



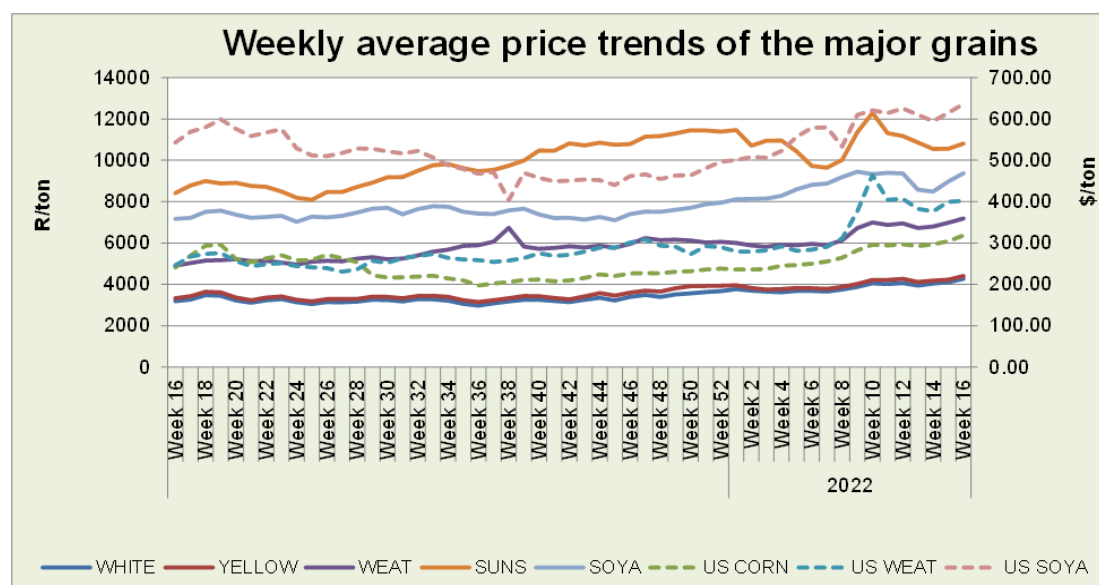
agriculture, land reform & rural development

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

Weekly Price Watch: 22 April 2022

Directorate: Statistics & Economic Analysis

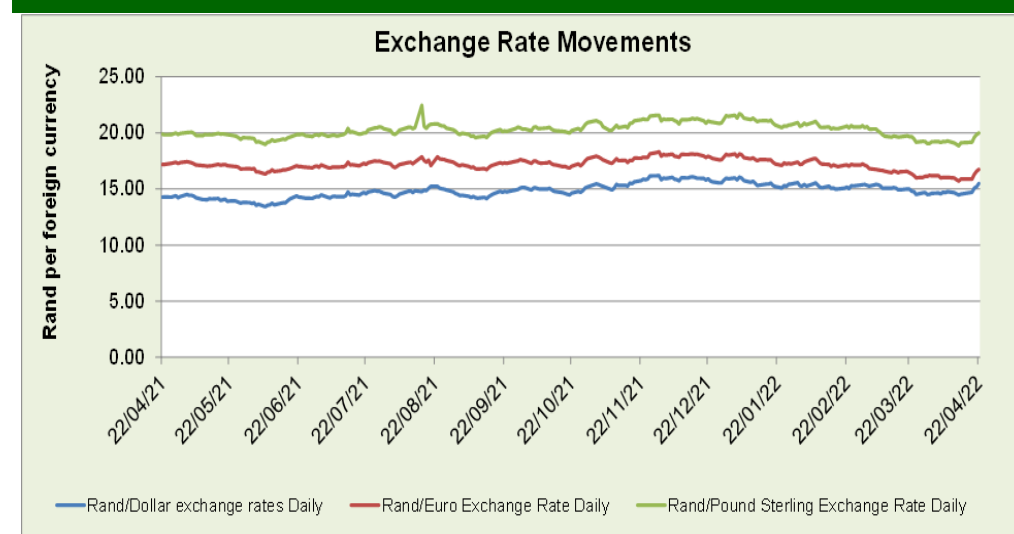
Sub-directorate: Economic Analysis



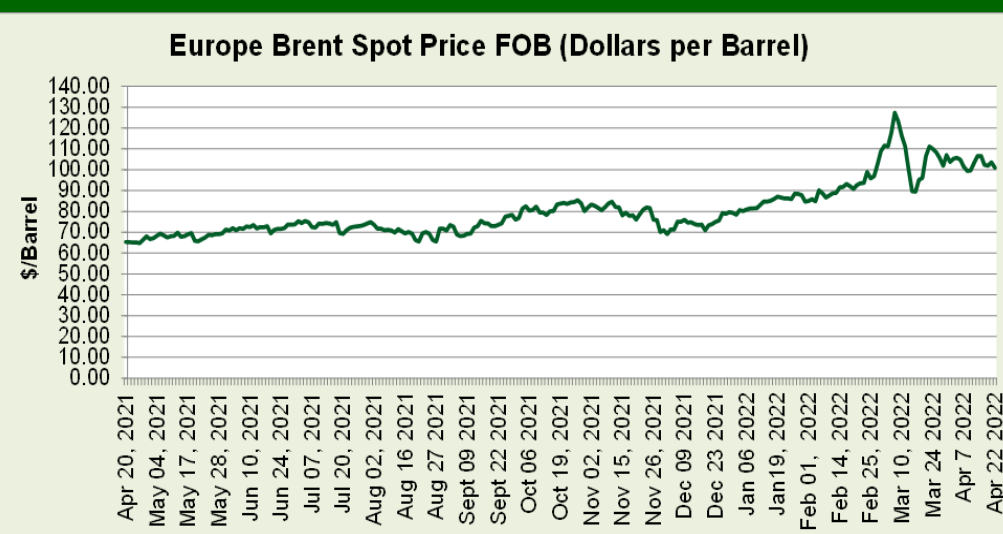
Domestic grain prices strengthened for two consecutive weeks, with local white maize and yellow maize prices increased by 3.9% and 4.2% respectively this week compared to the previous week. South African maize prices were supported by the US markets which were higher and also gains from the weaker rand. Local wheat, soybean and sunflower seed prices also increased by 3.0%, 4.4% and 2.2% respectively week-on-week. During the same period international grain prices also increased for two consecutive weeks, with US yellow maize, wheat and soybean prices increased by 4.5%, 0.6% and 3.5%. US corn and wheat futures rose supported by concern that adverse weather conditions in key production areas would limit the size of harvest this year.

Spot price trends of major grains commodities

	1 year ago Week 16 (19-04-21 to 23-04-21)	This week Week 15 (11-04-22 to 14-04-22)	This week Week 16 (18-04-22 to 22-04-22)	w-o-w % change
RSA White Maize per ton	R 3 190.80	R 4 103.50	R 4 265.50	3.9%
RSA Yellow Maize per ton	R 3 328.00	R 4 227.25	R 4 402.75	4.2%
USA Yellow Maize per ton	\$ 240.90	\$ 304.38	\$ 318.10	4.5%
RSA Wheat per ton	R 4 906.60	R 6 979.00	R 7 190.00	3.0%
USA Wheat per ton	\$ 246.01	\$ 399.55	\$ 401.92	0.6%
RSA Soybeans per ton	R 7 167.80	R 8 975.00	R 9 367.25	4.4%
USA Soybeans per ton	\$ 542.72	\$ 614.57	\$ 636.20	3.5%
RSA Sunflower seed per ton	R 8 408.20	R 10 562.25	R 10 799.75	2.2%
RSA Sweet Sorghum per ton	R 3 850.20	-	-	-
Crude oil per barrel	\$ 65.39	\$ 104.00	\$ 102.16	-1.8%



The rand depreciated by 3.8% against the US dollar, 3.3% against the Euro and 3.4% against the Pound this week compared to the previous week. The rand weakened against the major currencies the most in five months and benchmark bonds sold off as rolling power cuts, flood damage and signs of a Covid-19 comeback added to worries about the country's economic outlook.



Brent crude oil averaged \$102 week-on-week, 1.8% less compared to \$104,00 reported the previous week. Oil has rallied this year as the war in Ukraine disrupted an already-tight market, with some traders shunning Russian crude. The surge spurred the US and allies to announce the release of millions of barrels from strategic reserves to quell inflationary pressures.



National South African Price information (RMAA) : Beef							
Week 14 (04/04/2022 to 10/04/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 15 (11/04/2022 to 17/04/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 344	61.69	62.76	Class A2	5 145	61.73	62.28
Class A3	740	60.11	62.59	Class A3	526	62.27	63.06
Class C2	369	48.28	51.01	Class C2	231	52.02	52.03

All units sold for beef class A2, class A3 and class C2 beef decreased by 38.3%, 28.9% and 37,4% respectively in the reporting week compared to the previous week. Meanwhile the weekly average purchase prices for class A2, class A3 and class C2 beef increased by 0.1%, 3.6% and 7.7% respectively in the reporting week compared to the previous week. During the same period, the weekly average selling prices for class A2 beef decreased by 0.8%, while the weekly average selling price for class A3 and class C2 beef increased by 0.8% and 2.0% respectively.

National South African Price information (RMAA) : Lamb							
Week 14 (04/04/2022 to 10/04/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 15 (11/04/2022 to 17/04/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 289	92.20	94.22	Class A2	5 137	96.41	96.43
Class A3	1 128	91.81	93.87	Class A3	564	94.74	95.35
Class C2	875	69.06	72.35	Class C2	802	69.61	70.08

All units sold for lamb class A2, A3 and C2 decreased by 38.0%, 50.0% and 8.3% respectively in the reporting week compared to the previous week after a stronger demand last week Easter holiday. The weekly average purchase prices for lamb class A2, A3 and C2 all increased by 4.6%, 3.2% and 0.8% respectively in the reporting week compared to the previous week. During the same period, the weekly average selling prices for class A2 and A3 lamb increased by 2.3% and 1.6% respectively, whilst the weekly average selling price for lamb class C2 decreased by 3.1% this week compared to the previous week.

National South African Price information (RMAA) : Pork							
Week 14 (04/04/2022 to 10/04/2022)	Units	Avg Purchase Price	Week 15 (11/04/2022 to 17/04/2022)	Units	Avg Purchase Price		
Class BP	14 672	25.49	Class BP	8 946	26.65		
Class HO	7 655	25.41	Class HO	5 128	24.65		
Class HP	5 125	25.36	Class HP	4 439	24.96		

Also units sold for pork class BP, class HO and class HP decreased by 39.0%, 33.0% and 13.4% respectively in the reporting week compared to the previous week. Meanwhile, the weekly average purchase prices for class BP increased by 4.6% while class HO and class HP decrease by 3.0 % and 1.6% respectively during the same period.

Latest News Developments

According to the latest data from the Central Energy Fund, the petrol price may be lowered in the first week of May. Diesel users may still face a hike, though. With more than a week to go before fuel prices are fixed, the current data show that 95 octane petrol is set to be lowered by around 34c a litre, and 93 octane by 32c. According to current estimates, diesel will rise by between 75c and 81c and illuminating paraffin by 68c/l. Local fuel prices are determined by international oil prices, as well as the dollar-rand value, as South Africa buys oil in dollars. Movements in the oil and rand prices before month-end will still impact the final prices for May. Petrol and diesel prices have surged by more than a third over the past year. This was mostly due to soaring oil prices, especially amid the fallout from Russia’s invasion of Ukraine. Russia is the world’s third-largest producer of crude oil and it has been locked out of western markets, triggering rallying oil prices. Next month’s fuel prices will continue to benefit from a temporary cut of R1.50 in the general fuel levy for April and May. This helped to limit the petrol price hike to around 36c last month, and to R1.53 for diesel.

Annual consumer price inflation rose to 5.9% in March from 5.7% in February, driven in large part by fuel price hikes. This was slightly lower than expected - economists polled by Reuters forecast a 6% increase. The latest inflation number also remains within the SA Reserve Bank’s 3% to 6% target range. The monthly change in the index was 1.0% in March, up from 0.6% in February, Statistics SA reported. Transport prices increased by 14.3% year-on-year, with fuel prices up by more than 7% between February and March. Compared to a year ago, petrol prices were 33% more expensive, and diesel 35% pricier. However, food inflation softened in March, with the annual rate cooling from 6.4% to 6.2%. Bread and cereal prices continued to climb, increasing by a monthly rate of 1.1% in March following a 2.4% spike in February. Meat, milk, eggs, and sugar-related products also increased. But after strong price hikes for three months in a row, prices for oils and fats dipped by 0.1%. Still, despite a 0.7% decline in the price of sunflower oil from February to March, it is 27% more expensive than a year ago.

Farmers should prepare to pay a record-breaking R22/l for wholesale diesel from the first week of May, Corné Louw, senior economist at Grain SA has warned. This will simply be adding fuel to the fire as it will be the third month in a row that the diesel price will be breaking every historically high diesel price, prices have been rising since February. The timing of the increase could not have been worse for the industry. Farmers were currently harvesting maize, soya bean and sunflower in the summer planting region, while Western Cape farmers were planting crops such as wheat, barley and sorghum. Fuel makes up between 13% and 14% of a grain farmer’s total running costs then when you consider this increase on top of record-breaking fertilizer and agro-chemical costs, the cost-squeeze has become nearly unbearable for many farmers.

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