



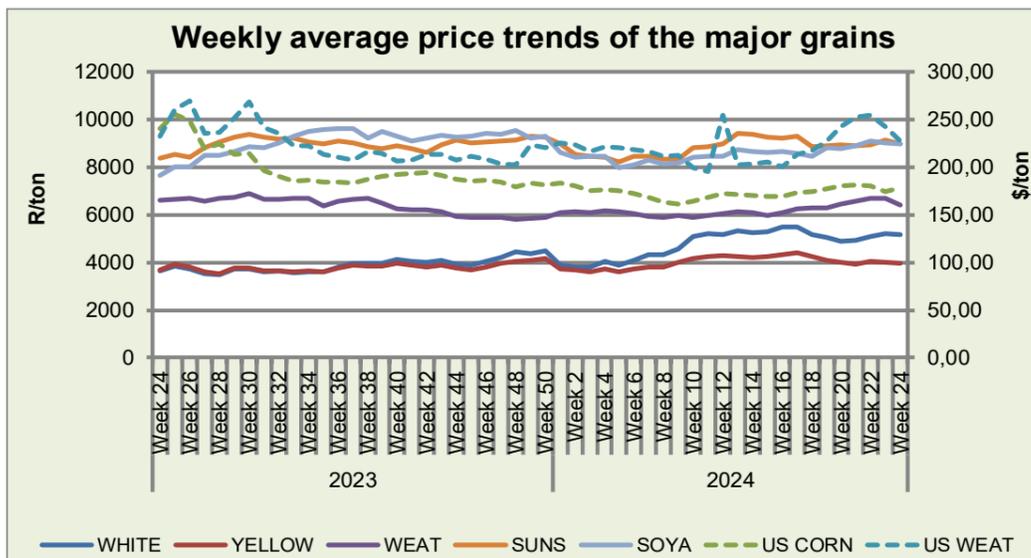
# agriculture, land reform & rural development

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

## Weekly Price Watch: 14 June 2024

Directorate: Statistics & Economic Analysis

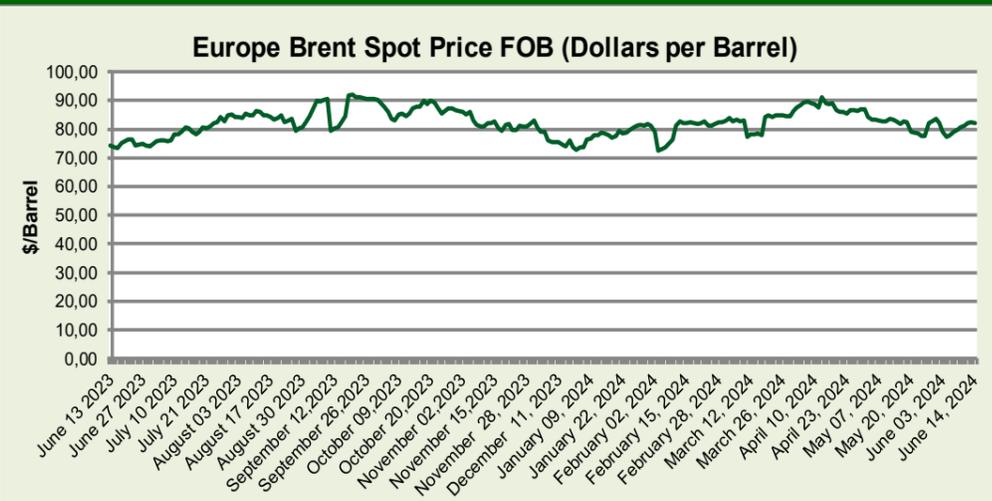
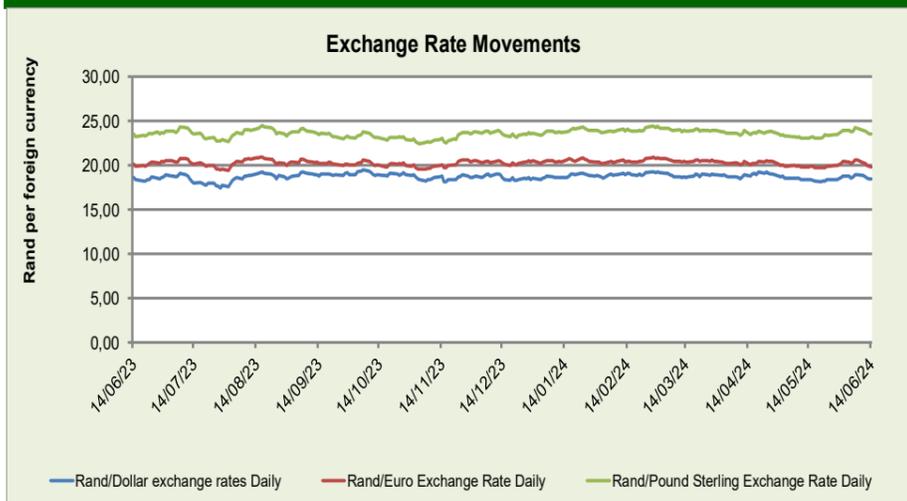
Sub-directorate: Economic Analysis



Domestic grain prices experienced a decline last week compared to the previous week. Local white and yellow maize prices decreased by 1.0% and 0.9% respectively in the reporting week compared to the previous week, while wheat, soybean and sunflower seed prices decreased by 4.0%, 0.2% and 1.6% respectively week-on-week. The availability of abundant stocks of various grains in the international market, specifically yellow maize (as well as rice and wheat), coupled with the steady prices, could potentially offer some respite to South Africa in terms of these commodities. On the International front, the price of US yellow maize increased by 2.3% week-on-week. The recent fluctuations in the new-crop corn market have been influenced by the uncertainty surrounding US production levels. During the same period US wheat price decreased by 6.2%, as market participants anticipate a forthcoming US government report to reveal a significant increase in the country's wheat harvest. US soybean price decreased by 0.2% week-on-week, as rain predictions alleviated concerns over a heat wave in the United States.

### Spot price trends of major grains commodities

	1 year ago Week 24 (12-06-23 to 16-06-23)	Last week Week 23 (03-06-24 to 07-06-24)	This week Week 24 (10-06-24 to 14-06-24)	w-o-w % change
RSA White Maize per ton	R 3 629.50	R 5 207.00	R 5 156.20	-1.0%
RSA Yellow Maize per ton	R 3 679.25	R 4 013.80	R 3 975.80	-0.9%
USA Yellow Maize per ton	\$ 240.49	\$ 174.04	\$ 178,12	2.3%
RSA Wheat per ton	R 6 598.00	R 6 680.80	R 6 413.20	-4.0%
USA Wheat per ton	\$ 232.42	\$ 242.68	\$ 227.68	-6.2%
RSA Soybeans per ton	R 7 646.00	R 8 998.00	R 8 977.60	-0.2%
USA Soybeans per ton	\$ 509.49	\$ 435.25	\$ 434,46	-0.2%
RSA Sunflower seed per ton	R 8 366.50	R 9 137,20	R 8 992.00	-1.6%
RSA Sweet Sorghum per ton	-	-	-	-
Crude oil per barrel	\$ 73.80	\$ 78.70	\$ 81.72	3.8%



The rand appreciated by 0.9% against the US dollar week-on-week, ahead of the first post-election parliamentary sitting and as discussions about the formation of a government of unity (GNU) continued. The rand appreciated by 1.2% against the Pound Sterling week-on-week, amid uncertainty surrounding the upcoming UK inflation and Bank of England outcome. The rand appreciated by 2.0% against the Euro week-on-week. The Bank of England (BoE) is scheduled to convene on June 20 to decide on its monetary policy.

Brent crude oil averaged \$81.72 in the reporting week, marking a 3.8% increase from \$78.70 recorded the previous week. This increase can be attributed to investors' growing optimism regarding the anticipated growth in demand for oil in the coming months. The positive sentiment was reinforced by reports from the OPEC+ producer group, the International Energy Agency, and the US Energy Information Administration, which all indicated a boost in confidence regarding the improvement of oil demand in the latter half of the year.



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

Week 22 (27/05/2024 to 02/06/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 23 (03/06/2024 to 09/06/2024)	Units	Avg Purchase Price	Avg Selling Price
<b>Beef</b>							
Class A2	8 277	55,16	57,63	Class A2	7 936	55,25	56,21
Class A3	896	55,37	56,27	Class A3	954	55,35	57,09
Class C2	805	43,68	47,29	Class C2	833	43,28	46,77

Units sales of class A3 and class C2 beef increased by 6.5% and 3.5% respectively this week compared to the previous week, whereas unit sales of class A2 beef decreased by 4.1% week-on-week. In contrast, the weekly average purchase prices for class A3 and class C2 beef decreased by 0.04% and 0.9% respectively in the reporting week compared to the previous week, while the weekly average purchase price for class A2 beef increased by 0.2% week-on-week. During the same period, the weekly average selling prices for class A2 and class C2 beef decreased by 2.5% and 1.1% respectively. Whereas the weekly average selling price for class A3 beef increased by 1.5% week-on-week. Weekly livestock prices in the local market indicate some downward pressure across most meat categories due to weaker seasonal demand in the winter months.

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

Week 22 (27/05/2024 to 02/06/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 23 (03/06/2024 to 09/06/2024)	Units	Avg Purchase Price	Avg Selling Price
<b>Lamb</b>							
Class A2	15 290	85,65	85,85	Class A2	10 179	86,03	86,68
Class A3	2 028	84,09	84,76	Class A3	1 595	83,59	84,38
Class C2	1 167	57,76	63,11	Class C2	973	58,14	63,94

Units sold for class A2, A3 and class C2 lamb decreased by 33.4%, 21.4% and 16.6% respectively in the reporting week compared to the previous week. On the other hand, the weekly average purchase prices for class A2 and class C2 lamb increased by 0.4% and 0.7% respectively this week compared to the previous week. However, the weekly average purchase price for class A3 lamb decreased by 0.6% week-on-week. Similarly, the weekly average selling price for class A2 and class C2 lamb increased by 1.0% and 1.3% respectively during the same period. Conversely, the weekly average selling price for class A3 lamb decreased by 0.4% week-on-week. The softer seasonal demand had a similar impact on local lamb prices as it did on beef.

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

Week 22 (27/05/2024 to 02/06/2024)	Units	Avg Purchase Price	Week 23 (03/06/2024 to 09/06/2024)	Units	Avg Purchase Price
<b>Pork</b>					
Class BP	9 682	30,41	Class BP	9 744	30,53
Class HO	3 928	29,80	Class HO	6 165	29,68
Class HP	5 088	30,31	Class HP	7 901	30,02

Units sales of class BP, HO and class HP pork increased by 0.6%, 57.0% and 55.3% respectively this week compared to the previous week. Meanwhile, the weekly average purchase prices for class HO and class HP pork decreased by 0.4% and 0.4% respectively in reporting week compared to the previous week. However, the weekly average purchase price for class BP pork increased by 0.4% week-on-week. The upward trend in pork prices has persisted over the years, indicating a more favourable season compared to the previous year. Nevertheless, the winter period is expected to bring limited price increases for pork due to supply constraints and a decrease in seasonal demand.

## Latest News Developments

The recent agreement reached by various opposition parties to form Government of National Unity (GNU) signifies the dawn of a new era in South African politics. The ruling party lost its majority for the first time in the May 29 vote, leading to two weeks of intense negotiations with other parties. These discussions culminated in a last-minute agreement on Friday morning, June 14, as the new parliament convened and resulted in re-election of president Ramaphosa as president of the country. At this crucial moment, the Government of National Unity is expected to promote stability and peace, address the challenges of poverty, unemployment, and inequality, uphold South Africa's Constitutional democracy and the rule of law, and work towards creating a more inclusive society for all its citizens. The agriculture sector in South Africa is deeply intertwined with politics. According to Wandile Sihlobo, the Chief Economist at Agbiz, highlighted the importance of this sector in the economy. As political parties discuss the formation of a GNU, Sihlobo stressed the need to prioritize the agricultural sector. He emphasized that this sector plays a crucial role in rural development, food security, and job creation, making it a unifying factor across different political ideologies. Sihlobo also underscored the significance of protecting property rights and ensuring that land reform efforts continue through various channels such as redistribution, restitution, and land tenure. Moreover, he suggested that the government should focus on providing title deeds to beneficiaries to empower them and facilitate access to financing. Additionally, Sihlobo recommended enhancing state capacity, improving support programs for new black farmers, and rooting out corruption in government initiatives. He also highlighted the importance of supporting existing commercial farmers to maintain food security and job opportunities in the country. To put it more explicitly, he stressed the importance of focusing on several key areas: (1) tackling animal health concerns, (2) addressing the challenges and high expenses associated with assignees in businesses operating under the Agricultural Products Standard Act, (3) updating Act 36, which governs the registration of agrochemicals, seeds, and other agricultural products, (4) further expanding market opportunities for agricultural products in different export markets, and (5) addressing incidents of rural crime.

Francois Wilken, the President of Free State Agriculture (FSA), has expressed his disapproval of Eskom's latest proposal to raise charges on fixed costs in the agriculture sector. Wilken believes that this decision will only worsen the challenges faced by the power utility company and lacks any economic justification. Currently, farmers' bills consist of 30% fixed costs and 70% actual power usage. Therefore, Wilken argues that Eskom's plan to reverse this ratio and make fixed costs account for 70% of the bill is pointless. He has made it clear that FSA will strongly oppose Eskom's application to the National Energy Regulator of South Africa (Nersa) as soon as it becomes open for public discussion. Wilken emphasized that this proposal will have significant cost implications, directly impacting the long-term sustainability of Eskom's direct customers, especially smaller intensive farming concerns and processing plants. Farmers already face increased overheads and expenses, such as road repairs, to ensure the smooth transportation of their products to markets. Wilken finds it unacceptable for Eskom to expect the farming community to financially support the power utility through higher fixed costs. He highlights that alternative energy prices are decreasing in comparison to Eskom's tariffs. With the substantial increase in fixed costs and the potential implementation of carbon taxes, power consumers may be compelled to completely disconnect from the grid and seek alternative energy sources.

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