

PASTORALISM AND LIVESTOCK MARKETING IN AFRICA



Across Africa's drylands, pastoralists are major suppliers of livestock to domestic, regional, and international markets, and income from livestock sales is critical for pastoralist livelihoods. Yet policy makers and aid experts often ask why pastoralists do not sell more animals. This often leads to policy and programming narratives that aim to solve apparent problems such as insufficient livestock offtake for markets. Surely, if pastoralists are poor, they should sell more livestock?

This briefing paper provides an overview of pastoralist livestock marketing in Africa. It also explains the marketing behaviors of pastoralists and the economic logic behind their decisions on when, how many, and which types of animals to sell. Central to this logic is the use of livestock as both a source of income and as the main type of financial asset (savings) in pastoralist households. The paper draws heavily on United States Agency for International Development (USAID)-funded research in Africa and impact evaluations of livestock marketing initiatives in pastoralist areas. It is intended to be read alongside *Pastoralism in Africa: A Primer*, which provides an overview of pastoralism in Africa, and its overall ecological and economic rationale¹. Although pastoralists are also important suppliers of livestock products, especially milk, to market, the briefing paper focuses on the live animal trade.

¹ Hesse and Catley, 2023.

Pastoralists and livestock trade in Africa

Since the 1970s, one of the most common policy narratives heard in the offices of governments, aid donors, and international nongovernmental organizations (NGOs) is that pastoralists in Africa are “market averse” and keep livestock mainly for prestige and cultural reasons. Closely related to this narrative are perceptions that pastoralist systems contribute little to national economies and so need to be modernized or replaced. Yet pastoralists have been trading their livestock in both East and West Africa since at least the early 1800s and in some cases, hundreds of years before that.²

The classic East Africa case of pastoral livestock marketing is Somalia, which in 1927, for example, exported 1.8 million sheep and goats.³ Despite repeated droughts, wars, and livestock trade bans, Somali livestock exports have consistently exceeded 1 million animals per year since records began and have often exceeded 3 million animals. A review of Somali livestock exports in 1982 noted that “Few readers would know, for example, that the small Somali port of Berbera on the Arabian Gulf was until very recently, the world’s number one livestock shipping point, handling over 2 million sheep units per annum” and “Even in 1976, one year after a severe drought, Somali exports were valued at one-sixth of world livestock exports.”⁴ The Somalia case also illustrates common features of pastoralist livestock trade systems in Africa: their regional and cross-border nature, and the dynamic flows of livestock. The Somali livestock trade system involves pastoralists in Djibouti, Ethiopia, Kenya, Puntland, Somalia, and Somaliland. In terms of export and regional trade, there is a net movement of trade animals to the Somali ports but also a substantial trade of cattle from southern Somalia into Kenya.

Over time, very substantial domestic, regional, and international pastoral live animal trade networks have also evolved in other parts of Africa. Fast-forward to 2013, and the value of the pastoralist livestock trade in the Horn of Africa was approaching US\$1 billion annually.⁵ The estimate took account of:

- Livestock exports from Sudan, which for decades had been exporting around 1.5 million pastoral sheep, 200,000 camels, and 100,000 goats annually (apart from 2007 and 2008);
- Livestock export data from the Somaliland port of Berbera, which receives livestock from the Somali Region of Ethiopia and locally, and exported 1.6 million sheep and goats, 136,000 cattle, and 97,000 camels in 2010;
- Formal livestock and meat exports from Ethiopia for 2011 to 2012 valued at US\$285,900 million and derived mainly from pastoralist areas;
- Cattle exports from southern Somalia into Kenya, valued at US\$13.6 million in 2007;
- Livestock exports from other large and small ports along the Somali coast, from Djibouti and from Mombasa, plus a substantial domestic livestock trade in Djibouti, Ethiopia, Eritrea, Kenya, Somalia, Sudan, and Uganda.

Similarly in West Africa, the value of the cattle trade within the Economic Community of West African States (ECOWAS) region was valued at US\$800 million in 2015, with much of this trade categorized as export animals.⁶ Notably, this figure did not include trade in sheep, goats, donkey, or camels.

Pastoralists not only supply high volumes of livestock to markets, but they also adapt to market demands and opportunities. In Somalia, pastoral livestock commercialization and exports accelerated in the 1970s due to the oil boom in the Gulf and increasing consumer incomes.⁷ In part, exports increased as pastoralists changed the

2 Kerven, 1992.

3 Hunt, 1951.

4 Reusse, 1982.

5 Catley et al., 2013.

6 Maur and Shepherd, 2015.

7 Reusse, 1982.



composition of their herds towards cattle rearing in response to export market opportunities.⁸ Similarly, in the early 2000s a new and extensive cross-border trade in camels evolved in East Africa.⁹ This stretched for nearly 2,000 km, from pastoral producers in eastern Ethiopia to the far northwest of the country and into Sudan. The trade involved more than six ethnic groups and was served by 24 markets across Ethiopia. Within this evolving system, pastoralists were supplying camels in response to demands from farmers in midaltitude areas of Ethiopia and increases in the market value of camels in Sudan. Although this trade evolved in the absence of government or aid programs, in 2010 it was valued at US\$61 million. In comparison, the total value of formal cattle, sheep, and goat live animal and meat exports from Ethiopia in 2010 was around US\$125 million.¹⁰ This shows how extensive trade networks involving pastoralist producers can develop rapidly across countries, often based on informal connections and often outside of policies and regulations.

In terms of contributions to national and regional economies, in West African countries livestock contribute 44% of gross domestic product (GDP) on average, and it is reasonable to assume that most of this economic activity is derived from pastoralist systems.¹¹ In East Africa, studies commissioned by Intergovernmental Authority on Development (IGAD) from 2012 revealed important deficits in how livestock-derived GDP was calculated by national authorities and then re-estimated the figures to take full account of the economic benefits that livestock provide. For example, revised analysis showed that in Sudan livestock contributed 60% of agricultural GDP and

8 Al-Najim, 1991.

9 Aklilu and Catley, 2011.

10 Catley and Aklilu, 2013.

11 Erdaw, 2023.

Box 1: Comparing household financial growth strategies

Case 1. Livestock-based growth, poor pastoralist household, northern Kenya	Case 2. Cash plus property-based growth, young low-income household, Washington DC, US
<p>Strategy - build livestock herd by:</p> <ul style="list-style-type: none"> • Prioritizing reproduction of small ruminants, which breed rapidly; • Trade-up of male small ruminant offspring for higher value, larger ruminants; • Ensuring sufficient labor to manage herd effectively; • Using income from nonlivestock activities, e.g., paid labor, to invest in herd growth; • Using social networks to acquire or borrow livestock to support herd growth and for disaster insurance; • Minimizing cash expenditure and so minimizing need for livestock sales. <p>Policy environment Often unsupportive, e.g., herd growth viewed as illogical relative to maximizing livestock sales; unregulated land acquisition limits potential for herd growth on communal rangelands; weak livestock services.</p>	<p>Strategy - purchase and develop first residential property by:</p> <ul style="list-style-type: none"> • Maximizing cash income through employment and job promotions; • Prioritizing cash savings; • Minimizing cash expenditure, e.g., careful domestic management of food, rent, transport, and entertainment costs; • Using social ties for cash contributions, e.g., for deposit on property loan; • Once purchased, taking out property insurance and investing in home improvements that add value. <p>Policy environment Supportive, e.g., by enabling education, by developing and enforcing labor laws, and by supporting competitive and regulated financial services.</p>

comprised 47% of agricultural exports in 2009,¹² whereas in South Sudan livestock GDP was US\$3 billion¹³ or about 33% of national GDP in 2015. In Somalia, livestock accounts for 60.7% of GDP.¹⁴

While the figures above on pastoralist livestock trade and economies are dramatic, they are also underestimated. Government data collection systems on formal livestock trade in pastoralist areas are often weak, and there is also a very substantial informal trade in livestock that is difficult to measure, including cross-border trade in locations with limited government presence. Typically, this informal trade is not considered in formal accounts of national livestock economies.

Pastoralist livelihoods, wealth, and marketing behaviors

Even when policy makers and marketing experts are made aware of pastoralist livestock trade in Africa and how it contributes to national GDP, they often struggle to reconcile the apparent contradiction between large pastoralist herds (relative to settled farmers) and substantial livestock trade. From the perspective of many policy makers, pastoralists need to sell more animals. This thinking has driven waves of government and aid investment in livestock marketing in pastoralist areas, especially in market infrastructure, for than 50 years but with very limited evidence to show that more markets lead to more sales or reduces poverty; in 2024, pastoralist areas continue to be characterized by very low human development indicators.

12 Behnke and Osman, 2012.

13 Onyango et al., 2015.

14 <https://sominvest.gov.so/key-sectors/livestock/>.

A useful starting point for understanding how and why pastoralists sell livestock is USAID-funded research on the economics of livestock production in African pastoralist systems. For pastoralists, wealth is associated—logically—with the accumulation of livestock more than cash. This strategy is based on the high returns from livestock relative to cash, a natural resource base that supports livestock rearing and the limited financial services in pastoralist areas.¹⁵ For poorer pastoralist households with fewer animals, the main aim is to build and save livestock as financial capital, and manage their animals to meet basic food requirements, e.g., to supply milk for household consumption. During this process of asset building, livestock sales are limited to meeting immediate domestic needs. As livestock holdings increase, domestic needs are more easily met, and more animals become available for sale. So, in general, “Pastoralists appear generally to be unwilling to liquidate animals to the point that their herd size may prove insufficient to ensure household food security in the face of unknown conditions in the future.”¹⁶ As herd sizes increase and sales increase, pastoralists also focus on the sale of young male animals and retaining breeding females (and a few males). This approach enables both herd/financial growth and sales. A large herd not only represents financial capital but is also used as a strategy for coping with drought or other causes of livestock mortality.

The implication of household growth/herd growth strategies for livestock marketing is that pastoralists tend only to sell livestock when they have immediate cash needs, e.g., to buy food or medicines, or pay school fees. This behavior minimizes the depletion of their herds and so contributes to herd growth/financial growth. As cash needs are often seasonal, so are livestock sales. Hence there is no regular supply of livestock to markets on a month-by-month basis, but instead, there is a seasonal supply. A further implication of indigenous herd growth strategies is that pastoralists tend not to be as responsive to higher market prices for livestock as might be expected. Not only do they sell mainly as and when they need to sell, but the ownership of sheep or goats as part of a mixed species herd often provides a convenient unit for sale; they do not necessarily have to sell larger, more valuable livestock species to meet cash needs. In situations where an accessible market is present, livestock prices increase, and staple food prices remain constant, a poor pastoralist household can sell fewer animals to meet household food needs. In other words, higher livestock prices can result in fewer livestock sales, not more. The basic economics of pastoralist households and the related marketing behavior explain why livestock marketing in pastoralist areas is highly differentiated by wealth status. As described in the USAID Primer, the main pastoralist suppliers of livestock to local and international markets are relatively wealthy households.¹⁷

As outlined in Box 1, the economic and contextual logic of pastoralist’s strategies for building wealth is remarkably similar to the cash-based strategies used in an industrialized country such as the US. However, policies on poverty reduction or livestock marketing in Africa often wrongly assume that wealth equates to cash income, and that cash derived from livestock sales can be used or invested in ways that are more profitable than livestock herd growth.

The features of pastoralist household economies described above mean that pastoralists often identify livestock markets as a development priority. However, whereas pastoralists want markets that are accessible and that offer reasonable prices, policy makers and aid experts see markets more as a means to increase livestock sales and/or reduce herd sizes. Market-based approaches to poverty reduction favor wealthier households, as poorer households focus on herd growth. It follows that a pro-poor approach in pastoralists areas would focus on supporting herd growth rather than developing markets.

15 McPeak, 2005.

16 Barrett et al., 2006.

17 Hesse and Catley, 2023. See Table 3.



Livestock commercialization: winners and losers

Agricultural commercialization throughout the world has often been characterized by larger units absorbing smaller units. In cropping areas, this is most evident in the form of land acquisitions by larger farms as commercialization progresses: the owners of smaller farms sell some of, or all of, their land as they struggle to compete with larger units. These owners diversify their livelihoods and can become employed as contract workers on land that they used to own. Critically, these owners and their families continue to self-identify as farmers and remain closely tied to the local farming culture.

In many pastoralist areas of Africa, a comparable commercialization process has been gradually playing out, at different rates in different locations. However, there is a critical difference in the main economic asset that shifts from poorer to wealthier households. Whereas in cropping areas this asset is land, in pastoralist areas it is livestock. This shift in livestock ownership is the basis for the Moving Up-Moving Out analysis that is described in the USAID Primer.¹⁸ When commercialization combines with human population growth, declining access to productive rangeland, and recurrent droughts and livestock disease outbreaks, one result is a marked skewing of livestock ownership, with wealthier households owning most of the animals. Over time, poorer pastoralists are pushed out of pastoralism and rely on diversified or alternative livelihoods. They might become contract herders for wealthier herd owners, including urban-based “absentee owners,” or are forced into high-risk cropping activities, in areas with low and highly variable rainfall.

18 Hesse and Catley, 2023.

These changes in pastoralist areas have been described by social scientists for decades. For example, after seven years of project implementation and research by the German Development Agency (GTZ) in the central rangelands of Somalia in the 1980s, the economic analysis concluded that “Economic parameters, calculated for differently sized pastoral herds, support the evidence that herders with undersized herds are subjected to a displacement process: a household’s income increases with the number of animals owned. ... It is shown that households organize and utilize their resources to achieve not only subsistence but also a surplus for commercial use; the latter however is only possible for pastoral households with large herds.”¹⁹

The Moving Up-Moving Out analysis not only describes the process of shifting livestock ownership and increasing wealth stratification in pastoralist areas, but also explains why it becomes increasingly difficult for poorer households to build herds and transition to a middle-wealth or wealthy status. Poorer households face a poverty trap as hitherto communal rangeland and water resources are privatized, and as indigenous social support systems are affected by more individualistic behaviors and increasing numbers of household who need assistance.²⁰ See Box 2 for an example.

Box 2: Commercialization of pastoralist systems: the case of the Borana, southern Ethiopia²¹

“Better-off households are also fencing kallos (land enclosures) on their own initiative, and with increasing frequency. In general, it is relatively elite groups who fence kallos for commercial use, and further isolate poorer pastoral households from important grazing resources. Therefore, kallos represent the potential fragmentation of communal land for private and select group use, changing the pastoral way of life and production system as commercialization intensifies. The poor have no one to turn to these days, except firewood and safety net.”

In some areas, even community leaders seem resigned to the fact that a critical point had been reached, at which the poor can no longer be helped. Borana communities used to have positive attitudes about “dropouts,” since they provided labor as hired herders (notably, for the wealthy). However, such people are increasingly seen as a nuisance as their numbers have grown in excess of the labor needs of the communities they live in, and they require assistance in the form of food, milk, loans, and so on.

Conclusions and key issues

- Pastoralists in Africa are major suppliers of livestock to domestic, regional, and international markets; pastoralists are not market-averse but adapt to market opportunities.
- An understanding of wealth stratification and marketing behaviors by wealth group is central to understanding the role of markets in poverty reduction in pastoralist areas. Critically, financial capital is held in the form of livestock, not cash, among pastoralists, and poorer households aim to build financial capital by building their herds; this involves limiting livestock sales and is economically logical.
- Wealthier pastoralist households are the main suppliers of livestock to markets, especially export markets.
- Livestock commercialization in pastoralist areas might contribute to area-wide economic growth, but also contributes to—or even drives—increasing wealth stratification and poverty traps. A “pro-poor” approach to poverty reduction should focus on assisting poorer households to build and protect herds rather than assisting wealthier household to sell livestock.

19 Abdullahi, 1993.

20 Aklilu and Catley, 2009.

21 Aklilu and Catley, 2010.

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Gerald J. and Dorothy R. Friedman
School of Nutrition Science and Policy
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