



**Meat Board
Of Namibia**

MARKET WATCH

Beef & Pork October 2023

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BEEF Monthly Market Watch



**Meat Board
Of Namibia**

September 2023 Review

NOTE: Comparisons to the previous drought year are made in this edition.

Livestock exports declined on a Month-By-Month basis 37.43% from the 22 214 heads exported in August to 13 899 heads exported in September. This decline is seasonal, however this decline is 7 times more than the decline experienced in 2022 and 2 times more than what was experienced in the 2019 drought year, where live exports declined by 16.10%. Similar trends can be seen in the number of cattle slaughtered at export abattoirs, where slaughter declined by 2.37% from the 11 662 to 11 385 heads slaughtered in September. Despite the seasonal decline, the number of cattle slaughtered increased by 115.80% compared to the same period last year, however is 13.77% lower than what was slaughtered in the 2019 drought year. Abattoir prices experienced declines across all grades but are higher than they were a year ago. Similarly, further declines were experienced in weaner prices.

WEANER AUCTION PRICE

SVCF

N\$24.11/kg

NVCF AUCTION PRICES

Tollies - N\$23.45/kg

Heifers -N\$26.55/kg

B2

CARCASS PRICE

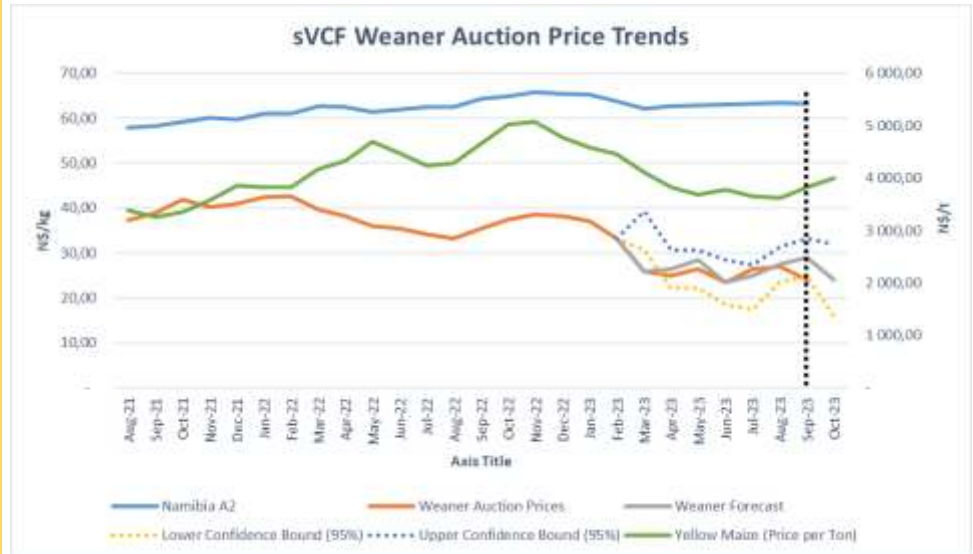
N\$62.40/kg

WEANER/B2 PRICE RATIO

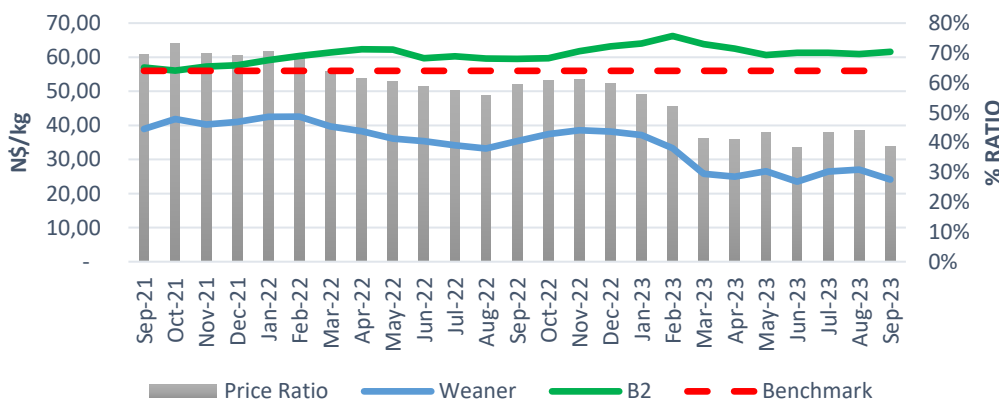
RATIO

39%

Weaner prices experienced a monthly decline of 10.83% from N\$27.07/kg to N\$24.11/kg in September 2023. Namibia experienced good rainfall in years 2020, 2021 and 2022 which shows increases in prices due to retention of weaners by farmers, reducing supply to local auctions. Prices averaged N\$36.49/kg during this period and have dropped by 33.92% to the current price level. Compared to 2019 price levels, prices have only increased by a slight 2.90%, from N\$23.43/kg to N\$24.11/kg. Prices are expected to dwindle below N\$25.00/kg, for the next month.



WEANER/B2 PRICE RATIO

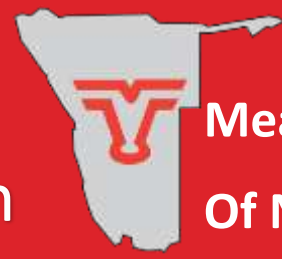


The Weaner/B2 price ratio dropped to 39% during August 2023. This is 25 percentage points lower than the benchmark ratio of 64%. This is 21 percentage points lower than the 59% ratio recorded during the same period last year implying a shift in marketing dynamics, with drought-driven marketing influencing producers to reduce stock. During this time last year, the number of cattle marketed at auctions were 7.37% lower. However, compared to the same period in 2019, the number of cattle marketed declined by 17.59%.

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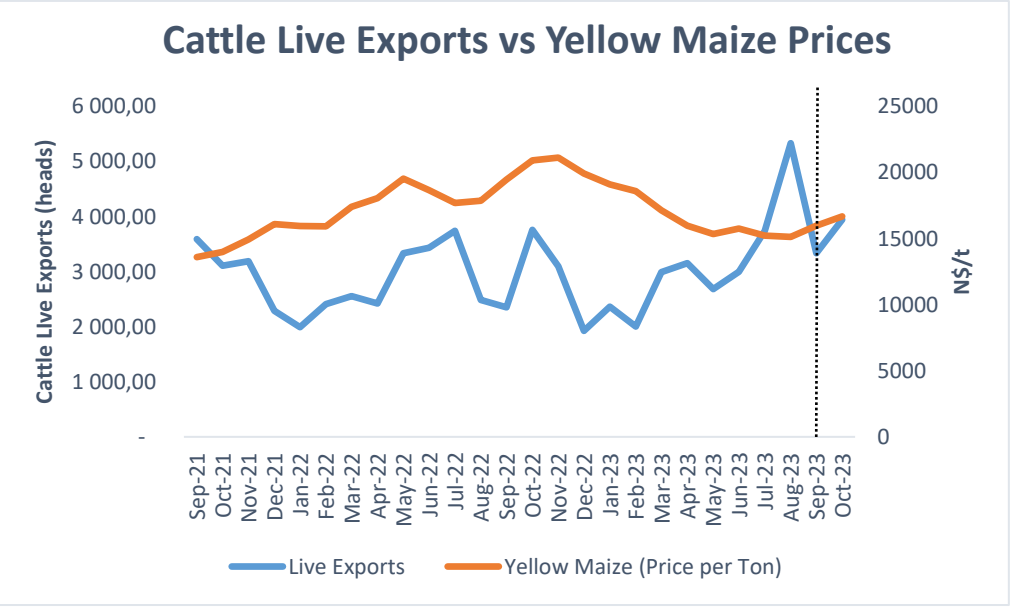
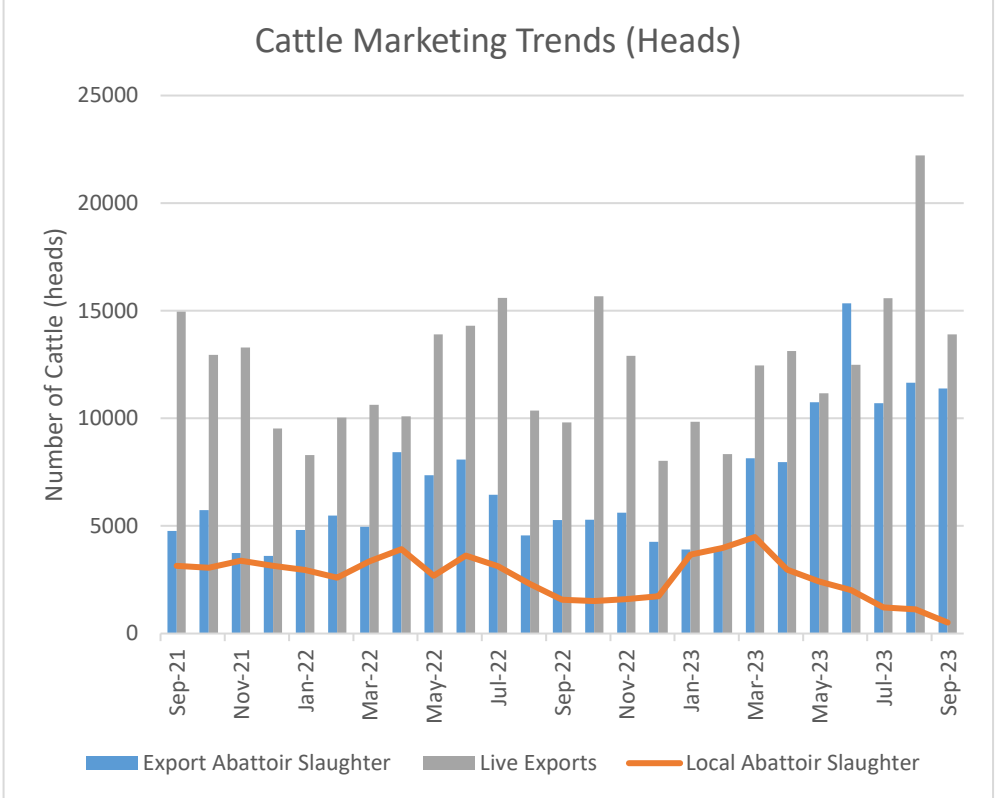
Meat Board
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| Producer Prices (Excl. Vat) - N\$/kg | | | | | | | Forecast |
|--------------------------------------|--------|--------|--------|--------|--------|---------|----------|
| Month | Sep-22 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Δ y/y % | Oct-23 |
| Weaner Auction Price | 35.41 | 23.48 | 26.42 | 27.04 | 24.11 | -31.91 | 24.23 |
| Slaughter Oxen Auction Price | 31.17 | 27.55 | 26.68 | 28.04 | 29.49 | -5.39 | 29.68 |
| Class B2 (NAM) | 59.71 | 61.26 | 60.93 | 61.60 | 62.40 | 4.50 | 62.72 |
| Class B2 (RMAA) | 54.55 | 46.62 | 48.23 | 48.33 | 47.92 | -12.15 | 47.88 |
| All-Grade Carcass Price | 58.47 | 59.61 | 60.26 | 60.91 | 60.24 | 3.02 | 61.51 |

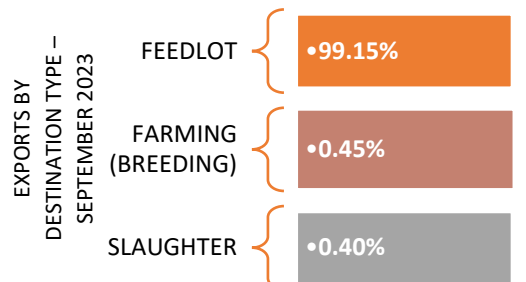
Live Cattle Exports (mainly weaners) declined by 37.43% on a month to month basis from the 11 662 heads exported in August 2023.

Live exports were split between Botswana (0.45%) and South Africa (99.55%). Majority of Exports 99.15% went to feedlots in South Africa, and 0.45% went for farming and breeding purposes in Botswana. Only 0.40% of live exports went directly to abattoirs. Export abattoirs similarly witnessed a 2.37% decline in the number of cattle slaughtered compared to the previous month.

Regarding El Niño conditions, the last status update on the 6th of October, it is expected to strengthen between November and December 2023 and then continue until early 2024, where thereafter it is expected to weaken. A 57% chance of ENSO-neutral likelihood, which is associated to fairly normal weather patterns, which is expected around May-June 2024.



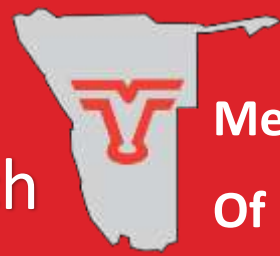
SAFEX Feed prices have consistently remained below N\$5 000/ton for yellow maize since November 2022 and are expected to follow on this trend throughout 2023. Prices have however picked up during September by 5.63%, and have been on an increase during the first two weeks of October. Prices are expected trend closer to N\$4000/ton for the next two months.



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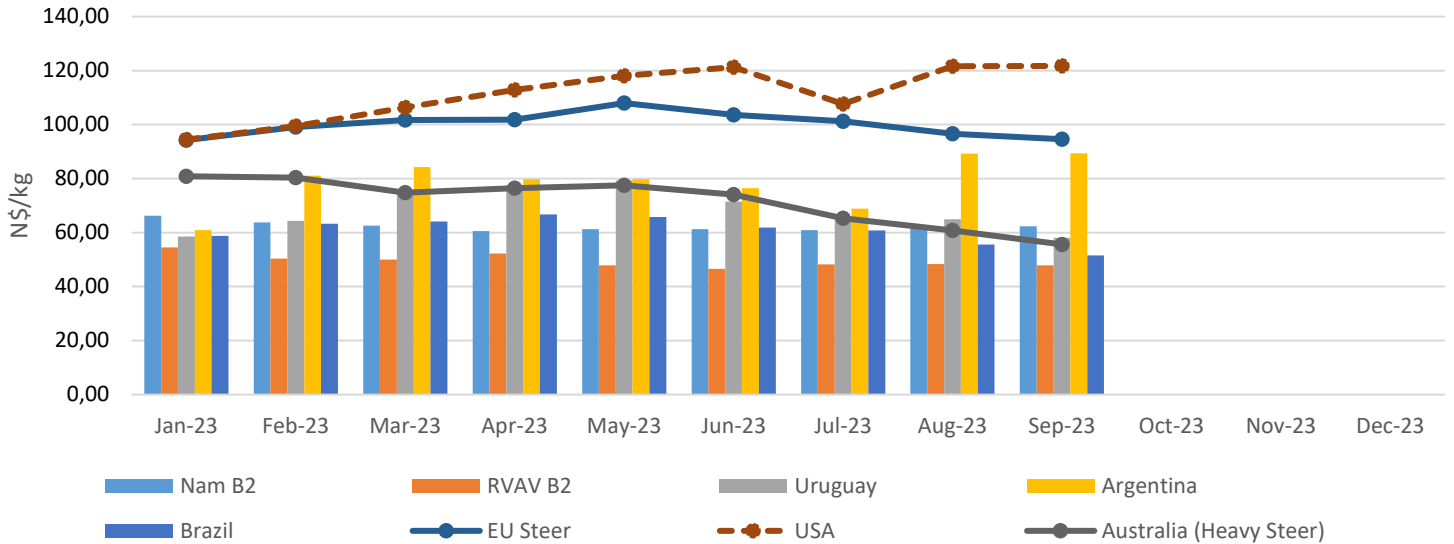


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International Price Comparisons: N\$/kg



In the Global markets, US prices trended sideways. The US continues to face limited supplies due to drier conditions experienced. The number of beef cattle slaughtered is 15% lower that was recorded during the same period last year. The decline in culling will depend on weather conditions in the coming months. The US is further experiencing fewer cattle in feedlots, and a decline in available beef at cold storages, due to lower slaughter figures and a decline in beef exports.

EU Steer prices continue to dwindle, dropping from the May recorded price level of N\$107.98/kg to N\$94.57/kg. This 12.35% decline is attributed to a decline in the demand of beef due to with the increase in retail prices. According to various industry reports, beef consumption in key EU countries i.e, France, Germany and Italy have declined by 2.5%, 6.2% and 4% respectively compared to the same period last year.

In South America, Argentinian prices trended sideways, while Uruguay producer prices declined by 10.56% from N\$64.96/kg to N\$58.10/kg. Although slaughter levels in Uruguay are still higher than a year ago, they starting to normalize and are expected to improve during the last few months of the year. Brazil prices experienced further declines as a result in the increase of cattle supplied to abattoirs.

Australian prices continue on a downward trend due to panic selling causing an influx of cattle supplied on the market, which further puts pressure on prices for cattle producers. Compared to the same period last year, Australian prices have declined by 53.50%.

South African producer prices have shown no significant change, dropping only by 0.89% on a month by month basis. Although seasonally demand increases approaching the festive season, the increase in marketed animals due to decline in pastures may impact the price over the next few months.

| Seasonal Indicators | Oct-23 | Nov-23 | Dec-23 | Jan-24 |
|---------------------------|---------------|---------------|--------|--------|
| Livestock Exports | Green | Green | Red | Red |
| Local Abattoir Slaughter | Yellow | Green | Red | Red |
| Export Abattoir Slaughter | Red | Yellow | Red | Red |
| NAM B2 Carcass Price | Yellow | Red | Yellow | Green |
| Weaner Price | Yellow | Yellow | Green | Green |
| Decline | Growth | Steady | | |

Beef Producer Prices: Beef Market – Namibia (N\$/kg)

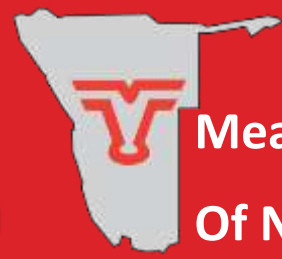
| | Sep-23 | % Δ m/m | % Δ y/y | Aug-23 | Jul-23 | Jun-2023 |
|----------|--------|---------|---------|--------|--------|----------|
| Class A | 62.43 | -3.48 | 0.98 | 64.68 | 64.20 | 63.17 |
| Class AB | 63.40 | -0.27 | 2.51 | 63.57 | 63.21 | 63.08 |
| Class B | 62.55 | -0.21 | 2.63 | 62.68 | 62.09 | 61.11 |
| Class C | 58.74 | -1.01 | 4.26 | 59.34 | 58.26 | 57.28 |

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Pork

Monthly Market Watch

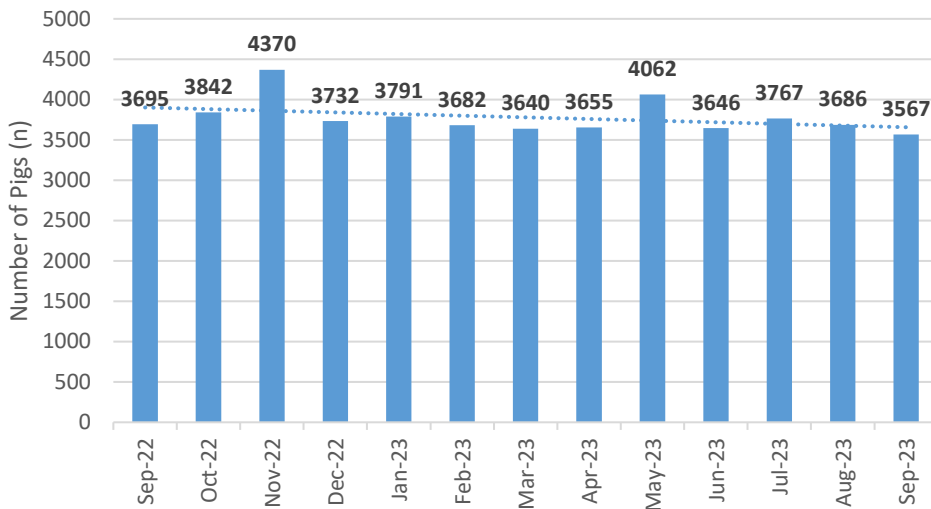


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September 2023 Review

M-o-M Local pork slaughter recorded a 3.23% decline in the number of pigs slaughtered at B & C- class abattoirs from the August level of 3 686 to 3 567 in September. The Namibian pork ceiling price remains fixed at N\$51.03/kg whereas the South African prices currently stands at N\$35.85/kg.

B & C Class Abattoir Slaughter Trends - Namibia (n)



The number of pigs slaughtered at local abattoirs for September 2023 stood at 3 567 heads at the time of this publication. This is 3.46% lower than a year ago where 3 695 pigs were slaughtered during the same month.

Despite the current shortage of pork in the country due to the import ban on South African fresh meat, local production levels remain low causing retailers and processors to source from overseas markets.

Local Slaughter of Pigs – (n)

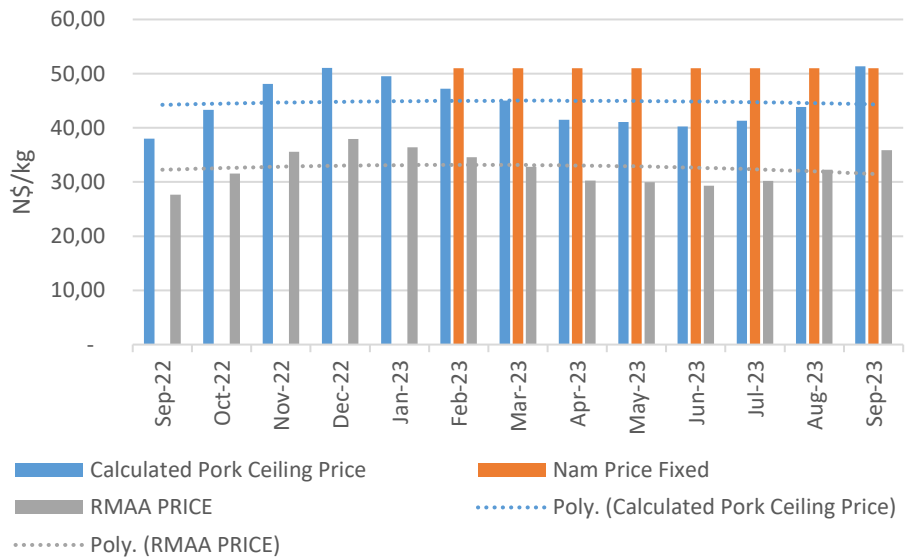
| Sep-22 | Sep-23 | % Δm/m | % Δy/y |
|--------|--------|--------|--------|
| 3 695 | 3 567 | -3.23 | -3.46 |

The Pork Ceiling Price has been fixed to N\$51.03/kg as a mitigation strategy to counter the negative effects of the dwindling RMAA pork price, the current benchmark price for Namibia's pork ceiling price calculation.

The RSA price currently stands at N\$35.85/kg, increasing by 11.09% from the August price level of N\$32.27/kg. On Average prices are also 26.61% higher than a year ago due to improved demand for pork products. The load-shedding reprieve as well as the increase in poultry prices have led to a shift and increase in consumer demand for pork.

It is expected that pork prices will increase slightly in the coming months paired with the increase in red meat prices, particularly beef and poultry. Seasonally, pork prices increase towards the festive season and this can also attributed to the expected increase.

Nam Pork Ceiling Price v RMAA Price (N\$/kg)



SAFEX Feed Prices: N\$/tonne

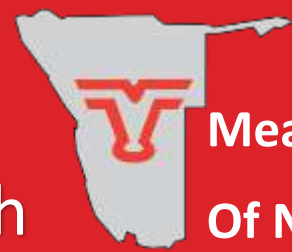
| | Sep-2023 | % Δ m/m | % Δ y/y | Aug-2023 | Jul-23 | Jun-2023 |
|------------|----------|---------|---------|----------|----------|----------|
| Sunflower | 8 956.48 | -1.99 | -14.09 | 9 139.22 | 9 124.14 | 8 384.59 |
| Soya Beans | 9 554.19 | 3.24 | 4.57 | 9 254.09 | 8 624.38 | 7 824.14 |

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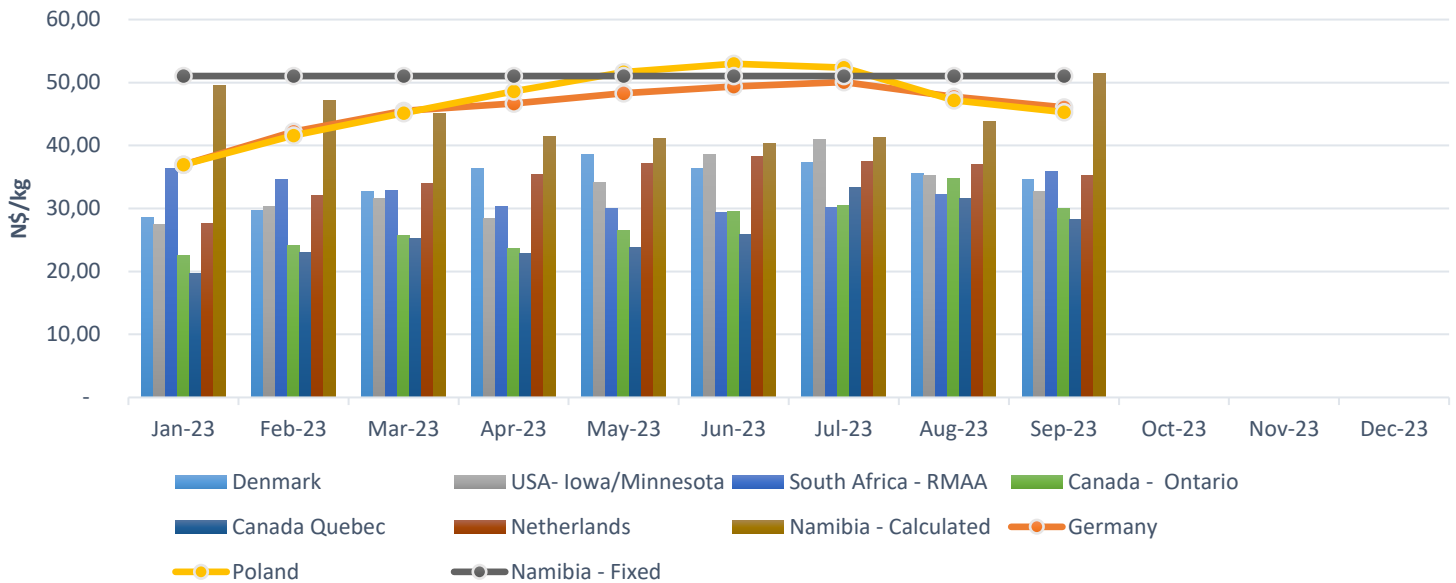
Pork

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Average Int. Producer Carcass Price Comparison - N\$/kg



Significantly, the Namibian Calculated pork price surpassed the current fixed pork ceiling price, which has been fixed as mitigation strategy to counter the negative effects of the declines experienced in the RMAA Price Since December 2022. The calculated price is 0.64% higher than the fixed price and is mainly driven by the increase in the South African RMAA Producer price caused by an increase in demand for pork.

Canadian producer prices experienced declines in both Ontario and Quebec, declining by 10.68% and 13.61% respectively. The ongoing pressures faced in Canada relating to a crumbling pork industry, continue to weigh down producer prices. US Prices on the other hand have also experienced declines, specifically due to the increase in the number of pigs supplied to the market. Slaughtering of sows specifically are 5.2% higher than they were a year ago. Prices are expected to improve next year around March, due to declines expected in the number of beef, chicken and hogs available.

European prices further experienced declines rolling over from previous months as they continue to experience an oversupply within markets and an ease in demand.

NAMIBIA PORK TRADE SNAPSHOT

SEPTEMBER 2023

435 799

Import Volume (kg)

4

Germany (53%) RSA (24%)
Spain (23%) UK (0.5%)

Import Countries

4 698

Export Volume (kg)

2

RSA (71%)
Botswana (29%)

Export Countries

Processed Pork Cooked

87 659

Top Product Imported (kgs)

Processed Pork Products

4 698

Top Product Exported (kgs)

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