



## Commodity-based Trade in Livestock Products *New Opportunities for Livestock Trade in the COMESA Region*

### The problem

- Current international standards govern trade in livestock products from the perspective of preventing the spread of major animal diseases such as foot-and-mouth disease (FMD).
- These standards are described in the Terrestrial Animal Health Code of the World Animal Health Organisation (OIE) – the ‘OIE Code’.
- The principle followed by the OIE Code is that safe trade in livestock products can only be ensured if livestock are reared in areas which are free of important diseases. These areas can be countries or zones within countries, or certain large farms which are free of infections, called ‘compartments’.
- Disease freedom requires disease eradication – but Africa has numerous livestock diseases and due to economic and environmental factors, there is little chance of eradicating many of these diseases. Control of diseases by conventional methods e.g. by fencing, is also problematic in many countries, expensive and difficult to sustain.

### What is ‘commodity-based trade’?

- The key issue affecting safe trade in livestock products is not the area of origin of the product, but the characteristics of the product itself.
- If livestock products are derived from healthy animals and processed, the risk of spreading any disease can be reduced to an acceptable level for international trade. At the same time, the processing creates benefits such as local employment.
- The commodity-based approach is science-based and risk-based, and it applies globally – to both developing and industrialised regions of the world.
- Commodity-based trade accords with the strictest principles of human food safety – any and all diseases animals are excluded as potential sources of human food.

### **Example: The commodity-based approach to standards and trade**

Imagine that you wish to export a mango to Brazil. Assume that the Brazilian authorities will not allow importation of mangoes due to a serious disease which affects the mango stone. So instead of exporting the whole mango, you remove the stone from a healthy mango and export only the mango flesh. The processed mango flesh is certified as presenting an acceptable level of risk. This is a commodity-



With a commodity-based approach –based on good science - there is no reason why African meat products should be barred from international markets.

based approach. It does not require your country to eradicate the mango disease from its territory in order to trade safely in mango flesh.

Now apply this thinking to beef. Although your cattle might be reared in an area affected by FMD, most cattle do not carry the infection. In any carcass the FMD virus, if present, is not found in muscle tissue (i.e. beef) that is properly matured. By removing the bones and lymph nodes from the beef, the risk of that beef containing FMD virus is decisively reduced. From a scientific perspective you should be able to export this meat. However, the OIE Code specifies that not only should be meat be processed as outlined above, but the cattle should be also reared in an area which can be confirmed free of FMD. In other words, the OIE and important trading countries do not recognize the commodity-based principle. As a result, African livestock producers have limited access to regional or international high-value markets.

### Commodity-based trade – some common myths

As thinking on commodity-based trade has evolved, some common misunderstandings among stakeholders are:

#### Myth 1: ‘Commodity-based trade includes products from sick livestock’

This is not true. The commodity-based approach omits sick animals from the marketing chain. It specifies that only products from healthy animals should be used. The usual forms of quarantining

and screening can be used to ensure that only healthy animals are slaughtered or milked.

**Myth 2:** *'If we don't eradicate diseases, there is no role for veterinary services?'*

Government veterinary services are crucial to support commodity-based trade. Such trade requires risk analysis on livestock products, the identification of critical control points to enhance product safety, certification of products and various other activities. Most importantly, disease control is still needed to reduce the impacts of diseases at household level and improve production.

**Myth 3:** *'The OIE Code already covers trade in animal commodities'*

The fundamental approach of the OIE, and the way the Code is structured, assumes that diseases not commodities should be the focus of standard setting. Standards for trade in livestock commodities are not user-friendly – in the case of most processed products there are not standards at all.

**Myth 4:** *'The commodity-based approach is not scientific'*

There is a mass of published scientific information which explains how different types of processing of livestock products reduces or eliminates pathogens. This information has been in the public domain for decades.

**Myth 5:** *'The commodity-based approach is the only approach'*

The commodity-based approach should be viewed as an option for COMESA member states to use. It does exclude the use of compartments or fenced areas. However, it does provide a means to add value to products at source, and a route for smaller or poorer farmers to access more lucrative markets



The commodity-based approach focuses less on the disease status in the area of origin of livestock, and more on processing of products to reduce risk of disease transmission via those products.

### **Do African institutions support the commodity-based approach?**

The commodity-based approach to trade in livestock products evolved within the African Union in 2004. The concept is supported in various continent-wide and regional policy documents such as:

- The recommendations of the AU Experts of Agriculture Meeting, February 2008
- The recommendations of the COMESA Fifth Meeting of the Ministers of Agriculture, March 2008
- The recommendations of the East African Community Secretariat Meeting on Experts of Livestock Trade and Marketing in East Africa, April 2008

In addition, in late April 2008 the AU Department for Rural Economy Agriculture convened an Expert Panel on Commodity-based Livestock Trade.

#### **The AU Expert Panel on Livestock Commodity-based Livestock Trade April-May 2008**

Expert participants:

- SADC representative and former President of the OIE FMD and Other Epizootics Commission
- Director of Veterinary Services, Zimbabwe and Member of the OIE Code Commission
- Director of the Botswana Meat Commission and former Director of Veterinary Services, Botswana
- Director of Public Health, Mali and Member of the *Codex Alimentarius* Secretariat
- Director of Veterinary Services Northern Cape Province, South Africa and President of the South African Veterinary Council
- Former Research and Marketing Director for Tesco UK
- Director of Veterinary Services, Nigeria
- PACAPS Project, Tufts University

This panel re-affirmed the need for the AU to support changes to the OIE Code, and for accelerated, concerted action by African governments and regional organizations. The results of their deliberations are to be published by the AU-DREA in May 2008.

#### **What needs to be done?**

- Ministries of Agriculture and Livestock in the COMESA region need to raise awareness of the commodity-based approach to livestock trade both internally within their own departments, and externally with key private sector

investors and civil society actors in each country.

- Improved understanding of the approach and dialogue with stakeholders at national level should lead to a stated official position on commodity-based trade. These positions will be harmonized by COMESA, and articulated to the OIE by Chief Veterinary Officers.
- The commodity-based approach can be applied in the COMESA region, if countries agree to test the approach through pilot trials. Such testing would generate further

evidence and lessons learned, and would show that commodity-based trade was appropriate and safe.

- COMESA will work with member states to analyze the implication of commodity-based livestock trade on the current food crisis and rising food prices.

It is hoped that the thoughts expressed in this brief will be considered by the various teams of experts and consultants now assisting countries in Eastern and Southern Africa to identify income sources and growth drivers under the CAADP agenda.

### References

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### Further information

A video on livestock commodity-based trade is available online as follows:

- English version <http://r4d.blip.tv/file/989242>
- French version <http://r4d.blip.tv/file/989544>

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