



A FINAL REPORT

JUNE 2020

Market opportunities for South Africa's Rabbit meat Industry

Submitted to:
Rabbit Meat Industry, South Africa

By:
National Agricultural Marketing Council

TABLE OF CONTENTS

LIST OF TABLES	ii
LIST OF FIGURES	ii
1.BACKGROUND	1
2.APPROACH USED	1
2.1 Global trade performance of the rabbit meat industry	1
2.2 Assessment of possible alternative markets for rabbit meat and live rabbits	2
3.FINDINGS AND DISCUSSION.....	2
3.1 Overview of the global rabbit meat industry	2
3.2 South Africa's trade performance rabbit meat industry.....	3
3.3 Possible alternative markets for South Africa's rabbit meat and live rabbits	5
4.CONCLUSION AND RECOMMENDATIONS	6
References	7

LIST OF TABLES

Table 1: Potential markets for rabbit meat (020810) 5

LIST OF FIGURES

Figure 1: Share by countries importing South Africa’s rabbit meat (020810) ii

1. BACKGROUND

The rabbit meat industry in South Africa is in its early stages of repositioning itself to stimulate growth both in the domestic and international markets. The industry highlighted a need for establishing an association through which collective action will be undertaken so as to develop the industry further. The industry requested the National Agricultural Marketing Council (NAMC) to provide an insight into global trends. In addition, the industry had requested the NAMC to procure for them a report entitled “World - Rabbit Or Hare Meat - Market Analysis, Forecast, Size, Trends and Insights”- <https://www.indexbox.io/store/world-rabbit-or-hare-meat-market-report-analysis-and-forecast-to-2020/> but given the internal research capabilities within the Markets and Economic Research Centre (MERC) Division of the NAMC, the research team offered to render the service.

It is against this background that the NAMC embarked on a trade performance study in a bid to assist the emerging industry. Given that there were no specific terms of reference, the NAMC’s focussed on addressing the following objectives:

- To provide an insight into global trade of rabbit meat (020810) and live rabbits (010614)
- To profile South Africa’s trade performance in rabbit meat (020810) and live rabbits (010614)
- To assess possible alternative markets for the industry

The rest of the report is organised as follows. Section 2 provides a description of the approach(s) used to achieve the specified objectives. Results and discussions are presented in section 3, and the last section (4) provides the conclusion and recommendations

2. APPROACH USED

2.1 Global trade performance of the rabbit meat industry

Trade performance was assessed on three fronts, namely; exports, imports and trade balance by value in Rands. Data was obtained from the International Trade Centre’s (ITC) Trade Map database, trade statistics database of the South African revenue services (SARS) and different market intelligence platforms, including Global Meat news.

2.2 Assessment of possible alternative markets for rabbit meat and live rabbits

To ascertain the possible alternative markets, we used a market access tool of the ITC to determine the untapped trade potential, price received for rabbit meat and live rabbits.

3. FINDINGS AND DISCUSSION

3.1 Overview of the global rabbit meat industry

Rabbit meat has high nutritional value although in some countries it continues to be considered for rural usage or limited to ethnic groups. Rabbit meat contains a very low-calorie content per serving but with a high concentration of protein. The meat has less amounts of cholesterol, fat and sodium as compared to other meat types. Due to its health properties, with the World Health Organisation describing rabbit meat as the healthiest available as a result of its high protein and low-fat content, the meat is now trending especially in European restaurants. In the South African setting, the demand for rabbit meat is increasing as a result of the growing number of producers making enquiries about this farming practices of rabbit. About 80% of South Africa's rabbit meat is destined for export markets while only 20% consumed domestically (Thulo, 2020). Domestic consumption of rabbit meat is still low and the local market is still in its infancy stages of development.

Latest available global production data reveals that 1.48 million tons of rabbit meat were produced in 2017, respectively representing a 2.9% and 14.4% increase over a one year and 5 years' period. China was leading producer, accounting for 62.9% of global production, followed by North Korea (10.4%), Spain (3.9%) and Egypt (3.8%), among other producers. The global trade balance value of fresh or chilled rabbit meat (020810) stands at R123 million, implying that there is a high demand for rabbit meat. By the end of 2019, Hungary, China, France and Spain were the major contributors to the positive global trade balance of rabbit meat, by value. Germany, Belgium and Italy are the leading importers commanding 21%, 19.2% and 9.3% share of global imports, respectively.

According to Trade Map (2020), the estimated global monetary value for a ton of rabbit meat is R80 568 (US\$ 5 135) but some countries pay much more than the global average. For

instance, Switzerland paid R135 624 per ton (US\$ 8 644), Luxembourg (R133 051 or US\$ 8 480), Lithuania (R103 130 or US\$ 6573), Poland (R100 730 or US\$ 6 420), Netherlands (R96 368 or US\$ 6 142), and Germany (R94 909 or US\$ 6049). In the case of live rabbits, Belgium alone accounts for close to 50% of global imports, largely supplied by Netherlands (88.8%) and Poland (6.7%). Other importers of live rabbits include Spain (8.9%) and Italy (8.6%).

3.2 South Africa's trade performance rabbit meat industry

Rabbit meat is considered to have a lower calorie count per serving and a high protein concentration compared to beef, lamb, chicken, fish, and pork, yet it is still a relatively unpopular dish in South Africa. South Africa is a net exporter of rabbit meat and live rabbits/hares. Domestically, consumption of rabbit meat is currently below 20% as compared to over 80% which is destined for export markets. Investing in rabbit farming could enhance food security while as well creating jobs in communities. However, to fulfil the food demand for a growing population, it is important to find different means of food production. Therefore, the rabbit farming is less costly, requires minimum inputs to grow and produces high-quality protein. It can be a great source of food protein. The expansion or commercialisation of the rabbit farming business in South Africa can also result in a positive spill-over effect on the socioeconomic environment, such as creating a source of income and employment.

The demand for rabbits globally has more than doubled since 2013, led by strong consumption. According to the Food and Agriculture Organization of the United Nations (FAO), an estimated 1.2 billion rabbits are slaughtered annually. Figure 1 shows countries that imported South Africa's rabbit meat in 2019. Most of South Africa's rabbit meat was exported to for Lesotho (82%), followed by Nigeria (10%), and United Arab Emirates (8%).

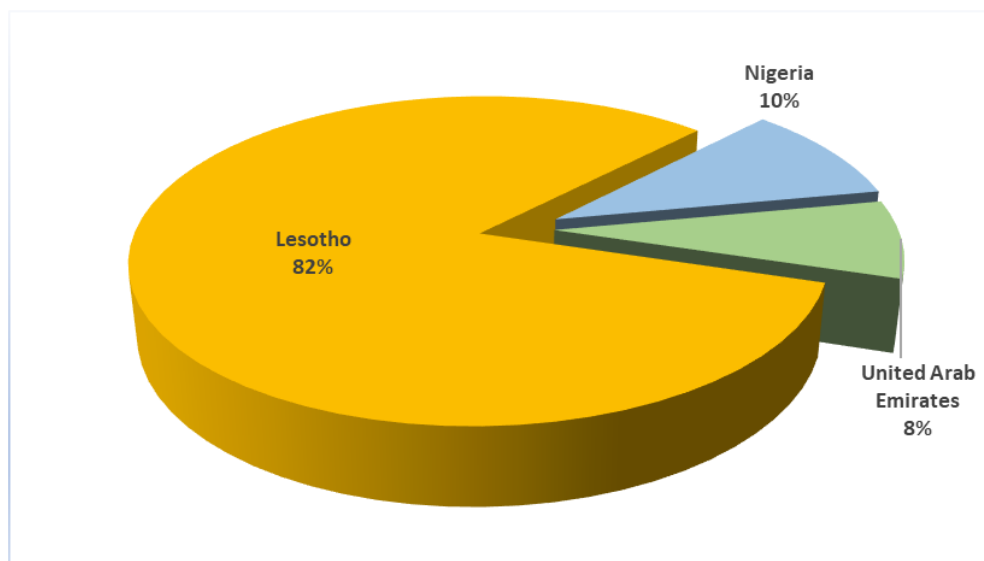


Figure 1: Share by countries importing South Africa's rabbit meat (020810)

Source: SARS (2020)

Figure 2 represents the top importing markets of live rabbits and hares supplied by South Africa in 2019. It is important to note that all exports from South Africa were supplied to African countries. Zimbabwe was the major importer of South Africa's rabbits and hares constituting 72%, followed by Ghana (11%), Zambia (11%) and Mozambique (6%).

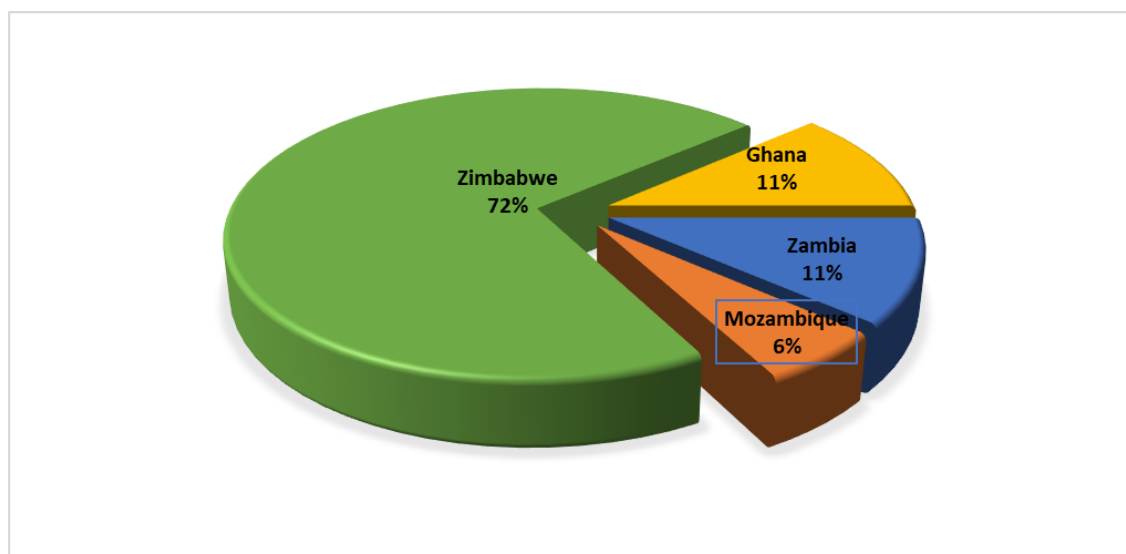


Figure 2: Share by countries importing South Africa's rabbits and hares

Source: SARS, (2020)

3.3 Possible alternative markets for South Africa's rabbit meat and live rabbits

Globally, the untapped export market potential of rabbit meat is valued at R1 812 million while the worthiness of the untapped export market potential for live rabbits could not be ascertained due to data limitations. At regional level, the European Union (EU) exhibits the largest untapped export market potential valued at R1 619 million, followed by East Europe and Central Asia (untapped market potential R100 million) while Southern Africa ranks number eleven from the top, with an export market potential worth R103 554. According to the international Trade Centre's (ITC) market access tool, Southern Africa has actually consumed rabbit meat worth R45 501, implying that there is still more room to absorb more rabbit meat worth R100 416. Due to data limitations with regards to Southern Africa at large, South Africa's rabbit meat industry the research team could not ascertain the rabbit meat industry's export potential.

Table 1: Potential markets for rabbit meat (020810)

Country	Untapped market potential (R million) ¹
Germany	400
Belgium	251
France	146

Source: ITC (2020)

At country level, Table 1 shows the most attractive rabbit meat markets globally. Germany is the most attractive market with a potential of importing rabbit meat worth R400 million, followed by Belgium (R251 million) and France (R145 million). South Africa's role players in the rabbit meat industry tapping into the above and those looking forward to gaining access into those markets should be aware of the following:

In Germany,

- Hungary, Belgium, China, and France are the key suppliers of rabbit meat and account for 28.1%, 22.7%, 19.9% and 12.9% share of all Germany's rabbit meat imports, respectively,

¹ The values of untapped potential are available in US Dollar but they were converted into South African Rand equivalents using R15.69 per Dollar. See: <https://www.x-rates.com/average/?from=USD&to=ZAR&amount=1&year=2019>. This exchange rate was used as the conversion factor throughout in this report.

- South Africa's exports to Germany are very marginal (R62 740 in 2019), ranking 17th among the other suppliers of rabbit meat with less than 0.1% share in Germany's imports.
- The price of South Africa's rabbit meat was about R62 740 per ton, which is about 22% lower than the global average price (R80 568).
- Countries like Austria and Switzerland exported small volumes (2 tons each) of rabbit meat and also have very small market shares (0.1%) in Germany but received very high prices per ton. i.e. R149 055 per ton for Austria and R109 830 per ton for Switzerland. Other countries like Belgium, France, Uruguay also received unit prices above the global average.

In France,

- China is the key supplier, commanding a market share of 45.5%, followed by Belgium (24.9%) and Spain (12.3%), among others.
- South Africa had a market share of 0.1% and ranked 14th after Germany
- The price received (R86 295 per ton) for South Africa's rabbit meat was slightly above the global average price. However, countries like the Netherlands, Hungary and Argentina received by far high prices per ton as compared to South Africa's rabbit meat.

In Belgium,

- China, Argentina and France are the domineering suppliers of rabbit meat. Based on the available data, South Africa has not yet explored this market.
- Chile, which commands on 2.4% share of Belgium's rabbit meat imports received twice as much as the price South Africa's rabbit meat received in the other markets.

4. CONCLUSION AND RECOMMENDATIONS

South Africa's rabbit meat industry is still an emerging industry requiring considerable repositioning to be able to tap into the lucrative global markets. South Africa's rabbit meat and live rabbits are largely destined for markets within Southern Africa. However, given that Southern Africa offers limited export market potential especially for rabbit meat, there is a need for the industry to diversify its rabbit export markets in to Europe. However, unlike South Africa other countries supplying Europe receive much more money per ton of rabbit meat, possibly due to certain attributes of their products, which could not be ascertained in this work. Therefore, there is a need for South Africa's rabbit meat industry to benchmark its

rabbit meat production practices against those used by countries like the Netherlands, Argentina and Chile among others which receive higher prices.

References

ITC (International Trade Centre). 2020. Trade Map: Trade statistics for international business development. Available online at <https://www.trademap.org/Index.aspx>

SARS (South Africa Revenue Service). 2020. Trade statistics data. South Africa. Available online at: <https://tools.sars.gov.za/tradestatsportal>

Thulo, L. (2020). (NEW) A Guide to Launching a Rabbit Farming Agribusiness. Online at: <https://smesouthafrica.co.za/a-guide-to-launching-a-rabbit-farming-agribusiness/>

Vorotnikov, V. (2018). Russian program targets tenfold increase in rabbit meat production. Online at: <https://www.globalmeatnews.com/Article/2018/06/05/Rabbit-meat-production-to-rise-108-000-tonnes-per-year-by-2025>



Compiled by:
Dr. Moses Lubinga
Ms. Kala Zosuliwe

Designed by:
Mr. Sylvester Moatshe
Mr. Majara Monamodi

Equiries:
Dr. Sifiso Ntombela sifiso@namc.co.za

DISCLAIMER

The views expressed in this report are of the authors, and do not in any way represent official positions of the National Agricultural Marketing Council (NAMC). Authors remain responsible for any errors thereof. The information contained in this document results from research funded wholly or in part by the NAMC acting in good faith. Opinions, attitudes and points of view expressed herein do not necessarily reflect the official position or policies of the NAMC. The NAMC makes no claims, promises or guarantees about the accuracy, completeness or adequacy of the contents of this document.