



Common Market for Eastern and Southern Africa Comprehensive African Agriculture Development Programme

Promoting Livestock Commodity–Based Trade: Using the Equivalence Principle



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Commodity-based trade is accepted in principle by COMESA as a way to expand trade in the region through free movement of commodities and products across borders between member countries. The establishment of a Free Trade Area that will include all member countries of COMESA, EAC and SADC will necessitate similar free movement. Certain countries currently rely on country or zonal freedom from foot and mouth disease to export beef within region and to high value markets outside it including the EU. This provides an opportunity to investigate whether the principle of equivalence can be used as a basis for beef trade throughout the Free Trade Area. If this can be agreed, collective action by the countries in the three blocs could be taken to advance the matter in the international arena through a direct approach to the SPS Committee of the WTO.

Commodity-based trade and the free movement of beef

Large numbers of cattle producers throughout sub-Saharan Africa are denied access to high value beef markets because they farm in

countries or areas where foot and mouth disease (FMD) is endemic. The standards for trade in livestock commodities, including beef, set out by the World Organisation for Animal Health (OIE) in its Terrestrial Animal Health Code recommend that the commodities should be sourced from areas or zones that are free of FMD. This principle is incorporated in the standards of the EU, which are adopted by many countries because they are readily accessed and perceived to represent the highest level of protection. The OIE provides a mechanism for declaration of freedom from FMD for countries or defined geographical zones within countries, but some markets, including the EU, do not accept the declaration without carrying out their own inspections. While the system works very well for cattle producers in free zones, it places the producers in other areas at a tremendous disadvantage. Not only are they unable to access high value export markets, often they are not able to access the better-priced markets in their own country owing to movement restrictions to protect the free zones. Freedom with

vaccination has been accepted as a principle by the OIE and the EU, allowing access to beef from markets in South America, but this course is not open to African countries on account of the presence of several serotypes and the lack of appropriate vaccine technology to distinguish naturally infected from vaccinated cattle.

Commodity-based trade (CBT) offers an alternative way out of the impasse, because it is based on the principle that certain commodities and products are inherently unable to transmit disease agents such as FMD virus, and therefore pose only an appropriate level of risk. This means that they are equivalent to commodities sourced from free areas and should be accepted for trade provided that they satisfy all the normal international requirements for food safety, such as having been derived from healthy animals. Although CBT has been accepted in principle by the OIE, the requirement for sourcing from a free area remains, negating the purpose for which it was developed. It is therefore necessary to lobby for its acceptance in the international arena as an alternative to geographical freedom of the area of origin.

Using the principle of equivalence to promote commodity-based trade

The WTO Sanitary and Phytosanitary Agreement (SPS Agreement) was drawn up by member states to promote safe trade in agricultural commodities and products while ensuring that the SPS requirements are not used unfairly as non-tariff barriers to trade. It recognises that countries that are free of trade-sensitive diseases like FMD will insist on preventing their entry through livestock commodity trade. On the other hand, since the eradication of FMD and other diseases in poorer countries where they are endemic is unlikely to

be achievable in the short term, and the high level of resources needed to establish and maintain free zones may also not be available, Article 4 of the SPS Agreement concerns Equivalence. Provided that there is scientific evidence that a particular commodity or product poses no more than an acceptable level of risk, under Article it should be considered acceptable for trade regardless of the status of the area of origin. One commodity for which there is evidence that it poses only an acceptable level of risk for transmission of FMD is matured beef that has been de-glanded and de-boned. This commodity could therefore be sourced from healthy cattle anywhere in the region.

The way forward

Since the CBT has been accepted in principle by COMESA, member countries should be encouraged to apply it to intra-regional trade of de-boned, de-glanded and matured beef. The initiative to promote CBT by applying the principle of equivalence in a wider arena will require interaction between appropriate representatives of COMESA, EAC and SADC to reach consensus on the following matters:

- CBT could greatly benefit many hundreds of thousands of cattle raisers and potentially other livestock producers in the FTA as well as the rural economies of the countries in which they live;
- CBT potentially enables the conflict between biodiversity conservation initiatives and livestock development to be ameliorated.

Once consensus has been reached within the FTA, a consortium should be formed of countries willing and able to take the issue to the SPS Committee in the form of a concrete proposal.

Further reading

Thomson, G.R., Tambi, E.N., Hargreaves, S.K., Leyland, T.J., Catley, A.P., van 't Klooster, G.G.M. and Penrith, M-L. (2004) International trade in livestock and livestock products: The need for a commodity-based approach, *Veterinary Record* 155: 429-433

Thomson GR, Leyland TJ and Donaldson AI, 2009. De-boned beef an example of a commodity for which specific standards could be developed to ensure an appropriate level of protection for international trade. *Transboundary and Emerging Diseases*, 56, 9-17.

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Further information

Please contact Dr. Sam Kanyarukiga, CAADP Coordinator, email: skanyarukiga@comesa.int