



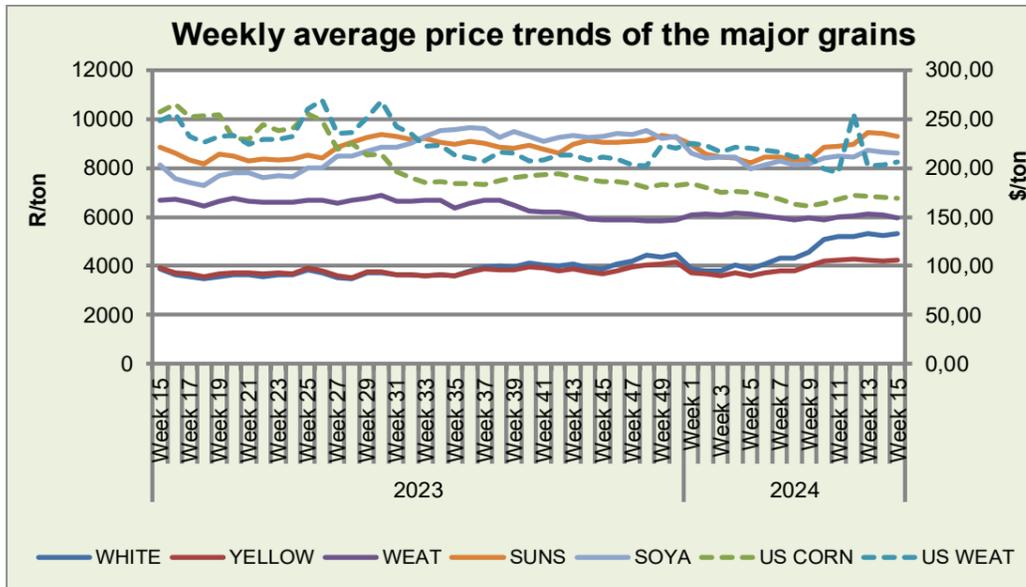
agriculture, land reform & rural development

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

Weekly Price Watch: 12 April 2024

Directorate: Statistics & Economic Analysis

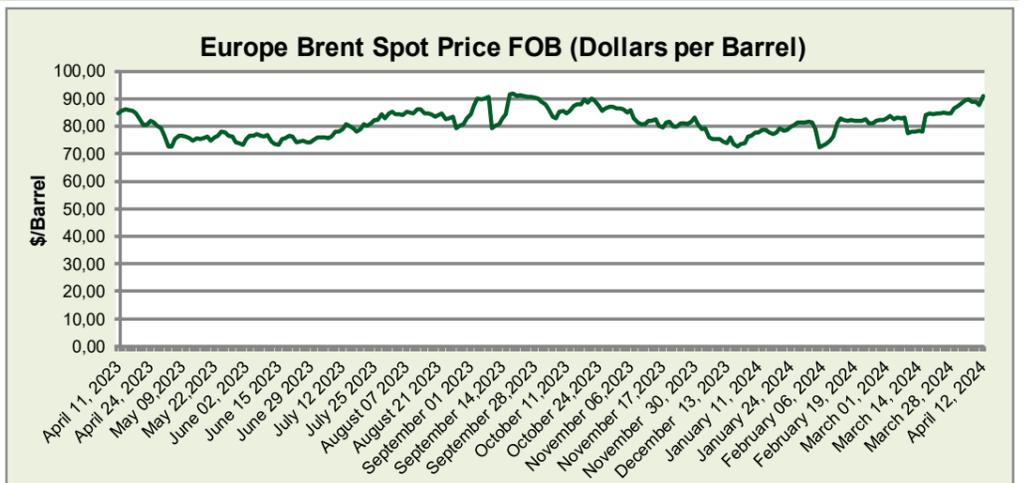
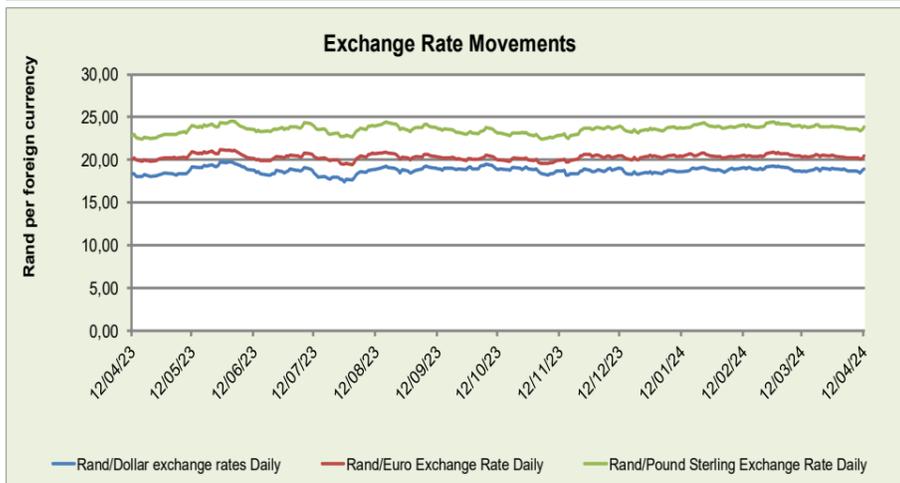
Sub-directorate: Economic Analysis



Domestic grain prices witnessed a decrease in the reporting week compared to the previous week. Nevertheless, it is worth noting that local white and yellow maize prices experienced a slight increase of 1.3% and 0.7% respectively week-on-week, following the release of the producer deliveries for the week of 30 March to 05 April 2024. Meanwhile, local wheat, soybean and sunflower seed prices decreased by 1.7%, 0.5% and 1.3% respectively in the reporting week compared to the previous week. On the International front, the price of US yellow maize decreased by 0.6% week-on-week, after the release of this month's World Agricultural Supply and Demand Estimates (WASDE) report. US maize ending stocks decreased, but not as much as traders expected. The price of US wheat increased by 1.2% week-on-week, on widespread wind and dry weather conditions in the Southern Plains. Meanwhile, the price of US soybeans decreased by 0.6% week-on-week, due to the ongoing harvest of Brazil's potentially record-breaking crop and the commencement of plantings in the United States.

Spot price trends of major grains commodities

	1 year ago Week 15 (11-04-23 to 14-04-23)	Last week Week 14 (02-04-24 to 05-04-24)	This week Week 15 (08-04-24 to 12-04-24)	w-o-w % change
RSA White Maize per ton	R 3 863.25	R 5 234.00	R 5 304.00	1.3%
RSA Yellow Maize per ton	R 3 899.50	R 4 214.50	R 4 244.60	0.7%
USA Yellow Maize per ton	\$ 257.20	\$ 170.13	\$ 169,12	-0.6%
RSA Wheat per ton	R 6 692.50	R 6 072.00	R 5 970.60	-1.7%
USA Wheat per ton	\$ 247.91	\$ 203.41	\$ 205.79	1.2%
RSA Soybeans per ton	R 8 140.75	R 8 655.50	R 8 612.20	-0.5%
USA Soybeans per ton	\$ 550.20	\$ 433.74	\$ 430,97	-0.6%
RSA Sunflower seed per ton	R 8 841.75	R 9 393.00	R 9 271.80	-1.3%
RSA Sweet Sorghum per ton	-	-	-	-
Crude oil per barrel	\$ 85.66	\$ 87.92	\$ 89.27	1.5%



The rand appreciated by 0.4% against the US dollar week-on-week, amidst higher-than-expected US inflation data that suggested the Federal Reserve might postpone its plans for interest rate cuts. The rand appreciated by 0.2% against the Pound Sterling week-on-week, as concerns about surmounting geopolitical tensions left the currency vulnerable to market volatility. The rand appreciated by 0.2% against the Euro week-on-week, despite the latest industrial production data indicating a marginal recovery in the Eurozone.

Brent crude oil averaged \$89,27 week-on-week, indicating a 1.5% increase than \$87.92 reported the previous week. This rise in price was driven by concerns over potential retaliation from Iran, the third-largest OPEC producer, following a suspected Israeli warplane attack on Iran's embassy in Damascus. The market also experienced a fear of supply disruption due to the ongoing events in the Middle East, which further supported the prices.



National South African Price information (RMAA) : Beef

Week 13 (25/03/2024 to 31/03/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 14 (01/04/2024 to 07/04/2024)	Units	Avg Purchase Price	Avg Selling Price
Beef							
Class A2	8 351	55,00	58,20	Class A2	6 527	55,01	57,09
Class A3	667	54,37	55,83	Class A3	609	54,58	55,77
Class C2	634	42,98	45,00	Class C2	801	42,45	44,87

Units sold of class A2 and class A3 beef dropped by 21.8% and 8.7% respectively in the current week compared to the previous week, while units sold of class C2 beef increased by 26.3% week-on-week. On the other hand, the average purchase prices for class A2 and class A3 beef rose by 0.02% and 0.4% respectively in the reporting week compared to the previous week, whereas the average purchase price for class C2 beef decreased by 1.2% week-on-week. However, the average selling prices for class A2, class A3, and C2 beef all experienced a decline of 1.9%, 0.1%, and 0.3% respectively in the reporting week compared to the previous week. Given consumers' limited ability to absorb significant price increases, analysts predict a stable trend in meat prices in the upcoming months.

National South African Price information (RMAA) : Lamb

Week 13 (25/03/2024 to 31/03/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 14 (01/04/2024 to 07/04/2024)	Units	Avg Purchase Price	Avg Selling Price
Lamb							
Class A2	14 639	82,82	84,00	Class A2	13 288	83,56	85,39
Class A3	1 800	79,16	83,98	Class A3	1 673	80,03	84,95
Class C2	1 343	50,83	57,01	Class C2	1 430	52,37	59,14

Units sold for class A2 and class A3 lamb decreased by 9.2% and 7.1% respectively in the reporting week compared to the previous week, whilst units sold for class C2 lamb increased by 6.5% week-on-week. During the same period, the weekly average purchase prices for class A2, class A3 and class C2 lamb increased by 0.9%, 1.1% and 3.0% respectively in the reporting week compared to the previous week. Similarly, the weekly average selling price for class A2, class A3 and class C2 lamb increased by 1.7%, 1.2% and 3.7% respectively in the reporting week compared to the previous week. Subdued consumer spending continues to exert pressure on the market, leading to forecasts of less significant increases compared to last year.

National South African Price information (RMAA) : Pork

Week 13 (25/03/2024 to 31/03/2024)	Units	Avg Purchase Price	Week 14 (01/04/2024 to 07/04/2024)	Units	Avg Purchase Price
Pork					
Class BP	10 295	31,67	Class BP	12 154	31,66
Class HO	5 914	30,99	Class HO	6 535	31,18
Class HP	7 576	30,94	Class HP	8 791	30,97

Units sold for class BP, class HO and class HP pork increased by 18.1%, 10.5% and 16.0% respectively in the reporting week compared to the previous week. Meanwhile, the weekly average purchase prices for class HO and class HP pork increased by 0.6% and 0.1% respectively in reporting week compared to the previous week, whilst the weekly average purchase price for class BP pork decreased by 0.03% week-on-week. Despite the weekly increase in local pork prices, they are actually lower than they were a year ago while lower poultry prices are expected to have a negative impact on the price outlook for pork.

Latest News Developments

The South African central bank is unlikely to reduce interest rates this year due to persistent inflation, and there is even a possibility that rates could be raised, according to financial futures markets. The recent market adjustments were triggered by a significant shift in sentiment regarding the Federal Reserve's rate-cutting timeline, following unexpected consumer inflation in the US. Consequently, traders have adjusted their positions on monetary policy easing in South Africa. Forward-rate agreements, which are used for speculation on borrowing costs, now indicate a 20% probability of a quarter-point interest rate hike at the central bank's upcoming meeting on the 30th of May. Economists believe that the South African Reserve Bank (SARB) is cautious about making moves before the Federal Reserve's actions to prevent weakening the rand, which could lead to higher import prices and inflationary pressures. Despite monitoring the Federal Reserve's actions, the South African Reserve Bank Governor, Lesetja Kganyago emphasizes that South African policymakers do not simply mimic the Fed's decisions. Inflation expectations have risen significantly in the past few days, reinforcing the anticipation of prolonged high inflation in South Africa.

Following the recent strong winds in the Western Cape, the port of Cape Town had to cease operations since it could not operate when the wind speed exceeded 80 km/h. The full extent of delays is still uncertain as more wind is expected. An evaluation of the impact on stacked containers within the port area will need to be conducted. Chris Knoetze, the managing director of Link Supply Chain Management, anticipates intermittent operations depending on wind conditions. This transitional period in the Western Cape sees the end of the grape season, with stonefruit, pomegranates, and topfruit nearing completion, while the citrus harvest is beginning. Reports of late plums being blown off and damage to citrus orchards around Paarl are emerging, with residents in towns like Stellenbosch and Somerset West assessing the aftermath of the disruptive winds. Despite some fallen apples, Ceres apple growers have been relatively fortunate, particularly with Grannies and Pink Ladies. Roelf Pienaar, the managing director of Tru-Cape Fruit Marketing, mentioned that they are currently assessing the damage, but it appears that their production areas were not as severely affected as the Helderberg and Stellenbosch regions.

The 2024 citrus export season has commenced, with initial forecasts showing a significant increase in export volumes. The Citrus Growers' Association of Southern Africa (CGA) presented these projections during a recent Citrus Marketing Forum. CGA CEO Justin Chadwick stated that the anticipated rise reflects the resilience of South African citrus growers, who manage to produce large quantities of citrus despite facing challenges like rising input costs, power cuts, and deteriorating public infrastructure. Chadwick also mentioned that the boost is partly due to younger trees entering production in various regions. CGA estimates suggest that 37.9 million 15kg cartons of lemons will be exported to key markets, marking a 7% increase from last year and continuing the upward trend in lemon exports, which have more than doubled since 2016. Additionally, Chadwick indicated a 4% growth in export volume for navel oranges, with an expected 25.6 million 15kg cartons to be packed. Meanwhile, despite two years of reduced Valencia orange exports, Chadwick expressed optimism that production would recover in 2024 and follow the long-term trajectory. However, the Orange Focus Group warned that due to higher returns from supplying fruit to local processors, exports might decrease by up to 5%, a factor not considered in the forecast of 58 million cartons. Grapefruit exports are projected to rise, aligning with the long-term average. The satsuma season is forecasted to close around 1.7 million cartons, up by 16%, while clementines and novas are expected to reach 5.4 million (up 8%) and 4.5 million cartons (up 8%), respectively. Chadwick indicated that it was too early to determine the late mandarin crop, with a full estimate to be available later in the season. Regarding the harvest, Chadwick noted that the fruit quality for 2024 appeared to be excellent, and the timing for harvesting was on track.

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