



A new approach to livestock service delivery

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Chairman
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The problem for farmers and pastoralists in Africa



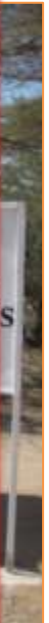
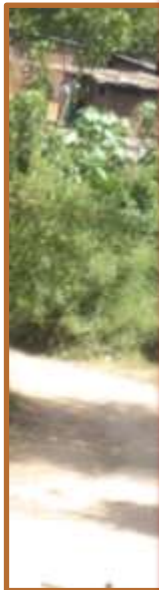
Lack of access to:

- ✓ **quality inputs**
- ✓ **effective advice**
- ✓ **reliable markets**



Post 1990's decline in govt vet service in Kenya - Two worlds

Dairy
Unre
anythi
Animal



The future of livestock service delivery?

PRIVATE GOODS

- Feeding, breeding, reproduction, housing etc
- **Routine vaccination**
- **Herd Health**
- **Clinical health care**
- **Market information**
- **R&D new products**

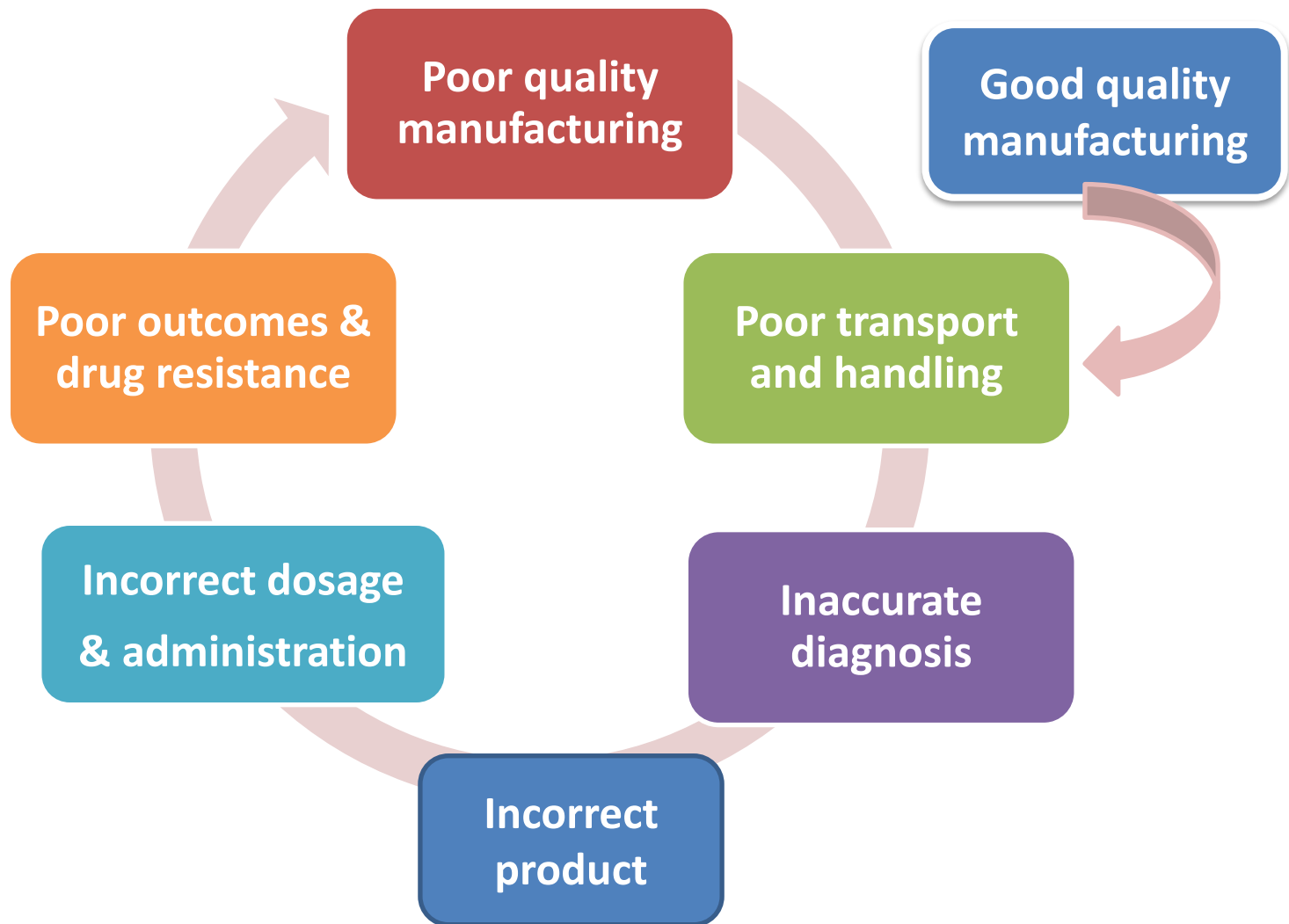
PUBLIC GOODS

- National disease **surveillance** and **eradication of trans-boundary diseases**
- **Regulation** of feed, drug, semen input markets and service providers
- **Food hygiene & public health**
- **Infrastructure roads, crushes etc**
- **Research** on goods not researched by private sector

Most drugs below manufacturing standard

Drug type	% <u>below</u> manufacturing standard - Cameroon	% <u>below</u> manufacturing standard - Senegal
Trypanocidal drugs	100	70
Anthelmintics	52	13
Antibiotics	71	93
Average	69	67 (43-61%)


Toxic cycle of drug misuse & farmers wasted money



Drug resistance

e.g. Trypanocidal drugs

Zambia

- *T. congolense* - Diminazene resistance increase from **13% in 1996**  **63% 2003**

Delespaux et al (2008)

Kenya & Somalia

- *T. vivax* resistant to all drugs except *Diminazene aceturate*

Schonefield, Rottcher & Moloo (1987)

Unregulated, unfair competition force private vets to become input shop keepers competing on price alone



Sidai creates a framework of incentives to support professionals to do the right thing

A solution- Sidai Africa Ltd

Sidai Africa Ltd is a social business offering:

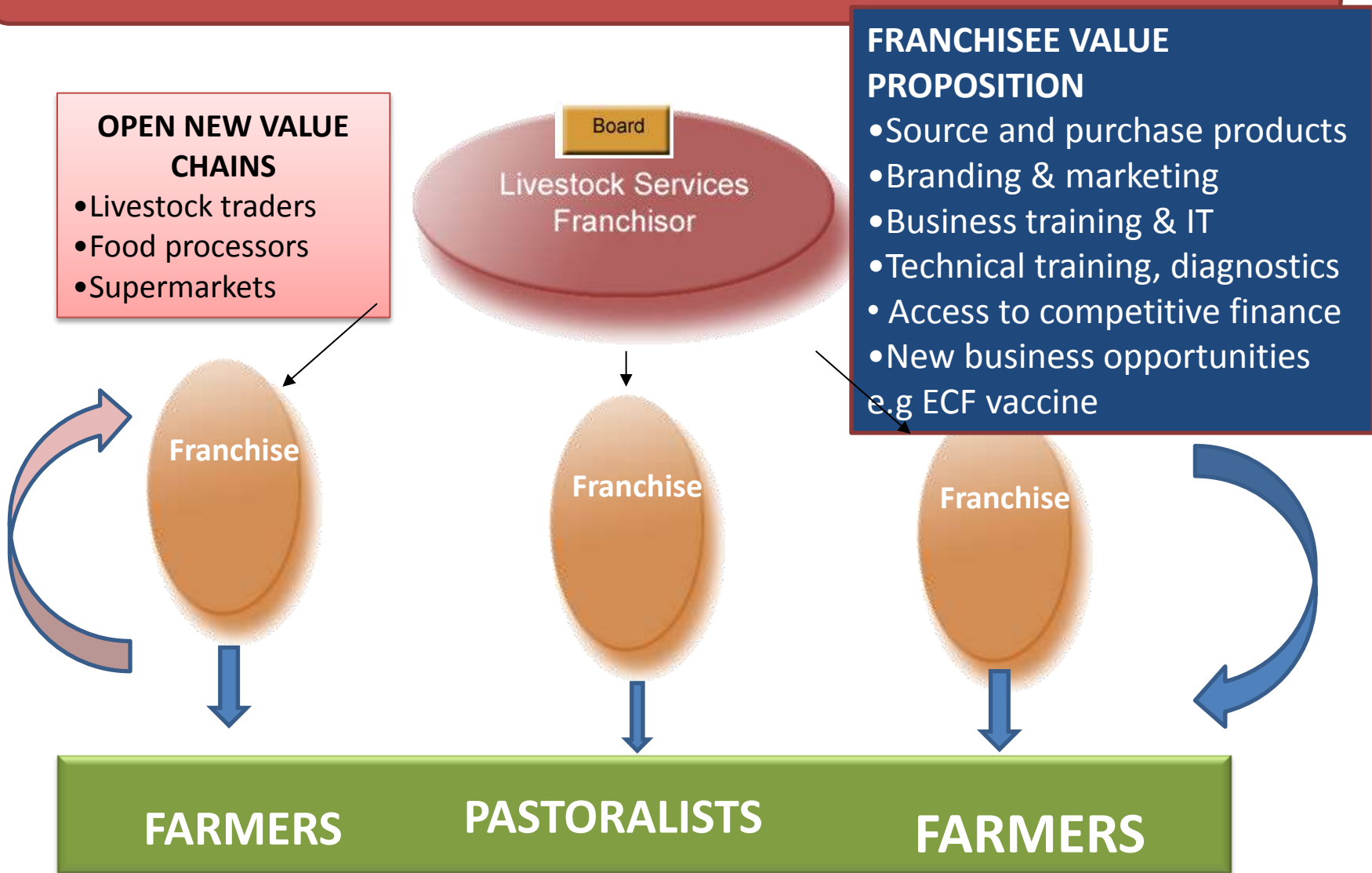
- ✓ **quality** veterinary and livestock services through a network of
- ✓ **branded franchises** owned by
- ✓ **qualified personnel**

Focus on

- **preventing disease**
- **financial viability**



Sidai's business format franchising model



Franchising- a business partnership for mutual benefit

Quality-assured services

- **Quality assured products and services**
- **Offers farmers choice -> Drives out malpractice**

Scalable and durable

- **Ease of entry `Business in a Box`**
- **Greater chance of business success**

Economies of scale

- **Increased buying power of the network**
- **Opens up marketing and processing opportunities**

'Sidai' means 'Good'

Building a brand farmers can trust





Revolutionise customer service

From this.....

**Open farmer-friendly, information-rich interior,
farmers meet qualified people**



Prices displayed









Laboratory

**Transforming retail
space into a learning
environment**



Improving current agro-vet practice

Current practice		Sidai practice
Treat symptoms		Prevent disease through good feeding, management and routine vaccination (Herd Health Packages)
Poor quality products		Good quality products
Remote diagnosis		Accurate diagnosis using mini labs, PAD tests etc
No farmer training		Regular farmer training and support to co-ops, groups etc
Selling on price		Adding value to product through training and advice
Transactional relationship with farmer		Lifetime relationship with farmer



The Sidai Franchise partnership

What Sidai will do for you

- Source and supply good quality products
- Allow you to use brand in exclusive territory
- Brand marketing
- Provide business & technical training
- Open access to finance at competitive rates
- Offer new business opportunities

What you must do in return

- Buy exclusively from Sidai
- Pay on time
- Follow the Sidai guidelines on customer service and deliver excellent customer service
- Deliver regular farmer training
- Keep good records
- Allow Sidai access to all business information

Taking services onto farms - not just a shop

Building a self-financing ethical extension service

Farmer training



**AI, Vaccination, Diagnostics,
Insurance**

Herd Health Packages



Sidai: GOK-appointed ECF-ITM Distributor

GALVmed partner



Sidai franchisees trained as vaccinators

Sidai vaccinating in three regions



Sidai Franchise Kitengela



- Started with one livestock technician & motorbike
- Now wants to add 2 extension agents as they are driving business growth



PRIVATE MILK HUB

Payments through check-off system



MILK PROCESSOR
Pays farmers after deducting cost of inputs



MILK COOLER
Farmers deliver milk



SIDAI FRANCHISE
Supplies inputs and services

Supermarket partnerships

Sidai franchises in up-country supermarkets

Potential for sourcing products from Sidai customers



- Ongata Rongai
- Embu

Sidai's vision for ASAL areas

A vibrant, professionally supported, pastoral economy



Sukri Selase – Sidai
Garba Tula



Sidai – Garissa market

- Effective, co-ordinated, financially viable network distributing products, information and opening access to markets
- Stable professional livelihoods

ASAL areas in Kenya 1990-2013

Humanitarian viewpoint → interventions

Livestock interventions

- **Donor-funded short-term poorly structured subsidies through GOK or NGOs**
- E.g. Free drugs, vaccines etc
- Recently a few quasi **commercial NGO interventions**

Impact on people & market

- **Psychological dependency** on donor-funded support
- **Markets distorted/corrupted**
- Undermines local private sector leading to **limited confidence in livelihoods from business alone**
- **'Grasshopper'** professional staff not practising
- **Poor CAHW training**
- **No effective supply/cold chain**
- **High product prices**
- **No commercial outlook**

Adapting the Sidai model to ASAL areas



Livestock Service Centres as distribution hubs
1/county



Franchisees
10/county



Sidai Appointed Agents 10/franchise

Vaccine,
Drug &
feed supply
chain
**Sidai-owned
Cold chain**
Vaccines
↓
Solar
Refrigerators
↓
Vaccine
carriers

Opening up new markets

Sidai can offer:

- Better quality livestock
- Traceability
- Aggregation and consistency
- Market information
- Export linkages
- Fodder market
- 'Fodder for livestock'



Challenges of building a fair & sustainable input supply chain

- Short-termism – input suppliers & donors
- Need **sustainable pricing** along the supply chain to support good practice at grassroots

What is a fair margin for Shukri?

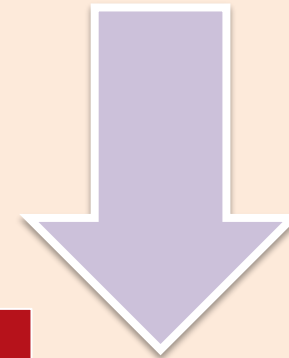


A fair & sustainable input supply chain



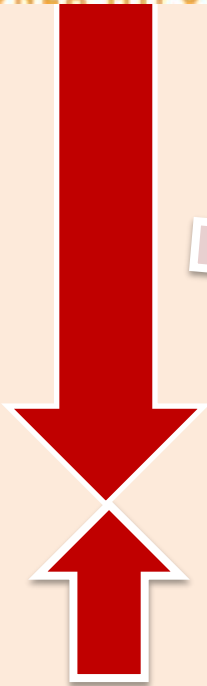
**Suppliers
(Importers)**

**40% -50%+
margin**



**Rural service-
providers
Farmers**

10%-20% margin



Research Partners

Diagnostics for All, USA – PAD oestrus test

**University of Notre Dame, USA – PAD tests for
drug quality**

University of Notre Dame, USA

Development of drug quality PAD tests

1. Swipe sample at orange line



0 minutes

2. Set in water to blue line



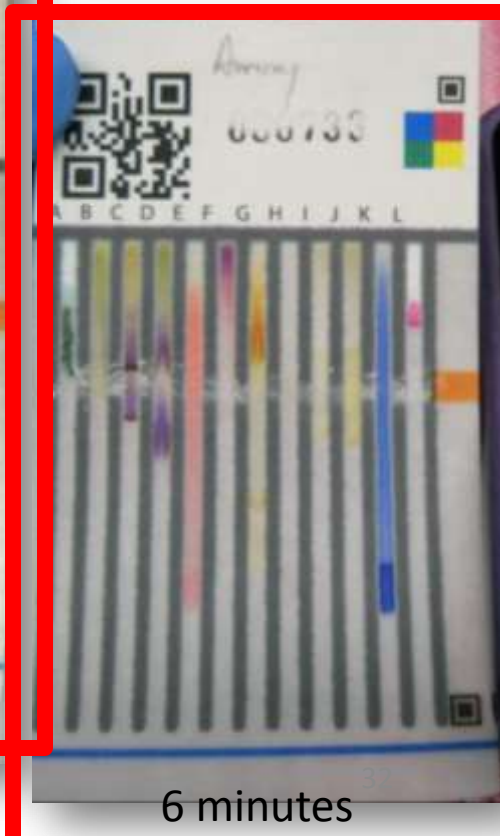
1 minute

3. Remove from water when timer spot appears



3 minutes

4. Text picture to padsproj@nd.edu



6 minutes

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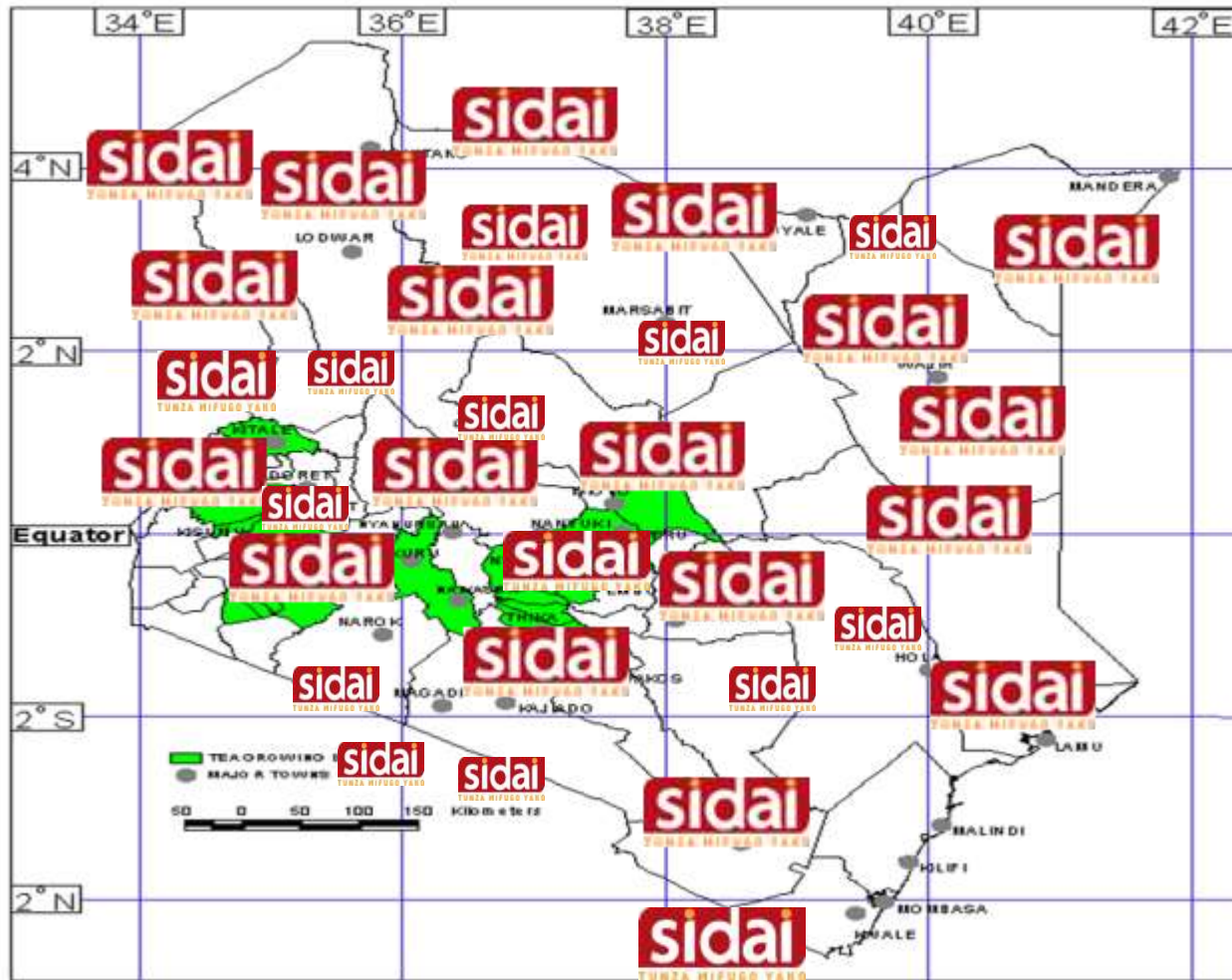
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- Provision of feed, drug, vaccines, markets and infrastructure
- Research on goods not researched by private sector
- Infrastructure roads, crushes
- Disease & public health

PUBLIC-PRIVATE PARTNERSHIPS

Sidai's Vision

More secure and profitable rural livelihoods



Sidai values

Passionate about our customers

Quality

Professionalism

Integrity

Partnership

Trust