



## Finland supports market diversification initiative by Meat Board

The Embassy of Finland and the Meat Board of Namibia signed an agreement whereby the Government of Finland will sponsor a study to assess the potential of organic meat production in Namibia. The Embassy, on request of the Meat Board of Namibia, has decided to sponsor this study as well as the feasibility of organic markets for Namibia.

Namibian livestock producers produce red meat, mainly beef and lamb, for the European Union, and for the Norwegian, South African and local markets. Legal requirements, natural grazing and good agricultural practices provide the potential for organic meat production in Namibia. Organic meat production and marketing could bring additional income to the meat industry, inclusive of livestock producers. There is thus a strong need to assess the qualitative and quantitative potential for organic red meat production in Namibia and

markets for organic meat from Namibia. The Development Cooperation of the Embassy of Finland in Namibia is focusing on the concessional credits, civil society support (Local Cooperation Fund), support through Finnish NGOs and the institutional cooperation. Finland's objectives of the Development Cooperation are based on the Millennium Development Goals (MDG) with an overall aim of alleviation of widespread poverty. Special attention is given to the prevention of global environmental threats, promotion of equality, human rights and democracy, increasing global security and economic interaction.

Strengthening the capacity of countries like Namibia to participate in and benefit from international trade is a key issue for Finland to ensure that these countries achieve viable economic growth and increased employment. However, it is important to recognise

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that economic growth should be both environmentally and socially sustainable. The annual grant support to Namibia is about 50 million NAD.

Namibia currently exports approximately 9 000 tons of high-quality frozen and chilled beef to the European Union and approximately 17 000 tons of beef and cattle to South Africa. Given the crucial importance of the European Union market to the economy of the country in general, to the meat industry in particular and the uncertainty with respect to the continuation of meat exports to the European Union, this study will provide alternatives in branding Namibia's meat products. Organic meat consumption is growing, not only in the European Union but also in the world, and opportunities may spread to Namibia.



## THE CLASSIFICATION OF RED MEAT IN NAMIBIA

### Why does the Meat Board render the Classification Service?

The Meat Industry Act, 1981 (Act 12 of 1981), made provision for the legal requirements and mandate that the Meat Board of Namibia should perform the grading/classification, packaging and marking of meat and meat products under the Act.

### Why do we classify?

The primary purpose of classification is to facilitate trade by describing the commercially important attributes of the carcass, allowing messages about market preferences to be passed from the consumers, through the middlemen, back to the producers. This information assists the producers with their selection and breeding programmes. Since the function of classification is to facilitate trade, the carcass characteristics that are evaluated during classification must reflect the interest of the people who want to trade with the carcasses and the evaluation must be consistent and repeatable. The traits described determine the grade of the carcass and are important during price setting.

### What does the quality of carcasses slaughtered at abattoirs currently look like?

Currently consumers present large consignments of mixed sheep to the abattoirs. This is typical at the beginning of the peak marketing season. The condition of the animals from certain regions is good with all kinds of grades/classes presented. A big number of old ewes are also part of the daily consignments. The percentage of overfat carcasses is minimal while very lean carcasses from areas that experienced very little rain are also present. The beef carcasses, on the other hand, are of very good quality with some very fat cow carcasses in between.

### How can the quality of carcasses be improved?

The producer must determine the optimal marketing stage of his animals correctly in order to receive the best grading with the highest possible income. Keeping the animal for too long a period on the open range after good seasonal rains might result in producing overfat carcasses, generating a lower income.

For breeding purposes, bulls and rams should be selected for their muscling (conformation) and fertility, in order to produce strong and healthy calves and lambs. Farmers in the communal areas are advised not to select bulls or

rams from their own herd, but to buy offspring from other renowned breeders to prevent inbreeding and promote crossbreeding.

What carcass characteristics determine the grade/class of a carcass?

The following carcass characteristics are evaluated during classification:

- (a) Age
- (b) Masculinity
- (c) Conformation
- (d) Fatness
- (e) Damage

Of these characteristics, age and fatness eventually determine the grade or class of a carcass.

### Why do certain grades/classes render a higher income than others?

Consumer preferences dictate the market of supply and demand. If a shortage of certain grades is experienced in the market the price paid would exceed those of lower or inferior quality carcasses. For instance, an A2 carcass is highly in demand because of its age and a limited subcutaneous fat cover that ranges between 1 millimetre and 3 millimetres for cattle and 1 millimetre and 4 millimetres for lamb carcasses. These carcasses will have no localisation of fat or any form of waste around the kidneys. These are superior quality carcasses that render maximum cutting and eating value for money. B4 or C5 carcasses, for instance, derive from much older animals. Localisation of subcutaneous fat on the carcass that ranges between 7 and 10 millimetres for cattle and 7 and 11 millimetres for sheep and the excessive waste around the kidneys also contribute to carcass weight that cannot be eaten by the consumer but forms part of the price formulation per kilogram. The meat of these animals is considerably tougher if their age is taken into consideration. Then there are carcasses of animals with no signs of subcutaneous fat with a minimum of flesh detected on the carcass. These carcasses are of inferior quality that can only be used as manufacturing beef. These carcasses like the C0 and C1 deriving from old bulls and cows are low in demand. These types of carcasses will automatically fetch lower producer prices, as the demand in the market place is much lower. Farming with younger animals, identifying the optimal marketing stage of your animals and producing market-related livestock will generate a higher income from your livestock.

**S.A. VAN ZYL, MANAGER: CLASSIFICATION**



## WHAT THE MEAT BOARD HAS DONE FOR YOU LATELY

### Introducing RFID ear tags in the country

The Directorate Veterinary Services in the Ministry of Agriculture, Water and Forestry requested the Meat Board to start with the ordering and distribution of Radio Frequency Identification Devices (RFID) or "electronic" ear tags within the Namibian meat industry. The introduction and individual application of RFID ear tags were recommended by the European Union (EU) Food and Veterinary office to Namibia in accordance with EU Regulations. Eighteen months ago the Meat Board evaluated different suppliers of ear tags and approved that All Flex (Pty) Ltd be the sole, official supplier of ear tags to Namibia. The Meat Board will engage in renewed negotiations with the company to ensure that the ear tags are supplied at the lowest price. The Ministry of Agriculture, Water and Forestry made funds to the amount of N\$4.5 million available to subsidise the purchasing of the ear tags. The industry will be notified when to start with the ordering of the ear tags once all practicalities have been sorted out. In the meantime the FANMeat Technical Committee has been reactivated to engage in the new negotiations, the ordering and distribution process, handling of subsidisation claims and the training of staff. For the present, producers are advised to order only a limited number of the existing ear tags, as these ear tags will be phased out in the near future.

### Survey by Old Mutual and Namibia Stock Exchange

A countrywide survey during 2006 by Old Mutual and Namibia Stock Exchange of opinions of sixty Chief

Executive Officers from various public and private organisations on a wide variety of aspects important for the economic prosperity of the country, evaluated, amongst others, also public agencies such as the Meat Board. Most of the public agencies evaluated poorly, with only five out of the 17 achieving a positive mark. Of the five that achieved positive marks, the Bank of Namibia achieved the best marks with the Meat Board in the fourth place.

### Increased market access to Norway

The Meat Board was invited by the Ministry of Trade and Industry to be part of a delegation that will, with EFTA (Norway, Lichtenstein, Switzerland and Iceland) under the auspices of SACU, negotiate an increase in quota for Namibian meat to the Norwegian market. Namibia currently shares the Norwegian quota of 500 tons EFTA and 2 700 tons GSP with Botswana. The Norwegian market offers the best financial returns to Namibia and obviously any increase in quota would increase the financial benefits to the industry.

### Meat exports to Russia

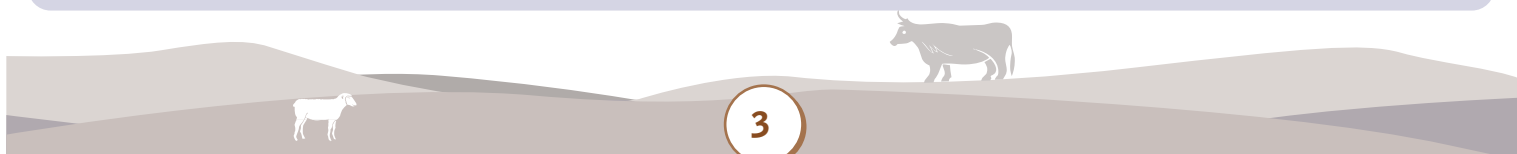
The Meat Board was visited by a delegation of officials from Russia's Veterinary Services. This visit followed a visit of the Russian President to Namibia. The aim of the delegation was to investigate the possibility of meat exports from Namibia to Russia. Visits were also paid to the Directorate of Veterinary Services, the FANMeat office for traceability, the Central Veterinary Laboratory and certain export abattoirs.

### Future of sheep marketing

The Meat Board, together with the Ministries of Agriculture, Water and Forestry and Trade and Industry as well as industry organisations and their leaders had a planning session at Tsumeb on 4 and 5 February 2010 to make proposals regarding the activities of the Meat Board. Amongst others the Sheep Marketing Scheme was discussed on request of the Permanent Secretary of Agriculture, Water and Forestry. He indicated that the matter had to be resolved as soon as possible. The meeting was requested to submit the present situation in the sheep industry as well as the negotiated agreement to the Permanent Secretary as soon as possible for further discussion with the Minister of Agriculture, Water and Forestry. The Minister will, in turn, discuss it with the responsible ministers of the Implementing and Monitoring Commission in order to submit a proposal to Cabinet and/or its committees for a decision. The proposal currently under discussion is the negotiated proposal submitted to Government by the Livestock Producers' Forum and Abattoir Association and comprises the imposition of a flexible export levy of minimum N\$40.00 per head to replace the present 6:1 sheep export quota scheme. The new proposal will be managed by an industry committee and the levy will be utilised to develop the sheep industry.

### LPF NCA Farmers' Mentorship Programme

The Northern Communal Areas Farmers' Mentorship Programme of the Livestock Producers' Forum



was launched by the president of the Livestock Producers' Forum, Mr Pintile Davids, on 17 March 2010. This multimillion programme that is intended to improve the marketing of cattle to the formal markets in the northern communal areas, is administrated by the Meat Board. Financing for this programme is obtained from the willingness of producers south of the veterinary fence to equalise the animal health status north of the veterinary cordon

fence to that occurring south of the fence through the payment of a levy. This programme will mentor approximately 350 farmers for the next two and a half years to increase their cattle offtake to the formal markets.

#### Information dissemination

The sophistication of any industry is measured against the level of its management information systems. The Meat Board is privileged to

have one of the best Management Information Systems in the world. This is strengthened by an agricultural economics professor being quoted in the Landbou Weekblad . . . it is a concern that import statistics with respect to Namibian (livestock and meat) trade be supplied from Namibia and not South Africa.

**P.J. Strydom, General Manager**

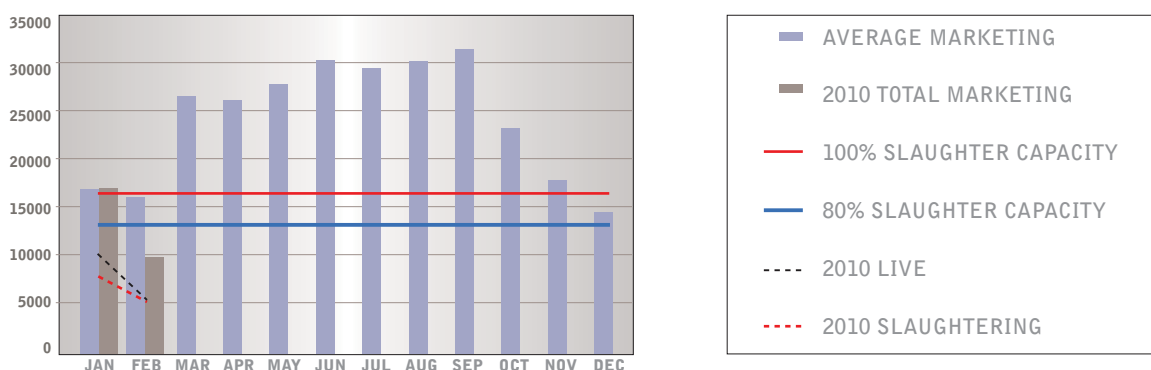
## Meat industry performance between January and February 2010

### BEEF SECTOR

#### Marketing of cattle

The total marketing of cattle between January and February 2010 stood at 37 383 livestock units, a 6.43 percent increase from a level of 35 123 cattle marketed in 2009 during the same months.

#### 5 YEAR AVERAGE MONTHLY CATTLE MARKETING



#### Slaughtering of cattle at export abattoirs

At the EU and RSA approved export abattoirs total slaughter for the months of January and February in 2010 stood at 12 579 cattle, going down by 14.84 per cent from the level of 14 771 as observed between the same two months of the preceding year. Of the total slaughter at EU and RSA approved export abattoirs, 12.6 per cent were A-Grade, 30.75 per cent AB-grade whereas the B and C grades accounted for up to 35.35 per cent and 20.55 per cent, respectively. The average carcass mass measured for the reporting two months was 245.76 kg per carcass unit, a 3.45 per cent increase from the 2009 average carcass mass of 237.56 kg.

A total of 9 33 tons of chilled and frozen de-boned cuts were exported to overseas markets during the period under review. This represents a 19.17 per cent decrease from the 2009 level when 1154 tons were exported during the same period.

#### Exports of live cattle

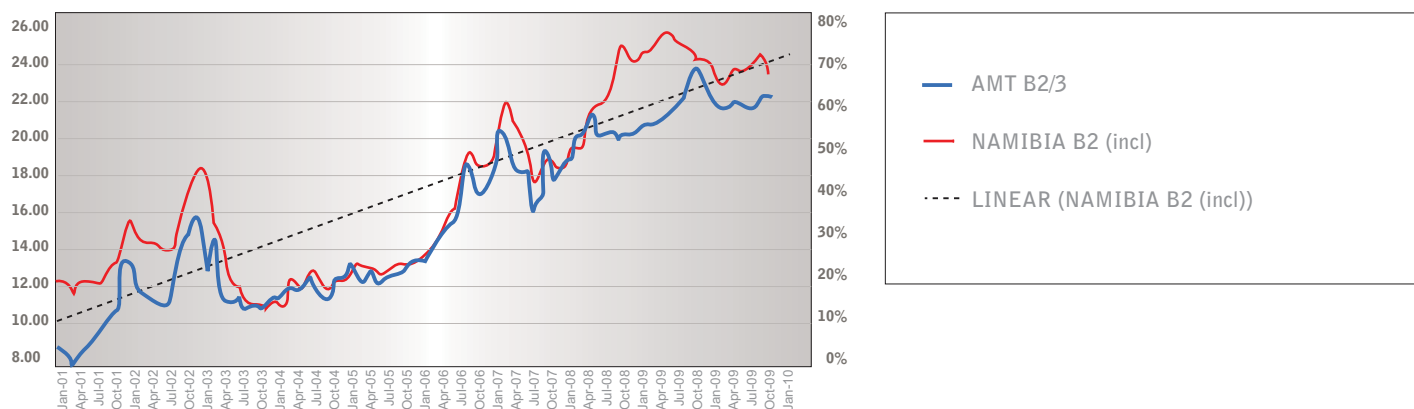
On the hoof marketing of cattle to South Africa increased by 18.01 per cent from 18 509 exported in the first two months of 2009 to stand at 21 843 cattle marketed in 2010 in the same months.



### Producer prices for cattle and beef

The average beef producer price between January and February of 2010 stood at N\$ 21.25/kg, while on livestock auctions, the weaner prices closed at N\$ 13.12/kg. On the other hand, the prices of stores and slaughter cattle stood at N\$ 12.39/kg and N\$10.30/kg (live weight), respectively.

**BEEF CARCASS PRICE : NAMIBIA B2 vs RSA B2/3**



### SMALL STOCK SECTOR

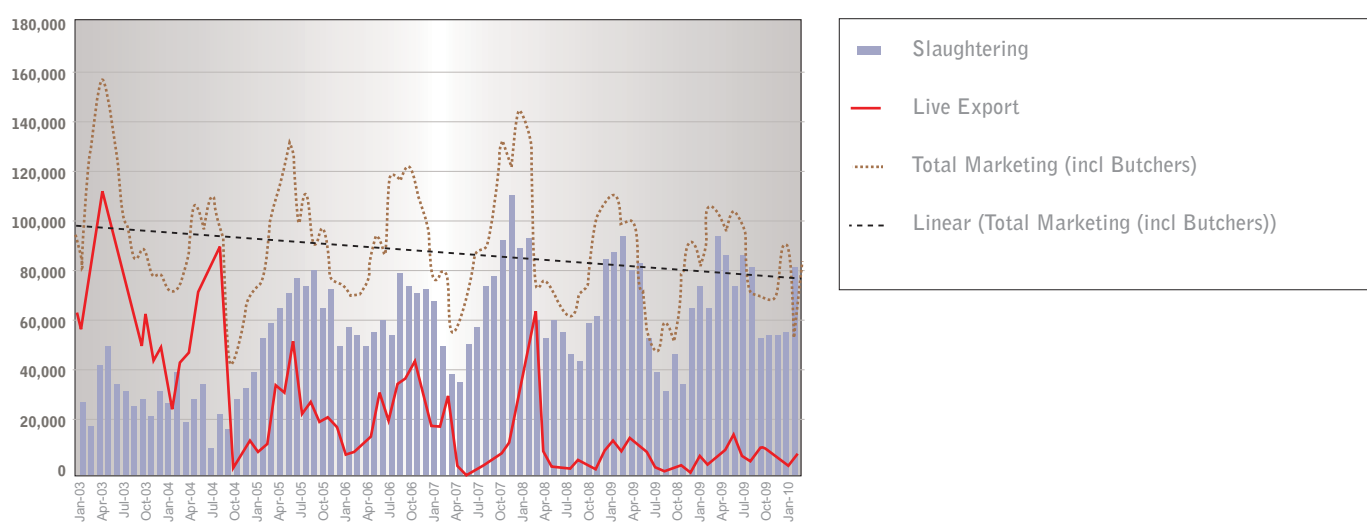
#### Marketing of small stock

By the end of February 2010 the marketing of small stock decreased by 21.69 per cent to stand at 150 296 in comparison to 191 922 units marketed in the same months of 2009.

#### Slaughtering of small stock at the EU/RSA approved abattoirs

A total of 117 103 units were slaughtered in the first two months of 2010, an 18.23 per cent decrease in comparison to the corresponding period in 2009 when a total of 143 212 units were slaughtered. Thus, a decline in the proportion destined for export markets as carcasses and cuts at the beginning of 2010.

**TREND: SLAUGHTERING vs LIVE EXPORT**



#### Live exports of small stock to South Africa

During the reporting months, live exports of small stock decreased by 2.78 per cent in comparison with the level observed in 2009. A total of 33 192 units were exported to South Africa, going down from a level of 34 142

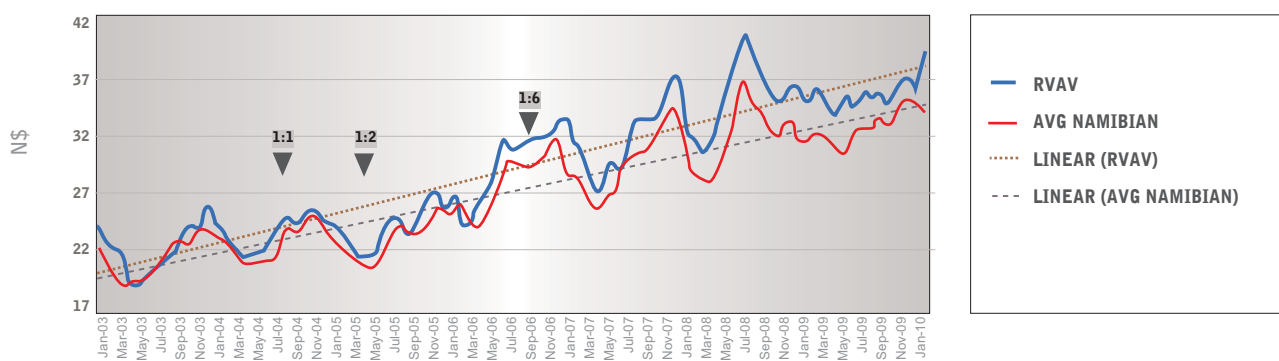


exported in 2009 during the same period. Of the 33 192 small stock exported, 23 551 were goats and 9 641 were sheep.

### Producer prices for small stock

The average sheep producer's price during the two months under review for carcasses was N\$22.06, which is 8.83 percent increase from N\$20.27/kg during the corresponding months of 2009. On livestock auctions, lamb traded on average for N\$ 12.07/kg (live weight), which is an 11.45 percent increase from 10.83/kg. On the other hand, goats fetched N\$ 507.08 per head.

### A2 SHEEP: LONG TERM PRICE FLUCTUATION



## PORK SECTOR

### Importation of pork

The pork imports in 2009 for the first two months stood at 529 tons whereas for the corresponding months in 2010, it stood at 434 tons. The importation of pork into Namibia declined by 0.18 per cent compared to 2009 period.

## CONCLUSION

The beef industry experienced an increase in the total marketing of cattle due to an increase of weaner exports to South Africa between the two months under review. Thus, the decline in the slaughtering of cattle at local export abattoirs could be due to the fact that producer prices at local export abattoirs were less competitive compared to that of live cattle because of amongst others the following reasons:

- i) The South African feedlots buying cattle in preparation for the world cup created an increased demand for weaners with a resulting upward pressure on prices; and
- ii) The strengthening of the Namibian Dollar against the Euro has resulted in declined earning for exports of beef resulting in downward pressure on local producer prices.

On the other hand, sheep producer price offered by export abattoirs as well as auction prices have increased between the first two months of 2010 compared to those of the corresponding period of last year. The decline in the total marketing of small stock is mainly caused by the decrease in the total marketing of sheep due to producers diversifying to game, cattle, goats and karakul farming as a result of the existing small stock marketing scheme.

Willie Schultz / Maria Immanuel



## Livestock Producers' Forum: Farmers' Mentorship Programme

### A widely applauded farmers' initiative

(Gizaw Negussie, Technical Advisor, Meat Board of Namibia)

### Background

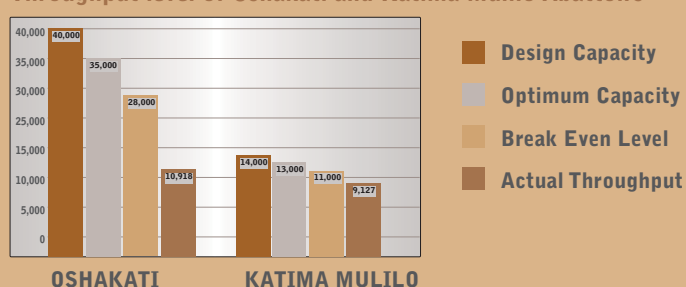
The Namibian Government has demonstrated its commitment to developing the livestock industry in the NCAs through various major investments made over the past two decades. In this respect, the LPF Farmers' Mentorship Programme is unique. The programme was conceived, designed, financed and supported by Namibian farmers south of the Veterinary Cordon Fence (VCF). The mentorship programme has its origin in the interest that livestock producers south of the Veterinary Cordon Fence have towards their counterparts in northern Namibia in creating greater access to markets. LPF voluntarily introduced a levy which will be enforced for five years (2007-2012). The levy requires that for every large and small stock unit originating from south of the VCF and destined to export markets or slaughtered a levy will have to be paid towards financing, amongst others, the mentorship programme. In all NCA regions visited, all partners – farmers' organisations, MAWF Directorates for extension, veterinary services and research, traditional authorities and regional councils expressed their admiration for the LPF and the Meat Board of Namibia to have come up with this most valuable initiative.

### Programme rationale

#### Low level of livestock offtake

Cattle offtake levels currently stand at about 7.5% to 8.6% (Livestock Marketing Study, University of Pretoria, 2000). Of this figure, only 2 percentage points are marketed through the formal sector. Consequently export abattoirs in the NCAs, since their establishment in 1992, have been operating at a combined capacity of only 38 percent. This has caused the abattoirs to incur annual losses of approximately N\$12.9 million. The mentorship programme aims to reverse this situation.

Throughput level of Oshakati and Katima Mulilo Abattoirs



### Strategies

The LPF Farmers' Mentorship Programme, through practical training and mentoring, aims to empower livestock producers with technologies and management skills. The programme encourages producers to have negotiated contractual agreements with formal sector cattle market outlets. Once contractual arrangements have been made, producers, with the assistance of their mentors, develop action plans which should guide the producers to make every preparation possible to improve the condition of animals to be marketed. The remunerative prices producers will be able to receive, would encourage farmers to adopt the system of producing livestock for the market. The remunerative prices that the producer will receive should enable more farmers to adopt market-oriented livestock production and marketing of cattle. Over time, this system of producing for the market will become an integral component of participating producers' livestock farming practices. As participating producers raise their livestock productivity and benefit from investments they make on their farms, a growing number of farmers will embrace a market-oriented livestock production system. This will increase livestock offtake and hence the throughput of export abattoirs in the NCAs.

### Selection of participating farmers

Livestock producers that qualify to participate in the mentorship programme are divided into three categories. These comprise small-herd owners with 20 to 50 head of cattle, medium-herd owners having 51 to 100 head of cattle and large-herd owners with over 100 head of cattle. Each of the three categories of producers should represent about one third of the 50 farmers to be selected in each region.

### Number of livestock producers selected to participate in the LPF NCA Farmers' Mentorship Programme

No.	Region	Categories of Livestock Producers (based on cattle ownership)			Total	Reserve	Grand Total
		Small (20 – 50)	Medium (51-100)	Large (over 100)			
1.	Kunene	11	12	28	51	5	56
2.	Omusati	17	17	16	50	6	56
3.	Oshana	14	12	17	43	8	51
4.	Ohangwena	11	13	26	50	7	57
5.	Oshikoto	5	19	34	58	6	64
6.	Kavango	17	17	16	50	7	57
7.	Caprivi	18	11	26	55	7	62
Total		88	99	158	357	46	403

Through a consultative process and based on criteria collectively developed, seven Regional Steering Committees screened, from among close to 600 candidate farmers short-listed, 403 livestock producers who are eligible to participate in the mentorship programme. Of these farmers, 357 livestock producers will participate while 46 will be on reserve to replace farmers who may drop out for various reasons. (Table 2)

#### Selection of mentors

The LPF Farmers' Mentorship Programme has identified 14 mentors with valuable expertise in livestock management and marketing. They comprise livestock researchers, lecturers in animal science, commercial farmers and agricultural extension specialists. The mentors have been selected for their knowledge and skill in livestock farming, their communication skills and for their courteousness in dealing with traditional people and elders.

#### Delivery of technical services

The focus of the programme will be on transferring technical livestock management expertise to 357 selected livestock producers. Two mentors per region will be assigned to mentor 50 farmers for a period of three to five days per month, for a period of three years.

Theoretical training will be complemented by practical demonstrations and study tours to commercial farms, Livestock Development Centres (LDCs) and research stations where scientific livestock production functions are routinely practised. In the process of executing its planned activities, the programme will strengthen farmers' organisations, agricultural extension and veterinary services, as they will also be invited to participate at the cost of their organisations. They will be able to develop skills in analysing livestock producers' constraints and in seeking solutions. The programme is expected to motivate a considerable proportion of additional subsistence livestock farmers to embrace the new system of livestock production and marketing.

#### Concluding remarks

This initiative of the Livestock Producers' Forum that will be executed through the Meat Board of Namibia is an attempt that emerged from growing concern about the stagnant state of the livestock industry in the NCA. Through perseverance, close cooperation among all partners involved, but, most importantly, livestock producers' preparedness to assume greater responsibility for their own future, the programme is expected to achieve its goals.

## Stock brand fees

An increase in fees for the registration and transfer of stock brands and the issuing of duplicates was published in the Government Gazette of 15 December 2009. The fees, in order to duly inform the industry, will be effective from 1 February 2010 and thereafter as set out in the following table:

Type of fee	Fee payable as from 1 January 2010	Fee payable as from 1 January 2011	Fee payable as from 1 January 2012
Registration of a brand	N\$ 80	N\$ 90	N\$ 100
Transfer of a brand	N\$ 20	N\$ 25	N\$ 30
Duplicate certificate of a brand	N\$ 40	N\$ 50	N\$ 60

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