

## ATTENDANCE OF WORLD ORGANISATION FOR ANIMAL HEALTH (OIE) GENERAL ASSEMBLY

### INTRODUCTION

The World Organisation for Animal Health's (OIE) General Assembly (GA) of 2018 was held from 20 – 25 May 2018 in Paris, France. The Meat Board Manager Meat Standards, together with Dr Milton Maseke (Chief Veterinary Officer, Namibia) and Dr Janeke Buys (Registrar Namibian Veterinary Council), formed part of the Namibian delegation. Attending the OIE General Assembly, offers the Meat Board unique opportunities to network, take part in informal and formal discussions with trading partners, exchange ideas with countries that share similar livestock and meat industries as Namibia, as well as providing

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valuable insight about global animal disease trends and concerns. Insight into these trends provides the Meat Board the opportunity to keep the Namibian livestock and meat Industries aligned with global trends and for strategic focus and planning.

## TRADE IS ABOUT TRUST

The main objective of the GA this year was “Transparency”. The focus had not been on transparency between trading partners as the much-needed transparency between the Competent Authority and Stakeholders was emphasised. The OIE acknowledged that the implementation of standards is reliant on the ability of producers to implement them. Impractical measures or measures that are hampering the daily operations of producers cannot be implemented as the goals of such measures are not always met. The standards set by the OIE are aimed at the improvement of animal health to globally facilitate safe trade in animals and animal products. The 182 member countries of the OIE were urged during the GA to actively engage in stakeholder consultations for the successful implementation of measures and standards.

## PUBLIC PRIVATE PARTNERSHIPS (PPP)

In 2016, the sustainability of Veterinary Services on a global level had already been discussed as a point of concern. The Public-Private Progress Initiative is a strategic 3-year initiative led by the OIE to assist Member Countries in improving the quality of Veterinary Services, simultaneously building robust and sustainable animal health systems. The aim of this initiative is to provide an overview of existing PPPs in the world, measure the impact and value of such PPPs, foster relationships between the public and private sectors of Veterinary Services and to provide tools to assist Member Countries to engage in effective and sustainable PPPs.

Public Private Partnerships, when properly implemented, are mutually beneficial for both the public and private sectors. The Meat Board of Namibia was specifically mentioned as an example of a Successful PPP in Africa during the meeting of the OIE Regional Commission for Africa on 21 May 2018. Many opportunities exist in such partnerships to further strengthen the Namibian Livestock and Meat Industries and the Directorate of Veterinary Services.

## GLOBAL ANIMAL HEALTH SITUATION

Foot and Mouth Disease (FMD) remains the most notified disease globally. Not only does FMD result in major economic and production loss in affected countries, but FMD-affected countries also present a major risk to countries which are free of FMD or have a free zone. In Southern Africa there are 8 countries which do not have an official status with regard to FMD.

The challenges Africa faces with FMD include: Insufficient epidemiological risk management, limited diagnostic capability, limited understanding of the socio-economic impact and poor cross-border movement control.

A revision of the FMD standards of the Terrestrial Animal Health Code (TAHC) was proposed to reduce the impact of the incursion of African Buffalo into free countries or free zones. The proposal suggests that if the situation is well controlled, there would be no need to suspend the status of such a country or zone. A revision of the chapter on zoning and compartmentalisation is also underway.

In the past year, 49 countries in the African and Asian regions had been affected by Peste Des Petits Ruminants (PPR) Control measurements implemented by countries include surveillance, movement control, stamping out and vaccination. In

countries where the disease is present, only some measures are implemented and there appears to be a decrease in the number of official vaccinations. It also appears that these countries have, in the face of an outbreak, changed their control strategies by focusing on vaccinating only instead of taking preventative measures to curb outbreaks of PPR. The PPR status has worsened globally in that it spread beyond its traditional range. Within Namibia, the area south of the Veterinary Cordon fence is officially free from PPR, but the Northern Communal Area (NCA) remains at risk due to porous borders with Angola, Zimbabwe and Zambia. Namibia has developed a control strategy for PPR which will work in conjunction with the FMD control strategy to obtain official freedom for PPR in the NCA as well.

## TAKE HOME MESSAGE

The implementation of standards developed by the OIE proved to be effective. However, countries who fail to implement standards and measures remain a risk to the cross-border spread of diseases. Vigilance, early detection and early control will remain important in the maintenance and improvement of the Namibian animal health status. The Mexican Government regards farmers as the most important key in surveillance and has subsequently spearheaded initiatives to train them in surveillance. This could be a valuable initiative for Namibia too. The successful implementation of standards depends on the ability of producers to implement such standards. Stronger emphasis should be placed on the consultation process between stakeholders and the competent authority as the common goal is to improve animal health for the protection of human health hence contributing to the prosperity of all Namibians.

# MEAT BOARD'S LATEST ENDEAVOURS



## VISIT BOTSWANA FARMERS UNION - 29 JUNE 2018

The Botswana delegation was accompanied by Ms Daisy Manungo, a consultant from NNFU. The delegation was received by Mr Desmond Cloete, Mr Esegiel Serogwe and Ms Maria Namukwambi of the Meat Board of Namibia. Mr Cloete presented the the roles and functions of the Meat Board, including the interaction with stakeholders, especially the NNFU to the board, while Mr Serogwe explained the functions of the FANMEAT division. The president of the Botswana Farmers Association commended the Meat Board for the role it plays in the red meat industry and also alluded to the fact that Namibia has so many good and conducive policies and regulations in place.

## MINISTER OF AGRICULTURE, WATER AND FORESTRY VISITED THE MEAT BOARD OF NAMIBIA

The Minister of Agriculture, Water and Forestry visited the Meat Board to familiarise himself with the setup and activities of the Meat Board. The Minister was introduced to the role and functions of the Meat Board as well as the relevant components of the Meat Industry Act and Strategic Plan. An important component of the interaction between the Minister and the Board was to introduce him to the challenges the industry faces like improving the animal health status north of the veterinary cordon fence. Together with that is the operationalisation of the two export abattoirs at Oshakati and Katima Mulilo respectively which aims to create a market for producers north of the veterinary cordon fence. Other challenges also include the financing of the export certification functions of the Directorate Veterinary Services, research to determine the competitiveness of the Namibian meat industry value chains and the need for a prompt solution to advance growth in the sheep sector. The interaction was positive and conducted in a good spirit.



Seated: Minister !Naruseb; Mrs Gurubes, Mr Strydom

## MEAT BOARD APPROVED THE COMMISSIONING OF A COMPETITIVENESS STUDY

In principle the Meat Board approved the commissioning of a competitiveness study for existing meat export value chains at its latest quarterly meeting. It is already known that the competitiveness of the meat industry, especially the slaughter industry, has been decreasing for various reasons and the factors responsible for this decline must be quantified. With sufficient substantive evidence, recommendations can be made to the respective ministries to improve the competitiveness of the industry. The Meat Board will now start the procurement process.

## OPERATIONALISATION OF TWO ABATTOIRS NORTH OF THE VETERINARY CORDON FENCE

As owner of two newly built local abattoirs at Eenhana and Outapi, The Ministry of Agriculture, Water and Forestry, entered

into a lease agreement with the Namibia National Liberation Veterans Association for a period of ten years. A business agreement between the Association and Africa Meat Supplies (Northern Namibia Abattoirs) was established to operate both the Outapi and Eenhana abattoirs. In support of the initiative, the Meat Board organised an information day on 5 July 2018 at Outapi. About 180 producers, some of them traveling as far as Kunene, learned about the supply of cattle to the abattoirs at this event. Given the absence of a formal slaughter-market in the areas north of the veterinary cordon fence since mid-2015, the Meat Board is very positive about the operationalisation of the abattoirs and wishes Northern Namibia Abattoirs only success. The abattoirs intend to be in operation before September 2018.

## MEAT BOARD ORGANISES INFORMATION DAY AT KATIMA MULILO

The Meat Board, in collaboration with the Meat Board office at Katima Mulilo, held a highly successful information day at Katima Mulilo on Tuesday, 17 July 2018. About 157 producers from as far as Impalile Island attended. The day was opened by the Special Advisor to the Governor. The Meat Board once again emphasised its concern about the lack of markets for beef producers in the Zambezi region. Contributions were also made by the State Veterinarian, Intervet, Namibian Police and Agribank. Mr Chilinda, a member of the Meat Board, indicated that renovations of the Katima Mulilo abattoir will start on Monday 23 July - a step welcomed by all parties.

# DISCOVER THE LAW ENFORCEMENT FUNCTIONS OF THE MEAT BOARD OF NAMIBIA

## DISCOVER THE LAW ENFORCEMENT FUNCTIONS OF THE MEAT BOARD OF NAMIBIA

In order to protect the Namibian market from illegal dumping and unfair trade practices, the key objective of the Meat Board Law Enforcement Division is to ensure that all role players adhere to the legislation and procedures guiding the meat industry of Namibia.

This is achieved through physical inspections to ensure that the quantities of the produce imported, exported or in transit through Namibia correspond with the invoices, Customs clearing documents and also with the actual quantities of the consignment on a truck.

The mandate of the Meat Board of Namibia to reach this objective is derived from the Meat Industry Act 12 of 1981.

### PRESENCE IN THE INDUSTRY

The Division covers twenty border posts across Namibia, dealing with imports, exports and in-transit cargo of controlled products such as livestock and products thereof. Seven border posts are currently used as mainstream borders with another five border posts that are occasionally used on an ad hoc basis.

Smaller border posts are regulated by Customs and Excise (Ministry of Finance) or Nampol, who do not allow any consignment of controlled products to pass through a border without a valid Meat Board Permit.

All consignments of controlled produce are regulated by way of permits indicating the relevant information such as type of product, validity period, importer/exporter, border to be used, as well as origin and destination.

## INFRASTRUCTURE

The Meat Board of Namibia's Head office is situated in Windhoek, but remote offices are situated in Ongwediva, Katima and Rundu. Border staff is deployed at Ariamsvlei, Noordoewer, Buitepos, Walvis Bay, Katwitwi, Sarasungu and Wenela.

### PERSONNEL

The Law Enforcement Division of the Meat Board of Namibia consists of three senior employees and seventeen Border Officials, which include three Senior Border Officials stationed at the three main border posts, Noordoewer, Ariamsvlei and Buitepos.

### OPERATIONAL DUTIES

#### Trade and offload inspections

Inspectors of the Meat Board of Namibia frequently visit traders and processors of both livestock and poultry around the country to ensure compliance to Namibian legislation and also that promulgated standards are adhered to. These inspections are documented and information forwarded to all relevant stakeholders for statistical purposes.

#### In-transit consignments

Consignments of controlled products that are destined for neighbouring countries are also regulated by way of permits and a traceability system (sealing and tracking system) is in place to ensure that the same consignment that entered Namibia, exits the country under surveillance of the Meat Board Staff at the point of entry as well as exit. Very strict terms and conditions are in place to ensure that these products do not end up in Namibian markets and compete with local production. An average of 85 trucks of chicken, beef, mutton and pork meat are monthly in transit through Namibia and each truck is inspected twice by Meat Board officials before being cleared to leave the country.

MAP 1: BORDER COVERAGE



#### Visits/Audits to Auctions and permit days

Ad-hoc visits and audits are done at auctions and permit days all over Namibia and irregularities are reported and resolved in order to inform and guide all producers or agents in the industry.

#### Audits at local abattoirs

All Class B & C abattoirs in Namibia are visited at least once a year to ensure that mandatory procedures regarding Meat Board registrations and slaughter- and levy remittances are adhered to.

#### Conclusion

The Law Enforcement Division of the Meat Board is an indispensable part of the Meat Industry of Namibia. It is perceived in a positive light by the industry and as such commended for the compliance and co-operation of most of the role players in the industry.

PAUL WEANERS

# MEAT INDUSTRY SECOND QUARTER

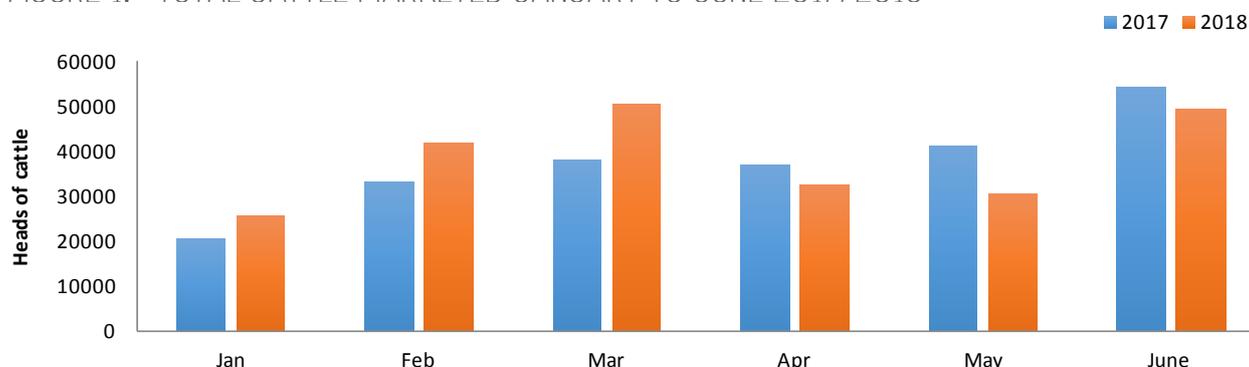
This article will review the performance of the marketing of cattle, small stock and pork. The review will cover and compare the period January to June 2018 compared to the same period in 2017.

## THE CATTLE SECTOR: PRODUCTION AND MARKETING

There has been an overall increase in the total production of cattle between January and June 2018. An increase in the availability of weaners in South Africa is expected to further put downward pressure on the price of producers at auctions. An abattoir opened in Outapi which is a welcomed addition as this will provide a formal market for producers in the Northern Communal Areas (NCAs), together with the Meatco mobile abattoir. The Oshakati and Katima abattoirs are still not operational.

- Year-on-year, a 3 % increase is witnessed in the total production of cattle during January to June. Production increased from 224,127 in 2017 to 230,797 in 2018.
- The increase can be attributed to the increase in the live export of weaners which increased by 8%.
- From the total cattle marketed, 66% were live exports, 18% export abattoirs and 16% B & C class abattoirs.
- A total of 15,124 cattle were declared to the Meat Board by the registered B&C class abattoirs in 2018. However, based on the hide purchases, it is estimated that 37,127 cattle were slaughtered at the B& C class abattoirs.

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

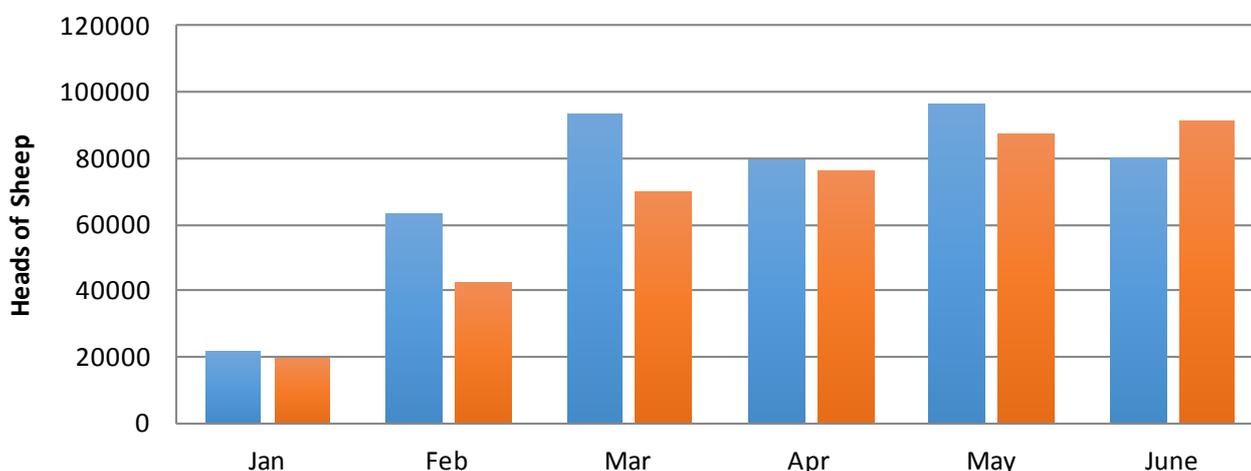


## THE SHEEP SECTOR: PRODUCTION AND MARKETING

The long term sheep marketing trend shows a gradual reduction in the marketing of sheep. Both live exports and the number of sheep slaughtered at local abattoirs have decreased. The live exports of sheep continue to account for more than half of the total market share of sheep marketed.

- With the reduction sheep stock in the country, marketing numbers are expected to follow a downward trend given the erratic climatic conditions associated with Namibia and the current sheep marketing arrangements that are in place.
- An 11% decrease can be observed in the sheep marketed in 2018 compared to the same period in 2017.
- 433,259 heads of sheep were marketed in 2017 compared to the 387,193 marketed in 2018.

FIGURE 2: TOTAL SHEEP MARKETED JANUARY TO JUNE 2018



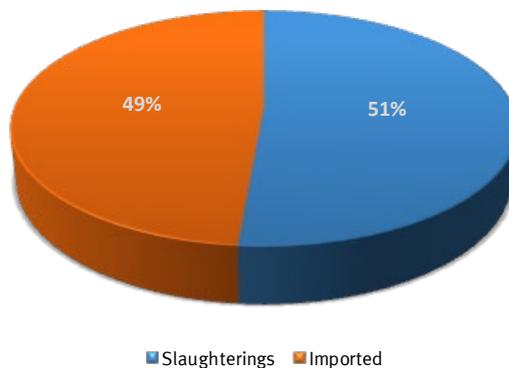
- During January and June 2018, 241,790 heads of sheep were exported live, accounting for 63% of the market share. The sheep slaughtered at the export abattoirs accounted for 29% at 113,103, whilst those that were slaughtered at the B&C class abattoirs accounted for 8% with 32,300 sheep.
- The price difference of the Namibian A2 sheep prices compared to the Northern Cape prices is increasing month by month.
- A price difference of -N\$9.04/kg between the Namibian and the Northern Cape price was observed in June 2018 for the A2 grade.
- This gap discourages throughput at the Namibian abattoirs, however due to the 1:1 slaughter to export ratio, abattoirs are able to 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 experienced a month-on-month decrease, thus increasing the price difference to -N\$6.37/kg in June between the Namibian and the Northern Cape prices.

## THE 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\$ 30.07 / kg in June 2018.
- During the period under review, a total of 2,687 tons of pork were consumed by the Namibian market of which 1,380 tons were sourced locally as compared to the 1,307 tons imported from the RSA.
- This represents a 51% market share for the local pork products as compared to the 49% imported as depicted in figure 3.

FIGURE 3:  
PORK MARKET SHARE JANUARY-JUNE 2018



## CONCLUSION

Limited throughput at export abattoirs continues to hamper the profitability and thus competitiveness of the available export abattoirs. As more weaners become available in South Africa, the average price for weaners have decreased month-on-month. Hence the price is also expected to continue on the downward trend. The reduction in price might result in the decrease in the number of weaners exported as the year progresses. 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 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 price of pork gradually decreased during the reporting months. The South African price that the Namibian pork ceiling price is based upon has also been decreasing as a result of the oversupply of pork in the South African market. Pork is a cheaper source of protein compared to beef and mutton and increased marketing and promotion by the South African pork industry will further push the price downward. Namibian producers continue to be challenged by the high costs of production.

# NECESSITY OF LIVESTOCK AND MEAT EXPORT MARKETS

Various meetings and social media discussions raised concerns on the demise of the Namibian slaughter industry and the resultant culprit – increased exports of Namibian livestock to South Africa. For the purpose of this brief only the beef and weaner export markets are addressed. Namibia is privilege to have access to a variety of international beef and cattle markets and need to export due to limited local market.

These markets, especially the slaughter markets have been developed with huge effort by Directorate Veterinary Services and Meatco. Since 1991, Namibia has besides South Africa also the European Union market available. Additional beef markets arose since, e.g. Norway, Peoples Republic of China and the United States of America. 19,503 tons of beef have been produced with a total market value of N\$1,4 billion during 2018. The upholding of the slaughter industry for various reasons is therefor of crucial importance in terms of foreign exchange earnings, employment creation and risk mitigation against importing country livestock import conditions.

Namibia has been an exporter of cattle since the early-seventies. On average

224, 486 weaners have been exported to South Africa the past five years of which 311,000 have been exported during 2017 (Figure 1) only. The value of weaners exported were approximately N\$1,99 billion, a valuable contribution to the local economy and to date for 2018, N\$443 million more have been earned by the selling of weaners compared to the same period during 2017.

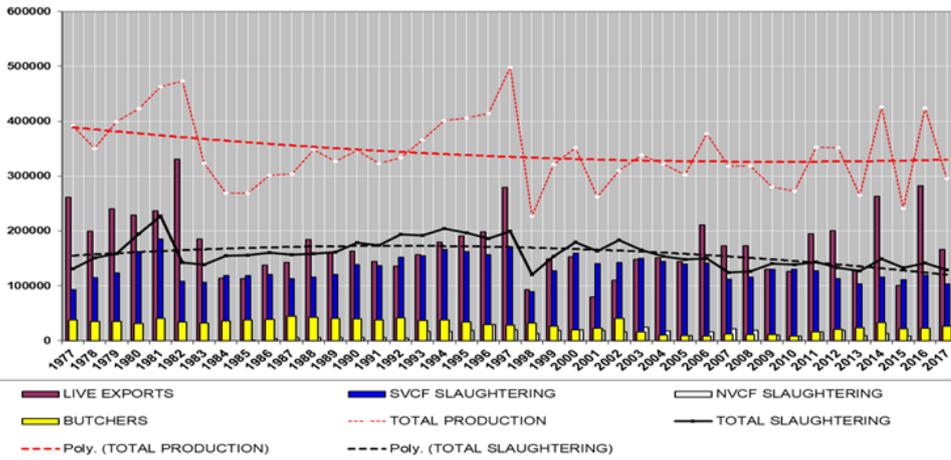
Concern has been expressed by different stakeholders on the number of weaners being exported. The reason being the price difference paid by local cattle export abattoirs for slaughter cattle versus prices paid by exporters for weaners. Comparing auction prices for weaners and slaughter cattle, weaners were sold for N\$6,063 per head, while slaughter cattle were sold for N\$8,957 per head at auctions during 2017 – a mere difference of only N\$2,894. Keeping in mind that weaners aged average 8 months, while slaughter cattle on average aged 28 months. Weaner prices are mainly driven by the shortage of meat in South Africa. Average weaner auction prices increased with 51%, while cattle export abattoir prices increased with 20% between 2016 and 2017 - the main reason for increased weaner exports.

What should local export abattoirs prices be to reverse trend in cattle exports? Figure 2 indicates comparable international carcass prices realized by producers in major exporting countries amongst others supplying beef to the European Union (EU). Of importance are that both South African (no EU exports), Australian and Uruguayan producers are receiving higher prices than Namibian producers, while Namibian cattle slaughter prices do not follow the upward international trend yet. At least should local cattle export abattoirs pay the equivalent South African Red Meat Abattoir Association B2 Grade carcass class.

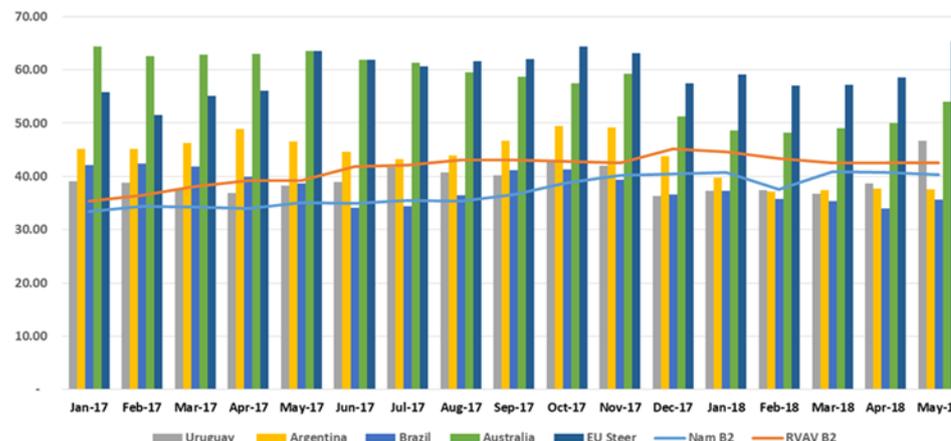
In conclusion. Both markets should have a place in the Namibian meat industry. It is important to note that

- Weaners are produced mainly by a different farmer for various reasons than those supplying slaughter cattle to the local abattoirs;
- Certain areas of the country are just more efficient to produce slaughter cattle than those areas producing weaners;
- Weaner production do deliver economic benefits to rural communities as well as the national economy and cannot be ignored;
- Raising and processing livestock is often cheaper in importing country than buying boxed or chilled meat slaughtered locally, which is a high input cost industry compared to South Africa;
- Raising all weaners produced locally are not possible due to absence of feedlots, producer financial status, and potential environmental degradation;
- Feedlots in Namibia is not financially viable due to local unavailability of fodder – future Green Scheme initiatives could provide;
- Prior to any probable intervention a benchmark price acceptable to all affected stakeholders should be formulated and enforced.

**Figure 1. Long term trends in the marketing of cattle in Namibia**



**Figure 1. Namibian Beef producer prices vs International Competitors**



Containing weaners in the country to improve slaughter capacity utilization is not a solution. It is a question of overcoming the international economic recession (improved international market prices) and by paying competitive prices to local producers.

Sources: Meat Board of Namibia, Meatco, Livestock Auctioneers Broker and Traders Association, World Beef Report

# STAFF NEWS

CONGRATULATIONS TO THE FOLLOWING HEAD OFFICE EMPLOYEES WITH THEIR LONG SERVICE AWARDS AT MEAT BOARD OF NAMIBIA



Justine Kapenaina  
10 Years Service

Gladys Moyo  
10 Years Service

Saraphia Kapenaina  
10 Years Service

Ursula Nguvauva  
20 Years Service

## MEET OUR EMPLOYEES AT ARIAMSVLEI BORDER



Julio Lukas, Border Officer | Albinau Kock, Border Officer | Wilfried Draghoender, Border Officer | Marcell Bezuidenhout, Senior Border Officer

## 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.