

# Livestock & Meat Industry

Quarter 1- Review

2023



Meat Board  
Of Namibia

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## Cattle Sector

Marketing activities within the first quarter of 2023 started off on a slow note and only picked up during March 2023. A total of 53 157 heads of cattle were marketed across all three segments of the sector. Year-on-year, this represents a growth of 0.15%. The stability consolidates recovery from the drought after three years of herd-rebuilding.

The growth observed in the sector is attributed to increased volumes of cattle exported on hoof to neighbouring regional markets coupled with increased throughput at export approved abattoirs during the first quarter of the year.

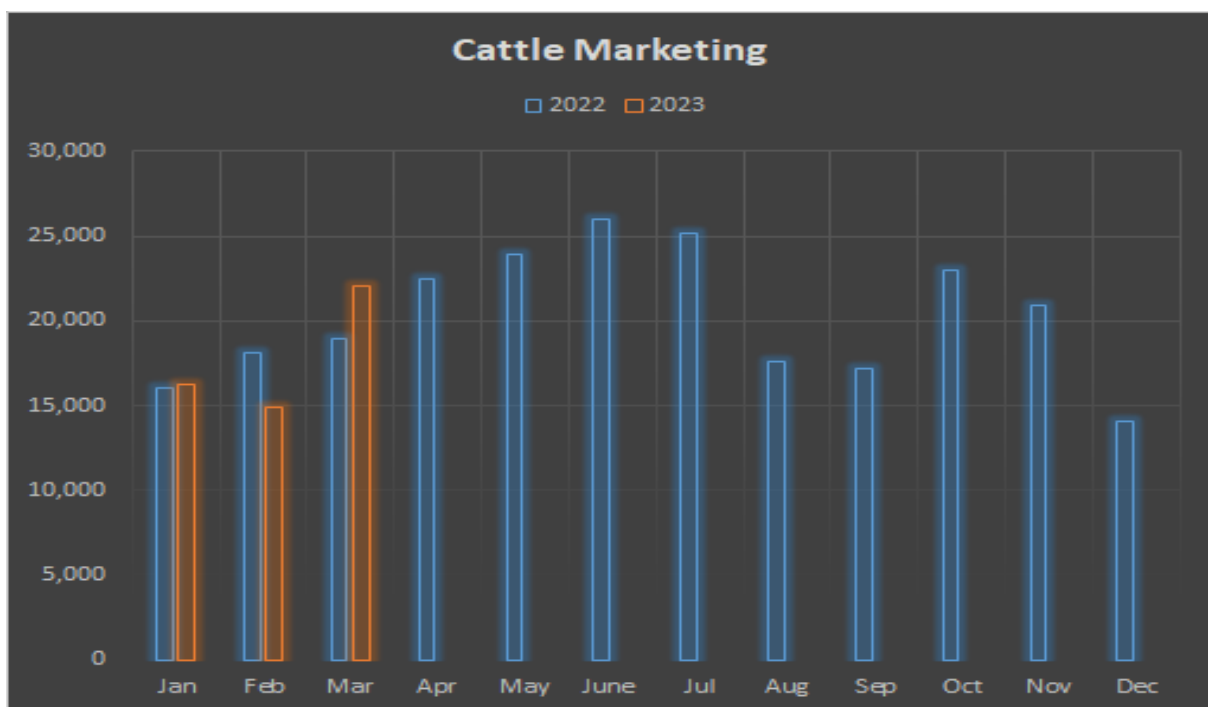


Figure 1: Cattle marketed

From the total number of cattle marketed during the first quarter of 2023, 57.6% were live exports, 30.2% were marketed at export approved abattoirs while B&C class

Abattoirs absorbed 12.1% of market share. Compared to the first quarter of 2022, B&C class abattoirs lost 4.6% market share towards live exports and export approved abattoirs that gained 3.1% and 1.4%, respectively.

Up to 30 635 heads of cattle left the country during the period under review relative to 28 972 heads exported during the same period in 2022. The live exports marketing segment therefore recorded a growth of 5.7%. Of these animals, 30 436 heads predominantly weaners 99.5% were weaners destined for feedlots in South Africa, 0.5 were exported for farming purposes. The South African market accounted for 99.4% (30 436 heads) of all live cattle exports while regional destinations Botswana and Angola took up the remainder for breeding purposes.

The trend of increasing domestic uptake at export approved abattoirs output is owed to improved producer prices offered by A class abattoirs. This trend in marketing has resulted in A-class abattoirs gaining an additional 1% market share during the quarter under review.

There has generally been a sustained decrease in South African and local weaner prices throughout the first quarter of 2023. South African weaner prices continued to drop following increased supply of beef due to export restrictions occasioned by FMD in that country. The RSA weaner price declined from N\$40.47/kg in the first quarter of 2022 to N\$35.50/kg in the first quarter this year. The Namibian weaner price followed a similar pattern averaging at N\$ 30.02/kg relative to N\$ 41.59/kg recorded during the first quarter of 2022, a decline of 22.9%.

Although there has been an increase in the B2 cattle producer prices offered by export-approved abattoirs during the first quarter of the year, the all-grade carcass prices dropped by 0.7% and averaged N\$ 59.93/kg during the first quarter of 2023 relative to N\$60.34/kg recorded in 2022

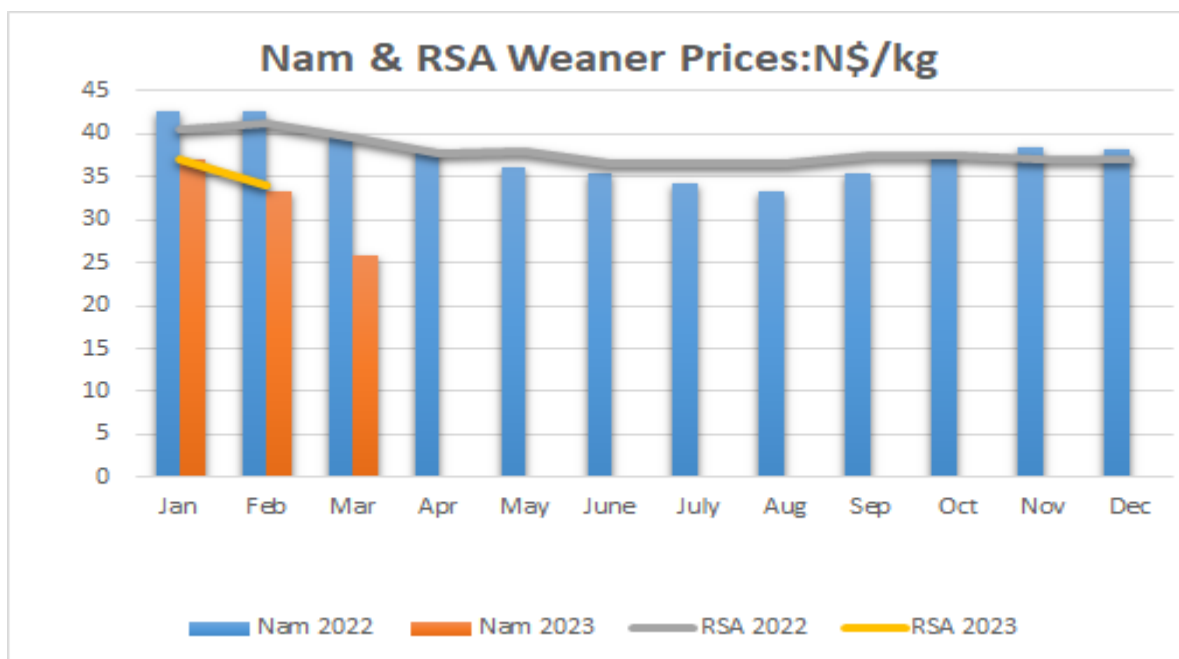


Figure 2: Live weaner Producer prices

## Sheep sector

Sheep marketing activities during the first quarter of 2023 continued on a recovery path registering a strong growth of 46.8%. A total of 163 547 heads of sheep were marketed in the first quarter of 2023 compared to the 111 374 heads of sheep

marketed during the same period in 2022. The improvement in marketing activities has greatly benefited all three marketing segments that recorded growths during the period under review.

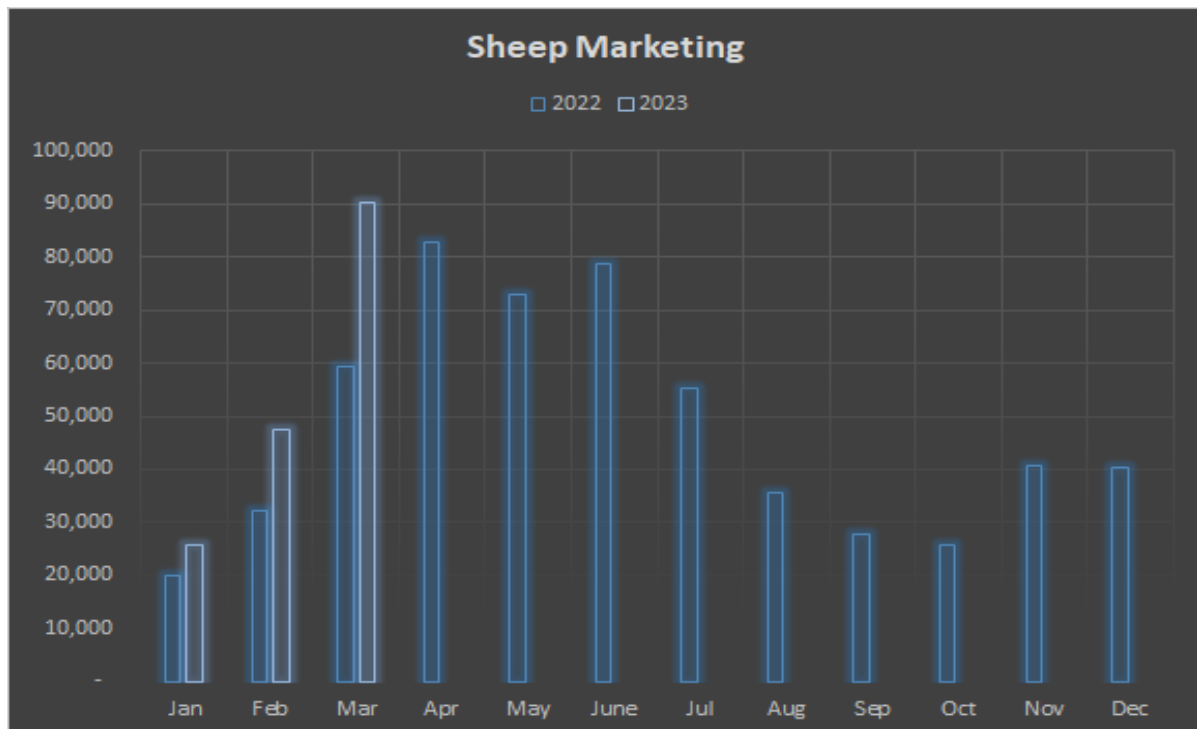


Figure 3: Sheep marketing

The exportation of live sheep stood at 118 853 heads during the first three months of 2023 in comparison to the level of 87 081 witnessed during the same period of 2022, thus registering an increase of 36.5%. Despite this strong growth, live exports lost 5.5% market share accounting for 72.7% of total marketing compared to 78.2% last year.

Up to 99.6% of all sheep exports were destined to South Africa while the remainder 0.4% was destined to Botswana (174 heads), Angola (317) and Zambia (34 heads). 89.2% of live sheep exported were destined to South African abattoirs mostly in the Northern Cape. South African feedlots absorbed 10.3% of sheep exports and the remaining 0.5% were destined for farming use.

The resumption of slaughtering activities at the Farmers Meat Market Mariental abattoir has yielded positive results for the slaughtering sector. Export-approved abattoirs tripled their throughput during the first quarter of the year by registering a growth of 385.7%, a result of producers responding to good prices offered by local export approved abattoirs. A total of 24 360 sheep were slaughtered at export approved abattoirs and constituted 14.9% of total

Namibian export approved abattoirs on average paid better producer prices than the Northern Cape Abattoirs during the first quarter of 2023, recording a positive price differential of N\$4.66/kg within the A2 sheep grade. It is noteworthy that Farmer's

marketing. This represents an additional market share of 10.4% to the 4.5% recorded in the first quarter of 2022.

Throughput at B&C-class abattoirs stood at 20 334 heads by the end of the first quarter of 2023 period in contrast to the 19 277 heads marketed during 2022, a growth of 5.5%. Local abattoirs market share stood at 12.4% having lost 4.9% from the 17.3% share of year the first quarter of 2022

Meat Market was able to tap into the lucrative Norwegian market during the 2023 period which remains a contributing factor towards improved sheep producer carcass prices.

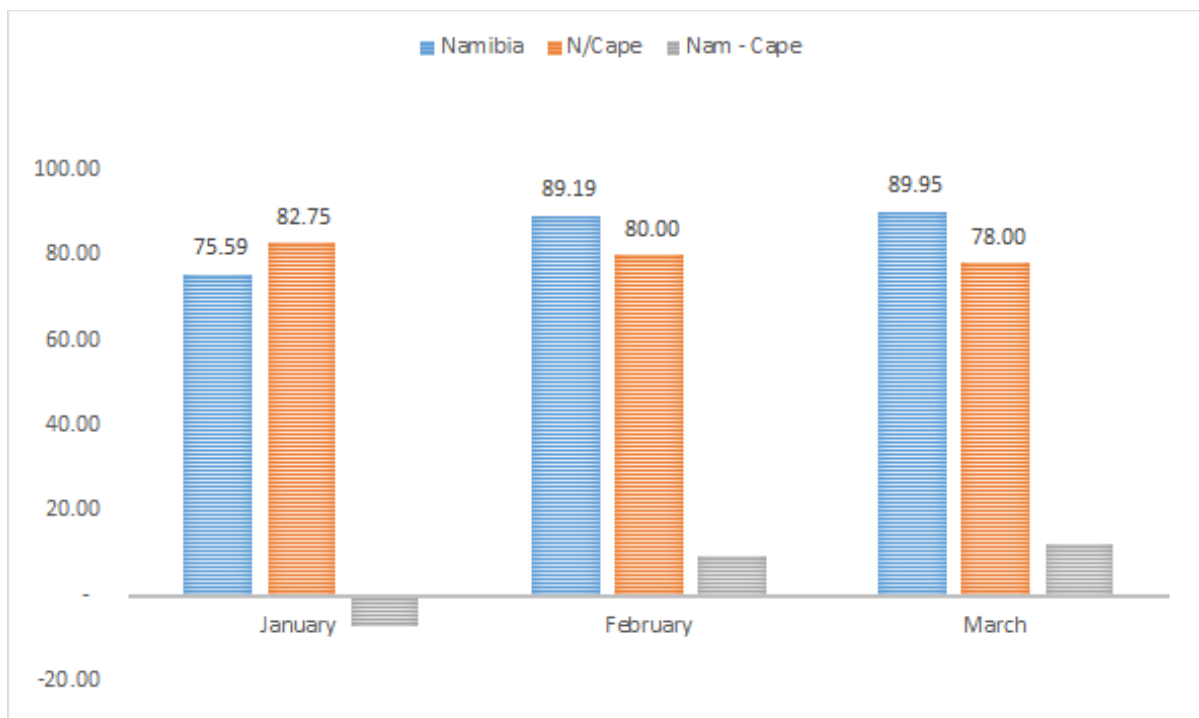


Figure 4: Namibia vs Northern Cape Sheep prices 2023: N\$/kg

### **Goat sector**

Total goats marketing during the first quarter of 2023 dropped by 13.5% in comparison to the first quarter of 2022. A total of 20 046 heads were marketed during the 2023 period relative to 23 184 heads marketed during the similar period in 2022.

Live exports of goats declined by 15.0% during the quarter under review recording,

19 616 heads in comparison to 23 077 heads marketed in the 2022 comparable quarter. From the total number of goats marketed during the first quarter of 2023, 97.9% were live exports, while B&C class abattoirs absorbed 2.1% of all animals marked.

### **Pork sector**

As estimated 11 111 pigs are said to be slaughtered at Meat Board-registered abattoirs during the fourth quarter of 2023 relative to 10 935 slaughtered during the same period in 2022. This translates to a growth of 1.6%.

During the period under review, Local pork production catered for 31.5% of the domestic pork consumption requirements and the remaining 68.5% was serviced by imports (inclusive of offal and processed products). Pork imports, primarily from Germany (52.8%), Spain (24.5%), South Africa (9.2%) and EU (13.4%) increased by 4.9% during the first quarter of 2023. A total of 2 223 415 kg of pork was imported during the first three months of 2023 relative to 2 120 551kg volume of pork

imported during the same period in 2022. The significant increase in pork imports from the EU market is owed to the foot-and-mouth disease outbreak in South Africa that has necessitated a shift as an alternative. The shift has been associated with significant retail price increases due to import duties charged based on SACU the common external tariff schedule.

The Pork Steering Committee, during its meeting held on 13 February 2023 resolved to maintain the ceiling price at the December 2022 level of N\$51.03/kg, in line with the Pork Steering Committee resolution of 18 February 2020 as a risk mitigation strategy. The higher of the calculated ceiling price and the fixed level N\$ 51.03/kg will be maintained until a new proposed pork ceiling price is implemented

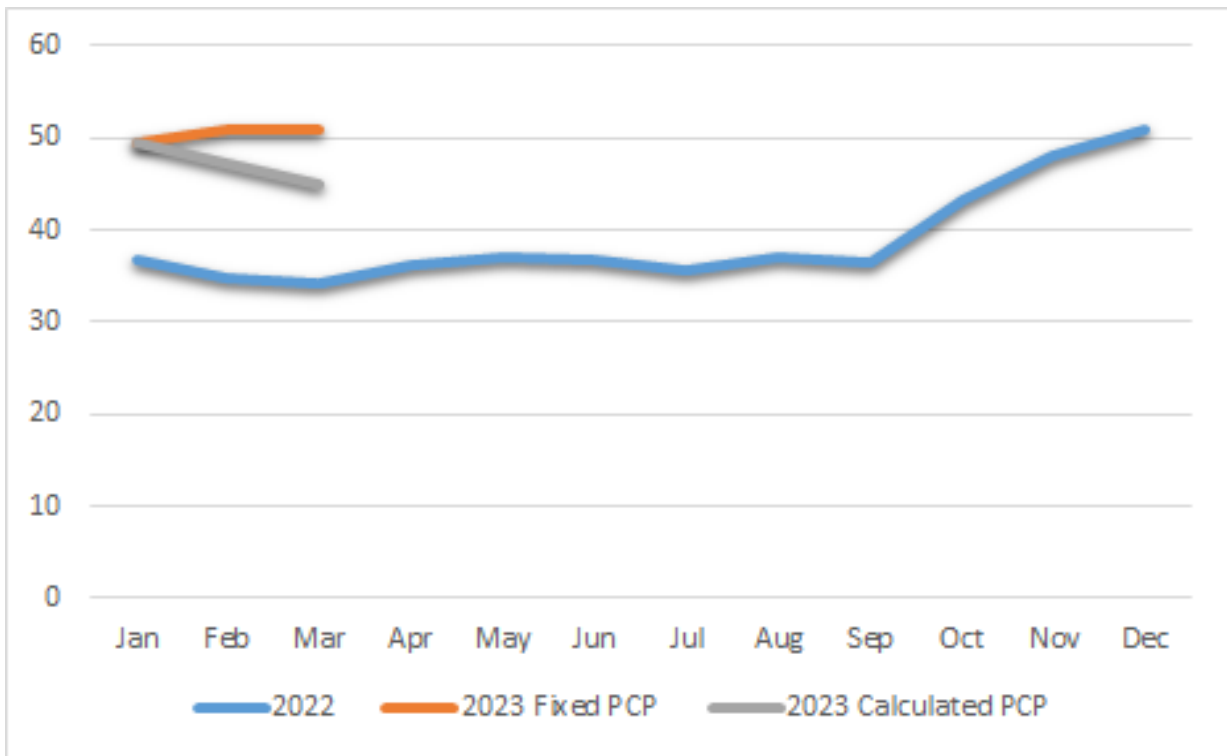


Figure 7: Pork ceiling price: 2022/2023

### Trade in Meat and Meat Products

The global beef industry has faced numerous challenges over the past couple of years. The Namibian meat industry is largely dependent on exports and international price movements largely dictate the final destination of Namibian meat.

Year-on-year, a total of 1 652 213 kg of beef was exported to various destinations during the first quarter of 2023 compared to 2 043 683 kg of beef exported during the same period in 2022. Of the total beef exported during the period under review, 61.7% went to the Netherlands, 16.6% was exported to China, 11.0% went to South Africa, and 8.2% went to the UK whereas

beef exports to the Norwegian market only made up 2.3% of total beef exports during this period. The remaining 0.2% went to Angola and Botswana.

Mutton exports recorded a growth of 270.6% during the first three months of 2023, largely due to increased production volumes. A total of 158 634 kg of mutton was exported to the South African whilst 59 979 kg was exported to Norway during the first quarter of 2023.

Importation of meat and meat products dropped significantly during the first quarter of the year. Beef imports totaled 268 141 kg in 2023 compared to 539 689 kg imported during the same period in 2022,

registering a decline of 50.3%. Of these imports, 47.3% originated from South Africa in the form of canned beef, 33.5% came from the EU, 19.0% from USA while 0.3% originated from Australia. These imports were made up of processed beef products (47.3%) and beef offal (52.7%).

Similarly, A total of 35 694 kg of mutton, predominantly sourced from China and

Australia in the form of offal products were imported during the first quarter of 2023, compared to 123 471 kg imported during the same period in 2022. Year-on-year, mutton imports dropped by 71.1% during the reporting period. This may be attributed to the improved availability of offal that usually makes the bulk of imports which was now provisioned by local abattoirs as slaughtering improved.

## **Conclusion**

Marketing of cattle increased during the first quarter of 2023 signalling a recovery after the drought. The performance is largely owed to increased volumes of live exports of cattle as well as the good performance observed within the export approved segment in comparison to the same quarter of 2022, as a result of improved producer carcass prices. This led to better economic benefits to farmers in comparison to the same period in 2022.

Meanwhile, weaner prices declined, following a similar trend in South Africa owed to macro and socio-economic factors within the South African market, Namibia's biggest destination of weaners.

Sheep marketing in general increased on account of improvements in live exports to South Africa while total slaughtering also improved. Marketing activities at export approved abattoirs gained market share but are unfortunately, still operating below economically sustainable levels. It is expected that sheep supply chains will adjust to favour Namibian abattoirs if the existing price levels will be maintained.

Marketing of livestock during the 2023 period is projected to increase as farmers are expected to off-take their animals at a much higher rate to prevent losses due to unfavourable rainfall conditions expected during the remainder of the year.