OUTLINE OF PRESENTATION

- Introduction to the Meat Board of Namibia
- Overview international & regional markets
- Meeting the requirements of the international consumer
- Background to Namibian meat industry
- Challenges
- Conclusion
MEAT BOARD OF NAMIBIA

GOAL OF MEAT BOARD: According to the Meat Industry Act “The objects of the board are to promote the interests of the meat industry of Namibia in Namibia and elsewhere”

ROLE OF THE MEAT BOARD
The mission of the Meat Board of Namibia is to promote a conducive environment for sustainable livestock production, market growth and diversification for livestock, meat and meat products; and to maintain standards and quality assurance by way of appropriate regulatory intervention

For species cattle, sheep, goats and pigs and meat derived there from
VISION

The vision of the Meat Board of Namibia is to be an internationally recognised organisation that promotes a profitable, vibrant, Namibian meat industry in local and international markets.

MEAT MARKET
- Access maintenance & diversification

REGULATORY CONTROL
- Standards, quality assurance and import/export control

ADVOCACY
- Animal health and welfare on production and market related issues

STAKEHOLDER RELATIONS

SUSTAINABILITY
- Ensure a sustainable organisation
Global meat consumption trends

Continuous **volume growth** … especially for chicken

**World meat consumption, OECD-FAO, 2010/2020**

CAGR = +1.6% in total

- Beef: +0.9%
- Sheepmeat: +1.9%
- Pork: +1.2%
- Poultrymeat: +2.1%
- Others: +3.0%

OECD-FAO forecasts seem

- Beef: optimistic
- Sheep meat and pork: ± OK
- Poultry meat: pessimistic

Source IMS World Meat Congress 2016 Richard Brown
Producer price indices: global, all meats

2007-14 period of real price increases ... then current downturn ... will recover with rational supply

All meat producer/wholesaler price indices, 2004-2016(f) (2004 L.C.)
Including China

Based on 2004 producer prices

Source IMS World Meat Congress 2016 Richard Brown

Weighted (consumption) averages
## International Competitors (2016)

<table>
<thead>
<tr>
<th>Beef Exporters (frozen)</th>
<th>Tons</th>
<th>Sheep meat Exporters (All)</th>
<th>Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>1 246 721</td>
<td>Australia</td>
<td>434 494</td>
</tr>
<tr>
<td>Brazil</td>
<td>938 392</td>
<td>New Zealand</td>
<td>388 225</td>
</tr>
<tr>
<td>Australia</td>
<td>778 096</td>
<td>United Kingdom</td>
<td>78 773</td>
</tr>
<tr>
<td>USA</td>
<td>459 219</td>
<td>Ireland</td>
<td>48 221</td>
</tr>
<tr>
<td>New Zealand</td>
<td>392 548</td>
<td>Netherlands</td>
<td>26 624</td>
</tr>
</tbody>
</table>

| Namibia exports (32)   | 28 067    | Namibia exports (21)       | 4 509     |

Sources: ITC calculations based on UN COMTRADE and ITC statistics (2017)
SOUTH AFRICA MEAT CONSUMPTION GROWTH - 2025

Sources: BFAP BASELINE Agricultural Outlook 2016 -2025
SOUTH AFRICA BEEF PRODUCTION, CONSUMPTION AND PRICE - 2025

Sources: BFAP BASELINE Agricultural Outlook 2016 -2025
SHEEP MEAT CONSUMPTION AND IMPORTS - 2025

Sources: BFAP BASELINE Agricultural Outlook 2016 -2025
INTERNATIONAL MEAT TRADE
- Key Drivers -

- Price & Exchange rates
- Agri-politics
  - Farm policy - Interventions
  - Trade Policy – FTA’s
  - Environment – Livestock Long Shadow (FAO)
  - Safety, Nutrition & Health (Scares)
- Sustainability (water, pesticides, cloning, genetically modified, antibiotics)
- Animal Diseases / Animal Welfare
CONTRIBUTION OF AGRICULTURE TO GDP

Source: Namibia Statistics Agency, 2017
CONTRIBUTION OF AGRICULTURE TO GDP

Annual % GDP Change

Year

Percentage %

Livestock Farming

Meat Processing

Source Namibia Statistics Agency, 2017
PERFORMANCE OF NAMIBIAN MEAT INDUSTRY
-Export orientated - 85% (N$2.0 billion)

- Numbers
  - Cattle: 2,77 million, Sheep: 1,97 million, Goat: 1,79 million
- Cattle
  - 150 000 weaners (8 month; 180 – 240kg) South African feedlots
  - 130 000 steers – Export & local abattoirs (Meatco, Brukkaros)
- Small stock
  - 60 000 sheep – South Africa (informal market)
  - 270 000 goats – South Africa Kwazulu-Natal (ceremonial market)
- Beef (37 000 tons)
  - 9 400 tons – South Africa
  - 9 500 tons – EU, UK, Reunion, Norway
- Lamb
  - 800 000 carcasses – South Africa
  - Norway?
NAMIBIA CATTLE MARKETS

Cattle Market Share: 2016

- Live Exports: 56%
- SVCF: Export Abattoirs: 35%
- Local Abattoirs: 9%
- NVCF: Export Abattoirs: 0%

<table>
<thead>
<tr>
<th></th>
<th>Export Slaughter</th>
<th>Butchers</th>
<th>Live Exports</th>
<th>Total Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>119 159</td>
<td>22,367</td>
<td>281,965</td>
<td>423,491</td>
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<tr>
<td>2016</td>
<td>103 097</td>
<td>26 193</td>
<td>165 927</td>
<td>295 217</td>
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</table>

Source: Meat Board of Namibia, 2017
NAMIBIA SHEEP MARKETS

Sheep Market Share

<table>
<thead>
<tr>
<th>Year</th>
<th>Export Slaughter</th>
<th>Butchers</th>
<th>Live Exports</th>
<th>Total Marketing</th>
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<tbody>
<tr>
<td>2015</td>
<td>444,927</td>
<td>79,024</td>
<td>437,229</td>
<td>961,180</td>
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<tr>
<td>2016</td>
<td>321,413</td>
<td>68,741</td>
<td>290,389</td>
<td>680,843</td>
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</table>

Source: Meat Board of Namibia, 2017
### SHEEP: COST, RETURNS AND PROFITABILITY (USD PER 100KG CARCASS WEIGHT)

<table>
<thead>
<tr>
<th>Country</th>
<th>Cost</th>
<th>Depreciation</th>
<th>Opportunity cost</th>
<th>Total returns</th>
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</tbody>
</table>

Source: Agri Benchmark 2016

**Source Agri Benchmark 2016**
LONG TERM TRENDS IN CATTLE MARKETING

Source: Meat Board of Namibia, 2017
INTERNATIONAL PRICE COMPARISONS - CATTLE

Namibian Beef Producer Prices vs International Competitors (N$)

Source: Meat Board of Namibia, 2017
INTERNATIONAL PRICE COMPARISONS - SHEEP

International Sheep Competitor Prices (N$)

Source Meat Board of Namibia, 2017
IMPORTATION OF MEAT PRODUCTS

Importation of Meat Products (Tons)

Source Meat Board of Namibia, 2017
Industry Challenges

- Financial dilemma of GRN/Directorate Veterinary Services
- Secure and proven animal disease freedom (FMD, CBPP, BSE, PPR)
- Improving NCA animal health status
- Market exploration: NCA cattle & Beef (SADC & MENA), Lamb bone-in (EU)
- Increasing regulatory cost of production & compliance, e.g. livestock and feed traceability, livestock identification, animal welfare, sustainability, bush encroachment, RSA import conditions)
- Maintaining market access: Free Trade Area negotiations (South Africa, Norway, Brexit?)
- Government’s interventions – sheep marketing (scheme), export levies, compliance to multitude legal obligations, land utilization, trade agreements (India, Mercusor), compulsory diversion of functions to GRN agencies
- Updating Quality Assurance Schemes – FAN MEAT, Classification
- Diminishing primary sector output, i.e. contribution to national economy (GDP)
- Coherent industry focus, collaboration and corporate governance
- Supply side constraints/costs – skills, labour, telecommunication, roads

* Blue script denotes priorities for 2017
CONCLUSION

- Improve competitiveness of Namibian meat industry
- Create conducive operating environment policies
- Strive for more efficient service delivery
- Address value chain input costs on financial viability of meat industry

I THANK YOU