

# Building improved market facilities

## Key messages and solutions

- Lack of market infrastructure significantly undermines the market margins farmers generate and elevates the prices they pay for agricultural products when involved as buyers.
- Livestock market development increases marketing efficiency and reduces market transaction costs.
- Constructing market sheds considerably increases market participation and performance of small ruminant keepers.

## Problem statement

- Poor market infrastructure limits the efficiency of livestock marketing.
- In Ethiopia, about 120 market centers are recognized by the government, but these centers are not well organized to provide watering, feeding, resting, and quarantine facilities.
- This intervention aims to quantify the added monetary advantage for livestock keepers due to accessing key market facilities:
  - Nine livestock markets were randomly selected and market facilities – sheds – were constructed.
  - Other nine markets which are close to the 9 intervention markets are being monitored for comparison purpose.
  - Data are being collected on price determination patterns, transaction costs incurred, and prices received.
  - The demand and supply patterns are also being monitored in both sets of markets.
  - A year-long data generation procedure is being followed to capture price volatility in the markets.



## Benefits

- Very few or no farmers used to bring their sheep and goats to these markets in the rainy season simply because of limited access [due to seasonal rivers] and no sheds in the markets to protect themselves and their animals from the rain.
- After constructing sheds, it was observed that farmers – in areas where rivers were not cutting the roads to markets – brought some animals to the markets in the rainy season.
- Traders also stayed longer in the markets possibly due to the sheds as the animals are less exposed to heat and rain while in the markets.



## Evidence

- Data collected for 18 weeks from 1620 small ruminant buyers and sellers.
- Series of discussions were held with farmers.
- Detailed data collected from 784 farm households in treated and control group of markets.



## Value chain focus



## Suitability

- Market sheds are built on plots of land owned by the government. Limited or no sense of ownership by the community is expected. A concern is that farmers are subject to more irrational taxing due to the sheds.
- The establishment [financial + non-financial] costs are very high.
- Scaling market facilities needs a long-term strategy at macro level on how to develop livestock/small ruminant markets – taking the social and economic functions of markets [including the market plots] in rural Ethiopia into consideration.

### Resource requirements (low to high)

Land	<div><div></div><div></div><div></div><div></div><div></div></div>
Water	<div><div></div><div></div><div></div><div></div><div></div></div>
Labour	<div><div></div><div></div><div></div><div></div><div></div></div>
Cash	<div><div></div><div></div><div></div><div></div><div></div></div>
Access to inputs	<div><div></div><div></div><div></div><div></div><div></div></div>
Knowledge and skills	<div><div></div><div></div><div></div><div></div><div></div></div>
Institutional commitment	<div><div></div><div></div><div></div><div></div><div></div></div>
Policy support	<div><div></div><div></div><div></div><div></div><div></div></div>

### Impact areas (low to high)

Food security	<div><div></div><div></div><div></div><div></div><div></div></div>
Human nutrition	<div><div></div><div></div><div></div><div></div><div></div></div>
Employment and livelihoods	<div><div></div><div></div><div></div><div></div><div></div></div>
Natural resources base	<div><div></div><div></div><div></div><div></div><div></div></div>
Gender empowerment	<div><div></div><div></div><div></div><div></div><div></div></div>
Market linkages	<div><div></div><div></div><div></div><div></div><div></div></div>

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