



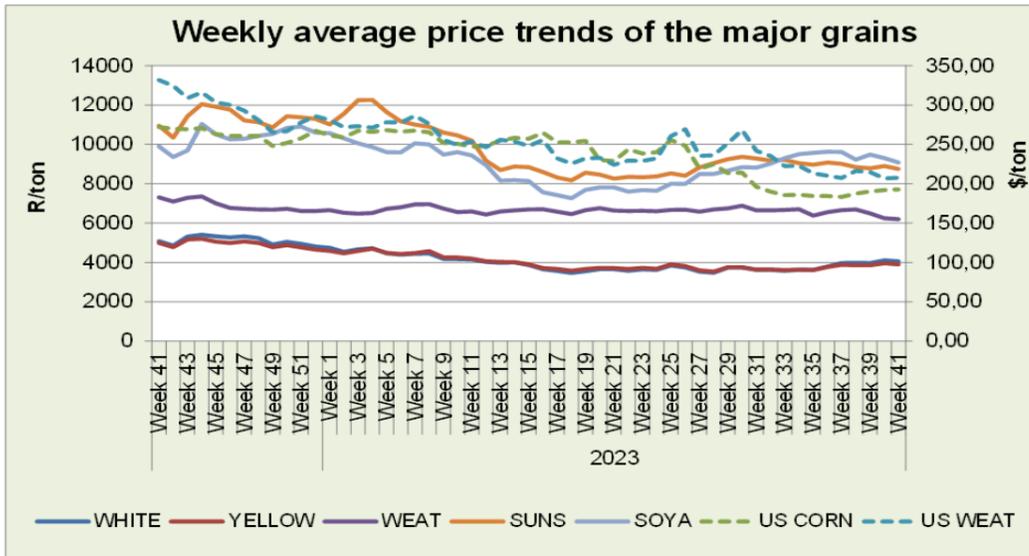
# agriculture, land reform & rural development

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

## Weekly Price Watch: 13 October 2023

Directorate: Statistics & Economic Analysis

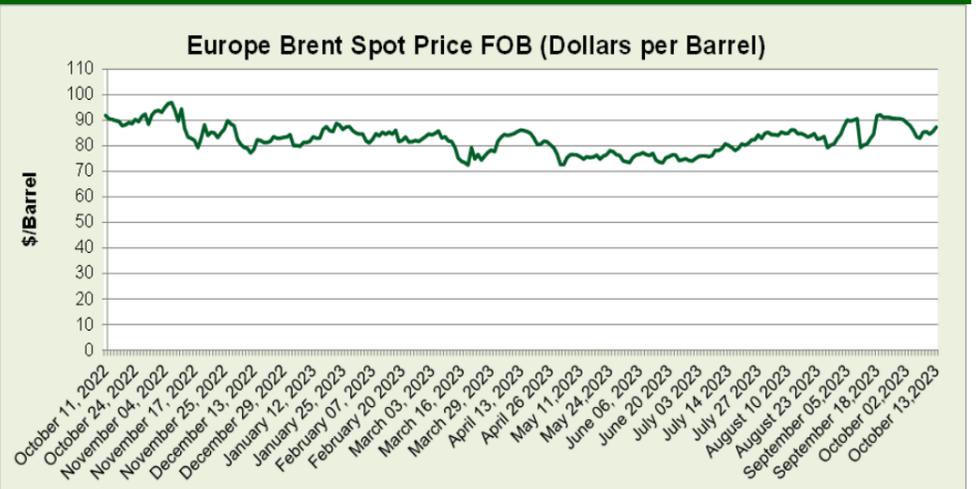
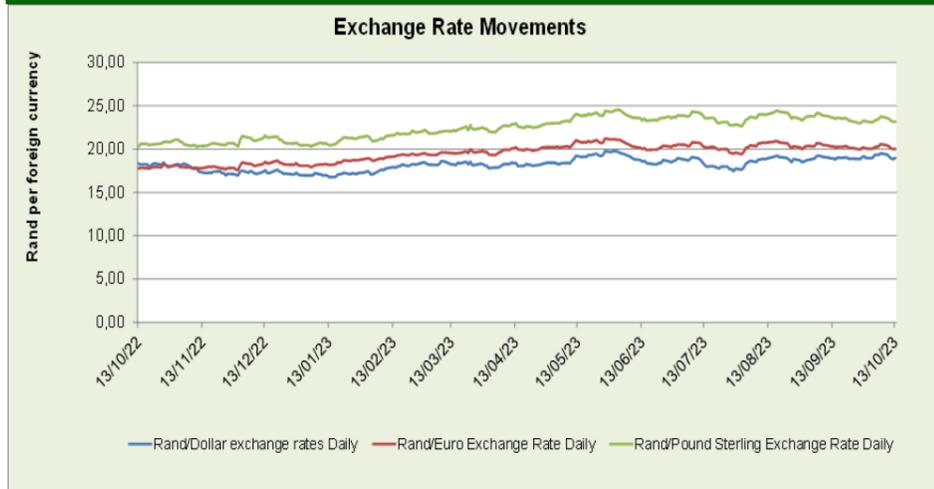
Sub-directorate: Economic Analysis



All domestic grain market weakened this week compared to the previous week. Local white maize, yellow maize, wheat, sunflower and soyabean prices decreased by 1.1%, 1.4%, 0.7%, 1.7% and 2.3% respectively this week compared to the previous week. On the international front, US yellow maize and wheat prices increased by 0.6% and 0.5% week-on-week, meanwhile soyabean price decreased by 0.5% during the same period. Wheat rallied after the US Department of Agriculture (USDA) reported stronger-than-expected weekly export sales and confirmed a large sale to China. US corn and soyabean harvest downgrades in a monthly USDA report on Thursday had lifted some grain and soya contracts to multi-week highs, leaving the market vulnerable to a profit-taking pullback ahead of the weekend.

### Spot price trends of major grains commodities

	1 year ago Week 41 (10-10-22 to 14-10-22)	Last week Week 40 (02-10-23 to 06-10-23)	This week Week 41 (09-10-23 to 13-10-23)	w-o-w % change
RSA White Maize per ton	R 5 077.00	R 4 106,40	R 4 059,40	-1.1%
RSA Yellow Maize per ton	R 4 983.40	R 3 958.20	R 3 903.00	-1.4%
USA Yellow Maize per ton	\$ 272,11	\$ 191,80	\$ 192,87	0.6%
RSA Wheat per ton	R 7 306,40	R 6 242.40	R 6 197.80	-0.7%
USA Wheat per ton	\$ 331,68	\$ 206,69	\$ 207,72	0.5%
RSA Soybeans per ton	R 9 898,80	R 9 300,60	R 9 082,40	-2.3%
USA Soybeans per ton	\$ 505,77	\$ 468.72	\$ 466.20	-0.5%
RSA Sunflower seed per ton	R 10 945.20	R 8 904.00	R 8 755.20	-1.7%
RSA Sweet Sorghum per ton	-	-	-	-
Crude oil per barrel	\$ 91.33	\$ 85.93	\$ 85.66	-0.3%



The rand strengthened against major currencies by 1.2% against the US dollar, 0.6% against Euro and 0.3% against the Pound Sterling this week compared to the previous week. After retreating to five-months high last week, the rand traded around R18.96 to the dollar on Friday, but ended the week at an average of R19.05 to the dollar.

Brent crude oil price reached a weekly average \$85.66 a barrel this week compared to \$85.93 a barrel the previous week, a slight decrease of 0.3%. Oil prices have been extremely volatile as fighting between Israel and Hamas militants in Gaza continued. A wider war in the oil-rich Middle East risks hitting supplies, which could push prices higher. However, a war could also tip the world economy into recession, cooling demand for fuel.



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

Week 39 (25/09/2023 to 01/10/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 40 (02/09/2023 to 08/10/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 851	53,35	56,14	Class A2	8 634	53,45	55,76
Class A3	892	53,39	54,59	Class A3	991	53,72	54,78
Class C2	522	46,31	47,27	Class C2	615	47,58	47,62

After a decrease last week the units sold for class A2, class A3 and class C2 beef increased by 26.0%, 11.1% and 17.8% respectively this week compared to the previous week. The weekly average purchase prices for class A2, class A3 and class C2 beef increased for two consecutive weeks by 0.2%, 0.6% and 2.7% respectively this week compared to the previous week. During the same period, the weekly average selling prices for class A3 and class C2 also increased by 0.3% and 0.7% respectively. Meanwhile the weekly average selling price for class A3 beef decreased by 0.7% this week compared to the previous week.

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

Week 39 (25/09/2023 to 01/10/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 40 (02/09/2023 to 08/10/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	11 498	83,66	84,61	Class A2	13 724	83,31	84,58
Class A3	1 565	81,48	83,91	Class A3	1 398	81,14	83,71
Class C2	764	58,67	63,03	Class C2	1 339	59,28	64,35

Units sold for class A2 and class C2 lamb increased by 19.4% and 75.3% respectively this week compared to the previous week, whilst units sold for class A3 lamb decreased by 10.7% week-on-week. During the same period, the weekly average purchase prices for class A2 lamb and class A3 lamb decreased for two consecutive weeks by 0.4%, respectively, whilst the weekly average purchase price for class C2 lamb increased by 1.0%. The weekly average selling price for class A2 lamb remained flat week on week. The weekly average selling price for class A3 lamb decreased by 0.2%, meanwhile the weekly average selling price for class C2 lamb increased by 2.1% during the same period.

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

Week 39 (25/09/2023 to 01/10/2023)	Units	Avg Purchase Price	Week 40 (02/09/2023 to 08/10/2023)	Units	Avg Purchase Price
Class BP	11 691	36,61	Class BP	11 437	36,88
Class HO	5 899	36,01	Class HO	6 514	36,43
Class HP	8 244	36,10	Class HP	9 384	36,48

After a decrease last week the units sold for class HO and class HP pork increased by 10.4% and 13.8% respectively this week compared to the previous week, whilst units sold for class BP pork decreased by 2.2%. The weekly average purchase prices for class BP, class HO and class HP pork increased for two weeks in row by 0.7%, 1.2% and 1.1% respectively during the same period. Higher prices for pork are due to the improved demand for pork as chicken prices have been firming and chicken shortages looms.

## Latest News Developments

Based on the current Brent crude oil and rand prices, the latest data from the Central Energy Fund (CEF) shows that petrol prices could be cut by around R1.90 a litre in November, while diesel prices could be lowered by between 69c and 75c a litre. However, there are still more than two weeks to go before the final prices are set. South African fuel prices are largely determined by international oil costs and the rand exchange rate, as oil is priced in dollars. In the first half of October, the Brent crude oil price averaged \$87.50 a barrel, compared to an average of \$92.60 in September. International petroleum product prices used in South Africa are substantially lower to date in October than September. After briefly weakening to above R19.50/\$ last week, the rand was trading at R18.00/\$ last week. Fuel prices have seen large hikes in recent months, due in most part to a rally in oil prices.

September tractor sales declined by 8% to 715 units year-on-year, whereas year-to-date sales were about 5% down on last year at 6 127 units, according to the latest statistics of the South African Agricultural Machinery Association (SAAMA). Eighteen combine harvesters were sold in September, one more than in September last year, with year-to-date sales now being 38% more than last year at 401. According to Tallie Giessing, chairperson of SAAMA, combine harvester sales were still high because of purchases made over the past year that have only been delivered now. Overall, machinery sales were high during the first half of the year, but were expected to be more subdued for the rest of the year. This is due to various factors, firstly, the high machinery replacement rate over the past few years has resulted in many farmers no longer having to invest in new machinery. The harvesting season has also ended in most parts of the country. Along with this, the currency exchange rate is driving up prices, while machinery purchases also compete with other investments, such as solar energy to alleviate the impact of load-shedding on production.

With outbreaks of highly pathogenic H7N6 bird flu ravaging flocks across the country, eggs are in short supply. Consumers started panic buying when news about possible egg shortages became public. As a result, retailers that have available stock are limiting purchases, and prices have doubled to around R200 for a tray of 60 eggs in most cases. According to South African Poultry Association's (SAPA) egg division, the peak of H7N6 infections seemed to have passed and the industry is not in a good state. Around 25% of the national layer stock has been culled, and another 5% are currently being investigated and might be culled too. This is the third and most severe bird flu outbreak we have had in close succession and the industry is in dire straits. Minister of Agriculture, Land Reform and Rural Development Thoko Didiza said in a statement that the main challenge with regards to the impact of H7N6 was primarily on the egg production side. The department has focused its efforts on improving the availability of eggs and putting measures in place to contain the spread of the disease. This includes increasing the efficiency of issuing import permits for egg products.

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