

WHO IS THE RMIF?

The Red Meat Industry Forum (RMIF) of South Africa is an umbrella council consisting of 13 nominated members each representing the interests of the most nationally representative sector specific organizations within the Red Meat Value Chain from the primary producer to the consumer. The RMIF was established in 1994 when the Agricultural control boards were disbanded and it was formally constituted in 1997 in accordance with the provisions of the Marketing of Agricultural Products Act, 1996 (Act no. 47 of 1996) as amended. The RMIF affairs are managed by a Management Committee of 4 members nominated by the RMIF Council.

previously executed by the now disbanded Meat Board. In the period following 1994 certain of these functions were executed by the South African Meat Industry Company (SAMIC) funded by the Meat Industry Trust (MIT) and then later some of the major industry role player organizations agreed to fund these functions on a Rand to Rand basis with the MIT. This funding method was an interim measure and not sustainable in the long run.

In March 2005 the RMIF submitted an application for the introduction of a Proportional Transaction statutory levy in terms of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996) as amended. In order to enhance the efficiency of levy administration and information collection, two ancillary statutory measures, namely registration and information collection, and the keeping and rendering of records and returns were also requested. The levy and measures are enforceable within the boundaries of the Republic of South Africa and to red meat, red meat products (excluding hides and skins), processed pork imported into South Africa and livestock exported from South Africa. The 4th statutory levy application was approved by the Minister of Agriculture, Forestry and Fisheries on the 11th of November 2014 for a 4 year period.

WHAT IS THE KEY PURPOSE OF THE RMIF?

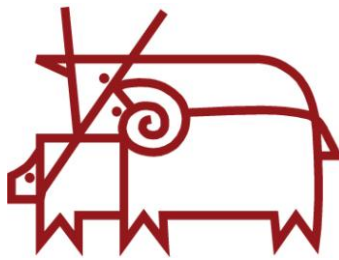
- To represent the Red Meat Industry
- To negotiate for an enabling regulatory environment
- To formulate industry policy
- To facilitate compliance to legislation
- To appoint Compliance Committee
- To address non-compliance to industry related legislation
- To decide on industry strategy
- To guide and monitor progress of strategy
- To apply for statutory levy and measures
- To identify and appoint service providers to deliver functions
- To approve service provider business plans and budgets and allocate funds to service providers
- To appoint Levy Committee to monitor service provider performance and verify that allocated levy funds have been spent according to budgets and as per annual audits
- To liaise with all industry and state structures
- To nominate industry trustees to the Meat Industry Trusts
- To nominate directors to the Meat Statutory Meat Services Board and
- To nominate representatives to the Red Meat Research and Development structures

Meat Statutory Measure Services (MSMS) is an organization incorporated under section 21 of the Companies Act, 2008 (Act No. 71 of 2008) and was established on 16 August 2007 to manage the administration and enforcement of the Red Meat Levy Notices. The key purpose of MSMS is to serve, protect and promote the interests of all designated levy payers and the nationally representative role player organizations of the RMIF to maintain a viable Red Meat Industry. MSMS contracted a private company, Red Meat Levy Administration (Pty) Ltd. (RMLA) to execute the administrative component entailed in the above function. RMLA oversees the collection and administration of the levy process.

THE RED MEAT STATUTORY LEVY

The Red Meat Industry determined a need for the continuation of a number of essential functions

Service Providers are appointed by the RMIF on submission of approved business plans and



budgets for projects that deliver on the above mentioned functions. As funds become available from the levy collections, RMLA transfers funds for the relevant function into the account of Service Provider for further distribution. A Levy Committee, appointed by the RMIF has been mandated to interrogate levy spending against business plans and levy audit certificates on behalf of the Red Meat Industry.

The RMLA has similarly been appointed by SAPPO to collect a statutory levy per slaughter pig or live pig exported which is managed and allocated separately.

Total Classifying Abattoirs: 215
Total Non-classifying Abattoirs: 215
9344 audits, assessments, refresher courses, judgements and inspections with 11 inspectors – a highlight for quality assurance in the Red Meat Industry

(Source: SAMIC 2015 Annual Report)

Breakdown of industry numbers as per levy records and returns (Mar 2015 - Feb 2016):

Red Meat Abattoirs (351)*	
Meat Processors (18)	80,936 tons
Tanneries (7)	40,681 tons
Levy on Commission Earned (49 Livestock Agents)	R 487,120
Hide and Skins Exports (7) (wet, salted hides and skins; pickled skins)	32,648 tons
Meat Traders (2975)	
Importers (66)	3511 containers

(Source: RMLA)

WHAT ARE THE MUTUALLY AGREED ESSENTIAL FUNCTIONS?

- Compliance to Legislation
- Consumer Assurance
- Consumer Communication and Education
- Industry and international liaison
- Production Development
- Red Meat Research and Development and
- Transformation in the developing sector

INDUSTRY INFORMATION:

Estimated 13.570 million cattle in South Africa (Feb 2016) (0.91% down from Aug 2015)

Estimated 23.710 million sheep in South Africa (Feb 2016) (0.95% down from Aug 2015)

Estimated 5.932 million goats in South Africa (Feb 2016) (1.03% up from Aug 2015)

Estimated 1.540 million pigs in South Africa (Feb 2016) (1.14% up from Aug 2015)

(Source: www.daff.gov.za Links/Related Links/Food Security Statistics/Livestock Estimates February 2016)

The consumption expenditure on food for the year ended 31 December 2015 amounted to R551 870 million, which is an increase of 5,9% from the R521 133 million of the previous year. Expenditure on meat increased by 11,4%, from R175 046 million to R195 025 million.

The consumer price index (with base year 2010 = 100) of all items increased by 4,6%, from 124,5 to 130,2 during the year ended 31 December 2015. The CPI of food increased by 5,0% from 131,4 to 138,0 and that of non-food items increased by 4,5%, from 121,3 to 126,8. Meat prices increased by 5,8% from an index figure of 131,8 to 139,5.

(Source: www.daff.gov.za Economic Review of the South African Agriculture 2015)

Over the past decade, meat consumption in South Africa expanded rapidly as a result of growing income levels, continued urbanization, rising living standards and ever increasing dietary diversity.

725 million kg beef consumed 2013-2015 (19% up from 2003-2005); roughly 13.5kg per capita by 2025

125 million kg lamb&mutton consumed 2013-15; roughly 2.6kg per capita by 2025

225 million kg pork consumed 2013-2015 (33% up from 2003-2005); roughly 5.2kg per capita by 2025

(Source: BFAP Baseline Agricultural Outlook 2016-2025)

GROSS PRODUCTION RAND VALUES:

(Jan 2014 - Dec 2014)

Beef: 23 050.97 million Rand

Sheep: 5 841.47 million Rand

Pork: 4 372.59 million Rand

(Source: BFAP)

*NUMBER OF ANIMALS HARVESTED:

(Jan 2015 – Dec 2015)

Total Heads Cattle Slaughtered for 2015 was recorded at 2,927,673 heads, which was an increase of 7.99% from the previous year.

Total Heads Sheep Slaughtered for 2015 was recorded at 5,598,322 heads, which was an increase of 2.07% from the previous year.

Total Heads Pigs Slaughtered for 2015 was recorded at 2,766,196 heads, which was an increase of 0.34% from the previous year

(Source: www.levyadmin.co.za)

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