

Improved Market Access for African Livestock Commodities



Policy Briefing Paper No. 11





Africa's declining share of world trade, including trade in agricultural products, is well documented and obviously needs to be reversed¹. Ways by which that can be achieved are currently the subject of much debate.

Much of Africa comprises regions that are inherently arid or semi-arid and in these localities livestock constitute one of the few tradable commodities available. Rural development in these exceptionally deprived areas will therefore clearly be dependent upon increasing trade in commodities associated with livestock. In more temperate regions of Africa livestock are also traditionally, culturally and economically important in the lives of rural people. Potentially therefore Africa has a huge livestock resource that is ripe for exploitation especially in the light of the growing demand for such commodities² in other developing regions of the world where demand for livestock commodities is predicted to double by 2020, i.e. the "livestock revolution".

The Livestock Revolution³

In 2002 the International Food Policy Research Institute published a series of studies describing global demand and production of agricultural products to the year 2020. Taking account of human population growth, economic development, urbanization and production potential, these studies made dramatic predictions of increased demand for livestock products, particularly in developing countries.

Milk - compared with a 0.2% growth in industrialized countries, growth in milk consumption in developing countries was 3% per year since the early 1980s, and was projected to increase even further to 2020, reaching 3.3% per year.

Meat - meat consumption in developing countries was expected to grow at 2.8% per year to 2020, compared with 0.6% in industrialized developed countries.

Regarding production trends, an increasing share for developing countries in global milk and meat production was predicted. Although production in the early 1980s for milk and meat was approximately 25% and 31% of global production respectively, this was expected to increase to 52% and 60% by 2020. Looking specifically at Africa, predicted growth in consumption and production of meat, and production of milk far exceeded other developing regions. Consequently, the Livestock Revolution presents a major opportunity for livestock-driven poverty reduction in Africa. Increased demand for livestock commodities in growing urban and peri-urban areas in Africa and Asia could provide markets for small-scale producers and consequently, increase their incomes.

The determining factor in effective access to markets generally, and especially high value markets, is the capacity to upgrade and produce according to specific requirements for quality, health and environmental standards as well as consumer preferences and tastes¹.

Africa's constraint

For largely ecological reasons Africa is host to a number of potentially devastating animal diseases (e.g. foot and mouth disease [FMD] and African swine fever), some of which also cause disease in people, (e.g. Rift Valley fever [RVF]). The developed world has mostly either never been faced with these diseases or, in some cases, has managed to eradicate them. The result has been that livestock and livestock products derived from Africa have for many years essentially been barred from access to the high value markets of the world. Until very recently, the advocated remedy has been eradication of these so-called "epizootic diseases".

Little recognition has been given to the fact that the technical, financial and organizational resources to achieve eradication of these diseases far exceed those available. The simple but inescapable fact is that this strategy has no prospect for success within a realistic timeframe for most of these diseases.



Africa's solution

Work conducted by the African Union's Inter-African Bureau for Animal Resources over the last 18 months has shown that there are simple, realistic and achievable alternatives to improving access to high value livestock commodity markets without the necessity of first eradicating all “epizootic diseases”. These solutions are, furthermore, entirely within the principles and practices recommended by the World Trade Organization (WTO) through the 'Agreement on the Application of Sanitary and Phytosanitary Measures' (SPS Agreement).

The “new” approach is based on the fundamental principle that different livestock commodities inherently pose different risks⁴ so far as content and potential for spreading animal pathogens is concerned. So, for example, beef from which the bones and lymph nodes have been removed presents significantly lower risk of containing infectious quantities of viruses such as FMD, rinderpest, contagious bovine pleuro-pneumonia and RVF than imports of live cattle. It can be shown by formal risk assessment that such beef does not exceed the appropriate level of protection required by the standards set for the SPS Agreement by the *Office international des épizooties* (OIE), the world organization for animal health. These are contained in the OIE's Terrestrial Animal Health Code.

More importantly, many of the ways in which livestock commodities are processed in order to improve their keeping quality or taste renders those products either innocuous so far as potential for spreading animal pathogens is concerned or significantly reduces that risk. Processing of products derived from animals has the advantage of adding economic value and providing employment which is vital in rural areas of Africa. However, standards for processing of all food is regulated internationally from the human safety perspective by the statutes of the *Codex Alimentarius* that operates under the joint auspices of two agencies of the United Nations, viz. the World Health Organization and the Food and Agriculture Organization. Processing standards for minimizing transmission of purely animal pathogens is an issue that has so far not been covered adequately internationally and has somehow fallen between the responsibilities of the OIE and *Codex Alimentarius*.

The way forward

AU-IBAR is therefore advocating that a more “commodity-based” approach to risk management of imported commodities of animal origin be adopted internationally and some initial success has been achieved in this endeavor. However, much more needs to be done in taking this concept further and ensuring that, in practice, African livestock commodities achieve greater acceptability internationally resulting in real development of arid and semi-arid rural areas. Further specific action is required in:

- > Ensuring acceptance by international trade organizations
- > Developing pilot projects directed to implementation of the approach.

Related to this is another particular issue that needs to be addressed with urgency. If Africa is to break into international livestock markets it has to find ways of achieving international credibility for certification of its livestock commodities. The systems and practices currently in

place unfortunately only provide limited assurance to importers that necessary safety standards have been ensured with the required rigour. How to improve certification is going to be a key institutional change and trade policy issue in coming years. The solution is not clear cut at this time because this is a complex area with many stakeholders and large vested interests. Finding a solution will require a thorough understanding of the current certification systems in other sectors, the vested interests of stakeholders and the capacity and willingness of international agencies to endorse a transparent, credible and trusted certification system for livestock commodities. IBAR is currently working on these issues and will report its findings in due course.



Further Information

This Policy Briefing Paper is based on a more detailed analysis of opportunities for commodity-based livestock trade available at:

<http://www.eldis.org/fulltext/shiftingparadigms.pdf>

Endnotes

1. Reference: United Nations Conference on Trade and Development, 2003. *Economic Development in Africa: Trade performance and commodity dependence*, pp 78. United Nations: New York and Geneva. ISBN 92-1-112605-3
2. In the context of this discussion, "livestock commodities" refer to animals as well as products derived from animals that have been processed by a method recognized by the Codex Alimentarius.
3. Reference: Delgado, C., Rosegrant, M., Steinfeld, H., Ehui, S. and Courbois, C. (1999). *Livestock to 2020: The Next Food Revolution. 2020 Vision for Food Agriculture and the Environment Discussion Paper 28*. Washington D.C., International Food Policy Research Institute.
4. It needs to be understood that from the perspective of disease transmission to either people or animals, all international trade is accepted internationally as having some risk (i.e. the concept of zero risk is no longer recognized). The issue revolves around risk levels being lower than an agreed international standard.

African Union/Interafrican Bureau for Animal Resources

The African Union/Interafrican Bureau for Animal Resources (AU/IBAR) is a specialist technical agency of the AU mandated by member states to promote livestock development in Africa. Based in Nairobi, Kenya, AU/IBAR implements major livestock development programmes including the Pan African Programme for the Control of Epizootics (PACE) and Farming in Tsetse Controlled Areas of Africa (FITCA).

The objectives of AU/IBAR are to:

- > Co-ordinate activities of all AU member states in the field of Animal Health and Production
- > Collect, collate and disseminate information in all aspects of Animal Health and Production
- > Initiate, develop and execute projects in the field of Animal Health and Production
- > Liaise with appropriate authorities of member states, regional groups, inter-governmental and international organisations.
- > For many years, AU/IBAR has been African success story by attracting donor funds and providing technical and policy support to the member states, particularly state veterinary services. In the new millennium, the bureau understands that livestock issues are becoming increasingly complex due to forces such as globalisation, rapid technological advances and the demands of stakeholders. Stakeholders at all levels are becoming more vocal, influential and involved in governance, priority setting, financing and evaluation of development interventions. AU/IBAR provides effective responses by having a clear vision of its direction, policy and strategies.

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