



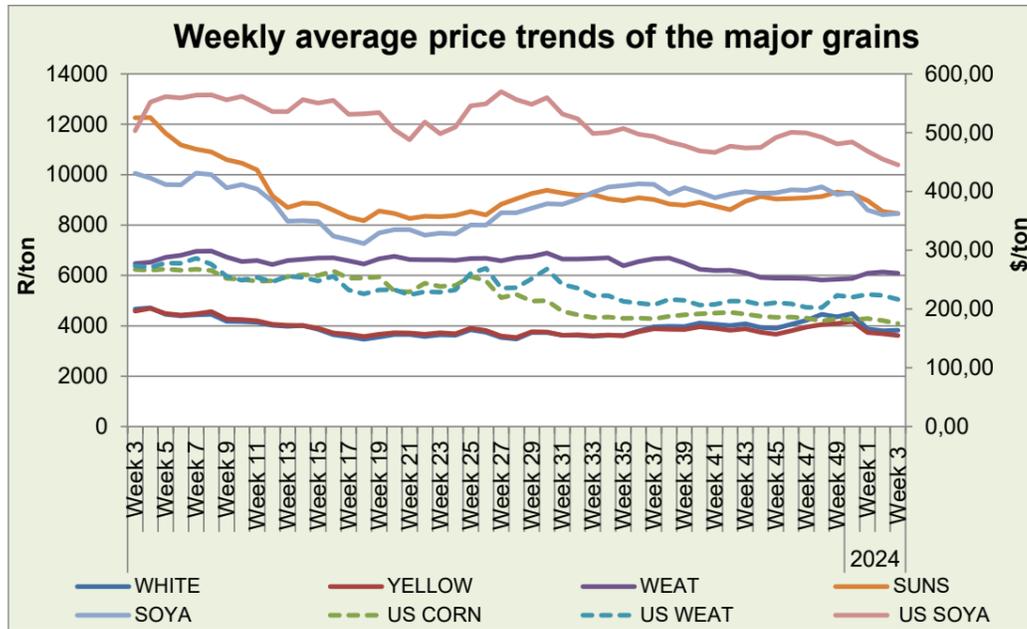
agriculture, land reform & rural development

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

Weekly Price Watch: 19 January 2024

Directorate: Statistics & Economic Analysis

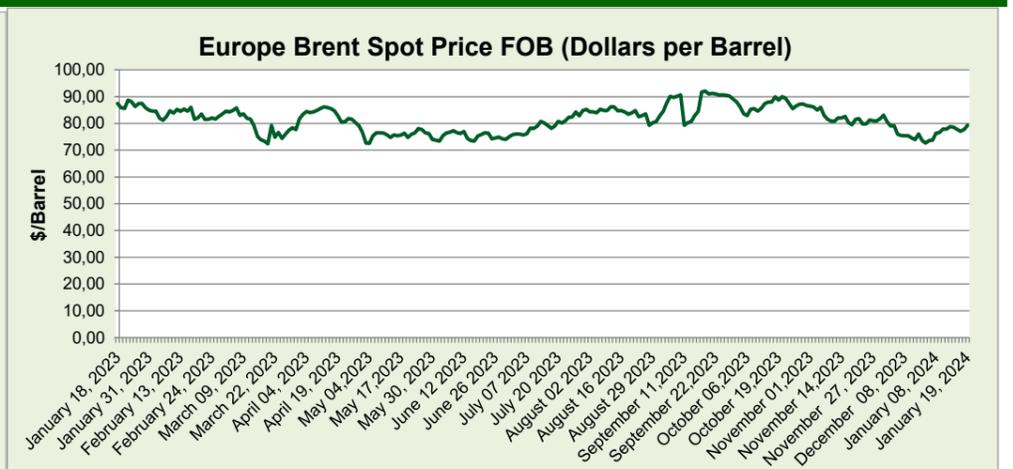
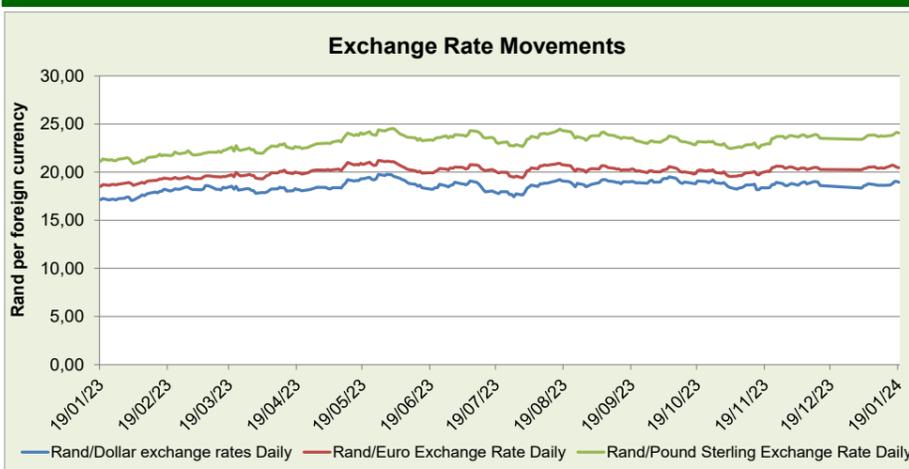
Sub-directorate: Economic Analysis



This week saw mostly lower prices for grain sector both at the international and local market grain when compared to the previous week. Internationally, US corn and USA wheat both decreased by 3%. USA soya also decreased by 2,1% on improvements in South American growing areas and shipments of Brazilian soybeans to China. Locally, white maize increased marginally by 0,3% while yellow maize, RSA sunflower and RSA wheat followed international trends and decreased by 2%, 1% and 0,7% respectively when compared to the previous week. On the other hand RSA soyabean increased marginally by 0,6% relative to the previous week. According to Grain South Africa, crop conditions in provinces that received early rainfall are favourable. Against a backdrop of better-than-expected conditions, the farmers in some of these provinces such as the Free State, Eastern Cape, KwaZulu-Natal, Mpumalanga, and Limpopo indicated that they expect above-average yields. Meanwhile, the North West saw delays in plantings because of slightly delayed rainfall compared with other provinces.

-Spot price trends of major grains commodities

	1 year ago Week 03 (16-01-23 to 20-01-23)	Last week Week 02 (08-01-24 to 12-01-24)	This week Week 03 (15-01-24 to 19-01-24)	w-o-w % change
RSA White Maize per ton	R4 661,40	R 3 805,60	R3 818,80	0,3%
RSA Yellow Maize per ton	R4 583,60	R 3 687,60	R3 614,00	-2,0%
USA Yellow Maize per ton	\$267,18	\$ 180,45	\$175,08	-3,0%
RSA Wheat per ton	R6 477,00	R 6 134,20	R6 089,80	-0,7%
USA Wheat per ton	\$273,05	\$ 223,14	\$216,19	-3,0%
RSA Soybeans per ton	R10 052,80	R 8 407,40	R8 457,20	0,6%
USA Soybeans per ton	\$503,12	\$ 454,90	\$445,14	-2,1%
RSA Sunflower seed per ton	R12 254,40	R 8 542,60	R8 460,00	-1,0%
Crude oil per barrel	\$ 85,71	\$ 77,52	\$78,11	0,8%



The rand depreciated by 1.3%, 0,8% and 0,8% against the US dollar, the Euro and the Pound respectively when compared to the previous week. According to the Nedbank Group the local currency was weighted down by the ongoing tensions in the Middle East, which have strengthened safe-haven currencies and hurt emerging-market currencies across the board.

The Brent crude oil price increased by 0,8% this week relative to the previous week. The International Energy Agency (IEA) joined producer group OPEC in forecasting strong growth in global oil demand and as cold winter weather disrupted U.S. crude output. Additionally oil traders are also worried about geopolitical risks in the Middle East and this pushed the price up.



National South African Price information (RMAA) : Beef

Week 01 (01/01/2024 to 07/01/2024)				Week 02 (01/08/2024 to 14/01/2024)			
	Units	Avg Purchase Price	Avg Selling Price		Units	Avg Purchase Price	Avg Selling Price
Class A2	7440	56,28	59,09	Class A2	8967	55,08	56,39
Class A3	493	56,50	57,21	Class A3	541	54,75	54,96
Class C2	535	47,88	49,70	Class C2	492	48,04	49,34

The units of class A2 and A3 of beef increased by 20,5% and 9,7% respectively while quantities of class C2 decreased by 8,0% compared to the previous week. On the other hand producer prices for class A2 and A3 decreased by 2.1% and 3.1% respectively while producer prices for class C2 increased by 0,3% relatively to the previous week. Average selling price for all classes of beef A2, A3 and C2 decreased by 4.6%, 3.9% and 0,7% respectively.

National South African Price information (RMAA) : Lamb

Week 01 (01/01/2024 to 07/01/2024)				Week 02 (01/08/2024 to 14/01/2024)			
	Units	Avg Purchase Price	Avg Selling Price		Units	Avg Purchase Price	Avg Selling Price
Class A2	13060	84,74	87,75	Class A2	14096	84,3	85,53
Class A3	1109	84,46	86,69	Class A3	1373	83,91	83,64
Class C2	750	60,46	64,92	Class C2	1186	60,05	65,52

The units of lamb traded this week for class A2, A3 and C2 increased by 7,9%, 23,8% and 51,8% respectively. The producer prices decreased for all classes; A2, A3 and C2 decreased by 0,5%, 0,7% and 0,7% respectively. The market prices for class A2 and A3 also declined this week by 2,5% and 8,3% respectively while price of class C2 increased by 0,9% relative to the previous week.

National South African Price information (RMAA) : Pork

Week 01 (01/01/2024 to 07/01/2024)				Week 02 (01/08/2024 to 14/01/2024)			
		Units	Avg Purchase Price		Units	Avg Purchase Price	
Class BP	0,1%	-2,0%	10064	33,62	Class BP	10073	32,96
Class HO	-1,7%	-1,0%	6414	32,83	Class HO	6308	32,51
Class HP	-4,1%	-1,6%	8164	33,04	Class HP	7828	32,52

The quantities of pork traded this week for class HO and HP decreased by 1,7% and 4,1% respectively when compared to the previous week, while units sold for class BP increased marginally by 0,1%. The producer prices for all class of pork BP, HO and HP decreased by 2%;1% and 1.6% respectively.

Latest News Developments

The Red Meat Industry Services (RMIS), in collaboration with the Department of Agriculture Land Reform and Rural Development (DALRRD) and the Red Meat Abattoir Association (RMAA), has secured formal approval of the Kingdom of Saudi Arabia (KSA) to welcome South African red meat exports. The opening of the Saudi Arabian market aligns seamlessly with RMIS's 2030 Strategy, bringing the industry closer to reaching the ambitious export target. Furthermore, the Saudi Arabian market shows interest in four red meat products from the South African farming community, namely beef, lamb, mutton, and goat.

The government has welcomed a decision by the People's Republic of China to substantially reduce tariff rates on imports of South African rooibos. According to the Department of Trade, Industry and Competition, China, the world's largest tea market, previously had tariffs ranging from 15% to 30% on rooibos tea. This was reduced to 6%. China is the seventh-largest importer of South African rooibos out of a total of 45 countries in 2023. The importing countries included Japan, the Netherlands and Germany. The department said rooibos is a unique South African tea that had gained a strong position in global markets, with R600 million rand of annual exports in 2022. According to the Rooibos Council of South Africa, approximately 20 000t of rooibos is produced in South Africa every year. Creating employment opportunities for more than 5 000 people.

After significant fuel-price cuts this month, mid-month data from the Central Energy Fund (CEF) points to possible increases in all grades of fuel prices in February, except for illuminating paraffin. Petrol is expected to be going up by between 11 and 14 cents per litre, while diesel is showing a possible hike of 3 to 9 cents per litre. Domestic fuel costs are primarily governed by the rand/dollar exchange rate and international oil prices. Therefore, for February 2024, higher oil prices and the weaker rand exchange rate versus the dollar is contributing to the expected increase. However, more stable international oil prices are having the reverse impact, resulting in the lower illuminating paraffin prices, noted the Automobile Association (AA).

The Durban Container Terminal (DCT) Pier 2 is prioritising fluid terminal operations ahead of South Africa's citrus season, and the terminal is providing a rail link solution for its customers' import containers to a back-of-port facility 7 km from the terminal as a means of reducing the number of trucks entering the terminal. The DCT Pier 2 has averaged 3 896 twenty-foot equivalent units per 24-hour period. The back-of-port initiative is aimed at clearing terminal stacks much quicker, which will, in turn, encourage improved vessel turnaround time with created capacity, State-owned Transnet Port Terminals reported. The terminal is also optimising the 109 empty stack to ensure punctual delivery of these containers to various packing houses.

The devastating flooding across KwaZulu-Natal (KZN) has not spared farmers, who are counting the losses of their crops, livestock and infrastructure. The extreme thunderstorms coupled with lightning resulted in farmworkers in Newsstand, Woodford, and Langkloof being struck by lightning. While a full picture of the losses to the agriculture sector has not been established, MEC for Agriculture Super Zuma said thus far the department estimated damage to land and infrastructure to amount to approximately R500 000.

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