**The Determinants of Small Ruminant Market participation and Marketed surplus in TahtayAdyabo District, Tigray, Ethiopia.**

**Abstract**

The aim of this study was to analyze the factors that determinefarmers’ participation in small ruminant marketing and marketed surplus in the study area; TahtayAdyabo District, Tigray,Ethiopia. The data were collected from a randomly selected 138 sample households. Heckman two-step method was used to identify factors affecting farmers’ participation decision in small ruminant marketing and quantity marketed in the study area. The result indicated that small ruminant market participation decision significantly affected by experience in small ruminant production, access to market information, family size, non/off farm income, access to veterinary services, distances to the nearest livestock market, distances to all weather roads and other livestock owned. The quantity of small ruminant supplied to the market significantly affected by experience in small ruminant production, access to credit, access to veterinary service, non/off farm income, distance to all weather roads and distance to the nearest livestock market. Therefore, policies aiming at developing the skills farmers acquired through experience, increasing the dimension of access to formal financial systems, provision of timely and adequate veterinary services, provision of timely and accurate market information and developing and improving infrastructure are recommended to accelerate the farmers’ participation in small ruminant marketing and marketed surplus in Tahtay Adyabo District.

**Key words**: Ethiopia, Factors, Heckman two step, Market, Participation, Small ruminant.

**INTRODUCTION**

Ethiopia is endowed with huge livestock resource, natural resource and diverse agro-ecological zones suitable for livestock production. These potentials make the country prominent repository for animal genetic diversity (Hussen et al., 2015). Livestock production plays an important role for smallholder farmers and also for the country’s economy. It contributes 15 to17 percent of Gross Domestic Product (GDP) and 35 to 49 percent of agricultural GDP and 37 to 87 percent of the household income (Gebremariamet al., 2010).

Ethiopia has 29.33 and 29.11 million sheep and goats’ population respectively. From the total small ruminant population 99.8% of the sheep and nearly all goat population of the country are local breeds (CSA, 2015a). They are important components of the livestock sub-sector and sources of cash income, meat, milk, wool, manure and saving or risk distribution for smallholders in different farming systems and agro-ecological zones of the country (Tibbo, 2006; Endeshaw, 2007;Getahun, 2008). Small ruminants are also sources of foreign currency (Gebremedhin et al., 2007*)*. Moreover, due to their high fertility, short generation interval, adaptation in harsh environment and their ability to reproduce with limited feed, they are considered as investment and insurance (Tsedeke, 2007).

In Ethiopia, there is a general increase in the demand for sheep and goat meat both for the domestic and export markets. However, the supply of small ruminant to both markets is not well strategized as production is not market-oriented. Producers sell their animals when they need cash. They also sell any available animals, to be available, rather than what the market demands. Moreover, there is no livestock market information system that informs farmers which animals are needed, who are the potential buyers, and prices for the different class of animals (Legese et al., 2014). Animal diseases, inadequate animal health services, shortage of feed, land, labor and predators are also major constraints of small ruminant production (Desta, 2017)

Studies on small ruminant production and marketing in the country has been carried out by different researchers (Tsedeke, 2007, Gizaw et al., 2010,Tesfay et al., 2012, Urgessa et al.,2012, Destaet al., 2013,Kidanu et al., 2013, and Legese et al., 2014). However, information on factors affecting small ruminant market participation decision and marketed surplus in Tahtay Adyabo District, Tigray, Ethiopia is lacking. Small ruminant marketing is an important process that has not been investigated in the study area. Therefore, studies on small ruminant marketing become necessary to provide essential information on the operation of small ruminant marketing system, to aid effective research, planning and policy formulation. Hence, this study was carried out to determine the factors affecting small ruminant market participation decision and marketed surplus.

**MATERIALS AND METHODS**

**Study area:**TahtayAdyabo District is one of the eight districts in the north western Zone of Tigray Regional State. The district is composed of 17 rural kebeles and 1 urban kebele(Map of TahtayAdyabo District). TahtayAdyabo District is located about 405 kilometers from Mekelle and 95 kilometers from Shire-Endaslase Town, the capital of North Western Zone of Tigray Region. It is bounded by the District of LaelayAdyabo to the east, KaftaHumera and Eritrea to the west and, AsgedeTsimbla to the south and Eritrea to the north. Geographically, it is located between 37021'13''E to 38010'33''E longitude and 140 31'34''N to 14051'42''N latitude (TADOoI, 2015).

The district has total population of about 100,958, of which 50,924 and 50,034 were males and females respectively (CSA, 2015b).The district has area coverage of 253,655 hectare out of which 60,017 hectares is crop land, 42,778 hectares is covered by forest and the rest is homestead and wasteland. The district is divided in to three major agro-ecological zones, viz., hot to warm semi-arid lowlands (70%), hot to warm sub-moist lowlands (11.25%), and tepid to cool moist mid highlands (18.75%). The average annual temperature of the district is 31oc and found at an elevation of 800-1500 masl (TADOoARD, 2015).

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**Figure1: Map of TahtayAdyabo District(Arc GIS)**

## Sampling procedures: The sampling technique was conducted in 2015.Multi-stage random sampling technique was used to select representative small ruminant producer kebeles and sample households. In the first stage, out of 18 kebeles of the district 10 small ruminant producer kebeles were purposively selected based on the level of production. In the second stage, from the 10 small ruminant producer rural kebeles, four sample kebeles namely Adi-Aser, Gemhalo, Mentebteb and Zban-Gedena were selected randomly. In the third stage, total of 138 sample households were selected randomly using probability proportional to population size-sampling technique based on Cochran (1977) formula.



Where,

is the sample size

is the estimated proportion of small ruminant producers from the total population

 =1.96 and  = 0.05



**Data analysis**

For the descriptive statistics, sample smallholders were divided into participants and non-participants of small ruminant marketing. The objective is to assess the differences and similarities among sellers and non-sellers of small ruminant producers in terms of their demographic and socio-economic characteristics.Econometric model was used to identify factors that affect farmers’ participation decision in small ruminant market and marketed surplus. Ordinary Least Square (OLS) is applicable when all households participate in the market. In reality not all households participate in a specific commodity market. Some households may not prefer to participate in a particular market in favor of another, while others may be excluded by market conditions. If the OLS regression is estimated excluding the nonparticipants from the analysis, a sample selectivity bias is introduced into a model. Such a problem can be overcome by following a two-step procedure as suggested by Heckman (1979). Heckman has developed a two-step estimation procedure that corrects for sample selectivity bias. This procedure allows the producer to decide whether to participate in a particular market, and if so, to supply animals to the market. The first step of the Heckman procedure a ‘participation equation’, attempts to capture factors affecting market participation decision. This equation is used to construct a selectivity term known as the ‘inverse Mills ratio’, which is added to the second step ‘outcome’ equation’ that explains factors affecting quantity of small ruminant supplied. The inverse Mill’s ratio is a variable for controlling bias due to sample selection.

## Specification of the Heckman two-step procedure was written in terms of the probability of Small Ruminant Market Participation (SRMP), and Small Ruminant Market Supply (SRMS).

**The participation equation/selection equation**

The first step of Heckman procedure establishes the probability of participation in the small ruminant market. For the individual producer, the decision to participate or not to participate in small ruminant marketing can be formulated as:







Where:  represents the binary latent variable of small ruminant market participation (observed if 0, 0 otherwise)

represents vectors that are assumed to affect the probability of sampled household small ruminant market participation.

represents vector of unknown parameters in participation equation.

residuals in the selection equation

**The observation equation/ the supply equation**

SRMS is regressed on the explanatory variables and the vector of inverse Mills ratiosfrom the selection equation.



Where:** is the outcome variableand observed if and only if SRMP=1

**is factors assumed to affect the quantity of small ruminant supplied.

is vector of unknown parameter in the quantity of small ruminant supply equation

is the coefficient on the Mills ratio

denotes standard normal probability density function

denotes the standard normal cumulative distribution function

residuals in the observation equation

Table 1: Summary of variable definitions, measurements and expected signs

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S. No. | Variable notation | Variable label | Type | Variable measurements |
| 1 | SEXHH | Sex of household head | Dummy | Male=1, female=0 |
| 2 | MKTINF | Access to market information | Dummy | Have access=1, otherwise=0 |
| 3 | DISMKT | Distance to nearest livestock market | Continuous | Hour |
| 4 | EDUC | Education level of household head | Dummy | Literate=1, illiterate=0 |
| 5 | CREDIT | Access to credit | Dummy | Have access=1, otherwise=0 |
| 6 | EXPR | Experience of household head in small ruminant production | Continuous | Number of years |
| 7 | OFFINC | Non/off farm income  | Dummy | Involved=1, otherwise=0 |
| 8 | FAMSZ | Family size | Discrete | Number |
| 9 | VETER | Access to veterinary services | Dummy | Have access=1, otherwise=0 |
| 10 | PRICE | Lagged price of small ruminant | Continuous | Birr |
| 11 | OTHTLU | Other livestock owned | Continuous | Tropical Livestock Unit(TLU) |
| 12 | EXTEN | Number of extension visit | Continuous | Number |
| 13 | DISROD | Distance to all weather roads | Continuous | Hour |

### RESULTS AND DISCUSSIONS

### Results of demographic and socio-economic characteristics of sample households

Table 2: Demographic and socioeconomic characteristics of samples (categorical variables)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Variables | Items | Participants (N =106) | Non- Participants(N =32) | Total sample (N =138) | -test |
| N | % | N | % | N | % |
| Sex | Male | 89 | 84 | 23 | 71.9 | 112 | 81.2 | 2.3485 |
| Female | 17 | 16 | 9 | 28.1 | 26 | 18.8 |
| Education | Literate | 64 | 60.4 | 20 | 62.5 | 84 | 60.9 | 0.0465 |
| Illiterate | 42 | 39.6 | 12 |  37.5 | 54 | 39.1 |
| Marital Status | Single | 3 | 2.8 | 0 | 0 | 3 | 2.2 | 1.3434 |
| Married | 94 | 88.7 | 28 | 87.5 | 122 | 88.4 |
| Divorce | 7 | 6.6 | 3 | 9.4 | 10 | 7.2 |
| Widowed | 2 | 1.9 | 1 | 3.1 | 3 | 2.2 |
| Off/non farm income | Involved | 79 | 74.5 | 10 | 31.3 | 89 | 64.5 | 20.1043\*\*\* |
| Not involved | 27 | 25.5 | 22 | 68.7 | 49 | 35.5 |

 N is number of respondents. SD is standard deviation.

 Note: **\*\*\*** is statistically significant at 1% significant level.

These survey results are from this study conducted in 2015

Table 3: Demographic and socioeconomic characteristics of sample households (continuous variables)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  Variables | Participants | Non- Participants | Total sample |  t-value |
|  (N =106) | (N =32) |  (N =138) |
| Mean | SD | Mean | SD | Mean | SD |
| Age  | 43.77 | 10.13 | 45.53 | 11.25 | 44.18 | 10.39 |  0.8377 |
| Family size | 6.2 | 2.07 | 4.68 | 1.49 | 5.84 | 2.08 | -3.8311\*\*\* |
| Experience | 12.69 | 8.69 | 4.18 | 3.29 | 10.72 | 8.56 | -5.4085\*\*\* |
| Land size | 2.35 | 1.18 | 2.16 | 1.0 | 2.3 | 2.16 |  -0.8492 |

 N is number of respondents. SD is standard deviation.

 Note: **\*\*\*** is statistically significant at 1% significant level.

These survey results are from this study conducted in 2015

Tables 2 and 3are presenting demographic and socioeconomic characteristics of the sample respondents. The total sample size of farm respondents handled during the survey was 138. Of the total sample respondents, 84% were male-headed households and 16% were female-headed for participants and 71.9% were male-headed households and 28.1% were female-headed for non- participants. With regards to educational status of sample respondents, 60.4% and 62.5% were literate for participants and non -participants, respectively. Regarding their marital status, 2.2% of the total sample households were single, 88.4% were married, 7.2% were divorced and 2.2% were widows. In addition to the farming activities, 74.5% of participants and 31.3% non-participants have also engaged in off/non-farm activities like in petty trading activities and daily labor. There was significant difference in engagement in non/off farm activities between participants and non- participants at 1% significance level.

The average age of sampled respondents was 44 years. Small ruminant market participants were on average 44 years old, while non-participants were 45 years old. The average family size of the total sample respondents was found to be 6 and 5 persons for participants and non-participants, respectively. Family size between participants and non-participants showed variation at 1 percent significance level. The average years of experience related to small ruminant production was 12.69 and 4.18 years for participants and non-participants, respectively. There was significant difference in small ruminant production experience between participants and non-participants at 1 percent significant level. The survey result with respect to land holding of the respondents reveals that an average size of land holding per household was 2.35 and 2.16 hectare for participants and non-participants, respectively.

### Econometric results

**Results of determinants of small ruminant market participation decision**

Table 4: Results of Heckman first-step of determinants of small ruminant market participation decision

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Variables | Coefficient | Std. Err. | Z | P>|z| | Marginal effect  |
| SEXHH | .3173277 | .4655742 | 0.68 | 0.496 | .0429112 |
| EDUC | -.6547125 | .4337301 | -1.51 | 0.131 | -.0885347 |
| DISMKT | -.5215025\*\*\* | .1988968 | -2.62 | 0.009 | -.0705212 |
| DISROD | -.3376008\*\* | .1653571 | -2.04 | 0.041 | -.0456527 |
| FAMSZ | .2809883\*\* | .1188334 | 2.36 | 0.018 | .0379972 |
| OTHTLU | -.0720013\*\* | .0334706 | -2.15 | 0.031 | -.0097365 |
| EXPR | .1253702\*\*\* | .0476337 | 2.63 | 0.008 | .0169534 |
| CREDIT | .0892218 | .4241347 | 0.21 | 0.833 | .0120652 |
| VETER | .6587288\* | .3899552 | 1.69 | 0.091 | .0890779 |
| MKTINF | .8540453\*\* | .3796299 | 2.25 | 0.024 | .1154899 |
| EXTEN | .1310989 | .0913784 | 1.43 | 0.151 | .0177281 |
| PRICE | -.0017048 | .0016379 | -1.04 | 0.298 | -.0002305 |
| OFFINC | .7757043\*\* | .3813707 | 2.03 | 0.042 | .1048961 |
| \_cons | .8552085 | 1.802821 | 0.47 | 0.635 |  - |

 Dependent variable is SRMP

 Note: \*\*\***,** \*\*and\*are statistically significant at 1%, 5% and 10% significance levels respectively.

These survey results are from this study conducted in 2015

Thirteen explanatory variables were hypothesized to determine the household small ruminant market participation decision. Among the hypothesized variables, eight of them influenced small ruminant market participation decision significantly. Experience in small ruminant production, family size, access to market information, non/off farm income and access to veterinary service affects positively and significantly small ruminant market participation decision where as other livestock owned, distance to the nearest livestock markets and distance to all weather roads reduces the probability of small ruminant market participation (Table 4).

**Access to market information (MKTINF):** This variableinfluenced small ruminant market participation decision positively and significantly at 5% significance level. Having access to small ruminant market information increases the probability of participation of producers in small ruminant marketing by 11.5%. This could be because of the fact that, market information increases small ruminant market participation and leads to an understanding of the working of the market.This result is in line with Demissie*et al.* (2014) who indicated that access to milk market information increasing the probability of producer’s participation in milk market.

**Experience in small ruminant production (EXPR):**As hypothesized, this variable influenced small ruminant market participation decision positively and significantly at 1% significance level. The result shows that as farmers experience in small ruminant production increase by a year, the probability of households’ participate in small ruminant marketing increases by 1.6%.This might be due to the reason that, experienced farmers have long time knowledge of season of markets when small ruminants become expensive and their forecasting ability based on last experiences.

**Access to veterinary service (VETER):** This variableaffected small ruminant market participation decision positively and significantly at 10% significance level. Having access to small ruminant veterinary services increase the probability of participation of producers in small ruminant marketing by 8.9%. This result is in line with Gezahagn (2015) who found that access to veterinary service increasing the probability of producer’s participation in cattle market.

**Non/off farm Income (OFFINC):** This variableinfluenced small ruminant market participation decision positively and significantly at 5% significance level. Having involved in non/off farm activities increases the probability of participation of producers in small ruminant marketing by 10.4%. This is mainly due to the fact that, farmers participating in petty trading activities are business oriented farmers and the income obtained from non/off farm activities makes the household to expand small ruminant production and increases participating in small ruminant marketing.

**Family Size (FAMSZ):** As hypothesized, this variable influenced small ruminant market participation decision positively and significantly at 5% significance level. The result shows that as family size increase by a number, the probability of households’ participate in small ruminant marketing increases by 3.8%.This might be due to the reason that, more household members represent labor resources for better management of small ruminant and are posited to be directly related to engagement in production and marketing activities.

**Other livestock owned (OTHTLU):** As expected, this variable influenced farmer’s participation decision in small ruminant marketing negatively and significantly at 5% significance level. As other livestock owned increase by one Tropical Livestock Unit (TLU) the probability of the household to participate in small ruminant marketing reduces by 0.97%.

**Distance to the nearest livestock market (DISMKT):** This variable affected farmer’s participation decision in small ruminant marketing negatively and significantly at 1% significance level. As distance to the nearest livestock market increase by one foot hour the probability of the household to participate in small ruminant marketing reduces by 7.05%.This might be due to the reason that the further the household resides from the nearest livestock market; the less likely it will be involved in selling small ruminant due to long trekking time and higher marketing costs. This is in line with Gebremedhin et al. (2015) who found that distance to nearest livestock market decreases the participation of small ruminant selling.

**Distance to all weather roads (DISROD):** As expected, this variable influenced farmer’s participation decision in small ruminant marketing negatively and significantly at 5% significance level. As the distance to all weather roads increase by one foot hour the probability of the household to participate in small ruminant marketing reduces by 4.5%. This might be due to the reason that the further the household resides from all weather road decrease to participate in small ruminant market due to long trekking time and lack of transport.

### Results of determinants of quantity of small ruminant marketed

Table 5: Results of Heckman second-step of determinants of quantity of small ruminant supplied

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Variables | Coefficient | Std. Err. | Z | P>|z| |
| SEXHH | .0877124 | .2321139 | 0.38 | 0.706 |
| EDUC | .0514353 | .1702259 | 0.30 | 0.763 |
| DISMKT | -.2892034\*\*\* | .0858373 | -3.37 | 0.001 |
| DISROD | -.1601728\*\* | .0726016 | -2.21 | 0.027 |
| FAMSZ | .0231866 | .0475671 | 0.49 | 0.626 |
| OTHTLU | .0045944 | .0146568 | 0.31 | 0.754 |
| EXPR | .0483463\*\*\* | .0116154 | 4.16 | 0.000 |
| CREDIT | .479139\*\*\* | .1731777 | 2.77 | 0.000 |
| VETER | .7404937\*\*\* | .1955771 | 3.79 | 0.000 |
| EXTEN | .0341155 | .0405805 | 0.84 | 0.401 |
| PRICE | .0008708 | .000614 | 1.42 | 0.156 |
| OFFINC | .4295292\*\* | .2033617 | 2.11 | 0.035 |
| \_cons | -1.185582 | .745884 | -1.59 | 0.112 |
| Lambda | .7147894\*\* | .3339389 | 2.14 | 0.032 |
|  RhoSigma |  0.86082 .83035883 |  |  |  |

Dependent variable is SRMS

Note: \*\*\*and\*\*are statistically significant at 1% and 5% significance levels respectively.

These survey results are from this study conducted in 2015

With the Heckman two-step estimation procedure, the first step is to estimate a probability of household participation in small ruminant market as a function of both those variables that likely also determine small ruminant supplied to the market as well as one or more exclusion restriction variables. This study used market information access as selection variable in participation equation which was found to affect small ruminant market participation decision but has no significant impact on quantity of small ruminant supplied to the market in order to predictinverse of the Mills’ ratiocorrectly. The results of second-step Heckman selection estimation for the quantity of small ruminant supplied to the market are given in Table 5. The coefficient of Mills ratio (Lambda) in the Heckman second-step estimation is significant at the probability of 5%. Among the hypothesized variables, six of them influenced quantity of small ruminant supplied to the market significantly. Experience in small ruminant production, access to credit, non/off farm income and access to veterinary services affects positively and significantly quantity of small ruminant marketed whereas distance to the nearest livestock market and distance to all weather roads have negative impact on the level of small ruminant sales.

**Access to credit (CREDIT):** This variable affected marketed supply of small ruminant positively and significantly at 1% significance level. Holding other explanatory variables constant, the result showed that if small ruminant producers have access to credit, small ruminant supplied to the market increased by 0.48 TLU compared to farmers who do not have access to credit. This suggests that access to credit would enhance the financial capacity of the farmer to purchase small ruminant which in turn increase the production and supply of small ruminant to the market. This is in line with Muhammed (2011) who illustrated that access to credit increasing the amount of wheat supplied to market in Halaba District.

**Experience in small ruminant production (EXPR):**It influenced small ruminant market supply positively and significantly at 1% significance level. Holding other explanatory variables constant, as farmer’s experience in small ruminant increased by a year, small ruminant supplied to market increased by 0.05 TLU.

**Distance to all weather roads (DISROD):** It affected quantity of small ruminant market supply negatively and significantly at 5% significance level. Holding other explanatory variables constant, the result shows that as the distance to all weather roads increased by one foot hour, the quantity of small ruminant supplied to the market decreased by 0.16 TLU. This may be due to the fact that the further the road; long trekking time and may have no opportunity to transport their small ruminant and reduces small ruminant supply to market.

**Non/off farm income (OFFINC):** It influences quantity of small ruminant supply significantly and positively at 5% significance level. This is because most of non/off farm activities that are farmers participating in are pity cash trading. This is mainly due to the fact that, non/off farm income makes the household to expand production and purchase from market in turn the quantity of small ruminant supply to the market increase. Holding other explanatory variables constant, the result showed that if small ruminant producers have non/off farm income, small ruminant supply increased by 0.43 TLU compared to farmers who do not have non/off farm income.

**Access to veterinary service (VETER):** This variable affected marketed supply of small ruminant positively and significantly at 1% significance level. Holding other explanatory variables constant, the result showed that if small ruminant producers have access to veterinary service, small ruminant supplied to the market increased by 0.74 TLU compared to farmers who do not have access to veterinary service. This suggests that farmers whom have access to veterinary services have higher chance to get timely treatments which in turn increase the production and supply of small ruminant to the market.

**Distance to the nearest livestock market (DISMKT):**This variable influences quantity of small ruminant market supply negatively and significantly at 1% significance level. Holding other explanatory variables constant, the result shows that as the distance from the nearest market increased by one foot hour, the quantity of small ruminant supplied to the market decreased by 0.29 TLU. This may be due to the fact that the further the market increased trekking time; the higher would be the transportation charges and other marketing costs, less access to market information and facilities.

**CONCLUSION**

Using Heckman’s two- step method, the result indicated that experience in small ruminant production, access to market information, family size, non/off farm income, access to veterinary service, distance to the nearest livestock market, distance to all weather roads and other livestock owned were the factors affecting farmers small ruminant market participation decision. The quantity of small ruminant supplied to the market significantly affected by experience in small ruminant production, access to credit, access to veterinary service, non/off farm income, distance to all weather roads and distance to the nearest livestock market.Therefore, both small ruminant market participation decision and quantity of small ruminant supply to the market can be improved by policies aiming at developing the skills farmers acquired through experience, increasing the dimension of access to formal financial systems, provision of timely and adequate veterinary services, provision of timely and accurate market information and developing and improving infrastructure.

## RECOMMENDATIONS

~~The recommendations or policy implications to be drawn from this study are based on the significant variables from the analysis of the study.~~ The econometric result of Heckman two step procedures indicates that experience how much expereice and what ? in small ruminant production increases why increases ?both small ruminant market participation and quantity of supply. By developing the skills what farmers have through experience increases the participation of the producer in small ruminant market and marketed surplus. Access to veterinary service….how? increases both small ruminant market participation and quantity of supply. By provision of adequate and timely veterinary services, supporting experts by giving continuous capacity building trainings on what ? and by fulfilling the equipment and drugs increases the participation of the producer in small ruminant market and marketed surplus. Small ruminant market participation is also positively and significantly affected by market information what type info and when and who will deliver it ?. Therefore, provision of timely and accurate formal market information is essential to participate in small ruminant market and to improve producers bargaining position.

Quantity of small ruminant supplied is positively and significantly affected by access to credit. This indicates that credit enhance the financial capacity of the farmer to improve sales of small ruminant through expanding small ruminant production. Therefore, increasing the dimension of access to well-functioning formal financial systems is critical in influencing sales of small ruminant. Quantity sell of small ruminant is significantly and negatively affected by distance to nearest livestock market. Therefore, by developing market infrastructure such as building market places and improving road to reduce trekking time, transportation costs and other marketing costs can improve livestock market access and increase small ruminant supply to the market.

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