



NEW STRUCTURE IN THE PRIMARY RED MEAT INDUSTRY

The primary role players in the red meat industry, namely the Red Meat Producers' Organisation (RPO), the National Emerging Red Meat Producers' Organisation (NERPO), the South African Feedlot Association, and the Red Meat Abattoir Association requested the Bureau for Food and Agricultural Policy (BFAP) to formulate the Vision 2030 for the red meat industry.

The investigation of BFAP also aimed to identify the interventions required for growth in the industry, and the new statutory levy is modelled towards the realisation of that growth. The RPO supports the new Vision 2030.

The process was completed with extremely positive results. The red meat industry is regarded as the sleeping giant in the South African agricultural sector, and exports in the beef industry have the potential to grow from the current 5% to 20% of local production. As far as the small stock industry is concerned, there is also exciting potential in terms of live exports for slaughter purposes to the Middle East, but the same applies to meat exports. In the future, it can take up as much as 6% of the market.

This strategy is extremely inclusive and has the potential

to add R12 billion to the nett worth of the red meat industry. It is also in line with the main plan which has been finalised in collaboration with all the role players as well as the Department of Agriculture, Land Reform, and Rural Development.

Given the Vision 2030, the primary red meat industry services (RMIS) identified certain functions which must be delivered to the industry, including animal and public health, inclusive growth, market access, as well as competitiveness and sustainability. It is of crucial importance that meat safety and quality can be guaranteed through meat classification and grading.

The services to be rendered by the Red Meat Industry Services (RMIS) include:

- Animal Health
- Research and development with special attention to innovation
- Traceability
- Inclusive growth
- Meat safety
- Trade (imports and exports)
- Production development
- Consumerism
- Other challenges in the red meat industry



The RPO will be responsible to render certain services under the new statutory level and be accountable to the RMIS. Other services will be provided by the RMIS, and it will be done internally or outsourced to other service providers. The new statutory levy is only deducted at the abattoir where the animal is slaughtered. A fee of R13.00 per head will be payable on cattle and R2.53 per head on small stock. Given the size of the red meat industry, it is a small levy. The RPO will be playing a vital role in the implementation of the strategy as the RPO is a strategic partner for the Vision 2030.

There is incredible potential in the red meat industry. It is clear that some of the functions will have to be managed by the industry itself. It is a well-known fact that the national and provincial departments of agriculture are experiencing serious capacity constraints. Cooperation on both provincial and national level will be required to realise the potential of the red meat industry.

The new strategy and implementation model implies that the RPO will still rely on a voluntary membership contribution of 0.15% on turnover traded (R1.50 per R1 000), which will be paid over to provincial RPO's. Producers are requested to regard this initiative in a positive light. The relevant contribution is collected on a provincial level, and a affiliation fee is paid over to the national RPO.



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