



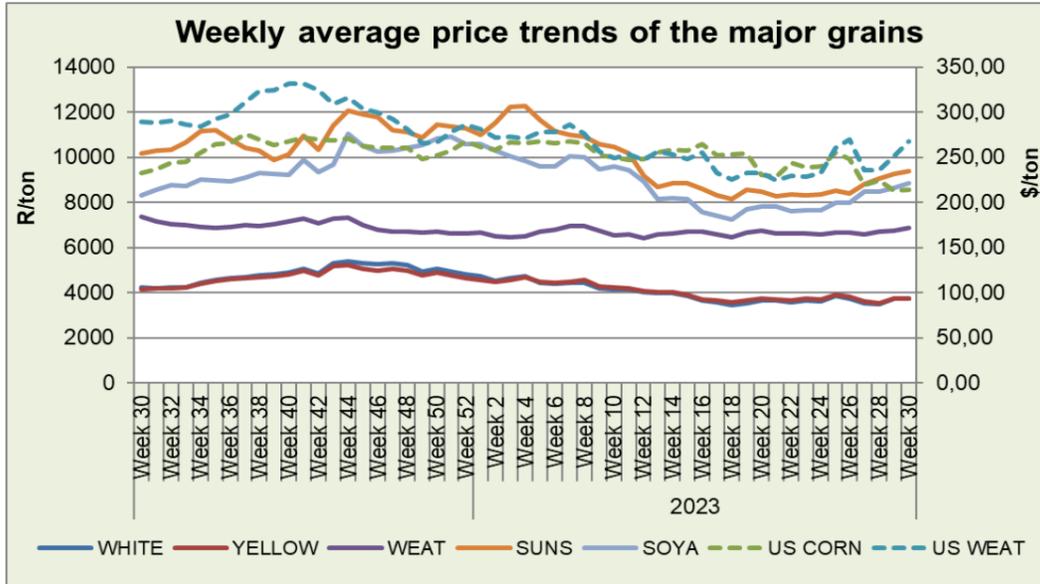
agriculture, land reform & rural development

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

Weekly Price Watch: 28 June 2023

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

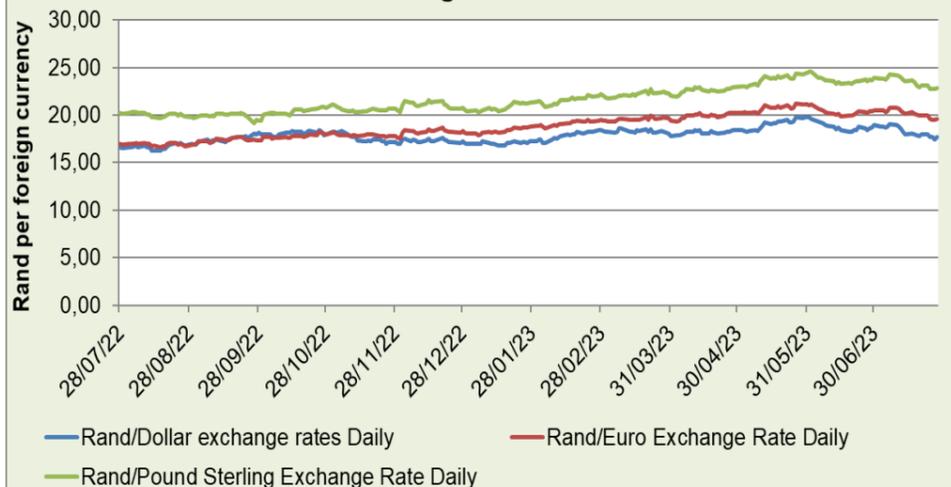


The local maize prices were mixed this week, the price of local white remained stable this week while the yellow maize price decreased by 0.1%. There was little movement on the price of local maize as the Agricultural Crop Estimates Committee (CEC) latest estimates indicated that the maize outlook remained the same during their 5th forecast. The price of USA maize increased by 0.3% this week as maize crop is experiencing moderate to intense drought. Local and international wheat price increased this week. The price of local wheat increased by 2% while the USA wheat price increased by 6.7%. CEC estimates show that the hectares under wheat are estimated to be 6.1% lower than the previous year. Additionally; local and international wheat prices rose as Russia refused to extend the Black Sea grain initiative, increasing uncertainty in the wheat markets. Local and international soybeans both rose by 2% this week as USA soybeans is considered to be in drought and South Africa is a price taker in the oilseeds markets. The price of sunflower increased by 1.4%.

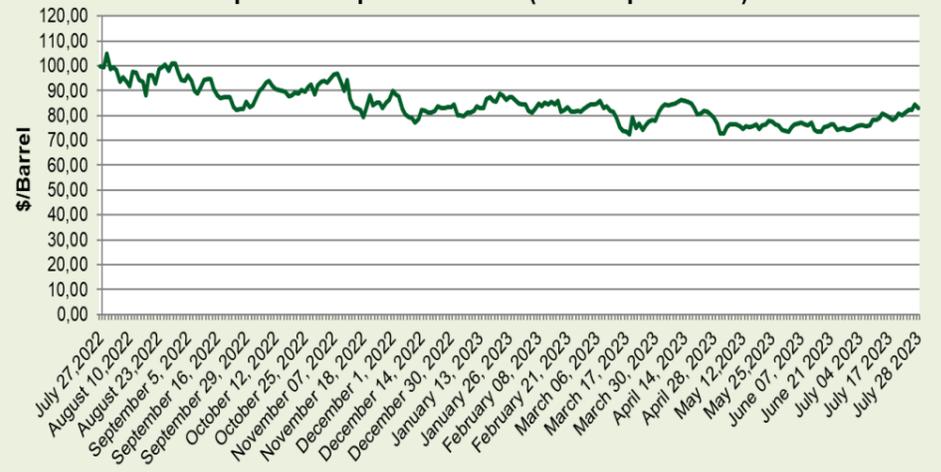
Spot price trends of major grains commodities

	1 year ago Week 30 (25-07-22 to 29-07-22)	Last week Week 29 (17-07-23 to 21-07-23)	This week Week 30 (24-07-23 to 28-07-23)	w-o-w % change
RSA White Maize per ton	R 4 238	R 3 737.20	3738,0	0,0%
RSA Yellow Maize per ton	R4 166,2	R 3 758.20	3754,6	-0,1%
USA Yellow Maize per ton	\$232,78	\$ 213.38	214,0	0,3%
RSA Wheat per ton	R7 353,2	R 6 748.60	6886,2	2,0%
USA Wheat per ton	\$289,53	\$ 251.34	268,1	6,7%
RSA Soybeans per ton	R8 330,2	R 8 666,40	8846,6	2,1%
USA Soybeans per ton	\$560,5	\$ 548.07	559,8	2,1%
RSA Sunflower seed per ton	R10 155,8	R 9 249.80	9375,0	1,4%
Crude oil per barrel	\$ 100,63	\$ 79.98	\$82,58	3,3%

Exchange Rate Movements



Europe Brent Spot Price FOB (Dollars per Barrel)



The rand appreciated against the dollar, Euro and pound by 1.1%, 2.2% and 1.7% respectively. According to Reuters, "the rand gained helped by dollar weakness in the first half of the month, a commitment from Chinese policymakers to support their economy and the foreign buying of South African government bonds"

The price of Brent crude oil increased by 3.3% this week as tighter supplies are anticipated, as a result of OPEC supply cuts and expectations that central banks globally have reached the end of policy tightening. End of tightened monetary policies is expected to boost growth and the demand for energy.



National South African Price information (RMAA) : Beef

Week 28 (10/07/2023 to 16/07/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 29 (17/07/2023 to 23/07/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 501	47,24	54,25	Class A2	8121	46,71	50,94
Class A3	975	50,45	52,52	Class A3	1259	48,76	52,63
Class C2	522	46,49	47,93	Class C2	514	46,24	47,92

Units of Beef in week 29 increased for A2 by 8.3% and A3 by 29%, while C2 decreased by 1.5%. The producer price for beef decreased this week relative to the previous week, while market prices were mixed. The producer price for class A2, A3 and C2 beef decreased by 1.1%, 3.3% and 0.5% respectively. The market price for class A2 decreased by 6.1%, remained stable for class C2 while increasing by 0.2% for class C2. Quantities traded this week were high for class A2 and A3 but decreased for class C2.

National South African Price information (RMAA) : Lamb

Week 28 (10/07/2023 to 16/07/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 29 (17/07/2023 to 23/07/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	10 220	89,52	89,86	Class A2	11172	89,30	89,55
Class A3	1 144	86,92	87,47	Class A3	1548	85,97	87,36
Class C2	1 114	65,76	68,62	Class C2	722	65,17	69,27

Units of Lamb in week 29 increased for A2 by 9.3% and A3 by 35%, while C2 decreased by 35%. The producer and market prices for lamb were week this week relative to the previous week. Producer prices for class A2, A3 and C2 lamb decreased by 0.2%, 0.1% and 0.9% respectively. The market prices for class A2 and A3 decreased by 0.3% and 0.1% while increasing by 0.9% for class C2. Quantities traded this week were high this week for class A2 and A3 but decreased by 35.2% for class C2.

National South African Price information (RMAA) : Pork

Week 28 (10/07/2023 to 16/07/2023)	Units	Avg Purchase Price	Week 29 (17/07/2023 to 23/07/2023)	Units	Avg Purchase Price
Class BP	10 870	29,08	Class BP	11731	29,96
Class HO	3 549	29,00	Class HO	6176	28,34
Class HP	7 412	28,28	Class HP	8375	28,31

Units of Pork in week 29 increased for BP by 8% and HO by 74%, while HP also increased by 13%. The producer prices of pork were mixed this week, the price of Class BP increased by 3% and 0.1% for class HP, while it decreased by 2.3% for class HO. Quantities traded increased by 7.9%, 74% and 13% respectively for class BP, HO and HP.

Latest News Developments

CEOs from over 115 leading corporations operating in South Africa and which collectively employ 1.2-million people with a combined market value of R11-trillion have formally pledged to help the country overcome the problems currently undermining inclusive economic growth. The companies operate across all sectors of the South African economy, which is currently characterised by low economic growth, collapsing infrastructure, rampant crime, corruption, and extremely high levels of inequality and unemployment.

Business Unity South Africa (Busa) VP Adrian Gore stated that; "the pledge was not merely a symbolic gesture, but a concrete commitment to drive change in key sectors that are essential for our economic recovery". President Cyril Ramaphosa and Busa recently announced a partnership to implement interventions in the areas of energy, transport logistics, crime and corruption. R100 million Resource Mobilisation Fund has been raised to support the injection of expertise into the National Energy Crisis Committee, set up to tackle the load shedding crisis. Although concerns have been raised that several of South Africa's main microeconomic problems are being managed by crisis committees that have no direct Parliamentary oversight.

The International Finance Corporation (IFC) is joining forces with local body the Banking Association South Africa (BASA) to help increase climate finance in the country and pave the way for a transition to a low-carbon economy. BASA is a member of the Sustainable Banking Finance Network, a platform for financial sector regulators, governments and industry associations from emerging markets committed to advancing sustainable finance. The partnership will also promote investment in green, climate-friendly assets in line with the country's National Development Plan and commitments to the Paris Agreement.

The Week has been another turbulent week on the electricity front, with ongoing high levels of load shedding, the launch of a lawsuit against Eskom's grid queuing rules, false and confusing statements about the decommissioning of Komati.

UK development entity to invest in new Tanzanian electricity transmission grid, the project is expected to receive an investment and development assistance from UK State-owned company Gridworks. The British company a subsidiary of UK development finance institution British International Investment exists with a purpose of supporting the development of electricity networks in Africa. The value of the investment has not yet been released.

For more information contact: Directorate Statistics & Economic Analysis (SEA) at HeidiP@dalrrd.gov.za or 0123198194.