



# A PRACTICAL GUIDE FOR DIRECT MEAT MARKETING IN THE GOAT VALUE CHAIN



**This guide was compiled by the ZAGP VALUE Project Management team which was responsible for the day-to-day operations of the project.**

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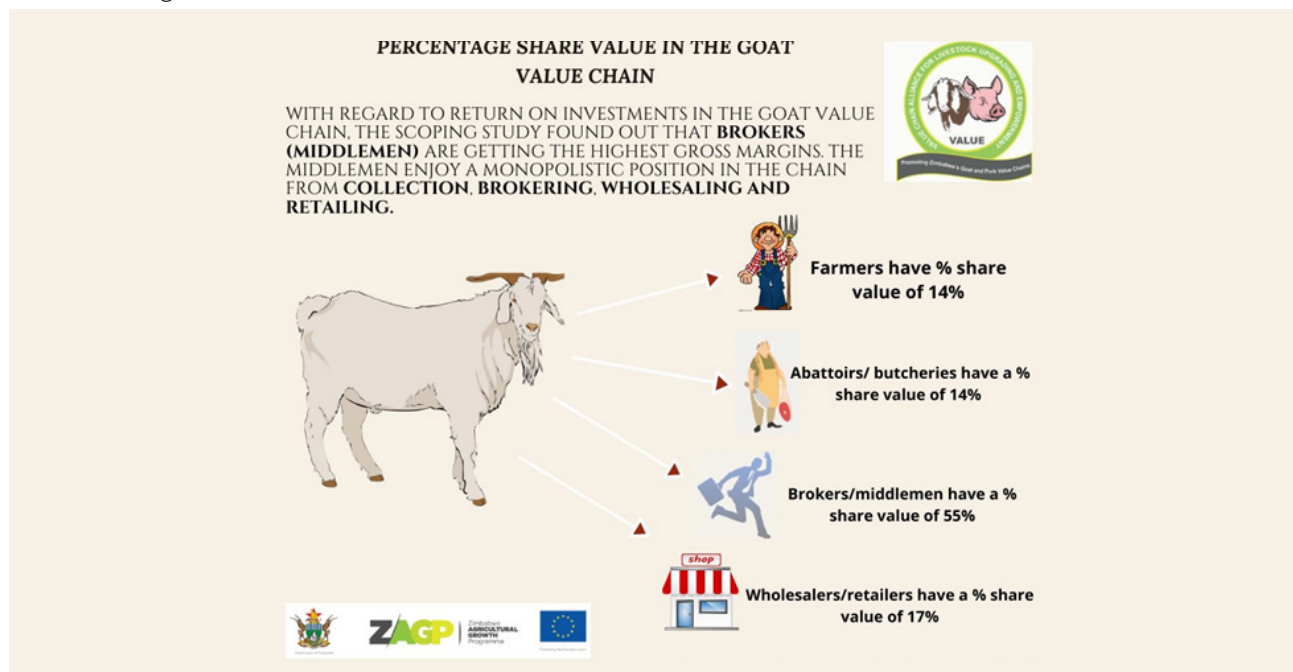
## LIST OF ABBREVIATIONS

<b>BDOs</b>	Business and Development Officer
<b>BMU</b>	Business Management Unit
<b>CDM</b>	Cold Dressed Mass
<b>DMM</b>	Direct Meat Marketing
<b>DMF</b>	District Market Facilitator
<b>DVS</b>	Department of Veterinary Services
<b>GIC</b>	Goat Improvement Centres
<b>GPBA</b>	Goat Producers' Business Association
<b>GVC</b>	Goat Value Chain
<b>VALUE</b>	Value Chain Alliance for Livestock Upgrading and Empowerment
<b>ZAGP</b>	Zimbabwe Agricultural Growth Program
<b>ZRP</b>	Zimbabwe Republic Police

## STRUCTURE, CONDUCT AND PERFORMANCE

In 2019 the Zimbabwe Agriculture Growth Program (ZAGP) under the Value Chain Alliance for Livestock and Upgrading and Empowerment (VALUE) conducted a scoping study to undertake a goat value chain system enablers and constraints for small and medium-scale producers. The scoping study findings were influential in the design of interventions and programming by the project. The findings of the study indicated the following:

1. Farmers had very little role in supplying goat meat directly to consumers.
2. Brokering was mainly done by middlemen and private abattoirs, there was low-capacity utilisation of local goat abattoirs such as Mvutcha, Rainham abattoir, Umguzo and Bulawayo which were operating at 30%, 10% and 15% respectively.
3. Local goat auctions/ middlemen did not significantly improve income for farmers.
4. In their individual capacity's farmers were failing to meet quantity requirements for retailers and wholesalers which stood at a weekly demand of 4180kgs for super grade, 5525kgs for choice and 9797kgs for standard goat meat totaling 19502kgs for the 528 profiled butcheries in Harare and Bulawayo representing an aggregate demand for goat meat of 19, 502kgs from the 528 profiled butcheries.
5. In terms of governance of the value chain, focusing on the shared value, the distribution was as follows, Farmers 14%, Abattoirs 14%, wholesalers 17%, with brokers/ middlemen enjoying the greater share of 55%. In monetary terms this meant that for every \$1 generated, the farmers received a paltry \$0.14, Abattoirs \$0.14, wholesalers \$0.17, with brokers/ middlemen enjoying the lion's share of the market earnings \$0.55.



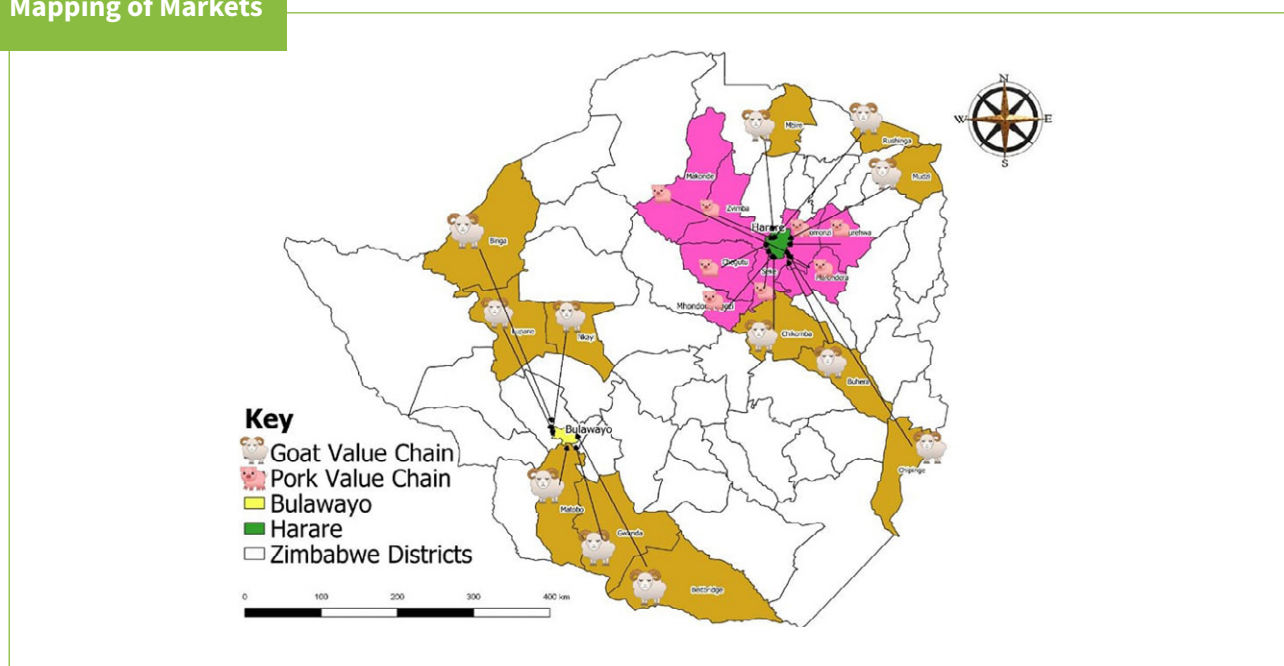
6. The goat meat marketing structure was monopolistic in nature with brokers and middlemen having more information on end-market prices as compared to producers. This resulted in way below-average market prices paid for live goats at farmgate through the market intermediaries.
7. Limited enforcement of environmental by-laws governing the trade of livestock in urban areas by local authorities and the meat traceability guidelines provided for under the Public Health Act have led to an increase in the informal trade in goat meat, posing health risks to consumers.

Seeing these constraints in the value chain, the project introduced the Direct Meat Marketing (DMM) approach. The DMM concept entails that producers transform from selling goats to selling chevon, from farmgate sales to butcheries, thereby evading intermediaries in the process.

In the year 2022 via this marketing route, a total of 3025 goats with a total of 38,358kgs of goat meat were sold to 43 butcheries in Harare and Bulawayo by 883 farmers, generating revenue of over USD130,000.

1. Participating farmers witnessed significant increases in their profit margins by an average of 30% compared to farm gate prices and sales via intermediaries such as middlemen, this shows how this route advertently shifts power to the farmers at the same ensuring the following: Improved supply of quality assured goat meat by small holder farmers who were otherwise inactive in goat marketing.
2. Engineering a new marketing structure which rebases and redistributes shared value in the governance of the goat value chain, but importantly ensuring fair share of financial recognition for the farmer who bears the brunt of production.
3. Delivery of goats through formal channels, and ensuring consumers have access to quality-assured meat products, inspected and graded at formal slaughter facilities.
4. Creating value and recognition of the GVC in contributing to economic growth. Previously, the absence of a formalised marketing infrastructure for chevon has long perpetuated the view that the animal is unprofitable as a commercial enterprise regardless of the huge demand for the meat in the major markets of Harare and Bulawayo.

## Mapping of Markets



The concept of DMM is largely informed by consumer patterns and demand for goat meat. According to reports by the Livestock Meat and Advisory Council, 50 to 60% of goat meat produced is consumed by the Harare and Bulawayo markets.

# PRACTICAL STEPS IN CONDUCTING DMM





## Stage 1: Mobilisation and Awareness Raising on DMM

- The Goat Producer Business Association (GPBA) should play an active role in awareness raising and mobilisation of goats in the villages, wards, and district. According to FAO (2012), associations have the role to facilitate knowledge, inputs, and market access and information dissemination for smallholder farmers. The key to the success of the marketing model is hinged on the ability of farmers to work collectively to leverage on economies of scale in relation to the cost of transport, animal movement levies and slaughter costs. In the instance of farmers working under the VALUE project, this is made easier as the project registered 12 GPBA in 12 districts to organise collective delivery of goats into Bulawayo and Harare through the direct marketing route thereby reducing transactional costs and increasing profit margins.
- The GPBA and District Market Facilitator (DMF) mobilize goats for DMM in different wards through GPBA representatives. A minimum number of goats should be agreed on per every assignment. The minimum number is subject the market requirement and size of transport secured.



## Stage 2: Aggregation and Tagging of goats prior transportation

- GPBA representative and the DMF tag goats before being loaded on the truck for transportation. The farmer should witness the goat tagging and record the tag numbers belonging to their goats.
- The association creates a register of farmer names and goat tag numbers. Farmers sign confirming the tag numbers on their goats' match with the association records.
- It is during tagging that goats are weighed. Goats below the minimum requirements for slaughter stock are not tagged, the owner is advised to provide supplementary feeding and necessary treatments. GPBA should aim to send goats of minimum 15kg CDM weights to the market which gives higher returns at the same cost. Sick animals, very thin animals and pregnant does are not tagged during the selection process.
- Constant updates to farmers on consolidated figures are important during the aggregation process. Once goat numbers reach 100 the DMF should engage off takers in Bulawayo or Harare.
- Mobilisation of goats does not stop until the number gets to 120 as some farmers will likely drop off and some might delay delivering the goats.



### Stage 3: Slaughter Booking

- This is just a phone call. Make sure you are in touch with the slaughter facilities so they can accommodate you upon your arrival.
- Remember other farmers may have booked the slaughter facilities hence processing of your consignment may be delayed.
- Try and avoid weekend deliveries of goats because some abattoirs rarely slaughter on Sundays and public holidays. Saturday are usually half days as well. This will result in farmers staying longer in Harare and incurring additional accommodation costs. It is ideal to schedule slaughter during weekdays, between Monday and Friday
- Farmers should consider setting aside some revolving slaughter fund in cases where abattoirs demand slaughter fees upfront and before any sales are conducted.



### Stage 4 Movement Permits and Police Clearance GPBAs

- Goat sellers are advised not to move goats outside area of jurisdiction without livestock movement permits and having them cleared by the police. Failure to produce the movement permits may result in livestock being destroyed enroute to the market.
- Once the goats aggregated reach a minimum economic threshold in terms of numbers, say, 100 goats for a 3.5tonne truck, engage the police and book clearance on the proposed transportation date.
- Engage the department of DVS for booking of movement permit on the proposed transportation date.



### Stage 5: Transportation of Slaughter Goats

- Always engage with transport service providers in your districts and have an appreciation of their costs.
- Engage a transporter who has the proper sized and appropriate truck to safely transport goats.
- Negotiate & agree with the transport service provider on “after-sales” payment terms for the transport service so there is no expectation of payment prior to slaughter.
- Goats are loaded on the truck in the presence of DVS and ZRP officials.





## Stage 6: Market Engagements

- Once the goats are loaded the DMF communicates with off takers and the abattoir informing them of their departure and possible time of arrival. Goats are accompanied by GPBA representative/ farmer representative.
- Matching market expectations in terms of numbers, quality (grade) and size of goats is key to satisfying market demand for goats.
- Securing a market also entails negotiating for favourable pricing, delivery, and payment arrangements with potential off takers as well as transportation arrangements.
- When the market is ready, dates are shared with farmers through GPBA representatives. Farmers tasks will be to deliver goats at designated sites on the said date and time for selection and tagging.
- Price per kg and proposed payment dates are shared with farmers during the pre-tagging address.
- When all these engagements are done the search for a transporter begins. Some GPBAs have preferred transporters, and some do not have.
- Market profiling should always be an ongoing process. Whenever associations must wait for a couple days for payments collection, it is better to also utilise the same days to be engaging new markets.
- It is essential to maintain constant communication with Butcheries giving notifications a week before and a day before, giving each other updates.
- Associations can consider creating WhatsApp groups with all butcheries for easy placement of goat meat. Two WhatsApp groups have been created so far for project participants, it is essential to continue adding new butchery operators to widen distribution options. Short and direct messages like this can be sent to assist with market mobilisation.



**Mbire Goats Association is delivering 107 quality goats in Harare Today, the 8th of June 2023 for slaughter. Goats will be ready for collection at NASHGO ABATTOIR tomorrow Friday the 9th of June 2023 10am. Kindly inbox your orders.**

- It is essential to develop a corridor schedule to supply goats on a weekly basis to ensure there is better coordination with the market. A simple structure that can guide can be as below:

Southern Corridor	Wk 1	Wk 2	Wk 3	Wk 4
Buhera				
Mudzi				
Rushinga				
Mbire				



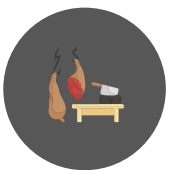
### Stage 7: Slaughter Processes

- At the abattoir goats are monitored during slaughter taking care of tags and the process.
- As weighing and grading of carcasses is happening, representatives should compile a list against tag numbers goat carcass weights.
- Slaughter sheets should be obtained at all slaughter points and onward sharing with goat sellers, detailing the weight of goat carcasses corresponding to the goat identification tags.



### Stage 8: Contract Enforcement & Invoicing of Butcheries and Stage 9: Despatching - Collection of Meat Consignments by butcheries

- The DMF contacts off takers to collect carcasses or the carcasses are delivered to the butcheries.
- The DMF issues out an invoice which should inform the butchery operators of their bill.
- Goat Meat Supply Contract enforcement is made possible through the signing of Goat Meat Supply Agreements between GPBAs and off taking butcheries.



### Stage 10: Collection of Sales Revenue

- There are two options here, where credit consignments have been issued, either the GPBA representatives return to their districts and collect their payments on the agreed date or the GPBA memberships stays in Harare or Bulawayo until payment is collected. This is entirely dependent on the cost analysis of travelling back and forth compared to accommodation costs.
- Where Cash has been paid upon delivery, GPBA members do not need to stay longer but should travel earlier to their districts to issue the payments to farmers.



### **Stage 11: Payment of Premiums to Goat sellers by GPBAs**

- Once the money is collected, the GPBA representatives surrender the funds to the GPBA treasurer for recording and safekeeping.
- The GPBA then maps out routes to be followed during payment and pay points. Farmers are paid their balance after deduction of transport, movement permit, clearance and GPBA commission being considered.
- GPBA during cash disbursement should inform farmers on any challenge encountered (feedback meeting) during the slaughter process, secondly educate farmers on desired weights and grade of carcasses and advise farmers on the ways of increasing goats weights (good animal husbandry practice)



## UNCERTAINTIES IN DMM & DEALING WITH THEM

UNCERTAINTIES	MITIGATION MEASURES
Being turned down by an off taker at the last minute	Building relationships with suppliers and ensuring frequent communication and delivery of quality goats on every consignment to your routine and new clients.
Mortality of goats on the way	Ensure not to over crowd goats and at the same using appropriate well-ventilated and side railed trucks to respectively avoid suffocation and straying of goats during movement.
Missing goats before delivery to the abattoir	
Mixing farmer personal stock information relating to goat number, weight during slaughter.	Goats should be tagged for easy identification. During slaughter farmers should have an association representative present to specifically monitor slaughtering, weight and aligning them to the tag numbers.
Price drop as the consignment stock is on the way	Farmers must not to rely on one off taker but to have multiple off takers per consignment. Farmers should create relationships that give option B in the event there is no mutual understanding with a specific off taker.
Not meeting the minimum CDM mark stipulated by some suppliers.	Using a scale during aggregation to ensure minimum live weight of between 20 to 30kgs for goats tagged for the market.
Fees and fines during delivery and transportation process including corruption by officials.	Hire appropriate transport and ensure you have a contingency fee set aside to cater for unforeseen circumstances.
Hidden costs relating to payment follow ups especially if it's not cash on delivery	Contract signing with off takers taking goats on credit. The contract should carry penalties for inconveniences and delays in payment.  Continued communication between GPBAs and markets regarding collections should be open to ensure alignment with collection days.



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## IMPLEMENTING PARTNERS

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