

LIVESTOCK BIWEEKLY 2023

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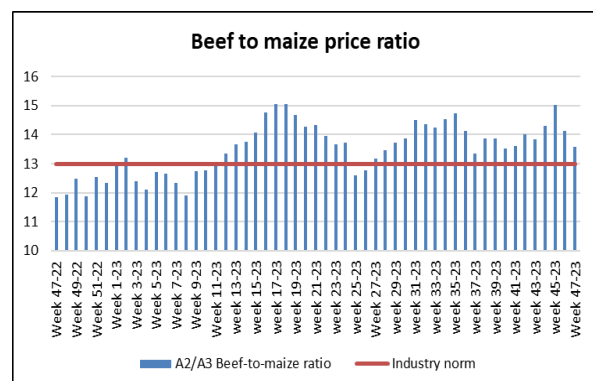
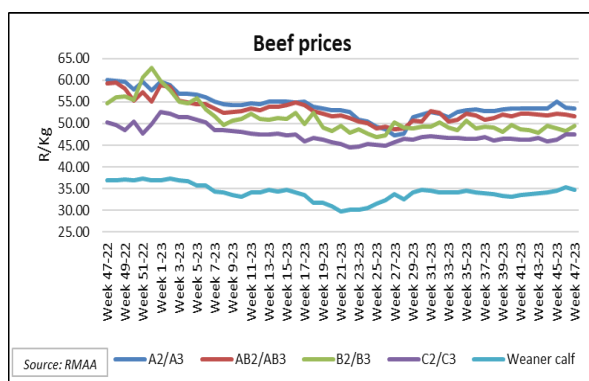
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Summary

Red meat prices are expected to get support from the approaching festive season. Average red meat prices have remained largely subdued this year due to lethargic demand for beef, lamb, and mutton as many consumers remain economically constrained. In November 2023, the average prices of these meat categories were approximately 10% lower year-on-year (y/y). These meat categories are classified as high value meat products, so they tend to get substituted by lower priced meat products like chicken and pork during tough economic conditions. The pork industry has benefited from higher demand, which has been supportive of pork prices in the second half of 2023. This trend is expected to persist over the festive season and into 2024. The average prices of chicken, which competes with pork on the lower end of the meat price spectrum, is expected to trend higher on the back of high feed costs, good demand, and shortages of chicken in the wake of the bird flu outbreaks. Although the spread of bird flu has slowed down around the country, the poultry industry remains on high alert and farmers are still urged to continue to implement stringent biosecurity measures.

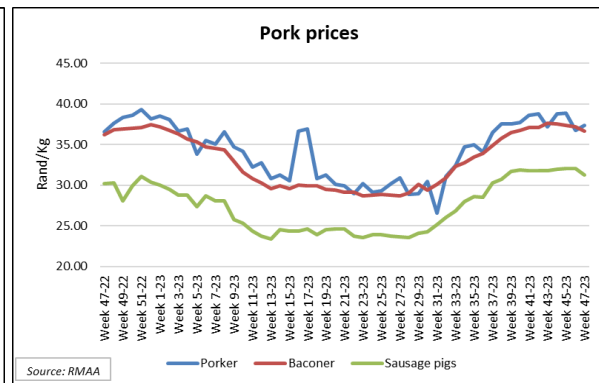
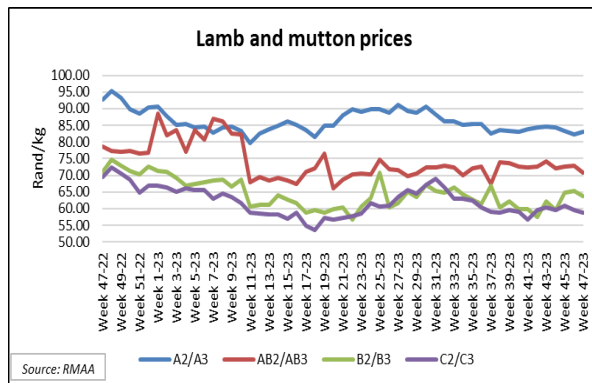
The beef industry



- The **beef prices** were largely bearish week-on-week (w/w).
- The average prices of class A2/A3 and AB2/AB3 decreased w/w by 0.1% and 0.7% to R53.55/kg and R51.75/kg, respectively.
- The average price of class B2/B3 increased w/w by 2.5% to R49.46/kg, while the average price of class C2/C3 decreased w/w by 0.1% to R47.43/kg.
- On average, beef prices were 9.6% lower y/y.
- Average **weaner prices** decreased w/w by 1.8% to R34.69/kg from slower market demand.
- In the past week, the average **beef-to-maize price ratio** dipped by 3.9% to 13.6, which is still above the long-term ratio of 13. The decrease was due to a 3.9% w/w increase in the average yellow maize price in the past week.

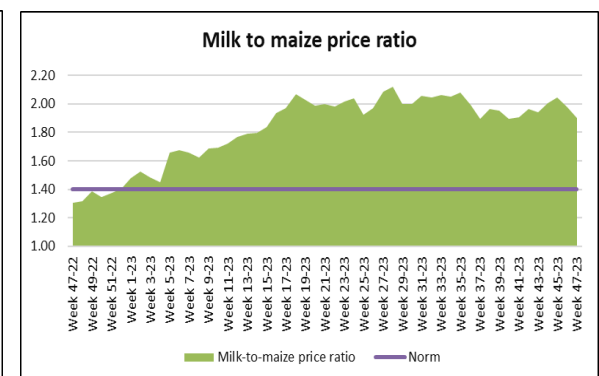
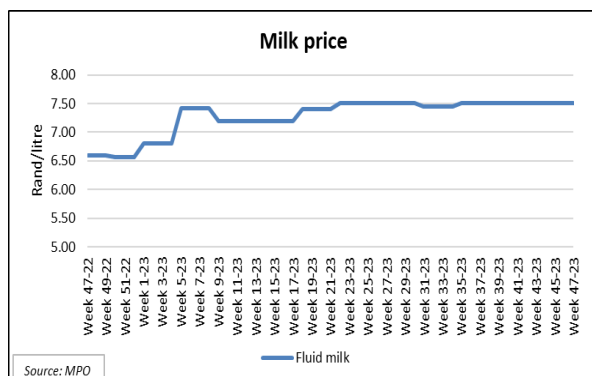
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The mutton and pork industries



- **Mutton and lamb prices** were largely bearish w/w.
- The average price of class A2/A3 increased w/w by 1.1% to R83.09/kg, while the average price of AB2/AB3 decreased w/w by 2.7% to R70.79/kg.
- The average prices of class B2/B3 and C2/C3 decreased w/w by 2.5% and 1.1% to R63.74kg and R58.80/kg, respectively.
- The average mutton and lamb prices were 11.6% lower y/y.
- The **pork prices** were bearish w/w.
- The average price of porkers increased by 1.7% w/w to R37.41/kg.
- The average prices of baconers and sausage decreased w/w by 1.3% and 2.4% to R36.68/kg and R31.28/kg, respectively.
- On average, pork prices were 2.3% higher y/y due to improving demand for pork.

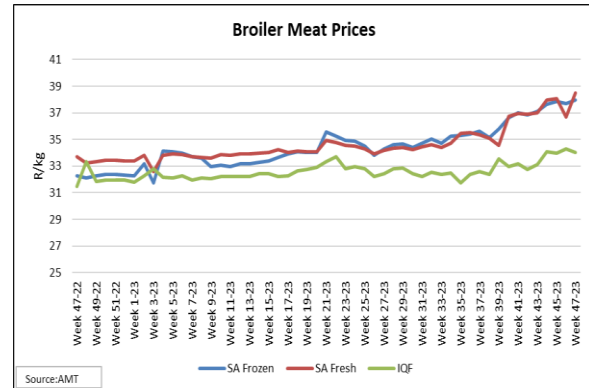
The dairy industry



- The latest average **milk producer price** set by dairy processors is estimated at R7.50/l.
- In the past week, the average **milk-to-maize price ratio** decreased by 3.7% w/w to 1.9.
- The decrease in the milk-to-maize price ratio was due to a 3.9% w/w 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 supports the intensive dairy industry.

The broiler industry

- **Broiler prices** were largely bullish w/w.
- Average prices of **South African frozen** and **fresh chicken** increased w/w by 0.8% and 5% to R37.98/kg and R38.48/kg, respectively.
- The average price of **IQF** decreased by 0.6% w/w to R34.05/kg.
- Average chicken prices were up by 13.3% y/y.
- Chicken prices are expected to remain elevated due to high input costs and possible temporary shortage due to bird flu.



The wool industry

Indicator	SA prices (R/kg)		Change
	Previous	Current	
Clean non-RWS certified wool	156.35	154.15	↓ -1.4%
Clean RWS certified wool	176.31	174.31	↓ -1.1%

- The last **wool auction** for 2023 took place on 29 November 2023, with 13 899 bales of wool on offer.
- There was good participation from the buying houses, despite a slightly stronger rand against the major currencies.
- Approximately 97% of the wool that was on offer was sold during the auction.
- Both wool standard price categories were bearish during the auction.
- The **non-RWS** (Responsible Wool Standard) and **RWS** decreased by 1.4% and 1.1%, compared to the previous auction, to R154.15/kg and R174.31/kg, respectively.
- The first wool auction of 2024 is expected to take place on 10 January.

Mohair industry

- The second last **mohair sale** of the 2023 winter season took place on 14 November 2023, with 139 749 kilograms of mohair on offer.
- The final mohair sale of the 2023 winter season is expected to take place on 05 December 2023.

Sources

Agri-Market Trends.

Cape Wools South Africa

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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