

2.Improved Planning and Resource Allocation

- Better Production Planning
- 3. Financial Planning and Access to Credit
- Access to Financing
- Better Cash Flow Management
- Easier ways contract marketing
- Clustering
- Cooperative
- Production plan

7.0 Record Keeping

Importance of keeping records

- Farm management: Helps to monitor activities, identify problems early, track progress and plan for future activities e.g stock inventory
- Disease management: Helps to improve biosecurity and disease control (vaccination programme)
- Breeding selection: helps to track reproductive performance of individual animals; pedigree evaluation,
- Decision making: provide data which can be aggregated into information for informed or data backed decision making such as culling, breeding
- Quality assurance: Helps to meet market regulatory measures such as animal traceability upon marketing
- Financial and taxation: helps with grant and loan application, tax compliance and licensing: Export and Slaughter Tax ACT



Ministry Of Agriculture

Livestock Marketing Farmers Guide

Ministry of Agriculture

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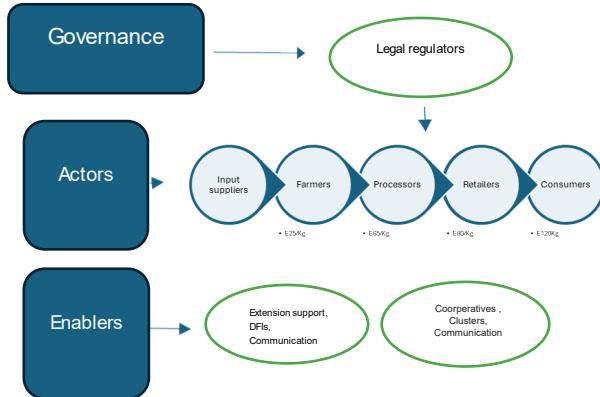
1.0 Purpose

This guide has been developed to be used by the farmer. This guide should allow a farmer to have enhanced comprehension on the following topics:

- o Livestock Value Chain
- o How to make informed decisions to maximise profits and ensure sustainable practices.

2.0 Livestock Value Chain

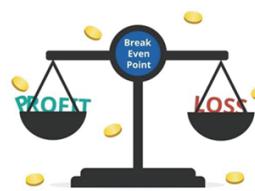
A livestock value chain analysis examines all the value chain actors involved from farm to fork.



3.0 Marketing Strategies (4Ps)



Pricing



Break even pricing

The percent revenue/amount a farmer is left with after subtracting all the operating costs in the production of the product

Break Even price = $(\text{Total operational cost}) / (\text{number of animals})$

Break Even yield = $(\text{Total operational cost}) / (\text{Unit Price})$

4.0 Grading (Live and Carcass)

Key components of Live Grading	
1. Weight	Higher weights attracts higher income
2. Age	Young animals attract higher grade than old animals at desirable slaughter weight
3. Conformation	A body condition score between 3-5 represent a good balance of fat to muscle ratio
4. Breed	Different breeds are preferred differently due to their characteristics
5. Health and Vitality	Diseased animals can be condemned resulting poor income returns
6. Sex	Male animals are of higher weights than Females hence higher returns

Key Components of Carcass Grading	
Yield Grade	<ul style="list-style-type: none">Measures the amount of usable meat compared to the total carcass weight.Higher yield grades indicate more lean meat and less waste (bone, fat, etc.).Often expressed as percentages (e.g., 55% lean meat).
Quality Grade	<ul style="list-style-type: none">Assesses factors affecting eating quality, such as tenderness, juiciness, and flavor.Common indicators include:<ul style="list-style-type: none">§ Marbling: Intramuscular fat that affects flavor and juiciness.§ Color: Bright red meat is preferred, while dark or pale meat may be downgraded.
Fat Cover	<ul style="list-style-type: none">Uniform fat cover is desirable for flavor and shelf life.Excessive or uneven fat may reduce the carcass grade.Fat color can also be used to grade the carcass i.e. old = yellow fat, young = cream white
Meat Maturity	<ul style="list-style-type: none">Younger carcasses tend to produce tender meat.Older animals may have tougher meat, impacting grade
Defects	<ul style="list-style-type: none">Carcasses are inspected for bruises, disease, or contamination, which lower grades.

5.0 Auction Sales

Offer farmers a platform to link with a wide range of buyers and sell animals to the highest bidder providing competitive pricing and transparency.

Advantages of Auctions:

1. Price Discovery: Auctions provide a transparent platform where the price of livestock is determined based on demand, supply, and bidding competition.

2. Market Access: Auctions give smallholder farmers access to a wider network of buyers, including those who are otherwise difficult to reach due to geographical constraints.

Preparations

- o Farmers- register cattle or goats with VA (Veterinary Assistant)
- o VA- consolidates the lists and verify animals on SLITS
- o Livestock marketing- facilitates dip-tank trainings, promotion and actual auction sale.

Sale

- o Weighing
- o Reserve pricing (price/kg)
- o Payment and collection

Challenges of Auctions:

1. Price Uncertainty: While auctions can result in good prices, they also carry the risk of low prices due to lower demand or oversupply.

2. Collusion: buyers or farmer's colluding during bidding to influence price.

3. Payments dealignment: defaulted payment from buyers, lack of bank accounts from farmers

6.0 Contract Marketing

Is a legally binding agreement between parties involved in the buying and selling of livestock and its products. Benefits of Contract Marketing

- 1. Stability and Predictability
- Reduced Market Risks
- Stable Income for Farmers