



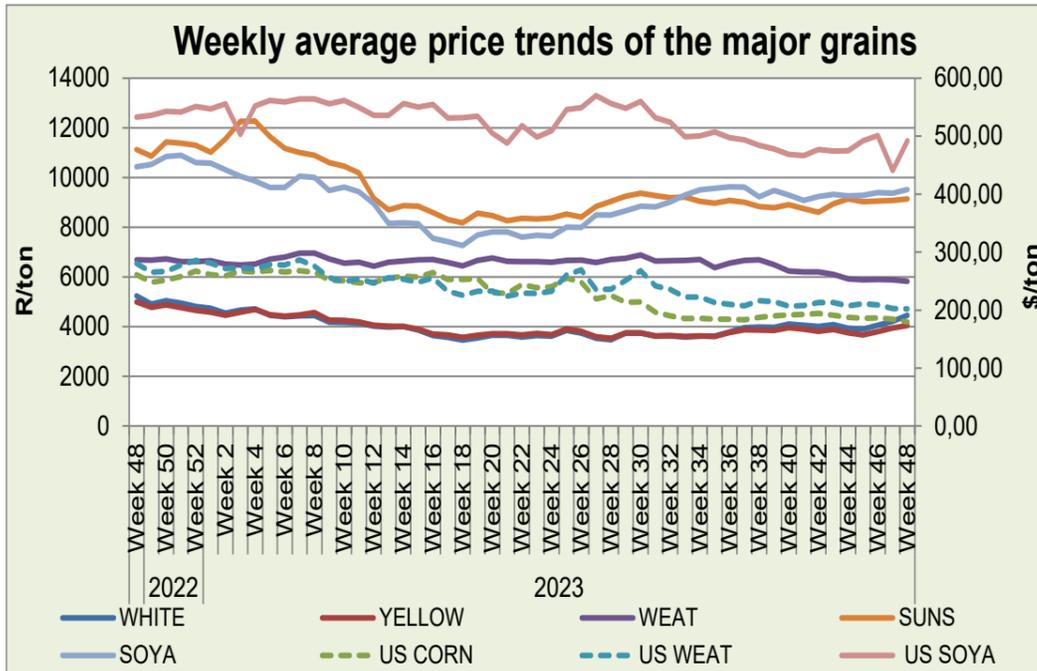
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 01 December 2023

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

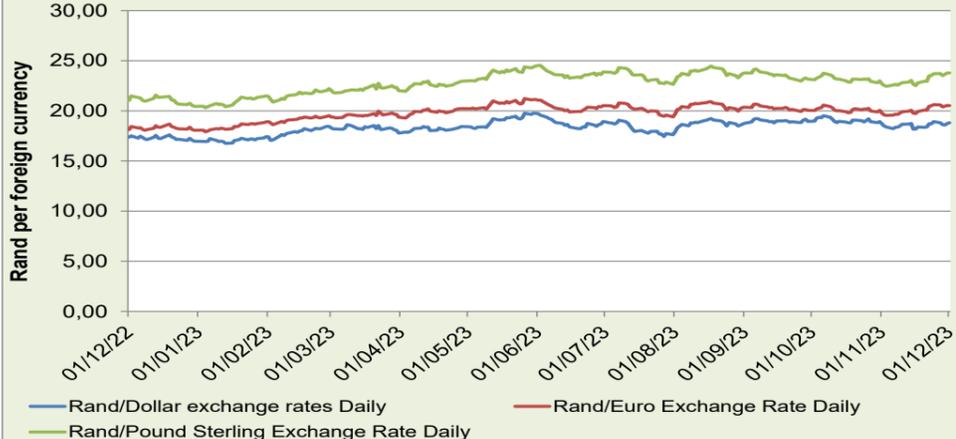


This week saw mostly lower prices across the international grain sector when compared to the previous week. Internationally, weakness of the US Dollar in recent weeks due to expectations that the Federal Reserve will keep interest rates high continues to weigh down on grain prices, US Corn, US soya and US wheat declined by 2.7%, 1.5% and 0.3% respectively. Total global grain production is expected to grow; a rise in maize output outweighs other declines. Global maize production in 2023/24 is pegged at 1,221 Mt by the USDA, up from 1,157 Mt last season. Locally, grain market prices were up this week when compared to the previous week. Maize market for both white and yellow maize increased by 5.6% and 2.5% respectively. Soyabean and sunflower increased by 1.5% and 0.6% respectively. While RSA wheat declined by 1% this week when compare to the previous week. Local wheat production conditions remain fairly favourable, with limited rains and wind. Production in the Western Cape was forecasted to have increased by 5% from the previous forecast. This is supported by the CEC's winter cereals' third production forecast for the 2023 season.

Spot price trends of major grains commodities

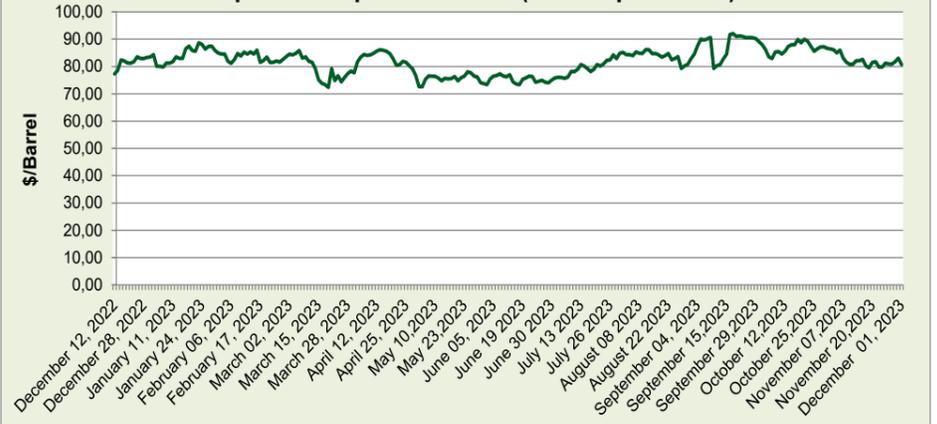
	1 year ago Week 48 (28-11-22 to 02-12-22)	Last week Week 47 (20-11-23 to 24-11-23)	This week Week 48 (27-11-23 to 01-12-23)	w-o-w % change
RSA White Maize per ton	R 5 237,60	R 4 217,40	R 4 455,25	5,6%
RSA Yellow Maize per ton	R 4 993,00	R 3 946,80	R 4 047,00	2,5%
USA Yellow Maize per ton	\$260,95	\$184,53	\$179,61	-2,7%
RSA Wheat per ton	R 6 693,40	R 5 880,20	R 5 823,20	-1,0%
USA Wheat per ton	\$280,69	\$202,84	\$202,28	-0,3%
RSA Soybeans per ton	R 10 435,40	R 9 377,00	R 9 520,80	1,5%
USA Soybeans per ton	\$532,92	\$499,52	\$492,09	-1,5%
RSA Sunflower seed per ton	R 11 127,40	R 9 082,40	R 9 136,00	0,6%
RSA Sweet Sorghum per ton	-	-	-	-
Crude oil per barrel	\$86,32	\$80,84	\$81,49	0,8%

Exchange Rate Movements



The rand depreciated by 0,5%, 0,8% and 1,6% this week against the Dollar, Euro and the Pound respectively. The rand was highly volatile this week as SA reached stage 6 load shedding. The inadequate performance at Transnet and Eskom versus demand has increased economic growth concerns, and negativity for investors. Foreigners sold R1.1bn in government bonds this week on Friday

Europe Brent Spot Price FOB (Dollars per Barrel)



The price of Brent Crude oil increased by 0,8% this week relative to the previous week on the possibility that OPEC+ will extend or deepen supply cuts, a storm-related drop in Kazakh oil output and a weaker U.S. dollar. On Thursday OPEC meeting took place, expanding some output cuts into next year and bringing up-and-coming oil supplier Brazil into the fold.



National South African Price information (RMAA) : Beef

Week 46 (13/11/2023 to 19/11/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 47(20/11/2023 to 26/11/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9470	53,64	55,48	Class A2	10256	53,55	56,58
Class A3	920	53,46	54,04	Class A3	820	53,54	56,31
Class C2	318	47,73	48,57	Class C2	476	47	48,71

The quantities of beef sold this week for beef class A2 and A3 increased by 8.3% and 49.7% respectively. Whilst quantities sold for class A3 decreased by 10.9% when compared to the previous week. The average producer prices also increased for class A2 and A3 decreased by 0,2% and 1.5% respectively whilst the price of A3 increased marginally by 0.1%. Market prices for all classes of beef A2, A3 and C2 increased by 1,98%, 4.2% and 0.3% respectively. According to FNB economist Paul Makube, farmers are reducing their livestock as a result of deteriorating pastures and the current high feed-grain prices and consequently, the price of red meat at a retail level is expected to fall by 8- 15 % between December and January next year as more animals are being slaughtered by farmers, leading to an oversupply of meat in the short-term.

National South African Price information (RMAA) : Lamb

Week 46 (13/11/2023 to 19/11/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 47 (20/11/2023 to 26/11/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	13410	82,26	82,78	Class A2	18501	83,16	83,89
Class A3	1327	81,72	81,55	Class A3	1928	82,48	83,7
Class C2	813	59,14	63,50	Class C2	1028	58,63	63,7

The quantities sold for all classes of Lamb increased this week, A2 , A3 and C2 increased by 38%, 45.3% and 26.4% respectively. The producer price for class A2 and A3 increased by 1.1%, 0.9% respectively whilst C2 decreased by 0.9%. The market prices for class A2, A3 and C2 increased by 1.3%, 2.6% and 0.3% respectively. Lamb prices follow the same trend as beef, According to Paul Makube lamb prices at farm level are already marginally down by two percent with further declines expected as grazing conditions deteriorate further due to a lack of rain. Downward trends in prices is expected to persist throughout the festive season and in the first two months of new year in 2024, until farmers start building their herds.

National South African Price information (RMAA) : Pork

Week 46 (13/11/2023 to 19/11/2023)	Units	Avg Purchase Price	Week 47(20/11/2023 to 26/11/2023)	Units	Avg Purchase Price
Class BP	10085	37,21	Class BP	12 553	36,75
Class HO	6505	36,58	Class HO	6513	36,33
Class HP	6824	36,80	Class HP	8193	36,64

The quantities sold for pork class BP pork, HP and HO increased by 24.5% and 25.9% respectively this week relative to the previous week . The producer prices for class BP and HP prices decreased by 1,2% and 1.3% while producer price for class HO increased marginally by 0.2%.

Latest News Developments

To address the poultry shortages caused by the bird flu outbreak, the local poultry industry has imported 83 million fertilised eggs. Given the fact that they have been imported on an urgent basis, they are coming in at three times the price of a locally grown day-old chicks, This was according to the CEO of Association of Meat Importers and Exporters of Southern Africa (AMIE). He said the cost would inevitably result in price increases passed through to consumers. These price increases have not yet made it onto the shelves. However, it is expect that this product will enter the market in the first quarter of 2024, with a significant price increase.

Members of OPEC+, which includes the Organization of Petroleum Exporting Countries and its allies such as Russia, held a policy meeting on Thursday, the 30 November 2023. In the OPEC+ meeting a decision was taken to expend oil supply cuts. Saudi Arabia led the deepening voluntary cuts extending its reduction of 1 million barrels per day through March. It was followed by Russia, which is cutting 500,000 barrels per day of crude and refined oil products, and then Iraq, the United Arab Emirates, Kuwait, Kazakhstan, Algeria and Oman with smaller amounts. Russia wants higher oil prices to boost the main way it fills its war chest against Ukraine, while the Saudis have to earn nearly \$86 per barrel to meet their planned spending goals, according to the latest estimate from the International Monetary Fund. Saudi Arabia is trying to fund an ambitious overhaul of the kingdom's economy, reduce its dependence on oil and create jobs for a young population.

The Department of Mineral Resources and Energy has published the official fuel price adjustments for December 2023, showing a big cut to both the petrol and diesel prices in South Africa from Wednesday, 6 December 2023. Petrol prices will be cut by 65 cents per litre, and diesel will be going down by between R2.35 and R2.41 a litre. The average international product prices of petrol, diesel and illuminating paraffin decreased in line with the lower crude oil prices. Diesel and Illuminating paraffin prices declined more that petrol because of increased production of middle distillates by refiners to cater for the expected increase in demand during the upcoming winter season in the Northern Hemisphere.

Crisis-hit state ports and logistics monopoly Transnet. The National Treasury confirmed that it has issued the group with "a support package of R47 billion to support a recovery plan, including meeting its immediate debt obligations", in a joint statement with the Department of Public Enterprises (DPE) on Friday. The support comes just a month after Finance Minister Enoch Godogwana refused to give Transnet a bailout or any sort of support in his October medium-term budget.

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