

LIVESTOCK BIWEEKLY 2023

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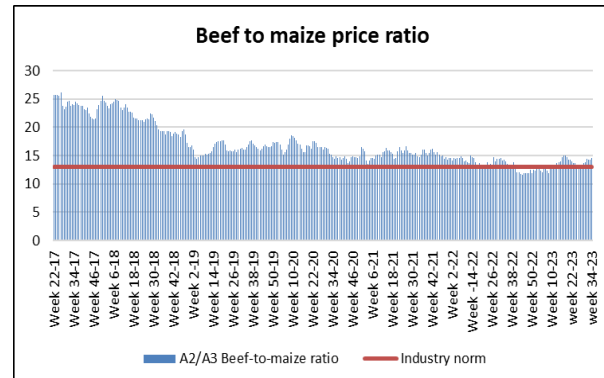
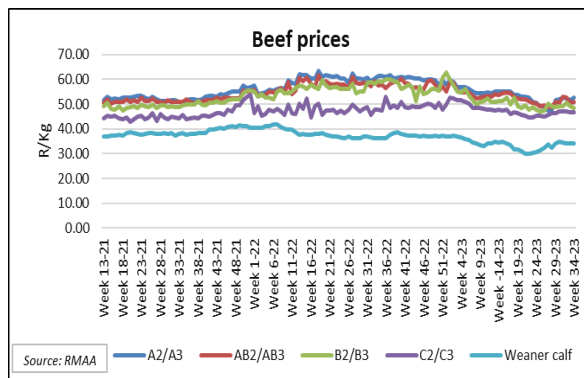
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Summary

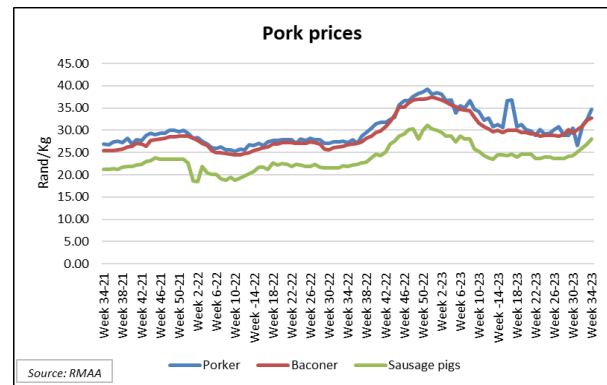
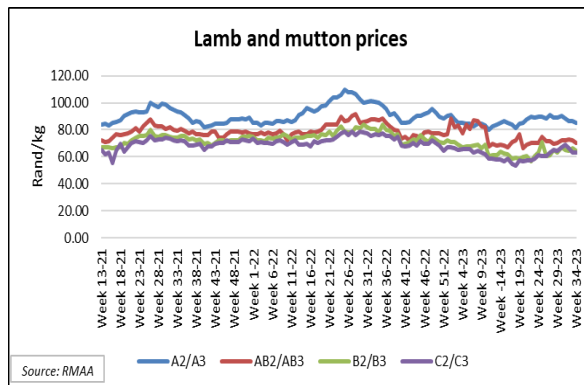
The South African beef industry has welcomed the resumption of beef exports to China and Saudi Arabia over the last two weeks. Saudi Arabia banned domestic beef exports 21 years ago, after it had last imported small quantities around the early 2000s. The ban was due to certain halal procedural issues that needed to be addressed by South African abattoirs and feedlots. On the other hand, China lifted the ban on beef imports from South Africa which had been imposed in April 2022. This Chinese ban followed an outbreak of foot and mouth disease (FMD) in South Africa. In value terms, China has been a leading importer of South African frozen beef cuts. This reopening of beef export markets is expected to support domestic beef prices and production. The gradual broadening of South Africa's beef export markets is testament to what the country's agricultural sector could achieve through collaboration and aligned interests between the government and the private sector.

The beef industry



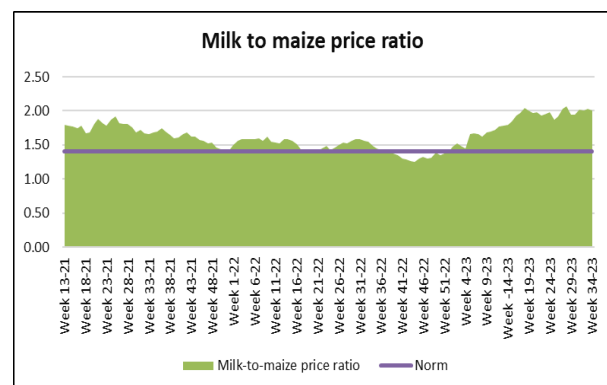
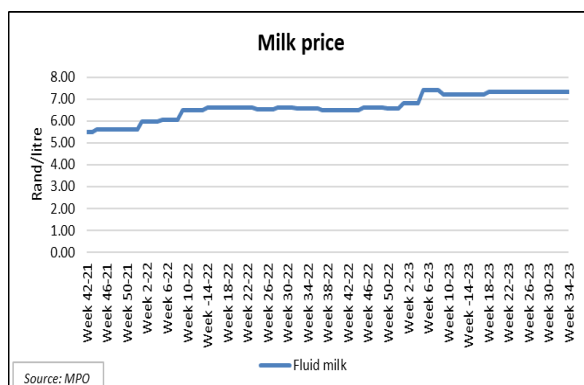
- The **beef prices** traded mixed week-on-week (w/w).
- The average prices of class A2/A3 and AB2/AB3 increased w/w by 2.6% and 1% to R52.77/kg and R50.92/kg, respectively.
- The average prices of class B2/B3 and C2/C3 decreased w/w by 1.5% and 0.1% to R48.44/kg and R46.72/kg, respectively.
- On average, beef prices were 11.4% lower year-on-year (y/y).
- The average **weaner price** increased w/w by 0.4% to R34.21/kg, on the back of improved demand on the market.
- In the past week, the average **beef-to-maize price** ratio firmed by 1.9% to 14.5, which is above the long-term average of 13. This improvement came about as the average beef price increased faster than the average yellow maize price.

The mutton and pork industries



- **Mutton and lamb prices** were bearish w/w.
- The average prices of class A2/A3 and AB2/AB3 decreased w/w by 1.4% and 3.2% to R85.05/kg and R70.13/kg, respectively.
- The average price of class B2/B3 decreased w/w by 3.1% to R64.35/kg, while the average price of C2/C3 remained flat w/w at R63.07/kg.
- The average mutton and lamb prices were 17.3% lower y/y.
- The **pork prices** were bullish w/w.
- The average prices of porkers and baconers increased w/w by 7% and 1.6% w/w to R34.67/kg and R32.81/kg, respectively.
- The average price of sausage increased by 4.2% w/w to R28.02/kg.
- On average, pork prices were 26% higher y/y due to improved demand for pork.

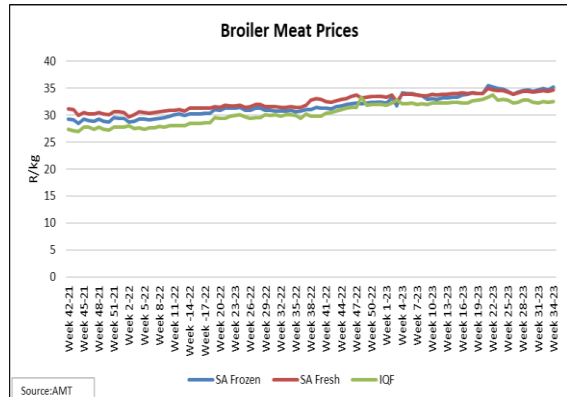
The dairy industry



- The average **milk producer price** set by dairy processors in May 2023 is estimated at R7.31/l.
- In the past week, the average **milk-to-maize price** ratio dipped by 0.7% w/w to 2.
- This decrease in the milk profitability ratio was due to an increase in the average yellow maize price.
- The average milk-to-maize price ratio is still above its long-term average of 1.4, which should continue to bring much needed relief for intensive dairy producers.

The broiler industry

- **Broiler prices** were bullish w/w.
- Average prices of **South African frozen** and **fresh chicken** firmed by 1.5% and 0.9% w/w to R35.23/kg and R34.74/kg, respectively.
- The average price of **IQF** also increased by 0.2% w/w to R32.46/kg.
- Chicken prices firmed by 10.5% y/y on average.
- Chicken prices are expected to remain elevated due a higher demand and high feed costs.



The wool industry

Indicator	SA prices (R/kg)		Change
	Previous	Current	
Clean non-RWS certified wool	149.45	150.25	↑ 0.5%
Clean RWS certified wool	162.37	162.10	↓ -0.2%

- The third **wool auction** of the 2023/24 season took place on 30 August 2023, with 5 101 bales of wool on offer.
- There was good participation from the buying houses and approximately 87% of the wool that was on offer was sold during the auction.
- The two wool standard categories traded mixed during the auction.
- The non-certified wools performed slightly better compared to the previous auction.
- The **non-RWS** (Responsible Wool Standard) indicator increased by 0.5%, while the **RWS** decreased by 0.2% compared to the previous auction.
- The next wool auction is expected to take place on 06 September 2023.

Mohair industry

- The first **mohair sale** of the 2023 winter season took place on the 16 August 2023, with 103 985kg of mohair on offer.
- The second mohair sale of the 2023 winter season is expected to take place on 05 September 2023

Sources

Agri-Market Trends.

Department of Agriculture Land Reform and Rural Development.

Grain South Africa.

Milk Producers Organisation.

Mohair South Africa.

Red Meat Abattoir Association.

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