



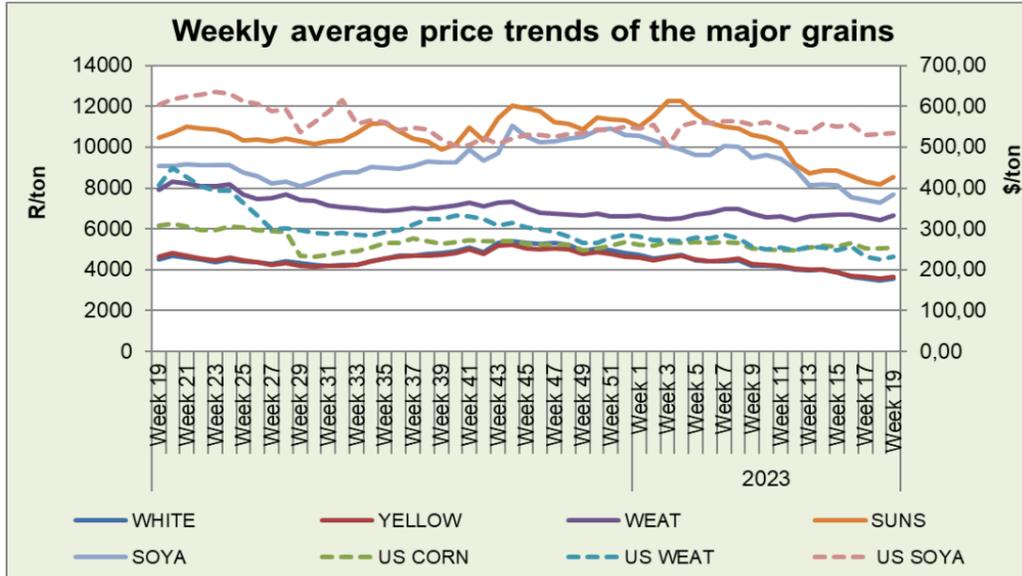
# agriculture, land reform & rural development

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

## Weekly Price Watch: 12 May 2023

Directorate: Statistics & Economic Analysis

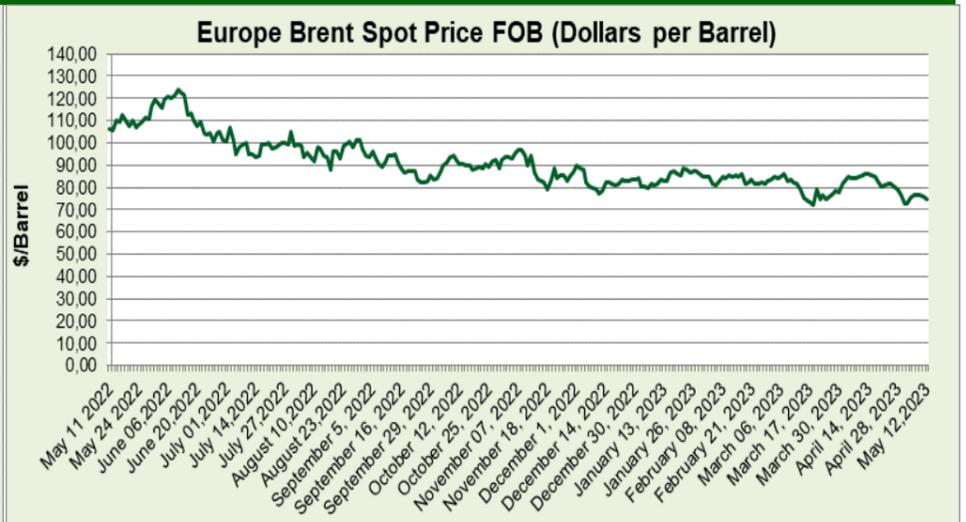
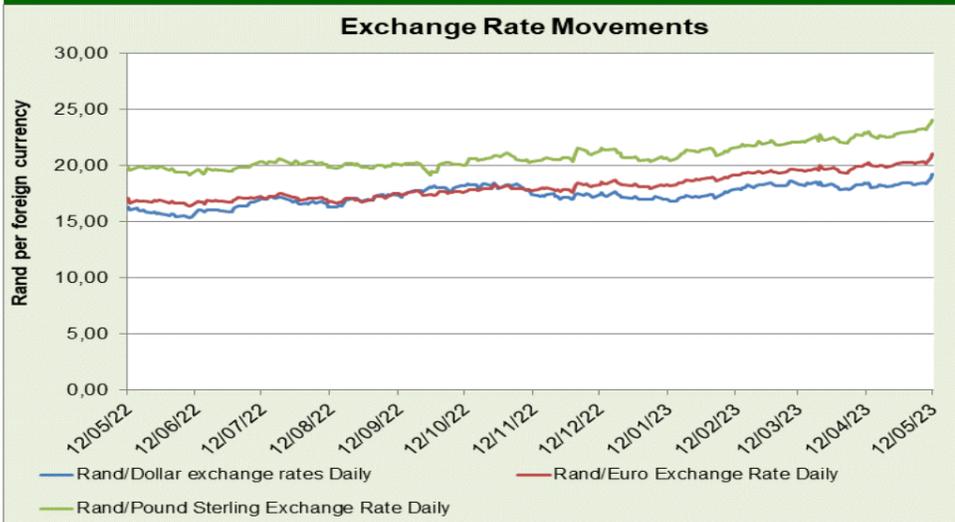
Sub-directorate: Economic Analysis



Both domestic and international grain prices increased this week compare to the previous week. RSA white and yellow maize prices increased by 2.6% and 2.5% respectively. USA maize increase marginally by 0.6%. Total U.S. corn use for 2023/24 is forecast to rise about 5 percent relative to a year ago on higher domestic use and exports. The price of RSA wheat and international wheat decreased by 3.2% and 2.9%. According to the World agricultural supply and demand estimate, sizeable declines in production forecast for 4 major wheat producing countries such as Australia, Russia, Ukraine, and Kazakhstan contributed to wheat price increase at both international and domestic markets. The price of local soybeans increased by 5.8%, while the international price increased by 0.4%. The price of sunflower increased by 4,8%; Locally, the price increases of agricultural grain commodities are driven by developments in international markets, coupled with a weaker rand-dollar exchange rate this week.

### Spot price trends of major grains commodities

	1 year ago Week 19 (09-05-22 to 13-05-22)	Last week Week 18 (02-05-23 to 05-05-23)	This week Week 19 (08-05-23 to 12-05-23)	w-o-w % change
RSA White Maize per ton	R 4 516,20	R 3 462,25	R3 551,20	2,6%
RSA Yellow Maize per ton	R 4 654,80	R 3 570.75	R3 660.20	2,5%
USA Yellow Maize per ton	\$ 308,30	\$ 252.84	\$254.24	0,6%
RSA Wheat per ton	R 7 891,80	R 6 452.00	R6 659.80	3,2%
USA Wheat per ton	\$ 407,59	\$ 225.66	232,28	2,9%
RSA Soybeans per ton	R 9 061,80	R 7 264.00	R7 688,00	5.8%
USA Soybeans per ton	\$ 603,83	\$ 531.90	\$534,17	0,4%
RSA Sunflower seed per ton	R 10 448,20	R 8 173.00	R 8 562,00	4,8%
Crude oil per barrel	\$ 106,83	\$ 74.33	\$ 75.99	2,2%



This week the rand depreciated against the major currencies by 2.0%; 1.9% and 2.3% against the Dollar, Euro and Pound respectively. The currency was pummelled this week by investor concerns over the worst power cuts on record followed by a U.S. allegation that a Russian ship had picked up weapons in South Africa in December 2022.

The price of oil increased slightly by 2.2% this week following the decline last week. The market drew some support from the forecast emerging supply deficit for the second half of the year. Additionally, The Organization of the Petroleum Exporting Countries (OPEC) kept its global oil demand forecast for 2023 unchanged this week, expecting economic risks to be offset by higher Chinese demand growth.



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

Week 17 (24/04/2023 to 30/04/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 18 (2023/05/01 To 2023/05/07)	Units	Avg Purchase Price	Avg Selling Price
Class A2	15899	55,01	57,17	Class A2	8140	53,79	57,23
Class A3	1379	55,02	56,39	Class A3	1043	54,21	55,90
Class C2	811	45,79	47,14	Class C2	566	46,39	47,54

The quantities of beef sold this week decreased by notable 48, 8%, 24,4% and 30.2% for Class A2, class A3 and C2 respectively. The average producer prices also decreased by 2,2% and 1.5% for class A2 and A3 whilst produce price for class C2 increased by 1.3%. The market prices for class A2 and C2 increased by 0,1% and 0,8% respectively whilst the market price for class A3 decreased by all classes declined by 0.8%. Load shedding has contributed to increase in market prices of meat the cost of operations such as processing and maintaining the cold chain due to the perishability of meat increases.

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

Week 17 (24/04/2023 to 30/04/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 18(2023/05/01 To 2023/05/07)	Units	Avg Purchase Price	Avg Selling Price
Class A2	13569	84,05	84,75	Class A2	1064	81,64	86,15
Class A3	2109	80,98	83,52	Class A3	1633	81,21	83,15
Class C2	2060	54,96	60,07	Class C2	1014	53,17	59,33

The quantities for lamb traded this week also declined by notable 22.9%, 22.6% and 50.81 for class A2, A3 and C2 respectively. The producer prices for all classes declined this week, the price of A2 by 2.9%, and C2 by 3.3%, class A3 increased by 0.3%. The market price for class A3 and C2 decreased 0.4% and 1.2% respectively whilst A2 market prices increased by 1.7%.

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

Week 17 (24/04/2023 to 30/04/2023)	Units	Avg Purchase Price	Week 18 (2023/05/01 To 2023/05/07)	Units	Avg Purchase Price
Class BP	8 206	29,90	Class BP	9 863	29, 82
Class HO	7 817	29,47	Class HO	7 412	29,46
Class HP	6 873	28,55	Class HP	9 076	29,14

The quantities of pork traded this week increased for class BP and HP by 20,2% and 32.1% , while declining by 5.2% for class HO. The producer prices for class BP decreased by 0.3% for class HO and increased by 2.1% for class HP, prices for class HO remained unchanged when compared to the previous week .

## Latest News Developments

Minister of Agriculture, Land Reform and Rural Development (DALRRD) Thoko Didiza, tabled the budget for Vote 29. The overall allocation for this financial year is R17, 254, 348 billion. 2023/24 allocation will enable the sector to implement programmes that continue to address food security needs in South Africa, especially in rural communities, address land hunger, transform spatial planning, and contribute towards the development of rural areas in partnership with other spheres of government. At the same time, these resources will be channelled towards ensuring that agriculture, land and rural sectors continue to play integral roles in the economic reconstruction and recovery. According to the Minister The development of traditional agricultural areas, previously known as reserves, will be a key priority during the coming financial year, The minister highlighted that According to analysis done by NAMC which found that placing a mere 10% of this land back into production would unlock 500 000 job opportunities and increase GDP by R59 billion. Minister indicated that only 9% of agricultural output was produced by previously disadvantaged farmers, implying that the sector is still far from the vision of a united and prosperous agriculture sector. She added that the blended finance model mentioned in the Agriculture and Agro-processing Master Plan would soon be extended to commercial banks to aid inclusivity in the sector. To mitigate against load-shedding, Didiza said that an Agro-Energy Fund was being set up at the Land Bank. Large-scale farmers would qualify for 30% grant funding, capped at R1,5 million, to be matched with a 70% loan portion; medium-scale farmers would qualify for a 50% grant, capped at R1 million, to be matched with a 50% loan; and smallholder farmers would qualify for 70% grant, capped at R500 000, to be matched with a 30% loan.

The US has accused South Africa of providing ammunition to Russia through a Russian ship that docked at the Simon's Town naval base in Cape Town in December last year. US ambassador to South Africa Reuben Brigety said America was convinced that SA, despite the fact that it claims it takes a non-aligned stance on Russia's invasion of Ukraine, had supplied arms to Vladimir Putin's army. Mr Ramaphosa's office acknowledged a Russian ship named the Lady R docked in South Africa, but the office did not say where or what the purpose of the stop was. The country's president Cyril Ramaphosa said an investigation was under way. Amid a host of challenges that South Africa is already facing, the markets reacted severely to this report. The report triggered fears that the US will review the African Growth and Opportunity Act (AGOA) and possibly placing economic sanctions on South Africa.

Earlier this week, SA Reserve Bank governor Lesetja Kganyago warned that load shedding will reduce economic growth by 2% this year. The Reserve Bank economy now forecasts growth of 0.2% this year, and to average 1.0% in the following two years. Aggressive hikes in interest rates have also hurt the economy. Eskom is currently implementing the worst bout of power cuts, moving between Stage 4 and Stage 6 load shedding, on a daily basis due to constraints to generation capacity. Eskom is currently load shedding at stage 6, with no indication from the utility that outages will ease any time soon. This paints a worrying picture for the country as it heads into the winter months, with cold weather already setting in. South Africans have been flooded with warnings that load shedding will likely intensify over the coming months, with analysts and experts predicting a move beyond stage 6 – or worse, a move beyond stage 8.

Design Biologix has announced the registration of the bluetongue vaccine, BLU-VAX (G4534). Design Biologix has been providing locally relevant vaccines and supporting products to the animal health industry for the past 29 years. The announcement of a new vaccine against bluetongue comes as a lifeline to South African sheep producers, according to James Faber, chairperson of the Red Meat Producers' Organisation. James Faber, RPO chairperson, said it would have been extremely difficult for the country's small-stock farmers to continue production without the vaccine, as vaccine shortages at Onderstepoort Biological Products (OBP) continue to hurt livestock producers. The current shortage of vaccines has had a very negative impact on sheep production in South Africa. OBP has been unable to produce adequate vaccinations to immunise sheep against the disease. The delay in the production of vaccines against diseases such as bluetongue means that some producers have lost as much as 50% of their flocks.

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