

**RESEARCH IN ALTERNATIVE LIVELIHOODS FUND (RALF)
RESEARCH PROJECT PROPOSAL**

RALF Project Number	RALF01-09
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SECTION A: ADMINISTRATIVE INFORMATION

1. Project Title	Marketing of livestock and livestock products: Market demand, potential returns to producers and constraints to market access.
2. Start and Finish Dates	Start: 1 June 2004 Finish 31 January 2005
3. Target areas in Afghanistan	Communities in poppy producing areas - Kunduz and Takhar Provinces in the north, Daikundi Province in the Central Highlands and Kandahar and Helmand Provinces in the south.

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SECTION B: PROJECT PROFILE

8. Project Summary (600 words)

Background: Just over a quarter of a million families in Afghanistan each harvested about a third of a hectare of opium poppies in 2003, and selling the resin earned each family about \$3,900. Despite the wide difference in the earnings from growing opium poppies and other more traditional crops, alternative livelihood options have to be found. For any alternative to be credible, a) there must be a demand for the product(s) from the market, b) the returns to the producer must be sufficiently high and c) constraints to participation in the market need to be overcome, including production constraints.

Rationale: One alternative is to increase family income from the sale of more and better finished live animals and higher amounts of raw and processed products from these animals. Livestock offer the potential for increased income because a high proportion of rural households own livestock and demand for livestock products is increasing. Some livestock products offer the potential for higher returns either because they are high-value products (e.g. cashmere) or there may be the potential to add value by processing rather than selling raw materials.

Project purpose: Identify market opportunities for livestock and livestock products and constraints to producers receiving higher returns from livestock products.

Outputs: The project will identify the most promising future avenues for research to allow the development of market-oriented livestock production systems. Specifically the project will produce the following outputs:

1. Market demand for livestock products at local, regional, national and international levels will be identified.
2. The most promising high value livestock systems and products, for generation of household income will be identified.
3. Barriers to the participation of rural livestock producers in the market will be identified.
4. Opportunities and priorities for future research will be identified.
5. Local counterpart staff in Mercy Corps and MoAL will be trained in market chains and simple market research methodology

Activities: The outputs will be achieved by undertaking three activities:

1. *Describing the marketing chains for livestock and livestock products and identification of constraints.*
Secondary data will be collated, but the principal means of data collection will be semi-structured interviews with staff in government and non-governmental organisations and group and individual interviews with key-informants will be conducted with farmers and key informants in communities where Mercy Corps has been working for some years. Interviews will also be conducted at local markets and in markets in district and provincial centres and in Kabul. Commodities considered will include live animals (by species and age category), milk and milk products, animal fibres (raw and processed wool and cashmere), Karakul pelts, skins, hides, bones, horns, hooves, eggs, silk, etc. Based on the data collected key constraints to the development of the markets and the provision of improved returns to producers will be ascertained.
2. *Quantifying the national and international trade in livestock products*
Data will be collected on the volume and value of national and international trade in key livestock products by reviewing secondary sources of data and by interviewing traders and entrepreneurs in major centres in Afghanistan and elsewhere (e.g. international buyers of Afghan products, especially fibre products will be contacted). The

implications of current and potential trade patterns for increasing returns to producers will be identified.

3. *Organising a workshop on research priorities*

The outputs from Activities 1 and 2 will be collated and analysed and recommendations made, including setting priorities, about which types of livestock production should receive the greatest attention at the community through to the policy level to allow the development of a market-oriented livestock sector that can provide realistic alternative livelihood options to poppy production. These findings and their implications will be presented and discussed at a workshop with stakeholders held towards the end of the project. The priorities for future research will be refined in the light of discussions at the workshop

Further developments: The results of the project will be used as the framework for the development of a research project to be submitted to RALF later in 2004. The results will also assist other donors to develop relevant research projects and development agencies and NGOs to develop more effective programmes.

The proposed project complements a project proposed to the RALF programme by ICARDA to increase sales of milk products through improved animal management and processing and marketing of milk products.

SECTION C: BACKGROUND/PURPOSE

11. Background / Literature Review

Background

Just over a quarter of a million families in Afghanistan each harvested about a third of a hectare of opium poppies in 2003, and selling the resin earned each family about \$3,900 (UNODC, 2003)¹. This is 20 – 30 times higher than the income from selling 1,000 kg of irrigated wheat from a similar area. Thus, there are huge incentives to grow poppies, particularly to the large numbers of vulnerable families spread across the country that have no alternative livelihoods. These families, particularly if they are sharecroppers, are often so destitute that they have little choice but to grow poppies. Moreover, many of them are in debt to intermediaries who give them little choice but to continue growing the crop.

Despite the wide difference in the earnings from growing opium poppies and other more traditional crops, alternative livelihood options have to be found to end the dependency of these vulnerable families on the growing of opium poppies. For any alternative to be credible, a) there must be a demand for the product(s) from the market, b) the returns to the producer must be sufficiently high and c) constraints to participation in the market need to be overcome, including production constraints.

Proposed project

One alternative is to increase the family income from the sale of more and better finished live animals and higher amounts of raw and processed products from these animals. Livestock offer the potential for increased income for a number of reasons. Some livestock products offer the potential for higher returns either because they are high value products (e.g. cashmere) or there may be the potential to add value by processing rather than selling raw materials. A high proportion of rural households own livestock - a recent survey in 183 villages distributed among five provinces showed that about two-thirds of the households in the sample owned livestock although numbers had fallen dramatically as a result of a severe four-year drought.^{2,3} Critical to any efforts to increase the incomes of rural families from selling more farm-produced commodities is a strong demand for these commodities. It appears that demand for farm commodities, especially foods of animal origin, is strong and expanding in the cities and larger towns in Afghanistan. This is due to the increased buying power of people in urban areas and because of the rapid growth in the population, partly driven by the influx of refugees and internally displaced persons. As a result commodities such as dried milk, eggs and live chicken are being imported and products such as eggs and chicken are often transported long distances. It is well recognised that as buying power increases, the proportion of expenditure in animal products increases.⁴ There is also a strong demand for some non-food livestock products. Cashmere fibre, for example is being exported from Afghanistan via Pakistan to international markets. Therefore the potential increasing demand for livestock products

¹ UNODC (United Nations Office of Drug and Crime) 2003. Afghanistan Opium Survey 2003. UNODC Office Kabul and Vienna.

² ICARDA (International Center for Agricultural Research in the Dry Areas) 2002. Needs Assessment on Feeds, Livestock and Rangelands in Afghanistan. (Consultants: E.F. Thomson, T. Barker and J. Mueller.). ICARDA, Aleppo, Syria and USAID, Kabul.

³ FAO ref: FAO (Food and Agriculture Organisation of the United Nations) 2003. Afghanistan: National livestock census: interim report. Report OSR/AFG/212/TA. FAO, Rome.

⁴ Ahmed, R. and Gruhn, P. 1995. Selected issues in the supply of and demand for red meat and poultry products in developing countries. In: Supply of livestock products to rapidly expanding urban populations. (ed R.T. Wilson) Proceedings of the joint FAO/WAAO/KAAS symposium, Hoam Faculty Club, Seoul National University, Seoul, Korea, 16-20 May, 1995. FAO, Rome.

combined with the fact that the majority of rural households rear livestock, suggest that the potential for increasing returns from livestock and livestock products is considerable. Thus, efforts to increase the output of live animals and their products would affect most of the rural families and also make available more protein-rich foods of animal origin. Potential products include live animals, meat, eggs, yoghurt, kurut (dried buttermilk), cheese, wool, cashmere, rugs, and Karakul pelts.

A short project lasting eight months and led by the Macaulay Institute is proposed. It aims to assess the strength of the demand for, and the trade in, livestock commodities and to assess the major constraints to participation in the market for livestock and livestock products. It will be implemented at different levels, local, regional, national and international. At the local level the project will be focussed in areas and villages where Mercy Corps has been operating for some time. The state of local markets will be studied and barriers to their efficient operation identified. At the regional and national levels the market for livestock products will be assessed in selected towns and cities by examining the strength of the buying power of consumers in the selected cities and towns. Barriers to the supply to those markets will be identified. At the international level the market for selected products will be assessed and the potential for Afghanistan to supply those markets will be identified. Forecasts will be made of the potential future demand for and trade in these commodities, and recommendations will be made on how to improve marketing chains and the exchange of price and demand information so that producers receive a higher percentage of the retail price.

The output from this project will identify the most promising future avenues for research to allow the development of market-oriented livestock production systems. Constraints to such development might include, for example, lack of infrastructure, lack of local capacity, knowledge or training, technical constraints to livestock production and productivity, poorly developed marketing institutions, lack of appropriate credit etc. The intention is to submit a full research proposal to RALF later in 2004. As well as reviewing the information collected, a final workshop involving stakeholders will allow the preparation of the follow-up research proposal.

Related work

The substantial efforts led by FAO to increase the production of milk and eggs and to improve marketing of these commodities have, to date, concentrated on the peri-urban areas of the major cities. Households in more remote areas currently have difficulty competing in the market, particularly for perishable commodities such as red meat and yoghurt, due to the long distances to centres of consumption. When these imports do not meet domestic demand, , farming households in remote These producers are therefore disadvantaged since they are dependent on middlemen who control the marketing of these commodities and farm-gate prices. Producers of commodities such as wool, cashmere and Karakul pelts are similarly at the mercy of the middlemen spread across the long marketing chains. For example, considerable quantities of cashmere are sold through Pakistan, but the marketing chain is long and the returns to producers are small.⁵

A recently initiated USAID-funded project Rebuilding Afghanistan's Agricultural Markets (RAMP) program focuses mainly on developing infrastructure such as roads, bridges, culverts, irrigation systems and structures used for storage, processing and selling of agricultural products. The proposed project will compliment that initiative by adopting a systematic approach to identifying the market potential and constraints in the livestock sector.

⁵ R. Lamb, Managing Director, W S Feins Ltd., Bradford (Cashmere importer and processor) (personal communication)

The partners

The project consortium has been created to combine both international research experience with practical development experience in Afghanistan.

The project will be led by the **Macaulay Institute**, UK. (The contracting body for this project will be Macaulay Research Consultancy Services Ltd, the knowledge transfer company of the Macaulay Institute). The Macaulay Institute has considerable international experience of research on livestock systems and markets. It pioneered a multi-disciplinary systems approach to livestock research in Europe in the 1970s and for the past 8 years has been conducting research and development in the livestock sector and rural development in Central Asia, South Asia, Southern and Eastern Africa and South America. Relevant recent projects include:

1. Impacts of privatisation on livestock and rangeland management in semi-arid Central Asia. 1997-1999. DFID
2. Opportunities for increased food production from livestock through improved rangeland management and animal feeding strategies in transhumance pastoral systems of the Hindu Kush - Karakoram - Himalayan region. 1998-2002. European Commission
3. Desertification and Regeneration: Modelling the Impact of Market Reforms on Central Asian Rangelands. 2000-2004. European Commission
4. Kyrgyzstan: Sustainable Livelihoods in Livestock Producing Communities. Inception Phase 2000-2001. DFID.
5. Potential for increasing producer's income from wool, fibre and pelts in Central Asia. 2001. ILRI.
6. Natural Resource Management in the Mountain Regions of Asia: Community-Led Research Requirements. 2004. European Commission.

The International Centre for Agriculture in Dry Areas (ICARDA), with headquarters in Aleppo, Syria, has the CGIAR ecoregional mandate for Central and West Asia, including Afghanistan. ICARDA is responsible for the overall management and coordination of the Future Harvest Consortium to Rebuild Agriculture in Afghanistan (FHCRAA), established in January 2002 with the overall goal of restoring and enhancing the food production capacity of farmers in Afghanistan. ICARDA operates in Afghanistan through its office in Kabul and staff posted at Ministry of Agriculture and Livestock provincial research stations.

ICARDA's scientists, and NARS partners throughout West Asia, offer expertise and experience in small ruminant production in dry areas, in the design of strategies for improved feeding at low costs under harsh environments, integration of feed resources for improved production, flock/herd management improved productivity, and adding value to small ruminant products.

Mercy Corps is an international NGO which has been working in the South (Helmand, Kandahar, Uruzgan) and the North (Kunduz, Takhar), where MC works on agri-enterprise development, vocational agriculture education, fruit and nut orchard re-establishment, extension activities, irrigation and watershed management and the production of a variety of quality seeds.

The Livestock Directorate within the **Ministry of Agriculture and Livestock** is responsible for the implementation of government policy concerning the livestock sector in Afghanistan. It also coordinates research on livestock husbandry and breeding, feed and milk processing and artificial insemination. However, since the Livestock Directorate was severely underfunded and understaffed for over 20 year, staff in the Directorate will benefit from being involved in the project. Staff from the MoAL Livestock Department in the target areas will be seconded to the project and work as counterparts alongside the Mercy Corps staff. Their experience and historical perspective will be an asset to the project. Additionally, they will benefit from training so that the Department is more able to conduct and understand research. MoAL staff will also advise on appropriate stakeholders to invite to the final workshop.

12. Project Goal

The project goal is: **To develop and promote innovative alternative livelihood options for rural Afghans currently economically dependent on opium poppy.**

13. Project Purpose

The project purpose is: **To increase returns to producers from livestock as a viable alternative to poppy production.**

Livestock products have the potential to be relatively high value products and so have the potential to contribute significantly to household income in rural areas, including poor households, but households need to be able to participate effectively in the market.

SECTION D: OUTPUTS/UPTAKE PATHWAYS

14. Outputs

The outputs from the project will be:

1. Market demand for livestock products at local, regional, national and international levels will be identified.
2. The most promising high value livestock systems and products for generation of household income will be identified.
3. Barriers to the participation of rural livestock producers in the market will be identified.
4. Opportunities and priorities for future research projects will be identified.
5. Local counterpart staff in Mercy Corps and MoAL will be trained in market chains and simple market research methodology

15. Target Institutions

The primary output of the project will be identification of the most promising lines of future research. As such, research organisations will be primarily interested in the output to help them set their research priorities. In addition international and local development organisations will be interested in the results of the market analyses to help them develop their priorities. Target institutions include:

- International research organisations (e.g. ICARDA, which is a partner in the proposal and has been involved in preparing the project proposal).
- Afghan Research Organisations, Universities and Colleges
- Ministry of Agriculture and Livestock (MoAL) (Directorates of Animal Husbandry, Health, Extension) MoAL is a partner in the proposal.
- Representatives of community organisations
- Local and international NGOs (Mercy Corps is a partner in the proposal. The Aga Khan Development Network in Kabul has indicated that *'more information through your study would be highly appreciated'*)
- Aid Agencies (e.g. DFID, USAID, FAO)
- Private sector companies involved in supplying inputs to the livestock sector and in the trading of livestock products. e.g. W.S Feins, Bradford, UK, a cashmere trading and processing company has already expressed interest in the proposal and is willing to supply information on global cashmere marketing.

All these stakeholder groups will be invited to the final workshop.

16. Target Areas and Stakeholders

The target areas are Kunduz and Takhar Provinces in the north, Daikundi Province in the Central Highlands and Helmand⁶ and Kandahar provinces in the south. (Helmand Province had the second largest area of poppy cultivation in Afghanistan in 2003 (15,000 ha), UNODC, 2003). Surveys will also be conducted in communities and villages in which Mercy Corps has active programmes. Subject to security considerations, the livestock markets in Herat, Mazar-i-Sharif, Nangarhar and Kandahar will be visited since these cities are fairly close the international borders where there is considerable trade (legal and illegal) in livestock and livestock products.

⁶ The Review Committee requested the inclusion of a Highland Province, and Daikundi Province has been added. However without additional funds it may not be possible to include this province without dropping Helmand Province. A final decision on including Helmand will be taken at the Project Start-up meeting.

The main stakeholder groups involved in, or affected by, the project are:

- Land-owning households with livestock in the communities
- Share-croppers who are often the most vulnerable social group since frequently they are locked into poppy production as there are no other lucrative ways to earn a livelihood.
- Women and school children who are exploited as unpaid labour to tend the poppy crops.
- Users of opium / heroin in Afghanistan, neighbouring countries and the West who would benefit from the reduced, and ultimately the elimination of, poppy growing.
- Local entrepreneurs who will benefit from information on the potential market for livestock products at not only the local, but also at the regional, national and international scales.
- Officials in the local and international NGOs who will gain a better understanding of market potential for livestock products.
- Government policy makers who will gain a better understanding of the workings of the market in livestock and livestock products in Afghanistan and therefore be able to draft policies that result in more efficient marketing chains and better returns to producers.
- Researchers in national and international research organisations (and universities) who will be informed of research priorities in the livestock sector.

Particular attention will be paid in the project to identifying the role of poorer and vulnerable groups within communities that are involved in the livestock sector and to identifying ways in which they could benefit economically from improvements in the sector.

17. Uptake Pathways

Two primary uptake pathways are envisaged. Firstly project reports will be distributed to the range of institutions identified in Section 15. Full project reports will be available in English, but project summaries will be produced in Dari and Pashtoo as well as English. Secondly, a workshop will be held towards the end of the project at which the findings will be presented and discussed and the framework for a follow-up project will be prepared. Participants in the workshop will include representatives from the range of institutions identified in Section 15.

18. Expected Impact: Livelihoods and poverty of current poppy growers

The main impact of the project will be to focus a follow-up full research project more clearly on income-enhancing, market-driven alternative livelihoods options that alleviate poverty among livestock owning families in rural areas who would otherwise be heavily dependent on poppy growing for their livelihoods.

19. Monitoring and Evaluation

As this is a relatively small and short-term project the monitoring and evaluation procedures have been developed to be in keeping with the scale of the project. The primary form of monitoring will be monthly progress reports submitted to the Principal Investigator, along with reports prepared by visiting experts following each phase of the fieldwork and workshops. These reports will include summaries of qualitative information collected during interviews at the community level and with key individuals along marketing chains, and quantitative information derived from secondary data sources.

One of the key outputs of the project will be the identification of which types of livestock production systems should receive the greatest attention to allow the development of a market-oriented livestock sector that can provide realistic alternatives to poppy production. Priorities for future research will also be developed to inform the development of a future research projects. These priorities will be evaluated by the stakeholders at the final workshop, and the priorities and recommendations will be modified in the light of the discussions at the workshop.

20. Appraisal Issues

The key aspects of the appraisal of the current situation regarding poppy cultivation are:

1. Technical: There are no major technical issues in relation to this project *per se*, although one of the objectives is to identify the livestock products which offer the best potential for providing high returns to producers. The findings may therefore lead to research that is needed to overcome technical problems.
2. Environmental (beneficial, harmful, neutral): Future research on the development of market-oriented livestock production will have to take into account possible negative effects on the environment, e.g. overgrazing, soil erosion etc. However, the development of appropriate livestock systems and their integration in mixed cropping systems could lead to environmental benefits such as more efficient use of animal manures.
3. Economic: The project will identify potential market-oriented, economically viable livestock systems and products that offer farmers an alternative to poppy production. A better understanding of the market chain and constraints to participation in the market will ultimately assist farmers to access the market and achieve higher returns. Although in the short-term, higher returns to producers might appear to threaten the margins of traders, a better functioning, larger market is likely to lead to higher returns to all.
4. Social (including gender): 20 – 30% of the rural population of Afghanistan are said to be at least partially dependent on the growing of opium poppies. This is related to the high price of the opium resin harvested and because each hectare is said to require annually 350 person days of labour from sowing to harvest. However, wages of labourers vary considerably and women and school children often provide unpaid labour to tend the crops, adding to the burdens on women and limiting the knowledge development of the children.

There are unlikely to be any adverse effects on the wellbeing of any stakeholder group.

SECTION E: ACTIVITIES

20. Activities

Activity 1: Describing the marketing chains for livestock and livestock products and identification of constraints

Sources of information and data

The project will rely on both secondary sources of information and new data and information collected in the field. Existing reports and data on the marketing chains for livestock and livestock products will be collated. The principal method of data collection in the field will be semi-structured interviews. These will be conducted with a range of key informants. These key informants will include staff working for government and non-governmental organisations. Because of differences in the agro-ecology of different parts of the country, it is proposed to carry out research in different target areas, in the north, in the Central Highlands and in the south where Mercy Corps has been working for several years. The agricultural systems are different, with, in the north, livestock grazing on mountain pastures and cropping in the valley floors. In the Central Highlands there is a mountain agricultural system and in the drier south cropping is carried out under irrigation with livestock production not only associated with the irrigated land, but also grazing semi-arid rangelands.

In the north, Kunduz and Takhar Provinces, in the Central Highlands, Daikundi Province and in the south, Kandahar and Helmand Provinces will be visited. However the exact study areas will be decided at a project start-up meeting in Kabul, taking into account current local conditions and security considerations. Approximately eight days will be spent in each province.

Field work

Visits will be made to several villages and market towns in each province. Villages will be selected according to their distance from markets, to include peri-urban villages and villages in more remote from commercial networks. Interviews will be conducted with livestock producers and with traders in livestock products.

A range of producers will be interviewed, to include farmers raising animals for meat, karakul and wool-producing sheep, cashmere-producing goats, dairy animals and poultry. Producers will be selected according to the size of their livestock holdings, representing small, medium and large-scale enterprises. It is expected that the priorities for market development will vary with the size of the household livestock enterprise as well as the livestock commodity. Women will be interviewed concerning their role in livestock production and the livestock products they handle at home and in the markets. The interviews will cover the following topics for each livestock product: costs and incomes gained from marketing, techniques for home-processing of products, constraints to market access, seasonal aspects of markets, type of connection with traders (e.g. clanship connections) and contribution of income from selling livestock products relative to other household income sources.

Interviews will also be conducted in the provincial towns and villages with a sample of livestock commodity traders at different scales of operation – small, medium and large. Priorities for improving trading systems are likely to vary for different scales of traders. Traders will be sought who specialise in dealing with different products (wool, karakul pelts, cashmere, dairy products, rugs etc.) Interview topics will cover for each product: costs and incomes gained from trading, transportation routes to domestic and international markets, farm-gate, wholesale and retail prices paid and received, constraints to trading and proposed suggestions for improvement in the marketing chain.

At local community level, group and key-informant interviews will be conducted. The aim of these interviews will be to gather information on current livestock production and marketing

activities and to ascertain local views on market development needs and constraints. Local markets and markets in larger towns will be visited and both sellers and buyers of livestock and livestock products will be interviewed and information obtained on prices and constraints facing producers and traders. Interviews will also be conducted with market agents and government officials in district and provincial centres and in Kabul.

Data analysis

Commodities considered will include live animals (by species and age category), milk and milk products, animal fibres (raw and processed wool and cashmere), Karakul pelts, skins, hides, , bones, horns, hooves, eggs, silk, etc. Based on the data collected an analysis of the marketing chain will be conducted. This will identify the key constraints to the development of the markets and the provision of improved returns to producers. Attention will also be given to the role of slaughter facilities, movement of animals (including trans-boundary diseases), transport of perishable products, hygiene, etc. It will also estimate the volumes of trade needed at the community level that would increase incomes of producers to a level at which they feel they would choose livestock production as an alternative to growing poppies.

Training of Afghan personnel

The international researchers will work closely in designing and carrying out the field work with Afghan personnel from Mercy Corps and MoAL. A semi-structured interview protocol and methodology will be jointly compiled by international researchers and Afghan partners prior to conduction field work. The local knowledge of the Afghan partners will be crucial to this exercise. The interview protocol will be tested in the field with Afghan colleagues who will also receive practical training in selecting representative households and traders for interview. It is anticipated that Afghan partners will be wholly responsible for conducting field work, using the jointly developed protocols, where it is more difficult for western researchers to work, An important element will be review, feedback and quality control by international researchers of the data and information collected by Afghan personnel. The analysis of secondary and field data will be conducted jointly by international researchers and Afghan staff, with support given to Afghan partners as required.

Activity 2: Quantifying the national and international trade in livestock and livestock products

Information will be collected on the volume and value of national and international trade in key livestock products. This will be achieved by reviewing secondary sources of data and by interviewing traders and entrepreneurs in major centres in Afghanistan (subject to security considerations interviews will be conducted with key informants in the livestock markets in Herat, Mazar-i-Sharif, Kandahar, and Kandahar) and elsewhere (e.g. international buyers of Afghan cashmere in the UK and the US will be contacted). If time allows markets in Quetta, Pakistan, where Mercy Corps has a well-established office, will also be visited as this is a major centre for trade with Afghanistan. International buyers of Afghan products, especially fibre based products such as cashmere, rugs, Karakul etc. will be interviewed by telephone. The Macaulay Institute has good links with the international fibre market. The implications of current and potential trade patterns for increasing returns to producers will be identified.

Activity 3: Workshop on research priorities

The outputs from Activities 1 and 2 will be collated and analysed. The analysis will not only take into account the current income generating capacity from livestock products relative to other sources of household income, including poppy production, for different social groups, but will also identify the livestock products with the most potential for development and the constraints to that development. Recommendations will be made, including setting priorities, about which types of livestock production should receive the greatest attention at the

community through to the policy level to allow the development of a market-oriented livestock sector that can provide realistic alternative livelihood options to poppy production. These findings and their implications will be presented and discussed at a workshop with stakeholders held towards the end of the project. The priorities for future research will be refined in the light of discussions at the workshop. Participants in the workshop will include representatives of the target institutions identified in Section 15, but this list will be modified in the light of experience gained during the project.

The results of the project will be used as the framework for the development of a research project to be submitted to RALF later in 2004. The results will also assist other donors to develop relevant research projects and development agencies and NGOs to develop more effective programmes.

21. Implementation and Management

Dr Iain Wright, the PI from the Macaulay Institute will have overall responsibility for the project. He will chair a management committee comprising the PIs, ICARDA (Dr Luis Iniguez) and Mercy Corps (Philippe Chabot). Dr Iniguez is the senior small ruminant specialist at ICARDA with considerable experience in Afghanistan. Philippe Chabot is an Agricultural Economist who is currently an Agricultural Advisor with Mercy Corps. The overall technical management of the project will be the responsibility of Dr Euan Thomson, an experienced livestock researcher who has worked previously in Afghanistan. Dr Thomson will be contracted part-time by the Macaulay Institute for the duration of the project and will report to Dr Wright. Dr Thomson's CV has been provided with this application.

The Macaulay Institute, in addition to providing specialist input on livestock marketing, will provide administrative and financial backstopping for the project and will be responsible for financial reporting.

Mercy Corps will be responsible for identification of target communities, for providing local knowledge of the agricultural and livestock sectors and for providing logistical support (vehicles, drivers interpreters etc.).

ICARDA will provide specialist input on livestock systems, natural resource management and processing and marketing of livestock products.

An interim progress report will be sent to the RALF programme manager at ICARDA by the end of month 4. A final project report, which will include recommendations for priorities for future research, will be delivered by 20 January 2005.

Attachment 1: Logical Framework

RALF Project Number	RALF01-09
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Project Title	Marketing of livestock and livestock products: Market demand, potential returns to producers and constraints to market access.
Lead implementing institution	Macaulay Institute

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Assumptions and Risks
Goal: To develop and promote innovative alternative livelihood options for rural Afghans currently economically dependent on opium poppy.	A reduction in poppy production in Afghanistan.	Statistics on poppy production and trade from Afghanistan.	The National Drug Control Strategy is effective.
Purpose: To increase returns to producers from livestock as a viable alternative to poppy production.	An increase in the price paid to producers for livestock products.	Market report information	The demand for livestock products increases. Consumers in urban areas have sufficient purchasing power to create a demand for livestock products.
Outputs:			
1. Market demand for livestock products at local, regional, national and international levels identified	Description of market chains and data on trade	Final project report	Assumed market for livestock and livestock products.
2. Promising high value livestock systems identified	Market prices for livestock and products	Final Project Report	Producers and traders unwilling to discuss livestock production and marketing.
3. Barriers to participation of rural livestock producers in the market identified	Description of constraints preventing producers receiving high returns	Final Project Report	Barriers may not be amenable to research.
4. Opportunities and priorities for future research identified	At least one project proposal initiated	Follow-up project proposal	Research may not be the limiting factor.
Activities:			
1. Describing the marketing chains for livestock and livestock products and identification of constraints	Description of market chains for livestock products and constraints.	Consultant's reports and Final Project Report	Market agents available and willing to discuss the trade in livestock and livestock products

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Assumptions and Risks
2. Quantifying the national and international trade in livestock and livestock products. 3. Workshop on research priorities.	Commodity prices and volumes traded for selected livestock products Stakeholder workshop report prepared.	Consultant's reports and Final Project Report Final project report. Follow-up project proposal submitted.	Security considerations limit travel to target towns Stakeholder disagreement on research priorities.

Attachment 2: Work plan: Activities and Milestones

RALF Project Number	RALF01-09
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Project Title	Marketing of livestock and livestock products: Market demand, potential returns to producers and constraints to market access.
Lead implementing institution	Macaulay Institute

Project Year	Year 1							
Calendar Year	2004							
Calendar Month	5	6	7	8	9	10	11	12
Project Month	1	2	3	4	5	6	7	8
Activities & Milestones:								
Activity 1: Describing the marketing chains		X	X					
Milestones:								
Project start-up meeting	X							
Report on marketing chains				X				
Activity 2: Quantifying national and international trade					X			
Milestones:								
Report on trade						X		
						X		
Activity 4: Workshop							X	
Milestones:								
Final project report								X

Note: Month one will be used for project initiation, including organisation of travel, identification of local staff and selection of the study communities