



An Assessment of the Meat Market in Mauritius

Mission Report

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Introduction

In line with the objective of promoting trade between COMESA member states, a meat market survey was undertaken in Mauritius between 12 and 17 October 2008. This assessment was carried out through the regional PACAPS/RELPA programme and funded by USAID East Africa. The survey was conducted by a team comprised of Mr. Yacob Aklilu (PACAPS), Dr. Peter Ithodenka (DVS Kenya) and Mr. Abbas Mohammed (KLMT). The objectives of the mission were:

- To assess the potential for initiating meat exports from surplus producing East African countries
- To understand SPS requirements in Mauritius in-depth
- To follow up the end use of Kenyan live cattle exports
- To evaluate the perception of government officials and importers regarding livestock imports from COMESA member states

Brief assessment of the food sector in Mauritius

Mauritius is a small island in the Indian Ocean with a total land area of some 2,040 km² and a population of 1.2 million. The three mainstays of the economy are sugar production (which accounts for 90% of the total arable land), textiles and high-end tourism (which attracts over 750,000 visitors per year). Agriculture has shown a downward trend in the last six years due to trade liberalization and rising labor costs keeping Mauritius a net food importing country. Live animals and meat constitute two of the commodities excluded from import restrictions under the liberalization policy. The population consists mainly of Hindus, Muslims and some Christians. All meat imports have to comply with Halal requirements.

According to the Ministry of Agro Industry, 'net food requirement is estimated at 690,000 tons annually, up to 75% of which is made up of agricultural and food products imports. These peaked at some Rs¹ 23.4 billion in 2007, indicating a high level of trade dependency. Crop derived foodstuffs accounted for Rs 9,300 million (mainly rice and flour) while animal food items (including slaughter stock) amounted to Rs 7,100 million.' On a net basis, food import costs have risen during the period 2001/2007 from Rs 8.4 billion to Rs 21.0 billion due to a remarkable increase in the import of processed food items (including processed vegetables).

¹ \$1 US = 26 Rs (Rupees)

The share of processed food in the household diet is reported to match that of developed nations. This trend is on the increase.

Livestock production, including the poultry sector, is carried out by some 3,500 small breeders and around 100 medium to large producers. Production averaging 46,000 tons annually stays mainly in the domestic market. Some 38,300 tons of meat and poultry (including venison) with a gross value of RS 800 million were produced in 2007 on some 700 ha of land. Local production (excluding poultry) accounts for around 5% of meat requirements and for 2% of milk requirements. The country is self sufficient in poultry and eggs (almost 100%)², but this sector relies almost entirely on imported raw materials (approximately, 145,300 tons annually) or 80% of total feed requirements. The country is also self-sufficient in venison 90% of which is produced through intensive deer farming with an estimated national herd of some 70,000. These are reared mainly in feedlots.

Mauritius historically has secured its food supply mostly through sugar production which has generated enough foreign currency to more than cover the import of most of its food requirements. However, changing circumstances (rising food import bills, the uncertainty of guaranteed European and US markets because of new WTO rules) are increasing the vulnerability of Mauritius as a food importing country. Sugar export is estimated to drop by 36% next year, and the government is encouraging people to diversify with a new strategy for 'A Sustainable Diversified Agri-Food Sector' for the period 2008 – 2015. The livestock sub-sector of this strategy is aimed at increasing self-sufficiency in milk production from 2 to 10% and in meat production as follows.

	Estimated production 2007(t)	Self sufficiency 2007 (%)	Forecasted production 2015 (t)	Self sufficiency 2015 (%)
Beef	100	<1	1000	10
Goat	35	19	90	35
Venison	500	100	750	100
Pork	511	50	1500	100
Chicken	37000	100	45000	100
Duck	250	100	600	100
Eggs	125 M units	100	165 M units	100

Source: Ministry of Agro Industry and Fisheries (MAIF)

² Mauritius also exports parent stocks for chickens to Tanzania, Burundi and other destinations

Support measures for the implementation of this strategy include:

- Government to ensure at all times that an adequate amount of state lands and private lands leased or sold to breeders are available to attain targets.
- Special banking facilities are to be made available to breeders for infrastructure development, importation of breeding stock, equipment and fodder plantation in view of the low rate of return inherent in livestock production (except for poultry and pork).
- Farmers are to be trained in modern methods of animal husbandry to improve productivity and bio-security
- Veterinary service of the Ministry is to be upgraded to international norms like ISO for delivery of services to breeders.
- Government is to implement a system of veterinary vouchers to be given to breeders for recourse to private veterinary services.
- Government is to devise risk management schemes and insurance of breeding stock.
- Government is to ensure that 5% of bagasse and molasses produced by sugar factories be made available to breeders.

In addition to these measures the mission was also informed:

- That the treasury has set aside 1 billion RS to support small holders livestock production capacity with access to finance, guaranteed markets and prices for a period of three years (after which the support will be withdrawn).
- That South African investors have been licensed to set up two dairy units of 500 cows each.
- That small holders will import weaning dairy calves (in lieu of or to minimize slaughter stock imports) so that most of the value adding is done in country.

Meat Imports

Mauritius imports buffalo meat and beef from various countries – namely, India, Australia, New Zealand, South Africa, Argentina, Paraguay and Brazil. Trends of imports in the last five years show a major shift first from Australia to Brazil for beef (because of price) and then to India for buffalo meat (due again to price). Although not preferred, buffalo meat imports are on the rise. Imports from Madagascar and Zimbabwe have been discontinued for SPS reasons. Mutton, lamb and goat meat are imported from Australia, New Zealand, South Africa and

France. Poultry products come from a variety of sources - Australia, South Africa, Brazil, Belgium, Madagascar, France, Egypt and Italy. Pork products are imported from South Africa, France, Italy, Denmark, Zimbabwe, Australia, Spain and *Kenya*. In fact, two importers complained that their request for orders have been continuously ignored by Farmers Choice of Kenya.

Nearly 90% of the meat imports to Mauritius are made up of frozen meat because of affordability. Chilled meat (of marbled type) is directly imported by upscale hotels and a few meat importers from Australia (10 hours flight) and South Africa (4 hours flight). Chilled meat constitutes 10% of total meat imports.

Meat sourcing is influenced by colonial and historical ties (India, Australia, South Africa and, previously, Madagascar and Zimbabwe). Concerns about the SPS status of a country also determine the sources of imports. Shifts due to price are increasingly affecting the type of product imported (for example, buffalo meat) and also the supply sources (from Australia to Brazil and lately to India). Most meat importers were not aware of the livestock potential in the East Africa region because of their trade link with other source countries. South Africa’s meat exports to Mauritius could have originated in Botswana and Namibia. South Africa is the second choice market for the two countries after Europe.

Meat imports to Mauritius (2005 – 2007) in MT

	2005	2006	2007
Buffalo and beef	6,401	5,887	5,606
Mutton, lamb, goat	4,717	4,961	5,840
Poultry products	2,541	1,215	1,685
Pork products	1,300	826	1,044

Source: Ministry of Trade

Live Animal Imports

The Mauritius Meat Authority (MMA), a parastatal body under the MoAIF, is responsible for establishing and managing abattoirs; marketing meat and meat products; controlling and regulating the sale of meat and meat products; licensing persons and premises for slaughter, preparation, processing, packing and marketing of meat. It was also responsible for fixing prices with the approval of

the Minister of Commerce (although this is not the case now). The MMA also holds the monopoly for importing livestock for slaughter although, in practice, animals have not been imported by the Authority since 1996. However, the Authority is in charge of the only abattoir in Mauritius where all live animals are slaughtered; it inspects carcasses and organs before releasing them for public consumption. Its findings can be detrimental to imports depending on the results of the inspection. Fortunately, all imports from Kenya were given a clean bill by the Authority. The mission was told to ‘keep the standard’.

Live animals are imported from South Africa, Madagascar, Zimbabwe and, as of 2004, Kenya. The temporary ban of imports from Madagascar and Zimbabwe has increased the market share of live animal imports from Kenya, particularly for bulls, but there is the potential for exporting live goats as well. Importers keep the slaughter stock on feedlots (mainly on baggase and molasses) as they are slaughtered in batches during holiday seasons. The mission learned that animals lose 1 to 2% of their body weight on the high sea³ due to stress and unaccustomed concentrated feeds coupled with the fact that the animals are weighed with full stomachs⁴ at Mombasa. The mission was informed that not much weight gain is attained in the feedlots as the uncastrated bulls have already reached full body weight. On average, the Boran bulls gain about 20 kg, but the Somali bulls were said to be poor performers. Importers insist on uncastrated bulls for religious reasons and lean meat production. Live animal importers make a considerable profit from selling fresh meat which is a rarity in Mauritius.

Live animal imports to Mauritius

Year	Cattle	Goats
2003	10,160	3,787
2004	10,009	3,505
2005	10,625	4,695
2006	10,415	3,307
2007	7,310	2,303
2008*	4,000	

Source: MoT

* Denotes that the data is not complete and shows only imports from Kenya.

The above data indicates that average annual imports of live cattle into Mauritius stands at about 10,000 head. Kenya is closing in on nearly 50% of the cattle imports

³ It takes six days of travel from Mombasa to Mauritius

⁴ The importer complained that animals are given salted hay to force them drink more water the night before they are weighed.

to Mauritius through one importer (in fact, a contract to ship additional 1,000 head of bulls was not honored by the Kenyan exporter in 2008). Kenyan exporters need momentum to stay in and to possibly dominate the Mauritian slaughter stock market.

There are some twenty meat and live animal importers in Mauritius. This figure includes supermarkets. Most of these importers are involved in frozen meat imports brought in by one or two containers at a time. These importers are also engaged in other types of businesses apart from meat trade. There are only three or four live animal importers as they are obliged to have their own feedlots (in a country where land is limited) and because of substantial financial requirements (inventory cost). Appendix 1 provides a list of all importers.

Consumption patterns

Nearly 70% of the meat consumed in Mauritius is poultry due to affordability. High beef prices in the supermarkets (between \$14 and \$20 per kg) are increasingly pushing the population to shift to buffalo meat. Chilled meat is served only in upscale hotels. Meat from Madagascar and South Africa and lamb from Australia are much preferred. Meat from slaughter stock is sold through traditional butcheries and purchased mainly by Muslims that do not trust the Halal compliance of imported frozen meat. Meat from Kenyan stocks is sold through traditional butcheries with no labels. Meat cuts sold in the supermarkets are required by law to display the source country.

SPS requirements

Mauritius is free of FMD without vaccination, but outbreaks of the previously unknown African Swine Fever and Lumpy Skin Diseases during the last ten years have increasingly forced the DVS to be more vigilant. Although they are content with the health status of live animal imports from Kenya, they seem to be wary of the prevalence of RVF in the region⁵. In addition, meat imports, frozen or chilled, from regions where FMD is prevalent, has to be de-boned. Transshipments of live animals and chilled meat are not allowed, although the position was not clear on frozen meat⁶. However, it is possible to reach a common agreement case by case for each shipment through protocols that satisfy the DVS of both countries.

⁵ The DVS, Dr Ithodenka, and our team tried to reassure them that animals are sourced from areas not affected by RVF

⁶ Transshipment of frozen beef is a common practice as most ports have a docking point for ref containers.

Potential opportunities for Kenya

The success achieved in exporting healthy live animals has provided the opportunity for Kenya to diversify its exports to Mauritius. Authorities and importers have requested the mission provided that Kenya has the potential to export the following products.

- Chilled de-boned beef, mutton, goat meat and lamb
- Frozen de-boned meat of the above types
- UHT milk
- Dairy stocks and weaned dairy calves
- Live camels (or frozen camel meat) to replace buffalo meat
- Oil cakes and other foodstuffs
- Corned beef and mutton

There is considerable opportunity to diversify exports to Mauritius provided Kenyan exporters can meet the requirements and offer competitive prices. Direct air flights between Kenya and Mauritius would allow chilled meat exports. Frozen meat can be exported from Mombasa, and the limitations on transshipments can be easily dealt with through a protocol. Camel (either live or frozen camel meat) and canned meat exports would significantly increase the marketability of pastoral herds. The materialization of these opportunities, however, rests in meeting the following challenges.

Challenges

- Exporters need to offer competitive pricing, on time delivery and be able to fulfill all SPS requirements
- Competitive pricing
- Mauritian authorities indicate that abattoirs have to be EU certified
- Some importers insist on a 90 day credit line provision, so Kenyan exporters may need to obtain some kind of export credit guarantee scheme from the government

Follow up measures:

- Extending an invitation to Mauritius vet officials to visit abattoirs and other facilities in Kenya to gain their approval
- Agreement on protocols between DVS Kenya and Mauritius for potential meat product exports
- Initiate negotiations on possible camel exports with the importer that has shown interest

- Team members in Kenya to provide KMC, Farmers Choice and others with the findings of the mission
- KLMC to act as a liaison office to facilitate contact between importers in Mauritius and interested Kenyan exporters
- Advise live animal exporters to condition the animals with concentrate feed for at least five days before embarkation
- Stakeholders to promote feedlot operations in Kenya

Annex 1

List of Live Animals and Meat Importers

Company	Physical/postal Address
SHOPRITE	St Jean, Quatre Bornes
Zayroufai Ltd	Kodabaux Lane, Morcellement St Andre
Tea Blenders Ltd	Solitude Industrial State, Triolet
Mauridistridom Ltd	Royal Road, Phoneix
Abna Frozworld Ltd	27 Gorah Issac St, Port Louis
Hees Co. Ltd	5 Avenue Jacinthes, Quatre Bornes
M.S Hyder	Royal Road, L'Escalier
H.K & D. Nandee	67 Palma Rd, Quatre Bornes
Scott & Co. Ltd	New Brands Division, Rogers' Riche Terre, No 1
Chue Wing & Co. Ltd	ABC Bldg, 47-49 Queen St, Port Louis
Monoprix (Prisunic)	195 Royal Road, Curepie
New Cold Storage	P.O.Box 158, Port Louis
Panagora Marketing Co. Ltd	Pont Fer, Phoneix
Hermaj Ghina & Sons Ltd	Riverside Lane, Pailles
Proen Co. Ltd	Victor de La Faye St, Floreal
Innodis Ltd	P.O.Box 841, Port Louis
Produits Alimentaire Italien	Route Abattoir, Vacoais
Super U	Route Royal, Grand Baie
Porker Products	Belle Vue, Albion
Fast Foods Ltd	Route Cocotier, Roche Bois
Somags Ltd	Jumbo Store, Phoneix

Annex 2

Persons met

Monday 13 Oct, 2008 – Dr D. Dumur, Director, Ag Research and Extension Unit

Tuesday 14 Oct, 2008 – Dr D Meenowa, Principal Veterinary Officer

- Meat importers and supermarket owners
- Mr Azad Dookhit. Managing Director, Tectonic Ltd

Wednesday 15 Oct, 2008 – Mr A Balgobin, General Manager, Mauritius Meat Authority

- Mr Jhumka Hamid, Manager, Division of Economic Analysis, and Industry, Mauritius Chamber of Commerce
- Mr J Thierry, Director General, Allied Food Industries

Thursday 16 Oct, 2008 - Dr Nasseeven, PAO, and Mr Yee Tong Wah, PRDO, Animal production Division

Mr BBS Lutchmeea, PAO, Food Technology Laboratory

Mr L Ramroop, Director of Trade, Ministry of Business Enterprises and Cooperatives

Friday 17 Oct, 2008 - DR A. H. Abdool, Director, Health Services, Ministry of Health and Quality of Life

Mr Louy Diamond, Sales Manager, Nandee Ltd

Mr Chettandeo Bhugun, Principal Assitant Secretary, Ministry of Agro Industry and Fisheries

