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COMMITTEE ON COMMODITY PROBLEMS

INTERGOVERNMENTAL GROUP ON MEAT AND DAIRY PRODUCTS

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THE DEVELOPMENT STRATEGY FOR MEAT AND DAIRY PRODUCTS: A DISCUSSION AND PROPOSED REVISIONS

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I. BACKGROUND

1. The Group approved a development strategy for meat at the Fifteenth Session in 1994 (which is presented in this Session as an information document CCP: ME 06/5 Sup. 1) that provides a general framework for reviewing meat development projects. However, the increasing complexity of livestock markets and the decision of the Group at the 19th Session to include dairy products under the remit of the IGG suggest the need to develop a more targeted intervention strategy based on priority constraints facing the livestock sectors in different countries. The development of such a commodity strategy would assist the Group to identify and prioritize policies and projects designed to enhance value addition to the livestock sector. The objective of this document is to elicit guidance from the Group regarding the process for updating and improving the current strategy¹ and also for identifying the extra-budgetary resources needed for achieving this. What follows is a brief description of a proposed approach.

II. PROPOSED APPROACH TO THE DEVELOPMENT OF A NEW LIVESTOCK DEVELOPMENT STRATEGY

2. The proposed livestock commodity development strategy would entail the identification, in the context of changing livestock markets, of the priority challenges and opportunities facing livestock industries in developing countries. It would specifically recognize the interdependent nature of livestock value chains and the critical need to address the particular weaknesses that limit market participation by smallholders. Activities would be examined that raise the performance of the livestock industries in a sustainable manner through, *inter alia*,

- Reducing obstacles to domestic and international trade in livestock and livestock products;
- obtaining more value from livestock and products by improving productivity and reducing costs throughout the commodity chain;
- Improving quality and safety of the various livestock products, and facilitating market access for all producers.

3. The **process** for developing the strategy would be a participatory approach involving public and private stakeholder consultations, drawing on lessons learned in the field and reviewing the literature for examples of commodity development strategies that have resulted in sustainable agricultural development activities. Decision making tools would be reviewed to assess their functionality in assisting the Secretariat in its ability to advise individual developing countries on the formulation and implementation of their livestock development strategies.

4. The **final output** would be a implementable strategy that includes the development of a decision support tool to facilitate the determination of appropriate technical interventions in the livestock sector. The strategy and its supportive tools would be developed over the next two years and submitted to the IGG for review and endorsement in its next session.

5. The Secretariat does not currently have the resources required to develop a detailed and comprehensive strategy as proposed. Thus it would be necessary to identify extra-budgetary resources that could be used to facilitate a dialogue with governments and the private sector to identify priority constraints and to develop a useable framework that could facilitate the prioritization of policy, institutional, and technical interventions as envisaged.

¹ Strategies currently under the auspices of the IGG include the Development Strategy for Meat and the Hides and Skins and Leather –Strategy for Development.

III. RATIONALE

6. The Intergovernmental Group on Meat and Dairy Products provides a unique forum for discussion on priority areas for livestock commodity project development and identifying and responding to problems inherent in the production, consumption, and marketing of livestock products. The development of such a proposed strategy would promote the role of relevant technical units in FAO² and the IGG, including its Sub-Group on Hides and Skins, as an internationally recognised expert body on livestock development activities.

7. This initiative corresponds to increased recognition that livestock development initiatives in the past have led, in many cases, to less than sustainable results. It is also in line with the CFC's request, in the light of their Third Five-Year Action Plan (2008-2012), to work with the IGG to identify the development challenges facing livestock sectors in developing countries. In particular, the CFC requests that a framework for strategic intervention areas for livestock commodity development be developed. This would facilitate targeting priority areas which provide the livestock sector with the greatest opportunity for poverty reduction for small and medium scale producers and the poorer strata of the populations. These specific, prioritised and focused interventions could achieve development objectives within the operational niche of the CFC, namely *supply chain management, diversification, market access and market development*.

IV. RECOMMENDATIONS

8. In view of the proposal above, the Group is invited to make comments and/or recommendations on developing an innovative livestock strategy that strategically targets intervention areas for livestock development. In particular, the Group may wish to provide guidance to the Secretariat on the following:

1. The appropriateness of expanding the current IGG Development Strategy for Meat into a broader livestock strategy with the objective of not only identifying areas of strategic intervention but of influencing other international actors in their livestock development activities.
2. The mechanisms that might be employed, including the consultative processes between the Secretariat, the Governments and the private sector, in order to develop a strategy that is responsive to the requirements of both producing and consuming countries.
3. The availability of the extra-budgetary support that may be required for the development of such a strategy.

² The Animal Production and Health Division (AGA) and the Commodities and Trade Division (ESC).