



1. Ostrich Supply Problems
2. South Africa lift self imposed Export Ban
3. Revenue per Bird
4. Low Yield Agriculture vs High Yield Agriculture
5. Contributions

1. Ostrich Supply Problems

Written by Bert Rayner, Country Liaison for Australia

As we all know the ostrich livestock industry is a relatively new livestock production industry. Up to 1994 95%-98% of all product came from South Africa. Klein Karoo Co-op had a full monopoly up to 1994. From a maximum production of +/- 160,000 birds in 1994 production jumped to an estimated 580,000-620,000 in 1998. Many think prices dropped due to over production. Incorrect - prices actually declined due to poor or pathetic marketing strategies.

Leather

Unfortunately all newcomers simply went to established markets and sold at lower prices. No 'new markets' were developed by 'new tanneries'. If we compare production of luxury items such as 'Whisky' and 'Diamonds' the growth over the last decade has been phenomenal. Did they discount the product? No. There are many whisky producers and the highest value product such as single malt is struggling to keep up with demand. Although DeBeers still dominates sales in top quality diamonds, the competitors have not gone in and sold at half price. Why did the bigger players in the ostrich industry drop the value of our product so drastically? No one has the answer but many suspect it was an ill judged attempt to control the growth of the industry.

Meat

Unfortunately the major player, South Africa has always seen the meat as a by-product. A recent article in South Africa quoted the S.A.O.B.C. spokesperson as stating that meat is only 30% of income. Hopefully he is referring to the current situation where exports are banned. At the moment in the Australian industry meat value makes up roughly 66% of the gross value of our product sold. We anticipate this will increase with niche marketing and improved meat yields. We do expect a rise in the value of skins but my humble opinion is that meat will continue to be our primary product.

Supply

I am a farmer and a marketer. Lack of consistency of supply and consistency of quality are the two main factors that have had a negative impact on development. With correct nutrition and management I believe we can solve the problems. We have two high quality products from ostriches and we should not have to discount to sell. As many know I am ex South Africa and have realised their farming technology on ostriches does not lead the world. We need to seek advice and work together to lift production.

The future

The world needs 50% more meat by 2025. Much of this growth will occur in intensive chicken and pork production units. It is however an ideal opportunity to expand our healthy, low fat, high iron ostrich meat industry. Certain parties are exploring new avenues for 'high quality' ostrich leather goods. These markets have massive potential that can only be realised with consistent, sustainable production.

WORLD OSTRICH ASSOCIATION NEWSLETTER NO. 31

Ostrich production has a huge growth potential where efficient farmers, processors and reliable marketeers can all benefit.

Editors note: Our thanks to Bert for taking time out to write the above article. All our members like to hear from other members and contributions very welcome. If you are not comfortable to write in English, you can submit in your own language and arrange for translation for those who cannot understand your language.

2. South Africa lift self imposed Export Ban

On September 13th the South African Ostrich Business Chamber (SAOBC) announced that the ban on the export of ostrich meat has been lifted by the Department of Agriculture. It is important to remember that although the voluntary ban has been lifted, importing countries still have to decide on the resumption of imports from South Africa.

Your directors are recommending any producers considering importing fertile eggs, chicks or breeders from South Africa, to have the birds tested by independent laboratories before considering importing. The June report from the OIA (http://www.oie.int/eng/info/hebdo/AIS_67.HTM#Sec2) reported infection on a large number of farms and there has not been a kill out policy in the Western Cape to eradicate the disease.

3. Revenue per Bird

Bert made reference to the proportion of South African meat revenue to total revenue per bird representing no more than 30% of Income by comparison to Australian producers achieving 66%. There are a number of factors that can influence the proportion of revenue:

- Price of different products (Meat, Skins, Feathers and Fat/Oil for those with a market)
- Grade of Meat and Skins
- Yield of Meat

South African production has had a long history of producing ostrich with slow growth, low meat yields and slaughter at 14 months of age. Average carcass weights are only 42 kilos with 17kgs to 18 kgs of export muscles. It is possible to produce a bird in half that time producing similar meat yields and double meat yields with birds 42 weeks (10 months).

Produce double the meat, you double your meat revenue per bird, even when prices are low. Working together we have increased strength to improve supply and prices.

Double meat yields also reduces the costs of processing that bird. Slide 28 of my presentation in China quantifies these costs and can be seen at http://www.world-ostrich.org/present/fiona_files/v3_document.htm (This is best viewed through Internet Explorer rather than Netscape or Firefox.)

4. Low Yield Agriculture vs High Yield Agriculture

Communicating with producers in different countries and travelling as I am able to do provide the opportunity to see tremendous variations in agriculture in different countries. Travelling in Bulgaria this month was again a reminder of the importance of agriculture to the local economy. The collapse of communism resulted in much of the land being returned to the original owners. In many cases the families had grown, with the land split many ways. The average ownership is now .3 hectares per producer - tracts of land that are uneconomic. Farming in most areas has returned to peasant farming producing sufficient for own needs, harvested by hand and carried home by donkey cart. Crops will have minimal inputs, so output is low. Cattle, sheep and goats are shepherded on open land and brought home each night. With low production much of their food is imported. This situation is not unique to Bulgaria.

A sound agricultural base generates employment and raises the standard of living in rural areas.

Quote: *The Green Revolution and the increasing effects of globalisation continue to change the face of agriculture. The revolution began in 1944 when the Rockefeller Foundation and the Mexican government established the Cooperative Wheat Research and Production Program to improve the agricultural output of the country's farms. Norman Borlaug was instrumental in this program. This produced astounding results, so that Mexico went from having to import half its wheat to self-sufficiency by 1956 and, by 1964, to exporting half a million tons of wheat. This program was continued in India and Pakistan where it is credited with saving over one billion people from starvation. Norman Borlaug won the 1970 Nobel Peace Prize for his efforts.*

From there, the technologies were exported abroad, finding use in regions all over the world. The success in increasing yields was undisputable. The growth of crop yields was such that agriculture was now able to outstrip population growth — per capita production increased every year following 1950. end quote

[source: http://en.wikipedia.org/wiki/Green_revolution]

Figure 1 shows the growth in employment generated by a strong agricultural base.

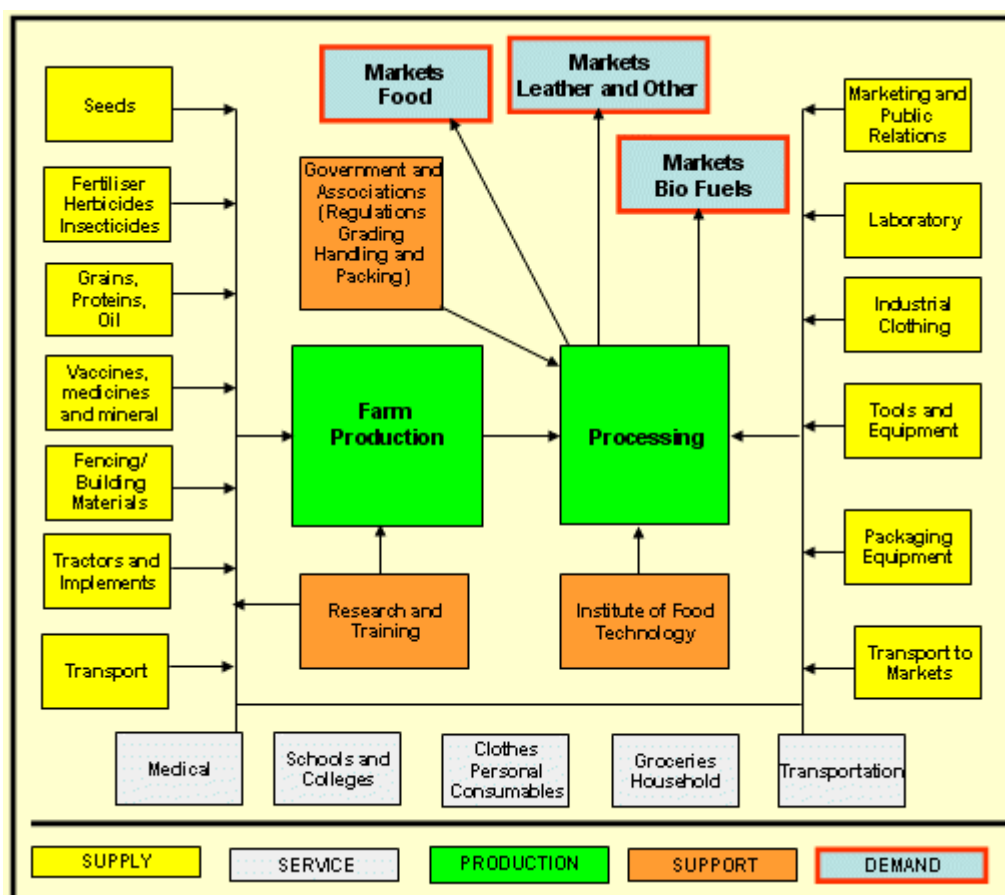


Figure 1: Agricultural Cluster Supporting Infrastructure and Employment

The Green Revolution has been successful through the combined use of improved plant varieties, irrigation, chemical fertilisers, herbicides and pesticides, mechanical tractors and other farm implements. Livestock production has been supported by the improved quality of the crops, the contribution of the pharmaceutical industry, advances in nutrition and improved genetics. The effects of these high inputs have been to feed an ever increasing population and reduce the cost of that food significantly.

There have been some negatives identified from this rapid development. Progress is an ever evolving process with systems developed to overcome some of these negative issues associated with modern agriculture. Examples are:

- No Till Agriculture to combat soil erosion and improve soil structure
- Ethanol Production to provide fuel to slowly replace the finite supplies of fossil fuels
- Biodegraders to turn waste material safely into usable fertilisers
- Optimum Nutrition to increase production, reproduction and improve feed conversion making better use of the resources and reducing costs of production
- Optimum Nutrition to reduce the use of antibiotics, growth hormones and minimise metabolic disturbances in high production livestock

Apply the modern technologies to Ostrich production and as reported last month, Ostrich can make significant contributions towards providing the additional 50% meat forecast as required by 2025. Apply these technologies to Ostrich and they can be the most feed efficient red meat production animal. This cannot happen utilising Low Yield Agriculture techniques.

WOMRAD introduces this technology as it applies to Ostrich

5. Contributions

As always, I ask for contributions from Country Liaisons and other members. A sharing of your experiences, what is happening in your area - anything you believe that would be of interest to other members. Any contributions for inclusion in future news letters please send to Fiona at editor@world-ostrich.org.

Any comments or suggestions

Please post either to the members list woa@world-ostrich.org or Craig at secretary@world-ostrich.org

Ask not only what the WOA can do for you but also what you can do for the WOA.