



Socio-economic Contribution of Indigenous Goats to Smallholders' Livelihoods in Crop-livestock Production System in Malawi

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Introduction

Although indigenous goats contribute to improved livelihoods of smallholders in Malawi, they have been overlooked in national agricultural development strategies.



Community-based breeding programs (CBBPs) have emerged as a viable approach to implement small ruminant improvement programs but require collaborative support from government and development agencies.

This study was conducted to determine socio-economic contributions of indigenous goats to provide key stakeholders in the small ruminant subsector with the information which can form the basis for supporting goat CBBPs.

Results and Discussion

The average tropical livestock units owned per household was 5.4, and goats accounted for the highest proportion (43.0%), followed by cattle (31.5%) and pigs (16.2%), suggesting that goats are an important livestock specie in Malawi.

The mean annual GM per flock per year was €101.00 and the RC on capital invested was 24.6% exceeding the deposit commercial rate (8%) by several folds (Table 1).

Table 1: Gross Margins (GM), Net profit (NP) and Return on capital (RC) per flock per year in the study areas

Parameter	Zombwe	Mitundu	Magote	overall
Average capital (€)	297.4	119.5	368.0	276.7
Tangible benefits(€)	153.6	58.4	147.6	120.0
Intangible benefits (€)	41.2	16.5	57.8	47.0
Production costs (€)	59.5	31.3	72.2	55.5
Gross margins (€)	132.4	51.2	119.3	101.0
Gross margin + IBG (€)	173.6	67.6	177.0	161.4
Net Profit (€)	94.1	27.2	75.4	65.6
RC (%)	31.6	22.7	20.5	24.6
Net profit + IBG (€)	135.4	43.6	133.0	105.0
RC-IBG (%)	45.5	36.5	36.2	39.0
% increase – IBG	43.8	60.5	76.5	60.3

Methods

- A 12-month household and flock monitoring study was conducted between August 2017 and July 2018.
- A total of 137 goat farmers were randomly selected from three CBBP study areas indicated on the map.
- Data was collected every 4 weeks, which included; number and type of livestock kept, sold and slaughtered, costs incurred and goat flock dynamics.
- Enterprise budgeting and return-cost analysis were used for financial analysis. Intangible benefits of goats (IBGs) were also determined.
- Gross margins (GM), Net profit (NP) and return on capital (RC) were used as indicators of economic success of goat enterprises.



Goats accounted for 61.2% of the total household livestock income representing the biggest contributor while cattle, pigs and chickens contributed 18%, 16% and 4%, respectively.

Inclusion of IBGs (benefit of financing and benefit of insurance) significantly increased the GM, NP and RC by 60.3%

Conclusions

The indigenous goat enterprises in smallholder farms are profitable and economically viable.

The significance of IBGs, reflects the importance of socioeconomic roles goats play in providing current and future economic stability to rural households' economy.

Hence, goat CBBPs are meant to harness the potentials of indigenous goats to optimize their contribution towards reduction of rural poverty and hunger.

Therefore, financing and supporting scaling up of such programs is a meaningful and direct investments into the development of rural economy.