

Report on meeting to develop framework for analysing pastoralism value chains in Northern Tanzania

Meeting participants

Muyeye Chambwera	IIED
Andrew Williams	Tanzania Natural Resources Forum (TNRF)
Christine Bakuname	SNV
Gabriel Turasha	VetAid

Dates of meeting: 27-28 February 2008

Day 1: Identifying what the different partners are working on and what their interests in pastoralism are.

Organization	Focal areas and interests
TNRF	<p>Piloting value chain analysis as part of livestock marketing with particular reference to organized exports of livestock from Tanzania. In this regard, interested in pursuing holding ranches to which livestock from different producers can be pooled together, improved and certified to meet export requirements</p> <p>Land use planning: Tourism in support of pastoralism</p> <p>Shortening of value chain and value improvement</p> <p>Working with private sector models that support CBNRM</p> <p>Linking with new pro-community business opportunities in the livestock industry</p> <p>How customary livestock production systems can take advantage of local and export markets and looking for synergies for between customary and commercial models while safeguarding customary livestock management values (eg women's access to livestock)</p>
VetAid	<p>Developing pastoral-based beef export system (Gavin Thompson) gavin@tadscientific.co.za</p> <p>– ball is in government's court</p> <p>Advancing loans (pilot) to limited groups to pilot group-based goat marketing</p> <p>Why not certify Arusha Meat (abattoir)</p> <ul style="list-style-type: none"> • only Dodoma abattoir is certified which disadvantages many areas in northern Tanzania. • Marketing for northern Tanzania through KMC in Nairobi <p>Relief ranches e.g. West Kilimanjaro to follow examples like Taita ranch in Kenya, ran by Somalis but paying locals.</p> <p>Private sector partnerships</p>
SNV	<p>Seeking to support livestock sector development in general</p> <p>Carrying out Value Chain Analysis study (through consultants) to inform design of interventions in livestock sector development</p> <ul style="list-style-type: none"> • Focus on marketing • Which market to focus on: local or export • Support will focus on market with the highest value • Support to producer associations: already supporting trader

	associations
Policy environment	<p>Moving towards a beef economy with export orientation Middle-east and European market Recent Act on meat industry:</p> <ul style="list-style-type: none"> • Investment opportunities in the beef industry (available on government website to attract investors) • www.mifugo.go.tz/documents_storage/investment%20opportunity.pdf • Moves away from traditional production systems <p>Veterinary services privatised</p>
Pastoralism characteristics	<p>Producers not commercially oriented</p> <ul style="list-style-type: none"> • Livestock sold as need arises <p>Impact on food security, women and other production goals</p> <ul style="list-style-type: none"> • Pastoralism largely milk-based

Some arising issues

Institutional issues: how producers are organized

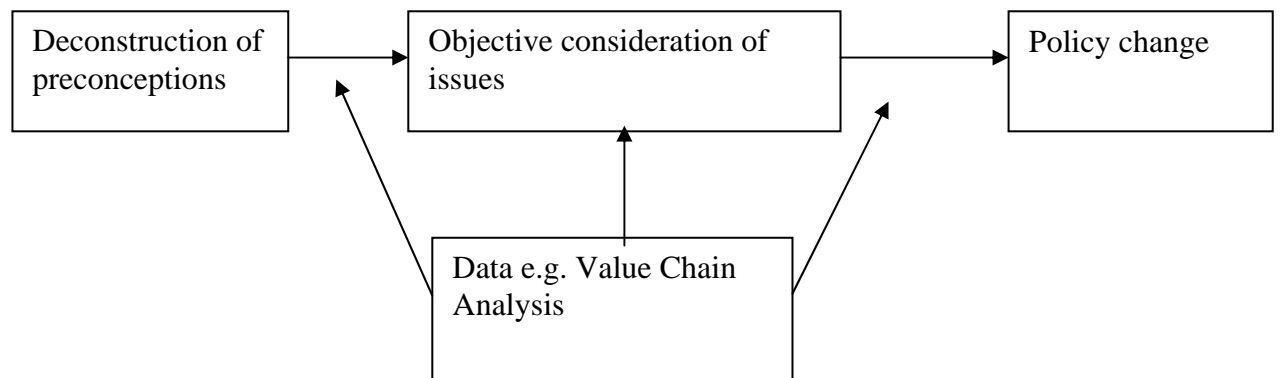
Land competition with wildlife (AWF programme) and land reclaiming

Export requirements versus local livelihoods

Government policy on the livestock sector: promoting commercial system:

- Who benefits?
- What is the future role of pastoralists?
- What are the drivers of government policy?

The meeting on the first day ended with a view of pastoralism within a broader context that involves multiple-stakeholders and an existing policy environment, with the need to stimulating policy debate and change. The context in which value chain analysis takes place should be part of the process shown below.



Day 2

The meeting initially centred around developing a common understanding of what is and the role of value chain analysis. To arrive at that, it was necessary to move a step back and discuss the issues about pastoralism (as part of a broader livestock system) that need to be addressed with the use of economic analysis. The discussion then moved onto the actual tracing of the chain, and identifying what data can be generated at each stage of the chain.

1. Issues raised at beginning of meeting

- What factors would make a strong economic argument about pastoralism? What information is required?
- Total economic value of pastoralism:
 - Value chain analysis
 - Taking account of localized values that are not marketed or livestock products e.g. contribution of pastoralism to agriculture, livelihoods
 - Comparative analysis of pastoralism with alternative land uses
 - Constraints to pastoralism: quality, quantity, regulatory framework
- Pastoralism in Tanzania compared to other countries e.g. Sudan
- Techniques to illustrate the value of pastoralism: allowing policy makers to make own conclusions from analyses
- Diversity of traditional livestock producers: use of different production and management systems by producers
- Choice of field sites:
 - information or work that has already been done
 - Ngorongoro ecosystem: partly conservation area with pastoralism
 - Usangu area: DFID project in the 1990s

2. Framing objectives from understanding of value chains and policy needs

Understanding of value chains by meeting participants

- Process and product flows
- Changes in value of product along supply chain
- Inputs to enhance value e.g. transport, time
- Relationship between actors in the chain: vertically and horizontally
- Performance and factors influencing performance

What are the key policy issues in the livestock sector that need to be addressed

Understanding pastoralism better by policy makers

- value of pastoralism
- production system
- multiple production and value system

- objective decision making

Links between pastoralism and environment and tourism
Pastoralists' participation in policy making

From our understanding of value chains and policy issues, what are the main objectives we need to address?

- Efficiency and equity i.e. improvements in distribution of pastoral products in time and space
- Economic significance of pastoralism – economy-wide multiplier effect
- Comparative analysis of traditional and commercial systems of livestock production
- Policy thrust of any analysis
- Links between pastoralism and ranching

3. Exploring value chains for quantitative analysis

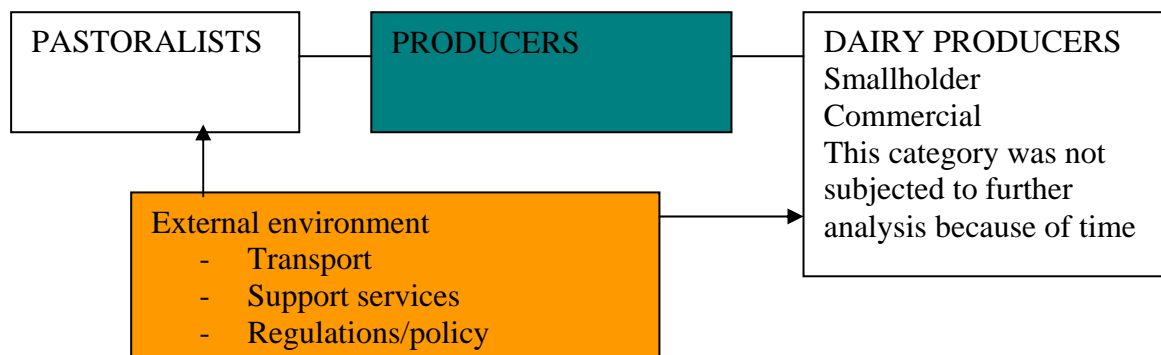
In a pastoralism chain, which player do we think of first? What is their goal or interest in the chain? Each participant mentioned the player that comes to mind when thinking of pastoralism.

- this is not meant to be exhaustive, but provides a starting point for exploring value chains and the information that needs to be generated.

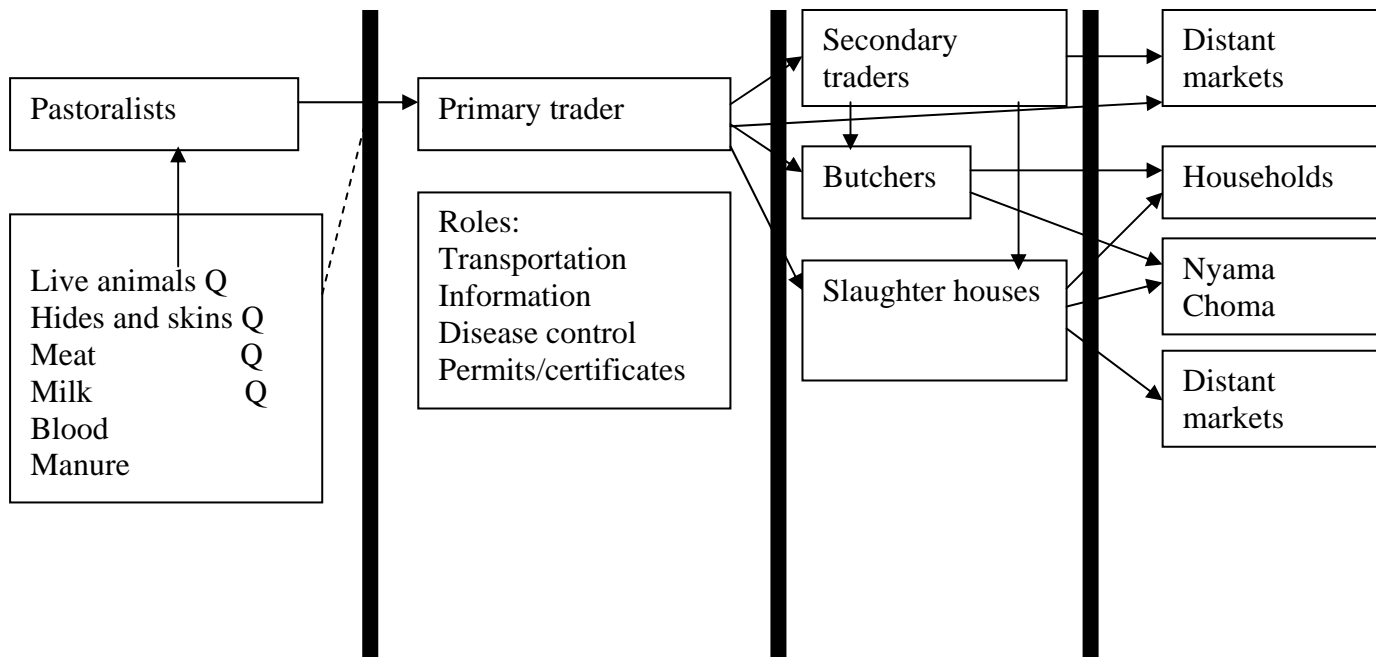
Player	Interest: what drives them?
Pastoralists and agropastoralists (producers)	Livelihoods
Traders	Business/profits
Veterinary experts	Profit, mandate, ethics
Dairy producers	Livelihoods
Government	Revenue, Mandate

It was suggested to deal with the term producers instead of pastoralists as a starting point.

To explore the use of chain analysis to estimate the value of pastoralism, the flow of products from producers was used, following meat as one of the marketed products.



Starting with pastoralists, can we identify products, their quantities and flows?



For each of the players/stages in the chain, what information do we need to generate to quantify its value?

- The number of players involved
- The quantity of product involved per time period
- Inputs into the system: resources employed
- Outputs (the product that is finally passed on to the next stage)
- Additional value at each stage

Aggregating values at each stage to estimate the total value of the system

Question: Does value chain analysis enable total valuation of the system?

This led to the following definition of value chain analysis (VCA):

VCA is a tool to assess the dynamics and potential for competitiveness of an industry by looking actors, factors, relationships. The framework enables identification of key constraints, opportunities and points of intervention for the industry.

Because of time constraint, it was not possible to carry the analysis beyond this point, and a follow-up process was proposed.

The annex below is a rough outline on what economic information value chain analysis can be used to generate based on the discussion above.

Conclusion

- Because of the significant policy dimension and the interest of several other stakeholders in the subject, the partners agreed that it would be more beneficial if a wider meeting of stakeholders jointly defines the information that needs to be generated. This widens the scope for the analysis of the pastoral sector to have a wider policy impact.

- TNRF will therefore convene a meeting of a wider group of stakeholders to discuss the policy issues in the livestock sector, particularly in pastoralism. This will however not change the focus of the research into the value of pastoralism.
- The application of the above discussion into actual research activities as outlined below will form the basis for designing a research process. It requires further refinements to include tools for gathering the data, timing budgets etc, which can be discussed over email.
- Each organization involved has time constraints and are expected to deliver outputs by specific dates. Therefore the process of this work has to take this into account, even if it may be desirable to include other non-analytical steps.
- The scope for generating all the data required to demonstrate the value of pastoralism at all stages of the value chain is limited by the time within which this activity has to be undertaken, given that some of the data requires several years to be collected.

Carrying this process forward

Daniel (TNRF) will be process manager (Andrew will brief him on this meeting). The other members of the team will be:

Sokoine University (Raymond Mnenwa)

SNV (Christine Bakuname)

IIED (Muyeye Chambwera)

Identifying a lead researcher in Tanzania to carry out the actual research.

Other issues discussed

SNV are going ahead with commissioning a consultancy on an analysis of the livestock chain that enables them to target their interventions. Need to follow-up to find the focus of the consultancy.

Budget: How much is IIED putting into research? – Muyeye to follow-up

The partners in Tanzania will start local fund-raising for the wider process (that involves stakeholder engagement), with possible funding from CARE, DANIDA.

ANNEX

Notes on implementing pastoral value chain analysis

What is a value chain?

- Sequence of organizations that are involved in consecutive production activities.
- Sequence of productive (value adding) activities leading and supporting end-use.
- A complex web of companies and other actors who affect the production to consumption process.
- Full range of activities, which are required to bring a product or service from conception, through the different phases of production, deliver to final consumer and final disposal after use.
- An alliance of enterprises, working together vertically to achieve a more rewarding position in the market.

Objectives

Economic efficiency and equity (distribution time and space)

Economic significance of pastoralism (multiplier effects)

Policy: understanding of pastoralism, participation of pastoralists in policy

Comparative analysis: pastoralism vs other land uses

Main activity areas

1. Descriptive and qualitative analysis

- Structure of the value chains
- Institutional set up
- Value chain governance

2. Quantitative analysis

- Distribution of benefits along the chain
- Products and their values at each stage of the chain
- Value addition at different stages
- Aggregating total value
- Unquantifiable values e.g. livelihoods etc

Value chain analysis steps:

- Value chain identifications
- Value chain selection
- Value chain mapping
- Chain value quantification (profits, value added, price mark ups)

Pastoral value chain and data

Value chain actor	Markets	Products	Functions	Data to be collected
Producers	Farm gate, primary markets	Live animals Hides and skins Meat	Production Transportation Information Diseases control	Cost price Selling price Transport cost Number of live animals traded

		Milk Blood Manure		Number of producers Types and number of customers
Primary traders	Primary markets	Live animals Hides and skins	Transportation Information Diseases control	Sources of live animals Types and number of customers Number of traders Number of live animals traded Quantities of hides and skins traded Buying and selling prices for animals Buying and selling prices for H&S Types and value of capital costs Types level of operating costs
Secondary traders	Secondary markets, Distant markets	Live animals	Transportation Information Diseases control	Sources of live animals Types and number of customers Number of traders Number of live animals traded Buying and selling prices for animals Types and value of capital costs Types level of operating costs
Slaughterers	Primary markets, Secondary markets, Retail markets	Live animals Meat	Processing Transportation Information Diseases control	Sources of animals Number of live animals bought Number of live animals slaughtered Carcass weights obtained Quantity of meat sold Price per kg of meat Number of employees involved Salaries and benefits to employees Types and value of capital costs Types level of operating costs
Butchers	Primary markets, Secondary markets, Retail	Live animals Meat	Processing Transportation Information Diseases control	Sources of meat Number of live animals bought Number of live animals slaughtered

	markets			<p>Carcass weights obtained</p> <p>Quantity of meat bought and sold</p> <p>Buying and selling prices</p> <p>Types and value of capital costs</p> <p>Types level of operating costs</p> <p>Types and number of customers</p> <p>Number of employees involved</p> <p>Salaries and benefits to employees</p>
Nyama choma businesses	Retail markets	<p>Roasted meat</p> <p>Boiled meat</p> <p>Meat soup</p> <p>Trupa</p> <p>Herbal soup</p> <p>Local sausage</p>	<p>Processing: roasting, boiling, etc.</p> <p>Transportation</p> <p>Information</p> <p>Diseases control</p>	<p>Sources of meat and buying prices</p> <p>Types of meat bought</p> <p>Types of products they sell</p> <p>Prices for various products sold</p> <p>Number of employees involved</p> <p>Salaries and benefits to employees</p> <p>Types and value of capital costs</p> <p>Types level of operating costs</p>