

SPECIAL REPORT

Livestock exports from northern ports in the Horn of Africa

January 11, 2012

Key messages

- Livestock export volumes and prices for export quality livestock through northern routes in the Horn of Africa are following normal seasonal patterns. Export volumes for the *Hajj* from northern ports were very high this year despite livestock losses due to drought.
- Now that the *Hajj* is complete, livestock prices and demand from the northern ports will decline.
- Livestock prices are relatively flat compared to food price inflation over the past year.
- Livestock exports from Berbera and Bosasso have fully recovered from the Saudi export ban (lifted in 2009), but this has caused a significant decrease in sheep and goat exports through Djibouti.

Current situation

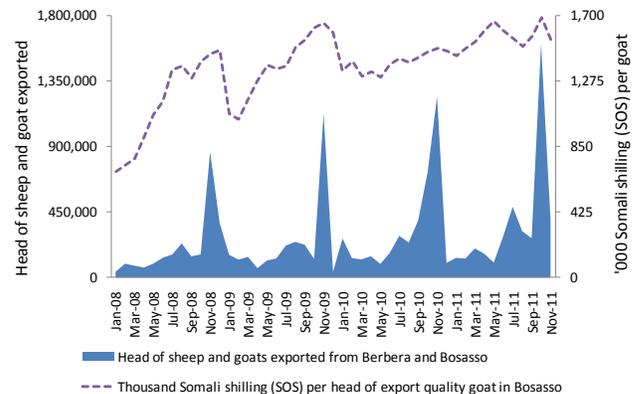
Livestock are a key livelihood resource for pastoral and agropastoral populations in the Horn of Africa. These populations in Djibouti, Ethiopia, and Somalia sell sheep, goats, cattle, and camels for export to the Arabian Peninsula, the Persian Gulf, and other markets which transit through the ports of Djibouti, Berbera, and Bosasso. Domestic consumption is also a major source of demand for livestock. Livestock sales are the largest single source of household income in some livelihood zones in the region.

In 2000, Saudi Arabia imposed a ban on live animal imports from Somali ports which shifted exports to Djibouti.

However, the ban was lifted in 2009, and since then Berbera and Bosasso have regained much of their temporarily lost market share, especially for sheep, goats, and cattle (Figure 4). Djibouti remains an important export port, especially for camels (Figure 3), but it has largely lost its market share as an export port for sheep and goats (Figure 4).

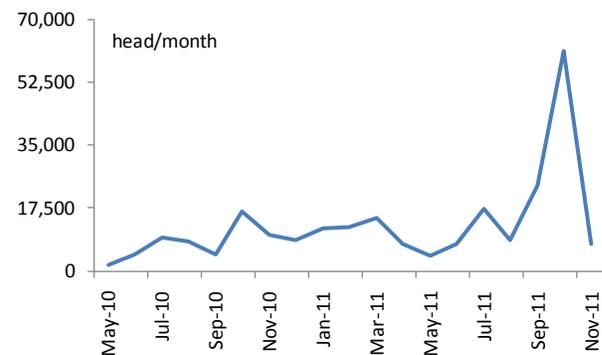
Livestock exports have some year-round demand, but the seasonality is such that there is a minor increase in demand in preparation for Ramadan and there is a substantial spike in demand, especially for sheep, in the month preceding the *Hajj* due to high demand for sheep or cattle to sacrifice on Eid al-Adha. This annual spike in demand drives price movements and demand patterns, especially for sheep, across the Horn of Africa. This year, prices (Figure 1) and shipments followed typical seasonal patterns, despite drought and many distress sales of livestock throughout the region.

Figure 1: Volume of goats and sheep exported from Bosasso, Somalia and Berbera, Somalia and prices of export quality goats in Bosasso, Somalia



Source: Food Security and Nutrition Analysis Unit (FSNAU)/FEWS NET

Figure 2: Cross-border imports of cattle to Somalia from Ethiopia at Togwajaale



Sources: FEWS NET/World Food Program (WFP)/Food and Agricultural Organization of the United Nations (FAO) Cross-Border Trade Monitoring System

The mix of animals remains largely similar to last year when evaluated on a regional basis. However, the importance of camel exports appears to be increasing over time, probably due to the opening of new export markets such as Egypt and the growing demand for camel meat across the Middle East (Figure 3). Cattle are also of increasing importance compared to several years ago for the Somali ports. On the northern export route, their pattern is largely following that of sheep and goats with especially high demand in October before the *Hajj* (Figure 2).

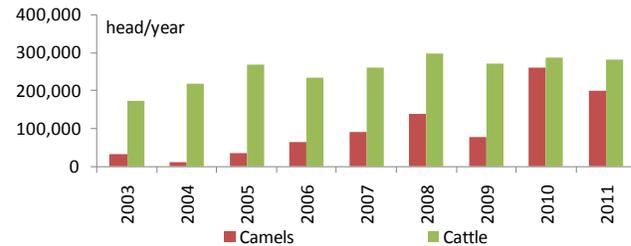
While export volumes may be continuing on much as before and even growing, export prices have, in general, not kept up with food price inflation (Figure 5). These declining terms of trade of livestock sales to cereals represent a challenge to pastoral and agropastoral livelihoods in the region, as livestock sales are worth less and less in terms of grain, despite high and even growing demand for livestock exports from the region.

Outside of the ports, cattle and goat are also exported to the Kenyan meat market, especially by trekking livestock from Somali region of Ethiopia, from southern Somalia, and from northeastern Kenya to Garissa, Kenya for onward sale to urban areas of Kenya. This southern livestock trade nearly collapsed in 2010/11 due to several factors. One was the low demand in Kenya this year, as the price of maize rose dramatically and households reduced the amount of meat they consumed. Almost as important was the collapse in price due to large-scale distress sales and the very poor body conditions of livestock. This southern export market has shown some signs of recovery and remains an important source of household income for many pastoral and agropastoral populations in the Horn of Africa.

Outlook

Livestock prices and export trends in markets that are connected to the northern ports are likely to follow seasonal patterns and continue their slight decline (Figure 1) now that the *Hajj* is complete. While the overall decline in price is likely to be limited, pastoralists and agropastoralists who sell further away from markets are likely to receive even lower prices due to the seasonal reduction in trader activity. There is a trend across the region for traders to directly source livestock from pastoral and agropastoral populations instead of waiting for households to bring livestock to markets. This trend may further isolate some pastoralists from access to the markets which supply northern export ports. Pastoralists in Djibouti face a more limited export market for sheep and goats compared to the region as a whole and will continue to receive relatively low prices.

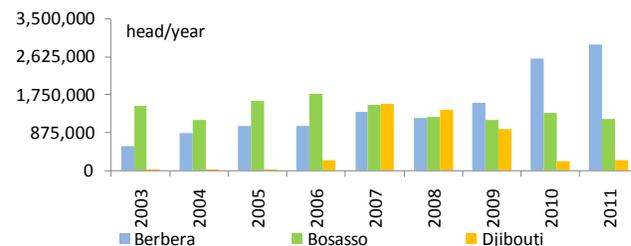
Figure 3: Annual cattle and camel exports from the ports of Berbera, Bosasso, and Djibouti



Sources: FSNAU and Djibouti Ministry of Agriculture

Note: 2011 figures exclude December exports.

Figure 4: Annual export volumes of both sheep and goats



Sources: FSNAU and Djibouti Ministry of Agriculture

Note: 2011 figures exclude December in all ports and November in Berbera.

Figure 5: October 2011 export goat prices

Market	local price	USD price	Annual percent change in local currency terms
Tadjourah, Djibouti	DJF 4,000	\$22.52	0
Jijiga, Ethiopia	ETB 1,200	\$70.56	131
Warder, Ethiopia	ETB 800	\$47.04	60
Gode, Ethiopia	ETB 400	\$23.52	11
Togwajaale, Somalia	SLSH 262,500	\$49.76	9
Burao, Somalia	SOS 717,500	\$53.15	13
Bosasso, Somalia	SOS 1,687,500	\$62.50	15
Galkayo, Somalia	SOS 1,750,000	\$64.81	17

Sources: FSNAU/FEWS NET, WFP, and Save the Children

Note: Burao prices are reported in old Somali shilling which are not directly comparable with prices in Somali shilling from other regions of Somalia. Annual comparisons for markets in Ethiopia are between the October 2011 and September 2010 price since no October 2010 data is available. Prices in Ethiopia are for export quality sheep and/or goats ("shoats"). For Djibouti, prices are for goats less than two years of age.