



**IMPROVEMENT OF LIVESTOCK MARKETING AND  
ITS'CONTRIBUTION TO HOUSEHOLD'S INCOME:CASE STUDY OF  
JIGJIGA WOREDA, ETHIOPIA**

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**ABSTRACT**

*The major focus of the study is “Improvement of Livestock Marketing and it’s contribution to household’s income: Case study of JigjigaWoreda, Ethiopia”. The overall objective of the study is to address the improvement of livestock marketing and its contribution to households as well as economic Performance in Somali Regional State: Case of Jigjigaworeda. Specifically the study was focusing on to understand structural system and problem of livestock marketing in Somali Regional State. And also to assess Role of livestock to the household economic performance in JigjigaWoreda and too recommend ways of improving livestock marketing and constraints. It believes that largest portion of livestock population lives in this region since most livestock rears for lowland part of the country. Somali Regional State has 97% of camel population in Ethiopia, and shared rest of Ethiopia’s livestock population. The study was conducted on the sample of 120 herders, traders, brokers and others. Primary and secondary data were used for analysis. The structured questionnaire was used to collect primary data by using Structure Conduct Performance(SCP). Livestock marketing in the region are still low. Livestock and livestock product marketing remains one of the fundamental issues to be addressed if pastoral communities in the region are needed to benefit more from livestock. The*

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*research findings show that one of the major barriers to market entry is due to lack of credit access. This has constrained further market expansions from primary to advanced level of livestock marketing. Business experience of livestock traders is 0—5 years. Petty traders neither have any license for trading livestock nor required to have by regional authority. Albeit those trade for export purposes have their license for export.*

**Key words:** Live Stock Marketing, Household, Woreda, Fundamental, Communities.

## **Introduction**

Market is a place where exchange of goods and services takes place in both physically and conceptually. Marketing is a system which includes all activities from producer to consumer. The first step in the marketing process of livestock is producing the type of stock, beef, cattle, camel, sheep and goat that the livestock producers produce. The producers want to produce what kind of animals market wants and sell them in the market Other essential components of the production and marketing process include: estimating production costs, calculating cash flow needs, knowing what type and quality of animals has produced and which buyers will be interested in that type of animals. A final, and equally important, step in the plan is evaluating the pricing and delivery alternatives.

In order to improve the competition of the market exports for meat, hide and skins in Ethiopia it needs cost-effective market and coordinated supply chain (Hailemariamet.all, 2009) since livestock producers are more in Jigjiga Woredas. Improvement of marketing and system of market will reduce uncertainties of pastoral communities and it will encourage to increase both the quality and quantity of livestock population in a country.

Livestock marketing system is a procedure that illustrates the channels that livestock operates beginning primary markets or rural markets to wholesale of end users. Different systems of marketing facilitates or impede growing of livestock population, production in terms of quality and quantity. Ethiopia livestock marketing system begins from farm gate sales i.e. farmers and rural traders to terminal market (Ayele Solomon et.al. 2009 cited by sawdu, et.al.). This type of marketing system passes through different channels. Livestock marketing is a process of increasing productivity and distribution income through pastoral communities (NABC, 2010). The paramount of livestock marketing is to create a situation that allowed pastoral communities

to change their lifestyle and traditional way of living into a line of modern commercialized world. since marketing is a process that converts physical goods into a currency or financial goods so any physical goods whether oil, or natural gas, cash crop production highly expensive goods such as Diamond, Gold, Uranium needs a systematic way of marketing in order to return a huge profit that influence the living standard and national Gross domestic product and welfare of a society for home country. The contribution of livestock marketing to economic development has widely reviewed in different studies across the world especially in Sub-Saharan Countries. The livestock contribution to the economic growth is the sum of contribution of each economic activity within the sector economic performance to the whole economic. In this context Livestock production and marketing is the key of economic progress in pastoral communities and countries (econ, development team, 2010). Since livestock marketing and production increases family members especially youth to afford for the payment of school fee, meeting for the children nutritious food and other related costs of the family which will finally convert the welfare in the community. This paper is designed to deal with the livestock marketing improvement policies and its contribution to household economic performance which in turn contributes to regional economic development as well as to the country's economic growth.

### **Statement of The Problem**

Livestock plays a vital role for the economics of pastoral communities and developing economies in a 3<sup>rd</sup> world. Livestock is an economic backbone of many developing countries and source of exports as source of hard currency. Ethiopia has the largest livestock population in Africa and the second largest sector for the contribution of growth domestic product next to the coffee. Comparing the abundance of livestock population and their contribution to the Ethiopia economic is extremely low. Why livestock sector contributes very stumpy in GDP? In what extent that marketing system plays this stumpy contribution of GDP? And how the improvement of livestock marketing increases the income level of population in the country?

It is believed that the largest of livestock population lives in Somali Regional State. 85% of the population is pastoral and agro-pastoral communities and their livelihood system is entirely depends on livestock and livestock production. But when we look the Marketing system of the region is extremely miserable. There are few market centers throughout the region. Therefore, certainly the improvement of livestock marketing improves the livelihood system of the population in the region and also improves the economic contribution of livestock in Somali

Regional State. Keeping in mind the above the researchers would like to attempt on “Improvement of livestock marketing and its ‘contribution to household’s income :case study of Jigjigaworeda, Ethiopia

### **Objectives Of The Study**

The general objective of the study is to address the improvement of livestock marketing and its contribution households as well as economic Performance in Somali Regional State: Case of Jigjigaworeda.

The specific objectives are:

- ❖ To understand structural system and problem of livestock marketing in Somali Regional State.
- ❖ To assess Role of livestock to the household economic performance in JigjigaWoreda
- ❖ To recommend ways of improving livestock marketing and constraints.

### **Research Questions**

To analyze constraints, opportunities and economic of livestock marketing and its contribution to household economic performance of Jigjiga, Woreda, Ethiopia.

- ❖ What are the Structural problems of livestock marketing system in Somali Regional State?
- ❖ How can be explored economic resource livestock marketing in the region?
- ❖ What is the impact of informal livestock marketing system to the Somali regional economy?

### **Significance Of The Study**

This study is useful for agricultural policy makers, business and trade line regional bureaus, and policy makers to evaluate economic performance of the household and Structure of the livestock marketing in Somali regional state. The study brings close attention to agricultural institutions, researchers and agricultural economists and other agencies involved livestock production and

marketing in the region. This research also highlights the regional policy makers the paramount of livestock to the regional economic and all over the country.

### **Scope Of The Study**

This study attempted to understand linkage between the improvement of livestock marketing and its contribution to household economic performance. The main focus of the study is to understand the structure of Livestock marketing and improvement for the contribution of rural livelihood and household economic performance. This study addressed Jigjiga district.

### **Methodology**

Somali National Regional State lies on the eastern part of the country stretched from Djibouti to Kenya. Population of the region depends on mainly livestock and livestock products and it is main stay of economic and source of livelihood in the region for both pastoral and urban communities. Population census was estimated 4,944,166 people live in the region (CSA, 2010). It believes that largest portion of livestock population lives in this region since most livestock rears for lowland part of the country. Somali Regional State has 97% of camel population in Ethiopia, and shared rest of Ethiopia's livestock population. According to the surrounded countries like Kenya and Somalia much benefited illegal immigration and marketing of livestock is from this region. These had affected the sound household economic and sustainability of livelihood in pastoral communities in the region. The data was collected from January to March of 2017 for the purpose of the research and future analyses of the livestock marketing in the region.

### **Sampling Technique**

Market survey approach was employed for the study. Jigjiga livestock market center which is largest market center in the region was purposely selected as sample market and other two villages were also selected the necessary useful information. Reason for the chosen was, because of the largest market center in the district and the region and accessibility of villages respectively.

## **Livestock Herders And Livestock Traders' Survey**

Purposive sampling procedure taken place for selection of livestock herders and traders'. Firstly it was employed purposive sampling method in jigjiga districts or woreda. The determination of sample size was implemented by Slovon's sampling formula with 90 percent confidence level.

$$n = \frac{6500}{1 + 6500(0.09)^2} = 120$$

n= Sample size of the research use

N= total number of livestock herders /traders

e = Margin errors at 9% level

On the other hand livestock traders normally operate their business in cities and towns in the region. Therefore, purposive sampling is used to select sample size of livestock traders.

## **Types And Sources Of Data**

In order to address the objectives of the study both primary and secondary data was used. The primary data collected using two types of interview schedules (one for traders and other for livestock herders).A checklist was used to guide the informal discussion conducted to generate data that not be collected from individual interviews. The primary data collected from livestock herders were focus on factors affecting livestock marketing, distance from market, market information, credit access, access to market, number of livestock owned, health services, and main source income of the household.

## **Methods Of Data Analysis**

Due to the type and nature of the data it was employed in simple descriptive statistics. To understand the main constraints and problems of livestock markets in Somali Regional State, it was applied Structure Conduct Performance Approach (SCP). Based on the basic principle of the SCP approach and structured questionnaire was analyzed for descriptive statistics of frequency distribution, percentage and graphs and charts were used to analyze the results and findings.

## Data Analysis

This focuses on data analysis for the questionnaire employed for S-C-P approach to understand the generic structure and characteristics of livestock market sector. Market conduct is determinant of the market performance.

This section provides an overview of livestock ownership from household survey, the marketing problems and areas of improvement and policy intervention; It describes the livestock marketing system, Structure, Conduct, Performance and perspectives in jigjiga district.

**Table 1 Demographic characteristics of the respondents**

Item No.	Item	Description	Frequencies	%
1	Job /occupation	Herders	70	58%
		Traders	15	12.5%
		Brokers	10	8.33%
		Others*	25	20.8%
		<b>Total</b>	<b>120</b>	<b>100%</b>
2	Educational level	No education	70	58%
		Read and write	22	18.3%
		Primary (1-8)	15	12.5%
		Secondary(9-12)	10	8.33%
		Higher education	3	2.5%
		<b>Total</b>	<b>120</b>	<b>100%</b>
3	Gender	Male	40	33%
		Female	80	67%
		<b>Total</b>	<b>120</b>	<b>100%</b>
4	Age group	< 24	0	0
		25-35	5	0.041%
		36-45	90	75%
		46-55	15	12.5%
		>56	0	0
		<b>Total</b>	<b>120</b>	<b>100%</b>

\* = (includes companies, associations, and government offices)      ource: **Survey data**

As indicated in the first item of the above table, most of the respondents were livestock herders which signifies (58%) others (12.5%) of the respondents are traders, the 8.33% of the respondents are brokers and the remaining (20.8%) are engaged other activities related to livestock trading. Regarding to their educational level, most of the respondents (58%) have no educational background and followed by that of (18.3%) who can read and write. 12.5% of the total respondents have finished their primary education (1—8). As shown in the third item, the greater (67%) of the respondents are females and the remaining (33%) of the respondents are males. The age group of the respondents also mentioned in fourth item. As indicated in the above table the greater number (75%) of the respondents are under the age category of (36-45), the other (12.5% and 0 %) of the respondents are under the age category of above (56), and between (45-56) respectively. So, most livestock traders in Somali Regional State used relatively matured and uneducated individuals to perform livestock marketing in the region.

### **Structure, Conduct, Performance (SCP)**

Market structure in livestock sector in Somali Regional State is analyzed based on number of buyers and sellers, Market information, access to credit, distance from the market and conditions of entry and exit.

In this study the structure of livestock marketing problems constraints and prospectives were analyzed using market concentration, market transparent flow of market information and conditions for entry and exit. To find the above structure education, trade experience, access credit, fee and taxation, license and policy and politics are used evidence for the market structure of livestock marketing problems, constraints and prospective in Somali Regional State.

**Table 2 Structure of livestock marketing sector players**

Barrier	Frequency	Percentage
<b>Education</b>	-	-
Illiterate	70	58%
Read and Write	22	18.3%
Primary education (1—8)	15	12.5%
Secondary education (9---12)	10	8.33%
Higher education	3	2.5%
<b>Trade Experience</b>		



<b>&gt;10</b>	<b>0--5</b>	06	40%
	<b>5-10</b>	04	27%
		05	33%
<b>Total</b>		15	<b>100%</b>
<b>Access to Credit</b>			
Not have access to credit		90	75%
Have access to Credit		--	--
<b>Don't know</b>		--	--
<b>Distance from the market</b>			
I do not know		2	1.67%
Influences us		105	87.5%
Not affect		10	0.083%
Officials( awareness)		3	2.5 %

**Source:** Survey data: 2017

### **Degree of Market Information**

Degree of market transparency refers the availability and reliability of information that traders and producers have a time to take a decision. In a transparent market actors have full information for market competition and strategies of other rivals within the market pricing strategy. Based on the assessment on the continuum indicated that 90% and 100% of producers and traders respectively responded differently, 90 percent of producers responded that they do not get enough information about market demand and supply and fall in trap.

The research results has implied controversial issues in producers and traders, traders have adequate and enough information to the movement of price and market through mobile and verbal communication of Somali culture through final terminal of export and even destination areas of live animal export. On the other hand a producer faces lack of information for the demand and supply of livestock market that led them to be price taker on the exploiters whose need is maximize their profit and minimize costs.

### **Barriers to enter and Exit in the market**

Educational level, access to credit, tax and fee, distant to market and license issue have used to analyze livestock barriers to entry and exit table 1: summarizes barrier to entry and exit in livestock marketing traders expressed in terms of trade experience, education level, access to credit, tax and fee, distant and licensing of sampled livestock traders across sample area.

### **Level of Education**

The result of trader's survey revealed that, about 58% are illiterate, 18.5 percent can read and write 12.5 percent have completed primary education (1—8) and 8.33 percent completed secondary education and the remaining 2.5% have attended and completed higher education. Since the majority of the traders are illiterate which confirmed that the major barrier of livestock marketing improvement.

### **Trade Experience**

Trade experience refers to the number of years that livestock trader engaged in trading activity where their trade experience plays crucial role in decision making activity. The traders' survey results in Table1 implied that, most of the traders are not well experienced in livestock trading business for more than 5 years. Out of the surveyed traders about 40%, 28%, and 32% of the traders had an experience of 1-5; 6- 10 and 10-20 years of business experiences, respectively. The majority of traders in the sampled market had 0-5 years of experience. This may explain that there is no barrier to entry in livestock trade with respect to years of experience.

### **Access to credit**

However, traders' survey result revealed that about 75% of livestock traders responded that they did not have access to credit where 15% of the traders are not willing to get the service from the available formal credit sources due to collateral and other complicated processes. The abovementioned factors are reported as constraining reasons to expand the scale of operations and achieve greater efficiency in credit services. This implied that, lack of capital discourages entry into livestock trading.

### **Market Conduct**

Market conduct refers to the pattern of behavior in livestock producers and trades and those involved in livestock industry sector. There is no clear cut method to identify human behavior

that easily identifiable, quantifiable. In this assessment of Livestock marketing problems and constraints are analyzed livestock, problems, Constraints and prospective. According to the study

**Table 3 Conduct analysis**

Conduct performance	Frequency	Percentage
<b>Price stability</b>	-	
Increased	90	75%
decreased	--	--
No change	20	17%
<b>Number of livestock sell (annually )*</b>	10,000-----15,000	
	-	
Camel	600	
Sheep	4000	
Goat	5000	
<b>Reasons for selling</b>		
income	55	45.7%
drought	--	--
Festivals	10	8.3%
Livelihood diversification	40	33%
Others	--	12.5%
<b>Reasons for buying</b>		
trade	15	60%
Consumption	2	8%
Export	4	16%
Restock	1	4%
others	--	12%

**Source: Survey Results: 2017**

### **Price setting and terms of payment**

The assessment indicated among all respondents, 85% of the herders/traders have reported as they don't negotiate on price to sell their animal; indicating this large amount of owners are price takers. But 90 percent of the respondents stated the term of payment is conducted through cash in hand system. The selling strategy of the respondents farmers was open to any buyer. Thus, all owners sell their livestock to anybody as far as they offer better price.

### **Place to sell**

The survey result indicated that, almost all transactions made on livestock marketing took place with the middle men (broker) and buyer in the market.

### **Price Stability**

Price stability is one of the indicators in living standard and economic performance of the nation. It is one of the indicators in a market conduct analysis. In our study reveals that price was not stable according to the respondents, 75% of the sample survey responded that price has increased for the year. This due to the exchange rate between US dollar and Birr in Jigjiga livestock market center. Remaining 17% responded that there was no significance change in the price.

Respondents explained the price increase due to the inflation and increase of dollar currency in neighboring countries.

### **Reasons for selling**

The study revealed that the most reasons for selling livestock are due to the getting income. Since most pastoral communities need necessary goods and services to sustain means of livelihood. The study shows that 45% of the sample respondents sell their livestock for income purposes. This has revealed the main source of income is livestock rearing. 8.3% sell due to the festival because in EID days after fast months or when there is wedding or other social events they need to earn income and sell their livestock.

33% of the respondents sell because of they need to diversify their livelihood and change their way of life into stable and settled way of life. The remaining 12.5% sell for the other reasons.

### **Reasons for buying**

The livestock market operator in jigjiga district is dominated by petty traders as revealed by the study.

The main reason to buy livestock is for trade purposes. 60% of the respondents said that they buy for business purpose in order to resell in the near market center in the region and neighboring countries. 4% of the respondents buy for consumption purpose and 16% for export.

The remaining 20% are bought for restocking and other purposes respectively. The research findings revealed that the purpose of buying livestock is trade purpose which implied that livestock market is ready to be commercialized with the fully support of regional and federal government.

**Table 4 Market Performance**

Price strategy	Frequency	Percentage
<b>Buyers' of Livestock</b>		
Petty traders	13	52%
Brokers	5	20%
Market center*	2	8%
Big traders	5	20%
Others	--	
<b>Pricing Strategy of livestock</b>		
Sex	--	--
Weight	95	79%
Age	15	12.5%
Others	--	8%
<b>Price settlers</b>		
Petty trader	5	20
Brokers	16	64%
Big traders	4	16%

\* Market center is where livestock buyers and sellers meet. Locally known as Saylad

**Source: Survey Results: 2017**

### **Market Performance**

The researchers have analyzed the improvement of Livestock marketing constraints and problems. The improvement of livestock marketing is classified and analyzed based on three main categories and classified subsidiaries. The three main categories are:

- Type of buyers of livestock market
- Pricing strategy of livestock marketing
- Price settlers in livestock marketing centers

Type of buyers of the livestock is mainly concentrated on petty traders that are locally known as (caashaqushi). 52% of livestock market players or traders are petty traders. These traders are buying livestock in the market then selling nearby markets or within market after few days or at some time. This is the most dominated livestock marketing system in the jigjiga district. Due to the capital constraints and lack of education is a complex issue to expand their market opportunities. 20% of the actors are brokers, the role of the broker is to mediate the buyer and

seller of livestock, and they are the main players in the market under study area. Locally known as dillal, they are aware of market trends, price information and demand and supply of the livestock as well as diseases through a traditional knowledge. Albeit you may observe some brokers also buy livestock for trading purpose.

Inadequate education and limited markets are the main causes for the lack livestock expansion in the district as the observation and data of the study revealed.

Big livestock traders in the region are mainly operated underground due to the livestock policy to country livestock sector development. The result shows only 20% of the livestock actors could able to buy and export or send national markets. This implied that the livestock marketing system in the region yet not much explored relative to the potential availability of the livestock sector. Remaining percent are the other people that buy for festival or consumption purpose and local butchers involved in the market centers to buy local consumers.

### **Pricing strategy**

The main determinant for the price of the livestock is the weight, the study reveals that 79% of their livestock is pricing according to their weight. The weighting system is not standard grading system but the physical appearance and how far it looks for fat and nutritional level through touching in special areas of the livestock body like shoulder, neck etc. Study revealed that 12.5% of the respondents are answered that they value for their livestock price according to their age. This is because the average age is the best according to camel and cattle as well shoats. Therefore, average age is pricing higher than old and young ones.

### **Price Settlers**

The key price settler and determinants are the petty traders, brokers and big traders. In our study reveals that key price settler are brokers/ Dillal. These brokers have enough experience and knowledge to mediate producers and consumers of livestock since they have the trust of both sides. 64% of the respondents agreed the key price settlers are brokers. This shows the key market players of the livestock marketing centers are brokers. Market is highly influenced by the big traders though they are not price settlers they have ability to create disequilibrium in the market system of supply and demand. The remaining 20 and 16 % are settled by the petty traders and big traders respectively. According the interviewer the key market determinants are big trader that have ties with neighboring districts and financial capacity to hold and buy the capacity

of market center. But all the players in the market have a welfare system rooted the culture and tradition of the communities in pastoral areas and particularly Somali communities in the district.

**Table 5 Major livestock marketing problems identified by sample population**

<b>Problems</b>	<b>No.</b>	<b>% of 100</b>
➤ shortage of feed resources	37	30.8
➤ diseases and parasites	20	16.7
➤ drought	17	14.16
➤ lack of information	7	5.8
➤ lack of community rangeland management	3	2.5
➤ lack of organized markets	6	5
➤ Lack of appropriate skills for livestock production	3	2.5
➤ Veterinary services	11	9.1
➤ Institutional support	7	5.8
➤ Transport cost	9	7.5
<b>Total</b>	<b>120</b>	<b>100%</b>

**Sources: Survey data2017**

In the survey, respondents were asked their major livestock marketing problems. A variety of responses to this question (major livestock marketing problems) are summarized in **table 5**. Significantly the most repeatedly quoted livestock marketing problem is shortage of feed resources. This was identified by 37 of the 120 respondents (30.8%) that responded this question. In addition, a considerable number of respondent also mentioned that the drought and diseases and parasites as a major marketing problems which accounts 14.16% and 16.7% respectively. Furthermore, 9.1% of the respondents stated that veterinary services as their major livestock marketing problem. Respondents also referred different types of problems related with livestock marketing activities like high transportation costs, no organized institutional support, lack of appropriate skills for livestock production, lack of community rangeland management and market information. Therefore, we can say that lack of organized markets, shortage of feed resources, drought and disease are a predominant problem of livestock marketing in the region.

**Table 6 Major livestock marketing constraints identified by sample population**

Constraints	Frequencies	% of 100
➤ Grading system	4	3.33%
➤ Marketing information	25	20.83%
➤ Abattoir	12	10%
➤ Distance from the market	30	25%
➤ Access to credit	9	7.5%
➤ Illegal export trade	25	20.83%
➤ Clan corridor system	3	2.5%
➤ Livestock Export ban	12	10%
<b>Total</b>	<b>120</b>	<b>100%</b>

Sources: Survey data 2017

In the questionnaire distributed for the purposes of this research, respondents were asked major livestock marketing constraints. As indicated in **(table 6)** 25 % of the respondents stated that, distance from the market as a major livestock marketing constraint, 20.83 % of them responded that having marketing information is their major constraint and 20.83% the respondent stated illegal export trade as a major constraint to undertake livestock marketing activities. In addition, access to credit, abattoir, tax and fees, clan corridor system and grading system as a constriction in the livestock marketing which is a backbone of pastoralists. Even though these few parameters would not give appropriate result to judge all the livestock marketing constraints of the region, by considering the above table we can conclude that distance from the market, marketing information and illegal trade are the principal livestock marketing constraints to the pastoralists.

## **Conclusion and Recommendations**

### **Conclusions**

Livestock marketing problems and constraints and how to improve marketing have major hindrances for the deepening and expansion of livestock marketing and commercialization in the Jigjiga district. Jigjiga district has great potential in the livestock industry; livestock could be the cornerstone for alleviating poverty and improving the livelihoods of pastoral communities in the



region and jigjiga district. Livestock marketing in the region are still low. Livestock and livestock product marketing remains one of the fundamental issues to be addressed if pastoral communities in the region are needed to benefit more from livestock.

The structure system of livestock marketing has analyzed for the barrier of entrance and exit, type of the main players in market, experience, level of education and market information and infrastructural problems. The conduct have addressed in terms of price stability, number of livestock sell annually, reasons for buying and selling for the livestock and performance were addressed in terms of financial capability of the market actors, pricing strategy and price setting of markets.

The study revealed that livestock marketing system in the district are mainly dominated by the petty trader. The majority of the petty traders are women who operate little working capital and without formal education. This implied the major barrier for the improvement of livestock marketing is due to low educational level and illegal export of the livestock across borders. The majority of the target population has revealed that they met a problem with custom authorities to hold and keep their live animals.

The research findings show that one of the major barriers to market entry is due to lack of credit access. This has constrained further market expansions from primary to advanced level of livestock marketing. Business experience of livestock traders is 0—5 years. Petty traders neither have any license for trading livestock nor required to have by regional authority. Albeit those trade for export purposes have their license for export. This shows that level of livestock marketing in the target population is mainly primary level of marketing.

The market behavior finding was that the majority of producers are price takers since they don't have capacity of negotiation. Traders kept the market information purposively to exploit the livestock herders. The study reveals that majority of livestock herders bring their livestock to the market centers. Due to the inflation and close economic ties of the others districts and demand for Middle East countries the price of livestock has increased yearly. The major reasons for buying and selling for the livestock was trading and livelihood respectively. In our household survey the target population main source of income is livestock and it is major traded goods that need to fully commercialize to reduce the incidence of the poverty in Somali Regional State. This implied the contribution of income and economic growth.

The study found the major and dominant players in the market price decisions are brokers. The main determining factor for the price of the livestock is their weight; this was revealed by 79% of our target population. The weighting system is not standard grading system but the physical appearance, fatness and nutritional level through hand touching in special areas of the livestock body like shoulder, neck etc.

The major problems and constraints of the livestock marketing in the region have studied vigorously and the findings were robust. The most repeatedly quoted livestock marketing problem is lack of organized markets. This was identified by 30 of the 120 respondents (24.5%). In addition, diseases parasite and drought are major marketing problems which accounts 14.16% and 16.25% respectively. Furthermore, distant from the market are among the major livestock marketing problems. Different types of problems related with livestock marketing activities like poor lack of organized institutional support, inappropriate skills for livestock production, high transportation cost and lack of community rangeland management are also among hindrances in livestock marketing. Therefore, we can say that lack of organized markets, shortage of feed resources, drought and disease are a predominant problem of livestock marketing in the region.

The major constraints that livestock traders and producers face are as follows: 25 % of the target population complains the distance from the market as a major livestock marketing constraint; 20.8 % of them responded that having marketing information is their major constraint and 20.8% the respondent stated illegal trading as a major constraint to undertake livestock marketing activities. In addition, livestock export ban, illegal export trade, abattoir, and clan corridor system and grading system as a constriction in the livestock marketing which is a backbone of pastoralists. We can conclude that distance from the market; marketing information and illegal trading of livestock are the principal livestock marketing constraints to the pastoralists.

## **RECOMMENDATIONS AND AREAS OF POLICY INTERVENTION IN LIVESTOCK MARKETING IN JIGJIGA DISTRICT**

Researchers recommended after serious study analysis for the following areas should improve to facilitate marketing system and contribute household economic performance and ultimately regional economic development. Livestock marketing system in jigjiga district is not fully

utilized due to the institutional and policy problems. Based on the research conclusions researchers have recommended areas needed improvement to fully utilize livestock's economy to development.

**Market information:** Livestock market information in jigjiga district and regional zones is not functioning well. There is no any formal center which tells the status of livestock markets. Lack of information increases the cost of herders and exploits. Improving livestock market information through cooperatives, unions, media or advertised screens will increase the contribution of livestock to the economic development in the district and general to the region.

**Feeding resource usage:** Environmental degradation, depletion of grassing areas, pressure from increasing livestock population and burning of the trees; causes for the reduction of livestock feed which leads malnutrition of livestock. Organizing communities and properly managing the communal grassing areas improves livestock feeding system and ultimately contribute for improvement of livestock marketing system in the district and contributes to the economic development.

**Drought:** Frequent droughts have caused shortage of water and deterioration grassing lands which caused the reduction of livestock market. Increasing the dams, drilling wells, hand dug wells reduce the shortage of water and movement of livestock from place to another.

**Capacity Building:** at the moment, there is shortage of skilled manpower in livestock marketing. The different activities of assembling, transporting, processing, storage and distribution require special skills tailored towards the special characteristics of livestock and Livestock by- product trade.

**Institutional support:** the government is needed to maintain the support that gives pastoral communities in order to get regular treatment, water and forage for their livestock. Besides, the government should consider organized marketing systems, cost of the distance from the port, infrastructure etc;

**Access of credit:** The problem that faces the petty traders is access to credit. They do not have opportunities to get a credit to expand their share in the market and expand their business into other areas and export purpose. Therefore, the government should facilitate loan and credit, and other mechanisms to finance the livestock trading industry.

**Level of Education:** The study revealed that the key players of the livestock marketing are petty traders which are highly dominated by women who do not have basic education that even they cannot read and write. So that, this kept the livestock market not potentially explored and commercialized. Therefore, government should educate and train, and gear livestock trading to the investors and businessmen in the region.

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