



Process case study

Stimulating livestock offtake during Covid-19 in Somali Region, Ethiopia

Background

In May 2020, Mercy Corps conducted a rapid assessment to identify the economic impact of Covid-19 in Somali region, Ethiopia, and in particular its impact on the livestock sector. Movement restrictions, market and border closures, and significant increases in transportation costs, were all contributing to stagnation in livestock demand and price. The rapid assessment feedback from traders affirmed the need for an intervention that would help support the livelihoods of livestock producers and market actors during the pandemic.

Activities

With USD 70,000 redirected from the Resilience in Pastoral Areas (RiPA) North programme, sheep and goats (shoats) were prioritised for the intervention. The activity was designed to provide a subsidy to livestock traders to cover their added costs (due to the pandemic) to offtake shoats from prioritised markets. A minimum support rate (i.e. USD 11.4 or 420 Ethiopian birr per animal) was determined by conducting a rapid assessment and interviewing selected livestock traders from the region. Four priority markets were identified in consultation with local government partners. A total of 15 livestock traders were selected through open bidding to offtake 5,700 shoats within 40 days (September to early October 2020).

Outcomes

Based on a 'before and after' market price comparison of different categories of goats and sheep from the four targeted markets, an average 10% price increase was noted; with traders confirming that the intervention contributed to the improvement of market prices. The investment resulted in an estimated value of USD 433,405 in shoat sales in the target markets from the 5,700 programme subsidised shoats. The USD 70,000 subsidy given to the programme-targeted livestock traders for the purchase of the 5,700 shoats also ended up stimulating the markets to offtake additional shoats during the contract period.

In terms of the trickle down impact, the 10% average price increase in the target markets was seen to have made trickle down contributions to the pastoral producers who accessed the market during the intervention period, as well as to the jobs maintained along the supply chain. According to data collected from the livestock traders: a total of 1,273 livestock producers directly marketed their shoats to the targeted traders. In addition:

- 36 livestock market facilitators received USD 1.40/shoat 'broker' fees from the traders
- 54 livestock keepers who temporarily herded the traded shoats received USD 0.54–USD 1.35 per shoat depending on the duration they kept them
- 36 livestock trekkers moving from market to market received USD 1.08–USD 1.35 per animal depending on duration/distance
- 46 livestock porters undertaking uploading were paid on average USD 0.27 per shoat
- 27 pen owners were paid USD 5.40–USD 8.10 per night.

As a result of the market linkage creation support, the traders were also able to reignite their relationships and continue supplying goats to interested export abattoirs, making a significant contribution to the sustainability of the initiative.

Source: Mercy Corps 'Stimulating offtake intervention stimulated shoat demand and price during Covid-19 in Somali Region, Ethiopia'

LEGS case studies demonstrate good practice in livestock emergency response. They cover the six LEGS Technical Intervention areas, the eight LEGS Principles as well as the broader contexts covered in the third edition of the LEGS handbook. **Process case studies** illustrate the application of LEGS guidance and **impact case studies** reflect on the outcomes of LEGS interventions.

- ▶ You can access all of the LEGS case studies at livestock-emergency.net/resources/case-studies
- ▶ For more information see the Livestock Emergency Guidelines and Standards Handbook at livestock-emergency.net

