

# Evaluating service provision approaches and value-chain interventions to support milk cooperatives to grow the smallholder dairy sector of Indonesia (IndoDairy 2)



## Key details

### Location

Indonesia

### Duration

Start May 2024

End Apr 2029

### Budget

AUD 3,799,033

### Commissioned organisation

Central Queensland University

### Partners

Bogor Agricultural University; Central Queensland University; Diponegoro University; Indonesian Centre for Agricultural Technology Assessment and Development; University of Adelaide; University of Melbourne

### Project Leader

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### ACIAR Research Program Manager

Mr David Shearer

### Program

[Agribusiness](#)

### Project code

AGB/2021/124



## Overview

This project aims to increase production and improve the livelihoods of smallholder farming households in the Indonesian dairy sector. The project will support village-level milk cooperatives to deliver improved services and increase value chain participation for farmer members.

The project follows on from the 6-year project 'Improving milk supply, competitiveness and livelihoods in smallholder dairy chains in Indonesia' ([AGB/2012/099](#)).

Known as IndoDairy 1, the first project identified the importance of village-level milk cooperatives as the primary input, extension and service providers to

address challenges throughout the value chain. Two successful approaches to achieve sustainable on-farm practice change were 1) inclusive partnerships across the value chain and 2) participatory extension approaches.

Understanding the diversity and capacity of cooperatives across the major dairy producing areas of Indonesia is essential to scale practice changes. IndoDairy 2 will research and understand a range of approaches to service provision within cooperatives that have been shown to be successful in different contexts. These approaches include:

1. participatory extension to support the farmer learning process
2. access to inputs and supplies
3. linkages to credit and financial institutions
4. communication strategies with members
5. timeliness, transparency, and fairness of payment mechanisms for members.

## Project activities and expected outcomes

- Conduct research to understand the diversity of cooperatives across central Java and west Java, and the agricultural extension and advisory systems supporting cooperatives.
- Test and evaluate new approaches to service provision which address barriers to practice change for selected on-farm best bet recommendations.
- Assess business models to improve the inclusiveness of women and men smallholder farmers to engage in more profitable markets and improve access to input supplies.
- Support the integration of lessons into the policy-enabling environment to support evidence-based policy decisions related to improving cooperatives in service provision to smallholders.



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