

Community Action in Integrated and Market
Oriented Feed-Livestock Production in Central
and South Asia

**Results of the Socio-economic Research in
Central Asia**

Kazakhstan, Kyrgyzstan, Tajikistan

Kazakhstan



Activity 1. Analysis of rural livelihoods

- Main income in HHs is generated from livestock production
- Average flock size:
 - 100 Karakul sheep;
 - 75 fat-tailed sheep;
 - 5 cattle (2 cows);
 - 1 horse.
- Major production constraint: lack of (high prices for) forage for winter period

Activity 2. Evaluation of the technological options on rural livelihoods

Production systems

- 1 type: Joint flock of HHs sent for grazing in the morning and returned to the HHs in the evening, each householder grazes this flock on a rotational basis
- 2 type: same like type 1, the difference is that HHs hire a shepherd for grazing the flock. In average HHs pay him 70 KZ tenge per sheep and 150 tenge per cow
- 3 type: animals are kept on rangelands from spring to autumn and each HH for the winter season moves their animals for stall-feeding
- 4 type – animals are kept on remote rangelands with the required infrastructure (sheep-fold, etc.) throughout a year

Cost/benefit analysis of lamb fattening

- The most profitable activity is fattening of 40 kg sheep.
- Fattening costs = 3,612 KZT
- End of fattening period (4 months) = 25 kg live weight gain (13.7 kg of meat)
- 13.7 kg of meat is sold at the price of 550 KZT for 7,535 KZT
- The profit will form $7,535 - 3,612 = 3,923$ KZT (\$30.5)

Activity 3. Analysis of lamb markets and farmers market access

Main markets

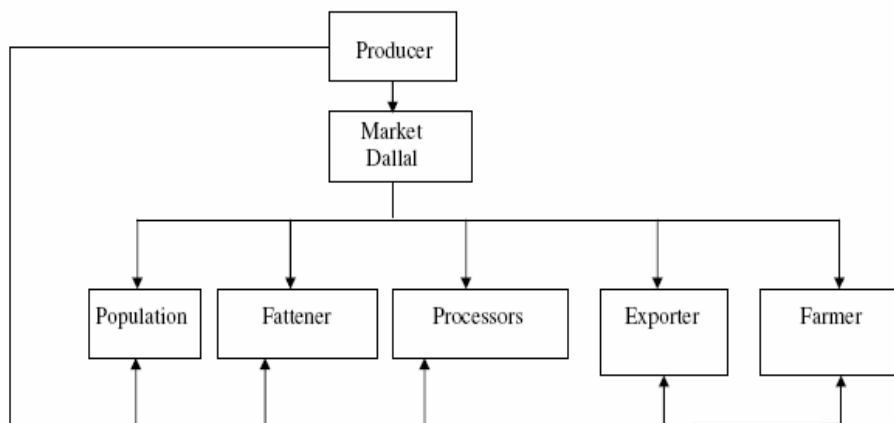
- Main markets are located in Arys (500-600 sheep / day) and Shymkent (300-400 sheep / day). They operate only on Sundays.
- The market fee is charged only if an animal is sold
- Fatteners buy and sell 30-40 sheep per week. They sell lambs from their houses 24 hours a day. The prices are usually 10-15% higher than the market price

Marketing channels

- Channel 1: producers sell lambs to middleman (35%)
- Channel 2: producers themselves sell lambs at the market to consumers and other farmers willing to expand their flock (40%)
- Channel 3: producers sell lambs to processors (25%)

Value chain analysis

Lamb market in Kazakhstan



Value chain analysis

Agents	Value added share in the retail price (%)
Producer	52.3
Middleman 1	6.5
Fattener	27.4
Middleman 1	3.2
Butcher	10.6

Kyrgyzstan



Activity 1. Analysis of rural livelihoods

Major sources of livelihoods

- All households are involved in livestock and crop production
- About 85% share of crops grown by smallholders are forage crops, while vegetables, fruits, and food crops (wheat, corn) grown for personal consumption have a 15% share in total crop production

Poverty categories

- Very poor: 0 – 4 sheep, no land
- Poor: 5 – 40 sheep, 0.03-0.05 ha of land
- Moderately well-off: 40 – 100 sheep, 1-3 ha of land sometimes leased
- Well-off: over 100 sheep, lease over 3 ha of land

Activity 2. Costs/benefits of sheep production

Activity	Quantity	Price per unit	Total cost in KGS	Total cost in USD (1\$=37.7 KGS)
Beginning of the year, costs				
Procurement of 1.5 year old coarse wool ewes	10 heads	2,500	25,000	663
Grazing of goats	10 heads	25	250	6.6
Payment for the rangelands	10 heads	4	40	1.06
Forage	90 bales	40	3600	95.5
Feed	315 kg	5	1,575	41.8
Veterinary services	-	5	50	1.3
Medicines	-	50	500	13.3
Total costs			31,015	822.7
End of the year, selling				
Mohair	2.5 kg	40	1,000	26.5
Kids	6 heads	1,200	7,200	191
Ewes	10 heads	3,800 (considering the weight gain)	38,000	1,008
Total income			46,200	1,225.5
Total profit			15,185	402.8

Activity 3. Analysis of lamb markets and farmers market access

Main markets

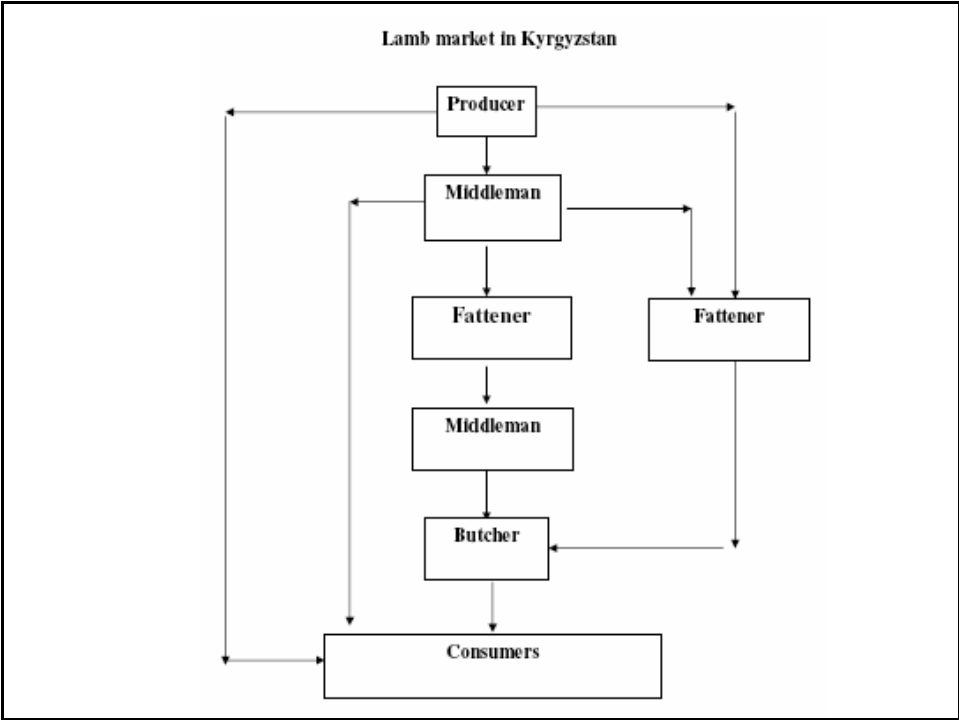
- Main towns and major markets are located in Bishkek, Tokmok, and Kemin
- Livestock market in Tokmok (65 km fm Bishkek):
 - Saturday and Sunday
 - area – 3.6 ha;
 - fenced;
 - veterinary services;
 - 1,000 – 1,200 sheep and 80-100 goats are sold at the market

Main markets

- Two livestock markets (Bayat (25-30 sheep) and Stariy tolchok (180-220 sheep)) operate every day in Bishkek. All markets are fenced and have veterinary services.
- There are three big meat markets (Osh, Alamedin, and Ortosay) in Bishkek
- In Kemin only meat products are sold (4-6 carcasses of small ruminants for Saturday and Sunday)

Marketing channels

1. Producer => Consumer (40%)
2. Producer => Fattener (30%)
3. Producer => Middleman => Butcher => Consumer (30%)



Value chain analysis

Agents	Value added share in the retail price (%)
Producer	57.6
Middleman 1	8.9
Fattener	16.4
Middleman 2	9.8
Butcher	7.8

Constraints for market access

- Remoteness of markets from producers
- To avoid additional costs smallholders sell their animals at the farm gate
- Limited access of producers to the market information
- Lack of the transportation means
- Increasing marketing costs (fuel, lease, services).

Tajikistan (Ismoil and Dusti Jamoats)

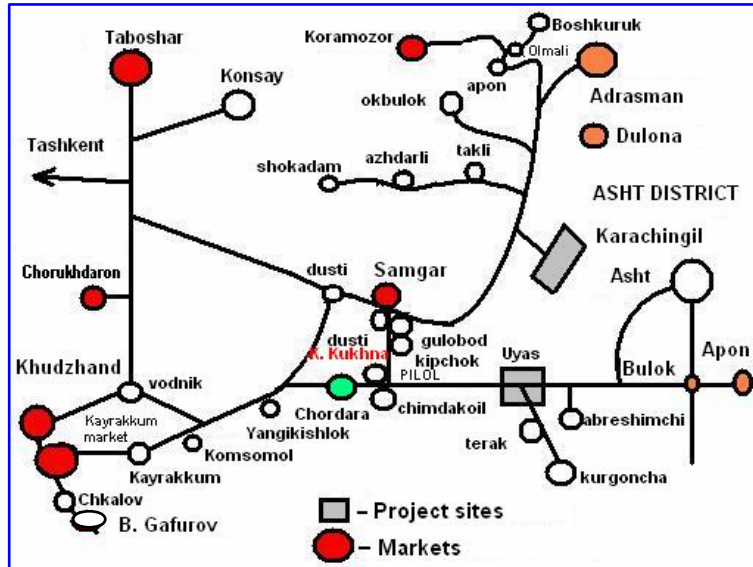


1. Ismoil Jamoat

Activity 2. Costs/benefits of Angora goat production

Activity	Quantity	Price per unit	Total cost in TJS	Total cost in USD (1\$=3.44TJS)
Beginning of the year, costs				
Procurement of goats	10 heads	40	400	116.20
Grazing of goats	10 heads	6	60	17.44
Payment for the rangelands	10 heads	3.50	35	10.10
Forage	500 bales	1.0	500	147.06
Veterinary services	-	-	10	2.91
Medicines	-	-	30	8.82
Total costs			1,035	300.87
End of the year, selling				
Mohair	12 kg	20	240	69.77
Kids	8 heads	30	240	69.77
Goats	10 heads	70 (considering the weight gain)	700	203.49
Total income			1,180	343.02
Total profit			145	42.15

Activity 3. Distribution of markets in Ismoil Jamoat



Major markets

- Khujand (Dzhuma bazaar) (on Fridays):
 - 1,000 – 3,000 kg of mohair (2-5 m-man);
 - 100 – 300 kg of yam (2-5);
 - and knitted goods (2-5).
- Kayrakkum (5 km fm Khujand) (Sunday):
 - 500 – 2,000 kg of mohair (5-8);
 - 50-200 kg of yarn (5-15);
 - and knitted goods (4-7).

Major markets

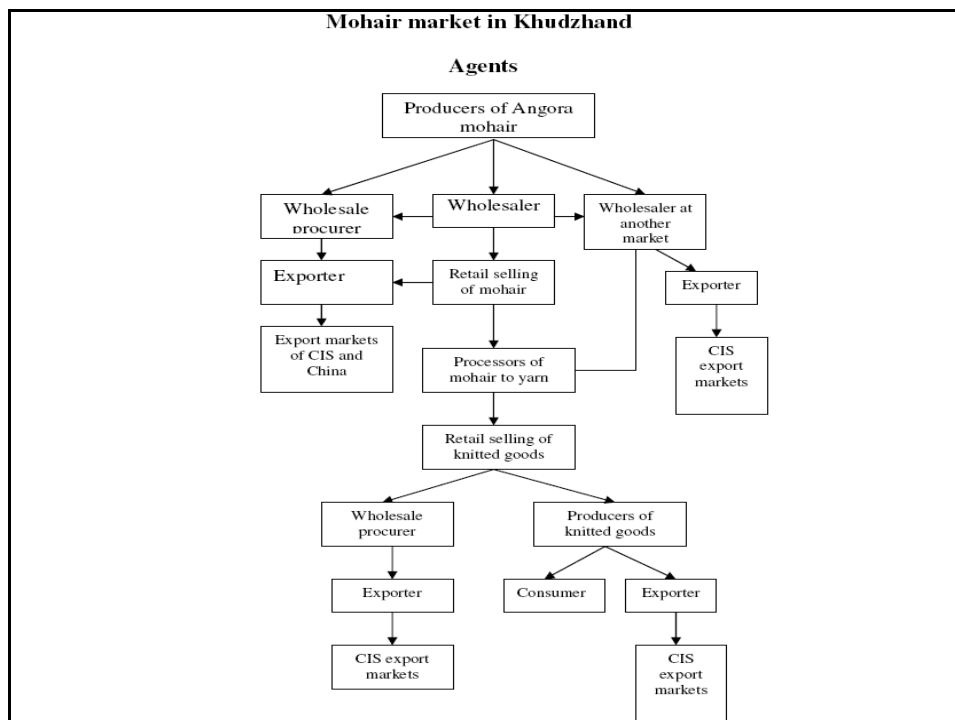
- Adrasman(Asht district) (63 km) (on Saturdays)
 - 2,000 – 3,000 kg of mohair (8);
 - 200 - 400 kg of yarn (6).
- Apon(Asht district) (57 km) (Saturday)
 - 2,500 – 6,000 kg of mohair (15-20);
 - 100 – 600 kg of yarn (10-16);
 - knitted clothes (8-12).

Major markets

- Bulok(Asht district) (50 km) (Sunday)
 - 2,000 – 4,000 kg of mohair (15-20);
 - 100 – 600 kg of mohair (8-14);
 - knitted goods (6-10).

Opportunities and constraints for access to Markets

- High transportation cost;
- Underdeveloped transport network between villages;
- Lack of market information and marketing analysis of domestic and international markets makes it difficult for mohair producers to access the markets in CIS countries directly.



Value chain analysis

Agents	Value added share in the retail price (%)
Producer	85
Middleman 1	6
Value adding wholesaler	4
Middleman-exporter	5

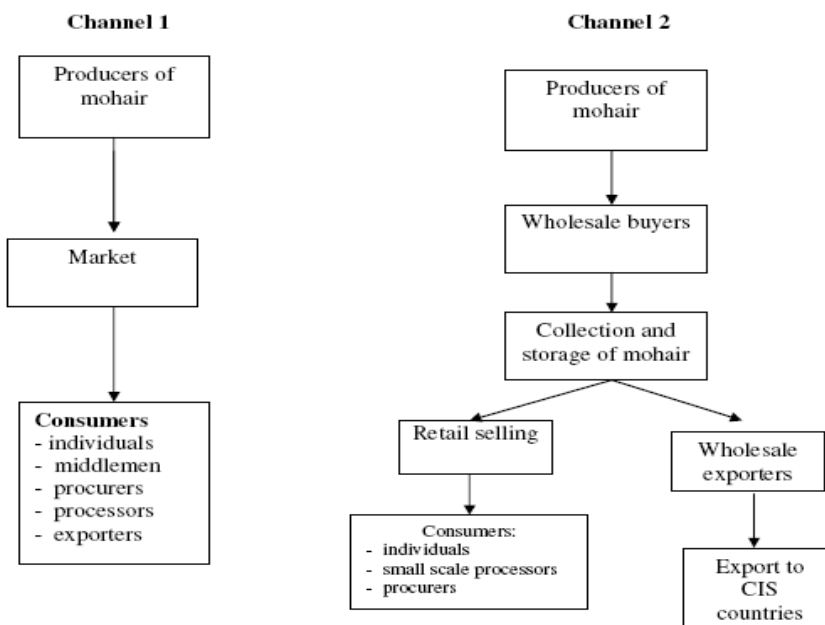
Agents

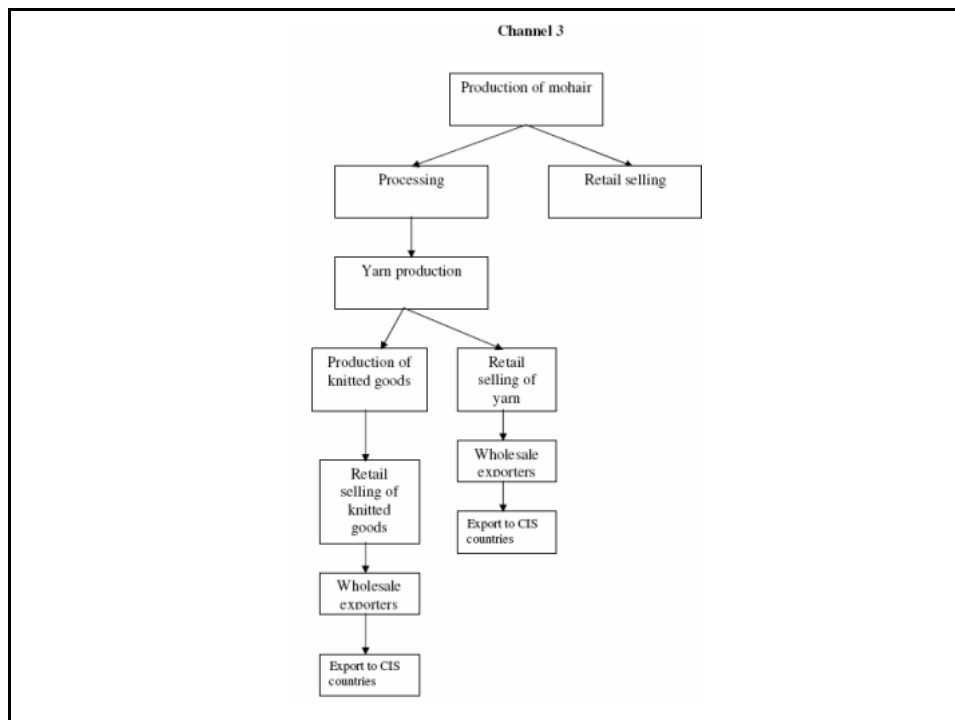
- Wholesaler – middleman buying mohair from producer and selling it at the market without any value addition, i.e. mohair is resold in the same condition as it had been procured
- Wholesale procurer – middleman buying mohair from producer and undertaking the following activities:
 1. storage;
 2. sorting of mohair (by color, quality, length, etc);
 3. presale preparation of the mohair (advertising, searching of buyers, contract, obtaining of required documents for customs;
 4. packaging;
 5. sending of mohair to buyer.

Agents

- wholesaler at another market (for example, at the neighboring district) – middlemen who speculates over place

Description of channels

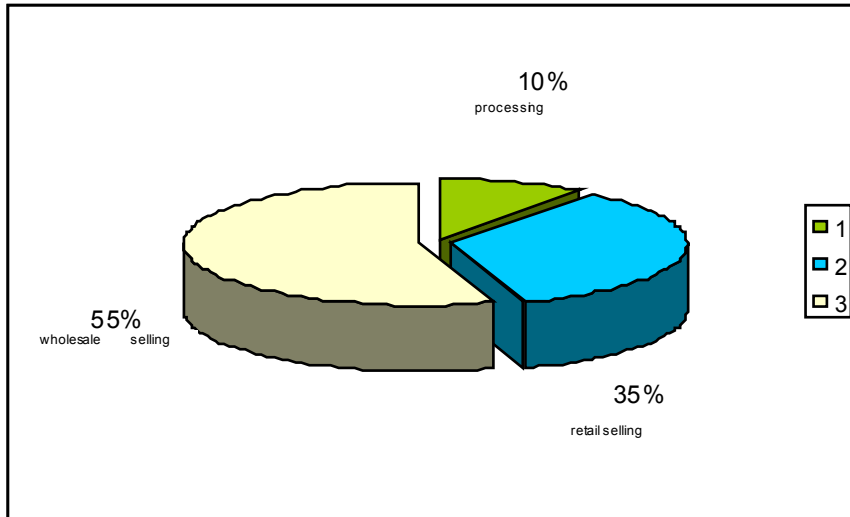




Marketing channels

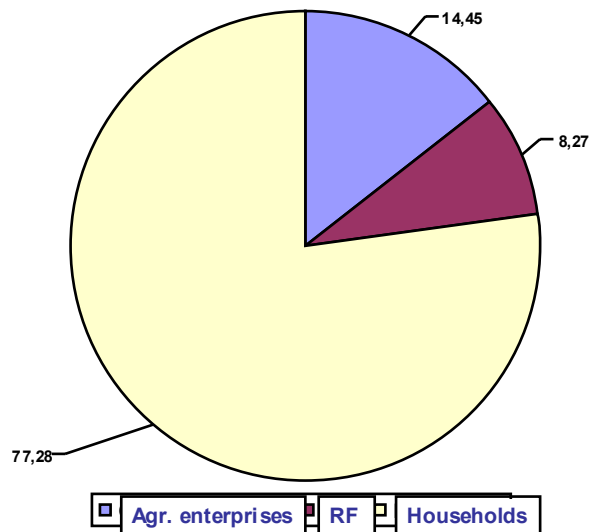
- Small scale producers (up to 20 kg of mohair) use channels 1 and 2
- Large scale producers (up to 500 kg of mohair) use all 3 channels

Shares of mohair sold through different channels



2. Dusti Jamoat

Shares of small ruminants owned by different farm types

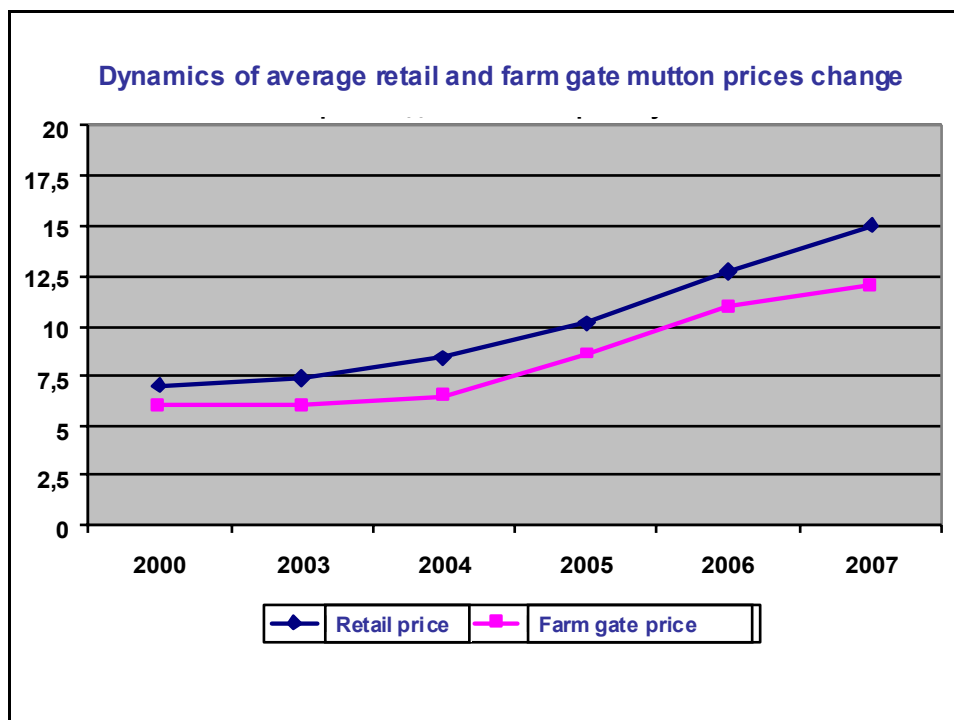


Constraints

- Remoteness of markets
- Underdeveloped rural infrastructure
- Limited access to natural rangelands
- Lack of the veterinary services
- Lack of infrastructure for transportation of animals to the markets or consumers
- Existing markets do not guarantee selling of lambs at good prices
- Lack of small scale processing
- Lack of support for establishment of sheep and goat breeders association

Marketing channels

	HHs and small registered farms, heads of sheep		Registered farms
	Up to 15 heads of sheep	15 – 50	over 50
Selling for processing	1,01 %	0	2,08%
Selling of live animals at the market	37,44 %	63,76%	70,01%
Slaughtering for personal consumption or exchange to other agricultural products	61,55 %	29,16%	27,91%



Conclusions

Kazakhstan

- low density of markets and low frequency of market days negatively affect producers' income.

Kyrgyzstan

- Fatteners keep animals for 3-4 weeks that explains their low share of value added in the retail price.

Conclusions

Kyrgyzstan

- Fatteners and middlemen have more market opportunities as lamb markets in Bishkek work 7 days a week, while those in rural area only on week-ends

Tajikistan (Dusti)

- There is a big gap in prices (up to 30%) between the regions with good natural resources endowments where animal production conditions are satisfactory and supply is the highest and around the major urban centers of Dushanbe market where demand for live animals and meat products is the highest but production conditions are not as favorable.

Conclusions

Tajikistan (Ismoil)

- There is a complete lack of standards and quality consideration of mohair goat fiber production, storage, marketing and export.

Remaining gaps

Kazakhstan

- More information to be collected on rural income sources

Kyrgyzstan

- Need to describe the location of the project site on a comprehensive map;
- More emphasis should be given to analytical part of the reports

Tajikistan

- Structure of the progress reports should be improved

Thank You for attention!