ABSTRACT

Based on farmer and value chain actor interviews, this comparative study of five emerging dairy clusters elaborates on the upgrading of farming systems, value chains, and context shapes transformations from semi-subsistent to market-oriented dairy farming. The main results show unequal cluster upgrading along two intensification dimensions: dairy feeding system and cash cropping. Intensive dairy is competing with other high-value cash crop options that resource-endowed farmers specialize in, given conducive support service arrangements and context conditions. A large number of drivers and co-dependencies between technical, value chain, and institutional upgrading build up to system jumps. Transformation may take decades when market and context conditions remain sub-optimal. Clusters can be expected to move further along initial intensification pathways, unless actors consciously redirect course. The main theoretical implications for debate about cluster upgrading are that co-dependencies between farming system, market, and context factors determine upgrading outcomes; the implications for the debate about intensification pathways are that they need to consider differences in farmer resource endowments, path dependency, concurrency, and upgrading investments. Sustainability issues for consideration include enabling a larger proportion of resource-poor farmers to participate in markets; enabling private input and service provision models; attention for food safety; and climate smartness.

KEYWORDS:agribusiness cluster; commercialization; sustainable intensification; dairy value chain; farming system; service arrangements; Ethiopia; Kenya