

Demand for Farm Animal Products in Nigeria: An Opportunity for Sahel Countries?

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► The Institut de Recherches et d'Applications des Méthodes de Développement (IRAM) conducts research on pastoral practices and livestock value chains. This article is based on the information contained in the publication *Étude régionale sur les contextes de la commercialisation du bétail, l'accès aux marchés et les défis d'amélioration des conditions de vie des communautés pastorales*, IRAM/LARES for SNV (B. Guibert, M. Banzhaf, B. G. Soulé, D. H. Balami, G. Idé, 2009) and on the experience acquired during the current work to organise the bovine production chain in Chad (PAFIB, Ministry of Livestock and Animal Resources, funded by the European Union).
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BY ITS POPULATION and capacity for animal production, with 25% of livestock herds in the sub-region, Nigeria is by far the leading livestock producer in Central and West Africa. The country's cattle herds are estimated at over 16 million head, far ahead of Niger (8.7 million), Mali (8.2 million) and Chad (7 million). The share of Sahel countries is significant, however, representing over 50% of total cattle herds. Cattle raising in Nigeria is largely supplemented by short-cycle livestock operations, estimated at 33.8 million head of sheep and 175 million poultry birds.

Between 85% and 90% of domestic cattle herds are tended by 8 million migratory shepherds and farmer-herders, the majority of whom are of Peul ethnicity although other groups are also herders (Shuwa Arabs, Koyam, Kanuri, Kanembou, Touareg, etc.). It is very difficult to assess import flows of live animals from Niger, Chad or Mali, as many animals are "naturalized" when they cross the border, some of which are fattened and finished on their way to the final market outlets. A large part of the livestock sold on these markets come from the Sahel countries. Cross-border movement of herds during seasonal migration also involves a significant number of animals.

Demand for beef is largely driven by the Federation of Nigeria, as Nigerians make up 50% of beef consumers in ECOWAS. Nigeria is experiencing a historic demographic expansion and a spectacular change in food habits. With a population growth nearing 2.8% per year, the country's own domestic production is far from being able to meet demand. Nigeria is therefore forced to import more than 25% of the beef consumed, and is therefore a major outlet for Sahel livestock, via direct sales or the moving of herds for commercial purposes.

At the federal level, livestock operations contribute only about 5% of

GDP, whereas agriculture as a whole contributes 35% of GDP.

Nigerian Livestock Operations Face Significant Obstacles to Development. Livestock raising is an important area of activity in Nigeria, but it is subject to some major constraints. Available pasture land is receding quite significantly as cities and farming expand. Access to animal husbandry inputs seems insufficient and technical support for animal health inadequate. Cattle are raised essentially in the Sudan-Sahel region of the northern states, where agro-pastoral activities generally involve seasonal and cross-border migration so as to take advantage of Sahel pastures in the rainy season.

Rising Meat Consumption and Changing Food Habits. The strong rise in demand for animal products is due not only to the high rate of urbanisation (60% of Nigerians are city dwellers), but above all to consumers' greater purchasing power and the emergence of a new middle class. Furthermore, this trade giant accounts for nearly 60% of international trade in the region.

At the same time, more and more consumers want healthier meat from regulated slaughterhouses. Some industrial meat companies are now segmenting the market, selling frozen meat packaged in individual portions. Fast-food restaurants suited to this new type of consumer are also developing rapidly. Some instances of value chain integration are also being seen as the sector evolves, with a few companies processing meat in their own slaughterhouses supplied by their own networks of producers. Although this last segment is growing, it still accounts for less than 10% of the overall meat product market.

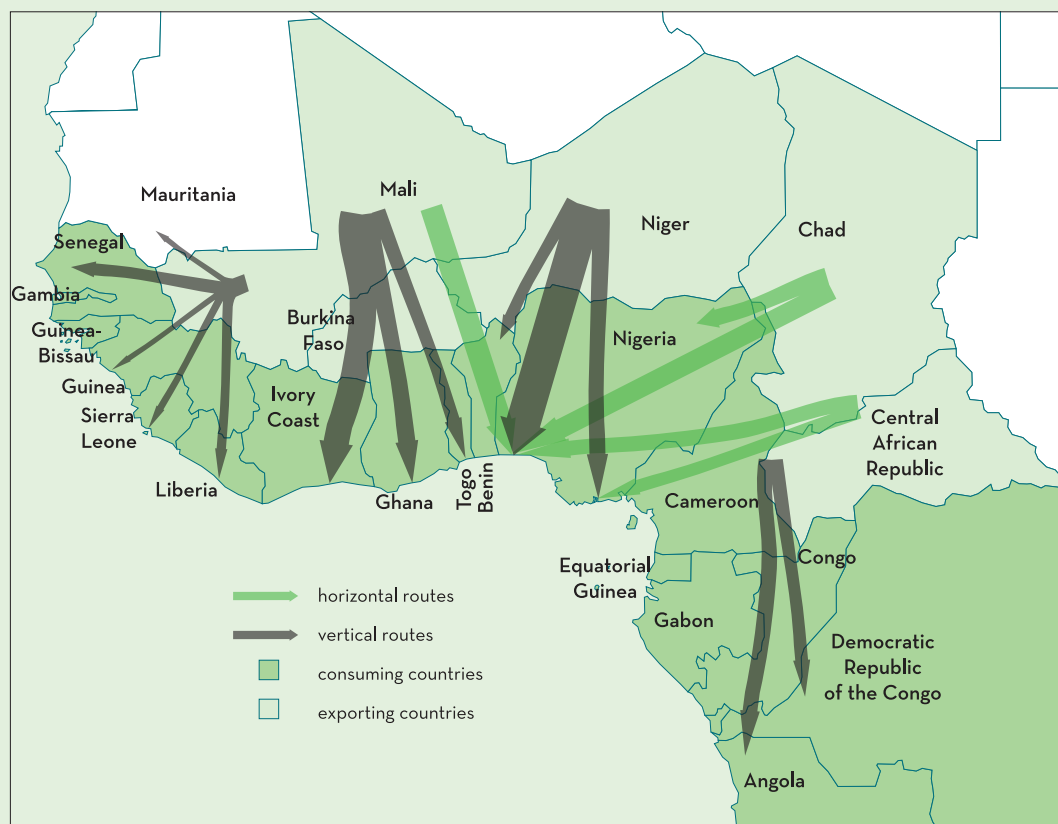
Despite these emerging dynamics, many people still do not have access to Sahel beef, which is deemed to be too expensive by less-well-off segments of

the population. Thus, in relation to the total population, meat consumption in Nigeria is still below the regional average (2 kg per person and per year in Nigeria, compared to 8 kg per person per year in ECOWAS).

Jobs and Know-How Deployed Throughout the Value Chain. Many specific professions, with real know-how, are mobilised throughout the value chain, usually informally: stock breeders, buyers, market intermediaries, drovers, cross-border handlers, truck hauliers, herders who fatten animals for market in the vicinity of final markets (e.g. Lagos), butchers, retailers, rotisseurs. In Lagos, activities specialised in recovering organs, bones and hides have gradually become concentrated in many neighbourhoods that are close to slaughterhouses.

Significant Flows of Herds Move to Market via Routes Covering over 1,000 km. Herds from the pastoral zones of Chad, Niger and Mali follow long routes to market, for the most part driven on hoof (see map). The selection of the animals and the drovers' skill reduce the risks of these transfers, which are profitable for merchants despite the distance. Two main circuits feed into the end markets in Nigeria. The East network brings cattle from Chad and Cameroon to the international market in Maiduguri. At this trading hub, 55% of the livestock is thought to come from Chad, and 20% from Niger (the route through eastern Cameroon and Centrafrique is deemed to be dangerous and is relatively little used; it is therefore very hard to assess figures for this route). The West network collects livestock from Mali, Niger, Burkina Faso and Benin and brings them to the international market in Kano.

A great many legal taxes and illicit charges are levied on these routes, with the latter constituting a significant loss of income for the actors in the livestock



Principal Livestock Trade Routes in Central and West Africa

These routes run in a north-to-south direction from the Sahel to coastal markets. Many converge massively towards Nigeria, at the heart of this continental sub-region (source: IRAM, 2009).

chain and for States. On some of the routes from Chad, the sums skimmed off may amount to as much as 63% of the total costs for an animal brought from central Chad and slaughtered in Lagos.

Operators' economic survival is in part determined by their ability to anticipate the exchange rate for the Nigerian currency (naira) and to ensure they can bring the money back home once they have sold their animals. Given the variable CFA franc–naira exchange rate and the rising demand, the price of livestock often appears highly volatile. In constant values, the price of livestock is said to have risen by an estimated 78% between 1997 and 2002.

A Stock Farming Development Policy Based on Intensification and Imports. To meet the growing need for animal protein, the livestock development policy pursued by the federal government in this decade combines several strategic priorities. The policy aims to substantially increase domestic meat production in all categories by intensifying livestock breeding operations and promoting monogastric species. Another aim is to

make it easier to import animals from the Sahel, primarily cattle, sheep and goats. The government also wants to develop imports of frozen meat and fish from the European Union and Brazil for low-income consumers. Increasing production of other forms of animal protein is also a target, and Nigeria is already the leading egg producer in the region, with 68% of total tonnage (see box page 13).

The Development of Nigerian Animal Farming: A Fundamental Stake for the Federation, its Breeders' Organizations, and the Neighbouring Livestock-Raising Countries in the Sahel. Making more meat products available rapidly, steps to bolster the competitiveness of livestock operations, encouragement of private investment in this sector—Nigerian livestock policy measures are strongly focused on intensive livestock operations and on imports from countries that have developed a livestock industry. Both of these policy options rely on the consumption of large amounts of grains, the availability and cost of which vary considerably with the fluctuations in production in the Sahel and around the world.

One can also wonder whether this livestock giant's policies have sufficiently addressed the issues of agro-pastoral production and improving the coexistence between livestock breeders and farmers (several sometimes very bloody conflicts broke out in 2009 and 2010 in the states of Bauchi, Nasarawa, Benue, Plateau and Ebonyi). Directly related to population growth, herd movements in Nigeria and access to fodder and watering spots are serious problems. The issue is therefore, more acutely than in other Sahel countries, one of making nomadic herding less risky.

Livestock raising in the Sahel region plays a major role in Nigeria. The complementary relationship between livestock raising in the North and in the South should be strengthened, without selling short meat from the Sahel. Prices should better account for the range of risk factors, the number of intermediaries and the fluctuation of currency exchange rates. As the population of cities and towns in the Sahel grows, this meat will certainly become more expensive, and therefore more "selective" in relation to consumers' purchasing power.

In the current decade, the Sahel countries may not be able to meet the Nigerian beef demand in entirety, but can nonetheless play an important role benefiting their respective economies. Sahel beef production must do more to satisfy quality requirements. The cattle driven to market from the Sahel are often rather lean, which means that they must be fattened up at intermediate sites located on both sides of the border. To more systematically and more rapidly fatten cattle for market, the restrictions on access to feed must be overcome. This means that livestock breeders' organizations must acquire more political power in negotiations with industrialists (who produce bran, presscake, etc.). This also means that techniques must be found to improve the processing of agricultural by-products. These are some of the challenges facing breeders' organizations as they seek to improve their members' livelihoods and support the cattle-raising sector. ■