RED MEAT INDUSTRY
HOW DO WE LIFT THE BAR?

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FUNDAMENTALS ARE VERY POSITIVE – Locally
SA beef production, consumption, trade and prices:
2008 - 2028

Source: BFAP
FUNDAMENTALS ARE VERY POSITIVE – Locally
Meat Consumption 2026 vs 2014-2016

Source: BFAP
FUNDAMENTALS ARE VERY POSITIVE – Internationally

- Currently ± 1.2 billion people; 15.5% of the world population (AFRICA)
- Fastest growing population in the world
- Estimation: more than double by 2050
- By 2050 – more than 25% of world population will be in Africa
- Food market in East- and Southeastern Africa will more than triple by 2040

- Globally: growth is slower – BUT
  
  • Currently - 7,25 billion people
  • 750 million people in the next decade

(The Modernizing African Food systems (MAFS) Consortium)
FUNDAMENTALS ARE VERY POSITIVE

40% transformed

- 215,034 households owning sheep
- 29,065 households owning goats
VALUE CHAIN IS UNDER PRESSURE

• Economic growth
• Foot and mouth outbreak and other animal diseases
• Droughts and other adverse weather patterns
• Skins and Hide prices
• Stock Theft and Predation
• Policy uncertainty
• Crime and corruption
• Competitive products and imports
• Competitive prices
VALUE CHAIN IS UNDER PRESSURE

Source: RMAA – week 34
HOW DO WE LIFT THE BAR?

- Full disclosure to the consumer (local and international market)
- Codes of Best Practice
- Grow the local consumer market
- Grow the export market - specifically the DOLLAR, POUND and YEN
- We are internationally competitive – 30% below the international price
HOW DO WE LIFT THE BAR?

• BEEF IS NOT A COMMODITY – IT ....

• competes with poultry and pork

• “Story beef” – trademarks
HOW DO WE LIFT THE BAR?

- Deal with diseases that impacts on international trade
- Regain our Foot and mouth disease free zone from the OIE
- Introduce a traceability system
- Create compartments in terms of disease control as recognised by the OIE
IMPLEMENTATION OF A TRACEABILITY SYSTEM FOR BEEF IN SOUTH AFRICA

- Keep it simple – baby steps
- Standardise – on the database platform
- Start with individual animal ID
- Basis is the SA Feedlot industry and the foot and mouth control zones
- Foot and mouth control zones – compulsory
- Rest of the country – voluntary system
IMPLEMENTATION OF A TRACEABILITY SYSTEM FOR BEEF IN SOUTH AFRICA

- Team effort between industry and government – PPP
- Leverage industry funds – EU and Trade and Industry
- Statutory levy
- Department of Agriculture and Land Reform
- LITS-SA Committee of NAHF
- Start with – primary producers (commercial and emerging) feedlot industry
- Perhaps an incentive from the feedlot industry?
WHAT IF WE DO NOT GET IT RIGHT ??

• No exports to the premium markets
• Limited exports to mediocre markets
• Losing the faith of the local consumer
• OIE recognition under pressure
• No animal disease compartments
OTHER BENEFITS OF A TRACEABILITY SYSTEM

- Management information
- Animal health
- Stock Theft
- Drought disaster management
TAKE HOME MESSAGE

- Future prospects for the red meat industry
- 40% transformed
- Contributor to food and income security
- Lucrative local market
- Internationally competitive
- SA beef 30% cheaper than international beef prices
- Exports will lift the bar
- Well developed feedlot industry
- High quality beef due to our production and classification system

We cannot afford not to have a traceability system – Baby steps need to be taken immediately
THANK YOU !!!

RPO VISION

ENSURING THE COMPETITIVENESS AND SUSTAINABILITY OF THE RED MEAT INDUSTRY, IN WHICH RED MEAT PRODUCERS ARE EMPOWERED TO COMPETITIVELY AND SUSTAINABLY PRODUCE AND UNLOCK VALUE

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