A PROFILE OF THE SOUTH AFRICAN BEEF MARKET VALUE CHAIN

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1. DESCRIPTION OF THE INDUSTRY

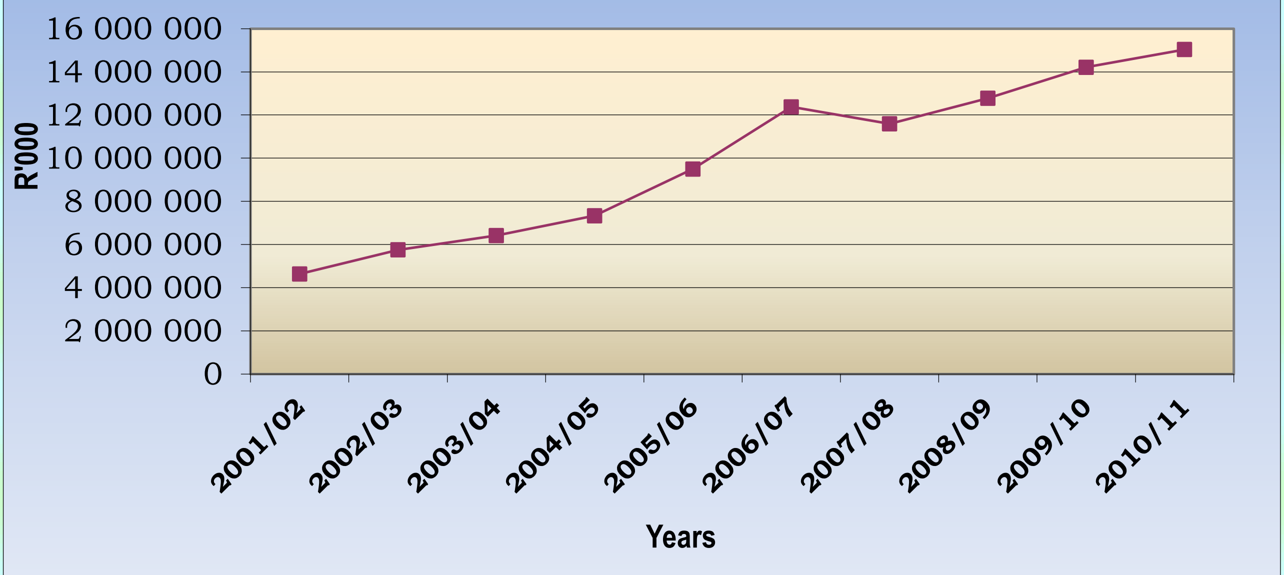
The livestock sector is one of the best growing parts of the agricultural economy, driven by income growth and supported technological and structural change. This sector contributes 40 percent of global value of agricultural output and supports the livelihoods and food security of almost billion people. Beyond their role in generating food and income, livestock are a valuable asset, serving as a store of wealth, collateral for credit an essential security net during calamitous times. Globally, livestock contribute 15 percent of total food energy and 25 percent of dietary protein.

In South Africa, stock farming is the only viable agricultural activity in a large part of the country. Approximately 80% of South African agricultural land is suitable for extensive grazing. Cattle production have increased by 37 000 heads from 13.5 million in 2004 to 13.87 million in 2011 and areas for grazing declined owing to expanding human settlements and other activities such as mining, crops, forestry and conservation. 80% of the total cattle heads are for beef cattle and the remaining 20% is for dairy cattle. Beef cattle producers vary from highly sophisticated commercial (who rely on high technology) to communal subsistence producers (who rely on indigenous knowledge and appropriate technology). Three major groups of beef cattle farmers co-exist in South Africa.

- The commercial beef producer (mostly white farmers) where production is relatively high and comparable to developed countries. Their production is generally based on synthetic breeds and/or crossbreeding, using Indicus / Sanga types and their crosses as dams.
- The emerging black beef cattle farmer who own or lease land (LRAD beneficiaries). Their cattle generally consist of indigenous crossbred or exotic type of animals.
- The communal beef cattle farmer who farm on communal grazing land. Their cattle are mostly of indigenous types.

Approximately 60% of the 14.1 million cattle available in South Africa are owned by commercial farmers and 40% by emerging and communal farmers.The gross value of beef production is dependent on the number of cattle slaughtered and the prices received by producers from abattoirs. The average gross value of beef produced during the period 2001/02 until 2010/11 amounted to R 9, 960,994. Figure 1 below show the gross value of cattle and calves slaughtered during the period 2001/02 until 2010/11.

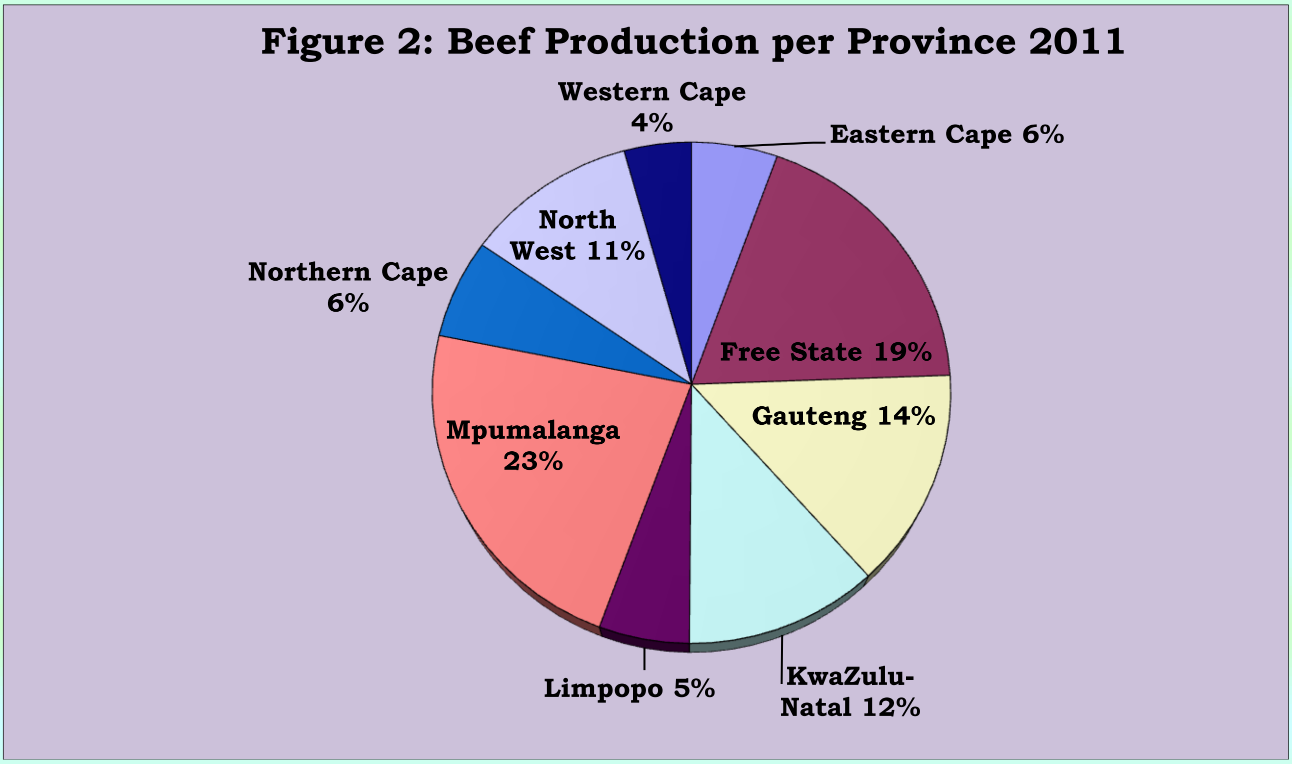
Figure 1: Gross Value of cattle and calves slaughtered



Source: Statistics and Economic Analysis, DAFF

1.1. Production Areas

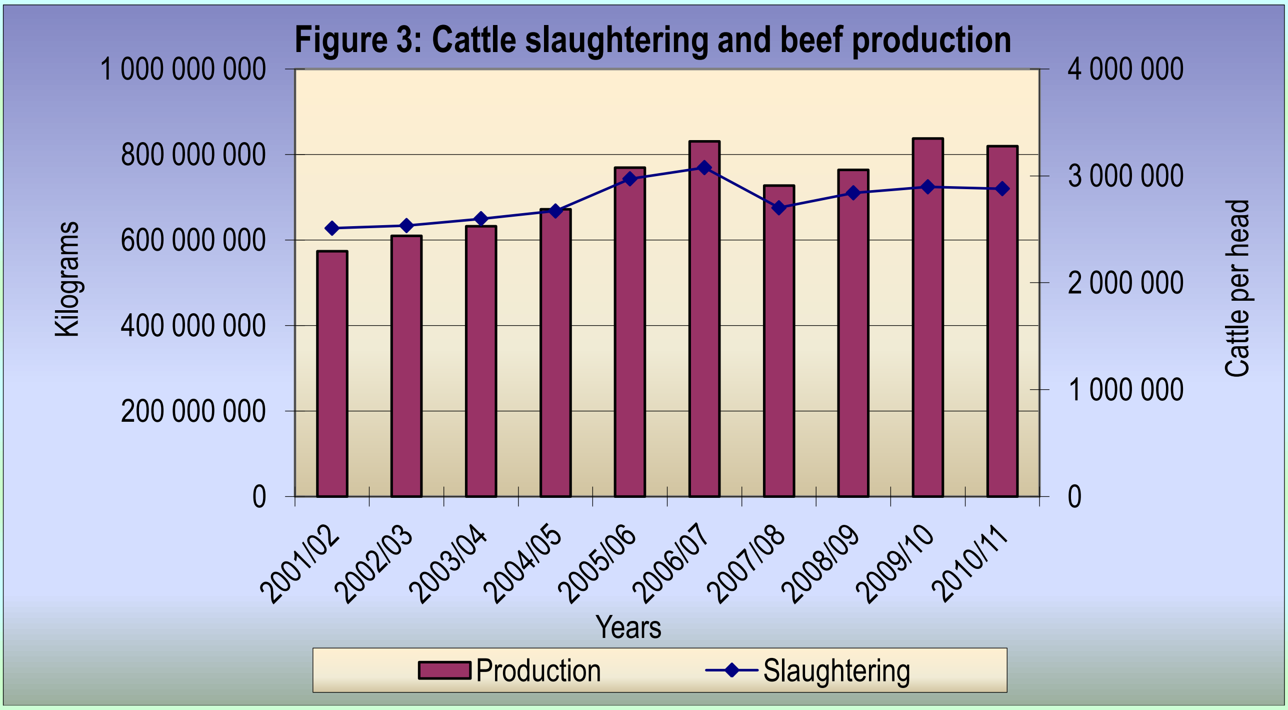
Beef is produced throughout South Africa. The amount of beef produced depends on the infrastructure such as feedlots and abattoirs, not necessarily by the number of cattle available in those areas. South Africa has highly developed transport infrastructure that allows movement of cattle and calves from one area to another, even from other countries such as Namibia. For these reasons, Mpumalanga commands the greatest share of beef production in South Africa accounting for 23% of the beef produced in 2011 followed by Free State, Gauteng, KwaZulu Natal and North West accounting for 19%, 14%, 12% and 11% respectively. Figure 2 below shows the beef production per province during 2011 production year.



Source: Red Meat Levy Admin

1.2. Production Trends

South Africa has approximately 495 abattoirs. Approximately 40% of all slaughtering are performed by abattoirs that may slaughter an unlimited number of animals (Class A) and approximately 60% of cattle are slaughtered by highly regulated abattoirs (Class A & B). Most of these abattoirs have linkages with feedlots. Over the past ten years the number of cattle slaughtered has significantly increased by 15% leading to 43% increase in beef production. This may be due to increasing demand. Figure 3 below show the slaughtering of cattle and production of beef during the period 2001/02 until 2010/11.

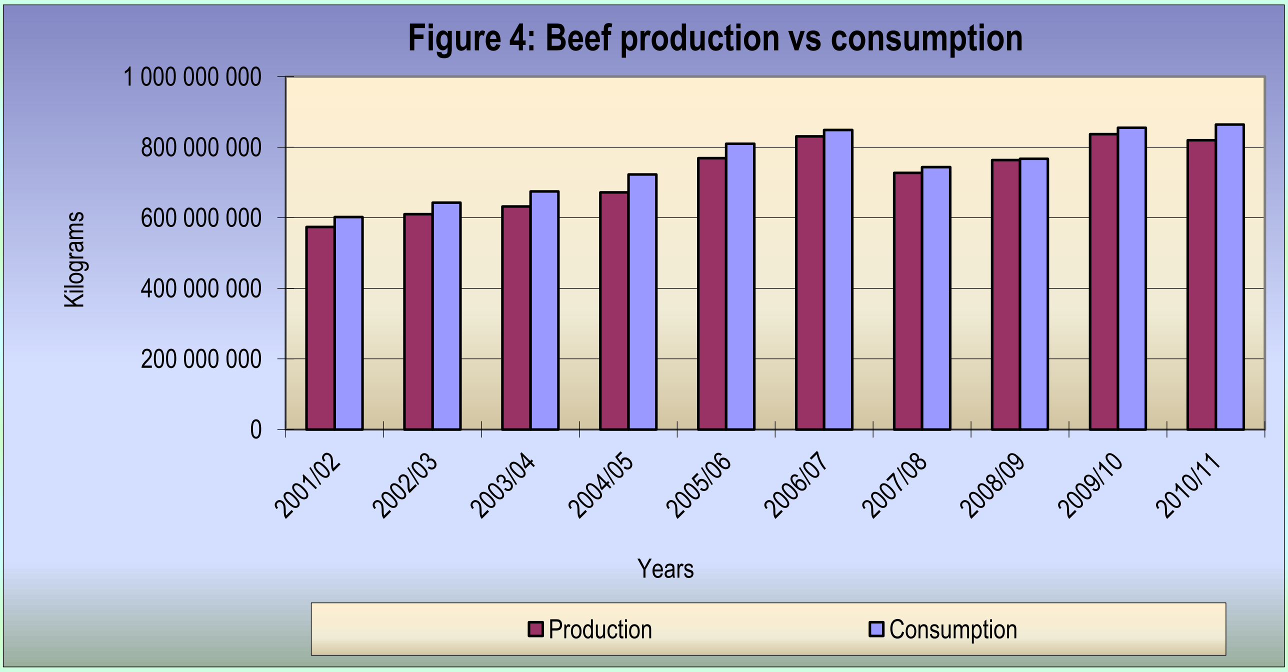


Source: Statistics and Economic Analysis, DAFF

Figure 3 above shows that slaughtering and production of beef follows the same trend. Both increased significantly in 2005/06 to 2006/07 but declined in 2007/08 and increased again during 2009/10 declined slightly during 2010/11. This decline in 2007/08 might have been caused by global economic meltdown. An increase of 43% in production and 370,000 of number of cattle slaughtered was experienced in 2010/11 compared to 2001/02.

1.3. Local Consumption

Figure 4 shows the local consumption of beef comparing it to total production for each year to determine if the country is self-sufficient in terms of beef production.



Source: Statistics and Economic Analysis, DAFF

Figure 4 indicates that South Africa is not self- sufficient because beef consumption was higher than beef production throughout the period under analysis. Both production and consumption followed the same trend, they moved on an increasing trend from 2001/02 to 2006/07 and decreased during 2007/08. The declined during 2007/08 to 2008/09 was due to the global economic meltdown which led to a decreased disposable income of larger number of consumers. During 2009/10 beef production and consumption experienced some increases because the global economic meltdown started to ease and it is also due to the FIFA world cup which was hosted in South Africa. Production of beef declined by 2% but consumption increased by 1% between the periods 2009/10 and 2010/11. This might be due to the outbreak of Foot and Mouth Disease and stock theft. There was an increase of 44% in consumption during 2010/11 compared to 2001/02. This might be due to the increased affordability of consumers.

Table 1 below shows that South Africa does not produce enough beef for the domestic market even if the number of cattle slaughtered has increased considerably from 2001/02 to 2010/11.

Table 1: Total cattle slaughtering, production and consumption of beef

Year	Cattle Slaughtering Head	Production Kilograms	Consumption Kilograms
2001/02	2,510,000	574,000,000	602,000,000
2002/03	2,535,000	610,000,000	643,000,000
2003/04	2,599,000	632,000,000	675,000,000
2004/05	2,671,000	672,000,000	723,000,000
2005/06	2,972,000	769,500,000	810,000,000
2006/07	3,077,000	830,700,000	849,000,000
2007/08	2,701,000	727,500,000	744,000,000
2008/09	2,841,000	763,600,000	767,000,000
2009/10	2,897,000	837,100,000	855,000,000
2010/11	2,880,000	819,600,000	864,000,000

Source: Statistics and Economic Analysis, DAFF

1.4. Employment

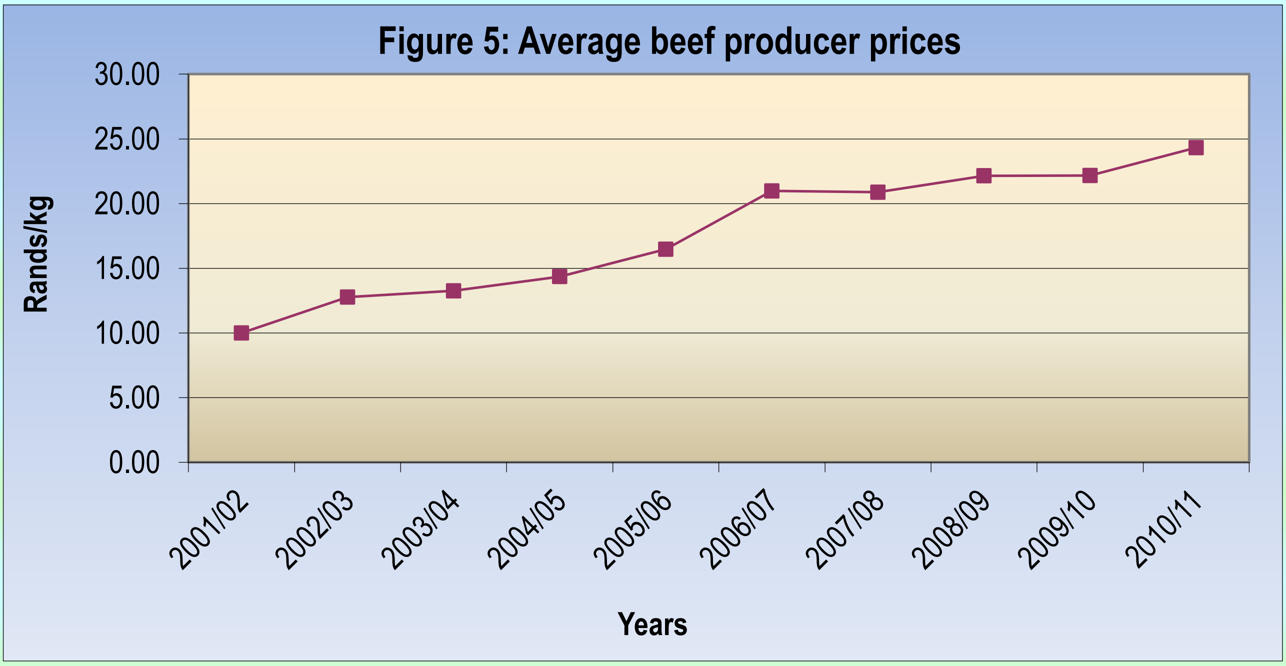
Commercial farmers are estimated at 50 000, emerging farmers at 240 000 and communal farmers 3 million. There are approximately 70 feedlots in South Africa and 495 abattoirs. Beef industry is a major employer with 500 000 people employed and 2 125 000 dependent on the livestock industry for their livelihood.

2. MARKET STRUCTURE

2.1. Domestic Market

The red meat industry evolved from a highly regulated environment to one that is totally deregulated today. Various policies, such as the distinction between controlled and uncontrolled areas, compulsory levies payable by producers, restrictions on the establishment of abattoirs, the compulsory auctioning of carcasses according to grade and mass in controlled areas, the supply control via permits and quotas, the setting of floor prices, removal scheme, etc., characterized the red meat industry before deregulation commenced in the early 1990s. Since the deregulation of the agricultural marketing dispensation in 1997, the prices in the red meat industry are determined by demand and supply forces.

Average producer prices of beef from 2001/02 to 2010/11 are illustrated in Figure 5.



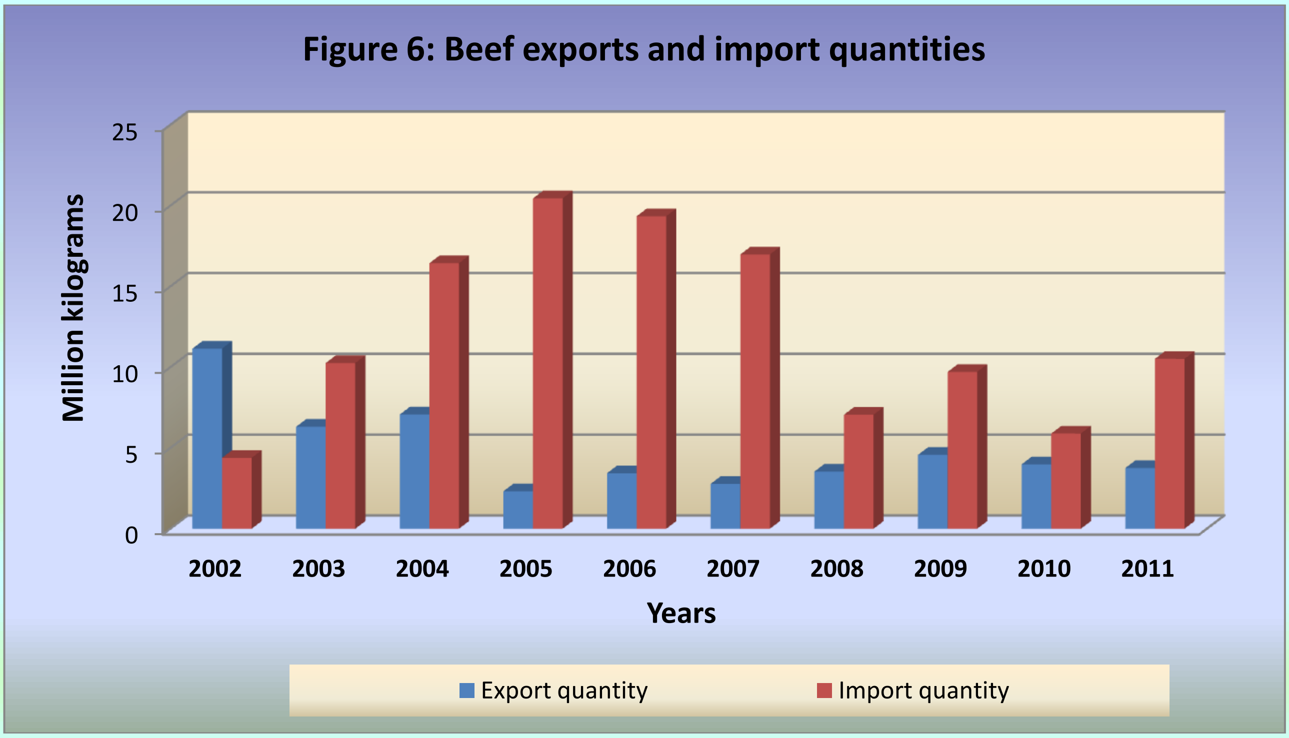
Source: Statistics and Economic Analysis, DAFF

Figure 5 shows that prices of beef increased significantly from 2001/02 to 2010/11 mainly due to increased consumption caused by rising living standards of larger number of consumers and low domestic production in other years. There was an increase of R14.32/Kg in 2010/11 compared to 2001/02.

The market players in the beef industry are vertically integrated. They have their own feedlots, abattoirs, processors and distributors. Figure 6 below is a graphical representation of the market players.

2.2. Import – Export Analysis

Figure 7 compares volumes of imports and exports for beef from 2002 to 2011.

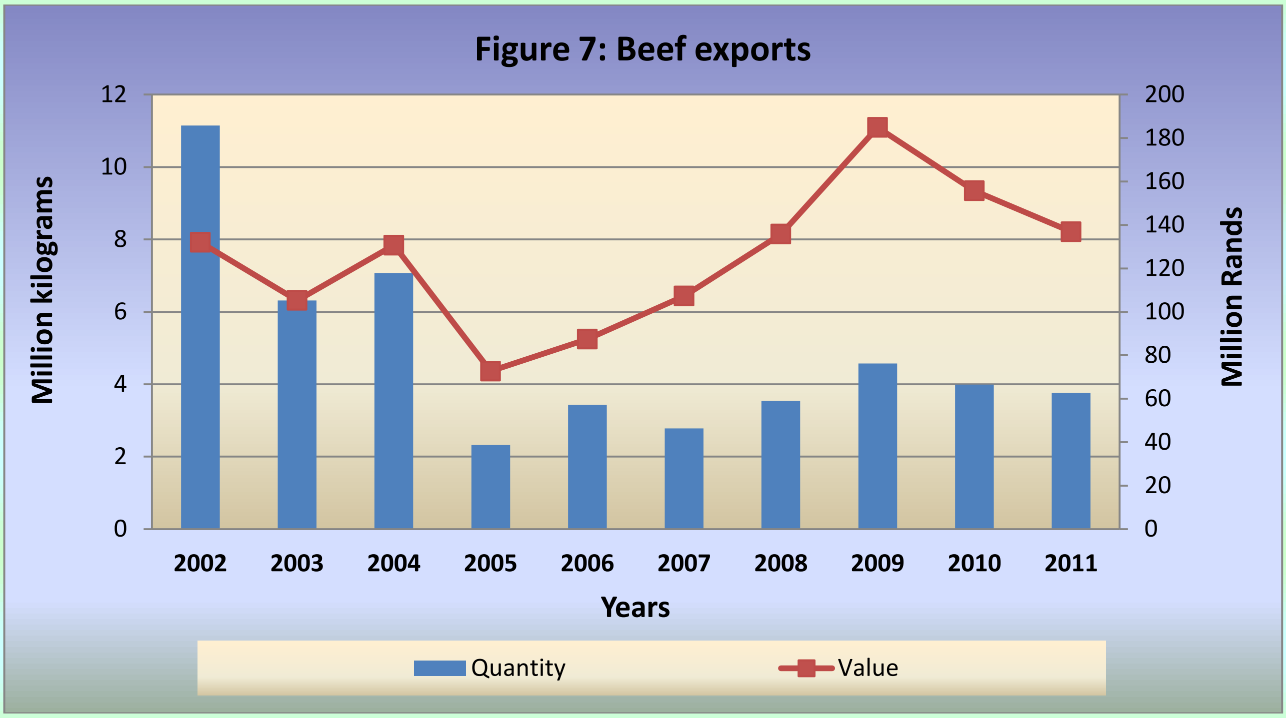


Source: Quantec EasyData

Figure 6 indicates that South Africa's imports of beef were higher than exports in 2003 and 2011. It was only in 2002 were exports were higher than imports. This automatically makes South Africa a net importer of beef. There was a decrease of 66% in export quantity and an increase of 140% in import quantity during 2011 compared to 2002. From 2003 to 2010 imports of beef were far greater than exports. This was triggered by the increased domestic demand and the weaker rand during the same periods.

2.2.1. Exports

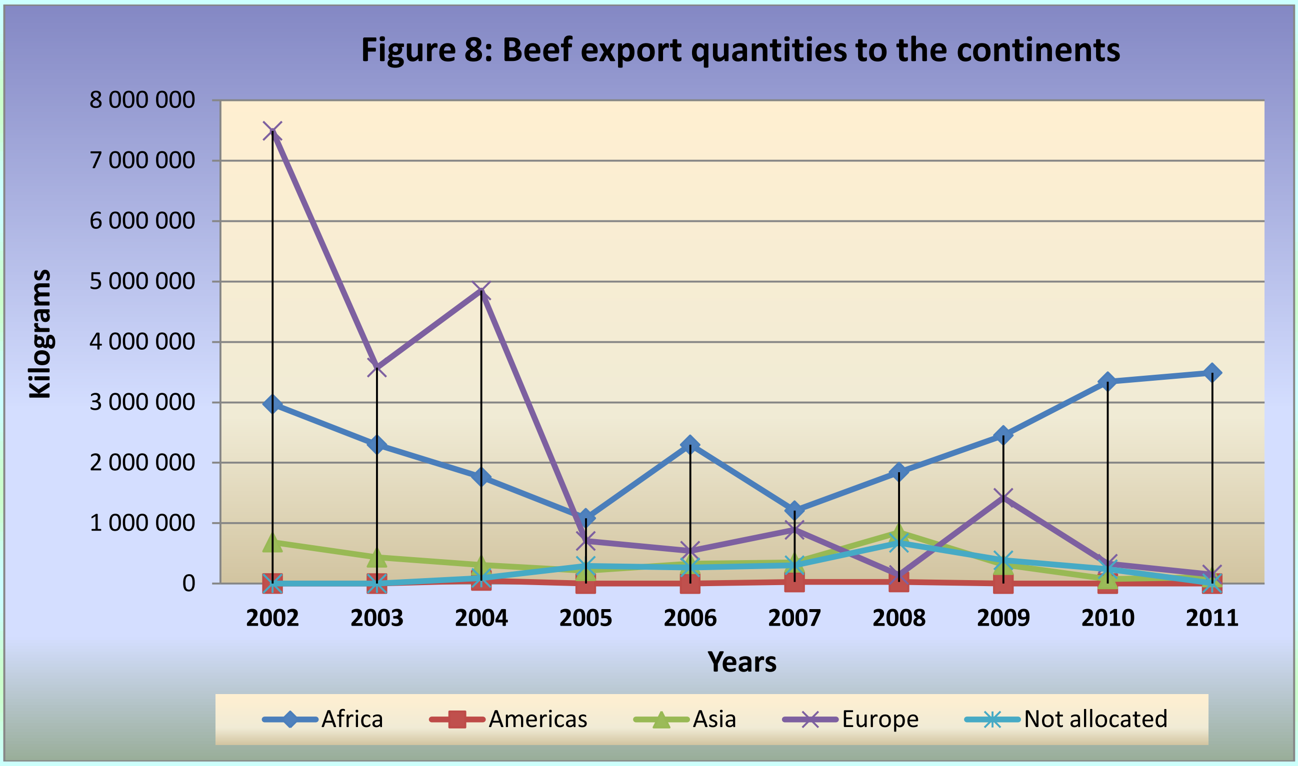
South Africa exported 3.8 million kilograms of beef in 2011 yielding an export value of R 137 million. There was a decrease of 66% of quantity of beef exported during the period 2002 and 2011. Figure 7 below shows that export value showed a decreasing trend from 2010 to 2011 but there is still an increase of 3.4% of export value in 2011 compared to 2002. The quantity and the value for exports of beef are shown in Figure 7 below.



Source: Quantec EasyData

Figure 7 indicates that the beef exports quantity started very high in 2002 and started fluctuating at a decreasing trend from 2003 to 2011. Export quantity reached its lowest exports in 2005. The export value of beef fluctuated from 2002 to 2005 before moving in an increasing trend from 2006 to 2009 then started decreasing from 2010 to 2011.

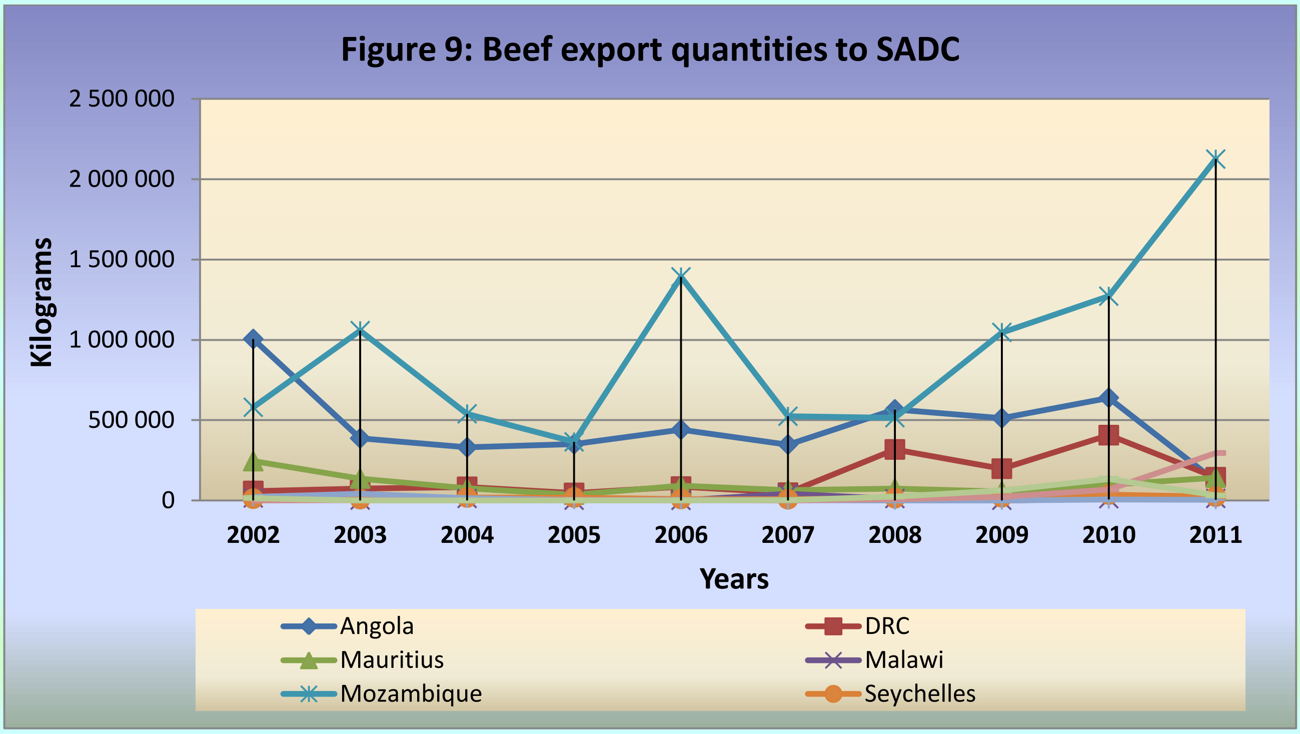
Figure 8 below shows the main export market to different continents.



Source: Quantec EasyData

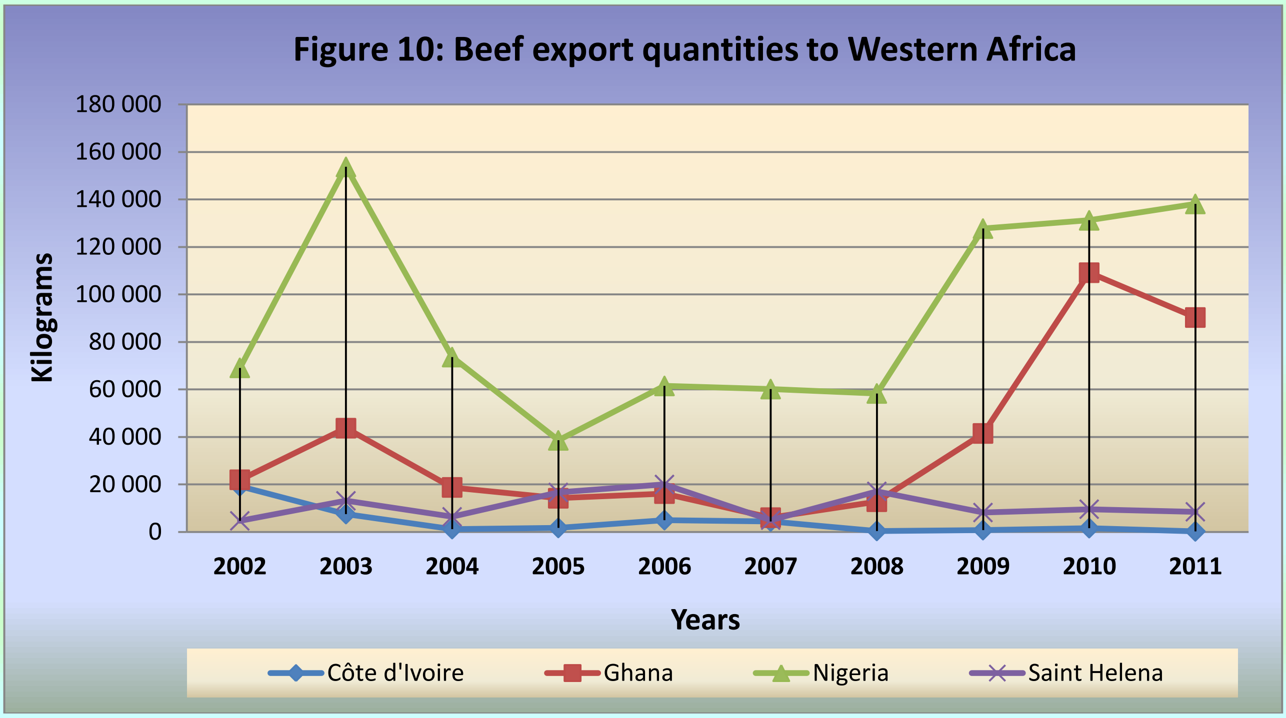
South Africa was mainly exporting to Africa and Europe throughout the period under analysis. EU commanded the highest exports of beef from South Africa from the year 2002 to 2004 and from 2005 to 2011 Africa commanded the highest beef exports quantity. In total Africa commanded 22.7 million kilograms of beef from South Africa and Europe was second by 20.1 million kilograms during the past decade. Americas commanded the lowest beef exports quantity during the period under analysis. This might be due to fact that Americas is also the main supplier of beef.

The following figure 9 to 13 gives an indication of where within the continents (Africa, Europe, Asia and Oceania) is beef from South Africa obtained.



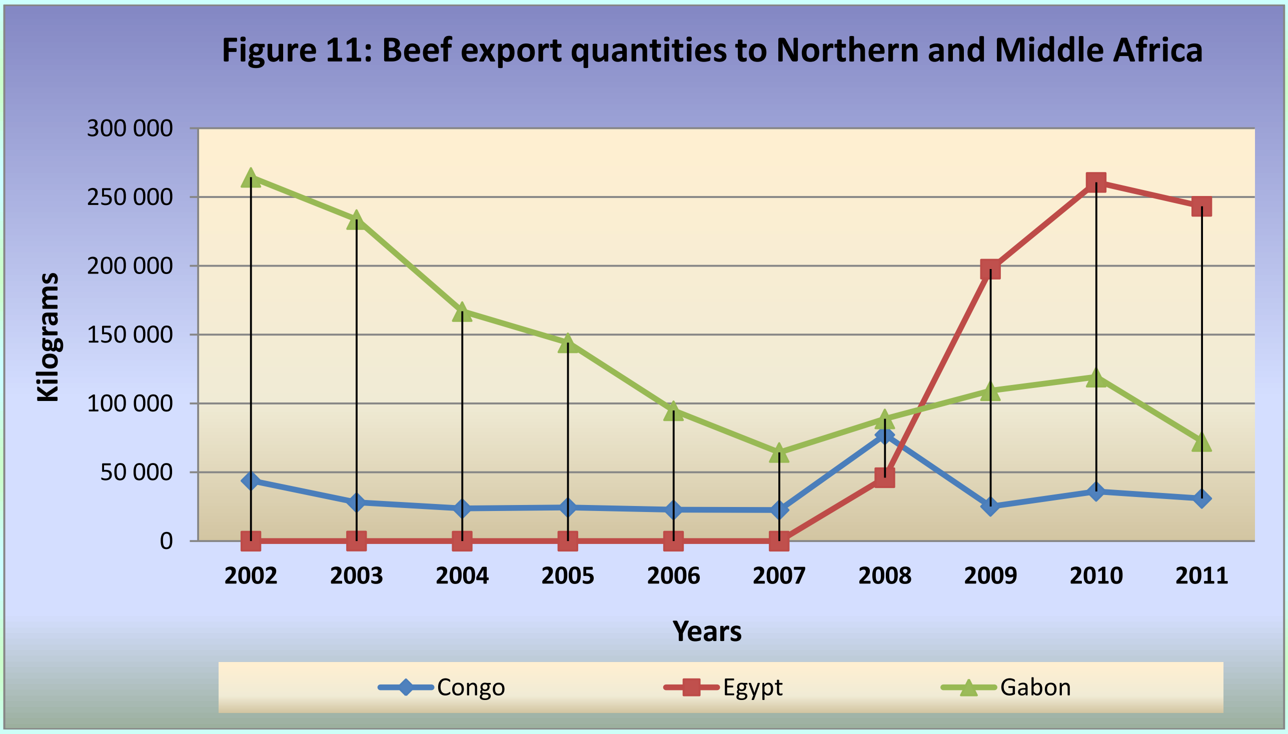
Source: Quantec EasyData

Figure 9 displays that beef produced in South Africa was mainly exported to Mozambique which has commanded the highest beef exports throughout the decade except in 2002 and 2008 only. During those periods (2002 & 2008) Angola took the lead, which made it the second country to obtain the highest beef exports from South Africa. Mozambique reached a new peak of 2.1 million kilograms of beef from South Africa in 2011.



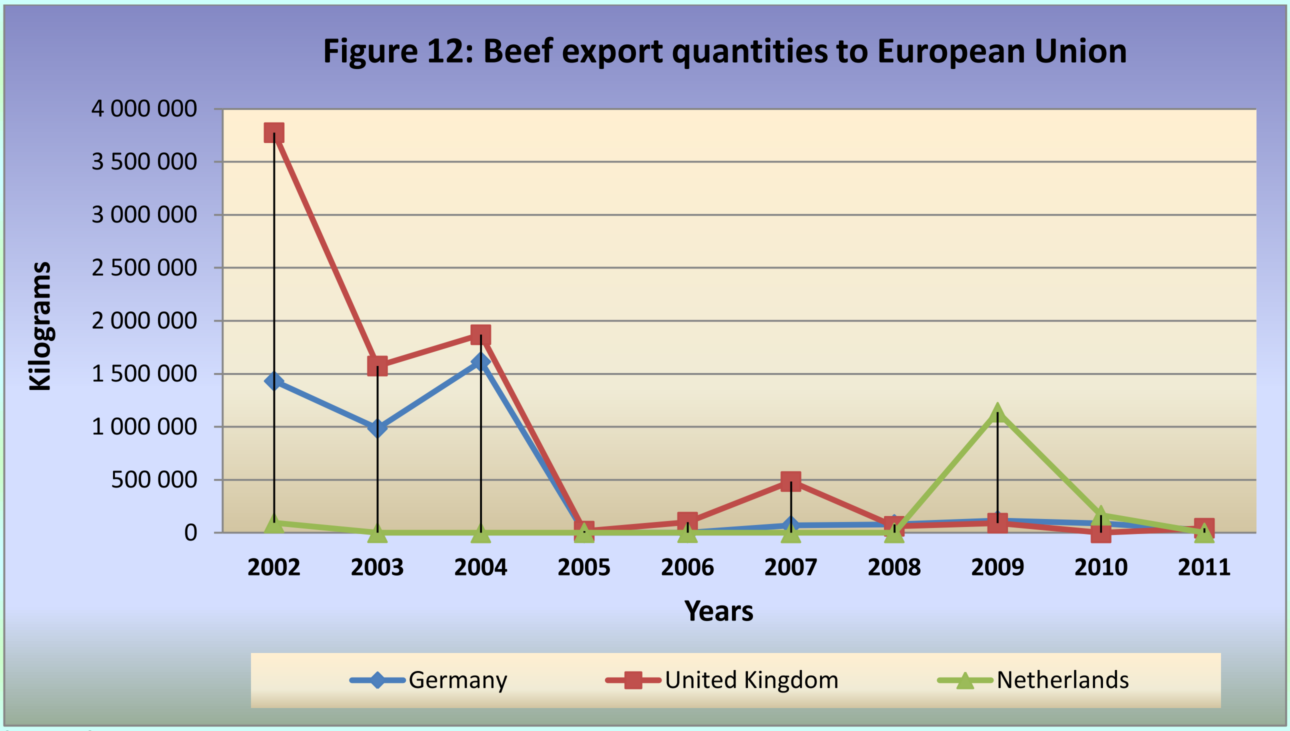
Source: Quantec EasyData

It is clearly indicated from figure 10 above that South African beef is exported to Nigeria in the Western Africa followed by Ghana and Saint Helena throughout the decade. In 2003 both Nigeria reached a peak of 154 000 Kg and Ghana reached its peak of 109 00 Kg of South African beef.



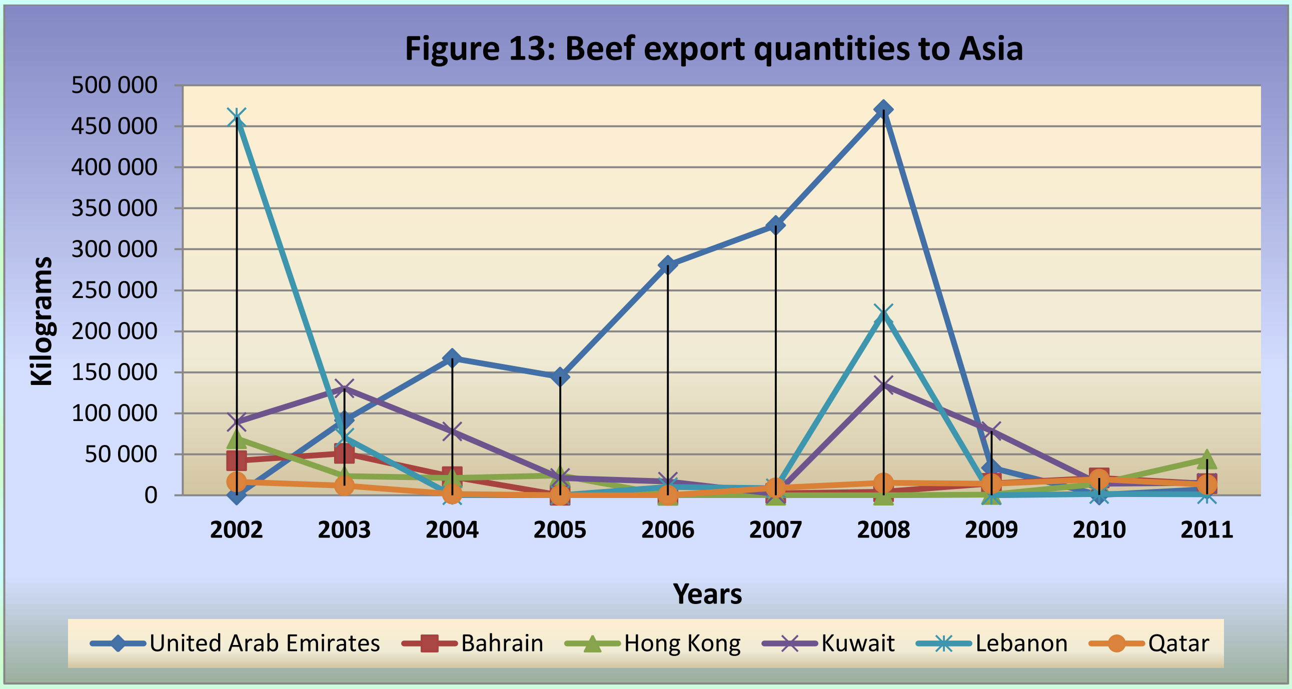
Source: Quantec EasyData

In the Middle and Northern Africa, Gabon commanded the highest beef from South Africa from 2002 to 2008 but it was moving at a depreciating rate. During the same periods Congo commanded the second highest of beef exported from South Africa. Egypt which is from Northern Africa experienced a sharp increase and became the highest commander of beef exports quantity from South Africa during 2009 to 2011.



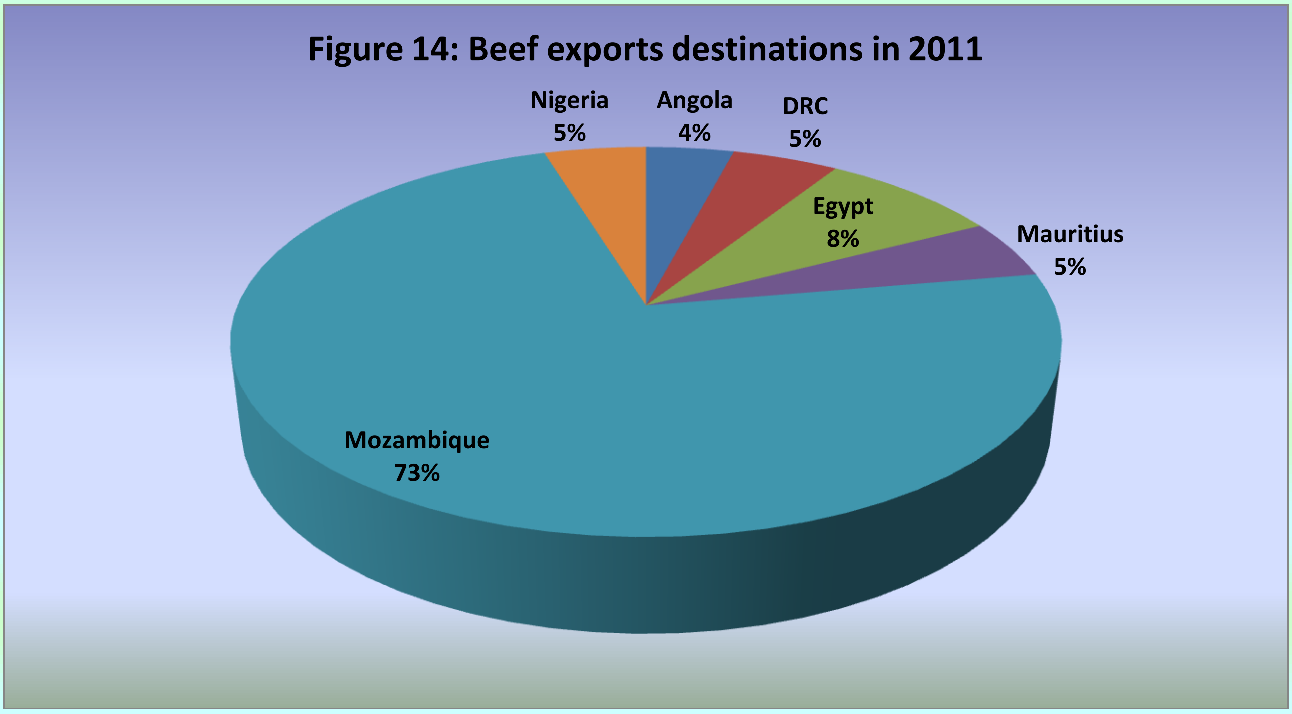
Source: Quantec EasyData

It is clearly indicated from figure 12 above that, from 2002 to 2004 and also in 2006 to 2007 and in 2011 beef from South Africa was mainly exported to United Kingdom within European Union countries. Netherlands commanded the highest exports during 2009 to 2010. There were some intermittent exports to Germany during the period under analysis.



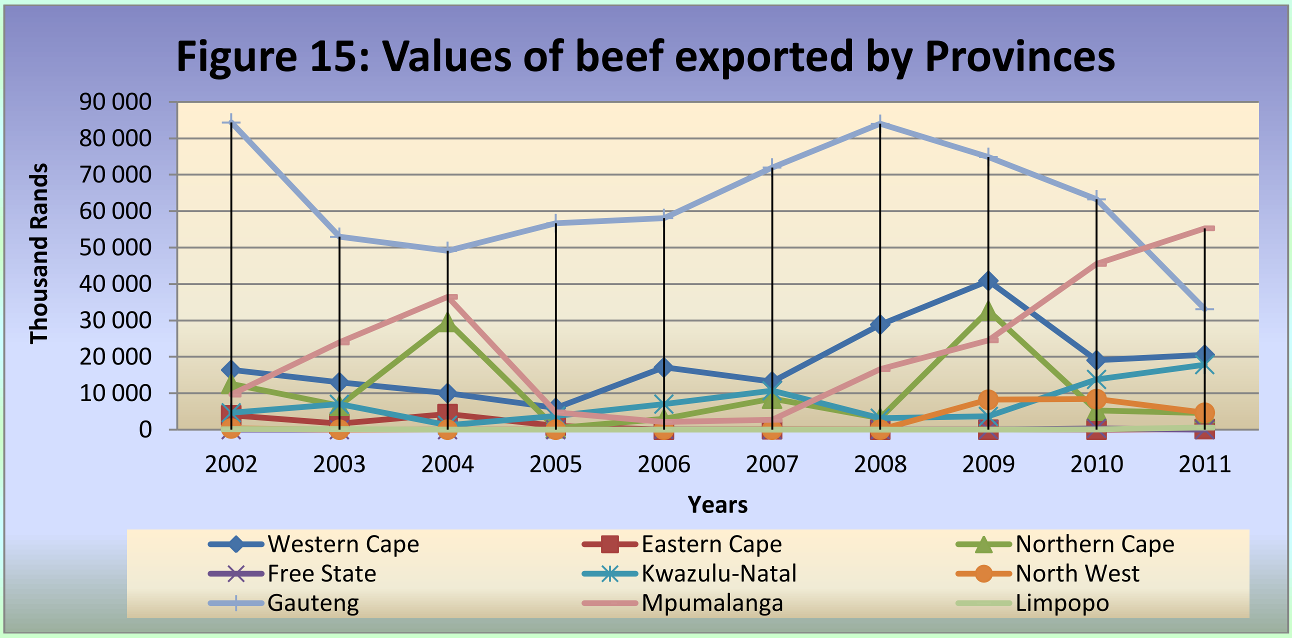
Source: Quantec EasyData

South African beef exports in Asia were mainly exported to United Arab Emirates (UAE). Avaragely UAE commanded 152,436 kilogram of South African beef per annum. Figure 13 shows that Lebanon commanded the highest beef in 2002 and UAE was the highest from 2003 to 2008. Kuwait, Qatar and Hong Kong commanded the greatest during 2009, 2010 and 2011 respectively. There were some intermittent beef exports among Bahrain, Lebanon and Qatar throughout the period under analysis. Generally, exports of beef to Asia were very minimal during 2009 to 2011.



Source: Quantec EasyData

The main destination of South African beef is Mozambique which commanded 73% of South African beef during 2011 followed at a distance by Egypt with 8% then Democratic Republic of Congo, Mauritius and Nigeria with 5% each. Mozambique was the net importer of South African beef during 2011. Values of beef exports from various provinces of South Africa are presented in Figure 15.



Source: Quantec EasyData

Figure 15 indicates that Gauteng have recorded high export values of beef between the periods 2002 and 2011. This is mainly due to the fact that most exporters of beef are situated in Gauteng Province and the greatest proportion of beef was exported to neighboring countries and Gauteng Province is the main exit point. Exports of beef were also recorded in all other eight provinces.

The following figures (Figures 16 - 24) show the value of beef exports from the various district municipalities in the nine provinces of South Africa.

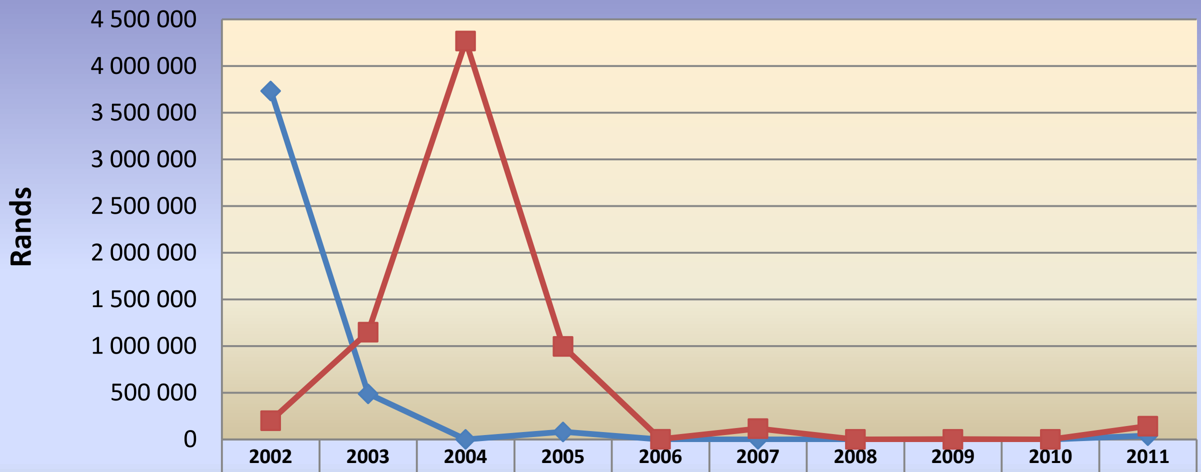
Figure 16: Values of beef exports from Western Cape Province

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
City of Cape Town	15 355	12 885	10 019	5 958	17 095	11 954	28 846	40 887	19 061	20 540
West Coast	0	96	0	0	0	0	10	0	0	0
Cape Winelands	0	31	0	0	0	0	0	0	0	29
Eden	1 038	3	1	0	0	1 244	0	0	0	0

Source: Quantec EasyData

In the Western Cape, regular exports of beef were recorded mainly in the City of Cape Town metropolitan municipality. City of Cape Town metropolitan municipality recorded high export values throughout the period under review with the lowest level of approximately R 6 Million in 2005 and experienced the highest value of R 41 million during 2009. This is due to the fact that the City of Cape Town is the main exit point in the province. Fractional exports were also recorded from West Coast, Cape Winelands and Eden district municipalities.

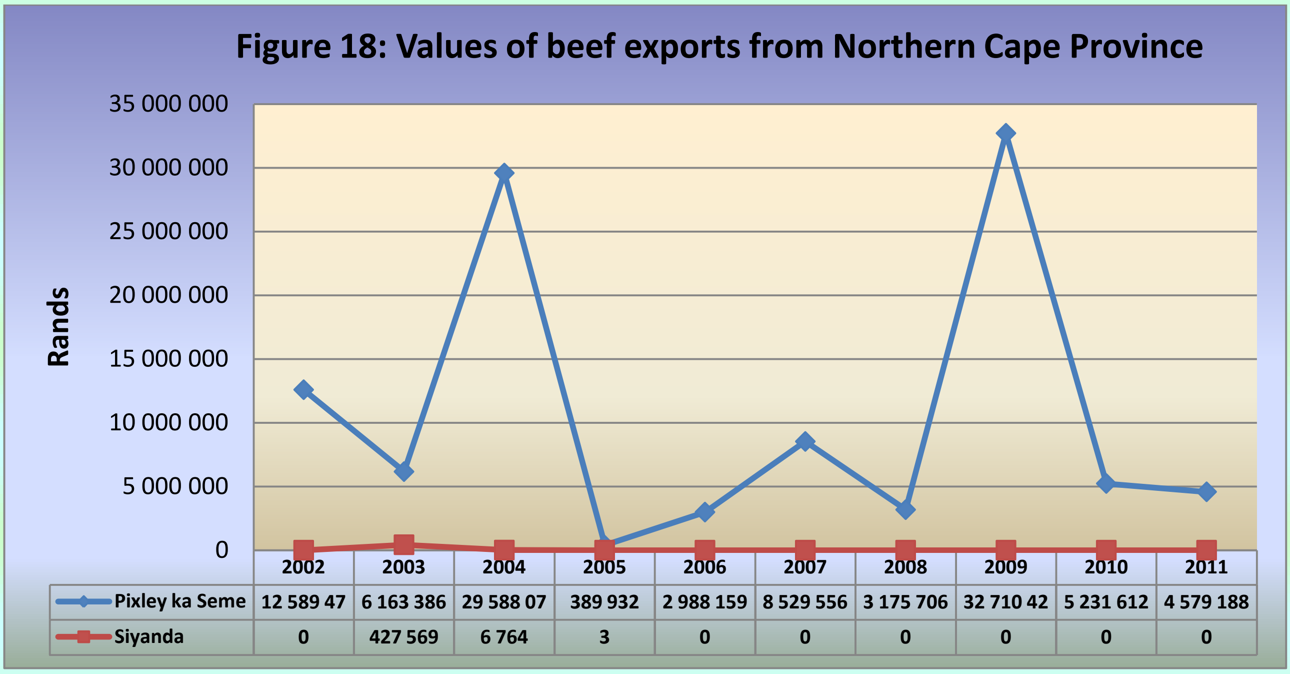
Figure 17: Values of beef exports from Eastern Cape Province



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cacadu	3 733 749	487 619	0	79 502	0	0	0	0	0	39 249
Nelson Mandela	200 013	1 148 731	4 269 561	996 045	509	115 131	0	153	0	141 224

Source: Quantec EasyData

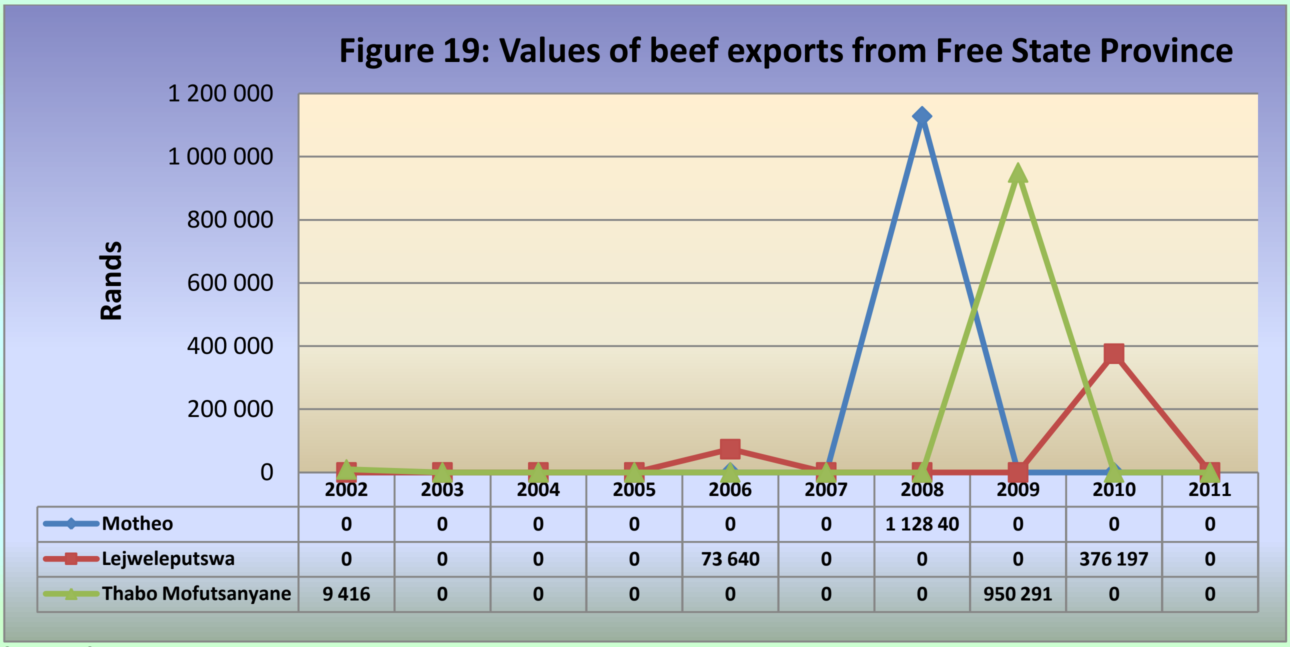
In the Eastern Cape Province, beef exports were recorded from Cacadu district municipality and Nelson Mandela metropolitan municipality. The Cacadu district municipality recorded highest exports value in 2002 only and Nelson Mandela metropolitan municipality recorded highest exports value during 2003 to 2007 and 2009 and again in 2011. Its peak of R 4.3 million was reached in 2004. There were no exports records from Eastern Cape Province in 2008 and 2010.



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Pixley ka Seme	12 589 47	6 163 386	29 588 07	389 932	2 988 159	8 529 556	3 175 706	32 710 42	5 231 612	4 579 188
Siyanda	0	427 569	6 764	3	0	0	0	0	0	0

Source: Quantec EasyData

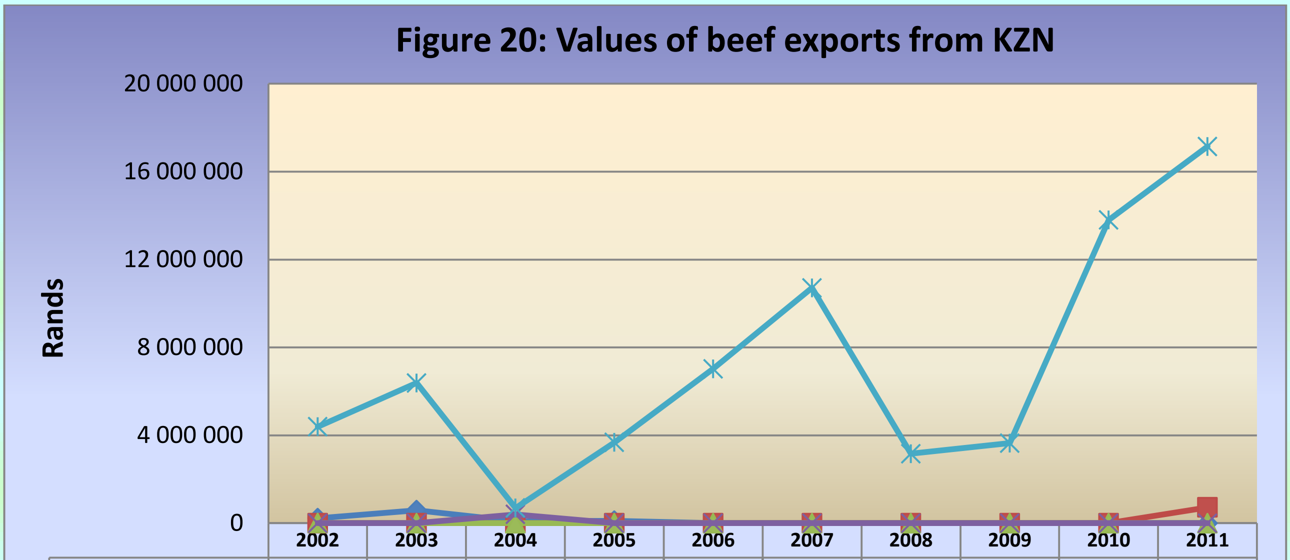
Northern Cape Province has recorded beef exports from two district municipalities namely, Pixley ka Seme and Siyanda. Pixley ka Seme district municipality was a regular exporter of beef during the period under review while Siyanda's exports were fractional. Siyanda recorded exports during 2003 and 2004 only.



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Motheo	0	0	0	0	0	0	1 128 40	0	0	0
Lejweleputswa	0	0	0	0	73 640	0	0	0	376 197	0
Thabo Mofutsanyane	9 416	0	0	0	0	0	0	950 291	0	0

Source: Quantec EasyData

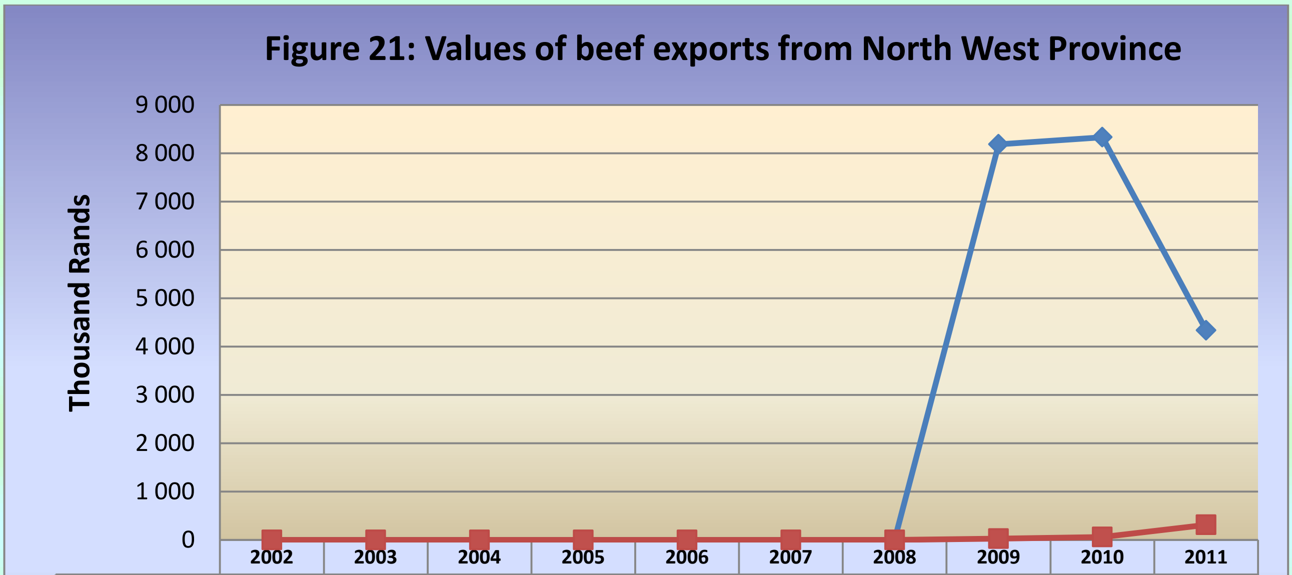
Figure 19 indicates that exports of beef from the Free State Province occurred in Motheo, Lejweleputswa and Thabo Mofutsanyane district municipalities. Thabo Mofutsanyane district municipality recorded the highest exports of beef in 2002 and 2009. Lejweleputswa district municipality recorded beef exports in 2006 and 2010. Motheo district municipality recorded exports only in 2008 and it was the highest. There were no records of exports during 2003 to 2005, 2007 and 2011.



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Ugu	230 770	593 896	99 799	114 653	847	0	0	0	0	0
Umgungundlovu	0	0	0	0	0	0	0	0	0	723 863
Uthukela	10 008	0	0	0	0	0	0	0	0	0
Uthungulu	0	0	404 949	620	0	0	0	0	0	0
eThekwini	4 393 672	6 379 854	696 205	3 682 021	7 024 700	10 709 86	3 161 359	3 642 572	13 804 78	17 144 94

Source: Quantec EasyData

In the KwaZulu–Natal Province, beef exports were mainly from eThekwini metropolitan municipality showing increases in a fluctuation mode from 2002 until 2011. Its lowest exports value was experienced in 2004 and its peak in 2011. Ugu district municipality recorded beef export values from 2002 to 2006. Intermittent and minimal export values were recorded in Umgugundlovu, Uthukela and Uthungulu district municipalities during 2002 to 2011.



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Bophirima	0	0	0	0	0	0	0	8 189	8 336	4 339
Southern	0	0	0	0	0	0	0	27	61	314

Source: Quantec EasyData

In North West Province, beef exports recorded from Bophirima and Southern district municipalities. There were no records of exports in the Province from 2002 to 2008. Bophirima district municipality recorded highest values of exports during 2009 to 2011 and during those periods Bophirima district commanded the second highest shares.

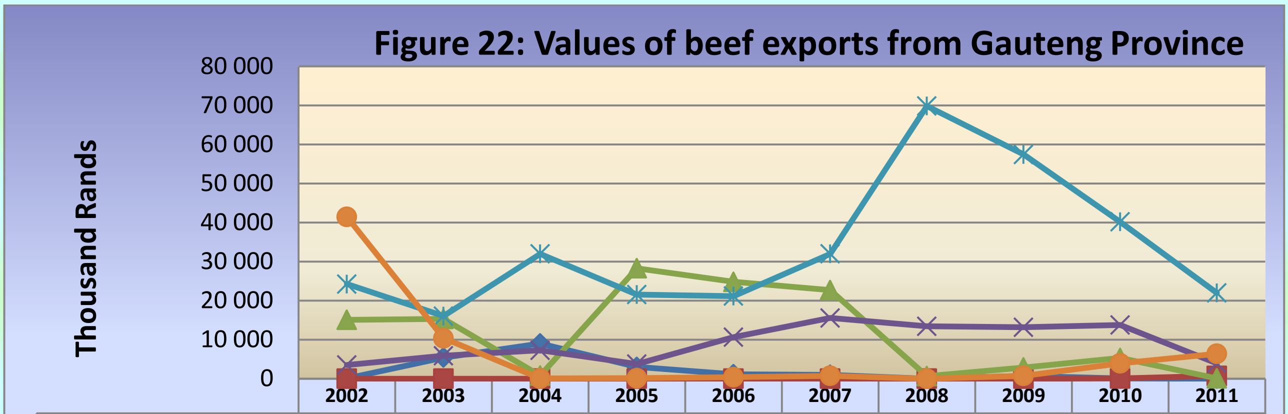


Figure 22: Values of beef exports from Gauteng Province

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sedibeng	49	5 414	9 016	2 990	1 121	995	0	697	32	0
Metsweding	0	0	0	0	0	0	0	0	36	699
West Rand	15 086	15 299	796	28 307	24 814	22 706	663	2 866	5 282	85
Ekurhuleni	3 505	5 862	7 251	3 743	10 629	15 531	13 415	13 158	13 759	3 937
City of Johannesburg	24 229	16 017	31 997	21 556	21 170	32 004	69 890	57 444	40 210	21 980
City of Tshwane	41 468	10 352	21	104	379	747	0	714	3 939	6 389

Source: Quantec EasyData

The highest values of beef exported in Gauteng Province were fluctuating among City of Johannesburg, City of Tshwane and West Rand. Ekurhuleni, City of Johannesburg and West Rand recorded regular exports of beef while Sedibeng, Metsweding and City of Tshwane recorded intermittent records of beef exports. During the past decade City of Johannesburg metropolitan municipality recorded the highest value of R 336.5 million followed by West Rand district municipality with a value of R 115.9 million.

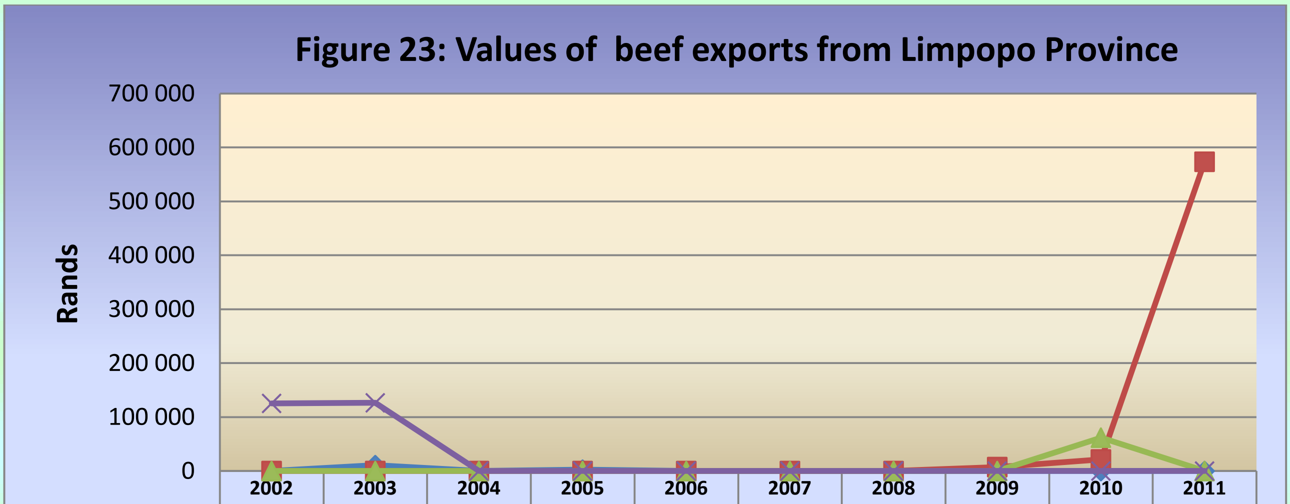
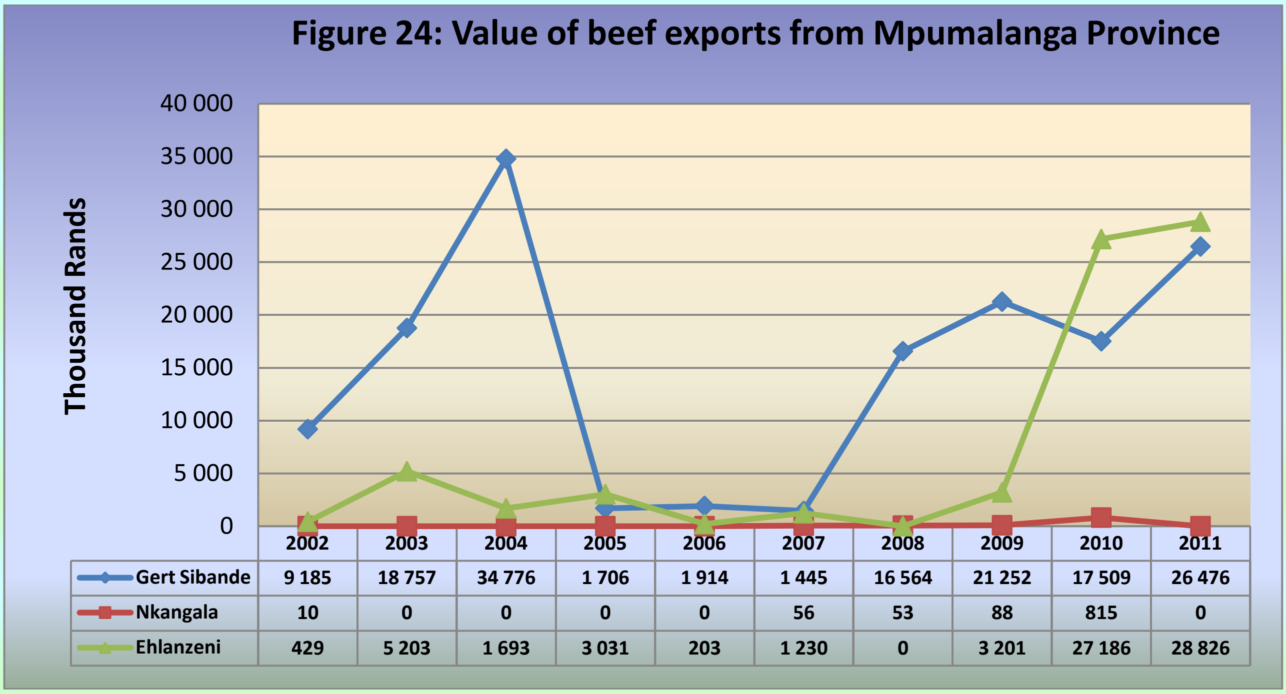


Figure 23: Values of beef exports from Limpopo Province

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Mopani	0	10 932	0	2 440	0	0	0	0	0	0
Vhembe	0	0	0	0	0	0	0	7 308	21 431	573 619
Capricorn	0	0	0	0	0	0	0	0	61 964	0
Waterberg	125 417	126 541	0	0	0	0	0	0	0	0

Source: Quantec EasyData

Irregular exports of beef in Limpopo Province fluctuated among Mopani, Vhembe, Capricorn and Waterberg district municipalities from 2002 to 2011. The highest export values were recorded from Vhembe district municipality in 2011. There were no exports of beef exports value recorded from Limpopo province during the periods 2004 and 2006 to 2008.



Source: Quantec EasyData

In Mpumalanga Province, Gert Sibande, Nkangala and Ehlanzeni district municipalities have played an important role in the export of beef during the period under review. Gert Sibande commanded the highest market shares during the periods 2002 to 2004, 2006 and 2008 to 2009. Ehlanzeni district commanded the highest market shares during 2005 and 2010 to 2011. Irregular exports were recorded from Nkangala district municipality.

2.2.2. Share Analysis.

The shares of various provinces to the total South African export value of beef during the past ten years are presented in Table 2.

Table 2: Share of provincial beef exports by South Africa (%)

Year Province	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Western Cape	12.42	12.36	7.67	8.20	19.56	12.30	21.25	22.11	12.24	15.03
Eastern Cape	2.98	1.55	3.27	1.48	0	0.11	0	0	0	0.13
Northern Cape	9.54	6.26	22.65	0.54	3.42	7.95	2.34	17.69	3.36	3.35
Free State	0.01	0	0	0	0.08	0	0	0	0.24	0
KwaZulu-Natal	3.51	6.63	0.92	5.23	8.04	9.98	2.33	1.97	8.87	13.06
North West	0.26	0	0	0	0	0	0	4.44	5.39	3.40
Gauteng	63.90	50.30	37.57	78.03	66.48	67.11	61.84	40.50	40.62	24.19
Mpumalanga	7.29	22.76	27.92	6.52	2.42	2.55	12.24	13.27	29.23	40.42
Limpopo	0.10	0.13	0	0.00	0	0	0	0.00	0.05	0.42
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

From Table 2 above, Gauteng Province commands the greatest share of South Africa's beef exports followed by Western Cape Province. This is mainly due to the fact that these two Provinces are the main exit points for exports. Northern Cape, KwaZulu–Natal and Mpumalanga provinces were regular exporters while Free State, North West, Eastern Cape and Limpopo registered fractional exports of beef.

The following Tables 3 to 11 shows a share of the various district municipalities' beef exports from the various provincial beef exports.

Table 3: Share of district beef exports to the total Western Cape provincial beef exports (%)

Year District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
City of Cape Town	93.67	99	99.99	100	100	90.57	99.96	100	100	99.86
West Coast	0	0.74	0	0	0	0	0.04	0	0	0
Cape Winelands	0	0.24	0	0	0	0	0	0	0	0.14
Eden	6.33	0.02	0.01	0	0	9.43	0	0.00	0	0
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

City of Cape Town district municipality has commanded the greatest share of beef exports in Western Cape Province during the period 2002 and 2012. During the same period, Eden, West Coast and Cape Winelands district municipalities recorded intermittent exports of beef.

Table 4: Share of district beef exports to the total Eastern Cape provincial beef exports (%)

Year District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cacadu	94.92	29.80	0	7.39	0	0	0	0	0	21.75
Nelson Mandela	5.08	70.20	100	92.61	100	100	0	100	0	78.25
Total	**100**	**100**	**100**	**100**	**100**	**100**	**0**	**100**	**0**	**100**

Source: Calculated from Quantec EasyData

In Eastern Cape Province fragmented exports of beef were recorded from Cacadu district municipality and Nelson Mandela metropolitan municipality. There were no exports reported from Eastern Cape during the periods 2008 and 2010.

Table 5: Share of district beef exports to Northern Cape provincial beef exports (%)

Year District	2002	2003	2004	2005	2006	2007	2008	2009	2010	20011
Pixley ka Seme	100	93.51	99.98	100	100	100	100	100	100	100
Siyanda	0	6.49	0.02	0.00	0	0	0	0	0	0
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

From Northern Cape Province, Pixley ka Seme district municipality commanded the greatest shares of beef exports. During 2002, 2005 to 2011 it commanded 100%. Siyanda recorded some beef exports during the periods 2003 to 2004 and diminished thereafter.

Table 6: Share of district beef exports to the total Free State provincial beef exports (%)

Year District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Motheo	0	0	0	0	0	0	100	0	0	0
Lejweleputswa	0	0	0	0	100	0	0	0	100	0
Thabo Mofutsanyane	100	0	0	0	0	0	0	100	0	0
Total	**100**	**0**	**0**	**0**	**100**	**0**	**100**	**100**	**100**	**0**

Source: Calculated from Quantec EasyData

Table 6 shows that exports of beef in Free State Province occurred from Motheo, Lejweleputswa and Thabo Mofutsanyane district municipalities. Motheo district municipality exported only in 2008 and commanded

100%. Lejweleputswa district municipality commanded 100% in 2006 and 2010 while Thabo Mofutsanyane district municipality commanded 100% during 2002 and 2010. There were no records of exports during 2003 to 2005, 2007 and 2011.

Table 7: Share of district beef exports to the total KwaZulu–Natal provincial beef exports (%)

Year District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Ugu	4.98	8.52	8.31	3.02	0.01	0	0	0	0	0
Umgugundlovu	0	0	0	0	0	0	0	0	0	4.05
Uthukela	0.22	0	0	0	0	0	0	0	0	0
Uthungulu	0	0	33.72	0.02	0	0	0	0	0	0
eThekwini	94.80	91.48	57.97	96.96	99.99	100	100	100	100	95.95
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

From KwaZulu-Natal province, eThekwini district municipality has commanded the greatest share of beef exports from 2002 to 2011. Ugu district municipality recorded beef exports in 2002 to 2006 and in Uthukela district during 2002only. Umgugundlovu district municipality showed some minimal exports during 2011 only. Uthungulu district municipality exported beef from 2004 to 2005 and diminished thereafter.

Table 8: Share of district beef exports to the total North West provincial beef exports (%)

Year District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Bojanala	0	0	0	0	0	0	0	99.67	99.27	93.25
Southern	0	0	0	0	0	0	0	0.33	0.73	6.75
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

Bojanala district municipality in the North West Province commanded the highest share of all beef exports during 2009 top 2011and Southern district municipality recorded minimal exports of beef during the same periods. There were no records of exports of beef in the province from 2002 to 2008.

Table 9: Share of district beef exports to the total Gauteng provincial beef exports (%)

Year District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sedibeng	0.06	10.23	18.37	5.27	1.93	1.38	0	0.93	0.05	0
Metsweding	0	0	0	0	0	0	0	0	0.06	2.11
West Rand	17.89	28.90	1.62	49.92	42.70	31.54	0.79	3.83	8.35	0.26
Ekurhuleni	4.16	11.07	14.77	6.60	18.29	21.58	15.98	17.57	21.75	11.90
City of Johannesburg	28.73	30.25	65.19	38.02	36.43	44.46	83.23	76.72	63.57	66.42
City of Tshwane	49.17	19.55	0.04	0.18	0.65	1.04	0	0.95	6.23	19.31
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

In Gauteng Province beef exports occurred mainly through the City of Johannesburg, Ekurhuleni and West Rand municipalities. City of Tshwane, Metsweding and Sedibeng municipalities recorded fracgmented exports during the period under analysis.

Table 10: Share of district beef exports to the total Mpumalanga provincial beef exports (%)

Year District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gert Sibande	95.44	78.29	95.36	36.02	90.41	52.90	99.68	86.60	38.47	47.87
Nkangala	0.10	0	0	0	0	2.05	0.32	0.36	1.79	0

Year District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Ehlanzeni	4.46	21.71	4.64	63.98	9.59	45.05	0	13.04	59.74	52.13
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

From Mpumalanga Province, Gert Sibande district municipality has commanded the greatest share of beef exports from 2002 to 2011 followed by the Ehlanzeni district municipality. Fractional exports of beef were recorded from Nkangala district municipality during the year 2002 and 2007 to 2010.

Table 11: Share of district beef exports to the total Limpopo provincial beef exports (%)

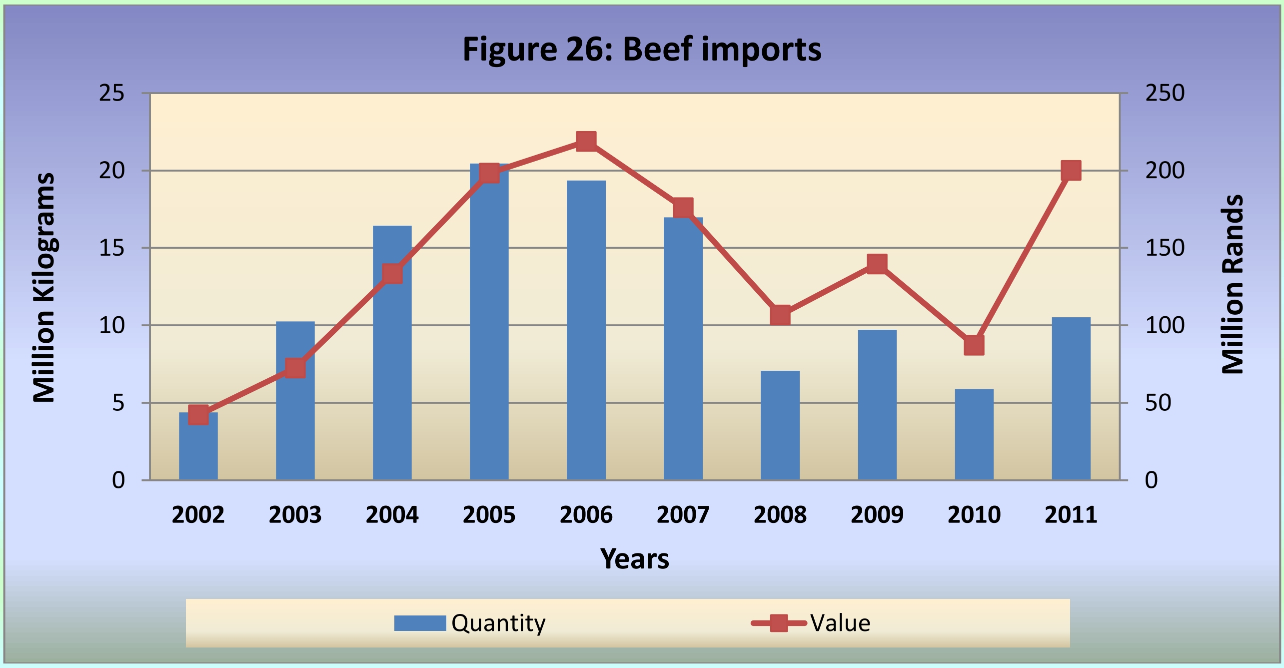
Year District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Mopani	0	7.95	0	100	0	0	0	0	0	0
Vhembe	0	0	0	0	0	0	0	100	25.70	100
Capricorn	0	0	0	0	0	0	0	0	74.30	0
Waterberg	100	92.05	0	0	0	0	0	0	0	0
Total	**100**	**100**	**0**	**100**	**0**	**0**	**0**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

From Limpopo Province, exports of beef occurred during the periods 2002 to 2003, 2005 and 2009 to 2011 from Mopani, Vhembe, Capricorn and Waterberg district municipalities. Waterberg, Vhembe and Mopani district municipalities commanded 100% shares during 2002, 2009 and 2005 respectively. There were no records of exports during 2004 and 2006 to 2008.

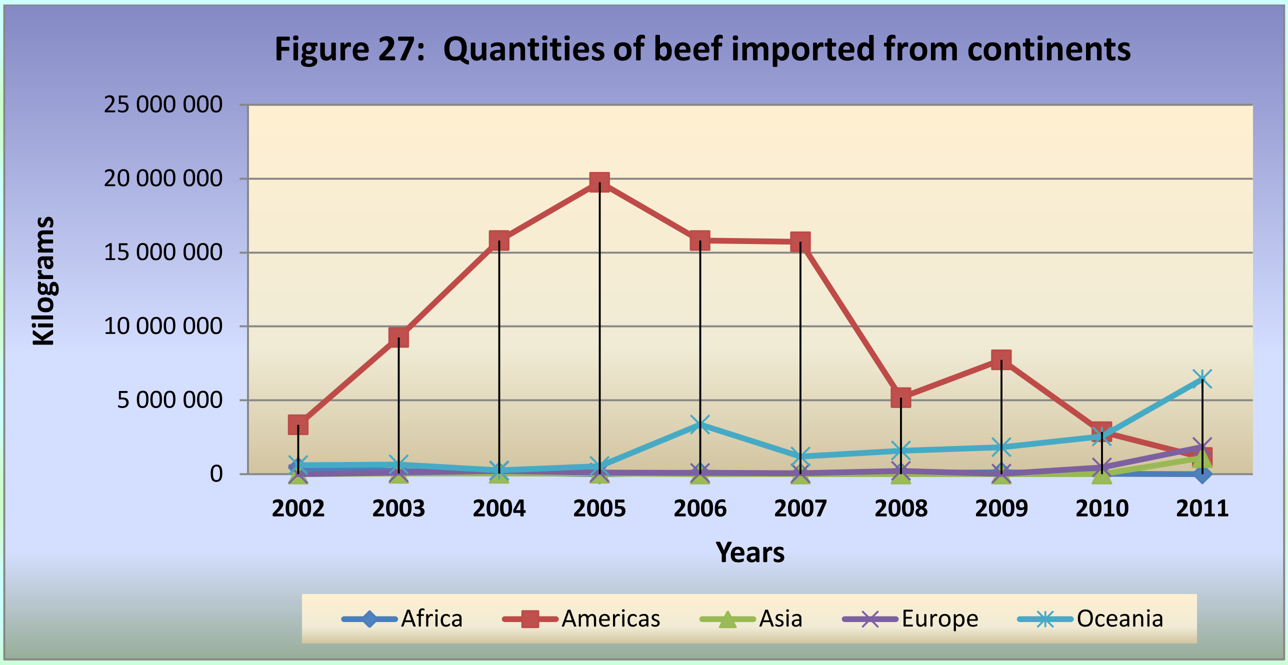
2.2.3. Imports.

South Africa imported approximately 10.5 million kilograms of beef in 2011 at an estimated value of R 200 million. The import quantity increased by 140% in 2011 compared by 2002 and it showed a significant decline of 49% when compared to 2005 which was the highest. These declines might have been caused by the improved local production during the same periods global economic meltdown which pushed consumers to switch to low priced protein content meat like chicken meat. Figure 26 below show the imports of beef from 2002 to 2011.



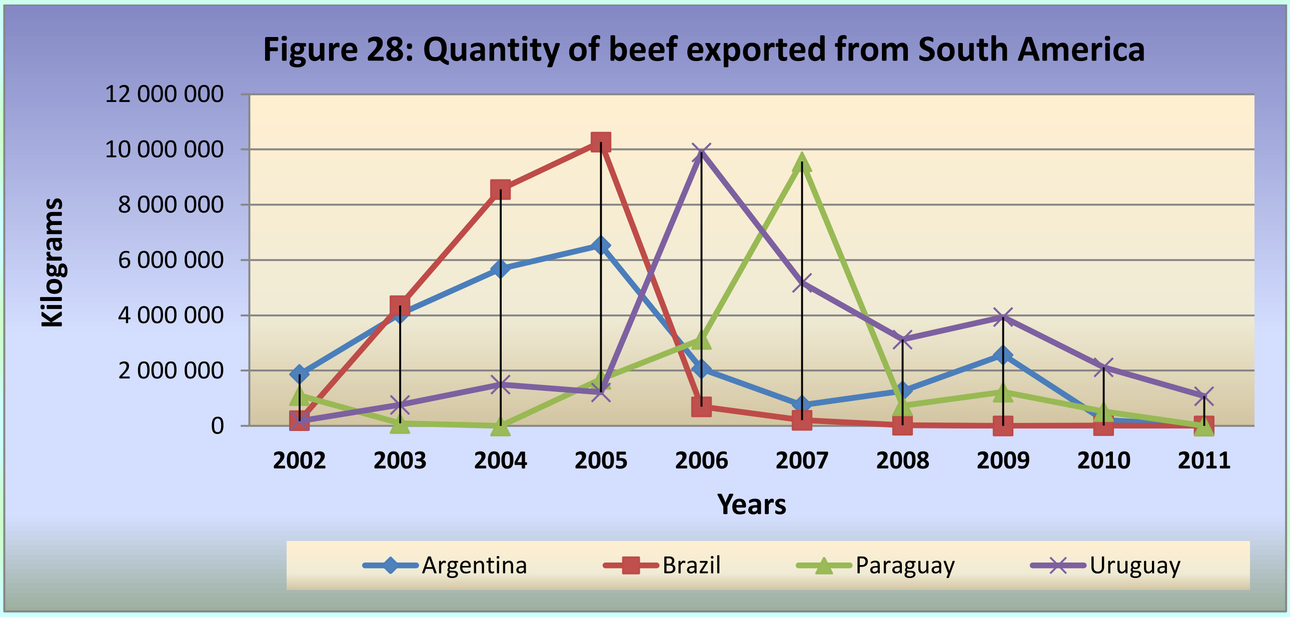
Source: Quantec EasyData

The imports value and quantity of beef followed the same trend throughout the previous decade. Both reached the lowest level in 2002 before increasing steadily from 2003 to 2005 then decreased from 2006 to 2008 before fluctuating for the last three years.



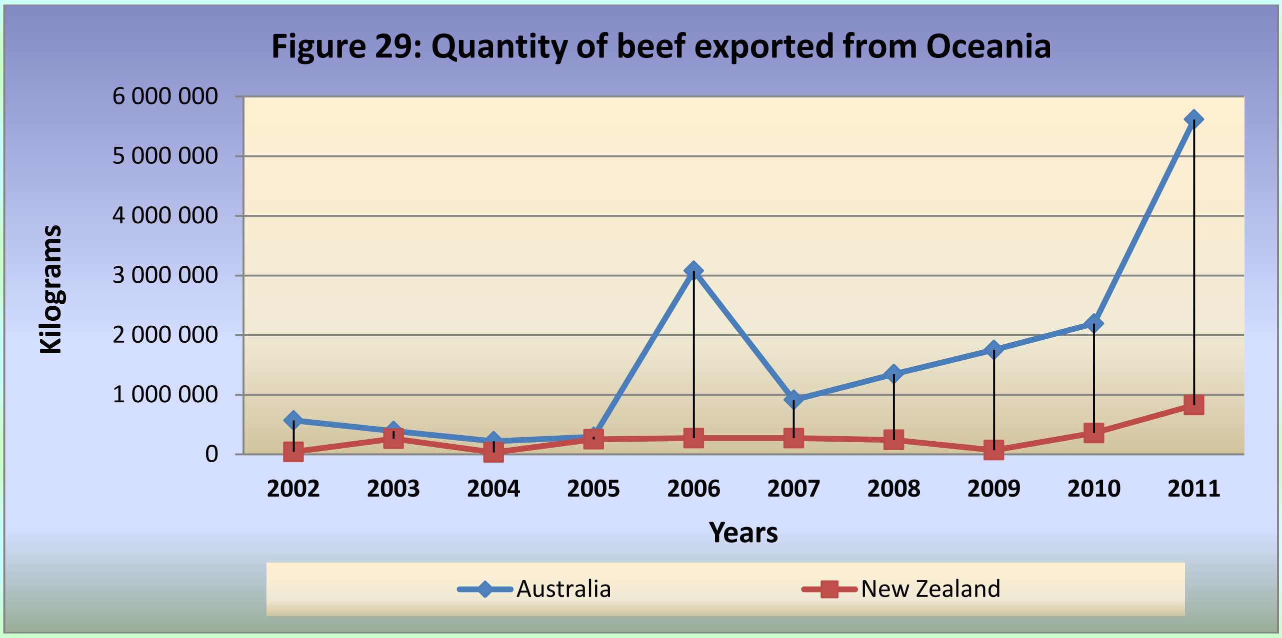
Source: Quantec EasyData

Figure 27 above indicates that the main supplier of beef to South Africa is America because it commanded the greatest shares from 2002 to 2010. The beef quantity from America has been moving at an increasing trend from the year 2002 to 2005; it remained the main supplier though it decreased from 2006 to 2010. There were some recorded intermittent imports of beef from Asia, Oceania, Europe, and Africa during the period under review. The following Figures 28 to 29 indicate the origins of beef in America and Oceania.



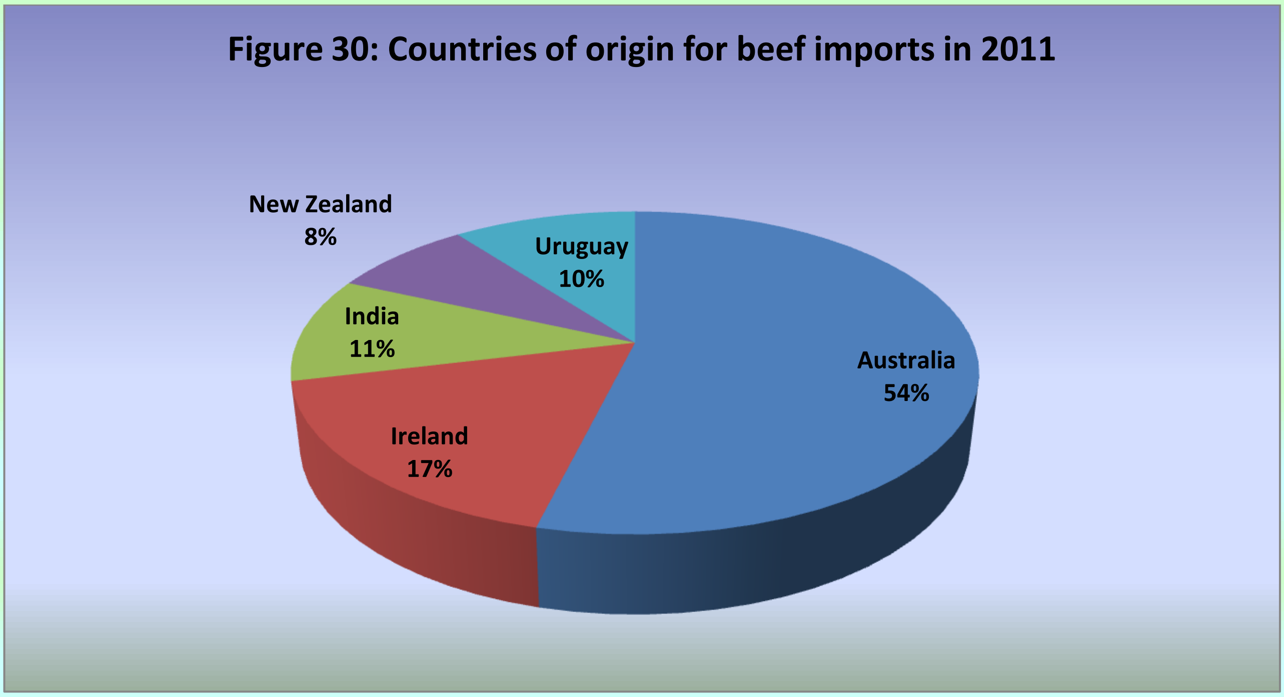
Source: Quantec EasyData

Figure 28 clearly indicates that the highest quantities of beef imports in South America originated from Brazil, Uruguay, Argentina and Paraguay and have been competing for dominance throughout the period under analysis. Brazil commanded the greatest shares from 2003 to 2005, Uruguay in 2006 & from 2008 to 2011 and Paraguay in 2007.



Source: Quantec EasyData

In Oceania, Australia has been the main importer of beef to South Africa during the period under analysis and it reached its new peak of 5.6 million kg during 2011. New Zealand commanded the second highest level of beef imports from 2002 to 2011.



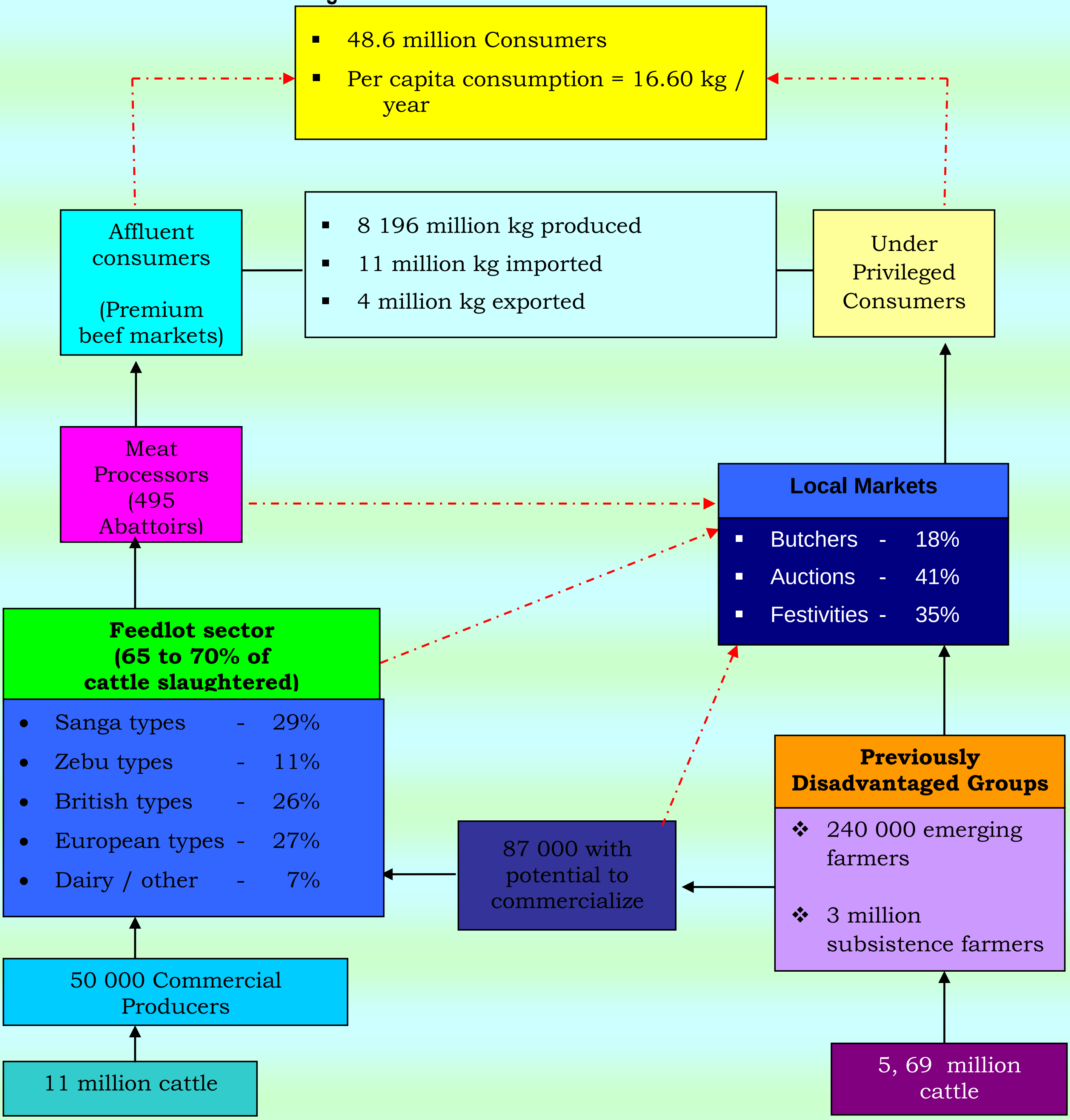
Source: Quantec EasyData

Figure 30 above shows the share of various suppliers of beef to South Africa in 2011. Australia commanded 54% share of South Africa's import market of beef followed at a distance by Ireland commanding up to 17%, India 11%, Uruguay 10% and New Zealand 8%.

3. BEEF MARKET VALUE CHAIN

Beef market value chain is illustrated on Figure 31.

Figure 31: South African Beef Market Value Chain



Source: ARC and Statistics & Economic Analysis, DAFF

It is estimated that there are approximately 50 000 commercial farmers currently farming with livestock. This includes producers that keep livestock as their main enterprise and those that keep livestock as a secondary enterprise. They own around 11 million cattle. There are 240 000 small-scale farmers and 3 million subsistence farmers that own around 5.69 million cattle.

The beef supply chain has become increasingly vertically integrated. This integration is mainly fuelled by the feedlot industry where most of the large feedlots own their own abattoirs, or at least have some business interest in certain abattoirs. In addition, some feedlots have integrated further down the value chain and sell directly to consumers through their own retail outlets. Some abattoirs have also started to integrate vertically towards the wholesale level.

Under the previous marketing regime, wholesalers mostly bought carcasses through the auction system. Currently, many wholesalers source live slaughter animals (not weaners) directly from farmers or feedlots on a bid and offer basis, i.e. they take ownership of the animal before the animal is slaughtered. The animal is then slaughtered at an abattoir of the wholesaler's choice, where after the carcass is distributed to retailers. In some instances, the public can also buy carcasses directly from wholesalers.

The abattoir industry has expanded tremendously in number and in capacity. In this regard, it is important to note that this industry can be divided into those abattoirs that (i) are linked to the feedlot sector and the wholesale sector, or are owned by municipalities and (ii) those that are mainly owned by farmers and SMME's. The former abattoirs are mainly class A and B abattoirs, whereas the latter are usually classified as C, D and E class abattoirs.

The beef industry produces around 819 600 tons of meat and imports around 10 517 tons while exporting 3 757 tons. Per capita consumption is around 16.60 kg and number of consumers is around 48.6 million.

Table 12 below shows the industry role players.

Table 12: Industry role players

No.	Name	Description	Contact Details
1	**AUSTIN EVANS FEEDLOT**	Feedlot	P O Box 397, Somerset East, 5850 T : (042) 243 2076 F : (042) 243 1356
2	**ADAM AGRI**	Feedlot	PO Box 75, Colesberg, 9795 T: (051) 753 1301 F: (051) 086 5021182
3	**BEEFCOR**	It is situated east of Pretoria. It owns and operates the Bayview Feedlot, Boskop Ranch and Beefcor Wholesale. The feedlot carries 25 000 head and markets between 80 000 and 90 000 head annually, most of which are distributed in Gauteng. The company also has a 20% share in Hidskin Processors and a 25% share in Chamdor Abattoir.	P O Box 187, Bronkhorstspruit, 1020 T : (013) 932 7000 F : (013) 392 7100
4	**BEEFMASTER**	It is a private, family owned business situated 10 km from Christiana, in the North-West province. The feedlot carry around 20 000 cattle standing at any given time. It currently supplies approximately 10% of the country's beef and with its geographic position delivers to all nine provinces within 24 hours.	P O Box 425, Christiana, 2680 T : (053) 441 9100 F : (053) 441 2791
5	**Bull Brand**	It is owned by Bull Brand - integrated Meat Company situated in Krugersdorp. It has fresh meat production process-abattoir, deboning, added value department and canning. They own two feedlots in Potchefstroom and Magaliesberg and they both carry 40 000 heads of cattle at any point in time.	
6	**BRAAMS VOERKRALE BK**	Feedlot	P O Box 158, Durbanville, 7551 T : (021) 976 3053 F : (021) 976 7690
7	**CB FEEDLOT**	Feedlot	P O Box 44, Reitz, 9810 T: (058) 863 1460 F : (058) 863 1460
8	**CHALMAR BEEF**	It is situated in Bronkhorspruit. Its feedlot carries 15 000 head of cattle standing at any given time. When the new abattoir and de-boning facility opened for business in 2003, Chalmar beef became fully integrated.	P O Box 914-1144, Wingate Park, 0153 T : (011) 964 1049 F : (011) 964 1514
9	**D C LOUW FEEDLOT**	Feedlot	P O Box 56, Adelaide, 5760 T : (046) 684 0700 F : (046) 684 0706
10	**DOORNBULT VOERKRALE (Pty) Ltd**	Feedlot	P O Box 13, Ladanna, 0704 T : (015) 293 2575

No.	Name	Description	Contact Details
			F : (015) 293 2064
11	**EAC Group**	Started by Claassen 40 years back. In 1986, joined the force with two shareholders and started Midland meat factory. They have distribution network in Kwazulu–Natal. Four modern abattoirs operate from Wolwehoek, Harrismith, Vereeniging and Frankfort. All three feedlots are situated in the calf weaner and lamb weaner producing areas and they carry 35 000 cattle at any specific time. The feedlots thus form an ideal marketing channel for weaner producers.	
12	**FORTRESS BONSMARAS**	It is situated 12 km north-west of Frankfort, Free State. It is a beautiful farm (2.925 ha) and the capacity of the feedlot is about 6000 weaners of Bonsmara or Bonsmara-cross per annum.	P O Box 630, Frankfort, 9830 T : (011) 394 2810 F : (011) 394 2471 F : 058 813 3947
13	**KAMEELDRIFT VOERKRAAL**	Feedlot	PO Box 15648, Kameeldrift – Oos T: 082 375 1826 F: 012 808 5986
14	**KANHYM ESTATES LTD.**	Feedlot	P O Box 89, Middelburg, 1050 T : (013) 249 7852/3 F : (013) 246 6211
15	**Karan Beef**	It is a family business situated at Heidelberg, south of Johannesburg. It operates feedlot, feed mill, abattoir and meat processing. The feedlot accommodates over 120 000 head of cattle - making the Karan Beef feedlot the largest in Africa. The abattoir has the capacity to process up to 1 600 head of cattle every day.	PO Box 53, Heidelberg, 1438, RSA Tel: +27 16 342 1214 Fax: +27 16 342 1212 E-mail: feedlot@karanbeef.com
16	**KELLERMAN BOERDERY**	Feedlot	P O Box 74,Koringberg,7312 T : 083 300 8134 F: (021) 854 5069
17	**KLEYNFAAN FEEDLOT**	Feedlot	P O Box 169, Vryheid, 3100 T : (034) 981 5421 F : 086 675 0574
18	**KOODOOLAKE**	Feedlot	P O Box 275, Stella, 8650 T : 083 441 5909 F : 083 457 2809
19	**KOREM FARM**	Feedlot	PO Box 58893, Karenpark, 0118 T : 012 549 2840 F : 012 549 2840
20	**LIEBENBERGSTROOM**	Feedlot	P O Box 130, Edenville, 9535

No.	Name	Description	Contact Details
	VOERKRAAL BPK		T : (056) 631 0120 F : (056) 631 0120
21	**MANJOH RANCH**	Feedlot	P O Box 1052, Nigel, 1490 T : (011) 819 2882 F : (011) 819 2801/3/4 F : (011) 819 1889
22	**MADIKOR**	Feedlot	P O Box 1050,Louis Trichardt,0920 T : (015) 516 4464 F : (015) 516 1441 / 086 689 4693
23	**MIKRON BOERDERY**	Feedlot	PO Box 357, Bultfontein, 9670 T: 051 853 2257 F: 051 853 2257
24	**MLEKI`S BEEF**	Feedlot	Postnet Suite 327, Private Bag x 2020 Isando, 1600 T: 011 974 0309 F: 011 974 0464 C: 083 3752596
25	**MUSHLENDOW**	Feedlot	P O Box 357, Koster, 0348 T : (014) 543 2388 F : (014) 543 8904
26	**MVB FEEDERS**	Feedlot	P O Box 848, Louis Trichardt, 0920 T : (015) 516 0843 F : (015) 516 4150
27	**PIET WARREN PLASE**	Feedlot	P O Box 1, Gravelotte, 0895 T : (015) 318 4469 F : (015) 318 4301
28	**POPPIELAND TRUST**	Feedlot	P O Box 9, Bultfontein, 9670 T : (051) 853 1129 F : (051) 853 4002
29	**RANCH ESTATES**	Feedlot	P O Box 1270, Delmas, 2210 T : (013) 667 9023 F : (013) 667 9033 R : (011) 804 2320
30	**SIS FARMING**	Is located in the Bethal/Ermelo region of the Mpumalanga escarpment. It purchases weaners from other farmers to fatten for subsequent sale and	P O Box 201, Bethal, 2310 T (013) 291 5600

No.	Name	Description	Contact Details
		delivery to the Witbank Abattoir. It has 22 000 cattle standing at any given time.	F : (013) 291 5611
31	**SKS BOERDERY**	Feedlot	P O Box 348, Middelburg, 1050 T : (013) 243 8154 F : (013) 243 8151
32	**SPARTA BEEF**	It is a family-owned and operated cattle feedlot and farming concern. The feedlot has around 40 000 cattle standing at any time. The present operation was established on the farm "Sparta", a sub-division of the farm "Middel " in the Marquard district, during the 1960's. The farm "Middel", has been in the family for over 100 years and since inception, farmed as a family business. Originally mixed farming - cattle, sheep, pigs, plus various crops, such as maize (corn), wheat, oats and potatoes - was practiced on the farm. Sparta Beef expanded its horizons by entering into a joint venture where it tans cattle hides in Butterworth, Eastern Cape. Later, in January 1999, it acquired a large abattoir in Welkom, Northern Free State, with Black Empowerment and other local business interests now known as Sparta Foods (Pty) Ltd. At the beginning of 2001, it started a wholesale department called Sparta Foods in Benoni (Gauteng).	P O Box 64, Marquard, 9610 T : (051) 991 9200 F : (051) 991 9274 R : (051) 991 9241
33	**TAAIBOSCHBULT Pty Ltd**	Owned by Bull Brand	P O Box 2092, Potchefstroom, 2520 T : (018) 291 1035 F : (018) 291 1439
34	**THERON BOERDERY**	Feedlot	Elsonstraat 84, Pretoriawes, 0183 T : (012) 327 5040 F : (012) 327 5048
35	**TRIPLE C FEEDLOT**	feedlot	P O Box 1723, Dundee, 3000 T: (034) 212 3716 F: (034) 218 1334 C: 083 653 2145
36	**VENCOR**	Feedlot	P O Box 749, Ladanna, 0704 T : (015) 293 2150 F : (015) 293 2579 C : 083 626 0319
37	**VERCUIEL**	Feedlot	PO Box 245,Stella,8650 T:082 866 4433 F: 0866 759 451
38	**WINDHOEK**	Feedlot	PO Box 387,Pietersburg,0700

No.	Name	Description	Contact Details
	BOERDERY		T: 082 460 4432 F: 015 297 4350
39	**VERGEZIGHT FEEDLOT**	Feedlot	PO Box 1034, Heilbron,9650 T: 058 852 3701/2/3 F: 058 852 3700

Source: SA feedlot Association.

4. MARKET INTELLIGENCE.

4.1. Export tariffs.

Tariffs that different importing countries applied to beef originating from South Africa in 2010 and 2011 are shown in Table 13 and 14.

Table 13: Export tariffs of beef (fresh or chilled)

Country	Product Code	Trade Regime Description	2010		2011	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
Angola	02011000 (Carcasses or half-carcasses of bovine animals, fresh or chilled)	MFN duties Applied	10.00%	10.00%	10%	10%
Egypt	02011000 (Carcasses or half-carcasses of bovine animals, fresh or chilled)	MFN duties Applied	0%	0%	0%	0%
Gabon	02011000 (Carcasses or half-carcasses of bovine animals, fresh or chilled)	MFN duties Applied	20.00%	20.00%	20%	20%
Mozambique	02011000 (Carcasses or half-carcasses of bovine animals, fresh or chilled)	Preferential tariff for South Africa	15.00%	15.00%	15%	15%
Mauritius	02011000 (Carcasses or half-carcasses of bovine	MFN duties Applied			0%	0%

Country	Product Code	Trade Regime Description	2010		2011	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
	animals, fresh or chilled)					

Source: Market Access Map

Table 13 indicates that during 2011 Gabon from Middle Africa applies the highest tariff rate of 20.00% on beef, fresh or chilled originating from South Africa followed by Mozambique with a preferential tariff of 15%, Angola with 10% and Egypt which is situated in the North of Africa and Mauritius which is a SADC country were the lowest with an applied tariff of 0%. Most of the tariffs applied to South African fresh or chilled beef remained the same during the periods 2010 and 2011.

Table 14: Export tariffs of frozen beef

Country	Product Code	Trade Regime Description	2010		2011	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
Angola	02021000 (Frozen carcasses and half carcasses)	MFN duties Applied	10.00%	10.00%	10%	10%
Democratic Republic of Congo	02021000 (Frozen carcasses and half carcasses)	MFN duties Applied	10.00%	10.00%	10%	10%
Egypt	02021000 (Frozen carcasses and half carcasses)	MFN duties Applied	0.00%	0.00%		
Ghana	02021000 (Frozen carcasses and half carcasses)	MFN duties Applied	20.00%	20.00%	20%	20%
Mozambique	02021000 (Frozen carcasses and half carcasses)	Preferential tariff for South Africa MFN duties Applied	15.00% 20.00%	15.00% 20.00%	15%	15%
Nigeria	02021000 (Frozen carcasses and	MFN duties Applied			20%	20%

Country	Product Code	Trade Regime Description	2010		2011	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
	half carcasses)					

Source: Market Access Map

Table 14 above shows that Ghana and Nigeria applies the highest tariff rate of 20.00% on frozen beef to South Africa followed by Mozambique with a preferential tariff rate of 15%, Angola and Democratic Republic of Congo with 10% during the period 2011. Most of the tariffs applied to South African frozen beef remained the same during the periods 2010 and 2011. Tables 13 and 14 showed that Western Africa's beef market is highly protected relative to other neighboring countries.

4.2. Import tariffs.

South Africa applies the MFN import tariff of 40.00% or318.84 $ /ton whichever is the greater to all imports of beef excluding Namibia which is a member of SADC during 2010 and during 2011 the import tariff applied by SA was 40% or 352.92 $/ton. Namibia receives an Intra SACU tariff rate of 0.00% for the past two years when exporting fresh or chilled beef carcasses and half carcasses to South Africa. South Africa also applies a preferential tariff rate of 0.00% to SADC. Table 15 and 16 below has details.

Table 15: Import tariffs of beef, fresh or chilled

Country	Product Code	Trade Regime Description	2010		2011	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
Argentina	02011000 (Carcasses or half-carcasses of bovine animals, fresh or chilled)	MFN duties Applied	40.00% or 314.42$/Ton whichever is the greater	40.00%	40% or 352.92 $/Ton whichever is the greater	OTQR: 43.68% ITQR: 13.8%
Australia	02011000 (Carcasses or half-carcasses of bovine animals, fresh or chilled)	MFN duties Applied	40.00% or 314.42$/Ton whichever is the greater	40.00%	40% or 352.92 $/Ton whichever is the greater	OTQR: 43.68% ITQR: 13.8%
Austria	02011000 (Carcasses or half-carcasses of bovine animals, fresh or chilled)	MFN duties Applied	40.00% or 314.42$/Ton whichever is the greater	40.00%	40% or 352.92 $/Ton whichever is the greater	OTQR: 43.68% ITQR: 13.8%
Namibia	02011000 (Carcasses or	Intra SACU rate	0%	0%	0%	0%

Country	Product Code	Trade Regime Description	2010		2011	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
	half-carcasses of bovine animals, fresh or chilled)					
Netherlands	02011000 (Carcasses or half-carcasses of bovine animals, fresh or chilled)	MFN duties Applied	40.00% or 314.42$/Ton whichever is the greater	40.00%	40% or 352.92 $/Ton whichever is the greater	OTQR: 43.68% ITQR: 13.8%

Source: Market Access Map

Table 16: Import tariffs of beef, frozen

Country	Product Code	Trade Regime Description	2010		2011	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
Argentina	02021000 (Frozen carcasses and half carcasses)	MFN duties Applied	40.00% or 314.42 $/Ton whichever is the greater	40.00%	40% or 352.92 $/Ton whichever is the greater	OTQR: 50.29% ITQR: 13.8%
Australia	02021000 (Frozen carcasses and half carcasses)	MFN duties Applied	40.00% or 314.42 $/Ton whichever is the greater	40.00%	40% or 352.92 $/Ton whichever is the greater	OTQR: 50.29% ITQR: 13.8%
Ireland	02021000 (Frozen carcasses and half carcasses)	MFN duties Applied	40.00% or 314.42 $/Ton whichever is the greater	40.00%	40% or 352.92 $/Ton whichever is the greater	OTQR: 50.29% ITQR: 13.8%
New Zealand	02021000 (Frozen carcasses and half carcasses)	MFN duties Applied	40.00% or 314.42 $/Ton whichever is the greater	40.00%	40% or 352.92 $/Ton whichever is the greater	OTQR: 50.29% ITQR: 13.8%
Paraguay & Uruguay	02021000 (Frozen carcasses and	MFN duties Applied	40.00% or 314.42 $/Ton	40.00%	40% or 352.92 $/Ton whichever is the greater	OTQR: 50.29% ITQR: 13.8%

Country	Product Code	Trade Regime Description	2010		2011	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
	half carcasses)		whichever is the greater			

Source: Market Access Map

Table 16 above shows the import tariffs applied by South Africa to the exporting countries of frozen beef. Argentina, Australia, Ireland, New Zealand, Paraguay and Uruguay receive the applied tariff of 40% or 314.42 $/ton whichever is the greater during 2010 and during 2011 it was 40% or 352.92 $/ton. Most of South Africa's frozen beef is from South America and Oceania and the same rate applies.

5. PERFORMANCE OF SOUTH AFRICAN BEEF INDUSTRY IN 2011.

5.1. Exports.

Table 17: List of importing markets for Beef (fresh or chilled) exported by South Africa in 2011

South Africa's export represents **0.05%** of world export for the Beef (fresh or chilled); its ranking in world exports is 4**3**.

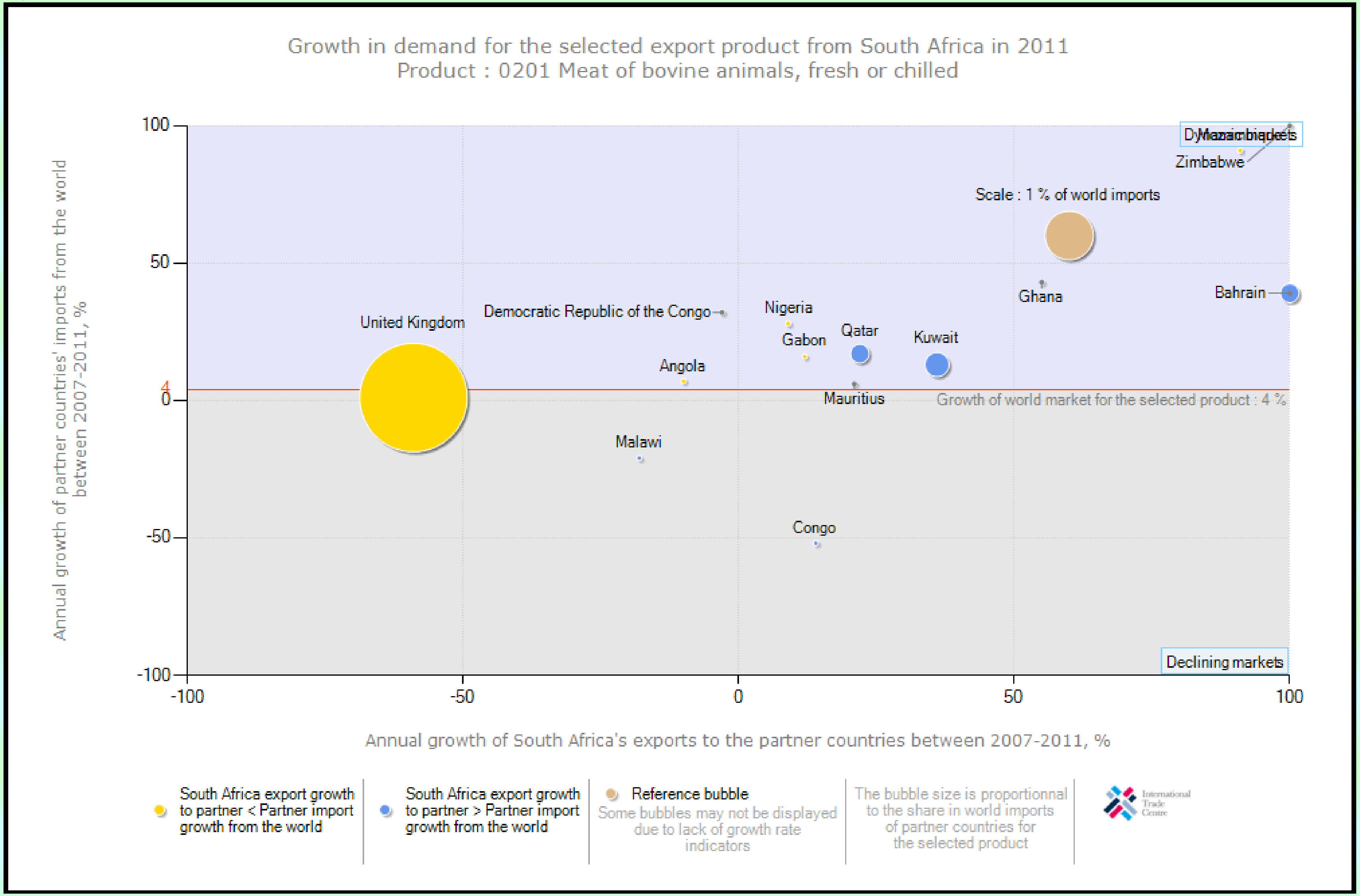
Importers	Trade Indicators												Tariff (estimated) faced by South Africa (%)
	Exported value 2011 (USD thousand)	Trade balance 2011 (USD thousand)	Share in South Africa's exports (%)	Exported quantity 2011	Quantity unit	Unit value (USD/unit)	Exported growth in value between 2007-2011 (%, p.a.)	Exported growth in quantity between 2007-2011 (%, p.a.)	Exported growth in value between 2010-2011 (%, p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total import growth in value of partner countries between 2007-2011 (%, p.a.)	
World	11664	11385	100	2633	Tons	4430	7	14	-5		100	4	
Mozambique	5555	5555	47.6	1551	Tons	3582	91	62	49	88	0	91	15
Zambia	1039	1039	8.9	292	Tons	3558			497	101	0		5
Mauritius	1016	1016	8.7	105	Tons	9676	21	4	201	72	0	6	0
Egypt	888	888	7.6	235	Tons	3779		187	11	74	0	211	0
Angola	509	509	4.4	64	Tons	7953	-10	-12	-84	78	0	7	10
Gabon	472	472	4	63	Tons	7492	12	3	-26	114	0	16	20
Nigeria	314	314	2.7	47	Tons	6681	9	21	-62	112	0	28	20
Norway	232	232	2	39	Tons	5949			32	32	0.3	-1	165.8
Ghana	206	206	1.8	21	Tons	9810	55	58	119	125	0	43	20
United Kingdom	201	201	1.7	44	Tons	4568	-59	-42		7	5.5	1	56.9

Source: ITC calculations based on COMTRADE statistics.

Table 17 shows that during 2011 South Africa exported a total of 2 633 tons of beef (fresh or chilled) at an average value of US$ 4 430/unit. The major export destinations for beef (fresh or chilled) originating from South Africa during 2011 were Mozambique, Zambia, Mauritius and Egypt. Mozambique is the leading market for beef (fresh or chilled) accounting for 47.6% of South Africa's export market. Zambia, Mauritius and Egypt accounted for 8.9%, 8.7% and 7.6% respectively of South African beef exports. On average, during the period 2007 and 2011 South Africa's exports for beef (fresh or chilled) to Mozambique experienced a 91% and 62% increase in value and quantity respectively per annum. During the period 2010 and 2011 its value increased by 49%.

South Africa's exports for beef (fresh or chilled) to the world increased in value and in quantity by 7% and 14% respectively during the period 2007 to 2011 and decreased by 5% in value between 2010 and 2011.

Figure 32: Growth in demand for fresh beef exported from South Africa in 2011

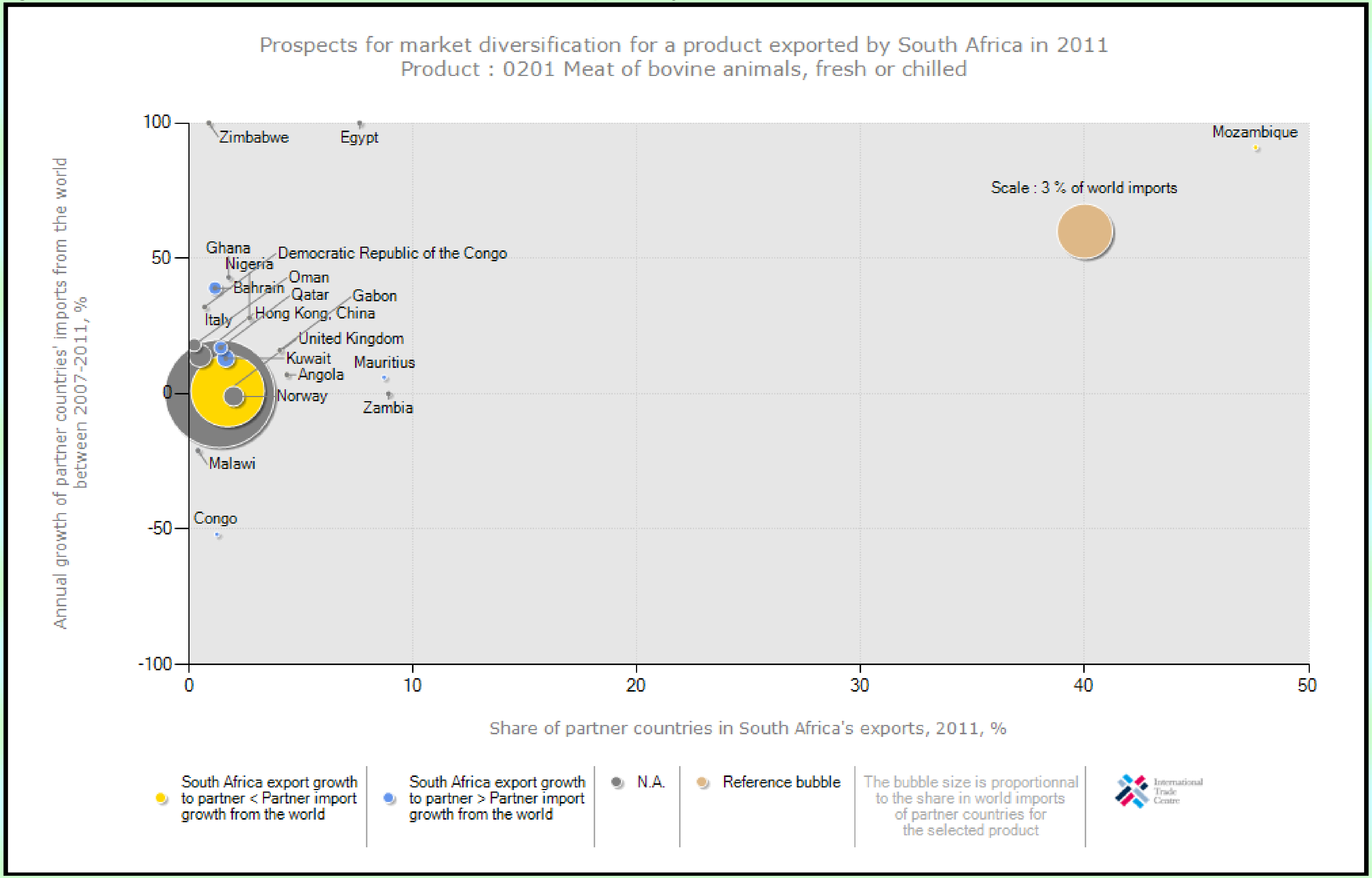


Source: Trademap, ITC

Figure 32 illustrates that between 2007 and 2011 South Africa's beef (fresh or chilled) exports Zimbabwe, Nigeria, Gabon, Democratic Republic of Congo (DRC), Angola and United Kingdom (UK)to were growing at a rate that is less than their import growth from the rest of the world. Congo and Malawi represents losses in the declining market with an import growth of -52% and -21% respectively. The South African growth of exports to Congo and Malawi is 14% and -18% respectively.

South Africa's beef (fresh or chilled) exports to Bahrain, Ghana, Kuwait, Qatar, Malawi, Mauritius and Congo were growing at a rate that is greater than their imports from the rest of the world during the periods 2007 and 2011. UK is the biggest export market for beef with a world share of 5.5% but South African exports to UK has declined by 59%. Nigeria and Gabon represent gains and DRC, Angola and UK represent losses in the dynamic markets of South African fresh or chilled beef exports. The most growing demand of South African fresh or chilled beef is in Zimbabwe with an annual import growth of 141% and SA's beef exports to Zimbabwe increased by 119%. Zimbabwe still remains a small market with a world's share imports of 0%.

Figure 33: Prospects for market diversification for fresh beef exported by South Africa in 2011



Source: Trademap, ITC

Figure 33 above indicates that South Africa's fresh or chilled beef has been mainly exported to Mozambique with a share of 47.63% of SA's beef exports during 2011. If South Africa wishes to diversify its exports of fresh or chilled beef exports, Zimbabwe and Egypt will be the most attractive markets due to their annual import growth of 1.4% and 211% respectively. South Africa can glance in penetrating these markets because their shares of South African beef exports are both not impressive with 0.88% for Zimbabwe and 7.61% for Egypt. Alternatively the biggest market exists in Italy with a world's import share of 12.9%.

Table 18: List of importing markets for the Beef (frozen) exported by South Africa in 2011.

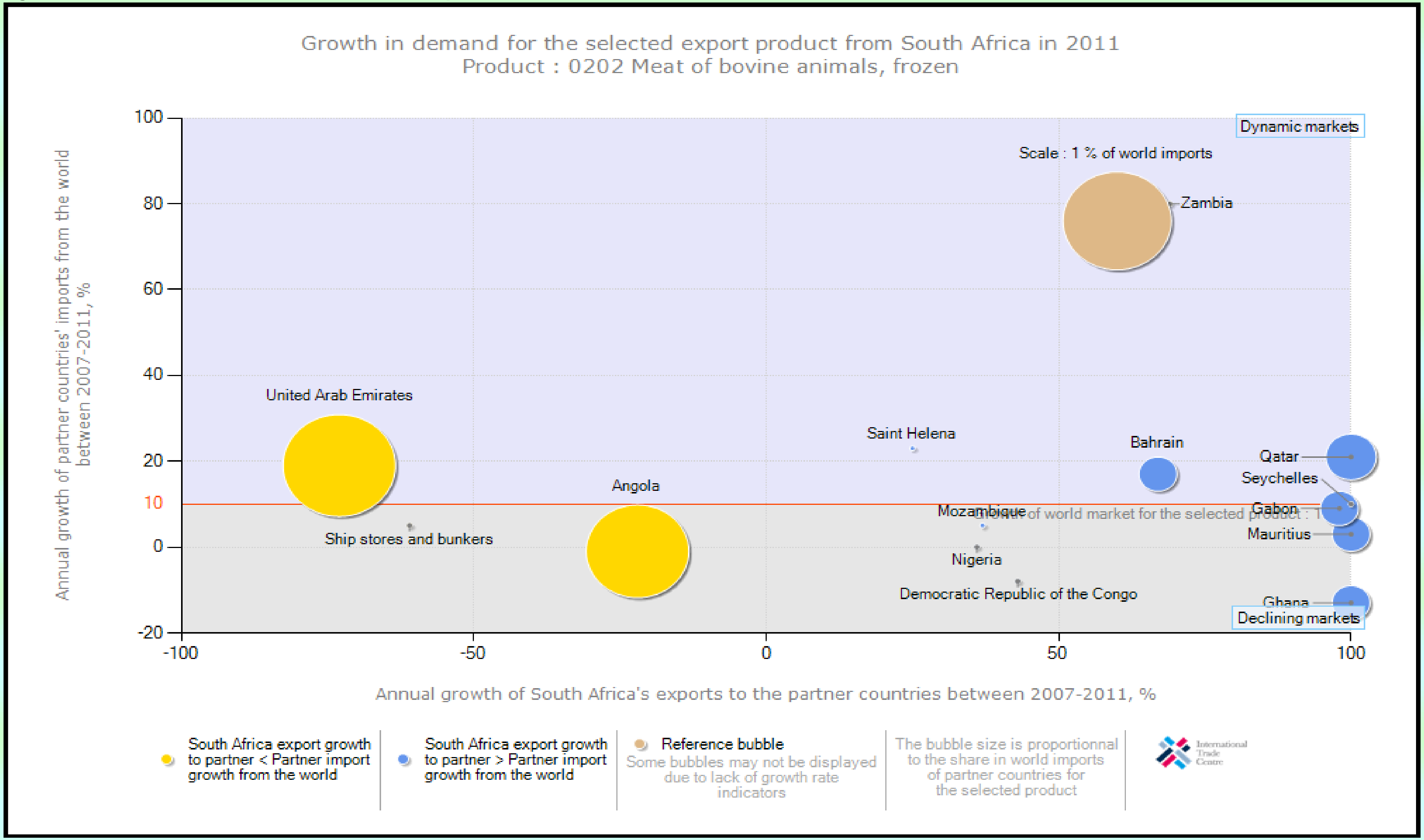
South Africa's export represents **0.04%** of world export for frozen beef; its ranking in world exports is **44**.

Importers	Trade Indicators												Tariff (estimated) faced by South Africa (%)
	Exported value 2011 (USD thousand)	Trade balance 2011 (USD thousand)	Share in South Africa's exports (%)	Exported quantity 2011	Quantity unit	Unit value (USD/unit)	Exported growth in value between 2007-2011 (%, p.a.)	Exported growth in quantity between 2007-2011 (%, p.a.)	Exported growth in value between 2010-2011 (%, p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total import growth in value of partner countries between 2007-2011 (%, p.a.)	
World	7134	-20154	100	1118	Tons	6381	7	-3	-21		100	10	
Mozambique	3160	3160	44.3	577	Tons	5477	37	22	89	132	0	5	15
Nigeria	876	876	12.3	91	Tons	9626	36	31	176	138	0	0	20
Ghana	752	752	10.5	69	Tons	10899	204	157	18	94	0.1	-13	20
Democratic Republic of the Congo	660	660	9.3	124	Tons	5323	43	13	-49	137	0	-8	10
Angola	360	360	5	50	Tons	7200	-22	-26	-67	25	0.9	-1	10
Mauritius	222	222	3.1	36	Tons	6167	117	153	-32	84	0.1	3	0
Maldives	198	198	2.8	10	Tons	19800			304	91	0.1	14	15
Seychelles	172	172	2.4	21	Tons	8190	171	124	-2	124	0	10	0
Congo	150	150	2.1	19	Tons	7895		-26	39	81	0.1	4	20
Egypt	115	115	1.6	8	Tons	14375		-36	-87	7	3.9	14	0
Norway	68	68	1	20	Tons	3400				42	0.2	0	218.9
Gabon	64	64	0.9	9	Tons	7111	98	56	-33	60	0.1	9	20
Saint Helena	58	58	0.8	8	Tons	7250	25	8	9	186	0	23	
Hong Kong, China	43	43	0.6	19	Tons	2263				8	3.3	30	0
Bahrain	42	42	0.6	3	Tons	14000	67	32	600	64	0.1	17	5

Source: ITC calculations based on COMTRADE statistics.

Table 18 shows that during 2011 South Africa exported a total of 1 118 tons of frozen beef at an average value of US$ 6 381/unit. The major export destinations for frozen beef originating from South Africa during 2011 were Mozambique with a share of 44.3% followed at a distance by Nigeria with a share of 12.3%. Exports of frozen beef exported by South Africa during the periods 2007 and 2011 experienced an increase of 7% in value and a decrease of 3% in quantity. During the same periods exports to Mozambique also increased by 37% in value and by 22% in quantity. Between the period 2010 and 2011, South Africa's exports of frozen beef decreased by 21% in value and Mozambique increased by 89% during the same periods.

Figure 34: Growth in demand for frozen beef exported from South Africa in 2011

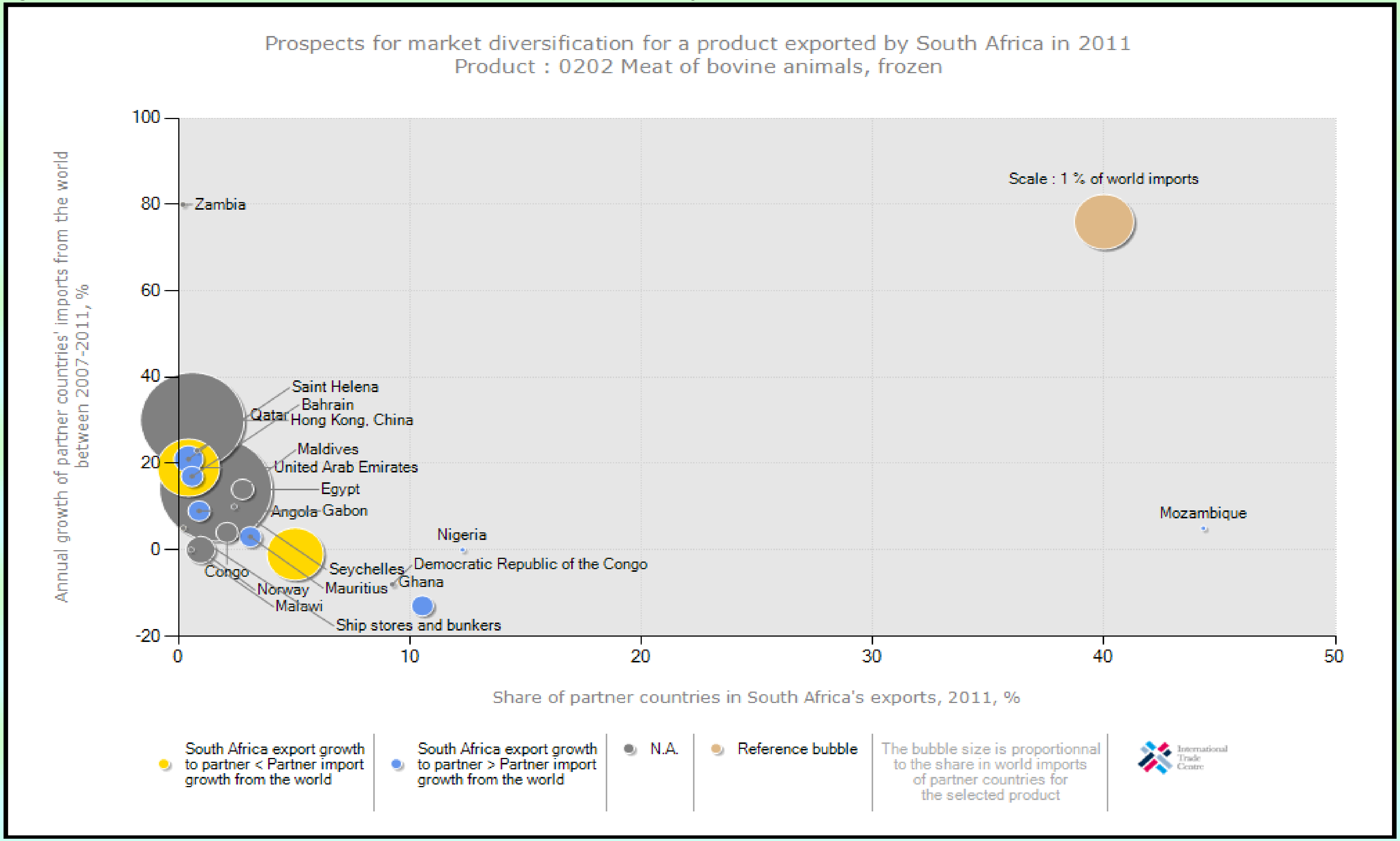


Source: Trademap, ITC

Figure 34 illustrates that between 2007 and 2011 South Africa's frozen beef exports to Zambia, United Arab Emirates (UAE) and Angola were growing at a rate that is less than its import growth from the world. UAE represents losses while Zambia represents gains in the dynamic markets of frozen beef. Angola represents losses in the declining market of South African frozen beef.

During the same period, South Africa's frozen beef exports to Democratic Republic of Congo (DRC), Saint Helena, Mauritius, Gabon, Seychelles, Ghana, Bahrain, Qatar, Nigeria and Mozambique were growing at a rate that is greater than their imports from the rest of the world. Gabon, Qatar and Mauritius experienced the highest growing demand of South African frozen beef with an annual growth of 204%, 193% and 117% respectively.

Figure 35: Prospects for market diversification for frozen beef exported by South Africa in 2011



Source: Trademap, ITC

Figure 35 above shows the prospects for market diversification for beef (frozen) exports by South Africa in 2011. South African's frozen beef was mostly exported to Mozambique which commanded SA's beef exports share of 44.29%. If South Africa is to diversify its frozen beef exports, the most attractive market exists in Zambia which experienced an annual import growth of 80%. It looks easy for South Africa to penetrate the Zambians' import market because it is still a small market with a world's import market share of 0% and 0.2% of South African exports.

5.2. Imports.

Table 19: List of supplying markets for the beef (fresh or chilled) imported by South Africa in 2011

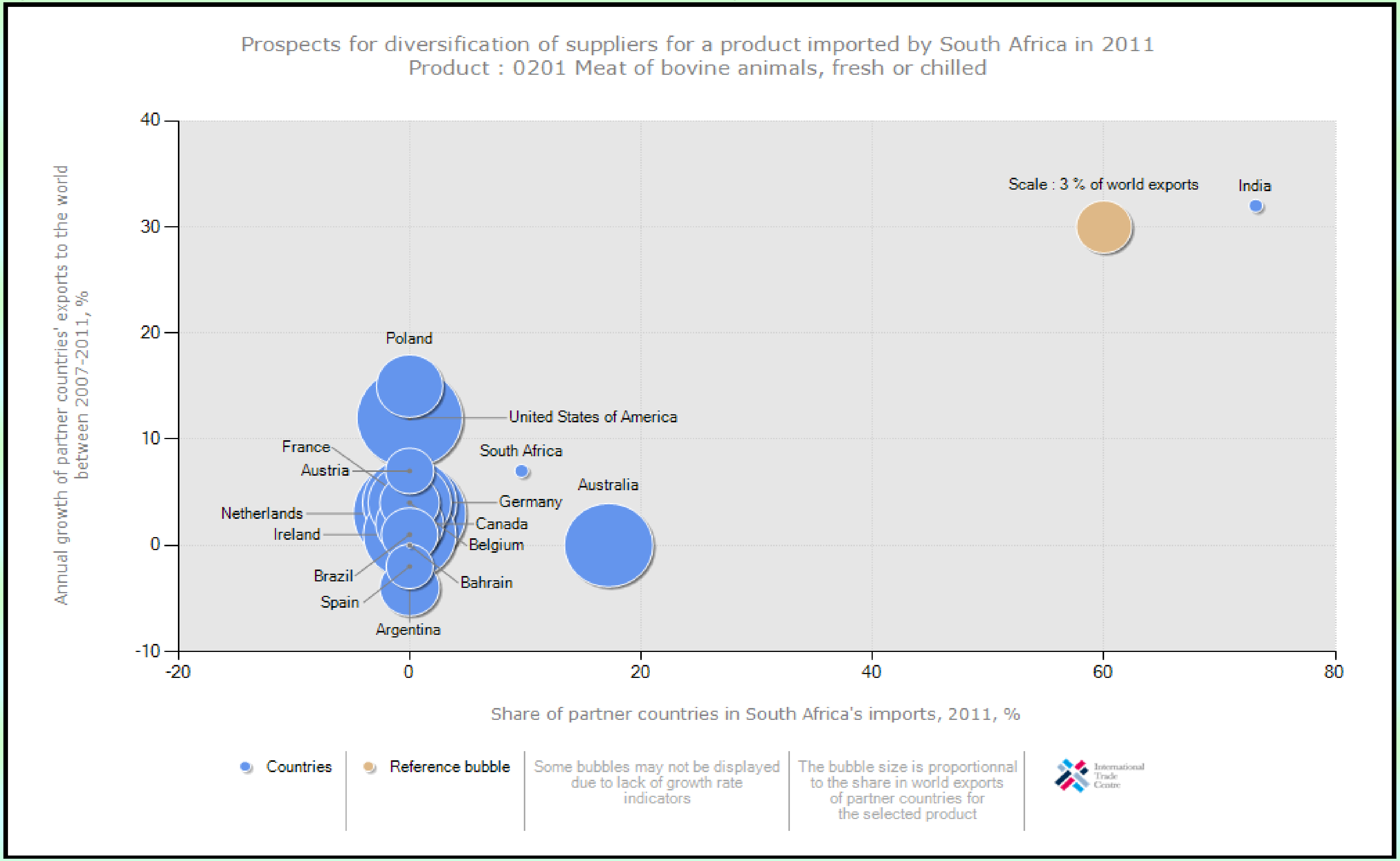
South Africa represents **0%** of world imports for beef (fresh or chilled); its ranking in world imports is **123**.

Exporters	Trade Indicators												Tariff (estimated) applied by South Africa (%)
	Imported value 2011 (USD thousand)	Trade balance 2011 (USD thousand)	Share in South Africa's imports (%)	Imported quantity 2011	Quantity unit	Unit value (USD/unit)	Imported growth in value between 2007-2011 (%, p.a.)	Imported growth in quantity between 2007-2011 (%, p.a.)	Imported growth in value between 2010-2011 (%, p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)	Total export growth in value of partner countries between 2007-2011 (%, p.a.)	
World	279	11385	100	80	Tons	3488	38	15	-36		100	4	
India	204	-204	73.1	75	Tons	2720				31	0.1	32	47.7
Australia	48	-48	17.2	3	Tons	16000			-82	5	8.2	0	47.7
South Africa	27	-27	9.7	2	Tons	13500				43	0.1	7	
Argentina										10	3.4	-4	47.7
Austria										13	2.2	7	47.7
Belgium										9	3.5	4	47.7
Brazil										11	3.1	1	47.7
Canada										7	4.6	2	47.7
France										6	7	4	47.7
Germany										3	9.2	4	47.7
Ireland										4	9	1	47.7

Source: ITC Trade Map.

Table 19 shows that during 2011 South Africa imported a total of 80 tons of beef (fresh or chilled) at an average value of US$ 3 488/unit. The major origin for beef (fresh or chilled) imported by South Africa during 2011 was India and Australia which commanded 73.1% and 17.2% respectively of the total South Africa's beef (fresh or chilled) imports increased by 38% in value and 15% in quantity between the periods 2007 and 2011 and decreased by 36% in value between the periods 2010 and 2011.

Figure 36: Prospects for diversification of suppliers for fresh beef imported by South Africa in 2011



Source: Trademap, ITC

Figure 36 above shows the prospects for diversification of suppliers for fresh or chilled beef imports by South Africa in 2011. The analysis shows that India commanded the greatest market share of South Africa's fresh or chilled beef imports with an annual growth of 73.12% followed by Australia by 17.2% during the year 2011. If South Africa is to diversify its imports, the most attractive supplier exists in Poland due to its export growth of 15%. This means South Africa can develop a market in this country because currently South Africa does not import fresh or chilled beef from it.

Table 20: List of supplying markets for the beef (frozen); imported by South Africa in 2011.
South Africa's imports represent **0.17%** of world imports for beef (frozen); its ranking in world imports is **51.**

Exporters	Trade Indicators												Tariff (estimated) applied by South Africa (%)
	Imported value 2011 (USD thousand)	Trade balance 2011 (USD thousand)	Share in South Africa's imports (%)	Imported quantity 2011	Quantity unit	Unit value (USD/unit)	Imported growth in value between 2007-2011 (%, p.a.)	Imported growth in quantity between 2007-2011 (%, p.a.)	Imported growth in value between 2010-2011 (%, p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)	Total export growth in value of partner countries between 2007-2011 (%, p.a.)	
World	27288	-20154	100	10508	Tons	2597	1	-11	138		100	12	
Australia	14584	-14584	53.4	5614	Tons	2598	76	51	284	2	15.2	5	58
Ireland	5162	-5162	18.9	1811	Tons	2850			437	15	1.1	4	58
Uruguay	2862	-2862	10.5	1075	Tons	2662	-19	-30	-36	6	5.8	12	58
India	2726	-2726	10	1025	Tons	2660				3	14.9	32	58
New Zealand	1673	-1673	6.1	898	Tons	1863	45	31	177	5	8.3	8	58
Argentina	77	-77	0.3	26	Tons	2962	-53	-57	-81	7	2.5	-2	58
United Kingdom	69	-69	0.3	25	Tons	2760	37	-19	44	24	0.4	18	58
Panama	66	-66	0.2	20	Tons	3300				35	0.1	90	58
South Africa	45	-45	0.2	6	Tons	7500				44	0	7	
China	20	-20	0.1	6	Tons	3333				20	0.5	18	58
Netherlands	4	-4	0	0	Tons					12	1.4	-4	58
Brazil										1	20.5	4	58

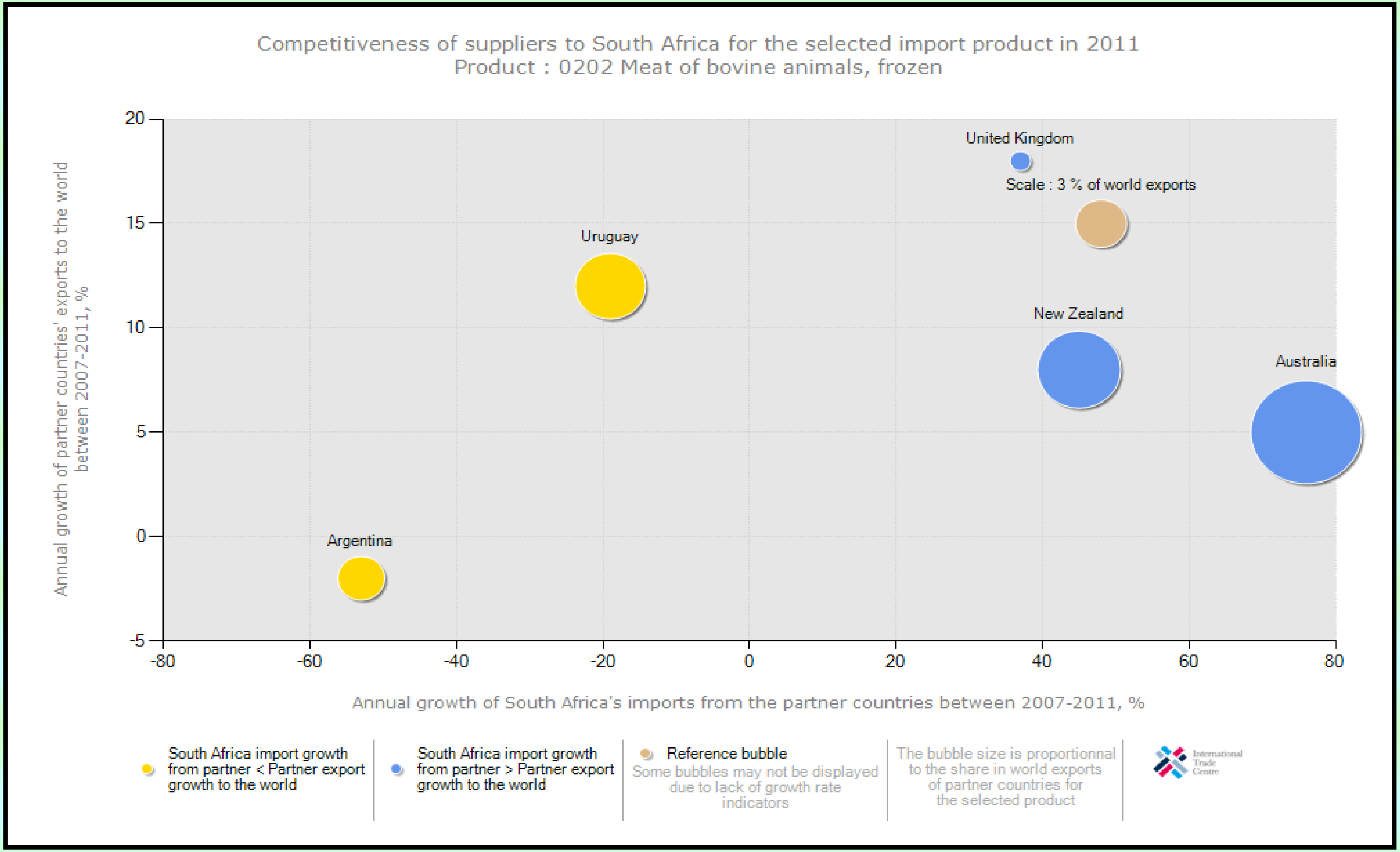
Source: ITC calculations based on COMTRADE statistics.

Table 20 shows that during 2011 South Africa imported a total of 10 508 tons of frozen beef at an average value of US$ 2 597/unit. The major origins for frozen beef imported by South Africa during 2011 were Australia, Ireland and Uruguay . The greatest share of South African frozen beef imports were from Australia which commanded 53.4% during the year 2011 followed by Ireland which commanded 18.9% and together they constitute 72.3% of South African frozen beef import market.

South Africa's frozen beef imports increased by 1% in value and decreased by 11% in quantity between the periods 2007 and 2011. During the same period, imports of frozen beef from Australia increased by 76% in value and 51% in quantity. South Africa's imports for frozen beef increased by 138% per annum in value during 2010 and 2011.

Frozen beef imported from Australia increased by 284% while those from Ireland increased by 437% in value during the period 2010 and 2011. Ireland experienced the highest frozen beef export during the period 2010 - 2011.

Figure 37: Competitiveness of suppliers to South Africa for frozen beef in 2011



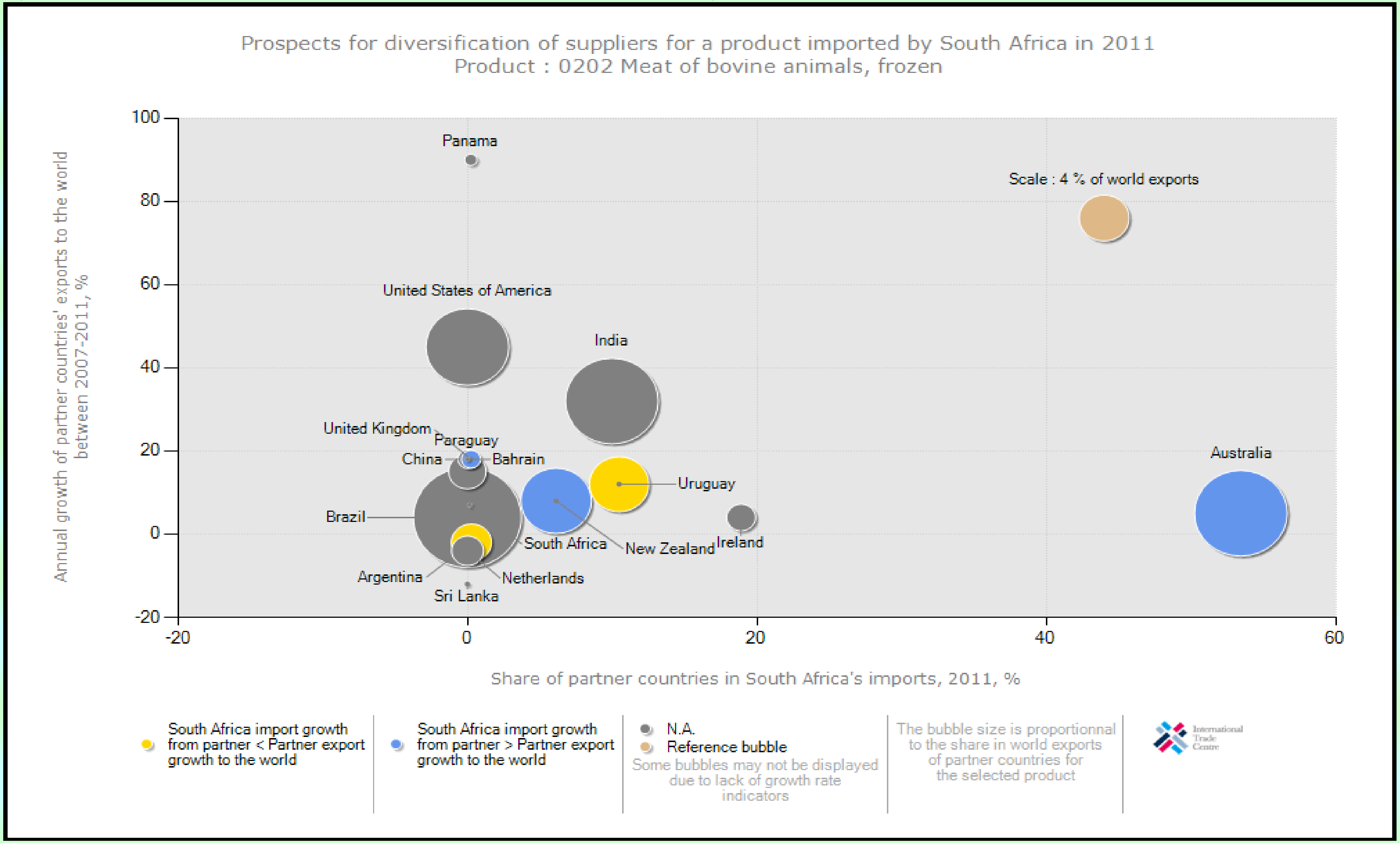
Source: Trademap, ITC

Figure 37 illustrates that between 2007 and 2011 South Africa's frozen beef imports from the Uruguay and Argentina were growing at a rate that is less than their export growth to the world. South Africa's annual import growth from Uruguay and Argentina has declined by 19% and 53% respectively during 2011.

South Africa's exports from Australia, New Zealand and United Kingdom were growing at a rate than is greater than their import growth from the world. Australia commanded the greatest share of SA's import market with an annual growth of 76% followed by New Zealand by 45% then UK by 37%.

Australia was the most competitive market during the periods 2007 to 2011 with a world export market share of 15.2% followed by New Zealand by 8.3%.

Figure 38: Prospects for diversification of suppliers for frozen beef imported by South Africa in 2011



Source: Trademap, ITC

Figure 38 above shows the prospects for diversification of suppliers for frozen beef imports by South Africa. The country imports most frozen beef from Australia but if South Africa is to diversify its frozen beef imports, the biggest supplier exists in Brazil with the world export share of 20.5% but its export growth (4%) is not impressive. Therefore, the most attractive market is Panama due to its highest annual export growth of 90%. Currently South Africa is share of beef imports from Panama is at 2.4% share, there are chances to penetrate the frozen beef market in this country.

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