# RED MEAT ABATTOIR ASSOCIATION & ABATTOIR SKILLS TRAINING

Rooivleis Red Meat Abattoir

Vereniging - Association

ABATTOIR SKILLS TRAINING AST

# Annual Report 2021

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# TABLE OF CONTENTS

# 1. ABOUT THE RMAA

## 1.1 RMAA BACKGROUND

The RMAA (Red Meat Abattoir Association) is a representative forum for abattoir owners in South Africa. The abattoir industry is responsible for the conversion of livestock to meat. This process remains critical to ensure a safe and wholesome product to consumers. The Meat Safety Act, 2000 (Act no. 40 of 2000) addresses measures to promote the safety of meat and animal products and to establish and maintain Essential National Standards in respect of abattoirs.

The RMAA is an independent membership-based organisation, which was established in February 1991. Prior to the deregulation process, the abattoir industry comprised mainly of larger abattoirs with high throughput. The deregulation process resulted in an increase in the number of high and low throughput abattoirs.

## 1.2 MISSION

We serve abattoir owners by:

- providing specialised training and technical support,
- distributing industry related information and
- representing the abattoir owner's interest

to secure standards of meat safety and quality to the benefit of the red meat industry and the consumer.

## 1.3 STRATEGIC OBJECTIVES

- Promote meat safety and Essential National Standards as provided for in the Meat Safety Act, 2000 (Act no. 40 of 2000).
- Provide applicable training to ensure the highest standards of animal handling and meat safety and quality.
- Contribute to the development and implementation of hygiene management programmes in abattoirs.
- Participate actively in the establishment of the skills development framework in the meat industry.
- Represent the interests of members on forums relating to the abattoir industry.
- Assist in the enhancement of meat hygiene awareness in rural communities.
- Create an environment conducive to the continuing education of abattoir personnel.
- Liaise with governmental and private stakeholders in the interest of common goals.

## 1.4 SUPPORT SERVICES

- Slaughter Techniques Training for red meat facilities
- Slaughter Assistance
- Food Safety Management System Establishment & Support
- Other Management Systems
  - ✓ HACCP Hazard Analysis Critical Control Point
  - ✓ ISO 22000 Food Safety Management System
  - ✓ ISO 9001:2000 Standard for Quality Management Systems
  - ✓ ISO 14000 Environmental Standards
  - ✓ ISO 18000 Occupational Health & Safety
- Laboratory Services
- Auditing
- Daily production record keeping
- Post and job descriptions of workers
- Production statistics
- Dressing evaluation
- Hide and skin damage control
- Offal handling: primary and secondary
- Promotion and application of technology
- Technology Transfer
- Control of production procedures
- Operational impact of regulatory aspects
- Water & Electricity consumption

- Effectiveness of stunning
- Cleaning & disinfection
- Equipment
- Export requirements
- Environmental standards and control
- Research and Guidelines
- Skills Development Facilitation (SDF), Workplace Skills Plan (WSP) & Annual Training Reports (ATR)
- Environmental Impact Assessments (EIS's)
- Modular Abattoir Plans
- Layout & Design Effectiveness
- Slaughter Assistance
- Control
- Operator Certification
- Management Tools
- Equipment Evaluation
- Carcass and Hide/Skin Evaluation
- Workshops
- Posters

**Information**

- Price Information System
- Provide industry and government with relevant statistics:
  - ✓ Registered abattoirs
  - ✓ Member abattoirs

National and regional meetings to update abattoir owners
Industry Manuals
Forums: operation and standards in the meat industry

## 1.5 INDUSTRY REPRESENTATIONS

- Red Meat Industry Forum (RMIF)
  - Red Meat Research and Development Trust (RMRDT)
  - Livestock Welfare Co-ordination Committee (LWCC)
- Department of Agriculture, Land Reform and Rural Development
  - FMD Trade & Technical task team
  - Hygiene Assessment System (HAS) Co-Ordinating Committee
  - Meat Classification Standards Committee
  - Abattoir Industry Advisory Committee (AIAC)
  - Coordinating Committee for Meat Industry Training (CCMIT)
  - Livestock and Animal Feeds Industry Liaison Committee
  - Meat Inspection Advisory Forum (MIAF)
- South African Pork Producers Organisation (SAPPO)
  - National Pork Health Monitoring Committee
- Department of Higher Education and Training (DHET)
  - Sector Skills Committee: AgriSETA

# 2. ABATTOIR SKILLS TRAINING (PTY) LTD

## 2.1 AST BACKGROUND

AST was established by the Association to adhere to the legislation and regulations of the Department of Higher Education and Training as a registered Further Education and Training College. AST conducts generic and specific food safety and quality training in the meat industry and other related industries.
The AST is an accredited training provider registered with:

1. AgriSETA as a Training Provider (ETQA) - Accreditation Number: ARGI/c

prov/0071/06
2. Department of Education as a Further Education and Training College - Registration Number: 2011/FE07/010
3. SAATCA for the Lead auditors course (Food safety management systems ISO22000)

## 2.2 MISSION

To serve abattoirs and associated industries with related skills needs to ensure standards of food safety and quality to the benefit of these industries and their consumers.

## 2.3 VISION

To be the preferred food safety and quality training provider for the meat and related industries

## 2.4 TRAINING

The term, training, as used by AST refers to various credit bearing and non-credit bearing training. Credit bearing training is based on a credit value which indicates the amount of learning time required to complete. A credit represents 10 notional hours of learning. This means that it is estimated that it will take the slowest learner 10 hours to master the contents of a unit standard worth 1 credit. This time includes both theory and practical.

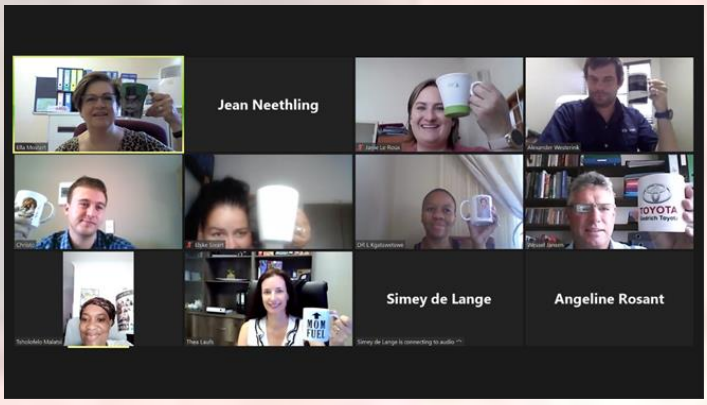
The NQF framework (National Qualifications Framework), indicates the level at which a qualification or a unit standard is registered with SAQA. E.g. the National Certificate General Abattoir Processes is registered at NQF level 2 while a National Diploma is registered at NQF level 5.

### 2.4.1 SKILLS PROGRAMS

Skills programs are short courses designed to address critical needs in the industry. The following programs are currently available:

#### 2.4.1.1 Credit Bearing (AgriSETA) Skills Programs

**HMS & HACCP / ISO 22000**




In order to ensure safe meat products with exceptional quality various food safety and quality systems have been developed and implemented worldwide. The South African government recognized the need for governance in the abattoir sector and thus established legislation, the Meat Safety Act, 2000 (Act 40 of 2000) and the Red Meat Regulations to govern the red meat abattoir industry and its processes. The Regulations require that an abattoir implement a Hygiene Management System (HMS) to manage and document abattoir activities and as a result it has become crucial to provide guidance to the industry regarding the implementation of the HMS.
Consumer awareness has also resulted in the prevention of food borne illnesses becoming a priority in food processing facilities. The implementation of HACCP has been recognized an effective way of identifying and preventing hazards that could cause these illnesses. The implementation of both the HMS and HACCP provides consumers with assurances and guarantees regarding the safety and quality of the product they purchase. ISO 22000 is a Food Safety Management System that can be applied to any organization in the food chain, farm to fork. Becoming certified to ISO 22000 allows a company to show their customers that they have a food safety management system in place. This provides customer confidence in the product. This is becoming more and more important as customers demand safe food and food processors require that ingredients obtained from their suppliers to be safe.
HMS HACCP / ISO 22000 is a 4-day course containing 27 credits at NQF level 4

| | |
|---|---|
| **Number of training programs** | 1 |
| **Number of people trained** | 9 |
| **Number of HDIs** | 5 |

| DR LERATO CHARITY KGATSWETSWE (ID ID 771105 0431 08 4) | |
|---|---|
| Dr Lerato has a post-secondary qualification and is employed as Deputy Director, VPH employed at the Department of Agriculture, North West Province.<br><br>She wanted to attend the course because she completed the course through a non-registered training provider. SAATCA pre-requisite requirements is the completion of a ISO 22000 and Lead Auditor course through a registered TCP, to register as a SAATCA auditor. AST is a registered SAATCA ONLINE TCP (Reg. No 029)<br><br>Dr Lerato recommends the course to her colleagues to improve their hygiene management and auditing skills and will practically implement the skills acquired during training when she will do audits as a registered SAATCA Lead Auditor. |  |
| **TSHOLOFELO LYDIA MALAATSI (ID 790914 0402 08 7)** | |
| Tsholofelo is employed as a Veterinary Public Health Practitioner at the Department Agriculture Land Reform and Rural Development in Pretoria, Gauteng.<br><br>She enrolled for this course to enhance her career development and to assist and advise abattoirs on the development and implementation of hygiene management systems in their workplace.<br><br>The practical knowledge she gained will be applied during audits and inspections at facilities and she recommends her colleagues also to attend the course to have the same understanding of application of the Regulation during audits. |  |

**Introductory Abattoir Hygiene (IAH)**

Poor hygiene practices affect every abattoir and can have a major impact on the financial bottom line due to product losses and returns. The lack of understanding of the industry contributes to the behaviour of employees. Providing learners with skills and knowledge in hygiene principles and practices as well as industry background, will give them the tools to adjust their behaviour in order to contribute to the maintenance of standards and production of a high-quality product.
IAH contains 12 credits at NQF level 2

| | |
|---|---|
| **Number of training programs** | 9 |
| **Number of people trained** | 49 |
| **Number of HDIs** | 47 |

Introductory to Abattoir Hygiene (AgriSETA accredited) has 2 additional unit standards to Hygiene Awareness and is aimed at the more experienced Abattoir worker as well as those at Supervisory level. This one-and-a-half-day course is to provide learners with skills and knowledge in hygiene principles and practices as well as industry background, to ensure that they contribute positively to the supplying of a high-quality product from abattoir.

**Hygiene Awareness (HAW)**

Hygiene awareness remains a vital aspect of food safety and quality. Ensuring that employees have been trained in the correct hygiene procedures will ensure the safety and quality of the product. This programme focuses on personal hygiene as well as on abattoir hygiene.
HAW contains 4 credits at NQF level 2

| | |
|---|---|
| **Number of training programs** | 43 |
| **Number of people trained** | 336 |
| **Number of HDIs** | 325 |

Hygiene Awareness (AgriSETA accredited) is a very basic course about hygiene and is aimed at the general abattoir worker. Hygiene awareness is a vital aspect of Food Safety and Quality. This course aims to introduce the worker to proper hygiene practices in the abattoir environment. It is a one-day course that enforces hygiene
practices and standards in the abattoir environment as well as personal hygiene

## 2.4.1.2Short Courses

**Practical Animal Handling**

Regulations under the Meat Safety Act, (Act no 40 of 2000) require that animal handlers must be trained. The RMAA developed a very practical course where learners undergo a short theoretical session but spend most of the approximately 4 hours in the lairage at their abattoir

| | |
|---|---|
| **Number of training programs** | 18 |
| **Number of people trained** | 82 |
| **Number of HDIs** | 79 |

**Food Safety Lead Auditors Course**

A lead auditor can conduct audits in any environment within the scope of their knowledge and expertise. The purpose of this training course is to provide learners with the skills and knowledge necessary to be a lead auditor as well as managing a team of auditors. This is a SAATCA approved course for auditors

| | |
|---|---|
| **Number of training programs** | 1 |
| **Number of people trained** | 18 |
| **Number of HDIs** | 6 |

**Food Safety Management System Awareness**

All abattoir employees are required to follow the policies and procedures of the food safety and/or quality management systems of their abattoir. Employees are more likely to adhere to these requirements if they understand why they need to do so. This program aims to provide learners with the basic knowledge of why food safety management systems are important and why they should be maintained. The program is based on Unit Standard 120239 - Monitor Critical Control Points (CCP'S) as an Integral Part of a Hazard Analysis Critical Control Point (HACCP) System with 6 Credits at NQF Level 3 and covers Theoretical as well as Practical aspects

| | |
|---|---|
| **Number of training programs** | 3 |
| **Number of people trained** | 24 |
| **Number of HDIs** | 20 |

## 2.4.1.3 NON-ACCREDITED 6 MONTH CERTIFICATION RED MEAT EXAMINER

Abattoir Skills Training created a non-accredited 6 months Meat Examiner course, this certification provides learners with the ability to perform primary meat inspection according to legislation (Act 40 of 2000). Learners require access to an abattoir and a mentor will be allocated to each learner for the duration of the course.

| | |
|---|---|
| **Number of people trained** | 29 |
| **Number of HDIs** | 22 |

## 2.4.1.4 GAP Learnership

A number of qualifications were developed for the Red Meat Industry. Learnerships are the route to follow in order for a learner to achieve the qualification. A learnership takes one year to complete and combines theoretical and practical work experience. A person who successfully completes a learnership will have a qualification that signifies occupational competence and is nationally recognized.

In order to meet the industry's training needs, the Red Meat Abattoir Association decided to focus on the following learnerships: NC General Abattoir Processes - This qualification provides learners with the opportunity to obtain competence in broad based abattoir processes and practices

| | |
|---|---|
| **Number of training programs** | 1 |
| **Number of people trained** | 13 |
| **Number of HDIs** | 13 |

## 2.5 BACKGROUND ON THE QCTO PROCESS & OTHER QUALIFICATIONS

The Quality Council for Trades and Occupations (QCTO) was established in terms of a revised implementation of the National Qualifications Framework (NQF). The QCTO focus on the aspects of learning required for occupational competence. The occupations includes trades (artisans) and relevant professions.

South Africa's initial NQF was inclusive of all learning in General, Further and Higher Education, both in institutional and workplace-based qualifications and at all levels of the framework.
The Ministers of Education and Labour emphasized in a Joint Policy Statement, the enhancement of higher learning (to follow general and formative learning) in the sciences, technology, arts, humanities and social sciences is essential for our national wellbeing.

QCTO is responsible for standards generation and quality assurance for all work based competency standards up to NQF level 10 and deals with work based learning across all NQF levels. QCTO rationalizes the work of the sector ETQA bodies, which currently falls under SETA's.

The Red Meat Abattoir Association (RMAA) as Industry Representative conducted an Occupational Analysis and initiated the re-alignment and/or development of Occupational Qualifications to advance skills knowledge of abattoir workers, as per the table below.
•Green – Occupational Qualifications developed and submitted at QCTO
•Blue – Occupational Qualifications in development process
•Red – Qualifications to be considered for developmentThe Red Meat Abattoir Association as Industry

| **RED MEAT INDUSTRY: OCCUPATIONAL ANALYSIS** *Updated: 26 March 2021* | | | | | **Current OFO Structure** | | | **SAQA Qualification Alignment** | **COURSE MATERIAL** |
|---|---|---|---|---|---|---|---|---|---|
| **NQF Level** | **Qualification Type** | | **Qualification Title** | **Part Qualifications** | **OFO** | **Title** | **Alternative/ Specialisation** | | |
| Above | **HET** | | **EHO** | | | | | | |
| NQF 6 | Abattoir Quality Management | | | External Auditor | | | | | |
| NQF 5 | | QCTO: Occupational qualification | Meat safety and Quality Assurer | Lead Auditor | **2017-325703** | Meat Safety and Quality Controller | | New | New |
| NQF4 | Supervision | QCTO: Occupational qualification | **Abattoir Foreman** | **Abattoir Supervisor** Animal Welfare Officer | **2017-134916** | Non Manufacturing Operations Foreman | Abattoir Foreman | 48902 - NC: Abattoir Supervision | To be reviewed |
| | | QCTO: Occupational qualification with part qualifications | **Meat Classifier** | Internal Auditor | **2017-681506** | Livestock Product Analyst | Meat Classifier | 48651 - FETC: Meat Classification | To be reviewed |
| | | | **Meat Examiner** | HMS & HACCP / ISO22000 | | | Meat Examiner | 48649 - FETC Meat Examination | To be reviewed |
| NQF3 | Abattoir Operations | | **Red Meat Deboner** | | **2017-681102** | Red Meat De-boner | | New | New |
| | | | **Slaughterer** | FSMSA | **2017-681101** | Slaughterer | | 48660 - NC: Abattoir Slaughtering | To be reviewed |
| NQF2 | Abattoir Practices | | **Abattoir Process Worker** | Cleaning & Sanitation Staff | | None | | 48655 - NC: General Abattoir Processes | To be reviewed |
| NQF1 | | | | Hygiene Awareness | | | | | |
| | | | | Animal Handling | | | | | |

### Occupational Qualifications re-aligned and submitted at QCTO for approval & registration

| Curriculum Code | Occupational Qualification Title | NQF Level |
|---|---|---|
| 681102-001-00-00 | Occupational Certificate: Abattoir Process Worker | 1 |
| 681102-000-00-00 | General Occupational Certificate: Red Meat De-Boner | 2 |
| 134916-001-00-00 | National Occupational Certificate: Abattoir Foreman | 4 |
| 134916-001-01 | Occupational Certificate: Abattoir Supervisor | 3 |

| | | |
|---|---|---|
| 681506-002 | National Occupational Certificate: Meat Examiner | 4 |

**Occupational Qualifications in re-alignment and development process**

| Curriculum Code / US Code | Occupational Qualification Title / Previous National Qualification | NQF Level |
|---|---|---|
| 681506-001 | National Occupational Certificate: Meat Classifier | 4 |
| US 48660 | National Qualification: Abattoir Slaughtering Processes | 3 |

# 3. FUNDING AND NEW DEVELOPMENTS

## 3.1 AGRISETA FUNDING

The RMAA or AST is not allowed to claim discretionary grant, to provide for skills development, on behalf of abattoirs. It is the responsibility of skills development levy paying Employers, to claim discretionary grant on an annual basis, to provide for critical and scarce skills that has been identified in the workplace.

AgriSETA changed to a paperless application system, which requires a registered Skills Development Facilitator (SDF) to capture all grant applications on the INDICIUM online system for the employer.

RMAA can provide RMAA members with a skills development facilitation service to assist with SDF support and assistance during the following window periods to apply for discretionary grant:

| 01 August to 15 September | 01 August to 15 September |
|---|---|
| • Graduate Placement<br>• Internships<br>• Bursaries<br>• Artisan Development | •Skills Programmes (Short Courses – Unit Standard based)<br>•Support to Rural Structures, e.g. Mentorship<br>•Commodity Organisations<br>•Adult Education and Training (AET)<br>•Learnership 18.1 & 18.2 |

## 3.2 AIAC FUNDING

The Association has, in the past 28 years, received funding from the Abattoir Industry Fund. This fund was established in terms of the then Abattoir Commission Act (Act no 86 of 1967). Following the amendments to the Abattoir Commission, the funds were transferred to be used in terms of section 23 of the Abattoir Hygiene Act. Section 23, which was not repealed by the Meat Safety Act, stipulates that the funds may be used for the following purposes:

•Training of persons for the advancement of the objectives of the Act

•Advisory services relating to the design, planning, construction, equipment and operation of abattoirs and the preparation of specifications and codes of hygiene practices for abattoirs

•Any other purposes which the Minister may regard as beneficial for the attainment of the objectives of this Act.

An amount of R600 000 per annum was approved for 2022-2024.This places further pressure on the funding for routine training

## 3.3 STATUTORY FUNDING

The Red Meat and Livestock Primary Cluster, which was the initiative of the Red Meat Abattoir Association (RMAA), the South African Feedlot Association (SAFA), the Red Meat Producers' Organisation (RPO) and National Emerging Red Meat Producers' Organisation (NERPO), created a Not-for-profit Company, namely the Red Meat Industry Services (RMIS), to apply and to administer the proposed statutory measures.

The current statutory measures in the red meat industry will expire on 4 November 2022. The RMIS requested ministerial approval for the continuation of these statutory measures for a new period of four years, from 5 November 2022 to lapse on 4 November 2026. The proposed statutory measures are as follows:

- A statutory levy in terms of section 15 of the MAP Act;
- Records and returns in terms of section 18 of the MAP Act; and
- Registration in terms of section 19 of the MAP Act.

# 4. SUPPORT SERVICES

## 4.1 FOOD SAFETY MANAGEMENT SYSTEM ESTABLISHMENT AND SUPPORT

### Hygiene Management System (HMS) and ISO 22000

During HMS or ISO Establishment or support, abattoirs are assisted with the compilation of basic procedures and records. The people/person in control of the system is trained and procedures are compiled in collaboration with them. Electronic versions of all documents are saved on the abattoir system to enable updating by the abattoir.

## 4.2 TRANSFORMATION PROJECT

The Red Meat Abattoir Association follows the 2018 Transformation guidelines to guide us in ensuring Enterprise Development, Skills development, Management control, Ownership and Social Economic Development.

The Transformation activities of our association with our training and technology transfer activities forming the Core of our assistance to black owned abattoirs.

The funding of Enterprise and Skills Development is not limited to Statutory Funding but includes Organizational and SETA funding as well as funding of Business abattoir plans, Food Safety management systems, training and technology transfer.

Focus tends to revert to bigger businesses our experience is that assistance to smaller businesses, in our case abattoir /feedlots, contribute positively to the fields of workers and their Community.

**The Practical Deliverables of the Statutory Funding includes:**

- The Improvement of meat safety objectives with a standardized auditing system (HAS). This system is a legal responsibility in terms of the red meat regulations and is further used by the newly appointed meat inspection service providers to monitor meats safety standards and regulatory compliance and to report to the Department on a monthly basis.
- Microbiological Monitoring at facilities to identify contamination but also to expand the participation of registered facilities to existing programmes
- Technology transfer to our owners in the transformation sector to improve the safety of products, structural requirements, Hygiene procedures (with inclusion of Slaughter Technique) documentation systems.

**Background of Funding**

The business plan of RMAA on the funding applications Provide for National Evaluation System for Abattoirs, Standard setting and Compliance by way of National Abattoir Audits and provide for abattoir evaluation, standards, safety and compliance by way of:

- Abattoir Audits
- Microbiological Verification
- Technology Transfer in HAS HACCP and Auditing

- Technical Standards

The Association has the responsibility as the role player responsible for applicable meat safety standards at abattoirs, to ensure national standards within the industry. The purpose of an abattoir audit in terms of the Hygiene Assessment System (HAS) is to evaluate and rate the statutory compliance of the abattoir to the Meat Safety Act and the applicable red meat regulations, on a national basis.

The Training of Black Owned Abattoirs business plan and funding is to provide hygiene and slaughter related training as well as technical skills support to black owned abattoirs in South Africa and at the same time contributing to the maintenance of standards in abattoirs. Hygiene and the maintenance of standards are critical issues in abattoir slaughtering processes which ultimately determine the safety and quality of the end product. There are a number of processes in an abattoir, of which the slaughter process is but one. Concurrent to the slaughter process is receiving of livestock, cleaning and sanitation and a number of technical aspects that impact on the quality of the product.

**THE TRAINING PROGRAMME**

Technical skills need to be transferred and these include but are not limited to:

**Routine Training:**

- Slaughter Technique Training: Slaughter personnel are trained practically at each slaughter station. The training report forms part of the HMP for slaughter and dressing as well as for evidence of training conducted.

**Formal Training:**

- Hygiene Awareness Training (Non-Seta): Personal Hygiene Training is a regulatory requirement. Personnel already trained also needs refresher courses in order to consistently comply with requirements.
- Animal Handling Evaluation & Training: Animal Handling Training is a regulatory requirement. Inhumane animal handling leads to bruises, injuries, carcass weight loss, spread of contamination, short shelf life and a poor-quality product. Training is conducted theoretically but mostly practically from lairages to bleeding.
- Food Safety Management System (HACCP) Awareness: Workers are equipped with a basic understanding of Food Safety Management Systems and the necessity of correct recordings. Food safety principles, HMS, Monitoring, Control of CCP's and Corrective Action Procedures are covered.
- HMS HACCP & ISO 22000: The implementation of both the HMS and HACCP provides consumers with assurances and guarantees regarding the safety and quality of the product they purchase. ISO 22000 is a Food Safety Management System that can be applied to any organization in the food chain, farm to fork.

**Support Services:**

- Certification of Slaughter Operators: Slaughter Operators are evaluated at slaughter stations as indicated by the abattoir. Each learner receives a certificate indicating at which stations they were found competent.
- Line layout: It is important to ensure that the workload is spread evenly on the slaughter line and that it runs at an even speed without bottle-neck situations which lead to loss of production time, exhaustion of some workers and ineffective use of others. Re-distribution of functions on the line is suggested to ensure optimal use of each worker.
- Carcass Yield: Reasons for loss of carcass weight is investigated. Training or other corrective actions are then implemented.
- Hide & Skin Damage: Hide and skin damage is investigated and corrective training or other corrective actions implemented to prevent these.
- Offal Handling: Often the operators in these areas are neglected in terms of training. The training is aimed at improving the offal handling environment.
- Equipment Evaluation: Improperly maintained equipment may lead to contamination, damage, wastage, unsafe situations, inhumane animal handling, losses, additional expenditure, regulatory non-compliance,
- Poor audit results, pest infestations, difficulty in cleaning and sanitation etc. Training is conducted in the correct handling of the equipment and defects pointed out in a detailed report.
- Management Tools for Better Control: (Stock control, Deep bone temperature control, Dispatch control, Incidences, Personnel attendance, down time). Documentation which may enhance better management is discussed and provided to the supervisor/ manager.
- HMS (Food Safety Management System) Support: Assistance is provided with compilation of procedures and records and updating of existing systems.
- Environmental Impact Assessment: assists abattoirs to comply with regulatory requirements as stipulated by acts and regulations
- HMS / GAP Audits: HMS GAP evaluation is conducted to identify shortcomings to Meat Safety Regulations and a detailed report is provided

## CHALLENGES IN THE ABATTOIR INDUSTRY

There are some challenges still facing our country even after some significant achievements over the past 18 years. Progress in urban areas stands in stark contrast to the often-extreme levels of poverty many South Africans in rural areas still endure. Social deprivation and underdevelopment continue to haunt many rural areas. For years rural South Africa saw very little development. This eventually subjected social systems and economic and infrastructural developments to enormous strain as, seeking a better future, many moved from rural areas to cities.

Government reiterated that the fight against poverty remained one of the most important fights on its agenda. With this objective government identified five strategic areas:

- The creation of decent work and sustainable livelihoods
- Education
- Health
- Rural development, food security and land reform
- The fight against crime and corruption

With restricted funding that is available from the SETA's and especially with smaller facilities exempted from the levy, there is a big demand for funded training to assist the Meat Industry's growth.

## TECHNOLOGY TRANSFER IN HAS &HACCP

### Verification Audits

The Meat Safety Act, 2000 (Act no 40 of 2000) makes provision for the following in terms of Meat Safety Schemes: Throughout each year Control and Chief VPH Officials audit registered abattoirs in the provinces in accordance with the Hygiene Assessment System (HAS) to determine their levels of hygiene. Abattoirs that receive a 3, 4 or 5-star rating receive certificates

| Hygiene Awareness - The training presentation covered the following: | Introductory to Abattoir Hygiene - consists of three-unit standards which covers the following: |
|---|---|
| • Introduction and Induction<br>• Slaughter procedures and techniques<br>• Basic Regulatory requirements, policies and procedures<br>• Basic principles of Work ethics<br>• Basic animal welfare, quality and safety systems<br>• Cleaning and Sanitation and<br>• Hygiene awareness in a food production facility<br>• PPE and hairnets<br>• Procedures for entering and exit the production area<br>• Jewelry, eating and smoking<br>• Continuous cleaning, Loading jackets and aprons<br>• Cleaning and disinfection agents<br>• Toilets, canteen and change rooms | • Introduction and Induction<br>• Basic Regulatory requirements, policies and procedures<br>• Basic principles of Work ethics<br>• Basic animal welfare, quality and safety systems<br>• Cleaning and Sanitation and<br>• Hygiene awareness in a food production facility<br>• PPE and hairnets<br>• Procedures for entering and exit the production area<br>• Jewelry, eating and smoking<br>• Continuous cleaning, Loading jackets and aprons<br>• Cleaning and disinfection agents<br>• Toilets, canteen and change rooms |

Regular training which is followed up by strict monitoring will at all times ensure continual improvement of carcasses quality.

**Branabas Lekganyane Enterprise (Moria abattoir**) is a newly built abattoir in Zion City Moria. The abattoir was previously operating as a rural abattoir inside Moria village and it is now moved to the current structure. It is with great honour and privilege that the RMAA was called on to the Zion City Moria. Thanks to Mr Ramunyai, Mr Mamabolo and everyone in the abattoir project for the warm welcome and assistance in availing all abattoir workers for training. The owner of the abattoir His grace, the right Reverent Dr B.E Lekganayane believe that training is crucial to ensure the abattoir operation is done in correlation with the industry regulations, policies, procedures and current applicable standards.

**Xashimba Abattoir** is situated just more than 20km outside of Queenstown in the Eastern Cape. The abattoir is part of transformation under 100% black ownership. The abattoir is operational on a daily basis with a capacity of just more than 100 bovines a day. Like most abattoirs in South Africa, Xashimba abattoir works towards achieving Food Safety and Quality by ensuring that the regulatory requirements are met. They also believe that regular training is essential to improve and achieve higher standards in the competitive market.
A meeting was held between Mr Knowledge Xashimba, Mr Simphiwe and the RMAA officials to discuss the specific requests from the abattoir. Training was on top of the request list from the abattoir. The training visit was very helpful information regarding Legislature, HMS, Abattoir processes and Hygiene requirements.


David (RMAA), Mr Knowledge Xashimba (Owner), Chester and Simphiwe Xashimba (Manager) Before production all operators were gathered together and theory training was conducted.

**Mpumalanga Abattoir** – Hygiene Awareness The abattoir is situated in the Mpumalanga province: Badplaas The abattoir is approved to slaughter Cattle, Sheep and Pork species and operates butchery as well on the same premises. All the learners that attended were from the slaughter Floor.

**G3 Abattoir and Butchery**

G3 abattoir is situated in the Mpumalanga province: Middleburg. The abattoir is approved to slaughter Cattle, Sheep and Pork species
It is a low though put abattoir that runs butchery on the same premises. Learners that attended were from the slaughter floor as well as the offal section.

**Mafesi Abattoir**

The abattoir is situated in KwaMhlanga in Mpumalanga Province The abattoir is approved to slaughter Cattle and Sheep species. Learners from both the slaughter floor as well as offal section attended the course

**Dreamland Piggery and Abattoir**

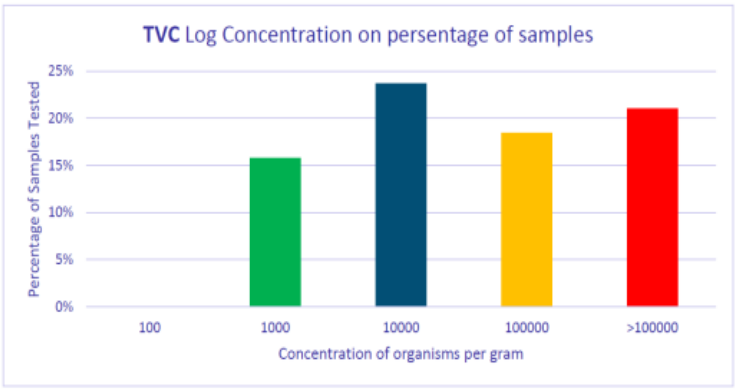
The abattoir is situated in the Gauteng province, Parys. Dreamland abattoir is approved to slaughter Pork species and is a supplier to Pick n Pay. It is therefore very important for them to adhere to the high standard of Pick n Pay and the training received will help the staff to comply with these standards. All the staff from the abattoir attended this course

## Microbiological Sampling

The Regulations under the Meat Safety Act, 2000 (Act No 40 of 2000) requires that the owner of an abattoir must provide sampling programmes for laboratory analyses, as well as names of laboratories to do the required analyses. It further requires that the owner must, in terms of water at the abattoir, follow a sampling programme to ensure that all outlets, including water hoses are checked on a repeated consistent basis within an allotted period of time, and the sampling procedure must be described; and the owner is responsible to ensure that water used in the abattoir is potable and that records of microbiological and chemical water test results are available.

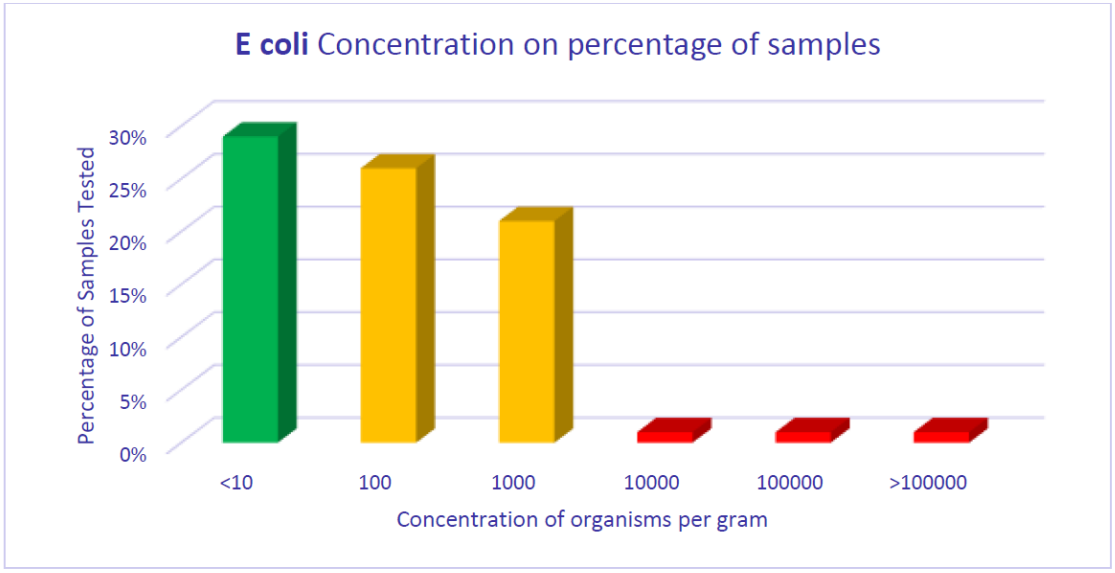
Sampling is seen as a verification tool to ensure hygiene management practices are effective. Once results have been obtained, it is extremely important to follow up on non-conformances (results out of spec) and implement corrective actions as to avoid re-occurrences of non-compliances. It is further important to make use of SANAS Accredited Laboratories to ensure reliable results are received

The RMAA officials conducted 43 samples at Abattoirs during the period reporting. These results are then sent to the abattoir owners to assist in eliminating the non-conformances as indicated by the lab report.
This training must however be followed up by regular training to instill good hygiene habits with abattoir personnel. The high turnover of abattoir personnel also makes it necessary to regularly do the hygiene training.

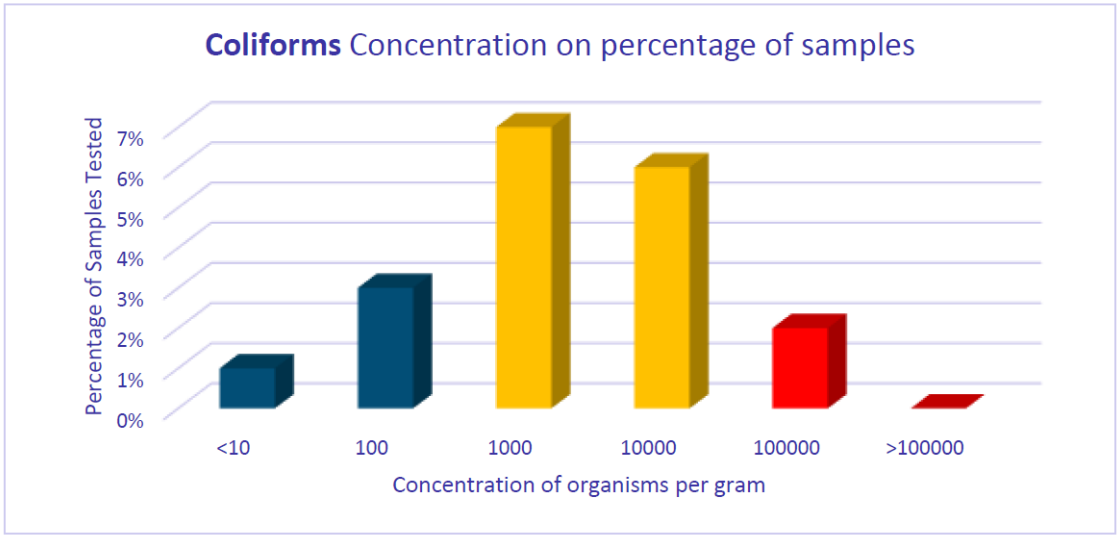



Total Microbial counts on carcasses indicated that the majority of carcasses have a log 4 microbial count.

Just over 20% of carcasses have Total Microbial loads outside of specification. Various factors could be contribute to the trend these include personnel, temperature, water etc..

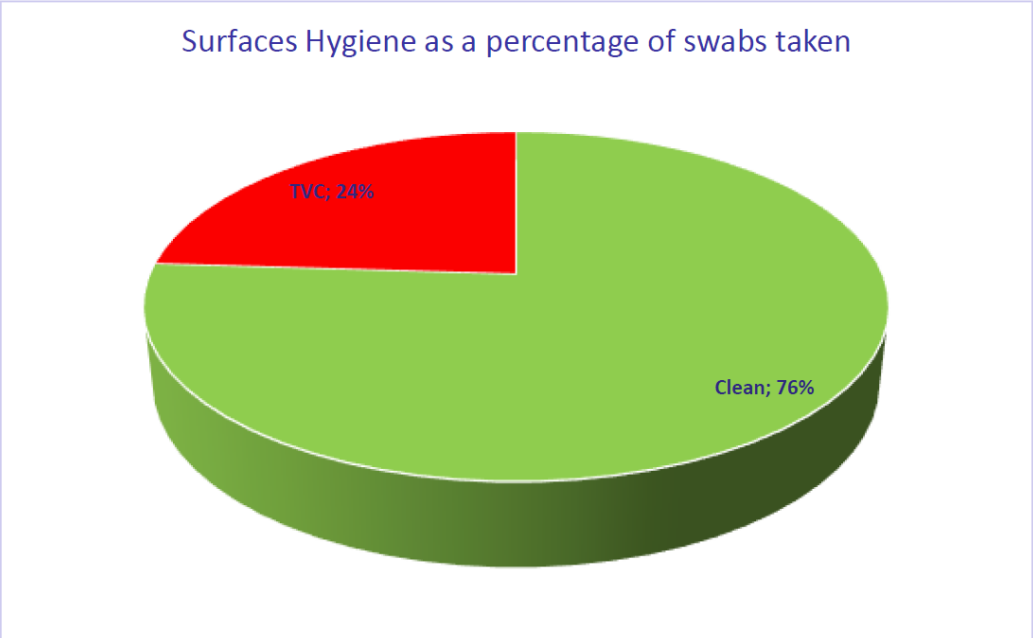



E coli counts indicated that most of carcasses have a relatively low count with the majority of carcasses have less than 10 cfu. No carcasses which were tested were out of specification for E coli.

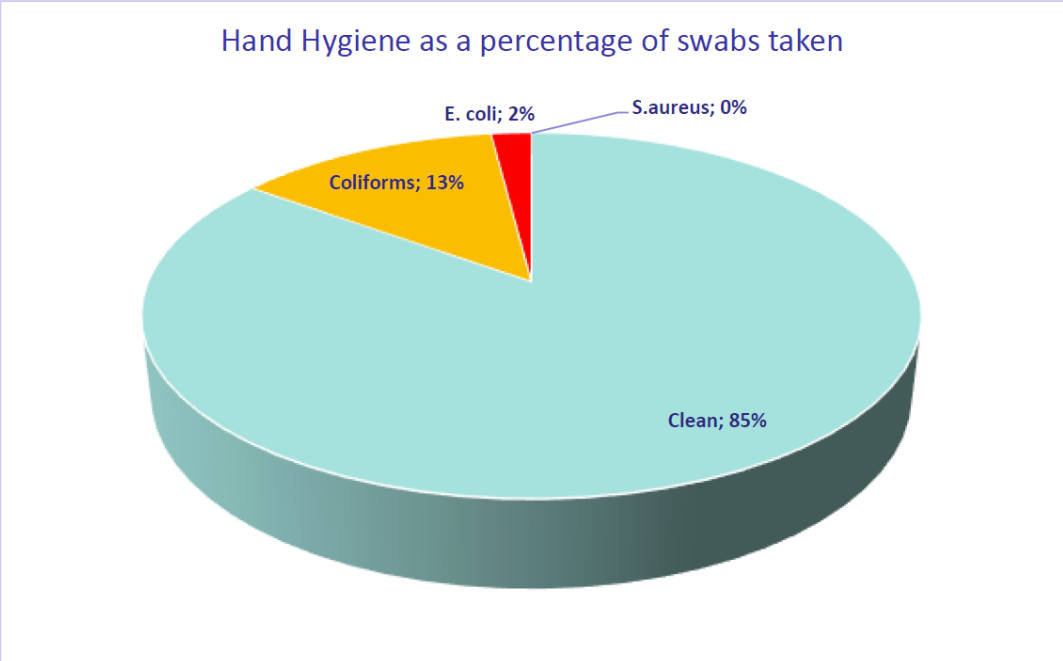



Coli forming counts indicated that most of carcasses have a medium count with the majority of carcasses have a log 3 to log 4 Coli forming unit count.

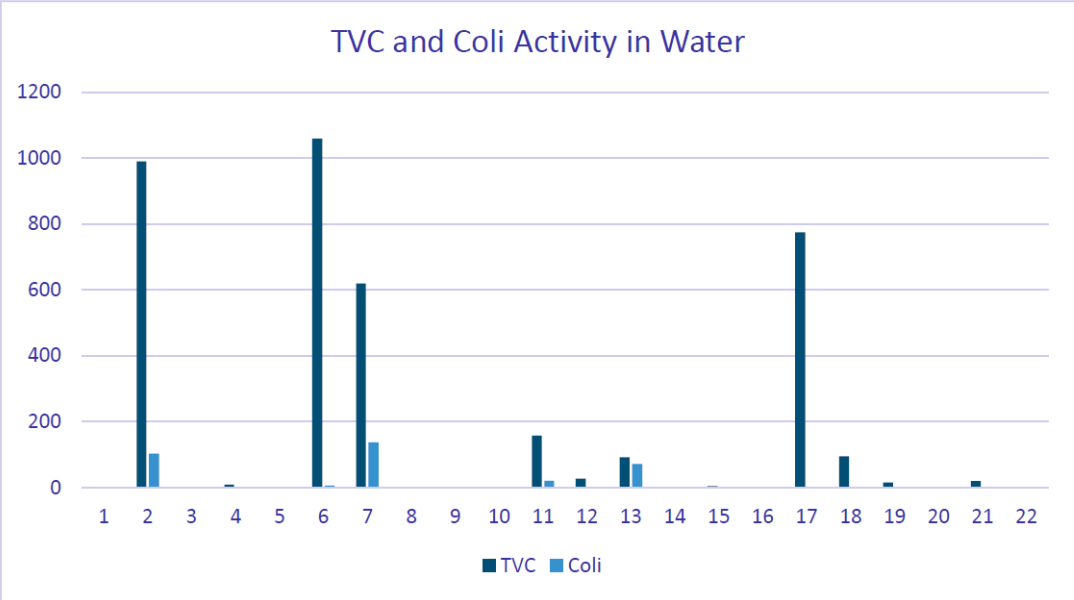
Nearly 2 % of carcasses indicated a high number of Coliforms that posed a higher risk.




Surface swabs are used to indicate cleaning and sanitizing. This year it was found that 24% of swabs were out of specification and thus indicates a 24% failure in cleaning and sanitizing that may have an impact on carcass hygiene. These will result in specific impact on Total Microbial Counts and Coliforms.




Hand Swabs are used to indicate staff hand hygiene. The trend for this year indicated an 85% good hygiene practice.
Indications of a 2% E coli cross contamination is evident due to poor hand hygiene practices in isolated instances.




Total Microbial activity and Coliforms activity in water indicated a concern.

## 4.3 SLAUGHTER TRAINING AND EVALUATION

Correct slaughter techniques are an extremely important part in the process of converting livestock into safe and wholesome meat. Operators require knowledge and skills to be able to slaughter without causing any damage to the hide or skin and the carcass, with a low risk of soiling and possible contamination that can occur during slaughtering. Slaughter technique training is provided to abattoirs in a number of ways:

- Routinely according to a schedule, compiled annually;
- Based on requests from provincial veterinary officers;
- Start-up of new abattoirs;
- Specific requests from abattoirs;
- Follow up on reports from NSPCA abattoir visits.

The RMAA documented and maintains current best practice procedures for the slaughter of animals for human consumption. Training is provided to abattoirs based on these procedures and copies are provided to abattoirs for reference purposes. Before commencement of training, the abattoir's slaughter practices are evaluated and compared with the current best practice slaughter procedures. Deviations are recorded and corrective training is provided by experienced training teams. A report, which is required as record of the training, is provided to the abattoir. This is also pre-scribed in terms of regulation 55(b)(3) under the Meat Safety Act, 2000 (Act no. 40 of 2000) as part of the Hygiene Management System.

Once off training does not ensure implementation of acquired skills. Regular follow-up visits are provided to ensure that the skills acquired by operators are applied according to the guidelines and that deviations are corrected. These techniques are also to be supervised on a daily basis, on the slaughter floor.

**Improved and acceptable dressing** standards during and after training by RMAA

| Description | No of abattoirs/ venues | No of personnel |
|---|---|---|
| Routine slaughter training | 104 | 2265 |

**Advantages relating to regularly repeated Slaughter Technique Training include:**

•Specialised practical training in a selected niche field of work conducted at the work station on the production line on a one-on-one basis for workers processing a product, which has a huge impact on global scale
•Hygienically slaughtered carcasses and meat with a low risk of contamination resulting in safe meat with improved shelf life

•Higher carcass yields resulting in higher profits
•Less damaged hides and skins leading to better profits
•Less equipment damage leading to reduced maintenance and replacement expenses
•Improved ergonomic conditions for slaughter operators leading to better working conditions
•Improvement of line layout and equipment resulting in higher production throughputs leading to higher profits
•Introduction of more advanced equipment leading to improved working conditions and better production
•Adherence to regulatory required standards for welfare and meat safety in accordance with global trends and customer requirements securing reliable contracts
•Reduced stress and injuries to animals leading to better end products with less product losses
•Reduction of unnecessary wastage thereby reducing costs linked to waste management and increasing profits by making optimal use of by-products
•Improvement of lifetime of equipment (air knife blades, hand knives, steels etc.) leading to savings
•Well trained slaughter personnel improving their self-confidence and self esteem
•Improvement of abattoir audit scores ensuring regulatory compliance, customer satisfaction and public confidence

Hide Inspection

Ensuring that contamination is eliminated

## 4.4 SKILLS DEVELOPMENT LEVY, WORKPLACE SKILLS PLANS & ANNUAL TRAINING REPORTS

### Learning Culture in The Red Meat Industry

### What Is A Learning Culture?

"Learning culture" refers to the environment and attitude in which
- learning and assessment of learning is encouraged and rewarded
- learning and assessment opportunities are provided and supported across the business
- where participation is voluntary and on high levels and
- where learning is clearly linked to the organisational goals and individual aspirations and
- learning and assessment is supported by quality policies and procedures

### Elements that contribute to building a learning culture in your business

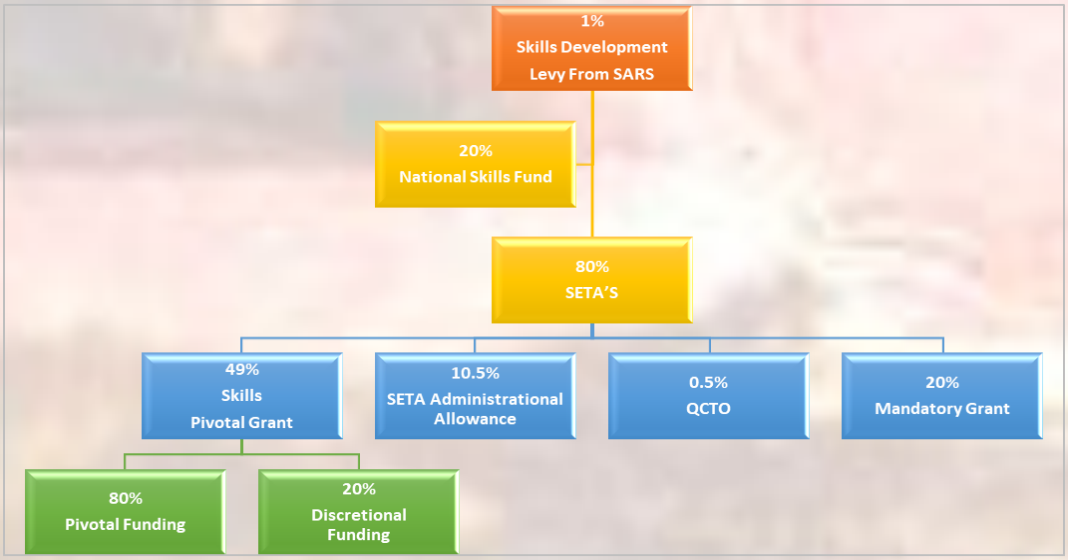
- Personal mastery – Create an environment that encourages personal and organisational goals to be developed and realized in partnership
- Mental models – Know that a person's "internal" picture of their environment will shape their decisions and behavior
- Shared vision – Build a sense of group commitment by developing shared images of the future
- Team learning – Transform conversational and collective thinking skills, so that a group's capacity to reliably develop intelligence and ability is greater than the sum of its individual member's talents
- System thinking – Develop the ability to see the "big picture" within an organisation and understand how changes in one area affect the whole system

### Benefits of a positive Learning Culture

- Superior performance
- Better quality of product and services
- Better customer satisfaction
- Committed and result-focused workforce
- Greater ability to deal with change
- Financial benefits for the business

**AGRISETA**

Benefits for the levy paying Employer – Distribution of Skills Levies




- Mandatory Grant – Employers with more than 50 employees submitting a Workplace Skills Plan and Annual Training Report by the end of April of each year, can benefit from Mandatory Grant (20% Of levies paid to SARS)

returned to the Employer.

- Discretionary Grant – Levy paying employers can apply for grant at the SETA's where they are registered, to fund grant programs like:

  - Learnership Programs – Learners are guided and mentored by a trained in theory and practical, by a professional in the field of expertise, towards a National Qualification.
  - Internship Programs – Learners who are busy with formal studies and who requires practical work experience required by the studies, can internship grant be applied for, to fund expenses for the practical exposure in the workplace.
  - Graduate placement Programs – Graduates who completed their formal diploma/degree studies and who requires practical workplace experience can be recruited by an employer and given a period to gain practical experience in the field of expertise before employment is considered.
  - Skills Programs – Occupationally directed courses, which may/may not result in a formal qualification. Accredited Training Providers who aligned their courses to unit standards conduct the training. The unit standard credit value determines the duration of the course.
  - Commodity Funding Programs – Commodity businesses can apply for grant to fund skills development
  - Bursaries – Levy paying employers can apply per study year for staff to fund studies towards a formal qualification, required for the position the staff member is appointed in.
  - Mentorship programs
  - Pivotal Grant – Occupational qualifications through Universities, Universities of Technology and Further Education and Training (FET) institutions has theoretical learning modules with practical work modules in the workplace. The practical component is achieved through workplace placements, work integrated learning, apprenticeships, learnerships, internships, skills programmes and work experience placements. Employers who can prove that they spent more than 3% of their payroll on training as reported in their WSP, can apply for pivotal grant.

**AET programs –** For learners who did not complete their matric (Levels 1 – 4)

**SKILLS DEVELOPMENT SUPPORT TO RMAA MEMBERS**

To register as an SDF, an appointment letter from the employer is required, which must be imported to the SETA website, for the registration. The SETA confirms registration via e-mail and access is then granted to the new Primary SDF of the company, to the online system, to capture ATR & WSP's online and to apply for mandatory- and discretionary grant, for the Employer

SDF responsibilities for their companies are:

- Skills audits
- Annual compilation of an annual training report (ATR) & workplace skills plan (WSP)
- Submitting ATR & WSP to relevant SETA's
- Advise employers on the implementation of a workplace skills plan
- Advise employers on the quality assurance requirements set by SETA's
- Contact person between the employer and the sector SETA; and
- Serve as a resource with regard to all aspects of skills development.

RMAA can provide RMAA members with advice or support with their SDF functions

# 5. INDUSTRY MATTERS

## 5.1 Classification

The DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT (DALRRD) published draft regulations CLASSIFICATION AND MARKING OF MEAT INTENDED FOR SALE IN THE REPUBLIC OF SOUTH AFRICA.

This AMENDMENT in terms of the AGRICULTURAL PRODUCT STANDARDS ACT, 1990 (ACT No. 119 OF 1990)

First and second drafts were published in 2021and the Association circulated these drafts for comments. The changes in the draft were highlighted in a comparative document (circulated) and included; ear tags in ears for head synchronization, inclusion of head in carcass mass of pigs, changes to the formulation of meat percentages, roller marking by the independent person and before entering the cold room and the provision to roller mark A class goat carcass with blue ink.

A letter was forwarded to the Department to query some of the changes or the interpretation. In a further draft 3 amendment early in 2022 it was requested by industry

to increase the maximum sow weight to 105 kg.

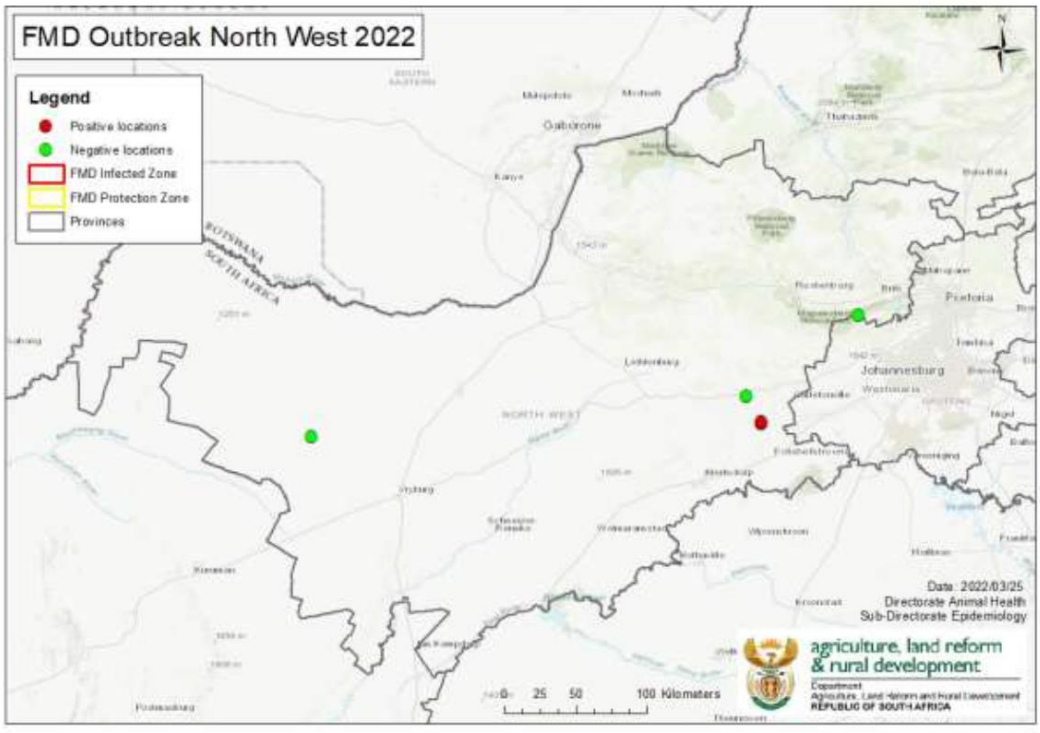
Note: The researchers involved indicated that the slaughter experiment was designed to include carcasses up to 110 kg and the regression equations generated are therefore also suitable for carcasses up to 110 kg. The classification is based on the predicted percentage of lean meat in the carcass. The new prediction equations will predict lean percentage up to 110 kg accurately.

Industry is awaiting the final outcome of these regulations.

## 5.2 Foot and Mouth Disease

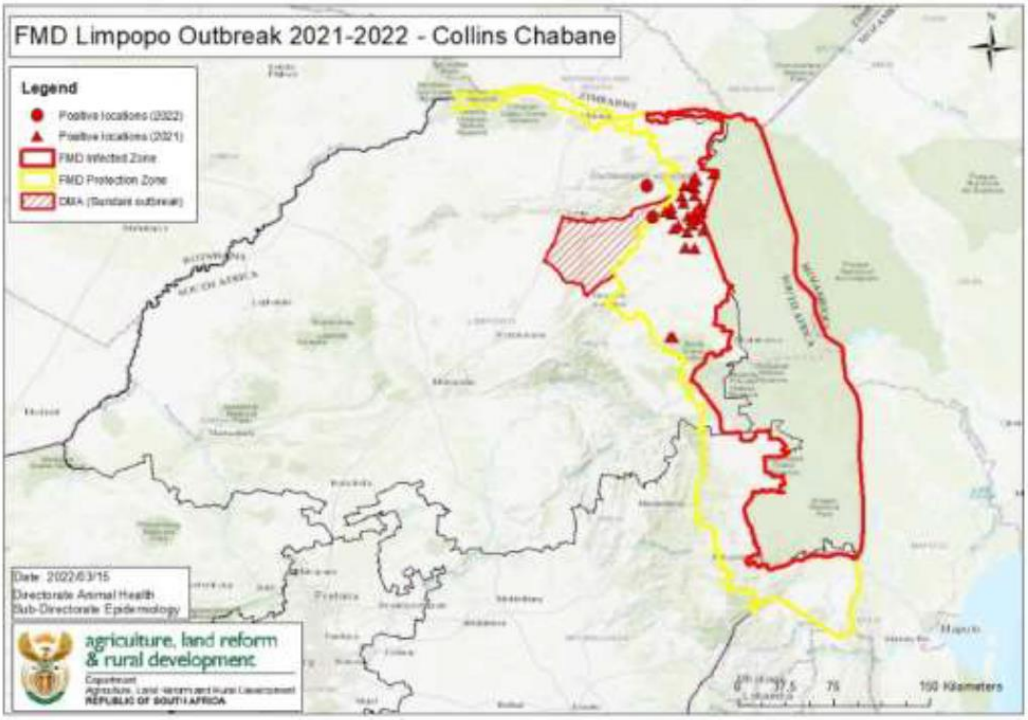
South Africa currently has 44 open Foot and Mouth Disease (FMD) outbreaks in the previous FMD free zone, comprised of three outbreak events. The first event started in May 2021 and is affecting KwaZulu Natal province, with a total of 42 reported outbreaks (40 open and 2 resolved). The second outbreak event started in March 2022 in the previous free zone in Limpopo Province with 2 reported outbreaks. The third outbreak event also started in March 2022 in the North West Province, with 2 reported outbreaks.

**Map 2: Outbreak event in North West Province**

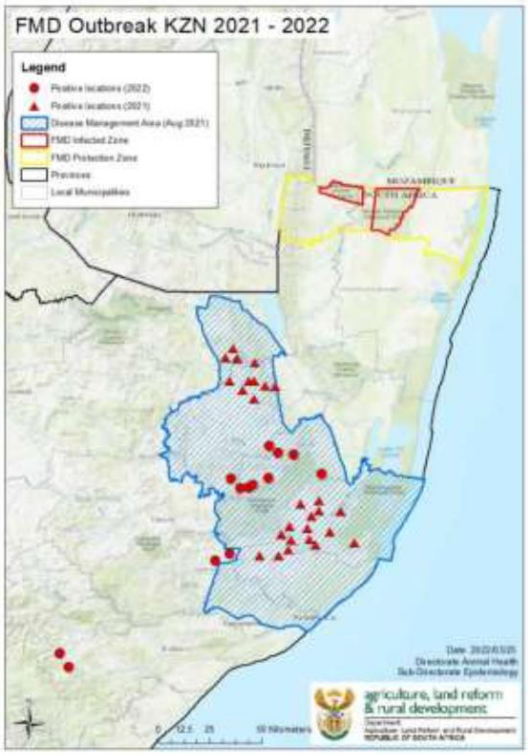



Note: Dots on the map that indicate locations in close proximity might appear as single dots.

## Map 3: Outbreak event in Limpopo Province




## Map 4: Outbreak event in KwaZulu Natal Province



Media releases alerted all farmers, livestock owners, members of industry and other stakeholders to abide by the movement restrictions in place in both the Limpopo and KZN DMA's, as well as the restrictions within all affected areas. In the whole country, farmers,livestock owners, members of industry and other stakeholders are strongly urged not to move cloven hoofed animals without proper knowledge of the health status of the farm of origin. If there is any suspicion of FMD or linkage to an FMD affected property, members of the public must contact the State Veterinary Services immediately.

Provincial FMD Imbizo

A provincial FMD Imbizo was held in the Limpopo province between the National Department, Limpopo Veterinary division and Industry.
The purpose of the workshop was:

- To provide information of the current FMD status.
- To invite inputs into the way forward to regain FMD free zone status and the challenges that have to be overcome.
- To establish guidelines provided through the OIE.
- For DALRRD to scientifically illustrate the reasons for making decisions regarding the application for FMD freedom.

Contributing factors of FMD:
- Technological
- Financial
- Logistical
- Disease

During the Imbizo feedback was provided on the requirements by the OIE for establishing and maintain an FMD free zone. Feedback further reflect on the challenges of the past 5 years and find sustainable solutions and to finalise a Recovery Plan.

## 5.4 CHINA -Expansion of the Exportation of beef from South Africa to China

During November 2019 the Department of Agriculture Land Reform and Rural Development (DALRRD) issued a directive that interested establishments (feedlots, abattoirs and cutting plants) may apply for approval of export of beef to China.

Approval is subject to compliance with the requirements of the Beef export to China protocol, which were further elaborated in the Addendum A of VPN 59. It was indicated that these facilities will only be approved as a compartment.

The requirement of registration for farms, feedlots, abattoirs and cutting plants includes specific requirements for freedom and or management of livestock diseases, livestock identification and traceability, feed requirements, prohibition and restricted medications and feed additives and minimum standards of abattoirs with the inclusion of food safety programmes, practical biosecurity programmes and operational requirements related to the health and origin of slaughter stock which qualify for the export of beef to China after the necessary maturation processes.

## 5.5 Residue Monitoring

One of the essential national standards of the Meat Safety Act require the detection and monitoring the use, application and presence of specified substances and residues in meat.

The National Residue monitoring program of the Department Agriculture, Land Reform and Rural Development (DALRRD) provides for monitoring of these residues. It includes various group of substances i.e., steroids, beta agonists, various antibacterial substances, antihelmintics, anti coccidials, non-steroidal anti-inflammatory substances, organochlorine compounds, organophosphorus compounds, chemical elements and sedatives.

International legislation further protects consumers from exposure to potentially harmful residues of veterinary medicines, pesticides and environmental contaminants in food of animal origin (Directive 96/23/EC). South Africa also have an Export Control Program to provide additional assurances to our international trading partners and take appropriate action to minimise the occurrence of such residues in food.

The RMAA assists the Department in terms of a Public Private Partnership to provide assistance with the NRMP, provide a database of information received and to report to the Department.

4 National Residue Monitoring Programs: 2017 – 2021

4.1 Summary of samples taken during the National & Additional Residue Monitoring Programs: 2017 - 2020

| SAMPLES PER PROVINCE | OVINE | | | | | OVINE | | | | | PORCINE | | | | | POULTRY | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2017 | 2018 | 2019 | 2020 | 2021 | 2017 | 2018 | 2019 | 2020 | 2021 | 2017 | 2018 | 2019 | 2020 | 2021 |
| EASTERN CAPE | 16 | 46 | 39 | 40 | 105 | 13 | 29 | 44 | 40 | 112 | 13 | 28 | 25 | 29 | 66 | 7 | 24 | 47 | 0 | 25 |
| FREE STATE | 16 | 46 | 84 | 133 | 199 | 4 | 27 | 73 | 129 | 197 | 4 | 10 | 25 | 63 | 78 | 1 | 29 | 21 | 60 | 56 |
| GAUTENG | 63 | 66 | 168 | 212 | 261 | 17 | 53 | 110 | 156 | 183 | 17 | 108 | 191 | 204 | 237 | 4 | 33 | 77 | 55 | 73 |
| KWAZULU NATAL | 38 | 64 | 51 | 63 | 78 | 9 | 27 | 36 | 42 | 55 | 9 | 100 | 102 | 38 | 35 | 8 | 29 | 64 | 34 | 27 |
| LIMPOPO | 11 | 42 | 79 | 97 | 110 | 0 | 23 | 13 | 12 | 12 | 0 | 25 | 49 | 31 | 38 | 14 | 13 | 42 | 22 | 24 |
| MPUMALANGA | 47 | 117 | 145 | 160 | 170 | 16 | 46 | 71 | 98 | 86 | 16 | 17 | 64 | 68 | 77 | 24 | 59 | 64 | 63 | 82 |
| NORTH WEST | 68 | 53 | 71 | 111 | 126 | 25 | 36 | 46 | 63 | 77 | 25 | 18 | 31 | 26 | 31 | 55 | 98 | 96 | 161 | 171 |
| NORTHERN CAPE | 38 | 56 | 143 | 81 | 90 | 50 | 62 | 126 | 162 | 203 | 50 | 12 | 12 | 27 | 30 | 3 | 13 | 11 | 8 | 7 |
| WESTERN CAPE | 56 | 42 | 75 | 138 | 153 | 29 | 67 | 72 | 147 | 163 | 29 | 61 | 75 | 76 | 94 | 28 | 75 | 69 | 89 | 108 |
| NOT RECORDED | 0 | 3 | 0 | 0 | 3 | 0 | 1 | 0 | 0 | 4 | 0 | 6 | 0 | 0 | 0 | 0 | 3 | 1 | 0 | 2 |
| TOTAL PER YEAR | 353 | 535 | 855 | 1 035 | 1 295 | 163 | 371 | 591 | 849 | 1 092 | 163 | 385 | 574 | 562 | 686 | 144 | 376 | 492 | 492 | 575 |

| | | | | | |
|---|---|---|---|---|---|
| SAMPLES TAKEN FOR ALL SPECIES: 2017 | 823 | | | | |
| SAMPLES TAKEN FOR ALL SPECIES: 2018 | | 1 667 | | | |
| SAMPLES TAKEN FOR ALL SPECIES: 2019 | | | 2 512 | | |
| SAMPLES TAKEN FOR ALL SPECIES: 2020 | | | | 2 938 | |
| SAMPLES TAKEN FOR ALL SPECIES: 2021 | | | | | 3 648 |

## NATIONAL RESIDUE MONITORING PROGRAM 2021: FEEDLOTS

The RMAA submitted a proposal for the inclusion of the Feedlot program to the NRMP statistics. Heavy metals and pesticide were also included in this program to meet the requirements of the China Protocol.

Audits were performed by the Department on the laboratory, but the outcome remain outstanding.

Please find attached a summary of the results of the past year for reference purposes in the meantime

**SUMMARY: FEEDLOTS, SAMPLES COLLECTED & NON-CONFORMING RESULTS: 2018 - 2021**

| PROJECT YEAR | PARTICIPATING FEEDLOT TOTAL | TOTAL SAMPLES TAKEN | NON-CONFORMANCE TOTAL | % NON-CONFORMING |
|---|---|---|---|---|
| JAN - DEC 2018 | 7 | 980 | 13 | 1,33 |
| JAN - DEC 2019 | 10 | 836 | 16 | 2,15 |
| JAN - DEC 2020 | 11 | 2 014 | 5 | 0,25 |
| JAN - DEC 2021 | 11 | 1 482 | 1 | 0,07 |

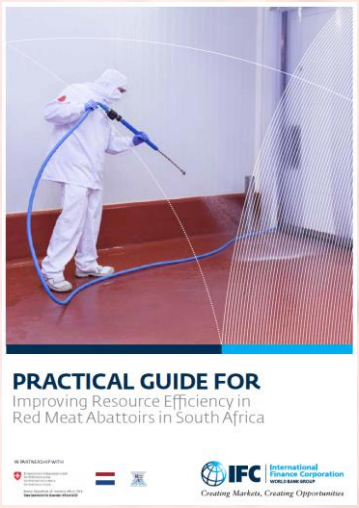
## 7.2 LIST OF SUBSTANCE MONITORED AT FEEDLOTS:

| GROUP | | SUB-GROUP | Matrix LIVER Detection Limit (ug/kg) | Matrix MUSCLE Detection Limit (ug/kg) | Matrix KIDNEY Detection Limit (ug/kg) |
|---|---|---|---|---|---|
| F1 | Amphenicols | Florfenicol | <25.0 | <20.0 | <25.0 |
| | | Florfenicol Amine | <100.0 | <100.0 | <100.0 |
| F2 | Anthelmintics | Antibabesial Drugs | <500.0 | <500.0 | <500.0 |
| | | Avermectins | <50.0 | <10.0 | <10.0 |
| | | Benzimidazoles | <10.0 | <10.0 | <10.0 |
| | | Various | <10.0 | <10.0 | <10.0 |
| F3 | Antibabesial Drugs | Diminazene | <1000.0 | <500.0 | <1000.0 |
| F4 | Antibiotics | Amphenicols | <10.0 | <10.0 | <10.0 |
| | | Beta-Lactams | <25.0 | <25.0 | <25.0 |
| | | Cephalosporins | <50.0 | <50.0 | <50.0 |
| | | Macrolides | <50.0 | <50.0 | <50.0 |
| | | Nitroimidazoles | <5.0 | <5.0 | <5.0 |
| | | Quinolones | <20.0 | <20.0 | <20.0 |
| | | Streptogramins | <10.0 | <10.0 | <10.0 |
| | | Sulfonamides | <20.0 | <20.0 | <20.0 |
| F5 | Anticoccidial Drugs | Monensin | <50.0 | <50.0 | <50.0 |
| F6 | Anticoccidials | Antiprotozoals | <5.0 | <5.0 | <5.0 |
| | | Ionophores | <5.0 | <5.0 | <5.0 |
| F7 | Benzimidazoles | Albendazole | <10.0 | <10.0 | <10.0 |
| | | Fenbendazole | <10.0 | <10.0 | <10.0 |
| F8 | Beta-antagonists | Trenbolone | <10.0 | <1.0 | <10.0 |
| | | Zilpaterol | <10.0 | <1.0 | <10.0 |
| F9 | Beta-Lactams | Ceftiofur | <50.0 | <50.0 | <50.0 |
| | | Penicillin G | <10.0 | <10.0 | <10.0 |
| F10 | Corticosteroids | Prednisolone | <10.0 | <10.0 | <10.0 |
| F11 | Growth Stimulants | Beta-Agonists | <5.0 | <1.0 | <5.0 |
| | | Growth Promoters | <5.0 | <1.0 | <5.0 |
| F12 | Halogenated Salicylanilides | Closantel | <25.0 | <20.0 | <25.0 |
| F13 | Heavy Metals | *Hg | 0,08 | 0,12 | 0,08 |
| | | As | 0,01 | 0,02 | 0,01 |
| | | Cd | 0,05 | ND | 0,05 |
| | | Cr | 0,03 | ND | 0,03 |
| | | Pb | ND | ND | ND |
| F14 | Imidazoles | Levamisole | <10.0 | <10.0 | <10.0 |
| F15 | Isoquinolones | Praziquantel | <10.0 | <10.0 | <10.0 |
| F16 | Macrocyclic Lactones | Ivermectin | <50.0 | <50.0 | <50.0 |

| | | | | | |
|---|---|---|---|---|---|
| **F17** | Macrolides | Gamithromycin | <50.0 | <50.0 | <50.0 |
| | | Tildipirosin | <50.0 | <50.0 | <50.0 |
| | | Tilmicosin | <50.0 | <50.0 | <50.0 |
| | | Tulathromycin | <50.0 | <50.0 | <50.0 |
| | | Virginiamycin | <50.0 | <50.0 | <50.0 |
| **F18** | Nonsteroidal Anti-inflammatory | Flunixin | <25.0 | <20.0 | <25.0 |
| | | Meloxicam | <25.0 | <20.0 | <25.0 |
| **F19** | NSAIDS | Nonsteroidal Anti-inflammatory Drugs | <10.0 | <10.0 | <10.0 |
| **F20** | Pestecides | | <50.0 | <50.0 | <50.0 |
| **F21** | Quinolones | Enrofloxacin | <50.0 | <50.0 | <50.0 |
| **F22** | Steroid Hormones | Corticosteroids | <10.0 | <5.0 | <10.0 |
| **F23** | Sulphonamides | Trimethoprim | <10.0 | <10.0 | <10.0 |
| **F24** | Tetracyclines | Chlorotetracycline | <100.0 | <100.0 | <100.0 |
| | | Doxycycline | <100.0 | <100.0 | <100.0 |
| | | Oxytetracycline | <100.0 | <100.0 | <100.0 |
| | | Tetracycline | <100.0 | <100.0 | <100.0 |
| **F25** | Feed | Grower Feed **<33 ppm** | | | |
| | Premix | Premix **<1320 ppm** | | | |

## 5.5 International Finance Corporation

South Africa's red meat abattoir industry is a key driver of economic growth, as it contributes to value addition, job creation and exports. However, increasing water scarcity, combined with rising costs of energy and fuel, is threatening the competitiveness and sustainability of the sector. The global red meat industry will increasingly come under governmental and consumer scrutiny for its climate footprint. South Africa has one of the lowest costs of energy in the world; however, with increased power shortages, this will likely change.


Resource efficiency benchmarking provides the ability for enterprises to examine and understand their own resource efficiency performance. The results can be used to compare resource efficiency performance against other enterprises at both local and international levels. They can also be used as a guide on what to measure to determine overall resource efficiency metrics. Comparing resource efficiency performance with peers provides an understanding of where efficiencies may be different and thereby assists enterprise management in any sector to identify areas of focus to increase efficiencies, reduce resource consumption and reduce operating costs.

**The reports are available for download on the RMAA website :**

Benchmarking Study: Resource Efficiency in Red Meat Abattoirs in South Africa
Practical Guide for Improving Resource Efficiency in Red Meat Abattoirs in South Africa

For more information about the reports and program contact: Rong Chen, Senior Operations Officer rchen@ifc.org

## 5.6 BRUCELLOSIS

Brucellosis is a highly infectious zoonosis for humans causing a disease often called undulant fever or Malta fever, since it was first recognized in Malta during the 1850s. Humans may become infected through mucous membranes (eye, nose and mouth) or small wounds and by handling infected tissues. Contaminated hands may spread the infection to the eyes. Symptoms in humans include intermittent or irregular fever, headache, weakness, profuse sweating, chills, weight loss and general aching. Infections of organs including the liver and spleen may also occur. Veterinarians, farmers, and abattoir workers are vulnerable to infection as they handle infected animals and aborted fetuses or placentae. The impact of brucellosis in humans is primarily lost labor, morbidity and occasionally mortality (USDA 2020).

DALRRD prepared STANDARD OPERATING PROCEDURE: SLAUGHTER OF BRUCELLOSIS POSITIVE OR CATTLE OF UNKNOWN BRUCELLOSIS STATUS.

The purpose of this SOP is to:

- outlines mitigation of the zoonotic risk posed by Brucella abortus and B melitensis at slaughter to abattoir personnel by animals with unknown and positive brucellosis status.
- Recommend the appropriate Personal Protective Clothing (PPC)/ Personal Protective Equipment (PPE) to be worn by personnel at high risk workstations in line with Occupational Health and Safety Act 85 of 1993 and ISO 45001 of 2018 for slaughter.
- Provide for handling and disposal of infectious material in line with Hazardous Substance Act 15 of 1973.

The RMAA submitted comments to these procedures.

## 5.7 Bargaining Council

The Department of Employment and Labour published a Government Gazette No 749 of 20 August 2021**.** This notice provides the Bargaining Council for the Meat Trade (Gauteng) to extend the scope of the Bargaining Council. The definition of trade is extended in this application to, in addition of retail, to also include the wholesale of meat, packaging plants and operational matters incidental thereto.

This extension of the definition now includes facilities which form part of abattoirs and within the agricultural sector. Further clarification was required on the alternatives available for abattoir members in this sector, cost and functions or benefits in the bargaining council and the meaning of operational matters incidental thereto.

Further information was requested from the Bargaining Council. Due to the short time frame for comments this notice was in the meantime circulated to members with further distribution of additional information. A virtual meeting was also held to obtain clarity on outstanding matters prior to commenting on the Gazette.

Following these discussions a letter of objection was submitted to the Department of Employment and Labour and the Bargaining Council for Meat Trade on 20 September 2021 .

The Bargaining Council for the Meat Trade Gauteng (LR2/6/6/136) Council elected to withdraw the application. The RMAA requested the Department of Employment and Labour to provide further communication related to a revised application to specifically exclude the abattoir and related beneficiation processes on the premises of such abattoir.

# 6. INDUSTRY REPRESENTATION

## 6.1 RED MEAT INDUSTRY FORUM

**CHAIRMANS' REPORT**
**RED MEAT INDUSTRY FORUM**
**2020/2021**
**MR LOUW VAN REENEN**

This report is for the period from November 2020 to August 2021.
The year 2021 continued with the difficulties which was experienced the previous year, such as further outbreaks of foot and mouth disease and further waves of the COVID-19 pandemic locally as well as globally. Riots, unrest as well as logistics and export challenges also played its part to negatively impact the economy as a whole.

**Condolences**

In the aftermath of the Covid-19 pandemic that seems to stick with us, and will for some time to come, we extend our most sincere condolences to those who have suffered the loss of a loved ones, friends or colleagues because of the covid-pandemic – you remain in our thoughts and prayers. We also extend our most sincere sympathy to those who had to close down their businesses and ceased their operations due to the Covid-19 pandemic.

**FMD outbreak**

Since the initial, most recent foot and mouth disease outbreak in January 2019, several further outbreaks outside of the redline area in the Limpopo Province were reported to date. The lack of direction by government to act and put appropriate measures in place to stop the transfer of possible infected cattle out of the infected area(s), remains a huge concern for the industry. The 2021 outbreak in KZN affected several farmers as well as two feedlots.

**Auctions**

With the implementation of bio-security measures at auctions, the risk of spreading foot and mouth decease was reduced and same measures were welcomed by the industry at large. Inspections for said measures, will be attended to by SAMIC. The Agricultural Produce Agent Council (APAC), graciously extended the time in which the auctions had to comply with the gazetted rules to 1 July 2021.
Legislation pertaining to livestock auctions in terms of Agricultural Produce Agents Act, the Stock Theft Act, the Animal Identification Act, and the Animal Diseases Act as well as specific requirements pertaining to the prevention of the spread of COVID-19 remains effective.

**Animal Health**

Animal health is the key to broadening our export base. Same will however only be possible if we can *prove* our animal health status. South Africa lost its Animal Health status since the department Animal Health neglected to submit answers to the World Animal Health Organisation (O.I.E.) before the end of March 2021. The effect is that South Africa are now seen as the rest of Africa, a country with no Foot-and-Mouth disease status.

**African Swine Fever**

There are currently increased outbreaks of ASF in South-Africa. The latest outbreaks in North-West, Gauteng and the Western-Cape had a devastating effect on the industry. The inability of government to make decisions, leads to millions of Rands of losses. One of the piggeries confronted with an outbreak of ASF, approached the High Court successfully to force government to decide to slaughter pigs that tested positive for ASF.

**Brucellosis Control Policy**

As is the case with many other animal deceases, the industry is working together with government on a brucellosis policy to be implemented. This is done in conjunction with the National Animal Health Forum. The industry representatives involved agree that brucellosis needs serious intervention from industry and government.

**Traceability**

Traceability remains the single most important current drive of the industry. It is clear that traceability will not dissolve or resolve all the biosecurity / animal health issues in South Africa, however, it will assist the red meat industry immensely in adding value and creating a better product and subsequently also enable industry and the role players to manage animal health and biosecurity, and possibly open up international markets, giving our trade partners peace of mind in dealing with us.

**Livestock exports by sea**

With regards to the court case between Al Mawashi and the NSPCA, the constitutional court denied the national SPCA leave to appeal the judgement handed down in the Eastern Cape. A recent shipment of sheep left the East London harbour and the NSPCA was present at the time of loading of the ship. Government initiated a protocol and the RMIF had the opportunity to make comments towards the protocol, we have however not received feedback on the subsequent comments.

**SAMIC**

Samic reached its goals with regards to Audits and Inspections done at Abattoirs, Farms, Export Harbours, Export Hides & Skins, Wool & Mohair Stores, Deboning Plants, Feedlots and the Trade in its whole.

**Animal Health Forum**

The NAHF saw its chairperson resign and Gerhard Schutte was appointed as the new chairperson of the NAHF. NAHF have a good relationship with government and the Animal Health forum has reverted back to its initial obligation, and that is to act as a forum for decision making and not as a role-player or representative body.

**Statutory levy**

The statutory levy period was extended until November 2022. With this in mind a cluster of industry bodies engaged the Bureau for Food and Agricultural Policy (BFAP) to ascertain the extent of a possible change in the current statutory levy setup.

**Bureau for Food and Agricultural Policy (BFAP)**

The BFAP study is in process, and we look forward to receiving their research document soon. The cluster consist of the RPO, NERPO, SAFA and the RMAA. The Cluster requested BFAP to assist with the development of an industry strategic plan.

An extract out of the BFAP Proposal:

"*The South African red meat industry is often referred to the "sleeping giant" in the South African agricultural economy. The majority of stakeholders and specialists within the industry share a common view that it is under-performing and not realising the immense potential the industry holds. South African livestock farmers are struggling to sustainably link to lucrative local and export markets to the detriment of all role-players in the red meat value chain and the country as a whole. Furthermore, productivity growth rates remain relatively low, especially in the informal herd and overall pasture management and sustainable farming practices need to improve. Recent analysis of the SA red meat industry, under the auspice of the Agriculture and Agro-processing Master Plan (AAMP), has highlighted a number of policy reforms and investment (public and private) priorities that will drive inclusive growth in the sector, and there is recognition from industry role-players that the industry requires a new / revised and collective industry strategy."*

The red meat cluster identified the following focus areas as the guideline in the Strategy and implementation plan:

***Animal Health and Traceability***. The situational analysis on Foot and Mouth (FMD), other biosecurity risks and management and control there off (LITS SA etc.).

***Inclusive growth***. Inclusive Agricultural Transformation. Situational analysis for farmer development programs in the livestock sector & value chain inclusivity

***Market Access***. Discussions with DALRRD, DTIC & focused trade relations. Trade protocols etc.

***Competitiveness***. RMRD compact – relating to genetics, production practices, consumer demand, international accreditation, and benchmarking. Local value adding in agroprocessing

This is an inclusive approach and any and all relevant parties or stakeholders are free to engage and participate.

**Exports**

Although the foot and mouth disease outbreak had a devastating effect, the export of beef did not stop because of the outbreak, since the protocols agreed with trade partners during the 2019 outbreak remind in place.

**General**

• AfCFTA which was founded in 2018 and created by African Continental Free Trade Agreement, commenced trading on 1 January 2021. Time will however tell if it will have any effect on the manner in which we do business;

• Certain areas in our country remains drought stricken and farmers in these areas are still struggling immensely. In addition, hereto, devastating veld fires also caused huge damage to some farms;

• Internationally, The European Parliament has rejected all the amendments to the

Common Agricultural Policy (CAP) on 23 October 2020, that would have proposed to ban the use of meat denominations for plant-based foodstuffs;
• The meat grading system was investigated, it was however place on hold for the time being.

**Word of thanks**

As Chairman, I would like to thank the RMIF role players, all the MANCO members, the Compliance Committee, the Levy Committee, MSMS and SAMIC for all their efforts over the past year. A special thanks also to the vice chairman Dr Kabols Le Riche and Mr Simon Streicher.

**- ooo O ooo -**

## 6.2 RED MEAT RESEARCH DEVELOPMENT TRUST

The Red Meat Research and Development Trust was established to administer research funds from the residual funds from the disbanded Meat Board. The same trustees administer the trust as the Meat Industry Trust, three trustees nominated by the Red Meat Industry Forum and three Ministerial appointees.

The RMRDT capital is invested and the annual returns are available for research funding for the following year. Annually a request for Research Projects for funding of projects according to specific focus areas is circulated to the various research institutions. The research requests and protocols are evaluated and the projects prioritized by two planning committees, one for Cattle and Small stock and the other for Pigs.

Below please see the list of completed research projects for 2018 - 2020. For further information please visit www.rmrdsa.co.za

| Year Com-pleted | FA/PG | Project Title | Researcher |
|---|---|---|---|
| 2019 (21 projects) | 1 | Modeling veld production using MODIS LAI - Phase 3 | Dr T Palmer |
| | 2 | Genetic markers for Haemonchus contortus in sheep | Dr MA Snyman |
| | 2 | Genotype imputation for indigenous beef cattle | Dr C Visser |
| | 2 | Genetic diversity of landrace cattle breeds | Dr L van der Westhuizen |
| | 2 | Gene expression: Nguni and Bonsmara | Ms DA Linde |
| | 2 | Inheritance patterns of the Polled and Scur genes in South African beef breeds | Prof E van Marle-Köster |
| | 3 | Recombinant immunoglobulins for diagnostic applications | Dr J Fehrsen |
| | 3 | Anthelmintic properties of South African Plants | Prof L Mc Gaw |
| | 3 | Feedlot pre-condition and performance | Prof D Holm |
| | 4 | Red Meat Nutrient Content Database | Dr B Pretorius |
| | 4 | The protein quality of animal sources of protein | Dr B Pretorius |
| | 4 | On-the hook ageing of beef | Dr P Heinze |
| | 4 | The retention and yield factors for meat | Dr B Pretorius |
| | 4 | Nutrient density vs carbon footprints of foods | Mrs C Muller |
| | 4 | Investigate the low-, middle-, and high income Western Cape consumer's perception towards beef and sheep meat | Mrs H Vermeulen |
| | 4 | Occurrence of Mycotoxins in Beef | Dr B Pretorius |
| | 5 | Principal-agent behaviour in the lamb/mutton supply chain | Dr M van der Merwe |
| | 5 | Consumer purchasing behaviour of red meat | Dr WA Lombard |
| | 6 | The impact of predation on wildlife | Prof HO de Waal |
| | 6 | Use of guard animals of farms in South Africa | Ms J Botha |

| | | | |
|---|---|---|---|
| | Pork | Occurrence of mycotoxins in pork | Dr B Pretorius |
| | | | |
| 2020 (9 projects) | 2 | Genotype imputation to improve for genomic selection | Prof M Makgahlele |
| | 3 | TrichLabCheck | Prof D Holm |
| | 3 | Larvicide testing for blackfly control | Dr N Rivers-Moore |
| | 3 | Detection of Mycobacterium spp. in slaughter cattle at Gauteng abattoirs | Dr T Hlokwe |
| | 3 | Analysis of the 2013/14 FMD outbreak in South Africa | Dr J van Heerden |
| | 4 | Muscle profiling to add value to beef chuck, thin flank and topside | Dr M Hope-Jones |
| | 4 | STEC from feedlot to abattoir | Prof P Thompson |
| | 5 | Exploring the financial implications of creating endemic stability as a control strategy against Redwater disease | Mr WFI Edwardes |
| | Pork | Pork concumption and perceptions in Gauteng and the Western Cape | Dr H Vermeulen |
| | | | |
| 2021 (13 projects) | 1 | Does short-duration grazing work in grasslands? (Phase II) | Dr HJ Hawkins |
| | 1 | Developing management strategies to support the sustainable production of lucerne in long-rotation/cropping systems (Phase 1) | Dr J Labuschagne |
| | 1 | Lucerne cultivar evaluations under subtropical conditions | Dr F Müller |
| | 1 | Drought resistance and recovery of forage legumes in the genera Medicago and Tifolium at seedling and mature plant stage | Dr F Müller |
| | 2 | Heat stress in sheep | Prof S Cloete |
| | 2 | Genetic assessment of sheep meat traits | Prof S Cloete |
| | 3 | Study on Brucellosis in communal and small-holder farming areas in South Africa | Dr T Hlokwe |
| | 3 | Rapid detection of pyrethroid and amitraz acaricide status of R. microplus and R. decoloratus ticks | Prof C Maritz-Olivier |
| | 3 | Insect vectors monitoring | Dr H Lutermann |
| | 4 | Manufacturing of blood sausages | Dr E Moholisa |
| | 4 | Toxoplasmosis and Q-fever in slaughter animals in abattoirs | Dr N Gcebe |
| | 4 | Shelf life extension of ruminant meat with fruit-based natural preservatives | Mr C Mapiye |
| | 4 | Abattoirs and high rigor temperatures | Dr M Hope-Jones |

## 6.4 MEAT STATUTORY MEASURE SERVICES

The MSMS, an organisation incorporated under section 21 of the Companies Act was established on 16 August 2007 to manage the administration and enforcement of the Red Meat Levy Notices. Its elected directors represent SAFA, RPO, NERPO, AMIE, SAMPA, SACU, SHALC, NFMT, SAPPO, RMAA, SAFLA and LABOUR. 5 elected directors form the Executive Committee. Present Directors Mr Georg Southey (Chairman), Mr Aggrey Mahanjana Mr Gerhard Schutte, Mr Dewald Olivier. The MSMS oversees the three Red Meat Industry statutory measures relating to registration, keeping of records and rendering of returns as well as the levy collection. These functions also include statistics and financial aspects of the levies. The MSMS employed a private company Red Meat Levy Administration (Pty) Ltd. to execute the administrative component entailed in the above functions. In addition, the MSMS has formed a Compliance Committee to install and enhance compliance with legislation and adherence to rules and regulations concerning relevant red meat matters. An experienced team of senior legal advisors is employed on an ad-hoc basis to enforce legal compliance. For detailed statistics please visit www.levyadmin.co.za
For any queries and submission of forms and all other correspondence to:
Tell: 012 348 7572; Fax: 012 361 2382 / 086 572 6206 or Email: carolienv@levyadmin.co.za

## 6.5 SOUTH AFRICAN MEAT INDUSTRY COMPANY (SAMIC)

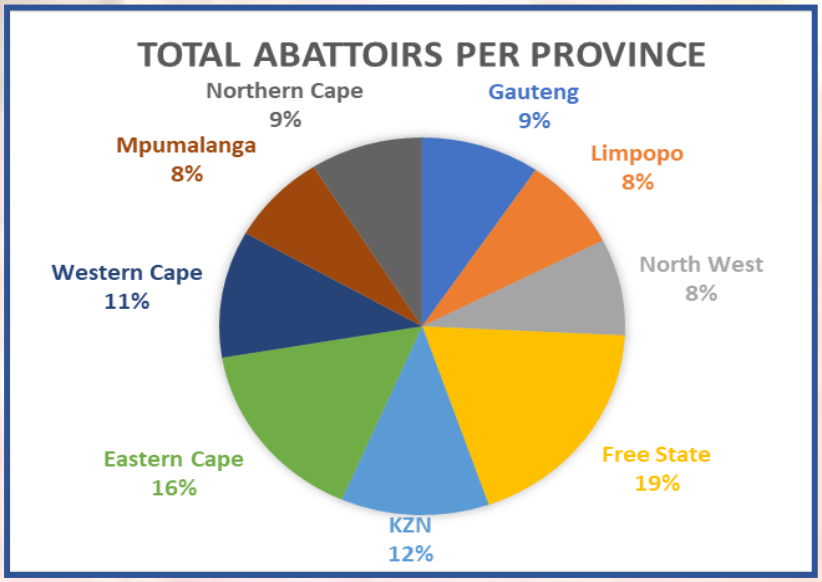
The South African Meat Industry Company (SAMIC) being appointed as assignee, in terms of section 2(3) of the Agricultural Product Standards Act, 1990 (Act No. 119 of 1990), by Government Notice No. 121 of 1998 for the classification and marking of meat, hereby impose the following service fee in respect of abattoirs that participate in the classification and marking of meat (No. R. 342 of 19 March 1999). These service fees will be valid from 1 January 2021.

| Abattoir Grade | Service Fee / Month (VAT excluded) |
|---|---|
| High Throughput | R5197.00 |
| Low Throughput | R3308.00 |

# 7. STATISTICS

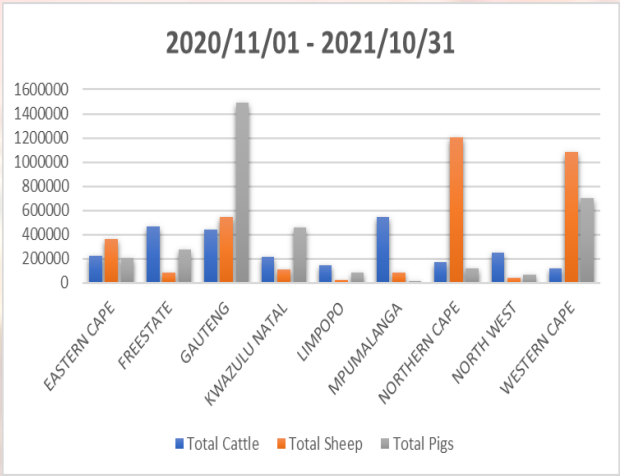
## 7.1 ABATTOIR STATISTICS

| Province | Total Abattoirs per Province |
|---|---|
| Gauteng | 40 |
| Limpopo | 34 |
| North West | 35 |
| Free State | 80 |
| KZN | 50 |
| Eastern Cape | 67 |
| Western Cape | 46 |
| Mpumalanga | 33 |
| Northern Cape | 38 |
| Total | 423 |




## 7.2 SLAUGHTER STATISTICS

| PROVINCE | Total | | |
|---|---|---|---|
| | Cattle | Sheep | Pigs |
| EASTERN CAPE | 226325 | 362160 | 208316 |
| FREESTATE | 467663 | 84630 | 271777 |
| GAUTENG | 439390 | 546971 | 1490323 |
| KWAZULU NATAL | 213426 | 113899 | 456361 |
| LIMPOPO | 148880 | 22586 | 86003 |
| MPUMALANGA | 545309 | 82014 | 10919 |
| NORTHERN CAPE | 174956 | 1208185 | 121838 |
| NORTH WEST | 252081 | 39894 | 63323 |
| WESTERN CAPE | 118304 | 1087504 | 701667 |
| **TOTAL** | **2586334** | **4310843** | **3508798** |



## 7.2 RMAA PRICE INFORMATION SYSTEM

### BACKGROUND

The Red Meat Abattoir Association (RMAA) was founded in February 1991 as an independent membership-based organization. Prior to the 1994 deregulation process, the abattoir industry comprised mainly of larger high throughput abattoirs. The deregulation process accomplished an increase in the number of abattoirs to over 500. These events led to the need for current up to date price information. The RMAA therefore initiated the price information system with a database of historical and current price information.

### PURPOSE OF PRICE INFORMATION SYSTEM

The RMAA strives to create and maintain an information system containing relevant and historical data essential for planning and development purposes. The primary objective is to timeously release accurate and valid information to the benefit of the South African abattoirs industry. It is important to ensure a fair representation of the information. The RMAA therefore requests that you, the abattoir owner, commit to submitting your price information as per the procedure described below.

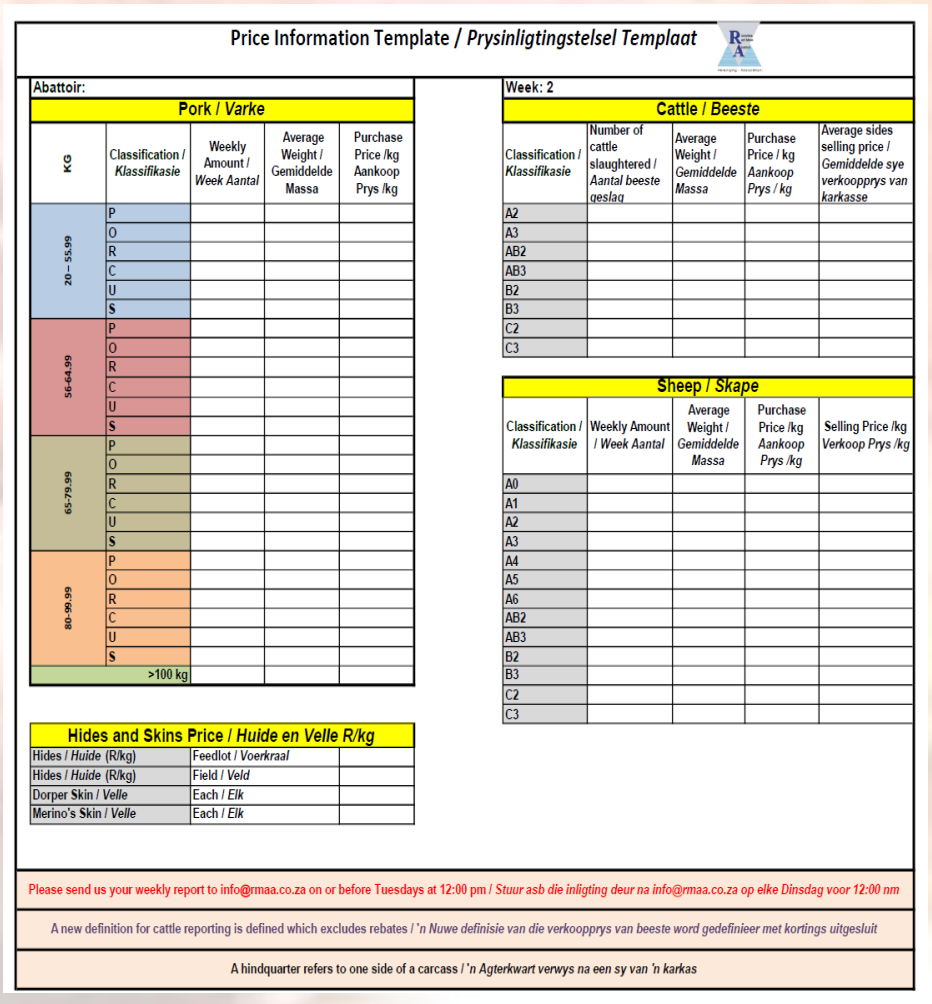
### COSTS

The price information report is released once a week. All participating abattoirs will receive a report, free of charge. A fee determined from time to time, is payable by non-participating abattoirs and all subscribers.

### PROCEDURE

All participants are required to send their prices on a weekly basis to the RMAA before / or on Tuesday mornings 12:00. All price information will be handled in a confidential way and will not be used for any purposes other than the price information system. The prices of participants who sign annexure A for the JSE contract will be provided to the JSE for audit purposes. Prices will be analysed and a report compiled, which will be distributed to all participants via fax or e-mail. Prices can be submitted via the following options:

- •Meat Matrix Software (E-mail)
- •Standard form (Fax or E-mail)
- •Excel (Fax or E-mail)
- •Abaserve (E-mail)



**Price Information Template / *Prysinligtingstelsel Templaat***

Abattoir:

Week: 2

**Pork / *Varke***

| KG | Classification / *Klassifikasie* | Weekly Amount / *Week Aantal* | Average Weight / *Gemiddelde Massa* | Purchase Price /kg *Aankoop Prys /kg* |
|---|---|---|---|---|
| 20 – 55.99 | P | | | |
| | O | | | |
| | R | | | |
| | C | | | |
| | U | | | |
| | S | | | |
| 56-64.99 | P | | | |
| | O | | | |
| | R | | | |
| | C | | | |
| | U | | | |
| | S | | | |
| 65-79.99 | P | | | |
| | O | | | |
| | R | | | |
| | C | | | |
| | U | | | |
| | S | | | |
| 80-99.99 | P | | | |
| | O | | | |
| | R | | | |
| | C | | | |
| | U | | | |
| | S | | | |
| >100 kg | | | | |

**Cattle / *Beeste***

| Classification / *Klassifikasie* | Number of cattle slaughtered / *Aantal beeste geslag* | Average Weight / *Gemiddelde Massa* | Purchase Price / kg *Aankoop Prys / kg* | Average sides selling price / *Gemiddelde sye verkoopprys van karkasse* |
|---|---|---|---|---|
| A2 | | | | |
| A3 | | | | |
| AB2 | | | | |
| AB3 | | | | |
| B2 | | | | |
| B3 | | | | |
| C2 | | | | |
| C3 | | | | |

**Sheep / *Skape***

| Classification / *Klassifikasie* | Weekly Amount / *Week Aantal* | Average Weight / *Gemiddelde Massa* | Purchase Price /kg *Aankoop Prys /kg* | Selling Price /kg *Verkoop Prys /kg* |
|---|---|---|---|---|
| A0 | | | | |
| A1 | | | | |
| A2 | | | | |
| A3 | | | | |
| A4 | | | | |
| A5 | | | | |
| A6 | | | | |
| AB2 | | | | |
| AB3 | | | | |
| B2 | | | | |
| B3 | | | | |
| C2 | | | | |
| C3 | | | | |

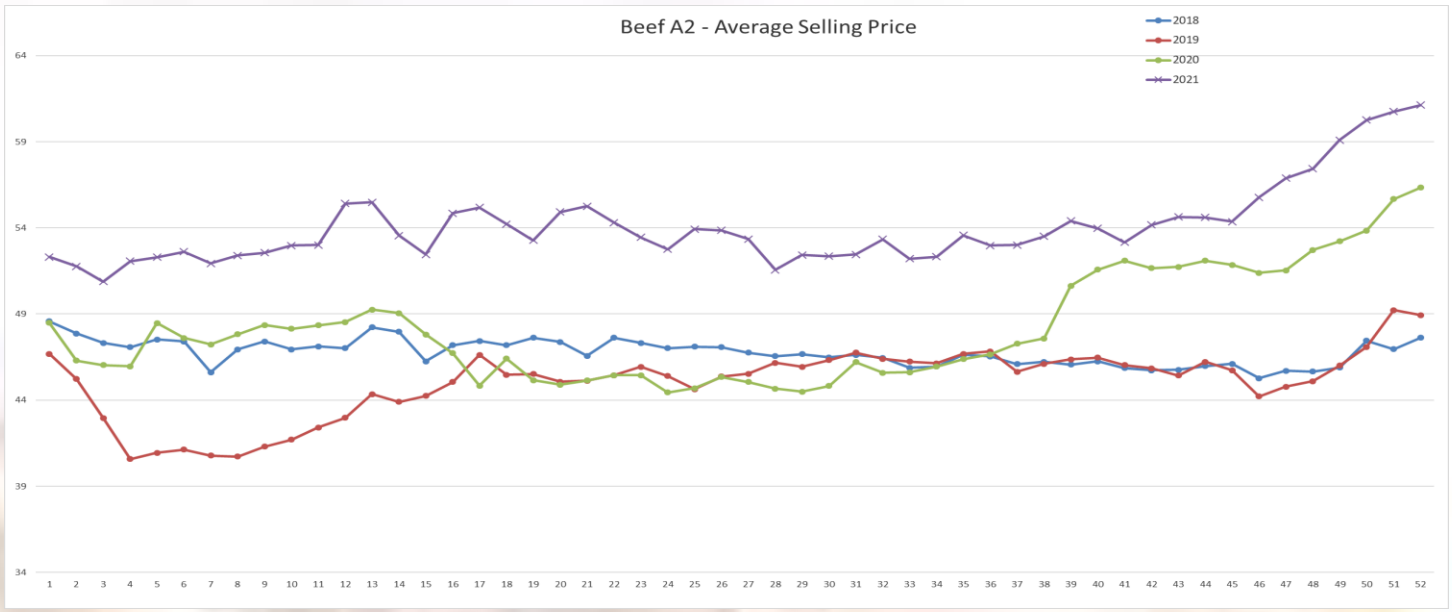
**Hides and Skins Price / *Huide en Velle R/kg***

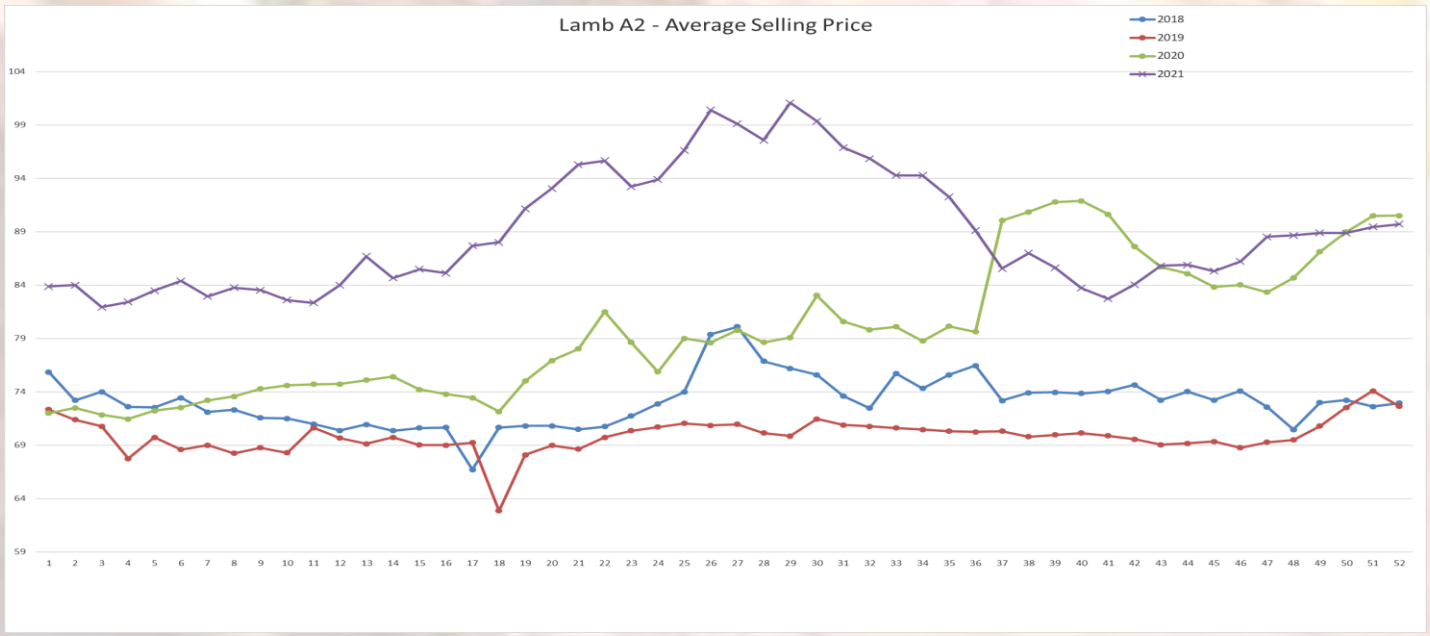
| | | |
|---|---|---|
| Hides / *Huide* (R/kg) | Feedlot / *Voerkraal* | |
| Hides / *Huide* (R/kg) | Field / *Veld* | |
| Dorper Skin / *Velle* | Each / *Elk* | |
| Merino's Skin / *Velle* | Each / *Elk* | |

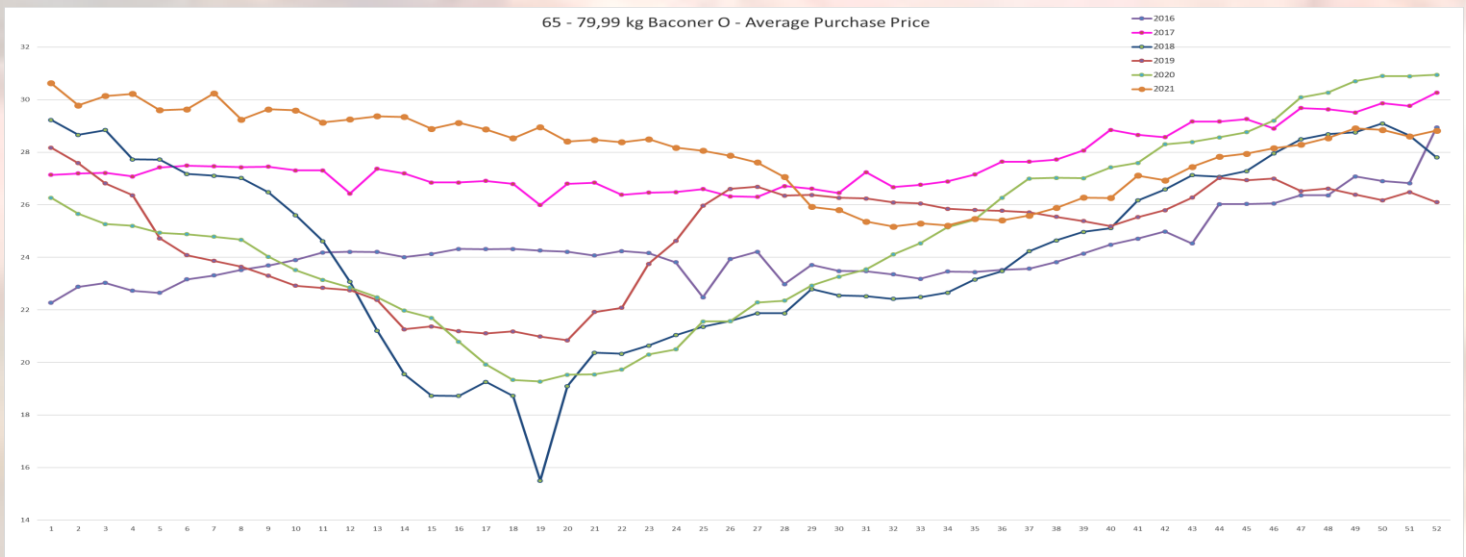
Please send us your weekly report to info@rmaa.co.za on or before Tuesdays at 12:00 pm / *Stuur asb die inligting deur na info@rmaa.co.za op elke Dinsdag voor 12:00 nm*

A new definition for cattle reporting is defined which excludes rebates / *'n Nuwe definisie van die verkoopprys van beeste word gedefinieer met kortings uitgesluit*

A hindquarter refers to one side of a carcass / *'n Agterkwart verwys na een sy van 'n karkas*


Beef A2 - Average Selling Price
2018
2019
2020
2021


Lamb A2 - Average Selling Price
2018
2019
2020
2021


65 - 79,99 kg Baconer O - Average Purchase Price
2016
2017
2018
2019
2020
2021

## 7.3 SOUTH AFRICAN MEAT PRODUCTION

Source: BFAP Baseline 2020 - wwwwww.bfap.co.za



# OUTLOOK FOR ANIMAL PRODUCTS

## MEAT, EGGS AND WOOL

### Meat: Global market situation

Global meat demand weakened in 2020 as the COVID-19 pandemic and the associated measures to contain its spread resulted in logistical challenges, reduced food service sector sales, and weaker household spending due to lower incomes. As a measure of meat prices globally, the FAO's meat price index declined by 4.5% year on year and this might have been sharper had it not been for strong import demand from China, where production is still recovering from ASF-induced reductions over the past two years. Across the various meat types, the sharpest price decline was evident in poultry, where increased output combined with weaker demand to induce a 9.8% decline year on year, compared to 5.8% for sheep meat, 3.6% for pork and 1.4% for beef.

As the global economic recovery continues, meat prices have started to rise and were trading 10% above May 2020 levels by May 2021. Import demand from Asia, particularly China, remains strong and global supplies have tightened as the market continues to adjust to the challenges faced in 2020, as well as sharp increases in feed prices. Over the course of the coming decade, the OECD-FAO (2021) projects a modest increase in nominal meat prices, but not beyond the peaks of 2011-2014. The projected gains in sheep meat prices are stronger than other meat types, reflecting constrained supply underpinned by rising opportunity costs of pasture land in New Zealand due to favourable dairy product prices.

Over the next 10 years, global meat production is expected to expand by 14%, reflecting continuous productivity gains, as well as herd expansion in the America's, China and Africa. While pork production is expected to increase in the short term as China and other East Asian countries recover from ASF-induced herd reductions, poultry will account for the bulk of long term production growth. This reflects strong demand for poultry products, due both to its affordability to low income consumers and its convenience and health attributes that appeal to higher income consumers.

### Domestic market situation: Meat

In line with global market dynamics, South African meat prices also came under pressure in the first quarter of 2020, reflecting weaker demand and restrictions on food service operations. Over the second half of the year as restrictions aimed at curbing the spread of the pandemic eased, prices recovered. On average for the full year 2020, beef prices increased by 2.5%, supported by a 20% increase year on year in exports, mostly to China, where export volumes more than

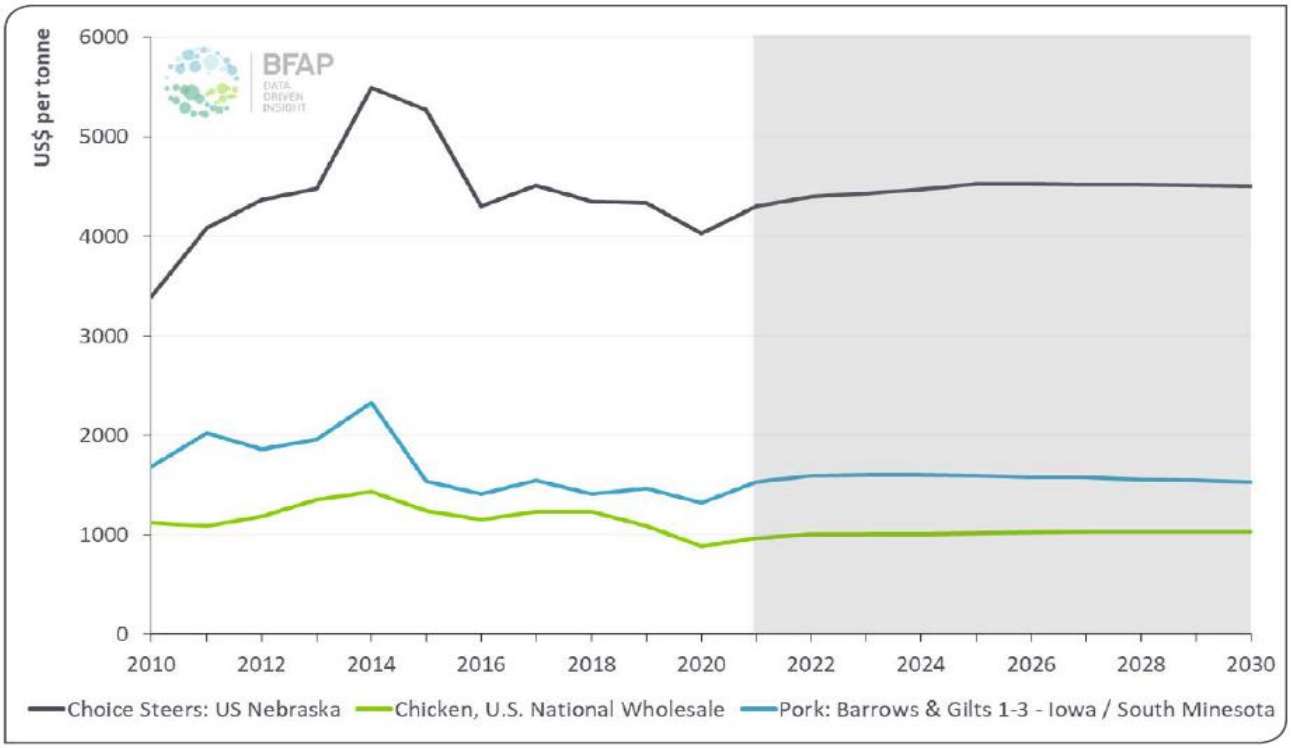



**Figure 50: World meat prices: 2010-2030**
**Source: FAPRI & BFAP updates, 2021**

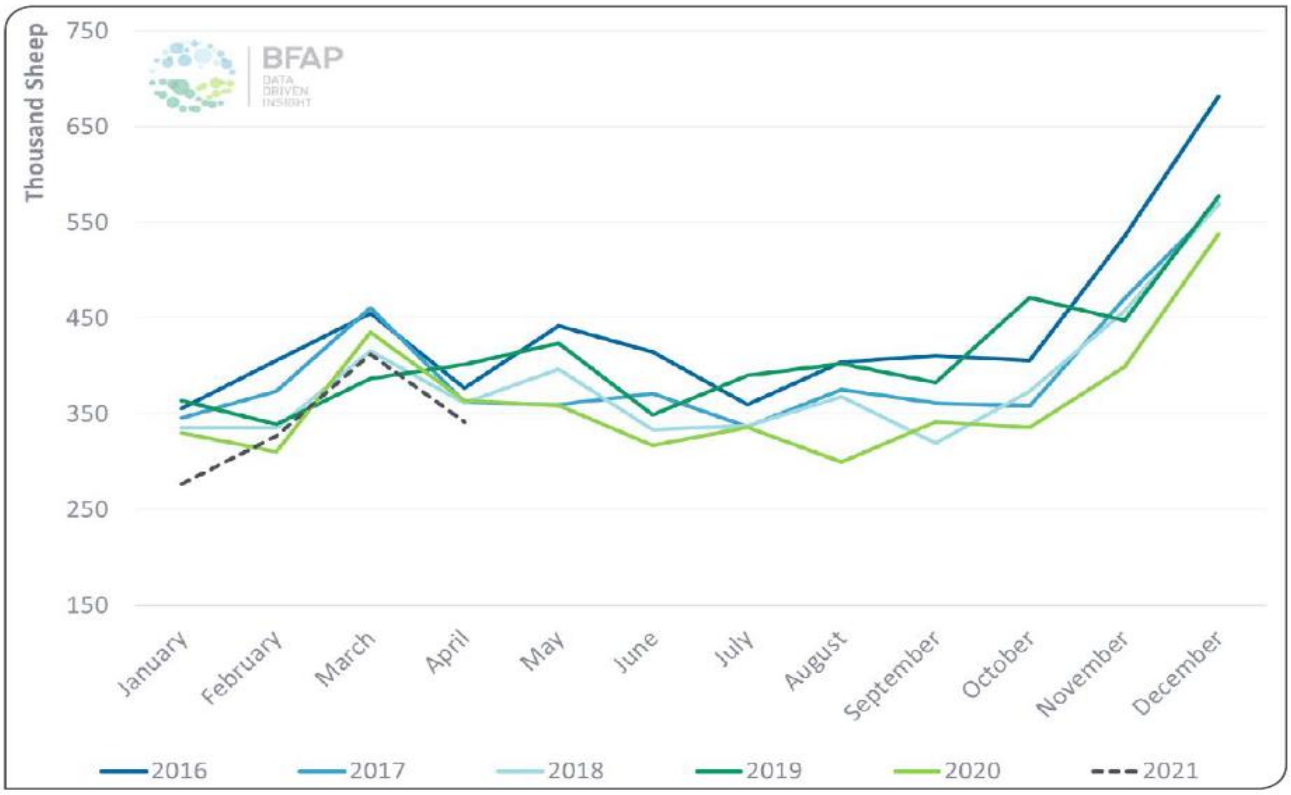



**Figure 51: Sheep slaughter volumes: 2016 - 2021**
**Source: South African Levy Administration, 2021**

doubled year on year, combined with constrained supply. Following good summer rainfall and record summer crop production, which supported cash flow and provided ample stubble for backgrounding, producers continue to rebuild herds, while the number of animals in feedlots has declined, initially as a result of weaker demand through 2020 and later due to high feed prices. Consequently, slaughter volumes declined year on year in 2020, as well as the first quarter of 2021. Sheep slaughters also declined by 3.5% year on year in 2020 (Figure 51), reflecting an almost 90% increase in live sheep exports, mainly to the Middle East, combined with lower imports and continued flock rebuilding efforts by domestic producers. Combined with the 13% weaker exchange rate, which more than offset the 5.8% decline in world prices, this resulted in a 15.7% increase in lamb prices in 2020, with further gains expected in 2021.

The increases in chicken and pork prices were more muted. Chicken prices increased by 2.2%, while pork prices remained largely unchanged compared to 2019 levels. As a net importer of chicken, prices are sensitive to international market movements. The initial depreciation in the exchange rate in Quarter 2 more than offset the decline of 9.8% in international poultry prices and once the Rand started to appreciate later in 2020, international prices started trending upwards. The feed intensive nature of both pork and poultry production implies that profitability will come under pressure in 2021 due to spiralling feed costs amidst bullish feed product markets globally.

Apart from the volatility in feed costs over the past 5 years, one of the biggest challenges facing livestock producers is animal disease outbreaks. The 2019 outbreak of Foot and Mouth Disease (FMD) inside of the recognised FMD free zone resulted in suspension of South Africa's FMD free status, which caused significant short term interruptions in exports. Exports resumed based on bilateral agreements, but these are more volatile and with the FMD outbreak still ongoing, substantial risks remain to producers. While the influence of FMD on beef trade was clear in 2019, animal disease risks stretch beyond FMD and well beyond beef production. Diseases such as Brucellosis and Lumpy Skin Disease are major contributors to low productivity amongst beef producers, irrespective of size of production. In the pork sector, the frequency and intensity of ASF outbreaks have been increasing and the 2019 outbreak resulted in significant losses. Similarly, the 2017 outbreak of Highly Pathogenic Avian Influenza (HPAI) resulted in widespread losses amongst poultry producers and sharp increases in egg prices.

The importance of the livestock subsector is reflected in its almost 50% contribution to the gross value of agricultural production. Unlocking and accelerating inclusive growth in the sector will require a well-coordinated strategy with interventions that speak to animal health, competitiveness, market access and inclusivity. Amongst these, the importance of a well-coordinated, efficient animal health and identification strategy stands out due to its influence on all other spheres. It is critical to enabling broader and more favourable market access, will improve competitiveness and support productivity gains that enable producers currently in the informal sector to substantially increase their contribution to total production. The AAMP currently being compiled presents an opportunity for a collaborative effort to achieve this. While the impact of improved animal health management will reach all livestock sectors, Box 5 provides a discussion on the opportunities for inclusive growth that can be unlocked in the beef sector.

## BOX 5: OPPORTUNITIES FOR INCLUSIVE GROWTH IN SOUTH AFRICA'S BEEF SECTOR

The South African beef industry is the second largest contributor to the Gross Value of Production (GPV) of agriculture in South Africa, contributing more than 12% (2018-2020). Over the past decade, the GPV of beef expanded by an annual average of 10%. Despite this, the red meat sector can be regarded as a 'sleeping giant'. Best estimates indicate that approximately 70% of marketed meat is produced in highly commercialised productive systems. Little official information is available on the informal sector, which is operating at a much lower productivity level but has massive economic and socio-economic value that is currently unaccounted for and under-utilised. There are approximately 14 million cattle in SA and an estimated 40% are in the hands of communal farmers; but the productivity of this herd is low because there are too many male animals in the herd (55%) and the calving percentage is low – best estimates are below 35%. If the female share in this herd can be increased to 60% and the calving percentage improve to 60%, the number of marketable weaners

## BOX 5: OPPORTUNITIES FOR INCLUSIVE GROWTH IN SOUTH AFRICA'S BEEF SECTOR (CONTINUED)

(70% of production) will increase by 129% or 793 800 animals (33% of SA's total cattle slaughters for 2020) valued conservatively at nearly R4 billion.

Within the context of the AAMP, a comprehensive end to end value chain analysis, including current and a potential future state, was conducted by BFAP, the National Agricultural Marketing Council (NAMC) and the Centre for Competition, Regulation and Economic Development (CCRED). Initial results suggest that over the next decade the South Africa beef sector has the potential to add an additional R 8.3 billion its annual GPV in real terms. Most of this growth can be unlocked by expanded and competitive export market access and growing the export share of production from 5% to 24%. This adds R 7.4 billion in additional revenue annually, with a substantial share of additional weaner calves supplied by emerging producers currently operating in the informal sector. Exports of high value premium cuts supports value chain profitability, whilst still providing affordable products to local consumers and processors from the rest of the carcass. In order to reach this potential future state, key value chain interventions are proposed at various nodes in the value chain, such as national herd health and vaccination prioritisation as well as focused support in emerging / subsistence production systems, where the multiplier effect is the highest. Increasing productivity by 8% in this producer category could translate to a 44% growth in production

### Domestic market Outlook: Meat

The fundamental factors that underpin meat consumption are income levels and the resultant changes in spending power, population growth and urbanisation. The sensitivity of meat products to collapsed GDP growth and consequently also spending power was evident in 2020, when per capita consumption of beef, pork and lamb declined by 5.8, 8.4 and 16.5 percent respectively. Consumption of poultry products, which is the most affordable amongst the four major meat types, increased by less than 1% year on year. While consumption levels in 2020 were also influenced by reduced food service operations and are therefore not attributable to spending power alone, the stagnation in economic activity in recent years prior to any influence by the pandemic, already resulted in weaker consumption growth during the past decade relative to the early 2000's. The prolonged nature of the economic recovery, combined with further increases in unemployment as a result of the pandemic, will likely result in markedly slower meat consumption growth in the coming decade.

## BOX 6: A CONSUMER PERSPECTIVE ON MEAT AND SUSTAINABILITY IN SOUTH AFRICA

At a global level, consumers have rising awareness about how their food is being produced and the impact of their food choices on current and future generations. This involves various social, ethical and environmental dimensions. Within the spectrum of the various food groups consumed, meat has been subjected to high levels of criticism, particularly linked to the heavy environmental footprint associated with the production of animal-source foods and to high levels of meat intake globally, driven by population growth and rising disposable income levels (both globally and in South Africa).
Internationally, particularly in developed countries, eating patterns with a stronger plant-based focus are growing in popularity and are typically associated with behavioural patterns such as:

- Partially reduced meat intake in favour of plant protein sources (e.g. supporting initiatives such as 'meatless Mondays');
- Increased number of flexitarians, i.e. eating a primarily vegetarian diet with the occasional consumption of meat or fish;
- Increased number of vegetarians, i.e. not eating meat or fish;
- Increased number of vegans, i.e. not eating or using any foods or products derived from animals.

## BOX 6: A CONSUMER PERSPECTIVE ON MEAT AND SUSTAINABILITY IN SOUTH AFRICA (CONTINUED)

Despite rising global pressure to reduce the intake of animal-source foods, these foods can make a critical contribution to dietary diversity and nutrient intake as they provide a range of micro- and macronutrients. Scientific evidence has shown that food such as red meat, chicken, fish and eggs contain high quantities of and high-quality protein (eg. essential amino acids in the optimal ratios), as well as micro-nutrients (such as vitamins A, B1, B2, B6, B12, niacin, iron and zinc) that are critically lacking in the diet of most South African consumers (Schönfeldt et al., 2013). Consequently, the South African Food-based Dietary Guidelines recommend the consumption of moderate quantities of these foods as part of a healthy diet, specifically recommending the consumption of:

- Two to three fish servings per week (particularly oily fish);
- Approximately four eggs per week;
- A 90gram cooked lean serving of meat daily, eaten with as little as possible fat and salt.

In the South African context, the estimated typical annual per capita intake of plant-based protein foods such as dried beans are still significantly lower than animal-protein foods:


*(Sources: Abstract of Agricultural Statistics, 2020; BFAP (carcass basis); FAO / OECD Outlook)*

Figure 52 presents a comparison of the cost per gram of protein for selected animal-based and plant-based protein foods. The most affordable options are soybeans, lentils, split peas and chickpeas with a cost of R0.14

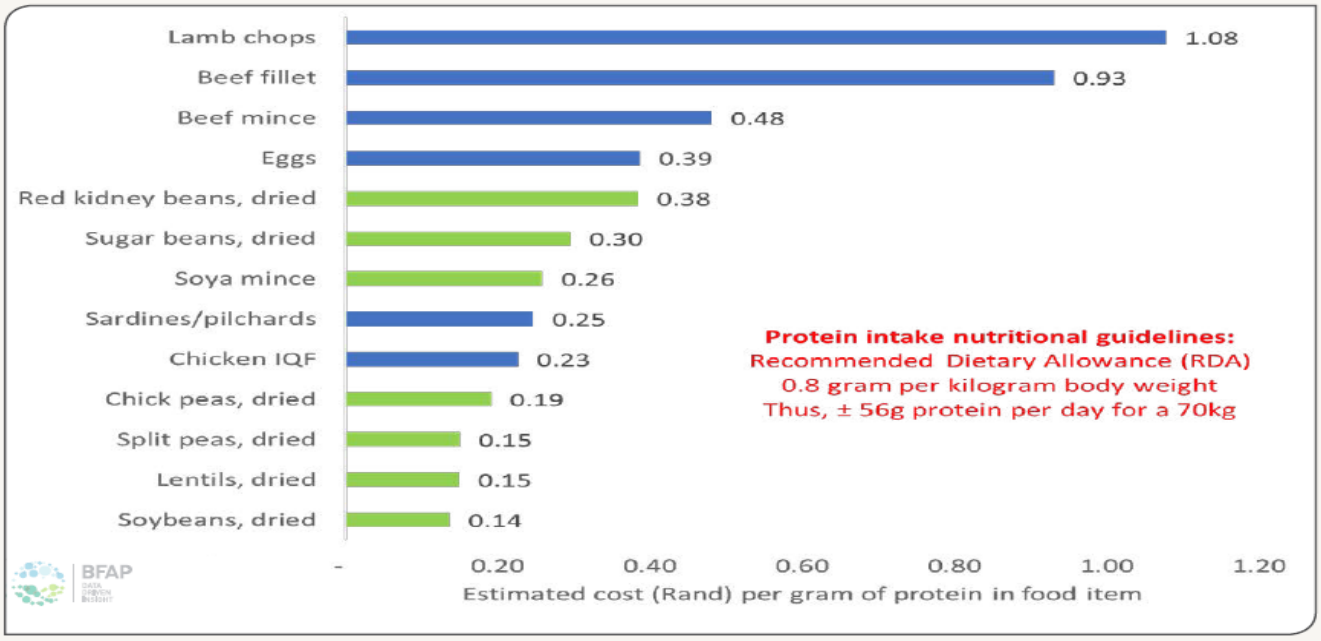



**Figure 52: Comparing the protein cost of a selection of animal-based and plant-based protein foods**
**Sources: BFAP calculations based on online retail scraper data for May 2021 and the Food Composition Tables For South African 2017**

## BOX 6: A CONSUMER PERSPECTIVE ON MEAT AND SUSTAINABILITY IN SOUTH AFRICA (CONTINUED)

to R0.19 per gram of protein. Interestingly, Individually Quick Frozen (IQF) chicken and canned pilchards are also in the 'more affordable category' at R0.23 and R0.25 per gram of protein respectively. The most luxurious animal-source foods such as lamb chops and beef fillet steak are approximately six times more expensive per gram of protein compared to the most affordable options. If obtained from only one food option, the cost of obtaining 56 grams of protein (i.e. the recommended daily intake for a 70kg adult) varies from ±R8/day for dried soybeans to ±R60/day for lamb chops.

Ideally, industry actions and policy options are needed that could encourage food consumption that is more sustainable and ethical, but still improves the health of individuals by taking into consideration the nutritional benefits and affordability of both animal-based and plant-based food options. Meat industries in South Africa will have to develop and implement pro-active strategies to be winners in the complex sustainability game at a local and international level.

Poultry remains the cheapest source of animal protein, but for many lower income consumers it has few alternatives and when disposable income declines, it becomes unaffordable, leading to a reduction in meat consumption and a switch back to a more starch-rich diet. Conversely, its relative affordability within the total meat basket implies that mid-income consumers who had been able to afford a more diverse meat basket may end up consuming more poultry. Amongst higher income consumers, its convenience and perceived health benefits are appealing. All of these factors combine to support demand levels, which was evident in 2020, when it was the only major meat type where consumption did not decline year on year. By 2030, consumption is expected to increase by 20% relative to the 2018-2020 base period (Figure 53). This is significantly slower than the 29% growth over the past decade and pales in comparison to the 71% growth achieved from 2000 to 2010.

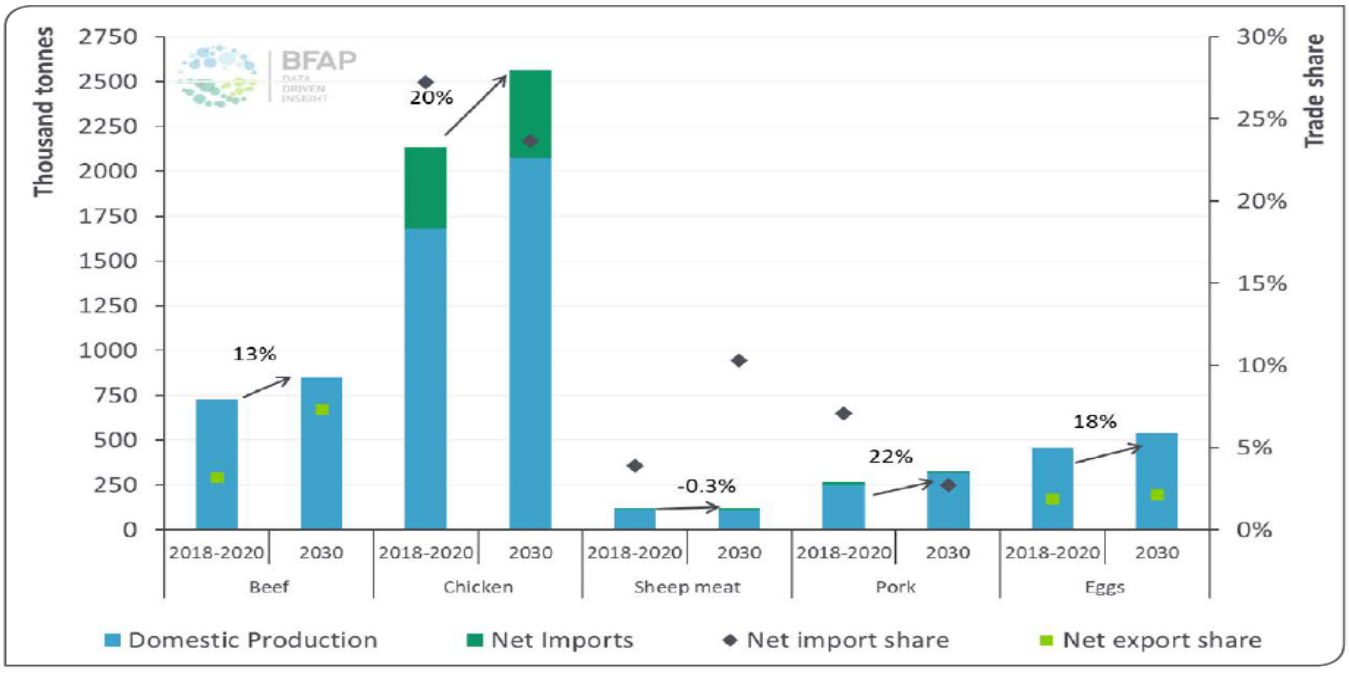



**Figure 53: Meat consumption in South Africa: 2030 vs 2018-2020**

Rising imports of competitively priced products have been a longstanding challenge for South Africa's poultry producers. Import volumes peaked at more than 550 000 tonnes in 2018, reaching 26% of domestic consumption, but have declined since. Various actions such as the safeguard duty imposed on bone-in portions originating from the European Union, ant-dumping duties and an increase in the general duty all contributed to this decline. In 2020 the trend accelerated, reflecting expanded production in South Africa following commitments made under the poultry masterplan and improvements in profitability from 2017 to 2019, as well as the combination of logistical challenges emanating from the pandemic and the weaker exchange rate, which increased the cost of imported products in 2020.

The actions and commitments in the poultry masterplan are expected to yield further production growth in the short term, but profitability remains key to the sustainability of these investments and the prospects for further growth in the medium term. The chicken to maize price ratio, which serves as a basic indicator for profitability in the sector, peaked in 2017 on the back of a record summer crop, but has been declining since. It is expected to bottom out in 2021 (Figure 54) at levels comparable to 2014 due to persistently high feed prices. These are expected to normalise over the next 2 years, as indicated in the field crop outlook. Over the course of the outlook the chicken to maize price ratio stabilises at levels similar to 2019, which remains below the 2017 peak, but are sufficient to support production growth of 1.7% per annum over the coming decade. Combined with further commitments in the poultry masterplan aimed at containing the growth in imports, the share of imports in domestic consumption is projected to reach 21% by 2030, from an average of 24% in the 2018-2020 base period (Figure 53). While substantially slower than in the past and not reaching the peaks of 2018, imports are still projected to increase over the coming decade. This reflects a normalisation of the logistical challenges that influenced 2020, as well as the continued phasing out of the safeguard duty on bone-in portion imports of EU origin.

Although much smaller than poultry, the pork sector will face similar dynamics over the outlook, owing to its comparably feed intensive production system. Pork's affordability within the broader red meat sector is appealing to consumers and was a major factor contributing to its dynamic consumption growth of 43% over the past decade. Production growth was even faster at 50%, allowing the share of imports in

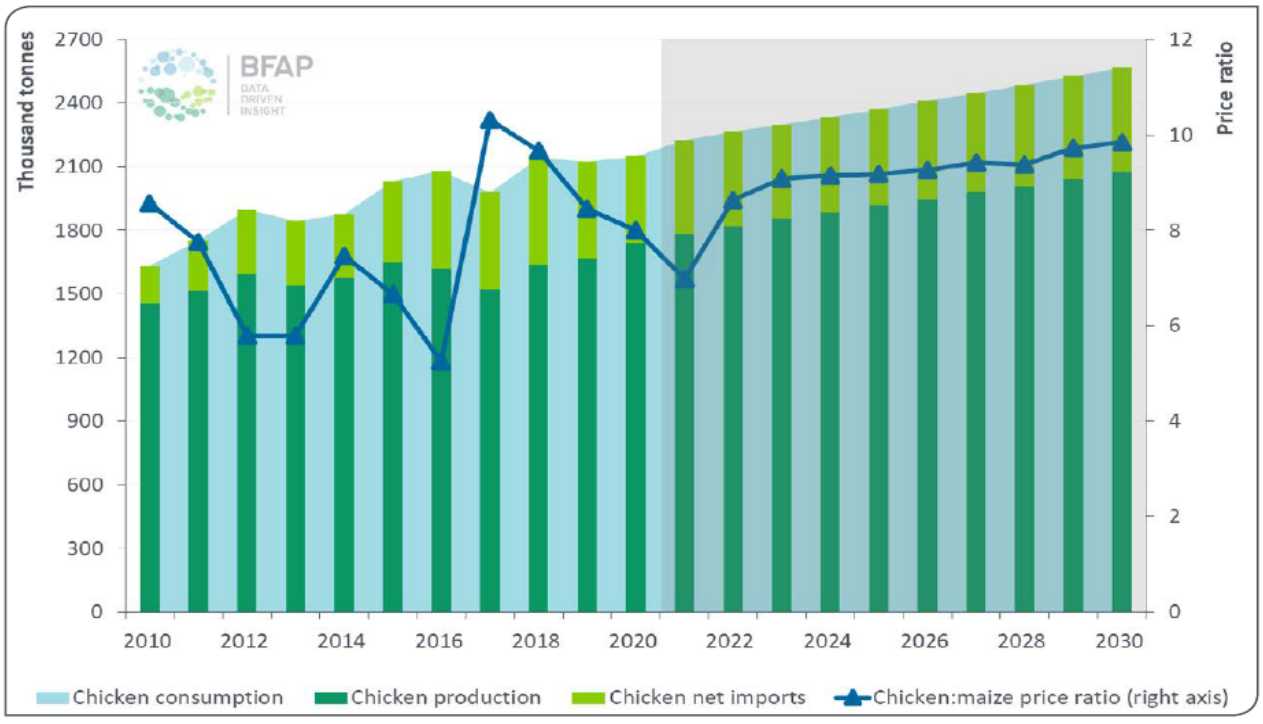



**Figure 54: Chicken production, consumption, imports and profitability: 2010-2030**

total consumption to decline from 14% in 2010, to 7% in 2020. A significant share of pork consumption is attributed to the food service sector, which was a major contributing factor to reduced imports of ribs in particular, as well as lower consumption volumes in 2020. The sector is globally competitive and despite significant volatility in feed grain prices, disease related challenges such as ASF and the outbreak of listeriosis in a processing facility in 2017 the sector has already exceeded the growth that was targeted by 2030 under the NDP.

As a small industry, pork prices are sensitive to changes in supply and demand, as well as those of other meat products. The relative substitutability between meat products implies that pork prices will also find support from elevated beef prices in the short term, but the projected increase of 14.5% is not sufficient to fully offset high feed costs in 2021 and profitability will come under pressure. This is reflected in the pork to maize price ratio in Figure 55, as the profitability indicator bottoms out at levels comparable to 2015, but remains above the levels associated with the 2016 drought. In the medium term, the ratio reaches an equilibrium at levels comparable to 2014, well below the peaks of 2017, but sufficient to support production growth of 2.5% per annum over the 10 year projection period. This implies that pork production will exceed 315 000 tonnes by 2030 and further reduce the share of imports in total consumption to 6%.

Traditionally, pork in South Africa has been consumed by more affluent consumers, with a substantial share consumed in more processed form. Its relative affordability compared to beef and lamb has however started to broaden its appeal and by 2030, consumption is expected to expand by 22%, the fastest among the major meat types. This growth is achieved from a small base, and the absolute volume of such growth is less than that of larger sectors such as chicken and beef, but the faster rate of growth will enable the sector to grow its share in the total meat consumption basket in South Africa to 9%.

Figure 55 presents official production figures, as recorded by the levy administrator. However, this fails to account for a substantial production and consumption volume attributable to the informal sector, which is not typically marketed through an abattoir and has been estimated to be as high as 10% of

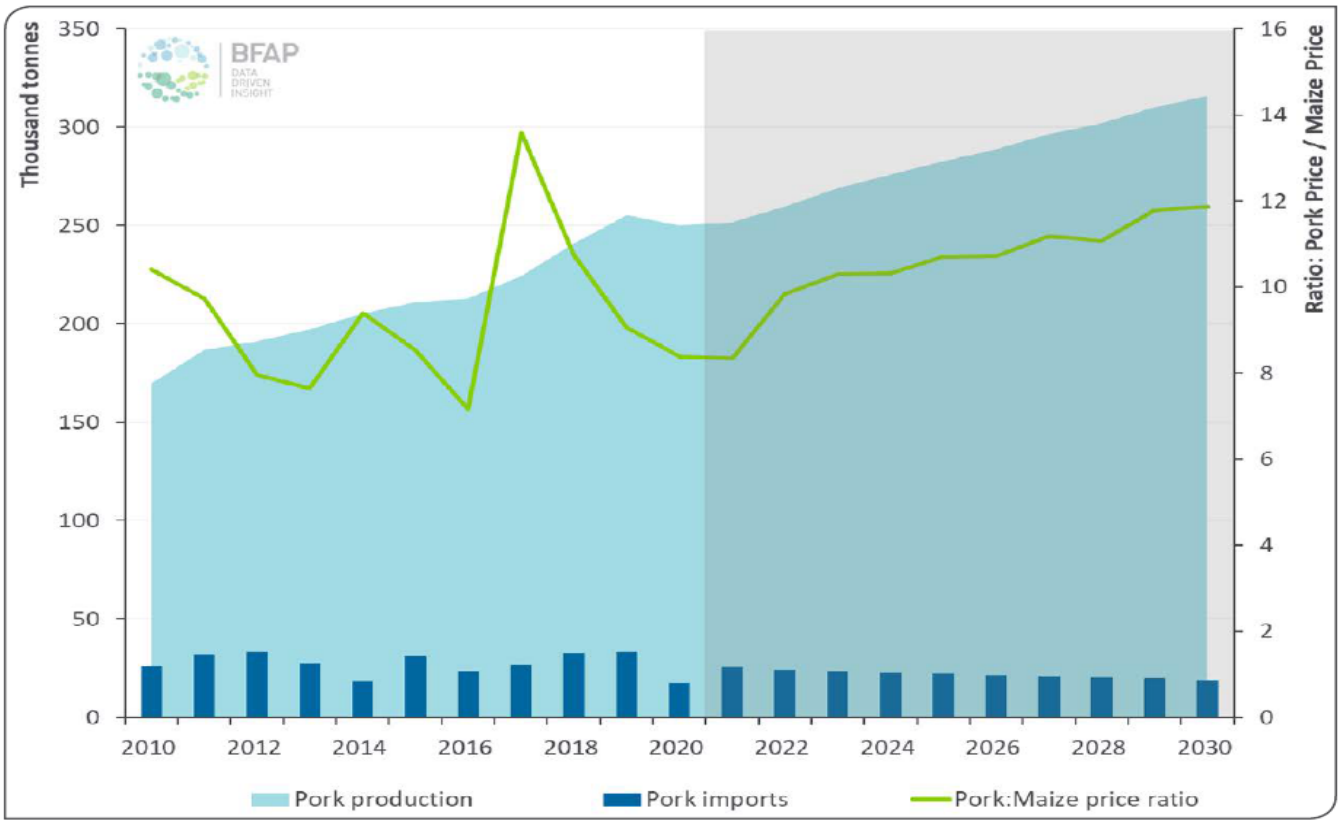



**Figure 55: SA pork production, imports and profitability: 2010-2030**

formal production volumes (BFAP, 2020). This suggests that the pork industry makes a broader contribution to food security and dietary diversity. However, within this segment of production, where biosecurity measures are not as advanced as on large commercial units, the risk of animal disease, particularly ASF, is ever present. The virus does not pose any risk to pork consumers, but with culling the most effective means of controlling the spread of the virus, the effect of an extended outbreak on production levels can be significant. While ASF is endemic to South Africa, stringent biosecurity measures help producers curb the threat. The stringent biosecurity measures applied by large commercial units, combined with a compartmentalisation strategy, mitigates the risk for these producers, but within the informal sector the first step to managing the risk more efficiently would be the implementation of an animal identification system that will also enable traceability throughout the value chain.

Another industry with a notable contribution from the informal sector is beef, where estimates indicate that as much as 40% of the national herd is in the hands of smaller, communal farmers, with substantial opportunity for productivity gains (Box 5), that will enable them to deliver into the formal value chain, where products can be finished in feedlots.

Beef is popular amongst South African consumers. Despite rapid growth in exports from 2012 to 2015, volumes have stabilised since at approximately 5% of production. While the volume share is small, exports typically comprise higher value products exported into premium markets. This provides price support to producers and enables them to deliver the remainder of the carcass into the domestic and regional market, where beef products comprise a range of more affordable and higher value products at retail level. Consumers are price sensitive however, as illustrated by the decline in domestic consumption levels post 2016, when domestic supply constraints following the drought resulted in sharp price gains. Over the next three years the effects of current herd rebuilding efforts are expected to reflect in production volumes, alleviating current supply constraints and mitigating further price gains to below general inflation levels. Combined with the recovery in consumer spending power, this will enable consumption growth of 13% over the 10 year period to 2030.

As producers continue to rebuild herds and constrain current supply, beef prices have increased sharply and on average for 2021 are expected to trade 6% higher than in 2020. This is however insufficient to fully offset the increases in feed grain prices, resulting in a further weakening of the beef to maize price ratio, which offers a basic indicator of profitability. From 2022 onwards, as feed prices normalise, this ratio improves to levels comparable to 2011, well below the peaks of 2017, but sufficient to induce production growth of 1.6% per annum over the coming decade (Figure 53).

The industry has moved successfully from a net importing to a net exporting position over the past decade, broadening its market beyond the limited domestic growth. Its competitiveness in the export market will benefit further from the persistently weak exchange rate, but the constant risk of disease outbreak and the implications that this can have for market access reduces the incentive to invest in large scale export driven expansion (Figure 56). While the share of exports in domestic production is projected to grow to 7% by 2030, this growth can be accelerated significantly if the constant risk related to animal disease is better mitigated.

Critical to better management of animal diseases is implementation of the Veterinary Strategy, as well as full implementation of an identification and traceability system. Such a system exists in the form of LITS-SA and if it can be successfully introduced as (again) proposed in the AAMP, export growth can be accelerated substantially, whilst at the same time enabling developing producers to supply additional weaner calves.

To date, the bulk of export growth has been attributed to high value cuts destined for the Middle East and Asia (Figure 57). While the strategy of exporting high value cuts optimises the value of the carcass, enabling competitively priced domestic sales, it also limits the share of total production that can realistically be exported. Apart from the fact that only A2 and A3 carcasses are typically destined for exports (+- 80% of total slaughters), discussions with industry stakeholders suggest that prime cuts typically included under tariff lines associated with fresh and frozen bovine meat account for roughly 15 to 25 percent of a beef carcass. Even a major exporter such as Brazil only exports 24% of total production and the USA only 11%. For South Africa to reach in excess of 20%, exports would likely need to diversify, with high

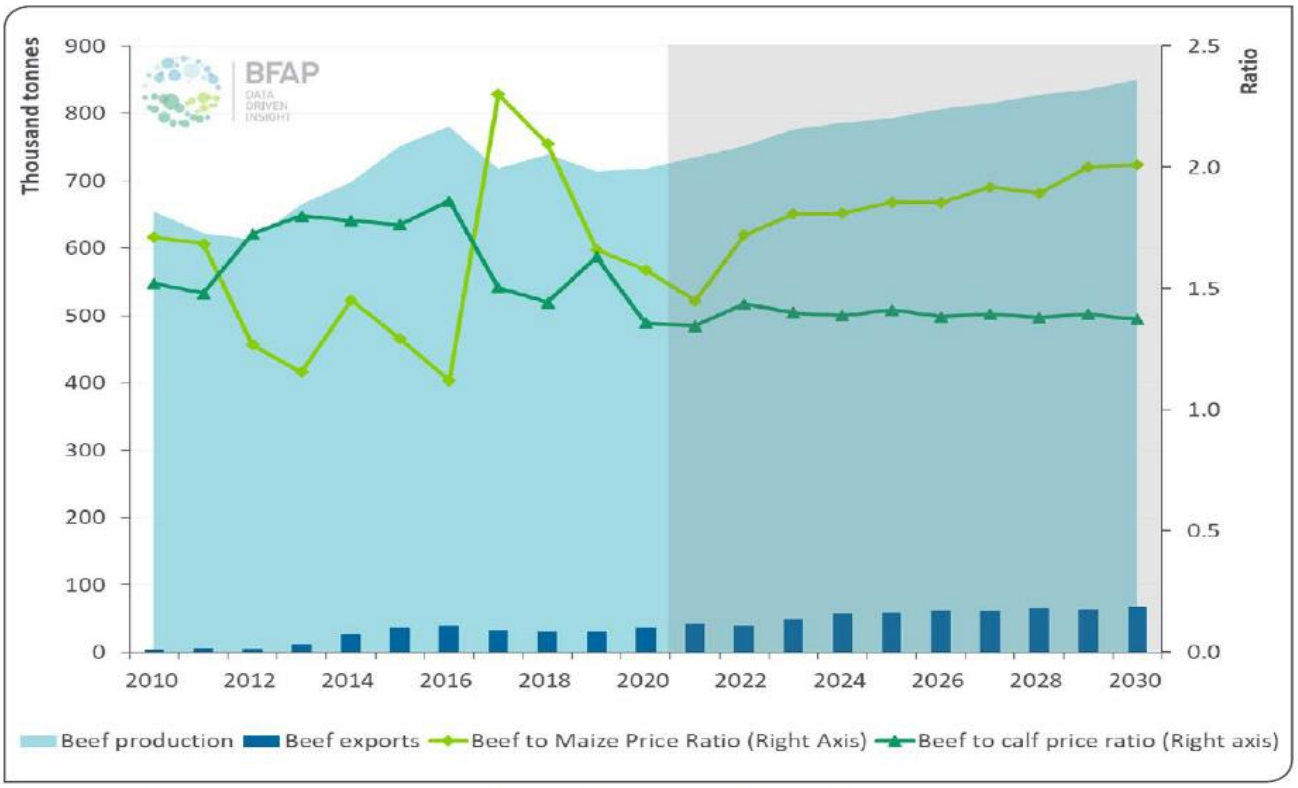



**Figure 56: SA beef production, consumption, trade and prices: 2010-2030**

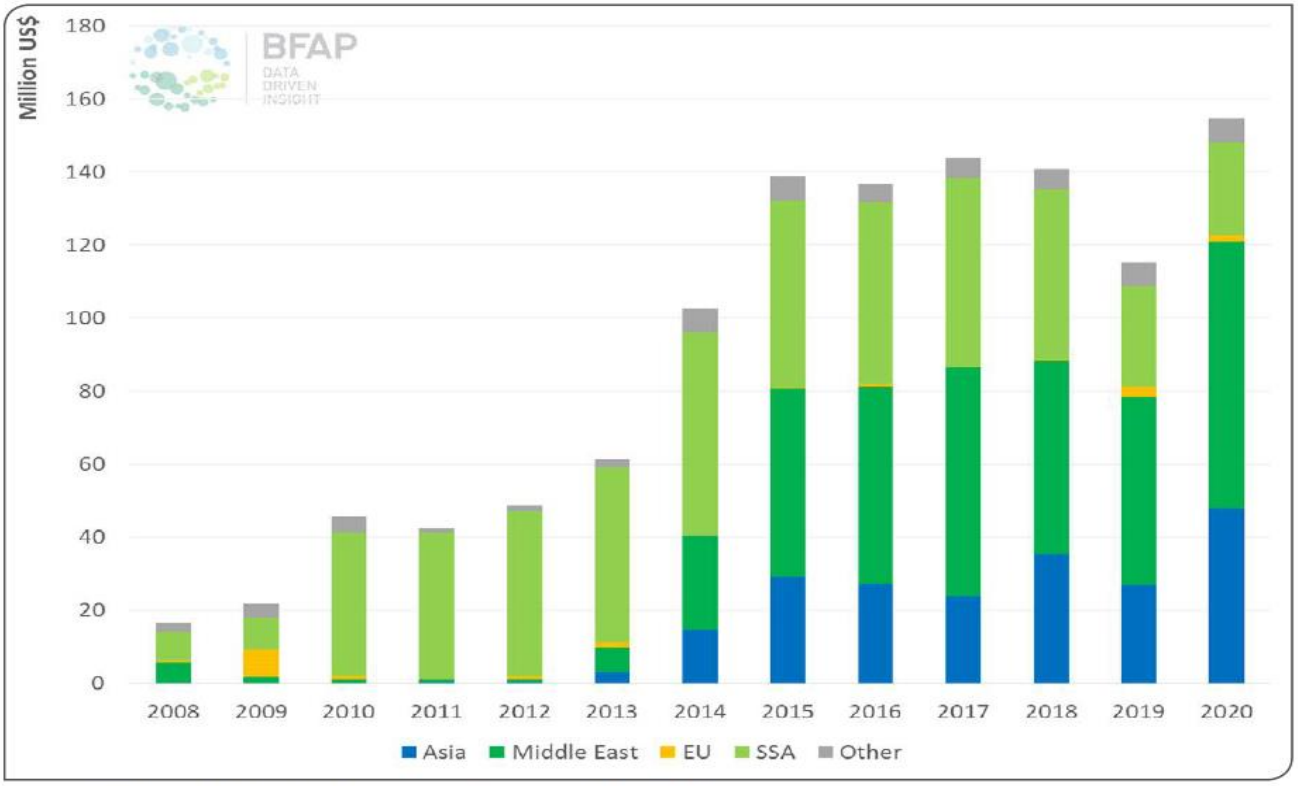



**Figure 57: South African beef exports by region: 2008 - 2020**

**Source: ITC Trademap, 2021**

value cuts still destined for the Middle East and Asia, and remaining parts of the carcass sold both in South Africa and exported into the rest of Africa, where the demand structure is similar to South Africa's domestic market.

Implementation of a combination of actions that speak to animal health, competitiveness, market access and inclusivity can enable a drastic acceleration of beef production growth in South Africa. Estimations indicate that an additional R8.2 billion can be added to the gross value of production above the baseline by 2030. The scenario also incorporates expanded market access for exports, enabled by the traceability system, and improved productivity for developing producers to supply at least 250 000 additional weaners by 2030, relative to the baseline, as well as a combination of actions to expand feed grain production. Under this scenario, South Africa would export 24% of beef production by 2030.

Lamb prices increased by 15.7% in 2020, despite the lower world price and weaker local consumer purchasing power. The increase was underpinned by supply constraints, emanating from a combination of the 90% increase in live sheep exports - to reach an estimated total of 152 000 animals, a 47% reduction in live sheep imports, from mainly Namibia, and national sheep herd rebuilding following an extended drought period in a number of sheep production regions. The first quarter of 2021 has also seen higher lamb and mutton prices, despite a stronger Rand, and while higher prices would be expected to support production expansion, the continued challenges associated with livestock theft and predation in especially extensive production systems remain a limiting factor, resulting in a consolidation of production volumes in the coming decade (Figure 58). The size and sustainability of the live sheep export market remains uncertain, and though price driven expansion through more intensive production systems is possible, it would require significant capital investment. In future, increased imports from Namibia, who is also in a herd rebuilding phase at present, should keep local prices in check over the medium term, reducing further incentives for such investments. Over the baseline period, domestic demand growth is weak (Figure 58), due to the prolonged nature of the economic recovery and the high price of lamb relative to other meat types. As such, to achieve further growth in the industry, focus

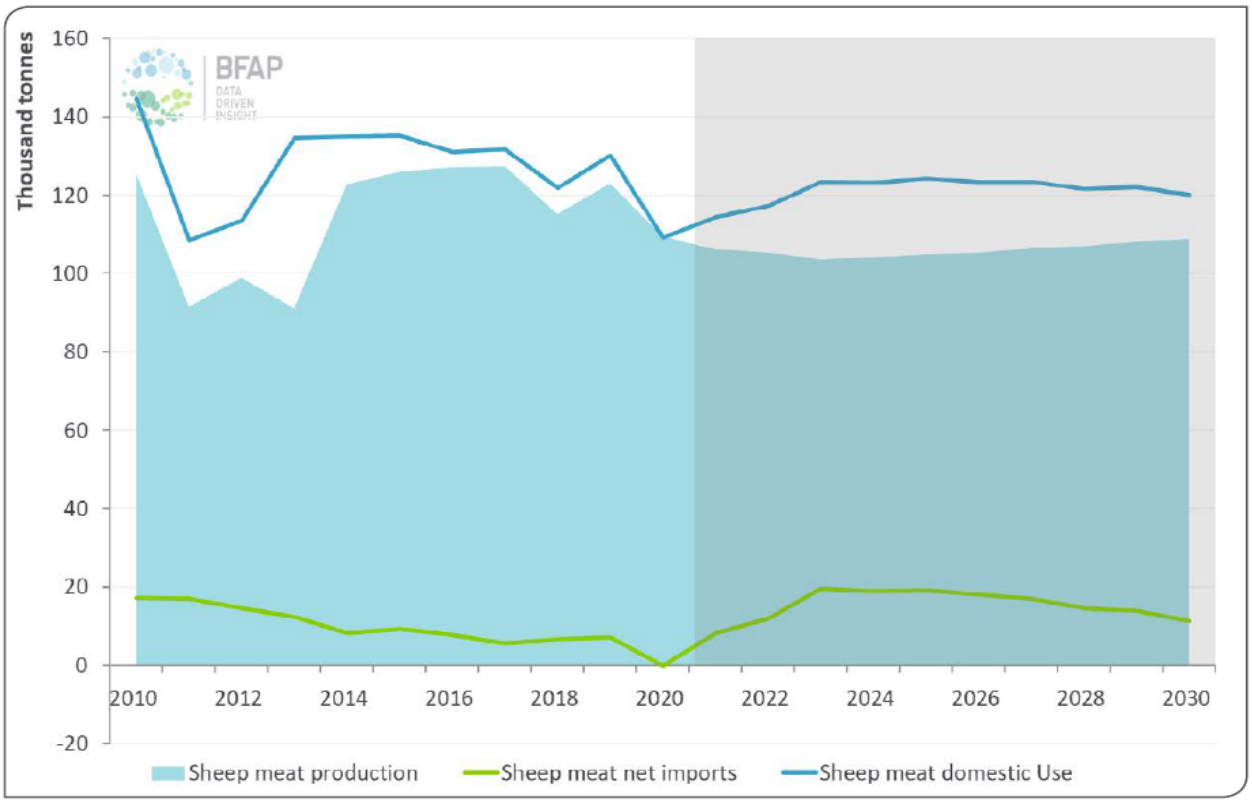



**Figure 58: Sheep meat production, consumption and meat imports: 2010-2030**

will have to move to the export market. As is the case for beef, exports of high value premium lamb and mutton cuts could support value chain profitability, whilst enabling more affordable products to local consumers from the rest of the carcass.

**Domestic Market Outlook: Wool**

The international wool price reached record highs in 2018, driven by strong demand for natural fibre in the apparel industry, but decreased by about 25% during 2019 and early 2020, partly due to the China-US trade war and despite droughts in Australia which constrained supply. Due to the economic hardship, trade logistical issues and uncertainty brought by COVID-19, the international wool price dropped by a further 45% from March to September 2020, but has since seen a remarkable rebound, increasing by more than 60% by June 2021. Though the pandemic impacted weaker Rand initially provided some support to the considerably lower international wool price for local wool producers, the stronger currency in early 2021 diluted the benefit of the recovering international price. However, there seems to be an growing international trend of moving away from 'fast fashion' towards more sustainably produced, 'natural', higher value apparel and at lower (pre-COVID) level wool prices, apparel companies could find it affordable to include more wool products in their offerings.

The wool industry has, through public-private partnerships, been successful in enabling poor farmers in communal areas to produce a high value commodity for the export market. It is estimated that communal farmers own about 26% of the 15 million strong national wool sheep herd and between 2000 and 2019 wool production by communal farmers has increased by more than 995%, reaching a high of 6,24 million kilograms in 2017. Industry, in collaboration with Government, has been able to improve communal farmer wool productivity through extension and focussed training, infrastructure support (dipping tanks, shearing sheds etc) and genetic improvements (ram swop programme) and it is estimated that with additional interventions and expansion of current programmes (as was proposed by industry in the AAMP) wool production by communal and small-scale farmers can increase by 3.56 million kilograms above baseline estimations to reach 9.48 million kilograms in 2030, with a total estimated value of R1.65 billion per annum.

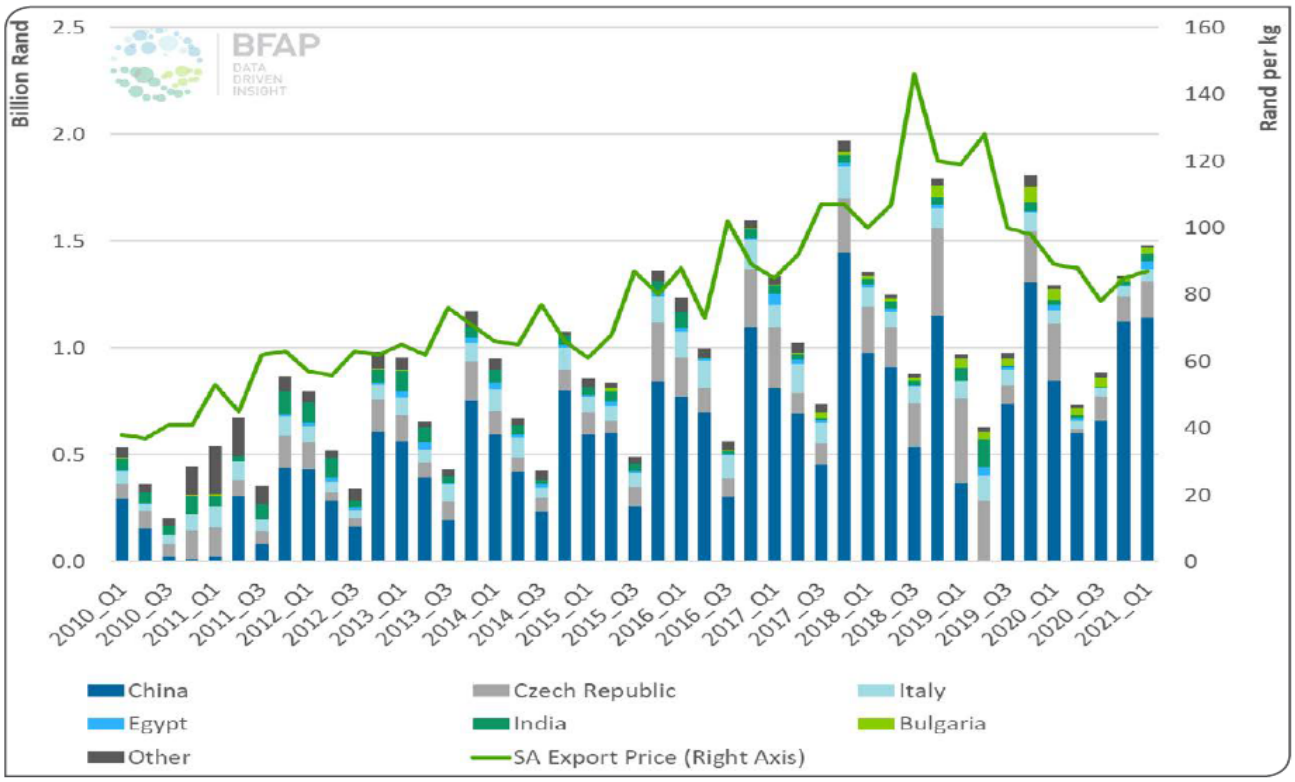



**Figure 59: Value of South African wool exports and trade weighted average export price**
**Source: ITC Trademap, 2021**

### Domestic Market Outlook: Eggs

Eggs provide an affordable source of animal protein to South African consumers, but the fine balance between supply and demand, combined with limited international trade due to the characteristics of the product, make it a volatile market. This volatility was evident in 2017, when the outbreak of HPAI reduced the national layer flock by an estimated 20%. The resultant supply constraints induced a 17% increase in prices year on year, followed by a further 11% in 2018. Production volumes have however rebounded strongly since then and prices declined by 16% in 2019. In 2020, the COVID-19 pandemic introduced another exogenous shock to the sector. On the one hand, consumer spending power came under pressure, but on the other, consumption patterns changed due to lockdown measures, which resulted in more home cooking and baking, supporting demand for products such as eggs.

In 2021, the egg sector faced some early headwinds and increased risk. Firstly, as a result of the renewed outbreak of HPAI (which is highly contagious and potential further spreading remains a major concern). An outbreak similar to 2017 could have a severely constraining impact on supply at a time when demand is still strong. At the same time, high feed prices have brought profitability under pressure, pushing the egg to maize price ratio to a level comparable to 2015. This ratio is projected to improve in the short term, as feed prices moderate from 2022 onwards, whilst the steady economic recovery will support demand for eggs and consequently also prices. Over the outlook this profitability ratio reaches an equilibrium at levels comparable to 2011, well below the peaks of 2017 and 2018, but also well above 2013-2016 levels, thus supporting an average annual expansion in production of 1.2%. The ever present and elevated risk from HPAI is a key factor supporting a higher equilibrium price and consequently also profitability ratio over the baseline period relative to the recent past.

Over the course of the coming decade, egg consumption is projected to expand by 18% (Figure 53), supported by its relative affordability compared to alternative animal proteins, as well as the persistence of some of the consumer trends established through the pandemic and associated lockdown restrictions. The industry is set to remain a small net exporter, mainly into the Southern African region.

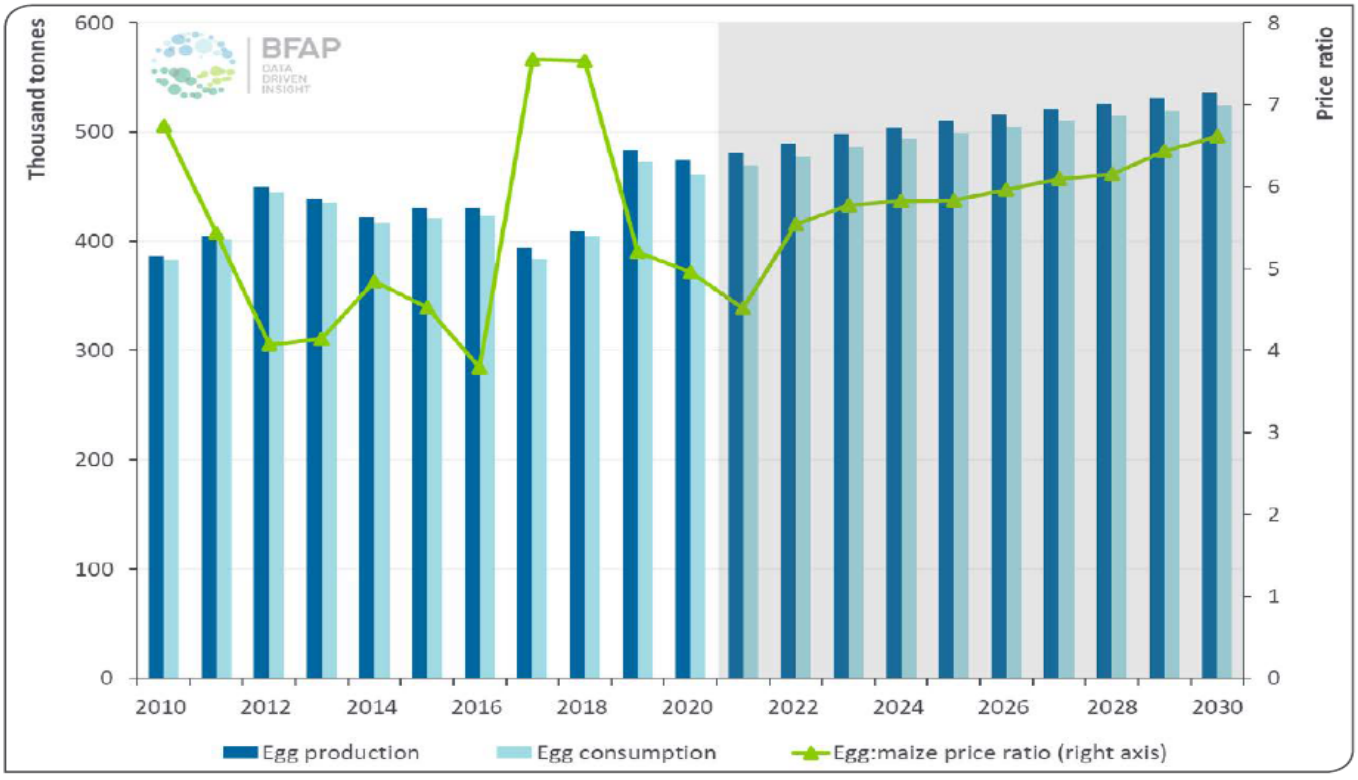



**Figure 60: SA egg production, consumption and profitability: 2010-2030**

### Concluding remarks

The outlook presented in this chapter reflects the assumption of stable weather conditions, but remains subject to a number of uncertainties and unexpected events. The emergence of COVID-19 and the drastic restrictive measures imposed to curb the spread of the virus, serves to illustrate how sensitive the sector is to sudden changes in consumer spending power. Similarly, the impact of exchange rate instability and extreme volatility in weather conditions on profitability, and the resultant investment decisions, was clear over the past 5 years. However, in livestock markets, food safety and animal disease management adds an additional extremely important risk to manage. The price support gained by the beef sector from being able to export since being declared free of FMD in 2014 presents a clear example of the benefits attainable if the country's disease status is managed well, while 2019 illustrates how big the impact can be if that disease-free status is lost. As the sector navigates its way out of the crisis induced by COVID-19 and the measures imposed to contain it, the need for successful management of South Africa's animal health status and the associated biosecurity measures cannot be overemphasised.

# 8. COMMUNICATION

The RMAA provides information to the industry by way of newsflashes and newsletters to all abattoirs, associated members and to the industry countrywide. These would cover topics related to the abattoirs and associated industries.

Our website also provides the following industry news and downloads:

- Newsletters and press releases relating to the abattoir industry
- RMAA services and background information
- Training and training dates
- Relevant legislation
- Abattoir products and exposure of all associated members
- Membership information, application forms and price list

# 10. PERSONNEL

## 10.1 RMAA BOARD

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| Vice Chairperson | Mr Laurie Terblanche | Tomis Abattoir & Fresh Meat Wholesalers |

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| | | |
|---|---|---|
| Gauteng Board Member | Mr Gerrit Oelofse | Devon Abattoir |
| Mpumalanga Board Member | Mr Wesley Tecklenburg | Ramburg Beef Abattoir |
| North West Board Member | | |
| Limpopo Board Member | Mr Callie Calitz | Vencor Abattoir |
| Free State Board Member | Mr Niel Venter | Sparta Foods |
| KwaZulu Natal Board Member | Mr Patrick Friend | Meatmaster Vryheid Abattoir |
| Western Cape Board Member | Mr Laurie Terblanche | Tomis Abattoir & Fresh Meat Wholesalers |
| Northern Cape Board Member | Mr Gert Blignaut | Beefmaster Kimberly (Pty) Ltd |
| Eastern Cape Board Member | Mr Jason Van Wyk | Drakensberg Abattoir |

## 10.2 MANAGEMENT

**General Manager**
Dr Gerhard Neethling
manager@rmaa.co.za
082 551 7232

## 10.3 TRAINING

**Training Official**
Chester Nkoane

**Slaughter Instructor**
David Skosana

## 10.4 ADMINISTRATION

**Office Administration & Marketing**
Tracy Mostert
info@rmaa.co.za;
marketing@rmaa.co.za

**Training Coordinator**
Ella de Lange
ella@rmaa.co.za

**Admin Assistant**
Patricia Hlabati

## 10.5 FINANCIAL OFFICE

**Financial Officer**
Ms Suzette Grobler
suzetteg@telkomsa.net

**Financial Clerk**
Ms Elize Webb
elize@rmaa.co.za

# 11. ASSOCIATED MEMBERS

Associated members provide products and services which benefit the abattoir industry. A summary of our associated members is available on the web site. Please support them.

### ANIMATE ANIMAL HEALTH

Animate Animal Health is a proud supplier of quality in-feed solutions. Our philosophy of supplying quality products backed by outstanding customer and support services enables livestock producers, feed manufacturers, integrators and veterinarians to focus on the business of supplying in an ever increasing demand for safe, affordable meat. Backed by the global experience of Biesterfeld International we are the perfect combination in animal health and performance.

### DECTRA

Economic Development and Industrialisation are important to South Africa, a fact recognised by the SA government in its Industrial Policy Plans (IPAP). The Department of Trade and Industry's (DTI) support programmes are aligned to the IPAP and aim to enhance development and growth by offering various forms of incentives such as grants, subsidies, loans and equity funding. Dectra is a consulting firm offering specialist services to assist clients to access the support offered by the Department of Trade and Industry. Our company was established on 1 September 1989. Our Head Office is located in Cape Town.

### JARVIS PRODUCTS CORPORATION RSA (PTY) LTD

Jarvis Products Corporation is the world's largest producer of meat and poultry processing equipment. For 100 years, the Jarvis name has stood for quality, craftsmanship, dependability and ruggedness under difficult field conditions. The company specializes in meat cutting and boning equipment, band saws, slaughter equipment, carcass opening and splitting saws, hock cutters, and skinning machines. It also supplies auxiliary equipment such as vacuum machines, a full line of hydraulic equipment, as well as a variety of consumables to the food processing industry.

Headquartered in a 120,000 square-foot, 200 employee's facilities in Middletown, Connecticut, U.S.A – The Jarvis product line is sold and serviced worldwide through 15 branch locations and Jarvis' J26 Federation of Distributors. Jarvis machinery is USDA and CE approved, and manufactured to exacting quality standards for years of trouble-free operation. In addition to beef, Jarvis also manufactures a full line of tools for pork, sheep, ostriches and poultry.

### KENTMASTER SA (Pty) Ltd

Kentmaster is the South African distributor of Accles & Shelvoke

Accles & Shelvoke manufacture precision engineered cartridge powered penetrative and non-penetrative captive bolt stunners for the humane stunning of animals before slaughter. The company's success is built on innovative engineering solutions, rigorous performance testing, investment in new products, and the assurance of the most reliable cartridge powered tools in the world. Since the launch of the CASH captive bolt stunning tool in 1913, Accles & Shelvoke have led the captive bolt stunning industry. The tool was developed to safely and effectively induce unconsciousness in animals prior to slaughtering and processing. The CASH Special tool is still in use today and is the world's most popular pistol shaped captive bolt stunner. It is part of a range which now includes cylindrical designs, concussion heads, retracting and free flight bolts, contact fire and trigger fire options. Together they comprise the most effective, portable and dependable stunners on sale in the world.

### LTL CONSULTANTS

LTL is a company that specialises in the field of quality assurance, inspection and verification with food technology, microbiology, chemistry, HACCP, packaging, marketing, product development,

nutrition, quality systems and management expertise.

**Marel Food Systems**

Marel Meat is a leading global supplier of integrated systems and advanced stand-alone processing equipment to the red meat industry – from live animal receipt to finished packs.

Our cutting-edge equipment and software help meat processors of all sizes, in all markets, to operate at peak productivity and enhance the overall quality and value of meat products.

**MEAT MATRIX**

Matrix Software is one of the best software development companies in South Africa and offers two custom manufacturing Software solutions for any Food, Beverage or Meat Industry. Meat Matrix is a must have solution for any industry where Stock Control, Yield Management, Traceability, Productivity and Cost Margins is a necessity to control. The Software is developed in South Africa specifically for the African market, thus giving the benefit of support and cost effectiveness opposed to expensive foreign systems.

**MEATCO NAMIBIA**

The Meat Corporation of Namibia (Meatco) is a meat processing and marketing organization that serves markets locally and internationally on behalf of Namibian cattle producers. Meatco procures cattle from farmers on contract, slaughters them in a planned manner and then cut and process carcasses according to customer specifications. Meatco is Namibia's biggest exporter of prime beef. As from 2001, the Meat Corporation of Nimibia

**MLS LABORATORIES**

MLS is an independent SANAS accredited and DAFF approved testing Laboratory using the latest technology to ensure results in the quickest time possible. MLS expertise include interpretation of results to assist client with a clearer understanding of the tests and results. MLS Labs operates 6 days a week including public holidays and festive holidays to accommodate our retail and abattoir clients' needs during the most busy and critical time periods. 24/7/365 availability of senior management for any assistance require/urgent testing

**NUTROCHEM**

For more than 25 years, we have been manufacturing and supplying tried and tested chemicals and disinfectants to the Food and Beverage Industry, Agricultural Industry, Laundry Industry, Industrial and Commercial Industry and the Water Treatment Industry. All of our products are internationally and independently assessed and certified by Intertek to comply with SANS1828, EN1276 and EN1656 standards, all of which are manufactured in our ISO 9001:2015 facility.

**PHT**

The two partners look back on a total of 50 successful years as investment goods suppliers for the food industry. The partners have always operated with an eye on International commerce. Today, PHT is the leading German outfitter of food companies in the areas of personnel and food production hygiene. Aside from the state of the art proprietary production facility with 140 employees, PHT also maintains long-standing partnerships with very proficient and innovative suppliers. First-rate products, innovation, long-standing expertise and motivated excellent employees assure optimal solutions for all hygiene sluice areas. PHT offers the right solution for companies of any size.

**SCIP ENGINEERING**

SCIP was founded in 1997 by Mr E P Mogale and Mr J D Booyens (snr). In October 2001, the company merged with Booyens & Koorn Consulting Engineers, a group of consulting engineers who had been in business since 1985 and who has wholeheartedly committed themselves to the BEE process. This, in fact, was the driving force behind the merger, and has resulted in SCIP

having become one of the only few fully black empowered companies that is also a specialist in the upgrading of national roads. The success of SCIP over the last 9 years was mainly due to the combination of 20 years of civil engineering experience with a liberated socio-economic view.

**SOUTH AFRICAN NATIONAL HALAAL AUTHORITY**

SANHA has been established as a representative authority, which promotes professionalism and excellence in the certification of Halaal food and other related products. SANHA is committed to standardizing Halaal procedures both nationally and internationally, thereby rendering a tangible and credible service to both the consumer and the industry. Indeed, this strategy does not only prove beneficial for the Muslim consumer but is also a means of promoting trade.

**SENTRATEK HOLDINGS**

While we focus on Food, Beverage, Pharmaceutical, Dairy, Brewing and Food Processing plants we also offer holistic Consumables Supply and Site based Process Management contracts covering our full spectrum of supply options which can be tailor made for any prospective client from all of our Africa based offices.Since its inception, Sentratek has focused on service excellence together with the production of consistently high quality products which are backed by more than 2 decades of experience gained in the Chemical Industry. As a service orientated company, we offer ongoing technical backup together with an uncompromised commitment to your needs in terms of economical use of resources, increased efficiencies, safety and long-term sustainability.