

CASE 1: SIANA AND KILITOME MARKET ACCESS COMMITTEES



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1.0 INTRODUCTION

The Siana and Kilitome Market Access Committees (MACs) are grassroots Maasai organizations from the Kimana and Imbirikani Maasai group ranches, bordering Amboseli National Park in the Kajiado County in southern Kenya.

The groups – formally registered as conservancy committees – started through a long-term lease program led by the African Wildlife Foundation (AWF) with the aim of securing the rangelands for wildlife conservation. In the lease program, AWF partnered with local communities and with the landowners to conserve their land under a special lease agreement.

Nearly 8,000 acres of community lands have already been protected through AWF's Leasing Land for Conservation Program. AWF pays each Siana and Kilitome landowner \$6 for every acre set aside for conservation and safeguarded against poaching, subdivision, and other activities that degrade the habitat.

The Siana MAC had previously existed as women's group selling beads, artefacts and other wares to tourists in a cultural village in Imbirikani.

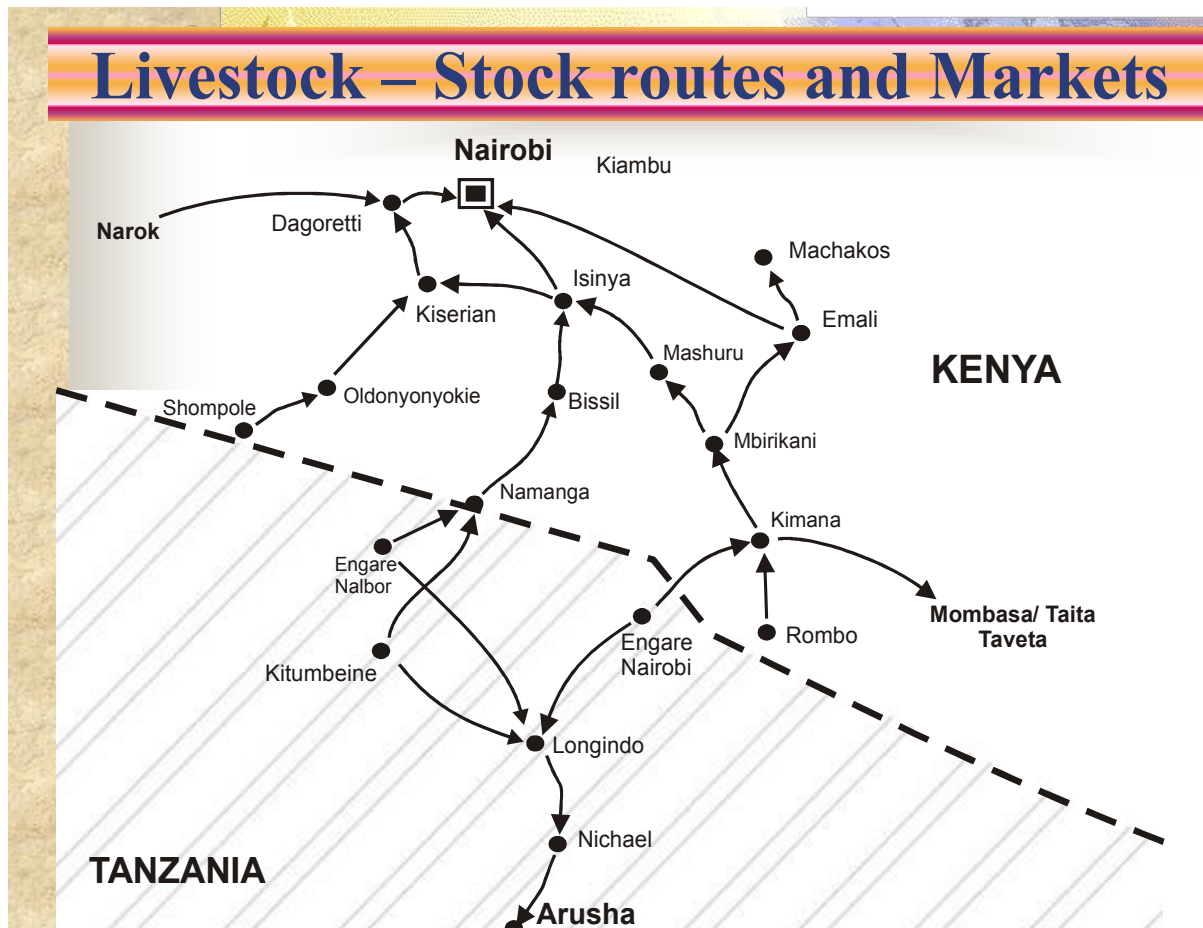
Historically, pastoralists have operated a risk based livelihood livestock production system where wildlife often is perceived as competitor. This poses serious human - wildlife conflicts as in order to mitigate the risks of losing cattle in the event of a prolonged drought, pastoralists have tended to overstock the range beyond its carrying capacity, ultimately causing land degradation. However, it is possible to develop ventures along sustainable livestock production and market chains that can improve local livelihoods and promote wildlife conservation.

In 2008, AWF conducted a landscape wide scope study to identify opportunities and constraints to develop viable conservation-friendly livestock ventures. The results indicated that pastoralists and other livestock producers in the Kilimanjaro heartland lack access to markets, technical expertise, commercial skills and entrepreneurial capacity to successfully commercialise their livestock resources.

In mid 2009, continued partnership between AWF and the landowners bore the introduction of a livestock access initiative targeting those communities that were benefiting by the lease program. This was how the Siana and Kilitome MACs started their activity.

The main objective of the livestock intervention was to facilitate transformation of the livestock market chain from a set of disconnected and uncoordinated steps into an efficient market chain generating significant returns and value to livestock producers. In addition to promoting financial gains, the program will raise awareness empowering pastoralists through more knowledge and better skills to eliminate the disadvantages that have constrained sustained profitable returns from their livestock resources.

The MACs undertake organized and fair livestock trading of both cattle and shoaat. They enable the group to obtain income from livestock and offer market access to pastoralists in urban meat markets, hence increasing returns for producers who have been exploited in the current livestock marketing practice. The MAC trading activities are integrated in the southern Kenya livestock stock routes and markets as illustrated in the figure below:



Source: Agritrade

The development of the livestock market access model as commercial vehicle for logistics, pricing and value addition has been made possible by the following partners:

- 1) African Wildlife Foundation – developing the project as part of the wider landscape work in the Kilimanjaro Heartlands;
- 2) IFAD- providing a grant to support livestock commercialisation through a project aimed at increasing returns and drought preparedness capacity among pastoralists livestock producers, especially women;

- 3) Agritrade Livestock Company Ltd. (sub granted by the AWF to provide livestock marketing services) - provision of market information and establishing links between the producers and terminal markets near Nairobi.

1.1 Kilitome MAC

Responding to a need to address the lack of fair markets for local livestock producers, the Kilitome MAC was founded in July 2009 with 74 registered members (among them, 18 were women). With livestock production and trading as the main commercial activity, the group started business with an initial stock of 22 heads of cattle.

At this point, AWF, IFAD and Agritrade were working closely with the community.

With the profits from the livestock trade, the Kilitome MAC has bought 2 acres of land, received capacity building through a training/exchange visit to Laikipia in northern Kenya, and has increased the quality of their livestock products, resulting in better prices (40% increase per cow) and more productivity.

1.2 Siana MAC

Similar to the Kilitome MAC, the Siana group faced the challenge of having a lack of stable market opportunities for their livestock and livestock products. The MAC was founded in September 2009 as an exclusively women's group, with 32 members, initially known as Osiram. Their livestock stock at the time was 22 heads of cattle.

Representatives from the IFAD office in Rome visited the Osiram group and made a contribution to assist them with purchasing seed stock. As soon as the money was available, the group ranch leadership of Imbirikani set in to manipulate Osiram's structure and operations, which generated internal struggles within this group. In 2010, with the support of AWF, the group re-organized and changed its name to Siana. To this date, Siana has increased its membership to 64 women.

Through the profits generated from livestock trade, Sianas's members have gained financial independence. Like the Kilimani MAC, this group also received capacity building through a training/exchange visit to Laikipia, and increased the quality of their livestock products, resulting in better selling prices (40% increase per cow).

2.0 THE INNOVATION

The innovative element within the model is the provision of market access, information and services to local communities that have been mistreated in the past by unscrupulous middlemen who often decrease product prices. The result of decreasing prices is that, as a

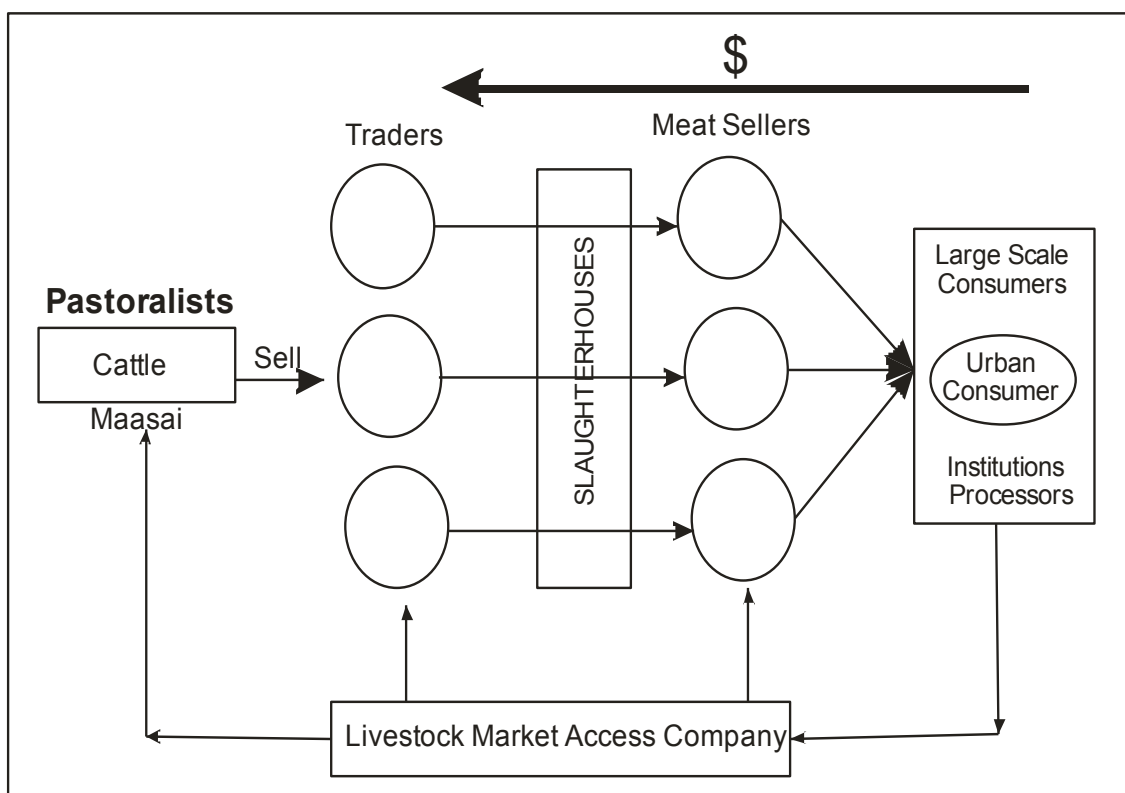
mitigation measure, pastoralists increase their herds, which not only degrades their range but also makes them more vulnerable in the event of a prolonged drought. The MAC model intends to intervene by increasing prices and productivity.

The market access component is managed by Agritrade Livestock Company and is fuelled by a soft loan financing mechanism from AWF, with favourable repayment mechanisms.

2.1 The MAC Innovation

As previously said, the MAC model intervenes in order to increase the performance of the livestock market chain. These Market Access Communities are established as a private sector business by interest groups or individuals with interests in the livestock marketing. The MAC's core business leads to increased market access for pastoralists' livestock produced in a specific region. MAC's operate within existing livestock market chains, as indicated in the chart below.

Chart 2: The innovation diagram



SourceSource: African Wildlife Foundation

The **commercial opportunities** for livestock MACs are: (i) the lack of reliable and time-sensitive market intelligence between pastoralists and the meat chain and (ii) the significant insecurity that exists in transactions between pastoralists, buyers and the meat chain. MACs

use their network of contacts and information to ensure transaction security among all the actors involved in the market chain. In order to guarantee a win-win situation for these actors, MACs receive commissions from them.

Before this innovative strategy, no entity was **competing** or providing services to the producers. There is a danger that some actors may perceive MACs to be direct competitors, but this can be taken care of by pointing out how exactly MACs help actors achieving gains – except of course for those who are out to cheat their trading partners.

Risks include the prolonged period of time needed to achieve the required relationships of trust, and the challenge of dealing with breaches of trust in swift and effective ways. These risks can be mitigated by insisting on price transparency and by rejecting the withholding of price information within the MAC management.

The MACs **mission** is to achieve full price disclosure for all actors, from pastoralists up to retail butchers in the main population centres. Pastoralists should be in a position to know whether they are getting a fair deal because by knowing who is providing an added value along the whole chain and how much they are actually earning.

The **unique selling point** of the MAC is transaction security for all deals along the chain:

- Known amount and quality of produce (animals, hay, carcasses, meat, etc.);
- Predetermined date transactions;
- Transactions at an agreed prices, and purchased under agreed terms;
- Traceability so that if something goes wrong, the problem can be tracked and corrected without quarrels;
- The will, from all actors involved, to pay a commission for being sure about their transactions.

In terms of **services**, MACs provide a market intelligence platform that is accessible through Internet and SMS. This allows all actors to see the prices and post offers for buying or selling produce. Furthermore, MACs are sources of produce for large buyers through their network of information. They also provide quality control mechanisms that go in line with the market's demands. In addition, MACs also provide transport services at reasonable costs for the pastoralists.

2.2 Lessons Learned

- 1) Innovative ways of drought preparedness;
- 2) The MAC model is innovative as a viable tool for breaking negative market cycles;
- 3) Techniques required for optimum stocking;
- 4) Brainstorm strategies on hay storage and commercialisation;

- 5) Importance of group formation and creation of avenues for collective bargaining;
- 6) Innovations around restocking, value addition and organized trading cycles;
- 7) Ways of increasing revenues from livestock resources including bridging the role of the middleman;
- 8) Links between wildlife conservation, agro-forestry, and livestock.

3.0 SUCCESSES AND ACHIEVEMENTS

The commercial returns from trading have not been consistent in the past few years due to the prolonged drought in 2010, with a spill over effect in 2011. The trading figures for both MACs to this date are shown in the table below:

Table 1: Trading Records January to September 2011

	Number purchased	Amount of purchases in kshs
January	31	522,635
February	26	422,720
March	41	742,625
April	38	687,985
May	18	206,540
June	66	1,485,000
July	47	968,000
August	58	1,322,400
September	42	928,200
	367	7,286,105

Source: AWF

The interventions have also resulted in increased capacity along livestock husbandry, animal health, value addition, market access and natural resource management. There is evidence that life conditions have improved over time due to the innovation, as shown in the table below:

Box 1: Livelihood improvement – after the Siana MAC implementation

Before Siana	After Siana
<ul style="list-style-type: none"> - Nomadic movement of livestock; - Lack of communication and solidarity among community members; - Women’s jobs and activities were restricted to household chores, taking care of shoats, and beading for decorative purposes; - Lack of awareness about market strategies; - Women were not entitled to own land. 	<ul style="list-style-type: none"> - Acquired freedom of movement and improved independency; - Women acquired a know-how in farming, among other technical competencies and occupations (cattle spraying, dipping, etc.) - Women have become cultural <i>Bomas</i> owners.

According to Siana, the fact of women becoming members of a group that acts in a collective way has enabled them to develop and to enhance their general knowledge and skills and to achieve the following:

- Ability to pay school fees for their children;
- Capacity to purchase land plots in urban centres;
- The right to own land and keeping the land title (AWF lease program enabled them to deal with issues related to land ownership);
- Capacity to sell ornaments to tourists;
- Ability to trade cows, accessing the Kimana and Emali markets.

In short, the greatest accomplishment within the MAC model is the reduction of market obstacles along the livestock value chain for rural pastoralist populations in southern Kenya.

The following are the main factors through which this goal was achieved:

- 1) MAC groups, with the support from the above-mentioned partners, were able to **conduct market barrier analysis** increasing awareness among livestock market players (particularly producers and end buyers). Participatory benefit-cost analysis of sustainable intervention options and strategies helped to build incentives for improvement. This has led to decreased transaction costs, which resulted in a significant income increase for targeted pastoralist families in the heartland regions.
- 2) The interventions have enhanced **awareness about market and pricing strategies** among livestock producers of the Siana and Kilitome MACs. This has provided incentives to produce and stock for the market, leading to decreased product prices for urban consumers, hence creating an extra consumption market (the necessary market to absorb increased volumes of pastoralist supply).
- 3) Coupled with a mechanism of strengthening producer organizations, MACs operate efficiently and are based on a negotiation model. Sale prices improve through a collective bargaining modelling of fair contracts (price-informed and secure transactions). Also, a negotiation of marketing credit facilities is in place, as well as

deposit facilities for monetary proceeds at point-of-sale. This has led to additional incomes to cater for basic needs (access water, housing, education and health services) and to the eradication of food shortages and the need to rely on food aid (measured by decrease in household food shortage frequency).

4.0 CHALLENGES

The main challenges that the Siana and Kilitome groups have to face are:

- 1) Droughts, causing death due to absence of water and pasture;
- 2) Continued market distortion by the middle men (which has significantly decreased after the interventions);
- 3) Lack of capital;
- 4) Political interferences, especially in the case of Siana;
- 5) Poor access to markets.

To tackle these challenges the following strategies have been used:

- 1) Implementation of a 3 month livestock fattening model to ensure the stock being offered to the market is of high quality and fetches high prices;
- 2) Establishing a partnership with AWF and Agritrade, which allows producers to organize and schedule their livestock transportation preceded by the delivery of market information and transactional security;
- 3) Implementation of pasture growing activities (that began through demonstration plots) will provide the necessary know-how for the group to supply pasture for a breeding stock during times of drought;
- 4) Leadership training offered by partners, through which MACs are continuously strengthening their systems to ensure solid leadership and governance;
- 5) MACs' increasing of drought resilience capability, achieved by investing in establishing simple irrigation systems that enable hay production and commercialisation at scale.

5.0 REFERENCES

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