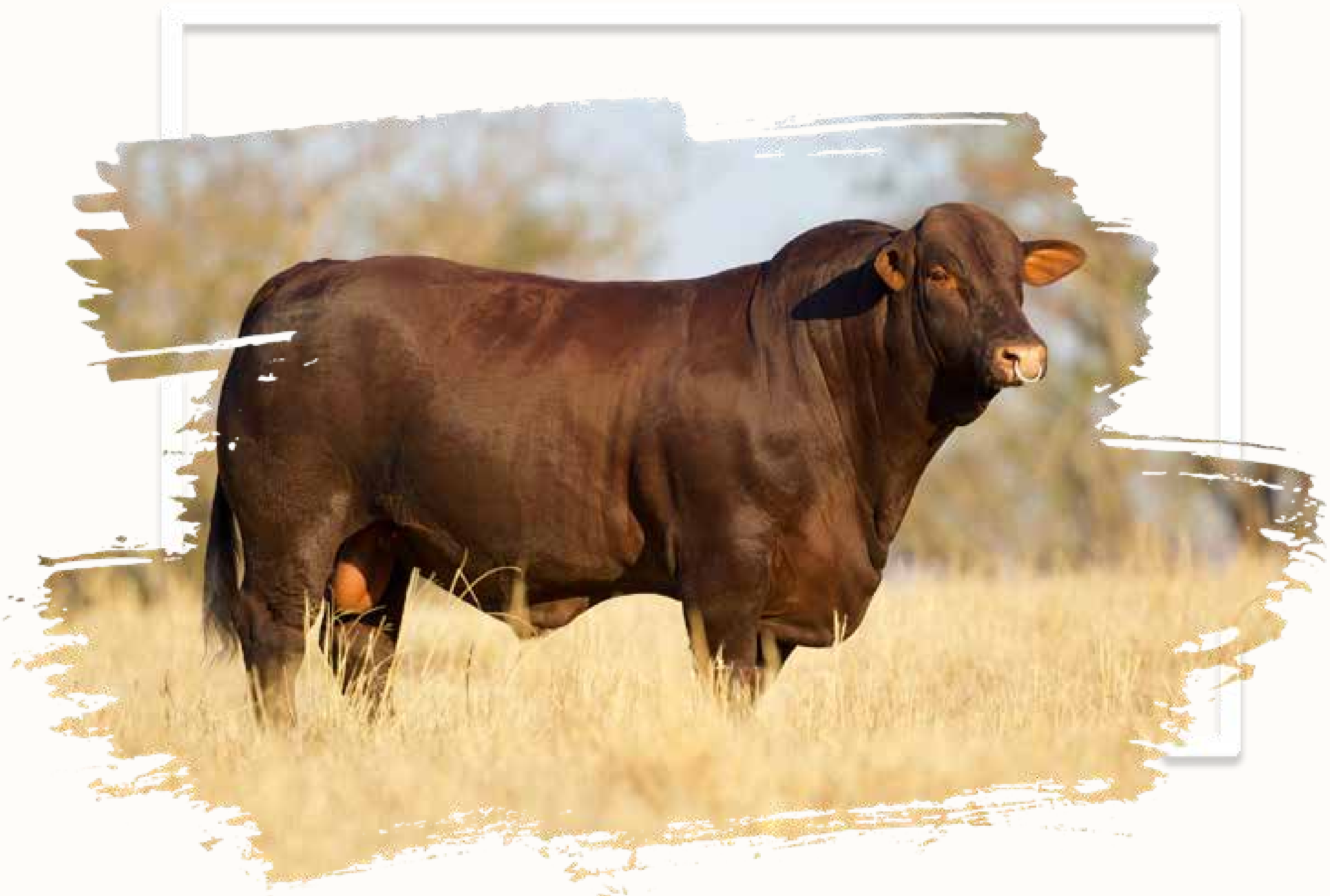

South African *Bull price* INDICATOR

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At the beginning of 2024, two post-graduate students from the Department of Agricultural Economics, University of the Free State started to research stud-bull prices within South Africa. The goal of this project is to establish a database of stud bulls sold in South Africa that contains the numbers of bulls sold, the average prices obtained per year, etc. Bulls from all breeds are welcome to participate as long as they qualify as stud animals. The breeds who already agreed to participate in the project and who have sent their sale statistics are the Bonsmara Cattle Breeders' Society of South Africa, Brahman Cattle Breeders' Society of South Africa, Santa Gertrudis Cattle Breeders' Society of South Africa and Simmentaler Cattle Breeders' Society of South Africa.

The sales price data for 2019 was used to establish a base price for the data. Sale statistics are presented in Table 1 where the number of bulls sold by the participating breeds along with the average prices obtained per year and the percentage change seen in the 5 years are included.

Overall, the data indicates that the stud-bull market in South Africa showed strong growth and resilience from 2019 to 2022, with prices consistently outpacing inflation and highlighting the value and demand of stud-bulls in South Africa. The accumulated inflation of 43.76% over five years translates to an approximate increase of R21,484.54 in the average price of stud bulls.

Table 1- *Averages of stud bulls in South Africa irrespective of breed*

Year	Total Bulls Sold	% change in number sold	Average Price	% change in Price Y/Y	Index
2019	3133		R49 090.92		100,00
2020	3561	13.7%	R55 820.64	13.7%	113,71
2021	4164	16.9%	R66 766.04	19.6%	136,00
2022	4048	-2.8%	R74 685.51	11.9%	152,14
2023	4122	1.8%	R70 575.46	-5.5%	143,76

Over these five years (Table 1), a total of 19,028 stud-bulls were sold, notice how the numbers steadily increased between 2019 from 3133 to 4164 in 2021. Thereafter the numbers remained higher than four thousand per year. In 2019, the market saw the sale of 3133 bulls at an average price of R49,090.92. In 2020, the number of bulls sold increased to 3561 (13.7% increase), and the average price rose to R55,820.64, a year-on-year (Y/Y) price change of R6,729.72 or 13.71%. These price increases outpaced inflation, indicating a strong demand and possibly favourable economic conditions for cattle farming. The index rose to 113.71, reflecting the market's growth.

The following year, 2021, experienced the highest number of bulls sold, reaching 4164, and the average price surged to R66,766.04. This represents a Y/Y price increase of R10,945.40 or 19.61%.

In 2022, the market experienced slight moderation. The number of bulls sold decreased to 4048 (a decrease of 2.8%), yet the average price increased to R74,685.51, with a Y/Y price change of R7,919.47 or 11.86%. A slight decline in market dynamics was seen in 2023 the number of bulls sold increased marginally to 4122 (an increase of 1.8% Y/Y), but the average price decreased to R70,575.46, resulting in a Y/Y price change of -R4,110.05 or -5.50%.

Monthly trends

Figure 1 and Figure 2 provide insights into the number of bulls sold each month and the average bull prices from January to December, respectively. The peak in terms of the number of bulls sold (Figure 1) occurred between July and October in most years, with the highest sales numbers seen in September, suggesting a seasonal trend influenced by breeding seasons. After September the number of bulls sold per month decreases steadily towards the end of the year.

Bull prices (Figure 2) show less variation than the sales numbers with prices reaching a peak in July reflecting high demand during this period. Lower prices were recorded in January and December and this coincided with a much smaller number of bulls being sold during these months.

Figure 1: Trend in bull sold per month

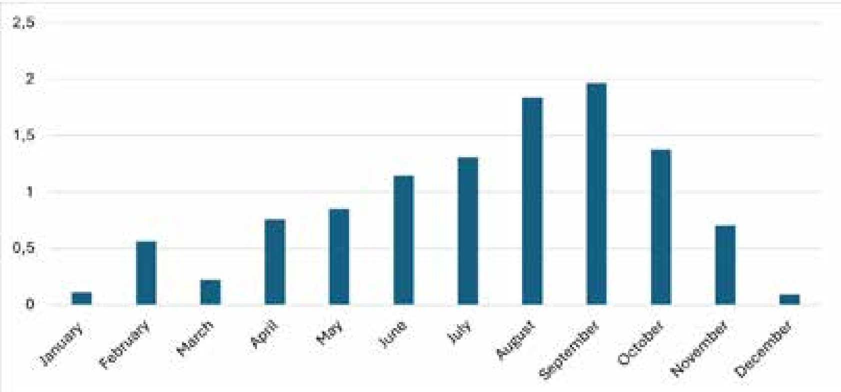
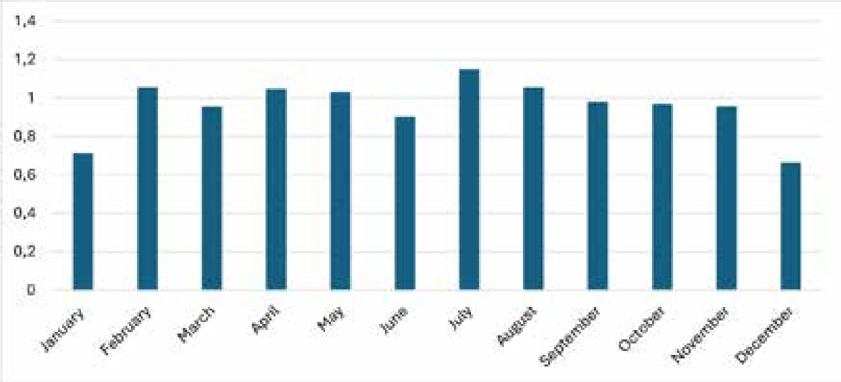


Figure 2: Annual trend in bull auction prices



Future plans

This report sets out to form the basis of the annual national bull price indicator for South Africa. This data will help to gain valuable insight into the stud-bull market within South Africa. In future, this data can be used to assist in determining the driving factors of the stud-bull market in South Africa. If possible, sale data of stud female animals could also be collected and included in future. Lastly, a word of thanks to the cattle breeds who are already part of the project and who provided access to all the auction data needed. If any other cattle breeds are interested in joining the project please inform us.

For more information on the project please contact: LombardWA@ufs.ac.za