

meat CHRONICLE

MEAT BOARD OF NAMIBIA NEWSLETTER



Meat Board
of Namibia



MEAT BOARD MEMBERS VISIT FEEDMASTER

Feedmaster Okapuka produced mono gastric feeds for broilers, laying hens and pigs.

They get raw materials in bulk which is then stored in bunkers before being used to produce food. Full fat soybean meal, soybean oil cake flour, sunflower oil cake flour, bran and germ flour are stored in bunkers.



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MEAT BOARD SHARES ROLE AND FUNCTIONS WITH PRODUCERS

The Meat Board conducts a bi-annual- and independent perception survey of its role and functions within the Namibian meat industry. This evaluation is predominantly based on the role players' and producers' perceptions of the Meat Board. The 2015 evaluation inter alia indicated that producers value personal contact more than the written media. This necessitated the board to attend farmers' associations- and regional agricultural union meetings on a more personal basis during 2016. The Meat Board therefore visited various meetings of both commercial- and communal producers in all regions of the country.

Some of the most important issues that were discussed are summarised below:

AMENDMENTS TO THE CARCASS CLASSIFICATION SYSTEM

Three issues were raised regarding the carcass classification system.

The first issue was how to object to the grading of a carcass by the classifier. Producers were informed that objections should be lodged before the carcass leaves the slaughter floor. It is not always practically possible, in which case an exception can be made by having the carcass re-evaluated in the cold room by the head: classification. Once the carcass leaves the cold room, it is impossible to do a re-evaluation. Producers are thus requested to lodge their objections as quickly as possible.

The second issue was the re-classification of the age groups of livestock, e.g. a two-tooth carcass should be classified as an A-grade as it denotes a younger animal. The reason is that some breeds shed their milk teeth at an earlier age than others.

The third issue was the classification of a fat-tail carcass. Fat-tail carcasses as such are penalised by the price paid and not necessarily by the classification system. Namibia uses the South African classification system since most of our carcasses are sold in South Africa. It is therefore not possible to just randomly change the classification system.

FUTURE OF LIVESTOCK EXPORTS TO SOUTH AFRICA

The announcement of the new conditions for the import of livestock from Namibia to South Africa by the South African authorities on 1 July 2016, has, and will continue to have a dramatic impact on the Namibian livestock industry.

Attached is the impact the new conditions on livestock exports to South Africa had in comparison to the same period in 2015. The Meat Board is, and remains of the opinion that these new conditions are not in line with the rules and regulations of the World Health Organisation's (WHO) Sanitary and Phytosanitary (SPS) agreement and the International Animal Health Organisation's (OIE) code. South Africa has nevertheless not conformed to the terms that were negotiated between the two countries on 3 March 2016.

To date, the Namibian President has taken up the issue with his counterpart in South Africa and requested the respective ministers to re-negotiate the issue. In the meantime, 12 facilities in South Africa have registered to receive Namibian livestock, although the issuing of import permits to these facilities still occurs haphazardly. The Meat Board was therefore forced to make equipment and re-agents available to the Central Veterinary Laboratory so that animals destined for export could be tested for Brucellosis and Tuberculosis.

FURTHER INVOLVEMENT IN THE SELLING OF ARBORICIDES

The Meat Board simultaneously received instruction and withdrawal of its registration of selling arboricides by the Ministry of Agriculture, Water and Forestry. The Ministry gave various reasons for this action, inter alia that the Meat Board does not have the mandate to sell arboricides. However, the Meat Board is in possession of arboricide supplies to the value of N\$1,7million which allows the board to sell under certain conditions.

The Meat Board is still negotiating with the Ministry to obtain approval to sell these arboricides and will thereafter take a decision regarding the further import and selling of arboricides to producers at a cost.

EXPANSION AND IMPROVEMENT OF NAMLITS

Sheep producers protested in all earnest against the implementation of the double-ear-tag system for the identification of small stock. The implementation of the system follows the newly announced South African requirements for the traceability and identification of small stock on 1 July 2016 and has been determined as an acceptable method by the Directorate Veterinary Services. This system, like the cattle-ear-tag system, will soon be announced by the Directorate Veterinary Services for national implementation with regards to the movement of all small stock to any market. The Meat Board aims to make the registration of ear tags on NamLITS as easy as possible, as well as to financially support small stock producers with the purchasing of the first batch of small stock ear tags.

DEVELOPMENT OF LOCAL AND INTERNATIONAL MARKETS

One of the Meat Board's functional pillars is the identification of and support to exporters with new market requirements. The Meat Board as such does not trade in products such as livestock and/or meat and can thus not provide a market itself. The Meat Board mainly focuses on the identification of export markets since 80% of Namibia's meat is exported. A few years ago however, the Meat Board also started to focus on the development of local markets, especially in Kunene-North (Omutambo Maowe quarantine farm

for the raising of weaners) and Zambesi (for the growing of oxen). Further areas where the Meat Board was and is involved in, are negotiations to get access to the South African market, identifying possible markets such as the USA and Hong Kong and bone-in lamb exports.

FINANCING OF AGRICULTURAL UNIONS

Since 1989, the Meat Board has been financing the agricultural unions with a budget approved by the Minister. The Meat Board budget 2016 has however been approved subject to the instruction of the Minister to terminate the financing of the agricultural unions by the Meat Board with immediate effect. This imposed enormous problems for the agricultural unions who have heavily relied on these annual contributions from the Meat Board. Various discussions with the Minister of Agriculture, Water and Forestry followed, after which the Minister decided to phase out the contributions of the Meat Board over a period of two years.

The more personal interaction between the Meat Board and producers was highly successful and appreciated and were experienced very positively by both the producers and the Meat Board and will in future continue on a more regular basis.

BRITISH PARLIAMENTARIANS VISIT THE MEAT BOARD



From left: Anne McLaughlin, Patricia Gurubes – Chairperson Meat Board, Amanda Solloway and Chi Onwurah.

A delegation of British parliamentarians visited Namibia to inter alia get information about trade between the two countries.

Currently Namibia can still export agricultural products to the UK under the EPA.

According to these parliamentarians and pending Brexit, negotiations about the future of trade between Namibia and the UK can only take place once the UK breaks their ties with the EU.

During a meeting that was held in Windhoek and took place under the chairmanship of Mr Hoggmann, Trade Advisor of the ATF, the British parliamentarians were informed about the various sectors which trade with the UK. These include the livestock sector, fish sector, table grapes and mining.

WHAT THE MEAT BOARD HAS DONE LATELY

THE MEAT BOARD IS APPOINTED AS CHAIRPERSON OF A TECHNICAL COMMITTEE TO DRAFT A STRATEGY FOR SHEEP MARKETING

The Minister of Water, Agriculture and Forestry appointed The Meat Board to chair a technical committee that must put together a long term strategy for the marketing of sheep in Namibia. The technical committee consists of two representatives each from the Namibia Agricultural Union, the Namibia National Farmers Union, the Abattoir Association, the Ministry of Agriculture, Water and Forestry, the Ministry of Trade and Industrialisation and SME Development. The committee has already met three times to formulate a strategy that will be submitted to the Minister of Agriculture, Water and Forestry within the next 14 days for consideration by the Cabinet's Committee on Trade and Economic Development. As soon as the strategy has been finalised, the outcomes will be communicated.

ABATTOIRS REQUESTED TO REGISTER

The Meat Board of Namibia herewith reminds all abattoir owners/managers that the due date for registration of abattoirs of July 2016 has already passed. Extension has however been given until Friday, 11 August 2016. Per the Meat Act it is required that all abattoirs should be registered at the Meat Board before any meat and/or carcasses may be sold. This includes farm abattoirs that sell meat and/or carcasses.

The Meat Act requires an annual renewal of registrations. Requests to register were sent out to all registered abattoirs at the beginning of May, but less than 10% of abattoirs have since renewed their registrations at the Meat Board.

The Meat Board once again urges producers and abattoir operators to register at the Meat Board. Registration motivates abattoirs to achieve higher standards of meat quality and meat hygiene, a process in which the Meat Board supports the registered abattoirs.

For enquiries regarding abattoir registrations and registration renewals, contact Mr Petrus Maritz at tel. 061 275 847.

THE MEAT BOARD INFORMS THE NNFU WORKSHOP ON THE ROLE AND FUNCTIONS OF THE MEAT BOARD

The Meat Board was invited by the Namibia National Farmers Union to explain the role and functions of the Meat Board to regional representatives, delegates and stakeholders at a workshop hosted in Otjiwarongo. Representatives were especially pleased with the role of the Meat Board and requested the Meat Board to give higher priority to the development of market mechanisms for communal producers. The importance of cooperation between organisations in the meat industry to achieve a joint vision (a process driven by the Meat Board) was emphasised. The vision of the livestock and meat industry is to provide Namibian meat products to the most profitable markets.

THE MEAT BOARD OF NAMIBIA ATTENDS BFAP OUTLOOK CONFERENCE

The Meat Board of Namibia attended the Outlook Conference of the Bureau of Food and Agriculture Policy in South Africa on 12 August 2016. The importance of the agricultural sector to produce food was emphasised once again. Considering

the fact that about 600 million children globally are already undernourished, food production will have to increase with 50% in the next ten years in order to supply in the demand. This will only be possible if agriculture can improve its productivity. Areas where it is possible include Sub-Saharan (grain crops) and Latin America (soya) yet it must be supported with investment- and stable policy stipulations.

Forecasts indicate that meat prices will continue to decrease internationally over the following decade. Beef prices in South Africa will however increase with 10% from 2016 to 2017 after which it will show a lateral movement up to, and including 2020. Mutton prices on the other hand will not increase at the same rate as beef prices as a result of the already existing high consumer prices. In terms of inflation-adjusted beef prices, an adjustment will only realise in 2017 after which it will start to decrease or stabilise.

PROMOTES LOCAL PRODUCED MEAT AT OUTLETS



The goal of the project is to make customers aware of locally produced meat, to support our own market.

- The Meat Board engaged with the following outlets in our effort to promote locally produced meat: Food Lovers Market, Shoprite/Checkers, Woermann & Brock and Pick & Pay.
- The footprints of these outlets are as follows: FoodLovers Markets 6 outlets, Shoprite/Checkers 27 outlets, Woermann & Brock 19 outlets and Pick & Pay 23 outlets which are covering the whole of Namibia.

Posters (we love Namibian meat) are displayed in the outlets as well as stickers are displayed on all locally produced meat trays at the butchery of all the retailer stores.

THE MEAT BOARD UNDERGOES FAN MEAT INTERNAL AUDIT AND DOES WOOLWORTHS AUDITS

The FAN Meat division of the Meat Board of Namibia underwent its annual audit during the first week of August 2016. The audit confirmed that the ISO standards are effectively implemented by this division and that the division is fully prepared for the upcoming external audit in November 2016. The upcoming audit will focus on the implementation of the current standards, as well as the necessary changes to switch over from the current ISO 2009 standards to the

new ISO 2015 standards. The implementation of the ISO standards, which is an internationally acknowledged management system, ensures that FAN Meat succeeds in its purpose to give consumers assurance regarding the traceability and safety of Namibian meat.

The Meat Board of Namibia also audited six farms against the FAN Meat and Woolworths standards. These audits were executed in collaboration with officials from DVS and no deviation from the standards has been observed. Another thirty four (34) farms will be audited by the Meat Board of Namibia's FAN Meat staff for adherence to the Woolworths requirements. The first round of export abattoir inspections has been finalised and any deviations that were found have been submitted to the management of Woolworths. The next round of export abattoir inspections is scheduled for January 2017. Woolworths standards require that export abattoirs are audited twice a year.

THE MEAT BOARD REQUESTS BOVINE TUBERCULOSIS AT ALL ABATTOIRS TO BE REPORTED

Bovine Tuberculosis is a bacterial disease that occurs mostly in older cattle since it has a long incubation period. It is a typical long disease with a number of non-specific symptoms such as weight loss and chronic coughing. Swelling of superficial glands can sometimes be observed. Bovine Tuberculosis is normally confirmed during a post mortem and the scars that are visible are cheese-like abscesses that are probably calcified. These abscesses can occur in the lungs, chest, liver, milt/spleen and even intestines. Bovine Tuberculosis is a notifiable disease and must be immediately reported at the Directorate Veterinary Services if the disease is suspected amongst livestock or in a carcass. Treatment against Bovine TB is strictly prohibited.

PRODUCERS, AGENTS AND TRANSPORT OPERATORS ARE URGED TO REGISTER AT THE MEAT BOARD

According to the Meat Industry Act of 1981, all persons who trade, or are involved in the trade of cattle, sheep, goats or pigs and/or the meat and meat products of these animals, should register at the Meat Board as a producer. Producers are kindly requested to assist the Meat Board in the following:

- All new applications for stock brands should be accompanied by an application to the Meat Board as a producer.
- All producers who apply for duplicate stock brand certificates should be in possession of a producer number. If not, producers should register as a producer first before a duplicate stock brand certificate will be issued.
- After registration at the Meat Board, all the regions' stock brands will be processed, the same as producers.
- Producer membership should annually be renewed at the Meat Board by 30 June each year.

REGISTRATION AND RENEWAL OF PRODUCER NUMBERS AT THE MEAT BOARD

The Meat Board requests all livestock producers to register at the Meat Board for their planning. With this registration, producers receive their producer numbers which are annually renewed.

The advantages of having a Meat Board number are inter alia being in a position to market animals at any export abattoir, as well as being able to export and import animals between Namibia and South Africa. Registration is free.

Application forms are available at the Meat Board or on its website as well as from its agents such as Agra, NLA, Karoo Ochse, Kaap Agri and WLA for those producers who have not yet registered or who want to renew their registrations. The Meat Board further requests persons who want to de-register, e.g. with retirement or the passing away of members, to inform the Meat Board as such. The Meat Board is currently working on loading the registration function on its website and will inform producers accordingly in due course.

MEAT BOARD ATTEND AGRICULTURAL SHOWS AND TRADE FAIRS

The Meat Board of Namibia attended the Ongwediva Trade Fair from 26 August – 3 September 2016, the Okakarara Annual Trade Fair from 5 – 11 September 2016 and the Windhoek Agricultural Show from 30 September – 8 October 2016. The purpose of attending these shows was to highlight the role and function of the Meat Board of Namibia, the registration of producers and stock brands, queries on the meat and- livestock sector, explaining FanMeat /Namlits procedures and to give advice on import- and export regulations.

WINDHOEK SHOW - BEEF CARCASS CHAMPION



From left to right: Dr Anja Boshoff (Manager Meat Standards) and Reserve Beef Carcass Champion, Gunnar Wilckens

MEAT INDUSTRY PERFORMANCE

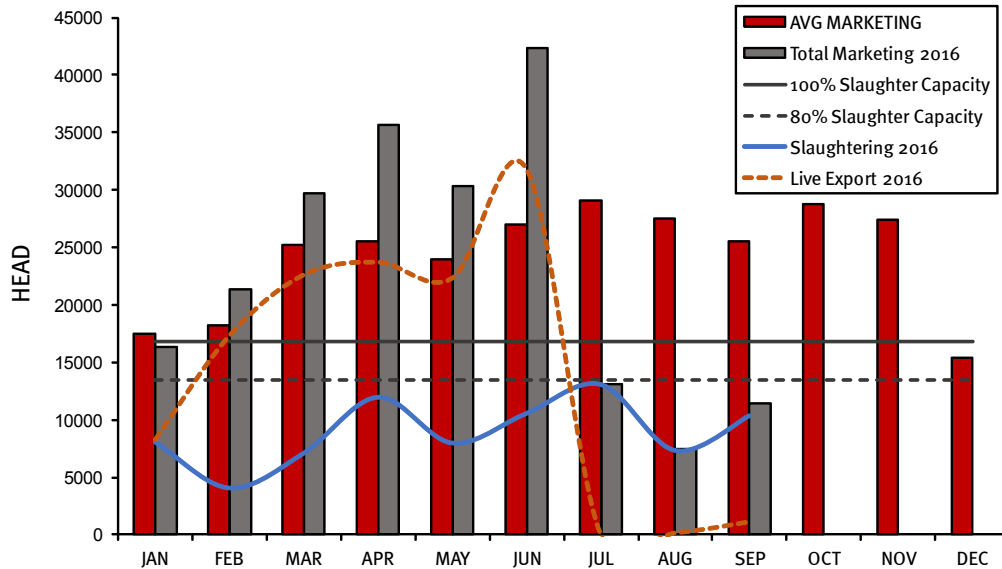
CATTLE SECTOR

PRODUCTION AND MARKETING

From January to September 2016 a total number of 229 109 cattle units were marketed. The slaughtered sector at the export abattoirs made up a total of 35% of the total cattle marketed which is equivalent to 80 439. Live export made up 56% which equates to 127 397. Those slaughtered at the B & C class abattoirs were 21 273 representing 9% of the total market share.

Comparing year-on-year, a decrease of 28.6% can be observed in the total of cattle marketed from 320 709 units in 2015 to 229 109 in 2016 over the reported period (January to September). Figure 1 clearly indicates the cattle slaughtered and live exports compared to the 5-year average marketing period. It is evident from the graph that both slaughtering and live exports of cattle are below that of the 5-year average.

FIGURE 1. 5-YEAR MONTHLY AVERAGE CATTLE MARKETING CYCLE



LIVE EXPORT OF WEANERS

Figure 2 below therefore gives an overall picture of the live exports of weaners to the RSA over a period of 5 years.

Comparing year-on-year, a 30.1% decrease on the export of weaners is observed from January to August with the stringent RSA import legislation having a significant impact on the reduction. A steady decrease can be observed from June to July 2016 from 31 837 weaners exported in June to only 2 weaners in July 2016. A total of 1 114 cattle were exported in September 2016 which indicates an increase of 153 weaners that were exported in August. (Just check this again – no comparison to

August was made, i.e. no amount was given – this is slightly confusing and makes it difficult to deduce what the writer implies. The sentence is my edited version.)

Cattle producers were unable to export their weaners to preferred South African markets due to costly export legislations. New establishments registered with DAFF have committed to assist Namibia in resuming exports so that normal levels can be reached over time. To date 16 establishments are registered under the alternative permit system hence a more positive outlook on cattle exports that can be observed for the remainder of the year.

Despite the reduction in live exports of weaners, live exports still take up a bigger portion of the Namibia total production and accounts for 56% of the market share.

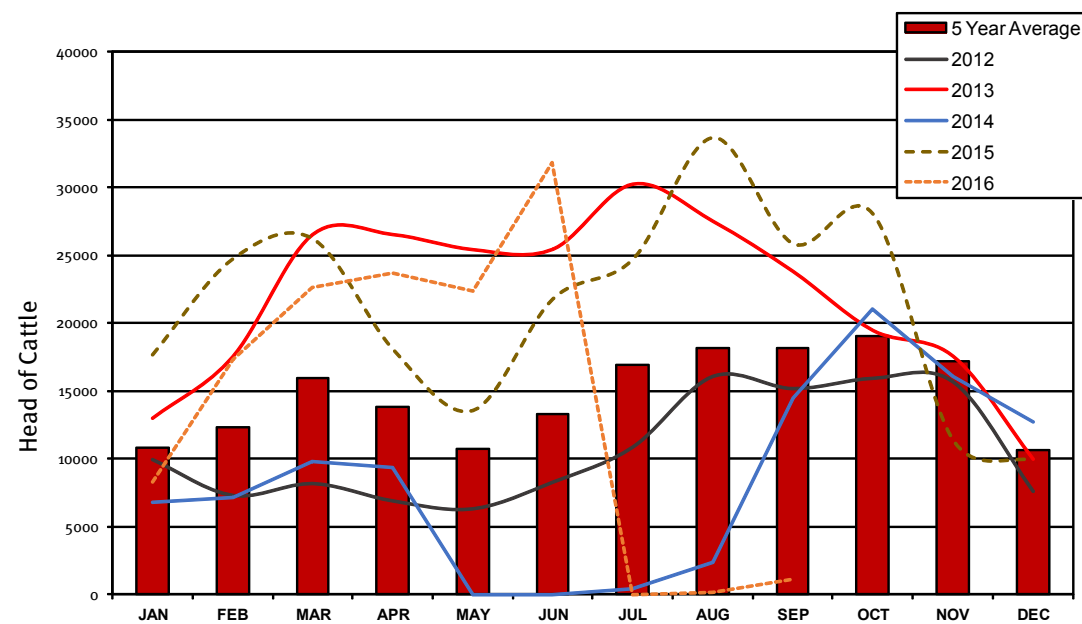


FIGURE 2. EXPORT OF WEANERS

A decrease in the price for weaners was specifically observed in July 2016, decreasing from N\$ 17.06/kg in June to N\$15.64/kg in July. Despite the prices increasing again to 16.68/kg in August, the lowest auction price was recorded at N\$ 14.51/kg.

SHEEP SECTOR

PRODUCTION AND MARKETING

From January to September 2016, a total of 579 501 were marketed. A slight decrease of 25.3% was recorded from

775 374 sheep marketed in 2015 over the same period. Local slaughtering accounted for 59 % of the total market share with sheep live exports making up 41% of the market share. Out of the total live exports to South Africa from January to September 2016, 8 760 sheep were exported under the “too lean too small” export arrangements.

Sheep exported under the normal quota were 227 143 units accounting for 96% of the live exports. Opposite thereto stud exports and fat-tail sheep were equivalent to 56 and 700 sheep units respectively.

The implementation of the RSA import conditions on 1 July 2016 had a negative impact on the number of sheep that were exported. It shows a decrease from 56 881 units of sheep to 7 588 in July 2016.

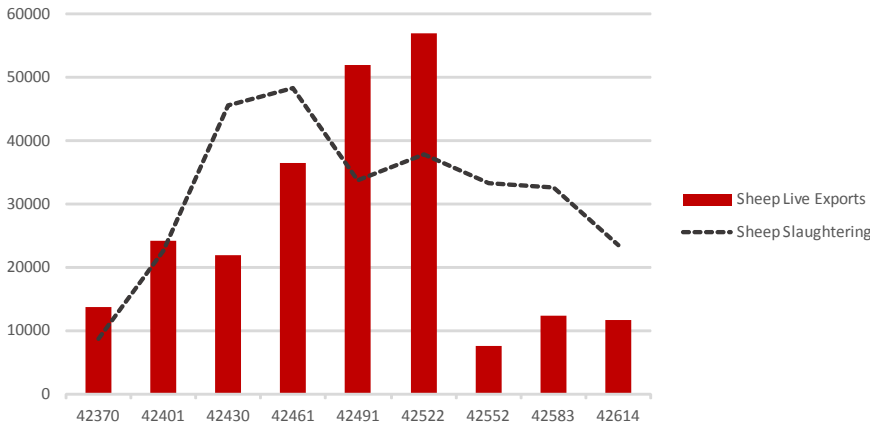


FIGURE 3. SHEEP SLAUGHTERING VERSUS LIVE EXPORTS 2016

Figure 3 presents the actual fluctuations of the total sheep that has been marketed. There has been a steady decrease in sheep slaughtering from January to September 2016 with a more significant decrease being witnessed between August and September. It shows a move from 32 586 in August to 23 574 sheep units in September 2016.

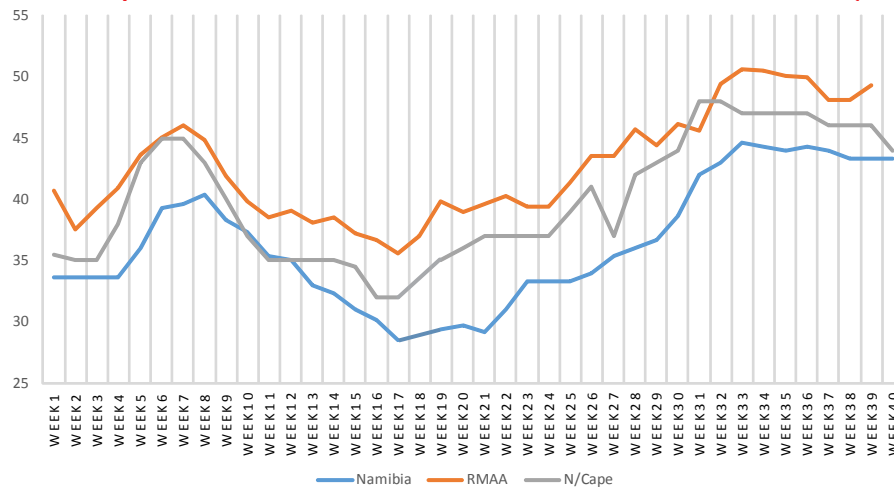
With a nine-month capacity of 297 000, a total of 116 565 sheep were slaughtered at the Mariental abattoir. This represents a 39% capacity utilisation of the abattoir from January to September 2016.

The Keetmanshoop- and Aranos abattoirs utilised 3 % and 24% of their nine -month slaughter capacity respectively. The overall percentage utilisation of the three export abattoirs between January to September 2016 remains below the 80% abattoir capacity utilisation. The availability of slaughter-ready sheep poses a serious challenge to the slaughtering industry in Namibia.

A2 SHEEP PRICES

Figure 4 gives an overview of the A2 sheep price fluctuations and differences among the Namibian prices compared to the RMAA and the Northern Cape prices. It is evident from figure 4 below that the price difference of the Namibian- and the Namibian Super prices compared to the Northern Cape equivalent, decreased with an average price difference of N\$ 2.57.

FIGURE 4: REPORTED CARCASS PRICES BY EXPORT ABATTOIRS (A2-GRADE)



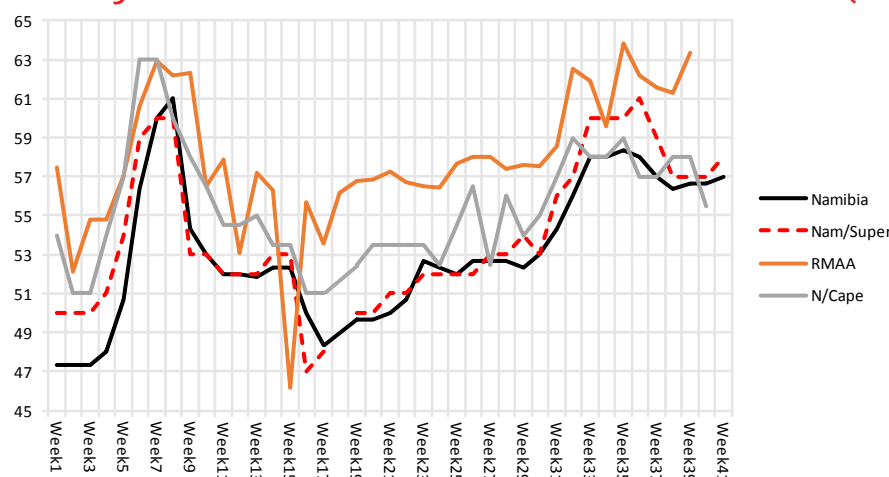
The difference between the Namibian- and Namibian Super prices and RMAA and Northern Cape: For the past week (week 40) the price difference was reduced to N\$0.50/kg and N\$1.50/kg for the Nam-Super. Lower skin prices in the RSA have a significant impact on the competitiveness of the local slaughtering houses.

C2 SHEEP

Figure 5 shows the C2 sheep price fluctuations and differences among the Namibian prices compared to the RMAA and Northern Cape prices. Namibian prices traded lower than that of the RMAA and Northern Cape. Over the past 40 weeks, the highest price difference reported was in week 26 – N\$7.00. This is lower than the Northern Cape. In week 28 it was \$9.73.

This is lower than that of the RMAA. A decrease in price difference was however observed specifically from week 33 to date – particularly between the Namibian- and Northern Cape prices with an average difference of N\$ 2.33.

FIGURE 5. REPORTED CARCASS PRICES BY EXPORT ABATTOIRS (C2-GRADE)



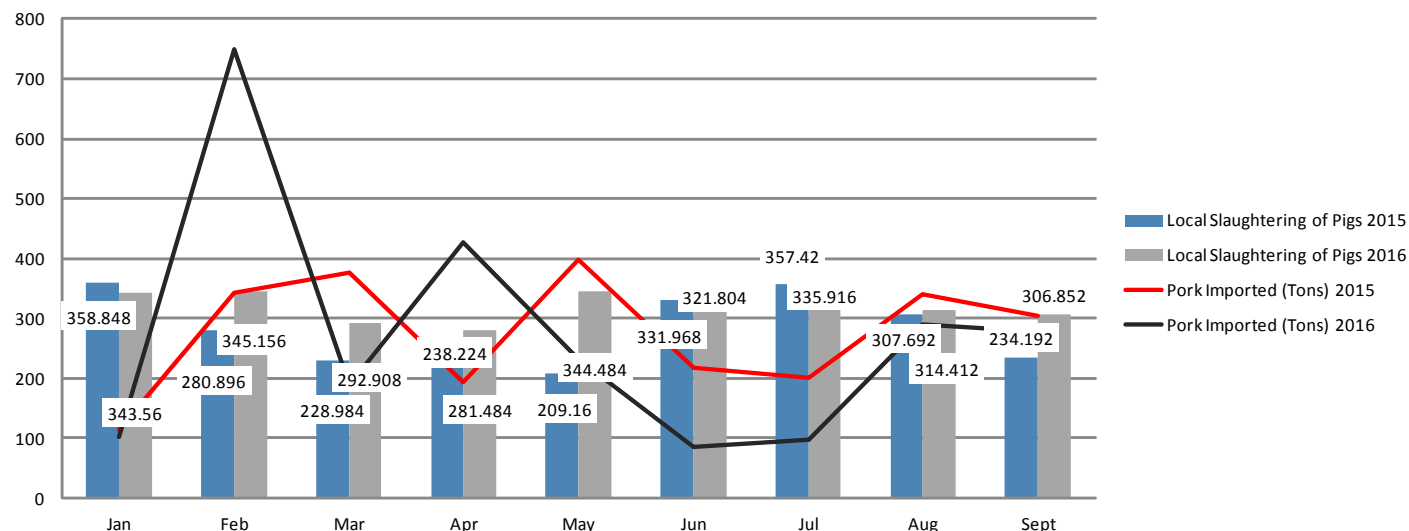
A decrease in the average A2 and C2 price difference among the Namibian, the Namibian Super and the Northern Cape prices can be observed from January to September 2016. There is an average A2 price difference of N\$2.57 and N\$3.66 for C2 sheep between the Namibian and Northern Cape prices where most of the sheep are destined.

THE PORK SECTOR

PRODUCTION AND MARKETING

A total of 34 364 pigs, the equivalent to 2 887 tons, have been slaughtered locally from January to September 2016. In comparison, 2 450 tons of pork were imported during the same period. Comparing year-on-year, an increase of 11.8% in local slaughter can be observed. A total of 2 547 tons were slaughtered in 2015 compared to the 2 887 tons slaughtered in 2016.

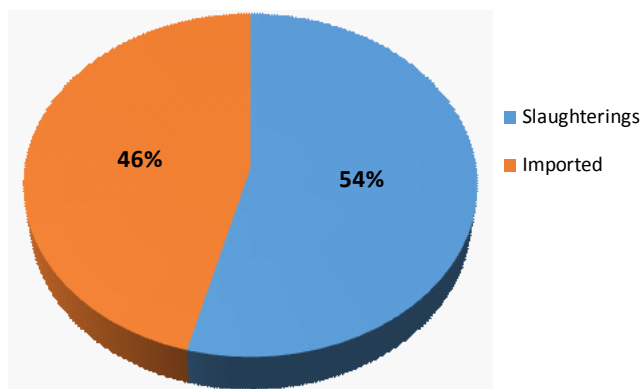
FIGURE 6. PORK SLAUGHTERING VERSUS IMPORTS 2015 AND 2016 IN TONS JANUARY TO SEPTEMBER



PORK MARKET SHARE

Despite the low pork production numbers in Namibia compared to South Africa, local slaughter accounted for 54% compared to the 46% that the pork imports account for in the market share. The Pork Market Share Promotion Scheme can be the reason behind reduced imports compared to local slaughter numbers. This scheme, which aims to increase local production, ensures that importers purchase pork locally before importation permits are granted for specific products such as pork carcasses.

FIGURE 7. PORK MARKET SHARE JAN TO SEPT 2016



CONCLUSION

The RSA's revised import requirements remain an obstacle for the Namibian livestock sector. The current drought and the overall water crisis in Namibia remain critical for the survival of the industry, yet it is predicted that above average rainfall might give a more positive outlook on the performance of the sector. More rain will lead to the full operation of export abattoirs and increased fodder availability for livestock; this in turn will ensure quality livestock. Producer (B2 Beef) prices are predicted to stay sideways for the remainder of the season. However, the prolonged closure of the Meatco feedlot due to Zeranol effects, might impact on the producer prices at Meatco abattoir with a predicted N\$5 average producer price decrease.

Weaner prices are expected to stay sideways with a slight increase towards the festive season. The live exports of cattle are expected to increase again in the subsequent months due to the registration of South African Feedlots and Abattoirs with DAFF.

Despite the more favourable sheep prices offered by the Namibian abattoirs, the industry is experiencing an increased outflow of sheep under the 1:1 sheep quota compared to the sheep slaughtered locally. Factors such as the VAT advantage for the South African agents, as well as the 60% levy on raw skins, continue to put the abattoirs in a disadvantaged position compared to their competitors in the RSA.

The local slaughtering for pork accounted for 54% of the market share compared to the pork imports which accounted for 46%. This difference can be attributed to the Pork Market Share Promotion Scheme administered by the Meat Board of Namibia.

20 YEARS LONG SERVICE AWARDS



MAGDA VAN SCHOOR started her employment on 1 October 1996. She has worked in various divisions of the Meat Board. Magda is currently Personal Assistant to Mr Paul Strydom.



HENDRY VAN WYK started his employment in January 1996 as Meat Classifier in Oshakati. He is currently employed as Senior Meat Classifier at the Farmers Meat Market, Mariental Abattoir.



HENOCK TJITENGENI assumed duty on 1 April 1996. He is employed as Classification Assistant at the Windhoek Abattoir, but has also worked at the Katima Mulilo and Oshakati Abattoirs.

NEW APPOINTMENT



DENISE KAVAR, FAN Meat Office Administrator, will be taking over as Receptionist/ Administrative assistant as from 1 November. Congratulations on your new appointment and we are confident that you will excel in your new position.

These staff members received a long service certificate for their 20 years at the Meat Board. Thank you for your commitment, loyalty and hard work.

*Merry
Christmas
and happy
holidays*



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.



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