



Overview

The livestock and meat industry registered mixed results during April 2023 with the cattle and sheep sectors recording positive growths whereas the goat and pig sectors registered declines. Month-on-month, beef and sheep producer prices improved during April 2023 from the March 2023 levels whilst livestock producer prices observed at auctions dropped. Despite more meat being produced by export approved abattoirs during April 2023, beef exports declined as more exportable meat was appropriated for the local market. Mutton exports on the other hand strengthened during April 2023 due to increased volumes exported to South Africa and Norway by the two export approved abattoirs.

Cattle Sector

The cattle sector continues to record an improved performance with increased activity recorded at export- abattoirs as well as live exports during April 2023. Year-on-year, a total of 25 608 heads of cattle were marketed during the month of April, an increase of 14.1%.

The increase is partly attributed to increased exports of weaners, predominantly to South African feedlots. This stream remains a significant marketing segment for Namibian weaner farmers due to poor financial viability of large-scale feedlots in Namibia that results in costly importation of animal feed from South Africa.

Price developments indicate that slaughter animals could be more profitable than weaner sales due to rapidly falling weaner prices that have resulted in a widening gap between weaner prices and prices paid for slaughter cattle at export-abattoirs. The year-to-date weaner/ B2 ratio stands at 47.7% favourably compared to 66.2% observed last year during a similar period. The low ratio below the 64.0% benchmark represents relatively higher producer carcass prices paid by abattoirs for slaughter-ready animals which ought to discourage the exportation of weaners and boost the production of slaughter cattle.

Year-on-year, live weaner prices weakened by N\$13.33/kg, averaging N\$ 24.92/kg in April 2023, the lowest level recorded since September 2019. The B2 beef producer carcass price dropped to N\$ 60.60/kg in April 2023 from the level of N\$62.27/kg recorded in April 2022. Year-to-date the B2 carcass price averaged N\$ 63.29/kg by end of April 2023.

Sheep Sector

During the month of April 2023, 99 114 sheep were marketed through formal channels compared to 82 715 sheep marketed during the same month last year. Slaughtering at export approved abattoirs increased by 115.5% to record a slaughter of 10 781 heads during April. The increase is owed to an improved national sheep herd coupled with the demand of sheep by the two export approved abattoirs. Year-to-date slaughtering by export approved abattoirs stood at 35 141 heads by end of April, an increase of 250.8%. This growth is purely technical as it remains far below the pre-drought and pre-small stock scheme historical norm.

Meanwhile, The A2 sheep average producer carcass price remains higher than its South African counterpart and averaged N\$89.13/kg during April 2023. The live lamb dorper auction price mirrored the weaner auction price and declined during the month of April 2023. The price averaged N\$30.31/kg by the end of April 2023, a drop of 15.2% from the April 2022 level of N\$35.74/kg.

Goat Sector

Up to 8 185 goats were marketed during the month of April 2023. Meat Board-registered goat abattoirs reported a combined slaughter of 224 goats during the period under review. A total of 7 961 goats were exported live to South Africa mainly to traditional Kwa-Zulu Natal market.

Goat lamb prices dropped by N\$3.50/kg from March 2023 to April 2023 to stand at N\$30.12/kg by end of April 2023. Year-to-date average goat lamb price stood at N\$33.66/kg by the end of April 2023. Goat lamb average prices have remained above the N\$30.00/kg mark for the entire year thus far.

Pork Sector

A total of 3 651 pigs were slaughtered at Meat Board-registered pig abattoirs during the period April 2023. This represents a decline of 9.3% in comparison to 2022 levels. The pork ceiling price operating under the Pork Market Share Promotion Scheme (PMSPS) remains set at N\$51.03/kg.

Trade in Meat and Meat Products

Due to better domestic margins (expressed by the difference between local retail prices and producer carcass prices), local beef uptake improved resulting in Namibia reducing beef exports from 958 221 kg in April 2022 to 881 535 kg of beef during April 2023, an 8.0% decline. Local beef retail prices during April 2023 averaged N\$96.30/kg.

Year-to-date beef exports stood at 2 533 748 kg by the end of April 2023 in comparison to 3 001 904 kg recorded during the same period in 2022. Beef imports remain below 2022 levels due to improved local availability of beef offal which are traditionally dominant in the import basket. Year-on-year, beef imports were 47.8% lower than what was imported during the same period in 2022 whereas, year-to-date imports also declined by 49.6% in comparison to the same period in 2022.

As a result of improved sheep slaughter activity, mutton exports increased by 136.7% during April 2023 compared to April 2022. South Africa remains the dominant export destination for Namibian lamb and mutton taking up 57.3% of all exports whereas the remaining 42.7% of exports went to Norway. The Norwegian market is a lucrative destination for boneless lamb and supports value addition in the sheep sector resulting in better sheep producer prices.

Conclusion

Weaner prices have generally been on a consistent decline from month to month since the beginning of the year. This comes during a time when farmers are seeking markets to off-take their animals before the drought hits in order to avoid any losses.

Despite the improved prices offered by export-approved abattoirs, drought conditions are unlikely to support the volume of slaughter cattle notionally expected from the low weaner /B2 ratio. On the other hand, the South African weaner price offers are unlikely to improve due to emergency marketing on the part of Namibian producers and squeezed margins faced by South African feedlots.

Botswana remains Namibia's main competitor in live cattle in the South African market after taking Namibia's historic position as the number one exporter of live cattle to South Africa.

Sheep price differentials between Northern Cape abattoirs and Namibian abattoirs have increased in favour of Namibia but sheep supply to export abattoirs has not responded by a reasonable proportion suggesting supply chain rigidities.