



**ST.MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**DETERMINANTS OF CATTLE MARKET PRICE IN HAMMER
WOREDA, DIMEKAMARKET, Ethiopia**

**BY
Regan Kebede**

**March
2015**

ST.MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

DETERMINANTS OF CATTLE MARKET PRICE IN HAMMER
WOREDA, DIMEKA MARKET, Ethiopia

A Thesis Submitted To School of Graduate Studies of St. Mary's
University in Partial Fulfillment of The Requirement of Masters of
Science in Agricultural Economics

March 2015
Addis Ababa
Ethiopia

BOARD OF EXAMINERS

As member of the board of examiners of the master thesis open defense examination, we certify that we have read and evaluated the thesis prepared by **Regan Kebede** and examined the candidate. We recommended that this thesis be accepted as fulfilling the thesis requirement for the degree of masters of Science in Agricultural Economics.

APPROVED BY THE BOARD OF EXAMINERS:

SIGNATURE

CHAIR MAN (INSTITUTE DEAN)

ADVISOR

EXTERNAL EXAMINER

INTERNAL EXAMINAR

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Dr. Getachew Gebru. All sources of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full of any other higher learning institutions for the purpose of earning any degree.

St. Mary's University

March, 2015

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a University advisor.

Advisor

St. Mary's University

Addis Ababa

March, 2015

Table of Contents

ACKNOWLEDGMENT.....	i
LIST OF TABLES.....	ii
LIST OF FIGURE.....	ii
ACRONYMS.....	iii
ABSTRACT.....	iv
CHAPTER ONE.....	1
1.1 Background of the study.....	1
1.2 Statement of the problem.....	2
1.3 Basic research questions.....	3
1.4 Objective of the research.....	4
1.5 Significance of the study.....	4
1.6 Definition of terms.....	6
1.7 Scope of the study.....	5
1.8 Organization of the study report.....	5
CHAPTER TWO.....	6
2. Review of related literature.....	6
2.1 Some Basic Concepts.....	7
2.2 Approaches to the Study of Marketing Problems.....	8
2.3. Methods of Evaluating Efficiency of Marketing System.....	9
2.3.1. The Structure, Conduct and Performance (SCP) Model.....	10
2.3.2. Market Efficiency.....	11
2.3.1 Supply Hinter Land.....	12
2.4. Price Analysis.....	12
2.4.1 Factors influencing Intra-Annual Price Variation.....	13
2.4.1.1 Characteristics of marketed Animals.....	13
2.4.1.2 The impact of market facilities on cattle market price.....	17
2.4.1.3 Non-infrastructural factors affecting cattle market price.....	20
CHAPTER THREE.....	25

Research Methodology	25
3.1 Study Area	25
3.2 Research Design	27
3.2.1 Methods of Data Collection	27
3.2.2 Data Requirements	28
3.2.3 Sampling Design	Error! Bookmark not defined.
3.3 Approach to the study	28
3.4 Methods of data analysis	32
3.4.1 Descriptive analysis	32
3.4.2 Econometric analysis	32
CHAPTER FOUR	35
Results and Discussion	35
4.1 Descriptive Analysis	Error! Bookmark not defined.
4.2 Market Facilities	40
4.3 Econometrics Analysis	40
CHAPTER FIVE	46
Summary, Conclusion and Policy Implications	46
5.1 Summary	47
5.2 Conclusion	47
5.3 Limitation of the study	48
Reference	49
QUESTIONNAIRE	53
Appendix	60

Acknowledgement

First and foremost let me praise and honor the almighty God for the opportunity and capacity given to me to realize my aspiration.

My sincere gratitude and appreciation goes to my advisor, Dr. Getachew Gebru, for his guidance and support throughout the research. I greatly appreciate his wisdom and guidance.

I extend my special thank to Dr.Milkasa Wakjira, for recommending me on the econometric parts specifically on model specification.

I would like to thank the Dimeka market participants and Woreda administrators who were involved in the research for their assistance during the data collection.

A special word of thanks is extended to beloved G. friend Misgana Abadi, for her encouragement, support, guidance and patience.

Acronyms

APA- Agro- pastoral

GDP- Gross Domestic Product

ETB - Ethiopian Birr

SNNPR - Southern Nationals and Nationalities and People

MEDaC - Ministry of Economic Development and Cooperation

HH- household

PA- Pastoral

KI- Key Informant

List of Table

Table 2. Grading of animals based on its weight	14
Table 4.1 socio economic characteristics	22
Table 4.2 Description statistics result on animal characteristics examined.....	37
Table 4.3 List of price charges	37
Table 4.4 Econometric analysis result.....	40
Table 4.3 Interaction effect results	44

List of Figure

Figure 2: Map of south omo zone	32
Figure 2.1 Cattle market participants	20

Abstract

This study attempted to identify factors that can determine cattle price, in the south western parts of Ethiopia, particularly Dimeka market. The specific objective of the study were to identify market participant , looking in to the existing market facilities and identifying market actors that were assumed to affect the market price of cattle's . In order to achieve these objectives, the study was utilized primary and secondary data from necessary sources. Trader's survey in the form of pre-designed questioner and interviews were used. A total of Two months of traders' survey was taken place (i.e. Eight market days).

The collected data were analyzed in the form of both Descriptive and log linear Econometric analysis.

Based on the result of the study, the Dimeka market were characterized by, lack of market facilities and service, there is inefficiency In the market, there were strong participants of pastoral traders and traders in the market, existence of fluctuation of cattle product during seasons like rainy and dry, festival and different holidays, significant difference in the volume of the market and availability of cattle product by time of transaction.

Cattle price are influenced by variables like animal characteristics (i.e. sex, age, size), buyers type and time of transaction. Most of the time matured cattle's are preferred than any other cattle's. Cattle sellers would be benefited if they sell during Afternoon time period (6-8 hours period).

Therefore, improving market facilities and services , improving market infrastructure like road and communication , provision of credit services, good extension services to pastoralist , designing of regular training for traders as well as producers (pastoralist) need to be given due attention . Further research on any other variables that can affect the cattle price and also the existing market performance in realizing the benefit of this huge resource would be necessary.

Key words: Cattle, Market, Price, pastoralist, Pastoral trader, Determinant

