



## Agri Trends: Livestock and Hide Report

### Hide prices continue their recovery

**Beef:** Compared with the previous week, the prices of rump and chuck decreased 4.0% and 4.9%, respectively, and the prices of topside and striploin decreased 3.7% and 1.0%, respectively. The most notable price decline this week was for Brisket, which dropped 8.7% to USD199/cwt. The local weaner calf price has been trading upwards in recent weeks due to high demand; however, this week saw a price decrease.

**Mutton:** The price of lambs and ewes in New Zealand remained unchanged compared with the previous week at NZD7.10/kg and NZD4.83/kg, respectively. New Zealand sales to China and the US increased in September as importers prepare for winter lamb consumption. The national average Class A carcass lamb price decreased 3.2% to R87.09/kg and the average Class C carcass price dipped 0.7% to R64.91/kg in the local sheep meat market this week.

**Pork:** The US pork carcass price increased 2.6% in the international pork market compared with the previous week. Germany has reported four new cases of African Swine Fever in its wild boar population; this brings the total number of confirmed cases to 69 since the first case on 10 September 2020. The average price of porkers remained the same compared with the previous week at R30.37/kg, while the average price of baconers rose 0.6% to R28.99/kg week-on-week.

**Poultry:** The price of US whole birds increased 2.9% week-on-week, while the price of US chicken breasts remained unchanged compared with the previous week at USD70/lb. Poultry farmers across the UK are being warned to take action to prevent and prepare for winter bird flu outbreaks. The average price of frozen birds and fresh whole birds decreased 1.4% and 1.0% to R25.58/kg and R26.23/kg, respectively, in the local poultry market this week. Poultry prices are being pressured mid-month as consumer demand lessens.

**Hides:** The average price of hide increased 10.3% to R1.50/kg from last week. The domestic hide price was at such a low level that any improvement in price is dramatic. Expectations among industry members are that prices will continue to see an improvement in the coming months until reaching a more sustainable level where prices will then likely hold.

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## Beef Market Trends

### International Beef Market

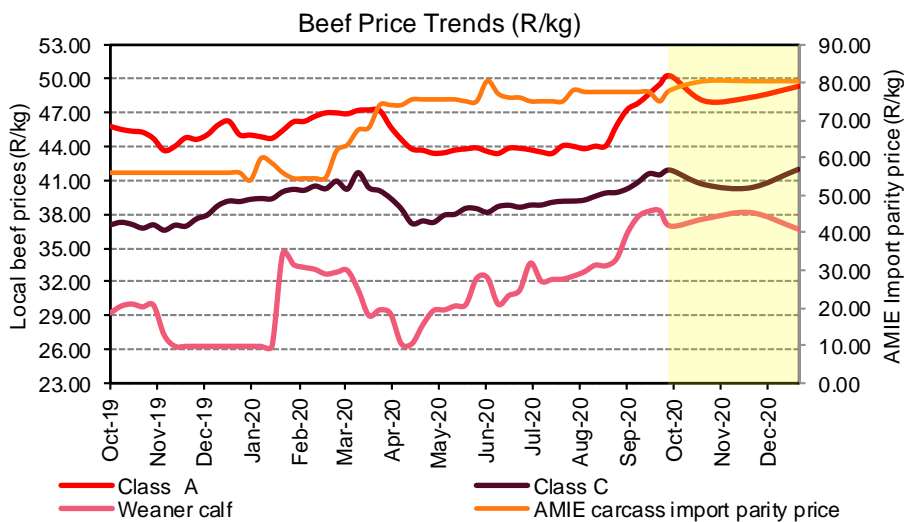
Compared with the previous week, the prices of rump and chuck decreased 4.0% and 4.9%, respectively, and the prices of topside and striploin decreased 3.7% and 1.0%, respectively. The most notable price decline this week was for Brisket, which dropped 8.7% to USD199/cwt, resulting in prices 27.7% lower compared with a year ago. The price for steers dipped 0.5% and the price of cows fell 1.2% in New Zealand. Manufactured beef producers in New Zealand are concerned about demand, as US demand for imported manufactured beef is weak and the Chinese market is being supplied by cheaper South American imports.

	US Beef Topside USD/cwt	US Beef Rump USD/cwt	US Striploin USD/cwt	US Beef Chuck USD/cwt	US Brisket USD/cwt	US Beef Carcass Equivalent USD/cwt	NZ Steers NZc/kg	NZ Cows NZc/kg
Price	205.00	273.51	570.00	214.00	199.00	279.57	552.00	410.00
w/w	-3.7%	-4.0%	-1.0%	-4.9%	-8.7%	-4.2%	-0.5%	-1.2%
m/m	-6.4%	-4.0%	-12.2%	-9.1%	-13.1%	-10.9%	-1.3%	-1.9%
y/y	-3.3%	-1.6%	13.6%	2.9%	-27.7%	-3.1%	-9.1%	-12.4%

### Local Beef Market

Average Class A prices increased 1.5% to R50.25/kg in the local market last week, while Class C prices rose 1.0% to R41.89/kg week-on-week. The local weaner calf price has been trading upwards in recent weeks due to high demand; however, this week saw a price decrease of 3.6% compared with the previous week as demand eased slightly. Current weaner prices are 26.4% higher than a year ago.

	R/USD	R/NZD	Class A (R/kg)	Class C (R/kg)	Beef Contract Price (includes hides) (R/kg)	Weaner Calf (R/kg)	NZ Cows Carcass Equivalent 0-1 mm (R/kg)	AMIE Carcass Import Parity Price for Beef Trimmings (R/kg)
Price	16.55	10.96	50.25	41.89	50.25	36.93	78.28	78.00
w/w	-1.9%	-1.4%	1.5%	1.0%	1.5%	-3.6%	-2.6%	4.0%
m/m	-1.3%	-1.9%	6.3%	4.1%	6.1%	1.6%	-3.8%	0.6%
y/y	9.6%	15.2%	9.8%	13.1%	9.2%	26.4%	0.9%	39.3%



### Outlook

International beef prices are expected to remain relatively stable in the short term.

Continued high grains and oilseeds prices will have a negative impact on animal feed costs for livestock producers. Easing of demand would result in price pressure causing the current high beef prices to decline.

\*Last 3 points 3 months forecast

# Sheep Market Trends

## International Sheep Meat Market

The price of lambs and ewes in New Zealand remained unchanged compared with the previous week at NZD7.10/kg and NZD4.83/kg, respectively. New Zealand lamb and ewe prices are down 17.7% and 15.3%, respectively, compared with a year ago. The price of mutton ribs remained the same, while the price of mutton shoulders increased by 2.7% this week compared with a week ago. New Zealand sales to China and the US increased in September as importers prepare for winter lamb consumption.

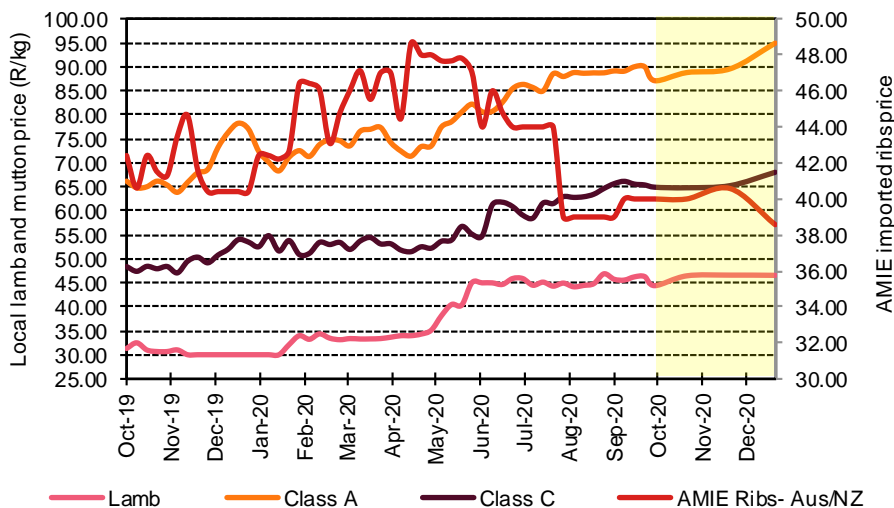
	NZ Lamb Price (NZD/kg)	NZ Ewe Price (NZD/kg)	Import Parity NZ Lamb (R/kg)	Import Parity NZ Ewe (R/kg)	NZ Mutton Ribs (R/kg)	NZ Mutton Shoulders (R/kg)
Price	7.10	4.83	86.41	63.02	39.99	76.99
w/w	0.0%	0.0%	-1.4%	-1.4%	0.0%	2.7%
m/m	0.3%	1.5%	-1.6%	-1.0%	2.6%	-0.01%
y/y	-17.7%	-15.3%	-3.6%	-0.4%	-5.7%	5.6%

## Local Sheep Meat Market

The national average Class A carcass lamb price decreased 3.2% to R87.09/kg and the average Class C carcass price dipped 0.7% to R64.91/kg in the local sheep meat market this week. Feeder lamb prices are 4.1% lower compared with prices a week ago, with prices 41.8% higher compared with prices last year. Prices of dorper skins were down 1.3% to R28.28/skin week-on-week, while prices of merino skin dropped by 11.3% week-on-week to R42.86/skin. Prices of dorper skin and merino skin were 21.2% and 9.1% higher than a year ago.

	R/NZD	Class A (R/kg)	Class C (R/kg)	Feeder Lamb (R/kg)	Dorper Skin (R/skin)	Slaughtering
Price	10.96	87.09	64.91	44.42	28.28	9653
w/w	-1.4%	-3.2%	-0.7%	-4.1%	-1.3%	-6.2%
m/m	-1.9%	-2.3%	-1.1%	-2.9%	2.9%	32.2%
y/y	15.2%	31.6%	34.1%	41.8%	21.2%	-22.7%

Lamb and Mutton Price Trends (R/kg)



\*Last 3 points 3 months forecast

## Outlook

Improved demand levels in the global market for red meat products would provide support for lamb and mutton prices.

Local lamb and mutton prices are expected to trade sideways to lower, in line with seasonality. The strong demand for lamb and mutton in the market lately appears to be easing and this would have an impact on prices.

# Pork Market Trends

## International Pork Market

The US pork carcass price increased 2.6% in the international pork market compared with the previous week. The price of US pork loins and ribs increased 6.1% and 5.5%, respectively, week-on-week. The price of ham rose 0.3% week-on-week. The import parity price of ham decreased 1.7%, while the import parity price of pork ribs increased 2.7% week-on-week. China is rebuilding their pig herd, which is the largest in the world, causing global soybean prices to increase. Germany has reported four new cases of African Swine Fever in their wild boar population, bringing the total number of confirmed cases to 69 since the first case on 10 September 2020; so far no farm pigs have been affected. Pork buyers, including China, have banned pork imports from Germany due to the outbreak.

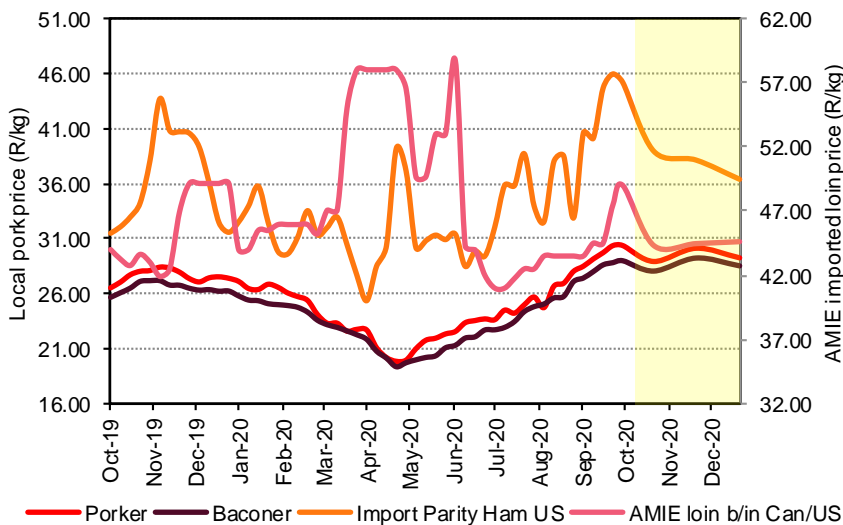
	US Pork Carcass Price (USD/cwt)	US Loin (USD/cwt)	US Rib (USD/cwt)	US Ham (USD/cwt)	US Import Parity Rib (R/kg)	US Import Parity Ham (R/kg)
Price	92.54	82.32	140.87	83.77	70.10	45.17
w/w	2.6%	6.1%	5.5%	0.3%	2.7%	-1.7%
m/m	19.7%	18.1%	11.8%	17.0%	8.4%	11.2%
y/y	20.7%	18.9%	25.9%	44.1%	32.8%	43.5%

## Local Pork Market

The number of pigs slaughtered this week, as reported by the RMAA, declined 11.0% compared with the previous week. The average price of porkers remained the same compared to the previous week at R30.37/kg, while the average price of baconers rose 0.6% to R28.99/kg week-on-week. The average price was up 1.5% to R28.49/kg for cutters and 2.6% to R27.75/kg for heavy baconers. While the price for sausages rose 2.7% to R22.60/kg from last week.

	R/USD	RMAA Slaughter Nr	Contract Average (R/kg)	Porker (R/kg)	Baconer (R/kg)	AMIE Loin (R/kg)
Price	16.55	23,765	29.68	30.37	28.99	48.99
w/w	-1.9%	-11.0%	0.3%	0.0%	0.6%	3.1%
m/m	-1.3%	-22.0%	6.1%	6.6%	5.7%	12.6%
y/y	9.6%	-13.4%	13.7%	14.5%	12.9%	11.3%

Pork Price Trends (R/kg)



\*Last 3 points 3 months forecast

## Outlook

Global pork prices are expected to trade sideways to higher, as demand picks up.

Locally, pork prices are expected to remain relatively stable in the short term. Pork remains among the cheaper protein alternatives available on the shelves, which usually increases consumer uptake. This should continue to support pork prices.

# Poultry Market Trends

## International Poultry Market

The price of US whole birds increased 2.9% week-on-week, while the price of US chicken breasts remained unchanged compared with the previous week at USD70/lb. Prices of US whole birds were 17.3% lower than prices a year ago. The price of fresh MDM decreased 1.2% and the price of frozen MDM increased 0.9% week-on-week. The price of US leg quarters rose 5.9%, while the price of EU leg quarters remained unchanged week-on-week. Poultry farmers across the UK are being warned to take action to prevent and prepare for winter bird flu outbreaks. While the UK is currently free of bird flu, there is a highly pathogenic bird flu causing outbreaks in Russia and Kazakhstan, and as winter approaches, the risk of migratory birds infecting domestic poultry will rise.

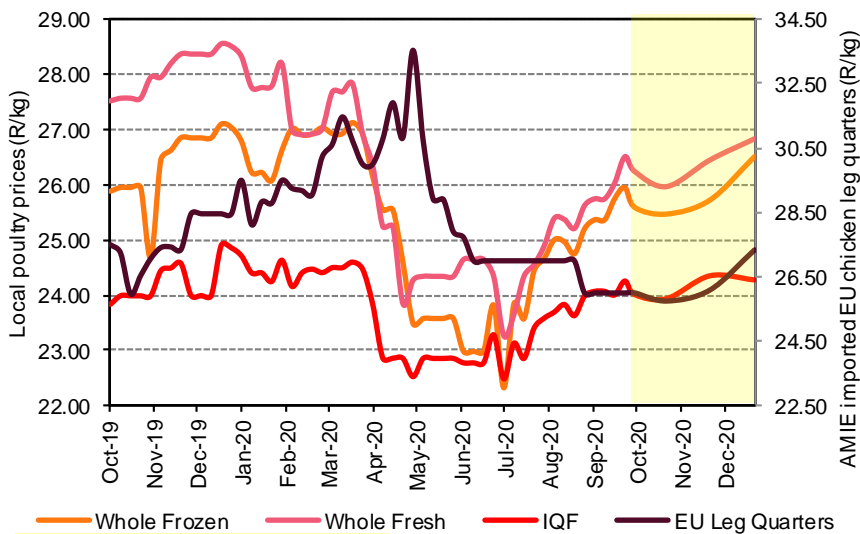
	US Whole Bird (USD/lb.)	US Breasts (USD/lb.)	US MDM Fresh (USD/lb.)	US MDM Frozen (USD/lb.)	US Leg Quarters (R/kg)	EU Leg Quarters (R/kg)
Price	65.06	70.00	26.25	29.9	16.41	25.99
w/w	2.9%	0.0%	-1.2%	0.9%	5.9%	0.0%
m/m	1.8%	-1.4%	0.7%	-1.0%	6.3%	0.0%
y/y	-17.3%	0.0%	15.4%	12.4%	-6.5%	-5.5%

## Local Poultry Market

The average price of frozen birds and fresh whole birds decreased 1.4% and 1.0% to R25.58/kg and R26.23/kg, respectively, in the local poultry market this week. IQF poultry prices were 1.0% lower at R24.01/kg week-on-week. Poultry prices are being pressured mid-month as consumer demand lessens. The excess stock in the poultry market has been depleted, which bodes well for producers during the November and December high demand period.

	R/USD	SA Whole Bird, Frozen (R/kg)	SA Whole Bird, Fresh (R/kg)	SA Individually Quick Frozen (R/kg)	US Whole Bird Import Parity (R/kg)	US Breasts Import Parity (R/kg)
Price	16.55	25.58	26.23	24.01	13.82	30.28
w/w	-1.9%	-1.4%	-1.0%	-1.0%	-63.6%	-1.8%
m/m	-1.3%	0.9%	1.9%	-0.2%	-63.1%	-2.4%
y/y	9.6%	-1.1%	-4.7%	0.7%	-65.2%	8.8%

Poultry Price Trends (R/kg)



## Outlook

Global poultry prices are expected to remain relatively stable in the short to medium term.

Local consumers are resistant to price increases during these tough economic times. However, to cover the increased feed costs, poultry prices are likely to increase in the short term. Demand is expected to pick up as month-end approaches; demand remains high for low-value poultry cuts. Increased demand from the end of November to December is expected in line with seasonality.

## Hide Market Trends

### Local Hide Market

The average price of hide increased 10.3% to R1.50/kg from last week. The current price is 146.9% higher than the price a month ago and 19.4% lower than the price a year ago. The domestic hide price was at such a low level that any improvement in price is dramatic.

	Weighted Feedlot Hide Price (RMAA) R/skin	Average Field Hide Price (RMAA) R/skin	Average Local Hide Price (Calculated) R/skin
Price	1.50	1.00	1.50
w/w	4.2%	11.1%	10.3%
m/m	11.1%	13.6%	146.9%
y/y	-26.5%	-39.4%	-19.4%

### Outlook

The global hide market has seen an improvement in hide prices due to an improvement in the upholstery sector, as people perform home improvements and home décor with a big push for leather upholstery. Prices received by most industry players are around R1.50 with a few players still getting prices lower than this. Expectations among industry members are that prices will continue to see an improvement in the coming months until reaching a more sustainable level, where prices will then likely hold.

NB\* hide prices are determined as the average of the RMAA prices and prices of independent companies.

