INFLUENCE OF MARKETING AGENCIES ON DIRECT EXPORTS OF LIVESTOCK PRODUCTS IN NORTH EASTERN, KENYA

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The general objective of the study was to assess the level of marketing agencies in North Eastern, Kenya. The study used descriptive research design. The study's target population consisted of the large scale pastoralists drawn from Garissa County. The study used a sample of 267 large scale pastoralists from the randomly selected clusters among the five constituencies; namely, Lagdera, Ijara, Dadaab, fafi, and Mbalambala. The study utilized both primary and secondary data. Primary data was collected using questionnaires designed on the basis of the study objectives. Logistic regression was used to establish the relationship between the dependent and independent variables. The findings established that Pastoralists have not felt the impact of the marketing agencies as most of them did not have any idea of existence of KLMC, and butchery owners and middlemen controlled close to 90% of the local market. The study recommended: the existing marketing agencies work with the sub-county livestock officers since they always interact with the pastoralists to inform them of any trends.

Key words: Institutional market infrastructure support, marketing agencies

INTRODUCTION

Background and Research Gap

The overall level of agricultural infrastructure development in most countries in sub-Saharan Africa is lower than in other regions of the world and is one of the greatest constraints to increasing agricultural production and access to markets. Livestock farmers have continuously relied on herds of goats and camels as their single most important source of livelihood (FAO, 2005). Besides providing food directly in the form of meat and milk, they were able to trade livestock to meet urgent cash needs such as school fees and staple foods. The government of Kenya supported livestock marketing from these regions through the livestock marketing division that enabled livestock farming communities to achieve competitive prices (ROK, 2010).

However, the government discontinued its direct role in livestock marketing during the introduction of the Structural Adjustment Programmes that aimed to implement "free market" programmes and policies in the 1990s. This led to the degradation of the once well-established market. The consequences since then have been significant inefficiencies including ineffective market places, high transaction costs, unstable prices, and insecurity. These high transaction costs emanate from, among other factors, the ‘lengthy channels’ created by long distances to markets (ROK, 2010). The long distances involved in trekking animals to the market led to increased livestock mortality, reduced animal/carcass value and exorbitant charges en-route, high transport costs, and loss through theft of stock. The only opportunity to avoid these long distances is by selling livestock to middle men for low prices. Other issues that hamper the effective participation of producers in distant markets include their limited education and poor knowledge of the national language (Were, 2012).

Organized livestock marketing has been going on since 1952 when the African Livestock Marketing Organization (ALMO) was set up “to organize, sponsor and encourage maximum outlets within Kenya for the sale of African stock produced in pastoral areas and to reduce overstocking to the carrying capacity of the land”. It was renamed the Livestock Marketing Division in 1968 (LMD) until 1982 when its marketing activities ceased. During this period, it developed various holding grounds, disease free zones and stock routes, some of which exist despite the dilapidated state. This organization supported KMC
which started operation in 1950 as a monopolistic meat processing organization supplying large urban areas. During this phase, stock routes, holding grounds and quarantine areas were set up to divide the country into disease prone and disease free zones. In an effort to understand export marketing, four theories were explored: theory of change and development outcome, the game theory, signaling theory and innovation theory.

Problem of research
Agriculture remains the backbone of the Kenyan economy. Livestock farming practice is wide spread in North Eastern Kenya where it accounts for 80% of economic activity and a source of livelihoods to 95% of the residents (ROK, 2011). The region accounts for over 10% of the livestock production in the Kenya (MoLFD, 2006). With this high production levels, North Eastern Kenya has a capacity for massive export which seems to be untapped, as only 2.6% of livestock production is on record as exports to Mauritius and UAE. Interestingly, the rest of the livestock trading in North Eastern Kenya is through domestic market.

A number of studies have been done regarding livestock marketing in Kenya both domestics and export markets. However, much attention has been given to the local markets as opposed to export markets that have higher potential and better returns for the farmers. Attempts to understand the export markets for Kenya remain limited. As a result, there is limited information on the existing marketing institutions and infrastructure for direct export of livestock among pastoral communities. This, therefore, creates a gap of whether there are adequate marketing institutions to facilitate direct export of livestock from the North Eastern Kenya. This study, therefore, analyzed level of marketing agencies in North Eastern, Kenya.

Objective
The main objective of this study was to analyze the institutional market infrastructure support for the export of livestock in North Eastern, Kenya.

METHODOLOGY OF THE STUDY
This study employed a descriptive survey research design and applied cluster random sampling. The sampling frame constituted of 4930 households from 6 constituencies in Garissa County. A formula adapted from Yamane (1967) was used to arrive at the sample size of 267. In the study, questionnaires were used to collect primary data while secondary data was sourced from published reports on livestock marketing and export in Garissa County. The study generated both quantitative and qualitative data. Descriptive statistics data analysis was applied to analyze numerical data gathered using open-ended questions. SPSS Package was used in data analysis. Regression analysis was also used to determine the relationship between the dependent and the independent variables. The findings were presented in graphs and tables.

RESULTS OF THE STUDY
Data analyzed was summarized in line with the research objective and appropriate frequency tables inserted for presentation.

Response rate
In this study, 267 questionnaires were administered, duly completed and returned. This represents a response rate of 100%.

Demographics
The respondents were required to provide information pertaining to their gender, education and the number of years they had kept livestock. Results showed that a majority of the respondent were male (95%) while the rest (5%) were females. Results also revealed that most of the respondents had no formal education (40.44%), 32.62% held primary education qualification, 18.37% held Secondary, 2.04% held bachelor’s degree and none had postgraduate qualification. Further, the study showed that 72.43% of the respondents had kept livestock for over 10 years, 8.125% for 6 to 10 years, 12.29% for 2 to 5 years and 2% for less than 2 years.

Marketing agencies
The study sought to assess the level of marketing agencies for direct export of livestock products in north eastern, Kenya. To achieve this, respondents were asked questions that would elicit their understanding of the level of marketing agencies influence on direct export of livestock in the region.

Direct access to export market
This question sought to examine whether there are any form of help that facilitates direct export of livestock to other countries. The findings indicated that 43% of respondents agreed that there are some forms of facilitation. This is a simple majority status which implies that there is no clear response which dominantly indicates facilitations. Further probe of the form of facilitations resulted into a very highly diverse responses that ranges from transport permits, to taxation by central governments which may not be a very concrete answer. The findings are illustrated in figure 1.

Livestock Marketing Agencies
The question sought the magnitude of the opinion of the respondents on whether there are enough livestock marketing agencies in the area who facilitate direct export of livestock. Again a simple majority 27% of the respondents indicated strongly the presence of livestock marketing agencies that facilitate direct export of
livestock in the area. This shows that though not in all areas of the region, some places seem to be having agents who facilitate the export market of livestock in the area. The findings are illustrated in the following figure 2.

**Capacities of marketing agencies**
The question sought to find out whether the livestock marketing agencies in the area have the capacity to meet the needs of the pastoral farmers in the area. The findings are that 48% strongly disagreed. This finding is a reflection of the earlier findings in which majority of the respondents did not indicate a strong presence of marketing agencies in the area. Nevertheless, it is clear that the few who agreed upon the presence of the marketing agents thought that they have adequate capacity to meet their needs. The findings are as shown in the figure 3.

**Accessibility of livestock agents**
This question sought the opinion of the respondents on whether agents to facilitate in export of livestock in their region are always accessible whenever needed. A simple majority of the respondents 20% indicated strongly that, agents to facilitate in export of livestock in their region are always accessible whenever needed. Consistent with the earlier findings and discussions, this result shows that though not strongly on the ground, there are some forms of presence of these livestock agents in selected places or for individual livestock farmers who trade on export scale. These findings are as shown in figure 4.

**International standards market**
The respondents were asked on whether the marketing agents also assist pastoral farmers in producing animals that meet international standards. Interestingly, majority
44% of the respondents chose not to respond to this question and took a neutral position. This shows that 44% of response took a neutral position seems to be the respondents who denied any presence of such agents. These findings are illustrated in figure 5.
Table 1: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.847</td>
<td>0.717</td>
<td>0.707</td>
<td>0.123</td>
</tr>
</tbody>
</table>

Table 2: Summary of One-Way ANOVA results

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>3.321</td>
<td>3</td>
<td>1.107</td>
<td>4.075</td>
<td>0.003</td>
</tr>
<tr>
<td>Residual</td>
<td>1.309</td>
<td>85</td>
<td>0.015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4.630</td>
<td>88</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3: Regression coefficients of the relationship between direct access to export market and the predictive variable

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>0.983</td>
<td>0.298</td>
<td></td>
<td>3.694</td>
</tr>
<tr>
<td>Marketing Agencies</td>
<td>0.542</td>
<td>0.348</td>
<td>0.244</td>
<td>4.076</td>
</tr>
</tbody>
</table>

Table 4: Correlation analysis

<table>
<thead>
<tr>
<th>MA</th>
<th>MIS</th>
<th>CN</th>
<th>EA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.000</td>
<td>.486**</td>
<td>.421**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.025</td>
<td>.005</td>
<td>.042</td>
</tr>
<tr>
<td>N</td>
<td>133</td>
<td>133</td>
<td>133</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Inferential analysis

In this study, regression analysis and correlation of variables was applied to determine the relationship of each of the four variables with respect to direct access to export market. Correlation was applied to measure linear association between two independent variables.

Regression Analysis

In this study, a linear regression analysis was conducted to analyze the institutional market infrastructure support for direct export of livestock products in north eastern, Kenya. The research used statistical package for social sciences (SPSS V 21) to code, enter and compute the measurements of the linear regression.

R-Squared is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. The adjusted R² also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. 70.7% of the direct export of livestock products could be attributed to the combined effect of the predictor variables (table 1).

The probability value of 0.003 indicates that the regression relationship was highly significant in predicting how marketing agencies, market intelligence structures, cooperative network and extension agencies influenced access to direct export market for livestock products. The F critical at 5% level of significance was 4.075 since F calculated is greater than the F critical (value = 2.71), this shows that the overall model was significant (table 2).

As per the SPSS generated in table 3, the equation (Y = β₀ + β₁X₁ + ε) becomes: Y= 0.983 + 0.542X₁

The regression equation above has established that taking all factors into account (marketing agencies, market intelligence structures, and cooperative network and extension agencies) constant at zero direct access to export market for livestock will be 0.983. The findings presented also show that taking all other independent variables at zero, a unit increase in the scores of marketing agencies effort will lead to a 0.542 increase in the scores of direct access to export market for livestock.

Correlation Analysis

This is a correlation matrix. N is the number of pairs in sample. Degrees of freedom (df) equals n-2. The p-value (Sig. (2-tailed)) is the Probability that you'd see an r-value of this size just by chance, the smaller the better (table 4).

From table 4, Pearson’s r is below 0.5, for this reason, we can conclude that there is a moderate relationship
between our variables. When Pearson’s r is positive (+), means that as one variable decreases in value, the second variable also decreases in value. Similarly, as one variable increases in value, the second variable also increases in value. The Significant (2-tailed) value will tell you if there is a statistically significant correlation between your two variables.

CONCLUSIONS
From the findings, the study concludes that marketing agencies influence direct access to export market for livestock and livestock products.

Recommendations
From the study findings and conclusions, the study recommends that the existing marketing agencies work with the sub-county livestock officers since they always interact with the pastoralists to inform them of any trends. This help in creating awareness of the agencies among pastoralists in Garissa County.

The study also recommends that the government should also come up with policies to make access to micro credit easier to ensure that more youths are able to acquire such funds and be allocated to livestock projects. Pastoralism should not be seen as a waste of time nor a cultural norm but as a venture where innovative ways of livestock rearing should be encouraged to grow the economy. This will empower more youths and grow the entrepreneurial culture in the country which will have a positive effect on the growth of the Garissa county economy in the coming years and the ASAL as a whole.

REFERENCES


