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DEPARTMENT OF GEOGRAPHY AND ENVIRONMENTAL STUDIES

MA THESIS

ON

VALUE CHAIN ANALISIS OF HIDE AND SKIN IN DEBREBREHAN TOWN
NORTHERN SHEWA

BY: TEWODROS GIZAW
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A THESIS SUBMITTED TO THE DEPARTMENT OF GEOGRAPHY AND ENVIRONMENTAL STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE MA DEGREE OF ART (MA) IN GEOGRAPHY AND ENVIRONMENTAL STUDIES

ADVISOR
TEBAREK LIKA (PhD)

JUNE-2023
ADDISABABA ETHIOPIA

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Declaration

I hereby declare that this thesis entitled "***VALUE CHAIN ANALISIS OF HIDE AND SKIN IN DEBREBREHAN TOWN NORTHERN SHEWA"***has been carried out by me under the guidance and supervision of Tebarek Lika (PhD). The thesis is original and has not been submitted for the award of any degree or diploma to any university or institutions.

Researcher's Name Tewodros Gizaw

Date Signature _____

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List of abbreviation and Acronyms

ACSI	Amhara credit and savings Institution
BoA	Bureau of Agriculture
CSA	Central Statistical Authority
DBARC	Debrebrehan Agricultural Research Center
DBWAO	DebreBrehan Woreda Agriculture Office
DBU	Debrebrehan Univeristy
ELICO	Ethiopian Leather Industry Plc
EU	European Union
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GMM	Gross Market Margin
GTZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Technical Cooperation)
LDMPS	Livestock Development Master Plan Study
LLPI	Leather and Leather Products Industry
MoA	Ministry of Agriculture
MoTI	Ministry of Trade and Industry
NBE	National Bank of Ethiopia
UNIDO	United Nation's Industry Development Organization
USD	United States Dollar
USDA	United States Department of Agriculture
VC	Value Chain

ABSTRACT

This research attempted to analyze value chain of hides and skins in DebreBrehan town, Amahara Region of Ethiopia. Hides and skins play irreplaceable role in the production of leather and leather industry. Data for the study were collected from both primary and secondary sources. The primary data were generated by household survey using a pre-tested structured questionnaire and key informant interview using checklists. The data were collected from 399 farmers (animal husbandries, and homestead slaughters), 18 traders and 2 tanneries and analyzed using STATA software. Hides and skins value chain actors and major defects were identified, on the actors include input suppliers,(animal husbandries and live animal traders) producers, (homestead slaughters, restaurants, butchers, abattoirs) traders (home to home collectors, middlemen's, wholesalers)and final receivers (Tanneries). And the major defects that will be occurred on hides and skins have been classified in pre-slaughtering defects(of animal during rearing are horn rake, rope mark, branding, ectoparsites, wounds,on live animal trading the major defects occurs on hides and skins are beating on transporting animals, rope mark, wound, horn rake,) peri-slaughtering defects(hole, fly cut, poor pattern) and post-slaughtering defects(Delay on selling, Poor preservation, petrification).Value chain mapped and the role of the actors described, The chain is governed mainly by Tanneries, five marketing channels were identified. The smallest channel is channel I and channel V. which is producers directly sells to consumers, (tanneries). The longest chain that involved many actors is channel III. The highest total gross margins are 92 % in channel V. The highest gross marketing margin of producers in potato and onion markets channels are 66.7 % and 22.2 % in channel II and IV, respectively and lowest on channel III (11.4%). The result shows that with the number of marketing agents increases the producers share decreases.

Key-words: Value chain analysis; hides and skins; Value chain map; marketing channel; Marketing margin; Debrebrehan.

CHAPTER ONE

1. INTRODUCTON

1.1.Background of the study

Agriculture accounts, 36 present of the Ethiopian nation's Gross Domestic Product (GDP) as of 2020.(World Bank 2021) Ethiopia is believed to have the largest livestock population in Africa. An estimate indicates that the country is home to about 60.4 million cattle, 31.3 million sheep, and 32.7 million goats (CSA, 2018). The livestock sub-sector also majorly contributes to the overall economy. It accounts for 19% of the GDP and generates 16–19% of the foreign exchange earnings (MoA, 2012).

Hide obtained from cattle and skins from goats and sheep are important economic products contributing to the largest share of the total agricultural export commodities (FAO, 2005). The availability of hides and skins through slaughtering or death of livestock is of particular importance to the leather industry. Hides and Skins have been one of the Ethiopian's top foreign currency earners. In the 1980s and 1990s, it used to be the second-highest foreign currency earner. In 2011, Ethiopia earned 139.28 million USD from the export of finished leather, shoes, garments, and gloves to foreign countries (CSA, 2011).

Ethiopian cattle hides are well known internationally for their fine grain pattern and good fiber structure and are ideal for making shoe uppers. Correspondingly, the Ethiopian highland sheepskins also have a worldwide reputation in terms of quality, thickness, flexibility, strength, compact structure, and a clean inner surface. It is estimated that 70 percent of national sheep skin production is found to be very suitable for the production of high-quality leather garments, sport and dress gloves and has great demand by the international leather market. (UNIDO 2022)

Northern shewa have high potential on livestock and hide and skin production. According to Central Statistics Authority "585"Statistical bulletin, Report on livestock and livestock characteristics on 2016/17, Northern Shewa has 1,482,346 cattle, 1,809,597 sheep and 953,293 goats. This number accounts 9.3%, 17.1%, and 14.8% of the total Amahara Region of cattle, sheep, and goat population respectively. During the year 2017, 21,036, cattle's 196,601 sheep,

and 85,822 goats slaughtered in Northern shewa. This shows that the area produced 21,036 hides and 282423 skins.

The production of hide and skin in the sub-sector is constrained by various structural production, information exchange, and quality problems, as well as financial constraints. Despite its potential, hide and skin performed weakly not only in the production sector but also in the marketing of hide and skin products.(Ahmed 2000)

The major challenge for tanneries is getting quality hides and skins. The supply of quality hides and skins by traders remains a challenge for tanneries in terms of both quality and quantity.(UNIDO 2022)

Earnings from exports of Hides skins & leather products recorded a 49.4 % decline due to the fall in export volume (35.5 %) and international price (21.5 %). Consequently, the share of leather and leather products in total merchandise export 2020/21 shrank to (1 %) from (2.4 %),(4.4 %) of 2019/20, and 2018/19 year's respectively.(NBE 2021)

1.1. Statement of the problem

Traditionally farmers treat their animals when they get sick or injured. Of the different traditional methods of treating animal practiced by the farmers branding is the common and this has a significant negative effect on the quality of the hides or skins produced from branded animal. Hides and skins are meat by-products and there is still little consideration given to the care required for the collection and processing of the hides and skins in to high quality leather (Adugna, 2004)

the main constraints in the marketing of hides and skins included an inadequate network of primary buyers, lack off abilities for slaughtering, preservation, storage and transportation, 'lack of incentives for improvement' and limited effectiveness of government extension service and other man-made and natural damage inflicted on the raw hides and skins downgrades quality (Ahmed, 2000).

Limited studies were conducted regarding the extension and quality of the byproducts. However, there is no detail study on value chain of hides and skins. Sheep skins and cattle hides of the study area are of high natural quality.But the interaction and interrelation of actors' of the value chain is not analyzed.

Value chain analysis forms an important tool to examine structural change. Altogether, it comprises of five dimensions which include the technical structure, the actors in a chain, the territorial, the input output and the governance structure (Gereffi, 1994).

The analysis of these structures answers a set of questions like how does the production process take place? Who participates at which stage? Where do the different stages take place? How are they linked, who has which benefits? These answers are required to find the pertinent points of intervention for a successful integration of poor population sections (Kodigehalli, 2011).

1.2. Objectives of the study

- The general objective of the study is to analyze the value chains of hides and skins in the study area.

The specific objectives of the study are to:

1. Identify hides and skins value chain actors, their respective roles and to draw up value chain map of in the study area.
2. Analyze respective marketing costs and margins across market channels;
3. Identify the determinants of quality and quantity of hides and skins supplied to the market in the study area

1.3. Research questions

- What are the hides and skins value chain actors, their respective roles?
- What are the determinants of the quality and quantity of hides and skins supplied to the market in the study area?
- Which area needs intervention for development practitioners and policy action?

1.4. Significance of the Study

This study provides information on the determinants of hide and skin supply to the market, marketing margin, and marketing channel, and identifies opportunities and constraints of hide, skin, and value chain in the study area.

The result of the study is helpful for the hide and skin traders in the study area in planning and for development planners and policymakers in drafting policies for hide and skin production and marketing by showing the value actors and their respective roles. Additionally, the study would help in generating important information for research and development organizations, government, and non-governmental organizations to formulate hide and skin production and marketing development programs and guidelines for interventions that would improve the efficiency of the hide and skin marketing system. The other benefit that could be anticipated is its significance as a source for further studies.

1.5. Scope and Limitations of the Study

Due to time and financial constraints the study was conducted in *Debre Brehan town* Northern *Shewa Z*one, Amahara Region, Ethiopia. The study isintended to investigate value chain analysis in hide and skin. It target mainly hide and skin providers in the area and other value chain actors found in, and outside the area. The study is emphasized on analysing hide and skin value chain specifically studies value chain mapping, market channels, the cost and profit margins of the actors.

1.6. Organization of the Thesis

The thesis has been organized under five chapters. Chapter one pinpoints introduction, statement of the problem, objectives, research questions, significance of the study, scope and limitations of the study and organization of the thesis. Chapter two presents review of theoretical and empirical evidences to the study. Chapter three discusses research methodology (description of the study area, data types and sources, methods of data collection, sampling techniques and methods of data analysis) of the study. Chapter four presents result and discussions (descriptive, value chain analysis) are presented and discussed in detail. Chapter five summarizes the main findings of the study and draws conclusion and appropriate recommendations

CHAPTER TWO

2. REVIEW RELATED LITERATURE

2.1. Conceptual Literature

2.1.1. Basic concepts and definitions

2.1.1.1. Value chain

The value chain is defined as the whole set of activities necessary to move a product (or service) from design through the various stages of production to delivery to the end user and disposal after final use (Kaplinsky and Morris, 2001). The actors in the value chain who actually sell a particular product as it moves along the value chain are input suppliers (eg seed suppliers), farmers, traders, processors, transporters, wholesalers, retailers and end consumers (Hellin and Meijer, 2006). A value chain is a group of companies that collaborate vertically to achieve a more profitable position in the market. A key feature of the value chain is market-oriented collaboration: different business enterprises work together to produce and market products and services effectively and efficiently (AFCA, 2004). Functionally, the value chain can be defined as a sequence of interrelated business operations (activities) from the provision of specific inputs to the primary production, transformation, marketing and final sale of a specific product to consumers (GTZ, 2007).

2.1.1.2. Value chain actor

The term actor in the value chain summarizes all the individuals, companies and state institutions involved in the value chain.In particular, companies that perform key functions of the value

chain are typical actors: farmers, small and medium-sized enterprises, industrial companies, exporters, wholesalers and retailers, and financiers. Some public institutions at the macro level can also be seen as value.Chain actors when they perform important tasks in the business environment of this value chain (GTZ, 2007).

2.1.1.3. Marketing channel:

Marketing channel is defined by different authors. Marketing channel is a set of marketing activities necessary to transfer the ownership of goods from the point of production to the point of consumption. The marketing channel can be viewed as large canal or pipeline through which products, their ownership, communication, financing and payment, and accompanying risk flow to the consumer (Backman and Davidson, 1962). Formally, a marketing channel is a business structure of interdependent organization that reaches from the point of product origin to consumer with purpose of moving products to their final consumption destination (Kotler &Armstrong, 2003). This channel may be short or long depending on kind and quality of the product marketed, available marketing services, and prevailing social and physical environment (Islam *et al*., 2001). The value chain approach was developed by Michael Porter in the 1980s, and described in his book Competitive Advantage: Creating and Sustaining Superior Performance. His idea was to divide a business into its strategic activities to make them better than the rivals, or to a lower cost. A firm's value chain is affected by their s̊uppliers and customers‟ value chains since they are all parts of a value system (Porter, 1985). The concept of value added in the form of a value chain has been used to build up an industry's sustainable competitive advantage in the business field. The entire industry is formed of activities that link together to develop the value of the business, and together these activities form the industry's value chain. Such activities included product manufacturing, and activities of purchasing, distribution and marketing of the company's products (Lynch, 2003). Since the value chain framework is used as a powerful analytic tool for the strategic planning of an organization, it aims to maximize value creation while minimizing costs. According to Barnes (2004) value chain is an alliance of enterprises collaborating vertically to achieve a more rewarding position in the market. The basic characteristic of a value chain is market-focused collaboration: different business enterprises work together to produce and market products and services in an effective and efficient manner. Value chains allow businesses to respond to the market place by linking

production, processing and marketing activities to market demands. Vertically aligned means that companies are connected from one end of the primary production process (e.g., farmer's field), through processing, and possibly into the final marketing stages where consumers purchase a finished product. While companies in a value chain are legally independent operations, they become interdependent because they have common goals and work collaboratively to achieve them. They work together over the 8 long term discussing issues and troubleshooting problems together. It's more than just long-term contracting.

2.2. Purpose of Value Chain Analysis

According to Kaplinsky and Morris (2002), there are three main sets of reasons why value chain analysis is important in this era of rapid globalization. The first reason, with the growing division of labour and the global dispersion of the production of components, systemic competitiveness has become increasingly important. Second, efficiency in production is only a necessary condition for successfully penetrating global markets. Third, entry into global markets which allows for sustained income growth requires an understanding of dynamic factors within the whole value chain. Value chain analysis is conducted for a variety of purposes. The primary purpose of value chain analysis, however, is to understand the reasons for inefficiencies in the chain, and identify potential leverage points for improving the performance of the chain, using both qualitative and quantitative data. Value chain analysis facilitates an improved understanding of competitive challenges, helps in the identification of relationships and coordination mechanisms, and assists in understanding how chain actors deal with powers and who governs or influences the chain. The value chain framework seeks to overcome these constraints by identifying different entry-points and linkages that small and medium enterprises can leverage in a given production or supply chain (USAID, 2008).

2.3. Mapping a Value Chain

Value chain mapping helps to clearly understand the sequence of activities and the key drivers and relationships of the value chain. This exercise is carried out qualitatively and quantitatively with the help of diagrams that show the different parts of the chain, the relationships between them and all the activities of the chain from pre-production (supply of inputs) to industrial processing and marketing (UNIDO, 2009). .

According to Kaplinsky and Morris (2000), chain mapping is a visual representation of the relationships between actors and tracing the flow of a product through the entire channel from product design to the point of consumption. It is an ideal tool for measuring and quantifying the costs of administrative distortions that hinder the competitiveness of products and industries. In its simplest form, a value chain is just a flowchart.

A value chain can be complex and involve a large number of actors. Each actor can also join multiple value chains. Therefore, it is important to know the purpose of the study and the object of interest. After that, a decision can be made where to start in the chain and what to include in the chain analysis. The first step in value chain research is to identify the actors and the relationships between them in order to map the chain. This can be done through qualitative research followed by quantitative research after the district map is completed. Quantitative studies provide more information about chain functions and relationships and make the study more reliable (Hellin and Meijer, 2006).

2.4. Market performance

Marketing effectiveness can be evaluated by analyzing the costs and margins of marketing agents in different channels. A commonly used measure of system efficiency is the marketing margin, or price difference (Getachew, 2002). Market efficiency reflects the effect of structure and behavior on product prices, costs, and the quantity and quality of output (Cramers and Jensen, 1982). Marketing effectiveness can be evaluated by analyzing the costs and margins of marketing agents in different channels. A commonly used measure of system efficiency is the marketing margin or price differential. Margin or price dispersion can be a useful descriptive statistic when used to show how the consumer price is distributed among participants at different levels of the market system.

2.5. Marketing cost

It refers to the costs incurred in carrying out various marketing activities while transporting goods from producers to consumers. Marketing costs include handling (packing and unpacking), finding exchange partners, screening potential business partners for reliability, negotiating with potential business partners (officials) to reach an agreement, delivering the product, monitoring

the exchange. . contract to ensure compliance with its terms and to enforce the exchange (Holloway and Ehui, 2002, cited in Ayelech, 2011). Marketing costs are the costs that arise during the performance of various marketing activities when sending goods from producers to consumers. Marketing costs include: handling costs (packing and unpacking, loading and unloading, unloading and re-export), transportation costs, product loss (especially for perishable fruits and vegetables), storage costs, processing costs and capital costs (loan interest), market. . rewards and informal payments (Heltberg and Tarp, 2001).

2.6. Market Margin

The marketing margin is a percentage of the final weighted average selling price for each stage of the marketing chain. Marketing gross margin is the difference between what the consumer pays and what the producer/farmer receives for their product. In other words, it is the difference between the retail price and the farm price (Cramers and Jensen, 1982). The market margin in an imperfect market is likely to be higher than in a competitive market because abnormal profits are expected. However, marketing margins can be high even in competitive markets due to high actual marketing costs (Wolday, 1994). The marketing margin is a frequently used measure of marketing system performance; (Abbott and Makeham, 1981)

2.7. Value Addition

Value addition is the part of marketing that deals with practices that change or convert a primary product into a value-added commodity. Values increase performance because of their simplicity and complexity. Washing, cleaning, sorting, collecting and storing is easier; these operations are carried out under the supervision of farmers. And the complexities include seeding, roasting, cooling, grinding, cutting, mixing, drying, cooking and packaging. These activities are usually carried out by operators of specialized market chains or service providers (Muluken, 2014). Nutrients that become raw during processing and that add value to the products on the market are characterized by added value. Added value is realized either through a higher price or an expanded market. Added value is also used to characterize foods that receive added value in the market by differentiating from similar products on the basis of, for example, geographical location, environmental protection, food safety or functionality (Stevenson and Pirog, 2013). One of the central points or concepts of value chain analysis is the concept of added value. More

broadly, applied not only to value chain analysis but to all analytical work on economic growth and development, added value refers to the creation of wealth, the contribution of a particular production process or chain. economic growth (FAO, 2006). Added value is created at different stages and by different parties throughout the market chain. Creating added value for the Chinese can relate to product quality, production costs, delivery times, delivery flexibility, innovation, etc. The amount of added value depends on the willingness of the final consumer to pay for the delivered products. A firm's ability to create value depends on several 11 factors, such as market characteristics (market size and diversity) and the technological capabilities of participants (Kaplinsky and Morris, 2000).

2.7.1. Governance structure

Governance is a key concept in value chain analysis. Governance can be defined as non-market coordination of economic activity. The interest in global value chains stems from the fact that some companies directly or indirectly influence the organization of global production, logistics and marketing systems. Through the management structures that they create, they make decisions that have important consequences for the access of developing country firms to international markets and the activities that these firms can engage in (Gereffiet al., 2001). Governance is defined as the way actors in the value chain are managed and plays an important role in improving production capacity. Determine the sustainability of the value chain and the fair distribution of benefits among the participants in the value chain (Marshal and Schreckenberg, 2006).

2.8. Value chain analysis methodology

According to M4P (2008), the four stages of value chain analysis are important for the agriculture/agribusiness sector. In the vegetable value chain analysis, the following stages of value chain analysis were applied:

1. **Mapping the value chain** to understand the characteristics and relationships between actors in the chain, including examining all actors in the chain, commodity flows through the chain, employment characteristics, and destinations and volumes. for domestic and foreign sales. This information can be obtained through surveys, interviews and participatory workshops as well as by collecting secondary data from various sources.

2. **Identifying the distribution of benefits among chain participants**. This requires an analysis of the margins and profits of the chain, thus identifying who benefits from participating in the chain and who needs support to improve performance and profits. In the context of the liberalization of the dominant market, this step is particularly important, because the poor involved in value chain promotion projects are the most vulnerable.

3. **Defining upgrade needs within the chain**. By analyzing chain profitability and identifying chain constraints, innovative solutions can be defined. These may include actions to (i) improve product design and quality and move to more advanced product lines to increase value and/or diversify production; (ii) restructure the production system or invest in new technology to improve the process and improve the efficiency of the chain; (iii) introduce new activities into the chain to increase the general skill content of the activities 12 and (iv) adapt the knowledge gained in certain chain activities to be transferred to other areas.

4. **Emphasizing the governance role**. Within the value chain concept, the administration defines the structure and coordination mechanisms of the relationships between the participants in the chain. With a focus on governance, the analysis identifies institutional actors that may need support to improve value chain capabilities, increase industrial added value and correct distributional distortions. Thus, management is a key factor in determining how improvement goals can be achieved.

According to the value chain concepts of GTZ (2007) there are four levels; namely the micro, meso, macro and meta levels in which the research topics necessary for value chain analysis are embedded.

At the micro level, value chain actors perform the core activities of the value chain, whether they are input suppliers, primary producers, processors or distributors (wholesalers, retailers, transporters, exporters).

At the Messo level, there are public and private service providers, e.g. regional associations, rural banks, agricultural administrative bodies, local non-governmental organizations.

At the macro level, as well as at the national level, policy makers, regulators, and confederations of organizations provide an enabling framework for pro-poor enterprises. This can be related to legislation, standards, infrastructure, etc.

Finally, the meta-level describes the socio-cultural factors that facilitate or hinder business connections, business attitudes and trust between actors in the value chain.

2.8.1. Value chain mapping

Value chain mapping helps to clearly understand the sequence of activities and the key players and relationships in the value chain. This exercise is carried out qualitatively and quantitatively with the help of diagrams showing the different actors of the chain, their relationships and all the activities of the chain from pre-production (supply of inputs) to industrial processing and marketing (UNIDO, 2009).

According to Kaplinsky and Morris (2000), chain mapping is a visual representation of the relationships between actors and tracing the product flow through the entire channel from product conception to the point of consumption. It is an ideal tool for measuring and quantifying the costs of administrative distortions that hinder the competitiveness of products and industries. In its simplest form, a value chain is just a flowchart. A value chain can be complex and involve a large number of actors. Each actor can also join multiple value chains. Therefore, it is important to know the purpose of the research and the object of interest. After that, a decision can be made where to start in the chain and what to include in the chain analysis. The first step in value chain research is to identify the actors and the relationships between them in order to map the chain. This can be done through qualitative research followed by quantitative research after the circuit map is complete. A quantitative study provides more information about chain functions and relationships and makes the study more reliable (Hellin and Meijer, 2006).

2.9. Review of Empirical Studies

2.9.1. Hides and skins production in Ethiopia

Hides and skins production in rural areas starts at the grassroots level with the butcher or individual farmer in the community. In urban centers, slaughtering takes place mostly in organized slaughterhouses or in slaughterhouses with varying degrees of mechanization.

(Mohammed et al. 2002) In Ethiopia, the annual consumption of food of animal origin, especially meat, per capita is very low, 7.4 kg per year. However, it is expected to increase with per capita income and population growth, leading to increased animal slaughter and poaching (Girma 2003). Ethiopia exported more hides than meat and live animals. The channels for the collection of skins to tanneries are relatively well established, but they need to be significantly improved to reduce needle damage, ectoparasitic diseases and poor skinning. and preservation methods. Although significant improvements may not be easy to achieve in the first two countries due to their advanced animal health systems and livestock grazing practices, technical improvements in the latter two are achievable with some commitment (Yacob 2002).

2.9.1.1. Raw hide and leather collection

Hide and skin collectors are available in almost every city in Ethiopia. The smallest village has at least one entrepreneur. Some of them engage in other side businesses such as slaughtering, retailing and brokerage. They collect raw hides and skins from rural areas through rural agents or transport farmers to markets and urban areas through brokers or themselves. The most important fur collection areas are Modjo, Arbaminch and the modern slaughterhouse collection centre. (Mekonnen and Gezahegn 2008)

2.9.2. Preservation of hides and skins

Preservation is the name given to various procedures that can be applied to hides to reduce or prevent spoilage by extending the shelf life of the hides. Conservation can only preserve quality. It follows that poor storage allows any shell to deteriorate, regardless of its original quality [Leach IB 2004]. Most raw hides are preserved in some way before delivery to the leather industry, but this is not always necessary in leather production. Freshly skinned raw hides can be immediately sent to a tannery and made into leather. Unfortunately, few tanneries are located close enough to the source of raw materials to receive fresh hides. Generally, however, tanneries are geographically isolated from their raw materials. This has a major impact on the use of raw hides. There are different ways of storage. Among them, farmers used the wet salt method. According to the 1990 annual reports of the national leather and shoe companies, 77.8% of the hides purchased by tanneries that year were air-dried, 4.4% wet-salted, and 17.8% fresh. (Haines BAM 2002)

2.9.3. Socio-economic importance of hides and skins

Hides and skins are animal by-products that generate a lot of currency along with coffee. They are produced together with meat and possibly milk, but usually represent less than five percent (5%) of the value of the animal. Although leather, derived from the skins of large ruminants and used mainly for shoemaking, is the most important part of the world's fur trade, even those small scales can have value. Sheepskins are often traded for wool, including karakul, best known as Astrakhan, while goat fibers such as mohair and cashmere are highly prized. Goat and pig skins provide delicate leather, while rabbit skin is valuable and even today the most important as clothing and especially as a jacket (Mekonnen and Gezahegn 2008).

2.9.4. Trade and marketing concepts

The concepts of exchange and relationships lead to the concept of markets. It is the set of actual and potential buyers of a product. However, a market can be depicted in prose where ownership is transferred from sellers to buyers, who may be end users or intermediaries. A market therefore includes shops, sellers, buyers and transactions. Marketing is the management of the market to create a profitable exchange relationship (Kotler and Almstrong 2003).

A marketing system can be broadly defined as a set of production channels, market participants and business activities involved in the physical and financial transfer of goods and services from producers to consumers. The market system functions as a collection of intermediaries that perform useful business functions in forming a chain from the producer to the final consumer (Islam MS et al 2001).

2.9.4.1.Marketing channel

Formally, a marketing channel is a business structure of an interdependent organization that extends from the point of origin of the product to the consumer with the aim of bringing the product to the final destination of consumption (Leach IB 2004). This channel can be short or long, depending on the nature and quality of the marketed product, the market service available, and the prevailing social and physical environment (Islamo MS et al 2001).

2.9.4.2. Trade and marketing of hides and skins

The globalization of markets presents significant challenges to farmers and their vibrant rural communities in developing countries, where inadequate infrastructure and limited access to information and technology increase both production and transaction costs. Thus, one should consider how products can fail in such a market, which increasingly demands product quality and timely delivery.

2.9.4.3. Trading in hides and skins

Trading in hides and tanned leather semi-products is a profitable business. This is especially true for some developing countries, where the dynamism of the industry has led to an increase in the value chain and a strong market position. As a result, developing countries account for 45 percent of the world's leather trade. Many have significantly increased their share of world footwear production compared to developed countries (Bernet et.al. 2006).

2.9.4.4. Marketing of hides and skins

Existing research findings on livestock marketing in Ethiopia are outdated, current knowledge on livestock market structure, efficiency and prices is weak and insufficient to inform policies and institutions to address perceived problems in the domestic and export marketing system (Ayele et.al. 2006). Livestock prices fall during drought and increase during holidays (Christian, Muslim or other public) (Yacob 2002). Transport is a major cost factor in animal trade. As a result, transportation costs determine the level of profit collected by livestock traders. Those dealers who have their own vehicle get the highest profit margin due to high turnover and savings on transportation costs.

2.9.5. Major constraints of hide and skin production and marketing

The main marketing of hides and skins were reflections of economic policies characterized by socialist development and a centralized planning system: nationalization of large industries, finance, quota sharing, price fixing, legal corporate monopoly, restriction of commercial movement and the like (Girma 2002) . In addition to the problems arising from the system, the main constraints on the marketing of skins were an insufficient network of first-time buyers, lack of slaughter, storage, preservation, transport facilities, diseases, parasites, cutting of skins and

lack of improvement. . Incentives and the limited effectiveness of the government extension service (Ahmed 2000). Below are the most important harmful restrictions affecting the production and marketing of skins.

2.9.5.1. Shortage of raw material

The expansion of artisans (local tanneries) and the use of raw hides in traditional household goods, cross-border illegal trade and the misuse of raw materials due to ignorance lead to low recycling rates and finally a lack of raw HS in the central market (Ahmed 2002)

2.9.5.2. Quality deterioration

Degradation of quality A limited number of slaughterhouses lack conservation techniques and other artificial and natural defects on hides and skins reduce quality (Ahmed 20002).

2.9.5.3. Inadequate numbers of slaughterhouses and slabs

The number of slaughterhouses in the country is very limited. Thus, most of the slaughtering of cattle, sheep and goats takes place in the backyard, resulting in low quality hides (Ahmed 20002).

2.9.5.4. Gap between demand and potential supply

The increase in the number of tanneries has increased the demand for the raw material far beyond the present possible supply. This leads to unhealthy competition between tanneries and price increases in the domestic market (Girma 2002).

2.10. Conceptual framework

The value chain consists of all the stages of the technical production process and the interaction between these stages. The production process begins with the supply of production inputs, includes production, processing and distribution, and ends with the consumption of a particular product. This can be considered a hard skill in the value chain. The other parts of the value chain, the interactions between the individual stages, are relationships and contractual relationships that not only determine the exchange of goods between the various stages, but are decisive for the total nature of the chain. The connections between stages lead to the so-called management structure of the chain, which can be seen as its soft skills (Schipmann, 2006). The Hides and

Skins conceptual framework of the value chain is seen as a network of horizontally and vertically integrated value chain actors working together to deliver products to the market. The value chain includes direct actors commercially involved in the chain (breeding, and slaughterhouses, traders, complete seal producers, processors "leather industry") and indirect actors who provide services or support the operation of the value chain. These include financial and other service providers such as bankers and credit institutions, business services, government research, transport and NGOs.

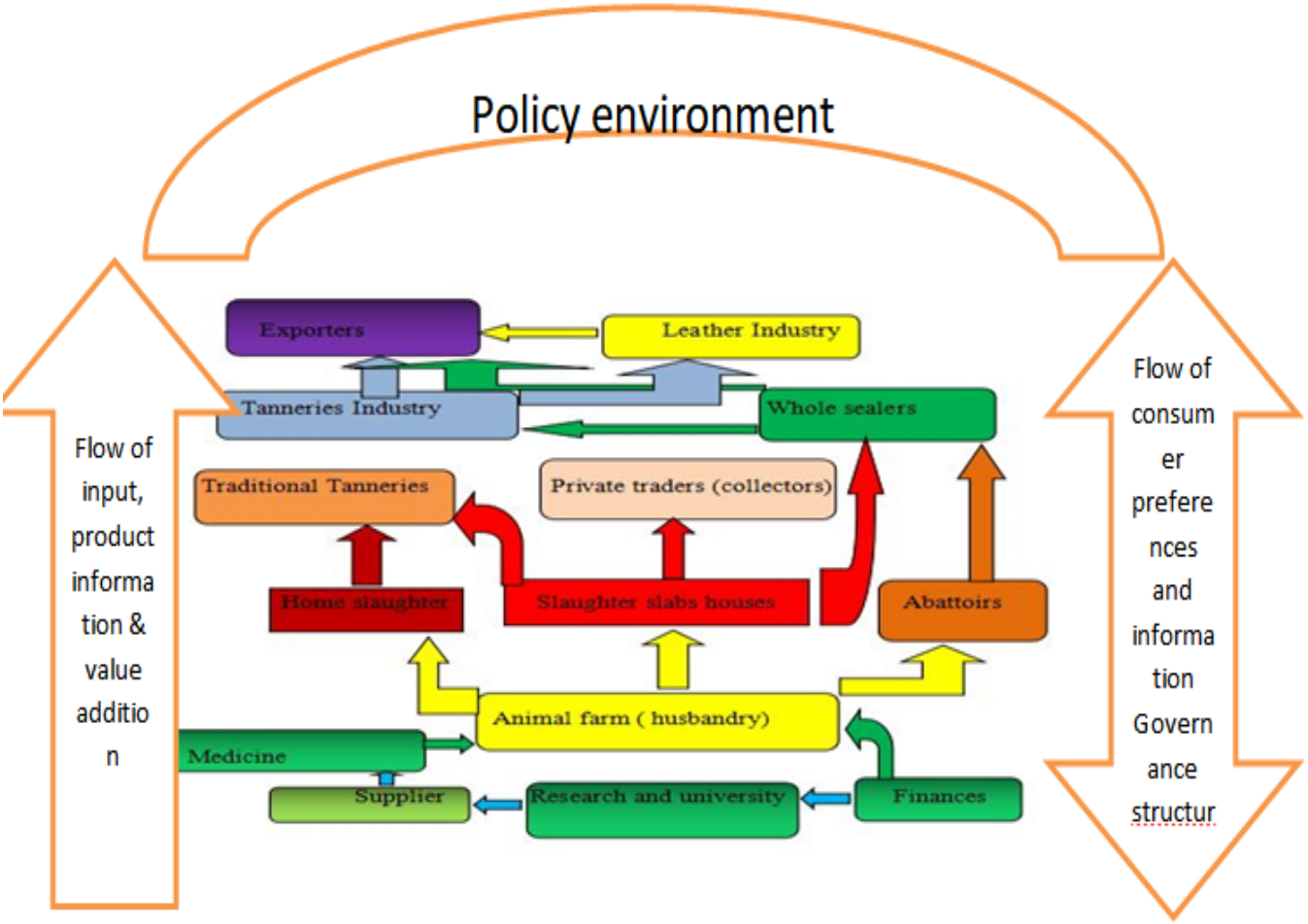


Figure 2.7. Conceptual framework

Source :- Review literature

CHAPTER THREE

3. METHDOLOGY

3.1. Description of the study area

3.1.1. Location

The study was be conducted in Debre Berhan Town, which is one of the towns of Ethiopia that has seen rapid expansion. It is located in the north Shewa Zone, Amhara Region, about 130 kilometres north east of Addis Ababa on the paved highway to Dessie Town. It was an early capital of Ethiopia and afterwards, with Ankober and Angolalla, serving as capitals of the kingdom of Shewa at different periods (Bevan and Pankhurst, 1996). Currently, the town is serving as the seat of Northern Showa Zone Administration as well as seat of Bassona Worana Woreda (district) (Tyagi *et.al*. 2014).

The latest population projection information obtained from Debre Berhan Town Finance and Economic Development Office (2018) indicates that the population of the town is estimated to be 108,825. Between 1984 and 1994 population size of the town grew at the average rate of 4.12% per annum. However, from 1994 to 2007 its rate declined to 4.01% per annum (Dagne, 2016). The total area of the town is 18081.95 hectare. There are 9 urban and 5 sub-rural kebeles* in the town. In these kebeles there are 5651 households.

3.1.2. Climate

Debre Berhan Town is one of the coldest towns in Ethiopia found in sub-tropical zone. Astronomically, the city is positioned at 9°41' North latitude and 39°40' East longitude and characterized by cool temperate climate. The annual average temperature of the Town ranges between 6.5 ℃ in the coldest month (August) to 20.1 ℃ in the hottest month (April) (Soni, 2018). Average annual rainfall ranges between814 to 1080 mm. Most of the built up areas of Debre Berhan Town have an altitude of 2750 meter above mean sea level. Generally, the topography is classified as 86% flat, 10% sloppy and 4% mountainous (Tyagi et.al. 2014).

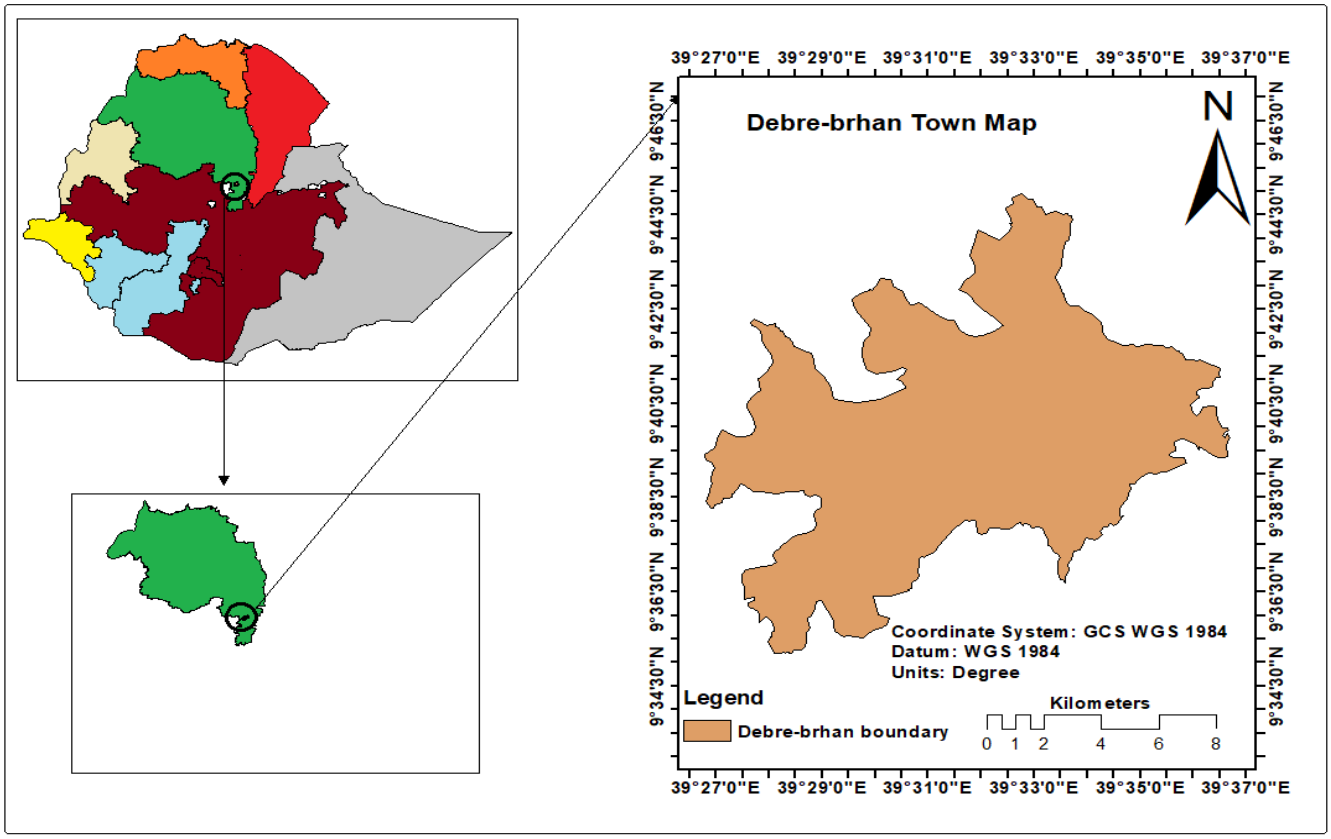
It has two main rainy seasons, namely *kiremt*which refers to the long rains, usually lasting from June to the beginning of September, and the *belg* season which refers to the short rains which usually falls between January and April. *Belg* production is very important in northern Shewa as

a whole where frost is a common occurrence during the *meher* season. However, the *belg* season is highly unreliable characterized by delay or failure of rains. In some years, it falls only for a few weeks and as a result the *belg* crop fails; in other years, the rains fall for a reasonable period of time (Bevan and Pankhurst, 1996**)**.

3.1.3. Socio-economic aspects of the people

Agriculture is the main livelihood activity for the people living in the periphery of Debre Berhan town (Tyagi,et.al 2014). They mainly use mixed farming, i.e. crop production with animal husbandry. The main crops grown include barley, various types of wheat, horse beans, peas, lentils, *gerima*, *temenj* and linseed. The main livestock are cattle, sheep and goats, and draught animals such as donkeys, horses and mules. The area is self- sufficient in crops and the soil is *lem* (fertile) and *lemtaf* (semi-fertile) (Bevan and Pankhurst, 1996**)**.

According to Central Statistics Authority "585"Statistical bulletin, Report on livestock and livestock characteristics on 2016/17, Northern Shewa has 1,482,346 cattle, 1,809,597 sheep and 953,293 goats. This number accounts 9.3%, 17.1%, and 14.8% of the total Amahara Region of cattle, sheep, and goat population respectively. During the year 2017, 21,036, cattle's 196,601 sheep, and 85,822 goats slaughtered in Northern shewa. The area has high potential on supply of hides and skin.



Key: Map of Ethiopia ➡ Map of Amhara ➡ Map of Debre Berhan town

Figure 3.1: Map of study area

Source: -ARC GIS

3.1 Research Approach

Both qualitative and quantitative data were collected and used for the study. The formal survey was under taken through interviews with selected, Animal husbandry's hide and skin traders, retailers and wholesalers of Hide and skin using a pretested semi-structured questionnaire for each group. Key informants interview were conducted with tanneries leather producers input suppliers hide and skin traders, district agricultural experts, marketing experts and end users. For this purpose, different guiding questionnaires were prepare and use. Furthermore, additional information from NGOs, agricultural, trade and other offices which are providing support services for Hide and skin value chain were collected by using checklist.

3.2. Sources of Data and Method of Collection

Both primary and secondary data wereused in this study. The data sources include Debre-Brehan city administration, Debre-Brehan Bureaus of Agriculture, Trade and Market Development Office and its associated primary cooperatives and Central Statistical Authority (CSA), published and unpublished reports, bulletins, and websites. Both qualitative and quantitative data were collected and used for the study. The formal survey was under taken through interviews with selected, Animal husbandry's hide and skin traders, retailers and wholesalers of Hide and skin using a pretested semi-structured questionnaire for each group. Key informants interview were conducted with tanneries leather producers input suppliers hide and skin traders, district agricultural experts, marketing experts and end users. For this purpose, different guiding questionnaires were prepare and use. Furthermore, additional information from NGOs, agricultural, trade and other offices which are providing support services for Hide and skin value chain were collected by using checklist.

3.3. Sampling Techniques and Sample Size

The study area, Debrebrehan, is selected as a study area since the area has high potential for hide and skin production and marketing. Initially actors who involved in a value chain were identified using review of related literature and asking of some key informants from respective offices. Following this, samples were selected from each segment of the value chain included in this study using diverse sampling techniques. For sampling producers, stratified multi-stage sampling techniques were implemented. Debrebrehan has 5 rural *kebeles*. In the first stage, all animal husbandries farmers and house holders in the 5 kebeles were select purposively. In the second stage, slaughter houses, hotels and restaurant were select randomly and "about 70 per cent of hides and 90 per cent of skins come from the homestead slaughter" (Tadessa, 2005), from the total households in Debrebrehan (5651 households) sample households were selected randomly based on probability proportional to size sampling technique. For this study the total sample size determined based on the sampling formula provided by Yamane (1967).$n = \frac{N}{1+N(e^2)}$

Where, n = sample size, N= population size (sampling frame) and e = level of precision

$n = \frac{5651}{1+5651\,(0.05^2)}$Sample size = 399 households

Hence a purposive sampling method was used to select hides and skins producers and traders. As a result,from producers(10 butchers,10 hotel restaurants, and 1 abattoirs) from hide and skin traders,(10, home to home collectors, 5middlemens 3wholesalers, 2tanneries will selected for the purpose of the study.

3.4. Methods of Data Analysis

Descriptive statistics is used to analyse the data collected from animal husbandry's, slaughter houses, traders at different levels and consumers. Appropriate statistical software such SPSS is used to analyse the collected data.

3.4.1. Descriptive Statistics

The study employed maps, graphs, percentages, frequencies, and means with appropriate statistical tests in the process of examining and describing value chains, market performance.

3.4.2. Value chain analysis

Value chain analysis is the process of breaking a chain into its constituent parts in order to better understand its structure and functioning. The analysis consists of identifying chain actors at each stage and discerning their functions and relationships; determining the chain governance, or leadership, to facilitate chain formation and strengthening; and identifying value adding activities in the chain and assigning costs and added value to each of those activities (UNIDO, 2009).

To understand the characteristics of the chain actors of hide and skin and the relationships exists between them, including the identification of all actors in the chain; the flow of product through the chain; the work features and the destination; information were obtained by interviews, focus group discussion and by collect secondary data from various sources. The study were employed value chain analysis which is very effective in tracing product flows, showing the physical value

adding stages, qualitative and quantitative flow of product along the chain with identified key actors, their relationships with other actors in the chain and measured distribution of their benefits. This could be captured through mapping the value chain. Mapping the chain facilitates understanding of sequence of activities, key actors and relationship involved in the value chain. These analyses were undertaken in qualitative terms.

3.5. Estimation of Quantitative Analysis

3.5.1. Marketing margin

According to Ghorbani (2008), marketing margin is important indices in the evaluation of value chain performance. It is the difference in the price paid by consumers and that received by the producers. Marketing margins are also calculated at different points along the value chain and then compared with consumer price. Once the basic structure of a marketing channel is established, it is relatively easy to collect information on the price at which the product is bought and sold at each stage in the production process (Smith, 1992).

Estimates of marketing margin are the best tools to analyses performance of market. The cost and price information used to construct marketing cost and margin have been gathered from hides and skins value chain actors such as, producers, collectors, middlemen's, wholesalers and tanneries. Computing the total gross marketing margin (TGMM) is always related to the final price paid by the end buyer and is expressed as percentage (Mendoza, 1995).

$$\text{TGMM} = \frac{final\ consumer\ prce - producers^{'}\ price}{final\ consumers^{'}\ price} * 100$$

Were, TGMM is the total gross marketing margin

It is useful to introduce here the idea of "producer participation"," producer's gross marketing margin" (GMM) which is the portion of the price paid by the end consumer that belongs to the farmer as a producer. It should be emphasized that as middlemen also receive an additional marketing margin. The producer's margin or share in the consumer price (GMMp) is calculated as:

$$\text{GMMp} = \frac{consumer\ prce - marketing\ grodd\ margin}{consumers^{'}price} * 100$$

Were GMMp is= the producer's share in consumer price

CHAPTER FOUR

4. RESULTS AND DISCUSSION

This chapter presents the results of the study. Descriptive analysis is employed to describe the socio-demographic characteristics of sampled animal husbandries, hides and skins producers "slaughterhouses" (butchers and restaurants and abattoirs) traders of hides and skins (middlemen, whole sellers "collection centers"), and users consumers of hides and skins Tanneries. Value chain analysis presents value chain analysis of hides and skins which includes a value chain map, actors and their roles, value chain governance, challenges and opportunities along the value chain, marketing channels, marketing costs and margins, and benefit shares of actors in the value chain discussed.

4.1. Socio-Demographic Characteristics of Respondents

The demographic characteristics such as sex, education level and age distribution of, animal husbandries/ homestead slaughters households, butchers, restaurants, abattoirs, home to home collectors, middlemen's whole sellers and tanneries. It further discuses pre-slaughtering, peri-slaughtering and post-slaughtering defects of hides and skins.

4.1.1. Socio-economic characteristics of sampled animal husbandries/ homestead slaughters households

This sub-section explains the profile of sampled respondents with regard to their age, sex, and, level of education, access to extension services, access to markets information.

Sex of household respondents

Gender was analyzed by checking the number of male and female headed households. The sample population of animal husbandries respondents considered during the survey was 399. As shown in Table 4.1.1., out of total households head interviewed 92.7 % were male headed households while 7.3 % were female headed households.

Education level of respondents

The survey result shows that about 27.67% of the sampled household heads were illiterate. However, 36.67% and 29 % attended primary school and secondary school, respectively, whereas the smallest proportion 6.67 % are certificate holders and above.

Age of the household respondents

The survey on this major demographic factor, measured in years, provided a clue on working ages of households. The mean age of the sample household heads was 41.8 years with the minimum and maximum age of 22 and 71 years, respectively.

Table 4.1.1. : Demographic characteristics of sampled house hold respondent

Variable	Indicator	%
sex	male	92.7
	female	7.3
	total	100
Education level	illiterate	27.67
	Primary school	36.67
	Secondary school	29
	Certificate and above	6.67
	total	100
Age	0-15	-
	15-60	78.8
	Above 60	21.2
	total	100

4.1.2. Access to institutional service of farm households

Access to extension service

Table 4.1.2.depicts that out of the total respondents of animal husbandries, sample households, about 23.2% of the farmers reported that they had access to extension service. 76.8% of the

animal husbandries reported that they had no access to extension service. The result shows that majority of animal husbandries haven't get scientific advisories of animal rearing and improved production systems. The extension services providers were office of agriculture experts. The extension services provided were about animal's production, input use, pre, peri, post slaughtering and handling of hides and skins.

Access to veterinary service

Veterinary service is crucial element for the production of animals. It is highly interacted with the health and production of hides and skins. In the study area veterinary service provided to the animal's husbandries by the government (Agricultural office), DebreBrehan University, Debre Brehan livestock research institute and privet veterinary clinics medicines providers. Veterinary service provides medicines. DebreBrehan University, DebreBrehan livestock research institute delivered improved specious of ruminants. 72.4 % of the respondent has access to veterinary service. And the rest 27.6 % of the respondent haven't access to veterinary service.

Table 4.1.2. : access to institutional services

	Respondents answer	
	Yes%	No%
Access to extension workers	23.6	76.4
Access to veterinary service	72.4	27.6

4.1.3. Characteristics of sampled producers

Hides and skins obtained from animals after slaughtering, the main areas that animals slaughtered are the source of hides and skins. On this study, the slaughtering that incorporated are homestead slaughters, butchers, restaurants, abattoirs.

According to (MoARD 2007) 70 % of hides and skins obtained from Homestead slaughterers'. The demographic characteristics of households producers stated on table 4.1.1.

The other slaughtering houses are organizations (hotels and restaurants, butchers and abattoirs)

Table 4.1.3. : characteristics of sampled producer

Slaughter houses	Sample taken	Number of workers

Abattoirs	1	240
Hotels and restaurants	10	86
butchers	10	27

4.1.4. Demographic characteristics of sampled traders

On traders of hides and skins includes Urban/Rural home to home collectors, middlemen, wholesalers.

Home to home collectors are a temporary worker's (employed) at the time of holyday and festivals, they collect hides and skins by roaming all households and villages.

Table 4 summarizes the demographic characteristics of traders in terms of age, sex, education. They average age of the traders was 29 years and range from 22 to 67years. The survey further indicates that 100 % of the sample traders were males. This implies that women's participation in hides and skins trading is limited.

Table 4.1.4. : demographic characteristics of sampled traders

Variable	sex		Education level				Age		
	male	female	illiterate	Primary school	Secondary school	Certificate and above	0 -14	15 -64	Above65
Home to home collectors	10	-	3	4	2	1	-	10	-
Middlemen	5	-	1	2	1	-	-	5	-
wholesaler	3	-	1	-	-	2	-	2	1

4.1.5. Socio-economic characteristics of sampled traders

Socio-economic characteristics include financial assets such as initial capital, working capital, Source of capital and source of loan. The working capital could be one of the indicators of the financial position of a given through it does not necessarily show the financial progress of them.

The average initial and working capital of sampled skin and hides traders were birr 15,316 with ranges from 500 to 2,000,000 birr. Most of traders working capital originated from internal source than external sources. All of sampled traders were using their own capital.

4.2. Respondent perception on hides and skins before slaughtering

A. Sources of hides and skins

The production of hides and skins starts from the source. The sources of hides and skins are animals. These animals are served to the market by animal husbandries, live animal traders. The study try to assess their chain on production and trading of live animals, the values that add by their chain and major defects occur during animal husbandry and live animal trading on hides and skins are stated.

B. Animal husbandry, perception on the production of livestock's

Livestock's are a source of income, used for traction and they are a source of food. Because of this all of the respondent care for them animals and protect them from danger. And also they all take care of the hides and skins of ruminants before and after they get danger by 63 % of the respondent treat them animals treat wounded animal, 25% by avoid skins damage at grazing and during lay's by 12% of the respondent treat them animals washing and cleaning their body.

C. Factors that reduce hides and skins quality before slaughtering

83% of the respondent knows that shortage of water and feed reduce the quality of skins and the rest 17% of the respondent did not recognize it. 38 % feed supplementary food after grazing the rest 62 % does not feed supplementary feed. Most of the animal husbandries know that the shortage of water and feed is reducing the quality of hides and skins; but due to several factors they did not give them additional supplementary feed. The main Factor for these, what they raised on focal discussion is. The availability 'supply 'and cost of supplementary feed.

Table 4.2.1. : Respondent perception on factor reduce hides and skins quality before slaughtering

Respondent answer

Perception of hides and skins Quality	%	%
hitting	100	-
traction	38.2	61.8
Water and feed shortage	17.1	82.9
The floor of barns or (shelter)	42.2	57.8

D. pre slaughter hides and skin defects

The average pre-slaughter defects observed by the respondents confirmed wound (72.3 %), ecto-parasites (86.1%) and horn rake (51.2%) as the major causes of defects observed on the live animals. Moreover, the respondents reported that majority of livestock in the study area roamed freely in the wilderness and were subjected to thorny and shrubby vegetation resulting in wound, ectoparasites that can contribute for the downgrading of hide and skin.

Table 4.2.2. : pre slaughter hides and skin defects, observed in the study area

Type of defects	%
Horn rake	51.2
Rope mark	13.8
branding	10.5
ectoparsites	86.1
wounds	72.3

4.3. Hides and Skins Production and marketing

Hides and skins obtained from animals after slaughtering, the main areas that animals slaughtered are the source of hides and skins. The areas are homestead slaughter, slaughter houses (slabs), butchers, restaurants, abattoirs.

4.3.1. Production and Purpose of hides and skins

A. Slaughtering practice

Most of the small ruminants are slaughtered in homesteads in the study area, and therefore this is scattered and periodic. Producers revealed that goats and sheep are mainly slaughtered during holidays festivities, like for religious purposes or weeding celebrations. Cattle are mostly slaughtered by forming groups among household neighbors ***'kercha'***. all of respondents have

ascertained to have experience of homestead slaughter. Most of them slaughtered cattle, sheep or goat in the last three months of the data collection period.

Table 4.3.1.1. : Slaughtered ruminants during the survey time

		Number of slaughter/week		Produced hides and skin
Slaughter house	No	Sheep/goats	cattle	
Restaurant	10	28	2	38
Butcher's	10	--	18	18
Abattoirs	1	57	74	131

B. Material for slaughtering animals

About 92.7 % of households respondent used to slaughtering remnants locally available knives and axe during slaughtering for ripping and flaying hide and skin (Table 8). Therefore, majority of the respondents used improper materials such as knives and axe for ripping and flaying that increased the probability of flay cuts, corduroying and gauge mark as defects during slaughtering. Therefore, the major post-slaughter defects reported by households were dirt, flay-cut, flesh remnant and poor pattern

Table 4.3.1.2. : material that used by producers for slaughtering

respondent	materials	%
Household	Locally available knives	36.6
	Locally available knives and axe	56.1
	Ripping and flying knifes	7.3
Hotels and restaurants	Locally available knives	
	Locally available knives and axe	20
	Ripping and flying knifes	80
Butchers	Locally available knives	
	Locally available knives and axe	30
	Ripping and flying knifes	70

C. Uses of hides and skins

The reported use hide and skin for sale and household purposes following homestead slaughtering of their animals (Table 4.3.1.3.). Majority of sheep and goat skins are sold whereas majority number of cattle hides is that slaughtered in household (***kircha***) kept for household use.

Table 4.3.1.3. : Use of hides and skin after slaughter

product	Use of hides and skin	%
Cattle hide Sheep/goat skin	Sold	70.7
	kept for household use	26.8
	not important	2.5

During the survey the rest slaughter houses (restaurants butchers and abattoirs) are used hides and skins for seal 100 % of the respondents sold the produced hides and skins for different actors (middlemen , wholesalers). All of slaughter houses slaughter ruminants for casually and holiday.

D. Domestic use of hide and skin by house hold producers

From the total respondent 33 respond that they kept hides and skins for house hold use. From them use hide and skin for bedding and sit cover '***kurbet'***,to hold and transport the harvest '***Agasess'*** and to lament some instruments and equipment's in house hold example (to lament '***mosob***', '***Agelgil***',Axe and knives handle). Table 4.3.1.4.shows Domestic use of hide and skin by producer households.

Table 4.3.1.4. : Domestic use of hide and skin by house hold producers

Domestic use of hides and skins materials	percent %
'Kurbet' for bed	33.3
Seat cover	42.4
For lamenting	21.4
To hold and transport the harvest	3.03

4.3.2. Perception on major criteria for quality of hides and skins

Based on the survey result there are different criteria used by respondents for quality of hides and skins. These include absence of hole/flay cut, absence of lesions and brands, freshness of the skin, size/pattern of the skin, weight of the skin, absence of dirt in flesh part of the skin, absence of blood in flesh part of the skin, thickness of the skin and absence of flesh remnant.

As shown in table 4.3.2.1. below absence of flay cut, freshness and size were the most frequently reported criteria for better quality hides and skins in the study areas.

Table 4.3.2.1: Perception of major criteria used for selection of sheep and goat skin by house hold owner

Selection criteria	Percent %
Absence of hole/flay cut	95.9
Absence of lesions &brands	13.
Freshness of the skin	78.8
Size/pattern the skin	37
Weight of the skin	26.
Absence of Dirt	2.4
Absence of Blood	1.6

Home to home collectors, middle men and wholesalers also reported to have selection criteria for sheep and goat skin as indicated in table 13 below. Freshness of the skin is the main criteria for middlemen whereas presence of lesions and brands, size and pattern of the skin and weight of the skin are less considered by both home to home collectors and middlemen.

Table 4.3.2.2. . : selection criteria of hides and skins

Criteria	**Home to home collectors** (N=10) %	**middlemen** N=5) **%**	Wholesaler N=3)
Absence of hole/flay cut	100	60	100
Absence of lesions/brand	5	20	75
Freshness of the skin	100	100	75
Size/pattern of the skin	40	40	60
Weight of the skin	50	50	80

4.3.3. Marketing of hide and skin

The various agents involved in the marketing process of hides and skins in the study area include producers, home to home collector, middle men, wholesalers and tanneries.

4.3.3.1. Timely selling of hide and skins

Almost the entire house hold producer sold hide and skin to market after slaughter is in fresh (Un preserved state).

From table 14 below, it can be concluded that 97.7 % of respondents sell hides and skins within 24 hours after flaying and the greatest share is within 12 hour.

Table 4.3.3. : Duration of selling by house hold respondents

Duration	%
Within 12 hours	85.1
Within 24 hours	12.6
Within 48 hours	2.3

Table 4.3.3.2. : Duration of selling by slaughter houses respondent

Duration	Restaurants (N10)	%	Butchers (N10)	%	Abattoirs (N1)	%
Within 12 hours	4	4%	-		-	
Within 24 hours	6	6%	3	30%	-	
Within 48 hours	-		7	70%	1	100 %
And above	-		-			

4.3.3.2.Transportation of hide and skin to market

Based on the survey result, hides and skins are mainly transported from producers to markets using different methods that include animal transport, by cart, vehicle, on foot in open air and on foot in plastic bags. Majority of producers who supplied cattle hide to the market used cart as a means of transport followed by vehicles like Bajaj.

Table 4.3.3.2. : Method of transporting hides and skins

Method of transportation	Homestead slaughters N=123		home-t- home collectors N=10		Butchers and Restaurants N=10		Middlemen N=5		Wholesalers N=2	
		%		%		%		%		%
Animals transport	2	1.6	-		-		-		-	
By cart	-		3	30	-		-		-	
Vehicle	7	5.7	1	10	6	60	5	100	2	100
On foot	42	34.2	6	60	4	40	-		-	

From the total homestead slaughterers 1.6 use animal transport 5.7 use vehicle 42 goes to market to sale hide and skins the rest 58.5 present sold hides and skins for home to home collector at home. The majority of Home to home collector 60 % goes to market by foot 30 % of them chart to transport hides and skins to market and 10 % of them use vehicle. 60% of butcher and restaurants use vehicle and the rest 40 % goes to market to sale hides and skins. 100 % of middleman and wholesalers use vehicles to transport hides and skins to market and tanneries.

4.3.3.3.Hide and skin market price

According to the various respondents the price of hide and skins fluctuates at different occasions. From the questionnaire survey response by homestead slaughters, home to home collectors, middlemen, butchers, restaurants, and wholesalers, it was also observed that buying and selling price reporting was irregular among the actors interviewed (Table 4.3.3.3.). Middlemen's and home to home collectors, usually buy cattle hide without weighing and hence, the maximum weight of hides (21kg) measured at collection centers was taken to calculate their buying price per kg of hide.

Table 4.3.3.3. : The average prices of hide, sheep skin and goat skin in different actors

	Product type					
Market actors	Sheep (birr/pc)		Goat (birr/pc)		Cattle (birr/kg)	
	buying	selling	buying	selling	buying	selling
Homestead slaughters	__	10	-	5		0.70
Home to home collectors	10	25	5	10	0.70	1.50
Butchers and Restaurants	__	25	-	5	-	5
middlemen	25	55	10	25	5	7.5
wholesalers	55	87.5	25	47.5	7.5	22
Tanneries	87.5	___	47.5	__	22	-

4.3.4. Preservation practice by respondents

The questionnaire survey revealed that 12.8 % households use preservation methods for hides and skins, most of them practicing salting. In addition, the rest of the respondent did not use

preservation methods, they stated that they always sold fresh hide and skin and hence do not usually use any preservation methods.

Salting is a practice very commonly adopted by middle men and wholesalers. The salt applied will introduce an excess of inorganic salts and produce some dehydration. The traders believe that salting arrests the growth of bacteria that will otherwise decompose the hides and skins. the first salting should be carried out at the time when the hide or skin reach to the collection center. The second salting is done 2-3 days after the first salting and then raw materials are transformed into pallets for each species separately.

4.3.5. Storage of hide and skin

Whole sellers had preservation and storage place for sheep skin, goat skins and cattle hides. The storage room in ***Dbrebrehan*** is made of wood where as in ***Sheno*** collection center of the storage room made of cement wall. And in both towns the storage room is well ventilated and there is a drainage system for the disposal of waste material from the raw hide and skin after preservation with salt. To prevent damage from insects and rodents hides and skins are stored on pallets at least 10cm off the ground.

4.4.Value Chain Analysis

The value chain activities identified by the respondents are qualitatively analyzed in-depth to establish which factors influence the value chain activities in the organization. The analysis of the value chain is divided into the primary activities, support activities and factors that influence the value chain activities. It is essential to know at first what the current situation is and what strategy needs to be adopted in order to overcome the bottlenecks.

4.4.1. Hides and Skins value chain actors and major functions

At the micro level: - are input suppliers, animal husbandries, live animal trader's ,homestead slaughters, butchers, restaurants, abattoirs, home to home collector, middlemen, wholesalers, transporters, Tanneries

At the Messo level, there are private, government veterinary service providers,Debrebrehan University , Debrebrehan livestock research center

At the macro level, are Ethiopian Leather Industries Association (ELIA) Leather Industry Development Institute (LIDI) Government Stakeholders and, Regulations Federal, Regional and *Woreda* level AGP Coordination offices.

Value chain is a sequence of related business activities (functions), from the provision of specific inputs for a particular product to primary production, processing, sales and distribution, to final consumption. It is clear that along with the input supplier (animal husbandries and live animal traders); hides and skins producers (households, butchers, restaurants and abattoir) a number of actors participated in the marketing, (home to home hides and skin collector, middle men, whole sellers, collection centers) of Hides and Skins from the production point to the consumer point (traditional Tanneries and Modern Tanneries). From an institutional perspective, a value chain can be defined as the organizational arrangements linking and coordinating the producers, processors, traders, and distributors who perform these functions (Joshi and Gurung, 2009). The main actors involved in the Hides and Skins value chain, their roles and inter relationships are discussed below.

Inputs suppliers

Agriculture value chain analysis begins at the input supply level. The input of hides and skins are the supply of ruminants in the study area the primary input suppliers are Animal husbandries and live animal traders. A veterinary service, animal's food and supplementary food suppliers, BoA,(biro of agriculture) Extension workers, constriction facility providers are enablers and facilitators for the production of hides and skins.

Animal husbandries: - are animal rearing for their meat, fiber, milk, egg, and other products. In the study area most of the population reared cattle and sheep. The purpose of keeping ruminants: for cash, drought, milk, and wealth. Animal husbandries are initial for the production of hides and skins. "Hide is the raw skin of mature animals of larger kinds, such as cattle, horse, and other such large animals. Skin is the skin of fully grown animals of smaller kinds, or of immature animals of the large species". (Teame, 2017). Major defects that will be occurred on hides and skins of animal during rearing are horn rake, rope mark, branding, ectoparsites, wounds.(see table 4.2.2.). The cause for such kinds of quality down grading of hides and skins are hitting

,water and feed shortage, unsuitable (rough) floor of barns, grazing area (thorny plants) disease.(see table 4.2.1.) to mitigate such kinds of problems animal husbandries are a chain connection with veterinary service, animal's food and supplementary food suppliers, BOA, Extension workers, and construction facility suppliers .

Live animals (cattle, sheep, goat) traders

Traders also supply sheep cattle goat to individual consumers, hotels and butchers. Such traders have a network of small traders that collect animals from different corners of the country. Live animals traders are also a major input supplier for the production of Hides and Skins in the study area. On trading of animals the major defects occurred on hides and skins of animals beating on transporting animals, rope mark, wound, horn rake, they have a chain connection with veterinary service, animal's food and supplementary food suppliers,

Veterinary services: -

Veterinary services are enablers for the production of quality hides and skins. Veterinary service provides medicines (drugs) and treat a wounded animals .on the study area veterinary service is provided by several agents, that are Debrebrehan woreda biro of agriculture (BoA), Debrebrehan Univerisity, Debre Birhan Agricultural Research Centre, private veterinary clinics.(table 4.1.2.)

Animal's feed and supplementary food suppliers:-

Animal feed is food given to domestic animals, especially livestock, in the course of animal husbandry. Fodder and forage. The shortage of water and feed reduce the quality of hides and skins, because of this animal's supplementary food providers are one of the enablers for the production of quality hides and skins. (see table 4.2.1.)

Construction facility suppliers:-

Construction facility providers are the other enablers for the production of quality hides and skins. One of the major defects occurs during at grazing and the floor of barns (shelter). To mitigate this problems animal herder's use different types of constriction materials to furnish their shelter and to smooth the rough surface of their barn. Construction materials are important to made feeding equipment's also and providers of livestock facility's Livestock facility means a

barn, building or permanent structure where livestock and/or poultry are intended to be housed, including beef feedlots, anaerobic digesters, and the associated manure or material storage facilities.

Agriculture Bureau (BoA) and Extension workers:-

The other enablers of hides and skins production are extension workers. They have Assist animal husbandries to get knowledge animal production. Share technical advice and information with workers that will help to improve their skills on the production of hides and skins.

Producers

Homestead slaughtering

Hides and skins obtained from big and small ruminants by takeoff, after slaughtering. The main slaughtering areas are homestead, butchers, restaurants, and abattoir. These are the main area of the value chain that hide and skin produces.

According to minister of agriculture and rural development (MOARD, 2007), the great majority of sheep and goats (90%) and most of the cattle (70%) are slaughtered informally in homesteads for consumption by the owner or in a small community where no formal slaughtering facilities exist.

Most of the small ruminants are slaughtered in homesteads in the study area, and therefore this is scattered and periodic. Producers revealed that goats and sheep are mainly slaughtered during holidays festivities, like for religious purposes or weeding celebrations. Cattle are mostly slaughtered by forming groups among household neighbors *'kercha'*. all of respondents have ascertained to have experience of homestead slaughter. Most of them slaughtered cattle, sheep or goat in the last three months of the data collection period.

Butchers and Restaurants

Butchers and restaurantsare major sources of hides and skins. In Debre Birehan most of the butchers and restaurants slaughter big ruminants in municipals abattoir small ruminants (sheep and goats) slaughter at back yard. The material they used for slaughtering locally available knives and axe and ripping and flying knifes (see table 4.3.1.2.)

Abattoir

The flaying methods in all mechanized abattoirs with the presence of skilled work force and appropriate tools along with the water availability, peri-slaughter damage are almost completely avoided.

Material they use for slaughtering locally available knives and axe and ripping and flying knifes (see table 4.3.1.2.). Local available knives formed several defects on hides and skins during flying. From those the major defects, hole, fly cut, poor pattern are the main, to mitigate these slaughterers have a chain connection with slaughtering equipment providers and cottage industries,

Traders

Home to home collectors

Rural collectors are temporary employers because of the availability of hides and skins. They work at the time of festivals and holydays. They collect hides and skins from homestead slaughters, roaming home to home. The price Hides and skins are not fixed, it fluctuates time to time. The major criteria that they ask to accept hides and skins are from the producers are, if it's clear from defects, purification, absence of scratch and hole. The sizes of the hide and skins have a great value to determine the cost of hides and skins. If it is big and sufficient size it will be sold with high amount and if it is small in size it will be sold by less than the normal amount or sometimes it will be rejected. The other criteria for buying hides and skins are the type of skin and hides, hides are mostly sold by Kilogram. With the absence of weighing the transaction will be done by agreement.

Middle men

Middle men in the district have regular and temporary buyers of hides and skins from rural/urban home to home collectors' homesteads slaughters, butchers and restaurants at the time of holiday and at casual. Middle men facilitate transaction by informing the cost to rural/ urban collectors and for them costumers, and convince by wholesalers. The share of profit that goes to Middle men varies from customers to customers and from trader to trader. The Middle men sometimes

go beyond facilitation of transaction and tend to set prices and make extra benefits from the process.

The criteria that they receive hides and skins, from the producers, home to home collectors restaurants and butchers if it's clear from defects, purification, absence of scratch, hole, and sizes The other criteria for buying hides and skins are the type of skin with piece, hides are mostly sold by Kilogram.

Middlemen's collect and store hides and skins for temporarily they. They use salt to preserve hides and skins. They have a chain connection with salt and transport facility providers.

Wholesalers

Wholesalers are traders that buy hides and skins from rural/urban collectors, Middle men, abattoirs.

The criteria that they receive hides and skins is the same to middlemen's, they receive from the producers, home to home collectors restaurants and butchers, middlemen's, abattoirs if it's clear from defects, purification, absence of scratch, hole, and sizes The other criteria for buying hides and skins are the type of skin with piece, hides are mostly sold by kilogram.

Wholesalers have a collection centers (a collection center is a well-ventilated building that store and preserve hides and skins) for hides and skin they used salt for preservation of hides and skins. they have a chain connection with salt providers, constriction equipment, transport facility providers.

Mostly the cost of hides and skins will be set by the wholesalers. The criteria to set the cost of hides and skins

1. The demands of hides and skins by Tanneries
2. The supply of hides and skins
3. Raw Hides and Skins Marketing Council of Ministers **Regulation No. 339/2015** have given to wholesalers a power to buy and sell and buy hides and skins monopoly.

Tanneries

For hides and skins value chain tanneries are the last consumers of hides and skins. Tanneries received hides and skins from whole sellers. The whole chain is governed by the tanneries, and they set costs of hides and skins the reasons to set the cost are

- **Quality of hides and skins**:-Tanneries have challenges with getting quality hides and skins. The supply of quality hides and skins by traders remains a challenge for tanneries in terms of both quality and quantity. Mach works is needed to improve the awareness of cattle herders, farmers, and skins and hides traders.

- **Chemicals and imputes cost: -** The increasing price of chemicals and other trade and availability of foreign currency imported inputs are also challenging the sector. Tanneries have been struggling after COVID impact on the export

- Demands of output (leather) products

- Internal and international market cost

The criteria that they receive hides and skins is the same to wholesalers, they receive from wholesalers if it's clear from defects, purification, absence of scratch, hole, and sizes The other criteria for buying hides and skins are weighing. Tanneries buy hides and skins by ***feresula*** "17 KG" and Kilogram

The tanning industry is water and chemicals intensive. Consequently, it generates large quantity of wastewater (contain high amount of chemicals), solid waste, gaseous waste and slugged. Hence environmental pollution and waste management of tanneries is a major concern.

Tanneries have been struggling after COVID impact on the export. Foreign currency shortage, falling to comply with environment regulations and global market failure due to COVID are some of the additional problems that tanneries are struggling with.

4.4.2. Enablers and facilitators

In a value chain, enablers include all chain-specific actors providing regular support services or representing the common interest of the value chain actors. The supporting function players for

the hides and skins value chain are those who are not directly related to the hides and skins value chain but provide different supports to the value chain actors. The support functions include different services, research and development, infrastructure, and information. Support service providers are essential for value chain development and include sector specific input and equipment providers, financial services, extension service, and market information access, technology suppliers, advisory service, etc. In the study areas, there are many institutions supporting the hides and skins value chain in one way or another. The most common support providers are DebreBirhan Agriculture Development Office, DebreBirehan Trade and Market Development Office, Amahra Micro Finance Institutions, Private veterinary service , and DebreBirhan University, DebreBirhan Agricultural Research Centre . Some service providers extend services beyond one function and others are limited to a specific function.

Debre Birhan Agricultural Development Office provides agricultural extension services to animal husbandries through experts and development agents. The office provides advisory service, facilitate access to inputs and provide technical support in animals rearing, production and handling. The key informant's interview point out that the producers get extension service on general agriculture and animal production, it is not sufficient to improve the production of hides and skins. Debre Birhan Agricultural Research Centre is involved in developing improved variety of sheep and cattle. The most common sources of loan are Amhara Micro Finance Institutions. In the study areas, cooperatives do not support producers in the value chain of hides and skins as expected; they supply only the improved varieties of inputs (sheep and cattle). This is due lack of filling the skill gap of defect occurrence on hides and skins production (from the husbandry up to slaughtering) emphasis on the production of hides and skins of district administrations to organized cooperatives in each peasants associations efficiently.

4.4.3. Value chain map of hides and skins in the study area

Mapping a value chain facilitates a clear understanding of the sequence of activities and the key actors and relationships involved in the value chain. Mapping of value chain functions is considered to show the relationships and integrations of the processes and activities performed along the value chain. Major functions include input supply, production, trading,processing and consumption. Figure 3 displays the functions or processes in hides and skins value chain map, respectively.

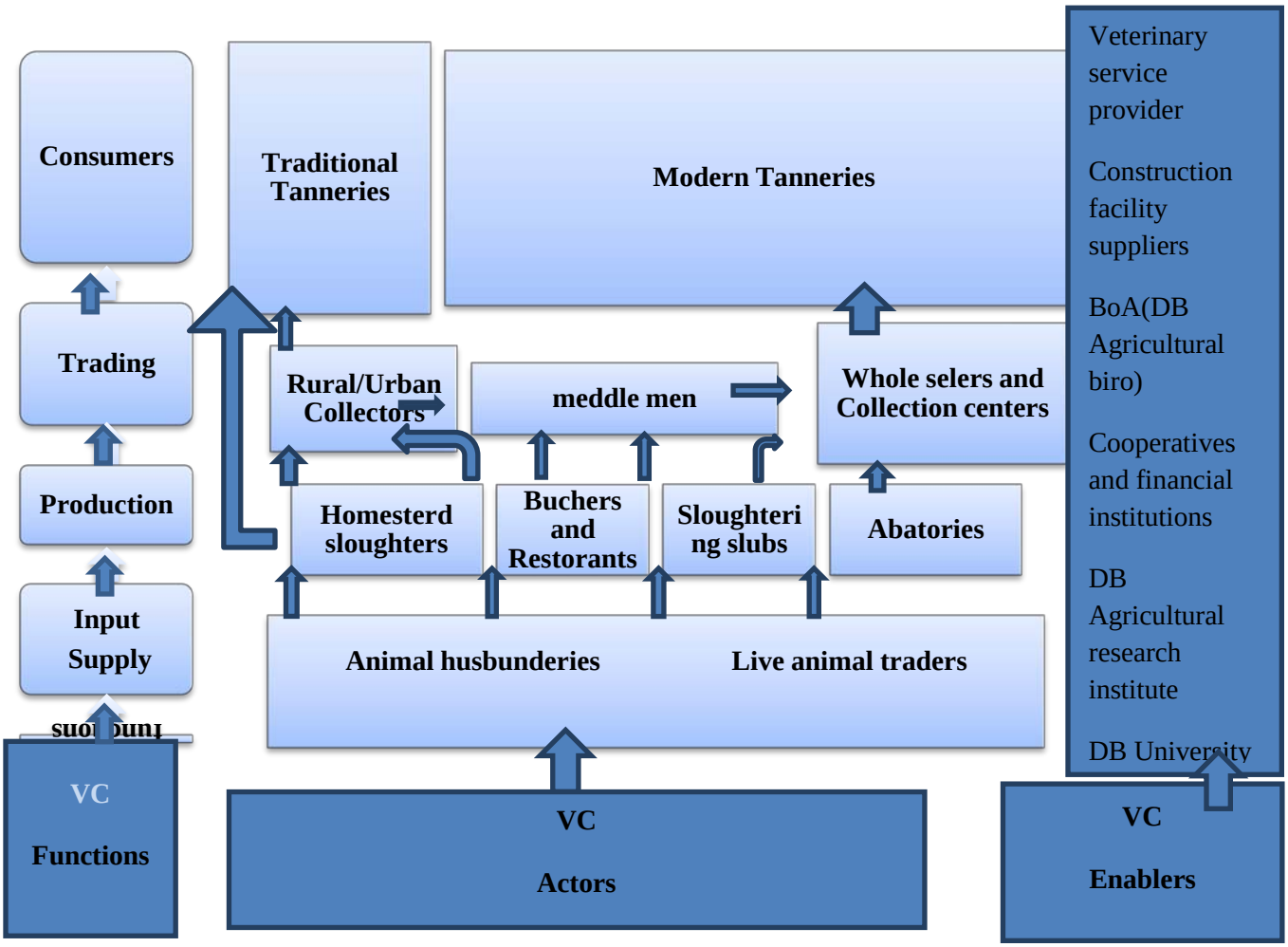


Figure 4. Hides and skins value chain value chain map

Source: StudySurvey

4.4.4. Value chain governance

The governance structure gives information about the position of the hides and skins producers in the chain and the relations between the producers and purchasers. The producer‟sposition in price negotiation is not good in the study area. Due to lack of valuable market information and not well organized producers‟‟ heavily depend on traders. Hence, they are price takers and hardly negotiate the price, in case the product is not sold. From focus group discussion producers reported that, there were the complexity of information and knowledge sharing among the chain.

The assessment made indicates that the price of hides and skins determined by tanneries the demand of tanneries is highly influential factor. The tanneries buying cost of hides and determined by internal and international market cost, production (chemicals, inputs) costs. Whole sellers are also the main actors in the value chain they also a power to set cost of hides and skins during my observation the wholesalers set the receiving cost of hides and skins for suppliers of hides and skins the rest (middle man and home to home collectors abattoirs and slaughter houses, restaurants butchers and homestead slaughters) are cost receivers. Tanneries assisted by the wholesalers are the main hides and skins value chain governors. Moreover, the study also revealed that the governance structure exercised was favorable to tanneries and wholesalers and leaves middle man and home to home collector's abattoirs and slaughter houses, restaurants butchers and homestead slaughters in a weak position with other value chain actors.

In general, the governance structure in the study area was characterized by low coordination among the value chain actors in information exchange and knowledge transfer and low involvement in changing the rules and regulations that was exercised in the study area.

4.4.5. Challenges of actors along Hides and skins value chain

One of the merits of value chain analysis is that it helps to clearly identify bottlenecks to the development of the chain right from input supply up until the consumption level in intense way. Accordingly, a number of constraints and opportunities are explained by different actors through focus group discussion and questionnaire. From results major constraints which are currently hindering the development of hides and skins value chain can be categorized according to the three basic stages: the input (Pre-slaughter) stage, the producer's (Peri -slaughter) stage, and traders (Post-slaughter) stage.

Input (Pre-slaughter) stages

In Input (pre-slaughter) stage includes the input suppliers of hides and skins “animal husbandries, live animal traders” and their chain that able those productive on animals rearing are veterinary services, constriction facility providers, feed lot operators, transport service providers.

In input (Pre-slaughter) stages the mainConstraints that putted by the participant during questionaries’ and group discussion on the hides and skins value chain

- Pre-slaughter defects include parasites and diseases (lumpy skin disease, sheep pox,)
- small size of hides,
- inappropriately placed brand marks,
- Mechanical damage of hides by thorns from the thorny grasslands.
- Poor animal husbandry is compounded by the inadequacy of key services such as disease control, veterinary and extension. This has resulted in the spread of epidemic disease, such as ***Ekek*** (ectoparsites), which significantly deteriorates quality and reduces export revenue, particularly for high priced sheepskin.
- horn rake, rope mark, wounds

Producer’s (Peri-slaughter) stage

In producer’s (Peri-slaughter) stage includes producers of hides and skins are homestead slaughters, butchers and restaurants, slaughter slabs and abattoirs, their chain that able them to produce green stage hides and skins, and are cottage industry (traditional steel makers), importers and suppliers of slaughtering materials.

In producer’s (Peri-slaughter) stage the main constraints that putted by the participant during questionaries’ and group discussion on the hides and skins value chain

- bleeding and dressing (ripping and flaying damage)
- Poor flaying causes holes and cuts on the hides and skins, which consequently fetch lower prices because of the poor quality, and also results in higher rejection by tanneries.
- Low prices of hides and skins the current low prices for hides and skins are no incentive for proper handling and curing. The primary producer in the village, the small farmer,

receives such a poor return, as compared with the final price , that it gives them no incentive to improve the quality of livestock or their hides/skins.

- Poor preservation methods and/or late preservation, and poor transportation and storage. It also hinders collection.

Traders and collection (Post-slaughter) stage

In trader's and collection(Post-slaughter) stage include, traders of hides and skins are home to home collectors, middle man and wholesalers, and their chain that able them to protect, preserve and transport are industry chemicals provider and suppliers (hides and skins salt), transport providers, constriction facility suppliers

In traders and collection (Post-slaughter) stage the main constraints that putted by the participant during questionaries' and group discussion on the hides and skins value chain

- Poor infrastructure, remoteness and lack of market information**.** Poor infrastructure increases transport and other transaction costs and is a major limitation to the marketing of hides and skins. Wholesalers cannot receive reliable market information from the tanneries on future price trends. This is critical since wholesalers lack any sources of information on the international price and the tannery does not guarantee a fixed purchasing price. It buys skins based on the international price at the time of the wholesalers' delivery, not at the time of the wholesalers purchase from collectors.

- Lack of capital. Finance for initial capital outlay, expansion and working capital remain a major constraint. collateral; livestock is not accepted as a security for loans

4.5. Marketing Channels and Marketing Margin

4.5.1. Marketing channel

Marketing channels are defined as alternative routes of product flows from producers to consumers, (Kohls and Uhl, 1990). In this study the marketing channel of hides and skins from producer up to consumer is discussed.

4.5.2. Hides and skins marketing channels

Five main alternative channels were identified for hides and skins marketing. These marketing channels were identified from the point of production until the product reaches the final consumer (tanneries) through different intermediaries with proportion of hides and skins marketed as indicated in Figure 4. The amount of hides and skins transacted in these market channels was different. Out of total 1062 pace hides and skins sold during the survey time 8.9, 4.5, 86.6 were produced by homestead slaughters, restaurants and butchers and abattoirs respectively. The survey results revealed that wholesalers were the dominants receivers of hides and skins with percentage 100 %.

Channel I: Producer (homestead slaughters)-local Tanneries: This channel is the shortest channel at which producers directly sell to consumers. The producer is homestead slaughters they are directly sold to the local tanneries. From the total that produced by homestead slaughters 4.3 were sold to local tanneries during the survey period.

Channel II: Producer (homestead slaughters)-home to home collector - local Tanneries: collectors are buying hides and skins from producers (homestead slaughter) and they sold to local tanneries. It accounted for 3.2 % of total hides and skins that produced by homestead slaughter during the survey period.

Channel III: Producer-home to home collectors – middle man- wholesalers - Tanneries: this is the largest channelhome to home collectors collect hides and skins from the producers (homestead slaughters, butchers and restaurants) and soled to middle man, middle man collect and sell to whole sellers, the wholesaler sold hides and skins to modern tanneries. 67.5% of the total obtained from homestead slaughter, were sold to home to home collector, from the whole that obtained from different channel 70.5 % were sold to middle man .middleman sold all that obtained from different channel all or 100% sold to wholesalers.

Channel IV: Producer—middle man – wholesalers -Tanneries: producers (homestead slaughters, and butchers and restaurants) are sell their hides and skins for middle man, middle man collect and sell to wholesalers and wholesalers sold to modern tanneries.

Channel V: Producer-Wholesaler- Tanneries: The only difference between the channel IV and channel V is that the wholesaler buys from producer and sold to modern tanneries. And the producer is abattoirs and they sell all or (100%) to the whole sellers.

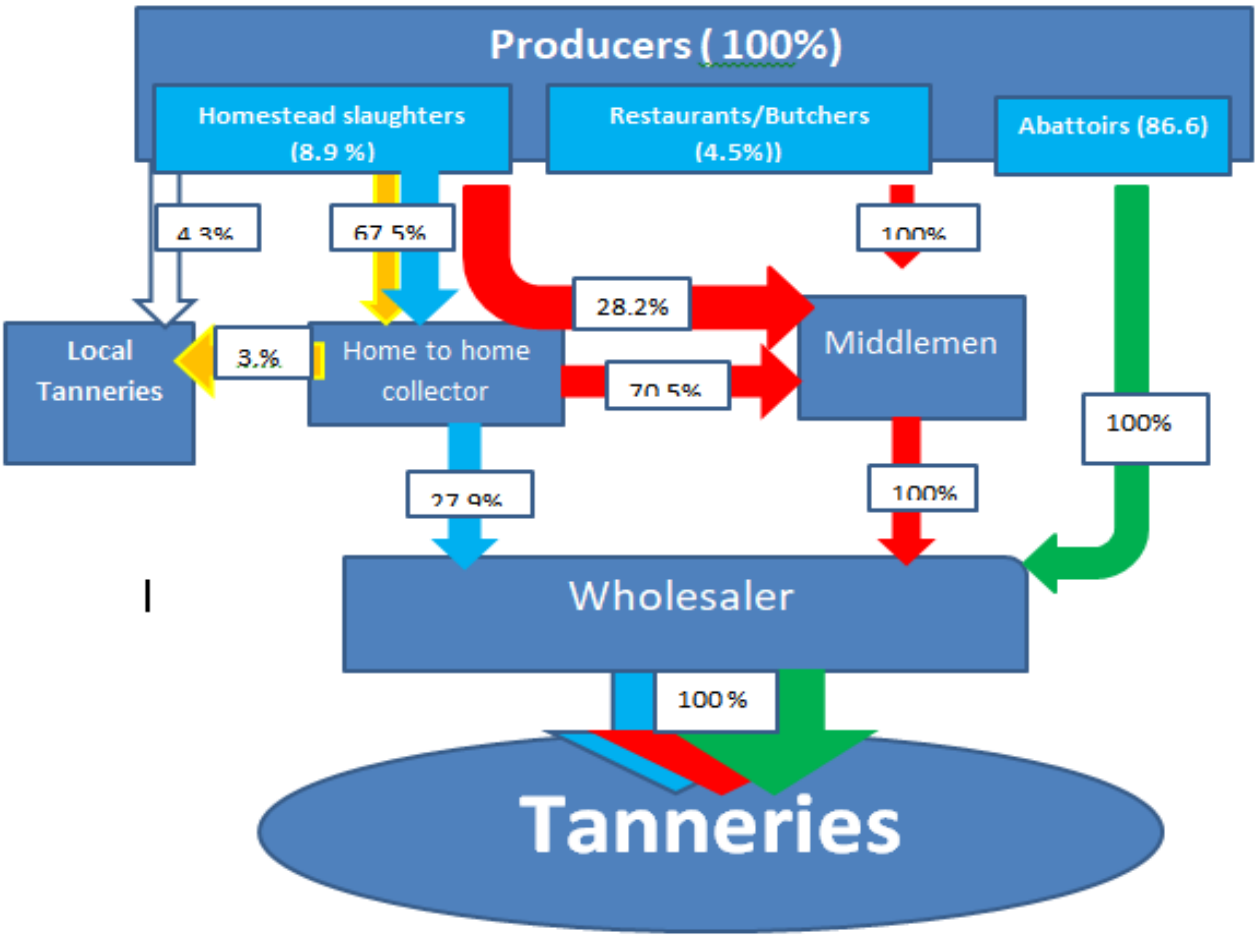


Figure 4.2 :- Marketing channel of hides and skins

Source: - study survey

4.5.3. Marketing margin analysis

Margin determination surveys should be conducted parallel to channel surveys based on price (payment) received or selling price to calculate the margin. A systematically recording of prices at different levels of marketing chain during a two to three week period is sufficient to calculate quite accurately the relevant marketing margins (Pomeroy and Trinidad, 1995).

4.5.3.1.Hides and skins marketing cost and margin analysis

Marketing costs are estimated to compute the share of profit captured by key actors in the marketing chain. Table 19 shows the average marketing costs incurred by every actor per piece and kilogram of during transaction.

Table 4.5.3.1.: Sheep and goat skins cost incurred per piece

	Actors			
Cost of marketing	producers	Home to home collectors	Middlemen	wholesalers
transport	0.54	0.68	3.1	3.96
(Salt) preservation	0.3	-	0.2	0.33
Storage cost	-	-	1	2
labor	-	-	2	3
Telephone cost	-	0.43	0.86	1.72
Wastage loss	-	-	0.67	0.79
Brokerage	-	-	-	3
tax	-	-	2	2
Other cost	-	3	2	5
Total cost	0.84	5.1	11.4	21.8

Table 4.5.3.2.: Sheep and goat skins marketing margin and cost

	skins marketing channel					
agents	channel	I	II	III	IV	V
producers	Purchase price	-	-	-	-	-
	Production cost	-	-	-	-	-
	Marketing cost	0.84	0.3	0.3	0.84	00
	Selling price	15	10	10	20	7
	Market profit	14.16	9.7	9.7	19.16	7
	GMMp (%)	100	66.7	11.4	22.2	8
Home to home collectors	Purchase price		10	10		
	Production cost		-	-		
	Marketing cost		-	5.1		
	Selling price		15	15		
	Market profit		5	9.9		
	GMMh (%)		33.3	11.4		
middlemen	Purchase price			20	20	
	Production cost			-		
	Marketing cost			11.4	11.4	
	Selling price			45	45	
	Market profit			13.6	13.6	
	GMMmm (%)			28.6	28.6	
wholesalers	Purchase price			45	45	7
	Production cost			-	-	-
	Marketing cost			21.8	21.8	21.8
	Selling price			87.5	87.5	87.5
	Market profit			20.7	20.7	59.7
	GMMws (%)			48.6	48.6	92
TGMM (%)		0	33.3	88.6	88.6	92

Table 20 clearly depicted differences between the total income from trading and the costs incurred in the process of skins trading which gives the marketing profit of each actor namely producers, home to home collectors, middleman and wholesalers. The results showed that to skins producers' market profit was highest when they direct sell to wholesalers in channel IV and middlemen in channel III while take lowest market profit when they direct sell to local tanneries. This implies producers are more profitable if they sold to wholesalers. From traders wholesalers shared the highest profit 59.7 birr/piece when they made direct purchase from producers in channel V and IV they sold to Tanneries. Middlemen gained the second highest profit 13.6 birr/piece on channel III and IV, if they bought from producers and they sold to wholesalers.

Home to home collectors made a profit of 5 and 9.9 birr/piece on channel II and III. This implies that wholesalers were received the highest remuneration from skins marketed in the study area while producer and home to home collector took the smallest profits shares from skins value chain (Table 20).

As indicated in Table 20, total gross marketing margin (TGMM) is highest in channel III, IV, and V which was 88.6%, 88.6% 92% respectively, and lowest in channel II which was 33.3 %. Producer's share (GMMp) was highest in channel II which account 66.7% from the total consumers' price and lowest in channel III and V which is 11.4% and 8%, respectively. The results shows that the maximum gross marketing margin from traders was taken by wholesalers, which accounts 92% of the consumers" price in channel V and 48.2% in channel IV followed by district retailers which was 34.24% in channel VI.

The number of marketing agents increases the producers share decreases. In Channel III and IV the producers share is GMMp 11.4 and 22.4 respectively the reason being, the higher number of middlemen in the commodity market, the more profit they retain for their services whether they add value to the item or not. The results also shows that the maximum gross marketing margin from traders was taken by wholesalers, which accounts 48.6% of the consumers price in channel III and IV and 92% in channel V. This implies share of market intermediaries in the consumer's price was substantial and there was a need to reduce market intermediaries to minimize the marketing margins and thereby enhance the producers' income.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATIONS

5.1. Summary and Conclusion

Debrebrehan is suitable for the production of hides and skin due to its potential capital of big and small ruminants. This study has analyzed hides and skin's value chain by focusing on input supply, production, and marketing up to consumption (Tanneries). The specific objectives of the study were to identify hides and skins value chain actors, their respective roles and draw u a value chain map, analyze hides and skins marketing cost and margins across market channels. To address the objectives of the study, both quantitative and qualitative methodologies were used. The data were generated from both primary and secondary sources.

The primary data were collected through personal interviews form a total of 439 respondents (399 input suppliers , homestead slaughters, 10 hotels and restaurants,10 butchers, 10 house-to-house collectors, 5 middlemen, 3 wholesalers, and 2 Tanneries) using structured and semi-structured questionnaires. Qualitative data were also collected through focus group discussions, key informants interviews, and observations. And descriptive statistics, gross margin were used to analyze the data collected using (STATA Software Package).

Out of 399 total households heads interviewed 92.7% were male-headed while 7.3% were female-headed households. The results revealed that 72.33% of sampled households had education while 27.67% of the sampled household heads are illiterate.

The actors involved in the hides and skins value chain include input suppliers, producers, house-house collectors, middlemen, wholesalers, and Tanneries. Most producers sell their products to the traders. However, it is also found that producers (homestead slaughters) sell their products to local tanneries (cottage industries). The study results indicate that the purchasing costs were set by tanneries and wholesalers and they are hides and skins value chain governors. The producers' position in price negotiation and product quality definition is not good in the study area.

The overall hide and skins value chains are constrained by a number of factors that hinder the development of hide and skins value chains. At the animal production (husbandries) level, pre-slaughter defects include parasites and diseases (lumpy skin disease, sheep and goat pox),

inappropriately placed brand marks, and mechanical damage of hides by thorns from the thorny grasslands. Poor animal husbandry is compounded by the inadequacy of key services such as disease control, veterinary, and extension.

This has resulted in the spread of epidemic diseases, such as Ekek (ectoparasites), which significantly deteriorates the quality and reduces export revenue, particularly for high-priced sheepskin, the major production high cost of inputs. Poor flaying causes holes and cuts on hides and skins, resulting in lower prices for poor quality. Poor preservation methods, late preservation, poor transportation, and storage also contribute to low prices.. It also hinders collection. The main constraints in hide and skins marketing are poor infrastructure, remoteness, lack of capital, poor roads, price-setting problems, and perishability.

Five market channels have been identified, each with different margins. The results showed that hides and skins producer's market profit was highest when they sell directly to middlemen and local tanneries (cottage industries) in channel I which is about 15 birr/piece in channel IV which is about 20 birr/piece while took lowest market profit when they sell to home-to-home collectors at 10 birr/piece. The total gross marketing margin (TGMM) was highest in channels III and IV, which were about 88.6% and 77.8%, respectively, and lowest in channel II, which was about 33.3%. Producer's share (GMMp) is the highest (66.7%) of the total consumers' price in channel II and lowest in channel V (8%).

The number of marketing agents increases the producers share decreases. In Channel III and IV the producers share is GMMp 11.4 and 22.4 respectively the reason being, the higher number of middlemen in the commodity market, the more profit they retain for their services whether they add value to the item or not. The results also shows that the maximum gross marketing margin from traders was taken by wholesalers, which accounts 48.6% of the consumers price in channel III and IV and 92% in channel V. This implies share of market intermediaries in the consumer's price was substantial and there was a need to reduce market intermediaries to minimize the marketing margins and thereby enhance the producers' income.

5.2. Recommendations

The findings of this study enabled us to make the following recommendations for policymakers, development actors, and researchers who have a strong interest in promoting hides and skins production and marketing for equal benefits among value chain actors.

1. Pre-slaughter peri-slaughter and post-slaughter defects can be avoided or minimized through training and continuous awareness creation programs. There is a strong need to prepare comprehensive training manuals and extension packages on live animal management, such as feeding, housing, slaughtering, and post-slaughtering hide and skins managements that can be incorporated with other extension services performed by the (BoA) development agents at all levels which can enhance the awareness of the producers and the collectors regarding the hide and skin quality management.
2. The Government, NGOs, and slaughtering facility providers shall provide Appropriate materials like ripping and flaying knives should be made available to the farmers to minimize the rate of flay cuts, corduroying
3. NGOs, MoA, LLPI, MoTI, shall Aware of hide and skins producers, about hide and skins preservation and preservation methods to reduce putrefaction and made the producers to be beneficiaries of hide and skins marketing.
4. The Government LLPI, MoTI, Strengthening the linkage/interaction among value chain actors that will bind the relationship between producers, traders, and tanneries. In particular, positive attitudes toward partnership, interaction, networking, and learning need to be developed among the main actors in the value chain. So the chain actors should work in an integrated way to improve production, reduce post-slaughtering losses, and strengthen sustainable market linkage in the study areas.
5. Finally, further studies on the value chain are recommended to identify best upgrading practices agreed upon by different chain actors so that well-organized regional and national hides and skins production and marketing can be implemented

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Annex

ADDIS ABABA UNIVERISTY

COLLEGE OF SOCIAL SCIENCE

DEPARTEMENT OF GEOGRAPHY AND ENVIRONMENTAL STUDIES

THESIS ONHIDE AND SKIN VALUE CHAIN ANALISIS IN NORTHERN SHEWA DEBREBREHAN TOWN

A. **Producers' Survey Questionnaires**

- Make brief introduction before starting any question, introduce yourself to the farmers, greet them in local ways, and make clear the objective of the study.
- Please fill the interview schedule according to the farmers reply (do not put your own feeling).
- Please ask each question clearly and patiently until the farmer gets your points.
- Please do not use technical terms and do not forget local units.
- Put the answer on the space provided.

I. General information

Questionnaire number: _____

1. Respondent ID____ woreda_____ Kebele_____ Date_____
2. Age _____
3. Sex _____
4. Respondent Education: 1)Illiterate____ 2) primary school _____ 3)secondary school ___ 4)Diploma ____ 5) Degree_____ 6) Other_____
5. Number of animals by species: 1) cattle _____ 2) Sheep_____ 3) Goat _____
6. Breed of animals if different from local : 1) cattle _____ 2) Sheep_____ 3) Goat _____
7. Purpose of keeping ruminants: 1)For cash 2) For draught 3)For milk 4) Wealth

Respondent perception on hides and skin before slaughtering

1. Do you get veterinary service when they get sick? 1) yes 2) no
2. Use of hide and skin 1)cash income 2)make utensils 3) not so important
3. Do you care for your animals so that their skin will not to be damaged? 1) yes 2) no

4. How? 1) treating wounded animals 2) avoiding skin damage, at work, during grazing, transport
5. Do you know any factor affecting hides and skin quality before the animal is slaughtered? 1) yes 2) no
6. If our answer is yes for Question number 5 list _____
7. Which one is the most important for you? 1)Hide 2) sheep skin 3) goat skin
8. Why_____
9. Do you think feed and water shortages reduce the quality of hide and skin? 1) yes 2) no
10. Where do you treat your animal? 1) Vet clinic 2)buy medicine and treat myself 3)Use traditional method of treatment 4) get support from friends 5) do nothing
11. Do extension agents advise you on hide and skin? 1) yes 2) no
12. If your answer is yes for Question number 11, what kind of service did you get?

B. Respondent perception on hides and skin selection criteria on slaughtering

13. Do you slaughter livestock at home? _1) yes 2) no How many sheep and goat did you slaughter per a month? How many cattle did you slaughter per a month?
14. Did you slaughter any animal in the last 6 month? A) Yes B) No
15. If your answer is yes to Q5, how many Sheep____, Goat____ cattle____
16. What did you do with the hide and skin you produced from slaughtering your animals? A) Sold all B) kept all for household use C) sold some and kept the rest for other purpose
17. If u kept for household use which domestic purposes did you use? A) making ropes B) building houses C) making milking containers D) drums E) seat covers F) praying mats
18. What determines best selling price for sheep and goat skin? A) Absence of defects such as hole/flay cuts B) Absence of defects such as skin lesions and brands C) Color of the skin D) Freshness of the skin/hide E) size/pattern F) weight G) Breed of animal H) other specify_____
19. What determines best selling price for cattle hide? A) Absence of defects such as flay cuts B) Absence of defects such as skin lesions and brands C) Color of the skin D) Freshness of the skin/hide E) Size F) weight (hide) G) Breed of animal H) other specify_____

C. Respondent perception on post slaughter hides and skin marketing

20. What problems did you face to your hides and skins during slaughter and flaying? A) Flay cut B) hole C) silts and stains D) other (specify) _____
21. Do you think that the materials that you used for slaughtering is a factor for hide and skin defect 1)yes 2) no
22. What problems did you face to your hides and skins after slaughter? A) Silts and stains B) delay in selling C) lack of transport D) damage by rodents and carnivores E) putrefaction F) Other
    (specify)_____
    ___
23. Have you ever discarded the hide or skin because of sever defect A)Yes B) No
24. What type of Hides did you sell in the last six months and last year? A) Fresh B) Sun dried C) Salted
25. What type of skins did you sell in the last six months and last year? A) Fresh B) Sun dried C) Salted
26. If you sold fresh, after how long following flaying? A) within 12 hours B) within 24 hours C) within 48 hours
27. If beyond 24hrs, how do you preserve? _____
    _____
28. Did u know the method of wet salting for preservation of hide and skin and have u ever experienced it?
29. What type of salt did you use for preservation? _____
30. How did you transport the Hides or skins from home to market? A) Animal transport B) by cart C) Vehicle D) on foot in open air E) on foot in plastic bags F) other (specify) --------
31. Where did you sell your Hides or Skins? A) to village market at_____ B) To woreda market at_____ C) to middlemen at _____ D) to collection center at_____ E) to local processors _____-
    _____F)Other(specify)_____-

32. How much did you sell A) Sheepskin_____, B) Goat Skin _____C) hide_____
33. Who fixes the price? A) myself B) the buyer C) national price D) negotiation
34. If negotiation, what is the basis? _____
35. Did you face difficulty in finding buyers when you wanted to sell? 1= yes 2= No
36. If yes, what is the reason: A) Inaccessibility to market B) Lack of price information C) Low price offer D) Low quality product E) Other (specify) _____
37. Did you know the market price before you sell your Hides and Skins? A) Yes B)No
38. If yes, how did you get price information of Hides and Skins in the market? A) Broker B) personal observation C) Other Hides and Skins traders D) Mass media E) friends/ other producers _____
39. What did you do, when the Hides and/or Skins you offered to the market were not sold? A) keep for home use B) Sell at lower price C) Sell or give to local processors D) discard it
40. What is the problem you encountered in hide and skin marketing? A) fluctuating price B) lack of competitive market C) lack of price information D) inability to provide the desired quality E) Other (specify) _____
41. What is your suggestion to solve each problem?

_____

_____

B. <u>Butchers/restaurants</u>

A. General information

Respondent ID____ Woreda _____Kebele _____Date _____

1. Demographic Characteristics of the respondent Age ____Gender _Female = 0 Male = 1,
2. Respondent Education: A) Illiterate B) Primary school C) Reading and writing D) secondary school D) Diploma E) Degree B. Respondent perception on hides and skin selection criteria
3. How many sheep and goat did u slaughter per a month?
4. How many cattle did u slaughter per a month?
5. How important is hide and skin for you? A) cash income B) make utensils C) not so important D) other specify_____
6. Did you slaughter any animal in the last 6 months? A) Yes B) No

7. If your answer is yes to Q6, how many Sheep_____, Goat_____ cattle_____
8. What did you do with the skin you produced from slaughtering your animals? _____
9. What did you do with the hide you produced from slaughtering your animals? _____
10. What determines best selling price for sheep and goat skin? A) absence of defects such as flay cuts B) absence of defects such as skin lesions and brands C) color of the skin D) Freshness of the skin/hide E) size F) weight (hide) G) Breed of animal H) other specify_____
11. What determines best selling price for cattle hide? A) absence of defects such as flay cuts B) absence of defects such as skin lesions and brands C) color of the skin D) Freshness of the skin/hide E) size F) weight (hide) G) Breed of animal H) other specify_____

C. Respondent perception on post slaughter hides and skin management

12. Do you care for the hides & skins during slaughtering & transporting? A) Yes B) No
13. What problems did you face to your hides and skins during slaughter and flaying A) Flay cut B) hole C) silts and stains D) other (specify)_____
14. What problems did you face to your hides and skins after slaughter? A)Silts and stains B) delay in selling C) lack of transport D) damage by rodents and carnivores E) putrefaction F) Other (specify)_____
15. Have you ever discarded the hide or skin because of sever defect A)Yes B) No
16. What type of Hides did you sell? A) Fresh B) Sun dried C) Salted
17. What type of skins did you sell ? A) Fresh B) Sun dried C) Salted
18. If you sold fresh, after how long following flaying? A) Within 12 hours B) within 24 hours C) within 48 hours
19. How did you transport the Hides from slaughtering house to market? A) animal transport B) Vehicle C) on foot in open air D) on foot in plastic bags E) other (specify) - _____

20. How did you transport the Skins from slaughtering house to market? A) Animal transport B) by cart C) Vehicle D) on foot in open air E) on foot in plastic bags F) other (specify) _____

D. Respondent perception on hide and skin market

21. Did you sell Hides or Skins to market in the last six months? A) Yes B) no
22. If yes, where did you sell your Hides or Skins? A) To village market at_____ B) To woreda market at _____ C) To middlemen at _____ D) To collection center at_____ E) To local processors_____ F) Other (specify)_____
23. In what state did you sell hides? A) Fresh B) sun dried C) salted
24. How much did you sell A) Sheepskin_____, B) Goat Skin _____C) hide_____
25. Who fixes the price? A) myself B) the buyer C) national price D) negotiation
26. If negotiation, what is the basis? _____
27. Did you face difficulty in finding buyers when you wanted to sell? 1= yes 2= No
28. If yes, what is the reason: A) Inaccessibility to market B) Lack of price information C) Low price offer D) low quality product E) Other (specify) _____
29. Did you know the market price before you sell your Hides and Skins? A) Yes B)No
30. If yes, how did you get price information of Hides and Skins in the market? A) Broker B) personal observation C) Other Hides and Skins traders D) mass media E) friends/ Other producers_____
31. What did you do, when the Hides and/or Skins you offered to the market were not sold? A) Sell at lower price B) Sell or give to local processors C) discard it
32. What is the problem you encountered in hide and skin marketing? A) fluctuating price B) lack of competitive market C) lack of price information D) inability to provide the desired quality E) Other (specify) _____
33. What is your suggestion to solve each problem? _____ _____ _____

C. Hides & skins for middle men interview schedule

Respondent ID _____Date_____ Zone, Woreda_____Kebele_____

1. Where are you common sources of skin and hides? A) households B) backyard slaughter C) butchers D) others specify_____
2. Which one is the most common product you buy? A) Sheep Skin B) Goat Skin C) cattle hide
3. What is the trend of availability? A) increasing B Decreasing C) constant If availability is reducing
4. what do you think is the reason? A) Animal number decrease B) slaughtering rate decrease C) many middlemen D) local use E) other channels of market F) others specify_____
5. What is your current buying price for A) sheep skin---- B) goat skin--- C) cattle hide-- -
6. Where do you sale the products? A) to collection center B) to other middlemen C) other specify_____
7. What is your current selling price for A) sheep skin---- B) goat skin--- C) cattle hide
8. Who fixes the price? A) the buyer B) myself C) national price D) other specify_____
9. . Have you ever got your skin and hides rejected or price lowered? _____ What are the common reasons_____
10. . What criteria do you use to buy the product? A) Size B) undamaged by knife C) freshness D) pattern E) roughness_____
11. 11. What is your best preference? A) Fresh B) Dry C) Preserved/Salted
12. . In what state do you sale the products? A) Fresh within 12 hours B) unpreserved in 24 hours C) unpreserved in 48 hours D) dried E) salted
13. . How do you transport the products? A) Carry B) animal transport C) camion D) other specify_____
14. . Did you use additional Preservation to Hides & Skins before taking to terminal market? a) Yes b) No
15. . If yes, what method of preservation did you use? a) Salted b) Sun dried c) Other (specify) ------

16. . What defects did you observe in the raw hides you purchased? a. Flay cut b. putrefaction c. small size d. Poor pattern f. disease due to black leg and small pox p) smooth skin h. improper bleeding and aged animal

17. . What technical and administrative support do you get from concerned Institutions? a) Training b) Technical follow up c) Quality assurance d) Different incentives e) Experience sharing f) no technical support

D. Collection centers/ traders interview schedule

Respondent ID ---------- Date---------- Zone, Woreda---------- ---------- Peasant Association (Kebele) ------ -

1. How long have you been in Hides & Skins trading? a) Less than a year b) 1 to 4 years c) 5 to 10years d) Over 10 years

2. at what time did the supply of hides and skins became high? a) Ethiopian New Year (Mesmerism) b) Ethiopian X-mass and 'Timket' c) Ethiopian Easter d) Other (specify) ------

3. Where are your common sources of skin and hides? A) households B) backyard slaughter C) butchers D) abattoirs E) middlemen F) others specify_____

4. Which one is the most common product you buy? A) Sheep Skin B) Goat Skin C) cattle hide

5. What is the trend of availability? A) Increasing B) Decreasing C) constant

6. If availability is reducing what do you think is the reason? A) Animal number decrease B) slaughtering rate decrease C) many collection centers' D) local use E) other channels of market F) others specify_____ _____

7. What is your current buying price for A) sheep skin---- B) goat skin--- C) cattle hide--?

8. Where do you sale the products? A) To another collection center B) to tannery C) other specify_____

9. What is your current selling price for A) sheep skin---- B) goat skin--- C) cattle hide-?

10. Who fixes the price? A) The buyer B) myself C) national price D) other specify_____

11. Have you ever got your skin and hides rejected or price lowered? _____ What are the common reasons_____

12. Did you know the market price before you sell your Hides and Skins? a) Yes b) No

13. If yes, how did you get information on price of Hides and Skins in the market? A. Other Hides and Skins collectors' b. personal observation c. Radio d. Telephone e. Other (specify

14. How did you qualify the reliability of the information? a) high b) moderate c) low

15. How did you qualify the timeliness of the information? a) timely b) outdated

16. How did you qualify the adequacy of the information? a) adequate b) moderate c) inadequate

17. Is there price variation of Hides & Skins in the market? a) Yes b) No.

18. If yes, what could be the reasons you think?a) Tannery price variation/setting b) Price increases on holiday's c) Price decreases or increases seasonally d) Traders having big capital can increase or decrease the price of the day e) Export price variation f) I do not know g) Other (specify)_____

19. When the price variation reaches high? a) During holidays b) Other than holidays c) It depend on the price of export price variation d) others

20. What criteria do you use to buy the product? A) Size B) undamaged by knife C) freshness D) pattern E) age f) roughness g) others 21. Do you grade the products when you buy? _____

22. What defects did you observe in the raw skins and skin you purchased? A) Brand b) flay cut c) poor pattern d) small size e) putrefaction f) improper bleeding g) gouge marks a. Brand c. Poor pattern d. Fallen hides / skin. Putrefaction f. improper bleeding g. others (specif)_____ Put in order of importance_____

23. What kind of defects leads you to reject the products_____?

24. In what state do you sale the products? A) Fresh within 12 hours B) dried C) salted

25. What is your best preference? A) Fresh B) Dry C) Preserved/Salted

26. How do you transport the products? A) animal transport B) camion D) other specify____

27. At what time of the year does Hides & Skins supply, demand and price reach their respective peak?

time	Supply	demand	price
A. At festival period /Holyday			
B. At wet Season other than Holyday			
C. At dry Season other than Holyday			

D. **Checklist for Focus Group Discussion**

Participants: Hides and skins producers in selected kebele;

1. Wereda :_____ Kebele _____
2. Which kind of hide or skin is common or highly produced in your area (you may provide rank based on production?)
3. Problems related to inputs suppliers (availability/access, quality, and cost of inputs)?
4. Problems related to Hides and skins production (pre and post-sloughtering, disease, extension service, credit access, market access)?
5. How these problems can be solved? _____
6. How do traders influence hides and skins value chain?
7. What are the major problems in marketing of hides and skins?
8. Who is responsible for the above problem?
9. How these problems can be solved?
10. Linkage /interaction/ partnership/ coordination between Hides and skins value actors_____?
11. How all hides and skins value chain actors benefited from this business equally? Your opinion_____

E. A checklist used for the mapping of the hides and skins value chain

a**) Mapping of core processes**

i) What are the core processes in the hides and skins value chain in Debrebrehan Town?

ii) Who are the actors involved and what do they do? (Probe further based on gender)

iii) What does the flow chart of hides and skins look like? (Construct the flow chart and indicate the volume of products involved, number of actors and jobs generated for the different core processes.)

iv). Where does the product originate from and where does it go? (Geographical locations of different core processes/actors including final markets)

v) How does the value of hides and skins change along the chain? (Prices at different points in the value chain)

vi). What type of relationships and linkages exist? (Are there any horizontal and/or vertical integration?)

vii) What is the grading system used in the marketing of hides and skins at different points in the value chain?

viii) What are the attributes considered during grading of hides and skins at different points in the value chain?

ix) What are the key constraints in the marketing of hides and skins at different points in the value chain?

b) Mapping of partner networks

i) What types of services are feeding into the chain in each link of the market chain?

ii) Are services missing and who could provide the missing services?