

## Extended Abstract

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Paper Title	<b>Marketing livestock from dryland Africa: addressing three narratives</b>
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<b>Abstract</b>	<b>200 words max</b>
<p>Three narratives commonly come into play when the marketing of livestock — cattle, camels, sheep and goats from the dry rangelands of Africa comes under consideration.</p> <p>One of these proposes that traders have undue market power and use it to extract rents from the herders. Another sees the chains are inefficient and underdeveloped owing to the many steps in the chain and the lack of value added activity. A third stream commends the chains for their functionality in marketing livestock over vast distances, matching uneven supply of livestock to stable demand for meat.</p> <p>It is not easy to get reliable information on marketing chains in rangelands remote from urban centres, so evidence to test these narratives is scant. This essay draws on direct conversations with traders in 2020 and 2021 in the Sahel and the Horn of Africa, and the limited published literature. Although the evidence is far from conclusive, we find most support for the narrative of functional and effective chains.</p> <p>Narratives matter: they drive policy debates. When leaders are under the sway of misleading narratives, they not only waste public money, but also can create obstacles for herders and traders. Above all, real priorities for public policies and investment are lost to sight.</p>	
<b>Keywords</b>	Livestock marketing, drylands, pastoralism, Africa. Sahel, Horn of Africa
<b>JEL Code</b>	Agricultural and Natural Resource Economics; Environmental and Ecological Economics Q00 see: <a href="http://www.aeaweb.org/jel/guide/jel.php?class=Q">www.aeaweb.org/jel/guide/jel.php?class=Q</a> )
<b>Introduction</b>	<b>100 – 250 words</b>
<p>When the marketing of livestock from the drylands of Africa is discussed, three narratives are commonly heard.</p> <p>One is that traders have monopsony power: the herders are many, dispersed across the rangelands, with little knowledge of prices in terminal markets, while traders are few and much better informed. Traders can thus dictate prices and extract rents from herders.</p> <p>Another is that the marketing chains are traditional and inefficient. Marketing takes place through many steps, as livestock are first aggregated locally by very small traders into small groups that can be sold in</p>	

local market places to larger-scale traders who again bulk up their herds until they can sell in regional markets to larger traders who eventually deliver the livestock to urban markets. At each step, many people are engaged, all adding to costs, while no extra value is added to the livestock which are transported live all the way to urban abattoirs.

A third narrative stresses the functionality of the marketing chains. Supply of livestock varies seasonally and annually because the numbers of animals that can be sold depends on forage and graze which depends in turn on erratic and unpredictable rains. Traders thus must be agile to balance the variable supply against the less variable demand for meat in terminal markets.

Each narrative has policy implications. Evidence, however, is scant. It is not easy to study marketing chains that operate over hundreds of kilometres starting in areas remote from major cities, marketing chains that change rapidly to accommodate to the emerging supply of livestock.

Which of these narratives is best supported by the evidence we have?

### **Methodology**

**100 – 250 words**

This paper takes direct evidence from studies of livestock traders in Mali, Sudan, Kenya and Somalia collected during 2020 and 2021, mainly through mobile phone interviews. Secondary evidence comes from insights from documented research.

Analysis is largely qualitative, but it was possible to make some simple analyses of implicit margins in the chain, using prices in markets and costs of transport.

### **Results**

**100 – 250 words**

Are traders able to exploit herders and realise supernormal profits? Limited evidence suggests that livestock are traded over long distances — journeys of more than 1,000 kilometres are common — down rough roads with crossing borders and police checkpoints where side payments often have to be made — and still herders get a substantial share of the final animal price. Moreover, trader power to set prices is limited by the prices at which livestock can be sold in terminal markets, where the price of red meat is capped by the prices of alternatives — chicken and fish — which are often on sale at surprisingly low prices.

Are the chains inefficient? Again, the limited data on costs in the chain suggest that the marketing systems operate on small margins. Do they fail to add value? Yes, the only value addition commonly seen is fattening lots near cities (mainly in Mali). The point, however, is that the markets for value-added red meat are thin: most consumers want cheap meat, not fancy chilled cuts attractively and hygienically presented.

Are the chains effective in balancing supply and demand over large distances? Most of the time, they are indeed. Some of the marketing chains represent a tour de force, based on the considerable expertise of traders and herders, and the even more considerable social capital that exists between them. But even so, when drought strikes and large numbers of stock need to be extracted quickly before they die for lack of feed and water, the systems have little ability to protect herders from knock-down prices for their starving stock, or to protect traders from price falls on glutted markets.

**Discussion and Conclusion****100 – 250 words**

Narratives die hard in the drylands of Africa. Policy-makers who observe the chains do not always comprehend the challenges of marketing, and do not always empathise with the herders and traders — who often belong to a different ethnic group and speak another language. It is all too easy for leaders and civil servants in urban capitals to see the herders and traders as primitive, unskilled, inefficient and part of a past that needs replacing by something more modern.

Funds can be wasted on public investment in abattoirs and canneries in the drylands; restrictions and regulations may be placed on the traders ostensibly to limit abuse of their market power. Corrupt officials may extract disproportionate bribes from traders who they believe must be making large margins.

Real challenges and needs for public policy do, however, exist: unhelpful narratives obscure these needs.

The paper concludes by discussing how better to use evidence and to build a better narrative about livestock marketing.