



agriculture, land reform & rural development

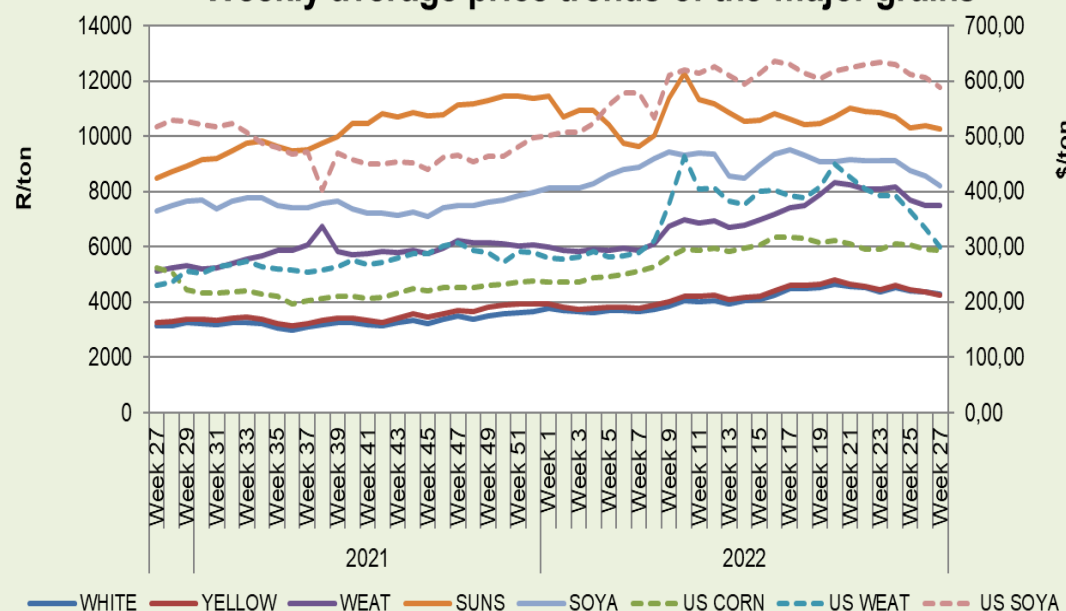
Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 08 July 2022

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

Weekly average price trends of the major grains

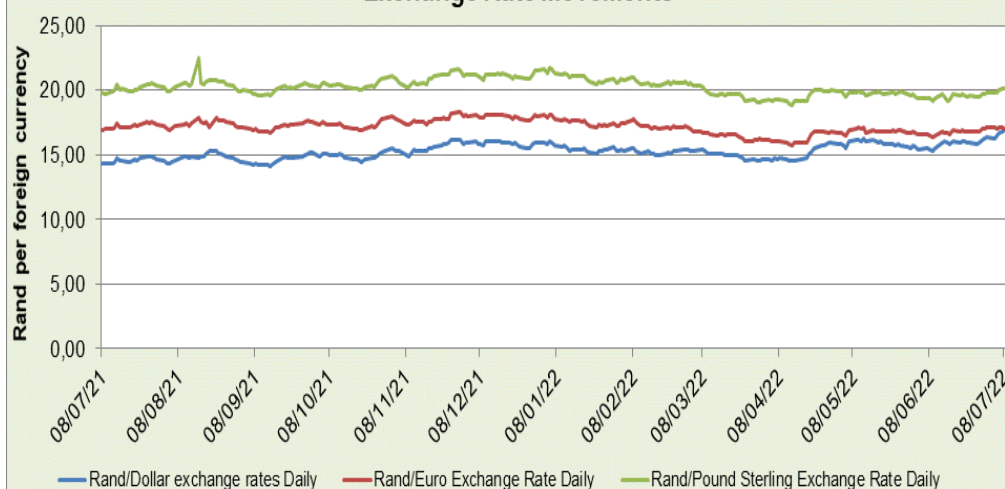


The price of local and international maize decreased this week compared to last week. The local white and yellow maize price decreased by 1.6% and 2.8% while the international maize price decreased by 0.8%. The maize price came down as Brazil maize crop outlook was increased by 2.5M tons. The price of local wheat increased by 0.2%, whilst the international wheat price decreased by 10.2%. Concerns over global economic slowdown and good weather prospects have kept international wheat prices lower this week. World soybean oil prices decreased this week, the local soybean price decreased by 4.2%, while the international price decreased by 3.1%. The price of oilseeds fell during the week on expectation of a recession and fears of a lockdown in China as 66 new cases were detected in certain parts of the country. The price of sunflower also tracked the fall in oilseed prices. The price of local sunflower declined by a percentage point compared to the previous week.

Spot price trends of major grains commodities

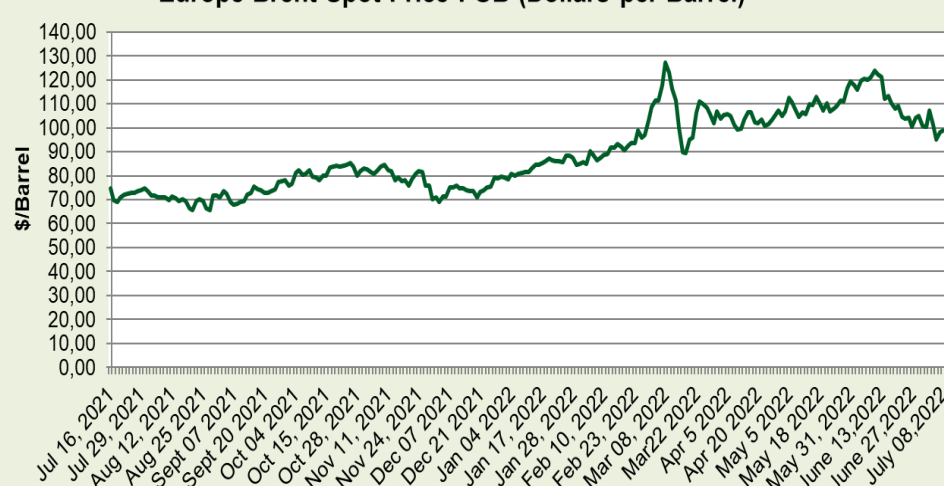
	1 year ago Week 27 (05-06-21 to 09-07-21)	This week Week 26 (27-06-22 to 01-07-22)	This week Week 27 (04-07-22 to 08-07-22)	w-o-w % change
RSA White Maize per ton	R3 146,20	R 4 347.60	R4 279,8	-1,6%
RSA Yellow Maize per ton	R3 283,60	R 4 366.20	R4 245,2	-2,8%
USA Yellow Maize per ton	\$271,31	\$ 296.65	\$294,16	-0,8%
RSA Wheat per ton	R5 140,00	R 7 485.80	R7 499,6	0,2%
USA Wheat per ton	\$239,01	\$ 333.10	\$299,29	-10,2%
RSA Soybeans per ton	R7 238,2	R 8 571.80	R8 213,2	-4,2%
USA Soybeans per ton	\$510,21	\$ 606.55	\$587,80	-3,1%
RSA Sunflower seed per ton	R8 464,2	R 10 384.40	R10 283,2	-1,0%
Crude oil per barrel	\$73,81	\$ 102.24	\$100,09	-2,1%

Exchange Rate Movements



The rand depreciated by 3.4 %, 0.9% and 1.7% against the Dollar, Euro and Pound on anticipation of the US employment statistics. Additionally, looming fears of a recession also weighed in on the rand as historical data indicates that the South African rand tend to decline sharply during World recessions and the Dollar is considered a safe heaven currency.

Europe Brent Spot Price FOB (Dollars per Barrel)



The price of oil decreased by 2.1% due to fears of looming recession prospects, and fear of a lockdown in China as 66 new cases were detected in certain parts of the country.



National South African Price information (RMAA) : Beef

Week 25 (20/06/2022 to 26/06/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 26 (27/06/2022 to 03/07/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 362	60,67	62,50	Class A2	5221	59,04	63,38
Class A3	620	57,19	56,73	Class A3	548	55,68	62,77
Class C2	564	46,41	52,07	Class C2	643	48,27	51,65

The quantities of C2 beef bought this week increased by 14% relative to the previous week, while decreasing by 17.9% and 11.6% for class A2 and A3. The producer prices for class A2 and A3 beef decreased by 2.7% and 2.6% while increasing by 4% for class C2. The market prices for class A2 and A3 increased by 1.4% and 10.6% and decreased by 0.8% for class C2 beef.

National South African Price information (RMAA) : Lamb

Week 25 (20/06/2022 to 26/06/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 26 (27/06/2022 to 03/07/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 499	110,78	113,36	Class A2	7190	107,80	110,17
Class A3	888	103,77	107,38	Class A3	794	104,66	106,69
Class C2	626	78,96	81,88	Class C2	715	76,23	82,06

The quantities of class A2 and C2 lamb traded this week increased by 10.6% and 14.2% relative to the previous week, while units of C2 traded increased by 14.2% , the producer prices decreased by 2.7% and 3.5% for class A2 and C2, while increasing by 0.9% for class A3. The market prices of class A2 and A3 decreased by 2.8% and 0.6% while increasing by 0.2% for class C2.

National South African Price information (RMAA) : Pork

Week 25 (20/06/2022 to 26/06/2022)	Units	Avg Purchase Price	Week 26 (27/06/2022 to 03/07/2022)	Units	Avg Purchase Price
Class BP	8 943	27,21	Class BP	8885	27,40
Class HO	9 274	26,73	Class HO	7701	26,73
Class HP	6 119	26,43	Class HP	6958	26,51

The quantities of HP and HO pork traded this week decreased by 0.6% and 17% , while increasing by 13.7% for class HP Pork. The producer prices increased for class BP, HO and HP by 0.7%,0.3% and was stable for class HO.

Latest News Developments

Agri SA warned of the risk of food insecurity and social instability due to the ongoing impact of power outages on the agricultural sector. This comes at the wake of the country experiencing Stage 6 rolling blackouts, which involve longer and more frequent episodes of load shedding. Agri-SA's Christo van der Rheede stated that; Load-shedding increases the cost of production for farmers at a time when South Africans are facing further food price increases and are under unprecedented economic pressure. He also mentioned that the that pumping stations, irrigation, cooling and many other systems all depend on reliable power supply and that not all farmers have the means to install their own power generation facilities. "Farmers forfeit their water quotas for irrigation purposes when the power is off, which is an irrecoverable loss that paralyses farms".

S&P Global Ratings agency stated that South Africa's reliance on coal to generate most of its electricity makes it the world's 13th-biggest greenhouse gas emitter, but it's also helping keep inflation in check. Energy prices have soared as European nations scramble to find alternatives to Russian gas supplies following the war in Ukraine; SA has been left relatively unscathed. One of the reasons that South Africa's inflation is more manageable according to Omega Collocott of S&P is because relative to certain countries Eskom is largely a coal fired and the coal is locally sourced.

Principal environmental scientist Manda Hinsch says the quality of drinking water declines when infrastructure is vulnerable to natural disasters. The comment comes at the back of recent flood related damage to water infrastructure in KwaZulu-Natal, which has added to South Africa's water quality risks and highlights the need for greater resilience of treatment plants, pipes and drains. Variable rainfall patterns and flooding as a result of climate change are a growing threat to underground infrastructure like sewage pipes, as well as wastewater treatment works. When these facilities are damaged or underperform more nutrient-rich water is discharged into the environment.

South Africa is moving from a production hybrid petrol producing country to a petrol importing country. The Engen refinery in Durban closed and only importing with many big refineries leaving the country such as BP and Shell etc. According to Stuart Baigent: testing and inspection provider at Oleum Process & Pipeline (OPP); this is a challenge for investment in refinery; making future projects to be cancelled, as many companies have been shut down or bought out.

For more information contact: Directorate Statistics & Economic Analysis (SEA) at HeidiP@daff.gov.za or 0123198194.