

2009

THE STATE OF FOOD AND AGRICULTURE

**Livestock
in the balance**



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Foreword

This year's report of *The State of Food and Agriculture* is being published at a crucial point in time. The world is going through a financial turbulence that has led to a serious economic setback. But this must not mask the global food crisis that has shaken the international agricultural economy and proven the fragility of the global agricultural system.

Unfortunately, today increasing hunger is a global phenomenon and no part of the world is immune. Our estimates show that the number of those suffering from chronic hunger in the world has topped one billion in 2009 – one billion and 20 million to be more precise. The challenge that lies ahead is to secure the food security of these one billion hungry people and also to double food production in order to feed a population projected to reach 9.2 billion by 2050.

At the global level, recognition has been growing that agricultural development is crucial if we are to reverse this trend and start making significant and sustainable progress towards lifting millions of people out of poverty and food insecurity. This recognition is increasingly finding expression at the highest political levels.

However, the global food and agriculture sector is facing several challenges, including demographic and dietary changes, climate change, bioenergy development and natural-resource constraints. These and related forces are also driving structural changes in the livestock sector, which has developed as one of the most dynamic parts of the agricultural economy.

The global livestock sector has been undergoing change at an unprecedented pace over the past few decades, a process that has been termed the "livestock revolution". Booming demand in the world's most rapidly growing economies for food derived from animals has led to large increases in livestock production, supported by major technological innovations and structural changes in the sector. This surging demand has been mostly met by commercial

livestock production and associated food chains. At the same time, millions of rural people still keep livestock in traditional production systems, where they support livelihoods and household food security.

The rapid transition of the livestock sector has been taking place in an institutional void. The speed of change has often significantly outpaced the capacity of governments and societies to provide the necessary policy and regulatory framework to ensure an appropriate balance between the provision of private and public goods. A number of issues are confronting the sector:

- There is increasing pressure on ecosystems and natural resources – land, water and biodiversity. The livestock sector is only one of many sectors and human activities contributing to the pressure. In some cases its impact on ecosystems is out of proportion with the economic significance of the sector. At the same time, the sector is increasingly facing natural-resource constraints and growing competition with other sectors for a number of resources. Awareness is also increasing of the interactions between livestock and climate change, with the livestock sector both contributing to it and suffering from its impacts. Conversely, it is also being recognized that the sector can play a key role in mitigating climate change through adoption of improved technologies.
- The globalization of food systems has meant an increasing flow of technology, capital, people and goods, including live animals and products of animal origin, around the world. Increased trade flows, along with the growing concentration of animals, often in proximity to large human populations, have contributed to increased risks of spreading of animal diseases and to a rise in animal-related human health risks globally. At the same time, inadequate access to veterinary services jeopardizes the livelihoods

and development prospects of many poor livestock holders throughout the developing world.

- A final critical issue relates to the social implications of the structural changes in the sector and the role of poor people in the process. How can the livestock sector contribute more effectively to alleviating poverty and ensuring food security for all? Has the rapid development of the sector in many countries benefited smallholders, or are they being increasingly marginalized? If so, is this inevitable, or can the poor be brought into the process of livestock development?

Within each of these three areas, the report discusses the most critical challenges and opportunities facing the sector. It highlights systemic risks and failures resulting from a process of growth and transformation that has outpaced the capacity and willingness of governments and societies to control and regulate. It tries to identify issues that require solutions at various levels to allow the livestock sector to meet society's expectations in the future in terms of provision of both private and public

goods. The issue of governance is central. Identifying and defining the appropriate role of government, in its broadest sense, is the cornerstone on which future development of the livestock sector must build.

The challenges posed by the livestock sector cannot be solved by a single string of actions or by individual actors alone. They require integrated efforts by a wide range of stakeholders. Such efforts need to tackle the root causes in areas where the social, environmental and health impacts of the livestock sector and its rapid development are negative. They must also be realistic and equitable. By focusing our attention constructively, we can move towards a more responsible livestock sector, allowing it to meet the multiple, often competing, objectives of society. It is my hope that this report can contribute towards the first important steps in this direction.



Jacques Diouf
FAO DIRECTOR-GENERAL

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Abbreviations and acronyms

| | |
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| BSE | bovine spongiform encephalopathy |
| CBPP | contagious bovine pleuropneumonia |
| CIS | Commonwealth of Independent States |
| CSF | classical swine fever |
| EU | European Union |
| FMD | foot-and-mouth disease |
| GDP | gross domestic product |
| GHG | greenhouse gas |
| GIEWS | Global Information and Early Warning System |
| HPAI | highly pathogenic avian influenza |
| IFPRI | International Food Policy Research Institute |
| IMF | International Monetary Fund |
| IPCC | Intergovernmental Panel on Climate Change |
| ISFP | Initiative on Soaring Food Prices |
| LDC | least-developed country |
| OECD | Organisation for Economic Co-operation and Development |
| OIE | World Organisation for Animal Health |
| PPR | peste des petits ruminants |
| RIGA | Rural Income Generating Activities |
| WHO | World Health Organization |