



South African Meat Industry Company

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Business Plan and Budget 2026

Responsibilities and Duties

Methods of Execution

Strategy 2030



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Introduction Executive Summary

It has been the mandate of the South African Meat Industry Company NPC, assigned on 30 January 1998, by the Minister of Agricultural Product Standards Act 119, (Act 119 of 1990) as the assignee for the purpose of the application of sections 3(1)(a) and (b), 7 and 8 of the Act with regard to the classification and marking of meat intended for sale in the Republic of South Africa.

SAMIC has been appointed under the Section 3(1)(a) and (b) address the prohibition over the sale of a product (i.e. compliance to the prescribed regulations and sections 7 and 8 address powers of entry, investigating and sampling as well as seizures.

SAMIC is responsible for the enforcement of all aspects related to the Regulations regarding the Classification and Marking of Meat intended for the Sale in the Republic of South Africa (Government Notice No. R. 55 of 30 January 2015) as amended.

This Includes inter alia the registration and withdrawal of abattoir-identifications codes and the approval of quality indications.

SAMIC has addressed the above and much more, for the last 3 decades.

SAMIC collectively boasts over 450 years' classification, meat and allied science experience. This comprises an average of 30 years per SAMIC field inspector.

Annually over 22'000 inspections and audits are performed by 32 SAMIC inspectors in South Africa and Namibia.

A SAMIC classifier receives rigorous formal training, taking years of training to qualify for Meat Classification (and related sciences), International Standards Organisation (ISO) qualifications in inspection and auditing, Lead Auditor qualifications and qualifications in allied disciplines including (but limited to) animal welfare and biosecurity. This is followed by 2-3 years industry apprenticeships.

**SAMIC is the South African Meat Industry “Go to,”
and remains “best suited and relevant” and “top of mind”
in Meat.**

Historical plan

In the execution of the assigned duties required by the APS Act, SAMIC has executed and managed the implementation and application of the Act and its Regulations R55, across South Africa (and Namibia under the same instruction).

Scope of ISO/IEC 17020 & SANAS TR89 accreditation:

1. ASSIGNEESHIP BY DOA:

a. Abattoir control of meat classification and marking:

All the inspectors operational in the classifying abattoirs are verified monthly by means of inspection, testing and verification of all the inspectors in the field over the 191 (currently) classifying abattoirs and over all 4 species being slaughtered under the Act (Beef, sheep, goat and pigs). Certification of all the management systems controlling the inspectors are also verified by SAMIC annually.

This currently involves 1910 abattoir visits per annum and accounts for 3720 classifier verifications per annum

b. Quality Indicators and Geographical Indicators:

SAMIC also performs independent auditing of Quality and Geographical Indications Marks registered with DOA which involves audits at Farms, Feedlots, Abattoirs, Deboning Plants, Wholesale, Retail and Restaurants.

This equates to 2652 inspections per annum over 30 QI's and GI's.

c. Meat Traders and Butcheries:

SAMIC performs independent inspections at butcheries and meat traders to ensure conformance to the Act.

This equates to 2625 butchery and meat trader inspections per annum.

2. INDUSTRY APPOINTMENT:

a. Hides and Skins:

Independent hides and skins audits on behalf of industry and DOA at abattoirs, intermediate stores, export stores and harbours are inspected, which equates to 2543 inspections per annum

This involves H&S stores inspected for health attestation and estimated 2000 H&S export containers and 4000 incoming trucks inspected per annum.

b. Slaughter figures - cattle and small stock

In all (classifying and non-classifying) abattoirs slaughter figures are obtained quarterly equating to 1312 inspections per annum over (currently) 328 abattoirs.

c. Slaughter figures - swine

In all (classifying and non-classifying) abattoirs slaughter figures are obtained 2 monthly equating to 1032 inspections per annum over (currently) 172 pork abattoirs.

3. ADDITIONAL SAMIC SCOPE AS PER INDUSTRY MEMORANDUM OF INCORPORATION (MOI):

SAMIC also performs other duties to the Red Meat Industry to support its primary objective In execution of assigned and mandated duties. This includes but is not limited to:

- a Independent inspections of imported livestock from neighbouring countries (BLNS).
- b Assessing Meat Classifier Students to become qualified Meat Classifiers.
- c Judging of National Carcass Competitions for producers
- d Butchery competition judging.
- e Independent Wool and Mohair (RWS/RMS) inspections
- f Independent Bio Security audits of livestock auctions
- g Classification ink and equipment management and quality control
- h Informal abattoirs focus

Operational plan: 2024-2025

During 2024 and 2025, there was a critical turnaround period for SAMIC, where the company needed to make critical adjustments to re-align with the Department of Agriculture and Red Meat Industry requirements. SAMIC made the following critical adjustments to remain relevant to industry and government needs:

1. HUMAN RESOURCES

- a. The first step was to automation and digitalise all HR and administration systems, with the implementation of Sage Accounting and PaySpace Payroll systems
- b. Detailed and post specific Succession Planning was implemented and prioritised to ensure continuity of service to the industry and skills transfer within the company.
- c. Performance management systems are still being rolled out to ensure that every position has very specific task orientated activities aligned with the strategic direction of the company.

2. DIGITALISATION

- a. Started in 2023 with Wool & Mohair and Butchery inspections.
- b. Meat Classification will be completed in 2025 (45% completed)
- c. In 2026 SAMIC will complete full digital transformation with automated Audit-Builder toolkit.

3. CARCASS MARKING INK PRODUCTION

- a. An aging management of ink manufacturing facility necessitated SAMIC to take over control of Spectrum Inks.
- b. Existing owners are being retired and ink manufacture, recipe control, quality control and certification, relocation and general upgrade is being done by SAMIC.
- c. This is critical in the continued supply of good quality certified food grade ink for carcass marking.
- d. Industry response has already been very positive with good feedback.

4. CORPORATE IDENTIFICATION AND CUSTOMER COMMUNICATION

- a. With the new SAMIC focus and its reinvention, new fresh look and logo, SAMIC will ensure that all its stakeholders have a full understanding and transparent view of SAMIC operations.
- b. This will be facilitated by direct Stakeholder engagements, information sessions, corporate events, agricultural exhibitions and the new SAMIC website.

Strategic plan: 2026-2030

A strategic view has been taken on the past, current tactical change and future development of SAMIC services to the industry. This new strategy is aligned with the Red Meat Industry Strategy involving and driven by the Red Meat Industry Primary Cluster: SA Feedlot Association, Red Meat Abattoir Association, Red Meat Producer Organisation, Red Meat Industry Services and SA Pork Producers Organisation. SAMIC is fully aligned, will continue to adapt and develop around the industry needs and execute its aligned Red Meat Industry strategy, Department of Agriculture Assigneeship and its designated mandate to be a Special Purpose Vehicle Company, with the primary objective of the Company on its incorporation for execution of “Red Meat Classification, Safety and Quality Assurance Services and matters related thereto”.

New view objectives will include, but not limited to:

- Support and be involved in expanding “Meat Grading” aligned with International Standards
- The development of “Classification lite” for rural abattoirs and emerging producers
- Further development and support of Biosecurity initiatives and audits
- Africa expansion of meat Quality Assurance and Safety

- By-products control improvement projects via associations with other industry bodies
- Consumer education and information of Meat Quality Assurance
- SAMIC mandate expansion
- Expansion of Classification equipment support to the industry
- Expedite financial cross subsidisation for the further reduction of SAMIC cost to the industry

Financial plan

SAMIC have started working towards:

1. Cross subsidisation of functions considering anticipated CPI industry increases

SAMIC has divided its 5 functions or business centres

- a. Co-ordination abattoirs and allied functions
- b. Quality Indicators and Geographic Indicators
- c. Levy and Slaughter statistics measurement
- d. Classification Equipment (ClassiQuip)
- e. Hides & Skins (H&S)/Wool & Mohair (W&M) quality

The principle that has been applied is that SAMIC mandated functions (Co-ordination, Quality Indicators and Levy and Slaughter statistics) will be cross subsidised by ClassiQuip, H&S and W&M.

This has been quantified in 2025 actual allocated costs have been assigned to the mandated functions. The same principles, based on the audited financials from 2024 have been used for the 2025 calculation and assigned as such.

Therefore, the allocated cost and business centre income/expenditure calculations are fully traceable and auditable by our assigned financial auditing firm Nova Sententia Inc.

The calculation below shows that the mandated functions (by the Department of Agriculture and Red Meat Industry) are already subsidised in 2025 by the other 2 functions:

- a Levy: Cross subsidised in 2025 by R491'192 per annum**
- b Co-ordination: Cross subsidised in 2025 by R3'201'381 per annum**
- c Butcheries: Cross subsidised in 2025 by R1'330'000 per annum**
- d Quality Indications: Cross subsidised in 2025 by R1'259'737 per annum**

SAMIC 2025 - Income & Expenditure overview					
Total Income		18'527'280.00			
Levy	R2'771'008	14.96	%		
Co-ordination	R11'678'170	63.03	%		
Quality Indications	R4'078'102	22.01	%		
Expenses		23'479'590.49			
Salaries:		R13'546'920			
Levy	R1'776'634				
Co-ordination	R8'618'761				
Quality Indications	R3'151'525				
General Expenses:		R9'932'671			
Levy	R1'485'567				
Co-ordination	R6'260'790				
Quality Indications	R2'186'314				
Total Expenditure per pillar					
Levy	R3'262'200	R24'809'590	1'405'876.79		
Co-ordination	R14'879'551				
Butcheries	R1'330'000		17% of No. audits *30% time taken		
Quality Indications	R5'337'839				
Number of Audits PY			Cost of Audits PY		
Levy	2'886				
Co-ordination	1'910				
Butcheries	2'625	@ no charge			
Quality Indications	2'652				
Actual cost per audit					
	Cost/audit	SAMIC Ave. Charge/audit	Variance/audit	Variance PY 2025	Variance PY 2026
Levy	R1'130	R984	-R146	-R491'192	-R513'296
Co-ordination	R7'790	R5'370	-R2'420	-R3'201'381	-R3'345'444
Butcheries	R507	R0	-R507	-R1'330'000	-R1'389'850
Quality Indications	R2'013	R1'877	-R135	-R1'259'737	-R1'316'425
				-R6'282'310	-R6'565'014

In our operations and fee structure, the following facts need to be highlighted:

- During abattoir visits by SAMIC for the Classification inspection inspectors also perform the following functions:
 - a. Inventory of Classification equipment.
 - b. Disputes are corrected with any classifiers, should they occur.
 - c. Disputes at butcheries and traders are addressed.
- In addition to QI inspections on farms, the QI inspections at abattoirs are charged at lower cost.
- Levy slaughter statistics for cattle, sheep, goat and pigs are done while at Classification abattoirs.

- Hides and Skins-Audit are also lowest cost because they are done while inspectors are at Classification abattoirs.
- BLNS audits at feedlots and abattoirs are lowest cost because they are done while inspectors are at Classification abattoirs.
- Carcass competition evaluations costs are kept low because inspectors are at the abattoirs, making the entry fee, nominal at the cost of:
 - a. R145 per head for cattle
 - b. R45 per head for lamb
 - c. R60 for pork
- Classification students training and monitoring done below cost
- Butcheries and meat trader inspections are already done at **R0 (zero) cost**.

It is important to note that SAMIC, being a non-profit company is applying the following principles in its operational finances:

- SAMIC will not budget for a loss.
- SAMIC is managed as a reasonable marginal surplus company.
- We aim to manage SAMIC towards a 2% net surplus (without dependency on the reserve fund investment contribution).
- Any marginal surplus made in the previous year (as per the audited financials) will be used to cross subsidise the functions further.
- This principle puts SAMIC in a stable financial position, without compromising our NPC status and giving the industry the best possible rates as assignee under the Act to guarantee:
 - a. Total assurance of transparency and fairness in trade and service to the industry
 - b. Total assurance that the assigned inspection fee is not only on a cost-recovery basis, but;
 - c. That the service given by SAMIC are transparently cross subsidised to be below the assigned cost where possible.

Based on this approach, and because SAMIC has no shareholders, only government and industry stakeholders, it will always be at lowest cost. Moreover, being cross subsidised in its operations, SAMIC will always be below cost.

SAMIC therefore proposed the following CPI adjustment of fees for 2026. This will address only CPI related costs. In future years (2027 and beyond), we will apply a fully interrogated zero based costing and increasingly cross subsidise SAMIC functions:

Proposed Inspection Fees for 2026 by South African Meat Industry Company (SAMIC) are as follows:		
Category of fees	Current Gazetted Fees	Proposed Fees for 2026 (increase of 4.5% on Inspections and 5% on Travel and Subsistence)
1. Abattoir Services		
Abattoir Grade		Service Fee/ month (excl. VAT)
High Throughput	R 6'102.00	R 6'376.59
Low Throughput	R 3'884.00	R 4'058.78
2. Fees for Quality Indication (QI) and Geographic Indication (GI) Marks		
Type of QI and GI Inspections		Service Fee / inspection (Excl. VAT)
Farm Inspections	R 1'587.00	R 1'658.42
Feedlot Inspections	R 3'892.00	R 4'067.14
Abattoir Inspections	R 3'082.00	R 3'220.69
Deboning Plant Inspections	R 3'082.00	R 3'220.69
Trade outlet Inspections	R 755.00	R 788.98
Km's travelled for inspections/ km (<i>incl. subsistence</i>)	R 8.32	R 8.74

2. A zero-based budget approach:

- a. In 2026, SAMIC Management will perform zero based costing models (already started in 2025).
- b. This will eliminate any superfluous costs and functions.
- c. SAMIC improved efficiency with a total digital transformation of inspection, auditing and reporting will further reduce costs to the industry.

Future SAMIC

SAMIC of the future has taken the approach to consolidate the good foundation of the last 30 years, develop its new vision to further its contribution, and further reduce cost to be part of the evolution of the South African Red Meat Industry.

We pledge to continue to serve the greater Red Meat Industry, the Department of Agriculture and the industry stakeholders and industry bodies, in being part of and contributing to:

- Better co-ordination of statistics and strategic information in the industry.
- Support industry liaison and standards committee co-ordination.
- Work towards supporting existing initiatives to facilitate export market development with our functions.
- Support and direct involvement and contribution towards research and development in the industry
- Social involvement from industry development to animal welfare.

“SAMIC has proven for 3 decades, its undisputed experience and commitment to work and serve the South African Meat Industry.”

