

LIVESTOCK MARKETING IN KENYA AND ETHIOPIA

NARRATIVE SUMMARY

Livestock marketing is critical to the development of arid and semi-arid lands in Kenya and Ethiopia. Donors are showing renewed interest in funding livestock marketing activities. Livestock market improvement offers the potential to reduce poverty in areas that are identified as the poorest in these countries. Such activities also allow donors to move from a “relief” mode to a “development” mode in dryland areas, as there is growing frustration with dryland activities being in permanent “relief” mode. However, the research community is not currently able to provide donors with clear and specific information to use in designing livestock marketing activities. It is not at all clear how research findings at the macro, meso, and micro levels are to be reconciled and used in program design. It is also not clear how markets should be designed to meet marketing needs in both “normal” and “crisis” periods. At this point in time, it is difficult to provide specific recommendations based on research to donors.

What is missing is an overall sense of how interventions at different levels and for different states of the world fit together, how they should be prioritized, and how they should be sequenced. While changes at all levels are needed, where should we start? How will changes at one level influence changes at a different level? Are any types of interventions pre-conditions for success of other interventions? Most specifically, can we be sure that changes in the market structure at higher levels will lead to poverty reduction at

the household level? Can we be sure that potential benefits to changed market conditions at the local level will not be unobtainable due to blockages at higher levels? Can we identify policies at the international level that will encourage trade, or are currently inhibiting trade? Can we be sure that market interventions designed for normal times are flexible enough to address needs in crisis periods? The goal of this project is to gather together researchers working on livestock marketing in Kenyan and Ethiopian marketsheds to begin developing an understanding of these issues, and how these marketsheds are influenced by larger regional and international factors. The outcome will be the publication of these various insights, and the provision of a set of recommendations to donors interested in livestock market development.

RESEARCH

The goal of the program was to prepare for a workshop on livestock marketing in East Africa, hold this workshop, and conduct targeted follow up research following this workshop. We take each of these in turn.

Preparing for the workshop. We conducted a literature review in the United States to identify who was currently working on issues of livestock marketing in Kenya and Ethiopia, and completed an annotated bibliography that summarized works we were able to obtain and noted other works that were possibly relevant but not able to be obtained

(largely government reports and project documents fell into this category). We used the results of the literature review to identify researchers involved in livestock marketing in East Africa. We invited these researchers and some selected policy makers to meet at a workshop where livestock marketing would be discussed (see Collaborating Personnel for a list of participants).

Conducting the Workshop.

Thematically, we divided the discussions into four different topics. We first considered issues of household level marketing. We then discussed issues related to crisis period marketing. The third topic considered was market level issues at the local and sub-area (district or regional) level. Finally, we considered national and international issues of livestock marketing. For each topic, we first discussed what is already known on this topic, and then discussed what needs to be known. These discussions were particularly enlivened by having both researchers and practitioners involved in the workshop, and this helped to steer research priorities to topics of practical and timely importance. We concluded the workshop by an exercise in which the participants ranked research priorities. In this summary, we discuss the top three priorities as examples, and refer the reader interested in the overall ranking of priority topics to the details contained in the workshop proceedings (available via email from the PI and on the GL-CRSP website, <http://glcrsp.ucdavis.edu>). The highest research priority was to develop understanding of whether interventions (provision of market information, trade intelligence, weather information, definition of market standards, etc.) influence household level decisions to market livestock in the context of increasing understanding of the overall process of how households decide to sell livestock. The second highest priority was

to understand how externally funded market-based crisis interventions can be made compatible with traditional crisis coping strategies. The third highest priority was to investigate what can be learned from studying market cooperatives and marketing partnerships that are successful and those that have failed to understand both the potential and the pitfalls that confront such organizational responses to inefficiencies in the established marketing chain. We hope to be able to follow up on these priorities by defining and implementing research projects that investigate these and other priority topics.

Targeted Follow-Up Research. The original timeline for this project called for targeted studies to be conducted following the workshop and taking place within fiscal year (FY) 03; however, this was not possible due to the need to reschedule the workshop as detailed below. We now hope to undertake these activities in FY 04.

Progress. The main impediment to the project's progress was due to rescheduling the workshop from March 2003 until August 2003. The original date was not feasible due to security concerns that arose during the buildup to the Iraq war. Both workshop participants and, more importantly, embassy representatives in Nairobi expressed concern about holding a high profile workshop during this period. This was especially true as the workshop was originally scheduled to be held on the USAID grounds in Nairobi. In light of these concerns, we rescheduled the workshop to the next feasible date that would ensure the maximum participation level, which turned out to be mid-August. This caused us to modify our original workplan to keep the preparation for the workshop and the workshop in FY 2003, while moving the targeted studies and publication of the targeted studies into FY 2004.

GENDER

There was no specific gender component to the project over the past year. Topics identified as meriting further research did, in some cases, have a gender component.

POLICY

The project brought local level non-governmental organization (NGO) representatives to the workshop in Nairobi. The goal was to have these front line development actors discuss with researchers both what is known about livestock marketing and what needs to be researched to help them better serve the population in the area they work. The benefit of this interaction was twofold. One, researchers were able to hear from front line agencies what they are being asked to do by donors, and were able to provide guidance based on previous research on how best to meet these demands and also identify where further research would be needed to help them meet these demands. Two, development agents were able to obtain advice and be updated on the latest research findings that were not likely to be available to them in the rural areas where they are based. With regard to national policy, the project is still in its early phase, so there is little to report in terms of outcomes. However, we can say that the Livestock Marketing Authority in Ethiopia and the Livestock Marketing Council in Kenya were active and engaged in our workshop, and the relevant ministries have been advised of our project and our deliberations in August.

OUTREACH

The project did not have an outreach

component as it was in its initial year.

DEVELOPMENTAL IMPACT

Environmental Impact. There was no environmental impact in this initial year. Looking toward the future, if we accept that livestock accumulation and low sales rates have an adverse environmental impact, improving market efficiency should reduce pressure on rangeland resources. If we do not accept that this is the case, then the environmental issues become how we design market institutions that do not create a negative environmental impact. The connection between stocking pressure and environmental degradation is currently under some debate in arid and semi-arid environments, and we are not convinced of the contention that widespread grazing-induced degradation is occurring. However, we are convinced that designing market interventions has to be done carefully with an eye towards preventing unintended adverse environmental consequences. This was a topic of our discussion at the Nairobi workshop particularly as it pertained to designing and implementing crisis period and recovery from crisis period strategies.

Agricultural Sustainability. Livestock marketing is a good example of the type of intervention that is extremely sustainable over time. Livestock marketing exists in the area, and has existed for quite some time. Clearly people are buying animals produced in livestock raising areas, and clearly people in livestock raising areas are selling animals in the market. The question is how do we reduce inefficiencies in this market to improve market functioning and improve the well-being of agricultural producers. There are very few physical inputs required, and not all that many capital costs. It is a question of finding out what is working, and identifying how to build

upon success and eliminate inefficiency. The project is an attempt to use research as a tool to identify such opportunities, and the approach of working with policy makers is the strategy we have chosen to ensure the findings have an impact on the ground.

Contributions to U.S. Agriculture.

There were none over the past year. As the project continues to develop, there may be new information on market efficiency or crisis period mitigation that have some relevance to U.S. livestock production areas.

Contributions to Host Country. We held our workshop in the region and used the national carrier for transport between Ethiopia and Kenya. Looking toward the future, livestock-raising areas tend to be the poorest areas of East Africa. To the extent that we can identify ways to raise living standards by improving market efficiency, we will be identifying ways to improve well being without imposing great costs.

Linkages and Networking. There is currently a great deal of interest in livestock marketing. Various organizations including the European Union (EU), the Food and Agriculture Organization (FAO), USAID, the International Livestock Research Institute (ILRI), and the International Food Policy Research Institute (IFPRI) have recently launched initiatives in livestock marketing. Both Kenya and Ethiopia are showing renewed interest in livestock marketing as a matter of national policy. GL-CRSP has a long history of working in the pastoral areas at the community level, and is specially placed to represent this local level perspective on livestock marketing issues. Particularly as large, national, or international policy initiatives are launched, we will be well-placed to work with these organizations to help identify what will be the local level impact of these policies, and how can we ensure that local producers capture some of the economic

benefit the policies generate.

Collaboration with International Research Centers (IARCs) and other CRSPs. As noted in the preceding point, both IFPRI and ILRI are turning toward livestock marketing, and we have established linkages with them and have a particularly strong link with ILRI researchers. We work in close collaboration with the GL-CRSP PARIMA project, as the core members of the LiTEK project are all PARIMA members. In addition, we work with the GL-CRSP Livestock Early Warning System (LEWS) project, as we share an interest in improving market efficiency. LEWS is particularly interested in the role of information delivery in marketing, and we have discussed this issue with LEWS representatives quite a number of times.

OTHER CONTRIBUTIONS

Support for Free Markets and Broad-Based Economic Growth. This is a project based on improving free markets by identifying and reducing inefficiencies through targeted research. Livestock raising is the key economic activity in arid and semi-arid areas. Improving livestock marketing offers the only viable potential base for a future of broad-based economic growth in this area. While other activities will undoubtedly be important to the economic future of arid and semi-arid areas, none will be possible without ensuring the health of the core economic activity of livestock raising and marketing. We have begun by prioritizing research activities for this sector.

Contributions to and Compliance with Mission Objectives. USAID is trying to move interventions in pastoral areas from “relief mode” to “development mode.” They are looking at ways to ensure that mission activities contribute to building a viable

economic future that prevents humanitarian crises, rather than addressing immediate humanitarian needs in ways that do not head off future crises. That is also the aim of this project.

Concern for Individuals. Livestock marketing offers a way to build an economic future for areas that are the poorest of the poor, and are marginalized in the national economy. We are identifying ways to improve the economic opportunities facing the individual livestock producer, and also the prospects for other individuals involved in different parts of the marketing chain.

Support for Democracy. There is nothing explicitly in the project that addresses support for democracy.

Humanitarian Assistance. The research focuses on how livestock markets function during crisis periods and also how markets function to help people recover from crisis periods. The goal is to identify how to use market-based interventions to minimize the need for humanitarian assistance that takes place outside normal marketing channels. This will both increase the sustainability of future crisis period interventions and reduce their unintended impacts on market functioning.

LEVERAGED FUNDS AND LINKED PROJECTS

We cooperated with the PARIMA project, as the key members of the LITEK project are also PARIMA members.

TRAINING

There was no training component of this project.

COLLABORATING PERSONNEL

The lead investigator on the project over the past year was John McPeak at Syracuse

University. He was assisted by Peter Little at the University of Kentucky and by Chris Barrett at Cornell University. Getachew Gebru handled the in-country work in Ethiopia for this project. Getachew is the post doctoral research associate for the PARIMA project. The following is a list of individuals who attended the workshop:

Abdi Hussein Abdi, Kenya Livestock Marketing Council.

Abu Abikar, FAO-Support to Livestock Export in the horn of Africa (EXCELEX-HOR).

David Acker, Iowa State University.

Teressa Adugna, Alemaya University.

Yacob Aklilu, Organization of African Unity-Interafrican Bureau for Animal Research (OAU-IBAR)/Tufts University.

Dadhi Amosha, Oromia Pastoral Development Commission.

Metalign Ayehu, Ministry of Finance and Economic Development.

Gezahegre Ayele, Ethiopian Agricultural Research Organization (EARO).

Chris Barrett, Cornell University.

Samuel Benin, International Livestock Research Institute (ILRI).

Montague Demment, Director, Global Livestock CRSP.

Godana J. Doyo, Arid Lands Resource Management Program (ALRMP).

Ayele Gebre-Mariam, Africa Consult.

Getachew Gebru, Utah State University.

Ali Mohammed Gedi, Red Sea Livestock Trade Commission.

David Hadrill, FAO Project Manager, DireDawa.

Guyo O. Haro, Global Environmental Facility (GEF)/German Agency for Technical Cooperation (GTZ-IS).

Mary Hobbs, USAID/Regional Economic Development Services Office (REDSO).

Aliye Hussen, DG, Oromia Agric-Research Institute.

Belachew Hurrissa, Livestock Marketing

Authority (LMA).
Mohammad Jabbar, International Livestock
Research Institute (ILRI).
Abdullahi Dima Jillo, Egerton University.
Robert Kaitho, Texas A&M University.
Stephen Kariuki, Pastoralist Integrated
Support Program (PISP).
David Kinyua, REDSO/Food Security.
Charles Lesingiran, Food for the Hungry
International.
Peter Little, University of Kentucky.
John McPeak, Syracuse University.
Ali Hassan Mohamed, FARM-Africa.
John Morton, University of Greenwich.
Diana Putman, USAID/REDSO.
Maren Radeny, International Livestock
Research Institute (ILRI).
Mulugeta Shibru, CARE-Ethiopia.
Jerry W. Stuth, Texas A&M University.
Chachu Tadicha, Community Initiatives
Facilitation Assistance (CIFA).
Alemu Wosenyeleh, ELFORA Agro
Industries.
Fred Zaal, Amsterdam Institute for Global
Issues and Development Studies (AGIDS)–
University of Amsterdam.

available at: <http://glcrsp.ucdavis.edu>.

PRINCIPAL INVESTIGATOR

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COLLABORATING INSTITUTIONS

This short-term project was led by John
McPeak at Syracuse University and there were
no formal collaborating institutions.

PUBLICATIONS

No journal or book chapter publications were
completed in the past year on this project. The
two outputs of the project were the annotated
bibliography distributed at the Nairobi meeting,
and the workshop proceedings that have been
electronically distributed to workshop
participants. The annotated bibliography is