



Australian Government

Australian Centre for
International Agricultural Research

Livestock

High quality markets and value chains for small-scale and emerging beef cattle farmers in South Africa (Stage 2)



Overview

There is a new, largely untapped, opportunity for South Africa's beef cattle farmers to supply a new domestic free-range beef market being developed by Woolworths supermarkets, and targeting the growing segment of middle-to-higher income consumers.

While demand for free-range beef is high, South Africa's commercial beef sector is dominated by high-input, grain-finished beef from young animals (<18 months). Because South Africa's beef carcass classification system heavily discounts beef from older animals, Woolworths is operating independently to provide financial incentives for farmers to grow and finish their cattle to free-range market specifications by three years of age.

If South Africa's smallholder farmers could meet the specifications of the new free-range market, they would have great opportunities to increase the profitability of their herds, while accommodating their cultural preferences for raising and selling cattle off pasture, and at older ages.

Stage 1 of this project has seen a small number of emerging farmers successfully supply cattle to the new free-range market, with the reward of significant price premiums for carcasses meeting the market specifications. Stage 2 of the project seeks to overcome several major constraints to the establishment of a consistent year-round supply.

KEY FACTS

ACIAR Project No. LS/2016/276

Duration: January 2018 to December 2021 (4 years)

Target areas: South Africa

Budget: A\$1,626,231

Project Leader

Professor Heather Burrow, University of New England

Key partners

- Department of Agriculture, Forestry and Fisheries, South Africa
- Agricultural Research Council – Animal Production Institute, South Africa
- National Agricultural Marketing Council, South Africa

ACIAR Research Program Manager

Dr Anna Okello

Objective

The overarching goal is to improve the profitability of emerging and smallholder cattle enterprises through the development of cost-effective and environmentally sustainable beef value chains that supply cattle to the specifications of high-value, free-range beef markets.

The objectives are to:

- Improve on-farm animal health, nutrition, management and breeding systems to enable smallholder farmers to cost-effectively deliver a year-round supply of high-value, free-range beef, while simultaneously improving their natural resource base.
- Improve the profitability of all sectors of the project's beef value chains through increased adoption of proven interventions by farmers and implementation of practices that create efficiencies and effectiveness across entire value chains.
- Develop strategies and guidelines to enable application and scaling-out of the project's results to other value chains.

Expected scientific results

- Cost-effective animal nutrition treatments based on local ingredients (such as leguminous trees and shrubs that are often regarded as encroaching weeds rather than potential cattle fodder) that can be used as feed supplements to meet free-range market specifications without compromising meat quality aspects such as shelf-life and tenderness.
- New or adapted management practices that enable smallholder farmers to best finish their animals to meet free-range market specifications (e.g. partnerships amongst farmers or with other agencies) with documented evidence about what works or does not work.
- Recommendations and new tools to improve reproductive performance of cow breeding herds, including decision support tools based on pregnancy testing and foetal ageing in conjunction with cow weights and body condition scores.
- Identification of farmers' preferred learning styles to customise proven interventions and practices to accelerate adoption and improve business performance in commercial and smallholder businesses.

Expected impact/outcomes

- Minimum of 2,000 emerging and communal farm businesses cost-effectively, and in an environmentally sustainable manner, supplying cattle year-round, and achieving minimum 70% compliance with Woolworths' free-range market specifications by December 2021.
- Improved profitability and productivity of smallholder farmer businesses through premium prices and increased efficiency of on-farm production systems.
- Improvement of natural resources through environmentally sustainable production systems.
- Increased business capacity of smallholder farmers, and increased capacity, knowledge, and skills of the project's local extension officers.
- Identification of opportunities to scale out the project's results to other value chains in South Africa and other African countries.

