

# Marketing animals and milk



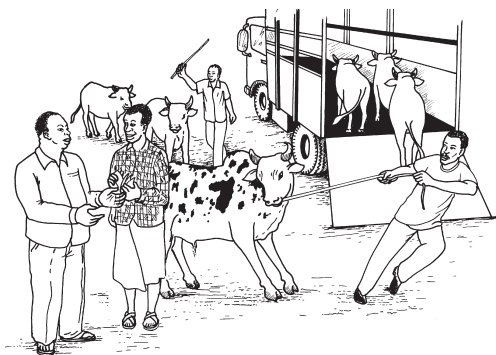
# Understanding markets

This Practical Guide helps pastoralists understand markets for animals and milk.

## Types of products

### Live animals

**Target your customers.** Farmers want bullocks to pull carts and ploughs. They want young females to produce offspring and milk, or good-quality males for breeding. Abattoirs need fattened animals for slaughter. To earn more, try to produce animals suited to a particular type of buyer.



*For many pastoralists, selling live animals is their main source of cash.*

Consider when is the **best time** to sell your animals. Prices tend to be highest in the wet season (when there is plenty of feed and few producers want to sell), and lowest during a drought. Prices also go up before festivals, when people like to buy fattened animals for slaughter. Keep an eye on the calendar, watch the weather, and find out the current price before deciding to sell.

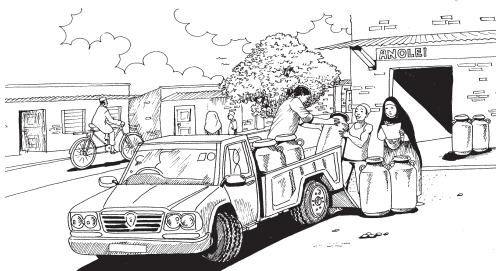
**Selling meat.** Some pastoralists slaughter animals themselves. They sell the meat fresh or cut it into strips and dry it. But it can be difficult to find buyers for the meat, so you may earn more by selling live animals to a butcher.

### Milk

**Regular income.** Selling milk brings in money every day. You can sell milk directly to consumers, to a trader or to a collection centre that delivers to a dairy.

**Wet and dry seasons.** Animals produce more milk in the wet season. But the milk price is likely to be higher in the dry season. Give your animals extra feed and water so they continue to produce milk at this time.

**Processing milk.** You can make butter, cheese and other products to sell. They keep longer than milk and can fetch a better price.



*Milk is a regular source of income for many pastoralists, especially for women.*

## Market chains

**What is a market chain?** Imagine a rope with knots in it. You, the **producer**, are at a knot at one end of the rope. At the other end is the **consumer**, the person who eats the meat or drinks the milk you have produced.

At each knot in the rope is someone who buys and sells the animal or its meat or milk. Some ropes are short and have only a few knots. Some ropes are long and have many knots.



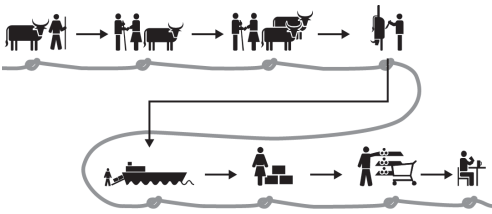
**You** sell milk directly to a **consumer** (two knots in the rope).



**You** sell an animal to a **butcher**, who slaughters it and sells meat to **consumers** (three knots).



**You** sell milk to a **milk collector** with a bicycle, who sells it to a **bigger collector** with a pick-up, who sells to a **market trader**, who sells it to **consumers** (five knots).



**You** sell an animal to a **trader**, who sells it to a **larger trader**, who sells it to an **abattoir**, which slaughters it and sells the carcass to an **exporter**, who ships it abroad and sells it to a **wholesale butcher**, who sells cuts of meat to a **supermarket**, which retails them to **consumers** (eight knots).

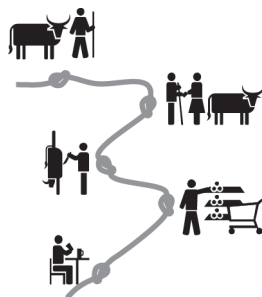
If the **rope is short**, the consumers are probably **nearby**. You can sell only a few animals at a time, or a small amount of milk. You may get only a **low price**.

If the **rope is longer**, the consumers are probably far away – in the city or even in a different country. You might be able to sell more and you can **earn more**. But to interest the buyer you will need to supply **good quality** and **sufficient quantities**.

## Adding value

The person at each knot in the rope **adds value** to the product.

- **You** raise the animal or produce the milk.
- The **trader** selects animals, buys enough to fill a lorry, and takes them to market.
- A **butcher** slaughters the animal, cuts up the carcass and disposes of the waste.
- A **supermarket** packages and chills the meat, adds labels, sells it to **consumers**.



Each of these steps **costs money**: feeding, herding, transport, butchering, packaging, retailing, etc.

For the rope to be strong, everyone must make a **profit**. If they do not, the rope will break, and everyone loses.

For example, if some of the animals die on the way to market, the trader will not make any money and will not be able to buy more animals from you next time.

Some people think that “traders exploit herders and make all the money”. Others say that dairies or supermarkets have all the power. But everyone in the chain adds **value**, pays **costs**, and takes on **risks**. For the chain to work, they all need a fair income.

## Chain supporters

Other people are needed for the rope to stay strong.

- **Veterinarians** check the animals are healthy.
- **Feed suppliers, pharmacies and microfinance organisations** supply inputs and credit.
- **Non-government organisations and extension services** offer training and advice.
- **Transport firms** move animals, meat and milk from place to place.
- **Packaging suppliers** make containers and labels for the milk and meat.
- Local and national **governments** set rules, maintain security and provide roads, electricity and marketplaces.
- **Phone companies** let farmers and traders get information about prices.

# Four types of markets

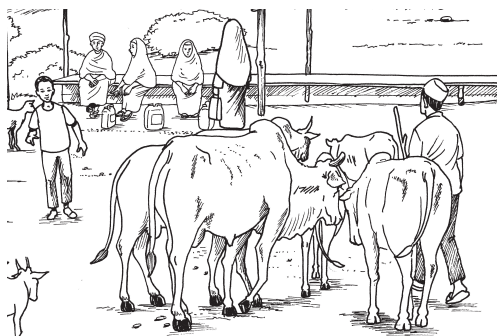
## Local markets:

### Easy, but low value

You can sell:

- **Animals** or **meat** to a local butcher.
- **Live animals** to a local farmer.
- **Milk** or **butter** to a local trader or direct to consumers.

Doing this may be the best option if you have only a small amount to sell.



*Local markets are easy to supply, but they tend to be low-volume, low-profit.*

#### Advantages

**Easy**, well-known, least risky  
**Low cost** of transport, equipment, documents, tax  
Low **quality** requirements

#### But...

**Prices** may be low, especially during drought  
**Small volume**  
**Small profit**

## National markets:

### Harder, but higher value

Africa's cities are growing, and people there need meat and milk. That is an opportunity for you. You can sell:

- **Animals** directly to an abattoir or to a trader who supplies an abattoir. The abattoir slaughters the animals and sells the meat to supermarkets, shops and schools.
- **Milk** directly to a dairy or to a collection point that delivers to the dairy. The dairy processes the milk, makes butter, yoghurt and ice cream, and sells them to supermarkets and shops.



*Supermarkets have strict quality requirements.*

#### Advantages

**Higher volumes** let you earn more  
**Prices** may be higher

#### But...

Strict **quality** requirements  
**Regular supply** needed  
Need to sign **contracts**  
Buyers are sometimes **slow to pay**

## Cross-border markets: High demand but high risk

You can take your animals across the border and sell them there.

Advantages	But...
<b>Higher prices</b> for animals than at home	<b>Risky:</b> the animals may die or be stolen May be <b>illegal</b> <b>High cost</b> of herding

## Export markets: Potentially high-value, but hard to serve

You can sell to a buyer who exports the animals or meat to other countries.

Advantages	But...
<b>Highest prices</b>	Need to <b>organise</b> with other producers to produce the amounts and quality required Only <b>best quality</b> accepted Checks and <b>certification</b> needed <b>Regular supply</b> needed Need to sign <b>contracts</b> Buyers are sometimes <b>slow to pay</b>



*If you produce enough good-quality animals, you can consider selling to higher-value markets.*

# What should you sell? Where should you sell it?

## Business as usual

You can sell something you already sell, to a buyer you already know. Here are some ideas for how you can earn more:

- Improve the **quality of your animals** – e.g., sell them when they are fat.
- Improve **milk quality** – e.g., use hygienic aluminium cans, not plastic jerry cans.
- **Negotiate** for higher prices for higher quality.
- **Be more reliable**: agree with the buyer to sell a regular amount.
- **Increase the amount** you sell – by producing more milk or selling animals as soon as they reach market weight.
- Organise in groups to **sell in bulk**.

## Look for new markets

You can find new buyers who are willing to pay more for your animals and milk. This means serving a **national or export market**. How you can earn more:

- Identify and **contact new buyers** and find out what they want.
- Produce the **right type of animals at the right time**.
- Sell your animals **directly to an abattoir**.
- **Organise into groups** to sell enough animals to fill a lorry.
- **Organise a cooperative** to sell milk to a dairy.

## Develop new products

You can create new products and sell them to customers. You normally have to work in a group to do this. For example, you might:

- Set up a small **abattoir** to slaughter animals and cut them up.
- Make and sell **dried meat**.
- Start a **tannery** to turn hides into leather.
- Start a **milk-collection centre** to collect and chill milk.
- Make and sell **butter** or curdled milk.

To do these things you will need to study the potential market. You may need to get organised and get credit and advice. You will probably have to learn new skills and invest in buildings and equipment.

## The best option?

This depends on your situation. Gather information and study the market carefully before you decide.

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