

Dear Producer,

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

In your first e-news for 2010:

1. Unfavorable money exchange rates puts pressure on Meatco's producer prices;
2. Reopening of Meatco's abattoirs for slaughtering;
3. Contract signing periods;
4. National Braai Competition: should it be held in Windhoek or in the countryside and
5. Important Meatco dates to remember in 2010.

1. Unfavorable exchange rate puts pressure on Meatco's producer prices

Meatco's producer prices dropped with an average of 30 cents/kg during the week of 11 - 15 January 2010. It dropped with another 15 cents/kg this week (18 – 22 January) and is likely that prices could subside even more in the weeks to come.

Meatco uses the prices of the Red Meat Abattoir Association (RMAA) of the Republic of South Africa (RSA) as basis to calculate a RSA parity price, on top of which the market, off season, export premiums etc, are paid.

The RSA producer prices dropped with R1/kg on average since its high just before Christmas. This is a normal trend for this time of the year, as the demand for red meat declines after the holiday season. It is anticipated, that RSA prices will, in the near future, fall with at least another 50 cents/kg.

“Despite the drop in RSA prices, the British Pound – N\$ exchange rate is the true culprit when it comes to the drop in Meatco's producer prices,” says Meatco Senior Marketing Manager, Mr André Mouton.

European prices held up and some cuts have improved although the market is still under pressure.

“During the past four weeks the N\$ has been trading at below N\$12 to the Pound and the prices Meatco earns for its product in Europe has consequently come under pressure.” This, he added, might be the situation for some time to come as there are no indications that the N\$ (Rand) will soon weaken.

To put the currency situation in perspective, it should be borne in mind that, during November/December 2008, the N\$ was trading at roughly N\$15 to N\$16 for one British Pound, which means we are now earning roughly 23% less just on the exchange rate effect.

Improvements in efficiency, marketing, value-addition etc., have helped mitigate the price and exchange rate impacts, but could not fully compensate.

Meatco has been paying significantly higher prices to its producers than the equivalent RSA prices and to date (for the 2008/9 financial year), this amounts to approximately N\$110 million.

2. Reopening of Meatco's abattoirs for slaughtering

Meatco's Okahandja Abattoir is still temporarily closed for slaughtering due to large scale repairs to its floors. Production at the Windhoek Factory is going full steam after reopening on 5 January 2010.

The Okahandja Factory will only reopen in March this year and producers who normally slaughter at this factory are meanwhile accommodated for at the Windhoek Abattoir. Transport costs of these producers are subsidized by Meatco with N\$51.66 per head of cattle. This amount is indicated in the green section of the slaughter advice and included in the weekly payments.

As for the Northern Communal Areas (NCAs), the Katima Mulilo abattoir also recommenced slaughtering on 5 January 2010. The factory in Oshakati, on the other hand, is only expected to reopen at the end of February 2010.

3. Contract signing periods

The updated Meatco Delivery Agreement has three signing periods per year, as opposed to the two signing periods of the previous agreement.

Although the signing period for delivery from January to April has already closed, producers are urged to sign contracts during March 2010 for delivery in May to August.

The contract signing periods are as follows:

Previous delivery agreement		New delivery agreement		
Signing period	For which period	Signing period	For which period	Quota allocation
1 October - 15 November	January - April	1 - 30 November	January - April	15 December
1 October - 31 March	May - December	1 - 31 March	May - August	15 April
		1 - 31 July	September - December	15 August

4. Meatco National Braai Competition: should it be held in Windhoek or in the countryside?

Following requests from producers, Meatco would like to test the water with regard to possibly hosting the annual National Braai Competition in Windhoek. This means Meatco will be responsible for all the arrangements in hosting the event, while the conquering Farmer Association (FA) simply walks away with the N\$70,000 prize money.

To date, the winner of the competition hosts the following year's competition in their hometown. This way, business is lured to their area and the FA can generate additional income via entrance fees, food and bar sales.

On the other hand, some FA's are small in terms of members and are not capable to arrange and host a competition of this magnitude in their area. Accommodation also tends to become a headache when visitors show up in their thousands to attend the event. It is suggested that by hosting the competition in Windhoek, smaller FA's will start competing more spontaneously.

Producers are invited to share their opinion with Meatco by sending an email to mviljoen@meatco.com.na . Faxes are also welcome at 061-217 045 or you can call us at 061 – 321 6442. We look forward to hearing from you.

This matter will be a point of discussion at the next series of Farmer Liaison Committee meetings, where after a decision will be made and communicated to producers.

5. Meatco dates to remember for 2010

Annual General Meeting

Friday, 4 June 2010

National Braai Competition, hosted by Sonop FA

This year the competition will take place on 23 & 24 April 2010 at the Gobabis Show Grounds. If you have not yet entered, kindly please contact the Chairman of Sonop FA, Mr. Johan de Jager as soon as possible as this competition is experiencing a revival with a lot of interested participants from across the country. Mr. de Jager can be reached at 081 268 6930.

Alternatively, you can contact us at Meatco on 061 – 321 6442.

Farmer Liaison Committee Meetings for 2010

Please note that the sequence venues as communicated in the November / December issue of the Meatco News, is not correct. Herewith the correct order:

23 February 2010 in Grootfontein;
24 February 2010 in Okahandja;
25 February 2010 in Windhoek;

22 June 2010 in Tsumeb;
23 June 2010 in Otjiwarongo;
24 June 2010 in Gobabis;

19 October 2010 in Otavi;
20 October 2010 in Okahandja and
21 October 2010 in Windhoek.

Annual Producer Awards

Friday, 29 October 2010

Your next e-newsletter will be sent on Wednesday, 3 February 2010.

Geagte Produsent,

In u eerste e-nuus vir 2010:

1. Ongunstige wisselkoerse plaas druk op Meatco se produsentepryse;
2. Heropening van Meatco se aanlegte vir verslagting;
3. Leweringsooreenkomste: wanneer om te teken;
4. Meatco Nasionale Braaikompetisie: in Windhoek of op die platteland en
5. Belangrike Meatco datums vir 2010

1. Ongunstige wisselkoers plaas druk op Meatco se produsentepryse

Meatco se produsentepryse het met 'n gemiddeld van 30 sent/kg gedurende die week van 11 - 15 Januarie 2010 gedaal. Dit het met 'n verdere 15 sent/kg gemiddeld vandeeweek (18 – 22 Januarie) geval en die verwagting is dat die pryse in die komende weke selfs meer onder druk kan kom.

Meatco gebruik die pryse van die Rooivleis Abattoirvereniging (RVAV) van die Republiek van Suid-Afrika (RSA) as basis om 'n RSA-pariteitsprys te bepaal. Die mark-, afseisoen- en uitvoerpremies word dan bo-op hierdie pariteitsprys betaal.

Die RSA-produsentepryse het gemiddeld met R1/kg gedaal sedert die hoogtepunt net voor Kersfees. Dit is 'n jaarlikse tendens wat normaalweg ná die vakansieseisoen kop uitsteek wanneer die vraag na rooivleis afneem. Kenners verwag dat die RSA-produsentepryse moontlik in die nabye toekoms met 'n nog 50 sent/kg kan val.

Europese pryse het goed bly staan en sekere snitte het verbeter, ten spyte daarvan dat die mark steeds onder druk is.

Volgens Meatco se Senior Bestuurder: Bemarking, mnr. André Mouton, het die daling in RSA-pryse nie soseer 'n impak op die daling van Meatco se produsentepryse gehad nie, maar is die Pond – N\$-wisselkoers die groot sondaar.

“Die afgelope vier weke het die N\$ onder die N\$12 teen die Pond verhandel, wat ongelooflike druk op die pryse wat Meatco vir sy produk in Europa behaal, geplaas het,” se hy. Hierdie situasie mag homself vir 'n geruime tyd volhou aangesien daar geen aanduidings is dat die N\$ (Rand) binnekort gaan verswak nie.

Om die wisselkoers situasie in perspektief te plaas, moet in gedagte gehou word dat die N\$ in November/Desember 2008 teen tussen N\$15 en N\$16 per Pond verhandel het. Dit beteken Meatco verdien nou ongeveer 23% minder vir sy produk, net as gevolg van die wisselkoers.

Verbeteringe in doeltreffendheid, waardetoevoeging ens, het die impak van die prys en wisselkoers tot 'n mate versag, maar kon nie ten volle daarvoor kompenseer nie.

Meatco betaal noemenswaardige hoër pryse aan sy produsente as sy eweknie in die RSA, wat tot op datum op nagenoeg N\$110 miljoen te staan kom.

2. Heropening van Meatco se aanlegte vir verslagting

Terwyl Meatco se Okahandja-fabriek steeds tydelik vir verslagting gesluit is weens grootskaalse herstelwerk aan die vloere, gaan produksie by die Windhoek-fabriek sedert 5 Januarie 2010 volstroom voort.

Okahandja heropen eers in Maart 2010 vir verslagting en produsente wat normaalweg hier slag se bees word nou na Windhoek gekanaliseer. Meatco subsidieer die vervoer van hierdie bees verby Okahandja na Windhoek met N\$51.66 per kop. Die bedrag word by die produsent se weeklikse betaling ingesluit en in groen op die slagstaat aangedui.

Die fabriek op Katima Mulilo het ook op 5 Januarie 2010 met verslagtings hervat, terwyl die Oshakati-abattoir ná verwagting eers einde Februarie 2010 sal oopmaak.

3. Leweringsooreenkomste: wanneer om te teken

Die hersiende Meatco Leweringsooreenkoms kan driemaal per jaar geteken word, teenoor die twee tekentydperke van die vorige kontrak.

Hoewel die ondertekeningstydperk vir die lewering vanaf Januarie tot April vanjaar reeds gesluit het, word produsente genooi om in Maart 'n kontrak met Meatco te teken vir lewering vanaf Mei tot Augustus 2010.

Die tekenperiodes is as volg:

Vorige Leweringsooreenkoms		Hersiende leweringsooreenkoms		
Teken	Slag	Teken	Slag	Kwota-allokasie
1 Oktober - 15 November	Januarie - April	1 - 30 November	Januarie - April	5 Desember
1 Oktober - 31 Maart	Mei - Desember	1 - 31 Maart	Mei - Augustus	15 April
		1 - 31 Julie	September - Desember	15 Augustus

4. Meatco Nasionale Braai: in Windhoek of op die platteland?

Ná gelang van 'n voorstel vanaf produsente, wil Meatco die water toets oor die moontlikheid dat die jaarlikse Nasionale Braaikompetisie voortaan in Windhoek gehou word. Dit sal beteken dat Meatco alle reëlings rondom die aanbidding van die kompetisie sal tref en dat die BV wat wen met hul N\$70 000 kontant wegstap.

Huidiglik bied die wenner van die kompetisie die daaropvolgende jaar se kompetisie in hul omgewing aan. Sodoende trek dit voete en besigheid na hul omgewing en kan die BV inkomste genereer deur toegangsfooie tot die kompetisie, kosverkope en die kroeg.

Aan die ander kant, meen sommige produsente, is alle BVs nie groot genoeg om 'n kompetisie van só skaal te reël en aan te bied nie. Soms raak akkommodasie 'n uitdaging op ver afgeleë plekke met beperkte behuising, veral wanneer besoekers in hul duisendes opdaag om die kompetisie te ondersteun. Deur die kompetisie na Windhoek te skuif sal kleiner BVs dalk meer spontaan deelneem.

Produsente word hartlik uitgenooi om hul mening oor die voorstel met Meatco te deel. Stuur gerus 'n vonkpos na mviljoen@meatco.com.na of faks na 061-217 045. Alternatiewelik kan u ons bel by 061-321 6442. Ons sien uit om van u te hoor.

Hierdie onderwerp sal 'n besprekingspunt by die volgende reeks Skakelkomiteevergaderings wees, waarna 'n besluit geneem en aan u gekommunikeer sal word.

5. Meatco datums om te onthou vir 2010

Algemene Jaarvergadering

Vrydag, 4 Junie 2010

Nasionale Braaiwedstyd, aangebied deur Sonop Boerevereniging.

Vanjaar se kompetisie sal op 23 & 24 April 2010 by die Gobabis Skougronde plaas. Belangstellendes word aangemoedig om die Voorsitter van Sonop BV, mnr. Johan de Jager, so gou moontlik te kontak in verband met inskrywings aangesien die kompetisie 'n herlewering geniet met heelwat nuwe BV's van regoor die land wat daaraan wil deelneem.

Alternatiewelik kan u ons by Meatco by 061 – 321 6442 skakel.

Skakelkomiteevergaderings vir 2010

Neem asseblief kennis dat die volgorde van die dorpe waar die vergaderings gehou gaan word, nie reg in die November/Desember-uitgawe van die Meatco News aangedui was nie. Hiermee die korrekte volgorde:

23 Februarie 2010 op Grootfontein;
24 Februarie 2010 op Okahandja;
25 Februarie 2010 in Windhoek;

22 Junie 2010 op Tsumeb;
23 Junie 2010 op Otjiwarongo;
24 Junie 2010 op Gobabis;

19 Oktober 2010 op Otavi;
20 Oktober 2010 op Okahandja en
21 Oktober 2010 in Windhoek.

