



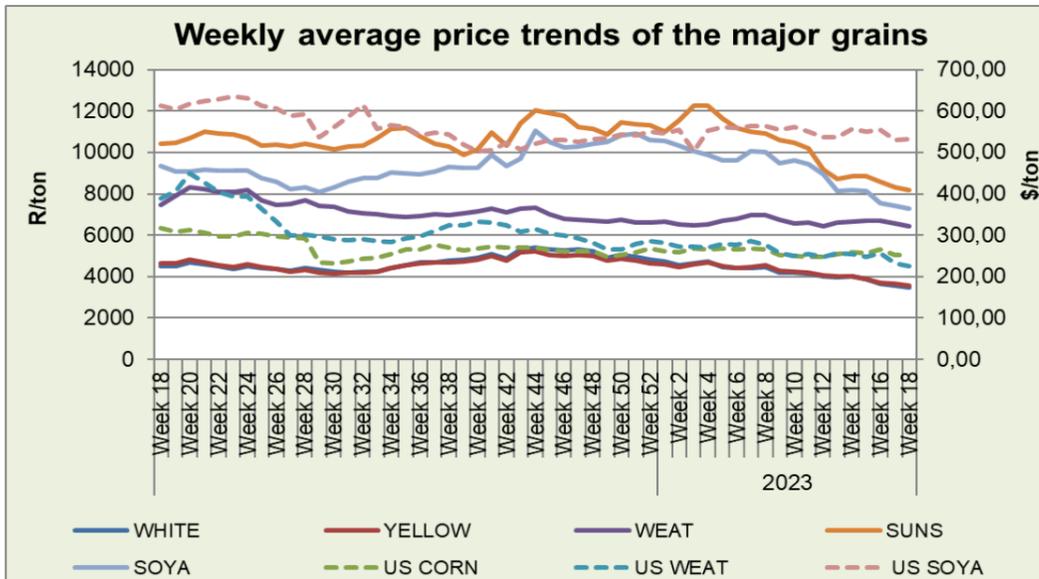
agriculture, land reform & rural development

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

Weekly Price Watch: 05 May 2023

Directorate: Statistics & Economic Analysis

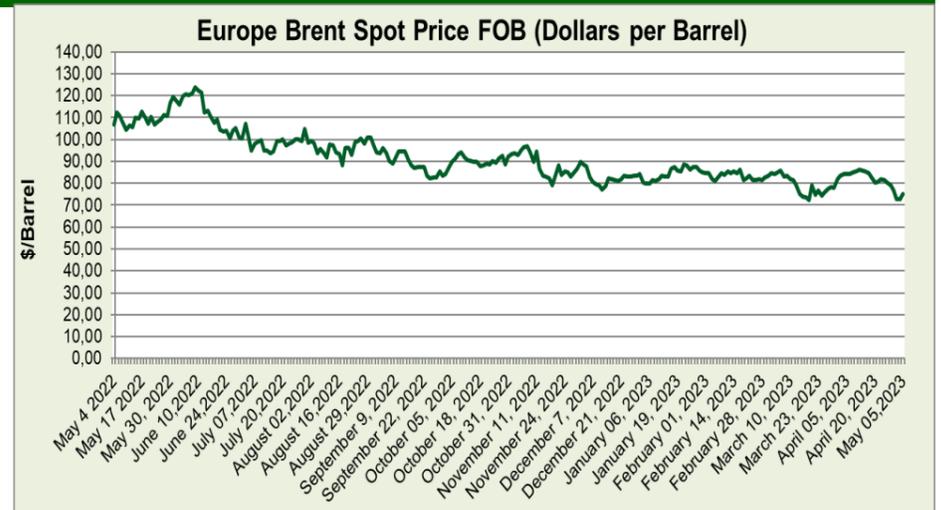
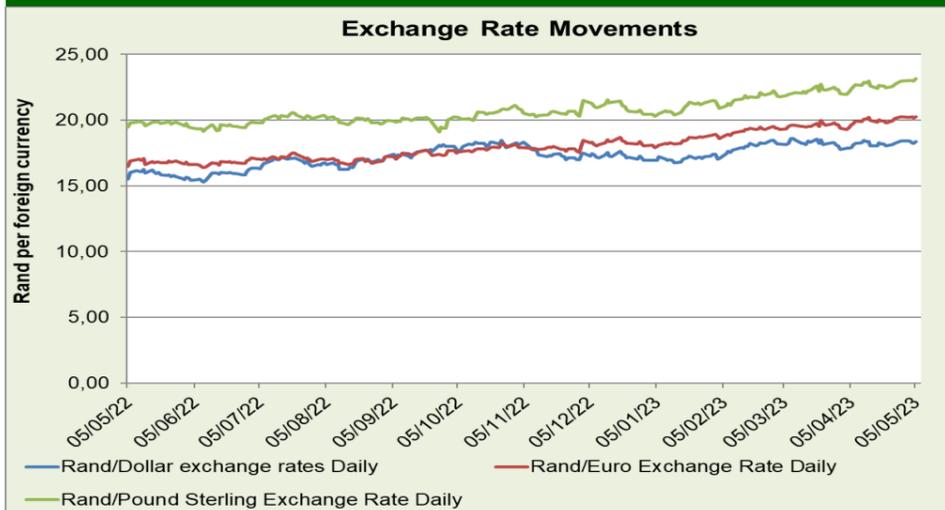
Sub-directorate: Economic Analysis



Domestic grain price declined again this week relative to the previous week. Local white and yellow maize prices declined by 2.9% and 2.6% as there were no news and a large crop is forecasted for local maize. USA maize increase by 0.1% as fears mount that Russia may not renew a deal that allows for safe passage of shipping vessels in the Black Sea. The price of local and international wheat decreased by 2% and 2.9%. The USA wheat price decrease as more rains are expected. The price of local soybeans decreased by 2% as soybeans crop forecast remain high, while the international price increased by 0.1% due to technical buying. The price of sunflower decreased by 1.7%; according to the Solvent Extractors' Association of India there is still plenty of sunflower stocks available since the supply chain from Ukraine opened.

Spot price trends of major grains commodities

	1 year ago Week 18 (03-05-22 to 06-05-22)	Last week Week 17 (24-04-23 to 28-04-23)	This week Week 18 (02-05-23 to 05-05-23)	w-o-w % change
RSA White Maize per ton	R 4 496,50	R 3 565.67	R3 462.25	-2,9%
RSA Yellow Maize per ton	R 4 622,25	R 3 665.00	R3 570.75	-2,6%
USA Yellow Maize per ton	\$ 316,48	\$ 252.56	\$252.84	0,1%
RSA Wheat per ton	R 7 481,75	R 6 583.67	R6 452.00	-2,0%
USA Wheat per ton	\$ 389,39	\$ 232.30	225,66	-2,9%
RSA Soybeans per ton	R 9 328,25	R 7 417.67	R7 264,00	-2,1%
USA Soybeans per ton	\$ 613,71	\$ 531.19	\$531,90	0,1%
RSA Sunflower seed per ton	R 10 419,25	R 8 315.67	R 8173,00	-1,7%
Crude oil per barrel	\$ 108,75	\$ 80.73	\$ 74.33	-7,9%



The rand depreciated by 0.3%; 0.6% and 1.2% against the Dollar, Euro and Pound respectively. The South African rand depreciation was due to stronger than expected U.S. jobs data indicating that the US Federal Reserve might continue hiking interest rates.

The price of oil fell again this week declining sharply by 7.9% this week following the decline last week on concern that the USA banking crisis will slow the economy and fuel demand.



National South African Price information (RMAA) : Beef

Week 16 (17/04/2023 to 23/04/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 17 (24/04/2023 to 30/04/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 391	55,03	59,07	Class A2	15899	55,01	57,17
Class A3	797	55,09	56,75	Class A3	1379	55,02	56,39
Class C2	459	47,16	50,25	Class C2	811	45,79	47,14

The quantities of beef sold this week increased by over a 100% for Class A2 beef and 73% and 76.7% for class A3 and C2. The producer prices remained stable for class A2, while they declined by 0.1% and 2.9% for class A3 and C2. The market prices for all classes declined by 3.2; 0.6% and 6.2% for class A2, A3 and C2 in that order.

National South African Price information (RMAA) : Lamb

Week 16 (17/04/2023 to 23/04/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 17 (24/04/2023 to 30/04/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	13 728	86,65	87,25	Class A2	13569	84,05	84,75
Class A3	1 847	83,73	85,83	Class A3	2109	80,98	83,52
Class C2	1 296	57,31	64,77	Class C2	2060	54,96	60,07

The quantities for lamb traded this week declined by 1.2% for class A2 and increased by 14.2% and 59% for class A3 and C2 respectively. The producer prices for all classes declined this week, the price of A2, A3 and C2 lamb decreased by 3%, 3.3% and 4.1% ; while the market price also declined by 2.9% , 2.7% and 7.3% respectively.

National South African Price information (RMAA) : Pork

Week 16 (17/04/2023 to 23/04/2023)	Units	Avg Purchase Price	Week 17 (24/04/2023 to 30/04/2023)	Units	Avg Purchase Price
Class BP	7 869	29,46	Class BP	8 206	29,90
Class HO	6 672	29,72	Class HO	7 817	29,47
Class HP	7 555	29,64	Class HP	6 873	28,55

The quantities of pork traded this week increased for class BP and HO by 4.3% and 17.2% , while declining by 9% for class HP. The producer prices increased by 1.5% for class BP and declined by 0.8% and 3.7% for class HO and HP.

Latest News Developments

The Experian Business Debt Index (BDI) declined sharply to 0.996 in the fourth quarter of last year, following a reading of 1.591 in the third quarter, reflecting intense and more frequent load shedding in the period and backlogs at South Africa's ports. Experian Business Debt Index (BDI) is an indicator of the ability of businesses to pay their outstanding suppliers or creditors, showing the overall health of businesses in the country. Experian commercial strategy and innovation head Jaco van Jaarsveldt explained that; "this was disruptive to domestic economic activity across a broad front and manifested in the deterioration in quarter-on-quarter gross domestic product (GDP) growth from 1.8% in the third quarter to -1.3% in the fourth quarter".

Astral had to cut back on production of at least 12-million broiler placements in the first half of this year. In turn, the backlog in the broiler slaughter programme has resulted in older and heavier birds consuming high levels of feed. This reporting year Astral was not able to recover high feed input costs and the impact of load shedding through selling price increases and therefore subsidised the increased cost of production to its customer base and consumers.

Drive technology specialist SEW-EURODRIVE says the growing African population and consequent rising demand for food continues to drive the need for processing equipment that can increase food production in the most efficient manner possible. Especially with the need to remain competitive relative to the tough economic conditions locally, where input costs continue to rise on the back of South Africa's energy crisis.

Enertrag South Africa project development head Mercia Grimbeek argues that South Africa need to explore co-location of wind and solar to maximise limited grid capacity. Co-locating wind and solar photovoltaic (PV) facilities at a single grid connection point could help maximise the use of South Africa's existing, albeit constrained, transmission network capacity and would improve supply consistency. Grimbeek notes that, while solar and wind power plants can be built in the fraction of the time needed to build other thermal power solutions, more connecting points on the grid are required to alleviate pressure, especially in the Northern, Eastern and Western Cape provinces.

Social enterprise Kusini Water which has an objective of directly supplying clean water to five-million individuals by 2025 in South Africa and expand to all African nations by 2030. The company is accelerating its Water Champions programme to train unemployed youth and unlock economic opportunities in communities as it works to provide water access across South Africa. The firm, which builds water treatment systems from nanotechnology and macadamia nut shells to bring clean, safe drinking water to people in rural, peri-urban and informal settlements, aims to equip 100 youth, particularly women and youth with disabilities, with water technology skills in 2023.

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