



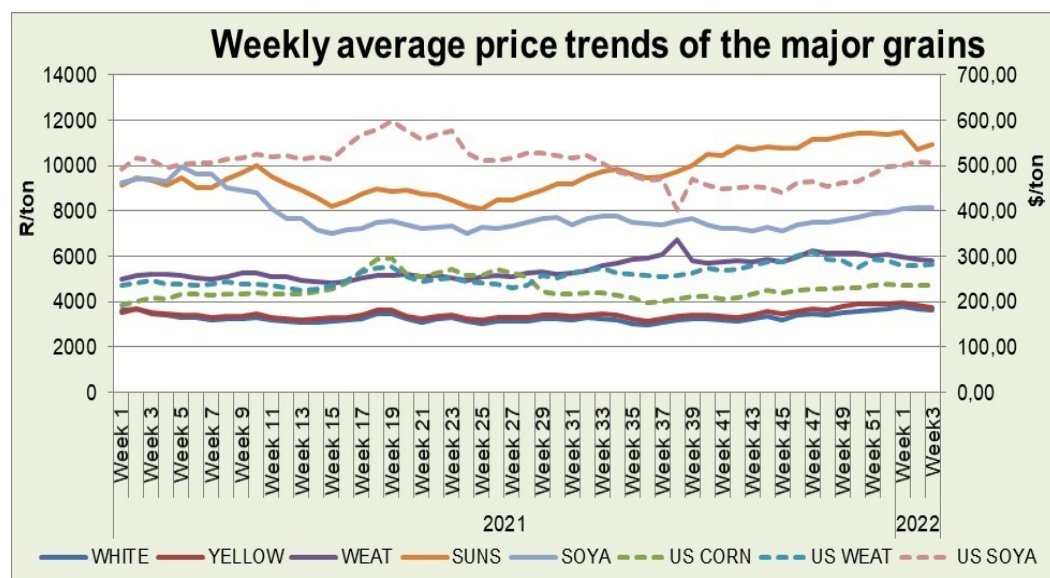
agriculture, land reform & rural development

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

Weekly Price Watch: 21 January 2022

Directorate: Statistics & Economic Analysis

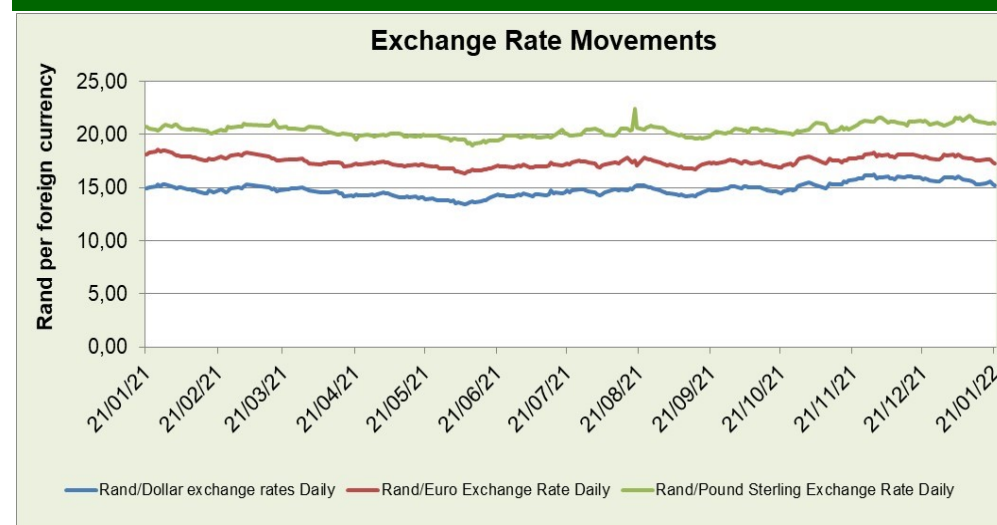
Sub-directorate: Economic Analysis



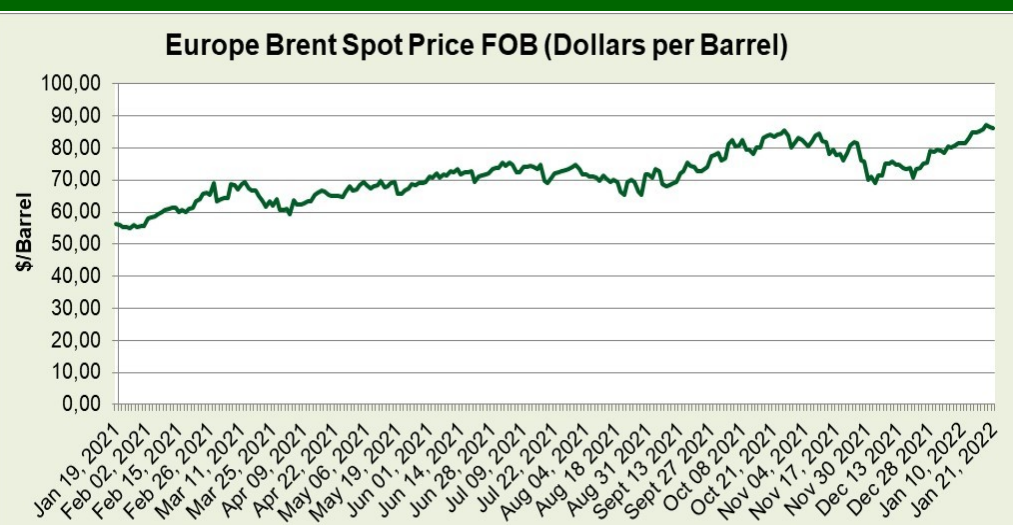
The price of local white and yellow maize decreased by 1.2% and 2.2% respectively, while the international price increased by 0.7%. South Africa's maize production estimates, which the USDA placed at 17,0 million tonnes, "Such optimistic production harvests are unlikely for South Africa as the recent heavy rains have caused crop damage in some provinces and delays in plantings" says Agbiz. The price of local wheat decreased this week by 1.1%, while international wheat price increased by 1.1%. Local sunflower prices increased by 2.1% as compared to the previous week. Soybeans prices increased by 0.2% locally, while internationally prices decreased by 0.3%. According to the Grain SA survey conducted in January 2022, fifteen percent of yellow maize, 13% of soya bean and 17% of sunflower that was so far planted in the 2021/22 production season were destroyed by water damage following excessive rain that occurred in the summer rainfall region since the end of November 2021.

Spot price trends of major grains commodities

	1 year ago Week 3 (18-01-21 to 22-01-21)	Last week Week 2 (10-01-22 to 14-01-22)	This week Week 3 (17-01-22 to 21-01-22)	w-o-w % change
RSA White Maize per ton	R3 449,40	R3 696,20	R3 640,40	-1,2%
RSA Yellow Maize per ton	R3 503,80	R3 827,80	R3 745,00	-2,2%
USA Yellow Maize per ton	\$207,47	\$235,71	\$237,25	0,7%
RSA Wheat per ton	R5 190,00	R5 885,40	R5 821,00	-1,1%
USA Wheat per ton	\$246,27	\$278,87	\$282,08	1,1%
RSA Soybeans per ton	R9 408,00	R8 131,80	R8 147,80	0,2%
USA Soybeans per ton	\$511,35	\$507,72	\$506,42	-0,3%
RSA Sunflower seed per ton	R9 366,80	R10 713,00	R10 940,00	2,1%
RSA Sweet Sorghum per ton	R4 260,00	-	-	-
Crude oil per barrel	\$55,71	\$83,11	\$86,19	3,7%



The rand appreciated by 0.5%, 0.8% and 0.8% this week compared to last week against the Dollar, Euro and British Pound respectively. The rand is riding a wave of positive market sentiment, According to Investec, the rand is likely benefiting from a trade surplus in January, as seasonally weak imports at the start of the year, and strengthening metals commodity prices from November.



The price of oil increased by 3.7% this week compared to the previous week. Prices are at a seven-year high with demand continuing to recover from the pandemic as mobility picks up.



National South African Price information (RMAA) : Beef

Week 01(03/01/2022to 09/01/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 02(10/01/2022to 16/01/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	5693	57,51	56,32	Class A2	5 777	54.21	55.38
Class A3	370	55,59	58,00	Class A3	273	53.82	54.39
Class C2	189	46,56	51,23	Class C2	294	49.33	48.72

The units traded for class A2 and class C2 increased by 1.5% and 55.6% respectively. While class A3 this week decreased by 26.2%. The producer prices received for beef decreased by 5.7% and 3.2% decreased by respectively for class A2 and A3. Class C2 Beef producer prices increased by 5.9%. The average market prices decreased for all classes, the market price for class A2, A3 and C2 decreased by 1.7%, 6.2% and 4.9% respectively.

National South African Price information (RMAA) : Lamb

Week 01(03/01/2022to 09/01/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 02(10/01/2022to 16/01/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6601	87,09	87,07	Class A2	6 971	85.29	84.11
Class A3	983	76,13	82,76	Class A3	978	83.39	81.5
Class C2	301	73,01	74,59	Class C2	914	70.28	72.55

The units of lamb traded this week increased compared to the previous week for class A2 and class C2 by 5.6% and 203.7% respectively. Units bought for class A3 lamb declined by 0.5% during week 2 of 2022. The producer prices declined by 2.1% and 3.7% for class A2 and C2 respectively whilst increasing by 9.5% for class A3. The market prices decreased for all classes ; A2,A3 and C2 prices decreased by 3.4%, 1.5% and 2.7% respectively.

National South African Price information (RMAA) : Pork

Week 01(03/01/2022to 09/01/2022)	Units	Avg Purchase Price	Week 02(10/01/2022to 16/01/2022)	Units	Avg Purchase Price
Class BP	10315	28,26	Class BP	11 250	27.65
Class HO	5804	28,27	Class HO	5 250	27.12
Class HP	5553	27,19	Class HP	4 018	27.00

Units traded for class BP pork increased this week compared to the previous week increased by 9.1%, Classes HO and HP units decreased by 24.6%, and 27.6% respectively. The producer prices decreased by 2.2%, 0.3% and 0.7% for classes BP, HO and HP respectively relative to the previous week.

Latest News Developments

Grain SA earlier in January 2022 conducted a survey, twenty percent of grain producers in South Africa have lost more than 60% of their white maize plantings to water damage so far in 2022, according to a survey Fifteen percent of yellow maize, 13% of soya bean and 17% of sunflower that was so far planted in the 2021/22 production season were destroyed by water damage following excessive rain that occurred in the summer rainfall region since the end of November 2021.

Stats SA stated. “The 0,7% downturn in the second quarter of 2018 was a result of a fall-off in activity in the agriculture, transport, trade, government and manufacturing industries,” The agriculture, forestry and fisheries sector was also technically in recession, with production having fallen 29,2% in Q2 and 33,6% in Q1. Stats SA said the sector had contributed -0,8% of a percentage point to GDP growth in Q2 due to a decrease in the production of field and horticultural crops. The head of Agri SA’s Centre of Excellence for Economics and Trade, Dr Requier Wait, said that the delayed harvest in the summer crop-growing areas, linked to a late start to the summer crop season, had played a role the negative results. The recession did not bode well for the man on the street, Wait said. Consequences included a rise in unemployment, an economic slowdown resulting in cost savings, and loss of tax revenue for government. “Eventually, this will have to be recouped by earning more tax revenue and thus increasing the burden on taxpayers,” he said.

Agri SA has called on the National Minimum Wage (NMW) Commission to move its focus on the national minimum wage to the unemployed and the creation of job opportunities. Commenting on the recent proposal by the commission to increase the minimum wage to R23/ hour, Christo van der Rheede, executive director of Agri SA, said the commission would be wise to give serious consideration to the implementation of a diversified wage structure. This would create significantly more scope for employment in the agriculture sector by creating opportunities to hire inexperienced workers at a lower rate than that for experienced and advanced farmworkers. “Although local agriculture performed well in 2021, it must be kept in mind that the positive growth is limited to only a few sectors. Large parts of the country’s crop-producing areas suffered vast flood damage, while other parts just came out of a prolonged drought. According to the recently published NMW proposal, the new wage would be based at the consumer price index plus 1%, which would take the rate to R23/hour. The current minimum wage was R21,69/ hour. The commission also recommended that domestic workers’ salaries be increased to 100% of the NMW.

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