

Global Animal Health Initiative: The Way Forward
The World Bank – OIE – FAO
Washington, October 9-11/2007

Economics of Official Veterinary Services: The Case of Latin America

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Motivation (I)

- LDE's: Growth of production, consumption and trade of animal products
- Increased human and animal health concerns.
- Latin America: ¿ future directions of public policies directed towards animal health?

Motivation (II)

- Latin America – significant opportunities for OVS
 - Human population: 524 million
 - Animal population: 470 million (animal-equivalents) or 90 billion dollars
 - Exports animal products: 12 billion dollars
 - Imports animal products: 3.8 billion dollars
- But note...
 - Latin America: OVS Resources → 350 million dollars ?

Motivation (III)

- **Changing role of OVS:**
 - Traditional → “Science Based”
- **Allocation of public resources:**
 - Increasing demand for “accountability”
 - Increasing demand for information about benefits and costs
 - High payoff to increased public-sector effectiveness

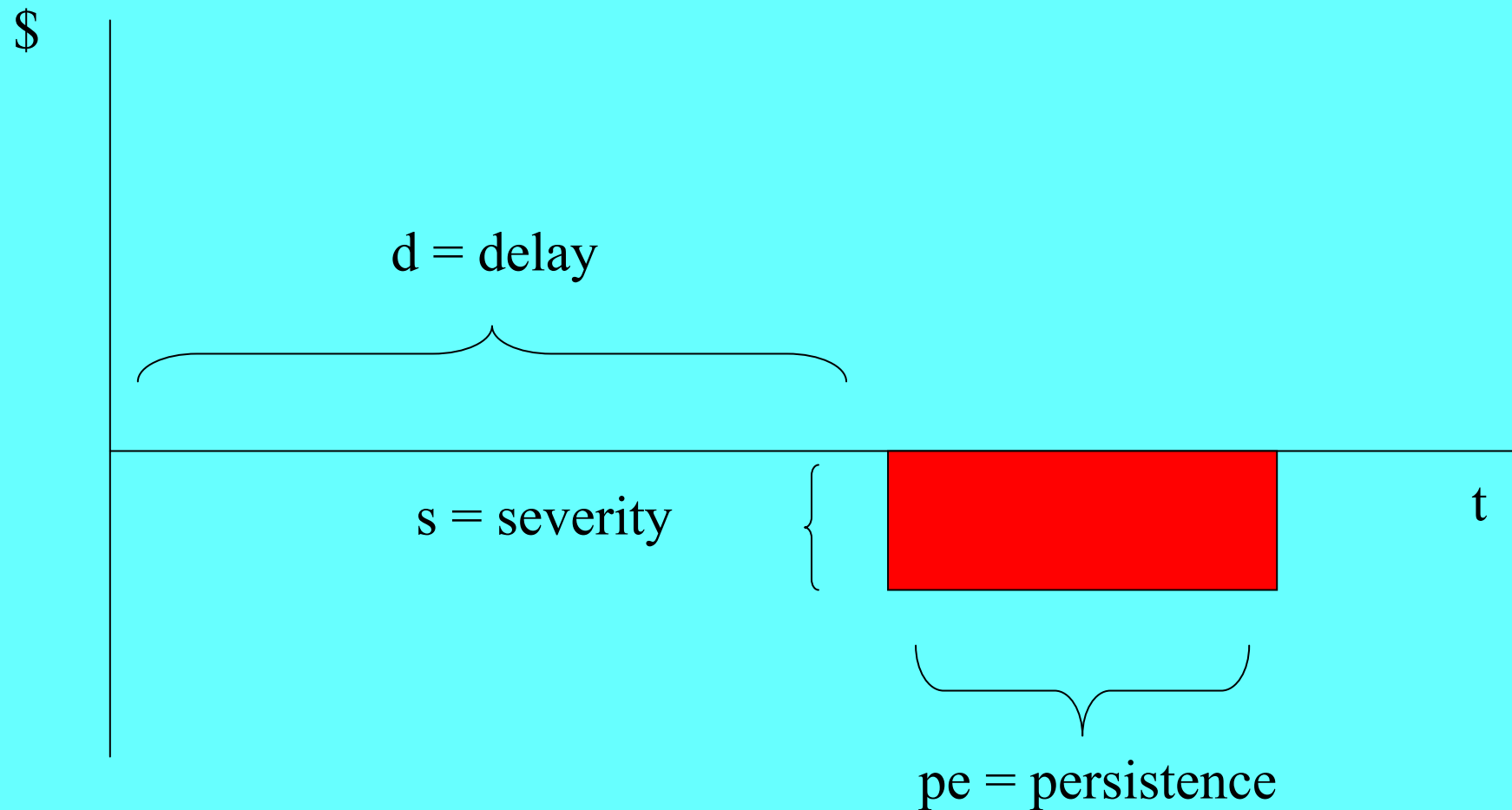
Objectives

- Develop a conceptual framework useful for understanding demand for OVS in LA
- Describe current situation related to resource allocation in several countries of the region
- Derive preliminary B/C analysis of increased resource allocation to OVS

Background (I)

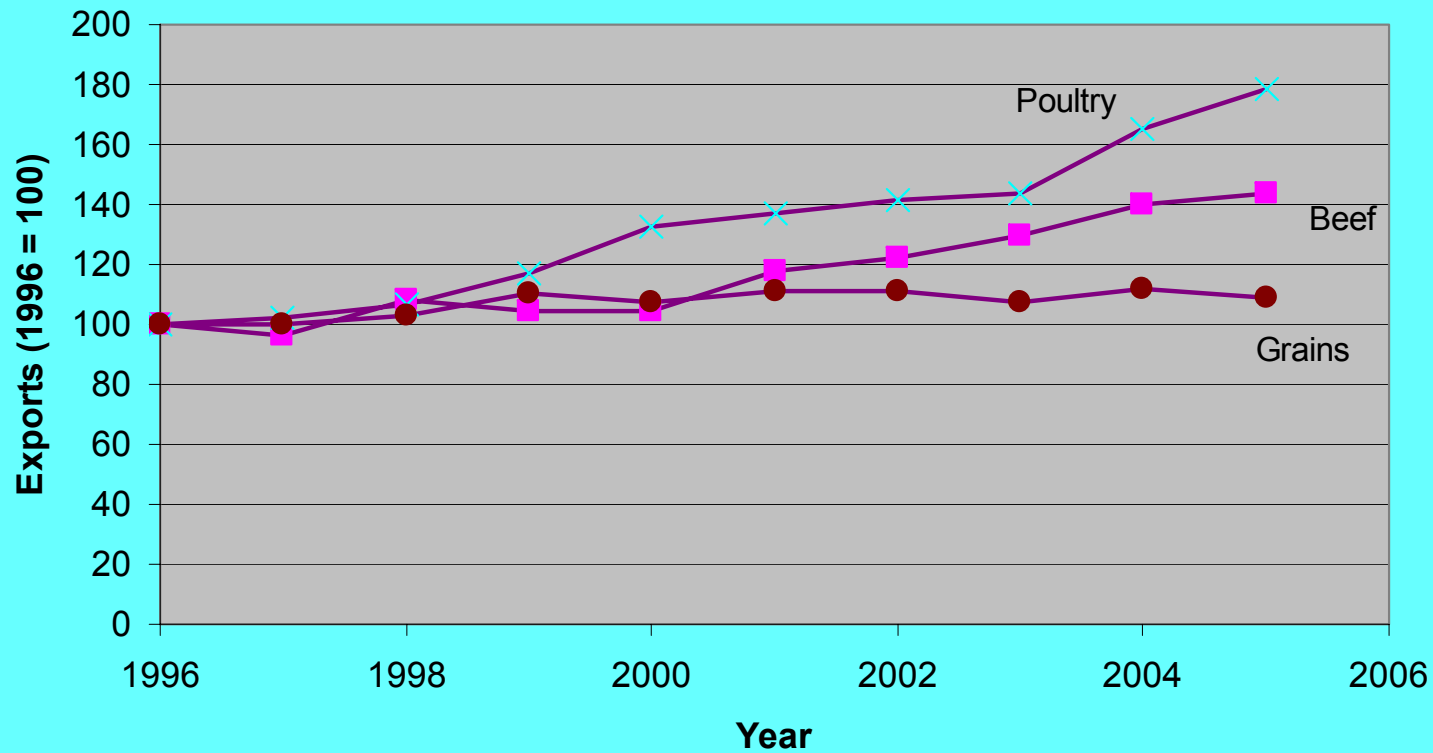
- OVS and the functioning of markets
 - Where to direct efforts ?
- OVS effectiveness (resource allocation)
 - Where to direct efforts ?
- Institutional change: Henson and Loader's analysis of OVS

Background (II): OVS - Impacts (d, s y pe)



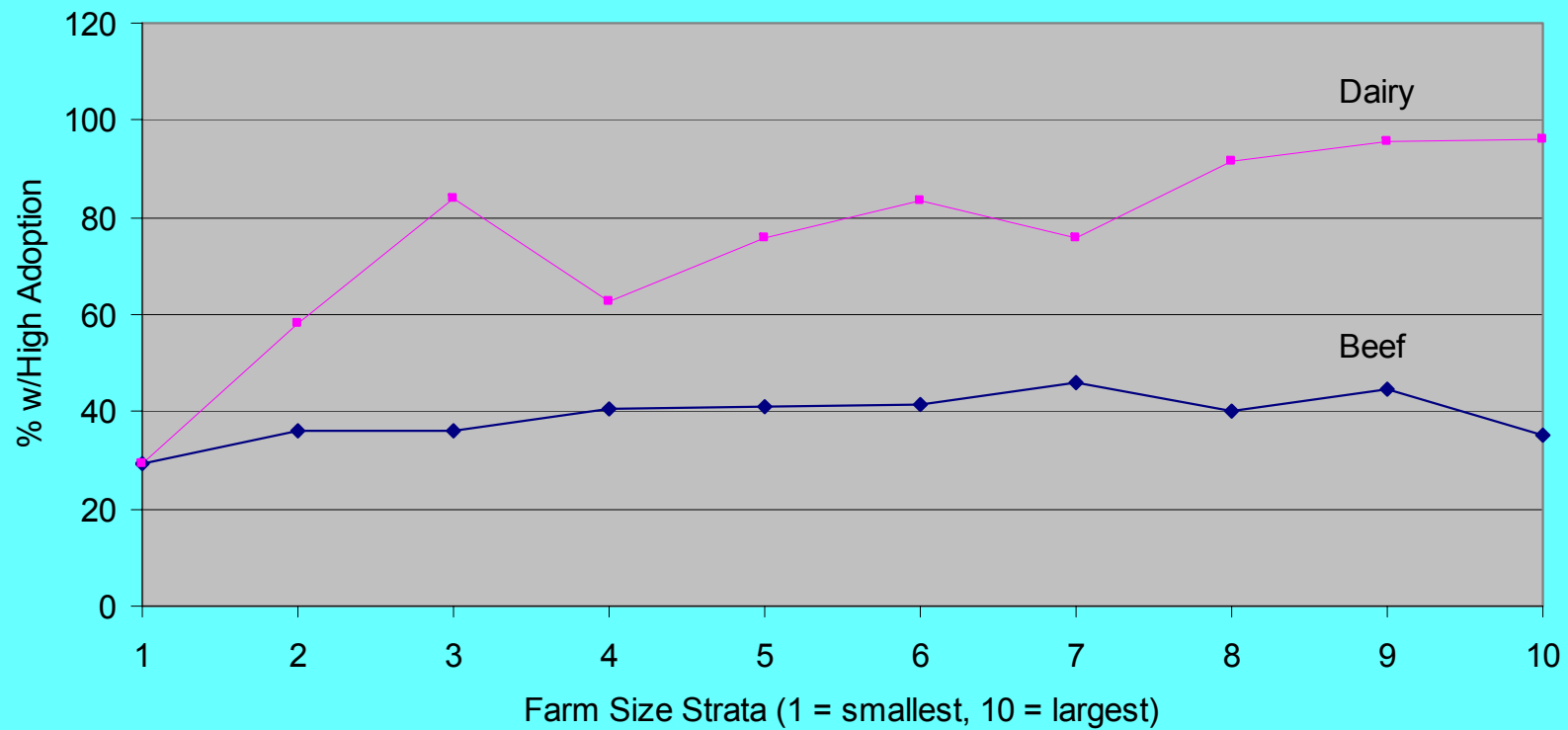
Growing trade patterns...

Figure 1: Trends in International Trade



The “messy real world”

Figure 3: Animal Health Technology Adoption
(Argentina - Temperate Zone)



...But, the effort is worthwhile

Figure 5: Brazil - FMD Outbreak and Exports

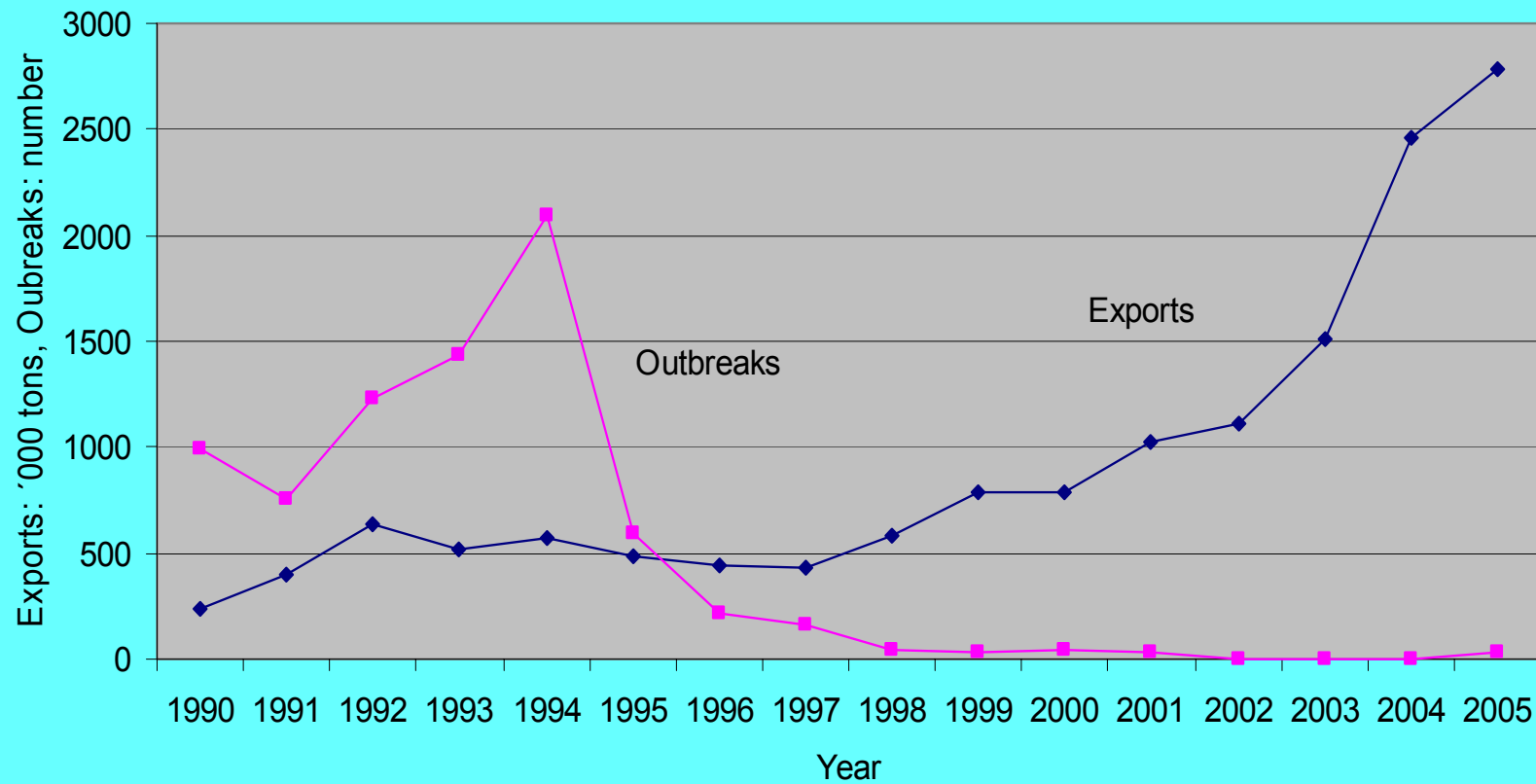
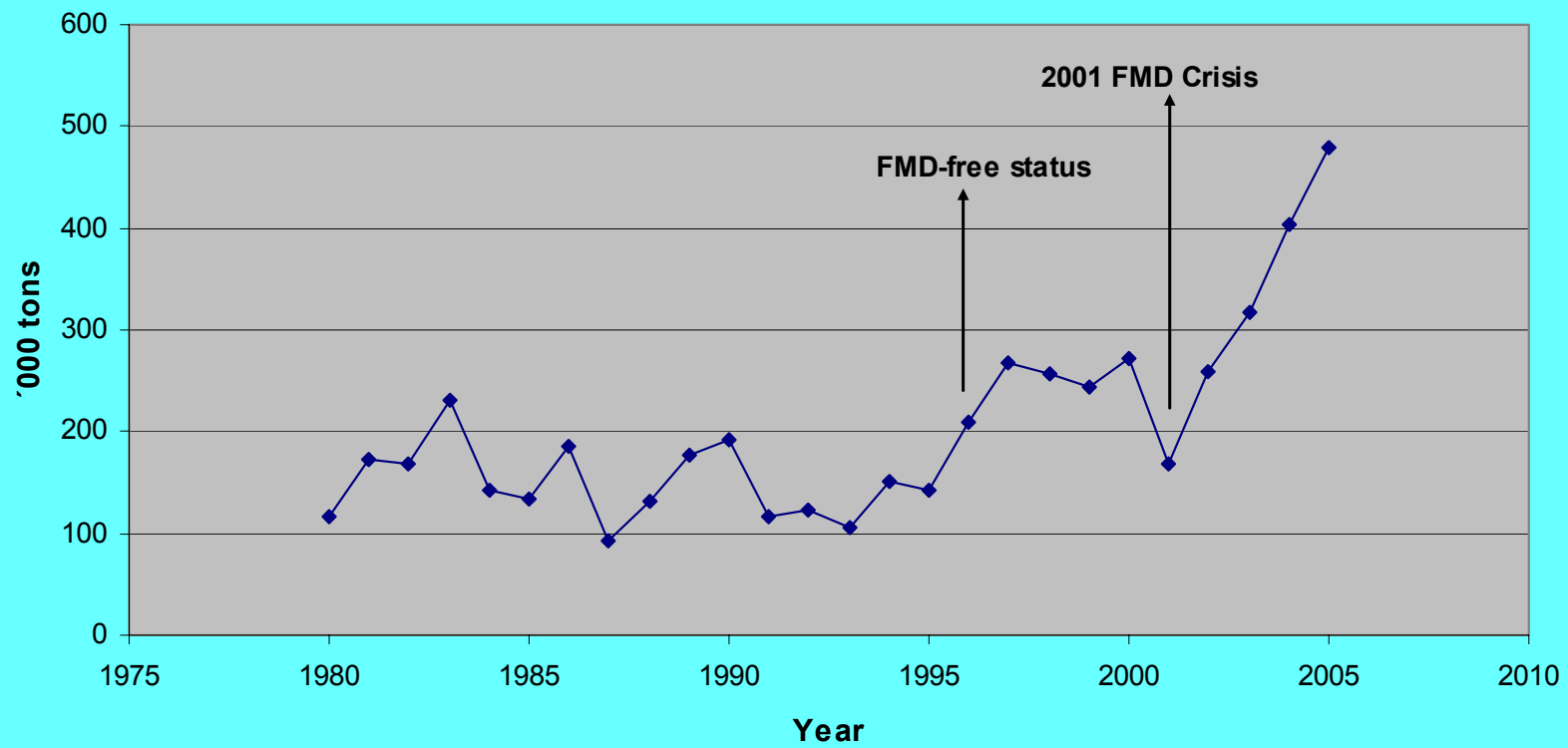
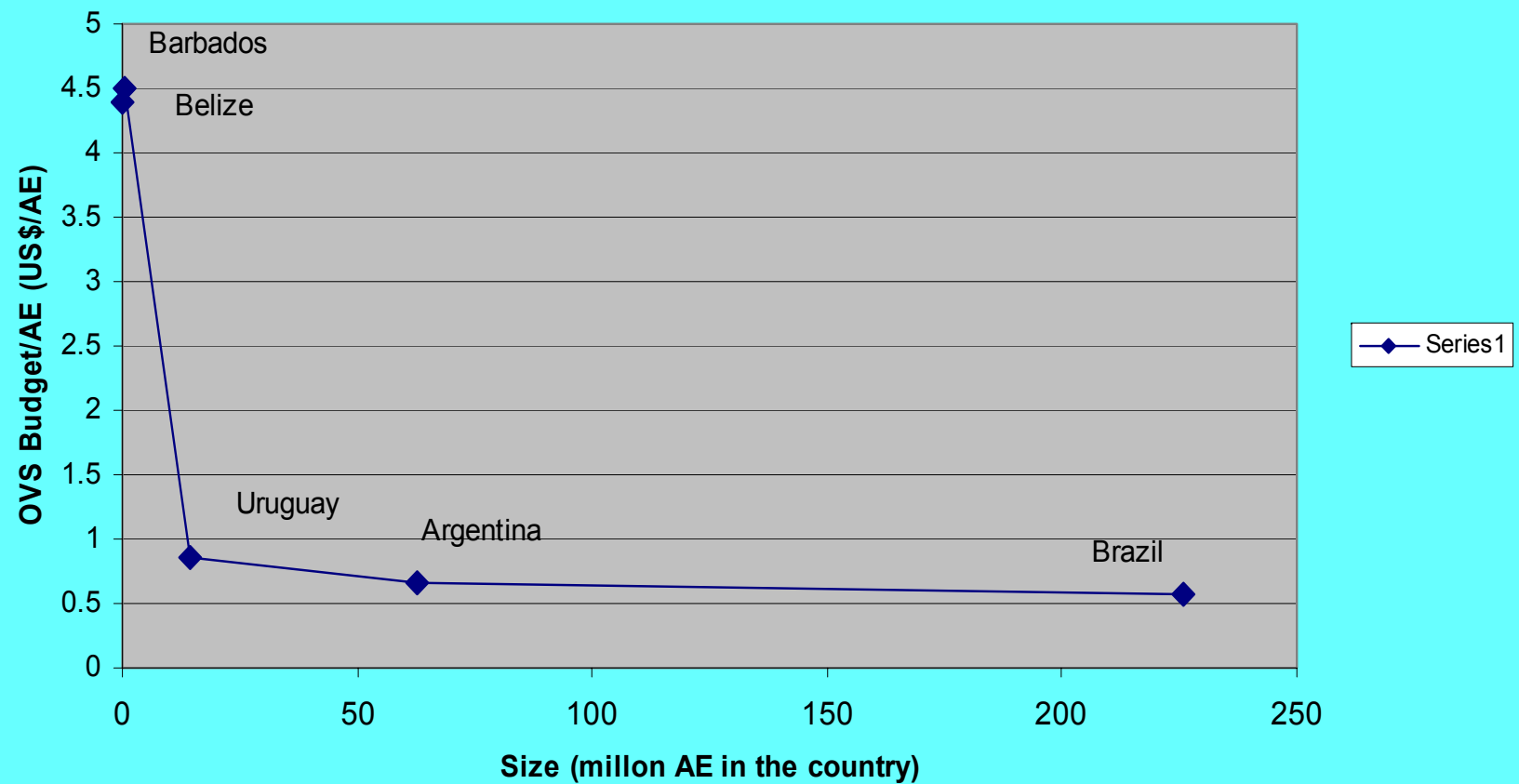


Figure 6: Uruguay - FMD Outbreak and Export Volume



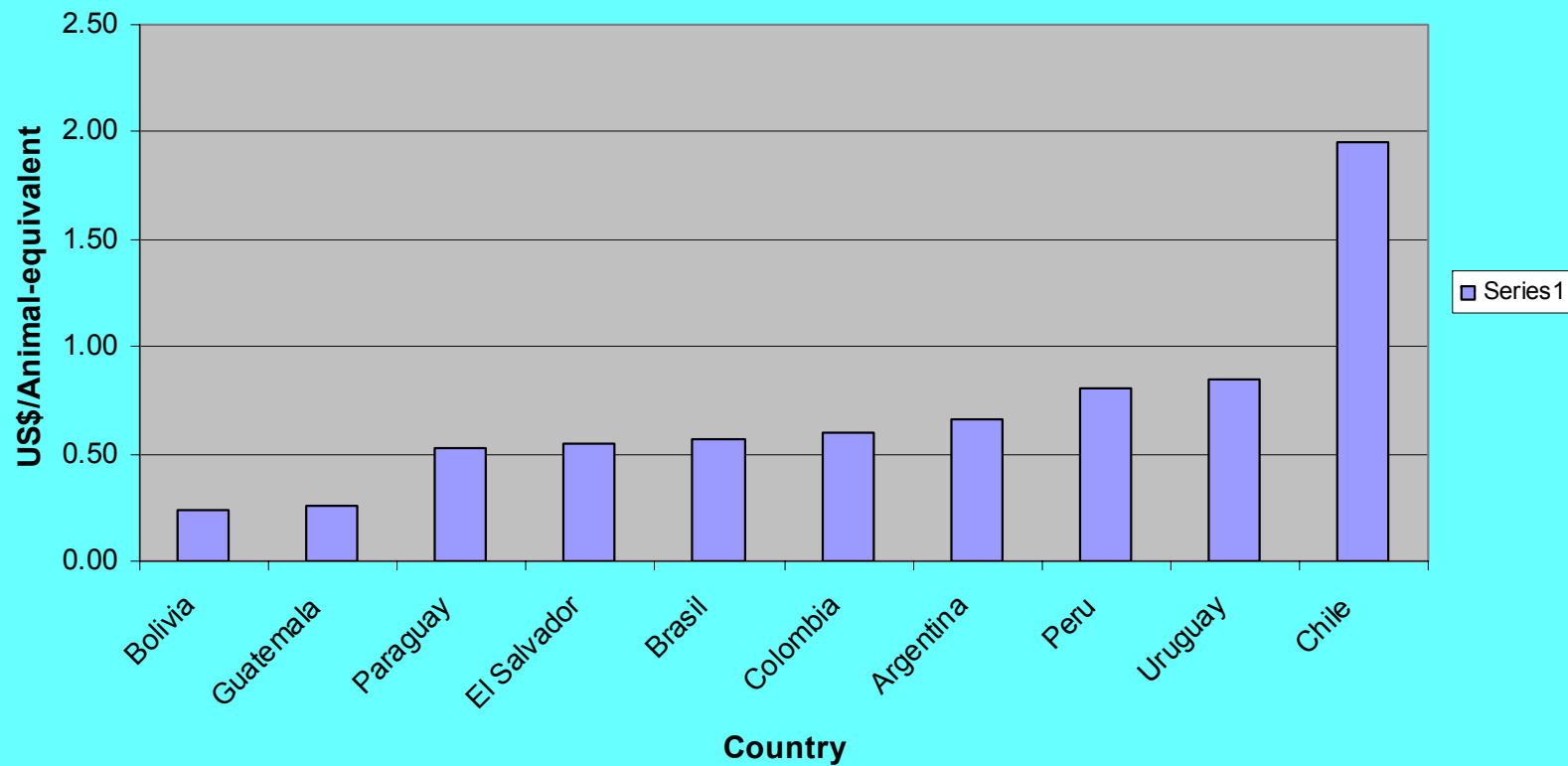
How much does it cost?

Figure 9: OVS - Economies of Size



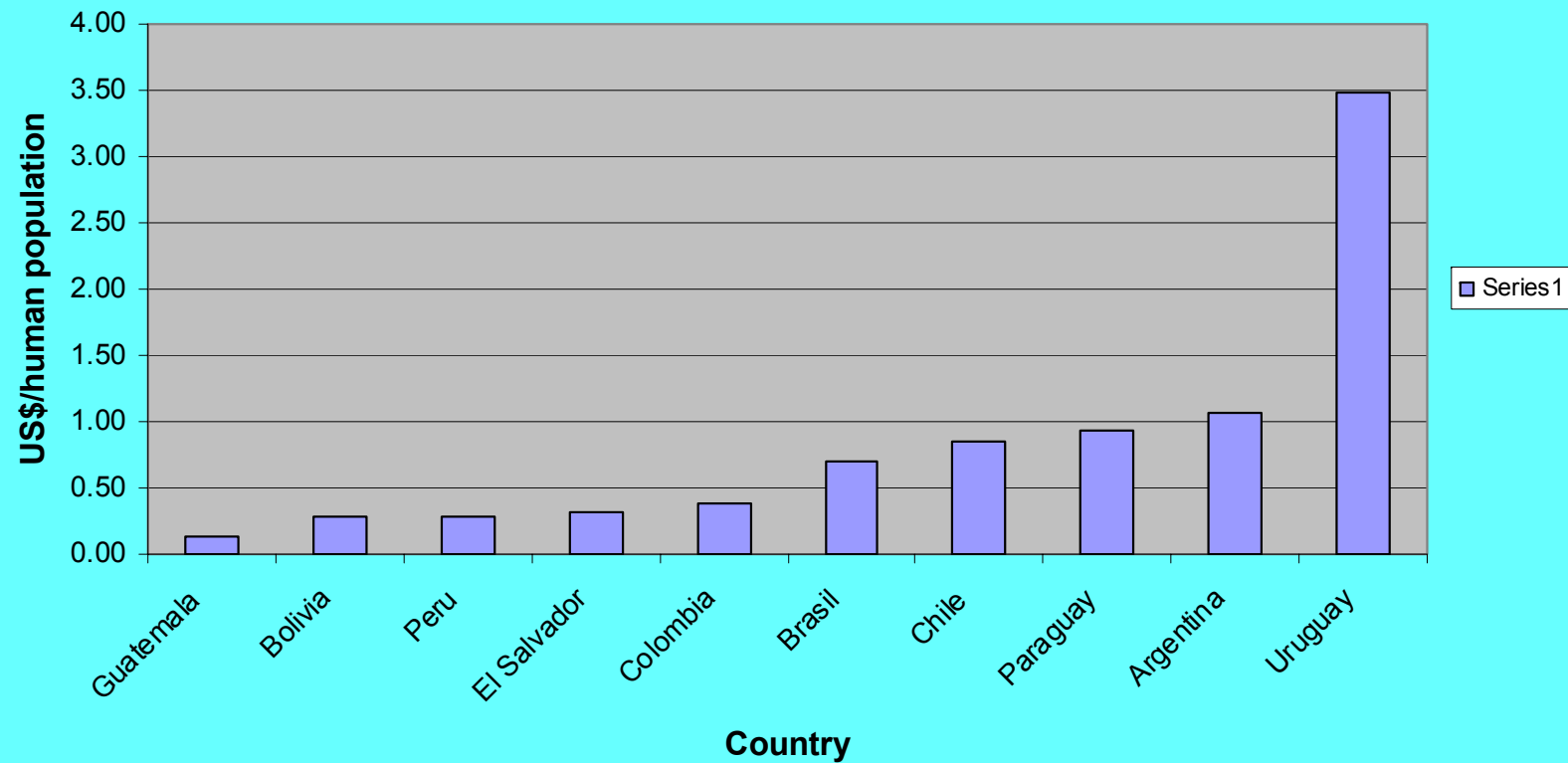
OVS Budget Comparison (I): US\$/AE

Figure 10: Budget Allocation - US\$/Animal-equivalent



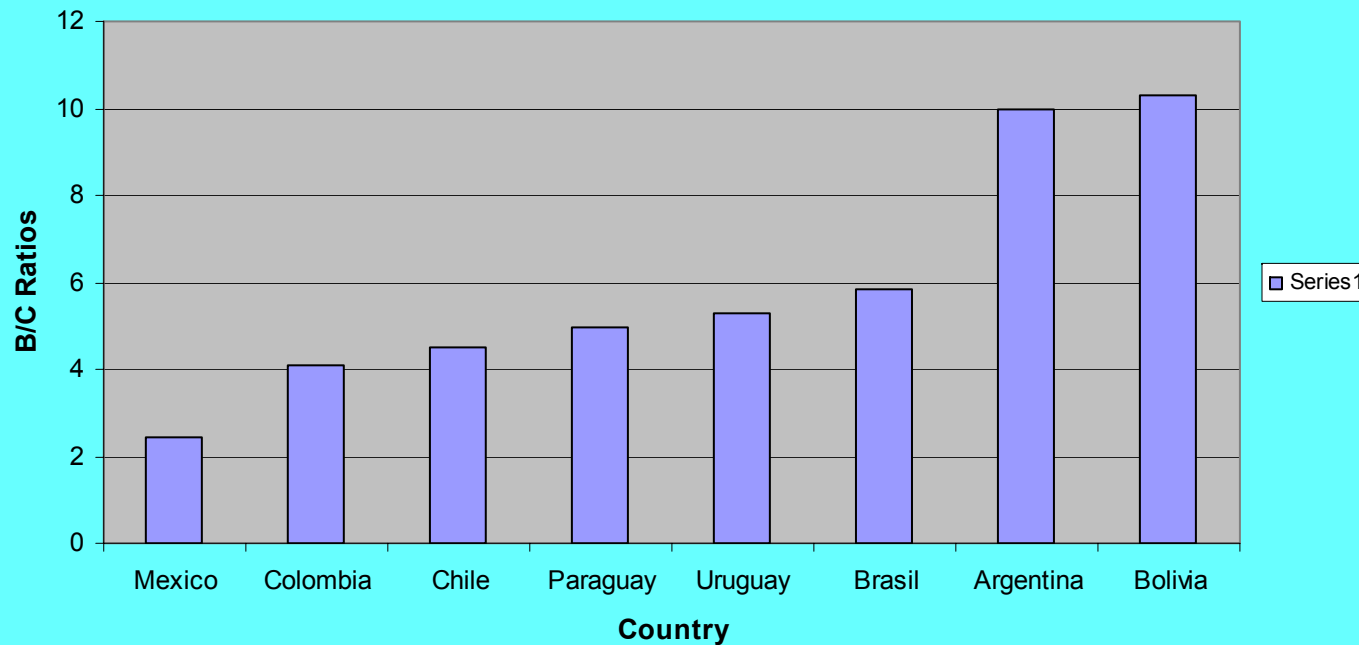
OVS Budget Comparison (II): US\$/cap

Figure 11: Budget Allocation US\$/human population



Benefit/Cost Ratios

**Figure 12: Benefit/Cost Ratios
(+ 30 % OVS Budget)**



Conclusions and Future Directions

- OVS: profitable investment opportunity for public funds
- But: improved evaluations urgently needed!
 - New info-gathering options
 - Progress through networks