

# IIRR policy brief

## The marketing of pastoralist livestock and livestock products

**M**obile pastoralism is the most efficient way to use the drylands: better than either ranching or crop-growing. Pastoralists are major producers of live animals, meat, hides and milk. But they find it difficult to market their products. Quantities and quality tend to be low, and production and prices vary wildly from season to season.

Improving marketing would boost the livelihoods of the pastoralists and further national development and integration. The right policies will stimulate marketing by encouraging investment; inappropriate or outdated policies will hinder marketing and perpetuate poverty.

This brief lists a range of policies to support pastoralists to market their products.

### Four types of markets

Pastoralists serve four broad types of markets. Each requires a different mix of policy support.

#### Local markets

This is where the producer sells to local consumers, either directly or via a trader. These markets are low-value, low-volume and often low quality. For cattle milk, this is probably the most appropriate type of market.

- **Policy approach** Increase volumes, quality and reliability. Help producers form marketing groups. Encourage investment in local markets and processing.

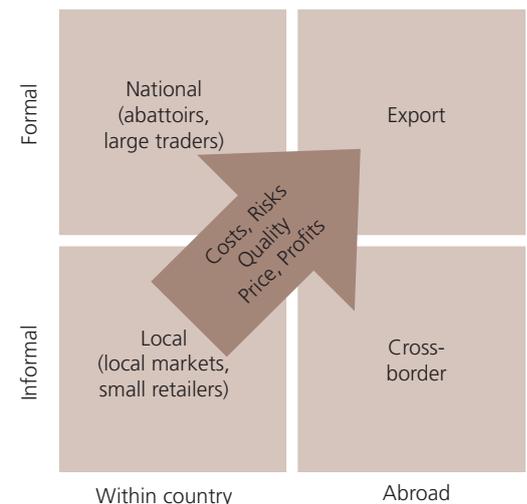
#### National markets

Here, the product goes to a city abattoir or dairy. Such markets are higher-value, but harder for pastoralists to serve. This is probably the most promising area for development for meat and camel milk.

- **Policy approach** As for local markets, plus create linkages with national-level buyers. Build the capacity of pastoralists to get organized and serve these markets.

#### Cross-border markets

These are where the animals are herded into a neighbouring country for sale. These markets are higher-value than local markets, but tend to be risky.



*Pastoralists can serve four types of markets, each with its own characteristics.*

- **Policy approach** Ensure security, ease restrictions on cross-border movements and eliminate "informal taxes".

#### Export markets

This is where the animals are exported either live or after slaughter through formal channels. They produce the highest value, but have strict quality requirements.

- **Policy approach** Encourage export-oriented processing industries. Ensure quality and reliability of supply. Build producers' capacity to get organized and serve these markets.

### Key points

**Mobile herding** is the most efficient way to use the drylands.

Policies should aim to **improve quality and quantity**.

**Better feeding** (especially in the dry season) and animal health services are needed.

**Services required** include market information, credit, transport, marketplaces, processing and quality control.

Pastoralists, traders and processors need certain **skills**. Pastoralists need to be **organized** to sell in bulk and improve their negotiating position.

Policies should be developed **in collaboration with pastoralists** and not imposed on them.

## New and old markets, new and old products

Pastoralists can produce for an existing market, or serve a new one. They can also develop new products for those markets.

### Serving existing markets

The government can make livestock production more profitable and efficient by improving and building new marketplaces, abattoirs and dairies, and by improving transport and milk collection. Rather than trying to restrict cross-border trade, it can make it easier to herd animals across borders legally.

### Finding new markets

The government can provide information and advice on potential markets (such as making price information available). It can make it easier to transport animals, for example by reducing taxes and hassles along the route.

### Developing new products

The government can encourage firms to invest in processing facilities in pastoralist areas, for example by providing start-up capital. It can offer training for producers and workers, and ensure that quality-testing facilities are in place. Producers and processors can serve a **niche market**, such as selling camel milk in the city, or turn hides and skins into high-value belts and handicrafts.

## Production

Policies should support pastoralists to produce high quality, and encourage them to engage in the market economy.

### Feeding

- **Support pastoralism** Facilitate (rather than hinder) the pastoralist mode of production. That means finding ways to facilitate mobility, enable herders to gain access to pastureland and water, and keep access to land open.

- **Maintain mobility and access to rangelands and water** Support pastoralists' mobility, for example by preventing "land-grabbing" by rich elites, stopping the fencing of land, preserving migration corridors and enabling cross-border livestock movements,

- **Ensure security** Prevent cattle-raiding, and mediate conflicts among pastoralist groups and between pastoralists and farmers. Follow up reports of stolen animals promptly and effectively.

- **Mitigate the effects of drought** Drought is inevitable in the drylands, so it is vital to prepare for it so that as many people and animals can survive and recover quickly afterwards. Approaches include developing and managing emergency water points and pastures, facilitating movement to other areas, encouraging destocking before a drought, and helping build up herds afterwards.

- **Encourage pastoralists to sell animals as soon as they reach market weight** Persuade buyers to provide a price incentive for good-quality animals.

- **Make feed available** Support the establishment of feedlots to fatten underweight animals. Train pastoralists to grow forage and make hay and silage. Foster arrangements where farmers allow herders to graze their animals on fallow fields. Stimulate traders to bring feed in from other areas to feed to animals.

### Animal health

- **Control infectious diseases** Import bans can destroy a thriving trade overnight, so it is vital to avoid them. Measures include vaccination campaigns, quarantine requirements, and appropriate (but not excessive) restrictions on movements.

- **Promote animal health** Facilitate the provision of appropriate animal health services, for example by expanding the role of community animal health workers, support-

ing the private sector, and linking pastoralists to community animal health workers and agrovet stores. Improve the control of the quality and safety of veterinary drugs.

- **Charge for services** Do not provide medicines for free (except perhaps to control epidemics and infectious diseases). Pastoralists usually recognize the value of livestock health services, and are willing to pay for them.

- **Train pastoralists and their organizations** to provide their own animal health care services. It is impossible for outside organizations to provide all the animal health services that pastoralists need. Community workers and paraveterinarians who travel with the herders can treat many of the simpler ailments affecting livestock.

- **Ensure services are flexible** Animal health services have to be flexible enough to deal with mobile clients. That may mean providing services in different locations in different parts of the year.

### Breeding

- **Do not support the introduction of inappropriate breeds** They quickly fall ill and die in harsh conditions.

- **Conserve and promote local breeds** Support breeding and genetic conservation initiatives by pastoralists themselves.

- **Support selective breed improvement and cross-breeding** Help pastoralists select superior local animals and use them for breeding. Return the offspring from off-site breeding programmes to the pastoralists.

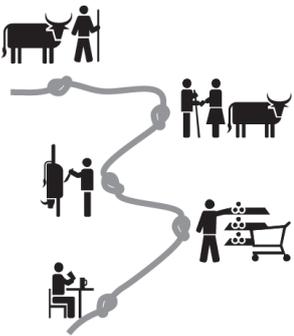
## Services

Policies should aim to support services that facilitate marketing. The aim should be to ensure that pastoralists have access to the same range of services that producers in other areas enjoy. That means bringing facilities to pastoralists, and designing them so pastoralists can use them easily.

### Market information

- **Ensure access to information** Support initiatives that make available accurate, up-to-date market information on pastoralists' products. Such initiatives collect information on live animals and milk, and disseminate it via community meetings, the mass media, market billboards, rural information centres, the internet and mobile phones.

- **Support the expansion** of community radio and mobile phone coverage.



*Pastoralists are at the beginning of a chain that leads to consumers. Good-quality production is essential for good-quality products.*

### Targeting policies

A chain is only as strong as its weakest link. Policies need to ensure that the value chain works for everyone: that everyone has an incentive to play their role and to increase quantity and quality. For the private sector, that means that each actor has to make a profit. For the public sector, it means clear guidelines on what to do and how to support the chain.

Policies should be targeted to benefit as many people as possible. That may mean **addressing pastoralists directly**, for example through training and advice. But it is hard to reach many pastoralists in this way: they are too scattered and hard to reach.

It may be best to **target other chain actors**, such as traders and processors. Establishing abattoirs or tanneries can provide a market for thousands of pastoralists.

Or policy could **target chain supporters**, for example by improving drug supplies or establishing credit facilities for pastoralists and traders.

## Financial services

- **Tailor financial services** Because financial institutions do not see pastoralists as bankable, they do not design services suited to them. Pastoralists in turn do not demand banking services. To break this vicious circle, financial institutions should tailor services specifically for pastoralists, taking into account their mobility, the risks they face, and their lack of fixed collateral. Potential alternative service points include agrovet stores, mobile-phone shops, markets and abattoirs.

- **Provide credit to traders** Traders need cash to buy animals, but find it hard to get the working capital they need. That means they cannot buy all the animals they want, or that pastoralists want to sell. Financial institutions could design credit windows for this kind of transaction.

- **Encourage processors to provide credit to traders and producers** Abattoirs and dairies know their suppliers and can judge their credit risk. Banks can loan money to processors, which in turn offer credit to their suppliers.

- **Design sharia-compliant credit services** Many pastoralists are Muslims, who regard charging interest as usury. Sharia-compliant credit schemes avoid this by charging fees rather than interest payments.

- **Support index-based drought insurance services for pastoralists** A herder who takes out such an insurance policy pays a premium up front. The insurance company pays out only if weather data (from a satellite or ground stations) predicts that a drought is severe. This avoids the need to check on whether the pastoralists' animals have actually died.

## Transport

- **Improve trunk and feeder roads** that link production areas with markets.

- **Establish and maintain corridors** where pastoralists can herd their animals between their traditional grazing areas and the market. Ensure that these corridors offer adequate access to feed and water.

- **Require transporters** to use lorries suited to transporting livestock (e.g., with partitions to support the animals).

## Marketplaces

- **Establish markets** in areas that are currently under-served.

- **Improve market facilities** Facilities required include holding pens, feeding and watering troughs, perimeter fences, administration buildings, toilets, loading ramps and access roads.



*Encouraging pastoralists to form marketing groups benefits both producers and buyers.*

- **Improve market management** Joint management committees include local authorities and the representatives of producers, traders and other market users. Markets can cover the costs of maintenance, administration and security by charging fees for entry, per sale, or for loading animals.

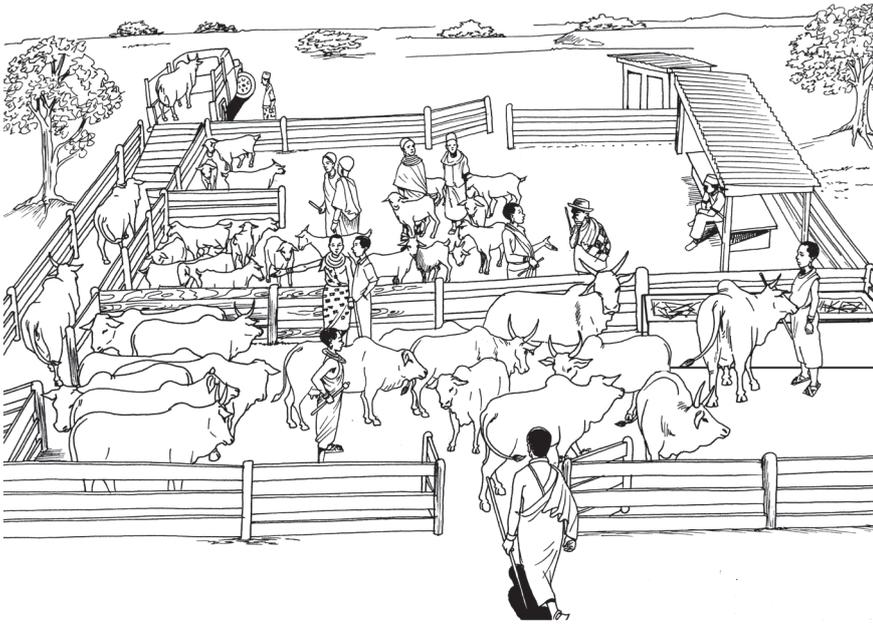
## Processing

- **Support the establishment of processing industries** New dairies, abattoirs and tanneries in key areas would bring the immediate buyer closer to livestock-producing areas and would create jobs there. But such enterprises must be planned carefully: they have to be commercially viable, but also have a social mission, so may need long-term government or donor support.

- **Ensure processors involve pastoralists** While commercial considerations must be paramount, pastoralists and traders on the management committee or board can make sure that they are appropriate and can liaise with the local community.

- **Encourage improvements of facilities to serve local markets** These do not have to be expensive. Simple slaughter slabs, cooling plants and aluminium cans can greatly improve the hygiene of meat and milk. Abattoirs can run feedlots to fatten underweight animals before slaughter. This enables them to buy a larger range of animals than they otherwise could.

- **Find markets for products** Processors need markets for their products. They have to compete with high-quality imports or products produced in kinder environments. So quality control, branding and marketing are vital.



Thriving livestock markets can boost the dryland economy.

### Quality control

- **Training** This is important so producers, traders and processors learn how to improve quality.
- **Improve facilities and procedures** Encourage investment in equipment such as coolers and refrigerated trucks, and improve record-keeping and traceability.
- **Improve inspection and grading** Animals should be checked and graded at markets and before and after slaughter. On-site testing of milk for fat content, freshness, adulteration and contamination should eliminate substandard products. Young people can be trained how to do the tests, and provided the equipment needed.
- **Provide incentives** Encourage buyers to reward producers for high-grade animals and milk by paying a better price.

### General

- **Encourage trade and investment** This means removing unnecessary restrictions, reducing taxes, and facilitating cross-border trade. Taxes collected from pastoral production and marketing should be re-invested in pastoralist areas.
- **Ensure fair competition** Avoid distortions that exclude certain actors from the market, and eliminate cartels and direct government involvement in the market.
- **Improve quality and image** Find ways to promote the quality and image of pastoralist products. Explore niche markets for promising products such as camel milk and *biltong*.
- **Coordinate services** Coordinate the provision of services to ensure that they sup-

port one another. Livestock marketplaces, for example, require roads, transport, health services and credit facilities.

### Skills and organization

Policies should try to build the human and social capital of people in the value chain.

- **Build skills** This includes training pastoralists, processors, traders and service providers in appropriate skills, and using other capacity-building approaches. For pastoralists, this includes how to produce for the market, finance, communication, business, marketing and organizational leadership. For traders, it includes group governance, management of animals, marketing, negotiation and finance. For processors, it covers processing techniques and business management.
- **Organize groups** Groups are key to marketing both animals and milk. Various types of groups may be appropriate for different situations: producer cooperatives, organizations that link producers with traders, forums that bring together producers and traders with government and service providers, and commodity associations that cover all stakeholders in a particular marketing chain.
- **Organize second-order associations** Encourage the formation of unions of cooperatives to represent the interests of pastoralists in negotiations with traders, processors and service providers, and to lobby local and national governments.
- **Support women** All pastoralists face difficult challenges, but women are at an additional disadvantage. Efforts are needed to build women's skills in production and marketing, create more opportunities for them, involve them in a wider range of activities, and strengthen their role in making decisions.

### Further reading

IIRR and CTA. 2013. *Moving herds, moving markets: Making markets work for African pastoralists*. International Institute of Rural Reconstruction, Nairobi; and the Technical Centre for Agricultural and Rural Cooperation, Wageningen, The Netherlands. <http://tinyurl.com/qfxekvw>

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The views expressed herein are those of IIRR and can therefore in no way be taken to reflect the official opinion of CTA.

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