

PUBLIC PRIVATE PARTNERSHIPS (PPP) WORKSHOP

Dr Anja Boshoff-de Witt, manager of meat standards of the Meat Board of Namibia, was invited by the OIE secretariat to participate in a 2½ day workshop for the development of guidelines for Public Private Partnerships (PPP) for the strengthening of Veterinary Services. The Meat Board is considered by the OIE to be a good example of partnership with the Directorate of Veterinary Services. Members of both the public and private sectors from 40 countries debated on issues of concern which should be addressed in the guidelines, which are to be developed.



OIE EXPERT CONSULTATION on
GUIDELINES FOR PPPs IN
VETERINARY SERVICES


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MEAT BOARD'S LATEST ENDEAVOURS

MEAT BOARD ORDERS SMALL STOCK EAR TAGS AT 60% CHEAPER

The review of the specifications of small stock ear tags required for the identification of small stock for exports to South Africa by the Directorate of Veterinary Services enabled the Meat Board to obtain official eartags at 60% cheaper than the existing eartags. The new official small stock eartags will comprise a single set of eartags with a barcode, where the current eartag consists of a double set of eartags with an electronic component. The new small stock eartags will be available at N\$3.65 for use in the small-stock industry as soon as the current stock is sold out. The Meat Board thanks the Directorate of Veterinary Services for revising the specifications to accommodate the Industry.

MEAT BOARD CONTRIBUTES TOWARDS EXPORT CERTIFICATION OF LIVESTOCK AND MEAT

A circular from the Central Veterinary Laboratory has indicated that due to the Ministry of Agriculture, Water and Forestry's cost-cutting, the laboratory is no longer in a position to carry out necessary tests for livestock and meat exports. An immediate amount of N \$ 55,000.00 was availed for the most necessary support to continue brucella tests for goat exports to South Africa. The Meat Board resumed discussions with industry organizations to find an urgent long-term solution for the financing of critical services of the Directorate

OIE ANIMAL WELFARE FOCAL POINT SEMINAR – AFRICAN REGION

Mr Serogwe attended the seminar in Lesotho. There is no legislation regarding animal welfare in most of the African countries. Some of the major challenges Africa encounters in animal welfare are culture and religion. The OIE standards are not tailored for the African way of doing things. Mr Serogwe gave a presentation and some of the comments he received were that Namibia's Welfare standards are ahead of most African countries. FAN Meat was acknowledged as an advantage to the implementation of animal welfare standards in the absence of updated legislation.

CATTLE MARKETING IMPROVES SLIGHTLY

Statistics of the Meat Board of Namibia showed that cattle marketing increased by 3% (6,670 cattle) compared to the corresponding period during 2017. Total cattle marketing increased by 12% from 194,334 to 208,297 as from January 2018 to June 2018. Weaner production still forms an important component (66%) of beef marketing in Namibia. Cattle export increased by 8% while export abattoir slaughter numbers increased by 4% from 54,268 between January 2017 to June 2017 to 56,477 during the corresponding period of 2018. Slaughter prices increased by 16.6%, while weaner prices increased by 62% on a year-to-year basis. The relationship between weaner prices and B2 slaughter prices showed that the slaughter price should increase by at least N\$7.65 / kg to benefit local slaughtering.

MEAT BOARD VISITED AGENTS IN THE SOUTH

The FAN Meat Division of the Meat Board of Namibia is currently busy with visits to Meat Board ear tag agents in the south of the country to confirm and align processes regarding official ear tag orders. The Meat Board was appointed by the Directorate Veterinary Services as the distributor of official ear tags for cattle and small stock in the foot and mouth disease free areas of Namibia. The visits to the agents will also provide an opportunity for information exchange to facilitate the distribution of ear tags.



MEAT BOARD SUPPORT DEVELOPMENT OF LOCAL POULTRY INDUSTRY

The Meat Board has supported the development of the local poultry industry with the administration on a cost recovery basis of the successful Poultry Market Share Promotion Scheme since 5 May 2013. In addition to Namibia Poultry Industries, 30 small production units have been established. The consumption of poultry increased by

15.5% from 2,400 tons to 2,900 tons. Local poultry production is estimated at approximately 1,900 tons and consumption is approximately 3,000 tons per month.

PROJECTION FOR INCREASED WORLD MEAT CONSUMPTION IS STILL POSITIVE

The Meat Board attended the latest Projection Conference of the Food and Agriculture Bureau in South Africa on 17 August 2018. Following herd rebuilding phases after droughts in major meat-producing countries, limited global economic growth resulted in reduced meat consumption in contrast to increased meat production (15%). Hence world meat prices will not increase significantly. OR Due to the limited global economic growth which resulted in reduced meat consumption in contrast to increased meat production (15%), and following herd rebuilding phases after droughts in major meat-producing countries, world meat prices will not increase significantly. In South Africa, beef and veal consumption will increase by 24% and mutton consumption, being the most expensive meat option, will rise by 11% over the next ten years. It is expected that South Africa will remain a net meat exporting country. In the short-term, beef production decreased by 8% on a year-to-year basis with an expected growth of 3% in 2018 and 8% in 2019. Beef prices in South Africa are moving closer to world beef prices, coupled with an estimated 4,5% increased supply in the next three years. Sheep meat production is not expected to increase significantly (1.4%). South Africa remains a net importer of mutton with about 5% of local consumption being imported. Lamb prices are expected to rise by an average of 4.7%.

MEAT BOARD ADJUSTS SHEEP SCHEME

The closure of Brukarros Meat Processors, Keetmanshoop, forced the Meat Board of Namibia to make adjustments with regard to the local slaughter requirements of the Sheep Marketing Scheme. As a result, only Natural Namibian Meat Packers, Aranos (as export abattoir) and Farmers' Meat Market in Mariental are left and jointly they only slaughter 500 sheep for the local market once a week.

Farmers' Meat Market has been registered since 13 August to slaughter for export three days a week. The local slaughter requirement for sheep exports also considers the slaughter of sheep at accredited local abattoirs. This measure is valid until 15 November 2018 and implies that a producer who has supported the local slaughterhouse during the past six months, can export a similar number of animals. Meanwhile, the Board, in collaboration with the industry and together with producers and abattoirs, have been tasked to simultaneously develop a long-term proposal for the growth of the sheep industry as well as assessing the impact of the long-term proposal on the different sectors.

MEAT BOARD HOSTS FAN MEAT SCHEME WORKSHOP TO DETERMINE FUTURE

On 19 September 2018, the Meat Board, together with the meat industry, held a FAN Meat Scheme workshop to determine the way ahead. The FAN Meat Scheme has been developed on behalf of the Namibian meat industry to provide assurance to consumers that Namibian meat is healthy, safe, of good quality and traceable from any export slaughterhouse back to the farm. Currently, the FAN Meat Scheme has allowed Namibian meat access to the European market and is also recognised by Woolworths Foods in South Africa. FAN Meat is also used to verify the free-range production system for livestock exported to South Africa. Two experts, Mr David Houghton (originally from the United Kingdom and now from Cape Town and an expert in the meat industry and similar schemes) and Mr Marius Brudyn (General Manager of Fresher Meat Packers Namibia) were speakers at the workshop. Aspects addressed included a verification process that will ensure that everyone in the meat value chain will meet the requirements of the scheme, making the scheme more relevant to the farmer and the meat industry and how the scheme should assist in differentiating the Namibian meat products from the rest. It was agreed that the FAN Meat Scheme is still relevant to the Namibian meat industry and that all stakeholders have a role to play in making the scheme even better and promoting it globally.



Marius Brudyn
GM-Fresher Meat Packers



David Houghton
Robbertson Abattoir

TOTAL MARKETING OF CATTLE AND SMALL STOCK DECLINES IN RELATION TO SAME PERIOD 2017

According to the latest Meat Board statistics, both beef and sheep export abattoirs are still not competitive with livestock exports. In total, 73,000 cattle in Namibia were slaughtered compared to 78,000 in the corresponding period of 2017. However, weaner exports to South Africa decreased from 219,000 in 2017 to 210,000 exports in 2018. The average beef cattle price for the year is N\$39.98/kg compared to the average beef carcass prices of N\$35.30/kg for the corresponding period of 2017. Cattle auction prices are still solid at an average of N\$31.71/kg versus an average of N\$25.19/kg for the corresponding period of 2017. B-grade beef prices should currently be at an average of N\$50.83/kg to compete with weaner calf prices. 148,000 Sheep were slaughtered at export abattoirs in 2018 against 195,000 during the corresponding period of 2017. In total however, 198,000 sheep were slaughtered in Namibia versus 239,000 during the corresponding period of 2017.

302,000 Sheep, mostly "too small and too lean" were exported to South Africa due to the drought in the south of Namibia. Sheep prices have increased marginally from an average of N\$42.38/kg to date with an average of N\$40.07/kg in 2017. Goat prices, on the other hand, have declined to N\$859 per head compared to the corresponding period of N\$938 per head in 2017.



MEAT BOARD ALLOCATES UN-USED NORWEGIAN QUOTA TO MEATCO

At its latest meeting, the Meat Board of Namibia allocated all unused quotas of the Norwegian beef cattle quota 2018 from Brukarros Meat Processors, Keetmanshoop to Meatco. This step was necessitated and took place in agreement with Brukarros. Meatco will therefore be responsible for exporting 1,530 tonnes of beef, of which 982 tonnes of beef (64,2%) have already been exported by them to Norway during 2018.

MEAT BOARD EXTENDS VALIDITY OF PRODUCER REGISTRATION

At its latest meeting, 23 August 2018, the Meat Board decided to amend the requirement for annual registration of producers to a once every five-year registration. To date, producers were required to register with the Meat Board before 30 June each year. The Meat Board has therefore begun to apply the registration requirement for the sale of livestock. With the new provision, the Meat Board accommodates producers in remote regions and areas.

This five-year registration of producers does not apply to other parties such as abattoirs, agents, etc. They must still register on an annual basis.

BASIC ABATTOIR HYGIENE AND SLAUGHTER TRAINING TECHNIQUE TRAINING IN TSEMEB

On Friday, 28 September 2018, the Meat Board of Namibia hosted a basic abattoir hygiene and slaughter technique training in Tsemeb. This was the second training of its kind and was well attended by abattoir owners and slaughter staff. Basic principles on personal hygiene and cleaning procedures were presented by Mr Peter and Jason Weiss from Hygiene Solutions. Practical examples and challenges encountered during local abattoir inspections were discussed by Petrus Maritz, Chief of Classification. Legal requirements were discussed by Colling Kazongominja, a Meat Board law enforcement officer.

The theoretical session was followed by a practical slaughter technique demonstration at the Tsemeb abattoir. The aim of these trainings is to improve abattoir owner and staff awareness and knowledge on basic hygiene, proper cleaning procedures, meat hygiene, food safety and slaughter technique.

THE IMPOSITION OF IMPORT RESTRICTIONS ON SELECTED POULTRY PRODUCTS ISSUED UNDER THE IMPORT AND EXPORT CONTROL ACT, 1994 (ACT NO. 30 OF 1994)

THE IMPOSITION OF IMPORT RESTRICTIONS ON SELECTED POULTRY PRODUCTS ISSUED UNDER THE IMPORT AND EXPORT CONTROL ACT, 1994 (ACT NO. 30 OF 1994)

The Meat Board (MBN) has been requested and approved a request by the Ministry of Industrialization, Trade and SME Development to implement under the authorization of the Minister of Industrialization, Trade and SME Development a Poultry Market Share Promotion Scheme (Poultry Scheme) in terms of Government Notice 81/2013, since 5 May 2013.

The Poultry Scheme initially made provision for the importation of a maximum of 600 tons of poultry products per month which was increased to a maximum of 900 tons per month on 1 November 2013 and 1500 tons on 15 May 2015 (Notice 79/2015).

Currently the Scheme has 60 registered Poultry Importers of which an average of 36 companies apply for import quota on a monthly basis. There is only one major producer in the market while more than 30 small producers are in existence. A large poultry farm is planned in the Otavi district by the Hangana group of companies.

BACKGROUND

The poultry scheme are guided by a representative industry steering committee which include the Ministries of Industrialisation, Trade and SME Development, Finance and Agriculture, Water and Forestry and which is consulted and informed on a two monthly basis.

The available quota is determined bi-monthly by evaluating supply and demand up to a maximum of 1500 tons as determined by the Government Gazette. The determination of quota for August and June 2018 were 1 000 tons per month respectively, based on the expected supply and demand.

Individual quota is calculated based on a company's historic market share (70% of quota) and local purchases (30% of quota). The inclusion of local purchases in the calculation of quota allows new entrants to acquire quota and motivates local buy. Shortages or none availability of specific cuts are assisted on an ad hoc basis with import permits to ensure that there are no shortages in the market. The Minister has also instructed that new entrants be given 25 tons to be managed and monitored by the MBN and if not being utilized the quota should be downscaled.

Average production is equal to 1 889 tons per month over the past 12 months while average consumption equals 3 012 tons per month. This relates to 62.7% of poultry consumption being produced locally.

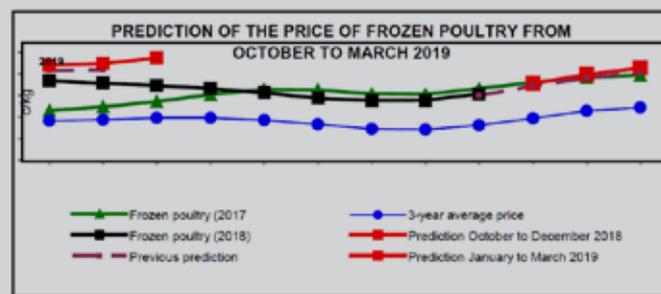
MARKET PERFORMANCE

The average production of poultry by Namibia Poultry Industries (NPI) over the past 12 months was 1 889 tons per month, while the average importation of poultry products during the reporting period equals 948 tons per month. Compared to the previous twelve months (Oct 16 – Sept 17) were production stood at 1 810 tons and importation at 764 tons on average.

Consumption (production & imports) thus stands at approximately 3 012 tons per month up from 2589 tons during the previous 12 months. This relates to an increase in consumption of 16.3% during the last 12 months. It is also clear from the total consumption graph that local consumption is since October 2017 consistently more than 3 000 tons per month as a result of an increase in the price of red meat making poultry a source of cheaper protein. A strong downward curve is observed in September 2018 which is due to challenges experienced in the production of chickens.

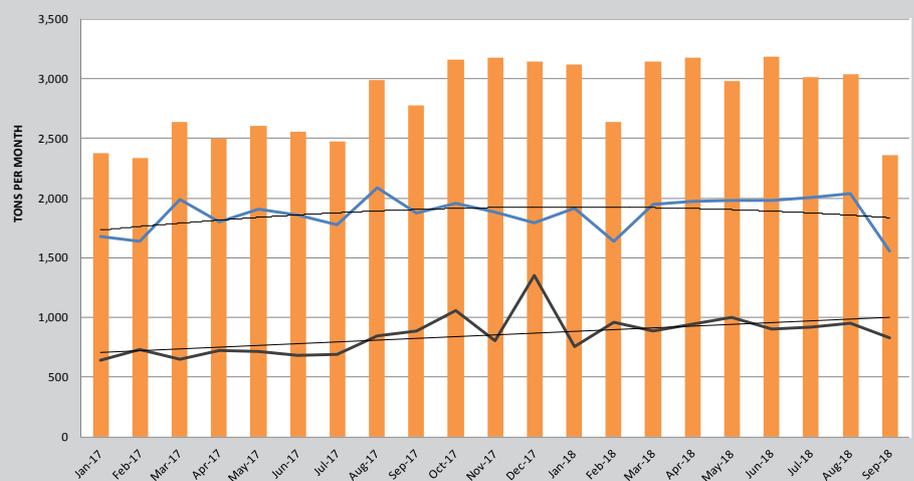
PRICE PERFORMANCE

It is predicted that prices will increase in the next quarter leading up to the December holiday season.



Source: AMT

POULTRY: TOTAL CONSUMPTION



	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Total Consumption	2,377	2,335	2,639	2,502	2,606	2,556	2,473	2,988	2,775	3,158	3,180	3,146	3,118	2,637	3,144	3,175	2,984	3,185	3,017	3,039	2,357
Production	1,677	1,635	1,989	1,802	1,906	1,856	1,773	2,088	1,875	1,958	1,880	1,796	1,918	1,637	1,944	1,975	1,984	1,983	2,004	2,037	1,555
Imports	643	729	650	720	712	685	694	848	888	1,061	804	1,354	757	964	885	941	1,004	902	922	952	832

MEAT INDUSTRY THIRD QUARTER

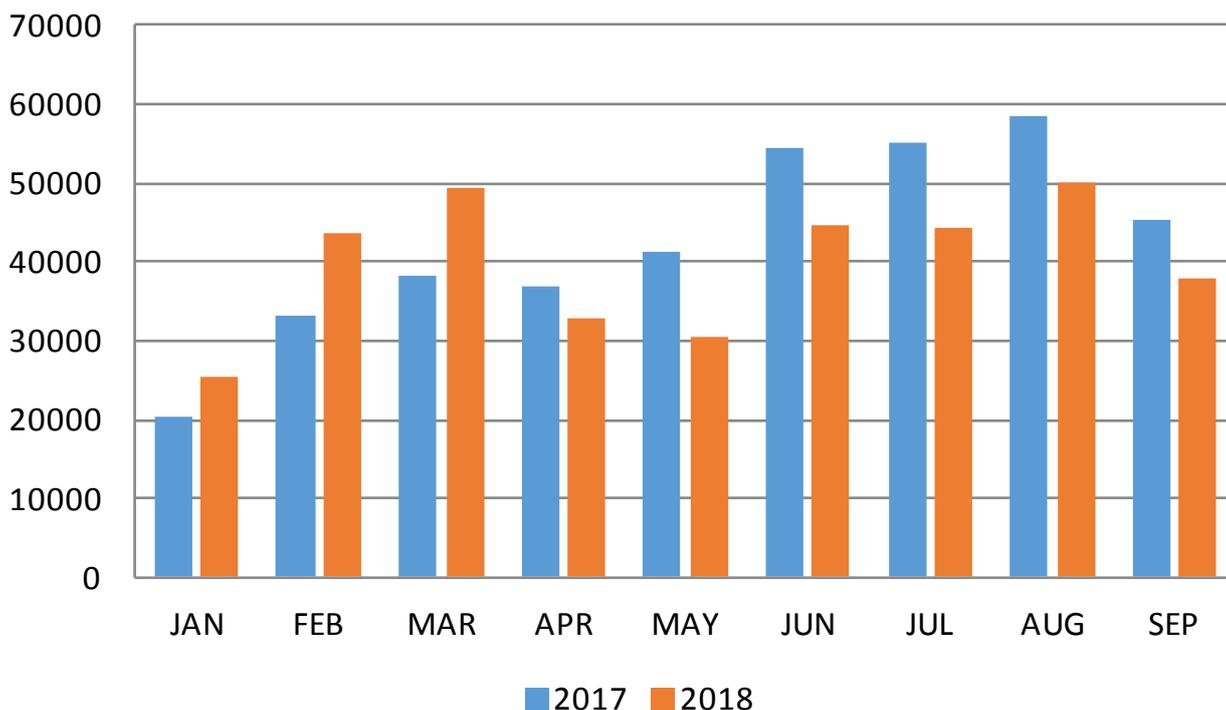
This article reviews the performance of the marketing of cattle, small stock and pork. The review covers and compares the period January to September 2018, compared to the same period in 2017.

THE CATTLE SECTOR: PRODUCTION AND MARKETING

There is an overall decrease in the total production of cattle between January and September 2018. A decrease in the availability of marketable cattle resulted in higher beef prices as abattoirs try to attract more slaughter animals. Due to lower throughput, one of the export Abattoirs Brukarros Meat Processors, closed during the third quarter. This downward spiral was averted when a new export abattoir, Beefcor, was approved by the Meat Board of Namibia during the same period. Smaller amounts of cattle continue to be slaughtered by Meatco's Mobile Slaughter Units in the Northern Communal Areas where 74 farmers marketed a combined total of 1200 cattle thus far.

- Year-on-year, a 6.48% decrease is witnessed in the total production of cattle during January to September 2018. Production decreased from 384,544 in 2017 to 359,248 in 2018.
- The decline in total marketing was driven by decreased activity across all market segments.
- From the total of cattle marketed, 66.59% were live exports, 17.36 were taken up by B & C class abattoirs while export abattoirs enjoyed a 16.05% of the market share.
- A total of 21,498 cattle was declared to the Meat Board by the registered B&C class abattoirs in 2018. Based on the hide purchases however, it is estimated that 40,851 cattle were slaughtered at the B& C class abattoirs.

FIGURE 1: TOTAL CATTLE MARKETED JANUARY TO SEPTEMBER 2017/2018

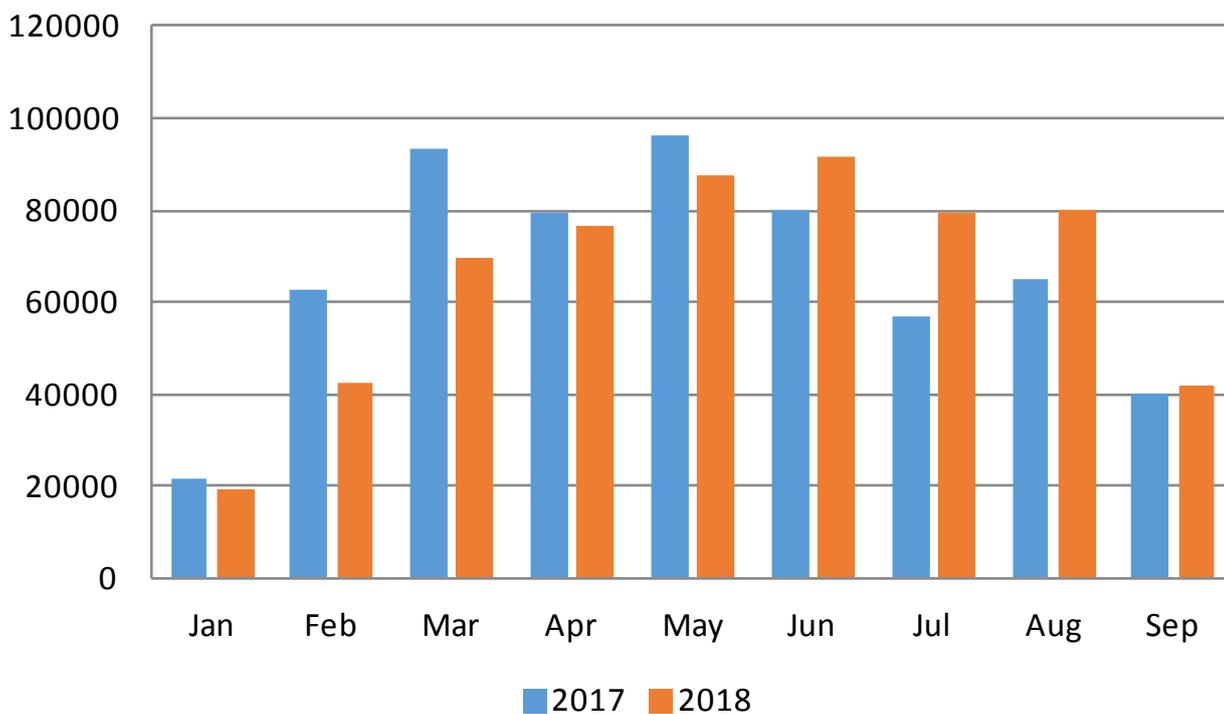


SHEEP SECTOR: PRODUCTION AND MARKETING

The long term sheep marketing trend shows a gradual reduction in the marketing of sheep. Despite slight growth in live exports and butchers, the overall number of sheep marketed during the period under review, declined compared to the same period in 2017. The decline is mainly attributed to a weaker performance in the first half of the year. Third quarter figures improved to culminate in a modest decline in total marketing.

- With the reduction in the stock of sheep in the country, marketing numbers are expected to follow a downward trend in the long-term, given the erratic climate conditions associated with Namibia and the current sheep marketing arrangements that are in place.
- A 1.21% decrease is observed in the sheep marketed in 2018 compared to the same period in 2017.
- 595,411 heads of sheep were marketed in 2017 compared to the 588,213 marketed in 2018.

FIGURE 1: TOTAL SHEEP MARKETED JANUARY TO SEPTEMBER 2018



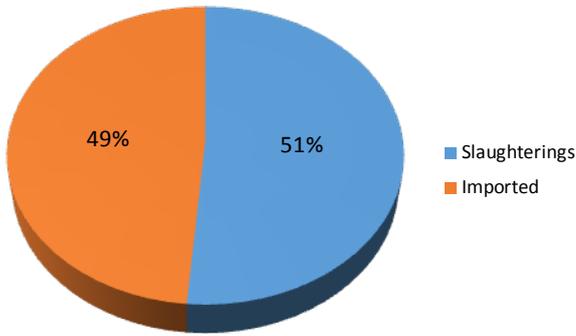
- During the period January and September 2018, 373,356 heads of sheep were exported live, accounting for 63% of the market share. The sheep slaughtered at the export abattoirs accounted for 27% at 157,339, whilst those that were slaughtered at the B&C class abattoirs accounted for 10% with 57,518 sheep.
- The price difference of the Namibian A2 sheep prices compared to the Northern Cape prices generally declined month-on-month for the entire third quarter but remain intact to the loss of Namibia producers.
- A price difference of -N\$3.53/Kg between the Namibian and the Northern Cape price was observed at the close of the quarter in September 2018, although the year-to-date difference was much higher at -N\$4.31 in the A2 grade.
- This gap discourages throughput at the Namibian abattoirs, however due to the 1:1 slaughter-to-export ratio, abattoirs can receive some throughput.
- High overhead costs and the price for offal and sheep skin are some of the factors that are cited to affect the price that is offered to Namibian producers by the export abattoirs.
- Producers are discouraged to market their sheep at export abattoirs due to the increased price gap.
- Namibian C2 prices on average improved during the third quarter compared to the second quarter bringing the year-to-date average to N\$47.47/Kg which was N\$2.16 below the Northern Cape counterpart of N\$50.36. Due to even higher increases in Northern Cape C2 prices, August 2018 recorded the highest price difference of -N\$7.01/Kg so far in 2018.

PORK SECTOR: PRODUCTION AND MARKETING

The Pork Market Share Promotion Scheme is in place to protect the Namibian producers from the surge of cheap imports. There is currently only one big pork producer in the country. The capital intensive nature of this production system acts as a barrier to entry.

- The Namibian pork ceiling price stood at N\$33.98/Kg in September 2018.
- During the period under review, a total of 4,651 tons of pork were consumed by the Namibian market of which 2,569 tons were sourced locally as compared to the 2,082 tons imported from the RSA.
- This represents a 55% market share for the local pork products as compared to the 45% imported as depicted in figure 3.

FIGURE 3: PORK MARKET SHARE JANUARY-SEPTEMBER 2018



CONCLUSION

Limited throughput at export abattoirs continue to hamper the profitability and thus competitiveness of the available export abattoirs. Internationally, there is a decrease in the price of beef, most of which is as a result of an increase in production.

Sheep marketing in Namibia is confronted by various challenges that put the sector in jeopardy in terms of employment creation, retention and its contribution to the country's economy at large. Given the government's efforts to industrialise and promote value addition, the large price differences hamper its progress. Export abattoirs will need to become more competitive in order to attract quality and a consistent supply of sheep. Despite all the other contributing factors, price remains the main determinant of marketing, both for the producers and the abattoirs. The deteriorating grazing conditions in some of the sheep-producing regions, support the use of the too lean and too small drought marketing arrangement. The scarcity of lambs in South Africa backs the demand for Namibian sheep.

The ceiling price of pork gradually increased during the third quarter of the month due to corresponding increases in the Red Meat Abattoir Association pork price to which it is linked. The South African price that the Namibian pork ceiling price is based on, has also been increasing as the demand for pork picked up following the subsiding of listeriosis fears in the South African market. Namibian producers continue to be challenged by the high costs of production.

BOARD MEMBERS VISIT NAMIBIA POULTRY INDUSTRY

Since the Meat Board is managing the poultry scheme on behalf of the Ministry of Industrialisation, Trade and SME Development, the board members and managers of the Meat Board visited NPI on Wednesday, 22 August 2018 to familiarise themselves with the poultry industry. The Meat Board is also closely involved with the NPI in controlling the poultry quota and the import of chicken products. A presentation was made which explained the farm layout and the breeding process up to the time that the chicks are ready for slaughtering.

The board members were then taken on a tour through the factory during which the slaughtering process up to the packing of different cuts were shown to them.



STAFF NEWS



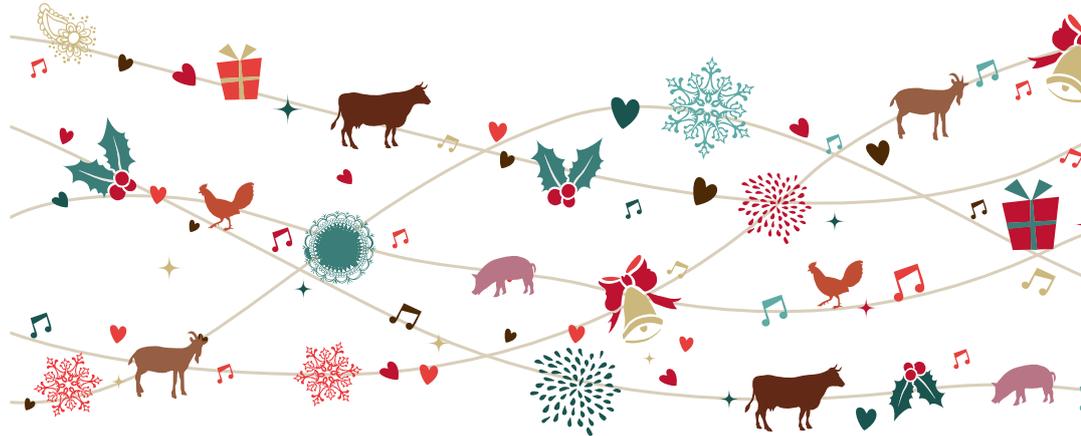
The Meat Board welcomes Ace Mutelo, our new Chief: Information Systems at the Trade Division.



Another warm welcome to Uasora Kangootui, who is the newest Namlits Helpdesk Officer in the Meat Standards Division.

CHRISTMAS AND NEW YEAR OFFICE CLOSURE NOTICE

The Meat Board of Namibia will close on Wednesday, 19 December 2018 at 12:00, and will re-open on Monday, 7 January 2017 at 7:30.



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.