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Ethiopian Veterinary Association

**STRATEGIC AND INNOVATIVE APPROACHES TO ENHANCE  
LIVESTOCK EXPORT TRADE IN ETHIOPIA: ANIMAL HEALTH,  
MARKETS & INSTITUTIONS**



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# Strategic and Innovative Approaches to Enhance Livestock Trade in Ethiopia: Animal Health, Markets and Institutions

## Export Marketing of Meat through Cooperatives in Ethiopia

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### Introduction

A Cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

The people of Ethiopia have got a very long social history of working together to fulfil their socio-economic needs. Agriculture, Trade and Military Operations were carried out through cooperative efforts. Many social events are still taking place in rural Ethiopia through collective effort. The Federal Government of Ethiopia has identified Cooperative form of business organizations as an instrument of socio-economic change. Many Cooperatives have emerged in the recent past to serve the suppressed and depressed community of Ethiopia. The abundant cattle population in Ethiopia is under-utilised both for milk and for meat. Considering the pastoral nature of the country the scope for *cooperative export marketing Network* is ample. Hence, in this paper the researchers have identified the potentiality of Cooperatives in marketing meat.

### Objectives of the Research

The major objectives of the study are:

- to frame a cooperative model for meat marketing in Ethiopia,
- to suggest the possible export marketing strategies through cooperatives.

### Methodology of the Study

The study was carried out with secondary data only. To justify the first objective current status of Cooperatives in Ethiopia were taken in to consideration. The second objective was analysed by taking in to consideration the cooperative experiences in

other countries. The attempt lacks primary empirical evidences. The authors feel that this modest attempt can be a basis for further research and development.

### **Findings of the Study**

The findings of the study was made in accordance with the objectives framed viz., Model for meat marketing in Ethiopia, export marketing strategies through cooperatives.

### **Model for meat marketing in Ethiopia**

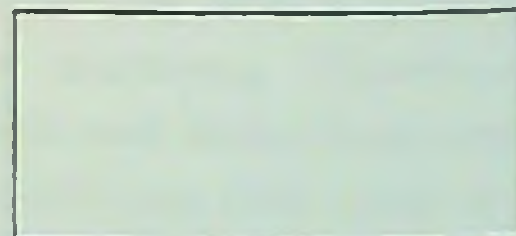
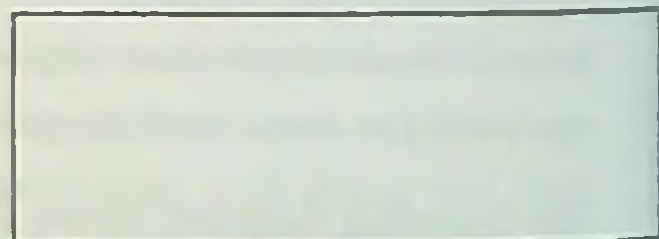
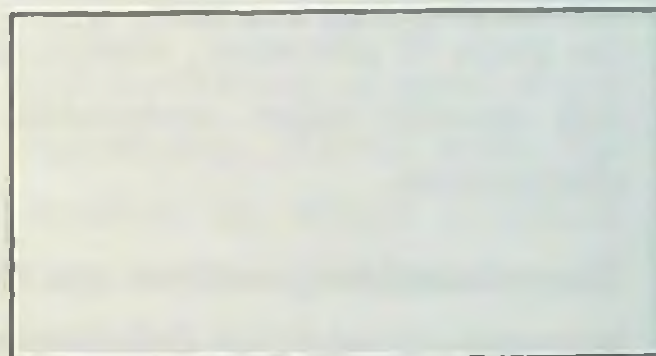
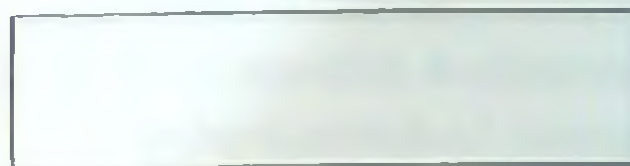
Cattle play a significant role in the economic life of rural Ethiopia. They have remained as the keystone of Ethiopian farming since time immemorial. Cattle remain as the sole motive power of agriculture and without them no cultivation is possible and no produce could be transported. They provide much need milk and milk products. Cattle such as oxen, cow, sheep and goat are being used for meat and meat products. The domestic production and marketing of meat is not highly organised and beneficial to the farming community. Faced with the increasing concentration of today's conventional market, in which livestock producers have less and less control over the prices they receive, producers need to take advantage of every opportunity for innovative marketing and adding of value. Handful of private institutions operating in the country have not fully utilised the potential and they are profit oriented also ignores the welfare of farmers. Producers who want to cut out middleman do earn a large share of the end price by performing a wide range of functions. By eliminating middlemen, producers could avoid payment of high margins for different functions such as processing, packaging and labelling, storage, transportation, and marketing. Marketing includes research, targeting markets, advertising, and going out and making the sale. This can be one of the most difficult aspects for producers to master. While it is relatively simple for a good producer to learn how to produce something different, marketing is an entirely different occupation. To succeed, producers will need to learn the jargon of business and how to feel comfortable and confident when drumming up new business. Moreover, individual producers often experience difficulties in profitably achieving either the level of marketing services or the volume necessary for sustainable marketing. Therefore, a cooperative where several producers pool their animals and share fixed costs is often more appropriate. Marketing through a cooperative can shift many of the time-consuming marketing activities away from the producer. The cooperative can engage in bargaining, transportation, grading, processing, distribution, and

research and development for its members. Cooperatives allow producers to get into the value-added sector of the marketplace while pooling knowledge, risks, and profits.

Currently in Ethiopia we have Agricultural Cooperatives in almost all woredas of all regions. At district level we have started organising Agricultural Cooperative Unions. The major objective of the cooperatives is to market the produces of the farming community. So far only a modest attempt has been made by the primary cooperatives to market the livestock of our farming community. Observations of the researchers reveals that there is high scope for meat marketing through cooperatives. Cooperative marketing of meat is the most appropriate of all forms of organizations in most situations. Moreover, theoretically and ideologically, the cooperative mode seems to be the best of all. This is so because, with proper rules and regulations, it can better meet the goals of efficiency, sustainability, equity and users' satisfaction and is politically and socially more acceptable in most societies of the nation than any other alternatives.

The primary cooperatives are not having adequate capital base, cattle base and other resources to establish full-fledged export marketing system. The primaries can act as an agent of the Unions to pool the livestock and transport them to the slaughtering houses managed by the Unions. The Federation at the National level can undertake the export marketing activities such as identification of potential buyers, branding, packaging, transportation and fulfilling all other export marketing functions. Until the federal level cooperative organisations are being organised, the Cooperative Unions can avail the services of the present Ethiopian Meat Exporters.

The following diagram shows the pictorial organisational structure for meat marketing in Ethiopia through Cooperatives.



## **Meat export marketing strategies through cooperatives**

Based on the experiences of the countries exporting agricultural produces including meat, the authors advocating the following strategies for marketing meat through cooperatives.

### **A. Establishing Organisational Network**

#### **i. Reorganising the existing cooperatives**

In Ethiopia we have around 5000 agricultural cooperatives at the primary level. The objectives of the cooperatives are to provide agricultural inputs and agricultural marketing facilities. Unfortunately our primary agricultural cooperatives have not fulfilled the marketing requirements of the farming community particularly the pastorals. Since our economy is pastoral economy, existing cooperatives should undertake the marketing of livestock as a core activity. The promoters of the cooperatives viz., the Government, NGOs should take initiative in creating awareness among the cooperative members and educate the committee members to carry out the livestock marketing.

#### **ii. Establishing New Cooperatives**

The promoters of the cooperatives can take initiative to establish new agricultural multi-purpose cooperatives. One of the main objectives of such cooperatives is to carry out the livestock marketing. The major functions of such cooperatives are to pool and transport the livestock's to the slaughtering houses of the cooperative union. The primary cooperatives will pay to the farming community based on the weight of the livestock as per the price fixed by the union.

#### **iii. Promoting Federal Organisation**

The existing cooperative unions at woreda level should establish meat-processing units. New unions with such facilities should also be started wherever required. The meat processing units will carry out the activities of slaughtering of livestock's, quality check, packing, branding and transporting.

Federal organisations *to be established* either at the regional level or / and at national level should take care of export marketing functions. The federation should identify the potential export market, establish business relationship with the importers, shipment, and adhere international trade norms. The federation will schedule the livestock pooling and slaughtering based on demand and supply. The federation will also carry out dissemination of market information to the farming community through the union.

## B. Ensuring Production Quality

- Producing a quality animal is only the first step in producing quality meat products. The ability to offer a safe and attractively packaged product is a basic requirement for successful marketing. Farmers would be well advised to learn as much as they can about slaughtering, cutting, aging, packaging, and so on. Learning about cuts, dressing percentages, and weights is crucial. For which the authors advocates *cooperative extension with the help of veterinarians*.
- Developing a sales base depends on being able to deliver a consistent product. While there may be more tolerance for slight inconsistencies among consumers who have developed a relationship with the producer, consistency is cited over and over as a key factor in export marketing. The cooperatives should have *regular quality check* with the help of Quality Controllers may be hired on full time basis by the unions.
- All packaging should be done with airtight, high quality freezer paper. Each package should be marked with the name of the cut and the date packaged. It may be possible to provide the slaughterhouse with a stamp containing the necessary farm information. The international norms on food products need to be adhered by the cooperatives. *Professionals with international marketing expertise need to be employed by the cooperatives*.

## Conclusion

In the countries export, meat forms a significant portion. Export of agricultural produces through cooperatives is not a new venture. We have in Ethiopia established a strong export network for organic coffee. The experiences can be used for meat marketing too. This will ensure better price for the livestock of the pastorals. It will also help our farming community to involve in fattening of livestock as a sustainable livelihood operation.