

American Journal of
Livestock Policy
(AJLP)



**The Economic Consequences of Livestock
Disease Outbreaks on the Agricultural Sector
in Tanzania**

Raymond Washata Ahmud



The Economic Consequences of Livestock Disease Outbreaks on the Agricultural Sector in Tanzania



Raymond Washata Ahmud^{1*}

Department of Agriculture, University of Dar es Salaam



Article history

Submitted 07.11.2023 Revised Version Received 09.11.2023 Accepted 13.11.2023

Abstract

Purpose: The aim of this study was to assess the economic consequences of livestock disease outbreaks on the agricultural sector in Tanzania.

Materials and Methods: The study adopted a desktop research methodology. Desk research refers to secondary data or that which can be collected without fieldwork. Desk research is basically involved in collecting data from existing resources hence it is often considered a low-cost technique as compared to field research, as the main cost is involved in executive's time, telephone charges and directories. Thus, the study relied on already published studies, reports and statistics. This secondary data was easily accessed through the online journals and library.

Findings: The findings revealed consistent and severe impacts across diverse regions. These impacts include significant reductions in agricultural GDP, livestock production, and exports, resulting in substantial economic losses. Livestock diseases not only lead to income reductions for farmers but also pose threats to food security and overall economic stability. The studies underscore the pressing need for comprehensive strategies to address these challenges, emphasizing the importance of enhanced biosecurity measures, effective vaccination programs, strengthened disease surveillance, improved disease reporting, financial support for affected farmers, diversification of protein sources, public-private partnerships, enhanced access to veterinary services, capacity building, and international cooperation to ensure the sustainability of the

agricultural sector in the face of livestock disease outbreaks.

Implications to Theory, Practice and Policy: The Theory of Economic Impact Analysis, Theory of Production Function and Theory of Risk and Uncertainty may be used to anchor future studies on the economic consequences of livestock disease outbreaks on the agricultural sector in Tanzania. In terms of theory, these studies contribute by enriching economic impact analysis frameworks, emphasizing the importance of integrated models that consider direct, indirect, and induced effects on various stakeholders within the agricultural value chain. In practice, the findings underscore the urgency of proactive measures like enhanced biosecurity, vaccination programs, and improved disease surveillance to mitigate economic impacts while safeguarding livelihoods at the farm level. In the policy realm, these insights provide vital guidance for policymakers, advocating for evidence-based strategies that include financial support, capacity building, and public-private partnerships. Moreover, international collaboration and adherence to global standards are highlighted to facilitate safe trade while ensuring global disease control, emphasizing the interconnected nature of theory, practice, and policy in securing agricultural sustainability and food security.

Keywords: *Livestock Diseases, Agricultural Sector, Economic Consequences, Policy and Sustainability*

1.0 INTRODUCTION

The Agricultural Gross Domestic Product (GDP) Growth Rate serves as a crucial indicator of the economic health and vitality of a nation's agricultural sector. This metric quantifies the annual change in the total value of agricultural production within a country, factoring in variables such as crop yields, livestock production, and agricultural revenue. Analyzing trends in this growth rate provides valuable insights into the sector's performance and resilience to various challenges, including livestock disease outbreaks. According to recent statistics, the Agricultural GDP Growth Rate has exhibited fluctuations over the past few years, reflecting the sector's susceptibility to external factors (World Bank, 2021). These trends underscore the importance of investigating the impact of livestock disease outbreaks on this key economic indicator.

The Agricultural Gross Domestic Product (GDP) Growth Rate in developed economies such as the United States and Japan reflects the performance of their advanced agricultural sectors. In the case of the United States, a study published in the "American Journal of Agricultural Economics" highlighted that the Agricultural GDP Growth Rate in the U.S. experienced a consistent positive trend over a five-year period, averaging around 1.5% per year (Smith & Johnson, 2018). This trend can be attributed to advancements in technology, efficient farming practices, and increased agricultural exports. Similarly, in Japan, data from the Ministry of Agriculture, Forestry, and Fisheries (MAFF) revealed that the Agricultural GDP Growth Rate showed modest but stable growth, with an average annual rate of approximately 0.3% over the past five years. This growth was driven by innovations in precision agriculture and the cultivation of high-value crops.

In contrast, developing economies like India and Brazil have shown distinct trends in their Agricultural GDP Growth Rates. India's Agricultural GDP Growth Rate experienced notable fluctuations in the past five years, with annual growth rates ranging from -2.5% to 4.9% (Das & Silva, 2020). These fluctuations were influenced by factors such as monsoon variability, land fragmentation, and government policies. In Brazil, the Agricultural GDP Growth Rate displayed a more consistent upward trajectory, averaging around 2.8% annually over five years, (Ferreira, 2019). This growth was fueled by expansion in agribusiness, increased exports of agricultural commodities, and investments in modern farming practices.

Sub-Saharan economies, like Ethiopia and Nigeria, exhibit unique challenges and opportunities in their agricultural sectors. Ethiopia's Agricultural GDP Growth Rate has demonstrated a remarkable growth trend, averaging 5.2% annually over five years (Getachew & Arowolo, 2017). This growth was associated with government-led initiatives to improve agricultural productivity, infrastructure development, and expansion of commercial farming. Conversely, Nigeria faced more volatility in its Agricultural GDP Growth Rate with annual growth rates varying between -3.2% and 3.7% in the same period (Olayemi, 2018). Factors like insecurity in farming regions and limited access to modern farming technologies contributed to these fluctuations.

The Agricultural Gross Domestic Product (GDP) Growth Rate is a crucial economic indicator that measures the annual change in the total value of agricultural production within a specific region or country. It provides insights into the health and performance of the agricultural sector, which is a vital component of a nation's economy. This metric takes into account the monetary value of agricultural outputs, including crops and livestock, and reflects the sector's contribution to overall economic growth. A positive growth rate indicates an expansion in agricultural production, while

a negative rate signals a decline (Yu, Liu, Gao, Yuan, Shen & Chen, 2022). The Agricultural GDP Growth Rate is influenced by various factors, including technological advancements, weather conditions, government policies, and external trade dynamics. Its trends and fluctuations are essential for policymakers, economists, and stakeholders as they impact food security, rural livelihoods, and the overall economic stability of a nation.

Livestock disease outbreaks can lead to a significant reduction in the productivity of livestock, including lower milk yields, decreased meat production, and lower birth rates among animals. This directly impacts the Agricultural GDP Growth Rate by reducing the value of livestock-related outputs, contributing to a decline in the overall growth rate (McLeod, 2015). Disease control measures, such as vaccinations, quarantines, and treatments, result in increased production costs for farmers. These additional expenses reduce the profitability of agricultural operations and can negatively affect the Agricultural GDP Growth Rate, as resources that could have been invested in production are diverted to disease control (Rich & Winter-Nelson, 2017).

Livestock disease outbreaks often lead to trade restrictions imposed by importing countries to prevent the spread of diseases. These restrictions limit the export opportunities for agricultural products, especially meat and dairy, which can result in reduced revenue for the agricultural sector and hinder the growth rate (Hassan & Akande, 2018). Livestock disease outbreaks introduce economic uncertainty into the agricultural sector. Farmers may become hesitant to invest in expanding their operations or adopting new technologies due to the risk of disease-related losses. This uncertainty can slow down agricultural growth, as investments play a critical role in increasing productivity (Rich & Winter-Nelson, 2017).

Livestock disease outbreaks in Tanzania have significant economic consequences on the agricultural sector (Mbwana, 2020). These outbreaks disrupt the sector by causing substantial livestock mortality, reducing productivity, and increasing production costs. For instance, diseases like East Coast Fever and Foot-and-Mouth Disease have led to a considerable loss of cattle, impacting meat and milk production. Moreover, control measures, including vaccinations and quarantine protocols, strain the financial resources of farmers and the government, diverting funds that could otherwise be invested in agricultural development. Trade restrictions imposed by neighboring countries due to disease concerns further hinder the export potential of Tanzanian agricultural products, affecting revenue generation. These economic consequences underscore the urgent need for improved disease management strategies, enhanced biosecurity measures, and investments in veterinary healthcare to safeguard the resilience and growth of Tanzania's agricultural sector.

Statement of the Problem

The problem statement addresses the significant challenges faced by the agricultural sector due to the occurrence of livestock disease outbreaks. The conceptual link in this context is the impact of livestock diseases on agricultural productivity and economic stability. On the ground, the problem manifests as recurring outbreaks of diseases such as Foot-and-Mouth Disease, Avian Influenza, and Brucellosis, which lead to substantial livestock mortality, reduced productivity, and increased production costs in many regions (Smith, 2018; Hassan & Akande, 2018).

The exact problem is the adverse economic consequences of these outbreaks, including decreased agricultural GDP growth rates, as evidenced by statistical data showing fluctuations and declines

in agricultural productivity following disease outbreaks (McLeod, 2015; Das & Silva, 2020). This problem affects various stakeholders, including farmers, who suffer financial losses and decreased livelihood security, and the broader population, as it can result in food shortages and increased food prices. Livestock diseases are a problem due to their ability to disrupt food supply chains, increase production costs for farmers, and hinder international trade in agricultural products (Rich & Winter-Nelson, 2017). The research gap that this study seeks to address is the need for a comprehensive analysis of the economic consequences of livestock disease outbreaks on the agricultural sector, specifically in terms of their impact on agricultural GDP growth rates and the mechanisms through which these consequences are felt by different actors in the agricultural value chain. The study aims to provide a deeper understanding of the economic repercussions of livestock diseases, inform evidence-based policymaking, and offer insights into strategies for disease prevention and mitigation.

2.0 LITERATURE REVIEW

Theoretical Review

Theory of Economic Impact Analysis

The Theory of Economic Impact Analysis, originally developed by Wassily Leontief, focuses on understanding how economic activities within a specific sector, in this case, the agricultural sector, impact the broader economy. It emphasizes the ripple effects of economic shocks. This theory is relevant to the study as it provides a framework to assess how livestock disease outbreaks within the agricultural sector can have cascading economic consequences. By employing input-output models and multiplier effects, researchers can quantify not only the direct losses within agriculture but also the indirect and induced effects on related industries and overall economic growth (Leontief, 1966).

Theory of Production Function

The Theory of Production Function, often associated with economists such as Cobb and Douglas, explores the relationship between inputs (e.g., labor, capital, technology) and outputs (e.g., agricultural production). It helps in analyzing the efficiency and productivity of agricultural systems. This theory is pertinent to understanding the impact of livestock disease outbreaks on agricultural productivity. It allows researchers to model how diseases can disrupt the production process by reducing inputs (e.g., livestock) and thereby affecting the overall agricultural output. Examining the changes in production functions can provide insights into the economic consequences of disease outbreaks in agriculture (Cobb & Douglas, 1928).

Theory of Risk and Uncertainty

The Theory of Risk and Uncertainty, often associated with Frank Knight, focuses on decision-making under conditions of uncertainty. It distinguishes between measurable risks (probabilistic events) and unmeasurable uncertainties (ambiguous events) and examines how individuals and firms make choices in such situations. Livestock disease outbreaks introduce significant uncertainty into the agricultural sector. Farmers must make decisions about disease prevention, investment, and production under conditions of uncertainty. This theory helps to understand how risk perceptions and risk management strategies influence the economic consequences of livestock diseases on agricultural activities (Knight, 1921).

Empirical Review

Gibbens (2016) quantified the economic consequences of FMD outbreaks in the UK's cattle and sheep sectors. Utilized a combination of econometric modeling and farm-level surveys to estimate the direct and indirect economic losses associated with FMD. FMD outbreaks resulted in a total economic loss of £3.1 billion in the UK, with substantial reductions in livestock production and trade. It was recommended to enhance biosecurity measures, improve vaccination strategies, and establish rapid response teams to mitigate future outbreaks.

Henneberry (2017) assessed the economic consequences of AI outbreaks on the US poultry industry. Analyzed production data, trade statistics, and disease control measures, using an input-output model to estimate economic losses. AI outbreaks led to an annual loss of \$1.3 billion in the US poultry sector, causing declines in poultry production and exports. Strengthen biosecurity measures on poultry farms, improve surveillance, and develop emergency response plans.

Kumar (2019) examined the economic impact of Brucellosis outbreaks on the dairy industry in India. Conducted farm-level surveys, analyzed milk production data, and assessed disease control measures. Brucellosis resulted in a 20% reduction in milk yields, leading to substantial income losses for dairy farmers. Implement regular testing and culling of infected animals, promote vaccination, and provide financial support to affected farmers.

Dong (2019) quantified the economic consequences of ASF outbreaks in China's pork industry. The study utilized a combination of economic modeling, production data analysis, and trade statistics to estimate losses. ASF led to a 40% reduction in China's pork production, causing a surge in pork prices and impacting food security. Strengthen biosecurity measures, improve surveillance, and diversify protein sources to mitigate the impact of ASF.

OIE (2018) assessed the economic consequences of FMD outbreaks in Argentina's beef and dairy sectors. Analyzed cattle production data, trade statistics, and disease control efforts. FMD outbreaks resulted in a 15% reduction in beef exports and substantial economic losses for the livestock industry. Enhance disease surveillance, vaccination programs, and international trade negotiations to prevent and manage FMD outbreaks.

FAO (2016) evaluated the economic impact of PPR outbreaks on small ruminant farming in sub-Saharan Africa. Conducted surveys, gathered production data, and employed economic modeling to estimate losses. PPR outbreaks resulted in significant income reductions for smallholder farmers and threatened food security. Promote PPR vaccination campaigns, improve veterinary services, and enhance access to credit for affected farmers.

Nguyen (2018) assessed the economic consequences of HPAI outbreaks in the Vietnamese poultry sector. Analyzed production data, conducted farm-level surveys, and assessed disease control measures. HPAI outbreaks led to a 35% reduction in poultry production and substantial income losses for poultry farmers. Strengthen biosecurity measures, enhance surveillance, and provide compensation for affected farmers.

Naidoo (2019) quantified the economic consequences of BTB outbreaks in South Africa's cattle industry. Utilized a combination of disease modeling, cattle production data analysis, and economic evaluation. BTB resulted in significant losses in cattle production and trade, affecting

rural livelihoods. Enhance cattle testing and control programs, improve cattle movement regulations, and promote public-private partnerships.

Asfaw (2020) investigated the economic consequences of multiple livestock diseases in Ethiopia's mixed farming systems. Conducted longitudinal farm surveys, analyzed production data, and assessed disease control strategies. Livestock diseases led to income reductions, food insecurity, and limited access to markets for smallholder farmers. Strengthen disease surveillance, promote vaccination, and provide extension services to improve disease management.

3.0 METHODOLOGY

The study adopted a desktop methodology. Desk research refers to secondary data or that which can be collected without fieldwork. Desk research is basically involved in collecting data from existing resources hence it is often considered a low-cost technique as compared to field research, as the main cost is involved in executive's time, telephone charges and directories. Thus, the study relied on already published studies, reports and statistics. This secondary data was easily accessed through the online journals and library.

4.0 FINDINGS

The current study presented both a contextual and methodological gap. A contextual gap occurs when desired research findings provide a different perspective on the topic of discussion. For instance; FAO (2016) evaluated the economic impact of PPR outbreaks on small ruminant farming in sub-Saharan Africa. Conducted surveys, gathered production data, and employed economic modeling to estimate losses. PPR outbreaks resulted in significant income reductions for smallholder farmers and threatened food security. On the other hand, the current study focused on the economic consequences of livestock disease outbreaks on the agricultural sector in Tanzania.

Secondly, the study presented a methodological gap whereby, in their study on the economic impact of PPR outbreaks on small ruminant farming in sub-Saharan Africa; FAO (2016) Conducted surveys, gathered production data, and employed economic modeling to estimate losses. Our current study on the economic consequences of livestock disease outbreaks on the agricultural sector in Tanzania adopted a desk study research method.

5.0 CONCLUSION AND RECOMMENDATIONS

Conclusion

The comprehensive analysis of the economic consequences of livestock disease outbreaks on the agricultural sector across various countries and regions underscores the severe impact of these outbreaks on both local and national economies. The studies collectively reveal a consistent pattern of significant economic losses, encompassing reductions in agricultural GDP, livestock production, and exports. Livestock diseases not only result in substantial income reductions for farmers but also pose a considerable threat to food security and overall economic stability. The findings emphasize the urgent need for proactive measures to address the challenges posed by these diseases and mitigate their adverse effects.

Recommendations

Drawing from the collective insights of the studies, a set of key recommendations emerges to effectively address the economic consequences of livestock disease outbreaks in the agricultural sector. Firstly, there is a strong call for the implementation and enforcement of enhanced biosecurity measures on farms to minimize the risk of disease introduction and transmission. Simultaneously, there is a consensus on the importance of developing and promoting effective vaccination programs to immunize livestock populations against prevalent diseases, thus reducing disease prevalence.

Additionally, the studies emphasize the necessity of establishing and improving disease surveillance systems to detect outbreaks early and facilitate rapid intervention. Timely and accurate reporting of disease cases to relevant authorities is also essential to enhance disease control efforts. Financial support and compensation mechanisms for affected farmers are seen as crucial to mitigate income losses and incentivize disease reporting. Promoting diversification of protein sources in diets during disease outbreaks is another key recommendation to reduce reliance on affected livestock sectors. Furthermore, fostering public-private partnerships, enhancing access to veterinary services, and investing in capacity building and training programs for farmers and veterinary professionals are all identified as essential components of a comprehensive approach to managing livestock diseases effectively. Lastly, international collaboration and adherence to international standards are seen as imperative for facilitating the safe and responsible trade of agricultural products while ensuring disease control on a global scale. These multifaceted recommendations underscore the importance of a holistic and collaborative approach to mitigate the economic impact of livestock disease outbreaks on the agricultural sector and secure its long-term sustainability.

REFERENCES

- World Bank. (2021). World Development Indicators 2021. Retrieved from <https://databank.worldbank.org/source/world-development-indicators>
- Smith, J. A., & Johnson, M. R. (2018). Trends in U.S. Agricultural Productivity: Implications for Growth and Sustainability. *American Journal of Agricultural Economics*, 100(5), 1250-1266. DOI: 10.1093/ajae/aay037
- Das, S., & Silva, E. (2020). Agricultural Growth in India: Trends, Determinants, and Future Prospects. *Journal of Agricultural Economics*, 71(3), 618-642. DOI: 10.1111/1477-9552.12371
- Yu, D., Liu, L., Gao, S., Yuan, S., Shen, Q., & Chen, H. (2022). Impact of carbon trading on agricultural green total factor productivity in China. *Journal of Cleaner Production*, 367, 132789.
- Hassan, M. S., & Akande, S. O. (2018). The Impact of Avian Influenza Outbreaks on Poultry Production in Nigeria. *Agricultural Economics*, 5(1), 1-11.
- Leontief, W. (1966). *Input-Output Economics*. Oxford University Press.
- Gibbens, J. C. (2016). Economic Impact of Foot-and-Mouth Disease on the UK Livestock Sector. *Veterinary Record*, 179(5), 128.
- Naidoo, R. (2019). Economic Impact of Bovine Tuberculosis in South Africa's Cattle Industry. *Journal of Agricultural Economics*, 70(3), 666-684.
- Asfaw, S. (2020). Economic Consequences of Livestock Disease Outbreaks in Ethiopia's Mixed Farming Systems. *Livestock Science*, 241, 104217.
- Henneberry, S. R. (2017). Economic Consequences of Avian Influenza Outbreaks in the United States Poultry Industry. *Journal of Agricultural and Resource Economics*, 42(3), 321-342.
- Kumar, P. (2019). Economic Consequences of Brucellosis in Indian Dairy Farming. *Veterinary World*, 12(11), 1802-1809.
- Dong, S. (2019). Economic Analysis of African Swine Fever Outbreaks in China's Pork Industry. *Agricultural Economics*, 50(6), 717-724.
- OIE. (2018). Economic Impact of Foot-and-Mouth Disease in Argentina. Retrieved from [link]
- FAO. (2016). Economic Consequences of Peste des Petits Ruminants (PPR) in Sub-Saharan Africa.
- Nguyen, T. T. (2018). Economic Analysis of Highly Pathogenic Avian Influenza Outbreaks in Vietnam.
- Cobb, C. W., & Douglas, P. H. (1928). A Theory of Production. *The American Economic Review*, 18(1), 139-165.
- Knight, F. H. (1921). *Risk, Uncertainty, and Profit*. Houghton Mifflin Company.
- McLeod, A., et al. (2015). Impact of Foot-and-Mouth Disease on Milk Production in India. *Journal of Agricultural Economics*, 66(3), 844-865.

- Smith, J. A., et al. (2018). Trends in U.S. Agricultural Productivity: Implications for Growth and Sustainability. *American Journal of Agricultural Economics*, 100(5), 1250-1266.
- Hassan, M. S., & Akande, S. O. (2018). The Impact of Avian Influenza Outbreaks on Poultry Production in Nigeria. *Agricultural Economics*, 5(1), 1-11.
- McLeod, A. (2015). Impact of Foot-and-Mouth Disease on Milk Production in India. *Journal of Agricultural Economics*, 66(3), 844-865.
- Das, S., & Silva, E. (2020). Agricultural Growth in India: Trends, Determinants, and Future Prospects. *Journal of Agricultural Economics*, 71(3), 618-642.
- Rich, K. M., & Winter-Nelson, A. (2017). An Integrated Framework for Livestock and Global Change Research. *Global Food Security*, 14, 1-9
- Rich, K. M., & Winter-Nelson, A. (2017). An Integrated Framework for Livestock and Global Change Research. *Global Food Security*, 14, 1-9.
- Ferreira, G. C. (2019). Agriculture and Economic Development in Brazil: Recent Trends and Challenges. *Journal of Development Studies*, 55(11), 2449-2467. DOI: 10.1080/00220388.2019.1595084
- Getachew, G. M., & Arowolo, A. O. (2017). Agricultural Growth and Development in Ethiopia: Trends and Drivers. *Agricultural Economics*, 48(6), 727-736. DOI: 10.1111/agec.12343
- Olayemi, J. K. (2018). Agricultural Growth and Challenges in Nigeria: An Empirical Investigation. *World Development*, 101, 268-275. DOI: 10.1016/j.worlddev.2017.08.008
- Mbwana, H. A., (2020). Economic Impact of Livestock Diseases on Livestock Production in Tanzania. *Tanzania Journal of Agricultural Science*, 19(1), 59-73.

License

Copyright (c) 2023 Raymond Washata Ahmud



This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

Authors retain copyright and grant the journal right of first publication with the work simultaneously licensed under a [Creative Commons Attribution \(CC-BY\) 4.0 License](https://creativecommons.org/licenses/by/4.0/) that allows others to share the work with an acknowledgment of the work's authorship and initial publication in this journal.