Developing small-scale livestock breeding: Some practical considerations

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Undisputed facts:

- Growing world population.
- Over half of it urban.
- Rising global and per-capita meat & dairy consumption.
- Arid lands spreading worldwide.
Less acknowledged fact:

- Small-scale livestock keeping is economically reasonable for:
  - Remote locations,
  - Sparse pasture, arid zones,
  - Indigenous breeds.
Valuable comparative & competitive advantages:

- Properly done, small-scale husbandry yields:
  - More rural employment & income,
  - Lower inputs and cost,
  - Environment and biodiversity protection,
  - Co-operation with farmers (fodder) instead of conflict,
  - Food production on marginal land.
- Improved arid land productivity – livestock scatters seeds.
Furthermore

- Growing urban demand for natural, high-quality (not industrial) meat and dairy.
- Globally, arid lands can produce wholesome food for the world.
So where is the problem?

- Main hurdle: getting produce to market.
- Particularly difficult for pastoralists.

- Animal products require processing for sanitary and shelf-life reasons.
Where is the solution?

Proposed:

- Farmers’ markets and direct sales: cannot always reach distant urban markets.
- Are lo-tech solutions an answer?
- Are “cottage industries” suitable?

In my opinion: NO.
Other options

- Corporations buy raw materials at low prices to capture maximum added value:
  
  Not enough.

- Fair Trade is better than Unfair Trade:
  
  Still not enough.
Value chain, e.g. for milk, no processing unit

Stakeholders

Livestock owner

Raw milk retailer

Consumer

Little milk sold (= producer revenue)
With processing unit

More milk = More suppliers and income

Stakeholders

- Farmer
- Livestock owner
- Transporter
- Mill
- Workforce
- Grocery shop
- Consumer
- Wholesale trader
- Dairy Plant

More milk = More suppliers and income
The value chain

- A vital link in the breeder-to-consumer value chain: the unit (e.g. industry) that processes raw meat, milk, hide, wool, etc. **locally** into market-ready merchandise.

- ‘PULL’ for farmers,

- ‘PUSH’ products towards bigger, remote markets.

- Optimum outlet for small producers,

- Added-value (major development factor) including local jobs.
Milk collection centre
Where are the vital links?

This type of enterprise gets medals and awards but often cannot get

LOANS / CREDIT
The vital link

- Most small herders cannot run an industry.
- Not easy, requires managerial skills and technical knowledge.
- Can NGOs or farmer co-ops do it well...

Entrepreneurs (a particular variety of humans) seem to do it better.
Funding must be made available to small/medium sized processing units that undertake to:

- Buy raw materials from small producers,
- Make high-quality products, including niche products, unique breeds, organic, AOC, etc.
- Pay fair prices and/or re-invest some profit in communities.
A sustainable solution

- Local banks can pool resources in a dedicated Fund to reduce individual outlay and risk.

- Loans only to entrepreneurs signed up to this outlook.

- Some independent input required to select projects.

- The Fund also invests to ensure coaching, compliance and repayment.
Additional Benefits

- Livestock owners use a reliable income to:
  - improve health & living standards, children’s education, etc.
  - improve animal feeding, health, welfare,
  - boost productivity.
- Reducing the need for Government inputs, NGOs or Aid.
A real-life business example

Tiviski started a mini-dairy plant in 1989.

Initial investment $300,000, including a $200,000 loan from French AFD.

First milk collection and pasteurisation in West Africa, and many subsequent Firsts:

“crazy”
A real-life business example

- All raw milk bought from pastoral herders, at high price: average $0.60
- Successful strategies:
  - modular collecting / chilling centres,
  - chilled transport,
  - state-of-the-art processing,
  - direct delivery to retailers.
The dairy plant has grown:

- Overall investment roughly $6 M.
- Up to 200 staff,
- Up to 1,000 milk suppliers,
- Five competitors...
The UHT plant
(cow milk only, so far !)
A modern dairy product range

All made from fresh camel, cow or goat milk, processed to international standards. QUALITY FIRST!
A modern dairy product range

Including unique camel cheese.
Impact

- Thanks to the dairy industry:
  - 1,000 to 2,000 herdiers no longer poor,
  - At least 7,500 tonnes of milk processed annually,
  - Overall sales approx. $10 M

- Could be more if milk importers did not actively hinder UHT sales.
Annual revenue for herders: at least $5 M
Can it work?

YES!

- If funding is available, entrepreneurs will come forward.
- Not a gold mine,
- Involves hard work,
- But can yield a respectable profit …
- and a lot of collective value and personal satisfaction.
INDUSTRY works!
Think BUSINESS!
Thank you!