

A PROFILE OF THE SOUTH AFRICAN GOAT MARKET VALUE CHAIN

2021



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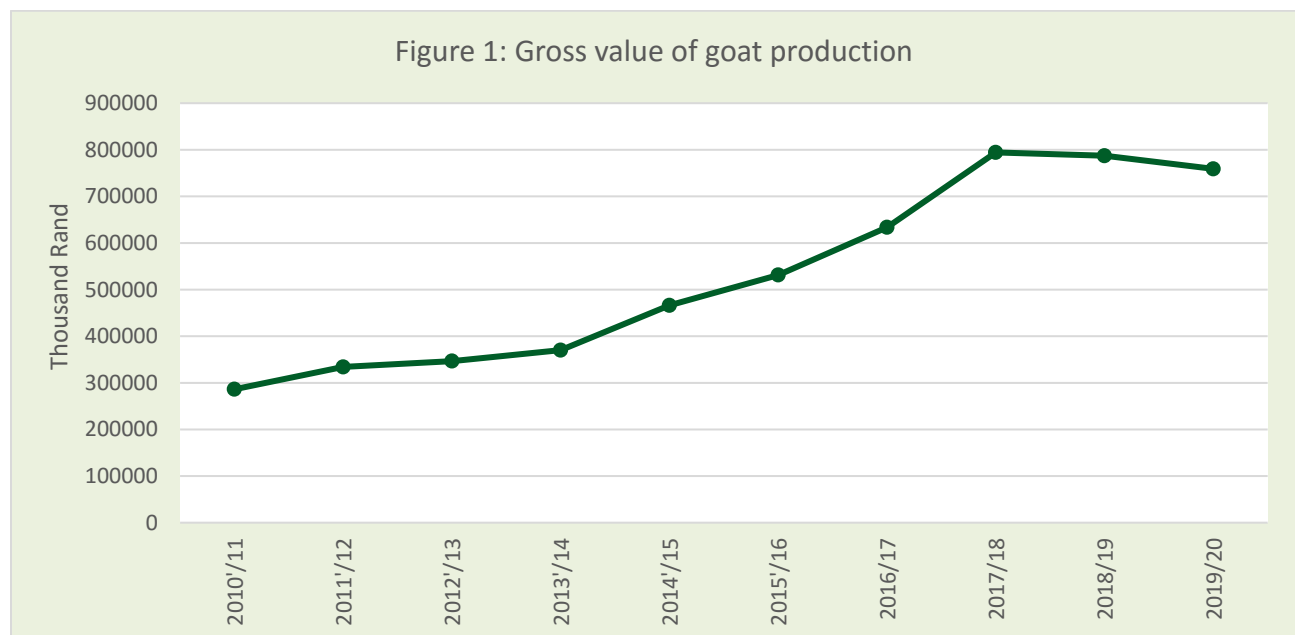
1. DESCRIPTION OF THE INDUSTRY

South Africa is a relatively small goat producing country and possesses only approximately 3% of Africa's goats and less than 1% of the world's number of goats. The Boer goat, Savanna and Kalahari Red are currently recognized as commercial goat breeds for the production of meat and skins and small quantities of cashmere. Goat meat is often called chevon when from adults and cabrito when from young animals. Angora goats produce mohair. Saanen, Toggenburg and Alpine goats are mainly kept for milk production. Goat's milk is highly priced because of its quality and is less prone to causing allergies in humans than cow's milk. Gorno Altai goats produce cashmere. Indigenous goats refer to various goat types that are in the hands of small-scale producers and contribute primarily to family needs for meat and to a lesser extent for milk, depending on the prejudices of the community.

There are only 250 stud breeders in the country. The US Department of Agriculture (USDA) maintain that the Boer Goat, which is indigenous to South Africa, has better meat in terms of quality and quantity than any other type of goat and small stock. The Boer goat's meat contains less fat, fewer calories and higher levels of protein and iron than beef, pork, and mutton and broiler meat. White commercial farmers mainly own Boer goats and Angora goats while black farmers mainly own indigenous goats in a communal farming system. Indigenous goats represent approximately 65% of the goats found in South Africa and in the past, they were not subjected to any selection process, are un-improved and are a crossbreeding of the improved goats like the Boer goat, the Kalahari Red and the Savanna goat.

The indigenous goat is mainly found in the Eastern Cape province and also in the Limpopo, North West and KwaZulu-Natal provinces (with small numbers in the other provinces of South Africa). The indigenous goat is neither regarded as a meat goat (due to its small carcass) nor it is regarded as a milk goat (because it gives barely enough milk to provide for the needs of their kids) (NAMC).

Figure 1 below show the gross value of chevon production from 2010/11 to 2019/20.

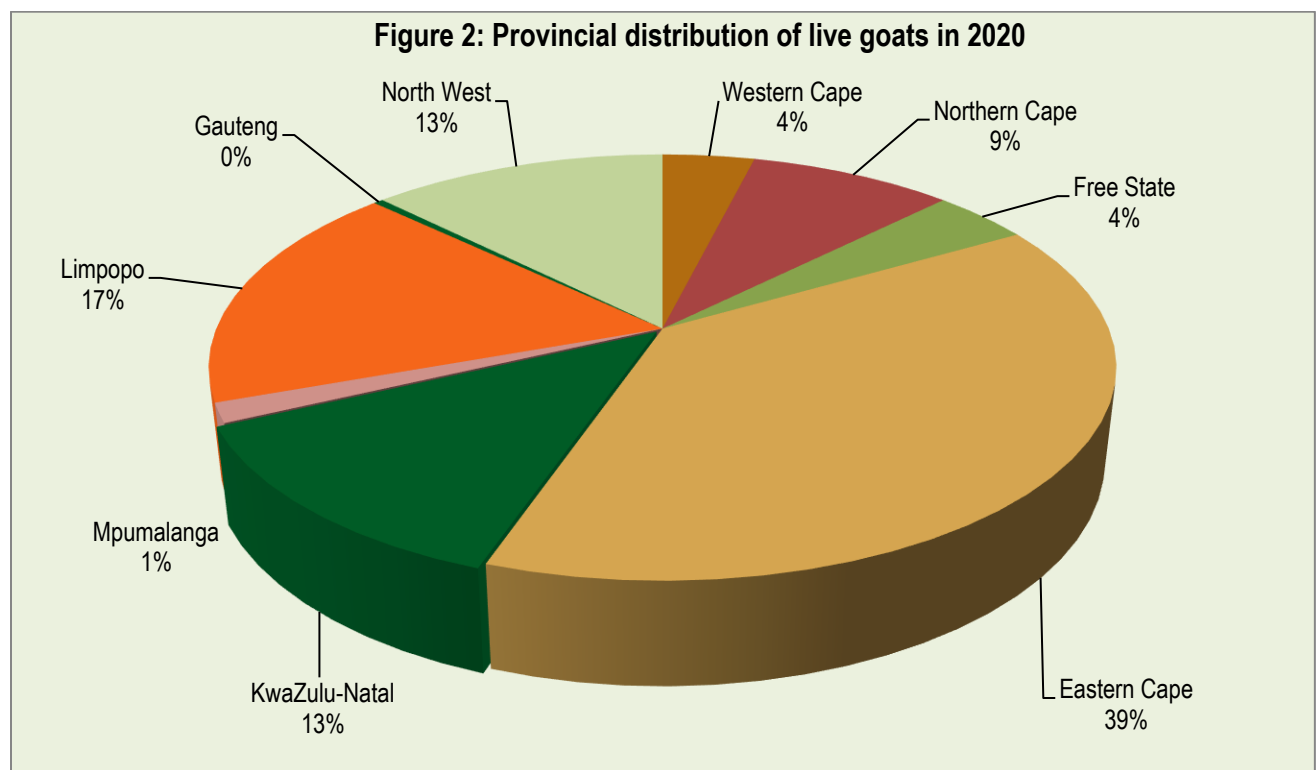


Source: Statistics and Economic Analysis, Levyadmin and Quantec

The gross value of chevon (goat meat) production is dependent on the quantity produced and prices received by producers during the period under review. The average gross value of chevon produced amounted to R530 million per annum for the past ten years. The gross value of chevon has been increasing throughout the period under review. The gross value of chevon experienced a sharp increase from 2010/11 to 2017/18, followed by a slight decrease of about 1% in 2018/19. In 2019/20, there was also a further decline of 3%. The increase of gross value in previous years was pushed by a high increase of the price per kg of chevon. Overall, the gross value of chevon increased by 165% for the past decade (2010/11 to 2019/20).

1.1 PRODUCTION AREAS

Goats are found throughout the country with Eastern Cape, Limpopo and KwaZulu-Natal provinces being the largest producers, accounting for approximately 69% of the total live goats. Distribution of live goats per province in 2020 is illustrated in Figure 2.



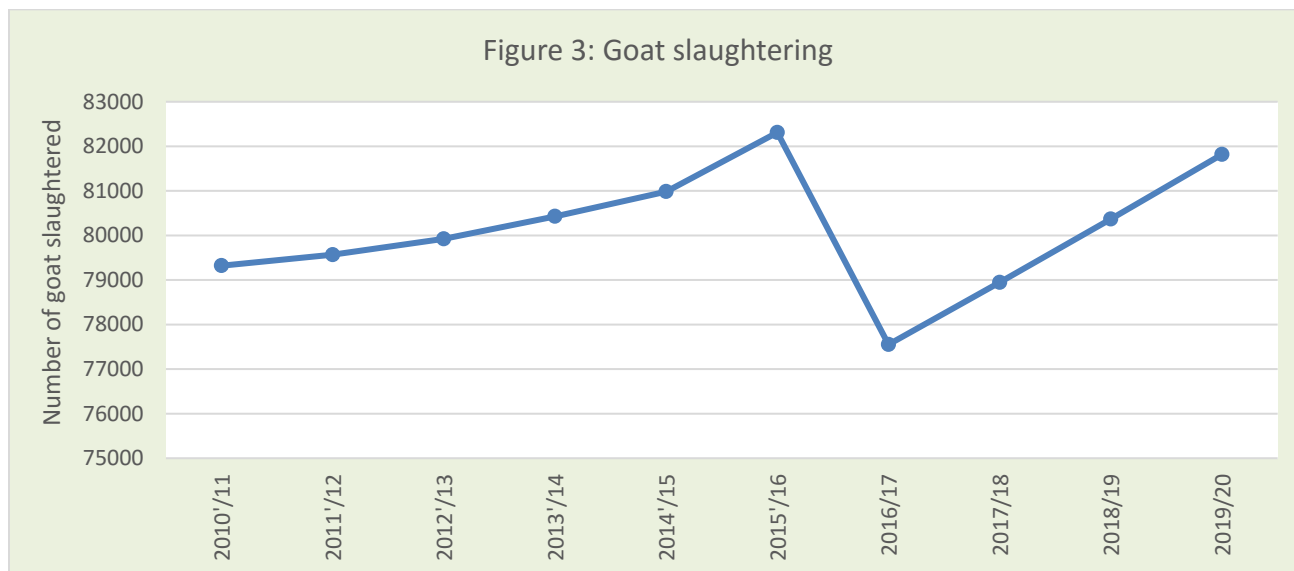
Source: Statistics and Economic Analysis, DALRRD

Figure 2 shows that the Eastern Cape has more goats in South Africa accounting for 39% of the total flock followed by Limpopo with 17%, KwaZulu-Natal and North West accounted for 13% each. The provinces with lesser number of goats in 2020 were Mpumalanga and Gauteng with a share of 1.5% and 0.4% respectively.

1.2 Production trends

Goat produces meat and milk, however the primary reason for keeping goats is for meat. This made goats for meat constituting the major proportion of the world goat population. Chevon is also derived from male goat kids and culls from angora and milch goat herds. Were other goat products such as cheese and cashmere are either primary or secondary products, the culling of goats is influenced by the economic value of these.

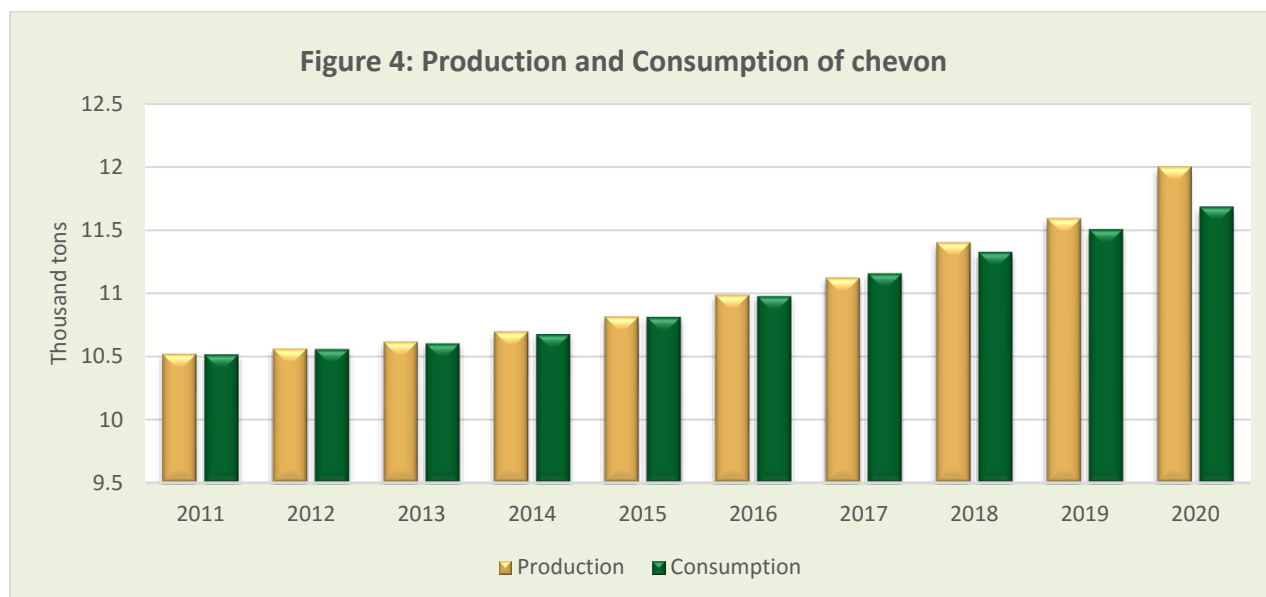
Figure 3 below show the goat slaughtered from 2010/11 and 2019/20.



Source: Statistics and Economic Analysis, DALRRD

Figure 3 above shows that slaughtering has been increasing from 2010/11 to 2015/16. In 2016/17, slaughtering experienced a decline by approximately 6% was due to drought experienced in 2015/16. This could be attributed to the severe drought experienced in 2015/16. The slaughtering of goats shown an increase from 2016/17 to 2019/20 of approximately 6%. Over the period between 2010/11 and 2015/16, the average number of goats slaughtered was 80422 goats per annum. The peak was reached during 2015/16 with approximately 82310 goat slaughtered and a new trough of 775 520 in 2016/17.

Figure 4 below shows the production and consumption of chevon meat from 2011 to 2020. The data for chevon is limited to trace due to informal transactions as its more produced and consumed in areas where producers do not keep records. In 2020, Production and consumption have increased by 4% and 2% respectively.



Source: Statistics and Economic Analysis, DAFF

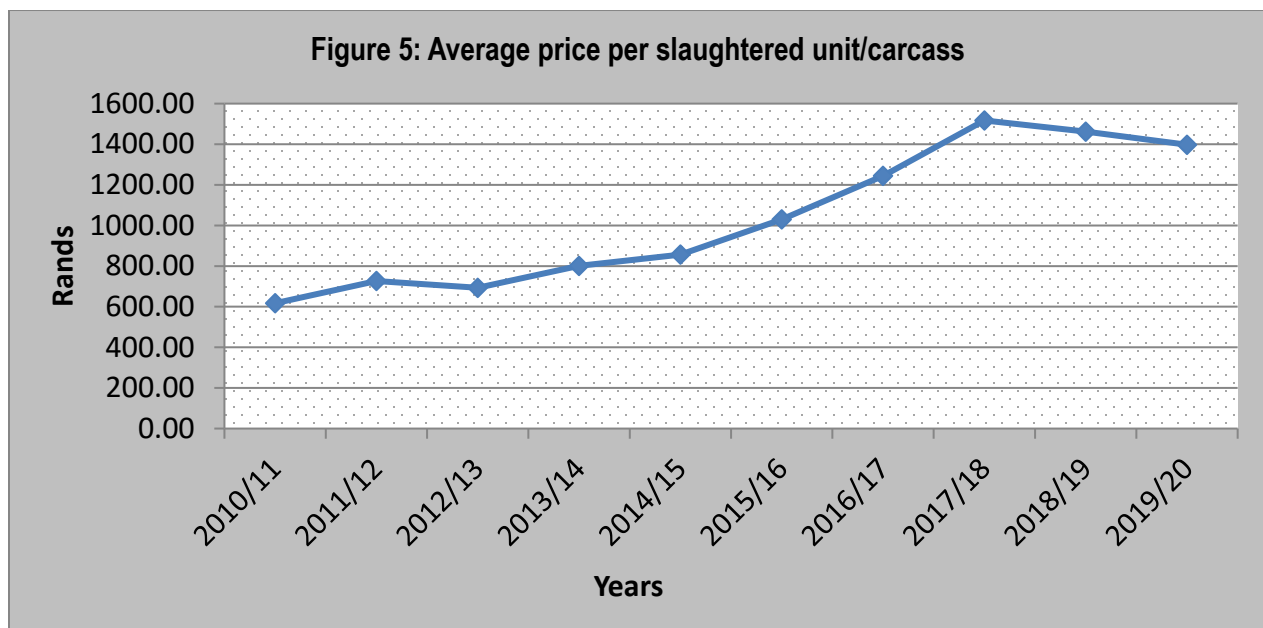
It is clear from the figure that during the period review, production of chevon is slightly higher than consumption with less than 1 ton. This indicates that South Africa is self-sufficient with chevon meat. The trends show that production and consumption of chevon have been increasing for the past decade. The figure shows that production and consumption have increased by 14% and 11% respectively from 2011 to 2020. The peak has been reached in 2020 with 12 000 and 11 690 tons for production and consumption respectively.

2. MARKET STRUCTURE

2.1. DOMESTIC MARKET AND PRICES

Goats are mostly slaughtered for religious or traditional purposes and on an informal basis (backyard slaughter). In other words, goats are slaughtered in a specific way for bridal ceremonies and the eating of the meat is restricted to certain persons according to the custom of the families. Goats are also important in burial rituals by traditional healers where they have to suck the blood and wear the gall bladder as a headdress.

Goats slaughtered in the commercial sector are mainly Boer goats and surplus Angora goats. Hence, it is estimated that only 0.55% of the goat is slaughtered in the commercial sector and is mainly marketed in the informal sector (SAMIC). Goat slaughtering figures are normally included in the slaughter figures for sheep and it is difficult to obtain official statistics on goat slaughtering. Although rarely retailed, chevon is widely eaten in South Africa. Figure 5 shows the local prices of chevon.



Source: Statistics and Economic Analysis and Quantec

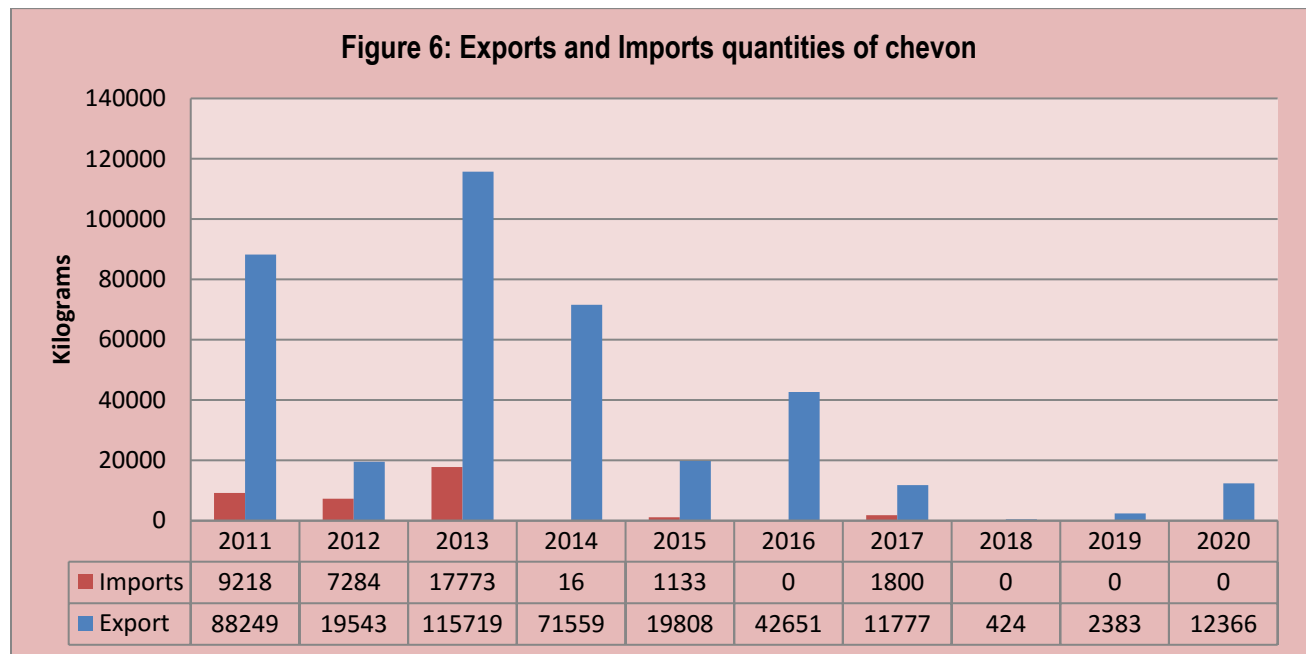
Figure 5 shows the local average price of chevon received by producers per carcass in South Africa. The local average prices of chevon have been increasing from 2010/11 to 2017/18 except in 2012/13. In 2018/19 and 2019/20, the price has shown a slight decrease of 4% for both periods. The price increase for this past decade may be due to the results of changes in demand and preferences of consumers. The average price reached new peak in 2017/18 at R1 517 per unit.

2.2 PROCESSING

South Africa has an active and well-developed industry for processing animal products. However, little processing for chevon occurs. Sometimes processors replace mutton with chevon in products such as sausages and polonies when the price of mutton is too high.

2.3 IMPORT – EXPORT ANALYSIS OF CHEVON

Figure 6 below, compares quantities of imports and exports for chevon from 2011 to 2020.



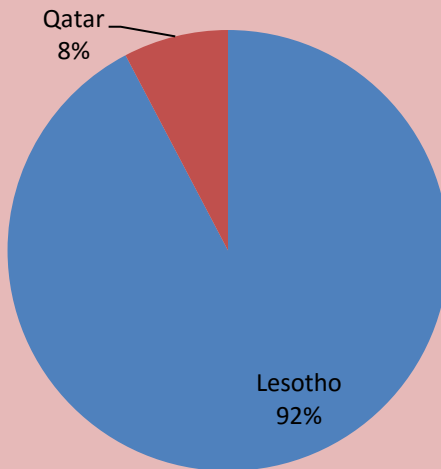
Source: Quantec Easydata

Figure 6 indicate that imports and exports of chevon have been fluctuating throughout the period under analysis. It further shows that imports of chevon were not regular during the past decade. There were no imports of chevon records during 2016 and from 2018 to 2020, while the exports of chevon were recorded continuously throughout the decade. This confirms that South Africa was self-sufficient in chevon production during the period under analysis. South African chevon exports reached its maximum of 115 719 Kilogram in 2013 and a trough of 424 kg in 2018. The figure indicates that although exports are fluctuating, they were steadily declining from 2013 to 2018. The year 2019 and 2020 presents the growth in chevon export while imports remain at zero.

2.4. EXPORTS OF CHEVON

Figure 7 below shows the export destinations of South African chevon in 2020. From Figure 7, It is clear that Lesotho has dominated the chevon export market with a share of 92%, followed by Qatar with 8%.

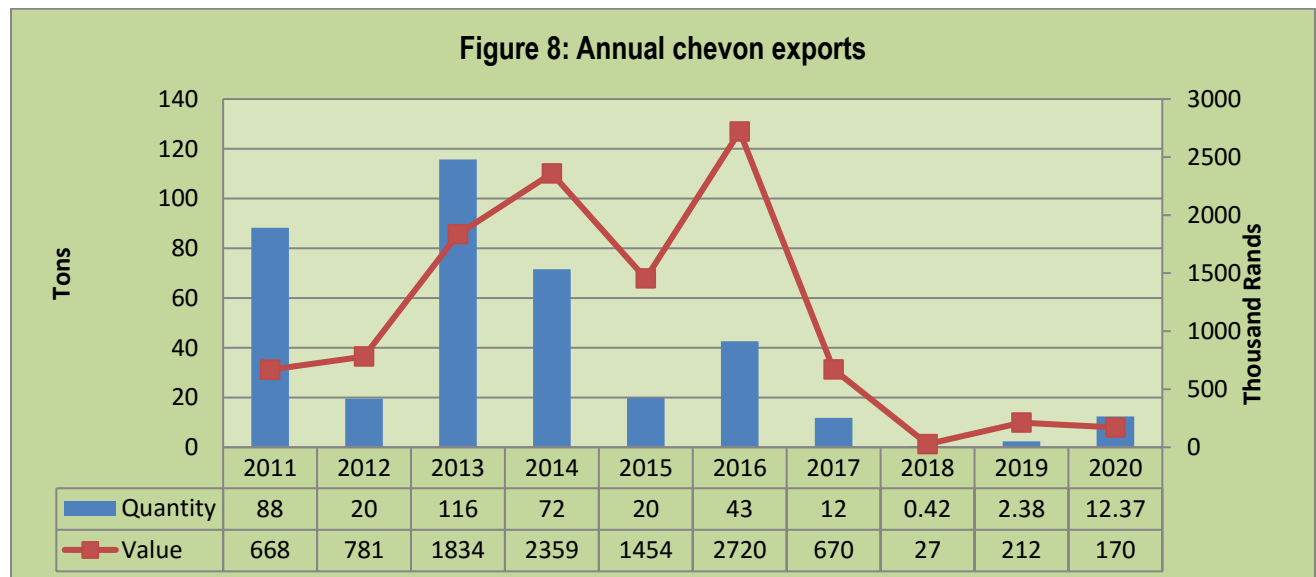
Figure 7: Chevron destination for 2020



Source: TradeMap

Figure 8 below shows the annual chevron export quantity and value for the period between 2011 and 2020.

Figure 8: Annual chevron exports

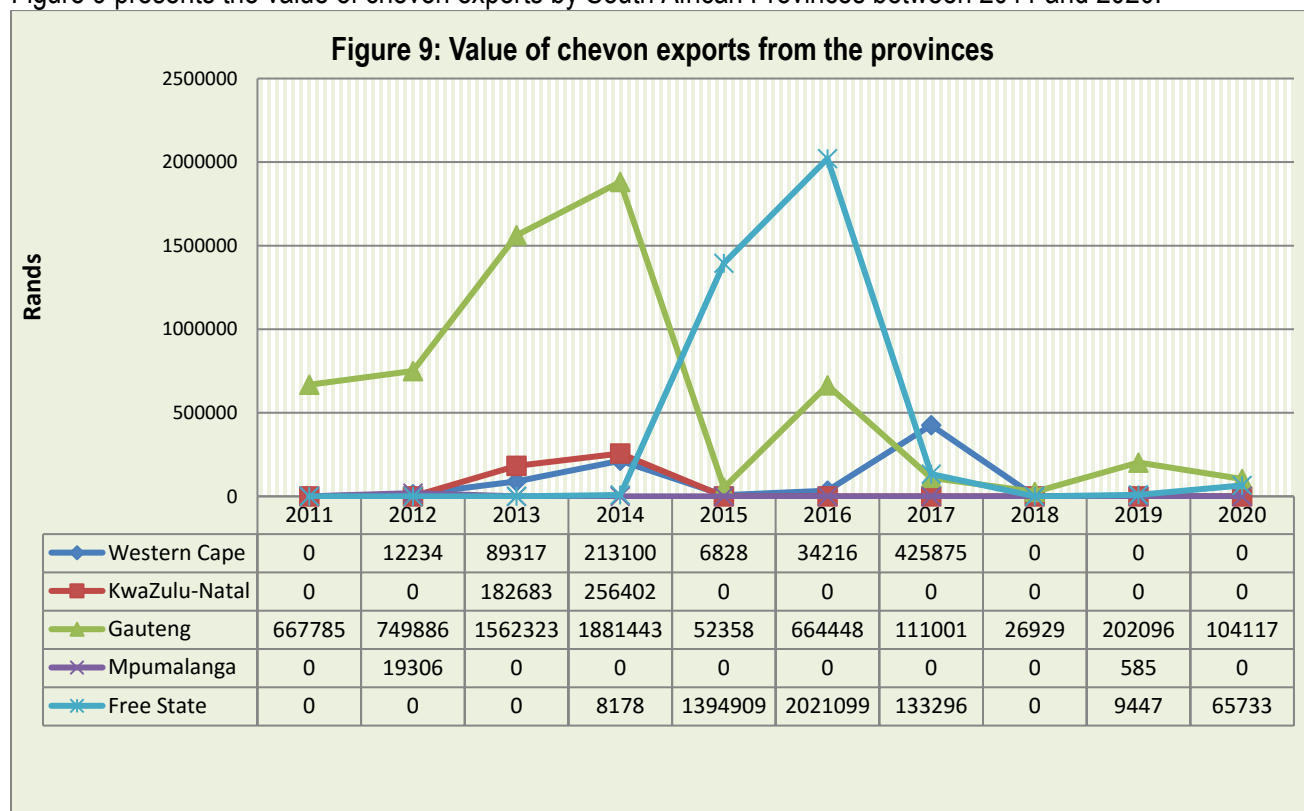


Source: Quantec Easydata

Figure 8 illustrates that exports quantity and value have been fluctuating for the past decade. The quantity exported in 2011 and 2013 were relatively higher and the value indicates that the exports were relatively priced lower than the other years. The chevron exports quantity have reached the peak in 2013 with 116 tons while the values reached its peak in 2016 with R2,7 million. They both reached a trough in 2018 with export quantity of 0.424 tons at a value of R26 929. The year 2020 indicates a growth on chevron exports with quantity increasing by 418%, however the value declined by 20% which indicates the pressured profits for producers.

Chevon exports from various provinces of South Africa from 2011 to 2020 are shown from Figure 9 to 14.

Figure 9 presents the value of chevon exports by South African Provinces between 2011 and 2020.

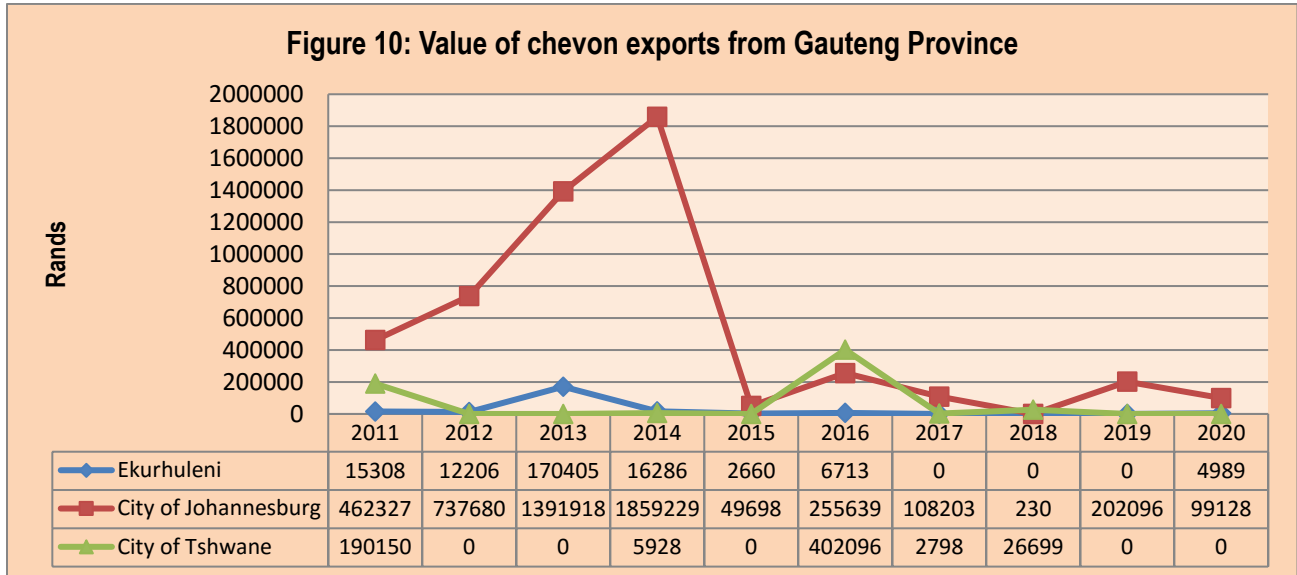


Source: Quantec Easydata

Provincial exports of chevon were recorded in five Provinces for the past decade. Gauteng Province dominated the chevon export market and recorded high values from 2011 to 2014 and led again in 2019 and 2020. Noteworthy is the fact that Gauteng is holding less than 1% of live goats but exports are higher than all other Provinces. This may be due to the fact that Gauteng is one of the main exit point of exports in South Africa. There was a drastic decline of 97% in the value of chevon exports from Gauteng Province in 2015, this province lost the market to Free State in 2015 and 2016. Free State also shown an immense decline of 93% from 2016 to 2017. In 2017, Western Cape took a lead with a share of 64%. Irregular exports were experienced in the Western Cape, KwaZulu-Natal, Free State and Mpumalanga provinces. Mpumalanga recorded the exports of chevon only in 2012 and 2019 at approximately R19 306 and R585 respectively. In 2020, exports are shown from Gauteng and Free State, Gauteng chevon exports declined but the province is still leading with export share of 61%.

Figure 10 presents the value of chevon exports by Gauteng Province between 2011 and 2020.

Figure 10: Value of chevon exports from Gauteng Province

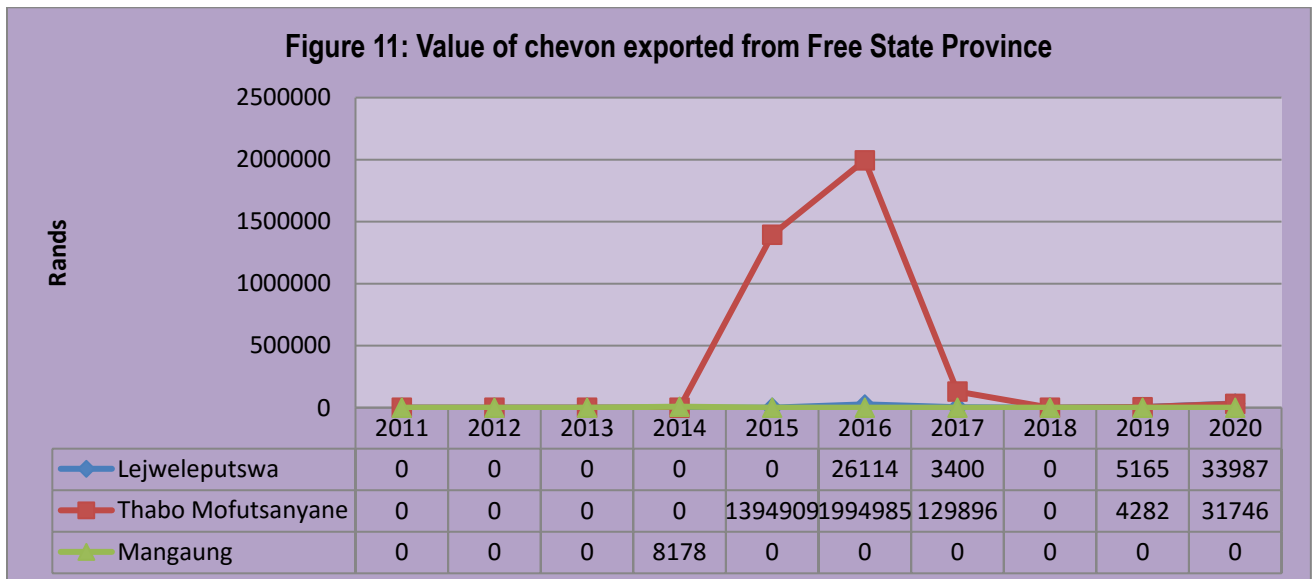


Source: Quantec Easydata

In Gauteng province, exports of chevon were mainly from the City of Johannesburg Metropolitan followed by Ekurhuleni and City of Tshwane Metropolitan Municipalities. City of Johannesburg Metropolitan Municipality has been recording the highest exports of chevon except in 2016 and 2018. City of Tshwane took over the lead in those particular years. The highest export value was recorded in 2014 from City of Johannesburg Metropolitan Municipality. The City of Johannesburg Metropolitan Municipality was the only municipality in Gauteng Province that recorded regular exports of chevon during the past decade. Ekurhuleni did not record any exports of chevon from 2017 to 2019. There was drastic decline of 97% in the value of chevon exports from City of Johannesburg Metropolitan Municipality in Gauteng Province in 2015 as compared to 2014 marketing season. From this province the exports remained minimal from 2016 to 2020. In 2020 City of Johannesburg exports decreased by half, however still leading with a market share of 95% followed by Ekurhuleni with 5% while City of Tshwane remained zero.

Figure 11 presents the value of chevon exports by Free State Province between 2011 and 2020.

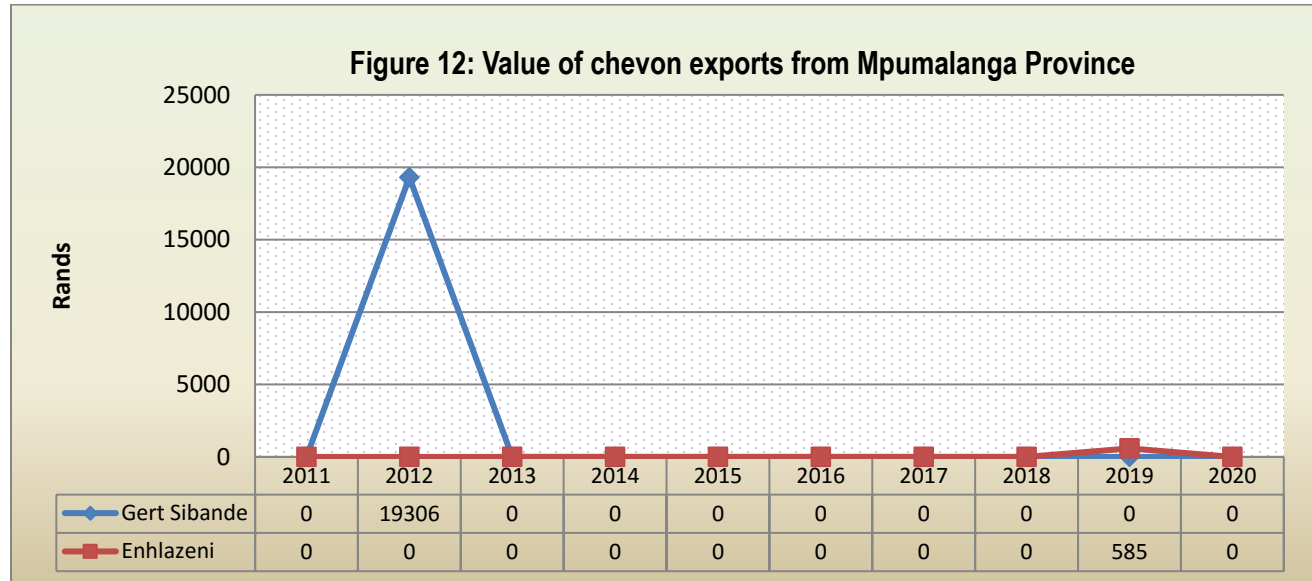
Figure 11: Value of chevon exported from Free State Province



Source: Quantec Easydata

Figure 11 shows that Free State Province did not export chevon meat from 2011 to 2013 and again in 2018. Mangaung District Municipality recorded chevon exports only in 2014, whilst Lejweleputswa District Municipality recorded in 2016, 2017 and from 2019 to 2020. Thabo Mofutsanyane District Municipality recorded exports of chevon meat from 2015 to 2017 which were high and again from 2019 and 2020, the district reach a peak in export value of R1.9 million in 2016. Mangaung and Thabo Mofutsanyane District Municipalities recorded 100% share of chevon exports value only in 2014 and 2015 respectively. In 2019 and 2020, the exports were recorded from Lejweleputswa and Thabo Mofutsanyane whereby Lejweleputswa was leading with the export market share of 55% and 52% respectively.

Figure 12 presents the value of chevon exports by Mpumalanga Province between 2011 and 2020.

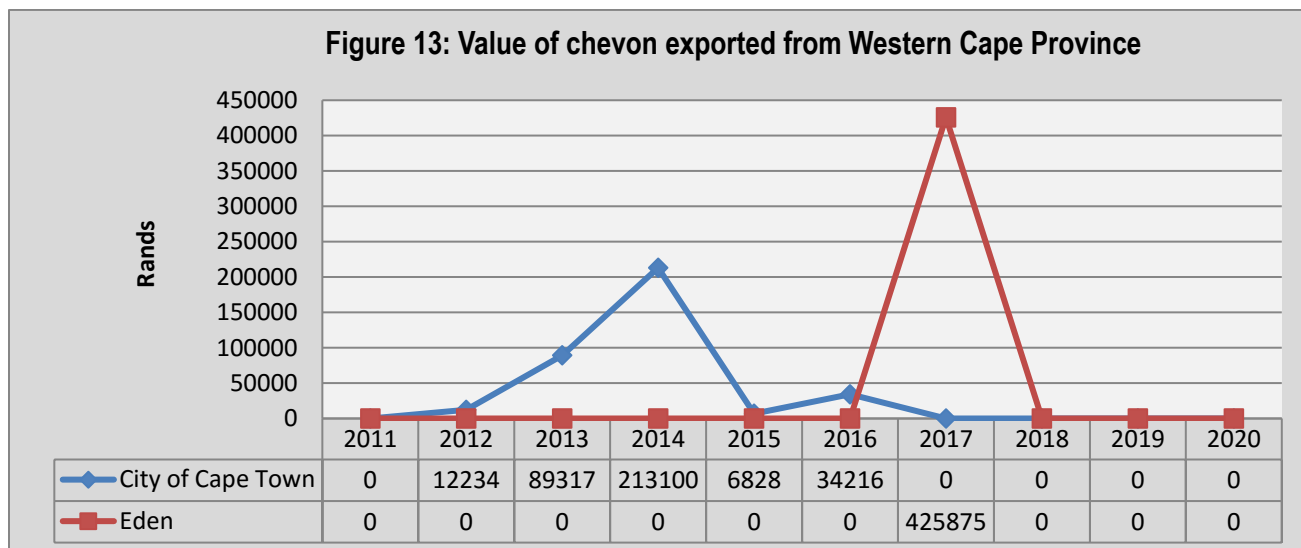


Source: Quantec Easydata

Figure 12 above shows that intermittent exports of chevon in Mpumalanga Province were from Gert Sibande and Enhlazeni District Municipalities. Gert Sibande exported chevon meat worth of R19 306 only in 2012, while Enhlazeni showed a value of R585 chevon exports in 2019. Both this district municipalities had a 100% market share on the presented years respectively. The province did not have exports for the other years, which clearly indicates that Mpumalanga is not a regular exporter of goat meat.

Figure 13 shows the value of chevon exports by Western Cape Province between 2011 and 2020.

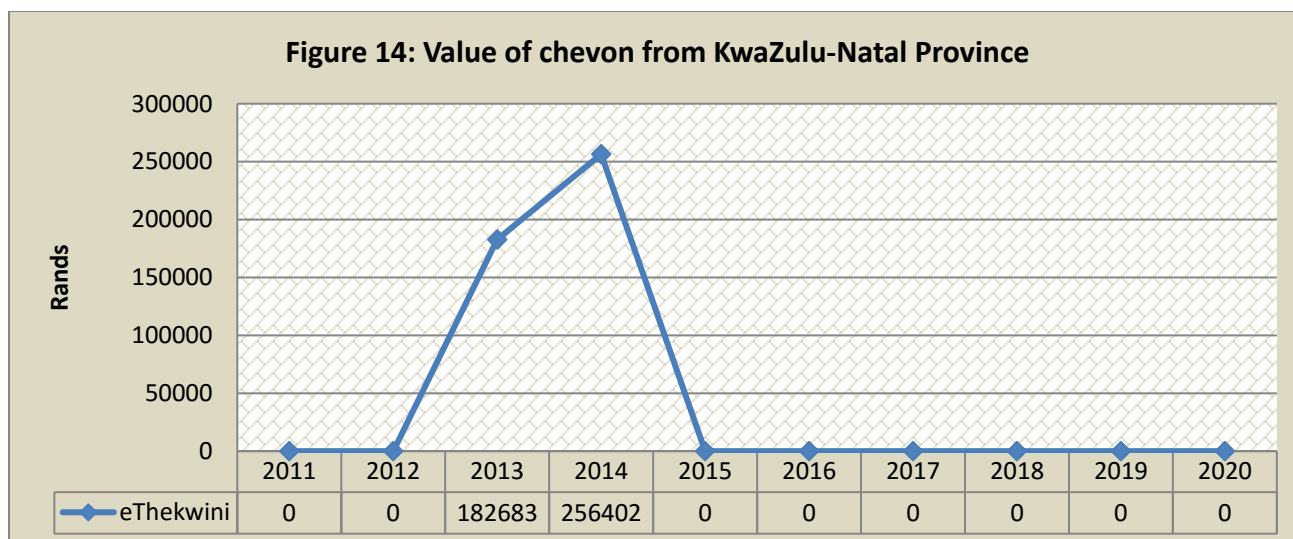
Figure 13: Value of chevon exported from Western Cape Province



Source: Quantec Easydata

Figure 13 above shows that the exports of chevon meat from this Province were mainly from the City of Cape Town Metropolitan Municipality. The figure further shows that the value of chevon exports from City of Cape Town Metropolitan Municipality attained first peak of R213 100 in 2014. There was drastic decline of 97% in the value of chevon exports from City of Cape Town Metropolitan Municipality in 2015 as compared to 2014 marketing season. However, the exports picked up by 401% in 2016 and declined to 0% from 2017 to 2020. Eden District Municipality recorded exports of chevon only in 2017, which is the new peak and highest exported value in the province for the past decade. There were no exports of goat meat in Western Cape Province in 2011, and again from 2018 to 2020.

Figure 14 shows the value of chevon exports by KwaZulu-Natal Province between 2011 and 2020.

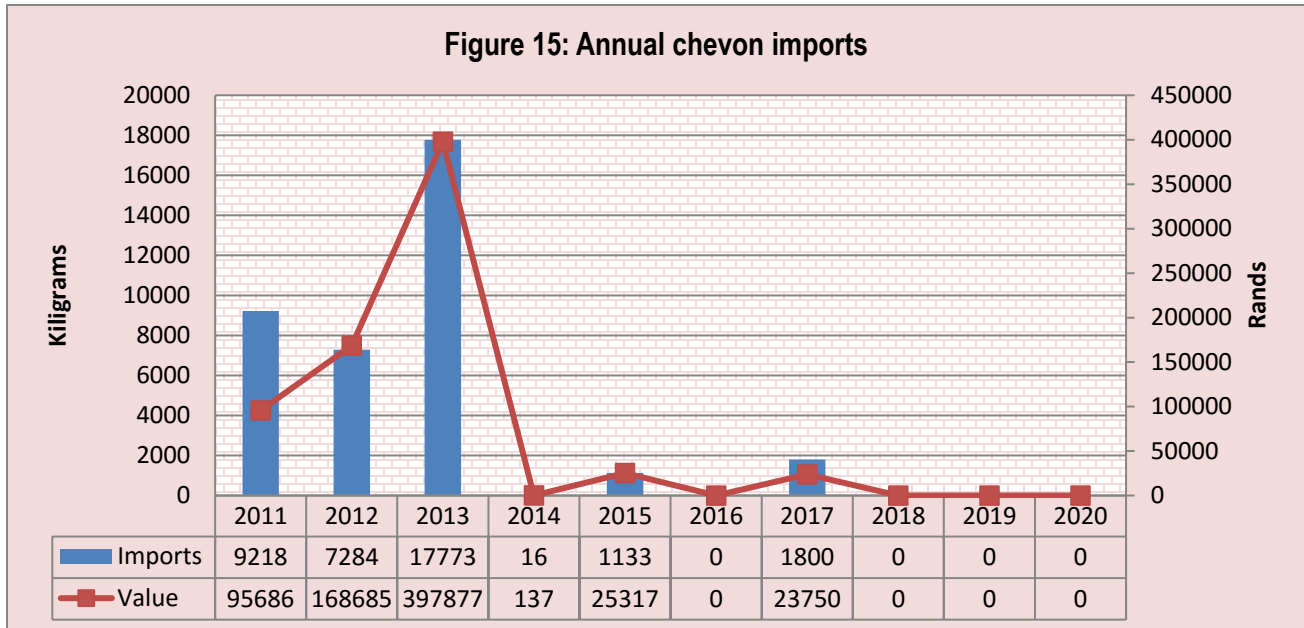


Source: Quantec Easydata

From KwaZulu-Natal Province, the exports were mainly from eThekweni Metropolitan Municipality. The municipality exported chevon only in 2013 and 2014. The figure shows that there were no exports of chevon from 2011 to 2012 and again from 2015 to 2020 in eThekweni Metropolitan Municipality.

2.5. IMPORTS OF CHEVON

South Africa mainly imports fresh, chilled or frozen carcasses of goats, fresh, chilled or frozen cuts with bone in of goats and fresh, chilled or frozen boneless goat meat. Figure 15 below, shows the imports of chevon from the period 2011 to 2020.



Source: Quantec Easydata

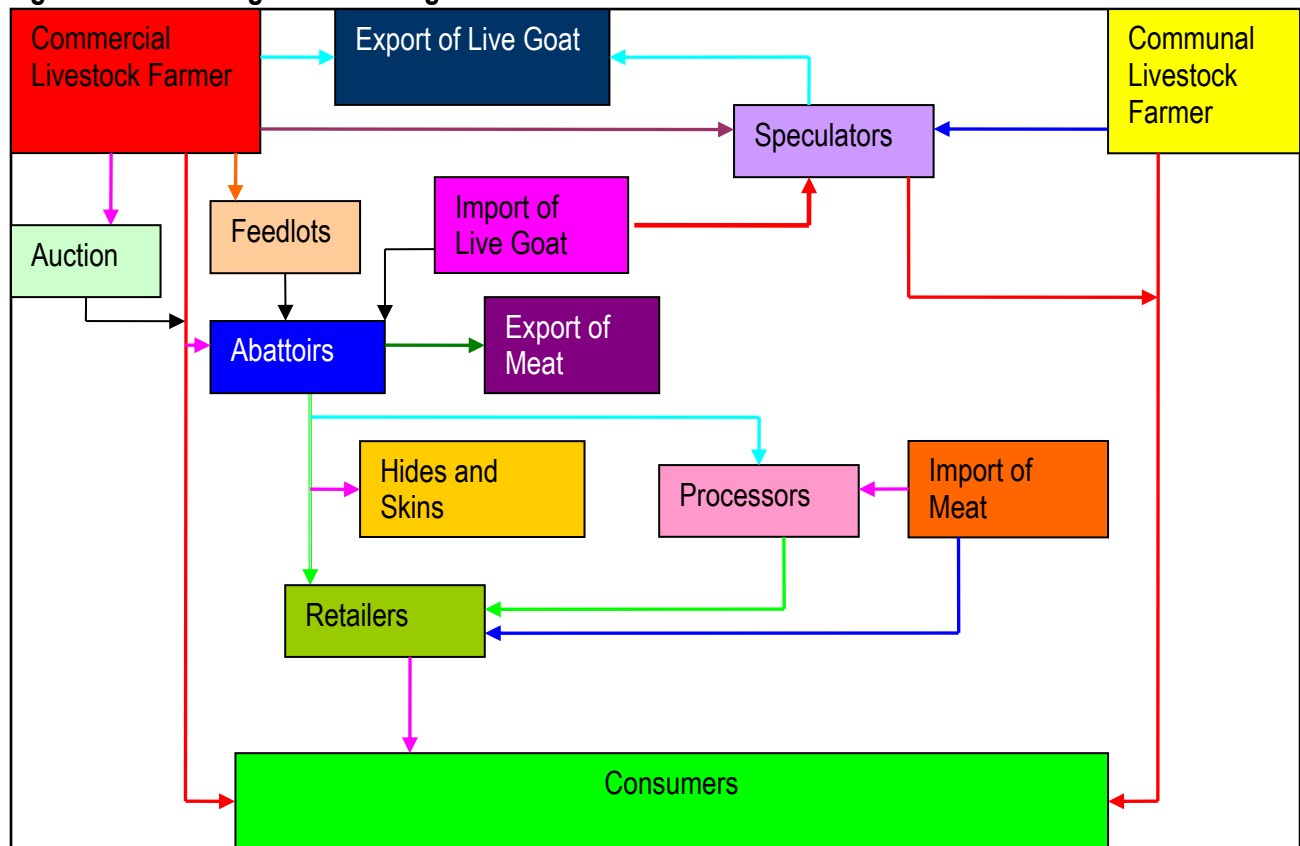
During the period 2011 to 2020 South Africa imported an average quantity of 4 136 kilograms of chevon per annum yielding an average R71 145 per annum. Figure 15 shows that quantity of chevon imported by South Africa were intermittent and the peak was reached in 2013 in both quantity and value. There were no chevon imports in 2016 and again from 2018 to 2020.

3. MARKETING CHANNELS / GOAT VALUE CHAIN

The indigenous goat industry is not organised in the form of provincial and national structures. Nevertheless, a very effective marketing system with the assistance of traders / speculators for indigenous goats has developed over many years. Due to the demand for goats in the informal market and the shortage of goats, farmers are getting good prices.

The majority of goats marketed in South Africa are sold by private transactions in the informal market to be slaughtered for religious or traditional purposes. The result is that a very small percentage of goats are marketed through registered abattoirs. The informal market of goats through traders or speculators therefore drives the South African goat industry.

Figure 17: Marketing channels of goats and chevon in South Africa



Until 2010, chevon was not available in the retail stores. This was mainly due to the strong and well-developed informal market for goats (for ritual and religion purposes) with the result that a small percentage of goats are slaughtered in registered abattoirs, the supplier of meat to the retail sector.

Live goats are realising good prices in the informal market and that is why producers consider supplying local market before they think of the export market.

Boer goats are marketed through out of hand sales to speculators, auctions and sales to abattoirs. The biggest percentage of Boer goats is marketed through traders and/or speculators.

4. MARKETING CAMPAIGN

An extensive campaign to educate the consumer about chevon was undertaken by a private company in 2004. Kalahari Kid succeeded by placing chevon on the shelves of a number of supermarkets in South Africa (Pick & Pay, Checkers Hypermarket and Spar). Consumers were made aware of the excellent qualities of chevon. Shoprite Checkers is marketing chevon, branded CHEVON. Chevon is booming in the Western Cape. One of the largest supermarket groups market high quality chevon as a new health meat. Kalahari Kid markets chevon as totally natural with no growth hormones being used. The animals roam and graze freely and are marketed as all-natural South African goat products (NAMC).

The following local market sectors have been identified by Kalahari Kid Corporation (KKC):

1. Adventurous Consumer

- Usually forming part of the A and B income market.
- This consumer is adventurous to try out new market trends including the emphasis on quality and health value.
- The exclusivity of the product is the attraction and should be available in an exciting range of value added and pre-prepared products with designer packaging and innovative recipes.

2. Muslim and Hindu Consumer – local

- Traditional chevon consumers need to be made aware of the availability of Kalahari Kid Chevon in the market place.
- The Hindu consumer is not adverse to goat and lamb being slaughtered in the Halaal method and this is the reason for combining the two religious groups together.

3. The C, D lower income groups

- ⇒ Traditionally the largest consumers of chevon in South Africa.
- ⇒ Used as a daily source of protein and extensively for weddings and funerals.
- ⇒ Unfortunately, this consumer group cannot normally afford to purchase a whole carcass. KKC can easily penetrate this market by offering the lower priced cuts of meat, such as neck and breast and flap in a boxed format into the informal sector.
- ⇒ Offal is largely consumed in this sector and is normally in short supply in the winter months.

5. INDUSTRY STRUCTURES

The South African Boer Goat Breeders' Association (SABGBA) was established in 1959 to improve and protect the interests of the Boer goat farmers and to introduce a uniform breeding policy and selection criteria.

Indigenous goat structures are not organized in the form of provincial and national structures. There are however several initiatives occurring in the Eastern Cape, Limpopo, North West and Northern Cape provinces that aim to provide the organizational, institutional and infrastructural framework within which emerging farmers will more readily be able to market their goats in an organized manner.

In the Northern Cape, regional offices are being created to assist with collection and transport to central infrastructures. Thus far, these “hubs” are private individuals / entrepreneurs, and also encompass an element of job-creation. Over 90 goat co-operatives are currently being formed in the Northern Cape (NAMC).

6. EMPOWERMENT PROJECTS

➤ Kalahari Kid Corporation

The Kalahari Kid Corporation is a joint initiative between private sector, the Northern Cape Provincial Government and emerging farmers in the Northern and Eastern Cape and the North West Province of South Africa. Kalahari Kid has contract growers (farmers who farm with goats, solely for resale to the Kalahari Kid Corporation). The Corporation also sources the goats for slaughter, consolidates them in groups and sends them to one of three nominated abattoirs situated in Groblershoop, Colesburg and Port Elizabeth.

➤ **Umzimvubu Goats**

The Umzimvubu Goat Production and Processing facility entails the construction of infrastructure and the training and organisation of goat owners/farmers in the Alfred Nzo district of the Eastern Cape Province. The infrastructure will consist of a feedlot, abattoir, tannery, restaurant, curio shop and leather craft workshop. All the raw products will be sourced from goats owned by ± 3 200 small-scale rural farmers in the Alfred Nzo district.

➤ **Kgalagadi Dipudi – Cross-border Project - Northern Cape/North West Province**

The Kgalagadi Dipudi Project involves the formation of Goat Interest Groups, and the training and facilitation of these groups by a group of extension officers from the Northern Cape and North West Province and officers of the Northern Cape Office of the Status of Women known as Metswedi (the fountain). There are currently 43 goat interest groups and they have successfully organised themselves into a cooperative known as the Kgalagadi Dipudi Enterprise (KDE).

➤ **Boer Goat Farming in North West province**

The Ngaka Modiri Molema District Municipality in the Northwest Province of South Africa handed over 103 Boer Goats to beneficiaries of a land reform project near Sannieshof. The 10 beneficiaries of the goat section of the project took delivery of the Boer Goats in March 2009.

7. OPPORTUNITIES

Commercialization of chevon production, by increasing the percentage slaughtered in the formal sector has the potential to increase income generated from goats. More attention should be given to the promotion of chevon and market development to increase consumer demand and to encourage stock farmers to farm with goats rather than just to keep them.

Chevon demand exceeds supplies in most parts of the world, notably in the tropics and the subtropics, where 74% of the world's chevon is produced. In Southern Africa, lamb and mutton enjoy premium prices while chevon is a secondary product. Discrimination of chevon arises when sheep and cattle are dominant sources of red meat.

Chevon is between 50-60% lower in fat than beef but has the same protein content. Chevon is also lower in fat than chicken. Substituting goats for cows in milk production can increase the goat contribution to animal production in RSA, particularly with the communal farmers. Better use can be made of scarce resources in developing areas because of potential higher fertility of goats and higher feed conversion in relation to body mass for meat and milk production. Compared to cattle, goats produce more milk on less food and are not adversely affected by declining veld conditions. Products made from goats' milk can be explored.

Goats can tolerate the extremes of desert conditions and high temperature humidity conditions because of their small size. Being an important nutrient source chevon should be promoted in developing countries like South Africa.

8. CONSTRAINTS

Despite certain favourable carcass characteristics such as lower fat percentage compared to beef and mutton, as well as favourable meat to bone ratio, per capita chevon consumption in South Africa is low compared to other red meat types. Chevon seemed to be preferred by a few specific communities in South Africa, but generally has a hard time competing for a market share. It has received little attention in terms of marketing and unfortunately has a negative connection of an undesirable odour. Indications are that the “undesirable odour” only refers to the elderly bucks (NAMC).

Small-scale farmers do not see goats as a saleable commodity. They see them as financial security. There is a perception that goats are a poor man’s animals. This mindset of the farmers has to be changed through an educational approach, promoting the financial value of the animals.

There are reasons why many people do not eat chevon and some of them are as follows:

- Chevon smells
- Beef and mutton are more tasty
- The meat fibre of chevon are too coarse
- Goats are only used in traditional ceremonies
- Goats are pets so should not be consumed

A major constraint is heart water. Many goat improvement schemes collapsed because of heart water. A continuous problem of overgrazing is being experienced. Farmers should be encouraged to sell more goats so this problem can be contained.

9. MARKET INTELLIGENCE

9.1. EXPORT TARIFFS OF GOAT MEAT

Table 1 below shows tariffs faced by countries importing chevon originating from South Africa in 2019 and 2020. The table indicates that export tariffs of chevon by all importing countries were 0%. Lesotho applied the import tariff of 0% under Intra SACU rate to chevon originating from South Africa, whereas Mozambique applied 0% of preferential tariff for SADC countries. Qatar applied 0% MFN duties in 2019 and 2020.

Table 1: Export tariffs of chevon (HS: 0204500)

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	02045000	Intra SACU rate	0%	0%	0%	0%
Mozambique	02045000	Preferential tariff for SADC countries	0%	0%	0%	0%
Qatar	02045000	MFN duties (Applied)	0%	0%	0%	0%

Source: Market Access Map

9.2. IMPORT TARIFFS OF GOAT MEAT

Tariffs that South Africa applied to imports of chevon originating from all possible countries in 2020 are shown on Table 2 below.

Table 2: Import tariffs of chevon

	Article Description	Statistical unit	Rate of Duty				
			General	EU	EFTA	SADC	MERCOSUR
02.04	Other meat and edible meat offal, fresh, chilled or frozen:						
0204.50	Meat of goat	Kg	40% or 200c/kg	40% or 200c/kg	40% or 200c/kg	free	40% or 200c/kg

Source: SARS

Table 2 clearly indicates that South Africa was charging 40% or 200c/kg tariff rate to all its trading partners (EU, EFTA and MERCOSUR) and any other general countries on goat meat imports. However, South Africa applied a duty free rate on chevon imports coming from SADC countries.

9.3. Non-Tariff Barriers (NTBs)

The following discussion about NTBs deals with the European Union' (EU) standards. The reason for this approach is that the EU applies stringent NTBs to imported meat. Therefore, by implication, if an exporter can satisfy the EU's regulations, his/her meat product is of the mandated standard to potentially satisfy other countries' NTBs.

Imports of fresh meat and meat products into the European Union are subject to veterinary certification – which is based on the recognition of the competent authority of the non-EU country by the Directorate-General for Health and Consumer Protection. This formal recognition of the reliability of the competent authority is a pre-requisite for the country to be eligible and authorized for export to the European Union. Legally legitimate and adequately empowered authorities in the exporting country must ensure credible inspection and controls throughout the production chain, which cover all relevant aspects of hygiene, animal health and public health. All bilateral negotiations and other relevant dialogue concerning imports of meat and meat products must be undertaken by the national competent veterinary authority. All other interested parties and private businesses should contact their competent authority and communicate with the European Union via this channel.

9.3.1. Specific Key Elements

For meat and meat products from all species, countries of origin must be on a **positive list of eligible countries** for the relevant product. The eligibility criteria are:

- Exporting countries must have a **competent veterinary authority** that is responsible throughout the food chain. The Authorities must be empowered, structured and resourced to implement effective inspection and guarantee credible certification of the relevant veterinary and general hygiene conditions.
- The country or region of origin must fulfil the relevant **animal health** standards. This implies that the country should be a member of the World Organisation for Animal Health (OIE) and should meet that organisation's

standards and reporting obligations. Adequate veterinary services must ensure effective enforcement of all necessary health controls.

- ↗ The national authorities must also guarantee that the relevant **hygiene and public health** requirements are met. The hygiene legislation contains specific requirements on the structure of establishments, equipment and operational processes for slaughter, cutting, storage and handling of meat. These provisions are aimed at ensuring high standards and at preventing any contamination of the product during processing.
- ↗ A **monitoring system** must be in place to verify compliance with EU requirements on **residues of veterinary medicines, pesticides and contaminants**.
- ↗ A suitable monitoring programme must be designed by the competent authority and submitted to the European Commission for initial approval and yearly renewal.
- ↗ Imports are only authorised from **approved establishments** (e.g. slaughterhouses, cutting plants, game handling establishments, cold stores, meat processing plants), which have been inspected by the competent authority of the exporting country and found to meet EU requirements. The authority provides the necessary guarantees and is obliged to carry out regular inspections.
- ↗ For the import of meat from bovine, ovine or caprine animal species (cattle, sheep and goats), exporting countries have to apply for determination of their **BSE status**. This status is based on a risk assessment and is linked to specific BSE-related import conditions.
- ↗ An inspection by the Commission's **Food and Veterinary Office** is necessary to confirm compliance with the above requirements. Such an inspection mission is the basis of establishing confidence between the EU Commission and the competent authority of the exporting country.

9.3.2. Carcasses and offal of sheep and goats are to undergo the following post-mortem inspection procedures:

- Visual inspection of the head after flaying and, in the event of doubt, examination of the throat, mouth, tongue and retropharyngeal and parotid lymph nodes. Without prejudice to animal-health rules, these examinations are not necessary if the competent authority is able to guarantee that the head, including the tongue and the brains, will be excluded from human consumption;
- Visual inspection of the lungs, trachea and oesophagus; palpation of the lungs and the bronchial and mediastinal lymph nodes (*Lnn. bifurcationes, eparteriales and mediastinales*); in the event of doubt, these organs and lymph nodes must be incised and examined;
- Visual inspection of the pericardium and heart; in the event of doubt, the heart must be incised and examined;
- Visual inspection of the diaphragm;
- Visual inspection of the liver and the hepatic and pancreatic lymph nodes, (*Lnn portales*); palpation of the liver and its lymph nodes; incision of the gastric surface of the liver to examine the bile ducts;
- Visual inspection of the gastro-intestinal tract, the mesentery and the gastric and mesenteric lymph nodes (*Lnn. gastrici, mesenterici, craniales and caudales*);

- Visual inspection and, if necessary, palpation of the spleen;
- Visual inspection of the kidneys; incision, if necessary, of the kidneys and the renal lymph nodes (*Lnn. renales*);
- Visual inspection of the pleura and peritoneum;
- Visual inspection of the genital organs (except for the penis, if already discarded);
- Visual inspection of the udder and its lymph nodes;
- Visual inspection and palpation of the umbilical region and joints of young animals. In the event of doubt, the umbilical region must be incised and the joints opened; the synovial fluid must be examined.

The full details concerning specific requirements are detailed in the documents listed below.

- ✓ The official controls in respect of meat destined for European Union are contained in Regulation (EC) No 854/2004 of the European Parliament and of the Council of 29 April 2004. It lays down specific rules for the organisation of official controls on products of animal origin intended for human consumption.
- ✓ Regulation (EC) No 852/2004 of the European Parliament and of the Council (4) lays down general hygiene rules applying to all foodstuffs and Regulation (EC) No 853/2004 of the European Parliament and of the Council (5) lays down specific hygiene rules for products of animal origin.

10. PERFORMANCE OF SOUTH AFRICAN CHEVON INDUSTRY IN 2020

Table 3: List of importing markets for the Chevron (fresh, chilled or frozen) exported by South Africa in 2020

South Africa's exports represent 0% of world exports for this product; its ranking in world exports is 36

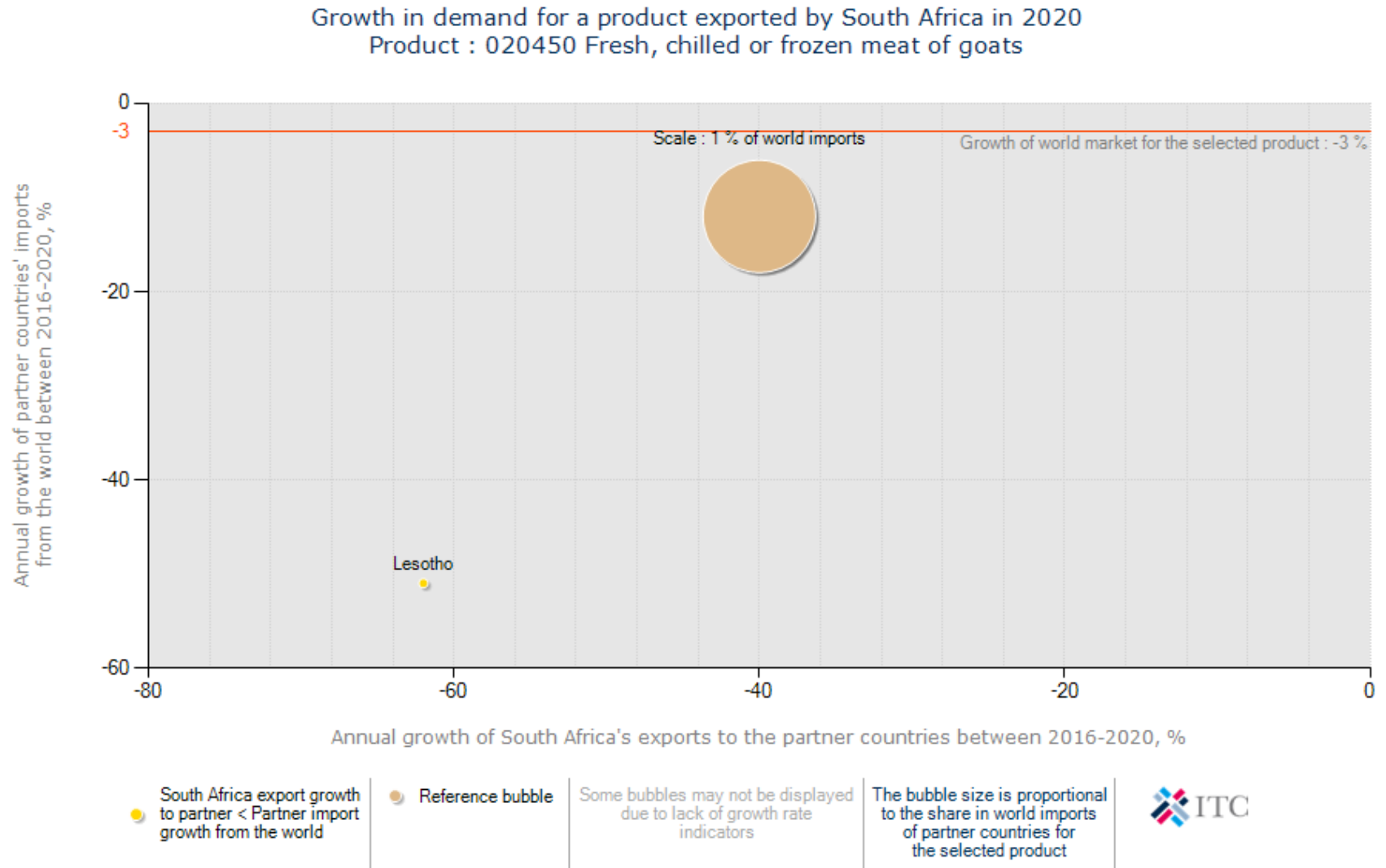
Importers	Indicators												
	Value exported in 2020 (USD thousand)	Trade balance 2020 (USD thousand)	Share in South Africa's exports (%)	Quantity exported in 2020	Quantity unit	Unit value (USD/unit)	Growth in exported value between 2016-2020 (% p.a.)	Growth in exported quantity between 2016-2020 (% 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)
World	10	10	100	12	Tons	833	-50	-27	-29		100	-3	
Qatar	6	6	60	1	Tons	6000				15	1.2	-40	4788
Lesotho	4	4	40	12	Tons	333	-62	-23		88	0	-51	369
United Arab Emirates										1	30.9	4	3142
United States of America										2	26.5	-7	13888
Portugal										3	5	16	1491
Taipei, Chinese										4	4.1	-2	6994
Korea, Republic of										5	3.3	-2	8117
Canada										6	2.8	-1	14938
Hong Kong, China										7	2.8	-19	1682
France										8	2.5	10	3350

Source: ITC calculations based on COMTRADE statistics

In 2020, South Africa's exports represented 0% of Chevron (fresh, chilled or frozen) and its ranking in world's exports was 36. Table 3 shows that during 2020, South Africa exported a total of 12.3 tons of which Lesotho acquired 11,5 tons and Qatar 0.7 ton. In terms of value Qatar was a lucrative market with a total value of USD6 000 compared to Lesotho USD4 000 which made Qatar a leading export market. Therefore, Qatar is considered as a leading importer of chevon, accounting for 60% of South Africa's export market of chevon followed by Lesotho with 40% share in 2020.

South African chevon exports to the world decreased by 50% in value and 27% in quantity per annum between the periods 2016 and 2020. Exports of South African chevon to the world have decreased by 29% in value between 2019 and 2020.

Figure 18: Growth in demand for goat meat exported by South Africa in 2020

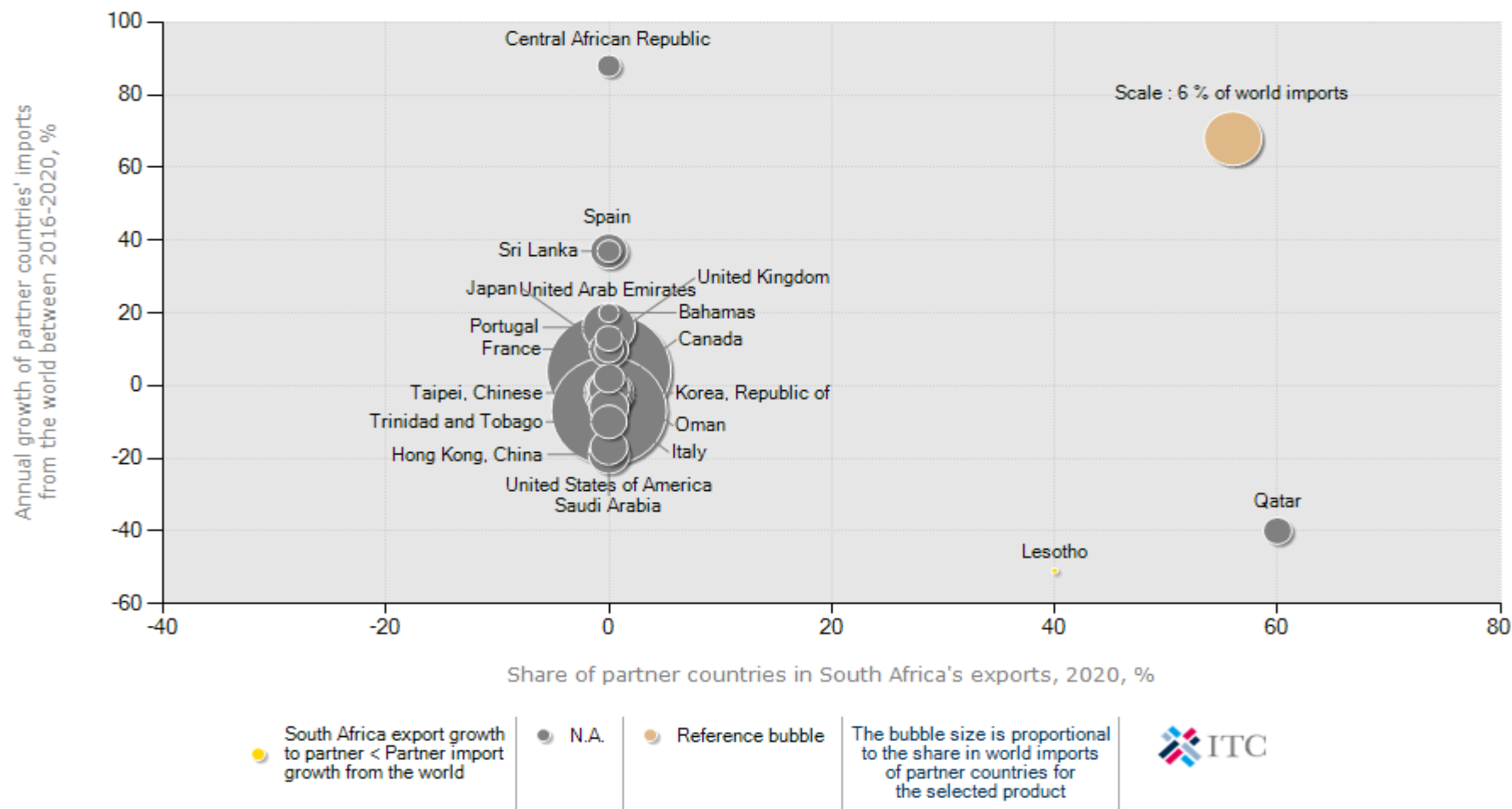


Source: Trademap, ITC

Growth in demand for South African chevon in 2020 is depicted in Figure 18. The figure shows that South Africa's exports to Lesotho were growing at a lesser rate than its imports from the rest of the world. The country has shown a setback of 62% per annum in the declining markets of South African exports for chevon meat between 2016 and 2020.

Figure 19: Prospects for market diversification for goat meat exported by South Africa in 2020

Prospects for market diversification for a product exported by South Africa in 2020
 Product : 020450 Fresh, chilled or frozen meat of goats



Source: Trademap, ITC

Figure 19 above shows the prospects for market diversification for exports of chevon meat by South Africa in 2020. If South Africa wishes to diversify the imports of meat of goat, the biggest market exist in the Central African Republic, which has an annual import growth of 88%.

11. ACKNOWLEDGEMENTS/REFERENCES

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