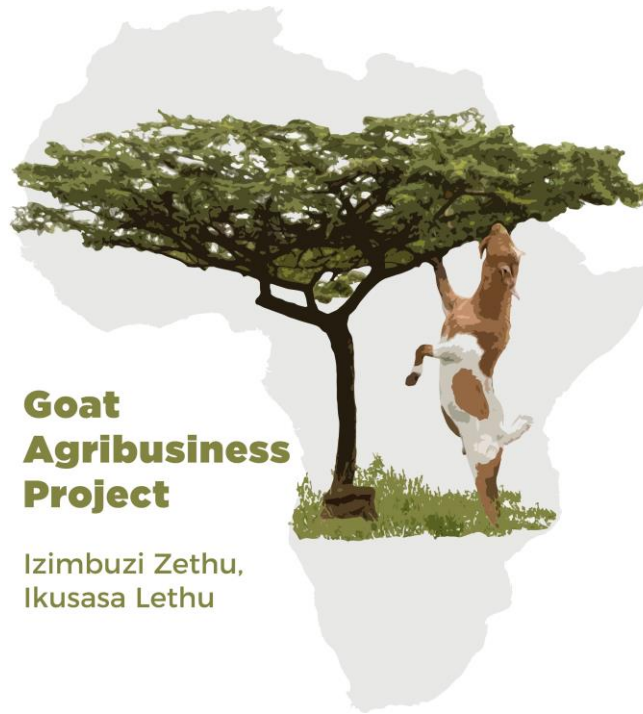


The Goat Market



The goat market in South Africa

1. The goat value chain
2. pricing
3. Sales systems
4. Where are the goats
5. Sales number
6. Who owns the goats
7. Future potential
- 8.

The goat value chain

- Only 5-10 percent are not sold informally
- .5 percent formally slaughtered
- Less than .5 percent are used for the rest of the value chain (milk, cheese and skins etc)
- The growth of indigenous sales has changed market in last 10 years

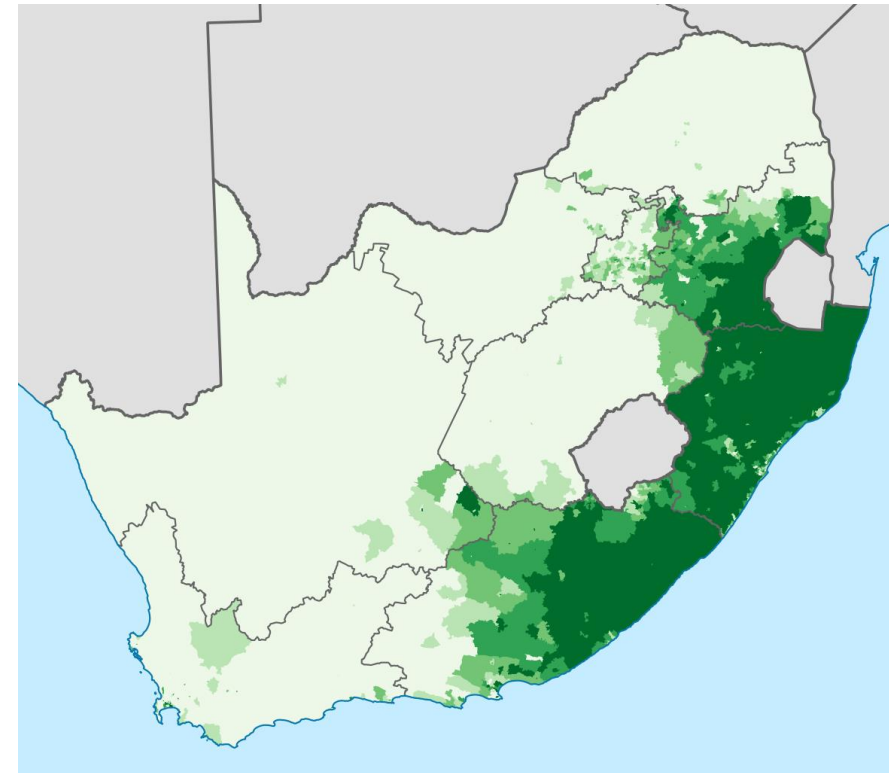
Goats going through formal slaughter

TOTAL SLAUGHTERINGS DURING 1997 AS A PERCENTAGE OF THE TOTAL
NUMBER OF GOATS (Coetzee, 1998)

Province	Number of goats	Number slaughtered	Percentage (%)
Western Cape	258 059	10 381	4.02
Northern Cape	446 925	656	0.15
Free State	74 815	3 273	4.37
Eastern Cape	3 220 618	20 712	0.64
KwaZulu Natal	833 129	871	0.10
Mpumalanga	81 814	201	0.25
Northern	1 017 024	2 1	0.00
Gauteng	13 986	81	0.58
North West	727 733	315	0.04
Total	6 674 103	36 511	0.55

The country's goat market

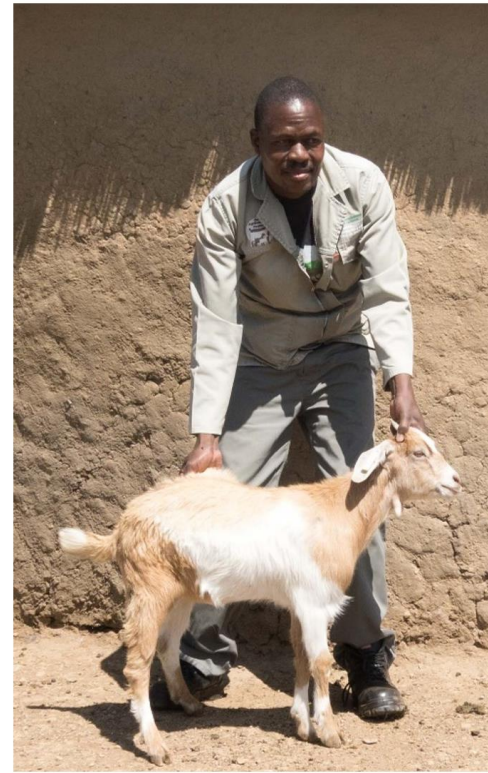
- The Nguni speaking people of the country practice an ancestral worship system with the slaughter of goats
- The associated ceremony is the main communication system with these ancestors as the goats are the only animal said to “wake” the ancestors”
- 20 million people are Nguni speakers (Zulus and Xhosas) and use goats for sacrifices to the ancestors
- Most of family life is built around the ancestors and these ceremonies



Nguni speaking areas of South Africa

What is the price based on

- South Africa has been a net importer of live goats over the past 10 years with around 150 000 reported live goat imports per annum at a unit value of R650/goat. (estimates suggest informal imports of 500 000)
- Live goats are sold at R1000 – R1200/goat which sets the price for all live sales in South Africa.
- Goats are sold on size not weight



Sales systems commercial

- Formal auctions but mainly breed auctions
- Slow -300 goats a day
- high profile high cost- venue, auctioneer etc
- Need transport to get animals back and forth
- Need to house animals



Rope sales

- Rope sales
- Sales to local buyers for local use
- Usually tied on a rope and sold individually
- Most common sales systems
- No records admin, transport or costs



Monthly sales market days

- Create a safer sales environment
- Move animals out faster and more regularly
- Create investments in the value chain



Speculators

- A person in a bakkie buying as they drive around rural areas
- Sell on in urban areas within a couple of days
- Profits are good and very little overheads other than time and fuel
- Paperwork needed to show police and vigilantes
- Carrying cash is risky
- Growing exponentially as people accept indigenous goats



Imports

- Imported by seller
- Have to be sold within 7 days of arrival
- Given profit incentive and restrictions assumed to be not all above board



Side of the road stalls

- These are in most towns
- Unregulated and illegal
- Cause hardship for goats



The country's goat market

The graph below shows one Province, KwaZulu Natal with a Nguni speaking population of 10 million, 2.2 million goats used in just 3 types of family ceremonies. There are up to 10 types of ceremonies involving goats.

Goat numbers for sacrifice in an average year for KwaZulu Natal, South Africa					
Event	Annual numbers	Percentage-Zulus	Estimated numbers for Zulus	Multiplier	Goats slaughtered annually
Deaths	117 000	81	94 000	8	752 000
Births	220 0000	81	178 000	7	1 246 000
Marriages	21 000	81	17 000	11	187 000
Total					2 185 000

The unique effect Covid deaths have on goat demand in South Africa

Goat numbers for sacrifice in 2 years of Covid for KwaZulu Natal, South Africa					
Event	Annual numbers	Percent age-Zulus	Estimated numbers for Zulus	Multiplier	Goats needed
Deaths	234 000	81	189 540	8	1 516 320
Births	440 000	81	356 000	7	2 492 000
Marriages	42 000	81	34 000	11	374 000
Covid deaths	14 722	81	12 000	8	96 000
Excess deaths	54 718	81	44 300	8	354 000
Total					4 832 320



Market numbers

- KZN had 180 000 human births (in 2018). This would require a total of 540 000 goats.
- KZN had 84 000 deaths. This would need approximately 214 000 goats.
- There were 3500 customary marriages. This would need 42 000 goats
- This excludes traditional fines, coming of age ceremonies, sales for school fees, acquiring a job, passing matric or varsity. This would add another 200 000 goats.
- So although farmers have goats yet we are bringing in 1 million from other provinces and countries
- The KZN herd is estimated at over 2.8 million goats which at their current productivity would add 800,000 more annually at existing low productivity rates of around 30 percent.
- **This suggests a minimum of 996 000 goats being slaughtered in KZN per year but the total used by the province is closer to 2 million including fines bride price negotiations and sales for cash.**

Who owns the goats?

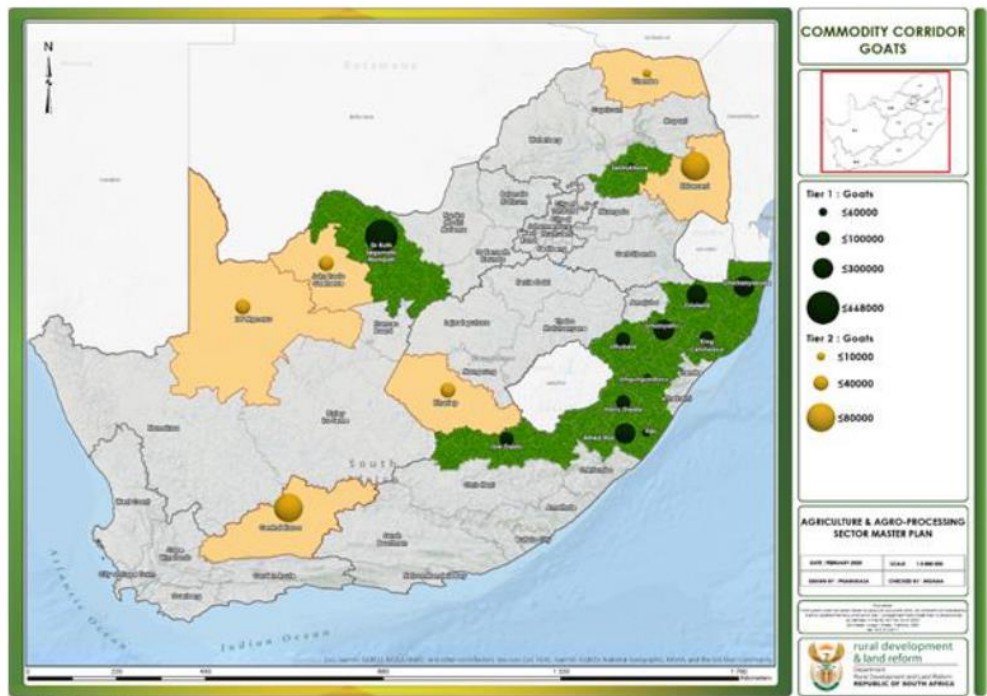
- 80 to 90 percent (6 million of the 8 million goats) of the south African goat herd are owned by small scale African farmers.
- Boer goats 970 000 are mainly owned by commercial (white?) farmers sold to breeders.
- Angora goats 850 000 are owned by commercial farmers and farmed for wool. Old ones get sold into slaughter market



Goats and poverty overlap

Commodity Corridors for Goats

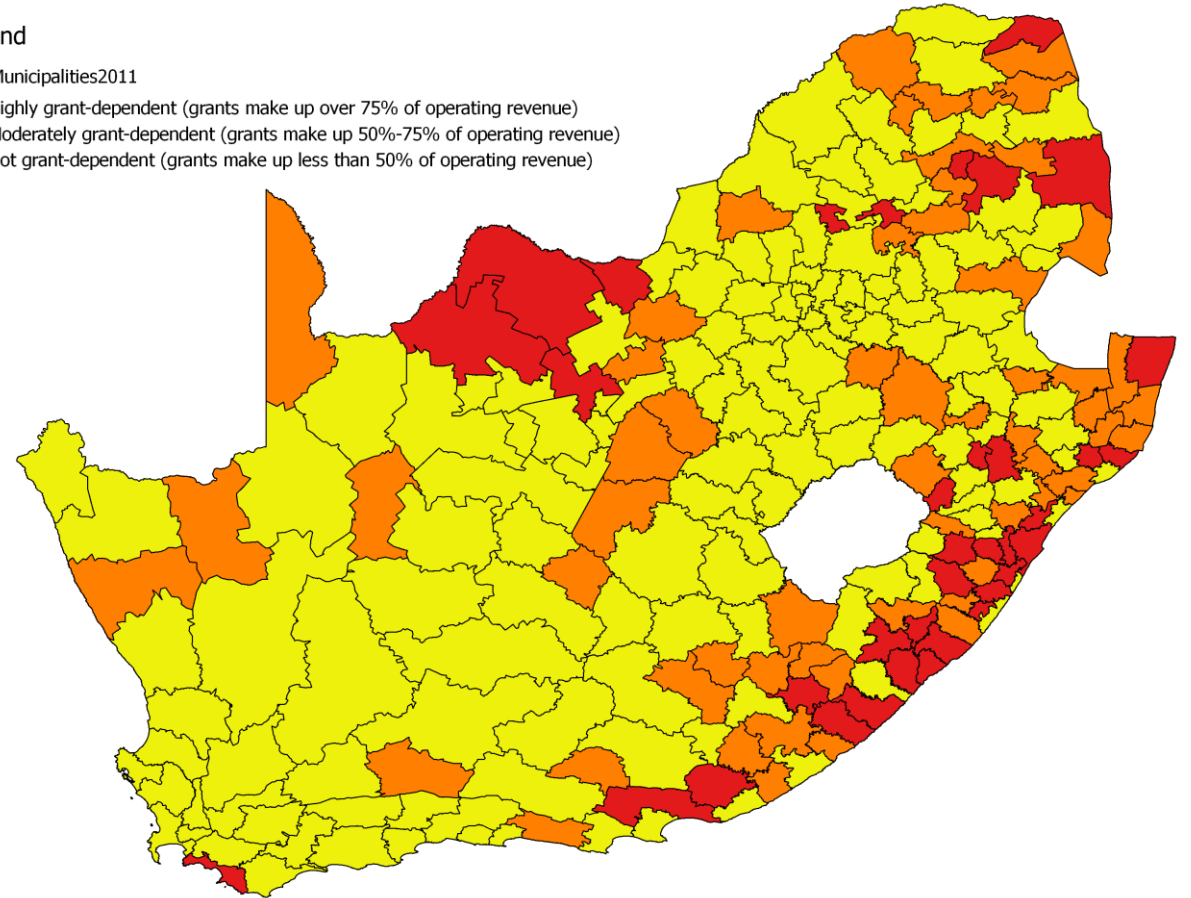
Source: NAMC & DALRRD, February 2020



Legend

LocalMunicipalities2011

- Highly grant-dependent (grants make up over 75% of operating revenue)
- Moderately grant-dependent (grants make up 50%-75% of operating revenue)
- Not grant-dependent (grants make up less than 50% of operating revenue)

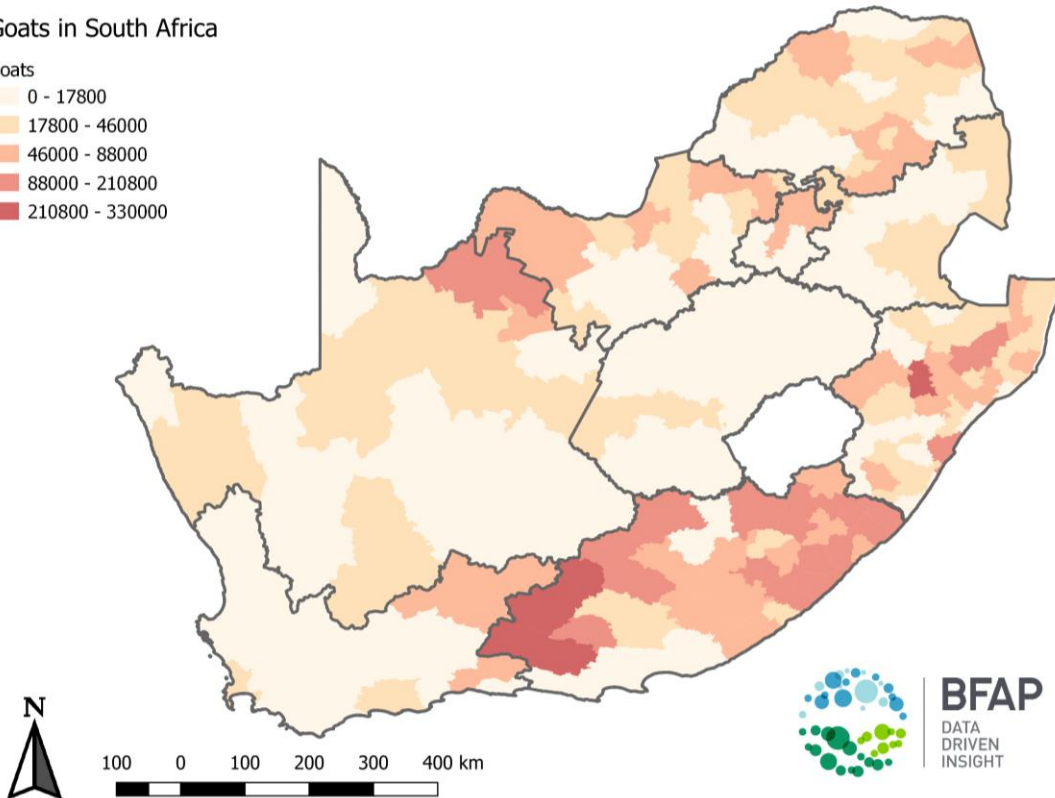
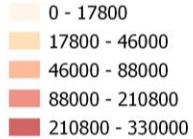


South Africa's Goat Herd per Province

Community Survey 2016

Goats in South Africa

Goats



- 514.5 thousand households keep goats and 34% of these households are in **KwaZulu-Natal** and 31.5% in the **Eastern Cape**.
- 67.4% of households who keep goats have less than 10 and another 20.5% have between 10 and 20.

Province	Total number of goats (StatsSA, CS2016)	Total number of goats (DAFF, 2018)
Eastern Cape	3 221 828	2 079 828
KwaZulu-Natal	1 930 174	702 809
Limpopo	731 887	962 549
Northern Cape	554 253	476 155
North West	538 990	664 066
Mpumalanga	337 216	82 231
Gauteng	202 090	29 353
Western Cape	182 668	208 796
Free State	131 532	217 919
Total	7 830 644	5 423 703
Commercial Goats(DAFF, Abstract 2019)		1 817 000

Is there potential

- The informal herd in South Africa is **currently operating at an estimated 40%** productivity with **optimal productivity for goats estimated at 120%**.
- There is therefore ample scope and opportunity for **import replacements** as well as possible market expansion for goat meat in South Africa.

Costs versus profit by farming type per animal (2023 estimates)

	Commercial farmer South Africa	Small scale South African	Namibian communal	Namibian commercial
Feeding costs	R100	R50	R50	R100
Veterinary costs	R100	R50	R50	R100
Herding costs	R100	0	R50	R50
Cost of ram	R100	0	R50	R100
Transport and cross border admin	R50	0	R100	R100
Land	R100	0		R50
Auction levy	R50	R50	R50	R50
Total investment	R600	R150	R350	R550
Price of goat	R1500	R1500	R900	R900
Profit	R900	R1350	R550	R350
Profit as a percentage	60%	90%	60%	40%

Some ideas on value chains

1. Para veterinary support
2. Training
3. Data collection (census)
4. Supplementary feed sales
5. Leather
6. Monthly sales and auctions
7. Speculators
8. Agrivet shops
9. Meat products?

