



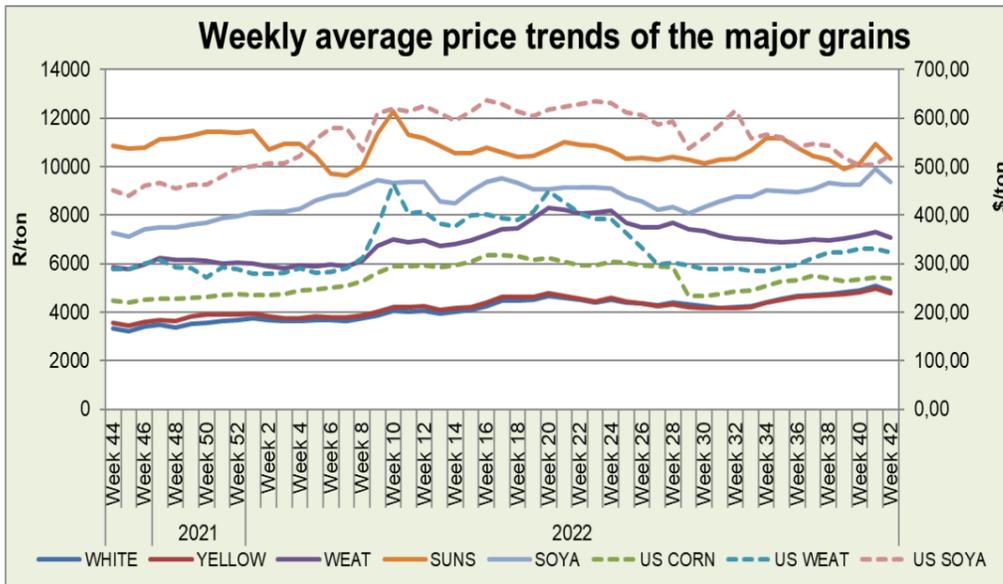
agriculture, land reform & rural development

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

Weekly Price Watch: 21 October 2022

Directorate: Statistics & Economic Analysis

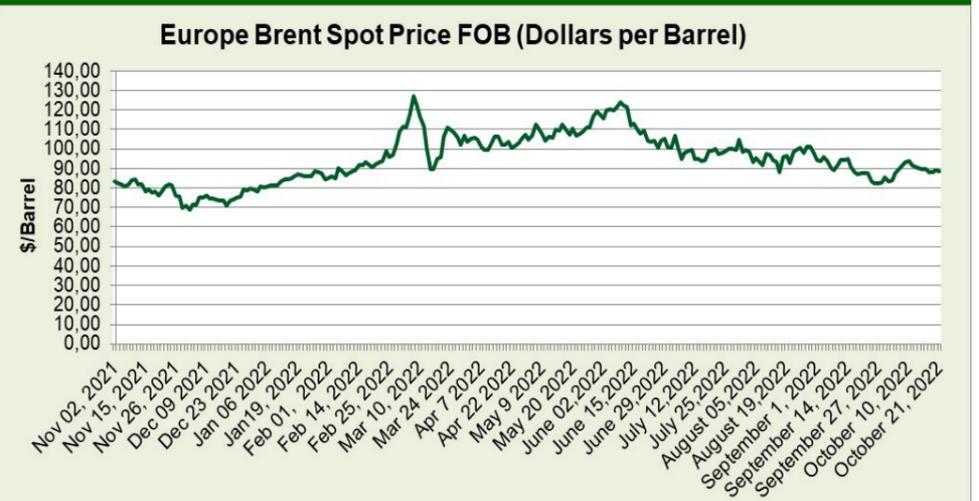
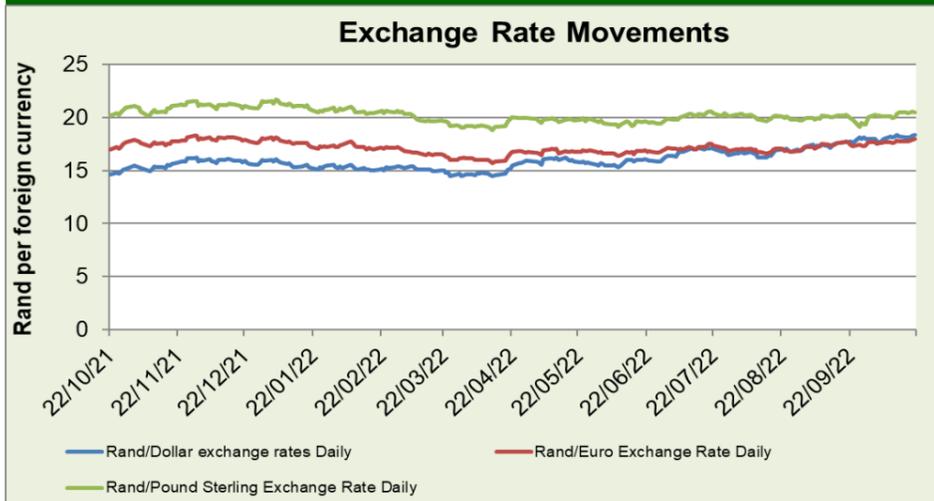
Sub-directorate: Economic Analysis



The price of local white and yellow maize increased by 1.9% and 1.4% respectively, while the international maize price decreased by 0.9%. The local maize price gained from a weaker SA rand, US maize price was lower as maize harvest is halfway complete in the United States amidst international buyers importing US maize in smaller amounts. The price of local wheat increased by 0.6%, while the US wheat price decreased by 5.6%. Locally wheat demand remain stable while US wheat price decreased as the USDA data show poor demand. Local soybeans increased by 3.8% internationally the price increased by 0.3% compared to last week as China increase its imports of soybeans. The price of sunflower went up internationally as news of a sunflower oil tank ready for export was hit in the Ukraine as the war ravages.

Spot price trends of major grains commodities

| | 1 year ago Week 41 (18-10-21 to 22-10-21) | Last week Week 41 (10-10-22 to 14-10-22) | This week Week 42 (17-10-22 to 21-10-22) | w-o-w % change |
|----------------------------|---|--|--|----------------|
| RSA White Maize per ton | R3 145,60 | R 5 077.00 | R4 854,56 | 1,9% |
| RSA Yellow Maize per ton | R3 277,60 | R 4 983.40 | R4 778,68 | 1,4% |
| USA Yellow Maize per ton | \$209,42 | \$ 272.11 | \$269,80 | -0,9% |
| RSA Wheat per ton | R5 835,60 | R 7 306.40 | R7 097,00 | 0,6% |
| USA Wheat per ton | \$271,65 | \$ 331.68 | \$324,42 | -5,6% |
| RSA Soybeans per ton | R7 220,40 | R 9 898.80 | R8 987,00 | 3,8% |
| USA Soybeans per ton | \$450,95 | \$ 505.77 | \$560,91 | 0,3% |
| RSA Sunflower seed per ton | R10 814,60 | R 10 945.20 | R11 186,40 | 1,1% |
| Crude oil per barrel | \$83,78 | \$ 91.33 | \$88.45 | -3,2% |



The rand weakened against the dollar, Euro and Pound, as traders were preparing for another possible intervention by Tokyo after the yen sank past 150 per dollar. Investors are also looking at the US federal reserve as it seems to be failing to rein in on rising price. The weakness against the Pound was due to uncertainty created by the resignation of British Prime Minister Liz Truss opting for safer heavens.

The crude oil price decreased by 3.2% this week versus last week as there are fears of a global economic slowdown amidst the tight oils supply projections.



National South African Price information (RMAA) : Beef

| Week 40 (03/10/2022 to 09/10/2022) | Units | Avg Purchase Price | Avg Selling Price | Week 41 (10/10/2022 to 16/10/2022) | Units | Avg Purchase Price | Avg Selling Price |
|------------------------------------|-------|--------------------|-------------------|------------------------------------|-------|--------------------|-------------------|
| Class A2 | 8 180 | 61,27 | 61,17 | Class A2 | 6330 | 60,71 | 64,27 |
| Class A3 | 646 | 59,33 | 61,56 | Class A3 | 579 | 58,9 | 64,45 |
| Class C2 | 811 | 51,48 | 54,50 | Class C2 | 494 | 49,24 | 53,17 |

The Units sold for class A2, A3 and C2 beef decreased by 22.6%, 10% and 39% this week compared to the previous week. The Producer prices for the classes also decreased by 0.9%, 0.7% and 4.4%. The retail prices were high this week for class A2 and A3 increasing by 5% and 4.7% while decreasing by 2.4% for class C2.

National South African Price information (RMAA) : Lamb

| Week 40 (03/10/2022 to 09/10/2022) | Units | Avg Purchase Price | Avg Selling Price | Week 41 (10/10/2022 to 16/10/2022) | Units | Avg Purchase Price | Avg Selling Price |
|------------------------------------|-------|--------------------|-------------------|------------------------------------|-------|--------------------|-------------------|
| Class A2 | 9 410 | 85.34 | 87.83 | Class A2 | 7878 | 85,17 | 85,73 |
| Class A3 | 1 005 | 84.10 | 85.72 | Class A3 | 1254 | 83,49 | 84,87 |
| Class C2 | 952 | 68.75 | 70.03 | Class C2 | 1051 | 67,81 | 71,39 |

The quantities sold for lamb increased by 24.8% and 10.4% for class A3 and C2 while decreasing by 16.3% for class A2. The producer prices for lamb decreased by 0.2%, 0.7% and 1.4% for all classes. Retail prices also declined by 2.4% and 1% for class A2 and A3, while class C2 prices increased by 1.9% this week.

National South African Price information (RMAA) : Pork

| Week 40 (03/10/2022 to 09/10/2022) | Units | Avg Purchase Price | Week 41 (10/10/2022 to 16/10/2022) | Units | Avg Purchase Price |
|------------------------------------|-------|--------------------|------------------------------------|-------|--------------------|
| Class BP | 9607 | 30.22 | Class BP | 11490 | 29,93 |
| Class HO | 8 005 | 29.42 | Class HO | 7 662 | 29,90 |
| Class HP | 7 203 | 29.51 | Class HP | 6 421 | 29,83 |

The Units sold for class HO and HP decreased by 4.3% and 10.9% this week while the units of BP increased 19.6%. The Producer prices increased by 1.6% and 1.1% for class HO and HP this week, while the producer price for BP declined by 1%.

Latest News Developments

Data from Statistics SA shows that Annual consumer price inflation was 7,5% in September 2022, down from 7,6% in August 2022. The consumer price index increased by 0,1% month-on-month in September 2022. The main contributors to the 7,5% annual inflation rate were food and non-alcoholic beverages; housing and utilities; transport; and miscellaneous goods and services. Food and non-alcoholic beverages increased by 11,9% year-on-year, and contributed 2,0 percentage points to the total CPI annual rate of 7,5%. Housing and utilities increased by 4,2% year-on-year, and contributed 1,0 percentage point. Transport increased by 17,9% year-on-year, and contributed 2,5 percentage points. Miscellaneous goods and services increased by 4,0% year-on-year, and contributed 0,6 of a percentage point. In September the annual inflation rate for goods was 10,7%, down from 10,9% in August; and for services it was 4,3%, unchanged August.

National Treasury to trim budget deficits further on mining royalties. South Africa's National Treasury will have a narrower budget deficit in 2022/23 than it earlier assumed, continuing to be trimmed over the next three years thanks to buoyant mining receipts, a Reuters poll found on Friday. In a review of finances due to be announced next week in parliament. The Treasury found itself again in a sweet spot of bumper commodity prices, which were softening but still good enough to boost revenues amid wage negotiations. In a poll budget deficits were expected at 4.9% of gross domestic product for the fiscal year that began in March and in 2023/24, from an estimated 5.3% of GDP in 2021/22. In 2024/25, it should narrow to 4.35% of GDP.

SARB governor urges government to stick to its debt-reduction plan. South Africa's central bank governor urged the government to stick to its plan to reduce debt, as the National Treasury prepares to deliver its medium-term budget policy statement next week. "Fiscal consolidation is necessary and needn't be contractionary," Lesetja Kganyago said at a forum hosted by former President Kgalema Motlanthe's foundation. "Stabilizing debt would reduce risk and allow for lower interest rates across the yield curve. It would also avert fiscal dominance, where central banks lose the ability to protect the value of the currency because of fiscal failure." Finance Minister Enoch Godongwana is set to present his second medium-term budget on Wednesday.

Wine industry launches e-learning platform for vineyard employees. Wine industry organisation Vinpro and industry body Winetech People Development have launched an e-learning platform through which South African wine industry vineyard workers can hone their skills. The online platform, developed by Winetech People Development, aims to offer top-quality training to people from across the wine industry value-chain in a simple and accessible format.

The Association of Meat Importers and Exporters of South Africa (AMIE) is calling for a comprehensive review of import tariffs on poultry, saying "duties are simply another tax that consumers are unable to bear".

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