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Can livestock and livestock products
be an alternative livelihood
to poppy growing?

Euan Thomson, Macaulay Institute, Aberdeen, UK

Philippe Chabot, Mercy Corps, Kabul

Iain Wright, Macaulay Institute, Aberdeen, UK

High value of meat consumed in Afghanistan but amount consumed low

	Est. market value (million US\$)	Est. per capita meat availability (kg/year)	Est. unit value (US\$/kg)
Mutton / Goat	202.5	2.3	\$3.75
Beef	124.7	1.9	\$2.90
Buffalo	17.4	0.3	\$2.90
Poultry fresh	18.5	0.4	\$1.85
Poultry frozen	62.5	2.2	\$1.25
Totals	425.6	7.1	---

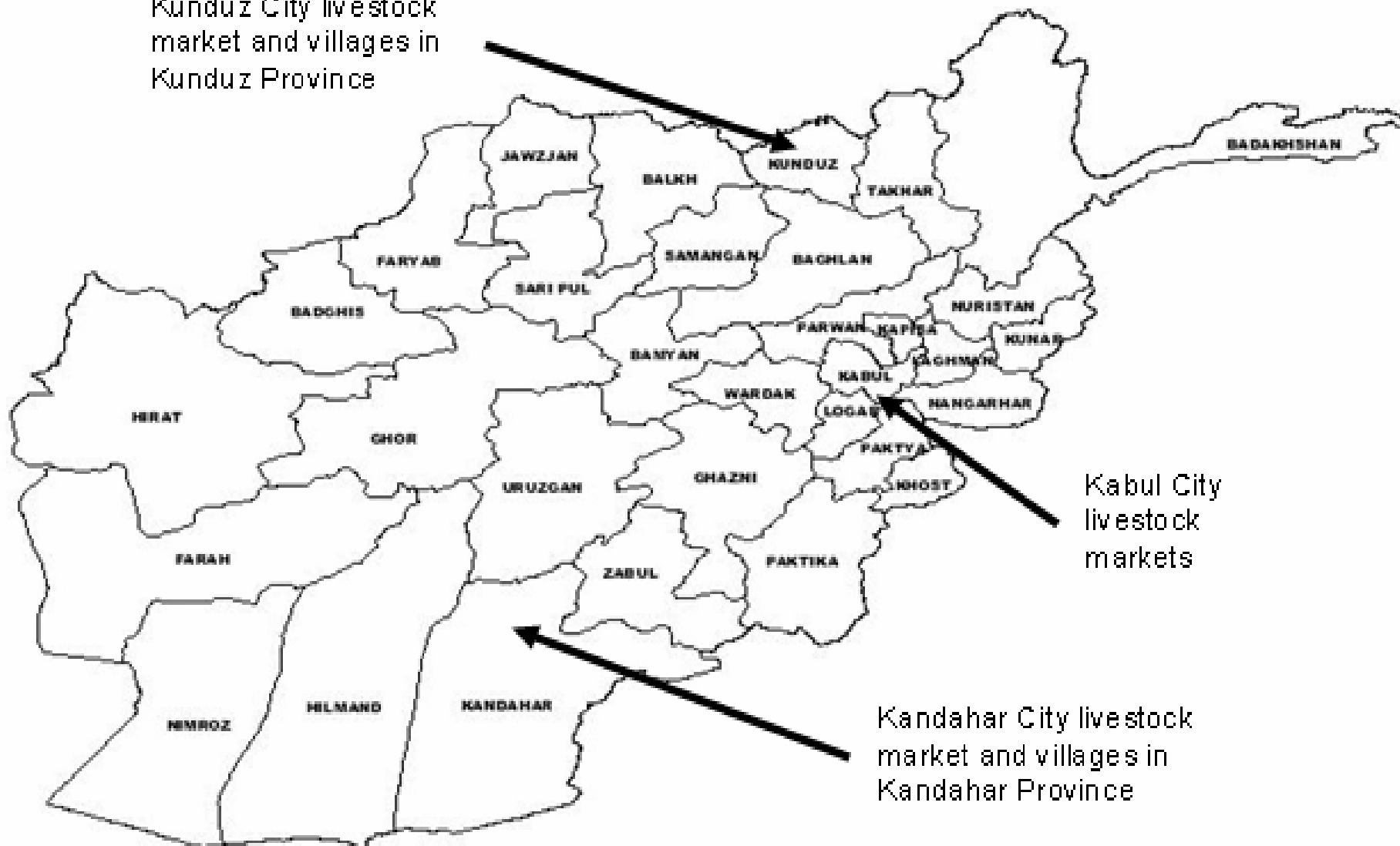
Background to project

- Aim of three-month pilot project was to:
 - Identify market opportunities for livestock and livestock products and constraints to producers receiving higher returns from livestock products as a viable alternative to poppy production
- Project focused on sheep, goats and cattle. ??
- Assessed strength of demand for / trade in red meat, wool, skins and hides
- Assessed main constraints to the participation of farmers in the market for livestock / livestock products.

Methodology: field work conducted in January and February 2005

- Group interviews held in four villages close to Kunduz and in three villages close to Kandahar
- Sixty traders interviewed spread equally between Kabul, Kandahar and Kunduz livestock markets
- Skin, hides and wool traders and butchers interviewed in these three cities

Kunduz City livestock market and villages in Kunduz Province



Kabul City livestock markets

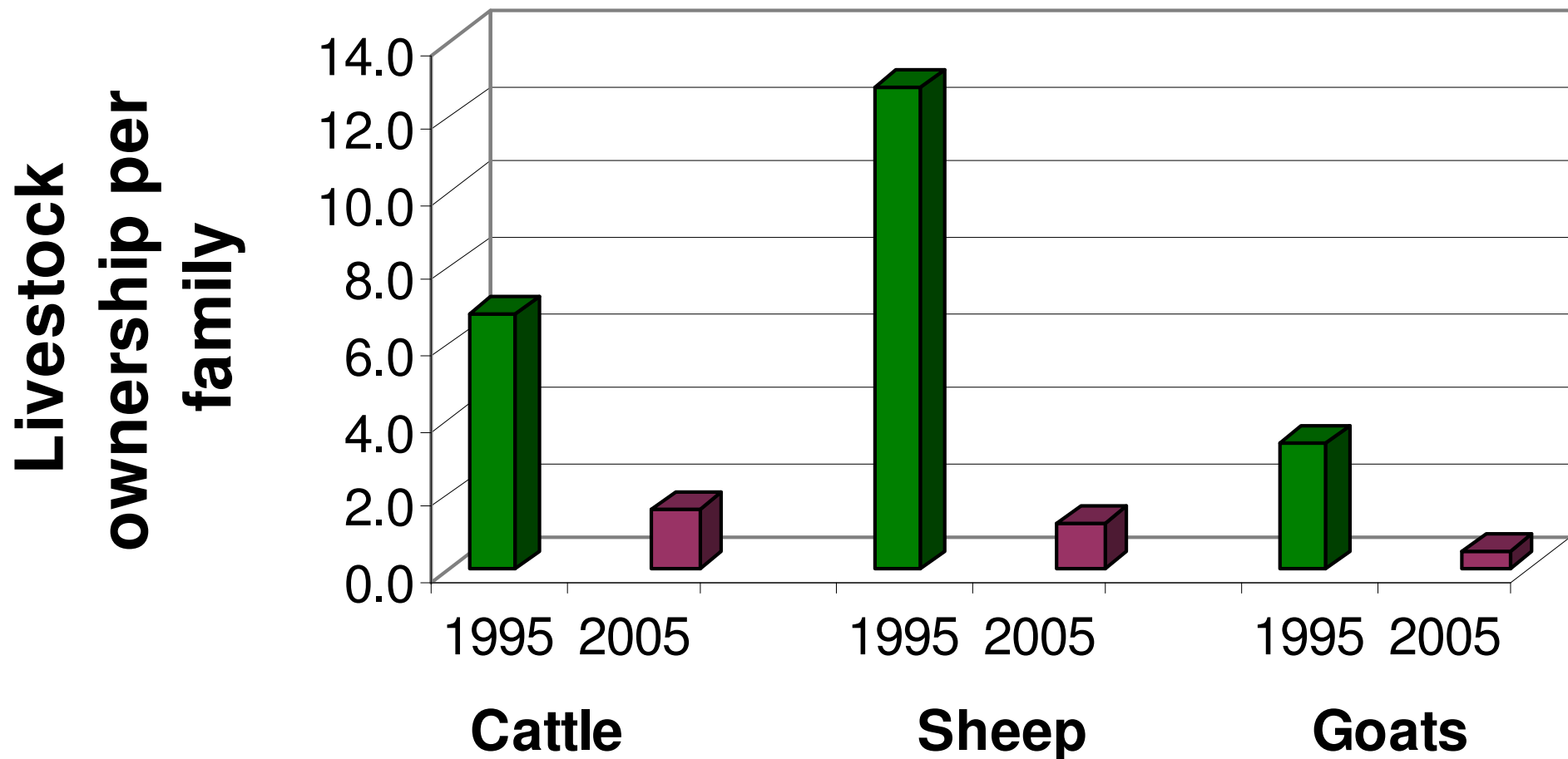
Kandahar City livestock market and villages in Kandahar Province

Significant results



Families own too few animals

Changes in livestock ownership between 1995 and 2005 in three villages



One or two farmers in each village do exploit the market opportunities by fattening some lambs

All values in US\$	<i>Lamb sold in autumn</i>	<i>Lamb sold after fattening for 4 months</i>
<i>Revenue from sale of lamb</i>	60	140
<i>Winter feeding cost of ewe</i>	20	20
<i>Cost of diet for fattening</i>		30
<i>Margin-over-feed costs</i>	40	90
<i>Value added from fattening lamb (US\$)</i>		50

Sheep Prices

		USD		
		Small	Med	Large
Kabul		53	96	216
Kandahar		55	105	240
Kunduz		53	91	180

Survey results do not indicate there would be strong incentives to move animals between regions to capitalize on price differentials

Numbers of traders operating in the market is relatively large

of people trading in the markets on an average day

	#
Kabul	394
Kandahar	436
Kunduz	305

Numbers of animals traded is relatively small per trader

of animals you are trading in the market today:

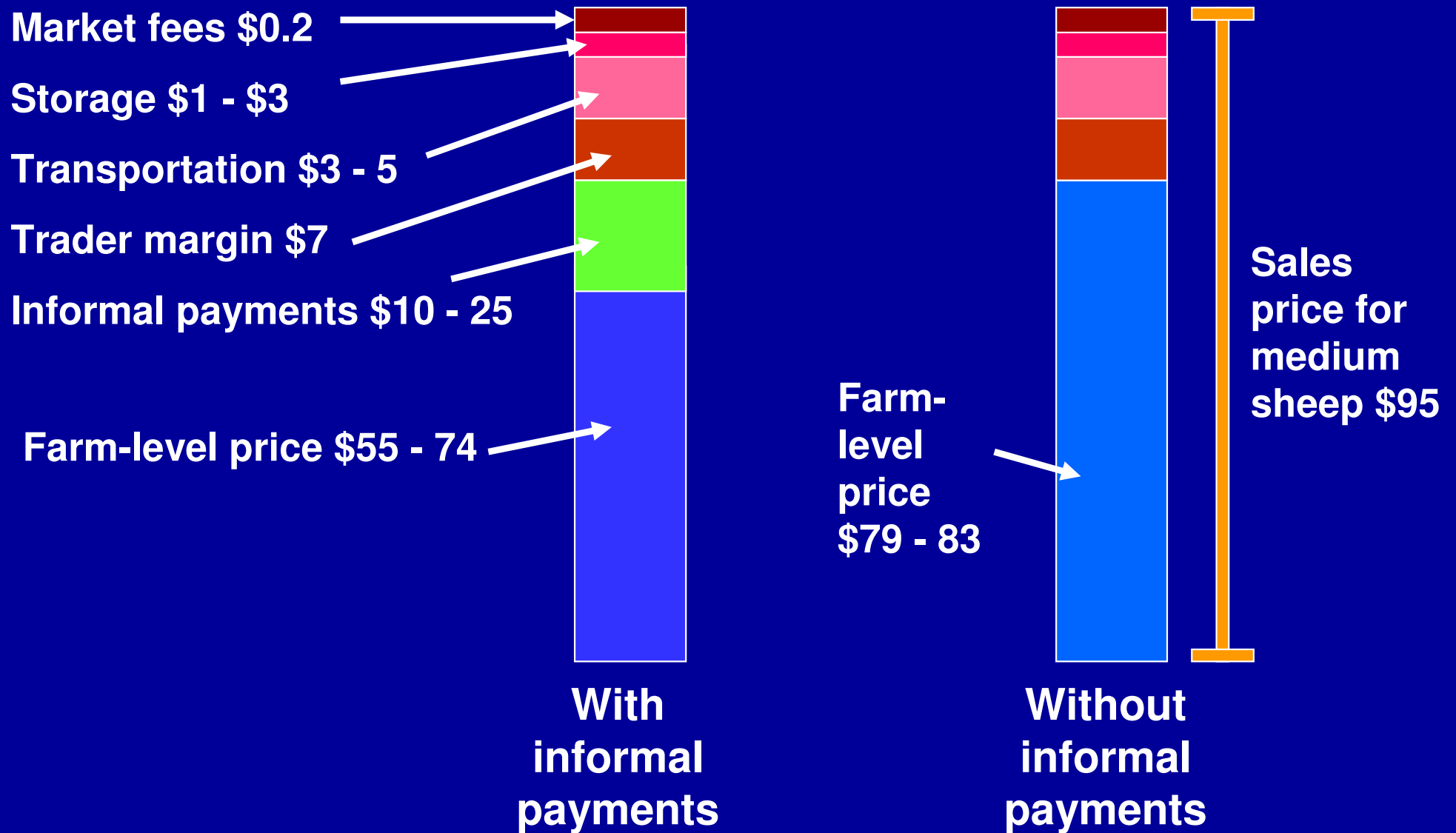
	Sheep	Goats	Cattle	Buffalo
Kabul	24	12	8	8
Kandahar	22	9	13	0
Kunduz	8	6	3	0

Informal fees appear to comprise a substantial amount which can substantially increase marketing costs

Are you required to make any unofficial payments?

	Yes	No
Kabul	12	8
Kandahar	15	5
Kunduz	11	9

How lower transaction costs could increase returns to producers



Market information systems (MIS) contribute to efficient marketing chains

- MIS help:
 - Producers take decisions about where and when to sell animals and thereby increase returns
 - Help ensure that prices offered are fair



Credit: Solidarites, Yakawlang District

Added value of skins and hides gained by tanneries in Pakistan



Has the project had any impact?

- Because a pilot project no impact expected at farm level
- New World Bank project on livestock sub-sector likely to include activity on sheep fattening
- Implementation of new strategy for the pastoralists (Kuchi) is likely to include promotion of sheep fattening

Is fattening sheep an alternative to poppy cultivation?

Opium resin price (\$/kg)	Net income from poppies (\$/0.3 ha)	Lambs needed to break even when each lamb earns \$23	Lambs needed to break even when each lamb earns \$70
350	4660	203	67
280	3660	159	52
100	1040	45	15

Future needs

- Balanced diets based on locally available feeds would enhance animal growth rates
- Loan-scheme needed to enable farmers to purchase lambs, medicines and feed
- In-kind restocking scheme would benefit poorest households without livestock
- Where crops and orchards dominate and limited access to grazing areas, exploiting added value potential of animals would raise family income
- Characterize sheep breeds for potential to grow and fatten

Conclusions

- More efficient marketing chains could enhance producer incomes
- Fattening of sheep could serve as a partial alternative to growing poppies



Thank you