

INDIGINOUS COLOUR-VARIANT GAME FARMING IN SOUTH AFRICA: OPPORTUNITY OR BUBBLE TRAP?

Subtheme: Entrepreneurship

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Abstract:

South African game farming traditionally consisted of extensive farming practices on large land where game roamed wild and hunters “worked” for a decent hunt, be that trophy- or meat hunting. However, the past decade went the way of a new market; that is to breed colour-variant indigenous game for high-priced hunting experiences. The golden wildebeest, black blesbuck or odd-coloured springbok are examples. Presently, once exuberant prices are tumbling heeding a warning to colour-variant breeders that such prices are not due to real market forces. Numerous small farmers who entered the breeding market are now at risk of not reaping the profits that lured them into colour-variant game farming.

Keywords: *game, colour-variant, farming, bubble.*

INTRODUCTION

South Africa has always been regarded as a prime hunting destination by local and international hunters. This included both trophy (local and international hunters) as well as meat hunters who are mostly local hunters. Lately, the popularity of bow hunting was added to the array of activities offered to the market. The lure of Africa and its wide and wild open spaces, making the hunter deservedly earn his game in the hunt made South Africa a prime destination for both local and the international hunters (Barnard, 2017:8). Economically South Africa also made sense as the highly undervalued ZAR earned high yields in purchasing power for the international hunter while the country also offered enticing accompanying person activities.

However, the last decade saw a new game farming dimension. Game are tamed and farmed with in small camps of 20-30 hectares. These game are fed and treated as tame game (which they are) and then selected for pairing with specific colour-variant rams with the sole aim of breeding a colour-variant “split” female to be paired again with a colour-variant mal. In the process breeding colour-variant offspring. According to

business plans, these colour-variant game will then be offered to international hunters as humungous prices as a colour-trophy game. Typical examples are golden wildebeest offered to the market at ZAR 500,000 while the natural coloured wildebeest can be hunted for ZAR 4,500¹, or a black impala that fetched around ZAR 600,000 in 2005, now sold for ZAR 160,000. A normal impala only fetches up to ZAR 1,400 (Dry, 2016). Colour variant game fetches high prices on breeder auctions, and the colour variant game market seems to be the place to be (despite a large reduction in prices the past year, income levels are still highly lucrative).

PROBLEM STATEMENT

At first glance coloured variant game seems to be an excellent improvement in turnover and farmer-entrepreneurs seem to have succeeded to be able to enhance their farming income dramatically with the same hectare of veld available. However, closer inspection reveals that, at present, the market consists of a number of large colour-variant game breeders, and a high number of smaller farmers (or farmer-entrepreneurs) entering into this colour-variant breeder market. Although Dry (2016) points out that presently only 1% of game farmers are entering into colour-variant breeding, the numbers of farmers who do so are on the increase. High prices are thus driven by the shortage of colour-variant breeding stock, as more farmers enter into breeding the colour-variant game on the assumption that the “international hunting market” will pay high prices to come and hunt these game. Thomas (2017) summarises by stating that the idea was that hunters would pay more to shoot unusually coloured trophy animals. Just there the problem to this market surfaces. The strong buyers-market had all the makings of a classic pyramid scheme where the early entrants make big money, and the latecomers lose money. Formally, limited research supports the existence of such an “international hunter market”; hence once the scarcity factor has been eliminated, will there be a market for the colour-variant game (or will all these expensive game be hunted by local hunters at meat-value prices)? Dry (2016), in this regard, admits that very limited colour-variant game has to date been offered to the market for the hunt.

¹ ZAR 1 = 13.52 US\$ (9 February 2017)

RESEARCH METHODOLOGY

This paper used secondary data as well as a literature review to assess the market for game hunting in South Africa and specifically also colour variant game. In doing so, the literature review methodology as suggested by Parahoo (2006) were followed:

- Define the inclusion or exclusion of selection criteria: The literature review covers the period 2013 to 2017, and the specific colour-variant criterion has been used as a discriminatory variable.
- Access and select the literature: The search included the databases the North-West University are ascribed to while an array of wildlife, hunting and conservation literature and the official views of the government and governing bodies were also consulted.
- The quality of the literature was assessed and evaluated according to their contribution value to the topic. This meant that good articles were omitted because they did not directly address the issue at hand.
- Analyse, synthesize, and disseminate the findings in the discussion of the literature.

DISCUSSION

Barnard (2017:6), editor of the Journal for South African Hunting and Nature Conservation, reports that an analysis of the game hunting market indicated that more international hunters now prefer Namibia as the destination of choice above South Africa. Also, international hunters visiting South Africa has been declining steadily between 2009 and 2015. Three core reasons are listed:

- Canned lions seriously hurt the game industry in totality is South Africa;
- Small fenced game farms where game has limited change to elude hunters; and
- Tame game (as in colour variant game) that are offered to the market. These game do not offer a fair hunt because they are used to people.

The last two reasons also tie in with environmentalists and ethical hunting supporters who strongly stand for a “fair chase” in the hunt (Barnard, 2016:6). Hunters themselves want the experience of a fair hunt where their skills are tested by hunting the game, and the game has a more than fair chance to elude the unskilled hunter. After all, there is little satisfaction in harvesting a trophy where limited hunting skills were applied; hence the frowning upon hunting at waterholes, and using drones to locate game in the bush

form the air and then stalking it (Barnard, 2016:6).

In defence of hunting in general, Kitshoff (2016) stresses three important points:

- South Africa wouldn't have had any white rhino today if it wasn't for trophy hunting. Despite severe poaching of rhino South Africa is still home to almost 90% of the world's rhino population.
- Compared to Kenya, South Africa's current model for sustainable wildlife conservation to Kenya, which imposed a ban on hunting in the 70's and has lost 85% of all its game.
- In South Africa, hunting and wildlife conservation have become interchangeable, and money earned by hunting is used in conservation efforts.

However, latest statistics indicate that South Africa managed to stop the decline (by banning canned lions and using other regulatory steps) and that 2015 showed a 3% in international hunters (16,394 of which the largest contingent came from North America 4,693 hunters). The international hunters spent ZAR mil 49,3 in South Africa (Flack, 2016)

In January of 2017, Thomas (2017) boldly declares in headline news that:

“The breeding of wildlife to produce unusually coloured animals, in the hope that hunters would pay a lot more to shoot them, has fallen flat in a spectacular manner - with the practice being widely condemned.”

Thomas reports in his research that the prices of colour variants started their decline early 2016. Then it continued and started to collapse. Taking the average auction prices (as supplied by Game & Hunt to Thomas of colour variants, some of the saddest examples are the average price for white impala (ZAR 8.2m in 2014; ZAR 48,333 in 2016). Black impala rams (despite the figures quoted above by Dry, 2016) sold at an average of ZAR 384,964 in 2014; valued in December 2016 at ZAR 10,000 by industry experts

This was not unexpected. In 2011 the International Council for Game & Wildlife Conservation (CIC) warned against the hunting of colour variants because it is regarded as a manipulation of wild game. Thomas (2017) supports this notion and states that virtually all leading foreign hunting organisations have adopted this stance.

Not unexpectedly, colour variant breeders fight back by stating that in essence, the game is still pure. An impala remains an impala no matter what the colour is. Breeders are not altering genetics; they merely strengthen recessive genes already present in an impala (for example) (Botha, 2017). This is not dissimilar to the dog, horse, cattle or any other

farm animal that are bred. Specific characteristics in animals are identified and bred towards.

Despite this argument, Flack agrees with Thomas (2017) in stating that the colour-variant game is over. Daming, however, is these researchers views that the colour-variant controversy damaged the reputation has of South Africa's game industry. Unfortunately, this happened too soon after damage caused by the "canned lion" hunting debacle.

SUMMARY

The study showed that huge amounts of money have been spent in the colour-variant game market. However, in conclusion, it seems that this market is an artificial market driven by scarcity and good salesmanship where the colour-variant game is suggested to be (at some future date) a highly sought after commodity in the international hunting fraternity. Unfortunately, determining future market demand entails more than just offering a specific product to the target market. Market environmental factors also dictate that perceptions, buyer behaviour and competition play a role in the final transaction. As is typical in any market with pyramid characteristics, early movers have made millions while the small-scale farmers and entrepreneurs following in the "knowledgeable" footsteps of the breeders have to compete in another market. That is the open hunting market where they need to attract hunters at high prices to hunt their tamed colour-variant game. This is a totally different challenge from that of the breeder-market where promises of high prices and auction driven prices inflate the prices of the colour-variant game. (Prices, which is from an agricultural economic point of view, hardly a feasible option in farm profitability.) Finally, when the risks of the market, farms economics and hunter resistance is considered, it is difficult to advise farmer-entrepreneurs to enter this market. The risk is just too high because the high cost creates a risk of high irrecoverable losses with a detrimental effect on the future of the farming business.

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