) and dairy animal breeders (9%).** Most of the audiences getting dairy advisory service from input suppliers are male (57.5%) and aged between 30 and 60 years old (52.5%).

Input suppliers deliver most of their advisory services via in-person exchange (36%) and on-farm demonstrations (23%). The other modes of dairy advisory service are less frequently used.

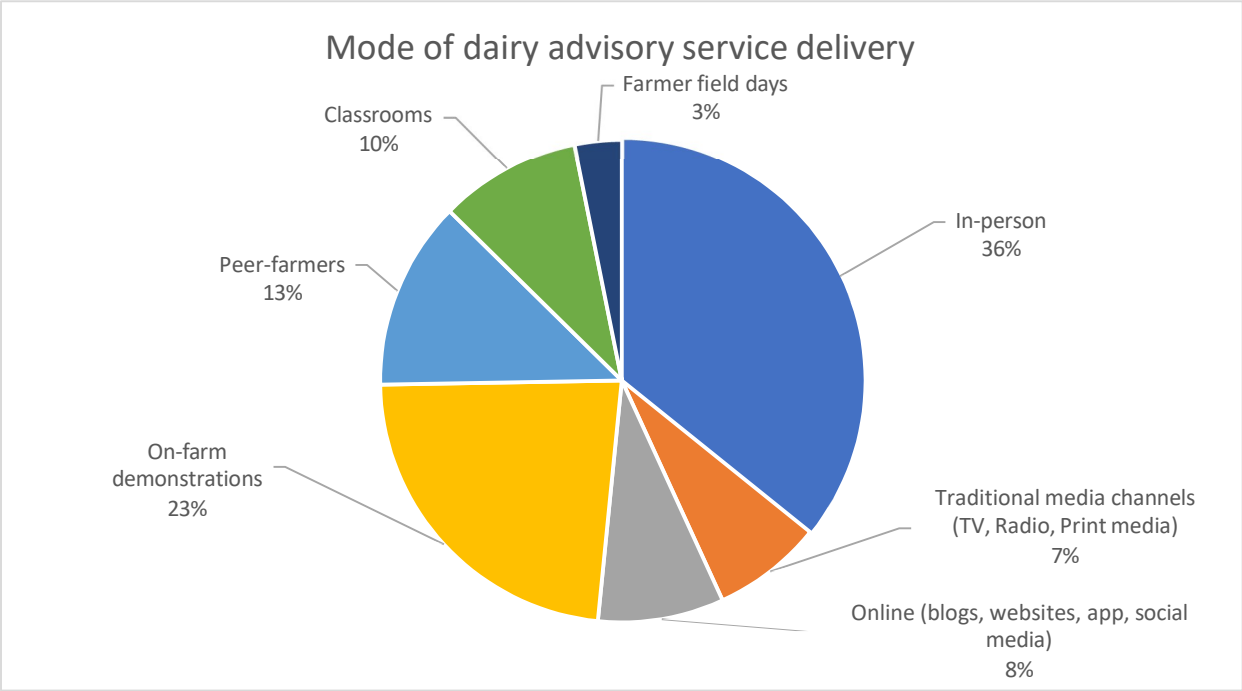


Figure 3: Mode of advisory service delivery

After providing dairy advisory services, **92.5% of the input suppliers assess the impact of their services** through follow-up visits (42.11% of the time) and progress reports (57.89% of the time). Those that do not monitor impact cite inadequate resources (little monetary resources to fund activities). Of the respondents, **92.5% indicated that they collaborate with other value chain actors who offer products and services that complement what they are offering.**

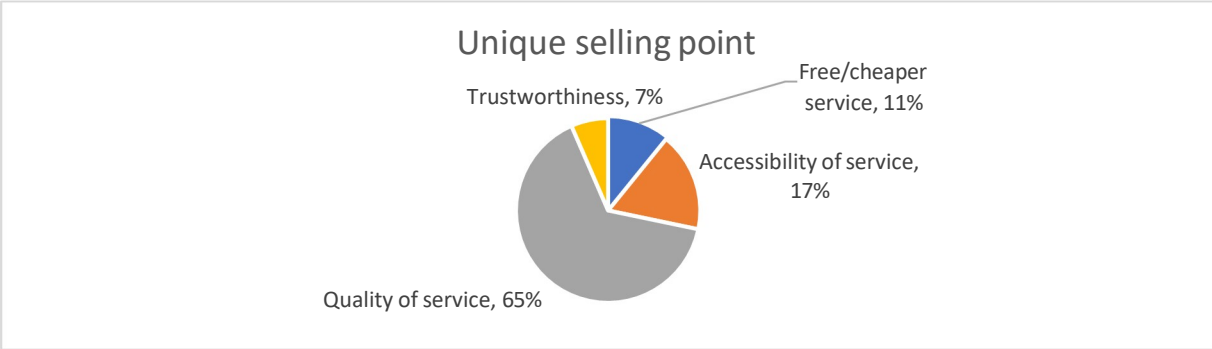


Figure 4: Unique selling point

Quality of dairy advisory service is the strongest reason (65%) for dairy farmers remaining loyal to input suppliers. They also cite accessibility of service (17%), affordability (11%) and trustworthiness/reliability (7%) as the main contributing factors to customer loyalty to the dairy advisory services they offer.

SWOT analysis

Strengths (answers = 42) <ul style="list-style-type: none">• experienced staff (36%)• client relations (24%)• service packaging/adaptability (21%)• strategic plan (10%)• capital (5%)• location (5%)	Weaknesses (answers = 38) <ul style="list-style-type: none">• fund constraints (79%)• weak structures/inefficiencies (8%)• farmers unwilling to pay (5%)• few staff (5%)• inexperience (3%)
Opportunities (answers = 45) <ul style="list-style-type: none">• increased investments in dairy value chain (36%)• increasing demand for dairy extension services (27%)• networking (16%)• new technologies (9%)• social capital/trust (7%)• political goodwill (2%)• changes in climate (2%)	Threats (answers = 42) <ul style="list-style-type: none">• resource constraints (31%)• inflation and high operational costs (24%)• natural calamities (17%)• new entrants (12%)• poor policies (5%)• pests and diseases (3%)• poor networking (2%)• limited skilled employees (2%)• trust issues (2%)• poor technology (2%)

Self-assessment of critical success factors for dairy advisory service provision by input suppliers

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

1. The capability to act and commit

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

Critical success factors

- Open communication and information flow
- Compliance to statutory requirements
- Regular meetings for staff
- Having clear roles and responsibilities for staff
- Capacity building of staff
- Implementing a clear organizational structure
- Use of bottom-to-top management approach

Hindering factors

- Rigid company policies
- Poor communication leading to miscommunication
- Failing to adapt to technology
- Competitive priorities (competing interests) for long-term goals
- Lack of transparency
- Unresolved internal controls
- Segregation among staff
- Lack of product knowledge

2. Capability to deliver on development objectives

This capability assesses if the input supplier 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

- Good relations
- High level of professionalism
- Relevance to the prevailing circumstances in the industry
- Organization structure – proper management structures

Hindering factors

- Inadequate financial resources to allocate to activities
- Poor remuneration leading to low motivation

3. Capability to adapt and self-review

This capability measures the ability of the input supplier 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

- Benchmarking and monitoring trends

- Access to information
- Investment in resources and development
- Being open to innovation
- Monitoring and evaluation
- Retooling/capacity building for workers

Hindering factors

- Little access to information
- Inadequate resources
- Inconsistency in service delivery
- Supply shortages from manufacturers
- Market for dairy products – low per capita consumption of dairy products
- Hiccups to supply of farm labour and food security
- High cost of service delivery

4. Capability to relate to external stakeholders

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

Critical success factors

- Governance structure should be well outlined
- Good public relations
- High level of professionalism
- Pursuit of networking opportunities
- Participation in exhibitions

Hindering factors

- Limited knowledge about the product and its uses
- Breach of agreements
- Poor supply of quality equipment
- Monitoring and evaluation shortfall
- Inability to keep up with advance in technology

5. Capability to achieve coherence

This capability assesses the ability of an input supplier to be united in its mandate to deliver core products and services.

Critical success factors

- Governance structure
- Producing quality equipment
- High quality services

- Good political environment policy
- Availability of financial resources
- Time management

Hindering factors

- Inadequate resources to install systems that promote unity, especially in large organizations where installation costs can be very high
- Poor education/low skills in ICT leading to unwillingness to change and adopt new ways of doing things
- Failure to track and act on feedback
- Rigid policies stifling change within the organization

Figure 5 summarizes the average capacity of three input suppliers, 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 input suppliers did a self-assessment and compared their capacity when they first started delivering dairy advisory service (two of them were established between 4 and 7 years ago and another more than 15 years ago) and the current capacity at the time of the survey.

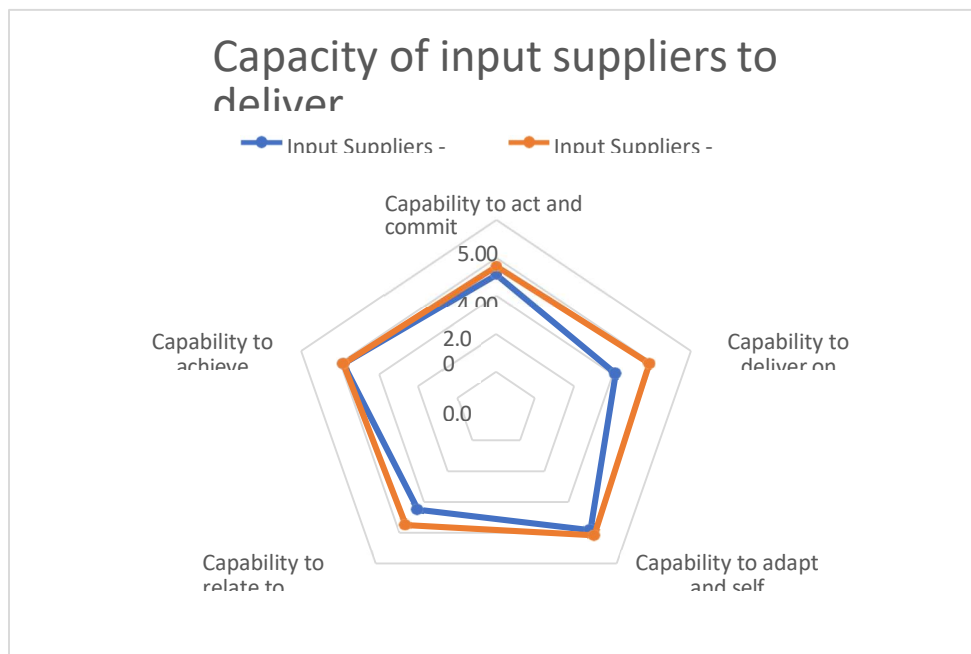


Figure 5: Input supplier 5C analysis

The results show that successful organizations perceive themselves as having strong capabilities in the five domains. Since their creation, they have progressed in their ability to deliver on objectives but have mainly stayed stable from their own assessment. Their capability to relate to external stakeholders slightly improved but remains slightly weaker than the rest of their capabilities.

Recommendations from professionals for professionals

During a workshop, the input suppliers themselves identified several critical factors that an input supplier should prioritize in the early stages of setting up a dairy advisory service:

- Location of the input suppliers
- Marketing of the inputs
- Visibility
- Needs assessment of the farmers
- Resources availability
- Registering the business
- Product knowledge
- Market intelligence or market research
- Having human resource in place.

Recommendations drawn from results for decision-makers

- The input supplier model of dairy advisory service delivery is quite popular and common. It interlinks an important proximity and input supply to farmers. Strengthening this model can contribute to the sustainability of the dairy industry in East Africa. Farmers can improve the use of inputs and their farm efficiency, while input suppliers can diversify their services to clients.
- Soft skills training is needed to strengthen the capacity of input suppliers in dairy advisory service delivery. Client relations remain a key success factor in building a sustainable dairy advisory service. For example, training input suppliers to adapt their business and extension provision on the basis of client feedback could be a promising opportunity towards improved efficiency.
- The cost of installing and maintaining technology is quite high. Facilitation to adopt (acquiring, installing and training on how to use technological interventions) these productivity-enhancing technologies can be a big leap in enhancing sustainability in dairy advisory service delivery in East Africa.
- Facilitation of partnership/collaboration opportunities for input suppliers appears to be highly demanded by input suppliers themselves.

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.