



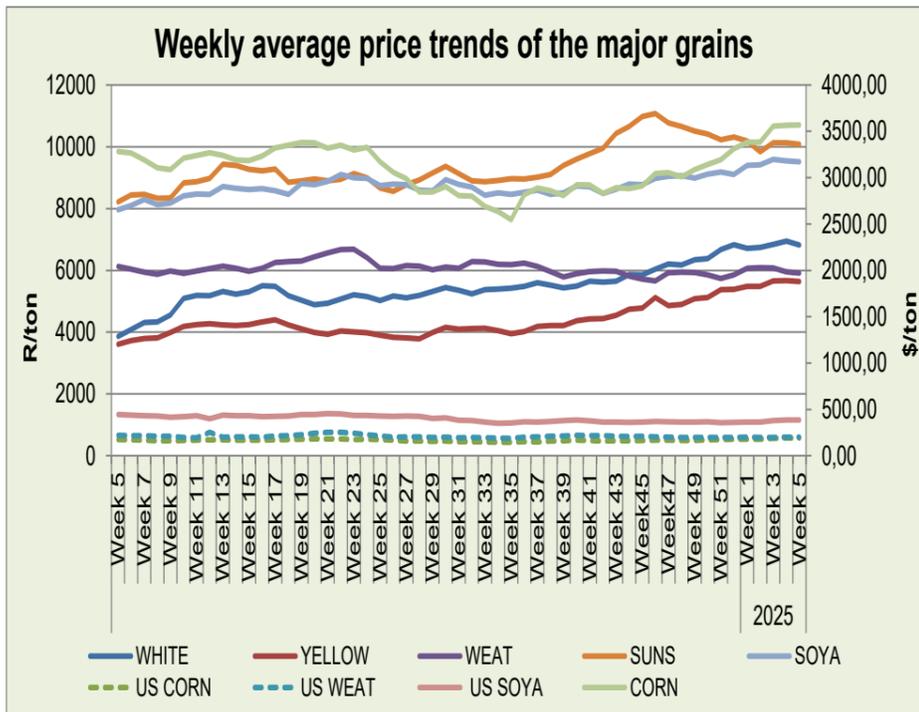
agriculture, land reform & rural development

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

Weekly Price Watch: 31 January 2025

Directorate: Statistics & Economic Analysis

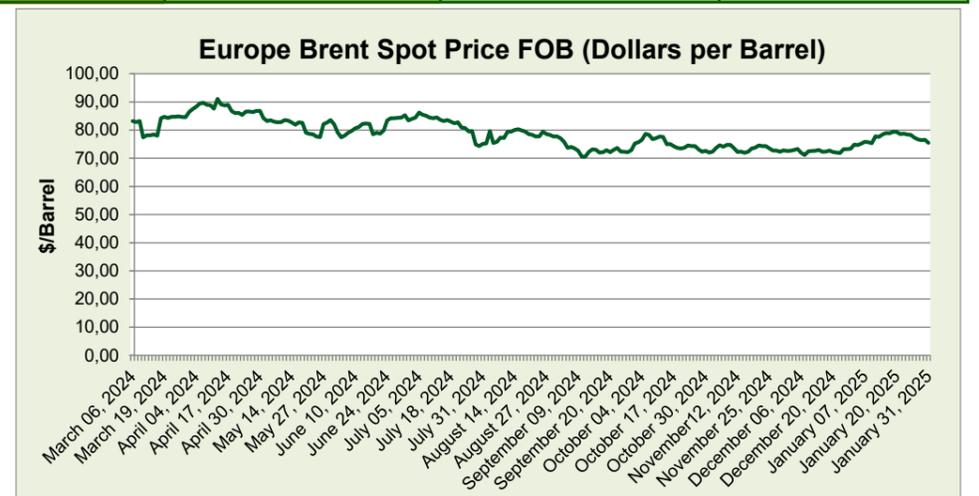
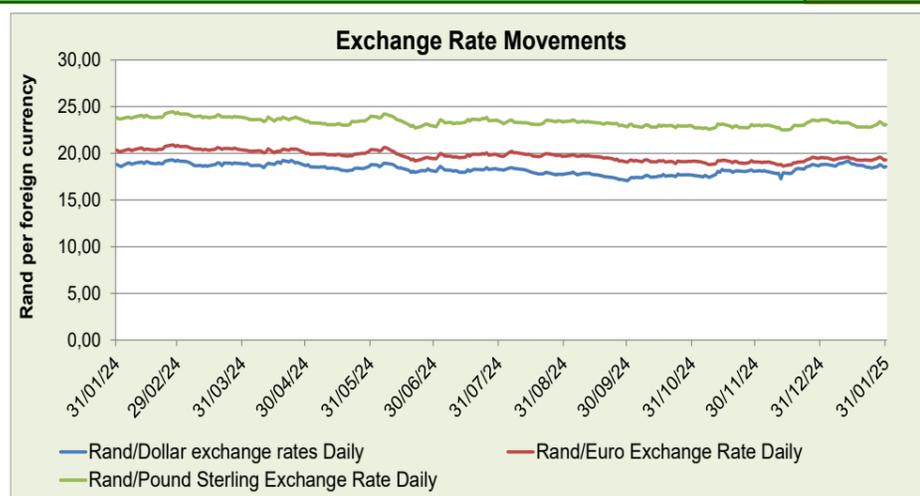
Sub-directorate: Economic Analysis



All the local market traded marginally lower this week when compared to the previous week. With the average prices of domestic white maize, yellow maize wheat, sunflower seed and soya bean decreased by 1.79%, 0.62%, 0.69%, 0.55% and 0.36% respectively this week compared to last week. Internationally, the grain prices of US corn and wheat increased by 0.35% respectively this week compared to the previous week. Corn futures rose on Thursday towards multi-month highs, supported by relief that US President Donald Trump has not unleashed tariffs on agricultural trade, though improving crop weather in Argentina limited gains. The rallies have been fuelled by a lack of US tariffs or Chinese counter-tariffs on crop shipments, expectations of tightening supply of corn and wheat and dry conditions in Argentina and parts of the Black Sea region. Showers will also reach dry spots in northern Argentina in mid-February, according to Commodity Weather Group. Argentina is the world's top exporter of soy oil and meal and the No. 3 exporter of corn. Demand for some crops is also limited, with the US government halting purchases for foreign food aid programmes and China shunning wheat imports. Hanging over soybeans are expectations of a massive crop in top producer Brazil. Rabobank is the latest consultant predicting a record soybean harvest of 170 million metric tons, 15 million tons more than in 2023/24. Relatively low soy prices could trigger a major change in US planting.

Spot price trends of major grains commodities

	1 year ago Week 05 (29-01-24 to 02-02-24)	This week Week 04 (20-01-25 to 24-01-25)	This week Week 05 (27-01-25 to 31-01-25)	w-o-w % change
RSA White Maize per ton	R3 864.60	R6 946.20	R6 821.60	-1.79%
RSA Yellow Maize per ton	R3 611.60	R5 673.20	R5 638.00	-0.62%
USA Yellow Maize per ton	\$175.53	\$191.50	\$192.18	0.35%
RSA Wheat per ton	R6 130.20	R5 953.60	R5 912.60	-0.69%
USA Wheat per ton	\$220.14	\$201.63	\$202.34	0.35%
RSA Soybeans per ton	R7 964.40	R9 544.60	R9 510.20	-0.36%
USA Soybeans per ton	\$444.41	\$386.29	\$385.81	-0.13%
RSA Sunflower seed per ton	R8 220.00	R10 132.20	R10 076.40	-0.55%
Crude oil per barrel	\$80.94	\$78.71	\$76.51	-2.80%



President Donald Trump said the US would stop sending aid to South Africa over its land expropriation policies, sparking a selloff in the rand. The United States won't stand for it, we will act," Trump said in a Sunday evening post on Truth Social. "Also, I will be cutting off all future funding to South Africa until a full investigation of this situation has been completed. The rand hit R19 to the dollar following the announcement, but later gained marginally to reach R18.98.

Brent crude oil price averaged \$76.51/barrel this week compared to last week which is 2.80% decrease. Oil prices finished with daily gains on Friday after new sanctions were imposed on Iran's crude exports but prices were down for the week as investors worried about US President Donald Trump's renewed trade war on China and threats of tariffs on other countries.



National South African Price information (RMAA) : Beef

Week 03 (13/01/2025 to 19/01/2025)	Units	Avg Purchase Price	Avg Selling Price	Week 04 (20/01/2025 to 26/01/2025)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9194	55,72	57,99	Class A2	11230	55,88	57,70
Class A3	512	55,54	55,33	Class A3	478	55,89	55,58
Class C2	436	48,34	52,73	Class C2	486	49,24	50,13

The units sold for class A2 and C2 beef increased for two weeks in a row by 22.1% and 11.5% respectively, whilst class A3 beef decreased by 6.6% compared to the previous week. The average purchase price for class A2, class A3 and class C2 beef all increased by 0.3%, 0.6% and 1.9% respectively week on week. The average selling price for class A2, and C2 beef also decreased by 0.5% and 4.9% respectively during the same period.

National South African Price information (RMAA) : Lamb

Week 03 (13/01/2025 to 19/01/2025)	Units	Avg Purchase Price	Avg Selling Price	Week 04 (20/01/2025 to 26/01/2025)	Units	Avg Purchase Price	Avg Selling Price
Class A2	12991	95,66	94,98	Class A2	15138	95,36	96,08
Class A3	1348	93,83	93,28	Class A3	1563	93,06	96,33
Class C2	823	64,31	72,67	Class C2	876	67,19	74,21

The units of lamb traded this week for class A2, class A3 and class C2 increased by 16.5%, 15.9% and 6.4% respectively week on week, while the average purchase prices for class A2 and class A3 lamb decreased by 0.3% and 0.8% respectively week on week. During the same period the average selling prices for class A2, class A3 and class C2 lamb increased by 1.2%, 3.3% and 2.1% respectively.

National South African Price information (RMAA) : Pork

Week 03 (13/01/2025 to 19/01/2025)	Units	Avg Purchase Price	Week 04 (20/01/2025 to 26/01/2025)	Units	Avg Purchase Price
Class BP	13380	32,02	Class BP	13837	31,87
Class HO	2871	31,34	Class HO	2618	31,15
Class HP	3581	31,72	Class HP	4070	31,73

The quantities of pork traded this week for class BP and HP increased by 3.4% and 13.7% respectively, while class HO decreased by 8.8%. The average purchase price for class BP and class HO pork decreased by 0.5% and 0.6% respectively during the same period.

Latest News Developments

The SA Reserve Bank's monetary policy committee (MPC) cut interest rates by 25 basis points on Thursday. Four members of the MPC voted for a 25-basis-point cut, while two did not want to cut rates. Reserve Bank Governor Lesetja Kganyago said all of the members were concerned about the global environment. SA's repo rate was cut to 7.50%, while the prime rate has now reached 11.00%, from 11.75% as recently as early September last year. On a new R2-million home loan at the prime rate, this means monthly repayments have now fallen by around R1 000. While most economists still forecast at least one rate reduction this year, the markets are not expecting more cuts. Bloomberg reported that forward rate agreements, used to speculate on borrowing costs. However, a slim majority of 19 economists still forecast another 25-basis-point cut in March. On Thursday, Kganyago said the Reserve Bank's own forecast sees the repo rate "drifting slightly lower over the next few years, stabilising near 7.25%". For consumers and farmers, the interest rate will increase their dispensable income allowing them to buy more 'luxury' products, such as red meat and fruit. Daneel Rossouw, head of sales: agriculture at Nedbank Commercial Banking, agreed: "The lower interest rate will reduce the cost of borrowing and help to improve the profitability of the sector. The recent trend of lower interest rates will also act as a much-needed stimulus for further investment in the sector given the contraction of 2024 from a GDP perspective. He added that the outlook for agricultural growth in 2025 was much more positive considering optimism about more favourable climate conditions for field crops and livestock production. "Port operations remain a big challenge, but the industry is working with various stakeholders and Transnet to improve port operation efficiencies, especially around high value horticultural exports."

From 1 April this year, consumers will be paying more for electricity, thanks to the National Energy Regulator of South Africa (Nersa) recently granting Eskom permission to hike prices by 12,74%. An increase of 5,36% was also approved for the 2026/27 financial year, and a 6,19% increase for the 2027/28 financial year. While substantial, the hike is below the 36,5% requested by Eskom, but still above requests of stakeholders. Themba Bukula, chairperson of Nersa, said in a statement that the decision struck a necessary balance between the needs of Eskom and the financial realities of consumers. However, Theo de Jager, executive director of the Southern African Agri Initiative, said that the hike was a huge blow to irrigation, dairy, poultry, pig and fresh produce farmers. "Farmers currently spend about R10 billion per year on electricity and will now have to fork out an additional R1,27 billion for which they did not budget. This will negatively affect farm margins, which are already under pressure, and, in effect, economic growth and job creation," De Jager said. He added that small- and medium-sized family farms would particularly struggle to weather the hike, as most did not have reserves to absorb more costs. De Jager also said that unlike other industries that could increase their prices to accommodate rising costs, farmers were unable to do so and often absorbed a lot of these costs themselves. Despite this, De Jager expected food prices to increase within one or two seasons following the increase. De Jager added that the electricity hike was "just another government cost". The hike, together with increases in the national minimum wage, toll fees, diesel and taxes, was affecting the international competitiveness of South African agricultural produce.

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