



agriculture, land reform & rural development

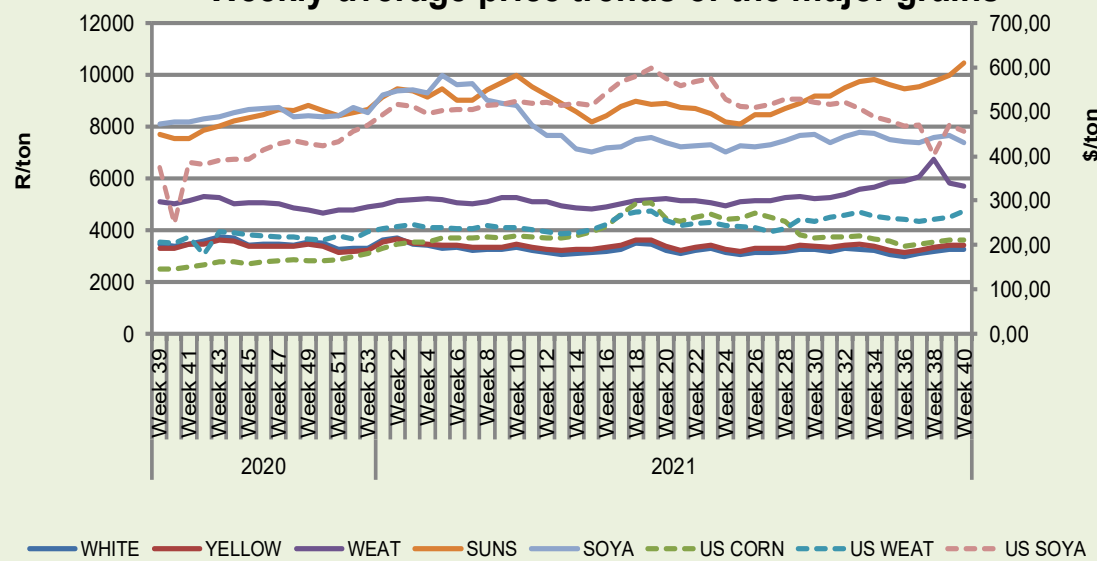
Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 08 October 2021

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

Weekly average price trends of the major grains

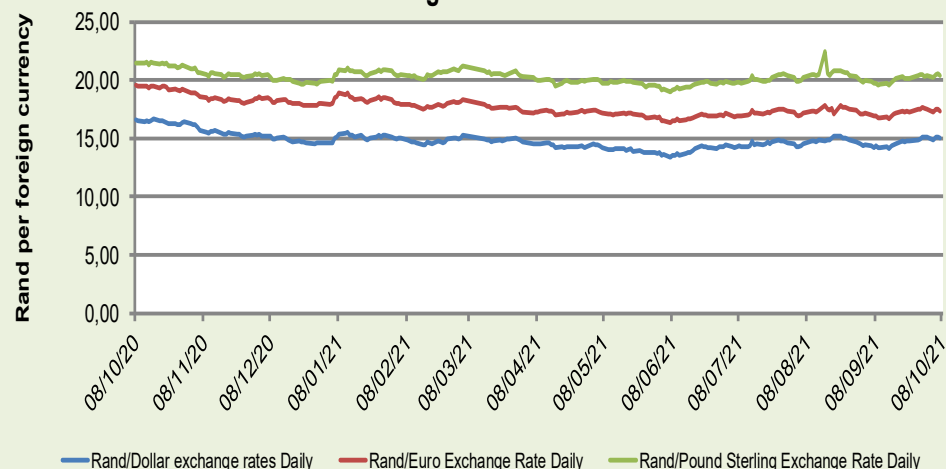


Domestic grain prices traded lower this week compared to the previous week with the exception of white maize price and sunflower seed price which increased by 0.02% and 4.8% respectively week-on-week. The Crop Estimate Committee revised the white maize production estimate down by 1.78% while sunflower seed prices increased on the back of higher global vegetable oil prices. Local yellow maize price, wheat price and sunflower seed price decreased by 0.2%, 2.0% and 3.6% respectively week-on-week. Meanwhile, local sweet sorghum price remained unchanged this week compared to the previous week. On the international front, US yellow maize prices increased by 0.4% week-on-week, on reports that China's larger corn crop expected this fall could face quality issues due to heavy rains during harvest. US wheat prices increased by 4.3% week-on-week, on strong international demand from top global importers this week. However, US soybean prices decreased by 2.6% week-on-week, on the back of larger than expected supplies as shown by the USDA quarterly stocks report.

Spot price trends of major grains commodities

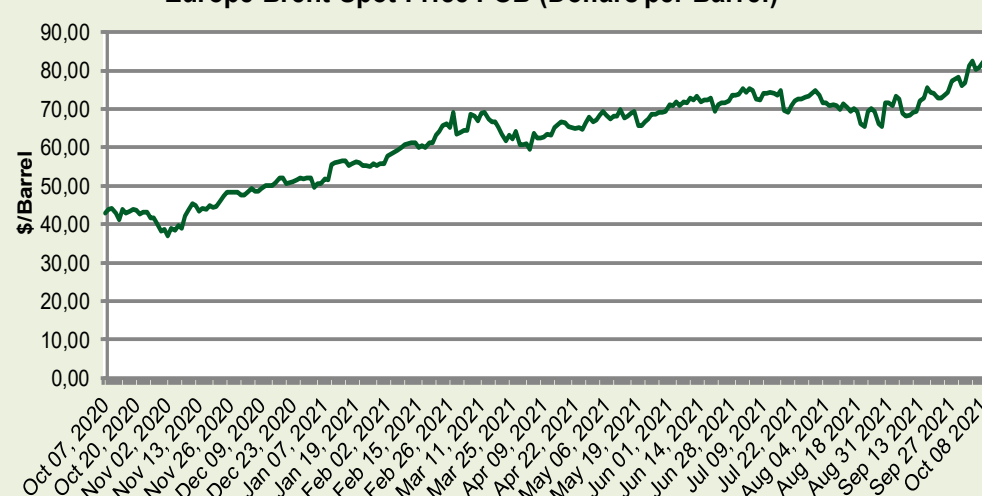
	1 year ago Week 40 (28-09-20 to 02-10-20)	Last week Week 39 (27-09-21 to 01-10-21)	This week Week 40 (04-10-21 to 08-10-21)	w-o-w % change
RSA White Maize per ton	R 3 397.40	R 3 256.40	R 3 257.20	0.02%
RSA Yellow Maize per ton	R 3 313.40	R 3 435.60	R 3 427.60	-0.2%
USA Yellow Maize per ton	\$ 146.29	\$ 210.54	\$ 211.45	0.4%
RSA Wheat per ton	R 5 034.80	R 5 832.00	R 5 717.60	-2.0%
USA Wheat per ton	\$ 205.18	\$ 263.66	\$ 275.09	4.3%
RSA Soybeans per ton	R 8 166.00	R 7 656.20	R 7 380.40	-3.6%
USA Soybeans per ton	\$ 249.21	\$ 469.51	\$ 457.21	-2.6%
RSA Sunflower seed per ton	R 7 521.80	R 9 989.60	R 10 471.40	4.8%
RSA Sweet Sorghum per ton	R 3 800.00	R 4 230.00	R 4 230.00	0.0%
Crude oil per barrel	\$ 39.82	\$ 77.27	\$ 81.41	5.4%

Exchange Rate Movements



The rand appreciated by 0.2% against the US dollar week-on-week, amid fears over the pace of the global recovery following weaker than expected US employment data. The rand appreciated by 0.05% against the Pound Sterling week-on-week, while investor sentiment was challenged by the disappointing US employment data. The rand appreciated by 0.9% against the Euro week-on-week, while the global energy price surge is proving to be particularly problematic for the Euro.

Europe Brent Spot Price FOB (Dollars per Barrel)



Brent crude oil averaged \$81.41 week-on-week, 5.4% more than \$77.27 reported the previous week. Oil prices lifted after the U.S Energy Department mentioned it had no plans to tap into the US strategic oil reserves to cool the rally in oil prices. However, there are signs that some industries have begun switching fuel from high priced gas to oil and there are doubts that the US government will release oil from its strategic reserves.



National South African Price information (RMAA) : Beef

Week 38 (20/09/2021 to 26/09/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 39 (27/09/2021 to 03/10/2021)	Units	Avg Purchase Price	Avg Selling Price
Beef							
Class A2	7 261	51.74	53.51	Class A2	9 564	51.95	54.40
Class A3	504	49.70	54.36	Class A3	699	50.72	54.17
Class C2	458	44.63	47.44	Class C2	602	45.32	47.50

Units sold for class A2, A3 and class C2 beef increased by 31.7%, 38.7% and 31.4% respectively in the reporting week compared to the previous week, with historical norms showing an increase in units sold throughout the fourth quarter of every year. The weekly average purchase prices for class A2, A3 and C2 beef increased by 0.4%, 2.1% and 1.5% respectively in the reporting week compared to the previous week. During the same period, the weekly average selling prices for class A2 and C2 beef increased by 1.7% and 0.1% respectively in the reporting week compared to the previous week while, the weekly average selling price for class A3 beef decreased by 0.3% week-on-week. Beef prices especially class A beef prices show an increasing trend throughout the fourth quarter of every year underpinned by festive season dynamics associated with increased demand.

National South African Price information (RMAA) : Lamb

Week 38 (20/09/2021 to 26/09/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 39 (27/09/2021 to 03/10/2021)	Units	Avg Purchase Price	Avg Selling Price
Lamb							
Class A2	8 766	86.91	86.99	Class A2	7 816	86.43	85.64
Class A3	1 378	84.41	84.31	Class A3	1 170	83.77	83.80
Class C2	567	69.07	71.73	Class C2	534	69.42	70.58

Units sold for class A2, A3 and C2 lamb decreased by 10.8%, 15.1% and 5.8% respectively in the reporting week compared to the previous week. The decrease in units sold also affected the direction of lamb prices. The weekly average purchase prices for class A2 and A3 lamb decreased by 0.6% and 0.8% respectively in the reporting week compared to the previous week while, the weekly average purchase price for class C2 lamb prices increased by 0.5% week-on-week. During the same period, the weekly average selling prices for class A2, A3 and C2 lamb decreased by 1.6%, 0.6% and 1.6% respectively in the reporting week compared to the previous week. Historical seasonal trend suggest that lamb price projection is expected to follow an upward trajectory towards the end of every year although due to consumer pressure, the rate of price increase in the next three months could be modest compared to corresponding historical periods.

National South African Price information (RMAA) : Pork

Week 38 (20/09/2021 to 26/09/2021)	Units	Avg Purchase Price	Week 39 (27/09/2021 to 03/10/2021)	Units	Avg Purchase Price
Pork					
Class BP	9 501	25.70	Class BP	11 134	26.23
Class HO	7 268	25.05	Class HO	7 629	25.54
Class HP	6 894	25.42	Class HP	6 875	25.87

Units sold for class BP and class HO pork increased by 17.2% and 5.0% respectively in the reporting week compared to the previous week while units sold for class HP pork decreased by 0.3% week-on-week. Meanwhile, the weekly average purchase prices for class BP, class HP and class HO pork increased by 2.1%, 2.0% and 1.8% respectively in the reporting week compared to the previous week. According to historical price trends, pork prices follow an upward trajectory throughout the fourth quarter of every year to peak in December. Therefore, pork prices are expected to follow an upward trend as demand improves towards the festive season.

Latest News Developments

The World Bank in its latest 'Africa Pulse' publication noted that it expects South Africa to grow by 4.6% in 2021, an upward revision from 3% in April's forecast and a significant improvement from the bank's 2.6% growth projection published in October last year. According to the publication, growth in South Africa is projected to rebound from -6.4% in 2020 to 4.6% in 2021, supported by a favourable global environment and base effects. The higher growth outlook is attributed to a "better performance in services, industry, and somewhat in agriculture". The report however warns that the country is facing numerous challenges such as the highest unemployment rate since the publication of the Quarterly Labour Force Survey, rising debt levels that are weighing on government's capacity to address social issues without jeopardising the sustainability of its public finances, electricity shortages as well as pressing needs for reform in the labour and product markets that remain priorities to push the potential growth.

Tracy Kajumba, a principal researcher and a team leader of the International Institute for Environment and Development at the Climate Change Group at the 2021 Top Women Conference webinar hosted by Standard Bank and Topco noted that women in agriculture had been particularly adversely affected by the impact of the COVID-19 pandemic which triggered a resurgence in extreme poverty. Vulnerable groups such as women, the youth and migrants were the worst affected by the deep-rooted inequality in agriculture. According to Kajumba, globally, inequality in agriculture and food systems placed healthy diets out of reach for about three billion people as a result of high cost and income inequality. This is despite that more than enough food is being produced to feed everyone.

Furthermore, Kajumba highlighted that securing financing remained a problem for women in agriculture due to the fact that they generally do not own land, which further exacerbated the inequality and exclusion of low-income and minority groups. Meanwhile, Carolyn Kirksmith, head of strategic development at Standard Bank Group noted that while this was a critical area of discussion, 'smart farms' and modern technologies could empower women to run farms more efficiently and take up leadership positions in the industry. According to Kirksmith, the ongoing concern was that women on small-scale farms did not have equitable access to the funding, financing, or skills to help them grow their businesses.

The Standard Bank Group has undertaken several initiatives for women in agriculture, which include the democratisation of access to finance, skills and information needed to run their farming businesses.

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