



INTERNATIONAL  
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INSTITUTE

## ILRI strategy storyline

**'Solutions for a Transforming Livestock Sector'**

**Version 1, April 2012**

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⇒ Pathways out of poverty has been a useful framework

ILRI's strategy for the preceding ten years has been based on a simple but insightful conceptual framework for understanding the potential roles of livestock in poverty reduction. That framework describes three main opportunities for enhancing the role of livestock in providing a pathway out of poverty, summarized as securing critical assets to the livelihoods of the poor, sustainably improving their livestock productivity for food and income, and linking livestock keepers to markets to increase the value from their production. These pathways were particularly relevant in the context of the rapidly rising demand for animal-source foods in the developing world, termed the Livestock Revolution. The challenge of ensuring these three pathways could reduce poverty while responding to the Livestock Revolution has helped to put ILRI's research into context and to identify opportunities by which its agenda could better support the pathways.

⇒ But this framework needs to take into account changes ongoing and projected in the global context and in target regions

Pursuing the pathways out of poverty has sharpened ILRI's research focus on interventions and institutional strategies for pro-poor livestock development. Experience over the past decade, however, has highlighted the challenges if research is to achieve impact across the pathways. In addition, the context for livestock development has been evolving driven by the continued Livestock Revolution particularly evident in Asia, along with a greater recognition that the ongoing transformation needs to be nuanced, in particular in relation to the roles of smallholders (and thus the pathways out of poverty) diverse economic situations and different livestock commodities. Meanwhile, the food price crisis and heightened volatility has raised concern about having sufficient food supplies into the future and renewed threats of food insecurity for the poor, particularly in the face of increasing land and water constraints. The private sector in developing country food economies has become much more dynamic,

creating new types of opportunities for smallholder livestock production and marketing systems and means for market development, but also causing rapid structural changes in scales and quality of livestock commodity production, marketing and consumption. And pressure to raise animal production is increasingly weighed against its impact on the environment, health issues and the need to anticipate the impact of and on climate change. The combined challenges of growing food demand, continued rural poverty, climate change, and scarcity of land, energy and water require changes in livestock production systems, i.e. livestock production that is not only highly productive but also highly sustainable.

- ⇒ Requiring expanding the scope of the pathways out of poverty and its focus on the poor livestock keeper, to a wider vision of livestock commodities in developing country food systems and how they can evolve to improve food security while reducing poverty in a way that is environmentally sound and has positive human health outcomes

The sum of these trends is redefining the target for ILRI's research. Our past strategy has focused on poor livestock keepers and using their livestock assets as a means out of poverty. The focus must now expand to meet the future challenges of addressing the role of livestock to address food security, poverty, environmental and health issues – it must be **inclusive**. Based on the diversity of livestock systems and their likely transformation in the coming decade, three main approaches emerge, characterized in relation to the potential livestock sector growth scenarios.

### **Inclusive Growth Systems**

The **first approach** is to develop sustainable food systems that deliver key animal-source nutrients to the poor, while facilitating the structural transition from a majority of smallholder households keeping livestock in low-productive systems to a livestock sector raising productive animals in more efficient, intensive and market-linked systems. These are the systems that currently provide significant animal and crop products in the developing world and where there is likely to be the most growth, and the greatest opportunity to influence and empower that growth. In some regions, this transition is occurring relatively quickly through the development of more specialized livestock farms, but in many areas of Africa and Asia, the transition is happening slowly and will be long term. Likewise, marketing systems associated with smallholder systems are largely informal, even though elements of modern supply chains exert an increasing influence. When viewed as value chains, opportunities can be identified to improve production and supply chain efficiency, employment creation and benefits captured by the poor.

The goal is for the transition to be as broad-based as possible, allowing for those who can to continue on the path to sustainable, highly productive and resource efficient small-holder systems, including in some cases, intensification and specialization to do so, and for others to participate in different non-production elements of the value chain (such as trading, processing, input or service provision) or to accumulate sufficient capital to exit from agriculture without falling back into poverty. The role of research is to inform, devise and enable the up-scaling of interventions, organizational strategies and policies that will support such **inclusive growth and agricultural transition that maximizes the well-**

**being of people now and in the future, addresses the growing threat of a supply gap whilst addressing environmental and human health challenges.**

### Low Growth Systems

But it is not likely to be feasible to create the same levels of opportunities for all poor livestock keepers, especially in areas where productivity growth may be limited by remoteness or ecological and social constraints, such as in some pastoral systems or areas with slow demand growth or chronically low market access. In these situations where smallholder livestock systems may face few incentives or possibilities to improve productivity or market participation, a **second more nuanced approach** will still look for incremental growth and productivity options within the constraints, but more emphasis will be given to enhancing the role of **livestock for resilience, both in terms of ecosystems and household/community livelihoods**. Livestock will continue to play a strategic role for household food security and social protection, and research can support this role through technologies and institutions to protect livestock assets of the poor and their contribution to stewarding the natural resources upon which they rely.

### Growth with externalities

A **third approach** recognizes that in some intensifying small-scale livestock systems, dynamic markets and increased human resource capacity are already driving strong growth in productivity and livelihoods, but may give rise to negative impacts on environmental services, or human health, and may also be leading to a highly stratified structure of production, with the resource poor being left behind. For example, many smallholders raising pigs in Vietnam may create pollution problems for local water supplies, while also rapidly intensifying production and marketing in ways which expose themselves and consumers to increased health risks. In these areas, zoonotic diseases may also be of importance. The approach in these settings will also be multi-faceted, with strong emphasis on understanding and **anticipating the potential negative impacts of small-scale livestock intensification**, and conducting research will address the incentives, technologies and strategies for market-driven options for mitigation risks to health and environment, but also organisational and product innovations to allow the resource poor to play some part in changing markets and to comply with increasing market standards.

ILRI will devote the greater share of its research resources to the first challenge of supporting inclusive growth and transition as this has the potential of benefiting the largest number of poor, both poor producers and poor consumers, as smallholder production increases. The second and third challenges remain important, very strategic components of the ILRI research portfolio. Regional variation in economies, policy environments, and production systems will determine the relative emphasis among the three approaches in specific regions.

These three challenges align directly to the System Level Objectives of the CGIAR Consortium, and map well to the current portfolio of CGIAR Research Programs.