



Livestock Production and the Rural Poor in Andhra Pradesh and Orissa States, India

Robin L. Turner

EXECUTIVE SUMMARY

This paper analyzes the political economy of the livestock sector in two Indian states, Andhra Pradesh and Orissa. The aim is to identify politically feasible interventions that could have broad positive effects on poor rural livestock producers in these states. To that end, the paper assesses the relationship between land, livestock, and poverty, describes the organization of the sector, and analyzes the political and bureaucratic interests shaping livestock policy.

A review of available data on livestock ownership, land, and poverty shows that sectoral interventions must be carefully tailored to have pro-poor effects. Although livestock holdings are widely distributed in Andhra Pradesh and Orissa, as elsewhere in India, land ownership and livestock holdings are correlated. Poor livestock producers tend to own little or no land; these producers are often of low social status as well. Smallholders and landless households differ from other households in the mix of animals that they own and their means of supporting these animals. Poor livestock producers own fewer large ruminants (cows and buffaloes); they are more likely to possess small ruminants (goats and sheep) and backyard poultry. Poor producers are also more heavily dependent on common property resources—village pastures, water tanks, and local forests—for the feed and fodder their animals need.

The distribution of benefits from sectoral interventions is shaped by these factors. The impact of a dairy sector intervention will depend upon the resources required to benefit from it; poor producers are unlikely to benefit from an intervention that requires land or financial resources. For example, improvements in the functioning of dairy cooperatives benefit all producers who own dairy animals. Provision of fodder seeds, on the other hand, is likely to benefit only those with arable land in which to sow the seeds. Measures that improve common resources or focus on small ruminants are likely to benefit poor producers.

Livestock policy options are constrained by the broader political context. Because livestock producers are not an organized political lobby, policy in this area is shaped by broad policy trends and the agendas of more organized groups. Historically, livestock sector policy has focused on large ruminants and the state has sought to deliver necessary supportive services. This approach follows from the high political salience of Hindu nationalism and a deeply embedded statist approach to policy in the post-Independence period. Hindu nationalist groups have encouraged emphasis on vegetarian-friendly livestock policies—promote dairy rather than meat—and placed constraints on cow slaughter. Statist beliefs led the state to view provision of animal health and breeding services as a state responsibility and facilitated direct intervention in the cooperative sector. Recent sector reform policies reflect the broad ideological shift towards liberalism of the last decade. Reforms have opened the formal dairy market to private companies and imposed user charges for health services. Reformers also seek to reduce government involvement in cooperatives and propose to privatize veterinary practice. Such reforms place greater faith in the ability of the market to allocate services and goods. It is argued that reform implementation will be shaped by interested actors, such as state-employed veterinarians, as well as market forces. Other policy trends, such as

forest closure and decentralization, have affected the livestock sector. All of these reforms will affect poor livestock producers—the paper discusses the likely effect of each reform—, but livestock producers have played little role in their development. However, those cases in which livestock sector actors have organized, as in the case of sheep and goat rearers in Andhra Pradesh and dairy cooperative sector leaders at the national level, demonstrate that actors can influence the content and implementation of sector policy within the broad constraints set by the political context.

Based on this analysis, the paper discusses several options for strategic intervention in the livestock sector. The interventions with the greatest potential are the following. One, actors can seek to improve producers' capacity to articulate and advocate their interests. Two, actors can seek to increase access to shared resources such as forests and pastures. Three, actors can encourage pro-poor implementation of animal health service reforms. Four, actors can advocate further liberalization of the dairy sector. Five, actors can support small ruminant production by improving feed and fodder and conducting research on commodity chains and breeding.