THE RED MEAT INDUSTRY IN SOUTH AFRICA

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Introduction

Focus Areas
- 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

Meat Consumption Growth

- Beef: 9%
- Chicken: 28%
- Sheep meat: 13%
- Pork: 35%
- Eggs: 17%
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

[Graph showing trends in meat prices from 2005 to 2015, with lines indicating different types of meat.]
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
PROVINCES ALREADY PROCLAIMED AS DROUGHT DISASTER in 2015 / 2016

- **N Cape**: 29 Jan 2016
- **NW**: 24 Jul 2015
- **FS**: 4 Sep 2015
- **KZN**: 20 Nov 2015
- **E Cape**: 4 Dec 2015
- **LMP**: 13 Nov 2015
- **MP**: 4 Dec 2015
- **W Cape**: Pending
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.

Invasive alien species: Slangbos (*Seriphium plumosum*)

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)

- **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
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

Source: RMAA Congress (OIE), 2011
FOCUS AREA 4
Animal Health (cont.)

• **Zoonosis**
  – The BSE outbreak in the UK created a food scare and the consumption dropped by almost 40% overnight

• **On-farm disease control plan**
  – Compile with local vet

• **Livestock / game interactions**
  – Foot-and-Mouth disease
  – Corridor disease
  – Catarrhal Malignant Fever
FOCUS AREA 4
Animal Health (cont.)

ONDERVERPOORT BIOLOGICAL PRODUCTS
• Develop essential vaccines
• 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 5
Animal products, quality and value adding (cont.)

- Offal
- Hides, skins and leather
- Product technology and shelf live
- Fresh vs. processed
- Classification system
- Genetics and product development

<table>
<thead>
<tr>
<th>Breed</th>
<th>0 (%)</th>
<th>* (%)</th>
<th>** (%)</th>
<th>Frequency of gene for meat tenderness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afrikaner</td>
<td>0</td>
<td>7</td>
<td>93</td>
<td>96%</td>
</tr>
<tr>
<td>Bonsmara</td>
<td>1</td>
<td>6</td>
<td>93</td>
<td>96%</td>
</tr>
<tr>
<td>Drakensberger</td>
<td>0</td>
<td>36</td>
<td>64</td>
<td>82%</td>
</tr>
<tr>
<td>Nguni</td>
<td>2</td>
<td>28</td>
<td>70</td>
<td>84%</td>
</tr>
<tr>
<td>Tuli</td>
<td>17</td>
<td>22</td>
<td>61</td>
<td>72%</td>
</tr>
<tr>
<td>Brahman</td>
<td>18</td>
<td>50</td>
<td>32</td>
<td>57%</td>
</tr>
<tr>
<td>Angus</td>
<td>1</td>
<td>21</td>
<td>78</td>
<td>89%</td>
</tr>
</tbody>
</table>

Source: Prof Frikkie Neser
FOCUS AREA 6
Red meat safety, nutritional quality and value

- Microbial pathogens
- Chemical residues
- Nutrient composition and bio-availability
- 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”
RED MEAT INDUSTRY FORUM /
VALUE CHAIN APPROACH

Members
FOCUS AREA 7
Market development, consumerism and trade (cont.)

• International Trade / Policy

Estimates of support to agriculture (PSE) in selected non-OECD and OECD countries (2010)

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.) EXPORTS

![Pie chart showing export proportions]

- Vars Lamvleis 6%
- Vars Beesvleis 5
- Vars Hoender 56
- Gouda Kaas 48%
- Vars Melk 38%
- Brood 19%
- Wyn 5%
# FOCUS AREA 7

## 2016 BALANCE SHEET FOR SOUTH AFRICAN BEEF AND SHEEP MEAT

<table>
<thead>
<tr>
<th>SOUTH AFRICAN BEEF</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic production</td>
<td>792 095 tons</td>
</tr>
<tr>
<td>Exports</td>
<td>17 589 tons</td>
</tr>
<tr>
<td>Percentage of production</td>
<td>5 %</td>
</tr>
</tbody>
</table>

South Africa is now a nett exporter with 2.8 nett
2016 was the first year South Africa became a nett exporter of beef
Gross turnover of the SA cattle industry on producer level is R 44 000 000 000 per annum

<table>
<thead>
<tr>
<th>SOUTH AFRICAN SHEEP MEAT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic production</td>
<td>106 316 tons</td>
</tr>
<tr>
<td>Imports</td>
<td>11 000 tons</td>
</tr>
<tr>
<td>Exports</td>
<td>1 300 tons</td>
</tr>
<tr>
<td>Export as percentage of production</td>
<td>1.2 %</td>
</tr>
</tbody>
</table>

South Africa is a nett importer with 9.1 % nett
South Africa remains a nett importer of sheep meat
Gross turnover of the sheep meat industry on producers’ level is R 7 800 000 000
FOCUS AREA 7
SOUTH AFRICAN EXPORTS: BEEF

BEEF & VEAL: PAST 5 YEARS - VOLUME EXPORTED

BEEF & VEAL: PAST YEAR - VOLUME EXPORTED
FOCUS AREA 7
SOUTH AFRICAN EXPORTS:
SHEEP MEAT

- Chart showing the volume of lamb and mutton exports from 2012 to 2016.
- Bar chart showing the monthly volume of lamb and mutton exports in the past year.
FOCUS AREA 7
Market development, consumerism and trade (cont,)

BEEF FUTURES MARKET

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

Off-take percentages of different species in South Africa compared to other countries and regions\textsuperscript{(84)}.

<table>
<thead>
<tr>
<th>Country and Region</th>
<th>Beef cattle</th>
<th>Sheep</th>
<th>Goats</th>
<th>Pigs</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa (commercial)</td>
<td>23 [32\textsuperscript{(85)} 33\textsuperscript{(86)}]</td>
<td>29 [35\textsuperscript{(86)}]</td>
<td>33</td>
<td>125</td>
</tr>
<tr>
<td>South Africa (emerging\textsuperscript{(87)})</td>
<td>8* [25\textsuperscript{(85)} 12\textsuperscript{(86)}*]</td>
<td>36 [2.3\textsuperscript{(86)}*]</td>
<td>10\textsuperscript{(88)}</td>
<td>51</td>
</tr>
<tr>
<td>South Africa (communal\textsuperscript{(85)})</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>28</td>
<td>28</td>
<td>37</td>
<td>186</td>
</tr>
<tr>
<td>New Zealand</td>
<td>37</td>
<td>68</td>
<td>79</td>
<td>204</td>
</tr>
<tr>
<td>European Union</td>
<td>34</td>
<td>65</td>
<td>72</td>
<td>164</td>
</tr>
<tr>
<td>USA</td>
<td>38 [37\textsuperscript{(89)}]</td>
<td>50</td>
<td>-</td>
<td>17</td>
</tr>
<tr>
<td>Brazil</td>
<td>22</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Argentina\textsuperscript{(89)}</td>
<td>26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uruguay\textsuperscript{(89)}</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South America **</td>
<td>20</td>
<td>50</td>
<td>30</td>
<td>82</td>
</tr>
</tbody>
</table>
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.)

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

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 with other collar types.
• Coloured collars: Brightly coloured collars are made from fluorescent material that radiates light at night. Do not use 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
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 ?
- Factors influencing the marketing and price of live goats
- Disaster management strategy
- Water utilisation – green/blue/grey
- Stock census
- Marketing – what is your network ?
OPPORTUNITIES FOR THE SOUTH AFRICAN RED MEAT INDUSTRY

- 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
- Export markets – how do we access future markets?
- Young farmers – how do we make the industry “sexy” for young people?
- Study groups
- Do we farm with adopted animals?
- Beef / weaner “futures”
- RMRD-SA – research and development – www.rmrdsa.co.za
PRODUCDER COMMUNICATION

Red Meat magazine

Social media

Electronic newsletter

Speakers for information days

Stock Theft Manual

Lamb & Mutton SA

Guidelines for Livestock farming
TAKE HOME MESSAGE

- Prospects in the red meat industry is rosy – demand for product increases locally and internationally
- Beef producers’ price is 25% higher than last year
- Sheep producers’ price is 20% higher than last year
- Weaner prices are 60% higher than last year
- Red meat exports realises on a relative scale

“WE MUST TAKE OUR FUTURE IN OUR OWN HANDS. UNITY AND COLLABORATION WITHIN THE RPO-TEAM SHOULD BE PROTECTED AND MUST BE BUILDED.”
THANK YOU!!

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