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Building Market Linkages with Last Mile Livestock Traders



REAP For Nutrition (R4N) and Samburu livestock traders accompanied by officials from Samburu County government led by CEC Agriculture and Agriculture during a benchmarking visit to Choice Meats Limited in Nairobi, facilitated by USAID Nawiri

Background

Northern Kenya, encompassing the arid and semi-arid lands, is home to 19.2% of Kenya's population. This is according to the Kenya National Bureau of Statistics (KNBS). Predominantly inhabited by pastoral communities reliant on livestock, the region faces challenges such as persistent droughts, insecurity, and historical underdevelopment, leading to nearly 70% of the population living in poverty with limited access to essential services like health, education, and nutritious food.

Livestock trade serves as a crucial buffer against droughts and epidemics, serving as the primary income source for many households. Despite playing a vital role in securing pastoral welfare by facilitating herd destocking and restocking post-droughts, livestock market systems face challenges from recurrent climatic and economic shocks. The non-functionality of these systems intensifies community vulnerability, lacking a platform for early commercial offloading of animals during slow-onset disasters like droughts.

In Lkwasi village, Samburu East, pastoralism, and livestock trade take center stage. This strategically positioned village along livestock migratory routes is integral to the prominent Lolkuniyani Livestock Market, serving as a vital income source and a resilience mechanism against drought-related risks.

Intervention by USAID Nawiri:

USAID Nawiri identified Rural Entrepreneur Access Project (REAP) for Nutrition (R4N) participants as a potential opportunity to enhance livestock trade in last mile communities. Through support from USAID, the R4N participants have been supported by Nawiri to establish businesses and saving groups which allowed them to have access to capital unlike other program participants. A number of the R4N savings groups had already started engaging in small-scale livestock trade at the informal village markets. This exposed them to unfavorable prices and limited their access to the up market.



R4N Livestock traders engage traders from LMS supported groups during a visit to Merile Livestock Market in Marsabit County, facilitated by USAID Nawiri

Facing the aftermath of a severe drought, the R4N groups used savings from their businesses to venture into livestock trading. The program organized a learning visit to Merille Livestock Market in Marsabit County for selected members of the groups. This allowed the members to understand market dynamics as well as opportunities in the livestock sector. The visit was also an opportunity for the members to engage with REAP participants supported by USAID through the Livestock Market Systems (LMS) program.

The positive outcomes sparked discussions within R4N groups engaged in informal livestock trade resulting in the formation of nine goat aggregation groups in Swari location. These market linkages will play a crucial role as R4N livestock business groups implement lessons learned, establishing connections with Livestock Marketing Associations (LMAs) and wholesalers to strengthen their market presence.

Empowering Women in Livestock Trading for Improved Nutrition Resilience

Building on this success, USAID Nawiri trained 92 livestock traders in Lkwasi village and Samburu East sub-county, taking representatives from three primary livestock markets in Samburu County for a benchmarking visit to Nairobi and Kajiado County. They also explored terminal markets, including Choice Meats, Kiamaiko livestock market, Kenya Meat Commission, and Neema slaughterhouse, seeking better market opportunities and establishing connections for maximum profitability. The visit to Bisil livestock market in Kajiado County provided insights into yard management and revenue-sharing mechanisms with the county government, fostering growth, learning, and valuable business connections for livestock traders and representatives from the Livestock Market Associations.

During the visit, the livestock traders explored opportunities to supply goats and sheep to export markets through the Kenya Meat Commission and Neema Slaughterhouse.

As a result, two goat aggregation groups achieved a milestone by securing a weekly contract to supply 300 goats to the Neema slaughterhouse, a facility exporting meat to the UAE, Saudi Arabia, and Oman. This signifies a major milestone for last mile livestock traders in Samburu County.

To facilitate this logistical process, the R4N goat aggregation groups were connected with transporters. The agreed-upon cost for transporting 250 goats from Lolkuniyani to Nairobi amounted to 45,000, translating to an individual cost of KSH.180 per goat.

In October 2023, 27 R4N livestock traders drawn from Lkwasi and Melau groups delivered the first order of 152 goats for slaughter and export to Neema slaughterhouse in Nairobi. This opportunity, enabled by USAID Nawiri's R4N poverty graduation business grant, opens avenues for these groups to sell their animals in Nairobi's terminal markets, enhancing profitability and nutritional outcomes for their families.

Renteina Lololker and Semeti Lesawali both from Lkwasi village, delivered the first batch of livestock to NEEMA slaughterhouse in Nairobi. They shared their journey to success, crediting it to the support of a business grant provided by USAID Nawiri.

According to Renteina, "The grants provided the boost we needed to kickstart a livestock trading venture. Through training and valuable connections, we established ties with Neema slaughterhouse, securing consistent weekly and monthly orders for more than 300 goats. This reliable market has truly revolutionized our businesses."



Renteina Lololker (right) and Semeti Lesawali (Left) at the Neema Slaughterhouse in Nairobi, when they delivered the first batch of livestock.

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Mr. Lentiyo David, Chairman of Lekuru Livestock Market Association.

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Renteina Lololker

They plan to reinvest their savings to buy more goats from local markets and sell them in the export markets, further bolstering their income. The strengthened livestock market systems and sustainable linkages are poised to make a significant difference for women like Renteina and Semeti, improving household incomes and nutritional outcomes.

“We are going to use the money we save as a group to buy more goats from community and local markets in Nairimirimo and sell them for export now.” she adds.

This endeavor became a reality thanks to the support of USAID Nawiri's R4N poverty graduation business grant, which provided business grants of KES. 30,000 to empower ultra-poor households in Samburu County.

Rentina shares, "When Nawiri gave us the business grants, we decided to start a livestock trading business to make extra income to sustain our families, the program trained us on different topics including livestock trading and linked us to Neema slaughterhouse which has given us weekly and monthly orders of over 300 goats. This is a ready market that will transform our businesses."

The strengthening of livestock market systems and the creation of sustainable market linkages are poised to make a significant difference in the livestock trade for women like Rentina and Semeti, and members of their R4N savings groups. The increase in sales and profitability will lead to increased household incomes further leading to improved nutritional outcomes at the household level.

The learning visit was also lauded by the representatives from the Livestock Market Associations. Mr. David Lentiyo, Chairman of Lekuru Market Association reflected ***"We are amazed by the organization in Bisil. They even support local education and employ revenue collectors. It's truly inspiring!"***

Supply Contract Management

The collaboration between the R4N livestock traders and Neema slaughterhouse is guided by mutually agreed-upon contract that outlines essential requirements for the supply of livestock.

The contract addresses key aspects, including goat specifications, inspection requirements, payment processes, and transportation logistics.

- The R4N traders are required to supply at least 300 goats per week. The contract requires that the goats supplied be less than 2 years old, commonly referred to as ***"Ilpanyai"*** in Samburu language, weigh between 10-15kg live weight, or carcass weight between 6kg-9kg.
- Price per carcass weight KES 630-650 per kg depending on quality of meat.
- Other supply conditions include that the goats must be inspected by a local veterinary officer in Samburu and further inspected by an in-house veterinarian at Neema slaughterhouse.
- Payment is through bank transfer based on agreed upon timelines.

To ensure compliance to the requirements of the slaughterhouse, a livestock expert from the Ministry of Livestock and a local butchery operator conducted training sessions for the R4N traders, focusing on the accurate estimation of goat weigh, and herd health.

Recognizing the need for accuracy, the groups advocate for use of body weight as opposed to traditional physical appearance of the animal. Each goat supplied is to be weighed and recorded before reaching the end market. Goats below the minimum weight will be kept for fattening, with a provided formula for determining carcass weight.

This coordinated effort, involving thorough training, accurate recording, and strategic transportation, underscores the commitment of the R4N livestock traders to meet the requirements of Neema Slaughterhouse while ensuring the efficient and secure movement of the goats from the village to the designated market.

Key Lessons Learnt/Recommendations

1. The profitability of the goat business relies on volume; higher supply numbers yield higher profits. To meet the growing demand in end markets, expansion beyond Lkwasi to Nairimirimo, Latakweny, Tangar, and Kurungu is essential. Achieving this requires collaboration among R4N traders in these markets.
2. Last mile livestock traders, who have access to livestock producers, can successfully sell their livestock in end markets if appropriate linkages are provided.
3. Livestock producers in hard-to-reach communities have an opportunity to sell their livestock to R4N groups even during times of shock and stress, increasing their income and allowing households to access food commodities.
4. Samburu goats are recognized for their high-quality meat, as indicated in the Neema Slaughterhouse report. This provides an incentive for livestock traders in Samburu County.
5. Given the requirement to conduct health inspection by qualified veterinarians, the program should advocate for the hiring and or posing of qualified personnel by county government to areas where aggregator groups were established.
6. The program team should explore potential to engage other slaughterhouses and Kenya Meat Commission to scale the initiative beyond the current R4N groups. As a result, the program team has already engaged and hosted KMC in Turkana while the R4N aggregator groups met potential exporter willing to pay KES 680/kg in carcass weight. Follow up will be done through collaboration with the program technical team and County Government.
7. The completion of Lkwasi water systems and the construction of livestock trough along the routes leading to Lolkuniyani market have opened up opportunities for livestock producers to engage the R4N groups while accessing water for their animals.

Conclusion:

The R4N initiative, through business grants and market linkages, has transformed the lives of women in Samburu County. The success in livestock trading demonstrates the potential for sustainable interventions in vulnerable communities. Continued support and strategic expansion will further enhance the resilience and prosperity of these communities.



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