

COMMERCIAL WILDLIFE RANCHING'S CONTRIBUTION TO THE GREEN ECONOMY

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Agricultural and rural population development must be an integral part of the economic agenda of South Africa, as a leading developing country. Our wildlife resources cannot be sustained at the cost of human hunger and development stagnation.

The wildlife industry in South Africa is responding to this imperative. The department of environmental affairs held a high-powered international green economy summit on 18-20 May 2010 in Sandton. The summit focused not only on the obvious themes such as green energy of water management but also on other areas that could contribute to the summit theme: "Towards a resource-efficient, low-carbon and pro-employment growth path".

The wildlife industry in South Africa is well positioned to make this aspiration a reality.

Commercial Wildlife Ranching

WRSA, representing all game ranchers in South Africa, explored the following thematic issues:

- An honest self-assessment of our government's current paradigm and actions at large will show that conservation *per se*, is not remotely important enough in the national socio-political psyche. In fact, in developing countries, there is apathy towards conservation.
- The conservation agencies and the commercial wildlife industry will both be seriously impaired if we fail to convince all stakeholders that, while commercial game ranching and conservation are different, they are in fact two sides of the same coin.
- Commercial game farming is currently not recognised as a major enabler of a sustainable green economy and therefore needs intensified support from government.
- We believe South Africa has some of the best commercial livestock, grain and maize farmers in the world. They are however farming within serious constraints.
- Only 17% of farmland has high production potential with 80% being marginal. This is borne out by the fact that our average output is US\$200 (R1 400) lower than the world average.
- Gross income from major agricultural products by 2008/2009:

Poultry	R20 billion
Red meat	R18 billion
Maize	R18 billion
Fruit	R15 billion
Vegetables	R10 billion

Wildlife Ranching's gross income for 2009 was R7,7 billion.

The eco-tourism industry accounts for at least R1 billion in added value. Its indirect multiplier effect is of a roughly similar size. Total turnover in this market segment is about R2 billion. Not surprisingly, the game ranching industry has been expanding at a rate of about 5% per annum in real terms during the past decade. Over the past 15 years, the industry, measured in terms of turnover, grew at an average rate of 20,3% per annum.

The following data reflects this reality:

Land allocation	ha	%
Government protected areas	7 500 000	6,1
Commercial wildlife ranches	20 500 000	16,8
Total under industry conservation management	28 000 000	22,9
Total agricultural land	100 600 000	82,2
Total area of South Africa	122 340 100	100

Estimated number of commercial wildlife ranches

Number	9 600+
Exempted	6 000
Mixed use	3 000

Number of commercial wildlife ranches per province

Limpopo	50,0%
Northern Cape	19,5%
Eastern Cape	12,3%

People employed

Commercial wildlife ranches 100 000+
 Reward systems vs agriculture with livestock. 3 to 4 times more
 Generally three times more staff employee on wildlife ranches than livestock farms.

However, at the same time the number of commercial farmers has dropped alarmingly to some 50 000. Approximately 12 million hectares of overgrazed and degraded communal land could offer a sustainable income for rural communities. The commercial wildlife ranching industry has transformed 20 million hectares of marginal agricultural land into thriving land-use operations.

An estimated 2,5 million heads of game is commercially owned, which is estimated four times more than state-owned parks. During the five hunting months per annum, game meat provides 10% of red meat consumed in South Africa, and is a strong enabler with regard to the government's current efforts to ensure sustainable food security.

It should be noted that a large portion of the 80% marginal agricultural land is currently utilised by game ranchers as the most appropriate land-use option.

With regard to sustainability, the WRSA submits the following examples of profitability (before the price increases for animals in 2010) as reflected in the following table:

Profitability of commercial game farming with buffalo

	Mixed buffalo farming grassland 400 ha	Buffalo ranching Lowveld 100 ha	Hunting ranch 150 LSU Grassland 500 ha
Gross operating income	1 486 375	1 920 000	285 823
Gross operating expenditure	426 360	967 000	137 714
Capital investments	5 422 250	4 462 500	2 518 602
Net operating profit before tax	1 060 015	953 000	148 109
Net operating profit	5 422 250	4 462 500	2 518 602
Net operating margin	71,3%	49,6%	51,8%
Return on capital	19,5%	21,4%	5,9%

A critical self-assessment of the commercial wildlife industry is summarised as follows:

Positive	Negative
Game is better adapted to marginal conditions in SA (more relevant pending the expected global warming)	Institutional regulatory regime
Game is better adapted to marginal conditions in SA	Perceived as a white, affluent industry
Not dependant on grain-based feeds	Perceived threat to livestock industry
Both consumptive and non-consumptive revenue per game ranch	Perceived risk to food security
We have an extensive game stock production base	Dysfunctional industry information systems and data availability
Promotes bio-diversity/conservation	Current mindset of regulators regarding game ranching
Positive environmental impact and green footprint	
The wildlife diversity of no other continent remotely approaches the actual and potential value of South Africa's wildlife industry and its unique marketing points	

Conclusion

If carefully managed, commercial wildlife ranching will always be Southern Africa's competitive advantage. We should stop the questionable arguments with regard to conservation, biodiversity or the profit motive of commercial game ranching. We should rather focus on a more realistic driving force, namely, the green economy.

Given the South Africa's socio-political landscape, it is an undisputed reality that commercial wildlife ranching is about appropriate land-use and rural development; it is less about animals *per se*, not a white affluent issue, not a conservation-at-all-cost issue, but about economic sustainability with a powerful green footprint. It is a land-use option that is ecologically appropriate, economically sustainable, politically sensitive, and finally, socially just.

With regard to black economic empowerment, WRSA members could for instance assist the State with mentoring programmes for emerging game ranchers to achieve success on current dysfunctional provincial and local government conservation parks or conservancies with negative tourism and no biodiversity contribution, should the same be made available by the state.

Commercial wildlife industry can provide immediate traction towards a sustainable resource-efficient, low-carbon output and at the same time provide a pro-employment green economy growth path.