



## Can Pastoral Linkages to Livestock Markets Be Sustained in Southern Ethiopia?

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Pastoral Risk Management Project

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*The PARIMA project has facilitated collective action, empowerment of women, and increased involvement in livestock marketing among pastoralists on the Borana Plateau since 2001. Fifty-nine collective-action groups formed by PARIMA and her partners have been recently merged into market-oriented cooperatives, consistent with government policy. We used focus groups and participatory appraisals to assess the extent that market linkages have been sustained since previously reported in 2006. The markets have been growing, but are volatile. Members report they need access to early warning and livestock market-information systems, as well as more capital, to promote trade. Export firms have imposed added conditions on animal delivery that puts cooperatives at a disadvantage versus wealthy traders. This suggests that pastoral cooperatives may be increasingly sidelined from effective market participation. Connecting pastoral producers to markets is a dynamic process, and gains achieved can be quickly eroded. To promote sustainability of market linkages we recommend that third parties monitor the cooperatives and marketing chains to identify problems and build capacity. Early-warning and livestock market information systems need to be implemented. Local researchers can identify animal production constraints that limit market supply and use action research to test interventions in partnership with communities.*

### Background

As with many other East African rangelands, the pastoral system on the Borana Plateau has been in a downward spiral of increasing poverty and heightened food insecurity for several decades. Because the indigenous system is no longer capable of providing a subsistence level of food production for the human population, people like the Boran must diversify their livelihoods and become more involved in livestock and grain markets in order to prosper.

Starting in 2001, PARIMA and her partners spent several years creating 59 well-trained pastoral collective-action groups across the Borana Plateau. Dominated by women, a package of interventions focused on capacity building. Groups formed rapidly and membership grew to over 2,100 people across several districts (Coppock et al., 2009; Tezera et al., 2008). The primary goal of this effort was to empower destitute people and promote livelihood diversification. By 2003, it was apparent that livestock export markets in Ethiopia were rapidly growing. In response to this opportunity, PARIMA and her partners facilitated interactions among collective-action groups, policy makers, and livestock exporting firms to create a north-bound livestock marketing chain from southern Ethiopia to Addis Ababa (Desta et al., 2006). This process helped pastoralists learn about product requirements and helped policy makers and exporters learn about the production potential of the rangelands. The PARIMA project then assisted with the establishment of business linkages among collective-action groups and export abattoirs. We monitored 11 collective-action groups that supplied sheep and goats to two export firms. Nearly

60,000 sheep and goats, 3,500 cattle, and some camels were traded by the groups from 2003-2007. This resulted in new sources of income for group members (Desta et al., 2006; Tezera et al., unpublished data).

After 2006, the PARIMA project worked with the Oromia Cooperative Promotion Office to transform the 59 collective-action groups into around 37 legally recognized cooperatives, consistent with government policy. It was anticipated that transformation of groups into cooperatives would offer members better access to services including capital from commercial financial institutions. Cooperatives were also expected to have better access to information pertaining to drought early-warning and livestock market prices. In 2009, we wanted to follow-up with the PARIMA project alumni in the cooperatives to see how they had fared in the transition process. We used five focus group discussions (Figure 1) and several Participatory Rural Appraisals (Lelo et al., 2000) to collect this information. Details on methods are provided elsewhere (Gebru et al., submitted).

### Findings

The transformation of informal collective-action groups into formal cooperatives needs to be voluntary and gradual (Tezera et al., 2008). Our sources revealed, however, that this process has been mishandled in certain locations. Some groups have been merged without their consent, and continued investment in capacity building has been limited. This has led to attrition in cooperative membership in some cases.

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*Figure 1. Dr. Solomon Desta of PARIMA with a focus group in the Moyale District, Ethiopia. The PARIMA project has facilitated collective action, empowerment of women, and increased involvement in livestock marketing among pastoralists on the Borana Plateau since 2001. Fifty-nine collective-action groups formed by PARIMA and her partners have been recently merged into market-oriented cooperatives. These PARIMA groups have become active participants in newly created livestock export marketing chains, and thousands of dollars in local profits have been generated. Photo by G. Gebru.*

Our sources indicate that livestock market demand has been growing, but it has been volatile. In previous research, it was noted that collective-action groups mostly supplied animals to exporters by trading animals procured from a variety of producers; the bulk of the supply did not come from their own small flocks or herds (Desta et al., 2006). Groups would procure animals (especially sheep and goats) from across the Borana Plateau and northern Kenya and aggregate them for exporters, a process that requires an infusion of capital. However, recent focus groups noted that the cooperatives have often been unable to access sufficient capital to acquire animals for trade. Export firms have also been imposing more stringent terms and conditions on animal deliveries. Purchase criteria have been increasingly inconsistent as well. All of these factors combined are acting to gradually sideline the pastoral cooperatives from active engagement in the livestock marketing chain. The situation gives more competitive advantages to wealthy traders. In response to such pressures, some cooperatives and individual producers are searching for alternative markets. These prominently include more domestic outlets.

Early warning information concerning drought, conflict, and livestock diseases are essential to improve livestock production and marketing. Our sources told us that the Borana pastoralists have traditional early-warning systems, but these have limitations. The cooperatives also need accurate livestock market information to function effectively. Most livestock market information, however, is still gathered via traditional means. A common approach is for an individual to visit several market locations and gather information on prices, supply, and demand before making a

final decision. Pastoralists also try to triangulate information when traders are involved.

The focus group discussion participants do not have access to any formal livestock-market information system implemented by government or NGOs. This is despite several years of effort by researchers and development agents to create livestock market-information networks. Our sources said they know that marketing data have been routinely collected by various organizations, but they are not aware of how the data are used or whether the data could benefit pastoral cooperatives.

Using Participatory Rural Appraisal (PRA) tools, researchers from the Oromia Agricultural Research Institute (OARI) identified a number of community-recognized problems concerning small-ruminant production and marketing. The main production constraints for sheep and goats concern the high mortality of young stock. Health and nutrition constraints are the key factors that limit animal recruitment. Marketing constraints revealed in the PRAs were similar to the findings reported above, including price fluctuations, low prices, interference by traders, and a general lack of access to livestock market information.

Overall, we conclude that despite the challenges, there have been fundamental and positive changes in the livestock marketing environment in southern Ethiopia. Market access has dramatically improved over the past decade and livestock prices have increased. Pastoralists have also been successfully trained to better engage livestock traders and exporters, and they are managing their financial affairs more effectively.

## Practical Implications

Connecting pastoral producers to markets is a dynamic process. Gains achieved can be rapidly eroded. Based on our findings, we offer five recommendations:

- Have independent third parties monitor the performance of cooperatives and advocate for the ideals of voluntary process, as well as assist in building capacity for both cooperative promotion staff and cooperative association members.
- Have independent third parties monitor linkages among cooperatives, traders, exporters, and other livestock buyers, and advocate for mechanisms that promote equity among value chain participants.
- Assist cooperatives in the generation of capital for livestock trade, whether this is acquired from local savings and investments, holding companies, or outside loans and grants.
- Implement the viable aspects of formal early warning and livestock-marketing information systems among cooperative members now.
- Have local scientists take the lead in implementing action research, in collaboration with local communities, on animal-production interventions directly connected to market incentives.

In sum, the current opportunities to enhance pastoral livestock marketing in southern Ethiopia are large. The time to act is now.

## Further Reading

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The GL-CRSP Pastoral Risk Management project (PARIMA) was established in 1997 and conducts research, training, and outreach in an effort to improve the welfare of pastoral and agro-pastoral people with a focus on northern Kenya and southern Ethiopia. The project is led by Dr. D. Layne Coppock, Utah State University. Email: Layne.Coppock@usu.edu.



The Global Livestock CRSP is comprised of multidisciplinary, collaborative projects focused on human nutrition, economic growth, environment and policy related to animal agriculture and linked by a global theme of risk in a changing environment. The program is active in East and West Africa, and Central Asia.

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