

POLICY BRIEFING

Challenges for the beef industry in southern Africa

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The beef industry in southern Africa has been a stalwart of economic development, but new conditions of trade, market access and disease dynamics, particularly of foot-and-mouth disease (FMD), mean a major rethink is required. Our research addresses key policy options to allow southern Africa to benefit from the global 'livestock revolution'. It explores what options exist for trade, given changes in demand patterns, global competition and market access conditions, and asks who are the winners and losers of different scenarios for the future.

SADC region overview

In the semi-arid conditions that prevail over large tracts of the Southern African Development Community (SADC) region, livestock production is a way of life for many people. As wealth and urbanisation in developing countries such as China and India has increased, demand for livestock products has soared. Southern African producers have the chance to benefit from this 'livestock revolution'. But currently Africa contributes just 2% to the global livestock market in comparison to Brazil's 28%. How can the governments of SADC countries enable livestock producers, in particular smallholder farmers, gain substantial financial benefits from accessing the best markets available?

Background

Under colonial rule, large-scale commercial ranching was given substantial government support and provided a steady supply of high quality cattle and beef to satisfy a diversity of markets. The large-scale commercial sector was separated from the smallholder sector in a dualistic system that saw a few benefit from disease control, market infrastructure and price support, while many poorer producers remained marginalised. In southern Africa today, there are

increasing demands for both land and market access to be more equally shared, with all livestock producers, regardless of the size, quality or location of their herds, having access to the markets that offer the best prices for their products.

But there are many challenges ahead. Firstly, many of the preferential trade agreements that supported beef export from SADC countries to high-value markets are being replaced by new partnership agreements that will leave SADC producers wide open to competition from high-producing countries like Argentina, Brazil and Australia, which have less daunting challenges than SADC. Secondly, in SADC, FMD, which deservedly or not is the most trade-sensitive disease of cattle, exists in wild African buffalo, and initiatives like the transfrontier conservation areas pose an unprecedented challenge for control. Thirdly, consumer product quality and food safety requirements in high-value markets (EU, USA) are becoming ever more exacting, and correspondingly less achievable, for developing countries.

Policy options

What policy options will support a red meat industry strategy that is

inclusive, in terms of who produces the beef, offering opportunities for improving livelihoods and alleviating poverty, and at the same time supplies a product of the required quality for the target market? What strategy for FMD control will assure production, trade and cost-effectiveness, as well as investment by trading partners in the livestock industry?

What market options are available?

- EU/high value markets – maintain the status quo in terms of FMD control and cattle production, but this may not succeed due to competition, static consumption of livestock products and the increasing cost of compliance to standards.
- Middle East, Asia – standards are less exacting in these rapidly growing markets, but prices are lower and competition is strong
- Regional (Africa) – standards often based on EU benchmarks, prices are lower but the market is growing. Local markets – expansion due to urbanisation and increasing tourism

The ideal is a combination of the above – different producer sectors adapt their production to satisfy different markets

“Opportunities exist for alleviating poverty while supplying safe, quality products...to the entire spectrum of markets available to the region and livestock producers”

What are the options for foot-and-mouth disease control?

- Country freedom – unachievable owing to presence of African buffalo
- FMD free zones without vaccination – the status quo. Problematic due to cost and marginalisation of producers not living in free zones
- FMD free zones with vaccination – used in South America, but problems of acceptance exacerbated by technological problems related to vaccines in SADC
- Commodity based trade – regulation of the product rather than the area of origin. Allows products export from regions where disease exists without compromising safety or quality - some products are inherently unable to transmit FMD virus
- Compartmentalisation – biosecure production units (such as farms or groups of farms). Concept not yet internationally accepted for FMD but acceptance is likely, although the expense will limit use for poorer producers
- Living with and managing endemic FMD. Certain loss of all external markets and negative effect on dairy production, as dairy cattle are seriously affected

Again the ideal is a combination of options that support access to a variety of target markets and protect the national herd – for example, combining

compartmentalisation, commodity based trade and protective measures in high risk areas, and alternatives to cattle production including game ranching

SADC regional policy and negotiation

Developing a regional policy for marketing SADC livestock products will help individual governments formulate policy. Within SADC there are many initiatives to improve and integrate livestock marketing in the region from which much valuable information and many powerful recommendations will emerge. One of the most important requirements for effective livestock export marketing is ensuring SADC has a powerful voice in the standard-setting bodies, in particular the World Animal Health Organisation (OIE). It is imperative the SADC block achieve the strong negotiating capacity that has given other groups of nations, notably in South America, a competitive edge through, among other things, obtaining acceptance for appropriate standards. However, the focus should not just be on high value export markets, but on the entire spectrum of markets available to the region and livestock producers, in order to ensure a vibrant, inclusive, equitable and, above all, sustainable livestock industry in the region.

Further reading

Scoones, I. and Wolmer, W (2008) 'Foot-and-mouth disease and market access: challenges for the beef industry in southern Africa', *Transboundary animal disease and market access: future options for the beef industry in southern Africa, Working Paper 1, Brighton: Institute of Development Studies.*

Thomson, G. (2008) 'A short overview of regional positions on foot-and-mouth disease control in southern Africa', *Transboundary animal disease and market access: future options for the beef industry in southern Africa, Working Paper 2, Brighton: Institute of Development Studies*

Download these papers and others in the series 'Veterinary Science, Transboundary Animal Disease and Market Access: the case of foot-and-mouth disease in southern Africa':

www.steps-centre.org/ourresearch/vetscience.html



Our research

Through detailed research and stakeholder-led dialogues in Botswana, Namibia, South Africa and Zimbabwe, we have explored scenarios for tackling FMD, relating to different market access and trade options. We investigated what option, or combination of options, makes most sense, given the current context. Different criteria are evident, with often clear trade offs. The studies sought to uncover

which options result in the greatest returns, provide benefits to the broadest group of people and will be the most sustainable. This project was funded by the Livestock for Life programme of the Wellcome Trust and DFID, and was co-ordinated by the Institute of Development Studies, UK.

Credits

This briefing was written by Mary-Louise Penrith and edited

by Julia Day from papers by Ian Scoones, William Wolmer and Gavin Thomson.

Contact us

STEPS Centre,
Institute of Development Studies,
University of Sussex,
Brighton, BN1 9RE, UK
T: +44 (0)1273 606261
F: +44 (0)1273 621202
E: steps-centre@ids.ac.uk
W: www.steps-centre.org