



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

South Africa's beef industry is segregated into three economic sectors: well-developed commercial sector; emerging farmer sector comprised of smallholder farmers; and communal farmer sector, where farmers graze their cattle on communally-owned land and operate largely as subsistence farmers.

In 2016, merging and communal farmers owned about 42% of South Africa's cattle (5.7 million animals) yet marketed less than 10% of those animals, compared to 25% in the commercial sector. This provides huge potential for development.

South Africans consume 16.7kg of beef per capita per year, with a projected increase of 20% by 2023. South Africa is importing beef and live animals to meet this demand.

There is a largely untapped but increasing opportunity for farmers to supply beef into a new free-range beef market being developed by Woolworths supermarkets and targeting the growing middle-higher income consumers. While demand for free-range beef is very high, South Africa's beef production is dominated by high-input, grain-finished beef from young animals.

If smallholder farmers can meet the specifications of this free-range market, they would have strong opportunities to improve the profitability of their herds through significant price premiums.

KEY FACTS

ACIAR Project No. LPS/2016/276

Duration: January 2018 to December 2021 (3 years)

Target areas: South Africa

Budget: A\$00000 Budget Not Provided

Project Leader

NAME, University of New England

Key partners

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

ACIAR Research Program Manager

Dr Anna Okello



Objective

The project's overall aim is to improve the profitability of emerging and smallholder cattle farmers by developing cost-effective and environmentally-sustainable beef value chains that supply cattle to meet the specifications of high-value, free-range beef markets.

The project's three main 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, whilst 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 the entire value chains.
- Develop scaling out strategies and guidelines that enable application of the project's results to other value chains.

Expected scientific results

- Development of cost-effective animal nutrition treatments based on local ingredients (e.g. 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.
- New or adapted management practices that enable smallholder farmers to finish their animals to meet free-range market specifications.
- Development of new tools (e.g. decision support tools based on pregnancy testing and foetal ageing in conjunction with cow weights and body condition scores) to improve reproductive performance of cow breeding herds.
- A validated and simplified survey tool to identify farmers' psychological profiles and/or preferred learning styles for customising proven interventions and practices to accelerate adoption as the basis of improving farm business performance in commercial and smallholder businesses.
- Verified empirical evidence of the importance of gender in agribusiness in South Africa.

Expected outcomes

- By December 2021, at least 2,000 emerging and communal farm businesses will supply cattle on a year-round basis to Cradock Abattoir and Cavalier Meats, cost effectively and sustainably, and achieving at least 70% compliance with Woolworths' high-value, free-range market specifications.
- Improved profitability and productivity of smallholder farmer businesses through higher prices for cattle meeting free-range specifications.
- Improved on-farm production systems that increase animal performance and cattle supply.
- Increased business capacity of smallholder farmers.
- Increased supply of beef meeting free-range specifications to two commercial beef value chains.

