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# REVITALIZING THE DAIRY SECTOR IN SERBIA: POST CONFLICT COMPARATIVE STUDY

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# CONFLICT SUMMARY 1991-2001

- Kosovo Status Undecided
- NATO Bombing –1999
- Croatian & Bosnian Wars – 1991-1995



# HUMANITARIAN IMPACT OF CONFLICT

- Total Casualties – 112,700
- Serbian Refugees – 524,000
- Kosovar Serbian IDPs – 126,000
- Kosovar Albanian IDPs – 850,000



AH2

This pic is a bit grainy. I will try and find something different.  
Aaron Harronson, 11/12/2007

# ECONOMIC IMPACT OF CONFLICT

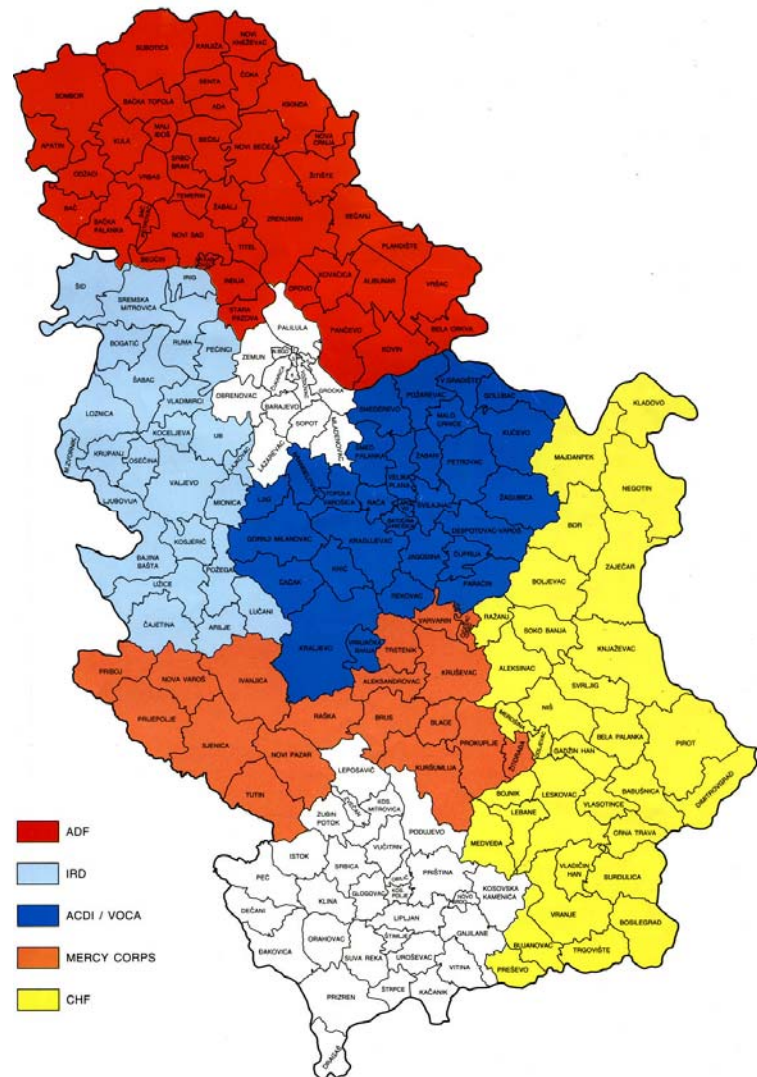
- \$7 -\$10 Billion in Economic Losses
- Second Highest Ever Recorded Inflation
- Herd Size Decrease by 50%
- Decrease in One-Third of Dairy Processing Capacity



# COMMUNITY REVITALIZATION THROUGH DEMOCRATIC ACTION

- \$200 million/6 years
- 5 Implementing Partners
- Community & Economic Development (2001-2007)

## CRDA PROGRAM

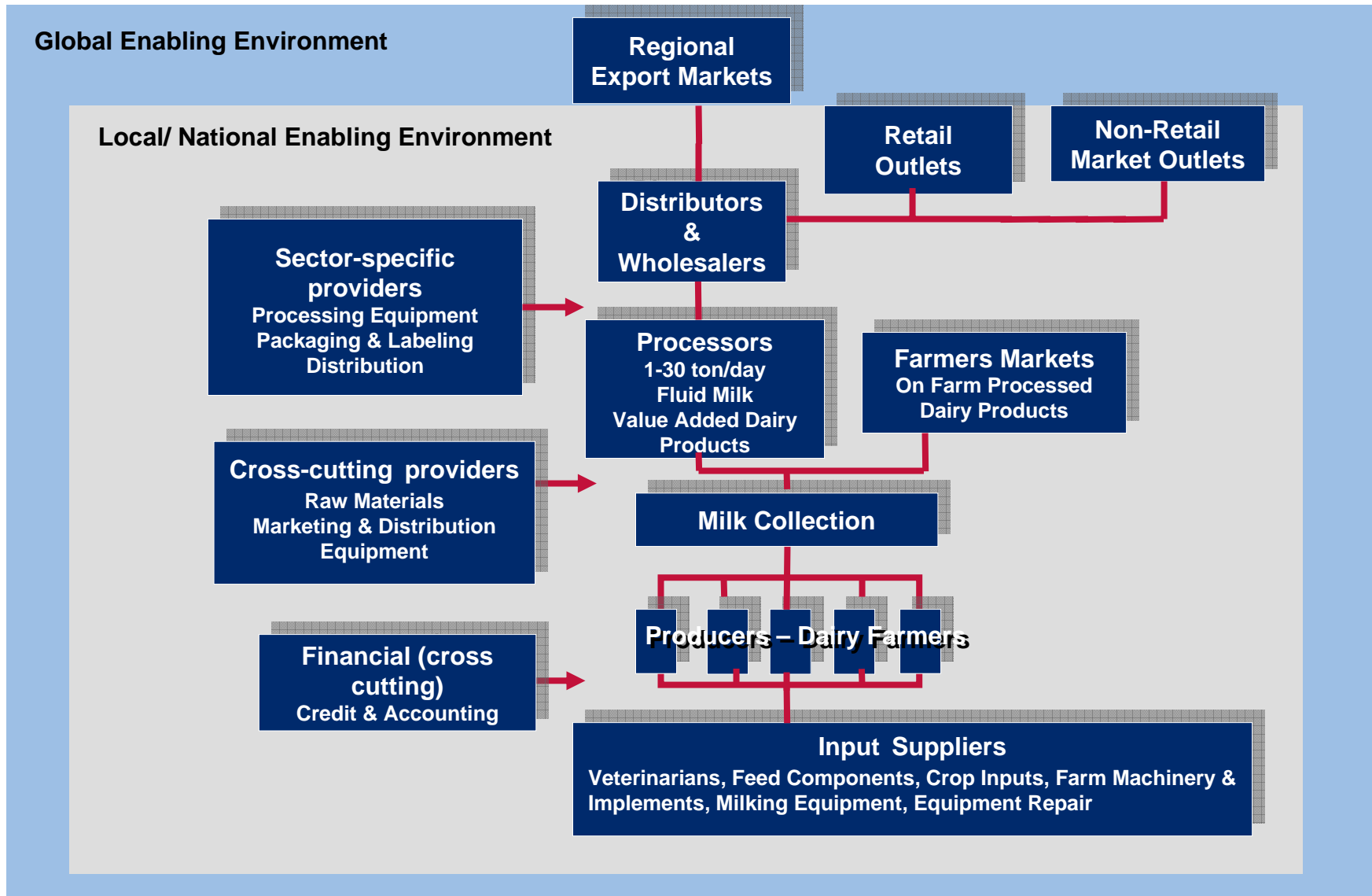


## Case Study Question

In the post-war context of Serbia, did dairy processor-led interventions **achieve greater impact** than farmer-led interventions?

- Examined 2 Areas of Impact
  - Economic
  - Social

# Dairy Subsector Map





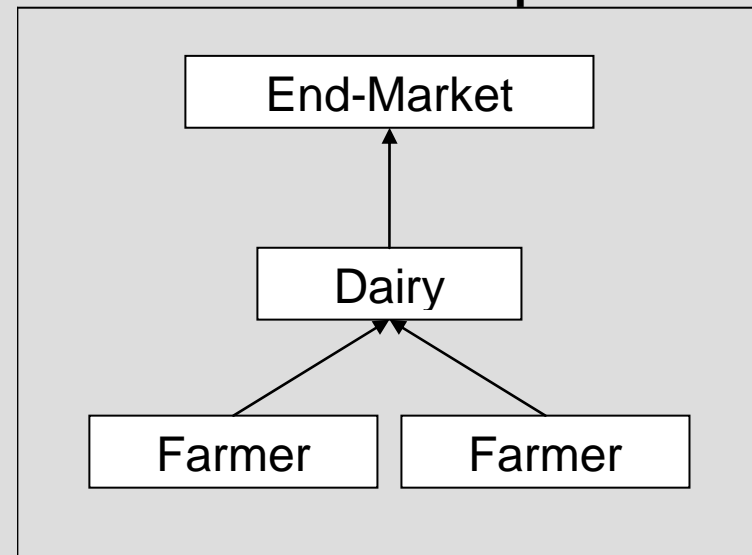


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## COMPARATIVE STUDY

- Farmer Interventions
  - Livestock Donations
  - Equipment Donations
  - Technical Assistance
- Dairy Processor Interventions
  - Equipment Grants
  - Quality Certification Training
  - Trade Promotion

### Market Chain Research Participants



**AH3** I know Jean wasn't that excited with Supply and Market Led Interventions but i cannot come up with a better alternative.

Mercy Corps vs Other NGOs - sounds self promoting

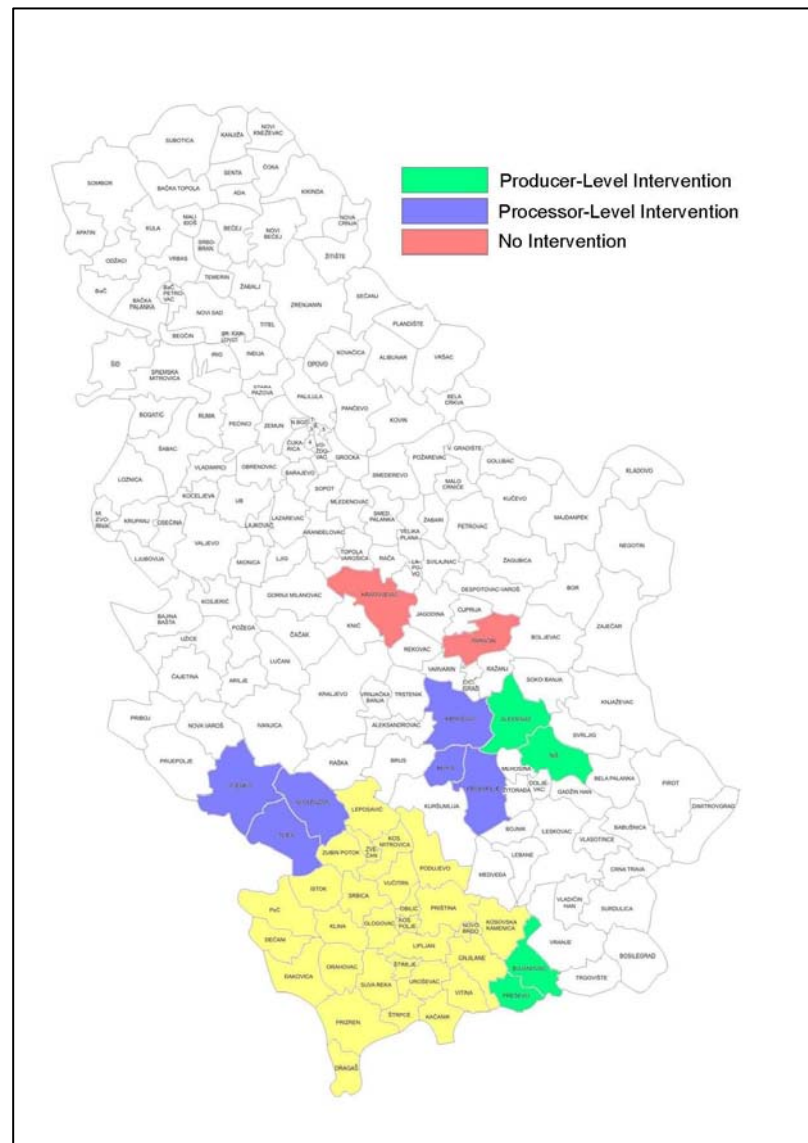
Project Design #1 vs. Project Design #2 - Not Clear Enough

Farmer vs Dairy Processor Intervention - Hard to Understand That its More then Just a dairy or farmer in the group.

Aaron Harronson, 11/12/2007

# INTERVENTION GROUPS

- Southern Serbia Context
- Two Time Periods
  - 2001 - 2004 (Post-Conflict)
  - 2005 - 2007 (Development)
- Ethnic Majority & Ethnic Minority Regions



# DAIRY FIELD RESEARCH

<b>Interview Summary</b>			
<b>Market Chain (MC) Actors</b>	<b>Farmer (6 MC Groups)</b>	<b>Dairy Processor (6 MC Groups)</b>	<b>Total (14 MC Groups)</b>
<b>Farmers</b>	11	11	22
<b>Dairies</b>	6	6	12
<b>End Market Buyers</b>	5	6	11
<b>Total Interviews</b>	<b>22</b>	<b>23</b>	<b>45</b>



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# Field Research Findings



# PERFORMANCE CRITERIA

Economic Indicators	Social Indicators
End Market Buyer Sales	Value Chain Relationships
Processing Capacity	Embedded Services
Change in Raw Milk Supply	
Number of Raw Milk Suppliers	



# END MARKET BUYER INTERVIEWS

## % Change In End Market Sales

Market Chain Groups	Farmer	Dairy Processor
2001-2004	10%	65%
2005-2007	14%	55%



# DAIRY PROCESSOR INTERVIEWS

## Dairy Processing Capacity Increase




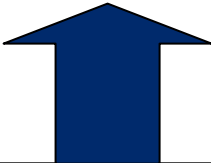
Market Chain Groups	Farmer	Dairy Processor
2001-2004	-5%	157%
2005-2007	9%	76%





# DAIRY PROCESSOR INTERVIEWS

## Dairies Perceived Change In Raw Milk Supply

Market Chain Groups	Farmer	Dairy Processor
2001-2004		
2005-2007		

# DAIRY PROCESSOR INTERVIEWS

## Number of Raw Milk Suppliers

Market Chain Groups	Farmer	Dairy Processor
2001-2004	27% (2120)	122% (830)
2005-2007	9% (2301)	83% (1520)



# DAIRY PROCESSOR INTERVIEWS

## Dairies' Market Chain Relationships

(1=Very Poor,5=Excellent)

Market Chain Groups	Farmer	Dairy Processor	Ethnic Albanian
Farmers	2.3	3.5	4.7
End Markets	3.3	3.3	5.0
Input Suppliers	4.0	4.0	5.0

# DAIRY PROCESSOR INTERVIEWS

Market Chain Groups	Farmer	Dairy Processor
<b>Types of Embedded Services Offered by Dairies</b>		
<b>Advanced Payments</b>	<b>x</b>	
<b>Payment in Hard Currency</b>	<b>x</b>	
<b>Additional Premiums</b>	<b>x</b>	<b>x</b>
<b>Livestock Purchase</b>	<b>x</b>	<b>x</b>
<b>Bulk Supply Purchases</b>	<b>x</b>	<b>x</b>
<b>Procurement of Milking Equipment</b>	<b>x</b>	<b>x</b>
<b>Bank Loan Guarantees</b>	<b>x</b>	<b>x</b>
<b>Association Formation</b>		<b>x</b>

# FARMER INTERVIEWS

## Dairy Herd Size Increase

Market Chain Groups	Farmer	Dairy Processor
<b>2001-2004</b>	26%	6%
<b>2005-2007</b>	68%	114%



# AMAP CASE STUDY CONCLUSIONS

- Processor Interventions **Achieved Greater Hard Economic Targets** than Farmer Interventions from 2005-2007
- **Policy Reform** along with **Investments in Processing Capacity** Fueled Production and Sales
- Market Demand had **Greater Pull Effect** than the Push Effect of Farmer Investments

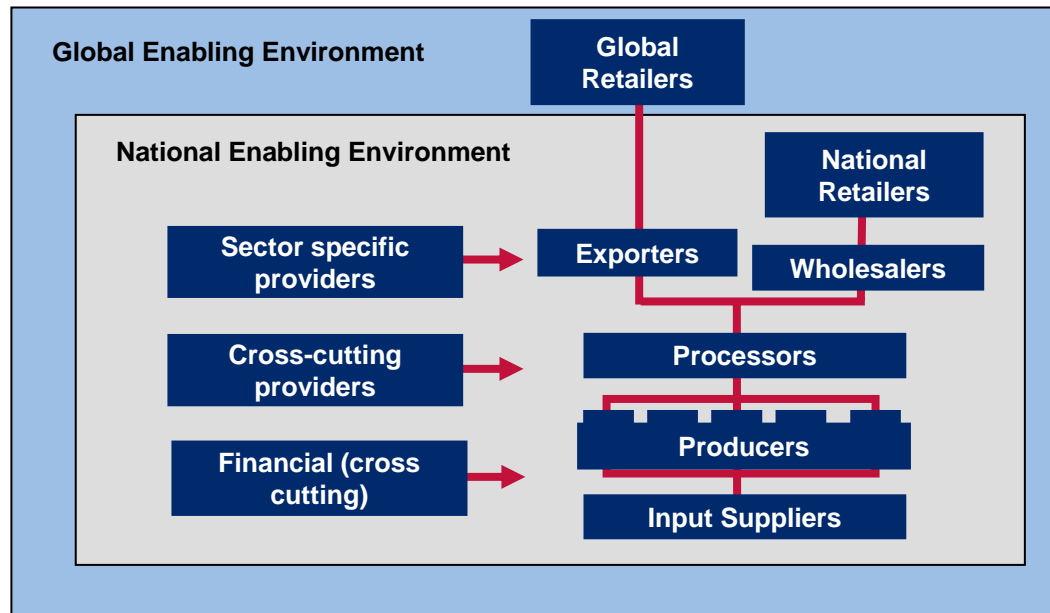
# BIGGER PICTURE CONCLUSIONS

- Post-Conflict Assistance Achieved Stronger Results Several Years After Initial Investments
- Not One Size Fits All Programming
- Lack of Coordination Among USAID Partners



# AFTER ACTION REVIEW

## Post Conflict Strategies Lacked Comprehensive Value Chain Approach







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**THANK YOU!**  
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