

ABOUT THE PROGRAM

This poster summarizes the findings of a Value Chain Analysis (VCA) Study on Livestock, Livestock Products and alternative livelihoods in the Cross Border area between Kenya, Ethiopia and Somalia.

The study was commissioned by the Building Opportunities for Resilience in the Horn of Africa (BORESHA) project. The overall objective of the BORESHA project is to promote economic development and greater resilience. WYG, one of the BORESHA partners undertook a Value Chain Analysis. The VCA explored value chains of camel milk, hides and skins, live animals, honey, riverine horticulture and construction.

VALUE CHAIN ANALYSIS

ON LIVESTOCK, LIVESTOCK PRODUCTS AND ALTERNATIVE LIVELIHOODS
IN THE CROSS-BORDER AREA BETWEEN KENYA, ETHIOPIA AND SOMALIA

2018

MAIN FINDINGS

THE MAIN FINDINGS OF THE STUDY ARE PRESENTED IN THE FOLLOWING SECTION.

CAMEL MILK

- The value chain is affected by high seasonal fluctuations and milk enterprises are rarely operational all year round.
- The bulking and retail business is dominated by women; bulking has lower incomes than trading as there are large number of bulkers
- Considerable losses are incurred due to spoilage

Recommendation

- Increase supply through effective collection and bulking systems and enhanced production
- Promote the use of appropriate equipment for carrying and storing clean milk
- Encourage value addition
- Train milk bulking groups to become market-oriented cooperatives.

HIDES AND SKINS

- Over 90% of the hides and skins are from slaughter houses.
- Low prices per piece
- Control of markets by cartels.
- Considerable losses are incurred due to spoilage

Recommendation

- Strengthen the aggregation, transportation and storage systems.
- Support artisans in accessing appropriate tanning and leather making technologies.

HONEY

- Production in riverine areas not adequately commercialized due to use of traditional technologies.
- Crude or semi-processed honey packaged for sale in unhygienic plastic jerrycans
- Farm gate prices higher than market rates for refined and crude honey.

Recommendation

- Improve production methods and use of modern equipment.
- Support entrepreneurs to invest in honey processing.
- Develop collection and aggregation systems
- Facilitate market linkages

LIVE ANIMALS AND RED MEAT

- High cost of doing business because of middlemen, taxation and transport costs.
- Limited value chain financing, therefore small scale of operations.
- Seasonal fluctuations with numbers almost half in the dry season.

Recommendation

- Support entrepreneurs and cooperatives to engage in livestock fattening
- Facilitate market information.
- Establish a network of community animal health workers.
- Lobby for a regional approach to control of livestock diseases

THE CONSTRUCTION SECTOR

- The construction industry is experiencing fast growth both for homes and businesses.
- High potential for employment, both in the construction work itself and in associated services.

Recommendation

- Encourage production of building materials such as brick making.
- Establish businesses that provide inputs in the construction industry e.g hardware shops.
- Provide skills development.

Other Interventions Recommended for Support

The following are other opportunities that can be considered for the medium to long term interventions:

Catering and bakery

The food and catering industry is growing rapidly as a result of increasing urban migration, growing middle class populations and the refugee population in Ethiopia. Interventions here will involve careful market segmentation and identification of unmet needs and supporting the entrepreneurs to invest in filling these needs. The most promising livelihood opportunities include:

- Baking bread, biscuits and cakes for local and external markets. These are fast moving products that can generate profits if quality is maintained. The project could partner with other agencies to come up with low cost but efficient ovens, in order to reduce the costs of baking.

- Providing catering services: Groups of women/men could be trained in cookery and supported to start catering services. The market for catering services is quite large, as it includes home parties and functions, office workers and outdoor trainings.

Renewable energy

Access to reliable and affordable energy plays a critical role in the growth of businesses, especially the small and micro enterprises (SMEs). Expensive energy raises the cost of doing businesses which then pushes up commodity prices. An opportunity exists for promotion of renewable energy.

Solar power stands out as the most feasible renewable energy source for Somalia because of the readily available solar energy throughout the year. Solar power has been successfully used in countries like Kenya for both commercial and domestic purposes in areas located far from the national grid. Provision of renewable energy is an opportunity for employment creation among the youth and the displaced persons.

CONCLUSION

The analysis of the livestock value chain and alternative livelihoods in the cross-border region of Kenya, Ethiopia and Somalia has raised key strategic issues for intervention by the various stakeholders in the sector. The key areas for attention are as follows:

- **Strengthen existing enterprise systems through capacity building and technical skills training.**
- **Introduce better business practices and value addition for high quality products and increased income.**
- **Scale up production through improved methods and use of modern equipment.**
- **Link entrepreneurs to external markets and traders' cooperatives.**
- **Raise public awareness on sources of financial credit.**
- **Support emerging alternative livelihood opportunities created by increased urbanization.**

BORESHA partners collectively are responding to many of the above cited challenges and taking up study recommendations

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