

# EAGER

## Policy Brief

NUMBER 2 / JANUARY 1999

### The Livestock Sector in Mali—Potential for the Future

The following policy changes can help the Malian livestock sector achieve maximum potential:\*

- support research and services for livestock in agropastoral areas;
- implement policies that facilitate efficient resource allocation;
- provide research and services support to small ruminant production;
- develop drought strategies;
- support market information, credit and extension, and extension to fattening enterprises; and
- remove restrictions to the market for cotton seed cake.

Mali's livestock sector accounts for about 20 percent of the country's GDP and provides employment for nearly 30 percent of its population. In addition, livestock constitutes Mali's major agricultural export.

In 1997, USAID, through the EAGER project, supported a study to assess how the livestock sector is expected to change over time. In particular, the study identified actions the government of Mali can take to promote sustainable growth. Analyses of production, consumption, and marketing trends indicate that with current rates of population growth and only modest increases in per capita income (1 percent), domestic consumption will overtake production in the next ten years and result in a loss of export earnings from livestock.

To encourage sustainable growth and help the livestock sector achieve maximum potential, the government of Mali can make policy changes and take the following supportive actions:

- **Support Research and Services for Livestock in Agropastoral Areas.** Analyses of herd growth rates over the past 30 years indicate differences in growth potential for pastoral and agropastoral areas. In pastoral areas, the range biomass available for livestock feed limits herd growth. In agropastoral areas, steady growth in herds is occurring, espe-



*Equity And Growth through Economic Research—  
an activity of USAID, Bureau for Africa, Office  
of Sustainable Development, Strategic Analysis Division*



cially in areas where cotton is a major crop. Development initiatives in cotton-producing areas appear to encourage livestock production through improved access to inputs, extension services, and market information.

Further increases in livestock production can be promoted through government support for research on livestock in agropastoral systems and services associated with animal health, nutrition, and market development.

• **Implement Policies That Facilitate Efficient Resource Allocation.** As livestock and crop production are increasingly integrated, competition will develop for both land and labor. For example, will land be used for dry-season pasture or for irrigated cropping? In rain-fed areas, how will labor be allocated between cropping systems and herding (keeping animals away from crops)?

To support efficient resource allocation between livestock and competing interests, the government of Mali can increase the flow of market information relevant to livestock production by disseminating information on resource availability and prices. In addition, the government can enhance the effectiveness of public institutions involved in conflict resolution and strengthen rules governing resource allocation. Such improvements are particularly important for land use rights to dry season pastures.

• **Provide Research and Services Support to Small Ruminant Production.** Analyses document the increasing popularity of small ruminants. Sheep and goats are

able to withstand drought better than cattle and represent smaller, more manageable investments for small farmers. Nonetheless, current rates of reproduction are low. To improve reproductive rates, the government should support research on animal genetics and services to improve the nutrition and health care of small ruminants.

• **Develop Drought Strategies.** Drought has a significant impact on livestock production. Dryland pastoral areas have low biomass during drought and therefore reduced capacity to sustain livestock. Other areas with higher levels of dry season biomass attract animals during dry periods. Drought strategies should facilitate animal movement and access to emergency resources and avoid specific requirements with respect to restocking and export. Government efforts to limit the types or number of animals to be exported during periods of crisis are counterproductive. Such limits increase uncertainty, impede market performance, and reduce opportunities for livestock producers to mitigate risk.

• **Support Market Information, Credit, and Extension to Fattening Enterprises.** A study of fattening enterprises in six villages in the regions of Fana and Bamako followed each enterprise through one fattening cycle. Included were both small farm-based enterprises fattening a few animals and large commercial operations. Typically, fattening enterprises purchase cattle and sheep in January and February, often from pastoral zones in the north. Animals are fed intensively for weight gain,

and then sold in June and July when prices are higher. Fattening enterprises use relatively abundant crop residues and cotton seed cake as animal feed and are often located close to livestock collection markets and cattle trading routes.

A review of current projects and financial institutions that extend credit for fattening indicates that prospects for expansion are attractive. Financing for fattening has increased yearly since 1993. Requests for credit have exceeded availability, and self-financing of fattening activities is becoming more common. Small-scale enterprises are competitive because they make use of farm byproducts and family labor. Large commercial operations are also profitable and have greater potential for expansion than small enterprises, which by their nature are limited by the availability of inexpensive resources.

The government of Mali can promote fattening enterprises by providing information on livestock prices in source and destination markets, facilitating access to seasonal financing through private sources, and extending advice on optimal feed regimes and animal husbandry.

• **Remove Restrictions on the Market for Cotton Seed Cake.** To encourage the use of cotton seed cake in animal feeds, Mali has subsidized the price of cake for the domestic livestock sector. Increases in cotton production in 1995 and 1996 resulted in a substantial increase in cotton seed cake production. In 1996, subsidized cake was selling at 60 to 70 percent of the average market rate.

Subsidies and quota allocations for cotton seed cake have helped increase the profits of both small-scale cattle fattening enterprises and all sheep fatteners. However, these subsidies and quota allocations have reduced the availability of cake and raised prices for commercial cattle-fattening operations. Analyses suggest that subsidies are not necessary to promote fattening, although the elimination of subsidies would have a disproportionate impact on small-scale cattle-fattening enterprises. Survey data for a small sample of fattening enterprises in the regions of Fana and Bamako indicate that financial returns in 1997 per animal were consistently high (benefit/cost ratios averaging 1.85 for large-scale cattle-fattening enterprises, 4.08 for small-scale cattle fattening enterprises, and 4.52 for sheep operations). These exceptional levels of success reflect fortuitous price movements as well as animal weight gain.

The government can encourage the expansion of large-scale cattle-fattening enterprises by removing subsidies on cotton seed cake and disseminating market information to improve access to local feed resources. To provide a mechanism for responding to feed emergencies, the government could replace fixed stocks with a fund to purchase cake on the market as needed.

## Conclusion

Agropastoral areas in Mali offer opportunities for expanding livestock production. The government of Mali can encourage pri-

vate investment in a number of ways. Measures needed include support for research and animal services to improve animal genetics, nutrition, and health. Also needed is development of market information systems to provide and disseminate information on resources and prices. To facilitate conflict resolution, government can strengthen relevant public institutions and the rules governing resource allocation. Mitigating the effects of drought requires strategies that make animal movement easier and improve access to emergency resources. To encourage the expansion of fattening enterprises, government can facil-

itate access to seasonal financing through private sources and remove subsidies on cotton seed cake. These changes would encourage the sustainable growth of livestock production in Mali.

*\*This policy brief is based on EAGER Research, Prospects for Developing Malian Livestock Exports, 1997, by Jeffrey Metzel [jmetzel@aird.com], AIRD, Chambridge, Massachusetts; Abou Doumbia, Cellule des Statistiques et de la Planification, MDRE; Lamissa Diakite, Institut d'Economie Rurale; and N'Thio Alpha Diarra, Compagnie Malienne de Developpment des Textiles.*

The views and interpretations in this policy brief are those of the authors and not necessarily of the affiliated institutions.

---

## **To Order Policy Briefs or Other EAGER Publications**

(all EAGER publications are free of charge to residents of Africa)

**EAGER Publications/BHM**  
1800 North Kent Street, Suite 1060  
Arlington, Virginia 22209  
tel/fax: 703-741-0900/703-741-0909  
e-mail: [spriddy@eagerproject.com](mailto:spriddy@eagerproject.com)

**All EAGER Publications can be downloaded**  
from [www.eagerproject.com](http://www.eagerproject.com)