



agriculture, land reform & rural development

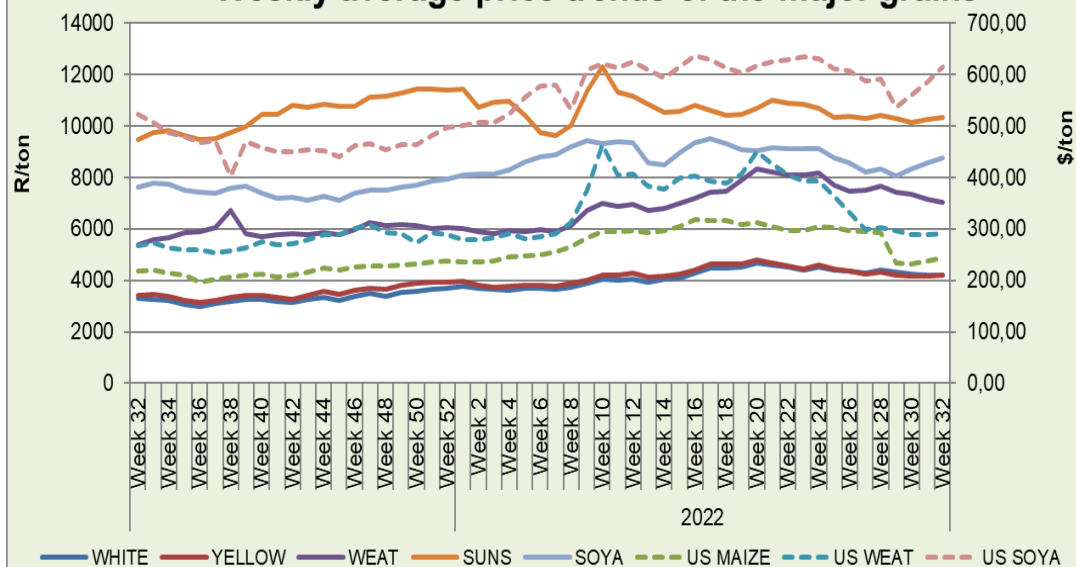
Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 12 August 2022

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

Weekly average price trends of the major grains

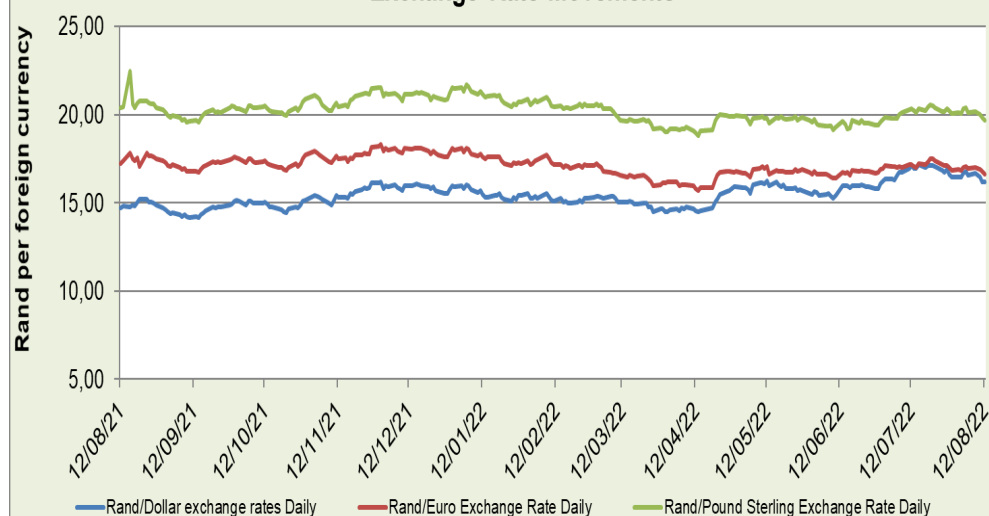


The price of local and international maize price increased by 0.8%, 0.5% and 2.9% respectively for both white, yellow and US maize. News that the USDA's National Agricultural Statistics Service (NASS) forecasted US Maize production to be down by 4% compared to 2021 during the week caused a slight rise in the international maize price. The local wheat prices decreased by 1.7% while the USA wheat price increased by 0.8% as the USDA estimates increased USA wheat supplies, higher domestic use, exports and reduced stocks. The price of local soybeans increased by 2.2% and the international soybeans prices increased by 5.1%. The demand for soybeans remain firm despite the increased World soybeans production. The price of local sunflower increased by 0.7% as the local price follows the increased international prices as globally sunflower imports are raised for the EU and Belarus.

Spot price trends of major grains commodities

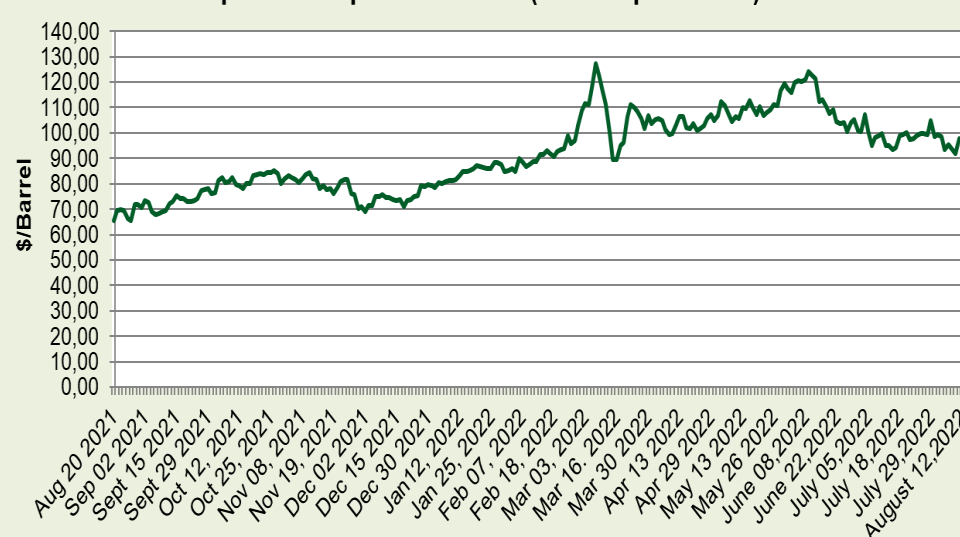
	1 year ago Week 32 (10-08-21 to 13-08-21)	Last week Week 31 (01-08-22 to 05-08-22)	This week Week 32 (08-08-22 to 12-08-22)	w-o-w % change
RSA White Maize per ton	R3 280,75	R4 189,20	R4 224,00	0,8%
RSA Yellow Maize per ton	R3 434,00	R4 172,80	R4 194,00	0,5%
USA Yellow Maize per ton	\$218,75	\$236,84	\$ 243,69	2,9%
RSA Wheat per ton	R5 394,25	R7 170,20	R7 049,00	-1,7%
USA Wheat per ton	\$268,10	\$288,69	\$290,94	0,8%
RSA Soybeans per ton	R7 641,25	R8 580,60	R8 767,00	2,2%
USA Soybeans per ton	\$522,48	\$585,94	\$615,99	5,1%
RSA Sunflower seed per ton	R9 491,00	R10 277,40	R10 344,75	0,7%
Crude oil per barrel	R70.64	\$ 97.12	\$95.05	-2,1%

Exchange Rate Movements



The rand depreciated against the US dollar, Euro and Pound; depreciating by 1.3%, 0.4% and 1.4%. The rand strengthened during the week as markets were uncertain by how much the US Federal Reserve might raise interest rates, even when softer inflation numbers were reported during the week.

Europe Brent Spot Price FOB (Dollars per Barrel)



Oil prices plunged around 2% on realization that supply disruptions in the U.S. Gulf of Mexico would be short lived, while recession fears remain.



National South African Price information (RMAA) : Beef

Week 30 (25/07/2022 to 31/07/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 31 (01/08/2022 to 07/08/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 728	60,28	64,27	Class A2	5 540	60,79	63,68
Class A3	707	57,90	62,96	Class A3	583	58,67	63,37
Class C2	713	48,24	52,66	Class C2	637	48,95	52,30

The quantities sold for class A2, A3 and C2 beef decreased by 17.7%, 17.5% and 10.7% this week relative to the previous week . The producer prices increased for all the classes; increasing by 0.8%,1.3% and 1.5%. The market prices of class A2 and C2 decreased this week by 0.9%, 0.7% while the price increased by 0.7% for class A3 beef.

National South African Price information (RMAA) : Lamb

Week 30 (25/07/2022 to 31/07/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 31 (01/08/2022 to 07/08/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 045	100,20	103,54	Class A2	6 376	100,94	103,78
Class A3	910	98,51	102,63	Class A3	932	100,55	101,75
Class C2	588	78,04	81,17	Class C2	662	77,55	81,01

The quantity of class A3 and C2 lamb supplied this week increased by 2.4% and 12.6% while quantities of A2 lamb decreased by 9.5%. The Producer prices for class A2 and A3 increased by 0.7% and 2.1% while the price for class C2 decreased by 0.6%. The market price for class A2 increased by 0.2% while the price of class A3 and C2 decreased by 0.9% and 0.2% respectively.

National South African Price information (RMAA) : Pork

Week 30 (25/07/2022 to 31/07/2022)	Units	Avg Purchase Price	Week 31 (01/08/2022 to 07/08/2022)	Units	Avg Purchase Price
Class BP	7 853	25,79	Class BP	6 949	26,07
Class HO	5 082	24,71	Class HO	5 931	26,11
Class HP	5 198	25,43	Class HP	6 822	26,17

The quantities of pork supplied this week increased for Class HO and HP by 16.7% and 31.2% while decreasing by 11.5% for class BP. The producer prices increased for all classes; BP, HO and HP by 1.1%, 5.7% and 2.9%.

Latest News Developments

Agri –SA stated that” extended period of level six load-shedding threatens the viability of the agricultural sector while an escalation to level seven and higher would be catastrophic and pose a risk to the country's national security.” Load-shedding contributes to inflation and may result in farmers planting less owing to rising costs and disruption in planting schedules. Load-shedding increases the cost of production for farmers. Farmers are already reporting huge losses as processing machinery, irrigation equipment and other machinery are damaged and come to a standstill owing to power outages. With essential systems unavailable during the day, farm workers are required to work after hours and overtime wages increase production costs which are already high.

The Department of Agriculture, Land Reform and Rural Development seem to have struck a deal with the EU, which means that South African citrus exports, stuck at EU harbours, are being processed again. Exports have been stuck at European ports after new EU import regulations were suddenly imposed in July. The new requirements are aimed at tackling the potential spread of the false codling moth, which is native to sub-Saharan Africa. New regulations requires South African farmers to keep fruit at extremely cold temperatures of two degrees Celsius or lower for 25 days

The South African Chamber of Commerce and Industry (Sacci) reports that its Business Confidence Index (BCI) for July was 1.8 index points higher than in June and 6.1 points higher than in May. Sacci states that the July BCI number indicates that the business climate is gradually returning to normal as increased trades and more new vehicles sold made positive contributions to the business climate in the short term. However, higher inflation, a weaker and volatile rand and higher real interest remain negative push factors.

Agricultural technology developers Farm21 partnership manager said precision farming tools, such as the solution offered by Farm21, may help farmers to make informed decisions, based on real-time data. The European agriculture sector faces climate change, stricter environmental requirements and a growing population, along with increasing input costs. Amidst all that, food production still has to be increased by 60% in 2050 in Europe to feed the growing population. Soil erosion costs European countries €10-billion a year, leading to a loss of yield, while more traditional plant protection measures are being outlawed, owing to the detrimental effects these have on the environment.

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

Source: SAFEX, Standard bank, Stats SA, Reuters, Red Meat Abattoir Association, Engineering News, FNB and Absa Bank.
Disclaimer: DALRRD will not be liable for results of actions based on this price watch.