

**RED MEAT PRODUCERS ORGANISATION (RPO)
BUSINESS PLAN AND BUDGET FOR
PRODUCTION DEVELOPMENT: 2014 - 2018**



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RPO BUSINESS PLAN AND BUDGET FOR PRODUCTION DEVELOPMENT: 2014-2018

1. INTRODUCTION / MOTIVATION

Production development is of vital importance to the progress of red meat and is in line with the strategic plan for South African Agriculture and the National Development Plan.

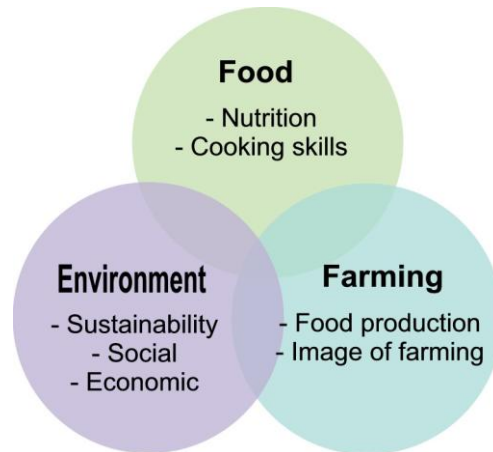
According to the Bureau for Food and Agricultural Policy the demand for beef and sheep meat will grow to the year 2020 by respectively 25% and 20%. This is a great challenge in terms of growing production.

In order for livestock farming to be profitable, sustainable and globally competitive it is of vital importance that producers should be provided with education, information, training and extension services to rise to this challenge.

These services are not provided to commercial red meat producers by government anymore and the services in the private sector almost came to a halt. Producers request this service to commercial producers to be performed by the RPO.

If producers are provided with the correct information, extension services and give inputs on policy issues and take part in production development projects it could make a big contribution in making South Africa more self-sufficient in red meat production. The benefit of this would be, *inter alia*, to improve the balance of payments and create economic growth and make an even bigger contribution towards food security. A stable red meat industry, which is managed effectively, will make a big contribution towards preserving the natural resources as livestock production are performed on more than 70% of the land.

The Agriculture and Horticulture Development Boards education strategy for England, Scotland, Wales and Ireland funded by industry levies are based on 3 pillars: Food, Environment and Farming.



Focusing on the education on the farming issues is critical in the development of a positive image of red meat with the consumer.

This business plan for the function of production development for commercial producers is submitted by the Red Meat Producers' Organisation (RPO). The National Emergent Red Meat Producers' Organisation (NERPO) will submit a business plan for production development in the emerging sector. The amount available for Production Development for this levy period is divided on a 70% / 30% ratio between the commercial and emerging sectors.

2. CAPACITY OF SERVICE PROVIDER

The RPO has an executive council consisting of 12 producer members of which 3 are in an executive capacity. The council is supported by 3 full time employees and the necessary infrastructure. The RPO also has 9 provincial branches with executive council members representing the different regions in the provinces. All the provincial RPO's have offices with full time or part time employees.

The RPO is supported by a voluntary contribution from commercial producers which amounts to R 7 000 000 per annum and provide for the organizational support of the organization.

3. FUNCTIONS

3.1 *Information / Communication*

Objective/ Outcome

In a deregulated red meat environment, reliable, objective, interpreted statistics and information on the industry at any given time is essential to facilitate decision-making during production and marketing of small stock and cattle in order to enhance

productivity and create higher standards. Information has to be obtained and continuously updated and interpreted. The information should include production aspects, sustainability aspects, inputs, price trends, demand and consumption trends, imports and exports, volumes and consumer trends, information on trade agreements affecting the industry and movements following trade meetings, health aspects, creating an understanding by producers of the requirement within the value chain, policy issues etc.

Methodology

- Comprehensive updated website
- Facebook
- Communicator
- Electronic newsletters
- Emails and SMS
- Radio talks
- TV interviews
- Telephonic, email query service
- Inputs in agriculture magazines

3.2 *Producer education, training and extension*

Objective/ outcome

In order for livestock farmers to be profitable and competitive it is of vital importance that they should be provided with relevant education and skills, regarding the following:

- **Sustainable natural resource utilisation**

The aim should be to sensibly combine indigenous favourable genes with adapted exotic ones to enable more efficient and competitive livestock, food and fibre production systems, in addition to enhancing the economic stability of rural farmers and communities.

- **Livestock production with global competitiveness**

The aim should be on production and innovative systems to optimise production from livestock.

- **Animal health and welfare**

Animal welfare can only be assured when there is sufficient knowledge of the behavioural and other requirements of animals and how this is affected by various farming systems and practices.

- **Animal products, quality and value-adding**

The aim should be on consumer expectations and demands for high quality, safe products that are produced in an environmentally friendly manner.

- **Red meat safety, nutritional quality and value**

The aim should be to maximize quality and or value.

Targeting or developing sustainable markets for enterprises so as to enable this sector to play its rightful role in the economy.

- **Unlocking the red meat potential through commercialization, technology transfer and training**

To ensure that the farmers are able to run viable livestock enterprises that are environmentally and economically sustainable.

- **Climate effect, adaptation and mitigation for sustainable livestock production**

Baseline information on GHG and carbon sequestration turning emissions and waste into assets.

- **Predation management**

Practices (BMP), predation management methods and equipment, appropriate content and methodology for training or extension.

Methodology

- Information days
- Road shows
- Workshops

- Conferences
- Training material, manuals, DVDs etc

The RPO will be instrumental in organizing these events as well as developing the training material. The RPO Institute for Production Development will give support in making available the best possible experts in the different fields to present at these events.

3.3 Provincial policy formulation / promotion of the industry

Objective/ outcome

Agriculture is a provincial affair as spelt out in the constitution of South Africa. It is of vital importance that livestock farmers should give inputs on policy issues on provincial and local level. Active participation in policy making and finalization of legislation should also be perceived as well as taking part and organizing policy platforms to address producer's issues.

The provincial structures of the RPO should be utilized for giving inputs on policy formulation. The RPO and NERPO's provincial structures are ideally situated to render this service.

The attendance of *inter alia* many provincial workshops on red meat matters when red meat producer policy inputs are required form part of this as well as inputs in terms of extension services / training and animal health issues as well as organizing the provincial stock theft forums. Liaison between commercial and emerging producers in an organised way forms part of this.

Methodology

- Provincial Animal Health Forums
- Liaison with government departments
- Liaison with industry and other role players

3.4 National Policy formulation/promotion of the industry

Objective/ outcome

Most of the actions on behalf of red meat producers are done on a national basis, this includes *inter alia* liaison with industry role players and government structures in order to secure a policy framework that will create a enabling environment for red meat production. Expert inputs are sometimes required at some of these meetings.

Methodology

Attending meetings as well as giving verbal and written inputs, the following organizations or institutions are involved:

Red Meat Research and Development South Africa, South African Bureau of Standards, Grootfontein Small Stock Trust, Animal Improvement Trust, Standards Committee, Advisory Committees at tertiary education institutions, National Woolgrowers' Association, Red Meat Research & Development Trust, Predation Management Forum, Livestock Welfare Coordinating Committee, Meat Industry Forum, South African Meat Industry Company, South African Feedlot Association, Agri SA Commodity Chamber, Transvaal Agricultural Union SA, National Agricultural Research Forum, South African Poultry Association, Industry Role-players, NERPO, Milk Producers' Organisation, South African Game Ranchers, Breeders' Associations, South African Stud Book Association, INTERGIS, Breedplan, Onderstepoort Biological Products, International Trade Administration Commission, National and Provincial Government Departments and Provincial RPO Structures, AFASA, Bureau for Food and Agricultural Policy, Green Choice, Small Stock Health Advisory Body, Meat Industry Trust, National Emerging Red Meat Producers Organisation, SANBI, Onderstepoort Advisory Board, Cape Wools, MSMS

3.5 *Global Competitiveness / markets*

Objective / outcome

South Africa is the major market for red meat as well as livestock in the Southern African region. Many of our neighboring countries export livestock and meat to South Africa. Liaison with producer's organizations and industry role players in the Southern African region on market, animal health, customs, SPS and trade issues is of vital importance.

The emphasis within government is also on intra Africa trade and institutions like ILRI on the Africa research and development agenda is important.

The South African red meat industry forms part of the global industry. It is a big challenge to stay internationally competitive and to keep up with technological advances and trends.

Methodology

- Southern African Meat and Livestock Forum
- International Meat Secretariat
- Lesotho grazing permits

- Icomst
- Namibian Meat Board
- Botswana Cattle Producers Association
- Cattle Producers Association of Zimbabwe
- Livestock Producers Organization of Namibia
- Industry visits

3.6 *Animal Health Issues*

Objective/ outcome

Efficient and profitable farming as well as safe and wholesome products require that animal health is maintained at a optimal level.

Zoonosis is a potential threat to human health and therefore needs appropriate measures to prevent human infection. Safeguarding the livestock industry from animal disease by promoting and implementing pro-active bio-security measures are of vital importance.

Government is failing in their endeavors to control animal diseases and the industry has to be more pro-active. Early warning systems in terms of reporting disease outbreaks will increase awareness and prevention.

Onderstepoort Biological Products play a vital role in animal disease control and cooperation with producers is of vital importance.

Methodology

- Proactive bio security plans on farm
- Malignant Catarrhal Fever (MCF) vaccine and insurance
- Pizzle Disease working group
- Foot and Mouth Disease investigations
- Animal Health Forum
- Small Stock Health Advisory Body

- Early warning systems

3.7 *Stock theft prevention*

Objective/ outcome

Stock theft is a major problem with a loss of R 750 Million per annum to the South African red meat industry. Stock theft makes the industry uncompetitive and the losses to the emerging industry are the most severe. The industry was successful in negotiations to maintain the specialized stock theft units in South Africa of which there are 83 at his stage. Close collaboration between the unit's industry structures and the industry is necessary to manage the fight against stock theft.

Methodology

- National Stock Theft Forum
- 9 Provincial Stock Theft Forums

3.8 *Agri BEE*

Objective/ outcome

The training of farmworkers on commercial cattle and small stock farms will increase productivity. The Institute for Production Development does training on farms for groups of up to 20 farmworkers in different disciplines in the language of choice. These five day courses are Agri Seta accredited and can be chosen on a menu in terms of needs. Seeding funds from the statutory levy has up to now secured an additional amount of R 500 000 from SETA funds for this purpose.

Training manuals that are SETA accredited and focusing on different issues is very popular with farmworkers and provide on farm training.

Methodology

- On farm training courses
- Training manuals
- Sourcing SETA funding

3.9 *Projects / Legislation*

Objective/outcome

There are 88 different acts governing the agriculture. Many of them is in the process of amendment. Many of these amendments are not necessarily producer friendly. Proactive and reactive response on these amendments and new legislation from a producer perspective is of vital importance.

Projects on producer matters have to be undertaken from time to time. This includes pressing investigations.

Methodology

- Professional comments on new legislation
- Legal opinions
- Projects

3.10 Predation prevention

Motivation/ outcome

Predation is the single biggest threat to the small stock industry at this stage with an annual loss of R 1.4 billion to the industry. The loss in the large stock industry is in the process of quantification but indications are that it is bigger than R 600 million per annum.

Training and policy inputs are required on:

- Scientific assessment (Institutional memory)
- Costs of predation
- Land –use, behaviour and feeding ecology
- Predation management methods and equipment
- Biodiversity and knock-on effects
- Best Management Practices (BMP)
- Appropriate content and methodology for training
- Appropriate content and methodology for extension

The Predation Management Forum (PMF) was created to deal with prevention of predation. The PMF is a joint action by the red meat, wool, mohair and wildlife ranching industries.

Methodology

- PMF actions
- Extension programs
- Training material

3.11 Market protection/ import monitoring local

Objective/outcome

The industry has a 40% ad valorem import duty on most of the tariff lines of red meat for imports from overseas. It is important to monitor values of clearances and take corrective actions where necessary.

Legal and illegal imports of meat and livestock from neighboring countries form part of this monitor action as well as investigations.

Methodology

- Agri Inspec
- Investigations
- Projects

3.12 Administration Costs

Seven percent of the costs of functions are allocated to administration costs, these include: office rental, financial services, telephone, fax, postage, insurance and personnel costs excluding the personnel allocated to specific functions.

4. BUDGET SUMMARY

FUNCTION	BUDGET			
	2015	2016	2017	2018
Information / Communication	R 499,170.00	R 549,087.00	R 603,995.00	R 664,394.00
Producer Education, Training and Extension	R 477,148.00	R 524,862.00	R 577,348.00	R 635,082.00
Provincial policy formulation / promotion of the industry	R 293,629.00	R 322,991.00	R 355,290.00	R 390,819.00
National Policy formulation / promotion of the industry	R 899,131.00	R 989,044.00	R 1,087,948.00	R 1,196,742.00
Global Competitiveness / markets	R 165,166.00	R 181,683.00	R 199,851.00	R 219,836.00
Animal Health issues	R 183,518.00	R 201,869.00	R 222,055.00	R 244,260.00
Stock theft	R 165,283.00	R 181,811.00	R 199,992.00	R 219,991.00
Agri BEE	R 154,155.00	R 169,570.00	R 186,527.00	R 205,179.00
Project legislation	R 117,451.00	R 129,196.00	R 142,114.00	R 156,325.00
Predation prevention	R 238,574.00	R 262,431.00	R 288,674.00	R 317,540.00
Market protection / import monitoring	R 220,222.00	R 242,248.00	R 266,478.00	R 293,131.00
Administration costs	R 256,926.00	R 282,619.00	R 310,880.00	R 341,968.00
TOTAL	R 3,670,373.00	R 4,037,411.00	R 4,441,152.00	R 4,885,267.00