



**Meat Board
Of Namibia**

MARKET WATCH

Beef & Pork

September 2023

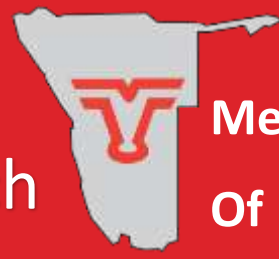
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BEEF Monthly Market Watch



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Of Namibia**

August 2023 Review

Live exports saw a 42.60% increase from the 15 577 cattle exported in July to 22 214 cattle exported in August. This is 114.48% more than what was exported during the same month in 2022. This could imply that farmers are taking on drought related marketing to reduce the number of stock on hand, to better manage possible herd loss. Export abattoirs experienced a 8.98% increase in monthly slaughter from 10 702 heads to 11 662 heads. Historic data shows that there is normally a drop in the number of cattle slaughtered in August, during normal rainfall years, in this case, the number of cattle slaughtered is 3 times higher than what was slaughtered at export abattoirs during the same month last year. Cattle prices saw increases across all categories in both veterinary zones of Namibia.

WEANER AUCTION PRICE

SVCF

N\$27.04/kg

NVCF AUCTION PRICES

Tollies - N\$23.45/kg

Heifers -N\$26.55/kg

B2

CARCASS PRICE

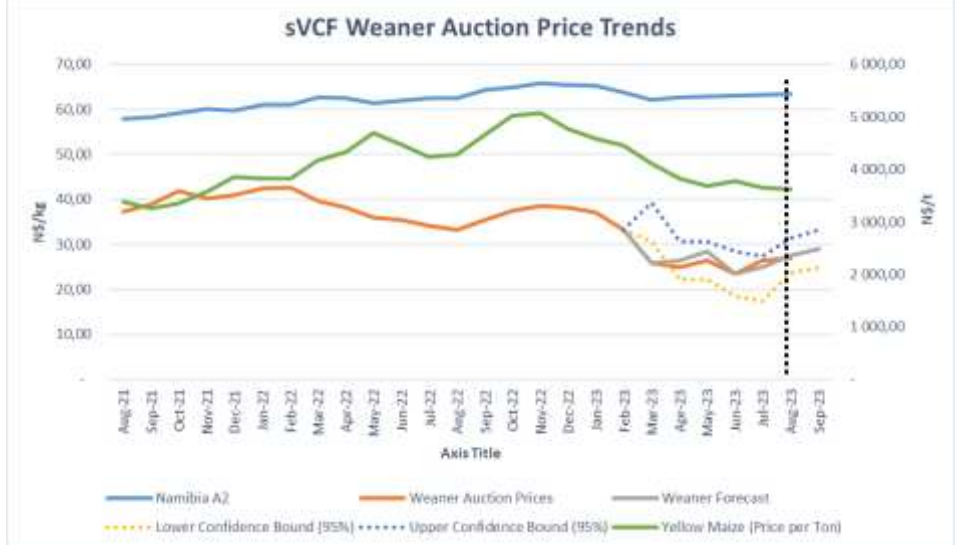
N\$59.93/kg

WEANER/B2 PRICE RATIO

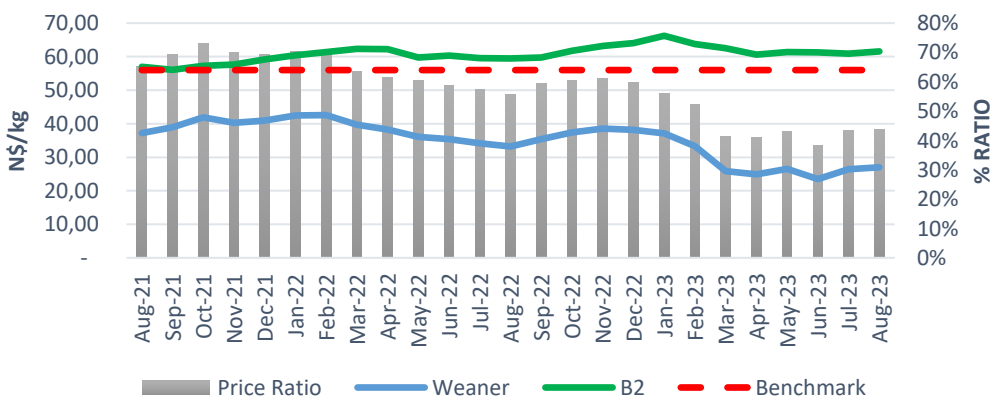
RATIO

44%

The Namibian weaner price witnessed a 2.35% growth from the previous month's level of N\$26.42/kg, however this is 18.58% lower than a year ago. There have been significant increases in the number of cattle marketed at auctions compared to a year ago, with auction marketing increasing by almost double compared to the same month last year. South African weaner prices on the other hand have declined by 4.5% from the previous month, but have increase during the first weeks of September due to an increased demand for weaners.



WEANER/B2 PRICE RATIO



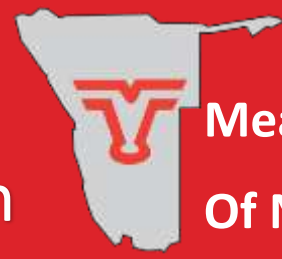
The Weaner/B2 price ratio increased to 44% during August 2023. This is 20 percentage points lower than the benchmark ratio of 64%. This is also 12 percentage points lower than the 56% ratio recorded during the same period last year implying a shift in marketing dynamics. During this time last year, fewer animals were marketed at auctions leading to an increase in prices. This dynamic has changed with the number of cattle being auctioned being 73% more than what was marketed in 2022, dropping prices by 18.58%.

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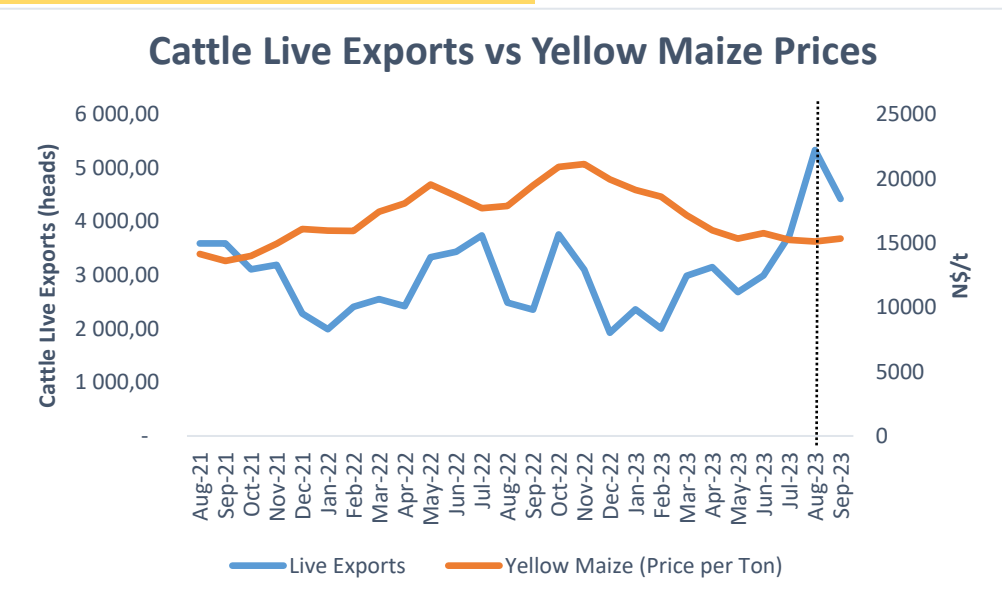
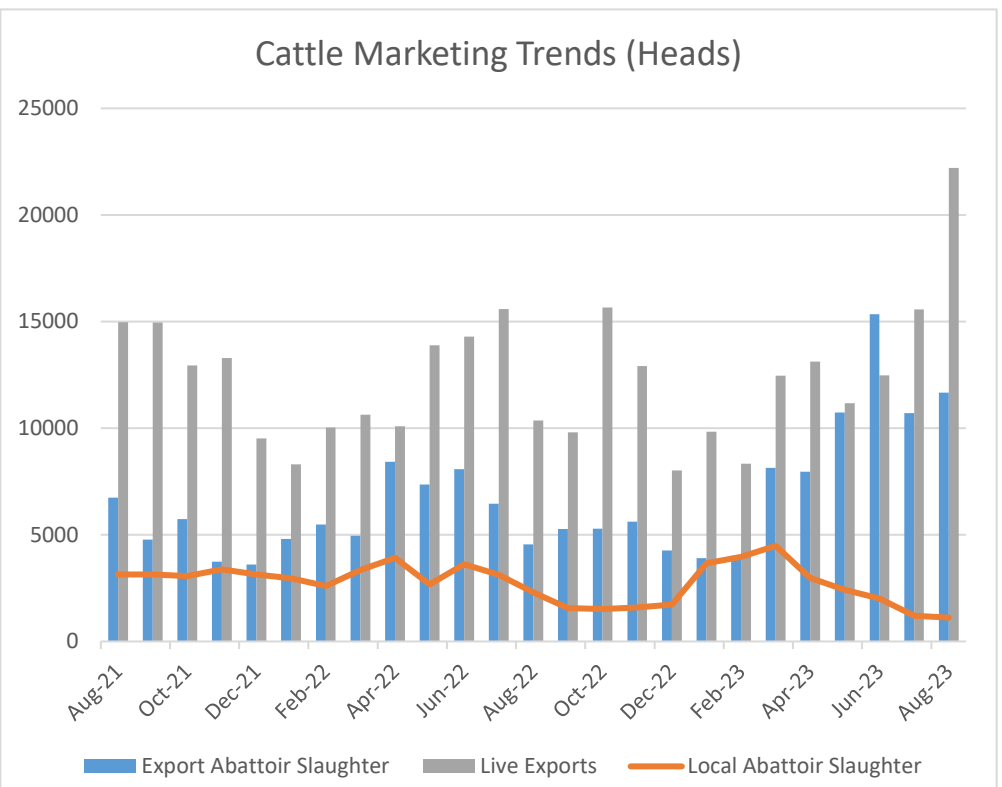
Producer Prices (Excl. Vat) - N\$/kg							Forecast
Month	Aug-22	May-23	Jun-23	Jul-23	Aug-23	Δ y/y %	Sep-23
Weaner Auction Price	33.21	26.51	23.48	26.42	27.04	-18.58	26.34
Slaughter Oxen Auction Price	29.36	27.56	27.55	26.68	28.04	-4.49	27.42
Class B2 (NAM)	59.48	61.33	61.26	60.93	61.60	3.56	59.52
Class B2 (RMAA)	57.57	47.89	46.62	48.23	48.33	-16.05	48.62
All-Grade Carcass Price	58.16	60.81	59.61	60.26	60.91	4.73	60.51

Live Cattle Exports (mainly weaners) grew by 42.60% on a month to month basis to 22 214 heads exported in August 2023.

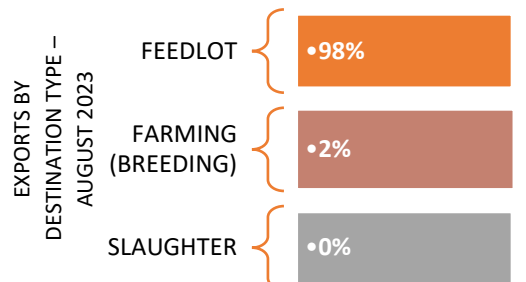
This is 114.48% more than the number of cattle exported in August 2022. The majority of live exports (98%) went to feedlots in South Africa whereas the remainder went for farming and breeding purposes. No cattle were exported directly to RSA abattoirs.

Export abattoirs similarly witnessed an 8.98% increase in the number of cattle slaughtered. This is 156.19% more than what was slaughtered during the same month last year. This could be attributed to drought-induced supply, influenced by low rainfall experienced during the 2022/23 rain reason.

With 80% chance El Niño conditions expected to start between July and September 2023, warmer and drier conditions are expected to be fuelled by this phenomenon.



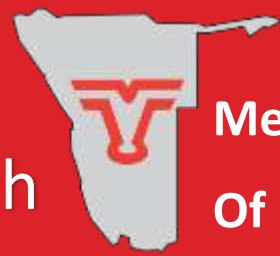
SAFEX Feed prices have consistently remained below N\$5 000/ton for yellow maize since November 2022 and are expected to follow on this trend throughout 2023. This is due to higher than normal local and international supply levels. The prices however in the beginning of September witnessed a slight increase. Prices are expected to remain low due to favourable production prospects in South Africa.



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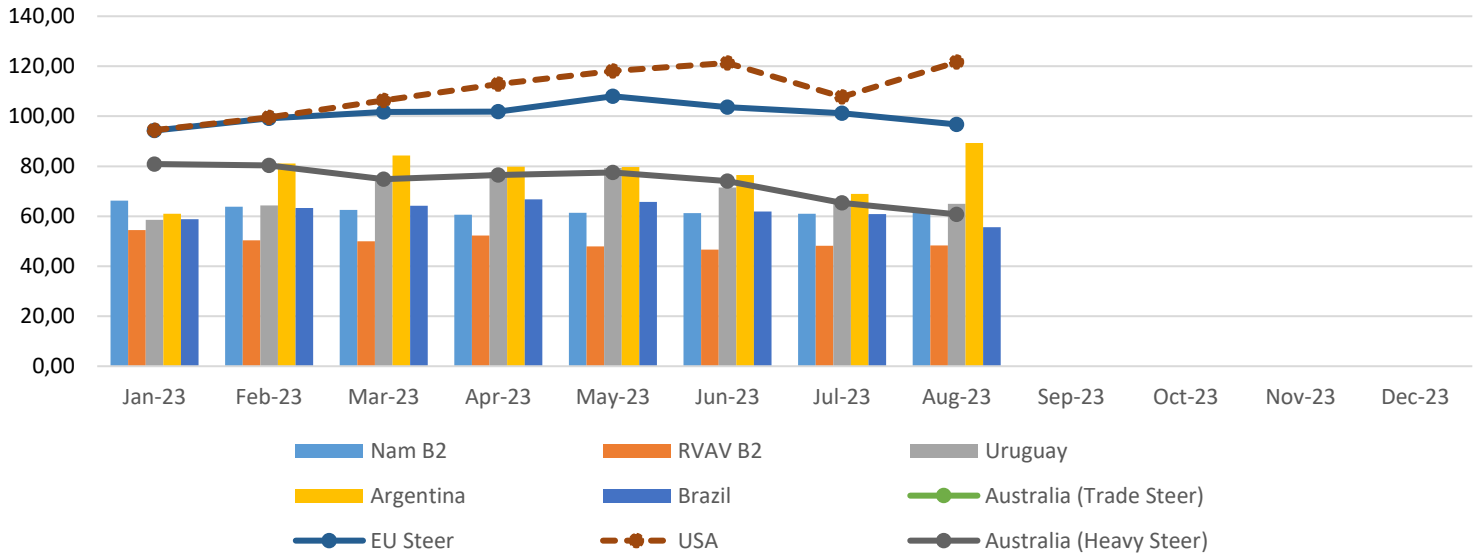


BEEF Monthly Market Watch



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International Price Comparisons: N\$/kg



US producer prices have increased by 12.94% from the July price level of N\$107.70/kg to N\$121.64/kg. It is noted that supply to abattoirs has been so low that the recent number of cattle slaughtered in 2023 falls below five-year average and 2021 levels. This has pushed prices up by 43.57% compared to a year ago. Expectations are that the supply to abattoirs will remain extremely limited, with low inventories of boneless beef already being experienced; limiting lean beef supply. Despite an increase in beef imports from Australia and New Zealand into the US, the inventory of boneless beef only grew by 1.6% compared to 4% it gained on average a year ago.

Argentinian prices similarly grew by 29.52% from N\$68.92/kg to N\$89.27/kg. These prices were driven by a plunge in the peso experienced early August, which improved prices by more than 20% within the local cattle market. Prices are 23.47% higher than they were a year ago. Brazil prices on the other hand, have been under pressure for the last three months and have dropped by 16.64% from the April high of N\$66.73/kg to N\$55.62/kg. This is attributed to the sluggish pace of exports to China.

Australia on the other hand, continues facing a decline in prices due to the continuous increase in the number of cattle supplied to the markets.

Currently, the number of cattle slaughtered Australia hovers above the five year average, and this is due to drier weather conditions pushing up supply numbers. This is expected to continue throughout 2023 and into the beginning of next year.

South African producer prices have remained stable around N\$48/kg. Notably, the resumption of beef exports to China and Saudi Arabia markets is a positive development and may lead to better producer prices in South Africa and therefore improved Namibian weaner prices.

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

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

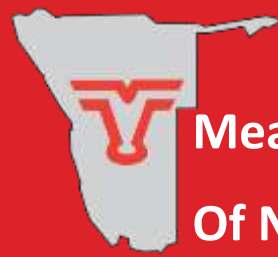
	Aug-23	% Δ m/m	% Δ y/y	Jul-23	Jun-2023	May-2023
Class A	64.68	0.75	5.44	64.20	63.17	62.75
Class AB	63.57	0.57	7.13	63.21	63.08	63.56
Class B	62.68	0.95	3.94	62.09	61.11	62.55
Class C	59.34	1.85	0.66	58.26	57.28	60.66

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Pork

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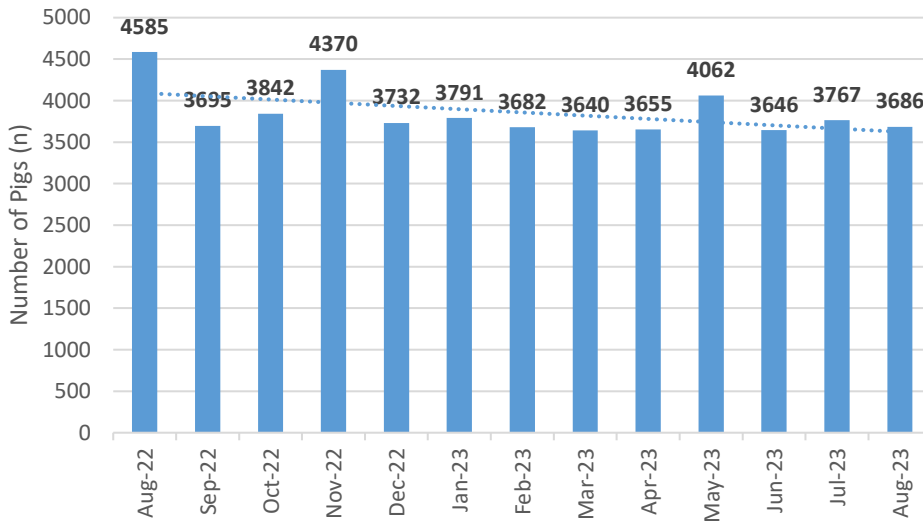


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August 2023 Review

M-o-M Local pork slaughter recorded a 2.15% decline in the number of pigs slaughtered at B & C- class abattoirs from the July level of 3 767 to 3 686 in August. The Namibian pork ceiling price remains fixed at N\$51.03/kg whereas the South African prices currently stands at N\$32.27/kg.

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



The number of pigs slaughtered at local abattoirs for August 2023 stood at 3 686 heads at the time of this publication. This is 19.61% lower than a year ago where 4 585 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)

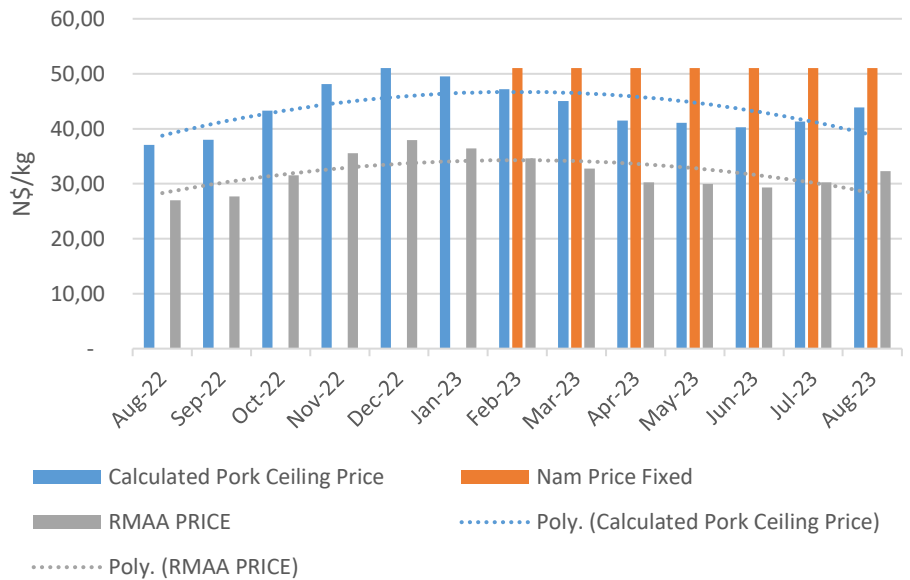
Aug-22	Aug-23	% Δm/m	% Δy/y
4 585	3 686	-2.15	-19.61

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\$32.27/kg, increasing by 6.75% from the July price level of N\$30.23/kg. On Average prices are also 19.70% higher than a year ago due to improved demand for pork products.

Additionally, a reduction in costs due to the decline in feed (yellow maize particularly) prices lead to a slight ease on costs throughout the chain, improving profitability margins for producers. It is expected that pork prices will increase slightly in the coming months paired with the increase in red meat prices.

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



SAFEX Feed Prices: N\$/tonne

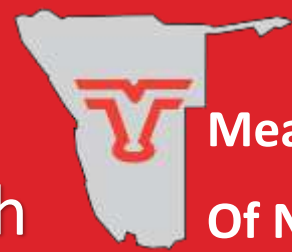
	Aug-2023	% Δ m/m	% Δ y/y	Jul-23	Jun-2023	May-2023
Sunflower	9 139.22	0.16	-14.64	9 124.14	8 384.59	8 342.22
Soya Beans	9 254.09	7.29	5.01	8 624.38	7 824.14	7 659.52

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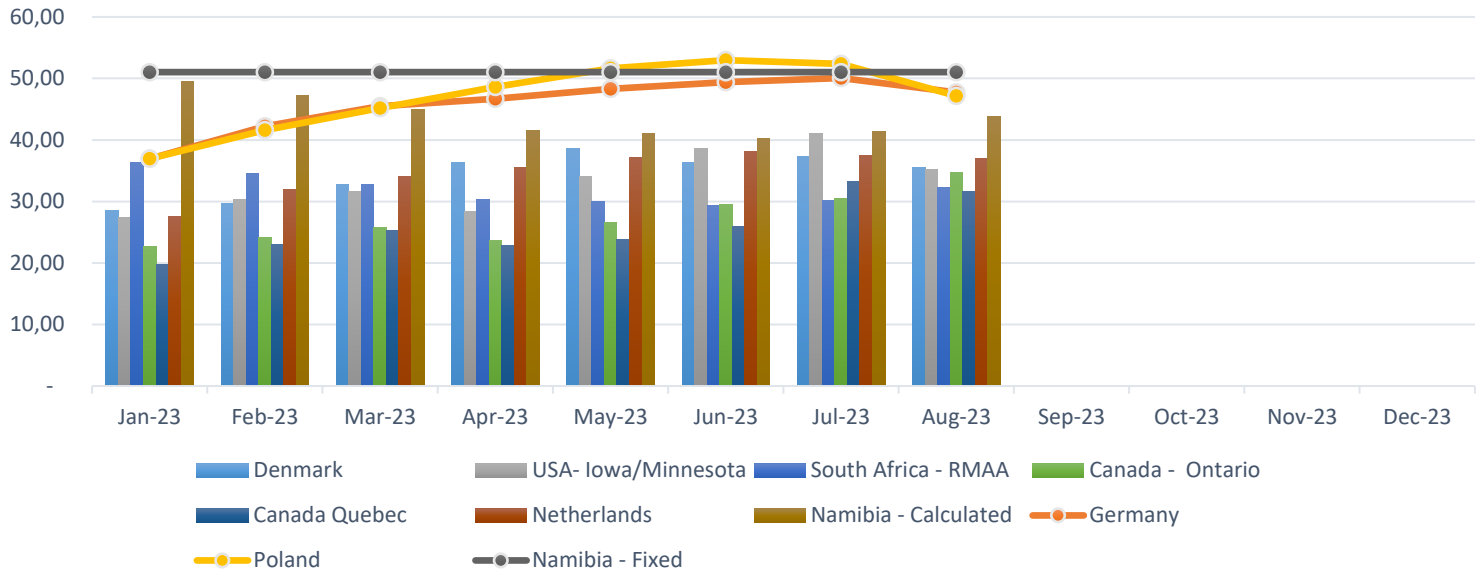
Pork

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



During the month of August producer price declines were recorded in the global pork market. USA recorded a 14.07% decline from the July price level of N\$41.01/kg to N\$35.24/kg. US pork producers are experiencing a soft demand as well as elevated operating costs and declined prices, reducing industry growth and producer returns. Moreover, the global demand for US pork has come under pressure since the increase of pork supply from China which has improved since the outbreak of African swine fever in China in 2018.

Similarly, EU prices have also witnessed declines in Denmark, Germany, Netherlands and Poland, with prices dropping by 4.53%, 4.61%, 1.33%, and 9.89% respectively. The low slaughter rate, driven by reduced demand for pork in the EU continues to hinder the potential growth in prices. High temperatures have caused producers to flood markets with pork, creating a surplus of available pork in the local markets. Similarly, EU producers have also been facing high input cost inflation, making it a global theme for pork producers.

Canadian prices, specifically producer prices from Ontario, experienced a 13.62% increase in producer prices during the month of August. Although prices have improved for some producers, input costs remain high and the futures do not look favourable due to the closure of large processors (Olymel) and internal production farms in the past few months. Quebec, which was home to Olymel, experienced a decline in pork producer prices by N\$1.66/kg.

NAMIBIA PORK TRADE SNAPSHOT

AUGUST 2023

261 578
Import Volume (kg)

4 Spain (51%) RSA (35%)
Germany (13%) Portugal (0.3%)
Import Countries

6 642
Export Volume (kg)

2 RSA (70%)
Botswana (30%)
Export Countries

Pork Tail Bones

126 440
Top Product Imported (kgs)

Processed Pork (cooked)

4 638
Top Product Exported (kgs)

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