



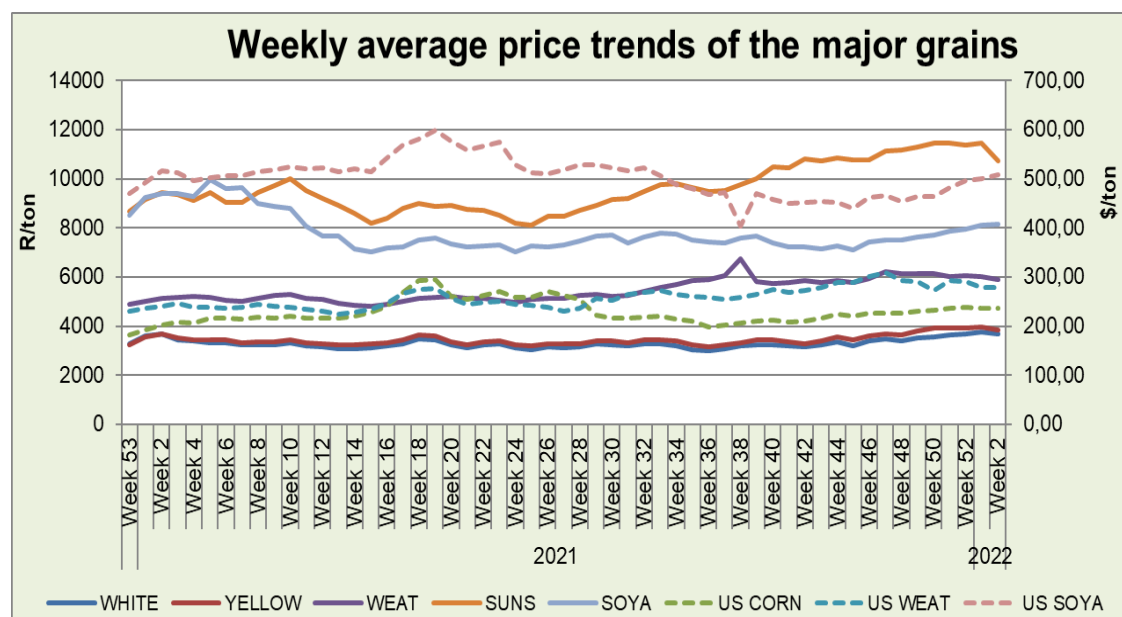
agriculture, land reform & rural development

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

Weekly Price Watch: 14 January 2022

Directorate: Statistics & Economic Analysis

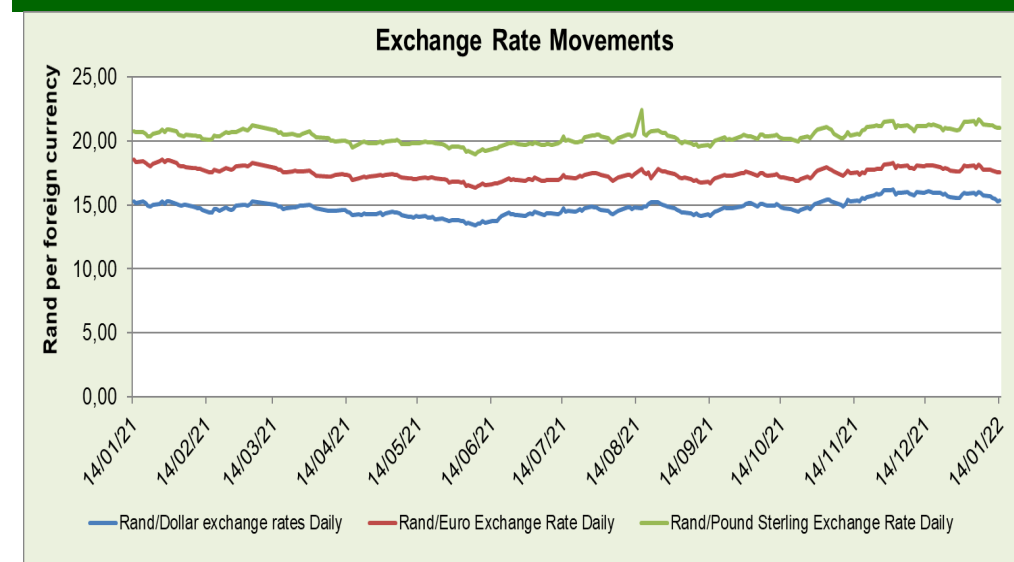
Sub-directorate: Economic Analysis



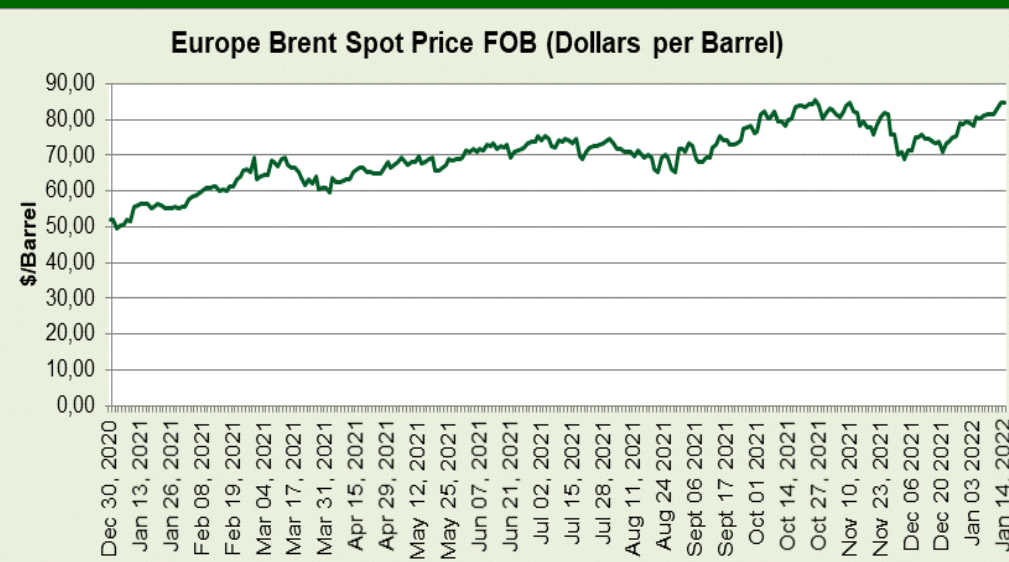
The price of local white and yellow maize decreased by 2.1% and 3.2% respectively, while the international price decreased by 0.1%. The local price followed the international price as international demand fell slightly during the week compared to the previous week. The price of international and local wheat decreased this week, as a result of increases in wheat production in Argentina and competition from the Black sea. The USDA and IGC increased their World wheat production estimates. Soybeans prices increased by 0.3% locally, while internationally prices increased by 1.4%. The USDA cut its soybeans crop numbers from its December report for Brazil, Argentina and Paraguay by a record 9.5 million tonnes. Traders are also speculating that the situation will become worse in South America due to dry weather. Rapeseed shortages are also reported and oilseed prices are expected to move in unison. The price of sunflower remains high although it decreased by 6.5% this week.

Spot price trends of major grains commodities

	1 year ago Week 2 (11-01-21 to 15-01-21)	Last week Week 1 (03-01-22 to 07-01-22)	This week Week 2 (10-01-22 to 14-01-22)	w-o-w % change
RSA White Maize per ton	R3 687,20	R 3 773.80	R3 696,20	-2,1%
RSA Yellow Maize per ton	R3 668,40	R 3 955.20	R3 827,80	-3,2%
USA Yellow Maize per ton	\$201,90	\$ 236.02	\$235,71	-0,1%
RSA Wheat per ton	R5 136,80	R 6 001.40	R5 885,40	-1,9%
USA Wheat per ton	\$240,86	\$ 279.64	\$278,87	-0,3%
RSA Soybeans per ton	R9 400,00	R 8 110.20	R8 131,80	0,3%
USA Soybeans per ton	\$515,84	\$ 500.64	\$507,72	1,4%
RSA Sunflower seed per ton	R9 450,00	R 11 458.60	R10 713,00	-6,5%
RSA Sweet Sorghum per ton	R4 260,00	-	-	-
Crude oil per barrel	\$ 56,18	\$ 80.27	\$83,11	3,5%



The rand appreciated by 2.8%, 2% and 1.7% this week compared to last week against the Dollar, Euro and British Pound respectively. The rand was considered the best performing emerging market currency this year, despite the US FED inflation fears and fears of US interest rates hikes. Strengthening commodity prices and traders pricing in the expectation that SARB monetary policy will hike interest rates.



The price of oil increased by 3.5% this week compared to the previous week. According to the Bloomberg, "Oil headed for a fourth straight weekly gain, the longest winning streak since October 2021, on signs that the market is tightening as global consumption withstands the impact of the omicron virus variant".



National South African Price information (RMAA) : Beef

Week 52 (27/12/2021 to 02/01/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 01(03/01/2022to 09/01/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 714	56.97	61.13	Class A2	5693	57,51	56,32
Class A3	718	55.88	60.01	Class A3	370	55,59	58,00
Class C2	393	47.55	54.04	Class C2	189	46,56	51,23

The units traded for class A2,A3 C2 beef this week decreased by 34.7%, 48.5% and 51.9% respectively. The producer prices received for beef increased by 0.9%, whilst decreasing by 0.5% and 2.1% respectively for class A3 and C2. The average market prices decreased for all classes, the market price for class A2, A3 and C2 decreased by 7.9%, 3.3% and 5.2% respectively.

National South African Price information (RMAA) : Lamb

Week 52 (27/12/2021 to 02/01/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 01(03/01/2022to 09/01/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 106	88.93	89.79	Class A2	6601	87,09	87,07
Class A3	1 192	87.54	89.62	Class A3	983	76,13	82,76
Class C2	359	71.43	74.65	Class C2	301	73,01	74,59

The units of lamb traded this week decreased compared to the previous week. Units bought for class A2, A3, C2 lamb declined by 7.1%, 17.5% and 16.2% respectively. The producer prices declined by 2.1% and 13% for class A2 and A3 respectively whilst increasing by 2.2% for class C2. The market prices decreased for all classes ; A2,A3 and C2 prices decreased by 3%, 7.7% and 0,1% respectively.

National South African Price information (RMAA) : Pork

Week 52 (27/12/2021 to 02/01/2022)	Units	Avg Purchase Price	Week 01(03/01/2022to 09/01/2022)	Units	Avg Purchase Price
Class BP	10 009	28.79	Class BP	10315	28,26
Class HO	4 429	27.75	Class HO	5804	28,27
Class HP	4 258	28.02	Class HP	5553	27,19

Units traded for class BP,HO and HP pork increased this week compared to the previous week, classes; BP, HO and HP units increased by 3.1%, 31% and 30.4% respectively. The producer prices increased by 1.9% for only class HO whilst decreasing by 1.8% and 3% for class BP and HP respectively relative to the previous week.

Latest News Developments

Grain SA stated that grain production in South Africa went from experiencing extreme drought in recent years to excessive rainfall in certain areas of the country currently. Grain-SA says several reports have confirmed that the rainfall figure for December was the highest in 100 years. This was accompanied by higher-than-average hail damage in certain areas of South Africa. In some cases, Grain SA stated that the excessive rains have affected producers' total expected production.

The Department of Forestry, Fisheries and the Environment (DFFE) has deployed a team of environmental management inspectors to assist in an investigation into a slurry dam burst in KwaZulu-Natal in December 24. Zululand Anthracite Colliery (ZAC) superintendent Mr Buthelezi said that end wall of Slurry Pond 3 failed, resulting in a spill of 1 500 m3 of coal slurry .

Global leaders are set to convene at the World Economic Forum's (WEF's) Davos Agenda 2022, from January 17 to 21 of 2022, two years since the start of the Covid-19 , providing a platform for them to reflect on the state of the world and shape solutions for challenges in the year ahead. Different pandemic experiences have exacerbated global divisions from vaccine inequities, combined with new strains, have also slowed international economic recovery.

The Department of Agriculture, Land Reform and Rural Development in October last year announced that a diverse and evolving group of products derived from NBTs would be evaluated according to the GMO Act. Agricultural organisations; Agbiz, CropLife South Africa and the South African National Seed Organisation (Sansor) say government is stifling the development of new breeding technologies (NBTs) by deciding to evaluate them under the risk assessment framework for genetically modified organisms.

South Africa faces alcohol supply problems due to bottle shortages, Consol Holdings- the largest glass manufacturer in Africa sated that it is battling reduced stock and a limited ability to ramp-up manufacturing quickly .Global shipment delays and soaring freight rates are also hampering the ability to import bottles. Consol in 2020 suspended the construction of a R1.5 billion production plant in South Africa over concerns about the government's alcohol bans.

SA Transport Minister officially launched the R1.14-billion one-off ex gratia Covid-19 Taxi Relief Fund (TRF), with qualifying operators expected to receive about R5 000 each. The TRF is a financial support programme by the Department of Transport in collaboration with the National Empowerment Fund (NEF) to help mitigate the impact of the Covid-19 pandemic in the taxi industry. It is intended for all minibus taxi and metered taxi operators, as well as e-hailing partners.

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: DAFF will not be liable for results of actions based on this price watch.