



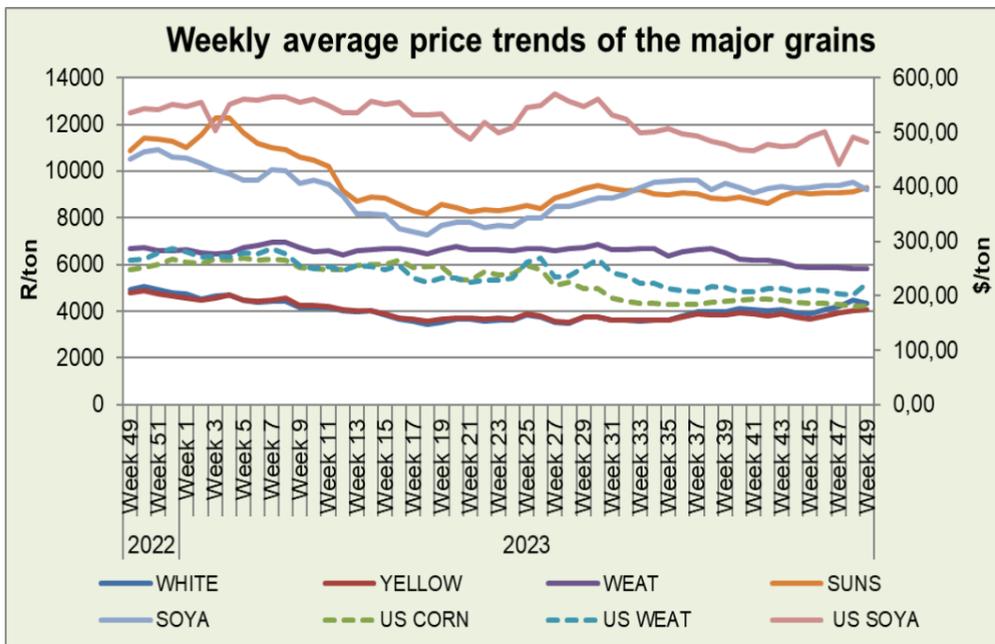
agriculture, land reform & rural development

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

Weekly Price Watch: 08 December 2023

Directorate: Statistics & Economic Analysis

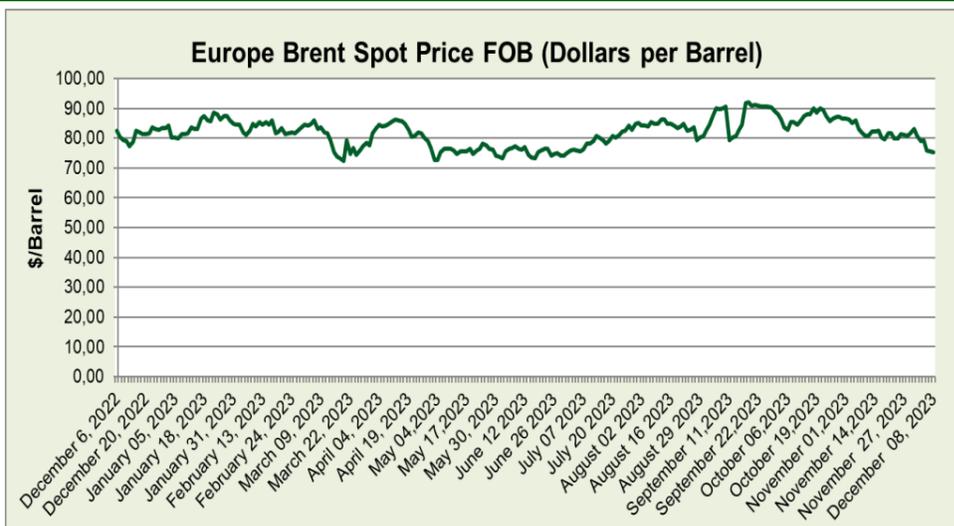
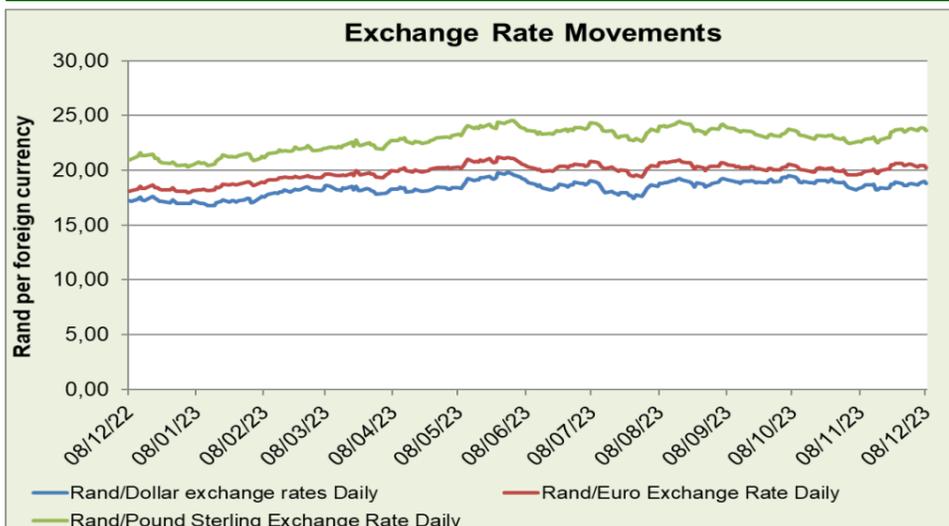
Sub-directorate: Economic Analysis



The International and local market traded marginally lower this week when compared to the previous week. The prices of domestic grains reported an increase which seen the prices of yellow maize, wheat and sunflower seed increased by 1,1%, 0,4% and 1,9% respectively, while price of white maize and soybeans decreased by 2,2% and 3,3% respectively, when compared the previous week. South African maize and wheat futures rose to their highest in more than two weeks as the rand weakened against the dollar, making grain imports more expensive. Internationally, the grain price of US soybean decreased by 2,3%, whilst US corn and US wheat increased by 2,0% and 10,3% respectively week on week. Dry weather in central-western Brazil fuelled fears of an incomplete soybean supply, but speculators' worries eased since mid-November when they sold soybeans for a third week in a row. Heavy rain fell in some dry areas of Brazil, and Friday's forecast showed more rain chances, although models were patchy. The previous week's drop in prices kept wheat unchanged over the past three periods, although Wednesday and Thursday's gains were accompanied by the strongest December trading volumes ever.

Spot price trends of major grains commodities

	1 year ago Week 49 (05-12-22 to 09-12-22)	This week Week 48 (27-11-23 to 01-12-23)	This week Week 49 (04-12-23 to 08-12-23)	w-o-w % change
RSA White Maize per ton	R4 915,00	R4 455,25	R4 359,40	-2,2%
RSA Yellow Maize per ton	R4 770,40	R4 047,00	R4 090,00	1,1%
USA Yellow Maize per ton	\$247,91	\$179,61	\$183,12	2,0%
RSA Wheat per ton	R6 675,00	R5 823,20	R5 846,60	0,4%
USA Wheat per ton	\$265,23	\$202,28	\$223,02	10,3%
RSA Soybeans per ton	R10 534,00	R9 520,80	R9 208,00	-3,3%
USA Soybeans per ton	\$535,66	\$492,09	\$492,87	-2,3%
RSA Sunflower seed per ton	R10 855,00	R9 1336,00	R9 310,60	1,9%
Crude oil per barrel	\$81,87	\$81,49	\$77,01	-5,5%



The South African rand appreciated by 0,7% against the Euro, while depreciated by 0,6% against the US dollar and by 0,3% against the Pound sterling respectively. The US dollar has weakened, but the rand's weakness is now mostly due to domestic issues as it loses increased global appetite for risk.

Brent crude oil price averaged \$77,01/barrel in the reporting week which is 5,5% lower than \$81,49/barrel week on week. The prolonged decline in oil prices comes as analysts worry about a rise in production worldwide and a backtracking on pledges by the Organization of the Petroleum Exporting Countries to curb supplies.



National South African Price information (RMAA) : Beef

Week 47 (20/11/2023 to 26/11/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 48 (27/11/2023 to 03/12/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	10256	53,55	56,58	Class A2	10751	54,61	57,93
Class A3	820	53,54	56,31	Class A3	865	54,28	58,39
Class C2	476	47,00	48,71	Class C2	609	47,90	50,38

Units sold for class A2, class A3 and class C2 beef increased by 4,8%, 5,5% and 27,9% respectively in the reporting week compared to the previous week. The weekly average purchase prices for class A2, class A3 and class C2 beef increased by 2,0%, 1,4% and 0,9% respectively week on week. The weekly average selling prices for class A2, class A3 and class C2 beef increased by 2,4%, 3,7% and 3,4% respectively in the reporting week as compared to the previous week.

National South African Price information (RMAA) : Lamb

Week 47 (20/11/2023 to 26/11/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 48 (27/11/2023 to 03/12/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	18501	83,16	83,89	Class A2	16990	82,51	83,81
Class A3	1928	82,48	83,70	Class A3	1860	81,82	83,91
Class C2	1028	58,63	63,70	Class C2	1798	57,83	63,81

Units sold for class A2 and class A3 lamb decreased by 8,2% and 3,5% respectively, while class C2 lamb increased by 74,9% in the reporting week compared to the previous week. The weekly average purchase prices for class A2, class A3 and class C2 lamb decreased by 0,78%, 0,8% and 1,4% respectively, week on week. The weekly average selling prices for class A3 and C2 class lamb increased by 0,3% and 0,2% respectively, while the average selling price for class A2 lamb decreased by 0,1% in the reporting week compared to the previous week.

National South African Price information (RMAA) : Pork

Week 47 (20/11/2023 to 26/11/2023)	Units	Avg Purchase Price	Week 48 (27/11/2023 to 03/12/2023)	Units	Avg Purchase Price
Class BP	12553	36,75	Class BP	10690	36,18
Class HO	6513	36,33	Class HO	7275	36,15
Class HP	8193	36,64	Class HP	9403	36,24

Units sold for class BP pork decreased by 14,8%, while class HO and class HP pork increased by 11,7% and 14,8% respectively in the reporting week compared to the previous week. Meanwhile, the weekly average purchase prices for class BP, class HO and class HP pork decreased by 1,6%, 0,5% and 1,1% respectively, week on week.

Latest News Developments

South African motorists may be sighing at petrol and diesel prices in December, but they should brace themselves for a volatile 2024, according to forecasts. The latest economic outlook from research and consulting group PwC shows that fuel prices are expected to decrease in the first months of 2024, but overall prices are likely to remain at the same high level as in 2023. Currently, PwC's modeling shows that fuel prices may rise lower in the first quarter of 2024 compared to the current quarter, with petrol prices expected to fall from an average of R24.13 per litre in the fourth quarter of 2023 to an average of R23.02 per litre in the first quarter of 2024. These forecasts are based on monthly futures prices for both the price of Brent oil and the exchange rate between the rand and the dollar - the former is falling while the latter is rising slightly. PwC said the market expects a slow weakening of the South African rand, depreciating from \$18.30 at the time of modeling to around \$18.95 by the end of 2024. However, due to the price of oil, financial markets expect a slow decline in the price of oil during the same period. Brent prices are estimated to fall from \$81.80 per barrel during modeling to \$79.50 per barrel by the end of 2024. Based on these projections, PwC estimates that gasoline will cost an average of 0.6% more in 2024 compared to 2023, while diesel is expected to cost 0.6% less. The consultancy said fuel prices would not reach the highs of 2023 for the next two years, but should rise next year as the decline in global oil production drags down market prices.

The Botswana government made the announcement last week Monday. The current export ban was supposed to expire at the end of December 2023. Instead, the ban will now be in place until the end of 2025, meaning the number of banned products will double from next July. Staple foods such as tomatoes, potatoes and onions are among the most affected items. South Africa's Minister of Agriculture, Land Reform and Rural Development, Thoko Didiza, requested for an urgent meeting with his Botswana counterpart to resolve the breakdown of the Southern African Customs Union agreement. Didiza said the restrictions will have a negative impact on bilateral trade between the two countries. South Africa supplied almost 80 percent of Botswana's food before the ban. However, the country is trying to feed its farmers so that the country becomes self-sufficient in food production. Since the ban began, Botswana's fresh produce import bill has been cut by 71 percent. South African farmers felt the consequences of a fall in prices at the market level, as demand from exporters decreased. Hendrik Eksteen, managing director of Grow Fresh Produce Agents, told Farmer's Weekly that while South Africa may have absorbed excess volumes due to the loss of the Botswana market, it has affected supply-demand, resulting in lower prices. He complained that the government of Botswana seemed to pay little attention to the existing free trade agreement and may close its borders as soon as local vegetables became available. Commodity organizations such as Potatoes SA and South African agricultural groups have repeatedly tried to negotiate with the Botswana government to lift the ban, but to no avail.

Paul Matthew, AMIE CEO, said in a statement addressing 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 chick. He said the cost would inevitably result in price increases, which would be passed onto consumers out of necessity. According to the Pietermaritzburg Economic Justice and Social Dignity Group's November Household Affordability Index, the price of a tray of 60 eggs increased by 18% between October and November 2023, and 68% between November 2022 and November 2023. A 10kg bag of frozen chicken portions increased by 4% from October to November 2023 and 6% year-on-year, while a 2kg of chicken livers increase 5% from October to November 2023 and 23% year-on-year. Matthew emphasised the need for government intervention to address the situation promptly and to make every possible effort to keep poultry prices manageable, ensuring food security for the nation and affordability, especially for those with limited financial means. However, the South African Poultry Association's (SAPA) Broiler Organisation general manager Izaak Breitenbach said there would be no shortages of poultry and no significant price increase. He said the importing of 100 million fertilised hatchling eggs that will be grown for slaughter has negated the biggest impact on price, as it remains cheaper to import eggs than to import a whole chicken or chicken portions.

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