

APPOINTMENT OF BOARD MEMBERS

The Honourable Minister of Agriculture, Water and Forestry appointed new Board Members to the Meat Board of Namibia Board as from February 2017.



Back from Left: Mr Alfred Chilinda; Mr Ramana Mutjavikua; Johannes Balzar; Dr Lucia Ndamonako Marius; Ms Julene Meyer; Mrs Estelle Pienaar. Middle from Left: Mr Floris van Niekerk; Ms Rosa Katjivena; Ms Mary Kalangula-Ndakilako; Ms Yvonne Howaes; Mr Sikunawa Negumbo. Front from Left: Dr Archi Norval (Vice Chairperson); Ms Patricia Gurubes (Chairperson); Mr Paul Strydom

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WHAT THE MEAT BOARD HAS DONE LATELY

MEAT BOARD OF NAMIBIA ORGANISES THE INTRODUCTION OF INFORMATION BROCHURES ON REPRODUCTION DISEASES



The economic impact of reproduction diseases among cattle and small stock herds and flocks is becoming increasingly important due to the impact it has on farm productivity. It has subsequently been emphasised on several agricultural conferences and farmers days as the presence of these diseases leads to low calving and lambing rates and the subsequent loss of farmers' incomes.

The Meat Board of Namibia, together with the agricultural unions, sponsored the drafting, designing and printing of pamphlets and brochures to make producers aware of the economic impact of these diseases on farming and businesses. The launch of these pamphlets is a joint project between the Meat Board and agricultural unions to encourage farmers to apply responsible farming practices.

THE MEAT BOARD OF NAMIBIA PRESENTS ITS ROLE AND FUNCTIONS TO THE STAKEHOLDERS

The General Manager of the Meat Board presented the Role and Functions of the Meat Board of Namibia to two regional farmers unions on 5 April 2017 in Otjiwarongo and 7 April 2017 in Okahandja. Discussions featured the following: the role the MBN can play in the marketing of game meat; the involvement of the MBN in the NCA; the maintenance and repair of the veterinary cordon fence; excess finances of the MBN due to the decrease in payments to the agricultural unions; the added role AMTA would play in the Namibian meat industry; the determination of Meat Board announced standard values; the collection of levies associated with informal transactions; future status of RSA livestock exports; inclusive quantitative sheep exports; clarity on the roles the DVS and Meat Board play in market access and future engagement in the selling of arboricides. Producers advised the MBN to play a greater role in informing

decision makers. Attendance by and interaction with the MBN was appreciated by all regional farmers' unions.

FAN MEAT: FROM FARM TO ABATTOIR

The Farm Assured Namibian meat Scheme, commonly known as FAN Meat, is a scheme which aims to provide assurance to consumers regarding animal welfare standards, as well as the traceability, safety and quality of Namibian meat. The whole chain from farm to abattoir should thus comply with FAN Meat standards to be able to provide such assurance to consumers. The first phase in the completion of this chain is to register livestock transporters and livestock agents/auctioneers as FAN Meat members and this process will start soon. All livestock transporters and agents/auctioneers are urged to please contact the FAN Meat office for more information on the standards and registration process.

Please contact Mr Esegiel Serogwe via email at chfanmeat@nammic.com.na or telephone +264 61 275 856. You can also visit the Meat Board website for more information.

PRODUCER AND ABATTOIR REGISTRATIONS

For the livestock and meat industry to do planning and future projections, accurate data is needed. Producers are therefore reminded of the requirement for annual registration with the Meat Board of Namibia. This also serves as a request to submit accurate data regarding livestock numbers during re-registration and a reminder that the Namibian Livestock Identification and Traceability system (NamLITS) should be regularly updated regarding livestock numbers and terminations. All producers operating abattoirs on the farm and slaughtering for commercial purposes should please register with the Meat Board and submit accurate slaughter numbers to assist with the compilation of accurate statistical data.

Please contact Bianca Nejembo via email at bianca@nammic.com.na or telephone at +264 61-275871 or Petrus Maritz at petrus@nammic.com.na or +264 61-275847 about abattoir registration. Registration forms (Form C) are available at all agents as well as on the Meat Board website www.nammic.com.na. For enquiries contact Desmond Cloete at +264 61 275877. Electronic applications can be mailed to info@nammic.com.na

MEAT BOARD OF NAMIBIA PRESENTED J&P GROUP, ONDANGWA WITH SEAL OF QUALITY AWARD



At a small but very prestigious occasion arranged by the J&P Group, the Meat Board of Namibia handed over a Seal of Quality award to Mr John Endjala of the J&P Group.

The event was also attended by representatives of the retail trade in Ondangwa whom demanded the facility to obtain the Seal of Quality approval from the Meat Board of Namibia. Mr Strydom was quite impressed with the facility and congratulated Mr Endjala with his achievement. He further mentioned that it is the first facility of its kind north of the Veterinary Cordon Fence that received the reward. Achieving the Seal of Quality award spells out the ability of the J&P Group facility to comply with a set of rules of basic meat hygiene to which this facility is compliant to. The Seal of Quality program of the Meat Board of Namibia was developed to provide consumers purchasing meat products at these certified facilities, the assurances that the meat and meat products is safe, wholesome, of good quality and professionally presented to customers. The Meat Board undertakes to include the J&P Group in its advertising campaign which would increase its customer base. The Meat Board will annually audit the facility to not only ensure it is compliant to the Seal of Quality conditions but also assist the applicable staff members in improving the quality of meat and meat products being manufactured and presented to the clients.

THE INTERNATIONAL ISO-CERTIFICATION BODY AWARDS THE MEAT BOARD WITH A CERTIFICATE OF COMPLIANCE

The ISO-certification body in South Africa awarded The Meat Board of Namibia with two certificates of compliance for the management and implementation of its local value addition schemes. Value addition schemes are implemented at the request of government and are applicable to the importation of poultry and pork and the exportation of sheep to South Africa or elsewhere. These certificates indicate that the Meat Board implemented the schemes with integrity and in accordance with the applicable laws of the country and the decisions of the Meat Board.

THE SOUTH AFRICAN FEEDLOT ASSOCIATION INVITES THE MEAT BOARD OF NAMIBIA TO THEIR ANNUAL GENERAL MEETING

The General Manager of the Meat Board of Namibia, Mr Paul Strydom, was invited to attend the annual general meeting of the South African Feedlot Association on 8 March 2017 to discuss the status of livestock exports from Namibia to South Africa. Mr Strydom informed the meeting that the implementation of the recently instituted South African import conditions initially brought a halt to livestock exports and that the maintenance of the South African market is an absolute necessity for Namibia's weaner and small stock exports. Individual South African feedlots expressed their concern that the local capacity to monitor the import certificates is limited and that additional action is required to guard the South African market for Namibian livestock.

STAMPRIET FARMERS ASSOCIATION MEETING

The Stampriet Farmers Association invited Desmond Cloete and Petrus Maritz to update members on marketing trends in the sheep industry as well as aspects on sheep classification. Desmond provided an overview of the entire livestock industry for the past 5 years. Trends were discussed on cattle, sheep, goats and pork marketing. Cattle producers were concerned with the fact that the lucrative prices fetched at the export markets are not channelled back to them. Producers furthermore supported the idea of finding ways to raise weaners locally to ensure enough volumes for all the new export markets. The bone-in lamb to the EU was fully supported and it was recommended that this is the way out for producers. Petrus enlightened the members on the objectives of classification - why Namibia has this specific classification system and how it compares to that used in the EU, USA and Australia.

MEAT BOARD OF NAMIBIA INTRODUCES STANDARD VALUES FOR THE COLLECTION OF LEVIES DURING THE 2017/2108 FINANCIAL YEAR

Government Notice 139 of 2012 states that the Meat Board must annually determine standard values for the payment of levies by producers and exporters. These values are used to determine the value of livestock during export, out-of-hand and C-class abattoir slaughter transactions as these transactions cannot be audited. These values are statistically calculated from livestock transactions which took place during the 2016 calendar year.

The standard values for the financial year 1 April 2017 to 31 March 2018 will be as follows:

| ITEM | STANDARD VALUE |
|----------------------------|----------------|
| Cattle – (any transaction) | 4243 |
| Cattle – (for slaughter) | 7081 |
| Goat (any transaction) | 818 |
| Sheep (any transaction) | 828 |
| Pork (any transaction) | 1579 |

Standard values are only used when livestock transactions cannot be verified. Relevant transaction values otherwise will remain.

MEAT BOARD OF NAMIBIA NEGOTIATES WITH THE MINISTRY OF AGRICULTURE, WATER AND FORESTRY TO IMPORT BUSH ARBORICIDES

The Meat Board is overwhelmed with requests from producers who are interested in purchasing bush arboricides. The Ministry of Agriculture, Water and Forestry gave the Meat Board of Namibia consent to sell its existing arboricide stock, but any further sales from the Meat Board of Namibia has been suspended by the Ministry of Agriculture, Water and Forestry. All arboricide stock at the Meat Board of Namibia was sold out.

The Meat Board of Namibia is in regular contact with the Ministry of Agriculture, Water and Forestry to negotiate for the continued importation and selling of bush arboricides due to the exceptional interest from producers wishing to purchase it. Producers will be informed about the outcome of these negotiations.

THREE WOMEN LEADING THE AGRICULTURAL INDUSTRY



Mrs Sirka Iileka – Chairperson, Agricultural Boards; Ms Julene Meyer – Chairperson, Karakul Board; Mrs Patricia Gurubes – Chairperson, Meat Board of Namibia.

MEAT INDUSTRY FIRST QUARTER

THE CATTLE SECTOR: PRODUCTION AND MARKETING

Namibia experienced a severe drought in 2016 which resulted in the scarcity of fodder and therefore a large percentage livestock were in a poor condition.

Comparing the number of cattle units marketed in 2016 and 2017 between January and March of both years, an increase of 12.43% was realized increasing from 64 421 in 2016 to 73 569 cattle in 2017. Higher rainfall figures coupled with improved rangeland conditions are contributing factors leading to the increase in the marketing of livestock. Due to the high demand for weaners in the RSA feedlot markets, 76% of the cattle marketed were live exports. Export abattoirs accounted for 19% of the total marketing of cattle while the numbers declared by the B&C class abattoirs accounted for 5% of total marketing.

TABLE 1. 2017 MONTHLY CATTLE MARKETING

| 2017 | EXPORT SLAUGHTER | BUTCHERS | LIVE EXPORTS | TOTAL MARKETING |
|----------|------------------|----------|--------------|-----------------|
| January | 1.093 | 1.971 | 11.064 | 14.128 |
| February | 5.625 | 582 | 21.749 | 27.956 |
| March | 7.168 | 1.308 | 23.009 | 31.485 |
| Total | 13.886 | 3.861 | 55.822 | 73.569 |

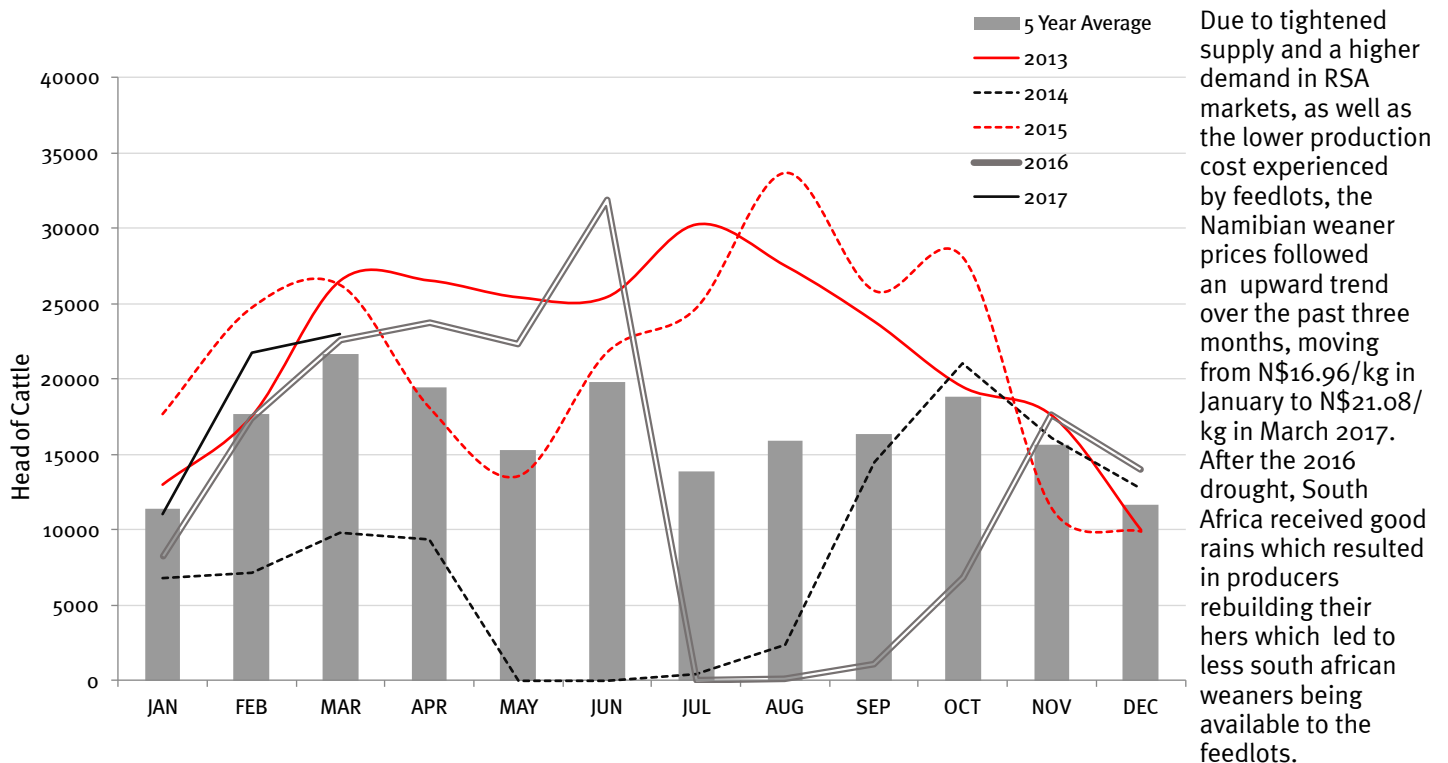
Only 1 093 cattle were slaughtered at the export abattoirs in January as stipulated in table 1, this is mainly because in general cattle are mostly not market ready in January and this phenomenon constraints the supply to abattoirs; however, as soon as the cattle become ready, the supply gradually increases and slaughtering at the export abattoirs are expected to reach their peak from April.

LIVE EXPORTS OF WEANERS

Comparing the 48 248 cattle exported in 2016 with the 55 822 cattle exported in 2017, the weaner market performed exceptional by closing year-on-year 13.6% higher in 2017 compared to 2016. Maize prices decreased by 22% during the reported period and as a result feedlots are able to feed more weaners at a much lower cost.

The low cost of maize feedlots were in a position to pay more for weaners at auction increasing their competitiveness compared to other marketing channels.

FIGURE 1. LIVE EXPORT OF WEANERS



There is an average price difference of approximately N\$8.58 between the average weaner price in Namibia and South Africa. An increasing trend in the weaner prices can be observed in both countries although more significantly so in South Africa. The Price is expected to increase gradually for the remainder of the quarter.

THE SHEEP SECTOR: PRODUCTION AND MARKETING

Table 2 below shows an increase in the total number of sheep slaughtered and exported live in 2017 compared to that of 2016. The 32.3% increase of live sheep exported that is observed can be attributed to the competitive prices fetched in South Africa compared to the Namibian abattoirs' average prices, as well as the utilisation of the sheep quota that was available to some of the producers. As a result producers prefer to export their sheep in order to utilise the higher prices on offer in RSA

Comparing year-on-year, a 12.4% increase in the sheep slaughtered at the export abattoirs is observed. Compared to 2016, better rains were received this season and therefore more slaughter ready sheep were available to the abattoirs.

TABLE 2. SHEEP SLAUGHTERING VERSUS LIVE EXPORTS 2015

| MONTH | SLAUGHTERING EXPORT ABATTOIRS 2016 | SLAUGHTERING EXPORT ABATTOIRS 2017 | LIVE EXPORTS 2016 | LIVE EXPORTS 2017 |
|----------|------------------------------------|------------------------------------|-------------------|-------------------|
| January | 8.660 | 10.085 | 13.724 | 11.322 |
| February | 22.634 | 28.348 | 24.197 | 34.593 |
| March | 37.674 | 40.356 | 21.864 | 42.453 |
| Total | 68.968 | 78.789 | 59.785 | 88.368 |

A total of 18 230 sheep were slaughtered at the B&C class abattoirs. This translates into an 8.60% share of the total market, compared to 50% of the share held by the export of live sheep and 41.70% of those that were slaughtered at the export abattoirs. If the price difference between the Namibian abattoirs and that of the Northern Cape continues to increase, live exports are expected to increase given the quota that is available to exporters.

Despite the drought marketing measure (to lean to small) allowing for the exportation of non-market ready sheep without export quota as well as the fat tail exemption measure, producers fail to fully utilize them. The fact that both measures are under- or not utilized at all can be attributed to the fact that producers complain about the administrative burden associated with these measures. However, between January and March 2017, 99% of the sheep was exported under the sheep quota system with only 3 sheep exported for breeding purposes.

All three sheep export abattoirs slaughtered below the 80% capacity despite an increase in the number of sheep slaughtered compared to 2016. The total number slaughtered increased from 68 968 in 2016 to 78 789 in 2017.

The Farmers Meat Market Abattoir only utilized 25% of its capacity compared to the Keetmanshoop and Aranos abattoirs utilizing 50% and 45% respectively; however, this is mainly due to the fact that they have a much larger slaughtering capacity than the rest. The high percentage utilization of Brukarros can be attributed to the fact that Brukarros does not slaughter sheep every day and therefore the sheep slaughter capacity alone is much smaller than the Aranos and Mariental abattoirs.

SHEEP PRICES

Table 3 gives an overview of the A2 sheep price fluctuations and differences between the Namibian prices and that of the Northern Cape. Lamb prices posted marginal gains in the RSA which resulted in the price difference that increased to N\$6/kg in week 16. Increased price differences have a direct impact on the live exportation as the price is more appealing in South Africa. Despite the price differences, producers are still compelled to slaughter at the Namibian abattoirs as per the regulations of the small stock marketing scheme. The Northern Cape prices remain firm despite the slight decrease as a result of an oversupply of A2 sheep in the market from Namibia and within South Africa.

TABLE 3: REPORTED CARCASS PRICES BY EXPORT ABATTOIRS (A2-GRADE)

| DATE (2017) | WEEK | NAMIBIA | NAM/SUPER | N/CAPE | NAM - N/CAPE | SUPER - N/CAPE |
|-------------|--------|---------|-----------|--------|--------------|----------------|
| 6 February | Week6 | 61.67 | 63.50 | 66.00 | -4.33 | -2.50 |
| 13 February | Week7 | 61.00 | 63.50 | 60.00 | 1.00 | Mar-50 |
| 20 February | Week8 | 57.00 | 59.50 | 60.00 | -3.00 | -0.50 |
| 27 February | Week9 | 56.67 | 59.50 | 60.00 | -3.33 | -0.5 |
| 06 March | Week10 | 56.00 | 59.00 | 60.00 | -4.00 | -1 |
| 13 March | Week11 | 55.67 | 56.50 | 59.00 | -3.33 | -2.5 |
| 20 March | Week12 | 53.33 | 56.00 | 57.00 | -3.67 | -1 |
| 27 March | Week13 | 53.00 | 55.50 | 59.00 | -6.00 | -3.5 |
| 03 April | Week14 | 53.00 | 55.50 | 58.00 | -5.00 | -2.5 |
| 10 April | Week15 | 52.67 | 55.00 | 58.00 | -5.33 | -3 |
| 18 April | Week16 | 52.00 | 54.50 | 58.00 | -6.00 | -3.5 |

With regards to the C2 sheep prices, a decreasing trend can be seen in the Namibian sheep prices specifically decreasing from N\$44.33/kg in February to N\$38.33/kg in week 16. Low skin prices seemingly affect the Namibian producer price. Farmers were able to grow their breeding stock due to the better rains and grazing and more c-grades are becoming available for slaughter. A difference of N\$5.17 was realised between the two prices in week 16.

TABLE 4: REPORTED CARCASS PRICES BY EXPORT ABATTOIRS (C2-GRADE)

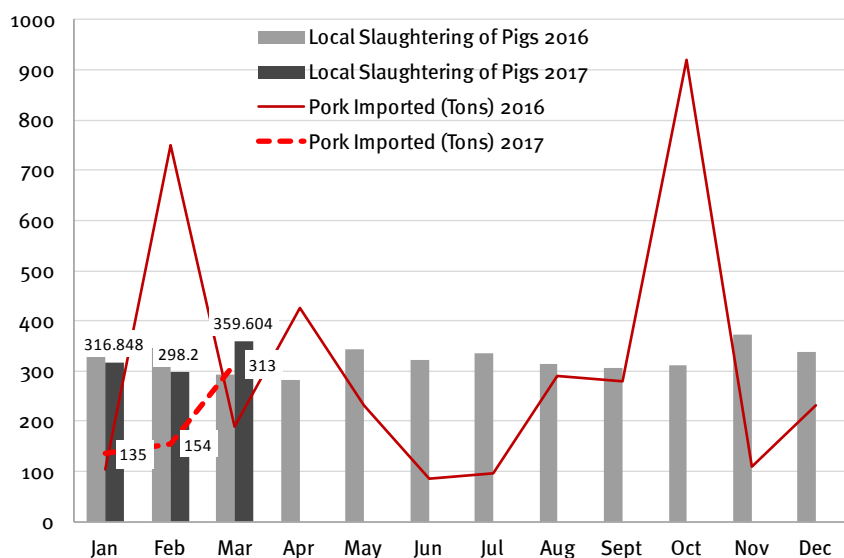
| DATE | WEEK | NAMIBIA | RMAA | N/CAPE | NAM - N/CAPE |
|------------------|--------|---------|-------|--------|--------------|
| 6 February 2017 | Week6 | 44.33 | 52.35 | 48.50 | -4.17 |
| 13 February 2017 | Week7 | 44.67 | 50.46 | 45.50 | -0.83 |
| 20 February 2017 | Week8 | 44.00 | 43.44 | 45.50 | -1.50 |
| 27 February 2017 | Week9 | 42.33 | 41.42 | 45.50 | -3.17 |
| 06 March 2017 | Week10 | 42.00 | 45.13 | 45.50 | -3.50 |
| 13 March 2017 | Week11 | 42.33 | 46.47 | 45.50 | -3.17 |
| 20 March 2017 | Week12 | 40.83 | 46.18 | 43.50 | -2.67 |
| 27 March 2017 | Week13 | 40.50 | 47.28 | 44.50 | -4.00 |
| 3 April 2017 | Week14 | 39.67 | 45.91 | 43.50 | -3.83 |
| 10 April 2017 | Week15 | 39.00 | 44.56 | 43.50 | -4.50 |
| 18 April 2017 | Week16 | 38.33 | | 43.50 | -5.17 |

More consistency is observed in the Northern Cape prices compared to the Namibian prices.

THE PORK SECTOR: PRODUCTION AND MARKETING

The total weight of pork imported from January to March 2017 stood at 602 tons. This represents an increase of 42.22% compared to the 1 042 tons imported in 2016 over the same reported period. Between January to March 2016 a total of 982 tons of pork were slaughtered locally compared to the 975 tons of pork that was slaughtered between January to March 2017. This shows a decrease of 0.7% between these two years.

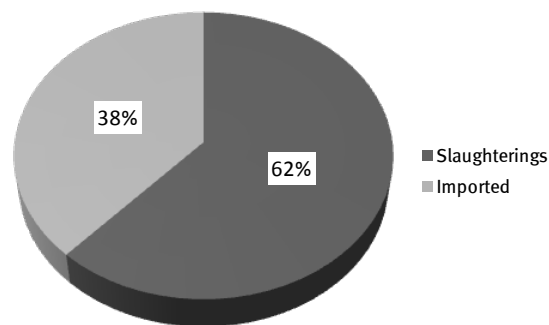
FIGURE 2: LOCAL SLAUGHTERING 2016/17 VS PORK IMPORTS 2016/17 JANUARY TO MARCH



PORK MARKET SHARE

FIGURE 3: PORK MARKET SHARE JANUARY TO MARCH 2017

Pork imports between January to March 2017 made up 38% of the total market share while local slaughtering accounted for 62% of the total market share. The high percentage of locally slaughtered pork can be attributed to two factors, namely the increased production of pigs currently in Namibia and the Pork Market Share Promotion Scheme that ensures that imports are reduced as importers are compelled to first purchase locally produced pork carcasses before an import permit is issued.



CONCLUSION

The weaner calf shortage and tightened supply in South Africa have currently created a demand for Namibian weaners. This means that Namibian weaner producers are able to fetch better prices for their weaners which subsequently increases their income and purchasing power.

The promising outlook for maize prices on the back of expected bumper crops is positive for the livestock feeding industry. This season's good rainfall has improved grazing conditions and will subsequently promote herd rebuilding.

The life span of the Namibia sheep export abattoir operations is threatened by the fact that Namibian Abattoirs continue to slaughter below the 80% capacity and by the delay in the VAT claims from the receiver of revenue. This has placed abattoirs in distressed financial positions affecting operators' cash-flow. As part of the long term sheep strategy, the industry therefore calls for the reduction period in the processing of VAT claims with the aim of relieving abattoirs from their current financial burdens.

A2 and C2 sheep prices differences compared to RSA are becoming alarmingly wide. Prices in the RSA are expected to move sideways. This subsequently gives farmers the incentive to choose to export their best quality sheep to South African abattoirs where the prices are much higher than what they are offered locally. A price difference of N\$6/kg was observed between the Namibian and Northern Cape price in week 16. This alone poses a huge challenge for abattoirs who would then not be able to serve clients with A-grade sheep meat preferences such as Woolworths, which can result in losing that lucrative market.

Given the better grazing conditions as a result of good rains received in Namibia, the agricultural sector and more specifically the livestock sector, is expected to grow positively this year compared to 2016. In an effort to lower compliance costs, Namibia will continue to pursue the lifting of the restrictive export conditions that were implemented by South Africa at the SPS committee of the WTO.

MANAGEMENT MEAT BOARD OF NAMIBIA



Front: Paul Strydom – General Manager; Goliath Tujendapi – Manager Trade. Back: Willie Schutz – Manager Operations; Dr Anja Boshoff-De Witt – Manager Meat Standards

MEATCO PRODUCER OF THE YEAR



Top Communal Producer – Esegiel Nguvauva and his wife Ursula (Finance Manager – Meat Board of Namibia) scooped the

Meatco Producer of the year 2016 award.

WE LOVE OUR MEAT

Premium quality Namibian meat controlled and guaranteed by the Meat Board across the value chain according to highest quality and safety standards.



VISION STATEMENT

The vision of the meat Board of Namibia is to be an internationally and locally recognised organisation that promotes a profitable, vibrant, quality-driven Namibian meat industry in local and international markets.

MISSION STATEMENT

The mission of the Meat Board of Namibia is to promote a conducive environment for sustainable livestock production, market growth and diversification for livestock, meat and meat products; and to maintain standards and quality assurance by way of appropriate regulatory intervention.