

Small ruminant production in the world

On a world scale the position of small ruminant production within the livestock sector as a whole is a relatively modest one. The average number of sheep/goats is 36 per 100 inhabitants, i.e. 6 LU¹, whereas for cattle it is 29 per 100 inhabitants. Small ruminants primarily consist of sheep, which account for two thirds of the world total and 95% of small ruminants in developed countries. Distribution between developing and developed countries is similar to that for cattle, two thirds being found in the former and one third in the latter. However, there are only two areas in the world where sheep and goat production has any real significance in comparison with the human population or with cattle production. These two areas are the Mediterranean and Australia/ New Zealand. It also plays a fairly important part in non-Mediterranean African countries, but is only a very small sector throughout most of the industrialized world.

1. One livestock unit (LU) equals six sheep or goats.

The traditional production areas of Africa, the Mediterranean and the Middle East contain over 42% of the world flock, while the USSR accounts for 10%. The average number of sheep and goats in these areas is 70 per 100 inhabitants or even 76 if Egypt, which possesses only small numbers, is left out. This figure is already double the world average, but it rises to over 130 in most Mediterranean countries: North Africa, Greece, Bulgaria, Turkey and Syria, as well as in Iraq and Iran. Australia and New Zealand together with South America (especially Argentina and Uruguay) form a second major sphere of production, more recent in origin and now accounting for 20% of the world flock. Australia and New Zealand contain 192 million sheep, i.e. 13% of the world flock, or 870 sheep per 100 inhabitants. Together they form the largest small ruminant producer in the world. In Europe, the United Kingdom together with Ireland has been, and still is a fairly important producer of sheep, with a flock of 33 million, amounting to 56 sheep per 100 inhabitants. The rest of the world flock is found mostly in India and the Far East. However, in these areas small ruminant production plays a relatively minor role when compared with the size of their human population.

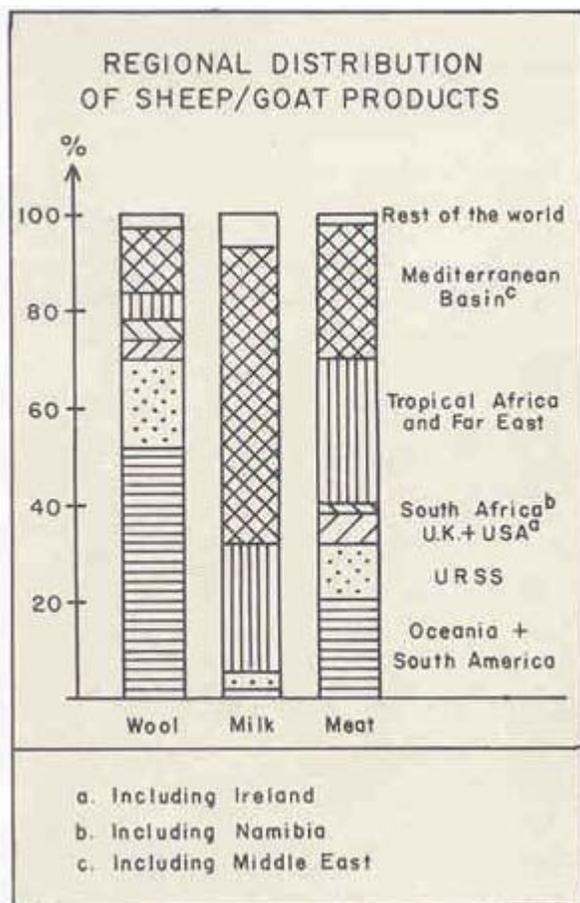
Livestock distribution in the world — 1978—

Zones ^a	Sheep/goat flock		World percentage	
	Total (millions)	Per 100 inhabitants	Sheep/goats	Cattle
Oceania	192	870	13	3
Mediterranean Basin and Middle East	360	70	25	8
Africa south of Sahara	255	71	17	13
USSR	147	56	10	9
Great Britain+ Ireland	33	56	2	2
South America	122	53	8	18
India and Far East	331	15	22	26
Rest of Europe	16	12	1	6
North America	34	10	2	15
Total	1,490	36	100	100

a. Zones ranked according to sheep and goat numbers/100 inhabitants.
 Source: Ref. 21

Leaving aside the skin trade, sheep and goat production has a threefold purpose: the production of meat, milk and wool. However, these three production aims vary in significance. In Britain and the USA meat products account for 80% of produce from sheep, excluding skins, while the balance consists almost entirely of wool. In Australia and New Zealand, South America, South Africa and the USSR sheep production is also oriented towards meat and wool. However, in these areas wool production tends to dominate. In Australia, where most of the world's Merino sheep are found, wool accounts for some 60% of earnings from sheep production. Although the emphasis on Wool is a little less pronounced in South America and in New Zealand, which has diversified into lamb for export to the United Kingdom², it nonetheless remains an important sector, representing some 40% of overall earnings. In fact, the wool production of Australia, New Zealand and the large-scale South American producers accounts for over 50% of world output. For these various countries it is thus the primary production objective.

2. Primarily by developing dual purpose breeds for wool and meat production, such as the Corriedale.



Source: Ref. 21

By contrast, small ruminant production in tropical Africa and the Far East is almost entirely oriented towards meat and milk. Wool production in tropical Africa is negligible, barely exceeding 1% of world output. In other parts of the world small ruminant production generally

has a threefold objective—meat, milk and wool—but in the Mediterranean, which accounts for over 60% of world output of sheep, and goat milk, milk production, which is usually processed into cheese, plays an appreciably greater role than it does elsewhere. Wool, on the other hand, plays a minor part.

Meat production, which is globally the most important of the three, is more evenly distributed throughout the various production areas. In most developing countries, including those of Latin America, meat is produced almost entirely for local consumption, giving rise to only a small amount of trade. The sharp rise in consumption in the oil countries of the Middle East has nevertheless in recent years given rise to a considerable flow of imports into this traditional production area.

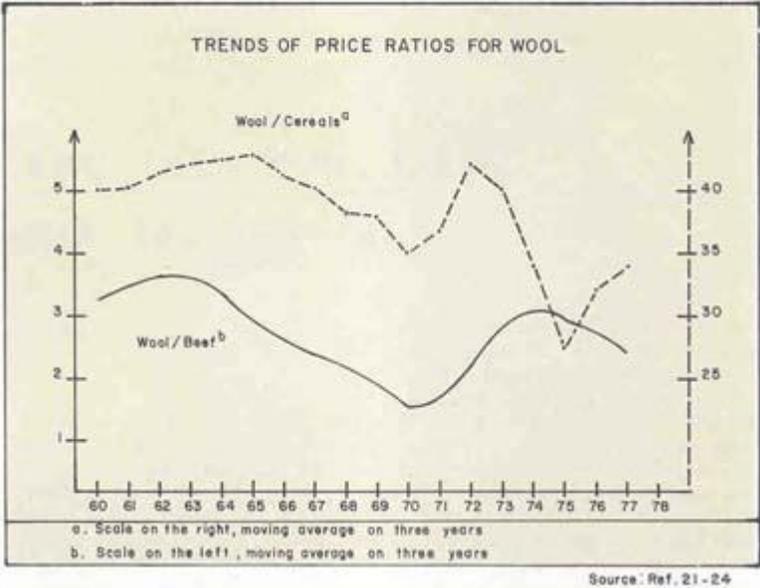
In industrialized countries the consumption of mutton and lamb is negligible in relation to the overall consumption of meat. Nevertheless, the United Kingdom, where sheep production has always played an important part, is an exception. Britain's policy of seeking cheap food supplies meant that she was able to import from Australia and New Zealand at prices very much lower than her own production costs. As a result Britain was for many years the only customer of any real size on the world market, which is almost entirely supplied by Australia and New Zealand. The emergence of Japan as a relatively important customer, although still well behind Britain, and more recently that of the Middle East, have helped to diversify sales.

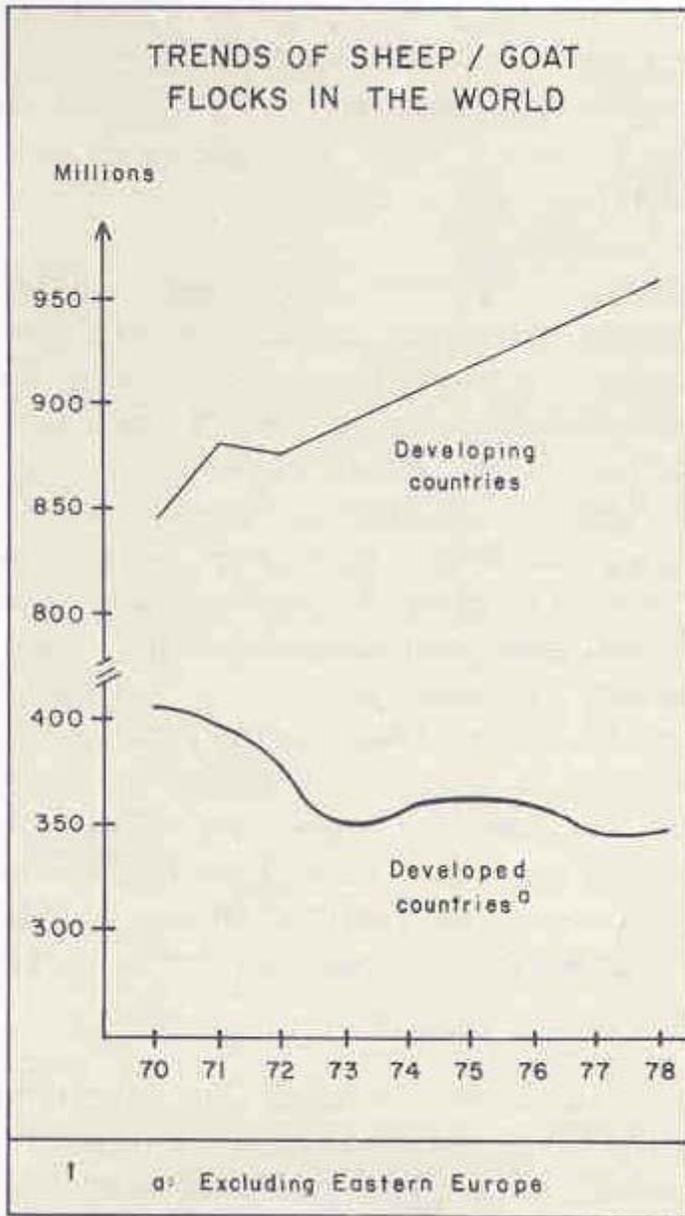
However, supplies on the world market are governed by factors which are largely unconnected with the demand for meat, owing to the importance of wool production in the large-scale exporting countries. The fall in wool prices at the end of the 1960s, caused by competition from synthetic fibres, led to deteriorating wool/beef and wool/cereals price ratios, enticing producers, especially in Australia, away from sheep towards cattle or cereal production. The shift away from sheep production, which continued in spite of the 1973 recovery of the wool market after the rise in oil prices, largely explains the sharp decline in flocks in the developed countries over the last ten years.

Outside Australia and New Zealand, sheep and goat production has also shown a declining trend in other developed countries. Flock numbers, which stood at 185 million animals in 1961–65 (excluding Eastern Europe), were no more than 155 million in 1978. The drop in numbers has been particularly pronounced in the USA, which contained only 12 million sheep in 1978, whereas numbers stood at almost 60 million animals at the end of the second world war. Although there has been no actual decline in real terms in Western Europe, flock numbers have stood still for over 15 years.

Various factors explain the declining trend. First, the downward trend of the wool market has deprived producers of a substantial source of income. But the most important factor is that sheep production, in all but the large-scale production areas of Australia, New Zealand and South America, continues to be managed along traditional lines, and is thus no longer compatible with the new forms of employment emerging in rural areas. Efforts to intensify husbandry systems are confronted with financial constraints, since sheep production requires a high labour input and thus faces competition from production alternatives such as pork, poultry or dairy production, where considerable advances have been made in terms of yields and labour productivity. It therefore tends to play an increasingly marginal role in agriculture, while at the same time high production costs act as a disincentive to the consumption of mutton and lamb, which are increasingly becoming luxury commodities. This trend is the reverse of that in developing countries, where sheep and goat flocks continue to show steady growth. Small

ruminant production in these countries is sheltered from external influences and still compatible with the prevailing production conditions.





Source: Ref. 21

World meat and livestock prices in 1977.

	—in US cents/kg—		
	Beef	Mutton	Pork
Meat (c.w.)			
France	315	417	164
United Kingdom	223	207	130
Australia	57	81	124
New Zealand	64	65	110
Livestock (lw)			

Italy	134	241	–
United States	76	113	88
Canada	84	125	–

a. Wholesale prices

b. Producer prices

Source: Ref. 21