

Global Opportunities for Livestock Producers
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Recently the Food and Agriculture Organization (FAO) of the United Nations released a publication “The state of Agriculture, Livestock Section” which outlined the increasing need for global meat production. In the publication it was stated that the world needs to double its output of meat by 2050 to meet growing demand. This is a short review of the FAO report regarding the world’s livestock sector and its global significance.

Livestock contribute 40 percent of the global value of agricultural output and support the livelihoods and food security of almost a billion people. The livestock sector is one of the fastest growing parts of the agricultural economy, driven by income growth and supported by technological and structural change. At the global level, livestock contribute 15 percent of total food energy and 25 percent of dietary protein. Products from livestock provide essential micronutrients that are not easily obtained from plant-based foods. About 4–5 billion people in the world are deficient in iron. This and other important nutrients are more readily available in meat, milk and eggs than in plant-based foods. Increasing access to affordable animal-based foods could significantly improve nutritional status and health for many poor people.

Powerful forces of economic change are transforming the livestock sector in many rapidly growing developing countries. Production of livestock, especially pigs and poultry, is becoming more intensive, geographically concentrated, vertically integrated and linked with global supply chains. Higher animal-health and food-safety standards are improving public health, but are also widening the gap between small livestock keepers and large commercial producers. Studies show that small commercial livestock producers can be competitive, even in a rapidly changing sector, if they have appropriate institutional support and the opportunity cost of their labor remains low.

Rapid income growth and urbanization over the past three decades, combined with underlying population growth, are driving growth in demand for meat and other animal products in many developing countries. Supply-side factors, such as the globalization of supply chains for feed, genetic stock and other technology, are further transforming the structure of the sector. The livestock sector, like much of agriculture, plays a complex economic, social and environmental role. Society expects the sector to continue to meet rising world demand for animal products cheaply, quickly and safely. It must do so in an environmentally sustainable way, while managing the incidence and consequences of animal diseases and providing opportunities for rural development, poverty reduction and food security.

Developing countries have responded to growing demand for livestock products by rapidly increasing production. Between 1961 and 2007, the greatest growth in meat production occurred in East and Southeast Asia, followed by Latin America and the Caribbean. Pork accounts for over 40 percent of global meat supplies, in part because of high levels of production and rapid growth in China, where more than half of world production takes place. The expansion of poultry meat production, which in 2007 accounted for 26 percent of global meat supplies, has been more widely distributed among both developed and developing

countries, but again with China experiencing very high rates of growth. Globally, cattle production has increased much less and only in the developing countries. China and Brazil, in particular, have expanded production considerably and are each now responsible for around 12–13 percent of global cattle meat production. Meat from small ruminants remains of minor importance at the global level.

As a U.S. producer, consider the future global supply and demand for food and you should realize that the opportunities for U.S. producers are significant. Utilizing technologies often not available in other parts of the developing world and our significant resources, meat producers in the U.S. should be in a competitive advantage with regards to other global meat producers. The future looks encouraging. There are or could be obstacles that impair the ability of U.S. producers to compete globally. These obstacles, either historically or currently often involve government intervention with burdensome and unnecessary regulations and trade policies which favor or provide competitive advantages to producers in other parts of the world. As we move forward and consider the global need for a dramatic increase in meat production to meet world demand, U.S. producers could be a primary provider of the needed world supply as long as government intervention and politics are kept to a marginal level.