



Introducing the Meat Naturally Pty:

- taking the communal livestock sector from
"Grassroots to Grill"



Setting the scene

NGO dilemmas:

- What happens after funding period?
- Small pilots are fine, but how to amplify?

Conservation *as* a land-use...



**47% of livestock is
on communal lands**



5% of market

**53% of livestock is on
private lands**



95% of market

Key barriers to market entry for communal farmers...

- Distance to market;
- Health of animals (presence of parasites in cattle);
- Condition of animals is often too poor to be attractive to meat purchasers;
- Little traceability and even proof of ownership lacking, branding;
- Current meat classification system not in favour of older naturally raised animals;
- Poor rangeland condition from historic overgrazing and “tragedy of the commons” management prevents herd improvement for commercial sale.

Rangeland Restoration: Ward 14, Matatiele, Eastern Cape

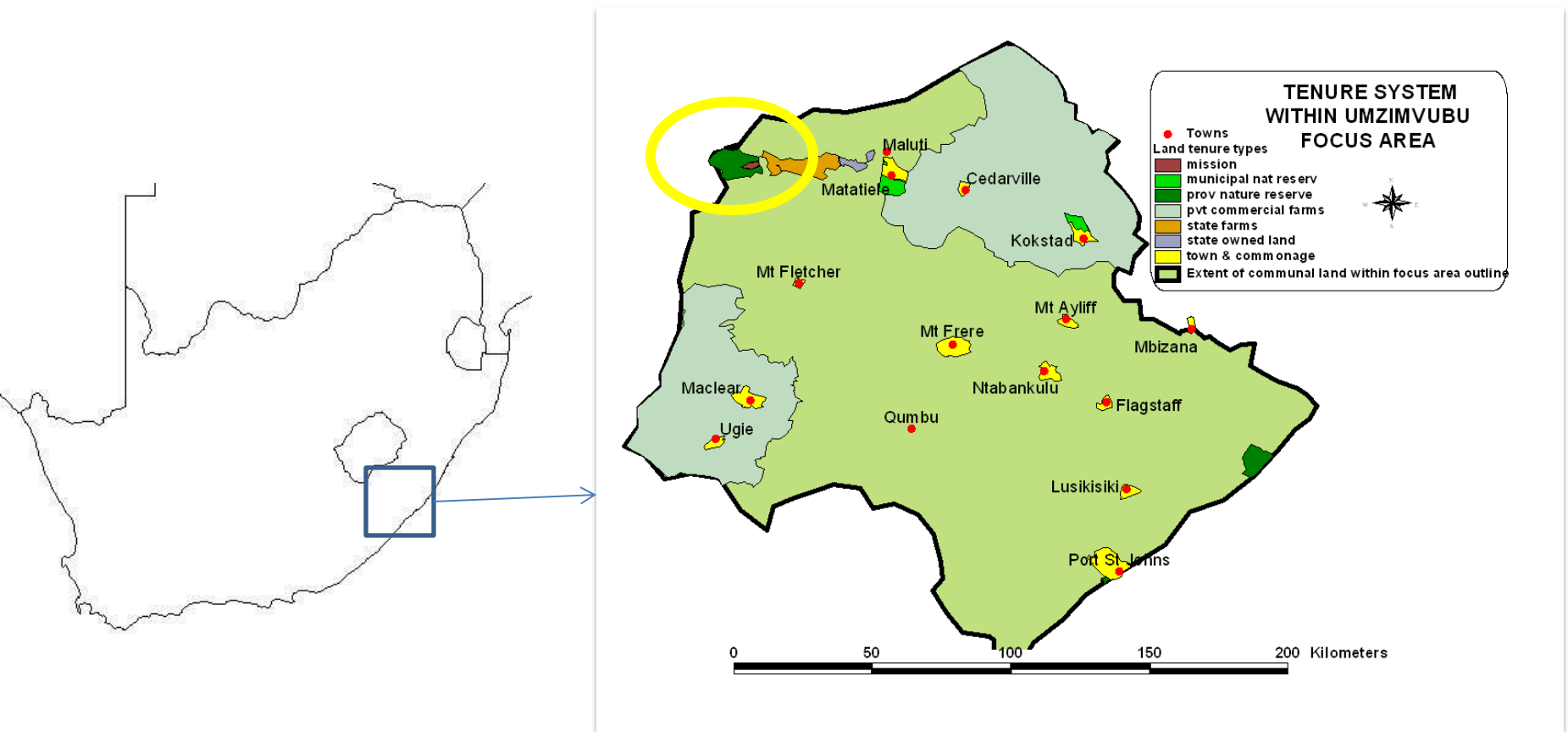


**Introducing EcoRangers and collective herding
PILOT PROJECT**

**CONSERVATION
SOUTH AFRICA**

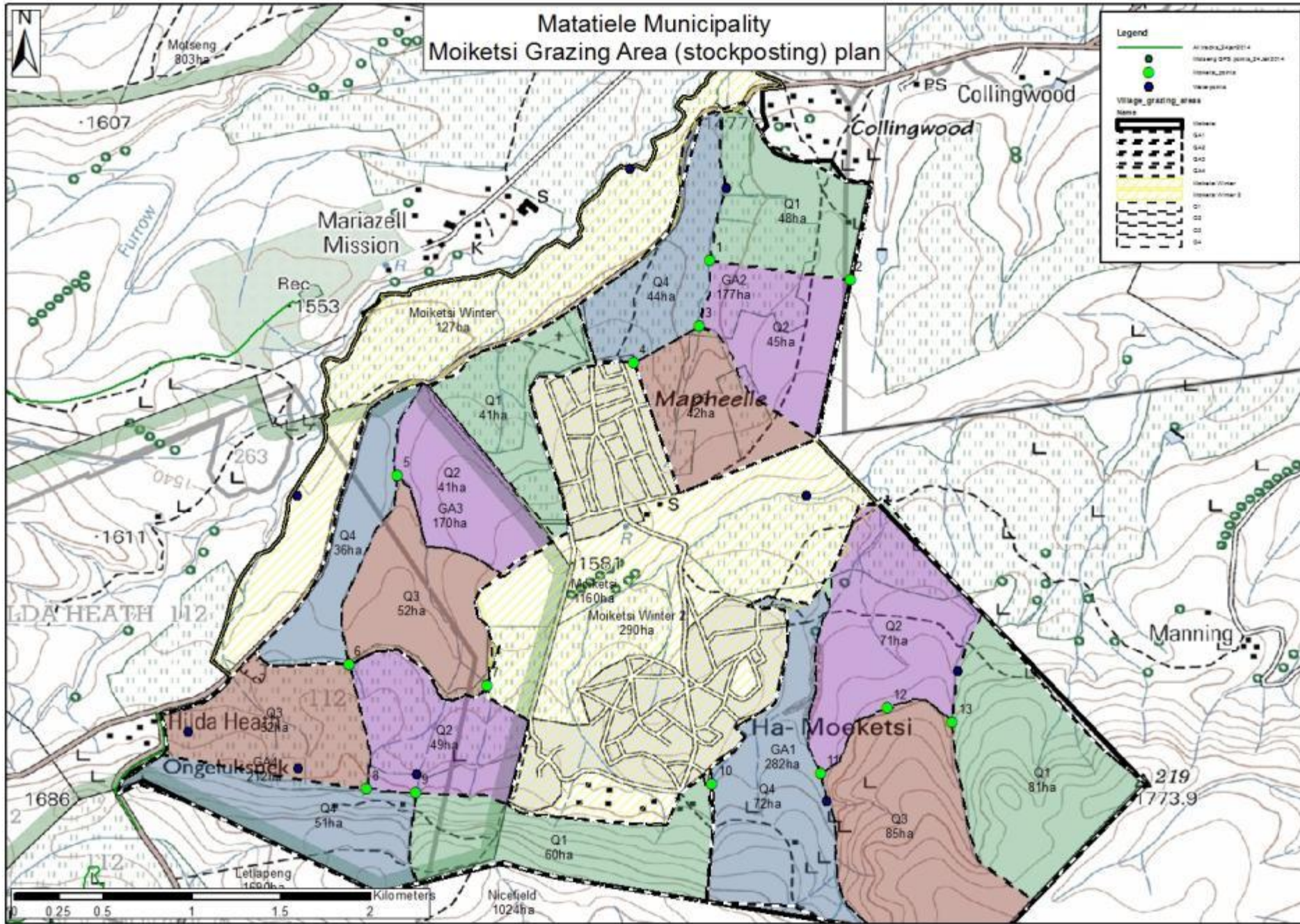
Member of the CI Network





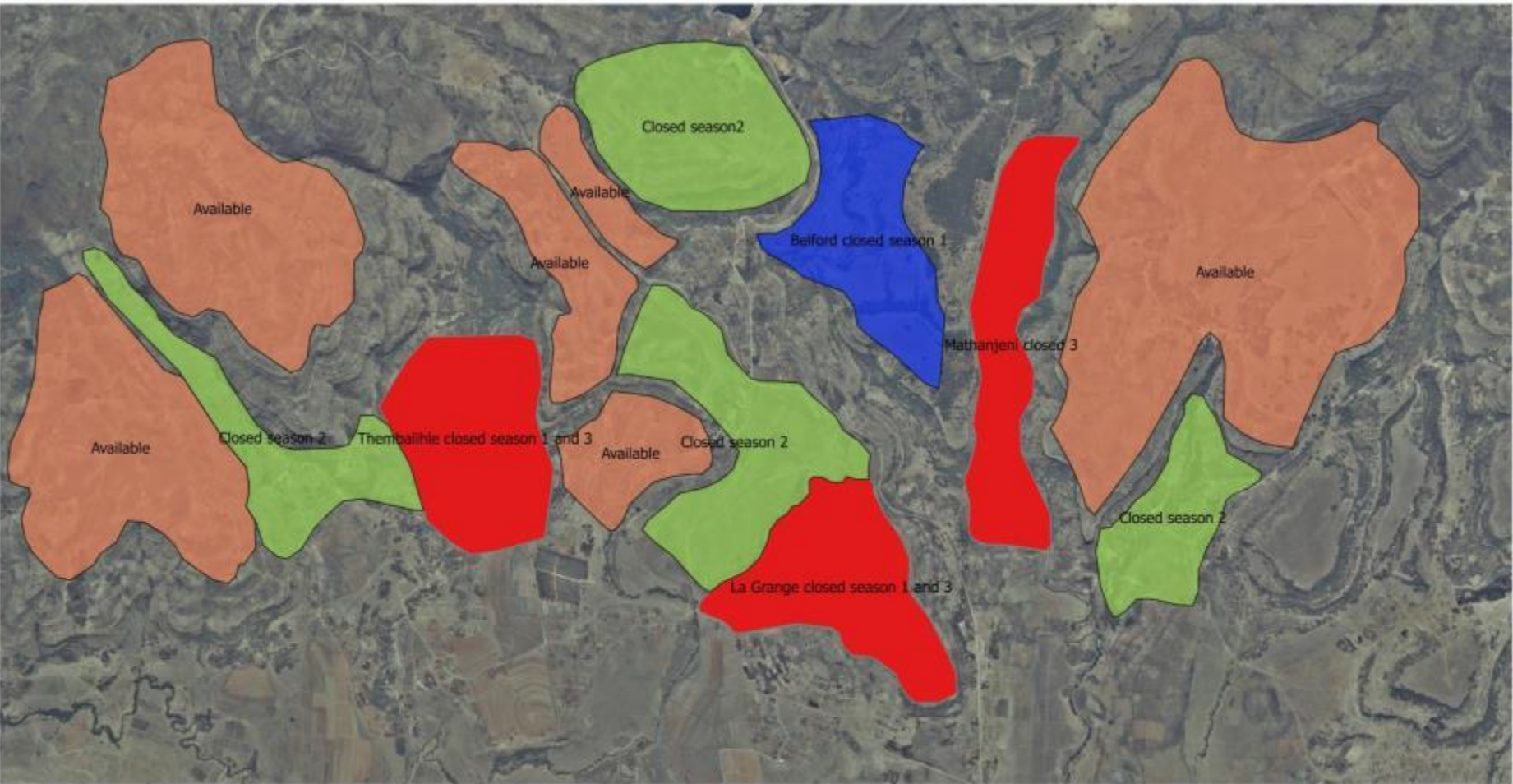
Original pilot area – Matatiele Local Municipality

Matatiele Municipality
Moiketsi Grazing Area (stockposting) plan



Alternative improved grazing management system

- Rotational rest system – “Maboella”
 - Full season rest of set-aside area
 - Act as standing fodder for winter grazing
 - Upside: easier to implement with some recovery benefits to veld
 - Downside:
 - does not inhibit daily livestock movement and necessarily improve livestock management/animal husbandry.
 - Lack of stock-posting benefits

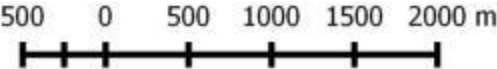


Legend

Mafube Grazing Strategy 2015

- Unrested Graze: 1159 Ha
- Rested Year 1 : 409 Ha
- Rested Year 2: 504 Ha
- Rested Year 3: 410 Ha

Mafube Grazing Management: Rest Season 2015/16



1:38,429

WHAT APPROACH IS USED?

- Approached tribal structure firstly (chief and local headmen);
- Working with villages keen to improve, but willing to commit and test;
- Work with NGO partners where trust relationships are in place;
- Integrated with alien plant eradication and restoration of ecosystem services (water catchment area);
- NB – CONSERVATION AGREEMENT APPROACH



Upper Umzimvubu Catchment Clearing: 50 people clearing only and 28 ecorangers



Once areas are cleared, need to restore grass quickly to prevent regrowth and erosion...



How do ecorangers do this??



Grazing planning with elders and CSA



Training and veld assessment and monitoring



Ecorangers assist in ear-tagging livestock going into communal herd, providing ownership tracking and traceability for market and prevention against stock theft



And vaccinations for improved livestock health and associated revenue potential



Ecorangers manage mobile kraal...





To ensure concentration of dung on areas requiring restoration...





Cover with trampling



Line of wattle outside trampling site

Linking to market







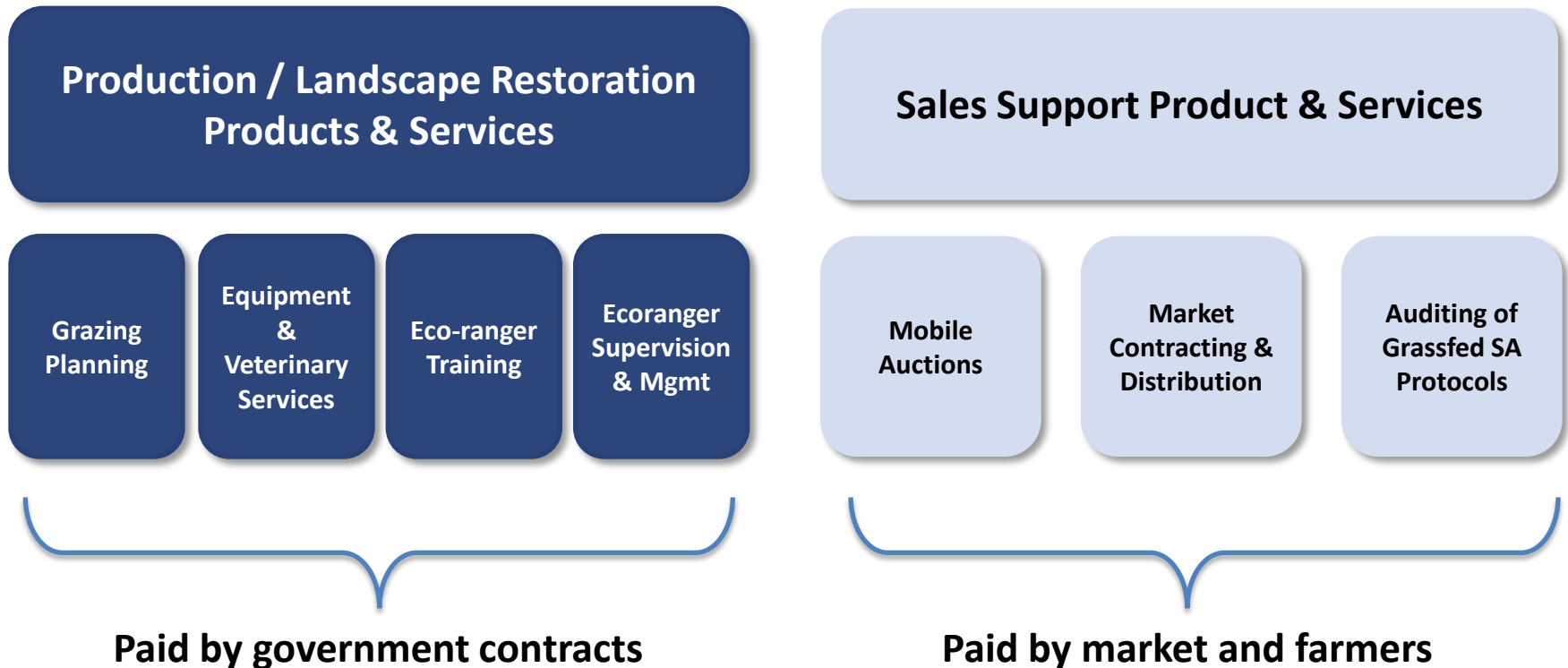


SECURING WATER FOR FOOD:

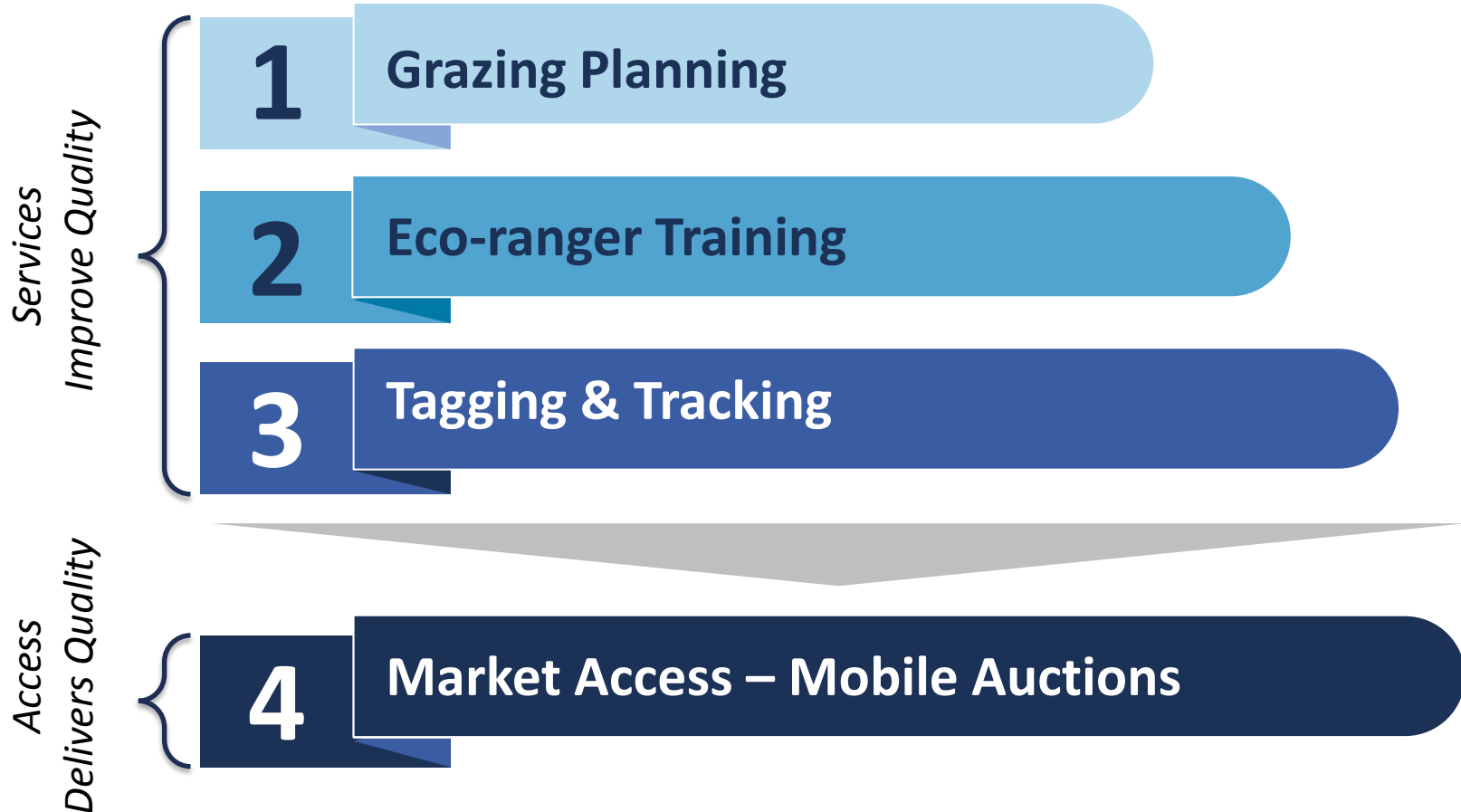
A GRAND CHALLENGE
FOR DEVELOPMENT

MEAT NATURALLY PTY: VISION

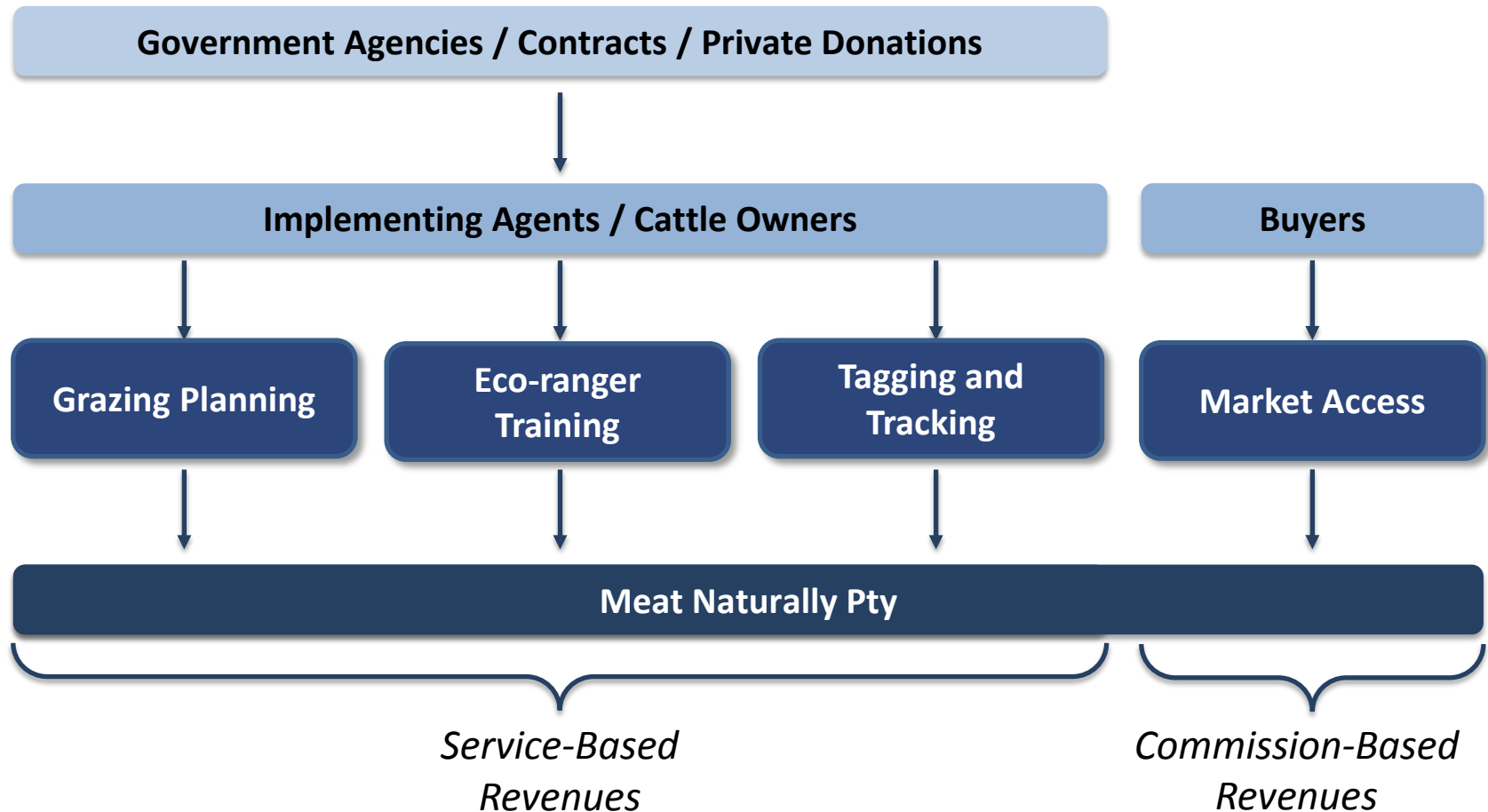
The Meat Naturally Initiative strives to be a facilitator of both the land restoration and market sales services



FOUR BUSINESS UNITS OF MNP

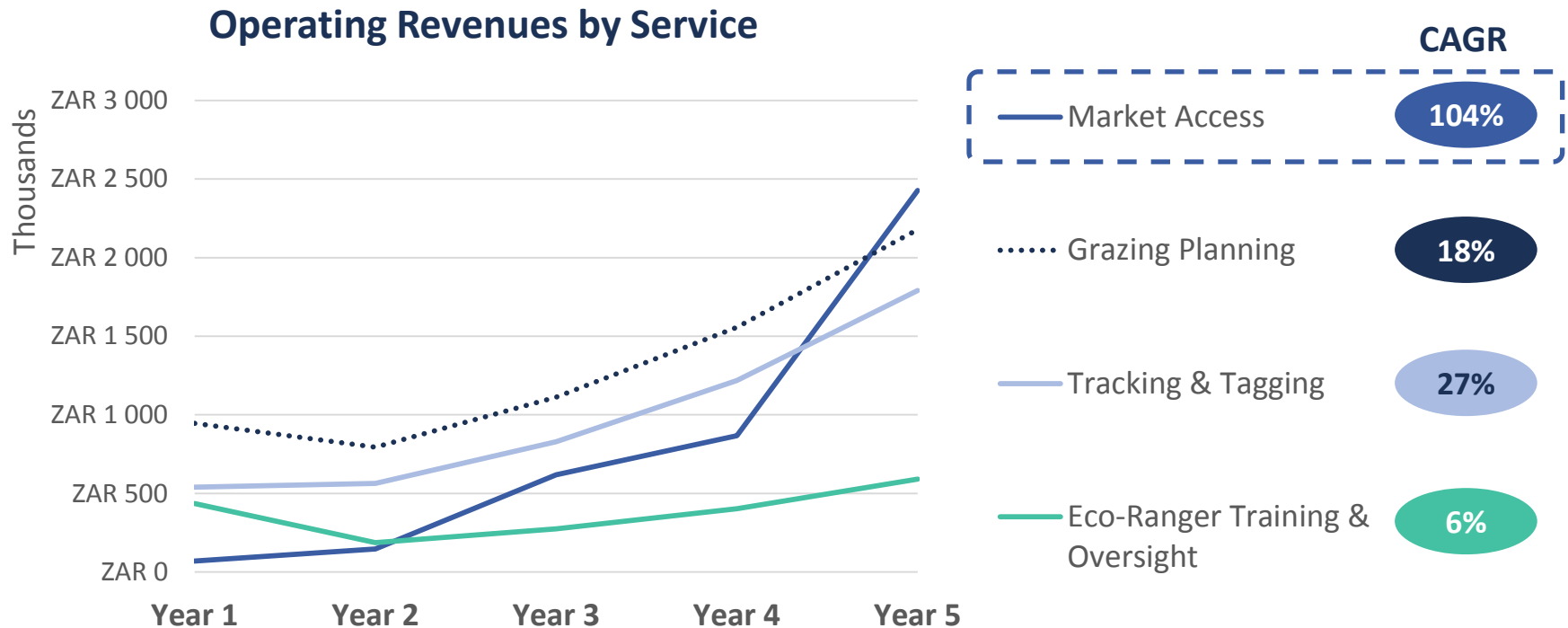


commissions through mobile auctions drive Market Access revenues



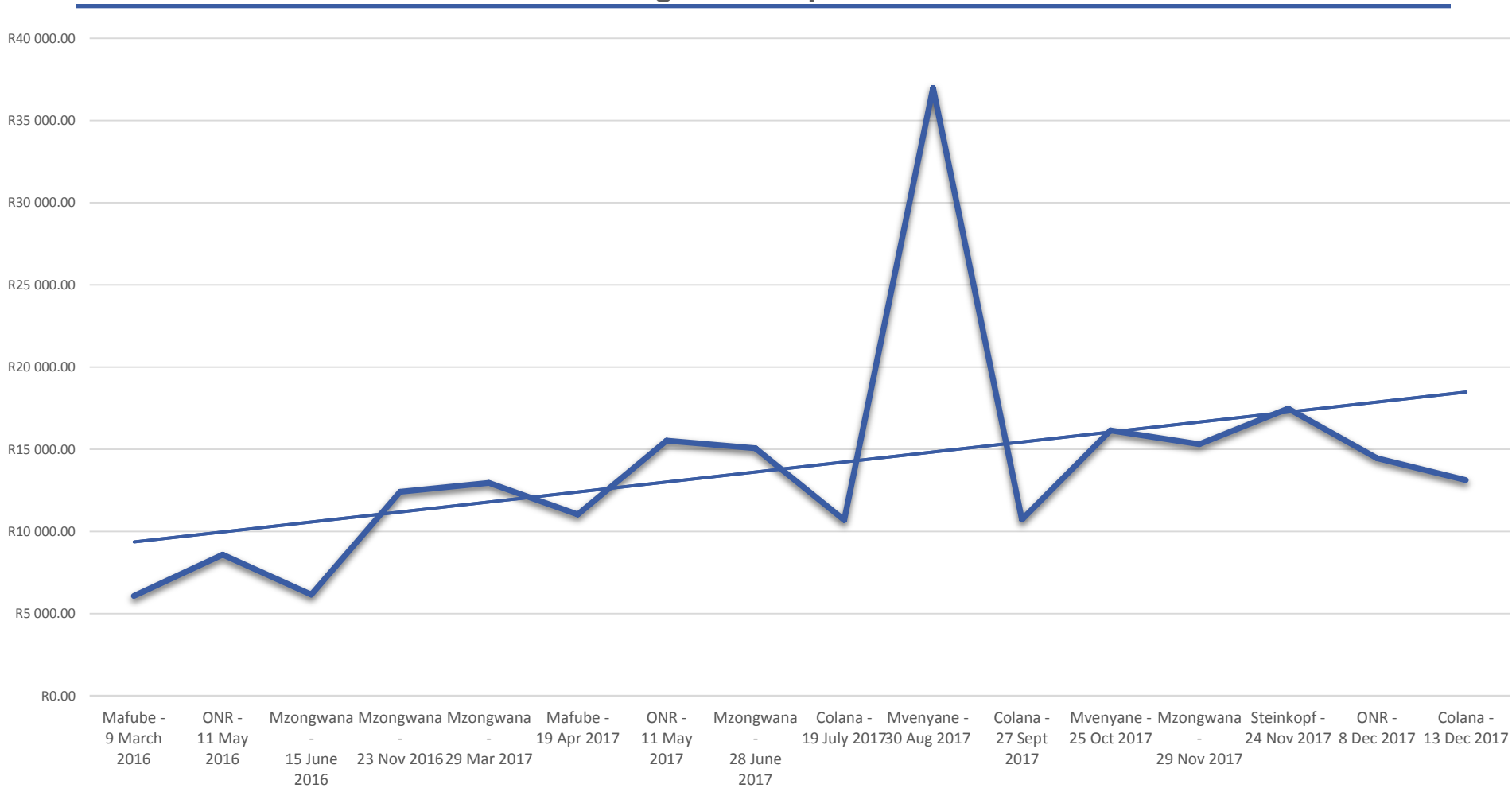
MARKET ACCESS IS THE KEY TO LONG-TERM GROWTH

Market Access is the key to long term profitability...
...but **all services are interrelated and necessary** for overall business growth



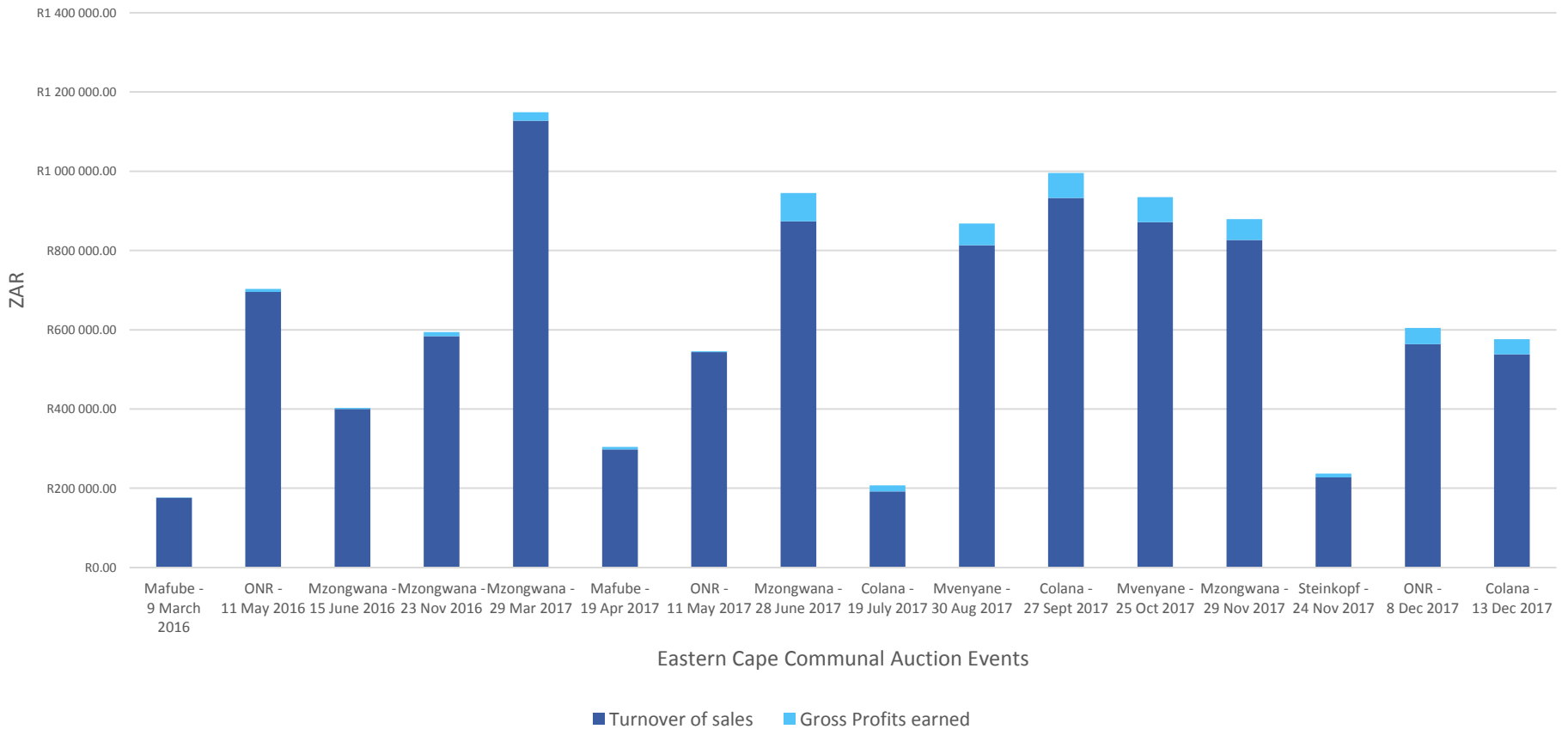
AUCTION RESULTS

Average income per seller



AUCTION RESULTS

MEAT NATURALLY PTY LTD MOBILE AUCTIONS: 2016-2017



WITH CONSERVATIVE GROWTH ESTIMATES, MNP CAN ACHIEVE PROFITABILITY BY YEAR 4

Meat Naturally Pty Operating Profit

| Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------------|-----------------|-----------------|----------------|------------------|
| -436,262 ZAR | -359,982 ZAR | -470,946 ZAR | 332,869 ZAR | 1,985,967 ZAR |

High fixed costs and slow ramp-up with new IA's limits profit in the first 3 years

Profit by Year 4

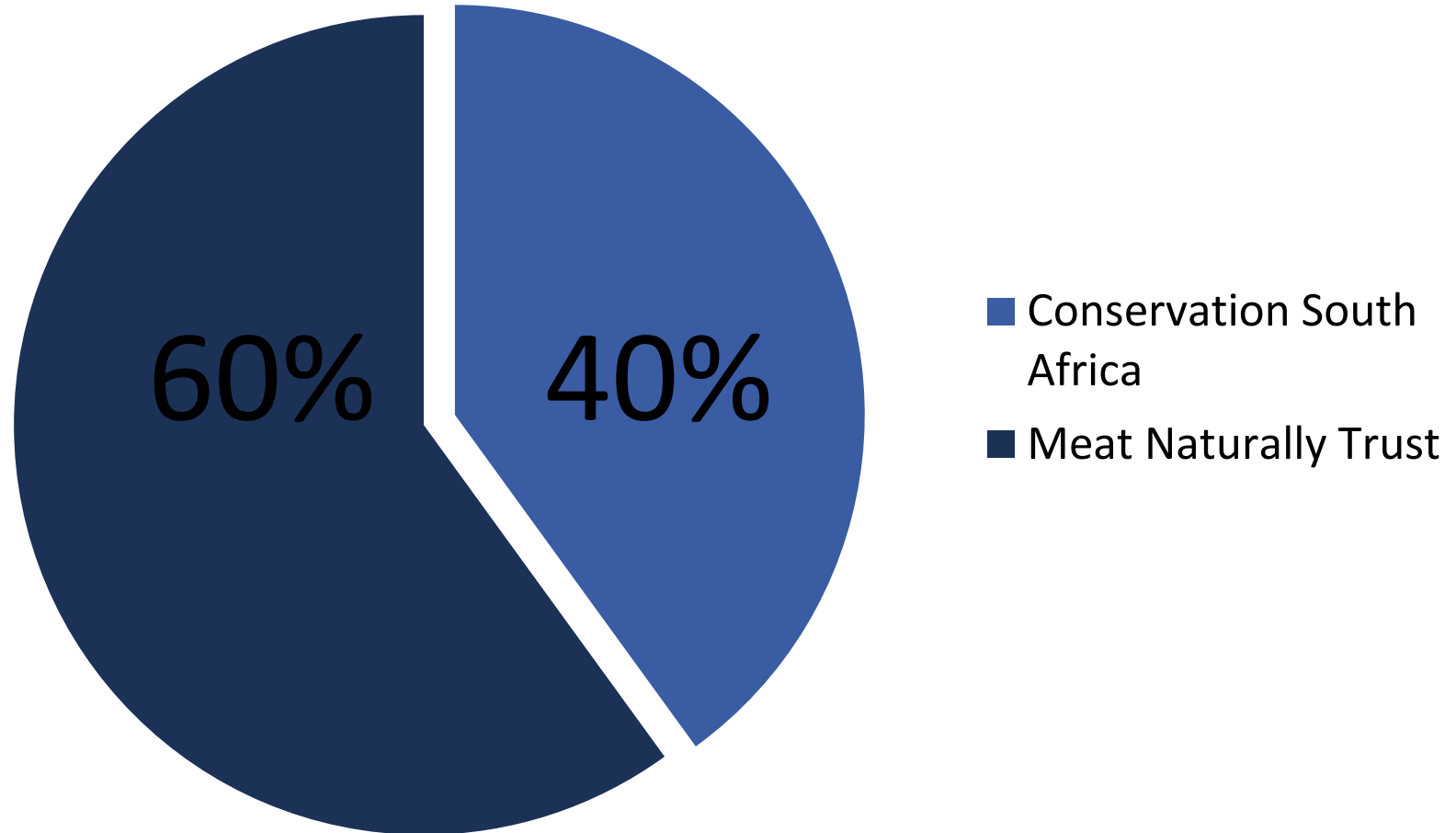
Scale by Year 5

Financial Assumptions

- Intertwined relationship w/CSA
- 27 initial villages in Year 1
- 40% village growth rate YoY
- IAs cover eco-ranger salary costs
- 6.5% auction commissions
- Addition of 1 Regional Manager Yr.3

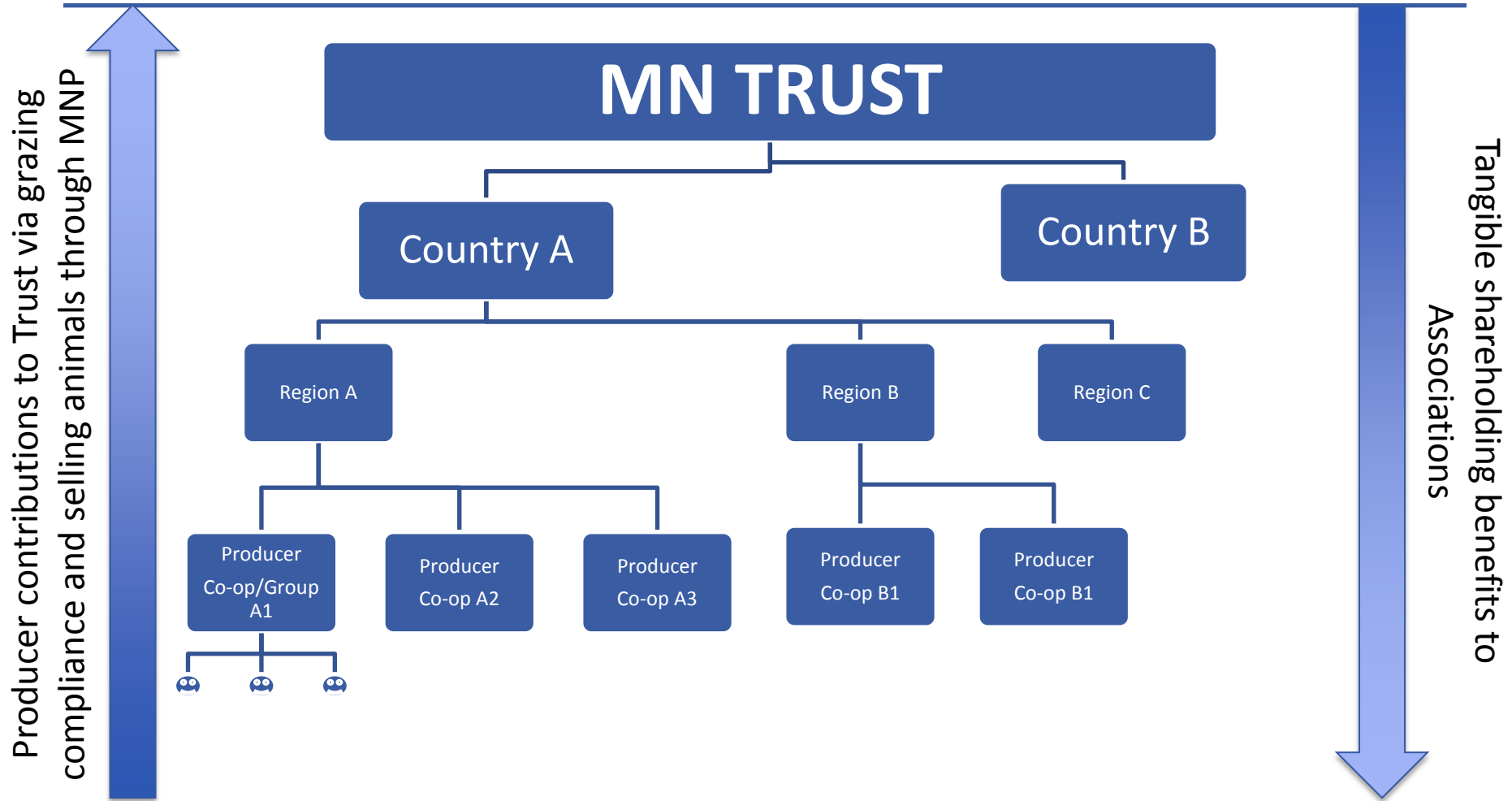


MNP TRUST STRUCTURE





MEAT NATURALLY TRUST



MEAT NATURALLY TRUST

INTERIM OPERATIONS



- Partner NGO/community mobilisation entity involvement:
 - Partner negotiates conservation agreements and mobilises community, strengthen local structures, employ ecorangers;
 - MNP act as support partner to market link, ecoranger training & grazing planning etc ('specialist services');
 - MN Trust and MNP operations acts as EXIT plan by the time NGO/partner is out of funded period

MEAT NATURALLY TRUST

HOW WILL IT WORK

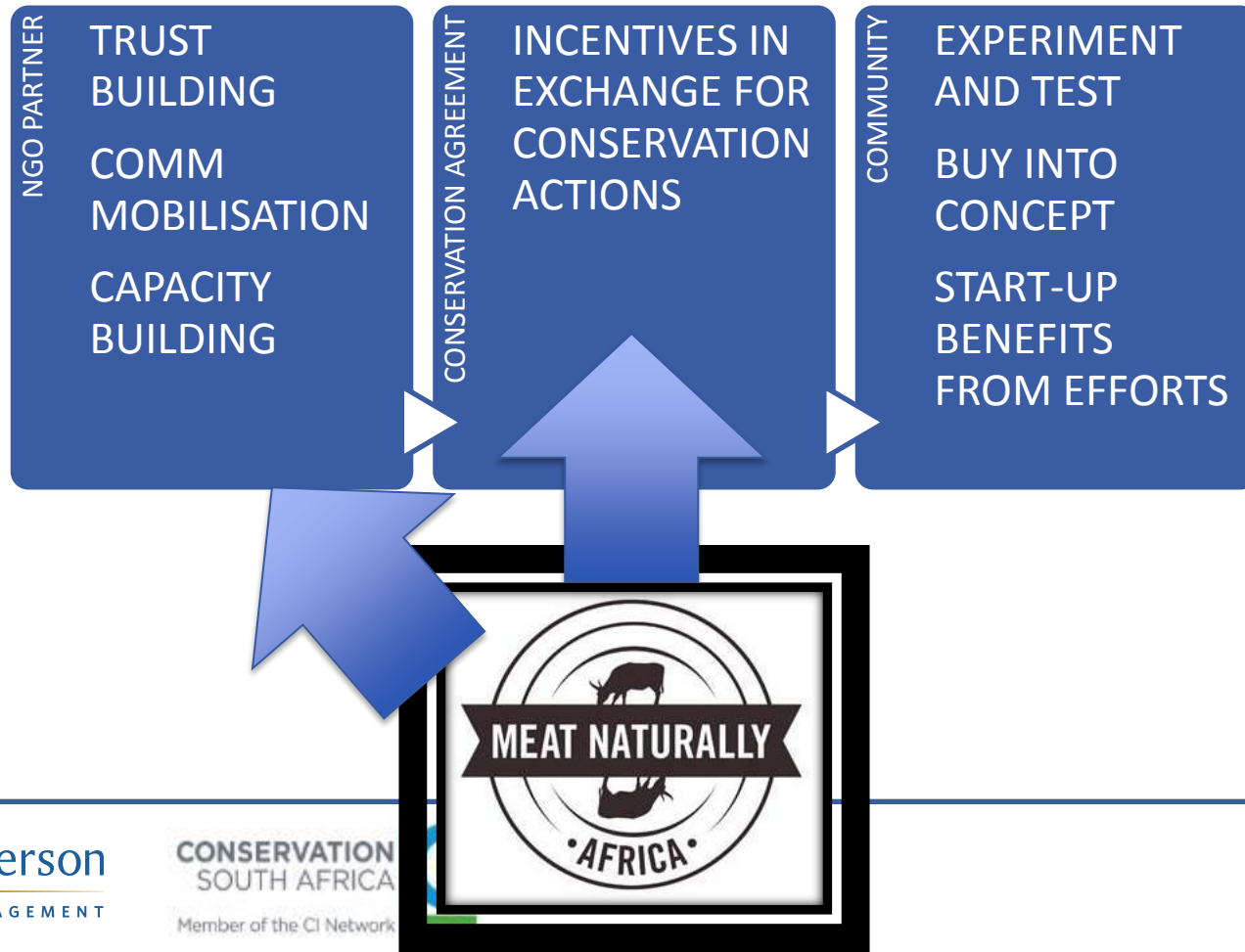


- Livestock associations from various areas who partake and trade through/with MNP
- Beneficiary agreements are signed with each which replaces current conservation agreements – i.e. conservation action(improved grazing management) allows profit share as incentive
- Ideally, profit share will be in livestock improvement or association support – ploughed back into that which concept relies on.



MEAT NATURALLY TRUST

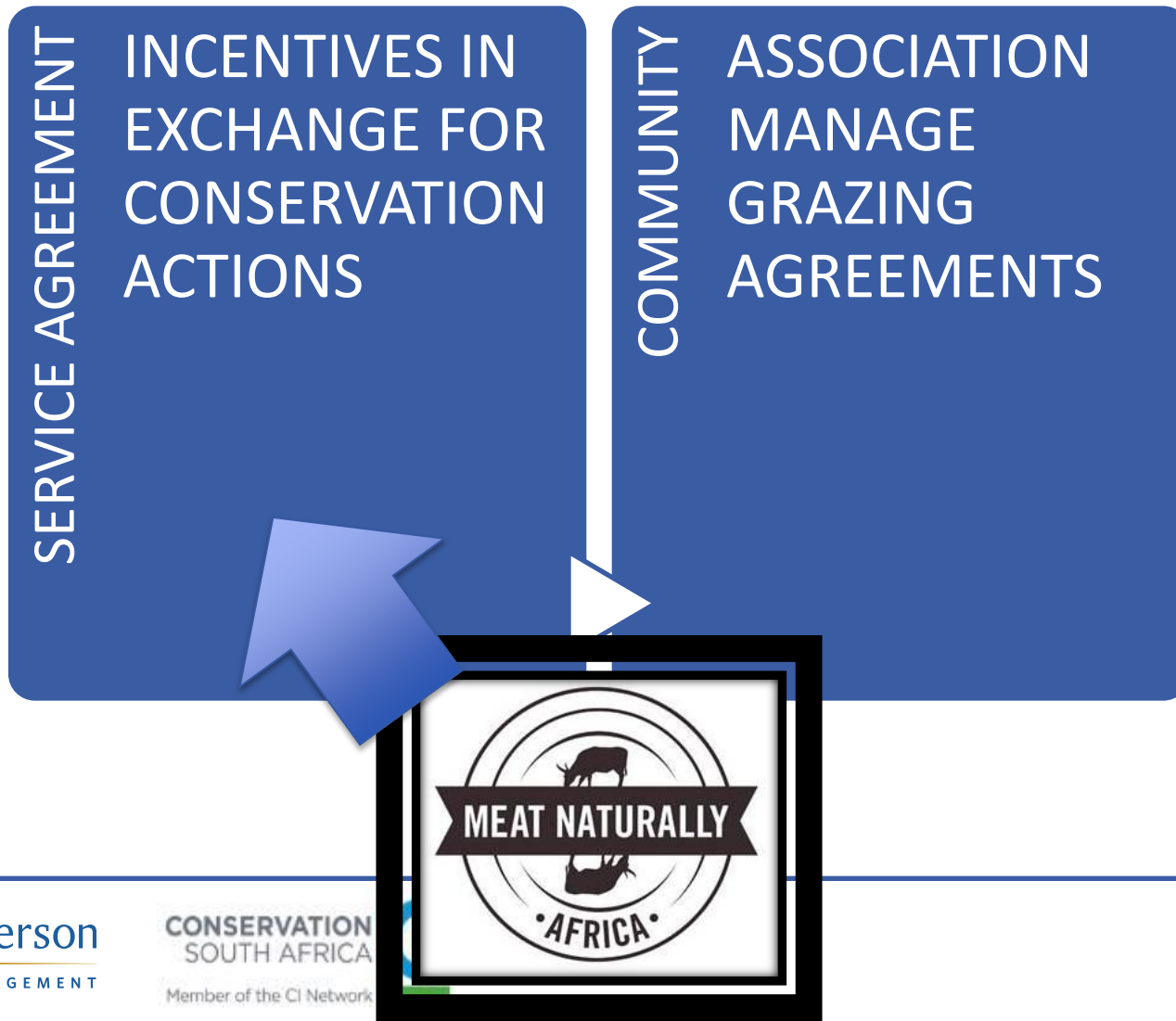
HOW WILL IT WORK





MEAT NATURALLY TRUST

HOW WILL IT WORK



MEAT NATURALLY OPERATIONS



- Existing sites - with partners
 - Thaba Chicha; Mafube; Mzongwana, Mvenyane, Colana
- Various 'new' sites – different levels of engagement and partnerships e.g.:
 - Upper Tsitsa: Sinxaku & Mgwalana
 - Upper Thukela: amaZizi & amaNgwane

MEAT NATURALLY OPERATIONS: OTHER LANDSCAPES – K2C



MEAT NATURALLY OPERATIONS: OTHER LANDSCAPES



- Namakwa
 - MNP Agent
 - Securing fair and dependable market
 - Pilot communal stock auction Nov
- Kruger 2 Canyon (K2C)
 - hiring of MNP Agent
 - FMD area
 - Mobile abattoir pilot happened in Aug

THANK YOU

