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Livestock and Fibre markets

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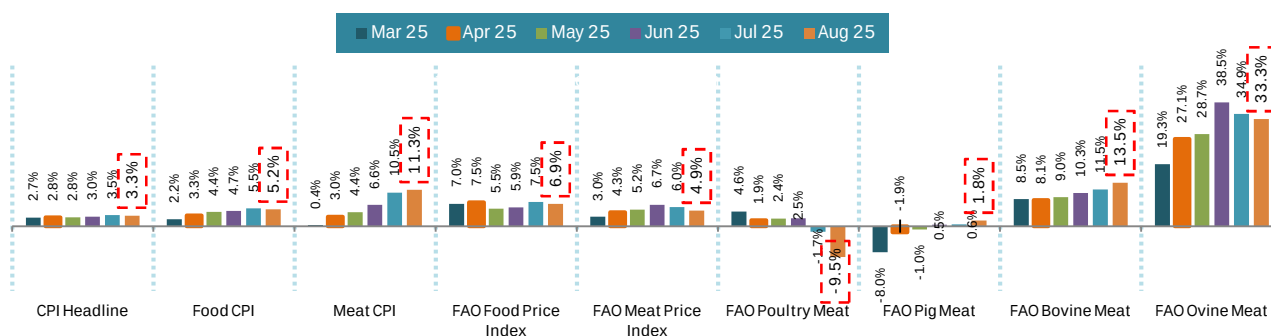
Paul Makube | Vhutshilo Mabela | Lerato Ramafoko | 19 SEP 2025

UPDATE ON LIVESTOCK MARKETS

Meat inflation climbs further to a 30-month high of 11.3% y/y in August 2025

- After accelerating to an eighteen-month high of 5.5% year-on-year (y/y) in July, food inflation reversed course and slowed to 5.2% y/y in August 2025 underpinned by a modest deceleration in cereal products, fruits and nuts, and vegetables as well as a decrease in the milk, other dairy products and eggs category.
- Monthly, food inflation fell by 0.8% month-on-month (m/m) led by declines in cereal products and vegetables including a slowdown in the meat category.
- Foot-and-mouth disease (FMD) has been the biggest catalyst in the volatility in meat prices over the past few months. However, the FMD-induced supply crunch dissipated somewhat recently due to the combination of an export ban that raised local availability and the improved slaughter rates.
- Although earlier restrictions of chicken imports from Brazil were lifted, volumes have not recovered to make a significant dent on prices. Poultry import volumes in July were down by 34.9% m/m and 70.9% y/y at 10,543 tons, with the year-to-July 2025 total down by 30.2% y/y at 176,703 tons. The intermittent FMD outbreaks remains a huge uncertainty in the market due to its interruptions to the slaughter pattern and subsequent price volatility.
- Globally, food inflation showed a similar trend after decelerating to 6.9% y/y in August from 7.5% in July as sugar and cereals prices fell sharply and still in negative territory for over seventeen consecutive months.
- In the case of global meat inflation as measured by the United Nation Food and Agriculture Organization (FAO), they surprised on the downside after decelerating by 1.1 percentage points from July to 4.9% y/y in August 2025. The dissipation in monthly pressures saw the global meat inflation deceleration from 1% m/m in July to 0.6% m/m in August 2025.

Figure 1: South Africa and global food inflation trends (% Δ y/y)



Source: FNB AgriComms

- A drill-down into the red meat data shows massive spikes in annual consumer prices with stewing beef posting the biggest increase of 34.3% (+R32.18/kg) y/y at R125.96/kg followed by brisket (+31.5% or +R33.11/kg) at R138.20/kg and chuck (+31.5% or +R33.42/kg) at R139.56/kg (table 1). However, monthly demand pressures saw brisket, rump steak, fillet, and offal prices decreasing slightly in August relative to the previous month as reflected in table 1.
- The pig meat category saw gains across the board on spill over support from higher beef prices. Pork chops advanced by 0.6% (+R0.55/kg) m/m and 7.4% (+R6.59/kg) y/y at R95.81/kg with the average for the YTD up 2.7% (+R2.43/kg) at R92.88/kg. Similarly, pork ribs and fillet saw gains as reflected in table 1.
- In the sheep market, prices continued to trend at a huge premium over other meat types due to the resilient demand in the higher living standard measure (LSM) category and the relatively limited domestic availability. Mutton and lamb rib chop prices increased by 0.4% (+R0.86/kg) m/m and 12.3% (+R23.13/kg) y/y at R211.12/kg, which is 7.5% (+R14.31/kg) above last year for the YTD average of R205.69/kg. Similarly, mutton/ lamb loin chop prices advanced marginally by 0.5% (+R1.13/kg) m/m and 12.8% (+R24.74/kg) at R217.80/kg with the YTD average up by 8.4% (+R16.41/kg) y/y at R211.72/kg (table 1).

Table 1: Meat price changes by selected cuts per red meat type in South Africa

AUG 2025	Beef Brisket	Beef chuck	Stewing beef	Beef rump steak	Beef fillet	Beef offal	Pork chops	Pork ribs	Mutton/ Lamb rib chop	Mutton/ Lamb loin chop	Mutton/ Lamb offal
R/kg	R138.20	R139.56	R125.96	R208.88	R287.39	R56.67	R95.81	R104.42	R211.12	R217.80	R66.69
% Δ m/m	-0.2%	0.0%	1.7%	-2.0%	-2.5%	-0.3%	0.6%	0.8%	0.4%	0.5%	-1.3%
R/kg Δ m/m	-R0.24	R0.06	R2.09	-R4.37	-R7.49	-R0.15	R0.55	R0.84	R0.86	R1.13	-R0.86
% Δ y/y	31.5%	31.5%	34.3%	31.9%	20.4%	8.4%	7.4%	8.1%	12.3%	12.8%	-1.0%
R/kg Δ y/y	R33.11	R33.42	R32.18	R50.52	R48.62	R4.41	R6.59	R7.83	R23.13	R24.74	-R0.65
R/kg	R120.71	R121.81	R109.77	R182.82	R263.77	R53.33	R92.88	R100.72	R205.69	R211.72	R65.22
YTD-% Δ y/y	11.0%	12.3%	11.6%	14.4%	8.0%	5.6%	2.7%	2.4%	7.5%	8.4%	-0.4%
YTD-R/kg Δ y/y	R11.94	R13.30	R11.43	R23.08	R19.65	R2.82	R2.43	R2.39	R14.31	R16.41	-R0.28

Source: Stats SA

- Except for fresh whole birds which came under pressure and declined by 1.4% (-R0.90/kg) m/m and 1.1% (-R0.72/kg) at R62.61/kg with the YTD average down by 3.0% (-R1.92/kg) at R62.72/kg, the rest of the chicken categories posted modest gains.
- The highly traded IQF category posted the biggest annual gains of IQF Chicken portions of 5.4% (+R5.00/kg) y/y at R49.17/kg with the YTD average lifting by 3.4% (+R1.60/kg) at R48.43/kg (table 2).

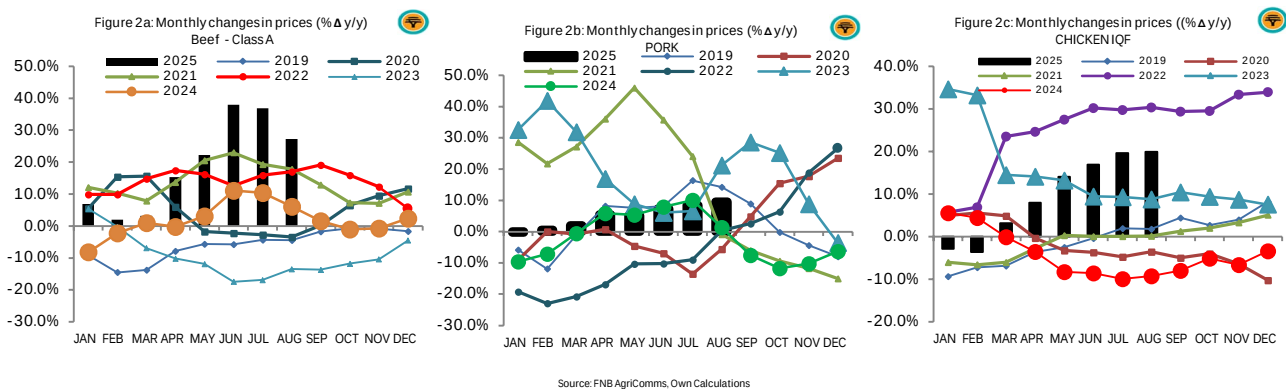
Table 2: Meat price changes by selected cuts for poultry in South Africa

AUG 2025	Whole Chicken - Fresh	Chicken Portions - Fresh	Chicken Portions - Frozen (non IQF)	IQF Chicken portions	Chicken Giblets
R/kg	R62.61	R84.21	R69.51	R49.17	R48.41
% Δ m/m	-1.4%	1.2%	1.1%	0.5%	0.6%
R/kg Δ m/m	-R0.90	R1.00	R0.77	R0.47	R0.31
% Δ y/y	-1.1%	1.0%	4.1%	5.4%	2.8%
R/kg Δ y/y	-R0.72	R0.80	R2.74	R5.00	R1.33
R/kg - YTD	R62.72	R82.54	R69.04	R48.43	R46.94
YTD-% Δ y/y	-3.0%	0.4%	1.7%	3.4%	-1.1%
YTD-R/kg Δ y/y	-R1.92	R0.30	R1.19	R1.60	-R0.51

Source: Stats SA

Annual growth trends of various meat types at producer level – August 2025

- Figures 2a, 2b, and 2c illustrate monthly growth trends for various meat types relative to the previous year.
- The foot-and-mouth disease (FMD) had a bigger impact on beef as slaughter rates faltered creating a short-term supply crunch on the market. We have seen some recovery in livestock slaughtering, but the intermittent FMD outbreaks continues to cause increased price volatility on both the carcass and live weaner markets.
- Chicken has retained the recent uptrend with average IQF annual price growth ahead of the previous two years for August 2025 but shy of the 2022 levels.
- Although riding the upside wave, annual pork price growth lagged that of other meats and trended below 10% y/y in the past three months to August 2025 constrained by a lethargic seasonal demand (figure 2b).

Figure 2: Monthly changes in producer prices of various meat types (% Δ y/y)

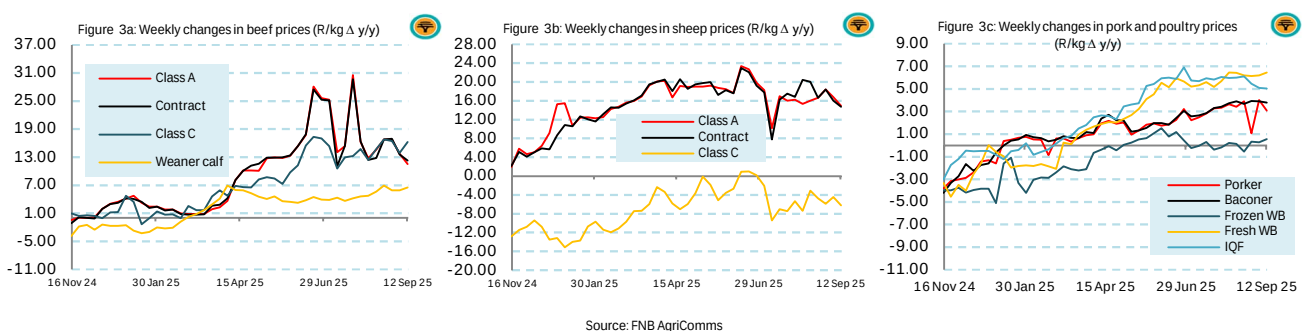
- Our analysis of weekly trends in the beef market shows further upside in the weaner market due to the FMD-induced demand for “cleaner” calves, and lately prices calf have topped R50/kg liveweight (LW).
- On the carcass market, we observed high volatility in prices over the past few weeks as market correction takes shape. Having topped just over R80/kg, average class A carcass prices have fallen to around R70/kg (table 3). However, even with a decline further to R65/kg, class A carcass prices would still trade at premium of around R10/kg over the 2024 and 3-year averages of R54.88/kg and R56.15/kg respectively.

Table 3: Average livestock prices (R/kg, & R/kg LW) – August 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
R/kg - AUG'24	55.22	43.20	31.90	63.52	87.39	41.43	31.99	31.46	35.19	33.76	29.71
R/kg - JUL'25	75.94	56.39	36.14	72.16	102.85	44.39	34.52	33.99	34.86	39.25	35.29
R/kg - AUG'25	70.26	58.20	37.45	77.33	105.83	45.43	35.06	35.18	35.16	39.93	35.63

Source: FNB AgriComms

- Recent changes in weekly beef prices show a deceleration from the 2025 mid-year peak, but price growth remain deeply entrenched into positive territory (figure 2).
- We saw a similar trend in the sheep market with elevated lamb carcass prices, but mutton fell into negative territory as seasonal demand faltered.

Figure 3: Changes in average weekly livestock prices (R/kg Δ y/y).

A silver lining for feeding margins as confirmation of a huge grain harvest knocks maize and soybean futures

- South Africa's 2024/25 commercial summer crop harvest estimate saw a further upward adjustment from July by 4.3% to 19.55 million tons, a whopping 25.9% upswing from last year's level. This is 2.6% shy off the record high of 20.07 million tons achieved during the 2022/23 season. At same time, the stronger rand continued to pose downside risk on grain and oilseed prices.
- Consequently, maize prices fell by 17% and 3% y/y for the white and yellow varieties respectively to an average of R4,433/t and R3,931/t in August 2024.
- In the futures market, the yellow maize (YMAZ) prices for Dec-25 and Jul-26 delivery already showed modest decreases relative to last month and below the R4,000/ ton level in recent trades (table 4).

- Similarly, the strong harvest pressured the soybean market which saw the Dec-25 and May-25 futures falling by over 2% relative to last month. With the harvest outlook still showing a huge soybean crop of 2.75m tons, up by almost 49% y/y, we can expect further moderation in prices in the medium term.
- This is obviously a positive development for livestock feeders in terms of a potential reduction in feed costs.

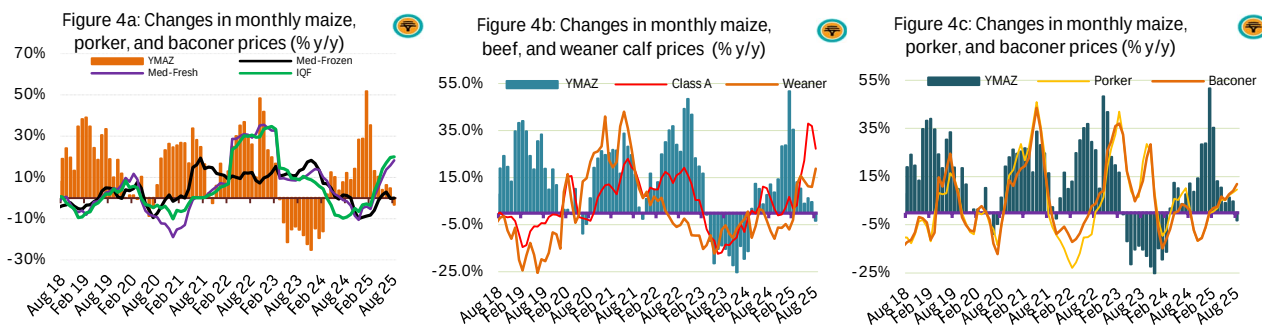
Table 4: Raw feed inputs - Latest price trends in JSE grain and oilseed futures market (R/ton).

19 SEP 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
Dec-2025	R3,881	-6.5%	R3,698	-5.7%	R10,740	5.6%	R7,363	-2.1%
Mar-2026	R3,890	-6.6%	R3,727	-5.6%	R10,470	5.8%	R7,377	-2.4%
May-2026	R3,819	-6.9%	R3,714	-5.3%	R9,620	-	R7,400	-1.3%
Jul-2026	R3,841	-6.3%	R3,732	-3.8%	R9,799	-	R7,554	-0.4%
Jul-2027	-	-	R3,965	-4.0%	-	-	-	-

Source: JSE

- 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 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- August 2025.



Source: FNB AgriComms, JSE, Own Calculations

OUTLOOK

- Although beef prices eased from the 2025 record highs, they remain well above the 2024 and long-term averages respectively which should sustain profitability in the medium term.
- However, the reduction of volatility or return to the normal price trend is dependent on containment of the FMD scourge.
- A decline in raw feed input prices (maize, soybeans) bodes well for improved profit margins for intensive livestock feeding operations.
- With high seasonal demand around the corner, livestock prices are expected to retain an elevated trend relative to last year.

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