Overview of the South African pork industry

Part 1: Global and export markets for South African pork meat

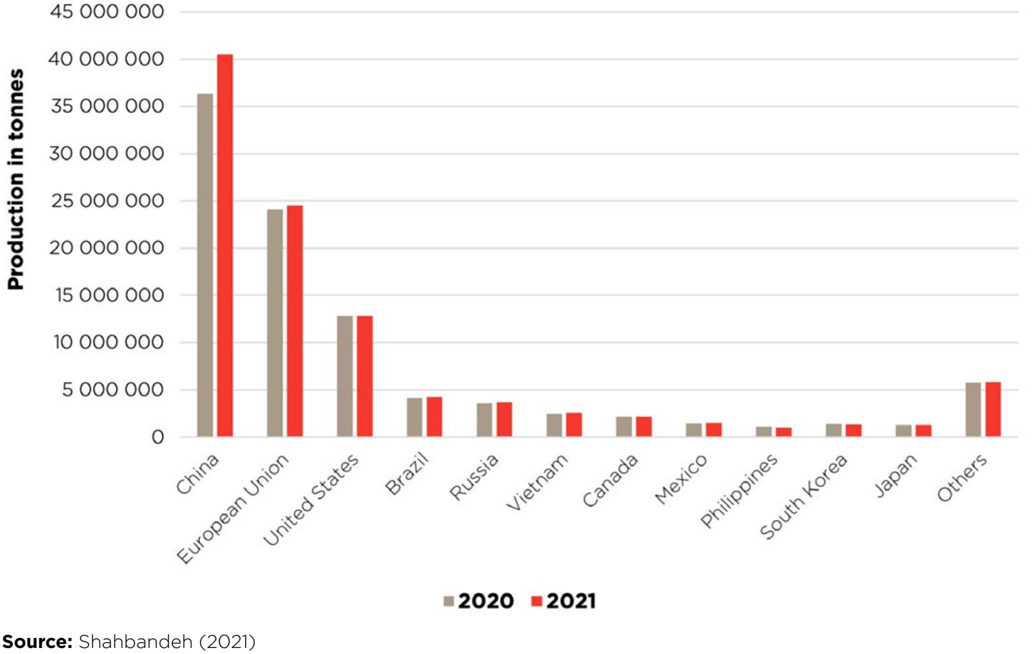
Vanessa Barends-Jones[1]

[1]Macro and Resource Economics, WCDoA

The agricultural sector is not only under pressure due to the increasing impacts of climate change but is facing additional challenges in meeting the need to produce nutritious and affordable food for a growing population (Robinson, 2017). Despite these global challenges, the "developed countries" contribute to a third of food waste (Robinson, 2017). Furthermore, protein shortages are experienced in many countries that are struggling to provide a full range of essential amino acids needed in a human's diet. The global meat industry is adapting to address this protein shortage and is producing a range of proteins to fill the major needs in poor-resourced communities (Robinson, 2017).

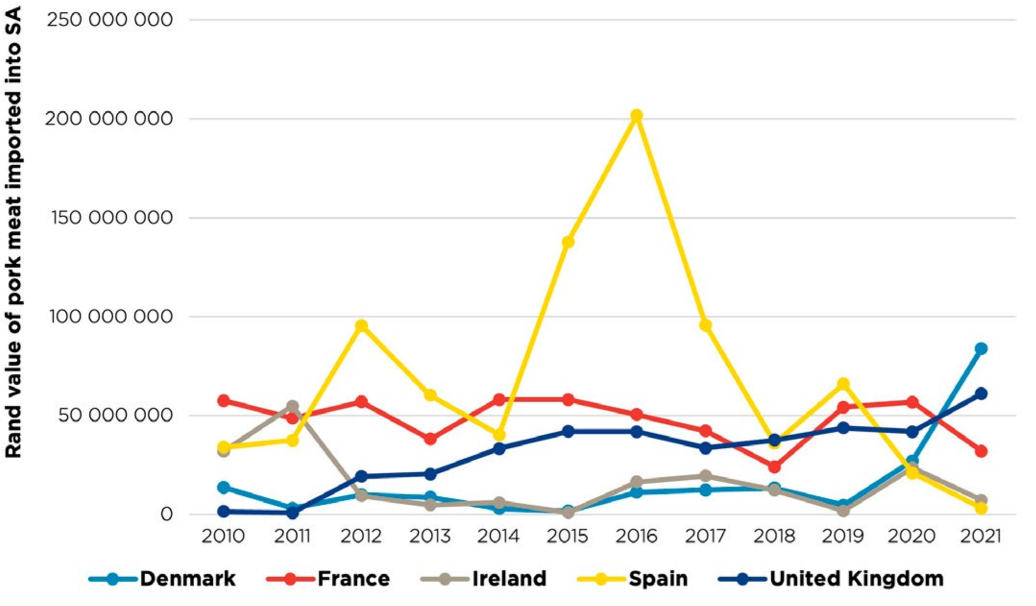
Higher income levels and rapid urbanisation is resulting in the growing demand for animal protein (Moobi & Mbuqe, 2019).

Figure 1: Global pork production by country in 2020 and 2021.



Source: Shahbandeh (2021)

Figure 2: South African pork meat imported (rand value), by country.



Source: SARS (2021)

It is also evident that consumer preference for low-fat and high-protein diets has played a major role in the increase in the consumption of animal protein, which includes pork meat (Wood, 2021). In addition, international access to markets has also led to consumers having access to a wide range of products at competitive prices (Davids, 2014). International access can be beneficial to consumers but on the other side, it can be detrimental when it comes to domestic producers having to compete with lower prices for international goods (Davids, 2014).

Figure 1 gives a summary of the total global pork-producing countries, high-lighting China as the main pork producer, followed by the European Union and the United States, for the 2020 and 2021 periods. In 2020 the total global pork production was 96 million tonnes, compared to 101 million tonnes in 2021 (data is available up to April 2021).

South Africa (SA) is a major importer of pork meat and Figure 2 summarises the top five importing countries from 2010 until 2021[1]. These countries include Denmark, France, Ireland, Spain and the United Kingdom. The value of pork imports from Spain to SA peaked in 2016, recorded at R201 669 718. Thereafter imports from Spain decreased dramatically (DAFF, 2019). After the 2016 spike, imports of pork meat have decreased and stayed relatively below the R100 million value mark.

South Africa has approximately 15% arable land (Robinson, 2017) available for the increasing food demand and for the country to supply quality protein to approximately 55 million people. The formal[2] pork sector consists of 170 pork producers, whereas the informal[3] pork sector has 208 312 house-holds responsible for pork production (BFAP, 2020). The total herd size for the formal sector is 1 450 713 compared to 893 262 for the informal sector (BFAP, 2020).

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[1]The 2021 data is only up to April 2021.
[2] Formal sector refers to households or producers that are responsible for more than 50 pigs, (BFAP, 2020).
[3] The informal sector refers to households or producers that are responsible for pigs less than 50 (BFAP, 2020).

Table 1 gives a summary of the pig herd standing stock numbers of the different provinces in the formal and informal sectors. The difference between the formal and informal industry in terms of herd numbers is 557 451, (38%). For the formal industry, it is evident that Gauteng (19%), followed by the Western Cape (18%) and KwaZulu-Natal (17%) have the biggest herd numbers compared to the other provinces like the Northern Cape (1%), Eastern Cape (5%) and Free State (5%). The informal industry on the other hand looks completely different, where the Eastern Cape (46%) followed by Limpopo (13%) and Mpumalanga (9%) are the leading provinces in terms of herd numbers.

Figure 3 shows the major exporting countries for South African pork meat. Here it is evident that South African pork exports are mainly being exported to the Southern African markets as also identified by Moobi and Mbuqe (2019). The top five exporting countries for South African pork meat are Namibia, followed by Mozambique, Lesotho, Botswana and Eswatini. The reason for the importing trend from Namibia is that SA is Namibia's main trading partner when it comes to livestock, meat and meat products. This is due to SA and Namibia's geographical proximity as well as the economic integration of the two countries (Venter, 2018). Mozambique was one of the countries importing small quantities of pork meat from SA from 2010 to the end of 2013 period, however from 2014 their pork imports from SA started to increase and by 2019, Mozambique was importing more pork than Namibia.

Before 2014, high feed costs affected pork meat prices. In 2012 feed prices[4] reached record levels and persisted until 2013 due to extreme weather conditions like the drought that was experienced in some parts of SA (BFAP, 2014). In early 2016, maize and soybean prices increased to R5 280/tonnage (US$) and R4 130/tonnage (US$306) respectively (Mugido, 2017). Figure 3 shows a steady downward trend for exports, across most of the importing countries, due to high costs (BFAP, 2014). The downward cycle remained until 2016 then having a small, quick upward trend, followed by a downward cycle again after 2017. Namibia and Mozambique are the only two countries showing high upward trends.

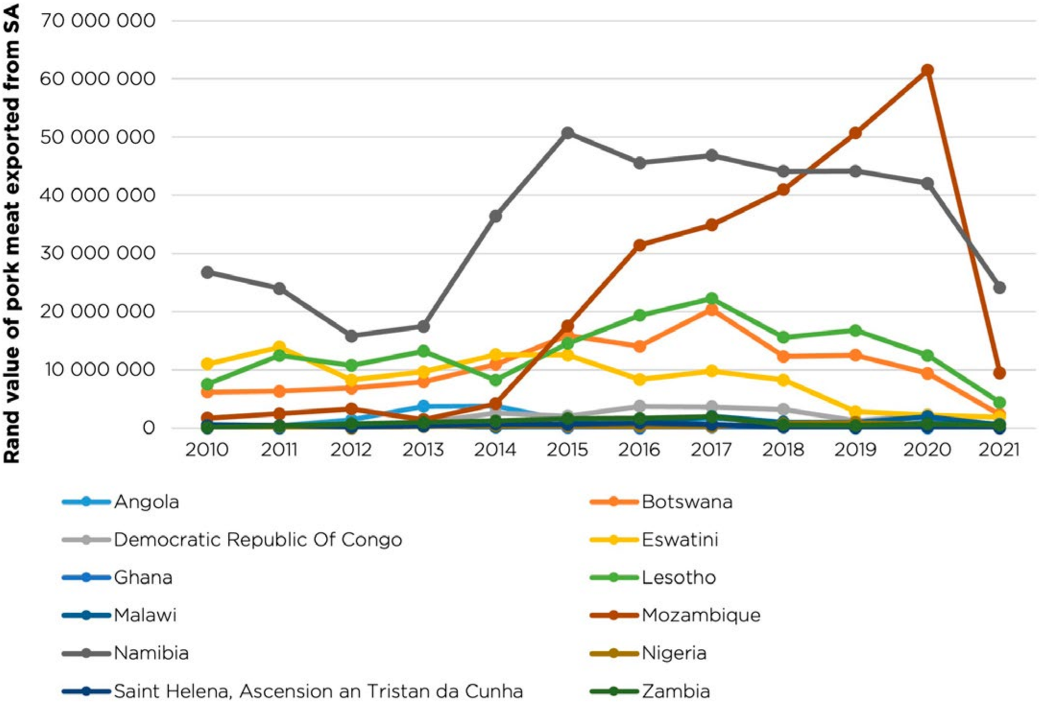
Table 1: Pig herd numbers for the formal and informal sector.

Province	**Formal Sector**		**Informal Sector**	
	Pig Standing Stock	**% of Total**	**Pig Standing Stock**	**% of Total**
Gauteng	246 481	19%	50 471	6%
Western Cape	263 150	18%	26 241	3%
Kwa-Zulu Natal	246 481	17%	61 703	7%
Limpopo	200 640	14%	118 385	13%
North West	159 283	11%	68 743	8%
Mpumalanga	138 231	10%	78 704	9%
Free State	79 167	5%	62 045	7%
Eastern Cape	73910	5%	412 800	46%
Northern Cape	14 883	1%	14 170	2%
Total	**1 450 713**		**893 262**	

Source: BFAP (2020)

[4]For the 2012/13 period, soya was R4 487/tonnage ($516) and maize R3 000 ($345), (ITC, 2021).

Figure 3: South African pork meat exported (rand value), by country.



Source: SARS (2021)

South Africa also experienced an ongoing drought from 2015 to early 2018, most severely impacting the Western Cape. The various disease outbreaks, like the porcine reproductive and respiratory syndrome (PRRS) virus in 2013, also played a huge role when it comes to the higher pork prices (BFAP, 2014). The listeriosis outbreak in SA had an impact on exports from June 2017 to April 2018 (Thomas, *et al*., 2020), as well as African swine fever (ASF) from 2019 till now.

South Africa has had three outbreak events, with the first starting in April 2019 and affecting the provinces outside the ASF controlled area. The affected provinces include Mpumalanga, Gauteng, the Free State, North West, Northern Cape and the Eastern Cape (DALRRD, 2021). In this period, a total of 75 cases were reported – 48 of these cases were resolved and the other 27 are still under investigation. The 2020 period earmarks the second ASF outbreak, during which 14 cases were reported in the Eastern Cape. All are still under investigation (DALRRD, 2021). Currently, the Western Cape is experiencing the third outbreak of ASF and 34 outbreak cases were reported. Nine are resolved and 25 cases are still open (DALRRD, 2021). The decline in 2020 numbers is owing to the COVID-19 pandemic and market closures.

To summarise, South Africa is a net importer of pork meat from Denmark, France, Ireland, Spain and the United Kingdom. Total pork meat imports remained below the R100 million value mark after 2016. South Africa is mainly exporting to the Southern African markets, like Namibia, Mozambique, Lesotho, Botswana and Eswatini. Exports are showing a downward trend due to various disease outbreaks, droughts and high feed costs. AP

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For more information, contact **Vanessa Barends-Jones:** ✉ vanessa.barends@westerncape.gov.za