

The competitiveness of Namibian beef production in the global context

Global Forum, *agri benchmark* Beef and Sheep Conference 2019

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Content

The network behind

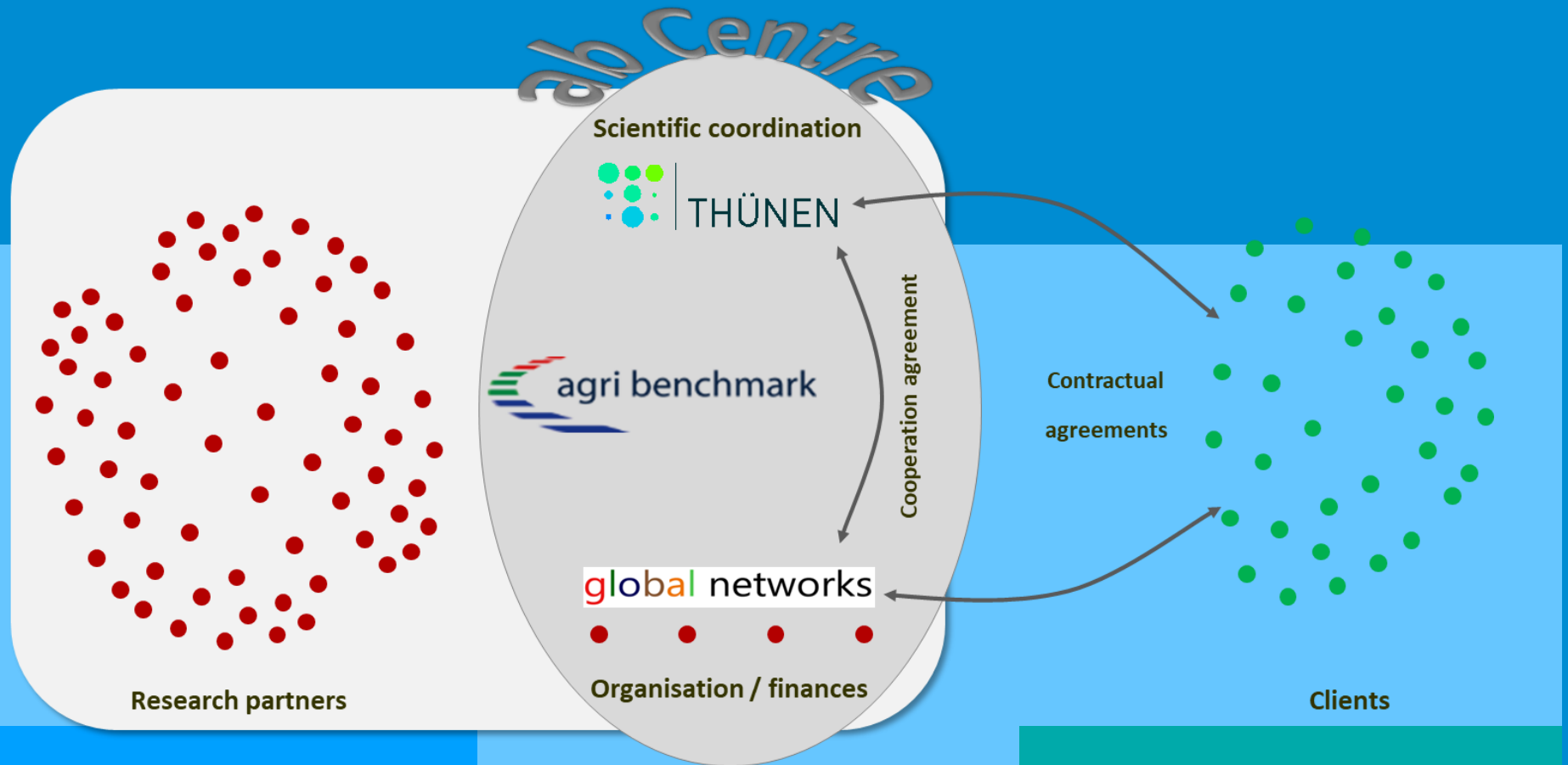
Market shares

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The network behind

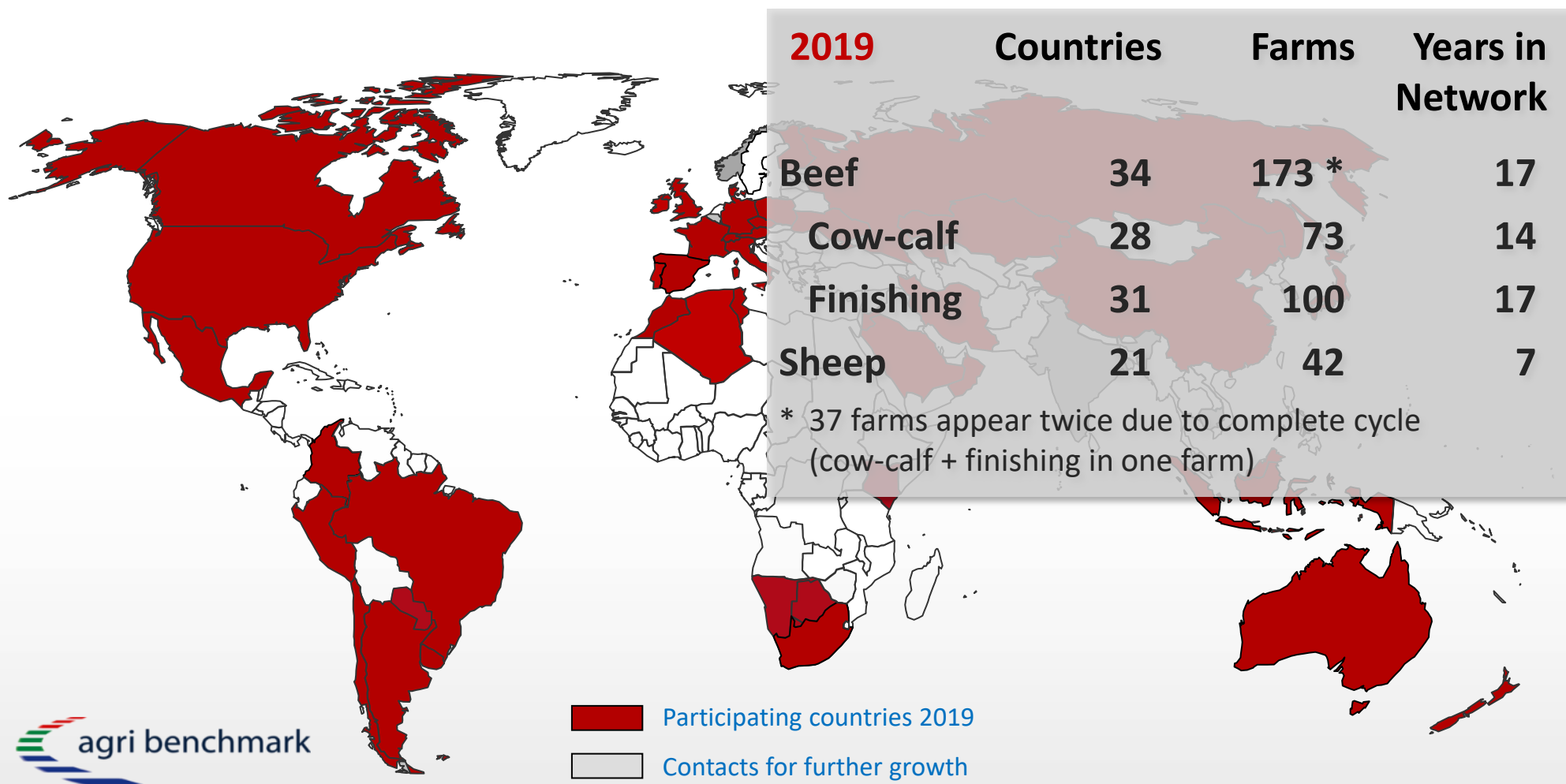


agri benchmark – understanding agriculture worldwide



- **Our core competence:**
Production systems and their economics, drivers and perspectives
- **An expert network which started in 2002 >>> more than just data**
- **Global, non-profit, independent >>> credibility**
- **Standardised methods >>> global comparability**

Countries in the Beef and Sheep Network 2019



Beef farms in the *agribenchmark* network



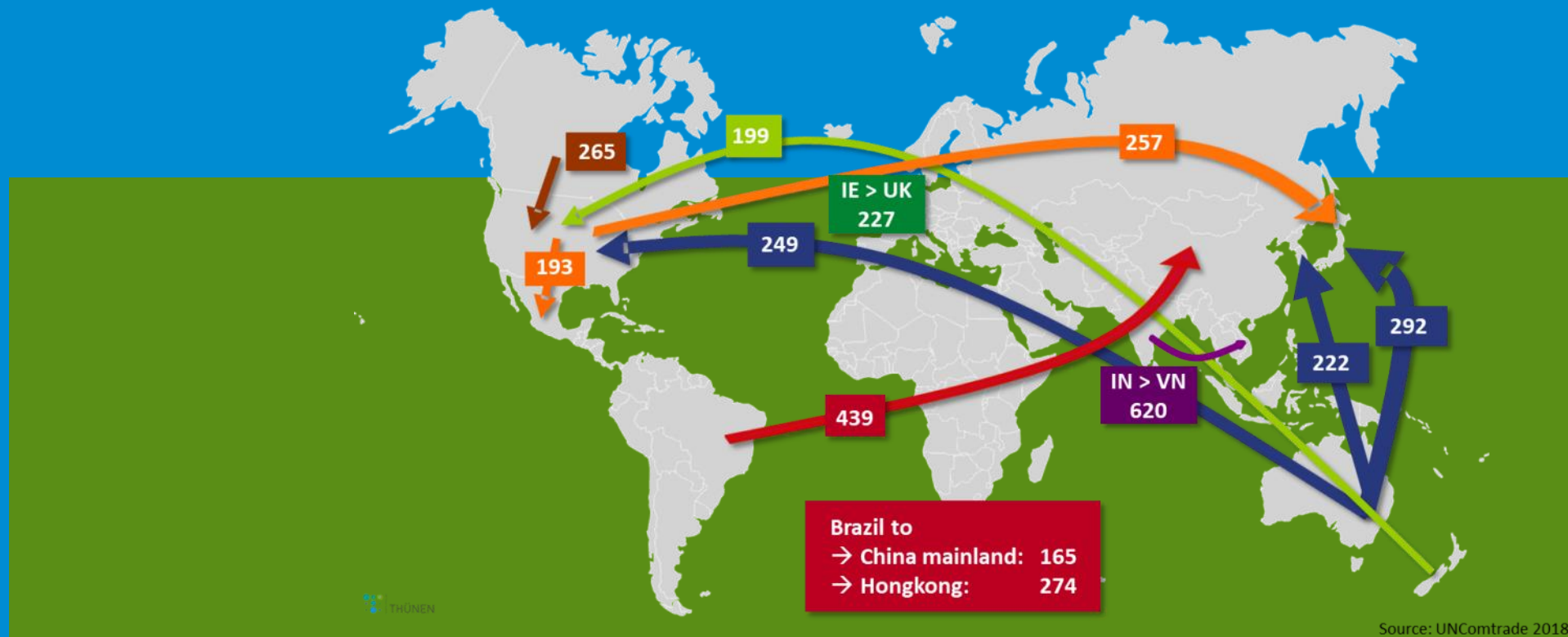
<http://www.agribenchmark.org/beef-and-sheep/farm-information.html>

agri benchmark is unique.

- Production systems approach
>>> more than financial data; reasons behind differences of economic results
- Partnership approach through networking
>>> access local expertise and overcome language issues
- Cooperation with producers and advisors
>>> get the story behind the data
- Global coverage
>>> big players and emerging economies
- Using standardised methods world-wide
>>> global comparability
- Works in countries without / with limited statistics and accounting
>>> generate data that nobody else has



Market shares



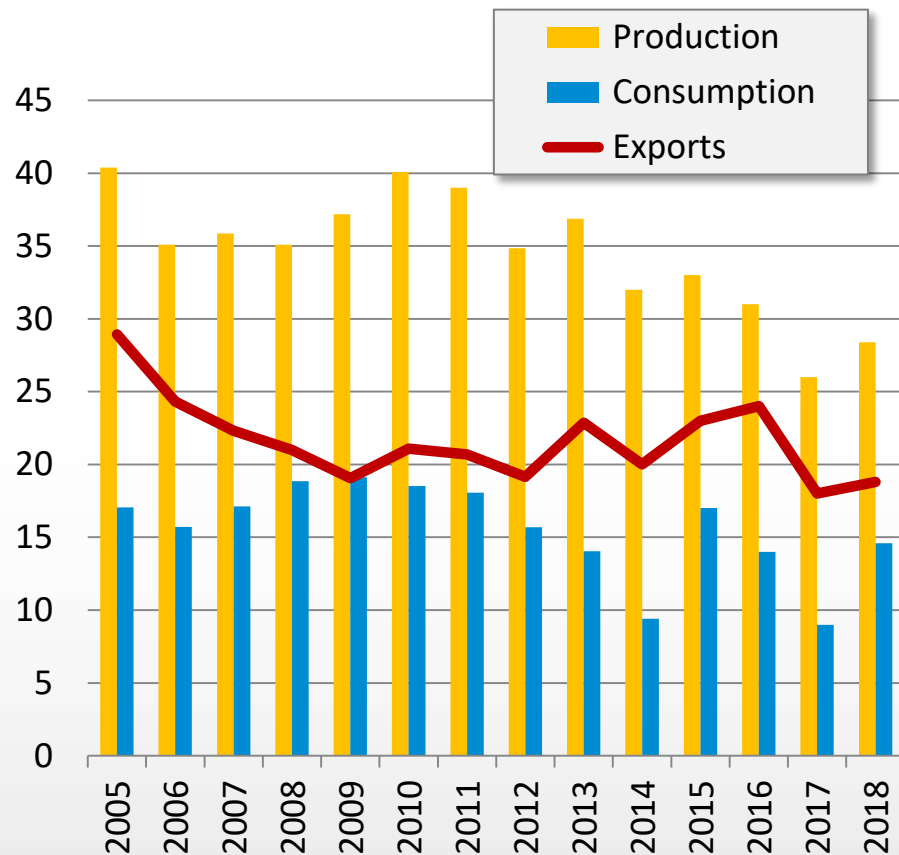
Rank of Namibia in the world, 2017

	Beef World	Sheep World
Production (tonnes)	111	73
Meat exports (tonnes)	32	20
Live animal exports (head/tonnes)	28	7
Meat imports (tonnes)	97	90
Live animal imports (head/tonnes)	76	40

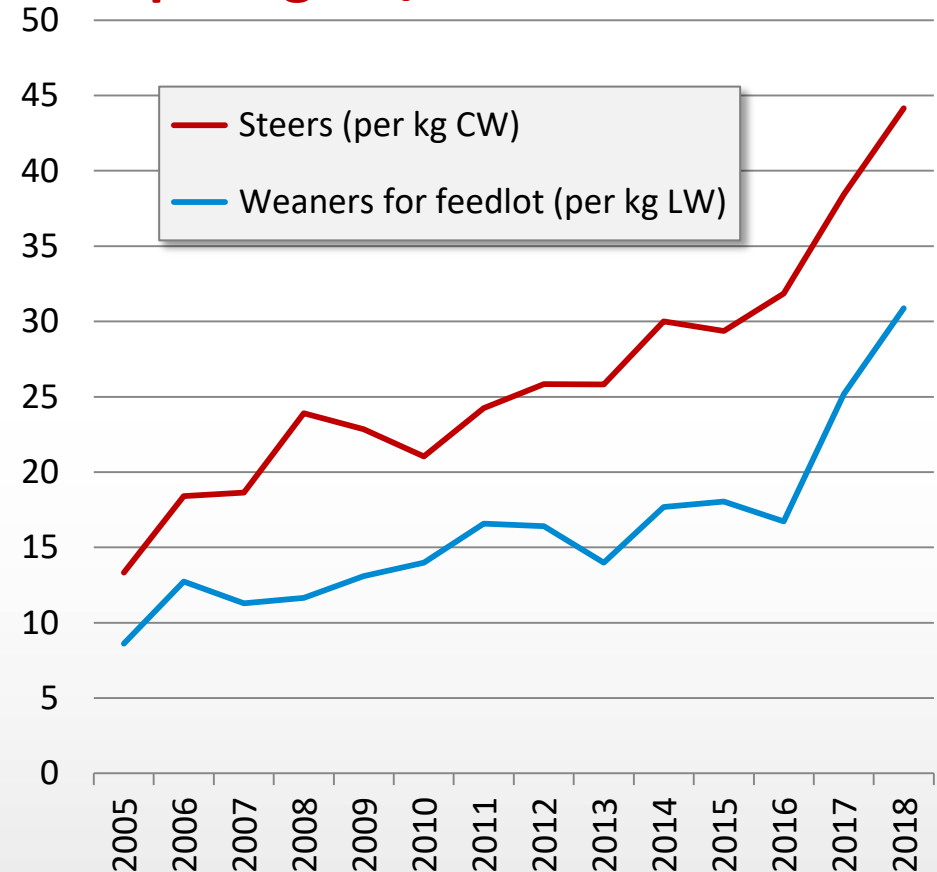
Source: FAOStat 03/2019, UNComtrade 03/19

Production, consumption, exports and prices of beef in Namibia 2005-2017

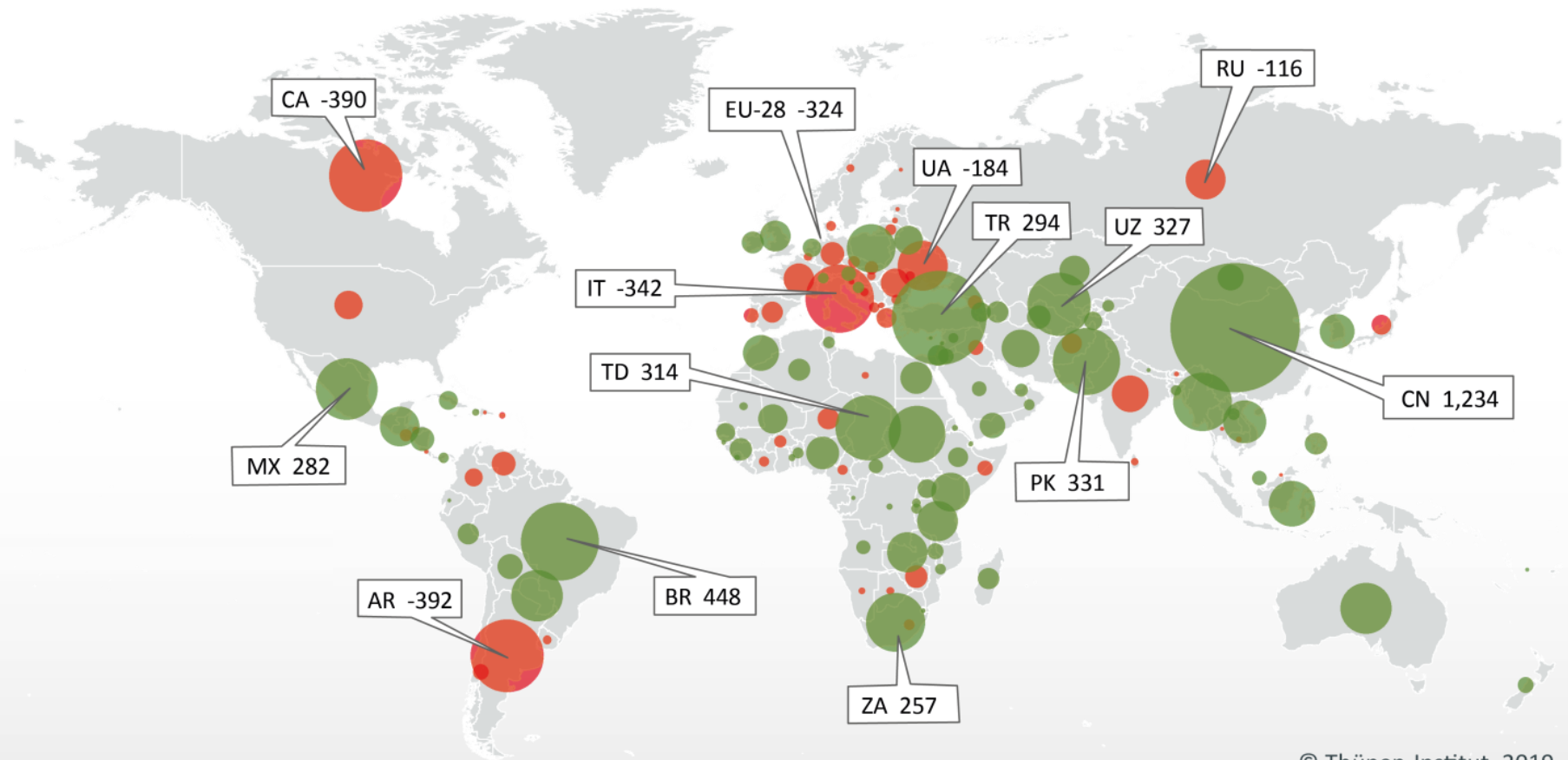
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NAD per kg cw/lw



Absolute change in global cattle meat production (1,000 tons) 2015 - 2017 vs. 2005 - 2007

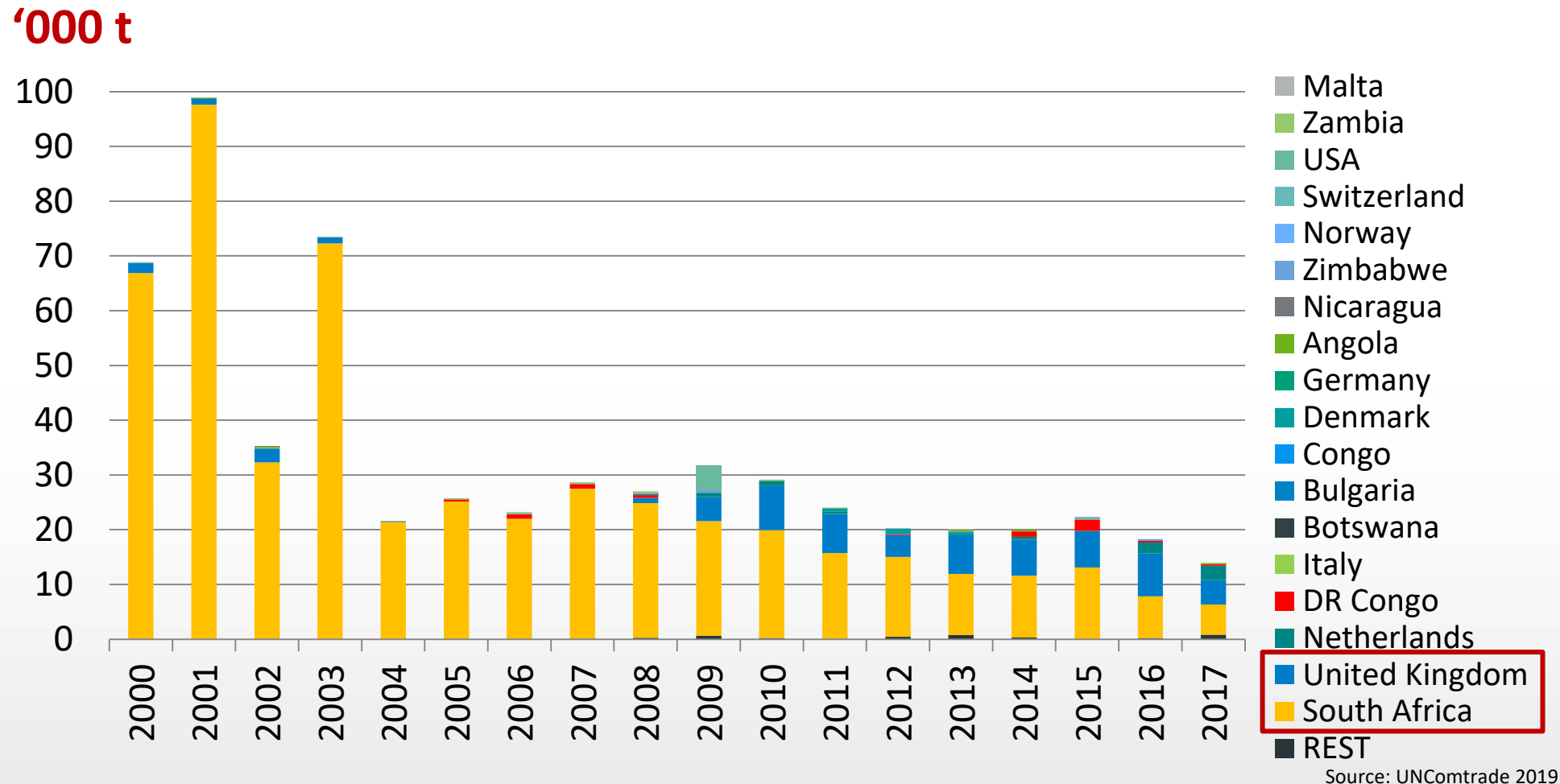


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Source: FAOStat 12/2019, own calculations, Serbia and Montenegro = -106
Source: FAOStat 02/2019, own calculations, SD = 236 (South Sudan + Sudan)

Top 10 Namiban export destinations 2000-2017

– dependence on South Africa but UK gaining importance



Cow-calf results

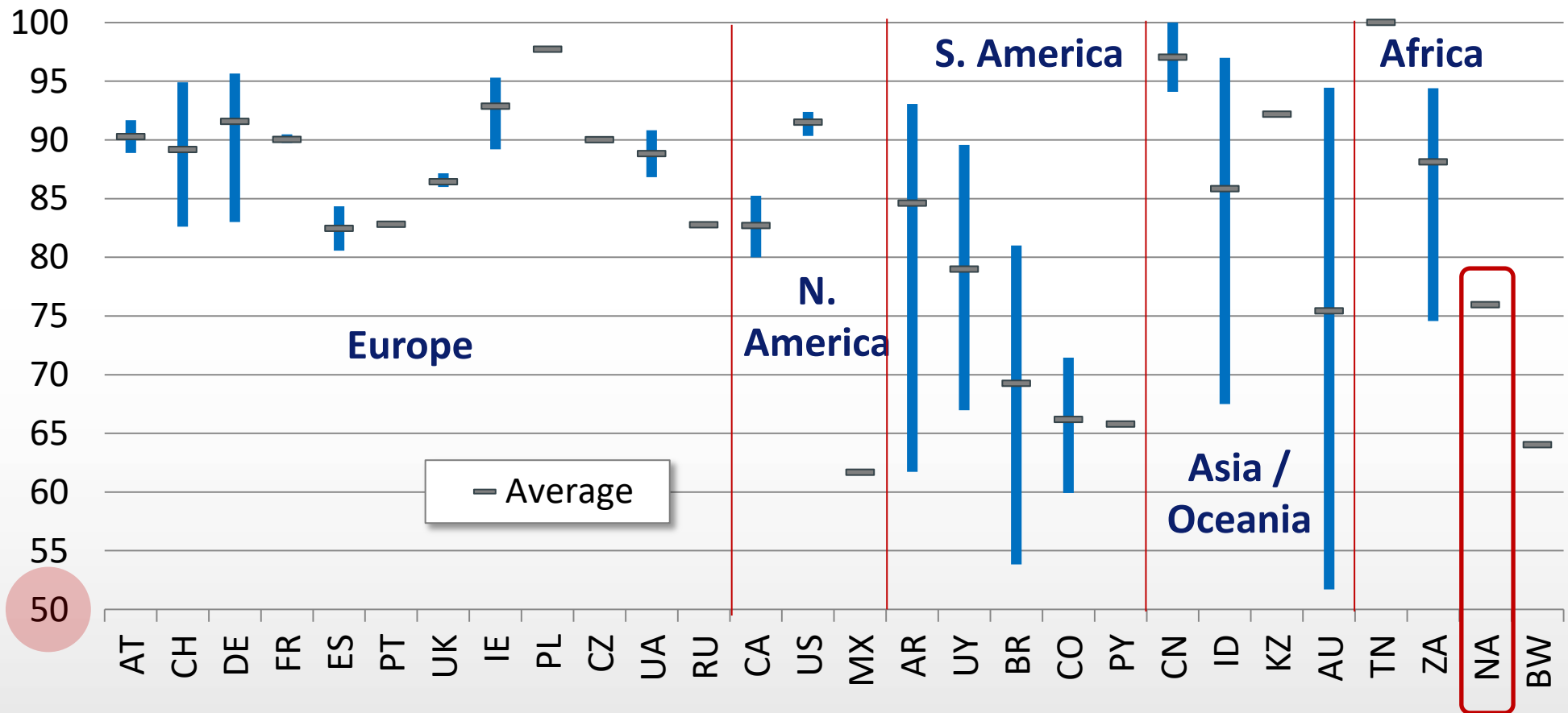


The Namibian cow-calf farm in the comparison

Variable	NA_290_0
No. of cows	287
Region	Gobabis
No. & category of animals sold p.a.	2 bulls 11 female weaners sold 109 male weaners sold 27 cull heifers 11 breeding heifers 50 cull cows
Breeds	Crosses
Other activities	None

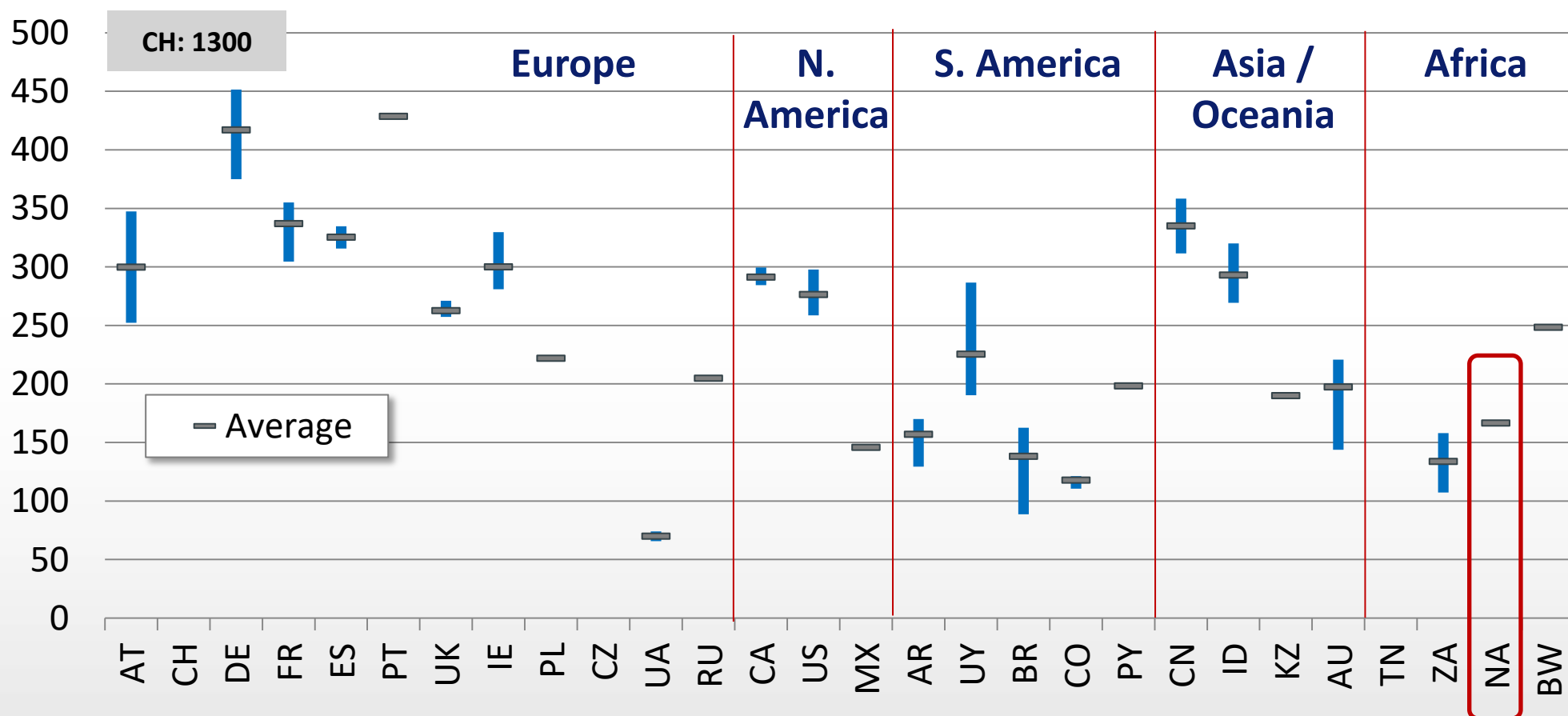
Number of weaners per cow and year

Number of weaners per cow and year (y-axis starts at 50 not at 0!)



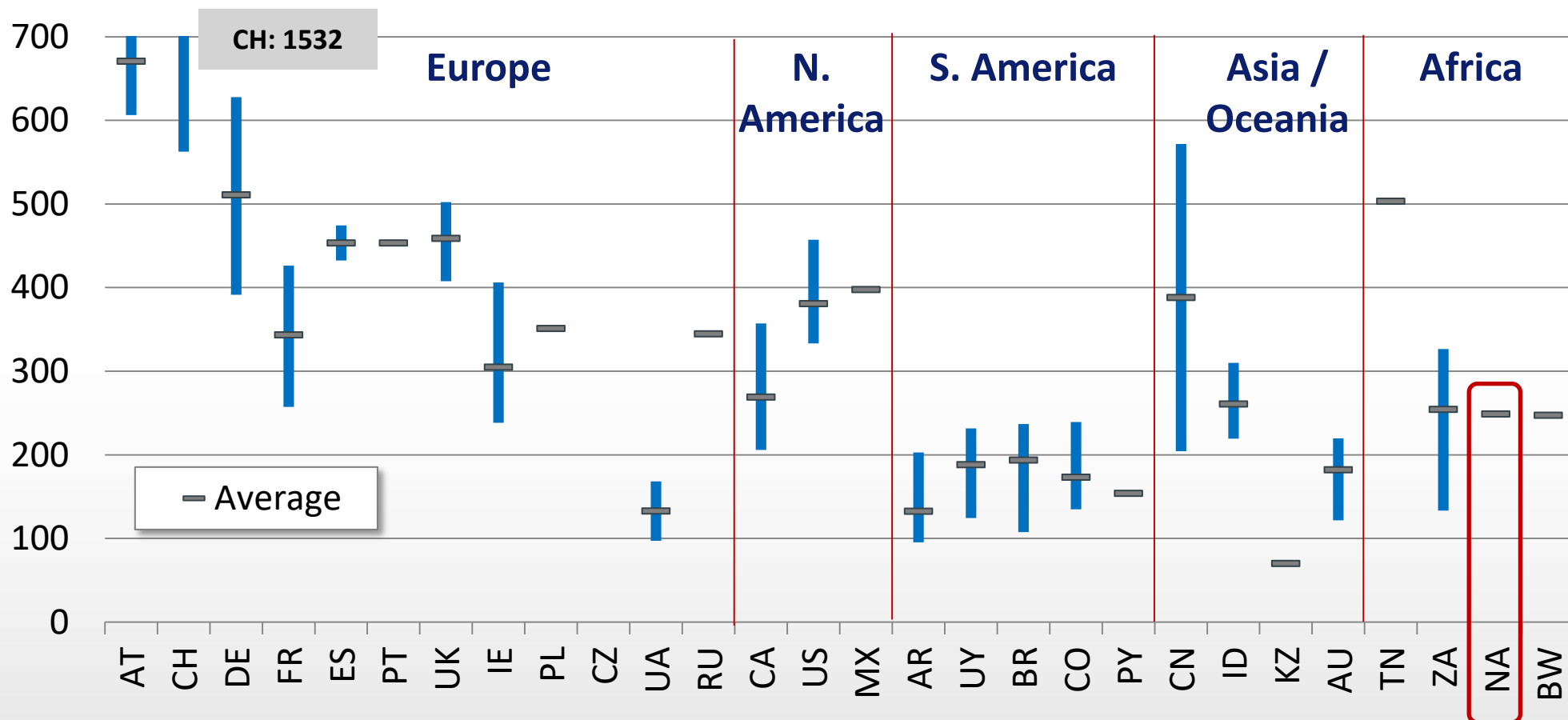
Total returns of the cow-calf enterprise 2018

USD per 100 kg live weight



Total costs of the cow-calf enterprise 2018

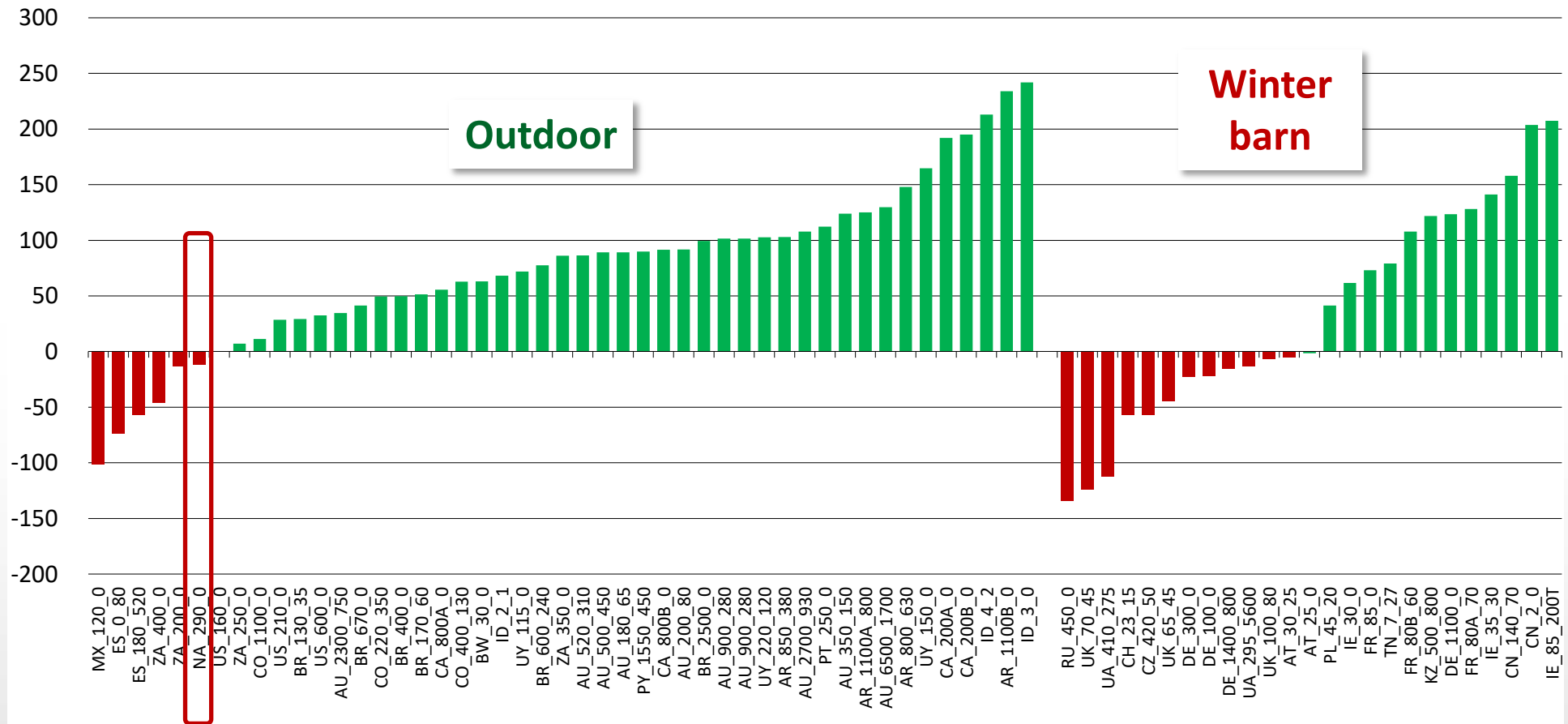
USD per 100 kg live weight



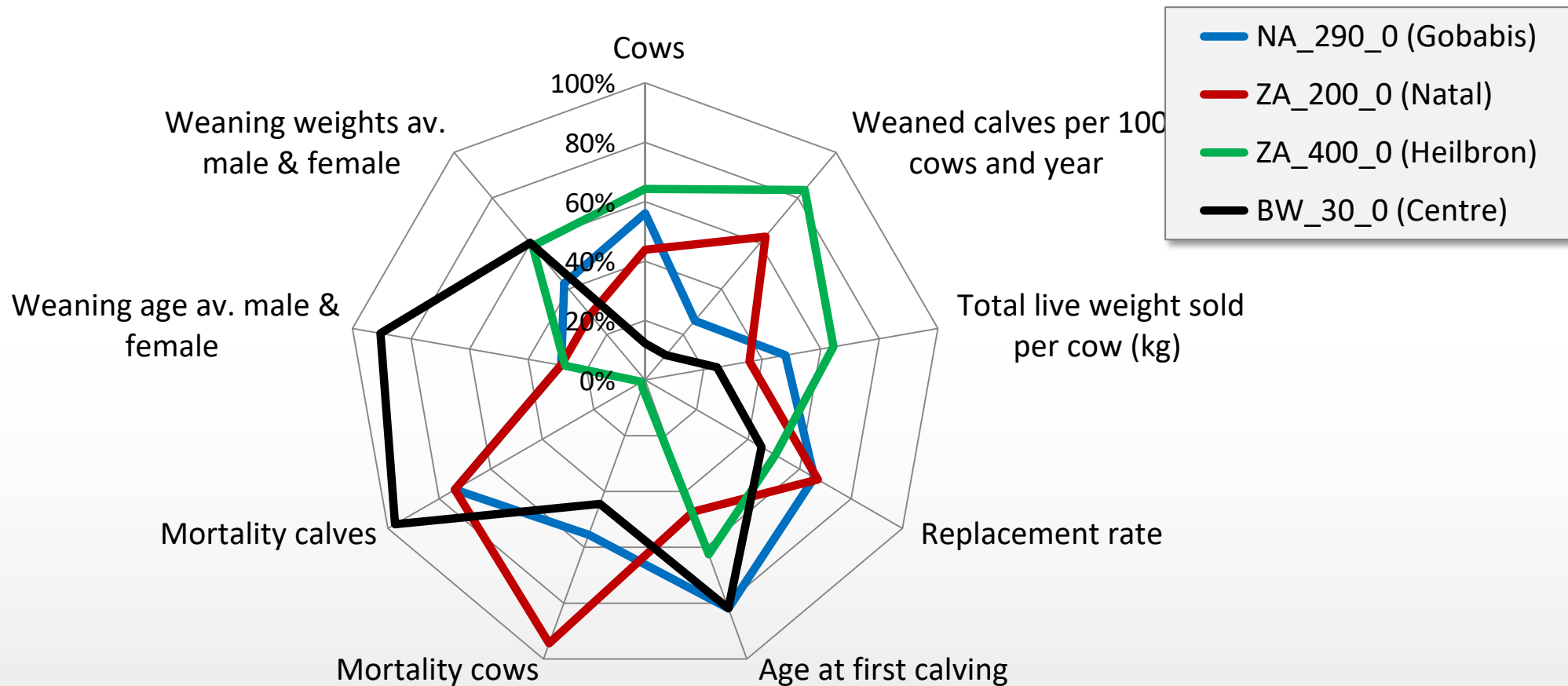
Mid-term profits of the cow-calf enterprise 2018

(Total returns – cash cost – depreciation) by housing system

USD per 100 kg live weight

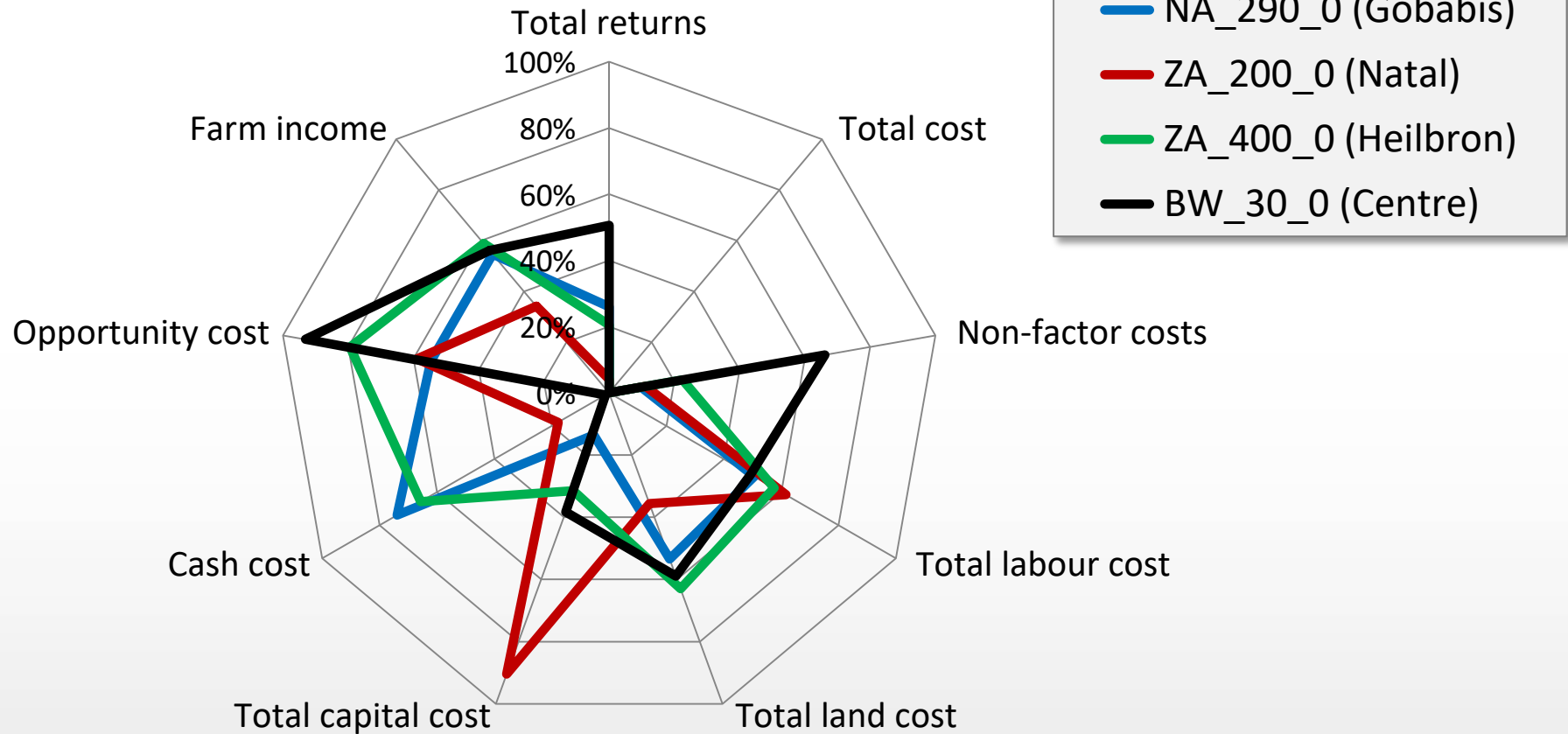


Cow-calf performance indicators of the Namibian farm and regional competitors



Cow-calf economic indicators of the Namibian farm and regional competitors

USD per 100 kg live weight



Beef finishing results 2017



Windhoek
10.06.2019

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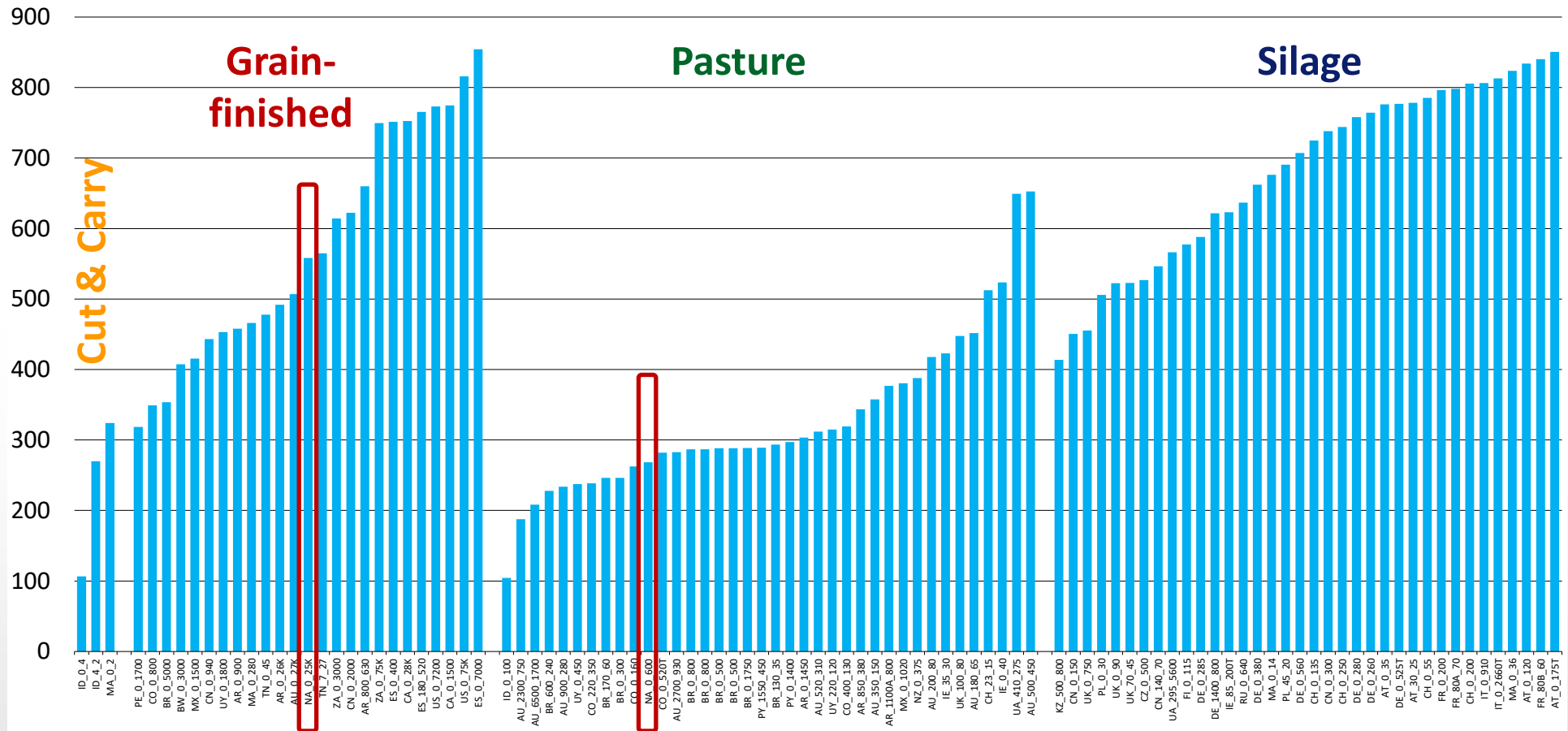
The Namibian finishing farms in the comparison

Variable	NA_0_600	NA_0_25k
No. of finished cattle per year	600 steers	24 467 steers
Region	Okahandja	Khomas
Breeds	British and Continental	Crosses
Origin	Cow-calf	Cow-calf
Acquisition	Purchase	Purchase
Category of incoming animals	Weaners	Backgrounders
Other activities	None	None

Net gain* by production system

*net gain: carcass weight / age at slaughter

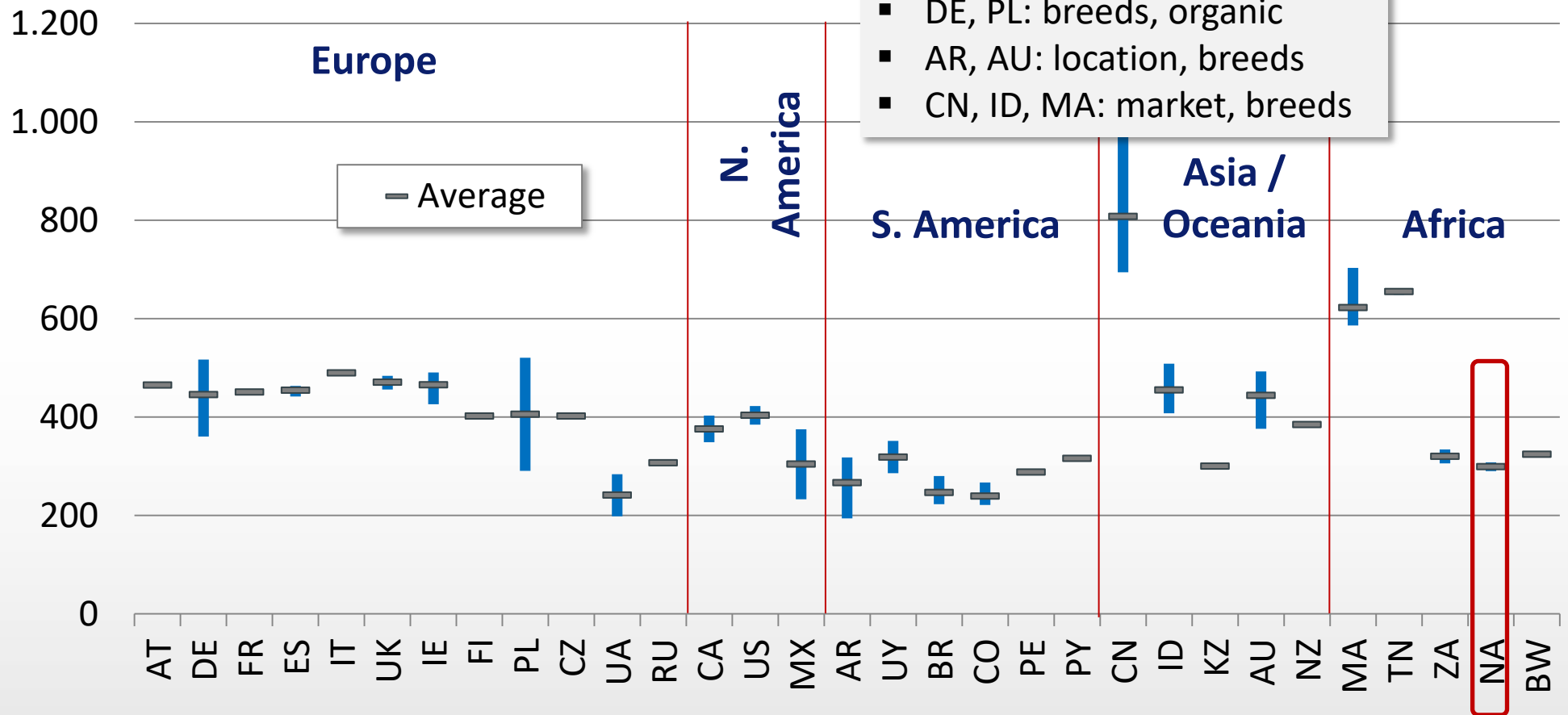
g per day



Beef price levels by country 2018

price ranges (min, max) of *agri benchmark* farms

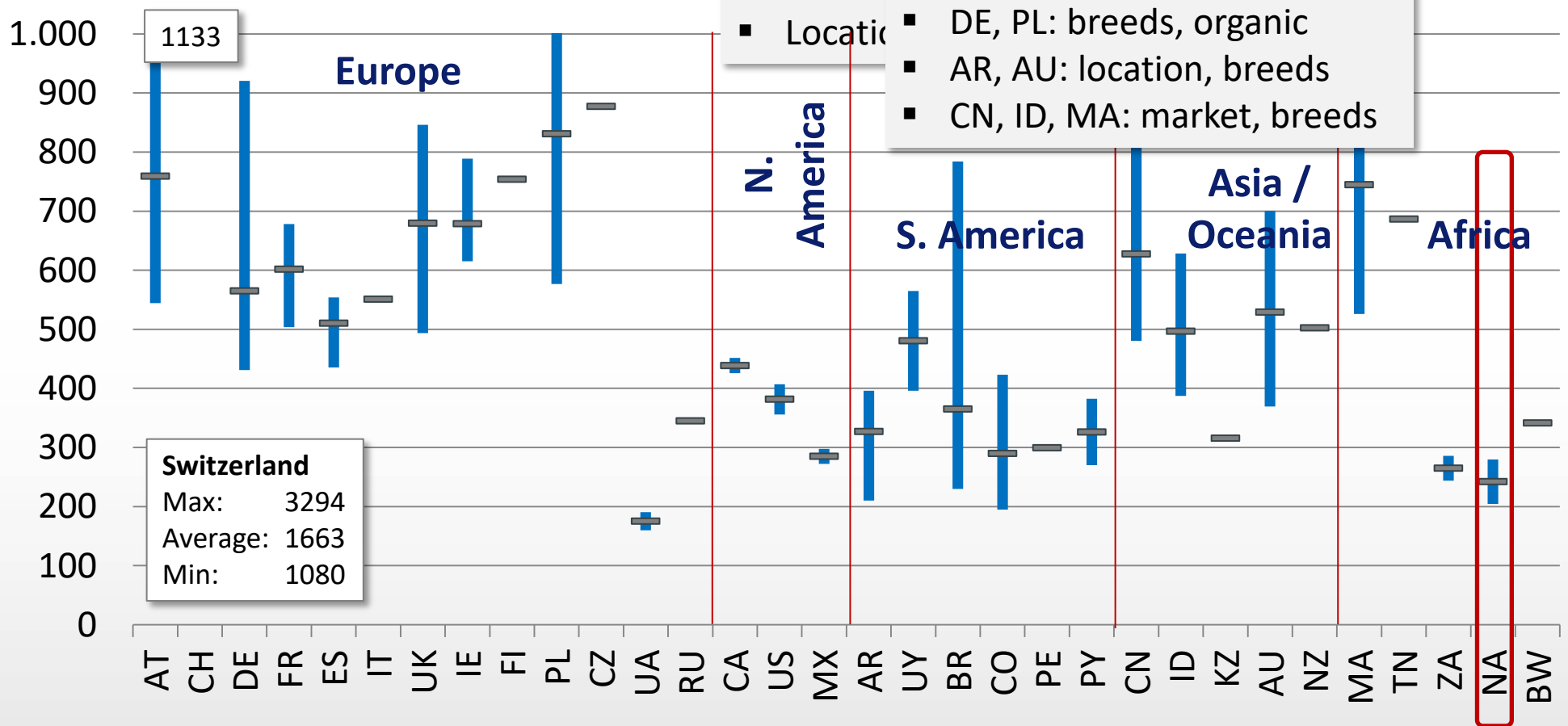
USD per 100 kg carcass weight



Total cost levels by country 2018

cost ranges (min, max) of *agri benchmark* farms

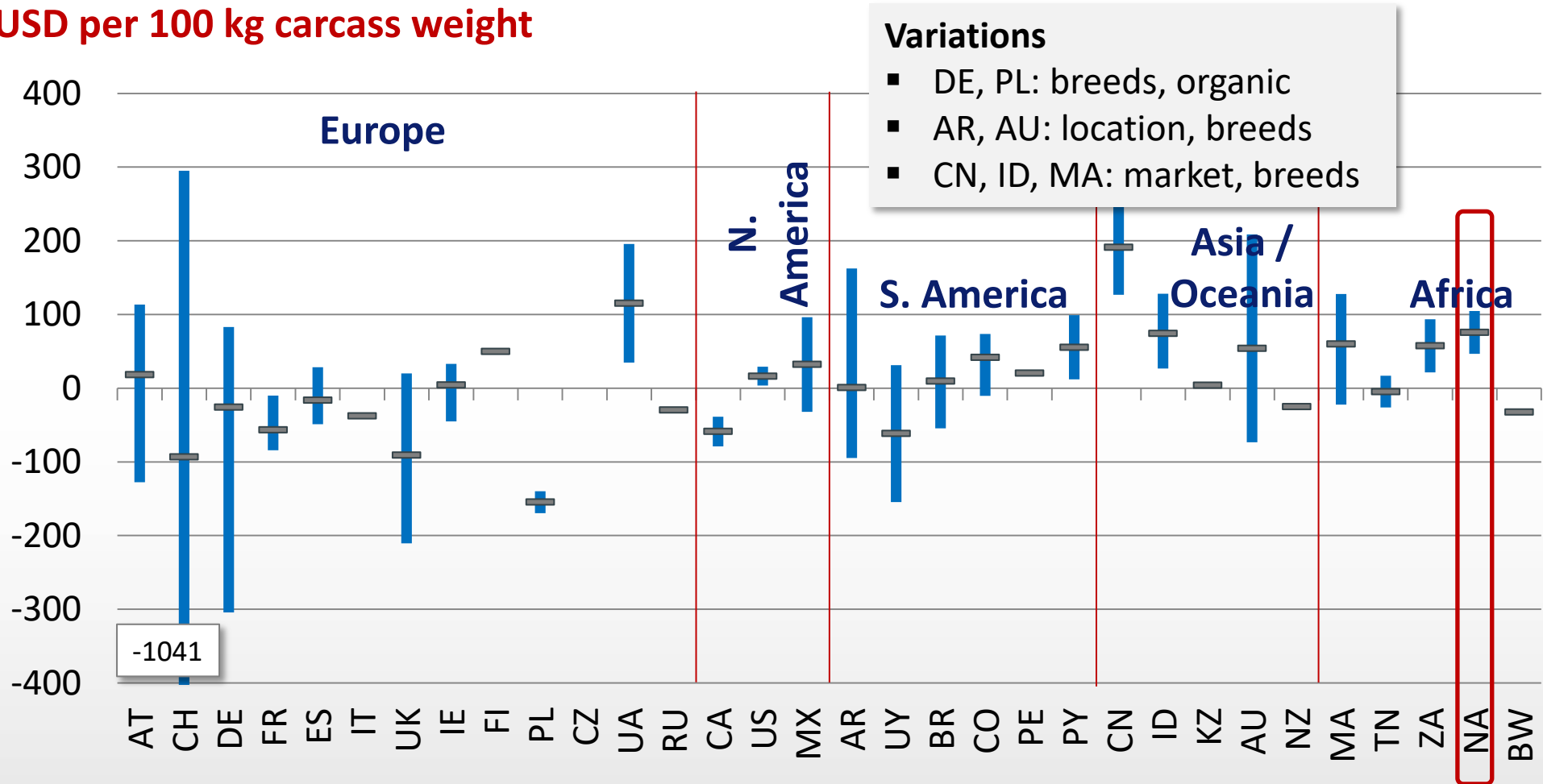
USD per 100 kg carcass weight



Mid-term profitability levels by country 2018

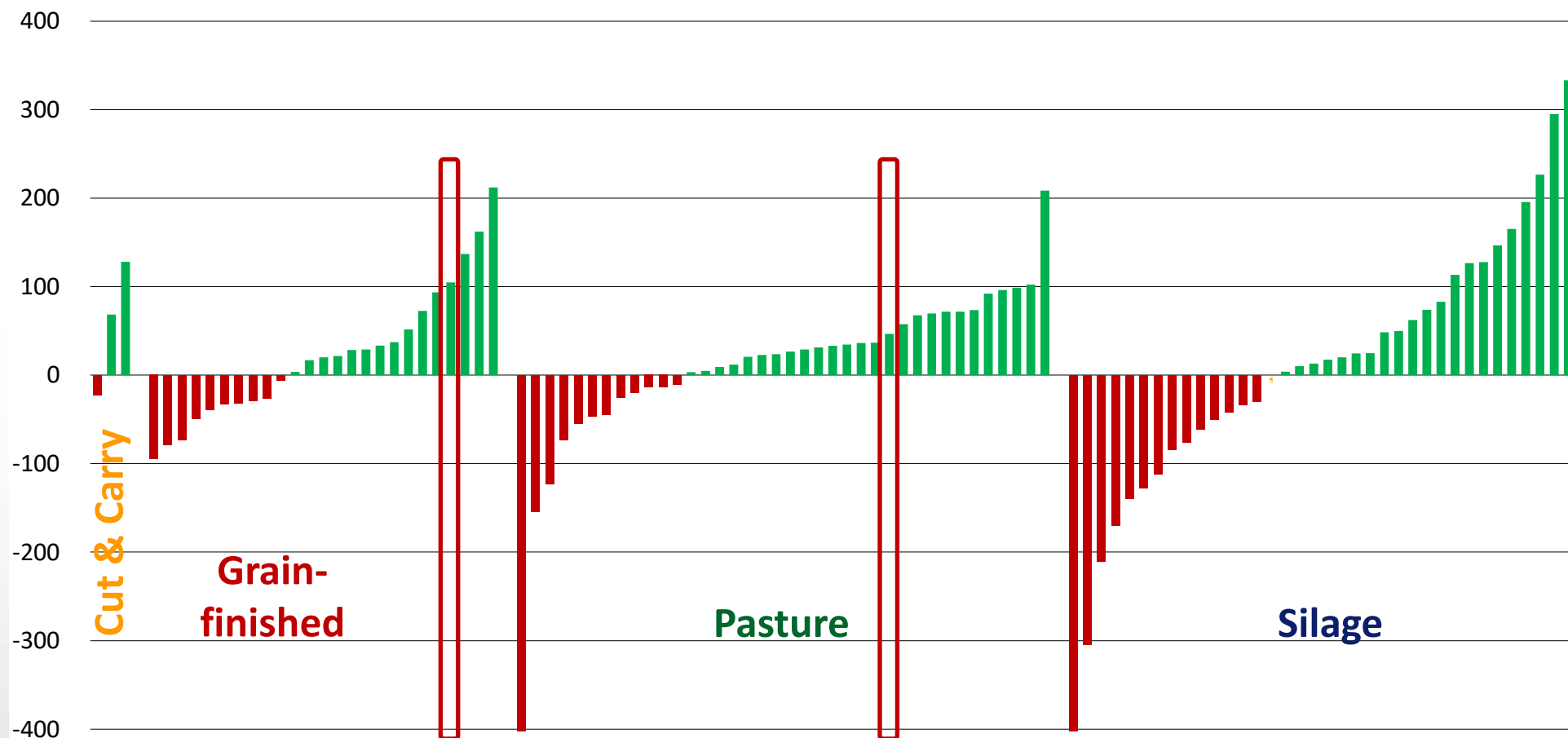
profit ranges (min, max) of agri benchmark farms

USD per 100 kg carcass weight

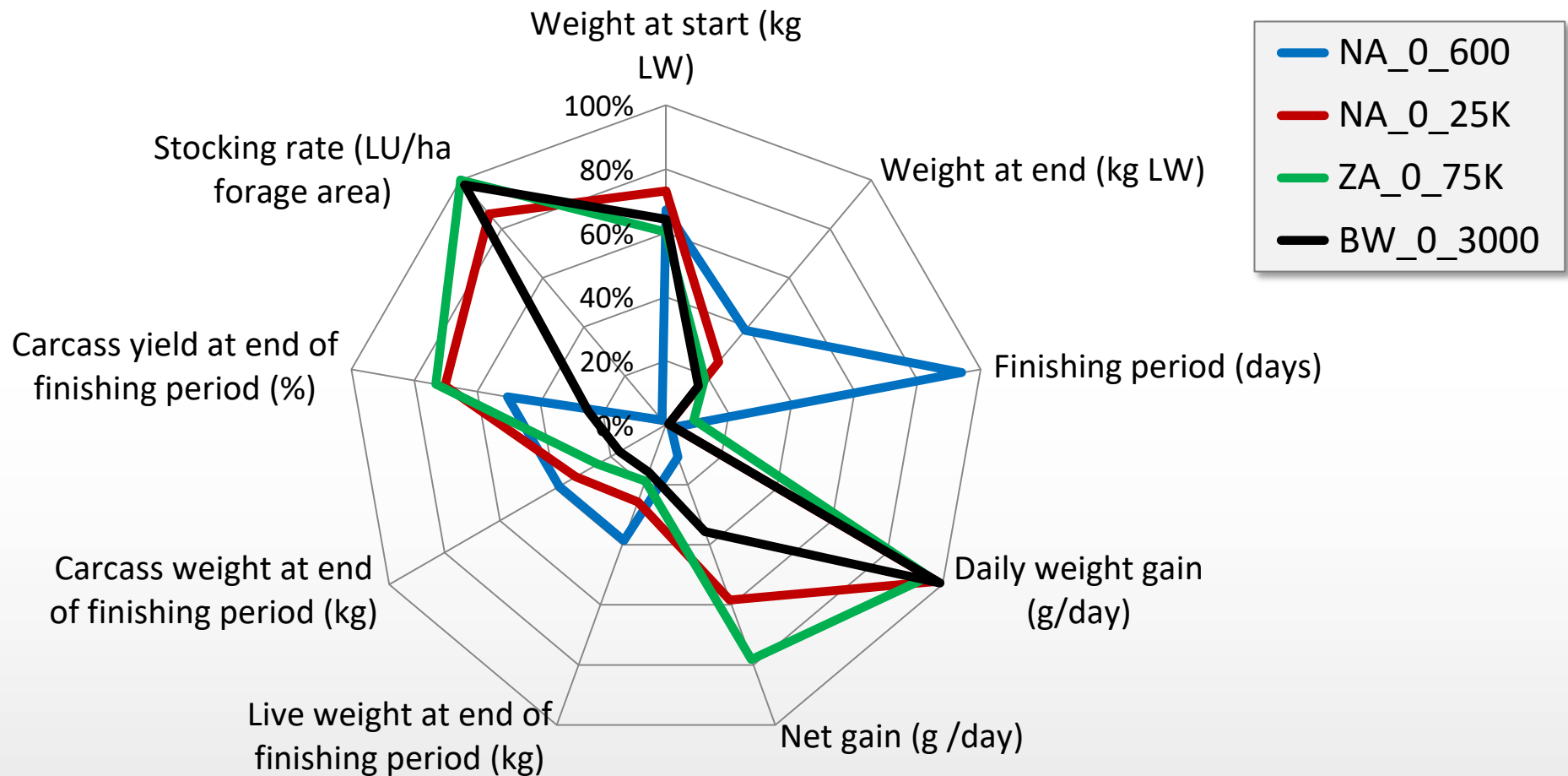


Mid-term profitability by production system 2018

USD per 100 kg carcass weight

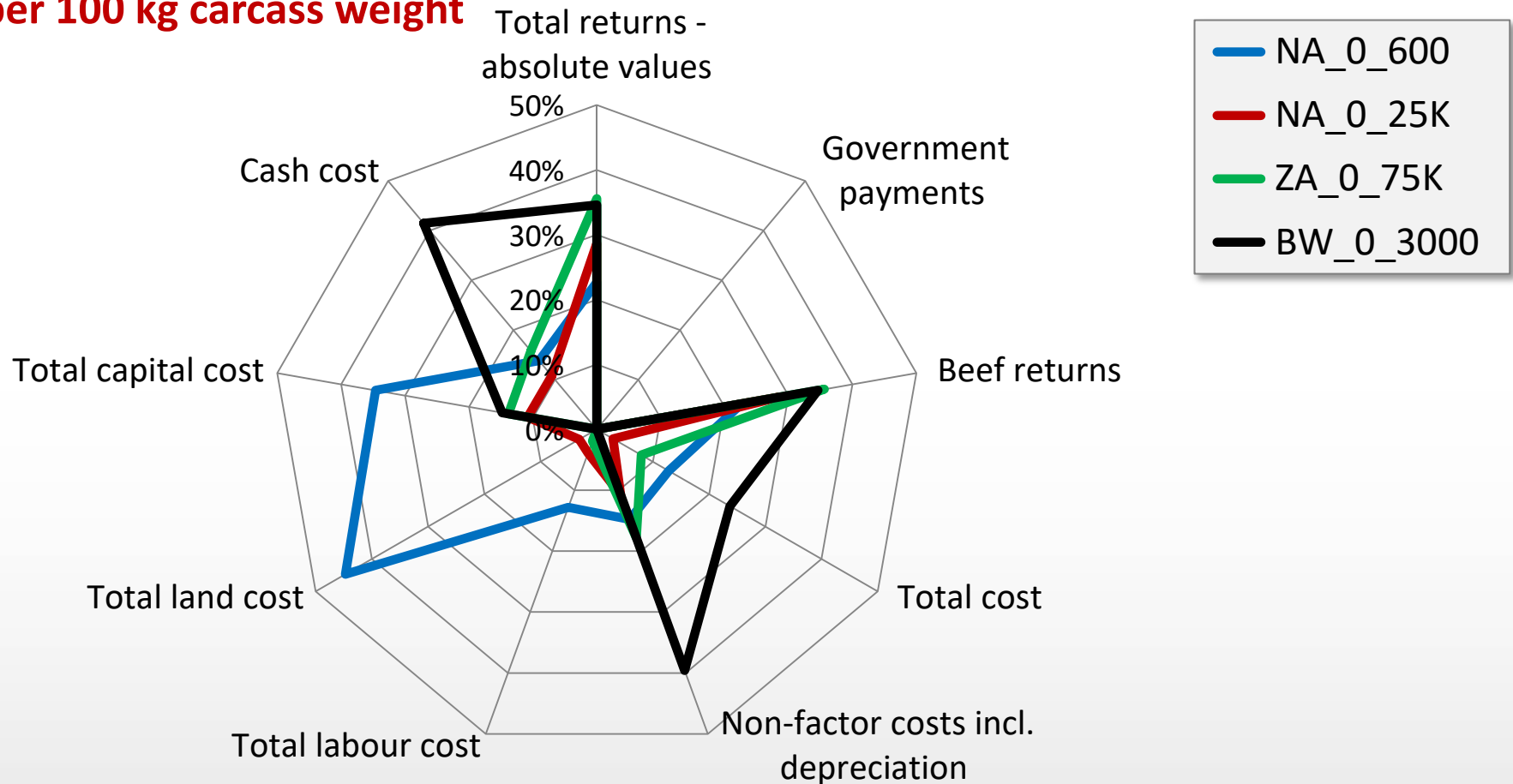


Beef finishing performance indicators of the Namibian farms and regional competitors



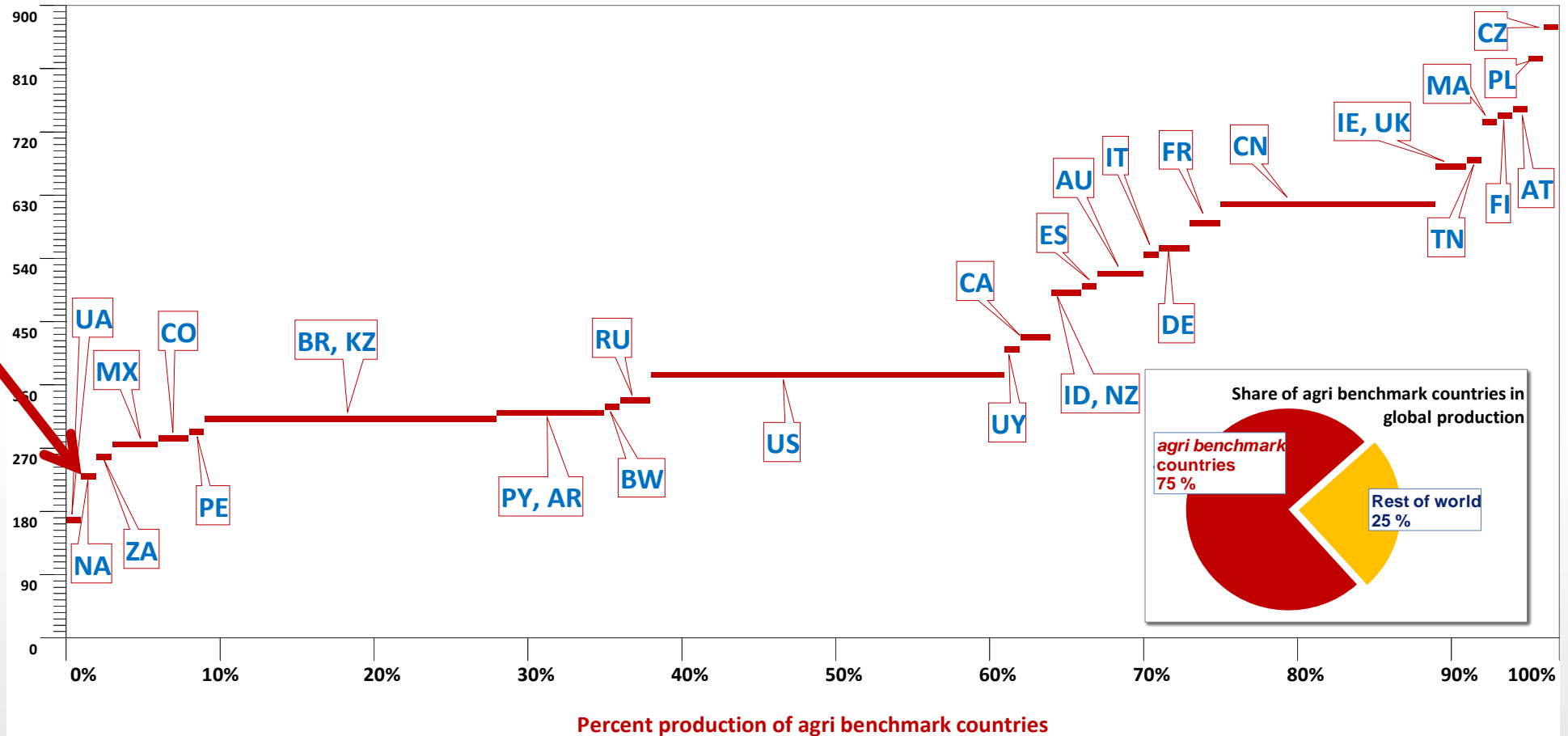
Beef finishing economic indicators of the Nambian farms and regional competitors

USD per 100 kg carcass weight



Beef supply curve (w/o Switzerland)

USD per 100 kg carcass weight sold



Other competitive issues



Alternative meats

- **Cultured meat (lab meat, clean meat)**
 - made from animal muscle cells cultured in a lab
 - Mosa was first in 2013, the EUR 250,000 patty, still with fetal bovine serum
 - now research towards animal free production



- **Plant based products**

Beyond Meat (pea protein, methylcellulose, beetroot juice etc.)

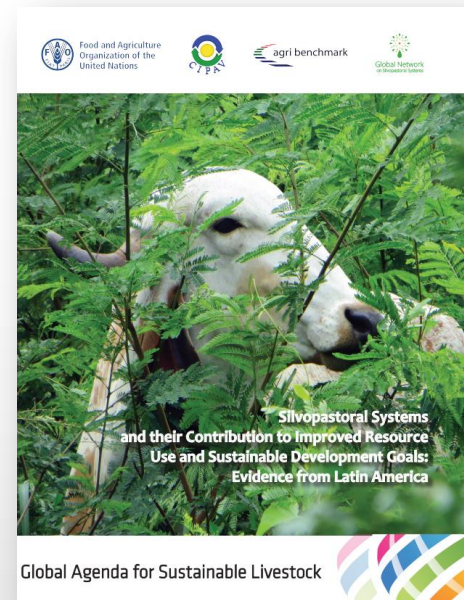
Price for burgers 2-3 EUR less

Impossible meats (soybean and potato protein, Leghemoglobin from soybean roots fermented with GMO yeast), Price for burgers + 1 USD more



Creating more sustainable systems

- *agri benchmark* is **measuring** the status quo / Baseline / business as usual on an annual basis
- This provides reasons for **differences** between production systems and management levels
- This evidence is used by *agri benchmark* to analyse **practice change** towards more sustainable situations in terms of performance, productivity, economics, environment, animal welfare and social
- Examples mainly from South America but we are moving towards Africa



Summary and conclusions

Positive



- High/acknowledged product quality and traceability
- “Natural” image
- Strong export industry, access to high price markets
- Combination with off-farm income like game hunting

Less positive



- High dependence on ZA
- Worsening climatic conditions?
- Unsolved land use and ownership issues
- Decreasing domestic consumption
- Low to medium productivity in cow-calf and finishing

What are the solutions for the increasing climatic challenges?

agri benchmark – passionate about facts



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