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# Livestock and Fibre markets

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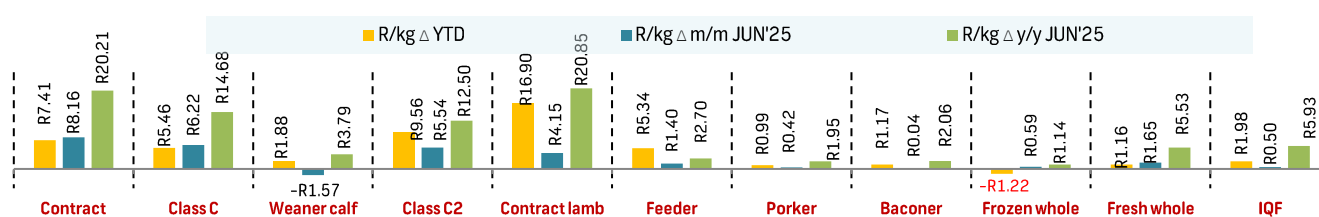
Paul Makube | Vhutshilo Mabela | Lerato Ramafoko | 25 JUN 2025

## UPDATE ON LIVESTOCK MARKETS

*Livestock prices accelerate further in June 2025 underpinned by a short-term supply crunch*

- South Africa's food inflation jumped by 1.1 percentage points (ppts) from the April level to 4.4% year-on-year (y/y) in May 2025. However, monthly food inflation slowed to 1.2% month-on-month (m/m) in May relative to 1.3% m/m in April 2025.
- The extended rally in meat prices on the back of tight supplies lifted meat inflation by 1.2ppts from April 2025 to a 23-month high of 4.4% y/y in May 2025. Monthly, meat inflation however decelerated from 2.3% m/m in April to 1.2% m/m in May 2025.
- We are not surprised at this development as prices at producer level surged across the livestock complex with average class A beef carcass prices breaching the R70/kg level for the first time in history. Prices accelerated despite disease outbreaks that have now complicated the price outlook and the domestic supply dynamics. The foot and-mouth (FMD) disease outbreak is now in full swing resulting in an export ban and a quarantine of affected establishments. The quarantine has created a short-term supply crunch due to the inability to slaughter.
- Further, the constrained import supplies due to the H5N1-induced ban on Brazil elicited further upside for prices particularly the mechanically deboned meat (MDM) that is used in manufacturing of products such as polonies. SA is a net importer of MDM due to lack of domestic production capacity.
- However, the poultry supply issue is somewhat resolved following the announcement of the partial lifting of the import suspension on all poultry and poultry products from Brazil effective June 19, 2025. This follows the confirmation by Brazil's Ministry of Agriculture that they had contained the disease outbreak to only one state. A further development is the approval of the special agreement for US poultry imports from the bird flu free areas for one year.
- The latest price trends show an extended uptrend across most meat categories led by beef with increases of 36.5% and 33.8% y/y respectively for contract class A and class C carcass prices as illustrated in figure 1.

Figure 1: Changes in average livestock prices (R/kg  $\Delta$  y/y) – first 3 weeks of June 2025.



Source: FNB AgriComms

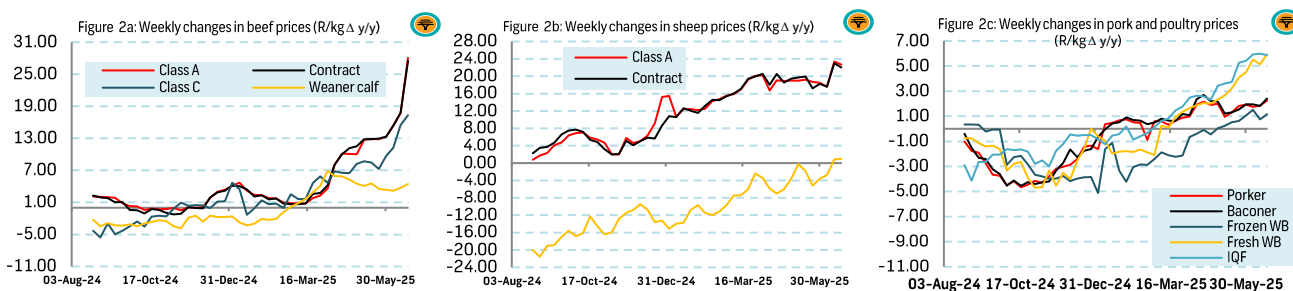
- Our analysis of weekly trends in the beef market shows further downside in the weaner market due to the FMD-induced demand contraction. Average weaner calf prices for the first three weeks of June 2025 fell by 4.3% (–R1.57/kg LW) m/m but still 12.1% (+R3.79/kg LW) higher y/y at R35.07/kg live weight (figure 1, table 1).
- Sheep: Lamb and mutton carcass prices extended gains with increases of 8.5% (+R5.54/kg) and 4.1% (+R4.15/kg) respectively m/m. Annually, lamb and mutton prices surged by 21.4% (+R12.50/kg) and 24.4% (+R20.85/kg) respectively y/y. In the live market, weaner lamb prices accelerated further from last month due to limited availability and were 6.4% ahead of last year.
- Pork: Pork and baconer prices continued to strengthen on spillover gains from beef and sheep markets. However, seasonal demand pressures and increased availability helped limit further gains for porkers and baconers in the first half of June 2025.
- Poultry: Unseasonably good demand amid lingering import tightness kept prices on the upside. Trading is reportedly robust with a strong resistance for further upside pricing at retail and whole level. Average prices of individually quick frozen (IQF) portions were 20% (+R5.93/kg) higher y/y while fresh whole birds rose by 16% (+5.53/kg) y/y (figure 1, table 1).

Table 1: Average livestock prices (R/kg, &amp; R/kg LW) – first 3 weeks of June 2025.

Prices, R/kg	Contract Class A	Class C	Weaner calf, (LW)	Class C	Contract class A lamb	Weaner Lamb (LW)	Porker	Baconer	Frozen whole	Fresh whole	IQF
Avg. 3weeks - JUN'24	55.42	43.39	31.28	58.36	85.60	42.47	31.38	30.49	34.62	33.96	29.19
Avg. 3weeks - MAY'25	67.47	51.85	36.65	65.32	102.30	43.76	32.91	32.51	35.17	37.84	34.62
Avg. 3weeks - MAY'25	75.63	58.07	35.07	70.86	106.45	45.17	33.33	32.55	35.76	39.49	35.12

Source: FNB AgriComms

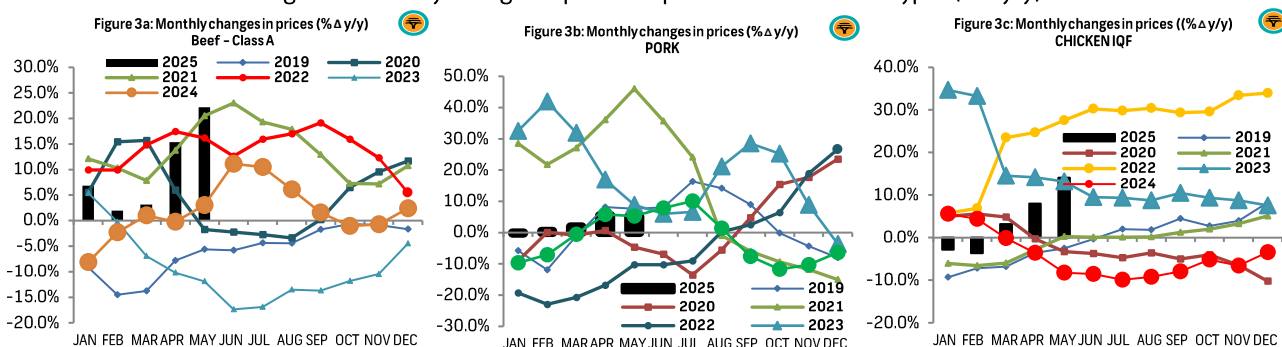
- Recent changes in weekly beef prices show a surge deep into positive territory following a sluggish trend in the twelve months to March 2025 (figure 2).
- In the sheep market, average weekly price growth for mutton remains pedestrian while lamb carcasses retained the strong upside since October 2024.

Figure 2: Changes in average weekly livestock prices (R/kg  $\Delta$  y/y).

Source: FNB AgriComms

## Annual growth trends for producer prices of various meat types – MAY 2025

- Figures 4a, 4b, and 4c illustrate monthly growth trends for various meat types relative to the previous year.

Figure 3: Monthly changes in producer prices of various meat types (%  $\Delta$  y/y)

Source: FNB AgriComms, Own Calculations

Although average yellow maize spot prices for June 2025 eased recently, futures remain sticky on the upside

- Yellow maize (YMAZ) prices, a proxy for feed cost determination, eased recently with the average for the first three weeks of June 2025 falling by 1.7% m/m at R4,179/ ton which bodes well for improving margins in animal feeding operations.
- However, this is almost 6% higher relative to last year this time. Further, yellow maize (YMAZ) futures remain sticky on the upside with the Sep-25 and Dec-25 contracts 2.3% and 4.5% higher than the current average for June 2025 and above last month by over 4%.
- Though futures edged slightly higher relative to last month (table 2), the bullish harvest outlook pressured the soybean market which saw the average spot prices for the first three weeks of June 2025 easing by 1.3% m/m and sharply down by 19% y/y at R7,255/ ton. With the harvest outlook still showing a solid crop of 2.33m tons, up by almost 26% y/y, we can expect a further moderation in soybean prices in the medium term.

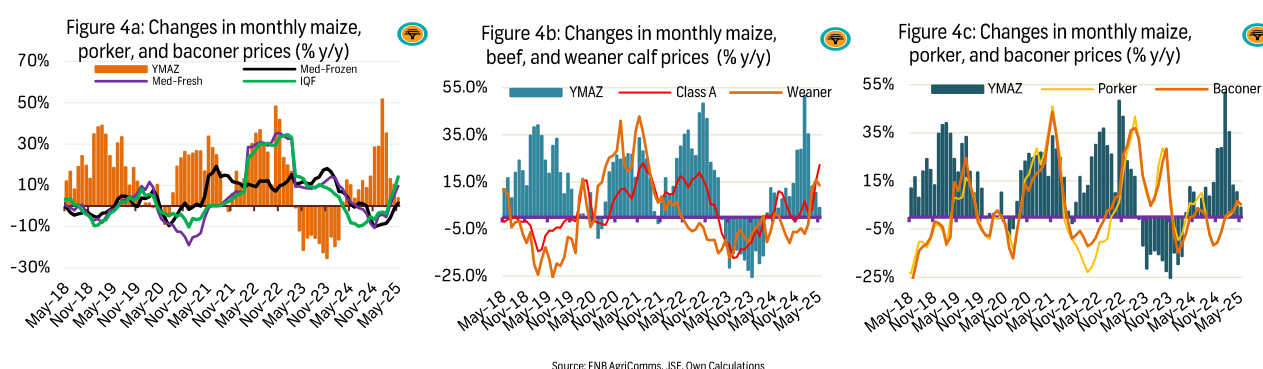
Table 2: Raw feed inputs – Latest price trends in JSE grain and oilseed futures market (R/ton).

24 JUNE 2025	WMAZ R/ton	%Δ m/m	YMAZ R/ton	%Δ m/m	SUNS R/ton	%Δ m/m	SOY R/ton	%Δ m/m
Sep-2025	R4,807	8.7%	R4,277	4.1%	R9,709	3.6%	R7,400	0.7%
Dec-2025	R4,893	8.1%	R4,365	4.2%	R9,831	3.1%	R7,607	0.4%
Mar-2026	R4,823	8.3%	R4,328	4.1%	R9,670	-	R7,650	0.9%
May-2026	-	-	R4,138	2.4%	-	-	R7,600	4.1%
Jul-2026	R4,304	4.7%	R4,058	5.7%	-	-	-	-

Source: JSE

- Sunflower futures however continue to trend higher with the Sep-25 and Dec-25 contracts currently higher than the May 2025 levels by just over 3%. Nonetheless, the sharp rebound of 15% y/y to 63,510 tons in sunflower harvest poses downside risk to prices in the medium term.
- Figure 4 (a, b, and c) illustrates the monthly changes in prices of various meat types and that of yellow maize. Annual growth in prices of maize has slowed as those of meats advanced. This is a positive development for profit margin growth if sustained.

Figure 4: Monthly changes in maize prices in relation to various meat types- MAY 2025.



### Meat: Consumer and Producer Price Inflation Charts

Figure 5: South Africa's consumer and producer price index trends (CPI -MAY; PPI-APRIL 2025, % Δ y/y)

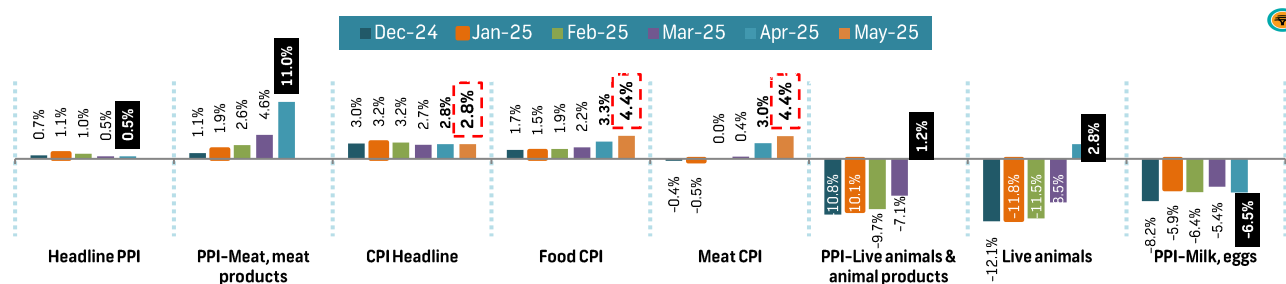
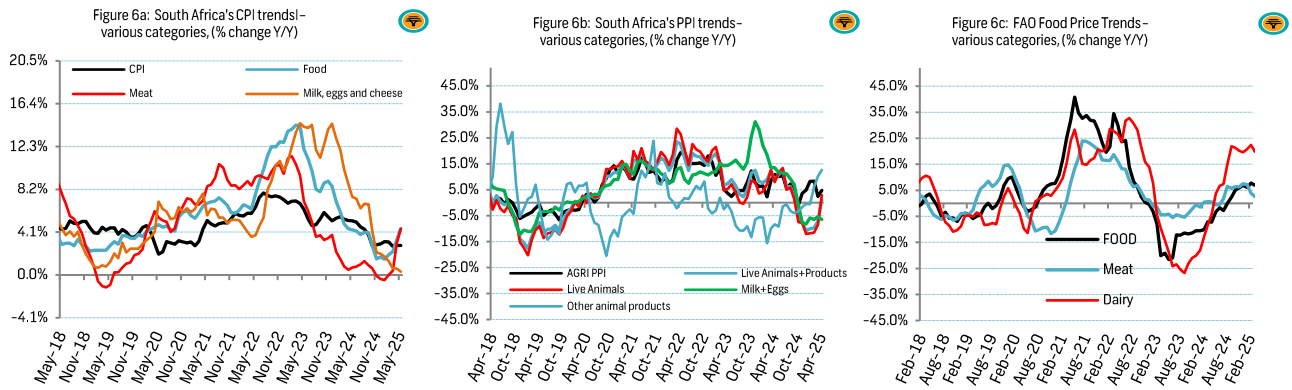
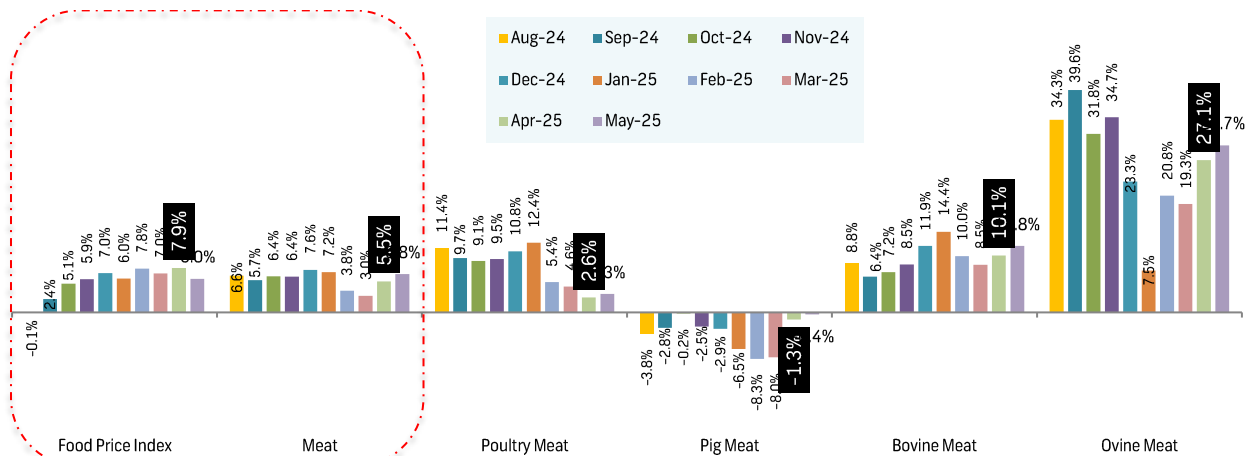


Figure 6: Detailed SA and global inflation trends for selected product categories (CPI –MAY; PPI–APRIL 2025, %  $\Delta$  y/y)

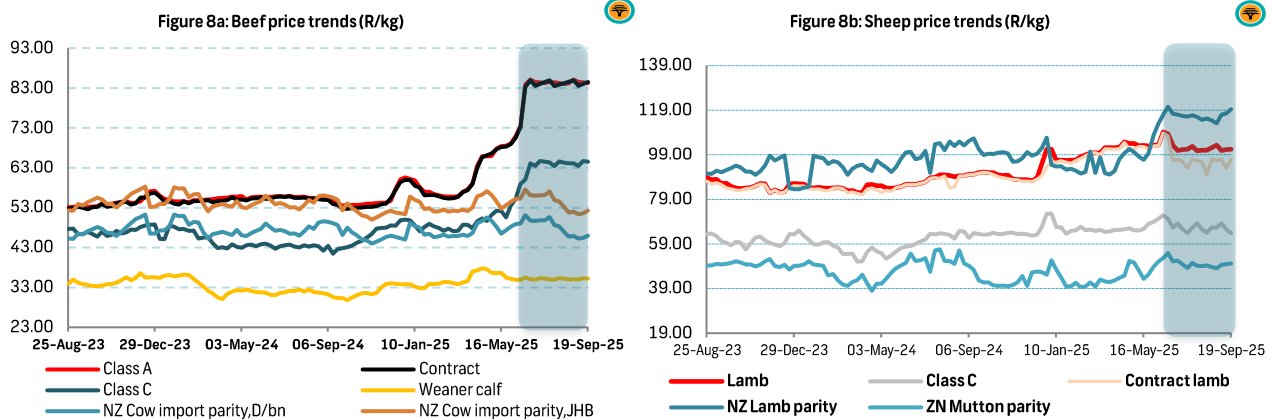
Source: Stats SA, FAO

Figure 7: Global food and meat inflation trends – the FAO May 2025 update (%  $\Delta$  y/y)

Source: FAO

### AgroMetrics: Livestock Charts

Figure 8: Beef and sheep meat price trends.

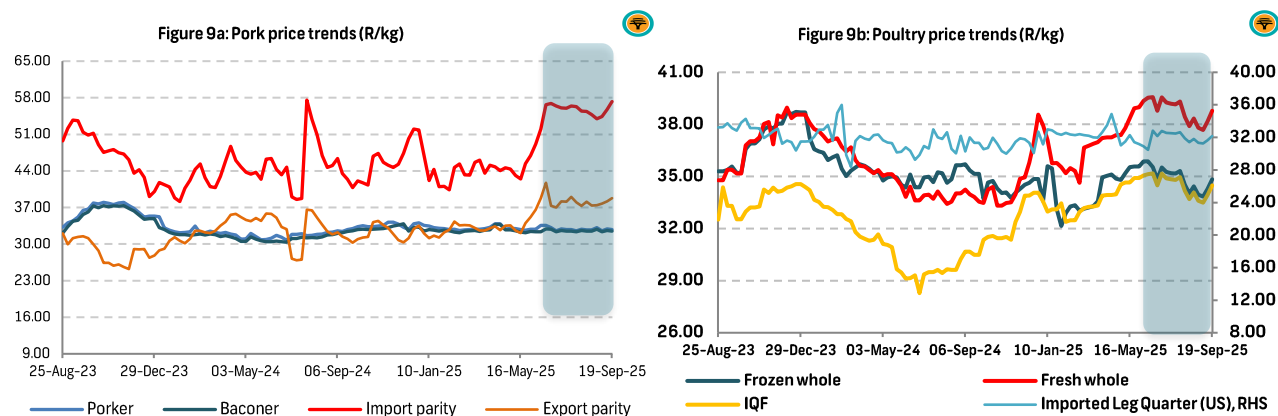


Source: FNB AgriComms \*Last thirteen data points are preliminary

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Figure 9: Pork and poultry price trends.



Source: FNB AgriComms \*Last thirteen data points are preliminary

## OUTLOOK

- FMD remains an Achilles' heel for the livestock industry from an export perspective. However, the good news is that the Department of Agriculture has reportedly commenced with vaccination after the arrival of 900 of the first batches of vaccines from the Botswana Vaccine Institute. This bodes well for renewed confidence in the industry given the devastating impact on farming businesses in the recent past.
- Indications so far are that feed costs will start easing in the medium term as harvesting tails off.
- The benign inflation and interest rate outlooks bode well for consumer demand for meat in the medium term.

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