



## **THE LIVESTOCK REVOLUTION: A Pathway from Poverty?**

### **MEDIA RELEASE**

**13 August 2003**

#### **FEED VS FOOD Demand for Meat to Challenge Feed Supply And Offer Farmers Enormous Export Opportunities**

*There was good news for Australian farmers at an international conference highlighting the astonishing growth in demand for livestock products in the developing world, and the impact this will have on global trade and development.*

Dr Zhangyue Zhou, Director of the Asian Agribusiness Research Centre at the University of Sydney was speaking today at "The Livestock Revolution: A Pathway from Poverty?" with international speakers including The Rt Hon Mike Moore, the former director of the World Trade Organisation; Dr Carlos Seré, Director General of the International Livestock Research Institute, and Dr Chris Delgado from the International Food Policy Research Institute in Washington.

"The globally increasing demand for feed and for animal products is likely to offer various Australian industries enormous potential to increase their exports," said Dr Zhou.

Dr Zhou encouraged Australian rural and related industries to pay close attention to the dynamics of the demand and supply of global feed and animal products in order to secure their share of the competitive world market.

"Per capita meat consumption in developing countries rose by 150% and that of milk and dairy products by 60% between 1964-66 and 1997-99, and the increase in animal product consumption is projected to continue," said Dr Zhou, quoting a recent FAO report.

Dr Zhou explained that this increased livestock product consumption will see a strong growth in demand for feed, which will increase cereal prices, and bring benefits to farmers around the globe, and especially those in agricultural resource abundant countries such as Australia.

"By 2030, per capita meat consumption in developing countries will rise by a further 45%, compared to an increase by 14% in developed countries. Per capita consumption of milk and dairy products will rise from 45 kg to 66 kg in developing countries, and from 212 to 221 kg in developed countries. Per capita egg consumption will grow from 6.5 kg to 8.9 kg in developing countries and from 13.5 to 13.8 kg in developed countries," Dr Zhou reported.

The ATSE Crawford Fund wishes to thank its sponsors and supporters for this event including: AFFA, AusAID, Australian Academy of Technological Sciences and Engineering, ACIAR, CRC for Innovative Dairy Products, CSIRO Livestock Industries, Dairy Australia, GRDC, IFPRI, ILRI, Meat and Livestock Australia, and University of Sydney Orange

Dr Zhou noted there would be significant challenges for future farming posed by the need to produce enough feed to raise additional animals.

“It won’t be pasture or mixed crop-livestock production systems that will satisfy this demand. A significant growth in intensive industrial livestock production systems will be needed,” he said.

Dr Zhou reported that in recent years, production from intensive systems has grown twice as fast as that from traditional mixed farming systems, and more than six times faster than from grazing systems, but the increased intensification will require more feed cereals.

“About half of the 1 billion tonnes increase in consumption of all cereals will be used for feed, 42% for food, and the remainder for other uses,” he said.

Dr Zhou warned of a shortage of cereal supply in developing countries, with a deficit of 190 and 265 million tonnes in 2015 and 2030, respectively, an increase from 103 million tonnes in 1997/99.

“While China is surprisingly unlikely to become a major feedgrain importer, the huge cereal deficit in other countries in the developing world offers an enormous opportunity for cereal surplus countries, particularly industrial exporters like Australia,” said Dr Zhou based on a report the University of Sydney recently completed for GRDC.

“Opportunity clearly exists for Australia to increase its cereal exports,” he said.

Dr Zhou reported on the enormous opportunity not only for the cereal industry but also for other related industries in Australia such as hay products and concentrate meals.

“Further, Australian livestock industries will also benefit from the increasing shortage of animal product supply in many other parts of the world. For example, by 2030, meat import requirements in developing and transition countries together will increase to almost 7 million tonnes from 3.3 million tonnes in 1997/99, and the import requirements of milk and dairy product (in whole milk equivalent) in developing countries will increase to 39 million tonnes from the 19.8 million tonnes of 1997/99,” Dr Zhou reported.

While the news was good for Australian farmers, Dr Zhou and a colleague from the University of Queensland, Emeritus Professor John Longworth, both sounded a word of warning for developing countries.

“Without necessary institutional arrangements such as conducive agribusiness systems, to help farmers in developing countries, the so-called livestock revolution will bring limited or little benefit to them,” he warned.

Dr Zhou noted that the Australian Centre for International Agricultural Research, The University of Sydney and University of Queensland were working with several Chinese institutions to look into the options that will help poor farmers in that country.

*For further information, to receive the range of other media statements from the conference or to arrange interviews contact Cathy Reade at the ATSE Crawford Fund on 0413 575 934. The program, all press releases, bios and abstracts from the event are at [www.crawfordfund.org](http://www.crawfordfund.org)*