

Trade Competitiveness of Somali Livestock Exports: Trends, Pitfalls and Prospects

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ABSTRACT

In addition to having enormous potential and making a significant contribution to the agricultural sector in recent years, the livestock sector in Somalia is doing well in terms of production, exports, and competitiveness. This study demonstrates the dynamic nature of Somalia's livestock industry, characterized by fluctuating growth rates, stable production, shifting populations, and evolving export trends for various animal products. Opportunities and difficulties exist, such as the need to improve wool production and productivity while addressing oscillations in the industry. Raising cattle not only generates revenue but also ensures nutritional security, helping rural households, particularly marginal and small farmers, escape poverty. This study recommends promoting the livestock sector can break the poverty-micronutrient malnutrition cycle, making animal-based foods a strategic intervention for vulnerable groups as policy options. Also, a rapidly increasing population, increasing income levels, and changing food habits are going to put continuous pressure on the demand for livestock products; thus, a brief knowledge about the trends and development of the sector gives a broad view to policymakers.

Keywords: Livestock, Production, Exports, Competitiveness

INTRODUCTION

Despite threats and difficulties brought on by climate change, as well as growing geopolitical tensions and wars around the world, the domestic economy remained relatively strong in 2024 (CBS, 2024). Real GDP growth is calculated. Likely to slow down to 4.0 percent in 2025 after moderating to 4.1 percent in 2024 due to the anticipated detrimental effects of climate shocks and cuts in foreign aid on economic activity. Somalia's macroeconomic performance held steady in 2024 despite dangers and difficulties brought on by climate change as well as escalating international geopolitical conflicts and tensions; the country's GDP is expected to moderate its expansion. From 6.1 percent in 2023 to a projected 5.6 percent in 2024, the headline inflation rate stayed in the single digits (Federal Ministry of Finance, 2024). Despite robust growth in livestock and agricultural exports, the current account deficit increased to 14 percent of GDP in 2024 from 12 percent in 2023, mostly as a result of increased import demand. In 2024, Somalia's domestic revenue performance exceeded projections, exhibiting robust growth and resilience. In 2024, domestic revenue rose 12% to US\$369 million. And sales tax, as well as broaden the customs tax base. Exhibiting durability and robust growth. In 2024, domestic revenue rose 12% to US\$369 million. This increase is a result of continuous attempts to diversify tax revenues, such as rental & sales tax, and broaden the customs tax basis (World Bank, 2024).

As part of its broader economic recovery and budgetary sustainability in the post-HIPC era, the Federal Government of Somalia (FGS) has been actively engaging with its creditors to restructure and repay outstanding debts. Endeavors (Abshir et al, 2020). The Central Bank of Somalia plans to implement a currency board system and reinstate the Somalia Shilling (SOS) as part of these initiatives (Federal Ministry of Finance, 2024). By enabling payments for small-value transactions, the new SOS notes will serve a crucial liquidity function and encourage financial inclusion for the most vulnerable and low-income individuals. The Ministry of Finance is spearheading domestic revenue mobilization changes on the fiscal front. The government recently installed an electronic sales tax system, which greatly expedited tax collection procedures, increased revenue efficiency, and enhanced transparency (Somalia Revenue Authority, 2025).

Somalia's livestock sector is a cornerstone of the nation's economy, exerting a significant influence on production, value addition, and foreign currency earnings (Ali, 2023). With its leading exports, consumption

levels, and job opportunities, this vital sector is essential to Somalia's growth environment (Federal Ministry of Livestock, 2025). However, it faces challenges such as unstable weather, export restrictions, poor macroeconomic policies, and inadequate infrastructure. Livestock trade, mainly facilitated by major seaports such as Bossaso, Berbera, Mogadishu, and Kismayo, is a crucial source of government income. This revenue is vital for supporting government finances and providing essential public services (OECD, 2021). Domestically, the sector creates numerous employment opportunities, especially for women. They play an integral role in the livestock industry, involved in selling meat and processing products like milk and bone jewelry. Their active participation not only ensures economic sustainability but also promotes food and nutrition security across various aspects of the livestock economy (State of the Economy, 2024). Overall, the sector makes significant contributions to production, value addition, and foreign currency accumulation. Livestock trade, primarily through key seaports such as Bossaso, Berbera, Mogadishu, and Kismayo, remains a vital income source for the government (Jones, 2019).

Trends Of Livestock Exports in Somalia

Livestock exports have been a key part of Somalia's economy, significantly supporting both rural livelihoods and national income. Despite various challenges like climate change, Somalia's livestock industry has tremendous growth and development potential (CBS Annual Report, 2024). The sector makes up about 9 percent of the country's GDP, and the economy relies heavily on cattle exports for revenue. Livestock exports include camels, goats, sheep, and cattle, with the Middle East serving as the main market. This sector supports millions of pastoralists and farmers, making it vital for food security and poverty reduction in the region (MoF, FSNAU, and CBS, 2024).

As Figure 1 shows, Somalia's export industry remains primarily reliant on cattle, which accounted for around 62 percent of overall exports in 2024. Livestock exports grew by 13 percent, jumping from US\$860.8 million in 2023 to US\$969.9 million in 2024. Although this growth rate is lower than the previous year, the overall upward trend underscores continuing overseas demand (MoLFR, 2024). Notably, livestock exports continue to expand, demonstrating a strong demand in overseas markets coupled with diversification of livestock export markets beyond Saudi Arabia and outside of the Hajj period.

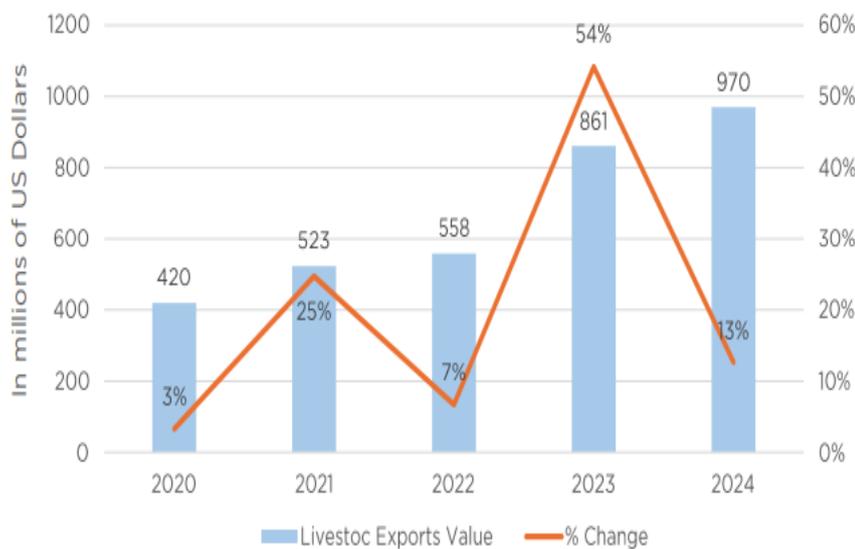


Figure 1: Total Value of Livestock Export 2020-2024

Source: MoF, MoLFR, and CBS valuations and adjustments, 2024

Additionally, in 2024, the total volume of livestock exports exceeded 6.4 million heads, comprising more than 5.9 million goats and sheep, 291,692 cattle, and 212,616 camels. Similarly, the overall export value increased compared to the previous year. At the same time, exports of goods rose significantly, increasing by 54 percent from US\$1,010 million in 2023 to US\$1,556.2 million in 2024. Export growth was mainly driven by the livestock sector. Figure 2 clearly shows this trend.

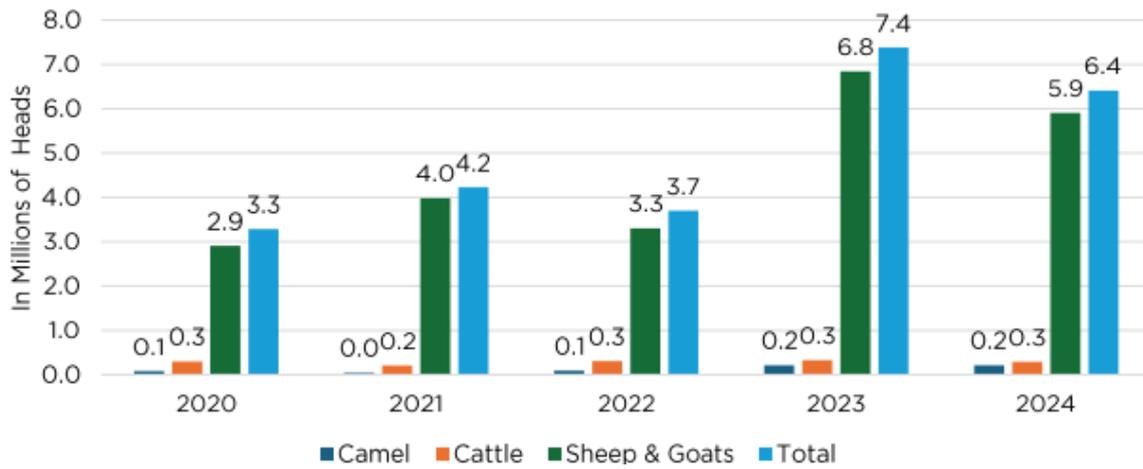


Figure 2: Total Head of Livestock Export 2020-2024

Source: FAO-FSNAU & CBS estimates and valuations, 2024

As the Quarterly Economic Report from the Central Bank narrates, livestock exports expanded steadily in the first quarter of 2025, as Somalia won some export market share with diversification of livestock export markets beyond Saudi Arabia and outside of the Hajj time. The exports include camels, goats, sheep, and cattle, with the Middle East maintaining the leading destination. This sector is essential to Somalia’s economy, supporting millions of pastoralists and farmers. Furthermore, during the first quarter of 2025, livestock exports saw a notable rise, increasing by almost 41 percent compared to the preceding quarter (2024-Q4), and rose by 4% in contrast to the similar period in the preceding year (Q1 of 2024). In monetary terms, cattle exports contributed US\$244.3 million, or 77 % of the total exports in 2025-Q1. In terms of volumes, Somalia exported 1.3 million heads of livestock, consisting of 1.22 million Sheep and Goats, 73,756 cattle, and 52,143 Camels (CBS, 2024).

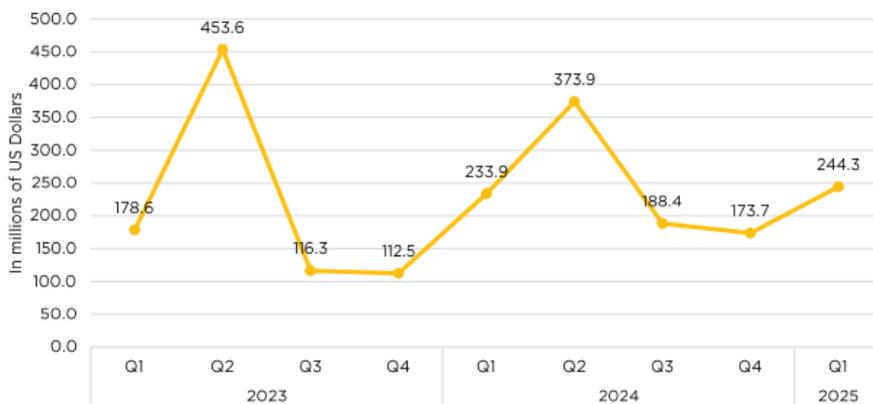


Figure 3: Total Value of Livestock Export 2023Q1-2025Q1

Source: MoF, FSNAU, and CBS valuations and adjustments, 2025

Total domestic exports increased from US\$318.38 million in 2024-Q4 to US\$316.92 million in the first quarter of 2025. The export structure remained strongly concentrated, with cattle maintaining its dominant position. As indicated in Figure 3, Livestock exports accounted for 77 percent of overall exports, reflecting the major significance of the pastoral sector in Somalia’s trading portfolio. This steady performance demonstrates the robustness of cattle and the ongoing foreign demand, especially from Gulf markets. The export of livestock soared by 41 percent, growing from US\$173.7 million to US\$244.3 million, maintaining its leading position in Somalia’s export industry. This good performance may indicate seasonal demand, particularly from Gulf countries, ahead of the Hajj period. The largest gain was seen in meat exports (livestock products), which dropped from US\$4.95 million to US\$13.7 million. This notable rise points to greater value addition and a possible shift toward processed animal products, which, if sustained, could boost export earnings (Federal Ministry of Finance, 2025). Exports of animal skin also improved dramatically, growing by 43 percent, presumably due to greater utilization of by-products from the livestock sector. In contrast, exports of vegetable

oil and crops decreased precipitously by 63%, from US\$90.9 million to US\$34 million. This drop may reflect seasonal agricultural cycles and unfavorable weather conditions.

The livestock sector in Somalia has remained one of the most resilient sectors despite climate shocks (UNDP, 2018). Livestock exports have been constantly increasing over the previous ten years, growing by 13% from 2023 to around one billion in 2024. During the last quarter of 2024, animal exports climbed by 54 percent compared to the same period last year. In 2024-Q4, livestock exports made up 55% of all exports and provided US\$173.7 million to the economy. Somalia exported one million heads of livestock in the final quarter of 2024, including 1,009,593 goats and sheep, followed by 69,217 cattle and 41,242 camels (FSNAU, 2024).

On the other hand, the third quarter of 2024 saw a decrease in livestock exports, mostly as a result of seasonal variations and lower market demand after the Hajj season, which happened in the preceding quarter (Ministry of Livestock Forestry & Range, 2024). This cyclical trend is consistent with Somalia’s reliance on the Hajj period as a peak time for livestock exports, driven by the strong demand from the Middle East market for sacrificial animals during the pilgrimage and Eid al-Adha. Livestock exports fell sharply in the third quarter of 2024, by over 50% from the previous quarter (2024-Q2), but rose by 62% from the same period the year before (2023-Q3). In terms of money, cattle exports boosted the economy by US\$188.4 million, or 52% of all exports in 2024-Q3. Somalia exported 2,348,557 heads of livestock in the third quarter of 2024, including 2,218,467 sheep and goats, 57,058 Camels, and 73,032 cattle (National Economic Council, 2024).

Challenges Facing Somalia’s Export Sector

Numerous ongoing issues have a substantial adverse impact on the stability and growth potential of Somalia's crucial livestock industry. Recurrent droughts, export restrictions, poor infrastructure, and a range of socioeconomic and environmental issues are among the most prominent challenges.

The frequent, cyclical bans imposed by major export markets are among the most urgent issues facing Somalia's livestock sector. Especially Saudi Arabia. Since 1988, the industry has been significantly impacted by these bans, which have been imposed intermittently due to concerns about animal health. Saudi Arabia's most recent livestock prohibition ran from December 2016 to March 2022, a period of more than five years. Somali livestock export records for 2015 and 2016 were 5.3 million and 4.7 million heads, respectively, indicating a notable and consistent increase. However, the livestock restriction and a severe drought in 2017 had a negative impact on the industry. As a result, the total number of livestock exports dropped to 2.8 million heads in 2017, down from 4.7 million heads in 2016, representing around a 40 percent decline. This led to a significant revenue decline of approximately 30 percent, from 431 million to 288 million dollars. The bans have also disrupted the income generated from the annual Hajj pilgrimage, as Somalia traditionally supplies a large portion of sacrificial animals for this event. The instability caused by these bans undermines market predictability and jeopardizes the livelihoods of millions reliant on the livestock trade. The repeated cyclic livestock bans cost the country millions of dollars in loss of foreign earnings.

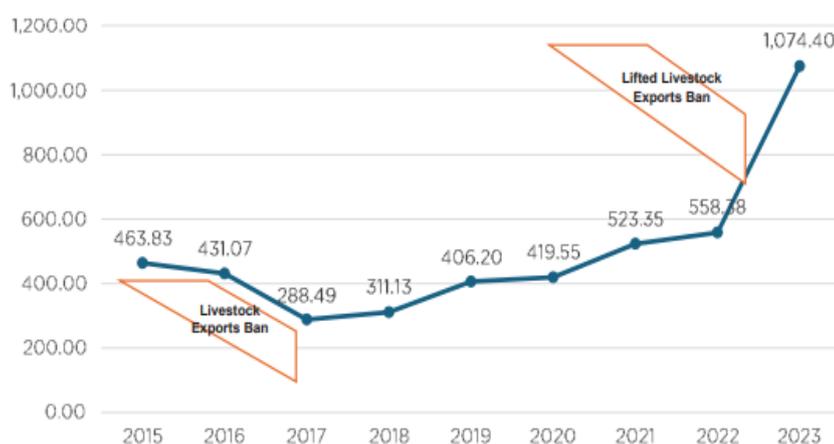


Figure 4: Fluctuation Trends of Livestock Exports (2015–2023)

Source: FSNAU, and CBS valuations and adjustments (2023)

Secondly, due to frequent and severe droughts, floods, and other extreme weather events, Somalia's livestock industry is extremely sensitive to climate change and weather-related incidents. The disastrous 2017 drought, which followed several unsuccessful wet seasons, caused significant losses, including almost 6.4 million cattle worth more than US\$350 million, according to Somalia's Drought Impact & Needs Assessment Report (DINAR). Additionally, the losses associated with animal productivity and output, which include decreased milk yields and body weight loss, are projected to be worth US\$1.2 billion. In addition to lowering the total number of cattle, this climatic aberration also resulted in lower body weights, milk outputs, and disease prevalence. Pastoralist groups were forced to sell off their breeding stock due to the ensuing food crisis, which exacerbated the financial difficulties that rural residents encountered. Additionally, pastoralists now have to go farther in search of pasture and water due to the disruption of traditional grazing patterns and decreased availability of water and pasture brought on by climate change. This increasing movement further jeopardizes the health and productivity of livestock by facilitating the spread of transboundary animal diseases, including foot-and-mouth disease (FMD), Peste des Petits Ruminants (PPR), and others.

Thirdly, both the supply and demand for livestock exports are impacted by seasonal factors. The most significant seasonal event is the annual Hajj in Mecca. Impact. The Hajj is the largest Muslim gathering in the world because, as Figure 4 illustrates, each participant is required to sacrifice one animal. More than 80% of all sheep and goat shipments each year come from the Hajj. During 20 million sheep and goat heads were exported from Somalia during the past five years, making up about 90% of all exports. Due to their size and flavor, sheep and goats from the Horn of Africa, notably Somalia, are popular in this niche market.

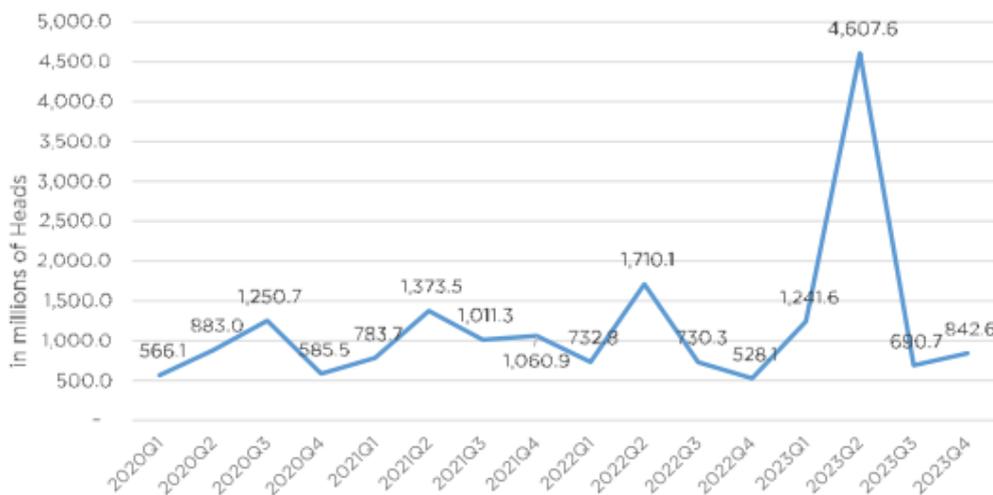


Figure 4: Trends of Total Heads Exports 2020-Q1-2023-Q4

Source: FAO-FSNAU & CBS estimates and valuations (2023)

Additionally, animal health and disease management are major issues facing Somalia's livestock industry. Insufficient veterinary care, the spread of infectious diseases among cattle populations is made worse by inadequate services and hygienic infrastructure. Anthrax, brucellosis, and infectious pleuropneumonia are among the persistent hazards that are made worse during dry spells when animals gather around scarce water sources, which makes it easier for diseases to spread. Disease hazards are further increased by the practice of long-distance cattle transportation along trade routes without proper health checks. These issues are made worse by inadequate quarantine facilities and oversight, which limit the industry's capacity to adhere to international hygienic standards and, consequently, market access.

Inadequate infrastructure, particularly restricted access to veterinary care and quarantine, plagues Somalia's livestock industry. Amenities, as well as vital infrastructure for storage and transportation. The sustainability of the industry is further jeopardized by the lack of a national rangeland management organization, which encourages uncontrolled grazing and environmental deterioration. Significant difficulties are also presented by the scarcity of water and forage along livestock trading routes, especially during the dry seasons. These shortages are made worse by inadequate investment in water infrastructure and fodder production, which results in cattle mortality during transit and decreased marketable weight upon arrival at export ports.

Opportunities And Prospects in Somalia's Livestock Sector

Somalia's livestock industry offers several chances to promote economic progress despite major obstacles, increase food security, and produce a sizable income. These opportunities result from the sector's crucial role in creating jobs, generating income from exports, and contributing to food security and foreign exchange revenues.

In Somalia, the livestock sector employs more than 65% of the workforce directly or indirectly. This comprises traders, butchers, transporters, livestock producers from pastoralist and nomadic cultures, and input suppliers who supply necessary resources, including feed, equipment, and veterinary care. Improving this industry's efficiency and productivity not only sustains livelihoods but also increases economic activity along the value chain.

Exports and livestock trading are major sources of income for Somalia. Livestock trade taxes, especially through large ports like Berbera, Bossaso, Mogadishu, and Kismayo, generate significant revenue for both national and municipal governments. Over the last five years, Somalia has exported almost 22 million animal heads, contributing more than \$3 billion to the country's GDP. The value of animals exported from Somalia peaked in 2023. From US\$558.4 million in 2022 to US\$1,074.4 million in 2023, livestock exports rose by 92%. This is mostly because of the seasonal demand for the Hajj, which is the first time limits have been lifted. Been in effect since 2020, as well as Saudi Arabia's easing of the livestock prohibition, which has been in effect for more than five years, at the end of 2022. It is the highest-ever livestock export in terms of value, and it is the first time Somalia's livestock exports have reached \$1 billion. This money is essential for funding public services, infrastructure development, and the government budget, especially in areas like Somaliland and Puntland, where ports are important economic centers.

The livestock industry in Somalia is essential to maintaining food security, particularly for the agropastoral and pastoralists who make up a sizable section of the population. Animal and animal products provide vital revenue for household needs, and market transactions account for more than half of the annual food requirements. The industry's ability to deliver meat, milk, ghee, skin, and other products is crucial for minimizing food poverty and lowering reliance on outside assistance, despite obstacles including market disruptions and climate uncertainty.

For Somalia, livestock exports are a significant source of foreign exchange revenues, mostly from shipments to the Middle East and cross-border travel to neighboring nations. Such as Djibouti and Kenya. The livestock industry is the second-largest source of foreign income after remittances from the Somali diaspora because livestock products, mostly live animals and their byproducts, contribute significantly to foreign profits. Livestock exports have brought in about US\$3.0 billion for Somalia in recent years, highlighting their significance in maintaining international trade balances and stabilizing the country's economy.

Way Forward...

To fully revitalize the livestock sector of Somalia, the federal government should design a thorough and contextual policy and benchmarks to improve the following areas;

- a) **Agroforestry:** Include trees and shrubs in grazing areas to improve microclimates, lessen soil erosion, and give shade for animals.
- b) **Enhancing Veterinary Services:** Create mobile clinics to offer prompt and convenient animal care, including immunizations and medical interventions. To protect livestock health and boost export competitiveness, use digital technologies to provide remote veterinary consultations and guidance, particularly in areas with limited access to veterinary services
- c) **Food Security:** Encourage the production of drought-tolerant fodder crops like millet, sorghum, and several other legumes that can be used as feed in dry spells. To conserve feed during times of excess for use during droughts, promote the use of silage and haymaking processes.
- d) **Enhancing Community-based Strategies:** Encourage the establishment and development of pastoralist associations to encourage lobbying for favorable policy, resource sharing, and group action. Educate communities on catastrophe risk reduction techniques, such as creating emergency feed banks and community-managed grazing reserves.

- e) **Disaster Preparedness and Early Warning Systems:** Expand and improve early warning systems to deliver timely warnings about severe weather conditions like floods and droughts. In order to enable preemptive steps and lessen the impact of climate-related shocks, communication systems should be improved to guarantee that warnings reach vulnerable people immediately.
- f) **Investing in Water Resource Management Infrastructure:** Put into practice efficient rainwater collection and water conservation methods to improve water availability during dry spells, as well as sustainable water management strategies.
- g) **Education and Awareness:** Provide instruction and training on methods for adapting to climate change, sustainable management of natural resources, as well as preparedness and response to disasters for communities and livestock farmers.
- h) **Re-establishment of the National Range Agency:** The National Range Agency should be reestablished to revitalize rangeland management. National organization. To enhance rangeland health and promote sustainable livestock production, use rotational grazing techniques and sustainable land management techniques.
- i) **Creating Financial Tools for Risk Management:** Establish savings and insurance programs to reduce monetary losses brought on by climate-related hazards. Create a contingency fund to help livestock dealers when demand is low or the market is unstable because of bad weather.
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Concluding Remarks

Strengthening the future of Somalia's livestock sector requires a comprehensive approach that addresses environmental, economic, and institutional challenges. By integrating agroforestry practices, improving veterinary services, and enhancing food security through climate-resilient fodder production, communities can build healthier herds and more sustainable grazing systems. Community-based strategies, supported by robust disaster preparedness and early warning systems, will empower pastoralists to manage climate shocks better and protect their livelihoods. Investments in water resource infrastructure, coupled with education on climate adaptation and sustainable land use, will further reinforce long-term resilience. Revitalizing national institutions such as the Ministry of Livestock, Forestry, and Range and establishing reliable financial risk-management tools will provide the structural support needed to stabilize the sector and promote growth. Together, these recommendations form a holistic pathway toward a more productive, sustainable, and climate-resilient Somali livestock industry.

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