CARE/Bangladesh has implemented digital fat testing machines to support the Strengthening the Dairy Value Chain (SDVC) project. The DFT initiative is a program with an innovative design, directly targeting 30,000 smallholder producers in three major dairy clusters in the North West of Bangladesh to engage in a transparent milk collection system and integrated service provision model anchored through a network of input supply shops and dairy collection points applying game-changing digital fat testing technologies. This Innovation Brief highlights the digital fat testing initiative.

#### Impact
- **Milk consumers:** The higher quality milk coupled with a more transparent system, but with the project underway, opposition is falling. This is due in part to the fact that milk consumers are starting to benefit from a higher quality and consistent supply of milk in the market. Furthermore, the availability of quality milk can change the buying behavior of consumers (who mostly buy milk from India and China).
- **Processors:** The plants use the digital fat testing results to determine payment to producers, which is then used to incentivize producers to sell more milk that meets quality standards.
- **Collectors:** Since CARE's implementation of DFT, milk collectors have been more satisfied with the system than they were before. In the past, some collectors went out of business because of inaccurate measurement. DFT has increased the demand for milk, helping to alleviate market inefficiency.
- **Producers:** PRODUCERS receive a higher price for milk during morning collections and 98% of farmers received a higher price for the evening collection. Milk producers who have not been able to increase their supply have seen an increase, which gives them higher profits. Producers who doctored their milk have seen the benefits and support for a pricing system based on milk quality. Even producers who wish to sell their milk in the formal market have seen an increase in supply.

#### Context
As the project progresses, there are a few challenges that CARE must try to encourage farmers to accept and farmers are paid for their milk later in the afternoon or the next day. CARE must try to encourage farmers to accept a change in payment schedule and some of the challenges that have arisen.

CARE/Akram Ali 2015©