

A PROFILE OF THE SOUTH AFRICAN MUTTON MARKET VALUE CHAIN

2021



Directorate Marketing
Private Bag X 15
Arcadia
0007

Tel: 012 319 8455
Fax: 012 319 8131
E-mail: PA.DM@dalrrd.gov.za
www.dalrrd.gov.za



agriculture, land reform
& rural development

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

TABLE OF CONTENT

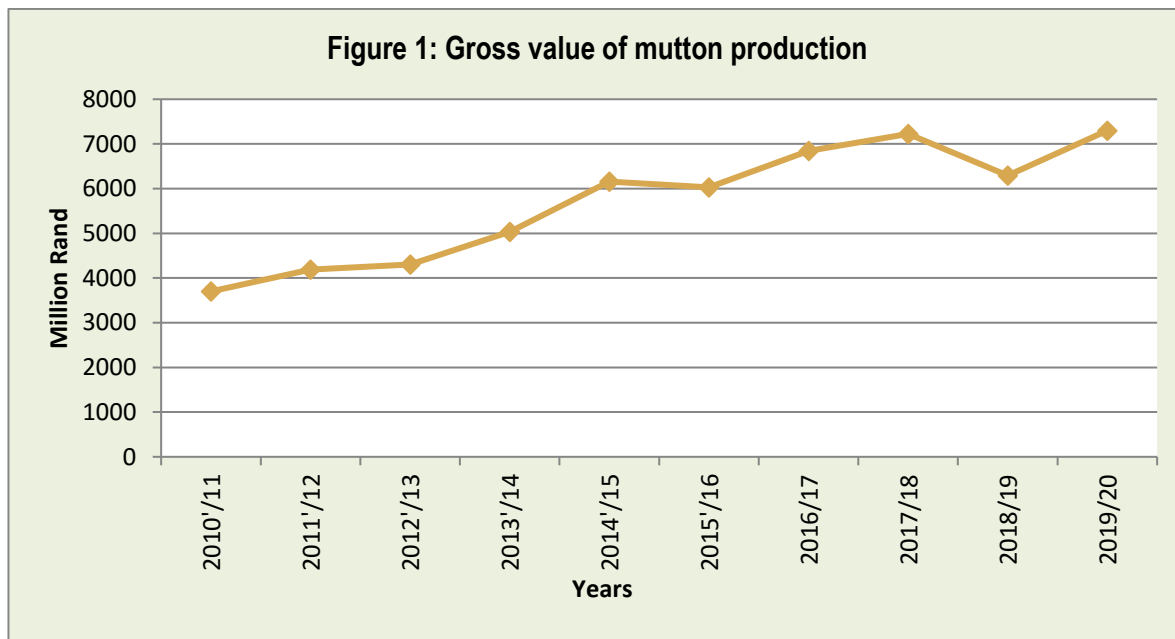
1.	DESCRIPTION OF THE INDUSTRY	3
1.1.	PRODUCTION AREAS	4
1.3.	EMPLOYMENT	5
2.	MARKET STRUCTURE	6
2.1.	DOMESTIC MARKET AND PRICES	6
2.2.	EXPORTS OF MUTTON.....	6
2.4.	IMPORTS OF MUTTON.....	16
3.	MARKETING CHANNELS	19
4.	ORGANIZATIONAL ISSUES.....	21
4.2.	OPPORTUNITIES	21
4.3.	CHALLENGES.....	22
5.	MARKET INTELLIGENCE	23
5.1.	EXPORT TARIFFS.....	23
5.2.	IMPORT TARIFFS.....	24
6.	COMPETITIVENESS OF THE SHEEP INDUSTRY	25
6.1.	COMPETITIVENESS OF SHEEP INDUSTRY IN EXPORTS	26
7.	ACKNOWLEDGEMENTS	38

1. DESCRIPTION OF THE INDUSTRY

Sheep farming is practiced throughout the country but concentrated mostly in arid parts of the country, *i.e.* Northern Cape, Eastern Cape, Western Cape, Free State and Mpumalanga Provinces. There are approximately 8 000 commercial sheep farms throughout the country and about 5 800 communal farmers. The estimated number of sheep (Merino, karakul, other woolled sheep and non-wooled sheep) in South Africa is 21.4 million in 2020. Sheep farmers are represented by organizations with Dorper Sheep Breeders' Society of South Africa and Merino SA being the most prominent.

Dorper is a highly successful South African-bred mutton breed developed specially for the more arid areas of South Africa. Today they are widely spread throughout the country. The Dorper's excellent carcass qualities in terms of conformation and fat distribution, generally qualify it for top classification. Other mutton breeds that can also produce wool are Damara, Meatmaster, Ille de France, Dormer, Suffolk, Van Rooy and Vandor.

The gross value of mutton production is dependent on the price and quantity of meat produced. Figure 1 below shows the gross value of mutton production from 2010/11 to 2019/20.

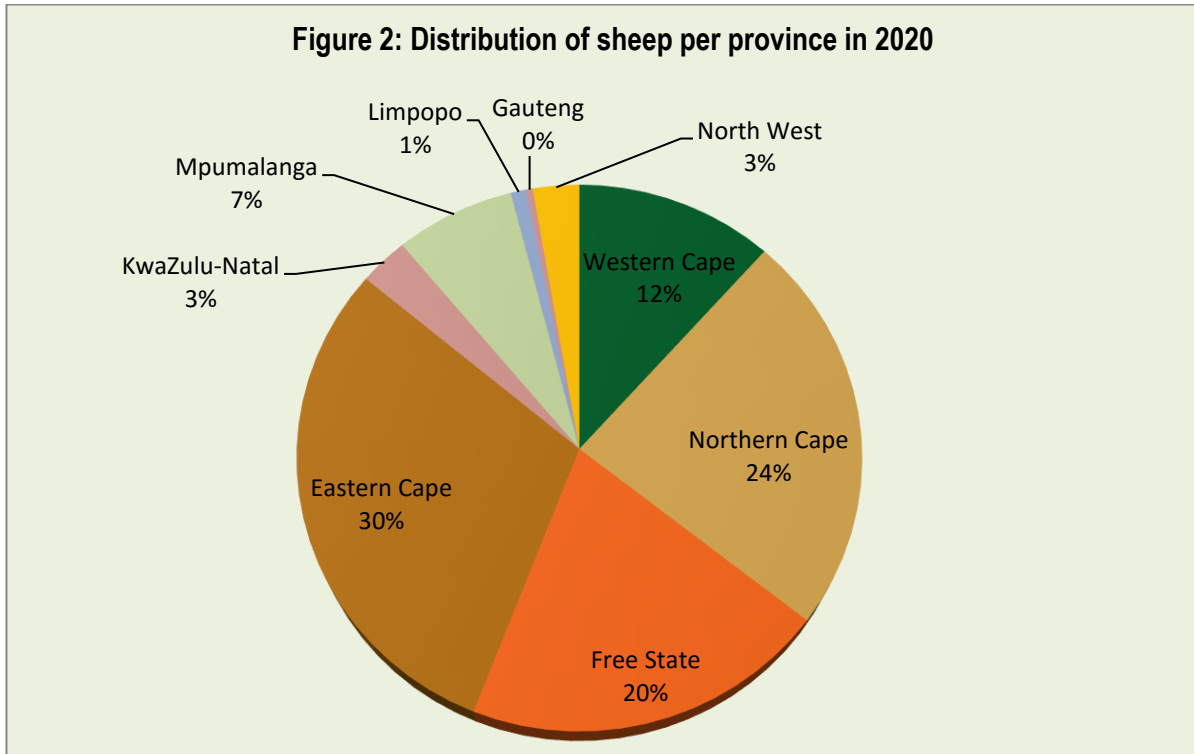


Source: Statistics and Economic Analysis, DALRRD

Over the past ten years, the average gross production value amounted to R5.7 billion per annum. The rapid population growth in South Africa have led to an increase in demand and subsequent shortages in the supply of mutton. The gross value of mutton production increased continuously from 2010/11 until 2017/18 except 2015/16 as the trend shows a slight decrease of 25%. This was emanating from the drought experienced in that particular period (2015/16). The gross value has declined by 13% in 2018/19 followed by 16% increase in 2019/20. Overall, the gross value of mutton production has increased by 97% in the past decade.

1.1. Production Areas

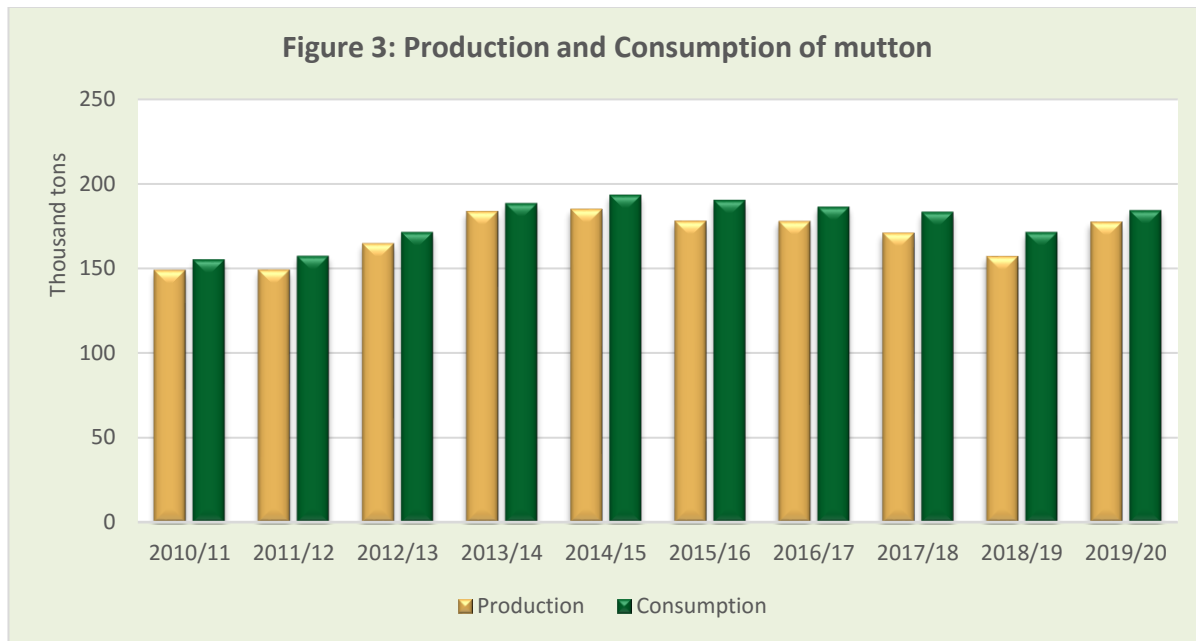
Figure 2 below present, sheep distribution in all provinces of South Africa. Sheep numbers in South Africa are estimated at 21.4 million distributed in all nine provinces in 2020. This represents 2.2% decline from previous year. The declining of sheep numbers is mainly through the predation and stock theft. Approximately 30% of the sheep are in Eastern Cape followed by Northern Cape with 24%, Free State by 20% and Western Cape by 12%. These four Provinces constitute 86% and the other five Provinces share the remaining 14% of the country's sheep numbers.



Source: Statistics and Economic Analysis, DALRRD

1.2. Production trends

Sheep and lamb are slaughtered in abattoirs that are distributed all over South Africa. Slaughtering outside the abattoirs is not easy to record. Most of the mutton produced in South Africa is consumed locally. Figure 3 below, shows the comparison between the mutton produced in South Africa and its consumption.



Source: Statistics and Economic Analysis, DALRRD

Figure 3 shows that the amount of mutton consumed is more than what was domestically produced during the period under review. This shows that South Africa rely on imports to supplement the domestic consumption. The amount of mutton consumed reached its peak of 193 000 tons during 2014/15 and the production peaked on the same year with 184 600 tons. The mutton production and consumption show a declining trend since 2014/15 to 2018/19. The decline in production was the results of the flock reduction caused by drought experienced in the country in 2015/16 and prolonged in other provinces coupled with continuous stock theft in the country. The mutton consumption decline may also be attributed to the increasing producer prices of mutton, which makes it expensive relative to its alternatives such as beef, chicken and pork. In 2019/20, the production and consumption increased by 13% and 8% respectively.

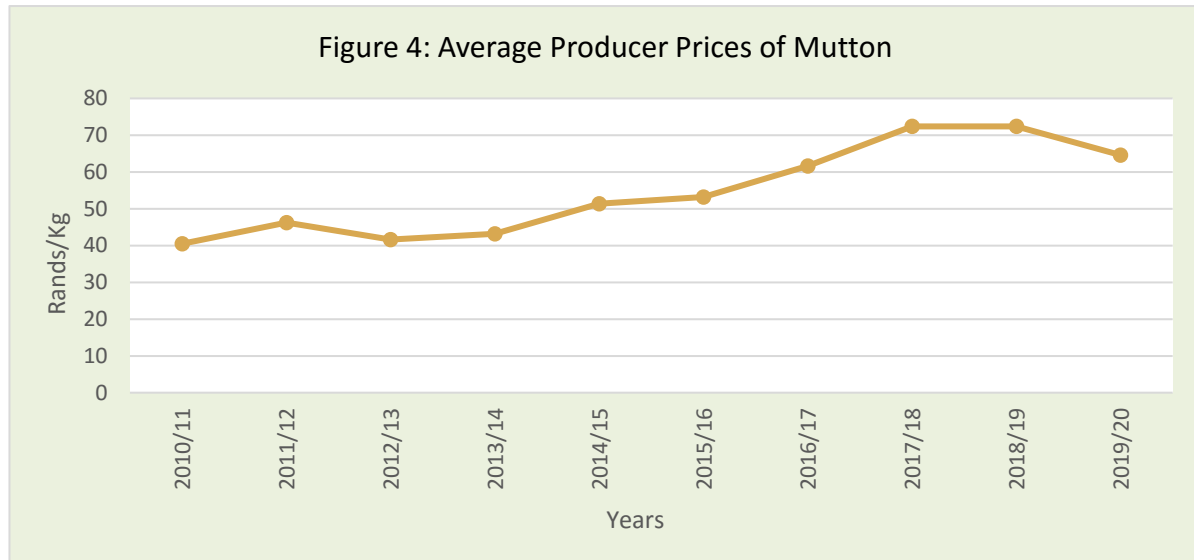
1.3. Employment

There are approximately 8 000 commercial sheep farms around the country employing approximately 35 000 workers.

2. MARKET STRUCTURE

2.1. Domestic market and prices

Forces of demand and supply determine Price of mutton in South Africa. Figure 4 below show the average producer prices of mutton from 2010/11 to 2019/20.

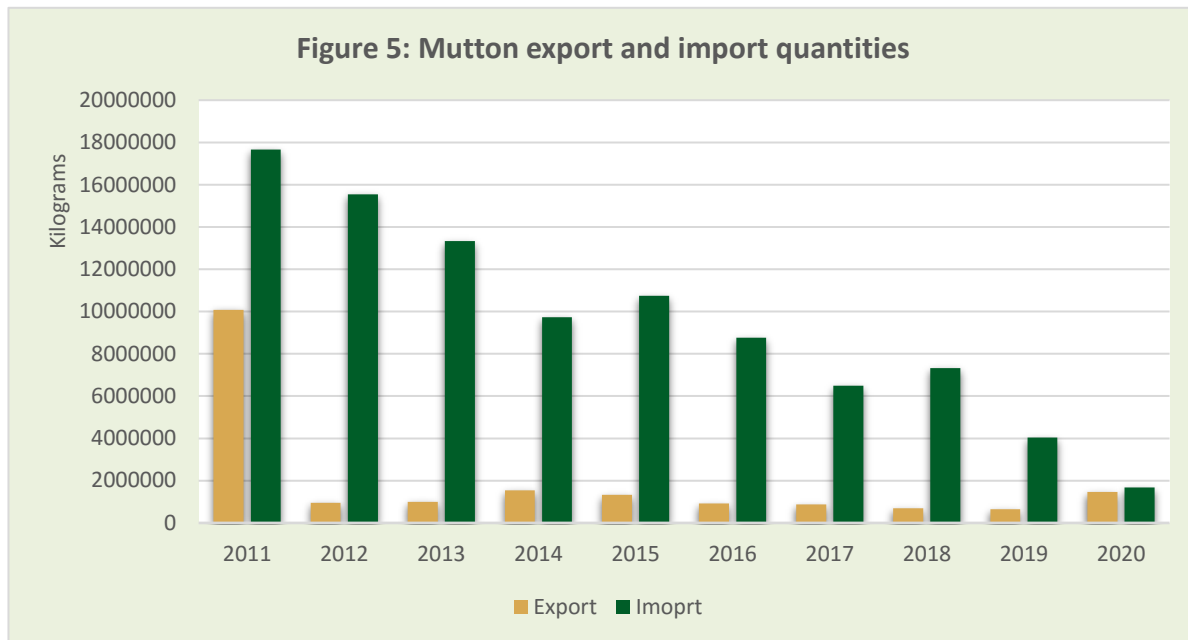


Source: Statistics and Economic Analysis, DALRRD

The average producer price of mutton has been fluctuating at an increasing rate in the past decade. The average producer prices of mutton increased from 2010/11 to 2011/12 mainly due to inflation factor, change of consumer's lifestyles and insufficient supply. There was a significant decrease in price of mutton in 2012/13, which followed by an increase from 2013/14 to 2017/18 reaching a peak at R72.38/Kg and remained stable in 2018/19. This may be due to an increase of international prices trading with South Africa in light of its reliance on imports to meet local demand. Producer price of mutton declined by 11% in 2019/20 emanating from shortage of supply.

2.2. Exports of mutton

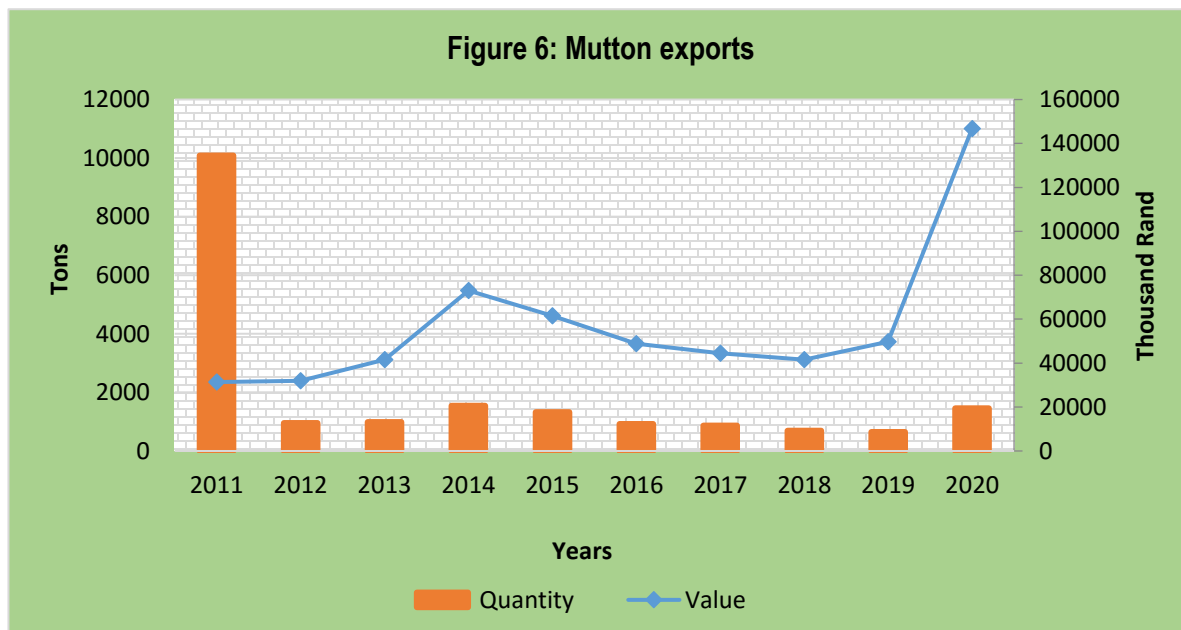
Figure 5 below shows the comparison between mutton imports and exports from 2011 to 2020.



Source: Quantec EasyData

It is clearly indicated from Figure 5 above that, South Africa is the net importer of mutton because the amount of mutton imported is far higher than the amount of mutton exported. Despite South Africa being a net importer of sheep meat, the trends are showing a decline of imports, and this may be due to the increased international prices coupled with the soft local demand.

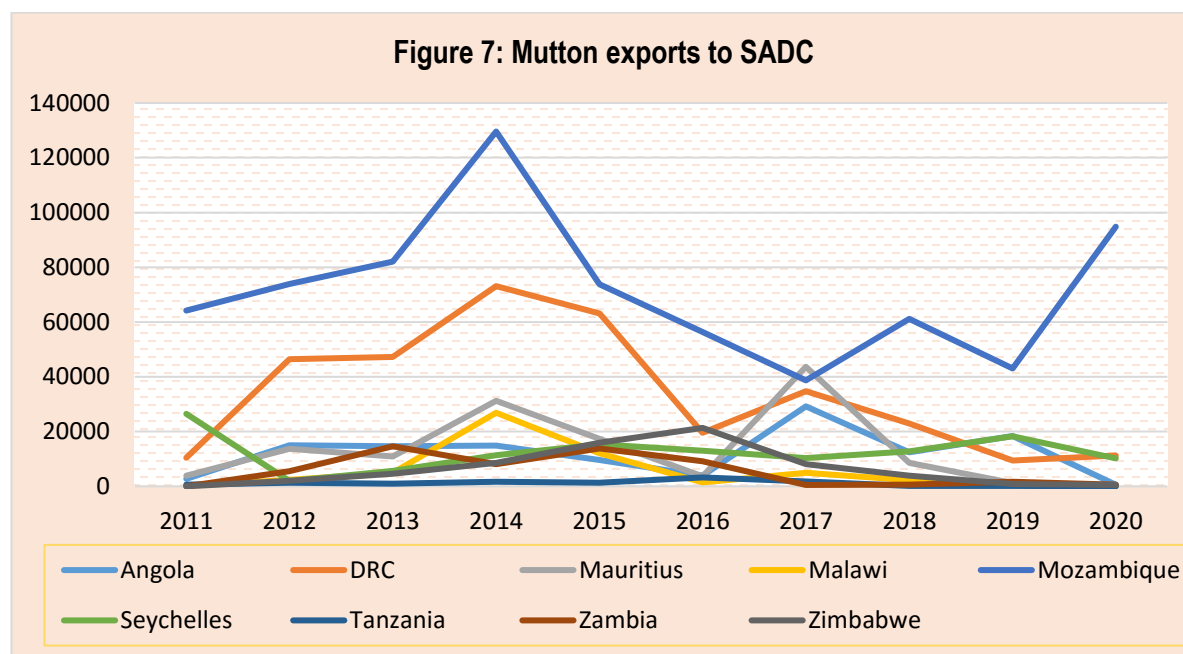
Figure 6 below shows the mutton exports in quantity and value from 2011 to 2020.



Source: Quantec EasyData

Figure 6 shows that, both export quantity and value of mutton was fluctuating from 2011 to 2020. However, in 2014 to 2019, the figure shows a decreasing trend of export quantity. This might be due to the global increase in mutton demand that led to the international price increase in 2014. The highest quantities (10 087 tons) of mutton was exported in 2011 and highest value of R146 million was received in 2020. From 2014 to 2018, both mutton export value and quantity followed similar trends. The figure shows that in that period (2014 to 2018) there was decline of 43% and 55% in mutton export value and quantity respectively. South Africa’s global mutton exports were 1 460 tons at a value of R146 million in 2020. These represent 124% increase in quantity and 195% increase in value relative to previous year.

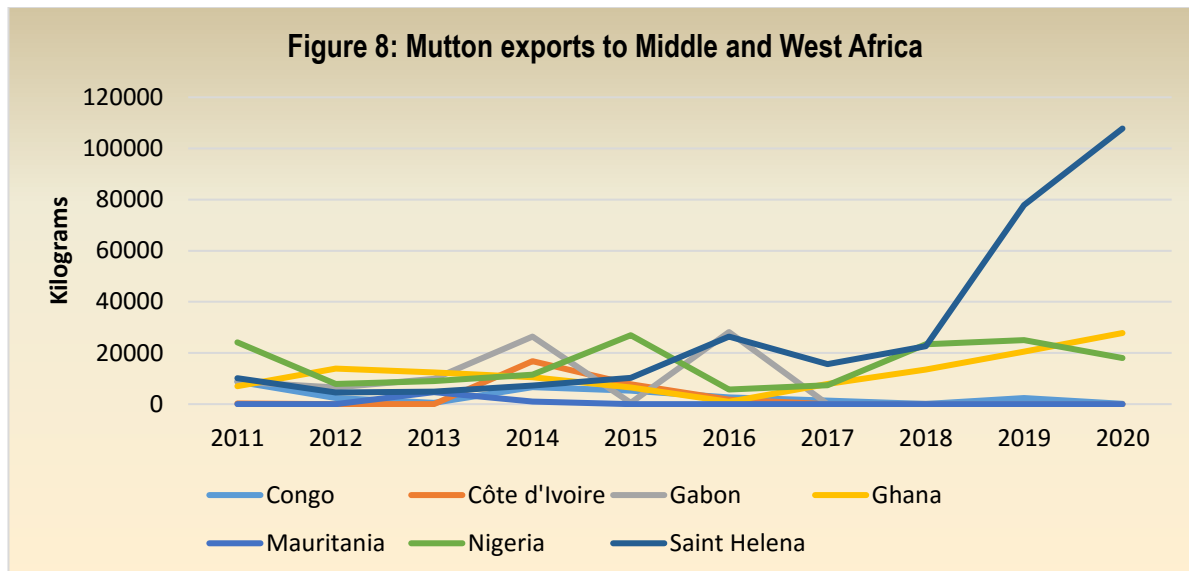
Figure 7 below shows the mutton exports to Southern African Development Community (SADC) from 2011 to 2020.



Source: Quantec EasyData

Figure 7 above shows that, the mutton exported to SADC mainly went to Mozambique with a total share of 44% followed by Democratic Republic of Congo (DRC) with a share of 21%. Mozambique was highest export market for the past decade except in 2017. Mauritius shot up its demand and became highest South African export market in 2017. The figure shows that the mutton exports to Mozambique from South Africa attained peak of 129 564 Kg in 2014. Angola had increased their import of sheep meat by 654% in 2017 from the previous year. Tanzania and Zambia remain the lowest export market for South African Mutton. In total, there was significant increase of more than 26% in the mutton exports to SADC from South Africa in 2020 as compared to 2019 marketing season.

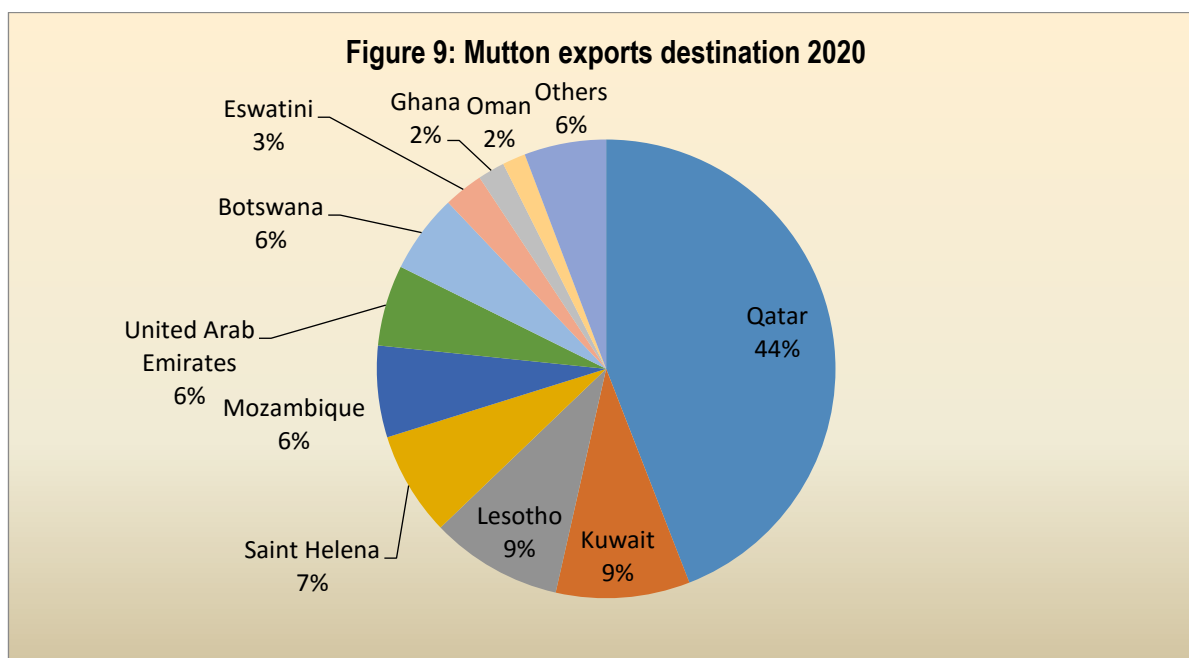
Figure 8 below shows the mutton exports to Middle and West Africa from 2011 to 2020.



Source: Quantec EasyData

Figure 8 above clearly indicates that South African export markets within Middle and West Africa has been fluctuating over the past decade. Saint Helena had significantly increased mutton intake in 2019 and 2020. South African mutton export share were also higher in Nigeria and Ghana during the same years while the rest remained flatter. Over the past decade, Saint Helena had highest contribution 40% due to highest intake in 2019 and 2020. Followed by Nigeria and Ghana with 22% and 17% of mutton from South Africa respectively. Mauritania, Cote d'Ivoire and Congo were the lowest export market of South African mutton.

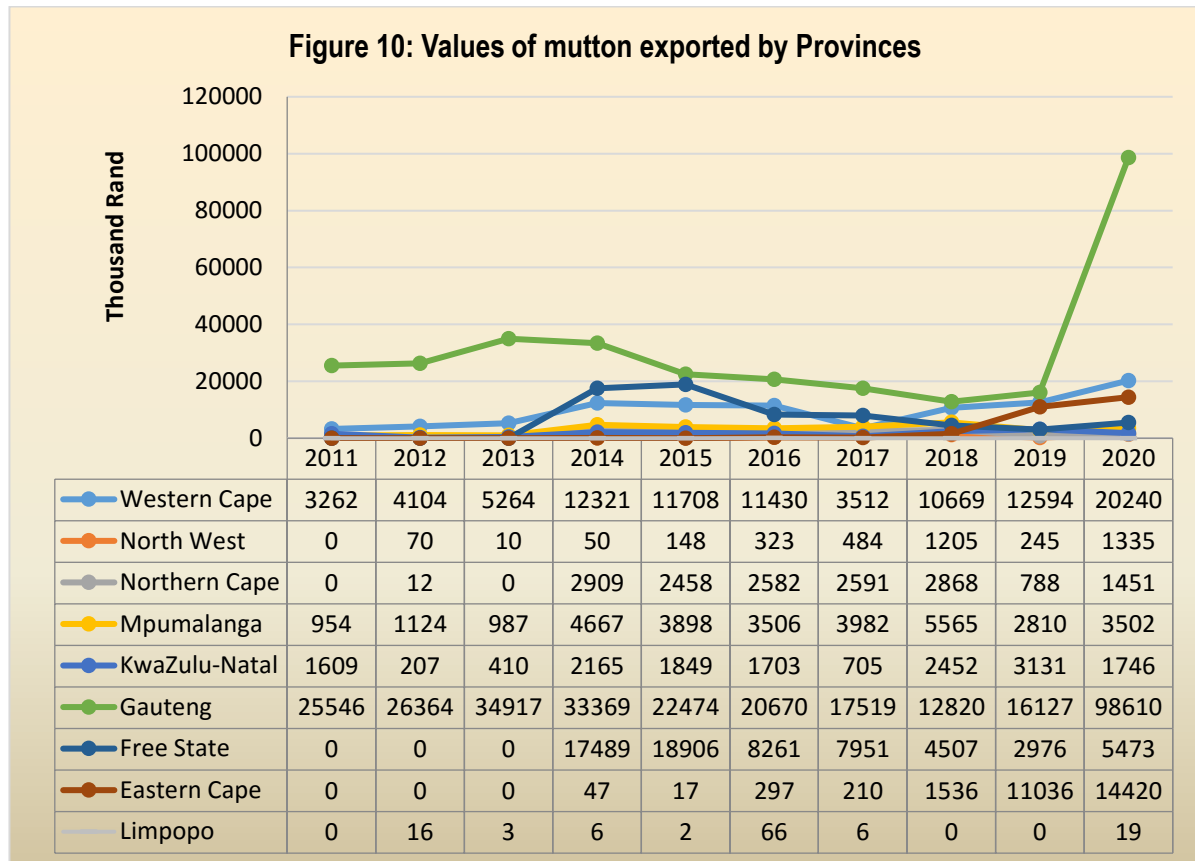
South African mutton exports destination for 2020 is presented in Figure 9 below.



Source: Trademap

Figure 9 above shows that Qatar was the largest market for South African mutton in 2020 with a market share 40% followed by Kuwait and Lesotho with 9% each. Saint Helena (7%), Mozambique, United Arab Emirates (UAE) and Botswana accounted for 6% each. The rest of the countries have shared the remaining 13%.

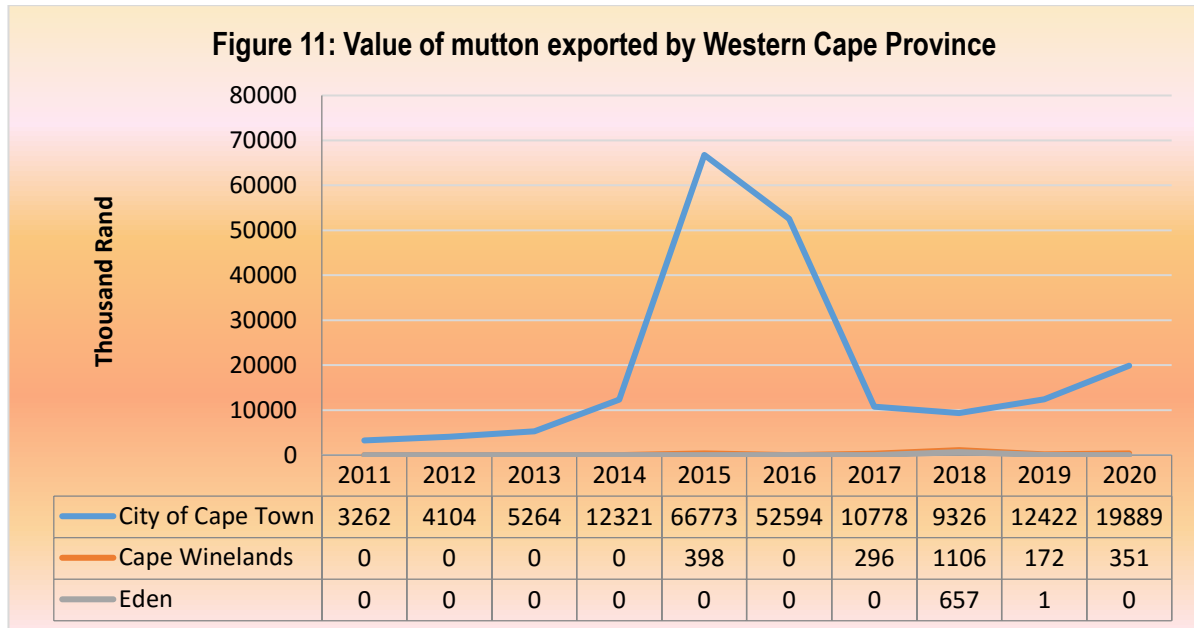
Figures 10 to 18 show the exports of lamb and mutton by provinces. Figure 10 below shows the value of mutton exports from South African Provinces between 2011 and 2020.



Source: Quantec

Figure 10 show that Gauteng Province dominated the export market in the past decade. Gauteng is one of the main entries and exit ports of traded products in South Africa, which could be the reason for highest mutton exports. The province recorded highest values from 2011 to 2020. On the same period, Western Cape and Free State Province were competing for the second leading exporter. Regular mutton exports were recorded from Western Cape, KwaZulu–Natal and Mpumalanga Provinces and fractional exports were recorded in North West, Northern Cape, Free State, Eastern Cape and Limpopo Provinces. The figure shows that mutton exports from Gauteng province has been declining since 2013 to 2018, which reflects 63% decrease. The figure also shows that Gauteng has significantly increased exports in 2020 reaching a new peak. The figure further present that all the province has increased their mutton exports in 2020 except Kwa-Zulu Natal.

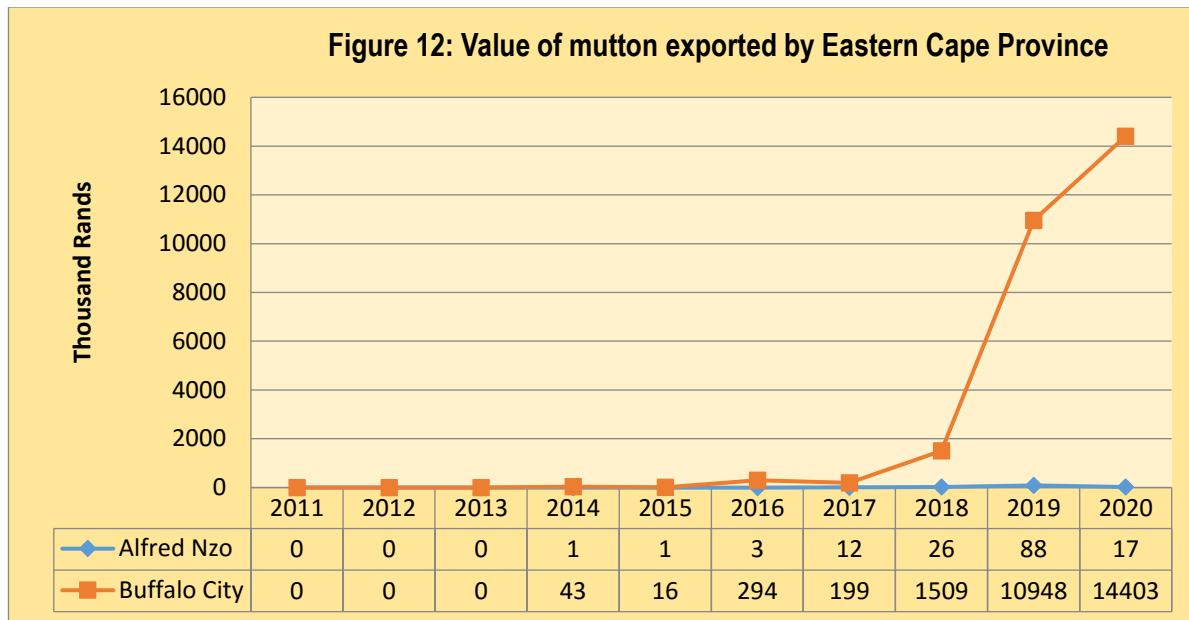
Figure 11 below shows the value of mutton exports from Western Cape Province between 2011 and 2020.



Source: Quantec

Figure 11 above shows that the mutton exports were from City of Cape Town Metropolitan Municipality followed at a distance by Cape Winelands and Eden District Municipalities. The value of mutton exports from City of Cape Town Metropolitan Municipality recorded highest value in 2015 at R66 million followed by immense decline by 21% in 2016 and 80% in 2017. This drastic decline from 2015 was the results of recent drought, which decreased the production of sheep meat in the country. The trend shows that the exports are increasing from 2018 to 2020. The irregular values were recorded from Cape Winelands and Eden District during period under review. This may be because the City of Cape Town Metropolitan Municipality is the major exit point for the exports in the province. City of Cape Town Metropolitan Municipality had a 100% share of exports from 2011 to 2014 and 2016, and during the rest of the years, the city had over 90% share of mutton export.

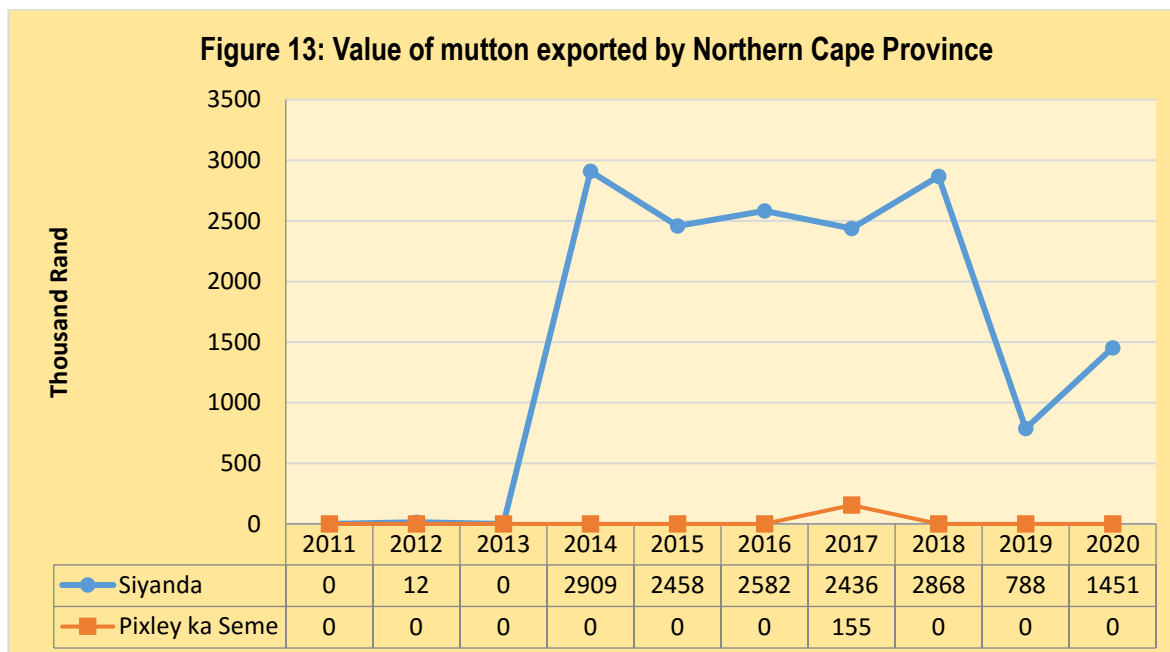
Figure 12 below shows the value of mutton exports from Eastern Cape Province in the past ten years.



Source: Quantec

Figure 12 shows that the exports of mutton in the Eastern Cape Province were mainly from Buffalo City District Municipality and Alfred Nzo District Municipality. These District Municipalities recorded the export values from 2014 to 2020. During this period, Buffalo City had a mutton export share of over 90%. Eastern Cape Province has not exported mutton from 2011 to 2013.

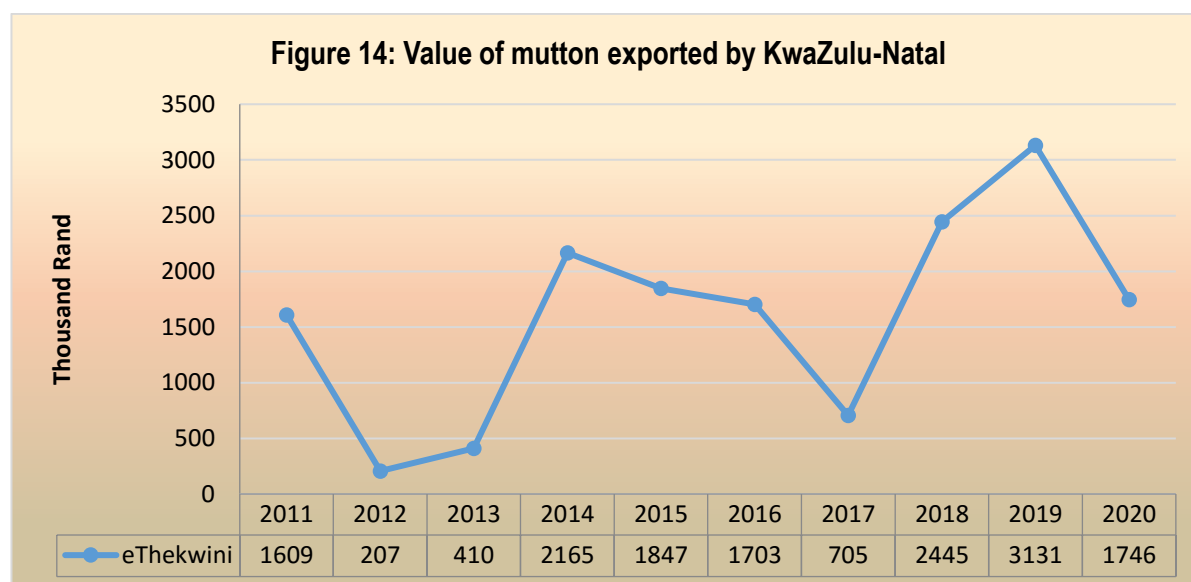
Figure 13 below shows the value of mutton exports from Northern Cape Province in the past decade.



Source: Quantec

Figure 13 shows the value of mutton exports from Northern Cape Province of the past decade (2011-2020). The mutton exports were mainly from Siyanda District Municipality in Northern Cape Province. Siyanda District Municipality recorded highest export values from 2014 to 2020. This Municipality attained peak in 2014 at approximately R3 million and remained high until 2018. Followed by a drastic decline of 73% in 2019. However, the districts show an increase of 84% in 2020. Pixley ka Seme District Municipality has shown mutton exports only in 2017. This made a share of 6% of the total mutton exports in 2017 and Siyanda accounted for 94% share. The figure shows the province did not export mutton in 2011 and 2013.

Figure 14 below shows the value of mutton exports from KwaZulu-Natal Province in the past ten years.

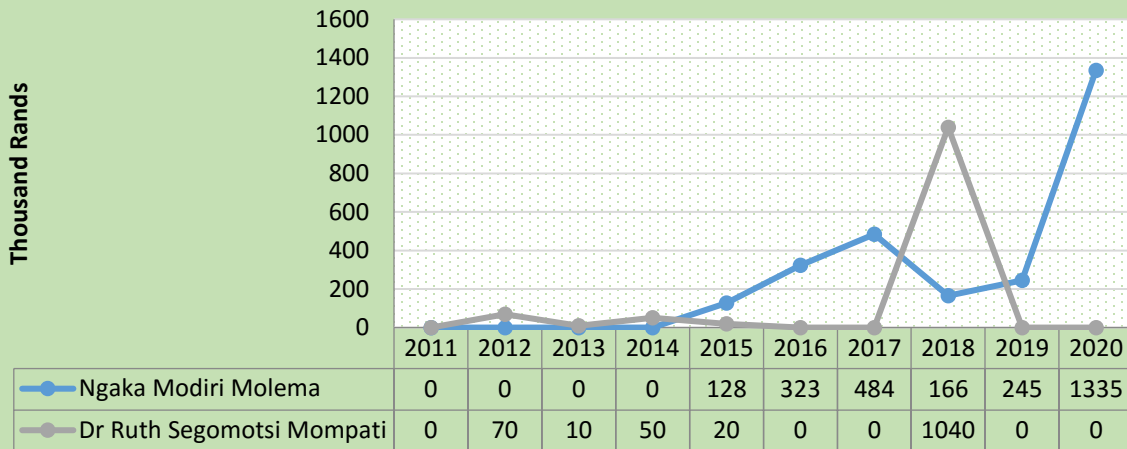


Source: Quantec

The Figure 14 above shows that, in KwaZulu-Natal the mutton exports were mainly coming from eThekwini Metropolitan Municipality. This may be due to eThekwini being exit point of exports in KwaZulu-Natal Province. The figure shows that the mutton exports from eThekwini Metropolitan Municipality were fluctuating. Furthermore, the value of mutton exports was at the lowest in 2012 and reached a new peak in 2019 of about R3.1 million. In 2018 and 2019, the exports were increasing then followed by a huge decline of 44% in 2020.

Figure 15 below illustrates the value of mutton exports from North West Province in the past ten years.

Figure 15: Value of mutton exported by North West Province

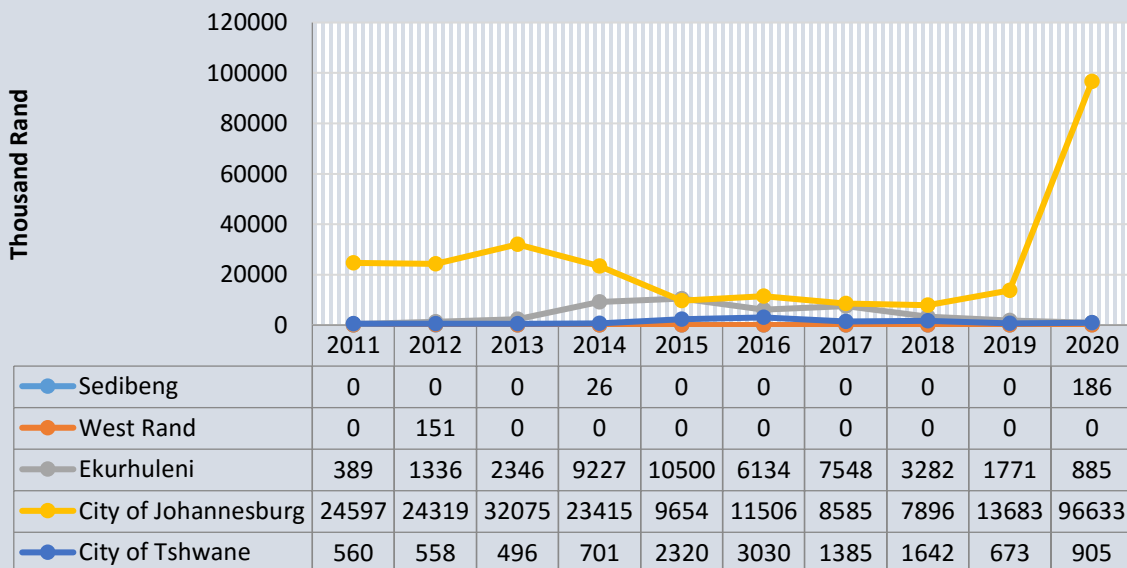


Source: Quantec

The Figure 15 illustrates that, the main mutton exports are from Dr Ruth Segomotsi Mompoti and Ngaka Modiri Molema District Municipalities. However, North West Province recorded intermittent exports of mutton during the period under review. The exports of mutton from Ngaka Modiri Molema were reported from 2015 to 2020 while Dr Ruth Segomotsi Mompoti District Municipality records were from 2012 to 2015 and again in 2018. The figure further illustrates that the exports of mutton reached the new peak in 2020 with R1.3 million through Ngaka Modiri Molema. In 2018, Ngaka Modiri Molema and Dr Ruth Segomotsi Mompoti District Municipalities had export shares 14% and 86% respectively. Lastly, the figure shows that there were no mutton exports from North West province in 2011.

Figure 16 below shows the value of mutton exports from Gauteng Province between 2011 and 2020.

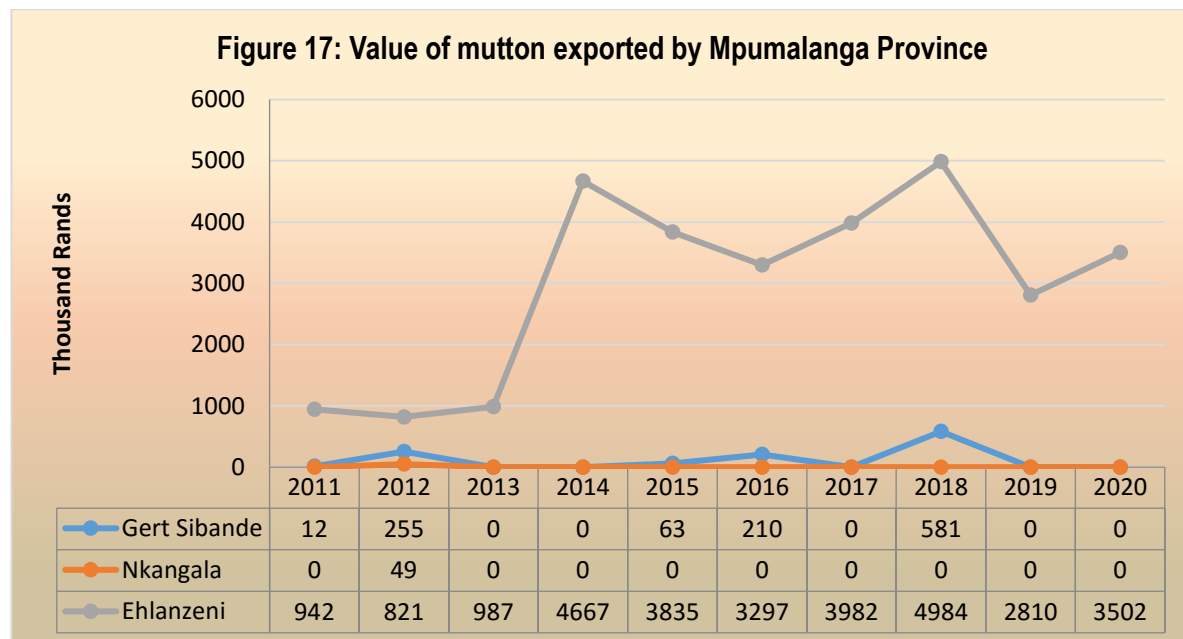
Figure 16: Value of mutton exported by Gauteng Province



Source: Quantec

Figure 16 shows the value of mutton exports from Gauteng Province were mainly from City of Johannesburg Metropolitan Municipality, followed by Ekurhuleni District Municipality and City of Tshwane Metropolitan Municipalities. The figure also shows that irregular and low values of mutton exports were reported in Sedibeng and West Rand District Municipalities. In Gauteng province, City of Johannesburg Metropolitan Municipality recorded high export values of mutton for the past reviewed years except 2015. The high values may be due to the fact that City of Johannesburg is the main exit of exports within the province. In 2015, Ekurhuleni District Municipality recorded high at approximately R10 million which made the district the leading exporter. The figure further indicates that there was a significant increase of the value of mutton exports from City of Johannesburg in 2020 reaching a new peak. The city had attained a market share of 98%, while the rest have share the remaining 2%.

Figure 17 below shows the value of mutton exports from Mpumalanga Province in the past ten years.

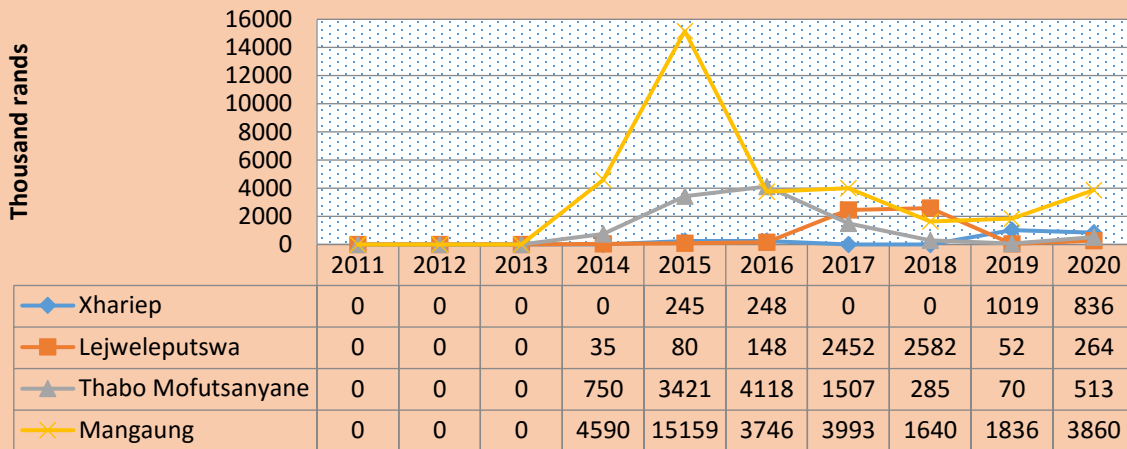


Source: Quantec,

The value of mutton exports was mainly through Ehlanzeni District Municipality, which recorded the highest value for the entire period under analysis. Irregular exports were recorded from Gert Sibande and Nkangala District Municipalities. Ehlanzeni district municipality experienced the decline in mutton exports in 2015 and 2016 due to the drought in that period that lowered production. The exports from this district fell again in 2019 by 44% then rose by 25% in 2020.

Figure 18 below shows the value of mutton exports from Free State Province between 2011 and 2020.

Figure 18: Value of mutton exported by Free State province



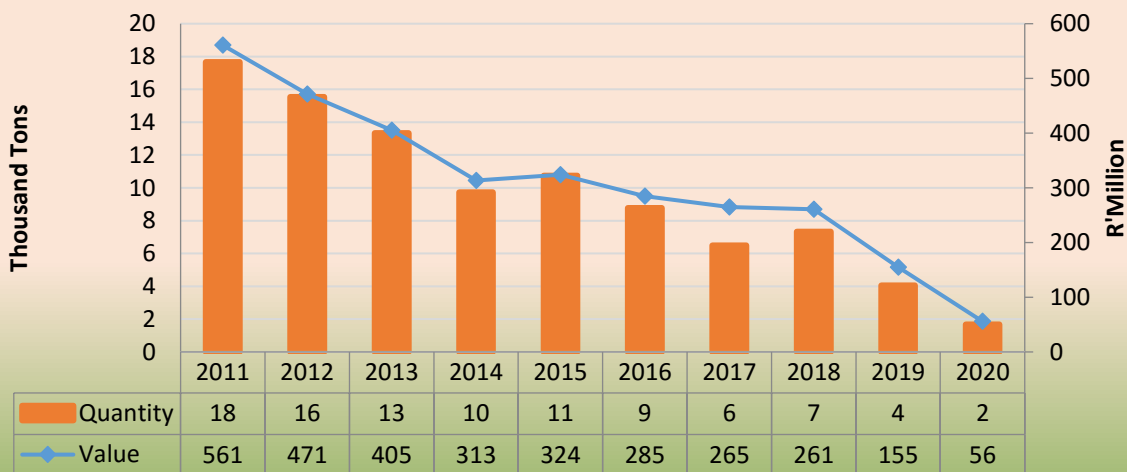
Source: Quantec

Free State Province did not export mutton from 2011 to 2013. The mutton exports were mainly from Mangaung, Xhariep, Lejweleputswa and Thabo Mofutsanyane District Municipalities. Mangaung has been the highest exporter in 2014, 2015, 2017, 2019 and 2020 with export shares of 85%, 80%, 50%, 61% and 71% respectively. Thabo Mofutsanyane and Lejweleputswa outstripped Mangaung and took a lead in 2016 and 2018 respectively. In those years, they had an export share of 50% and 57% respectively. For the 2020 record, these four districts municipalities exported the mutton, with Mangaung leading with export share of 71%. Followed at a distance by Xhariep, Thabo Mofutsanyane and Lejweleputswa presenting a share of 15%, 9% and 5% respectively.

2.4. Imports of mutton

South Africa imported an average of 10 000 tons per annum of mutton during the past decade at a value of R310 million. Figure 19 below show the imports quantity and value of mutton from 2011 to 2020.

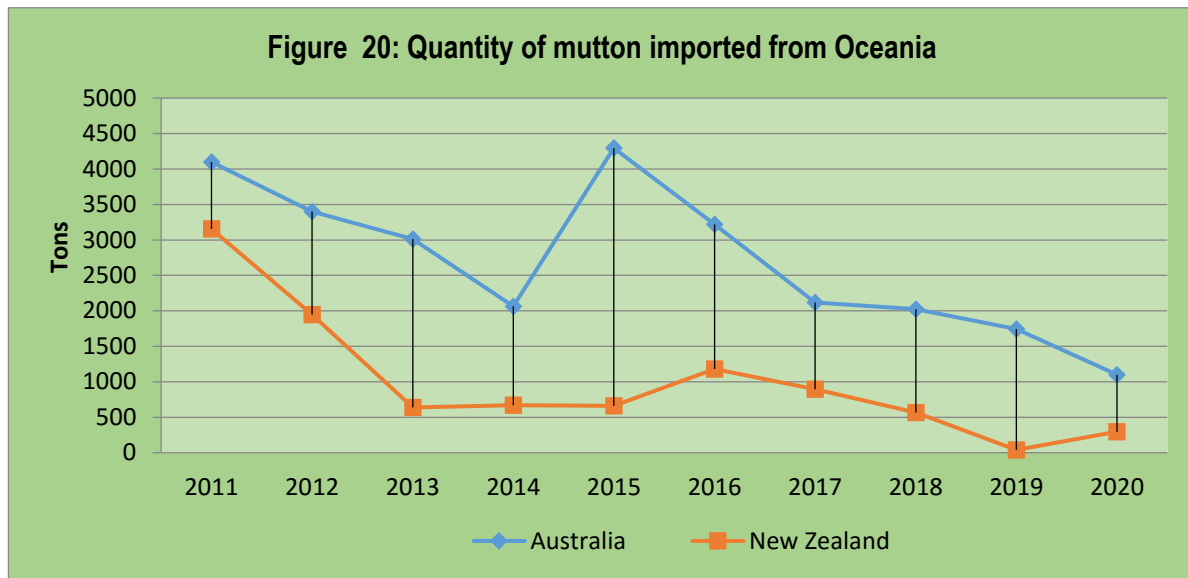
Figure 19: Mutton imports



Source: Quantec

South African mutton industry relies on imports to supplement local consumption. This makes the market sensitive due to the effect of major exporting countries. Figure 19 above shows a declining trend for the period under review. Apart from high values in 2011, the imports have not resisted the pressure of international market. From 2011 to 2020, both import quantity and value declined by 91% and 90% respectively.

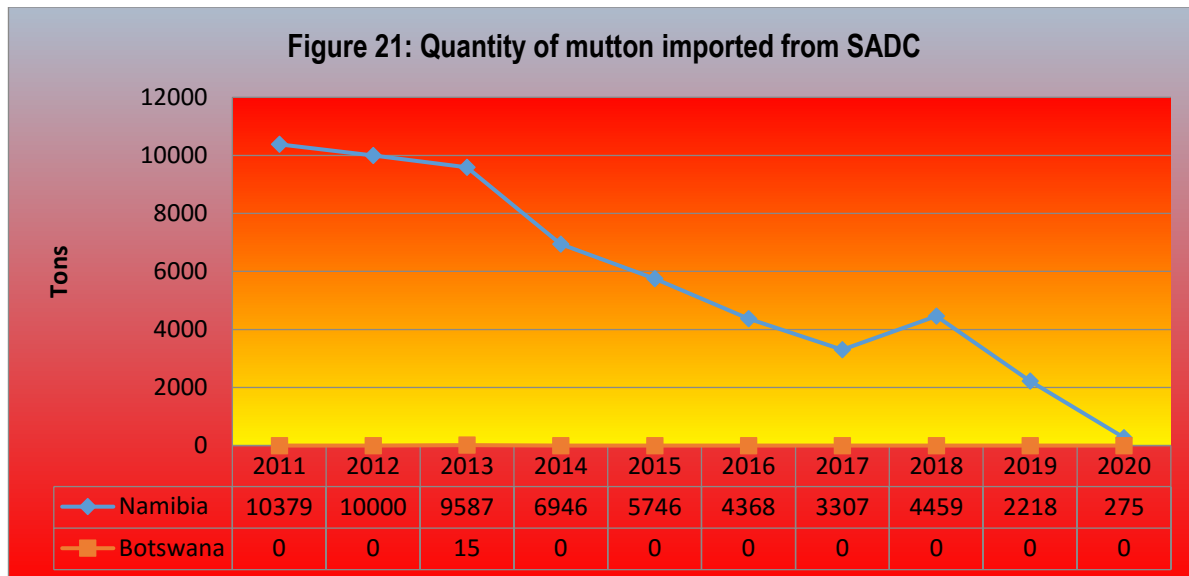
Figure 20 presents South Africa's mutton imports from Oceania from 2011 to 2020.



Source: Quantec

South African mutton imports from Oceania were mainly from Australia and New Zealand (see Figure 20). Australia demanded the greatest shares of South African imports market throughout the decade, followed by New Zealand. Both countries shown that the highest amount South Africa imported from New Zealand was in 2011 which was 3 156 tons while Australia reached peak in 2015 with 4295 tons. In 2020, the mutton imports from Australia declined to 37% while New Zealand shown an immense increase of 638%. Under this period of analysis, the overall mutton imports decreased was 73% and 90% for Australia and New Zealand respectively.

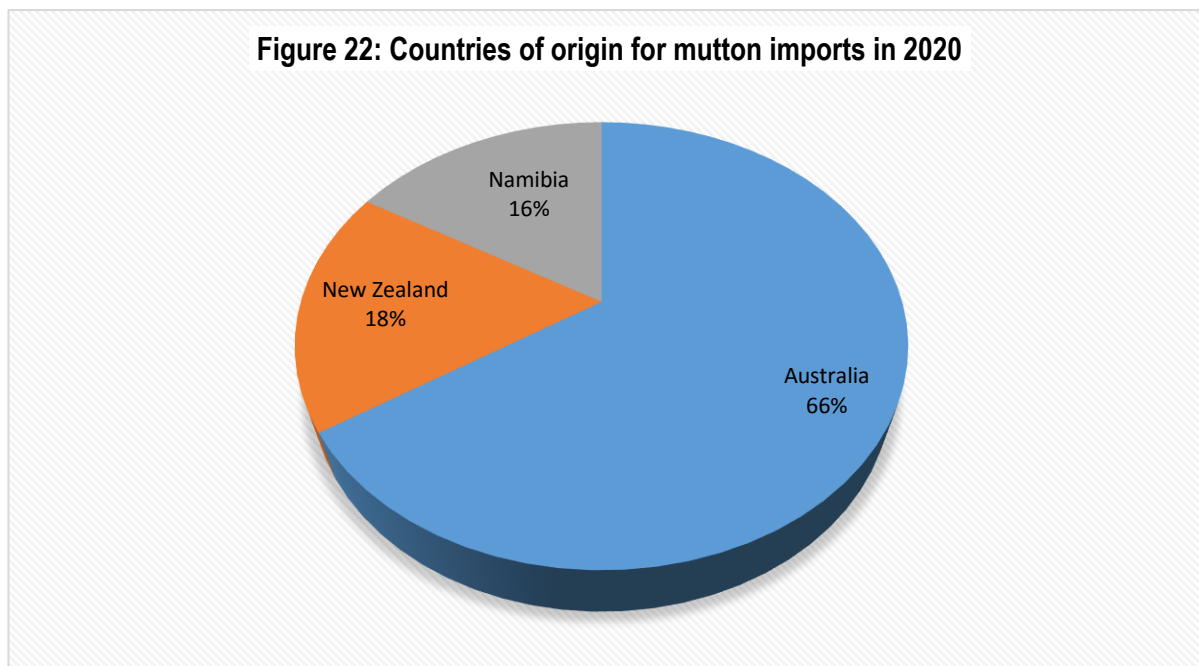
South Africa's imports of mutton from SADC from 2011 to 2020 is presented in Figure 21 below.



Source: Trademap

From Southern African Development Community (SADC), mutton imports were mainly from Namibia. Namibia commanded the greatest shares from 2011 to 2020. The trend shows that imports from Namibia declined by 97% from 2011 to 2020, however there was a slight increase of 35% in 2018. On average, the imports declined by 21% per annum. The figure shows that South Africa imported 15 tons from Botswana only in 2013 for the period under review

Figure 22 below show the countries of origin of mutton from the world in 2020.



Source: Trademap

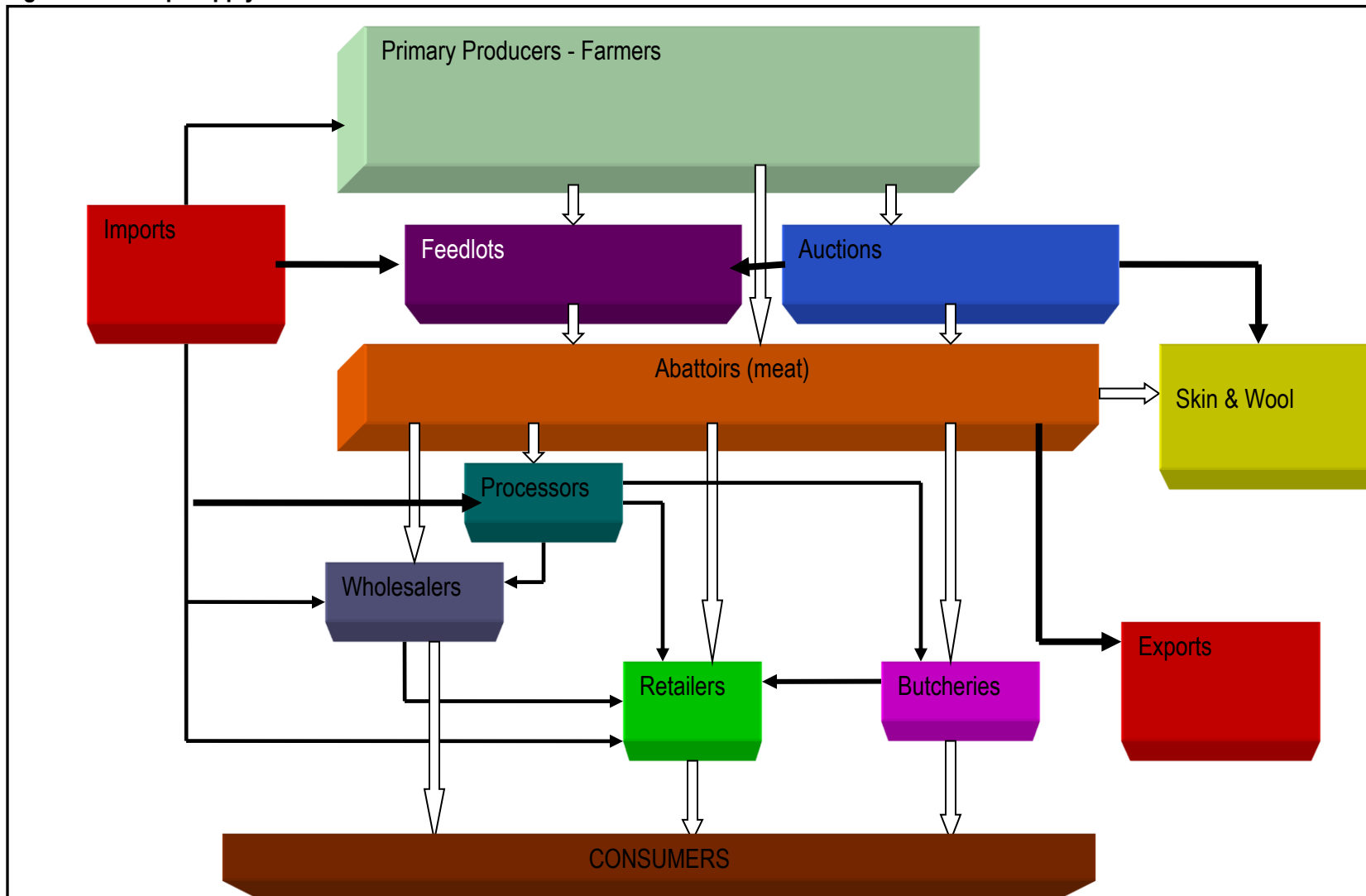
Figure 22 clearly indicate that the majority of mutton imported by South Africa was from Australia. In addition, Australia and New Zealand are the highest exporter of mutton worldwide. Australia attained 66% of South African mutton import market share followed at a distance by New Zealand and Namibia with 18% and 16% respectively.

3. MARKETING CHANNELS

The marketing channel (see Figure 23) begins with the farmer who produces sheep and lamb. Most sheep farming practiced in South Africa is for wool and mutton/lamb. After about five to six years of shearing the sheep are sold directly to feedlot (small number) or abattoir; or sold through auctions. Live sheep and lambs can be imported by the farmer or the feedlot or the abattoir.

Meat from abattoir is distributed through wholesalers, retailers and butcheries. Some is exported or processed. Imports of meat are done by retailers, wholesalers, and processors while exports are mainly by abattoirs. The final stage of the sheep supply chain and marketing channel end with the consumer.

Figure 23: Sheep Supply Chain



4. ORGANIZATIONAL ISSUES

4.1 EMPOWERMENT PLANS

The communal wool farmers are formally represented in all structures of the National Wool Growers Association Board. Sinthema Mafama Wool Brokers is a BEE company affiliated to the Cape Mohair and Wool SA. When BKB (Boere Kooperative Beperk) purchases the wool from the informal producers a portion of the value is allocated to shares in the company. These producers then receive dividends based on the number of shares that they hold.

The Sheep Forum of South Africa comprising of the major role players is the body responsible for driving the process for the sheep industry strategy. The following five working groups have been established:

- Resource Management;
- Marketing and value adding;
- Enabling Environment/ Infrastructure Development;
- Human Resource development/training; and
- Research and development (Genetic improvement to improve the herd in the communal sector).

The three main pillars for the sheep strategy are as follows:

- Equitable market access and participation;
- Global competitiveness and profitability; and
- Sustainable resource management.

4.2. Opportunities

- Important supplier of quality protein for human health. The A4 lamb carcass according to research is low in fat content and complies with the standards of the Heart Foundation.
- Industry has tremendous growth potential in the informal sector, which could assist in addressing the shortage of mutton.
- Niche markets and exports – through the use of the South African EU-accredited abattoirs mutton/lamb can be exported to niche markets.

4.3. Challenges

- Stiff competition both nationally and internationally.
- Health, safety and traceability issues.
- Phytosanitary issues.
- Climatic conditions.
- Smaller abattoirs do not comply with the Meat, Health and Safety Acts.
- Livestock agents are corrupt and are often not part of the organized marketing structure.

- Stock theft.
- Research and Development is a problem.
- Financial constraints.
- Predators account for large losses in sheep herds.
- Lack of infrastructure.
- Veterinary services in South Africa are uncoordinated and insufficient.
- Insufficient extension services.
- Safety and Security

5. MARKET INTELLIGENCE

5.1. Export Tariffs

Tariffs of different importing countries applied to mutton and lamb originating from South Africa in 2019 and 2020 are shown in Table 1.

Table 1: Export tariffs for mutton

No.	Country	Product description	Trade Regime Description	2019		2020	
				Applied Tariffs	Total Ad Valorem Equivalent Tariffs.	Applied Tariffs	Total Ad Valorem Equivalent Tariffs.
1	Lesotho and Botswana	02041000 and 02042100 02042200 02042300 02043000 02044100 02044300	Intra SACU rate	0%	0%	0%	0%
2	Qatar, Kuwait and United Arab Emirates (UAE)	02041000 and 02042100	MFN duties	0%	0%	0%	0%
3	Mozambique	02041000 and 02042100	Preferential tariff for SADC Countries	0%	0%	0%	0%

Source: Market Access Map

Table 1 indicates that, in 2019 and 2020 Lesotho and Botswana applied an Intra SACU rate of 0% on sheep meat imported from South Africa. Mozambique applied 0% tariff under the preferential tariff for SADC countries trade regime in the same period. Qatar, Kuwait and UAE applied 0% of MFN duties on products sheep meat in 2019 and in 2020.

5.2. Import Tariffs

Table 2 below present the tariff structure applied by South Africa to imports of sheep meat/mutton originating from presented trade agreements in 2020.

Table 2: Import tariffs for mutton

Heading/ Subheading	Article Description	Statistical unit	Rate of Duty				
			General	EU	EFTA	SADC	MERCOSUR
02.04	Meat of sheep or goats, fresh, chilled or frozen:						
0204.10	Carcasses and half-carcasses of lamb, fresh or chilled	Kg	40% or 200c/kg	40% or 200c/kg	40% or 200c/kg	free	40% or 200c/kg
0204.20	Other meat of sheep, fresh or chilled:						
0204.21	Carcasses and half-carcasses	Kg	40% or 200c/kg	40% or 200c/kg	40% or 200c/kg	free	40% or 200c/kg
0204.22	Other cuts with bone in	Kg	40% or 200c/kg	40% or 200c/kg	40% or 200c/kg	free	40% or 200c/kg
0204.23	Boneless	Kg	40% or 200c/kg	40% or 200c/kg	40% or 200c/kg	free	40% or 200c/kg
0204.30	Carcasses and half-carcasses of lamb, frozen	Kg	40% or 200c/kg	40% or 200c/kg	40% or 200c/kg	free	40% or 200c/kg
0204.4	Other meat of sheep, frozen:						
0204.41	Carcasses and half-carcasses	Kg	40% or 200c/kg	40% or 200c/kg	40% or 200c/kg	free	40% or 200c/kg
0204.42	Other cuts with bone in	Kg	40% or 200c/kg	40% or 200c/kg	40% or 200c/kg	free	40% or 200c/kg
0204.43	Boneless	Kg	40% or 200c/kg	40% or 200c/kg	40% or 200c/kg	free	40% or 200c/kg

Source: SARS

Table 2 above indicate the tariff duties applied by South Africa to trade agreement members of EU, EFTA, SADC, MERCOSUR and General members on sub products of meat of sheep fresh, chilled or frozen. South Africa applied tariff of 40% or R200c/Kg to trade agreements (EU, EFTA, MERCOSUR and General member of WTO) and duty free for SADC members.

6. COMPETITIVENESS OF THE SHEEP INDUSTRY

Competitiveness is described as an industry's capacity to create superior value for its customers and improved profits for the stakeholders in the value chain. The driving force in sustaining a competitive position is productivity that is output efficiency in relation to specific inputs with regard to human, capital and natural resources.

6.1. Competitiveness of sheep industry in exports

Table 3: List of importing markets for the lamb carcasses and half carcasses, fresh or chilled exported by South Africa in 2020

Importers	Indicators												
	Value exported in 2020 (USD thousand)	Trade balance 2020 (USD thousand)	Share in South Africa's exports (%)	Quantity exported in 2020	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2016-2020 (% p.a.)	Growth in exported quantity between 2016-2020 (% p.a.)	Growth in exported value between 2019-2020 (% 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 2016-2020 (% p.a.)	Average tariff (estimated) faced by South Africa (%)
World	8982	5571	100	1472	Tons	6102	21	6	160		100	6	
Qatar	4804	4804	53.5	649	Tons	7402			47429	10	2.7	6	2.7
Kuwait	982	982	10.9	139	Tons	7065	23	18		25	0.7	-9	2.7
Mozambique	723	723	8	95	Tons	7611	31	12	209	91	0.01	33	0
UAE	676	676	7.5	84	Tons	8048			-34	6	4.9	2	2.7
Lesotho	361	361	4	137	Tons	2635	-22	-22	63	116	0	-26	0
Saint Helena	317	317	3.5	108	Tons	2935	45	56	31	120	0	43	
Botswana	208	208	2.3	82	Tons	2537	-27	-27	-6	130	0	-32	0
Ghana	181	181	2	28	Tons	6464	95	114	10	63	0.04	-1	35
Eswatini	177	177	2	41	Tons	4317	-16	-18	-39	137	0	-15	0
Nigeria	139	139	1.5	18	Tons	7722	44	41	-48				35
Ethiopia	86	86	1	13	Tons	6615	384		-38	177	0	-10	30
Congo, Democratic Republic of the	74	74	0.8	11	Tons	6727	-12	-23	-6	139	0	4	10
Seychelles	69	69	0.8	10	Tons	6900	-3	-5	-47	72	0.03	0	0
Oman	58	58	0.6	24	Tons	2417			104	22	0.7	2	2.7
Namibia	46	-628	0.5	18	Tons	2556	-43	-44	486	171	0	-47	0

Source: Trademap

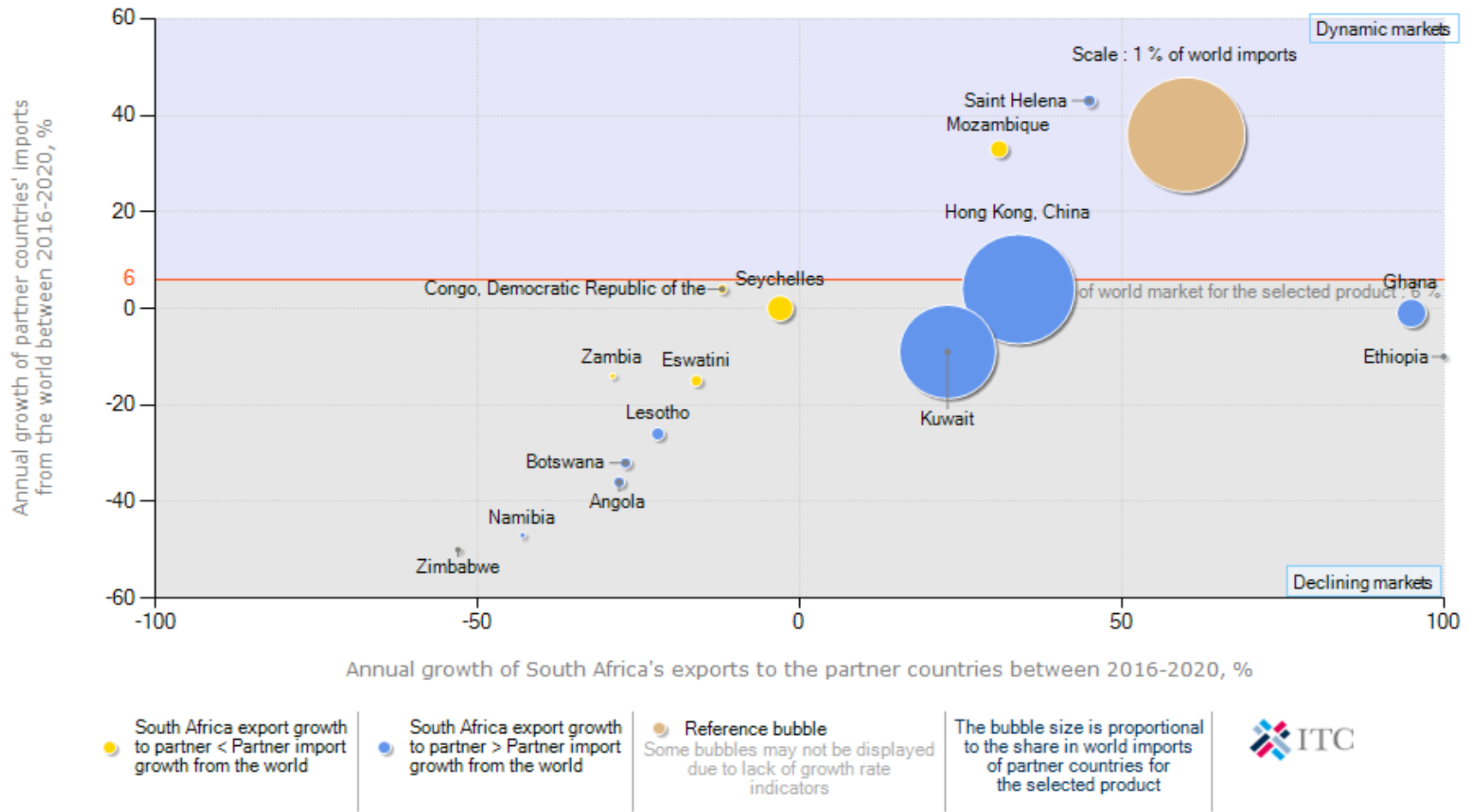
Table 3 above illustrates the South African trade indicators of meat of sheep or goat, fresh, chilled or frozen. In 2020, South Africa's meat of sheep or goat fresh, chilled or frozen exports represented 0% of world exports for and its ranking in world export was 25. During 2020 South Africa exported a total of 1 472 tons of meat of sheep or goat fresh, chilled or frozen at an average value of US\$6 102/unit. South Africa exported greater quantities of meat of sheep or goat fresh, chilled or frozen to Qatar, Kuwait and Mozambique accounting for 53.5%, 10.9% and 8% respectively.

South Africa's meat of sheep or goat fresh, chilled or frozen export increased by 21% in value and 6% in quantity between the periods 2016 and 2020. During the same period, Exports of meat of sheep or goat fresh, chilled or frozen to Kuwait increased by 23% in value and 18% in quantity and Mozambique increase by 31% in value and 12% in quantity.

During the period 2019 to 2020 South Africa's exports to the rest of the world increased by 160% in value. The exports to Qatar increased by 47 429% and Mozambique increased by 209% in value during the same period.

Figure 24: Growth in demand for meat of sheep or goat exported by South Africa in 2020

Growth in demand for a product exported by South Africa in 2020
 Product : 0204 Meat of sheep or goats, fresh, chilled or frozen



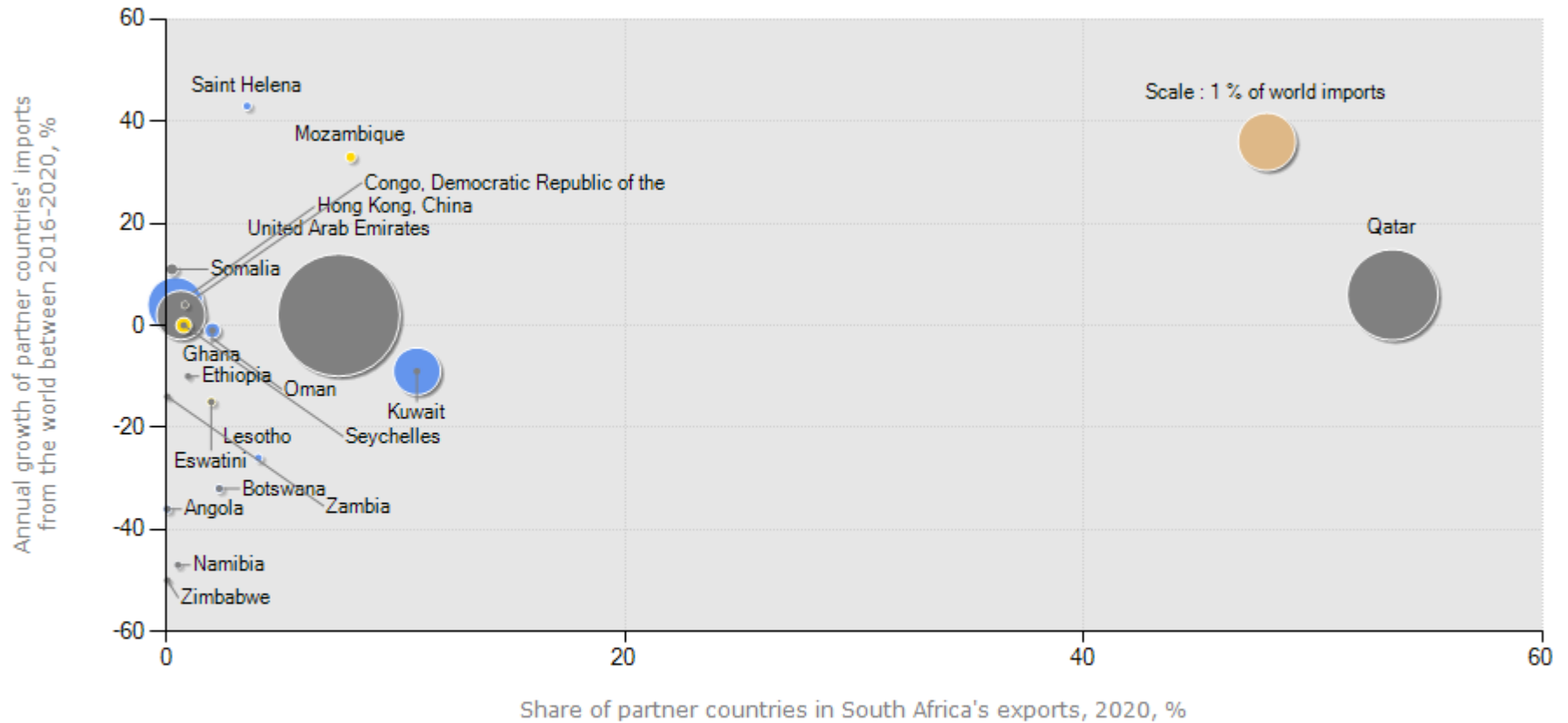
Source: Trademap

Figure 24 above shows that between 2016 and 2020 South Africa's meat of sheep or goat fresh, chilled or frozen exported to DRC, Seychelles, Eswatini, Zambia and Mozambique were growing at a rate that is less than their import growth from the rest of the world. At the same time, South African exports to Ghana, Hong Kong, China, Kuwait, Angola, Saint Helena, Lesotho and Botswana were growing at a rate that is less than their import growth from the rest of the world.

The growth of world market for meat of sheep or goat, fresh, chilled or frozen was 6%. Therefore, the most growing demand of this product exist in Saint Helena because its annual growth of imports from the world was 43%.

Figure 25: Prospects for market diversification for lamb exported by South Africa in 2020

Prospects for market diversification for a product exported by South Africa in 2020
 Product : 0204 Meat of sheep or goats, fresh, chilled or frozen



● South Africa export growth to partner < Partner import growth from the world

● South Africa export growth to partner > Partner import growth from the world

● N.A.
 ● Reference bubble
 Some bubbles may not be displayed due to lack of growth rate indicators

The bubble size is proportional to the share in world imports of partner countries for the selected product



Source: Trademap

Figure 25 below illustrates prospects for market diversification by South African exporters of meat of sheep or goat, fresh, chilled or frozen. During 2020, South Africa exported meat of sheep or goat fresh, chilled or frozen to Mozambique have grown at a rate less than what they have imported from the world. If South Africa wishes to diversify the imports of meat of sheep or goat fresh, chilled or frozen, this market can be expanded due to the annual growth of 33%.

6.2. Competitiveness of sheep industry in imports

Table 4: List of South African markets suppliers for meat of sheep or goat fresh, chilled or frozen in 2020.

Exporters	Indicators												
	Value imported in 2020 (USD thousand)	Trade balance 2020 (USD thousand)	Share in South Africa's imports (%)	Quantity imported in 2020	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2016-2020 (% p.a.)	Growth in imported quantity between 2016-2020 (% p.a.)	Growth in imported value between 2019-2020 (% 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 2016-2020 (% p.a.)	Average tariff (estimated) applied by South Africa (%)
World	3411	5571	100	1672	Tons	2040	-34	-32	-68		100	6	
Australia	2091	-2091	61.3	1101	Tons	1899	-18	-21	-45	1	36.6	8	40
Namibia	674	-628	19.8	275	Tons	2451	-49	-45	-90	53	0.01	-48	0
New Zealand	647	-647	19	296	Tons	2186	-27	-45	307	2	34.2	8	40
Qatar		4804								69	0	-2	40
Kuwait		982								50	0.01	12	40
Mozambique		723								88	0	111	0
United Arab Emirates		676								29	0.07	16	40
Lesotho		361											0
Saint Helena		317											40
Botswana		208								104	0	-66	0
Ghana		181											40

Source: Trademap

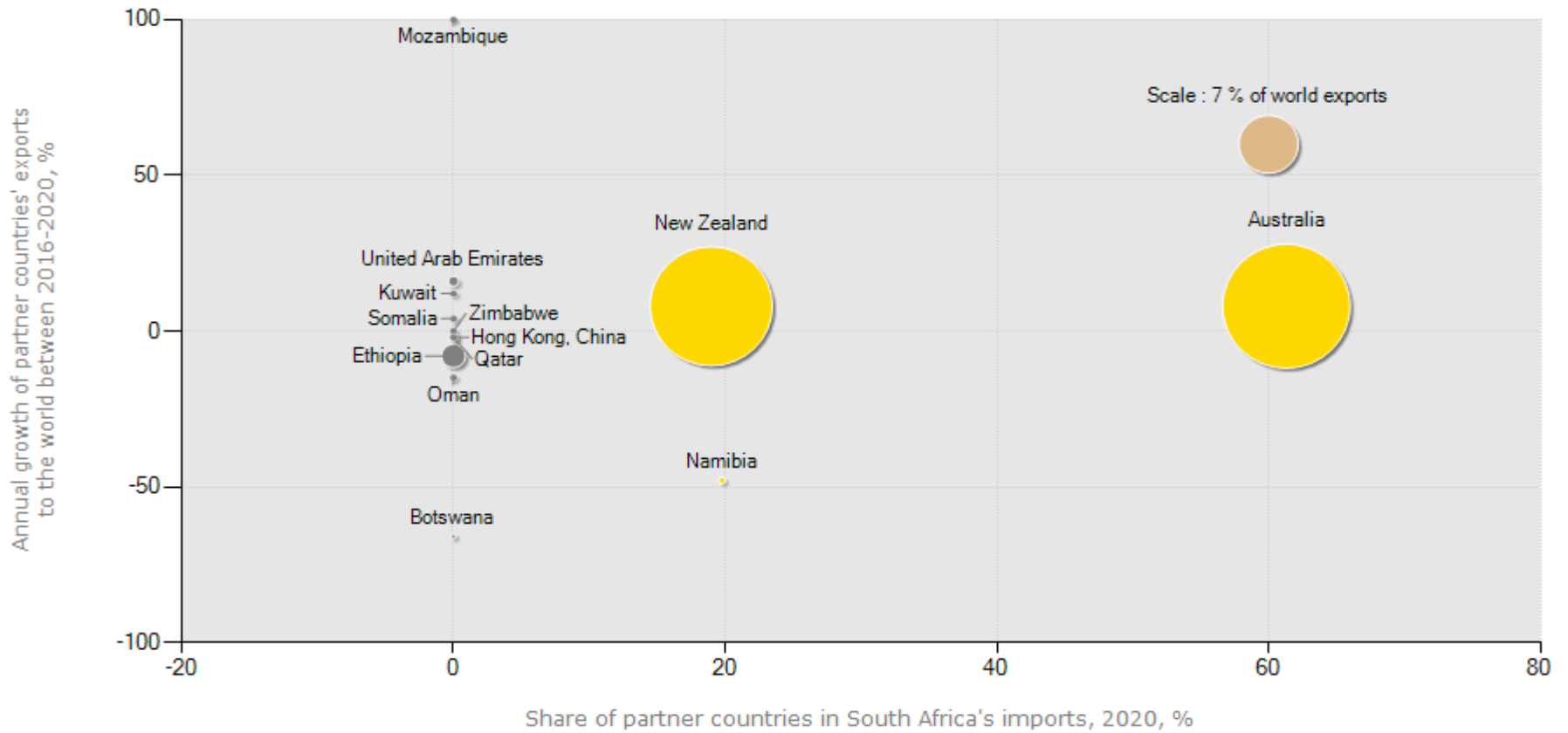
Table 4 above illustrates that South Africa's exports of world imports for meat of sheep or goat fresh, chilled or frozen represented 0.0% and its ranking in world export was 59. Table 4 shows that during 2020, South Africa imported 1 672 tons of meat of sheep or goat fresh, chilled or frozen at an average value of US\$2 040/unit. South Africa imported meat of sheep or goat fresh, chilled or frozen from Australia, Namibia and New Zealand accounting for 61%, 19.8% and 19% respectively.

South Africa's meat of sheep or goat fresh, chilled or frozen imports growth decreased by 34% in value and 32% in quantity during the period between 2016 and 2020. During the same period, imports of meat of sheep or goat fresh, chilled or frozen from Australia decreased by 18% in value and 21% in quantity and Namibia decreased by 49% in value and decreased by 45% in quantity.

Between the period 2019 and 2020, South African's meat of sheep or goat fresh, chilled or frozen decreased by 68% in value from the rest of the world. During the same period, Australia decreased by 45% and Namibia decreased by 90% in value.

Figure 26: Prospects for market diversification for meat of sheep or goat fresh, chilled or frozen exported by South Africa in 2020

Prospects for diversification of suppliers for a product imported by South Africa in 2020
 Product : 0204 Meat of sheep or goats, fresh, chilled or frozen



● South Africa import growth from partner < Partner export growth to the world

● N.A.

● Reference bubble

Some bubbles may not be displayed due to lack of growth rate indicators

The bubble size is proportional to the share in world exports of partner countries for the selected product

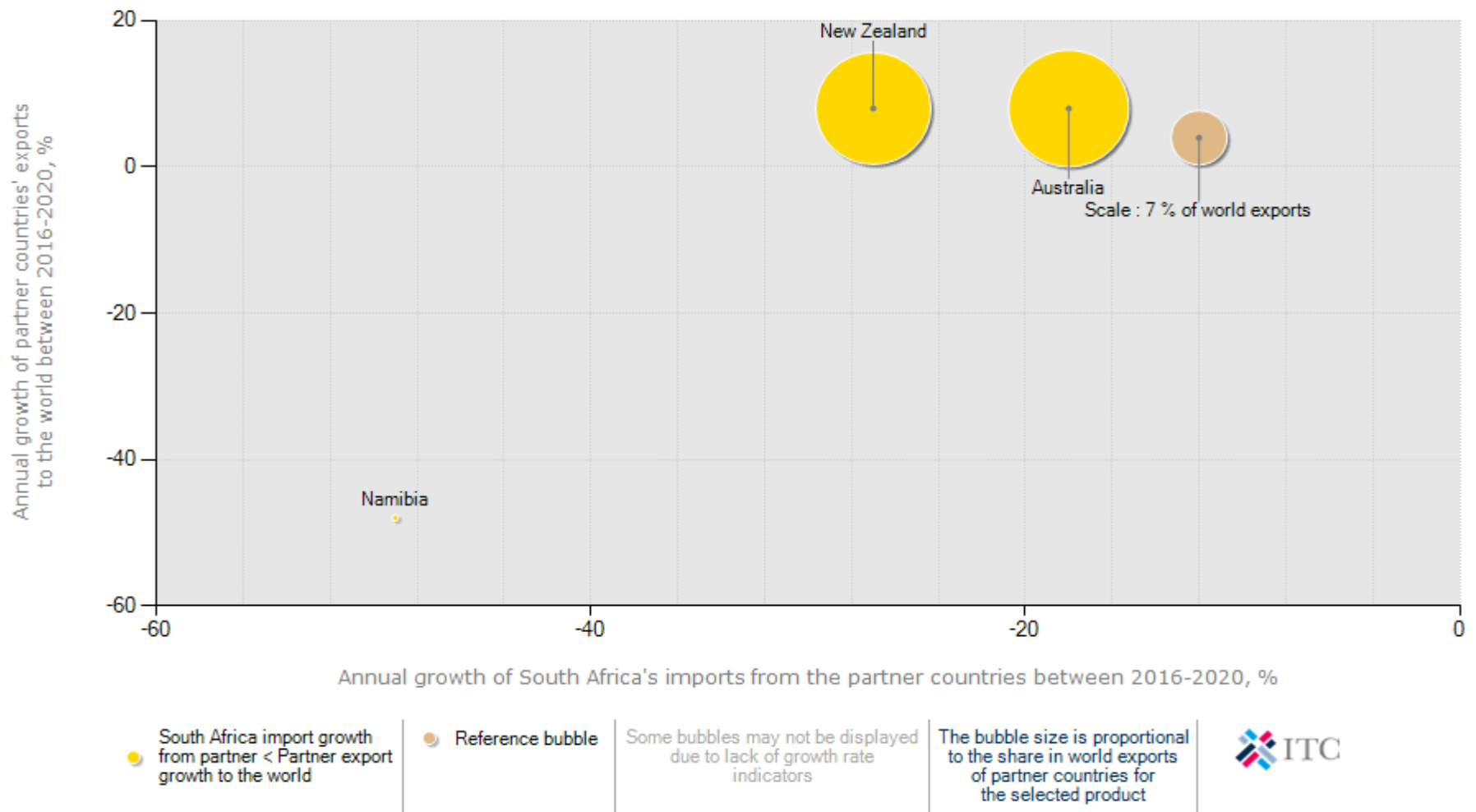


Source: Trademap

Figure 26 above presents the prospects for market diversification for meat of sheep or goat fresh, chilled or frozen imported by South Africa in 2020. The figure clearly shows that Australia and New Zealand takes the biggest share of world exports for sheep meat. However, if South Africa wishes to diversify its imports of meat of sheep or goat, fresh, chilled or frozen, the biggest and fastest growing market exist in Mozambique as their annual export growth to the world was at 111% between 2016 and 2020.

Figure 27: Competitiveness of supplying of meat of sheep or goat, fresh, chilled or frozen imported by South Africa in 2020

Competitiveness of supplying countries for a product imported by South Africa in 2020
 Product : 0204 Meat of sheep or goats, fresh, chilled or frozen



Source: Trademap

Figure 27 below presents the competitiveness for meat of sheep or goat fresh, chilled or frozen imported by South Africa in 2020. Australia and New Zealand remain competitive markets for South Africa with world export share of 36.6% and 34.16% respectively while Namibia indicates a losing competitive market.

7. ACKNOWLEDGEMENTS

- a. National Wool Growers Association (NWGA)
www.nwga.co.za
- b. SAMIC
www.samic.co.za
- c. Cape Wools
www.capewools.co.za
- d. Department of Agriculture, Land Reform and Rural Development
www.dalrrd.gov.za.
- e. TradeMap
www.trademap.org.
- f. Quantec
www.quantec.co.za
- g. Market Access Map.
www.macmap.org.za.
- h. NERPO
www.nerpo.org.za

Disclaimer:

This document and its contents have been compiled by the Department of Agriculture, Forestry and Fisheries for the purpose of detailing the sheep industry. The views expressed in this document are those of the Department of Agriculture, Forestry and Fisheries with regard to agricultural industry, unless otherwise stated and, therefore the Department of Agriculture, Forestry and Fisheries does not accept responsibility for any errors in such information and anyone acting on such information does so entirely at his or her own risk.