

Colloque de la SFER : « Financement des activités agricoles et alimentaires »
- Ecole d'Ingénieurs de Purpan, 28 Juin 2022 -

Quality conventions shaping the governance of the milk value chain of Senegal

How quality strategies ensure the (self-)financing of the local value chain

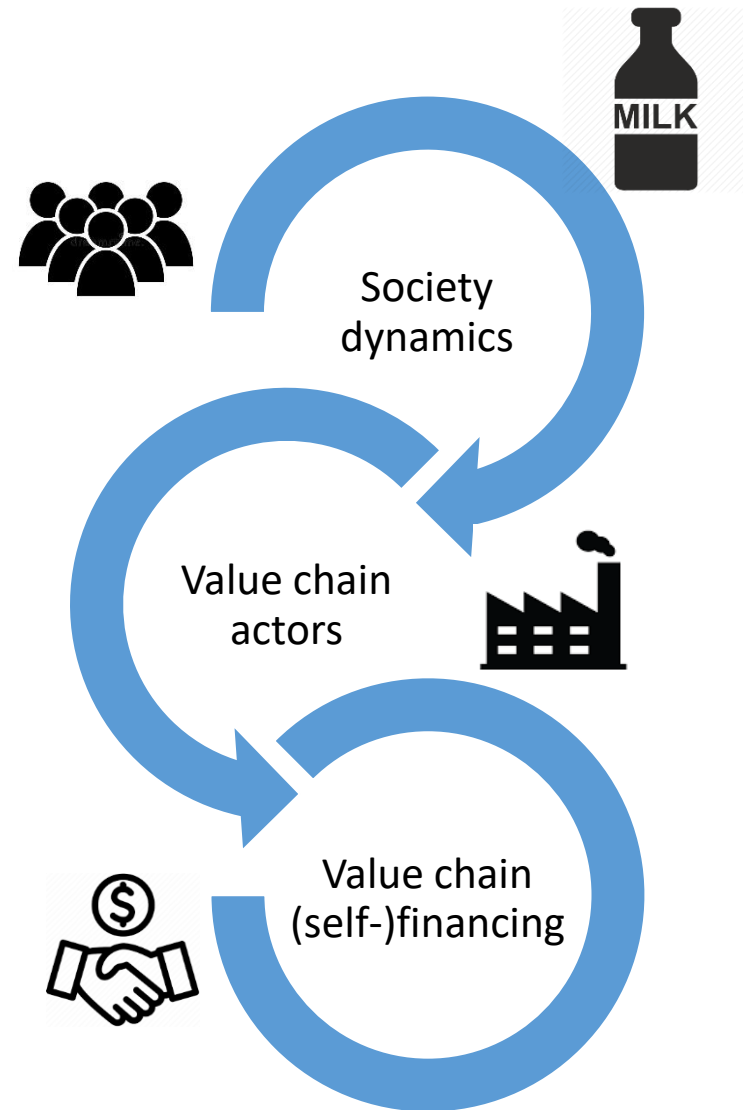
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Objective of the study

Understanding if, into the Senegalese dairy value chain, **society dynamics** taking place downstream (**consumer demand changes**) have an impact on upstream segments (**processors and producers**) and contribute to financing the development of the local milk value chain

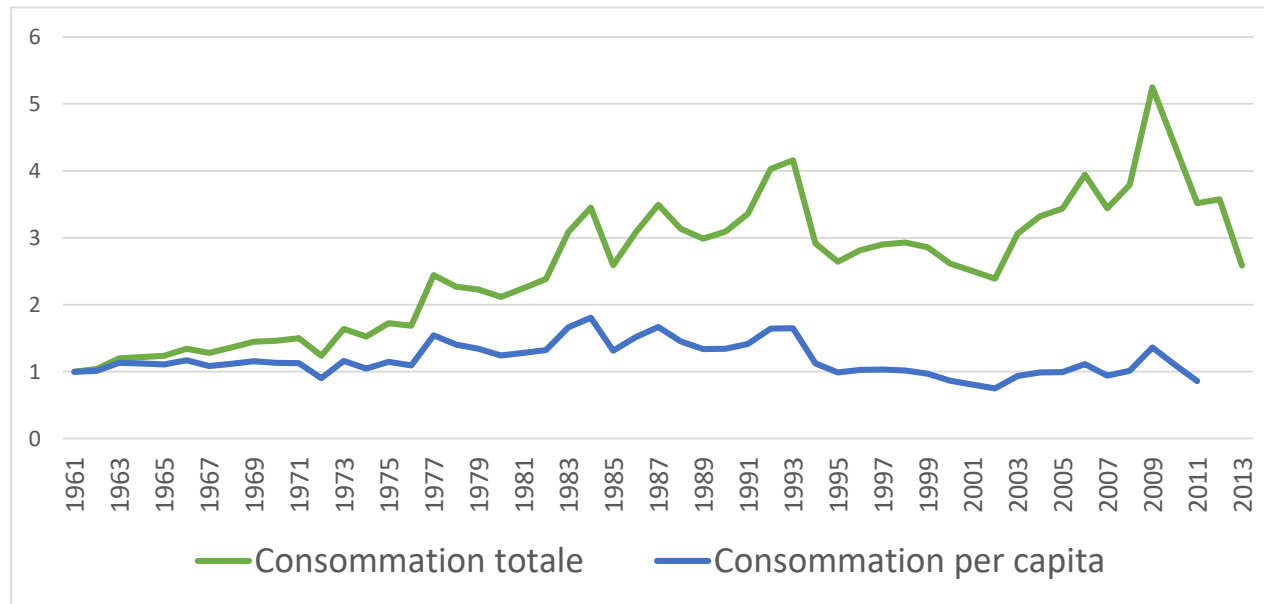


Introduction

Major changes during the last decades in the dairy sector of Senegal

- **Urbanization and population growth**
- **New food consumption modes in urban areas**

Trend of consumption of dairy products in Senegal (1961-2013 – base : year 1961 = 1)



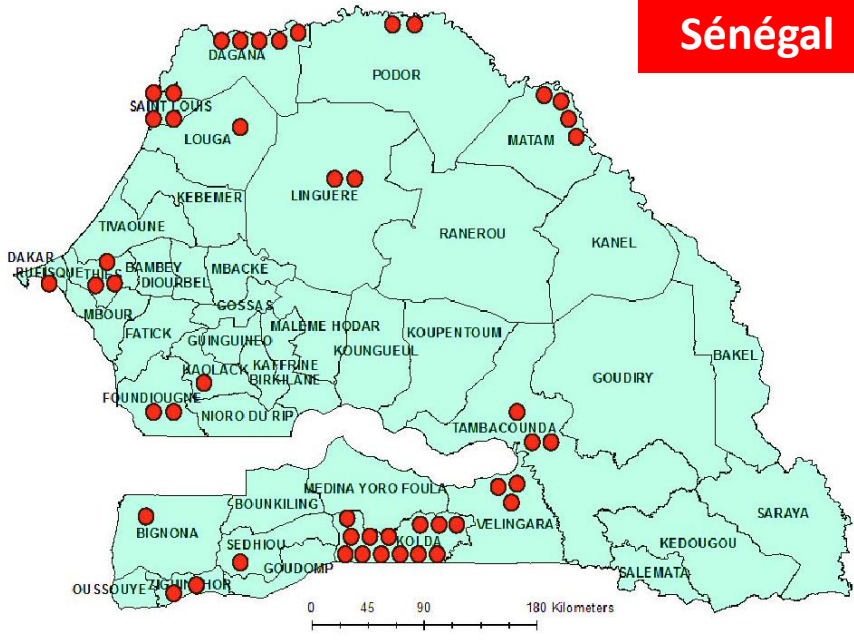
Milk total production (cattle, camelids, small ruminants) + imports (except butter) – Source : FAO, 2015

Introduction

Several dairy units during the last 2 decades

Sénégal

Dakar



Raw material:

- > Local fresh milk
- > Imported milk powder

Introduction

Research question:

Do **quality conventions** on dairy products drive the **governance** of the industrial dairy value chain in Senegal?



1- Method

Method

- **Theory of the Governance of Global Value Chains (GVC) – Gereffi et al. (2005)**
 - Organizing activities
 - Inter-actor coordination
 - Mechanisms of normalization
 - Degree of “drivenness”
- **Convention theory – Boltanski & Thévenot (1991), Eymard-Duvernay (1989)**
 - Behavioral structures of coordination
 - Quality = social construction
- **Recent literature on quality conventions underpinning buyer-supplier linkages – Ponte & Gibbon (2005), Ponte (2009)**
 - Intangible inter-actor dynamics of power, inequalities, distribution of value
 - How and how much “lead firms” drive value chains

Method

Class of actors	Type of actor	N°	Information collected
Dairy process units	Units processing milk powder and local milk	7	<ul style="list-style-type: none"> ▪ Firm history and characteristics ▪ Milk supply strategy ▪ Marketing and quality strategy ▪ Horizontal linkages with competitors ▪ Firm perspectives
	Units processing (exclusively) local milk	2	
	Units processing (exclusively) milk powder into fresh products	3	
	Units processing (exclusively) milk powder into smaller milk powder packaging	4	
Local milk producers	Herders of Kolda region	37	<ul style="list-style-type: none"> ▪ Herding practices ▪ Level of milk production and income ▪ Supply contracts with processors ▪ Horizontal linkages ▪ Risks an uncertainty
	Herders of Northern Senegal	35	
	Intensive dairy farm in Dakar region	1	
Importers	Importers/sellers	7	<ul style="list-style-type: none"> ▪ Imported products ▪ Upstream linkages (suppliers) ▪ Downstream linkages (buyers) ▪ Perceptions of international supply
	Importers/processors	8	
Exporters	Foreign exporters (exporting to Senegal)	3	<ul style="list-style-type: none"> ▪ Exported products ▪ Downstream linkages (buyers) ▪ Perceptions of the evolution of the international and Senegalese markets
Sellers	Sellers	16	<ul style="list-style-type: none"> ▪ Sold products ▪ Supply strategy
Consumers	In the city of Dakar (14 focus group interviews)	46	<ul style="list-style-type: none"> ▪ Preferences in terms of dairy products and characteristics ▪ Use situations ▪ Procurement practices ▪ Uncertainty about product quality
	In the city of Kolda (9 focus group interviews)	32	
Others	Secretary of the Interprofession Committee of the Local Milk Value Chain of Kolda (CINAFIL)	1	<ul style="list-style-type: none"> ▪ Overview on the dairy value chain of Kolda
Total		202	

2- Results

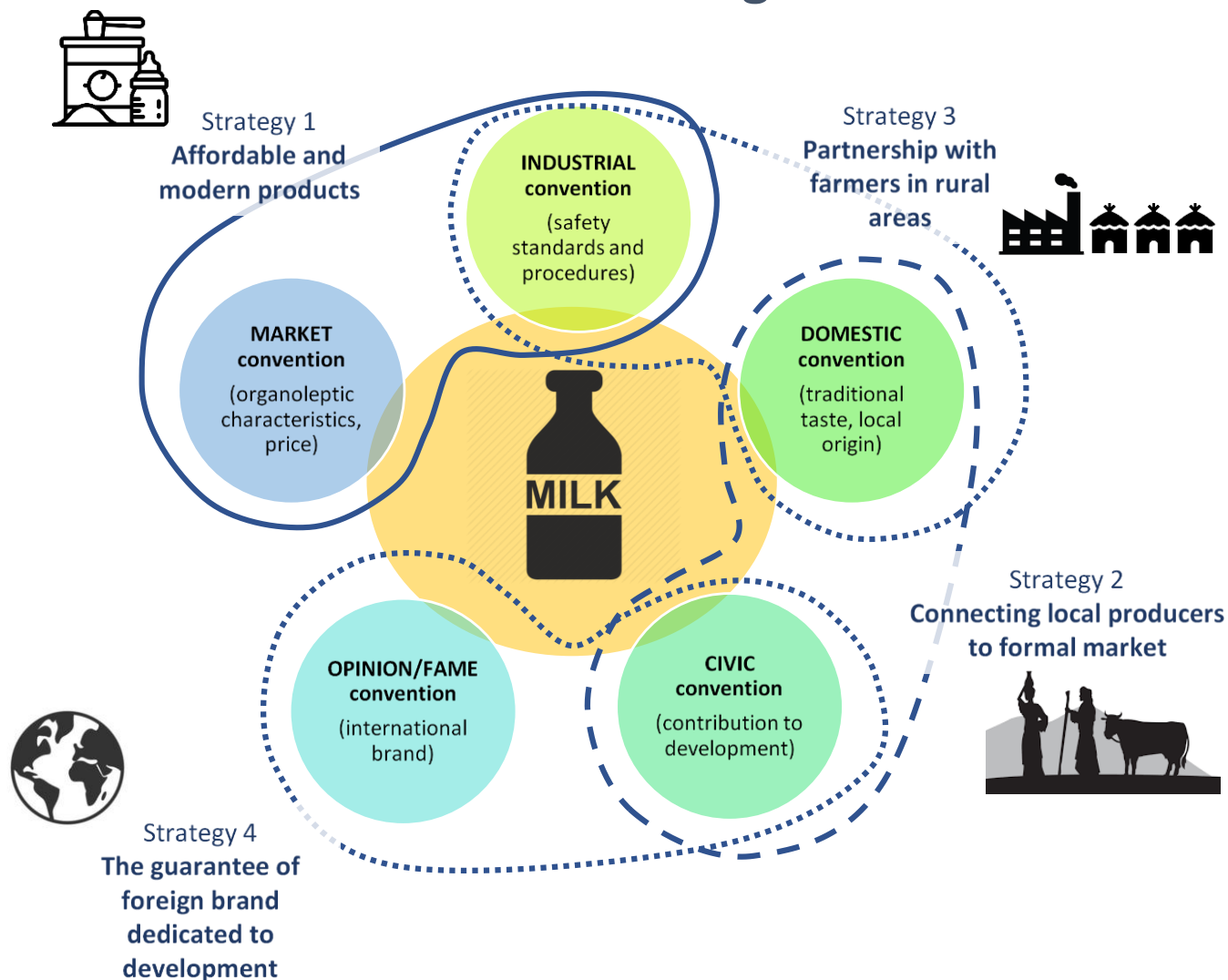
Six quality conventions on dairy products in Senegal

- **Market convention** - organoleptic characteristics (taste, flavor, color, texture, etc.), affordability
- **Industrial convention** - processing techniques, packaging and standards
- **Domestic convention** - “traditional” character, local origin
- **Civic convention** - development-related activities
- **Opinion/fame convention** - conformity with “exotic” brands
- **Inspired convention** - merit, courage, dignity, morality



COMEXT

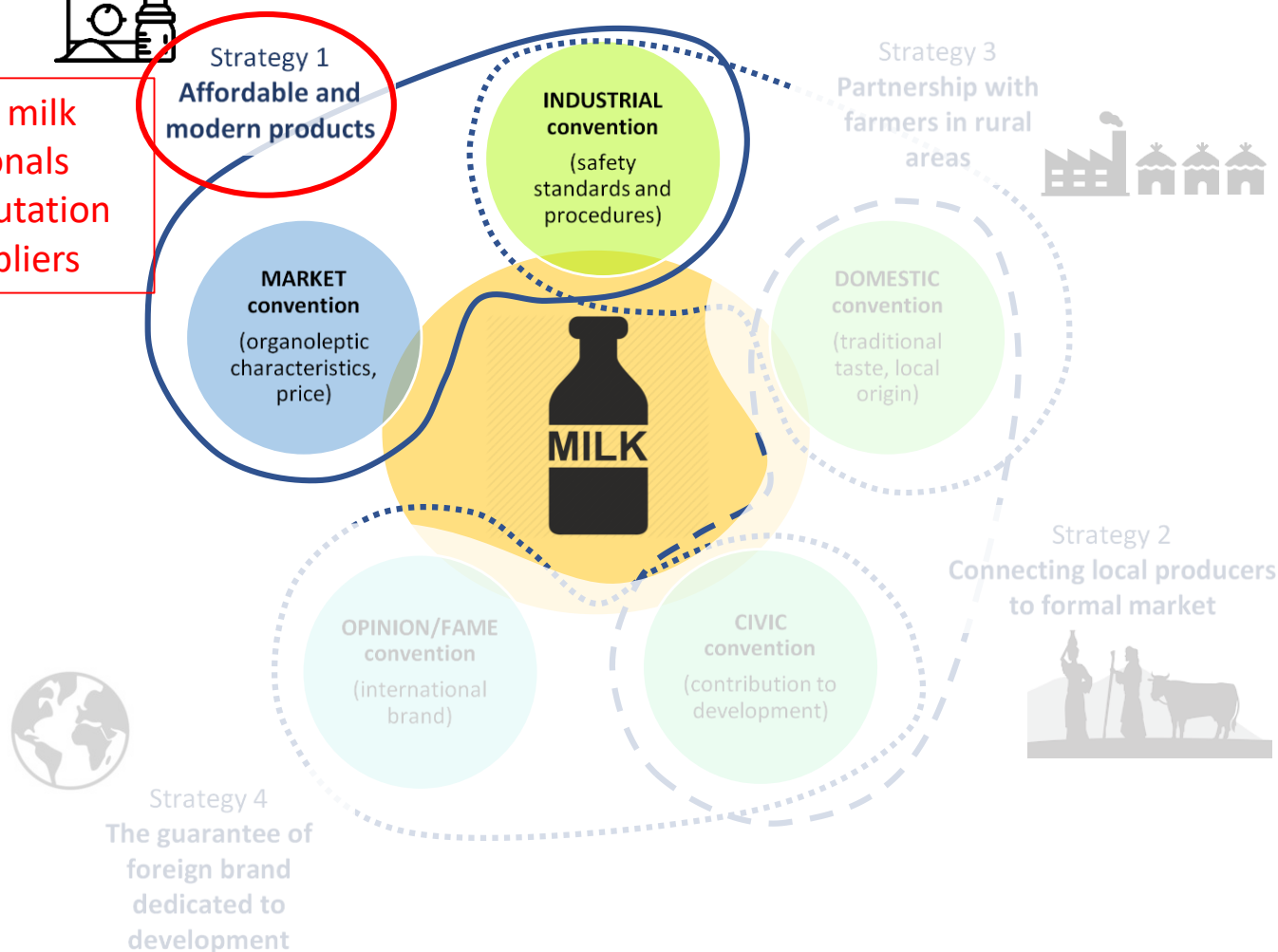
Quality conventions and strategies in the industrial dairy value chain of Senegal



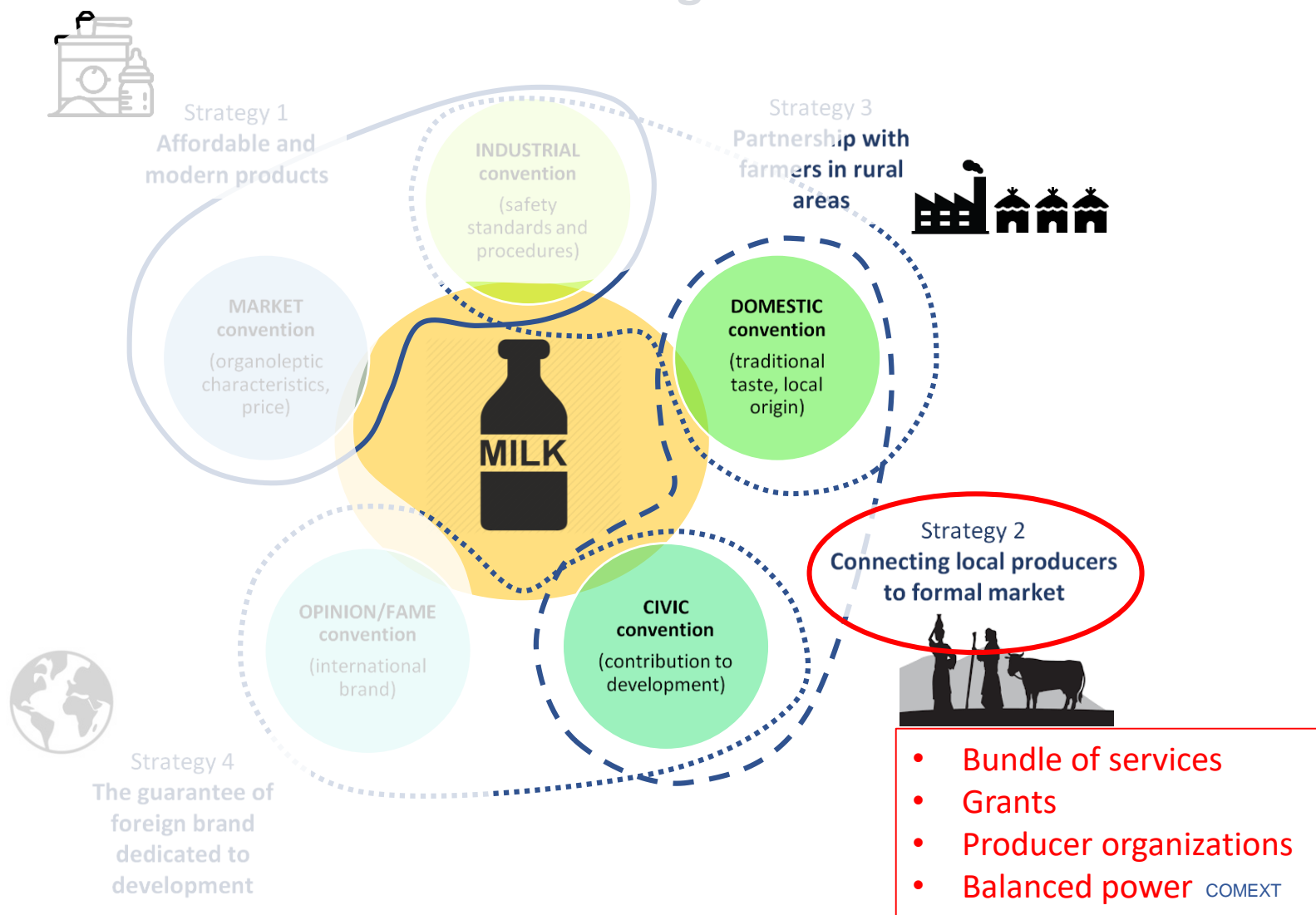
Quality conventions and strategies in the industrial dairy value chain of Senegal



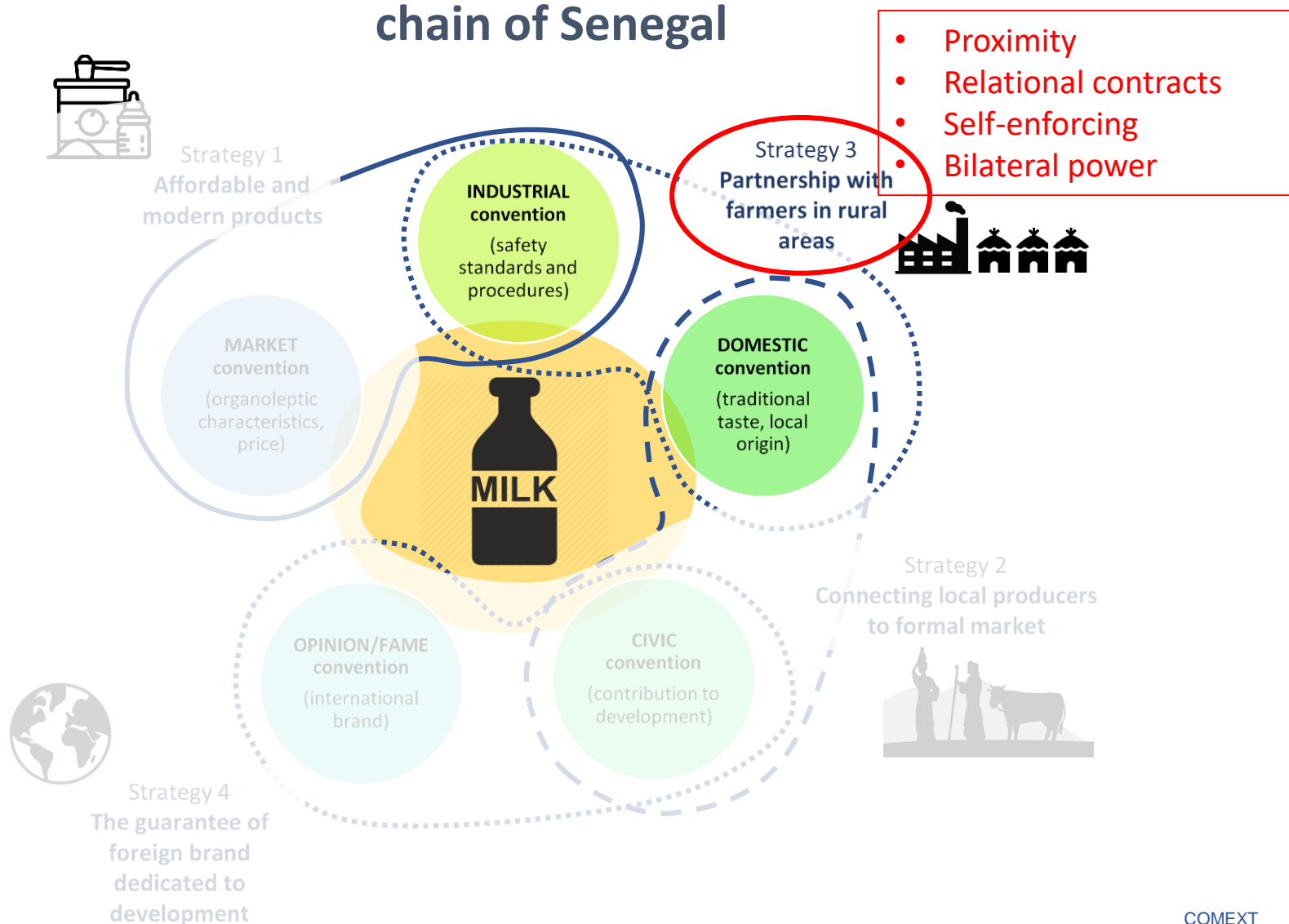
- Powdered milk
- Multinationals
- Brand reputation
- Many suppliers



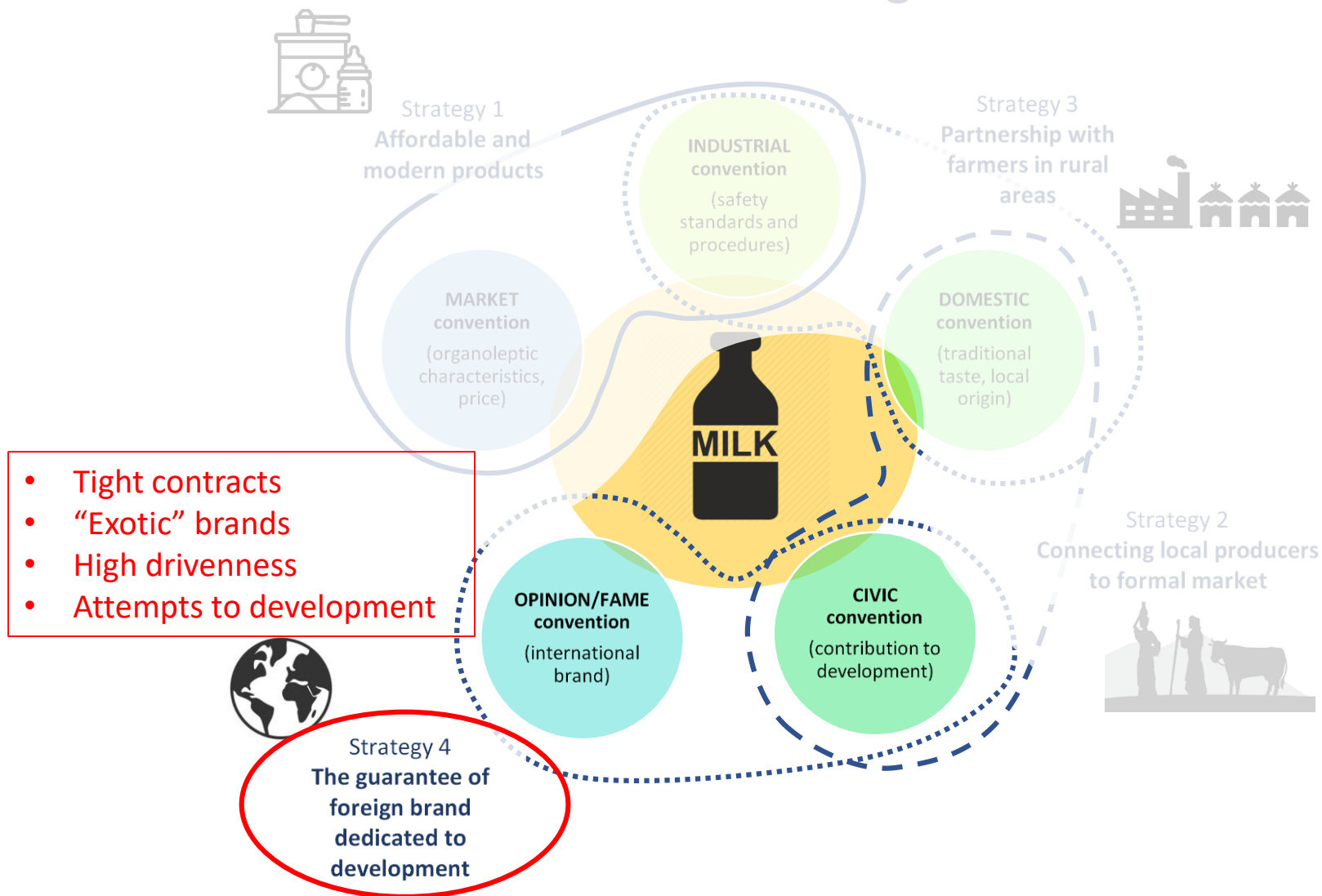
Quality conventions and strategies in the industrial dairy value chain of Senegal



Quality conventions and strategies in the industrial dairy value chain of Senegal



Quality conventions and strategies in the industrial dairy value chain of Senegal



To sum up...

Quality conventions about milk drive the **governance** of the industrial dairy value chain in Senegal,
since information about consumer expectations is translated into specific processor-producer governance mechanisms

Strategy 2  and Strategy 3  normalized through **incentives** to producers (small grants)



Milk production regular



Producers' income regular



Reducing producers' **vulnerability**; forms of **self-insurance**



Social and economic sustainability of the local milk value chain
through **self-financing mechanisms**

Conclusion

Conclusion

- Some **combinations** between *quality strategies* and *governance mechanisms* are better suited to **(self-)finance** the local milk value chain
- Long-term sustainability of processors → will depend on their ability to embrace and normalize other quality conventions (**market + opinion**)
- Importance of **balanced power of “driving”** value chains
- **Limit of the study:** small number of dairies (16) → need to scale up and update results

Thank you

