



## **BRIEFING ON THE KARA ALLO LIVESTOCK MARKET IN ADDIS ABABA, ETHIOPIA**

*Compiled by Bekele Moges, 28 October 2019*

### **INTRODUCTION**

Two Members of European Parliament (MEPs) are visiting Ethiopia between 28 October and 1 November 2019. During the presence of these parliamentarians, CELEP – in partnership with Caritas Ethiopia/Ethiopian Catholic Church Social and Development Commission Office (ECC-SDCO) – would like to use this opportunity to organise a side event in the form of a short visit to a livestock market in Addis Ababa, to which pastoralists are the major suppliers of the animals offered for sale.

The visiting MEPs are Ms Michèle Rivasi and Mr Norbert Neuser. They are going to make separate visits, as they are available on different dates: 1 November and 28 October, respectively.

The purpose of the MEP visit to Kara Allo market is to raise awareness and understanding of the contribution of pastoralism to the economy of Ethiopia.

The Kara Allo marketplace is located in Yeka Sub-city on the main road to the northern part of the country at GPS location 09<sup>0</sup>02'26.41"N, 38<sup>0</sup> 51'52.26"E. It is an open livestock market within a eucalyptus tree plantation. It is a secondary market, where farmers, small traders, large traders and butcher are seeking animals for slaughter, breeding and draught purposes.

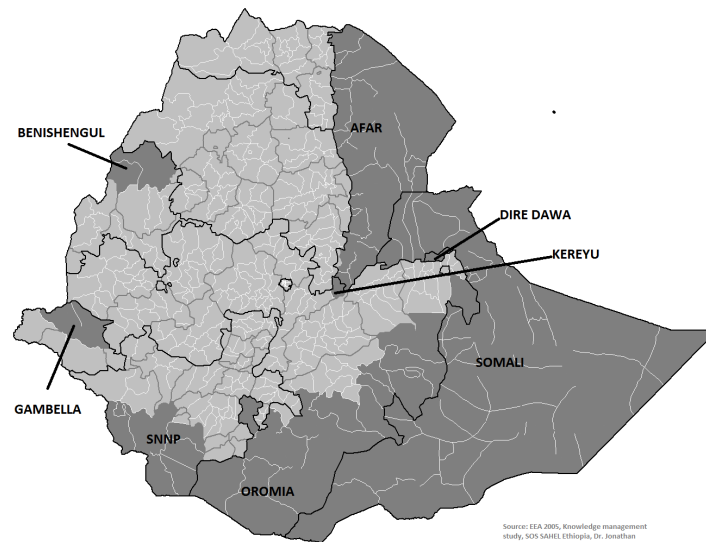
The cattle, goats and sheep offered for sale on the Kara Allo market come from various pastoralists and farmers and from primary markets. During the visit, the MEPs will observe the livestock market and discuss directly with the suppliers to the market in order to gain first-hand information.

They will also have the opportunity to see the more than 100 butcheries that are located next to the marketplace and offer meat wholesale. The price of meat in this market is lower than that demanded by retail butchers located within the city. It is agreed through bargaining and is in the range of €4–5 per kilogram.

## FACTS AND FIGURES

The facts and figures mentioned below are, in general, estimates and have been collected from various sources in the literature (sources available from CELEP upon request).

- Pastoralists are found in 122 districts of Ethiopia.
- Pastoralists make up about 14–18% of the total population of Ethiopia (12–15 million).
- More than half of Ethiopia's landmass (60%) is used by pastoralists. Over 97% of the pastoralists live in the Regional States of Somali, Oromia, Afar and Southern Nations, Nationalities and Peoples (SNNP).



**Figure 1: Geographic distribution of pastoralists in Ethiopia**

- The livestock subsector contributes an estimated 12% to total GDP and 39–45% to agricultural GDP.
- In livestock trade, 20% of the cattle, 75% of the goats, 25% of the sheep and 100% of the camels belong to pastoralists. Only 60% of the animal sales in Ethiopia are recorded (Gebeye 2016).
- 80% of the annual milk supply in Ethiopia is produced from pastoralists' herds.
- 20% of the national camel herd are working camels, which contribute about 41.5 million Euros per year to transport services. Equine power has been estimated to contribute more than 800 million Euros to transport services (Krätli 2014).
- Livestock products are also inputs for the manufacturing sector, e.g. 2%, 1% and 6.35% of the Gross Volume Product for cottage, small-scale and large- and medium-scale manufacturing, respectively (Behnke & Metaferia 2011).



## TYPICAL ETHIOPIAN LIVESTOCK MARKET STRUCTURE

The livestock marketing structure has a four-tier system:

### 1. Farm-gate sales

Players: pastoralists / farmers

Livestock: cattle, goats, sheep, camels, equines

Volume nominal: 1–5 head/week

Locations: rangelands / farms

### 2. Local/primary market

Players: pastoralists / farmers and rural traders

Livestock: heifers, young bulls, replacement stock for breeding and draught; minimal local consumption

Volume nominal: < 500 head/week

Locations: market centres in rural areas

### 3. Secondary markets

Players: small-scale traders & farmers (sellers), larger-scale traders & butchers (buyers)

Livestock: slaughter, breeding and draught stock

Volume nominal: 500–1000 head/week

Locations: markets in regional towns

### 4. Terminal markets

Players: Large-scale traders (sellers) and butchers (buyers)

Livestock: slaughter types, culled-for-age oxen and barren cows

Volume nominal: >1000 head/week

Locations: principal cities



## LIVESTOCK MARKET PRICING

The animals are generally traded by “eyeball pricing”. Weighing livestock is uncommon, although auctions and weighing used to be practised in some of the southern markets. Prices are usually fixed by bargaining between individuals. There is no modern system of price information for the livestock markets, particularly not for remote markets.

In most of the markets, the number of animals offered is usually greater than the number demanded, so there is excess supply. This effectively suppresses producer prices. Prices depend mainly on supply and demand, which is heavily influenced by the season of the year and the occurrence of religious and cultural festivals. The sale prices become low during the rainy season and peak during the religious and cultural festivals.

Live animals make a considerable contribution to the economy in terms of export earnings. A great number of the country’s ruminants are smuggled to neighbouring countries.

## MAN CHALLENGES IN PASTORAL AREA DEVELOPMENT IN ETHIOPIA

- Ethiopian pastoralists have not benefitted to the extent level from the development, democracy and peace dividends underway in the country.
- Pastoralist women, youth and vulnerable groups are not given due attention.
- Related to land tenure and land use, government policies (where they exist) contradict efforts by pastoralists to protect their livelihoods and environment. The policies do not ensure participation, ownership rights and benefits of pastoralists in governmental and private mega-projects operating in pastoral areas.
- Lack of basic data on key livestock-based activities, such as domestic and regional trade, contributes to misunderstandings of pastoralism, and undervalues its contributions to the Ethiopian economy and GDP by more than 50%.
- Official policies formulated in Ethiopia are contradicted by what actually has or has not happened in practice.
- The pastoral area development does not intensify the use of surface and underground water resources; irrigable land based on research and evidence; and renewable resources, minerals, tourist attraction sites, etc.