A PROFILE OF THE SOUTH AFRICAN BEEF MARKET VALUE CHAIN

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1. DESCRIPTION OF THE INDUSTRY

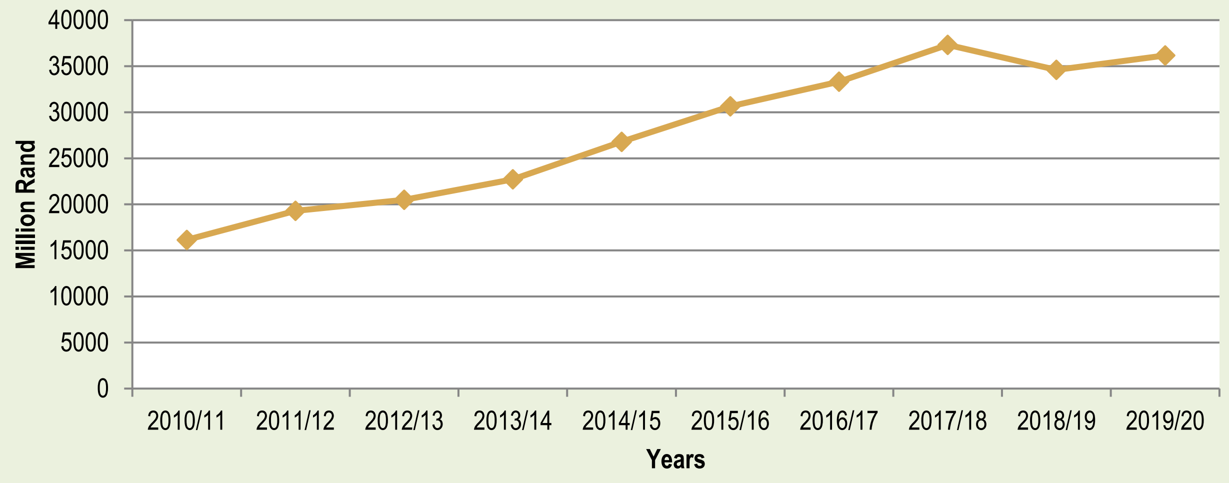
1.1 Introduction

Beef industry in South Africa is characterized by its dualistic nature of the sector. There is a clear difference between formal (commercial) sector and informal (non-commercial) beef sector. Unlike non-commercial sector, the commercial beef sector is well developed and mature in South Africa. The beef informal (non-commercial) sector may further be divided into two subsectors namely smallholder farmers and subsistence farmers. Smallholder farmers keep their cattle and sell them during Easter and festive seasons, for religious purposes and during their cash strapped seasons. Whilst subsistence farmers do not keep their cattle for economic reasons however for household food security purposes. Typically, these two informal subsectors are not keeping records of their animal stocks; the buyer and seller enter into mouth-to-mouth agreement, followed by exchange of money and cattle without recording the transactions. These informal subsectors are also known to have less knowledge about animal health, disease control and animal development issues as well as policies regarding animal production in South Africa. Beyond their role in generating food and income, cattle are an asset, serving as a store of wealth, collateral for credit an essential security net during calamitous times for informal sector.

The beef industry is the second fastest growing commodity in agricultural sector following the broiler sector. This is driven by income growth and support technological and structural change. 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. 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.

The gross value of cattle and calves slaughtered in South Africa from 2010/11 to 2019/20 is depicted in Figure 1 below. The gross value of beef production is dependent on the number of cattle slaughtered and the prices received by producers. The gross value of beef production increased from R16 billion in 2010/11 to R37 billion in 2017/18. This is an increase of 173% during the said period. In 2018/19, beef gross value experienced a slight decline of 7% followed by an increase of 5% in 2019/20. The overall increase in the past decade was due to the increased consumption of beef during the past years. The average gross value of beef produced during this period amounted to R27.7 billion per annum.

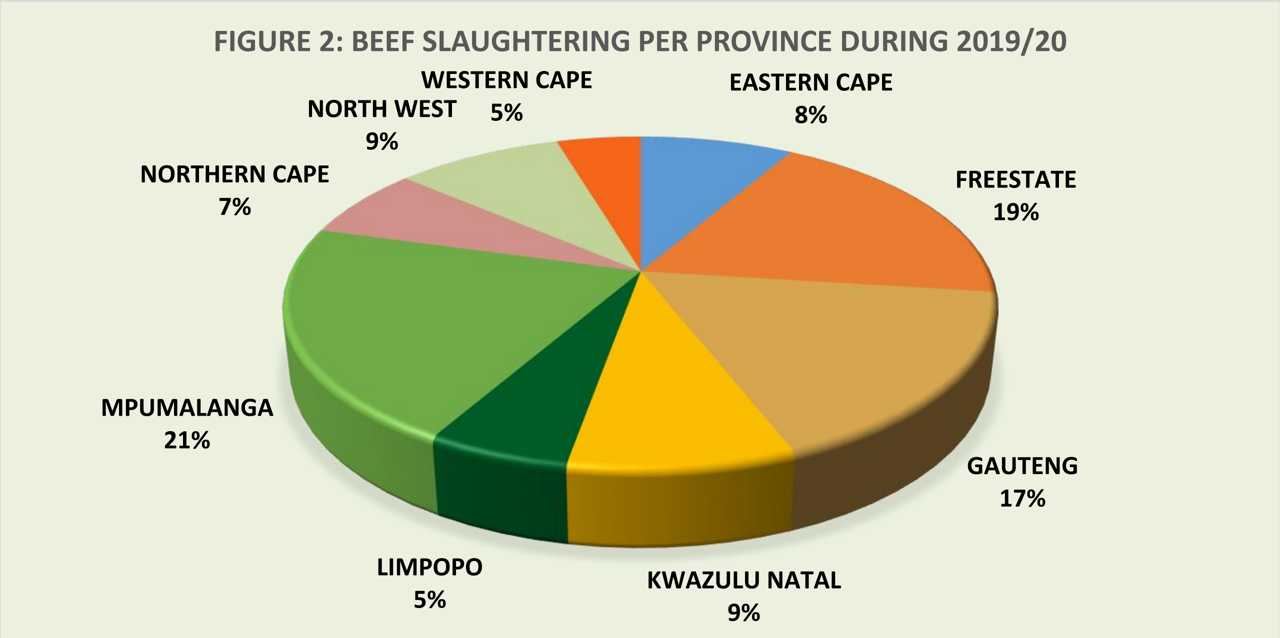
Figure 1: Gross value of cattle and calves slaughtered



Source: Statistics and Economic Analysis, DALRRD

1.1. Production Areas

Beef is produced throughout South Africa. Figure 2 below, shows the beef production per province during 2019/20 production year. 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 neighbouring countries. According to Figure 2, Mpumalanga accounts for the greatest share of beef production in South Africa accounting for 21% of the beef produced in 2019/20 followed by Free State and Gauteng accounting for 19% and 17% respectively. Limpopo and Western Cape had the lowest share of 5% each for beef slaughtering in 2019/20.

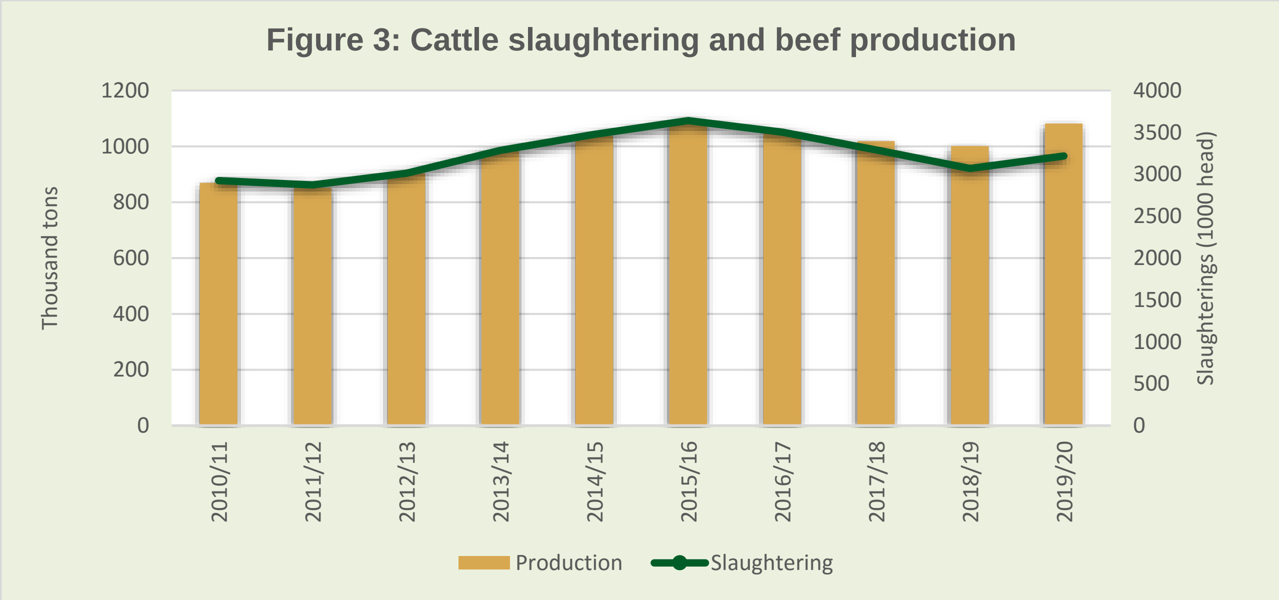


Red Meat Levy Admin

1.2. Production Trends

South Africa currently has approximately 430 abattoirs slaughtering cattle, pigs and sheep on an annual basis. Approximately 40% of all slaughtering are performed by abattoirs that may slaughter an unlimited number of animals (Class A) and highly regulated abattoirs (Class A & B) slaughter approximately 60% of cattle. Most of these abattoirs have linkages with feedlots.

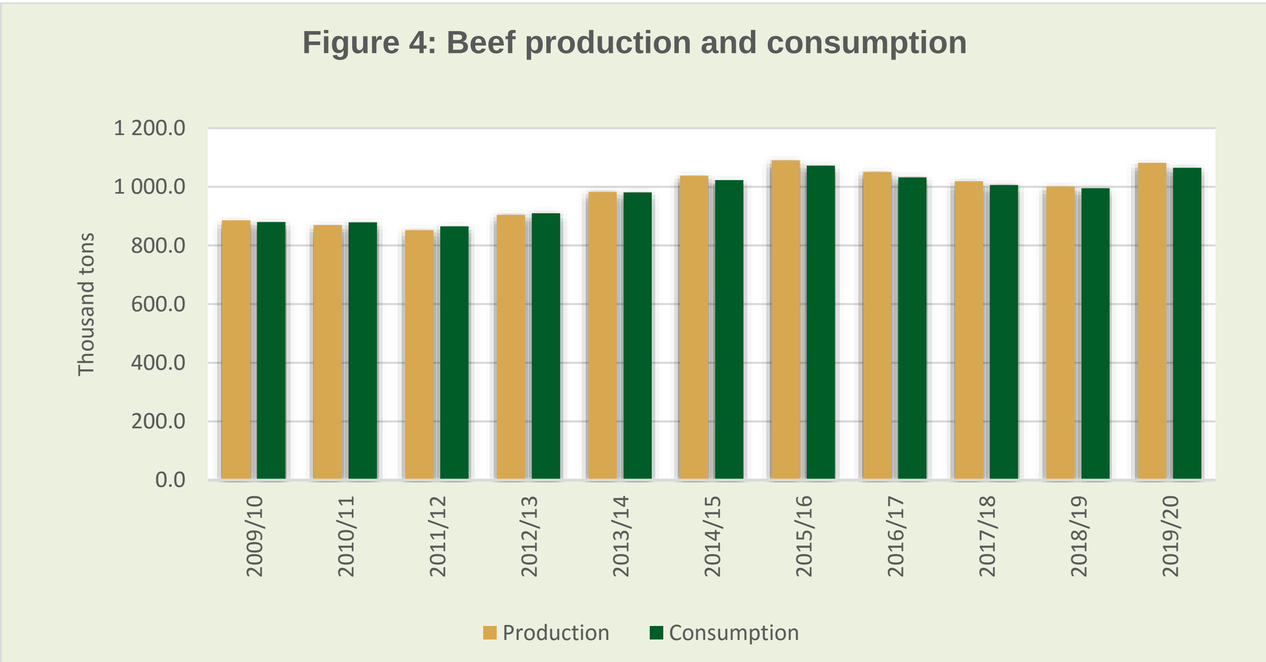
Figure 3 below show the slaughtering of cattle and production of beef during the period 2010/11 until 2019/20. The total amount of beef produced during the past ten years amounted to 9.8 million tons. Figure 3 above shows that slaughtering and production of beef followed similar trend from 2010/11 to 2019/20. Beef production and slaughtering were on the trough in 2011/12 and reached peak in 2015/16. The highest slaughtering and production during 2015/16 were driven by drought experienced in South Africa that led farmers to liquidate their herd. Both slaughtering and production of beef shows a declining trend from 2015/16 to 2018/19 by 15% and 8% respectively, this could be attributed to producers or farmers battling with herd rebuilding following the drought. In 2019/20, there was an increase of 4.8% and 8% of slaughtering and production respectively.



Source: Statistics and Economic Analysis, DALRRD

1.3. Local Consumption

Technically, the beef supply chain begins when the cattle are slaughtered for meat consumption. Figure 4 below represents the production and consumption of beef for the past decade.



Source: Statistics and Economic Analysis, DALRRD

The figure indicates that South African beef production and consumption have been fluctuating throughout the period under analysis. Moreover, the figure shows that during the past decade, South Africa was self-sufficient regarding beef production apart from 2010/11 to 2012/13, as the production was lower than the consumption. This might be due to the increased affordability of consumers, consumer's diet change from field crops to meat and population increase. Production and consumption of beef decreased by approximately 8% and 7% from 2015/16 to 2018/19 respectively. The decline in production comes from farmers not having enough beef cattle to slaughter due to herd recovery. The rebuilding of herd led to high beef prices that in turn affected the demand of beef and beef products. The consumption declined due to higher prices whereby consumers shifted to other alternative and/or other option. In 2019/20, they both increased by 8% and 7% respectively.

1.4. Employment

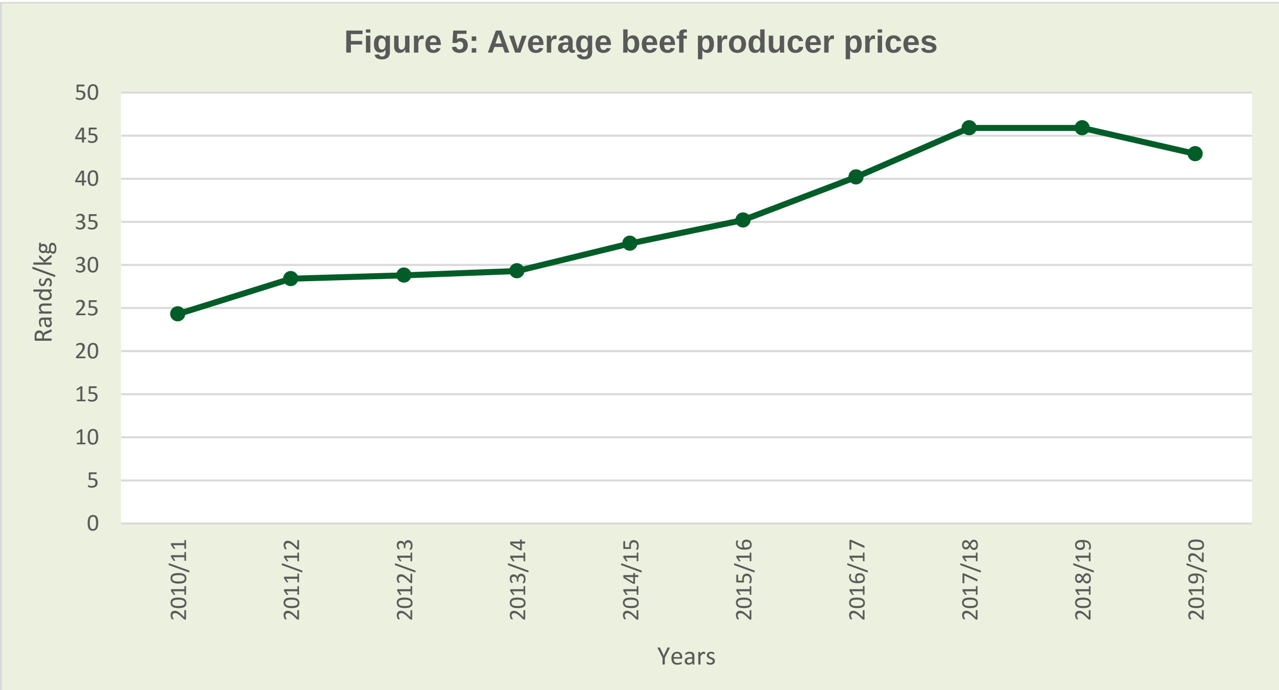
Commercial farmers are estimated at 22 000 and employs 138 000 people, emerging farmers and communal farmers are at 3 million which employs 9 million people. There are approximately 100 commercial feedlots with 5 000 employees in South Africa and 332 abattoirs. Beef industry is a major contributor to livelihood with 2 125 000 people who are dependent on the livestock industry.

2. MARKET STRUCTURE

2.1. Domestic Market

The red meat industry evolved from a highly regulated environment to one that is much 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, demand and supply forces determine the prices in the red meat industry. Price formation is one of the important forces in making decisions regarding production and marketing of beef and beef products.

Average producer prices of beef from 2010/11 to 2019/20 are illustrated in Figure 5.



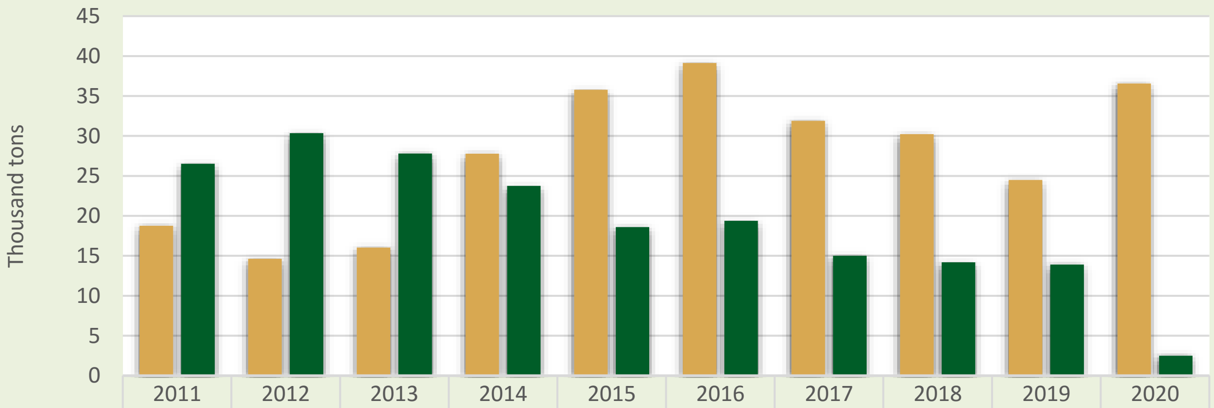
Source: Statistics and Economic Analysis, DALRRD

Figure 5 above shows that prices of beef increased significantly in the past decade, though stable on the current period 2019/20. This was mainly due to increased consumption caused by rising living standards of a large number of consumers and consumer's diet change from field crops to meat and population increase. The prices of beef increased by 77% in the past decade. The price increase after the drought season is exacerbated by cattle producers' battle to rebuild their herds due to increased slaughtering in 2015/16. The average producer price declined by 8% in 2019/20 as compared to previous year, this could be attributed to the increased production on the same year.

2.2. Import – Export Analysis

Following the market deregulation in 1996, South Africa's beef producers are faced direct to international competition in order to trade their products internationally. The trade of beef is normally influenced by international price, exchange rates, trade agreements, policies and regulations amongst other factors. Figure 6 below compares volumes of imports and exports for beef from 2011 to 2020.

Figure 6: Exports and imports of beef



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Exports	19	15	16	28	36	39	32	30	24	37
Imports	27	30	28	24	19	19	15	14.2	13.9	2.5

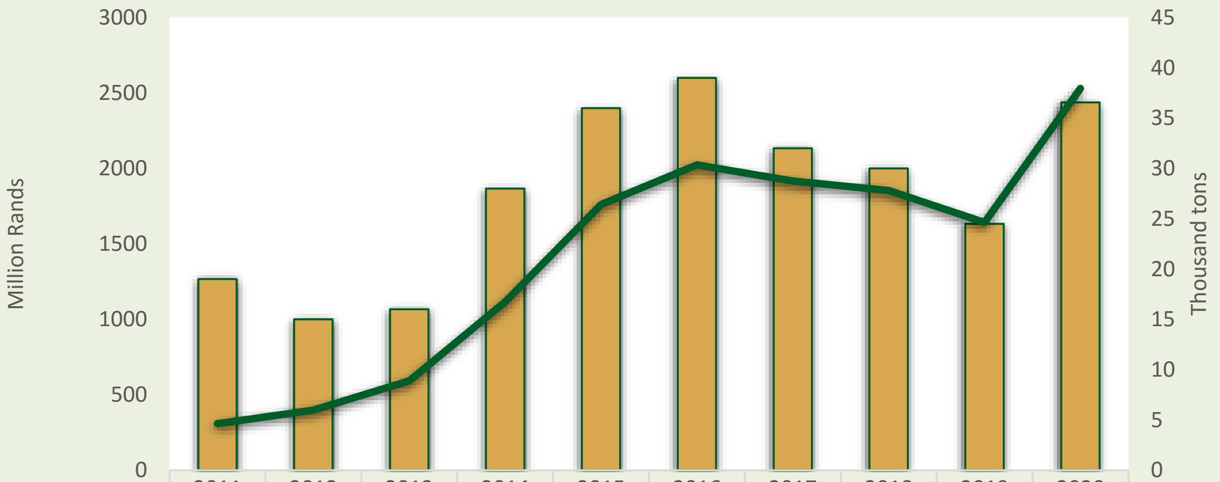
Source: Quantec EasyData

Figure 6 indicates that South Africa's imports and exports were fluctuating during the period under analysis. Imports of beef were higher than exports from 2011 to 2013. This made South Africa a net importer of beef during this specified period. This became opposite since 2014, following South Africa being declared foot and mouth disease (FMD) free by International Animal Health Organisation. Due to this declaration, there was more international markets gained. The imports peak was realised in 2012, and declined over the years until they reach the minimum in 2020, which recorded 91% decrease. The decline in imports emanated from tremendous decrease in beef imports from Namibia and Botswana as they both accounts for 80% share (See Figure 27). South Africa exported more beef in 2016 as compared to all years under review. The beef export and import declined in 2017 and remained flat in 2018, following the decline in beef production and the local demand. Exports records further 19% decline in 2019, among other reasons were another FMD outbreak in 2019 that caused major export markets imposing an import ban on beef from South Africa.

2.2.1. Exports

The quantity and value of beef exports from 2011 to 2020 are shown in Figure 7 below. South Africa exported approximately 37 000 tons of beef in 2020 yielding an export value of R2.5 billion. This represents an increase of 49% and 54% of quantity and value of beef exported during the period 2020 from previous year.

Figure 7: Beef exports



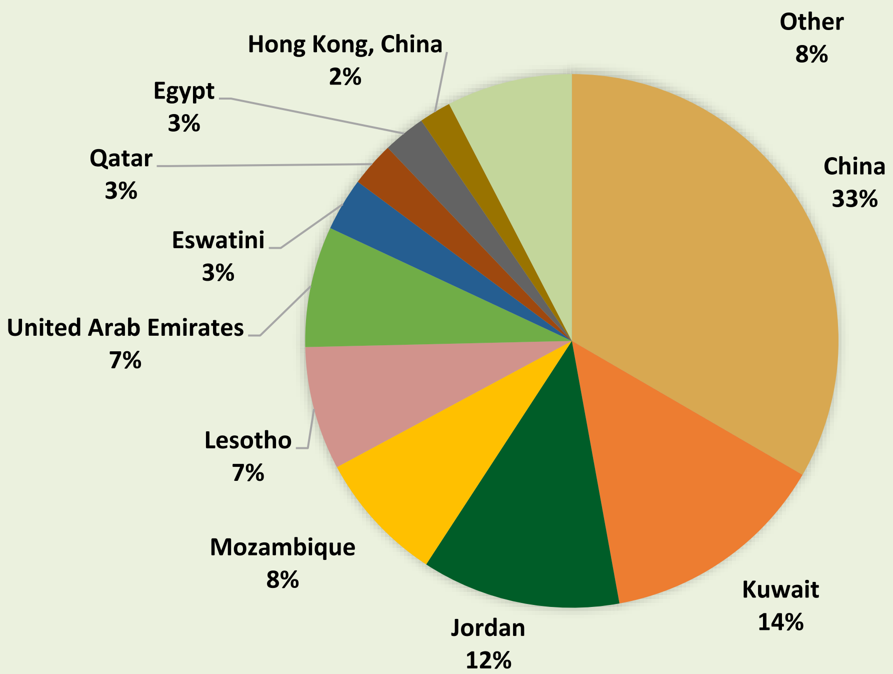
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Quantity	19	15	16	28	36	39	32	30	24	37
Value	309	399	592	1116	1761	2024	1917	1854	1642	2530

Source: Quantec EasyData

Figure 7 indicates that beef exports quantity was low from 2011 to 2013 and then followed by immense increase in 2014 up to 2016. This was due to South Africa being declared foot and mouth disease free in 2014, which opened export market opportunities. Export quantity was at its lowest in 2012 and reached peak in 2016 during the period under analysis. Again, the lower exports in 2017 to 2019, following the decline in beef production and the export ban due to FMD outbreak that occurred in 2019. In 2020, the South African beef exporters have realised a great deal in export earnings. The increased exports were due to the increased slaughtering and beef production.

The export share of beef market is presented in Figure 8 below as beef destination.

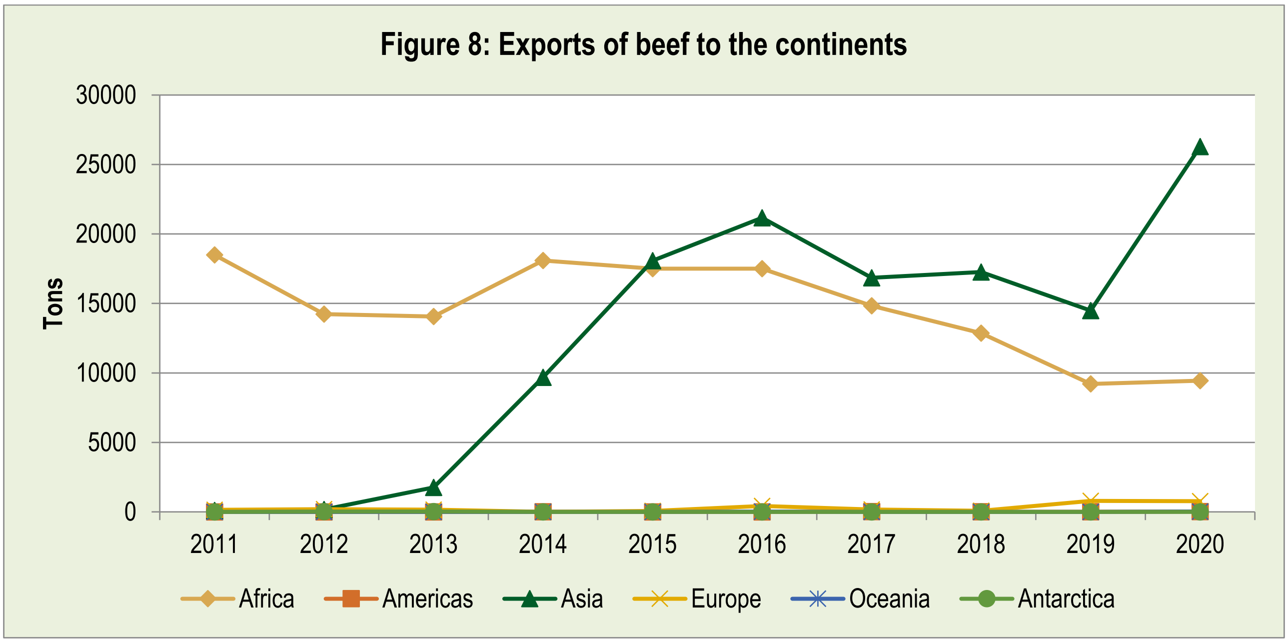
FIGURE 8: BEEF DESTINATION IN 2020



Source: Trade Map

International trade is a vital aspect of South Africa's cattle industry as beef is second biggest sector in value of the agricultural sector. The main destinations of South African beef in 2020 were Asian countries, China which commanded 33% of South African beef, followed by Kuwait with 14%, Jordan with 12%, Mozambique (10%), UAE and Lesotho 7% each.

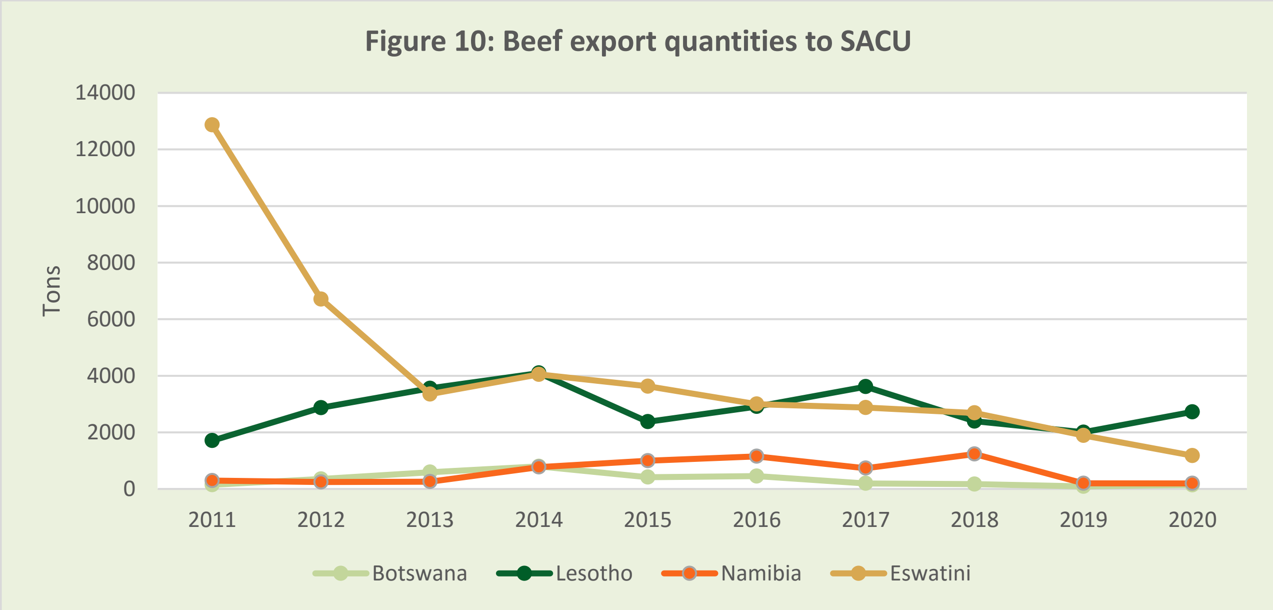
Figure 9 below shows the main importing continents for South African beef during the past decade.



Source: Quantec EasyData

South Africa was mainly exporting beef to African and Asian continents throughout the period under analysis. Africa commanded the highest exports of beef from South Africa from 2011 to 2014. From 2015 to 2019, Asia outstripped Africa and took a lead on a share of beef exported by South Africa to the continents. The increase in South African beef exports was mainly an increase from Asian continent. The demand of beef in Asian grew by 80% from previous year, which made a new peak for the continent. On that note, Asia led the market with a share of 72% in 2020, followed at a distance by Africa with a share of 25%. Oceania commanded the lowest South African beef exports quantity during the period under analysis.

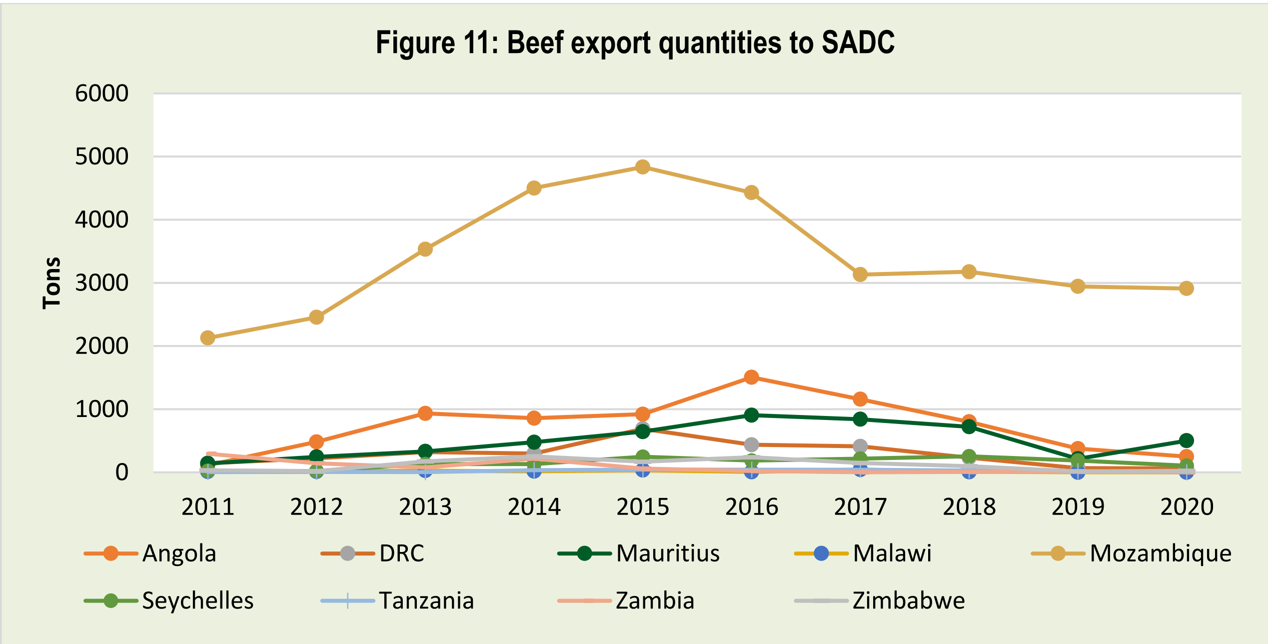
The following Figures 10 to 14 gives an indication of where within the continents (Africa, Europe, Asia and Oceania) is beef from South Africa exported. Within the Africa continent, 85% of South African beef exports goes to Southern African Development Community (SADC) countries. Southern African Customs Union (SACU) members account for 52% of the total beef exported to all SADC countries whilst the others takes 48%. Figure 10 below presents beef export quantities to SACU members.



Source: Quantec EasyData

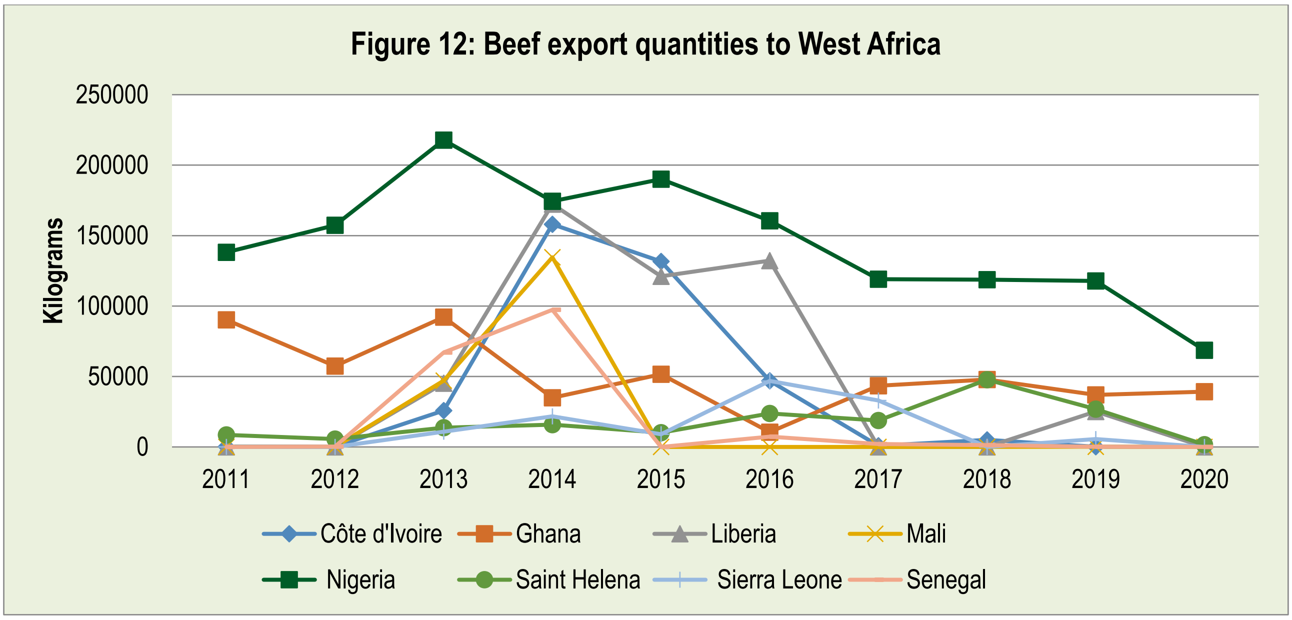
South African beef exports to SACU members were mostly going to Eswatini and Lesotho. Both countries were interchanging leading position for the past decade. In 2011, Eswatini was leading with over 12 000 tons of which accounts for 67% of total South African exports of beef to the world. For the past ten years in total, Eswatini has led by taking up a share of 53% followed by Lesotho with 35% then Namibia and Botswana accounted for 8% and 4% respectively.

Figure 11 below presents the exports of beef to SADC (excluding SACU).



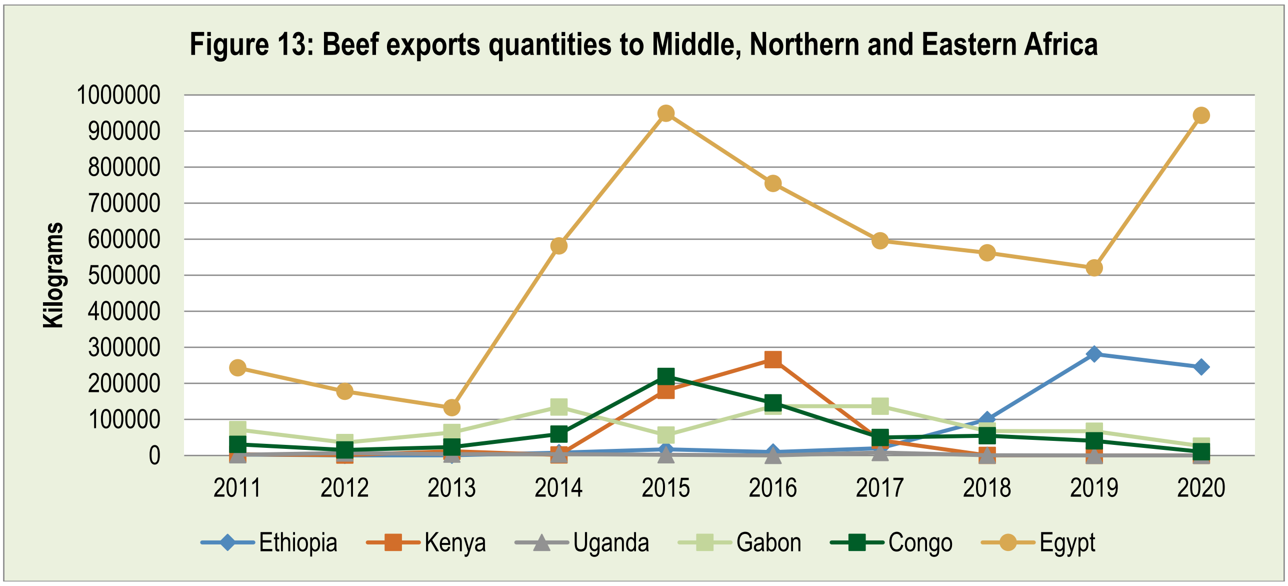
Source: Quantec EasyData

Mozambique continues to be the highest importer of South African beef within SADC region. Figure 11 displays that beef produced in South Africa was mainly exported to Mozambique, which has commanded the highest beef exports throughout the decade. Angola appeared to be the second country to obtain the highest beef exports from South Africa. Mozambique reached a peak of 4 835 tons of beef from South Africa in 2015. Tanzania was the lowest importer of South African beef within SADC countries in the past decade. In total, Mozambique commanded 64% of South African beef exports followed at a distance by Angola with 14%. Mauritius followed with 10% and Democratic Republic of Congo (DRC) 5%.



Source: Quantec EasyData

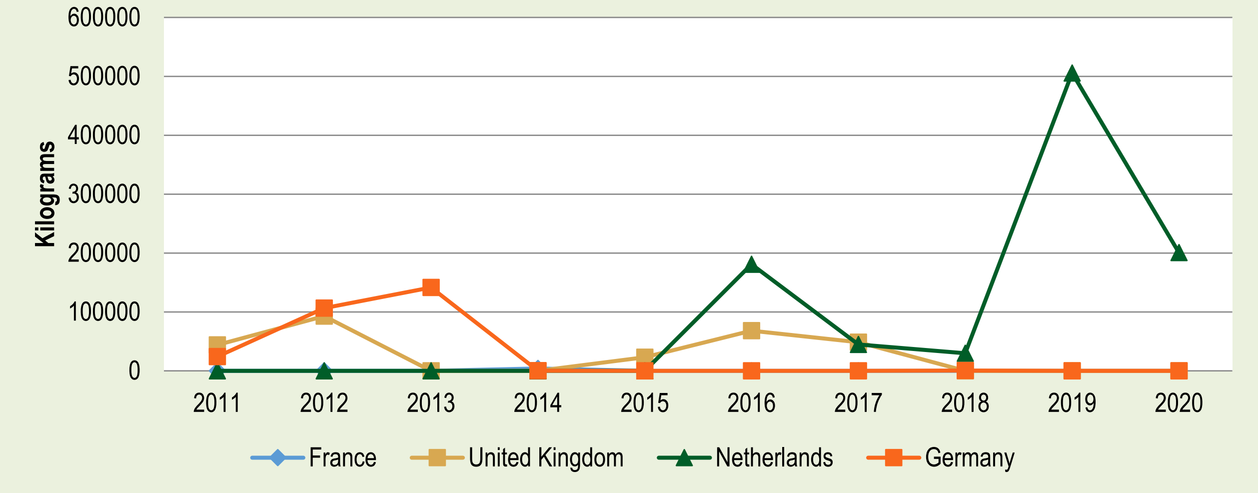
It is clearly indicated from Figure 12 above that most of South African beef is exported to Nigeria within Western Africa throughout the past decade. South African beef exports to West Africa decreased from 2015 to 2020. Nigeria reached its peak of 217 784 kilograms during 2013 and this was followed by a drastic decrease of 20% of South African beef imports during 2014. On average, Ghana demanded the second highest volume of South African beef exports for the period under analysis. Mali and Sierra Leone were the lowest importers of South African beef. Despite the decline in beef sourced from South Africa within the selected countries, Nigeria is still leading with a share of 63% in 2020.



Source: Quantec EasyData

In Middle, Northern and Eastern Africa, Egypt commanded the highest share of beef exports by South Africa in the past ten years (See Figure 13 above). Congo commanded the second highest share of beef exported by South Africa from 2011 to 2014. Egypt, which is from Northern Africa, experienced a sharp increase on exports and reached its peak of 949 tons in 2015. The country experienced a decline of 45% from 2015 to 2019 followed by a sharp increase of 81% in 2020. Kenya, Uganda and Ethiopia, which are the Eastern Africa countries, imported the lowest quantities of South African beef during the past decade.

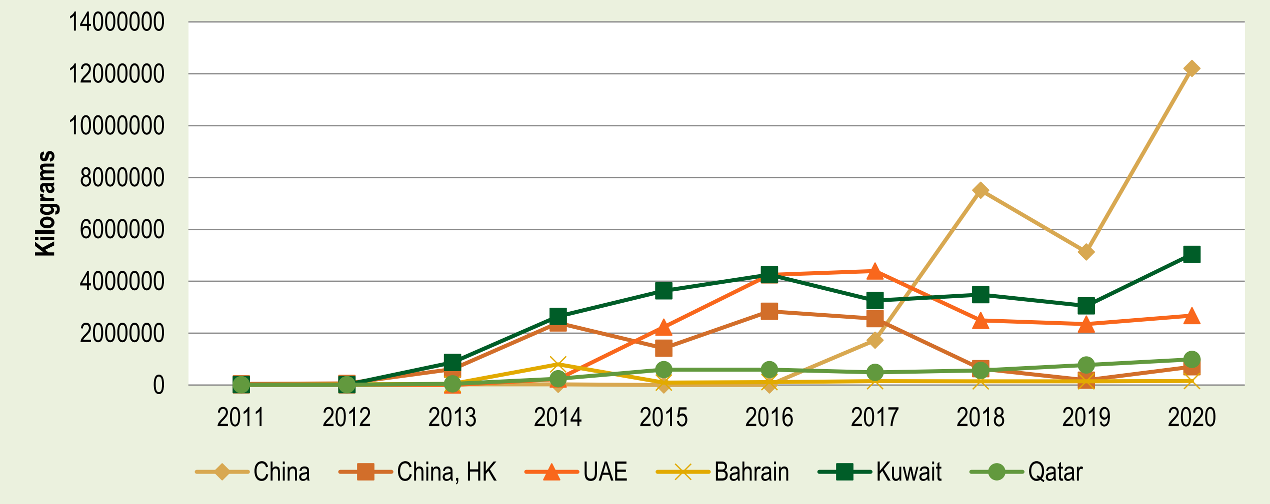
Figure 14: Beef export quantities to European Union



Source: Quantec EasyData

Figure 14 above shows beef exported by South Africa to European Union from 2011 to 2020, it is clearly indicated that all reported EU members are not regular importer of South African beef. The EU imports were fluctuating in the period under analysis. Netherlands was leading in 2019 reaching a new peak demanding 505 697 kg of South African total beef exports. The products were mainly frozen, fresh or chilled boneless cuts. The United Kingdom (UK) commanded the highest share of imported beef from South Africa in 2011 and 2015 whilst Germany took a lead during 2012 and 2013. France is the lowest importer of South African beef within the EU countries. In 2020, Netherlands imports of beef from South Africa declined by 60%, however the country still had 100% share of total imports.

Figure 15: Beef export quantities to Western and Eastern Asia

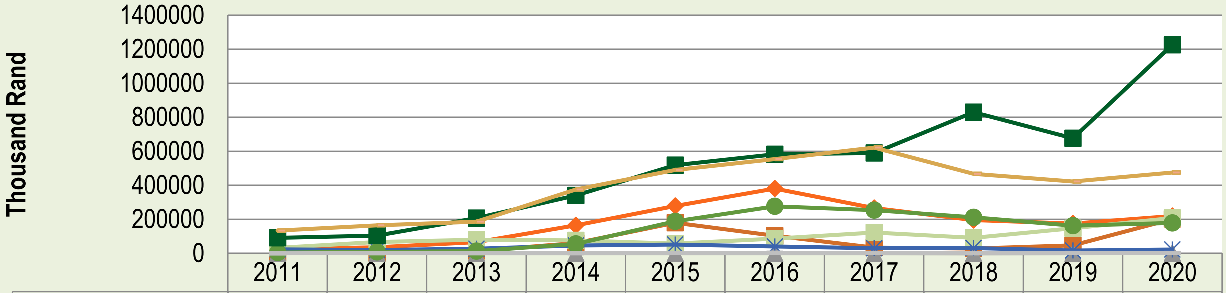


Source: Quantec EasyData

South African beef exports to Asia are shown in Figure 15 above. Generally, exports of beef to Asia were very minimal during 2011 to 2012 due to the foot and mouth disease outbreak in South Africa. It is clear that, following South Africa's declaration on disease free status, the beef exports were regularly going to the United Arab Emirates (UAE), China, HK and Kuwait from 2014 to 2017. In 2018, China's beef intake shot up and realised a new peak with 7.5 million kg of beef imports from South Africa. This boom follows the agreement between South Africa and China with regards to Inspection, Quarantine and veterinary sanitary protocol that gave South Africa green light for beef exports to China. China continued leading the Asian export market up to 2020. Bahrain and Qatar are the lowest importers of South African beef within Western and Eastern Asia.

Values of beef exports from various Provinces of South Africa are presented in Figure 16 below.

Figure 16: Value of beef exported by Provinces



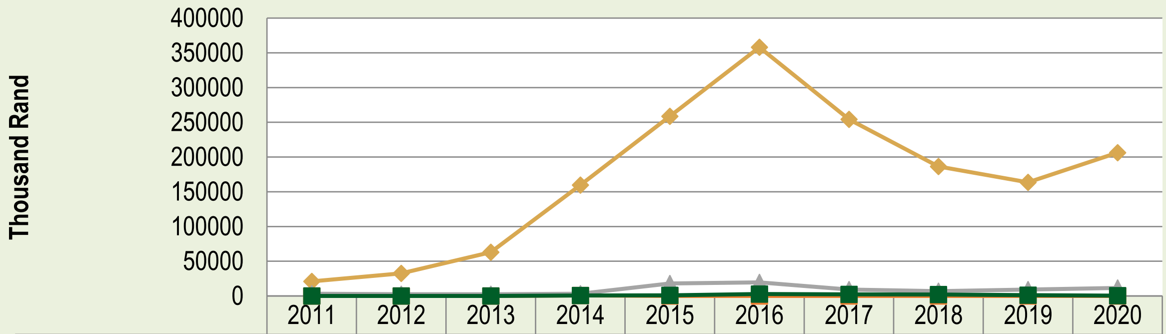
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Western Cape	24324	35197	65529	164567	277712	380350	265800	195329	174257	218368
Eastern Cape	141	27	14066	59992	178827	103248	33363	27978	46925	201378
Northern Cape	672	489	0	0	0	0	0	4	0	343
Free State	31687	66235	79681	75873	57318	86351	122114	91125	146981	207186
KwaZulu-Natal	23466	19772	27156	45386	51238	39821	29795	30782	16208	22590
North West	4407	7916	13038	54996	187831	275784	253819	211502	162232	178744
Gauteng	90620	104233	206455	339766	517647	581740	589515	829708	675930	1225746
Mpumalanga	133345	163758	186131	375375	489925	553832	621285	467281	421733	474321
Limpopo	12	918	259	404	987	2549	1253	756	1392	1367

Source: Quantec EasyData

Figure 16 indicates that exports of beef in South Africa were mainly from Gauteng. Noteworthy is the fact that the province is one of the main exit points for exports in the country. Furthermore, most exporters of beef are located in Gauteng province and the greatest proportion of beef was exported to neighbouring countries. Mpumalanga Province was the second biggest exporter for the period under analysis followed by the Western Cape Province. Eastern Cape and Northern Cape Provinces have recorded irregular exports, which made them to be the lowest exporters during this period. In 2018, Gauteng outstripped Mpumalanga and became the highest exporter of beef with exports share of 45%. The biggest exporters located in Gauteng are the top beneficiaries of Chinese market, which made Gauteng to continue leading the export market.

The following figures (Figures 17 - 24) show the value of beef exports from the various district municipalities in the eight Provinces of South Africa (Northern Cape Province excluded)

Figure 17: Value of beef exports from Western Cape Province

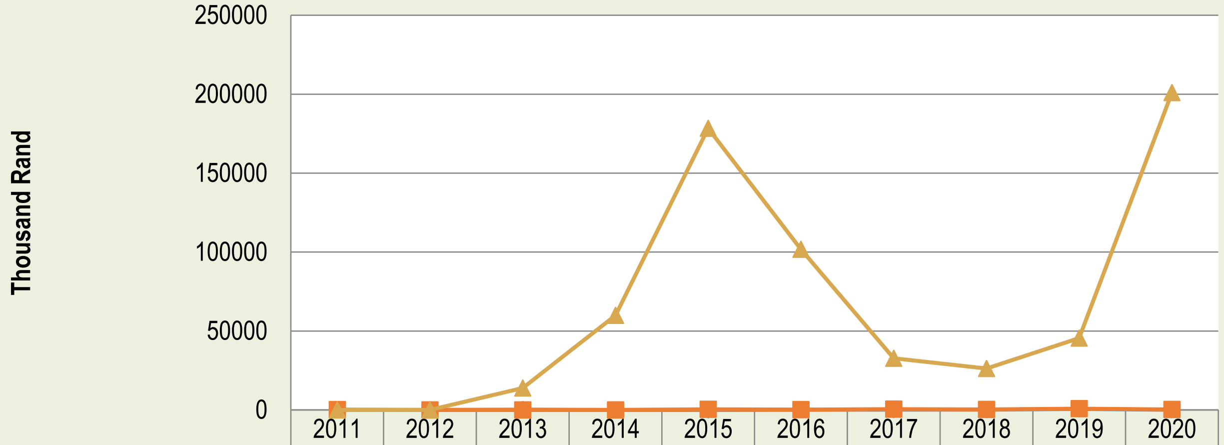


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City of Cape Town	20975	32510	63053	159714	258614	357973	254123	186448	163613	206312
West Coast	0	0	0	788	12	0	0	0	0	2
Cape Winelands	3309	2615	2476	3330	18087	19577	9339	6826	9148	11548
Eden	39	72	0	736	998	2799	2338	2007	1038	507

Source: Quantec EasyData

In the Western Cape Province, exports of beef were recorded largely in the City of Cape Town Metropolitan Municipality. The city recorded highest export values throughout the period under review with the lowest level of approximately R20 million in 2011 and experienced the highest value of R357 million during 2016. This is due to the fact that the City of Cape Town is the main exit point in the province. Cape Winelands were the second leading and regular exporter of beef in the province. Fractional exports were also recorded from West Coast and Eden District Municipalities. City of Cape Town recorded over 80% share of beef exports during the entire period of analysis.

Figure 18: Value of beef exported from Eastern Cape Province

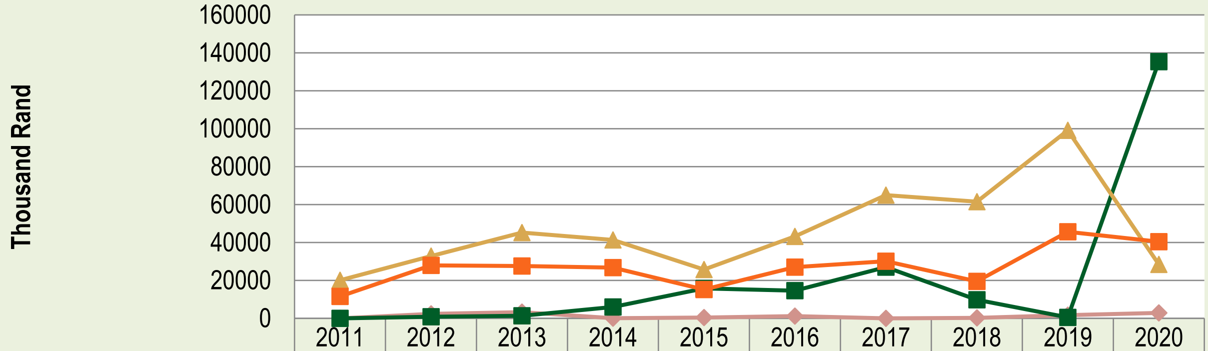


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Alfred Nzo	0	0	190	18	30	53	148	219	639	51
Nelson Mandela Bay	141	27	2	0	371	169	522	330	782	329
Buffalo City	0	0	13874	59922	178403	101785	32691	26201	45503	200994

Source: Quantec EasyData

In the Eastern Cape Province, beef exports were recorded from Buffalo City, Alfred Nzo District Municipalities and Nelson Mandela Bay Metropolitan Municipality. On average, Buffalo City is the highest exporter of beef followed Nelson Mandela Bay then Alfred Nzo District Municipality. Buffalo City increased its exports from 2013 to 2015 following the FMD free status then started declining in 2016 to 2018. In 2020, the municipality increased exports immensely by 341% from 2019. Alfred Nzo recorded minimal exports during period in analysis.

Figure 19: Value of beef exported from Free State Province

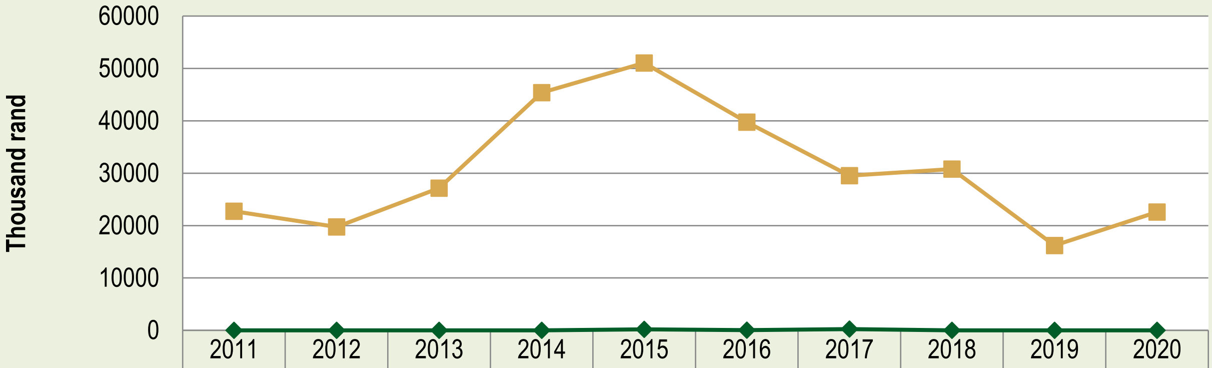


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Xhariep	0	2361	3277	121	483	1192	2	302	1709	2895
Lejweleputswa	2	852	1335	6015	15840	14639	27015	9815	512	135393
Thabo Mofutsanyane	20105	32855	45213	41335	25767	43208	64950	61491	99118	28464
Mangaung	11579	27930	27600	26731	15217	26995	30147	19518	45641	40434

Source: Quantec EasyData

Figure 19 indicates that exports of beef from the Free State province occurred regularly except in Xhariep District Municipality. Thabo Mofutsanyane was leading exporter from 2011 to 2019, then Lejweleputswa took a lead in 2020 with a share of 65%. Thabo Mofutsanyane District has exported beef worth of more than R462 million which accounts for 48% of total share from 2011 to 2020 in the Free State. Mangaung followed with beef exports worth about R271 million and this accounted for 29% of total share. Lejweleputswa District Municipality recorded total of R211 million (22%) and Xhariep District Municipality recorded lowest exports of R12 million (1%).

Figure 20: Value of beef exports from KwaZulu-Natal Province

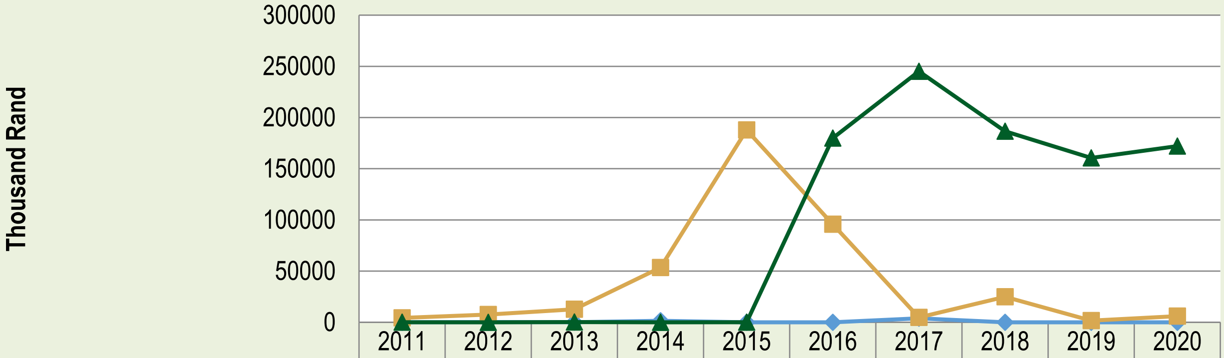


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
iLembe	0	0	0	0	188	25	240	0	0	0
eThekwini	22753	19739	27148	45386	51048	39758	29518	30780	16201	22590

Source: Quantec EasyData

In the KwaZulu–Natal Province, beef exports were mainly from eThekwini Metropolitan Municipality. The municipality reached its peak in 2015 and declined to a new trough in 2019 and a slight increase in 2020. Intermittent and minimal export values were recorded in iLembe District Municipalities during the period under review. eThekwini recorded 100% share of beef exports within the province from 2011 to 2014 and again from 2018 to 2020. On other years, the District Municipality accounted for more than 90% beef exports share.

Figure 21: Value of beef exported from North West Province

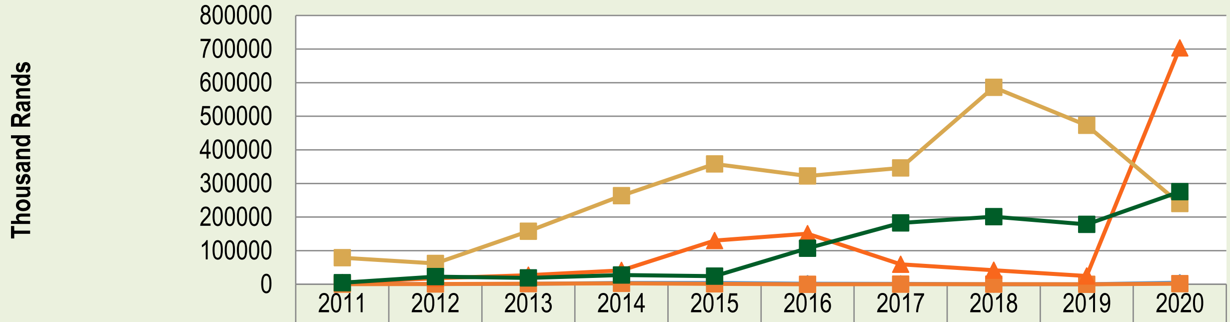


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Bojanala	0	270	20	1546	0	0	3922	0	0	0
Dr Ruth Segomotsi Mompati	4375	7522	12722	53451	187817	95719	4784	24872	1652	5952
Dr Kenneth Kaunda	32	0	288	0	14	179941	245113	186534	160580	172020

Source: Quantec EasyData

In North West Province, beef exports were recorded from three District Municipalities. Dr Ruth Segomotsi Mompati District Municipality has shown regular beef exports from 2011 to 2020, Dr Kenneth Kaunda District Municipality has recorded minimal exports in the first half of the decade whilst Bojanala's record minimal exports throughout the period analysed. Dr Kenneth Kaunda District Municipality shot up exports and reached the new peak of R245 million in 2017. The district municipality exports declined until 2019 and picked up by in 2020 nevertheless, the district was still leading with a share of over 80%.

Figure 22: Value of beef exported from Gauteng Province

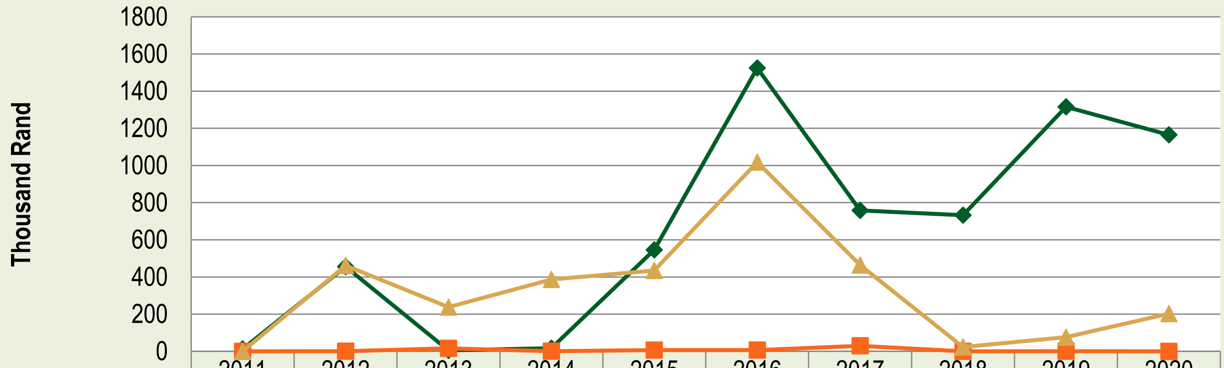


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sedibeng	1835	864	1364	4345	4194	1706	1408	0	0	4834
West Rand	97	760	1560	2798	1301	0	102	98	0	1658
Ekurhuleni	5050	17943	27067	41412	129994	150772	59334	41990	24621	703518
City of Johannesburg	79047	62068	157612	263536	357882	322151	346081	586253	473131	240149
City of Tshwane	4591	22599	18853	27675	24276	107111	182591	201366	178177	275587

Source: Quantec EasyData

Figure 22 shows the value of exports by Gauteng Province for the past ten years. The highest values of beef exported in Gauteng Province were mainly from City of Johannesburg Metropolitan Municipality. Noteworthy is the fact that the biggest abattoir (Karan Beef) in Africa is situated in this Municipality. The City of Johannesburg Metropolitan Municipality commanded the greatest shares for the entire period of analysis. Ekurhuleni, City of Johannesburg and City of Tshwane recorded regular exports of beef while Sedibeng and West Rand recorded intermittent records of beef exports. In 2018, City of Johannesburg Metropolitan Municipality recorded the highest value of R586 million which marks an increase of 69% from the previous year. This was fuelled by high demand of beef in China. The City of Johannesburg beef exports declined its exports until 2020. Ekurhuleni shot up its beef exports and led with a share of 57% in 2020, followed by City of Tshwane District Municipality with an export share of 22%.

Figure 23: Value of beef exported from Limpopo Province

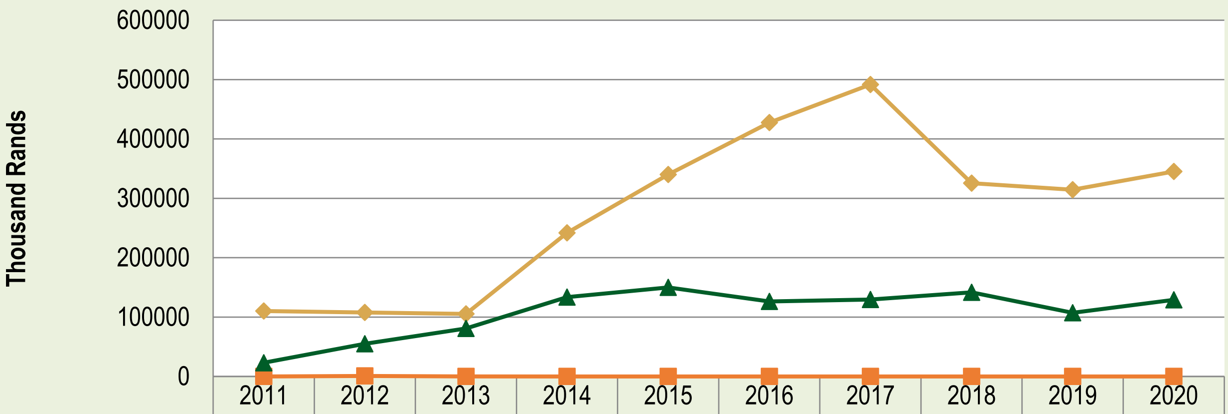


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vhembe	12	456	5	17	546	1524	759	733	1316	1165
Capricorn	0	1	16	0	7	7	30	0	1	0
Waterberg	0	462	238	386	435	1018	464	23	76	203

Source: Quantec EasyData

Figure 23 shows the value of exports by Limpopo Province for the past decade. Vhembe District Municipality was regular exporter of beef in Limpopo Province unlike Capricorn and Waterberg District Municipalities during the period under analysis. The highest export values were recorded from Vhembe in 2016 followed by Waterberg District Municipality. On average Vhembe District Municipality recorded highest exports followed by Waterberg then Capricorn for the past decade.

Figure 24: Value of beef exported from Mpumalanga Province



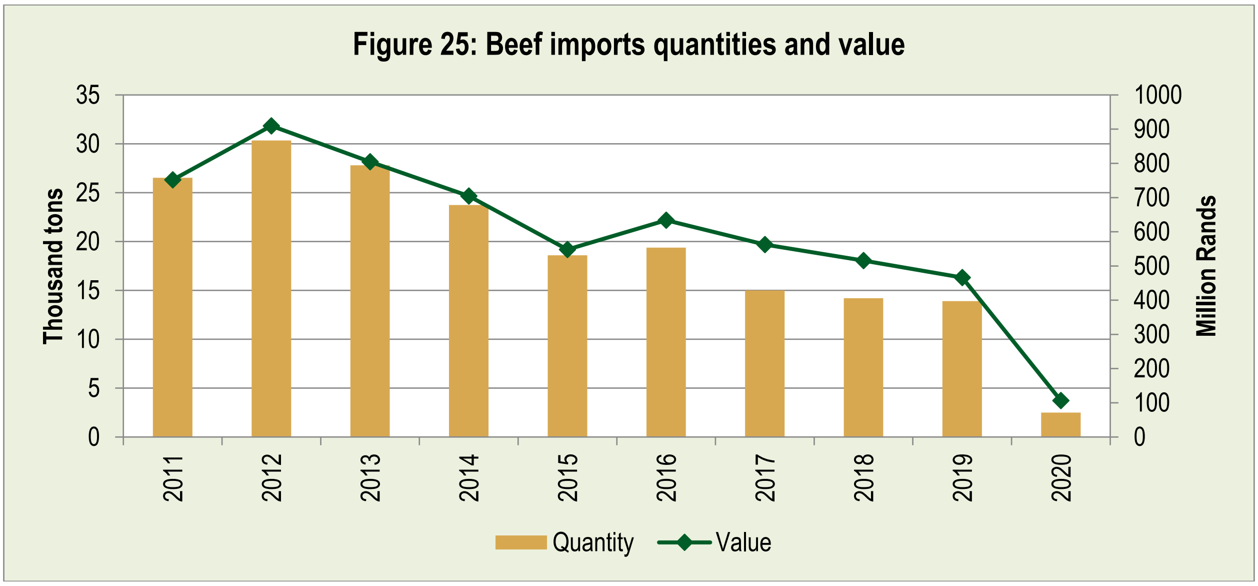
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gert Sibande	110252	107903	105331	241753	339978	427536	491670	325601	314510	345234
Nkangala	0	862	16	0	0	0	0	0	0	0
Ehlanzeni	23093	54993	80785	133621	149947	126297	129615	141680	107223	129086

Source: Quantec EasyData

Figure 24 shows the value of exports by Mpumalanga Province for the past ten years. In Mpumalanga province, Gert Sibande and Ehlanzeni District Municipalities appeared to be main exporters of beef for the past decade. Irregular exports were recorded from Nkangala District Municipality. Gert Sibande commanded the highest export shares during the entire period of analysis. This municipality has shown an immense increase of exports from 2014 to 2017. In 2018, the Gert Sibande's exports declined but still led with an export share of 70% followed by Ehlanzeni with 30%. Both the districts remained lower and a slight increase in 2020.

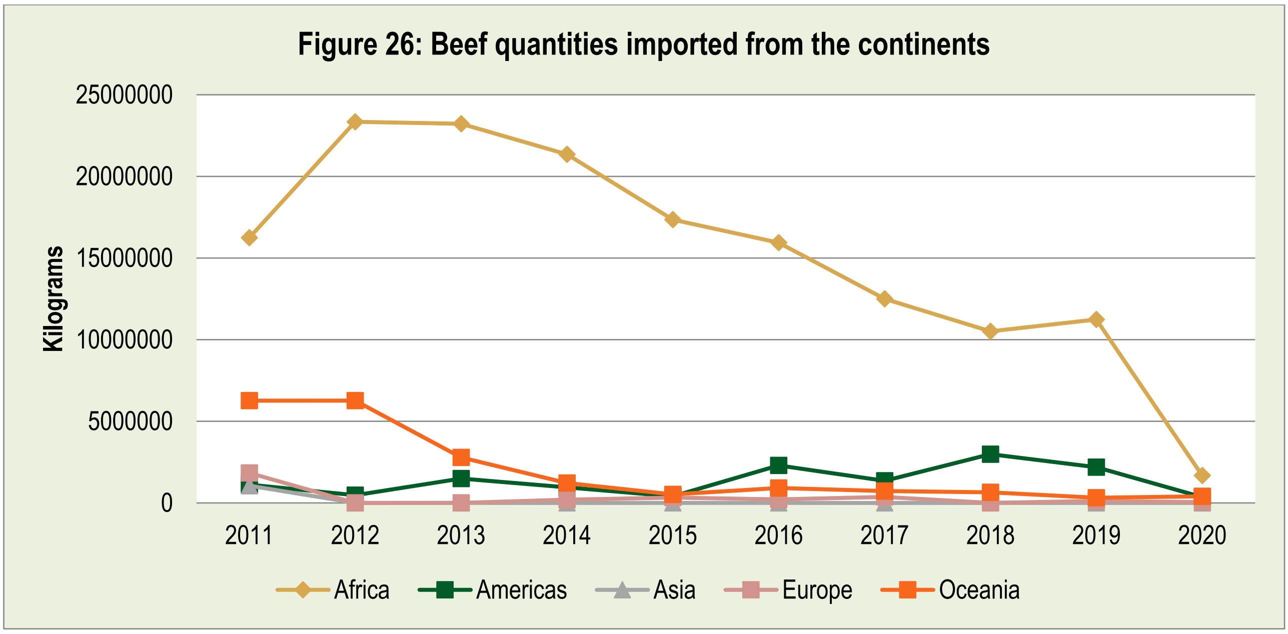
2.2.3. Imports.

The imports of beef comprise of fresh and frozen meat. The chunk of imports is mostly frozen beef which accounted for 80% and above throughout the period analysed. South Africa imported 2 thousand tons of beef worth of R106 million in 2020, thus a decline of 77% in value and 82% in quantity from the previous year. Figure 25 below show the South African imports of beef for the past ten years. South African beef imports have been fluctuating in the past decade. The import values and quantities of beef followed the same trend throughout the previous decade. The highest imports of beef were recorded in 2012, since then the beef imports were declining throughout except in 2016. In 2016, imports increased due to the drought experienced in 2015/16. From 2012 to 2019, there was a tremendous decline of 54% that was attributed to declining consumption of beef in South Africa. The 2020 beef imports recorded the lowest due to the decline from top suppliers, Namibia and Botswana (See figure 27).



Source: Quantec EasyData

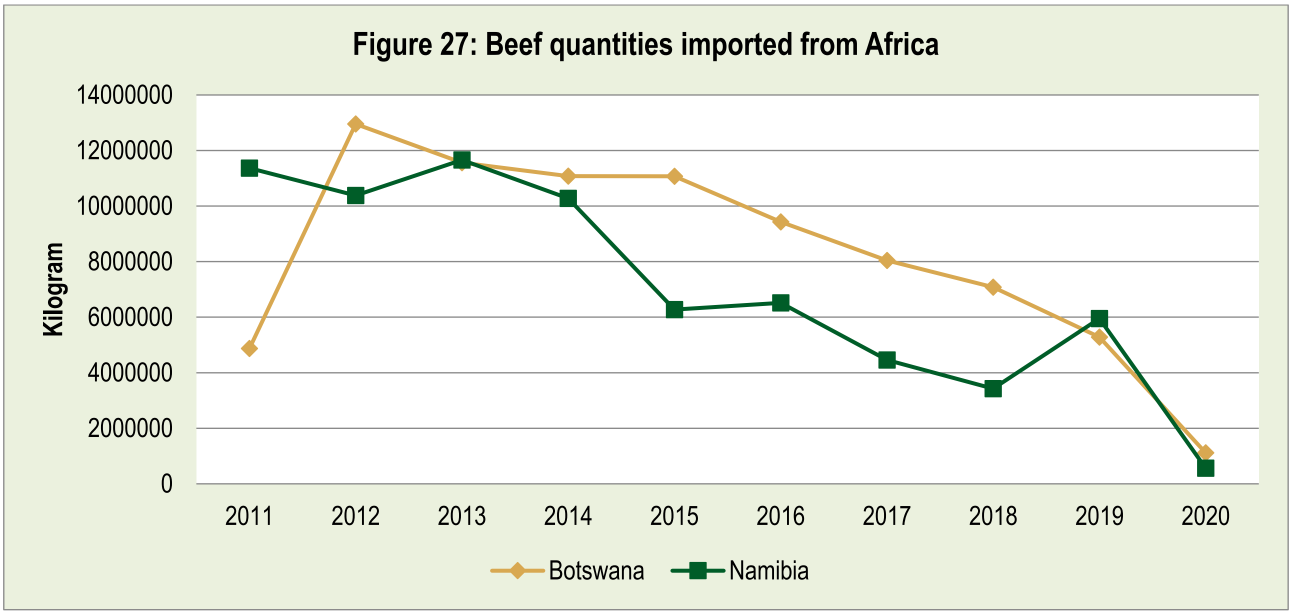
Figure 26 below indicates the source of beef imports according to continents for the past ten years.



Source: Quantec EasyData

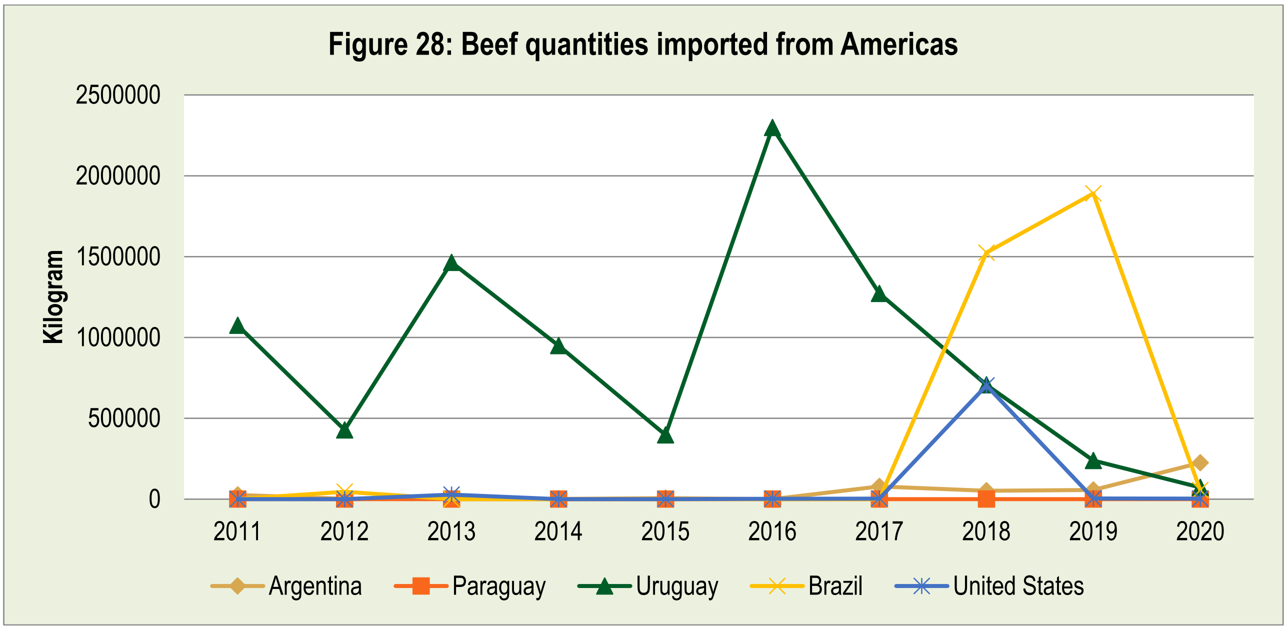
According to Figure 26 above, Africa continent has been a leading supplier of beef to South Africa. Followed at a distance by Oceania and Americas. In 2016, USA attained access to South African beef market following the trade agreement in African Growth and Opportunity Act (AGOA) negotiations, hence the imports increased in Americas continent. In total of beef imported from continents, Africa is leading with 153 million Kg (80%), followed at a distance by Oceania with 20 million Kg (10%) and Americas 13 million Kg (7%). Europe and Asia are the smallest suppliers with 3 million Kg and 1 million Kg respectively.

The following Figures 27 to 29 indicate the origins of beef in Africa, America and Oceania in the past ten years.



Source: Quantec EasyData

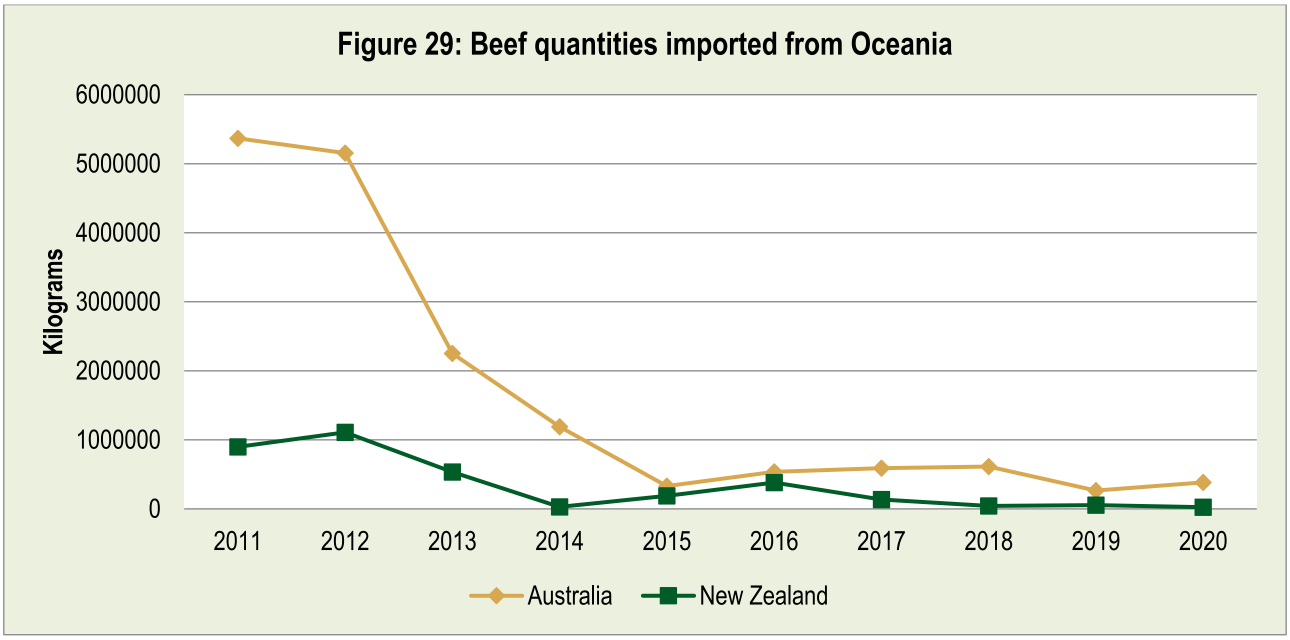
The beef imports from Africa continent to South Africa are mainly from Botswana and Namibia. Figure 27 above clearly indicate that the imports from both countries are moving at a declining trend especially from 2013. From 2011, beef imports from Namibia were fluctuating between 10 and 12 million kilograms until 2014. South Africa have imposed high standards to Namibia in 2014 hence the huge decrease of imports in 2015. The beef imports from Namibia further declined until 2020, except 2019. Beef from Botswana have shown an immense increase in 2012 then started declining until 2020. During the increase in 2012, Botswana became the highest source of beef imports and took a lead again from 2014 to 2018. Namibia increased its imports by 74% in 2019 and took a lead. Both countries have shown a tremendous decrease of beef imports in 2020, beef import market was lost to livestock sales market in South Africa (feedlots) were high number of live cattle for beef production were sold in 2019. The South African feedlots market price attracted the live cattle farmers in Botswana and Namibia, which lowered their local slaughtering for beef market in 2020.



Source: Quantec EasyData

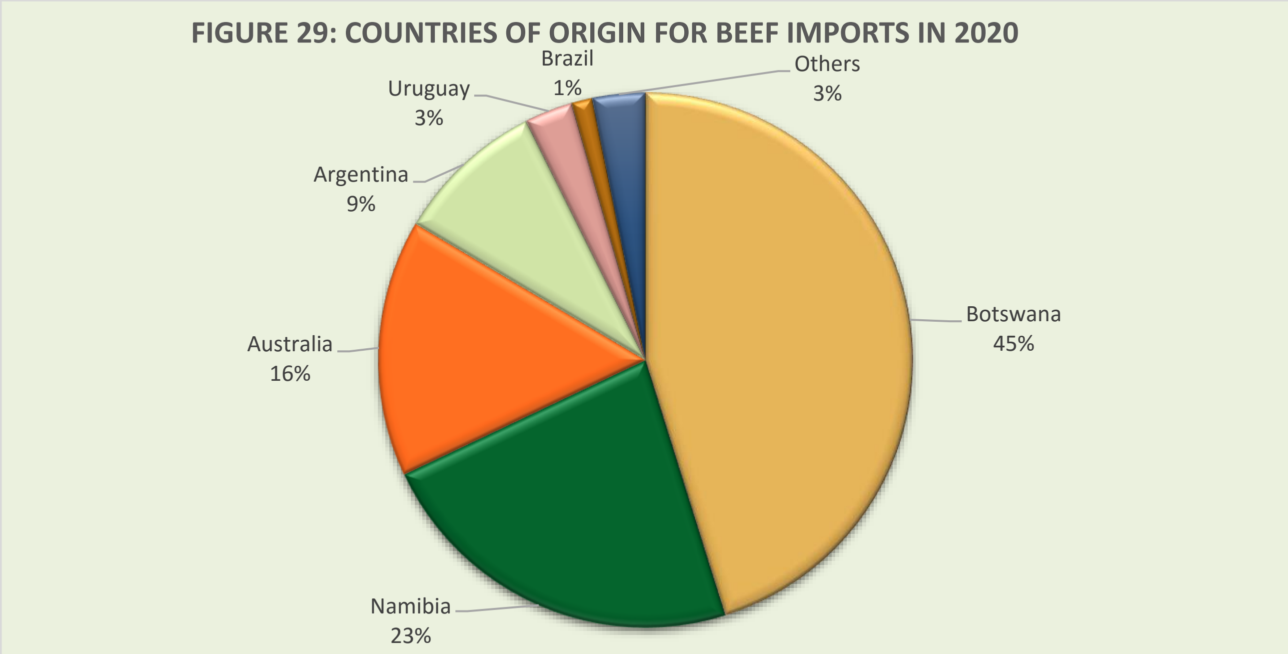
Figure 28 shows the beef quantities imported from Americas in the past decade. Uruguay was the leading import market of beef within Americas from 2011 to 2017 and lost to Brazil in 2018 and 2019. Brazil beef exports to South Africa have significantly dropped by 97% in 2020, this could be due to increased Brazilian beef market in China. For the period under analysis, Uruguay have commanded 65% share of South African market, followed by Brazil with 26%, USA, Argentina and Paraguay shared the remaining 9%.

Figure 29 below presents beef quantities imported from Oceania in the past ten years.



Source: Quantec EasyData

The South African imports from Oceania continent were mainly coming from Australia and New Zealand. Australia is known to be one of the top producers of beef in the world; the country has been the main import market of beef for South Africa during the period under analysis within Oceania. The Oceania continent highest beef exports was attained during 2011 with Australia accounting for 86% share. New Zealand demanded second and lowest share of South African beef market for the period under analysis.



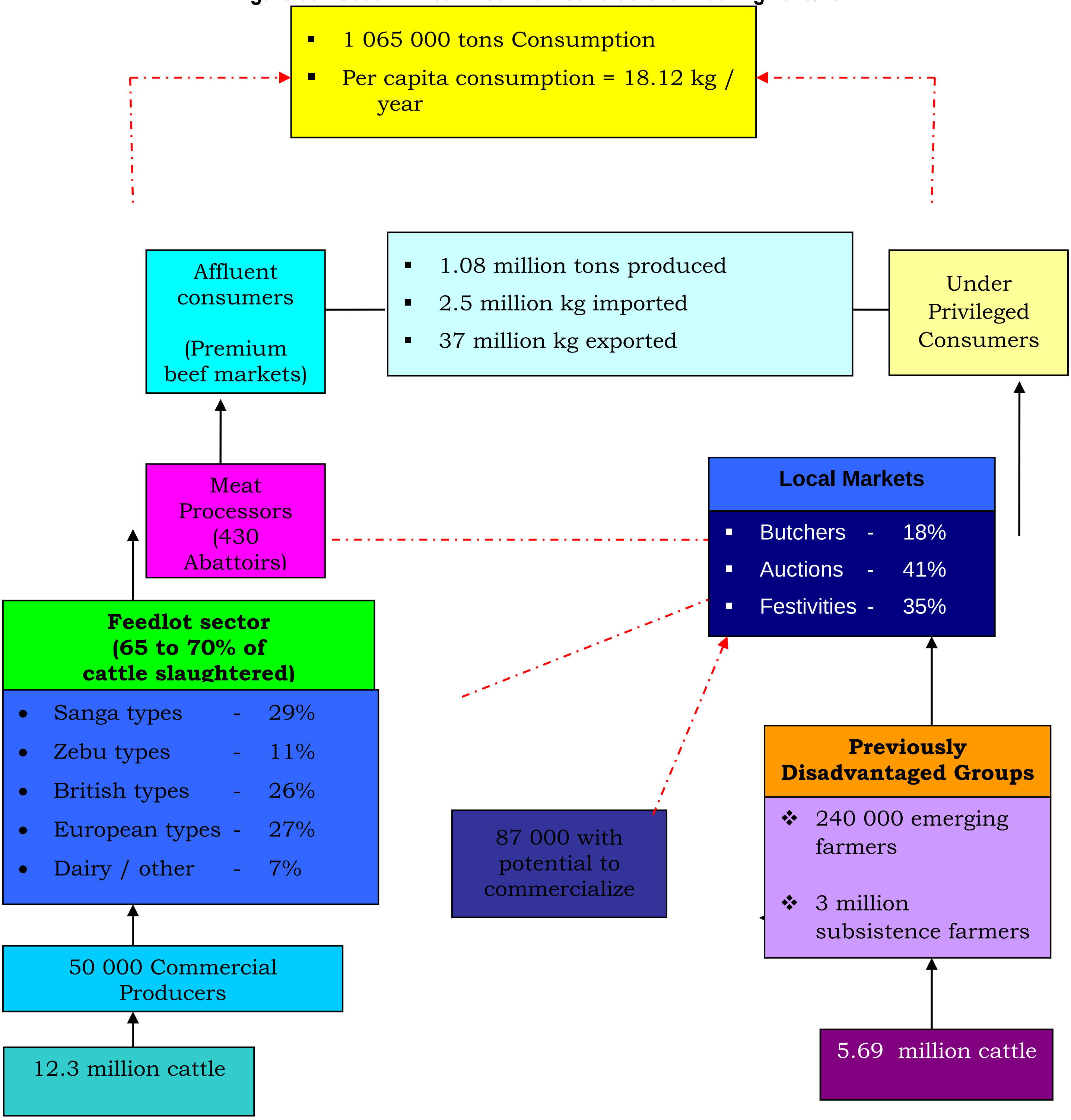
Source: Trade map

Figure 29 above shows the top suppliers of beef to South Africa during 2020. It is evident that South Africa obtains most of its beef from Namibia and Botswana, which are SACU members. Botswana accounted for 43% share of South Africa's import market of beef followed by Namibia with a share of 23% and Australia (13%). Argentina, Uruguay and Brazil which are Southern America's countries accounted for 9%, 3% and 1% share respectively. The other countries together shared the remaining 3%.

3. BEEF MARKET VALUE CHAIN

Beef market value chain is illustrated on Figure 30.

Figure 30: South African Beef Market Value Chain during 2019/20



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

It is estimated that there are approximately 22 000 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 12.3 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 those that 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 produced just above 1 million tons of meat and imported around 2.5 million kilograms while exporting 37 million kilograms. Per capita consumption is around 18.12 kg and number of consumers is around 60 million.

Table 1 below shows the industry role players.

Table 1: 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

No.	Name	Description	Contact Details
10	**DOORNBULT VOERKRALE (Pty) Ltd**	Feedlot	P O Box 13, Ladanna, 0704 T : (015) 293 2575 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

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

No.	Name	Description	Contact Details
			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 delivery to the Witbank Abattoir. It has 22 000 cattle standing at any given time.	P O Box 201, Bethal, 2310 T (013) 291 5600 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

No.	Name	Description	Contact Details
			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 BOERDERY**	Feedlot	PO Box 387,Pietersburg,0700 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: South African Feedlot Association.

4. MARKET INTELLIGENCE.

4.1. Export tariffs.

Tariffs that different importing countries applied to beef originating from South Africa in 2019 and 2020 are shown in Tables 2 and 3.

Table 2: Export tariffs of beef (fresh or chilled)

Country	Product Code	Trade Regime Description	2019		2020	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
United Arab Emirates, Kuwait and Jordan	02011000; 02012000 & 02013000	MFN duties Applied	0%	0%	0%	0%
Mozambique	02011000; 02012000 & 02013000	Preferential tariff for SADC countries	0%	0%	0%	0%
Eswatini and Lesotho	02011000; 02012000 & 02013000	Intra SACU rate	0%	0%	0%	0%
Mauritius	02011000; 02012000 02013000	MFN duties Applied	0%	0%	0%	0%

Source: Market Access Map

Table 2 indicates that during 2019 and 2020, United Arab Emirates (UAE), Kuwait and Jordan applied Most Favourable Nations (MFN) duties of 0% exports of fresh or chilled beef. During the same period, Mozambique applied preferential tariff for SADC countries of 0%. Eswatini and Lesotho applied a 0% Intra SACU rate to beef originating from South Africa during 2019 and 2020. Mauritius also applied MFN duties of 0% in the same period.

Table 3: Export tariffs of frozen beef

Country	Product Code	Trade Regime Description	2019		2020	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
China	02021000; 02022000 & 02023000	MFN duties Applied	0%	0%	0%	0%
Kuwait and United Arab Emirates	0202100000; 0202200000 & 0202300000	MFN duties Applied	0%	0%	0%	0%

Country	Product Code	Trade Regime Description	2019		2020	
			Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)	Applied Tariffs	Total Ad valorem Equivalent Tariff (estimated)
Lesotho	02021000 02022000 02023010 02023090	Intra SACU rate	0%	0%	0%	0%
Mozambique	02021000; 02022000 & 02023000	Preferential tariff for South Africa	0%	0%	0%	0%

Source: Market Access Map

Table 3 above shows that China applied the MFN duties rate of 0% on frozen beef to South Africa in 2019 and 2020. In the same period, Kuwait and UAE also applied MNF duties of 0%. Mozambique charged South Africa a preferential tariff rate of 0% in 2019 and 2020. Lesotho trade free of duty with South Africa through Intra SACU rate of 0%. Most of the tariffs applied to South African frozen beef remained the same during the periods 2019 and 2020.

4.2. Import tariffs

Tables 4 below shows the import tariffs that South Africa applied to imports of beef originating from all possible countries in 2020.

			Rate of Duty				
	Article Description	Statistical unit	General	EU	EFTA	SADC	MERCOSUR
02.01	**Meat of bovine animals, fresh or chilled:**						
0201.10	Carcasses and half-carcasses	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg
0201.20	**Other cuts with bone in:**						
0201.20.10	Wagyu beef	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg
0201.20.90	Other	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg
0201.30	**Boneless**						
0201.30.10	Wagyu beef	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg
0201.30.90	Other	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg
0202	**Meat of bovine animals, frozen:**						

			Rate of Duty				
	Article Description	**Statistical unit**	**General**	**EU**	**EFTA**	**SADC**	**MERCOSUR**
0202.10	Carcasses and half-carcasses	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg
0202.20	**Other cuts with bone in:**						
0202.20.10	Wagyu beef	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg
0202.20.90	Other	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg
0202.30	**Boneless**						
0202.30.10	Wagyu beef	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg
0202.30.90	Other	Kg	40% or 240c/kg	40% or 240c/kg	40% or 240c/kg	free	40% or 240c/kg

Source: SARS

Table 5 above indicate the tariff duties applied by South Africa to trade agreement members of EU, EFTA, SADC, MERCOSUR and General members on sub products of beef, fresh, chilled or frozen. South Africa applied tariff of 40% or 240c/Kg to trade agreements (EU, EFTA, MERCOSUR and General member of WTO) and duty free for SADC members. The total annual quota allocated for fresh/chilled and frozen beef was 26 254 tons. The rebate allocated differs on various beef portions. The carcasses and half carcasses (0201.10 and 0202.10) was allocated a rebate of 13.8%, other cuts with bone in (0201.20 and 0202.20) was also 13.8% and boneless (0201.30 and 0202.30) was 32%.

5. PERFORMANCE OF SOUTH AFRICAN BEEF INDUSTRY IN 2020.

5.1. Exports.

Table 6: List of importing markets for Beef (fresh or chilled) exported by South Africa in 2020

South Africa's export represents **0.15%** of world export for the Beef (fresh or chilled); its ranking in world exports is **25**.

Importers	Indicators														
	Value exported in 2020 (USD thousand)	Trade balance 2020 (USD thousand)	Share in South Africa's exports (%)	Quantity exported in 2020	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2016-2020 (%, p.a.)	Growth in exported quantity between 2016-2020 (%, p.a.)	Growth in exported value between 2019-2020 (%, p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total imports growth in value of partner countries between 2016-2020 (%, p.a.)	Average distance between partner countries and all their supplying markets (km)	Concentration of all supplying countries of partner countries	Average tariff (estimated) faced by South Africa (%)
World	80352	79830	100	16587	Tons	4844	-1	-8	22		100	3			
Kuwait	22182	22182	27.6	3883	Tons	5713	11	6	33	28	0.7	15	5968	0.22	0
Jordan	21324	21324	26.5	4042	Tons	5276	6	1	90	34	0.4	7	9694	0.27	7.6
United Arab Emirates	10661	10661	13.3	1911	Tons	5579	-12	-19	-10	18	1.4	4	7408	0.2	0
Mozambique	7348	7348	9.1	1995	Tons	3683	1	-9	11	78	0.03	0	912	0.94	0
Qatar	6627	6627	8.2	944	Tons	7020	57	39	34	39	0.3	9	8730	0.18	0
Eswatini	3154	3154	3.9	931	Tons	3388	-19	-23	-42	93	0.01	-19	428	1	0
Egypt	2241	2241	2.8	310	Tons	7229	11	7	134	61	0.08	57	9169	0.68	0
Mauritius	1619	1619	2	312	Tons	5189	-18	-19	214	83	0.02	-10	6535	0.52	0
Norway	1229	1229	1.5	448	Tons	2743	199	58	-9	36	0.3	-11	4620	0.32	225.3
Lesotho	1171	1171	1.5	1149	Tons	1019	-28	-15	68	109	0	-37	369	1	0
Bahrain	950	950	1.2	124	Tons	7661	7	2	-18	50	0.1	4	5572	0.37	0
Namibia	310	200	0.4	123	Tons	2520	-47	-43	-21	121	0	-41	5212	0.39	0

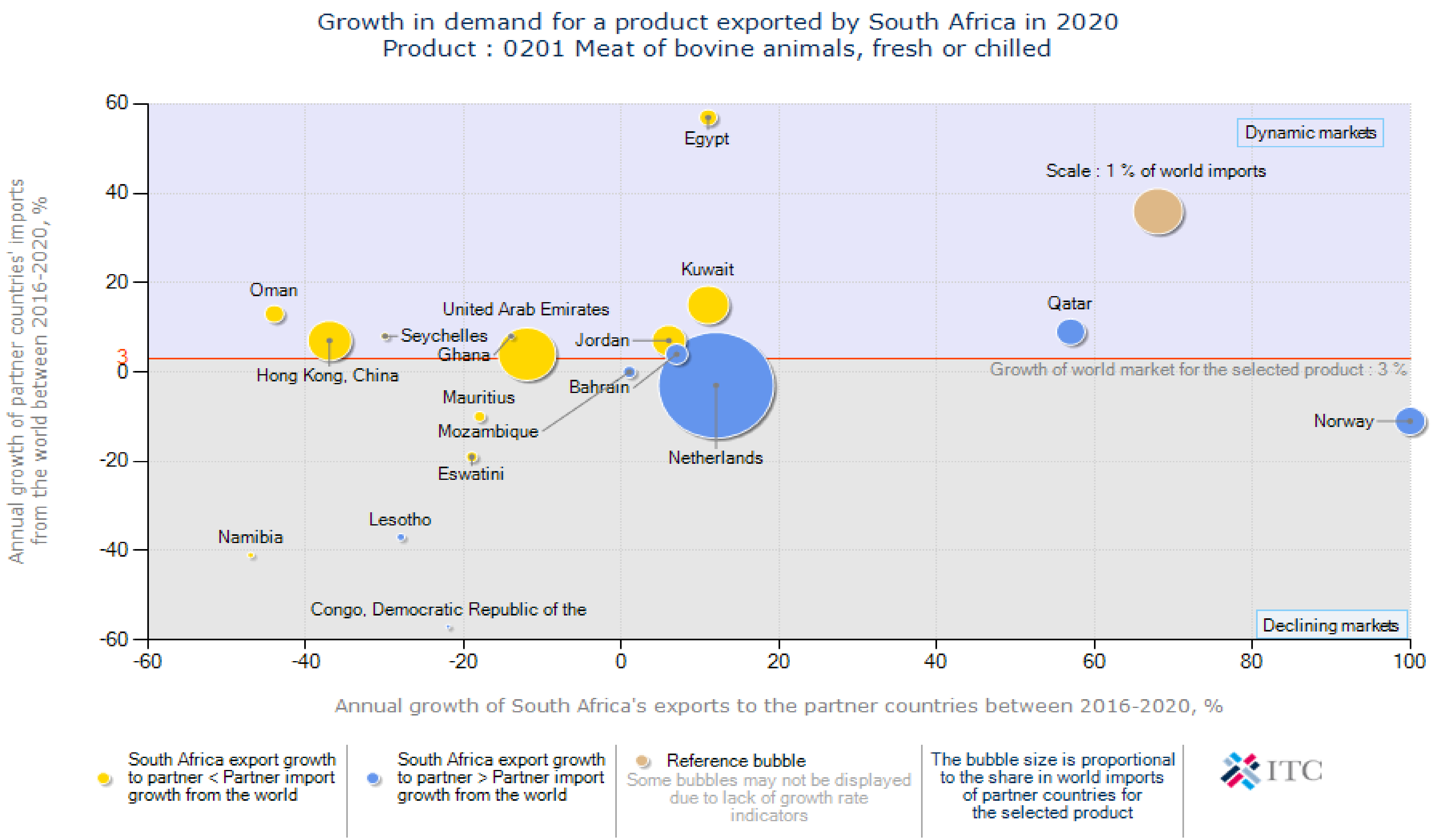
Source: ITC calculations based on COMTRADE statistics.

Table 6 shows that during 2020 South Africa exported a total of 16 587 tons of beef (fresh or chilled) at an average value of US$ 4 844/unit. The major export destinations for beef (fresh or chilled) originating from South Africa during 2020 were Kuwait, Jordan, United Arab Emirates (UAE) and Mozambique. These countries accounted for 27.6%, 26.5%, 13.3% and 9.1% respectively.

On average, during the period 2016 and 2020 South Africa's exports for beef (fresh or chilled) decreased by 1% in value and decreased by 8% in quantity. At the same period, Kuwait experienced an increase of 11% in value and 6% in quantity and Jordan increased by 6% in value and 1% in quantity

South Africa's exports for beef (fresh or chilled) to the world increased by 22% during the period between 2019 and 2020. At the same period, Kuwait and Jordan increased by 33% and 90% respectively.

Figure 31: Growth in demand for fresh beef exported from South Africa in 2020



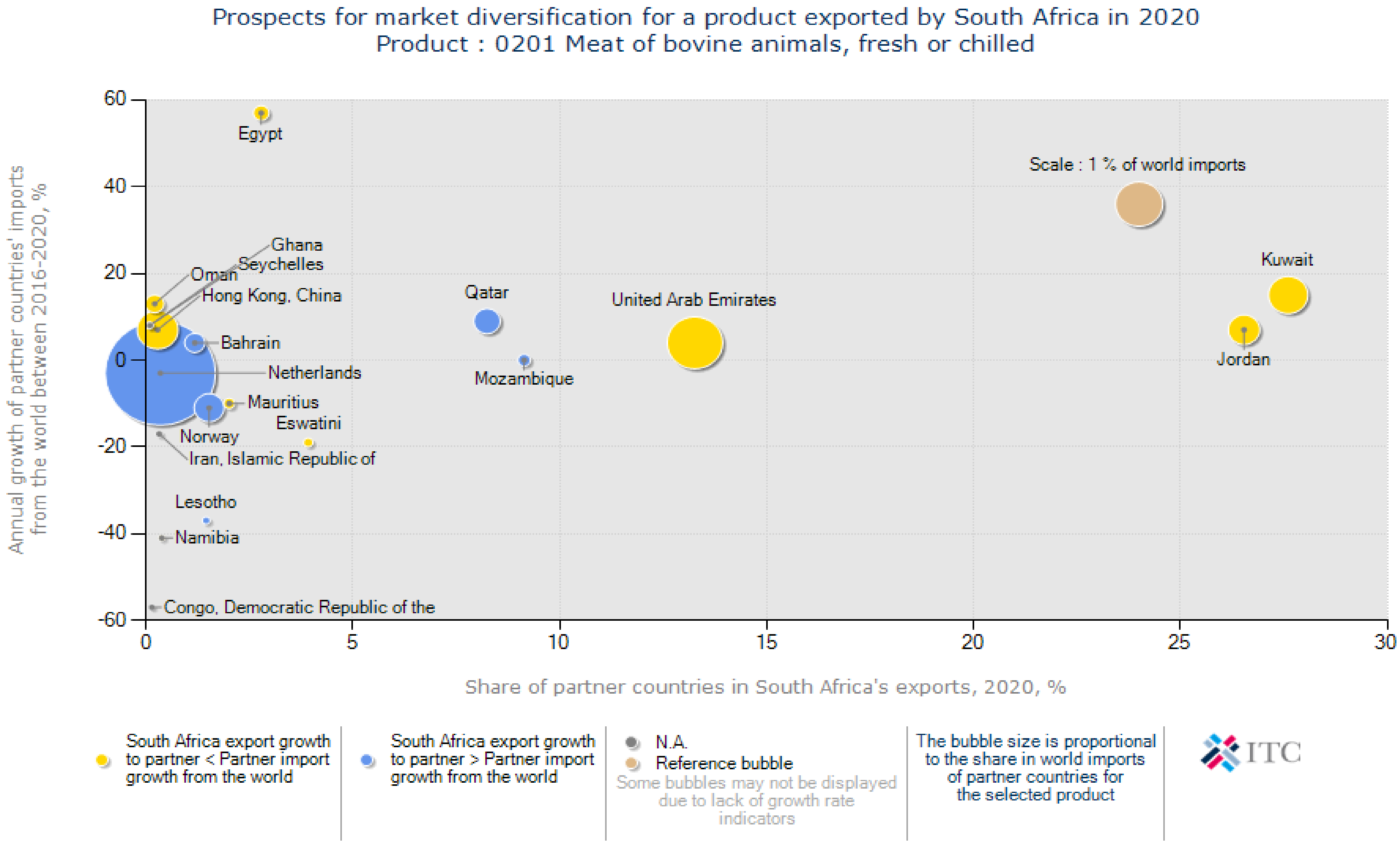
Source: Trademap, ITC

Figure 31 illustrates that between 2016 and 2020, South Africa's beef (fresh or chilled) exports to UAE, Jordan, Kuwait, China, HK, Eswatini, Oman and Mauritius were growing at a rate that is less than their import growth from the rest of the world.

South Africa's beef (fresh or chilled) exports to Netherlands, Qatar, Bahrain, Mozambique and Norway were growing at a rate that is greater than their imports from the rest of the world during the periods 2016 and 2020. Norway is the biggest South African export market for fresh/chilled beef with annual exports growth of 199%.

The most growing demand of market for fresh or chilled beef is in Egypt with an annual import growth of 57% respectively.

Figure 32: Prospects for market diversification for fresh beef exported by South Africa in 2020



Source: Trademap, ITC

Figure 32 above indicates that South Africa’s fresh or chilled beef has been mainly exported to Kuwait, Jordan and UAE with a share of 27.6%, 26.5% and 13.2% of South Africa’s beef exports during 2020 respectively. If South Africa wishes to diversify its exports of fresh or chilled beef exports, the biggest market exists in Netherlands with the world import share of 6.19%. Potential market exists in Egypt with annual import growth of 57% per annum. Currently South Africa’s export of beef to Egypt is less than their imports from the world. South Africa may consider increasing the exports in this market.

Table 7: List of importing markets for the Beef (frozen) exported by South Africa in 2020.

South Africa's export represents **0.3%** of world export for frozen beef; its ranking in world exports is **26**.

Importers	Indicators													
	Value exported in 2020 (USD thousand)	Trade balance 2020 (USD thousand)	Share in South Africa's exports (%)	Quantity exported in 2020	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2016-2020 (%, p.a.)	Growth in exported quantity between 2016-2020 (%, p.a.)	Growth in exported value between 2019-2020 (%, p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total imports growth in value of partner countries between 2016-2020 (%, p.a.)	Average distance between partner countries and all their supplying markets (km)	Concentration of all supplying countries of partner countries	Average tariff (estimated) faced by South Africa (%)
World	74351	68376	100	19986	Tons	3720	2	1	50		100	12			
China	45418	45418	61.1	12205	Tons	3721	398	652	99	1	35.7	45	15718	0.26	12.2
Kuwait	5097	5097	6.9	1155	Tons	4413	-1	2	243	29	0.3	1	8695	0.19	5
Mozambique	3884	3884	5.2	917	Tons	4236	-3	-7	-18	117	0.01	-6	1471	0.75	0
United Arab Emirates	3601	3601	4.8	766	Tons	4701	24	15	62	17	1	23	8855	0.31	5
Lesotho	2830	2830	3.8	1583	Tons	1788	2	-3	16	119	0.01	4	369	1	0
Egypt	2715	2715	3.7	633	Tons	4289	0	2	-18	6	4.5	5	7882	0.47	0
Hong Kong, China	2286	2286	3.1	653	Tons	3501	-41	-42	219	4	6.1	0	13983	0.32	0
Jordan	1816	1816	2.4	366	Tons	4962	61	58	7	32	0.2	-1	7314	0.32	9.6
Angola	1231	1231	1.7	247	Tons	4984	-35	-35	-15	58	0.09	-19	6517	0.26	10
Ethiopia	1104	1104	1.5	243	Tons	4543	117	154	-33	206	0	27	3525	0.5	30
Mauritius	895	895	1.2	190	Tons	4711	-30	-27	55	79	0.05	1	5994	0.45	0
Eswatini	550	550	0.7	247	Tons	2227	-1	-4	-31	159	0	4	2139	0.37	0
Seychelles	546	546	0.7	95	Tons	5747	-3	-5	-33	106	0.02	1	7205	0.12	0

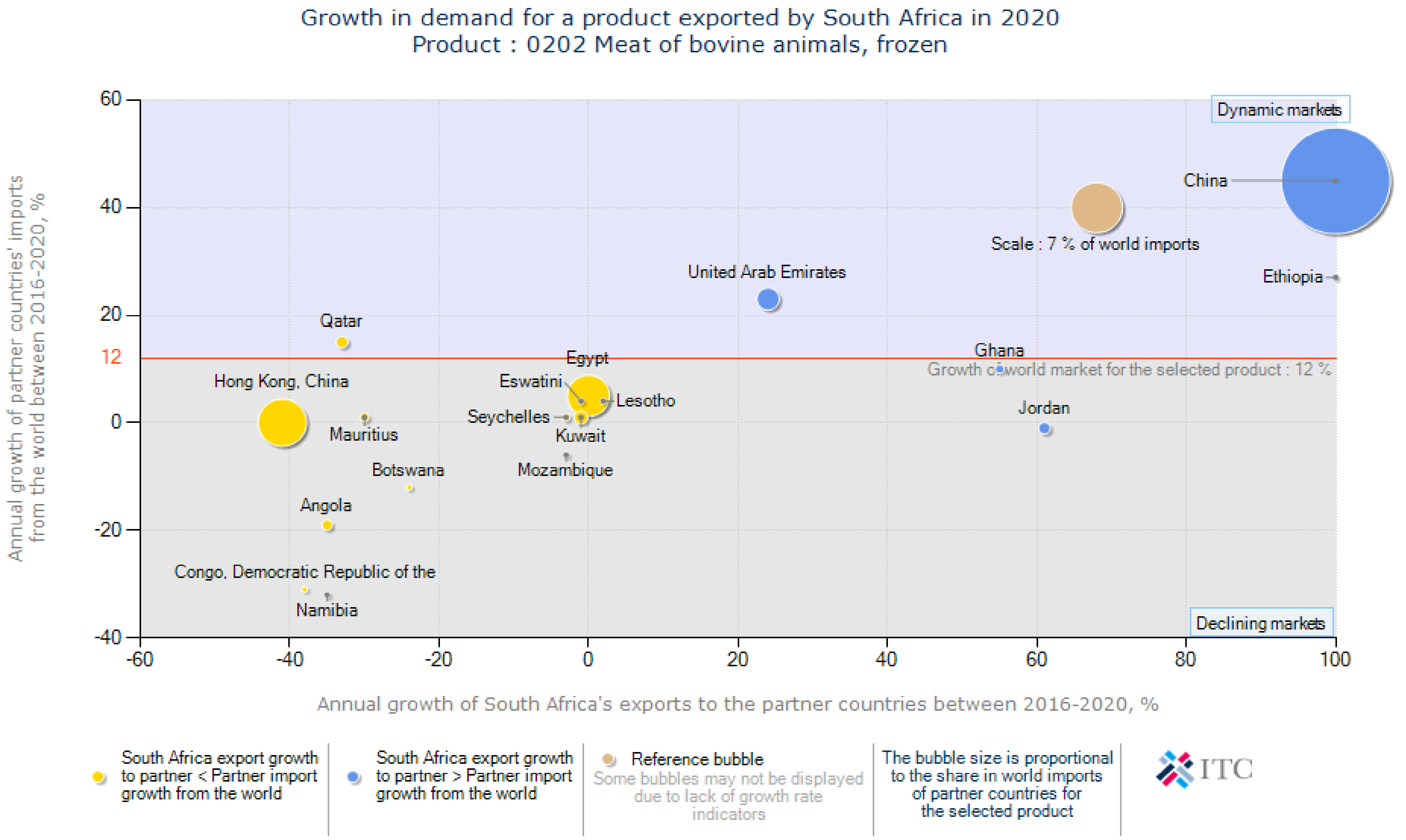
Source: ITC calculations based on COMTRADE statistics.

Table 7 shows that during 2020 South Africa exported a total of 19 986 tons of frozen beef at an average value of US$ 3 720/unit. The major export destinations for frozen beef originating from South Africa during 2020 were China, Kuwait and Mozambique. These countries accounted for 61.1%, 6.9% and 5.2% respectively.

Exports of frozen beef exported by South Africa to the world during the periods 2016 and 2020 experienced an increase of 2% in value and 1% in quantity. During the same periods exports to China increased by 398% in value and 652% in quantity while Kuwait decreased by 1% in value and increased by 2% in quantity.

South Africa's exports of frozen beef to the world between the period 2019 and 2020 increased by 50% in value. At the same period, China increased by 99% and Kuwait increased by 243% during the same periods.

Figure 33: Growth in demand for frozen beef exported from South Africa in 2020

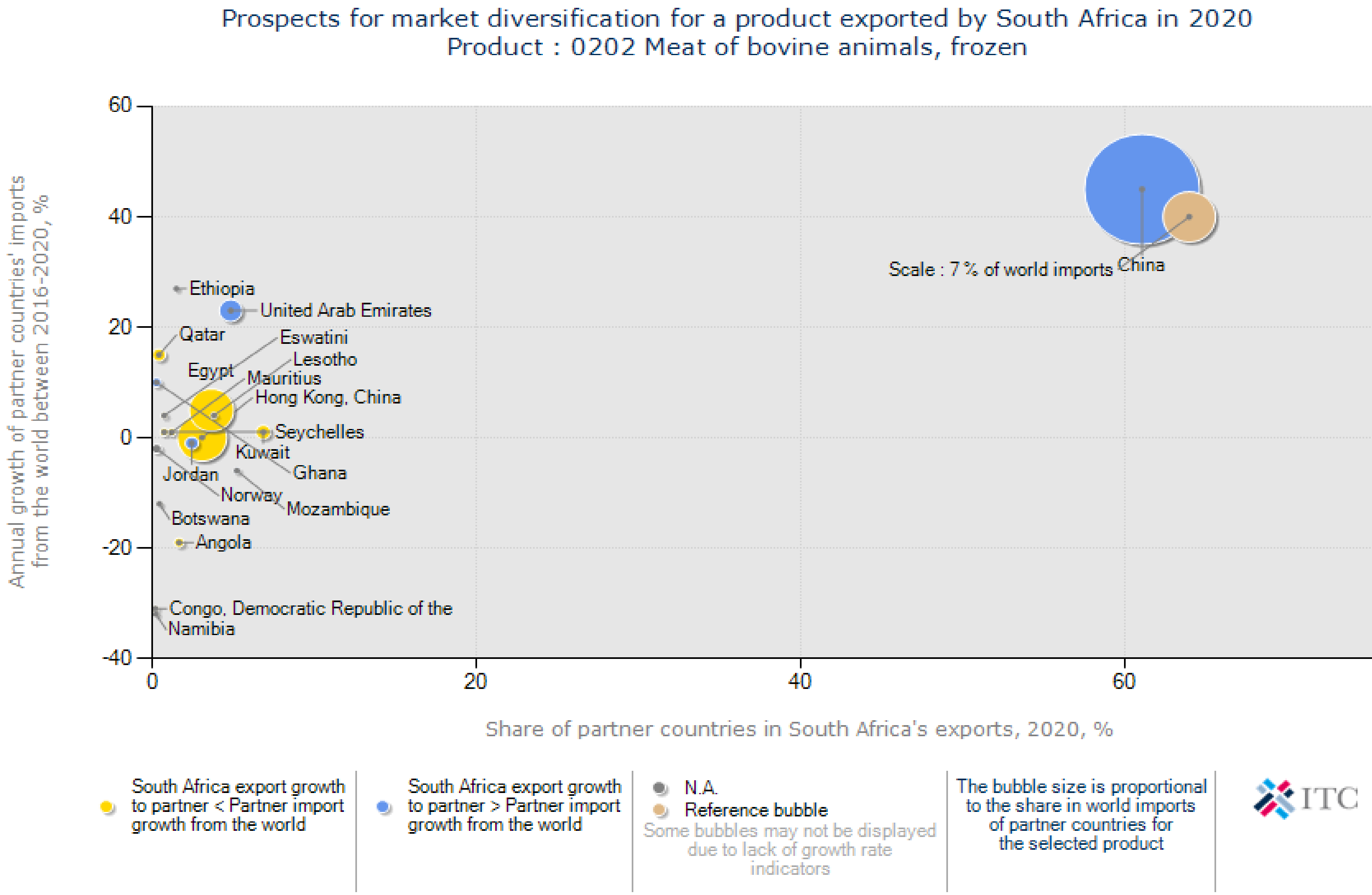


Source: Trademap, ITC

Figure 33 illustrates that between 2016 and 2020 South Africa's frozen beef exports to Hong Kong, China, Kuwait, Qatar and Angola were growing at a rate that is less than its import growth from the world. During the same period, South Africa's frozen beef exports to China, UAE, Jordan and Ghana were growing at a rate that is greater than their imports from the rest of the world.

Angola represent a loss in a declining market while Ethiopia represent gain in Dynamic markets. China experienced the highest growing demand of South African frozen beef with an annual growth of 61% and share in world imports 35.7%.

Figure 34: Prospects for market diversification for frozen beef exported by South Africa in 2020



Source: Trademap, ITC

Figure 34 above shows the prospects for market diversification for beef (frozen) exports by South Africa in 2020. South African's frozen beef was mostly exported to China, which commanded South Africa's beef exports share of 61%. If South Africa is to diversify its frozen beef exports, the most attractive market exists in Ethiopia, which experienced an annual import growth of 27%.

5.2. Imports.

Table 8: List of supplying markets for the beef (fresh or chilled) imported by South Africa in 2020.

South Africa represents **0%** of world imports for beef (fresh or chilled); its ranking in world imports is **117**.

Exporters	Indicators														
	Value imported in 2020 (USD thousand)	Trade balance 2020 (USD thousand)	Share in South Africa's imports (%)	Quantity imported in 2020	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2016-2020 (%, p.a.)	Growth in imported quantity between 2016-2020 (%, p.a.)	Growth in imported value between 2019-2020 (%, p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)	Total exports growth in value of partner countries between 2016-2020 (%, p.a.)	Average distance between partner countries and all their importing markets (km)	Concentration of all importing countries of partner countries	Average tariff (estimated) applied by South Africa (%)
World	522	79830	100	188	Tons	2777	-39	-40	-30		100	3			
Botswana	308	-302	59	150	Tons	2053	-18	-13	94	51	0.02	-38	7060	0.33	0
Namibia	110	200	21.1	34	Tons	3235	-54	-56	-79	46	0.03	-21	8134	0.4	0
Australia	68	-68	13	1	Tons	68000			498	2	11.7	6	9919	0.19	40
United States of America	35	-35	6.7	1	Tons	35000			-22	1	15.2	6	7622	0.19	40
Kuwait		22182								61	0	92	429	1	40
Jordan		21324								65	0	27	1305	0.71	40
United Arab Emirates		10661								47	0.03	37	678	0.63	40
Mozambique		7348								82	0	38	6121	0.84	0
Qatar		6627								78	0		2286	0.5	40
Eswatini		3154								60	0		8651	0.78	0

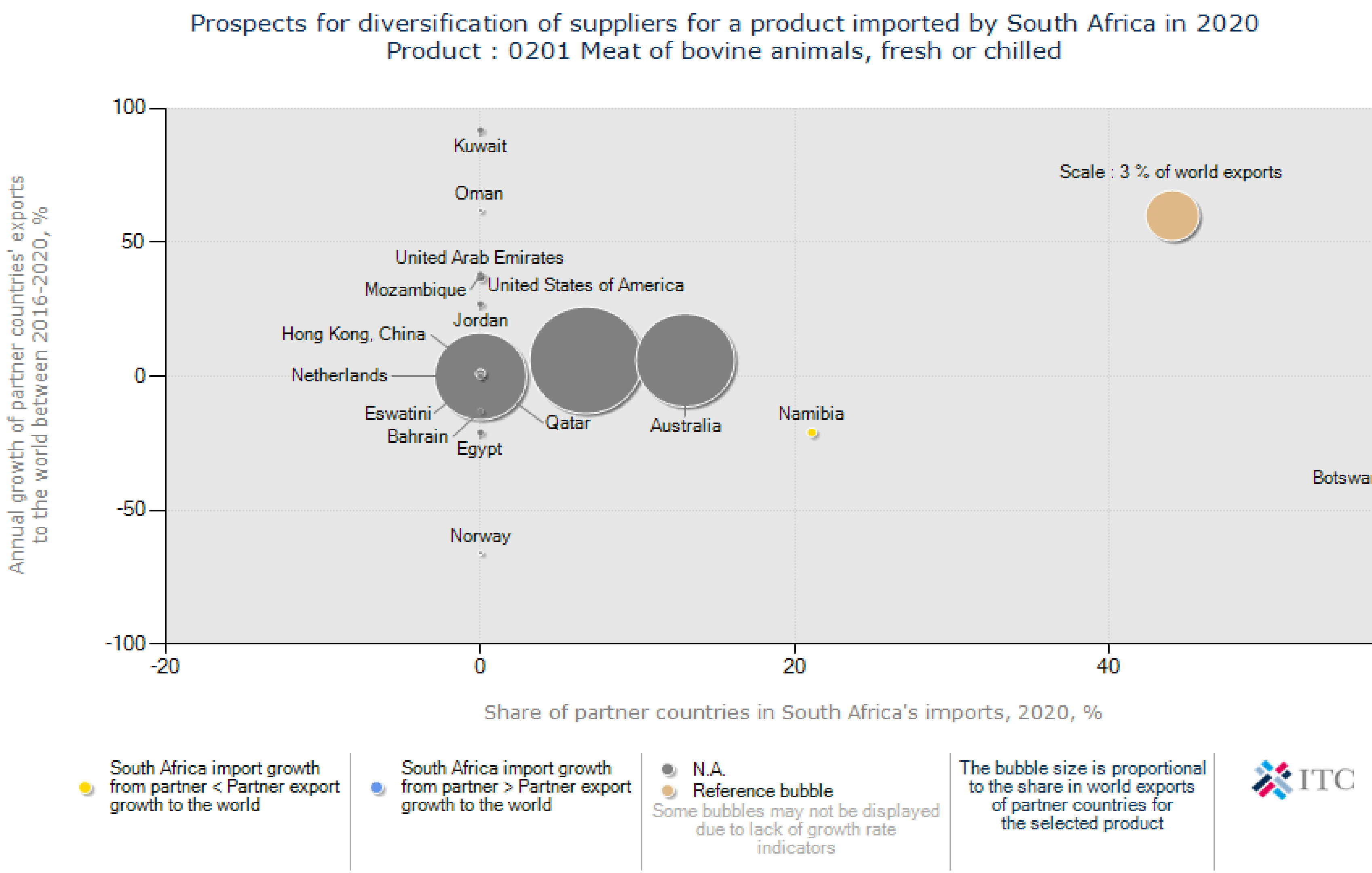
Source: ITC Trade Map.

Table 8 shows that during 2020 South Africa imported a total of 188 tons of beef (fresh or chilled) at an average value of US$ 2 777/unit. The suppliers of beef (fresh or chilled) imported by South Africa during 2020 was Botswana, Namibia and Australia, which commanded 59%, 21.1% and 13% respectively.

South African growth of beef imports during 2016 to 2020 decreased by 39% in value and 40% in quantity. At the same period Botswana decreased by 18% in value and 13% in quantity and Namibia also decreased by 54% in value and 56% in quantity.

Between the periods 2019 and 2020 South African beef imports decreased by 30% in value. Botswana increased by 94% in value whilst Namibia decreased by 79% during the same period.

Figure 35: Prospects for diversification of suppliers for fresh or chilled beef imported by South Africa in 2020



Source: Trademap, ITC

Figure 35 above shows the prospects for diversification of suppliers for fresh or chilled beef imports by South Africa in 2020. The figure above shows that Botswana commanded the greatest market share of South Africa's fresh or chilled beef imports with an annual share of 59% followed by Namibia with 21.1% during the year 2020. If South Africa wishes to diversify its imports, the most attractive supplier exists in Kuwait due to its export growth of 92%. This means South Africa can develop a new market in this country because currently South Africa does not import fresh or chilled beef from Kuwait.

Table 9: List of supplying markets for the beef (frozen); imported by South Africa in 2020.

South Africa's imports represent **0%** of world imports for beef (frozen); its ranking in world imports is **105.**

Exporters	Indicators														
	Value imported in 2020 (USD thousand)	Trade balance 2020 (USD thousand)	Share in South Africa's imports (%)	Quantity imported in 2020	Quantity unit	Unit value (USD/unit)	Growth in imported value between 2016-2020 (%, p.a.)	Growth in imported quantity between 2016-2020 (%, p.a.)	Growth in imported value between 2019-2020 (%, p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)	Total exports growth in value of partner countries between 2016-2020 (%, p.a.)	Average distance between partner countries and all their importing markets (km)	Concentration of all importing countries of partner countries	Average tariff (estimated) applied by South Africa (%)
World	5975	68376	100	2281	Tons	2619	-35	-34	-81		100	8			
Botswana	3109	-2782	52	965	Tons	3222	-38	-39	-77	39	0.05	-26	3643	0.29	0
Namibia	1300	-1130	21.8	529	Tons	2457	-36	-34	-89	42	0.04	-10	9720	0.21	0
Argentina	525	-525	8.8	225	Tons	2333		39	271	6	7.7	56	17666	0.7	40
Australia	486	-486	8.1	383	Tons	1269	-26	-14	33	2	15.4	8	9247	0.17	40
Uruguay	191	-191	3.2	72	Tons	2653	-55	-58	-65	7	4.8	7	14668	0.26	40
Brazil	185	-185	3.1	31	Tons	5968			-96	1	25	16	15440	0.39	40
Ireland	65	-65	1.1	25	Tons	2600	10	0		9	1.5	19	4088	0.2	40
United Kingdom	61	-61	1	23	Tons	2652	-17	-41	-80	20	0.4	13	4990	0.16	40
United States of America	30	-30	0.5	2	Tons	15000	-13	-31	-52	3	11.2	5	10637	0.18	40
New Zealand	21	-21	0.4	25	Tons	840	-53	-47	-62	5	7.9	6	11162	0.29	40
Area Nes	1	-1	0	1	Tons	1000		-69							
China		45418								71	0	-62	6168	0.27	40

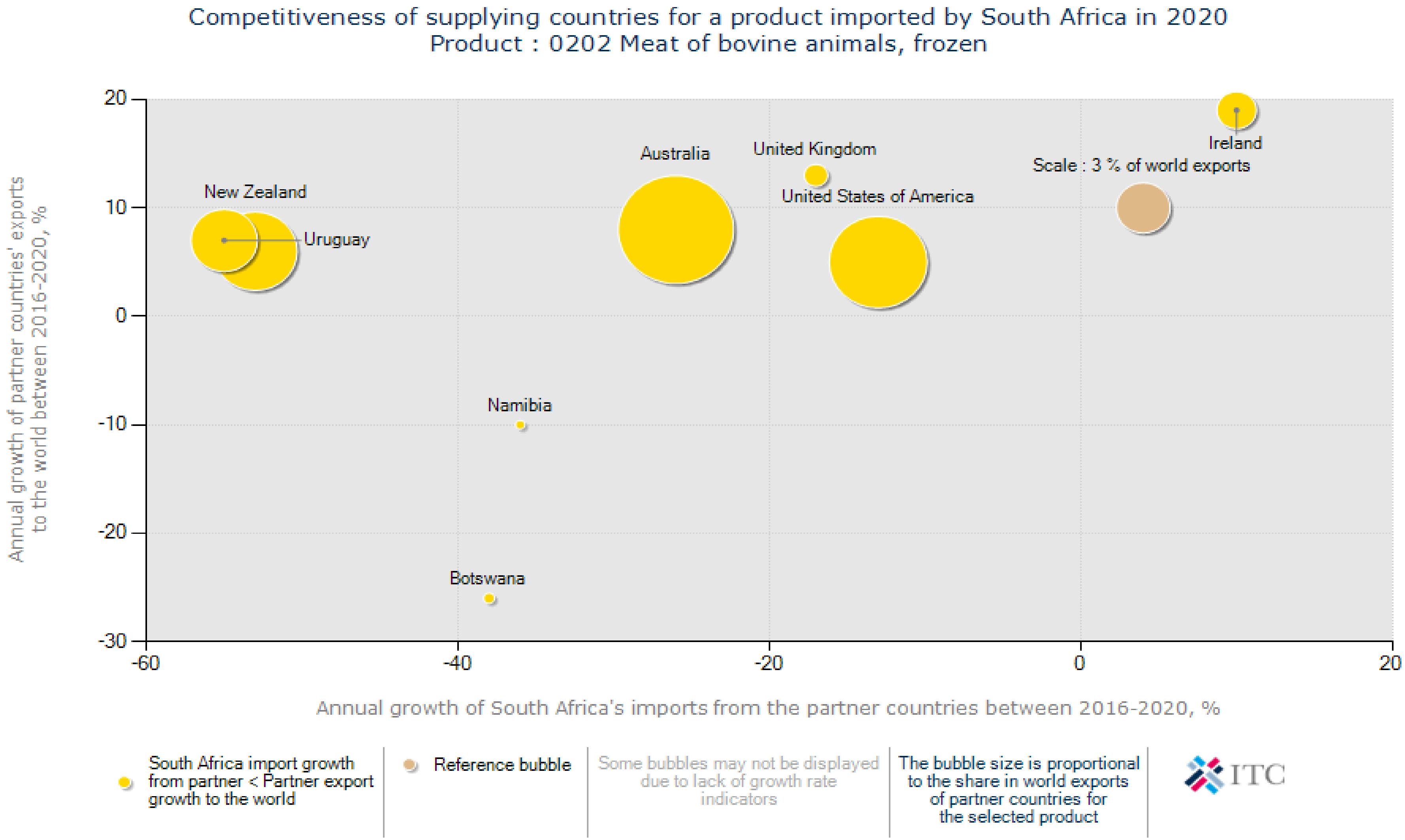
Source: ITC calculations based on COMTRADE statistics.

Table 9 shows that during 2020 South Africa imported a total of 2281 tons of frozen beef at an average value of US$ 2 619/unit. The major suppliers of frozen beef imported by South Africa during 2020 were Botswana, Namibia and Argentina. The greatest share of South African frozen beef imports were from Botswana which supplied 52% during the year 2020 followed by Namibia which supplied 21.8% and Argentina with a share of 8.8

South Africa’s frozen beef imports decreased by 35% in value and 34% in quantity between the periods 2016 and 2020. During the same period, imports of frozen beef from Botswana decreased by 38% in value and 39% in quantity.

South Africa’s imports for frozen beef from the world decreased by 81% per annum in value during 2019 and 2020. During the same periods, Botswana and Namibia's exports to South Africa decreased by 77% and 89% in value respectively.

Figure 36: Competitiveness of suppliers to South Africa for frozen beef in 2020

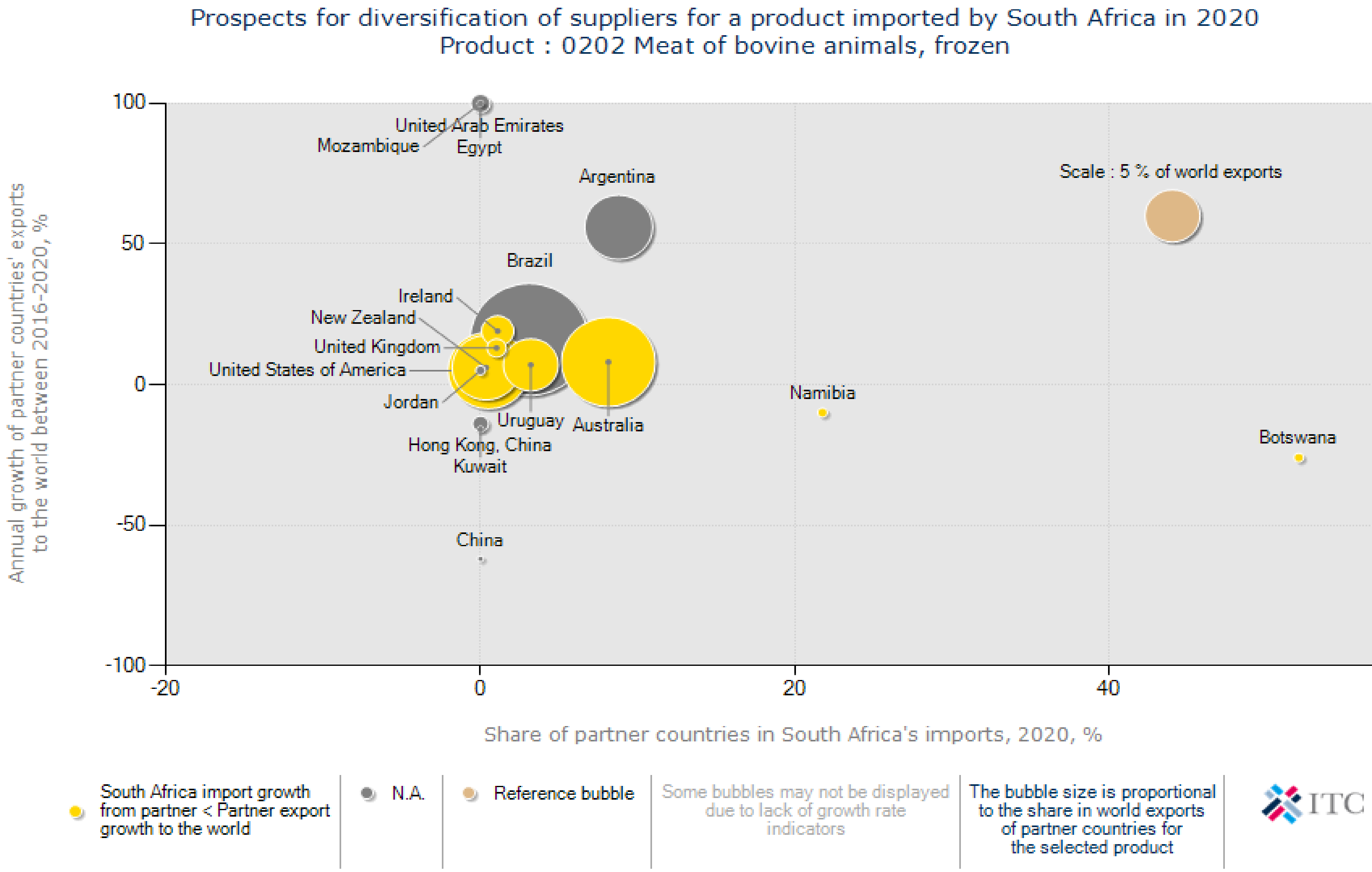


Source: Trademap, ITC

Figure 36 illustrates that between 2016 and 2020, South Africa's frozen beef imports from Australia, Uruguay, Namibia, New Zealand, USA, Ireland and Botswana were growing at a rate that is less than their export growth to the world. South Africa's annual import growth from Botswana and Namibia has declined by 38% and 36% respectively during 2020.

South Africa's imports from Ireland is growing at a rate that is greater than its import growth from the world. Ireland exported the greatest share of South Africa's import market with an annual growth of 10%. Ireland was the most competitive market during the periods 2016 to 2020 with an annual export growth share of 19%.

Figure 37: Prospects for diversification of suppliers for frozen beef imported by South Africa in 2020.



Source: Trademap, ITC

Figure 37 above shows the prospects for diversification of suppliers for frozen beef imports by South Africa. South Africa import most of frozen beef from Botswana. However, if South Africa is to diversify its frozen beef imports, the biggest market exists in Australia with the world export share of 15.36%. The most attractive market is Ireland due to its highest annual export growth of 19%.

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