Understanding the market chain – Trader survey

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Background

› Aim to describe supply chain (from village to end-user) and identify how farmers and traders would benefit from animal health and production improvements.
› Interested in role of trader as ‘middleman’ and ability to source cattle for each market.
› Conduct training exercise to assess ability of traders and farmers to determine animal value based on visual assessment of body weight and body condition score.

Methodology – Trader Survey

› 55 traders across 5 districts surveyed in 2009
› Survey questions relate to:
  - type and age of cattle purchased;
  - destination; and
  - prices paid.

Methodology – Determining animal value

› In June 2010 farmers and traders visually assessed animals at the Tameo Breeding Station to estimate body weight (BW) and body condition score (BCS)
› Electronic scales used to determine actual weight and compared to girth weight tape
› Difference between visual and actual weights discussed and implications for true animal value
Establishing weights

Fitted Model – used to develop tape

Results – Trader Survey

- Traders used BCS and general appearance to assess animal value
- As expected – heavier animals received higher prices
  - crossbreds received more than local breeds
- Variation in prices paid
  - reflects differences in markets and animals
- Some traders purchased to re-sell
- Major costs: transportation and slaughter

Average Price of Male Cattle (local) - all districts

- KPCham
- Kandal
- Takeo 1
- Takeo 2
- Kampot
- Phnom Penh
Marketing costs

<table>
<thead>
<tr>
<th></th>
<th>Transport $US per head</th>
<th>Levies $US per head</th>
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</thead>
<tbody>
<tr>
<td>Kampong Cham</td>
<td>3.44</td>
<td>1.00</td>
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<tr>
<td>Kandal</td>
<td>6.75</td>
<td>1.50</td>
</tr>
<tr>
<td>Takeo (Tram Kok)</td>
<td>5.64</td>
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<td>Takeo (Trang)</td>
<td>4.47</td>
<td>2.67</td>
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<tr>
<td>Kampot</td>
<td>5.00</td>
<td>5.00</td>
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<tr>
<td>Phnom Penh</td>
<td>18.83</td>
<td>-</td>
</tr>
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Concerns raised by the traders

- High prices paid for livestock in relation to how much they received for the meat
- Wanted the establishment of:
  - Domestic market for cattle
  - Market on the Cambodian-Vietnamese border
  - Market for skins
- Prevent the importation of cattle
- Tax discounts for slaughter houses
- Prevent illegal export of livestock
- Difficulties in assessing body weight
- Access to better quality animals

Visual vs. actual – very close

Trader estimate:
360 kgs; medium – fat
$US 550
Participants:
- 300 – 325 kgs: 4
- 325 – 350 kgs: 16
- 350 – 375 kgs: 6
Actual Weight: 350 kgs

Most estimates close to actual

Visual vs. actual – underestimation

Trader estimate:
270 – 280 kg, medium
$US 350 – $US 375
Participants:
- 275 – 300 kgs: 1
- 300 – 325 kgs: 2
- 325 – 350 kgs: 16
- 350 – 375 kgs: 9
Actual Weight: 331 kgs

Trader underestimates by 50-60kg
Recommendations

› Reinforce need for farmers to ‘target feed’ animals in order to increase value of individual animals
› Farmers to consider targeting traders if have animals for sale of superior quality
› Determine demand for animals throughout year and adjust management to deliver suitable animals at peak periods
› Additional survey to be completed to determine impact of health and nutrition interventions on animal value