Dear Producer

(For your convenience, the Afrikaans version follows the English news.)

In this week's news:

1. **Contract signing for delivery in the off season now open;**
2. **The upward managing of Meatco's producer price through a price support premium**
3. The establishment of a Meatco Foundation;
4. Meatco's sponshorship of slaughter ox competitions at regional and national level and
5. Top ten producers of the month: June & July 2009.

1. The contract signing period for the delivery of cattle during the off season now open

All producers who are interested in delivering cattle to Meatco during the coming off season (October – December) and have not yet signed a Delivery Agreement are herewith kindly invited to sign a contract during the month of August.

The signing period opened on 1 August and stretches until 31 August 2009. The allocation run takes place on 15 September 2009.

2. Upward management of Meatco's producer prices through a Price Support Premium (PSP)

In the past few months Meatco's producer prices have come under severe pressure which resulted in numerous producers cancelling their slaughter allocations with Meatco. These cancellations have resulted in Meatco slaughtering below capacity especially in August and in order to honor its market commitments, Meatco will need to slaughter an additional 44,261 cattle as per its 2009 budget.

This situation is being aggravated by the fact that we are in the middle of the weaner season. Despite selling their weaners, producers are now also marketing slaughter cattle at auctions, especially fat cows.

This situation has necessitated Meatco to take a decision to manage producer prices upwards. The critical question here is: should we manage this price upward through:

(i) The off season premium (which effectively could mean that we should wait until October) or

(ii) The market premium which effectively makes it difficult for the producer to keep track.

Given the critics against the off season or the market premiums, Meatco is going to use a short term support facility hereto referred as price support premium to manage its producer prices upward.

This price support premium is based on two assumptions:

- Firstly, Meatco will only be in a position to sustain similar levels of the price support premium provided the exchange rate against major trading currencies will remain favorable and

- Secondly, the Meatco base price is dependent of the real prices that we are able to realize in the European Union (EU) and South African (SA) markets. The price support premium is only sustainable if the base price remains at current levels.

Although the phasing out of the off season premium from January to February 2010 has previously been communicated to producers, the sudden price drop from week 4 to 5, as illustrated by the attached graph, needs to be addressed in order to smooth the phasing-out of this premium.
What does this price support premium mean to the producer?

- In order to be consistent, the price support premium will be based on similar quality specifications as the off season premiums and will therefore not be applied indiscriminately to all the grades;
- The price support premium is expected to reach N$0.80 towards the end of August 2009 in order to support the producer price levels and
- As we approach the off season (October), the support premium will phase out while the off season premium will phase in from the week of 28 September 2009. The period during the end of September and the beginning of October is a critical control point, but as per the graph above, it should be managed with ease to avoid any price drop.

Producers are again reminded to keep in mind that the off season premium will be phased out end of February 2010 which results in no premiums in March 2010. This reminder is important to avoid arguments similar to what we had earlier this year on the price drop.

Finally, all will agree that indeed the sudden price drop from January to February 2010 as depicted by the attached graph needs to be addressed. We would like to suggest that we discuss this drop at the next round of the Farmer Liaison Committee meetings in October and if it is agreeable that we use a similar Price Support Premium (PSP) to smooth out the sudden drop.

3. The establishment of a Meatco Foundation

At its board meeting in June 2009, Meatco's Board of Directors approved the establishment of a trust to further social development activities for Meatco's stakeholders in the mainly remote livestock rearing communities in Namibia.

With a stakeholder reach of approximately 70% of the country's population, social responsibility expectations weighs heavily on the Corporation and the need for development action in the Namibian agricultural industry is great.

The chairman of Meatco's Board of Directors, Mr Arne Gressmann, says: "In order for Meatco to achieve meaningful progress towards the economic empowerment of rural livestock rearing communities, it is of paramount importance for the Corporation to have made this decision to detach its commercial activities from its social responsibilities in order to create focus and resources required. Creating a trust

will open up doors for donor funding to augment the Meatco resources which will be used to improve socio-economic conditions in rural areas in the livestock sector through developmental interventions."

The proposal for the establishment of the trust was researched and presented to the board by Meatco's former Senior Manager for Corporate Communication and PR, Ms Uschi Ramakhutla, who is now tasked with the establishment of the trust and putting into place the structure and initial projects.

"Most of the footwork for the establishment has been done including the objectives of the trust and the identification of initial projects based on the developmental gaps in the rural livestock industry. Focus will be on large scale sustainable projects impacting the lives of thousands of people. Meatco has agreed on an annual contribution which the trust will use for leverage when sourcing funding for its projects."

Focus areas for development will be: Education, Training and development; Environment; Entrepreneurship in the agricultural industry and Staff Volunteerism.

4. Meatco's sponsorship of slaughter ox competitions at regional and national level

As part of its appreciation towards the improvement of the quality of slaughter cattle, Meatco is proud to announce its sponsorship of slaughter ox competitions at regional and national agricultural shows to the tune of N$250 000. The above excludes Meatco's standing contribution to communal agricultural shows by way of donation to the Consortium of Communal Farmer Shows, of which Meatco is a contributing member.

With regard to the regional and national agricultural shows, Meatco has during previous years made cash contributions towards each show committee as well as the Exhibitors' evening held at the Windhoek Show. The withdrawal of the Meat Board's sponsorship towards the slaughter ox competitions at regional and national agricultural shows afford Meatco the perfect opportunity to step forward and become involved on a national scale in respect of promoting the improvement of the quality of slaughter cattle.

As of this year, Meatco will also have a corporate stand at these shows. Producers and the public alike are heartily invited to visit us at our stands in Grootfontein, Otjiwarongo, Okakarara, Gobabis, Windhoek and Rehoboth. What is more, Meatco will also this year officially launch its Natures Reserve Hall/Restaurant at the Windhoek Agricultural Show.

The regional and national agricultural show dates for 2009 are as follows:

- Stampriet – 2 to 4 September
- Otjiwarongo – 2 to 4 September
- Keetmanshoop – 9 to 11 September
- Grootfontein – 16 to 18 September
- Okakarara – 16 to 20 September
- Rehoboth – 17 to 19 September
- Gobabis – 21 to 23 September
- Windhoek – 25 September to 3 October

5. Top ten producer of the month

June 2009

Nr.	Producer	Point
1	Dr. O.F.C. Herrigel	94.10
2	H.H. Frowerk	93.80
3	H.H. Dentlinger	93.60
4	C. Bergmann	93.10
5	Oasis Ostrich Farming Pty.	92.60
6	H.H.K. Kronsbein	92.29
7	C.A. Theissen	92.10
8	T.H. Goldbeck	91.90
9	V.H. Kreft	91.80
10	H.P. Lühl	91.80

July 2009

Nr.	Producer	Point
1	J. Bergmann	94.10
2	G. Woelbling	93.60
3	J.B. Coetzee (Coetzee Boerdery)	92.00
4	B. Swanepoel	92.00
5	Dr. A.A.N.W. Olivier	91.10
6	Okakeua Ranch CC	91.00
7	Deacon Andrew	90.90
8	B.E.H.G. Schmidt Von Wühlisch	90.90
9	W.G. Horsthemke	90.90
10	K.H. Traeger	90.80

Your next electronic newsletter will be sent on Tuesday, 25 August 2009.

Geagte Produsent

In vandeesweek se nuus:

1. **Ondertekeningstydperk vir lewering van bees in die afseisoen is nou oop;**
2. **Die opwaartse bestuur van Meatco se produsentepryse deur middel van 'n prysondersteuningspremie;**
3. Die Meatco Stigting;

4. Meatco borgskap van slagoskompetisies op streek- en nasionale vlak en
5. Top tien produsente van die maand: Junie & Julie 2009.

1. Die kontrak ondertekeningstydperk vir die lewering van bees aan Meatco in die afseisoen is nou oop.

Alle produsente wat bees in die komende afseisoen (Oktober – Desember) aan Meatco wil lewer en nog nie ‘n leweringsooreenkoms geteken het het nie, word uitgenooi om gedurende Augustus ‘n kontrak te teken. Die ondertekeningstydperk strek vanaf 1 tot 31 Augustus 2009, terwyl die allokasie van slagbeurte op 15 September sal plaasvind.

2. Die opwaartse bestuur van Meatco se produsenteprys deur middel van ‘n prysondersteuningspremie

Gedurende die afgelope paar maande het Meatco se produsenteprys hewig onder druk gekom wat tot gevolg gehad het dat verskeie produsente hul slagbeurte by Meatco gekanselleer het. Hierdie kansellasies het meegebring dat Meatco se abattoirs onderbenut was, veral gedurende Augustus. Ten einde sy markverpligtinge te kan nakom, moet Meatco nog ‘n addisionele 44,261 bees tot sy 2009 begroting vir die jaar slag.

Die situasie word verder vererger deurdat ons in die middel van die speenseisoen is. Bo en behalwe die bemarking van speenkalwers, verkoop produsente tans ook slagbees op veilings, meer spesifiek vet kloeie.

Meatco was dus genoodsaak om sy produsentepryse opwaarts te bestuur. Die kritiese vraag wat hier ontstaan het was hoe om hierdie prys opwaarts te bestuur:

(i) die afseisoenpremie (wat sou beteken dat daar tot Oktober gewag sou moes word) of
(ii) die markpremie wat dit vir die produsent mag moeilik maak om op hoogte te bly van die stand van sake.

Gegewe die kritiek oor die afseisoen- en markpremie, het Meatco besluit om ‘n korttermyn ondersteuningsfasiliteit wat as die prysondersteuningspremie bekend sal staan te gebruik om sy produsentepryse opwaarts te bestuur.

Hierdie ondersteuningsmeganisme is op die volgende aannames gebasseer:

(i) Eerstens, Meatco sal net in staat wees om soortgelyke vlakke van die prysondersteuningspremie vol te hou indien die wisselkoers teen groot handelseenhede gunstig bly en

(ii) Tweedens, die Meatco basisprys hang af van werklike pryse wat Meatco in die Europese Unie (EU) en Suid-Afrika (SA) kan genereer. Die prysondersteuningsmeganisme is dus net volhoubaar indien die basisprys op huidige vlakke bly.

Hoewel die uitfassering van die afseisoenpremie vanaf Januarie tot Februarie 2010 voorheen aan produsente gekommunikeer is, illustreer die aangehegde tabel dat die skielike daling in pryse vanaf week 4 tot 5 aangespreek moet word ten einde gladde uitfassering van die afseisoenpremie mee te bring.

Wat beteken dit vir u as produsent?

- Ten einde eenvormigheid te verseker, sal die prysondersteuningspremie op dieselfde gehaltespesifikasies gebaseer wees as die afseisoenpremie en sal dus nie sonder onderskeid op alle grade toegepas word nie;

- Die prysondersteuningspremie word verwag om teen einde Augustus 2009 die N$0.80 kerf te bereik en sodoende die prysvlakke te ondersteun;

- Soos wat die afseisoen nader (Oktober) sal die prysondersteuningspremie uitfaseer en die afseisoenpremie infaseer. Die afseisoenpremie sal dus vanaf die week van 28 September infaseer. Soos die aangehegde grafiek illustreer, is die tyd tussen einde September en begin Oktober krities en moet dit noukeurig bestuur word om te voorkom dat pryse daal;

Produsente word weer herinner dat die afseisoenpremie uitgefaseer sal word einde Februarie 2010 en dat daar geen premies in Maart 2010 sal wees nie. Hierdie is ‘n belangrike herinnering om soortgelyke argumente soos vroeër vanjaar toe die pryse skielik gedaal het, te vermy.

Laastens sal almal saamstem dat die skielike prysdaling wat vanaf Januarie tot Februarie 2010 gaan plaasvind soos die grafiek aandui, aangespreek moet word. Die voorstel is dat hierdie skielike daling tydens die volgende reeks skakelkomiteevergaderings in Oktober bespreek word. Indien dit dan aanvaar sou word, is die voorstel verder dat ‘n soortgelyke prysondersteuningspremie gebruik word om hierdie skielike daling meer geleidelik te maak.

3. Die Meatco Stigting

Meatco se Raad van Direkteure het in Junie vanjaar die daarstelling van ‘n Meatco Stigting goedgekeur ten einde sy maatskaplike ontwikkelingsaktiwiteite verder te ondersteun. Die Meatco Stigting sal veral na lewendehawe-produsente in afgeleë gebiede van Namibië uitreik.

Meatco se bedrywighede raak nagenoeg 70% van die land se bevolking en korporatiewe maatskaplike verwagtinge weeg swaar op die korporasie, veral wat die behoefte vir ontwikkeling in die landbousektor betref.

Volgens die Voorsitter van Meatco se Raad van Direkteure, Mnr. Arné Gressmann, kan Meatco alleenlik ‘n waardevolle bydrae tot die vooruitgang en ekonomiese bemagtiging van landelike gemeenskappe maak wanneer sy kommersiële bedrywighede van sy maatskaplike verantwoordelikhede geskei is en die nodige hulpbronne en aandag daarop gefokus kan word.

“Die daarstelling van ‘n stigting maak deure oop vir skenkersfondse wat Meatco se hulpbronne vir die opheffing van sosio-ekonomiese toestande in landelike gemeenskappe kan versterk. Die voetwerk vir die vestiging van ‘n stigting is gedoen, die doelwitte is uiteengesit en aanvanklike projekte wat op gapings in die plattelandse lewendehawe-bedryf gebasseer is, is geïdentifiseer.”

Die voorstel om ‘n stigting daar te stel was deur Meatco se voormalige Senior Bestuurder van Korporatiewe Kommunikasie en PR, me. Uschi Ramakhutla, ondersoek en aan die Raad van Direkteure goedgekeur. Me. Ramakhutla is verantwoordelik om die nodige structure in plek te sit asook die aanvanklike projekte.

Fokusareas sluit in onderwys, opleiding en ontwikkeling, die omgewing, ondernemerskap en personeel-vrywilligersaksies.

4. Meatco nou die hoofborg van slagoskompetisies by streek- en nasionale landbouskoue in Namibië

Ter bewyse van Meatco se waardering teenoor produsente wat daarna streef om die gehalte van slagbees in die land te verbeter, het die korporasie N$250 000 opsygesit om slagoskompetisies by streek- en nasionale landbouskoue regoor die land te borg. Hierdie borgskap sluit Meatco se staande betrokkenheid by kommunale landbouskoue deur middel van bydraes tot die Konsortium van Kommunale Skoue, waarvan Meatco ‘n lid is, uit.

Wat die streek- en nasionale landbouskoue betref, het Meatco vroeërjare kontantbydraes gemaak aan elke skoukomitee asook die Uitstallersaand by die Windhoek Skou. Die ontrekking van die Vleisraad van Namibië se borgskap van die slagoskompetisies gun Meatco die ideale geleentheid om op nasionale vlak betrokke te raak en die verbetering van die gehalte slagbees verder te bevorder.

Vanaf vanjaar sal Meatco ook ‘n korporatiewe stalletjie by die skoue beman. Produsente en die publiek word hartlik uitgenooi om ons te kom besoek op Grootfontein, Otjiwarongo, Okakarara, Gobabis, Windhoek en Rehoboth. Bo en behalwe die korporatiewe stalletjies, vind die amptelike opening van Meatco se Natures Reserve Restaurant/Saal vanjaar by die Windhoek Skou plaas.

Die streek- en nasionale landbouskoudatums vir 2009 is as volg:

- Stampriet – 2 tot 4 September
- Otjiwarongo – 2 tot 4 September
- Keetmanshoop – 9 tot 11 September
- Grootfontein – 16 tot 18 September
- Okakarara – 16 tot 20 September
- Rehoboth – 17 tot 19 September
- Gobabis – 21 tot 23 September
- Windhoek – 25 September tot 3 Oktober

5. Top tien produsente van die maand

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