



## The role of livestock for ACP countries: challenges and opportunities ahead

12<sup>th</sup> Brussels Development Briefing  
1<sup>st</sup> July 2009

On 1<sup>st</sup> July 2009, CTA and other partners convened the 12<sup>th</sup> 'Brussels Development Briefing' - part of a series of bimonthly Development Briefings on ACP-EU rural development issues. More than 70 participants gathered in Brussels to discuss the role of livestock for ACP countries.

### Partners in the Briefings:

- CTA
- European Commission
- ACP Group
- Euforic
- Concord
- IPS Europe

Introducing the 12<sup>th</sup> Briefing, Marc Debois from the European Commission/DG Development welcomed participants and recalled that animal Health and production are a sub-sector of Agriculture and Rural Development (A&RD) and therefore EC efforts are targeting the Livestock sector too. Nevertheless, livestock contributions to food security, public health and environment are often ignored and/or negatively perceived. Against this background, a briefing session focusing on this multi-disciplinary sub sector is very relevant and much welcome, he stated. As is the case



for Agriculture and Rural Development, he underlined, efficient livestock development requires long term commitment, strong political will from partners' governments, concerted financial support from donors, participation from all branches of the private sector, good cooperation and solidarity among nations, and

integrated and harmonized approaches backed-up by technical and scientific expertise. Finally Mr. Debois recognized the contribution of the livestock sector to developing countries' economies and advocated for more investments in sustainable development and environmentally-friendly options, while reaffirming the EC's will to continue to support them. Technical solutions exist – he concluded - the challenge seems to be more on the political side.

Dr Hansjörg Neun, director of CTA, recalled the need to put back livestock in the development agenda and to include livestock in the support given to agricultural and rural development. Livestock is one of the fastest-growing agricultural subsectors in developing countries (milk and meat production will double by 2050) driven by population growth, urbanization, and

increasing income which create greater demand for animal-source foods in developing countries. Livestock production is also one of the major causes of the world's most pressing environmental problems, including global warming, land degradation, air and water pollution, and loss of biodiversity. FAO estimates that livestock is responsible for 18 percent of greenhouse gas



emissions. However, the report says, the livestock sector's potential contribution to solving environmental problems is equally large, and major improvements could be achieved at reasonable cost. Dr Neun expressed satisfaction that this Briefing is dealing with such a timely and important topic.

### Trends & drivers in livestock production and trade

Carlos Seré, the Director General of the International Livestock Research Institute (ILRI) provided an overview of the trends and driving forces in livestock production and trade in the Sub Saharan Africa (SSA) region. He highlighted the importance of livestock in SSA and pointed out that livestock is essential as a risk reduction strategy for vulnerable communities since it provides food for at least 830 million food insecure people and that at least 600 million of the World's poor depend on livestock. He then explained the main drivers of change as being population, urbanisation and income growth, increasing environmental



limitations, growing animal diseases and food safety concerns in global value chains. Currently, mixed crop-livestock systems harbour the majority of poor people and they are not only the backbone of agriculture and livestock production in SSA, but they are also increasingly spreading to marginal areas to respond to the demand growth coming mainly from national and regional markets. Mr. Seré stressed that domestic and regional markets are key to the development of the SSA livestock sector which can export to niche international markets. He then illustrated the linkages between climate change and the livestock sector: in his words, developments in the livestock sector are likely to be influenced by climate change as livestock is both affected by climate change and a source of greenhouse gases. Climate change will increase the urgency of having access to appropriate technologies, policies and institutions for adaptive management within mixed crop-livestock systems.

### EU policy for livestock imports

Howard Batho from DG Health and Consumers at the European Commission illustrated the EU's import policy for animals and products of animal origin. He pointed out that the EC's main objective is to protect the EU's human and animal populations from transmissible diseases and other pathological conditions which may have major negative effects on their welfare and on public health. It is also the EU's objective that trade and imports in animals and their products take place in safe conditions. Import conditions are equivalent to those for domestic producers so all food imports must conform to EU standards, irrespective of its origins. Explaining the reasons behind the high food safety standards, Mr. Batho stressed the need to prevent the introduction of animal and plant diseases into the EU and the serious consumer concerns about food safety issues which are to be balanced with the need for the EU to trade and import. EU legislation complies with WTO rules, whose SPS Agreement follows OIE and CODEX standards, and is scientifically based: the European Food Safety Authority gives scientific advice to the Commission and to Member States. Mr. Batho rejected the accusation that the EU has too strict rules for its imports. Wherever possible, mitigating measures can be taken for disease control purposes. Support measures exist to help third countries to comply with EU standards, by capacity building programmes, technical assistance, training courses, twinning projects, etc. Mr. Batho concluded that EU legislation is not an obstacle to trade but is essential to trade. Moreover, stricter rules offer the possibility to enter new markets, in particular the higher value end of the market, and also offer better food safety in third countries as well. Dr Batho mentioned also the increasing strength of private food safety standards.



### Animal and human health constraints: a priority

Mr. Vittorio Cagnolati from the African Union Interafrican Bureau for Animal Resources (AU-IBAR) talked about the global and regional importance of addressing animal and human health constraints. Africa harbours a multitude of infectious animal and zoonotic diseases that have key direct and indirect negative impacts on human health and animal production. The emergence and the transmission of infectious animal diseases has been encouraged by the intensification of animal production, the speed of travel and transportation of people and animals and their products across borders, changing land use systems and climate change. Moreover weak national economies and a lack of funding of veterinary and public health services have resulted in unreliable and out-of-date data. Other challenges include patchy early warning systems and response mechanisms as well as poor regional and continental coordination. But the control and eradication of animal and zoonotic diseases requires well coordinated and sufficiently funded intervention at global and regional levels, as well as institutional support to solve local problems. AU-IBAR aims to address specific diseases that affect small producers and which can have a big impact on poverty alleviation. He explained that AU-IBAR operated under the CAADP framework and livestock is addressed in four different pillars. Its work to combat animal diseases is therefore captured in a context of poverty alleviation, food security and nutritional values, which are the drivers to look at animal diseases.

Mr. Cagnolati presented some of AU-IBAR's achievements including the eradication of Rinderpest for example or the SPINAP programme against Highly Pathogenic Avian Influenza. His recommendations are the need for more coordinated and regional approaches in Africa, and for domestic, regional and international resources to be invested in eradication programmes for major diseases. It is also important that capacity is enhanced for early detection and rapid response for emerging animal diseases, but also for Member Countries and Regional Economic Communities to coordinate and implement disease prevention and control programmes.

During the **debate of panel 1** under the chairmanship of Professor Eric Thys, Department of Animal Health of the Tropical Medicine Institute in Antwerp, the question of resource allocation for disease control was raised, and it was argued that decisions about which diseases to target are largely determined by European interests. What process should therefore be set up for small producers' organizations to be linked to the decision making



process? Mr. Cagnolati from AU-IBAR highlighted the fact many standards are now becoming constraints to access even domestic markets in Africa and acknowledged the challenge that exists of including the voice of farmers in decision-making processes. The issue of small producers and their difficulties in meeting the requirements that are imposed, even locally was also raised. The debate should not only focus on food safety, it was argued, but also on food security for small producers and rural communities, who are affected by a lack of market access and are also pushed out from access to land, to water, to resources, etc. There is increasing competition between feed production and livestock production. It was argued that it is crucial to increase the efficiency of value chains to benefit small producers. ILRI also supported the view of focusing on food security, which should not be seen only as creating domestic consumption but mainly as creating income for people all along the value chain. Another comment related to the food safety approach being EU-driven rather than representing local concerns which are more linked to poverty reduction than having safe or quality products. The EC's DG Development representative argued that its policy coherence for development approach aims to focus on all aspects including small farmers, poverty eradication and food security and to strengthen the capacity to link poor people to markets while strengthening home consumption. Livestock plays multiple roles for small producers: from the point of view of the food it provides, from a social point of view (the number of animals reflecting a person's status in rural communities for example) and from an economic point of view. Agro-food transformation of animal products can offer small producers the potential to integrate into global trade and increase their revenues. Finally, the need to look beyond just the production level but to look at the sector as a whole and the externalities livestock production creates was mentioned. As demand in the West for grain and for meat increases, so will food prices and feed imports, thus putting farmers at risk of losing their land. It was asked what policy should be put in place to address the externalities that will occur.

### **The outlook for the livestock sector: trade and policy challenges**

Ms. Nancy Morgan from the World Bank provided the outlook for the livestock sector, with a focus on policy and market challenges for developing countries. Over the past 25 years, she illustrated that developing countries contributed for nearly the 75% of global consumption gains for both meat and dairy products, with 80% of production gains coming from smallholders. Despite rapid gains, per capita meat and dairy product consumption in developing countries remains about one-third the levels of developed countries. Moreover, gains in meat consumption show different regional



patterns with Asia consumption growing ten times more than the African one.

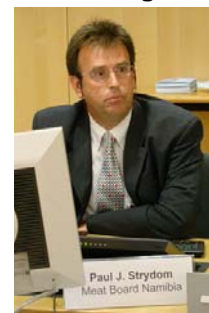
As far as the evolution in meat trade patterns is concerned, Africa, Asia and Europe are among the key importing regions, with respectively 13%, 9% and 9% of consumption satisfied by imports. These indicators, Ms. Morgan emphasized, are key in revealing opportunities for import substitution; even if according to OECD estimates consumption gains are expected to slow over the next decade, livestock products remain the fastest growing commodity and, with a growing consumption, opportunities for domestic production are likely to arise in developing countries. However, one key concern is uncertainty about commodity price levels and price volatility. Since in OECD countries livestock products have the highest Producer Subsidy Equivalent (PSE), support to developing countries should move from governmental support and focus on multilateral trade negotiations and developed countries' support to the sector.

Moreover, the livestock sector faces major challenges since a quickly evolving structure of modern food sector is juxtaposed by farming systems often at the preliminary stage of development, and a lack of financing and strategic thinking by policy makers can lead to a sector development that is unsustainable or detrimental to rural economic development.

Considering that 75% of the world's poor are rural and most are involved in livestock rearing or trading, the development of the sector remains fundamental for poverty reduction, economic growth and environmental sustainability. But with low budgetary shares of livestock services in agricultural budgets, she emphasized the importance of strategically positioning livestock on the international development agenda. For the livestock sector, this requires a focus on developing strong and competitive local markets, considerable investments in research and development, with a focus on alternative feeds; that governments allocate money in an efficient way, looking at effective provision of services (veterinary/extension) and that donor funds should leverage this investment, not substitute for it. It is therefore key for donors to support sector development through effective strategy development, policy implementation and investments in order to ensure sustainable systems to support livestock development (with a particular emphasis on mitigating environmental impacts), and to facilitate safe marketing, cross border trade in animal products and safety of livestock food chains.

### **Exports of livestock products: which challenges?**

Paul Strydom from the Meat Board of Namibia, provided a private sector perspective on the future policy challenges and opportunities for the ACP livestock sector in response to the growing demand for livestock products by illustrating the concrete case of Namibia. Namibia is a net exporter of meat,



with approximately 85% of the country's annual production of meat being exported mainly to the EU (especially the United Kingdom, Germany, and the Netherlands), South Africa, Switzerland and Norway. However, he stressed, Namibia could expand its exports if livestock products originating from the Foot and Mouth Disease (FMD) buffer zone could be allowed to be exported internationally without pre – and post quarantining cattle and its exports from the OIE declared “FMD free zone” could be allowed into the European Union. The two major factors impeding international meat trade from developing, are the cost of compliance with Sanitary and Phytosanitary (SPS) measures and the availability of beneficial trade agreements. Other factors include poor animal disease control by governments, lack of marketing infrastructure and know-how, lack of dedicated and harmonised government policies and supporting services, limited negotiating skills and power and cultural practices linked to ownership.

For smaller and fragile economies the cost of compliance with intricate EU import requirements is high, e.g. for the establishment and maintenance of a high standard of public veterinary services, as is the enactment of supporting legislation, e.g. the prohibition of administration of hormonal growth promoters.

In Namibia's case the compliance costs are mainly put on the industry itself, e.g. livestock identification devices, and traceability databases. However, there are constraints limiting exports, e.g. the requirement set by the EU for 48 hour maturation and de-boning from the OIE declared FMD free zone. The conclusion of beneficial trade agreements assisted Namibia and other developing countries to a large extent. However, the impression remains that trade agreements are not negotiated to the benefit of all parties that limiting quotas are still being maintained, and that exorbitant tariffs are in place if countries are not signing.

If developing countries wish to participate internationally by exploiting their large number of cattle grazing in “disease risk” areas, very unpopular or costly decisions need to be taken or new ways of thinking would be developed by the OIE and other international bodies, for example product certification, commodity based approach (to include FMD), etc., should be developed by OIE and other international bodies. This needs to be done obviously, without compromising the risk of importing diseases or zoonoses. Here again, due to financial constraints and sometimes limited expertise developing countries experience difficulties to actively participate at international level in the formulation and development of animal health standards impacting on the trade of animals and animal products.

### **Regional cooperation to stimulate livestock trade**

From the Caribbean Agricultural Research and Development Institute, Dr. Asiedu provided an overview of the role of livestock in national economies and rural livelihoods in the Caribbean.



Having underlined that key features of the Caribbean Region are the size of countries, most of which are small islands with small land masses and prone to natural disasters, and economies seriously threatened by climate change, he then provided data on agriculture and the role of livestock for these economies;

In his words, agriculture regionally accounts for about 10% of GDP thus being very significant in economic growth and rural livelihoods, with livestock accounting for 11-20% of agricultural GDP in countries where it is highlighted. Moreover approximately 60% of CARICOM nationals live in rural areas and more than 20% of these households derive part of their livelihoods from livestock production, both in terms of dietary energy and of dietary protein. However, the Region is able to meet only 45% of the demand for livestock products; the remaining 55% is derived from extra-regional sources. The failure to capitalise opportunities to increase regional supply is nevertheless mitigated by the binding constraints of the Jagdeo Initiatives which include: (a) SPS deficiencies, (b) inadequate financial resources for sustained R&D and investments, (c) insufficient trained human resources and (d) inadequate marketing and transportation capacities to stimulate regional trade.

According to Dr. Asiedu, appropriate policies to offset constraints, promote growth and facilitate intra-regional trade include the recognition by regional political directorates and allied agencies of the need to focus on an agreed list of commodities in order to ensure minimal regional food supply for food and nutrition security, as well as the development of tangible mechanisms at the Council for Trade and Economic Development (COTED) of CARICOM. Notably, these mechanisms should include, (a) development of a Common Agricultural Policy, (b) promoting inter-sectoral linkages for sustainable development; (c) development of regulatory processes to enshrine SPS in the regional trade, (d) serious consideration for initiating regional transport to move agricultural produce and (e) pursuance of agricultural insurance and risk management;

From its part, CARDI can contribute to the process by providing technology generation and transfer and by developing regional Agricultural Research and Development Strategies.

Mr. Philippe Steinmetz from the European Commission/DG Development presented the EU expert Group on livestock matters in developing countries (ELIDEV) initiative on ‘Thinking differently about livestock’. In 2008, in a context of disease outbreaks, food insecurity and ODA contraction, along with poor attention paid to the Livestock sector in development policies and strategies, the ELIDEV Group launched an initiative aimed at raising awareness on livestock issues among decision



makers and balance the negative perception of the sector.

Recognizing that diverse food sources are needed to feed a diverse and growing world population as it faces climate change, that consumption of meat levels in the North are neither sustainable nor healthy, he pointed out that the Group deems it essential when shaping policies, to balance the demands of developed countries with the needs of developing countries.

For these reasons the ELIDEV group decided to produce communication tools whose key advocacy objectives are: to secure funding from food security programmes to harness livestock's role as a key source of nutrition and pathway out of poverty; to place livestock systems at the heart of the international climate change agenda; to engage policymakers in a debate on how to limit the environmental impact and footprint of industrial livestock farming without reducing poor people's capacity to feed themselves; and to invest in research and development in sustainable ways of optimising livestock production in emerging economies to respond to the demands of a growing population.

Pier Paolo Ficarelli from GTZ complemented the presentation of the ELIDEV Group stressing that the initiative is aimed at changing the common opinion that livestock sector is not a technical problem but a political one. In his words development agencies have reduced the livestock sector to a sub-sector and funds have been dispersed under a number of different projects, with livestock receiving only 1% of ODA. He pointed out that this can lead to serious consequences and that the ELIDEV initiative should be considered as a useful starting point to convince politicians to deal with livestock as a sector in itself, while taking into account its impacts on food availability, environment, health and poverty.

In the **debate of the panel 2** moderated by HE MR; Stephen Katenta Apuli, Ambassador of Uganda,



discussions highlighted the new challenge small farmers are facing in developing countries, that of negative price dumping. A fair coexistence of communal and commercial farming was called for, which would give a chance to small producers.

The representative from CARDI illustrated that Caribbean countries' dependency on imports implies that they are very susceptible to shocks occurring around the world. The high grain prices, for example, have caused the industry to rethink its strategy and pressure is now applied to policy makers to ensure provisions are made for Caribbean farmers to be able to produce upland rice and cassava.

H.E. Mr. Patrick I. Gomes, Ambassador of Guyana pointed out that the two current priorities of development cooperation should be sustainability and social equality: given the current crisis and that the world is now seeing the most acute polarization

between rich and poor, there is a need for alternative thinking which really puts the concepts of social equality and sustainability at the forefront of development. H.E. Mr. Gomes also questioned the extent to which political economy is taken into account, i.e. the influence of multinational companies in the livestock sector. He gave the example of how Nestlé's presence in Trinidad and Tobago had led to an increase in consumption in dairy products and to Nestlé's expansion, to the detriment of local farmers producing milk products, whose number fell. The political dimension of livestock was raised by other participants, stating that it was not only political because of a few big companies controlling input, but also because the EU itself limits imports of processed goods and outcrops a lot of feed crops. It is expected that livestock production will be regulated in the coming years but uncertainty remains about whether Northern food safety and economic interests will drive the process. It is important that ACP governments and civil society groups participate in clarifying the sustainability issues in ACP countries. The World Bank also agreed on the importance of looking at good governance in local markets, particularly as in some ACP countries, governments own processing activities, thus making governance an important aspect. Finally, Mr. Steinmetz insisted on the importance of coherence within the European Commission between EU development policies and called for greater collaboration between partners in order to develop appropriate responses, taking into account national specificities. He concluded by highlighting the importance of communication in order to look at livestock as an issue in itself and not only a sub-issue.



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#### **Further information on the web**

The main site:

<http://brusselsbriefings.net/>

The Briefing page:

<http://brusselsbriefings.net/past-briefings/n°12-livestock>

The video interviews:

<http://brusselsbriefings.net/2009/07/13/briefing-the-role-of-livestock-for-acp-countries-interviews-of-participants>