



Food and Agriculture
Organization of the
United Nations



GLOBAL DAIRY PLATFORM



Dairy Development's Impact on Poverty Reduction

RESEARCH SUMMARY

Global Agenda for Sustainable Livestock





Dairy sector development is regarded as a promising avenue for supporting the achievement of SDG1 (poverty reduction).

This study rigorously assessed the available evidence for causal relationships between dairy development and improvement in human welfare. It evaluates the existing evidence of how and to what extent the impacts of dairying contribute to poverty reduction and to improving socio-economic factors.



Main Findings



At the highest level, this study shows that **dairy has a role to play in poverty alleviation**. Dairying contributes a regular source of food and income and puts farmers in a better position to feed their families, send their children to school, provide for their family's health, and invest in their future.



The reviewed literature provides strong evidence that in specific settings **dairy development makes a significant contribution to poverty reduction**, both at household and community level.



Across all household-level studies, dairy cow ownership and/or improvement of dairy cow production consistently had a **substantial positive impact on a wide range of welfare indicators**.

The results and their consistency across study types, countries and indicators provide strong evidence that engagement in dairying was the **cause rather than the result of higher household welfare**.



Women empowered by dairy farming have increased income and influence over household expenditures, which boosts their social and economic capital.



Provision of market access further enhances the development potential of dairying as it stimulates the growth of up- and downstream businesses and provides producer households with proceeds that can be invested in other farm and non-farm enterprises.



Dairy provides a major pathway out of poverty for individuals, families, and communities by making the necessities of life – food, water, shelter and clothing – accessible and affordable.



Household Level Findings

Studies evaluated a dairy cattle transfer programme five to six years after its inception. The evaluation found “that **families that barely managed to survive six years ago are now considered wealthy.**” After 3-4 years, some farmers saved enough to improve their houses, to increase their land area under crops, and to send their children to secondary school.



Milk consumption and nutrition

All studies support the finding that **dairy cow ownership in developing countries improves nutrition outcomes.** In the studies analyzed, milk consumption has increased between 33% and 900%.



Income

In several studies, total income attributable to dairy cow ownership **increased between 27% and 115%.**

Other studies found that improved dairy cow management resulted in substantial **increases (46% to 600%) in dairy income and total household income.**



Crops yields (food security)

Crops yields for own consumption, as well as for selling out of farm, **increased between 96% and 175%.** Additionally, families adopting dairy cows **increased their cultivated area by 39%.**

Employment generation

Dairy farming results in **substantial employment generation and value-addition** beyond the farm gate, which in turn spurs development and poverty reduction in the wider community.



Farms with dairy cows, in addition to generating significantly more employment per cow than farms without dairy cows, also paid higher wages

In **Bangladesh, Ghana, Kenya and India,** studies show that raw milk collection and distribution creates between **20 and 40 full-time jobs per 1,000 litres** of traded milk.



In **India,** and **Bangladesh,** milk processing generates another **60 to 100 jobs per 1,000 litres** of processed milk.



Economy-wide level Findings

Economy-wide assessments of the impacts of dairy industries is deemed relevant as they illustrate the catalytic function of dairy development on other sectors of the economy.



Studies from the **USA** and **Canada** indicate that **0.3 to 1.5 non-dairy farm jobs are created for every dairy farm job.** For the processing sub-sector, overall employment is lower, but multipliers are higher, ranging from 3.3 (Virginia) to 6.6 (Colorado) in the available examples.



An indication of the potential magnitude of employment generation by a vibrant dairy industry is provided by an assessment of the **Kenyan** dairy industry (USAID 2014). The study estimates that **for every on-farm dairy job, an additional 1.3 jobs are created in the processing and service sectors for a total of 2.25 million jobs** generated by the entire Kenyan dairy industry in 2012. This would represent employment for around **13.5 percent of the country's labour force (16.7 million in 2012).**



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