A PROFILE OF THE SOUTH AFRICAN BEEF MARKET VALUE CHAIN

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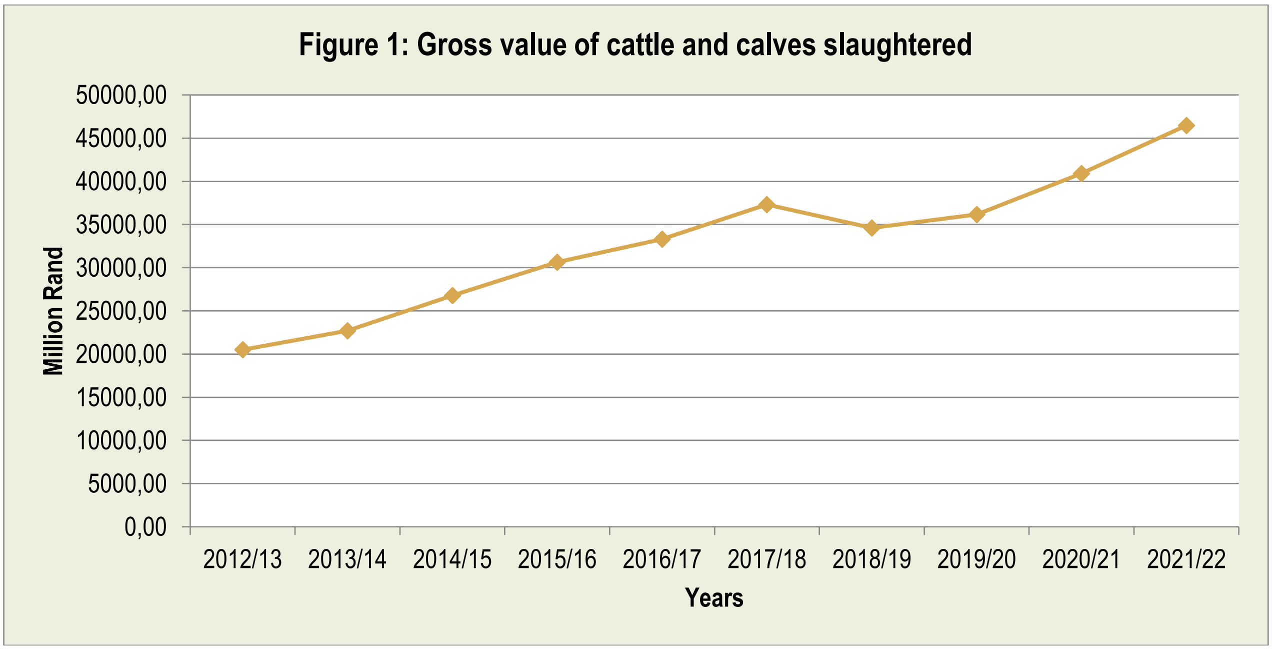
1. DESCRIPTION OF THE INDUSTRY

1.1 Introduction

The beef industry in South Africa is characterized by its dualistic nature of the sector. There is a clear difference between formal (commercial) and informal (non-commercial) beef sectors. 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 but for household food security purposes. Typically, these two informal subsectors are not keeping records of their animal stocks; the buyer and seller enter into a mouth-to-mouth agreement, followed by 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, and 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 2012/13 to 2021/22 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 R20.5 billion in 2012/13 to R37 billion in 2017/18. This is an increase of 82% 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. The gross value increased through to 2021/22. 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 R32.9 billion per annum.

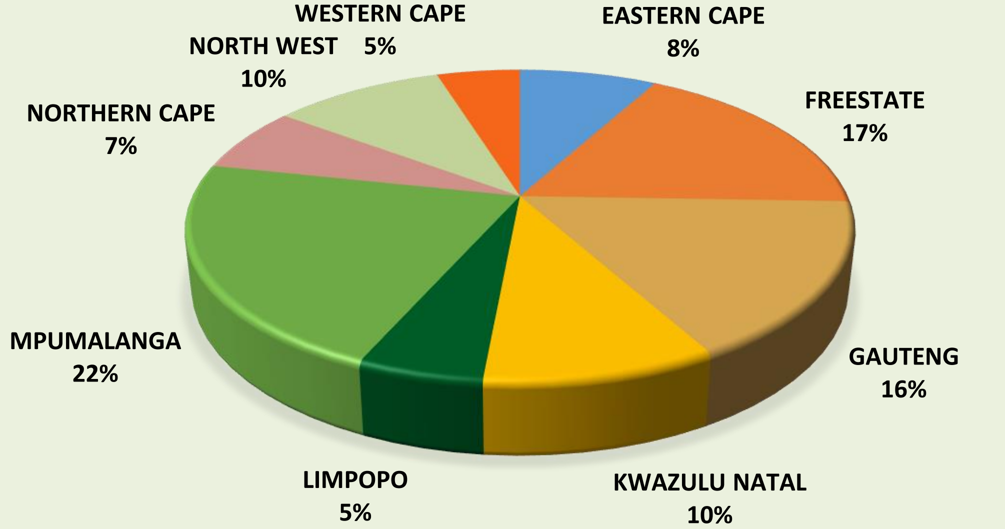


Source: Statistics and Economic Analysis, DALRRD

6.2. Production Areas

Beef is produced throughout South Africa. Figure 2 below, shows the beef production per province during 2021/22 production year. The amount of beef produced depends on the infrastructure such as feedlots and abattoirs, not necessarily by the number of cattle available in those areas. South Africa has highly developed transport infrastructure that allows movement of cattle and calves from one area to another, even from other neighbouring countries. According to Figure 2, Mpumalanga accounts for the greatest share of beef production in South Africa accounting for 22% of the beef produced in 2021/22 followed by Free State and Gauteng accounting for 17% and 16% respectively. Limpopo and Western Cape had the lowest share of 5% each for beef slaughtering in 2021/22.

FIGURE 2: BEEF SLAUGHTERING PER PROVINCE DURING 2021/22

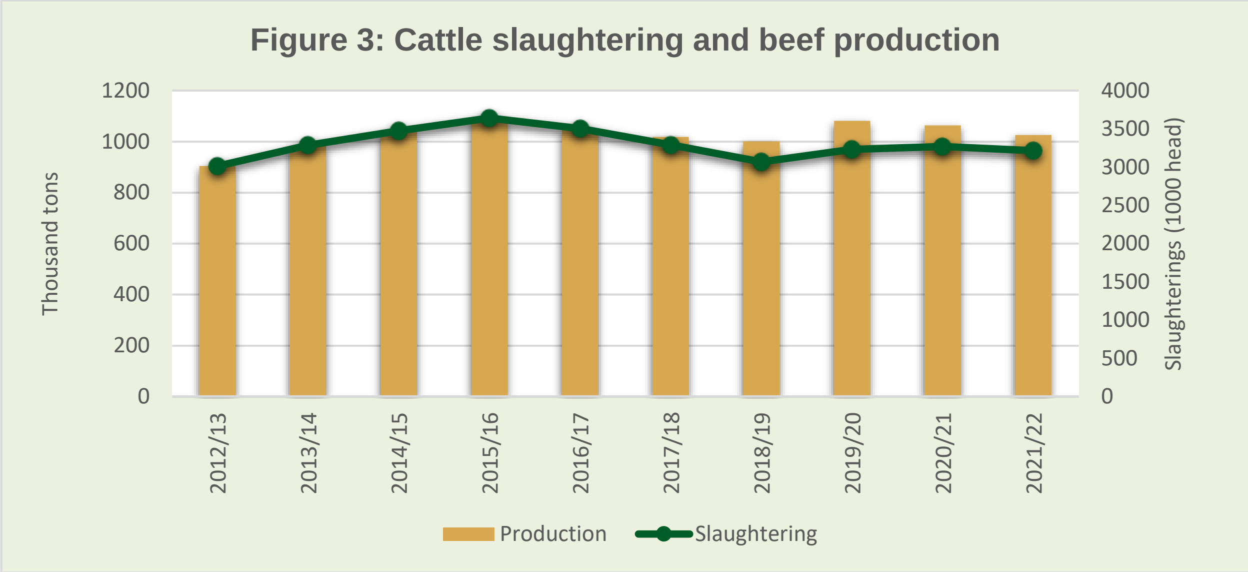


Red Meat Levy Admin

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.

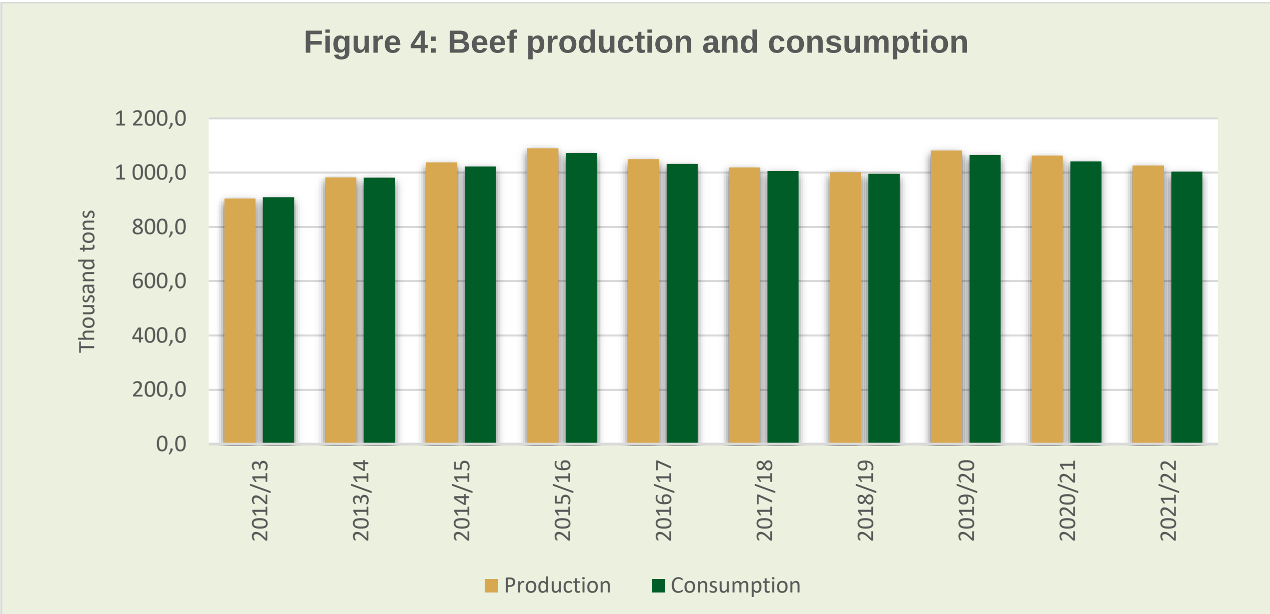
Figure 3 below show the slaughtering of cattle and production of beef during the period 2012/13 until 2021/22. The total beef produced during the past ten years amounted to 10.3 million tons. Figure 3 above shows that slaughtering and production of beef followed a similar trend from 2012/13 to 2021/22. Beef production and slaughtering were on the trough in 2012/13 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 a further FMD outbreak in 2021 and 2022 which caused fluctuations on beef slaughtering while production experienced a steady decline from 2019/20 to 2021/22.



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 except in 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 from the drought experienced in 2015/16. The rebuilding of the herd led to high beef prices that affected the demand for beef and beef products. The consumption declined due to higher prices whereby consumers shifted to other alternatives and other options. In 2019/20, production and consumption increased, and the industry was hit by the FMD outbreak in 2021 and 2022 which led to a steady decline in production and consumption from 2020/21 and 2021/22.

1.4. Employment

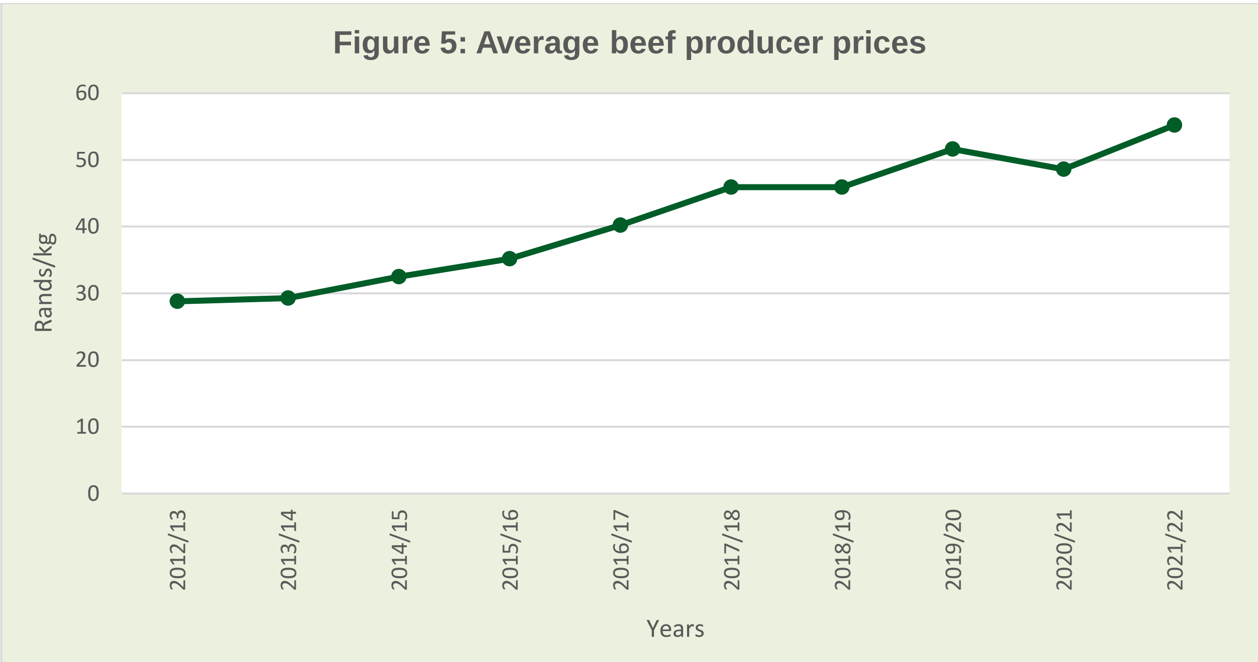
Commercial farmers are estimated at 22 000 and employ 138 000 people, emerging farmers and communal farmers are at 3 million which employs 9 million people. There are approximately 100 commercial feedlots with 5 000 employees in South Africa and 332 abattoirs. Beef industry is a major contributor to 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 2012/13 to 2021/22 are illustrated in Figure 5.



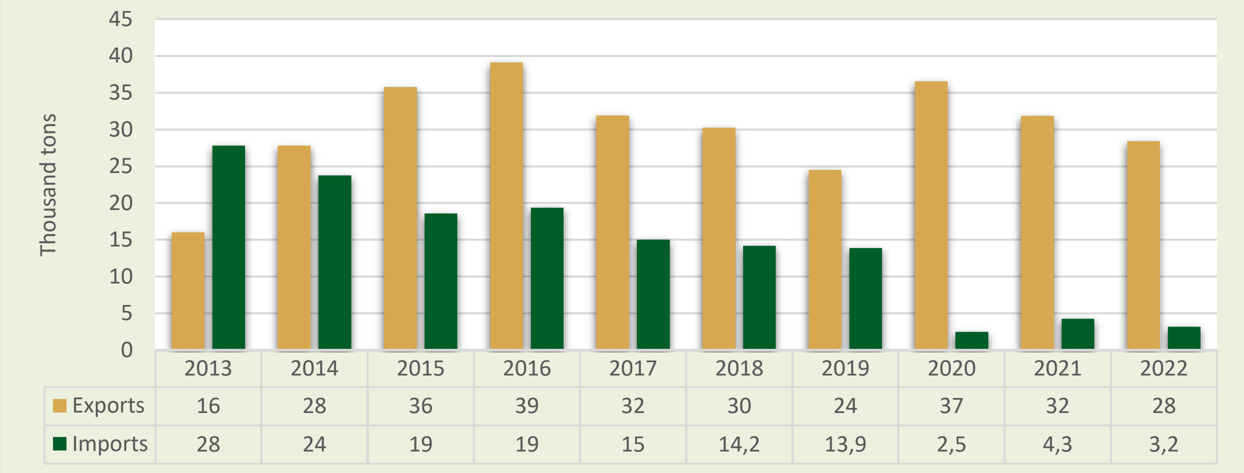
Source: Statistics and Economic Analysis, DALRRD

Figure 5 above shows that prices of beef increased significantly in the past decade, except in 2020/21. The average producer price declined by 6% in 2020/21 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 92% 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 are faced direct to international competition to trade their products internationally. The trade of beef is normally influenced by international price, exchange rates, trade agreements, policies and regulations amongst other factors. Figure 6 below compares volumes of imports and exports for beef from 2013 to 2022.

Figure 6: Exports and imports of beef



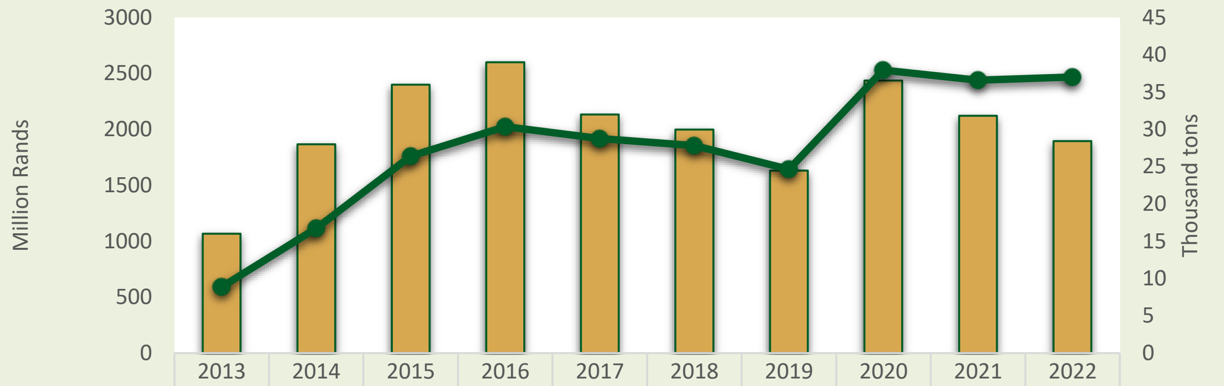
Source: Quantec EasyData

Figure 6 indicates that South Africa's imports and exports were fluctuating during the period under analysis. Imports of beef were higher than exports in 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 realized in 2013 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 in 2017 through to 2019 following the decline in beef production and local demand. The decrease in exports in 2021 and 2022, 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 2013 to 2022 are shown in Figure 7 below. South Africa exported approximately 28 000 tons of beef in 2022 yielding an export value of R2.5 billion. This represents a decrease of 13% in the quantity and a slight increase of 1.2% in the value of beef exported during the period 2022 from the previous year.

Figure 7: Beef exports



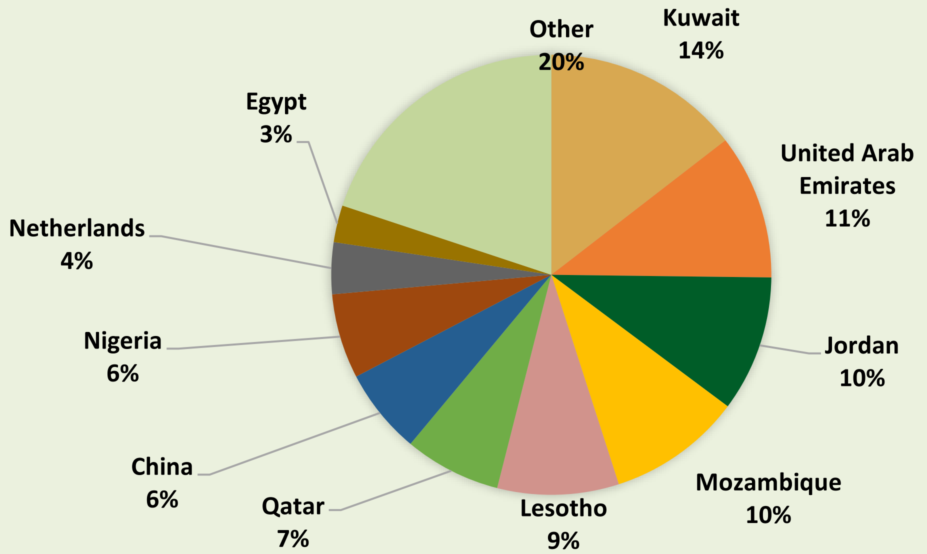
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Quantity	16	28	36	39	32	30	24	37	32	28
Value	592	1116	1761	2024	1917	1854	1642	2530	2439	2468

Source: Quantec EasyData

Figure 7 indicates that beef export quantity and value were fluctuating in the past decade. In the early years of the period analysed, the trends showed a steady increase from 2013 to 2016. This was due to South Africa being declared foot and mouth disease-free in 2014, which opened export market opportunities. This was followed by a decline from 2017 t0 2019, which was an impact of the drought in 2015/2016 that lowered the production coupled with the FMD outbreak in 2019. During the FMD outbreak, South Africa lost some of its export market as they imposed the export ban. Export quantity was at its lowest in 2013 and reached a peak in 2016 during the period under analysis. In 2020, South African beef exporters realised a great deal in export earnings due to the increased slaughtering and beef production. Furthermore, the exports declined in 2021 and 2022 as the country experienced another FMD outbreak.

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

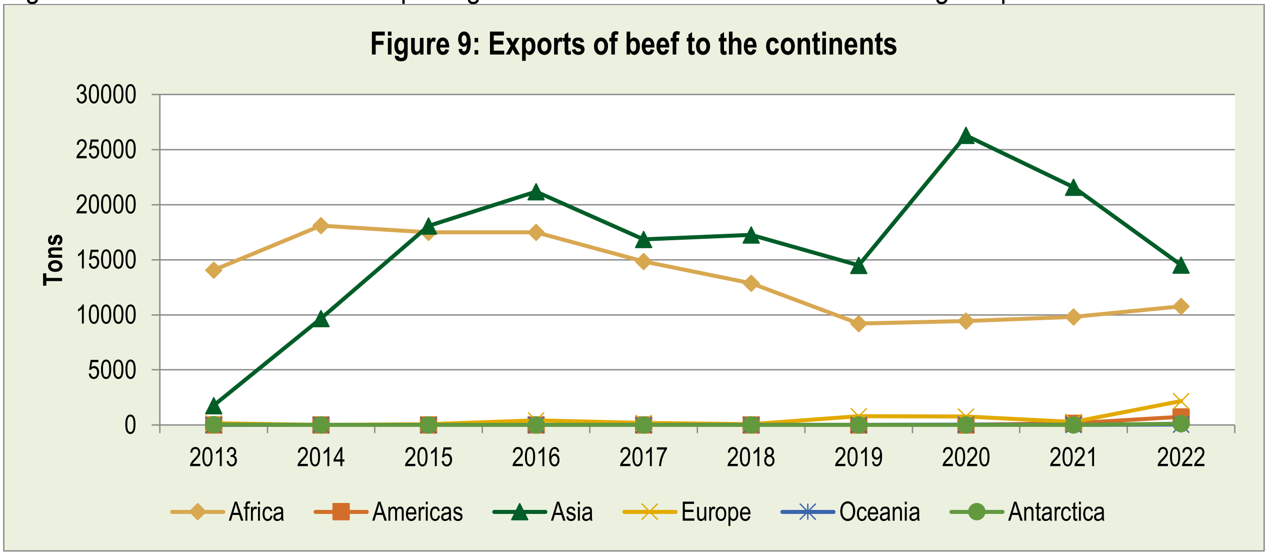
FIGURE 8: BEEF DESTINATION IN 2022



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 leading destinations of South African beef exports in 2022 were Asian countries. The leading market was Kuwait which accounted for 14%, followed by the United Arab Emirates with 11% and Jordan (10%). Trailing the Asian market were Mozambique and Lesotho accounting for 10% and 9% respectively.

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



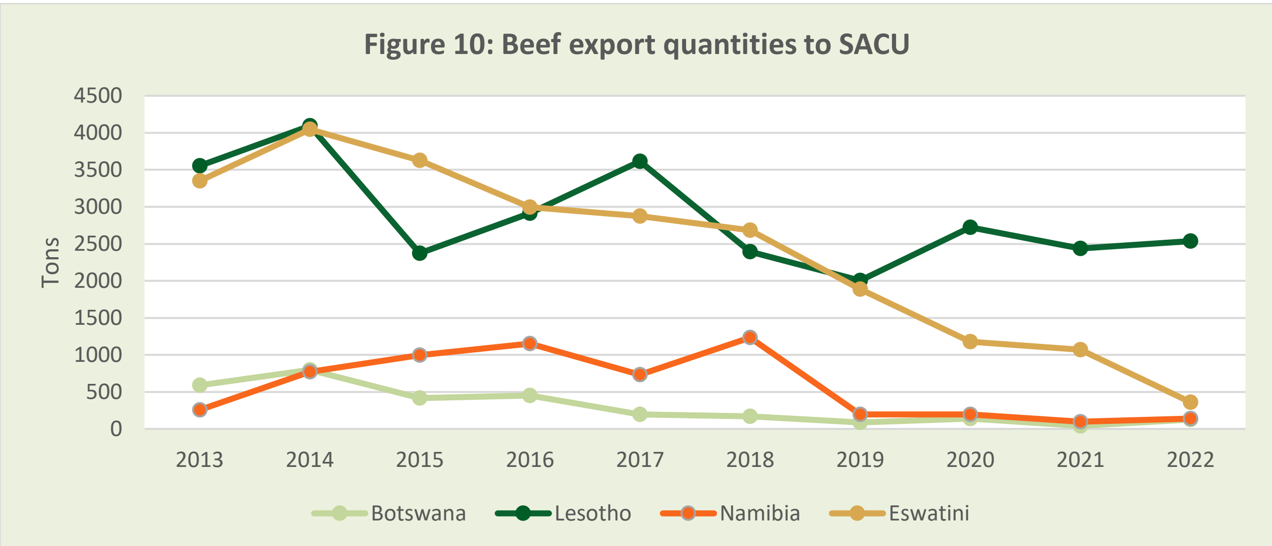
Source: Quantec EasyData

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 2013 to 2014. From 2015 to 2022, Asia outstripped Africa and took the lead in 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. In 2020, the demand of beef in Asian countries grew by 81%, which made a new peak for the continent. In 2021, the continent's exports declined by 18%, and 33% in 2022. However, the continent was still the leading export market. On that note, Asia led the market with a share of 54% in 2022, followed at a distance by Africa with a share of 44%. Oceania commanded the lowest South African beef export quantity during the period under analysis.

The following Figures 10 to 14 indicates where South African beef is exported. within the continents (Africa, Europe, Asia and Oceania)

Within the Africa continent, 85% of South African beef exports goes to Southern African Development Community (SADC) countries. Southern African Customs Union (SACU) members account for 41% of the total beef exported to all SADC countries while the others take 59%.

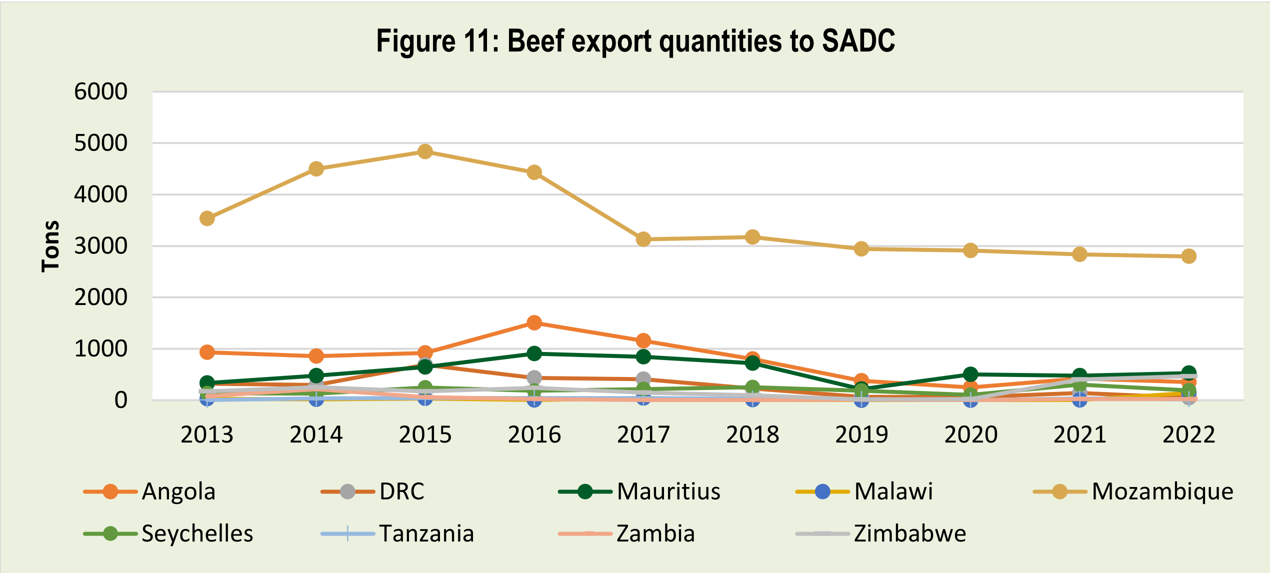
Figure 10 below presents beef export quantities to SACU members.



Source: Quantec EasyData

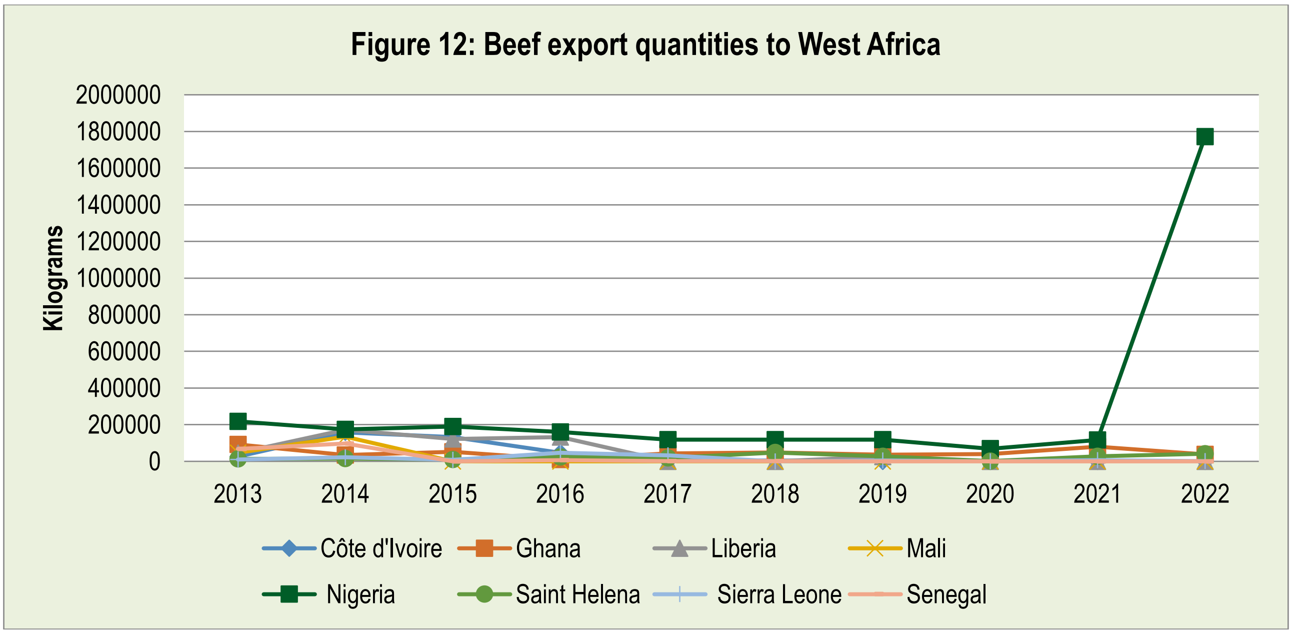
South African beef exports to SACU members were mostly going to Eswatini and Lesotho. Both countries have been interchanging leading positions for the past decade. From 2014, Eswatini and Botswana have been showing a decreasing trend up to 2022 while Lesotho and Namibia fluctuated. For the past ten years in total, Lesotho has been leading with a share of 47% followed by Eswatini with 39% 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

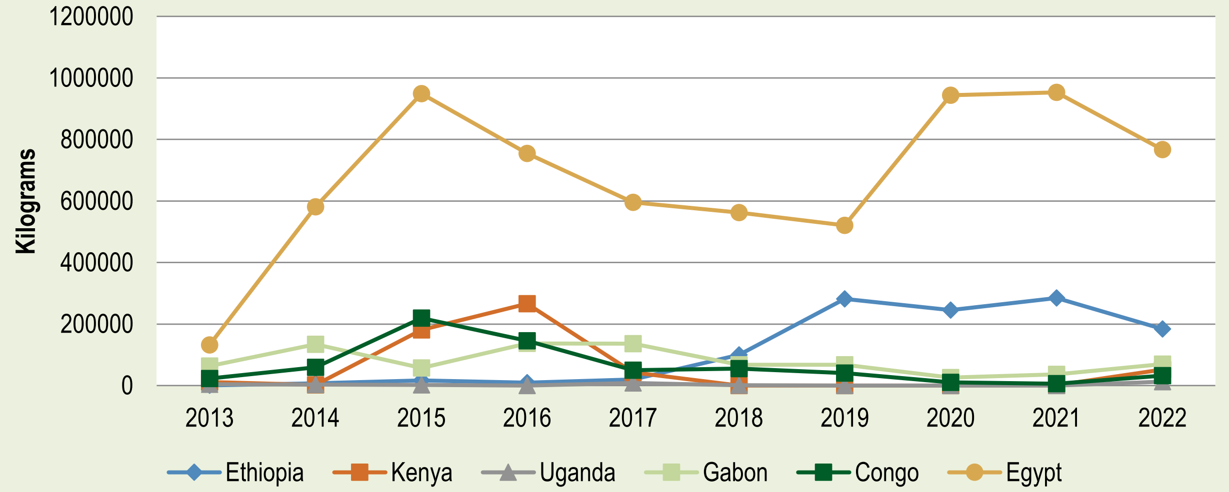
Mozambique continues to be the highest importer of South African beef within the SADC region. Figure 11 displays that beef produced in South Africa was mainly exported to Mozambique, which has commanded the highest beef exports throughout the decade. Angola appeared to be the second country to obtain 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%.



Source: Quantec EasyData

It is clearly indicated from Figure 12 above that most of South African beef is exported to Nigeria within Western Africa throughout the past decade. South African beef exports to West Africa decreased from 2015 to 2020. With the exclusion of Nigeria's increase in 2022, the overall analysis indicates that Nigeria reached its peak of 217 784 kilograms in 2013, followed by a drastic decrease of 68% by 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. In 2022, Ghana and Sierra Leone dropped their imports while Saint Helena increased. After all, their export change did not make a huge difference considering Nigeria's massive increase in 2022. On average, Nigeria, Liberia and Ghana demanded the highest volume of South African beef exports for the period under analysis. Mali, Senegal and Sierra Leone were the lowest importers of South African beef.

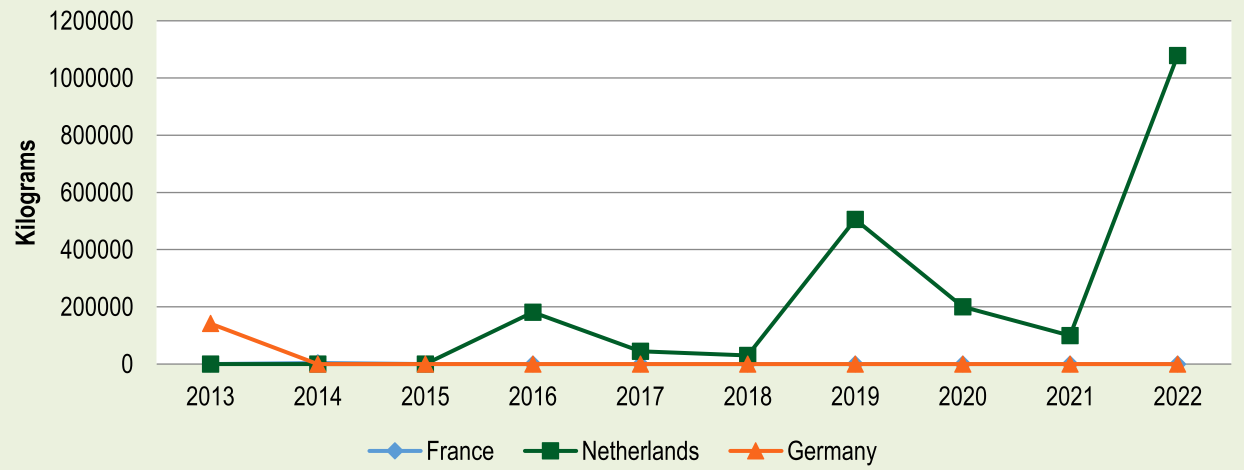
Figure 13: Beef exports quantities to Middle, Northern and Eastern Africa



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). Other countries were competing for the second position however Ethiopia stood from 2018 to 2022. Egypt, which is from Northern Africa, experienced a sharp increase in exports peaking at 949 tons in 2015 and a new peak in 2021 at 953 tons. Ethiopia increased beef intake from South Africa by 181% in 2018 and remained high until 2022. Kenya and Uganda, which are the Eastern Africa countries, imported the lowest quantities of South African beef during the past decade.

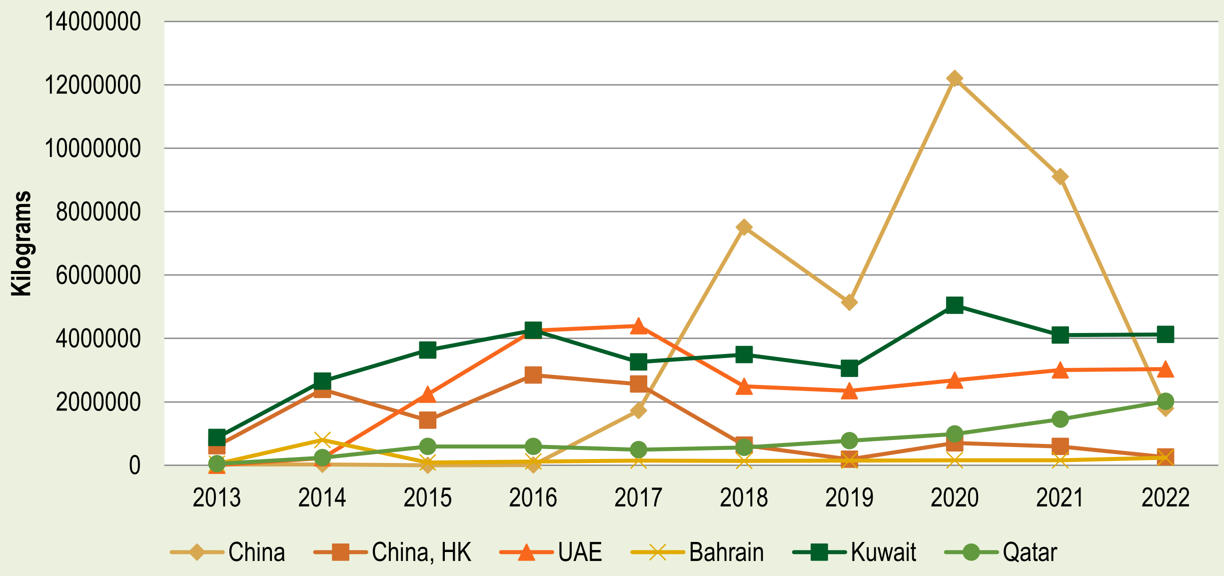
Figure 14: Beef export quantities to European Union



Source: Quantec EasyData

Figure 14 above shows beef exported by South Africa to the European Union from 2013 to 2022, 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 2022. The country appears to be the main beef export market within the EU attaining a 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

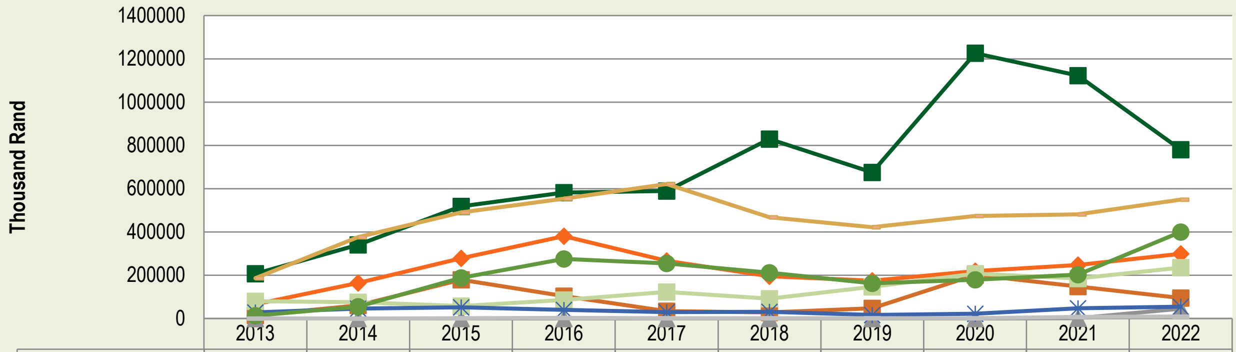


Source: Quantec EasyData

South African beef exports to Asia are shown in Figure 15 above. Generally, exports of beef to Asia were very minimal in 2013 due to the foot and mouth disease outbreak in South Africa. Following South Africa's declaration of disease-free status, beef exports regularly went 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 continued leading the Asian export market up to 2021. In 2022, China dropped its export share by 80% losing its top market position to Kuwait, UAE and Qatar. China, Hong Kong (China, HK) and Bahrain 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



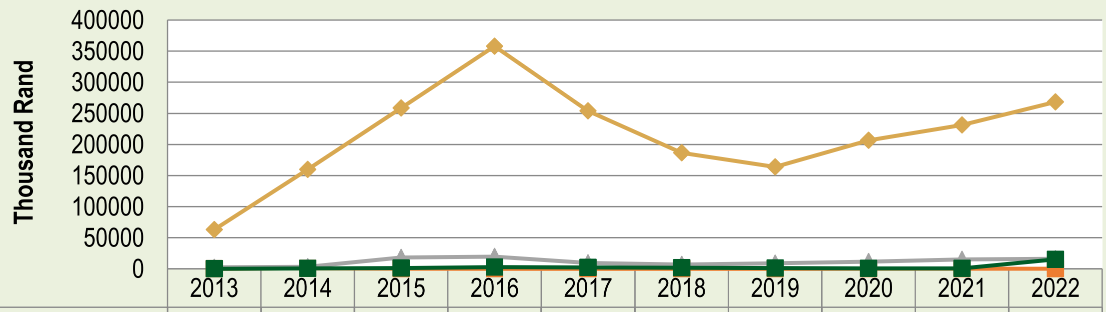
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Western Cape	65529	164567	277712	380350	265800	195329	174257	218368	247339	299694
Eastern Cape	14066	59992	178827	103248	33363	27978	46925	201378	147379	95023
Northern Cape	0	0	0	0	0	4	0	343	1019	45164
Free State	79681	75873	57318	86351	122114	91125	146981	207186	184420	234970
KwaZulu-Natal	27156	45386	51238	39821	29795	30782	16208	22590	46504	54397
North West	13038	54996	187831	275784	253819	211502	162232	178744	203258	399785
Gauteng	206455	339766	517647	581740	589515	829708	675930	1225746	1122064	780882
Mpumalanga	186131	375375	489925	553832	621285	467281	421733	474321	480687	548948
Limpopo	259	404	987	2549	1253	756	1392	1367	6385	9268

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 neighboring 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 export share of 45%. The biggest exporters located in Gauteng are the top beneficiaries of Chinese market, which made Gauteng to 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

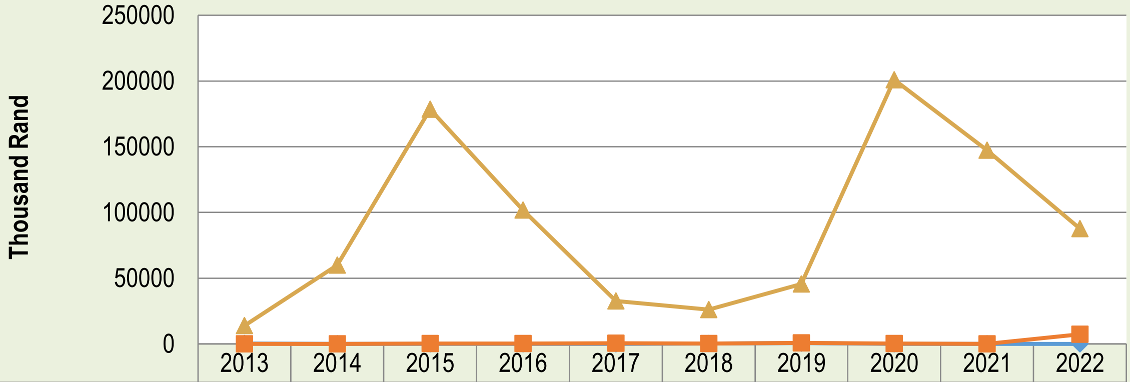


	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City of Cape Town	63053	159714	258614	357973	254123	186448	163613	206312	231422	268229
West Coast	0	788	12	0	0	0	0	2	0	4
Cape Winelands	2476	3330	18087	19577	9339	6826	9148	11548	15178	16160
Eden	0	736	998	2799	2338	2007	1038	507	656	15301

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 R63 million in 2013 and experienced the highest value of R358 million in 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. The 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

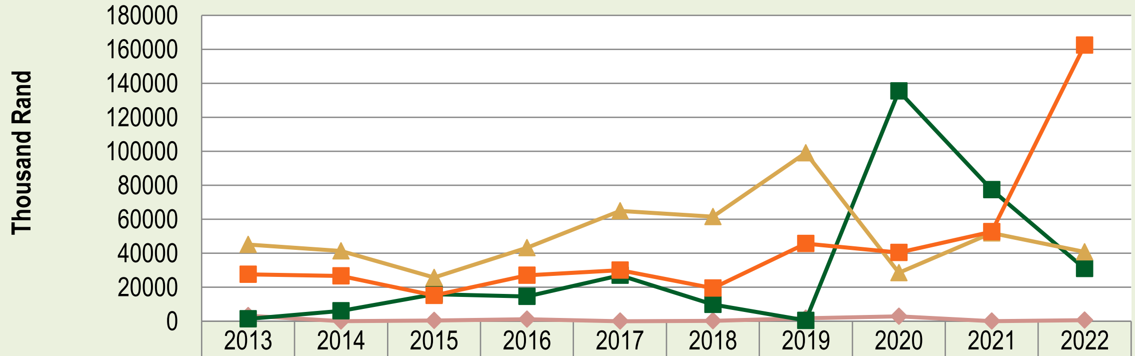


	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Alfred Nzo	190	18	30	53	148	219	639	51	0	0
Nelson Mandela Bay	2	0	371	169	522	330	782	329	69	7324
Buffalo City	13874	59922	178403	101785	32691	26201	45503	200994	147297	87661

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. The drop of exports in 2021 and 2022 was due to the FMD outbreak in those years.

Figure 19: Value of beef exported from Free State Province

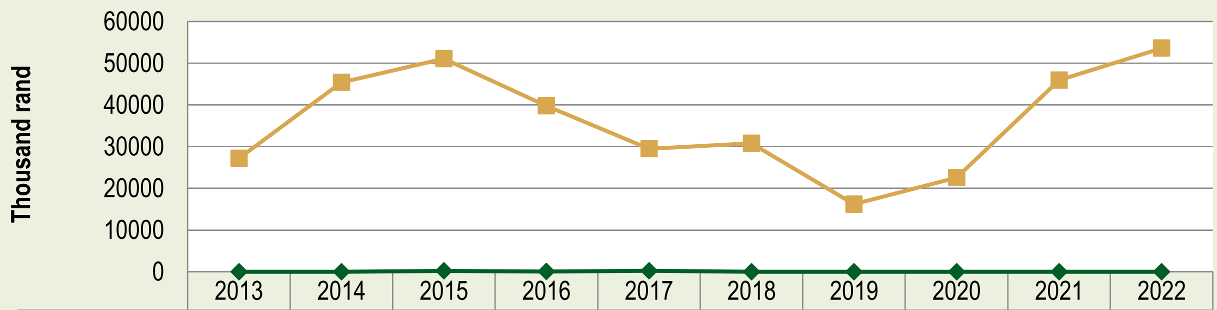


	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Xhariep	3277	121	483	1192	2	302	1709	2895	3	601
Lejweleputswa	1335	6015	15840	14639	27015	9815	512	135393	77402	30974
Thabo Mofutsanyane	45213	41335	25767	43208	64950	61491	99118	28464	51903	40804
Mangaung	27600	26731	15217	26995	30147	19518	45641	40434	52776	162516

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 2013 to 2019, then Lejweleputswa took the lead in 2020 and 2022 with a share of 65% and 43% respectively. Mangaung making a new peak for the province and took the lead with an export share of 69% in 2022. For the period under analysis in total, Thabo Mofutsanyane District has exported beef worth more than R502 million, accounting for 39% of the total share in the Free State province. Mangaung followed with beef exports worth about R448 million and this accounted for 35% of the total share. Lejweleputswa District Municipality recorded a total of R319 million (25%) and Xhariep District Municipality recorded lowest exports of R11 million (1%).

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

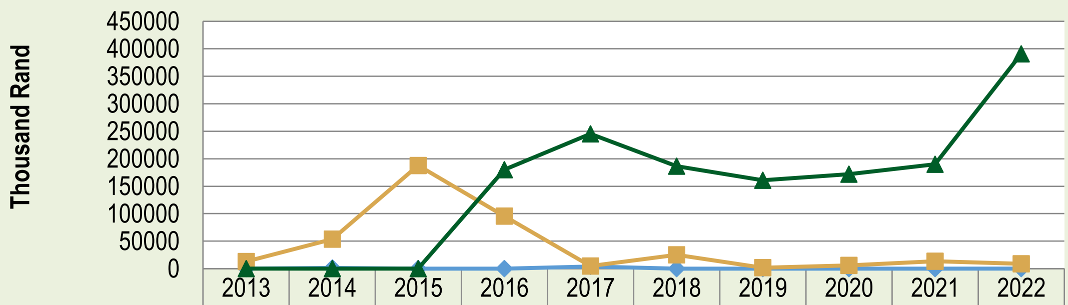


	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
iLembe	0	0	188	25	240	0	0	0	0	0
eThekwini	27148	45386	51048	39758	29518	30780	16201	22590	45953	53581

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. Despite the decline of overall exports of beef in the country, eThekwini district experienced an increase of exports from 2020 to 2022. Intermittent and minimal export values were recorded in iLembe District Municipalities during the period under review. eThekwini recorded 100% share of beef exports within the province from 2013 to 2014 and again from 2018 to 2022. In other years, the District Municipality accounted for more than 90% beef export share.

Figure 21: Value of beef exported from North West Province

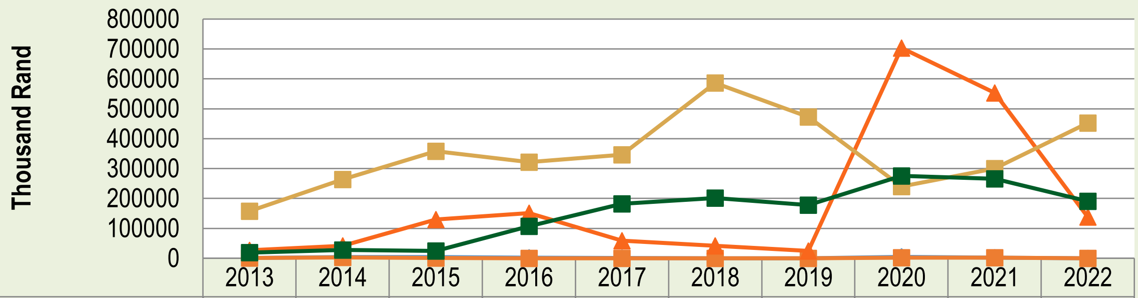


	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bojanala	20	1546	0	0	3922	0	0	0	0	269
Dr Ruth Segomotsi Mompati	12722	53451	187817	95719	4784	24872	1652	5952	13236	8634
Dr Kenneth Kaunda	288	0	14	179941	245113	186534	160580	172020	189754	390880

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 2013 to 2022, 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 period analysed, Dr Kenneth Kaunda shot up exports and took the lead from 2016 to 2022. Although the exports shown a slight decrease on the following years, the district was still leading with a share of over 90% on average from 2017 to 2022 with the year 2022 indicating a new peak.

Figure 22: Value of beef exported from Gauteng Province

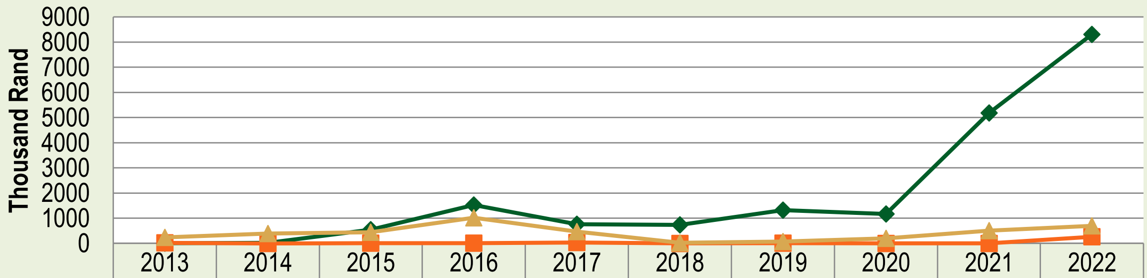


	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sedibeng	1364	4345	4194	1706	1408	0	0	4834	1654	32
West Rand	1560	2798	1301	0	102	98	0	1658	1952	28
Ekurhuleni	27067	41412	129994	150772	59334	41990	24621	703518	552963	138042
City of Johannesburg	157612	263536	357882	322151	346081	586253	473131	240149	300092	452118
City of Tshwane	18853	27675	24276	107111	182591	201366	178177	275587	265403	190661

Source: Quantec EasyData

Figure 22 shows the value of exports by Gauteng Province for the past ten years. The highest beef values 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 analysis period. Ekurhuleni, the City of Johannesburg and the City of Tshwane recorded regular beef exports while Sedibeng and West Rand recorded intermittent 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 until 2020 and increased up to 2022. Ekurhuleni shot up its beef exports and led with a share of 57% in 2020 and 49% in 2021. In 2022, Ekurhuleni exports significantly decreased and lost the leading position to the City of Johannesburg and the City of Tshwane. In 2022, the City of Johannesburg was leading with a share of 58%, followed by the City of Tshwane and Ekurhuleni with a share of 24% and 18% respectively.

Figure 23: Value of beef exported from Limpopo Province

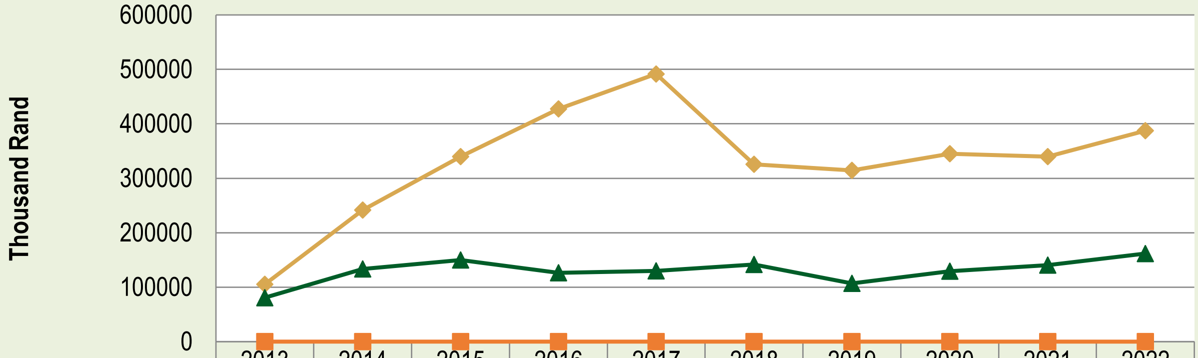


	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Vhembe	5	17	546	1524	759	733	1316	1165	5182	8308
Capricorn	16	0	7	7	30	0	1	0	0	260
Waterberg	238	386	435	1018	464	23	76	203	499	700

Source: Quantec EasyData

Figure 23 shows the value of exports by Limpopo Province for the past decade. Vhembe and Waterberg District Municipalities were a regular exporter of beef in Limpopo Province unlike Capricorn District Municipality during the period under analysis. The highest export values were recorded from Vhembe in 2021 and 2022 followed by Waterberg District Municipality. For the past decade on average, Vhembe District Municipality recorded 80% of beef exports followed at a distance by Waterberg with 17% and then Capricorn (1%).

Figure 24: Value of beef exported from Mpumalanga Province



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Gert Sibande	105331	241753	339978	427536	491670	325601	314510	345234	339970	387156
Nkangala	16	0	0	0	0	0	0	0	0	7
Ehlanzeni	80785	133621	149947	126297	129615	141680	107223	129086	140717	161785

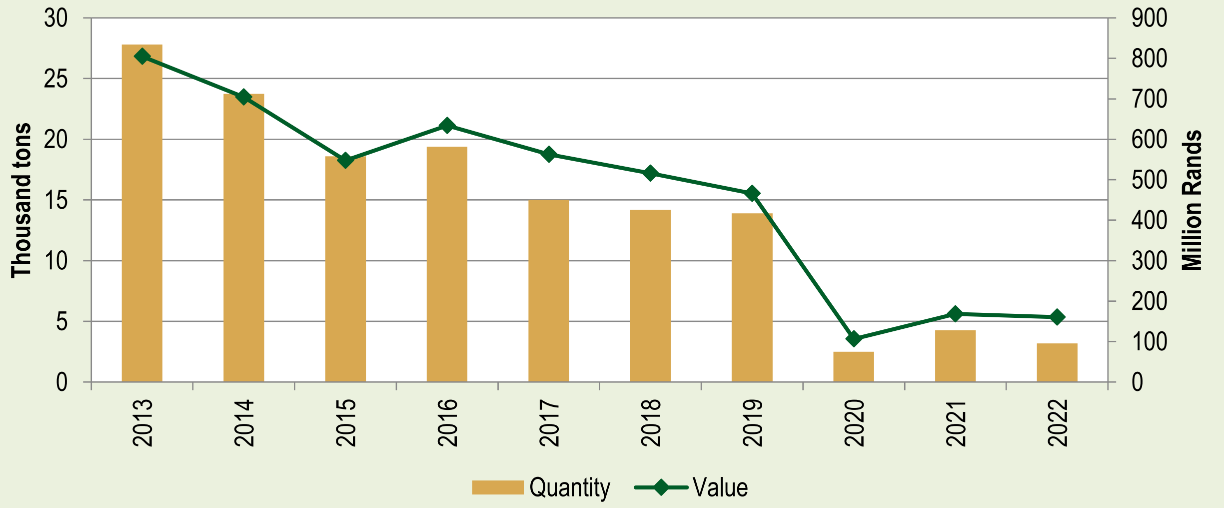
Source: Quantec EasyData

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 2013 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 lower but with a very slight increase through to 2022.

2.2.3. Imports.

The imports of beef comprise fresh and frozen meat. The chunk of imports is mostly frozen beef which accounted for around 80% throughout the period analysed. South Africa imported 3 178 tons of beef worth R161 million in 2022, thus a decrease of 5% in value and 25% 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 2013, since then the beef imports have been declining throughout except in 2016. In 2016, imports increased due to the drought experienced in 2015/16. From 2013 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 25).

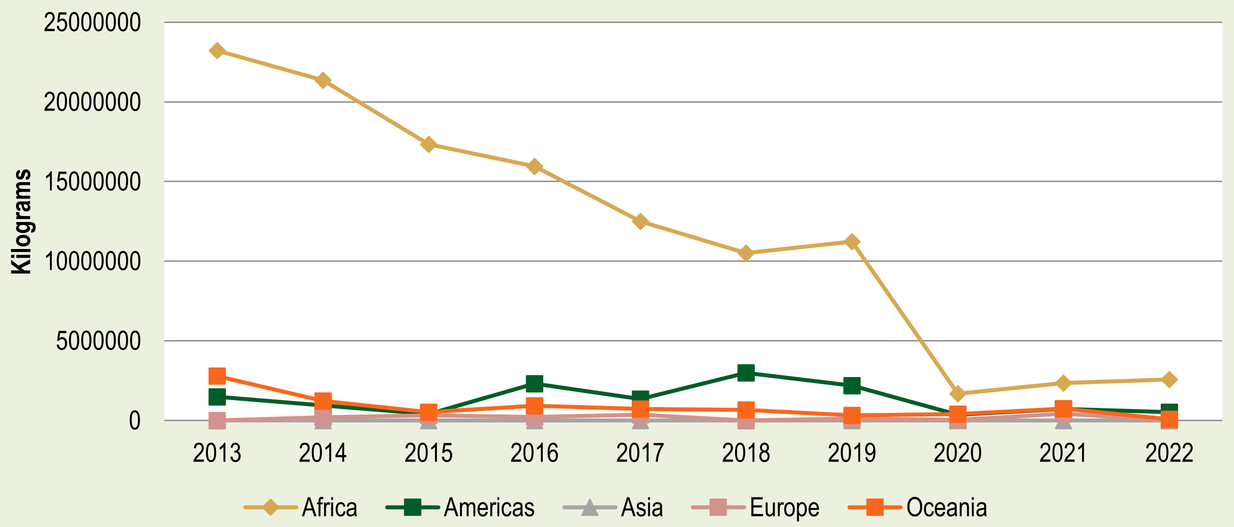
Figure 25: Beef imports quantities and value



Source: Quantec EasyData

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

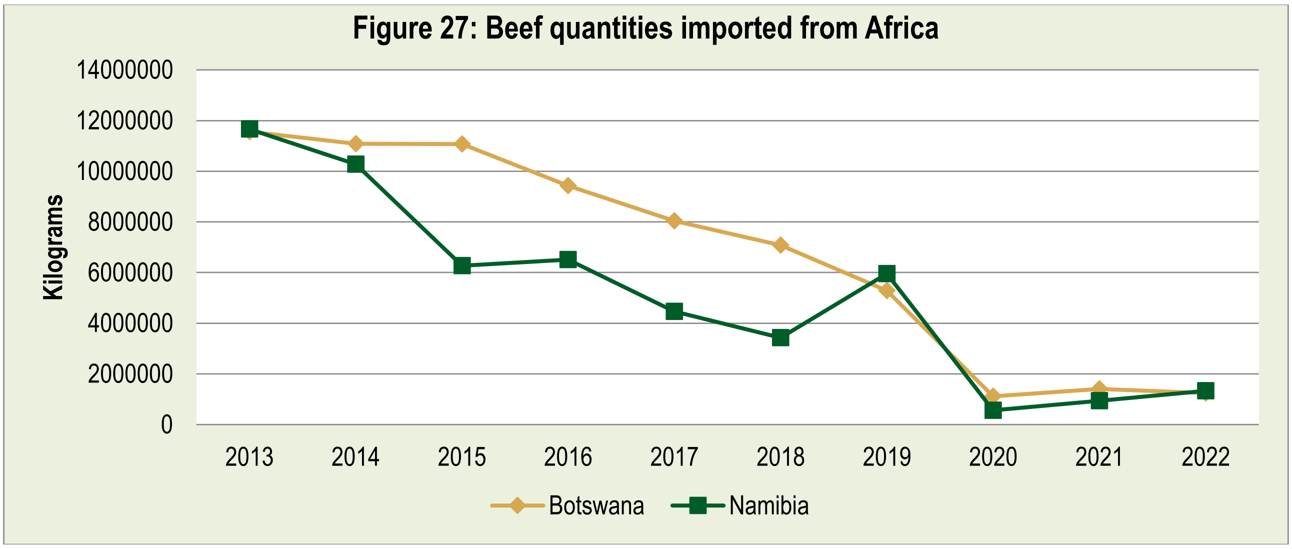
Figure 26: Beef quantities imported from the continents



Source: Quantec EasyData

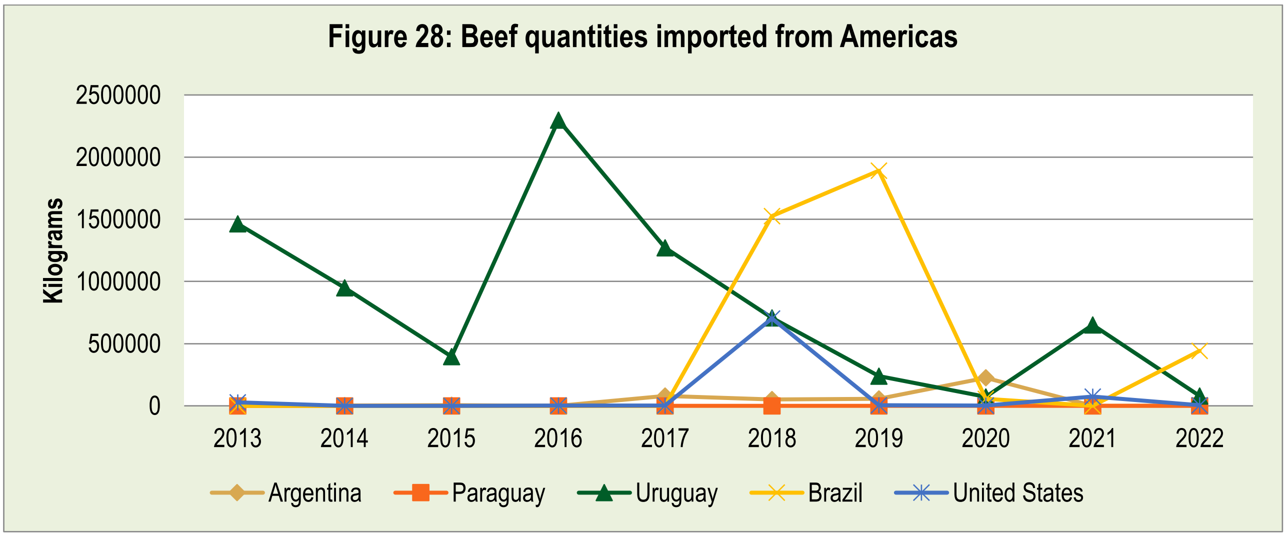
According to Figure 26 above, Africa continent has been a leading supplier of beef to South Africa. Followed at a distance by Oceania and Americas. In 2016, USA attained access to the South African beef market following the trade agreement in African Growth and Opportunity Act (AGOA) negotiations, hence the imports increased in the Americas continent. In total of beef imported from continents, Africa is leading with 119 million Kg (82%), followed at a distance by Americas 13 million Kg (9%) and Oceania with 8.4 million Kg (6%). Europe and Asia are the smallest suppliers with 1.7 million Kg and 7 000 Kg respectively.

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



Source: Quantec EasyData

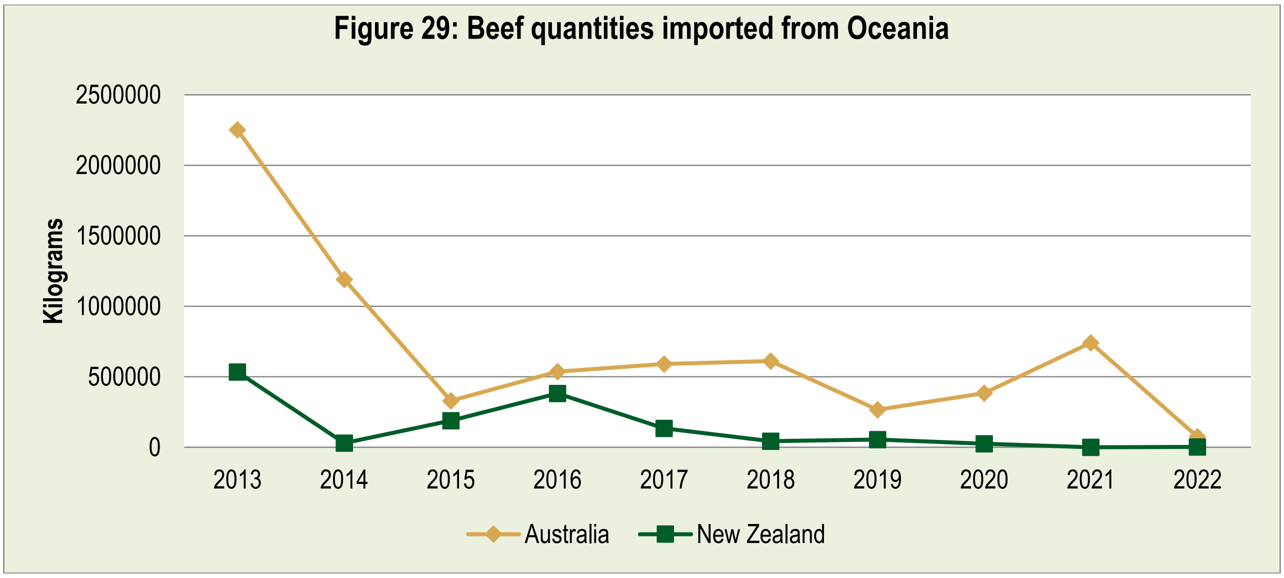
The beef imports from the African continent to South Africa are mainly from Botswana and Namibia. Figure 27 above clearly indicates that the imports from both countries are moving at a declining trend especially from 2013 to 2020. Botswana has been a leading import market for South Africa in Africa except in 2013, 2019 and 2020, when 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. Both countries have shown a tremendous decrease in beef imports in 2020. The beef import market was lost to the livestock sales market in South Africa (feedlots) where 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 the beef market in 2020. In 2021, the imports from Botswana and Namibia showed an increase of 26% and 66% respectively. Furthermore, Botswana has lost the leading position to Namibia in 2022.



Source: Quantec EasyData

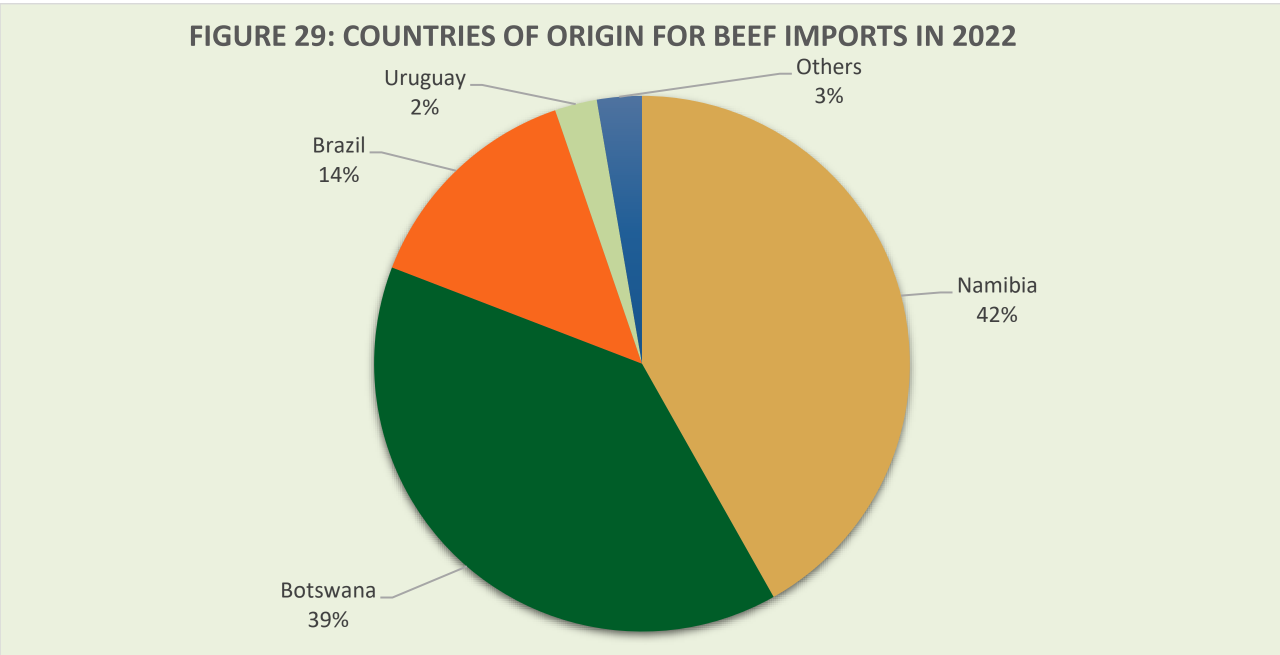
Figure 28 shows the beef quantities imported from the Americas in the past decade. Uruguay was the leading import market of beef within the Americas from 2013 to 2017 and lost to Brazil in 2018 and 2019. Brazil's beef exports to South Africa have significantly dropped by 97% in 2020 and to zero exports in 2021, this could be due to the increased Brazilian beef market in China. For the period under analysis, Uruguay has commanded 61% share of the South African market, followed by Brazil with 30%, 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 2013 with Australia accounting for 81% share. New Zealand demanded a second and lowest share of the South African beef market for the period under analysis.



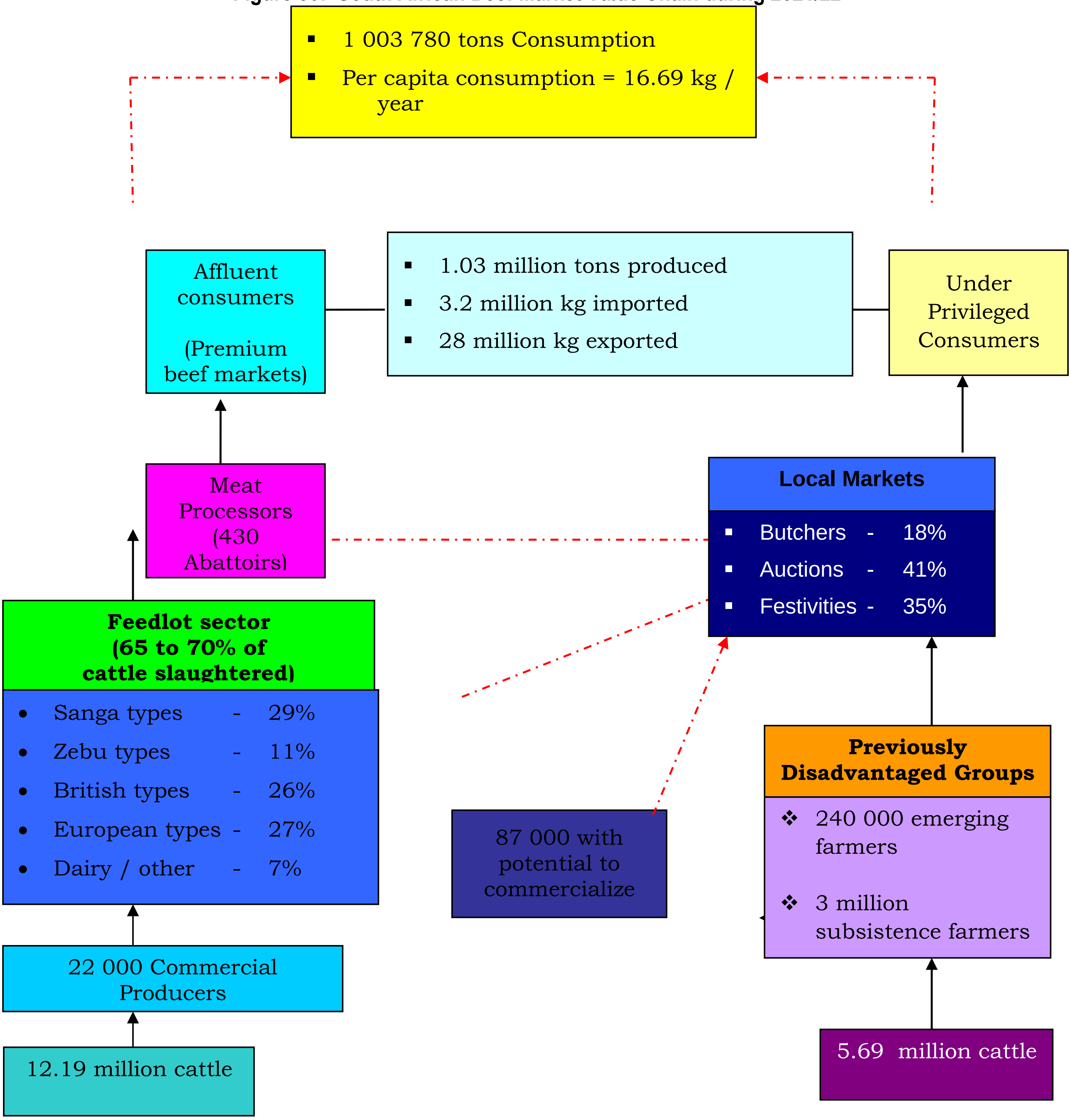
Source: Trade map

Figure 29 above shows the top suppliers of beef to South Africa during 2022. South Africa obtains most of its beef from Namibia and Botswana, which are SACU members. Namibia accounted for a 42% share of South Africa's import market of beef followed by Botswana with a share of 39% then Brazil (17%) and Uruguay (2%). The other countries together shared the remaining 3%.

3. BEEF MARKET VALUE CHAIN

The beef market value chain is illustrated in Figure 30.

Figure 30: South African Beef Market Value Chain during 2021/22



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 12.19 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 3.2 million kilograms while exporting 28 million kilograms. Per capita consumption is around 16.69 kg and the number of consumers is around 62 million.

Table 1 below shows the industry 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 head and markets between 80 000 and 90 000 head annually, most of which are distributed in Gauteng. The company also has a 20% share in Hidskin Processors and a 25% share in Chamdor Abattoir.	P O Box 187, Bronkhorstspruit, 1020 T : (013) 932 7000 F : (013) 392 7100
4	**BEEFMASTER**	It is a private, family owned business situated 10 km from Christiana, in the North-West province. The feedlot carry around 20 000 cattle standing at any given time. It currently supplies approximately 10% of the country's beef and with its geographic position delivers to all nine provinces within 24 hours.	P O Box 425, Christiana, 2680 T : (053) 441 9100 F : (053) 441 2791
5	**Bull Brand**	It is owned by Bull Brand - integrated Meat Company situated in Krugersdorp. It has fresh meat production process-abattoir, deboning, added value department and canning. They own two feedlots in Potchefstroom and Magaliesberg and they both carry 40 000 heads of cattle at any point in time.	
6	**BRAAMS VOERKRALE BK**	Feedlot	P O Box 158, Durbanville, 7551 T : (021) 976 3053 F : (021) 976 7690
7	**CB FEEDLOT**	Feedlot	P O Box 44, Reitz, 9810 T: (058) 863 1460 F : (058) 863 1460
8	**CHALMAR BEEF**	It is situated in Bronkhorspruit. Its feedlot carries 15 000 head of cattle standing at any given time. When the new abattoir and de-boning facility opened for business in 2003, Chalmar beef became fully integrated.	P O Box 914-1144, Wingate Park, 0153 T : (011) 964 1049 F : (011) 964 1514
9	**D C LOUW FEEDLOT**	Feedlot	P O Box 56, Adelaide, 5760 T : (046) 684 0700 F : (046) 684 0706

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 Midland meat factory. They have distribution network in Kwazulu–Natal. Four modern abattoirs operate from Wolwehoek, Harrismith, Vereeniging and Frankfort. All three feedlots are situated in the calf weaner and lamb weaner producing areas and they carry 35 000 cattle at any specific time. The feedlots thus form an ideal marketing channel for weaner producers.	
12	**FORTRESS BONSMARAS**	It is situated 12 km north-west of Frankfort, Free State. It is a beautiful farm (2.925 ha) and the capacity of the feedlot is about 6000 weaners of Bonsmara or Bonsmara-cross per annum.	P O Box 630, Frankfort, 9830 T : (011) 394 2810 F : (011) 394 2471 F : 058 813 3947
13	**KAMEELDRIFT VOERKRAAL**	Feedlot	PO Box 15648, Kameeldrift – Oos T: 082 375 1826 F: 012 808 5986
14	**KANHYM ESTATES LTD.**	Feedlot	P O Box 89, Middelburg, 1050 T : (013) 249 7852/3 F : (013) 246 6211
15	**Karan Beef**	It is a family business situated at Heidelberg, south of Johannesburg. It operates feedlot, feed mill, abattoir and meat processing. The feedlot accommodates over 120 000 head of cattle - making the Karan Beef feedlot the largest in Africa. The abattoir has the capacity to process up to 1 600 head of cattle every day.	PO Box 53, Heidelberg, 1438, RSA Tel: +27 16 342 1214 Fax: +27 16 342 1212 E-mail: feedlot@karanbeef.com
16	**KELLERMAN BOERDERY**	Feedlot	P O Box 74,Koringberg,7312 T : 083 300 8134 F: (021) 854 5069
17	**KLEYNFAAN FEEDLOT**	Feedlot	P O Box 169, Vryheid, 3100 T : (034) 981 5421 F : 086 675 0574
18	**KOODOOLAKE**	Feedlot	P O Box 275, Stella, 8650 T : 083 441 5909 F : 083 457 2809
19	**KOREM FARM**	Feedlot	PO Box 58893, Karenpark, 0118

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 1960's. The farm "Middel", has been in the family for over 100 years and since inception, farmed as a family business. Originally mixed farming - cattle, sheep, pigs, plus various crops, such as maize (corn), wheat, oats and potatoes - was practiced on the farm. Sparta Beef expanded its horizons by entering into a joint venture where it tans cattle hides in Butterworth, Eastern Cape. Later, in January 1999, it acquired a large abattoir in Welkom, Northern Free State, with Black Empowerment and other local business interests now known as Sparta Foods (Pty) Ltd. At the beginning of 2001, it started a wholesale department called Sparta Foods in Benoni (Gauteng).	P O Box 64, Marquard, 9610 T : (051) 991 9200 F : (051) 991 9274 R : (051) 991 9241
33	**TAAIBOSCHBULT Pty Ltd**	Owned by Bull Brand	P O Box 2092, Potchefstroom, 2520 T : (018) 291 1035 F : (018) 291 1439
34	**THERON BOERDERY**	Feedlot	Elsonstraat 84, Pretoriawes, 0183 T : (012) 327 5040 F : (012) 327 5048
35	**TRIPLE C FEEDLOT**	feedlot	P O Box 1723, Dundee, 3000 T: (034) 212 3716 F: (034) 218 1334 C: 083 653 2145
36	**VENCOR**	Feedlot	P O Box 749, Ladanna, 0704

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 2021 and 2022 are shown in Tables 2 and 3.

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

Country	Product Code	Trade Regime Description	2021		2022	
			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%
Lesotho	02011000; 02012000 & 02013000	Intra SACU rate	0%	0%	0%	0%
Netherlands	02011000; 02012000 02013000	MFN duties Applied	12.8+176.8 EUR/100 kg	12.8+176.8 EUR/100 kg	12.8+176.8 EUR/100 kg	12.8+176.8 EUR/100 kg

Source: Market Access Map

Table 2 indicates that during 2021 and 2022, 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%. Lesotho applied a 0% Intra SACU rate to beef originating from South Africa during 2021 and 2022. Netherlands applied MFN duties of 12.8+176.8 EUR/100 kg in the same period.

Table 3: Export tariffs of frozen beef

Country	Product Code	Trade Regime Description	2021		2022	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
China	02021000; 02022000 & 02023000	MFN duties Applied	25%	25%	25%	25%
United Arab Emirates and Jordan	0202100000; 0202200000 & 0202300000	MFN duties Applied	5%	5%	5%	5%

Country	Product Code	Trade Regime Description	2021		2022	
			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 25% on frozen beef to South Africa in 2021 and 2022. UAE and Jordan applied MNF duties of 5% in 2021 and 2022. 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 2021 and 2022.

4.2. Import tariffs

Tables 4 below shows the import tariffs that South Africa applied to imports of beef originating from all possible countries in 2022.

			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 indicate the tariff duties applied by South Africa to trade agreement members of EU, EFTA, SADC, MERCOSUR, AfCFTA and General members on sub products of beef, fresh, chilled or frozen. South Africa applied 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) is allocated a rebate of full duty less 13.8%, other cuts with bone in (0201.20 and 0202.20) was 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 2022.

5.1. Exports.

Table 6: List of importing markets for Beef (fresh or chilled) exported by South Africa in 2022
South Africa's export represents **0.3%** of world export for the Beef (fresh or chilled); its ranking in world exports is **25.**

Importers	Indicators														
	Value exported in 2022 (USD thousand)	Trade balance 2022 (USD thousand)	Share in South Africa's exports (%)	Quantity exported in 2022	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2018-2022 (%, p.a.)	Growth in exported quantity between 2018-2022 (%, p.a.)	Growth in exported value between 2021-2022 (%, 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 2018-2022 (%, 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	97599	94986	100	15477	Tons	6306	9	14	9		100	6			
Kuwait	25068	25068	25.7	3368	Tons	7443	11	28	-1	36	0.3	9	5299	0.35	0
Jordan	17124	17124	17.5	2529	Tons	6771	15	10	29	41	0.2	0	7386	0.3	7.6
United Arab Emirates	15690	15690	16.1	1923	Tons	8159	4	-2	-2	18	1.6	11	7468	0.22	0
Qatar	12766	12766	13.1	1460	Tons	8744	37	33	18	35	0.3	19	8035	0.16	0
Mozambique	8696	8696	8.9	1946	Tons	4469	4	0	4	77	0.03	5	874	0.98	0
Bahrain	2293	2293	2.3	236	Tons	9716	14	12	68	48	0.1	6	6251	0.26	0
Mauritius	2287	2287	2.3	310	Tons	7377	18	16	3	78	0.03	-5	6847	0.55	0
Netherlands	1573	1573	1.6	659	Tons	2387	40	61	748	4	6.8	3	3438	0.08	38.7
Lesotho	1528	1528	1.6	517	Tons	2956	17	9	-17	99	0	20	369	1	0
Zimbabwe	1408	1408	1.4	445	Tons	3164	148	94	32						0
Egypt	1388	1388	1.4	155	Tons	8955	25	20	-43	56	0.07	-12	10787	0.68	0
Canada	1367	1367	1.4	501	Tons	2729			263	11	2.5	8	2599	0.65	26.5
Angola	1138	1138	1.2	174	Tons	6540	0	-1	462	115	0	-36	2696	0.28	10

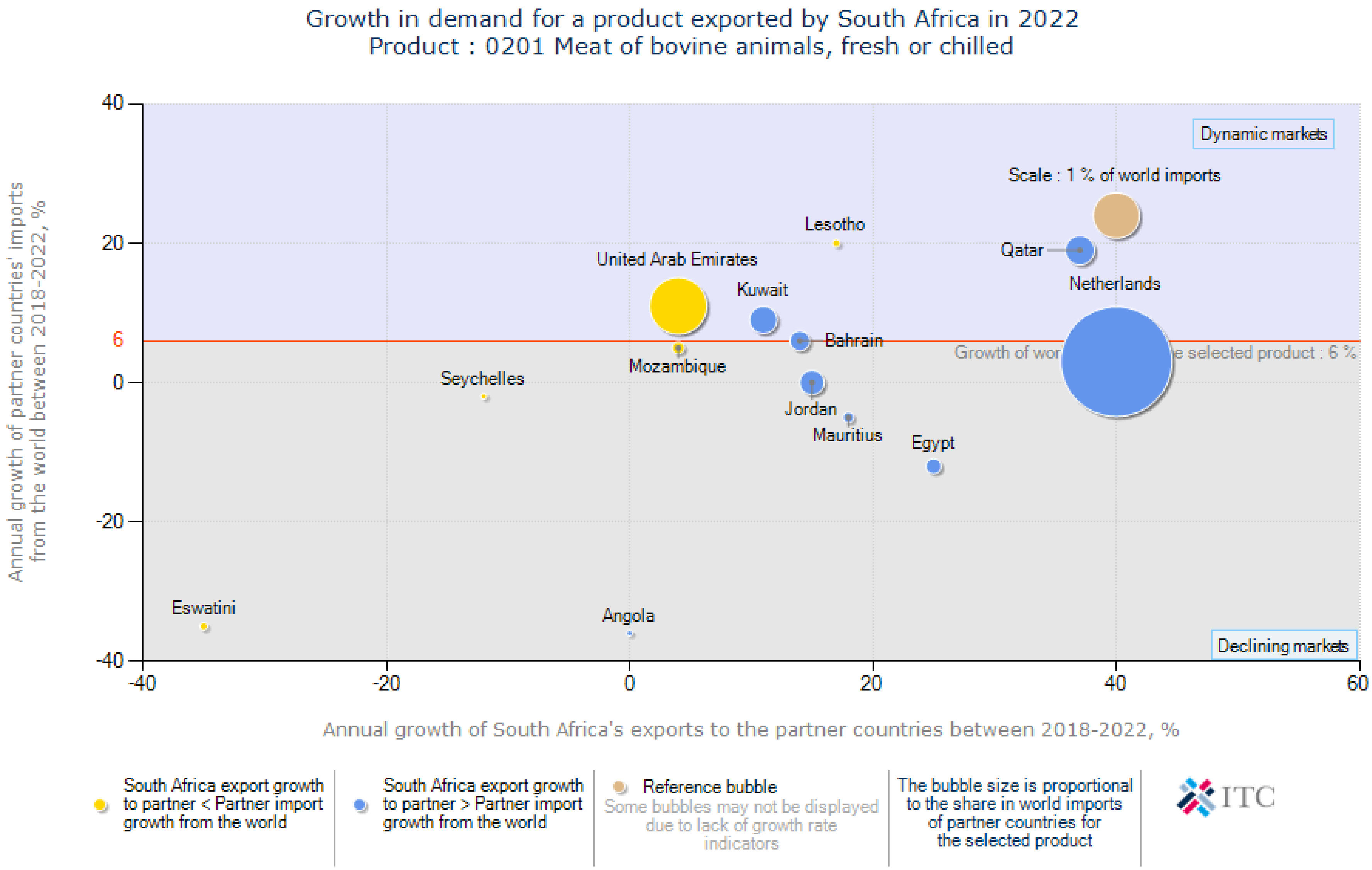
Source: ITC calculations based on COMTRADE statistics.

Table 6 shows that during 2022 South Africa exported a total of 15 477 tons of beef (fresh or chilled) at an average value of US$ 6 306/unit. The major export destinations for beef (fresh or chilled) originating from South Africa in 2022 were Kuwait, Jordan and United Arab Emirates (UAE). These countries accounted for 25.7%, 17.5% and 16.1% respectively.

On average, during the period 2018 and 2022 South Africa's exports of beef (fresh or chilled) increased by 9% in value and 14% in quantity. During the same period, Kuwait experienced an increase of 11% in value and 28% in quantity and UAE increased by 15% in value and 10% in quantity

South Africa's exports for beef (fresh or chilled) to the world increased by 9% during the period between 2021 and 2022. In the same period, Kuwait decreased by 1% and UAE increased by 29%.

Figure 31: Growth in demand for fresh beef exported from South Africa in 2022



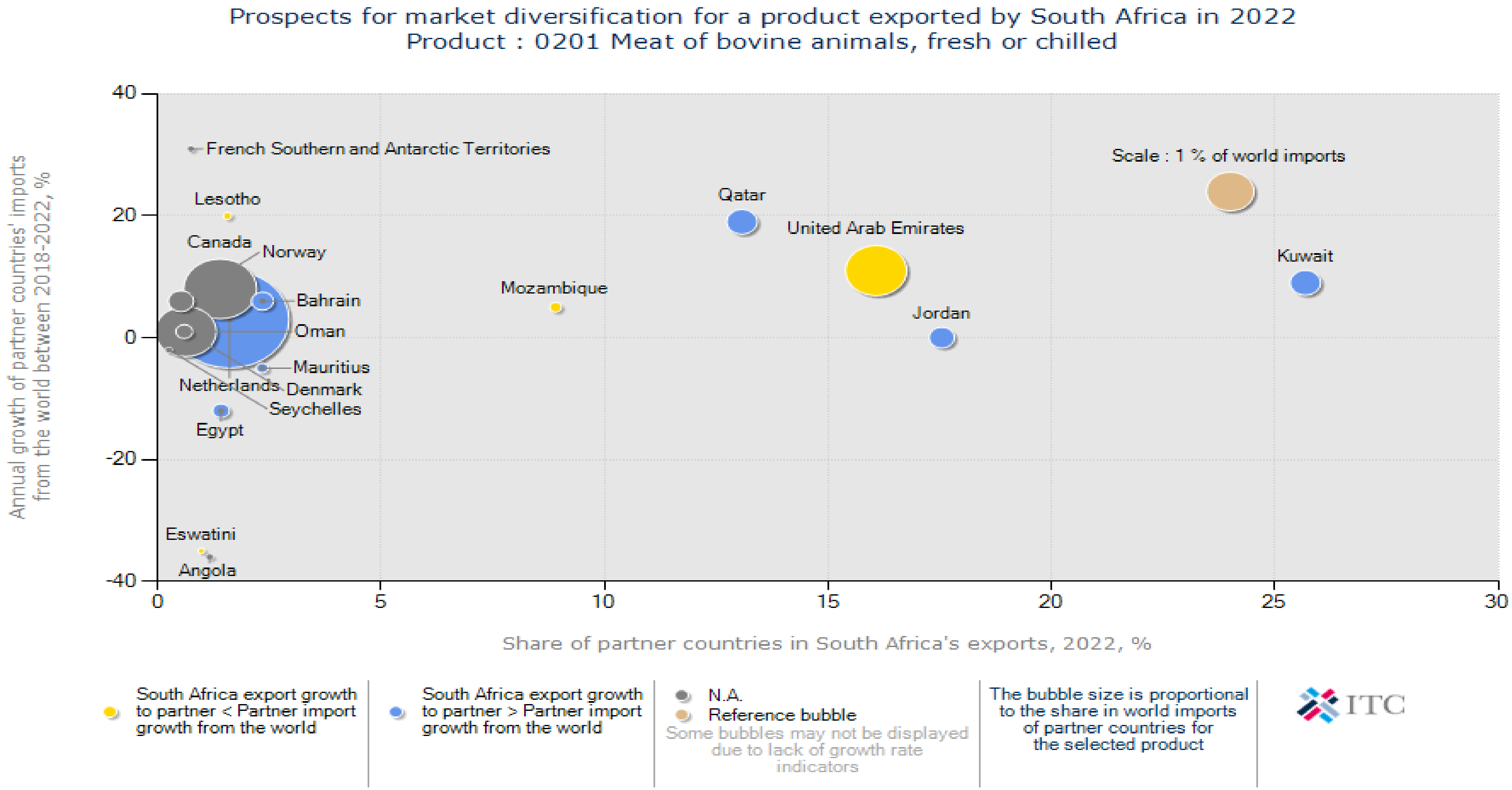
Source: Trademap, ITC

Figure 31 illustrates that between 2018 and 2022, South Africa's beef (fresh or chilled) exports to UAE, Mozambique, Lesotho, Eswatini 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, Bahrain, Jordan, Egypt, Kuwait and Mauritius were growing at a rate that is greater than their imports from the rest of the world during the periods 2018 and 2022. The Netherlands is the biggest South African export market for fresh/chilled beef in terms of annual exports growth of over 40%.

The most growing demand of the market for fresh or chilled beef is in Lesotho with an annual import growth of 20% respectively.

Figure 32: Prospects for market diversification for fresh beef exported by South Africa in 2022



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 25.7%, 17.5% and 16.1% of South Africa's beef exports during 2022 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 6.8%. The potential market exists in French Southern and Antarctic Territories with annual import growth of 33% per annum. Currently, South Africa's export of beef to Lesotho 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 2022.

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 2022 (USD thousand)	Trade balance 2022 (USD thousand)	Share in South Africa's exports (%)	Quantity exported in 2022	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2018-2022 (%, p.a.)	Growth in exported quantity between 2018-2022 (%, p.a.)	Growth in exported value between 2021-2022 (%, 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 2018-2022 (%, 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	53804	46528	100	12945	Tons	4156	0	-1	-29		100	13			
China	7807	7807	14.5	1788	Tons	4366	-20	-21	-80	1	43.5	35	15666	0.25	12.2
United Arab Emirates	6753	6753	12.6	1108	Tons	6095	54	50	58	17	1.1	-1	9021	0.31	5
Lesotho	5158	5158	9.6	2020	Tons	2553	19	2	8	122	0.01	26	372	0.98	0
Mozambique	4867	4867	9	850	Tons	5726	-2	-8	-2	121	0.01	8	978	0.83	0
Egypt	4246	4246	7.9	618	Tons	6871	4	11	2	5	2.6	-7	6803	0.48	0
Qatar	4151	4151	7.7	555	Tons	7479	48	46	2330	33	0.2	22	7767	0.19	5
Kuwait	3653	3653	6.8	761	Tons	4800	11	11	122	31	0.3	13	10065	0.2	5
Jordan	2614	2614	4.9	314	Tons	8325	20	18	-38	38	0.2	5	7539	0.31	9.6
Ethiopia	1569	1569	2.9	184	Tons	8527	18	13	-5	200	0	37	6028	0.69	30
Seychelles	1538	1538	2.9	169	Tons	9101	10	4	-17	120	0.01	6	7594	0.21	0
Nigeria	1384	1384	2.6	1768	Tons	783	13	88	97	198	0		4797	0.62	35
Mauritius	1278	1278	2.4	218	Tons	5862	-9	-13	89	91	0.04	3	6234	0.39	0

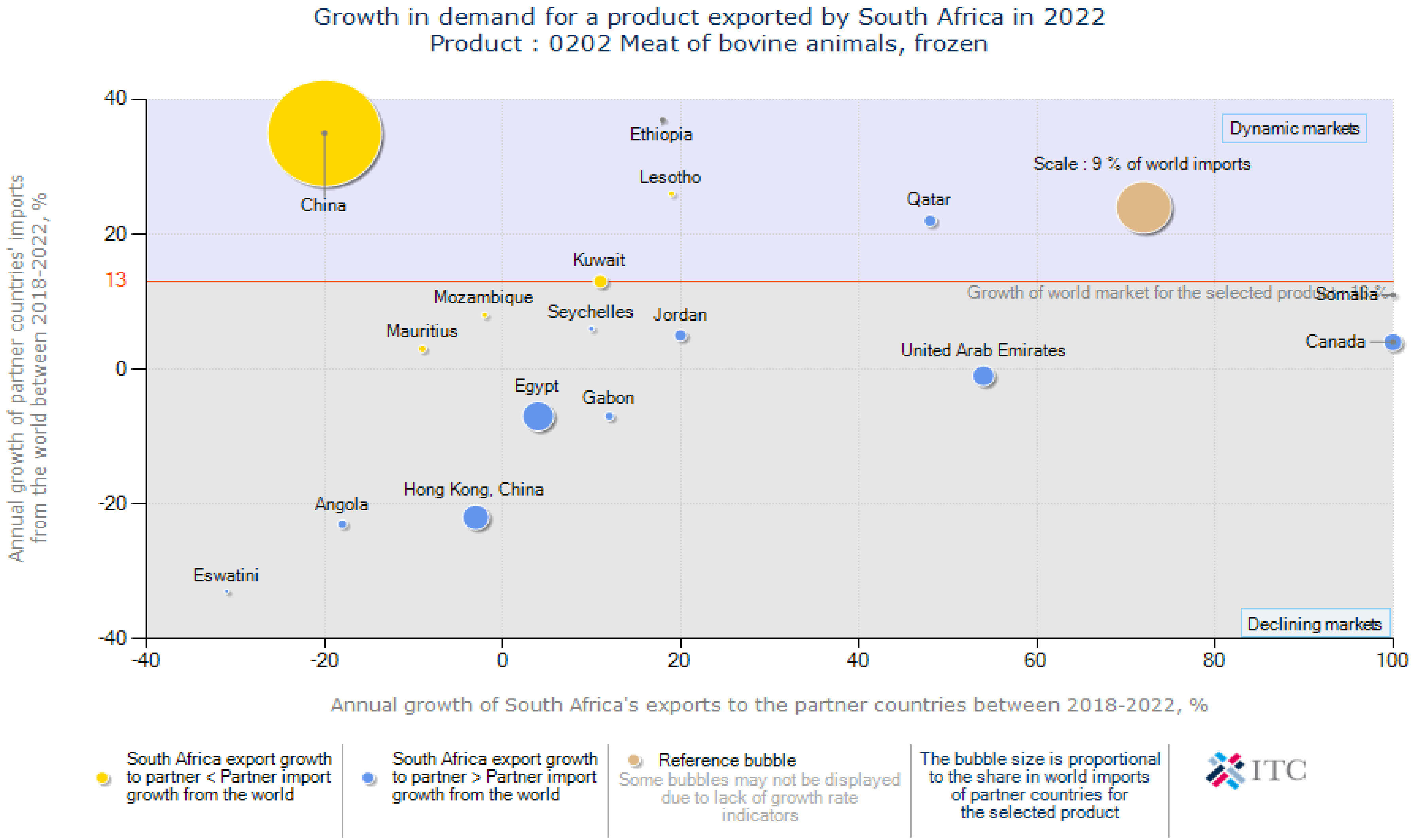
Source: ITC calculations based on COMTRADE statistics.

Table 7 shows that during 2022 South Africa exported a total of 12 945 tons of frozen beef at an average value of US$ 4 156/unit. The major export destinations for frozen beef originating from South Africa during 2022 were China, UAE and Lesotho. These countries accounted for 14.5%, 12.6% and 9.6% respectively.

Exports of frozen beef exported by South Africa to the world during the periods 2018 and 2022 experienced 0% change in value and a decrease of 1% in quantity. During the same periods exports to China decreased by 20% in value and 21% in quantity while UAE increased by 54% in value and 50% in quantity.

South Africa's exports of frozen beef to the world between the period 2021 and 2022 decreased by 29% in value. At the same period, China decreased by 80% and UAE increased by 58% during the same periods.

Figure 33: Growth in demand for frozen beef exported from South Africa in 2022

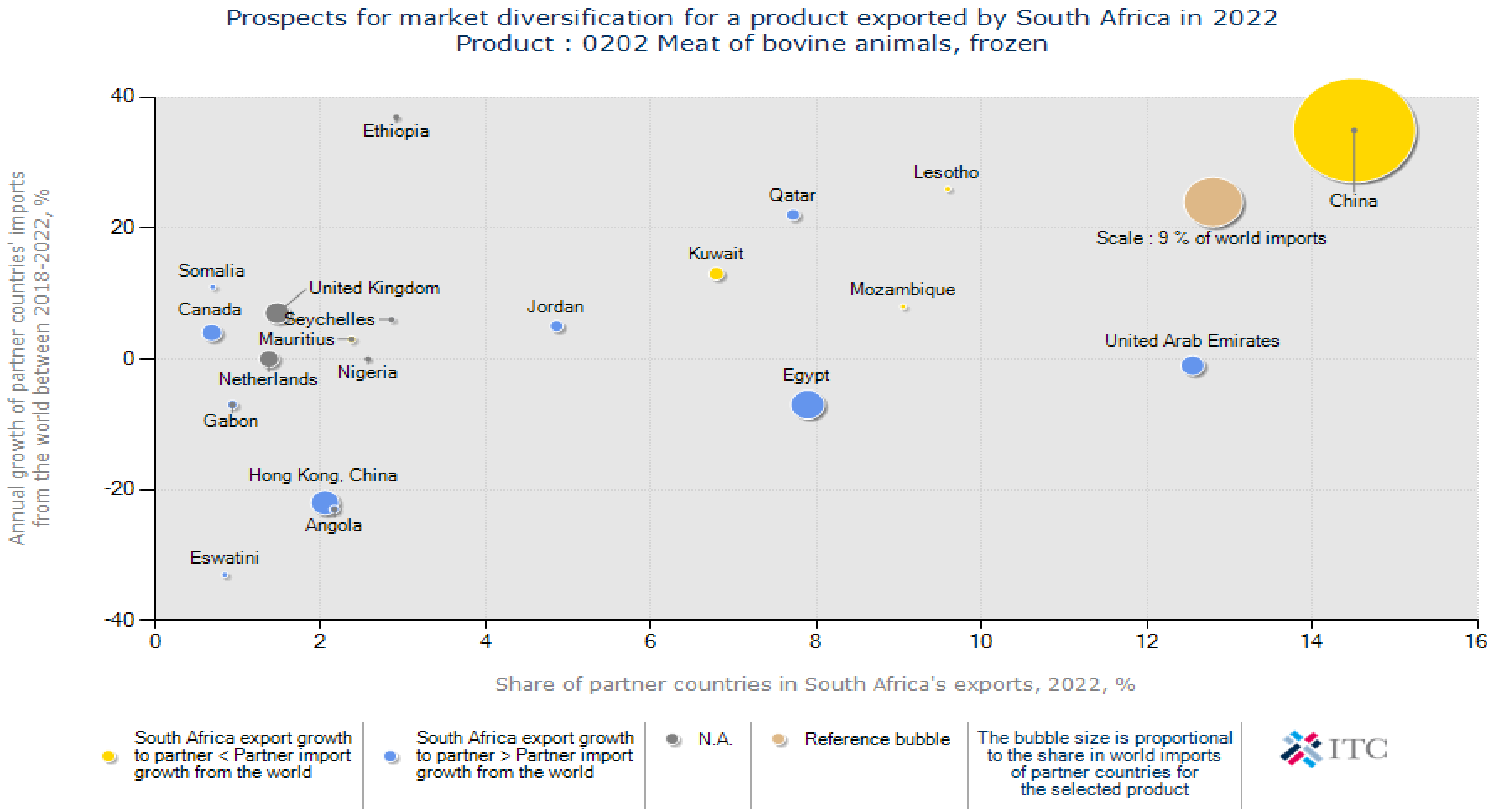


Source: Trademap, ITC

Figure 33 illustrates that between 2018 and 2022 South Africa’s frozen beef exports to China, Lesotho, Kuwait, Mauritius 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 Hong Kong, China, UAE, Jordan, Gabon, Canada, Qatar, Egypt and Angola were growing at a rate that is greater than their imports from the rest of the world.

Eswatini represent a loss in a declining market while Somalia represent gain in Dynamic markets. China appeared to be the top importer of frozen beef from the world with a share of 43.5%. In terms of an annual import growth from the world, Ethiopia is leading with 37%.

Figure 34: Prospects for market diversification for frozen beef exported by South Africa in 2022



Source: Trademap, ITC

Figure 34 above shows the prospects for market diversification for beef (frozen) exports by South Africa in 2022. South Africa's frozen beef was mostly exported to China, which commanded South Africa's beef export share of 14.5%. If South Africa is to diversify its frozen beef exports, the most attractive market exists in Ethiopia, which experienced an annual import growth of 37%.

5.2. Imports.

Table 8: List of supplying markets for the beef (fresh or chilled) imported by South Africa in 2022.

South Africa represents **0%** of world imports for beef (fresh or chilled); its ranking in world imports is **92**.

Exporters	Indicators													
	Value imported in 2022 (USD thousand)	Trade balance 2022 (USD thousand)	Share in South Africa's imports (%)	Quantity imported in 2022	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2018-2022 (%, p.a.)	Growth in imported quantity between 2018-2022 (%, p.a.)	Growth in imported value between 2021-2022 (%, 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 2018-2022 (%, 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	2613	94986	100	900	Tons	2903	18	17	-22		100	6			
Botswana	2108	-2016	80.7	777	Tons	2713	117	91	-26	56	0	-58	652	0.78	0
Namibia	338	-302	12.9	115	Tons	2939	-35	-36	1	41	0.06	-7	8561	0.41	0
Australia	65	-65	2.5	2	Tons	32500	72	19	9	3	9.5	3	9863	0.15	40
United States of America	56	-56	2.1	2	Tons	28000		32	66	1	14.8	7	7880	0.16	40
Argentina	41	-41	1.6	3	Tons	13667				13	2.8	2	8970	0.2	40
New Zealand	4	-4	0.2	2	Tons	2000				19	1.3	9	10854	0.13	40
Kuwait		25068													40
Jordan		17124								79	0	-16	1687	1	40
United Arab Emirates		15690								44	0.03	7	1736	0.34	40
Qatar		12766								82	0		555	1	40
Mozambique		8696								95	0	17	7311	0.22	0
Bahrain		2293								86	0	-27		1	40

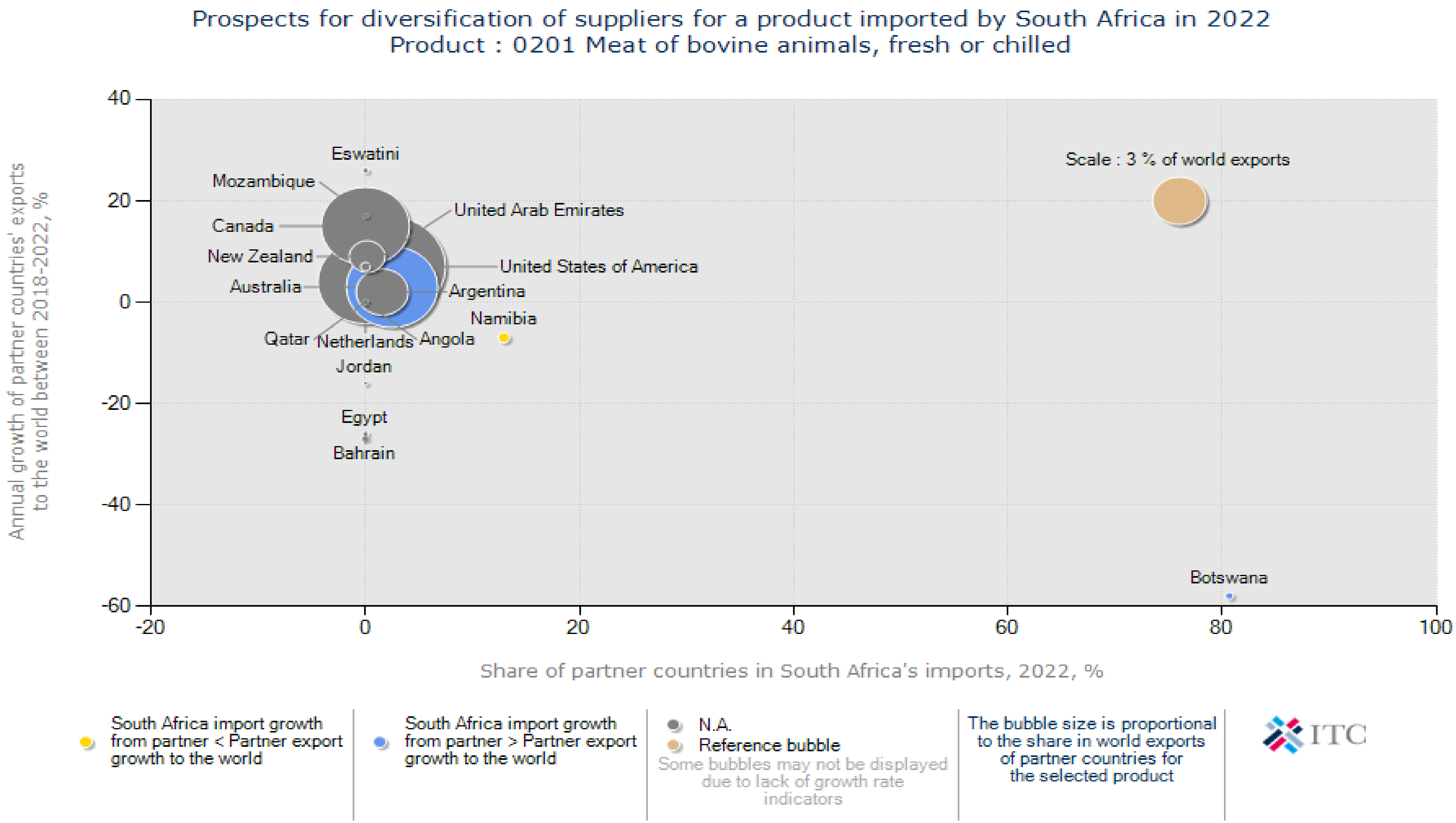
Source: ITC Trade Map.

Table 8 shows that during 2022 South Africa imported a total of 900 tons of beef (fresh or chilled) at an average value of US$ 2 903/unit. The suppliers of beef (fresh or chilled) imported by South Africa during 2022 was Botswana and Namibia which accounted for 80.7% and 12.9% respectively.

South African growth of beef imports from 2018 to 2022 increased by 18% in value and 17% in quantity. At the same period Botswana increased by 117% in value and 91% in quantity and Namibia decreased by 35% in value and 36% in quantity.

Between the periods 2021 and 2022 South African beef imports decreased by 22% in value. Botswana decreased by 26% in value and Namibia increased by 1% during the same period.

Figure 35: Prospects for diversification of suppliers for fresh or chilled beef imported by South Africa in 2022



Source: Trademap, ITC

Figure 35 above shows the prospects for diversification of suppliers for fresh or chilled beef imports by South Africa in 2022. 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 80.7% followed by Namibia with 12.9% during the year 2022. If South Africa wishes to diversify its imports, the most attractive supplier exists in Eswatini due to its export growth of 28%. This means South Africa can develop a new market in this country because currently South Africa does not import fresh or chilled beef from Eswatini.

Table 9: List of supplying markets for the beef (frozen); imported by South Africa in 2022.

South Africa's imports represent **0%** of world imports for beef (frozen); its ranking in world imports is **106.**

Exporters	Indicators														
	Value imported in 2022 (USD thousand)	Trade balance 2022 (USD thousand)	Share in South Africa's imports (%)	Quantity imported in 2022	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2018-2022 (%, p.a.)	Growth in imported quantity between 2018-2022 (%, p.a.)	Growth in imported value between 2021-2022 (%, 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 2018-2022 (%, 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	7276	46528	100	2280	Tons	3191	-37	-40	-11		100	11			
Namibia	4204	-3990	57.8	1217	Tons	3454	-26	-30	61	38	0.06	-5	7140	0.24	0
Botswana	1442	-1210	19.8	463	Tons	3114	-53	-56	25	45	0.02	-37	1036	0.65	0
Brazil	1245	-1245	17.1	442	Tons	2817	-67	-27		1	28.2	22	15546	0.53	40
Uruguay	242	-189	3.3	81	Tons	2988	-25	-28	-86	7	5.5	14	16087	0.5	40
United States of America	76	12	1	3	Tons	25333	-41	-54	-41	2	14.9	13	10495	0.19	40
Australia	63	-10	0.9	73	Tons	863	-35	-29	-95	3	12.1	2	8923	0.15	40
New Zealand	4	-4	0.1	2	Tons	2000	-60	-54		5	7	10	10779	0.3	40
China		7807								77	0	-46	5671	0.5	40
United Arab Emirates		6753								21	0.4	-6	1160	0.72	40
Lesotho		5158													0
Mozambique		4867								112	0	52	7115	0.12	0
Egypt		4246								72	0	400	2857	0.24	40

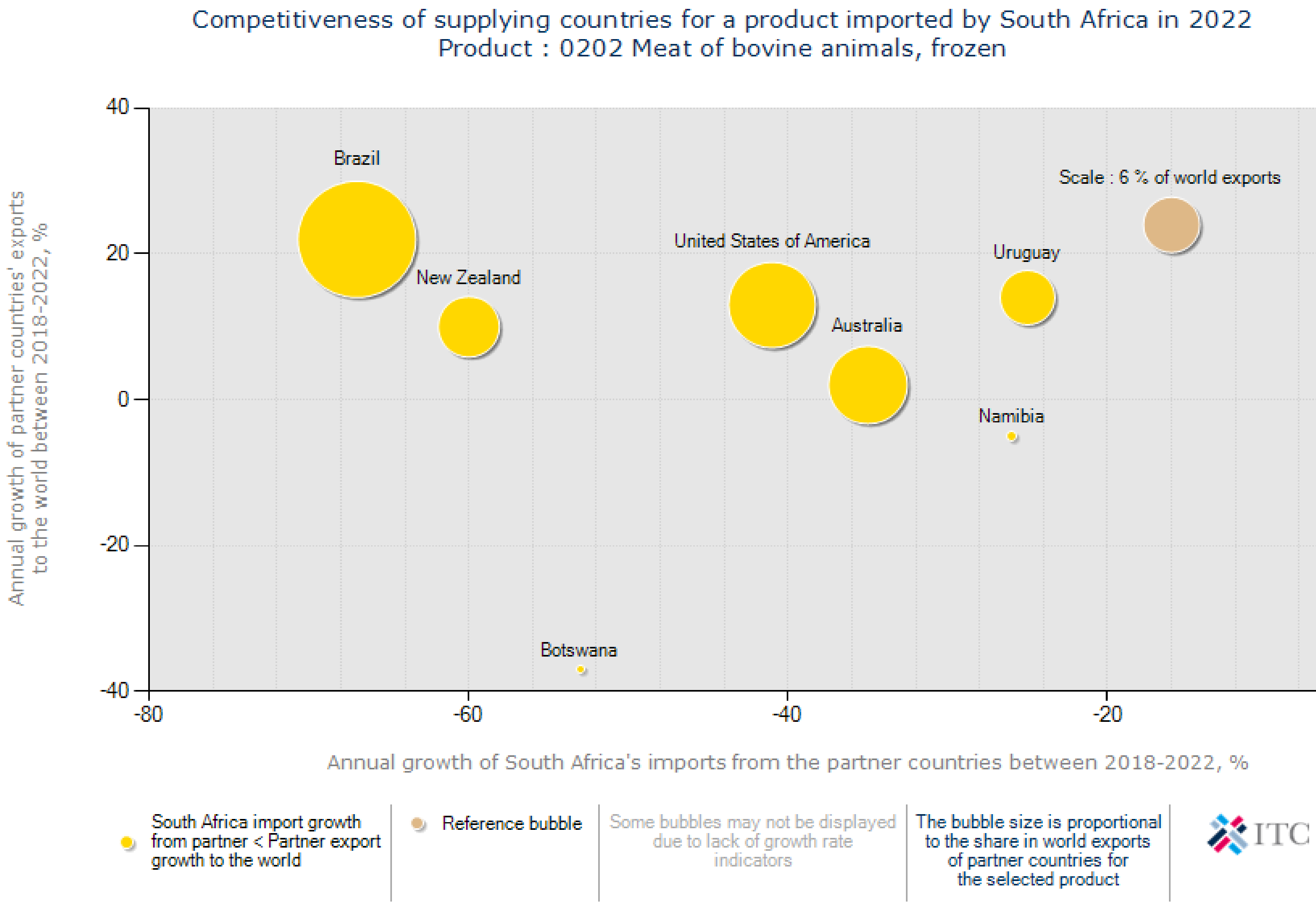
Source: ITC calculations based on COMTRADE statistics.

Table 9 shows that during 2021 South Africa imported a total of 2 280 tons of frozen beef at an average value of US$ 3 191/unit. The major suppliers of frozen beef imported by South Africa in 2022 were Namibia, Uruguay and Australia. The greatest share of South African frozen beef imports was from Namibia which supplied 57.8% during the year 2022 followed by Botswana and Brazil with a share of 19.8% and 17.1% respectively.

South Africa's frozen beef imports decreased by 37% in value and 40% in quantity between the periods 2018 and 2022. During the same period, imports of frozen beef from Namibia decreased by 26% in value and 30% in quantity.

South Africa's imports of frozen beef from the world decreased by 11% per annum in value during 2021 and 2022. During the same periods, Namibia and Botswana's exports to South Africa increased by 61% and 25% in value respectively.

Figure 36: Competitiveness of suppliers to South Africa for frozen beef in 2022

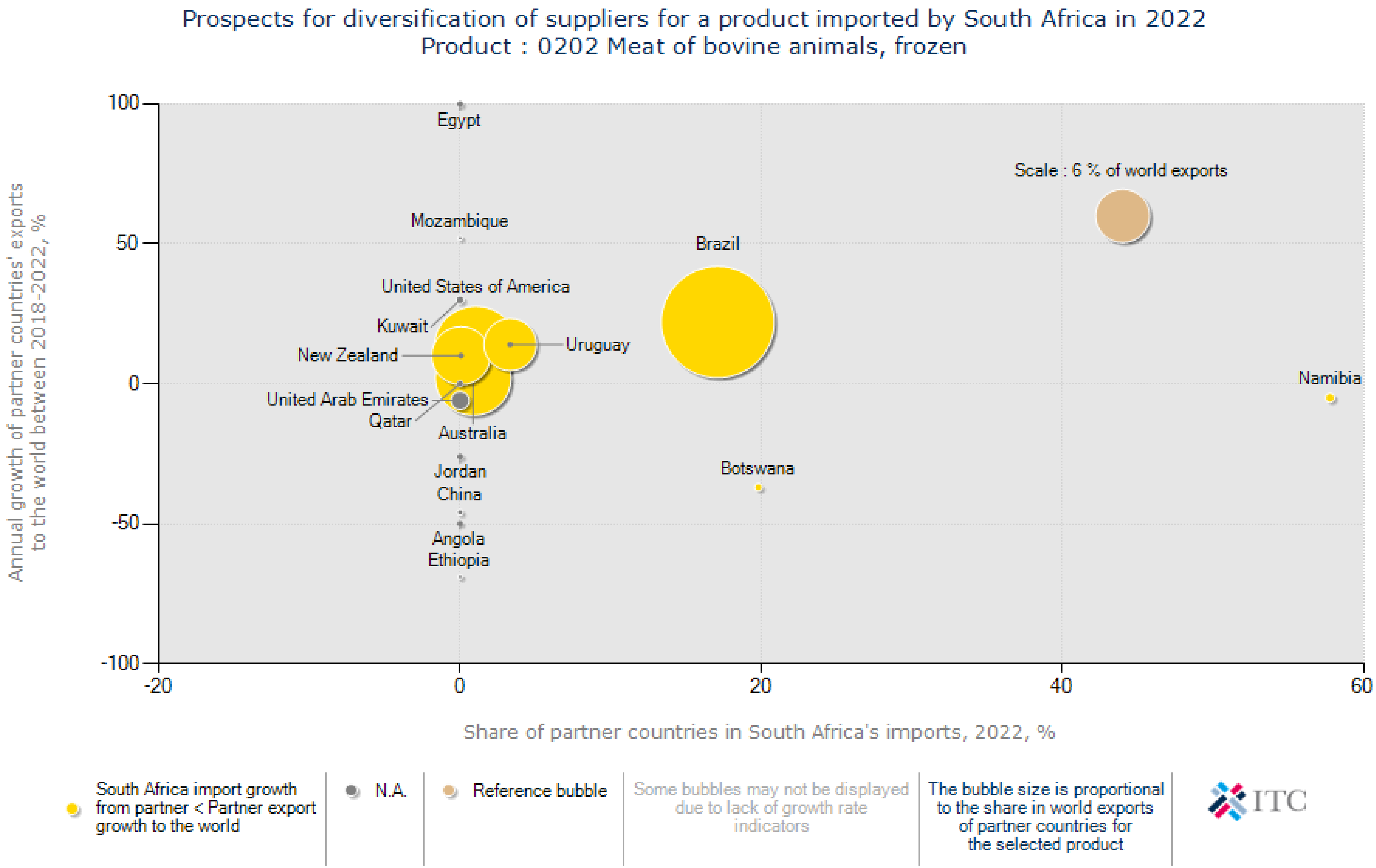


Source: Trademap, ITC

Figure 36 illustrates that between 2018 and 2022, South Africa's frozen beef imports from Australia, Uruguay, USA, Namibia, New Zealand, Brazil 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 30% and 56% respectively between 2018 and 2022.

South Africa's imports from Brazil is growing at a rate that is less than its import growth from the world. Brazil had an annual exports growth of 22%.

Figure 37: Prospects for diversification of suppliers for frozen beef imported by South Africa in 2022.



Source: Trademap, ITC

Figure 37 above shows the prospects for diversification of suppliers for frozen beef imports by South Africa. South Africa import most of frozen beef from Namibia. However, if South Africa is to diversify its frozen beef imports, the biggest market exists in Brazil with the world export share of 27%. The most attractive market is Egypt due to its highest annual export growth of 400%.

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