

NGAMILAND BEEF VALUE CHAIN OVERVIEW



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MANAGING DIRECTOR



What is the Ngamiland Beef Herd Value Chain?



- “**VALUE CHAIN** is the sequence set of primary and support activities that an enterprise performs to turn inputs into value-added outputs for its external customers.”
- Therefore in the context of the **Ngamiland Beef Herd** it would be the production chain that links the inputs required from the birth of a calf in Ngamiland, to the sale of a number of beef products in a local or overseas market.



Current Local Beef Value Chains

- Village or Local slaughter. Older cattle Male or Female.
- BMC Maun. Older slaughter cattle
- Commercial Abattoirs Older slaughter cattle
- Sporadic Live Trade to Zimbabwe over 400kg
- Very little trade in live cattle locally
- Low demand for breeding cattle
- **All features of a Zone with an overburden of cattle and typically a buyers market with low producer confidence and morale.**

Commodity Based Trade (CBT) Opportunities

- **“The ultimate goal of managing the Value Chain MUST be to create more wealth.”**
- To do this, one has to recognize opportunity, and put in place systems and structures to take full advantage of this in order to **maximize wealth creation.**
- The EPA gives Green Zone Botswana “quota free ,tariff free access to the highest paying market in the World” In effect ,a huge export advantage over other countries exporting to EU.
- **The use of CBT principles in both live and meat trade, could do the same for Ngamiland and the Non EU!**

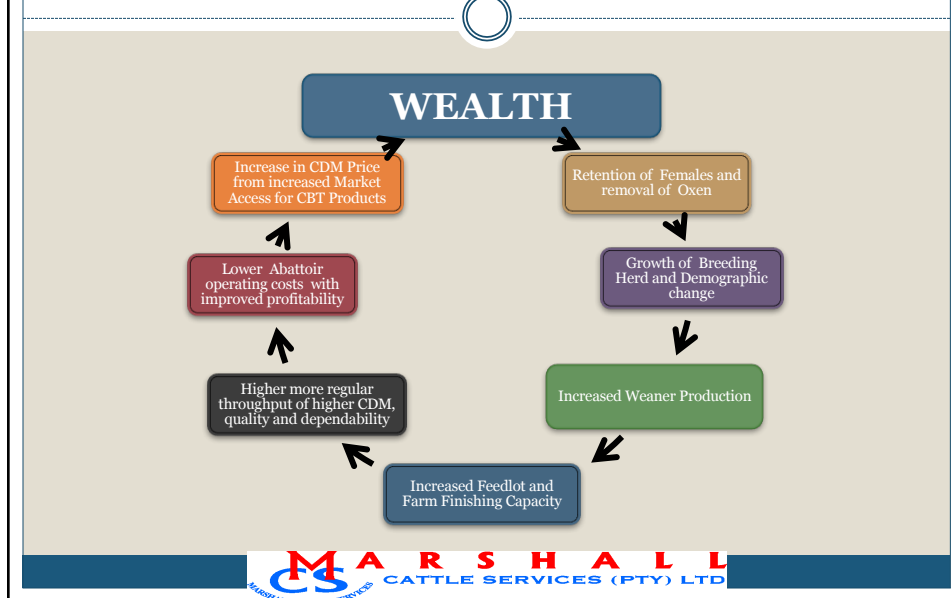
How do you create more Wealth in Communal Herd?



Why focus on Base Producer Wealth ?

- “Building a Production System that concentrates on wealth creation at the base or Communal Herd level, makes sure that focus is on sound commercial principles, and that value is transferred from the end of the Value Chain back to the Primary Producer ,driving the herd to produce more.”

How do you create Wealth and Produce more in the Ngamiland Herd?



Major Problem facing Ngamiland

- Zonal Herd of **350 to 400,000** cattle
- Oxen production system produces a maximum of **52,000** head potential off take.(13%)
- Current combined Abattoir capacity of **34,000** head hopefully rising to **48,000** head in 2018 with 3rd abattoir.
- This over burden of cattle has developed a **“Buyers Market”** for cattle with a lack of market access, making it impossible to create upward price pressure.

How to change the Ngamiland Herd

- 1. Removal of over burden
- 2. Limit Oxen Production System
- 3. Development of a weaner/feedlot production model and grass fed niche products as “Change Drivers”

Why Drive Feedlot/Niche Products?

- Delivers a universally acceptable product,
- Removes cattle from the veld during dry periods and reduces attrition
- Flattens seasonal supply curves and drives demographic change.



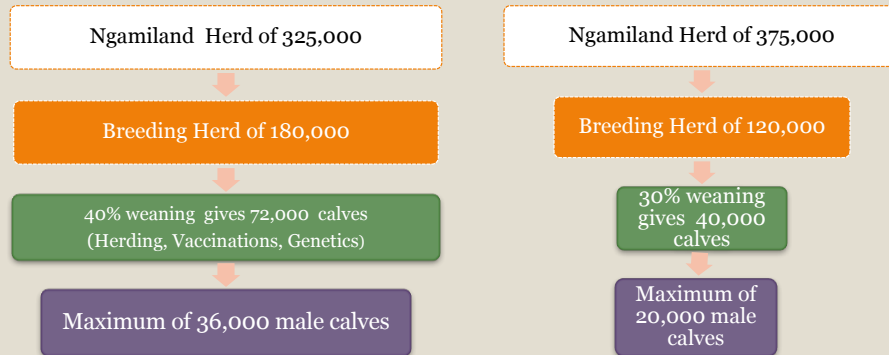
Demand for Demographic Change of the Ngamiland Herd (increase production reduce herd)

- The Zonal Herd of +/-375,000 head of cattle includes around 120,000 breeding females
- The challenge is to increase the cow number from 120,000 to around 180,000 within a reduced herd of 325,000.(Example)
- Close to 100% of cattle are in the Communal Sector therefore incentivized change that increases wealth in this area is essential to increase production.
- If Ngamiland can do this , with slight productivity increases, we can potentially produce 36,000 male calves per year with 36,000 cull cows and heifers coming off as well. Enough for all Maun abattoirs and overspill for FT CBT export.



Production Benefits of Demographic Change

Production Improvement



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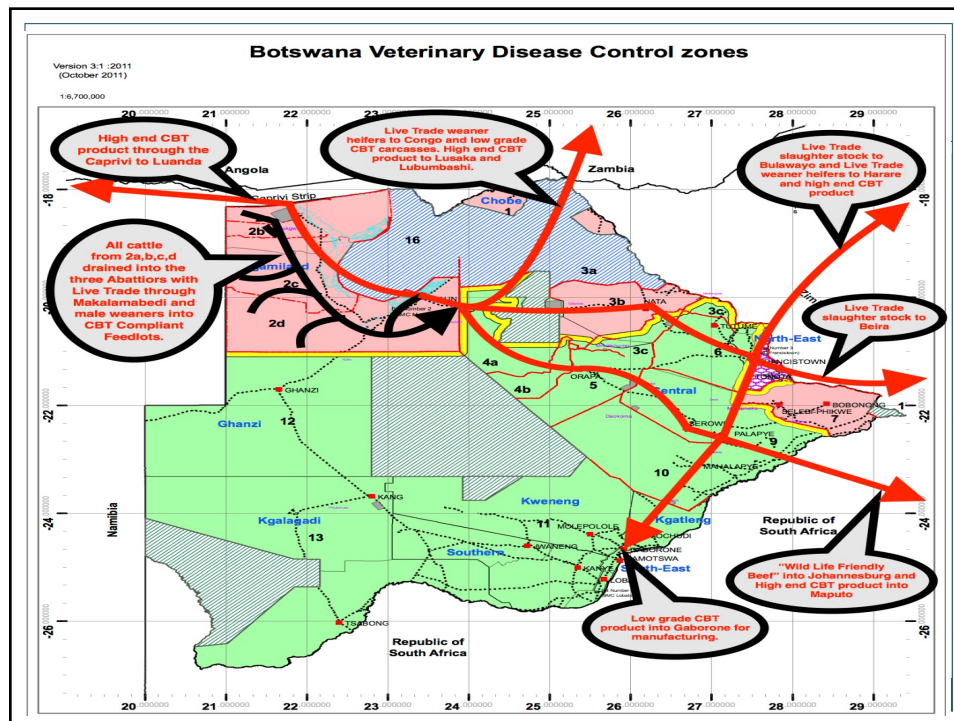
The Essentials for the Development of a Dynamic Offtake System for Ngamiland

Education Education Education !!!!!

“Producers will struggle to change without understanding the benefits they stand to gain by doing so”

- Continual and developing CBT Strategies that develop market access while increasing FMD vaccination coverage.
- Attracting investors into the feedlot sector by offering dependable CBT game plans.
- Continual monitoring of internal livestock returns to drive Live Trade when called for.
- Better links between Farmer/DVS and markets.

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An Holistic Solution to the NON EU Areas of Botswana

- Create educational awareness support for Communal CBT Producers.
- Develop CBT Strategies for the entire NON EU areas.(2,4a,3b,7 and Buffers)
- Use of existing and moribund Quarantine facilities.
- Use of Francistown Abattoir as a pivotal player in the drive for increased offtake of quality animals.
- Drive change with competitive pricing levels as close as possible to EU Compliant cattle.

THE GOAL

**Use Botswana's current resources of people and infrastructure to create sustainable production systems delivering increases in
WEALTH FOR ALL NON EU PRODUCERS**

All the easy things have been done!



THANK YOU

