

**STRATEGIC MARKETING PLAN TO PROMOTE THE NGUNI AS AN INDIGENOUS BEEF BREED
IN SOUTH AFRICA***F.A. Maré & B.J. Willemse**Department of Agricultural Economics, University of the Free State, South Africa***Abstract**

South Africa is richly endowed with different indigenous cattle breeds which are adapted to the harsh conditions. The breeders' society of the Nguni, one of the indigenous breeds, decided that they want to promote the breed through the development and implementation of a well-designed marketing plan. To promote a cattle breed it must consist of unique characteristics that can be used in the marketing process. Research has revealed that the Nguni's unique breed characteristics (including amongst other fertility, feed requirements and temperament) and product characteristics (meat and hides) makes it a competitive and marketable breed in the South African cattle industry. A workshop was held by role players in the Nguni industry and through focus group discussions an implementable marketing plan was designed by using the goal setting methodology. The marketing plan, consisting of five focus areas (Innovative positioning, Breeding policy, Research needed, Promotion and awareness and Strong Institutions), is already implemented in certain areas and runs according to expectations. This successful marketing plan can thus be used as the methodology behind the promotion and marketing of other beef breeds, not only in South Africa but also in the rest of the world.

Keywords: Nguni, cattle breed promotion, marketing plan, goal setting theory

Sub theme: Marketing and Trade

1. Introduction

One important difference between the African and Indian continents on one side of the globe and the colonial continents, such as the Americas and Australasia on the other side, is the origin of their cattle. While the new world or colonial continents have to rely on imports to establish herds of cattle, Africa is richly endowed with different indigenous breeds which are adapted to the harsh conditions (Strydom & Scholtz, 2007). One of Africa's indigenous breeds is the Nguni and although it was previously classified as *Bos indicus*, recent genetic typing proves that the Nguni has a strong *Bos taurus* relationship and should be classified as *Bos taurus africanus*. Nguni cattle were perceived to be inferior to other cattle breeds, largely due to their often smaller size and varied colour patterns. This situation has changed since the establishment of a breed society and more research is done on the breed (Ramsey *et al.*, 2000).

South Africa has more than 25 different registered breeds of beef cattle, ranging from different types of pure indigenous and imported breeds as well as some cross-bred types. The question thus arises, how to promote the Nguni, taking into account the different breeds, to be positioned as a sustainable beef breed with a positive impact on the cattle industry of South Africa. Nguni breeders and beef industry experts organized a workshop to determine a marketing plan for the breed and action plan to promote the breed. But, as with any other breed or product, the Nguni must consist of unique qualities that will distinguish it from the other breeds in order to make marketing possible. In the case of animals, or more specifically beef cattle, these qualities can be found in the breed characteristics and the products obtained from the animal. The unique qualities or characteristics of the Nguni are thus first highlighted, before the marketing plan that was developed is discussed.

2. Unique Breed Characteristics

The Nguni is an indigenous breed not only to South Africa, but also to other parts of the African continent. These animals are often referred to as “been here for always” and the slogan of the breed is “The breed from the past for the future.” The Nguni and other indigenous breeds of the African continent are better adapted to the extremes of climate in their specific regions, than exotic breeds. Native (indigenous) breeds also show better resistance to pest and diseases, especially ticks and tick-borne diseases, as well as nematodes (Muchenje *et al.*, 2008b; Ndlovu, 2007). These two factors contribute to the fact that the South African Department of Agriculture’s Registrar for Animal Improvement recently linked the title of “Breed of National Importance” to the Nguni breed. It is realised that exotic breeds will find it difficult to cope in harsh conditions and that the return to indigenous breeds, or cross breeding with these breeds, is necessary to sustain the South African beef sector (Van der Merwe, 2010).

The Nguni’s resistance to pests and diseases and its climate adjustability (resulting in lower production costs), might give the breed some advantages over exotic breeds, but a literature review of various aspects of the Nguni shows that it may also be distinguished by the following characteristics:

2.1 High fertility

High fertility is a characteristic of the Nguni that is commonly known and confirmed by the research of Maule (1973). Scholtz *et al.* (2010) state that the Nguni has a long reproductive period (16 years) and high fertility values as indicated by an average calf percentage of 90% and low inter-calf periods.

2.2 Ease of calving

The Nguni is known for its ease of calving and is therefore commonly used as a dam line for cross breeding (Schoeman, 1989). Research has shown that the Nguni does not even experience calving problems when crossed with the largest beef breed in the world, the Chianina. Any breed can thus safely be used as a sire line and good crossbreeding results can be obtained for either feedlot or pasture finished calves, depending on the sire line used by the breeder (Ramsey *et al.*, 2000).

2.3 Low feed requirements

Ndlovu *et al.* (2007) found that the Nguni has relatively high levels of nutrition-related blood metabolites, such as urea, glucose, phosphorus and calcium that helps it to adapt to limited grazing conditions. These metabolites ensure that the animals maintain relatively high body condition scores without supplementation during the dry season. The Nguni, compared to other breeds, has the best growth performance during the dry season without dietary supplementation and the Nguni can thus also be successfully finished on natural pasture without supplementation (Muchenje *et al.*, 2008a; 2008b). These factors contribute to the breed’s significant feed conversion ratio that results in a higher ratio of kilogram meat produced per hectare of land than that of exotic breeds. This contributes to higher profitability.

2.4 Good temperament

Low levels of stress hormones at slaughter and the calm behaviour of the Nguni indicate that it is a generally docile animal (Ndlovu *et al.*, 2008). Naude (2008) also states that the Nguni has a very calm temperament which makes it easy to work with in a feedlot setup. Farming and managing the Nguni herd thus also require less labour and lower capital investments.

3. Unique Product Characteristics

Stud breeders of Nguni cattle, or any other breed, see the live animals as the final products of their farming enterprise since they sell these animals to commercial breeders. The largest proportion of breeders, however, is commercial breeders that are more interested in the products that are

obtainable from each animal. Depending on breed, the main products that are obtainable from cattle are meat, milk, hides, manure and draught power. Milk, manure and draught power as products of the Nguni are being used in South Africa, but the size of these operations is too small to have an impact on the breed standards overall (Mapiye *et al.*, 2007). The focus and purpose of this paper will thus fall on the unique product characteristics and profit potential of the Nguni's meat and hides in a commercial herd that will distinguish it from other breeds.

3.1 Meat (Beef)

Beef in South Africa is produced in two main production systems. Firstly, there is a weaner-production system where feedlots produce grain-fed beef and secondly, there is veld-reared cattle producing natural or grass-fed beef. In South Africa more than 75% of the beef that is commercially consumed, is produced on feedlots (SAFA, 2010). South Africa's beef classification standards are based on feedlot beef characteristics and do not reflect veld-raised beef characteristics. Although the Nguni performs well in feedlots, and some feedlots are purchasing Nguni weaners (Naude, 2008; Scholtz, 2008), the main advantage of the Nguni's beef is that the breed can be produced directly off the veld for slaughtering, without intensive feedlotting and higher costs. Studies done by Muchenje (2007) and Muchenje *et al.* (2008a) indicate that the Nguni breed has the inherent capacity to produce beef of high yield on natural pasture conditions, if compared to other breeds.

Animals fed on pastures usually tend to have a creamier (yellow) fat colour than animals that are grain-fed due to high the carotenoid values in green pastures (Strydom & Hugo 2008). Due to the perception that the South African consumer dislikes yellow-coloured fat, the feedlots and integrated abattoirs in South Africa discriminate on price against the carcasses of cattle with yellow fat (Strydom & Hugo, 2008; Dürr, 2008). This perception was proven wrong in a study conducted by Maré *et al.* (2009) where the largest proportion of consumers that were interviewed, indicated that fat colour did not influence their purchasing decision and some of them prefer yellow fat on beef. McCluskey *et al.* (2005) classified grass-fed beef as either organic or natural beef, depending on the production practices.

Grass-fed, or rather organic, beef cattle have usually not had added hormones and antibiotics administered. Studies done on the grass-fed steers indicate that the meat from these animals have several health benefits such as decreased intramuscular saturated fatty acids and increased omega 3 fatty acid concentration which decreases the omega 6 to omega 3 ratio (French *et al.*, 2000; Scollan *et al.*, 2006). McCluskey *et al.* (2005) indicated that the overall fat content of grass-fed beef is similar to that of skinless chicken and that the higher levels of essential fats (omega 3 fatty acids) have been shown to have benefits in the prevention or treatment of heart disease and stroke and possibly auto-immune problems such as lupus, eczema and rheumatoid arthritis.

3.2 Hides

For many years the Nguni was seen as an inferior breed, due to several factors including the variation in their colour patterns. This situation has changed due to research into the potential of the breed that makes information on the unique characteristics of the breed more readily available. Nguni hides have distinctive patterns and markings and are used in a number of unique leather products, obtaining price premiums compare to hides of other breeds. The income derived from Nguni hides is an important part of the commercial farmers' income and can vary between 20% and 40% of the beef value.

Tick resistance, high quality and good colouring characteristics of Nguni hides offer great potential for value addition (Mapiye *et al.*, 2007). The Nguni hide is of very high quality, thin and pliable, is resistant to ticks and has a very high number of hairs per square centimetre (Bester *et al.*, 2003). Companies involved in leather car upholstery and furniture are willing to pay a premium for hides with minimal tick damage. Daimler Chrysler in collaboration with Mercedes in Germany has shown commitment to Nguni hides by importing more than 40,000 of these hides annually for car

upholstery. The multicoloured hide of the Nguni produce about 80 different colour patterns that can be uniform, spotted or pied. These colourful hides offer a wide scope for a range of products from intact hides for wall or floor coverings to wallets, handbags, sport bags, footwear, briefcases and other fashion garments (Köhler-Rollefson, 1997).

4. Methodology

The workshop arranged by various role players in the Nguni industry focused on the development of a marketing plan for the Nguni breed. Different options were available for such a plan, but it was decided to base it on the “Goal Setting Methodology” originally developed by Rock (2006). This methodology was further developed in South Africa in order to develop a tool for the coaching of groups in goal setting and action plans (Results Coaching Systems, 2010). The methodology first requires the determination or identification of the goal that must be reached. The second step is to determine some individual actions, which in combination, the main goal to be reached. Then sub-actions are determined to assist the individual actions to be reached.

For the purpose of the workshop an overarching goal or vision for the marketing of the breed was firstly identified in a combined session by all the participants. They were also responsible for identifying the five most important actions to be taken by the breeding society to reach the overall goal/vision, given the current reality. The five actions had to be concise, clear and measurable. To determine the sub-actions the participants were divided into five separate focus discussion groups. Each group was assigned to develop, through brainstorming, sub-actions for one of the five main actions to move from the current reality to reaching the stated goal. This methodology differs from traditional strategy sessions where the focus is mostly on the problems experienced and on solving these problems.

5. The identified strategic marketing plan

The overarching goal / vision for the Nguni breed decided at the workshop is: “The most sustainable breed with a unique impact on the cattle industry.”

After deciding the main goal, the following five actions and their sub-actions were identified by the various focus group discussions during their respective brainstorming sessions:

5.1 Innovative positioning

Without innovation there will be no progress. Innovative positioning thus basically means to add new ideas to promote and enhance the current position of the Nguni breed in context with the beef industry. The following innovative ideas were brought to the table:

- Prove and substantiate the unique contribution of the breed towards emerging beef producers.
- Develop a unique branding and marketing channel to position the meat and hides as products in a niche market.
- Substantiate the contribution that the breed can make towards a sustainable and healthy environment, considering an increasingly risky climate.
- Maintain and protect the diversity of the breed, enabling it to adapt to the changing environmental challenges of Southern Africa.
- Develop an alternative and innovative veld production method to counter the traditional intensive feedlot production of beef in South Africa.

5.2 Breeding policy

The breeding policy must be revised to ensure that it:

- Maintains the unique, adaptive and economic competitive characteristics of the breed.
- Standardises breed characteristics and benchmark performance test values of the breed.

- Recognizes the diversity of the breed and its products produced and marketed by producers in different production areas.
- Promotes fact-based selection with the aim to produce profits.

5.3 Research needed

Good quality research on the Nguni must be done and published in order to gain bargaining power to promote the breed. The following research fields were identified:

- Different market segments - This includes commercial farmers as buyers of breeding animals, the beef market to promote yellow fat and natural veld-produced beef as a healthy product and the hide market to promote the hides as a unique product proposition.
- Farm production systems - Analysis of different production methods to promote the marketing of Nguni cattle of the veld as opposed to the traditional weaner-production system of exotic breeds.
- Breed standards and indexes - The development of breed standards and indexes to improve breeding and selection criteria.

5.4 Promotion and awareness

To successfully market a product, a cattle breed in this case, its unique characteristics must be promoted. To promote the diversity and cultural heritage of the breed, the Nguni must be promoted on the following attributes:

- Unique breed characteristics - The publishing and supporting of research results on the Nguni's fertility, feed requirements, temperament, ease of calving and other factors contributing to productivity and profitability.
- Unique product characteristics - The development of niche markets and market channel alliances for Nguni products, including meat and hide products, and aggressive branding of these products.

5.5 Strong Institutions

The building of strong alliances in the marketing channel and research community are needed to promote the breed and its unique products. This will be done by the creation of a breeding society that recognises the diversity of the breed and the producers, from "exotic hide breeders" to commercial beef producers and emerging farmers and communal farmers in communal grazing areas, through the development of strong breeding clubs, a good administrative system and alliances with other large institutions, especially semi-government institutions, with interests in this particular breed.

6. Conclusion

The Nguni breed consists of various unique attributes that probably makes it one of the best beef breeds to farm in South Africa. Apart from outstanding anatomical and physiological attributes, as well as good quality products, one of the best advantages of the Nguni breed over exotic breeds is its adaptability to the harsh and changing environment. The creation of a marketing plan for this breed to promote it in South Africa thus came as a very good idea since the breed surely consists of promotable attributes.

The coaching methodology to identify goals and action steps was used to develop a marketing plan in a one-day workshop, with representatives from the association and other stakeholders. The methodology differs from traditional strategic planning, where a lot of time is spent on analysing the current situation before action steps are identified. Coaching methodology focuses on the goal / vision and measurable action steps that need to be taken to move from the current reality towards the identified goal. In the case of the Nguni breeding association, based on current reality of the breed, the marketing goal is identified to position the breed as "The most sustainable breed with a unique impact on the cattle industry."

The marketing plan that was developed at the above-mentioned workshop identified the most important actions and sub-actions that must be followed to reach the main goal of the breed society. The actions were determined on the condition that they must be measurable and reachable to implement within a given time frame. It is thus a great pleasure to state that the determined marketing plan is a success, because some of the actions that were decided on have already been implemented. These include the setting of new breeding standards and the establishment of a performance-test scheme.

Only time will tell if the whole marketing plan will be implementable and if any unforeseen problems will occur, but so far the implementation of the plan meets the expectations. It can thus be concluded that the coaching methodology can be used successfully to design a good and implementable marketing plan to promote a cattle breed, provided that the breed has marketable attributes.

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