



Performance and marketing options for informal cattle producers in the Eastern Cape province of South Africa

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It all starts here



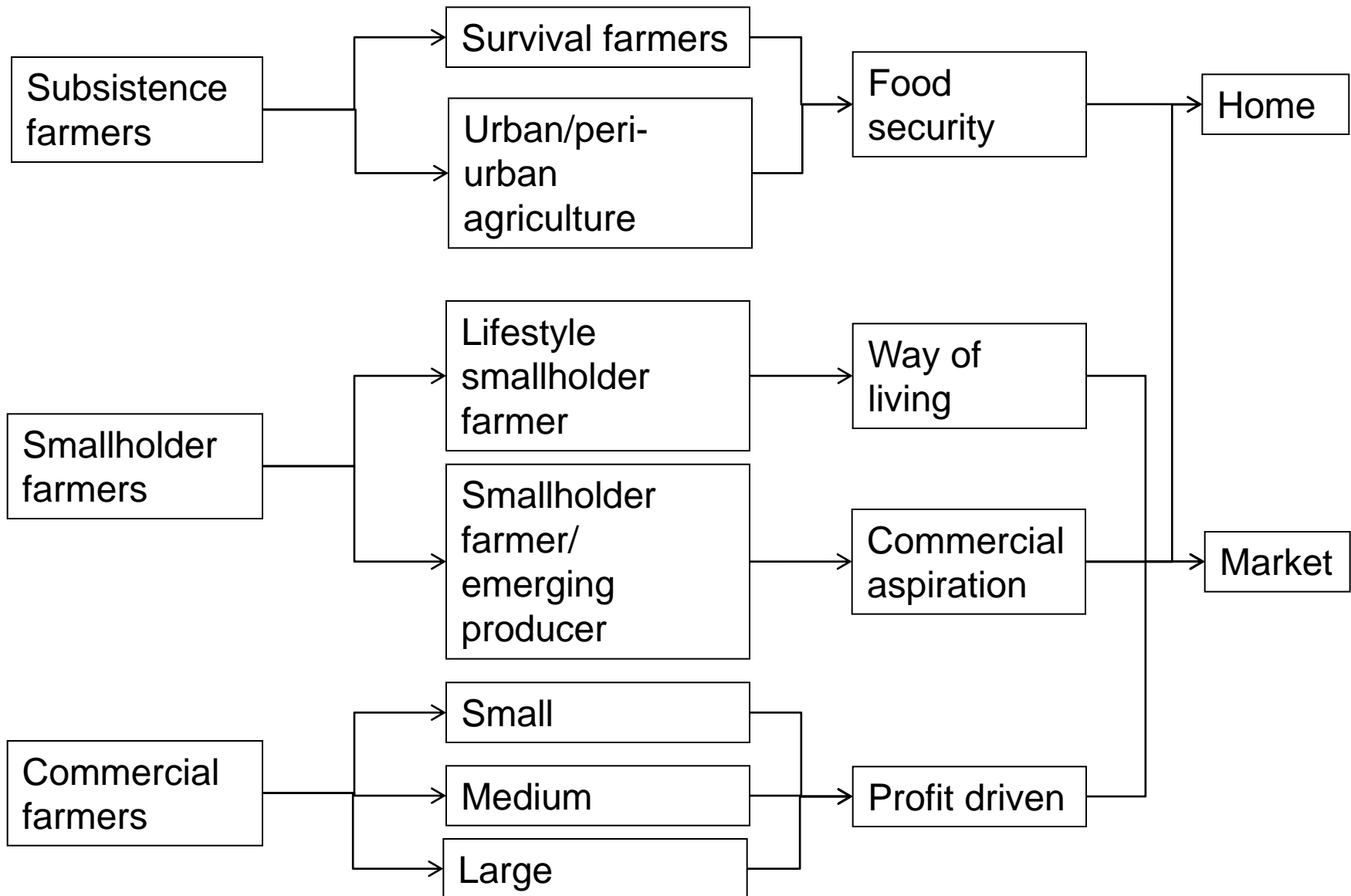
- ACIAR Project LPS/2005/128: High quality markets and value chains for small-scale and emerging farmers in South Africa

Presentation outline

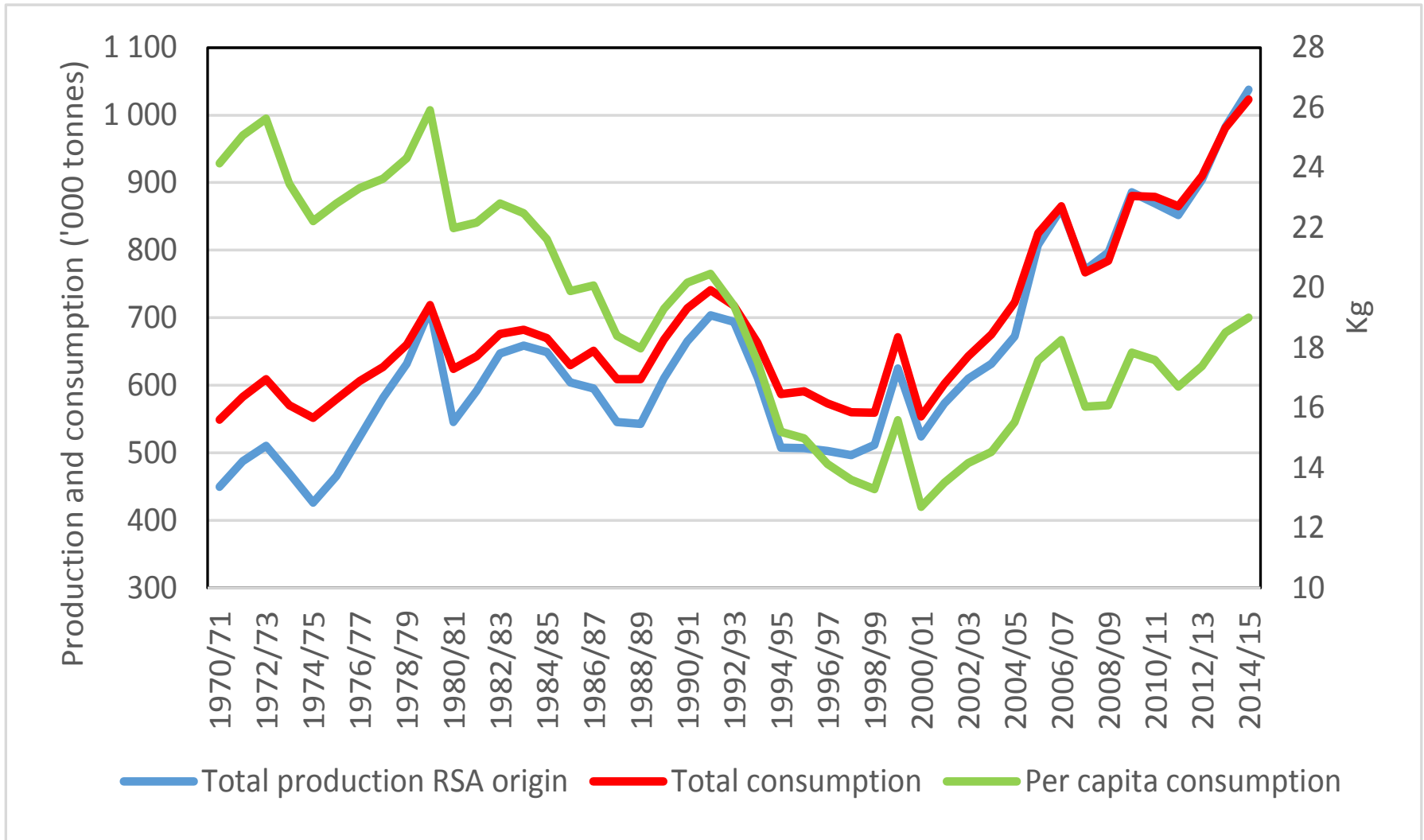
- Background
- Approach and data used
- Results
- Challenges
- Conclusion

- The South African red meat sector contributed 17% to the total gross value of agricultural production during the 2015/2016 season with cattle being the main contributor at 12% while sheep contributed 3% during the same period
- The South African primary red meat sub-sector is unique due to the dualistic nature of the country's agricultural situation
- There is a clear distinction between the commercial (formal) sector of the industry and the smallholder (largely informal/communal) sector.
- Is there a possibility to increase production in the smallholder sector.
 - What are the challenges

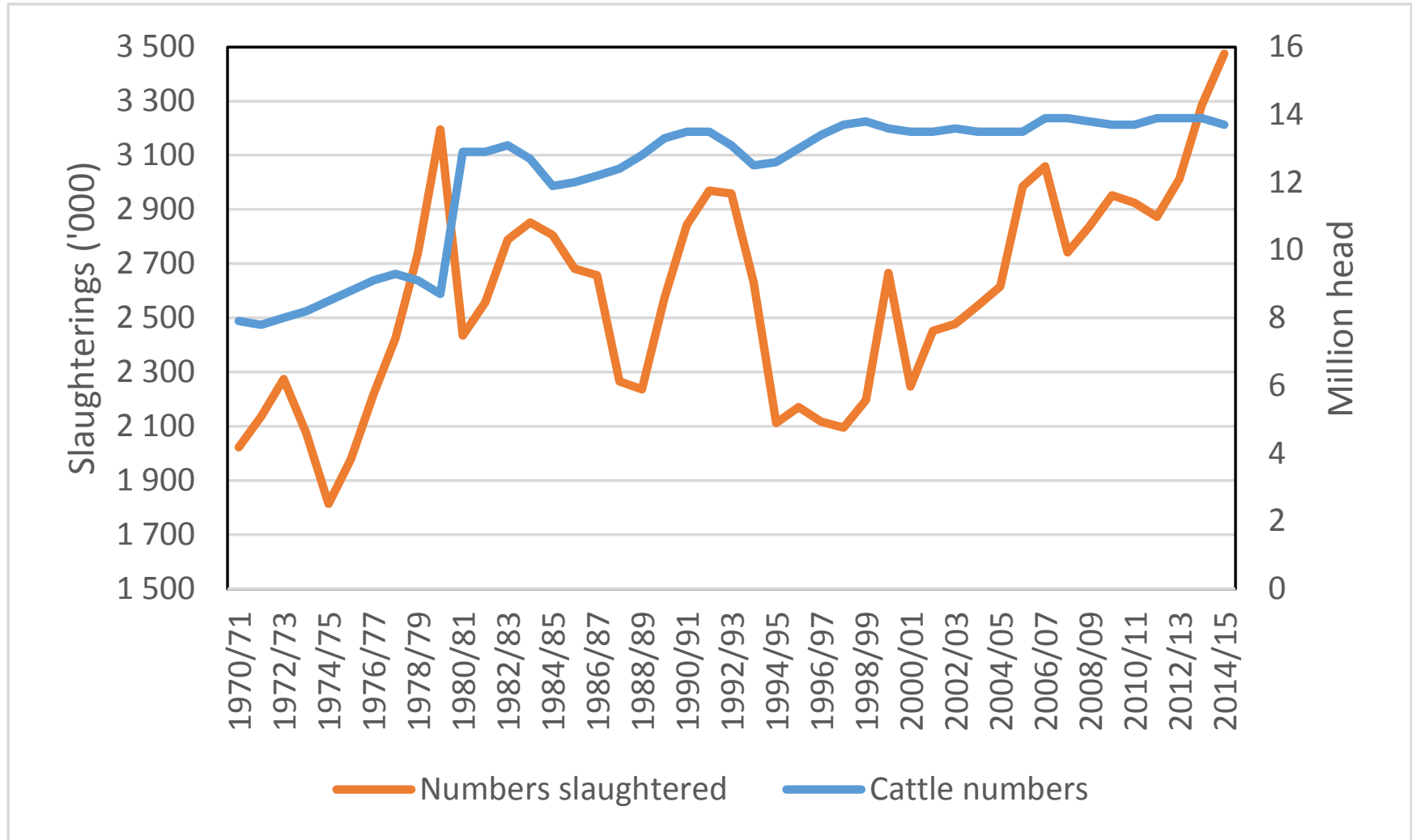
Background: Characteristics of farmer categories



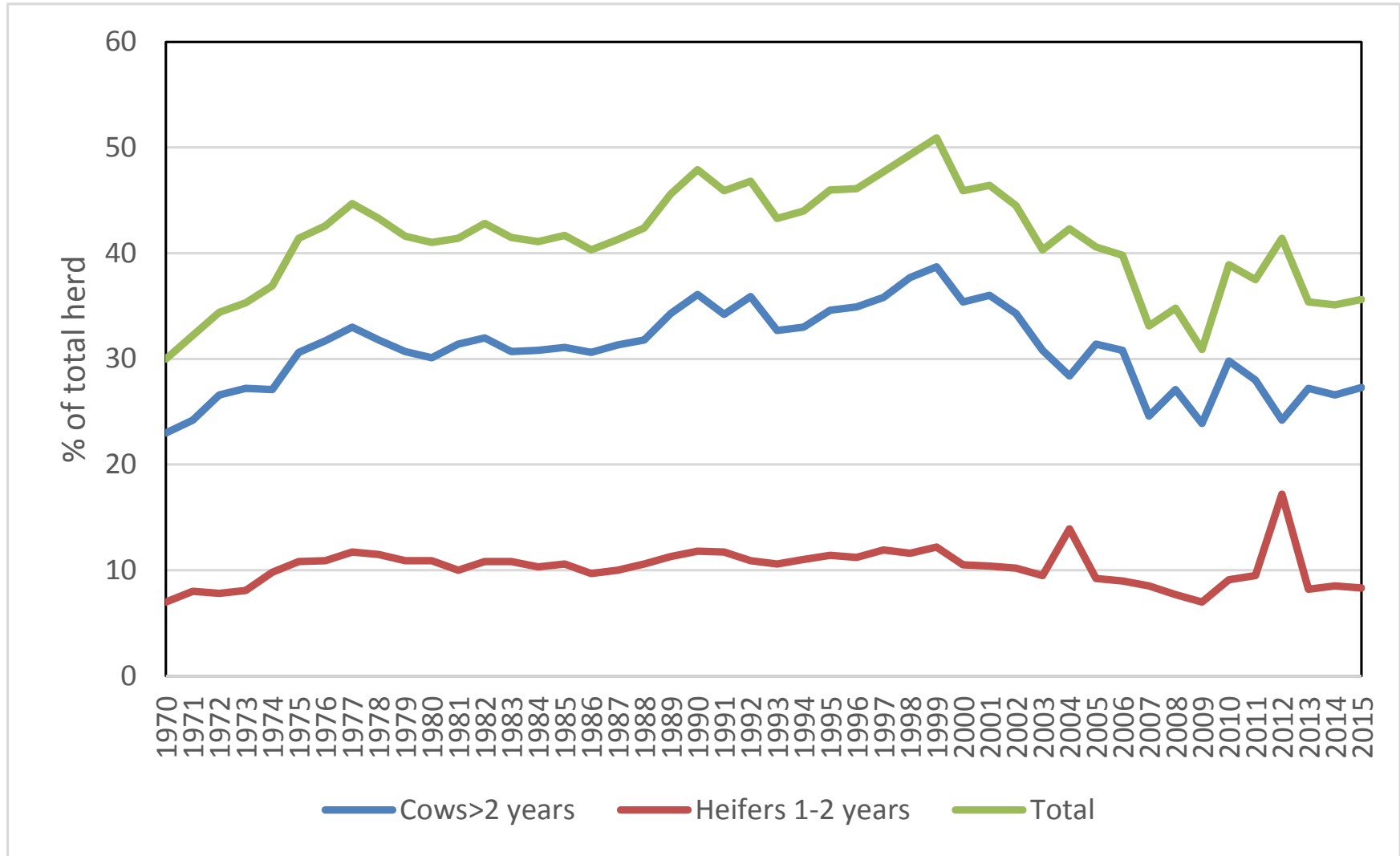
Background: Domestic production and consumption trends (beef)



Background: National herd and cattle slaughtered



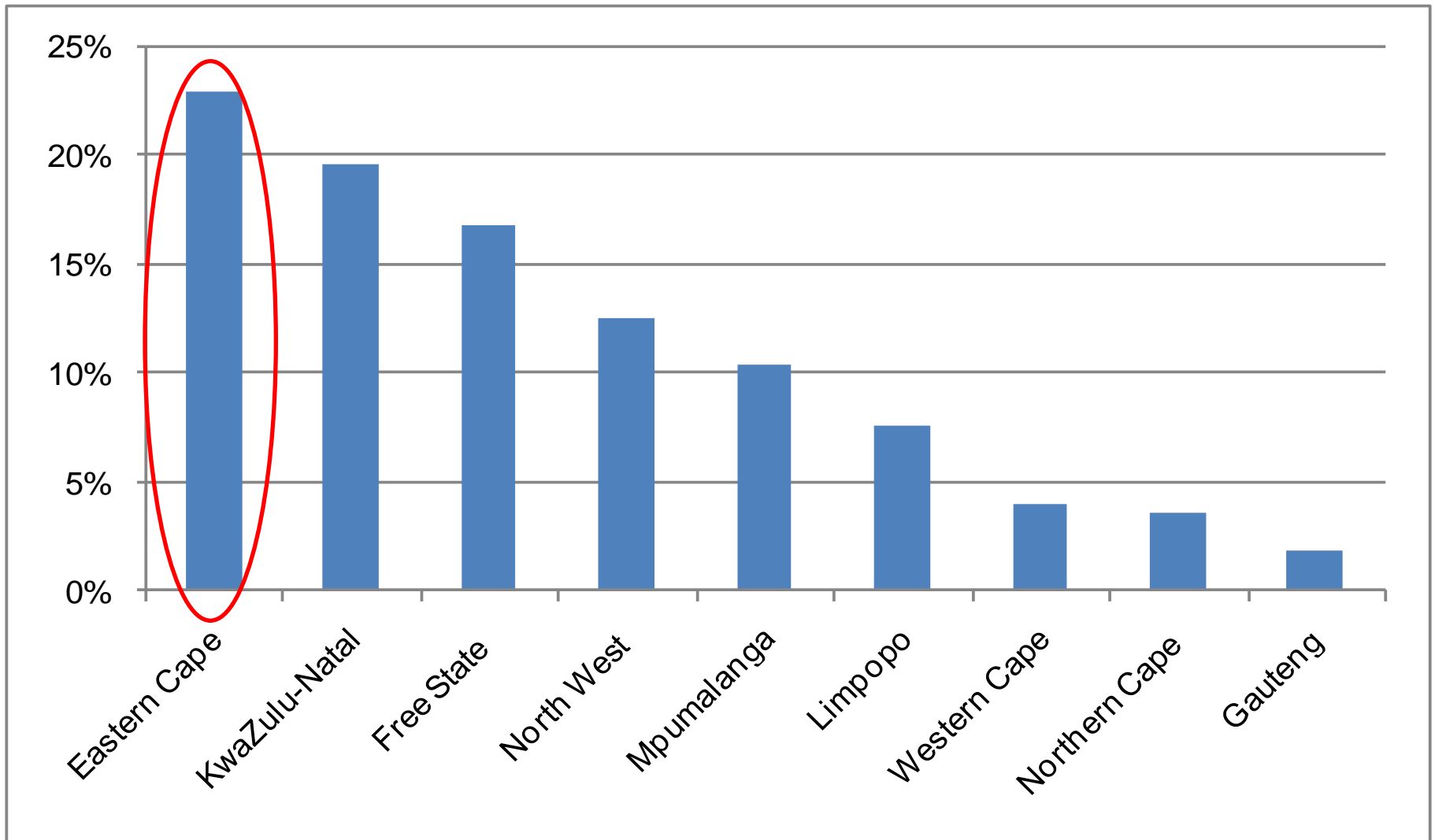
Background: National female herd composition



Approach and data used

- Case study in the Eastern Cape Province of South Africa
- The population targeted where approximately 1 300 producers (Names and contact number).
- A total of 108 (132 current) producers were surveyed (i.e. 10% of the population) by means of structured questionnaires and personal interviews.
- There are approximately 3.3 million cattle in the Eastern Cape province.

Cattle distribution



South Africa



Survey area



Results: Cattle herd composition in the Eastern Cape province

Animal Type	Stock this year	This time last year	Stock this year	This time last year
	Head	Head	%	%
Adult females	35.9	28.1	49.7	54.1
Young females	12.4	8.3	17.1	16.0
Young males	5.8	4.0	8.0	7.8
Breeding bulls	1.5	1.1	2.0	2.2
Calves born in the last 12 months	11.7	7.4	16.3	14.2
Castrated males	5.0	3.4	6.9	6.5
TOTAL	72.2	51.9	100	100

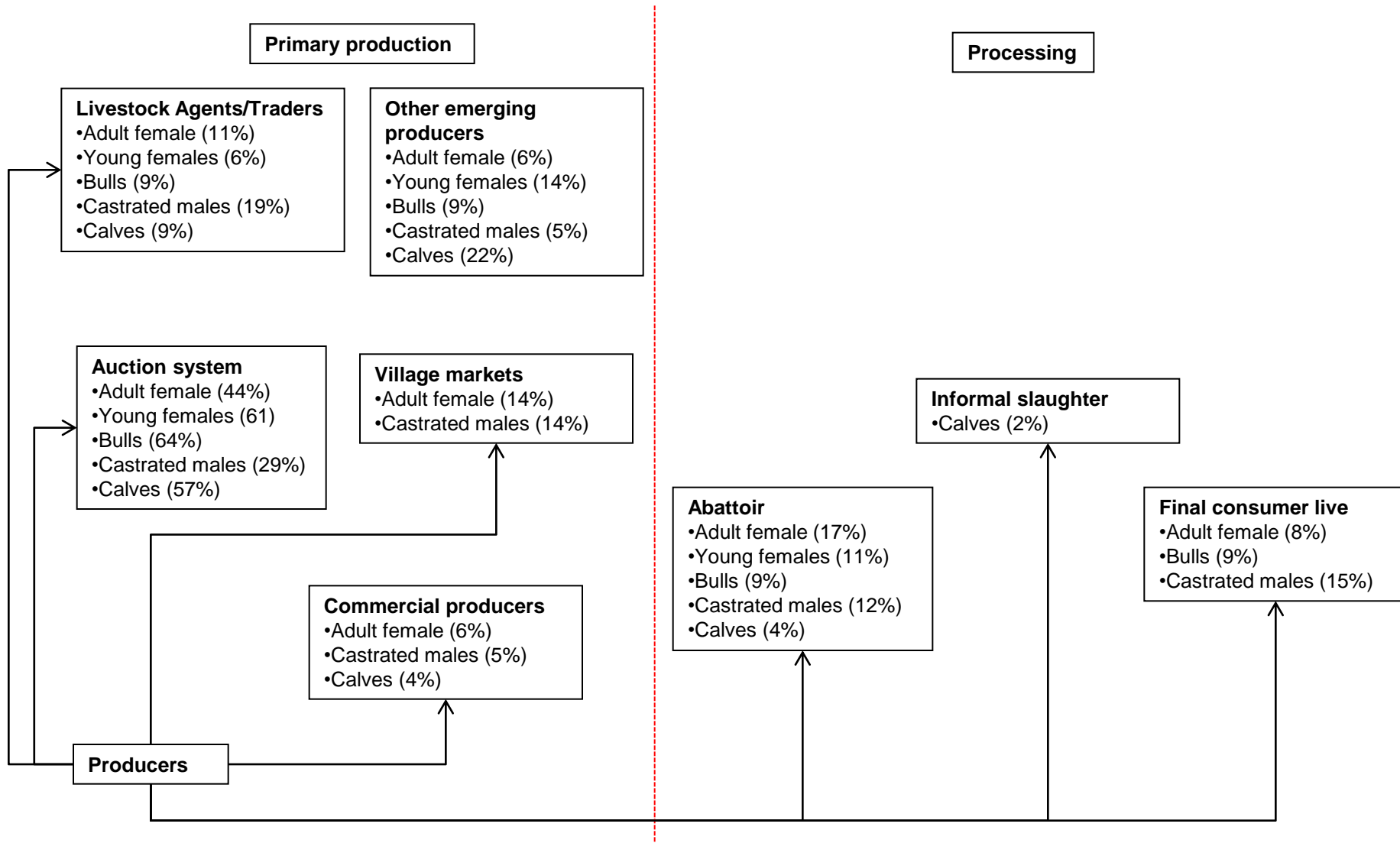
Results: Cattle herd composition in the Eastern Cape province

Animal Type	Stock this year	Animals sold	Animals Consumed	Animal losses
	Head			
Adult females	35.9	3.1	0.1	1.7
Young females	12.4	1.0	0.1	0.5
Young males	5.8	2.3	0	0.1
Breeding bulls	1.5	0.1	0	0
Calves born in the last 12 months	11.7	3.1	0	0.3
Castrated males	5.0	1.8	0.1	0.1
TOTAL	72.2	11.3	0.4	2.8

Calving percentage 24%

Off take rate 15.7%

Informal cattle marketing in the EC



Constraints and risks

Constraint	#	Risk	#
Access to markets	68	Climate	81
Access to information	65	Disease	70
Access to inputs	60	Availability of inputs	59
Variability in prices	52	Theft/corruption	57
Access to credit	49	Predation	42
Low productivity levels	48	Non-payment	27

Results: challenges for the informal sector

- Productivity and performance
 - Formal producers in SA
 - National herd 55-65%
 - Calving percentage (80%) and off-take rate (33%) Free State
 - Informal producers in the Eastern Cape
 - Calving percentage (24%) and off-take rate (15.6%)
 - National off-take estimate (8-10%)
- Lack of supervision and guidance
 - Extension services
- Market access
 - Quality of animals available
 - Feedlot systems
 - Market specifications (Free Range)
 - Quantity of animals
 - Erratic calving seasons
 - Sustainable supply

International off-take rates

AUS	28%
NZ	37%
EU	34%
US	38%
ARG, BRA, UR, PAR	20%

Scholtz & Bester, 2008

Results: challenges for the informal sector

- Availability of information
 - Product and financial flow throughout the value chain not timely and accurate
 - Commercial
 - 70 % non-official (word of mouth)
 - 30 % official
 - Smallholder
 - 80 % no source of information
 - 10 % official
 - 10 % non-official (word of mouth)
- Infrastructure
 - Limited management capability
 - Fences
 - Watering points
 - Animal handling facilities
- Maintenance of infrastructure
 - Lack of ownership

Production practices
Input use
Animal health
Markets (physical)
Price
Product standards
Traceability
Risk management

Conclusion

- Efforts to improve the infrastructure in the informal/communal production areas are crucial.
 - Herd management
 - Calving seasons – improve quality of animals
 - Pasture management etc. (resource degradation)
 - Animal health (animal handling facilities)
- Training of extension officers to guide smallholder producers in terms of animal production practices should be prioritized to increase productivity in this sector.
 - Rebuild capacity of Agricultural colleges in South Africa
- Land ownership
 - Security
 - Access to credit
 - Maintenance
- There is a strong possibility to increase national red meat production by improving the productivity in the smallholder farming sector.



Thank you