

# Quarterly Report



Livestock

3<sup>rd</sup> Quarter 2020

## Beef

Item	3rd	2nd	3rd	Price change (%)	
	Quarter 2020	Quarter 2020	Quarter 2019	Quarter to quarter	Year on Year
<b>BEEF</b>					
Producer prices (c/kg)					
A2/A3's	4 627	4 584	4 627	0.93	-0.01
AB2/AB3's	4 445	4 392	4 449	1.19	-0.08
B2/B3's	4 229	4 143	4 100	2.04	3.14
C2/C3's	4 065	4 073	3 974	-0.19	2.29
Net weaner price (190-240 kg)(c/kg)	3 343	2 745	2 673	17.88	25.07
Slaughter index (Ave.=100)	97.0	91.0	97.3	6.19	-0.31
Import parity AU-cows (c/kg)	8 995	8 293	6 414	7.80	40.24

## Prices

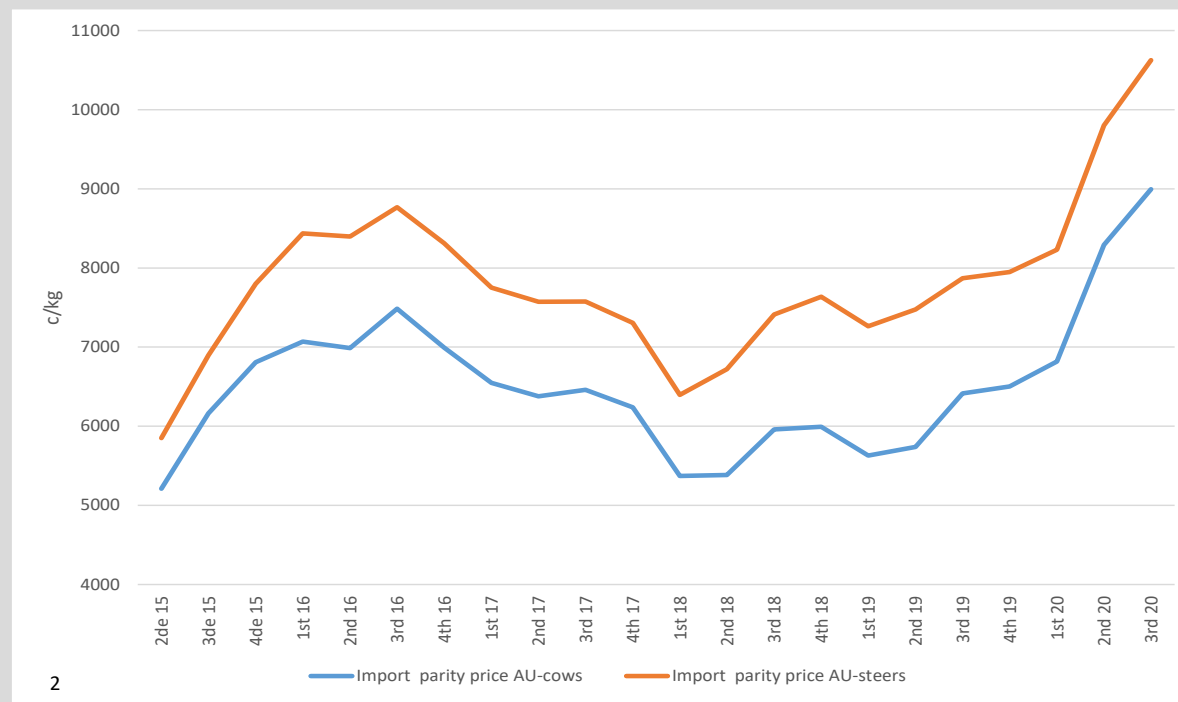
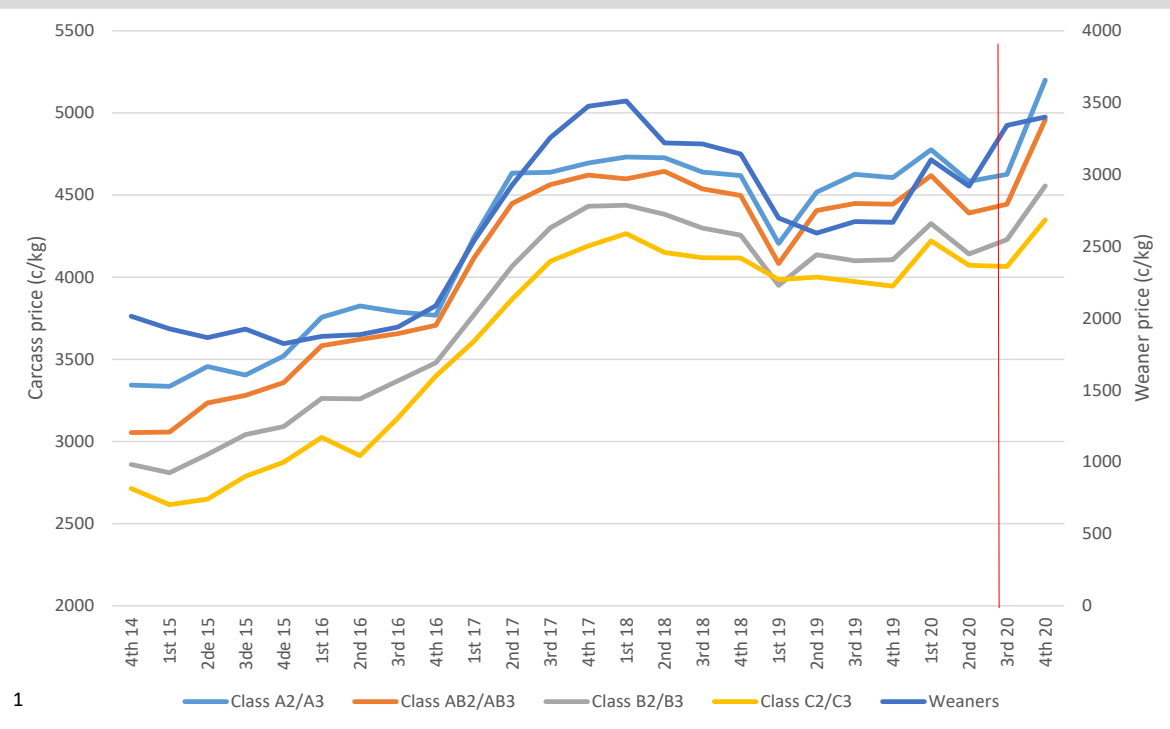
- Carcass prices remained on the same level quarter-to-quarter as well as year-on-year
- Weaner prices increased (18%) quarter to quarter and is 25% higher compared to the same time in 2019.
- Year-on-year carcass prices (A2/A3) is on the same level compared to 2019.

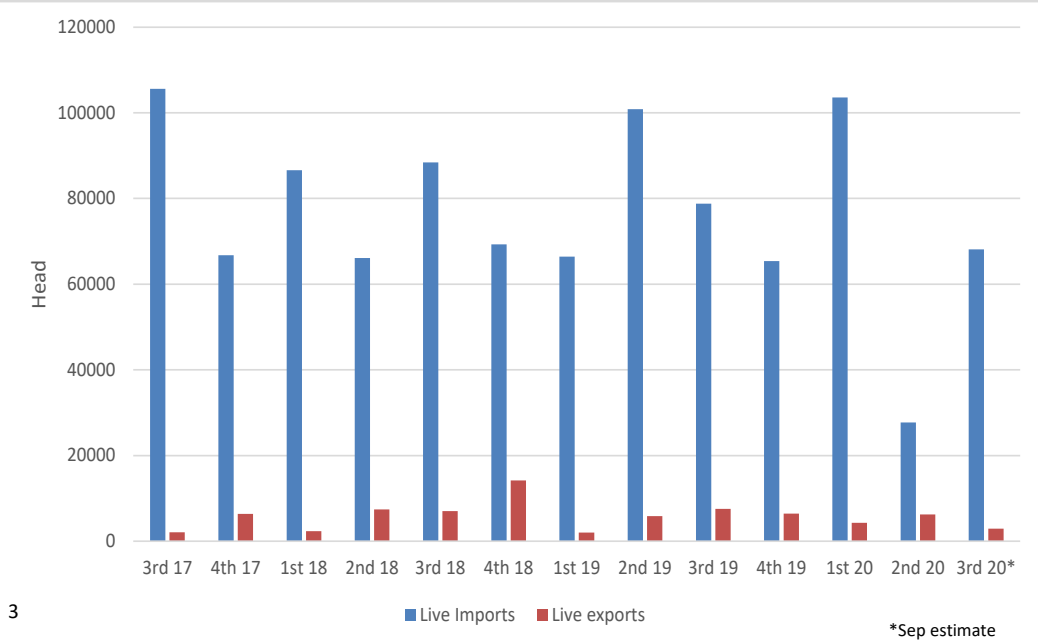
### Prices trends (1)

- Carcass prices are expected to increase towards the 4<sup>th</sup> quarter of 2020.
- Weaner prices is expected to still decline towards the fourth quarter of 2020.
- Maize prices are expected to remain increase during the short term.

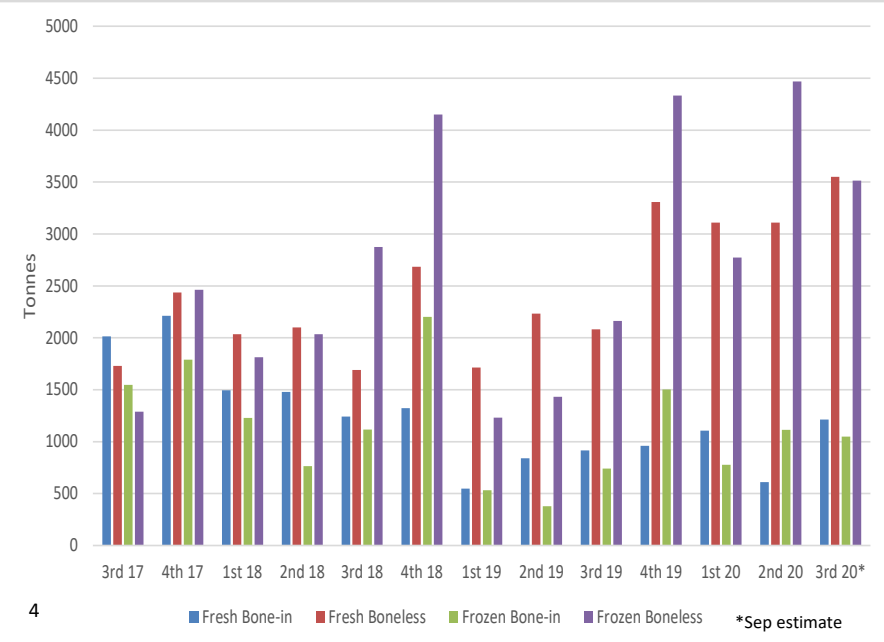
### Import parity prices (2)

- International prices increased towards the end of the 3<sup>rd</sup> quarter of 2020 (8%).

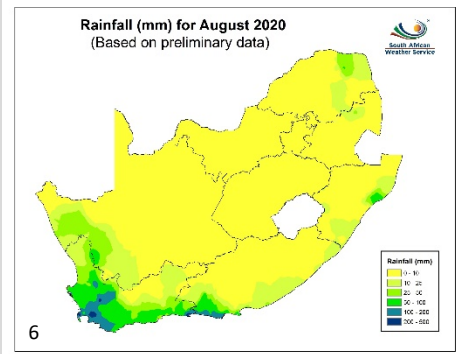
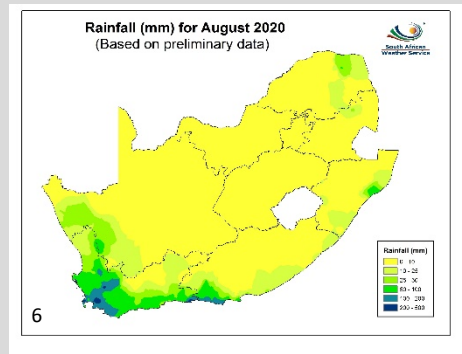
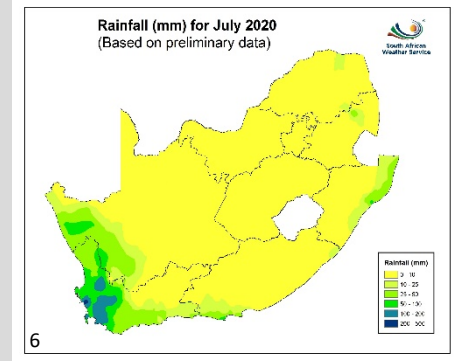




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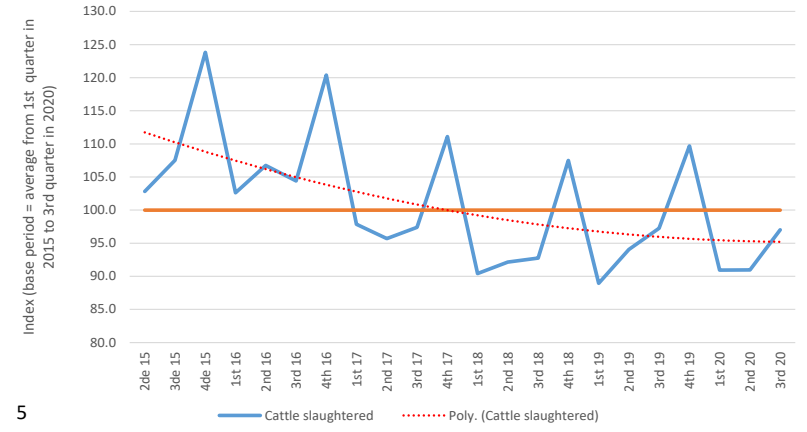


**Live animal trade (3)**

- Live import numbers increased by 145% during the third quarter of 2020 to just over 68 000 animals (Sep estimate).
- Weaner imports are expected to remain at these levels during the fourth quarter of 2020 as local demand remains strong.

**Fresh and frozen beef exports (4)**

- Fresh exports increased towards the 3<sup>rd</sup> quarter of 2020 while frozen exports declined.
- Total exports remained the same as the previous quarter with a total of just over 18 thousand tonnes of meat exported.
- Meat exports are expected to remain on the same levels during the fourth quarter.



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**Slaughter numbers (5)**

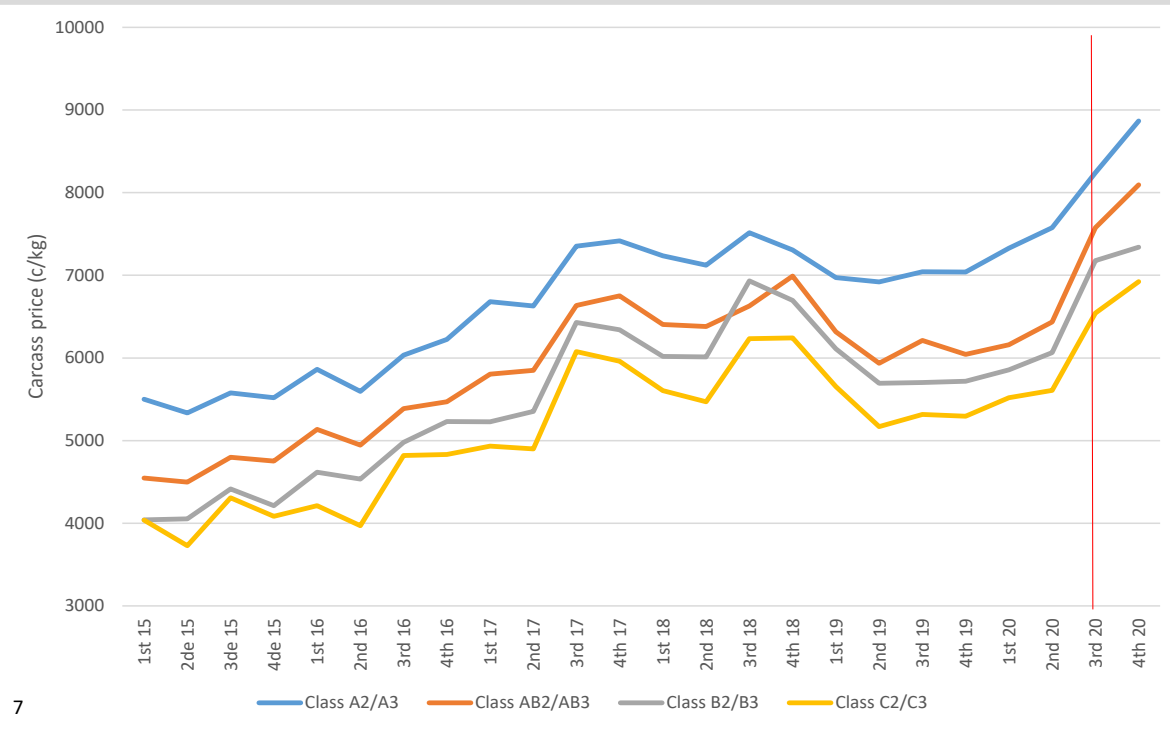
- Slaughter numbers increased towards the end of the third quarter of 2020.
- Slaughter numbers may remain low due to the decline in demand due to the current national pandemic.

**Weather conditions (6)**

- There has been no significant rain all in SA leading up until August 2020.
- The Northern Cape, Eastern Cape and the south-western parts of the Free State still remain dry.

## Mutton and Lamb

Item	3rd	2nd	3rd	Price change (%)	
	Quarter 2020	Quarter 2020	Quarter 2019	Quarter to quarter	Year on Year
<b>MUTTON</b>					
Producer prices (c/kg)					
A2/A3's	8 241	7 574	7 042	8.09	17.02
AB2/AB3's	7 575	6 435	6 213	15.05	21.91
B2/B3's	7 178	6 066	5 704	15.50	25.86
C2/C3's	6 542	5 607	5 315	14.29	23.07
Slaughter (Ave.=100)	86.2	91.5	97.6	-6.15	-11.68
Import parity NZ/AU-lamb (c/kg)	11 766	13 050	11 442	-10.91	2.83
Import parity NZ/AU-mutton (c/kg)	9 130	9 879	7 517	-8.20	21.46



## Prices

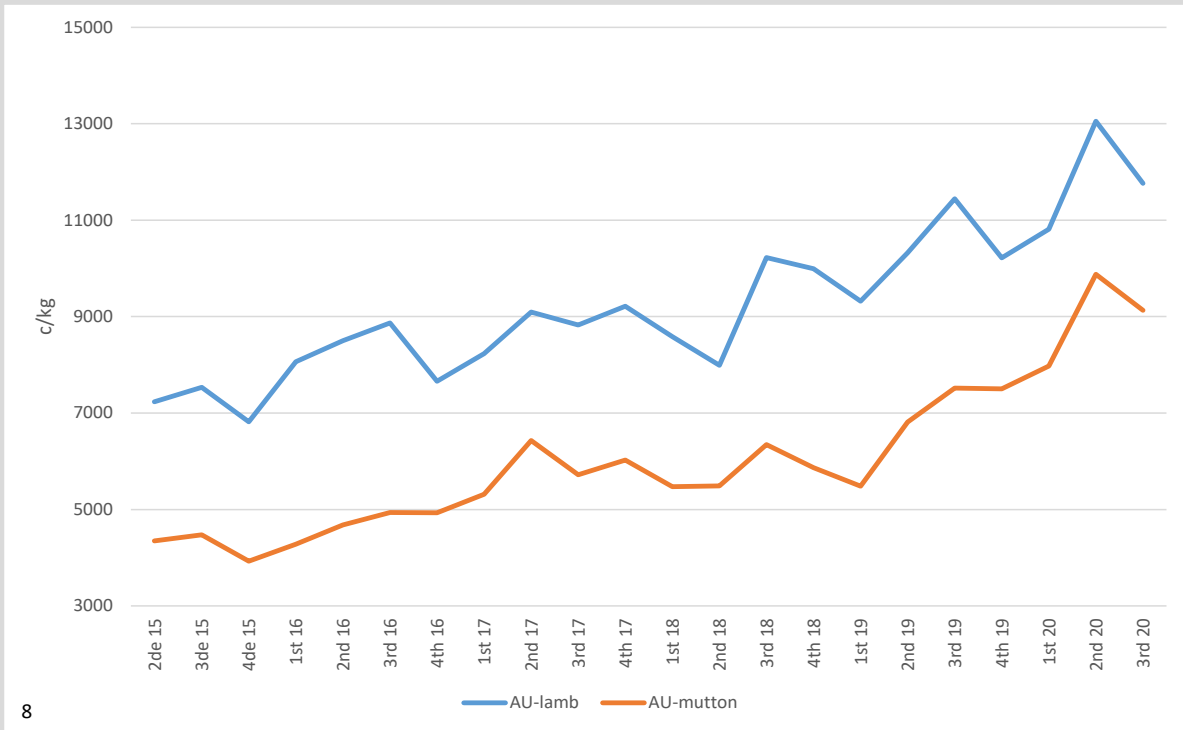
- Carcass prices had an upward movement (17% average) year-on-year.
- Prices higher levels compared to the 2<sup>nd</sup> quarter of 2020 (22%).

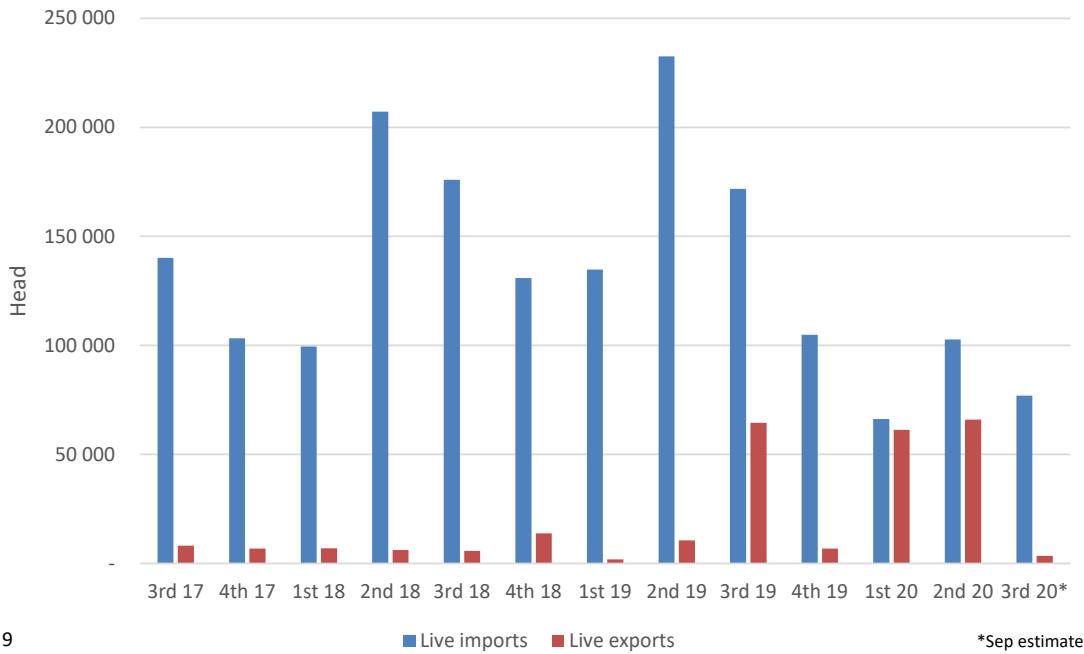
## Prices trends (7)

- Carcass prices remained high through the 3<sup>rd</sup> quarter of 2020.
- Prices are expected to remain at these levels towards the fourth quarter of 2020.
- Price declines will be driven by declining demand as consumers are price sensitive in the uncertainty caused by the outbreak of the Covid-19 pandemic.

## International prices (8)

- International mutton and lamb prices decreased during the third quarter of 2020.





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■ Live imports ■ Live exports

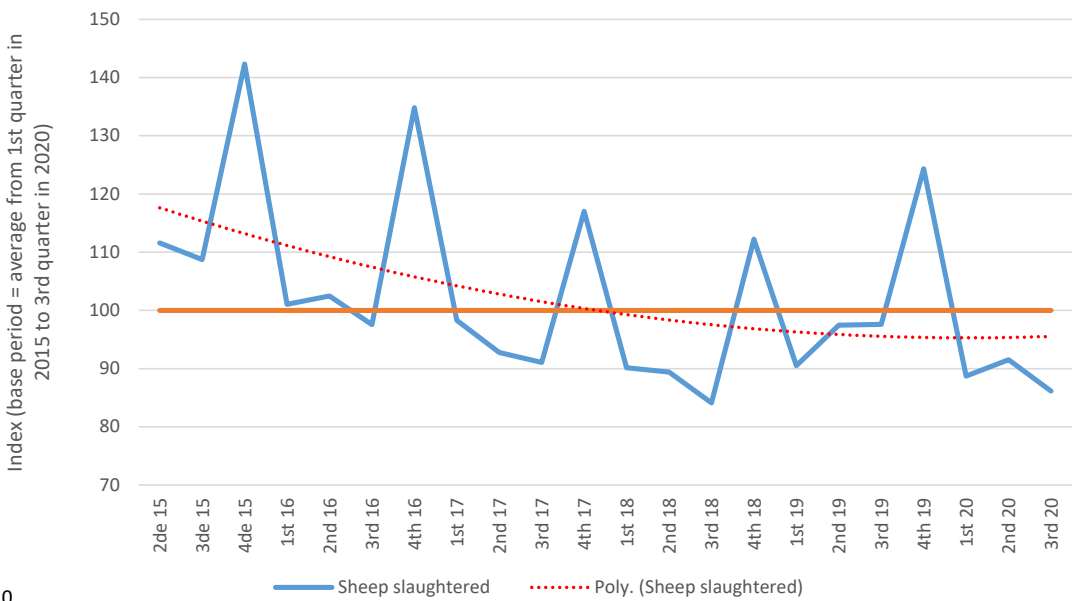
\*Sep estimate

### Live sheep trade (9)

- Live imports from mainly Namibia decreased by 25% during the 3<sup>rd</sup> quarter 2020, imports are expected to remain at these levels during the third quarter of 2020.
- The decline in exports is due to lower local supply.
- Exports of sheep are limited and will not influence the domestic market.

### Slaughter numbers (10)

- Slaughter numbers decreased towards the end of the 3<sup>rd</sup> quarter of 2020 and is expected to remain on these levels during the short term (early 4<sup>th</sup> quarter of 2020).

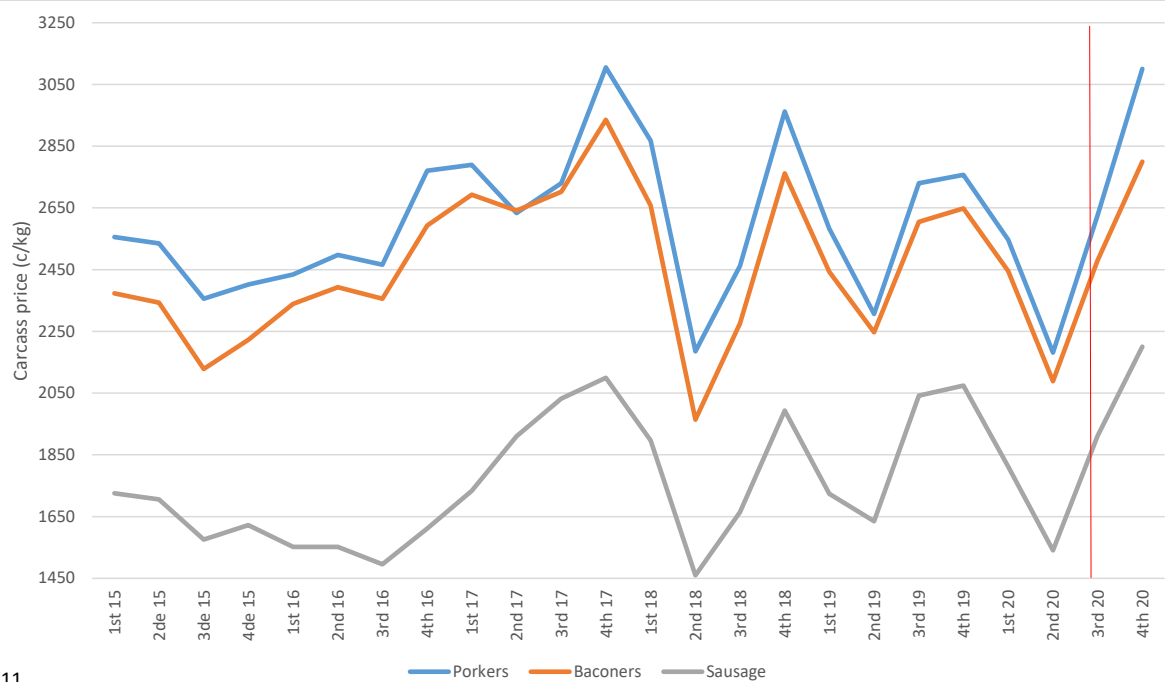


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— Sheep slaughtered ..... Poly. (Sheep slaughtered)

## Pork

Item	3rd	2nd	3rd	Price change (%)	
	Quarter 2020	Quarter 2020	Quarter 2019	Quarter to quarter	Year on Year
<b>PORK</b>					
Producer prices (c/kg)					
Porkers	2 625	2 181	2 370	16.91	10.76
Baconers	2 479	2 089	2 247	15.73	10.32
Sausages	1 911	1 541	1 635	19.36	16.88
Slaughter index (Ave.=100)	112.9	111.5	107.7	1.24	4.83
Import parity US Barrow & Gilt (c/kg)	2 049	1 996	3 359	2.59	-39.00
Import parity Germany (c/kg)	3 545	4 152	3 079	-17.12	15.13



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## Prices

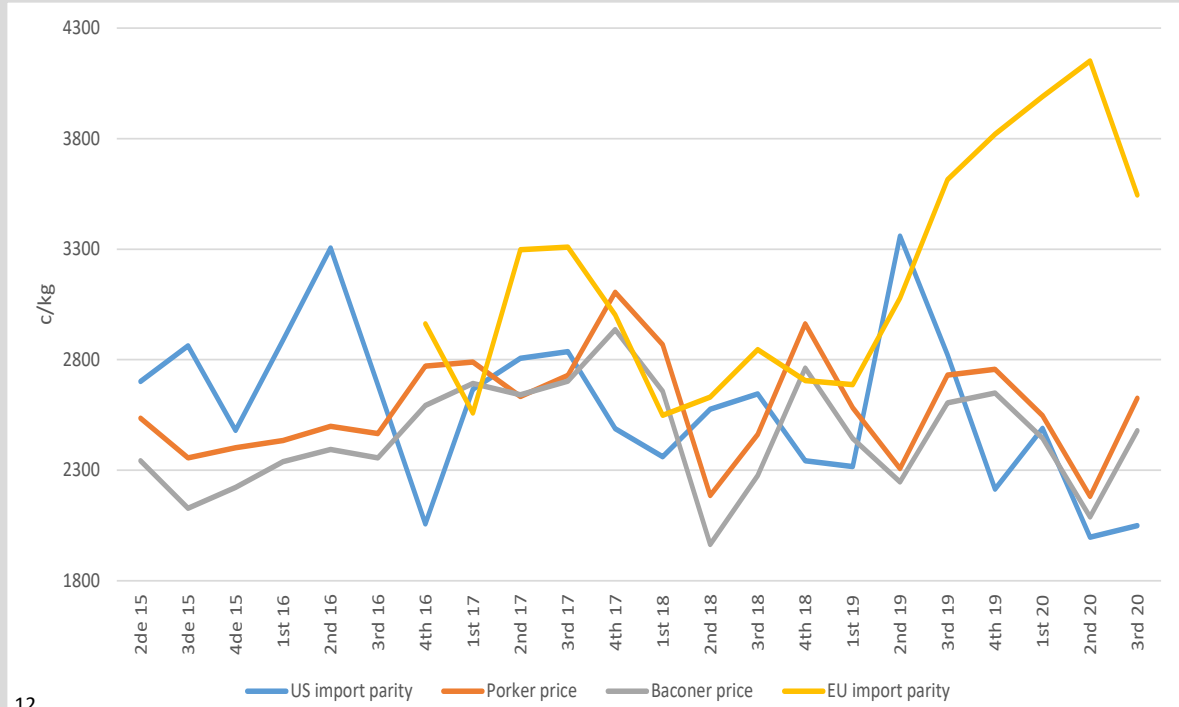
- Domestic producer prices showed increases (17% on average) from the 2<sup>nd</sup> to the 3<sup>rd</sup> quarter 2020.
- Producer are, on average 17% higher than the same time last year.

### Prices trends (11)

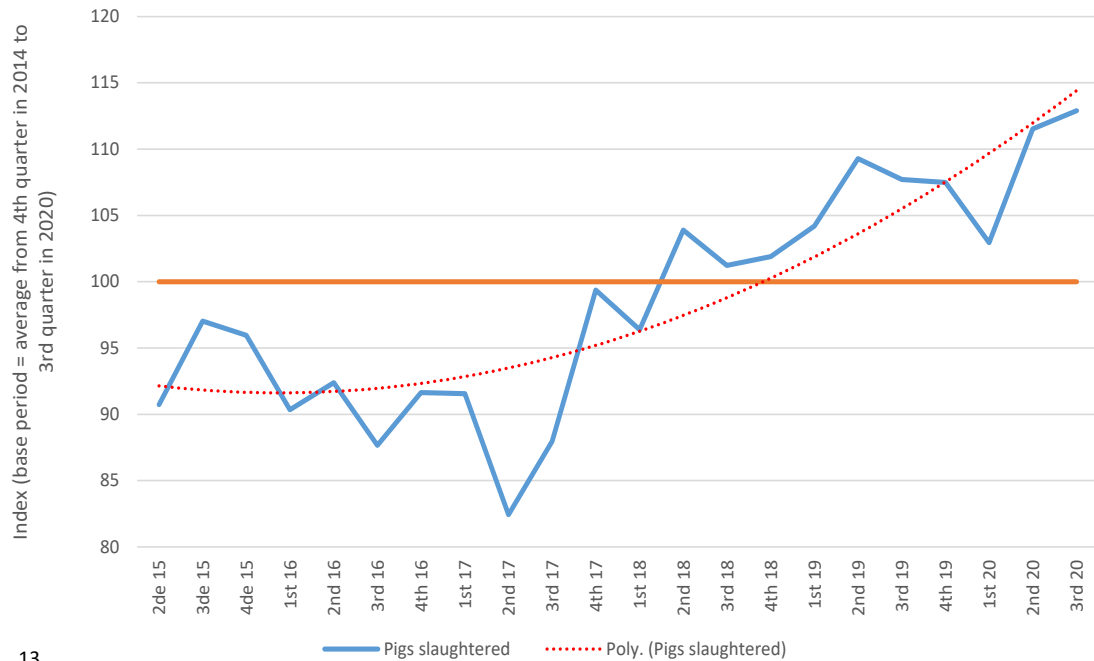
- Prices are expected to follow the seasonal trend and recover towards the end of the 4<sup>th</sup> quarter as consumers substitutes away from other red meat sources.

### International prices (12)

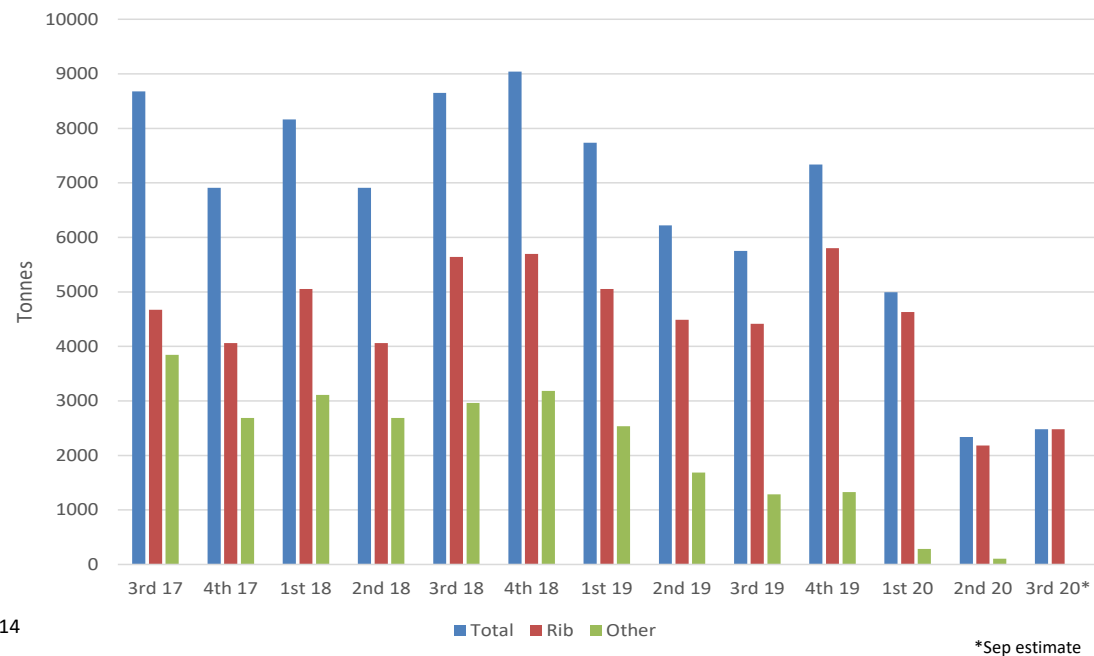
- EU price had a decreasing trend during the third quarter of 2020 while the US import parity price increased during the same time.



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### Slaughter numbers (13)

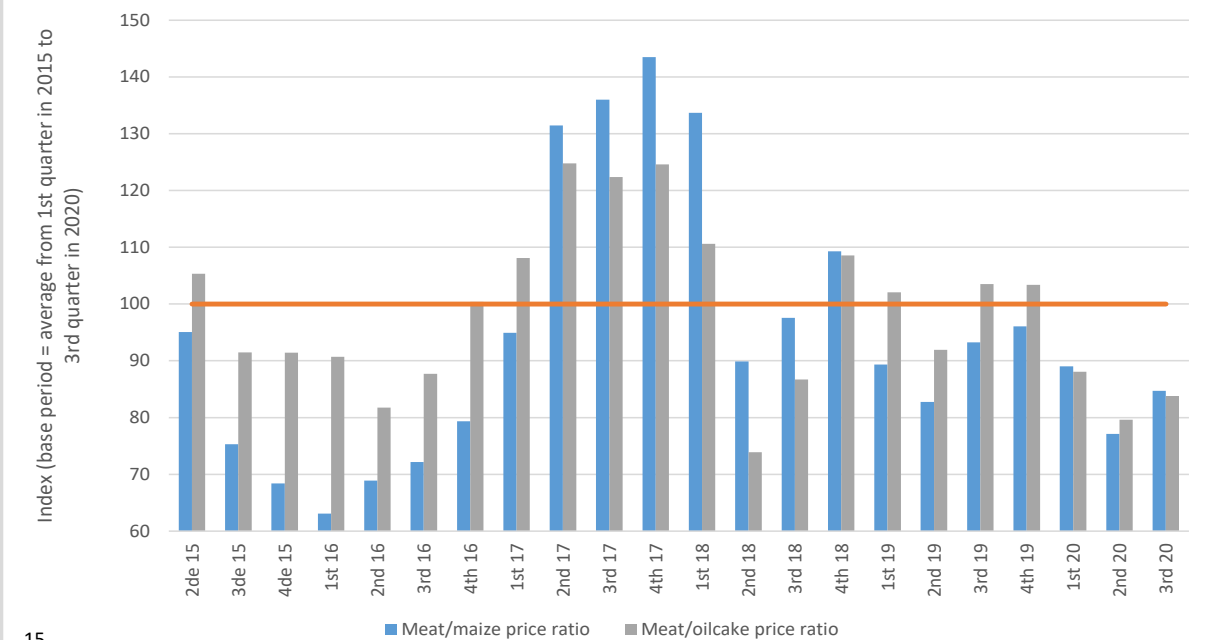
- Slaughter numbers showed an increasing trend from the 1<sup>st</sup> quarter of 2020.
- The slaughtering index are expected to further increase towards the fourth quarter of 2020.

### Trade (14)

- Imports are an important balancing factor in the local pork market as SA can not supply local demand.
- Total pork imports increased by 6% from the previous quarter (Sep estimate).
- South Africa mainly imports frozen cuts from Germany, Brazil and Spain and is mainly in the form of ribs, which were 100% of total imports during the 3<sup>rd</sup> quarter of 2020.
- Imports are expected to increase during the last quarter of 2020.

### Feed price ratio's (15)

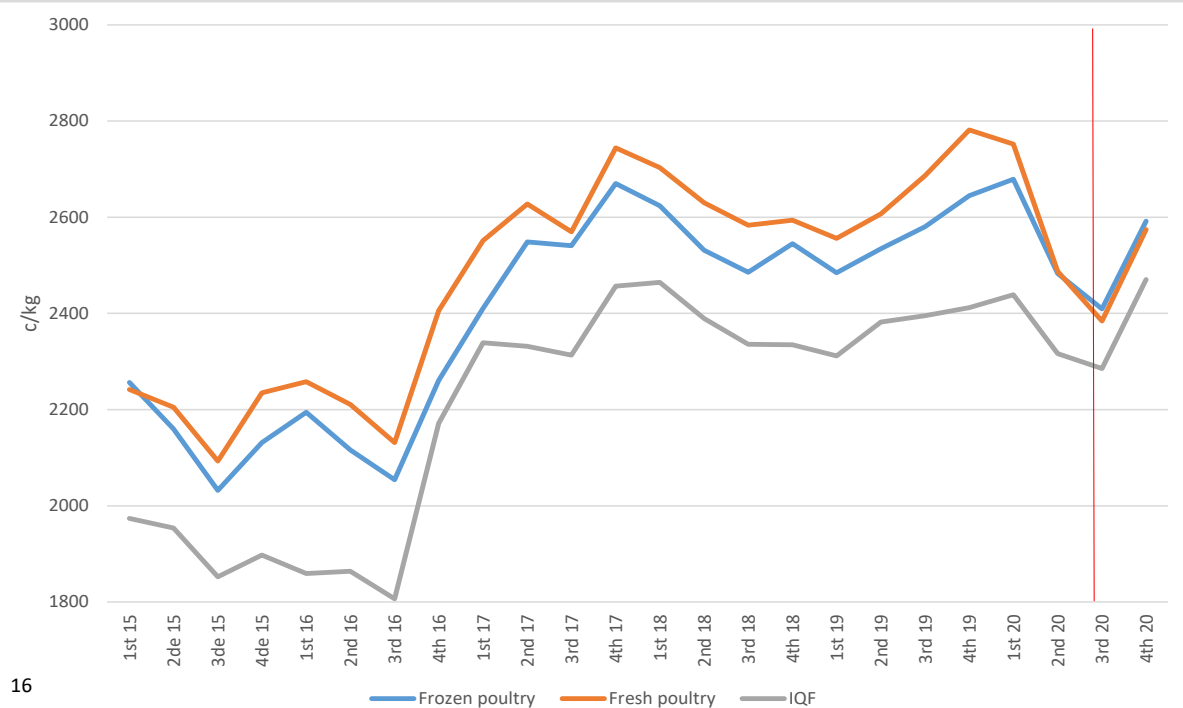
- Input prices (maize and soy oil cake) increased during the third quarter of 2020.
- Feed prices are expected to increase during the short term due to the increase in maize price locally.



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## Poultry

Item	3rd	2nd	3rd	Price change (%)	
	Quarter 2020	Quarter 2020	Quarter 2019	Quarter to quarter	Year on Year
<b>POULTRY</b>					
Producer prices (c/kg)					
Frozen chickens	2 409	2 483	2 580	-3.07	-6.63
Fresh chickens	2 384	2 497	2 686	-4.74	-11.24
IQF	2 286	2 317	2 395	-1.36	-4.55
Meat/maize price ratio	8.16	9.38	9.83	-14.95	-16.99
Meat/soy oil cake price ratio	0.34	0.4	0.47	-17.65	-27.66
Import parity (US Broilers) (c/kg)	2 614	2 898	2 790	-10.86	-6.31
Import parity leg quarters (c/kg)	2 409	2 483	2 580	-3.07	-6.63



## Prices

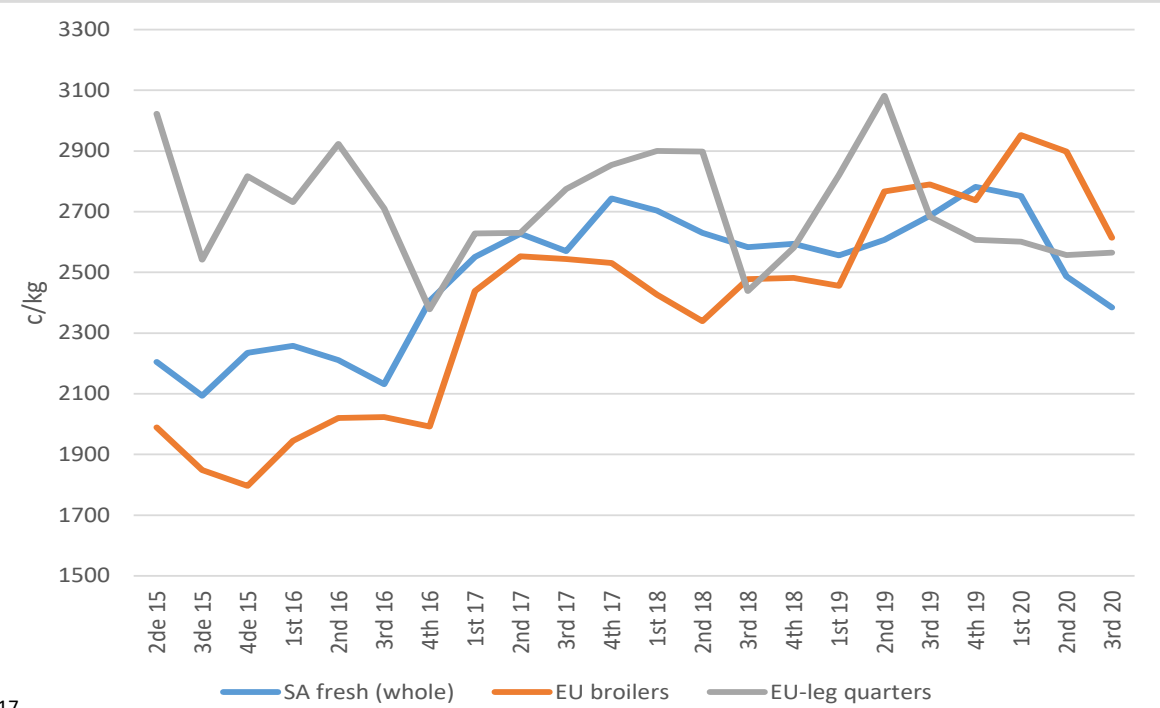
- Prices showed declines (6% on average) during the third quarter of 2020.
- Price are expected to increase towards the end of the year as demand increases.

## Prices trends (16)

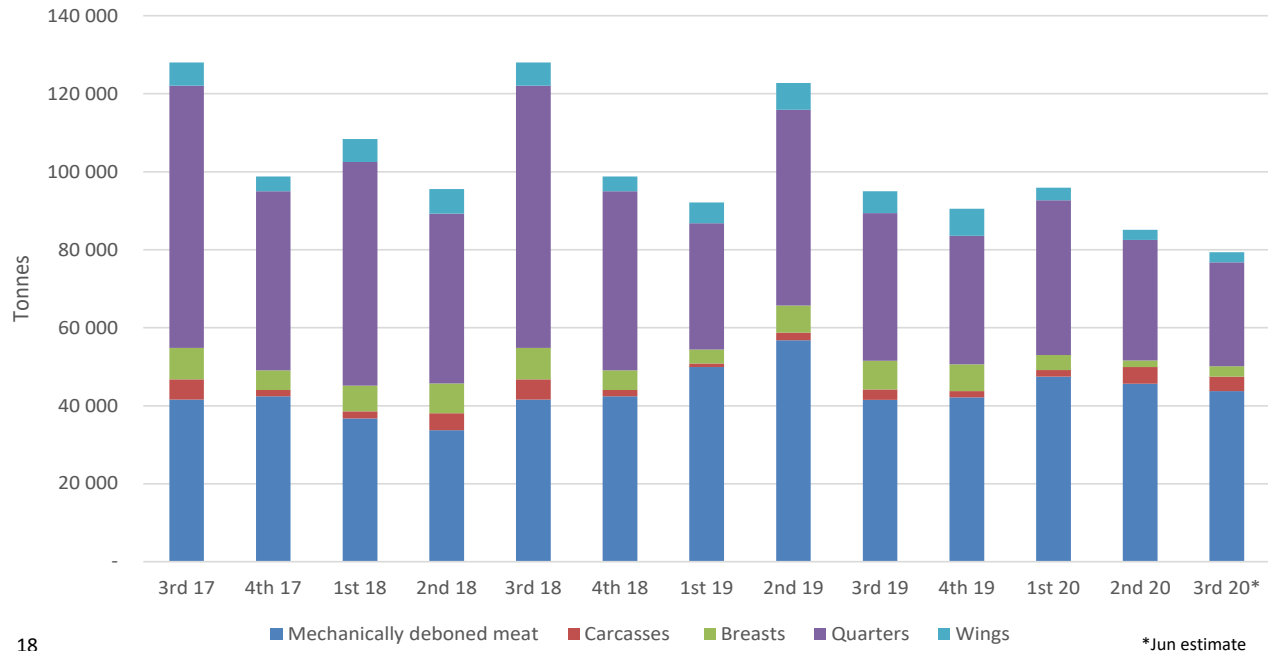
- Poultry prices are expected to increase during the short term as demand increases towards the end of the year.

## International prices (17)

- EU leg prices as well as EU broiler prices decreased during the 3<sup>rd</sup> quarter of the year.
- Local prices (SA Fresh, whole) also declined during the same time.







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### Trade (18)

- South Africa mainly imports poultry from Brazil.
- Main imported products include mechanically deboned meat (55%) and quarters (34%).
- Total imports decreased by 6.8% from the previous quarter.
- Imports are expected to remain on these levels towards the end of 2020.

#### Sources:

Trade data: SARS/Quantec  
 Red meat related: RMAA  
 Grain prices: GrainSA  
 Pork data: SAPPO & RMAA  
 Poultry data: Industry experts

#### Report compiled by:

- Dr David Spies
- E-mail - David.Spies@nwu.ac.za
- Cell: 084 514 1889

#### More info or subscriptions:

- Dr Johnny van der Merwe
- E-mail - johnny@amtrends.co.za
- Cell: 073 140 2698