Investing in African Livestock
Business opportunities in 2030-2050

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International Meat Secretariat Meeting in Dublin, Ireland
July 9, 2013

Joint project of the World Bank, FAO, AU-IBAR, ILRI with support from the Gates Foundation
The Entry Point for African Livestock Data and Analysis: Livestock Data Innovation Project

Funded by the Gates Foundation

- Implemented by the World Bank, FAO, ILRI and in collaboration with AU-IIBAR
- Pilot countries in 3 countries: Uganda, Tanzania, and Niger

=>Objective: Enhance methods for collecting livestock data.
Numbers for Livelihood Enhancement
Livestock in Africa: now and in the future

• Africa in a global context
• African livestock markets by product
• African livestock markets by region
• Opportunities
Livestock in Africa

AFRICA IS THE HOME TO:

**Cattle:** 240 million head (16% of global totals or about the same as Brazil/India)

**Pigs:** 25 million (3%)

**Poultry:** 1.5 billion (8%)

**Sheep/goats:** 500 million (25%)

The continent’s population has reached the 1 billion mark—or 15 percent of the world’s total—and is projected to increase to 20 percent by 2030.

What is the future of the sector?
Africa is growing fast

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP growth rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>5.2%</td>
</tr>
<tr>
<td>2012</td>
<td>5.7%</td>
</tr>
<tr>
<td>2013</td>
<td>5.7%</td>
</tr>
<tr>
<td>2014</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

Business opportunities
Putting the meat market into context: Africa and the rest of the world

African meat market is and will be smaller than most meat markets in other world regions.

African population and meat consumption as proportion of world’s total:

<table>
<thead>
<tr>
<th>Region</th>
<th>% of world population</th>
<th>% of meat market</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005/07</td>
<td>15.5 %</td>
<td>4.3 %</td>
</tr>
<tr>
<td>2050</td>
<td>26.8 %</td>
<td>8.4 %</td>
</tr>
</tbody>
</table>
However, sometime data masks the opportunities

![Graph showing absolute increase in consumption, mio tons and annual growth rate from 2005/07 to 2050.]

- **Dev.ed**: 2005-07 to 2030: 16.8 mio tons, 2030 to 2050: 6.6 mio tons
- **Africa**: 2005-07 to 2030: 10.3 mio tons, 2030 to 2050: 14.0 mio tons
- **Near East**: 2005-07 to 2030: 7.0 mio tons, 2030 to 2050: 6.1 mio tons
- **Latin America**: 2005-07 to 2030: 17.1 mio tons, 2030 to 2050: 9.7 mio tons
- **S Asia**: 2005-07 to 2030: 12.8 mio tons, 2030 to 2050: 20.9 mio tons
- **ES Asia**: 2005-07 to 2030: 50.8 mio tons, 2030 to 2050: 22.9 mio tons

**Annual growth rate 2005/07 to 2050**

- 2005-07 to 2030: 0.4%
- 2030 to 2050: 2.8%
- Latin America: 2.4%
- Near East: 1.3%
- S Asia: 4.1%
- ES Asia: 1.4%
Meat markets: business opportunities

Absolute increase in consumption, mio tons

<table>
<thead>
<tr>
<th>Region</th>
<th>2005-07 to 2030</th>
<th>2030 to 2050</th>
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</thead>
<tbody>
<tr>
<td>Dev.ed</td>
<td>16.8</td>
<td>6.6</td>
</tr>
<tr>
<td>Africa</td>
<td>10.3</td>
<td>14.0</td>
</tr>
<tr>
<td>Near East</td>
<td>7.0</td>
<td>6.1</td>
</tr>
<tr>
<td>Latin America</td>
<td>17.1</td>
<td>9.7</td>
</tr>
<tr>
<td>S Asia</td>
<td>12.8</td>
<td>20.9</td>
</tr>
<tr>
<td>ES Asia</td>
<td>50.8</td>
<td>22.9</td>
</tr>
</tbody>
</table>

Only ES Asia and South Asia are more attractive markets than Africa in terms of growing demand.

Africa is the second fastest growing meat market!!!!!!

Annual growth rate 2005/07 to 2050

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<tr>
<td>Africa</td>
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</tr>
<tr>
<td>Near East</td>
<td>2.4 %</td>
</tr>
<tr>
<td>Latin America</td>
<td>1.3 %</td>
</tr>
<tr>
<td>S Asia</td>
<td>4.1 %</td>
</tr>
<tr>
<td>ES Asia</td>
<td>1.4 %</td>
</tr>
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</table>
Livestock in Africa: now and in the future

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African livestock markets by size
Where will the growth be?

<table>
<thead>
<tr>
<th></th>
<th>2005-07</th>
<th>2030</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>4.7</td>
<td>13.6</td>
<td>8.2</td>
</tr>
<tr>
<td>Poultry</td>
<td>2.9</td>
<td>11.8</td>
<td>7.8</td>
</tr>
<tr>
<td>Pork</td>
<td>0.8</td>
<td>3.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Mutton &amp; Sheep</td>
<td>2.2</td>
<td>6.0</td>
<td>6.1</td>
</tr>
<tr>
<td>Eggs</td>
<td>1.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milk</td>
<td>32.4</td>
<td>82.6</td>
<td></td>
</tr>
</tbody>
</table>
Milk is and will be the largest market, followed by beef and poultry.
Additional volume (mio tons) consumed from 2005-07 to 2050

- **Beef**: 8.9 mio tons (2005-07), 8.9 mio tons (2030), 2.6 mio tons (2050)
- **Poultry**: 2.9 mio tons (2005-07), 3.5 mio tons (2030), 0.8 mio tons (2050)
- **Mutton & Sheep**: 2.2 mio tons (2005-07), 6.0 mio tons (2030), 1.6 mio tons (2050)
- **Eggs**: 6.1 mio tons (2005-07), 6.1 mio tons (2030), 1.6 mio tons (2050)
- **Milk**: 32.4 mio tons (2005-07), 50.2 mio tons (2030), 82.6 mio tons (2050)
African livestock markets: opportunities

Annual growth rate (%) in consumption from 2005-07 to 2050

- Beef: 2.5 Mio tons (2005-07), 3.3 Mio tons (2030), 3.3 Mio tons (2050)
- Poultry: 4.7 Mio tons (2005-07), 2.9 Mio tons (2030), 2.9 Mio tons (2050)
- Pork: 0.8 Mio tons (2005-07), 3.5 Mio tons (2030), 3.5 Mio tons (2050)
- Mutton & Sheep: 2.2 Mio tons (2005-07), 6.0 Mio tons (2030), 6.0 Mio tons (2050)
- Eggs: 1.6 Mio tons (2005-07), 6.1 Mio tons (2030), 6.1 Mio tons (2050)
- Milk: 32.4 Mio tons (2005-07), 82.6 Mio tons (2030), 82.6 Mio tons (2050)

Livestock Data Innovation in Africa
Numbers for Livelihood Enhancement
www.africalivestockdata.org
Africa livestock markets by value, 2005/07

- Beef: $16.1 billion
- Mutton & Sheep: $8.2 billion
- Pork: $2.4 billion
- Poultry: $6.9 billion
- Milk: $17.1 billion

Livestock Data Innovation in Africa
www.africalivestockdata.org

Numbers for Livelihood Enhancement
Africa livestock markets by value, 2050

**2005/07**
- Beef: 16.1 billion
- Mutton & Sheep: 8.2 billion
- Pork: 2.4 billion
- Poultry: 6.9 billion
- Milk: 17.1 billion

**2050**
- Beef: 46.6 billion
- Mutton & Sheep: 22.5 billion
- Pork: 10.0 billion
- Poultry: 28.6 billion
- Milk: 43.5 billion

Constant price 2005/07

Livestock Data Innovation in Africa
Numbers for Livelihood Enhancement

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Africa livestock markets: opportunities

US$ billion  Constant price 2005/07

<table>
<thead>
<tr>
<th>Product</th>
<th>2005/07</th>
<th>2050</th>
<th>2050 &amp; 2050 &amp; 2050 &amp; 2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>beef</td>
<td>16.1</td>
<td>46.6</td>
<td>+ 30.6</td>
</tr>
<tr>
<td>mutton &amp; sheep</td>
<td>8.2</td>
<td>22.5</td>
<td>+ 14.3</td>
</tr>
<tr>
<td>pork</td>
<td>2.4</td>
<td>10.0</td>
<td>+ 7.6</td>
</tr>
<tr>
<td>poultry</td>
<td>6.9</td>
<td>28.6</td>
<td>+ 21.6</td>
</tr>
<tr>
<td>milk</td>
<td>17.1</td>
<td>43.5</td>
<td>+ 26.1</td>
</tr>
</tbody>
</table>
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- **African livestock markets by region**
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African regions----how are they grouped?

<table>
<thead>
<tr>
<th>Western</th>
<th>Eastern</th>
<th>Central</th>
<th>Northern</th>
<th>Southern</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Western Map]</td>
<td>![Eastern Map]</td>
<td>![Central Map]</td>
<td>![Northern Map]</td>
<td>![Southern Map]</td>
</tr>
</tbody>
</table>

- ECOWAS
- IGAD
- ECCAS
- UMA (& Egypt)
- SADC

Livestock Data Innovation in Africa

www.africalivestockdata.org

Numbers for Livelihood Enhancement
African beef markets—strong growth expected

- Beef market is relatively uniform in terms of its importance across regions
- Over 70% of the increased demand for beef in 2005/07-2050 from Western, Southern and Eastern Africa
- Annual growth rate ≈ 2%-3% in all regions

Beef 2005/07 = 4.7 mio tons

Beef 2050 = 13.6 mio tons
African poultry markets—meeting demand in a challenge for producers.

- Poultry market is dominated by Southern and Northern Africa
- Over 56% of the increased demand in 2005/07-2050 from Southern and Northern Africa; 20% from West Africa
- Annual growth rate ≈ 3%-6% in all regions

**Poultry 2005/07** = 2.9 mio tons

**Poultry 2050** = 11.8 mio tons

- Western 14.3%
- Central 7.4%
- Southern 40.4%
- Eastern 3.3%
- Northern 34.6%
The challenge: getting Africa producers to become more responsive to market signals

Production won’t keep up with consumption: trade balance is worsening

Imports of all livestock products increasingly critical to satisfy consumer’s demand
China Okays Namibian Meat
(http://www.newera.com.na/ Namibia)

WINDHOEK - The Namibia Chamber of Commerce and Industry’s business mission to the People’s Republic of China will go ahead, said NCCI in a statement released last night. This follows the Chinese authorities’ acceptance to allow Namibian meat to be exhibited and sold during the 2010 Shanghai World Expo in China. China had initially refused to allow the export of Namibian fresh meat and fish for consumption at the expo and in protest the NCCI had canceled its trip to that country.

Thursday, 01 April 2010

Egypt to import cattle from Ethiopia, Djibouti,
The Egyptian government planned to supply the local market with 11,000 heads of cattle imported from Ethiopia and Djibouti,

Malaysia to source cattle from Sudan, April 20, 2010

SUDAN has become a source country for cattle imports to Malaysia following an agreement by a group of Malaysian companies to import 200,000 live cattle from the African country this year.

The number is expected to increase to 400,000 live cattle next year, said Sudan Deputy Ambassador to Malaysia Kamal Gubara.

Read more: Malaysia to source cattle from Sudan
http://www.btimes.com.my/Current_News/BTIMES/article/s/20100419170217/Article/index.html#ixzz0rALLVGs
Take away messages....

✓ African livestock markets are growing fast

✓ Milk, beef and poultry markets will provide major business opportunities, which differ by geographical region

✓ Livestock producers could be efficient and tap into growing market opportunities: what are the incentives to invest in livestock?

✓ Policies and institutional reforms are key to ensure that markets are utilized to promote an efficient and equitable growth of livestock

✓ Unless investments take place, the region will continue to rely on imports