

Farmers in developing countries can protect both profits and endangered species

February 24 2021, by Amy McCaig



Credit: 123rf.com

Low-income livestock farmers in developing countries are often faced with a difficult dilemma: protect their animals from endangered predators, or spare the threatened species at the expense of their

livestock and livelihood.

A new paper by Rice University economist Ted Loch-Temzelides examines such circumstances faced by farmers in Pakistan.

"Conservation, risk aversion, and livestock insurance: The case of the snow leopard" outlines a plan under which farmers can protect themselves from crippling [financial losses](#) while preserving and possibly benefiting from the lives of endangered predators.

"These livestock owners often have very low incomes," Loch-Temzelides said. "The loss of even one animal can be financially devastating. They're faced with the difficult task of weighing conservation efforts against economic losses due to attacks on their herds. And this situation isn't limited to [snow leopards](#)—it applies anywhere large predators live near livestock."

Loch-Temzelides proposes establishing community livestock insurance contracts for farmers in developing countries who don't have access to the types of policies available in more developed nations. Under these contracts, farmers would agree to share the cost of lost animals with other farmers in their community. For example: If one farmer in a community of 10 lost an animal valued at \$100, each community member would lose the equivalent of about \$10.

By aiding [conservation efforts](#), he added, farmers may stand to reap additional benefits.

"Tourists around the world are willing to pay to see endangered species such as snow leopards in their [natural habitats](#)," Loch-Temzelides said. "And revenue from ecotourism can benefit communities and their residents significantly."

While Loch-Temzelides' study focuses on Pakistan, he hopes community

livestock insurance can be useful around the world.

The study will appear in an upcoming edition of the journal *Conservation Letters*.

More information: Ted Loch-Temzelides. Conservation, risk aversion, and livestock insurance: The case of the snow leopard, *Conservation Letters* (2021). [DOI: 10.1111/conl.12793](https://doi.org/10.1111/conl.12793)

Provided by Rice University

Citation: Farmers in developing countries can protect both profits and endangered species (2021, February 24) retrieved 19 April 2024 from <https://phys.org/news/2021-02-farmers-countries-profits-endangered-species.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.