A PROFILE OF THE SOUTH AFRICAN BEEF MARKET VALUE CHAIN

2013

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1. DESCRIPTION OF THE INDUSTRY

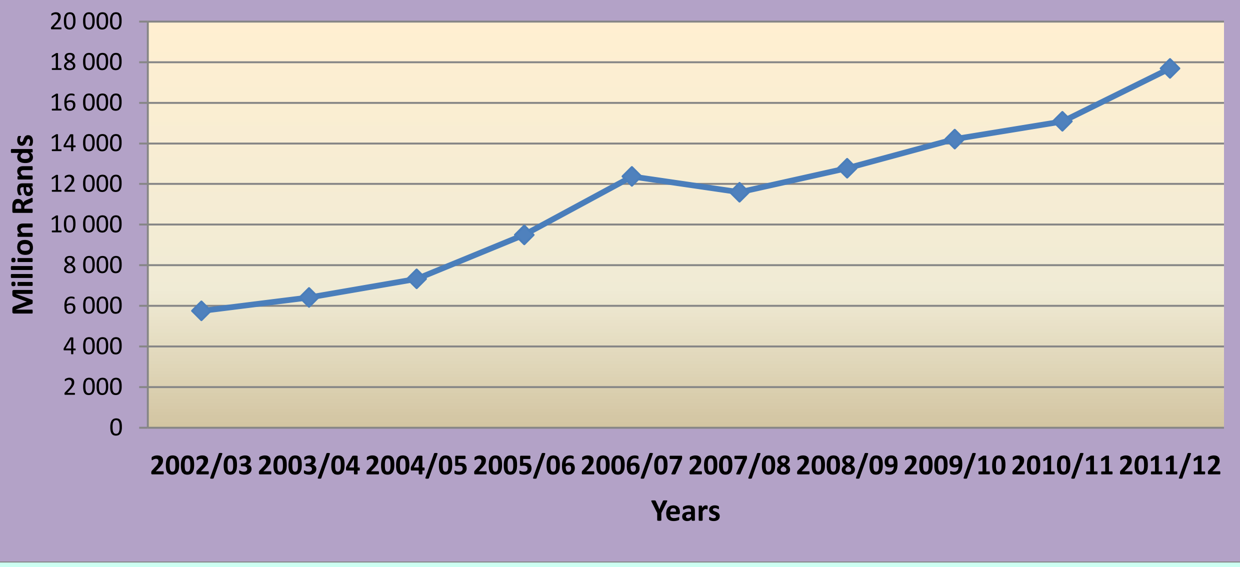
The livestock sector is one of the best growing parts of the agricultural economy, driven by income growth and supported technological and structural change. This sector contributes 40 percent of global value of agricultural output and supports the livelihoods and food security of almost billion people. Beyond their role in generating food and income, livestock are a valuable asset, serving as a store of wealth, collateral for credit an essential security net during calamitous times. Globally, livestock contribute 15 percent of total food energy and 25 percent of dietary protein.

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. Cattle production have increased by 2% (238 000 heads) from 13.6 million in 2002/3 to 13.8 million in 2012 and 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. Beef cattle producers vary from highly sophisticated commercial (who rely on high technology) to communal subsistence producers (who rely on indigenous knowledge and appropriate technology). Three major groups of beef cattle farmers co-exist in South Africa.

- The commercial beef producer (mostly white farmers) where production is relatively high and comparable to developed countries. Their production is generally based on synthetic breeds and/or crossbreeding, using Indicus / Sanga types and their crosses as dams.
- The emerging black beef cattle farmer who own or lease land (LRAD beneficiaries). Their cattle generally consist of indigenous crossbred or exotic type of animals.
- The communal beef cattle farmer who farm on communal grazing land. Their cattle are mostly of indigenous types.

Approximately 60% of the 13.84 million cattle available in South Africa are owned by commercial farmers and 40% by emerging and communal farmers. The gross value of beef production is dependent on the number of cattle slaughtered and the prices received by producers from abattoirs. The average gross value of beef produced during the period 2002/03 until 2011/12 amounted to R 11.3 million. Figure 1 below show the gross value of cattle and calves slaughtered during the period 2002/03 until 2011/12.

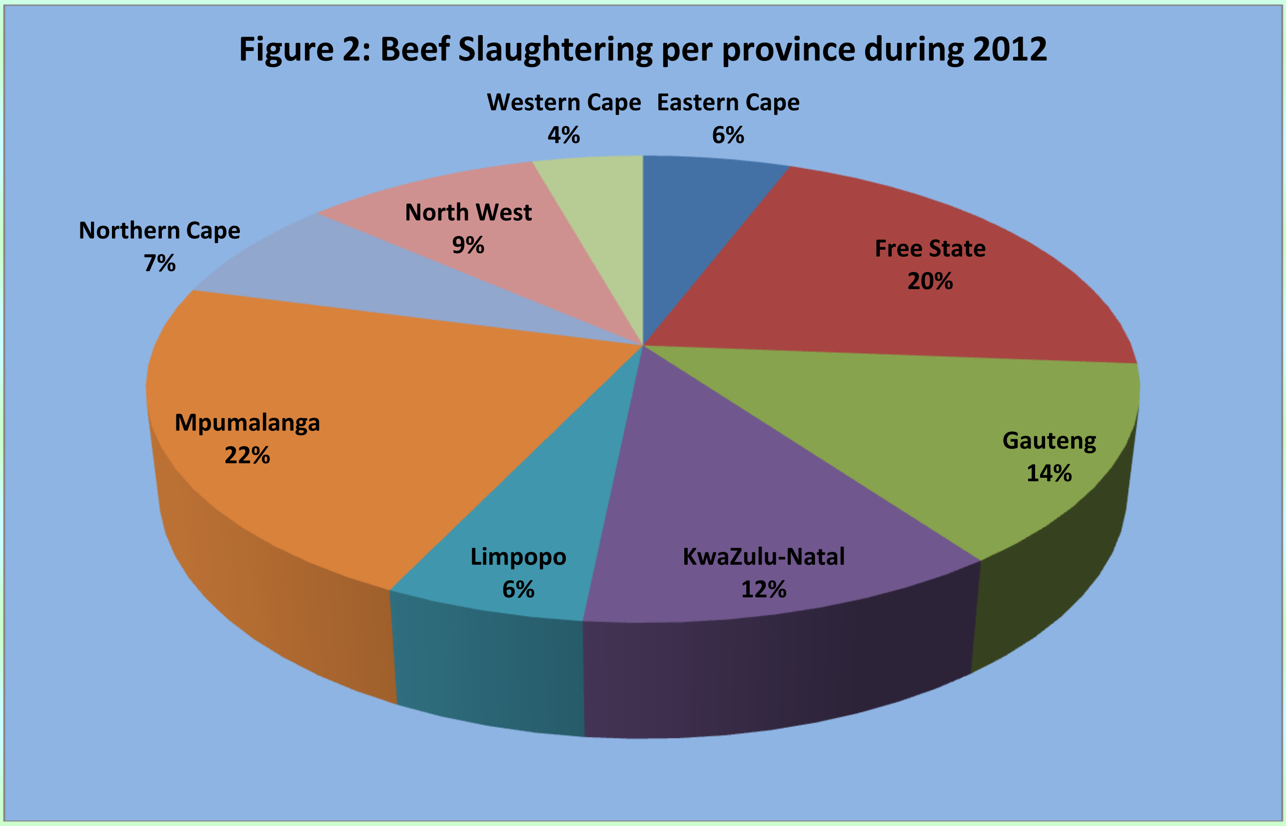
Figure 1: Gross value of cattle and calves slaughtered



Source: Statistics and Economic Analysis, DAFF

1.1. Production Areas

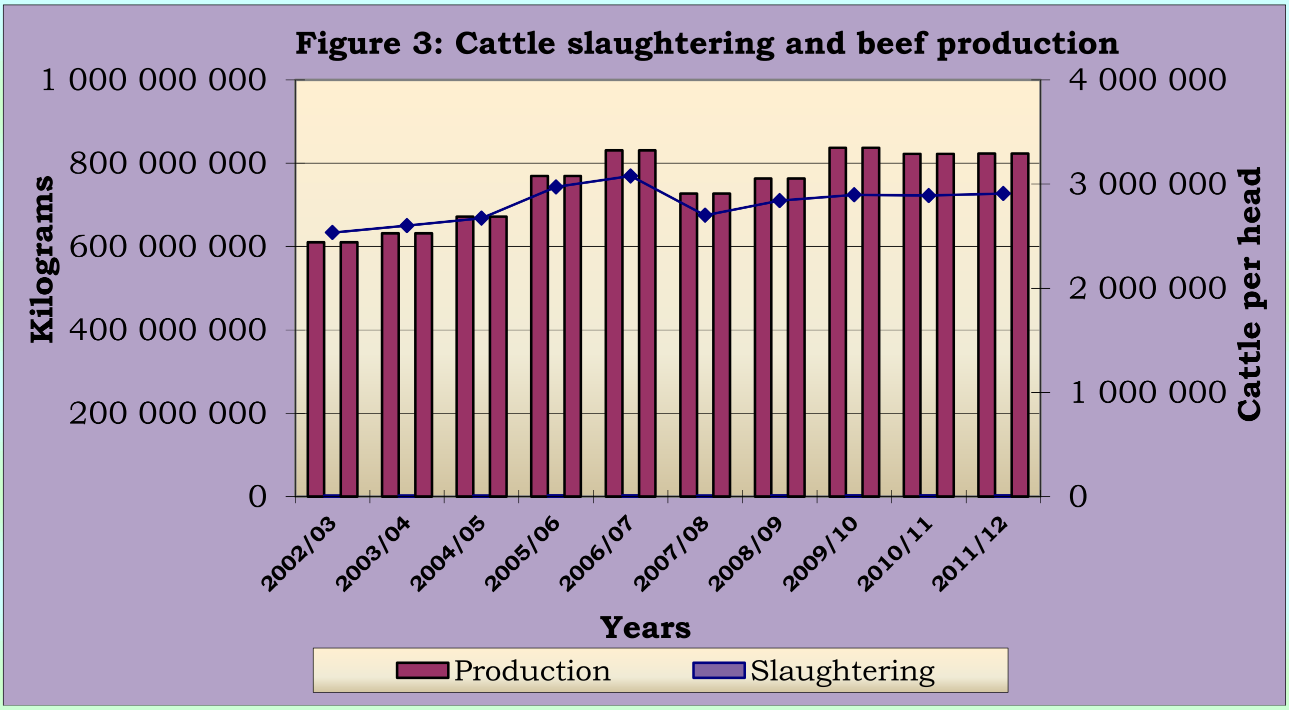
Beef is produced throughout South Africa. The amount of beef produced depends on the infrastructure such as feedlots and abattoirs, not necessarily by the number of cattle available in those areas. South Africa has highly developed transport infrastructure that allows movement of cattle and calves from one area to another, even from other countries such as Namibia. For these reasons, Mpumalanga commands the greatest share of beef production in South Africa accounting for 22% of the beef produced in 2012 followed by Free State, Gauteng, KwaZulu Natal and North West accounting for 20%, 14%, 12% and 9% respectively. Figure 2 below shows the beef production per province during 2012 production year.



Source: Red Meat Levy Admin

1.2. Production Trends

South Africa has approximately 495 abattoirs. Approximately 40% of all slaughtering are performed by abattoirs that may slaughter an unlimited number of animals (Class A) and approximately 60% of cattle are slaughtered by highly regulated abattoirs (Class A & B). Most of these abattoirs have linkages with feedlots. The total number of cattle slaughtered during the past ten years amounted top 7.5 billion Figure 3 below show the slaughtering of cattle and production of beef during the period 2002/03 until 2011/12.

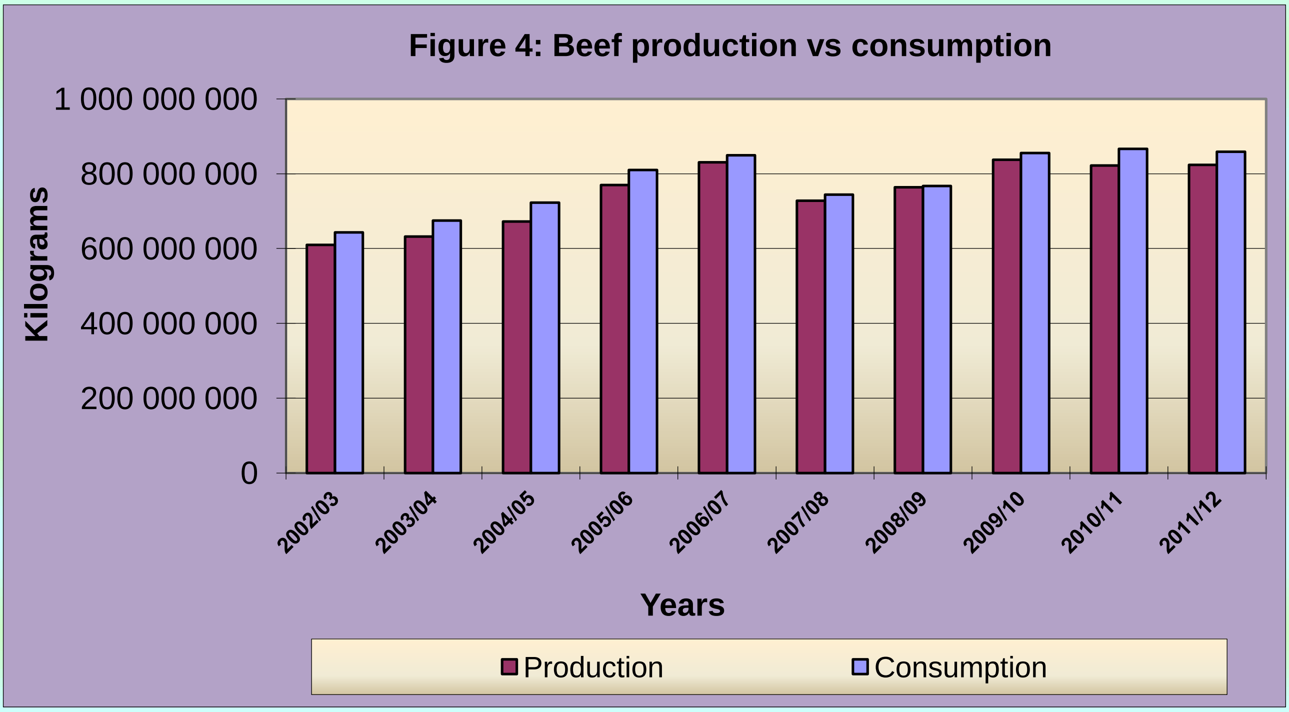


Source: Statistics and Economic Analysis, DAFF

Figure 3 above shows that slaughtering and production of beef followed the same trend from 2002/03 to 2008/09. Both increased significantly in 2005/06 to 2006/07 but declined in 2007/08. Beef production increased again during 2009/10 while the cattle slaughtered remained stagnat from 2008/09 to 2011/12. This decline in 2007/08 might have been caused by global economic meltdown. An increase of 35% in production and 15% of cattle slaughtered was experienced in 2011/12 compared to 2002/03.

1.3. Local Consumption

Figure 4 shows the local consumption of beef comparing it to total production for each year to determine if the country is self-sufficient in terms of beef production.



Source: Statistics and Economic Analysis, DAFF

Figure 4 indicates that South Africa is not self- sufficient because beef consumption was higher than beef production throughout the period under analysis. These makes South Africa a net importer of beef to satisfy the local demand.Both production and consumption followed the same trend, they moved on an increasing trend from 2002/03 to 2006/07 and decreased during 2007/08. The declined during 2007/08 to 2008/09 was due to the global economic meltdown which led to a decreased disposable income of larger number of consumers. During 2009/10 beef production and consumption experienced some increases because the global economic meltdown started to ease and it is also due to the FIFA world cup which was hosted in South Africa.

Production of beef declined by 2% but consumption increased by 0.5% between the periods 2009/10 and 2011/12. This might be due to the outbreak of Foot and Mouth Disease and stock theft. There was an increase of 34% in consumption during 2011/12 compared to 2002/03. This might be due to the increased affordability of consumers.

Table 1 below shows that South Africa does not produce enough beef for the domestic market even if the number of cattle slaughtered has increased considerably from 2002/03 to 2011/12.

Table 1: Total cattle slaughtering, production and consumption of beef

Year	Cattle Slaughtering	Production	Consumption
	Head	Kilograms	Kilograms
2002/03	2,510,000	574,000,000	602,000,000
2003/04	2,535,000	610,000,000	643,000,000
2004/05	2,599,000	632,000,000	675,000,000
2005/06	2,671,000	672,000,000	723,000,000
2006/07	2,972,000	769,500,000	810,000,000
2007/08	3,077,000	830,700,000	849,000,000
2008/09	2,701,000	727,500,000	744,000,000
2009/10	2,841,000	763,600,000	767,000,000
2010/11	2 889 000	822 100 000	866 000 000
2011/12	2 909 000	823 300 000	859 000 000

Source: Statistics and Economic Analysis, DAFF

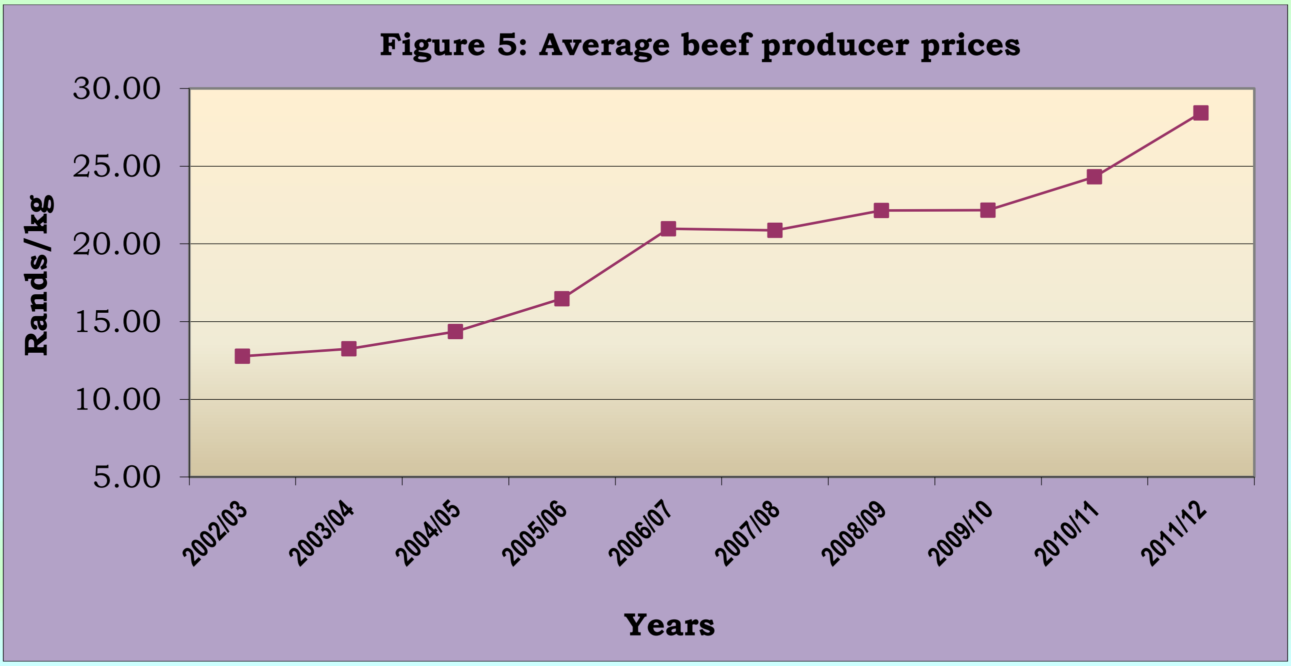
1.4. Employment

Commercial farmers are estimated at 50 000, emerging farmers at 240 000 and communal farmers 3 million. There are approximately 70 feedlots in South Africa and 495 abattoirs. Beef industry is a major employer with 500 000 people employed and 2 125 000 dependent on the livestock industry for their livelihood.

2. MARKET STRUCTURE

2.1. Domestic Market

The red meat industry evolved from a highly regulated environment to one that is totally 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, the prices in the red meat industry are determined by demand and supply forces.Average producer prices of beef from 2002/03 to 2011/12 are illustrated in Figure 5.



Source: Statistics and Economic Analysis, DAFF

Figure 5 shows that prices of beef increased significantly from 2002/03 to 2011/12 mainly due to increased consumption caused by rising living standards of larger number of consumers and low domestic production in other years. There was an increase of R15.65/Kg in 2011/12 compared to 2002/03.

2.2. Import – Export Analysis

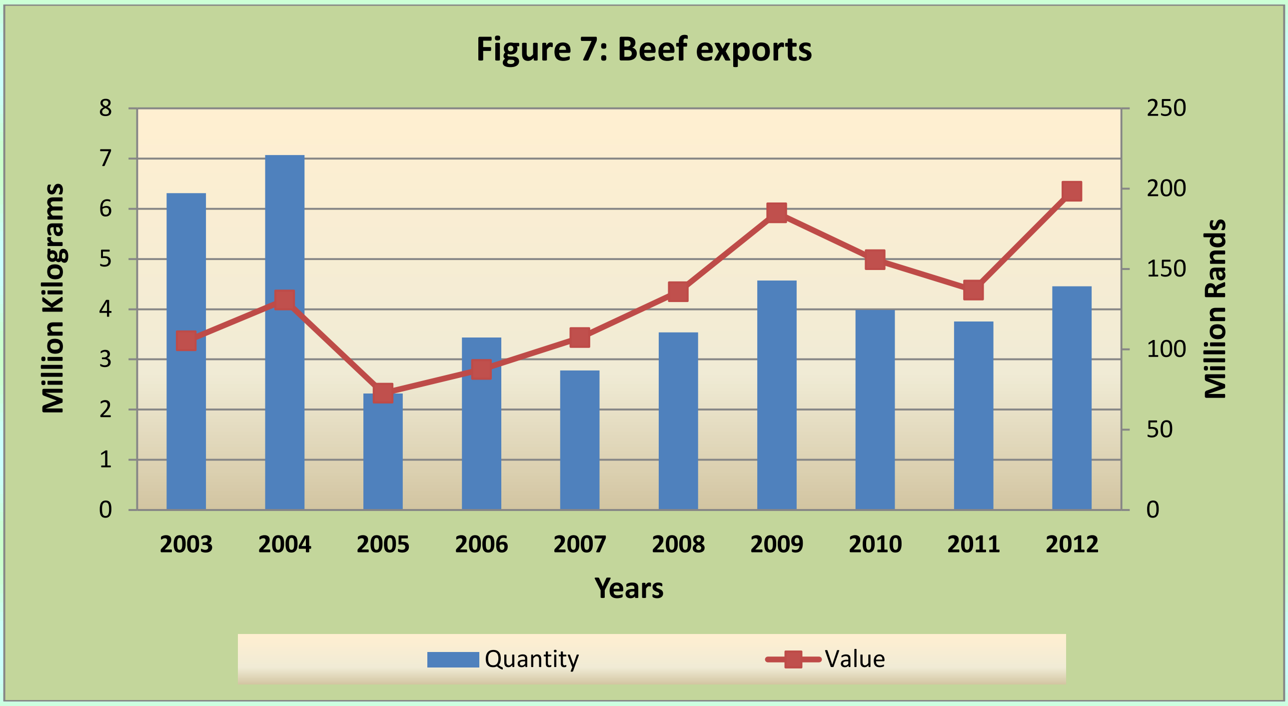
Figure 7 compares volumes of imports and exports for beef from 2003 to 2012.

Source: Quantec EasyData

Figure 6 indicates that South Africa's imports of beef were higher than exports from 2003 to 2011. This automatically makes South Africa a net importer of beef mainly due to the demand which is higher than supply. There was a decrease of 33% in export quantity and 30% in import quantity during 2012 compared to 2003. The decrease exports might be due to the imposed ban of SouthAfrican bovine animals nad its products due to the outbreak of Foot and Mouth Disease (FMD).

2.2.1. Exports

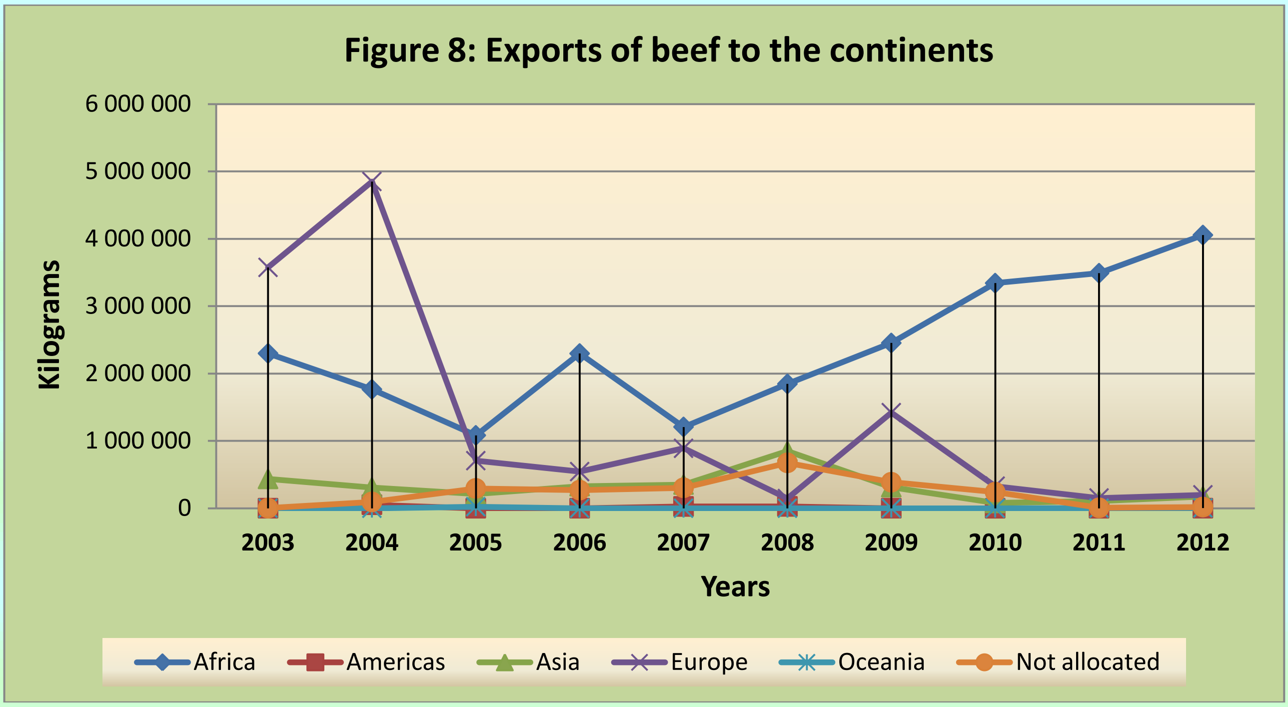
South Africa exported 4 million kilograms of beef in 2012 yielding an export value of R 198 million. There was a decrease of 33% of quantity of beef exported during the period 2003 and 2012. Figure 7 below shows that export value showed a drastic increase of 184% during 2012 relative 2003. The quantity and the value for exports of beef are shown in Figure 7 below.



Source: Quantec EasyData

Figure 7 indicates that the beef exports quantity started very high in 2003 to 2004 and decreased substantially in 2005 then started fluctuating at a decreasing trend from 2005 to 2012. Export quantity reached its lowest exports in 2005. The export value of beef followed the same trend of export quantity but for the first two years values were below quantities which means it was less profitable to exports beef during the same periods but became profitable from 2005 to 2012 aa the export values were above the export quantities.

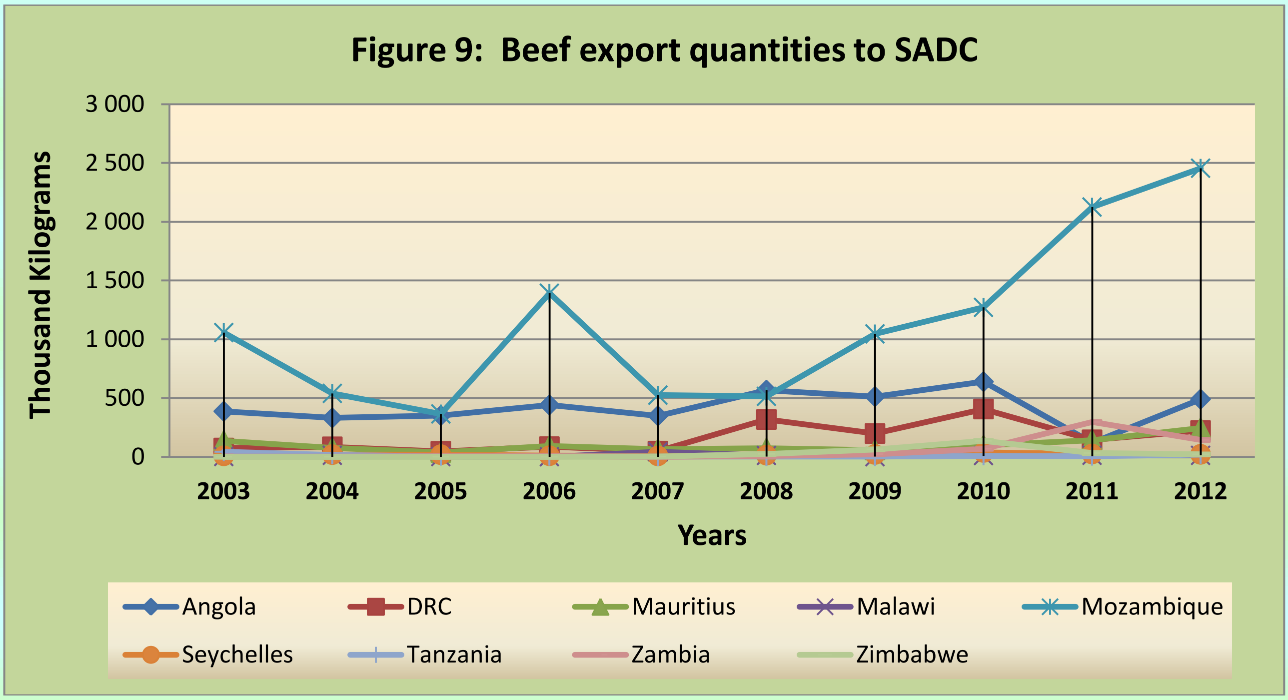
Figure 8 below shows the main importing continents for South African beef during the past decade.



Source: Quantec EasyData

South Africa was mainly exporting to Africa and Europe throughout the period under analysis. EU commanded the highest exports of beef from South Africa from the year 2003 to 2004 and Africa commanded the highest beef exports quantity from 2005 to 2012. In total Africa commanded 24 million kilograms of beef from South Africa and Europe was second at a duistance by 13 million kilograms during the past decade. Americas commanded the lowest beef exports quantity during the period under analysis. This might be due to fact that Americas is also the main supplier of beef.

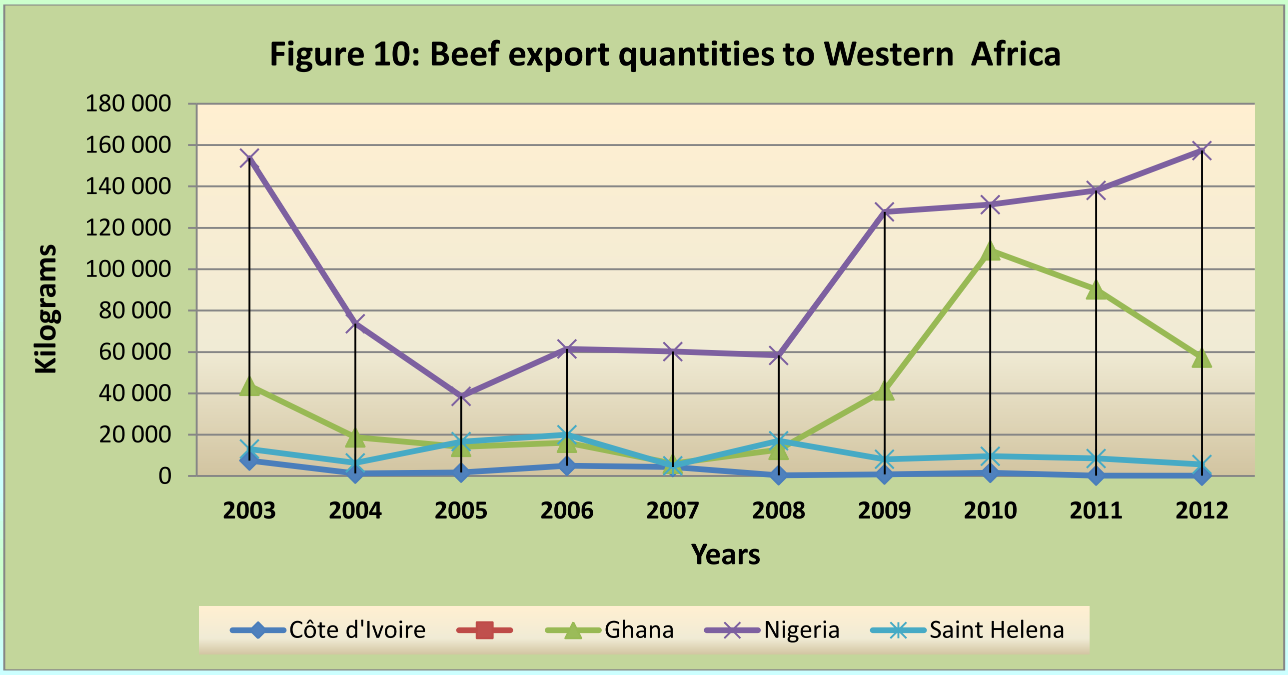
The following figure 9 to 13 gives an indication of where within the continents (Africa, Europe, Asia and Oceania) is beef from South Africa obtained.



Source: Quantec EasyData

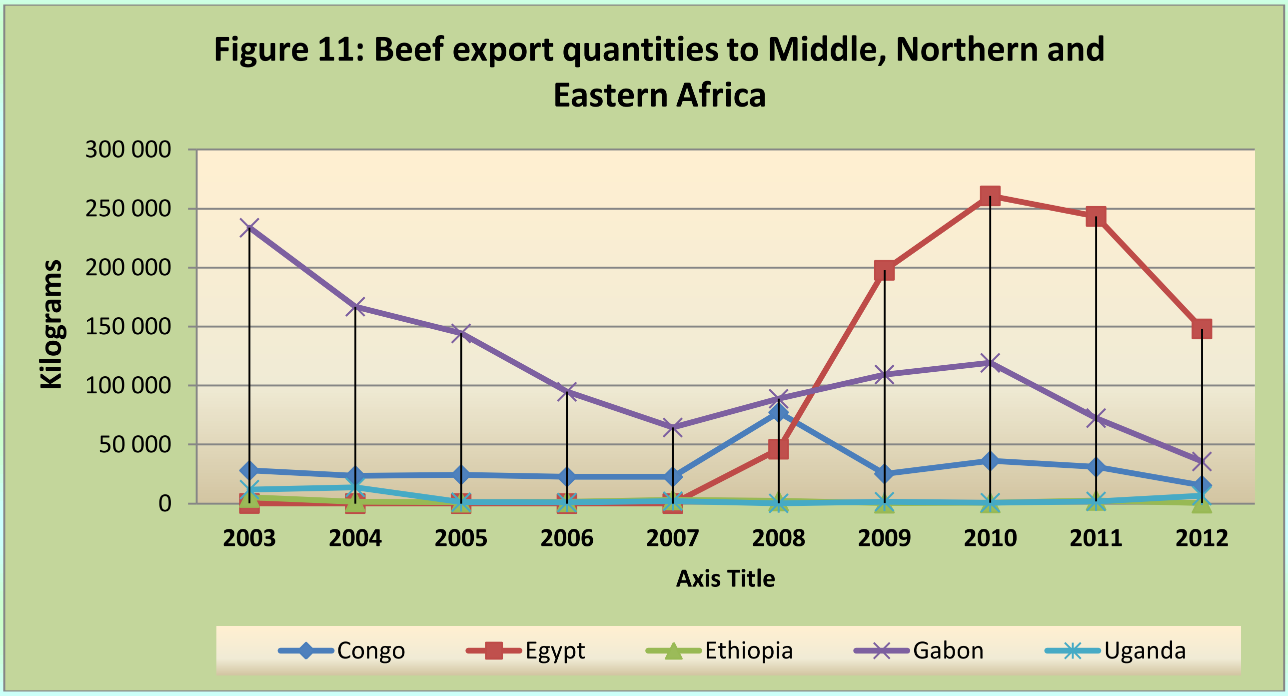
Figure 9 displays that beef produced in South Africa was mainly exported to Mozambique which has commanded the highest beef exports throughout the decade except in 2008 only. During those period (2008)

Angola took the lead, which made it the second country to obtain the highest beef exports from South Africa. Mozambique reached a new peak of 2.5 million kilograms of beef from South Africa in 2012.



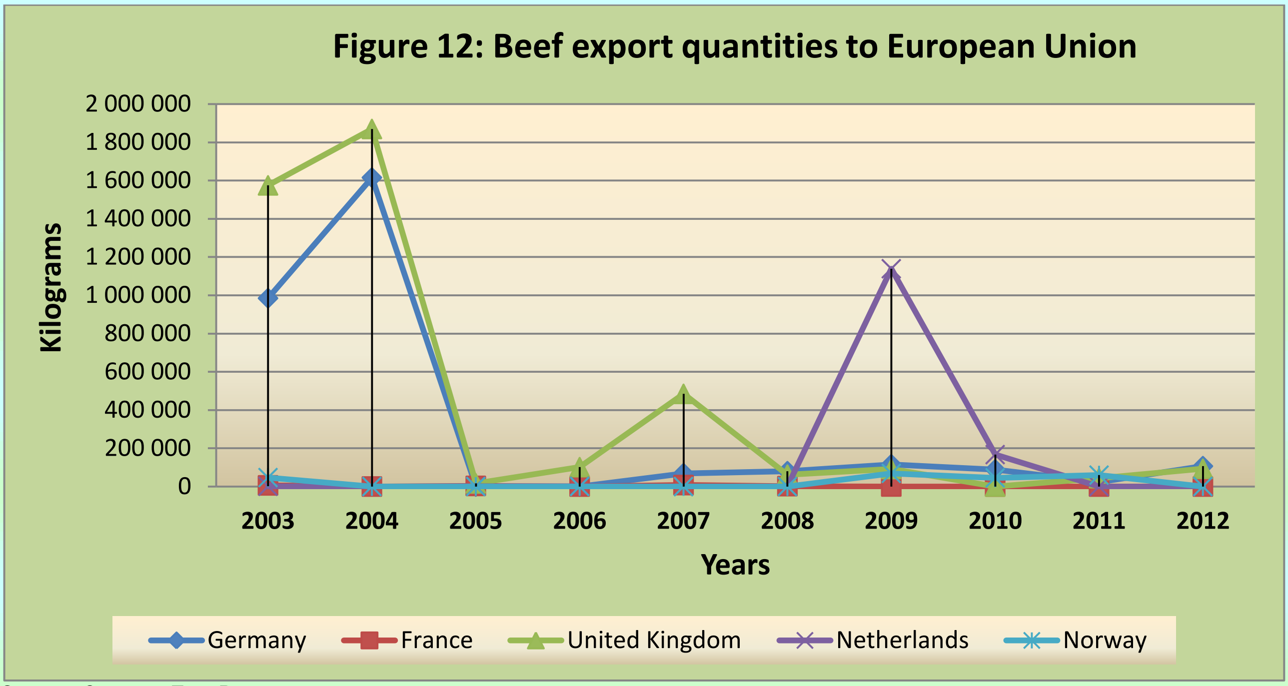
Source: Quantec EasyData

It is clearly indicated from figure 10 above that South African beef is exported to Nigeria in the Western Africa followed at a distance by Ghana throughout the past decade. Nigeria reached its new pwek during 2012 and there was an increase of 24% for South African beef imported by Nigeria during 2012 compared to 2003. Ghana reached its peak of 109 171 Kg of South African beef in 2010.



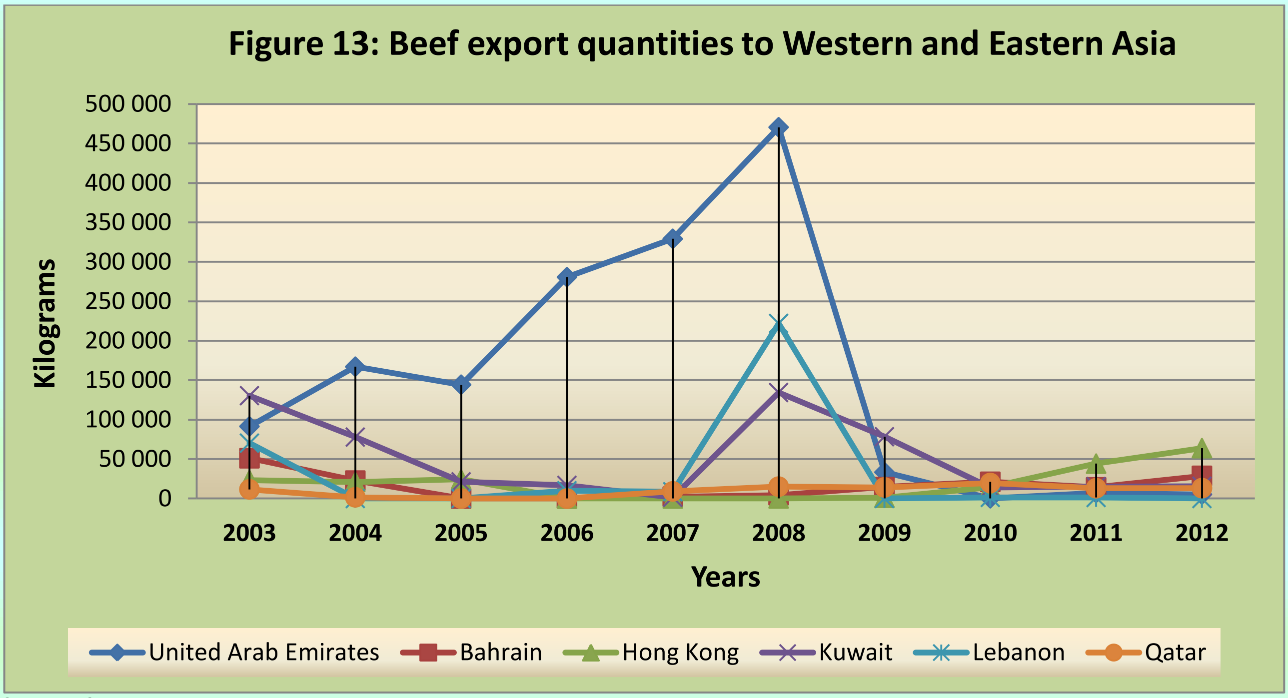
Source: Quantec EasyData

In the Middle Northern and Eastern Africa, Gabon commanded the highest beef from South Africa from 2003 to 2008 but it was moving at a deteriorating rate. During the same periods Congo commanded the second highest of beef exported from South Africa. Egypt which is from Northern Africa experienced a sharp increase and became the highest commander of beef exports quantity from South Africa during 2009 to 2012.



Source: Quantec EasyData

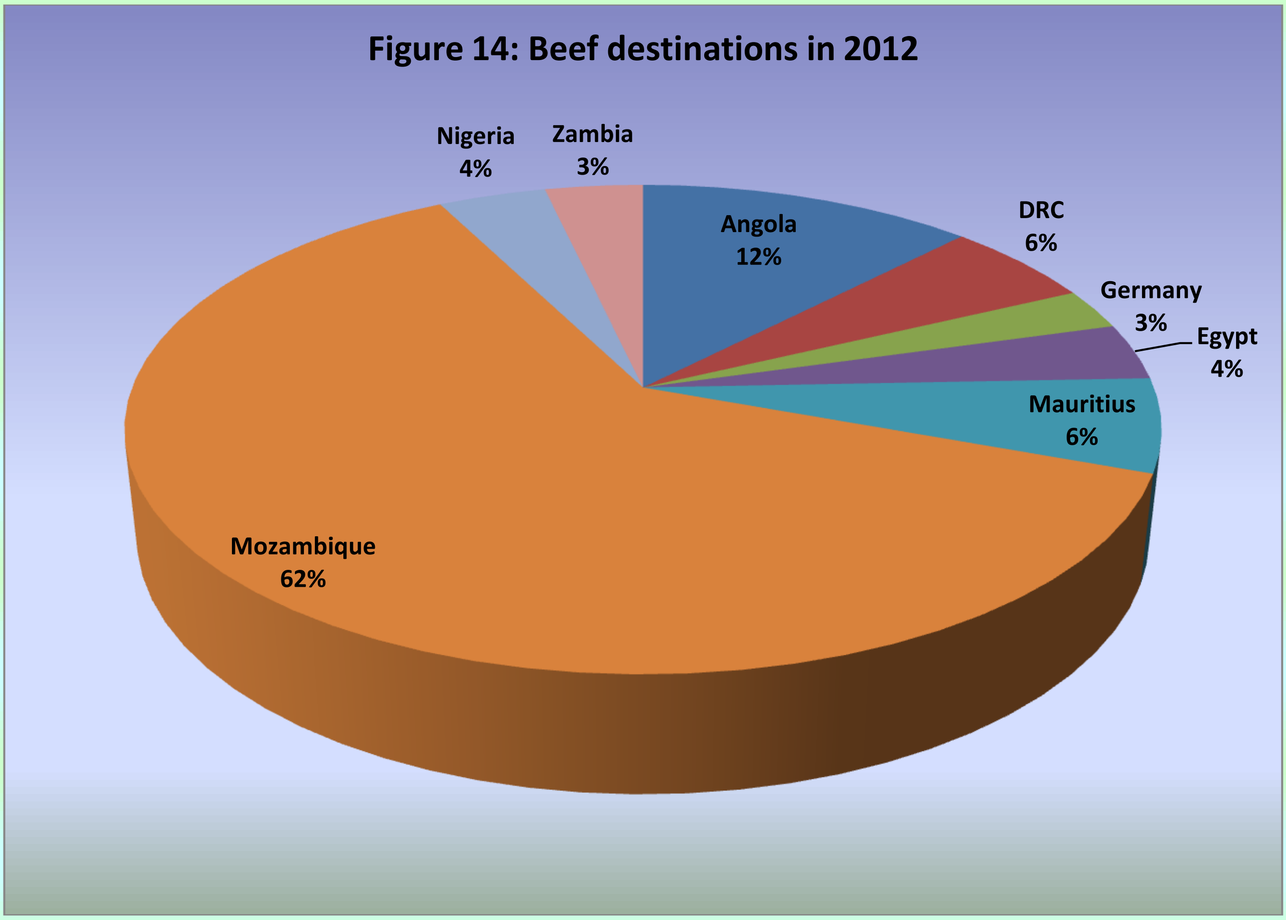
It is clearly indicated from figure 12 above that, from 2003 to 2004 United Kingdom commanded the highest imported beef from South Africa followed at a closed range by Germany during the same periods, United Kingdom commanded the highest beef imports from South Africa during 2007. Nertherlands increased dramatically in 2009 anad reached a peak of 1.1 million Kilograms. regular exports to United Kingdom was regular but to other countries (Germany, France, Nertherlands and Norway) was irregular during the period under analysis.



Source: Quantec EasyData

South African beef exports in Asia were mainly exported to United Arab Emirates (UAE). Avaragely UAE commanded 152,937 kilogram of South African beef per annum during the past decade. Figure 13 shows that Kuwait commanded the highest beef in 2003 & 2009 and UAE was the highest from 2004 to 2008. Qatar and commanded the greatest during 2010 and Hong Kong in 2011 & 2012 respectively. Generally, exports of beef to Asia were very minimal during 2009 to 2011.

Figure 14 below shows destinations for South African beef in 2012.

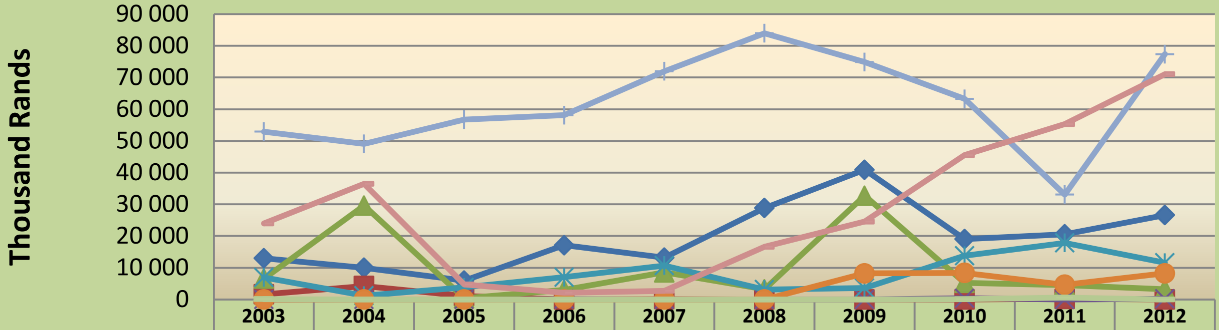


Source: Quantec EasyData

The main destination of South African beef is Mozambique which commanded 62% of South African beef during 2012 followed at a far distance by Angola with 12% then Democratic Republic of Congo and Mauritius commanded 6% each. Mozambique was the net importer of South African beef during 2012.

Values of beef exports from various provinces of South Africa are presented in Figure 15 below.

Figure 15: Values of beef exported from provinces



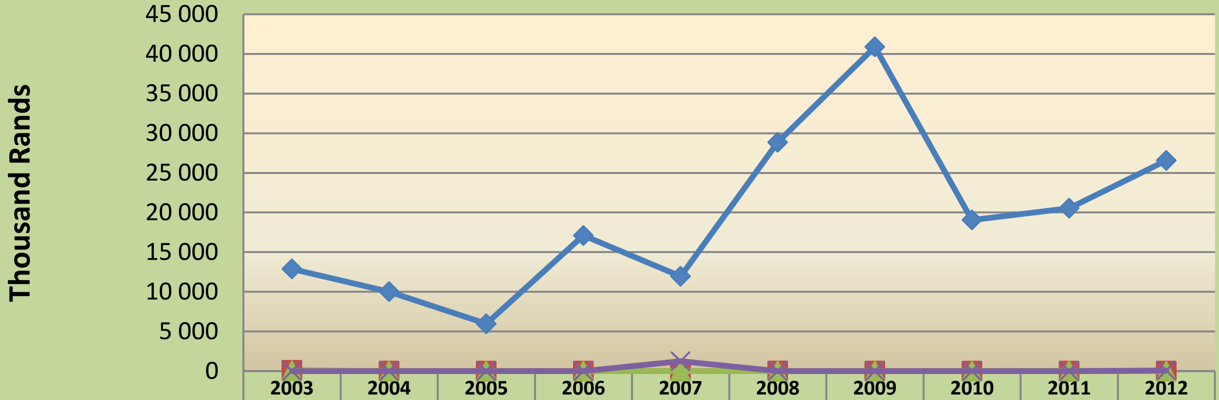
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Western Cape	13 015	10 020	5 958	17 095	13 199	28 857	40 887	19 061	20 569	26 634
Eastern Cape	1 636	4 270	1 076	1	115	0	0	0	180	1
Northern Cape	6 591	29 595	390	2 988	8 530	3 176	32 710	5 232	4 579	3 214
Free State	0	0	0	74	0	0	0	376	0	222
Kwazulu-Natal	6 974	1 201	3 797	7 026	10 710	3 161	3 643	13 805	17 869	11 594
North West	0	0	0	0	0	0	8 216	8 397	4 653	8 225
Gauteng	52 944	49 080	56 700	58 113	71 982	83 969	74 880	63 257	33 092	77 349
Mpumalanga	23 960	36 469	4 737	2 117	2 730	16 617	24 541	45 510	55 302	71 075
Limpopo	137	0	2	0	0	0	7	83	574	1

Source: Quantec EasyData

Figure 15 indicates that Gauteng have recorded high export values of beef between the periods 2003 and 2010 and again in 2012. This is mainly due to the fact that most exporters of beef are situated in Gauteng Province and the greatest proportion of beef was exported to neighboring countries and Gauteng Province is the main exit point. Mpumalanda province commanded the greatest during 2011 and the second highest during 2003 to 2004 and in 2010 while Western Cape was the second highest from 2005 to 2009.

The following figures (Figures 16 - 24) show the value of beef exports from the various district municipalities in the nine provinces of South Africa.

Figure 16: Values of beef exports from Western Cape province

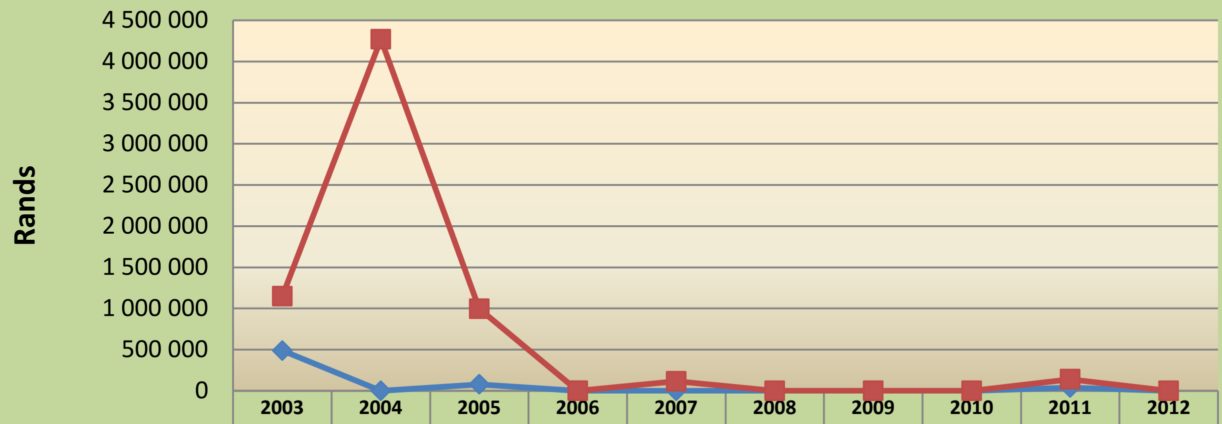


	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City of Cape Town	12 885	10 019	5 958	17 095	11 954	28 846	40 887	19 061	20 540	26 562
West Coast	96	0	0	0	0	10	0	0	0	0
Cape Winelands	31	0	0	0	0	0	0	0	29	0
Eden	3	1	0	0	1 244	0	0	0	0	72

Source: Quantec EasyData

In the Western Cape, regular exports of beef were recorded mainly in the City of Cape Town metropolitan municipality. City of Cape Town metropolitan municipality recorded high export values throughout the period under review with the lowest level of approximately R 6 Million in 2005 and experienced the highest value of R41 million during 2009. This is due to the fact that the City of Cape Town is the main exit point in the province. Fractional exports were also recorded from West Coast, Cape Winelands and Eden district municipalities.

Figure 17: Values of beef exports from Eastern Cape province

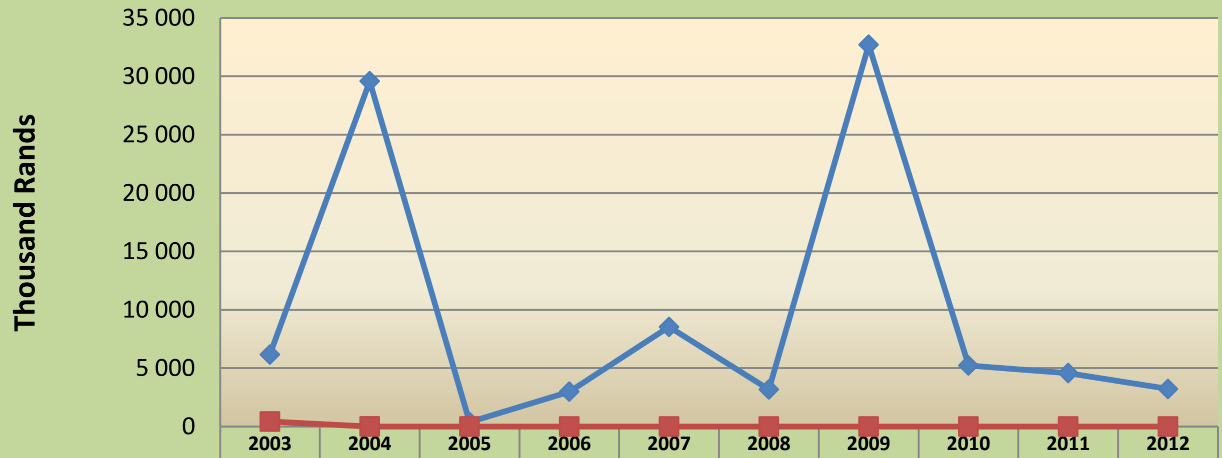


	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cacadu	487 619	0	79 502	0	0	0	0	0	39 249	831
Nelson Mandela	1 148 731	4 269 561	996 045	509	115 131	0	153	0	141 224	0

Source: Quantec EasyData

In the Eastern Cape Province, beef exports were recorded from Cacadu district municipality and Nelson Mandela metropolitan municipality. Nelson Mandela metropolitan municipality recorded highest exports value during 2003 to 2007 and 2009 and again in 2011. Its peak of R 4.3 million was reached in 2004. There were no exports records from Eastern Cape Province in 2008 and 2010. There were no regular exports recorded from the Eastern Cape Province from 2003 to 2012.

Figure 18: Values of beef exports from Northern Cape province



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Pixley ka Seme	6 163	29 588	390	2 988	8 530	3 176	32 710	5 232	4 579	3 214
Siyanda	428	7	0	0	0	0	0	0	0	0

Source: Quantec EasyData

Northern Cape Province has recorded beef exports from two district municipalities namely, Pixley ka Seme and Siyanda. Pixley ka Seme district municipality was a regular exporter of beef during the period under review while Siyanda's exports were fractional. Siyanda recorded exports during 2003 and 2004 and dimisished thereafter.

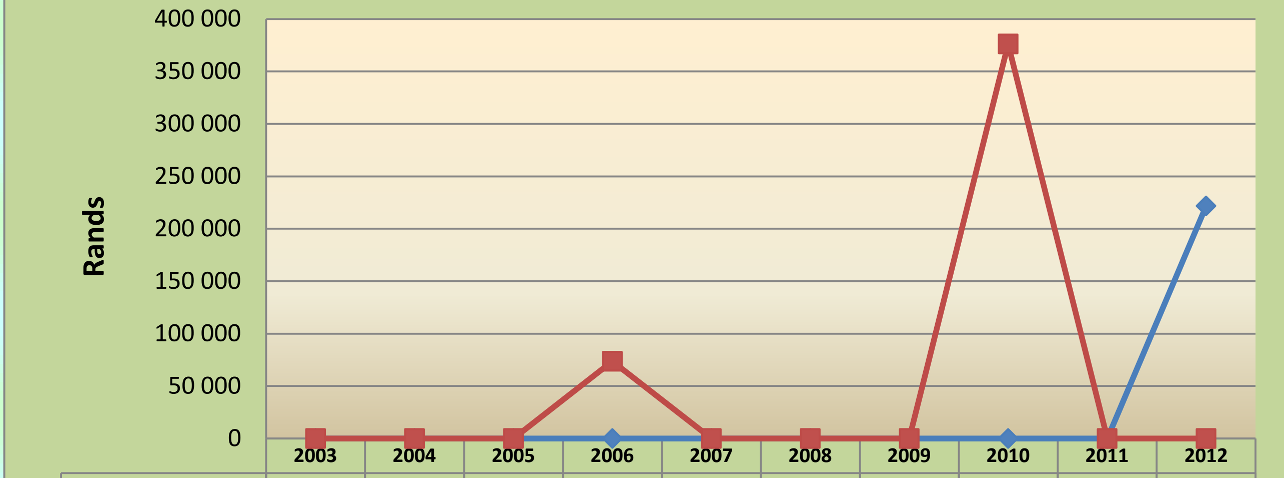


Figure 19: Values of beef exports from free State province

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Xhariep	0	0	0	0	0	0	0	0	0	221 729
Lejweleputswa	0	0	0	73 640	0	0	0	376 197	0	0

Source: Quantec EasyData

Figure 19 indicates that exports of beef from the Free State Province occurred in Xhariep and Lejweleputswa district municipalities. Lejweleputswa district municipality recorded beef exports in 2006 and 2010 and Motheo district municipality recorded exports only in 2012. There were no records of exports during 2003 to 2005, 2007 to 2009 and 2011.

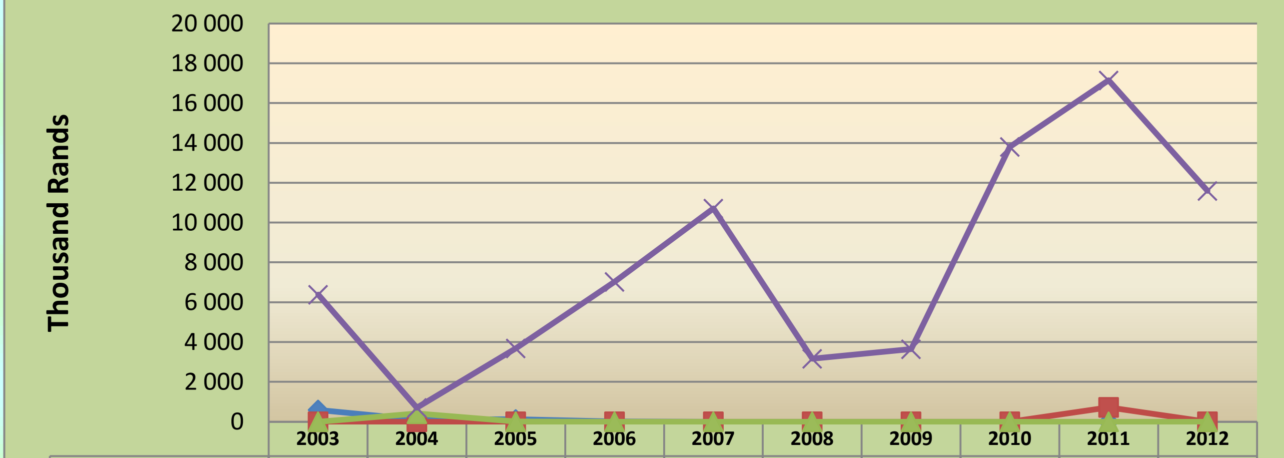


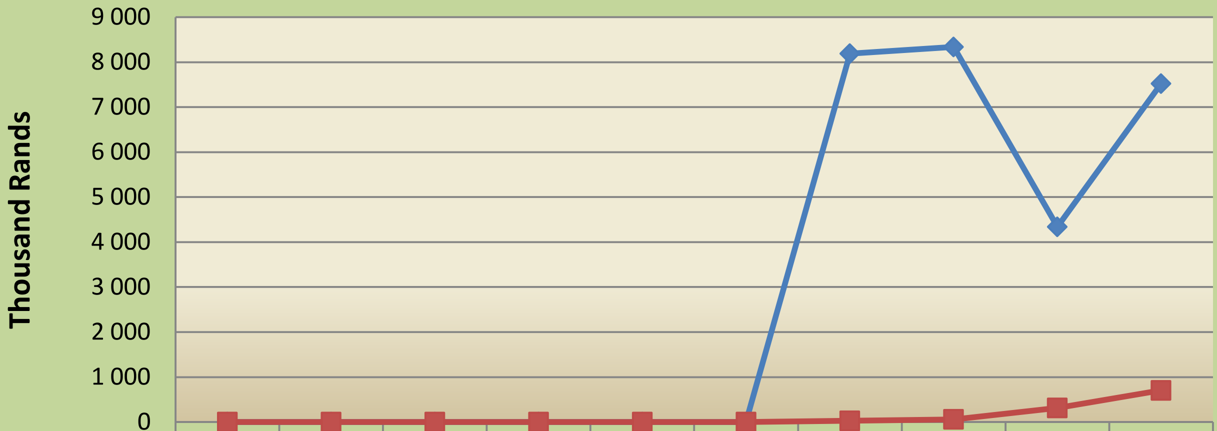
Figure 20: Values of beef exports by KwaZulu Natal province

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Ugu	594	100	115	1	0	0	0	0	0	0
Umgungundlovu	0	0	0	0	0	0	0	0	724	0
Uthungulu	0	405	1	0	0	0	0	0	0	0
eThekwini	6 380	696	3 682	7 025	10 710	3 161	3 643	13 805	17 145	11 594

Source: Quantec EasyData

In the KwaZulu–Natal Province, beef exports were mainly from eThekwini metropolitan municipality showing increases in a fluctuation mode from 2003 until 2012. Its lowest exports value was experienced in 2004 and its peak in 2011. Ugu district municipality recorded beef export values from 2002 to 2006 and then diminished thereafter. Intermittent and minimal export values were recorded in Umgugundlovu and Uthungulu district municipalities during the period under review.

Figure 21: Values of beef exports from North West province

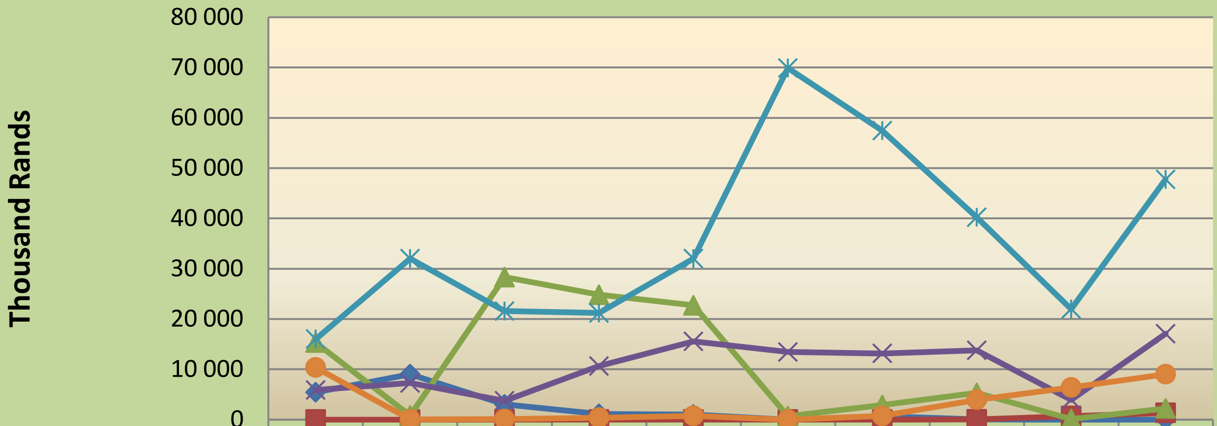


	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Bophirima	0	0	0	0	0	0	8 189	8 336	4 339	7 522
Southern	0	0	0	0	0	0	27	61	314	703

Source: Quantec EasyData

In North West Province, beef exports recorded from Bophirima and Southern district municipalities. There were no records of exports in the Province from 2003 to 2008. Bophirima district municipality recorded highest values of exports during 2009 to 2012 and during those periods Bophirima district commanded the second highest shares.

Figure 22: Values of beef exports from Gauteng province

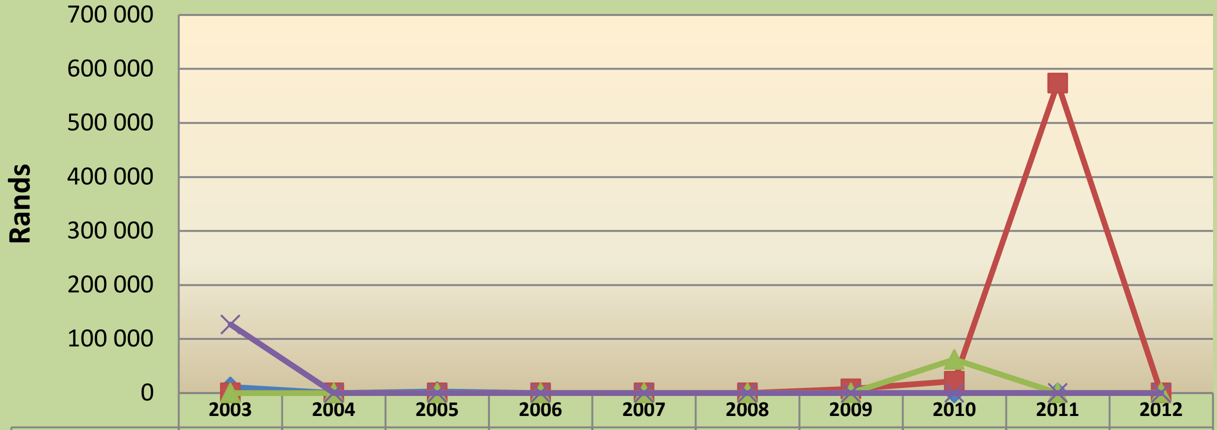


	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sedibeng	5 414	9 016	2 990	1 121	995	0	697	32	0	0
Metsweding	0	0	0	0	0	0	0	36	699	1 333
West Rand	15 299	796	28 307	24 814	22 706	663	2 866	5 282	85	2 200
Ekurhuleni	5 862	7 251	3 743	10 629	15 531	13 415	13 158	13 759	3 937	17 052
City of Johannesburg	16 017	31 997	21 556	21 170	32 004	69 890	57 444	40 210	21 980	47 744
City of Tshwane	10 352	21	104	379	747	0	714	3 939	6 389	9 019

Source: Quantec EasyData

The highest values of beef exported in Gauteng Province were mainly from City of Johannesburg metropolitan municipality. City of Johannesburg metropolitan municipality commanded the greatest shares during 2003 to 2004 and from 2007 to 2012 while West Rand district municipality commanded the greatest shares during 2005 and 2006. Ekurhuleni, City of Johannesburg and West Rand recorded regular exports of beef while Sedibeng, Metsweding and City of Tshwane recorded intermittent records of beef exports. During the past decade City of Johannesburg metropolitan municipality recorded the highest value of R 360 million followed by Ekurhuleni and West Rand district municipalities with a value of R 104 million and R 103 million respectively.

Figure 23: Values of beef exports from Limpopo province

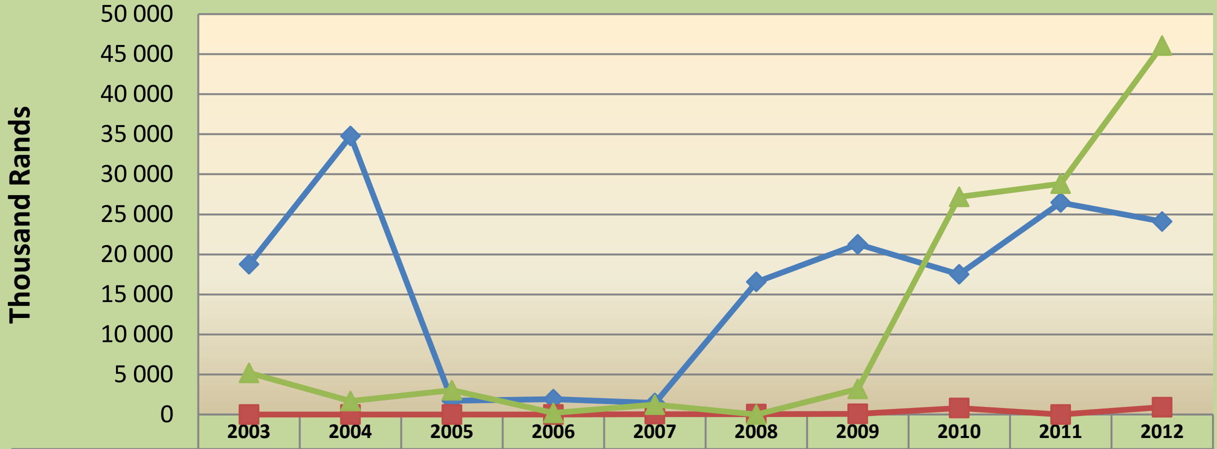


	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Mopani	10 932	0	2 440	0	0	0	0	0	0	0
Vhembe	0	0	0	0	0	0	7 308	21 431	573 619	0
Capricorn	0	0	0	0	0	0	0	61 964	0	644
Waterberg	126 541	0	0	0	0	0	0	0	0	0

Source: Quantec EasyData

Irregular exports of beef in Limpopo Province from Mopani, Vhembe, Capricorn and Waterberg district municipalities fduring the period under analysis. The highest export values were recorded from Vhembe district municipality in 2011. There were no exports of beef exports value recorded from Limpopo province during the periods 2004 and 2006 to 2008.

Figure 24: Values of beef exports by Mpumalanga province



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Gert Sibande	18 757	34 776	1 706	1 914	1 445	16 564	21 252	17 509	26 476	24 092
Nkangala	0	0	0	0	56	53	88	815	0	914
Ehlanzeni	5 203	1 693	3 031	203	1 230	0	3 201	27 186	28 826	46 068

Source: Quantec EasyData

In Mpumalanga Province, Gert Sibande, Nkangala and Ehlanzeni district municipalities have played an important role in the export of beef during the period under review. Gert Sibande commanded the highest market shares during the periods 2003 to 2004, 2006 and 2008 to 2009. Ehlanzeni district municipality commanded the highest market shares during 2005, 2007 and 2010 to 2012. Irregular exports were recorded from Nkangala district municipality.

2.2.2. Share Analysis.

The shares of various provinces to the total South African export value of beef during the past ten years are presented in Table 2.

Table 2: Share of provincial beef exports by South Africa (%)

Year Province	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Western Cape	12.36	7.67	8.20	19.56	12.30	21.25	22.11	12.24	15.03	13.43
Eastern Cape	1.55	3.27	1.48	0	0.11	0	0	0	0.13	0
Northern Cape	6.26	22.65	0.54	3.42	7.95	2.34	17.69	3.36	3.35	1.62
Free State	0	0	0	0.08	0	0	0	0.24	0	0.11
KwaZulu-Natal	6.63	0.92	5.23	8.04	9.98	2.33	1.97	8.87	13.06	5.85
North West	0	0	0	0	0	0	4.44	5.39	3.40	4.15
Gauteng	50.30	37.57	78.03	66.48	67.11	61.84	40.50	40.62	24.19	39.00
Mpumalanga	22.76	27.92	6.52	2.42	2.55	12.24	13.27	29.23	40.42	35.84
Limpopo	0.13	0	1. 0	2. 0	3. 0	4. 0	5. 0	6. 0.05	7. 0.42	8. 0
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

From Table 2 above, Gauteng Province commands the greatest share of South Africa's beef exports followed by Mpumalanga and Western Cape Provinces. This is mainly due to the fact that these Gauteng and Western Cape Provinces are the main exit points for exports. The total shares commanded by Gauteng province amounted to R 621 million, Mpumalanga R 283 million and Western Cape R 195 million. Northern Cape and KwaZulu–Natal provinces also recorded regular exports of beef while Free State, North West, Eastern Cape and Limpopo registered fractional exports of beef.

The following Tables 3 to 11 shows a share of the various district municipalities' beef exports from the various provincial beef exports.

Table 3: Share of district beef exports to the total Western Cape provincial beef exports (%)

Year District	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City of Cape Town	99.00	99.99	100	100	90.57	99.96	100	100	99.86	99.73
West Coast	0.74	0	0	0	0	0.04	0	0	0	0
Cape Winelands	0.24	0	0	0	0	0	0	0	0.14	0
Eden	0.02	0.01	0	0	9.43	0	0.00	0	0	0.27
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

City of Cape Town district municipality has commanded the greatest share of beef exports in Western Cape Province during the period 2003 and 2012. During the same period Eden, West Coast and Cape Winelands district municipalities recorded intermittent exports of beef.

Table 4: Share of district beef exports to the total Eastern Cape provincial beef exports (%)

Year District	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cacadu	29.80	0	7.39	0	0	0	0	0	21.75	100
Nelson Mandela	70.20	100	92.61	100	100	0	100	0	78.25	0
Total	**100**	**100**	**100**	**100**	**100**	**0**	**100**	**0**	**100**	**100**

Source: Calculated from Quantec EasyData

In Eastern Cape Province fragmented exports of beef were recorded from Cacadu district municipality and Nelson Mandela metropolitan municipality. There were no exports reported from Eastern Cape in 2008 and 2010. There were no regular exports from Eastern Cape province during 2003 and 2012.

Table 5: Share of district beef exports to Northern Cape provincial beef exports (%)

Year District	2003	2004	2005	2006	2007	2008	2009	2010	2011	20012
Pixley ka Seme	93.51	99.98	100	100	100	100	100	100	100	100
Siyanda	6.49	0.02	0	0	0	0	0	0	0	0
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

From Northern Cape Province, Pixley ka Seme district municipality commanded the greatest shares of beef exports. Pixley ka Seme district municipality commanded 100% during 2005 to 2012.and Siyanda district municipality recorded some beef exports during the periods 2003 to 2004 and diminished thereafter.

Table 6: Share of district beef exports to the total Free State provincial beef exports (%)

Year District	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Xhariep	0	0	0	0	0	0	0	0	0	100
Lejweleputswa	0	0	0	100	0	0	0	100	0	0
Total	**0**	**0**	**0**	**100**	**0**	**0**	**0**	**100**	**0**	**100**

Source: Calculated from Quantec EasyData

Table 6 shows that exports of beef in Free State Province occurred from Xhariep and Lejweleputswa district municipalities. Lejweleputswa district municipality exported beef only in 2006 and 2010 while Xhariep commanded 100% share only in 2012.

Table 7: Share of district beef exports to the total KwaZulu–Natal provincial beef exports (%)

Year District	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Ugu	8.52	8.31	3.02	0.01	0	0	0	0	0	0
Umgugundlovu	0	0	0	0	0	0	0	0	4.05	0
Uthungulu	0	33.72	0.02	0	0	0	0	0	0	0
eThekwini	91.48	57.97	96.96	99.99	100	100	100	100	95.95	100
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

From KwaZulu-Natal province, eThekwini metropilitan municipality has commanded the greatest share of beef exports from 2003 to 2012. eThekwini metropilitan municipality commanded 100% from 2007 to 2010. Ugu district municipality recorded beef exports in 2003 to 2006 and in Umgugundlovu district municipality exported beef only in 2011. Unthungulu district municipality recorded exportsw of beef during 2004 and 2005.

Table 8: Share of district beef exports to the total North West provincial beef exports (%)

Year District	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Bojanala	0	0	0	0	0	0	99.67	99.27	93.25	91.45
Southern	0	0	0	0	0	0	0.33	0.73	6.75	8.55
Total	**0**	**0**	**0**	**0**	**0**	**0**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

Bojanala district municipality in the North West Province commanded the highest share of all beef exports during 2009 to 2012 and Southern district municipality recorded minimal exports of beef during the same periods. There were no records of exports of beef in the province from 2003 to 2008.

Table 9: Share of district beef exports to the total Gauteng provincial beef exports (%)

Year District	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sedibeng	10.23	18.37	5.27	1.93	1.38	0	0.93	0.05	0	0
Metsweding	0	0	0	0	0	0	0	0.06	2.11	1.72
West Rand	28.90	1.62	49.92	42.70	31.54	0.79	3.83	8.35	0.26	2.84
Ekurhuleni	11.07	14.77	6.60	18.29	21.58	15.98	17.57	21.75	11.90	22.05
City of Johannesburg	30.25	65.19	38.02	36.43	44.46	83.23	76.72	63.57	66.42	61.73
City of Tshwane	19.55	0.04	0.18	0.65	1.04	0.00	0.95	6.23	19.31	11.66
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

In Gauteng Province beef exports occurred mainly through the City of Johannesburg, Ekurhuleni and West Rand municipalities. City of Tshwane, Metsweding and Sedibeng municipalities recorded fragmented exports during the period under analysis.

Table 10: Share of district beef exports to the total Mpumalanga provincial beef exports (%)

Year District	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Gert Sibande	78.29	95.36	36.02	90.41	52.90	99.68	86.60	38.47	47.87	33.90
Nkangala	0	0	0	0	2.05	0.32	0.36	1.79	0	1.29
Ehlanzeni	21.71	4.64	63.98	9.59	45.05	0	13.04	59.74	52.13	64.82
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

From Mpumalanga Province, Gert Sibande district municipality has commanded the greatest share of beef exports from 2003 to 2012 followed by the Ehlanzeni district municipality. Fractional exports of beef were recorded from Nkangala district municipality during the year 2003 and 2007 to 2010.

Table 11: Share of district beef exports to the total Limpopo provincial beef exports (%)

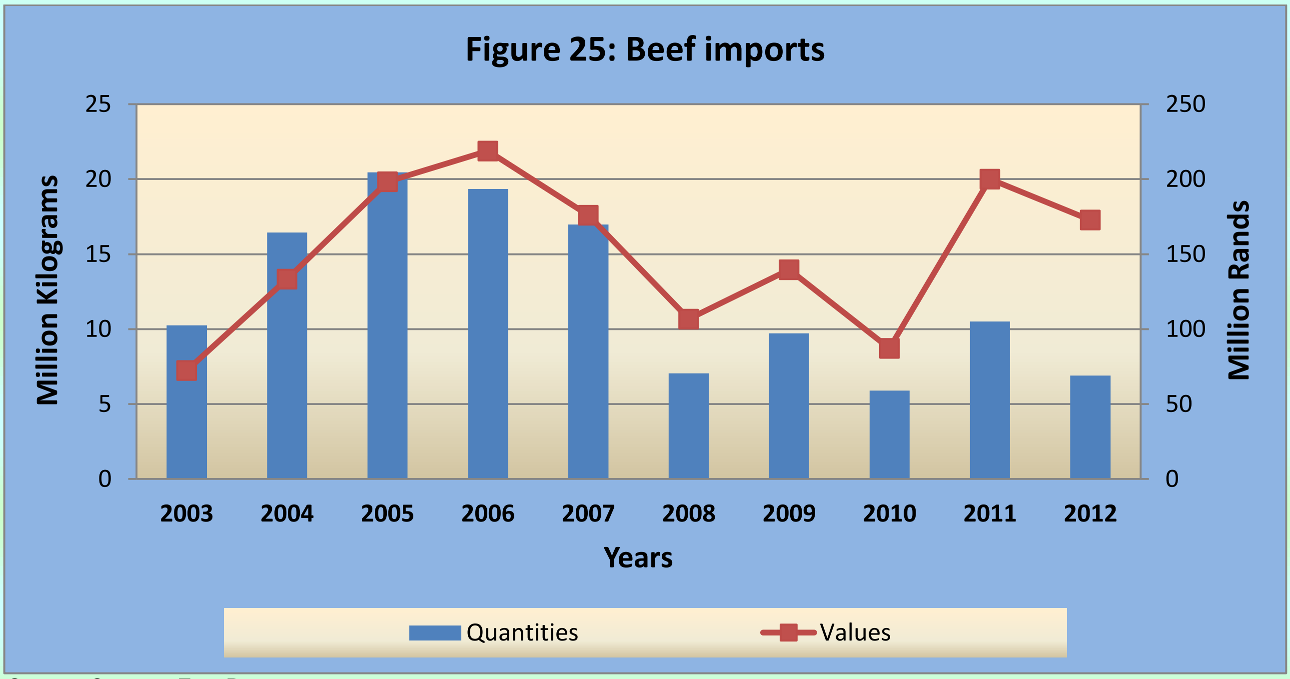
Year District	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Mopani	7.95	0	100	0	0	0	0	0	0	0
Vhembe	0	0	0	0	0	0	100	25.70	0	0
Capricorn	0		0	0	0	0	0	74.30	0	100
Waterberg	92.05	0	0	0	0	0	0	0	0	0
Total	**100**	**0**	**100**	**0**	**0**	**0**	**0**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

From Limpopo Province, exports of beef occurred during the periods 2003, 2005 and 2010 to 2012 from Mopani, Vhembe, Capricorn and Waterberg district municipalities. Mopani, Vhembe and Capricorn district municipalities commanded 100% shares during 2005, 2009 and 2012 respectively. There were no records of exports during 2004 and 2006 to 2008.

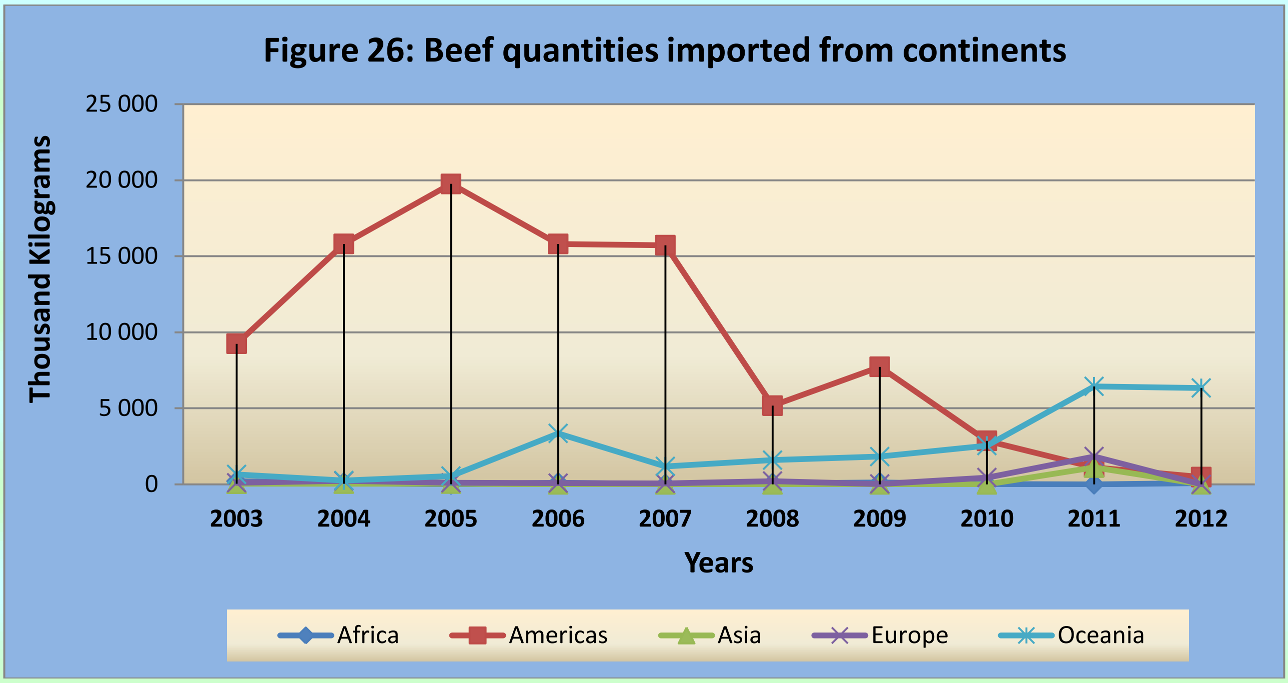
2.2.3. Imports.

South Africa imported approximately 7 million kilograms of beef in 2012 at an estimated value of R 173 million. The import quantity decreased by 34% in 2012 compared to 2011, this might be due to the outbreak of Foot and Mouth Disease (FMD) which made South Africa to be self sufficient in beef and global economic meltdown which pushed consumers to switch to low priced protein content meat like chicken meat. During 2012 compared to 2003 there is a decrease of 32% on beef quantity imported but in contrast beef value increased by 139% during the same periods. Figure 26 below show the imports of beef from 2003 to 2012.



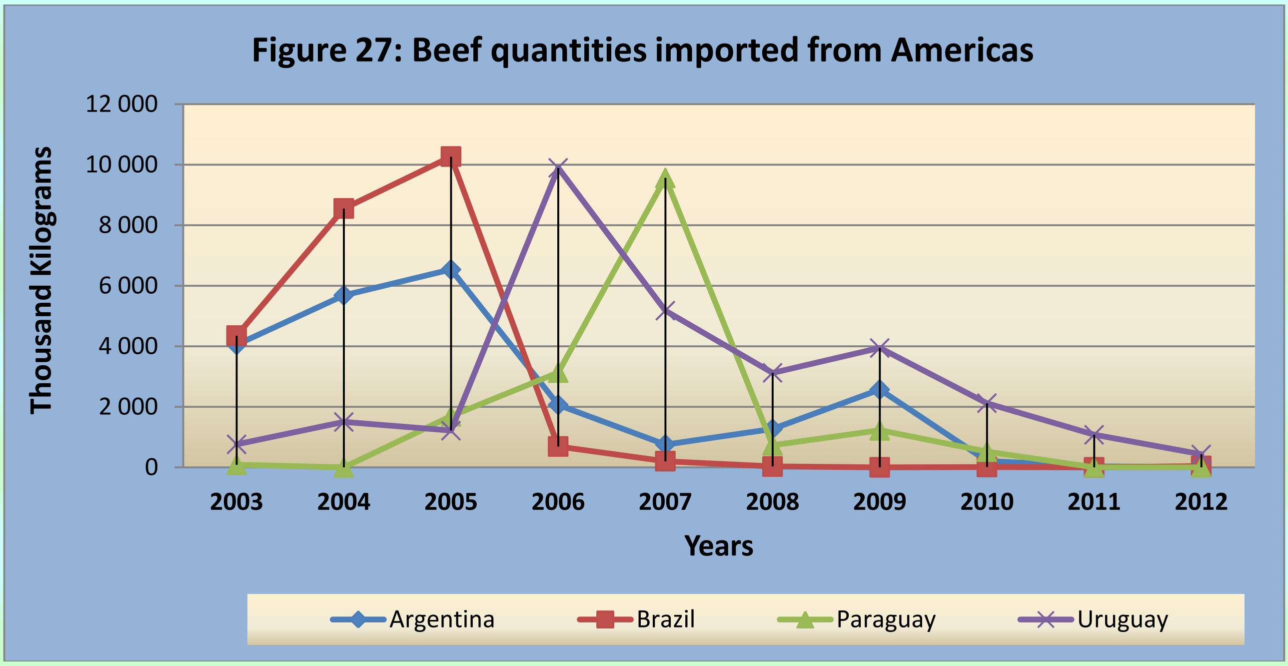
Source: Quantec EasyData

The imports value and quantity of beef followed the same trend throughout the previous decade. Both reached the lowest level in 2010. They both atarted at an increasing trend from 2003 to 2005 then decreased from 2006 to 2008 and fluctuated during the last 4 years of the analysis.



Source: Quantec EasyData

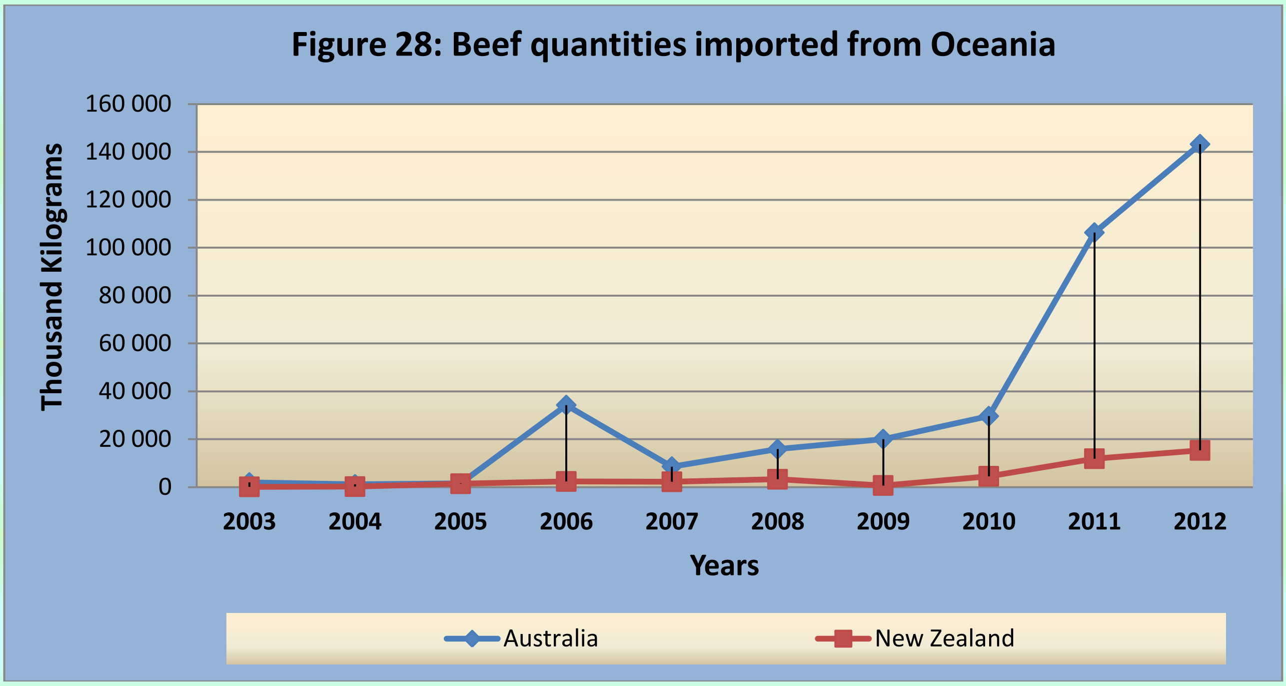
Figure 27 above indicates that the main supplier of beef to South Africa is America because it commanded the greatest shares from 2003 to 2010. The beef quantity from America has been moving at an increasing trend from the year 2003 to 2005; it remained the main supplier though it decreased from 2006 to 2010. During 20011 and 2012 Oceania took the greatest share of South African import market.There were some recorded intermittent imports of beef from Asia, and Africa during the period under review. The following Figures 28 to 29 indicate the origins of beef in America and Oceania.



Source: Quantec EasyData

Figure 28 clearly indicates that Brazil, Uruguay and Paraguay competed for the greatest shares during the period under review. Brazil commanded the greatest share of SouthAfrican import market during 2003 to 2005, Paraguay commanded the greatest shares during 2007 only and Uruguay was the greatest during 2006 and again in 2008 to 2012.

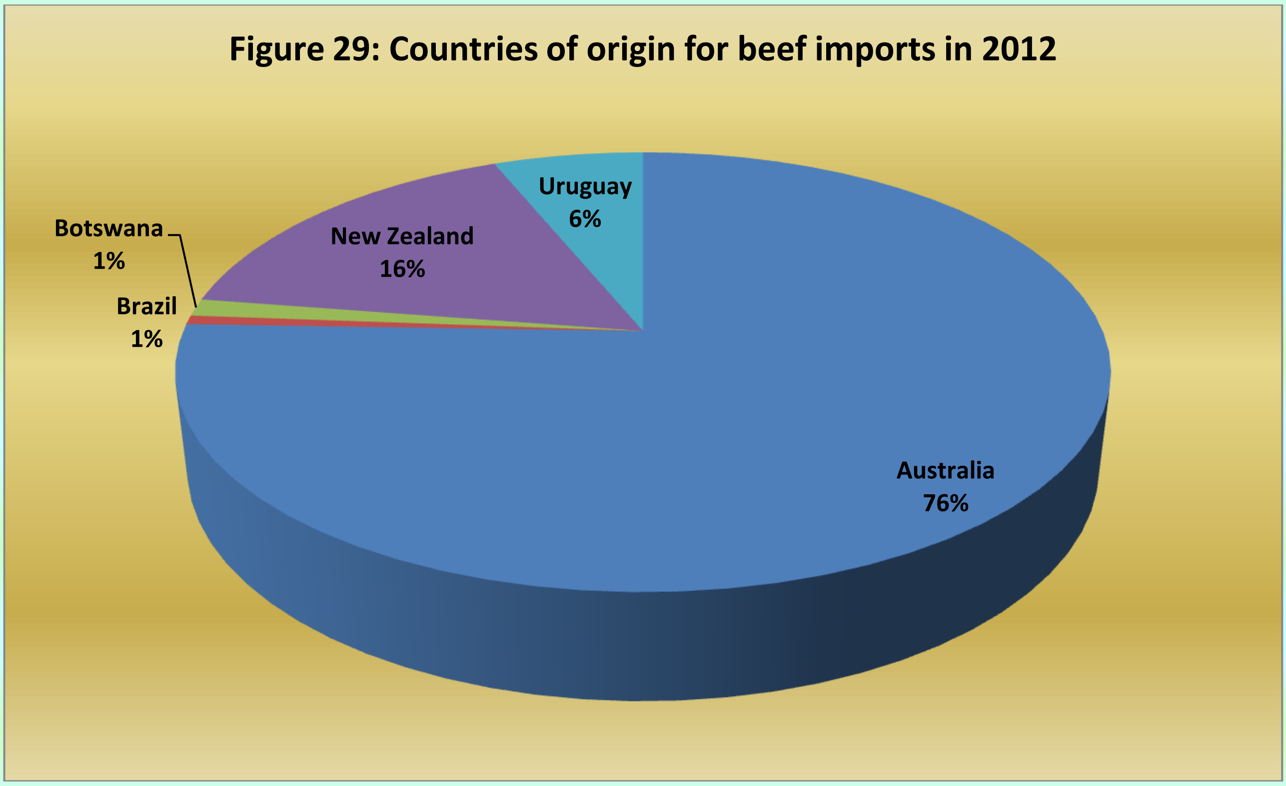
Avaragely Uruguay became the highest the beef quantity of 2.9 million kilograms per annum during the period under review followed bt Brazil by 2.4 kg/annum then Agerntina by 1.3 kg/annum. The least was Paraguay by 1.6 million per annum.



Source: Quantec EasyData

In Oceania, Australia has been the main exporter of beef to South Africa during the period under analysis and it reached its new peak of 143 million kg during 2012. New Zealand commanded the second highest level of beef imports from 2003 to 2012.

Figure 29 below shows the origin of beef imported by South Africa during 2012.



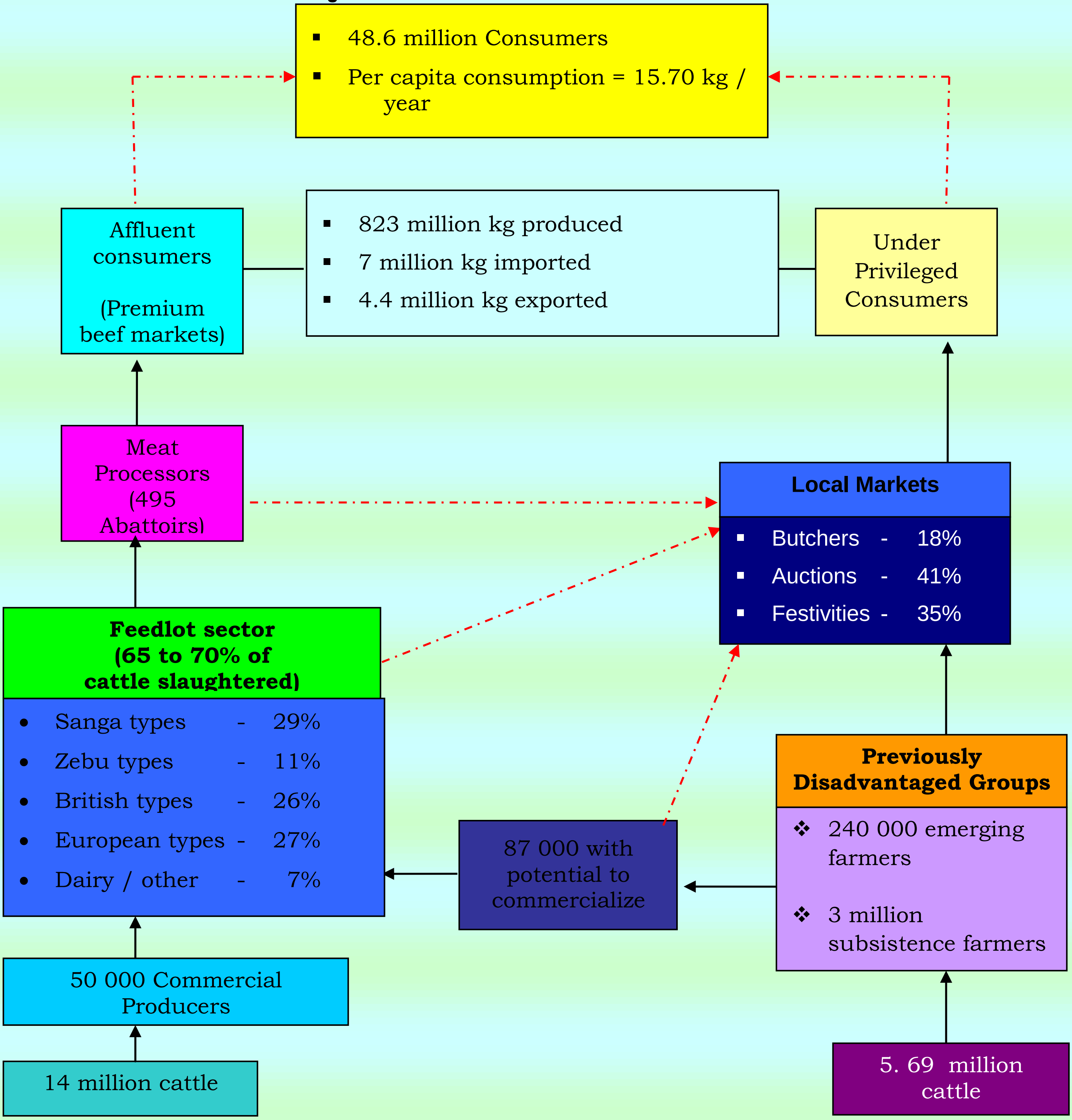
Source: Quantec EasyData

Figure 29 above shows the share of various suppliers of beef to South Africa in 2012. Australia commanded 76% share of South Africa's import market of beef followed at a distance by New Zealand commanding up to 16%, Uruguay 6% and Botswana & Brazil commanded 1% each.

3. BEEF MARKET VALUE CHAIN

Beef market value chain is illustrated on Figure 31.

Figure 31: South African Beef Market Value Chain



Source: ARC, Statistics & Economic Analysis, DAFF, Easydata

It is estimated that there are approximately 50 000 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 11 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 own 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 own 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 after 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 in 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 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 produces around 823 million kilograms of meat and imports around 7 million kilograms while exporting 4.4 million kilograms. Per capita consumption is around 15.70 kg and number of consumers is around 48.6 million.

Table 12 below shows the industry role players.

Table 12: 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
10	**DOORNBULT VOERKRALE (Pty) Ltd**	Feedlot	P O Box 13, Ladanna, 0704 T : (015) 293 2575

No.	Name	Description	Contact Details
			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 T : 012 549 2840 F : 012 549 2840
20	**LIEBENBERGSTROOM**	Feedlot	P O Box 130, Edenville, 9535

No.	Name	Description	Contact Details
	VOERKRAAL BPK		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 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	P O Box 201, Bethal, 2310 T (013) 291 5600

No.	Name	Description	Contact Details
		delivery to the Witbank Abattoir. It has 22 000 cattle standing at any given time.	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 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**	Feedlot	PO Box 387,Pietersburg,0700

No.	Name	Description	Contact Details
	BOERDERY		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: SA feedlot Association.

4. MARKET INTELLIGENCE.

4.1. Export tariffs.

Tariffs that different importing countries applied to beef originating from South Africa in 2011 and 2012 are shown in Table 13 and 14.

Table 13: Export tariffs of beef (fresh or chilled)

Country	Product Code	Trade Regime Description	2011		2012	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
Angola	02011000; 02012000 & 02013000	MFN duties Applied	10%	10%	10%	10%
Egypt	02011000; 02012000 & 02013000	MFN duties Applied	0%	0%	0%	0%
Mozambique	02011000; 02012000 & 02013000	Preferential tariff for South Africa	15%	15%	15%	15%
Mauritius	02011000; 02012000 & 02013000	MFN duties Applied			0%	0%
Germany & United Kingdom	0201100010; 0201100099 & 0201100099	MFN duties Applied			12.80% + 2333.76$/Ton	71.12%
	0201202010 & 0201202091	MFN duties Applied			12.80% + 2333.76$/Ton	70.35%
	0201203010; 0201203091 & 0201203099	MFN duties Applied			12.80% + 1866.48$/Ton	41.9%
	0201205010; 0201205091 & 0201205099	MFN duties Applied			12.80% + 2801.04$/Ton	57.06%
	0201209010 & 0201209090	MFN duties Applied			12.80% + 3500.64$'Ton	39.8%
	0201300010	MFN duties Applied			12.80% + 4004.88$/Ton	54.33%

Source: Market Access Map

Table 13 indicates that during 2011 and 2012 Mozambique applied the highest preferential tariff of 15%. Egypt and Mauritious applied a 0% MFN duties to beef originating from South Africa. Germany and United Kingdom applied the MFN duties of 12.80% + 2333.76$/Ton, 12.80% + 1866.48$/Ton, 12.80% + 4004.88$/Ton to fresh or chilled beef from South Africa. Most of the tariffs applied to South African fresh or chilled beef remained the same during the periods 2011 and 2012.

Table 14: Export tariffs of frozen beef

Country	Product Code	Trade Regime Description	2011		2012	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
Angola	02021000; 02022000 & 02023000	MFN duties Applied	10%	10%	10%	10%
Democratic Republic of Congo	02021000; 02022000; 02023010 & 02023090	MFN duties Applied	10%	10%	10%	10%
Germany	0202100010; 0202100090; 0202201010 & 0202201090	MFN duties Applied			12.80% + 2333.76$/Ton	OTQR: 68.93% ITQR: 20%
	0202203010; 0202203093; 0202203095; 0202203097 & 0202203099	MFN duties Applied			12.80% + 1866.48$/Ton	OTQR: 56.59% ITQR: 20%
	0202205010 & 0202205090	MFN duties Applied			12.80% + 2918.52$/Ton	OTQR: 81.28% ITQR: 20%
	0202209010 & 0202209090	MFN duties Applied			12.80% + 3501.96$/Ton	OTQR: 94.97% ITQR: 20%
	0202301010; 0202301093; 0202301095; 0202301097 & 0202301099	MFN duties Applied			12.80% + 2918.52$/Ton	OTQR: 99.99% ITQR: 20%
	0202305010; 0202305093; 0202305095; 0202305097 & 0202305099	MFN duties Applied			12.80% + 2918.52$/Ton	OTQR: 115.56% ITQR: 20%
	0202309010; 0202309055; 0202309065;	MFN duties			12.80% + 4014.12$/Ton	OTQR: 104.56% ITQR: 20%

Country	Product Code	Trade Regime Description	2011		2012	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
	0202309075; 0202309080 & 0202309090	Applied				
Mozambique	02021000; 02022000 & 02023000	Preferential tariff for South Africa MFN duties Applied	15% 20%	15% 20%	15% 20%	15% 20%
Ghana & Nigeria	0202100000; 0202200000 & 0202300000	MFN duties Applied	20%	20%	20%	20%

Source: Market Access Map

Table 14 above shows that Ghana and Nigeria applies the highest tariff rate of 20% on frozen beef to South Africa followed by Mozambique with a preferential tariff rate of 15%, Angola and Democratic Republic of Congo with 10% during the period 2011 and 2012. Germany applied the MFN tariff of 12.80% + 2333.96$/Ton, 12.80% + 2918.52$/Ton and 12.80% + 4014.12$/Ton during 2012. Most of the tariffs applied to South African frozen beef remained the same during the periods 2011 and 2012. Tables 13 and 14 showed that Western Africa's beef market is highly protected relative to other neighboring countries.

4.2. Import tariffs.

South Africa applies the MFN import tariff of 40% or 352.92$ /ton whichever is the greater in 2011 and 40% or 188.00$/ton in 2012 to imports of beef from Argentina and Australia. Botswana receives an Intra SACU tariff rate of 0% for the past two years when exporting fresh or chilled beef carcasses and half carcasses to South Africa. South Africa also applies a preferential tariff rate of 0% to SADC. Table 15 and 16 below has details.

Table 15: Import tariffs of beef, fresh or chilled

Country	Product Code	Trade Regime Description	2011		2012	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
Argentina & Australia	02011000 & 02012000	MFN duties Applied	40% or 352.92$/Ton whichever is the greater	OTQR: 43.63% ITQR: 13.8%	40% or 288.00$/Ton whichever is the greater	OTQR: 40% ITQR: 13.8%

Country	Product Code	Trade Regime Description	2011		2012	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
	02013000	MFN duties Applied	40% or 352.92$/Ton whichever is the greater	OTQR: 43.63% ITQR: 13.8%	40% or 288.00$/Ton whichever is the greater	OTQR: 40% ITQR: 32%
Botswana	02011000; 02012000 & 02013000	Intra SACU	0%	0%	0%	0%

Source: Market Access Map

Table 16: Import tariffs of beef, frozen

Country	Product Code	Trade Regime Description	2011		2012	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
Argentina; Australia; New Zealand; Brazil	02021000 & 02022000	MFN duties Applied	40.00% or 352.92$/Ton whichever is the greater	OTQR: 50.29% ITQR: 13.8%	40% or 272.96$/Ton whichever is the greater	OTQR: 40% ITQR: 13.8
	02023000	MFN duties Applied	40.00% or 352.92$/Ton whichever is the greater	OTQR: 50.29% ITQR: 13.8%	40% or 272.96$/Ton whichever is the greater	OTQR: 40% ITQR: 32%
Botswana	02021000; 02022000 & 02023000	Itnra SACU	0%	0%	0%	0%

Source: Market Access Map

Table 16 above shows the import tariffs applied by South Africa to the exporting countries of frozen beef. Argentina, Australia and New Zealand receive the applied tariff of 40% or 352.92 $/ton whichever is the greater during 2011 and during 2012 it was 40% or 35272.96 $/ton. Most of South Africa's frozen beef is from South America and Oceania and the same rate applies.

5. PERFORMANCE OF SOUTH AFRICAN BEEF INDUSTRY IN 2012.

5.1. Exports.

Table 17: List of importing markets for Beef (fresh or chilled) exported by South Africa in 2012

South Africa's export represents **0.07%** of world export for the Beef (fresh or chilled); its ranking in world exports is **37**.

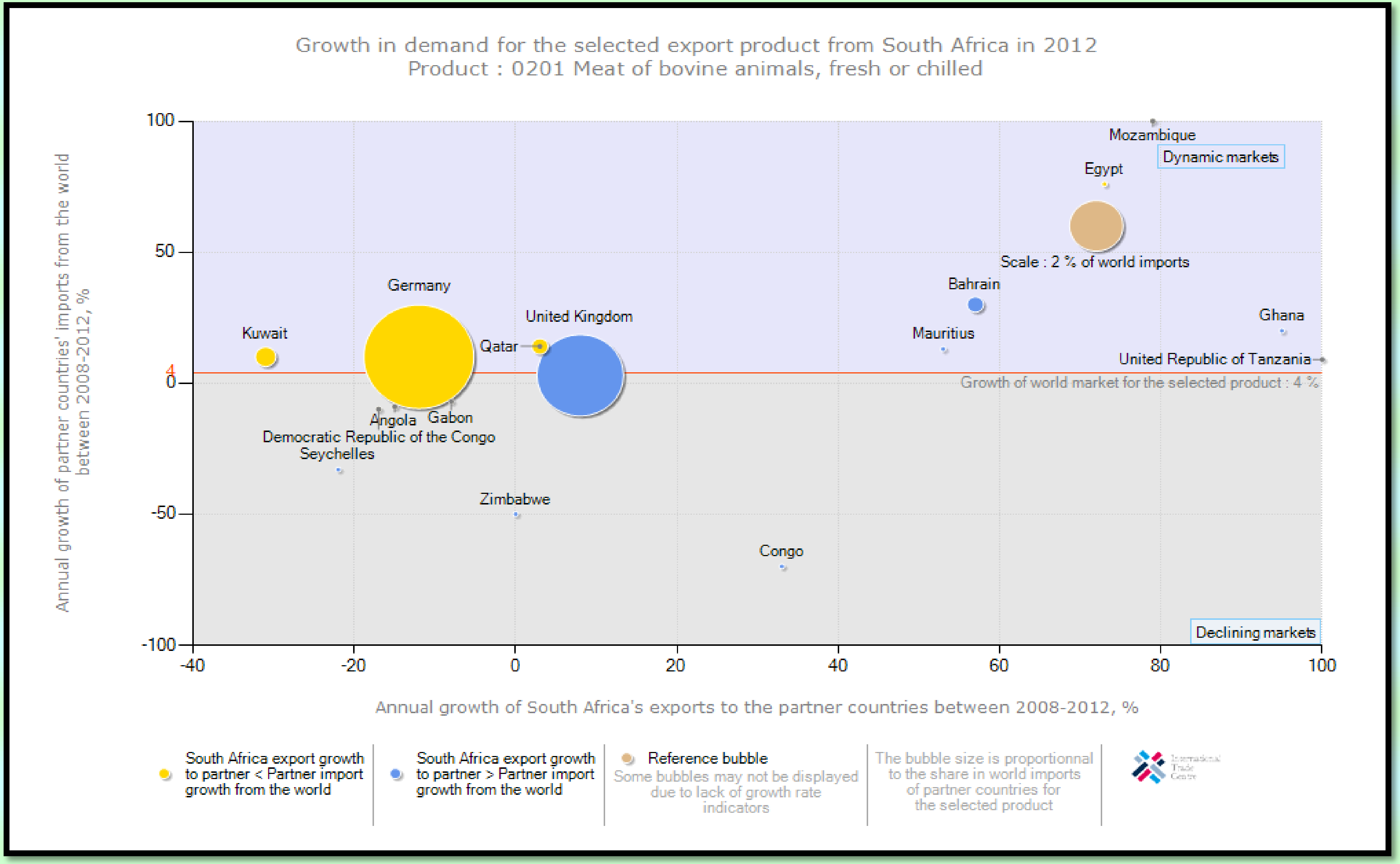
Importers	Trade Indicators												Tariff (estimated) faced by South Africa (%)
	Exported value 2012 (USD thousand)	Trade balance 2012 (USD thousand)	Share in South Africa's exports (%)	Exported quantity 2012	Quantity unit	Unit value (USD/unit)	Exported growth in value between 2008-2012 (%, p.a.)	Exported growth in quantity between 2008-2012 (%, p.a.)	Exported growth in value between 2011-2012 (%, p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total import growth in value of partner countries between 2008-2012 (%, p.a.)	
World	14616	14145	100	2859	Tons	5112	9	15	25		100	4	
Mozambique	6639	6639	45.4	1761	Tons	3770	79	62	20	85	0	124	15
Mauritius	1751	1751	12	204	Tons	8583	53	34	72	68	0	13	0
Angola	1622	1622	11.1	203	Tons	7990	-15	-16	219	78	0	-10	10
Egypt	848	848	5.8	135	Tons	6281	73	100	-5	90	0	76	0
Germany	518	518	3.5	58	Tons	8931	-12	27		2	9.2	10	56.9
United Kingdom	393	393	2.7	93	Tons	4226	8	61	96	7	5.5	3	56.9
Zambia	366	366	2.5	111	Tons	3297	287	113	-65	106	0		0
Democratic Republic of the Congo	343	343	2.3	54	Tons	6352	-17	-26	323	122	0	-10	10
Ghana	303	303	2.1	32	Tons	9469	95	79	47	117	0	20	20

Source: ITC calculations based on COMTRADE statistics.

Table 17 shows that during 2012 South Africa exported a total of 2 859 tons of beef (fresh or chilled) at an average value of US$ 5 112/unit. The major export destinations for beef (fresh or chilled) originating from South Africa during 2012 were Mozambique, Mauritius and Angola. Mozambique is the leading importer for beef (fresh or chilled) accounting for 45.4% of South Africa's export market. Mauritius and Egypt accounted for 12% and 11.1% respectively of South African beef exports. On average, during the period 2008 and 2012 South Africa's exports for beef (fresh or chilled) to Mozambique experienced an increase of 79% in value and 62% in quantity per annum. During the period 2011 and 2012 its value increased by 20%.

South Africa's exports for beef (fresh or chilled) to the world increased in value and in quantity by 9% and 15% respectively during the period 2008 to 2012 and increased by 25% in value between 2011 and 2012.

Figure 32: Growth in demand for fresh beef exported from South Africa in 2012



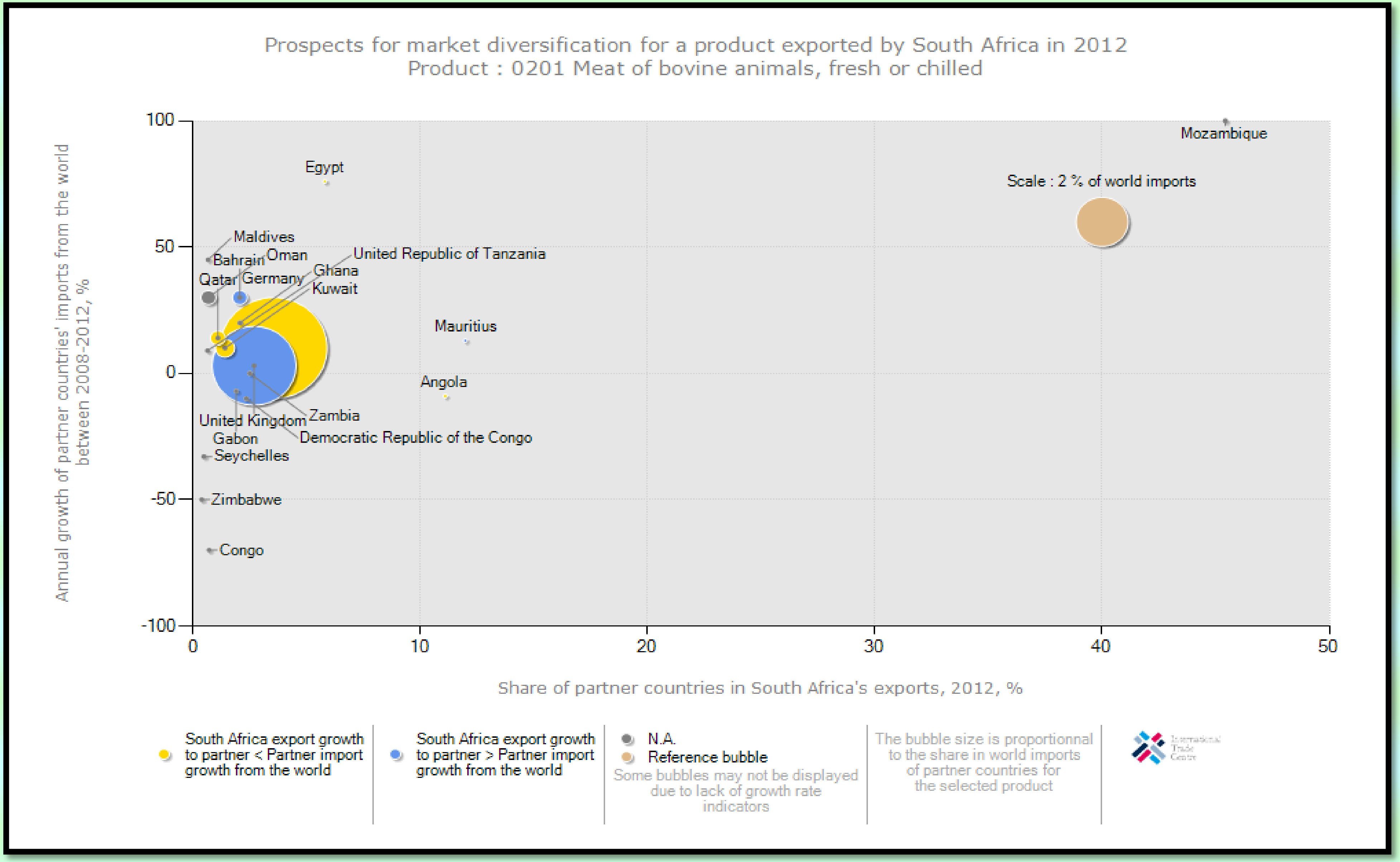
Source: Trademap, ITC

Figure 32 illustrates that between 2008 and 2012, South Africa's beef (fresh or chilled) exports to Germany, Kuwait, Qatar, Gabon, Angola, Democratic Republic of Congo (DRC), Egypt and Mozambique were growing at a rate that is less than their import growth from the rest of the world. Angola, Gabon and DRC represents losses in the declining market with an import growth of -9%, -7% and -10% respectively.

South Africa's beef (fresh or chilled) exports to United Kingdom (UK), Seychelles, Zimbabwe, Congo, Mautitius, Bahrain, Ghana and United Republic of Tanzania were growing at a rate that is greater than their imports from the rest of the world during the periods 2008 and 2018. UK is the biggest export market for beef with South African exports growth to UK of 8%. Seychelles, Zimbabwe and Congo represent losses at the declining market and UK, Mauritius, Bahrain, Ghana and United Republic of Tanzania represent gains in the dynamic markets of South African fresh or chilled beef exports.

The most growing demand of South African fresh or chilled beef is in Mozambique and Egypt with an annual growth of South African import of 79% and 76% respectively.

Figure 33: Prospects for market diversification for fresh beef exported by South Africa in 2012



Source: Trademap, ITC

Figure 33 above indicates that South Africa’s fresh or chilled beef has been mainly exported to Mozambique with a share of 45.42% of SA’s beef exports during 2012. If South Africa wishes to diversify its exports of fresh or chilled beef exports, the biggest market exist in Germany with a world share of 9.2% but is annual import growth is low at 10% per annum. Currently South Africa’s exportof beef to Germany has an annual growth of 3.54%. Although this is the biggest market South Africa might not penetrate the market easily.

The fastest growing market of beef imports exist in Egypt at a rate of 76%. This market is the most lucrative market for South Africa, although it is a small market with the world share of 0% South Africa might penetrate it easily because South Africa’s annual export growth to Egypt is 5.8%.

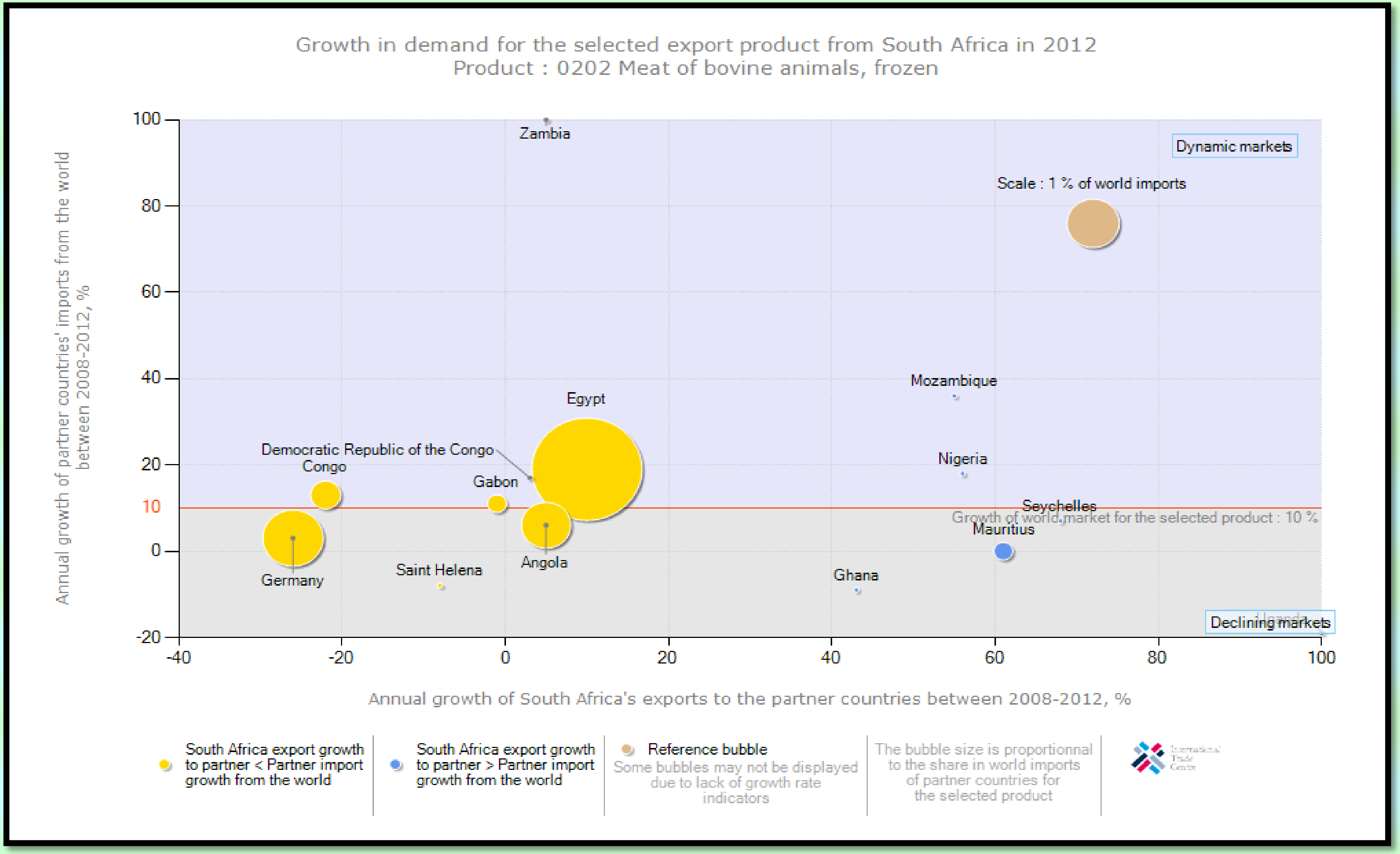
Table 18: List of importing markets for the Beef (frozen) exported by South Africa in 2012.
South Africa's export represents **0.05%** of world export for frozen beef; its ranking in world exports is **41**.

Importers	Trade Indicators												Tariff (estimated) faced by South Africa (%)
	Exported value 2012 (USD thousand)	Trade balance 2012 (USD thousand)	Share in South Africa's exports (%)	Exported quantity 2012	Quantity unit	Unit value (USD/unit)	Exported growth in value between 2008-2012 (%, p.a.)	Exported growth in quantity between 2008-2012 (%, p.a.)	Exported growth in value between 2011-2012 (%, p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total import growth in value of partner countries between 2008-2012 (%, p.a.)	
World	9590	-11011	100	1595	Tons	6013	2	-11	34		100	10	
Mozambique	3790	3790	39.5	694	Tons	5461	55	28	20	124	0	36	15
Angola	2064	2064	21.5	287	Tons	7192	5	-17	473	26	0.9	6	10
Nigeria	1135	1135	11.8	121	Tons	9380	56	46	30	136	0	18	20
Democratic Republic of the Congo	855	855	8.9	169	Tons	5059	3	-5	30	114	0	17	10
Germany	310	310	3.2	48	Tons	6458	-26	-16	2285	17	1.4	3	104.6
Ghana	229	229	2.4	26	Tons	8808	43	32	-70	100	0	-9	20
Mauritius	197	197	2.1	41	Tons	4805	61	90	-11	79	0.1	0	0
Maldives	176	176	1.8	10	Tons	17600			-11	84	0.1	21	15
Seychelles	121	121	1.3	12	Tons	10083	68	56	-30	132	0	7	0
Egypt	110	110	1.1	13	Tons	8462	10	-39	-4	6	5.1	19	0
Thailand	79	79	0.8	25	Tons	3160				35	0.4	92	
Zambia	77	77	0.8	32	Tons	2406	5	23	450	147	0	326	0

Source: ITC calculations based on COMTRADE statistics.

Table 18 shows that during 2012 South Africa exported a total of 1 595 tons of frozen beef at an average value of US$ 6 013/unit. The major export destinations for frozen beef originating from South Africa during 2012 were Mozambique, Angola nad Nigeria with a share of 39.5%, 21.5% and 11.8% respectively. Exports of frozen beef exported by South Africa during the periods 2008 and 2012 experienced an increase of 2% in value and a decrease of 11% in quantity. During the same periods exports to Mozambique increased by 55% in value and by 25% in quantity. Between the period 2011 and 2012, South Africa's exports of frozen beef increased by 34% in value and Mozambique increased by 20% during the same periods.

Figure 34: Growth in demand for frozen beef exported from South Africa in 2012

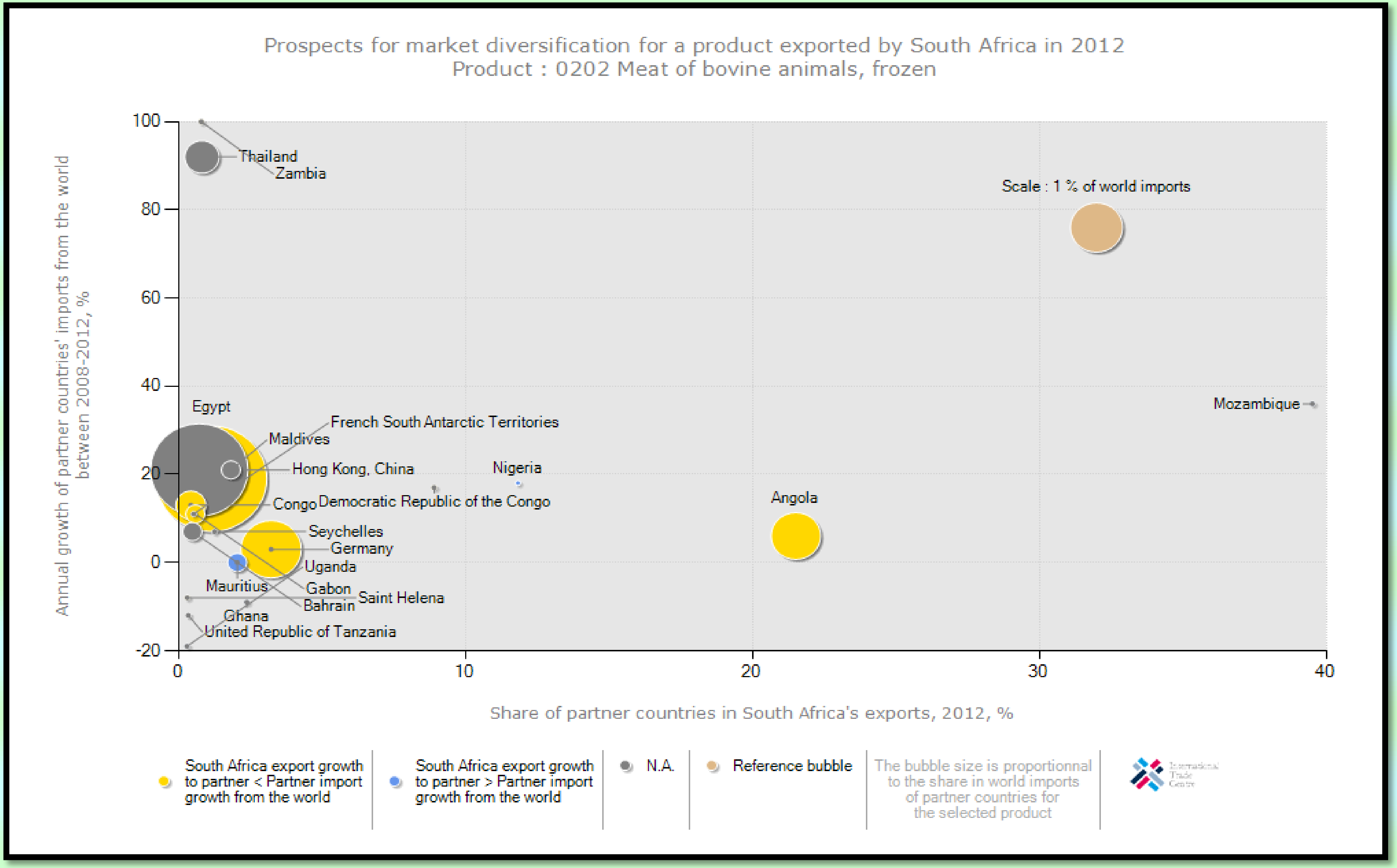


Source: Trademap, ITC

Figure 34 illustrates that between 2008 and 2012 South Africa’s frozen beef exports to Egypt, Democratic Republic of Cong (DRC), Angola, Gabon, Saint Helena, Congo, Germany and Zambia were growing at a rate that is less than its import growth from the world.South African exports growth to Saint Helena, Congo and Germany are declining at a rate of 8%, 22% and 26% respectively. Angola represents positive growth of 5% South African exports of frozen beef in the declining market..

During the same period, South Africa’s frozen beef exports to Ghana, Mauritius, Seychelles, Uganda and Mozambique were growing at a rate that is greater than their imports from the rest of the world. Mauritius experienced the highest growing demand of South African frozen beef with an annual growth of 116%.

Figure 35: Prospects for market diversification for frozen beef exported by South Africa in 2012



Source: Trademap, ITC

Figure 35 above shows the prospects for market diversification for beef (frozen) exports by South Africa in 2012. South African’s frozen beef was mostly exported to Mozambique which commanded SA’s beef exports share of 39.52%. If South Africa is to diversify its frozen beef exports, the most attractive market exists in Zambia and Thailand which experienced an annual import growth of 326% and 92% respectively. It looks easy for South Africa to penetrate both markets because it is still a small market with a world’s import market share of 0.8% and 0.82% of South African exports.

5.2. Imports.

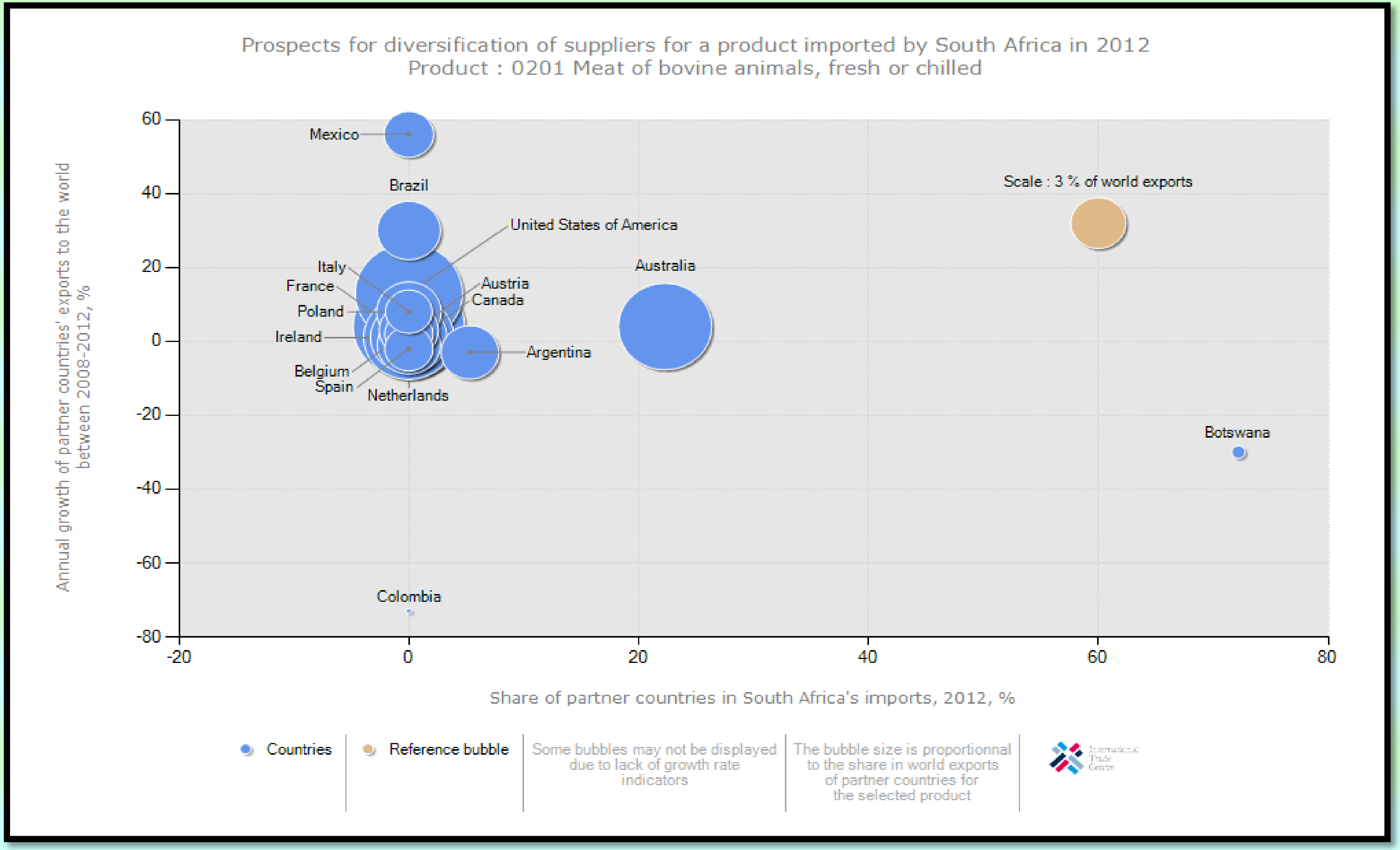
Table 19: List of supplying markets for the beef (fresh or chilled) imported by South Africa in 2012
South Africa represents **0%** of world imports for beef (fresh or chilled); its ranking in world imports is **115**.

Exporters	Trade Indicators												Tariff (estimated) applied by South Africa (%)
	Imported value 2012 (USD thousand)	Trade balance 2012 (USD thousand)	Share in South Africa's imports (%)	Imported quantity 2012	Quantity unit	Unit value (USD/unit)	Imported growth in value between 2008-2012 (%, p.a.)	Imported growth in quantity between 2008-2012 (%, p.a.)	Imported growth in value between 2011-2012 (%, p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)	Total export growth in value of partner countries between 2008-2012 (%, p.a.)	
World	471	14145	100	72	Tons	6542	19	7	69		100	4	
Botswana	340	-340	72.2	63	Tons	5397				36	0.1	-30	0
Australia	105	-105	22.3	6	Tons	17500		28	119	3	9.5	4	47.7
Argentina	25	-25	5.3	2	Tons	12500				11	3.4	-3	47.7
Austria										15	2.3	2	47.7
Belgium										10	3.5	3	47.7
Brazil										9	4	30	47.7
Canada										8	4.1	-1	47.7
France										6	6.3	1	47.7
Ireland										4	8.8	1	47.7
Italy										16	2.1	8	47.7

Source: ITC Trade Map.

Table 19 shows that during 2012 South Africa imported a total of 72 tons of beef (fresh or chilled) at an average value of US$ 6 542/unit. The major suppliers of beef (fresh or chilled) imported by South Africa during 2012 was Botswana, Australia and Argentina which commanded 72.2%, 22.3% and 5.3% respectively. South African growth of beef imports during 2008 to 2012 increased by 19% in value and 7% in quantity and between the periods 2011 and 2012 increased by 69% in value. Australian values increased by 28% in quantity during the periods 2008 to 2012 and increased by 119% in value during the periods 2011-2012.

Figure 36: Prospects for diversification of suppliers for fresh beef imported by South Africa in 2012



Source: Trademap, ITC

Figure 36 above shows the prospects for diversification of suppliers for fresh or chilled beef imports by South Africa in 2012. The analysis shows that Botswana commanded the greatest market share of South Africa's fresh or chilled beef imports with an annual share of 72.19% followed by Australia by 22.9% during the year 2012. If South Africa is to diversify its imports, the most attractive supplier exists in Mexico due to its export growth of 56%. This means South Africa can develop a new market in this country because currently South Africa does not import fresh or chilled beef from it.

Table 20: List of supplying markets for the beef (frozen); imported by South Africa in 2012.

South Africa's imports represent **0.12%** of world imports for beef (frozen); its ranking in world imports is **62.**

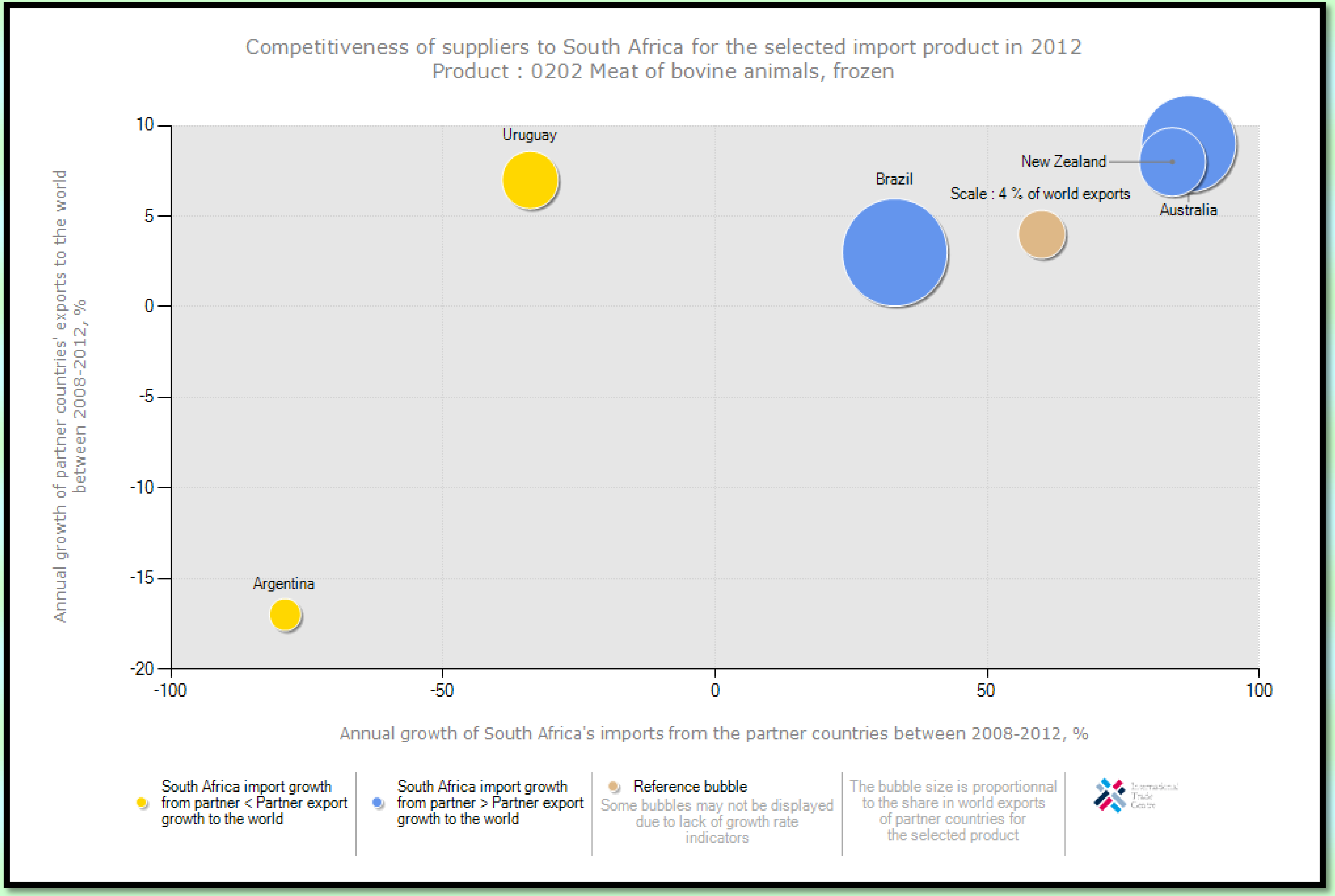
Exporters	Trade Indicators												Tariff (estimated) applied by South Africa (%)
	Imported value 2012 (USD thousand)	Trade balance 2012 (USD thousand)	Share in South Africa's imports (%)	Imported quantity 2012	Quantity unit	Unit value (USD/unit)	Imported growth in value between 2008-2012 (%, p.a.)	Imported growth in quantity between 2008-2012 (%, p.a.)	Imported growth in value between 2011-2012 (%, p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)	Total export growth in value of partner countries between 2008-2012 (%, p.a.)	
World	20601	-11011	100	6836	Tons	3014	16	0	-25		100	11	
Australia	17361	-17361	84.3	5204	Tons	3336	87	47	19	2	16.3	9	58
New Zealand	1872	-1872	9.1	1128	Tons	1660	84	75	12	5	8	8	58
Uruguay	1081	-1081	5.2	428	Tons	2526	-34	-41	-62	6	5.7	7	58
Brazil	228	-228	1.1	45	Tons	5067	33	13		1	20.2	3	58
Botswana	46	-46	0.2	24	Tons	1917				26	0.3	1	0
Argentina	10	-10	0	3	Tons	3333	-79	-81	-87	9	1.7	-17	58
China	1	-1	0	4	Tons	250				23	0.4	11	58
Netherlands	1	-1	0	0	Tons					13	1.2	-7	58
Paraguay										7	3.6	16	58
India										3	16.2	34	58

Source: ITC calculations based on COMTRADE statistics.

Table 20 shows that during 2012 South Africa imported a total of 6 386 tons of frozen beef at an average value of US$ 3 014/unit. The major suppliers of frozen beef imported by South Africa during 2012 were Australia, New Zealand and Uruguay. The greatest share of South African frozen beef imports were from Australia which commanded 84.3% during the year 2012 followed by New Zealand which commanded 9.1% and Uruguay commanded a share of 5.2%.

South Africa's frozen beef imports increased by 16% in value and 0% in quantity between the periods 2008 and 2012. During the same period, imports of frozen beef from Australia increased by 87% in value and 47% in quantity. South Africa's imports for frozen beef decreased by 25% per annum in value during 2011 and 2012 while Australia's exports to South Africa increased by 19% in value during the same periods.

Figure 37: Competitiveness of suppliers to South Africa for frozen beef in 2012



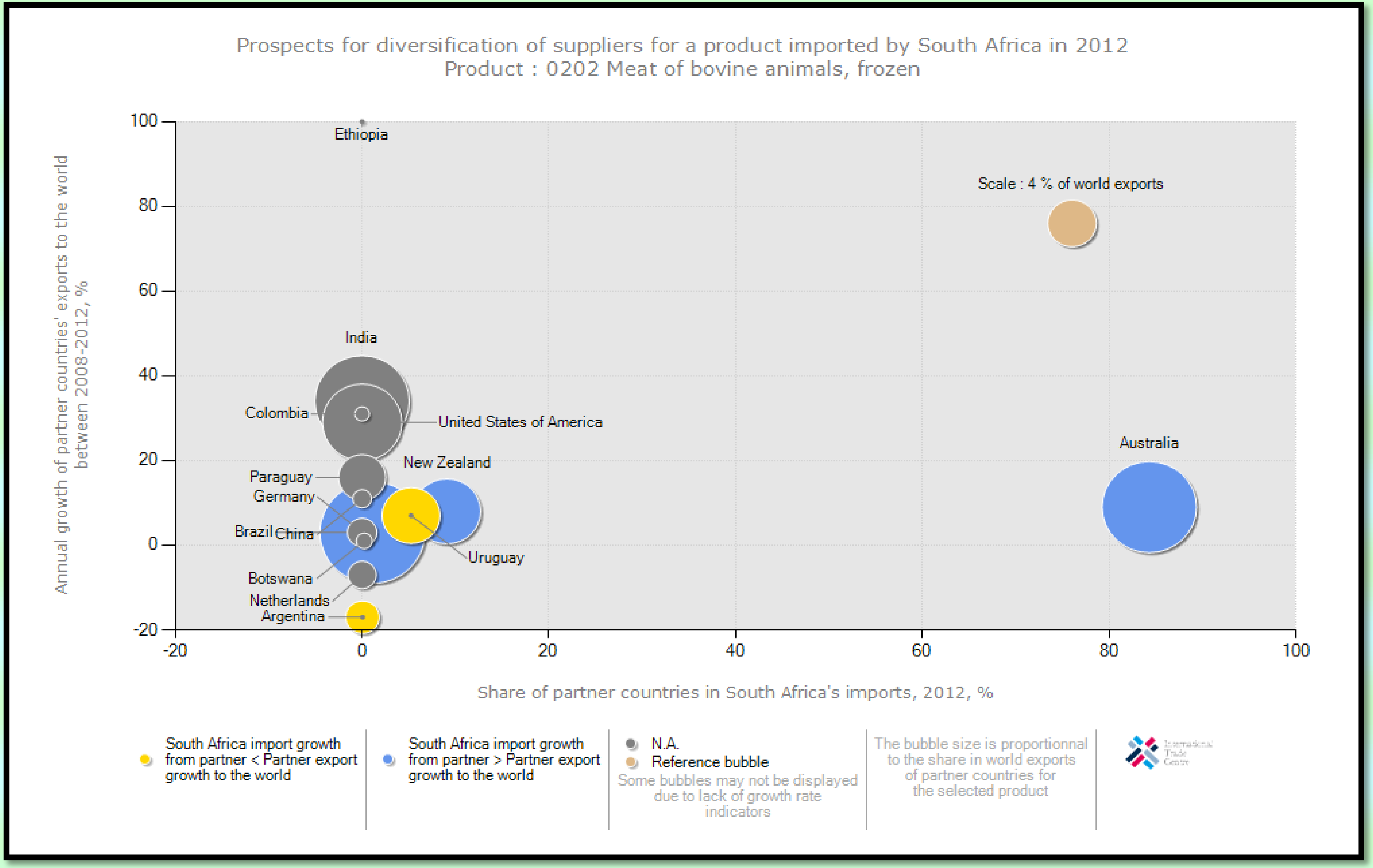
Source: Trademap, ITC

Figure 37 illustrates that between 2008 and 2012, South Africa's frozen beef imports from the Uruguay and Argentina were growing at a rate that is less than their export growth to the world. South Africa's annual import growth from Uruguay and Argentina has declined by 34% and 79% respectively during 2012.

South Africa's exports from Australia, New Zealand and Brazil were growing at a rate that is greater than their import growth from the world. Australia commanded the greatest share of SA's import market with an annual growth of 87% followed by New Zealand by 84% then Brazil by 33%.

Australia was the most competitive market during the periods 2008 to 2012 with a world export market share of 16.1% followed by New Zealand by 7.9%.

Figure 38: Prospects for diversification of suppliers for frozen beef imported by South Africa in 2012



Source: Trademap, ITC

Figure 38 above shows the prospects for diversification of suppliers for frozen beef imports by South Africa. The country imports most frozen beef from Australia but if South Africa is to diversify its frozen beef imports, the biggest supplier exists in Brazil with the world export share of 20% but its export growth of 3% is not impressive. Therefore, the most attractive market is Ethiopia due to its highest annual export growth of 366%. Currently South Africa is not importing frozen beef from Ethiopia; therefore South Africa can develop a new importing market in Ethiopia.

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