

Meating and Milking the Market: Reviewing Developments in the Livestock Sector



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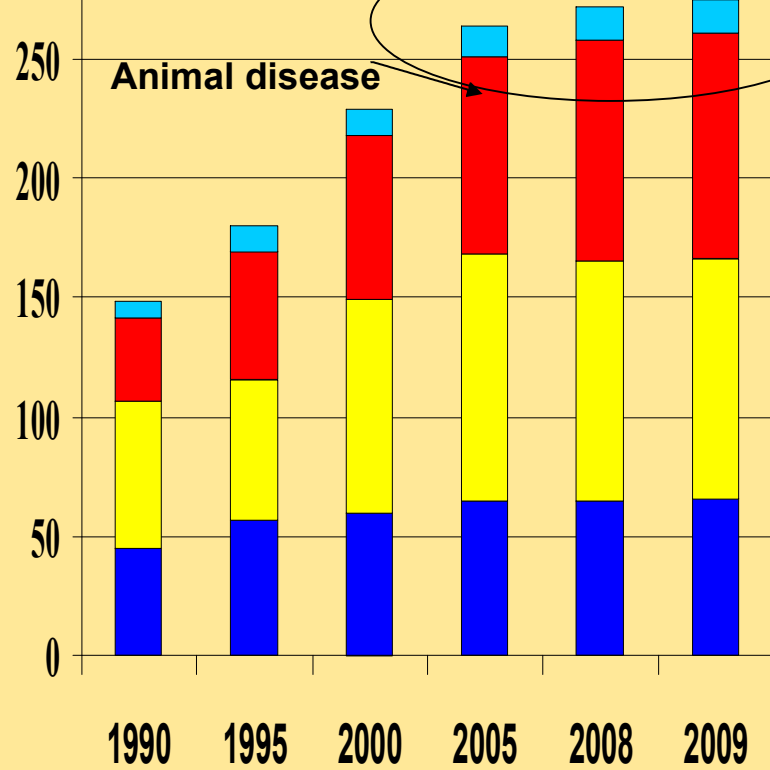


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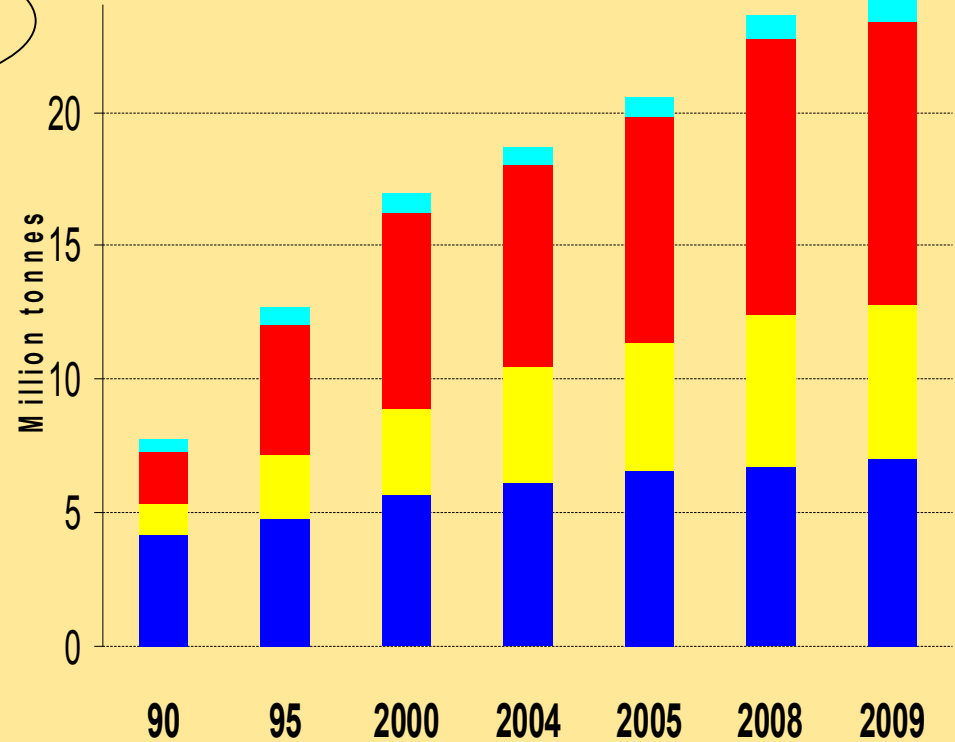
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The Livestock Revolution: World Meat Production and Trade

Production Driven by Gains in Poultry/Pork Sectors



With Trade Growing Faster than Production

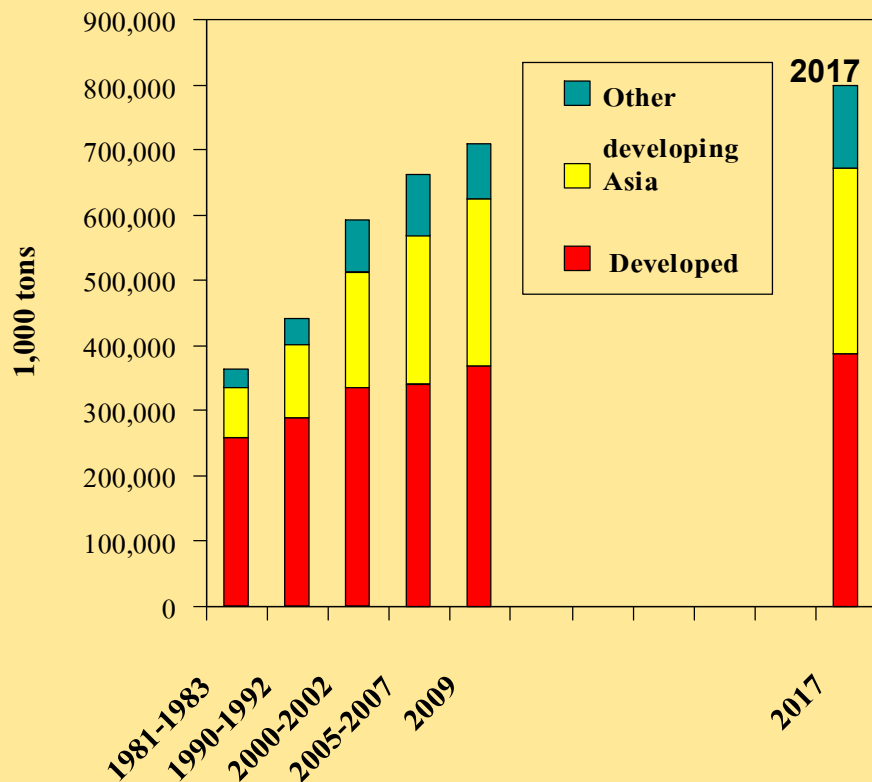


■ Beef ■ Pigmeat ■ Poultry ■ Ovine

■ Beef ■ Pork ■ Poultry Meat ■ Ovine



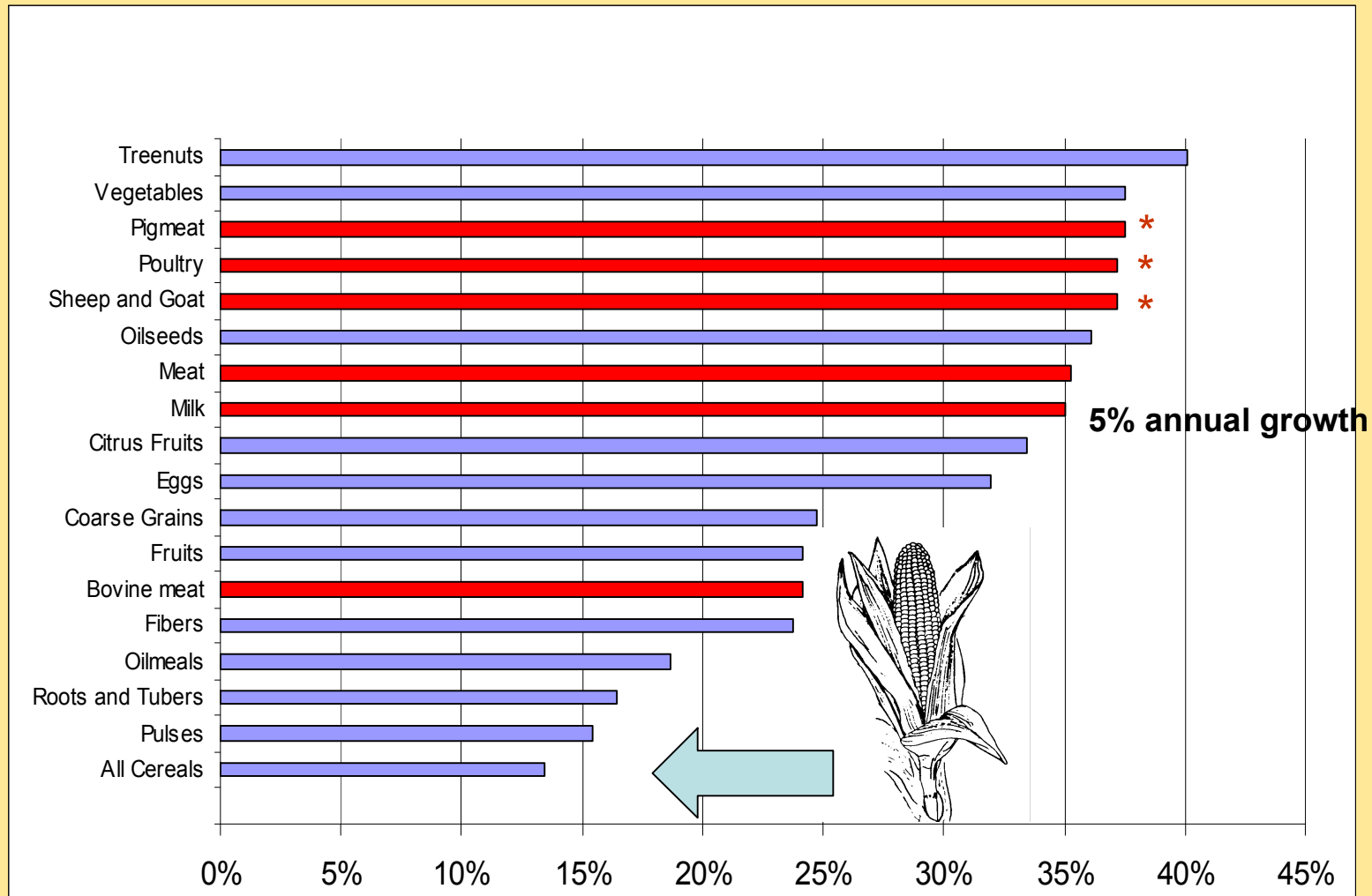
Growth in Dairy Sectors in Developing Countries Continues Unabated



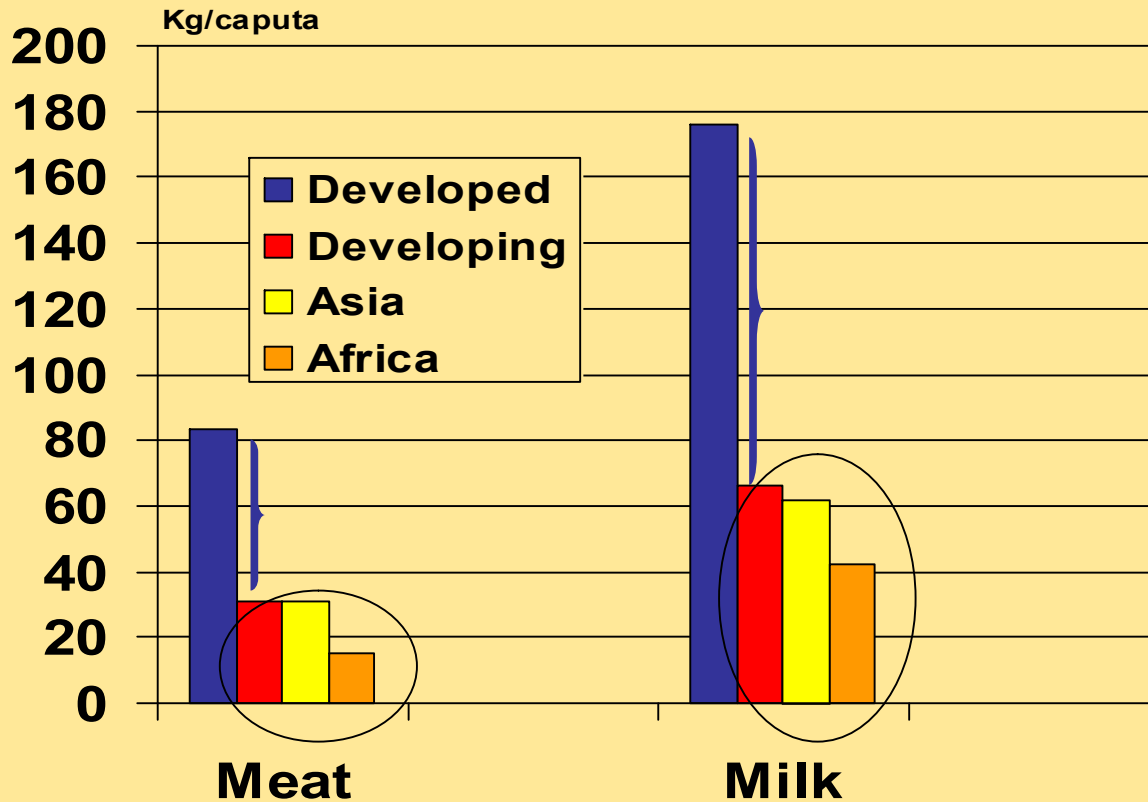
Over the past twenty-five years developing countries contributed nearly three-quarters of global consumption gains for both meat and dairy



ASIA: Growth in livestock output faster than most other agricultural products over past 10 years



How much do we eat?

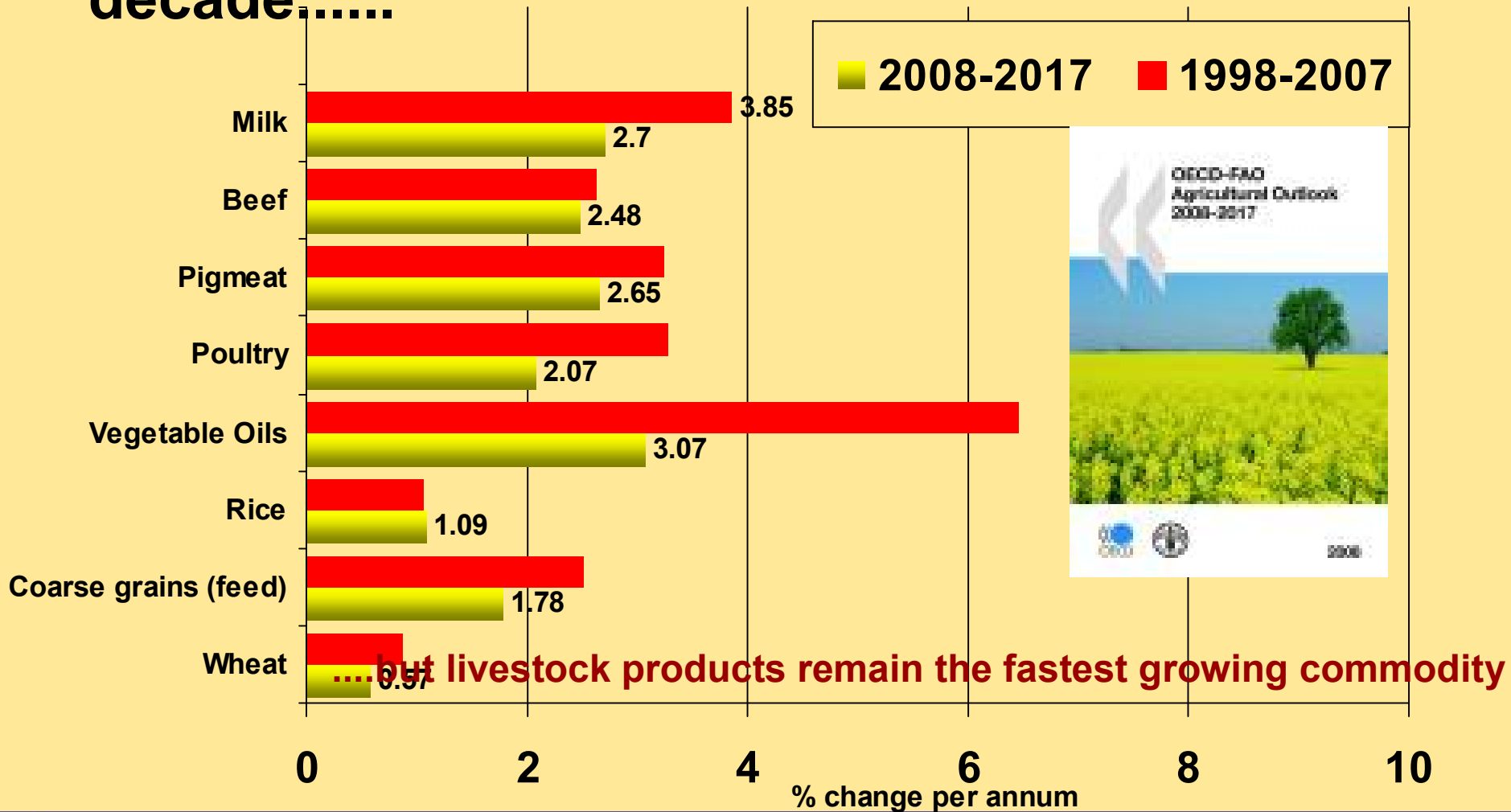


Per capita meat and dairy product consumption in developing countries, despite rapid gains, remains about one-third the levels of developed countries.

**Large opportunities for consumption gains
in livestock products in developing countries**



Global food consumption gains in developing countries to slow over next decade.....



How do smallholders feature in the various markets?

India: 70 million households have dairy cattle, 52 million linked to smallholders (13 million to coops).

China: 2 million dairy farms in 2005 with farms < 20 cows accounting for 65% of milk production.

Pakistan: 55 million smallholders

Sri Lanka: 70% of 3.5 million smallholder own dairy cows.

Bangladesh: 80 million households are smallholder dairy farmers.

80% of milk comes from farms with 2-5 cows



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Why Focus on Smallholder Dairying?

Smallholder produce over 80% of local milk marketed informally and formally in Asia and more like 90% in Africa

Huge opportunities for:

- productivity gains
- quality gains
- substituting imports
- spreading risks, improving competitiveness and protecting the environment through mixed/integrated farming systems (crops-fish-livestock)
- socio-economic as well as commercial benefits: nutrition, incomes, jobs, particularly for women.

Marketing 10-20 litres of milk in the informal sector generates one off-farm job





Feed Mill

Small producers

Other input industries

Large producers

Collection Points

Product Processing

Distributors

Dairy Retailers



Consumer in rural areas

Consumer in urban areas

Imports

Constraints for Smallholders:

- Institutional (credit, knowledge, extension, etc)
- Technical (breeds, feeds, animal disease, other inputs)
- Geographic/cultural: water, land, demand for milk products
- Markets: quality, competition with imports, large intern't companies
- Economic (access to markets, low prices, high cost of production/collection)
- Policy (land tenure, subsidies, tariffs on imports)



Challenges to the Livestock Sector

Increasing complex and competitive environment

Structure of modern food sector quickly evolving

- Longer livestock value chains
- Mounting pressure on resource availabilities, including water, grazing land

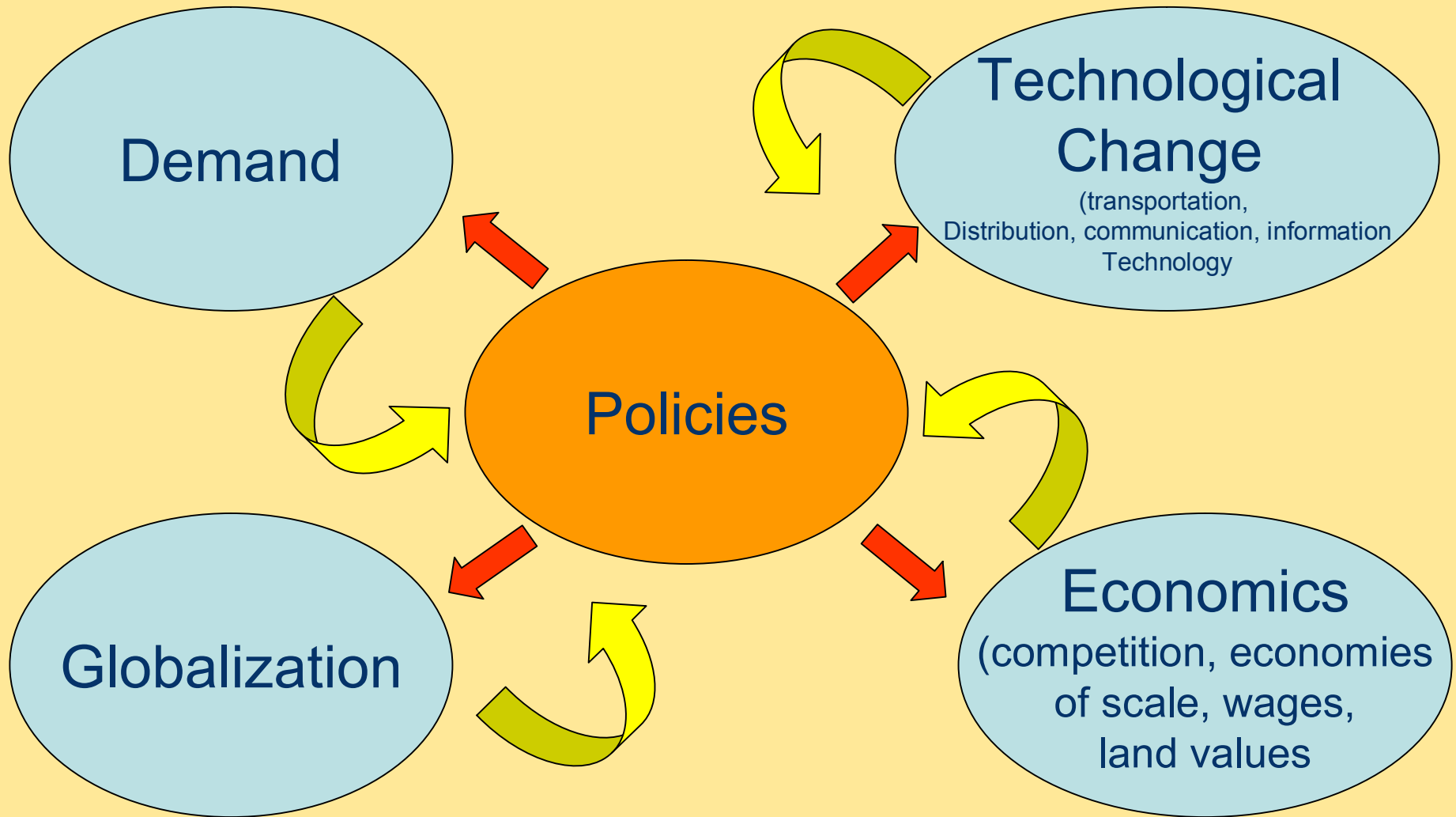
Juxtaposed by farming systems which in many cases are still at the preliminary stage of development



Lack of financing and strategic thinking by policy makers leads to livestock development that can be unsustainable and detrimental to rural economic development



Factors Influencing Livestock Development



Dilemma for policy makers!!!

The many uncertainties facing the sector

Protectionism/Liberalization: Multinational and Regional Trade Agreement

Policies on bio-fuels

Changing Sanitary and Quality Standards

Animal Welfare Rules

Environmental regulations

Policy measures for animal disease controls

Market Access: to local and international markets

Animal identification/traceability

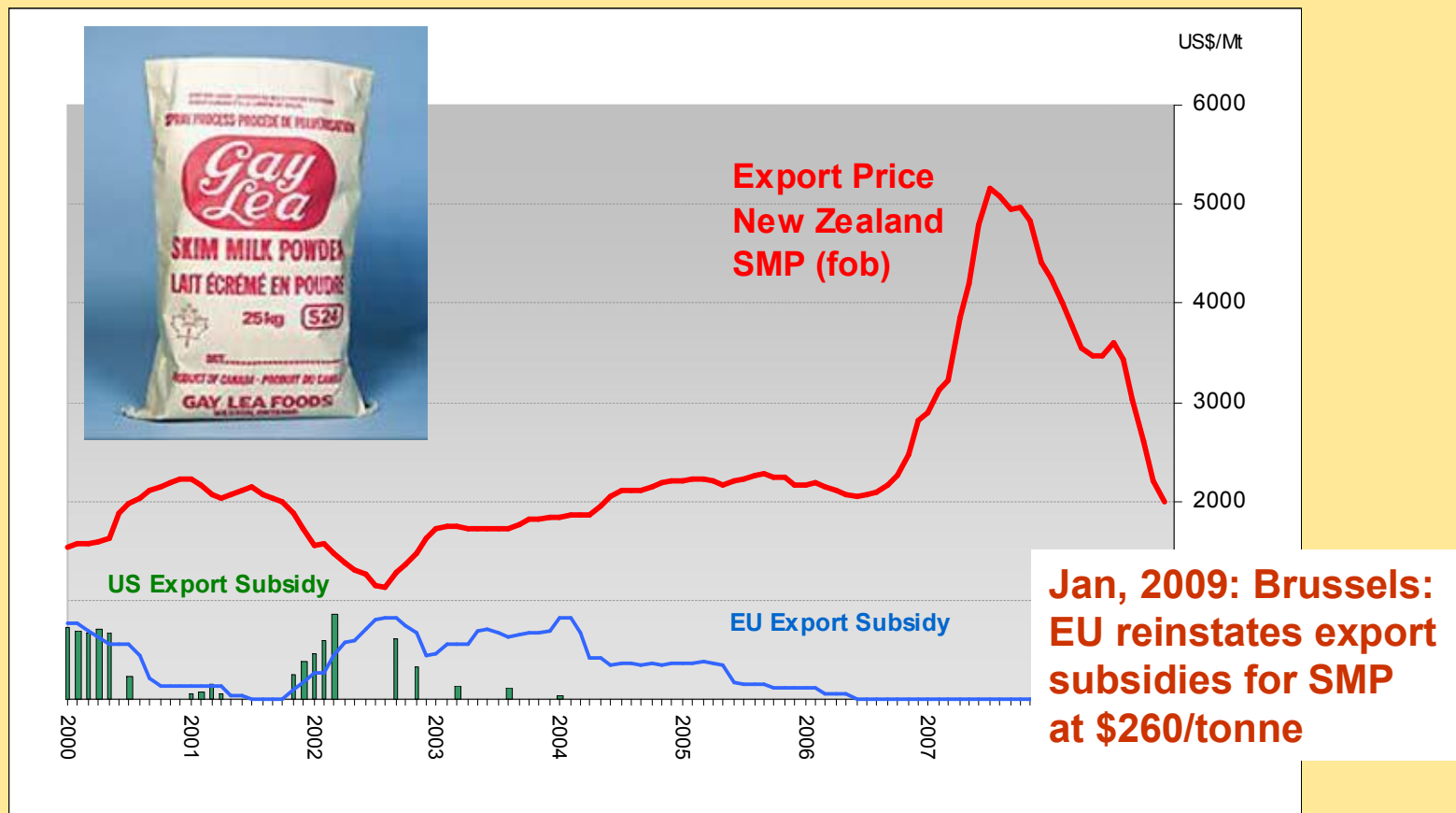
FEED/INPUT PRICES!!



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Recent price movements raise additional concerns about investment opportunities



PLATFORMS FOR INVESTMENT IN LIVESTOCK FOOD CHAINS

Ensuring sustainable systems to support livestock development (with a particular emphasis on mitigating environment impact)

Facilitating safe marketing and cross border trade in animal products

Safety of livestock food chains



The Challenge supporting sector development through effective strategy development, policy implementation, and investment.



THANK YOU



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