



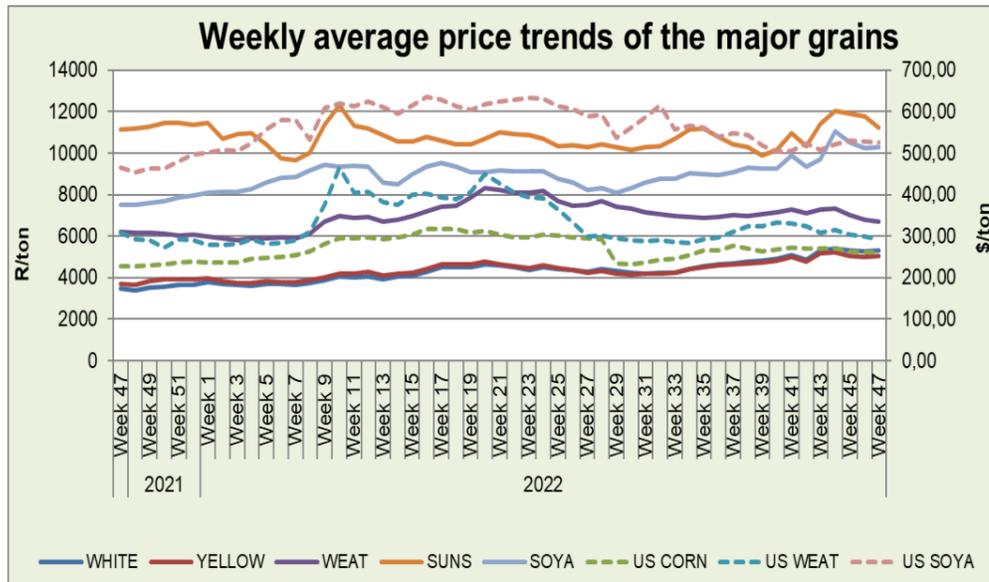
agriculture, land reform & rural development

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

Weekly Price Watch: 25 November 2022

Directorate: Statistics & Economic Analysis

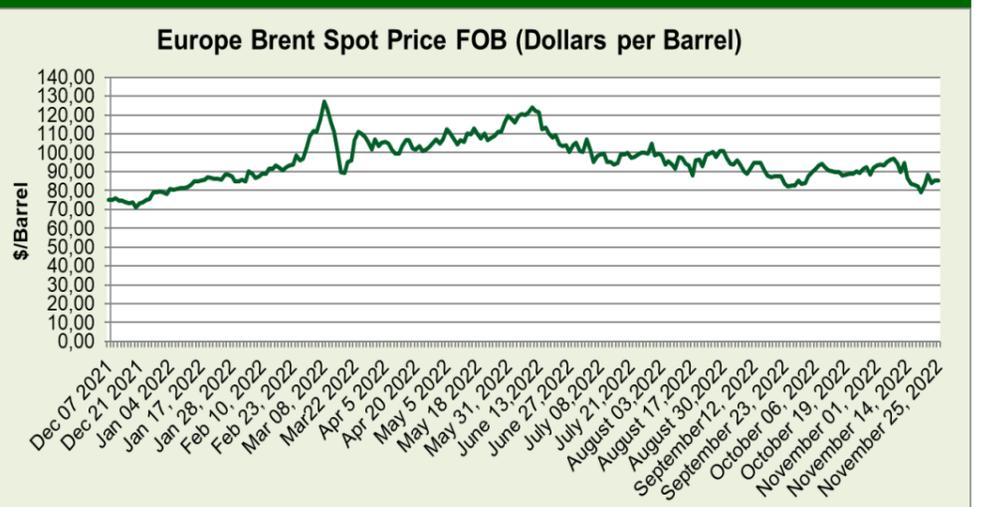
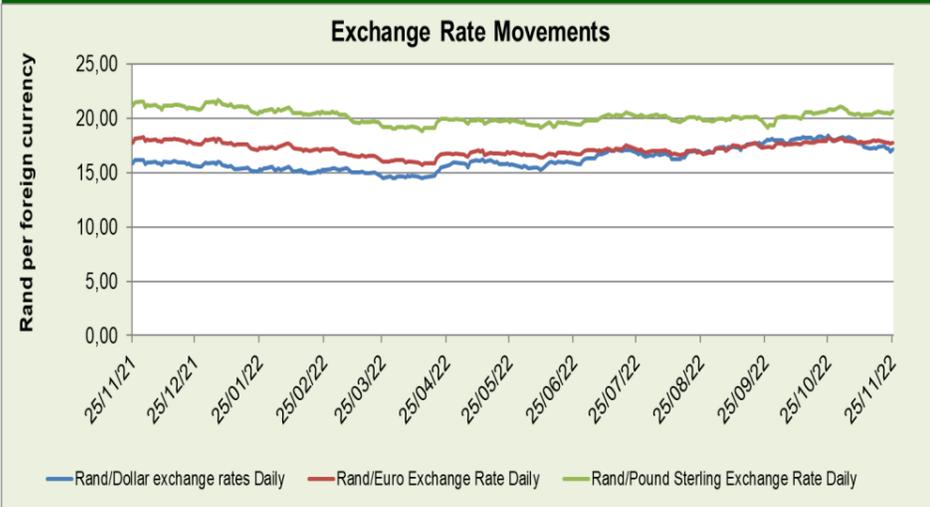
Sub-directorate: Economic Analysis



The price of local white and yellow maize increased this week compared to last week, while the international maize price decreased by 0.2%. The local maize increase is due to the lower 2023 estimated hectares planted relative to the previous year, even though the international maize price is lower due to expected higher maize supply than expected usage. The price of local wheat and international wheat decreased this week by 0.7% and 2.5% as a result of inter-alia, expectation of improved international winter wheat quality. Local soybeans increased by 0.3%, while the price of US soybeans decreased by 0.5% as a result of uncertainty regarding China covid-19 restrictions which is expected to have a major impact on demand. The price of sunflower decreased by 4.7% this week.

Spot price trends of major grains commodities

	1 year ago Week 47 (22-11-21 to 26-11-21)	Last week Week 46 (14-11-22 to 18-11-22)	This week Week 47 (21-11-22 to 25-11-22)	w-o-w % change
RSA White Maize per ton	R 3 488,20	R 5 262.60	R 5 325,80	1,2%
RSA Yellow Maize per ton	R 3 690,40	R 4 988.20	R 5 064,60	1,5%
USA Yellow Maize per ton	\$ 227,30	\$ 260.96	\$ 260,50	-0,2%
RSA Wheat per ton	R 6 232,80	R 6 772.80	R 6 724,80	-0,7%
USA Wheat per ton	\$ 308,49	\$ 300.14	\$ 292,78	-2,5%
RSA Soybeans per ton	R 7 515,20	R 10 253,60	R 10 284,40	0,3%
USA Soybeans per ton	\$ 466,15	\$ 529.14	\$ 526,39	-0,5%
RSA Sunflower seed per ton	R 11 139,40	R 11 772.40	R 11 218,20	-4,7%
Crude oil per barrel	\$ 79.75	\$ 82.86	\$ 85,16	2,8%



The rand appreciated by 0.5% and 0.9% against the dollar and the euro, while declining by 0.1% against the pound. The appreciation of the rand is due to the Reserve bank increasing interest rates to combat the rising inflation.

Oil prices rose by 2.8% compared to last week after industry data showed US crude stockpiles fell more sharply than expected during the previous week. As a result, a supply tightness is expected ahead of a looming EU ban and Group of Seven (G7) supply cap on Russian oil exports.



National South African Price information (RMAA) : Beef

Week 45 (07/11/2022 to 13/11/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 46 (14/11/2022 to 20/11/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	10 518	60,47	63,37	Class A2	9648	59,87	62,60
Class A3	796	58,68	62,31	Class A3	776	58,07	61,80
Class C2	661	48,76	54,56	Class C2	672	49,68	54,14

The quantities sold for beef declined for class A2 and A3 this week relative to the previous week, while class C2 quantities traded increased by 1.7%. The producer prices for class A2 and A3 both decreased by a percentage point this week while C2 prices increased by 1.9%. The retail prices decreased for all classes. Class A2, A3 and C2 decreased by 1.2%, 0.8% and 0.8% respectively.

National South African Price information (RMAA) : Lamb

Week 45 (07/11/2022 to 13/11/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 46 (14/11/2022 to 20/11/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9 154	90,21	92,20	Class A2	10678	92,00	94,98
Class A3	873	90,15	91,92	Class A3	1344	90,69	94,26
Class C2	958	71,43	73,48	Class C2	943	69,78	72,52

Lamb traded this week increased by 16.6% and 54% for class A2 and A3, while declining by 1.6% for class C2. The producer prices increased by 2% and 0.6% for class A2 and A3 while decreasing by 2.3% for class C2 this week. The retail prices for class A2, A3 increased also by 3% and 2.4% for class A2 and A3 whilst decreasing by 1.3% for class C2.

National South African Price information (RMAA) : Pork

Week 45 (07/11/2022 to 13/11/2022)	Units	Avg Purchase Price	Week 46 (14/11/2022 to 20/11/2022)	Units	Avg Purchase Price
Class BP	8 518	35,65	Class BP	9601	35,52
Class HO	3 822	35,64	Class HO	6026	35,63
Class HP	3 982	33,83	Class HP	6272	34,69

Quantities traded this week for Class BP, HO and HP. BP quantities traded increased by 12.7 % whilst more than doubling by 57.7% and 57.5% respectively for class HO and HP. The Producer prices decreased for class BP by 0.4% and increased by 2.4% for class HP while remaining stable for class HO.

Latest News Developments

The Monetary Policy Committee MPC decided to increase the repurchase rate by 75 basis points to 7% per year from 6.25% effective from 25 November 2022. The South African prime lending rate is 2.5% higher than it was a year ago yet inflation has not declined as per intended.

SA's CPI rises to 7.6%. The annual rate for food and non-alcoholic beverages rose to 12% from 11.9% in September. The annual rate for the bread and cereals category increased to 19.5% from 19.3% in September. Annual meat inflation rose to 10.5% from 9.9% in September. The dairy index (milk, eggs & cheese) registered an annual increase of 10.5%. Oils & fat products bucked the trend in October, recording a second consecutive month of disinflation, with prices falling by 1% after falling 6.1% in September.

The annual rate was 25.7% in October, from 29% in September. Annual vehicle inflation climbed to 6,1% from 5,8% in September on the back of higher used vehicle prices. Used vehicles are on average 14,5% more expensive than a year ago, representing the highest annual rate since the current CPI series began in 2009. South Africa's private sector credit expanded 9.34% year on year in October after rising by 9.74% in September, central bank data showed. The broadly defined M3 measure of money supply increased by 9.82% in October after growing 8.75% in the previous month.

FNB senior economist Koketso Mano expects the increase interest rates to be followed by another 50-basis point increment in January; leaving the peak in the cycle of 7.5%, with risks to another 25 basis points in March should inflation remain stickier than anticipated. "The RMB/BER business confidence index (BCI) slipped to 38 in the final quarter of this year, after decreasing from 42 to 39 in the third quarter. As more than six out of ten respondents remaining unsatisfied with prevailing business conditions.

Inflation rates are currently higher in the UK, US and Germany than in SA and Brazil, a historically rare occurrence. The German consumer price index (CPI) just hit 10%, way above the 1974 peak of 7.9%. The German producer price index (PPI) is over 45%, the highest level since 1948.

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Source: SAFEX, Standard bank, Stats SA, Reuters, Red Meat Abattoir Association, FNB and Absa Bank.
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