

THE SOUTH AFRICAN FEDERATION OF RED MEAT PRODUCERS

RPO BUSINESS PLAN AND BUDGET FOR PRODUCTION DEVELOPMENT: 2012–2014

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RPO BUSINESS PLAN AND BUDGET FOR PRODUCTION DEVELOPMENT: 2012–2014

1. INTRODUCTION

Production development is of vital importance to the progress of the livestock industry and is in line with the strategic plan for South African Agriculture.

In order for livestock farming to be profitable and globally competitive it is of vital importance that producers should be provided with the relevant information and skills. South Africa is a net importer of red meat, but could become self-sufficient if producers perform optimally and are internationally competitive. If producers are provided with the correct information, give inputs on policy issues and take part in production development projects this could go a long way in making South Africa self sufficient in red meat production. The benefit of this would be, *inter alia*, to improve the balance of payments and create economic growth and make a contribution towards the red meat industry and could also become relevant in terms of exports. A stable meat industry, which is managed effectively will make a big contribution towards preserving the national resources while effectively utilising the genetic diversity of domestic livestock.

The income for the function of production development will be collected at slaughter points and is a ring-fenced calculated amount for the cattle and small stock industries. This budget for the function of production development is submitted by the Red Meat Producers' Organisation (RPO). National Emergent Red Meat Producers' Organisation (NERPO) still remains responsible for the emerging sector and the RPO for the primary commercial red meat producers. The budget and business plan for Production Development for the emerging sector will be submitted by NERPO. The amount available for Production Development for the new levy period is divided on a 70 % / 30 % ratio. The implication of this is R3 083 777 goes

towards the RPO for Production Development and R1 321 619 goes towards
NERPO.

The liaison / administration of organisations' budget is divided as follows:
R162 304 goes towards the RPO and R69 559 goes towards NERPO.

The total amount available to the RPO is R3 246 081.

2. FUNCTIONS & BUDGETS

Producer Communication

In a deregulated red meat environment, reliable, objective and user-friendly statistics and information of the industry at any given time is essential to facilitate decision-making during production and marketing of small stock and cattle. The distribution of statistics, general information as well as technical information to producers is of vital importance to enhance productivity and create higher standards. Statistics have to be obtained and continuously updated. The statistics should include production aspects, inputs, price trends, consumption, imports and exports, volumes and consumer trends, information on trade agreements affecting the industry and movements following trade meetings, health aspects, creating an understanding by producers of the value chain etc.

The following methods to communicate industry information will be utilised:

FUNCTION	BUDGET
Website Maintenance	R 25 000
Faxes/Telephone/E-mail / SMS's	R 72 000
Inputs in Agriculture Magazine	R202 000
Radio Talks	R 66 900
TOTAL	
TOTAL BUDGET FOR PRODUCER COMMUNICATION	R365 900

2.2 Liaison / Information / Production Development Actions

2.2.1 Producer Liaison / Information / Production Development Actions

In order for livestock farmers to be profitable and competitive it is of vital importance that they should be provided with relevant information and skills, but it is also of vital importance that livestock farmers should give inputs on policy issues. Active participation in policy making and finalisation of legislation should also be perceived. The dissemination of industry information, market information as well as supply and demand trends should be communicated to producer's in a collective way.

The provincial structures of the RPO should be utilised for policy making and the dissemination of information and skills. The RPO and NERPO's provincial structures are ideally situated to render this service to producers.

Therefore these structures should be able to claim for services rendered under this function.

Separate information and farmers days presented by the newly established RPO Institute for Production Development form part of this with inputs from the national body and experts.

Annual Congresses organised by provincial structures should form part of the liaison function in order to disseminate information and to get inputs from grass root structures. Attendance of provincial management meetings should also form part of this function.

FUNCTION	BUDGET
Liaison with producers on grassroots level	R305 000
Total Budget	R305 000

2.2.2 Provincial Liaison / Production Development Actions

Liaison should not only be limited to national structures, but due cognizance should be given to provincial structures due to the fact that agriculture is dealt with on a provincial basis as spelt out in the constitution. The attendance of *inter alia* many provincial workshops on red meat matters when red meat producer policy inputs are required form part of this as well as inputs in terms of extension services / training and animal health issues as well as the attendance of provincial stock theft forums. Liaison between commercial and emerging producers in an organised way forms part of this.

FUNCTION	BUDGET
Provincial Liaison	R605 000
Total Budget	R605 000

2.2.3 National Liaison / Production Development Actions

Most of the liaison actions on behalf of red meat producers are done on a national basis, this includes *inter alia* liaison with Grootfontein Small Stock Trust, Animal Improvement Trust, Standards Committee, Advisory Committees at tertiary education institutions, National Woolgrowers' Association, Red Meat Research & Development Trust, Damage Causing Animals Advisory Committee, Livestock Welfare Coordinating Committee, Meat Industry Forum, South African Meat Industry Company, South African Feedlot Association, Agri SA Commodity Chamber, Transvaal Agricultural Union SA, National Agricultural Research Forum, South African Poultry Association, Industry Roleplayers, NERPO, Milk Producers' Organisation, South African Game Organisation, Breeders' Associations, South African Stud Book Association, INTERGIS, Breedplan, Onderstepoort Biological Products, International Trade Administration Commission, National and Provincial Government Departments and Provincial RPO Structures. Inputs towards sector plans and other workshops form part of this.

FUNCTION	BUDGET
National Liaison	R707 300
Total Budget	R707 300

2.2.4 International Liaison

Liaison on international level would include *inter alia* liaison with the Cattle Producers' Association of Zimbabwe, Livestock Producers' Association of Namibia, The Namibian Meat Board, Botswana Cattle Producers Association, South African Livestock and Meat Forum and International Federation for Agricultural Producers and some International Meat Secretariat Proceedings.

FUNCTION	BUDGET
International Liaison	R105 500
Total Budget	R105 500

2.3 Animal Health Issues

Some animal health issues will be dealt with under the communication and liaison budgets. Specific inputs are however required on certain issues of which Malignant Catarrhal Fever (MCF), Knee Arteriosclerosis, Pizzle Disease, Foot and Mouth Disease, BSE participation in the Animal Health Forum and Advisory Forum on Small Stock and on farm bio-security systems are examples.

This will *inter alia* include the Ombudsman on MCF and support for liaison structures on Foot and Mouth Disease.

FUNCTION	BUDGET
Animal Health Issues	R115 000
Total Budget	R115 000

2.4 Stock Theft

Stock Theft is a major problem with a loss of R300 Million per annum to the South African red meat industry. Stock Theft makes the industry uncompetitive and the losses to the emerging industry are the most severe. A structure of a National and Provincial Stock Theft Forums has been

established. These structures have played a major role in the fight against stock theft with great success.

These Forums will be run by the RPO National and Provincial Structures.

FUNCTION	BUDGET
National Stock Theft Forum	R144 400
Total budget	R144 400

2.5 Agri BEE

NERPO together with the RPO is in an ideal position to be involved with BEE Projects of which the most important will be mentorship by commercial producers towards the emerging producers.

The RPO is very involved in the training of farm workers through the Institute of Production Development. The RPO is also in the process of accessing SETA funds for farm worker training.

FUNCTION	BUGET
Agri BEE	R210 000
Total Budget	R210 000

2.6 Research

Statutory Funding will be made available to the industry for research and development and the RMRD will be the service provider for this.

There is however a need to deal with certain research needs on an urgent basis and to identify inputs towards research from producers.

Immediate support to pressing research issues are sometimes needed, examples of this is the hides and skins project as well as the Benchmark Project that is currently under way.

FUNCTION	BUDGET
Research	R130 000
Total Budget	R130 000

2.7 Damage Causing Animals (DCA) (Predators)

Damage causing animals (Predators) is a big threat to the small and large stock industry. Producers can loose up to 40 % of their lamb production due to this problem. The annual loss due to DCA amounts to R1.1 Billion.

Involvement in the Damage Causing Animals (Predators) Policy Committee and certain specific projects are needed to deal with this problem.

FUNCTION	BUDGET
DCA Control	R100 000
Total Budget	R100 000

2.8 Import Monitoring

Irregularities in terms of imports specifically with regard to the payment of the import levy have a crippling effect on the producer price. Specific projects are needed to address this problem. This includes border fences and border control as well as imports of livestock and meat from neighbouring countries.

FUNCTION	BUDGET
Import Monitoring	R200 400
Total Budget	R200 400

2.9 Administration Costs

Ten percent of the costs of functions are allocated to administration costs, these include: office rental, financial services, telephone, fax, postage, insurance and personnel costs excluding these personnel allocated to specific functions.

FUNCTION	BUDGET
Admin Costs	R257 500
Total Budget	R257 500

3. BUDGET SUMMARY

FUNCTION	BUDGET
Producer Communication	R 365 900
Liaison / Production Development Actions	R1 722 800
Animal Health Issues	R 115 000
Stock Theft	R 144 400
Agri BEE	R 210 000
Research	R 130 000
Damage Causing Animals	R 100 000
Import Monitoring	R 200 400
Admin Costs	R 257 500
TOTAL	R3 246 000