



Wandile Sihlobo | Chief Economist | Email: wandile@agbiz.co.za

08 December 2024

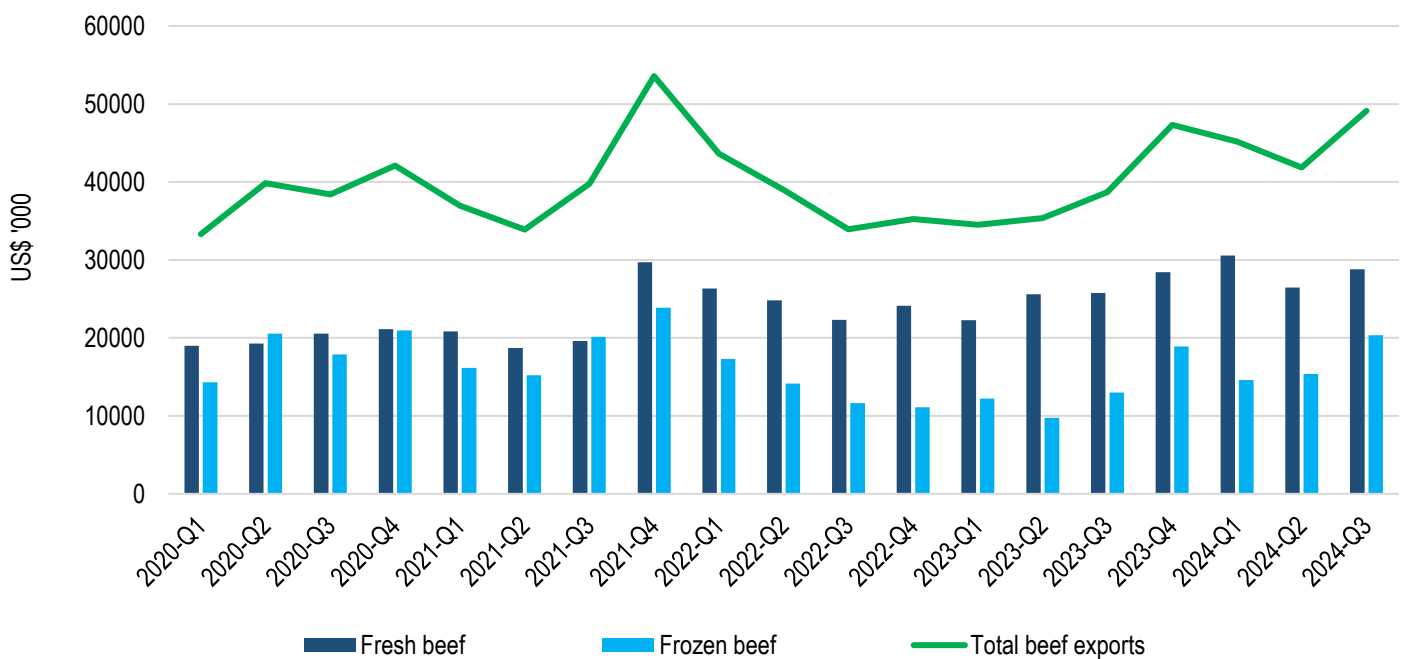
South Africa's beef exports are improving excellently

- After a few years of challenges and a decline in exports, seeing this progress in South Africa's beef exports is heartening. In the first three quarters of this year, the country's cumulative beef exports were up 25% from the same period in 2023, at US\$136 million. The key markets include China, Egypt, UAE, Jordan, Mozambique, Kuwait, Qatar, Saudi Arabia, Mauritius, and Seychelles. The exports are also up in volume, not just the price gains.
- What challenges have we been referring to that have confronted the South African beef industry in recent years? Well, one of the challenges we have focused on this year in South Africa's agriculture is – livestock health. We had roughly three years of animal disease outbreaks across the country – foot and mouth disease in cattle, avian influenza in poultry, and African swine fever in pigs. Sure –animal disease outbreaks are not unique to South Africa and are common across the world, but South Africa's challenges have intensified in the recent past because of some biosecurity weaknesses.
- In 2022, six of South Africa's nine provinces reported foot-and-mouth disease outbreaks. This was the first time in the country's history that the disease had spread this wide. The challenging place the country found itself in prompted the government and industry stakeholders to increase their focus on strengthening farm biosecurity controls and surveillance.
- Other interventions that are still underway include efforts to improve South Africa's veterinary and related support services (mainly the laboratories) that deal with vaccine production needs. The cost of diseases in the livestock industry is felt through the loss of livestock and reduced exports to the world market during outbreaks. This was the case in 2022, where exports declined notably (-16% y/y).
- Livestock and poultry account for roughly half of agriculture's gross value added. Moreover, livestock also significantly contributes to the inclusion of black farmers in commercial agricultural production. Therefore, the prevalence of animal disease outbreaks in the past few years slowed transformation.
- The good news only came on October 25, 2024, when the Department of Agriculture signalled that the country had made excellent progress in controlling the disease. And yes, KwaZulu-Natal and Eastern Cape still face some challenges. The Department announced that the foot and mouth disease outbreak, which occurred from 2021 to 2022, has been successfully resolved in the North West, Free State, Gauteng, and Mpumalanga. These provinces, initially impacted by the outbreak, have now completed

comprehensive testing of animals on quarantined farms. The results indicate that the foot and mouth disease virus is no longer present.

- It is this improvement in the control of diseases that has partly contributed to the recovery in exports. This is an excellent work of industry and government. Of course, **the continuous promotion of exports by many great private South African companies, organizations, and industry representatives, such as Red Meat Industry Services, is vital, amongst others.** We must work more strongly to open new export markets for the beef industry, especially in the BRICS grouping, broader Middle East, and EU, amongst other areas. The robust exports in opening up export markets, promoting the South African great beef globally and domestically, and focusing on strengthening animal health are all vital for the progress of our farming economy.

Exhibit I: South Africa's beef exports



Source: Trade Map and Agbiz Research