

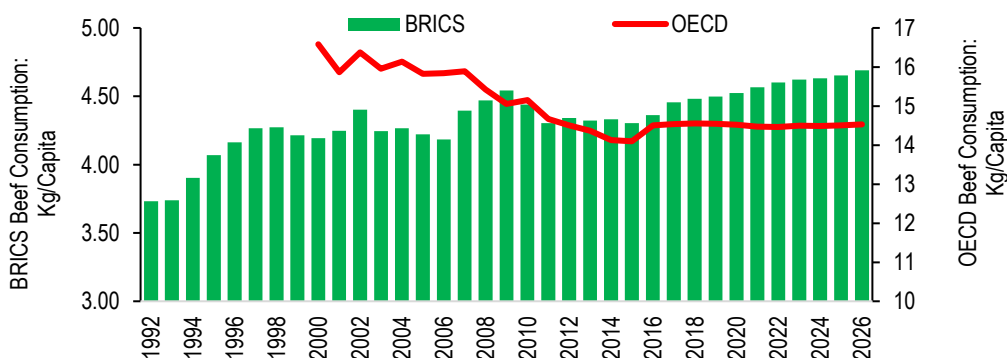
Future economies powerhouse, would they have an appetite for beef?

PwC projected that the world economy could double in size by 2050, driven by new powerhouse economies such as China, India, Indonesia, Brazil, Mexico and Russia measured in purchasing power parity (PPP). Growth theory postulates that as economies developed, their consumers' protein intake tends to increase substituting the starch. Looking at beef consumption, we find a similar consumption patterns, where consumption per capita grows by 8 percent in BRICS countries over the next decade. During the same period, beef consumption in Vietnam, Turkey and Pakistan is also expected to increase by 25, 20, and 16 percent, respectively.

South Africa exported just over R2 billion worth of beef in 2016, making it a 24th largest exporter in the world rankings with a global market share of 0.3 percent. Though the country is a small beef exporter relatively to USA, Netherlands and Australia, it posses a large potential to expand beef exports. More so, if taking into account the smallholder famers potential contribution. South Africa currently exports about 39 thousand tons of beef and nearly 56 percent was exported to the African continent mainly in SADC market. The other 44 percent was exported to Asian market, particularly in Kuwait, Vietnam, United Arab Emirates and Hong Kong.

Looking into the future, South Africa's beef exports are destined to countries that depict a relatively high economic growth and beef consumption. For example, Mozambique's beef consumption per person is expected to increase by 22 percent in the next decade and this country already holds 23 percent in South Africa's beef exported to Africa. Similarly, Vietnam currently hold 20 percent in South Africa's beef exports destined for Asia and Vietnamese beef consumption is expected to grow by 25.4 percent to reach 9.6 kg per capita consumption over the next 10 years.

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