

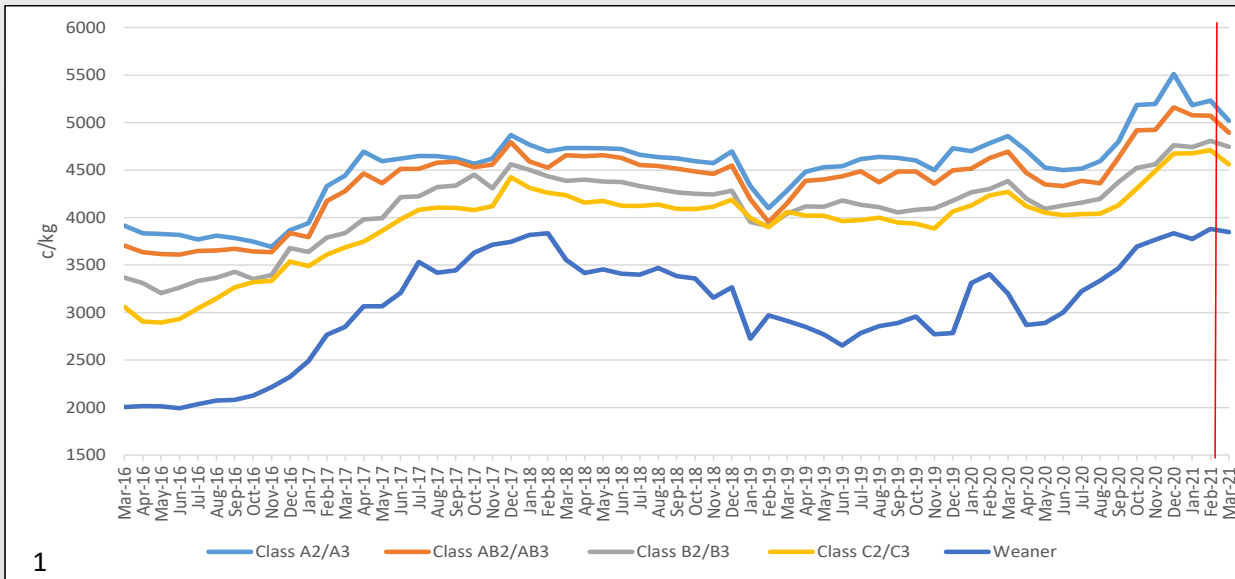
Monthly Report



Beef and Mutton

February 2021

Domestic: Weaner and carcass prices (1)



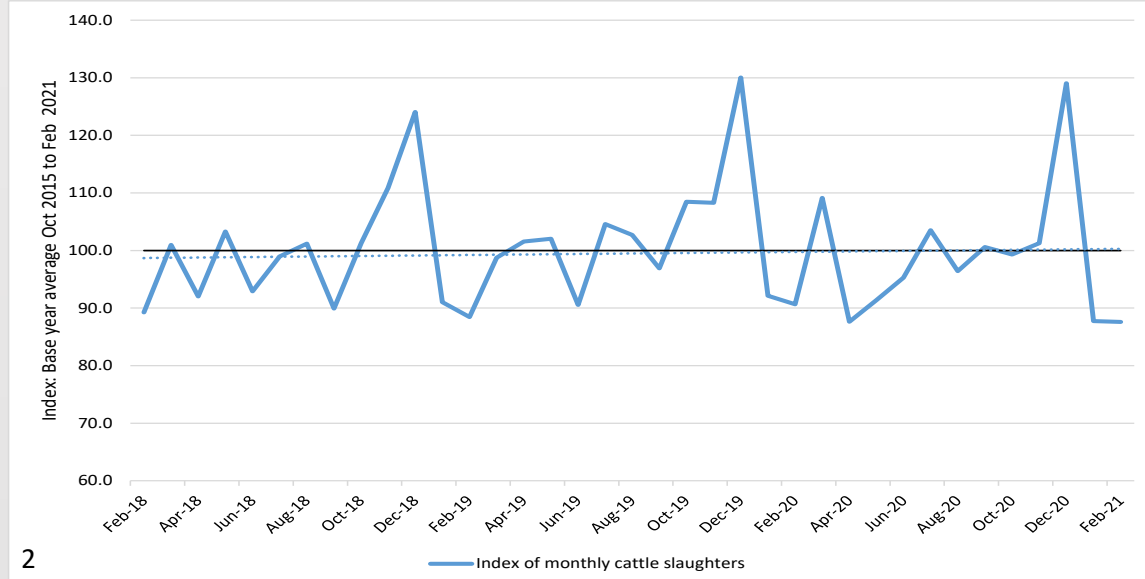
Class	Feb-20	Jan-21	Feb-21	Feb 20 to Feb 21	Jan 21 to Feb 21
Class A2/A3	4782	5183	5232	9.4%	0.9%
Class AB2/AB3	4627	5077	5073	9.6%	-0.1%
Class B2/B3	4302	4742	4808	11.8%	1.4%
Class C2/C3	4233	4678	4710	11.3%	0.7%
Weaner	3405	3774	3881	14.0%	2.8%
Average				11.2%	1.1%
YM	2668	3543	3383	26.8%	-4.5%

*Weaner prices used in calculations excludes sales commission

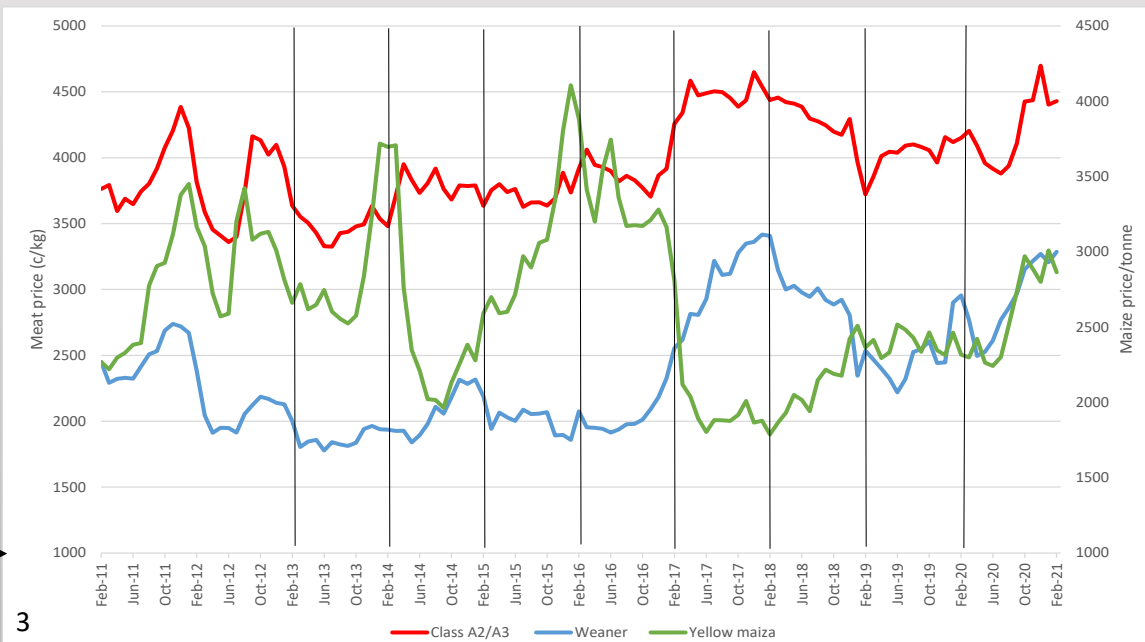
- Weaner prices increased from January to February (2.8%) the price is expected to decrease towards the end of March.
- On average carcass prices are 10.5% higher year-on-year while weaner prices are 14% higher compared to the same time last year.
- Carcass prices (A2/A3) are slightly higher (0.9%) since January and it is expected to decline towards the end of March.

- The yellow maize price traded 4.5% lower during February and averaged R3383/tonne during this time.
- Maize prices are expected to remain on current levels, rain in the next three weeks will be a crucial determining factor on the size of the harvest.
- Drought conditions in the Americas can cause lower supply internationally that will influence domestic prices positively.

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

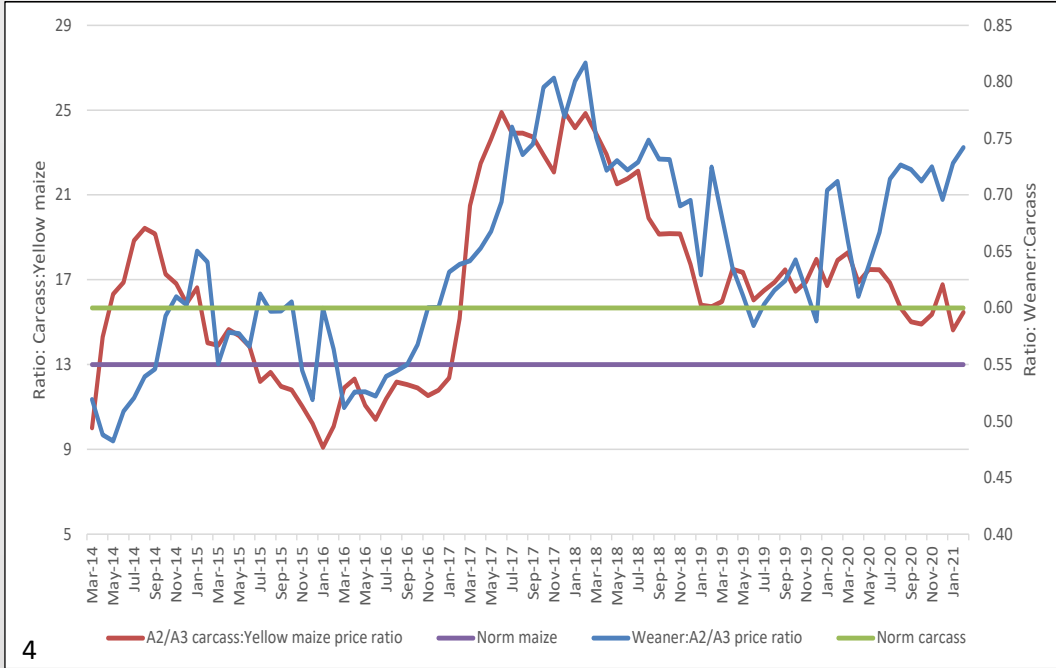


- Aggregate commercial slaughter numbers dropped by 0.1 index points from Jan to Feb.
- Slaughter numbers are expected to decline further towards the end of March.



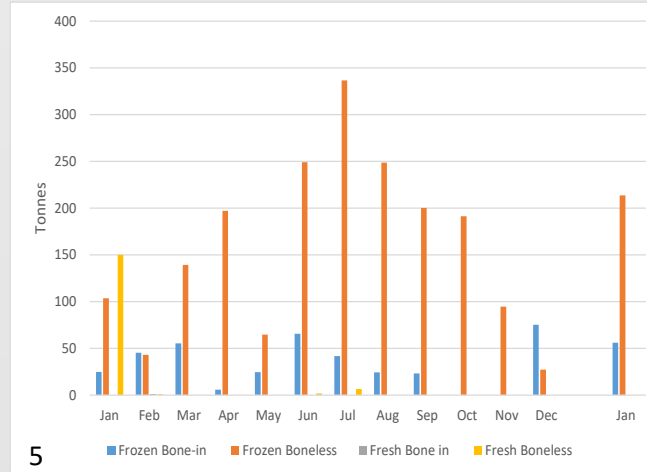
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Domestic: Carcass: Yellow maize and Weaner: Carcass price ratio's and carcass price ratio's (4)

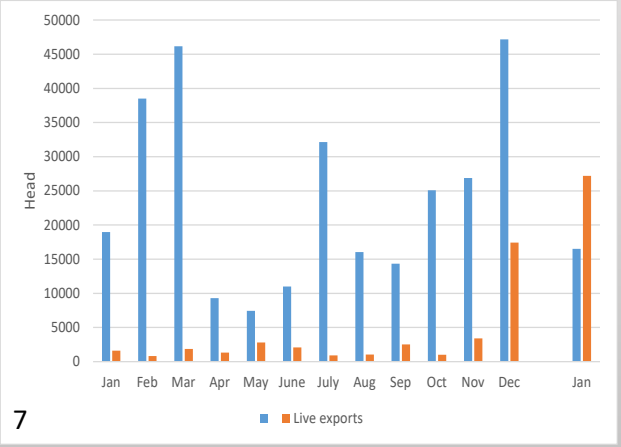
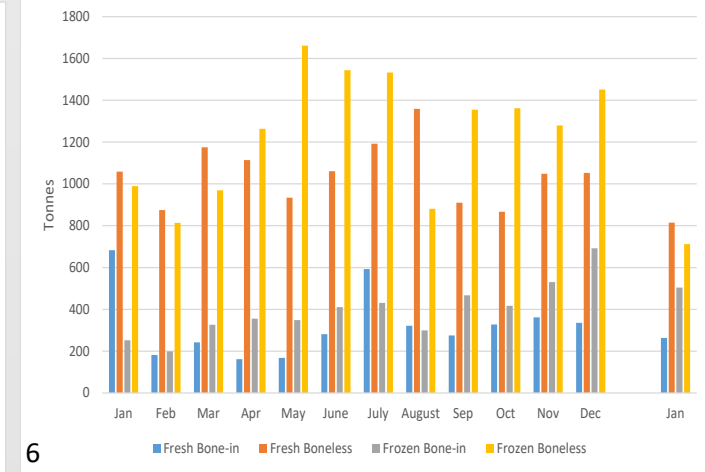


- Weaner prices increased towards the end of February while the A2/A3 carcass price remained on the same level during the same time.
- Weaner prices are expected to decline during the short term as demand is starting to decline slightly.
- The increase in the weaner price during February combined with a small increase in the A2/A3 carcass price resulted in a weaner:carcass price ratio of 0.74; which is higher than the long term average ratio of 0.60.
- The lower yellow maize price in combination with little movement in the A2/A3 carcass price resulted in a higher maize to carcass price ratio of 15.5 to 1 compared to the previous month of 14:6.
- The ratio is expected to decline in the short run as carcass prices are expected to decline slightly towards the end of March.

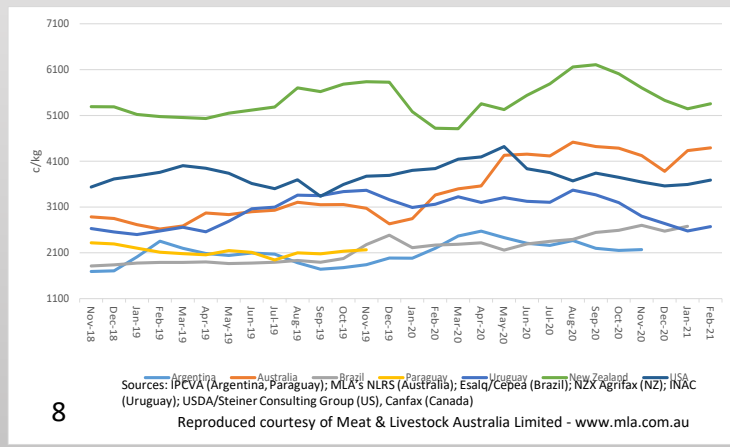
Trade: Fresh and Frozen beef imports (5), fresh and frozen beef exports (6), live cattle imports and exports (7) and international steer prices (8).



- Frozen boneless imports increased (680% from a low base) from 27 tonnes during December to 214 tonnes imported during January.
- Total fresh exports declined to a total of 1078 tonnes of fresh meat exported during January.
- Frozen exports (international markets) decreased by 43% from December with a total of 1216 tonnes exported during January.
- The current export ban due to FMD still negatively affect exports.

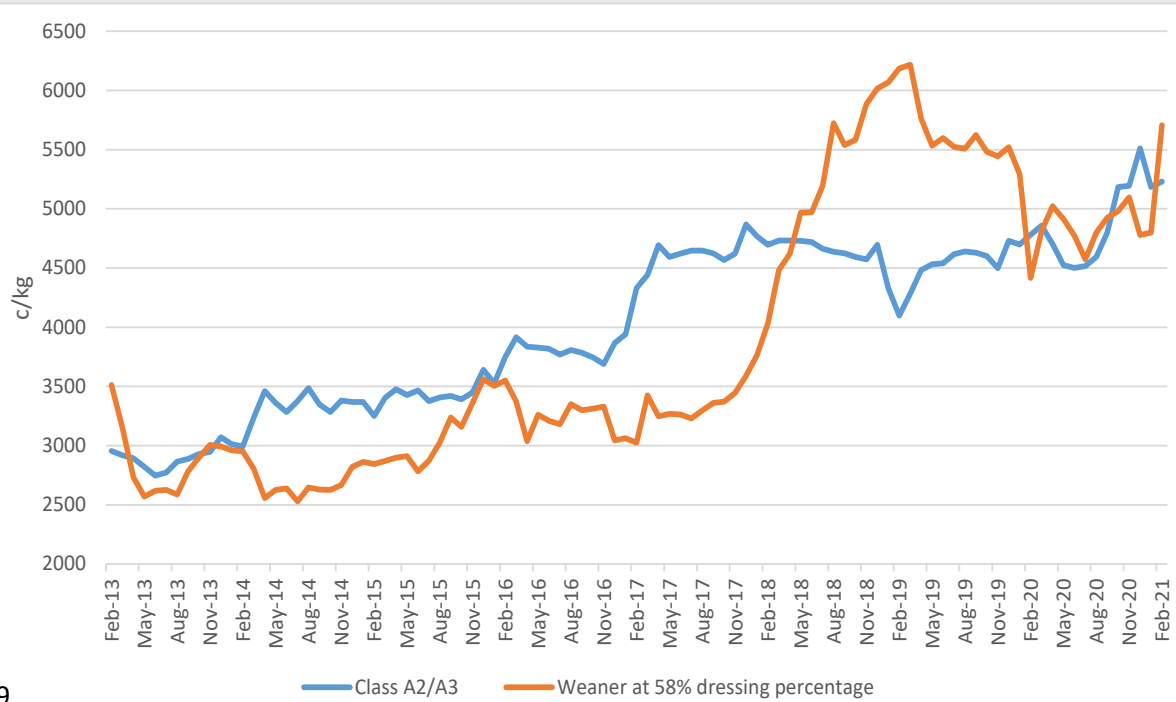


- South Africa mainly imports live cattle from Namibia, and to a lesser extent Botswana and Lesotho.
- Live (mostly weaner) imports declined from December (64%), with 16 524 animals imported during January mainly due to weaker domestic demand.
- All international prices showed increasing trends during February.



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

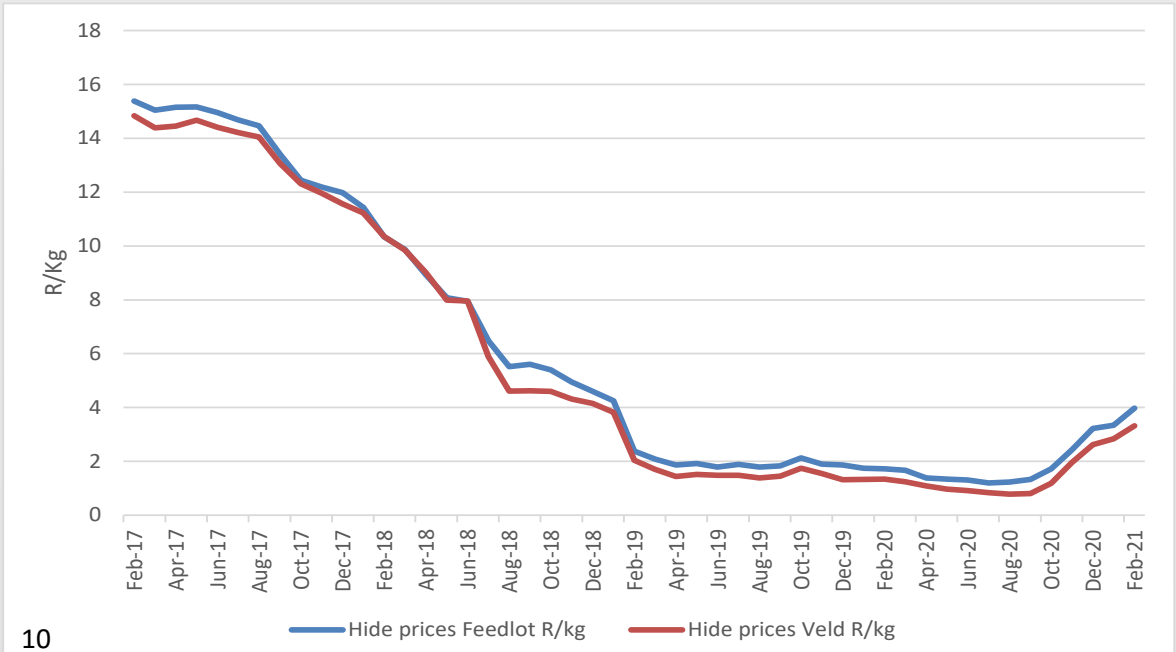


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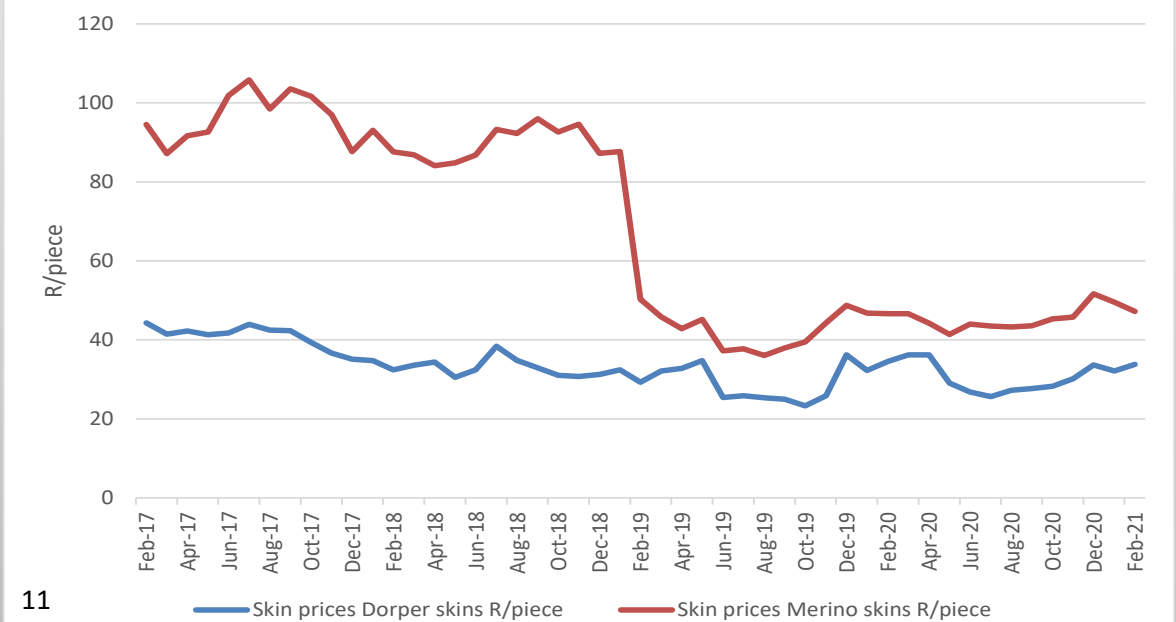
- Figure 9 shows the weaner price expressed in carcass (A2/A3) equivalent given a 58% dressing percentage.
- Weaner- as well as carcass prices increased during February.
- Expected decreases in A2/A3 carcass prices combined with decreases in the weaner price during the short term will decrease the margin 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 will decrease at a slower pace than carcass prices.

- Hide prices remains on the current low trend due to the ongoing export ban.
- Feedlot and veld hide prices currently trade at R3.98/kg and R3.32/kg respectively.
- Dorper and Merino skins are currently trading at by R33.79 and R47.18 a piece respectively.

Hide (10) and Skin (11) prices

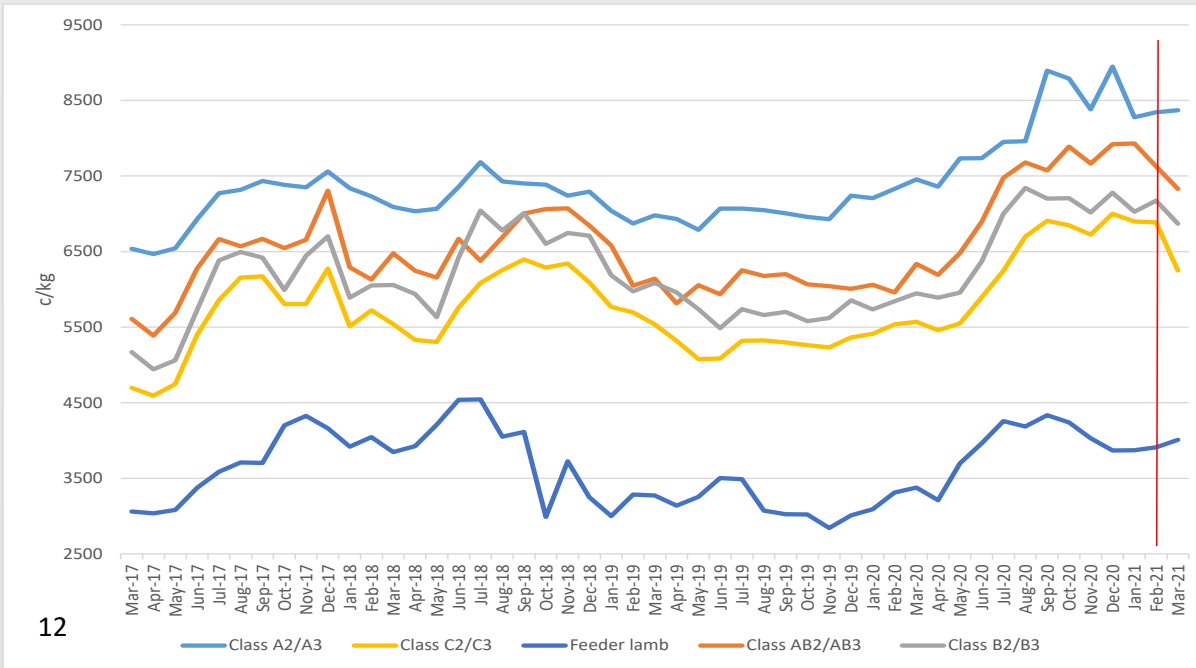


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Domestic: Mutton and lamb carcass prices (12)



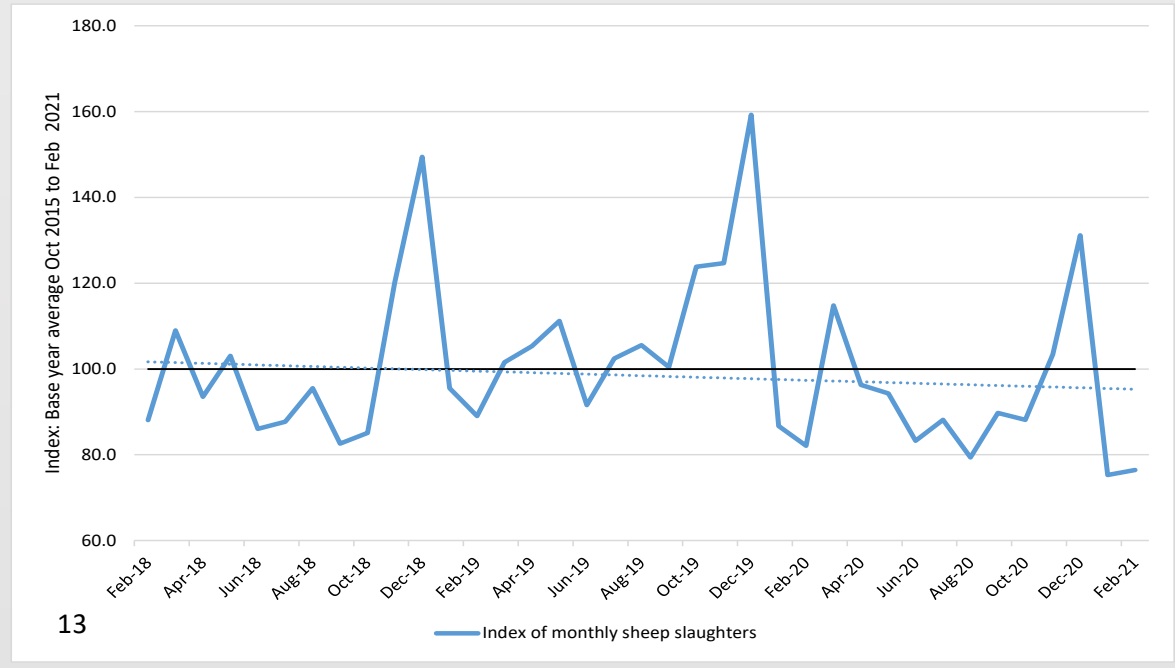
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	Feb-20	Jan-21	Feb-21	Feb 20 to Feb 21	Jan 21 to Feb 21
Class A2/A3	7329	8276	8344	13.9%	0.8%
Class AB2/AB3	5960	7931	7629	28.0%	-3.8%
Class B2/B3	5842	7026	7175	22.8%	2.1%
Class C2/C3	5537	6897	6886	24.4%	-0.2%
Feeder lamb	3311	3871	3911	18.1%	1.0%
Average				21.4%	0.0%

- Feeder lamb prices increased (1%) the same month-on-month, year-on-year feeder lamb prices are trading 18.1% higher; feeder lamb prices are expected to remain on this trend towards the end of March.
- Carcass (A2/A3) prices increased by 0.8% 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 March.

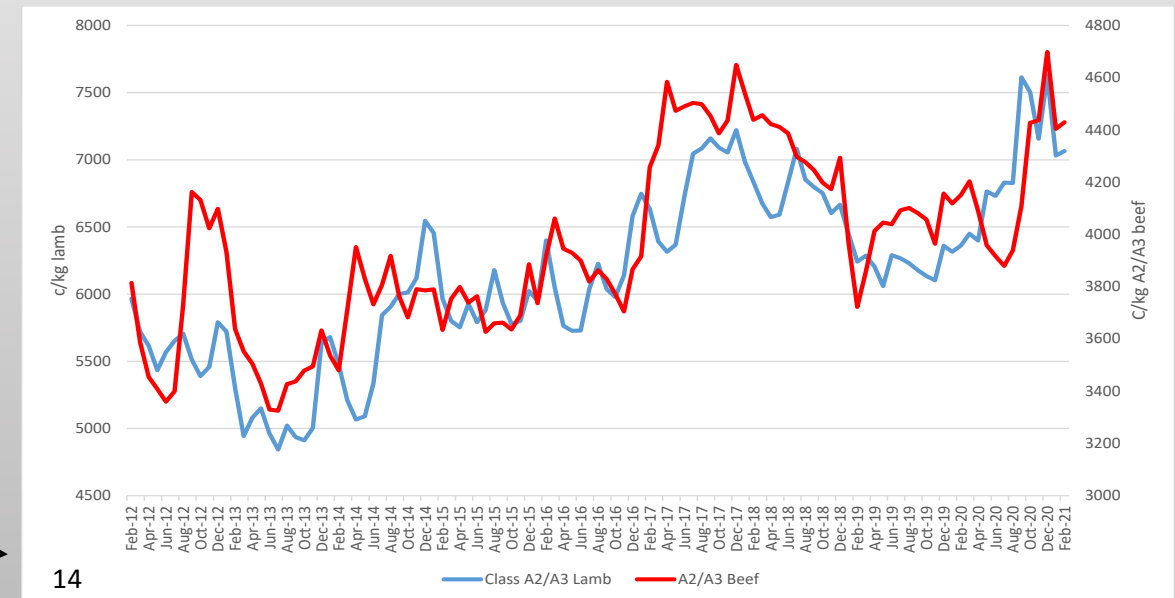
- The real (deflated with the CPI; 2016 = 100) price trend for lamb and A2/A3 beef increased towards the end of February.

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



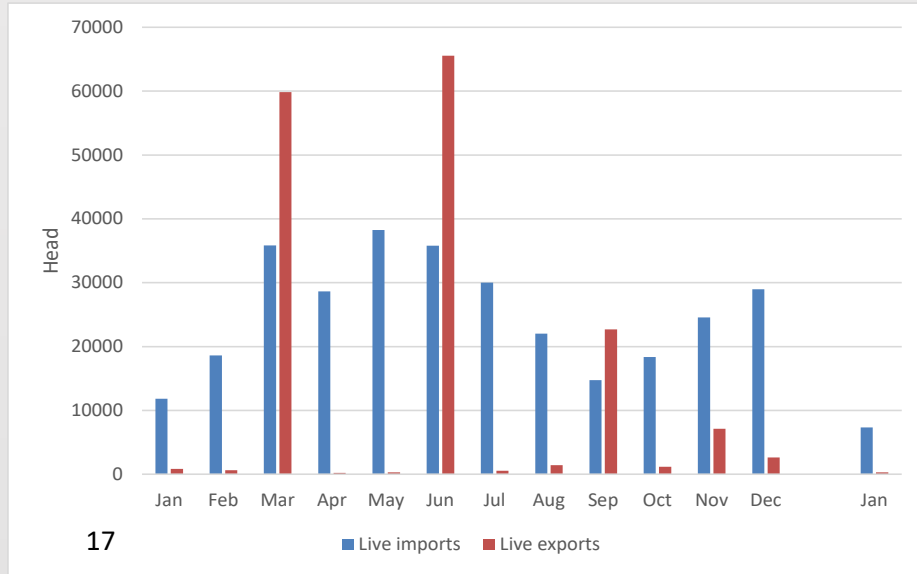
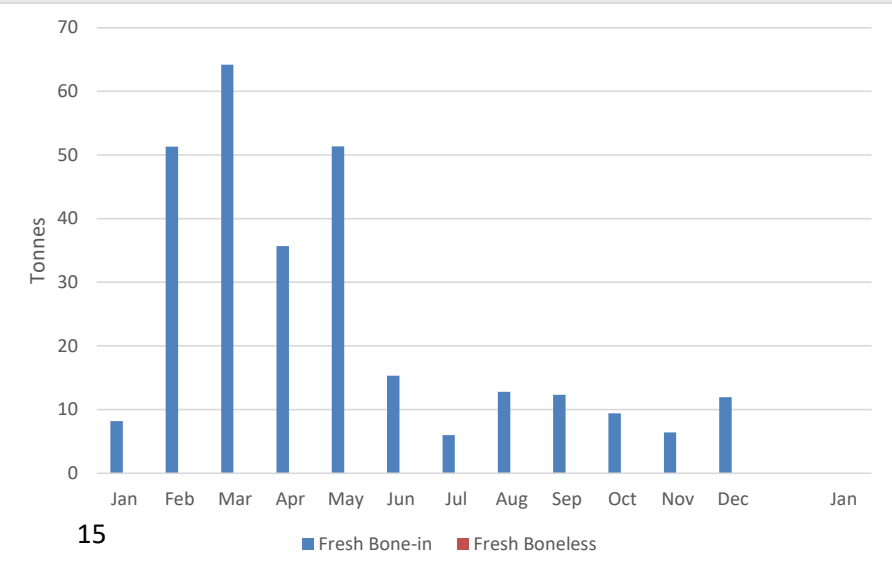
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- Aggregate commercial slaughter numbers are up 1.1 index point from Jan to Feb.

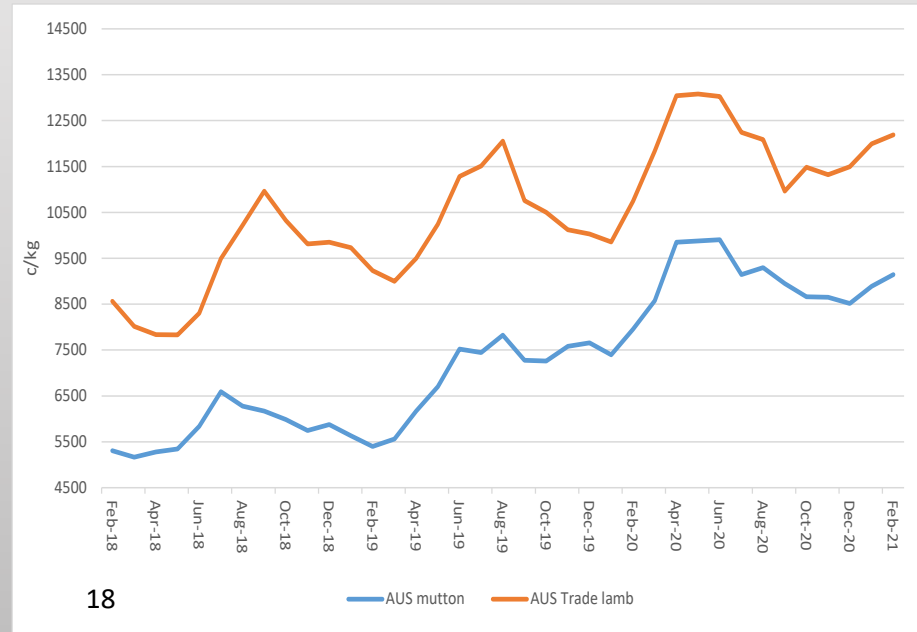
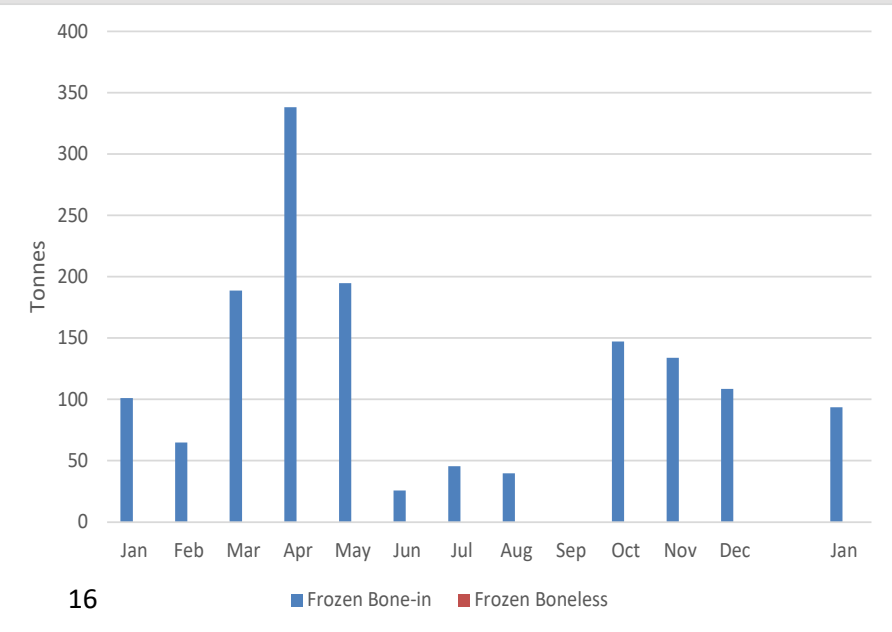


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Trade: Fresh (15) and Frozen (16) lamb imports; live sheep and goat trade (17) and Australian mutton and trade lamb prices (18)



- 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 Jan.
- Frozen bone-in imports totalled 94 tonnes during January.
- Live imports (mainly from Namibia) declined by 74% from Dec (29 thousand animals) to Jan (7 thousand animals).
- Live exports totalled 296 animals during January.
- International prices - Australian mutton prices increased during February (2.8%) while trade lamb prices increased (1.6%) during the same period.



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

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