A PROFILE OF THE SOUTH AFRICAN OSTRICH MARKET VALUE CHAIN

2013

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1. DESCRIPTION OF THE INDUSTRY

South Africa is the world leader in ostrich production with 75% of global market share. Ostrich is characterized by three product phases, i.e. meat, leather and feathers and the current main source of income is meat and leather. The value of a slaughtered ostrich is broken down into 45% skin, 45% meat and 10% feather. This contrasts with Europe, where the breakdown is 75% meat and 25% skin, this is because of the popular healthy aspects that ostrich meat contains the lowest fat and cholesterol and rich in protein and iron.

In South Africa Ostriches require dry climates, especially for breeding. Therefore Ostrich farming is more suitable in the western drier parts of the country or in winter rainfall regions. The industry dominates in the Western Cape in the Klein Karoo and Southern Cape regions. Oudsthoorn district in Western Cape is called the ostrich capital due to the number of ostriches slaughtered and the value added products from this area.

The gross value of production of ostrich products is dependent on the quantity produced and the prices received by producers. The average gross value of ostrich production amounted to R 1.7 billion over the past 10 years. The contribution of ostrich production to the gross value of agricultural production increased in 2002/03 due to an outbreak of BSE (mad cow disease) in Britain and the weaker South African rand, and declined in 2003/04 due to an outbreak of Avian Influenza (AI) during August 2004 in South Africa. It over-recovered in 2006/07 due to increasing prices but declined again in 2007/08 due to economic crisis and reached a peak in 2009/10. The drastic decreases experienced in 2010/11 and 2011/12 were due to another outbreak of AI in April 2011. Figure 1 below show the gross value of ostrich production over the past 10 years.

![Figure 1: Gross value of ostrich meat](image)

Source: Statistics and Economic Analysis, DAFF

1.1. PRODUCTION AREAS

Ostriches are produced throughout South Africa except in Kwazulu–Natal. Approximately 75% of ostriches are found in the Western Cape and 20% is found in the Eastern Cape. The balance is produced in Free State, Gauteng, Limpopo, Mpumalanga, North-West and Northern Cape. Oudtshoorn in the Klein Karoo of the Western Cape is regarded as the ostrich capital of the world. Figure 1 below show the production areas of ostriches in South Africa.
Figure 2 shows that Western Cape commands the greatest share of ostrich production accounting for 77% followed by Eastern Cape (17%) and the balance of 6% is shared by 6 provinces.

1.2. PRODUCTION TRENDS

Local ostrich activities have spread from the Klein Karoo region (which maintains its prominent role) into the Western Cape, as well as to the Free State, Gauteng, Limpopo, Mpumalanga, North-West and Northern Cape. South Africa has about 588 registered export farms of which 453 farms are in the Western Cape, 102 in the Eastern Cape and 33 farms in the rest of the country. There are 10 European Union approved export abattoirs, the 10 tanneries for exotic leather like crocodile, snake, game and ostrich, two are dedicated to ostrich. Most ostriches go to slaughter at 10–14 months of age, produce about 27 kg of meat, 4.2 m² of leather and 1 kg of feathers.

Figure 3 below indicate slaughtering and production of ostrich meat.
The number of ostriches slaughtered and production followed the same trend throughout the decade. They both started high in 2003/04 and decreased continuously to 2008/09 before increasing in 2009/10. Due to the outbreak of AI in 2011, which lead to the culling of 50 000 ostriches, the number of ostrich slaughtered decline and obviously affected production. There is a decrease of 32% for both production and slaughters during 2011/12 relative 2003/04 and when compared to 2009/10 which was the highest there is a decrease of 42% on production. The decrease experienced in 2007/08 was due to the economic crisis which lowered the demand of ostrich meat as it is classified as luxury goods.

1.3. LOCAL CONSUMPTION

Figure 4 below depicts local consumption of ostrich meat compared to the total production for each year to determine if the country is self–sufficient.
There is a significant increase of 84% of ostrich meat consumed and 36% decrease of ostrich produced during 2011/12 compared to 2003/04 but figure 4 indicates that there is still more ostrich meat produced than consumed in South Africa and this makes the industry to be export oriented. The drastic increase experienced on local consumption was due to the fact that ostrich producers decided to explore the local market because as the ban of ostrich meat to EU is still continuing. Local consumption comes in all sorts of forms, with wors (sausage) and biltong (dried and spiced meat) being among the favourites. Production of ostrich meat constituted 65% of income derived from an ostrich.

1.4. EMPLOYMENT

The industry creates approximately 20 000 direct jobs in South Africa’s rural areas.

2. MARKET STRUCTURE

2.1. DOMESTIC MARKET

Ostrich products were sold through the Klein Karoo Co-operative in “one channel marketing system” until November 1993. The farmers promoted this system to ensure protection and a satisfactory income since the industry was not governed by a Control Board. In November 1997 the “one channel marketing system” was replaced by a free market system. The prices are determined by forces of demand and supply. Since deregulation 9 new abattoirs were built, namely; Mosstrich, Grahamstown Ostrich Abattoir, Swartland Ostriches, Camdeboo Meat Processors Ltd, Exon, Marowe (Pty) Ltd, Philippe Genuine Ostrich Products and Camexo. Figure 5 below show the average ostrich meat prices by abattoirs.
The producer price of ostrich meat have been moving at an increasing trend from 2003/04 to 2008/09 and started moving at a decreasing trend from 2009/10 to 2011/12. Domestic ostrich meat price decreased from R35/kg in 2008/09 to R17.50/Kg in 2011/12 but still experienced an increase of R 0.50/kg in 2011/12 relative to 2003/04. A drastic decrease was experienced during 2011/12, this is due to the fact that domestic demand of ostrich meat is low and unfortunately domestic market turns out to be the target market for ostrich meat until the ban is lifted.

2.2 IMPORT-EXPORT ANALYSIS OF OSTRICH

Figure 6 below compares the quantities of imports and exports for ostrich from 2003 to 2012.

It is clearly indicated from figure 6 above that South Africa used to be the net exporter of ostrich since exports quantities are far higher than imports quantities although experienced a drastic...
decrease from 2011 to 2012 due to the ban of ostrich meat in the EU market. The exports reached the peak in 2009 by 7.4 million Kg of ostrich; this was due to the increased production reaching 8.3 million kg of ostrich during the same period.

There is an extreme decline of ostrich meat exports in 2012 of 93% relative 2003 and during the same periods ostrich meat imported decreased by 20%.

2.2.1 EXPORTS OF OSTRICH MEAT

The ostrich industry is an important earner of foreign exchange through the export of ostrich meat, leather and feathers. The contribution of ostrich meat dropped significantly due to the ban on exports and the ban on the movement of ostriches between the farms in South Africa. Prior to the ban ostrich meat and product exports contributed approximately R1.2 billion annually. The emphasis in this chapter is on ostrich meat and most of the ostrich meat exported is fillet.

Ostrich meat is extremely popular in Europe due to its health characteristics (low in cholesterol and fat). The balance (2%) is exported to the Far East, including Hong Kong. Prior to the ban European Union was the largest consumer of South Africa’s ostrich meat (98 %) and was South Africa’s major export destination.

Figure 7 below show the export destinations of ostrich during 2012.

![Pie chart showing ostrich meat destinations in 2012](chart.png)

Source: Quantec EasyData

European Union (EU) used to be the main importer of South African Ostrich meat and products but due to the ban EU is the least importer. During 2012 South Africa exported more ostrich meat to Asia accounting for a share of 44% followed by countries within the continent (Nigeria, Zambia & Mozambique) they all commanded 31% share the European Union commanded a share of 25%.
Figures 8 shows that, ostrich meat exports quantity and value almost followed the same trend during the periods 2003 to 2012, although export value has been below export quantity throughout the period under review. Exports started high in 2003 and continued at a decreasing trend until 2005 before changing to an increasing trend from 2006 to 2009.

Drastic decrease experienced in 2005 and 2011 to 2012 was due to the prevalence of the Avian Influenza and the resultant ban on ostrich imports into the European Union (EU). The second decrease was experienced in 2008 due to the world-wide recession which lowered the demand for ostrich meat and leather. During the same period the exports value were above the quantity which indicates that exports of ostrich were profitable. The peak was reached during 2009 due to an increased production during the same period.

Exports quantity and value decreases significantly by 92% each during 2012 compared to 2003.

European Union (EU) was the main importer of South African ostrich meat before the H5N2 avian influenza ban in April 2011. Exports of ostrich meat to EU experienced drastic decreases in 2005, 2008 and 2011 to 2012 due to the outbreak the outbreak of the H5N2 avian influenza and the
economic recession in 2008. Germany dominated the market with an average of 1.2 million kilograms per annum followed by Belgium with 965 thousand kilograms then Netherlands by 706 thousand Kilograms.

Figure 10 indicate that from Asia, Hong Kong has been the greatest importer of ostrich meat from South Africa from 2003 to 2012 and it has been fluctuating at a deteriorating rate throughout the period under analysis. Its highest imports from South Africa were experienced during 2003 and the lowest was in 2012 due to the ban but Viet Nam increased drastically in 2012 and commanded the highest imports.

Generally Zimbabwe commanded the highest share of 349 614 Kilograms of South African ostrich meat during the period under review, followed by Democratic Republic of Congo (163 821 Kilograms) then Zambia by 103 408 kilograms. Values of ostrich meat exports from various provinces of South Africa are presented in Figure12:
It is clearly indicated on Figure 12 above that the highest exports of ostrich meat originate from Western Cape Province. This is due to the fact that approximately 90% of the industry’s primary production and ostrich product output emanates from it. The second largest exporter is Eastern Cape and the third largest exporter was Gauteng Province. Intermittent exports were recorded from the other six provinces. The drastic decrease of exports in 2005 and 2011 to 2012 is due to the exports suspension of ostrich meat from South Africa due to H5N2 avian influenza outbreak and a decrease in 2008-09 was due to the world economic meltdown.

The following figures (Figures 13 - 21) show the value of ostrich meat exports from the various district municipalities in the nine provinces of South Africa.
From the Western Cape Province, Eden district municipality was the main exporter of ostrich meat with an average of R 213 million per annum during the period under review followed by City of Cape Town Metropolitan municipality with an average of R 7 million. West Coast and Cape Winelands district municipalities were the smallest exporters of ostrich meat during the period under review with an average of R 4 million and R 220 respectively. Cape Winelands district municipality recorded some exports of ostrich meat only in 2008.

Source: Quantec EasyData

Nelson Mandela district municipality dominated the export market of ostrich meat exported from Eastern Cape Province. It commanded the greatest share from 2003 to 2009. Cacadu district municipality commanded the greatest share of ostrich exports value from 2010 to 2012. Nelson Mandela district municipality exported an average of R 23 million per annum and Cacadu district municipality exported R 12 million per annum during the past 10 years.

Source: Quantec EasyData
Figure 15 above shows that Pixley ka Seme and Siyanda district municipalities were the only municipality exporting ostrich meat in the Northern Cape Province. Pixley ka Seme district municipality exported during 2003 to 2004 and diminished during the following years. Siyanda district municipality recorded a value of R 124 366 in 2009 only.

From Free State Province, Thabo Mofutsanyane district municipality exported the ostrich meat in 2003 worth R 24 780 and diminished thereafter.

The eThekwini metropolitan municipality from KwaZulu-Natal Province commanded the greatest share of ostrich meat value during the periods 2003 to 2007, 2009 and 2012. iLembe district municipality recorded the highest exports in 2008 and Ugu district municipality was the greatest in 2011.
Figure 18 above indicate that from North West Province, Bojanala district municipality exported ostrich meat value from 2003 and diminished thereafter. Bophirima district municipality reported some exports during 2009, 2010 and 2012 while Southern district municipality recorded ostrich meat exports from 2009 to 2011.

Generally the exports from North West province is low due to the fact that North West Province is a summer rain region and the establishment of Ostrich farms in this province was triggered by the good price of ostrich meat and the weaker rand during the early 2000’s and currently all 30 registered ostrich farms are non functional.

Figure 19 indicates that West Rand district municipality was the greatest commander of ostrich meat value during the period under review. West Rand district municipality commanded R 39.5 million during the 10 years period followed by City of Johannesburg metropolitan municipality with R 33 million and Ekurhuleni metropolitan municipality by R 18 million.
Intermittent exports were recorded from Gert Sibande, Nkangala and Ehlanzeni district municipalities. Gert Sibande district municipality reported the highest exports value during the periods 2003 to 2004, 2007, 2009 and 2012. The ostrich meat exports from this municipality diminished during the periods 2005 to 2006, 2008 and 2010 to 2011. Ehlanzeni district municipality was the second greatest exporter; it exported ostrich meat 2003 and 2011. Nkangala was the least commander of ostrich meat exports value.

From Limpopo province, Waterberg district municipality was the main exporter of ostrich meat during the periods 2005 to 2009. Vhembe district municipality reported ostrich meat exports in 2007 and 2010 whereas Capricorn district municipality exported in 2009 to 2010. The highest exports value of R 1,129,026 were recorded in 2007 from Waterberg district municipality followed by R 831,136 in 2009 from Capricorn district. There were no exports of ostrich meat from Limpopo province during 2002 to 2003 and 2011 to 2012.
2.2.2. SHARE ANALYSIS

The shares of various provinces to the total value of South African exports of ostrich meat during the past ten years are presented in Table 1.

Table 1: Share of provincial ostrich meat exports by South Africa (%).

<table>
<thead>
<tr>
<th>Years Province</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Cape</td>
<td>78.3</td>
<td>80.8</td>
<td>75.1</td>
<td>80.5</td>
<td>75.9</td>
<td>84.2</td>
<td>86.1</td>
<td>94.3</td>
<td>79.3</td>
<td>31.7</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>14.5</td>
<td>14.9</td>
<td>21.9</td>
<td>16.3</td>
<td>19.9</td>
<td>13.2</td>
<td>9.2</td>
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<td>Northern Cape</td>
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<td>1.81</td>
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<td>0</td>
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<td>0.03</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
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<td>0.27</td>
<td>0</td>
<td>0.01</td>
<td>0.01</td>
<td>0</td>
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<td>0</td>
<td>0.07</td>
<td>0.17</td>
</tr>
<tr>
<td>North West</td>
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<td>0</td>
<td>0</td>
<td>0.22</td>
<td>0.18</td>
<td>0.01</td>
<td>4.41</td>
</tr>
<tr>
<td>Gauteng</td>
<td>3.89</td>
<td>2.12</td>
<td>2.38</td>
<td>2.92</td>
<td>3.85</td>
<td>2.45</td>
<td>3.49</td>
<td>2.31</td>
<td>5.66</td>
<td>2</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>0.02</td>
<td>0.27</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.01</td>
<td>0</td>
<td>0</td>
<td>0.01</td>
<td>0.04</td>
</tr>
<tr>
<td>Limpopo</td>
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<td>0</td>
<td>0.48</td>
<td>0.12</td>
<td>0.31</td>
<td>0</td>
<td>0.20</td>
<td>0</td>
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<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
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<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Calculated from Quantec EasyData

Table 1 indicates that Western Cape Province commanded the highest share of ostrich meat exported by South Africa followed by Eastern Cape. This is mainly due to the fact that the industry’s primary production emanates from these areas. Gauteng Province also shows regular exports throughout the period under analysis. Other six Provinces reported intermittent exports from the year 2003 to 2012.

The accompanying Tables 2 to 10 shows a share of the various district municipalities’ ostrich meat exports.

Table 2: Share of district ostrich meat exports to the total Western Cape provincial ostrich meat exports (%).

<table>
<thead>
<tr>
<th>Years District</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Cape Town</td>
<td>10.03</td>
<td>9.04</td>
<td>2.53</td>
<td>0.59</td>
<td>7.41</td>
<td>0.36</td>
<td>0.81</td>
<td>1.42</td>
<td>0.02</td>
<td>6.55</td>
</tr>
<tr>
<td>West Coast</td>
<td>0</td>
<td>0.19</td>
<td>10.57</td>
<td>2.55</td>
<td>2.42</td>
<td>1.86</td>
<td>1.51</td>
<td>0.75</td>
<td>1.21</td>
<td>0</td>
</tr>
<tr>
<td>Cape Winelands</td>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>0</td>
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<td>0</td>
</tr>
<tr>
<td>Eden</td>
<td>89.97</td>
<td>90.7</td>
<td>96.8</td>
<td>90.1</td>
<td>97.7</td>
<td>97.6</td>
<td>97.8</td>
<td>98.7</td>
<td>93.4</td>
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<td>Total</td>
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<td>100</td>
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</tr>
</tbody>
</table>

Source: Calculated from Quantec EasyData

Table 2 clearly indicates that Eden district municipality is the main exporter of ostrich meat from the Western Cape Province. This is because the main production within the Province originates from Eden district municipality. City of Cape Town metropolitan municipality also recorded regular exports of Ostrich meat. Irregular exports were recorded from West Coast and Cape Winelands district municipalities during the period under analysis.
Table 3: Share of district beef exports to the total Eastern Cape provincial ostrich meat exports (%).

<table>
<thead>
<tr>
<th>Years</th>
<th>District</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cacadu</td>
<td>39.27</td>
<td>17.92</td>
<td>17.4</td>
<td>21.57</td>
<td>15.98</td>
<td>31.18</td>
<td>36.1</td>
<td>9</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Nelson Mandela</td>
<td>60.73</td>
<td>82.08</td>
<td>82.6</td>
<td>78.43</td>
<td>84.02</td>
<td>68.82</td>
<td>63.8</td>
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<tr>
<td>Total</td>
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<td>100</td>
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<td>100</td>
<td>100</td>
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</tbody>
</table>

Source: Calculated from Quantec EasyData

Cacadu district municipality commanded the highest share of ostrich meat exports from the Eastern Cape Province, followed by Nelson Mandela metropolitan municipality which recorded exports from 2003 to 2009 and diminished during the last three years.

Table 4: Share of district ostrich meat exports to the total Northern Cape provincial ostrich meat exports (%).

<table>
<thead>
<tr>
<th>Years</th>
<th>District</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Pixley ka Seme</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<td>0</td>
</tr>
<tr>
<td></td>
<td>Siyanda</td>
<td>0</td>
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</tbody>
</table>

Source: Calculated from Quantec EasyData

Pixley ka Seme district municipality within the Northern Cape Province recorded 100 % of ostrich meat exports from 2003 to 2004 while Siyanda district municipality commanded 10% share in 2008. There were no ostrich meat exports from Northern Cape Province during the periods 2005 to 2007 and 2009 to 2012.

Table 5: Share of district ostrich meat exports to the total Free State provincial ostrich meat exports (%).

<table>
<thead>
<tr>
<th>Years</th>
<th>District</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<tbody>
<tr>
<td></td>
<td>Thabo Mofutsanyane</td>
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<td>0</td>
<td>0</td>
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<td>0</td>
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</tbody>
</table>

Source: Calculated from Quantec EasyData

Thabo Mofutsanyane district municipality commanded a 100% share of ostrich meat exports from Free State Province in 2003. There were no exports of Ostrich meat from Free State Province during the periods from 2004 to 2012.

Table 6: Share of district ostrich meat exports to the total KwaZulu-Natal provincial ostrich meat exports (%).

<table>
<thead>
<tr>
<th>Years</th>
<th>District</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<td>Ugu</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>iLembe</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>97.51</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>eThekwini</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>2.49</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Calculated from Quantec EasyData

From KwaZulu-Natal Province eThekwini district municipality commanded the greatest share of ostrich meat exports from 2003 to 2010 and in 2012. Ugu and iLembe district municipalities...
recorded their exports only in 2008 and 2011 respectively and were the greatest during those periods.

Table 7: Share of district ostrich meat exports to the total North West provincial ostrich meat exports (%).

<table>
<thead>
<tr>
<th>Years</th>
<th>District</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bojanala</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Bophirima</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>26.75</td>
<td>79.25</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Southern</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>73.25</td>
<td>20.75</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Calculated from Quantec EasyData

Table 7 shows that Bojanala district municipality within North West Province commanded 100% of ostrich meat exports in 2003 and diminished from 2004 until 2012. Southern district municipality showed some exports during 2009 to 2011 and Bophirima district municipality recorded exports during 2009 top 2010 and in 2012.

Table 8: Share of district ostrich meat exports to the total Gauteng provincial ostrich meat exports (%).

<table>
<thead>
<tr>
<th>Years</th>
<th>District</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sedibeng</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1.17</td>
<td>1.30</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>West Rand</td>
<td>13.85</td>
<td>39.33</td>
<td>48.02</td>
<td>53.94</td>
<td>32.46</td>
<td>61.90</td>
<td>56.30</td>
<td>82.75</td>
<td>8.73</td>
<td>6.01</td>
</tr>
<tr>
<td></td>
<td>Ekurhuleni</td>
<td>3.63</td>
<td>18.64</td>
<td>2.21</td>
<td>22.35</td>
<td>58.37</td>
<td>7.92</td>
<td>14.02</td>
<td>4.27</td>
<td>17.9</td>
<td>14.87</td>
</tr>
<tr>
<td></td>
<td>City of Johannesburg</td>
<td>82.46</td>
<td>41.82</td>
<td>49.77</td>
<td>23.71</td>
<td>8.03</td>
<td>29.01</td>
<td>4.55</td>
<td>5.16</td>
<td>61.5</td>
<td>76.84</td>
</tr>
<tr>
<td></td>
<td>City of Tshwane</td>
<td>0.07</td>
<td>0.21</td>
<td>0</td>
<td>0</td>
<td>0.14</td>
<td>23.82</td>
<td>3.29</td>
<td>11.7</td>
<td>7</td>
<td>2.28</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Calculated from Quantec EasyData

City of Johannesburg metropolitan municipality commanded the greatest share of ostrich meat exports from Gauteng Province from 2003 to 2005 and again in 2011 to 2012 and West Rand district municipality commanded the greatest share from 2005 to 2010. Ekurhuleni City of Tshwane metropolitan municipalities recorded regular exports of ostrich meat. Sedibeng district municipality and recorded irregular exports of ostrich meat during the past decade.

Table 9: Share of district ostrich meat exports to the total Mpumalanga provincial ostrich meat exports (%).

<table>
<thead>
<tr>
<th>Years</th>
<th>District</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gert Sibande</td>
<td>68.96</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Nkangala</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Ehlanzeni</td>
<td>31.04</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Calculated from Quantec EasyData

During those periods it commanded 100% share of ostrich meat exports except in 2003. Nkangala district municipality recorded exports for two years only during the past decade and is the only district in Mpumalanga province which exported during 2008 and 2010. Ehlanzeni district municipality recorded exports of ostrich meat during the periods 2003 (31%) and commanded 100% share in 2011.

Table 10: Share of district ostrich meat exports to the total Limpopo provincial ostrich meat exports (%).

<table>
<thead>
<tr>
<th>Years</th>
<th>District</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Vhembe</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5.590</td>
<td>0</td>
<td>0</td>
<td>16.79</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Capricorn</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>93.21</td>
<td>83.20</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Waterberg</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>100</td>
<td>94.40</td>
<td>0</td>
<td>6.782</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>100</td>
<td>100</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Calculated from Quantec EasyData

Limpopo Province recorded fractional exports from Vhembe, Capricorn and Waterberg district municipalities during the past decade. There were no exports of ostrich meat from Limpopo province during the periods 2004-2004, 208 and 2011-2012.

2.2.3. IMPORTS OF OSTRICH MEAT

Figure 22 below shows the quantities and values of South Africa’s ostrich imports during the last ten years.

Figure 22: Ostrich meat imports

Source: Quantec EasyData

Import quantities and value has been fluctuating throughout the period under review following the same trend. Figure 22 shows that it was profitable to import ostrich meat during the period under review because more quantities were imported at a low value. During the periods 2003 to 2005 imports were generally low which meant that South Africa was not a net importer of Ostrich meat when compared to its exports. During 2006 to 2012 imports were generally high. The increase in 2006 was a response for the lack of supply during 2005.
During 2012 imports of ostrich meat imports were mainly from Australia. Australia commanded a share of 94% of South African import market.

3. OSTRICH PRODUCTS VALUE CHAIN

Ostrich products (leather, meat, feathers and curios) are marketed locally and exported through a free market system. The main market for ostrich meat is restaurants, wholesalers, supermarkets and foodservice suppliers, the market for ostrich leather includes the clothing, fashion and upholstery industries and for feathers the household, fashion and carnival markets.

South Africa has a large number of independent role-players in its ostrich industry. Fierce competition prevails amongst them in order to market their products. Due to the fact that ostrich products are regarded as niche products, the industry as a whole and the different role-players individually has an approach to protect the industry in different ways. This *inter alia* led to an "each for himself"- approach. Unfortunately it also resulted that there is no coordinated approach to work together or to provide important functions for the benefit of the whole industry, e.g. functions relating to product development, generic marketing, research, etc. On the international market each processor sells its ostrich products independently of other processors. This led to the undercutting of prices in order to sell larger volumes. It has also a negative effect on monitoring of quality standards, which led to reduction of optimum income levels realized for ostrich products.

Since deregulation 9 new abattoirs were built. Approximately 70% of ostrich products are in the hands of a few players namely Klein Karoo International (Pty) Ltd, Mosstrich, Grahamstown Ostrich Abattoir, Swartland Ostriches, Camdeboo Meat Processors Ltd, Exon, Marowe (Pty) Ltd, Philippe Genuine Ostrich Products and Camexo. The ostrich products value chain is represented in Figure 24.
Primary Producers – Farmers (588 registered farms)  
R 2.1 billion per annum: Exports (meat, leather, feathers)  
16 000 workers  
10 abattoirs, 10 tanneries - 2 dedicated to ostrich

**Figure 24: OSTRICH PRODUCTS VALUE CHAIN**

- **Primary Producers**
  - Registered farms: 588
  - Annual export earnings: R 2.1 billion
  - Employment: 16,000 workers
  - 10 abattoirs, 10 tanneries (2 dedicated to ostrich)

- **Infertile Eggs**
  - (Baking industry)

- **Infertile Eggs**
  - (Arts and crafts)

- **Abattoirs**
  - Meats
  - Hides & skins

- **Hides & skins**
  - Tanneries (2) (Leather)

- **Meat**

- **Feathers**

- **Butcheries / Retail Outlets / Restaurants**

- **Exports**
  - EU Approved
  - Locations:
    1. Klein Karoo International
       - Oudsthoorn
       - Swellendam
       - Graaf Reinet
    2. Grahamstown Ostrich
    3. Makwe/Oryx
    4. Mosstrich (Mossel Bay)
    5. Roelcor (Mamelsbury)

- **Consunmers**

- **Local Processor**
4. ORGANISATIONAL ISSUES

The local ostrich industry is structured as follows: Producers belong to ostrich producer organisations according to provinces. These provincial organisations are members of the South African Ostrich Producers Organisation (SAOPO). The processors (ostrich abattoirs and ostrich leather tanneries) are represented in the National Ostrich Processors Organisation of South Africa (NOPSA). The South African Ostrich Business Chamber (SAOBC), representing both NOPSA and SAOPO, was established in 1998. The SAOBC is regarded as the umbrella body for the South African ostrich industry.

4.1. THREATS AND CONCERNS

- A stronger Rand decreases the profit as 90% of ostrich meat and products are exported.
- Smaller margins and labour legislation as well as the Avian Influenza led to producers leaving the industry.
- An increase in Environmental awareness is being experienced on veld utilization.
- Research and development in the industry was previously managed and financed by the Klein Karoo Co-operative but since deregulation this function has to be funded by the industry in collaboration with the Department of Agriculture.
- While South Africa is the world leader proper Government Veterinary Services are needed to ensure that South Africa maintains this position.
- For new entrants into the industry new markets need to be explored as the existing markets are saturated.
- There must be an adequate skilled staff to provide regulatory service at all times.

5. CHALLENGES FACING EMERGING FARMERS

Because ostrich farming does not lend itself towards subsistence farming, there are few emerging farmers in the industry. The learning curve for new farmers is steep, as they grapple with the intricacies of general farm management and the industry-specific pitfalls of ostrich farming. Some of the challenges faced by emerging farmers and new entrants are as follows:

- Capital intensive farming, processing etc.
- High start-up and running costs.
- High Risk Industry - It takes 30 months before money can be obtained from the business. The mortalities can be extremely high during chick raisings and chicks are born without immunity to diseases. Birds are sensitive to temperature changes. The information on diseases is difficult to access.
- Inexperience.
- The absence of guaranteed markets.
- Lack of export expertise.
- Abattoirs and tanneries – Standards are high.
- Feed consumption: 2.5 kg per ostrich per day
- Consumer guarantees on animal welfare and food safety must be given because of the strict requirements of the export market.
- The supply and quality must be consistent.
- The prices are market related and the profit is dictated by and large the rate of exchange.
- Quality cannot be compromised and must adhere to the same worldwide standards.
6. **MEAT QUALITY STANDARDS**

The export of ostrich meat is predominantly to Europe which requires that the industry must comply with the phyto-sanitary requirements of the EU. (Although Switzerland is not part of the EU, they are applying the same phyto-sanitary standards). The EU requirements are:

- Abattoirs and de-boning and packaging plants must be approved by the EU for the export of ostrich meat to the EU.
- The State as the recognised competent authority must provide meat inspection services at abattoirs approved for export of meat to the EU and must certify the meat prior to export.
- Residue testing of the meat must be done by the competent authority.
- Prior to slaughter, ostriches must be placed in quarantine for at least 14 days. The quarantine camps must be tick free, have no vegetation and must have a 3 metre cleaned area around the camp. Birds must be inspected and treated for tick infection when entering the quarantine camp. A record of the tick control measures must accompany the bird when presented for slaughter. The tick control is required to avoid the possible transmission of Congo fever.
- No growth stimulants or hormonal treatment is allowed.
- Inoculation against Newcastle disease is compulsory. An abattoir is also closed for export to the EU if an outbreak of Newcastle disease occurs within 10 kilometres of the abattoir. A bird that is presented for slaughter must be accompanied by a Newcastle inoculation certificate.
- No sand, hay or other organic material are allowed on vehicles used for transporting birds to the abattoir and the vehicles must be disinfected before leaving the abattoir site.
- The Avian Influenza (AI) status of the farm of origin must be indicated when birds are presented for slaughter. The incidence of AI in South Africa during 2007 has caused the closure of the EU for the import of ostrich meat from South Africa. The EU applies strict control measures in this regard.
- All ostriches must have an identification tag that allows the meat to be traced to the farm of origin. Slaughter ostriches must originate from a registered farm and must have been on a registered farm for at least 3 months prior to slaughter. A farm must be registered for at least 6 months before birds can be presented for slaughter.

7. **BLACK ECONOMIC EMPOWERMENT PROJECTS**

7.1. **Western Cape**

7.1.1. **Klein Karoo Agri Business Centre (Klein Karoo Region)**

- KLEIN KAROO International Ltd (KKI) is the sponsor of the Klein Karoo Agri Business Centre (KKABC). The aim of the KKABC is to advise new entrants on their business plans and to assist them with funding applications. 286 new jobs have already been created and the aim is to reach 440 new jobs. Some of the KKABC’s successful projects:
  - A manufacturing unit for ostrich leather items sold at the Klein Karoo Ostrich Boutique in Oudtshoorn.
  - At De Hoop (10 km outside Oudtshoorn) a group of previously disadvantaged rural women manufactures ostrich feather and ostrich egg shell products. They ship two containers with products to Germany every six months.
- The Klein Karoo Feather Sorting Project in Dysselsdorp provides jobs for 100 people and is run independently by its members. KLEIN KAROO International supplies the ostrich feathers, which are sorted and sold back to KKI.

- Various other projects are being established at the ten agricultural societies in the Klein Karoo region.

- Study grants are provided to ten students from previously disadvantaged communities. This enables them to enter their first year of degree studies at the Free State University.

7.1.2. SCOT: Southern Cape Ostrich Tanning - (Member of the Mosstrich Group, Mossel Bay)

- SCOT has established joint ventures with Transnet and Eskom. SCOT provides ostrich leather product manufacturing training to unemployed women in the Mossel Bay area and sells the products via SCOT’s marketing channels. On occasion SCOT also donates leather for worthy developmental projects.

7.1.3. Mosstrich BEE Trust (Mossel bay)

- Mosstrich is owned by 180 ostrich producers. The company has implemented a project whereby 6 000 preferential shares, representing 6.5% of the issued shares capital, were given to 250 employees. The employees share in the company profits and a total of R1 815 million was paid out to the employees in the form of dividends. The next step is to extend this programme to farm labourers working on some of the farms of the ostrich producers.

7.2. Eastern Cape

7.2.1. Integrated Meat Processors of the Eastern Cape (IMPEC)

- Integrated Meat Processors of the Eastern Cape (IMPEC) is fully BEE-compliant. Facilitates the economic empowerment of previously disadvantaged individuals through this integrated project where beneficiaries are included in the entire value chain and proper business training is provided to ensure sustainability – with the individual ownership.

- The Salem Project, which forms part of IMPEC, focuses on community development. It has trained more than 100 small-scale rural black farmers to raise 7 000 ostriches per annum for slaughter in Grahamstown.

7.2.2. Middleton - Ostrich Development Project

- This project creates the opportunity for the upliftment of various previously disadvantaged role players and farm employees.
7.3. Northern Cape

7.3.1. Kuruman

- The Kuruman Project is a Black-owned enterprise comprising 30 members who are involved in ostrich production.
- The SAOBC’s ostrich production training booklet is used extensively by the members of this group.

7.4. ALL OSTRICH PRODUCTION AREAS: COUNTRY-WIDE

- Donating ostrich chicks to workers. The producers then assist with raising the chicks and obtaining feed. After the ostriches have reached maturity (slaughter age), the producers buy the birds from their workers.
- Mentorship programmes exist on numerous farms.
- There are also ostrich producers who have founded co-operatives for the benefit of their workers who are now also shareholders.

7.5. OSTRI-BEE QUICK FACTS

- BEE Expenditure: R12 Million per year.
- BEE Active Farms: 600 in Eastern, Western, Northern and Southern Cape.
- BEE Beneficiaries: 15 000 (Direct and indirect)
- The SAOBC commissioned the publication of The Ostrich Farm – How to Get Started. This booklet is given free of charge to new small-scale ostrich farmers.

8. MARKET INTELLIGENCE

8.1. EXPORT TARIFFS OF OSTRICH MEAT

Table 11 show tariffs faced by ostrich meat originating from South Africa during 2010 and 2011.
Table 11: Tariffs faced by South African ostrich meat exports

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Applied Tariffs</td>
<td>Total Advalorem Equivalent tariff (estimated)</td>
</tr>
<tr>
<td>Belgium and Netherlands</td>
<td>01063300 &amp; 01063980</td>
<td>MFN duties applied</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Market Access Map

Table 11 indicates that South Africa receives an exports tariff of 0% when exporting ostrich meat to Belgium and Netherlands. These two countries were the main importers of South African ostrich meat during the periods 2008 to 2012.

8.2 IMPORT TARIFFS

Table 12: Import tariffs applied by South Africa on ostrich meat

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Applied Tariffs</td>
<td>Total Advalorem Equivalent tariff (estimated)</td>
</tr>
<tr>
<td>Australia &amp; France</td>
<td>02089010 &amp; 02089090</td>
<td>MFN duties applied</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Market Access Map

Table 12 clearly indicates that South Africa is charging 0% tariff rate to Australia which is the only supplier for South African ostrich meat. South Africa is also applying 0% rate to ostrich meat originating from France.
9. PERFORMANCE OF SOUTH AFRICAN OSTRICH INDUSTRY IN 2012

9.1. Exports

Table 13: List of importing markets for ostrich meat (fresh, chilled or frozen) exported by South Africa in 2012

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>2688</td>
<td>878</td>
<td>100</td>
<td>412 Tons</td>
<td>6524</td>
<td>-52</td>
<td>-49</td>
<td>-85</td>
<td>100</td>
<td>0.1</td>
<td>74</td>
<td>0</td>
<td>-3</td>
</tr>
<tr>
<td>Netherlands</td>
<td>526</td>
<td>526</td>
<td>19.6</td>
<td>50 Tons</td>
<td>10520</td>
<td>-51</td>
<td>-51</td>
<td>-80</td>
<td>4</td>
<td>8.9</td>
<td>8</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Nigeria</td>
<td>484</td>
<td>484</td>
<td>18</td>
<td>50 Tons</td>
<td>9680</td>
<td>76</td>
<td>37</td>
<td>11</td>
<td>41</td>
<td>0.1</td>
<td>74</td>
<td>20</td>
<td>0</td>
</tr>
<tr>
<td>Vietnam</td>
<td>435</td>
<td>435</td>
<td>16.2</td>
<td>132 Tons</td>
<td>3295</td>
<td></td>
<td></td>
<td>826</td>
<td>32</td>
<td>0.1</td>
<td>32</td>
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<td>376</td>
<td>376</td>
<td>14</td>
<td>37 Tons</td>
<td>10162</td>
<td>-60</td>
<td>-60</td>
<td>-89</td>
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<tr>
<td>Malaysia</td>
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<td>7.6</td>
<td>23 Tons</td>
<td>8913</td>
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<td>76</td>
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<td>Mauritius</td>
<td>120</td>
<td>120</td>
<td>4.5</td>
<td>15 Tons</td>
<td>8000</td>
<td>23</td>
<td>97</td>
<td>91</td>
<td>0</td>
<td>7.5</td>
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<tr>
<td>Zambia</td>
<td>97</td>
<td>97</td>
<td>3.6</td>
<td>36 Tons</td>
<td>2694</td>
<td>84</td>
<td>11</td>
<td>-8</td>
<td>60</td>
<td>-24</td>
<td>0</td>
<td>258</td>
<td>0</td>
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<tr>
<td>Bulgaria</td>
<td>81</td>
<td>81</td>
<td>3</td>
<td>2 Tons</td>
<td>40500</td>
<td></td>
<td></td>
<td></td>
<td>101</td>
<td>0</td>
<td>-24</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mozambique</td>
<td>77</td>
<td>77</td>
<td>2.9</td>
<td>25 Tons</td>
<td>3080</td>
<td>72</td>
<td>26</td>
<td>15</td>
<td>68</td>
<td>0</td>
<td>194</td>
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</tbody>
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Source: ITC calculations based on COMTRADE statistics.
In 2012, South Africa’s export represented 0.42% of world export for ostrich meat (fresh, chilled or frozen) and its ranking in world exports was 26. Table 13 shows that during 2012 South Africa exported a total of 412 tons of ostrich meat at an average value of US$ 6 524/unit and the total value exported in 2012 is US$ 2 688. The major export destinations for ostrich meat originating from South Africa during 2012 were Netherlands, Nigeria and Viet Nam. Netherlands was the leading market for ostrich meat, accounting for 19.6% of South Africa’s export market followed by Nigeria with a share of 18% then Viet Nam by 16.2%. Together they constitute 53.8% of South African Ostrich meat export market.

On average during the periods 2008 and 2012 South Africa’s exports for ostrich meat decreased by 52% in value and 49% in quantity. During the same period Netherlands experienced a decrease of 51% in value and in quantity per annum. In Contrary Viet Nam experienced an increase of 76% on value and 37% in quantity during the same periods.

South Africa’s exports for ostrich meat to the world decreased in value by 85% during the period 2011 to 2012 and Netherlands decreased by 80% in value while Viet Nam increased by 11% during the same periods.
Figure 25: Growth in demand for ostrich meat exported by South Africa in 2012

Source: ITC Trademap
Figure 25 shows that between 2008 and 2012 South Africa’s ostrich meat exports to Netherlands, Zimbabwe, Switzerland, Belgium, Saint Helena, Mozambique, Zambia and Congo were growing at a rate that is less than their imports from the rest of the world. During the same period, South Africa’s ostrich meat exports to Angola, Mauritius and Côte d’Ivoire were growing at a rate that is greater than their imports from the rest of the world.

Further analysis indicates that Germany, Switzerland and Côte d’Ivoire represent losses in declining market. The most growing import markets of South African ostrich meat are Zambia and Mozambique and their annual import growth was 84% and 72% respectively.
Figure 26: Prospects for market diversification for ostrich meat exported by South Africa in 2012

Source: ITC Trademap
Figure 26 shows that if South Africa wishes to diversify its ostrich meat exports, the biggest market exist in Belgium which has a share of 12% of the world’s import market. Belgium’s annual growth of imports decreased by 10% during 2012. This might be a challenge to South African to penetrate its market. Therefore, the most attractive markets although small will be Zambia and Mozambique because their annual growth of imports has increased by 258% and 194% respectively in 2012. South Africa might penetrate their markets if wishes to diversify.
### 9.2. Imports

Table 14: List of exporting markets for the ostrich meat (fresh, chilled or frozen) exported by South Africa in 2012

<table>
<thead>
<tr>
<th>Exporters</th>
<th>Imported value 2012 (USD thousand)</th>
<th>Trade balance 2012 (USD thousand)</th>
<th>Share in South Africa’s imports (%)</th>
<th>Imported quantity 2012</th>
<th>Quantity unit</th>
<th>Unit value (USD/unit)</th>
<th>Imported growth in value between 2008-2012 (% p.a.)</th>
<th>Imported growth in quantity between 2008-2012 (% p.a.)</th>
<th>Imported growth in value between 2011-2012 (% p.a.)</th>
<th>Ranking of partner countries in world exports</th>
<th>Share of partner countries in world exports (%)</th>
<th>Total export growth in value of partner countries between 2008-2012 (% p.a.)</th>
<th>Tariff (estimated) applied by South Africa (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>1810</td>
<td>878</td>
<td>100</td>
<td>709 Tons</td>
<td>2553</td>
<td>15</td>
<td>8</td>
<td>-56</td>
<td>100</td>
<td>100</td>
<td>100</td>
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<td>0</td>
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<tr>
<td>Australia</td>
<td>1807</td>
<td>-1807</td>
<td>99.8</td>
<td>708 Tons</td>
<td>2552</td>
<td>17</td>
<td>9</td>
<td>-56</td>
<td>9</td>
<td>3.6</td>
<td>-13</td>
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<tr>
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<td>0.1</td>
<td>0 Tons</td>
<td></td>
<td></td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>-5</td>
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<tr>
<td>Austria</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td>8</td>
<td>4.5</td>
<td>-3</td>
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<td>3.1</td>
<td>179</td>
<td>0</td>
<td>0</td>
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<td></td>
</tr>
</tbody>
</table>

Source: ITC calculations based on COMTRADE statistics.
In 2012, South Africa’s export represented 0.28% of world import for ostrich meat (fresh, chilled or frozen)) and its ranking in world exports was 24. Table 14 shows that during 2012 South Africa imported a total of 1 709 tons of ostrich meat at an average value of US$ 2 553/unit. The major origin for ostrich meat imported by South Africa during 2012 was Australia. South Africa imported a total of 708 tons i.e 98.8 % from Australia out of the world’s total of 709 tons. This makes Australia the greatest sharer of South African ostrich meat imports. France was the second exporter of ostrich meat to South Africa and commanded a share of 0.1%.

South Africa’s imports of ostrich meat increased by 15% in value and increased by 8% in quantity between the periods 2008 and 2012. During the same period, imports of ostrich meat from Australia increased by 17% in value and 9% in quantity. Between the periods 2011 and 2012, South Africa’s imports for ostrich meat decreased by 56% in value and Australia also decreased by 56% in value. This indicates that South Africa’s imports growth in value from the world is growing at a lower rate than Australia’s exports growth value to South Africa.
Figure 27: Competitiveness of suppliers to South Africa for ostrich meat imports in 2012

Source: Trademap, ITC
Figure 27 above proves that Australia is the only competitive supplier of ostrich meat to South Africa. The annual growth of South Africa’s imports from Australia is 17%, its exports are declining at a rate of 13% per annum and its world share of ostrich meat exports is 3.6%. It is also noted that during the period 2008 to 2012 Australia’s export growth to the world was less than South Africa’s import growth from Australia.
Figure 28: Prospects for diversification of suppliers for ostrich meat imported by South Africa in 2012

Source: Trademap, ITC
Figure 28 shows that if South Africa wishes to diversify its ostrich meat from its main supplier (Australia), New Zealand is the biggest world supplier, which can be considered. New Zealand’s world export share is 24.8% and it is disappointing to note that during 2012 its annual growth of exports declined by 6%. A declining annual export growth will be restrictive to the new market like South Africa. Hungary, Indonesia and Bulgaria are the small but fastest growing markets which South Africa can develop new markets there because currently South Africa is not importing ostrich meat from the three mentioned countries. Their export growth is growing at a rate of 179%, 148% and 84% per annum respectively and their world market share is 3.1%, 2.8% and 0% respectively.
10. ACKNOWLEDGEMENTS/REFERENCES

a. Statistics and Economic Analysis

b. Buanewsonline
   www.buanews.co.za

c. CAMDEBOO MEAT PROCESSORS LTD (CAMEXO)
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   www.camdeboomeatprocessors.co.za

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   www.camexo.co.za

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g. KLEIN KAROO INTERNATIONAL – Leather, Meat, Feathers
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   www.kleinkaroo.com

h. MOSSTRICH
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   Fax: 044-6097 7055
   www.mosstrich.co.za

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   Fax: 011 – 416 2265
   www.oasistanning.co.za
j. South African Exporter
   www.bdexporter.co.za

k. South Africa info

l. South African Ostrich Business Chamber (SAOBC)
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   www.saobc.co.za

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