# Outline of the presentation

- Livelihoods and milk markets in Sri Lanka

- Research question

- Research methodology

- Preliminary results

- Conclusion

Smallholder dairying: a pathway out of poverty

- Agriculture sector in Sri Lanka – dominated by smallholder farmers

- Nearly 46% of agricultural holdings – less than 1 hectare

- Live in rural areas – high poverty

- Have multiple income sources – dairying is an integral part
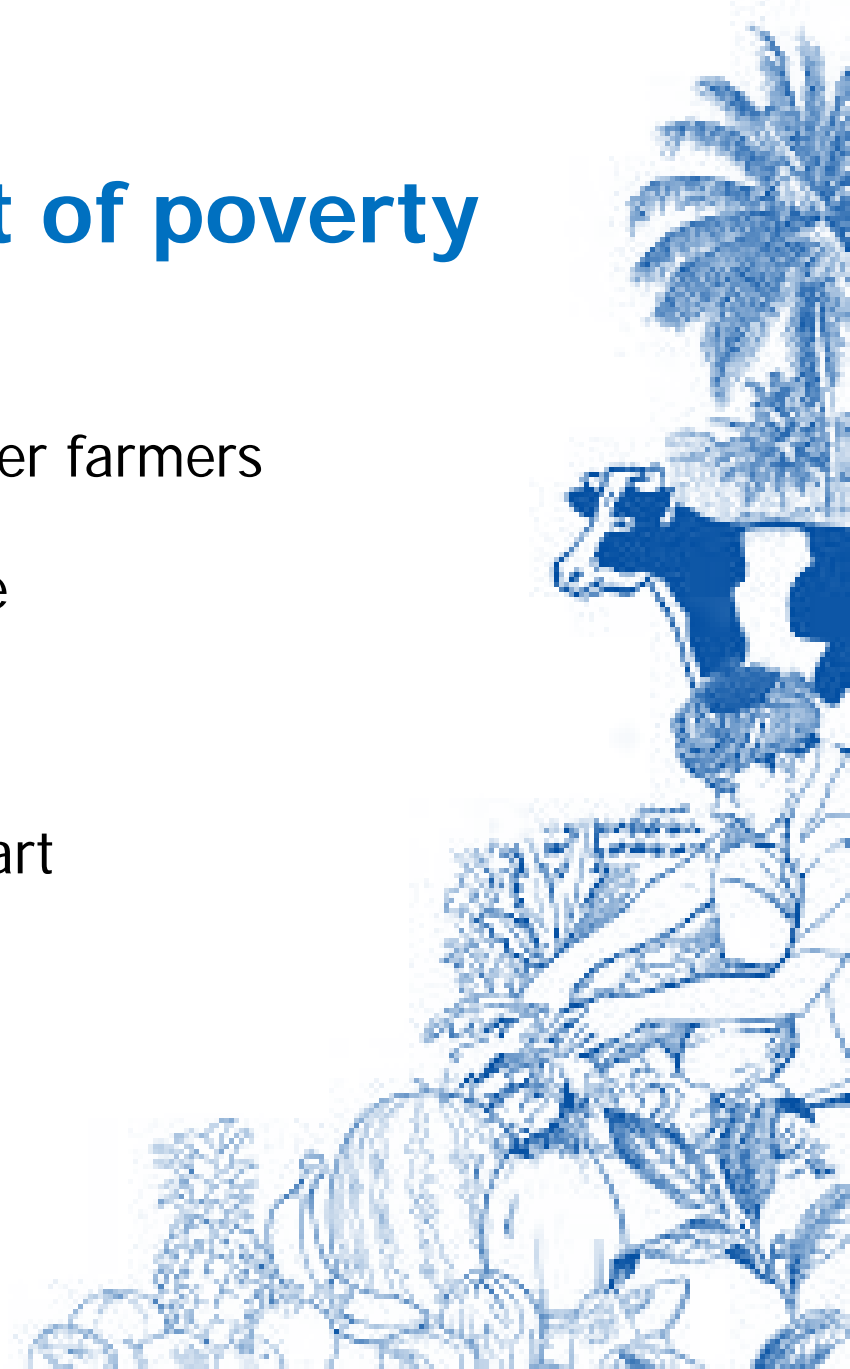
Smallholder dairying in Sri Lanka

- Cattle and buffalo

- Dairying – traditional secondary income source

- Formal market - Large scale dairy processors

- Informal Market - Neighbours, local shops, restaurants, small scale dairy processors

- Commercial dairy development to alleviate poverty

- Increase production and selling

Research question

- How do smallholder farmers engage in commercial dairying in Sri Lanka and why?

Concept of livelihood pathways

- **Livelihood Pathways** - patterns of livelihood activities, which arise from a coordination process among actors. The co-ordination emerges from individual strategic behaviour embedded both in a historical repertoire and in social differentiation, including power relations and institutional processes, both of which pre-structure subsequent decision-making (De Haan and Zoomers, 2005)

- Intentional and unintentional decisions

Research methodology

- Study location – Gonapinuwala Division, Sri Lanka

- Qualitative case study

- Primary data - 34 smallholder dairy farmers, 07 key informants

Preliminary results

- Three smallholder groups – higher, middle and lower

- Distinguished by:

    Milk selling

    Milk production

    Livelihood portfolios

Milk market participation of smallholder farmers

Smallholder groups	Milk selling	Milk production	Livelihood portfolio as a whole
Higher	Regular, constant volumes High formal market dependency	10-120L/day High input use – labour, feed Replace unproductive animals	Highly diversified Stable, high income sources
Lower	Not regular, highly fluctuating volumes Low formal market dependency	5 or less than 5L/day Low input use – labour, feed Keep unproductive animals	Less diversified Uncertain, irregular activities

Conclusion

- Heterogeneous – hierarchically organized on well-being

- Milk market engagement is shaped by multiple factors – ownership and access to assets, strategies, social norms

- Policies need to take account of how livelihood portfolios are put together as a whole

Thank you