GAME MEAT PRODUCTION VALUE CHAIN

BIODIVERSITY ECONOMY INDABA
EAST LONDON
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DAFF: OPERATION PHAKISA
Operating Model
Access to Commercial and Alternative Livestock Value Chains
Game Meat Production Value Chain

1. 🔄 = game meat cold transport chain
2. 🔴 = the role of DAFF
3. 🔵 = job creation and new supply chain initiatives
4. Game meat processing plant to be 50% BBE and 50% supplier owned
5. Inspection at game farm slaughter facility by trained person (not independent)
6. Meat inspection at processing plant by secondary meat inspector
<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Processing Facilities</td>
<td>110</td>
<td>300</td>
</tr>
<tr>
<td>Carcass sales</td>
<td>R650 m</td>
<td>R7 200 m</td>
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<tr>
<td>Animals per Annum</td>
<td>180 000</td>
<td>2 000 000</td>
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<tr>
<td>Total Value Added</td>
<td>R2 100 m</td>
<td>R23 800 m</td>
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<td>Direct New Jobs</td>
<td>1 700</td>
<td>19 400</td>
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<tr>
<td>Tons of Game Meat</td>
<td>18 500</td>
<td>206 000</td>
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<tr>
<td>New Agricultural Land</td>
<td></td>
<td>10 million ha</td>
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Current Wildlife Baseline

- 20 m ha marginal agricultural land
- 19m head of game
- R2 300 bn embedded capex in land & animals
- 20% of red meat produced without game meat safety regulations
- 180 slaughter facilities unrecorded
- 20 facilities recorded
Project Value

R490 m - Total investment over 5 years

- 72% Private sector
- 22% Government-backed investment (e.g. IDC or DTI)
- 6% Institutional investment (R6.5m GAMPO)
Project Schedule

- Game Meat Regulations Gazetted (Final) - 15 November 2017 currently in process of being gazetted; schedule will be updated accordingly
- Establish the SA Game Meat Project Office (GAMPO) - End January 2018
- Conduct a stakeholder / new entrepreneur awareness campaign with a view to obtain Notices of Interest (NoI’s) - 30 April 2018
- Obtain Notices of Interest (NoI’s) - 30 May 2018
- Develop macro business case that sets acceptable transformation targets - 30 August 2018
- Conduct value-chain wide training - Continuous activity
- Industry support entities identified / established to provide necessary support services - start 1 June 2018
- Implement a local market awareness / development programme - start 1 June 2018
- Develop and implement an export marketing campaign through the National Agricultural Marketing Council and DTI - start 1 July 2018
- Facilitate / grow the new processing facilities through proactive management by GAMPO. Continuous activity to monitor and coordinate the development of the industry - Continuous activity
Transformation Considerations

- 80% of the new game meat infrastructure to be developed “off-farm” will be BEE and rural development
- Start-up capital pledged funding: 1% of commission earned at WRSA auctions started in 2015
- Pending funding streams: 20% of revenue of earned from the statutory levies to be developed with NAMC
- MOU between WRSA, DAFF, DEA and DRDLR
Key Assumptions

- Regulatory frameworks
- Plus 10m ha additional marginal agricultural land
- Establishment of GAMPO (MOU DAFF & INDUSTRY)
- National Treasury to assist in facilitation
Thank you!
1. New 45m European Commission funded initiative, 10 October 2017, Rome.
   Objective to curb unsustainable wildlife hunting for “bushmeat”, conserve biodiversity and improve food security.

2. Findings Biodiversity LAB (DEA) and Operation Phakisa LAB (DAFF)

3. Game Meat an alternative livestock value chain. (See access to Commercial and Alternative Livestock Value Chain)

4. Institutional Stakeholders:
   - DAFF
   - DEA
   - Department of Health
   - GAMPO funded and established in DAFF
   - DTI
   - NAMC
   - IDC
   - LAND BANK
   - DRDLR
   - National Treasury Consultation regarding Macro Plan