Reducing gender gaps in the dairy sector through gender-responsive business services

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Résumé : L’approche de la FAO sur le développement durable des chaînes de valeurs se penche avec attention sur l’équité sociale et de genre. Elle a pour but de donner aux femmes davantage d’opportunités pour une meilleure efficience et plus de compétitivité tout au long de la filière laitière. Des programmes conçus dans cet esprit peuvent améliorer les revenus et la qualité de la nutrition des ménages pauvres, des possibilités d’emploi et favoriser le développement durable dans le secteur laitier. Le “Lessos gender-sensitive Business Service Centre” est une expérience novatrice dont les enseignements peuvent être tirés pour relever l’une des principales contraintes qui sape le potentiel entrepreneurial des femmes rurales dans les filières agroalimentaires : le manque de services de développement des affaires, destinés aux femmes, capables de promouvoir l’incubation et la croissance de la famille et des entreprises dirigées par des femmes en milieu rural.

Abstract : Dairy value chains on a global scale are a unique driver of development enhancing economic growth, food security and nutrition while reducing poverty (FAO, 2013). During 2018, milk outputs are anticipated to increase in all major regions (FAO, 2018) providing new opportunities for employment and entrepreneurship for rural families. Across the world’s varied dairy production systems and regions, women are main actors in dairy production, including the processing and marketing of milk and milk products. Despite their significant contribution, women remain overwhelmingly represented in the informal sector and in the low-skilled, low-paid nodes of the dairy value chain; their involvement in dairying generally declines as the activity becomes more important for household income, with limited access to secure and decent employment opportunities. Consequently, women usually do not benefit from dairy value chains in the same way that men do, affecting how value chains operate at every level. FAO’s approach to sustainable value chain development gives strong attention to social inclusiveness and gender equality, and aims at providing women with equal opportunities to achieve higher level of efficiency and competitiveness along the dairy value chain. In this respect, well-designed programmes in the dairy sector can improve incomes and quality of nutrition of poor households, provide employment opportunities and enhance sustainable development. The Lessos gender-sensitive Business Service Centre is an innovative experience from which lessons can be drawn to address one of the key constraints that undermines rural women’s entrepreneurial potential in agrifood value chains: the lack of gender-sensitive business development services capable of promoting the incubation and growth of family and women-led enterprises in rural settings.
Introduction

This paper aims to stimulate the debate on innovative and gender responsive practices for the provision of rural business services, the role of producer organizations and institutional arrangements to enhance market access for small-scale dairy farmers. It builds on the experience of the Lessos Business Service Centre (LBSC) in Kenya, in the context of the FAO programme “Enabling women to benefit more equally from agrifood value chains”. This programme was implemented in eight countries in Africa with funding from the Swedish International Development Cooperation Agency from 2015 to 2017. In Kenya, the programme was implemented in partnership with the Ministry of Agriculture, Livestock and Fisheries, the Lessos Dairy Farmers Cooperative Society and the Kaimosi Agricultural Training Centre (ATC) with the scope of strengthening the capacities of women, farmers, entrepreneurs and their organizations to effectively participate and benefit from dairy value chain.

To document the experience of the LBSC, primary sources of information were used, such as a gender strategy, periodic reports, capacity development materials, field based baseline and end-line surveys that measured changes in women’s participation and benefits in the dairy related activities.

1. Global trends

The most recent estimates showed global hunger had increased in 2016 and the number of undernourished people would have reached 821 million – around one person out of every nine in the world- in 2017. Undernourishment and severe food insecurity appear to be increasing in almost all subregions of Africa, as well as in South America, while this situation is stable in most regions of Asia. This deterioration is explained by increased conflicts, adverse climate events and economic slowdowns that have affected regions that are more peaceful and worsened the food security. Without increased efforts, the world will fall far short of achieving the SDG target of eradicating hunger by 2030.

In this context, the development of the dairy value chain on a global scale is a powerful driver for development. Milk and dairy production can simultaneously improve nutrition and reduce poverty, contributing to improving health and well-being of many globally by increasing milk availability from production, leading to increase direct consumption, and increase access to higher-quality products because of increased income.

During 2018, global milk outputs were anticipated to increase in all major regions, estimated at 843 million tonnes, an increase of 2.2 percent from 2017, with the largest foreseen in Asia, followed by Europe, North America and South America. Milk output expanded in all other regions: in Africa, Oceania and Central America, and are likely to recover from downturns experienced in 2017. Trade in dairy products has expanded due to several factors, increased demand, improved processing and shipping technologies, among others. While the growing demand for dairy products continues to grow steadily, it also increases the pressure on the livelihoods of small-scale dairy producers, which lack proper infrastructure, supporting services and credits or subsidies. They are confronted to a competitive growing market, and to the rising threats to the environment and to human and animal health, which leads to a more formalized market and the establishment of strict standards and regulations.

For example, although Africa has 13.4 million dairy farms, with an annual milk production of around 31 million tonnes and dairy products being the third largest strategic commodities traded in the continent,
during 2015 only seven per cent of all dairy produce traded in Africa were supplied locally\(^1\). This implies more imported pasteurized milk until local production can develop the technology and packing capability to meet demand, positioning small-scale producers in a vulnerable position.

These challenges require attention if the continued development of the sector is to be sustainable and socially inclusive. In order to take advantage of the opportunities given by the rapid expansion and transformation of the global dairy sector and providing new opportunities for employment and entrepreneurship for rural families, several actions need to be taken.

2. Women’s role in dairy value chains

The role of rural women in agricultural production and food and nutrition security is fundamental. On average, women comprise 43 per cent of the agricultural labor force in developing countries and account for an estimated two-thirds of the world’s poor livestock keepers. In many rural communities, women traditionally have an important role in milk production – especially milking and feeding – and are involved in the collection, processing and marketing of dairy products. Dairy provides multiple resources to poor families, such as food, fertilizer, fuel, cash and savings. Sometimes women are the decision-makers for household food and nutrition choices; this explains the importance of the modest but regular cash incomes they receive from dairying. Although much of their labour is non-monetized, women often decide the amount of milk to be sold and often decide on how to use the revenues generated from milk sales. The woman of the household generally uses milk money to buy food items, clothing and other necessities and to pay for children’s education and basic health care.

Despite their significant contribution, rural women remain overwhelmingly represented in the informal sector and in the low-skilled, low-paid nodes of the dairy value chain; their involvement in dairying generally declines as the activity becomes more important for household income, with limited access to secure and decent employment opportunities. Women and girls are often excluded from household decision-making processes, especially regarding the disposal of animals and animal products. They continue to be disadvantaged in their access to productive resources and markets, linkages to new technology, market information, financial services and education and training. For instance, evidence from specific countries suggests that women who receive extension services is still very low: in Ethiopia only 20 percent of extension services reach women; in India, it is only 18 percent; and in Ghana, only 2 percent. In addition, when they do have access, the information, technologies and practices are usually tailored to the needs of men and may not be relevant to women.

Furthermore, rural women face gender related constraints such as illiteracy, excessive work burden and time poverty, as well as limited voice in relevant institutions and organizations that prevent them from engaging profitably in, and benefitting equally from dairy schemes development.

Consequently, women usually do not benefit from dairy value chains in the same way that men do, because of this lack of female control over livestock assets and income on family welfare, as well as the heavy work burden of domestic and care unpaid work. Furthermore, the inequalities in resources and power between men and women have an impact on how value chains operate at every level, undermining the opportunities to compete in the growing markets. Nevertheless, there are plenty of chances to seize

\(^1\) Countries responsible for almost 93 per cent of intra-African trade of dairy products are: South Africa with 62 per cent, Uganda with 12 per cent, Morocco with ten per cent and Togo with nine per cent.
for women’s participation and female entrepreneurs in dairy value chains and livestock in general, even those dominated by men.

3. Fostering participation of women in dairy value chains

Evidence shows that dairy production programmes are more effective than traditional agricultural production interventions if targeting inputs to women and work more broadly on women’s empowerment. According to a research by A. Senders, there are strong arguments to support women in dairy value chain development:

- Women are active milk suppliers and their groups supply the same or more milk than men groups,
- Producer organizations perform best with a female leader,
- Women participation/leadership positions increase the number of participants,
- Targeting and involving women (groups) in interventions show better results (loyal milk supplier and more hygienic, higher milk volumes and better milk quality).

FAO’s approach to sustainable value chain development gives strong attention to social inclusiveness and gender equality, and aims at providing women with equal opportunities to achieve higher level of efficiency and competitiveness along the agri-food value chain. Social sustainability is one of the three principles to measure value chain performance together with economic and environmental aspects. In this respect, well-designed programmes in the dairy sector can improve incomes and quality of nutrition of poor households, provide employment opportunities and enhance sustainable development.

In the past few years, FAO has gained significant experience on gender-sensitive value chain development and has developed a solid package of knowledge and capacity development material. At regional and country level, FAO has applied an integrated approach to:

1) Strengthen the technical and entrepreneurial skills of rural women to improve their engagement in dairy value chains;

2) Investment in national capacity and local dairy organizations and institutions to influence policy formulation and to facilitate smallholders, including women’s participation in dairy-industry development programmes;

3) Develop analytical tools and capacity development material to support policy-making and programme implementation.

3.1. Lessos Business Service Centre in Kenya

The issue

The Lessos Cooperative was established in 1962 in the Lessos district in Nandi County, which is the leading region for dairy production. The Cooperative is a key stakeholder in the dairy value chain of the area and counts 3,743 smallholder farmers, 60 per cent of them are women. Working as a business service hub, the organization embedded a savings and credit cooperative (Le-Pesa SACCO), extension and para/veterinary services including artificial insemination, input-supply - agro-vet store, transportation services, all revolving around the bulking, chilling and testing plant located at the Cooperative venue. Through a participatory process, several challenges faced by the cooperative where identified and
targeted. Among these, the need to strengthen the cooperative management, improve contracts with processors and address the constraints faced by women to fully participate in the cooperative.

According to a dairy value chain assessment in Kenya, the main constraints behind the segregation of women’s participation in the dairy value chain, which is mainly concentrated at the primary production, include: limited knowledge on business-oriented farming, entrepreneurial and negotiations skills, time poverty and higher work-load for women compared to men; inadequate access to resources, services and markets and unequal power dynamics at household and community levels.

To overcome such a situation, FAO provided technical support to Lessos Cooperative, in order to establish a Business Service Centre (BSC), which provides women and men members and non-members of the organization, with a range of gender-responsive training and services to promote business-oriented dairy farming.

FAO worked closely with the Board of the Directors and members of the Cooperative engaged in a participatory consultation process to develop a business centre. The process adopted a household-oriented approach, aiming at building consensus among household members on shared goals, with a focus on strengthen their entrepreneurial attitude, while paying specific attention to addressing gender inequalities. The Board discussed the opportunity to establish the centre based on expected benefits for the community, the economic returns and the resources necessary for its operationalization. The Centre started its activities at the end of 2016.

The innovation

What services does the centre provide?

As a facility of the Cooperative, the Centre works in close synergy with the other units of the organization. The Lessos Cooperative, since its creation, is providing agricultural services and financial services to its members. However, to overcome the “gender gap” women need new capacities in terms of knowledge, skills and experience. The BSC offers a portfolio of highly affordable services including:

- **gender-sensitive training** on enterprise development and farming as a business;
- **business services** such as business planning with a focus on preventing gender-based constraints; business exposure through exhibitions, field visits and demonstrations; information and communication services to better link smallholders to agricultural markets and support services such as business registration and income tax payment;
- **linkages to public and private external services providers** to favour access to: advisory services in dairy farming and value addition, labour-saving technologies and agricultural inputs, financial services and business planning and, lastly, social services such as reproductive health and insurance.

To facilitate the establishment of the linkages between the members of the cooperative and external service providers a privileged channel was established with the government-funded Kaimosi ATC, which provides short-term trainings to farmers through practical learning and demonstrations. In the context of the programme it organized a training workshop on processing milk into dairy products to facilitate the farmers supported by the BSC to access value addition opportunities.

How the centre operates?
The centre is managed by a women dairy farmer, the Coordinator, who is a computer literate with experience in business management, training and communication skills to mobilize and engage many stakeholders in the community. She works in collaboration with the extension team of the Cooperative and with a group of community facilitators. Both, the Coordinator and facilitators were equipped with the knowledge to manage successfully the centre. The Coordinator together with facilitators, trained in gender sensitization, business management and gender-sensitive business planning, a group of 40 highly motivated farmers (both men and women) engaged in breeding, commercial dairy farming, fodder production and value addition, who were also supported in establishing their own business. They operate as testimonials of successful models of gender-sensitive farms within their own communities.

Who pays the services?

The business center operates as an independent profit center. All the services supplied by the centre are offered at an affordable cost, which varies depending upon the type of services provided and the purchasing power of the clients. The centre is sustained through affordable and nominal fees that farmers and other service providers pay for the above-mentioned trainings, business and support services. The revenue generated contribute to cover the costs of the BSC Coordinator, the office running costs and provide a basis to expand the services portfolio.

Promising outcomes

Some promising outcomes can be identified. Over the first year, the LBSC supported the promotion of 40 startups, of which 35 women-led operating, for instance, in the field of breeding, fodder production and vehicle maintenance.

Some of the existing farms have benefited from a more equal division of labor, responsibilities and decision-making between women and men, where wives operate now as partners of their husbands in running the business, earn money and have access to loans through personal account at the local SACCO, with the possibility to act as collateral for their husbands. The centre has also spurred women and men’s access to the services supplied by the cooperative:

- By the end of 2017, women constitute 58 per cent of average monthly savers at Lepesa SACCO, up from 48 per cent in 2016, accessing 59 per cent of total value of loans disbursed in 2017, up from 39 per cent in 2016. The savings facilitate to invest in new technologies and business expansion (e.g. small biogas plant).

- the centre has facilitated access to external services thanks to the partnerships established with 25 public and private providers of technologies, agricultural inputs, insurance, social security, family and reproductive health.

- Moreover, the centre has trained 654 farmers, 54 per cent of them are women, on gender-sensitive and business-oriented farming and value addition. After the training some of the male members have volunteered to engage themselves in community sensitization on existing inequalities between men and women.

At the level of the Cooperative:
At the level of the LBSC

Women dominate as milk suppliers in 2017, making an annual average of 68% compared to 42% in 2016.

Women increase among registered members from 42% to 52%.

Women constitute 38% and 66% of farmers accessing inputs on check-off (credit) and attending extension meetings respectively.

Women access 59% of total value of loans disbursed by Lepesa SACCO in 2017, up from 39% in 2016.
Key drivers

The case provides a feasible approach to establish a service business centre whose key features and related benefits are synthetized below:

- **Structure**: the centre has been established as a unit of the cooperative to build on existing trust and accountability among farmers and the cooperative staff/board;

- **Relevance of the services**: the centre supplies a bundle of services and trainings that complement the ones offered by the cooperative and respond to the knowledge gaps, constraints and socio-economic disparities of marginalized farmers (in this case gender-sensitive business services). Moreover, the attention paid to providing appropriate and innovative services, which respond to the needs of women and men farmers as well as the continuous exposure of the community to successful gender-sensitive businesses contributed to increase centre’s reputation. This stimulates the local demand for trainings and services diversification.

- **Peer to peer service delivery**: the engagement of well recognized and qualified community farmers, including women, in the management and service delivery as well as trained farmers in community sensitization have incentivized farmers to use the BSC services and attend trainings;

- **Financial and social sustainability**: although in the initial phase the Cooperative supports some of the operational costs of the centre, the plan is to cover all its operational costs by revenue generated from the services and trainings supplied to members and non-members laid the foundations to ensure its financial self-sustainability in the long-term.

- **Partnerships** - the centre has developed linkages with associated institutions and service providers sensitized on gender equality issues, to broaden the portfolio of services accessible to its clients, including health and security services. Key partners include the Ministry of Agriculture, local authorities and public and private service providers.

### Challenges and limitations

- The programme covered the initial-piloting phase, and more efforts to engage and build the capacity of the board and management staff of the coop on the operations and anticipated
benefits of the BSC model were required to guarantee smooth take-off, operations, and sustainability of the centre.

- **Aligning value addition technical skills training events with investment capacities of target groups increases the likelihood of post training application at a commercial scale.** The major post training constraints faced by women who underwent the milk value addition technical skills modules were limited access to physical assets and capital required to engage in small scale milk processing at a commercial scale individually. Equally, they lacked the social capital assets required should they have chosen to invest in a collective enterprise model. This is because they were not organized into any form of a group by the time they went for the modules.

- **Residential capacity building events held away from the communities were unable to attract women participants as anticipated.** This was the case despite making elaborate measures such as: breaking the training sessions into 2-3 days per module, communicating the training schedules in advance, organizing pooled transport, ensuring comfortable accommodation and catering facilities. Equally, other advanced technical training topics such as fodder seeds production attracted very few women (2 out of 15 high potential farmers). These experiences indicate that the dilemma on how to design and implement gender transformative agricultural extension systems is confronted with cultural norms and mobility restrictions faced by women, behavioral change that require longer periods.

- **Pre and post training assessment results for the two gender workshops held for staff of county government of Nandi, and national government’s livestock policy review taskforce team revealed that the gender capacity gaps were significant.** Equally, the gender capacity of public institutions providing agricultural training and extension services were teased to be generic.

**Concluding remarks**

The case demonstrates that the promotion of women participation into agri-food value chains can be facilitated by an improvement of the capacities of cooperatives to provide and channel trainings and services that respond to the needs of women and men farmers.

The Lessos gender-sensitive Business Service Centre is an innovative experience from which lessons can be drawn to address one of the key constraints that undermines rural women’s entrepreneurial potential in agrifood value chains: the lack of gender-sensitive business development services capable of promoting the incubation and growth of family and women-led enterprises in rural settings.

Incubators or business services centres are not new; the innovation relies on considering gender implications at the core of the centre. This implies that the centre is organized responding to the needs of the targeted population, women and men, and includes the development of knowledge and skills, through trainings and services that address, in a tailored manner, technical bottlenecks related to dairy as well as specific gender based constraints. These type of initiatives foster smallholders and women in particular, to play a more significant role in dairy-industry development, strengthening local economies while promoting behavioral change regarding gender inequalities.

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