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Livestock and Fibre markets

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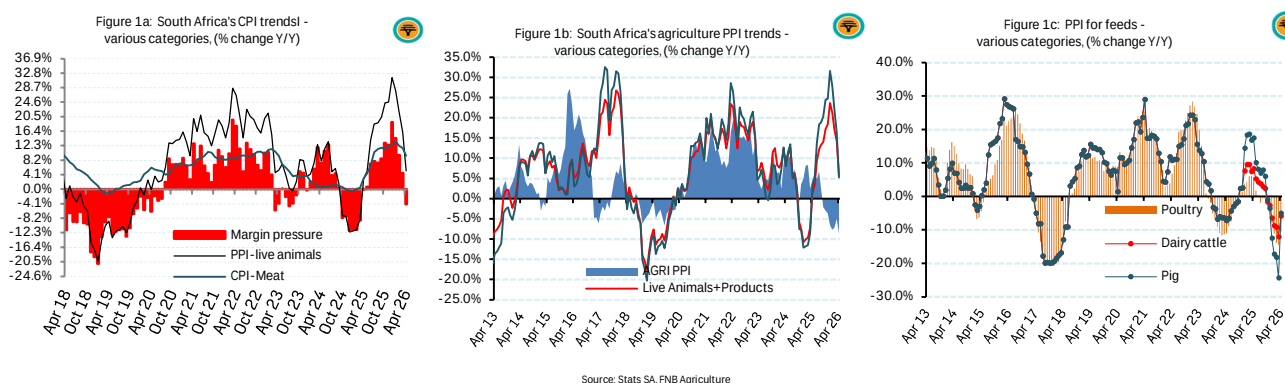
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UPDATE ON LIVESTOCK MARKETS

A downbeat feed cost environment keeps the livestock market afloat, for now

- South Africa's headline producer inflation for final manufactured goods accelerated faster to a two-year high of 4.8% year-on-year (y/y) in April 2026 after clocking 2.3% y/y earlier in March. The acceleration was driven largely by surging fuel costs, global energy pressures, and rising basic metal prices.
- However, the agriculture, forestry and fishing remained in a deflationary mode after dipping to -6.5% y/y in April 2026 from -2.9% in March 2026, and edging up only 0.6% m/m. The agriculture PPI's decline was even steeper at -8.8% y/y in April 2026, a 3.8-percentage-point (ppt) decrease from March thus retaining the negative trend for the eighth consecutive month.
- After posting double-digit increases due to the disease-induced supply disruptions in the past ten months to April 2026, the "live animals and animal products" and "live animals" categories posted sharp decelerations of -8.6ppts and 11ppts to 5.7% and 5.2% y/y, respectively. However, there are signs of monthly pressures emanating from the recent fuel price hikes with the "live animals" PPI up by 2.4% month-on-month (m/m) in April 2026 from 0.5% m/m in March.
- At consumer level, meat inflation decelerated faster by 2.2ppts and back below 10% at 9.4% y/y due to the combination of a demand downturn and the foot-and-mouth disease-induced export ban which lifted domestic availabilities.
- A drill down into the PPI inflation data shows a seven-month consecutive decline in the "starches and starch products, animal feeds" category to -8.7% y/y in April 2026, although jumping to 5% m/m from -1.5% m/m previously. The PPI for poultry and dairy cattle feeds remained in deflationary mode for the tenth consecutive month at -10.6% and -5.8% y/y, respectively.

Figure 1: South Africa's inflation trends for selected product categories (% Δ y/y)

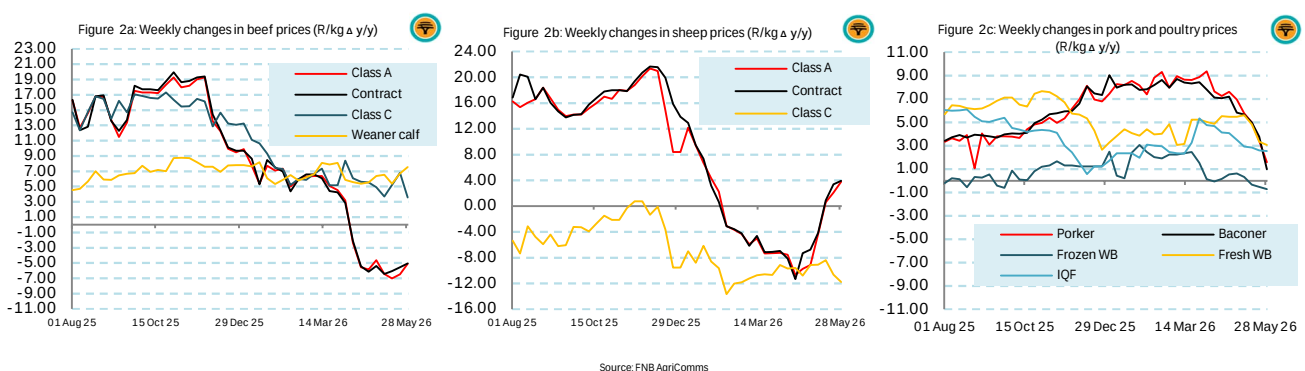


- Pork feeds however surprised on the upside after rising by 0.9% y/y in April from -12.3% y/y in March and surging by 13.7% m/m from -3.3% m/m previously.
- Benign feed inflation was supported by lower raw input costs. In April 2026, average maize prices fell sharply year-on-year, down 37% to R3,212/t for white maize and 30% to R3,334/t for yellow.
- May 2026 brought further relief, with white and yellow maize prices still 30% and 20% lower than a year earlier. Soybeans followed a similar trend, dropping 12% y/y to R6,843/t in April and remaining weaker in May at R6,876/t, down 6% y/y.
- Meanwhile, South Africa's National Crop Estimates Committee (CEC) projected a record crop of 17.06 million tons of maize for 2026, well above long-term averages, raising the risk of large carryover stocks unless exports improve after a sluggish 2025/26 season. Oilseeds are also set for record crops, with soybeans at 2.91 million tons and sunflower at 877,680 tons, boosting feed availability and supporting livestock margins. The bullish grain and oilseed supply outlook poses downside risk for prices in the short to medium term.

A mixed price trend across the meat complex in May 2026

- Beef (figure 2a): Beef prices faced mixed pressures in May 2026. Rising fuel costs added upward pressure overall, but premium cuts softened on weaker seasonal demand and increased availability. Class C beef recorded modest gains, while the weaner market surged 18% y/y as restocking picked up following earlier FMD disruptions.
- Sheep (figure 2b): The price trend was mixed with lamb under pressure and softened while mutton extended good gains in May 2026 on resilient demand (figure 2b). Weaner lamb prices continued to strengthen on the back of limited availability.
- Pigs (figure 2c): Pork and baconer prices remained over 13% higher y/y in May 2026 but faced monthly declines of nearly 10% as demand tapered ahead of winter.
- Poultry (figure 2c): The price trend in the whole bird category was mixed with the average frozen birds falling on 2025 levels while the fresh and the individually quick frozen (IQF) category posted strong gains. However, stock build-ups in recent trades weighed on monthly prices across the board.

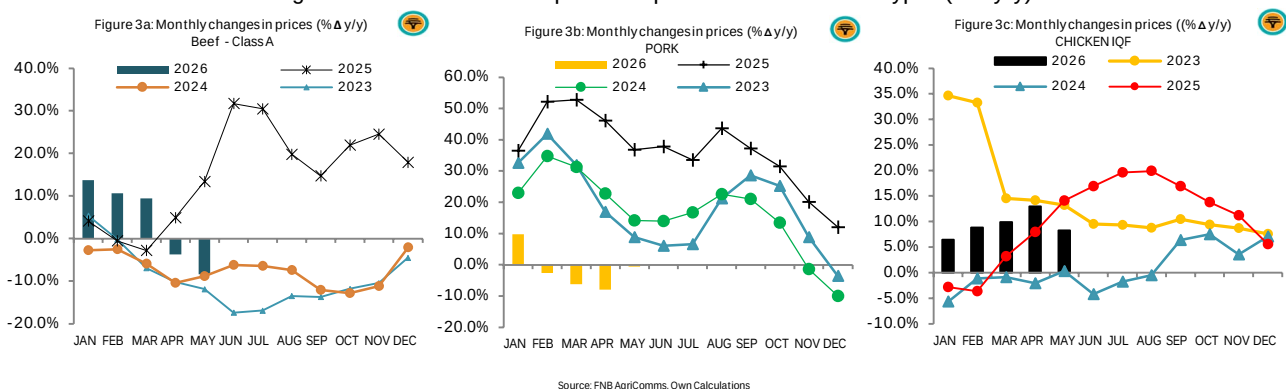
Figure 2: Changes in average weekly livestock prices (R/kg Δ y/y).



Annual growth trends for producer prices of various meat types – MAY 2026

- Figures 3a, 3b, and 3c illustrate monthly growth trends for various meat types relative to the previous year.

Figure 3: Growth trends for producer prices of various meat types (% Δ y/y)



Extended weakness across the grain and oilseed futures

- The bullish harvest outlook remains a bearish feature for the maize prices. Yellow maize futures are currently below R3,500/t which bodes well for reduced feed costs later in the year. Similarly, soybean prices futures fell from the highs of R7,000/t for the Jul-26 and Sep-26 contracts (table 1).

Table 1: Raw feed inputs - Latest price trends in JSE grain and oilseed futures market (R/ton).

04 JUN 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
Jul-2026	R3,136	-5.0%	R3,182	-6.3%	R8,585	-3.7%	R6,733	-2.3%
Sep-2026	R3,235	-4.8%	R3,283	-6.0%	R8,782	-3.8%	R6,870	-2.3%
Dec-2026	R3,328	-4.6%	R3,379	-5.7%	R8,986	-3.1%	R7,028	-2.1%
Mar-2027	R3,391	-4.5%	R3,425	-5.5%	R8,868	-3.6%	R7,080	-1.9%
May-2027	R3,451	-4.5%	R3,480	-5.4%	R8,815	-2.4%	R7,020	-1.6%

Source: JSE

Source: FNB AgriComms, JSE, Own Calculations

OUTLOOK

- Seasonal demand weakness and consumer strain from higher interest rates and fuel costs remain bearish forces in the livestock market.
- Lower raw feed input prices, particularly maize and soybeans, support positive margins for intensive livestock operations.

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