



RESEARCH
PROGRAMON
Dryland Systems

*Food security and better livelihoods for
rural dryland communities*

Smart marketing along the small ruminant value chains in Horro and Menz areas of Central Ethiopia

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Problem Statement

The livestock production system in general and that of small ruminants in particular has always been barely market oriented in Ethiopia. Small ruminants are essentially kept for milk, cash generation and to a limited extent for meat consumption purposes. Cash need based trading of the small ruminants can simply be described as ATM marketing whereby cash machine determines the amount to withdraw – as small ruminant market is essentially a buyer's market. Men and female small ruminant keepers hardly have all the information they need and buffer resources to lean on to postpone marketing decisions resulting in receipt of unfavorable prices for their animals. The transaction cost small ruminant keepers incur is also known to be very high.

Smallholder farm households are too small to influence the market with their individual marketing behavior. They are always less informed than the other actors in the market exposing them to the blunt forces of the market that arise from considerable information asymmetry. Although men and women small ruminant keepers face significant barriers to effectively engage in markets, their patterns and barriers of market engagement differ. Women's capacity to effectively engage in markets is differentially constrained by their more limited access to and control of productive resources, and constraints on their time and mobility.

Farmers' associations/groups established based on voluntary basis can certainly enable men and women farmers to be powerful actors in the markets. The important role that collective actions play in increasing the bargaining power of smallholder producers is well documented. However, there are no studies that address gender dimensions in small ruminant collective marketing and how these affect men and women's market participation, satisfaction and welfare. Lack of this information affects effective design and implementation of effective value chains interventions that benefit both men and women small ruminant producers.

Research question (s)

1. How does access to marketing information and informal grouping of farmers (collective action) affect men and women's market participation and market satisfaction (in terms of price/head of animal)?
2. What are the household welfare impacts (including intra-household gender relations) of access to market information and collective marketing actions?
3. How do group dynamics (composition, leadership and decision making) affect market participation and market satisfaction?

Objectives

The general objective:

- To quantify the combined and individual welfare impact of access to market information and informal grouping of male and female small-ruminant keepers in rural communities of central Ethiopia.

Specifically this study aims at:

- Detailed characterization of small ruminant marketing systems in rural parts of central Ethiopia
- Developing an operational framework to collect, collate, synthesize, and disseminate market information on small ruminants for men and women keepers
- Documenting the gender disaggregated welfare and poverty impacts of market information and collective action in the marketing of small ruminants
- Document the lessons learnt on the gender differential impacts of informal grouping of small ruminant keepers on market participation and market satisfaction.

Outputs

This study has three broad outputs:

1. Comprehensive data and information on the structure and behavior of the small ruminant markets in the two study sites (i.e., Menz and Horro),
2. Gender responsive framework to collect, collate, synthesize, and disseminate market information on small ruminants, and
3. Gender disaggregated analysis of the welfare impact of access to market information and collective actions in small ruminant marketing.

Approach and methods

The key hypothesis being tested here is that men and women small ruminant keepers are not receiving fair prices for their animals because of structural disconnections with the markets and with the key actors in the market that could be rectified through either collective action or access to adequate market information. This innovative experiment will develop a dynamic and gender sensitive framework to enable small ruminant keepers and traders to be organized and sufficiently informed about all key aspects of the markets and actors before they travel to the markets.

The research combines access to market information and informal grouping of smallholder farmers as an experimental variable. Taking into consideration both grouped and ungrouped small ruminant keepers, the research aims at developing a mechanism whereby key actors along the value chain do communicate continuously to reduce haphazard/accidental marketing of animals.

The study will be implemented in 12 treatment and 4 control markets in Menz area and 6 treatment and 2 control markets in Horro Gudru area. 50 participant farm households will be identified around the intervention markets. When applicable, 10 farmers will be grouped in an informal way and will be associated with a trader they are most familiar with. The households would be stratified as women headed and male headed and then proportional random sampling will be employed to identify the 50 sample households. Sample male headed households would be given the option of having women participate in the grouping and accessing information when applicable.

Market information on trait preferences, price expectations, quantity demanded, quantity supplied, availability of and access to market services, and key social [e.g., extraordinary social occasions] and environmental [e.g., profound shifts in the weather] phenomena will be monitored, synthesized and communicated to all key actors along the value chain within a manageable scope that will be determined in view of the resources to be generated. Communication of market information will be done every 15 days with qualified researchers from Bako and Debre Birhan Research Centers. The information to be provided to men and women farmers will be uniform.

Detailed investigation of gender differentials will be a core component of this research. Gender differentials are expected to be significant in terms of modes of market information

communication, market access, market participation (takeoff size per household), and perception and vulnerability to market risk.

The instruments will be designed in such a way that we would be able to account for women's contributions and to identify the gender-based opportunities and constraints that they face. The key indicators we are to focus on are intra-household decision making in terms of the capacity of men and women to make household and individual economic decisions including the use of household and individual economic resources, income, and their choice of employment – including buying and selling of animals (How many sheep/goat to sell? Which sheep/goat to sell? Why to sell? What price? When to sell? Where to sell? How to use the income? Etc.), access and control of resources (who controls each sheep/goat? Access to formal or informal communications networks that share marketing information, including social (networking)? Etc.), and knowledge, beliefs, and perception (types of marketing knowledge that men and women possess, gender stereotypes and their role in market participation and market satisfaction? Etc.).

Both qualitative and quantitative data will be generated using tailor made instruments from participating and non-participating men and women small ruminant keepers and traders. The depth, quality [subjectively assessed by recipients], timeliness, and perceived relevance of the information to be shared with the actors will be comprehensively documented within their organizational setup. Basic characterization of the producers and traders and markets will be done right before the intervention and detailed impact assessment survey will be conducted at the end of the 12 months period. Data will be collected on, among others, numbers of animals sold and bought, prices received and prices paid, and number of men and women that visited the market for impact monitoring. The final survey will also generate data on time use and satisfaction with time available for leisure, household expenditure /and per capita expenditure with sex and age considered/, household income /and per capita income with sex and age considered/, asset wealth formation at household level /and per capita income with sex and age considered/ for welfare impact measurement.

Market analytics would be the general analytical framework to assess the performance of the actors participating in the smart marketing compared to those who are doing marketing as usual. Structural equation modeling and other conventional treatment effects models will be used to assess impact and the determinants of both perceived and relative performances of the participants to identify lessons that would be used for scaling up and scaling out.

Activities

The following are the key activities of the project

- Rapport development with administrative and agricultural development institutions
- Developing checklist for reconnaissance survey
- Conducting reconnaissance survey and report write up

- Developing instrument and sampling framework for baseline survey
- Conducting baseline survey
- Baseline report writing and developing benchmarks of key indicators
- Sampling framework for group formation
- Gender awareness creation for group formation
- Facilitating informal group formation
- Discussion with farmers on marketing variables on which data and information is to be generated and communicated
- Developing a framework to collect, collate, synthesize and disseminate data and information on the selected variables
- 20 Rounds of collecting, collating, synthesizing and disseminating data and information to group of farmers identified on the selected variables
- Checking the sampling framework and the instrument for impact assessment survey
- Conducting the survey
- Report writing and quantifying the gender disaggregate welfare impact of access to market information and collective action

Staff time (Gender related activities)

Girma T. Kassie (5%)
 Annet Mulema (5%)
 Yodit Balcha (MSc Student) 100%)
 2 Site coordinators (100%)

Mentoring and coaching

Katrine Danielsen (KIT)
 Anouka van Eerdewijk (KIT)

Data management and visualization

Rhiannan Price (aWhere)

Budget

Cost Category	2015 Amount USD	Total Amount USD
Personnel Costs	25,850	25,850

Operating Costs		-
IT Charges	330	330
Hosting Charges	660	660
Operational Travel	4,000	4,000
Workshop/Conference	3,500	3,500
General Expense	16,000	16,000
Total Direct Costs	50,340	50,340
Indirect Costs Recovery (13.24%)	6,665	6,665
<i>TOTAL PROJECT COSTS</i>	<i>57,005</i>	<i>57,005</i>

Timeline

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	15-Dec
Rapport development with administrative and agricultural development institutions														
Developing checklist and conducting reconnaissance survey and report write up														
Developing instrument and sampling framework and conducting baseline survey														
Baseline report writing and developing benchmarks of key indicators														
Sampling framework for group formation and gender awareness creation for group formation														
Facilitating informal group formation														
Discussion with farmers on marketing variables on which data and information is to be generated and communicated														
Developing a framework to collect, collate, synthesize and disseminate data and information on the selected variables														
20 Rounds of collecting, collating, synthesizing and disseminating data and information to group of farmers identified on the selected variables														
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