

Will future powerhouse economies have an appetite for beef?

The [PwC](#) projected that the world economy could double in size by 2050, driven by new powerhouse economies such as China, India, Indonesia, Brazil, Mexico and Russia, measured in purchasing power parity (PPP). Growth theory postulates that as economies develop, their consumers' protein intake tends to increase substituting the starch.



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Looking at beef consumption, we find a similar consumption pattern where consumption per capita is expected to grow by 8% in BRICS countries over the next decade. During the same period, beef consumption in Vietnam, Turkey and Pakistan is also expected to increase by 25%, 20% and 16%, respectively.

South Africa exported just over R2bn worth of beef in 2016, making it the 24th largest exporter in world rankings with a global market share of 0.3%. Though the country is a small beef exporter compared to the USA, Netherlands and Australia, it poses a large potential to expand beef exports. More so, when considering smallholder farmers' potential contribution.

South Africa currently exports about 39,000 tonnes of beef of which nearly 56% was exported to the African continent, mainly in the SADC market. The other 44% was exported to the Asian market, particularly Kuwait, Vietnam, United Arab Emirates and Hong Kong. Looking into the future, South Africa's beef exports are destined to countries that depict a relatively high economic growth and beef consumption. For example, Mozambique's beef consumption per person is expected to increase by 22% in the next decade and this country already holds 23% of South Africa's beef exported to Africa.

Similarly, Vietnam currently holds 20% of South Africa's beef exports destined for Asia. Vietnamese beef consumption is expected to grow by 25.4% to reach 9.6 kg per capita consumption over the next 10 years.

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