



Profiting from Livestock

The growing global demand for animal products is an opportunity for East African countries to sell more livestock abroad and increase their export earnings. To benefit from this increased demand, pastoralists will need support to get their products to the international market.

The current international standards for trade make it hard for African countries to export animal products. A change in the current policy which is based on a requirement to eradicate all disease from a country of export will help African countries without harming the importers. The alternative 'commodity-based' approach determines that the final consumer products are free from dangerous infectious and non-infectious agents.

Regional and national policies need updating to help pastoralists sell their valuable products at a good price. At present, the weak infrastructure makes it hard for pastoralists to get their products to local markets in good condition. Once this is possible it will be easier for pastoralists to expand selling products internationally.

Recommendations

- Governments should support the African Union, COMESA and the East African Community in their efforts to promote

Kenya's pastoralists hold over 60% of the national livestock herd with a monetary value of between Kshs 60-70 billion. Livestock's contribution to Kenya's national GDP is growing: from 3.3% 1998 3.6% 1999 4.4% 2001. Meanwhile agriculture's contribution fell from 6.8%-4.8% during the same period.

WISP: Review of the Literature on Pastoral Economics & Marketing

Estimates of the contribution of pastoralism to the Kenyan and Ugandan economies (2004)[1]

Factor	Kenya	Uganda
Contribution of agriculture sector to GDP	16%	32%
Contribution of livestock to agricultural GDP	50%	19%
Significance of pastoralists as livestock owners	N/a	90%
Significance of indigenous cattle in national herd	75%	95%
Significance of milk production from pastoralism (% of total national milk production)	24%	85%
Pastoralist population	6 million	2+ million

[1] IIED Issue Paper no.142

commodity-based trade in animal products. This support will include providing examples of where scientific standards are being met and facilitating private sector investment in pastoral production systems.

- At a regional, national and local level
 - Improvements in infrastructure and easier access to markets are needed. Governments should support the improvement of facilities and should streamline policies at international ports such as Mombasa, Kenya, Djibouti and Berbera, Somaliland. Better roads, improved cooling, storage, processing and packaging facilities and handling standards are also needed.
- Countries and individuals should push for a regional dialogue to improve the quality of inputs and outputs at each stage of the commodity chain for pastoralist products. This should draw on pastoralist knowledge.
- National livestock policies should be updated and veterinary services extended and enhanced to support mobile pastoralists. The complementary roles of government veterinary staff and private sector service providers should be explicitly linked.

Background

Djibouti, Kenya and Uganda are members of the WTO and Ethiopia is negotiating membership. All are members of the World Organisation for Animal Health (OIE). This means they are bound by the strict standards of the OIE, which most countries of the region cannot meet. However, the OIE has agreed to review the current system that makes sure the country of export has no diseases but doesn't monitor the quality of the end product.

International trading standards affect all areas of trade in livestock products: modern physical infrastructure is essential but there are only a small number of approved export abattoirs in the region; extensive veterinary outreach is needed (importing countries sometimes require an international veterinary certificate which proves standards have been met e.g. animals have only moved in defined areas). Pastoralists in particular cannot usually comply with these requirements.

Because formal trade with rich countries is difficult a lot of trade in pastoralist products passes through unofficial, informal routes: Only 20% of Ethiopia's livestock trade is through formal channels, 80% through informal channels. Despite the challenges, the government of Ethiopia wants to expand the volume of meat exports; the African Union (AU) wants a 6% growth rate in annual agricultural production by 2015 and; AU member states are committed to spending 10% of total public expenditure on agriculture and rural development.

Even when pastoralists find a market, they make little profit because it is hard to add value to products. Poor marketing, bad roads and a lack of storage, processing and packaging facilities all make costs higher and losses greater. It is estimated that 10-15% of regional GDP is provided by livestock, most of which is from pastoralists. This figure - large as it is - can be increased.

