



## Local Investment for Global Good: Building Dairy Value Chains

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## KEY TAKEAWAYS:

- The dairy sector holds immense potential for improving nutrition and health while driving sustainable economic development and contributing to a resilient food system.
- Collaborative public-private investment across the value chain from production to consumption, including in the ‘hidden middle’ of processing and distribution, is key to unlocking dairy’s full potential.
- No country is immune to malnutrition. Dairy is part of the solution.

The **Nutrition for Growth (N4G) Summit**, held every four years in the host country of the Summer Olympic Games, draws global attention to nutrition as a foundation for health, human capital, and performance. It convenes governments, international organizations, civil society, philanthropies, and the private sector to make concrete commitments toward improving global nutrition. Together these actors mobilize resources to tackle all forms of malnutrition - hunger, micronutrient deficiencies, overweight and obesity - recognizing that no country is immune to malnutrition.

This year, in Paris, Global Dairy Platform (GDP) joined forces with the **International Dairy Federation** (IDF) and the **International Livestock Research Institute** (ILRI), CGIAR to deliver an official N4G side event: *Local Investment for Global Good; Building Dairy Value Chains*. Hosted by **Le Centre national interprofessionnel de l'économie laitière** (CNIEL), the event convened experts from across nutrition, health, policy, and finance to discuss the benefits of comprehensive investment across the value chain, from production to consumption, including in the ‘hidden middle’ of processing and distribution, because it can improve nutrition outcomes, foster economic growth and lift communities out of poverty.

## Dairy Development Drives Socio-Economic Growth and Nutritional Security

Dr. Ugo Pica-Ciamarra, Livestock Economist for the Food and Agriculture Organization (FAO), opened the session by highlighting a stark reality: approximately 700 million people still live in extreme **poverty** and suffer from **hunger**<sup>1,2</sup>. He posed a critical question: *What role can the dairy sector play in nutrition and food security and economic security?*

Results from a systematic review and meta-analysis of data from 187 countries published in a recent report by the Global Agenda for Sustainable Livestock titled, **Dairy and Socio-Economic Development: What Evidence Does the Data Hold?** demonstrate how dairy sector development leads to employment opportunities along the value chain, a broader tax base for governments, and more affordable and accessible dairy products to help sustain households and economic growth.<sup>3</sup> Findings revealed that:

- As milk yield increases, dairy farmers' income follows, with farmers more likely to be lifted out of poverty.
- Subsequently, employment opportunities shift from production to processing, with fewer people working on farm and instead working in higher paying jobs.
- Increased yield also correlates with rising availability of dairy products and declining prices, thereby driving affordability, consumption, and improved food and nutrition security.
- Increased dairy production and consumption accelerates formalization of the sector, which increases tax revenue for governments.

The evidence shows that as the sector develops, benefits increasingly extend to consumers - the largest share of the population.

## Nutritional Security Drives Health

More than half the world's population does not consume enough iodine (68%), vitamin E (67%), calcium (66%), iron (65%), riboflavin (55%), folate (54%), and vitamin C (53%). According to FAO's 2024 **State of Food Security and Nutrition in the World**, over 2 billion people suffer from hidden hunger, a type of malnutrition that occurs when diets provide sufficient energy but lack essential micronutrients.<sup>2</sup> Dr. Alice Stanton, professor at RSCI University of Medicine and Health Sciences, highlighted that milk is a nutrient-rich food, containing high-quality protein and many shortfall micronutrients vital to human growth and development and emphasized the role of dairy in addressing hidden hunger.

Addressing malnutrition improves health outcomes. Clinical research shows that animal-source foods provide a variety of shortfall micronutrients and are linked to **better school performance**, **improved longevity**, **reduced risk of colorectal cancer**, and protection against **obesity**.<sup>4-7</sup> Child stunting is less prevalent in areas where animal source foods, such as meat, milk and seafood consumption are higher. Dr. Stanton warned of risks to nutritional security that come with extreme reductions or exclusion of animal-source foods from the diet.

## School Feeding: A Case of Good Investment

Just as investment in dairy development improves livelihoods and health, so too does investment in school feeding programs. Studies show the positive impact of school feeding programs on child health and nutrition outcomes, including increased height and weight, higher

bone mineral content and density, reduced anemia and chronic malnutrition, and improved school enrollment.<sup>8</sup>

Rafael Fabrega, Vice President of Food for Development at Tetra Pak, shared that milk is the most widely used product in [school feeding programs](#), reaching at least 418 million children across 176 countries globally.<sup>9</sup> The inclusion of milk in school feeding programs has cross-cutting benefits across health, education, and agriculture.

## Public-Private Partnership for People and the Planet

Despite its transformative potential for nutrition security, economic development, and sustainable food systems, dairy development in low-and middle-income countries, home to the world's most vulnerable populations, faces significant challenges. Addressing issues such as affordability, production, and education requires coordinated efforts from a diverse range of stakeholders across the value chain. In a panel discussion led by Shirley Tarawali, Assistant Director General at ILRI, CGIAR, stakeholders from government, finance and non-governmental organizations elaborated on the impact of public-private partnership.

Ethiopian Ministry of Health Senior Program Manager Dr. Sisay Sinamo Boltana shared that the [Seqota Declaration](#), a governmental approach that incorporates dairy as part of a broader diet diversification strategy to reduce stunting through traditional, indigenous, and location-specific affordable foods helps encourage consumption while also ensuring that diet diversity remains.

Dr. Namukolo Covic, CGIAR Ethiopia Country Convenor, stressed the importance of leaning into cultural traditions, such as making fermented milk more available on supermarket shelves in Zambia, where soured milk has been a familiar food for generations.

To improve nutrition outcomes while also supporting environmental sustainability, Dr. Stella Nordhagen, Research Lead for Food Environments and Supply Chains at the [Global Alliance for Improved Nutrition](#), emphasized the need for a holistic approach to dairy sector development.

Siddhant Gupta, Senior Manager at Bain & Company, indicated public-private partnerships are vital to building local value chains and utilizing the 'hidden middle' for the most impactful results. Initiatives such as [Dairy Nourishes Africa](#) (DNA), a collaboration between GDP, Venture37, and Bain & Company, are catalyzing development and creating more resilient, inclusive, and environmentally sustainable food systems through multiple touchpoints across the value chain. By working with farmer-allied enterprises in Tanzania and Kenya, DNA is expanding access to education, technology, and capacity building, resulting in improved nutrition status, economic growth, and poverty reduction. These partnerships should continue to scale to improve nutrition security, increase economic prosperity, and decrease environmental impact in low- and middle-income countries around the world.



## Investment in a Sustainable Healthy Future

Dairy is far more than food that provides essential nutrients. It's a food systems lever that has been demonstrated to improve livelihoods, diet diversity, and reduce childhood malnutrition – all while lowering emissions intensity, creating a triple win for people, production, and the planet. Investing in dairy is investing in local economies, resilient communities, and healthy, sustainable food systems.

### DAIRY LEADERSHIP: A CALL TO ACTION

- Develop and promote public-private partnerships that build local dairy value chains, enhance efficient production, and boost economic and food security.
- Advocate for school feeding programs that include milk to improve child nutrition and cognitive outcomes while supporting farmers through increased demand.
- Engage in policy work, education and awareness efforts to ensure the benefits of dairy are represented in global dietary guidance.

For more information on the Global Dairy Platform's Perspective Papers or our Quarterly Webinar Series, please reach out to Dr. Beth Bradley at [beth.bradley@globaldairyplatform.com](mailto:beth.bradley@globaldairyplatform.com).

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