

Well-known SA hunter turned conservationist LINDSAY HUNT, who played an important role in projects producing disease-free buffalo herds, provides some guidelines on

Establishing an economically competitive buffalo herd

Previous articles (August & September 2011 issues) have discussed the value of buffalo, the perception of value, and in fact predicted a bull price touching the R20 million milestone in 2011.

Now that cows are touching the R20 million milestone there is some fervour in the market. The question 'Is this a bubble?' is bound to crop up. I think this question was answered in the previous two articles and an overwhelming fact remains – the price differential between average stock and excellent stock will be a multiple, not a fraction. Animals with exceptional genetics and perceived rarity will continue to fetch exceptional prices from a million rand upwards, while lower quality animals will continue to fetch prices in the R250 000–R350 000 bracket. This fact has to be considered when establishing a herd.

Defining the poor, the good and the exceptional

Buffalo beauty does lie in the eye of the beholder, and this is fortuitous as the demand for buffalo ranges across the spectrum. Buffalo cows are selling from prices as low as R250 000 to as high as R20 million, while bulls range from as low as R20 000 to as high as R20 million. Hunting bulls range from as low as R50 000 to as much as R400 000.

The critical question is where is the return on investment? More importantly, how does one select a herd not on the basis of total expenditure but on the basis of maximising a future return? The answer lies in information and the interpretation thereof.

A buffalo's value or perceived value is a feature of five critical factors:

- 1 Disease status and fertility**
Obviously the focus of this article is on entirely disease-free buffalo, which are assumed to be fertile. Loss of disease status or fertility decimates value immediately.
- 2 Phenotypical appearance**
Most of the buffalo sold in South Africa are now being bought on phenotypical appearance – the market has realised that defining a buffalo according to its origin (Kruger, East African, Addo, Eastern shores) is a diminishing factor. There is still a premium on East African animals but time will show that most animals are fetching higher prices based on what they look like.
- 3 Genetic information and comparison**
- 4 Future expectation**
- 5 Genetic transfer factor**

Although the last few years have seen a change in approaches to buffalo breeding these three last factors are the real game changers. I have lumped them together because they all interrelate and it is these combined factors that justify some of the record prices that will continue to prevail over the next few years. I have called them the **X factor** for ease of reference.

The market is becoming aware that its recent genetic history and comparable siblings affect the value of an animal. In other words the market is prepared to pay a premium for information, and specifically for information that supports a superior end product. In the simplest terms two heifers that look identical should fetch identical prices. If, however, one heifer is

proven to be the offspring of an exceptional bull and cow and has outstanding siblings, and has impressive grandparents, she may well sell for double or even triple the price of the 'wild card' heifer.

As little as three years ago the price differential between 'wild card' heifers and proven heifers was a fraction; today it is a multiple and for good economic reason.

Future expectation and genetic trait transfer is that good economic reason. Animals that have a history of outstanding parents and siblings tend to show good genetic trait transfer. Ultimately, the future value of a buffalo lies in its ability to produce quality offspring. Given that a buffalo female can produce as many as 20 offspring in her lifetime, the value that she adds each time she reproduces is multiplied by 10–20 to determine her value. Exceptional bulls also retain the multiple factor as they can produce hundreds of offspring in their lifetime.

Buffalo breeding is not an exact science and I advise my clients that I am happy to be right 80 per cent of the time. There are situations where animals of excellent lines produce poor offspring and times where animals of poor lines produce excellent offspring. The more information one has the more accurately one can anticipate future value. At Hunt Africa we have been breeding buffalo for 15 years and it is in the last 4 years that we have produced our very best stock – in the first 10 years we gained the information necessary to find the ideal combinations and routinely produce animals that punch above their weight.

Now that we can assess the value of an animal, history becomes very important – the more we know and

prove, the greater the impact on value.

So how should one be sourcing animals? I have assumed, to limit the scenarios, that it would be extremely unlikely that a breeder would put a low-quality bull onto higher quality cows. This offers five scenarios, all of which have different cost and return implications. Obviously most herds are a mixture of all five but aiming for the first option is heading in the right direction.

THE OPTIONS

1. Excellent cows / excellent bull

This is obviously the most expensive approach. However, I would take it a step further – if paying top dollar, seek out animals that tick all the X factor boxes. Thus one would have a superior herd producing superior offspring 80 per cent of the time and generating the greatest return. One would expect the returns to be generated almost immediately.

2. Average cows / excellent bull

The average cow / excellent bull combination does produce some exceptional offspring, particularly in the second and third generations when history leads the breeder to ideal combinations. However, there is a definite time lag, which obviously affects return on investment. There is also the production of lower quality animals that are always more difficult to sell.

3. Poor cows / excellent bull

This combination can still produce some outstanding animals especially if the cows are from a genetically diverse gene pool. However, in this instance I would encourage the use of two or more excellent bulls. I would use the first excellent bull on the first generation and a second excellent bull on the second generation to minimise the time lag in producing outstanding buffalo.

4. Poor cows / average bull

In this scenario, the hidden X factor is what can unleash value. Some poor-quality animals that are the product of excellent genetic diversity may still produce some very good stock. However, the incidence becomes less as one moves down this table. In this sce-

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A typical Hunt Africa buffalo family tree



Jagua Brown cow



Diketti



Diketti



Othello



Mickey



Dotty

All these combinations have shown to punch above their weight. Jagua and Brown cow produced Diketti, who was mated with Othello to produce Mickey. Mickey at 32 months measure 35 inches and showed exceptional curl and horn thickness. Hence Mickey has a value well above that of a wild-card soft-boss bull of 32 months. Dotty is Mickey's sister and at 17 months she looks impressive but her value is boosted by her brother's performance. The true value of both Mickey and Dotty is a reflection of their phenotypical appearance and the X factor. They show excellent blood lines, an obvious transfer of genetics, and hence significant future expectation.

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nario it is always advisable to source the best bulls possible to improve genetics and hence future value. However, there is still a market for these animals – the game-viewing market is indifferent to buffalo phenotype and supplying the tourist market with average animals makes sense.

5. Poor cows x poor bull

This last scenario requires the greatest faith and patience. The time lag in producing exceptional animals is significant, especially in an uncertain world where time is indeed money. However, a market still remains at this end of the scale but it is incredibly price sensitive – with good reason. Poor animals are difficult to sell. However, some of them do punch above their weight and taking the time to find the right combinations will definitely produce results in the long term.

The curve ball – punching above weight

Obviously in all these scenarios the curve ball of animals that outperform their station is impossible to forecast without many years of assessment. At Hunt Africa, it took us 10 years before we optimised our combinations and it remains an ongoing project.

Selecting the best herd

Clearly the selection of an optimal herd is a function of both time and money. The better the founder herd, the sooner one can expect exceptional returns. The magnificent thing about the buffalo industry is that there is demand for all scenarios. Those breeders with the resources to buy and hence breed the best stock will see a swifter return than those who take their time to reach an optimum herd.

The buffalo future

The traditional markets for buffalo,

namely hunting, tourism and breeding, differ in that the first is depletive (animals are hunted) and the others are regenerative (buffalo breed).

The ongoing demand for buffalo is stimulated by the fact that there are huge areas suitable for buffalo ranching in South Africa and the industry has a long way to go to begin to meet capacity. This growth in buffalo breeding is certainly the main driver behind current demands. There are few industries or farming ventures that offer the returns that buffalo do, hence domestic demand will remain in a sustained growth phase.

Some speculate that the next obvious markets for disease-free buffalo would naturally be the disease-free areas of neighbouring countries, which boast well-managed veterinary services and an existing game-farming infrastructure. Growth in these markets would very rapidly absorb all excess capacity that South Africa can generate. Demand will exist across all five scenarios but obviously at different price markers. 

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