



Tropentag, October 7-9, 2008, Hohenheim

“Competition for Resources in a Changing World:
New Drive for Rural Development”

How Do Increasing Feed Costs Affect Livestock Production in Tropical Countries?

EVA SCHLECHT

University of Kassel / University of Göttingen, Animal Husbandry in the Tropics and Subtropics, Germany

Abstract

Especially during the past 8–12 months, the strong rise in prices for meat and milk has made consumers aware of the increased demand for livestock products that had already been predicted under the “livestock revolution” concept in the late 1990s. At the same time, the globally increased demand for energy, high oil prices, regional harvest failures and market speculation lead to a sudden increase in prices of major cereals used for food and feed.

Against this background, the paper tries to identify to what extent different types of livestock producers might be affected by feed price increases. The large-scale market-oriented livestock farmers should be able to pass down increased feed costs to the buyers of their products, and small-scale farmers as well as pastoralists who predominantly raise their animals on internal or communally available feed resources might, to some extent, benefit from improved product prices but suffer little or not from increased feed prices. The group for which the question cannot be answered unambiguously consists of those smallholders who rely, at least seasonally, on the supplementation of their animals with purchased feeds. For them the (un)certainly of marketing the livestock product at a profitable price will determine their willingness to invest in feeds. Smallholders with a weak link to markets may need to reduce herd sizes, abandon animal husbandry altogether or at least change their feeding practices. Since crop residues are least affected by increasing prices, these might regain importance for the latter group of farmers. To make up for reduced concentrate feeding, qualitative upgrading of crop residues through physical, chemical or biological measures, or through crop breeding strategies contributing to improved residue quality might be (re)considered. While such measures have largely been investigated with respect to ruminants, studies targeting pigs and poultry are less numerous. However, the majority of these studies focussed on the feeding value of (treated) crop residues and their utilisation by the animal, while questions such as smallholders’ access to these techniques, ease of their applicability on farm, maintenance of feed quality during storage, and economic considerations including questions of scale tended to be ignored.

Another option is the increased use of (monogastric) livestock breeds with a higher capacity of using poorer quality and high fibre feeds. The “reduced productivity” of such breeds might need re-evaluation if production costs for modern breeds with a probably higher demand for high quality feeds continue to rise.

Keywords: Crop residues, feed conversion, feed costs, livestock revolution, meat demand