## **Towards Quality Improvement**

Thoughts from a buyer's perspective



#### Presented by:

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## Botswana Beef in the Global Context

#### **Primary Markets**

- Norway
- EU

#### "Other" Markets

• South Africa

## "Other" markets (New)

- Angola
- Mozambique, DRC, Vietnam, Kuwait



## **Traditional Markets**

Products, Sources of Supply and Price

#### **Norway and EU**

- Almost exclusively imports feed-finished Prime / Super Grade Hindquarter cuts - Lobatse abattoir
- Very attractive prices

#### **South Africa**

- Mainly forequarter and manufacturing cuts for further processing Lobatse abattoir
- Grade 1 and lower hindquarter cuts from Lobatse and Francistown
- Mature market competitive prices set by regional and international players



## **New Markets**

Products, Sources of Supply and Price

## Kuwait, Mozambique and Vietnam

- Supplied from Maun abattoir
- Mixture of frozen forequarter and hindquarter cuts
- Various grades mixed together
- Low, penetrative prices
- Transit through Zimbabwe and Mozambique



## Botswana Beef in Angola



## Marketing Strategy Rationale

## Took stock of who we are in the global supply context?

- Livestock population
- Abattoir throughput capacity
- Production systems and efficiency
- PRICE POINT

## What were the Unique Selling Points from which we could leverage?

- 6 months shelf-life
- Pasture raised
- · Growth enhancement free
- UNIQUE TASTE



## Marketing Strategy Rationale Cont'd

## Competitor analysis and their product offering

- Meatco (partners in EU market)
- South American producers
- USA and Australia

#### **Product selection and Market Entry Strategies**

- Penetrative pricing vs Differentiation
- Distribution and Marketing Partnerships

Based on our findings - we focused on a DIFFERENTIATION Strategy



## **Angola**

Products, Sources of Supply and Price

Collaborative approach with BMC and Distribution Partner

#### **Products**

- Started with CHILLED hindquarters (first movers)
- PRIME and SUPER Grade ONLY

#### Supply

• Supplied from Francistown abattoir

#### Price

· Premium pricing strategy



# Hotels, Restaurants, Cafes (HORECA)

BUILT BRAND PERCEPTION WITH OPINION LEADERS (CHEFS) AND DECISION MAKERS



















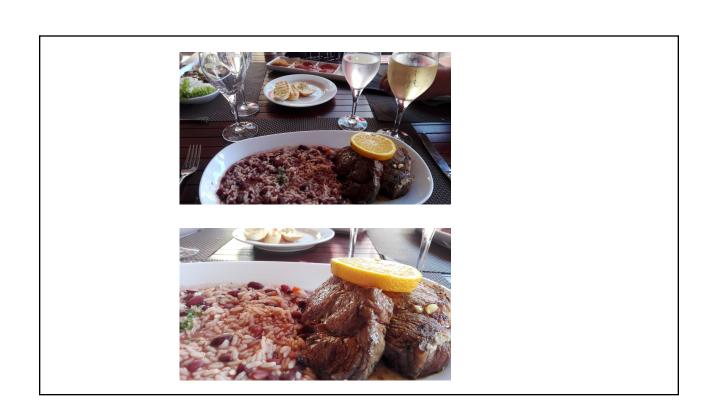
























## **RETAIL**

MADE PRODUCT ACCESSIBLE TO HIGH AND MIDDLE INCOME CUSTOMERS

PURSUED GROWTH THROUGH EXPANSION OF RETAIL FOOTPRINT























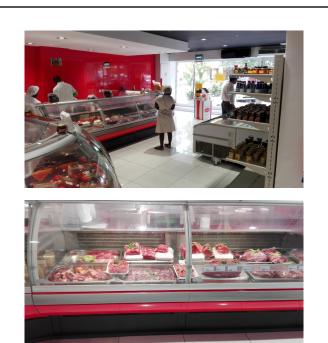














## Market-side Outcomes

## Respected and highly sought after BRAND

#### **Sales Performance**

• Exponential revenue growth from a zero base

## **Price performance**

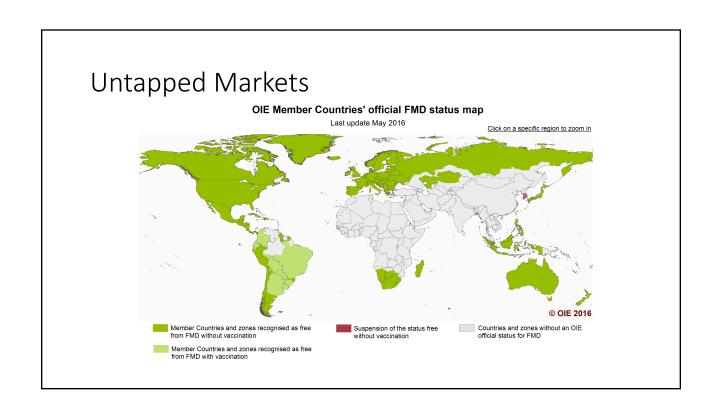
- Consistent price growth year on year
- Best price performance outside Norway and EU
- Prices are similar, equal to and sometimes higher than certain cuts sold in EU



## **Supply-side Outcomes**

- BMC restarted feedlot activity in Francistown in 2014 to meet demand
- Provided a market for weaners in zone 4A and recently zone 3B which are a non-EU green zone
- Producers can sell weaners at a significantly better and faster return than oxen
- Currently working with BMC to increase feedlot capacity dedicated to other markets
- Will result in improved throughput at BMC Francistown





## Our experience with Ngamiland beef

---- Original Message -----

From: Bruno kalil [mailto: brunokalil1@xxxxxxxxx.com]

Sent: Sunday, February 19, 2017 9:57 AM To: faizal.mussagy@xxxxxxxxxxxxxxxxx.co.mz

Cc: Micaela Subject: Meat

Good morning Faizal,

Yesterday we had several complaints of the meat that you brought us and today I went to try the meat (it seems to me that this meat is not a cow) and I saw that it is very poor quality meat (smell, taste and texture).

I ask you to raise the meat in the miramar because I will not pay for a product of those, I recommend that you do not knock my door to offer me products of this quality, my clients are not dogs to eat that type of meat.



## Challenges with Current Export Product from Ngamiland

#### **QUALITY**

- · No active feedlot infrastructure for finishing cattle for export
- Current frozen finished product not separated by grade

#### SANITARY AND TECHNICAL BARRIERS TO TRADE

- · Market Access limited by import permit conditions
- Perception We have branded the Product as Red Zone Meat
- Transit permits remain a challenge in South Africa and Namibia



## Benefits of CBT approach – Market Perspective

- Minimise or eliminate sanitary issues
- Create consistent availability of product
- Attract investment in feedlots and as a result weaner production
- Export abattoirs will be more confident to produce fresh / chilled product
- Allow Ngamiland product to feed into QUALITY marketing strategy
- Producers will access better paying markets = HIGHER RETURNS



