THE FUTURE OUTLOOK FOR
BEEF PRODUCTION

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Western Cape RPO
THE SOUTH AFRICAN BEEF MARKET
BEEF PRICES : 1 SEPTEMBER 2019

Graph showing Beef A2 - Sales Price comparison between 2018 and 2019.
CONSUMPTION OF RED MEAT IN SOUTH AFRICA 2026 vs 2014-2016

Figure 68: South African meat consumption – 2026 vs. 2014-2016 base period
# Imports of Beef from Neighbouring Countries

<table>
<thead>
<tr>
<th></th>
<th>Beesvleis</th>
<th>Beesvleis plus afval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Namibië</td>
<td>Botswana</td>
</tr>
<tr>
<td>Mar-18</td>
<td>12,5</td>
<td>1,3</td>
</tr>
<tr>
<td>Apr-18</td>
<td>17,3</td>
<td>0,4</td>
</tr>
<tr>
<td>May-18</td>
<td>18,0</td>
<td>0,5</td>
</tr>
<tr>
<td>Jun-18</td>
<td>19,5</td>
<td>0,5</td>
</tr>
<tr>
<td>Jul-18</td>
<td>20,4</td>
<td>0,5</td>
</tr>
<tr>
<td>Aug-18</td>
<td>21,9</td>
<td>0,5</td>
</tr>
<tr>
<td>Sep-18</td>
<td>22,8</td>
<td>0,5</td>
</tr>
<tr>
<td>Oct-18</td>
<td>23,5</td>
<td>0,6</td>
</tr>
<tr>
<td>Nov-18</td>
<td>24,3</td>
<td>0,6</td>
</tr>
<tr>
<td>Dec-18</td>
<td>24,3</td>
<td>0,5</td>
</tr>
</tbody>
</table>
LIVESTOCK NUMBERS IN SOUTH AFRICA

<table>
<thead>
<tr>
<th>OWNED BY</th>
<th>TOTAL</th>
<th>EMERGENT</th>
<th>PERCENTAGE OWNED BY EMERGENT SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle</td>
<td>13.6 million</td>
<td>5.7 million</td>
<td>42 %</td>
</tr>
<tr>
<td>Sheep</td>
<td>24.6 million</td>
<td>3.1 million</td>
<td>13 %</td>
</tr>
<tr>
<td>Goats</td>
<td>5.9 million</td>
<td>4.3 million</td>
<td>73 %</td>
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</tbody>
</table>

The red meat industry is 40 % transformed
<table>
<thead>
<tr>
<th></th>
<th>Cattle</th>
<th>Goats</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa commercial</td>
<td>33</td>
<td>125</td>
</tr>
<tr>
<td>South Africa emerging</td>
<td>8</td>
<td>51</td>
</tr>
<tr>
<td>South Africa communal</td>
<td>6</td>
<td>&lt; 51</td>
</tr>
</tbody>
</table>
HOUSEHOLDS OWNING CATTLE

Number of households owning cattle

Cattle 613,662

South Africa

Gauteng

North West

Limpopo

Mpumalanga

Free State

Northern Cape

KwaZulu-Natal

Western Cape

Eastern Cape

1. Households owning cattle in South Africa.
2. Distribution of cattle ownership across provinces.
3. Key regions with the highest number of cattle households.
HOW CAN WE PRODUCE MORE?

PRODUCTION DEVELOPMENT

- Better technology / management
- More intensified / production systems
- Empowering production environment / government
- Commercialisation of emergent sector
- Governments’ capacity to deliver necessary services is limited and still weakening
- The red meat industry must deliver services and support government in the delivering of services
PRODUCERS’ RESPONSIBILITY

Optimalisation of production
- Technology
- Precision Farming
- Control over input costs

What to produce?
When to produce?
For whom must we produce?
Where must be produced?

The concept of value adding ...
- Vertical integration
- Innovation
- Coordination
10 TIPS TO TAKE HOME:
OPPORTUNITY COST
OF BEEF FARMING

Feed calf vs sale of calf

Buy cattle/land *versus* Other investments and returns on investment

Land for own production *versus* Land for rental income

Producers’ labourers *versus* Alternative labour

10 Bulls for reproduction *versus* 1 Bull AI *versus* Semen straws

Holding back of replacement heifers *versus* Buying of pregnant heifers *versus* contract heifers
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
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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