

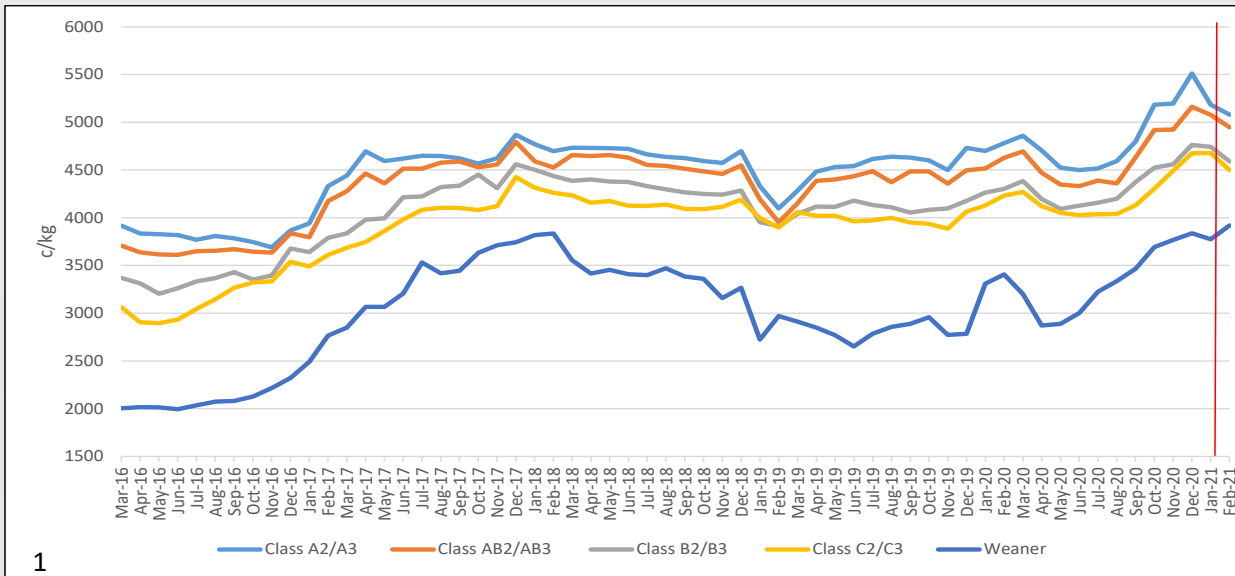
Monthly Report



Beef and Mutton

January 2021

Domestic: Weaner and carcass prices (1)



1

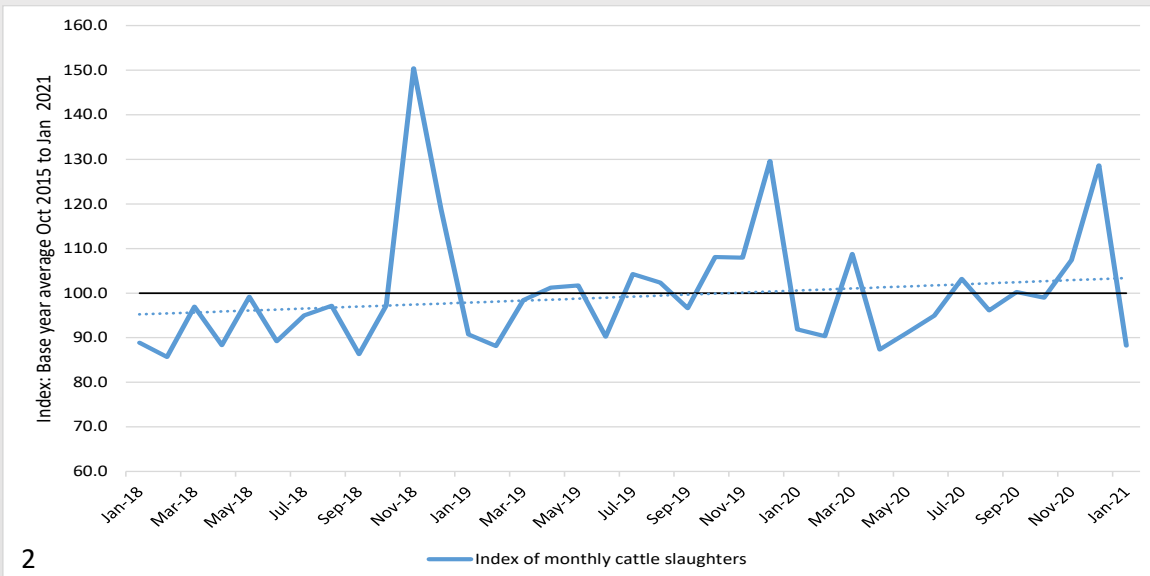
Class	Jan-20	Dec-20	Jan-21	Jan 20 to Jan 21	Dec 20 to Jan 21
Class A2/A3	4700	5512	5183	10.3%	-6.0%
Class AB2/AB3	4516	5161	5077	12.4%	-1.6%
Class B2/B3	4265	4763	4742	11.2%	-0.4%
Class C2/C3	4128	4674	4678	13.3%	0.1%
Weaner	3309	3836	3774	14.0%	-1.6%
Average				12.3%	-1.9%
YM	2810	3286	3543	26.0%	7.8%

*Weaner prices used in calculations excludes sales commission

- Weaner prices decreased from December to January (1.6%) as predicted and is expected to increase towards the end of February due to low supplies in the market due to good rains.
- On average carcass prices are 11.8% higher year-on-year while weaner prices are 12.3% higher compared to the same time last year.
- Carcass prices (A2/A3) are down (6%) since December and it is expected to remain on the downward trend during February.

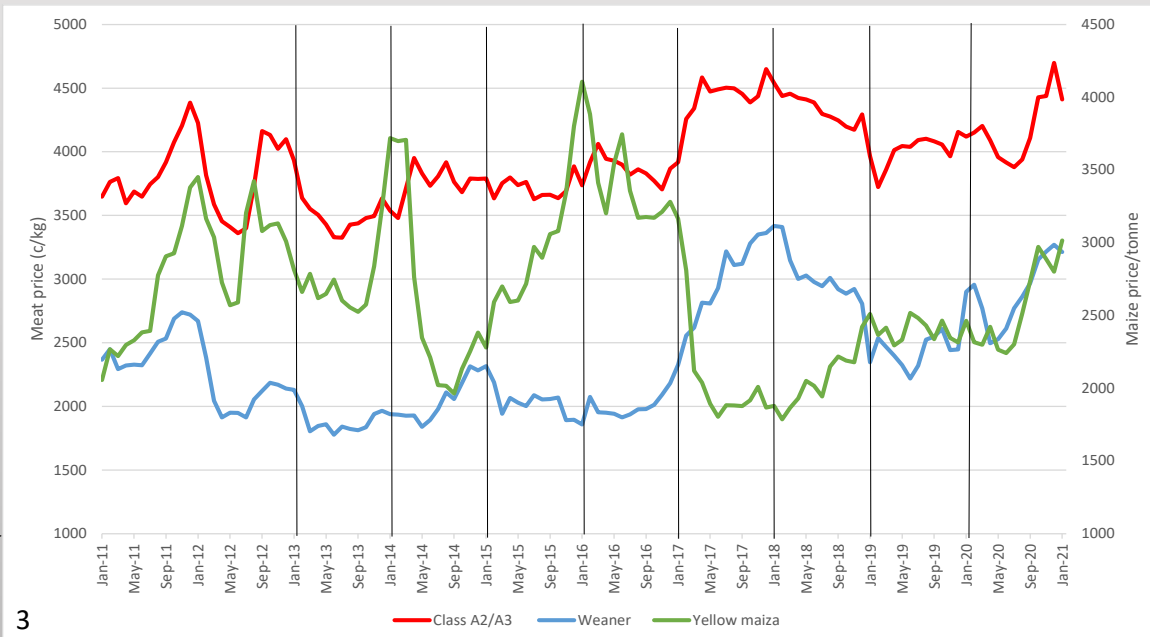
- The yellow maize price traded 7.8% higher during January and averaged R3543/tonne during this time.
- Maize prices are expected to remain volatile and mainly driven by the stronger exchange rate and high demand.
- Prices are expected to decrease slightly towards the end of February.

Domestic: Slaughter index (2) and real prices (3)



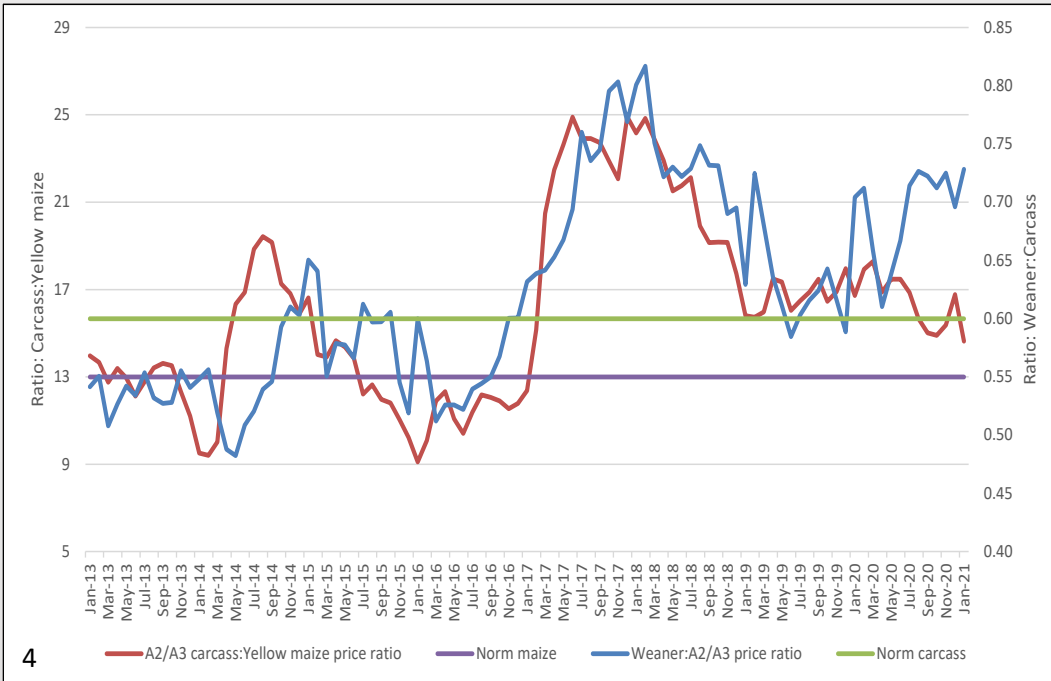
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- Aggregate commercial slaughter numbers dropped by 40 index points from Dec to Jan.
- Slaughter numbers are expected to increase towards the end of February.



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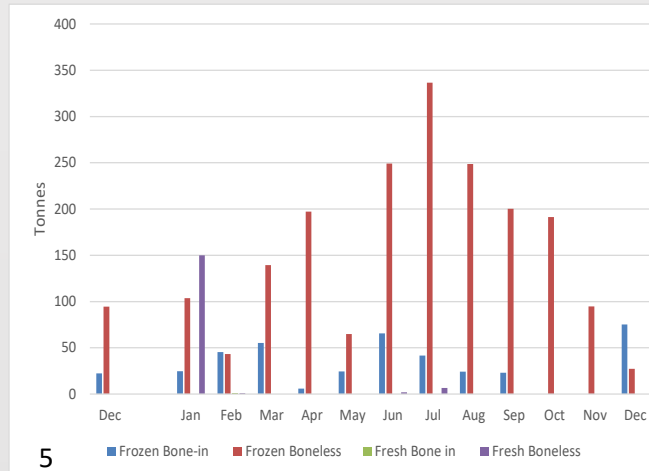
Domestic: Carcass: Yellow maize and Weaner: Carcass price ratio's and carcass price ratio's (4)



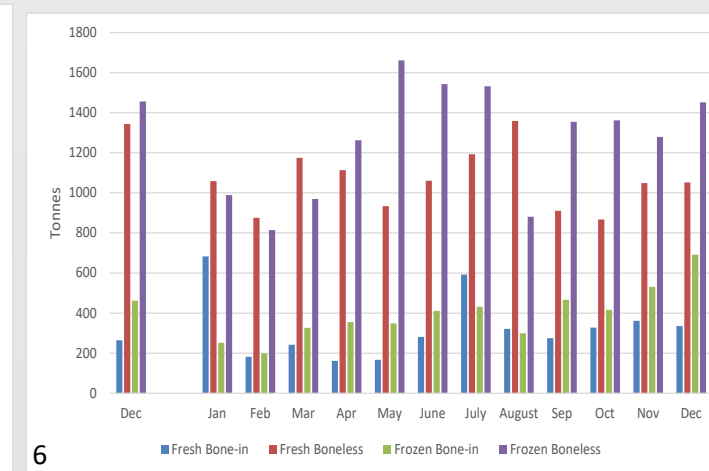
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- Weaner prices increased towards the end of January while the A2/A3 carcass price declined during the same time.
- Weaner prices are expected to increase during the short term as supply remains under pressure.
- The decrease in the weaner price during January combined with a decrease in the A2/A3 carcass price resulted in a weaner:carcass price ratio of 0.73; which is higher than the long term average ratio of 0.60.
- The higher yellow maize price in combination with a downwards movement in the A2/A3 carcass price resulted in a higher maize to carcass price ratio of 14.8 to 1 compared to the previous month of 14:6.
- The ratio is expected to increase in the short run as maize prices are expected to decrease slightly and carcass prices are expected to increase during the same time.

Trade: Fresh and Frozen beef imports (5), fresh and frozen beef exports (6), live cattle imports and exports (7) and international steer prices (8).

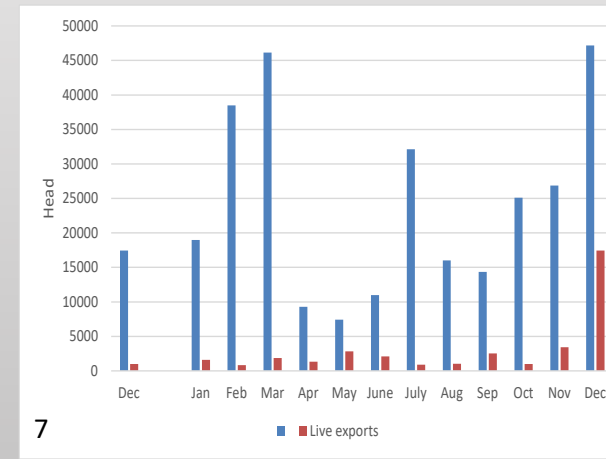


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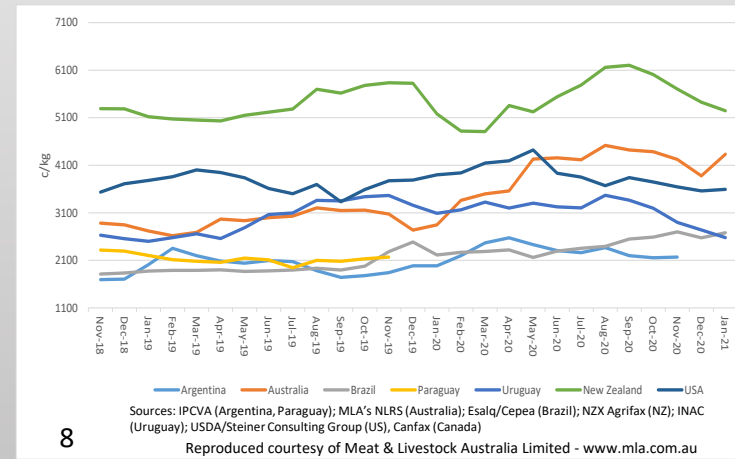


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- Frozen boneless imports declined (71%) from 95 tonnes during Nov to 27 tonnes imported during Dec.
- Total fresh exports declined to a total of 1338 tonnes of fresh meat exported during December.
- Frozen exports (international markets) decreased by 18% from November with a total of 2143 tonnes exported during December.
- The current export ban due to FMD still negatively affect exports.



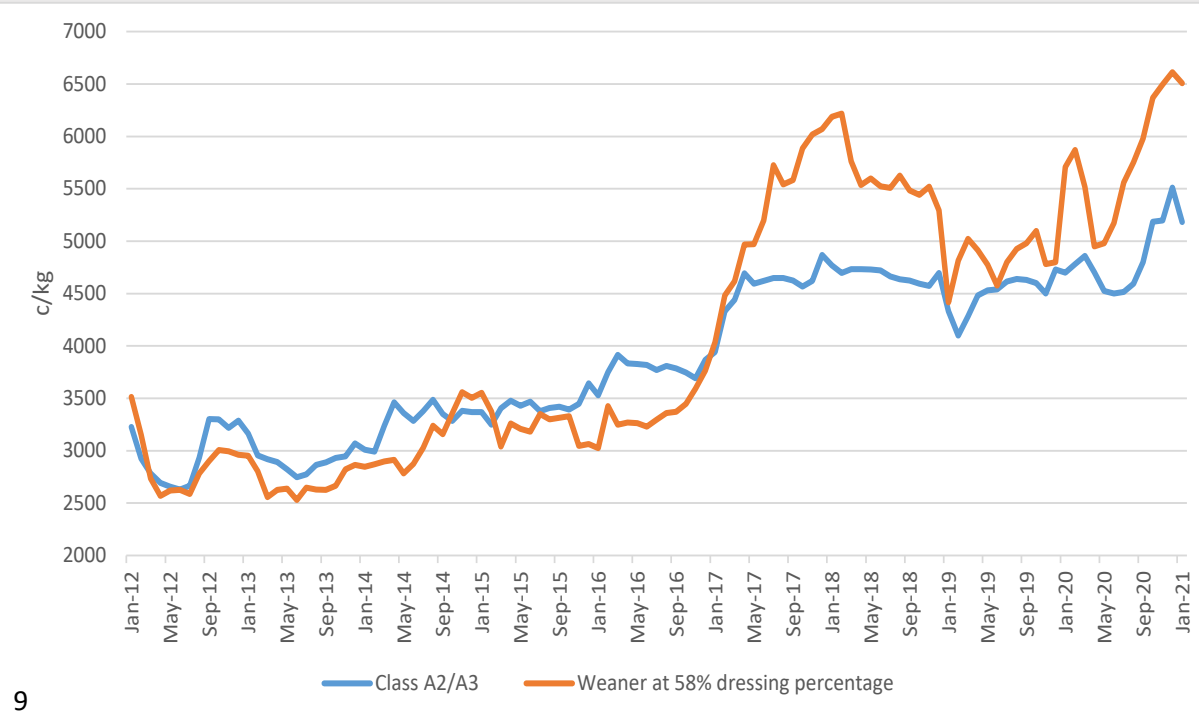
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- South Africa mainly imports live cattle from Namibia, and to a lesser extent Botswana and Lesotho.
- Live (mostly weaner) imports increased from November (74%), with 47 163 animals imported during December mainly due to weaker domestic supply.
- All international prices had decreasing trends during January except for Australia and Brazil.

Weaner (as expressed as carcass price) and A2/A3 carcass price trends. (9)

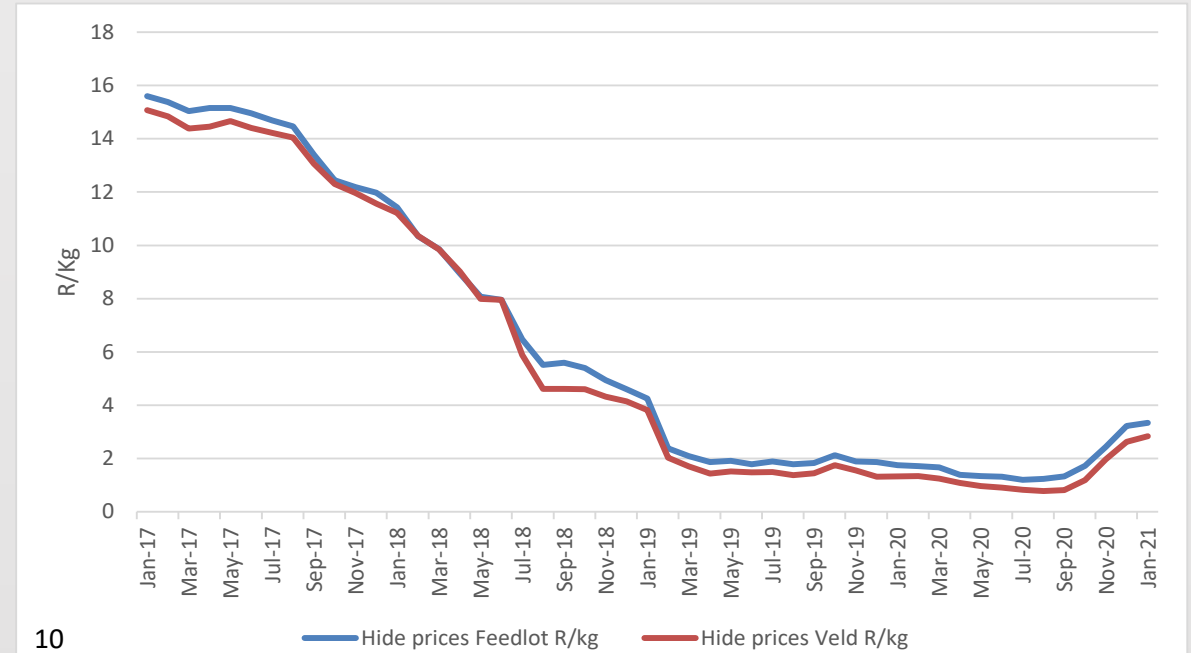


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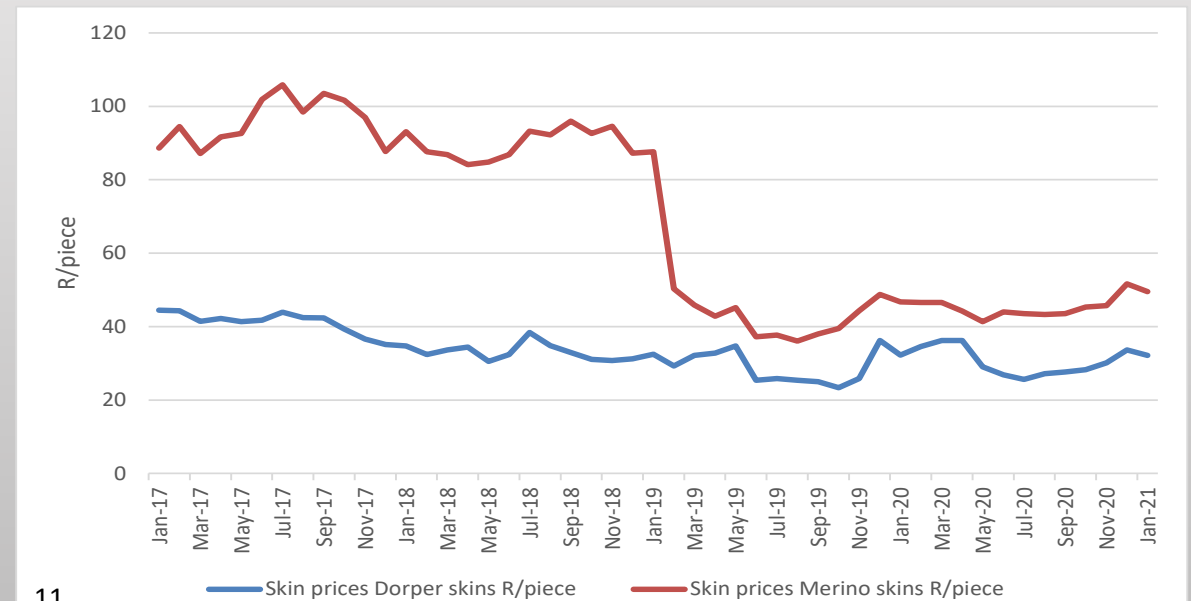
- Figure 9 shows the weaner price expressed in carcass (A2/A3) equivalent given a 58% dressing percentage.
- Weaner- as well as carcass prices decreased during January.
- Expected decreases in A2/A3 carcass prices combined with increases in the weaner price during the short term will increase the margin between the respective prices.
- Weaner prices (relative to carcass prices) are trading higher than the A2/A3 carcass price, this trend is expected to remain the same during the short term as weaner prices are still increasing faster relative to carcass prices.

- Hide prices remains on the current low trend due to the ongoing export ban.
- Feedlot and veld hide prices currently trade at R3.34/kg and R2.84/kg respectively.
- Dorper and Merino skins are currently trading at by R32.13 and R49.57 a piece respectively.

Hide (10) and Skin (11) prices

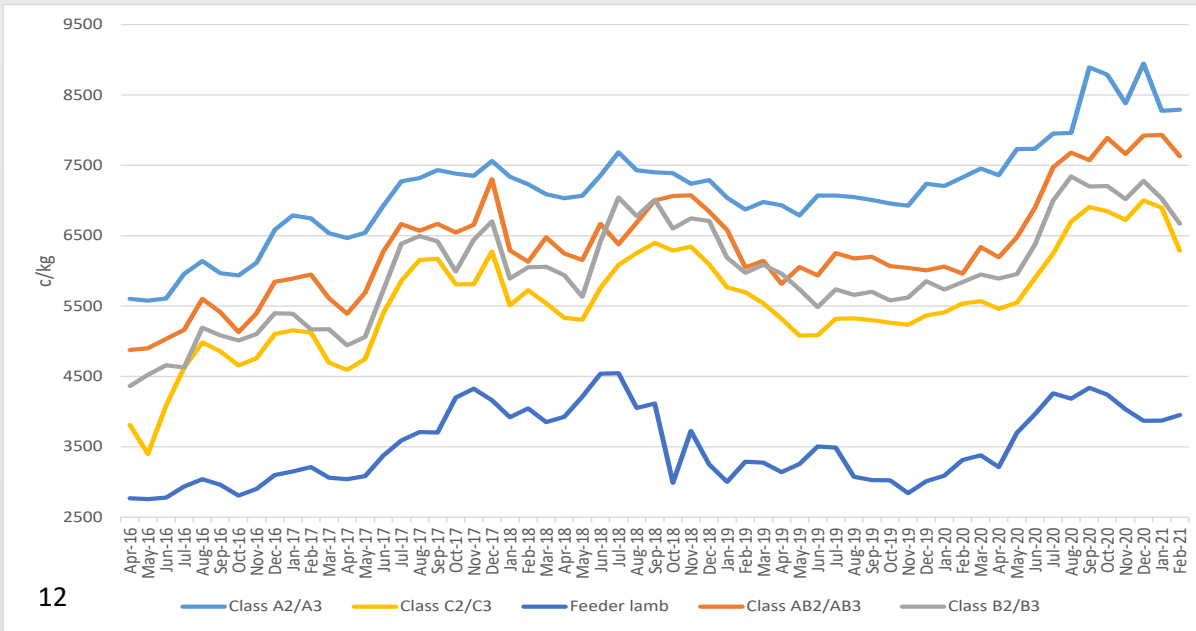


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Domestic: Mutton and lamb carcass prices (12)

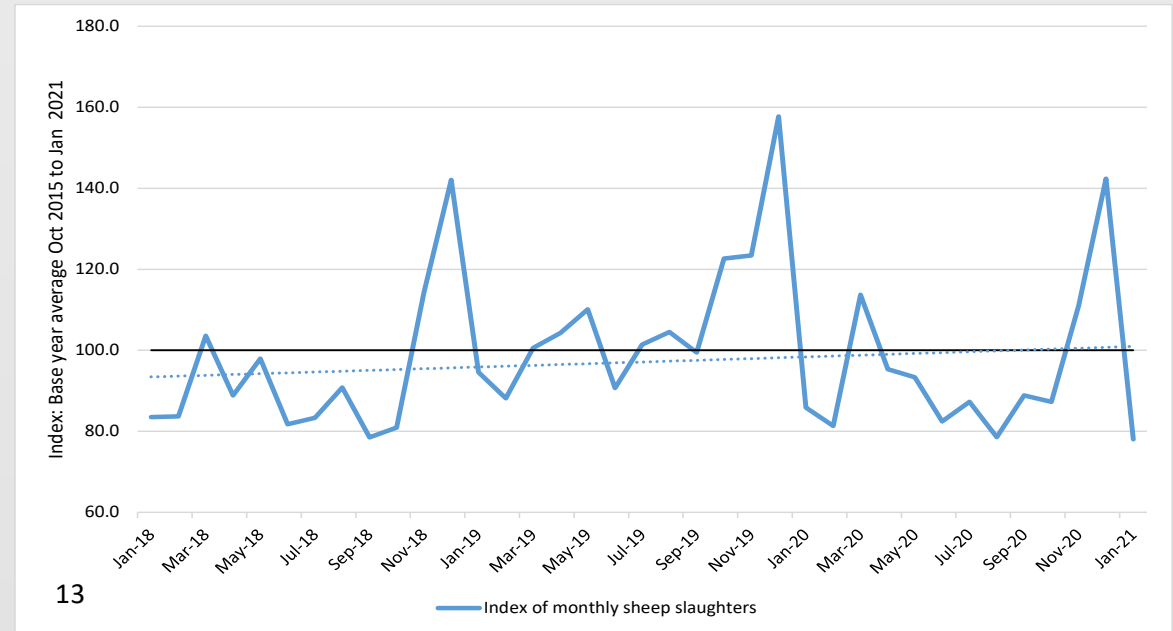


	Jan-20	Dec-20	Jan-21	Jan 20 to Jan 21	Dec 20 to Jan 21
Class A2/A3	7207	8946	8276	14.8%	-7.5%
Class AB2/AB3	6061	7922	7931	30.9%	0.1%
Class B2/B3	5734	7279	7026	22.5%	-3.5%
Class C2/C3	5411	7000	6897	27.5%	-1.5%
Feeder lamb	3090	3869	3871	25.3%	0.0%
Average				24.2%	-2.5%

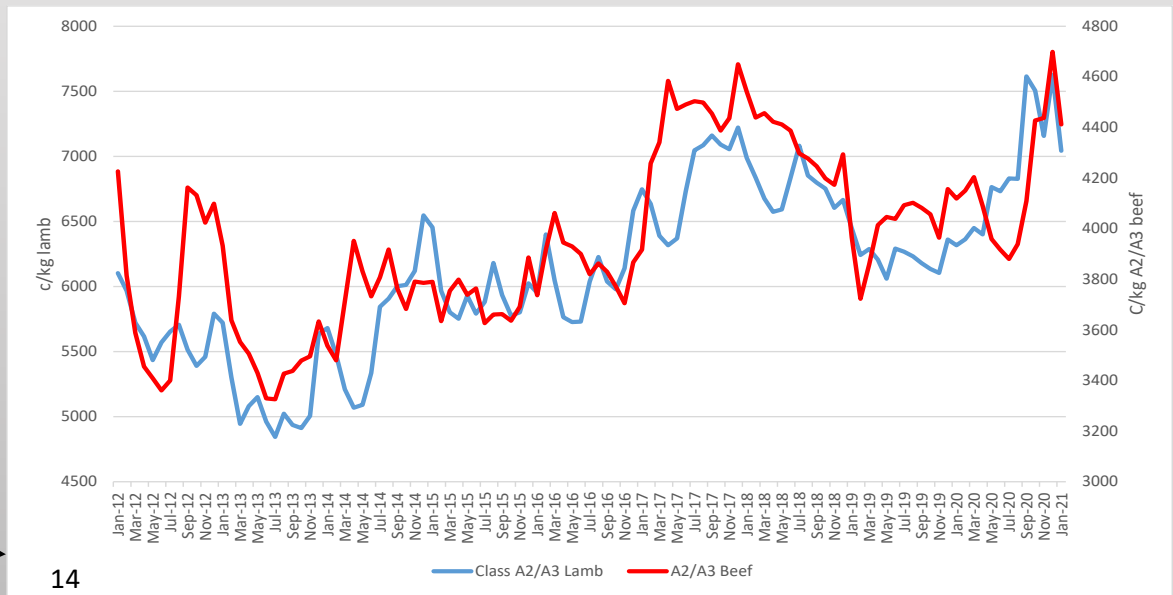
- Feeder lamb prices remain the same month-on-month, year-on-year feeder lamb prices are trading 25.3% higher; feeder lamb prices are expected to remain on this trend towards the end of February.
- Carcass (A2/A3) prices decreased by 7.5% from the previous month; volumes are still low with strong demand, carcass (A2/A3) prices are expected to follow a sideways trend towards the end of February.

- The real (deflated with the CPI; 2016 = 100) price trend for lamb and A2/A3 and beef decreased towards the end of January.

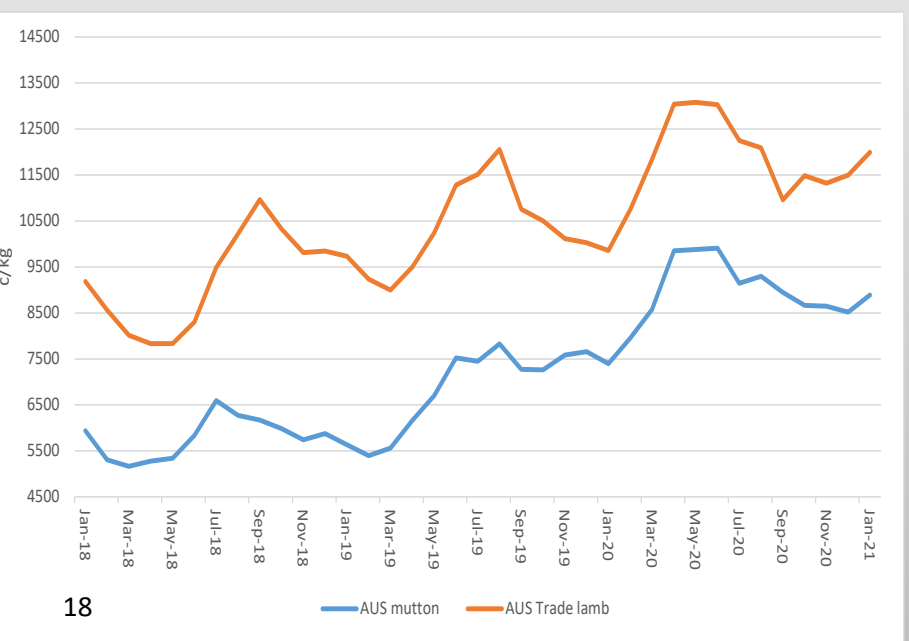
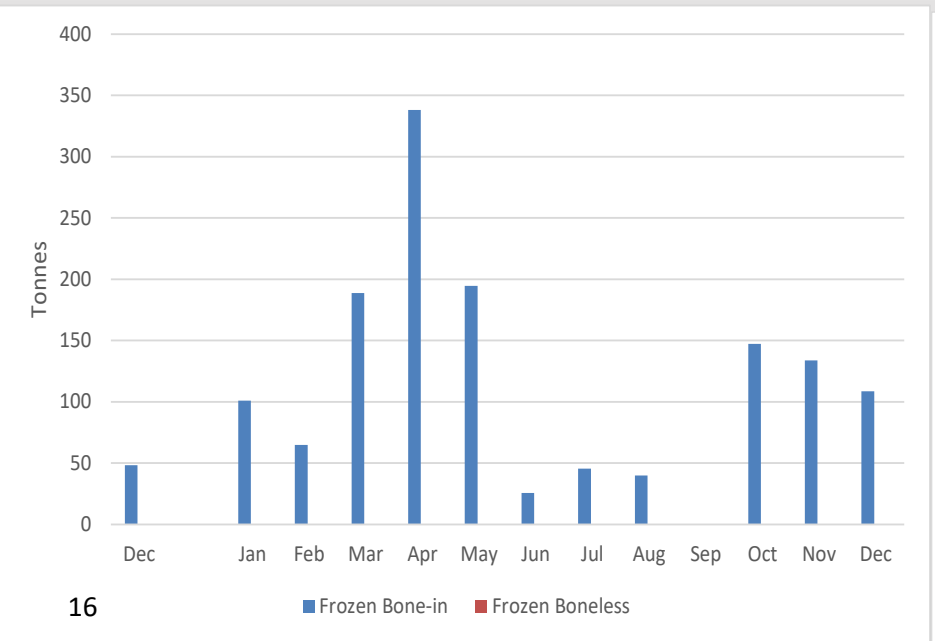
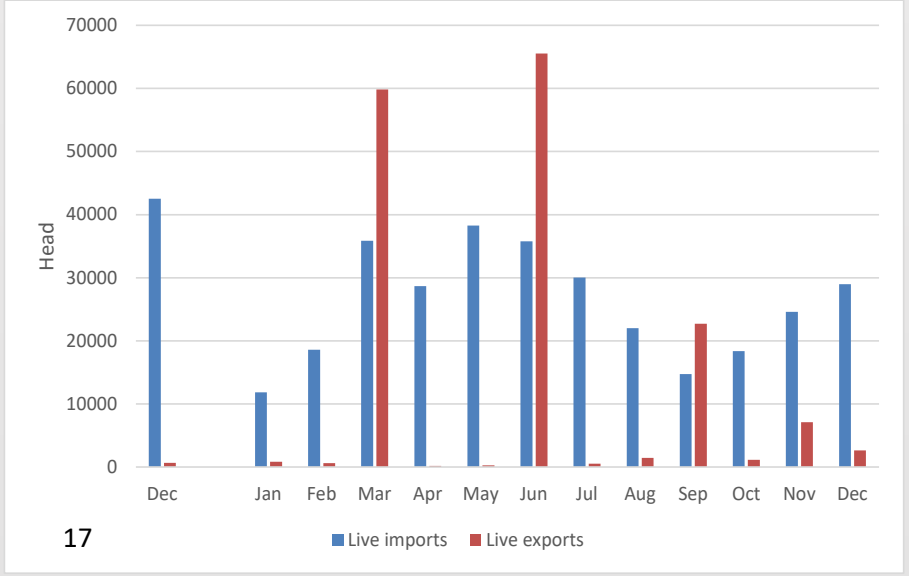
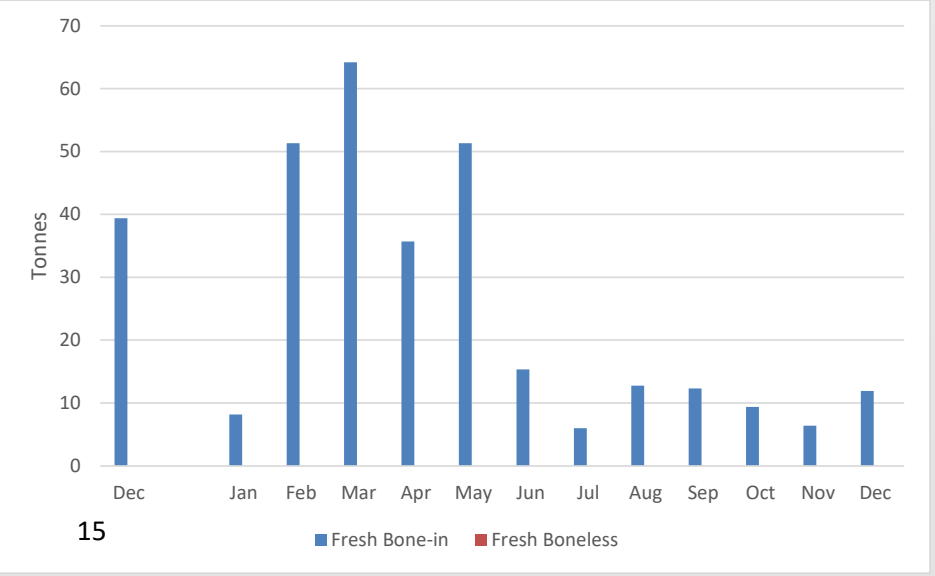
Domestic: Slaughter index (13) and real prices (14)



- Aggregate commercial slaughter numbers are down 20 index point from Dec to Jan.



Trade: Fresh (15) and Frozen (16) lamb imports; live sheep and goat trade (17) and Australian mutton and trade lamb prices (18)



- South African sheep and lamb trade is limited to imports (exports are very small volumes).
- The majority of the imports consists of mainly fresh carcasses and half carcasses and bone-in cuts.
- There were no Fresh Bone-in imports during Dec.
- Frozen bone-in imports totalled 108 tonnes during December.
- Live imports (mainly from Namibia) increased by 17% from Nov (25 thousand animals) to Dec (29 thousand animals).
- Live exports totalled 2639 animals during December.
- International prices - Australian mutton prices increased during December (4.4%) while trade lamb prices increased (4.3%) during the same period.

Sources:
 Trade data: SARS/Quantec
 Red meat related: RMAA
 Grain prices: GrainSA

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