



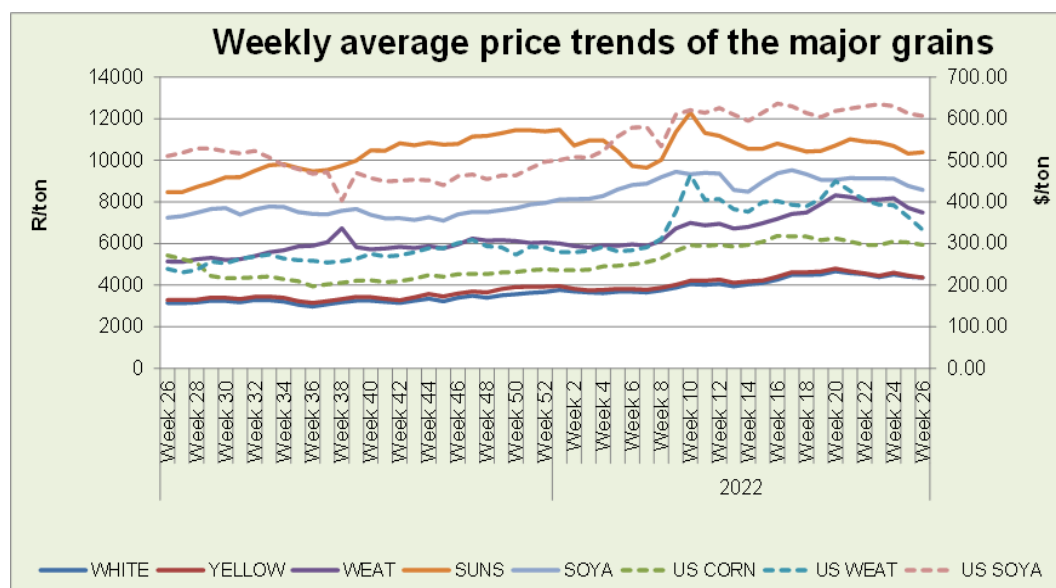
agriculture, land reform & rural development

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

Weekly Price Watch: 01 July 2022

Directorate: Statistics & Economic Analysis

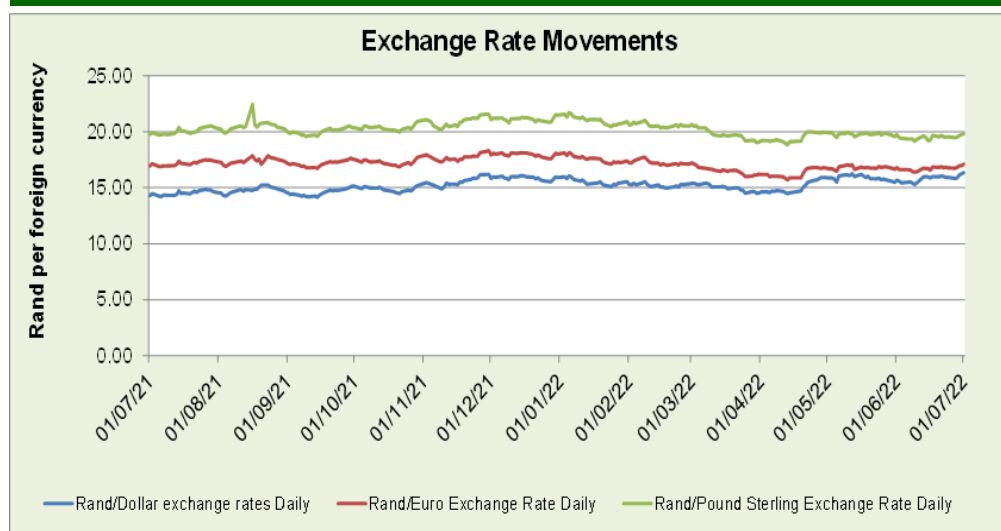
Sub-directorate: Economic Analysis



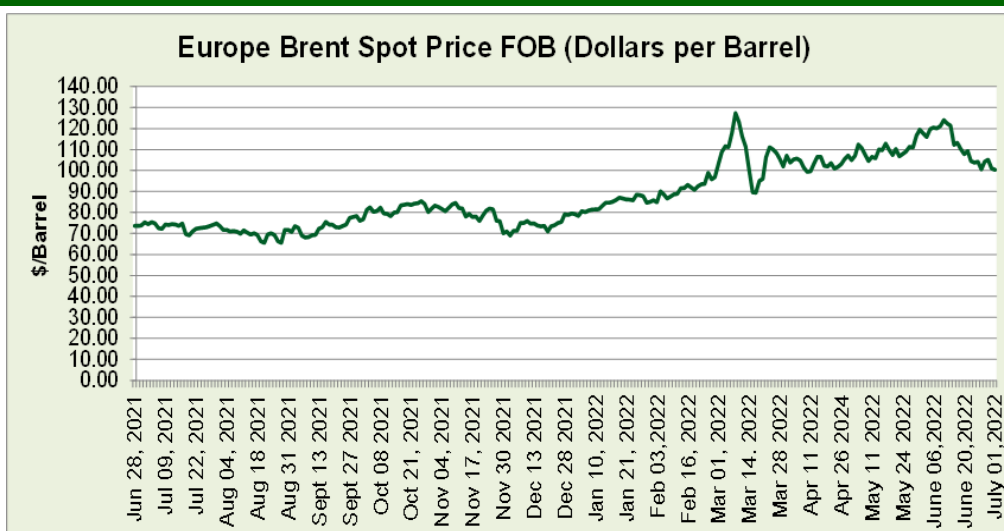
Both local and international grain prices weakened for two consecutive weeks, with local white and yellow maize prices decreased by 0.9% and 2.0% respectively this week compared to the previous week. African maize prices were under pressure from lower US maize prices seen for most of the past week and the stronger rand that was seen towards the end of this week. During the same period wheat, soybean and sunflower seed prices also decreased by 2.9%, 2.3% and 0.6% respectively. On the international front, US yellow maize price decreased by 2.0% week-on-week. US maize prices traded mixed this week with old crop futures rising on export optimism and ongoing fears of South American crop shortfalls. Maize export shipments jumped to a marketing year high of 1 618 million tons. During the same period US wheat and soybean prices decreased by 8.6% and 0.9% respectively.

Spot price trends of major grains commodities

	1 year ago Week 26 (28-06-21 to 02-07-21)	This week Week 25 (20-06-22 to 24-06-22)	This week Week 26 (27-06-22 to 01-07-22)	w-o-w % change
RSA White Maize per ton	R 3 146.20	R 4 408.40	R 4 347.60	-0.9%
RSA Yellow Maize per ton	R 3 283.60	R 4 456.40	R 4 366.20	-2.0%
USA Yellow Maize per ton	\$ 271.31	\$ 302.66	\$ 296.65	-2.0%
RSA Wheat per ton	R 5 140.00	R 7 710.00	R 7 485.80	-2.9%
USA Wheat per ton	\$ 239.01	\$ 364.29	\$ 333.10	-8.6%
RSA Soybeans per ton	R 7 238.20	R 8 770.60	R 8 571.80	-2.3%
USA Soybeans per ton	\$ 510.21	\$ 612.21	\$ 606.55	-0.9%
RSA Sunflower seed per ton	R 8 464.20	R 10 321.40	R 10 384.40	-0.6%
RSA Sweet Sorghum per ton	R 3 859.00	-	-	-
Crude oil per barrel	\$ 71.13	\$ 105.90	\$ 102.24	-3.5%



The rand depreciated by 1.9% against the US dollar this week compared to the previous week. The rand has fallen to its lowest level against the dollar in more than a year, as emerging market currencies struggle amid fears of a global slowdown in growth. But the local currency strengthened against the Pound Sterling by 1.0% week-on-week. During the same period the rand depreciated by 1.1% against the Euro.



Brent crude oil averaged \$102.24 this week compared to the previous week, 3.5% less than \$105.9 reported the previous week, as recession worries pushed the price of Brent oil back to \$100. The rand's recent rally might not be enough to offset the effect of rising crude oil prices on local fuel prices next month. Crude oil prices have firmed amid risks of attacks on fuel storage facilities in the United Arab Emirates, conflicts in Yemen, and simmering Russia-Ukraine tensions.



National South African Price information (RMAA) : Beef

Week 24 (13/06/2022 to 19/06/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 25 (20/06/2022 to 26/06/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	5 237	60.93	60.80	Class A2	6 362	60,67	62,50
Class A3	541	55.84	61.29	Class A3	620	57,19	56,73
Class C2	474	47.52	52.25	Class C2	564	46,41	52,07

Units sold for class A2, class A3 and class C2 beef increased by 21.5%, 14.6% and 19.0% respectively in the reporting week compared to the previous week. The weekly average purchase prices for class A2 and class C2 beef decreased by 0.4% and 2.3% respectively this week compared to the previous week, while the weekly average purchase price for class A3 beef increased by 2.4% week-on-week. During the same period, the weekly average selling prices for class A3 and class C2 beef decreased by 7.4% and 0.3% this week compared to the previous week while, the weekly average selling price for class A2 beef increased by 2.8% week-on-week. The livestock subsector continues to grapple with the biosecurity threats presented by ongoing livestock disease outbreaks around the country and these outbreaks have resulted in the costly loss of some international markets by the subsector.

National South African Price information (RMAA) : Lamb

Week 24 (13/06/2022 to 19/06/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 25 (20/06/2022 to 26/06/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	4 527	105.96	108.94	Class A2	6 499	110,78	113,36
Class A3	784	105.36	107.04	Class A3	888	103,77	107,38
Class C2	702	77.73	82.03	Class C2	626	78,96	81,88

Units sold for class A2 and class A3 lamb increased by 43.6% and 13.3% respectively this week compared to the previous week, whilst units sold for class C2 lamb decreased by 10.8% week-on-week. The weekly average purchase prices for class A2 and class C2 lamb increased by 4.5%, and 1.6% respectively, while the weekly average purchase price for class A3 lamb decreased by 1.5% this week compared to the previous week. During the same period, the weekly average selling prices for class A2 and class A3 lamb increased by 4.1% and 0.3% respectively, meanwhile the weekly average selling price for class C2 decreased by 0.2%.

National South African Price information (RMAA) : Pork

Week 24 (13/06/2022 to 19/06/2022)	Units	Avg Purchase Price	Week 25 (20/06/2022 to 26/06/2022)	Units	Avg Purchase Price
Class BP	11 391	26.87	Class BP	8 943	27,21
Class HO	7 907	26.66	Class HO	9 274	26,73
Class HP	6 227	26.59	Class HP	6 119	26,43

Units sold for class BP and class HP pork decreased by 5.7% and 4.5% respectively in the reporting week compared to the previous week, while units sold for class HO pork increased by 10.4% week-on-week. The weekly average purchase price for class BP remained flat, whilst the average purchase price for class HO pork increased by 0.6% this week compared to the previous week. The weekly average purchase price for class HP pork decreased by 0.2% during the same period.

Latest News Developments

South Africans are expected to face hefty fuel price and interest rate hikes in July, this will further worsen cost pressures on farmers and leave consumers with less money to spend on food. Motorists will face large fuel price hikes next week as the petrol levy cut falls from R1.50 a litre to 75c. Petrol prices will be hiked by R2.37 (93) and R2.57 (95) a litre, while diesel prices will rise by R2.31 (0.05% sulphur) and R2.30 (0.005% sulphur) a litre, the Department of Mineral Resources and Energy announced. In Gauteng, a litre of 95 petrol will cost R26.74. This is 54% more than a year ago, when it cost R17.39. Paraffin prices will increase by R1.66 a litre, while the maximum LPGas retail price will fall by R2.18/kg. In April, government cut the petrol levy by R1.50 a litre in an effort to relieve the economic stress of surging fuel prices. But from Wednesday, this has been lowered to only 75c - and the full levy will take effect from next month. The levy relief is costing government billions. Local fuel prices are determined by international oil prices, as well as the dollar-rand value, as South Africa buys oil in dollars. South Africa's crippling power cuts are approaching an annual record and there are still six months to go. Spurred by an illegal strike this week that added to its woes. In addition to Eskom's schedule of rolling blackouts across South Africa, which reached Stage 6 in early July, farmers in Limpopo, North West and Mpumalanga have also been hit by severe and unscheduled power outages referred to as 'load reduction'. Deidre Carter, CEO of Agri Limpopo, said one of the organization's members had reported lost about 2 000 broiler chickens in a single day due to Eskom's unilateral load-reduction strategy, while another had decided to leave the poultry industry altogether.

South Africa's consumer confidence plunged to its lowest level in over three decades in the second quarter of 2022, barring the sharp drop during the height of Covid-19. The economic ramifications of Russia's war in Ukraine, soaring petrol prices, escalating inflation, high interest rates and the non-payment of the R350 social relief of distress (SRD) grant were all factors in the decline, according to FNB and the Bureau for Economic Research's (BER) Consumer Confidence Index (CCI) released on Wednesday. Having already slipped from -9 to -13 index points during the first quarter of 2022, the (CCI) plunged to -25 in the second quarter of 2022. The CCI did drop to -33 in the second quarter of 2020, when the pandemic and the lockdown pummeled sentiment. According to the Reserve bank governor Lesetja Kganyago, while the central bank's baseline scenario for increases of 25 basis points at each of its next three meetings remains, the possibility of lifting the repurchase rate by 50 basis points next month is not off the table. Forward-rate agreements, used to speculate on borrowing costs are now pricing in about 50 basis points of tightening at the next MPC meeting scheduled for July 21. The market anticipates 175 basis points of hikes in total by the end of the year.

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