

Weaner calf prices on upward trend

According to the latest Agri Trends report from Absa's AgriBusiness unit covering livestock and fibre, weaner calf prices have followed an upward trend over the past three months due to less available supplies and good demand in the market.



An average weaner calf price increased from levels of about R21.80/kg at the beginning of December 2016 to levels of R30.11/kg the second week of April 2017. This implies a 38% increase in prices during this time period.

Drivers behind the increases can be attributed to:

- Lower feed prices which may be encouraging feeding activity and, as a consequence, adding to an increased demand for weaner calves.
- This season's good rainfall has improved growing conditions and subsequently triggered herd building. This ultimately reduces supply of cattle.

Highlights from the report - livestock:

- Locally, poultry prices are enjoying support from the higher beef, lamb and mutton prices and positive demand in the market. The industry as a whole will benefit from cheaper feed costs in 2017, following high costs in 2016 due to the drought conditions. This season's good rainfall improved growing conditions, which led to higher crops.
- Pork prices haven't shown a positive trend in current weeks, but prices are expected to improve moving forward supported by improved demand and higher beef, lamb and mutton prices. Lower feed costs will also support the intensive pork industry, improving profitability. The lower feed costs encourage the fattening of the pigs.
- The outlook for livestock prices is positive for 2017 with higher beef, lamb and mutton prices, lower feed costs and favourable grazing conditions expected to benefit the industry.

View the [detailed report](#).