Overview of the South African pork industry

Part 2: Production and domestic markets

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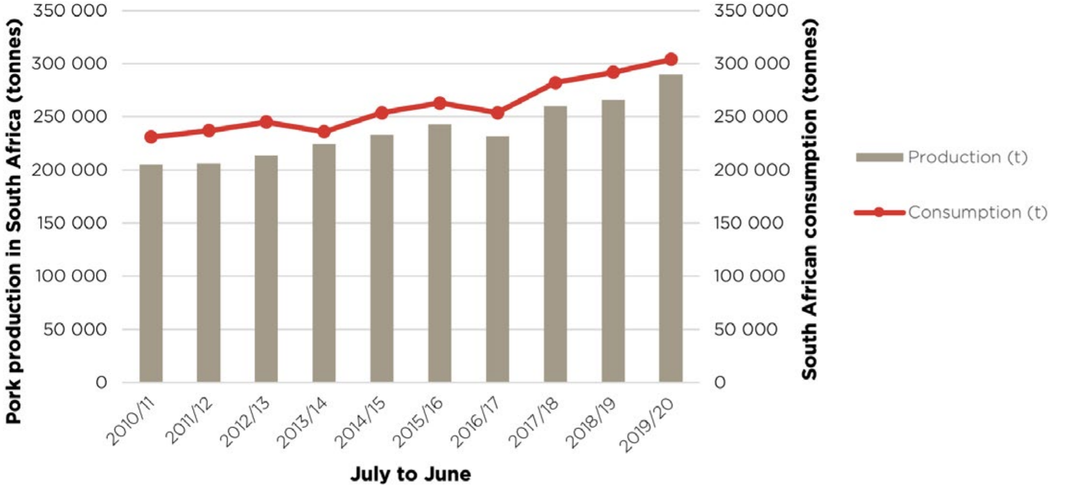
This article is the second part of the Overview of the South African Pork Industry article and focuses more on production, as well as domestic markets. As mentioned in the previous article, South Africa (SA) has approximately 15% arable land (Robinson, 2017) available for the increasing food demand and for the country to supply quality protein to approximately 55 million people. The formal[1] pork sector consists of 170 pork producers, whereas the informal[2] pork sector has 208 312 households 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). SA is a net importer of pork meat and the total value of pork meat imports remained below the R100 million value mark after 2016. SA is mainly exporting to the Southern African markets, but exports are showing a downward trend due to various disease outbreaks, droughts and high feed costs.

Figure 1 gives a summary of the production and consumption of pork meat in SA from July 2010/June 2011 to July 2019/June 2020. South African production amounted to 289 700 tonnes for the 2019/20 period, while pork consumption was about 304 000 tonnes of pork meat (fresh and processed) for the 2019/20 period (DALRRD, 2021). This shows a shortage of 14 300 in supply.

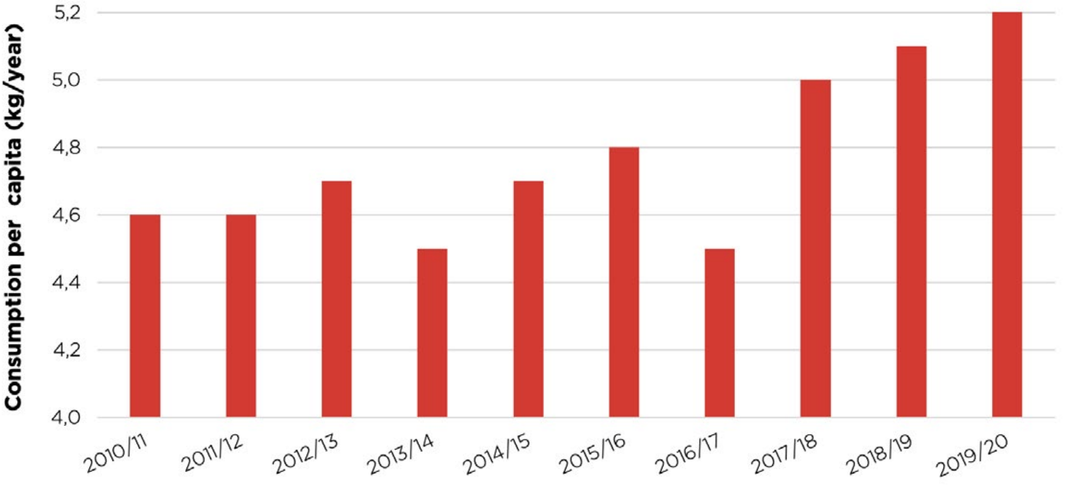
Figure 1: South African production and consumption of pork meat



Source: DALRRD (2021)

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

Figure 2: South African consumption per capita



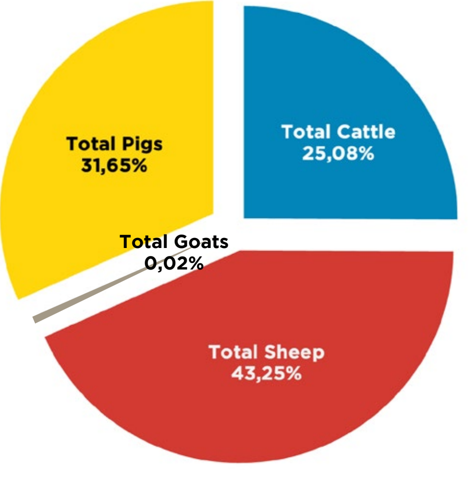
Source: DALRRD (2021)

Figure 2 gives a summary of the consumption per capita from 2010/11 to 2019/20. The 2013/14 period highlights the global meat price increase due to the high feed costs and extreme weather conditions experienced in some parts of SA (BFAP, 2014). The 2013/14 period also highlights a decrease in imported pork meat given the restrictions on raw pork meat being imported from countries that have the Porcine Reproductive and Respiratory Syndrome (PRRS) virus, and a weaker rand (BFAP, 2014). The decrease for the 2016/17 period is due to the severe drought conditions experienced in some parts of SA.

The last three financial years show that the per capita consumption of pork meat per kilogram has increased and is following an upward trend. It should also be noted here that due to the drought and the listeriosis outbreak in 2018, higher quantities of pork meat were being imported at lower prices (DAFF, 2019).

In SA, pork production contributes 2% to the total share of Gross Production Value, for the 2016 to 2018 period compared to poultry meat (15%), beef (13%), and other animal products (12%) (BFAP, 2020).

Figure 3: Total livestock slaughtered – November 2019 until August 2021

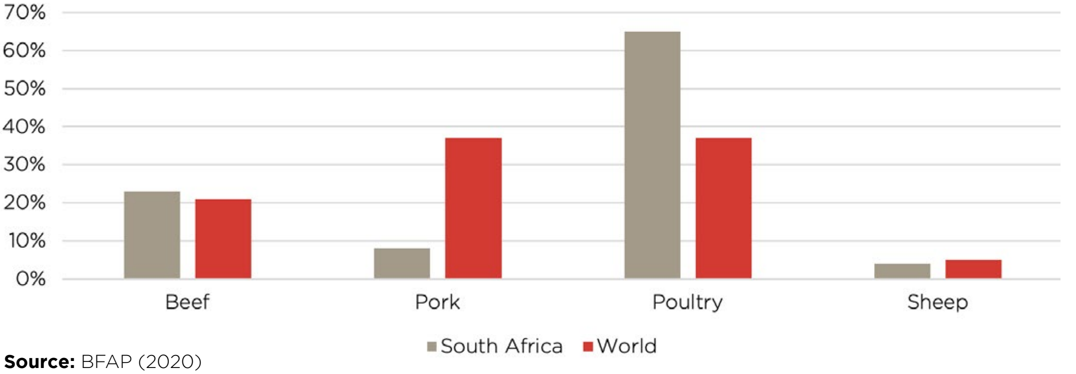


Source: RMLA (2021)

Figure 3 illustrates SA's total livestock slaughter percentages from November 2019 until August 2021. The top livestock commodities being slaughtered in SA are sheep, followed by pork, cattle (beef), and goats. In SA sheep (meat) is slaughtered the most (43%), compared to pork (32%), cattle (25%) and goats (0.02%).

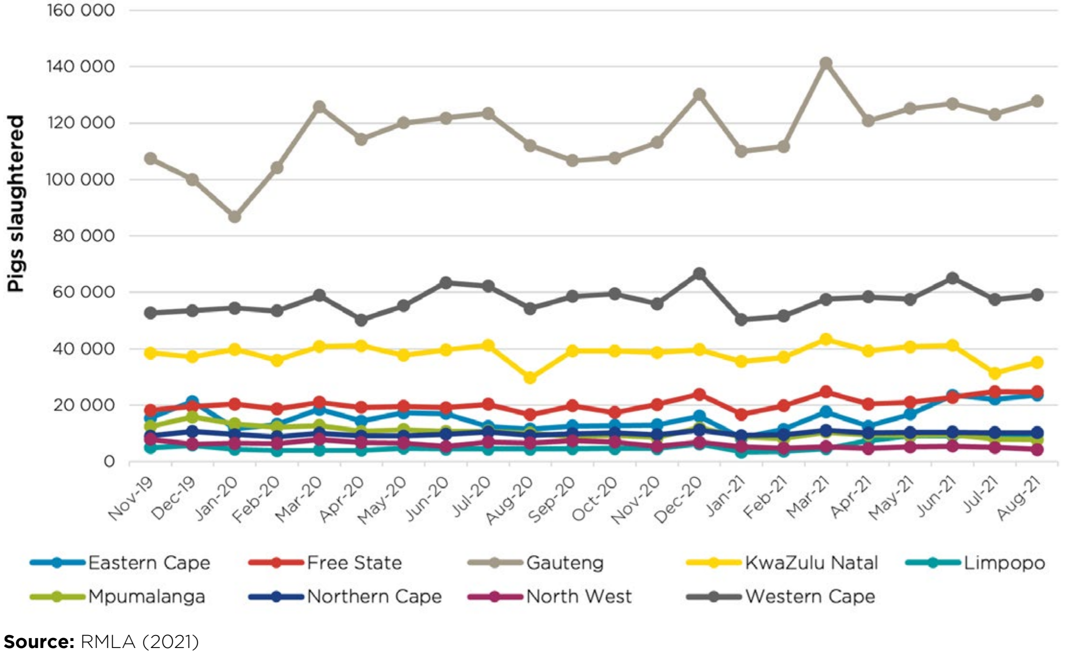
Figure 4 compares SA with the world, focusing on the average consumption of different meat types. SA is seen as a small pork producer relative to global pork markets, accounting for 0.2% of total global pork production (BFAP, 2020; Rooney, 2020; Mugido, 2017) and contributing 2.45% to the primary agricultural sector (DAFF, 2019). The pork sector contributes 5% to the Gross Value of animal production (BFAP, 2020). South African pork is produced in all nine provinces, with Gauteng, the Western Cape and KwaZulu-Natal being the largest commercial producers, collectively producing 76% of total production (Lubinga *et al*, 2017; RMLA, 2021). Figure 5 gives a breakdown of slaughtered pigs per province. Gauteng is the leading province with the most pigs slaughtered between November 2019 and August 2021.

Figure 4: Average meat consumption – SA versus the world.



Source: BFAP (2020)

Figure 5: Pigs slaughtered per province, November 2019 – August 2021



Source: RMLA (2021)

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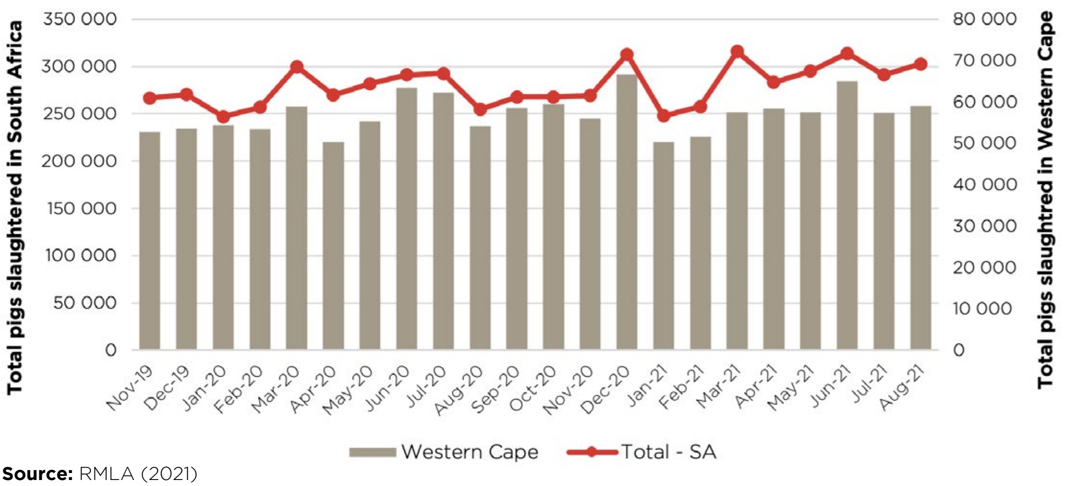
The Western Cape has the second-highest number of slaughters, followed by KwaZulu-Natal and the Free State. Slaughter rates are higher in these provinces given that these three provinces have the main exit points for exports (harbours and airlines) and most of the infrastructure developed to enhance trade (DAFF, 2019). SA exports 4% of pork production and imports 11% for local consumption (BFAP, 2020).

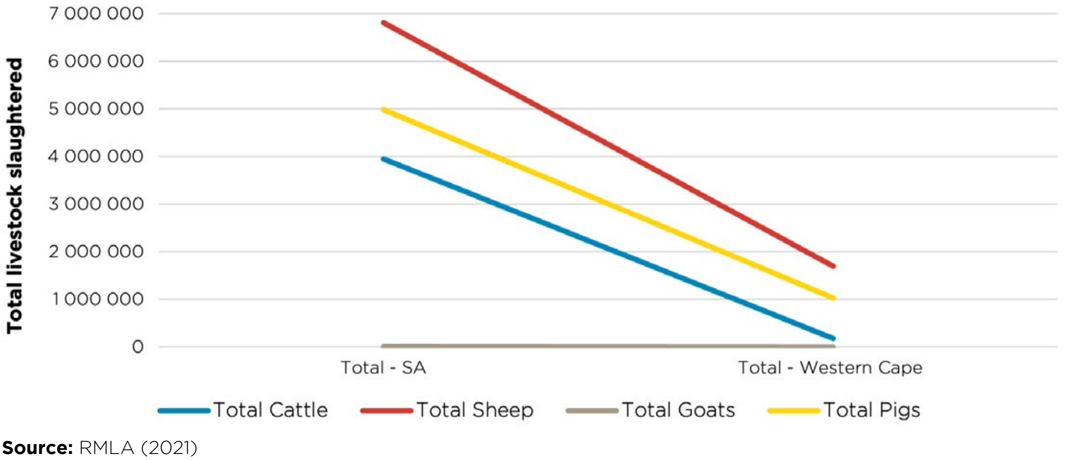
The Western Cape contributes 20% to the total South African pork industry (RMLA, 2021). Figure 6 gives a summary of the total pigs slaughtered in the Western Cape compared to the total for SA. The Western Cape had an average of 57 107 pigs slaughtered per month. The province's slaughtered numbers follow the same fluctuating trend as the total South African numbers. This is also due to the sensitivity of the industry to diseases, a weakening rand, high feed costs, increasing labour costs, persisting drought, energy constraints and load shedding (DAFF, 2019).

Figure 6: Total pigs slaughtered in South Africa versus the Western Cape



Source: RMLA (2021)

Figure 7: Total livestock slaughtered in WC versus in SA, November 2019 – April 2021



Source: RMLA (2021)

Figure 7 shows the total livestock slaughtered in the Western Cape compared to the total within SA. The Western Cape contributes 5% to the total cattle slaughtered, 25% to the total sheep slaughtered, 54% to goats slaughtered, and 20% to the total pork slaughtered in SA. Current data indicates that the Western Cape (21%) is the second-largest producer of pork in SA, after Gauteng (41%).

To conclude, pork meat consumption per capita increased per kilogram per year. The supply of pork meat in SA is 289 700 tonnes compared to a demand of 304 000 tonnes, so the difference in demand is imported.

The informal pork market is a valuable contributor to the pork industry, but the contribution has not been quantified. Studies are needed to capture the informal market share of the pork industry in all provinces as its share should not be underestimated. Such studies are also of utmost importance for biosecurity and food safety reasons. AP

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