

## Ultimate benefits to smallholder farmers through improved market linkage

Smallholder dairy farmers are struggling to get better returns from the sale of beef animals. They sell their animals in case of need due to which, they are often financially exploited by the local middlemen and butchers. The purpose of this activity was to find potential opportunities for smallholder farmers and link them with improved beef markets using the value chain approach.

Farm advisory services provided to livestock farmers are only targeted to enhance the production and health of animals. Farmers don't often get information regarding marketing or sales; due to which they are unaware of beef markets and the actual worth of their animals. They do not sell animals in large markets as they are unable to meet the demand of large scale beef customers in terms of animal and carcass specifications.

The Dairy-Beef Project team received a series of capacity building workshops on Beef Value Chain Analysis from value chain expert Dr. Tony Dunne from Australia and also had an opportunity to conduct "walking the chain" activity in Wagga Wagga, Australia. The Team implemented what they had learned in the Pakistan system in order to understand the beef market system and identify the profitable market opportunities for smallholder farmers. A series of surveys were conducted with beef value chain actors including farmers, middlemen, butchers and retailers during Rapid Value Chain Assessment activity conducted by the team in Districts Okara (Punjab) and Badin (Sindh).

Among the different opportunities identified, selling animals direct to a feedlot farmer was identified as a viable option. We



Picture 1: Female farmer training at village 45GD, Okara:

then undertook a more detailed assessment of this value chain to evaluate the financial viability and risks involved for engaging smallholder farmers in this chain. Riaz was interviewed as part of feedlot chain but was interested to source animals from smallholder farmers. It shifted the focus from feedlot to his retail chain for finding opportunities for smallholder farmers to link with his chain. During the detailed assessment process, it was found that Riaz had multiple roles within that chain. He was a supplier as well as client of feedlot farm. He also acted as both wholesaler and a retailer and provided a more promising opportunity than the feedlot. So the decision was taken to concentrate on this expanded opportunity and study the retail opportunity in detail.

Riaz has a high demand for livestock to meet the demands of his business. Currently, he is facing problem in sourcing desired animals; he has to travel long distances to attend different animal markets to find the desired

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beef animals. He is willing to work with smallholder farmers to buy the desired quality and quantity of beef animals from one place with more ease. Therefore, there is an opportunity for group of small-scale producers to become “preferred” suppliers of Riaz. This opportunity will be restricted to smallholders or a group of smallholders who have the motivation, skills and resources to engage in this opportunity and meet Riaz’s product specifications. These include; healthy male animals of 1-2 years age, 80-280kg carcass weight, shiny skin, no bony appearance, round rump and more meat to bone ratio. The Team had meetings with Riaz to source animals from group of smallholder farmers as a reliable source where he can purchase animals according to his specifications.



Picture 3: Farmer need assessment activity at village 45GD, Okara

The Dairy-Beef Project team is providing advisory services to the male and female smallholder farmers to build their capacity for meeting the product specification Riaz is seeking. To do this, the team conducted a need assessment activity with smallholder farmers (Picture 2) to understand their issues regarding beef business. Advisory services are being provided on problems highlighted during that activity which are mostly related to lack of information on calf rearing for fattening and marketing (Picture 3, part of a calf weighing workshop). Once farmers would have reared the animals as per market demand, they could also search for buyers including Riaz and others, who may reward the smallholder farmers for their efforts and the value they have created.



Picture 2: Farmers weighing calf at 45GD, Okara