

OVERVIEW OF THE PASTORAL LIVESTOCK MARKETING CHAIN, CHALLENGES AND OPPORTUNITIES

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Overview of The Pastoral Livestock Sector



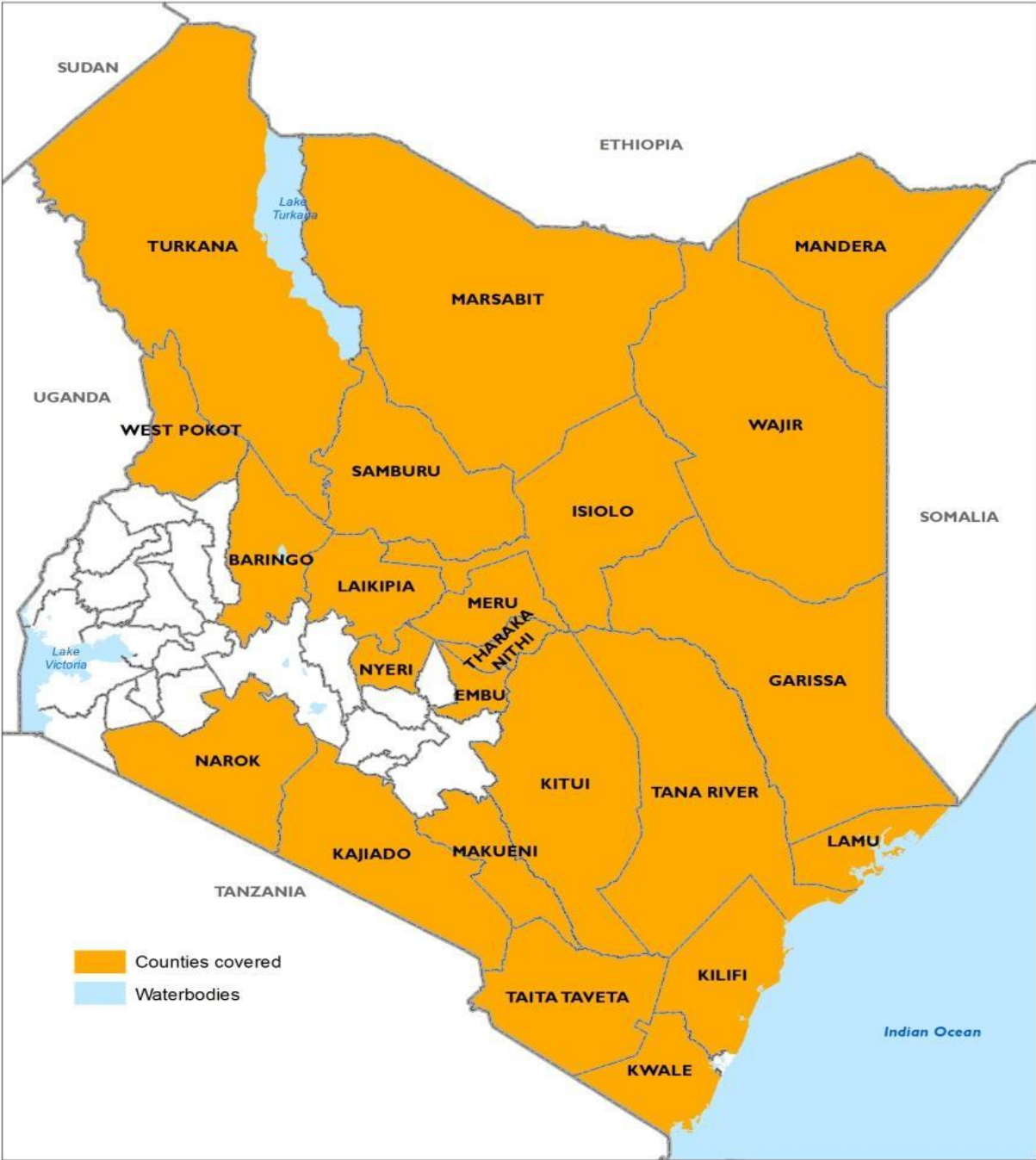
- The Kenya livestock sector supports the livelihoods of a significant part of the population and is key to attaining food and nutrition security in the country.
- Livestock population (2019 census); cattle 21million, Sheep 27Millon, Goat 35Million, Camel 4.7Million
- The subsector is vulnerable to Hazards shocks ; Drought, Floods, Livestock diseases, Conflicts and Banditry (market supply, prices and market access)



Significance to the economy and livelihoods



- The livestock sub-sector contributes over 30 per cent of the farm gate value of agricultural commodities, about 12 per cent of the national GDP and at least 42 percent of the agricultural GDP.
- The sector employs about 50% of the agricultural labour force
- The arid and semi-arid lands (ASALS) constitute 80% of Kenya land mass and accounts for more than 70% production of red meat livestock reared under pastoralism production system and customarily kept as assets. ranches produce another 5% and the remaining is produced by highland farmers as part of mixed farming
- Livestock is the main source of livelihood in ASALs, accounting for 90% of employment and more than 95% of family incomes in these areas





History of Livestock Market Development in Kenya



- Livestock and meat prices in Kenya were deregulated in 1992.
- Before then, the Ministry in charge of Livestock Development would administratively set livestock price for producers' payable by the Kenya Meat Commission (KMC).
- The KMC would act as buyers of the last resort to cushion livestock producers from losses arising from natural disasters like drought which affects the supply of livestock in the markets.
- Livestock Marketing Division (LMD) had developed 31 livestock stock routes and 122 holding grounds with associated infrastructure which were used for facilitating livestock movement to markets (export or local) or slaughter.
- Currently, there only 14 stock routes are in use and there are 74 holding grounds which are of national strategic interest
- Despite their importance in livestock marketing, these infrastructure have been neglected, encroached, vandalized

Map of Kenya with Stock Routes

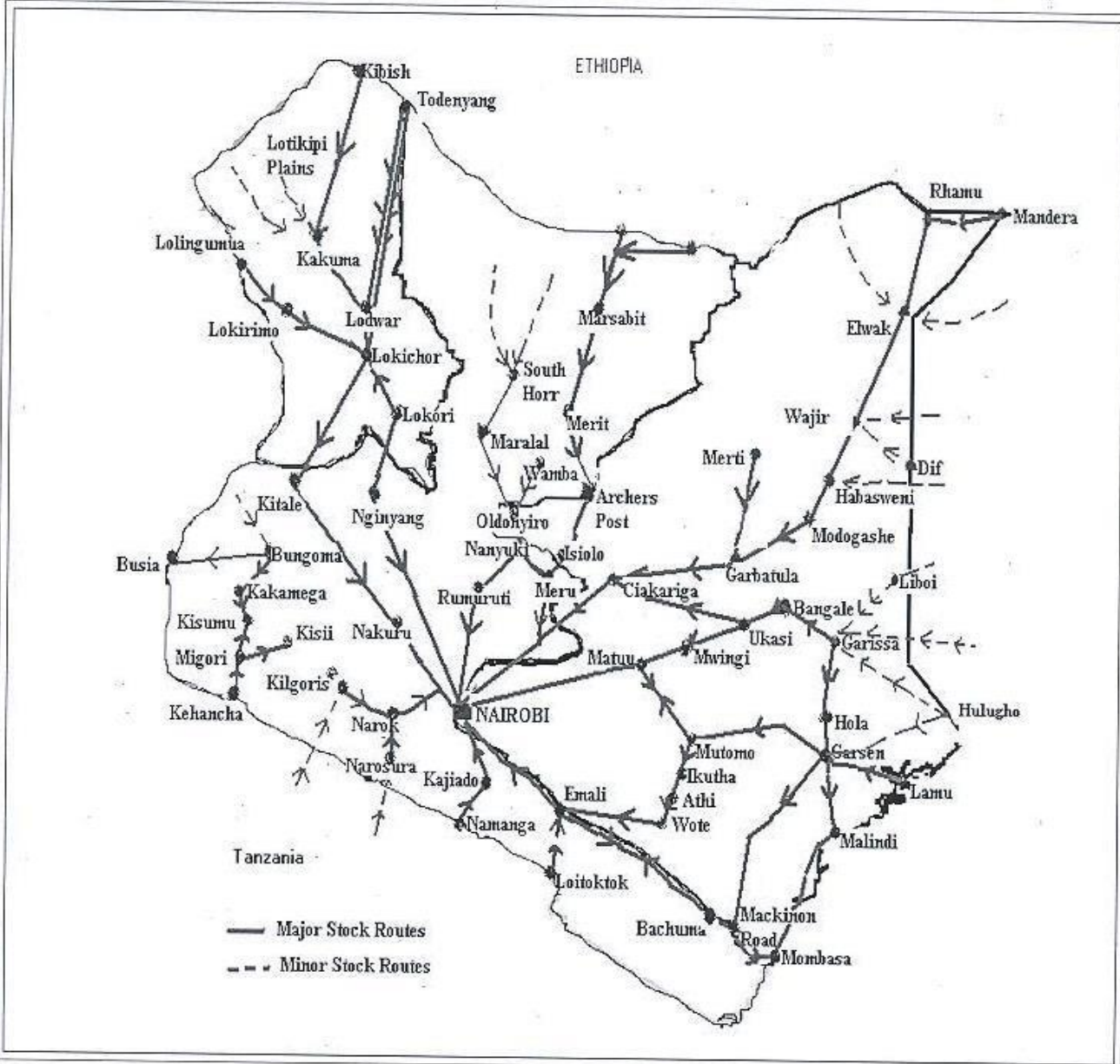
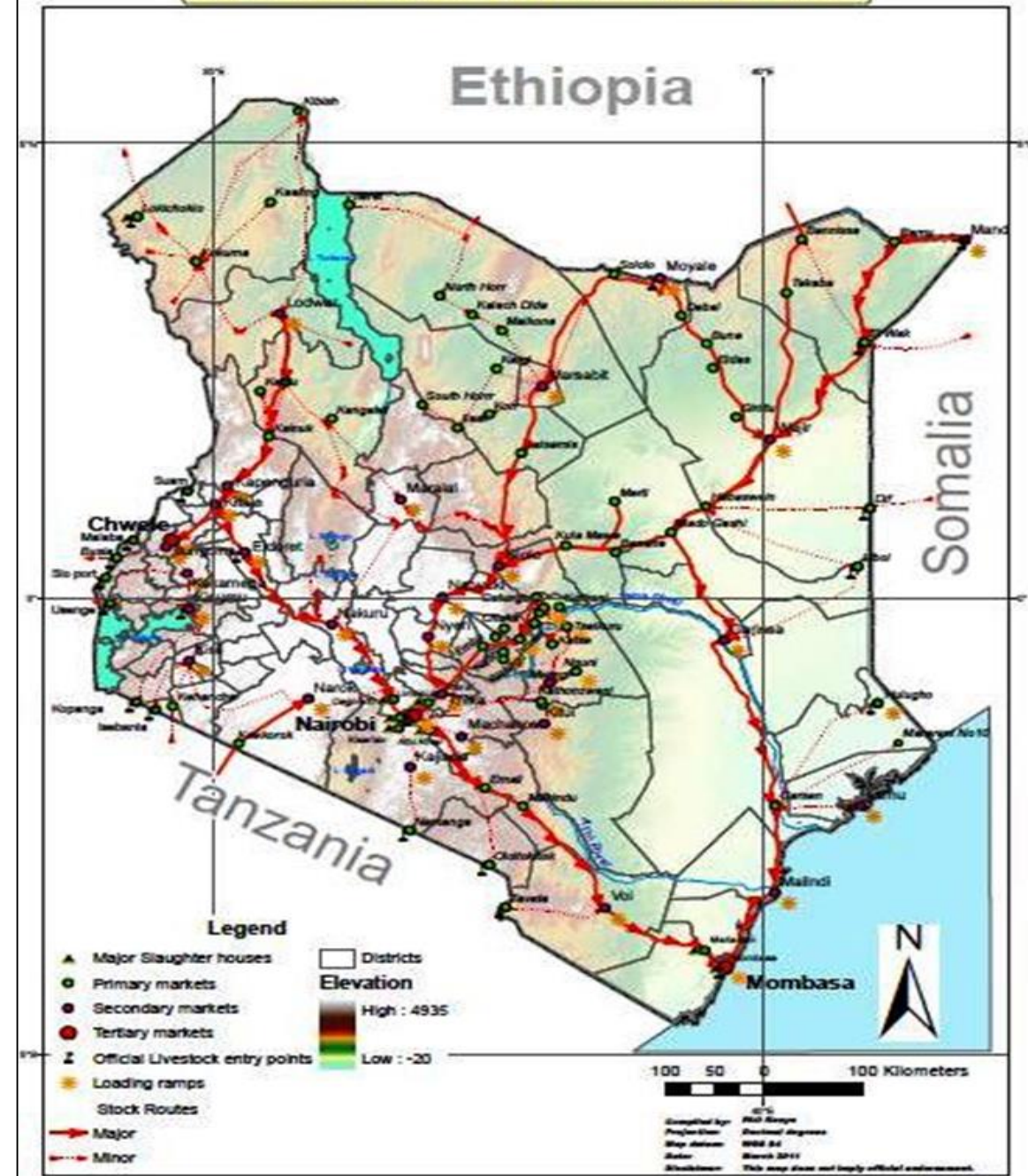


Figure 16 : Livestock Stock Routes; Source: State Department of Livestock

Major stock routes in Kenya (March 2011)





Main Characteristics of the pastoral livestock marketing chain



- After deregulation of prices, several changes occurred to both the producer and retailer markets:
- Producers were faced with a major challenge to sell at prices dictated by forces of the liberalized market
- The government role reduced to regulatory and facilitation of the livestock market sector.
- There was an increase in the number of players in red meat market chain and slaughterhouses in major terminal markets for red meat livestock.



Main Characteristics of the pastoral livestock marketing chain



- **Increase in informal market** where much of the livestock trade occur (Bush markets and Primary markets) with local traders, brokers and pastoralists engaging directly in transactions (Buyer & seller agreement). Most have no designated sales yards and the sales are conducted in open fields
- **Poor infrastructure** including roads and markets, affects transportation and access to larger markets, limiting opportunities for higher prices
- **Domination by middlemen/aggregators-** who also influence pricing and flow of livestock to market
- **limited access to livestock market information**, such as pricing and demand trends, impacting negatively on pastoralists bargaining power



Key challenges impacting the resilience and hinder the transformation of the Pastoral Livestock sector



- ▶ **Diseases prevention, surveillance and control**-The occurrence of disease outbreaks increases during droughts due to uncontrolled migrations and also during heavy rains. The outbreak of a notifiable disease usually leads to closure of markets, loss in production, livestock deaths and where zoonoses are involved, human infections adversely affecting the livelihoods of the communities and the health of individual humans.
- ▶ **National Quality Infrastructure and trade infrastructure limitations**- under developed market structures, encroached and dilapidated holding grounds, few slaughterhouses that meet the required standards necessary for meat export markets
- ▶ **Policy and regulatory hurdles** – regulatory frameworks not adequately supporting equitable access to markets, particularly for small-scale pastoralists (broken down and encroached HG infrastructure, inadequate screening/quarantine facilities, land tenure/subdivisions and settlements along stock routes, livestock market sustainability etc)
- ▶ **Data Ecosystem and dissemination limitation**- underperforming national livestock market information system and inadequate dissemination mechanisms



Key challenges impacting the resilience and hinder the transformation of the Pastoral Livestock sector



- ▶ **Market access challenges and price volatility-** broker and middlemen setting livestock, meat prices; lack of aggregation among small holder pastoralists
- ▶ **Structural and social barriers-** insecurity challenges to and from livestock markets-Banditry attacks/ Commercial cattle rustling and theft to and from markets;
- ▶ **Public Private partnership-** country has a PPP Act but there is need for an implementation framework within the livestock subsector to take advantage of the underutilized / idle government Holding grounds.
- ▶ **Private-sector investments in to sector barriers-** inadequate infrastructure; limited availability of credit and financial services for pastoralists; informal market structures complicating traceability and quality assurance; inadequate data on market trends, pricing and consumer preferences hindering investor informed decisions



Opportunities for growth and sector transformation (the Pastoral Livestock Marketing Chain)



- ▶ **Successful and scalable business models:** Kariokor leather common manufacturing facility provides shared resources and equipment allowing artisans and businesses to produce high quality leather goods efficiently; Isolo and Moyale CMFs on Milk and Camel Meat
- ▶ **Potential for technological innovations (communication, networking, trade & marketing, Disease control, etc.)** Imiske providing information on livestock market trade in localized markets including prices and volumes traded per species by grade, age, sex; ilmisk mobile app platform for livestock trade to be upscale to IGAD countries; M Nomad a platform for livestock marketing connecting trades and buyers in pastoral north Kenya.
- ▶ **Emerging markets and trade routes:** Africa Continent Free Trade Area Counties (AfCFTA) launched in 2018 with aim of increasing trade among African countries; Gulf Cooperation Council (GCC) market demand is expanding due to rapid expansion of Mecca, Saudi's Hajji and Umrah pilgrims;
- ▶ **Enhanced compliance with trade conditions and standards:** National sanitary and phytosanitary strategy domesticated; Livestock Quarantine guidelines in place; 3 certified quarantine facilities for livestock slaughter and the Lamu port quarantine facility for livestock export; 7 certified export meat slaughter houses
- **Livestock identification and traceability:** support to livestock data and information to facilitate export trade; National Animal Identification and Traceability strategy domesticated



Opportunities for growth and sector transformation (the Pastoral Livestock Marketing Chain)



- ▶ **Strengthened market infrastructure-** co-management model for livestock market sustainability allow sharing of revenue between the government and the livestock market committees towards sustainability of market infrastructure and operations; Slaughterhouses/ quarantine facilities that meet the required standards necessary for meat export
- ▶ **Private Sector Investment:** key area include Value addition(milk, meat, leather); cold chain logistics investments; Digital Platforms; Financial solutions (Sharia compliant, mobile financing); feed production; Health services (vet clinics, mobile services);
- ▶ **Gender and youth perspectives:** Gender perspectives (empowerment programs, Access to resources, value addition initiatives, mentorship programs); Youth perspective (innovation hubs, Digital marketing, entrepreneurial training, Agri-startups, sustainability initiatives)
- ▶ **Public Private Partnership (PPP):** PPP policy in place; Feedlots development guidelines in place; Livestock development directorate to establish model feedlots in Garissa, Wajir, Isiolo and Marsabit. Need to develop a PPP implementation framework for the idle government holding grounds for public private feedlots partnership arrangements targeting livestock production for growing market demand
- ▶ **Establishment of a transparent pricing mechanism** that reflects the actual cost of production
- ▶ **Strengthening cooperatives and aggregation:** could help farmers negotiate better prices collectively and reduce dependency on middle men. Support the formation of cooperatives to help smallholder farmers pool resources, access markets and negotiate better prices
- ▶ **Increased access to finance.** Policies that support small scale farmers promote fair market prices and encourage sustainable agriculture.



Previous and Ongoing Relevant Projects and Interventions, Key Outcomes and Learnings



Project / title	Start - End	Main objectives	Main area(s) of interventions	Main outcomes/impacts
Regional Pastoral Livelihood Resilience Project (RPLRP)	2015-2021	to develop and implement regional approaches that enhance livelihoods resilience of pastoral and agro-pastoral communities in the Arid and Semi-Arid Lands (ASALs) of Kenya.	Market Access and Trade Natural resource mgt Livelihood support	Market infrastructure Market information (nlmis mobile app; dissemination) trade facilitating standards Animal health
DRLSP	2013-2017/22	To enhance drought resilience and improve sustainable livelihoods of the communities in the arid and semi-arid lands of Kenya.	Market Access and Trade Natural resource mgt	Market infrastructure
KCSAP	2017-2023	To increase agricultural productivity and build resilience to climate change risks in the targeted smallholder farming and pastoral communities		Market information dissemination



Previous and Ongoing Relevant Projects and Interventions, Key Outcomes and Learnings



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SIVAP	2016-2025	to contribute to poverty reduction by enhancing agricultural productivity and income, and food security among beneficiaries	improved access to markets and strengthening value chains;	Market infrastructure
DRIVE	2022-ongoing	To enhance pastoralists' access to financial services for drought risk mitigation, include them in the value chains, and facilitate the livestock trade in the Horn of Africa	Meat value chain index-based livestock insurance (IBLI) and savings products	Pastoral livestock insurance in 21/24 ASAL counties Financial inclusion for pastoralists



Previous and Ongoing Relevant Projects and Interventions, Key Outcomes and Learnings



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Kenya Livestock Commercialization Project (KeLCOP)	2022-ongoing	to improve the opportunities for the rural poor, especially youth, women and smallholders to enable them to increase their output and value added, access markets and increase their resilience to economic and climate risks.	(i) market infrastructure and capacity development; (ii) developing an e-marketing application. (iii)Animal health (iv) Breed improvement	Supply of breeding animals in livestock improvement centers Provision of livestock water (boreholes/pans) Training for youth & women on animal health and management
TWENDE	20212026-ongoing	aims at increasing resilience thereby contributing to improved adaptation to climate change	Restoration of rangeland landscapes for ecosystem based adaptation	Rangelands reseeding and Afforestation



Achievements, Success Stories, and potential Upscale



Notable achievements in transformation and resilience of the Pastoral Livestock sub-sector

(Please identify the needs for new interventions, or upscale of successful ones)

- ▶ **Policy reform and strategic Implementation**-Co management of markets/sharing of revenue- ie sale yard bill: support to equitable access to markets particularly for small-scale pastoralists: PPP implementation framework within the livestock subsector to operationalize leasing of idle government Holding grounds for purpose of producing livestock for market
- ▶ **Stakeholders Networking and coordinated actions** (e.g., community based for a, market linkages, etc.)- Support the formation of cooperatives and livestock aggregation among small holders livestock producers
- ▶ **Data-driven initiatives, and Knowledge sharing platforms/hubs**- KIAMIS farmer registrations completed 6.4million farmers registered : strengthen national livestock market information system and trade information dissemination mechanisms
- ▶ **Public-private partnerships approaches/models**.- Feedlots model to enhance livestock production for market: support to breeding programs to supply quality animals
- ▶ **Livestock Identification and Traceability System**. Export ranches eg Olpajeta using LITs; support to integrate LITs in breeding programmes and Feedlots



Achievements, Success Stories, and potential Upscale



Notable achievements in transformation and resilience of the Pastoral Livestock sub-sector

(Please identify the needs for new interventions, or upscale of successful ones)

- ▶ **Increased market access and productivity** (policy, data, standards, conditions, etc.); support integration of quarantine facilities with feedlots/ holding grounds and breeding with feedlots
- ▶ Capacity building
- ▶ **Private sector involvement & investment** : KDC providing subsidized loans to livestock value chain actors; upscale and provide more Financial solutions to public investors in livestock value chain
- ▶ **Marketing/trade infrastructures** -- 2 Quarantine facilities certified in Narok county for slaughter meat destined to Iran market / and Lamu port facilities for export of live animals: support equipping and certification of more biosafety quarantine facilities wider markets SPS requirements;
- ▶ **Slaughterhouse rehabilitation**: Developed standards for Basic requirements for a slaughter house; Kenya has 7 Certified export slaughter houses
- ▶ **Value addition- already piloted** common manufacturing facilities for livestock products (Leather, milk products, camel meat); support for development of more livestock value addition facilities to attract more youth and women in the livestock value chain



END

THANK YOU