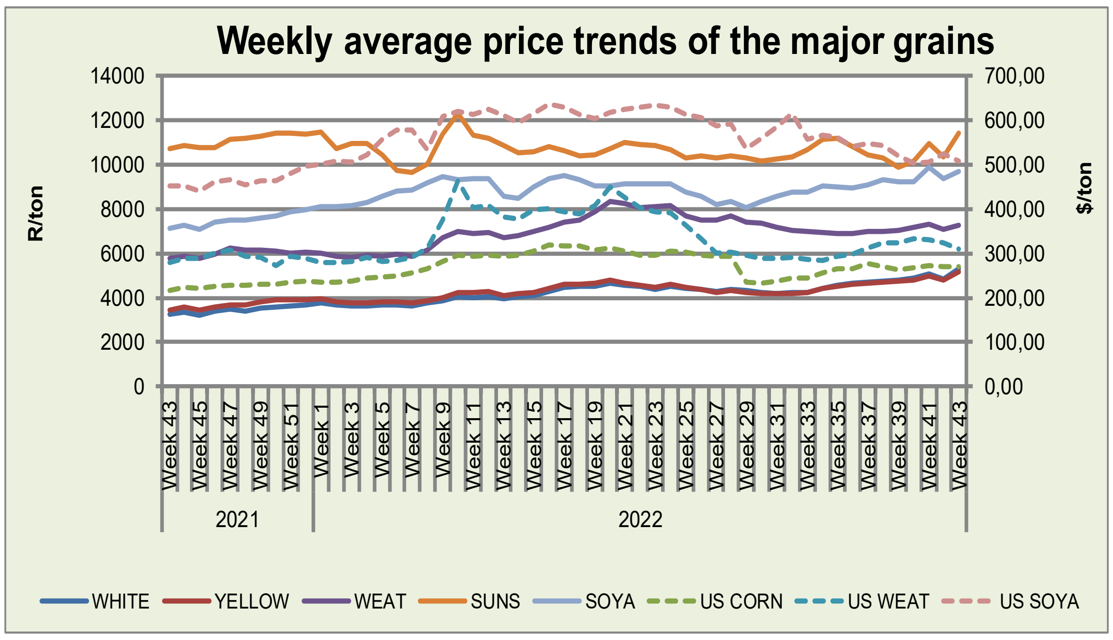
agriculture, land reform
& rural development

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

Weekly Price Watch: 28 October 2022

Directorate: Statistics & Economic Analysis

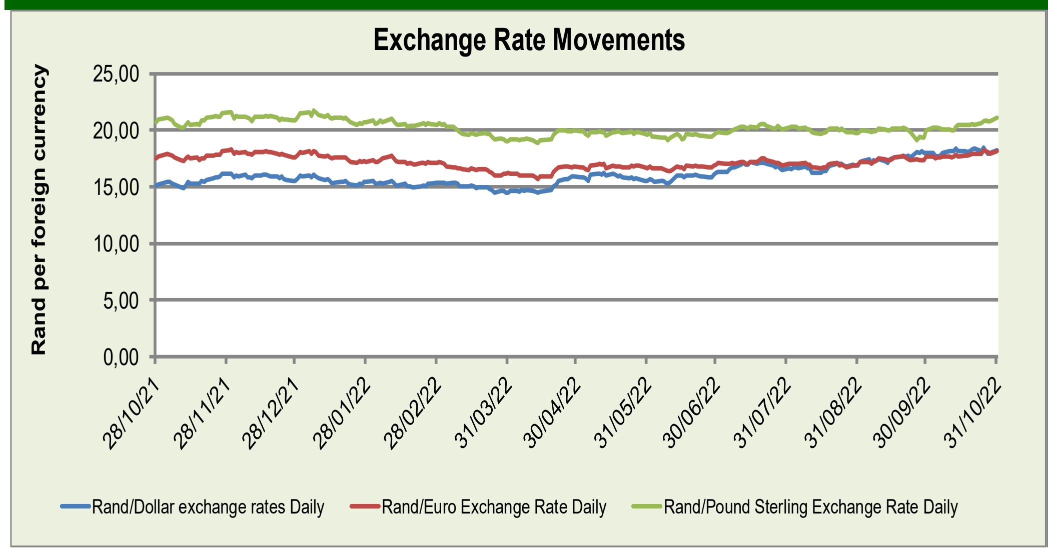
Sub-directorate: Economic Analysis

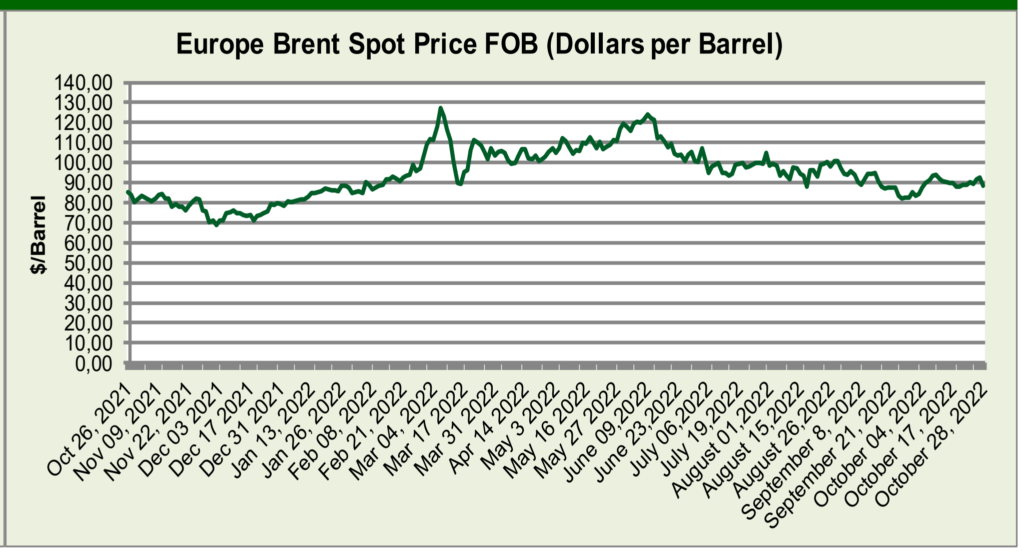


The price of local white and yellow maize increased by 2.7% and 2.2% respectively, while the international maize price decreased by 0.9%. According to the USDA About 61% of the maize crop had already been harvested. This is slightly behind the last year's pace of 64% in the same week. This slight delay is due to unfavourable weather conditions in some regions at the start of the season. The local maize price gained from a weaker SA rand, US maize price was lower as maize harvest is half-way complete in the United States amidst international buyers importing US maize in smaller amounts. The price of local wheat decreased by 0.8%, while the US wheat price decreased by 1.4%. Locally wheat demand remain stable while US wheat price decreased as the USDA data show poor demand. Local soybeans decreased by –5.6%. Meanwhile, soybeans harvest has progressed, with 80% of the crop already collected on 23 October 2022. Internationally the price increased by 0.1% compared to last week as China increase its imports of soybeans. The price of sunflower went up locally by 3.3% 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 43 (25-10-21 to 29-10-21)	Last week Week 42 (17-10-22 to 21-10-22)	This week Week 43 (24-10-22 to 28-10-22)	w-o-w % change
RSA White Maize per ton	R3 258.00	R 4 854.56	R5 315.60	2.7%
RSA Yellow Maize per ton	R3 418.20	R 4 778.68	R5 164.20	2.2%
USA Yellow Maize per ton	$215.68	$ 269.80	$269.20	-0.2%
RSA Wheat per ton	R5 781.40	R 7 097.00	R7 286.60	0.8%
USA Wheat per ton	$279.22	$ 324.42	$308.8	-1.4%
RSA Soybeans per ton	R7 132.80	R 10270.80	R9 694.40	-5,6%
USA Soybeans per ton	$453.30	$ 560.91	$560,91	0,3%
RSA Sunflower seed per ton	R10 718.40	R 11 186.40	R11 429.20	3.3%
Crude oil per barrel	$83.17	$ 88.45	$91.17	3.0%





The rand strengthened against the Dollar from $18.21 last week to $18.14. The Euro weakened by 1.2%.The Pound weakened by 1.5%.The weakness against the Pound was due to uncertainty created by the aftermath of resignation of British Prime Minister Liz Truss opting for safer heavens.

The crude oil price increased by 3.0% this week versus last week. Oil producers (OPEC) have fears of a global economic slowdown amidst the tight oils supply projections.

National South African Price information (RMAA) : Beef

Week 41 (10/10/2022 to 16/10/2022	Units	Avg Purchase Price	Avg Selling Price	Week 42 (17/10/2022 to 23/10/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 330	60,71	64,27	Class A2	8 337	60.88	63.33
Class A3	579	58,9	64,45	Class A3	1 171	60.73	64.36
Class C2	494	49,24	53,17	Class C2	438	49.17	53.3

The Units sold for class A2 and A3 beef increased by 31.7% and 102.2% respectively this week compared to the previous week. Class C2 units decreased by 11.3% this week. The Producer prices for the classes A2 and A3 increased by 0.3% and 3.1% respectively as compared to the previous week. Class C2 decreased by 0.1%. The retail prices were high this week for class A2 and A3 decreased by 1.4% and 0.1% respectively for this week, while Class C2 increased 0.2%.

National South African Price information (RMAA) : Lamb

Week 41 (10/10/2022 to 16/10/2022	Units	Avg Purchase Price	Avg Selling Price	Week 42 (17/10/2022 to 23/10/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 878	85,17	85,73	Class A2	12 208	86.22	87.72
Class A3	1 254	83,49	84,87	Class A3	1 483	85.07	87.53
Class C2	1 051	67,81	71,39	Class C2	1 422	68.07	70.77

The quantities sold for lamb increased by 55.0%, 18.3% and 35.3% for class A2, A3 and C2 respectively as compared the previous week. The producer prices for lamb increased by 1.2%, 1.9% and 0.4% for classes A2, A3 and C2 respectively as compared to the previous week. Retail prices also increased by 2.3% and 3.1% for class A2 and A3 respectively as compared with previous week, while class C2 prices decreased by 0.9% this week.

National South African Price information (RMAA) : Pork

Week 41 (10/10/2022 to 16/10/2022	Units	Avg Purchase Price	Week 42 (17/10/2022 to 23/10/2022)	Units	Avg Purchase Price
Class BP	11 490	29,93	Class BP	12 227	30.94
Class HO	7 662	29,90	Class HO	6 710	88.51
Class HP	6 421	29,83	Class HP	5 274	30.45

The Units sold for class BP increased by 6.4%, while class HO and HP decreased by 12.4% and 17.9% respectively this week. The Producer prices all increased by 3.4%, 196.0% and 2.1% for classes, BP, HO and HP respectively as compared with the previous week.

Latest News Developments

The South African Red Meat Producers' Organisation (RPO) has welcomed the recent landmark agreement signed with Saudi Arabia to export between 500t and 1 000t of red meat per annum to that country from next year. This was according to Gerhard Schutte, CEO of the RPO, who told Farmer's Weekly the good news that South Africa was now exporting red meat to 25 countries, after losing all its export markets three years ago due to the outbreak of foot-and-mouth disease. This meant the red meat lost a market constituting 4% of local production. It might look like an insignificant percentage, but it had a very negative impact locally.

While the agriculture sector has welcomed plans to grow South Africa's economy inclusively by nearly doubling government spending on infrastructure, there is some dismay about the lack of direct assistance for farmers. However, Siweya expressed concern about the minister's failure to provide targeted relief for the agriculture sector. "The sector has been hard-hit by rising input costs and farmers find themselves in dire financial circumstances. Yet, the minister did not announce any measures to help ensure the sustainability of the sector. Agri SA specifically hoped to see a better dispensation for farmers with regard to the diesel rebate scheme according to *Farmer's Weekly*, Siweya expressed further concern about a lack of tax relief for industries weighed down by excessive 'sin taxes', and the absence of any pronouncement on critical policy concerns including the revision of assessed tax losses, proposed changes to the Financial Intelligence Centre Act, 2001(FICA), or the new rules for the diesel rebate scheme. Thomas Funke, president of the South African Cane Growers' Association, also expressed disappointment about the fact that the future of the Health Promotion Levy, commonly referred to as the sugar tax, was not addressed.

According to the CEC Estimates released 26 of October 2022. The area planted to maize in the non-commercial agricultural sector is estimated at 378 800ha, which represents an increase of 4,38%, compared to the 362 900 ha of the previous season. The expected maize crop for this sector is 667 000 tons, which is 4,80% more than the 636 440 tons of last season. It is important to note that about 47% of the maize produced in the non-commercial sector, is planted in the Eastern Cape, followed by KwaZulu-Natal with 22%.

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