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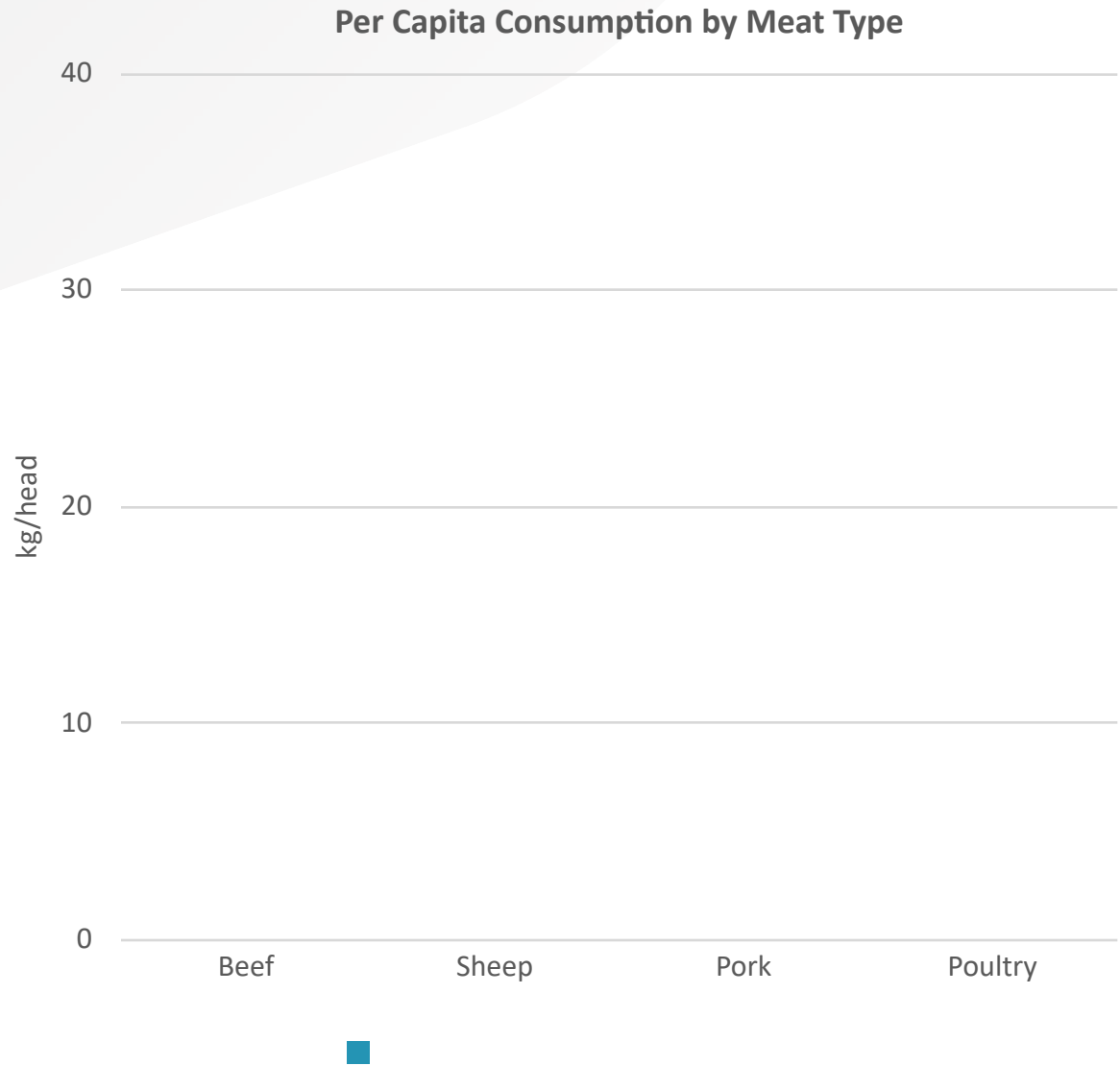
Towards a Quality Based Beef Market Development Framework: Unlocking Industry Growth

SAFA Conference 29 July 2026

This Project is funded by the RMIS, from the Q4 2025 Field to Future Process

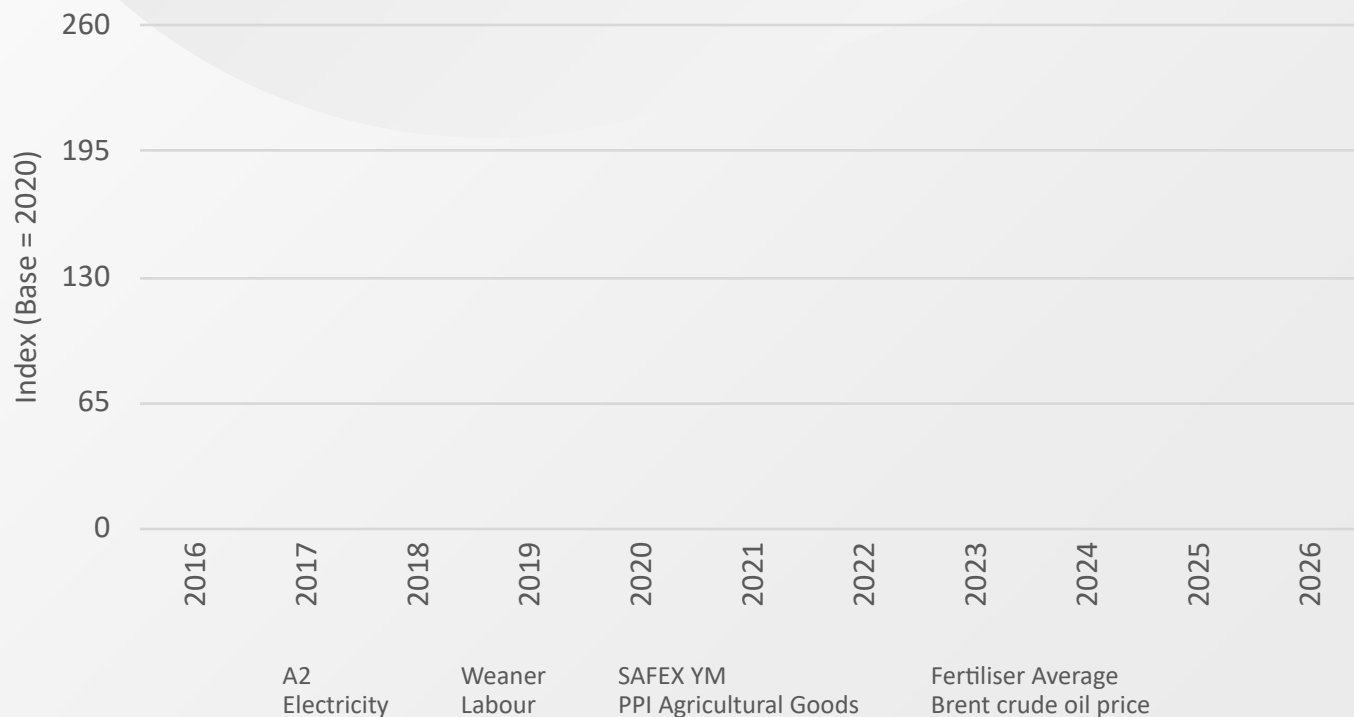


- The gap between the price of food and real disposable incomes is increasing.
 - Between **2010 and 2025**, real **GDP per capita declined at an annual rate of 0.6%**. In contrast, **household disposable income** per capita **grew by 3.3%** annually, while the **food CPI rose by 5.6%** per year.
- The sustained pressure on consumers supports a shift towards increased consumption of more affordable proteins.



- Input cost inflation has been out-stripping producer price growth for some time, thinning margins at value chain nodes.
- Without sufficient price growth, the pressure to improve efficiency at the carcass level and through value chain integration will continue to transform the industry.

Indices on Input and Producer Prices



Average Annual Growth Rate		
Prices Received		2016-2025
Producer Level	A2	5.17%
	Weaner	4.32%
Retail Level	Fillet Steak	4.49%
	Mince	5.57%
	Rump Steak	5.20%
	T-Bone	5.04%
	Cheapest Chuck A Grade	5.71%
Export Level	Boneless fresh or chilled (US\$)	3.54%
	Boneless frozen (US\$)	4.44%
	Boneless fresh or chilled (Rand)	7.12%
	Boneless frozen (Rand)	8.02%
Prices Paid		2016-2025
Input Level	SAFEX Yellow Maize	7.2%
	Fertiliser Average	9.0%
	Fuel price	10.1%
	Electricity	10.1%
	Labour	8.3%
	Prime Interest Rate	0.6%
	Exchange Rate	11.1%
	PPI Agricultural Goods	5.8%
	Brent crude oil price	5.3%

Beef Production:

- Expected to **increase to 876 thousand tons by 2035** supported predominantly by carcass weight gains – a 1.5% average annual growth rate.
- Carcass weights have trended upwards for the past 15 years increasing from **265kg in 2010 to 285 in 2023** (FMD and drought related impacts lead to reductions in 2024 and 2025, with YTD 2026 carcass weights recovering to 280kg).

Sheep Production:

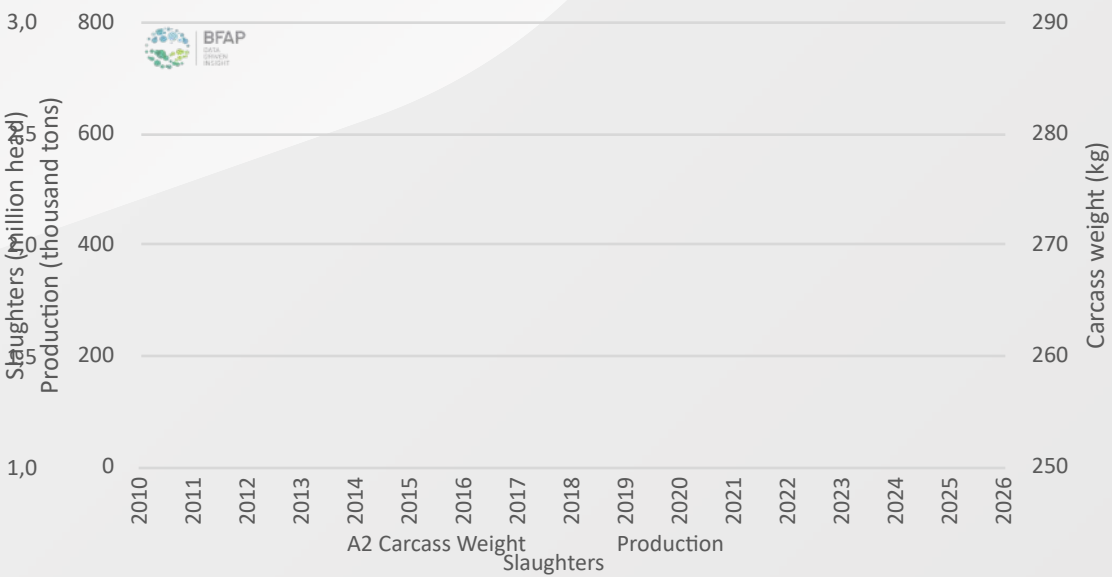
- Expected to **decrease to 109 thousand tons by 2035**, a result of fewer slaughters and lighter carcasses.

Beef and sheep meat production

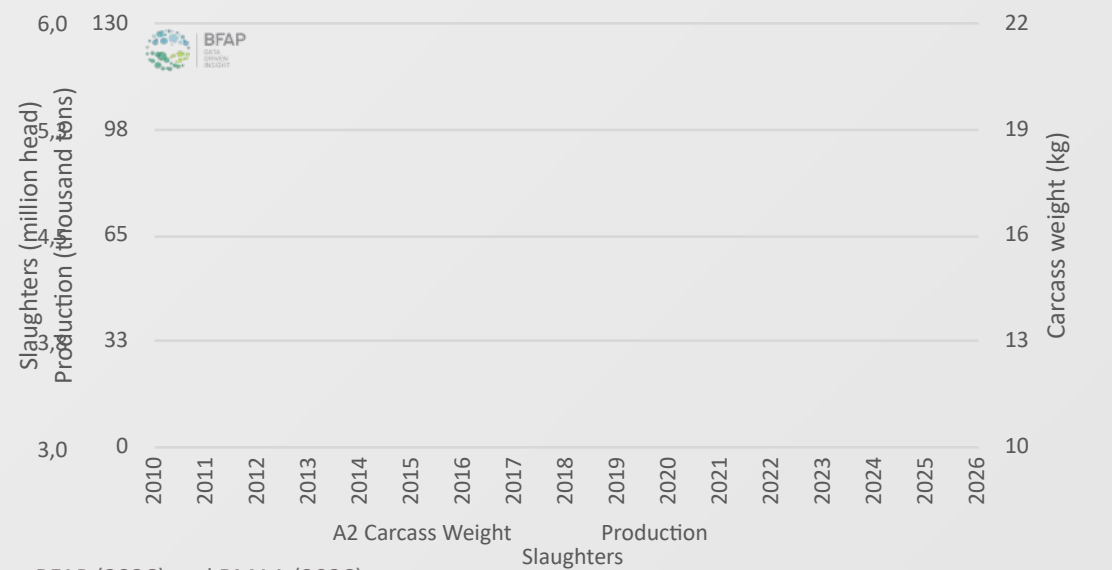


Source: BFAP (2026)

Beef Production Trends



Sheep Production Trends



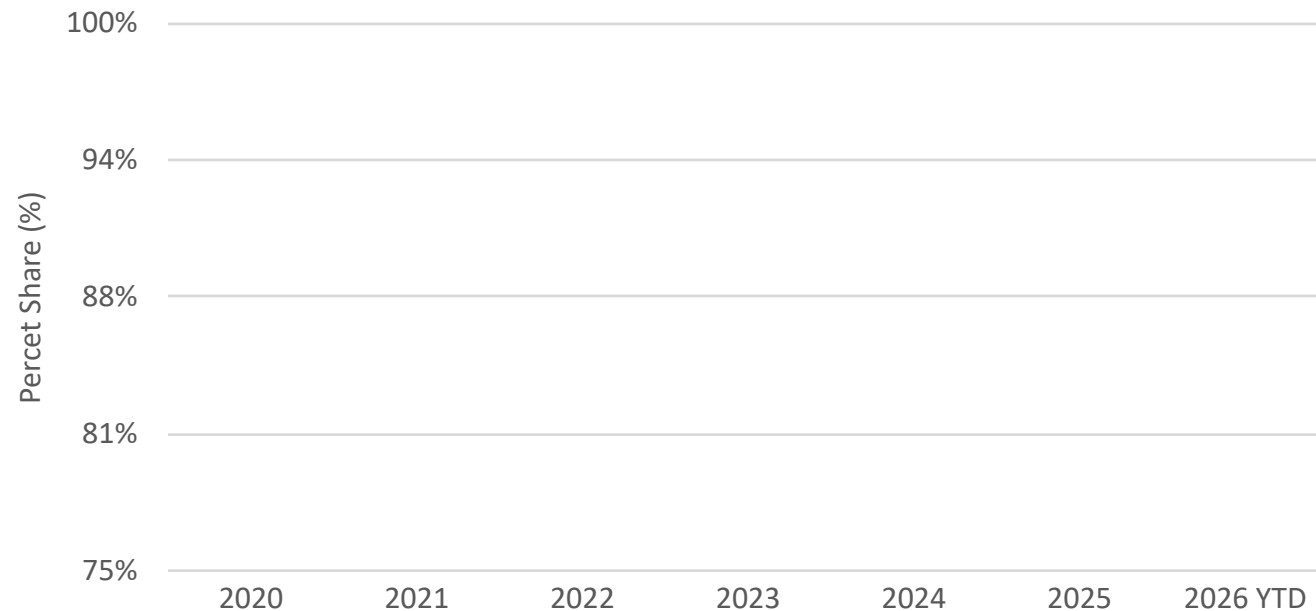
Source: BFAP (2026) and RMAA (2026)

Beef industry to see increased YoY production

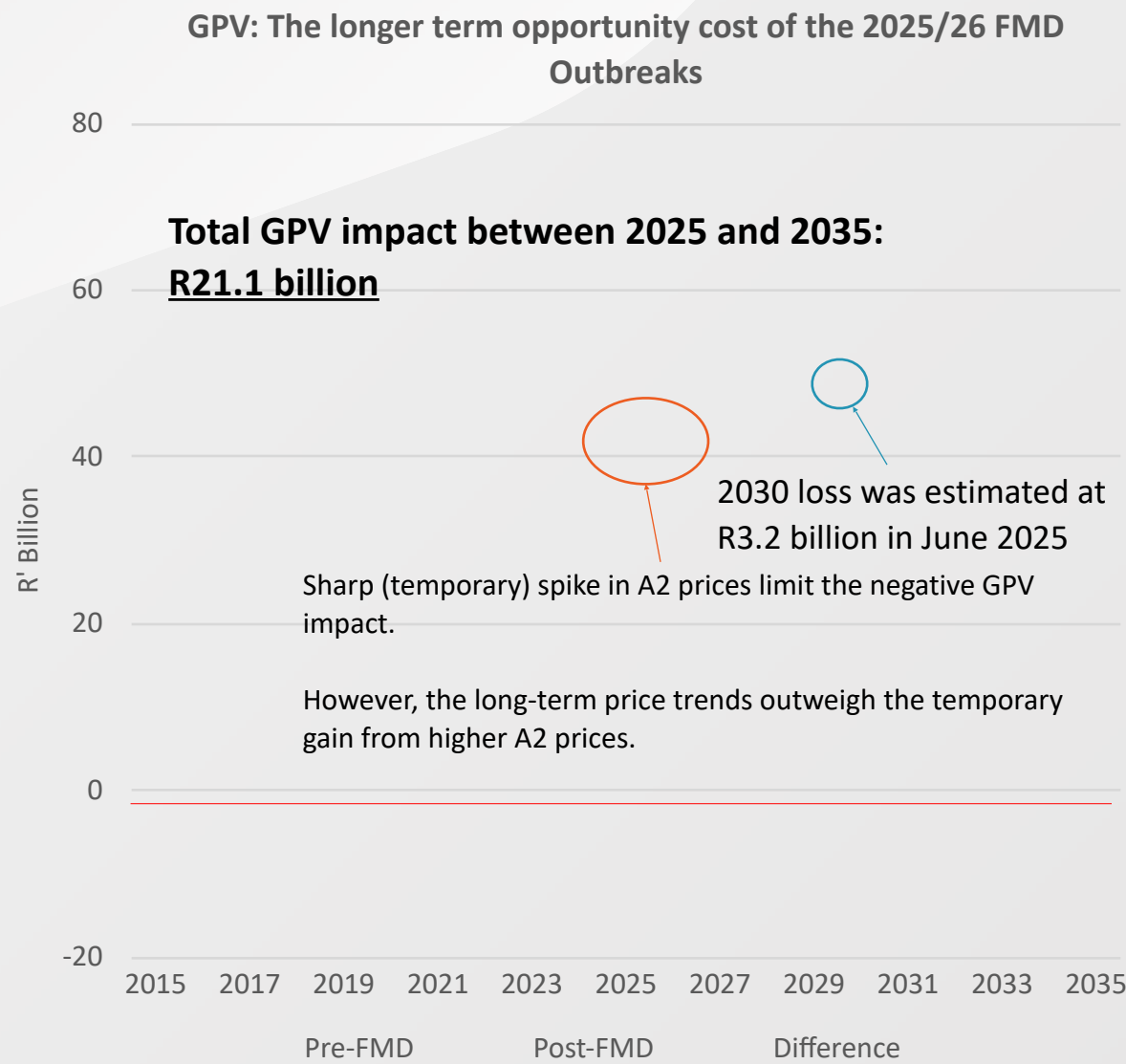
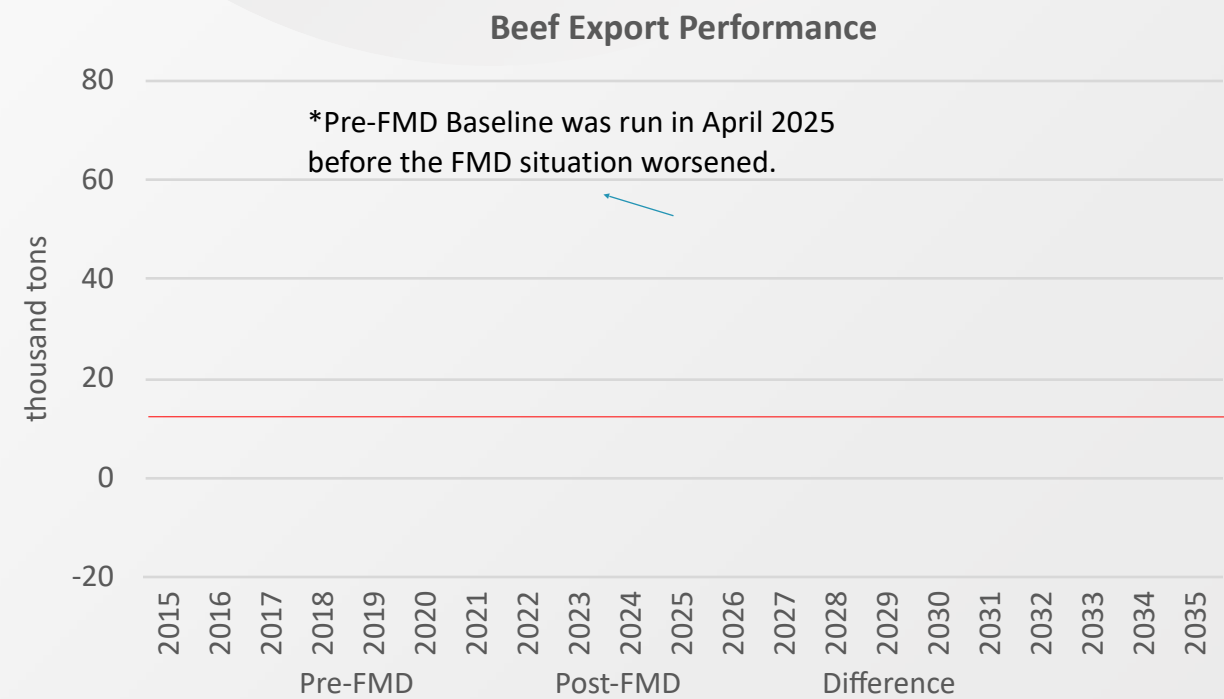
Supply constraints limit slaughter units in first two quarters and support heavier carcasses

- Likely to see increased slaughter volumes as FMD vaccine supply and administration increases
 - Slaughter could increase supported by the RVS-FMD
 - There is also willingness from the ME to import vaccinated products and establish trade protocols which will support production
- Slaughter weights are flat QoQ, but are 5% up YoY, reaching an average **Q2 weight of 278.56kg.**
- Live imports constrained, but given the expected El Niño, there may be an over-supply in the region leading to increased exports by year end

Share of Slaughters by Grade



- The outbreaks of FMD in 2025/26 will continue to cost the industry forgone opportunity for some time to come.
- With vaccine supply improving rapidly, ramping up exports should remain a KEY priority
 - Year to date exports (Jan to April) have summed to **7.7 thousand tons**
 - The same period in 2025, exports equated to **14.1 thousand tons**

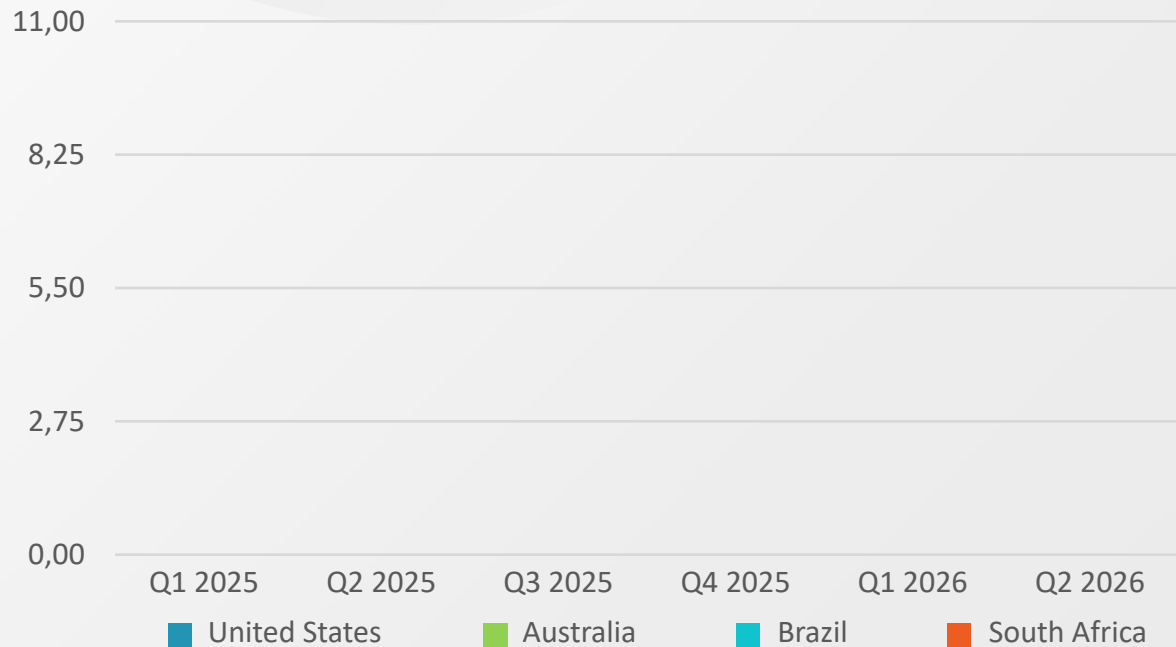


Global red meat prices remain elevated

Strong demand for red meats and supply disruptions globally support high prices

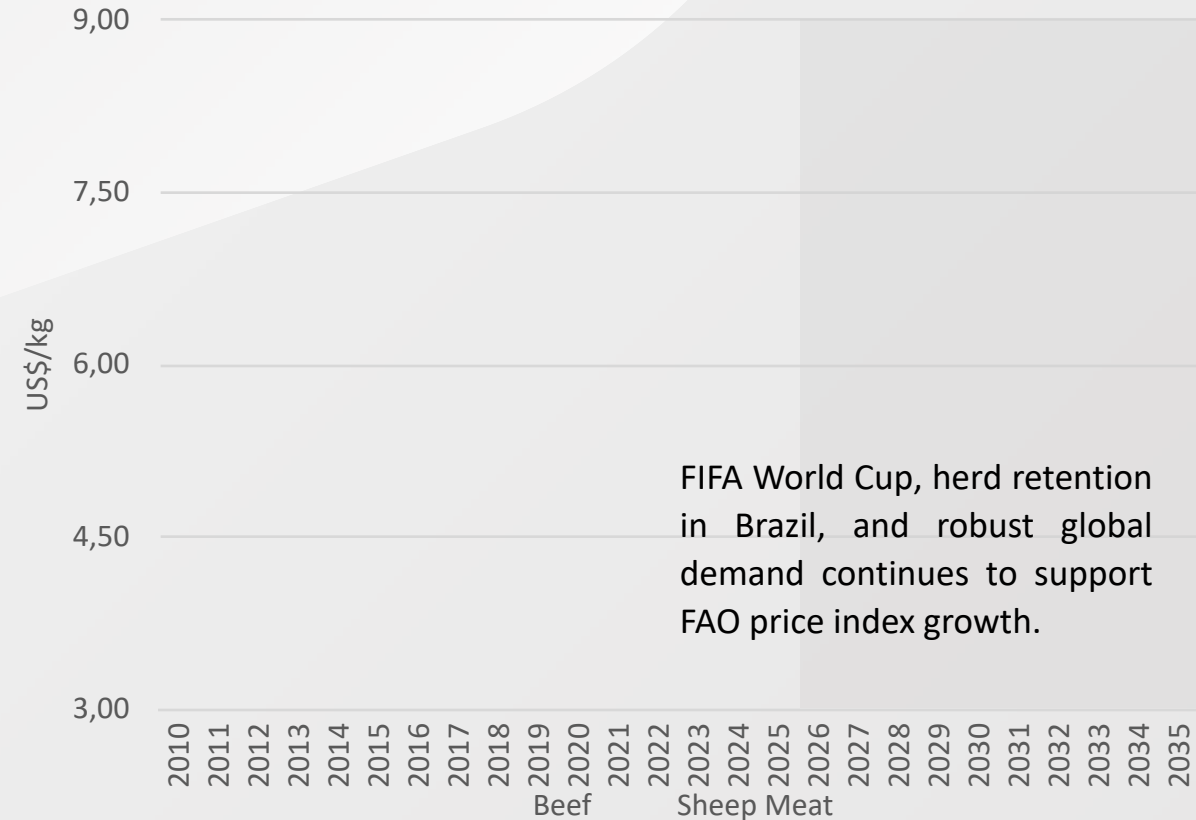
- International beef prices remain elevated due to low cattle inventories and strong demand from the US, China, and the Middle Eastern Region.
 - Global QoQ price growth has slowed in Q2 compared to Q1 2026, but still strong in relative terms.
- There is significant uncertainty pertaining to international trade flows
 - Chinese TRQs (Australia and Brazil) will force major exporters to increase supply in other markets (Brazil looking to Indonesia and Russia), potentially putting some downward pressure on global beef prices
- However, robust global demand is expected to keep prices elevated in 2026.

International and South African Prices (US\$/kg)



Data Source: FAO (2026)

Beef and Sheep World Prices



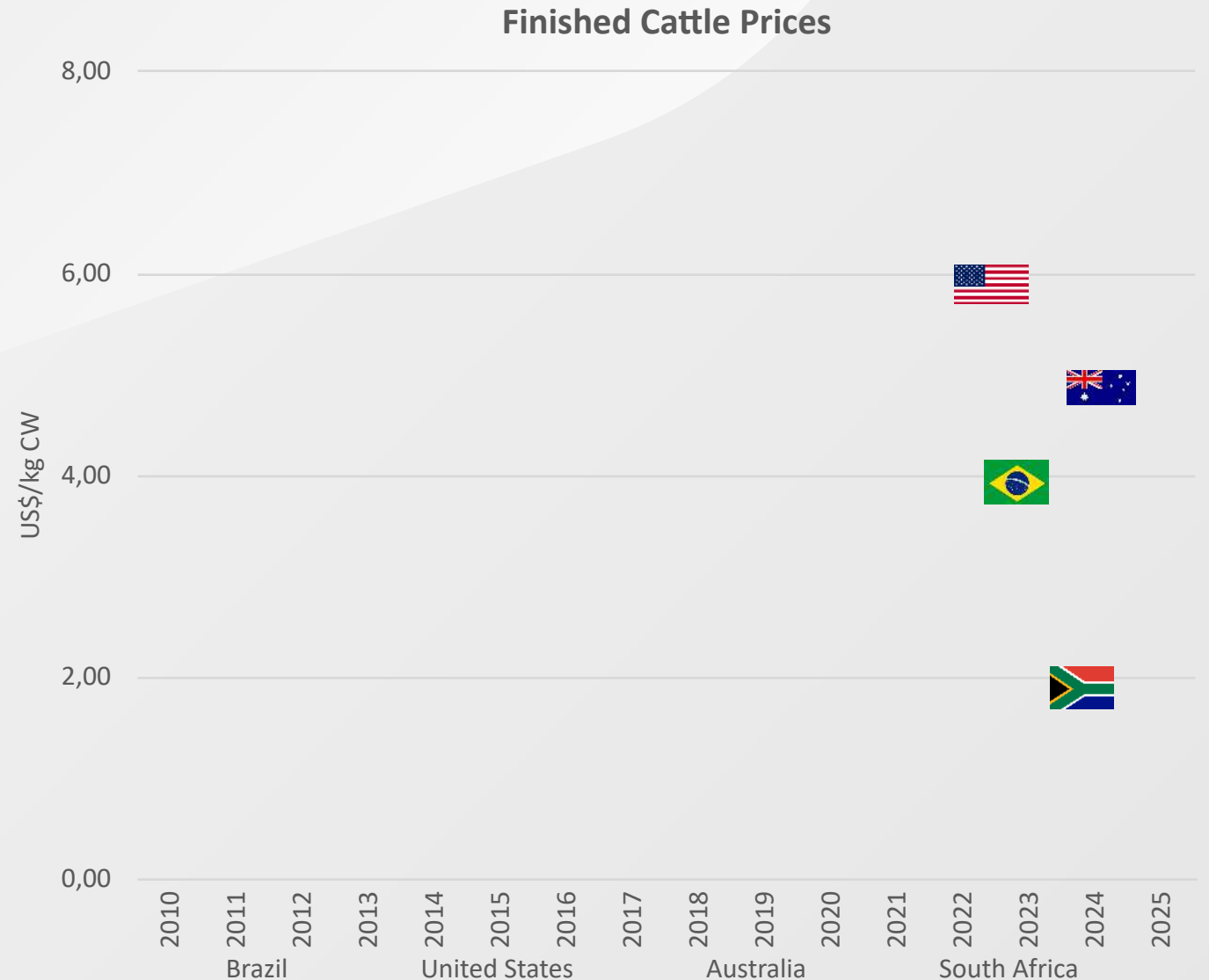
Data Source: OECD (2026)

Growth Rates for International Beef Prices and FAO Price Index

	United States	Australia	Brazil	FAO
Q1 to Q2 2025	-1,7%	8,0%	5,6%	3,3%
Q2 to Q3 2025	2,5%	8,2%	7,0%	5,8%
Q3 to Q4 2025	1,8%	7,1%	-1,3%	2,6%
Q4 '24 to Q1 '26	3,8%	-2,4%	2,7%	1,5%
Q1 to Q2 2026	2,9%	1,0%	12,4%	4,2%

Data Source: FAO (2026)

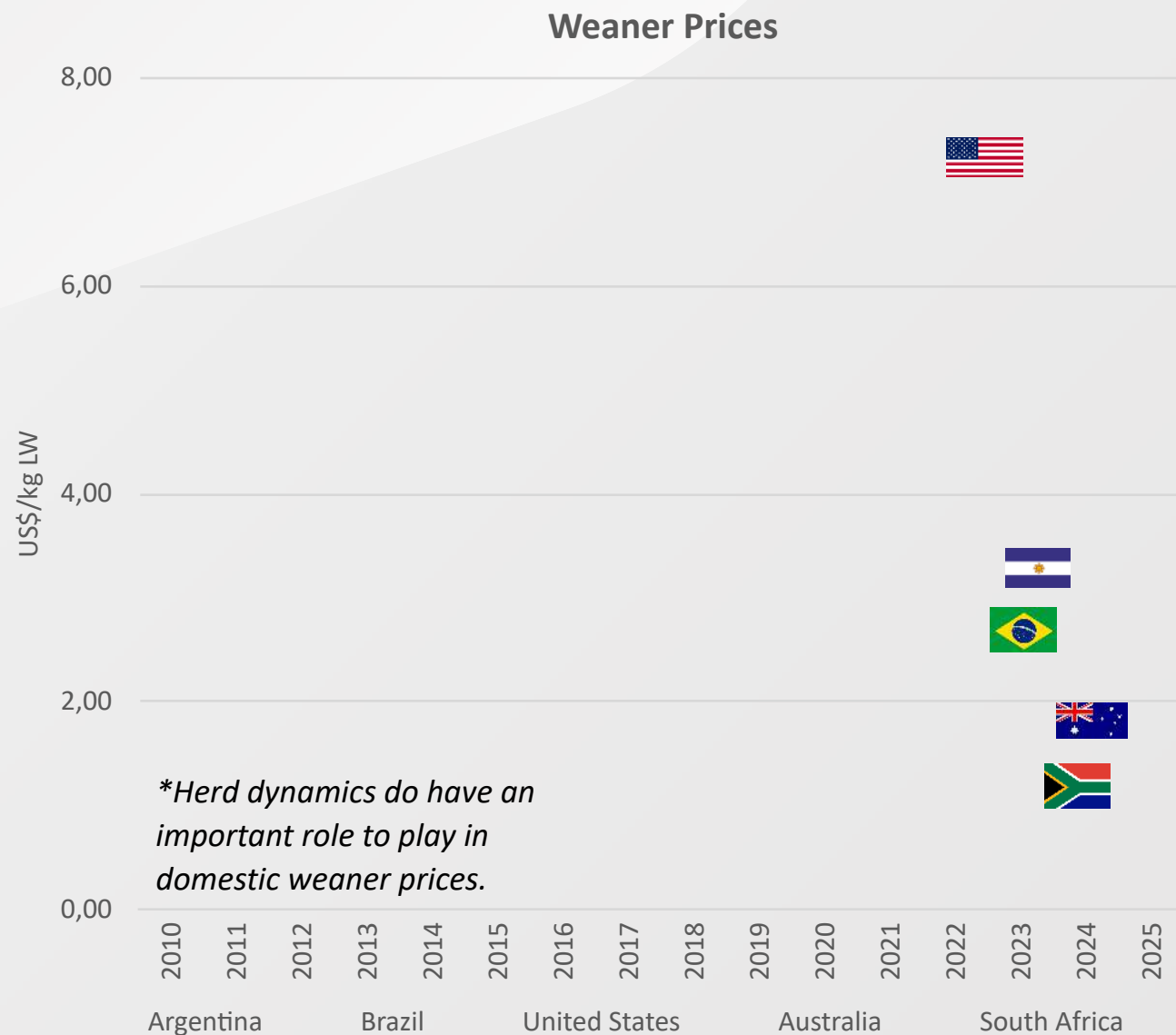
- Long-term price trends show that, for a period, South Africa was competing well with international competitors, with carcass prices higher than that of all major competing countries.
- This quickly changed as other countries (Argentina, the US, and Australia) started to 'pull away' from South African prices.
- The long-term result is that South Africa now has the lowest carcass prices relative to other major beef producing and exporting nations.
- The average annual growth rate in prices between 2010 and 2025 were as follows:
 - USA: 3.27% ave. annual increase
 - Argentina: 2.54% ave. annual increase
 - Australia: 2.33% ave. annual increase
 - Brazil: 0.71% ave. annual increase



Source: BFAP (2025), compiled from agri benchmark (2025)

Sub-par price performance for slaughter ready animals limits the price industry can pay for weaners.

- As with the slaughter ready prices, South African weaner prices are some of the lowest in the world, receiving US\$0.60 per kg LW less than the nearest competitor (Australia) in 2025.
 - On a **240kg weaner** this equates to **R2,574.72 per head** in potential value lost (R:US\$ of 17.88:1)
- Over the past decade, the average annual trends in weaner prices across major international producers and exporters of beef have been as follows:
 - USA: **8.06% ave. annual increase**
 - Argentina: **4.03% ave. annual increase**
 - Australia: **0.13% ave. annual increase**
 - Brazil: **3.88% ave. annual increase**
 - South Africa: **2.82% ave. annual decrease**



- Relative to the leading international competitors for beef exports, South Africa's producer prices are some of the lowest there are.
- Apart from **shocks related to FMD outbreaks**, South Africa's A2 prices over the past 18 months have been lower than any other major exporter.
- Despite strong 2026 price performance across other countries, South Africa's 2026 YTD prices have performed poorly:
 - USA: **2.31% ave. monthly increase**
 - Argentina: **1.37% ave. monthly increase**
 - Australia: **0.05% ave. monthly increase**
 - Brazil: **3.77% ave. monthly increase**
 - South Africa: **0.70% ave. monthly decrease**

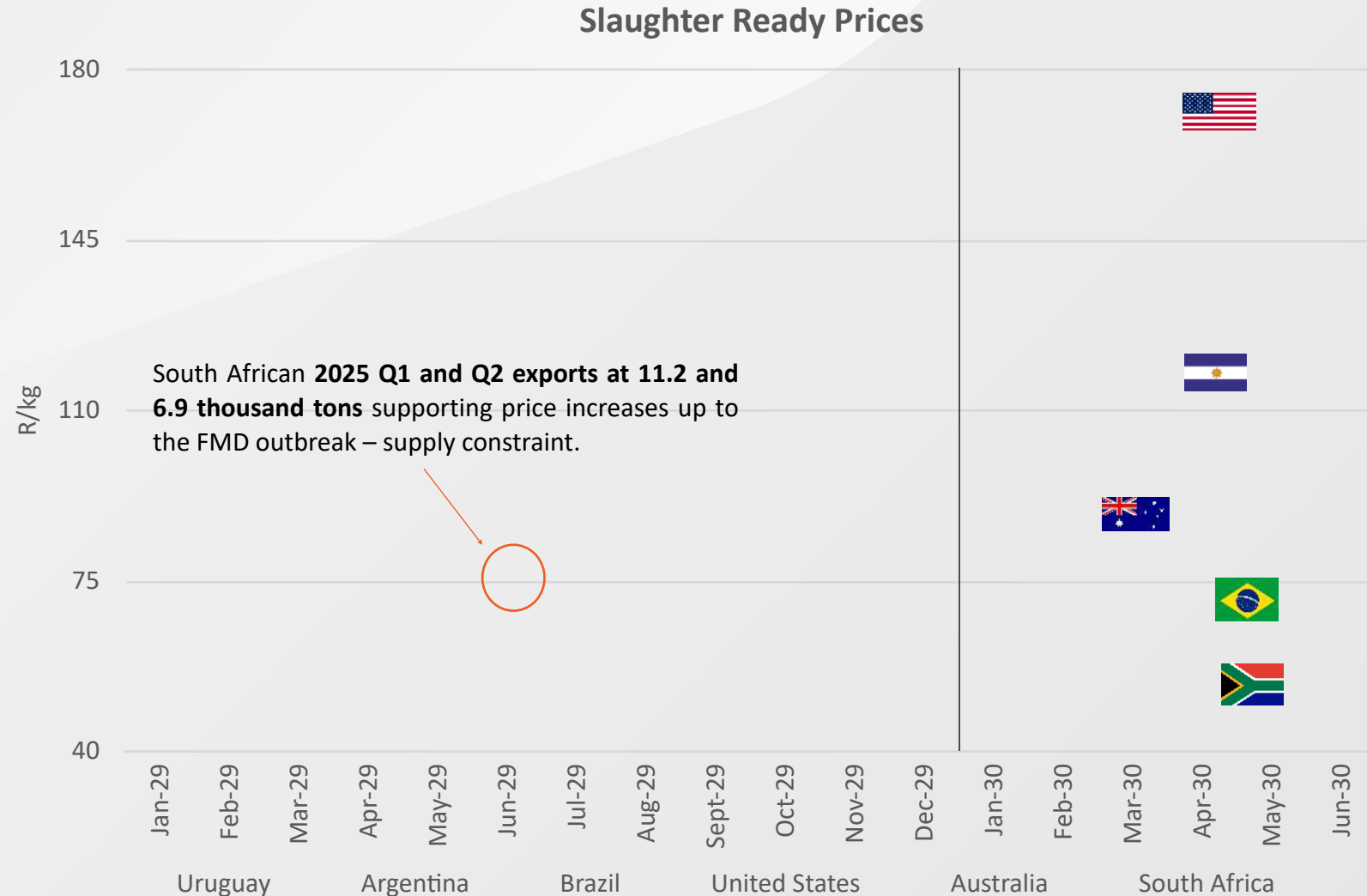




Table 1 Principal components of selected beef classification and grading schemes in selected countries around the world

Country	Canada	Europe	Japan	South Korea	The Republic of South Africa	USA	Australia	
Scheme	Canada	EUROP	JMGA	Korea	South Africa	USDA	AUS-MEAT	Meat Standards Australia
Grading Unit	Carcass	Carcass	Carcass	Carcass	Carcass	Carcass	Carcass	Cut
Classification	--	Yes	--	--	Yes	--	Yes	--
Quality Grade	Yes (4) + (5)	--	Yes (5)	Yes (5)	--	Yes (8)	--	Yes (3)
Yield grade	Yes (3)	--	Yes (3)	Yes (3)	--	Yes (5)	--	--
Pre-slaughter	--	--	--	--	--	--	Grain fed	<i>Bos indicus</i> %
Slaughter floor	Carcass weight	Carcass weight	Carcass weight	Carcass weight	Carcass weight	Carcass weight	Carcass weight	HGP implants
	Sex	Sex	Sex	Sex	Dentition	Sex	Dentition	Carcass weight
	Conformation	Fat cover	Sex	Sex	Visual fat cover		P8 fat	Sex
Chiller		Conformation			Conformation		Sex	Electrical stimulation
	Marbling score		Marbling score	Marbling score	Sex	Marbling	Butt shape	Hang
	Meat colour		Meat colour	Meat colour		Ossification score		
	Meat texture		Meat brightness	Fat colour		Meat colour	Marbling score	Marbling score
	Fat colour	--	Fat colour	Firmness	--	Meat texture	Meat colour	Ossification score
Post Chiller	Fat thickness		Fat luster	Meat texture		Rib fat	Fat colour	Meat colour
	Skeletal development		Fat texture	Lean maturity				Hump height
			Fat firmness	EMA		EMA		Ultimate pH
			EMA	Fat thickness		Kidney and perirenal fat		
			Rib thickness					
			Fat thickness					
								Ageing time
								Cooking method

 BFAP DATA DRIVEN INSIGHT		Tier 1 Countries				Tier 2 Countries				Tier 3 Countries				Tier 4 Countries			
Red Meat Compliance Criteria		South Africa (Domestic)	Mozambique	SA DC	Regional	Jordan	United Arab Emirates	Kuwait	Saudi Arabia	Hong Kong	China	Maldives	Indonesia	United Kingdom	European Union	United States of America	Canada
Tier 1	ZA Approval/Registration	-															
	NRMP Participation																
	Provincial Vet Audit																
	Mortality Register																
Tier 2	Bilateral Protocol (Addendum)	-								x	x	x	x	x	x	x	x
	Compartmentalisation	-	-	-	-												
	Advanced Traceability	-	-	-	-												
	Residue Testing (Batch)																
Tier 3	Animal Welfare Standards	-	-	-	-	-	-	-	-	?	-	?	-	x	x	x	x
	Environmental Audits	-	-	-	-	-	-	-	-	?	-	?	-	x	x	x	x
	Systemic Residue Testing	-	-	-	-	-	-	-	-	?	-	?	-	x	x	x	x
	FMD-Free Country Declaration	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Tier 4	WOAH FMD Status	-	-	-	-	-	-	-	-	?	-	?	-	?	?	?	?
	Hormone/Promoter Ban	-	-	-	-	-	-	-	-	?	-	?	-	?	?	?	?
	Farm-to-Fork Traceability	-	-	-	-	-	-	-	-	?	-	?	-	?	?	?	?
	Animal Welfare Audit	-	-	-	-	-	-	-	-	?	-	?	-	?	?	?	?
-	No current need for implementation and not being implemented																
?	What is the current requirement on this aspect [investigate the required protocols and advise]																

		Timeline
Tier 1: Existing Measures	ZA Approval/Registration	NOW
	NRMP Participation	
	Provincial Vet Audit	
	Mortality Register	
Tier 2: Easy Wins	Bilateral Protocol (Addendum)	NOW
	Compartmentalisation	
	Advanced Traceability	
	Residue Testing (Batch)	
Tier 3: Further Progression	Animal Welfare Standards	x YEARS
	Environmental Audits	
	Systemic Residue Testing	
	FMD-Free Status	
Tier 4: Later Targets	WOAH FMD Status	x YEARS
	Hormone/Promoter Ban	
	Farm-to-Fork Traceability	
	Animal Welfare Audit	

A “**Red Meat Trade & Biosecurity Directorate**” should captain the maintenance and upkeep of the framework to;

- Identify market access constraints,
- Identify market access opportunities,
- Support new entrants to enter export markets,
- Negotiate trade protocols,
- Engage with existing and potential international clients on a regular basis,
- Respond timely to new developments/requirements,



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Red Meat Trade Requirements (Domestic and Export Markets)

		Tier 1 Countries				Tier 2 Countries				Tier 3 Countries				Tier 4 Countries			
		South Africa (Domestic)	Eswatini	Lesotho	Malawi	Jordan	United Arab Emirates	Kuwait	Saudi Arabia	Hong Kong	China	Maldives	Indonesia	United Kingdom	European Union	United States of America	Canada
Tier 1	+/-	+/- ZA Abattoirs															
		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
	+/-	ZA Approval															
			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Tier 2	+/-	Split System Audit (VPN 59)															
			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
		Veterinary Health Certificates (VPN 59 Addendums)															
			x			x	x	x	x	-	-	-	-	-	-	-	-
			x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
						x											
	+/-	Livestock Management Areas															
					x												
Tier 2	+/-	Quality Assurance															
		ZA_QA															
		Critical Control Points (2)															
		Ultimate pH															
		Carcass Chilling															
		Hanging Method															
		MQA															
		Marbling Score															
Tier 3		Ossification Score															
		Meat Colour															
		Zilpaterol Free															
		Reduced HGP use															
Tier 3		Animal Welfare Audits															
		Environmental Audits															
		FMD-Free (Country Declaration)															
Tier 4		WOAH FMD Free Zones															
		Farm-to-Fork Traceability															

A “**Red Meat Trade & Biosecurity Directorate**” should captain the maintenance and upkeep of the framework to;

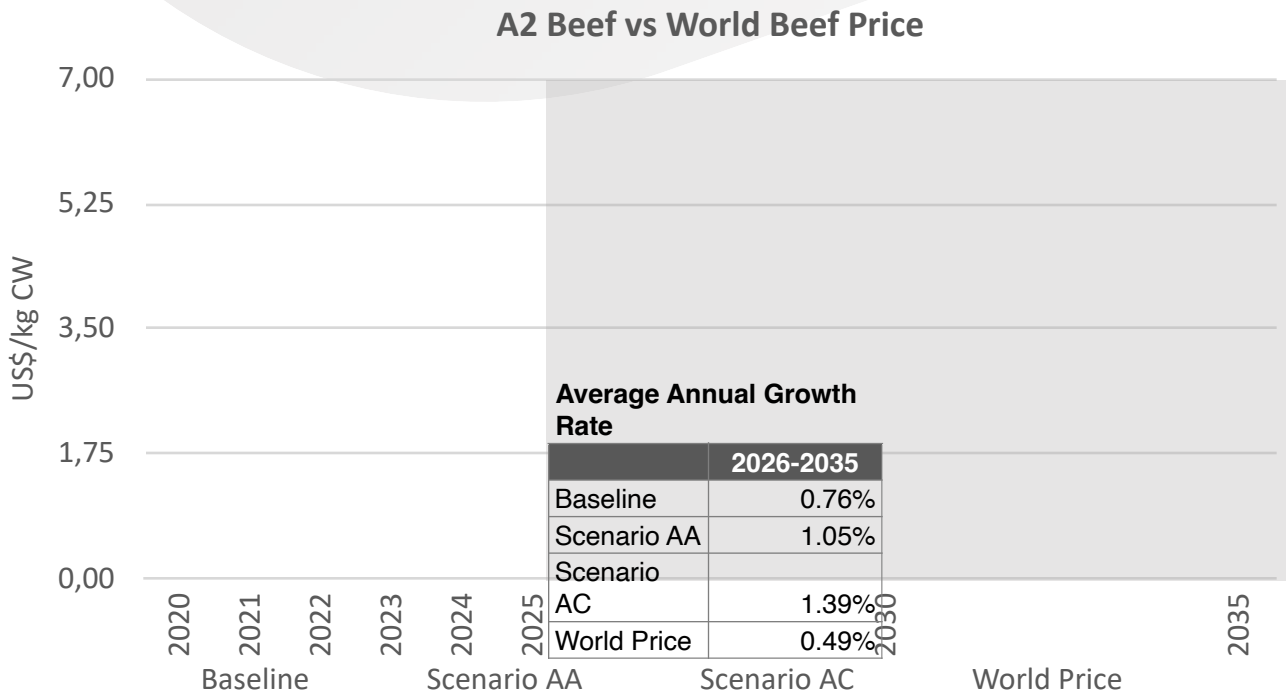
- Identify market access constraints,
- Identify market access opportunities,
- Support new entrants to enter export markets,
- Negotiate trade protocols,
- Engage with existing and potential international clients on a regular basis,
- Respond timely to new developments/requirements,
- Etc.

ZA_QA – Mandatory vs Voluntary vs Self Regulation

x	Requirement for market access
-	No established protocol (but needed to access market)

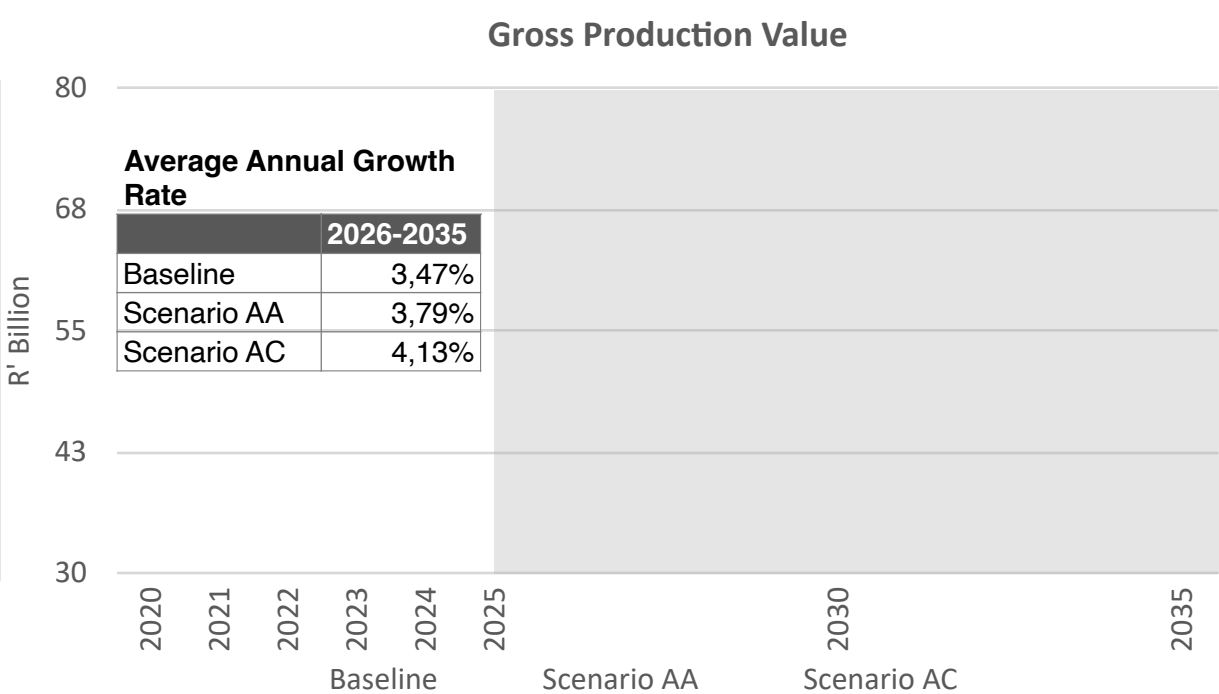
Improved export performance supports improved prices in the value chain

- Under a conservative growth assumption (Scenario AA), **A2 prices up R2.00 per kg, or R620,00 per head on a 310kg carcass by 2035.**
- Under a more positive assumption (Scenario AC), A2 prices up **R4.10 per kg, or R1,271 per head on a 310kg carcass by 2035.**



Improved export performance supports overall enhanced industry performance

- Under a conservative growth assumption (Scenario AA), **additional GPV created between 2026 and 2035 equates to R12.1 billion.**
- Under a more positive assumption (Scenario AC), **additional GPV created between 2026 and 2035 equates to R18.2 billion.**



Proposed Red Meat Market Development Interventions

1. a ***“Red Meat Trade & Biosecurity Directorate”***
 - i. Volume of SA Beef in the Intl. market (0.01%) – a more active & proactive drive in all matters relating to the red meat export market is needed. **#Trade Agreements**
2. **Standard Operating Procedures (SOPs)** for producing, slaughtering, and exporting beef (& *future mutton*)
3. Implement ***“ZA Quality Assurance”*** system
 - i. Address “self regulation” of red meat exporting
 - ii. SAMIC to provide monitoring & certification services
 - iii. **Objective process & carcass assurance, not only certification**
4. Further Down the line: a standardised ***“ZA Grading System”***
 - i. Capacitate the value chain to maximise returns on exported cuts
 - ii. Support Brand Identity and Brand Integrity

****Proposed collaborative workshop**

Aug 2026 (Preliminary)

Carcass classification – describing carcass characteristics for trade standardisation

Quality assurance schemes/systems – verifying production and processing standards

Quality grading systems – predicting eating quality and supporting value-based pricing



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