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Livestock and Fibre markets

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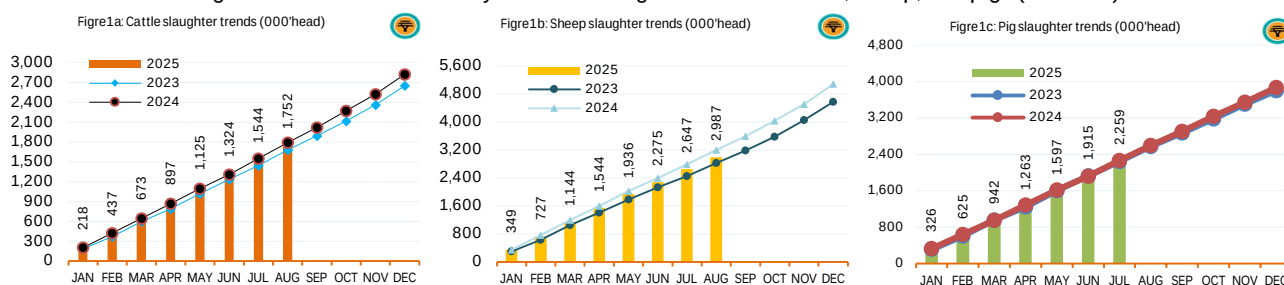
Paul Makube | Vhutshilo Mabela | Lerato Ramafoko | 24 OCT 2025

UPDATE ON LIVESTOCK MARKETS

Elevated meat prices continue to stymie food inflation in September 2025

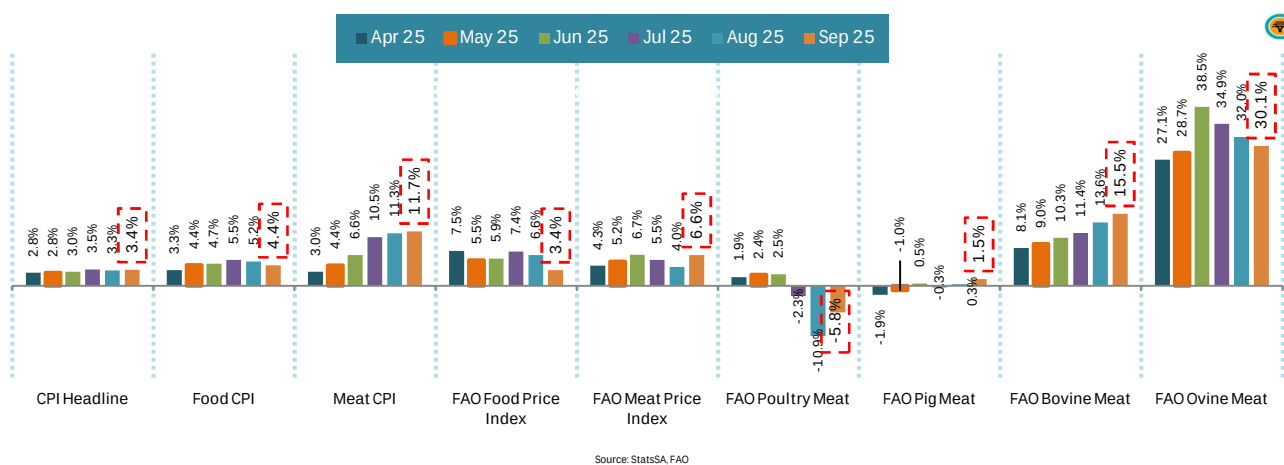
- The latest consumer price inflation (CPI) update from Statistics South Africa shows a further deceleration in food inflation for the second consecutive month to 4.4% year-on-year (y/y) in September 2025 underpinned by a slowdown in vegetables, fruits and nuts, oils and fats, and milk, other dairy products and eggs categories. Monthly, the food CPI remained in deflationary mode after decreasing by 0.4% month on-month (m/m) in September from -0.1% m/m in August 2025.
- However, elevated meat prices continue to stymie food inflation after clocking a seven-and-a-half year high of 11.7% y/y and edging 0.5% m/m in September 2025.
- Again, the foot-and-mouth disease (FMD) outbreak's disruption to the red meat value chain underpinned the further spike in meat inflation in September 2025. Reduced livestock slaughter in the cattle and sheep categories curtailed the availability of product on the market hence the aggressive pricing.
- Although updated with a lag of two months, cattle slaughter numbers for the three-month period to August 2025 fell by 9% relative to the previous period and were down 10% y/y to 626,587 head (figure 1a). Similarly, the number of sheep slaughtered fell by 13% during the June-August period to 1.05 million head which is 9.9% lower y/y (figure 1b).
- Given the continued challenges with FMD, we expect the slaughter trend to continue to trail the 2024 levels as we head into the festive season which poses upside risk to prices.
- Pigs were however less impacted with slaughter numbers still trending in line with the previous two years. The total number of pigs slaughtered for June-July 2025 were 1% higher relative to the previous period at 661,468 head, which is 2.2% above the same period in 2024 (figure 1c). The year-to-July 2025 pig slaughter is however marginally down by 0.2% y/y at 2.26 million head.

Figure 1: Cumulative monthly livestock slaughter trends – cattle, sheep, and pigs (00'head)



Sources: Levy Admin, SAPPO

- In the case of chicken, the average weekly domestic broiler production for the first half of 2025 was marginally down by 0.7% relative to the same period last year to an average of 21.15 million per week. Meanwhile, chicken imports for the three-month period to August 2025 fell by a whopping 54% relative to the previous period and were down by 46% y/y at 46,081 tons. Chicken meat imports for the year-to-August 2025 were pegged at 192,381 tons, which is down by 31% y/y.
- Globally, food inflation as measured by the United Nations Food and Agriculture (FAO) remained in deceleration mode after slowing to 3.4% y/y and falling by 0.7% m/m in September 2025 underpinned by declines in the cereal, dairy, sugar, and vegetable oil indices.
- However, meat inflation was an exception after rebounding to 6.6% y/y in September 2025 from 4% in August and edging up 0.7% m/m from 0.2% in the previous month. Gains in ovine meat (+30%y/y), bovine meat (+15.5%y/y), and pig meat (+1.5%y/y) more than offset the falling poultry meat prices which remained in negative territory for the third consecutive month after posting a -5.8% y/y in September 2025.

Figure 2: South Africa and global food inflation trends (% Δ y/y)

- A drill-down into the red meat data shows further upside in annual consumer prices with stewing beef again posting the biggest increase of 34.1% (+R31.97/kg) y/y at R125.86/kg followed by beef rump steak (+33.40% or R52.69/kg y/y) at R210.45/kg, and chuck (+31.80% or R33.67/kg) at R139.61/kg (table 1).
- The pig meat category saw gains across the board on spillover support from higher beef prices. Pork increased by 10.3% (+R9.80/kg) y/y at R105.03, while pork ribs gained 8.6% (+R7.64/kg) y/y at R96.64/kg 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 rose by 13.9% (+R26.85/kg) y/y at R220.14/kg. Similarly, mutton/ lamb loin chop prices jumped 11.2% (+R21.28/kg) y/y at R210.88/kg (table 1).

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

SEP 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	R137.76	R139.61	R125.86	R210.45	R281.89	R58.13	R96.64	R105.03	R210.88	R220.14	R68.99
% Δ m/m	-0.3%	0.0%	-0.1%	0.8%	-1.9%	2.6%	0.9%	0.6%	-0.1%	1.1%	3.4%
R/kg Δ m/m	-R0.44	R0.05	-R0.10	R1.57	-R5.50	R1.46	R0.83	R0.61	-R0.24	R2.34	R2.30
% Δ y/y	31.3%	31.8%	34.1%	33.4%	18.9%	9.7%	8.6%	10.3%	11.2%	13.9%	2.6%
R/kg Δ y/y	R32.81	R33.67	R31.97	R52.69	R44.78	R5.15	R7.64	R9.80	R21.28	R26.85	R1.72
R/kg: YTD-SEP	R122.60	R123.79	R111.55	R185.89	R265.79	R53.86	R93.30	R101.20	R206.26	R212.65	R65.64
YTD-% Δ y/y	13.2%	14.4%	14.0%	16.5%	9.2%	6.1%	3.3%	3.3%	7.9%	9.0%	-0.1%
YTD-R/kg Δ y/y	R14.26	R15.57	R13.71	R26.37	R22.44	R3.08	R3.01	R3.22	R15.08	R17.57	-R0.06

Source: Stats SA

- Except for fresh whole birds which remained under pressure and declined by 2.3% (-R1.46/kg) m/m and 5.9% (-R3.84/kg) at R61.15/kg with the YTD average down by 3.3% (-R2.13/kg) at R62.54/kg, the rest of the chicken categories posted modest gains.

- The highly traded IQF category posted the biggest annual gain of 5.6% (+R2.62/kg) y/y at R49.66/kg with the YTD average lifting by 3.7% (+R1.72/kg) at R48.56/kg (table 2).

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

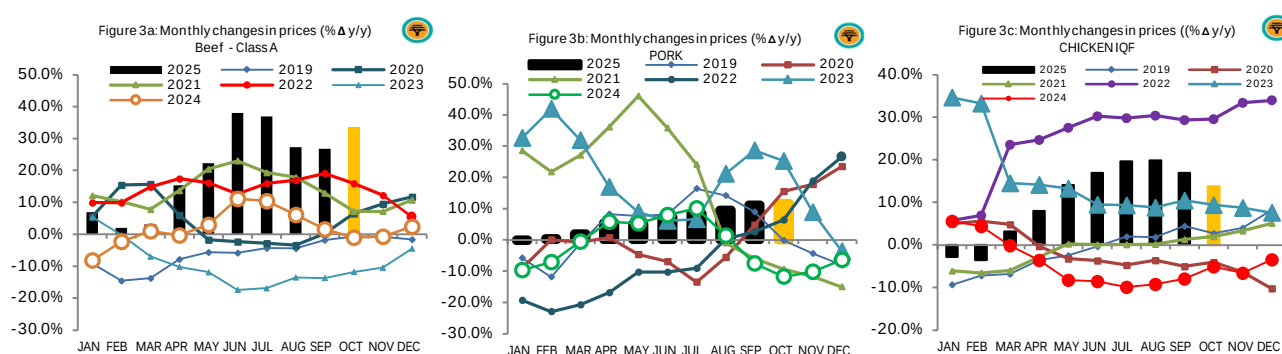
SEP 2025	Whole Chicken - Fresh	Chicken Portions - Fresh	Chicken Portions - Frozen (non IQF)	IQF Chicken portions	Chicken Giblets
R/kg	R61.15	R84.85	R68.95	R49.66	R48.50
% Δ m/m	-2.3%	0.8%	-0.8%	1.0%	0.2%
R/kg Δ m/m	-R1.46	R0.64	-R0.56	R0.48	R0.09
% Δ y/y	-5.9%	3.3%	4.3%	5.6%	1.5%
R/kg Δ y/y	-R3.84	R2.75	R2.84	R2.62	R0.72
R/kg: YTD-SEP	R62.54	R82.79	R69.03	R48.56	R47.11
YTD-% Δ y/y	-3.3%	0.7%	2.0%	3.7%	-0.8%
YTD-R/kg Δ y/y	-R2.13	R0.57	R1.37	R1.72	-R0.37

Source: Stats SA

Annual changes in prices of various meat types at producer level – September 2025

- Figures 3a, 3b, and 3c illustrate trends in annual changes in prices of various meat types relative to the previous year.
- Although decelerating marginally, class A beef prices in September were still over 20% higher relative to last year and so far, show a faster acceleration in October with the average for the first three weeks of the month rising by 33.4% y/y.
- Similarly, chicken decelerated but still elevated with average IQF annual price growth of 16.9% y/y in September and slowing further to 13.8% y/y in October (average for the first three weeks), see figure 3c.
- Although riding the upside wave, annual pork price growth continues to trail other meats with an increase of 11.2% higher y/y % in September 202. The average pork price growth for the first three weeks of October was 11.8% y/y (figure 3b).

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



Source: FNB AgriComms. Own Calculations. OCT-average for first 3 weeks

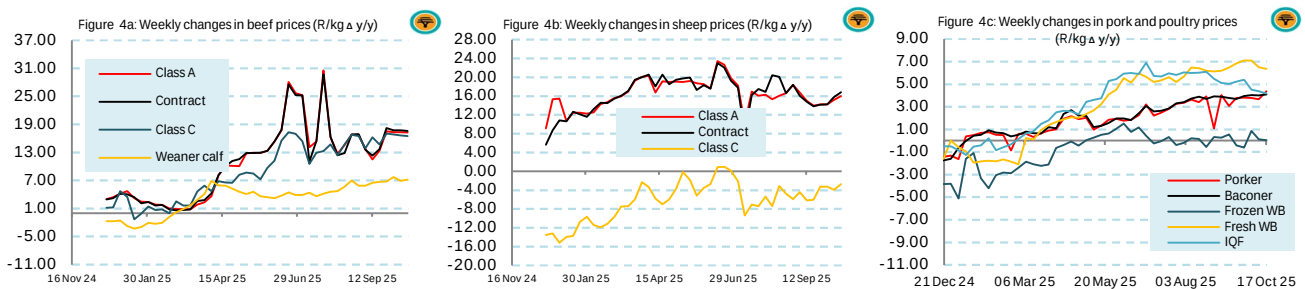
- In the carcass market, we observed high price volatility over the past few weeks due to reports of further FMD incidents. Having peaked at just over R80/kg for 2025, average class A carcass prices have fallen to around R70/kg (table 3). However, even at R70/kg, class A carcass prices would still trade at premium (+R10/kg) above the 2024 and the 3-year averages of R53.82/kg and R58.34/kg respectively.
- After easing slightly in September, progress on weaner calf sales shows average prices for the first three weeks of October 2025 increasing by almost 2% m/m and 24% y/y to R37.73/kg live weight (LW).
- We see a similar trend in the pork market with gains across the board on resilient demand and spillover support from other meats. Poultry however shows a mixed trend with frozen whole birds easing slightly while the fresh whole birds and IQF are a bit firmer so far in October 2025.

Table 3: Average livestock prices (R/kg, & R/kg LW) – September 2025; **October = 3-week average

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 - SEP'24	53.82	42.59	30.62	63.05	90.59	44.23	32.68	32.30	35.34	33.90	30.58
R/kg - AUG'25	70.26	58.20	37.45	77.33	105.83	45.64	35.06	35.18	35.16	39.93	35.63
R/kg - SEP'25	68.24	58.04	37.04	77.61	105.24	44.04	36.35	36.11	35.27	40.54	35.75
**R/kg - OCT'25	70.51	60.24	37.73	77.39	105.64	45.17	37.33	36.86	34.70	40.69	35.83

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 3).
- We saw a similar trend in the sheep market with elevated lamb carcass prices, but mutton price growth remains in negative territory (figure 3b).

Figure 4: Changes in average weekly livestock prices (R/kg Δ y/y).

Source: FNB AgriComms

Livestock feeders breathe a sigh of relieve as grain prices weaken further

- A combination of a decent harvest and a stronger rand exchange rate continued to place downward pressure on grain and oilseed prices.
- Average yellow maize and soybean prices for the first four weeks of October 2025 show a decline of 22% and 20% y/y respectively at R3,457/ ton and R6,946/ ton.
- In the futures market, the yellow maize (YMAZ) prices for Jul-26 delivery already showed modest decreases relative to the R4,000/ ton level recorded last year (table 4).
- Similarly, the strong harvest pressured the soybean market which saw the May-25 futures falling below the R8,000/ ton levels achieved in 2024.
- This is obviously a positive development for livestock feeders in terms of a further reduction in feed costs.

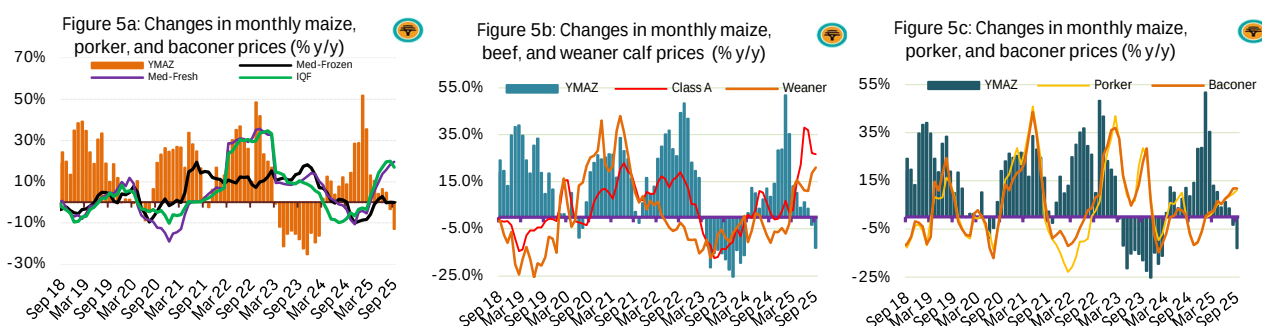
Table 4: Raw feed inputs - Latest price trends in JSE grain and oilseed futures market (R/ton).

24 OCT 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 25	R3,783	-0.8%	R3,680	1.1%	R9,862	-7.0%	R7,335	4.8%
Mar 26	R3,789	-0.7%	R3,686	0.3%	R9,474	-7.2%	R7,348	4.7%
May 26	R3,782	-0.7%	R3,690	0.1%	R9,021	-5.4%	R7,340	4.3%
Jul 26	R3,791	0.3%	R3,710	0.4%	R9,248	-5.4%	R7,446	3.1%
Sep 26	-	-	R3,765	-	-	-	-	-

Source: JSE

- Figure 5 (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 is back in negative territory while meats advanced. This is a positive development for profit margin growth if sustained.

Figure 5: 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.
- 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 the recent upside in the short to medium term.
- The resolution of the FMD situation in the country is long overdue, and hopefully, recent strides at vaccination and procurement of vaccines will normalize the situation in the medium term.

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