The Contribution of Livestock to the Sudan Economy

A recent report by IGAD (Intergovernmental Authority on Development) demonstrates the centrality of livestock to the Sudanes connection to the region's economic system (IGAD LPI Working Paper No. 01 – 12, The Contribution of Livestock to the Sudanese Economy).

The most commonly quoted measure of the importance of an economic sector or industry is the size of its contribution to the nation's gross domestic product (GDP). From this perspective, Sudan's official national accounts reveal the very significant contribution made by livestock to the country's domestic economy. Using official statistics compiled before the independence of South Sudan, livestock has in recent years consistently provided more than 40% of the national GDP value added to the agricultural sector, and is a substantially more important contributor to agricultural GDP than crop farming.

With the advent of oil production and exports in the late 1990s, the relative contribution of the agricultural sector to GDP has declined, but at no time in the last decade has the contribution of petroleum to GDP come close to exceeding the contribution of agriculture, of which livestock provides the biggest part. Livestock is by value the largest subsector of Sudan's domestic economy, larger than petroleum.

While not as large as its domestic economic contribution, livestock's share of exports is considerable; and it is growing – up from less than 10% in 1986 to just under 50% today. It would appear that the era in which crops dominated the agricultural export scene is past. Taking a balanced view of their combined domestic and export significance, official figures suggest that the livestock and crop subsectors are now relatively evenly balanced in their contribution to the Sudanese economy.

This report focuses on livestock in the Republic of Sudan primarily to the independence of South Sudan, and therefore covers what has become North and South Sudan.

The estimation of agricultural GDP in Sudan

The Ministry of Animal Resources and Fisheries (MARF) provides most of the official data on livestock production and trace the Sudan Central Bureau of Statistics (SCBS) prepares the official national accounts estimates. Sudan follows the production approach to estimating GDP, in which the goods and services produced by all categories of economic activity are summarized to arrive at total GDP. For livestock this approach involves four stages. First, national livestock populations are estimated. Second, production coefficients are applied to the livestock population estimates to generate estimates of the total output of goods such as meat, milk, butter, cheese for fuel etc. Third, based on market surveys, a monetary value expressed in Sudanese pounds – the gross value of output – is assigned to the total output of each kind of livestock product. Finally, input costs are deducted from the gross value of output to derive valued services.

The production approach followed by Sudan is a reliable method for estimating agricultural GDP. The problem in Sudan is that the accuracy of the entire calculation rests on an estimate of the size of the country's livestock population, and there has been no attempt to count the national herd since 1975.

Figure 1 presents official estimates of the numbers of livestock in Sudan from the late 20th century to the present. The numbers in Figure 1 have been generated by a variety of estimation procedures: the subjective estimates of experienced senior veterinary officers in the colonial period, an aerial survey in 1975, constant assumed rates of growth, and since the late 1980s, a herd growth and output model. Except during an extreme drought in the mid-1980s, all these estimation techniques depict an ever larger national herd, with remarkably high rates of growth in the 1990s.

Disclaimers:

Data sources that substantiate the calculations in this briefing paper are given in the original report: The Contribution of Livestock to the Sudanese Economy. This report was funded by the New Partnership for African Development (NEPAD) and the African Development Bank (AfDB). For more information, please contact: IGAD LPI Working Paper No. 01 – 12, The Contribution of Livestock to the Sudan Economy.

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