

Technical Round-Table on Livestock Risk Management (By Invitation) February 26th, 2010



Different stakeholders in livestock related supply chains face varied but inter-linked challenges. The Government-Industry-Academia can all help to solve these challenges. This particular effort is being made to identify challenges in livestock risk management and to seek a timely solution.

Let us search for solutions – collectively!

Venue: “The Spring” Hotel, New No: 11, Kodambakkam High Road, Next to Palmgrove Hotel Nungambakkam Chennai, India

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CIRM- ROUNDTABLE ON LIVETSOCK RISK MANAGEMENT

CONCEPT NOTE

Context:

For developing countries including India livestock is an important household income source. Approximately 100 million households are dependent upon livestock as either primary or secondary source of income in India only. With tropical climate and poor hygienic conditions livestock face higher mortality and huge production risks which render animal husbandry business a risky proposition for the low-income households.

Lack of infrastructural facilities in rural geographies like shortage of fodder facilities, water and milk collection points (i.e. cold chains, value processing units; quality inputs in the form of good semen to good nourishment, animal health care and professionals i.e. veterinarians) remain big challenges. All these business risks in livestock rearing make it all the more important to see insurance as an efficient measure to provide safety to low income households. But still after 35 years long history of livestock insurance and with government efforts less than 7% of insurable animals are covered.

Problem Statement:

Definitely there is an untapped and largely unexplored market for livestock risk management including insurance and other risk management solutions in India. The various market players-credit agencies (which provide credit for buying cattle), animal health care providers (like pharmaceutical companies, animal breeding centers, etc), insurers, community based organizations are constrained by lack of knowledge about the needs of the other supply chain stakeholders.

Some of the challenges which are very much evident include-

- Unorganized market and poor veterinary infrastructure
- Challenges in valuation and identification of animals
- Incentive system for risk reduction
- Absence of bundled comprehensive financial products
- Unwillingness and inability to pay for risk transfer

Though all of these challenges and many more need urgent attention but CIRM, with help of above mentioned market players, is keen to identify and prioritize on challenges in the massification of livestock risk management practices and Microinsurance so as to evolve further strategy which can be helpful to de-risk livestock sector in India.

Solution:

Provide a platform that could help all stakeholders to interact with each other and discuss various issues and challenges, showcase existing system of work and some system innovations which have worked in industry.

Roundtable- Livestock Risk Management Challenges and Possible Solutions

Different stakeholders in livestock related supply chains are facing different but inter-linked challenges. To quote- if vaccination or de-worming is not done properly and timely it will lead to higher mortality that affects dairy as well as insurance companies. Due to lack of systemic approach there are many issues that are either missed or neglected due to lack of knowledge about it. Comprehensive approach to these challenges will help to solve them faster and will have greater impact than thinly spread efforts. Government-Industry-Academia collectively can help to solve these challenges.

Having said that, this particular effort is aimed at identifying the challenges in livestock risk management- priority wise and to gauge how those can be solved in a time-bound manner. Sessions will be open to discuss varied challenges amongst market players.

The broad themes would be: Bundled products (Bundling insurance with risk reduction), Distribution channels and Comprehensive products (Product beyond death cover)

Detailing:**o Audience:**

- o Insurer
- o Dairy Industry
- o Livestock Health Care Service Provider
- o Cooperative banks and MFIs
- o Government
- o NGOs and other community based organizations

o **Date:** Feb 26th , 2010

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