



IFC Agribusiness

# Livestock

April 2025

## Industry Context

**Rising incomes, evolving diets, and population growth have made livestock one of the fastest-growing agricultural subsectors in middle- and low-income countries.** Beyond being a key source of high-quality protein and essential micronutrients, livestock is a critical economic driver, supporting millions of smallholder farmers. In developing countries, nearly 1 billion smallholder livestock producers contribute to 40% of agricultural GDP, with livestock-derived income ranging from 2% to over 33% of household earnings.

However, livestock production also accounts for 12% of human-induced greenhouse gas (GHG) emissions, contributing approximately 7,100 million tonnes of CO<sub>2</sub> equivalent per year. The broader agrifood system emits around 16 gigatons of CO<sub>2</sub> equivalent annually, representing 31% of global emissions.

Given this environmental footprint and the projected rise in demand for animal source foods in Africa and emerging markets, improving productivity — a key driver of emissions reduction — presents a significant opportunity. Supporting sustainable livestock development is essential to reducing the sector's environmental impact.

## IFC Strategy and Portfolio

**Environmental sustainability is central to IFC's livestock investments.** Our policies, guidelines, and technical notes direct livestock projects toward building environmentally sustainable businesses while promoting climate-smart solutions.

IFC seeks opportunities to reduce greenhouse gas emissions and enhance efficiency in meat and dairy production, thereby minimizing resource demand and climate impact.

IFC's 7 Practices for Sustainable Investment in Private Sector Livestock Operations are designed to promote environmentally sustainable, socially responsible, and economically viable livestock production. These practices are:

- 1. Resource Efficiency:** Optimize the use of natural resources such as land, water, and energy to improve productivity and reduce environmental impacts.
- 2. Animal Welfare:** Promote good animal husbandry practices to ensure proper care, minimize stress, and improve overall livestock health and productivity.
- 3. Environmental Protection:** Implement measures to reduce pollution, manage waste responsibly, and minimize greenhouse gas emissions.
- 4. Biosecurity and Disease Control:** Establish strong biosecurity protocols to prevent the spread of diseases among animals, humans, and ecosystems.
- 5. Food Safety and Quality:** Adopt robust practices to ensure safe and high-quality livestock products throughout the production chain.
- 6. Social Responsibility:** Engage with local communities, uphold labor rights, and promote fair working conditions.
- 7. Economic Viability:** Develop strategies to improve profitability and resilience while ensuring long-term sustainability.

### IFC's Livestock Portfolio as of December 2024



**66** active projects globally



Total Commitments

**\$1.1B**

## Investment and Advisory Examples



### PEARL DAIRY, UGANDA

IFC partnered with Pearl Dairy, Uganda's largest milk processor, to improve milk quality and increase production among 25,000 smallholder farmers. This initiative not only enhanced local nutrition by expanding access to high-quality dairy products but also improved farmer livelihoods through better productivity and higher incomes. Over the past decade, smallholder suppliers have adopted IFC's training programs, leading to a 17% reduction in GHG emissions intensity (kgCO<sub>2</sub>e/kgFPCM) between 2017 and 2022.



### ADECOAGRO, ARGENTINA AND BRAZIL

IFC is working with Adecoagro, a leading agribusiness, to implement deforestation-free soy production for livestock feed and improve soil management practices for carbon capture. In Argentina, IFC is financing the company's dairy expansion to drive emission reductions, clean energy transitions, and rural livelihood improvements. Long-term funding has enabled the construction of an anaerobic biodigester, which converts animal waste into biogas—supporting circular economy initiatives and reducing greenhouse gas emissions.



### HACIENDA SAN JOSE, COLOMBIA

In 2018, IFC began collaborating with Hacienda San Jose, a sustainability-focused ranching company, to develop a climate-smart beef production model. This included introducing improved forage species, rehabilitating degraded pastures, and implementing rotational grazing. With support from the International Center for Tropical Agriculture and the World Bank, the project has significantly improved grassland conditions, increasing soil carbon sequestration and reducing net emissions. In 2021, the &Green Fund invested \$7.7 million in the company to support its expansion into sustainable ranching.



### ZAMBEEF, ZAMBIA

IFC partnered with Zambeef, Zambia's largest agribusiness, to establish carbon emissions baselines and identify decarbonization opportunities. This included converting dry cow manure into biochar, a method that helps mitigate greenhouse gas emissions. IFC also supported Zambeef in tracking its carbon footprint, improving food safety, and enhancing biosecurity practices, positioning the company as a leader in sustainable beef production in Zambia.

As part of IFC's broader strategy, this project aligns with efforts to reduce the environmental impact of livestock, ensuring sustainable growth while addressing climate risks and carbon lock-in challenges.