RMIF
RED MEAT INDUSTRY FORUM

Increase of export opportunities through inclusive growth

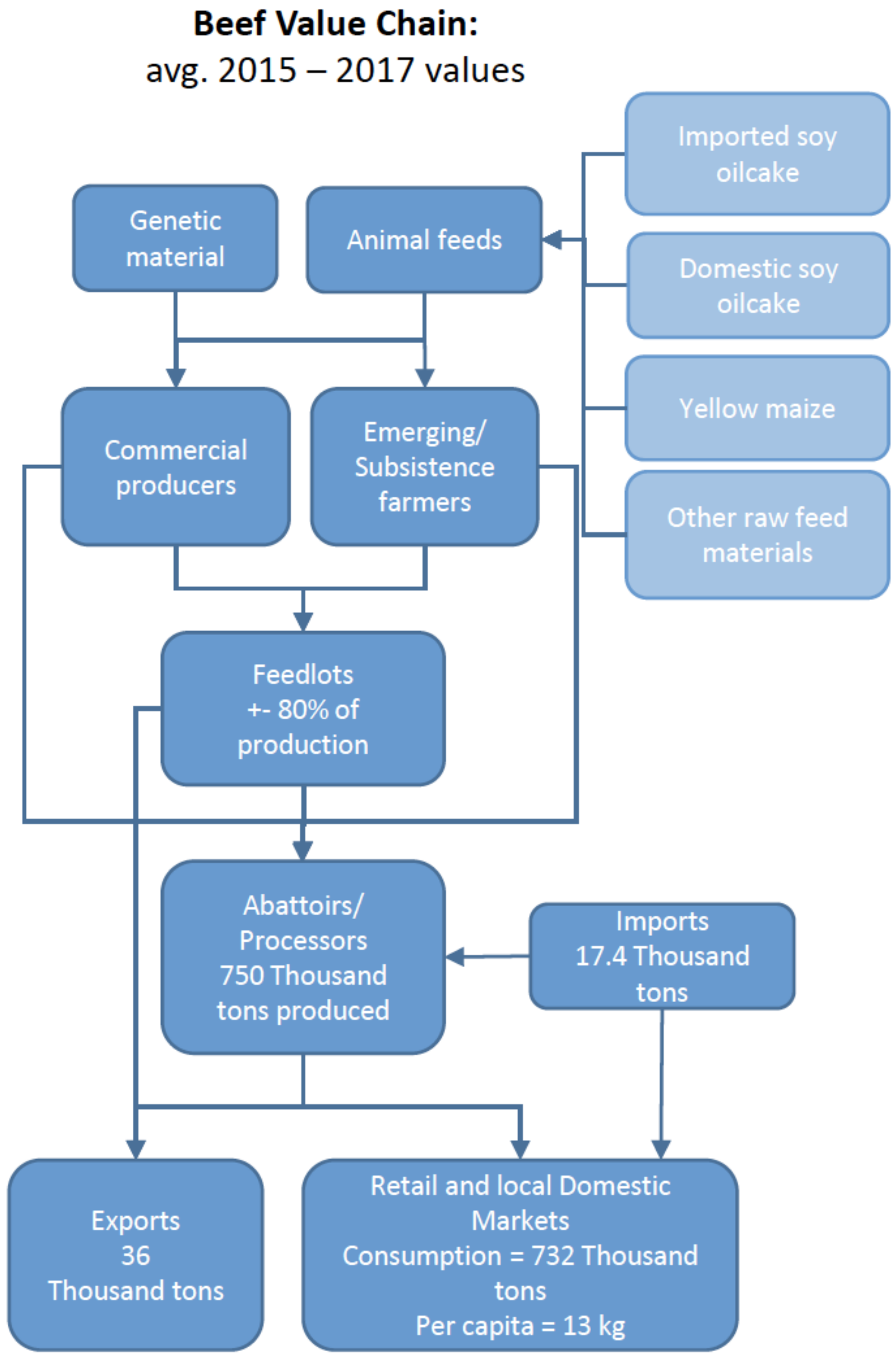
What is our current situation?

- The South African red meat industry is the second largest contributor to South Africa’s agricultural Gross Domestic Product (GDP).
- Between 2008 and 2018 - gross production value of beef expanded by an annual average of 11.6% and the value of slaughtered sheep and goats increased by 9.4%.
- By shifting from a net importer to a net exporter of beef in the recent past, South Africa has proven its ability to compete on global markets.
- 55% of the country’s agricultural land is suitable for extensive grazing and the industry consists of a world-class genetic bank.
- Local consumption growth over the next ten years will likely not be enough to absorb substantial increases in beef production at sustainable producer prices.
- Future growth in the industry is balanced on a knives-edge and decisive and focused interventions are urgently needed by a well-coordinated public-private partnership and strong institutions.

What is our current situation?

- The livestock subsector is the largest contributor to South Africa's agricultural production value – between 2012 and 2017 it constituted almost half of the gross agricultural production value.
- Within the livestock subsector, the beef industry is the second largest, behind poultry production and more than four times larger than the sheep and goat meat market (formal market).
- Between 2012 and 2017, the beef industry contributed on average 12% to gross agricultural production value, and 13.4% in 2018.

Beef value chain



SA Beef Overview

SA Beef Sector - Overview	
Contributes 13% of Gross Value of Animal Production	Growth of 9% p.a. in gross production value over past decade
Production: +9% past decade	Consumption: +5% past decade
Commercial cattle herd: 7,57 million	Informal cattle herd: 5,3 million
4% of production exported (3year avg)	2% of consumption imported (3year avg)
SA Represents 0.3% of global exports	SA Represents 0.1% of global imports

Growing inclusively

- All of these are also major frustrations for commercial producers, communal farmers, exporters, abattoirs and retailers:
  - The current drought reducing the capacity of our natural grazing.
  - Inability to deal effectively with issues related to animal health and animal diseases.
  - Poor implementation of sanitary and phytosanitary systems.
  - Low and irregular off-take rates in the communal sector.
  - Limited funding for research related to vaccine development, animal productivity, product development.
  - Poor enforcement of meat grading and hygiene regulations.
  - A poorly coordinated and poorly integrated red meat supply chain with farmers across the size spectrum not included in commercial value chains.
  - The lack of an internationally certified traceability system.

Critical services

- Animal health
- Regulatory compliance
- Meat safety
- Consumer communication and education
- Livestock welfare
- Stock theft
- Predation
- Research and development
- Sustainable production development
- Technology transfer
- Extension services
- Industry statistics and trends
- Business/industry development
- Export development

Reference Group 2 Cluster 5: Livestock value chain interventions

(Note: This is an executive summary. Kindly refer to Action Plan document for comprehensive list)

PILLARS

PILLAR 1
Resolving policy ambiguities and creating investment friendly climate

PILLAR 2
Creating enabling infrastructure

PILLAR 3
Providing comprehensive farmer support, development finance, R&D and extension services

PILLAR 4
Ensuring food security, expanded production and employment creation, decency and inclusivity

PILLAR 5
Enabling markets expansion, improving market access and trade facilitation

PILLAR 6
Developing localized food, import replacement and expanded agro-processing exports

KEY INTERVENTIONS

PILLAR 1
- Full implementation of SA Veterinary Strategy 2016-2026
- Develop & enforce strict biosecurity control measures
- Improve livestock (and wool) theft policing
- Enable compartmentalisation in the red meat industry

PILLAR 2
- Invest in rural animal production infrastructure (dipping tanks, fences shearing houses etc.)
- Deployment a comprehensive national identification & traceability system (LITS SA)

PILLAR 3
- Comprehensive producer support through PPPs
  - Improve communal animal quality and productivity (herd health & genetics)
  - Upskilling, training and mentorship for farmers and workers
  - Predation R&D
- Creation of black owned feed, feedlot, abattoir and exporters companies

PILLAR 4
- Revitalise transferred PLAS farms suitable for animal production based on ARC suitability report
- Food safety legislation, improved implementation & education for producers & consumers
- Strict implementation of labelling legislations
- Residue monitoring capacity & support required

PILLAR 5
- Pro-active communication of health status (FMD, AFS, AVI) to key trade partners
- Establish detailed export agreements with various countries also linked to sustainability standards and in-country protocols
- Implement internationally accredited Meat Grading System
- Expand and enable access to local, regional and global markets

PILLAR 6
- Invest in animal product processing to exports and value-added products
- Establish & enforce import SPS & biosecurity requirements (live animals)
- Link to grains & oilseeds master plan for feed processing

OPPORTUNITIES

R18,8 BILLION Real GPV added by 2030

Increase of **611 000t** from modelled livestock sub-sectors

Additional **22 237** Jobs across livestock value chain cluster

> 159 000 livelihoods impacted

Thank you

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