

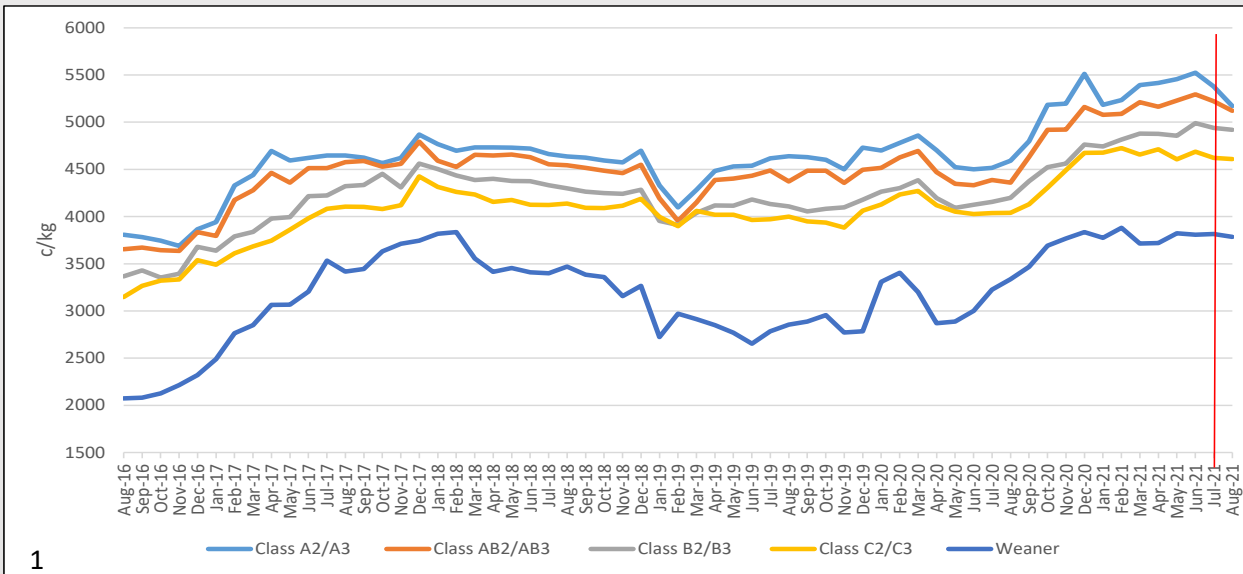
Monthly Report



Beef and Mutton

July 2021

Domestic: Weaner and carcass prices (1)



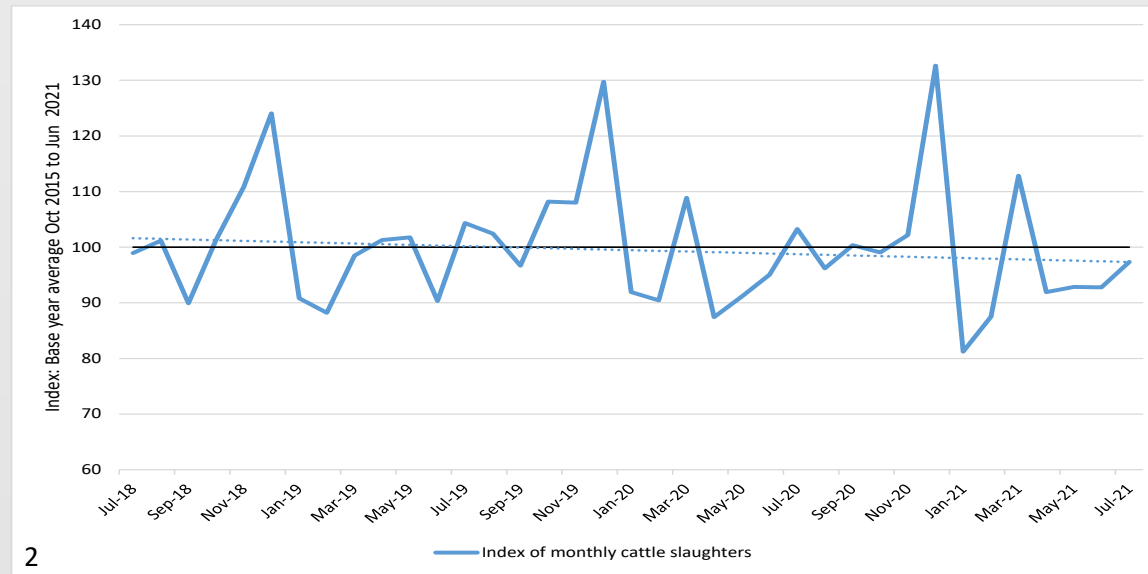
Class	Jul-20	Jun-21	Jul-21	Jul 20 to Jul 21	Jun 21 to Jul 21
Class A2/A3	4516	5524	5378	19.1%	-2.6%
Class AB2/AB3	4388	5294	5221	19.0%	-1.4%
Class B2/B3	4157	4991	4940	18.9%	-1.0%
Class C2/C3	4038	4687	4623	14.5%	-1.4%
Weaner	3225	3808	3815	18.3%	0.2%
Average				17.9%	-1.2%
YM	2679	3288	3354	25.2%	2.0%

*Weaner prices used in calculations excludes sales commission

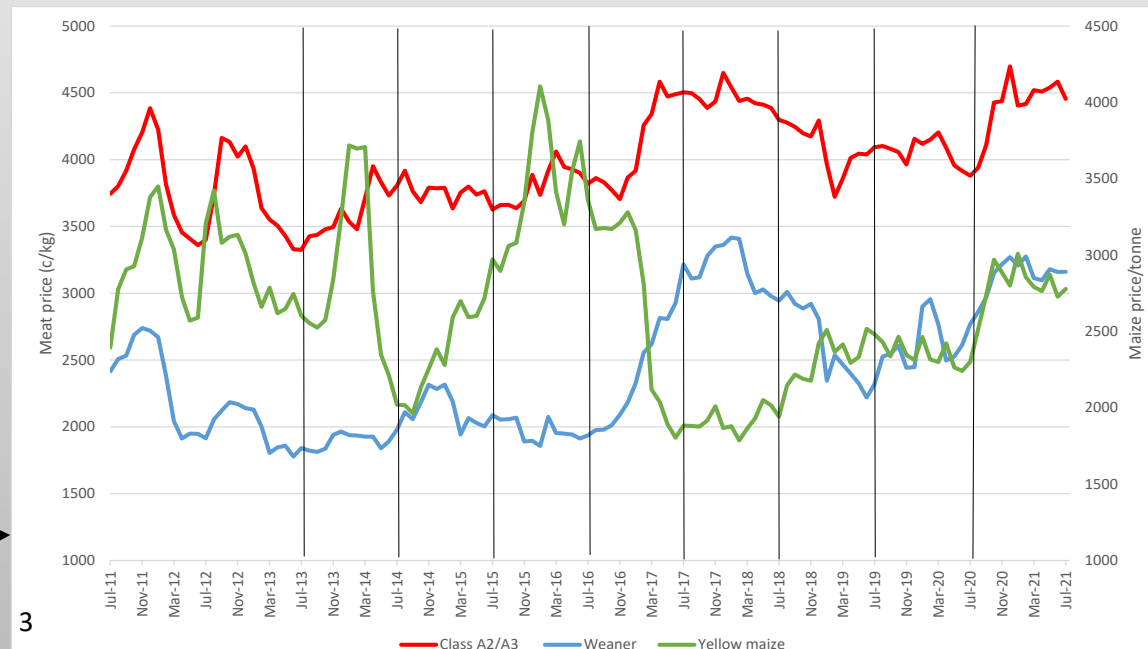
- Weaner prices moved sideways during July (up 0.2%) the price is expected to decline towards the end of August.
- On average carcass prices are 18% higher year-on-year while weaner prices are 18.3% higher compared to the same time last year.
- Carcass prices (A2/A3) are lower (2.6%) compared to June and it is expected to decline towards the end of August as supply remain high.

- The yellow maize price traded 2% higher during July and averaged R3 354/tonne during this time.
- Maize prices are expected to increase during the short term volumes in the USA is lower as expected and still dry conditions in certain regions might have a negative impact on expected volumes domestically.

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

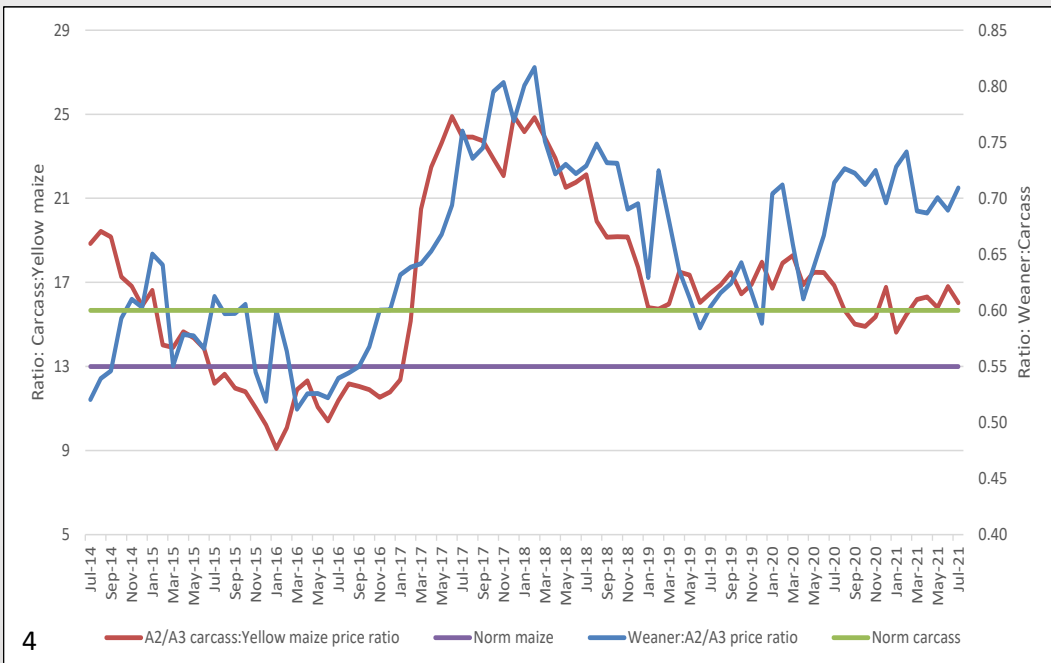


- Aggregate commercial slaughter numbers increased by 4.6 index points form June to July.
- Slaughter numbers are expected to increase towards the end of August.



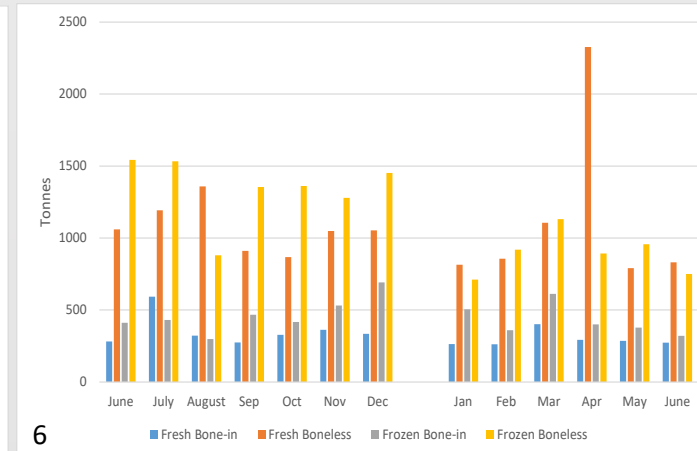
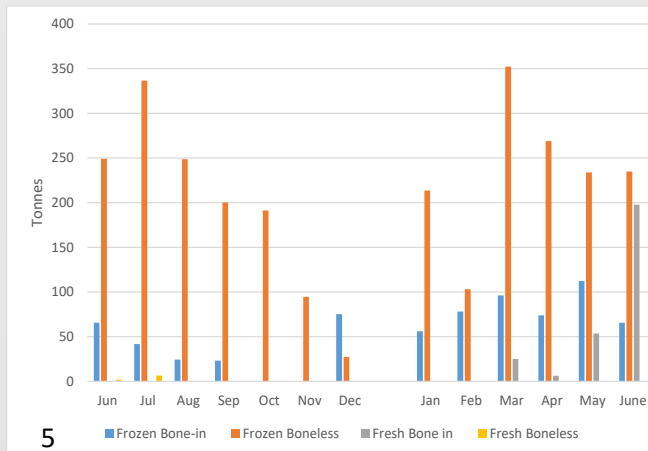
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Domestic: Carcass: Yellow maize and Weaner: Carcass price ratio's and carcass price ratio's (4)

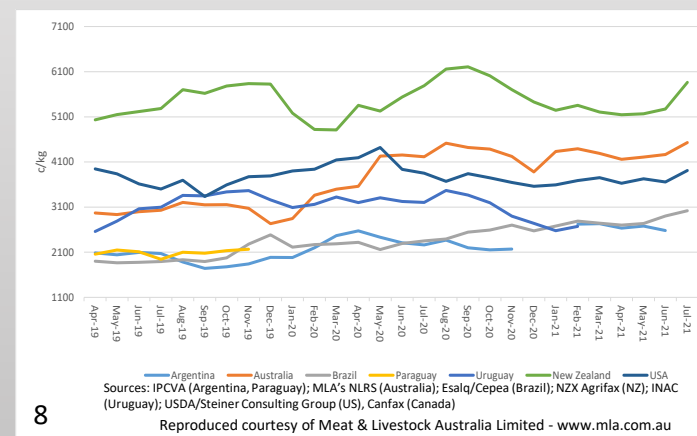
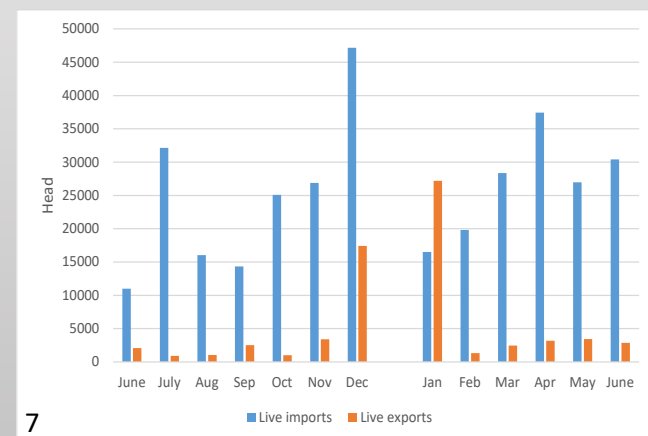


- Weaner prices moves sideways during July (0.2% up) while the A2/A3 carcass price declined (2.6%) during the same time.
- Weaner prices are expected to decrease during the short term as supply increases.
- The sideways movement in the weaner price during July combined with a small decrease in the A2/A3 carcass price resulted in a weaner:carcass price ratio of 0.71; which is higher than the long term average ratio of 0.60.
- The slightly higher yellow maize price in combination with little movement in the A2/A3 carcass price resulted in a maize to carcass price ratio of 16.
- The ratio is expected to increase during the short run as weaner prices are expected to decline while maize prices are expected to recover some.

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

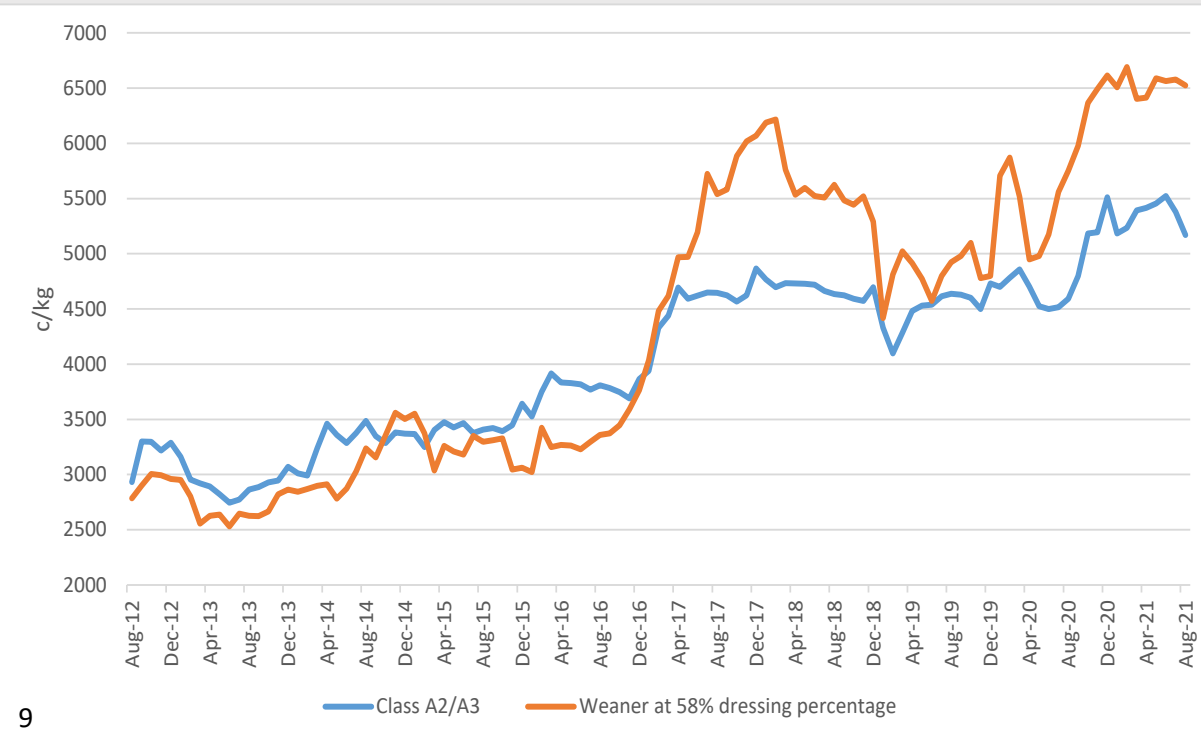


- Frozen boneless imports remained on the same level as the previous reporting month with 234 tonnes imported during June.
- Total fresh exports increased (2.4%) to a total of 1104 tonnes of fresh meat exported during June.
- Frozen exports (international markets) decreased by 19% from May with a total of 1071 tonnes exported during June.
- 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 increased from May (12.6%), with 20 392 animals imported during June.
- Live exports totalled 2870 animals during June.
- All international prices showed increasing trends during July.

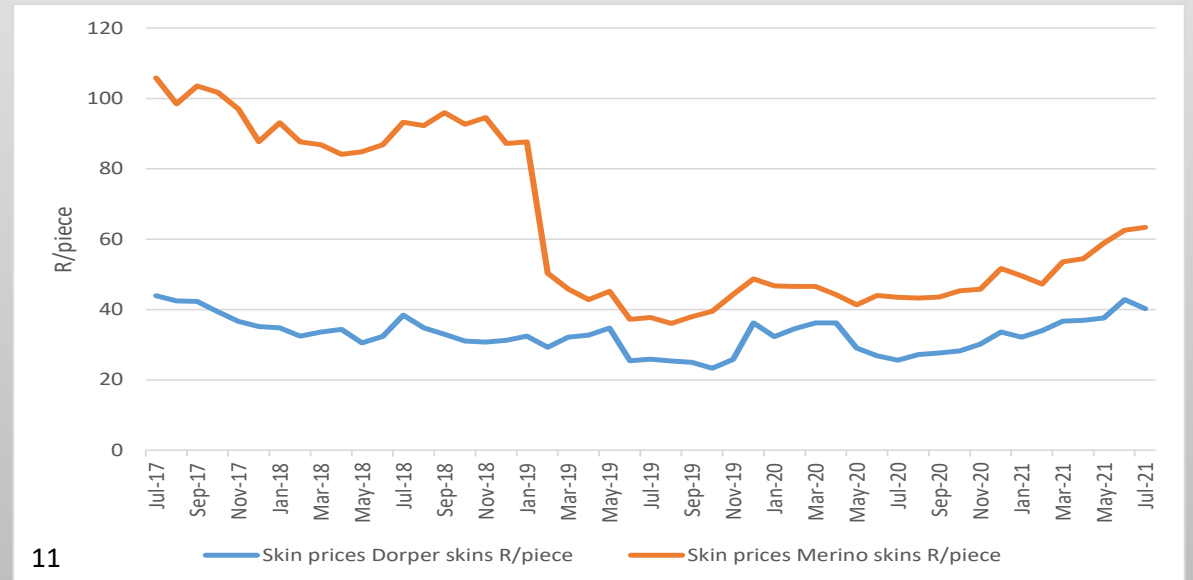
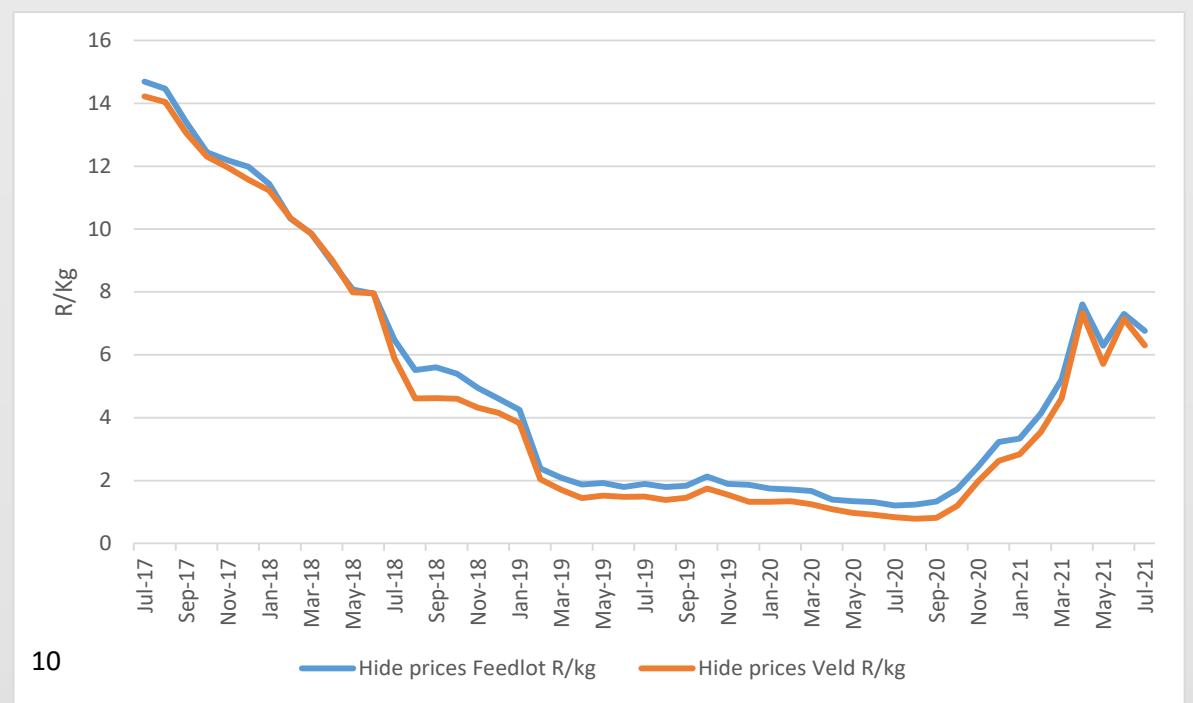
Weaner (as expressed as carcass price) and A2/A3 carcass price trends. (9)



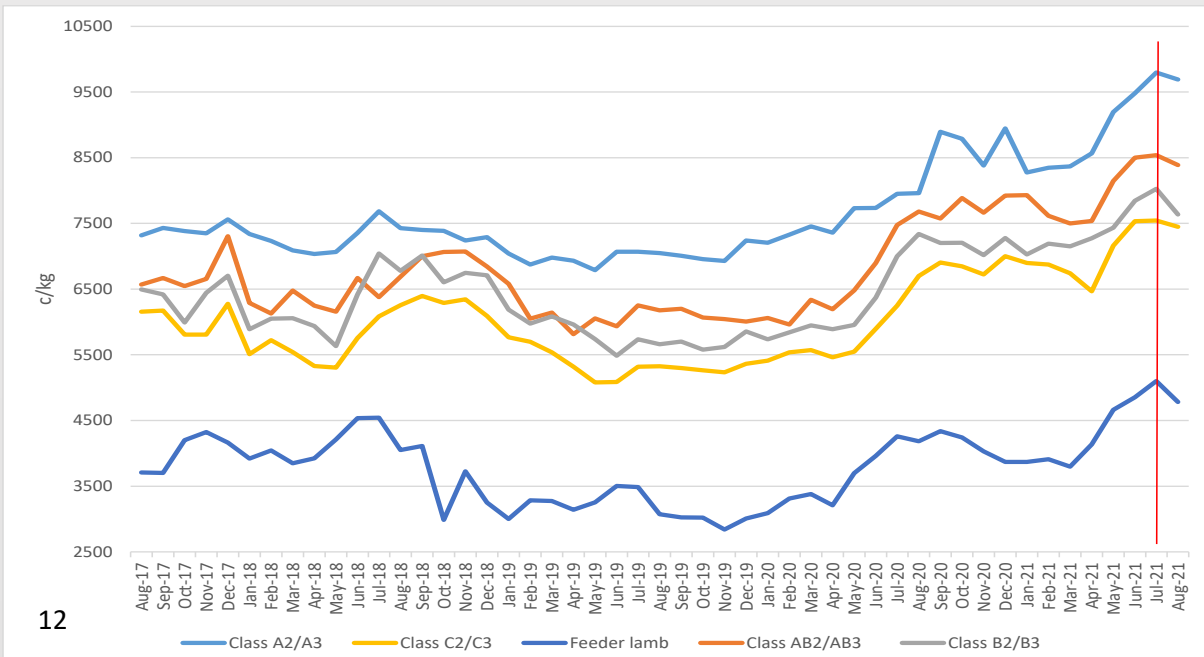
- Figure 9 shows the weaner price expressed in carcass (A2/A3) equivalent given a 58% dressing percentage.
- Weaner prices moved sideways while carcass prices declined during July.
- Expected decreases in A2/A3 carcass prices combined with slower decreases in the weaner price during the short term will 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 will decrease at a slower rate than carcass prices.

- Hide prices remains on the current low trend due to the ongoing export ban.
- Feedlot and veld hide prices decreased during July and are currently trading at R6.77/kg and R6.30/kg respectively.
- Dorper and Merino skins are currently trading at by R40.24 and R63.38 a piece respectively.

Hide (10) and Skin (11) prices



Domestic: Mutton and lamb carcass prices (12)

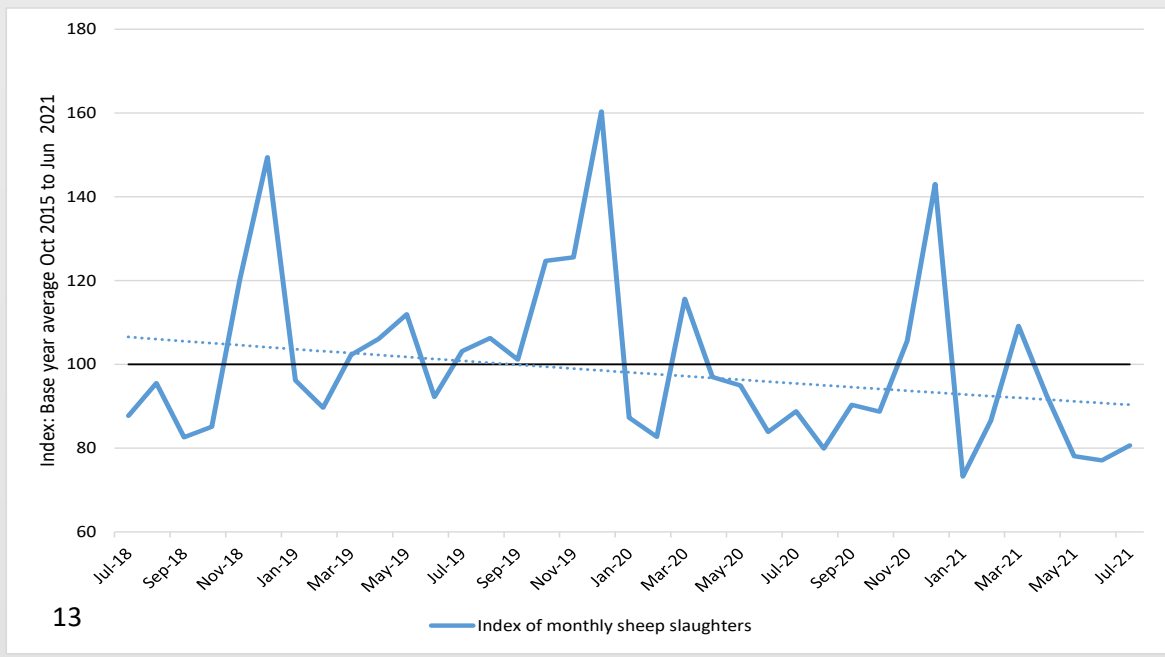


	Jul-20	Jun-21	Jul-21	Jul 20 to Jul 21	Jun 21 to Jul 21
Class A2/A3	7951	9483	9795	23.2%	3.3%
Class AB2/AB3	7475	8502	8539	14.2%	0.4%
Class B2/B3	7000	7846	8026	14.7%	2.3%
Class C2/C3	6247	7535	7544	20.8%	0.1%
Feeder lamb	4258	4854	5100	19.8%	5.1%
Average				18.5%	2.2%

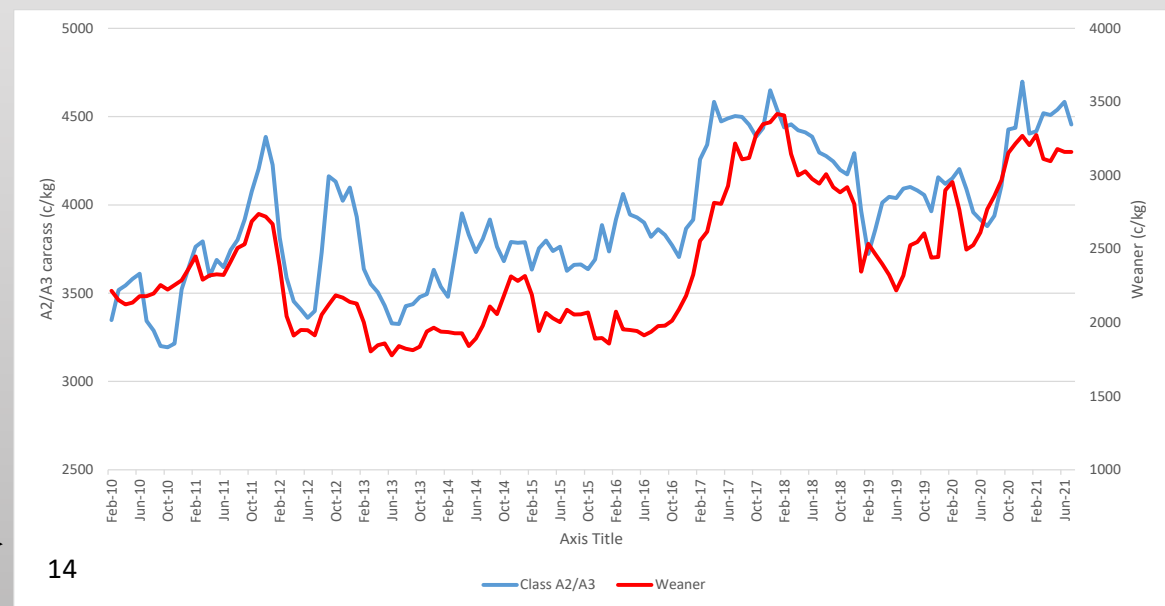
- Feeder lamb prices increased (5.1%) month-on-month, year-on-year feeder lamb prices are trading 19.8% higher; feeder lamb prices are expected to decline towards the end of August as supply is high.
- Carcass (A2/A3) prices increased by 3.3% from the previous month; supply are high with declining demand, carcass (A2/A3) prices are expected to decrease towards the end of August.

- The real (deflated with the CPI; 2016 = 100) price trend for lamb as well as A2/A3 beef carcass prices declined towards the end of July.

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

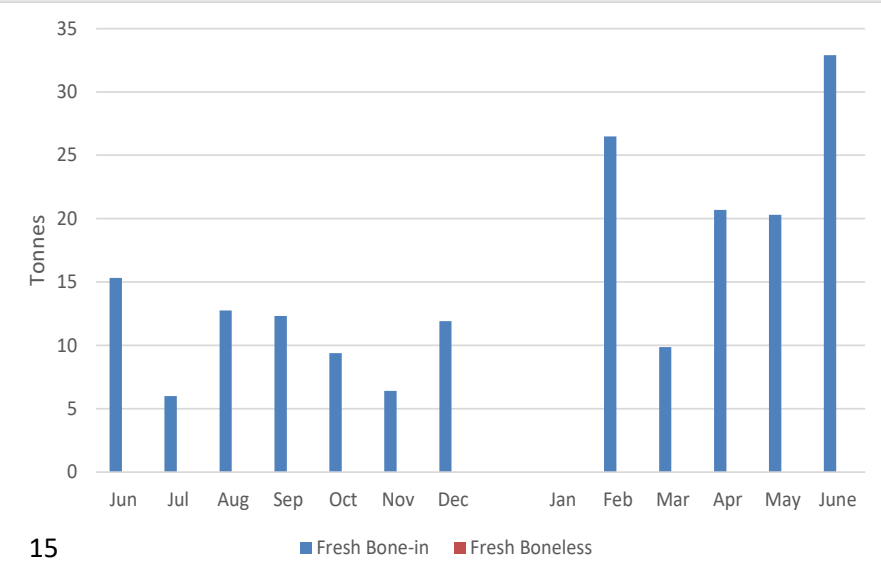


- Aggregate commercial slaughter numbers are up 3.6 index point from June to July.

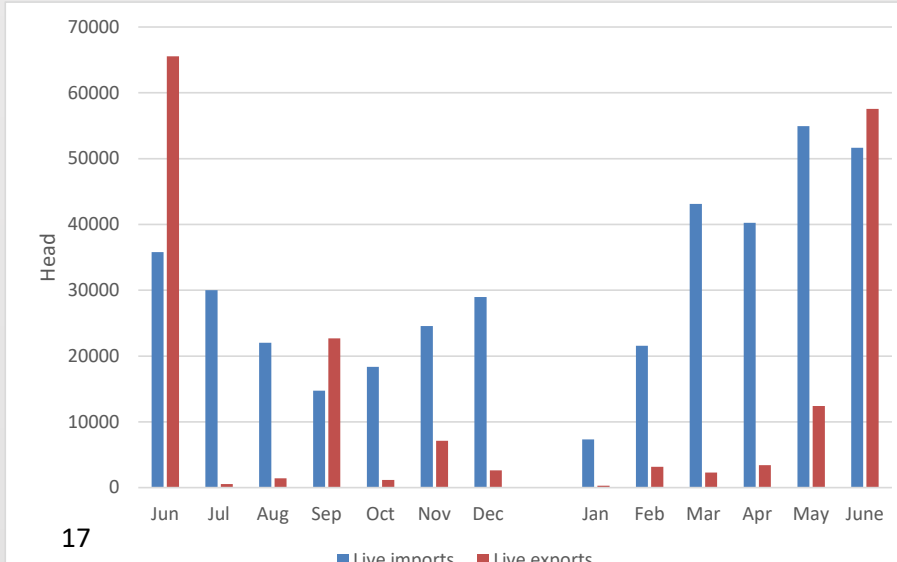


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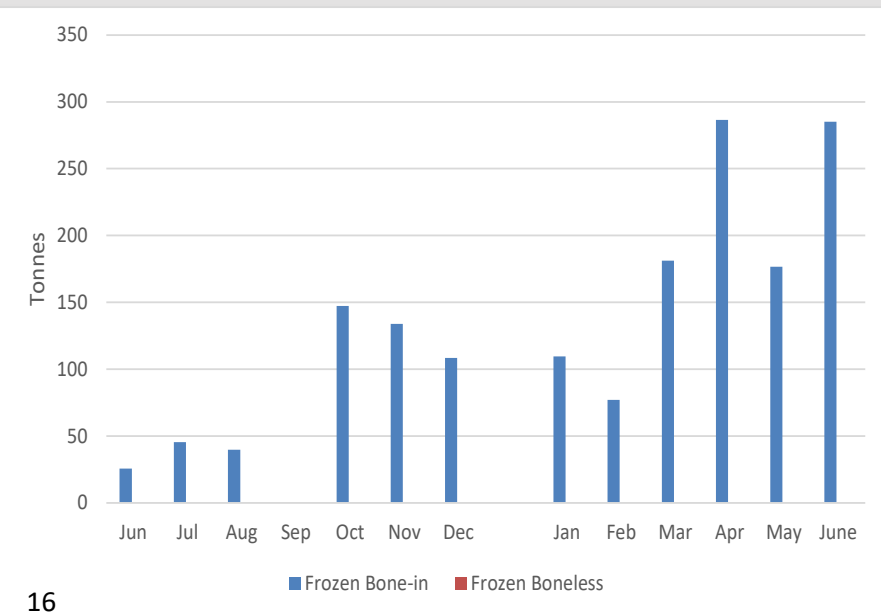
Trade: Fresh (15) and Frozen (16) lamb imports; live sheep and goat trade (17) and Australian mutton and trade lamb prices (18)



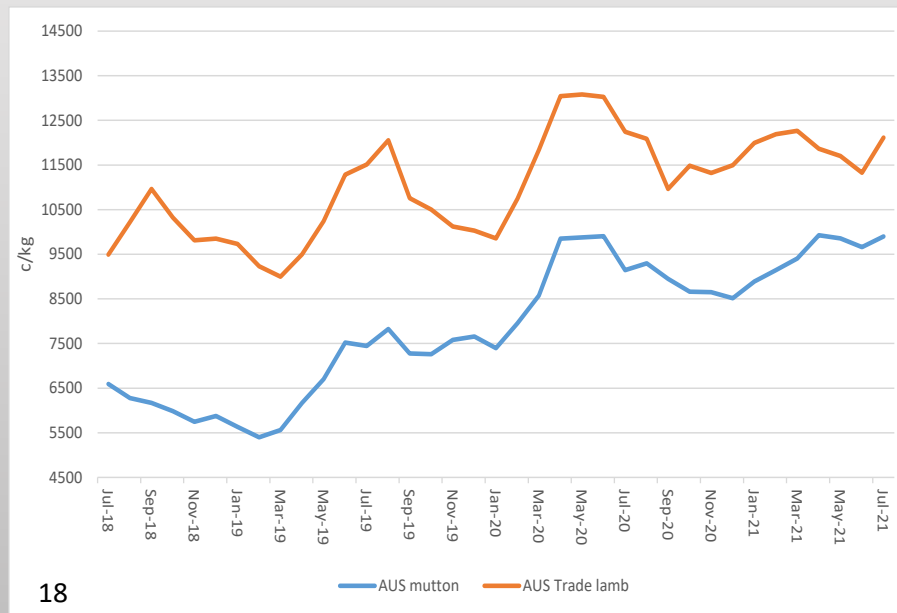
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- South African sheep and lamb trade is limited to imports (exports are very small volumes).
- The majority of the imports consists of mainly fresh carcasses and half carcasses and bone-in cuts.
- Fresh Bone-in imports totalled 33 tonnes during June.
- Frozen bone-in imports totalled 285 tonnes during June compared to 177 tonnes during May.
- Live imports (mainly from Namibia) declined by 6% from May (55 thousand animals) to June (52 thousand animals).
- Live exports totalled 57 548 animals during June, with just over 56 800 animals destined for Kuwait.
- International prices - Australian mutton prices increased during July (2.4%) while trade lamb prices increased (7%) during the same period.

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

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