Unlocking value through livestock exports

By Glenneis Kriel

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Exporting livestock might sound like a daunting business that's better left for big companies, but Gerrie Ferreira, who farms near Oudtshoorn in the Western Cape, has been doing it successfully for almost 30 years, sometimes in partnership with other breeders. He spoke to Glenneis Kriel about the huge potential this market holds, and offers some advice for farmers who are contemplating going this route.



At the time of writing, these five bucks were due to be exported to various African countries.

In 1996, Gerrie Ferreira became one of the first farmers to legally export live ostriches from South Africa.

Since then, he has exported large numbers of live animals to 53 countries via his export company, Karoo Livestock Exports.

Ferreira says South Africa is blessed with some exceptional animal genetics, including Boer goats; Kalahari Reds; Savanna goats; Dorper, Persian and Meatmaster sheep; as well as several cattle breeds that are highly sough-after in various other countries.

Selling these genetics overseas presents huge economic spin-offs throughout the value chain for the stud farmers who produce these animals. Workers, logistics companies and other service providers all benefit," he explains.

Nevertheless, farmers should be disciplined, ensure only their highest-quality animals are exported, and do all business legally if they want to unlock the full economic potential of these opportunities, he adds.

"The export market is much bigger than I am. There is no way that I will ever be able to fulfil the demand, even though I am in partnership with several other farmers who supply me with genetics, and I am open to new partnerships.

"But taking shortcuts will taint the reputation of everyone involved in livestock exports and could lead to the closure of markets, as was the case in Australia," he warns.

A new beginning

Starting an export company was never really on Ferreira's agenda. When he fell on hard times in 1990, he had to sell his farm near Willowmore in the Eastern Cape, forcing him to start ostrich production again, from scratch, three years later.

Then, by the time his birds reached slaughter age, the Klein Karoo Co-operative regarded him as a beginner farmer and only allocated him a quota to slaughter 95 birds per year.

The decision would have ruined Ferreira financially, so he decided to fight back.

He went to the office of the minister of agriculture at the time, Derek Hanekom, and waited for three days to raise the matter with him. After seeing his persistence, Hanekom agreed to speak with him.

"The minister said he'd give me 10 minutes, but all I needed was five minutes to persuade him of the advantages of having a free market. Six months later, farmers were able to export ostriches to other countries," says Ferreira.

The product

Before the outbreak of avian influenza in South Africa, Ferreira exported many ostrich breeder birds to Asia, the Far East and the Middle East.

The first outbreak of highly pathogenic avian influenza, some years ago, resulted in the prohibition of the exportation of older birds, resulting in him offering those markets only eggs and chicks of about three days old since then.

"South African black-necked ostriches are in high demand overseas. We might be able to unlock additional value if we were to keep production records, but for now it's not possible as ostrich breeding in general is done in herds."

Ferreira also diversified exports to include game, including 35 adult lions and small and large stock, but later decided to primarily focus on ostriches and small stock.

When it comes to small stock, he sells all breeds, except Angora goats and Merino sheep, because his target markets are generally too hot and humid for these breeds.

Sales are primarily aimed at Africa, the Middle and Far East, as well as Eastern Europe (although this is influenced by the war in Ukraine), with each country having its own import protocols.

Strict protocols make it difficult to export to South American countries and impossible to export live animals to North America, the EU, Australia, and New Zealand.

Ferreira says that exporting livestock to many countries is exhilarating yet challenging, as he needs to juggle various cultures and consider many factors.

"Each country and even different people in each country have their unique way of doing business. You need to be sensitive to this and work hard to build relationships to take the business beyond a mere once-off sale."

Sales

The small stock are generally sold at about six months of age, because it is easier for smaller animals to fit into aircraft crates, and the freight per animal is much cheaper. Ferreira, however, points out that Karoo Livestock Exports ships animals of any size and age that the clients might order.

His farm, Chandelier, near Oudtshoorn in the Klein Karoo, has its own quarantine station where animals are kept for 14 to 60 days, depending on the export destination's requirements.

"These are high-value animals, so they are all flown out of the country in specially designed crates that surpass international animal welfare standards. The whole export process is stress-free, so the animals are not drugged during transportation," he says.

The animals' origin is labelled as Western Cape, South Africa, and has been done like this since Ferreira ventured into exports.

"Many people did not understand this at first, but with the foot-and-mouth disease outbreak, the advantage has become more evident. The Western Cape has a well-functioning department of animal health services and up until now no foot-and-mouth incidents have been reported in the province."

Ferreira has his own Boer goat, Kalahari Red, Savanna, and Dorper studs, with 50% to 60% of the export animals sourced from these studs. He also buys animals at auctions and ropes in the help of other stud farmers to breed animals that are in demand when there are big orders, or when he requires specific sought-after bloodlines.

"At times, we get foreign buyers who see a specific animal or bloodline on our farm, and then order a big number of those. There is no way I can fill most big orders on my own, and so I need other breeders to partner with me," he explains.

Marketing

When Ferreira began exporting, he invested heavily in building the market, but these days most of his animals are sold via word of mouth, social media, or on auction. To build credibility and create awareness of the superiority of his animals, he participates in local shows where many of his animals have won awards over the years.

"I parade my animals with the awards they had won in videos to promote them at auctions. Online platforms like SwiftVee enable sales to foreigners and locals who are unable to attend the auctions in person," he says.

For instance, he took 10 animals to the National Boer Goat Auction in Bloemfontein in October, all of which were sold to foreign buyers, except one. There, his most expensive buck sold for R80 000 and his most expensive doe for R70 000. The three bucks on offer sold for an average price of R60 000, and the seven does for an average price of R50 000.

This doe and her triplets were sold for R70 000 at the National Boer Goat Auction in Bloemfontein. With them are, from left: Ockie Nel, Ferreira's son-in-law; Gerrie Ferreira, the owner; Wisdom Kpodo of Wakelink Enterprise, Ghana, who bought the animals for a client in Nigeria; and Marko Stefaas, assistant quarantine manager at Karoo Livestock Exports.

At last year's National Boer Goat Auction, Ferreira sold buck 21-0081 for the highest price on the auction of R140 000 to Wisdom Kpoda of Wakefield Enterprises in Accra, Ghana. The buck was the Reserve Champion Grand Champion in the six tooth-category class at the World Boer Goat Championships held in Bloemfontein in 2023.

There, he also sold the most expensive doe, 21- 0240, for R55 000 to Harold Okai from Ghana.

However, Ferreira is also a shrewd businessman. A few years back, while driving with his wife, Liza, to Upington to buy Boer goats, she pulled a pamphlet out of the cubbyhole that advertised an auction that was taking place on that day in Kimberley. Ferreira took one look at the photo of the Persian ram in the pamphlet and decided that he had to buy it.

He drove to a spot where he had good cell phone reception, and then bid on the ram over the phone and bought it for R17 000, which was almost double the ceiling price of R9 000 for Persian sheep at the time.

Shortly after fetching the Persian ram, the couple had to go overseas to visit clients. A friend of his, however, saw the ram and offered to take it to the National Show where it was crowned South African Grand Champion Red Speckled Persian Ram.

Because of his experience in dealing with overseas clients, Ferreira then asked Liza to post a photo of the ram with his awards on Facebook, but to add a 'Not for sale' sign. "That drove people in the Middle East crazy, and I managed to sell the ram for over R160 000," he recalls.

Ensuring success

To ensure his clients' production success, Ferreira is ready with advice in case the buyer struggles with some management issues. As far as possible, he also links veterinarians and nutritionists in export destinations with veterinarians and nutritionists in South Africa to help ensure the health and adaptability of the animals.

He also helps farmers to pool their resources, especially in Africa, to buy high-quality genetics.

"Thanks to the use of artificial insemination, it is no longer necessary for one person to own a male animal. Instead, farmers who would not have been able to afford a superior animal on their own can buy a male together and then all benefit from his genetics," he says.

Ferreira, who is an official judge and inspector of the South African Boer Goat Breeders' Association, also offers livestock courses.

"Over 70 foreigners attended my junior course this year, which primarily focused on the breed standards of small stock. An add-on to the course delves deeper into the management of these animals," he says.

For Ferreira, exporting superior genetics is a way to share the outstanding genetics of South African animals with farmers across the world and by doing so to alleviate poverty and hunger by improving herds in the export destinations. It is also a way to grow the South African economy, especially in rural areas, and create jobs.

"I hope that one day when I look back on my life, I will be able to say that I made a difference and left the world a better place by supplying genetics to countries that really needed it," Ferreira concludes.