



REPORT ON THE ETHIOPIA STUDY VISIT UNDERTAKEN BY LIVESTOCK SECTOR STAKEHOLDERS

FEBRUARY, 2010



ACKNOWLEDGEMENTS

The team would like to extend sincere gratitude to the Government and the People of Ethiopia through the State Minister for Agriculture and Rural Development Dr. Abera Deressa for the welcome and hosting us through the visit period. We would also like to extend our appreciation to Dr Berhe G/Egzabiher who took time out of his busy schedule to do an introductory presentation about the vision and strategy of MoARD.

The team would also like to most sincerely thank the Care – Kenya Team through Doris Kaberia (Care – Kenya Livelihood sector) and Ann Njuguna (Care - Kenya Emergency sector) for sponsoring the trip and to the Care – Ethiopia team who took time to arrange and actualize the visit.

Profound gratitude go to Mr. Girma Kassa Deputy Chief of Party ELMT/RELPA, Mr. Belachwe Hurissa and Dr. Adugna Tolera of Ethiopia Sanitary & Phytosanitary Standards Livestock & Meat Marketing Program (SPS-LMM) who took time through their busy schedules to ensure all the visits were organized and who also took time to ensure the team's welfare throughout the visit was taken care off, the team is most grateful.

Lastly but not least, warmest regards go to all the people in the respective stations that the team visited, who took their precious time to share with the team and answer their many question, the presentations made were very informative. The team felt very enlightened in each of the stations and is highly indebted to them.

Finally, the team would like to take this opportunity to welcome the People of Ethiopia to Kenya for further learning and sharing experience as both countries look forward to reviewing of the boundaries protocols and improving relations.

EXECUTIVE SUMMARY

The objective of the visit was to help the Kenyan delegation appreciate systems in place such as; Livestock production systems and disease control, Extension linkage between production and marketing, Livestock marketing structures and Meat processing technologies & marketing of the final product, measures employed to meet OIE phyto-sanitary requirements, Meat Regulatory experience among others as a key follow up to the Regional Livestock Marketing Symposium. The visit was funded by CARE – Kenya with 15 delegates from across the livestock sector.

The visit was targeting key livestock institutions in Ethiopia which included the Ethiopia Sanitary & Phytosanitary and Livestock Marketing Meat Marketing Programme, Ethiopia Meat & Dairy Technology Institute, Export abattoirs, Feed lots and livestock associations.

Key lesson learnt was the commitment at both the federal and the regional governments to support the livestock sector. This was seen through incentive programmes to the investors including free land for the investment; tax holidays during the first 5 years, capacity building e.t.c. There are also efforts on the disease control and surveillance through the national and regional laboratories; it was also note that there are strong linkages with various institutions with exporters and other stakeholders.

The Government of Ethiopia through institutions like ESP & LMM, the Ethiopia Livestock marketing council and other stakeholders are aggressive in market promotion with the key objective of increasing exports with all product categories.

As a way forward, it is important for the Government of Kenya to ensure strong linkages and coordination of the stakeholders in the livestock sector. This will ensure the resources available are directed towards a targeted and focused objectives unlike the current status where all stakeholders are working in isolation. This can be achieved through creation of a body. The government should also lead in the aggressive marketing promotion and offering incentives to investors in the sectors. At the operational level, the investors should adopt more efficient and market driven operations and innovation.

The visit was resourceful to the delegates and with the implementation of the recommendations proposed, the Kenyan livestock sector will have moved a step in the right direction.

1.0 Introduction

1.1 Objective of the Study Visit

The visit was as a follow up from the Regional Livestock Marketing Symposium held on the 21st October 2009 at KCB Leadership Center Karen, Kenya sponsored by ELMT/RELPA and CARE Kenya. The theme of the workshop was to look at the livestock marketing chain within the region. Various challenges were cited which included; poor disease control structures, insecurity within the pastoral areas, poor linkage, limited information flow between the production level with the markets, poor quality of livestock and limited knowledge of market demand. Based on the above challenges and in line with key recommendation of the symposium-that there is need for a cross border exchange visit with Ethiopia being identified as one of the countries that has developed good systems for livestock marketing, processing and disease control in the region.

In this regard, the objective of the study tour was to expose the participants to the Ethiopian livestock sector in respect to: production systems, disease control, extension services, marketing, processing among others.

The organization and coordination of the tour was undertaken by ELMT/RELPA in collaboration with SPS-LMM in Ethiopia. CARE Kenya generously provided the financial support and CARE Ethiopia organized the logistics and accommodation.

1.2 Participants

The study tour was undertaken by 15 participants drawn from the Ministry of Livestock Development, Ministry of State for Development of Northern Kenya and other Arid Lands, Kenya Meat Commission, Kenya Livestock Marketing Council (KLMC), Arid Lands Resource Management Project (ALRMP), and representatives of private pastoralist groups and private abattoirs.

The participants' details are given in Annex 1.

1.3 Itinerary

The study tour was undertaken from 15th to 20th February, 2010. The detailed itinerary for the study tour is given in Annex 2.

2.0 Brief Description of Organizations Visited

2.1 Ethiopia Sanitary & Phytosanitary and Livestock & Meat Marketing program (SPS – LMM) and MoARD - presentation by Dr Berhe G/Egzabiher and Dr Hank

This is a USAID programme that assists the Government of Ethiopia (GOE) and private economic operators to resolve the constraints that limit the expansion of the Ethiopian meat and livestock exports. Their goal is to increase exports of meat and livestock to benefit the producers and exporters and promote national economic development.

The following strategies have been employed to strengthen the livestock industry:

- Agriculture development led industrialization which includes the livestock industry.
- Market led agricultural production.
- Improve rural purchasing power
- Embrace pro poor production system, this ensures that the resources used are within reach for the ordinary person.
- Capacity building at all levels
- Improve on the foreign currency
- Adoption of best practices.

2.2 Ethiopian Meat and Dairy Technology(EMDTI) Presentation by Dr Tesfaye Lemma

Background:

This is a government institute established in January 2008. It undertakes the following activities: Practical training for stakeholders in meat and dairy industries, short term trainings by demonstrations consultancy on livestock production, establishment of standards for both meat and dairy products, promotion of investments in livestock sector, market promotions including linking of livestock producers with both domestic and external markets. The EMDTI clients include: meat and live animal exporters, slaughter houses operators, butchers, supermarkets, dairy cooperatives and processors, feedlot operators, feed manufacturers, pastoralist/farmers.

The key responsibilities of the institute include capacity building, investment promotion and marketing promotion. Additionally, the institute holds stakeholder workshops, identify training gaps and carry out trainings as part of the capacity building.

Facilities at the Institute include; Laboratories, conferences/seminars rooms, storage, irrigation facilities among others.

Fig 1: Calves at the Institute



Observations/Lessons Learned :

- The institute plays a vital link between Research stations and the livestock producers and other stakeholders through testing and validation of livestock technologies before they are released to the users.
- The institutions provides technical support (capacity building) to Investors and other stakeholders in the livestock industry in Ethiopia
- It is also mandated to attract investment and promote livestock trade
- Although the institute is fully funded by the government it is planning to introduce fees for its services in the near future in order to ensure sustainability of its funding.

2.3 Luna Export Abattoir

Background:

The abattoir is a privately owned entity that was started 7 years ago. It has a capacity for daily slaughtering of 3,000 sheep & goats; or 100 cattle or 150 camels. However, it mainly does small stock for the export market as chilled carcasses to UAE, Egypt and Vietnam. The company contracts livestock producers to supply the animals that meet the quality specification mainly based on weight and age. The livestock suppliers are provided transport tracks to ensure sustained supply of the animals to the factory which reduces cost of transportation.

Observations/Lessons Learned:

- The government creates a platform to access the export markets through other institutions that do market promotion; it also creates an enabling environment for investment in the livestock industry like tax holiday for the first 5 years. There should also be a one stop investment advisor to facilitate and attract investors in the livestock industry (EMDTI).
- The abattoir is small and cost effective in the operations with higher volumes, low energy usage, staff incentives and supplier incentive through provision of transport and prompt payment, production of own packaging material e.t.c. The company produces biogas for heating purposes with low usage on furnace oil. New slaughter houses should be small, efficient with low energy usage
- Market innovation through marketing of a wide range of products e.g. brains, testis, tongues, kidneys in the export market thereby adding value.

Fig 2: Lunar Export abattoir



2.4 Private Feedlots

Background

The 1st feed lot visited is owned by a single operator and was started 3 years ago with only 30 animals. It has a capacity to fatten 2,400 animals. The feed lot uses Total Mixed Ration (TMR) for finishing the animals. The ingredients for the TMR include oil seed cakes (sunflower seed cake/cotton seed cake/groundnut seed cake), teff straw/hay, wheat bran, salt, and calcium.

The operation includes purchase of animals (cattle) from pastoralist/producers weighing 250-270kg, fatten and finish them for a period of 3 months. The finished animals weighing 350-370Kgs are then exported to Middle East Countries. The feed lot owner cited lack of a good market as the main challenge.

The 2nd feed lot is privately owned by a single operator and was started 5 years ago. It fattens and finishes animals for a period of 3 months and then export to Middle East countries. The ingredients for the Total Mixed Ration (TMR) used for finishing the animals include: oil seed cakes (sunflower seed cake/cotton seed cake/ groundnut seed cake), wheat bran, straw/hay/bean hulls. It was noted that the market was also a challenge as there were some over finished animals that had been in the feed lot for 4 months thereby reducing the returns.

Fig 3: Animals feeding at the feed lot



Fig 4: Finished animals



Observations/Lessons Learnt

- Feedlots in Ethiopia are based on zero grazing system where animals are fattened /finished using formulated total mixed ration (TMR); hence it is possible to operate feedlots without necessary owning/using a ranch.
- Government offers incentives to feedlot operators. These include tax exemptions on feedlot equipment and other inputs.
- Need to start with the market fast to avoid losses due to economic losses when they over stay. Marry the production with market at initial planning stage.
- Produce with a contract at hand. Target particular markets
- See where to focus with the feed lot not necessarily looking at the export market. Look at cheaper feeding mechanism.
- Focus on value addition avoid sale of live animals. Look for markets of meat widely through partnerships.
- Disease control mechanism is not up to standard as vaccinations are only within the herd while surrounding animals are not taken care of. Design of feedlot also important in disease control.

2.5 Ethiopia Livestock Traders Association (ELTA)

Background:

ELTA's works towards creating an efficient livestock marketing system based on widely accepted operational standards as well as encourage higher quality and quantity production and therefore provide better market opportunities in the livestock trade sector. The objectives of ELTA include; facilitation of standardized trade for domestic and international livestock markets; awareness for live animal trade; provide awareness and assistance in implementation of regulations for livestock trade and establish a systematic marketing relationship with the pastoralist and livestock producers.

Observations / lessons learned

- The association is strong and is financially stable. It is active in looking for markets and negotiates market deals for its members.
- The association has linkage with the research institution and with the government.
- They are active as they are direct beneficiaries and involved at individual level in the industry like feedlot ownership.
- Lower level of production is not involved i.e. the pastoralists and other primary livestock keepers.
- There was sentiment expressed that Kenya is 'poaching' livestock from Ethiopia. On the contrary, it is important to note that, free market forces attract the animals on either side of the border through better pricing. It was noted that animals have better body condition and weights after staying at the feedlot.
- As an experience, there was noted challenge on policy issues of KLMC in regard to membership compared to ELTA
- There was felt need to advocate for the removal of cross border livestock trade restriction but ensure collaborative efforts in cross border livestock disease control. There is need to promote market driven cross border trade e.g. camels move from Kenya to Ethiopia and Somali e.t.c.
- There is need for a regional approach in livestock industry. Put policies in place for screening for trans-boundary disease. It was shared that this particular regional programme as at an advanced stage within IGAD.
- It was felt by the participants that there is need to train people on using other methods of livestock management; reduce on free range land management to intensive management conditions permitting.

- There is need to consider doing pilot feedlot projects in Kenya by encouraging use of available resources to reduce cost. There is an opportunity in feedlot as there is a local market for high grade animals.

2.6 Ethio-feed Mill Factory

Background:

The company is privately owned and was started 4 months ago with the aim of providing quality feeds to animals especially during drought seasons. The company produces 5 types of multi nutrient feed blocks from agricultural products and bi products of organic nature. Its distinction is with the usage of prosopis which ordinarily is an invasive species but has high protein content that has not been in use in feeds previously. The approach in use of prosopis is innovative because on one hand it inhibits or controls the spread of the invasive species and on the other it uses the pods (which are rich in protein) as an input to cattle feed.

Fig 5: Multi nutrient Feed blocks



Observations/Lessons Learned

- Locally made machines
- Reduce reliance on aid.
- Innovative ideas that have an impact.

- Can be used for food security

2.7 Modjo Export Abattoir

Background:

The abattoir is privately owned mainly slaughtering small stock for export. It has a capacity to slaughter 3000 small stock per day though daily slaughters are based on confirmed orders.

The abattoir contracts suppliers for livestock supply with specification. There is lee way to hold the small stock in a factory holding ground until there are confirmed orders. Small stock that do not meet the specification are taken away by the supplier. The factory is efficient in operations and produces bio gas for heating purposes in the factory.

Fig 6: Modjo Export abattoir



Observations/Lessons Learned:

- Cost effectiveness in production process realising better efficiency through incentives to workers

- Better market prices
- Energy efficiency, small boiler, low costs energy through biogas.
- Small and compact factory. Good effluent system, good lagoon no silting.
- By products exporting: liver, brain (2.2 USD/ pack of 2 brains)
- Leading to rethink the models of new slaughter houses in Kenya

2.8 Oromia Pastoralist Commission

Background:

The Oromio Pastoralist Commission was established by the Oromio regional government to look at the Pastoralist area within the region and ensure development is geared towards the actual needs on the ground. The Commission's activities are funded by the regional government and other stakeholders. The Commission's central role is to coordinate all activities that are undertaken within the region with an overall plan that includes land use mapping, pull of resources and ensuring pastoral development and good governance. The Commission also adopts pastoral best practice and plans on scaling up.

Observations:

- Deliberate affirmative action to identify the peculiar needs of the low lands
- Incorporating the local indigenous knowledge to custom make solution including use of the human resource. Involvement of the local pastoralists in planning and implementation of development projects at initial stages.
- Clear understanding of the pastoral area macro economy
- Identification of water as a key resource and strong entry point in the pastoral areas and clear mapping of the water to ensure even distribution
- Identify best practice in different communities, document then up scale them
- Develop land use master plan followed by designing and immediately implement
- Integrated approach by all stakeholders; government, ngo's communities e.t.c
- High level of government commitment; deputy president of the regional government chairs the Commission.

- Advocate for creation for a body to oversee and coordinate pastoral areas development; Kenya Pastoral Commission, Pastoral Authority or a body that can adequately serve a similar purpose.
- Advocate for Area based approach and promote affirmative action in Kenya

2.9 National Animal Health Diagnostic Laboratory (NAHDIC)

Background:

NAHDIC is a Federal government institute established in 1995 as disease Control investment laboratory (DCI) changed to NAHDIC in 2007. It operates as a state laboratory mandated with disease surveillance and monitoring across the country and the Trans Border Disease surveillance. It provides diagnostic service/certifications for export of animals/products. It works with other regional laboratories and acts as a reference laboratory for support services and capacity building. It receives samples from regional laboratories, self sampling or through private persons. The laboratory works in close liaison with the livestock sector stakeholders including the exporters.

Observations/Lessons Learned:

- The laboratories are modern design and all inclusive
- Also contracting some services like residue testing as they do not have capacity
- Implementation of the quality control services not operational
- Linkages with exporters is positive
- Inspection of live animals is up to date especially in horse imports due to diseases.
- Lower level in grading of the labs, not yet accredited
- Higher level in vaccinations
- Have more regional laboratories 14 compared to 7. Need to upgrade the regional labs
- Have higher capacity in human resource, 3 PhD holders and master holders for the lab manning.
- Kenya also acquired freedom from rinder pest status at the same time with Ethiopia, the publicizing is awaiting the official launch.
- The environment and image was very good. Need to benchmark

2.10 Courtesy Call on State Minister for Agriculture

Remarks from the Minister

- There is need to ensure complete control of Trans Border Disease's (TBD) with neighboring countries
- Abolish informal cross border trade. Ethiopia to benefit from Kenyan deficit. The countries should embrace togetherness.
- Removal of the 20% tariffs to zero rate the livestock trade. This will assist in abolishing the illegal trade and enhance the TBD surveillance.
- The Kenyans felt there is urgent need for Coordination of efforts to ensure we show case Kenya in good image.
- There is need to exploit other points of reference back home e.g. Farmers choice, Ol pajeta.
- It was an eye opener for the Kenyans who felt there is need for change of attitude towards how we perceive each other, competition to enhance patriotism.
- Both governments should enhance livestock disease control on both sides and animal migration is based on vegetation.

3.0 Recommendations and Way Forward

National Level

- Kenya Government should support creation of an institute that can coordinate activities of the livestock sector through public-private partnership.
- There should be coordinated approach to ensure all stakeholders (Government, NGO's, Donors e.tc.) are focused towards the development of the livestock industry.
- The Kenya Government to be in the forefront in marketing all Kenyan products abroad to assist growth of private sector. There should be aggressive marketing of the country's products through bilateral talks focusing on the regional markets, Middle East and Far East as the country can currently meet the regulations in these markets.

- There is need to support and improve appropriate extension services and provide capacity building to both the public and private sectors by all stake holders in the livestock industry.
- The government should offer tax incentives to the private sector in the livestock industry to foster faster development and promotion of investment.
- There is need to develop Land use master plan which are area based to ensure integrated development interventions are developed.
- There is need for affirmative action to ensure the marginalized areas are adequately targeted to bring them at par with other parts of the country.
- There is strong need and urgency to engage the USAID to facilitate equal support to Kenya as in Ethiopia to the Livestock industry.

Bilateral Level

- There will be need to formalize cross border trade of Livestock and its products with review of the existing tariffs.
- The respective Governments will require to form joint control of trans boundary disease (TBD) to ensure there is no threat of livestock disease between countries.
- There will be need to aggressively support market access to traders especially in the export markets.
- The governments will require establishing a vibrant cross border Livestock traceability initiative for the Livestock to have a competitive edge in the export market.
- Increase support of investment in the livestock industry promotion in the region and beyond.
- Establishment of National and regional Livestock trade forum which shall form the platform to discuss issues pertaining to the trade and learning and sharing experiences.
- Enhance private/public/Community based partnership.
- Entrench in the respective government's policy issue to recognize pastoralism as way of life.

Regional Level

- Need to support and enhance Livestock mobility in the region through the establishment of regulated livestock movement corridor for trade and grazing.
- Fast track formation of a drought management board (Authority) to control livestock policy.
- Enhance capacity building along the value chain to increase economic value.
- Encourage/support more exchange visit within the region.
- Support establishment of National Livestock development contingency fund.
- Synergize (harmonize) livestock initiative across the region to maximize on the outcome of such initiatives.

Annex 1: List of Participants

Name	Institution	Tel .Contact	Email Address
Felix K. Kamau	Min. of Livestock Dev.	0722809830	Kamaufelix60@yahoo.com
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Ms. Amina	Pastoralist Group		

Annex 2: Itinerary for the Study Visit: 15th to 21st February 2010

Date	Time	Schedule/Activity	Persons
Monday, 15 February	9.30 am 10.00 – 11.00 am 11.00 am - 12.30 pm 12.30 – 200pm 2.30- 4.00pm 4.00- 5.00pm 5.00- 5.30pm	Arrival of the participants in Addis Ababa Checking into the Hotel Briefing on the programme Lunch Courtesy call and briefing at Pastoralist Commission Discussions (Q &A) Drive back to the hotel/overnight	Mr Girma (Care/Ethiopia) Mr Belachew Private Mr Belachew/Mr Girma

		in the hotel	
Tuesday, 16 th February	7.30 am 8.30-10.00am 11.00am-1.00pm 1.00 – 2.00pm 3.00- 4.30pm Night stay in Nazareth Town	Depart from hotel Visit Ethiopian Meat & Dairy Technology Institute (EMDTI) Visit Luna Export Abattoir Lunch Visit Private Feedlot in Adama/Nazareth region	Mr Girma Mr Belachew/Mr Tesfaye Lema Mr Belachew/Dr Reta Private Dr Adugna
Wednesday, 17 th February	8.00- 9.00am 9.30- 10.30am 11.00am- 12.00pm 12.30- 2.00pm 2.00-4.00pm 4.00 – 5.00pm	Visit the 2 nd Feedlot in Adama/Nazareth Region Visit the Ethiopian Livestock Traders Association Visit the Ethiofeed Mill Factory Lunch Visit the Modjo Export Abattoir Travel back to Addis Ababa	Dr Adugna Dr Adugna Mr Beruk Yemane Private Mr Abebe Tesema
Thursday, 18 th February	9.30- 11.00am 1.30- 3.30pm 4.30- 5.30pm	Visit the Oromia Pastoralist Commission Visit the National Animal Health Diagnostic Laboratory Courtesy call on State Minister for Agricultural Development	Mr Girma Dr Mesfin Dr Berne

Friday, 19 th February	10.00 am- 1.00pm	Wrap up meeting at the hotel	All Participants
Saturday, 20 th February	Whole day	Free	
Sunday, 21 st February	4.20am	Flight back to Nairobi	All Participants

Annex 3: Pictorial View of Selected Areas Visited

Export abattoirs

1. Small stock at a pen awaiting slaughter



2. Slaughter process line



3. Small stock carcasses in a chiller awaiting export



3. Value addition: small stock brains and testis prepared for the export market.



Feed mill

1. Multi nutrient feed block in a drying shed



2. The Prosopis used in the feed.



Feed lots

1. Finished stock awaiting sale



2. Total Mixed Ration (TMR) ingredients used in the fattening process



Research

1. Animals in the Ethiopia Meat & Dairy Institute: Demonstration pens



2. Dairy products: Institute used in capacity building in processing various products



Forums

1. Team in a meeting with the Ethiopia Livestock Traders association



2. The participating team

