

SETTING THE SCENE

Experiences & lessons learned on collection, processing and marketing

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Dairy Expert Round Table Meeting
 "Competitive Dairy Value Chains In Southeast Asia"
 Muak Lek, Thailand, December 8-9, 2010



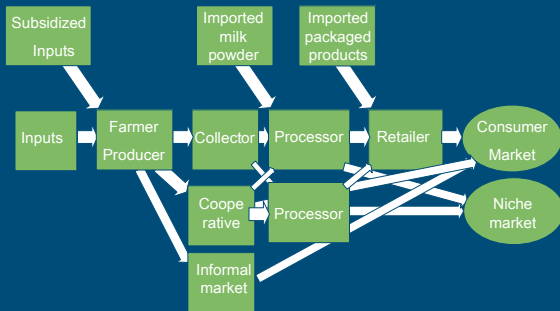
Context and objective

- Character of value chains in Southeast Asia
- Key issues and possible solutions
 1. Sustainable sourcing
 2. Reliable Inputs & Services
 3. Product Quality Assurance
 4. Competitive prices
 5. Industrial or small-scale processing?
 6. Enabling environment

Value Chain



Value Chain – Is it so simple?



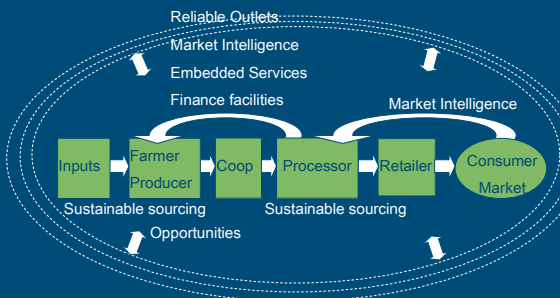
ISSUES in collection, processing, marketing

1. Sustainable sourcing

- Keeping farmers interested: Price, chance of rejection, seasonal fluctuations in supply (hot season) and in demand (school holidays)
- Collection inefficiencies affecting prices
- Low input = Low output

→ Chain embedded services, long shelf life products

What do Producers & Processors need?



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2. Reliable Inputs & Services

- Value chain integration – Strengthening links between processors-farmers-input suppliers, e.g. through Chain-embedded services
- Value chain coordination & advocacy, e.g. through national Dairy Board
- Skilled personnel and capable organizations - Capacity development services

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3. Product Quality Assurance

How to improve milk quality?

- On farm or from collection onwards?
- Start with consumer demand?

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4. Competitive prices

Compete with imports / world market prices

- Reduce cost price along chain (Indonesia ↔ Thailand)
- Niche marketing – cater to special demands - fresh milk, school milk schemes

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5. Industrial or small-scale processing?

Bulk or niche? Central or local processing?
Local, regional or national branding?

Who is best situated for what?

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6. Enabling environment

- Protection of budding sector / import levies, minimal local production
- Definition of fresh milk
- Consumption promotion – school milk

Thank you for your attention

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Capacity development – definitions used

- **Capacity building (CB)**

individual level capacity development of knowledge and skills



- **Organizational development (OD)**

organizational level capacity development of organizational competencies and strategies



- **Institutional strengthening (IS)**

capacity development for a group of actors (like the dairy sector), mainly focusing on institutions (*enabling environment*, "rules of the game", e.g. policies)

