Governing quality and safety in informal dairy markets: evidence from Kenya, Tanzania and Assam (India)

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Informal dairy markets: important but sidelined

- Informal markets are crucial for access, affordability, nutrition, and livelihoods
- Unpasteurised milk + lack of refrigeration = concerns about quality and safety
- Policy approaches: conflict, tolerance, or marginalisation

Our key questions:

- How is informal dairy regulated?
- What are the perceptions and practices of informal actors?
- What are the opportunities for innovative approaches to governance?

Informal milk vendor in Guwahati, Assam. Giulia Nicolini

Locations and Methods

- Urban and peri-urban locations in Nairobi (Kenya), Arusha (Tanzania) and Guwahati (India)
- Survey of market actors (n=431)

Producers	10%
Wholesalers	14%
Traders/retailers	38%
Consumers	38%

- 45 interviews with key informants

Milk stall in Guwahati, Assam. Giulia Nicolini

Policy: a common bias towards formalisation

- Broad policy acknowledges importance of informality, but aims for formalisation
- Vision for dairy sector = industrialisation, pasteurisation, cold supply chain, branding and packaging

Stephanie Booths, Flickr

Regulation and enforcement: from repression to 'benign neglect'

- **Raw milk**: (semi) illegal in Kenya; legal in Tanzania and Assam
- **Licences**: multiple and complex in Kenya; simpler in Tanzania and Assam
- **Institutional design**: Dairy Boards in Kenya and Tanzania, Directorate in Assam
- **Enforcement**: capacities generally weak

Regulatory approach to informal dairy

Tolerant   **Repressive**

Assam   Tanzania   Kenya

Compliance, like awareness, is low

- **Licenses**: <50% of traders in Kenya and Tanzania comply; >90% in Assam were unaware
- **Reasons**: cost and complexity of licences; sales too small to justify them
- **Consequences**: often severe in Kenya, none in Tanzania or Assam
- **View of regulators** is related to severity of enforcement: negative in Kenya, neutral in Tanzania and Assam

Milk hawkers resist clamp down on business

By BRIAN NGUGI
April 3rd, 2016 • 1 min read

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Containers of milk presented in court as exhibit by the Kenya Dairy Board a past crackdown on unregistered milk hawkers in Nakuru.

Nairobi News: nairobinews.nation.co.ke

All actors care about quality and safety, and take measures to ensure them

- Formal testing (lactometer) and refrigeration are rare – actors rely on appearance and smell
- Choice of seller is based in **trust and loyalty**; traders and consumers rarely change suppliers
- Consumers **boil milk** to manage risk; they don't care about labels/certificates
- **These measures appear to work**: milk spoilage was reported at <10%, and few consumers report sickness related to milk (but self-assessment is problematic)
- **BUT**: actors complain about adulteration, want better skills and facilities

Wholesalers collecting milk from producers near Guwahati, Assam. Photo by Giulia Nicolini

Key messages

- **Informal milk is THE dominant market**, not on the way out → big implications for governance
- **Quality and safety practices and outcomes similar across countries** despite regulatory differences
- **Policies are similar across countries**, but regulatory approaches very different

Milk sale on the street in Guwahati, Assam. Photo by Giulia Nicolini

Implications for governance and innovation

- Policies are **not aligned** with the capabilities or incentives of actors
- **A pasteurised future is unlikely, at least in the medium term**: costs of non-compliance remain low, plus there is sustained demand for raw milk
- Confrontational approach (e.g. Kenya) doesn't seem to lead to better quality and safety outcomes
- Relationships are based on trust and loyalty: certifications and labels unlikely to sway demand

Photo by Giulia Nicolini

Thank you

Photos by Giulia Nicolini

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