

# meat CHRONICLE



Meat Board  
of Namibia

NEWSLETTER

1/2018

## CHINA MEAT ASSOCIATION VISIT MBN



The Chinese Meat Association, represented by 20 delegates, visited the Meat Board of Namibia and Meatco to familiarise themselves with the Namibian meat industry. Namibia is in the process of obtaining access to the Chinese market for its beef products. The event was opened by Ms Sophie Kasheeta, Deputy Permanent Secretary of the Ministry of Agriculture, Water and Forestry. In her opening speech she indicated that access to markets contributes positively to economic growth in agriculture and the improvement of living standards of the country's citizens. The current signed protocol between China and Namibia indicates that no beef may be exported within 12 months of the last confirmed case of lumpy skin disease. Discussions between the Minister of Agriculture, Water and Forestry and the Chinese ambassador in Namibia led to an undertaking to revise the protocol, and specifically the stipulation on Lumpy Skin Disease. The industry further requested that the export of bone-in beef and mutton, as well as offal and processed meat products from the NCA, should be added to the protocol.

The Chinese delegation was led by Mr Li Shuilong, President of the China Meat Association and Vice-president of the International Meat Secretariat of which the Meat Board is also a member. China could be an important market for Namibia as it imports 6.5 million tons of beef, 250 000 million tons of mutton, 2.3 million tons of pork and 1.7 million tons of chicken per annum.

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# MEAT BOARD'S LATEST ENDEAVOURS



*Parliamentarians of the Kwazulu-Natal Legislature delegation*

## KWAZULU-NATAL PROVINCIAL LEGISLATURE VISIT

Parliamentarians of the Kwazulu-Natal Legislature visited the MBN to explore the performance of the Namibian meat industry, as well as the traceability and farm-assured schemes systems Namibia deploys to export livestock to South Africa and in particular, to Kwazulu-Natal. The delegation gathered information on the structure of the meat industry and FAN Meat.

## LIVESTOCK MARKETING IN 2017

Marketing of cattle in Namibia increased with 30% in 2017. In total, 421,000 cattle have been marketed in 2017 compared to the 293,000 marketed in 2016. A total of 313,000 cattle, supported by a 34% price increase since 2016, have been exported to South African feedlots, while 108,000 cattle have been slaughtered at local abattoirs. The average B2-cattle meat prices at export abattoirs increased with 16% in 2017. Sheep marketing in 2017 increased with 2% - 394,000 sheep were exported while 310,000 were slaughtered locally. The average A2 sheep carcass price increased with 16% in 2017.

## MEAT BOARD APPROVED ALLOCATION OF NORWAY QUOTA TO EXPORTERS FOR CONSIDERATION BY THE MINISTER OF INDUSTRIALISATIONS, TRADE AND SME DEVELOPMENT.

The Meat Board has approved the allocation of the Norway quota for recommendation to the Minister of Industrialisation, Trade and SME Development. The Minister should approve the Norway quota by 30 November 2017 for implementation by 1 January 2018. By 2 November 2017, 85% of the Norway quota of 1600t has been utilised. Both Meatco and Brukarros Meat Processors are utilising the quota allocated to Namibia.

## SAMIC COORDINATING CONFERENCE

Mr Maritz attended the Annual South Africa Meat Industry Company (SAMIC) Coordinating Conference held in Pretoria. SAMIC is assigned by DAFF, South Africa, to perform classification standards compliance audits at classifying abattoirs, and feedlots with regards to the latest import requirements for live animals destined for feedlots and abattoirs from Namibia, Lesotho and Swaziland. Additionally, they also perform quality indication compliance audits at registered retailers. The main aim of the conference was to ensure the implementation of classification standards, as well as conducting quality indication audits and import requirement audits on the same level in all provinces. Mr Maritz attended this conference to ensure future compliance of the MBN in applying the South African Classification regulations at export abattoirs and the implementation of quality indication audits on behalf of Woolworths South Africa.

## INCREASE OF STOCK BRAND FEES AS PER GAZETTE NO. 5783

The fees payable to the Registrar for registration of a brand in terms of section 6(2) of the Act or for transfer of a registration of a brand in terms of section 8(3) or 9(2) of the Act must be set out in the following table:

TYPE OF FEE	OLD FEES (2017)	FEE PAYABLE AS FROM 1 MARCH '18
Registration of Brand	N\$122.00	N\$129.00
Transfer of Brand	N\$44.00	N\$47.00
Duplicate certificate of a brand	N\$77.00	N\$82.00

The annual increase is based on the annual inflation rate. It is currently 6% as per the Bank of Namibia CPI.

All State Veterinary Offices, Agents, Farmer Associations and Meat Board Offices (Regional and Head Office) are requested to implement the above notice as from 1 March 2018.

The Meat Board of Namibia, mandated Administrator of the Stock Brands, will communicate the new fees to be effected for the preceding year every November of the current year of review.

## MEAT BOARD APPROVES PRICE SUPPORT FOR SMALL STOCK EAR TAGS

At the latest Board Meeting held on 16 November 2017, the selling price of small stock ear tags was set at N\$10,75. With the selling of the next consignment of 130 000 ear tags, the Board will subsequently realise a saving of N\$227,500.00 for small stock producers. The Department of Veterinary Services South Africa requires that all small stock exported to South Africa should be individually identified. The approved method for such identification is a combination of a primary electronic ear tag and a secondary visual ear tag. The Meat Board has been appointed by the Directorate of Veterinary Services for the distribution of official cattle and small stock ear tags.

## STANDARD VALUES FOR THE 2018-19 FINANCIAL YEAR

The Meat Board of Namibia's levies on the export of livestock, domestic transactions, as well as slaughtering at local abattoirs, are levied against a standard value when these transactions are not auditable.

The standard levy is updated annually as per Notice 139/2012, based on actual values realised the previous calendar year (in this case 2016).

The standard values for implementation 1 April 2018 to 31 March 2019 are as follows:

ITEM	STANDARD VALUE
Cattle: Live	6 406
Cattle: Slaughter Price	8 570
Goat: Live/slaughter Price	929
Sheep: Live/slaughter Price	1 030
Pig: Live/slaughter Price	1 815

## PRODUCER REGISTRATION AT THE MEAT BOARD (FORM CS)

For planning purposes, the Meat Board requests all livestock producers, abattoirs or slaughtering facilities, exporters or dealers of livestock or livestock products, to register at the Meat Board for 2018/2019. With this registration producers will receive their producer numbers which are annually renewable. The advantage of having a producer number is that it puts a producer in a position to market animals to any export abattoir and to import and export animals to and from Namibia, etc. Registration is free of charge. Producers who have not been registered before, or would like to renew their registration numbers, can get the application forms (Form Cs) from the Meat Board, as well as agents such as Agra Auctions, NLA, Karoo Ochse, Kaap Agri and WLA. In the event of de-registration, such as with retirement or death, The Meat Board further requests to be informed accordingly. Registration forms are also available on Meat Board's website at [www.nammic.com.na](http://www.nammic.com.na) and at certain agricultural extensions and veterinary offices, or alternatively the Meat Board office can be contacted. (Mr Desmond Cloete – 061-275877).

## BASIC ABATTOIR HYGIENE TRAINING

Image caption: Attendees of the training were introduced to the importance of wearing protective clothing prior to entering an abattoir.

The Meat Board presented basic abattoir hygiene and slaughter technique training on 07 November 2017 at the NWR Hardap Resort and the Mariental Municipal Abattoir in Mariental. The training was attended by operators and slaughter staff of C-class abattoirs in the region.

During the past 2-3 years, the Meat Board has conducted inspections at most of the registered C-class abattoirs across the country, detecting general challenges and shortcomings at these abattoirs. Information obtained during these inspections revealed that training on basic principles of abattoir and meat hygiene is needed across the country.

This training was the first of its kind presented by the Meat Board. The theoretical part focused on basic abattoir and meat hygiene principles whereas the practical part focused on slaughter technique.

The Meat Board would like to thank Hygiene Solutions for the training conducted on hygiene and cleaning procedures, as well as the Mariental Municipal abattoir for their willingness to demonstrate proper slaughter technique.



## ANOTHER YEAR - ANOTHER CHALLENGE

Despite the Namibian meat industry experiencing various challenges it were able to continue marketing its beef products to some of the most lucrative markets in the world. Southern African are facing one of the most serious droughts and Namibia is no exception with certain areas experiencing no to limited rainfall the past two to three years. Despite a total of 421,000 cattle have been marketed of which 313,000 have been exported to South African feedlots (an increase of 30% on a year to year basis) and 107,000 (exclusive adjustment for hides) have been slaughtered locally. In total, 7,300 tons of beef have been exported to the European Union, Norway and South Africa. The total number of sheep marketed during 2017 were 704,000, which is a 2% increase in the total number of sheep marketed during 2016 (688,000). 394,000 sheep have been exported to South Africa, while 310,000 sheep have been slaughtered locally.

Producers simultaneously were benefitting by price increases. Weaner exports were mainly driven by a favourable price hike of 34% (based on N\$/kg) on a year to year basis, while cattle carcass prices increased with a 16% (based on N\$/kg) increase on a year to year basis. The average A2-grade sheep producer carcass price increased with 16% during 2017 (N\$63.32 per kg) on a year to year basis (2016=N\$53.29 per kg). A total of 3,252 tons of sheep meat have been exported during 2017. Goat prices increased with 14% (N\$/head) on a year to year basis.



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For Namibia

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The theme of the 2018 Meat Supplement, 'Securing a sustainable future' cannot be more appropriate and topical under present circumstances. All components of the value-chain are financially under pressure and through this supplement various role players indicated actions to limit expenditure and grow the income of the value chain components throughout the total value chain. Specifically we saw the urgent need for the commissioning of the NCA abattoirs, an urgent solution to revive the sheep industry, the financing of crucial Directorate Veterinary Services certification functions as well as actions to improve the competitiveness of the Namibian meat industry, especially the producers. We read the intentions of Government, the Meat Board of Namibia, exporters, auctioneers, abattoirs and producers and the hope is expressed that some value can be extracted from the supplement to strategically align each business to improve its competitiveness.

The Meat Supplement since 2003 have been growing over the years into a beautiful and informative promotional mouthpiece of the Namibian meat industry which are distributed to not only local and international readers, but also to diplomatic missions in Namibia and Namibian missions abroad.

May I take this opportunity to wish you a successful year ahead.

# MEAT INDUSTRY FOURTH QUARTER : JAN - AUG 2017

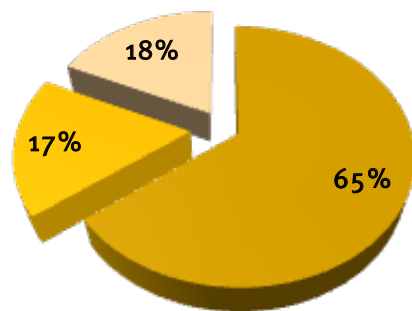
This article will review the performance of the marketing of the cattle, sheep and pork. The review will cover and compare the period 2016 to 2017.

## THE CATTLE SECTOR: PRODUCTION AND MARKETING

The Cattle sector, specifically weaner production, experienced a positive year, in terms of the prices offered to the producers. Throughput to the export abattoirs however decreased in 2017.

- A 29.8% increase in the total number of cattle marketed is observed from 295 217 in 2016 to 420 646 in 2017. This was driven by the sharp increase in the live exportation of weaners to SA, of 47% year-on-year.
- Reduced stock numbers due to droughts experienced in previous years resulted in decreased slaughtering numbers at both export abattoirs and the B&C class abattoirs.
- Of the total number of cattle marketed, 65% were live exports, 17% export abattoirs and 18% B & C class abattoirs.
- Although the B&C class abattoirs only registered 23 455 Cattle to the Meat Board, a total of 87 730 hides were purchased from these abattoirs. An undeclared difference of 64 275 cattle is observed.
- Out of the total of 83 790 cattle slaughtered during the reporting months, 854 cattle were slaughtered at the Meatco mobile abattoir in the NCA.
- The Mobile abattoir is currently the only formal market available to NCA producers.
- The Oshakati and Katima abattoirs are not operational yet, however together with the mobile abattoirs, they could improve competitiveness.

FIGURE 1: DISTRIBUTION OF CATTLE MARKET SHARE 2017



■ Live Export   ■ Export Abattoirs   ■ B & C Class Abattoirs

TABLE 1: CATTLE PRODUCTION PER HEAD JANUARY TO DECEMBER 2017

LIVE EXPORT	EXPORT ABATTOIRS	*B & C CLASS ABATTOIRS	TOTAL
313,401	83,790	87,730	484,921

*\*Total based on the hide purchases estimate*

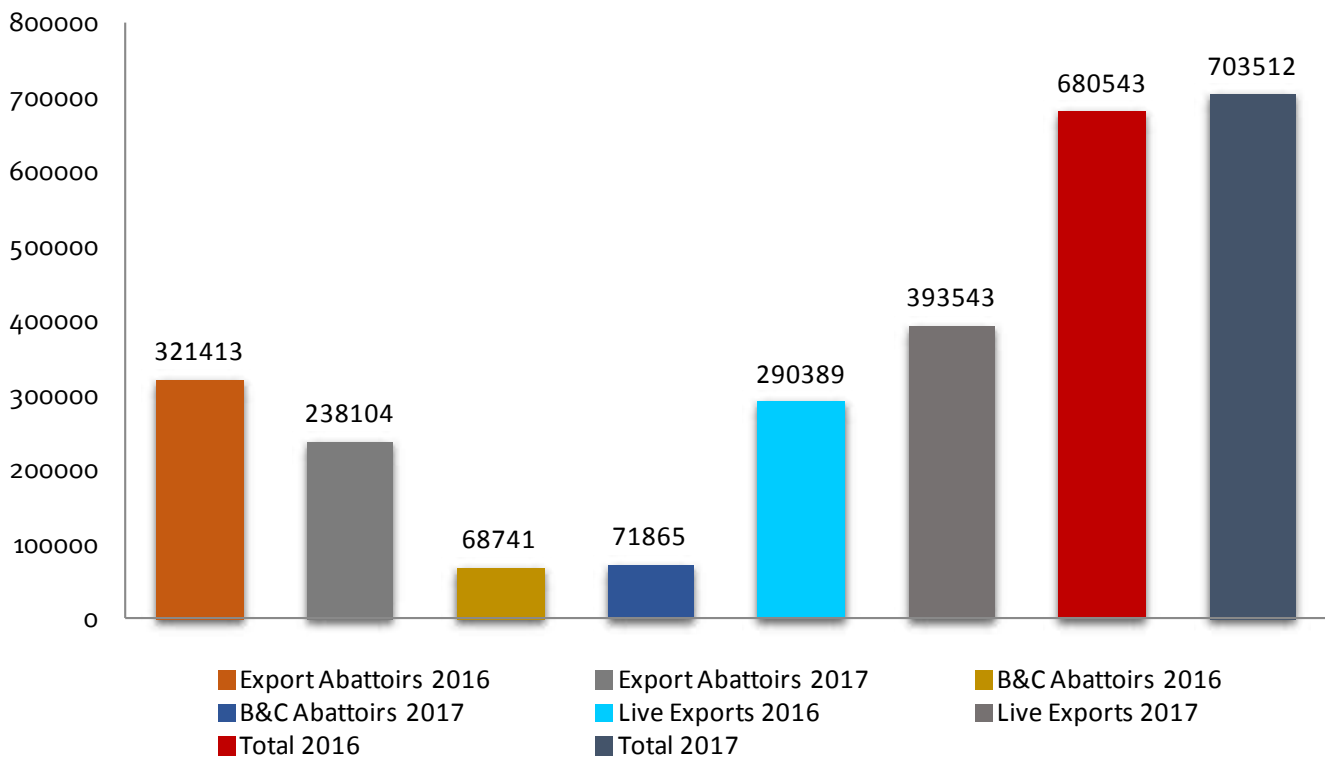
- The Namibian weaner prices followed an upward trend between January and December 2017, moving on average from 16.96/kg in January to 34.18/kg in December 2017.
- Weaner prices increased by 33.58% year-on-year.
- Decreased throughput at export abattoirs supports the gradual increase in the B2 beef producer price. The annual average price increased from N\$30.11/kg in 2016 to N\$35.98/kg in 2017 between January and December.
- The annual average RVAV beef price per kilogram stood at N\$40.75/kg, 11.5% higher than the Namibian producer price which was N\$36.06/Kg.
- On average, the weaner price per kilogram is currently equal to 70% of the B2 Beef price.

# THE SHEEP SECTOR: PRODUCTION AND MARKETING

The sheep sector experienced many challenges in the past year. Reduction in abattoir throughput and the closure of the Farmers Meat Market Abattoir were just some of the challenges faced. Although the difference between the Namibian price per kg for A2 sheep and that of the Northern Cape was reduced, sheep were still being exported live to South Africa.

- The industry experienced a 2.14% increase in the total number of sheep marketed, from 571 609 in 2016 to 595 411 in 2017.
- Slaughtering for the domestic market gained momentum in 2017 with a positive increase of 4.34%, accounting for 23% of the total of sheep slaughtered. Lower compliance cost seemingly places the B&C class abattoirs in a competitive position.
- The processing industry experienced a cycle of mixed profits mainly driven by lower throughput.

FIG 2. ANNUAL HEADS OF SHEEP MARKETED 2016 VS 2017



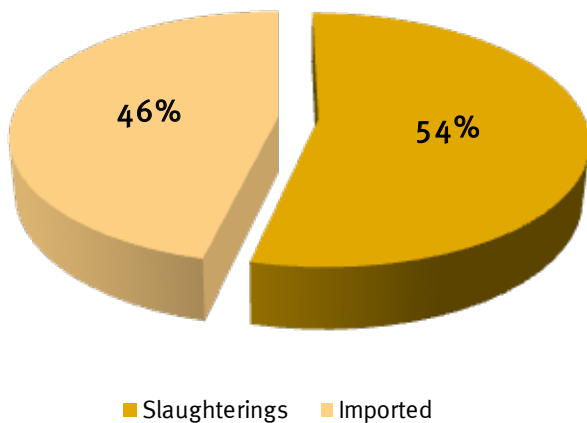
- Restocking in RSA markets created a shortage in supply which resulted in price increases for Namibian sheep.
- A difference of only N\$3.5/kg was realised in week 42, the highest recorded in the last quarter of 2017.
- It is expected that increased prices at the Namibian abattoirs would act as a pull factor for the producers to slaughter at the local export abattoirs instead of exporting.
- An increase in the number of sheep slaughtered at export abattoirs is expected if the Northern Cape prices remain stable.
- Namibian C2 prices were slightly lower compared to the Northern Cape price per kilogram, closing with N\$8/kg differences in week 51.
- The general price difference of more than N\$3/kg discouraged local throughput.

# THE PORK SECTOR: PRODUCTION AND MARKETING

The Namibian pork sector is very small compared to South Africa. It therefore means that Namibian producers do not produce under economies of scale due to the scale of the sector. To protect local production from a surge of cheap imports, the the Pork Market Share Promotion scheme is in place and as a result, a pork ceiling price is computed by which importers would purchase locally from the registered local pork producers.

- The Namibian pork ceiling price for January 2018 stood at N\$ 41.28/kg.
- During 2017 the Namibian ceiling price fluctuated between N\$ 35.74 (the lowest reported in July 2017) and N\$ 42.42 (the highest reported in December).
- During the period under review, January to December 2017, a total of 6 900 tons of pork were consumed by the Namibian market of which 3 715 tons were sourced locally compared to the 3 185 tons imported from the RSA.
- This represents a 54% market share for the Namibian producers compared to the 46% imported as depicted in figure 3.

FIG 3. PORK MARKET SHARE 2017



## CONCLUSION

Namibian weaner producers enjoyed an increase in the price of weaners. The same trend is expected during the next quarter given the predicted trends in the demand for these animals at the feedlots in South Africa. The Namibian export abattoirs however experienced a decline in throughput. This can be alluded to many reasons, including the declining national herd size and unpredictable pricing. The shortage in supply had a positive impact on specifically the B2 beef price. There is a notable increase of slaughtering at B&C class abattoirs which creates– a competitive environment for domestic slaughtering.

The Namibia sheep industry largely depends on export. Policy makers should therefore take note of the impact that the regulatory burden and compliance costs have on the industry. The closure of NAMCO and Farmers Meat Market should bear testimony to the latter statement. Additional restrictions will negatively impact the industry and lead to a decline in production due to producers diversifying into other industries such as the game or cattle industries.

Producers, as price takers, will hence be compelled to market their animals where the price is most favourable and where they are able to experience an increased overall income. Given the current financial situation of the country, coupled with the decreasing number of sheep, abattoirs should come up with innovative models to ensure and increase the number of sheep slaughtered at the respective abattoirs, simultaneously discouraging exports. A more positive outlook on future prices are expected given the limited supply

Pork production is highly capital intensive. This is mostly associated with the high cost of feed which subsequently increases the total production costs and the consumer price. Since the implementation of the scheme, the sector was reduced from having two big pork producers to only having one player in the market at present.

## BURSARY - BACHELOR OF VETERINARY MEDICINE

Mr Stanley Gomxob, who received an annual bursary from the Meat Board of Namibia, completed his Bachelor of Veterinary medicine at the University of Zambia at the end of 2017. The Meat Board is proud to be associated with assisting him in obtaining this achievement and wishes him the best of luck with his future career.

We trust that he will make a valuable contribution to the Namibian Livestock & Meat Industry.



## STAFF NEWS

### PROMOTIONS



Andrea Snyders is promoted to Creditors & Payroll Clerk



Jenny Gouws is promoted to Accounting Clerk.



Maggy Ileka is promoted to Assistant Accountant

### LONG SERVICE

Congratulations to Ursula Nguvauva, Head: Finance, who has been employed by the Meat Board of Namibia for 20 Years on 1 February 2018.



### NEW APPOINTMENTS



Albertina Stephanus is appointed as Marketing Assistant.



Johanna Shipanga is appointed as Ear Tag Sales Clerk.

## 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.