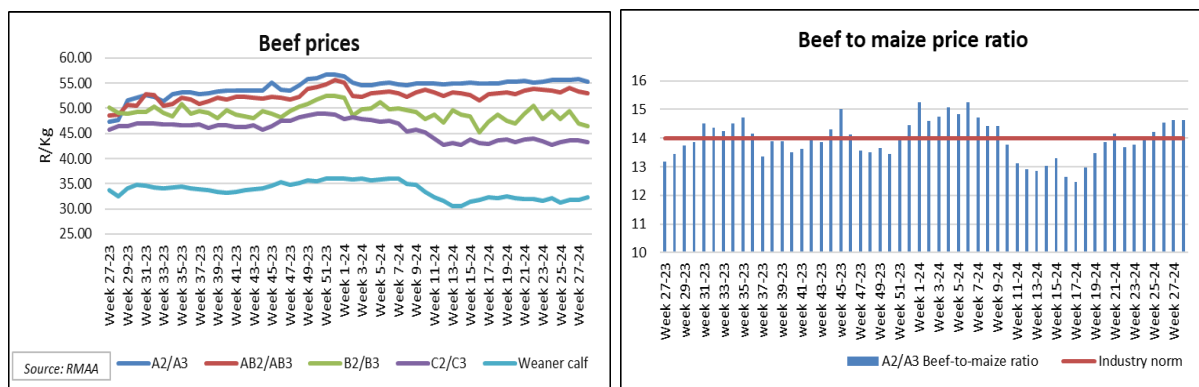




Summary

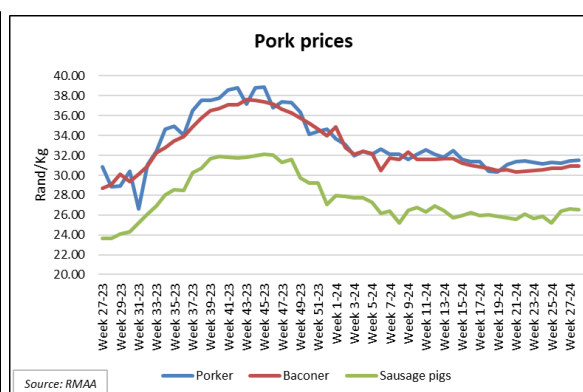
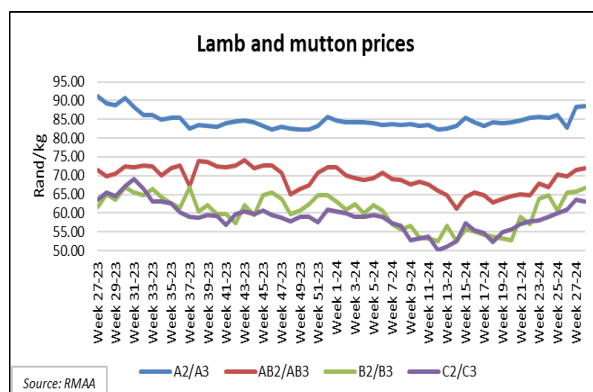
Domestic unprocessed milk production diminished by 6.8% month-on-month in June 2024, following a 2.6% increase in May 2024. The average price for unprocessed milk in June was estimated at R7.71/l, which was approximately 4.2% higher year-on-year (y/y). Although milk production tends to be lower during the winter season, milk production in May 2024 was approximately 7% higher compared to its five-year average. This resulted in cumulative milk production for the first half of 2024 being 3.8% higher y/y. However, the industry is facing biosecurity threats following the foot and mouth disease (FMD) outbreaks reported in KwaZulu-Natal and the Eastern Cape province. These two provinces are estimated to account for approximately 60% of unprocessed milk production in the country. All affected animals in the Eastern Cape, including dairy cattle, have been vaccinated for FMD. However, under the current regulations, a farm that has vaccinated its animals is still regarded as FMD positive even if it is negative, until it is cleared and declared to be FMD free. These regulations might reportedly have a negative impact on dairy trade. South Africa became a net exporter of dairy products in 2023 for the first time since 2014. In 2023, there was an 8.4% y/y decrease in the volume of imports, while exports increased by 8% y/y due to higher production.

The beef industry



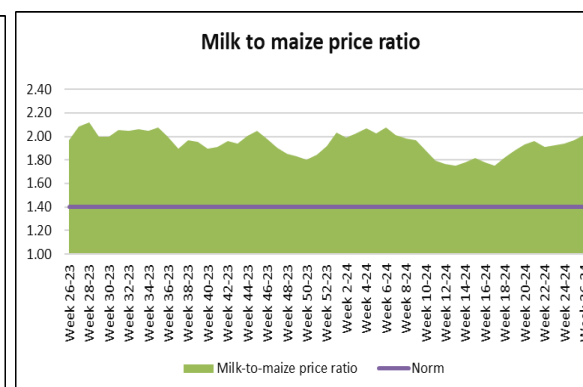
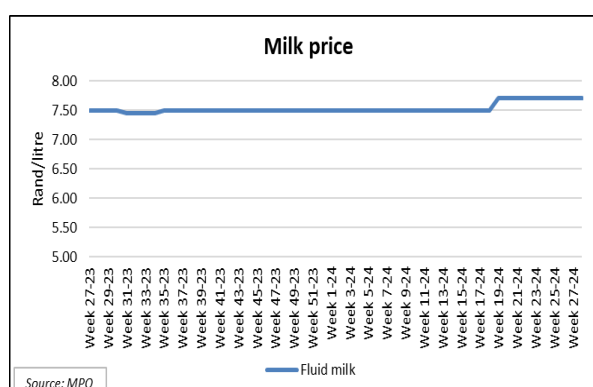
- **Beef prices** were largely bearish week-on-week (w/w).
- The average price of class A2/A3 increased w/w by 0.8% to R55.37/kg, while the price of AB2/AB3 price decreased by 0.4% w/w to R53.06/kg.
- The average prices of class B2/B3 and C2/C3 decreased w/w by 1.3% and 1.1% to R46.44/kg and R43.20/kg, respectively.
- On average, beef prices were 3.2% higher y/y due to improving demand.
- The average **weaner price** increased by 1.4% w/w to R32.30/kg due to improved demand for weaners on the market.
- In the past week, the average **beef-to-maize price ratio** increased by 0.1% to 14.6 as the average yellow maize price decreased by 0.7% w/w.

The mutton and pork industries



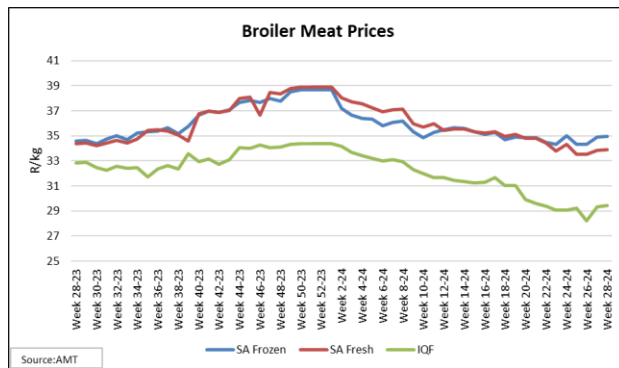
- **Mutton and lamb prices** were largely bullish w/w.
- The average prices of class A2/A3 and AB2/AB3 increased w/w by 0.3% and 0.7% to R88.59/kg and R72.03/kg, respectively.
- The average prices of class B2/B3 increased w/w by 1.6% to R66.69/kg, while class C2/C3 decreased by 0.7% w/w to R63.16/kg.
- The average mutton and lamb prices were 0.4% higher y/y due to improved demand.
- The **pork prices** traded mixed w/w.
- The average price of porkers increased by 0.1% w/w to R31.50/kg.
- The average price of baconers was flat w/w at R30.94/kg, while the price of sausage decreased by 0.5% w/w to R26.52/kg.
- On average, pork prices were 9.4% higher y/y due to improving demand.

The dairy industry



- The latest average **milk producer price** set by dairy processors is estimated at R7.71/l.
- In the past week, the average **milk-to-maize price ratio** increased by 0.7% w/w to 2.
- The increase in the milk-to-maize price ratio was due to the 0.7% w/w decrease in the average yellow maize price in the past week.
- The average milk-to-maize price ratio is still above its long-term average of 1.4, a level which should continue to support the intensive dairy production industry.

The broiler industry



- **Broiler prices** were bullish w/w.
- Both average prices of **South African frozen** and **fresh chicken** increased w/w by 0.1% to R34.94/kg and R33.88/kg, respectively.
- The average price of **IQF** chicken increased w/w by 0.3% to R29.42/kg.
- However, on average these chicken prices are still 3.6% lower y/y.

The wool industry

- The final sale of the 2023/24 **wool season** took place on 05 June 2024 and the first sale of the 2024/25 wool season is expected to take place on 21 August 2024.

Mohair industry

- The last **mohair sale** of the 2024 summer season took place on 04 June 2024 and the first mohair sale of the 2024 winter season is expected to take place on 20 August 2024.

Sources

Agri-Market Trends.

Cape Wools South Africa

Department of Agriculture Land Reform and Rural Development.

Grain South Africa.

Milk Producers Organisation.

Mohair South Africa.

Red Meat Abattoir Association.

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