

# SA beef hits Saudi shelves after 15-month negotiation

Beefmaster Group has announced that South African beef is now available on the shelves of the Kingdom of Saudi Arabia (KSA). This is after the successful conclusion of a 15-month contract negotiation period, following a landmark agreement between South Africa and the KSA in October 2022.



Image source: [Gallo/Getty](#)

"We are pleased to possibly be the first South African beef company to be officially trading with the nation in over 21 years," said Gert Blignaut, CEO of Beefmaster Group. "Currently 4% of South Africa's beef is being exported and increasing this to even between 7% and 8% would be very beneficial for the agricultural industry. It is envisaged that the Saudi market can accomplish this for us."

He said that the company has a broad range of products, and will in time expand or refine its offering, depending on consumer preferences.

"We believe that the quality of our product will drive demand, and when quality and price intersect, there will be a significant opportunity to increase exports to the country."



New deal to unlock opportunities for SA beef sector

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According to reports, about 62% of Saudi beef imports are frozen products, while the rest are chilled or fresh meat. Leading suppliers to Saudi Arabia include Brazil, Australia, Pakistan, the US, New Zealand and Canada. The Saudi beef industry is said to be worth about R38bn.

"Since exporting our products in 2008, we have seen that every market penetrated has added South African beef to their shelves because of our quality and service assurances, as well as our beef being competitively priced," says Blignaut.

Beefmaster Group views the KSA as a strategic market and is encouraged by the investment committed by the nation to grow its economy. Reports indicate Saudi Arabia's focus is to diversify beyond oil, with Goldman Sachs speculating that the country is likely to invest over \$1t over the next decade into various mega projects and sectors.

"Our priority is to get closer to the Middle Eastern market and elsewhere globally, given the opportunity for growth."

To this end, the Group recently attended the Gulfood Trade Show in Dubai, the world's largest, most trusted food and beverage event between 19 and 23 February 2024. "We are very happy to have showcased our products yet again as it gave us an opportunity to expand our market."

The South African beef industry has made inroads in expanding to new export markets recently. Beefmaster Group exports products to Egypt and Jordan as well as the Middle East, like the United Arab Emirates (UAE), Kuwait, Bahrain, Qatar, and now, the Kingdom of Saudi Arabia.

However, says Blignaut, the recent conflict in the Middle East has created significant logistical challenges in getting SA beef products to these nations, on both the airfreight and shipping fronts. This in turn has pushed up prices and further impacted the outlook for the sector.

"We need more exports to lift the SA beef industry out of the doldrums. We are in a slump as we have too much product in the country. Our economy is not strong enough to sustain this situation," says Blignaut.

He adds that there is still a far way to go to unlock more growth from exports. "For this, we need government and other players in the sector to mobilise and open new markets," concludes Blignaut.

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