

Voluntary Report – Voluntary - Public Distribution

Date: April 24,2020

Report Number: SF2020-0009

Report Name: Namibia Exports First Beef Consignment to The Unites States

Country: South Africa - Republic of

Post: Pretoria

Report Category: Livestock and Products

Prepared By: Makoma Makgopa

Approved By: Kyle Bonsu

Report Highlights:

Namibia is the first African country to gain market access to export beef to the United States after 18 years of trade negotiations between the two countries. On February 19, 2020, Meatco, Namibia's state-owned beef manufacturer, sent the first commercial beef shipment destined for the Port of Philadelphia in the United States. While initially targeting the beef processing segment, Namibia ultimately aspires to capture a higher-end, niche market of health-conscious American consumers.

Background

Namibia became eligible to export beef to the U.S. after 18 years of trying to enter the market. Namibia is the first African country to gain eligibility to export beef to the United States. Meatco, Namibia's state-owned meat processing company, exported the first consignment of Namibian beef hound on February 19, 2020. The consignment consisted of a full shipping container of 27 metric tons of Namibian boneless beef hound. Meatco is currently focused on exporting beef for the large and stable ground beef market. The export of the beef is considered easy by the processing company because it requires customs clearance for only a single product while specific cuts require custom clearance for multiple products and would complicate the process.

Ultimately, Meatco aims to target the high-end U.S. beef market with prime cuts of beef and ultimately hopes to secure a solid foothold in the niche, high-end, free-range, grass-fed, hormone and antibiotic free beef market.

Namibia will be exporting the beef under the African Growth and Opportunity Act (AGOA) and will benefit from duty-free trade preferences. Historically, Namibia has not capitalized on the advantages of AGOA because they have not had significant exports under the Generalized System of Preferences.

United States and Namibia's Beef Trade with the World

Table 1: United States Imports of Beef and Beef Products; 2015-2019, (Tons)

Partner	2015	2016	2017	2018	2019	Average
Australia	431,915	266,595	240,177	232,983	250,263	284,387
Canada	230,722	269,709	279,573	293,603	314,413	277,604
Mexico	153,596	193,570	226,286	203,143	232,081	201,735
New Zealand	221,152	204,786	186,577	192,024	135,307	187,969
Nicaragua	36,622	39,165	46,107	54,282	63,366	47,908
Uruguay	47,336	41,011	41,743	39,923	40,819	42,166
Brazil	36,651	37,292	36,372	34,649	39,760	36,945
Costa Rica	9,454	9,313	8,416	8,570	8,084	8,767
Ireland	1,217	2,388	2,251	2,772	5,250	2,776
Honduras	1,120	22	663	1,923	1,200	986
Others	1,141	1,165	1,592	2,604	4,100	2,120
Total	1,170,926	1,065,015	1,069,756	1,066,475	1,094,643	1,093,363

Source: Trade Data Monitoring (TDM)

Table 1 above shows U.S. imports of beef and beef products from the world. The average annual imports from 2015 to 2019 was 1.1 million tons. Based on the average, Australia was the leading exporter of beef and beef products to the United States, followed by Canada and Mexico. During the years 2015 to 2019,

Australia exported 26 percent of the world’s beef and beef products to the United States while Canada exported 25 percent of the world’ s beef exports to the United States. The U.S. is the leading producer of beef in the world accounting for 25 percent of the global beef production in October 2019 while U.S. beef domestic consumption accounted for 21 percent of global consumption.

Table 2: Namibia’s Exports of Beef and Beef Products;2015-2019, (Tons)

Partner	2015	2016	2017	2018	2019	Average
South Africa	15, 799	9,737	6,915	6,879	9,305	9,727
United Kingdom	6,768	8,012	4,364	5,316	6,575	6,207
Netherlands	0	1,993	2,566	2,154	3,099	1,962
Botswana	1,522	1,431	1,730	1,672	1,007	1,472
China	0	0	0	0	3,841	768
Congo (DROC)	2,100	328	290	36	253	601
Zimbabwe	810	979	721	350	52	582
Italy	0	129	242	0	21	78
Zambia	0	69	212	76	28	77
Norway	0	0	206	71	74	70
Others	198	26	264	54	52	119
Total	27,198	22,704	17,512	16,609	24,307	21,666

Source: TDM

Table 2 above shows Namibia’s beef exports to the world from 2015 to 2019. Namibia exported an average of 21,666 tons of beef to the world during that period. South Africa is the leading destination for those exports, followed by the United Kingdom and the Netherlands. Namibia’s exports of beef to South Africa has been declining for the past five years with maximum exports of 15,799 tons in 2015 and lowest exports of 6,879 tons in 2018. This is due to the drought that caused South African farmers to slaughter more cattle and demand for Namibian beef imports decreased. Namibia ranks 77th in the World Cattle inventory accounting for only 0.16 percent.

Attachments:

No Attachments.