



FOOT AND MOUTH DISEASE EMERGENCY RECOVERY PROJECT

Contain and mitigate the impact of a devastating
Foot and Mouth Disease outbreak

Overview

The Foot and Mouth Disease (FMD) Emergency Recovery Project has contributed to the overarching goal of sustaining Uruguay's development and growth in the agricultural sector by assisting in enhancing animal health control and surveillance, including the establishment of a cutting-edge, innovative Animal Tracking System. Since August 2001, no new cases of FMD have been recorded in the country, allowing Uruguayan producers to regain and expand access to markets that had been closed after the 2001 outbreaks.

Challenge

Uruguay's rural areas and overall economy were largely dependent on the livestock sector, comprised of 12.0 million head of cattle and 13.0 million sheep, raised in over 50,000 farms that covered 94 percent of the total agricultural land. The livestock sector represented 6 percent of the total gross domestic product (GDP), employing about 141,000 workers. In May 2001, an outbreak of Foot and Mouth Disease (FMD) spread to the entire country, affecting almost one million head of cattle. The outbreak brought the rural areas and meat industry to a standstill, left an already financially embattled sector of producers facing increased costs, reduced revenues and uncertainty, and generated a major fiscal deficit.

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Approach

The design of the project was realistic, simple and pertinent given the emergency affecting Uruguay's most crucial economic sector. The operation was rapidly prepared as a timely response to a highly sensitive crisis striking at the core of the country's economic engine, in the midst of an economic recession that was affecting the entire country. Its design was also consistent with the borrowers' institutional capacity to react, prepare and implement urgent remedial actions, both to address the emergency as well as the subsequent need to reduce the vulnerability of the country's economy and producers to animal diseases.

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Results

The project supported a comprehensive set of inputs (including vaccinations, training and awareness campaigns, improvement of laboratories, strengthening of border controls, and development of a tracking system) that resulted in improved overall herd sanitary status and the development of modern and effective surveillance systems. As a result of these actions, FMD was eradicated in the country, the rural economy was reactivated, high quality beef exports were re-established, and Uruguay has positioned itself as a globally recognized model for effective food safety and surveillance through the establishment of their innovative Animal Tracking System. In 2008, the value of livestock production more than doubled to US\$1,268 million, a growth of 124 percent compared to 1996, confirming the success of the project in helping restore the country's presence in premium markets: higher export volumes and better prices obtained from more differentiated products in those markets.

Bank Contribution

The original FMD Emergency Recovery Project (*total cost of US\$24 million*) was implemented with the support of a US\$18.5 million International Bank for Reconstruction and Development (IBRD) loan that financed the containment of the outbreak, and the overall improvement of the country's monitoring and surveillance systems. Through the subsequent additional financing of US\$6.5 million, the Bank contributed to the scaling-up of key activities of the original project, mainly the validation, expansion and consolidation of the individual animal tracking system to the entire national herd. In addition, the project also included support to strengthen Uruguay's participation in the regional animal health initiative supported by the World Bank, and to combine regional efforts in combating transboundary animal diseases within Mercosur countries.

Moving Forward

Fully funded by government of Uruguay (GOU) resources, the livestock registration and tracking system will be completed during 2010. The Ministry of Agriculture is planning to expand the registration to other animal species, further address food safety issues by consolidating the links with the meat processing industry, improve the utilization of information by livestock producers for risk reduction and decision making, and scale-up the scope of the information system. Moreover, GOU and the World Bank have agreed to collaborate through technical and financial assistance to upgrade and expand the information system in the context of a new program focused on improving farmers' resilience to adverse sanitary and climate-related events, as well as promoting initiatives to replicate Uruguay's experience in animal tracking to other beef-exporting countries.

Beneficiaries

About 50,000 livestock farmers, including over 30,000 small and medium family producers, have directly benefited from the project's efforts to eradicate FMD from the country and to regain the FMD-Free Status that Uruguay enjoyed before the outbreak. Farmers and industry have been able to maximize the value of their slaughtered animals through the diversification of their exports according to the particular demands of the different beef importing countries.