



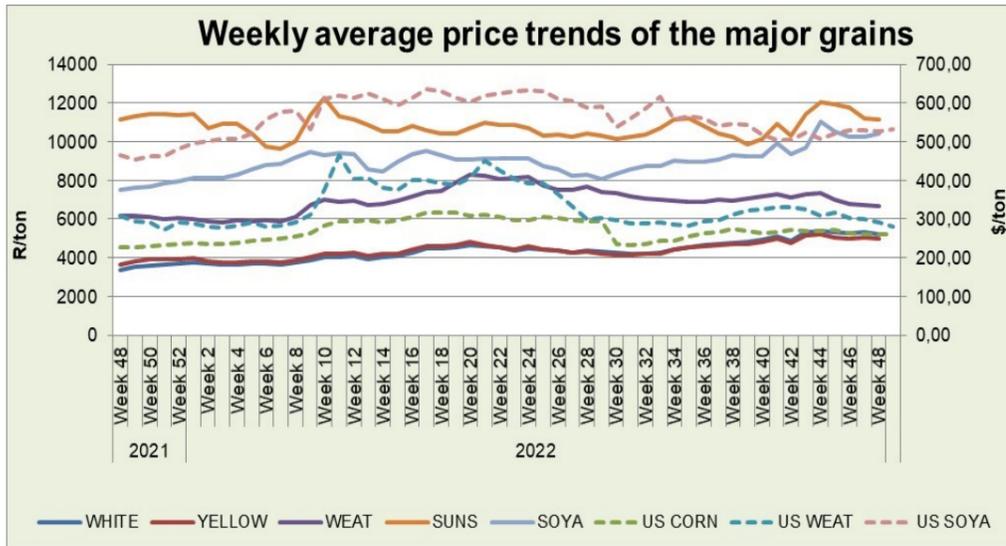
# agriculture, land reform & rural development

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

## Weekly Price Watch: 2 December 2022

Directorate: Statistics & Economic Analysis

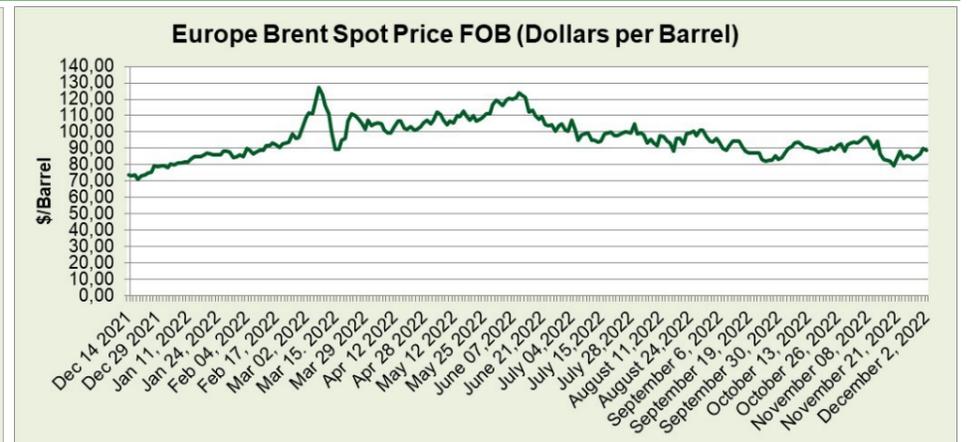
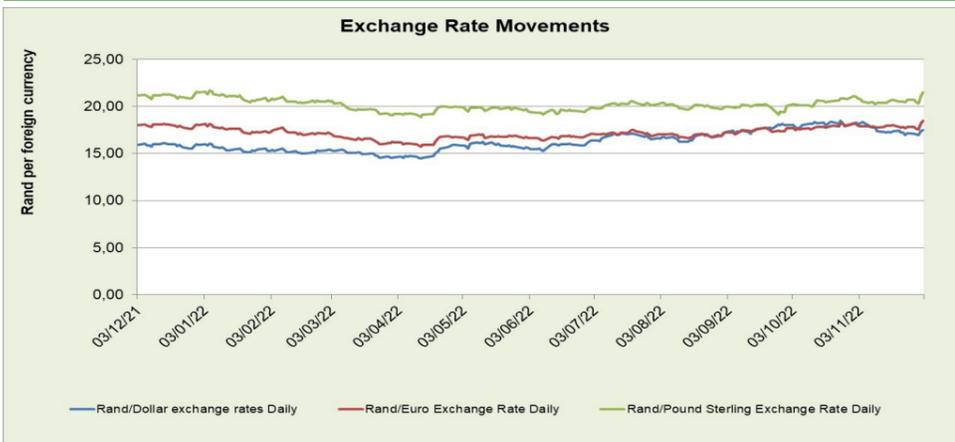
Sub-directorate: Economic Analysis



The price of local white(-1.7%) and yellow(-1.4%) maize decreased this week compared to last week, while the international maize price increased by 0.2%. The price of local wheat and international wheat decreased this week by 0.5% and 4.1% respectively. Local soybeans increased by 1.5%, while the price of US soybeans increased by 1.2%. The price of sunflower decreased by 0.8% this week. South Africa is set to have a decent wheat harvest in the 2022/23 season. Last week, the Crop Estimates Committee released its fourth production estimates which show a mild improvement from October figures. The current wheat harvest estimate is 2,2 million tonnes, which is roughly the same as the 2021/22 season, the largest harvest in two decades. Farmers lifted the area plantings to 566 800 hectares, from 523 500 hectares in the previous year. This was on the back of attractive prices following a surge in wheat prices after Russia invaded Ukraine, as well as good soil moisture in various wheat-growing regions of the country.

### Spot price trends of major grains commodities

	1 year ago Week 48 (29-11-21 to 03-12-21)	Last week Week 47 (21-11-22 to 25-11-22)	This week Week 48 (28-11-22 to 02-12-22)	w-o-w % change
RSA White Maize per ton	R 3 391,20	R 5 325,80	R 5 237,60	-1,7%
RSA Yellow Maize per ton	R 3 653,20	R 5 064,60	R 4 993,00	-1,4%
USA Yellow Maize per ton	\$ 227,04	\$ 260,50	\$ 260,95	0,2%
RSA Wheat per ton	R 6 145,60	R 6 724,80	R 6 693,40	-0,5%
USA Wheat per ton	\$ 293,30	\$ 292,78	\$ 292,78	-4,1%
RSA Soybeans per ton	R 7 505,80	R 10 284,40	R 10 435,40	1,5%
USA Soybeans per ton	\$ 454,42	\$ 526,39	\$ 532,92	1,2%
RSA Sunflower seed per ton	R 11 175,80	R 11 218,20	R 11 127,40	-0,8%
Crude oil per barrel	\$ 71,45	\$ 85,16	\$ 86,63	1,7%



The rand appreciated by 0.1% against the dollar. The euro and the pound depreciated by 0.8% and by 1.3% respectively. This can be seen as a correction for the appreciation of the rand due to the Reserve bank increasing interest rates to combat the rising inflation last week.

Oil prices rose by 1.7%. 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 46 (14/11/2022 to 20/11/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 47 (21/11/2022 to 27/11/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9 648	59,87	62,60	Class A2	8 992	60.06	62.93
Class A3	776	58,07	61,80	Class A3	1 014	60.00	62.25
Class C2	672	49,68	54,14	Class C2	645	50.13	53.04

The quantities sold for beef declined for class A2 and C2 this week relative to the previous week, while class A3 quantities traded increased by 30.7%. The producer prices for class A2, A3 and C2 all increased by 0.3%, 3.3% and 0.9% respectively this week. The retail prices increased for class A2 and class A3 by 0.5% and 0.7% respectively while class C2 decreased by 2.0%. Improved sales are as a result of consumers preparing for the holiday season.

### National South African Price information (RMAA) : Lamb

Week 46 (14/11/2022 to 20/11/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 47 (21/11/2022 to 27/11/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	10678	92,00	94,98	Class A2	18 691	92.79	96.63
Class A3	1344	90,69	94,26	Class A3	1 815	93.01	96.81
Class C2	943	69,78	72,52	Class C2	1 830	69.36	73.36

Lamb units traded this week all increased markedly by 75.0%, 35.0% and 94.1% for class A2, A3 and C2 respectively. The producer prices increased by 0.9% and 2.6% for class A2 and A3 respectively while decreasing by 0.6% for class C2 this week. The retail prices for class A2, A3 and C2 increased also by 1.7%, 2.7% and 1.2% for class A2, A3 and class C2 respectively this week. Improved sales are as a result of consumers preparing for the holiday season.

### National South African Price information (RMAA) : Pork

Week 46 (14/11/2022 to 20/11/2022)	Units	Avg Purchase Price	Week 47 (21/11/2022 to 27/11/2022)	Units	Avg Purchase Price
Class BP	9 601	35,52	Class BP	10 355	36.18
Class HO	6 026	35,63	Class HO	6 833	36.45
Class HP	6 272	34,69	Class HP	6 008	35.81

Quantities traded this week for class BP and HO increased by 7.9% and 13.4% respectively and class HP decreased by 4.2%. The Producer prices all increased; class BP, HO and HP increased by 1.9%, 2.3% and 3.2% respectively. Improved sales are as a result of consumers preparing for the holiday season.

## Latest News Developments

According to the latest data released by the Central Energy Fund (CEF) the retail price of petrol would increase by between 30c/l and 41c/l on 7 December. However, the price of diesel was expected to fall by between R1,48/l and R1,42/l. Illuminating paraffin could drop by 41c/l. As diesel was among one of the major input costs for the agriculture sector, the drop heralded much-needed relief for producers. Local fuel prices were driven by the international price of petroleum products and the rand/dollar exchange rate.

The Brent crude oil price decreased from US\$98/barrel (about R1 667,11/barrel) to US\$84/barrel (R1 428,95/barrel) in November. The rand strengthened from around R18/US dollar to R17/US dollar over the same period. The current retail prices of 93 and 95 petrol inland were R22,57/l and R22,87/l, respectively. The wholesale prices of high- and low-sulphur diesel were R25,49/l and R25,74/l, respectively.

Anton Botha, a grain producer in the Free State, said any reduction in input costs was always welcomed, especially in the grain production industry. However, the foreseen reduction in the December diesel price had come too late to alleviate costs for summer grain producers. Majority of the producers had already purchased about 80% of their diesel earlier in the season. Diesel demand is at its highest before planting when farmers have to prepare the grain fields. Considerably less diesel is used during planting, adding that "he hoped the reduction will stay in place until harvesting time in 2023."

Standard & Poor's may have issued a positive outlook on South Africa when reaffirming its credit rating two weeks ago, but the government's decision to take over some of Eskom's debt, along with swelling civil servant and social welfare bills, pose credit risks. The US credit rating agency on 18 November affirmed South Africa's 'BB-/B' long- and short-term foreign currency, and 'BB/B' long- and short-term local currency sovereign credit ratings, keeping its outlook positive.

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