RPO FEEDBACK ON THE RED MEAT INDUSTRY

KZN RPO ANNUAL REGIONAL MEETINGS

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NATIONAL RED MEAT PRODUCERS’ ORGANISATION
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  – Sustainable natural resource utilization
  – Competitiveness
  – Animal Health
  – Animal Welfare
  – Animal Products, Quality and Value-adding
  – Red Meat Safety, Nutritional Quality and Value
  – Consumerism, Market Development and Trade
  – Unlocking the Red Meat Potential through Commercialization, Technology Transfer and Training
  – Predation Management
  – Stock theft Prevention
• Challenges
• Opportunities
• Producer Communication
INTRODUCTION:
Demand for red meat in South Africa
INTRODUCTION:
Demand for red meat in Africa

- At present ± 1.2 billion people; 15.5% of the world
- Fastest population growth in the world
- Estimation: more than double by 2050
- By 2050 – more than 25% of world population will live in Africa
- Food market in East and Southern Africa will more than triple by 2040

(The Modernizing African Food systems (MAFS) Consortium)
INTRODUCTION: 
Demand for red meat Globally

- Growth more slowly – BUT
  - At present 7.25 billion people
  - Another 750 million persons in next decade
INTRODUCTION:
Global meat prices

- Grey: Hogs US
- Yellow: Chickens US
- Blue: Nebraska Steers
HOW DO WE PRODUCE MORE?*

PRODUCTION DEVELOPMENT

- Better technology / management
- Higher intensification / production systems
- Enabling production environment / government
- Commercialization of emerging sector
- Government’s capacity to render essential services – limited and still weakening
- The red meat industry to render services and to support Government to render essential services
10 FOCUS AREAS OF PRODUCTION DEVELOPMENT

• Sustainable natural resource utilisation
• Competitiveness
• Animal welfare
• Animal Health
• Animal products, quality and value adding
• Red meat safety, nutritional quality and value
• Market development, consumerism and trade
• Unlocking the potential of red meat commercialization, technology transfer and training
• Predation Management
• Stock Theft
FOCUS AREA 1
Sustainable natural resource utilisation

• The environment, i.e. land, water and climate, creates a particular type of vegetation with its unique problems and production potential for animal production
  – Forage resources and management, including fodder flow programs
  – Veld monitoring and management
  – Pastoral risk management and decision support systems

Droughts
Veld fires
Invasive alien species (eg Slangbos)
FOCUS AREA 1
Sustainable natural resource utilisation (cont.)

Droughts / Rainfall

Aridity zones

Average annual rainfall
FOCUS AREA 1
Sustainable natural resource utilisation (cont,)
PROVINCES ALREADY PROCLAIMED AS DROUGHT DISASTER in 2015 / 2016

- **GP**
  - N Cape
    - Pending
  - W Cape
    - Pending

- **LMP**
  - 13 Nov 2015

- **E Cape**
  - 4 Dec 2015

- **NW**
  - 24 Jul 2015

- **FS**
  - 4 Sep 2015

- **KZN**
  - 20 Nov 2015

- **MP**
  - 4 Dec 2015

- **W Cape**
  - Pending

- **N Cape**
  - 29 Jan 2016

- **KZN**
  - 20 Nov 2015

- **E Cape**
  - 4 Dec 2015

- **NW**
  - 24 Jul 2015
# Drought Relief for Provinces

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<td>Western Cape</td>
<td>R12 000 000</td>
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<td>Gauteng</td>
<td>Pending declaration</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>R212 000 000</strong></td>
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</table>

- 1 cattle 100 days for 50 000 farmers
- Insurance and tax holiday?
FOCUS AREA 1
Sustainable natural resource utilisation (cont.)

- Veld fires / Burning
- Manage the control of veld fires both for the purpose of protection of people and their assets as well as for protecting our environmental values such as grazing land and biodiversity

30,6% Extreme risk
31,3% High risk
11,7% Medium risk
26,4% Low risk
FOCUS AREA 1
Sustainable natural resource utilisation (cont.)

- Invasive alien species affect water security, the ecological functioning of natural systems and they also pose a threat to the productive use of land. They intensify the impact of veld fires and floods, and increase soil erosion.

Relationship between aboveground grass phytomass production loss (%) and *Seriphium plumosum* density (shrubs ha$^{-1}$) (P < 0.01; n = 9). (Snyman, 2012)
FOCUS AREA 1
Sustainable natural resource utilisation (cont.)

- Protection of the Environment
  - Erosion prevention
  - Reclaim eroded and polluted resource
  - Water resources and quality
FOCUS AREA 1: Sustainable natural resource utilisation (cont.)

- Mining
FOCUS AREA 1
Sustainable natural resource utilisation (cont.)

• Livestock genetic resources
  – Cattle breeds: Indigenous – 9
    (http://www.embryoplus.com/cattle_sa_indigenous.html)
  – Sheep breeds: Indigenous – 12 (Snyman & Herselmann, 2011)
  – Other – 12 (S Afr J Anim Sci, 1999)
  – Goat breeds: Indigenous – 4 (Cambell, 2003; ARC,
    http://www.arc.agric.za/home.asp?pid=2701)

• Large gene pool opportunity for adaptable livestock

Namaqua Afrikaner

Nguni

Eastern Cape Xhosa
FOCUS AREA 2
Competitiveness

- Animal Recording and improvement
- Reproduction efficiency
- Genetic improvement / Genomics
  - Resistance/ tolerance
  - Selection criteria
- Nutrient intake and utilization
  - Chemical composition of current and potential feedstuffs including waste products and biofuel residues
- Nutrient requirements
FOCUS AREA 2
Competitiveness (cont.)

• Production systems
  – Feedlot and back grounding
  – Game and livestock
  – Integrated crop/animal production systems

• Infrastructure, equipment and practices for animal production
  – Software and GPRS technology
FOCUS AREA 3
Animal Welfare

- The average city dweller’s interaction with an animal is with their pet - they expect farmers to deal with livestock in the same way

- Codes of Best Practice

- Animal welfare
  - Is the equipment, facilities and transport vehicles in line with good animal welfare practices?
  - Do we adhere to the Codes of Best Practices in relation to animal welfare?
FOCUS AREA 4
Animal Health

- Diseases that impact on trade

The previous economic loss to the South African agricultural industries due to the fact that we lost our FMD free status: R4 billion per annum
FOCUS AREA 4
Animal Health (cont.)

- **Bio-security plan**
  - Do we have a pro-active written bio-security plan that is updated annually together with our veterinarian? Do we stick to the plan?

- **Fences**
  - Is it in a good condition?
  - What is the policy on the farm with regards to new animals that are brought onto the farm?

- **National and Provincial Animal Health Forums**

- **Focus on Brucellosis and Trichomoniasis**
FOCUS AREA 4
Animal Heath (cont.)

ONDERSTEOPORT BIOLOGICAL PRODUCTS

• Develop essential vaccines / Strategic Parnet
• Unique vaccines for South African animal diseases
• Upgrading / Availability
• Future – road ahead?
FOCUS AREA 5
Animal products, quality and value adding

- Product characteristics

Global and local decreases in fat content of meat observed over time

Source: Prof Hettie Schonfeldt
FOCUS AREA 6
Red meat safety, nutritional quality and value

- Voluntary additional quality system
- Independent Meat Inspection
- Health promoting properties of red meat
  - Red meat and cancer
  - Red meat and heart disease
  - Red meat obesity and diabetes
  - “Men love it - Women need it”
FOCUS AREA 7
Market development, consumerism and trade

- Value chain approach
FOCUS AREA 7
Market development, consumerism and trade (cont.)
• International Trade / Policy

![Chart showing estimates of support to agriculture (PSE) in selected non-OECD and OECD countries (2010)](chart)

*Source: OECD, Agricultural Policy Monitoring and Evaluation, 2011*
FOCUS AREA 7
Market development, consumerism and trade (cont.)

- Consumer behavior
FOCUS AREA 7
Market development, consumerism and trade (cont.)
FOCUS AREA 7
Market development, consumerism and trade (cont.)

- Consumer more sophisticated
- Story food
- Consumers are skeptic towards the use of growth hormones, beta-agonists and antibiotics
- Free range / grain fed / grass fed
- 26 Brands that are audited
FOCUS AREA 7
Market development, consumerism and trade (cont.) / BLOCK TEST - BEEF

Hind 1/4 Price
R49.73
Hind quarter 48% van 220Kg

<table>
<thead>
<tr>
<th>Cut</th>
<th>%</th>
<th>Kg</th>
<th>Faktor</th>
<th>R/kg/snit</th>
<th>Rand/Snit</th>
<th>R/kg 30% Marge</th>
<th>R/kg 30% Marge incl. VAT</th>
<th>R/Snit 30% Marge</th>
<th>R/Snit 30% Marge incl. VAT</th>
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<td>Whole quarter/Kg</td>
<td>100</td>
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<td>R 49.73</td>
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<td>3.73</td>
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<td>0.52</td>
<td>R 25.86</td>
<td>R 101.89</td>
<td>R 33.81</td>
<td>R 38.32</td>
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<td>R 132.40</td>
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<td>Bone lean</td>
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<td>15.52</td>
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<td>R -</td>
<td>R -</td>
<td>R -</td>
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<td>R</td>
<td>R -</td>
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<td>1.80</td>
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<td>R 110.54</td>
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<td>29.07</td>
<td>0.52</td>
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<td>R 5,251.61</td>
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<td>R 11,033.85</td>
<td>R 12,578.59</td>
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TOTAL OF THE WHOLE CARCASS 220.00  R 8,487.58  R 11,033.85  R 12,578.59
### Focus Area 7

Market development, consumerism and trade (cont.) / BLOCK TEST - LAMB

<table>
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<th>Cut</th>
<th>%</th>
<th>Kg</th>
<th>Faktor</th>
<th>R/kg/sn</th>
<th>Rand/Sn</th>
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<th>R/kg 30% Marge incl. VAT</th>
<th>R/Sn 30% Marge</th>
<th>R/Sn incl. VAT</th>
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<td>Whole carcass</td>
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<td>Body fat</td>
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<td>Hump</td>
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<td>Kidney fat</td>
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<td>Trimmings</td>
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<td>1.18</td>
<td>0.83</td>
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<td>R74.45</td>
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<td>R2,246.74</td>
<td>R2,561.28</td>
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FOCUS AREA 7
Market development, consumerism and trade (cont.)
FOCUS AREA 7
Market development, consumerism and trade (cont.)
**FOCUS AREA 7**

Market development, consumerism and trade (cont,)

### Year on year price difference

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<th>SELLING PRICE</th>
<th>R/kg</th>
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<tbody>
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<td>Beef A2/A3</td>
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<td>13-Jan-17</td>
<td>Beef A2/A3</td>
<td>38.44</td>
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<td>15-Jan-16</td>
<td>Lamb A2/A3</td>
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<td>13-Jan-17</td>
<td>Lamb A2/A3</td>
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<td>20.78%</td>
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<td>Auction price</td>
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<td>15-Jan-16</td>
<td>Weaner price</td>
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<td>Weaner price</td>
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<td>34.52%</td>
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The weaner prices is based on weaners with an average live mass from 190kg to 240kg.
FOCUS AREA 7
Market development, consumerism and trade (cont.)

BEEF FUTURES MARKET

• https://www.jse.co.za/downloadable-files?RequestNode=/Safex/amdmtm

• https://www.jse.co.za/_layouts/15/DownloadHandler.ashx?FileName=/Safex/amdmtm/NEW%20DAY%20AGR.xls
FOCUS AREA 7
Market development, consumerism and trade (cont.)

**Imports of mutton**

![Graph showing import of mutton](image)

- **Namibia**
- **Overseas**
- **Poly. (Namibia)**
- **Poly. (Overseas)**
FOCUS AREA 7
Market development, consumerism and trade (cont.)

EXPORTS

TRENDS IN THE IMPORTS OF BEEF

- Namibia
- Overseas imports
- Botswana
- Poly. (Namibia)
- Poly. (Overseas imports)
- Poly. (Botswana)
FOCUS AREA 7
Market development, consumerism and trade (cont.)

EXPORTS

- Bovine carcasses and half carcasses, fresh/chilled
- Bovine cuts bone in, fresh/chilled
- Bovine cuts, boneless, fresh/chilled
- Bovine carcasses and half carcasses, frozen
- Bovine cuts, boneless, frozen

Tons

January 2011 to April 2015
FOCUS AREA 7
Market development, consumerism and trade (cont.)

<table>
<thead>
<tr>
<th>SA NAME</th>
<th>U$ AVERAGE PRICES</th>
<th>LOCAL PRICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brisket</td>
<td>R 49.69</td>
<td>R34.68</td>
</tr>
<tr>
<td>Short Rib</td>
<td>R63.47</td>
<td>R46.46</td>
</tr>
<tr>
<td>Flank</td>
<td>R84.21</td>
<td>R33.74</td>
</tr>
<tr>
<td>Chuck</td>
<td>R45.43</td>
<td>R45.79</td>
</tr>
<tr>
<td>Rib Eye</td>
<td>R111.92</td>
<td>R84.52</td>
</tr>
<tr>
<td>Striploin</td>
<td>R78.43</td>
<td>R76.22</td>
</tr>
<tr>
<td>Topside</td>
<td>R49.77</td>
<td>R55.19</td>
</tr>
<tr>
<td>Silverside</td>
<td>R53.91</td>
<td>R62.24</td>
</tr>
<tr>
<td>Fillet</td>
<td>R153.02</td>
<td>R114.24</td>
</tr>
</tbody>
</table>
FOCUS AREA 8
Unlocking the potential of red meat commercialization, technology transfer and training (cont.)

THE SOUTH AFRICAN EMERGENT SECTOR

- Households owning sheep 215 034
- Households owning goats 429 065
FOCUS AREA 8
Unlocking the potential of red meat commercialization, technology transfer and training (cont.)

- Technology transfer and training / extension
- Mentorships
- Enterprise development
FOCUS AREA 8
Unlocking the potential of red meat commercialization, technology transfer and training (cont.)

<table>
<thead>
<tr>
<th></th>
<th>Emerging farmers</th>
<th>Established farmers</th>
<th>Elite farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average calving %</td>
<td>40%</td>
<td>65%</td>
<td>85%</td>
</tr>
<tr>
<td>Pre-weaning mortality rate</td>
<td>50%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Post-weaning mortality rate</td>
<td>15%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Calves weaned per annum</td>
<td>5</td>
<td>16</td>
<td>21</td>
</tr>
<tr>
<td>Calves available for sale</td>
<td>2</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>Ave weight of calves sold</td>
<td>150</td>
<td>180</td>
<td>205</td>
</tr>
<tr>
<td>Potential value of calf sold</td>
<td>R1,050</td>
<td>R21,600</td>
<td>R33,825</td>
</tr>
<tr>
<td>Potential monthly income/farmer</td>
<td>R88</td>
<td>R1,800</td>
<td>R2,818</td>
</tr>
</tbody>
</table>
RPO TRANSFORMATION PROJECT

Training on provincial level
FOCUS AREA 9
Predation Management

- Cost of predation
  R2.6 billion per annum in small stock, beef and wildlife industry?
FOCUS AREA 9
Predation Management (cont.)

- Professional Hunter (night) - 16%
- Trap cages - 15%
- Gin traps - 12%
- Poison - ILLEGAL!!
- Jackal proof fences - 9%
- Jackal hunters - 1%
- Kraal - 2%
- Donkeys - 1%
- Shepherds - 1%
- Helicopter - 8%
- Hunting dogs - 6%
- Hunter (self) - 12%
- Kingcollars - 1%
- Anatool - 1%
- Dead Stop Collars - 1%

Source: Niel Viljoen
FOCUS AREA 9
Predation Management (cont.)

PREDATION MANAGEMENT CENTRE – UFS R300 000

PREDATION MANAGEMENT (PMF) WEBSITE
• WWW.PMFSA.CO.ZA

Best practices for managing predation in South Africa

Livestock farmers have a constitutional right and responsibility to take care of their animals and protect them from potential threats, such as extreme weather conditions, theft and predators. The framework focuses on the best ways to manage predation. This month we are focusing on preventative measures for predation management.

Livestock protection collars: These collars protect animals against attacks from predators or deter predators from attacking livestock.

Protecting collars
• Protection collars must be made from firm UV-protected plastic.
• All the sheep in the enclosure should be fitted with collars.
• Do not use collars for longer than six weeks in one enclosure.
• Whenever the predator starts attacking anywhere else than its neck, remove the collars immediately.
• Alternate protection collars with scented collars, fluorescent collars and sound collars.
• Collars must fit snugly and not choke the animal.

Deterrent collars
Deterrent collars include those that produce a sound, are made from bright colours or discharge a certain odour:
• Bell collars: Fit bell collars to about a quarter of the herd. Do not use it for more than six weeks. Alternate the collars with other types.
• Coloured collars: Brightly coloured collars are made from fluorescent material that radiates light at night. Do not used for more than six weeks. Alternate with other collar types.
• Scent collars: These collars are made from cotton. Various scents are placed on the collar to add a strange scent to the herd. Do not use these collars for longer than six weeks and alternate with other types of collars.
FOCUS AREA 10
Stock Theft

- R500 million loss per annum
- Animal ID / Brands / alternative methods of identification
FOCUS AREA 10
Stock Theft

www.stocktheftprevent.co.za
FOCUS AREA 10
Stock Theft

• Mark your animals according to the act

• Removal certificates must be adhered to

• Report all stock theft cases

• Make use of your provincial stock theft forum – if necessary
CHALLENGES FACING THE SOUTH AFRICAN RED MEAT INDUSTRY

- How can we manage if we can’t measure?
- How are we going to create a positive image of red meat production?
- What about traceability in a country where we are a net importer?
- Is the South African classification system in line with the South African consumer needs and international trends?
- How do we go “GREEN”?
- How are we going to revamp the current extension services within the national and provincial Departments of Agriculture?
- Land tenure / land reform vs. increased production?
- Mining vs. increased production?
- Water use and quality – green/blue/grey?
- Self regulation?
- How do we address the myths:
  - Cholesterol
  - Heart disease
CHALLENGES FACING THE SOUTH AFRICAN RED MEAT INDUSTRY (cont.)

- 88 acts in agriculture vs. production
- Livestock vs. game ranching
- Global warming – we need a roadmark
- Trade agreements
- Doesn’t matter what the science tells us, consumers are sceptical about antibiotics, hormones and beta-agonists
- Consumers expects sustainability and welfare from farmers
- Do we understand the informal / emerging sector?
- Disaster management strategy
- Onderstepoort Biological Products
- Brucellosis
- Stock census
- Implement an additional voluntary grading system
OPPORTUNITIES FOR THE SOUTH AFRICAN RED MEAT INDUSTRY

- Brands not commodity – story food
- The industry is internationally competitive
- What role can the red meat industry play in food security and providing for a protein deprived South Africa and Africa?
- Centres of excellence / scarce skills
- Livestock have centre stage in South Africa (how are we going to utilize this)?
- The contribution of the 5th quarter to food security
- Animal Improvement Schemes an asset which we must treasure
- Onderstepoort Biological Products
- Genomics
- GPRS technologies
- Precision farming
- Young farmers – how do we make the industry “sexy” for young people?
- Study groups
- Beef / weaner “futures”
- RMRD-SA – research and development – www.rmrdsa.co.za
- Red Meat Industry Workshop – 16 March 2017
- Export markets – how do we access premium markets?
PRODUCER COMMUNICATION

- Electronic newsletter
- “RED MEAT” magazine
- Web site (www.rpo.co.za)
- Articles in Agricultural magazines
- Radio / TV-interviews
- Facebook
- Farmers’ Information Days
PRODUCER COMMUNICATION:
TRAINING MANUALS
THANK YOU!!

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