

# ALTERNATIVE

## MARKETING STRATEGIES FOR INDIGENOUS BEEF CATTLE

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The economic- and production environment under which beef farmers are supposed to produce are getting more difficult every day. The rise in production costs exceeds the rise in income, which in return have a negative impact on profitability. The problem is further enhanced by the fact that the majority of beef farmers use a single marketing strategy. More than 70% of all the cattle that are being slaughtered in South Africa are from feedlots. Unfortunately, some of these feedlots tend to discriminate against the indigenous breeds. The penalization that these feedlots impose can vary from R1 to a staggering R6, while some even refuse to buy any indigenous animals. This put a severe strain on the viability of farming with these breeds. In the era of climate change where global warming put extra strain on the way animals experience their production environment, the indigenous breeds could provide the solution to overcome this problem.

South Africa is blessed with outstanding adapted indigenous cattle, sought after for their low maintenance, high meat quality and ability to be marketed from the veldt. It is, however, also this last trait that made them less suitable for feedlot finishing, as they put on fat much earlier and at a younger age than some of the British and European breeds. The ability to mature and put on fat earlier is an asset that very few breeds have and should be cherished by both stud- and commercial breeder alike. It would, however, mean that alternative marketing strategies should be followed, in this case, marketing from natural veldt at 18 - 30 month of age directly to an abattoir. Cattle younger than 30 months still tend to have tender meat if no growth stimulants were used. The advantage of a steer- or ox system is its flexibility. It allows the producer to cater for different markets while at the same time lower the risks compared to a production system where the main product is a weaner calf. It also allows the producer to sell non breeding animals in times of drought, thereby keeping the breeding herd intact.

The consumer of today is much more sophisticated as well as health and quality conscious than those of a few years ago.

They are also much wealthier. This is illustrated in the increasing demand for organic and natural products such as grass-fed beef and lamb. Unfortunately our current meat classification system does not really reward the producer for producing higher quality meat from natural grazing without any stimulants. A separate marketing channel should therefore be developed to market these products through for instance boutique supermarkets. This can even be extended into the export markets of Europe and Asia where even higher prices are realized. These marketing options are ideally suited for the indigenous breeds as well as crossbred progeny derived from these breeds.

There are, however, a few aspects that breeders should keep in mind.

1. The move from a weaner production system to a steer- or ox system can cause cash flow problems in the initial years. This can be overcome by marketing all the low producing and infertile cows in the herd. This is also necessary to prevent over grazing as more animals will be kept and extra pastures are needed for the steers and oxen to graze. It will therefore be important to reduce the number of cows.
2. Keep a nucleus herd of only the best high producing cows. This would mean that there are no passengers in the herd that can erode profits and it will make sure that the progeny will have the genetic makeup to adapt and grow under veldt conditions.
3. Terminal Crossbreeding can be a viable alternative. Recent research, utilizing the old data from the Vaalharts Crossbreeding Trails, showed that it is possible to increase cow efficiency at weaning with up to 46% when using the correct breed combinations. This will open the option of still selling weaners without the penalization of some feedlots. It will also enable the steer producer to produce animals that will reach slaughter weight earlier than for instance the pure animal.
4. The ultimate goal of these steer and ox producers should be to create a niche market for Sanga grass-fed beef. If managed correctly, it will be possible to realize a premium for the beef sold.

It will even be possible to create an export market where even higher prizes could be obtained. However, it should be remembered that no breed can conquer this goal alone – they are simply too small to be able to produce a constant supply of grass-fed beef to the market.

Strategic alliances between the different Sanga breeds should be formed in order for this to be successful.

5. It will also provide a marketing opportunity for small scale and communal farmers. These farmers own about 4.5 million cattle and the majority of these are Sanga or Sanga crosses.
6. In order to start to export beef a traceability system should be put in place. The current INTERGIS already make provision for such a traceability system. Unfortunately, not all the breeds are willing to make their data available for the INTERGIS.
7. In a small frame breed with a pure breeding system, a steer- or ox system will usually out perform a weaner production system at all fertility levels. In a medium frame breed, a weaner production system will only be more viable than a steer- or ox system at a weaning rate (calves wean per cows mated) of 75% or more.
8. Consumer education is of vital importance. Very few consumers and retailers are aware of the health benefits of organic or grass-fed beef or realize that the creamier/yellower fat found in grazing animals, is scientifically proven as being healthier, with the right balance of Omega 3 and Omega 6 fatty acids, with higher levels of CLA which is anti-carcinogenic; and that all grass-fed, veldt-raised or naturally fed animals, across all age groups, have creamier/yellower fat.

One of the major constraints in an ox production system is the fact that the current meat classification system discriminates against young (AB-class) animals with outstanding meat quality. The main criteria for determining the price of meat in the current system is age and fatness. The outstanding quality of the meat of the indigenous breeds is not recognized in the current classification system. One of the main contributors to meat quality is tenderness. The indigenous breeds are well known for their meat quality (tenderness) which is on par and sometimes even surpasses some of the best British breeds.

This means that the meat of young (AB-class) indigenous cattle can be just as tender as some A-class animals. In order to accommodate this, the classification system should be changed to accommodate the high quality beef of AB-classes from grass-fed cattle to put it on par with the A-classes and to make it possible for consumers to identify such beef. It is ironic that in other parts of the world older animals are preferred because of their tasty meat. ■

