

CHARACTERIZATION OF BROKERS IN BEEF CATTLE AND SHOAT MARKETING SYSTEMS: A CASE OF KAJIADO AND ISIOLO DISTRICTS, KENYA

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ABSTRACT

The study examined the characteristics of brokers in the beef cattle and shoats marketing systems in the two ASAL districts. Despite of the facilitation role the brokers play in the marketing process, it is disheartening to observe those pastoralists who are livestock dependent continue relying on relief food. Their presence in the market poses to be contra virtual. Cross sectional survey research design was employed. Purposeful sampling technique was employed to obtain a sample size of 68 respondents from brokers in cattle and shoats market yards in the two districts. Structured interview schedules were used to collect the data through face-to-face interviews. Data collected was analysed by use of Statistic Package for Social Scientists SPSS version 17. The study revealed that (50%) of the people playing the role of brokers were in 30-39 years old. It implied this market activity has created employment for the youth in the ASAL. It was also identified that majority (82%) of the brokers were males. Probably this affiliated to the communities' culture since males own livestock. Majority (42%) of the people who play the broker role in the marketing yards in both districts are illiterate and this probably might be cause of the mischievous behavior acquiring the commission from the two parties. Majority (68%) embraced that, the business is sustainable since they are able to earn income from commission of fees from both the seller and the buyer. The findings will contribute to the current debate of removing the ASAL communities from relief mode. The study recommends that the farmers in the ASAL should come up with marketing groups at the local community level in order to eliminate the large number of brokers in the livestock markets.

Key words: Brokers, Characteristics, Market, Livestock, seller and buyer

INTRODUCTION

In Kenya, livestock sub-sector accounts for 10% stock of National Gross Domestic Product (NGDP) and employs over 50% of the agricultural workforce and about 90 % of the arid and semi-arid areas (ASAL) workforce (Mugunieri & Omiti 1997). About 80% of Kenya has relatively low rainfall and supports a large number of nomadic and pastoral people who maintain large herds of cattle contributing 60% of the total natural herds. It is estimated that 10 million people are living in the ASAL districts (ILRI, 2010). The communities living in those areas depend on livestock for their livelihood and 95% of ASAL household income comes from this sub-sector. Over the past decade, however, the performance of the livestock sub-sector has been characterized by declining productivity (Okati, 2005).

For economic development, it is important to increase output and equally so, to develop marketing so that the extra production reaches consumers efficiently. Marketing on the other hand, remains one of the most controversial issues affecting the livestock sub-sector in Kenya today more so among the pastoralist who entirely rely on livestock in ASAL. Promotion of community marketing groups of livestock and associated products is an opportunity in ASAL (Onduru, Gachimbi, Maina, Muchena & Devage (2002)). According to Okati (2005) inefficiency in the marketing chains, intermediaries earning relatively high margins are major constraints in livestock marketing in Kenya.

The marketing avenues, structures and institutions are overwhelmed with problems of one form or another and frequent interference including political, management, administrative, liberation issues and adaptation of the current marketing realities impact very negatively on the livestock sub-sector (Kilungo, 2001). The preference of the middleman as a participant in the livestock marketing system has livelihood implications. Their presence has affected marketing performance of

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livestock in arid and semi-arid adversely. ILRI (2010) the underlying problems in dry land livestock based systems cannot be solved by relief intervention alone. According to MoL & F Dv (2005) Kajiado district had 41,665 cattle and 44,303 shoats for local slaughter in 2004 calendar year. This study examined the characteristics of the brokers (Agent intermediaries) in cattle and shoat marketing yards in Kajiado and Isiolo districts.

At community level social cultural force, encompass the people values, beliefs and their cultures. These customs and beliefs are what shape the economy, political, legal systems and the technology. It is not exceptional in livestock marketing in the ASAL. Therefore, it is important to get a good understanding of it as a way of understanding their livestock marketing system. Therefore, the study considered the social demographic characteristics of the participants and singled the brokers in livestock marketing in the two districts.

METHODOLOGY

The study was conducted in Kajiado and Isiolo districts. Cross sectional survey, research design was employed. Non-probability sampling procedure was employed to identify the brokers in the

livestock market days with the assistance of the ministry of livestock field staff. Sample size of 68 comprised of 40 and 28 from Kajiado and Isiolo respectively. They were drawn from the pastoral communities who were participants in livestock marketing system playing the role of brokers. By use of structured interview guides, information was collected through face-to-face interview. The researcher with his research assistant transverse the cattle and shoat market yards in the two districts conducting the interview. Field staffs from the ministry of livestock were also involved in interviewing the brokers. The collected data was screened, coded and entered appropriately in the computer. Statistics package for social scientists (SPSS) was used to analyze the data.

RESULTS

The results reported in this paper revealed the age distribution of the brokers, their gender, highest education level, alternative occupation along with the brokerage activity. Proceeds further and highlight brokers' clients, brokers' pricing tool, source of brokers' commission or fee, and business sustainability for the broker.

Table 1 below presents the socio-economic characteristics of the brokers participating in the

TABLE I - SOCIO-ECONOMIC CHARACTERISTICS OF THE BROKERS

Characteristic attribute	Frequency	Percent
Age in years		
20-29	15	23
30-39	27	50
40-49	17	26
50-59	7	11
Total	66	100
<i>Maxm.52,Min.20,Mean36, Mode33</i>		
Gender		
Males	56	82
Females	12	18
Total	68	100
Highest Education level		
Did not attend any formal school	28	41
Primary	22	32
Secondary	15	22
College	2	3
University	1	2
Total	68	100
Alternative occupation status		
Yes	27	40
No	41	60
Total	68	100

Source: Field 2006

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TABLE II - PARTICIPATION OF THE BROKERS IN THE CATTLE AND SHOATS MARKETING SYSTEM

Participation activity	Frequency	Percent
Brokers' clients		
Farmers(producers)	16	24
Butchers	20	29
Both farmer & Butcher	32	47
Total	68	100
Brokers' Pricing Tool		
Animal body live weight	11	16
Physical outlook of the animal	57	84
Total	68	100
Source of brokers' commission or fee		
Buyer	7	10
Seller	34	50
Both from the buyer & seller	68	100
Total		
Business sustainability for the broker		
Yes	46	68
NO	22	32
Total	68	100

source: Field 2006

cattle and shoats marketing years in Kajiado and Isiolo ASAL districts in Kenya.

The above table one present age distribution of the brokers in beef cattle and shoaat marketing system in the study area, majority (50%) range in 30-39 years whilst the least number who are (11%) only are in their 50-59 years old. The average age reported was 36 years, the oldest was 52, and the youngest was 20 years. The study found that majority (82%) of the brokers who participate in cattle and shoaat-marketing yards are males whilst females are only 18%. Majority (41%) of the brokers in the beef cattle and shoaat marketing yards reported their highest education level not having attended any formal school. This implies that they were illiterate. It was only 32% who had reached to primary level and 2% had university level. It was found that majority (60%) of the brokers have no other occupation part from brokerage as a source of livelihood.

The below table two presents brokers behavior in the livestock marketing yards in the ASAL. Behavioral system approach is demonstrated where power is dominated by the brokers in the market.

The above table 2 shows that majority (47%) of the respondent their clients are both the farmers and the butchers. Majority (84%) do observation of the physical outlook of the animal to determine the price to offer to the seller or the price to give to the buyer. The study found out that majority (50%) of the brokers earn their income from the both the seller and the buyer inform of commission for the service rendered to the client. Sixty eight percent of the brokers expressed to have been earning good margins from their brokerage activity, which makes their business sustainable.

DISCUSSION

Majority of the brokers in cattle and shoats marketing yards in Kajiado and Isiolo are in the range of 30 to 39 years old. This implies that the market provides employment to the youth in expense of the exploitation imposed on the farmers by exorbitant margins. The study revealed that most of the brokers who participated in cattle and shoaat marketing were males. Only a few females who are performing this market function. Most probably, the community cultural norms prescribe this activity as a function for male although there might be outsiders who come to do business there.

Based the study findings, majority of the market participants who played the role of broker reported their highest education level to have not attended any formal school. This implies that most of people who are performing this portion of the market are illiterate. Perhaps due to their illiteracy level they fail to consider the magnitude of exploitation they impose on the farmer. However, their presence enhances marketing process as it encourages specialization of marketing functions. Majority of the brokers rely entirely on brokerage with no alternative occupation. This implies that the communities they belong are livestock dependent and therefore their youth who might not be owning herd of cattle survive through brokerage.

The studies found that majority of the clients are livestock farmers and butchers. They are contracted by farmers to either act as their representative in the market yards and do not take title of cattle or shoats nor own them but to ensure they negotiate the price on behalf of the farmer. They also do the same to butchers who are their clients. This agrees with Okati (2005) findings that brokers have more market information than the farmer himself and such they take advantage over the ignorant farmer. The broker does pricing of the livestock to be bought or sold. The study revealed that majority fix the price of the cattle or shoat by physical outlook of the animal. Only a few who consider the animal body live weight. The brokers receive income in form of fees or commission. The study reported that, majority earn commission from both the buyer and the seller. Majority revealed that their participation in the market is a business to them since it is where they earn their living. They further embraced that business sustainability is high since the margin they earn enable them to continue with the business.

CONCLUSION

Brokerage as a marketing function provides employment to majority of the youth in the study area. It is an activity dominated by men and performed by the community members who have little education. It provides livelihood to majority of the youth from livestock dependent communities in the ASAL.

RECOMMENDATION

Despite that agent intermediaries highly facilitates marketing process in cattle and shoats in ASAL, farmers need to be protected and have a say in the market. This can be achieved by farmers joining and come up with livestock marketing groups at local community level. The county councils in the ASAL should reduce levies imposed on farmers in marketing yards. Government has to come up with appropriate policies to safeguard livestock farmers in ASAL from brokers' exploitation.

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