FACTSHEET NO 4:
MARKET OPPORTUNITIES FOR ORGANIC BEEF

Organic agriculture addresses both health and ethical concerns. Key consumer drivers for purchasing organic produce and meat are its known health benefits and growing ecological consciousness.[1] Producers are benefitting from the growing demand for organically produced food.

Market dynamics for organic producers

Conventional agriculture products are traded as commodities as they are produced and handled at scale, with limited traceability from farm to fork. Consumers mostly have no relation to the farms where their food was grown or raised. For producers, conventional commodities are subject to volatile market mechanisms that are beyond the control of farmers. Organic produce is traded within a different dynamic. Consumer expectations inform production and trading relations, which in turn are built on integrity and clear traceability.

While conventional commodities are subject to volatile market mechanisms beyond farmer control, organic value chains and associated prices tend to be more stable,[2] a direct benefit of healthy relations of all links in this chain. From the onset of recognised organic production, organic farmers have taken greater control over marketing their products and thus accessing a larger part of the value chain. Organic produce also tends to enjoy price premiums in retail markets, as well as preferential placement.

Internationally and increasingly locally traded organic products are certified to protect both consumers and farmers against false claims. Organic certification by an independent and accredited entity is now a critical part of the organic value chain to provide quality assurance, although this can be an expensive process.

International markets for organic beef

The global organic meat market is expected to grow with a compound annual growth rate of 7% of the next three to five years,[3] mostly in the United States and European Union. Organic beef receives a 15-20% price premium depending on the cut in Europe as legislation for industrial feedlots becomes stricter and in the United States, the premium ranges from 40% to more than 80%.[4]

Namibia has long-standing export markets for its free-range beef to Europe, particularly Norway. Less than 2% of retail food sales in Norway are organic compared to the German average of close to 6%.[5]

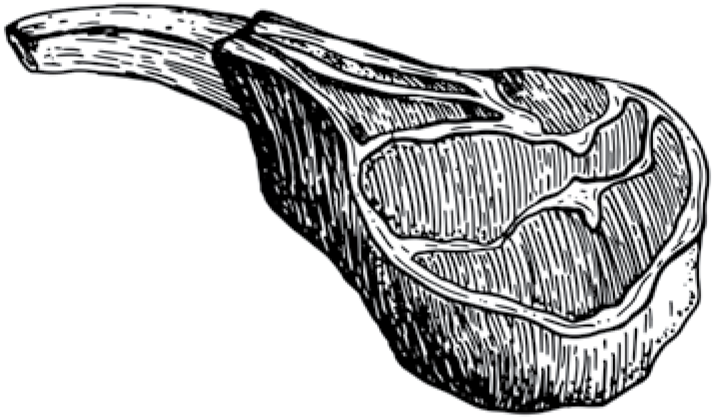
Potential export market growth

There is a growing demand for organic Namibian meat from urban consumers in neighbouring South Africa, which, while a net beef exporter, has a bad market reputation due to the embracing of genetically modified organisms and extensive feed-lot practices. This is currently a limited market though due to limited purchasing power of the majority of the population.

On international markets, Namibian beef – while a small player – has a good reputation as a superior niche product. The value chain to international markets is mature and established.

The local market for organic meat

Namibian consumers have few options to purchase organic meat as very few farmers have gone through the compulsory conversion period and had their production certified as organic. There is, however, a market for organic produce, particularly in the larger metropolitans. The price premium in Namibia ranges from 5% to 20% for certified organic beef, depending on the cut.



Potential local market growth

Meat is considered a staple in the country, with considerable potential growth for the organic livestock sector as consumer ecological consciousness and their understanding of the health benefits of organic produce grows.

Namibian livestock production is to a large extent already 'natural', but many farmers are hesitant about waiving bagged feed and urea during the dry season. Farmers that have done so report slightly lower average daily weight gain for their cattle, but are able to main critical performance indicators of good fertility and production per hectare. This is under conditions of good grazing management practices and farming with adapted breeds.

Retail markets for organic meat include the Windhoek Green Market, the Organic Box (online store), FarmGanic in Swakopmund and SuperSpar (countrywide).

There is thus room to grow the local market and benefit from exports of organic meat to international markets.

[1]Burrows, D. (June 9, 2022). How organic food can navigate the cost-of-living crisis. https://www.just-food.com/features/how-organic-food-can-navigate-the-cost-of-living-crisis/#:~:text=Price%2Dwise%2C%20organic%20prices%20have,and%20organic%20is%20therefore%20shrinking.
[2]Burrows, D. (June 9, 2022). How organic food can navigate the cost-of-living crisis. https://www.just-food.com/features/how-organic-food-can-navigate-the-cost-of-living-crisis/#:~:text=Price%2Dwise%2C%20organic%20prices%20have,and%20organic%20is%20therefore%20shrinking.
[3]Research and Markets. (2021). Organic Meat Products Global Market Report 2021: COVI-19 Growth and Change to 2030. https://www.researchandmarkets.com/reports/5321480/organic-meat-products-global-market-report-2021
[4]FiBL. (2022). The world of organic agriculture: statistics and emerging trends 2022. https://www.fibl.org/fileadmin/documents/shop/1344-organic-world-2022.pdf
[5]FiBL. (2022). The world of organic agriculture: statistics and emerging trends 2022. https://www.fibl.org/fileadmin/documents/shop/1344-organic-world-2022.pdf

About the Namibian Organic Association (NOA)

NOA is a membership-based association established in 2009 by a group of dynamic farmers and consumers with the common interest of developing the organic sector in Namibia.

About the Knowledge Hub for Organic Agriculture in Southern Africa (KHSA)

KHSA is part of the project Knowledge Centre for Organic Agriculture in Africa (KCOA), a collaborative country-led partnership funded by the German Federal Ministry of Economic Cooperation and Development (BMZ) and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and non-governmental organisations. The project aims to scale up adoption of organic farming practices through five knowledge hubs in Africa. In the Southern African Knowledge Hub (KHSA), project activities are focused in Zambia, in Namibia (led by the Namibia Nature Foundation and NOA), and in South Africa and Malawi. For more information contact the KHSA Project Manager for Namibia: noa@nnf.org.na.