A PROFILE OF THE SOUTH AFRICAN BEEF MARKET VALUE CHAIN

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1. DESCRIPTION OF THE INDUSTRY

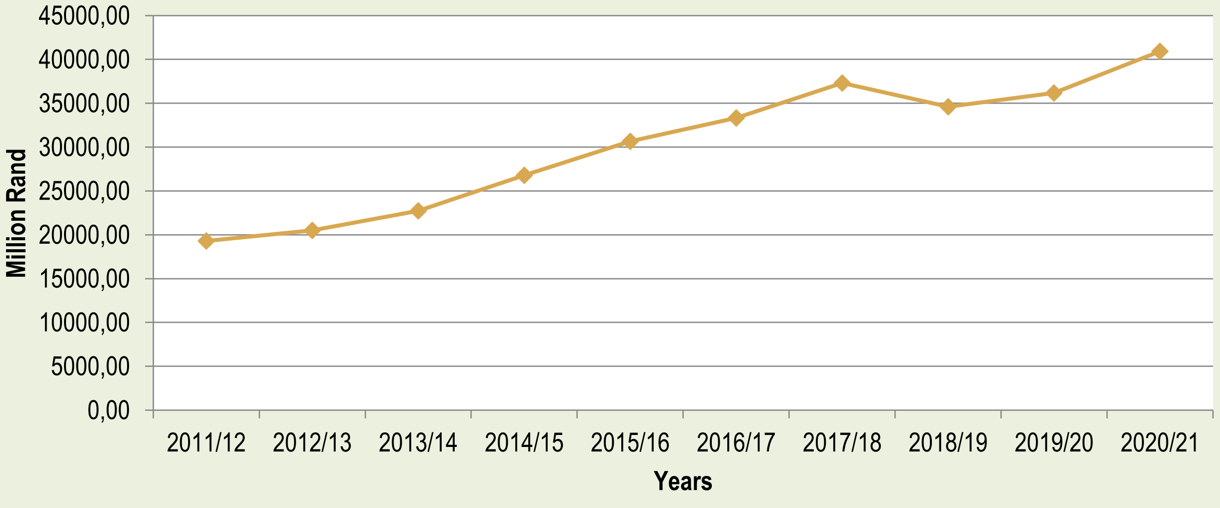
1.1 Introduction

Beef industry in South Africa is characterized by its dualistic nature of the sector. There is a clear difference between formal (commercial) sector and informal (non-commercial) beef sector. Unlike the non-commercial sector, the commercial beef sector is well-developed and mature in South Africa. The beef informal (non-commercial) sector may further be divided into two subsectors namely smallholder farmers and subsistence farmers. Smallholder farmers keep their cattle and sell them during easter and festive seasons, for religious purposes and during their cash-strapped seasons. Subsistence farmers do not keep their cattle for economic reasons however for household food security purposes. Typically, these two informal subsectors are not keeping records of their animal stocks; the buyer and seller enter into mouth-to-mouth agreement, followed by an exchange of money and cattle without recording the transactions. These informal subsectors are also known to have less knowledge about animal health, disease control and animal development issues as well as policies regarding animal production in South Africa. Beyond their role in generating food and income, cattle are an asset, serving as a store of wealth, collateral for credit an essential security net during calamitous times for informal sector.

The beef industry is the second fastest-growing commodity in the agricultural sector following the broiler sector. This is driven by income growth and supports technological and structural change. In South Africa, stock farming is the only viable agricultural activity in a large part of the country. Approximately 80% of South African agricultural land is suitable for extensive grazing. Areas for grazing declined owing to expanding human settlements and other activities such as mining, crops, forestry and conservation. 80% of the total cattle heads are for beef cattle and the remaining 20% is for dairy cattle.

The gross value of cattle and calves slaughtered in South Africa from 2011/12 to 2020/21 is depicted in Figure 1 below. The gross value of beef production is dependent on the number of cattle slaughtered and the prices received by producers. The gross value of beef production increased from R19.3 billion in 2011/12 to R37 billion in 2017/18. This is an increase of 173% during the said period. In 2018/19, beef gross value experienced a slight decline of 7%. This was caused by the Foot and Mouth Disease outbreak in 2019 whereby the other international market posed a ban on imports from South Africa. Then gross value increased through to 2020/21. The overall increase in the past decade was due to the increased consumption of beef during the past years. The average gross value of beef produced during this period amounted to R30.2 billion per annum.

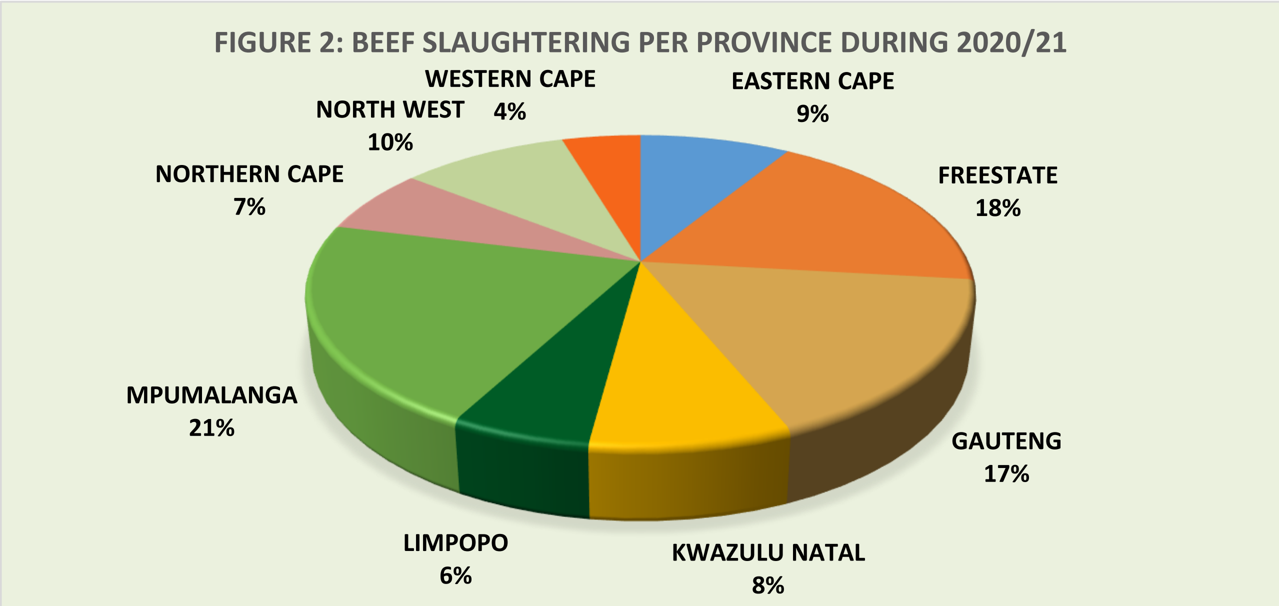
Figure 1: Gross value of cattle and calves slaughtered



Source: Statistics and Economic Analysis, DALRRD

6.2. Production Areas

Beef is produced throughout South Africa. Figure 2 below, shows the beef production per province during the 2020/21 production year. The amount of beef produced depends on the infrastructure such as feedlots and abattoirs, not necessarily on the number of cattle available in those areas. South Africa has a highly developed transport infrastructure that allows the movement of cattle and calves from one area to another, even from other neighbouring countries. According to Figure 2, Mpumalanga accounts for the greatest share of beef production in South Africa accounting for 21% of the beef produced in 2020/21 followed by Free State and Gauteng accounting for 18% and 17% respectively. Limpopo and Western Cape had the lowest share of 6% and 4% respectively for beef slaughtering in 2020/21.

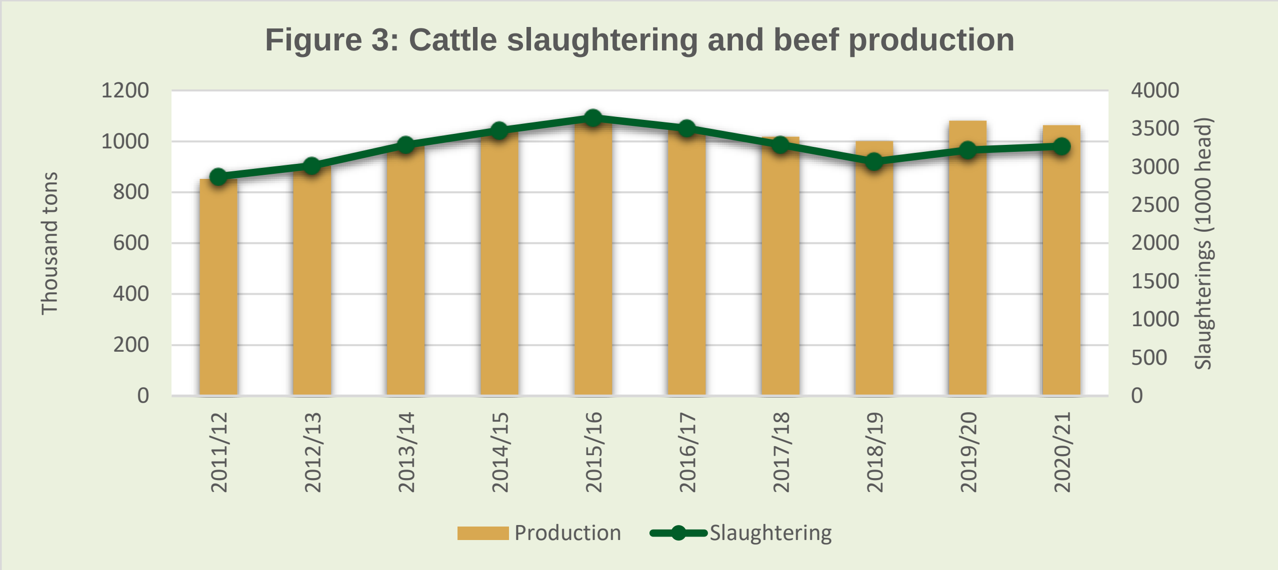


Red Meat Levy Admin

1.2. Production Trends

South Africa currently has approximately 430 abattoirs slaughtering cattle, pigs and sheep on an annual basis. Approximately 40% of all slaughtering is performed by abattoirs that may slaughter an unlimited number of animals (Class A) and highly regulated abattoirs (Class A & B) slaughter approximately 60% of cattle. Most of these abattoirs have linkages with feedlots.

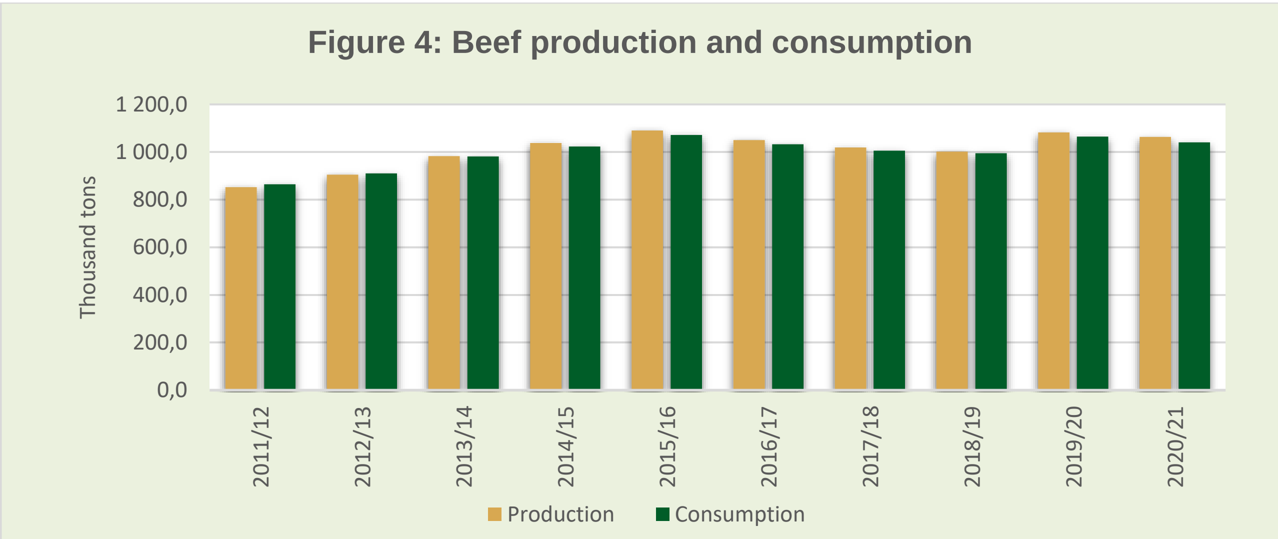
Figure 3 below shows the slaughtering of cattle and production of beef during the period 2011/12 until 2020/21. The total amount of beef produced during the past ten years amounted to 10 million tons. Figure 3 above shows that slaughtering and production of beef followed a similar trend from 2011/12 to 2020/21. Beef production and slaughtering were on the trough in 2011/12 and reached a peak in 2015/16. The highest slaughtering and production during 2015/16 were driven by drought experienced in South Africa that led farmers to liquidate their herd. Both slaughtering and production of beef showed a declining trend from 2015/16 to 2018/19 by 15% and 8% respectively, this could be attributed to producers or farmers battling with herd rebuilding following the drought. There was further FMD outbreak in 2021 and 2022 which caused the fluctuations in slaughtering and production of beef from 2018/19 and 2020/21.



Source: Statistics and Economic Analysis, DALRRD

1.3. Local Consumption

Technically, the beef supply chain begins when the cattle are slaughtered for meat consumption. Figure 4 below represents the production and consumption of beef for the past decade.



Source: Statistics and Economic Analysis, DALRRD

The figure indicates that South African beef production and consumption have been fluctuating throughout the period under analysis. Moreover, the figure shows that during the past decade, South Africa was self-sufficient in beef production from 2011/12 to 2012/13, as the production was lower than the consumption. This might be due to the increased affordability of consumers, consumer's diet change from field crops to meat and population increase. Production and consumption of beef decreased by approximately 8% and 7% from 2015/16 to 2018/19 respectively. The decline in production comes from farmers not having enough beef cattle to slaughter due to herd recovery. The rebuilding of the herd led to high beef prices that in turn affected the demand for beef and beef products. The consumption declined due to higher prices whereby consumers shifted to other alternatives and/or other options. In 2019/20, production and consumption increased and the industry was hit by the FMD outbreak in 2021 which led to a slight decrease of 1.7% and 2.2% respectively.

1.4. Employment

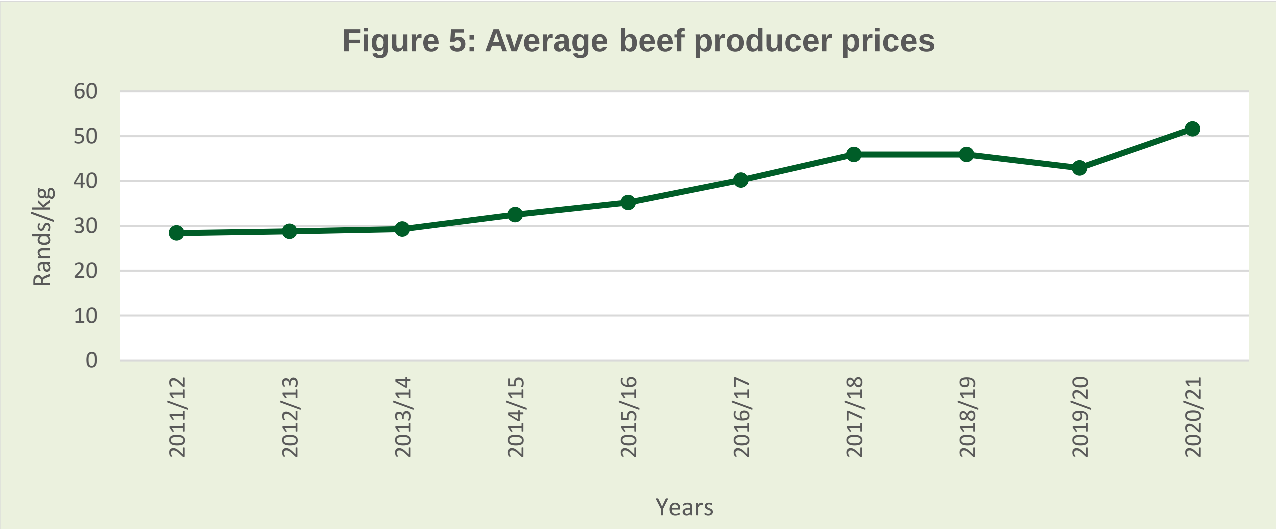
Commercial farmers are estimated at 22 000 and employ 138 000 people, emerging farmers and communal farmers are at 3 million which employs 9 million people. There are approximately 100 commercial feedlots with 5 000 employees in South Africa and 332 abattoirs. Beef industry is a major contributor to livelihood with 2 125 000 people who are dependent on the livestock industry.

2. MARKET STRUCTURE

2.1. Domestic Market

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

Average producer prices of beef from 2011/12 to 2020/21 are illustrated in Figure 5.



Source: Statistics and Economic Analysis, DALRRD

Figure 5 above shows that prices of beef increased significantly in the past decade, except in 2019/20. The average producer price declined by 8% in 2019/20 as compared to the previous year, this could be attributed to the increased production in the same year. The producer price of beef increased by 82% in the past decade. The increase was mainly due to increased consumption caused by the rising living standards of a large number of consumers and consumer's diet change from field crops to meat and population increase. The price increase after the drought season is exacerbated by cattle producers' battle to rebuild their herds.

2.2. Import–Export Analysis

Following the market deregulation in 1996, South Africa's beef producers faced direct to international competition to trade their products internationally. The trade of beef is normally influenced by international prices, exchange rates, trade agreements, policies and regulations amongst other factors. Figure 6 below compares volumes of imports and exports for beef from 2012 to 2021.

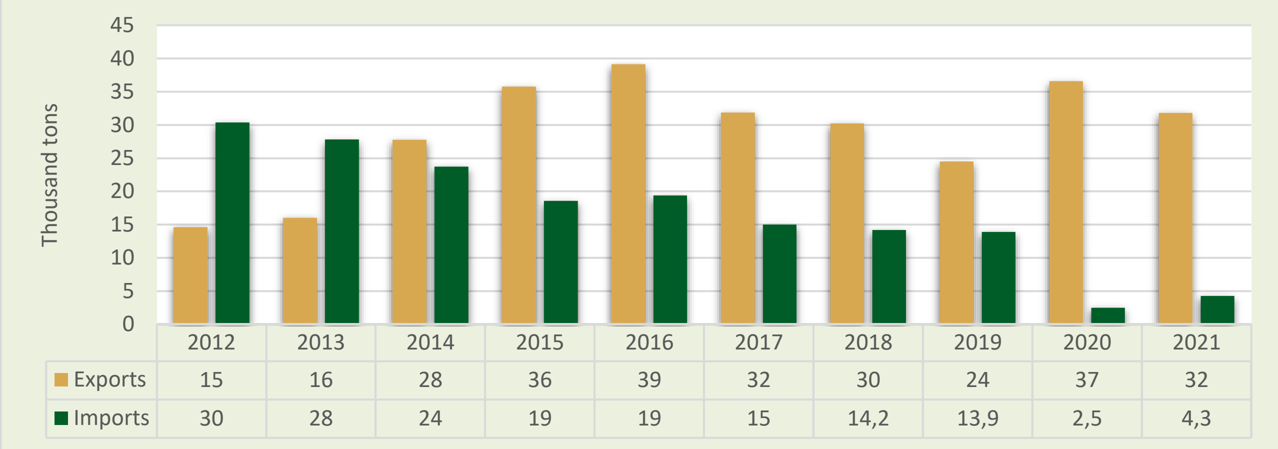


Figure 6: Exports and imports of beef

Source: Quantec EasyData

Figure 6 indicates that South Africa's imports and exports were fluctuating during the period under analysis. Imports of beef were higher than exports from 2012 to 2013. This made South Africa a net importer of beef during this specified period. This became the opposite in 2014, following South Africa being declared foot and mouth disease (FMD) free by the International Animal Health Organisation. Due to this declaration, there were more international markets gained. The imports peak was realised in 2012 and declined over the years until they reached the minimum in 2020, which recorded a 91% decrease. The decline in imports emanated from a tremendous decrease in beef imports from Namibia and Botswana as they both account for 80% share (See Figure 27). With regards to exports, South Africa exported more beef in 2016 as compared to all years under review. The beef exports and imports declined from 2017 through to 2019 following the decline in beef production and local demand. The decrease in exports in 2019 and 2021, among other reasons was caused by another FMD outbreak that made some major export markets impose an import ban on beef from South Africa.

2.2.1. Exports

The quantity and value of beef exports from 2012 to 2021 are shown in Figure 7 below. South Africa exported approximately 32 000 tons of beef in 2021 yielding an export value of R2.4 billion. This represents a decrease of 13% and 4% in the quantity and value of beef exported during the period 2021 from the previous year.

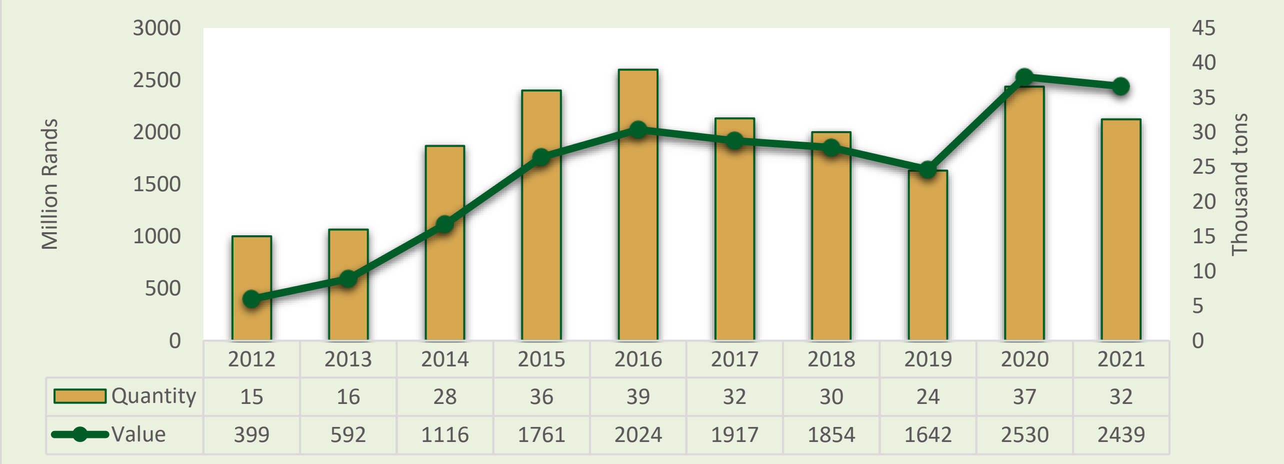


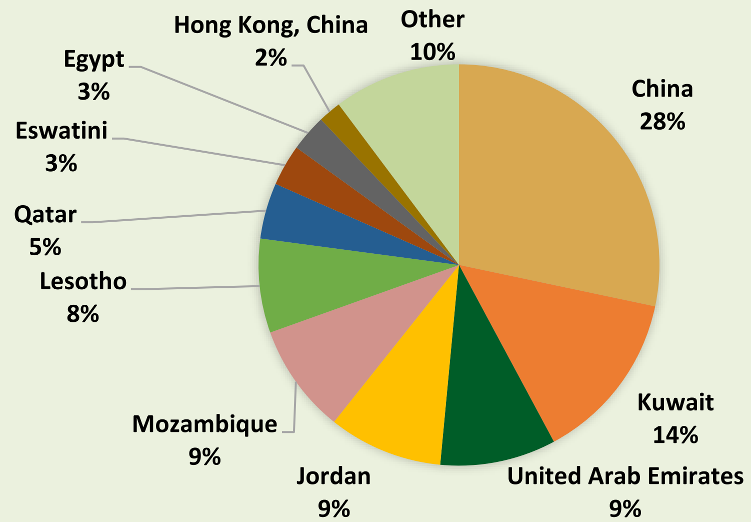
Figure 7: Beef exports

Source: Quantec EasyData

Figure 7 indicates that beef exports quantity was low from 2012 to 2013 and then followed by an immense increase in 2014 up to 2016. This was due to South Africa being declared foot and mouth disease-free in 2014, which opened export market opportunities. Export quantity was at its lowest in 2012 and reached a peak in 2016 during the period under analysis. Again, the lower exports from 2017 to 2019, following the decline in beef production and the export ban due to the FMD outbreak that occurred in 2019. In 2020, the South African beef exporters have realised a great deal in export earnings. The increased exports were due to the increased slaughtering and beef production. Furthermore, the exports declined in 2021 due to the lower beef production during the same year.

The export share of the beef market is presented in Figure 8 below as a beef destination.

FIGURE 8: BEEF DESTINATION IN 2021

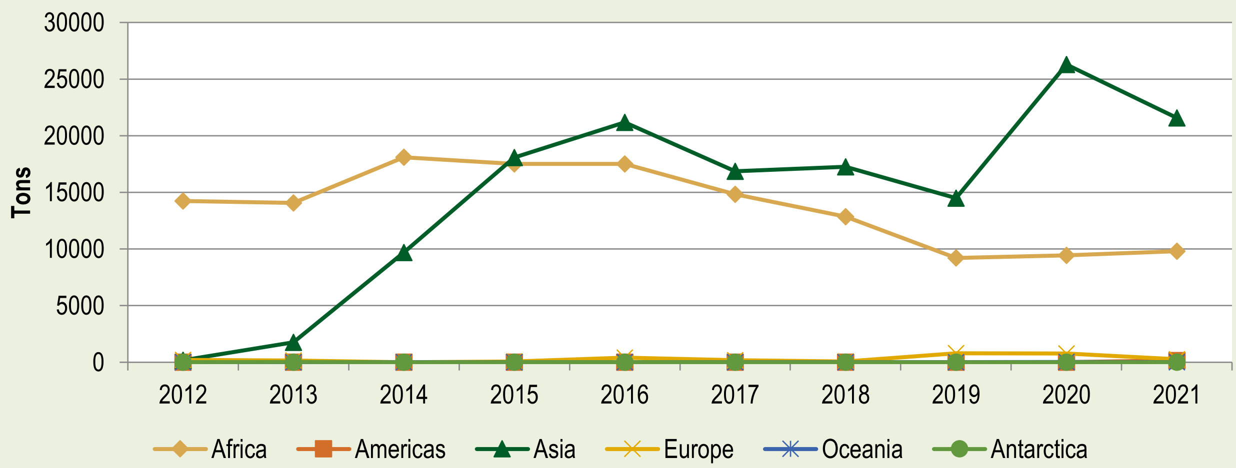


Source: Trade Map

International trade is a vital aspect of South Africa's cattle industry as beef is the second biggest sector in value of the agricultural sector. The main destinations of South African beef in 2021 were Asian countries, China which accounted for 28% of South African beef, followed by Kuwait with 14%, the United Arab Emirates with 9%, Jordan (9%), Mozambique (9%) and Lesotho 8%.

Figure 9 below shows the main importing continents for South African beef during the past decade.

Figure 9: Exports of beef to the continents

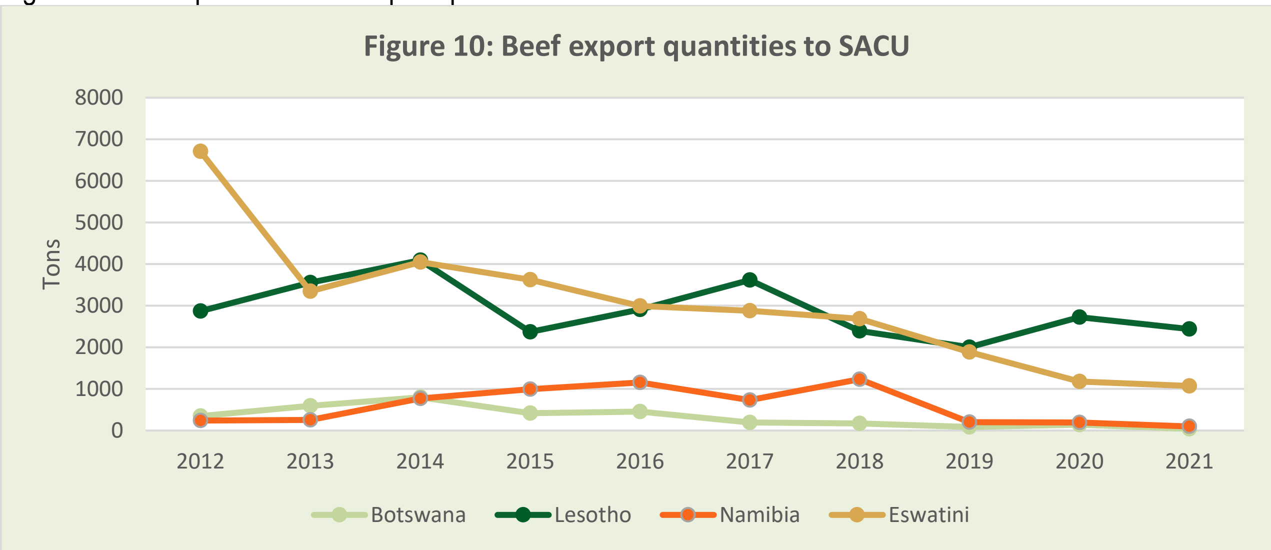


Source: Quantec EasyData

South Africa was mainly exporting beef to African and Asian continents throughout the period under analysis. Africa commanded the highest exports of beef from South Africa from 2012 to 2014. From 2015 to 2021, Asia outstripped Africa and took the lead on a share of beef exported by South Africa to the continents. The increase in South African beef exports was mainly an increase from the Asian continent. The demand for beef in Asian countries grew by 81% in 2020, which made a new peak for the continent. In 2021, the continent's export declined by 18% however it was still the leading export market. On that note, Asia led the market with a share of 54% in 2021, followed at a distance by Africa with a share of 45%. Oceania commanded the lowest South African beef export quantity during the period under analysis.

The following Figures 10 to 14 indicate where South African beef is exported. within the continents (Africa, Europe, Asia and Oceania). Within the African continent, 85% of South African beef exports goes to Southern African Development Community (SADC) countries. Southern African Customs Union (SACU) members account for 44% of the total beef exported to all SADC countries whilst the others take 66%.

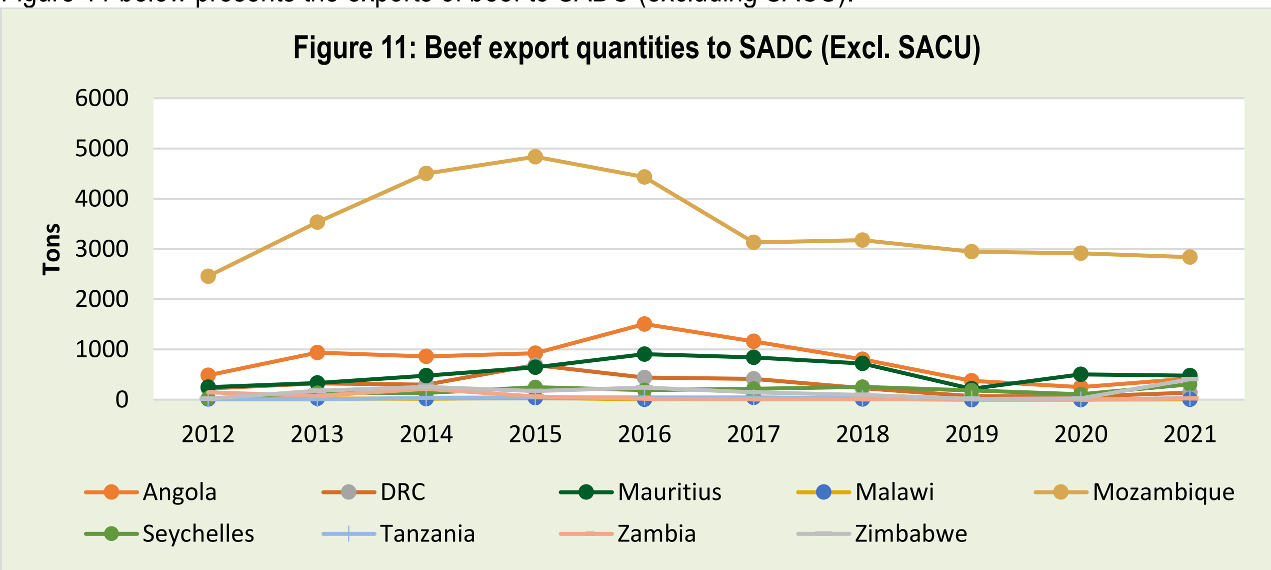
Figure 10 below presents beef export quantities to SACU members.



Source: Quantec EasyData

South African beef exports to SACU members were mostly going to Eswatini and Lesotho. Both countries have been interchanging leading positions for the past decade. In 2012, Eswatini was leading with over 6 700 tons which accounts for 67% of total South African exports of beef to the world. For the past ten years in total, Eswatini has led by taking up a share of 44% followed by Lesotho with 42% then Namibia and Botswana accounted for 9% and 5% respectively.

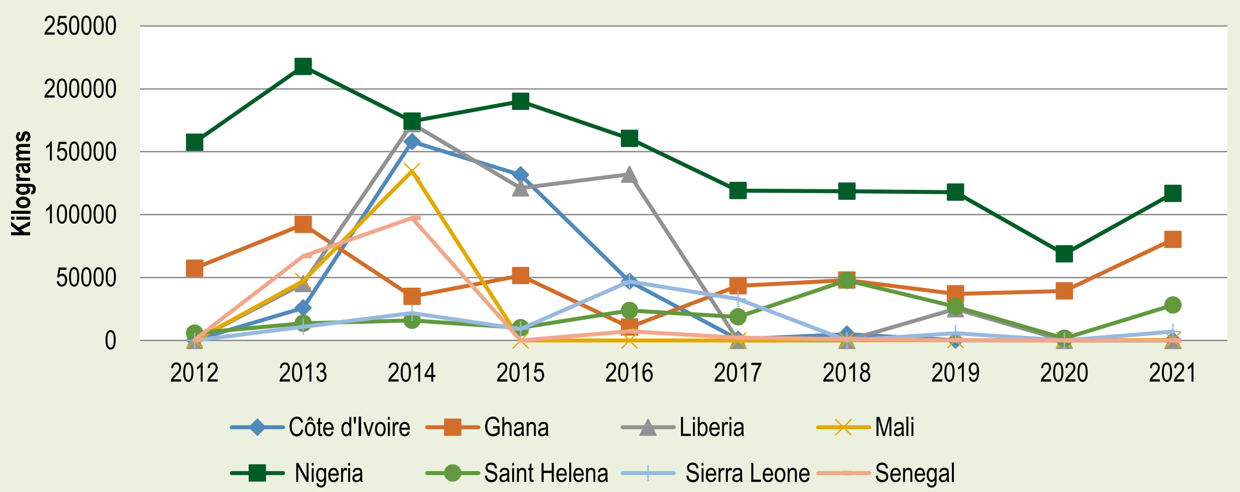
Figure 11 below presents the exports of beef to SADC (excluding SACU).



Source: Quantec EasyData

Mozambique continues to be the highest importer of South African beef within SADC region. Figure 11 displays that beef produced in South Africa was mainly exported to Mozambique, which has commanded the highest beef exports throughout the decade. Angola appeared to be the second country to obtain the highest beef exports from South Africa. Mozambique reached a peak of 4 835 tons of beef from South Africa in 2015. Malawi, Tanzania and Zambia were the lowest importers of South African beef within SADC countries in the past decade. In total, Mozambique commanded 63% of South African beef exports followed at a distance by Angola with 14%. Mauritius followed with 10% and Democratic Republic of Congo (DRC) 5%.

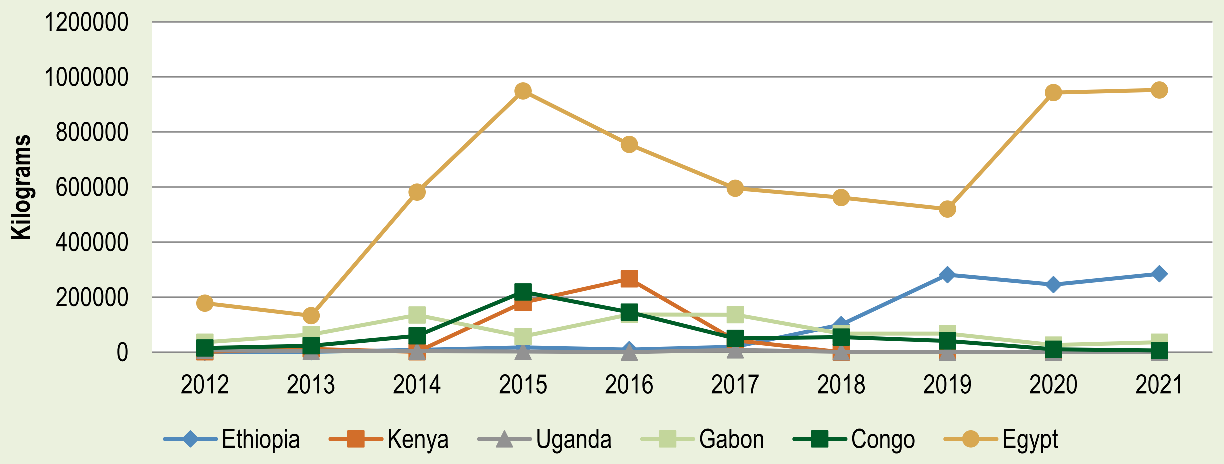
Figure 12: Beef export quantities to West Africa



Source: Quantec EasyData

It is indicated from Figure 12 above that most of South African beef has been exported to Nigeria within Western Africa throughout the past decade. South African beef exports to West Africa decreased from 2015 to 2020. Nigeria reached its peak of 217 784 kilograms during 2013 and this was followed by a drastic decrease of 68% through to 2020. In 2021, exports of beef to most of West African countries rose showing a 112% increase in total. On this point, Nigeria took the lead with a share of 50% in 2021, followed by Ghana and Saint Helena with a share of 34% and 12% respectively. Nigeria and Ghana demanded the highest volume of South African beef exports for the period under analysis. Mali and Sierra Leone were the lowest importers of South African beef.

Figure 13: Beef exports quantities to Middle, Northern and Eastern Africa

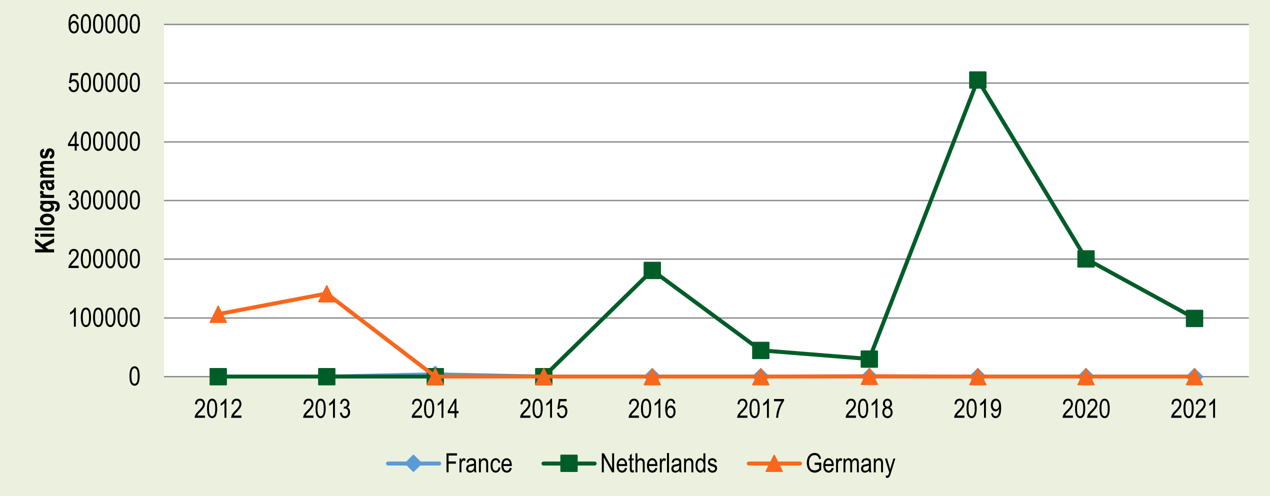


Source: Quantec EasyData

In Middle, Northern and Eastern Africa, Egypt commanded the highest share of beef exports by South Africa in the past ten years (See Figure 13 above). Congo commanded the second-highest share of beef exported by

South Africa from 2012 to 2014. Egypt, which is from Northern Africa, experienced a sharp increase in exports peaking at 949 tons in 2015 and a new peak in 2021 of 953 tons. Ethiopia increased beef intake from South Africa by 181% in 2018 and remained high through 2021. Kenya and Uganda, which are the Eastern African countries, imported the lowest quantities of South African beef during the past decade.

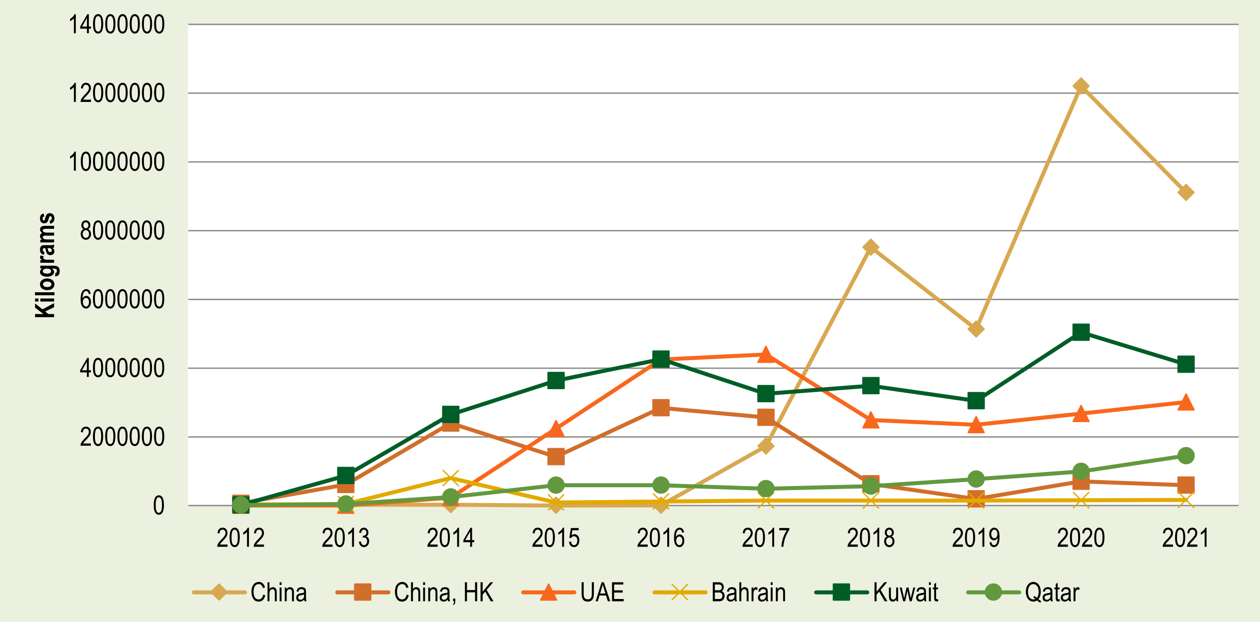
Figure 14: Beef export quantities to European Union



Source: Quantec EasyData

Figure 14 above shows beef exported by South Africa to the European Union from 2012 to 2021, it is indicated that all reported EU members are not regular importers of South African beef. The beef exports to the EU were fluctuating in the period under analysis. In the early years of the period analysed, Germany was the leading export market which drastically dropped in 2014 through to the end of the period, this indicates a loss of this market within the EU. The Netherlands started importing beef from South Africa and took the lead from 2016 to 2021. The country appears to be the main beef export market within the EU attaining 100% share in its importing years except 2014. The beef products exported to the EU were mainly frozen, fresh or chilled boneless cuts. France is the lowest importer of South African beef within the EU countries.

Figure 15: Beef export quantities to Western and Eastern Asia

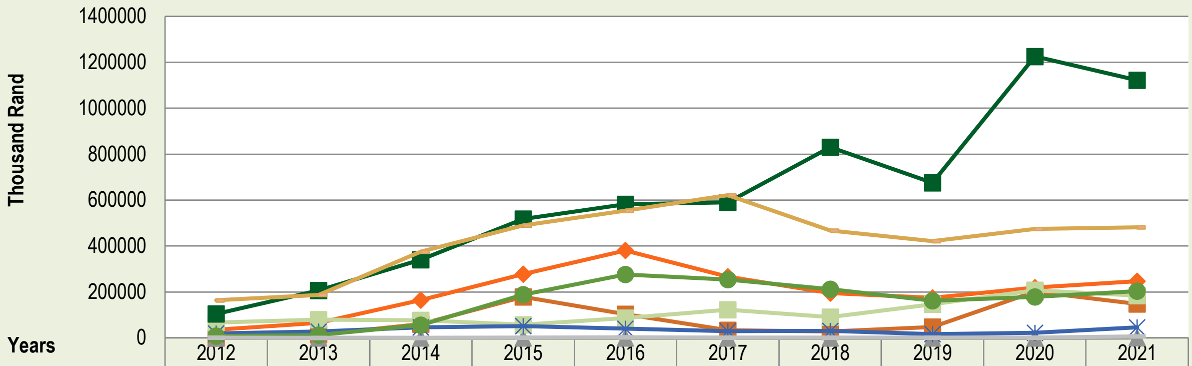


Source: Quantec EasyData

South African beef exports to Asia are shown in Figure 15 above. Generally, exports of beef to Asia were very minimal from 2012 to 2013 due to the foot and mouth disease outbreak in South Africa. Following South Africa's declaration of disease-free status, beef exports were regularly going to the United Arab Emirates (UAE), China, HK and Kuwait from 2014 to 2017. In 2018, China's beef intake shot up and realised a new peak with 7.5 million kg of beef imports from South Africa. This boom follows the agreement between South Africa and China with regards to Inspection, Quarantine and veterinary sanitary protocol that gave South Africa the green light for beef exports to China. China will continue leading the Asian export market up to 2021. Bahrain and Qatar are the lowest importers of South African beef within Western and Eastern Asia.

Values of beef exports from various Provinces of South Africa are presented in Figure 16 below.

Figure 16: Value of beef exported by Provinces



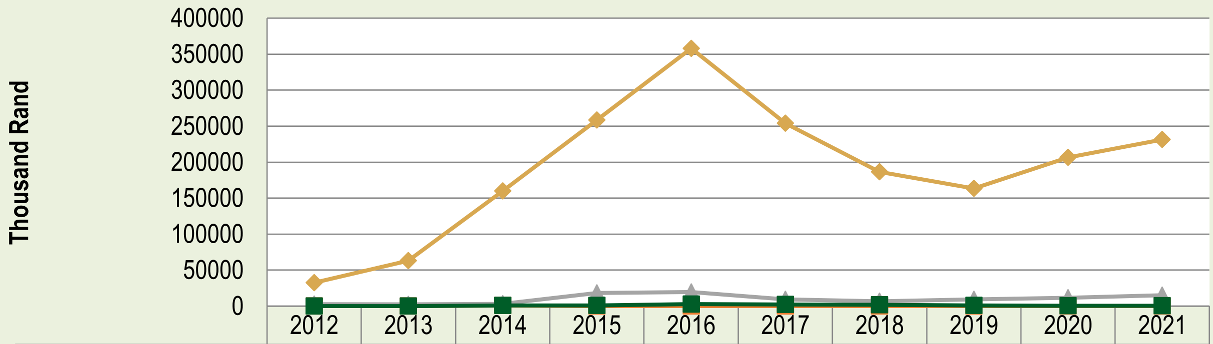
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Western Cape	35197	65529	164567	277712	380350	265800	195329	174257	218368	247339
Eastern Cape	27	14066	59992	178827	103248	33363	27978	46925	201378	147379
Northern Cape	489	0	0	0	0	0	4	0	343	1019
Free State	66235	79681	75873	57318	86351	122114	91125	146981	207186	184420
KwaZulu-Natal	19772	27156	45386	51238	39821	29795	30782	16208	22590	46504
North West	7916	13038	54996	187831	275784	253819	211502	162232	178744	203258
Gauteng	104233	206455	339766	517647	581740	589515	829708	675930	1225746	1122064
Mpumalanga	163758	186131	375375	489925	553832	621285	467281	421733	474321	480687
Limpopo	918	259	404	987	2549	1253	756	1392	1367	6385

Source: Quantec EasyData

Figure 16 indicates that exports of beef in South Africa were mainly from Gauteng. Noteworthy is the fact that the province is one of the main exit points for exports in the country. Furthermore, most exporters of beef are in Gauteng province and the greatest proportion of beef was exported to neighbouring countries. Mpumalanga Province was the second-highest exporter for the period under analysis followed by the Western Cape Province. Northern Cape Provinces have recorded irregular exports, which made the province to be the lowest exporter during this period. In 2018, Gauteng outstripped Mpumalanga and became the highest exporter of beef with an export share of 45%. The biggest exporters located in Gauteng are the top beneficiaries of the Chinese market, which made Gauteng continue leading the export market.

The following figures (Figures 17 - 24) show the value of beef exports from the various district municipalities in the eight provinces of South Africa (Northern Cape Province excluded)

Figure 17: Value of beef exports from Western Cape Province

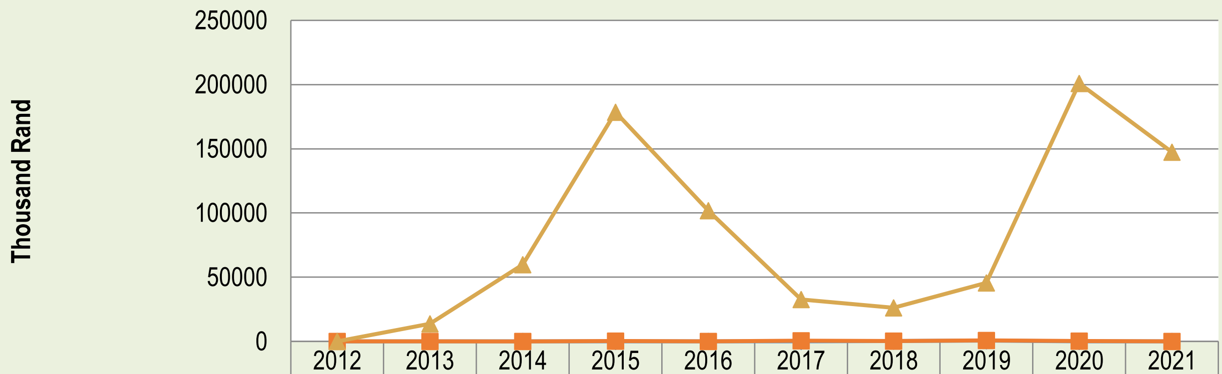


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City of Cape Town	32510	63053	159714	258614	357973	254123	186448	163613	206312	231422
West Coast	0	0	788	12	0	0	0	0	2	0
Cape Winelands	2615	2476	3330	18087	19577	9339	6826	9148	11548	15178
Eden	72	0	736	998	2799	2338	2007	1038	507	656

Source: Quantec EasyData

In the Western Cape Province, exports of beef were recorded largely in the City of Cape Town Metropolitan Municipality. This is because the City of Cape Town is the main exit point of exports in the province. The city recorded the highest export values throughout the period under review with the lowest level of approximately R32 million in 2012 and experienced the highest value of R358 million during 2016. Cape Winelands were the second leading and regular exporter of beef in the province. Fractional exports were also recorded from West Coast and Eden District Municipalities. City of Cape Town recorded over 90% share of beef exports during the entire period of analysis.

Figure 18: Value of beef exported from Eastern Cape Province

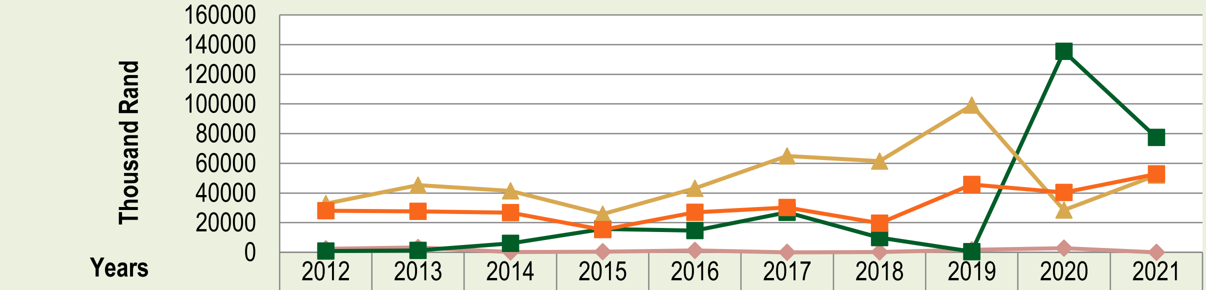


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Alfred Nzo	0	190	18	30	53	148	219	639	51	0
Nelson Mandela Bay	27	2	0	371	169	522	330	782	329	69
Buffalo City	0	13874	59922	178403	101785	32691	26201	45503	200994	147297

Source: Quantec EasyData

In the Eastern Cape Province, beef exports were recorded from Buffalo City, Alfred Nzo District Municipalities and Nelson Mandela Bay Metropolitan Municipality. On average, Buffalo City is the highest exporter of beef followed by Nelson Mandela Bay then Alfred Nzo District Municipality. Buffalo City increased its exports from 2013 to 2015 following the FMD-free status. Then beef exports started declining from 2016 to 2018 due to the drought. In 2020, the municipality increased exports immensely by 341% from 2019. Alfred Nzo and Nelson Mandela Bay recorded minimal exports during the period in analysis.

Figure 19: Value of beef exported from Free State Province

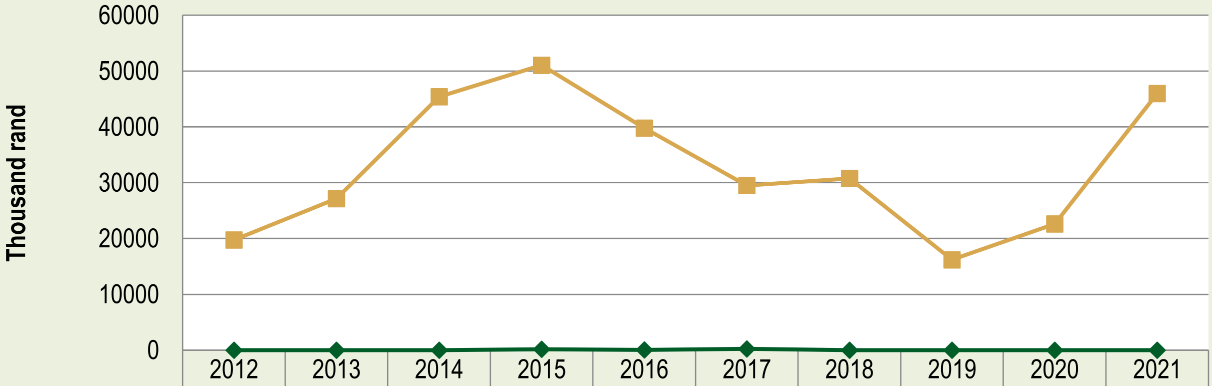


Years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Xhariep	2361	3277	121	483	1192	2	302	1709	2895	3
Lejweleputswa	852	1335	6015	15840	14639	27015	9815	512	135393	77402
Thabo Mofutsanyane	32855	45213	41335	25767	43208	64950	61491	99118	28464	51903
Mangaung	27930	27600	26731	15217	26995	30147	19518	45641	40434	52776

Source: Quantec EasyData

Figure 19 indicates that exports of beef from the Free State province occurred regularly except in Xhariep District Municipality. Thabo Mofutsanyane was the leading exporter from 2012 to 2019, and then Lejweleputswa took the lead in 2020 with a share of 65%. Thabo Mofutsanyane District has exported beef worth more than R494 million which accounts for 45% of the total share from 2012 to 2021 in the Free State province. Mangaung followed with beef exports worth about R313 million and this accounted for 28% of the total share. Lejweleputswa District Municipality recorded a total of R289 million (26%) and Xhariep District Municipality recorded the lowest exports of R12 million (1%).

Figure 20: Value of beef exports from KwaZulu-Natal Province

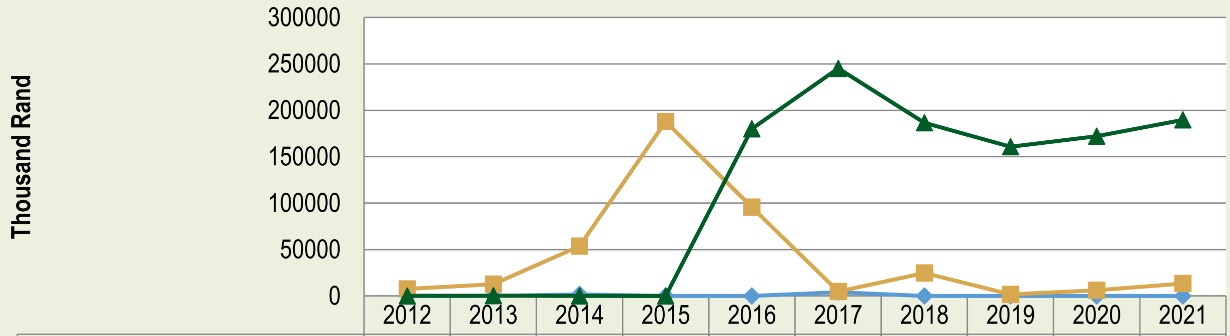


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
iLembe	0	0	0	188	25	240	0	0	0	0
eThekwini	19739	27148	45386	51048	39758	29518	30780	16201	22590	45953

Source: Quantec EasyData

In the KwaZulu–Natal Province, beef exports were mainly from eThekwini Metropolitan Municipality. The municipality reached its peak in 2015 and declined to a new trough in 2019 and an increase in 2020 and 2021. Intermittent and minimal export values were recorded in iLembe District Municipalities during the period under review. eThekwini recorded a 100% share of beef exports within the province from 2012 to 2014 and again from 2018 to 2021. In other years, the District Municipality accounted for more than 90% of beef export share.

Figure 21: Value of beef exported from North West Province

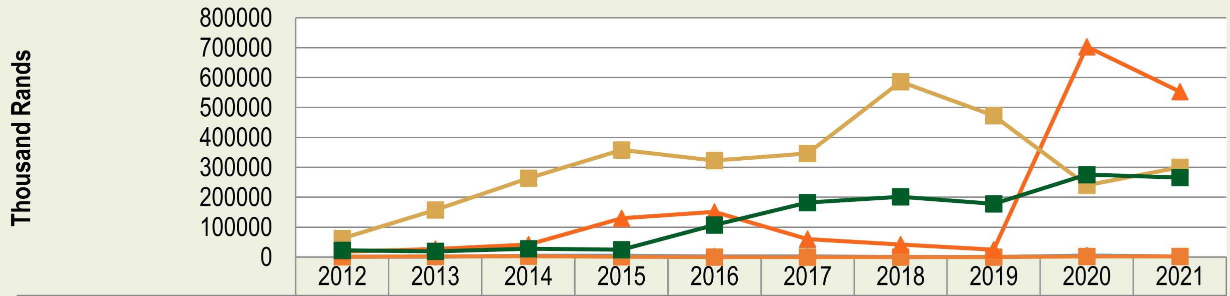


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Bojanala	270	20	1546	0	0	3922	0	0	0	0
Dr Ruth Segomotsi Mompati	7522	12722	53451	187817	95719	4784	24872	1652	5952	13236
Dr Kenneth Kaunda	0	288	0	14	179941	245113	186534	160580	172020	189754

Source: Quantec EasyData

In the North West Province, beef exports were recorded from three District Municipalities. Dr Ruth Segomotsi Mompati District Municipality has shown regular beef exports from 2012 to 2021, Dr Kenneth Kaunda District Municipality has recorded minimal exports in the first half of the decade whilst Bojanala's recorded minimal exports throughout the period analysed. While Dr Ruth Segomotsi Mompati was the leading exporter in the early years of the period analysed, Dr Kenneth Kaunda shot up exports and took the lead from 2016 to 2021. Dr Kenneth Kaunda District Municipality reached the new peak of R245 million in 2017 and remained high through to 2021. Although the exports showed a slight decrease in the following years, the district was still leading with a share of over 90% on average from 2017 to 2021.

Figure 22: Value of beef exported from Gauteng Province

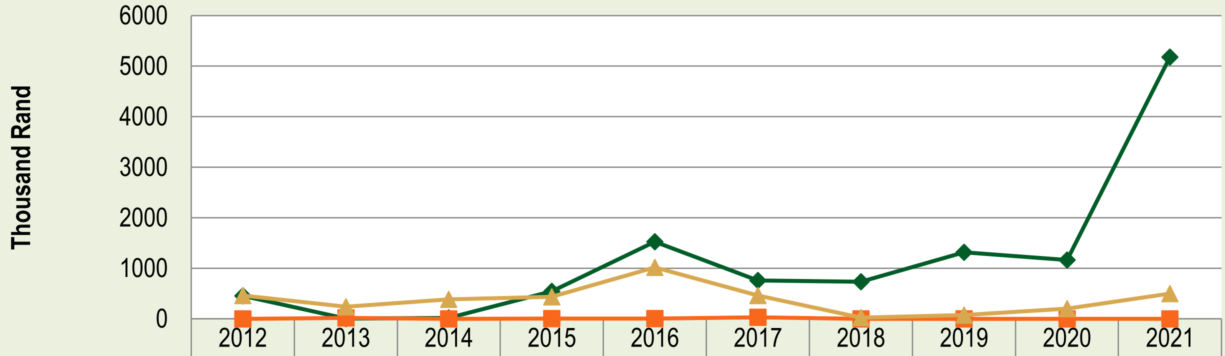


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sedibeng	864	1364	4345	4194	1706	1408	0	0	4834	1654
West Rand	760	1560	2798	1301	0	102	98	0	1658	1952
Ekurhuleni	17943	27067	41412	129994	150772	59334	41990	24621	703518	552963
City of Johannesburg	62068	157612	263536	357882	322151	346081	586253	473131	240149	300092
City of Tshwane	22599	18853	27675	24276	107111	182591	201366	178177	275587	265403

Source: Quantec EasyData

Figure 22 shows the value of exports by Gauteng Province for the past ten years. The highest values of beef exported in Gauteng Province were mainly from the City of Johannesburg Metropolitan Municipality. Noteworthy is the fact that the biggest abattoir (Karan Beef) in Africa is situated in this Municipality. The City of Johannesburg Metropolitan Municipality commanded the greatest shares for the entire period of analysis. Ekurhuleni, the City of Johannesburg and the City of Tshwane recorded regular exports of beef while Sedibeng and West Rand recorded intermittent records of beef exports. In 2018, the City of Johannesburg Metropolitan Municipality recorded the highest value of R586 million which marks an increase of 69% from the previous year. This was fuelled by the high demand for beef in China. The City of Johannesburg's beef exports declined its exports until 2020. Ekurhuleni shot up its beef exports and led with a share of 57% in 2020, followed by the City of Tshwane District Municipality with an export share of 22%. In 2021, Ekurhuleni exports slightly decreased but still led with an export share of 49%, followed by the City of Johannesburg and the City of Tshwane with a share of 27% and 24% respectively.

Figure 23: Value of beef exported from Limpopo Province

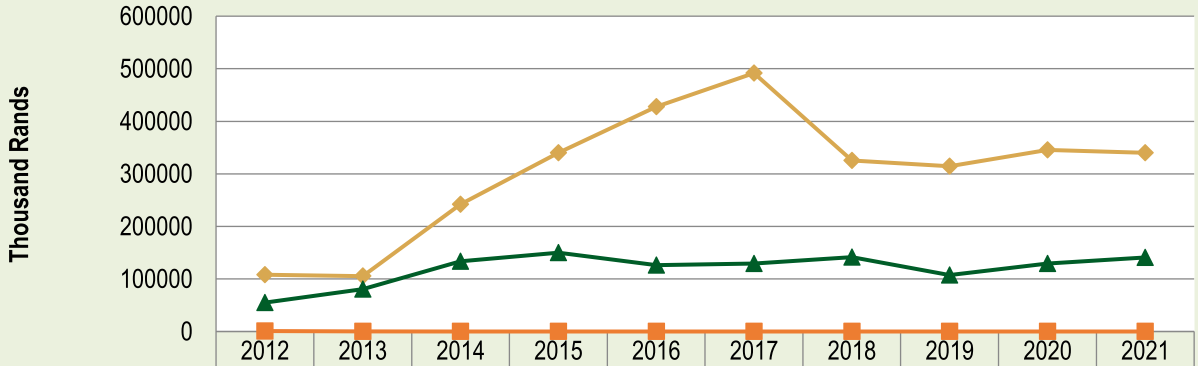


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vhembe	456	5	17	546	1524	759	733	1316	1165	5182
Capricorn	1	16	0	7	7	30	0	1	0	0
Waterberg	462	238	386	435	1018	464	23	76	203	499

Source: Quantec EasyData

Figure 23 shows the value of exports by Limpopo Province for the past decade. Vhembe District Municipality was a regular exporter of beef in Limpopo Province unlike Capricorn and Waterberg District Municipalities during the period under analysis. The highest export values were recorded from Vhembe in 2021 followed by Waterberg District Municipality. On average Vhembe District Municipality recorded the highest exports followed by Waterberg then Capricorn for the past decade.

Figure 24: Value of beef exported from Mpumalanga Province



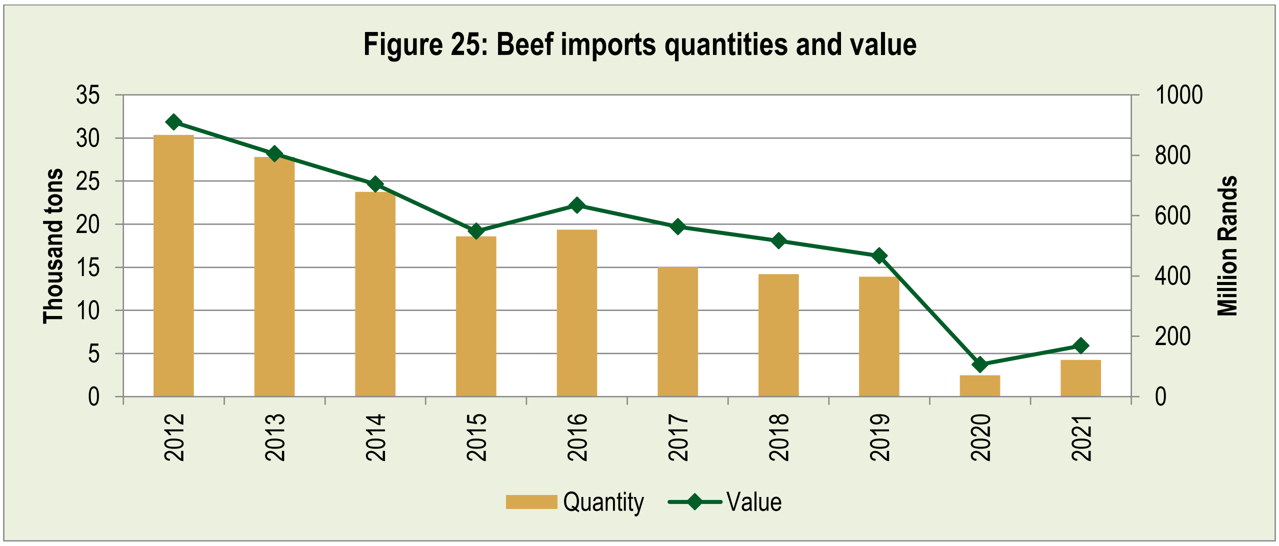
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gert Sibande	107903	105331	241753	339978	427536	491670	325601	314510	345234	339970
Nkangala	862	16	0	0	0	0	0	0	0	0
Ehlanzeni	54993	80785	133621	149947	126297	129615	141680	107223	129086	140717

Source: Quantec EasyData

Figure 24 shows the value of exports by Mpumalanga Province for the past ten years. In Mpumalanga province, Gert Sibande and Ehlanzeni District Municipalities appeared to be the main exporters of beef for the past decade. Irregular exports were recorded from Nkangala District Municipality. Gert Sibande commanded the highest export shares during the entire period of analysis. This municipality has shown an immense increase in exports from 2014 to 2017. In 2018, Gert Sibande's exports declined but still led with an export share of 70% followed by Ehlanzeni with 30%. Both the districts remained flat through 2021.

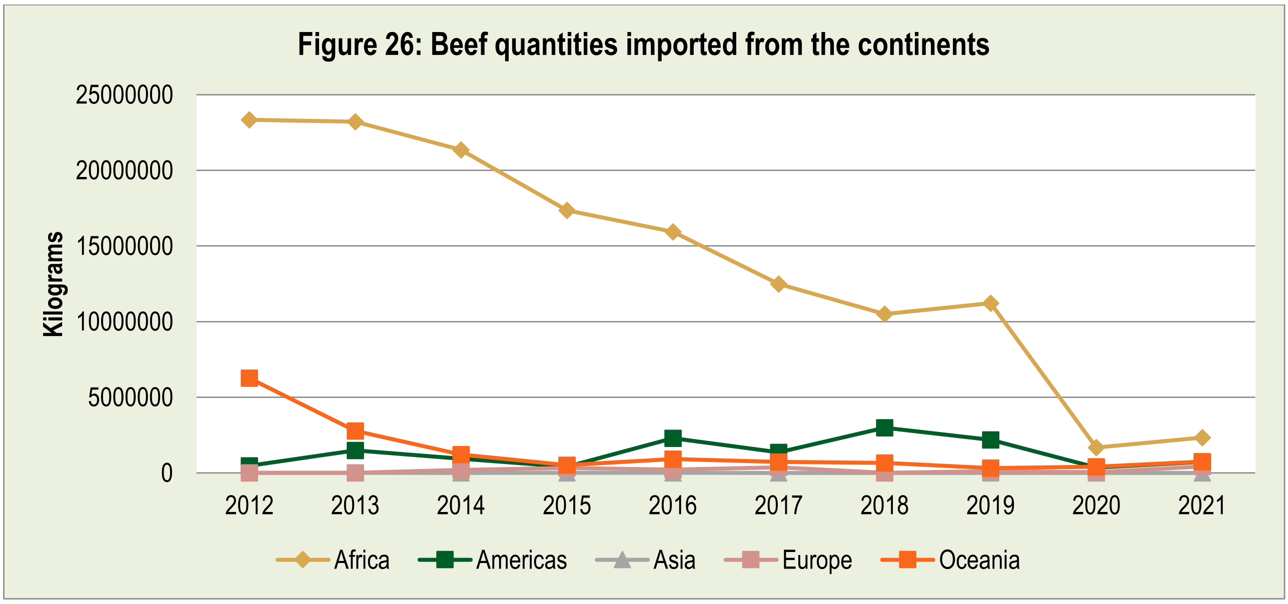
2.2.3. Imports.

The imports of beef comprise fresh and frozen meat. The chunk of imports is mostly frozen beef which accounted for 80% and above throughout the period analysed. South Africa imported 4 000 tons of beef worth of R168 million in 2021, thus an increase of 58% in value and 71% in quantity from the previous year. Figure 25 below shows the South African imports of beef for the past ten years. South African beef imports have been fluctuating in the past decade. The import values and quantities of beef followed the same trend throughout the previous decade. The highest imports of beef were recorded in 2012, since then the beef imports have been declining except in 2016. In 2016, imports increased due to the drought experienced in 2015/16. From 2012 to 2019, there was a tremendous decline of 54% which was attributed to the declining consumption of beef in South Africa. The 2020 beef imports recorded the lowest due to the decline from top suppliers, Namibia and Botswana (See Figure 27).



Source: Quantec EasyData

Figure 26 below indicates the source of beef imports according to continents for the past ten years.

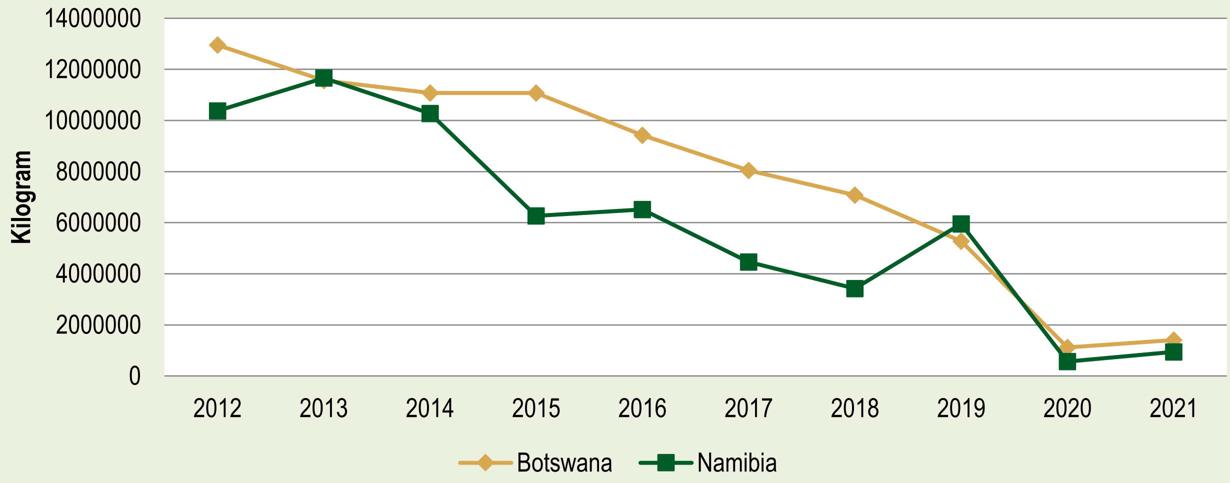


Source: Quantec EasyData

According to Figure 26 above, African continent has been a leading supplier of beef to South Africa. Followed at a distance by Oceania and the Americas. In 2016, the USA attained access to the South African beef market following the trade agreement in African Growth and Opportunity Act (AGOA) negotiations, hence the imports increased in the Americas continent. In total of beef imported from continents, Africa is leading with 139 million Kg (82%), followed at a distance by Oceania with 14.5 million Kg (9%) and the Americas with 13 million Kg (8%). Europe and Asia are the smallest suppliers with 1.7 million Kg and 10 000 Kg respectively.

The following Figures 27 to 29 indicate the origins of beef in Africa, America and Oceania in the past ten years.

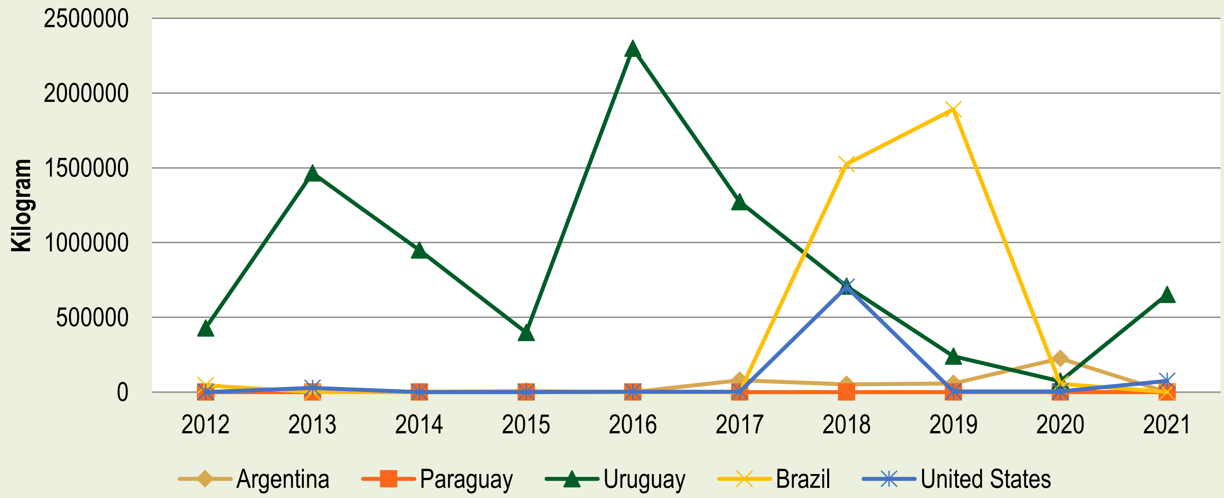
Figure 27: Beef quantities imported from Africa



Source: Quantec EasyData

The beef imports from the African continent to South Africa are mainly from Botswana and Namibia. Figure 27 above clearly indicates that the imports from both countries are moving at a declining trend especially from 2013 to 2020. Botswana has been a leading import market for South Africa in Africa except in 2013 and 2019, where Namibia took the lead. South Africa imposed high standards on Namibia in 2014 hence the huge decrease in imports in 2015. The beef imports from Namibia further declined until 2020, except in 2019. Namibia increased its imports by 74% in 2019 and took the lead. Beef from Botswana has shown an immense decrease from 2013 until 2020. Both countries have shown a tremendous decrease in beef imports in 2020, beef import market was lost to livestock sales market in South Africa (feedlots) were a high number of live cattle for beef production were sold in 2019. The South African feedlots market price attracted live cattle farmers in Botswana and Namibia, which lowered their local slaughtering for beef market in 2020. In 2021, the imports from Botswana and Namibia showed an increase of 26% and 66% respectively.

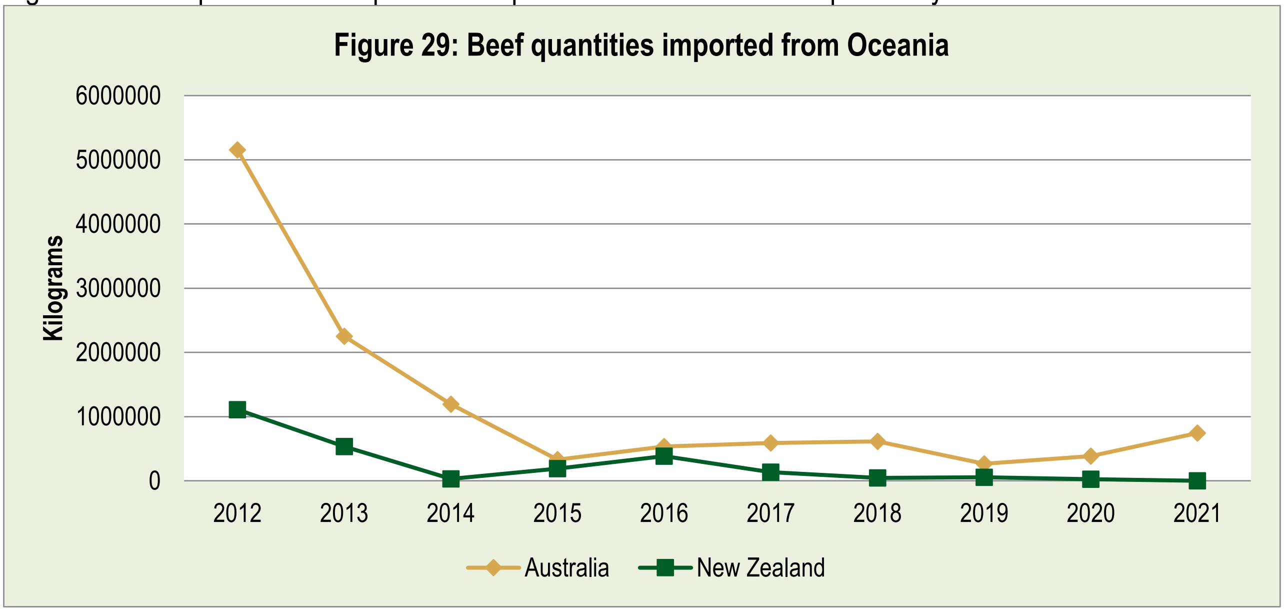
Figure 28: Beef quantities imported from Americas



Source: Quantec EasyData

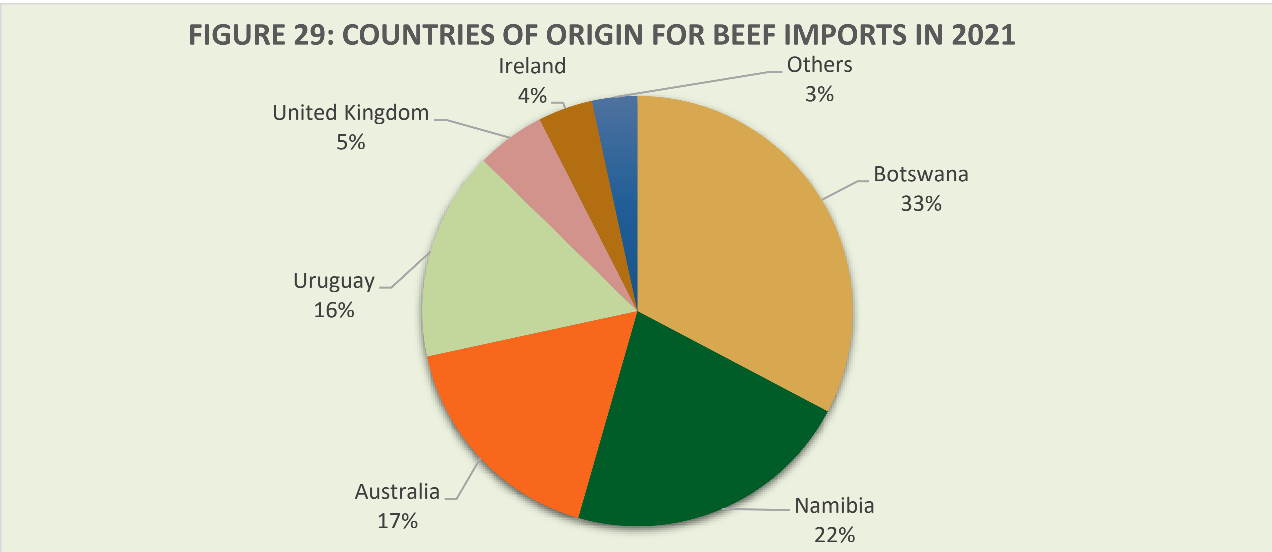
Figure 28 shows the beef quantities imported from the Americas in the past decade. Uruguay was the leading import market of beef within the Americas from 2012 to 2017 and lost to Brazil in 2018 and 2019. Brazil beef exports to South Africa have significantly dropped by 97% in 2020 and zero in 2021, this could be due to the increased Brazilian beef market in China. For the period under analysis, Uruguay commanded a 64% share of the South African market, followed by Brazil with 27%, USA, Argentina and Paraguay shared the remaining 9%.

Figure 29 below presents beef quantities imported from Oceania in the past ten years.



Source: Quantec EasyData

The South African imports from the Oceania continent were mainly coming from Australia and New Zealand. Australia is known to be one of the top producers of beef in the world; the country has been the main import market of beef for South Africa during the period under analysis within Oceania. The Oceania continent's highest beef exports were attained during 2012 with Australia accounting for 82% share. New Zealand demanded a second and lowest share of the South African beef market for the period under analysis.



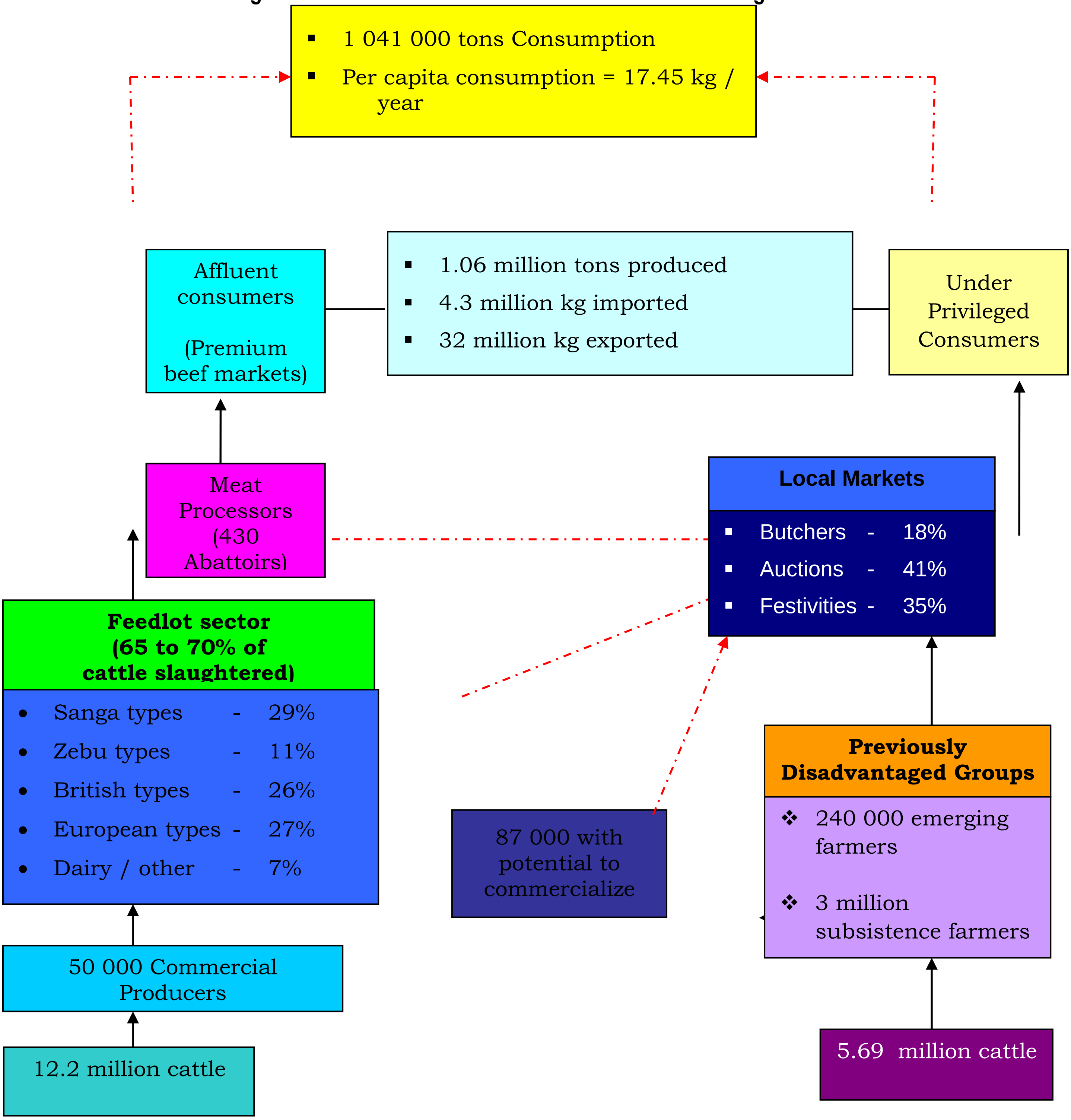
Source: Trade map

Figure 29 above shows the top suppliers of beef to South Africa during 2021. South Africa obtains most of its beef from Namibia and Botswana, which are SACU members. Botswana accounted for a 33% share of South Africa’s import market of beef followed by Namibia with a share of 22% and Australia (17%). Uruguay, the United Kingdom and Ireland which are Southern America‘s countries accounted for 16%, 5% and 4% share respectively. The other countries together shared the remaining 3%.

3. BEEF MARKET VALUE CHAIN

Beef market value chain is illustrated in Figure 30.

Figure 30: South African Beef Market Value Chain during 2020/21



Source: ARC, Statistics & Economic Analysis, DALRRD, Easydata

It is estimated that there are approximately 22 000 commercial farmers currently farming with livestock. This includes producers that keep livestock as their main enterprise and those that keep livestock as a secondary enterprise. They own around 12.2 million cattle. There are 240 000 small-scale farmers and 3 million subsistence farmers that own around 5.69 million cattle.

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

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

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

The beef industry produced just above 1 million tons of meat and imported around 4.3 million kilograms while exporting 32 million kilograms. Per capita consumption is around 17.45 kg and the number of consumers is around 62 million.

Table 1 below shows the industry's role players.

Table 1: Industry Role Players

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

No.	Name	Description	Contact Details
10	**DOORNBULT VOERKRALE (Pty) Ltd**	Feedlot	P O Box 13, Ladanna, 0704 T : (015) 293 2575 F : (015) 293 2064
11	**EAC Group**	Started by Claassen 40 years back. In 1986, joined the force with two shareholders and started the Midland meat factory. They have a distribution network in Kwazulu–Natal. Four modern abattoirs operate from Wolwehoek, Harrismith, Vereeniging and Frankfort. All three feedlots are situated in the calf weaner and lamb weaner-producing areas and they carry 35 000 cattle at any specific time. The feedlots thus form an ideal marketing channel for weaner producers.	
12	**FORTRESS BONSMARAS**	It is situated 12 km northwest of Frankfort, Free State. It is a beautiful farm (2.925 ha) and the capacity of the feedlot is about 6000 weaners of Bonsmara or Bonsmara-cross per annum.	P O Box 630, Frankfort, 9830 T : (011) 394 2810 F : (011) 394 2471 F: 058 813 3947
13	**KAMEELDRIFT VOERKRAAL**	Feedlot	PO Box 15648, Kameeldrift – Oos T: 082 375 1826 F: 012 808 5986
14	**KANHYM ESTATES LTD.**	Feedlot	P O Box 89, Middelburg, 1050 T : (013) 249 7852/3 F : (013) 246 6211
15	**Karan Beef**	It is a family business situated at Heidelberg, south of Johannesburg. It operates feedlot, feed mill, abattoir and meat processing. The feedlot accommodates over 120 000 head of cattle - making the Karan Beef feedlot the largest in Africa. The abattoir can process up to 1 600 head of cattle every day.	PO Box 53, Heidelberg, 1438, RSA Tel: +27 16 342 1214 Fax: +27 16 342 1212 E-mail: feedlot@karanbeef.com
16	**KELLERMAN BOERDERY**	Feedlot	P O Box 74,Koringberg,7312 T : 083 300 8134 F: (021) 854 5069
17	**KLEYNFAAN FEEDLOT**	Feedlot	P O Box 169, Vryheid, 3100 T : (034) 981 5421 F: 086 675 0574
18	**KOODOOLAKE**	Feedlot	P O Box 275, Stella, 8650 T: 083 441 5909 F: 083 457 2809
19	**KOREM FARM**	Feedlot	PO Box 58893, Karenpark, 0118

No.	Name	Description	Contact Details
			T : 012 549 2840 F: 012 549 2840
20	**LIEBENBERGSTROOM VOERKRAAL BPK**	Feedlot	P O Box 130, Edenville, 9535 T : (056) 631 0120 F : (056) 631 0120
21	**MANJOH RANCH**	Feedlot	P O Box 1052, Nigel, 1490 T : (011) 819 2882 F : (011) 819 2801/3/4 F : (011) 819 1889
22	**MADIKOR**	Feedlot	P O Box 1050,Louis Trichardt,0920 T : (015) 516 4464 F : (015) 516 1441 / 086 689 4693
23	**MIKRON BOERDERY**	Feedlot	PO Box 357, Bultfontein, 9670 T: 051 853 2257 F: 051 853 2257
24	**MLEKI`S BEEF**	Feedlot	Postnet Suite 327, Private Bag x 2020 Isando, 1600 T: 011 974 0309 F: 011 974 0464 C: 083 3752596
25	**MUSHLENDOW**	Feedlot	P O Box 357, Koster, 0348 T : (014) 543 2388 F : (014) 543 8904
26	**MVB FEEDERS**	Feedlot	P O Box 848, Louis Trichardt, 0920 T : (015) 516 0843 F : (015) 516 4150
27	**PIET WARREN PLASE**	Feedlot	P O Box 1, Gravelotte, 0895 T : (015) 318 4469 F : (015) 318 4301
28	**POPPIELAND TRUST**	Feedlot	P O Box 9, Bultfontein, 9670 T : (051) 853 1129 F : (051) 853 4002
29	**RANCH ESTATES**	Feedlot	P O Box 1270, Delmas, 2210

No.	Name	Description	Contact Details
			T : (013) 667 9023 F : (013) 667 9033 R : (011) 804 2320
30	**SIS FARMING**	Is located in the Bethal/Ermelo region of the Mpumalanga escarpment. It purchases weaners from other farmers to fatten for subsequent sale and delivery to the Witbank Abattoir. It has 22,000 cattle standing at any given time.	P O Box 201, Bethal, 2310 T (013) 291 5600 F : (013) 291 5611
31	**SKS BOERDERY**	Feedlot	P O Box 348, Middelburg, 1050 T : (013) 243 8154 F : (013) 243 8151
32	**SPARTA BEEF**	It is a family-owned and operated cattle feedlot and farming concern. The feedlot has around 40,000 cattle standing at any time. The present operation was established on the farm "Sparta", a sub-division of the farm "Middel " in the Marquard district, during the 1960s. The farm "Middel", has been in the family for over 100 years and since inception, farmed as a family business. Originally mixed farming - cattle, sheep, pigs, plus various crops, such as maize (corn), wheat, oats and potatoes - was practiced on the farm. Sparta Beef expanded its horizons by entering into a joint venture where it tans cattle hides in Butterworth, Eastern Cape. Later, in January 1999, it acquired a large abattoir in Welkom, Northern Free State, with Black Empowerment and other local business interests now known as Sparta Foods (Pty) Ltd. At the beginning of 2001, it started a wholesale department called Sparta Foods in Benoni (Gauteng).	P O Box 64, Marquard, 9610 T : (051) 991 9200 F : (051) 991 9274 R : (051) 991 9241
33	**TAAIBOSCHBULT Pty Ltd**	Owned by Bull Brand	P O Box 2092, Potchefstroom, 2520 T : (018) 291 1035 F : (018) 291 1439
34	**THERON BOERDERY**	Feedlot	Elsonstraat 84, Pretoriawes, 0183 T : (012) 327 5040 F : (012) 327 5048
35	**TRIPLE C FEEDLOT**	feedlot	P O Box 1723, Dundee, 3000 T: (034) 212 3716 F: (034) 218 1334 C: 083 653 2145
36	**VENCOR**	Feedlot	P O Box 749, Ladanna, 0704

No.	Name	Description	Contact Details
			T : (015) 293 2150 F : (015) 293 2579 C: 083 626 0319
37	**VERCUIEL**	Feedlot	PO Box 245,Stella,8650 T:082 866 4433 F: 0866 759 451
38	**WINDHOEK BOERDERY**	Feedlot	PO Box 387,Pietersburg,0700 T: 082 460 4432 F: 015 297 4350
39	**VERGEZIGHT FEEDLOT**	Feedlot	PO Box 1034, Heilbron,9650 T: 058 852 3701/2/3 F: 058 852 3700

Source: South African Feedlot Association.

4. MARKET INTELLIGENCE.

4.1. Export tariffs.

Tariffs that different importing countries applied to beef originating from South Africa in 2020 and 2021 are shown in Tables 2 and 3.

Table 2: Export tariffs of beef (fresh or chilled)

Country	Product Code	Trade Regime Description	2020		2021	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
United Arab Emirates, Kuwait and Jordan	02011000; 02012000 & 02013000	MFN duties Applied	0%	0%	0%	0%
Mozambique	02011000; 02012000 & 02013000	Preferential tariff for SADC countries	0%	0%	0%	0%
Eswatini and Lesotho	02011000; 02012000 & 02013000	Intra SACU rate	0%	0%	0%	0%
Qatar	02011000; 02012000 02013000	MFN duties Applied	0%	0%	0%	0%

Source: Market Access Map

Table 2 indicates that during 2020 and 2021, the United Arab Emirates (UAE), Kuwait and Jordan applied Most Favourable Nations (MFN) duties of 0% exports of fresh or chilled beef. During the same period, Mozambique applied a preferential tariff for SADC countries of 0%. Eswatini and Lesotho applied a 0% Intra SACU rate to beef originating from South Africa during 2020 and 2021. Qatar also applied MFN duties of 0% in the same period.

Table 3: Export tariffs of frozen beef

Country	Product Code	Trade Regime Description	2020		2021	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
China	02021000; 02022000 & 02023000	MFN duties Applied	0%	0%	25%	25%
Kuwait and the United Arab Emirates	0202100000; 0202200000 & 0202300000	MFN duties Applied	0%	0%	5%	5%

Country	Product Code	Trade Regime Description	2020		2021	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
Lesotho	02021000 02022000 02023010 02023090	Intra SACU rate	0%	0%	0%	0%
Mozambique	02021000; 02022000 & 02023000	Preferential tariff for SADC Countries	0%	0%	0%	0%

Source: Market Access Map

Table 3 above shows that China applied the MFN duties rate of 0% on frozen beef to South Africa in 2020 and 25% in 2021. Kuwait and UAE applied MNF duties of 0% in 2020 and 5% in 2021. In the same period, Mozambique charged South Africa a preferential tariff rate for SADC countries of 0%. Lesotho trades free of duty with South Africa through Intra SACU rate of 0%. Most of the tariffs applied to South African frozen beef remained the same during the periods 2020 and 2021 except China, Kuwait and the United Arab Emirates.

4.2. Import tariffs

Table 4 below shows the import tariffs that South Africa applied to imports of beef originating from all possible countries in 2021.

			Rate of Duty					
	Article Description	**Statistical unit**	**General**	**EU/UK**	**EFTA**	**SADC**	**MERCOSUR**	**AfCFTA**
02.01	**Meat of bovine animals, fresh or chilled:**							
0201.1	Carcasses and half-carcasses	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg	40% or 240c/kg
0201.2	**Other cuts with bone in:**							
0201.20.10	Wagyu beef	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg	40% or 240c/kg
0201.20.90	Other	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg	40% or 240c/kg
0201.3	**Boneless**							
0201.30.10	Wagyu beef	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg	40% or 240c/kg
0201.30.90	Other	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg	40% or 240c/kg
0202	**Meat of bovine animals, frozen:**							
0202.1	Carcasses and half-carcasses	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg	40% or 240c/kg
0202.2	**Other cuts with bone in:**							

0202.20.10	Wagyu beef	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg	40% or 240c/kg
0202.20.90	Other	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg	40% or 240c/kg
0202.3	**Boneless**							
0202.30.10	Wagyu beef	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg	40% or 240c/kg
0202.30.90	Other	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg	40% or 240c/kg

Source: SARS

Table 5 above indicates the tariff duties applied by South Africa to trade agreement members of the EU, EFTA, SADC, MERCOSUR, AfCFTA and General members on sub-products of beef, fresh, chilled or frozen. South Africa applied a tariff of 40% or 240c/Kg to trade agreements (EU, EFTA, MERCOSUR, AfCFTA and General member of WTO) and duty-free for SADC members. The total annual quota allocated for fresh/chilled and frozen beef was 26 254 tons. The rebate allocated differs on various beef portions. The carcasses and half carcasses (0201.10 and 0202.10) are allocated a rebate of full duty less 13.8%, other cuts with bone in (0201.20 and 0202.20) were also full duty less13.8% and boneless (0201.30 and 0202.30) is full duty less 32%.

5. PERFORMANCE OF SOUTH AFRICAN BEEF INDUSTRY IN 2021.

5.1. Exports.

Table 6: List of importing markets for Beef (fresh or chilled) exported by South Africa in 2021

South Africa's export represents **0.3%** of world export for the Beef (fresh or chilled); its ranking in world exports is **27**.

Importers	Indicators														
	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in South Africa's exports (%)	Quantity exported in 2021	Quantity unit	The unit value (USD/unit)	Growth in exported value between 2017-2021 (%, p.a.)	Growth in exported quantity between 2017-2021 (%, p.a.)	Growth in exported value between 2020-2021 (%, p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total imports growth in value of partner countries between 2017-2021 (%, p.a.)	Average distance between partner countries and all their supplying markets (km)	Concentration of all supplying countries of partner countries	Average tariff (estimated) faced by South Africa (%)
World	89517	86158	100	15119	Tons	5921	1	-2	11		100	4			
Kuwait	25245	25245	28,2	4061	Tons	6216	8	8	14	28	0,5	12	5233	0,27	0
United Arab Emirates	16046	16046	17,9	2214	Tons	7248	-9	-13	51	18	1,4	6	7495	0,2	0
Jordan	13271	13271	14,8	2280	Tons	5821	9	9	-38	37	0,3	8	8516	0,29	7,6
Qatar	10818	10818	12,1	1431	Tons	7560	43	42	63	39	0,3	14	7896	0,16	0
Mozambique	8324	8324	9,3	1801	Tons	4622	5	0	13	78	0,03	7	951	0,96	0
Eswatini	3718	3718	4,2	912	Tons	4077	-23	-24	18	91	0,01	-24	428	1	0
Egypt	2427	2427	2,7	295	Tons	8227	19	17	8	58	0,07	17	9280	0,49	0
Mauritius	2213	2213	2,5	357	Tons	6199	-3	0	37	86	0,02	-12	6358	0,5	0
Lesotho	1837	1837	2,1	559	Tons	3286	-12	-6	57	103	0	-12	369	1	0
Bahrain	1362	1362	1,5	156	Tons	8731	-1	1	43	49	0,1	3	6281	0,26	0
Zimbabwe	1068	1068	1,2	402	Tons	2657	46	25	1409						0
Hong Kong, China	587	587	0,7	100	Tons	5870	43	38	157	26	0,7	6	8337	0,29	0
Canada	377	377	0,4	94	Tons	4011			666	11	2,4	3	2624	0,66	26,5
Ghana	352	352	0,4	43	Tons	8186	112	116	351	115	0	49	4969	0,33	35

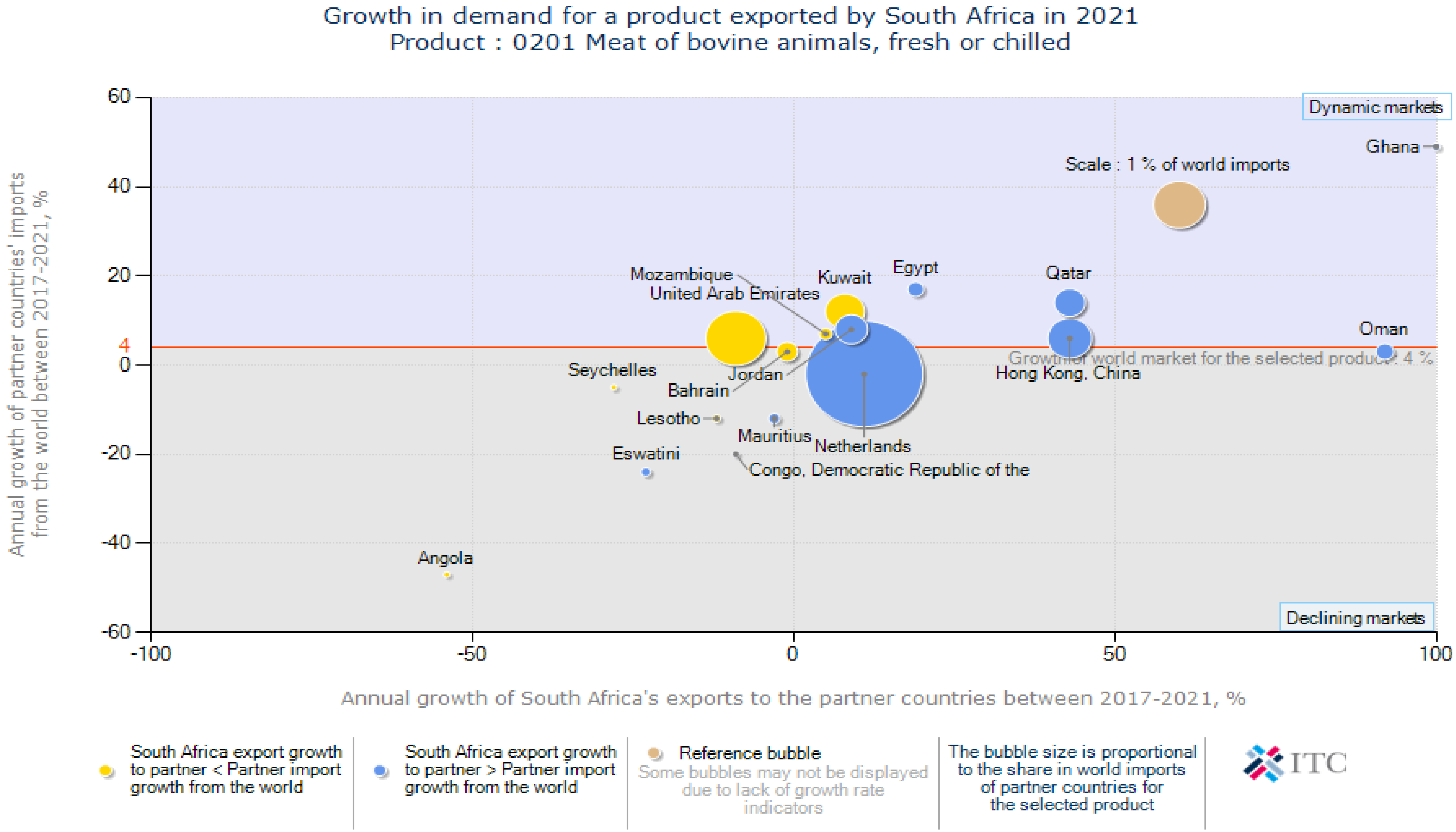
Source: ITC calculations based on COMTRADE statistics.

Table 6 shows that during 2021 South Africa exported a total of 15 119 tons of beef (fresh or chilled) at an average value of US$ 5 921/unit. The major export destinations for beef (fresh or chilled) originating from South Africa in 2021 were Kuwait, United Arab Emirates (UAE) and Jordan. These countries accounted for 28.2%, 17.9% and 14.8% respectively.

On average, during the period 2017 and 2021, South Africa's exports of beef (fresh or chilled) increased by 1% in value and decreased by 2% in quantity. During the same period, Kuwait experienced an increase of 8% in value and 8% in quantity and UAE decreased by 9% in value and 13% in quantity

South Africa's exports of beef (fresh or chilled) to the world increased by 11% during the period between 2020 and 2021. At the same period, Kuwait and UAE increased by 14% and 51% respectively.

Figure 31: Growth in demand for fresh beef exported from South Africa in 2021



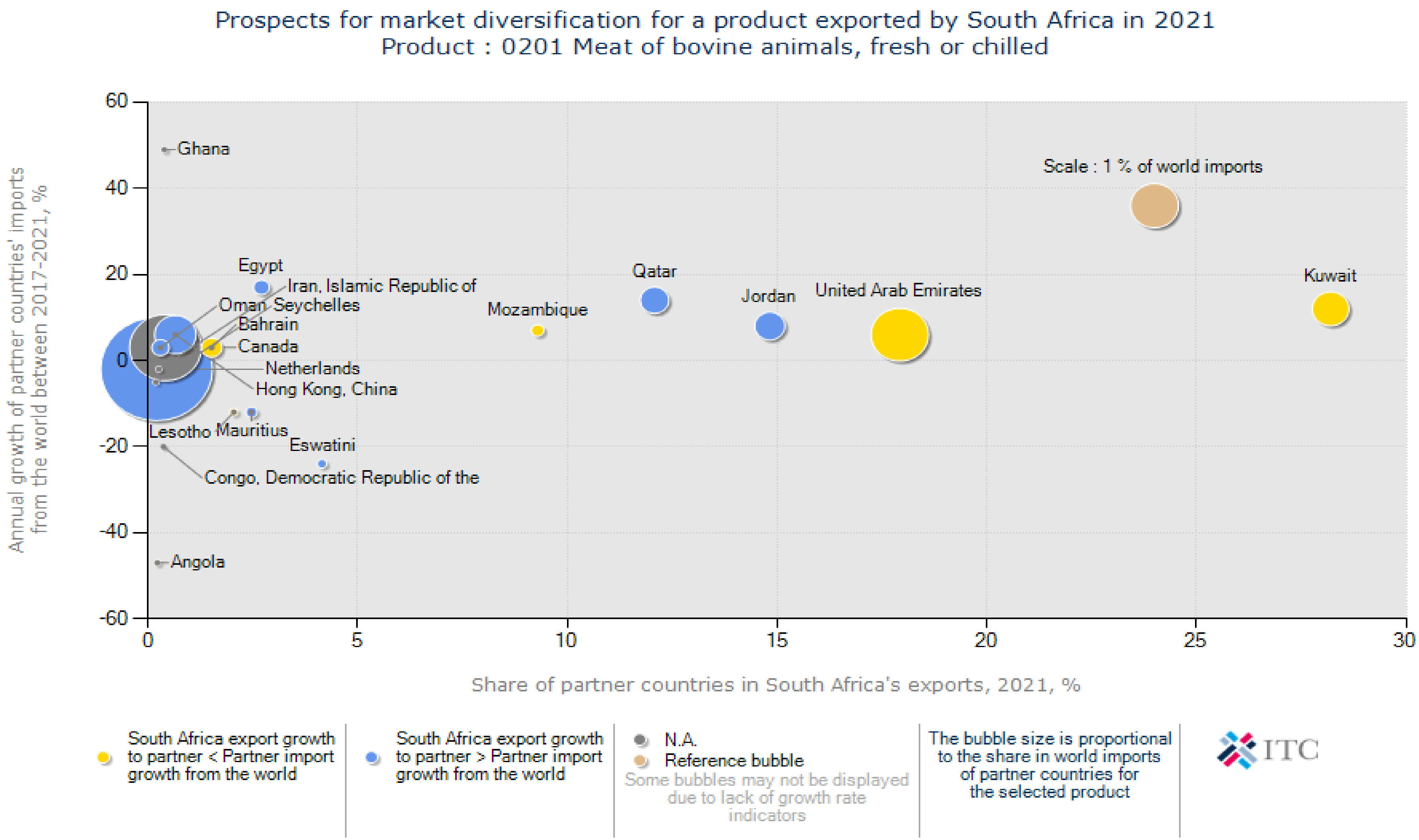
Source: Trademap, ITC

Figure 31 illustrates that between 2017 and 2021, South Africa's beef (fresh or chilled) exports to UAE, Kuwait, Mozambique, Bahrain and Seychelles were growing at a rate that is less than their import growth from the rest of the world.

South Africa's beef (fresh or chilled) exports to the Netherlands, Qatar, Hong Kong, China, Jordan, Oman, Egypt, Eswatini and Mauritius were growing at a rate that was greater than their imports from the rest of the world during the periods 2017 and 2021. Oman is the biggest South African export market for fresh/chilled beef with annual export growth of over 90%.

The most growing demand of the market for fresh or chilled beef is in Ghana with an annual import growth of 49% respectively.

Figure 32: Prospects for market diversification for fresh beef exported by South Africa in 2021



Source: Trademap, ITC

Figure 32 above indicates that South Africa's fresh or chilled beef has been mainly exported to Kuwait, UAE and Jordan with a share of 28.2%, 17.9% and 14.8% of South Africa's beef exports during 2021 respectively. If South Africa wishes to diversify its exports of fresh or chilled beef exports, the biggest market exists in the Netherlands with a world import share of 6.2%. Potential market exists in Ghana with annual import growth of 49% per annum. Currently, South Africa's export of beef to Ghana is less than their imports from the world. South Africa may consider increasing the exports in this market.

Table 7: List of importing markets for the Beef (frozen) exported by South Africa in 2021.

South Africa's export represents **0.2%** of world export for frozen beef; its ranking in world exports is **30**.

Importers	Indicators													
	Value exported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in South Africa's exports (%)	Quantity exported in 2021	Quantity unit	The unit value (USD/unit)	Growth in exported value between 2017-2021 (%, p.a.)	Growth in exported quantity between 2017-2021 (%, p.a.)	Growth in exported value between 2020-2021 (%, p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total imports growth in value of partner countries between 2017-2021 (%, p.a.)	Average distance between partner countries and all their supplying markets (km)	Concentration of all supplying countries of partner countries	Average tariff (estimated) faced by South Africa (%)
World	75825	67607	100	17046	Tons	4448	8	7	2		100	11			
China	38748	38748	51,1	9106	Tons	4255	50	52	-15	1	38,4	42	15511	0,22	12,2
Mozambique	4966	4966	6,5	1037	Tons	4789	-4	-8	28	114	0,02	3	1279	0,9	0
Lesotho	4795	4795	6,3	1877	Tons	2555	5	-6	69	118	0,02	5	369	1	0
United Arab Emirates	4263	4263	5,6	793	Tons	5376	34	35	18	17	1,1	9	8947	0,33	5
Jordan	4189	4189	5,5	686	Tons	6106	29	31	131	29	0,3	8	7890	0,31	9,6
Egypt	4180	4180	5,5	658	Tons	6353	4	17	54	6	3	-2	6285	0,46	0
Hong Kong, China	2254	2254	3	495	Tons	4554	-25	-27	-1	5	4,4	-8	13672	0,29	0
Angola	2034	2034	2,7	388	Tons	5242	-26	-24	65	59	0,1	-29	6167	0,24	10
Seychelles	1852	1852	2,4	289	Tons	6408	4	5	239	115	0,02	3	6433	0,2	0
Ethiopia	1658	1658	2,2	285	Tons	5818	74	90	50	198	0	59	4808	0,79	30
Kuwait	1646	1646	2,2	392	Tons	4199	24	30	-68	30	0,3	2	9463	0,18	5
Malaysia	752	752	1	61	Tons	12328				11	1,7	1	4698	0,68	0
Nigeria	701	701	0,9	106	Tons	6613	-5	3	79	207	0	-47	4719	1	35

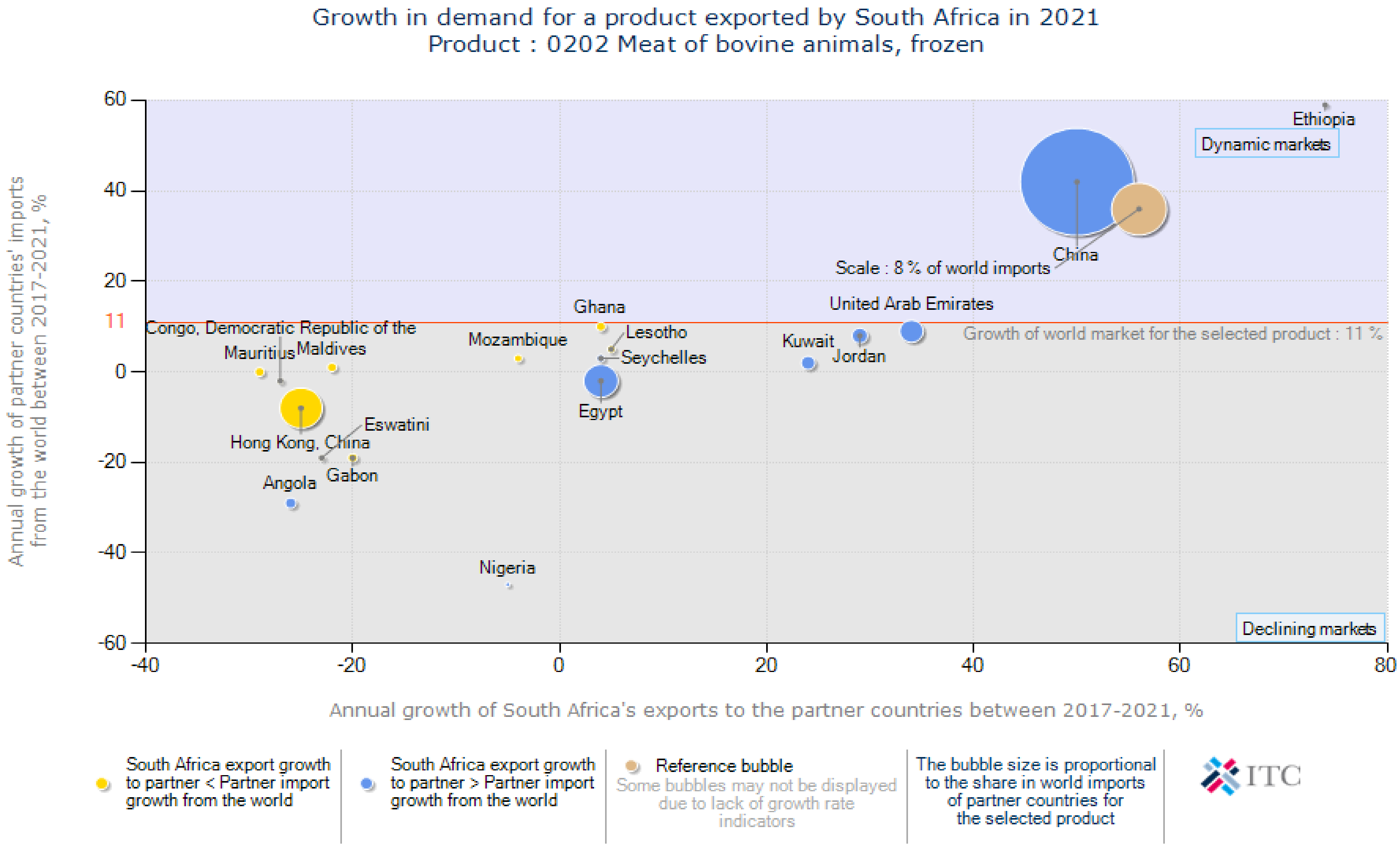
Source: ITC calculations based on COMTRADE statistics.

Table 7 shows that during 2021 South Africa exported a total of 17 046 tons of frozen beef at an average value of US$ 4 448/unit. The major export destinations for frozen beef originating from South Africa in 2021 were China, Mozambique and Lesotho. These countries accounted for 51.1%, 6.5% and 6.3% respectively.

Exports of frozen beef exported by South Africa to the world during the periods 2017 and 2021 experienced an increase of 8% in value and 7% in quantity. During the same periods, exports to China increased by 50% in value and 52% in quantity while Mozambique decreased by 4% in value and 8% in quantity.

South Africa’s exports of frozen beef to the world between the period 2020 and 2021 increased by 2% in value. During the same period, China decreased by 15% and Kuwait increased by 28% during the same periods.

Figure 33: Growth in demand for frozen beef exported from South Africa in 2021

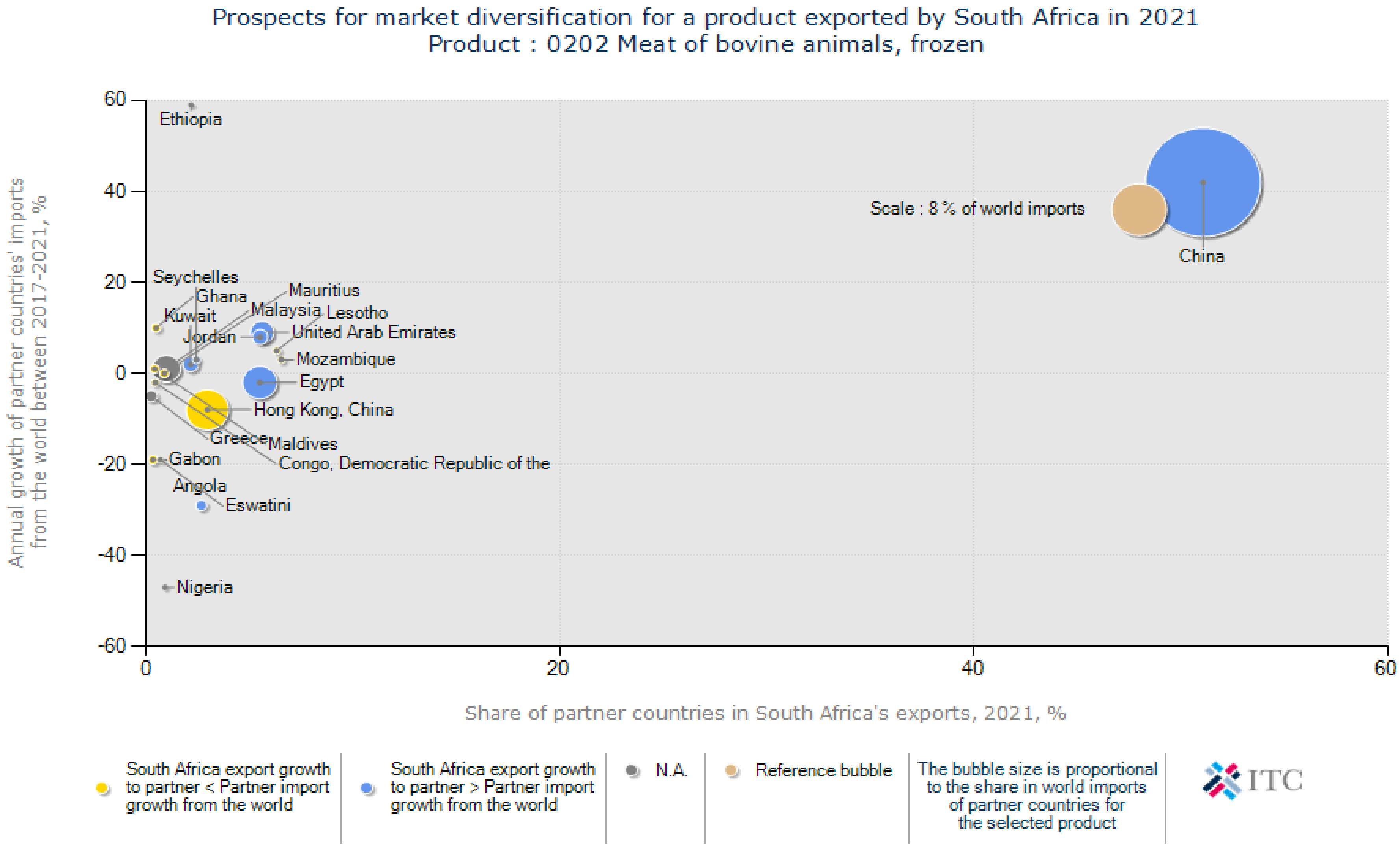


Source: Trademap, ITC

Figure 33 illustrates that between 2017 and 2021 South Africa’s frozen beef exports to Hong Kong, China, Ghana, Mauritius, Maldives and Mozambique were growing at a rate that is less than its import growth from the world. During the same period, South Africa’s frozen beef exports to China, UAE, Jordan, Kuwait, Egypt and Angola were growing at a rate that was greater than their imports from the rest of the world.

Nigeria represents a loss in a declining market while Ethiopia represents a gain in Dynamic markets. China experienced the highest growing demand for South African frozen beef with an annual import growth of 42% and a share in world imports of 38.4%.

Figure 34: Prospects for market diversification for frozen beef exported by South Africa in 2021



Source: Trademap, ITC

Figure 34 above shows the prospects for market diversification for beef (frozen) exports by South Africa in 2021. South Africa's frozen beef was mostly exported to China, which commanded South Africa's beef export share of 51%. If South Africa is to diversify its frozen beef exports, the most attractive market exists in Ethiopia, which experienced an annual import growth of 59%.

5.2. Imports.

Table 8: List of supplying markets for the beef (fresh or chilled) imported by South Africa in 2021.

South Africa represents **0%** of world imports for beef (fresh or chilled); its ranking in world imports is **94**.

Exporters	Indicators													
	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in South Africa's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (%, p.a.)	Growth in imported quantity between 2017-2021 (%, p.a.)	Growth in imported value between 2020-2021 (%, p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)	Total exports growth in value of partner countries between 2017-2021 (%, p.a.)	Average distance between partner countries and all their importing markets (km)	Concentration of all importing countries of partner countries	Average tariff (estimated) applied by South Africa (%)
World	3359	86158	100	1213	Tons	2769	-7	-7	544		100	4			
Botswana	2849	-2724	84,8	1077	Tons	2645	37	37	824	60	0	-56	695	0,8	0
Namibia	335	-232	10	94	Tons	3564	-45	-48	204	38	0,09	-17	8921	0,7	0
Area Nes	81	-81	2,4	31	Tons	2613	92	58							
Australia	60	-60	1,8	8	Tons	7500			-11	2	10,4	6	9892	0,17	40
United States of America	34	-34	1	2	Tons	17000			-3	1	16,3	6	7999	0,18	40
Kuwait		25245								75	0	9	859	1	40
United Arab Emirates		16046								46	0,03	13	539	0,64	40
Jordan		13271								92	0	96	1198	1	40
Qatar		10818								82	0		555	1	40
Mozambique		8324								88	0	92	6218	0,48	0
Eswatini		3718								61	0	3	9067	0,85	0
Egypt		2427								69	0	-39	1870	0,35	40
Mauritius		2213													0

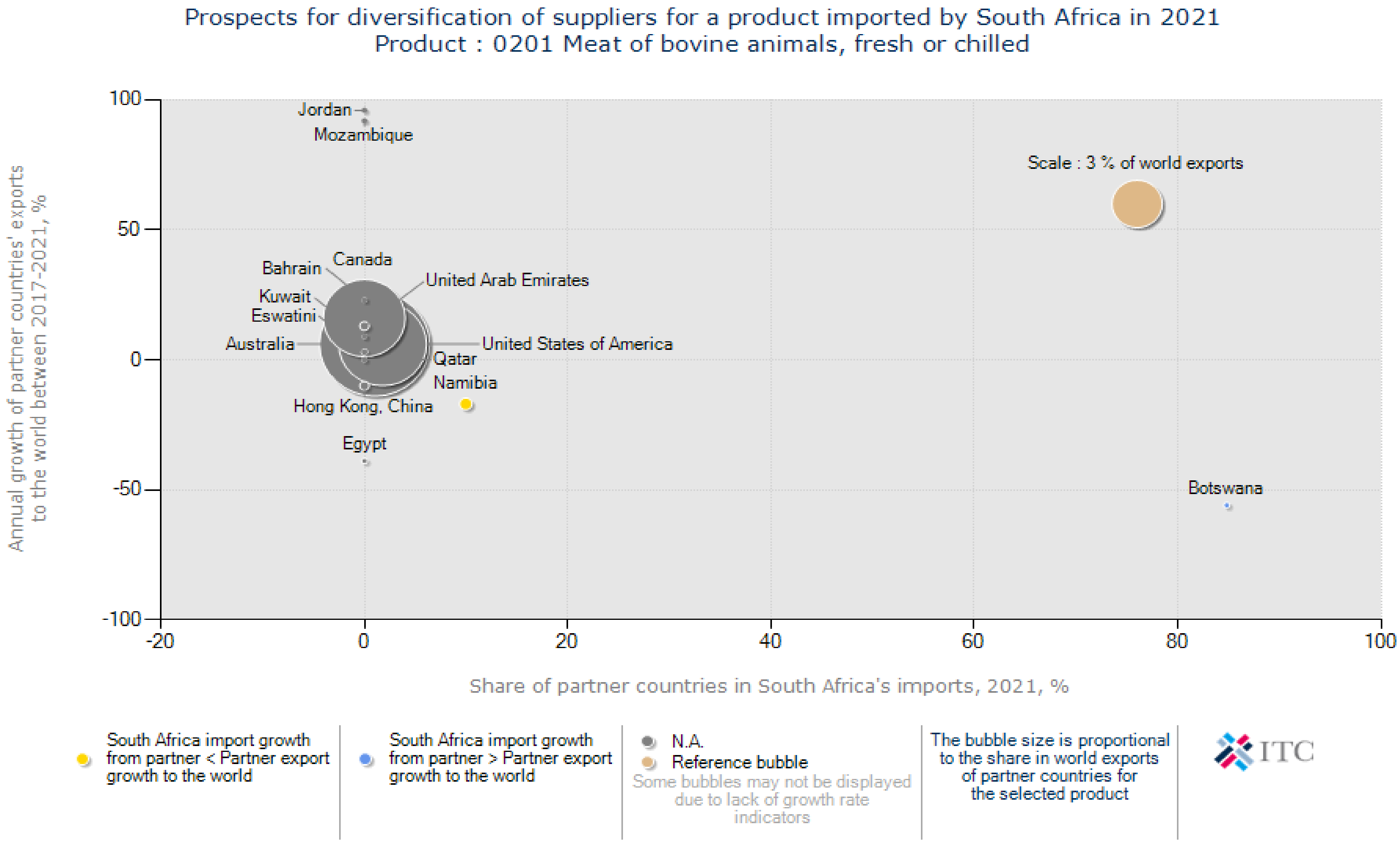
Source: ITC Trade Map.

Table 8 shows that during 2021 South Africa imported a total of 1213 tons of beef (fresh or chilled) at an average value of US$ 2 769/unit. The suppliers of beef (fresh or chilled) imported by South Africa during 2021 were Botswana and Namibia which accounted for 84.8% and 10% respectively.

South African growth of beef imports from 2017 to 2021 decreased by 7% in value and 7% in quantity. At the same period, Botswana increased by 37% in value and 37% in quantity and Namibia decreased by 45% in value and 48% in quantity.

Between the periods 2020 and 2021 South African beef imports increased by 544% in value. Botswana increased by 824% in value and Namibia increased by 204% during the same period.

Figure 35: Prospects for diversification of suppliers for fresh or chilled beef imported by South Africa in 2021



Source: Trademap, ITC

Figure 35 above shows the prospects for diversification of suppliers for fresh or chilled beef imports by South Africa in 2021. The figure above shows that Botswana commanded the greatest market share of South Africa’s fresh or chilled beef imports with an annual share of 84.8% followed by Namibia with 10% during the year 2021. If South Africa wishes to diversify its imports, the most attractive supplier exists in Jordan due to its export growth of 96%. This means South Africa can develop a new market in this country because currently, South Africa does not import fresh or chilled beef from Jordan.

Table 9: List of supplying markets for the beef (frozen); imported by South Africa in 2021.

South Africa's imports represent **0%** of world imports for beef (frozen); its ranking in world imports is **94.**

Exporters	Indicators														
	Value imported in 2021 (USD thousand)	Trade balance 2021 (USD thousand)	Share in South Africa's imports (%)	Quantity imported in 2021	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2017-2021 (%, p.a.)	Growth in imported quantity between 2017-2021 (%, p.a.)	Growth in imported value between 2020-2021 (%, p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)	Total exports growth in value of partner countries between 2017-2021 (%, p.a.)	Average distance between partner countries and all their importing markets (km)	Concentration of all importing countries of partner countries	Average tariff (estimated) applied by South Africa (%)
World	8218	67607	100	3103	Tons	2648	-39	-38	38		100	8			
Namibia	2619	-2486	31,9	844	Tons	3103	-40	-38	102	38	0,06	-3	8590	0,25	0
Uruguay	1705	-1705	20,7	678	Tons	2515	-29	-30	795	6	6,3	12	16342	0,53	40
Australia	1325	-1325	16,1	733	Tons	1808	-3	-2	173	3	13,2	4	8868	0,16	40
Botswana	1152	-1123	14	334	Tons	3449	-54	-56	-63	40	0,04	-33	5853	0,36	0
United Kingdom	602	-602	7,3	223	Tons	2700	149	75	885	21	0,4	15	5025	0,14	40
Ireland	546	-546	6,6	177	Tons	3085			743	10	1,9	24	3028	0,19	40
United States of America	128	-127	1,6	72	Tons	1778	-26	-41	321	2	14,4	8	10404	0,19	40
South Africa	80	-80	1	15	Tons	5333				30	0,2	8	8330	0,28	
Germany	60	-60	0,7	27	Tons	2222	-4	-47		19	0,7	-3	969	0,09	40
Portugal	1	-1	0	0	Tons					41	0,03	-4	2855	0,13	40
China		38748								86	0	-61	939	1	40
Mozambique		4966								100	0	192	7155	0,12	0

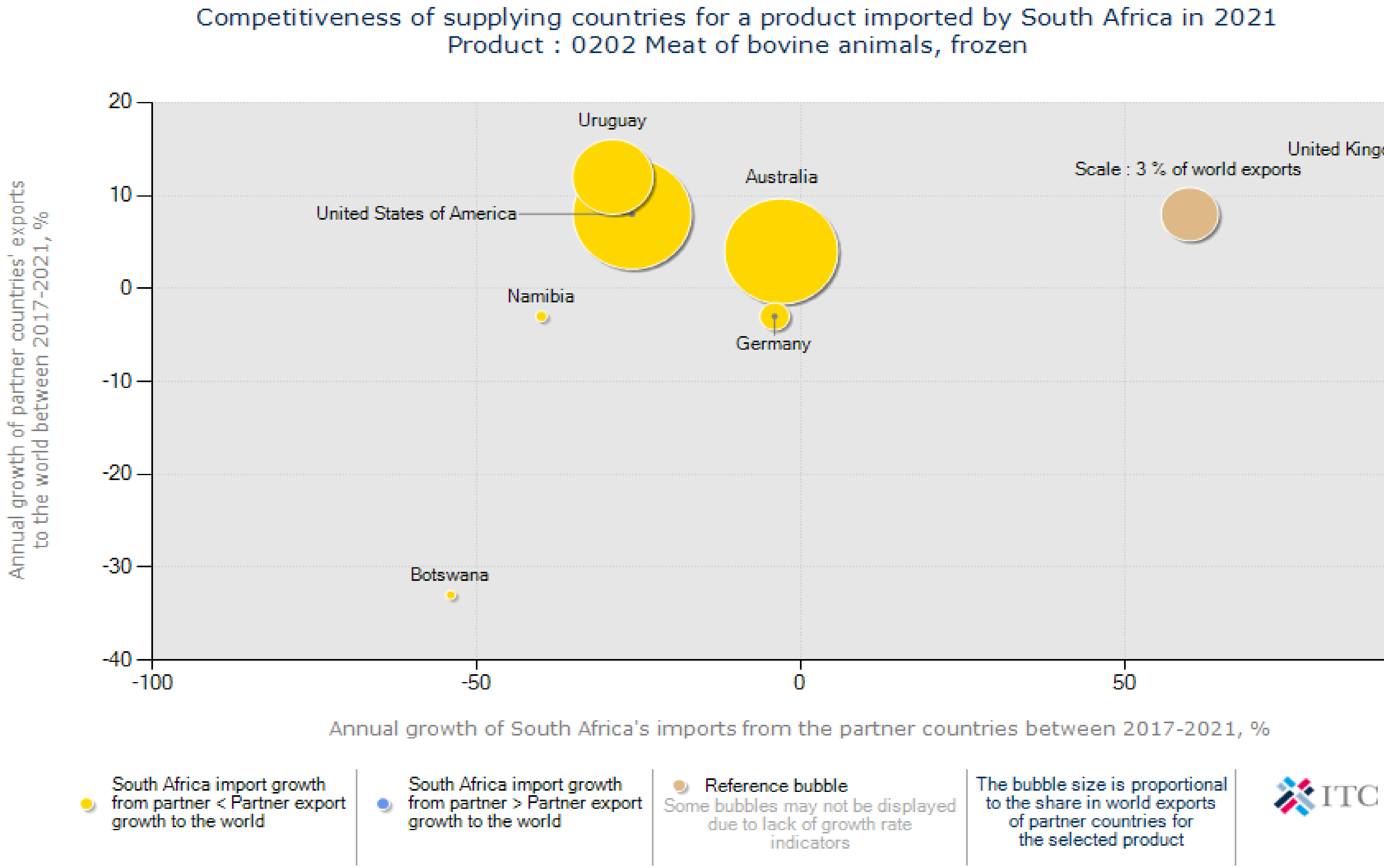
Source: ITC calculations based on COMTRADE statistics.

Table 9 shows that during 2021 South Africa imported a total of 3 103 tons of frozen beef at an average value of US$ 2 648/unit. The major suppliers of frozen beef imported by South Africa in 2021 were Namibia, Uruguay and Australia. The greatest share of South African frozen beef imports was from Namibia which supplied 31.9% during the year 2021 followed by Uruguay which supplied 20.7% and Australia with a share of 16.1%.

South Africa's frozen beef imports decreased by 39% in value and 38% in quantity between the periods 2017 and 2021. During the same period, imports of frozen beef from Namibia decreased by 40% in value and 38% in quantity.

South Africa's imports of frozen beef from the world increased by 38% per annum in value between 2020 and 2021. During the same periods, Namibia and Uruguay's exports to South Africa increased by 102% and 795% in value respectively.

Figure 36: Competitiveness of suppliers to South Africa for frozen beef in 2021

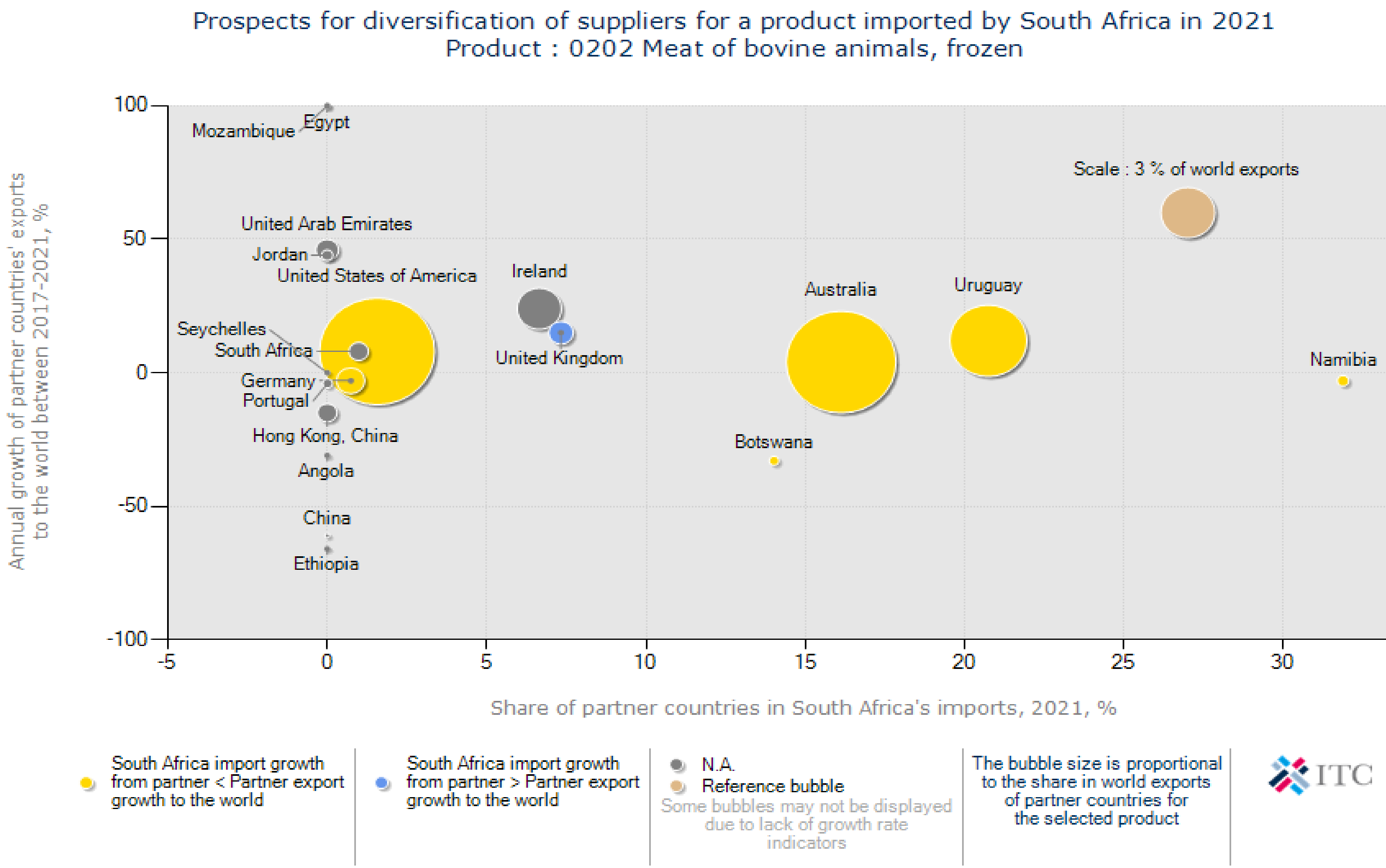


Source: Trademap, ITC

Figure 36 illustrates that between 2017 and 2021, South Africa's frozen beef imports from Australia, Uruguay, Namibia, USA, Namibia and Botswana were growing at a rate that is less than their export growth to the world. South Africa's annual import growth from Botswana and Namibia has declined by 38% and 56% respectively during 2021.

South Africa's imports from the United Kingdom are growing at a rate that is greater than its import growth from the world. The United Kingdom exported the greatest share of South Africa's import market with an annual growth of 149%. The United Kingdom was the most competitive market during the period 2017 to 2021 with an annual export growth share of 15%.

Figure 37: Prospects for diversification of suppliers for frozen beef imported by South Africa in 2021.



Source: Trademap, ITC

Figure 37 above shows the prospects for diversification of suppliers for frozen beef imports by South Africa. South Africa imports most of the frozen beef from Namibia. However, if South Africa is to diversify its frozen beef imports, the biggest market exists in the United States of America (USA) and Australia with a world export share of 14.4% and 13.2%. The most attractive market is Mozambique due to its highest annual export growth of 192%.

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