



Meat Board of Namibia

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REPORT OF THE CHAIRPERSON OF THE MEAT BOARD OF NAMIBIA

2014-2015

Honourable Minister

It is indeed a privilege and honour to submit the report of the chairperson of the Meat Board of Namibia for the period 1 April 2014 to 31 March 2015.

Marketing of cattle, sheep and goats continued to decrease on an annual basis despite normal rainfall received in most parts of the country. In the absence of any scientific evidence of the factors contributing thereto, expert opinion reasons that the environment is not conducive to livestock farming any longer. Various factors are mentioned, e.g. non-profitability of livestock farming as a result of high input costs, low producers prices and inefficient policies. It would be prudent to conduct research on the macro- and micro-economic factors influencing livestock and meat production in the country with restraining factors being addressed by Government. This is a study that the Meat Board envisages conducting with the full cooperation of the ministry.

The Namibian livestock and meat industry is frequently confronted with unexpected challenges, which place additional demands on the Meat Board to deliver on its mission of promoting an environment that is conducive to sustainable livestock production, market growth and diversification for livestock, meat and meat products.

During the year under review the Meat Board and the meat industry were confronted by the South African veterinary authorities that imposed new stringent conditions on the importation of livestock from Namibia to South Africa on 1 May 2014. This led to a complete standstill of livestock exports until the borders were reopened by the South African Minister of Agriculture, Forestry and Fisheries on 26 August 2015, following successful litigation by the South African Feedlot Association. Only to comply with the new South African livestock import conditions would have cost the Namibian meat industry approximately N\$760 million, while the losses incurred by Namibian livestock producers during this standstill period were estimated at N\$63 million, as no livestock exports could take place. The Meat Board and the meat industry learned a few lessons from the South African intervention, especially that future reliance on the South African market proves to be extremely fragile and that alternative markets should be sought for Namibian cattle, sheep and goats. The Meat Board together with the meat industry diligently embarked upon various strategies to deal with any future livestock import conditions that may be imposed by South Africa.

- a. Regarding the new livestock import conditions Namibia has the right to contest such possible future conditions at the Sanitary and Phyto-sanitary Committee of the World Trade Organisation or the International Animal Health Organisation (OIE) (of which both countries are signatories), since Namibia's animal disease risk had not changed before the announcement of the new South African import conditions on 1 December 2013. In addition, no distinction in conditions is made between Namibian livestock destined for slaughter and livestock destined for farming – an OIE recommendation according to the Animal Health Terrestrial Code. Furthermore South Africa imposed conditions on importing countries which are not applicable to or enforced in the recipient country, which is inconsistent with the WTO's SPS agreement.
- b. The Meat Board with the Directorate Veterinary Services and the meat industry is preparing to abide by any possible new conditions to be announced by South Africa in future. It comprises submitting dossiers for PPR, CBPP and BSE disease-freedom recognition to the OIE and implementing protocols for tuberculosis and brucellosis eradication south of the Veterinary Cordon Fence.
- c. The Meat Board, on behalf of the meat industry, searched for alternative markets, especially for weaners and goats. Research conducted by the Meat Board has shown that the Saudi-Arabian and Angolan markets prove to be potential alternative markets for Namibian goats should the South African market become financially non-viable. Alternative markets for weaners prove to be a challenge as feedlotting in Namibia is not financially viable due to high feed costs, and therefore alternative production methods should be found to grow weaners in Namibia. The Meat Board prepared Omutambu Maowe Quarantine Farm as a demonstration unit for weaner production and is investigating irrigated pasture finishing (quarantining) in the Zambezi Region. If these initiatives are found feasible other redundant quarantine farms and suitable locations can be used in the same way.

Due to the possibility that South Africa will continue to impose stringent new livestock import conditions which not necessarily result from a herd disease protection point of view but rather from conceding to pressure by certain industry constituencies, the Meat Board implemented a permit condition requiring Namibian livestock only to be destined for specific destinations in South Africa. The goal of this intervention is to send Namibian livestock to abattoirs and feedlots only and prevent such livestock from ending up on farmland, thus “threatening” the disease status of the South African herd. This information may also assist the South African authorities to verify that consignments indeed reach their destinations (i.e. feedlots or abattoirs) as per South African Import Permit requirement, a scheme that the Meat Board is managing with huge success.

I now wish to present some of the important achievements of the Meat Board.

The initialling of the SADC-European Union (EU) Economic Partnership Agreement on 15 July 2014 after years of negotiations brought enormous relief to the Namibian meat industry, as Namibia was one of the countries at risk of being removed from the EU's Market Access Regulation, which makes provision for duty-free, quota-free market access to the EU. As the EU is one of Namibia's major export markets for beef, Namibia can continue to enjoy duty-free, quota-free market access to the EU market. Although the Agreement was concluded, the Namibian meat industry should not become complacent, and in particular continue their efforts to find alternative markets for meat products. Over the period of negotiations the Meat Board presented several reports, submissions and information to the respective ministries and negotiators, indicating the advantage of having and continuing with preferential access to the EU market. I hereby wish to extend my appreciation to the negotiators for concluding a positive outcome for the Namibian meat industry.

As mentioned previously, the contribution of the livestock and meat industry to the Gross Domestic Product is diminishing. Unfortunately, stakeholders and sectors often find themselves at various levels of development, which leads to opposing interests in achieving economic growth for the livestock and meat industry. The Meat Board established an industry-wide forum to focus on overall industry planning and co-ordination among stakeholders, which was instrumental in developing a Common Vision, a shared plan aimed at motivating members through improved participation in growing the sector. The Common Vision was launched by the Minister of Agriculture, Water and Forestry, Honourable John Mutorwa, on 19 February 2015. The Meat Board with the support of national representative bodies will act as coordinator of the Common Vision, oversee the implementation and report on progress to the Forum twice per annum.



The Farm Assured Namibian Meat Scheme (FANMeat) celebrated its 15th anniversary on 26 September 2014. The meat industry identified the need for such a scheme due to increased awareness among consumers and traders with regard to meat safety, as well as animal welfare and on-farm management standards. The Meat Board as custodian of the livestock and meat industry developed and manages the FANMeat Scheme as an assurance programme which emphasises the importance of sound production practices to ensure the acceptability of the product to clients. In 1999 the Ministry of Agriculture, Water and Forestry gazetted the FANMeat Scheme as a national scheme and in the period to follow, the Meat Board and stakeholders put tremendous effort into the research of international standards and the implementation of such standards, animal welfare promotion and education and communication of such standards in Namibia.

At the beginning of 2015, the FANMeat Scheme of the meat industry received ISO accreditation based on an international assessment of its standards as set out in the FANMeat manual. This is an outstanding achievement in the history of the Meat Board. With such improved reliability FANMeat can be used as a quality brand with integrity with regard to the export of Namibian meat products. The FANMeat office is furthermore in the process of implementing the ISO 9001 Quality Management System. Part of the process is to have transporters, auctioneers, livestock agents, animal feed producers and suppliers, as well as abattoirs register as members of the FANMeat Scheme as underwriting adherence to the legal requirements of the FANMeat standards. To the management and staff of the FANMeat division, thank you very much for your efforts, indeed a huge milestone.



International acceptance of trade in fresh beef is less likely if derived from cattle raised in a foot-and-mouth disease (FMD)-infected zone such as the Zambezi Region, due to the possible risk of introducing the FMD virus. Most high-value markets prefer sourcing beef from countries or zones with an accredited FMD-free status. The Meat Board continued with the implementation of its project, *Development of Export Opportunities for Beef Products from the Zambezi Region*, funded by the Millennium Challenge Account Namibia in order to broaden export opportunities for beef products derived from the Zambezi Region. The project made internationally recognised contributions to develop and pilot a science-based integrated value chain risk management system addressing

animal disease and food safety risks associated with the production of beef in the Zambezi Region. Results indicated that beef produced in the region under specific quality control measures is safe and poses negligible risk to importing countries. The Meat Board presented the results at the SADC Livestock Committee in Gaborone in June 2014 to strengthen Namibia's case for improving market access for beef produced in the Zambezi Region. It is very encouraging that the resolutions of the Committee stated that SADC members accept and implement the presented approach, and as such will prepare a submission to the OIE, as the OIE is in the process of reviewing the chapter on foot-and-mouth disease. It is our sincere hope that this positive outcome of the research conducted by the Meat Board will be accepted by our authorities as well as by potential importing countries to increase the safe trade in beef, especially in an effort to assist the producers of Zambezi Region.

The Meat Board continued to assist Government upon the instruction the Minister of Trade and Industry with the administration of *Growth at Home* projects such as the management of pork and poultry imports and the export of sheep skins. It is appreciated that the Minister of Trade and Industry, upon a request of the Meat Board, published an increase in the poultry import quota to 1600 tons per month, as it allowed the Meat Board to manage the availability of products in the trade without compromising local producers and importers and ensuring the availability of sufficient poultry products on the shelves. The Pork Market Promotion Scheme was created to promote locally produced pork and the protection of the industry against low-priced pork meat and products that are imported. The scheme is dependent on the time of the year and is represented by a ratio of local purchases (kg) to imports (kg). The Meat Board together with the pork producers and importers created a framework for organisations in the pork industry to grow their business. The Meat Board administered the exportation of skins according to an offering system. This means that skins must first be offered to local processors for value addition before they can be exported. Should local processors not show any interest in offered skins, or if such skins could obtain a higher international price, such consignment of skins may be exported. In addition, Meat Board classifiers were specifically trained in the grading of skins according to a national grading standard used in determining the exact value of the skins.



At various occasions the Meat Board created awareness of its activities in the meat industry. His Excellency President Hifikepunye Pohamba was visited by the chairperson and general manager at State House to share information on the impact of the RSA import conditions, the role of the Meat Board and possible markets for Namibia's meat. Furthermore, the Meat Board promoted its important role and functions at trade fairs, agricultural shows and conferences. By attending these events in both the communal and commercial marketing regions, Meat Board staff members are able to increase our visibility and presence and give explanations regarding the role the Meat Board plays in the industry.

Professor Tim Noakes, sport physician at the University of Cape Town, created quite an uproar with his book, *The Real Meal Revolution*, a philosophy propagating a diet of meat in communities both in South Africa and Namibia. The Meat Board sponsored the presentation by Professor Noakes at the Namibia Agricultural Union Outlook Conference in October 2014.



Mr Petrus Maritz, head of Classification Services at the Meat Board was accredited as an international Breedplan ultrasonic scanner after attending an international Scanning Accreditation in Armidale, Australia from 17 to 21 November – the only scanner from Africa. Apart from Mr Maritz the accreditation was attended by 28 scanners, one New Zealander, seven Britons and nineteen Australians. Ultrasonic scanning is used to measure carcass traits in live animals. Internationally more emphasis is put on meat quality, and by making use of ultrasonic scanning it is possible to identify animals with ideal carcass traits to improve Namibia's national herd.

Unsolved matters still to be addressed

Given the intricacy and uncertainty experienced in the process of concluding the SADC EU EPA agreement, the Namibian meat industry should ensure that it has access to a variety of markets at the ready. Lucrative markets were identified by the Meat Board and industry and it is important that the Sanitary and Phyto-Sanitary market access arrangements to the United States of America, China, Russia and Hong Kong be concluded as soon as possible by the Directorate Veterinary Services. It is unfortunate that the lucrative markets in the world are also those that have the most stringent sanitary and phyto-sanitary requirements and therefore are also the most difficult to access – not that Namibia should have a problem with that.

Worldwide the demand for meat is rising. For Namibia to take advantage of this demand, larger volumes of meat should be produced, especially north of the veterinary cordon fence. In the first instance it is important to achieve an internationally recognised disease status, whether it is foot-and-mouth disease free with vaccination or without vaccination, for this region. Once such a status has been achieved (which has long been overdue), market development can start in all earnest. However, the Meat Board continued implementing mentoring activities under the Livestock Producer Forum Northern Communal Areas Farmers' Mentorship programme, which has the goal of improving market access conditions for livestock producers north of the Veterinary Cordon Fence. Mentoring activities make an invaluable contribution in market-related cattle production and sessions are well attended by producers and agricultural and animal health technicians of the Ministry of Agriculture, Water and Forestry. It is important that cooperation is achieved with the Directorate of Extension and Engineering Services to align activities with those of the mentorship programme.

The Sheep Marketing Scheme as applied by the Meat Board continued to create discontent in the industry. Sheep export abattoirs complain about their inability to procure sheep for slaughter, while sheep producers complain about low prices offered by abattoirs and thus export sheep to South Africa where higher prices are paid. The common denominator is that the local slaughter of sheep is not financially viable to either the producer or the abattoir. Additional restrictions on sheep and associated product exports, especially the 60% levy on the export of skins, should be removed to help the sheep industry to recover. The Meat Board is extremely concerned about the

sustainability of the sheep sector as the marketing of sheep is diminishing at an alarming rate.

It is important that the Meat Board is able to finance itself in a sustainable manner. Most of its service-rendering operations are performed on a cost-recovery basis. It is, however, important and unfortunate that the Meat Board's general levies, classification levies and stock brands administration fees have not yet been gazetted by the Honourable Minister. The expected and required activities of the Meat Board the past few years increased dramatically, necessitating increased expenditure, while levy income was just not sufficient to cover all the expenses any longer and led to the Meat Board decreasing its activities. Expenses of the Meat Board are continuously evaluated by the Board's Audit and Risk Committee, including an independent auditor and the Auditor-General to ensure that expenditures are accounted for.

One of the strategic initiatives of the Meat Board is to continuously investigate cost-efficiency in terms of operations. A cost-efficient organisational structure has been developed on condition that further synergies are continuously investigated and aligned to the Strategic Plan of the Meat Board. A Joint Border Control Services division was added to increase the Meat Board's surveillance at all major official borders of Namibia and to protect the commodities (livestock, beef, sheep meat, poultry, hides and skins) under the jurisdiction of the Meat Board.

During the past year the Meat Board and the Directorate Veterinary Services (DVS) jointly provided training to improve service delivery to producers and other stakeholders. The DVS organised a few courses for state veterinarians, animal health technicians and DVS clerical staff on NamLITS, and staff members from the Meat Board's Stock Brands office and Ear Tag office assisted with presentations. All databases, NamLITS, the stock brand database and the ear tag ordering system, are linked and staff members of both institutions are familiar with the variety of its functions. The Meat Board is also administering a NamLITS helpdesk and Data Capture Unit to assist livestock producers at the Meat Board to update their herd and movement registration.

A new Board was inaugurated on 1 February 2014. It took time to familiarise ourselves with the activities of the Meat Board and the meat industry and to function as one coherent unit. I need to thank Management for their efforts in assisting with this process. All the efforts of induction, training and informing do not go unnoticed and will deliver the necessary dividends in years to come. The Meat Board crafted a Strategic Plan which will be followed meticulously to achieve its Vision and Mission.

Acknowledgement

Thank you for the trust you put in me and the Board to manage the affairs of the Namibian meat industry. I would like to thank all Board members for working together and commend all staff members for their hard work during the past period.

**CHAIRPERSON
MEAT BOARD OF NAMIBIA**