

MITIGATING CLIMATE Change with Livestock management

January 2024



Acknowledgements

Contributors

Shivangi Sharma, Arushi Bhatt, Eliza Gupta and Ayush Gupta

Review

Aparna Bhaumik, Ayushi Baloni and Vikramjeet Sharma

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Sattva Knowledge Institute (SKI), established in 2022, is our official knowledge platform at Sattva. The SKI platform aims to guide investment decisions for impact, shedding light on urgent problems and high potential solutions, so that stakeholders can build greater awareness and a bias towards concerted action. Our focus is on offering solutions over symptoms, carefully curating strong evidence-based research, and engaging decision-makers actively with our insights. Overall, **SKI aims to shift intent and action toward greater impact by influencing leaders with knowledge.** All of our content proactively leverages the capabilities, experience and proprietary data from across Sattva.

Editing: Anagha Wankhede and Pragati Priya | Design: Usha Sondhi Kundu; cognitive.designs@gmail.com

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EXECUTIVE SUMMARY



Livestock activities play a crucial role, contributing **40% to the global agricultural GDP** and holding immense significance in bolstering farmers' income, facilitating global exports, and ensuring food security. They also contribute to improved nutrition by serving as a reliable source of essential nutrients and protein. However, despite their substantial contribution to economic growth, livestock activities have been identified as a major source of negative climate impact, accounting for nearly **50% of greenhouse gas emissions in agriculture.** These emissions, encompassing CO₂, methane, and N₂O, arise primarily from feed production, enteric fermentation, and inadequate manure management.

Farmers in the livestock sector face challenges in adopting climate-smart practices due to factors such as expensive feed and forage, limited technology for alternative feed sources, and insufficient awareness about efficient grazing systems. Additionally, the absence of monitoring systems for animal health management and lack of public services for disease management has contributed to yearly emissions from the livestock sector. To address this, it is imperative to focus on enhancing practices related to **animal feeding**, **breeding**, **and manure processing** to reduce agricultural emissions.

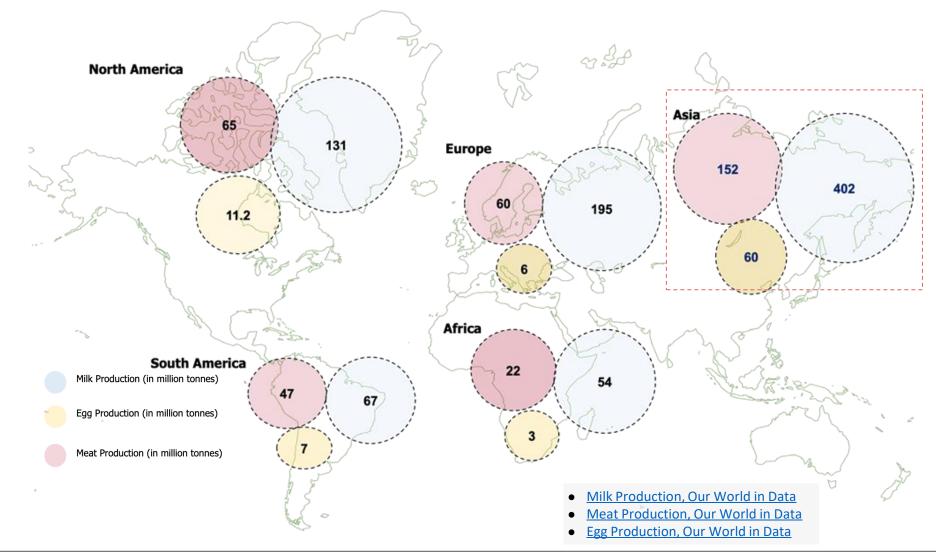
Scientific evidence and technological models can serve as catalysts in promoting sustainable practices across these three pivotal aspects. Financial incentives for farmers are also crucial in driving the adoption of climate-smart practices. Key initiatives include optimizing the use of existing feed resources through processing, preservation, and supplementation within value chains. Furthermore, implementing data evaluation and monitoring systems for animal health and disease management are essential components. A sustained and concerted effort towards climate mitigation from the government, research organisations and agribusinesses engaged in sourcing livestock products from farms directly, is required to develop climate financing models that support small farmers in embracing climate-smart practices.



LIVESTOCK: AN Economic overview

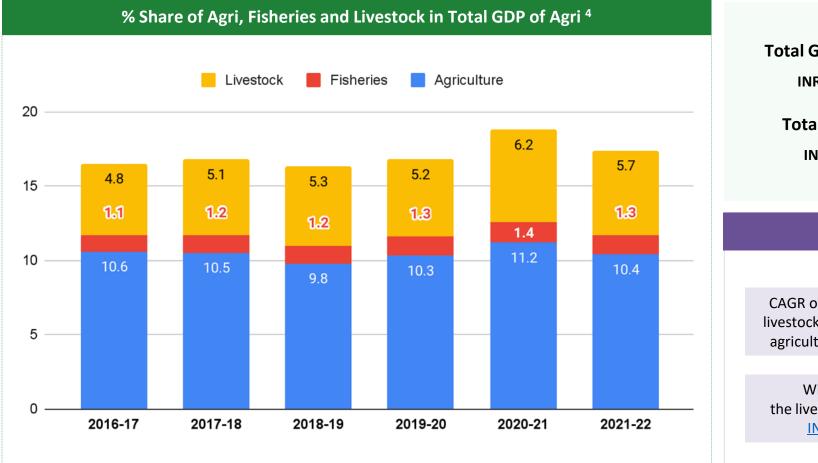


Livestock accounts for 40% of global agricultural GDP, with Asia leading in meat, dairy and poultry production



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In India, Livestock contributes almost 25% to the total agricultural GDP.



Total GDP of Agriculture in 2021-22: INR **1,960,706 Crores**

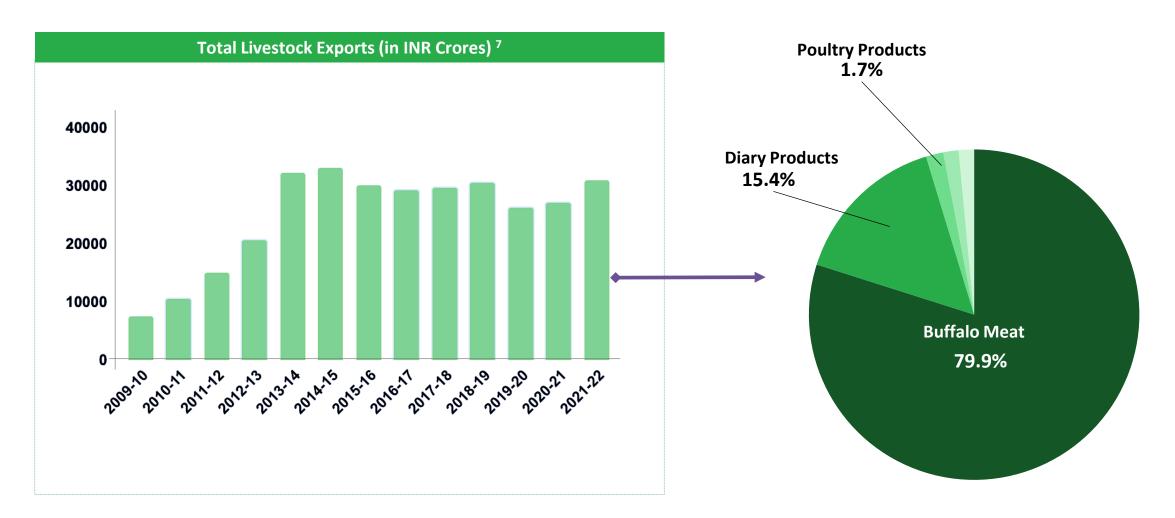
Total Livestock GDP in 2021-22: INR 6,54,937 Crores

Key Insights

CAGR of Gross Value Added added by the livestock sector stands at second-highest in agriculture and allied activities at 7.93%.⁵

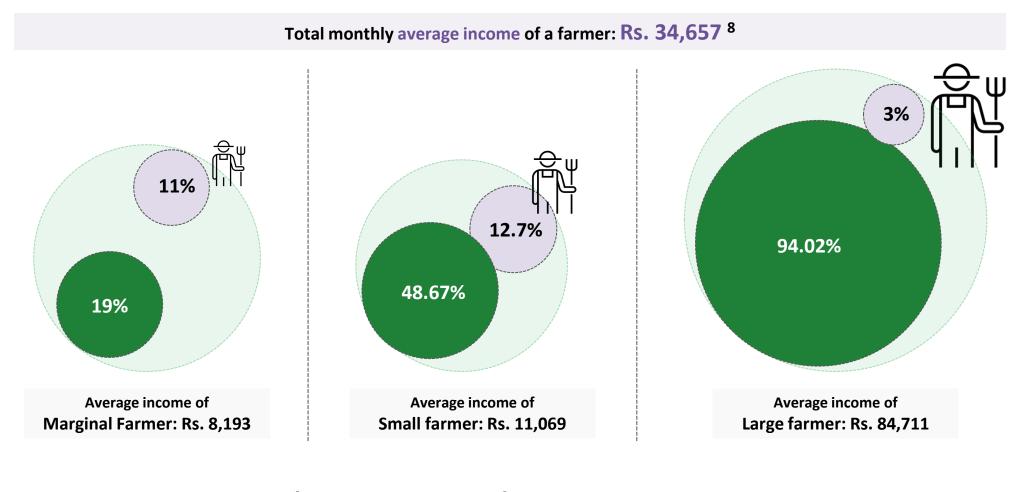
With the current progress rate, the livestock market is expected to reach <u>INR 1,68,300</u> crores by 2028.⁶

India's export of livestock products has increased 3x in the last decade, but slowed down in post 2019, with buffalo meat being the most exported product.





Livestock activities contribute 10% more to small farmers' monthly earnings than their contribution to monthly earning of large farmers.

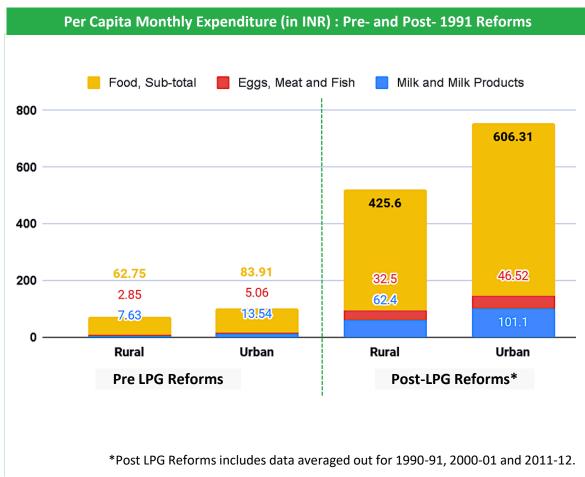


Income from Agriculture

Income from Livestock Rearing

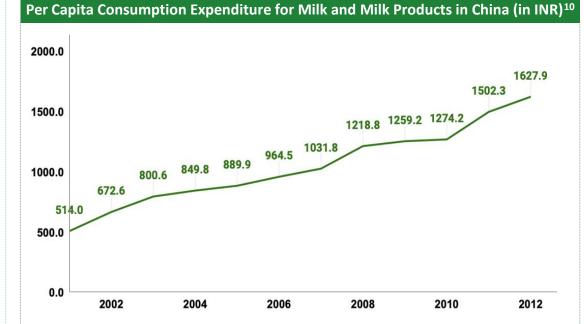


Indians spend approximately 15% of their monthly income on milk and meat-based products, while the Chinese spent 16 times as much.



The MONTHLY EXPENDITURE on milk and milk products in URBAN INDIA is ₹100, while the same in RURAL INDIA'S is ₹62.5.9

Volatility in income levels (of rural and urban India) and growth in GDP levels, has led to increased spending on meat and dairy products.

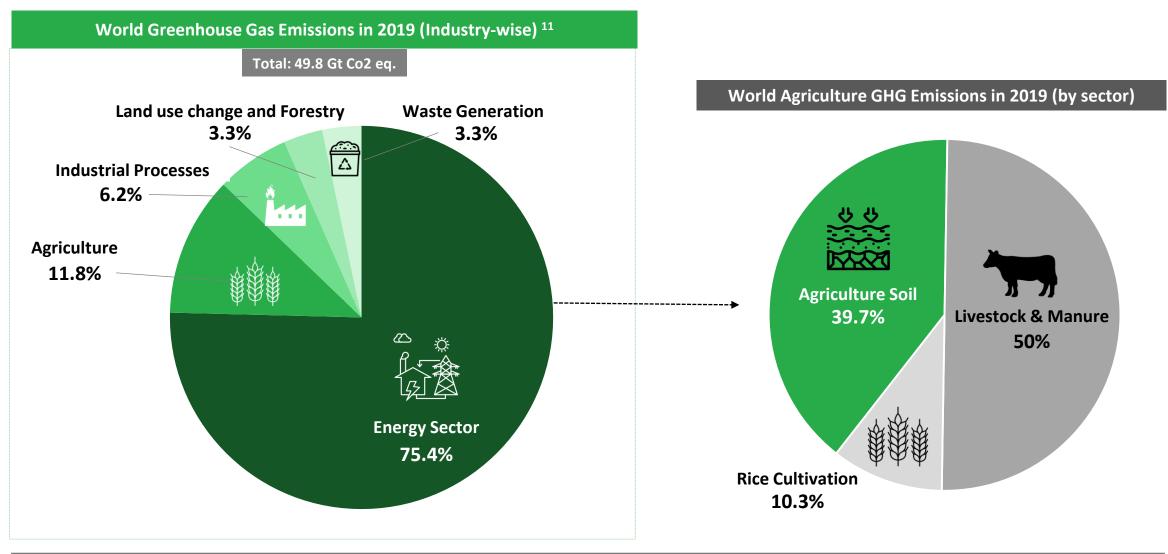


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LIVESTOCK AND CLIMATE CHANGE

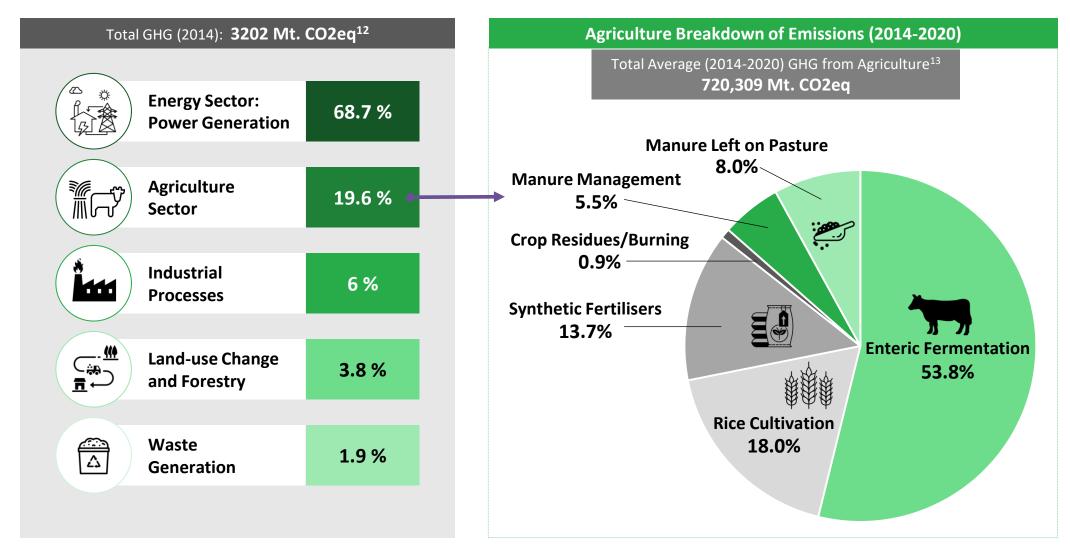


Agriculture is the second largest contributor to GHG emissions globally; 50% of GHG emissions in agriculture come from livestock and manure.





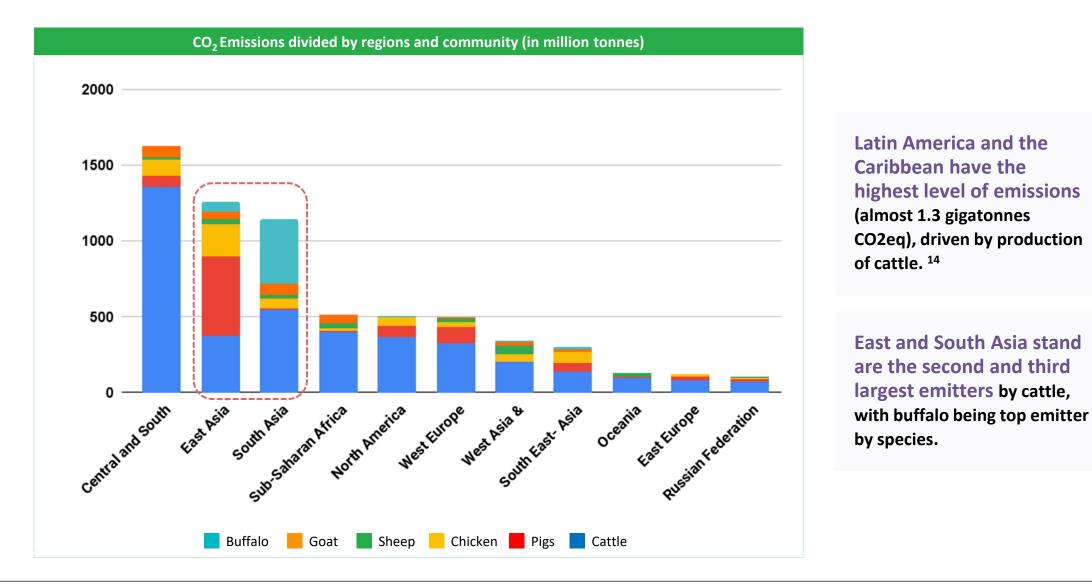
In India, agriculture is the second-largest emitter of GHG, with enteric fermentation in livestock being the leading cause.





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Asia is the top emitter of GHGs in livestock, with cattle producing the most emissions.



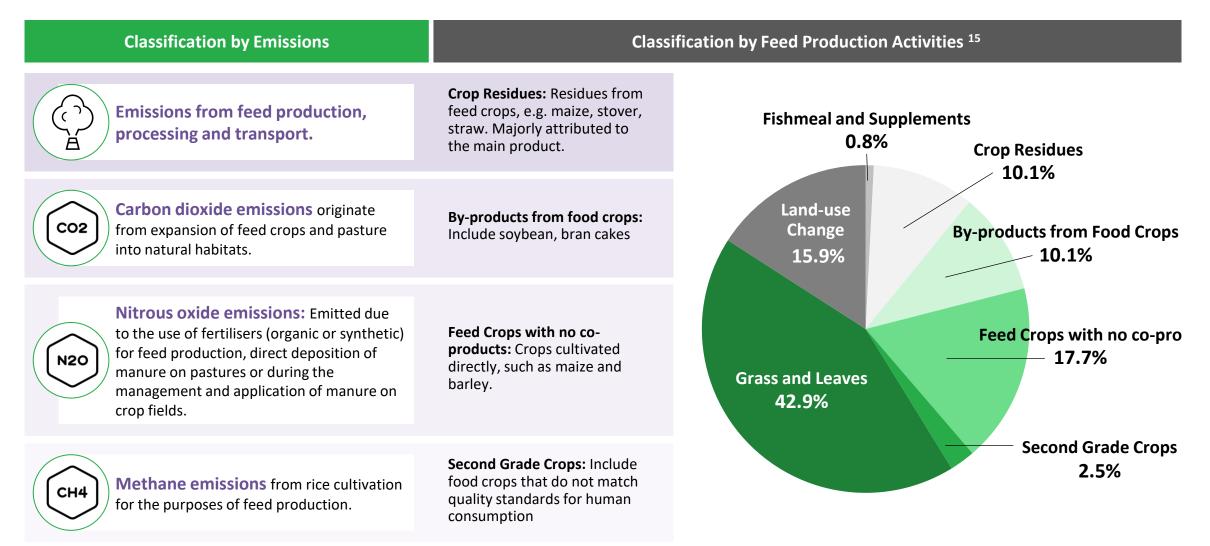
Feed production, Manure Management, and Transportation and Processing are key drivers of GHG emissions from the livestock sector.

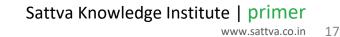
	Sources of GHG Emissions	Processes that lead to GHG Emissions			
Increasing share of GHG Emissions	Feed and Fodder Production	 Application of Synthetic Manure Crop Residue Management	 Direct Deposition of Manure by Scavenging Animals Energy use in feed transport 		
	Livestock Production	 Enteric Fermentation Direct and Indirect N₂O from manure management 	 Direct on-farm energy use for livestock (cooling, heat, ventilation etc.) 		
	Manure Management	 Transport, storage and processing of manure 			
	Transportation and Processing of Livestock*	 Transport of live animals and products to slaughter and processing facilities 	 Transport of processed products to retail point Refrigeration during processing of meat 		

*Note: Emissions are recorded in retail and agrifood systems

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Feed Production leads to almost 50% GHG emissions in the livestock sector globally.





Livestock production accounts for another 50% of GHG emissions in the livestock sector.

Classification by Emissions		Classification by Livestock Production Activities ¹⁶		
	Emissions from livestock production, manure management and energy consumption.	Enteric Fermentation: Most Polluting Emissions from enteric LIVESTOCK PRODUCTION fermentation or digestion activities cause most of the GHG emissions. Energy Consumption*		
	Methane emissions from enteric	0.1 gigatonnes Manure Storage		
Сн4	fermentation: Ruminant (cattle, buffalo, sheep, goat) and non-ruminant animals produce CH4 as part of their digestive processes.	Manure Storage and Processing: Manure contains		
CH4	Methane and N ₂ O emissions from manure management: Methane is released from anaerobic decomposition of organic material.	two chemical components: Organic matter that can lead to CH4 emissions and Nitrogen that leads to Nitrous Oxide.		
N20 C	During storage and processing, nitrogen is mostly released in the form of ammonia and later transformed into N_2O .	Energy consumption Least Polluting includes		
Coz	Carbon dioxide emissions from energy consumption: From animal production unit (from heating, ventilation etc.)	Direct emissions: Energy used in animal production unit, and Indirect emissions: Construction of animal production units Direct emissions: Construction of animal production units		
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SOLUTION PATHWAYS AND CASE STUDIES



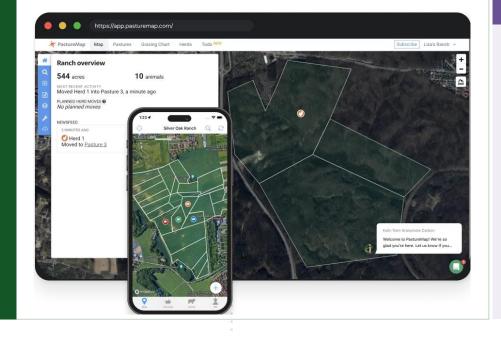
Reducing agricultural emissions will require better practices in animal feeding, breeding and manure processing.

Improving Feed Productivity		Better Animal Health Management		Manure Management		
Objectives	Provides alternative feed sources, reduces disease burdens and hence reduces GHG emissions.		 Reduces disease burden among animals; Enhances productivity in livestock products like milk, meat etc; Improved medication and vaccination to reduce cost of livestock production 		 Increases yield and hence farmers' income Leads to lower GHG emissions Improves soil quality and hence food security and farmer livelihoods 	
Impact on Emissions	Improving feed additives in beef production can reduce enteric fermentation by over 80% ^{17,18}		Total GHG emissions reduction from better breeding: 28.58% ¹⁹		Reduction of CH4 emissions by 87.42% and N2O emissions by 16.97% ²⁰	
Supporting Levers	Technology: Improved technological practices in feed production and new livestock breeding techniques	on reduc	: smart financing based ed GHG emissions to se livestock farmers	Gender: More women-led farm and SHG groups to m livestock farming		Research and innovation: In breeding, better feed production to reduce disease burden and strengthen production



Pasture Map uses technology to promote climate-smart grazing through virtual fences.

- PastureMap is a startup that developed a digital grazing management platform.²¹
- Their uniqueness rests in their ability to provide ranchers with a user-friendly mobile app that utilises GPS technology to track livestock movement and manage grazing.



Key Highlights

- Pasture Map's platform allows ranchers to create customised grazing plans, set virtual fences, and monitor livestock movement in real-time.
- It promotes rotational grazing, ensuring that animals graze on an area for a specific period before moving to a new one. Ranchers can also record data about forage conditions, animal health, and grazing history.

Impact



Helps reduce overgrazing and its associated negative impacts



Contribute to better soil health and reduces soil erosion



Contributes to carbon sequestration, making it environment-friendly



Sterile Insect Technique in Zanzibar eradicates animal disease burden, and reduces GHG emissions led by diseased livestock.

- The Sterile Insect Technique (SIT) programme was implemented between 1994 and 1997.²²
- The objective of the SIT programme was to control tsetse flies and combat trypanosomosis, a deadly disease affecting both humans and livestock.
- The SIT involved mass-producing and releasing sterilised male tsetse flies to outcompete wild males, leading to a decline in the tsetse fly population and ultimately disease eradication.



Key Highlights

- The SIT programme was a biotechnological tactic that integrated biological and engineering techniques to produce, on an industrial scale and then release, reproductively sterilised insects of the target pest.
- 2. The SIT act in an inverse densitydependent way. Sterile males became increasingly effective, with the declining pest population, in finding and mating with the remaining wild females.





Increase in cattle farmers
 from 31% in 1985 to 94%
 in 2002



Milk production nearly tripled from 1985 to 1999



30% increase in the farmers' average monthly income



Bangladesh organises farmer groups to provide veterinary services, resulting in improvement of animal health.

- The **PVS (Productivity Veterinary Service)** approach, implemented through **CDVF**, focuses on optimising herd health, management practices, and milk quality to boost smallholder dairy farmers' income.²⁴
- This involves organising farmers into groups, generating revenue through milk sales, and providing a package of on-farm activities to improve animal health, reproduction, nutrition, and overall productivity.



Key Highlights

 Establishment of a Community-based Dairy Veterinary Foundation (CDVF) to deliver productivity veterinary services to smallholder dairy farmers.

Impact



Monthly milk production increased from 75 tonnes to 360 tonnes.



Number of farms receiving PVS services increased from 150 to 2935.



Farmers' income increased from \$1 to \$19.4 per cow per month.



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Nestle implemented a climate-smart farming programme to incentivise farmers for GHG reduction.

- The Climate-smart Dairy Farming Project in Switzerland aimed to reduce GHG emissions from dairy production, particularly methane from cattle, by 10% from 2014-16 to 2020.²⁵
- It was a participatory bottom-up approach that incentivises farmers to implement GHG reduction measures through goal-oriented premium payments.



Key Highlights

- 1. A public-private partnership involving the Swiss Federal Office for Agriculture, Nestlé, and Aaremilch AG, offered farmers a range of GHG reduction measures.
- 2. Nestlé provided premium payments based on actual GHG reductions, motivating farmers to adopt climate-smart practices.

Impact



 46 pilot farms achieved substantial GHG emissions reduction.



22 million kg of milk produced using climatesmart livestock practices



Contributed significantly to SDG 13 by combating climate change

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