

TECHNICAL BULLETIN No.44
Marketing your sheep and goats



ESGPIP

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FORWORD

This Technical Bulletin titled “*Marketing your sheep and goats*” is the 44th produced by the Ethiopia Sheep and Goat Productivity Improvement Program (ESGPIP). The ESGPIP is a USAID funded Project with the objective of improving the productivity of Ethiopia’s sheep and goats.

Marketing of sheep and goats is a key process that determines the benefits obtained by producers and the country through export earnings. Producers will have to make their production activities market oriented. This will encourage them to produce animals that the market requires. This will increase the profitability of the sheep and goat production enterprise and push producers to produce more by employing improved technologies.

This technical bulletin provides guidelines useful for development agents to assist producers to make their production activity market oriented. The underlying principles apply to all animal enterprises even though the presentation in the bulletin makes reference to sheep and goats.

At this juncture, I would like to thank all those involved in the preparation and review of this technical bulletin.

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Marketing your sheep and goats

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1. Introduction

Sheep and goats are reared in almost all farming systems and agro-ecological zones of Ethiopia. Sheep and goat keeping is a traditional way of life which for centuries has shaped farmers thoughts, outlook and culture. In various areas of Ethiopia, sheep and goats play significant social and cultural functions including food security, poverty alleviation, ensuring gender equity, weed control and income generation.

The present system of sheep/goat production and marketing in Ethiopia are rather haphazard with substantive variations in animal availability, body weights and condition at slaughter, and carcass characteristics. Sheep and goat farmers particularly pastoralists are not keen to sell their animals. Even in times of hardship sheep and goat offtake from pastoral communities is not significant for reasons of security against future losses, wealth status in the community, non-integration into cash economy, among other things.

Taking those basic marketing problems into account, this technical bulletin is produced to acquaint farmers and development agents how Ethiopian sheep and goat marketing could be improved through using marketing extension and better techniques.

2. Sheep and goat marketing channel

A marketing channel refers to the sequence of enterprises and markets by which produce is moved from producer to consumer. Sheep and goat marketing agents include: producers, country buyers (farmers, cooperatives, small traders, butchers, etc.), big traders (wholesalers), export abattoirs, live animal exporters, brokers/agents and consumers. In fact, there are also brokers, transport owners and other market agents who have direct and indirect roles. The marketable live sheep and goats in the hands of farmers reach consumers largely following a 3-tiered system consisting of small, medium and large markets

primary, secondary and tertiary markets. The generalized supply chain and marketing channel for sheep, goats and meat is depicted in figure 1 below.

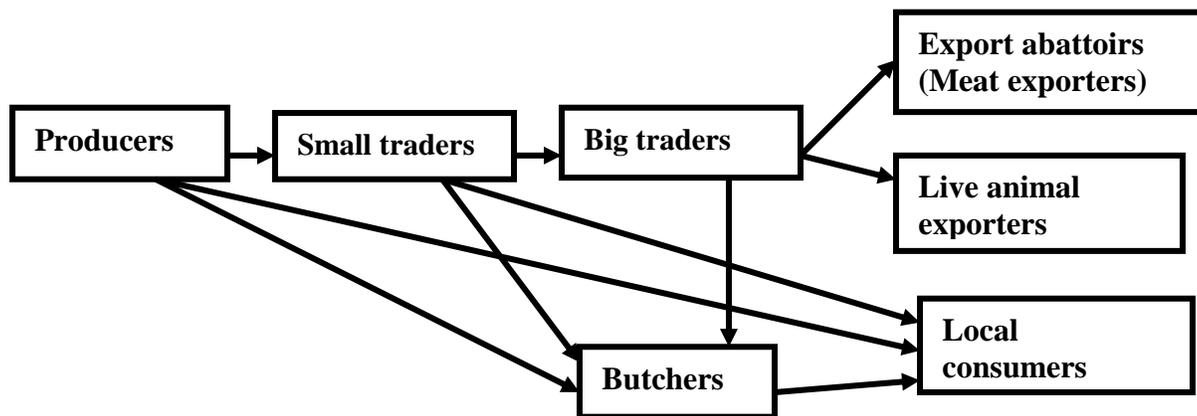


Figure1. Live animal and meat market value chain

Knowing this market chain helps to:

- trace product flow,
- recognize the value-adding stages,
- identify the key actors, and
- understand the relationships between other actors in the chain.

3. Sheep and goat marketing problems

There are a number of factors that affect the small ruminant marketing, supply and quality.

- Farmers' attitude - Since livestock production system is traditional and the level of animal marketing service delivery is inadequate, farmers' market concept is not well developed.

Moreover, constant and uniform animal supply for the market cannot be ensured for there are no organized commercial sheep and goat farms in the country. This results in poorly organized, ineffective and inefficient animal marketing.

- The existence of different animal diseases in Ethiopia has a negative impact on both the live animal and meat export markets. Foreign livestock and meat buyers are increasingly stringent in their sanitary and phyto-sanitary (SPS) requirements. These requirements demand a greater level of animal health care than that is currently provided in the country.
- The livestock disease control and treatment is severely constrained by lack of animal health care professionals and needed vaccines/other medicaments. Due to this, death of livestock and low productivity are common phenomena.
- Most ruminant production depends upon grazing. Feed availability is limited in the drier areas of the country. Fluctuating rainfall patterns and recurrent drought often create conditions of low feed availability and feedstuffs having low nutritive quality.
- Marketing infrastructure is poor or non-existent in most markets. There are no shade, watering and feeding facilities, no loading and unloading ramps and no animal weighing facilities. Animals are usually sold subjectively based on appearance and size.
- Absence of well-defined stock routes with water and feed resource for trekking animals.
- Inaccessibility of mechanized animal transport facilities. Trekking animals to market is the most common mode of transport, particularly for livestock from distant areas due to inaccessibility of mechanized transportation or high transport costs.
- Lack of standards and grading procedures
- Adverse role of brokers: - Currently there is lack of an integral and systematic connection between the stakeholders involved in the production and marketing chain. The majority of sheep and goat producers in Ethiopia are smallholders that are not producing and selling their produce in an organized manner. Moreover, they are economically poor and thus lack the resources to invest on their businesses. This has allowed middlemen (brokers) to enter the market chain and take undue profits at the expense of poor producers.

4. Improving sheep and goat marketing

There are numerous potential areas for interventions along sheep and goat value chains ranging from science and technology for increased production to market linkages. Extension officers can play an

important role using the extension approach of participatory rural appraisal in identifying market problems. The development agent should prepare workable extension packages, design and execute an action plan for his/her mandate area after thorough discussion with farmers and based on the problems identified. The agent, along with farmers, should then monitor and evaluate the plan and make any necessary changes. The most important focus of the development agent should be on empowering the farmers to bring about paradigm shift in animal marketing. An improved livestock marketing system would increase farm revenue.

4.1. Intervention areas

4.1.1. Production of market extension material and conducting increasing farmers awareness

Kebele development agents should strive to change producer attitudes towards marketing. Sheep and goat marketing extension packages that help producers to determine the optimum number of times to produce and the number of animals to market should be prepared. These marketing packages should be coupled with other technological packages that teach producers how to increase production through selection, cross breeding, disease control, improved nutrition, better management, etc. Many of these issues are described in other ESGPIP Technical Bulletins. Producer adoption of improved marketing practices can be enhanced through providing continuous training and production of posters, brochures, fliers, etc. Increasing producer profit through improved marketing can be an effective way to move producers away from purely traditional practices to participating in commercial production.

4.1.2. Planning sheep and goat marketing

Successful sheep and goat production and marketing require good animal husbandry and planning skills. Planning is an absolute necessity if the farmer wants to be successful. Livestock producers should develop a Marketing Plan that sets yearly production and marketing goals and outlines the steps required to fulfill the stated goals.

Remember the Four P's of Marketing: The farmer's marketing plan should include strategies that assist him in reaching his goals. The plan should especially include what marketers name as the Four P's of Marketing.

- **Product:** - determine what types of sheep and goats are in high demand, how many will the market bear, how many can the farmer produce, etc.
- **Price:** - this requires calculating cost of production and profit margin, estimate feed costs, animal prices during different seasons or holidays, etc.
- **Place:** – identify the best markets to sell animals, identify buyers willing to pay premium prices
- **Promotion** - this is the skill required in advertising the product, how and where to advertise, making market linkages, etc. At the time of promotion, it is wise to describe the benefits of the farmer’s product from his customer's perspective.

4.1.3.What kind of sheep and goats to produce and for whom to produce

Buyers may look for animals for breeding, meat or resale. Marketable animals should meet the buyer’s need and requirements in all cases. Customer demands depend on various circumstances such as religion, culture, economics, season, and the availability and cost of alternative items in the market. The two main market outlets for Ethiopian sheep and goats are the domestic and export markets.

- The main Ethiopian meat and live animal export market is the Middle East. The preference of this market is for more goat than sheep meat. Animals fulfilling the requirements of this market should be male, young (between 1-2 years) with little fat cover and the average live weight should be less than 20 kg. Moreover, the preferable sheep and goat breeds are that of lowland origin (from Somali, Afar and Oromia Regional States).
- The preference of local markets is more inclined to be highland sheep and goats, castrated, large and fatty animals. Culled female animals are also sold for meat in local markets.

This situation gives some clue to farmers and development agents as to what kind of animals to produce for both domestic and foreign markets. Besides these requirements, the following points are additional critical areas that need attention when sheep and goats are evaluated for their market readiness.

4.1.3.1. *Bring healthy animals to the market*

The prevalence of different animal diseases can exclude a country from profitable international markets. That is why Ethiopia has suffered from repetitive banning of meat and live animal export by Middle East countries. Many important animal diseases that inflict major socio-economic losses in Ethiopia such as anthrax, brucellosis, sheep and goat pox, Caprine Pleuro-pneumonia, etc. occur every year, agricultural development agents should advise farmers to assess the health condition of their animals before bringing them to market in order to control the spread of these diseases. ESGPIP Technical Bulletin No. 9 “Is My Sheep or Goat Sick?” can assist farmers and development agents in checking the health status of animals and ensuring that only healthy animals go to market.

4.1.3.2. *Score the body condition of your animal before you bring it to the market*

Body condition scoring is a means for a farmer to know how much fat and muscle their animals have. Farmers should regularly body condition score their animals to evaluate their production system and the market readiness of their animals. A farmer can use body condition scoring to make changes in feeding or management to increase production. Goats and sheep should be body condition scored before taking them to market. This can assist farmers in being aware of how much their animal is worth, rather than depending upon the buyer to name his own price thus strengthening the bargaining power of the producer. See ESGPIP Technical Bulletin No. 8 “Body Condition Scoring of Sheep and Goats” for instructions as to how to score the body condition of sheep and goats.

4.2. Linking farmers to the sheep and goat marketing chain

The extension system is not active in providing appropriate support to producers about production of sheep and goats for market. Farmers do not know potential buyers, what quality parameters buyers consider, the time they buy, and their purchasing system. The same is true for the buyers. Both producers and buyers do not know the condition of the market. In general, there is no systematic way for them to know where marketable animals and market places are, road conditions to these markets, price of animals, transport cost, etc. In this regard, development agents have the responsibility to assist farmers by creating linkages between different market actors by:

- facilitating trade forums to link buyers and sellers

- collecting and providing telephone, e-mail, postal or other addresses of both buyers and producers
- supplying necessary information like market places, market days, type of animals available, etc.
- guiding farmers in the decision of what type and number of animals to produce and when to market
- if both traders and producers are strong and persistent enough in their business, help them to make contractual agreements.

4.3. Identify the best buying and selling season

Sheep and goat markets in most parts of the country are characterized by seasonality in flow and price of animals. Here, seasonality describes the recurring patterns of behaviors followed by market participants over the course of the year; which are determined by episodic factors such as the climatic factors, festivals and other annual events. Constraints like feed and water shortage during the dry season could push farmers to sell more. The animal supply will decrease during the rainy period as farmers will have animals of better condition at the end of the season. Therefore, considering such types of factors, development agents should advise farmers to target and prepare animals for peak demand seasons. Annex I Table 6.1 lists some of the national and international festivals for the coming four years.

4.4. Organize farmers' marketing cooperatives

The presence of strong organizations and integrating farmers into the marketing system would benefit farmers and bring tangible change in the sustainable supply of quality animals to the market. Farmers, women and youth organizations can play a vital role through sheep and goat production, collection, fattening and distribution. In this regard, development agent in a given kebele should:

- encourage the formation of cooperative societies. This is mainly aimed at encouraging the poor and jobless to pool resources together voluntarily and eventually become beneficiaries of higher productivity.

- empower cooperative members by providing market and production training, assisting with access to credit facilities, etc.
- create market linkages by identifying potential buyers (consumers, traders, butchers, exporters, export abattoir operators, etc.) and linking them with market cooperatives to create a reliable market environment.

4.5. Improve animal welfare at the time of transportation

Availability of roads and means of transport are of paramount importance to the welfare and productivity of marketable sheep and goats and the price collected by producers. The quality of livestock products and by-products has a strong relationship with how animals were transported to terminal markets and the access to roads and appropriate means of transport. One example of a negative relationship between transport and animal products is the loss of animal body weight as a result of trekking. Good transportation of animals to markets will ensure healthier animals for sale and higher quality animal products. See ESGPIP Technical Bulletin No. 38 “Sheep and Goat Transport” for recommendations on transporting sheep and goats to market.

4.6. *Train producers on the importance of record keeping*

Good farm management is characterized by creating and maintaining a record keeping system. Keeping written records help to avoid loss of useful information. Records are essential for evaluating and improving the performance of sheep and goat businesses. See ESGPIP Technical Bulletin No. 30 “Records and Record Keeping on Sheep and Goat Farms” for more information.

4.7. *Provide fresh and reliable market information*

A marketing information system is a set up to gather, sort, analyze, evaluate and distribute pertinent, timely, and accurate price information. This helps various market participants to improve their marketing decisions.

The following should be done to collect reliable and representative sheep and goat price data:

- select a nearby and relatively well-equipped (fenced, where weighing scale is available) animal market point and a favorable market day. A weighing scale helps to collect reliable

data; however, in many market sites this is not available. When this is the case, the weight can be estimated using heart girth measuring tape. See ESGPIP technical bulletin No.23 “Estimation of weight and age of sheep and goats” how to estimate weight of sheep and goats using a measuring tape. Take measurements from at least 10% of randomly selected sold animals (depending upon the number of personnel available to take data and the diversity and quantity of animals present)

- collect the current price of different grades of sheep and goats at least every month preferably every week. Analyze the data; incorporate other data such as national and international market conditions.
- prepare an information board and hang it where it can be clearly seen. Farmer’s training centers could be ideal locations. Usually, it is advisable to place the notice board near the main entrance. The information should be simple to understand and posted in the local language.

Development agents can foster better sheep and goat marketing by:

- *bringing about a change in farmers and pastoralists attitude towards marketing*
- *Disease prevention:*
 - *early reporting disease incidences, vaccinating and treating exposed animals*

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6. ANNEX

ANNEX 6. 1 Holiday Calendar 2011-2013

Holiday	2011	2012	2013
Eid ul-Adha Festival of Sacrifice	November 6	October 25	October 15
Muharramn/ Islamic New Year	November 26	November 15	November 4
Mawlid al-Nabi Prophet's Birthday	February 15	February 4	January 24
Start of Ramadan Month of Fasting	August 1	July 20	July 9
Eid ul-Fitr Festival of Fast Breaking	August 31	August 19	August 8
Ethiopian New Year	September 11	September 11	September 11
Eth. Christmas	January 7	January 7	January 7
Orthodox Easter	April 22	April 13	May 2

ANNEX 6.2 : Definition of Terms

Cost : the total expenditure spent for goods or services including money, a value for time, and labor.

Cost of production - combined costs of raw material and labor incurred in producing goods.

Market in its conceptual term, is a place where exchange takes place. By the same token, livestock market is a place where the buying and selling of live animals takes place. Livestock owners bring their animals to a central site or market place where dealers or traders, consumers and other producers observe and buy the animals. In addition to serving as a center for livestock transactions, markets serve as a business and social meeting places for the market participants.

Marketing channels refer to a sequence of enterprises and markets by which produce is moved from producer to consumer.

Marketing is the performance of all business activities involved in the flow of goods and services from the point of initial production until they are in the hands of the ultimate consumer. It involves the transformation of goods in space, time and form from producers to consumers.

Price: is the amount of money a farm charges for items it offers for sale.

Profit: is the total revenue of a farm less all expenses over a specific period of time.