

Marketing of Somali Livestock: A Strategic Approach



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Abstract

Livestock is a leading sector in Somali economy which contributes to the GDP and export earning in hard currency. There have been various challenges facing production, processing and marketing of this sector.

This paper aims to develop and analyze market driven value chain management strategies with holistic marketing approach, by identifying major constraints and opportunities of the livestock value chain. Stages of livestock production and marketing development are also discussed with recommendations of reorganizing livestock value chain system and quality control to improve the overall performance of the cluster.

The proposed marketing strategies focus on livestock infrastructure development access to markets & marketing system, cost effectiveness of inputs and processing, empowerment policy framework, improvement of post-harvest handling facilities, satisfying quality standards and enhancing competitiveness of livestock trading system.

Keywords: Somali Livestock, Marketing, Livestock Marketing, Marketing Strategy, Somalia

1. Introduction

The pastoralist Communities have always had to continuously rely on livestock as their most important source of livelihood. Besides utilizing as a direct and stable food in form of meat and milk, they are also able to trade to meet cash needs for their daily basic needs such as healthcare and education fees.¹

Pastoralist and rural community have been largely depending on livestock in securing consumption needs and provision of basic services for a long period of time. The entrepreneurship of livestock trading and the private-sector-led export industry have helped the Somali community to economically sustain, particularly, during the prolonged period of civil war. Livestock from pastoral production systems accounts for almost 90% of Somalis' consumption and meets the demand for red meat.²

Somalia has a traditional livestock sector based on nomadic pastoralism. The growing private sector has led export industry, and the livestock sub-sector to dominate the economic clusters, generating approximately 40% of National GDP and providing 60% of job opportunities (about 75% of the agricultural workforce) and earnings about 80% of foreign currency. Approximately 90% rural households' income is derived from this sub-sector.³

Many of Somalia's productive sectors, already weak before the civil war, have been damaged by decades of armed conflict and state collapse. The livestock sector - historically the most productive part of the Somali economy - has survived relatively well, due in part to its relative autonomy from government services.⁴ Somalia exported around five million heads of livestock in 2014 to the Gulf countries, and this indicates the highest number of live animals exported by Somalia for 20 years.⁵

Exported livestock is used to exchange for imports of different basic and production goods required for running the country's economy which is working in unregulated environment, unconventional system and without the leading role of formal state institutions. Thus, the livestock export has a major impact on the country's overall food security and promotion of different sectors of the Somali economy.⁶

However, the collapse of relevant public institutions and the lack of nationwide - government controlled livestock marketing policies and strategies led to inefficiencies in livestock value chain leading to high transaction costs, unstable markets, prices and weak competitive position in foreign markets.

A number of Livestock development studies conducted in Somalia identified constraints and opportunities in the major segments of the livestock value chain, for example, production, processing and marketing activities.

This paper attempts to analyze the current condition of Somali livestock, and recommends fundamental and competitive strategies for Somalia's livestock marketing. The main objectives of the study are:

- To analyze the current condition of the livestock cluster, by indicating the obstacles and the opportunities of livestock marketing in local and international markets.
- To provide marketing strategies through value chain management processes.
- To provide recommendations in an improvement of competitiveness of livestock marketing strategies.

2. Livestock Production & Population

The situation analysis of Somali livestock cluster revealed that livestock production and productivity of agro-pastoral and pastoral systems are constrained by several factors including environmental change and climate variability emerging from frequent droughts, floods and heavily on pasturing and water tensions as well as pests and diseases that compromise livestock production.

Other constraints of livestock production are inability to extension services, limited access to financial services, traditional institutions, ineffective mechanisms in livestock production and loss of common property resources. Post-harvesting in the livestock sector limited investment by the private sector in livestock sector due to limited financial facilities economic trends inflation and exchange rate, less capital and lack of effective production policies, and social trend like urbanization, Ineffectiveness care of consultant institutions to livestock developers, and lack of incentives from governments are also major concerns.

Somali livestock sector is dominated by small producers. Therefore, stakeholders particularly private investors should interfere to develop, support, and enable the cluster development strategies in complementary with national agricultural policies.⁷

There has not been an official census on Somali livestock since 1989. At that time a detailed field study was done by UNDP in partnership with FAO and USAID which presented in human development report of Somalia 2001. The report indicated that the total wealth of livestock in Somalia was estimated with 42 million head.⁸⁹

In 1999 data gathered by the Food Security Assessment Unit (FSAU) estimated a total of 38.9 million heads in Somalia.¹⁰ The data revealed that livestock are distributed in considerable numbers over five geographical zones in Somalia with the possibility of interchangeable because of multiple factors.¹¹ The study also disclosed that camels are the most important domestic animal in terms of biomass and are well represented in every zone; most cattle are in the two southern zones; In contrast, sheep are far more numerous in the north and to a lesser extent in the centre than they are in the south; There are large numbers of goats in the north with substantial numbers in the south, but very few in the centre.

3. Livestock Marketing

Marketing means more than selling, in general, marketing is part of the holistic process of producing, promoting and pricing a commodity.¹² Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products and services of value freely with others.¹³

Livelihood diversification is a key means for sustaining pastoral livelihoods; access to markets is a key role in supporting diversification.¹⁴ Considerable evidence shows the degree to which diversified livelihoods and investments can assist pastoralists to sustain their livestock-based economies, especially during droughts and other shocks.¹⁵

3.1 Supply Chain Value of Marketing Process:

The processing from production to marketing, the policy makers, and producer communities should make strategic intervention to the following challenges:

1. The shortage of health care and transporting livestock technology.

2. The inadequate of enabling infrastructures like roads, quarantine centers, promotional systems and techniques.
3. The poor value addition of trade services on boards of neighboring like health checking food and water for waiting period of departure or sell.
4. The local market facilities needs such as slaughter houses, meat and milk storage facilities,
5. Inadequate drainage and waste disposal facilities and reducing unhygienic practices especially in handling livestock products and inappropriate containers.

All above factors, among others, require the attention and collaboration of local communities and the administrations, both at a regional and national level. The local relevant actors should develop livestock policies, ensure quality standards and inject the necessary capacity in the current institutions engaged in handling the whole livestock value chain process. These steps are necessary because ineffective processing of livestock supply chain value have caused -in recent years- a decrease in smartness and weight of the life animal in international markets. Furthermore, the quality of meat is affected by the long distance from the markets and the inadequate and obsolete equipment used in transporting livestock to international markets like Gulf States Yemen and Egypt.

3.2 Livestock Marketing

3.2.1 Livestock Local Marketing

In addition to small-scale seasonal crops and fruits production, Somalia depends on livestock products such as meat, milk, skins, and wools in furniture, luggage, clothing and food.

The livestock marketing system, as Bailey et al., (1999: 6) write consists of “pastoralists who raise animals, traders who buy animals in and around permanent or periodic markets throughout the rangelands”. They hope to sell the livestock “at a profit elsewhere.”¹⁶

Livestock local markets has taken different forms¹⁷ but share common characteristics, as they are small size markets, with diverse kinds of animals, mostly they are seasonal markets near to the big towns. Local markets use the commercial system of distribution and services because all parties should have full information about the market; the intermediates (*gedislay*) serve both batchers (slaughter) and exporters.

In analyzing livestock markets, there are some dimensions that should be taken in to account: pastoralist willingness, where pastoralists appear generally unwilling to liquidate animals to the point that their herd size may prove insufficient to ensure household food security.

3.2.2. Foreign Marketing

Since the independence in 1960, Somali governments supported livestock marketing efforts, and the first five year (1963-1967) strategic-plan for economic development gave priority to agricultural sector. The plan was developed on the assumption that livestock exports earnings and plantation of crops would increase if there are better roads, transportation, ports, and irrigation works. Livestock Development Agency was formed in 1965. Veterinary services, provision of water, and of holding grounds, inoculation, and transportation means were improved. Pastoralists embraced with enthusiasm to the prospects for wealth maximization through entering the international markets of livestock. “In the early 1960 the exported livestock value approximately doubled; livestock soon surpassed bananas as Somalia's leading export”.¹⁸

The Livestock Development Agency had taken the responsibility of getting competitive prices for Somali livestock and its products in international markets. The agency emphasized veterinary services, provision of water and pasture in holding grounds for the livestock when they undergoing inoculation and transportation. The agency helped the pastoralist's community in providing animal health care system and protecting grassing areas. The newly born Somali state paid greater attention to raise local awareness about the domestic production, self-reliance and economic sufficiency to achieve political, economic and cultural full liberalization.¹⁹

As a result, the livestock trade grew, domestic production increased as well as international level. Local markets were promoted by the government support and Somali currency (shilling). The government gave high priority to livestock development, for its being the largest economic resource of Somali economy. The main challenges were the weakness of the government and the persistent effects of droughts from 1963 to 1967.

After the military coup in 1969, the Somali government maintained the support of livestock segments by activating livestock agency, and development strategies. In addition to the ministry of livestock, livestock marketing agency, agency of hides and skin, agency of national grassing, agency of rural development were established. Although most of the economic sectors had been nationalized, the livestock sector remained yet in the hands of the private sector.

The primary importers of Somalia's livestock were Arab states, particularly Yemen, Gulf States and Egypt. In June 1983, the government of Saudi Arabia put an embargo on Somalia's livestock claiming that rinderpest had been detected in Somali livestock which made them unsafe. Alternatively, Saudi businessmen invested in

Australian ranches; while the kingdom was, at the same time, seeking market for their new oil product. Whatever the cause, the ban created a large deficit in the Somalia's national budget and negative impact on the livelihood of livestock producers and a great loss to the export trade of Somalia as 70 percent of export revenue of the government was from livestock.²⁰

The major challenges of marketing livestock are the severe drought in 1974, the war between Somalia and Ethiopia in 1977 and 1978, and the escalating armed conflicts in the northern regions, knowing that 80 percent of livestock exports go through Berbera Port. Other major obstacles to livestock export were the lack of adequate communications infrastructure, good roads, transport means, banking and financial services.

Somalia's five-year plan for the period 1987-1991 largely reflected that international pressures and doctoring policies led by International Monetary Fund (IMF) US Agency for International Development (USAID) allowed private banks to operate. However, USAID advised payment rising for those useful clusters in public sector, farming and livestock projects. As a result of the civil war in many areas, the economy deteriorated rapidly in 1989 and 1990. Previously, livestock exports from northern Somalia represented nearly 80 percent of foreign currency earned, but these exports came to a virtual halt in 1989. Shortages of most commodities, including food, fuel, medicines, and water, occurred virtually countrywide, followed the fall of the regime in late January 1991.²¹

Somali livestock is preferred in both domestic and international markets; the traditional foreign markets are Arab Peninsula, particularly Gulf States, and Saudi Arabia is the most important market for Somalia livestock products.

The price of livestock in these markets has doubled in last ten years because of improvement in health conditions and trusts of importers in the quarantine centres in both Berbera and Bossaso (the most active ports for livestock export) and Mogadishu.

Table (1): Somali Livestock End Market Price

Prices in End Markets	US\$ Per Head			
	Sheep	Goat	Camel	Cattle
Bahrain	180	180	N/A	N/A
KSA	130	130	700	N/A
Kuwait	150	150	N/A	N/A
Qatar	140	140	N/A	505
Oman	110	110	N/A	600-650
UAE	104	104	N/A	700-750
Egypt	500	500	2000	N/A
Yemen	140	140	N/A	500-800

Source: USAID, Somali livestock End Market Study, 2013

3.3 Livestock Marketing Support Projects

There were some projects funded by mostly international agencies but unfortunately the projects did not have baseline data to enable impact to be quantified. There is no accurate, appropriate and complete data on activities being undertaken and their associated costs. It is therefore difficult to carry out cost/benefit analyses of each project completed to enable and know the true impact of each.

For instance, in 2000 the laboratories that could have been used to confirm the presence of disease and effectiveness of the functional case came out with tangible result that is the Kingdom of Saudi Arabia allowed to take Somali livestock after the declaration of the official bans

in 1999 and 2000, and before any credible animal health inspection and certification was put in place, the United Arab Emirates Also allowed the export of Somali meat into its market before the export slaughter facilities met international operating standards or established credible quality assurance systems.²²

The Somali livestock sector has also been aided by the construction of four modern slaughterhouses, four meat markets and three livestock markets while FAO has also developed a livestock certification system to help ensure quality.²³

The importing countries have appreciated the support given to date by EC funded projects as shown by the positive comments by the UAE, Yemen, Oman and KSA veterinary officials in formal functions. The acceptance in February 2009 by large Somali livestock traders to use the Berbera and Bossaso quarantine stations to access the KSA markets supports this line of argument.

Capacity building efforts that focused on the public sector supporting the development policy and legal framework helped in the creation of an enabling environment for the private sector.

The livestock marketing and export chain over the last few years have been to improve compliance and acceptability of Somali livestock products. Between 2004 and 2008 EC spearheaded improvement and diversification of Somalia's livestock trade and marketing project. The project facilitated the development of capacity (physical and human) within public (ministries and municipalities) and private sector organizations to promote trade transactions. The grading system in export quality livestock and developing functional livestock marketing information system have been addressed.

Further efforts are needed to address outstanding constraints and to consolidate improvements bound to grow livestock in most of Somalia and to extend marketing efforts to cover meat and hides and skins.²⁴

These efforts and activities are essential to:

- a. The protection of Somali livestock assets and market access should be continued, especially as the facilities for livestock marketing are still at rudimentary.
- b. It is possible to commercialize livestock and meat production, but all interventions should not discount that livestock production in Somalia is about livelihoods not only marketing.
- c. Development projects of the community should inject marketing projects into sustainability.
- d. Improvement of market infrastructure must be in line with community aspirations and needs.

4. Livestock Marketing Strategies:

The holistic marketing approach used in modern stage of marketing devotion uses a bundle of strategies to comprehensive marketing management by choosing target markets, getting, keeping, and growing customers, through creating, delivering, and communicating superior customer value from the goods and services.²⁵

Drawing from the constraints and opportunities identified along the value chains, strategic plan should address the constraints identified and facilitate exploiting opportunities.

This gives a direction of the strategic plan which is market oriented with a mission of enhancing the productivity and competitiveness of the livestock sector in agro-pastoral and pastoral systems of Somali livestock sector. The strategies suggest to improve organize areas of livestock

value chain development i.e. production, processing and marketing to improve the overall performance of the component.

Private sector gives more consideration to the risks associated with the livestock business by focusing on marketing strategies. Any effective change happens in the business environment will ~~make~~ have an impact on the production and marketing process.

4.1 Production and Productivity Strategies

Considering the major constraints to increasing livestock productivity, two priority areas should be focused on:

The first: the consequences of environmental harshness and climate effects like drought and floods that cause fast depletion of grazing and water resources and high livestock death and body deterioration that effect negatively the market price of livestock. The floods have positive effects on forage availability but cause epidemic diseases, causes of high mortality rate of the various livestock species”.²⁶

The second: The strategies of improving production and productivity of the sector should be included in strengthening resilience of the pastoral systems by minimizing livestock losses and developing mechanisms for a quick recovery of the sector after crises situation. In order to improve the capacity of pastoralists, anticipate crises situation.

In order Somali livestock to have effective marketing strategies which will provide a good ground but not a good enough, this paper proposes the following strategies about livestock infrastructure development strategies and market access strategies

Further, these strategies should be based on conducting scientific research on field development, livestock marketing and animal export

policy made by both at regional and national levels.²⁷ Livestock marketing strategy formulation is the responsibility of the public authorities and the leading livestock export companies from private sector.

Livestock marketing strategy evaluation -like every other product- should consider standards of quality, cost, time, and price as well as customer satisfaction. The livestock is unique product because of having the following features:

1. Livestock needs for food, water, breathing air and relaxation.
2. It may moves by itself to the market place.
3. It cannot be carried with every means like crop product for instance.

Therefore, more variables should be considered in order to set a prioritized strategic plan of marketing for this valuable unique product-the livestock.

Numerous of independent factors influencing livestock marketing should be identified: External environments such as political, legal, economic, cultural, social trends which provide opportunities and threats. Internal factors like human forces, capital, finance, leadership, skills, systems, quality, and reputation of the organization are factors determine the level of competitiveness or vulnerability of the livestock marketing organizations, for example competition in foreign markets, customer satisfaction and price leading.

Major infrastructural facilities such as roads, safe water and telecommunication systems and holding grounds require heavy investments, that only private sector can not initiate. While the domestic livestock trade has increased in volume in the past two decades, there has

not been a corresponding improvement in infrastructure in livestock-producing areas to benefit this crucial activity. This requires a meaningful investment in infrastructure to facilitate safer, faster and affordable delivery of livestock and livestock products to domestic and export markets. Berbera port in Somaliland and Bossaso port in Puntland have been active spots for livestock export, but the roads linking livestock-producing areas with major markets and the two ports are in a poor condition. The authorities of Somaliland and Puntland should prioritize infrastructure development to facilitate people and livestock movements.

African Development Bank proposed livestock infrastructure projects comprising the following projects, among many others that considered being an opportunity for development in Somalia.

a. **Livestock infrastructure development:** Livestock infrastructure development includes two sub-components Firstly, construction or rehabilitation of marketing physical infrastructure like the roads, transportation means, livestock marketing centers etc. Secondly, development of livestock service like health service, milk manufacturing, and livestock slaughter facilities, quarantine stations & veterinary laboratories, and veterinary check points.

b. **Capacity building for pastoralist community:** focuses on community mobilization, farmer organizations, field demonstration, staff and farmer training, promotion of women participation, environmental protection and social management activities.

c. **Life services and fattening:** Fattening livestock and nutrition are more important initiatives; fattening ranches may be situated on private lands and managed privately with minimal investment. Primary focus should direct to develop policy, regulatory and institutional framework, organizing water and pasture, dipping facilities, and veterinary services.

d. **Conflict resolution over resource usage management:** People have various ways to use for such resources like forests, water, pastures and

land; and want to manage them in different ways. Such resources can be successful if properly used them, but can lead them to conflict when there is competition over material goods, economic benefits, property or power in land controlling, and when some perceive that their values, needs or interests are under threat. Community-based natural resource conflicts may occur at the local level, but often involve regional and national level.²⁸ The intensity of conflict varies greatly - from confusion and frustration among members of a community about poorly communicated development policies, to violent clashes among groups over resource ownership, rights and responsibilities.²⁹

4.2 Marketing and Market Access Strategies

There are numerous constraints to access the market and exploit the opportunities in agro-pastoral and pastoral systems like poor political and economic infrastructures example security factors, foreign relations national economic policies and physical structures such as roads, holding grounds, water, dipping facilities, and veterinary services.

4.2.1 Access and Benefit from Markets:

There are many factors limited to benefit from market access like shortage in market information, high cost of production inputs, multiple taxes, lack of public motivation, poor quality product. So, the marketing strategy should be set on the national vision that regards to achieve significant income growth of livestock export. The theme of the strategy should recognizes regional markets as the main markets for livestock and livestock products, and that regional trade can greatly be improved through initiatives for regional economic communities(associations).

4.2.2 Promotion of Marketing System

To promote marketing system requires developing educational direct institutions which involve capacity building of livestock marketing institutions and agencies as well as institutes and faculties that offer diplomas and degrees in livestock specializations, these provide the accurate information about the livestock markets, competition, demand, and price, market accessibility, distribution ways and shipment systems, substitute products and their price and services management through conducting marketing research and livestock studies. Higher education institutions can contribute marketing system promotion by producing skilled marketing forces that can promote livestock commerce and export, they aware about the competition and marketing strategies.

4.2.3 Cost of Inputs and Processing

Functional marketing require options that enhance sector abilities to successfully participate in an effective marketing training on price quality relationships or collective action of establishing the market facilities - a task that ranges from investing in basic infrastructure to creating grading systems that reward investors for producing quality products, high cost of inputs, multiple taxes, inappropriate incentives, inefficient institutions to enforce action to create successful public private partnerships.

4.2.4 Handling Post Harvest Facilities

Post-harvest handling is the stage of production immediately following harvest, including cooling, cleaning, sorting and packing. For example, the instant a livestock product like milk or meat is removed from the animal, or the animal is slaughtered, the product begins to deteriorate. So, post-harvest treatment largely determines the final quality

of the product, whether it is sold for fresh consumption, or used as an ingredient in a processed food product.

4.2.5 Satisfying Quality Standards

In the developing countries, including Somalia, dietary changes are driving a massive increase in demand for livestock products and consideration of the quality. The increased demands for livestock products can be satisfied from domestic resources in Somalia with affordable cost which has impacts, and the pressures for change within marketing systems. A supply-side response has been the continued development of large-scale, urban-based industrial livestock production systems that in many cases give rise to environmental concerns.

4.2.6 Enhancing Competitiveness of Livestock Trading System

To enhance the key trading system weaknesses requires to developing appropriate pasture land facilitating livestock movement, setting competitive price, increasing investment in livestock services emphasizing quality of outputs, getting solution for resource use conflict. Competitive advantage is being different from others in terms of product features, application of skills and knowledge, price, quality, delivery-schedules and after sale service. There are several trends which should be taken into the account that emerged from technological innovations and development like product/service innovations, partnerships, agencies, franchises, economies of scale of the product, accessibility of targeted market segments and niche markets.

5. Recommendations on Promotional Strategies

The writer presented a bundle of recommendations different stake holder like government, business sector and livestock owners and the community.

1. The government

- Central government should tirelessly work with regional and states authorities on political and security stabilisation especially in pasture areas, and establish legal and policy framework for livestock production and trade.
- Somalia has a relative advantage in the livestock sector in regional trade, to retain this advantage, a long term plan is critical to maintain livestock production and protect them from the negative effects of environmental and climate changes like draughts, natural diseases and manmade disasters. This kind of risk can be managed if the authorities provide pasturing reservation areas, introduction of new and improved cross breeds, promotion of zero grazing/quality fodder production, and forestry management system.
- Government should provide human development strategies aimed to upgrading working forces skills through training programs and continuing education; it should support the institutes and the faculties that provide livestock relative specializations educating work forces involved livestock marketing.
- It should take affirmative action in strengthening of mutual relationship with importers and other neighbouring and regional states may have effects on our livestock trade strategies through diplomatic efforts affecting policies of importing countries to foster and raise their positive attitudes towards Somali livestock products, by enhancing the role of Somali embassies foreign countries to which Somalia export its livestock.
- to standardize slaughter systems and sale venues of livestock products and develop animal slaughtering policies and procedures and enhance purchasing capacity of the consumers through offering social justice and opportunities of labour, resource mobilization, education and

trainings for sustainable development of the local communities and national economic growth.

2. Business sector and livestock trades

- should develop marketing strategies to overcome both internal and external marketing obstacles, by improving distribution channels and facilitating appropriate means in both land and sea transportation.
- Should establish reliable health institutions that able to expand veterinary service and grassing management.
- Should encourage small entrepreneurs to join in corporations to gain a capacity for the competition in the international markets to minimize risks and maximize profits, having optimum capital structure on livestock.
- Field survey and deep studies are required to find out which kind of changes and development should be done in livestock cluster and to analyse critical constraints and opportunities by conducting marketing research, establishing livestock research centre, consultation and training centres in coordination with field experts should be designed with high priority for private investments.

3. Livestock owners

- Should create attractive environment for local and foreign investment, taking into consideration all national, regional and international policies.
- Should work in mutual integration manner to prevent from resource based conflict and cooperate to over through environmental hardship and resource scarcity and maintain ethics and social culture of *takaful*.
- To extend ground facilities and improve veterinary services and inspection in both production fields and export doors to maintain livestock quality through effective service in feeding, watering and other services.

4. Community institutions

- Financial sector should enhance banking services provided to livestock producers and traders for example to enter *mudaraba* or *musharakah* or *murabaha* financing with them, to issue guarantee certificate and also being aware to international competitors' strategies.
- Developmental projects and foreign aids should be channelled to the agriculture or livestock development. It and mutual interests of different stakeholders involved to the livestock marketing environment.
- Raising awareness programs should promote using technology to improve livestock business profitability, and networking to share R&D with the industry and other forms of livestock development projects.

However, differentiation is an important solution to revive the industry that will improve margins and develop a more sophisticated trade. This provides opportunities for quality products, which ultimately increase demand and secure market share but not always improve price.³⁰

6. Conclusion

From the above description, priority consideration has to be given to infrastructure development, capacity building programs, conflict resolution on resource uses, marketing system, cost effectiveness of inputs and processing marketing strategies, by engaging all participants. It should also be given priority to creating an environment conducive for legal and policy framework, as well as coordinating developmental assistant projects which address satisfying quality standards and competitiveness of trading system. Strategy evaluation should complete quality standards of the product in cost, time, price and customer satisfaction.

Finally, Somalia should develop techniques to overcome both internal and external marketing obstacles, improve distribution channels and transportation means, enhance forestry management system, provide training and continuing education programs and enhance diplomatic relationship with imported countries and regional states that may affect livestock trade strategies for sustainable development of Somali economy.

Notes

¹ For more details see: Peter D. Little (2004) “Pastoralism in a Stateless Environment: The Case of the Southern Somalia Borderlands” University of Kentucky.

² For more detail, see FAO/World Bank/EU. (2004). Somalia: Towards a Livestock Sector Strategy. Report No.: 04/001 Ic-Som Date: 29 April 2004

³ Central Bank of Somalia – Economy and Finance. Somalbanca.org. <http://www.somalbanca.org/economy-and-finance.html>. Retrieved 30 December 2010.

⁴ UNDP (1998). Human Development Report: Somalia”. Nairobi: p.3

⁵ The revelation was made by (FAO) May 1, 2015. This figure included 4.6 million goats and sheep, 340,000 cattle and 77,000 camels, estimating their total worth at US\$360 millions.

⁶ African Development Bank, (2010). “Regional Study on the Sustainable Livestock Development in the Greater Horn of Africa”, January, 2010.

⁷ Since the independent of Somalia the need for development projects in the livestock sector has been considerable in scale and type. After the Somalia failed as state the demand for aid became double (emergency aid and developmental assistance). Different relief organizations attempted to support the rural and agricultural people but the circumstances of instability and high risk in the regions constrains this willingness. The target groups and beneficiaries were either localized as is the case with milk, fodder and local

slaughter facility development or wide spread throughout the country as is the case with Rinderpest eradication, support to livestock marketing, slaughter infrastructure and animal health services delivery and other inputs.

- ⁸ Guide to African Markets. British Chambers of Commerce. 2007. http://viewer.zmags.com/getMag_Pdf.php?mid=dqrpw. Retrieved 20 August 2010
- ⁹ There is no updated reliable statistics on the population of Somali livestock, but there are different estimations. In 1988 Somali ministry of planning presented 44.3 million of heads as Ahmed A Elmi (1991) illustrated in his book “**livestock Production in Somalia with especial emphasize on camels**”. In 1999 FSAU which is managed by FAO, presented “**Map of five ecological zones of livestock distribution**” with total number of 42.1 million. On April 2004 FAO presented in “**Somalia: Towards a Livestock Sector Strategy**” with total number of 38.9 million of heads. The draft report of Istanbul conference on Somalia 32-23 May 2010 presented that Somali has more than 50% of livestock in Africa with total number of 34.3 million heads. Therefore, if this numerical evidence is accurate then that means there is decreasing in livestock population in Somalia.
- ¹⁰ FAO/World Bank/ EU (2004). Somalia, Towards a Livestock Sector Strategy. p. 27
- ¹¹ The factors affecting the distribution of the livestock are: 1) Drought which causes movement in internal regions and cross border; 2) Rainy season and the dry season; 3) Unrest security situations because of tension or armed conflict; 4) Fluctuation for the sake of the export; 5) In addition to that sometimes personal factors affect the study and qualitative analysis. Therefore, Density of animal and their scope will be different by region within two sequence period of time.
- ¹² The initial steps of livestock marketing include: To identify the demand level and select the market place, To estimate production costs and cash flow needs, To recognize or determine quality level of animals being produced to satisfy the market demand, To contact to the buyers who will interested in

that type of animal, The final step in the marketing chain is to evaluate the pricing and delivery alternatives, and decide which alternative to be used.

- ¹³ Philip Kotler (2002), “Marketing Management”, Millennium Edition. Custom Edition for University of Phoenix. p. 7
- ¹⁴ Diversification means to support livestock production by allowing herders to better manage risk through diversifying activities and investments. For example, herders depend on selling animals to finance initial investments in trade and education, while ensuing revenues from non-livestock activities can support pastoralists. Cash earned from livestock trade, farming and other non-herding activities not only facilitates livelihood diversification, it also finances purchases of veterinary medicines, school fees and, increasingly, feed and fodder to sustain pastoralist production.
- ¹⁵ Little PD. (2009). Income diversification among pastoralists: lessons for policy makers. Policy Brief 3.COMESA (Common Market for Eastern and Southern Africa) and Pastoral Areas Coordination, Analysis and Policy Support (PACAPS) Program, Tufts University, Medford, MA.
- ¹⁶ .Bailey, D., C.B. Barrett, P.D. Little and F. Chabari. 1999. Livestock markets and risk management among East African pastoralists: a review and research agenda. GL-CRSP Pastoral Risk Management Project Technical Report No. 03/99. Utah State University, Logan. P. 46.
- ¹⁷ Some of the forms of livestock local markets are as following: 1) Co-existed livestock market: The earliest form of livestock market often co-existed with specific locations where people came together to buy and sell the essentials of everyday life. Livestock would usually be brought to the market area of such venues, corralled in temporary pens and exchanged through ‘private treaty’ haggling between buyers and sellers. 2) Purposed-built market: structured market usually in the towns and cities across the country were the price formation and exchange conditions are well known, with permanent penning and sales. 3) Commercialized Market: The largest market structure in the trade of livestock as multiple transactions that characterize the *saylad* system, whereby company agents purchase livestock directly from pastoralists outside

of the major traditional livestock markets. The larger exporters have found it more profitable to send agents directly to pastoralists in the render places.

- ¹⁸ Nelson, Harold D. (ed). (1981) *Somalia: A Country Study*, American University Foreign Area Studies, Washington p 136
- ¹⁹ Nelson, Harold D. (Ed). (1981) *Somalia: A Country Study*, American University Foreign Area Studies, Washington p. 87
- ²⁰ Metz, Helen Chapin, (Ed). (1992) *Somalia: A Country Study*, Federal Research Division, Library of Congress, p. 165.
- ²¹ Chapin Metz, H. (Ed). (1993) *Somalia: a country study*. Federal Research Division, Library of Congress.
- ²² Any increase in live animal exports may not be solely due to improved disease surveillance, control efforts, and the associated support to the private or public sectors, but due to other considerations.
- ²³ FAO (2014) “Somalia registers record exports of 5 million livestock in 2014” <http://www.fao.org/news/story/en/item/283777/icode/>
- ²⁴ EC (2009) *Review and Identification of a Livestock Sector Strategy and Programme to Address Food Insecurity and Economic Development in Somalia*” Final Report – May, 2009.
- ²⁵ Philip Kotler (2002), “*Marketing Management*”, Millennium Edition. Custom Edition for University of Phoenix.
- ²⁶ EAFF,(2012)“*Eat Africa livestock Strategy*”. P. 22.
- ²⁷ Some common strategies mostly used in marketing are focus strategy, diversification strategy, Integration strategy (vertical and horizontal integration) in combination with pricing strategies and competition strategies.
- ²⁸ The conflicts range from disputing among local pastures men over the use of land, to conflicts among clans on controlling over woodland. Community-level conflict might involve government agencies, domestic and multinational businesses, politicians, international development agencies and non-governmental organizations (NGOs).

- ²⁹ Daniel Buckles and Gerett Rusnak, (1999). Conflict and Collaboration in Natural Resource Management; International Development Research Centre; pp. 2-45
- ³⁰ Yacob Aklilu, Peter D. Little, Hussein Mahmoud and John McPeak (2013) “Market access and trade issues affecting the drylands in the Horn of Africa”

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