

**Final report of field visit to  
Plan Milk Value Chain Project (PMVCP), Vehari  
(24-29<sup>th</sup> April, 2010)**



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## **Acknowledgments**

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Lastly due appreciation to all the participants who were interviewed either individually or through focus group discussions for their honest opinion and provision of requisite information, and on top of all providing venues for discussions and their hospitality during the filed visit.

A six days visit was conducted to Plan Milk Value Chain Project, Vehari (PMVCP) with a special objective of studying its social mobilization strategy, identify gaps and suggest rectification measures. The current mission went beyond the official TORs of Intercooperation as an associate of the project since these do not include social mobilization issues. However these aspects are necessary to be addressed for the benefit of the project. It is therefore, Intercooperation is pleased to contribute to improving these aspects since these have a direct link with the business associations which will be involved in milk value chain.

In the following are the major observations, which were analyzed with the available team members and consensuses were developed for the recommendations;

S#	Situation Encountered	Analysis	Recommendations
1.	<p><b>Project management and office establishment</b>            Separate project office has been established in March, 2010. Project manager has left the project and the new manager is to join from 3<sup>rd</sup> of May, 2010. The acting manger from Islamabad is doing the job of establishing the office as well as orienting and guiding the project team in programme affairs of the project. Besides this, Livelihood officer from local Plan office is giving backstopping support to the project team. The team of social mobilization has been hired, having a technical coordinator cooperative (TCC) as their supervisor. Team was supposed to established 100 farmers milk collection centers (FMCs) up to July, 2010 (25 FMCs per month), which seems over ambitious at the initial stage of the project.</p>	<ul style="list-style-type: none"> <li>o Efficient time management is the most important factor for achieving the target set for PMVCP. Time could have been saved by having the project office in the local Plan office. However, the present shape of the project office in a short period of time deserves appreciation to the management.</li> <li>o Strategic orientation of the project team regarding the overall project goals would have been very useful for continuity which may break due to the change of the project manager.</li> </ul>	<ul style="list-style-type: none"> <li>o Project needs a well qualified and experienced manager to lead and guide the project team.</li> <li>o Human resource department of Plan (HR) should look into the TORs of the technical staff that whether they are in line with the practical experience in the concerned sector or not. Energetic and experienced staff needs to be incorporated in the team to increase the efficiency and quality of the project activities.</li> <li>o The target of FMCs establishment per month needs to be rationalized according to the prevailing situation of the project staff.</li> </ul>
2.	<p><b>Social Mobilization Strategy</b>            Designing a social mobilization strategy</p>	<ul style="list-style-type: none"> <li>o The work is being carried out in Plan communities<sup>1</sup> where the acceptance level is</li> </ul>	<ul style="list-style-type: none"> <li>a. The team needs to be made aware that this is not the “routine or normal” way of social</li> </ul>

<sup>1</sup> Plan communities are those communities where Plan interventions are being implemented.

(SM) is not the responsibility of Intercooperation, Pakistan (IC) as per its TORs. However, being a value chain advisor, the existing strategy has been looked at from the formation of business association's point of view and hence the important recommendations are shared;

**a. Process:**

The main focus of the strategy is to follow the process of four dialogues for the formation of farmers milk collection centers (FMCs). This included initial contact with focused group's discussions (FGDs), 1<sup>st</sup> dialogue (introduction of the project), 2<sup>nd</sup> dialogue (detail discussion on project), 3<sup>rd</sup> and 4<sup>th</sup> dialogues for FMC establishment with selection of executive body and members through elections).

reasonably high. People are motivated and are aware of the Plan way of work and procedures.

- o Due to the harvesting season of wheat, farmers don't have sufficient time to attend the meetings which showed a kind of "imposed participation" of the farmers in the morning meetings. However, this aspect is negligible at the evening time.

mobilization but rather its purpose is to form a business interest group in the form of FMCs with the main objective of income increase.

b. Process of formation of dialogues can be reduced from four to three dialogues, particularly in Plan communities through the close coordination of local Plan unit. These dialogues may consist of the following process;

- i. 1<sup>st</sup> dialogue: Interaction with FGDs, Introduction and detail discussion of the project
- ii. 2<sup>nd</sup> dialogue: FMC establishment with selection or election of executive body members
- iii. 3<sup>rd</sup> dialogue: Brain storming sessions on sustainability of FMC: This may include the discussions on required items for the functioning of FM , finance involvement and its sharing of its details with executive body members, cost sharing on the required items, preparation of exist strategy plan of the project support etc.

c. For the non-Plan communities, the process may be shortened by giving exposure of the potentials members of FMCs to the already formed FMCs of Plan communities. It is expected that FMCs would be functional in Plan communities till the interventions in non-Plan communities.

d. It is recommended to prepare a seasonal calendar of the potential communities of each FMCs describing in detail the general activity chart and its timing. This will assist the team in knowing the odd hours of the community, remain flexible and accordingly help them in planning and meeting.



**b. Profiling of FMCs**

This is one of the important tools of knowing the initial situation of FMC at the time of establishment so that one could compare the situation at the end of the project.

Although M&E team is collecting the data for the project areas but FMCs profiling is lacking which should be the responsibility of social mobilization team. The information may include the in depth data collection of various trends of milk collection during the year, animals' numbers, types, diseases, marketing channel, prices, income increase etc. of individual members of the FMCs.

Separate guidelines for FMCs profiling are discussed with the team. The data for each FMCs should be computerized for further analysis. However, these benchmark points can be added or deleted according to the project requirements. The guidelines are attached in Annex-1.

**c. Business thinking and mindset**

Staff is good at communicating the project message to the community. The purpose of organization formation is to work together for commercial purpose with social benefits

During the field visit, it was realized that staff are following a set of pre planned questions leading to the discussion in a formal way. This may restrict the community to express their feeling and remain in a circle of formation of

- The staff should not confine themselves to the formation of organization (tanzeem) only but also assist the community to imagine the whole business cycle (process) in a logical way. For instance how many members are required to

<p>rather than working exclusively for welfare kind of activities.</p> <p><b>d. Growth Strategy of FMCs</b> The existing social mobilization strategy should include the growth strategy of individual FMCs which will assist the team as well as the community to think beyond the establishment of FMCs.</p> <p><b>e. Roles and responsibilities of executives members of FMCs</b></p>	<p>organization (tanzeem) only. The main objective should be to make the community aware of after the formation of organization.</p> <p>An exercise was carried out with the team to think about the growth strategy of FMCs by raising the following two issues;</p> <p>i. What should be the strategy of FMCs in case of under and over-utilization of the chiller?</p> <p>ii. Who should decide the size of the chiller to be installed (community, PMVCP or both)?</p> <p>o Most of the existing roles of executives' members belong to their selection criteria instead of reflecting their responsibilities.</p>	<p>fulfill the chiller? What should be the capacity of the chiller? How should they collect the milk? Where they should install the chiller? Who will handle all this milk collection? Who will pay for this? To whom will they sell the milk? How will they distribute the profit etc?</p> <p>o Staff should be exposed to the successful model of cooperatives in the country so that they could see by themselves that how the business groups get together for a common business cause. HALLA cooperative model, Patuki is suggested in this regard.</p> <p>o Guidelines for the establishment of FMCs were discussed with the team. However, the points can be added or deleted as per situation in the village. These guidelines are attached in Annex-2.</p> <p>The following points needs to be address while forming the FMCs;</p> <p>i. What should be the size of the chiller to produce critical mass for the market?</p> <p>ii. How do they plan the growth of FMCs i.e. whether they will increase the milk productivity by inviting more members or through the better management practices of the existing animals?</p> <p>iii. What should be the criteria for accepting new members to the group or canceling the existing membership?</p> <p>o The roles and responsibilities of executive members of FMCs should be business oriented. Trainings and exposure visit to</p>
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**f. Sustainability of FMCs**

- The roles and responsibilities of executive members need to be clear to the whole team as well as to the FMCs members. Recording of meeting minutes, arranging training for the FMCs members etc. should not only be the duty of the executive members.
- The project support (expected) to each FMC is on a very high side. All the operational as well as fixed costs are supposed to be provided by the project. See attached table for reference. This may render FMCs non sustainable at the end of the project.

similar organizations of the executive members may further enhance their capacities and capabilities. Some important roles of the executives' members of the FMCS have been discussed and agreed upon. However, one can add or delete the roles as per situation of the FMC. These guidelines are attached in Annex-3

- Staff needs to be clear about the rational and amount of subsidy being provided to each FMCs. In addition to this the exit strategy needs to be formulated at the earliest. This subsidy issue needs to be discussed among the management so that clear cut message could be conveyed to the FMCs members.
- Generation, management and usage of saving from the profit of milk sale of the concerned FMC are one of the proven tools for contributing to the sustainability of the FMC. Thinking were inculcated among the project staff as well in the visited communities about the said aspect and communities members are willing to contribute at least operational cost of the FMCs at the current stage.
- Guidelines regarding the generation, management and usage of saving were discussed with the team. However, these may be added or change according to the prevailing circumstances. These guidelines are attached in Annex-4.
- Preparation of Business Plan is a "must" for each FMC to know its profitability, savings and support for sustainability. This

**g. Milk management and marketing Component**

It is surprising to see that being the most important section of PMVCP, nobody is there to guide the newly born FMCs as well as to the project team. This may raise the following serious issues once chillers are filled;

a. Farmers may feel discouraged once they find no buyer after their hectic efforts of milk collection; Income of the farmers may fall to zero instead of increasing.

b. All the other interventions of the project may not get proper attention and reward from the farmers' community

**h. Systems of planning and reporting**

One of the roles of Intercooperation (IC) is to monitor the project activities through the progress reports generated by the project team. Existing planning and reporting systems are *ad hoc*, which may be due to the reasons that staff is just hired and services partners are either not on board or ready to start their activities in the field.

responsibility should be incorporated in the services contract of the milk management and marketing firm.

- Somebody has to go quickly for marketing of FMCs milk. Although chillers are not yet installed but marketing personnel/firms has to strategies the following things before its installment;
  - a. What are the different options for milk selling?
  - b. What are the prone and cons of different options?
  - c. What are the prices offered per liter by different options?
  - d. What are the quality and quantity requirements of the available options?
  - e. How much milk to produce or collect by each FMCs for the best available option?
- Milk collection should not be started till the finalization of the selling options as mentioned above.
- Systems of planning and reporting need to be established. Planning needs to be further refined by giving proper targets to all components of the project. Based on their progress, a comprehensive report should be generated through the project manger who should then compile it by considering the logical frame work (LFA) of the project. This will assist the management and others staff to do the corrective measures in case of any variations.
- Reporting channels for all the components of the project need to be clear and communicated accordingly

### 3. Goat distribution strategy

- Criteria for the availability of beetal goats are too strict to ensure their availability.
- Budget provision for the purchase of beetal goats is too less. Market rate for per unit of beetle goat is Rs.13,000 to 15,000 against the budgeted amount of Rs.6,000.
- Mix breed of beetal or local available breed (desi) may be the best options next to pure beetle breed.
- In order to tackle the budget problems (while going for the pure breed of beetal goats only), one can either reduce the number of beneficiaries or to increase the amount of budget through taking benefits of euro to rupees conversion. But the decision has to be taken in short period of time to make the concerned staff clear.

### Conclusion:

- ✚ There is need to organize a steering committee meeting of the project within a short period of time so that all concerned stakeholders including FMCs members can effectively tackle various issues of the project's components and assist in steering the project activities.
- ✚ Marketing and milk management components of the project need to be urgently outsourced and implemented.
- ✚ There should be an appropriate strategy for the sustainability of FMCs including the exist strategy of the project support.