

Statistics Commentary

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Overview

The livestock and meat industry witnessed an increase in marketing activities during the first quarter of 2024, with the cattle sector recording a remarkable growth rate of 47.9 percent. Similarly, the sheep, goat and pig sectors all saw growth rates surpassing 10 percent. The growth in the cattle sector positively affected beef production, leading to a doubling of beef exports.

The limited rainfall received during the period under review coupled with high input costs continue threatening the sustainability of the sector. The sector is expected to remain under severe pressure as farmers prepare for drier conditions for the remainder of the season.

Cattle Sector

During the first quarter of 2024, a total of 86 693 cattle were marketed across all marketing channels. Of this total, 57 562 were exported live on hoof to neighboring SADC member states, 21 525 heads were slaughtered at local A-class abattoirs and 7 879 heads were slaughtered at various Livestock and Livestock Products Board of Namibia (LLPBN)- registered B & C class abattoirs nationwide. This brings the growth of the cattle sector up by 47.9 percent from 58 607 heads marketed during the same quarter of 2023.

Comparing activities of the three marketing channels, it is evident that there was a shift in slaughtering dynamics during the first quarter as farmers opted to market their animals at export approved abattoirs as opposed to marketing at B & C class abattoirs. As a result, A- class abattoirs increased their market share by 4.8 percent whilst B & C class abattoirs dropped its market share by 54.1 percent during the first quarter of 2024. In real terms, B & C Class abattoirs market share lost 4 023 animals to live exports and Butchers during the quarter under review in comparison to the first quarter of 2023.

The country continues exporting a significant number of weaners to predominantly, South Africa. The live export segment increased its market share during the first quarter up by 35.6 percent to make up 87.9 percent of the first quarter overall market share. The department of agriculture, forestry and fisheries-South Africa implemented new Standard Operating Procedures (SOP) for the import of cattle, sheep and goats for direct slaughter/feedlot purposes into South Africa during March 2024. The SOP contains stringent requirements for live exports to South Africa therefore, making it difficult for farmers to export their animals to South Africa - Namibia's biggest market for livestock.

Domestic weaner prices at auctions faced downward pressure and recorded lower levels during the period under review. The sVCF average weaner price dipped to N\$24.74/kg during the first quarter of 2024. The price ranged from N\$26.57/kg recorded in January 2024 to N\$22.13/kg in March 2024. Similarly, the nVCF tolly price averaged N\$ 22.55/kg during the period under review with the highest and lowest price of N\$28.35 and N\$ 19.31/kg recorded in January and March 2024, respectively.

Year-on-year, the B2 producer carcass price dropped by N\$3.31/kg and averaged N\$60.87/kg during the first quarter of 2024, relative to the N\$64.18/kg paid to producers during the same period in 2023. The further outbreak of FMD in South Africa severely affected producer prices within the South African market. As a result, the Red Meat Abattoir Association (RMAA) came in N\$12.75/kg lower than its Namibian counterpart.

Internationally, Namibian producer prices traded below the USA, EU, Argentina and Uruguay producer prices. Australian beef prices largely remained under pressure due to unfavorable climatic conditions

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resulting in increased supply of beef on the global market.

A total of 2 936 183 kg of beef was exported by Namibian export-approved abattoirs during the first quarter of which 1 277 900 kg was exported to the EU. Top beef export destinations for the period under review included UK (799 114kg), Norway (402 568 kg), South Africa (381 072 kg) and China (72 539 kg) while African countries took up the least volumes. Interestingly, a total of 976 kg of beef was exported to the USA during the quarter under review.

Beef imports totaled 217 557 kg during the first quarter of the year. Of this amount, 58 096 kg consisted of beef liver while 159 461 kg comprised processed and canned beef, serving to complement domestic production.

Sheep Sector

The sector recorded an increase in activity of 15.7 percent led by live exports and slaughtering at A-class abattoirs. Live exports increased by 29.3 percent growing from 118 853 heads in the first quarter of 2023 to 153 713 heads in 2024.

While the live export segment recorded a significant growth, A-class as well as B & C class abattoirs activities declined by 12.0 percent and 20.8 percent respectively, going from a combined total of 50 331 heads in 2023 down to 41 989 heads in 2024. The change in marketing dynamics is attributed to drought and partially on low producer prices paid by local A-class abattoirs. As a result, farmers are opting to sell their slaughter ready animals to Northern Cape abattoirs due to relatively competitive prices offered by these abattoirs.

The price difference between Namibia sheep export abattoirs and the Northern Cape abattoirs widened. The Namibian A2 producer price on average traded at N\$72.79/kg during the first quarter of 2024. The Northern Cape A2 producer price averaged N\$78.10/Kg during 2024, N\$5.31/kg higher than the Namibian A2 producer price. The Northern Cape abattoir prices serve as a benchmark for Namibian producers; given that majority of sheep exports are destined towards these facilities.

Mutton production during the first quarter of 2024 declined and subsequently affected mutton exports that declined by 35.0 percent. As a result, 142 050 kg of mutton was exported to various destinations,

down from the 2023 volume of 218 613 kg. Of the mutton exports, 73.8 percent of mutton exports went to South Africa, 14.2 percent was exported to Zambia and 12.0 percent went to Botswana.

Goat Sector

The sector witnessed a growth of 12.1 percent during the period under review. A total of 23 369 goats were marketed during 2024 compared to 20 839 goats marketed during same period in 2023. The growth is owed to an increase in live exports that grew by 18.84 percent. Additionally, Lamb auction price averaged N\$ 29.47/kg down from N\$34.84/kg recorded during the first quarter of 2023.

Pork Sector

12 253 pigs were marketed at LLPBN-approved abattoirs in the first quarter of 2024, which is 10.3 percent higher than the 11 113 pigs marketed during the first quarter of 2023. Domestic consumption (inclusive of processed pork) amounted to 2 224 823 kg by the end of the quarter. Domestic production made up 49.4 percent of pork consumption while imports made up the remaining 50.6 percent of domestic pork requirements.

Of the imported pork, 48.2 percent originated from Germany, followed by South Africa, Botswana and Spain with a market share of 23.6 percent, 12.1 percent and 10.4 percent, respectively. The remaining 5.7 percent originated from China and other European countries.

Although imports are dominant in the market, the Pork Market Share Promotion Scheme, administered by the LLPBN continues to assist local producers in maintaining significant market share. The pork ceiling within in the scheme remains fixed at N\$51.03/kg.

Conclusion

Livestock marketing activities increased during the first quarter of 2024, primarily driven by activities at export approved abattoirs amidst the ongoing drought conditions.

Weaner prices at auctions faced downward pressure, registering lower levels compared to South African prices. Meanwhile, South African carcass prices continued to decline, dragging weaner prices down.