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“PREPARATION OF A LIVESTOCK DEVELOPMENT AND MARKETING BILL IN SWAZILAND”

CHAPTER TITLES

ACKNOWLEDGEMENTS

EXECUTIVE SUMMARY

1. INTRODUCTION

2. INTRODUCTION TO THE DEVELOPMENT AND MARKETING OF LIVESTOCK AND LIVESTOCK PRODUCTS BILL

3. DEVELOPMENT AND MARKETING OF LIVESTOCK AND LIVESTOCK PRODUCTS BILL

4. LIVESTOCK IMPROVEMENT ACT 2007

5. REGULATION FOR THE COMPLIANCE WITH COST RECOVERY FOR MOAC

6. THE FEED BILL

7. METHODS OF MARKETING LIVESTOCK

8. LIVESTOCK TRADING AND PRODUCTION CONTRACTS

9. DROUGHT MANAGEMENT

10. INDIGENOUS BREEDS AND THE ROLE OF ASSOCIATIONS IN PRESERVING THEM

11. NGUNI CATTLE

12. DAIRY CATTLE

13. GOATS

14. PIG PRODUCTION

15. POULTRY PRODUCTION

16. FUTURE MARKET STRATEGY

17. STATE AID TO SMALL AND MEDIUM LIVESTOCK ENTERPRISES
18. BASIC PRINCIPALS OF POVERTY REDUCTION USING LIVESTOCK FOR DEVELOPMENT IN SWAZILAND

19. COMMENTS TO THE LIVESTOCK POLICY DOCUMENTS

20. CONCLUSIONS

ANNEXES

ANNEX 1 Pag 32
1.1 Terms of Reference
1.2 People met
1.3 Visits made
1.4 Invitation and programme: first stakeholder conference
1.5 List of participants: first stakeholder conference
1.6 Stakeholders inputs and comments to conference
1.7 Invitation and programme: second and final stakeholder conference
1.8 List of participants: second and final stakeholder conference

ANNEX TO CHAPTER 3. DEVELOPMENT AND MARKETING OF LIVESTOCK AND LIVESTOCK PRODUCTS BILL Pag 47
3.1 Development and Marketing of Livestock Products Bill 2007

ANNEX TO CHAPTER 4. LIVESTOCK IMPROVEMENT BILL 2007 Pag 58
4.1 Livestock Improvement Bill

ANNEX TO CHAPTER 6. THE FEED BILL Pag 66
6.1 Minimum conditions by establishments and intermediates producing feedstuffs
6.2 Tolerances in feedstuffs
6.3 Feed labelling
6.4 Informative dossier guidelines
6.5 Official inspections and methods of sampling
6.6 Undesired substances in feeds
6.7 Official methods of analysis in feeds
6.8 Identification of components of animal origin in animal feeds

ANNEX TO CHAPTER 7. METHODS OF MARKETING LIVESTOCK Pag 122
7.1 Swaziland Meat Industries (SMI) cattle purchases by month and grade, from January 2002 to July 2007

ANNEX TO CHAPTER 8. LIVESTOCK TRADING AND PRODUCTION CONTRACTS Pag 123
8.1 Swaziland Meat Industries (SMI) Carcase grading for animals

ANNEX TO CHAPTER 11. NGUNI CATTLE Pag 124
11.1 Nguni classification
11.2 Swazi Nguni classification criteria
11.3 Standard for Brahman cattle

ANNEX TO CHAPTER 13. GOATS  Pag 135
13.1 Standards for Boer goats

ANNEX TO CHAPTER 17. STATE AID TO SMALL AND MEDIUM LIVESTOCK ENTERPRISES  Pag 137
17.1 State aid to small and medium livestock enterprises: a proposed package

ANNEX TO CHAPTER 18. BASIC PRINCIPALS TO POVERTY REDUCTION USING LIVESTOCK FOR DEVELOPMENT IN SWAZILAND  Pag 139

ANNEX TO CHAPTER 19. COMMENTS TO THE LIVESTOCK POLICY DOCUMENTS  Pag 143
19.1 Comments
<table>
<thead>
<tr>
<th>ACRONYMS</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRP</td>
<td>Cost-recovery Policy</td>
</tr>
<tr>
<td>DVLS</td>
<td>Department of Veterinary and Livestock Services</td>
</tr>
<tr>
<td>DMB</td>
<td>Dairy Marketing Board</td>
</tr>
<tr>
<td>DP</td>
<td>Dip Tank</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FINCORP</td>
<td>Swaziland Development Finance Corporation</td>
</tr>
<tr>
<td>FL</td>
<td>Feed Lots</td>
</tr>
<tr>
<td>GDMA’s</td>
<td>Grazing Demonstration Management Areas</td>
</tr>
<tr>
<td>IGP</td>
<td>Indigenous Gene Pool</td>
</tr>
<tr>
<td>LIA</td>
<td>Livestock Identification Act</td>
</tr>
<tr>
<td>LDP</td>
<td>Livestock Development Policy</td>
</tr>
<tr>
<td>LDLMF</td>
<td>Livestock Development and Marketing Legislative Framework</td>
</tr>
<tr>
<td>LDMB</td>
<td>Livestock Development and Marketing Bill</td>
</tr>
<tr>
<td>LPMS</td>
<td>Livestock Production and Marketing Systems</td>
</tr>
<tr>
<td>LTMTB</td>
<td>Livestock Production, Marketing and Trade Bill</td>
</tr>
<tr>
<td>MOAC</td>
<td>Ministry of Agriculture and Cooperatives</td>
</tr>
<tr>
<td>NAMBOARD</td>
<td>National Agricultural Marketing Board</td>
</tr>
<tr>
<td>OIE</td>
<td>World Organisation of Animal Health</td>
</tr>
<tr>
<td>RDA</td>
<td>Rural Development Area</td>
</tr>
<tr>
<td>RDAP</td>
<td>Rural Development Area Programme</td>
</tr>
<tr>
<td>SIPA</td>
<td>Swaziland Investment Promotion Authority</td>
</tr>
<tr>
<td>SMI</td>
<td>Swaziland meat industries</td>
</tr>
<tr>
<td>SNL</td>
<td>Swazi National Land</td>
</tr>
<tr>
<td>SSFU</td>
<td>Small Scale Fattening Units</td>
</tr>
<tr>
<td>TDL</td>
<td>Title Deed Land</td>
</tr>
<tr>
<td>TIBIYO</td>
<td>Tibiyo Taka Ngwane</td>
</tr>
<tr>
<td>VFTC</td>
<td>Veterinary and Farmer Training Centre</td>
</tr>
<tr>
<td>VA</td>
<td>Veterinary Assistant</td>
</tr>
<tr>
<td>VO</td>
<td>Veterinary Officer</td>
</tr>
<tr>
<td>IYSIS</td>
<td>Inyoni Yami Swaziland Irrigation Scheme</td>
</tr>
<tr>
<td>WS</td>
<td>Work Shops</td>
</tr>
</tbody>
</table>
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EXECUTIVE SUMMARY

The mission for two consultants was carried out in Swaziland between 22nd August and 30th October 2007. During the mission the consultants meet with a wide range of stakeholders from the MOAC and the livestock sector and had 2 workshops with participants from livestock production, processing, marketing and feed production. The overall impression gained is that Swaziland is an easy country to cover with few distances on good roads exceeding 2 hours travelling by car. This ease of infrastructure means that MOAC could conduct inspection, extension and training even in the most remote corners at comparatively low costs to most other countries in Africa. The livestock production potential on SNL areas is virtually untapped with the main reasons being the mentality of livestock owners, lack of extension services to small farmers, lack of appropriate technology and the lack of finance and high interest for development of the livestock industry.

The processing and animal feed sectors are dominated by a few South African based companies and the import of cheaper livestock products from South Africa poses a great challenge to local producers due to lack of information and knowledge. The emergence of the small feedlot sector is in great jeopardy as their profit margins have dropped to zero due to the high prices of complete feed and interest they have to pay. The bulk of available budget in MOAC is used for control of diseases and veterinary services, state farms and dipping expenses and once salaries and benefits of officers have been taken into consideration there is very little left for extension and development of the industry.

MOAC is involved in areas of production, processing and marketing through their farms, DMB and Namboard that should be in the hands of the private sector and as a result their key areas of regulation, inspection and extension have suffered considerably. Better cost recovery from these three areas would fund a viable extension service and finance the development so badly required for small, emerging livestock businesses.

A very good livestock policy document has been formulated with consultation from a wide range of stakeholders that sets out the future strategy and role of the livestock sector and MOAC and this document has been the basis of our findings and recommendations. A Livestock development and marketing regulations and act has been formulated in close consultation with the Director of Veterinary Services and his team and a wide range of stakeholders from the whole livestock industry.

The main recommendations is for the livestock department of MAOC to concentrate on their main role of regulation, inspection and extension and move away from involvement in production, processing and marketing that should be carried out by the private sector. Work on compliance with cost recovery has found that the industry is still far to fragmented and immature to begin to pay for the necessary services they receive from MOAC and that instead costs should be recovered from the consolidation of parastatals that should be controlled by an independent council. The council should be nominated
from the various stakeholder elements within the industry and levies and licences should be collected and distributed for development by this single body controlled by the Council and Minister of Agriculture. We are recommending that at least 80% of levies collected should be invested directly in the development of the livestock sector and the investments to be made should be scrutinised by the livestock development council for feasibility and relevance to producers.

It was found that there is very little control on the importation and processing of animal feeds and both regulations and a bill have been produced to improve and regulate these activities in order to improve the quality of animal feed and protect and inform consumers of the value and quality of feeds purchased.

A wide range of livestock and livestock product marketing has been looked into and regulations and a bill have been proposed to improve the situation in this area of production, processing and marketing of livestock products. This has included recommendations for different marketing systems, drought management, insurance cover and easier access to finance for primary small scale producers. Under the current situation any small producers that have invested in the industry with high feed and interest rates have little chance of survival.

Protection of Swaziland’s indigenous gene pool was carefully scrutinised and it was found that the situation in this area is in desperate need of assistance and restructuring. There are very limited numbers of Nguni cattle and even fewer Nguni goats, little contact between researchers, MOAC and the private sector and no breed associations to stimulate and market these very valuable and adapted animals.

Recommendations here have been to assist with breed standards for Nguni cattle and stress the importance of an association and cooperation between MOAC and the private sector. There must also be much more interaction between MOAC and the South African Nguni cattle and goat herd books to both improve the breed and marketing of breeding and commercial stock. Indigenous breed standards and the import and export of breeding stock have been covered in the regulations produced.

Methods of assistance to small and medium scale livestock producers have been investigated and regulations put forward to improve their production systems, access to finance and above all their access to extension services that are so badly needed in this sector.

The general role of livestock in development in Swaziland has also been looked into in order to guide MOAC and other donors into areas where development can have the greatest impact in future.
1. INTRODUCTION

Swaziland is a landlocked country covering an area of 17,364km$^2$. It has a population of just over a million people, with a growth rate of 2.9% and with GDP per capita of US$2,050 (E14,965), it is regarded as a low–middle income country. Despite this categorisation, there is evidence of widespread poverty, largely associated with unemployment and a highly skewed distribution of income. According to the 2001 Household, Income and Expenditure Survey, the richest 19% of the population controls about 56% of total income, while the poorest 19% controls only 4.3%. Estimates of poverty indicate that about 69% of the population live below the poverty line estimated to be around US$17.5 (E128) per household per month. Poverty is rifer in rural and peri-urban areas and much worse for female-headed households.

Agriculture is the largest source of employment for rural households and about 70% of the population relies on this sector as a means of income. During 2004/2005 this sector grew by 2.1% with a GDP share of about 8.6%. Continued drought has significantly reduced output from this sector. Another adverse factor is the impact of HIV/AIDS, while globalisation is also a threat due to the potential removal or reduction of tariffs calling for revision of the country’s strategies.

The livestock sub-sector accounts for about 14% of agricultural output and 1% of total GDP. Traditionally this sector is dominated by the production of cattle. Other species reared include poultry, pigs, sheep and goats.

The country has a great potential which is relatively unexploited especially on Swazi Nation Land (SNL) where 83% of the country’s livestock is reared. Government is now putting more emphasis on promoting commercialisation of smallholder farmers on SNL. This is expected to assist in achieving the government millennium development goals of food security, poverty alleviation, increasing rural incomes and generating employment. Government effort to increase productivity in this sector has had little impact. Inbreeding continues to be a problem, leading to poor performance and stunted growth. Livestock numbers and pasture degradation continue to increase, while the country is still unable to meet its EU quota.
The country is now experiencing numerous problems relating to the procurement of breeding stock for smallholder distribution, particularly in the poultry, piggery and dairy industries. Although the breeding stock is available mainly from imports, access can be a problem. In the poultry industry, the local supplier is charging exorbitant prices as a monopolistic situation has been created through sole agency in South Africa. The same situation is likely to be experienced in the dairy industry if it is left unattended as similar cases have been reported.

Animal feed is available from local feed mills and imports. However, there are no feed standards to ensure that feeds are safe and conform to international feed standards. Because of this problem, producers who lose their livestock allegedly from feed contamination are not protected.

The Livestock Development Policy formulated in 1995 was aimed at putting the livestock industry on a more sustainable footing and drawing the country closer to its long-term goals and aspirations. However there was no supportive legislation put in place to enforce compliance with the policies and regulations.

2. INTRODUCTION TO THE DEVELOPMENT AND MARKETING OF LIVESTOCK AND LIVESTOCK PRODUCTS BILL

Legislation in highly developed economies has been a slow and evolving process and now covers a set of minimum rules for the protection of consumers and the animals that are being farmed. In the case of the EU many primary producers feel that the rules have gone to far in determining the exact way they should produce livestock products such as milk, cheese yogurts etc.
In Swaziland the technology and investment is very much lower in most livestock and livestock product areas and as a result an integrated approach to livestock production and marketing that takes full consideration of local conditions and situations is most important and very much overdue.

The legislation should be implemented gradually as the regulatory bodies, processors, producers and consumers are able to comply with the new rules, as laws with few means of implementation are of no use to the livestock industry. Much of the required build up in standards can be started with voluntary implementation by the more sophisticated processing, marketing, production and farmer associations and groups given the financial incentive to increase their market share through better prices for an improved and safer product. These interventions with time can then become mandatory as the industry matures and expands increases their export potential. Consumer demand will also have a strong effect on standards with the relatively easy import rules for similar products and in this case the increase in standards will be consumer rather than legislation led.

The act makes provision for consideration of requests from the industry to give special protection or unusual standards to a particular livestock product or new investment through tax or other incentives. In most cases these requests must stand up to the scrutiny of the WTO and other regional and international agreements to be fully implemented and effective.

On the other hand products for export to the international market must have very little room for manoeuvre and these must comply with international standards and the ones of the country where they will be exported to.

With a relatively free market for livestock and livestock products local producers must compete with imports that are produced to a high standard in order to remain profitable but this can not apply to all producers overnight but will take some years to implement. The use of levies to assist small and new producers to establish themselves will be used in the regulations and law to be recommended.

Increased food production standards depend largely on consumer pressure and education and due to this the Swazi standards should closely follow the desires of local consumers to pay more for products produced with increased standards.

*The rules of the Act should not apply either to primary production for private domestic use, or to domestic preparation, handling or storage of food for private domestic consumption as this would be a great determent to food security in the less well off areas of the country.*

The application of hazard analysis and critical control points (HACCP) principles in all areas of primary production is not feasible in all local production situations but should be applied in all areas of commercial livestock product processing, such as the animal feed, milk and other similar processing enterprises.

This does not mean guides to good livestock and farming practice should be avoided and these should be applied with the use of appropriate hygiene practices in animal production for products that will be widely used for human consumption.

*It is important that the increased standards do not deter market trends and give producers a real disadvantage with increased prices and sales against imported products with the same qualities.*

Farming of animals is no longer only a means of food production but is closely influenced by the consumer wanting to know where and how their food is being produced, feed, traced, slaughtered and packaged for the market. This impinges on food safety and quality, protection of the environment, sustainability of livestock enterprises.
and how the animals themselves are treated. I.e. it is now considered in the EU and other developed countries to be against animal welfare practices to have animals in crates where they are unable to turn round or lie in comfortable conditions.

There is a close link between animal welfare, health and food safety which needs to be considered in livestock production, slaughter and marketing and the laws that govern these areas should be realistic and able to be applied within the constraints of the implementing authority and the local producers at large. In order to achieve this a Council with members from all affected areas of livestock has been advised.

In order to enforce the correct standards there must be clear indicators that can be backed up by the laws, controls and standards required. The best way to formulate these standards is to have a National livestock production and marketing council. (See the Act for details) that draws up the criteria for the relevant products.

It is relatively straightforward to enact the laws and standards required for this exercise but a very much greater problem to implement them in the field with limited resources and personnel in MOAC.

Due to the great constraints and the difficulty of changing local mentalities these systems should be based on combinations of mandatory and voluntary interventions in order to get the most effective policies moving and working before making them mandatory.

The level of implementation of standards should be in line with the skill and technology of the producing organisations themselves. I.e. standards in primary products should be kept to the minimum to ensure food safety where as in the more sophisticated livestock processing and feed systems with larger factories the rules need to be far more stringent.

3. DEVELOPMENT AND MARKETING OF LIVESTOCK AND LIVESTOCK PRODUCTS BILL

Legislation is a dynamic process which evolves and changes along with the economy and the needs of the Country and the requirements of the international community. We produced legislation and flexible and functional tools to manage the following key points: authorise the establishment and enforcement of regulatory measures, to intervene in the marketing and development of all livestock and livestock products, including the introduction of levies on livestock products to assist in the development of the sector; to establish a National Livestock Marketing Council; moreover this would include the reorganisation of livestock parastatals into one livestock marketing board and to provide for matters connected therewith. The text of the Bill is in Annex 3.1.

4. LIVESTOCK IMPROVEMENT BILL – 2007

The Livestock Improvement Act uniformly regulates the exportation of declared animals; to make provision for the approval of indigenous and locally produced breeds to be exported and to provide for matters connected therewith including the production and marketing of embryo and semen.

In dealing with these matters we look onto the MOAC as the regulatory body, but we strongly emphasize the establishment of independent breed associations which will handle these issues. The proposed bill is in annex 4.
5. REGULATIONS FOR THE COMPLIANCE WITH COST RECOVERY FOR MOAC

5.1. INTRODUCTION
The past record of cost recovery from livestock services given by MOAC in Swaziland has been very poor. Livestock producers on SNL land and in small farms have come to expect breeding stock, dipping, veterinary services and extension to be supplied free to them. As a result the MOAC now has a very limited budget to fulfil its role as the information, research, education and regulation arm of government in the livestock sector.

Before any cost recovery can take place there needs to be a massive change in mentality of livestock producers through practical and thorough extension services.

Cost recovery regulations from SNL farmers have been prepared in the past but due to there very delicate and political sensitivities have run into problems both in parliament and with the area chiefs in the past.

We therefore looked into the areas within the livestock policy where cost recovery can be conducted in the short term in order to increase the level of extension so badly needed by small scale farmers in Swaziland.

As a result the consultant’s recommendations are not to cost recover or tax the small farmer who is trying to produce in difficult circumstances by trying to recover costs of MOAC services from them, but to look into the large areas of wastage in some of the areas seen in MOAC activities and budgets.

5.2. STATE FARMS
These farms could be the source of large amounts of finance that could then be used to give extension and finances for the development of the majority of small scale farmers in the country. Indicative figures show that three MOAC ranches are costing approximately 800,000 Euro per year and they could be rented at commercial rates to private farmers. If all the costs of MOAC’s ranches and farms was recovered and they were then rented there would be a minimum of E20 million available for extension services.

The levels of efficiency in these farms are very low and could be carried out far more successfully and cheaply by the private sector. This would have a twofold impact on the budget of MOAC and the parastatal boards as they would not be draining money from budgets and at the same time making considerable rents that could be redirected into extension services.

The only exception to the recommended privatisation is the Nguni ranch in the south but this must become fully involved in the breeding association with the private sector both in Swaziland and South Africa in order to fulfil its true potential.
The state breeding, fattening and SISA ranches have been given less and less budget to the extent that they are now in very poor condition with very little investment in livestock production or infrastructure. They are being run at huge losses to the Nation and not fulfilling their mandate or carrying out cost effective actions for the farmers they are supposed to be assisting.

Fattening ranches are charging E6 per month when the real cost of grazing and caring for the animals is closer to E50 (according to the Hunting’s technical report conducted some years ago). These farms are now the holding grounds for a few butchers, not the small farmers they are supposed to assist and as a result are no longer fulfilling their mandate. Dairy farms have become derelict with cows starving and milk being given to farm workers and with very little breeding stock being sold or donated to the small farmers they are supposed to support.

Breeding ranches are producing between 40 and 90 bulls per year that are being donated at random to SNL livestock farmers with no backup or recording of the bulls donated. If the State farms were privatised with a requirement for the private sector to produce the bulls, goats and pigs required and then MOAC could then put its resources into appropriate extension services, inspection of required regulations, selecting the best farmers for the breeding stock produced and monitoring their performance in the field in SNL areas. It would also mean that the livestock farmers receiving the bulls could have a far greater level of extension in their breeding practises.

The same also applies to the pig breeding station at Mpisi farm where breeding pigs are sold to small scale farmers at cost. The system is no longer sustainable for small farmers buying pigs that have to borrow funds at 17.5% and buy complete rations and with very little prospect of a viable market.

5.3. LIVESTOCK LEVIES FROM DMB AND NAMBOARD

These levies are not being used for the development of the livestock industry but in salaries, running costs and investments within the boards themselves. By bringing all livestock development under one board and insisting on 80% of levies going directly back into livestock development this situation could be dramatically reversed. The livestock production and marketing act proposes a Council made up of members of the stake holders to monitor and advise on the use of these funds.

5.4. VETERINARY INPUTS

Even the level of compulsory vaccinations much less active veterinary assistance to farmers has been heavily reduced in the field and only very scarce veterinary
interventions are being carried out with SNL farmers. The number of private Vets is very limited and those that are available are mainly dealing with domestic pets close to the urban centres.

5.5. DIPPING COSTS
The current costs of dipping all SNL cattle for free, together with the costs of the veterinary assistants (VA) may look very high and in time will need to be recovered from livestock producers on SNL areas. However it is the advice of the consultants that cost recovery in this area would be counter productive as it is the only way MOAC can have any level of control on livestock production in these areas. What is needed is a much closer level of control of the VA’s as some of them are acting as middlemen and traders rather than giving the extension to farmers needed.

5.6. TRAINING AT NGWEMPISI FARM
This training institution is heavily subsidised by MOAC and the Republic of China (Taiwan). Students are trained between August and November for 4 months at a cost of E19 to the student. In other words the courses are free of charge to the trainees. There is some evidence that this training could be done better through the Ministry of Education in technical colleges or by the University of Swaziland livestock faculty.

5.7. TRANSPORT
The cost of transport is very high though an extension agent can be virtually anywhere in the country within one hour from Manzini. IFAD donated a large number of vehicles to MOAC but most of them stand at the head offices in Mbabane and Manzini while the real extension agents do not even have a bicycle in the field. Closer control on this expensive item could increase the level of extension into rural areas considerably.

5.8. EXTENSION
Extension should be one of the main activities of the Livestock department of MOAC but due to financial and correctly trained personnel is being neglected. Future savings in the areas above should be concentrated into practical in field extension services in future. The consultants visits have shown that there is very little extension actually being practised on the ground as VA’s spend much of their time from Monday to Thursday travelling to the dip tanks and recording livestock movements and on Fridays reporting to their district officers.
6. THE FEED BILL
This bill regulates the processing and marketing of animal feed and does not repeal the existing legislation on hormones and products of animal origin. Establishments have to be inspected and fulfill minimum standards before starting production, provisions for tolerances in feedstuffs have been provided, feedstuffs labeling has been revised, official inspections guidelines drafted and a list of undesired substances in feeds has been included. The aim is to provide better consumer protection and at the same time a favourable business environment for the producer. Official methods of analysis have been provided for a limited number of determinations, however consent has not been reached on how such methods should be upgraded or their number increased and then incorporated into the national legislation. This should be done as a regular exercise. In order to identify components of animal origin to be identified by the inspecting authorities as well as by the private sector a visual method has been proposed. Detailed text and information are reported in annexes 6.1 through 6.8.

7. METHODS OF MARKETING LIVESTOCK

It must be noted that MOAC’s role in the whole livestock marketing process can and must only be advisory to the Ministry of Justice and Trade. In order to formalise the process of marketing in the livestock sector we are advising MOAC to set up an independent livestock marketing board, (See the livestock marketing act for details) that will advise and guide the Minister of Agriculture on the guidelines for free and fair marketing development in the livestock sector. To a large extent the rules to be set up must be agreed to by the various sectors of the industry through their own associations. I.e. these could be an animal feed association, a butchers association etc. The role of the marketing and competition agency should be to maintain fair competition regulations. The agency should be empowered to look into organisations that appear to be contravening the act and impose fines on that company should it be found that the company is involved in unfair competition and if the company is not complying; the agency can then take them to court for a settlement. Parts of the new marketing act should prohibit unjustified discriminatory practices, as well as certain, specific activities that might adversely affect competition. I.e. It is unlawful for an animal feed or livestock product processor, butcher or poultry dealer to:

- Engage in or use any unfair, unjustly discriminatory, or deceptive practice or device; Give undue/unreasonable preference/advantage to [persons or localities]’;
- Apportion supply among abattoirs/butchers in restraint of commerce or create a monopoly;
- Trade in articles to manipulate or control prices, if such apportionment tends to restrain commerce or to create a monopoly;
- Conspire to apportion territory, or sales, or to manipulate or control prices.

MOAC should be in a position to confer limited exemption from antitrust liability to farmer organisations, both for their existence and their joint processing and marketing of their commodities. The act should state:

“Persons engaged in the production of agricultural products as farmers, planters, ranchers and dairy farmers may act together in associations, corporate or otherwise, with or
without capital stock, in collectively processing, preparing for market, handling, and marketing such products.”

MOAC should be in a position to field complaints and investigate claims against buyers and processors of livestock products put to them by the farming community and where necessary take legal action against offenders on behalf of the farming community where appropriate.

International findings show that:

- Larger and more efficient abattoirs appeared to be passing back some of their efficiency gains to farmers and feed lots, with higher prices paid for larger sale lots of animals.
- Higher prices were paid by larger packers with larger slaughter capacities and high plant utilization, and higher prices were paid for animal purchased closer to their plants;
- Higher prices were paid for marketing agreement animals relative to cash market ones.

These findings are also generally reflected in the situation in Swaziland with abattoirs and butcheries.

Legislation in other countries tends towards giving producers the right to discuss their contracts with family members and advisors. (This can include extension officers in MOAC) Also meat retailers should be obliged to mark packaging with country of origin in order to encourage consumers to buy local products. (This will only work if local quality of the product is high and price competitive).

8. LIVESTOCK TRADING AND PRODUCTION CONTRACTS

8.1. Introduction

There are both benefits and problems associated with forming contracts for livestock production and marketing in Swaziland. The main reason contracts have not become more common is due to the great differences in production systems,
climatical/environmental differences and management systems. There are greater chances for success in the pig and poultry sectors. Contracting arrangements through SMI with feedlots have been moderately successful with the “power team” feedlots but the high costs of finance and complete feeds is now jeopardising this situation. SMI is the biggest cattle purchase in the country and they use simplified grading system that could be adopted nationwide, initially (annex 8.1). More sophisticated systems could be introduced at a second stage once livestock producers have familiarised with it.

8.2. Contracts.
The aim of contracts for producers is so that they can forward plan their production, in most situations in Swaziland livestock is produced with no determined market in view resulting in most sales being conducted through “middlemen” who can dictate prices at low levels. If producers want to have any influence on market prices for their livestock in future they will need to cooperate and form workable contracts with processors and the marketing system. In the past SNL livestock was mostly sold in times of need when finance was required for schooling or traditional ceremonies but this mentality is changing and small farmers are becoming much more commercial. One of the major problems in these areas is the lack of market information and reliable extension to improve the situation.

Contracts can govern the terms for a promised transaction such as date of delivery, the expected price, and other specifications. Contracts enable a farmer to shift some financial risk to the buyer, cushion widely fluctuating price swings, and guarantee an outlet for their animals. In return, buyers gain a reliable and uniform supply of raw material. Consumers also benefit through lower prices, consistently higher quality, and a wider array of convenient products.

The growth in contracting has come largely at the expense of spot (or cash) markets, where farmers retain full autonomy and receive prices based on prevailing market conditions and product attributes at the time of sale. In the past even when contracts have been signed many producers have been tempted to use the spot market when they see short term increases in prices due to local shortages of livestock products. Due to this processors have tended to offer lower contract prices in order to overcome these problems from producers. The marketing committee with assistance from MOAC needs to look into these problems very closely for each livestock species and make recommendations to improve contractual terms for both the producer and the processor so that both get a fair deal from the process. This is particularly important where the processors have a monopoly situation in the market through parastatal bodies.

9. DROUGHT MANAGEMENT

9.1. INTRODUCTION
The livestock industry in Swaziland is highly prone to drought and shortage of grazing. This in turn leads to erratic livestock pricing systems and lack of insurance for small farmers. This is often accelerated by the large areas that are burnt each year through wild fires and in many cases intentional burning for bush clearing and new grass growth. A variety of factors must be taken into account when developing effective drought management policies and strategies for a local community or region.

All livestock farmers are directly or indirectly affected by droughts and fires but the extension services do not have the capacity to give the correct advice to minimise the risk
and advice farmers to have sufficient feed banks to overcome the problem in these sectors.
The correct associations/bodies must be put in place to get the message across to producers in rural areas.
The upcoming EU project for the National adaption strategy to the EU sugar reform due to start in January 2008 should look closely into the role of intensive livestock and fodder crops in irrigation areas where sugar will be uneconomical.
Relative importance of irrigation in Swaziland is largely geared towards the commercial sector of cash crops such as sugar, citrus, pineapples etc. This emphasis should be changed due to the ending of quotas and importance of food sufficiency and increases in population in rural areas.
The frequency of severe droughts on SNL areas are becoming more common due to global warming, the increased pressure of both human and livestock populations leading in turn to a downward spiral in production. There is a great need for an increase in education and a change in mentality of livestock owners.
The main causes and impacts of droughts are well known by the experts in MOAC but they are not advising realistic strategies to reduce the impact of these frequent shortages of livestock fodder and only acting in the case of crisis.
Strategies must be country and regional specific and not put more of a financial burden on the State but teach individual farmers with pilot projects (often set up by themselves) with only the advice and extension coming from the ministry.
The available resources from MOAC are very limited due to the large number of commitments and finances required to perform functions that should be carried out by the private sector and as a result the level of extension in the field is weak due to lack of budget.
There now need to be a major reallocation of MOAC’s budget to accommodate the changes needed in livestock policy.
The level of knowledge in MOAC, indigenous/traditional and the commercial sector is available but not being transmitted to those that need the information most.
It follows from the above examples that social, institutional, cultural, religious, economic, environmental, hydrologic, geographic, educational and political factors are all important. The role of MOAC and the government should be to assess and monitor not carry out drought limitation measures except in exceptional circumstances.
10. INDIGENOUS BREEDS AND THE ROLE OF ASSOCIATIONS IN PRESERVING THEM

MOAC has been very slow in preserving the indigenous breeds in Swaziland and they are fast disappearing with the dilution of indigenous animals in all areas. MOAC suggestions are that 80% of the cattle herds are based on the Nguni breed yet our observations indicate that this is not the case on the ground. Breeding bulls have been donated at random with very little follow up or recording system to monitor their progress in the field and this now needs to be concentrated on rather than more research without application.

We are recommending that the bulk of breeding is handed over to the associations and private enterprise as they are much more efficient in producing and marketing rare breeds. This can be done with closer collaboration between private breeders, the South African herd book and the MOAC Nguni ranch. This association would assist in making these breeds into economic entities and preserve and encouraged them in future. The research work done to date by MOAC is adequate to determine the qualities of the breeds and what is now needed is to encourage the private sector to take up and implement this research.

There are no functioning associations and little has been done to map or promote these breeds to make them financially viable even though they may be the most efficient breeds for local circumstances. Characteristics of breeds need to be established with the formation of breed associations and marketing mechanisms for:

- Nguni cattle
- Nguni goats
- Swazi pigs
- Swazi poultry

MOAC policy statement: - Farmer organisations as private-sector institutions operate more effectively and efficiently in a less-regulated environment. With regard to legislation, a distinction is made between farmer groups on the one hand and business organisations such as cooperatives and processor organisations on the other. Only the registration of farmer groups should be insisted on by Government but only as a formality. The objective of the legislation must be to provide an enabling framework for associations and cooperative forms of enterprise. Associations and cooperatives provide technical, financial and managerial services to smaller-scale farmers in a number of ways. In many cases such support is provided from the income of larger, well-established
organisations. In future, the Government should collaborate with established associations, farmer groups and cooperatives to encourage growth in their institutional support activities, and to review any obstacles or restrictions experienced by new customers or potential members in working with larger business corporations with particularly powerful positions in local markets. Such partnerships could assist, for example, in extension services, developing market infrastructure, such as sub-depots, improved market information and access to auctions, storage and other facilities.

11. NGUNI CATTLE

Nguni history - Nguni cattle derive their name from the tribes of Africa, collectively known as the Nguni people. Nguni cattle descend from both Bos Taurus and Bos Indicus cattle and entered Africa around 8,000 years ago. As the tribes migrated south into Africa they took their cattle along. Through natural selection and environmental interaction the cattle evolved into the hardy breed we know today as the Nguni. As the tribes settled in different areas, distinctive cattle ecotypes developed, but are essentially still Ngunis. In 1932 Professor HH Curzon made an effort to breed true to type Nguni cattle which resulted in the formation of the Bartlow Combine breeding station in the late 1940’s. Another milestone in the recognition of the Nguni breed was the Bonsma report of 1950 on indigenous cattle in South Africa where the appreciation of this adapted breed was finally highlighted. Final recognition came in 1985 when the Nguni Cattle Breeders Society was accepted as a member of the South African Stud Book and Livestock Improvement Association. To date there is still no association in Swaziland where the original gene pool was selected and preserved.

Characteristics:
The single biggest factor to highlight in the Nguni, is the fact that the Nguni is a highly adapted breed and as a result should display functional characteristics that show that it can survive and reproduce efficiently in difficult management and environmental situations and still reproduce well and give good quality beef and milk. With the characteristics listed below there are specific traits that make these animals suited to their environment. The typical animal is smaller framed to survive on the lower nutrition veldt and has ample stomach capacity to digest big volumes of grass and extract the required quantity of nutrients each day, even under drought conditions. Bulls are medium sized and weigh between 500kg and 800kg. They are muscular and display typical male characteristics with well developed, muscular, cervico-thoracic
humps, which mean that the hump is in front of the foreleg. (Unlike the Bos Indicus breeds that have the hump immediately above the fore leg.)

The cows are small and weigh between 300kg and 400kg. They are feminine with sleek, delicate lines around the neck and forequarter and a prominent wedge shape with the weight in the stomach and hindquarter area. The sloping rump is a distinctive characteristic of the Nguni cow and ensures ease of calving. The udder is small to medium, well attached with small, functional teats. Cows have a distinctive wedge shape and sloping rump. The Nguni is a dual purpose breed ideally suited to the current conditions on SNL.

11.1. THE SWAZI NGUNI CLASSIFICATION CRITERIA

11.1.1. Description of the system

This system entails the classification of Nguni cattle, in the 12 to 24 month age bracket. Animals can be classified more than once during their lifetime, with only the information being kept on computer for reference purposes. This classification is a way of measuring features from one biological extreme to the other within the breed. Each characteristic is defined according to the standard of excellence of the breed. The different points are measured according to a predefined scale and identify certain qualities of the breed. These measurements ensure each characteristic is identified with greater accuracy, lending more credibility and scientific dependability to the evaluation system. Three annexes (please refer to annexes 11.1, 11.2, and 11.3) highlight the Nguni Classification, The Swazi Nguni Classification Criteria and Standards and Standards for Brahman Cattle.

The consultants strongly recommend that the EU or other donors put high priority into funding of the association to expand the use of this breed in the future.
12. DAIRY CATTLE

12.1. INTRODUCTION
Observations and consultations have shown that the small scale dairy industry in Swaziland is in very poor shape with only one cooperative working at Sengani with 25 members and a small processing unit.
The State dairy farms are in very poor condition and the TIBYO farms are not making the profits they should with the animals and land they have at their disposal. Considering the large amount of levy collected by DMB this is a very unsatisfactory situation with small farmers getting very little benefit from the board that is supposed to develop them. The main thrust in the large scale farms has been to produce very high production Frisian and Holstein black and white breeds that are totally unsuitable for local conditions unless they are given very expensive feeding and management systems. These breeds are unsustainable for the vast majority of small scale farmers in Swaziland.

12.2. MILK PROCESSING
Now that the main DMB dairy factory has been leased to Parmalat in the private sector the industry needs to be pushed to set up many more small scale producers with collection centres, extension services and AI all along the main roads close to the factory and the major urban centres.

12.3. LEVIES ON IMPORTED MILK PRODUCTS
An agreement that any imported milk products should be balanced with local milk and the levies received on imported products put into developing private farmers.
12.4. PRODUCTION OF SUITABLE DAIRY COWS FOR SMALL SCALE FARMERS

Levies should be put into producing Jersey x Nguni cross breeds that can survive and produce under local conditions. The levies should also be used to import grade jersey cows that would then be mated to Nguni bulls and the heifers distributed to small farmers and bulls to small feed lots. In order to make this system work the most efficient large farmers should be contracted to produce these animals for the New Livestock Development Board and these animals should be sold at subsidised costs to dairy farmers that have the correct conditions to manage them. The consultants strongly recommend that the EU look favourably on a proposal from the dairy association for a proposal to develop these cattle for small scale farmers.

12.5. LOCALLY AVAILABLE BREEDING STOCK

A few of the larger breeders have good heifers available and they need to be encouraged to produce the type of heifers that can produce under local conditions. In order to make this system work there needs to be a network of collection points all along the main roads that also have cooling and in some cases small processing units. This could be done through targeted investments with low interest rates for the small dairy farmers that would include breeding stock, infrastructure for milking, fodder crops, and AI services.

12.6. DAIRY HERD DEVELOPMENT

For this system to succeed extension needs to be greatly improved to assist farmers in producing fodder and their own feed rather than having to buy complete feeds from the feed factories. Extension officers need to be trained in the field and given a bicycle to cover their group of farmers in easily accessible areas close to the main feeder roads.

12.7. MOAC INTERVENTIONS

Only the basic level of inspection is required to ensure that safe milk is being produced and sold to consumers and the level of training to farmers and small scale processors needs to be expanded in their places of work. In the current system most farmers are selling their milk un pasteurised and un treated off their farms with little testing for disease or contamination while the recognised small processors are being penalised and demanded to have top levels of hygiene, labeling and standards that are way beyond their means. This system needs to be rationalised and looked upon more practically until such time as the selling of milk is much more regulated in rural areas. Small processors need to be given assistance and extension to improve their products and marketing systems not penalised for improving local rural milk processing and marketing systems.
13. GOATS

Small stock is an area with considerable scope for market expansion and it should be the role of Government to look into expanding the development and marketing. The assistance in the establishment of breed societies for stud stock (Not the State doing it themselves, in both cases) should be encouraged and extended to small scale as well as large scale commercial farmers. Sheep, goats, and other small ruminants are kept in all parts of the country. Small stock do, however, play a valuable role in all rural communities because of:
(a) their low cost, which makes accumulating herds easier for the poorer groups;
(b) their small size, which means that they are easily disposed of when slaughtered; and
(c) the ease with which they can be marketed to meet minor cash demands. The legislation and policy priorities with regard to small stock are disease and pest control, extension and marketing. Small stock is affected acutely by an array of diseases and parasites which significantly reduce productivity if not controlled. Indigenous flocks enjoy a degree of resistance in that, when affected, they do not necessarily die, and could even show spectacular improvements if treated.
Defining breed standards for Nguni goats proved difficult since there first should be a consensus on what an Nguni goat is and then understand if any are left. The consultants recommend the setting up of a goat breeding pilot project with farmers that is only monitored and recorded by MOAC but not managed by them.

14. PIG PRODUCTION

Swaziland has industrial piggeries that are managed and run as any conventional intensive farm in the world and a number of smaller producers that are trying to compete with the bigger units with the same product, animal genetics, feed inputs but with a smallholder management.
At the same time the country is importing low cost processed products from South Africa.
While the bigger producers are facing competition mainly from south african products the local small producers are seeing their profits eroded due to high feed costs, high transport and slaughtering costs, an unstable market (often due to themselves breaching contractual agreements) and total lack of appropriate extension and information from the MOAC.
The small piggeries are denied assistance from the MOAC if they try to use local genetic or their crosses since the MOAC is providing assistance only to those farmers that are using exotic breeds (PIC genetics?).
Small scale producers should either associate and reach a scale of economy in their operations resembling that of bigger piggeries and therefore operating with similar inputs and costs or otherwise they need to reconsider pig raising by cutting down on costs and increasing margins through a number of actions which include the use of appropriate...
genetics, the management of animals and the processing of meat into added value products etc. Crossbreeding exotic breeds with locally adapted animals will give animals which can grow on less, are able to pasture and have definitely lower inputs, thus meat will be produced more economically, at lower costs. When slaughtering animals farmers could be trained in processing; they could sell the best parts on the market as meat and then process the rest into bacon, sausages, biltong, dry sausages, cooked bran/salami, smoked products and get added value to their meat. The markets for processed product could be outlets managed by the associations, the supermarkets and even tourist areas and hotels. Levies collected on imported product should go back into the development of the same sector for which levies were collected. Appropriate training for farmers in this sector should be initiated by the MOAC with practical demonstrations in product processing, animal management and cost reduction, including valorisation of pork by products (for example the production of brushes from pig bristles etc.) The extension services should provide farmers with reference material, practical hands on know how, and this is currently not being carried out.

15. POULTRY PRODUCTION; FISH, BEEKEEPING AND WILDLIFE

Industrial poultry production is a source of low cost, affordable supply of protein of animal origin, mainly to the urban and peri-urban population. A source of affordable animal protein is essential for proper growth of children and youth.

POULTRY
The quick expansion and factory systems found in poultry production mean that excess production over demand may rapidly occur in this sector. International trends are for larger integrated production, processing and marketing companies dominate. If small producers try to compete with large producers in the same market, with the same product it will result in marginal returns, if any, for small producers. For small scale producers to survive two strategies can be devised:
- they must be filling a niche market segment that is not attractive to the very large producers and which can fetch premium prices or
- A number of producers associate in order to gain control of most of the input output chain (one day old chicks, feeds, slaughter facilities, marketplace, and
credit) and compete on the market arena just as a bigger producer reaching an economy of scale.

In some countries there are market niches for the local free range chickens which are preferred to industrial ones and fetch a premium price because the meat is tougher, tastier and will withstand prolonged cooking for traditional recipes.

In other local markets the home grown chicken is preferred because the skin colour is yellow and therefore considered a better/healthier product.

Small producers may venture into rearing ducks, geese and other birds that are appreciated by selected consumers.

All poultry can be processed into ham, sausages, and smoked products etc, adding value. Poultry has the advantage of providing producers with regular cash incomes, and fit in well with the increasing need for alternative sources of income for rural people.

**FISH**

Fish is gaining momentum in Swaziland and it can be easily be found in urban supermarkets sold frozen.

Urban Supermarkets are the major markets for fish products. Amongst these are the Spar chain stores, Shprite, Pick’n’Pay, Score chain stores and the meat outlets which have frozen meat ware. Lakes and rivers are major source of fish although a number of projects (IDEAA etc.) are constructing ponds and assisting and teaching farmers to raise fish, providing know how and direct inputs such as fingerlings. There is currently a lack of meaningful extension support and inadequate market information. MOAC should prepare training and information packages to potential farmers, including concepts of management to assist the farmer to effectively manage their operations and be able to do costing and pricing.

**BEEKEEPING**

This is still a primitive industry in the country yet with a huge potential for development.

There is a National Bee-keeping Association called Lujilo LweMaswati. This comprises members from bee-keepers from the entire country. The group has a national executive committee which should co-ordinate and promote all beekeeping in the country.

Currently there are 284 active farmers with 660 beehives. The average production per beehive is estimated at 16 kg with 2 to 3 harvests per year. Bee-keeping training is provided by the Bee-Keeping Section in the MOAC. There are 3 stages of such training with each taking a week. The basic training course provides information on the bee behavior & biology, bee catchment and some elements of hive management. The second stage emphasizes on the management of the hive through providing practical experience in hive inspection, disease prevention & control and some bit of harvesting. The final stage focuses on harvesting, processing and the marketing of the honey. This also infuses concepts of management to assist the farmer to effectively manage his/her operations and be able to do some costing and pricing. Beekeeping farmers that received training in basic bee keeping since the inception of the bee-keeping section are estimated at over 3,000 according to MOAC. However the reality is that less than 10% of these farmers are still active bee keepers. Investigations established that the lack of meaningful extension support, inadequate market information and the lack of organized market systems were the major constraints. The Swazi Topbar is the major hives being used by the small-holder bee-keepers in the country.
Manual processed honey is normally sold in 500g plastic jars at around E44/kg (US$6.30/kg). The demand is less than that of the comb honey. The honey is relatively opaque and granulated. As a result, some of the consumers think it is spoilt when it is in this state and thus not buy it. The bulk of the honey that is imported from South Africa is machine processed and sometimes ultra filtrated. These come either in open or squeeze jars with usually pronounced brands. The market pays around E52/kg (US$7.50/kg). This honey is more clear and of even consistency. However there is a strong commitment from the shops to support the local farmers. Supermarkets and chemists are the major markets for the local honey. Amongst these are the Spar chain stores (Mbabane, Matsapha, Manzini & Nhlangano), Shoprite (Mbabane & Manzini), Pick’n’Pay at Ezulwini and the Score chain stores. MOAC should revamp the training of farmers providing an updated info package and constant follow up to the producers either directly or through the national association.

WILDLIFE and GAME RANCHING
Although wildlife generally comes under the Ministry of Tourism and Environment, game ranching and the areas where ranches have been converted are the responsibility of MOAC. The veterinary department needs to keep a close eye on the disease status of these ranches and the dangers of disease spread from wildlife to domestic livestock. In the dry lowveld ranching areas many of the beef ranches have converted to combinations of cattle and wildlife or wildlife management and ecotourism as these enterprises are not only giving those better returns but are more sustainable for the environment. The game species also have a much higher resistance to tick born and other livestock diseases that are widespread in these areas.
In areas where wildlife and livestock are managed together, the domestic livestock needs to be local breeds that also have a high degree of resistance to disease.
The management of wildlife in areas of heavy bush encroachment means that a much wider range of vegetation can be used by the browsers, with giraffe at the top levels and small gazelle lower down. The larger animals such as rhino and elephant also bush clear well if their stocking rates are held correctly.
Returns form these enterprises come from sale of breeding stock, tourism, hunting, game meat and their value added products and hides and skins.
16. FUTURE MARKETING STRATEGY

In the past few years, lack of budget, training and expertise in MOAC has led to a situation where very little advise and extension to small farmers on the production marketing of their livestock products. DMB, NAMBOARD and other parastatals are supposed to be carrying out this process, but discussion with many small and commercial farmers has shown that this is not happening on the ground. MOAC needs to be very proactive in finding markets in the SADEC region and especially South Africa and Mozambique as well as giving better information on price of livestock products and feeds. There should be a presence in International trade fairs, Swazi missions abroad should be scouting for trading opportunities in the livestock/agricultural sector, providing feedback to the MOAC. Reorganisation of the Boards and personnel in MOAC needs urgently to be undertaken to improve this situation.

17. STATE AID TO SMALL AND MEDIUM LIVESTOCK ENTERPRISES

The current amount of development assistance which reaches potential private investors or group of investors (associations) through out Swaziland is insufficient and when available extremely expensive. State aid for investment in the development of livestock in tangible and intangible assets is necessary to assist in the establishment and growth of infant industries. The current protection mechanism through import levies is affording a degree of protection to some sectors and industries, but with a strong risk of increasing domestic prices to the Swazi consumers. Levy should be channelled back into development. Unfortunatly this is not the case in Swaziland, since most of such funds are diverted into activities that assist only very marginally in the development of the sector. We strongly propose to review the use to which such funds are being used, assign 80% of levies into sector development through an aid package model specified in annex 17. The commercial banks in Swaziland, who’s activities and balance sheets are audited and certified by independent external internationally recognized bodies, should be entrusted with handling and channeling the financial aid of state interventions. Fincorp should compete for such funds if offering a competitive service.
18. BASIC PRINCIPALS OF POVERTY REDUCTION USING LIVESTOCK FOR DEVELOPMENT IN SWAZILAND

Livestock development must cover the 3 following areas in order to reduce poverty:
- Increased food consumption through reducing expenditure on livestock products and with increased production for each household.
- Stimulating the demand for labour and services in the livestock industry that will result in a growth in the economy.
- By promoting sustainable livestock systems that will improve the capabilities, assets and activities that improve living standards.

In the past interventions have generally focused on the larger producers that can adopt modern technologies and rapidly increase production.

The aim should now be to reverse this trend and assist smaller producers.

A detailed list of actions by the private sector as well as the MOAC is laid out in annex 18. Major causes of failure have also been included.

19. COMMENTS ON THE LIVESTOCK POLICY DOCUMENT

We fully endorse the policy document which has been issued by the MOAC and have added specific comments (highlighted in green) were additional concepts have been added or emphasized, incorporating our mission’s findings.

The policy document and highlighted comments is attached in annex 19.1.

20. CONCLUSIONS

We had very good cooperation from all stakeholders which have given us deep understanding of the livestock sector.

Swaziland has great potential but for this to be realised there will need some brave decisions to be made.

The situation in SNL land and with most small scale livestock producers are gradually deteriorating and for this to be reversed much more training and extension and investment would have to be put into this area in the future.

A valuable resource of indigenous breeds will be lost if the current trend will continue.

MOAC should look carefully at their limited budgets and make sure that in future the bulk is put into development for small livestock producers. This will entail the reshaping of parastatals, sale or lease of State Farms, retraining and expansion of extension and returning to its core business pulling out from production, processing and marketing and handing over this to the private sector as soon as possible.

At all levels in the livestock production processing and marketing industry there is very poor coordination.

We have recommended, at all stages, solutions to improve this.

We understand how difficult it will be to implement many of these recommendations, but believe that policy fully endorses the recommendations we have made.