



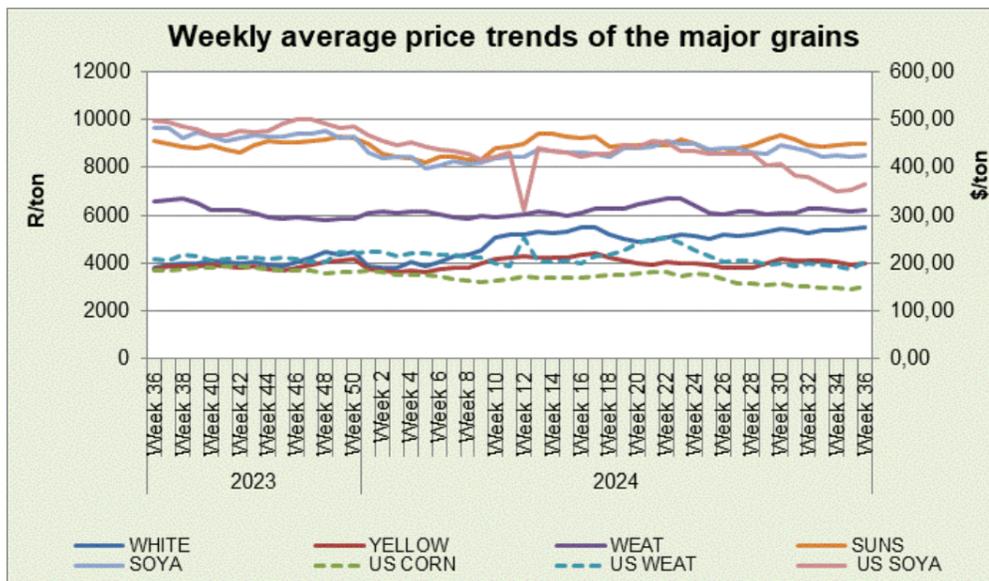
# agriculture, land reform & rural development

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

## Weekly Price Watch: 06 September 2024

Directorate: Statistics & Economic Analysis

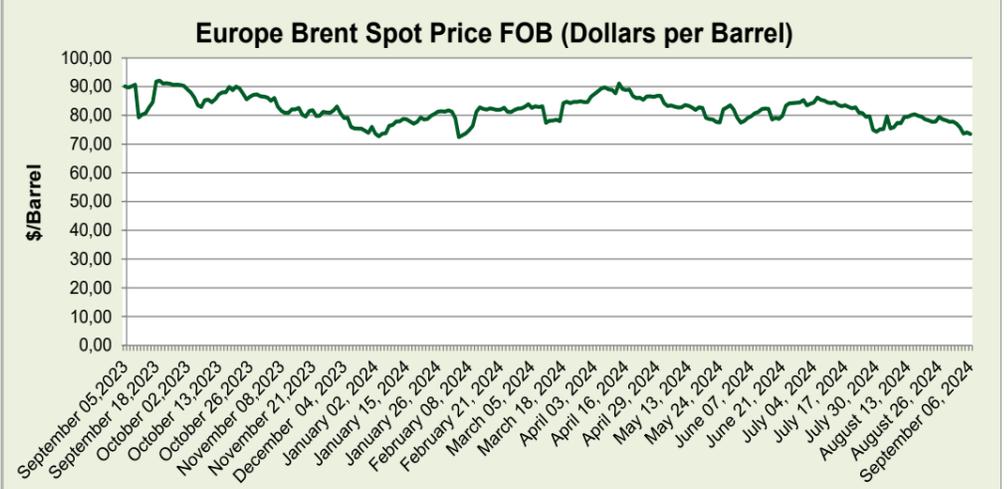
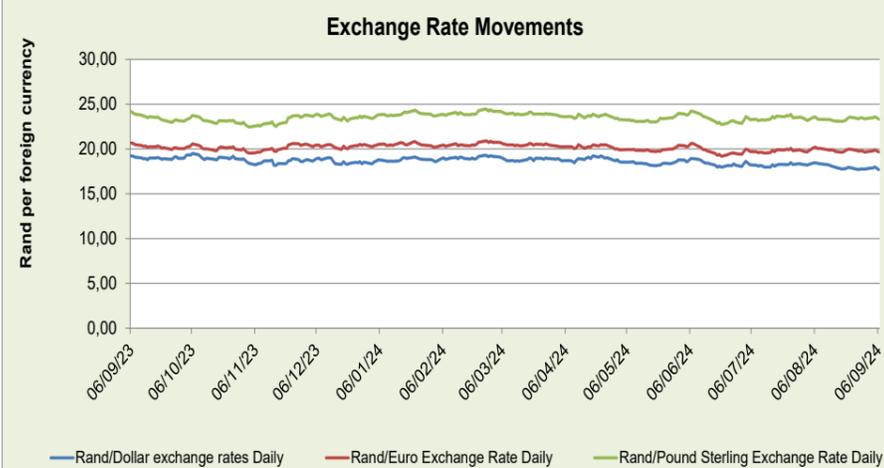
Sub-directorate: Economic Analysis



Domestic grain prices exhibited an upward trend compared to the previous week, bolstered by global supply concerns. The price of local white and yellow maize increased by 1.1% and 1.7% respectively in the reporting week compared to the previous week, attributed to yet another reduction in production forecasts. Additionally, local wheat and soybean prices each saw a 0.8% increase week-on-week. Conversely, local sunflower seed prices experienced a slight price decrease of 0.2% in reporting week relative to the previous week. On the international front, US yellow maize price increased by 4.9% week-on-week, ahead of the US Department of Agriculture's monthly supply and demand report. US wheat prices increased by 7.7% week-on-week, on concerns over lower production in Europe. Likewise, US soybean prices increased by 3.4% week-on-week, while recent hot, dry weather in parts of the US raised concerns that the heat wave may impact the bumper soybean harvest.

### Spot price trends of major grains commodities

	1 year ago Week 36 (04-09-23 to 08-09-23)	Last week Week 35 (26-08-24 to 30-08-24)	This week Week 36 (02-09-24 to 06-09-24)	w-o-w % change
RSA White Maize per ton	R3 791,60	R5 425,80	R5 483,40	1,1%
RSA Yellow Maize per ton	R3 761,40	R3 925,00	R4 019,80	1,7%
USA Yellow Maize per ton	\$184,41	\$144,37	\$151,39	4,9%
RSA Wheat per ton	R6 555,80	R6 185,60	R6 233,00	0,8%
USA Wheat per ton	\$210,14	\$187,22	\$201,61	7,7%
RSA Soybeans per ton	R9 632,80	R8 456,40	R8 526,20	0,8%
USA Soybeans per ton	\$497,26	\$353,55	\$365,61	3,4%
RSA Sunflower seed per ton	R9 080,20	R8 972,00	R8 954,60	-0,2%
Crude oil per barrel	\$90,14	\$78,90	\$74,83	-5,2%



The rand depreciated by 0.6% against the US dollar week-on-week, as markets experienced heightened tension and traders are expected to influence forthcoming decisions regarding Federal Reserve monetary policy. The rand depreciated by 0.1% against the Pound Sterling week-on-week, as the UK Office for National Statistics (ONS) indicated a strong demand for labour. The rand depreciated by 0.01% against the Euro week-on-week, influenced by the Bank of England's cautious approach towards further interest rate cuts.

Brent crude oil averaged \$74.83 in the reporting week, marking a 5.2% weekly loss compared to \$78.90 recorded the previous week. This decrease followed the release of US jobs data for August, which fell short of expectations, overshadowing the support for prices stemming from OPEC+ producers' decision to postpone supply increases. Additionally, ongoing concerns regarding demand from China continued to exert downward pressure on oil prices.



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

Week 34 (19/08/2024 to 25/08/2024)				Week 35 (26/08/2024 to 01/09/2024)			
	Units	Avg Purchase Price	Avg Selling Price		Units	Avg Purchase Price	Avg Selling Price
Class A2	12 409	54,79	54,97	Class A2	12 104	54,88	55,82
Class A3	757	55,01	54,27	Class A3	812	54,71	54,42
Class C2	882	41,65	44,71	Class C2	812	43,49	44,13

Unit sales of class A2 and class C2 beef decreased by 2.5% and 7.9% respectively in the reporting week compared to the previous week, while unit sales of class A3 beef increased by 7.3% week-on-week. The weekly average purchase price for class A2 and class C2 beef increased by 0.2% and 4.4% respectively in the reporting week compared to the previous week, while the weekly average purchase prices for class A3 beef decreased by 0.6% week-on-week. During the same period, the weekly average selling price for class A2 and A3 beef increased by 1.5% and 0.3% respectively in the reporting week compared to the previous week, while the weekly average selling price for class C2 beef decreased by 1.3% week-on-week. The domestic beef market indicates a positive trend in meat prices; however, the high costs of raw feed inputs present a potential risk to the profitability of livestock.

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

Week 34 (19/08/2024 to 25/08/2024)				Week 35 (26/08/2024 to 01/09/2024)			
	Units	Avg Purchase Price	Avg Selling Price		Units	Avg Purchase Price	Avg Selling Price
Class A2	15 724	89,79	91,10	Class A2	13 241	90,60	91,44
Class A3	1 685	86,07	87,53	Class A3	1 612	87,34	88,73
Class C2	1 352	64,32	69,00	Class C2	957	60,25	69,69

Units sales of class A2, A3 and class C2 lamb decreased by 15.8%, 4.3% and 29.2% respectively in the reporting week compared to the previous week. Conversely, the weekly average purchase prices for class A2 and class A3 lamb increased by 1.0% and 1.5% respectively in the reporting week compared to the previous week, while the weekly average purchase price for class C2 lamb decreased by 6.3% week-on-week. Furthermore, the weekly average selling price for class A2, class A3 and class C2 lamb increased by 0.4%, 1.4% and 1.0% respectively in the reporting week compared to the previous week. Historical seasonal pricing indicates that lamb prices may experience a slight upward trend in the upcoming months.

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

Week 34 (19/08/2024 to 25/08/2024)			Week 35 (26/08/2024 to 01/09/2024)		
	Units	Avg Purchase Price		Units	Avg Purchase Price
Class BP	11 779	31,57	Class BP	9 953	31,81
Class HO	2 961	31,35	Class HO	5 280	31,10
Class HP	4 522	31,16	Class HP	5 608	31,26

Units sales of class HO and class HP pork increased by 78.3% and 24.0% respectively in the reporting week compared to the previous week, while unit sales of class BP pork decreased by 15.5% week-on-week. Meanwhile, the weekly average purchase prices for class BP and class HP pork increased by 0.8% and 0.3% respectively in reporting week compared to the previous week, while the weekly average purchase price for class HO pork decreased by 0.8% week-on-week. The domestic pork market exhibited positive performance and is significantly affected by seasonal market dynamics, leading to a trend of rising prices as the year draws to a close.

## Latest News Developments

According to Stats SA, the South African economy experienced a growth of 0.4% in the second quarter, a recovery aided by the absence of load-shedding. This growth rate was marginally below the expectations of economists. Initially, Stats SA reported that the real gross domestic product (GDP) had contracted by 0.1% in the first quarter of 2024; however, Stats SA has since revised this figure to 0.0% (indicating no growth), a period still characterized by power outages. In the second quarter of 2024, seven out of ten industries contributed significantly to the economy's momentum, including finance, manufacturing, trade, and the electricity, gas, and water supply sectors. The agriculture, forestry, and fishing sector, however, contracted by 2.1%. Stats SA attributed this decline to lower-than-expected rainfall in some parts of the country which affected maize and soya bean production. Additionally, the outbreak of foot-and-mouth disease adversely affected sheep and pork production. Nedbank emphasized that addressing the nation's energy and logistical challenges is crucial for achieving faster growth in the medium to long term. While the GNU has brought about a sense of renewed optimism, Nedbank asserts that this optimism must be translated into accelerated structural reforms aimed at enhancing the international competitiveness of various industries. Such reforms are essential for enabling the economy to grow more rapidly and create additional jobs without encountering supply constraints, increasing costs, or exacerbating inflation.

South Africa's trade surplus narrowed to R17.6 billion in July, from R24.3 billion in June. During this period, both exports and imports both exports and imports increased during the month, but imports took the lead outpacing exports. In July, imports rose by 6.6% month-on-month, marking the highest growth since October 2023, when they surged by 13.2%. Exports experienced a modest increase of 1.8%, recovering from a 3.5% decline in June, aided by a stable energy supply and enhancements in rail and port services. Additionally, stronger global demand provided support for exports, although the potential for growth remained constrained by high interest rates in major trading partners. The primary contributors to the export increase included wood, pulp and paper, vegetable products, and machinery and electronics. Nedbank anticipates a reduced trade surplus for the remainder of the year, with imports expected to rebound more significantly than exports. This rebound in imports is likely to be driven by a recovery in domestic demand, as consumer spending rises due to increasing real incomes and declining interest rates. However, ongoing weaknesses in fixed investment will restrict the growth potential for imports. Conversely, exports are expected to see only moderate improvement, hindered by structural inefficiencies, although they will benefit from stronger global demand and high prices for certain commodities.

A report by the Institute for Competitiveness on Africa's export highlights that the African Continental Free Trade Area (AfCFTA) marks a pivotal development in the continent's pursuit of improved trade, economic advancement, and poverty alleviation. The AfCFTA seeks to address these issues by removing tariffs on trade within Africa and improving local infrastructure. According to research conducted by the International Monetary Fund (IMF), the AfCFTA has the potential to significantly increase intra-African trade, which could lead to a rise in real per capita income exceeding 10% for the majority of countries. Such developments may also enhance Africa's integration into global value chains. Nevertheless, the IMF emphasized that to fully leverage these prospects, it is essential to simultaneously strengthen social safety nets, provide vocational training, and maintain macroeconomic stability.

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