

New deal to unlock opportunities for SA beef sector

A new deal has been signed between South Africa and Saudi Arabia, which will see South Africa export beef - amongst other red meat products - to the Kingdom of Saudi Arabia (KSA) from as early as 2023. The announcement was made on Monday, 17 October, off the back of an official state visit to the nation by President Ramaphosa, Minister of Agriculture, Land Reform and Rural Development Thoko Didiza, and others, as part of an investment drive.



From left to right: HE Khalid Al Falih, Minister for Investment Saudi Arabia; HE Ebrahim Patel, Minister for Trade, Industry and Competition, South Africa; Moulana Abdul Wahab Wookay, National Independent Halaal Trust, South Africa; Gert Blignaut, Chief Operation Officer Beefmaster; Louw van Reenen, Chief Executive Officer Beefmaster.

"We expect the deal to see Saudi Arabia order between 500 to 1,000 tonnes of beef per year, which would make it one of the largest beef export markets to date for South Africa. We congratulate government for their swift action on opening this market for the country," says Louw van Reenen, CEO of Beefmaster Group, one of the leading suppliers of specialist beef products to local and international markets.

The company accompanied the South African envoy to KSA as a guest of the government.



Minister halts all cattle movement due to FMD outbreak

16 Aug 2022



Van Reenan adds that the deal is extremely positive for the SA beef sector, especially given the many challenges the industry has faced this year following outbreaks of Foot-and-Mouth Disease, as well as against an uncertain economic backdrop. "We are very excited about the deal, and it could not have come at a better time. Besides unlocking new trade, it will also help us maintain job security of the sector over the next year."

He says, however, there is still some work to do before trade can officially commence between the two nations.

"The Saudi Food and Drug Authority will be visiting South African producers to ensure products conform to their strict specifications. We are looking forward to hosting delegates at our facilities in Kimberley and Christiana before the end of 2022," says van Reenen.

Growing opportunity for food producers

Van Reenen says that there is already a presence of South African produce and well-known brands on the shelves in KSA, and because the nation is a water-scarce country, the opportunity is for food producers in South Africa to export their fresh products to the nation. Total bilateral trade between South Africa and Saudi Arabia amounted to R66bn in 2021, and the beef sector is expected to favourably contribute to this in 2023.

He adds that KSA has been impressed by the quality and service assurances of SA's beef products.

"We are well positioned to offer a product that is affordable, known for quality, and has less fat content. We compete very favourably with other beef nations like Australia and the USA precisely because of these characteristics."



New agriculture agro-processing masterplan to transform the sector

13 May 2022



The South African beef industry has made some inroads into new export markets over the recent past, with the country's beef sought after in the Far and Middle East. Beefmaster Group exports products to nations like the United Arab Emirates (UAE), Kuwait, Jordan, Oman and Qatar, amongst others.

According to the South African Red Meat Producers' Organisation, South Africa currently exports 4% of its beef production.

"The opportunity in our export markets is also made clear by Agriculture and Agro-Processing Master Plan (AAMP), read in conjunction with the Red Meat Industry Strategy 2030 prepared by the Bureau for Food and Agricultural Policy (BFAP). This means we must move now to open ourselves to export markets and capitalise on the opportunities inherent in the plan," says van Reenen.

According to these strategies, the red meat sector is expected to contribute more than R12 billion to SA's agricultural GDP per annum by 2030 and add 3,200 jobs to the sector.

"The visit was an excellent platform to promote South Africa's trade and investment capabilities to the KSA, and it was an honour to be part of it," concluded van Reenen.