



ICPALD

BUILDING RESILIENT MARKET FOR LIVE ANIMAL AND MEAT PRODUCTS IN THE IGAD REGION



**Alternative Markets for Livestock and Livestock
Products from the IGAD Region in Selected Countries
in Africa and Asia: Export Business Case Briefs**

TABLE OF CONTENTS

Acknowledgement	3
List of Tables and Figures	4
Abbreviations and Acronyms	5
Executive Summary	6
Background and Strategic Context	8
The Livestock Value Chain (LVC)	10
Methodology	13
Trade in Live Animal and Meat	14
Market in Middle East and North Africa (MENA) Countries	15
Meat market in Southeast Asia (SEA): China and Indonesia	18
Market in Within Africa	21
Trade Mission to Botswana	22
Other Potential Market African Continental Free Trade Area (AfCFTA)	23
Major Constraints in the Live Animals and meat Export Trade	25
Key Business Case Initiatives	26

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Dr. Dereje Wakjira
Director
ICPALD



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LIST OF TABLES & FIGURES

Table 1: Livestock Population by IGAD Member States (Millions)	9
Table 2: Average prices of live animal in Kenya- (Karamoja Cluster)	10
Table 3: Average prices of live animal in Uganda (Karamoja Cluster)	11
Table 4: Average prices of live animal in Ethiopia (Karamoja Cluster)	11
Table 5: Average Prices of live animal in Karamoja Cluster (IGAD Cluster 1)	12
Table 6: Export of Live Animals from IGAD countries to MENA - 2021	16
Table 7: Export of Live Animals from IGAD countries to MENA - 2022	16
Table 8: Export of Meat (chilled carcasses) in tons from IGAD countries to MENA; 2022	17
Table 9: Value of Meat Imports (million USD) in Malaysia, Vietnam and Hong Kong; 2021	20
Table 10: Innovations and Business Opportunities for Private and Public Sector Engagement	27
Figures:	
Figure 1: Regional IGAD Export Livestock Trade Pathways	14

ABBREVIATIONS AND ACRONYMS

AfCFTA	The African Continental Free Trade Area
AGDP	Agricultural Gross Domestic Product
AQSIQ	Administration of Quality Supervision, Inspection and Quarantine
AU	African Union
BMC	Botswana Meat Commission
CVOs	Chief Veterinary Officers of Member States
ECOWAS	Economic Community of West African States
EPA	Economic Partnership Agreement
EU	European Union's
FAO	Food and Agriculture Organization of the United Nations
FMD	Foot and Mouth Disease
GDP	Gross Domestic Products
ICPALD	IGAD Centre for Pastoral Areas and Livestock Development
IGAD	Intergovernmental Authority on Development
KShs	Kenya Shillings
KSA	Kingdom of Saudi Arabia
MOU	Memorandum of Understanding
MS	Member States
LVC	Livestock Value Chain
MLA	Meat and Livestock Australia
MENA	Middle East and Northern Africa Countries
PAPSS	Pan-African Payment and Settlement System
PPP	Private Public Partnerships
QIP	Quarantine Import Permit
RECs	Regional Economic Communities
SADC	Southern African Development Community
SEA	South East Asia Countries
UAE	United Arab Emirates
US\$/USD	United States Dollar
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
TADs	Transboundary Animal Diseases
WTO	World Trade Organisation

EXECUTIVE SUMMARY

In a dynamic global economic and political context, building a resilient market system is key to maneuver livestock sector development of the IGAD region. The countries in IGAD region are endowed with more than 470 million heads of domestic large and small ruminants. This business cases were developed from information and data derived from Trade Missions, Reports to West Africa, (Sept 25-28, 2023), Qatar, Doha (Feb 5-8, 2024), and other reports produced by ICPALD on Assessment of Alternative Markets for Livestock and Livestock Products in selected countries in Africa and Asia (November, 2023) and Report on participation in Regional Livestock Trade Fair (Nairobi International Agriculture Show of Kenya) and complemented by secondary data compiled during this assignment.

The Trade Missions and alternative markets assessments were exploratory and fact finding to help gather data on sanitary requirements for live animal and meat by type, price and logistics required for export to help exporters access information about alternative markets away from traditional Middle East and Northern Africa (MENA). For example, the trade mission organized by ICPALD to Qatar composed of private sectors (meat exporters) and regulatory bodies from Ethiopia, Kenya, Somalia and Uganda. The mission focused on sanitary and phytosanitary (SPS) requirement of the importing countries. The West Africa, (Cote D'Ivoire) assessment, however, was conducted by the ICPALD officer to analyze demand and document requirements for import to the country.

Lack of readily available market information and data, was identified as one of the major constraints to growth and expansion of meat and live animal export that has highlighted the need for collaboration between private and public stakeholders to address the challenge. The ICPALD Trade missions were supported by USAID through a project: 'Building Resilient Market Systems in the Cross-border Drylands of the IGAD Region'.

This business case scenario outlines opportunities for enhancing exports of live animals and various meats and meat products (chilled, frozen, edible offal) from IGAD countries to alternative markets in selected African and Asian countries to diversify and build resilient livestock market system for the region. The Reports further suggest on the need to address challenges in IGAD livestock export sector, highlighting the importance of investments by improving farming practices, productivity and quality of livestock output, investing in processing for value addition, development of strict hygiene handling practices, and transportation infrastructure. Such an effort helps the region to ensure sustained competitiveness in the wider global market.

Strategic Private-Public partnership, should lead to strengthening of the livestock value chain, expanding market access for farmers and producers through effective promotion. Such coordinated efforts are essential to realizing the livestock export potential and thereby ensuring that IGAD Livestock is competitive in the markets.

BACKGROUND AND STRATEGIC CONTEXT

Sixty to Seventy (60-70%) percent of the IGAD region's landmass is arid and semi-arid lands (ASALs) where pastoral and agro-pastoral production systems for livestock are the main sources of livelihoods. The region is endowed with huge livestock resources, particularly domestic ruminant animals (cattle, camel, sheep and goats) estimated at about 473 million. About 60% of them are in pastoral and agro-pastoral systems and support 50 million people. This constitutes 53% of the region's cattle (82.24 million), 71% of goats (113.74 million) and 68% of sheep (90.76 million) and 100% camel (24.06 million) population that are mainly herded by pastoralists and agro-pastoralists.

Table 1 below indicates that Ethiopia has the highest cattle population in the region followed by Sudan and Kenya. Sudan was the leading producer of small ruminants (Goats and Sheep) followed by Ethiopia and Kenya while Somalia followed by Ethiopia dominated the region in camel production (see Table 1 below). The major economic driver of the IGAD Member States is agriculture, with livestock contributing an estimated 57% of the regional Agricultural Gross Domestic Product (AGDP). The contribution of livestock to the economy varies from country to country with the highest contribution being in Somalia (70% AGDP).

IGAD Center for Pastoral Areas and Livestock Development (ICPALD) has been supporting Members States in seeking alternative export markets for livestock and livestock products. For example, during 2016-2018, with financial support from the Italian Government, a marketing exploration was made to Southeast Asia (Malaysia, Vietnam and Hong Kong) and West Africa (Ghana). The outcome of this initiative was that Ethiopia started exporting meat and meat products to Vietnam and has been doing so since then. Other IGAD exporting countries have been working to meet import requirements and secure permits from the Southeast Asia importing countries to start export.

Table 1: Livestock Population by IGAD Member States (Millions)

Country	Camel	Cattle	Sheep	Goats	Total
Djibouti	70,902	300,871	470,014	518,966	1,360,753
Eritrea	400,646	2,140,811	2,462,123	1,897,173	6,900,753
Ethiopia	4,764,290	70,291,767	42,914,865	52,463,535	173,815,957
Kenya	2,971,111	17,467,774	17,127,606	27,740,153	65,306,644
Somalia	7,496,636	4,535,919	10,241,518	11,178,929	33,453,002
South Sudan		13,646,686	14,563,459	16,444,483	44,654,628
Sudan	4,960,849	32,318,770	41,332,641	32,598,924	111,211,184
Uganda	12,418	14,477,878	4,363,756	17,358,355	36,212,407
Total	20,676,832	155,180,476	133,475,982	160,200,518	472,915,328

Source: Country Annual Reports

THE LIVESTOCK VALUE CHAIN (LVC)

Establishment of livestock marketing system was earlier identified as a business opportunity whose best practices have already been researched and undergone proof-of-concept and ready to be implemented and upscaled through private sector engagement. Establishment of livestock markets (including cross-border) provide easy commercialized livestock off-take and marketing from Primary sources to Secondary and now to wider African continent, MENA and South East Asia (SEA) Export Markets. This can be well anchored onto developed e-marketing platforms for live animal, disease surveillance, animal health and body condition, service delivery and market information systems for cross-border markets. The average live animal prices have not changed substantially in the past 5 years in the Uganda-Kenya cross-border (Karamoja Cluster). Basically it remained informal and only peaking up during exports to the MENA for religious festivities.

Table 2: Average prices of live animal in Kenya- (Karamoja Cluster)

Commodity	Average weight	Average cost		
		KShs	USD	
Cattle	250- 300 kg	40,000 - 55,000	400-550	Turkana & West Pokot counties
Sheep and goats	20- 30 kg	2,500 - 6,500	25-65	
Camels		40,000 - 55,000	400-550	

Data Source: IGAD/ICPALD (2024)

Table 3: Average prices of live animal in Uganda (Karamoja Cluster)

Description	Category	USD	UG Shillings	Remark
Cattle (200 - 280 kg)	Heifer/Cow	213.90	800,000	Average cost in indicated areas (Karamoja region)
	Bull/Steer	267.38	1,000,000	
Sheep (20 - 30 kg)	Ewe	26.74	100,000	
	Ram	29.41	110,000	
Goats (20 - 30 kg)	Billy	33.42	125,000	
	Ewe	32.09	120,000	
Camels (350 - 500 kg)	High	401.07	1,500,000	
	Low	267.38	1,000,000	
Young calf	High	240.64	900,000	
	Low	213.90	800,000	

Data Source: IGAD/ICPALD (2024)

Table 4: Average prices of live animal in Ethiopia (Karamoja Cluster)

Description	USD	ETB	Remark
Cattle (200- 280 kg)	280-728	8,400-21,840	Average cost in indicated areas (South Omo, Borena and Somali)
Sheep (20-30 kg)	25-65	750-1,950	
Goats (20-30 kg)	55-90	1,650-2,700	
Camels (350-500 kg)	781-975	23,430-29,250	

Data Source: IGAD/ICPALD (2024)

Table 5: Average Prices of live animal in Karamoja Cluster (IGAD Cluster 1)

Description	Category	USD	
Sheep (20 - 30 kg)	Ewe	26.74	Average cost in indicated areas (Karamoja region)
	Ram	29.41	
Cattle (200 - 280 kg)	Heifer/Cow	213.90	
	Bull/Steer	267.38	
Goats (20 - 30 kg)	Billy	33.42	
	Ewe	32.09	
Camels (350 - 500 kg)	High	401.07	
	Low	267.38	
Young/calf	High	240.64	
	Low	213.90	

Data Source: IGAD/ICPALD (2024)

METHODOLOGY

This business cases were prepared based on ICPALD reports and other similar studies. It includes, information and data derived from Trade Missions Reports to West Africa, Cote D'Ivoire, Abidjan (Sept 25-28, 2023), Qatar, Doha (Feb 5-8, 2024), and the Botswana Trade Mission (2-5th September 2024) together with ICPALD Report on Assessment of Alternative Markets for Livestock and Livestock Products in selected countries in Africa and Asia (November, 2023) and Report on participation in Regional Livestock Trade Fair (Nairobi International Agriculture Show of Kenya), international trade fair in Dubai, United Arab Emirates and supplemented by other relevant data.¹

¹ Source : Compiled by ICPALD 2024

The Regional IGAD Export Livestock Trade Pathways are illustrated in Fig 1 below.

REGIONAL LIVESTOCK TRADE PATHWAYS

Legend

- Domestic movements
- Cross border routes (Unofficial)
- Capital cities
- Live animal export
- Official camel route
- IGAD region
- Red Mool

Source:

- Administrative boundaries and localities have been derived from the UN/CSSA/WHO/ICG.
- Regional livestock trade pathways have been collected from KPMG.

Disclaimer: The map is prepared and the data is provided by the IGAD/WHO/ICG. The map is not intended to be used for any purpose other than the IGAD/WHO/ICG. The map is not intended to be used for any purpose other than the IGAD/WHO/ICG.

MARKET IN MIDDLE EAST AND NORTH AFRICA (MENA) COUNTRIES

The MENA market is the largest live animal market in the world with countries importing a significant volume of sheep, goats and cattle from different countries and regions. The annual import volume of sheep fluctuates, and it was estimated to range between 6 to 16 million per year. Intra-regional trade was also found to be an important source of live sheep in the Middle East (ME). Syria and Iran which are net exporters of live sheep, primarily also export to other countries in the region. Australia and New Zealand are the leading suppliers of cattle and sheep respectively while Brazil started supplying sheep in 2023. India and Pakistan are second largest suppliers of Sheep and goat to that MENA market and they are major competitors of IGAD Member states.

The Kingdom of Saudi Arabia (KSA), United Arab Emirate (UAE) and Yemen in the Middle East and Egypt and Libya in North Africa are the most important destinations of live animals from the IGAD region. KSA and Jordan are net importers of live sheep but also re-export to other countries in the region. Religious and cultural preferences, primarily for Halal slaughter, drive demand for live animal imports in the Middle East.

The live animal export trade between IGAD and MENA countries is characterized by seasonal variations with export peaks during Muslim religion pilgrims (Haji and Ramadan). In recent times, this live animal trade has been negatively impacted by constraints related to transportation logistics and challenges of regional security and peace issues. A review of the status of exports from IGAD countries to MENA indicated that the demand for livestock and livestock products is growing, which was mainly attributed to human population growth, income growth and urbanization. This created great opportunities for countries with high livestock population and rendering potential for livestock development.

Seasonally, 70% of live goat and sheep export to MENA from IGAD countries occurs between September to November, for the Haji Festivity with export of live animals reducing for the rest of the months in the year. This yielded opportunity to diversify market and value addition by the exporting countries to be able to trade throughout the year.

According to the United Nations COMTRADE database, in 2021, Qatar imported approximately 715,000 sheep and goats worth USD 143 million. The Kingdom of Saudi Arabia, who are also off-takers from Qatar, imported Live animals worth USD 633.35 million. In the same year 2021, Egypt imported 200,000 heads of cattle and live camel worth USD 111 million (Table 4).

Table 6: Export of Live Animals from IGAD countries to MENA - 2021

Exporting country	Sheep & goats	Cattle	Camel	Total
Somalia	2,537,750	142,999	23,974	2,704,723
Sudan	1,850,171	92 045	194 070	2,136,286
Djibouti	282 875	8810	17340	309 025
Ethiopia	307,820	45,732	22,523	376,075
Total				5,526,109

Source: Country Annual Reports -2021

For Ethiopia, the total reported exports of Live animal are usually understated because export of Live animals goes through Ports in Djibouti and Somalia (Berbera and Bossaso) but informally sourced from Ethiopia in the first instance

Table 7: Export of Live Animals from IGAD countries to MENA - 2022

Exporting country	Sheep & goats	Cattle	Camel	Total
Somalia	3,241,305	186,408	49,527	3,477,240
Sudan	2,550,171	225,459	251,452	3,027,082
Djibouti	142,652	14,511	36,169	193,332
Ethiopia	82,614	54,992	11,391	148,997
Total				6,846,651

Source: Country Annual Reports -2021

Given the proximity of the IGAD Region to the Middle East and North African (MENA) countries, export of red meat is relatively low in relation to market demand and there exists huge potential for expansion. The major Meat exporter from the Horn of Africa to MENA is Ethiopia followed by Kenya and mainly comprised of chilled small ruminant carcasses and some edible offal. Sudan and Kenya also exported a limited amount of beef meat to MENA markets with an estimated 43,000 tons of meat per year which accounted for approximately 10% of the annual meat demand in MENA countries. Ethiopia has been exporting meat to Qatar but in limited quantities.

Table 8: Export of Meat (chilled carcasses) in tons from IGAD countries to MENA; 2022

Exporting country	Sheep & goats	Beef	Overall Total	Remark	Major importing countries
Somalia	1,122	-	1,122	100% Goats	Oman and Bahrain
Sudan	9,366	3,836	13,232	95% Mutton	Saudi; UAE; and Kuwait (the beef mainly goes to Egypt)
Kenya	13,216	583	13,799	75% Goat	UAE; Saudi and Bahrain
Ethiopia	14,600	-	14,600	90% Goat	UAE, KSA and Qatar
Total	38,304	4,419	42,723		

Source: Country Annual Reports -2021

The main competition for the Middle East beef imports comes from South America, Oceania, the European Union as well as Australia. The disease-free status and more efficient bulk production systems, availability of large-scale transportation and shipment infrastructure and advanced marketing systems of these countries provide major competitive advantages over IGAD countries. Value addition, market and product segmentation with advanced promotion is also an approach used by these countries to be competitive in the marketplace and benefit from existing niche markets.

The AKSEKER slaughterhouse in Ethiopia is currently the only one from IGAD MS approved exporter of camel meat to Saudi Arabia (KSA). KSA is, the major consumer of Camel meat with 113,000 tons exported in 2021. The main competing suppliers of red meat to KSA are Australia and Pakistan that sell at relatively lower prices and Australia where the camels are mainly feral. Sudan has also hitherto been exporting small amounts of Camel meat to UAE and Kuwait.

MEAT MARKET IN SOUTHEAST ASIA (SEA): CHINA AND INDONESIA

China is one of the major IGAD potential meat importing countries in Southeast Asia (SEA) because of its large human population and rapidly growing economy. It is the world's second-most populous country with a population exceeding 1.4 billion and a GDP per capita in 2022 of \$12,720. China's imports of meat products reached more than EUR 3 billion in 2022. Bovine and lamb meat imports were mostly from Australia, New Zealand and Mercosur countries (Argentina, Uruguay and Brazil). Pork imports are also an important component in the China market. According to the UN Food and Agriculture Organization, the number of imports may increase to 1.9 million tons in 2024, mainly due to the growing population, urbanization and growing wealth in the country.²

China is a big market for all types of meat products; Bovine and lamb meat (Fresh, chilled and frozen) and offal. For IGAD member States to enter and or expand trading opportunity with China, they need to develop their beef industry by encouraging commercially integrated breeding, ranching and feedlot management. Value addition through meat fabrication and packaging would also provide another opportunity. China's fresh or chilled beef imports totaled USD \$297 million in 2021. In June 2023, the amount of lamb and sheep meat imported into China increased to 47,000 tons, rising by 31% compared to May 2023. The average ruling prices in 2023 in China ranged from USD 4.3 per kg for beef from Argentina, to USD 7.1 for beef from Australia and USD 9.4 for beef from USA. The average price of lamb meat was USD 9.2 per kg.

Following its accession to the WTO in December 2001, China issued and/or modified hundreds of foods and agriculture related importation related regulations and standards. The laws are like existing systems in Western countries. China has set up regulatory bodies responsible for elaborating and implementing national food safety standards based on scientific criteria and recommendations issued by international Food Safety and Trade organizations such as Codex Alimentarius, the Food and Agriculture Organization of the United Nations (FAO) and the World Trade Organization (WTO).

Certifications for quality, quarantine, and import control are required for meat products to secure entry into China market and same as for most food products. The complexity of documentation makes it vital for any aspiring exporters to work closely with their Chinese importer counterparts to ensure that all requirements are met before shipping. Failure to do so could result in delays in product entry to

²Report on Assessment of Alternative Markets for Livestock and Livestock products in selected countries in Africa and Asia Section 3.5.4.1 Market potential and trend Page 22

³Op Cit as above Section 3.5.4.3 Page 25

the country or even a rejection at the border. To import any agricultural good into China, a company must apply for a quarantine import permit to cover that contract amount. The importer must supply documentation regarding the volume of the shipment to Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) with the Quarantine Import Permit (QIP) application. AQSIQ can technically cover multiple load/containers and is valid for six months.

To confer country or product or company eligibility for exporting meat products to China, there has to be prior compliance of Import Protocol bilateral agreements between AQSIQ of China and corresponding food safety departments in the exporting countries that set up veterinary and health requirements for meat products. This is subsequently followed through with Registration of processing establishments of exporting country and issuance of an export health certificate.⁴

Steps for being permitted to export meat and meat products to China include Chinese authorities carrying out an analysis and risk evaluation of the documentation submitted by the authorities of the exporting country followed by a visit by a delegation of experts to conduct further in-situ investigations and start a bilateral SPS high level dialogue to negotiate text of the "Protocol on Veterinary and health requirements. The main sanitary requirement of China is for FMD freedom status. Exporting countries need to negotiate a bilateral agreement with China Chief Veterinary Officer (CVO) to ensure the safety of meat by subjecting animals to proper inspection followed by meat inspection, appropriate cold chain treatment of meat and de-boning of carcasses.

China and the IGAD countries are well connected by air and sea. Both Ethiopian and Kenyan Airlines fly regularly to China. Moreover, shipping lines operating from Djibouti, Berbera Mombasa and other ports can be utilized. Experience of shipping of offal already made from Ethiopia via Djibouti to Vietnam can provide good experience for shipments to China.

Indonesia is another important market in southeast Asia (SEA) with the large economy of a GDP of US \$1.371 trillion (2023)⁵, nearly 4 times South Africa's US \$ 373.2 billion and population of 275.5 million (2022). The large Muslim population is a potential market for "Halal" meat from IGAD countries because Indonesia's domestic meat production is not yet able to meet national demand. Based on initial review of relevant documents, Halal Accreditation and SPS requirements of Indonesia are stringent specially FMD Control, traceability, Residue monitoring, and other food safety issues. In the current situation, direct entry to the market is a challenge for IGAD countries. IGAD exporting countries

⁴ Op Cit - An elaborated Step by step process for exporting meat and meat products to China [Chapter 3.5.4 on China]

⁵Second Indonesia-Africa (IAF) Forum Nusa Dua Bali 1-3 September 2024

should consider Indonesia's big market potential and work towards enhancing their compliance in the long-term to Indonesia's requirements.

Previous support of ICPALD in exploring alternative meat markets can be a good confidence builder for the Member States. For example, ICPALD organized a regional trade mission for a team of government staff and exporters to Malaysia and Vietnam (Sept 2016) and Hong Kong (May 2018) which yielded some success. These countries have big demand for meat and meat products (Table 7). Ethiopia was able to get approval in November 2016 to export meat to Vietnam, which has continued to date. Similarly, there are on-going efforts by Kenya, Somalia and Sudan to get permits. A Malaysia delegation has already visited Somalia export facilities, and an invitation sent to Malaysian team by Ethiopia.

Table 9: Value of Meat Imports (million USD) in Malaysia, Vietnam and Hong Kong; 2021

Country	Beef	Small ruminant meat	ALL meat and meat edible offal
Malaysia	31.2	215	
Vietnam	847	4.75	
Hong Kong			USD 4.71 billion

Source: United Nations COMTRADE database

MARKET IN WITHIN AFRICA

Africa's economy overall is growing at 5.5% per year and the bigger population is young and increasing. The meat market in Africa is projected to increase by 145% by 2050 due to increasing population, urbanization and economic growth. According to UN forecast, the African population will double and will be 2.5 billion by 2050. It is a big opportunity that should be exploited as it can be used as an engine for growth.

Ghana, Cote d'Ivoire and Algeria were quickly assessed by ICPALD officer, considering their human population, meat demand, sanitary requirements and availability of transport logistics (air and sea). Such rapid assessment can assist IGAD countries make informed decision based on available data and information.

Other Central and West African countries including Congo, Gabon, Mauritania, Senegal, Cameroon and Democratic Republic of Congo (DRC) are all deficient in meat production. Most of these countries import meat and meat products from Western countries and these trends have been increasing. The combined annual import demand of these West African countries was estimated at US\$572.3m consisting of 86,043 tons of meat and 3.2 million heads of cattle and shoats. Due to proximity to the Sahel region, these countries import live animals from the Sahel region and ECOWAS countries. The live animal trade is largely informal which enables them acquire supplies at lower prices due to proximity to these markets.

In 2018, ICPALD organized a trade mission to Ghana for traders and regulatory departments from exporting countries. The mission involved meeting with CVO of Ghana and few importers. The import requirements were discussed and shared with CVOs and traders from IGAD member States. Private sector participated in the trade Mission reported that export prices to Ghana were low and a hindrance to export business. Later ICPALD officer Conducted market survey mission to West Africa, Cote D'Ivoire Abidjan (Sept 25-28, 2023) during which brief physical market studies including assessments on demand and prices for meat and meat products (chilled, frozen meats and edible offal). Consultations were also held with Cote D'Ivoire Chamber of Commerce and data collected and collated. Livestock health regulatory body was visited and discussions held including on specifications of import requirements.

From report of the market survey, Cote d'Ivoire presented a potential market for IGAD for chilled, frozen and fresh meat and offal. Prices in the Abidjan supermarkets were similar or better to those in MENA niche markets. This pointed to potential market for IGAD countries especially for livestock produced from feedlots and ranches.

TRADE MISSION TO BOTSWANA

Botswana is a member of the Southern African Development Community (SADC) which has a European Union (EU) Economic Partnership Agreement (EPA) that allows the country preferential unlimited quota and duty-free special market access status to the EU against other competing exporting countries, including the largest supplier, Brazil. This presents an excellent opportunity for ranchers in Botswana to increase production capacity and improve efficiencies for niche markets in the EU. A Trade Mission to Botswana (September 2-5th, 2024) was organized by ICPALD for IGAD countries as part of capacity building support through experience exchange.

Botswana is a big exporter of beef, and was the ninth largest beef exporter to the European Union in 2019, though its earnings from beef exports dropped from US\$130 million in 2010 to US\$80 million in 2018. In 2020, Botswana, opened its beef industry to allow farmers to export their meat directly to EU buyers. In earlier time, the state-owned Botswana Meat Commission (BMC) was sole exporter of beef. BMC is reported to be restructuring its current business operations, as it focuses on exporting quality beef to the EU. Thus, beef producers now being required to supply live weight mass of 380kg for cattle so as to comply to the required minimum cold-dressed weight (CDM) of 201kg. Thus, producers are encouraged to invest in private feedlots. Botswana has improved breeding and management practices, feedlots, sanitary standards (disease free zones through compartmentalization), livestock identification and traceability system. Both small and commercial farmers are enabled to supply for premium European Union market. Botswana is also seeking to expand its beef market and is currently working to secure an agreement allowing beef exports into the vast Chinese market as well as Middle East countries.

AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA)

AfCFTA is the world's largest free trade area that brings together the 55 countries of the African Union (AU) in eight (8) Regional Economic Communities (RECs) blocks. Its overall mandate is to create a single continental market by eliminating trade barriers and boosting intra-Africa trade, advancing value-added production across all service sectors of the African Economy with an estimated population of about 1.3 billion people and combined GDP of approximately US\$ 3.4 trillion. AfCFTA offers potential opportunity for the IGAD region livestock products trade. The AfCFTA aims at contributing towards establishing regional value chains in Africa, for investment and job creation and whose practical implementation has the potential to foster industrialization, job creation, and investment, thus enhancing the competitiveness of Africa in the medium to long term. General long-term objectives include creating a single, liberalized market; reducing barriers to capital and labour movement to facilitate investment; developing regional infrastructure; and establishing a continental customs union. The overall objective of AfCFTA is to increase socioeconomic development, reduce poverty, and make Africa more competitive in the global economy.

The AfCFTA entered into force on May 30, 2019, after 24 Member States deposited their Instruments of Ratification following a series of continuous continental engagements spanning since 2012. It was launched at the 12th Extraordinary Session of the AU Assembly of Heads of State and Government in Niamey – Niger, in July 2019 with its Secretariat hosted in Accra, Ghana. The Directorate of Trade in Goods and Competition at the AfCFTA Secretariat is focused on creating a single African market through implementing the Protocol on Trade in Goods and Competition. The Directorate also facilitates all negotiations on Trade in Goods and Services and provides technical advice to the Chairperson, State Parties and non-State Parties.

Trading under AfCFTA commenced on January 1, 2021 with members committed to eliminating tariffs on most goods and services over a period of 5, 10, or 13 years, depending on the country's level of development or the nature of the products. On January 13, 2022, the AfCFTA took a major step towards implementation of its objective with the establishment of the Pan-African Payment and Settlement System (PAPSS) that allows payments among companies operating in Africa to be done in any local currency.

In April 2024, the African Union announced that the AfCFTA had entered into its operational phase of the agreement that effectively put the agreement into force, and is characterized by the following actions:

- a) Establishment of the rules of origin, which will govern the conditions a product or service can be traded duty free;
- b) Tariff concessions, 90% tariff liberalization;
- c) Online mechanism, allows members to report non-tariff barriers;
- d) Pan-African payment and settlement system, allows certainty of payments and will instill confidence in the system
- e) African Trade Observatory, a portal to address hindrances to trade, will be provided by AU member states.
- f) The AfCFTA is one of the African Union's flagship projects of Agenda 2063: The Africa We Want, the long-term development strategy for transforming the continent into a global powerhouse.

MAJOR CONSTRAINTS IN THE LIVE ANIMALS AND MEAT EXPORT TRADE

The following were identified as the major constraints to exports from IGAD Countries to MENA, SEA and within Africa

- i. Dominance of trade informality in live animals in the inter-play between producers/ growers' traders and exporters.
- ii. Limited access to market information by international importers on available livestock resources in IGAD Countries - Types, Cattle, Goats, Small Ruminants and Camels potential quantities and quality.
- iii. Limited information about demand, requirements and prevailing prices in the international market-place for all actors in the IGAD region.
- iv. Currency conversions and volatility making long-term supply contracts hard to effect.
- v. Seasonality of demand in the MENA market.
- vi. Lack of Animal Traceability Systems (LITs) and limited information on production data and on animal welfare practices.
- vii. The prevalence of trade-sensitive livestock diseases (FMD, RVF, PPR, CBPP, CCPP; LSD and sheep & goat pox) are major non-tariff barriers to livestock trade from the IGAD region to the rest of the world.
- viii. Lack of quarantine disease free zones and compartmentalization for holding animals pre-shipments in most IGAD Member States and
- ix. Increasing complexities in SPS requirements by importing countries requiring periodical updating.

KEY BUSINESS CASE INITIATIVES

For IGAD member states to realize and maximize trade in live animal, Meat and meat products, stakeholders should undertake the following steps:

- i) Establish contacts and a coordination mechanism for continued collaborations on emerging trends in beef and ruminants trade to MENA, ECOWAS, China and Indonesia in particular.
- ii) Increase identification, targeting and promoting market destinations through development of Regional Strategic Marketing Plan.
- iii) Collect data and learnt lessons that can enable the IGAD exporting countries to adjust operations, implement and expand their export businesses.
- iv) Enhance production, productivity and management of the beef animals and small ruminants. IGAD countries' beef is not competitive enough in the current international markets due to high cost of beef and breed management

Table 10 : Innovations and Business Opportunities for Private and Public Sector Engagement

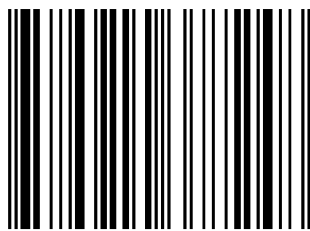
Innovations	Scalability by Livestock Producers and Processors			Comments made from Trade Mission interactions	Opportunities for Private & Public sector engagement
	Low	Medium	High		
Establish contacts and a coordination mechanism for continued collaborations on emerging trends in beef and ruminants export trade of visited countries			X	Promote market linkages by investing in the development and deployment of a Regional IT-driven Livestock exchange to facilitate sharing and fast-tracking linkage to available market demand at better prices, (Linkage of producers to buyers).	Spearheaded by ICPALD (IGAD already facilitating an IGAD exporting and MENA importing platforms) at Two levels (regulatory and private sectors level from IGAD and MENA regions
Collect and collate data and lessons learnt to enable IGAD exporters adjust and expand their operations, and implement export businesses			X	Stakeholders critically review production, productivity and management of the beef animals and small ruminants.	Spearheaded by exporters association / companies with the support of ICPALD Chambers of Commerce Processors and Exporters State Dept of Livestock Development Stakeholders

Development of appropriate livestock production infrastructure in form of feedlots resulting in higher marketable supply and therefore market share resulting in benefits of economies of scale.		X		Selection of appropriate breeds and address challenge of low-quality seasonal feed supplies. -Contract farming between exporters/feedlots and pastoralists	Private Sector Actors and Investors
Invest in increasing number and capacities of export standard vertically integrated abattoirs in IGAD countries with increased cold-chain capacity.		X		Will improve on compliance with standards of importing countries.	Private Sector Actors and Investors
Construction and repair of actual physical private and public livestock cross-border markets complete with quarantine holding yards and auxiliaries			X	Would be beneficial in ensuring effective transboundary disease management, vaccination and treatments and potential for attracting livestock insurance covers	Private Sector Actors and Investors
Establishment/strengthening of Cross-border primary/secondary livestock markets auxiliary businesses			X	Livestock movement/ trade/ migration routes formalized and controlled lowering livestock sales transactions costs.	Business opportunities and market related support services <ul style="list-style-type: none"> ✓ Transport & Insurance Agents ✓ Handling and Weighing ✓ Veterinary services (animal health) ✓ Auctions services ✓ Pasture & water supply to Traders ✓ Others



**IGAD Centre for Pastoral Areas and
Livestock Development (ICPALD)
Kabete Veterinary Laboratories, Kapenguria
Road, Off Waiyaki Way
P. O. Box 47824 - 00100, Nairobi, Kenya
Tel: +254 737 777742
Email: icpald@igad.int | www.icpald.org**

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