

Marketing of livestock and livestock products: Market demand, potential returns to producers and constraints to market access

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Research in Alternative Livelihoods Fund (RALF)



- **Project is completed**
- **Final report being prepared**
- **Presentation gives very brief overview**

Overall aim of project

- **Identify market opportunities for livestock and livestock products**
- **Identify constraints to producers receiving higher returns from livestock products.**

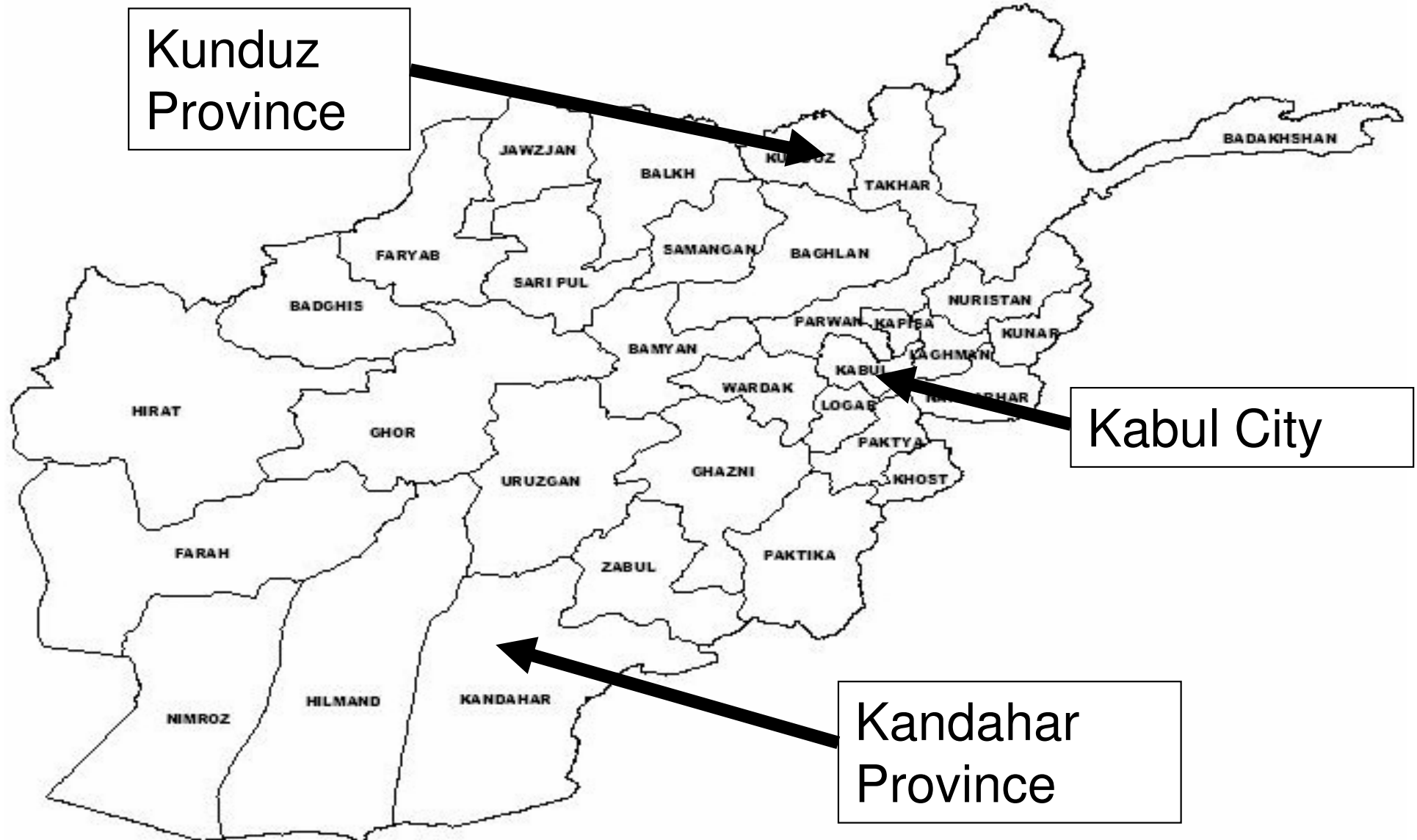
Specific objectives

- **Identify market demand for livestock and livestock products**
- **Identify livestock systems with potential for increasing rural household income**
- **Identify barriers to participation of rural households in the market**
- **Recommend action from community to policy levels**
- **Identify future research needs**

Focus

- **Small ruminants**
 - **Live animals**
 - **Meat**
 - **Skins**
- **Beef**

Study sites



Approach

- **Assessment of market demand**
- **Survey of livestock traders**
- **Studies of livestock owning households**
- **Market chain analysis**
- **Additional interviews with butchers, wool traders, skin traders etc**

Market Survey

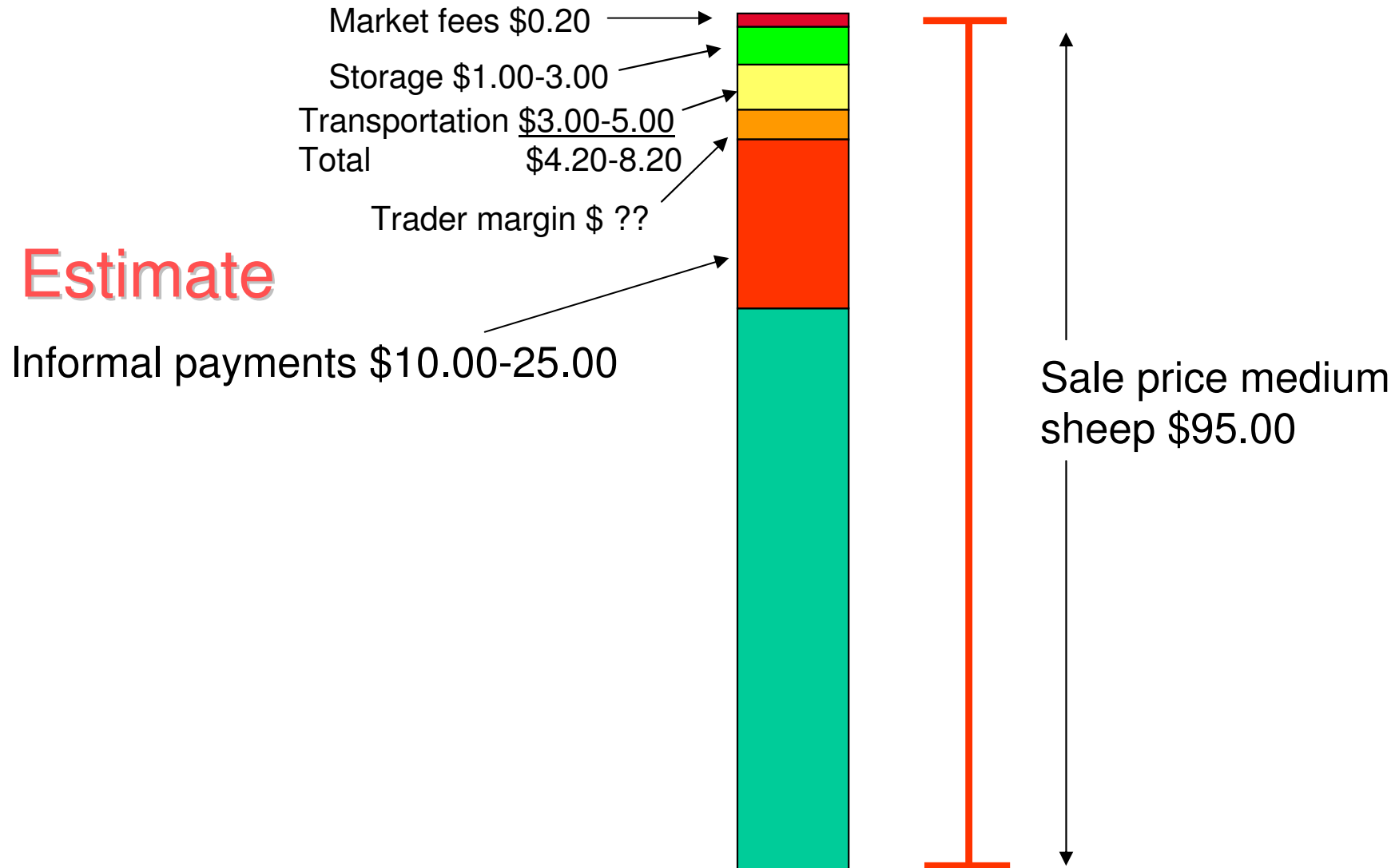
- **To determine the efficiency of the marketing chain**
- **The less efficient the chain the lower the returns to the producer**
- **Survey of 20 traders in Kabul, Kandahar and Kunduz**



Key results

- **Market is competitive**
 - large number of traders trading low numbers
 - no cartel
- **No traders made use of formal credit system, but many use informal credit**
- **Market prices are high**
- **Market fees are modest**
- **Informal payments are high**
 - 10 to 25% of the total sale value

Marketing costs



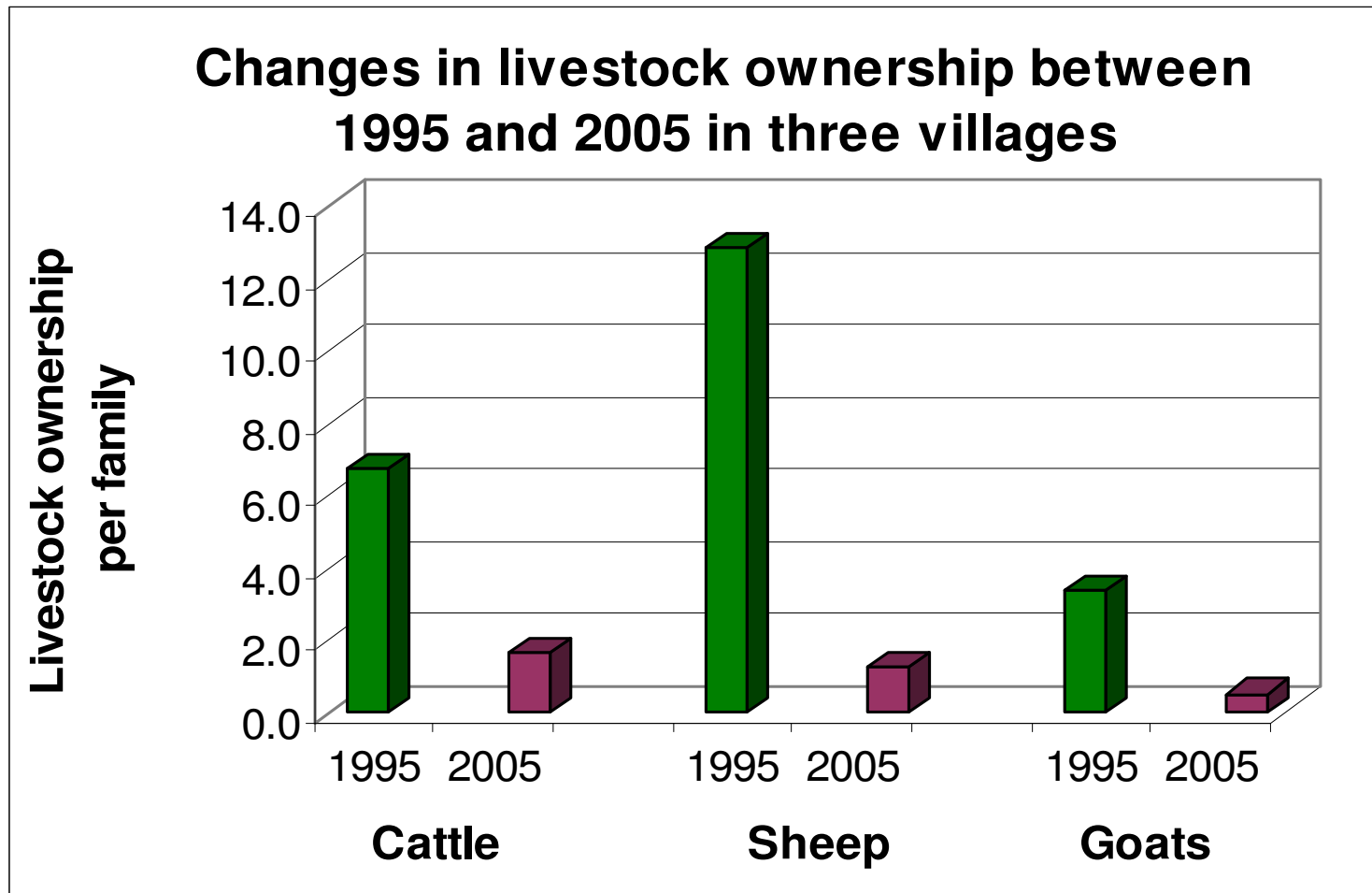
Surveys of livestock-owning households

- **Assess the past and present status of livestock ownership**
- **Identify present management practices that add value to livestock**
- **Identify present livestock marketing strategies**
- **Discuss options to increase household income from livestock**

Methodology

- **Visits made to four villages in Kunduz Province and three villages in Kandahar Province**
- **Villages selected with contrasts in livestock ownership and importance of livestock versus crops versus orchard crops**
- **Semi-structured group interviews with farmers**

It is difficult to exploit income-generating potential of animals when families have lost so many animals due to fighting and drought



Trends mirror previous national surveys

Opportunities for adding value by fattening

Prices are higher in winter than in autumn

Prices are high before Eid-el-Fitr

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

Conclusions in relation to original objectives



Identify market demand for livestock and livestock products

- **Domestic market demand for mutton and beef is quite favourable**
- **Domestic meat market offers large potential**
- **Scope for processing of skins in Afghanistan**

Identify livestock systems with potential for increasing rural household income

- **Lamb fattening**

Identify barriers to participation of rural households in the market

- **Lack of animals for sale**
- **Lack of credit**
- **BUT availability of credit on its own is unlikely to result in re-stocking**

Recommend action from community to policy levels

- **Establish lamb fattening**
- **Devise re-stocking schemes**
- **Tackle informal payments along market chain**

Identify future research needs

- **Establish suitability of breeds for fattening**
- **Develop cost effective feeding systems**
- **More detailed research on potential of skins, wool, cashmere**