



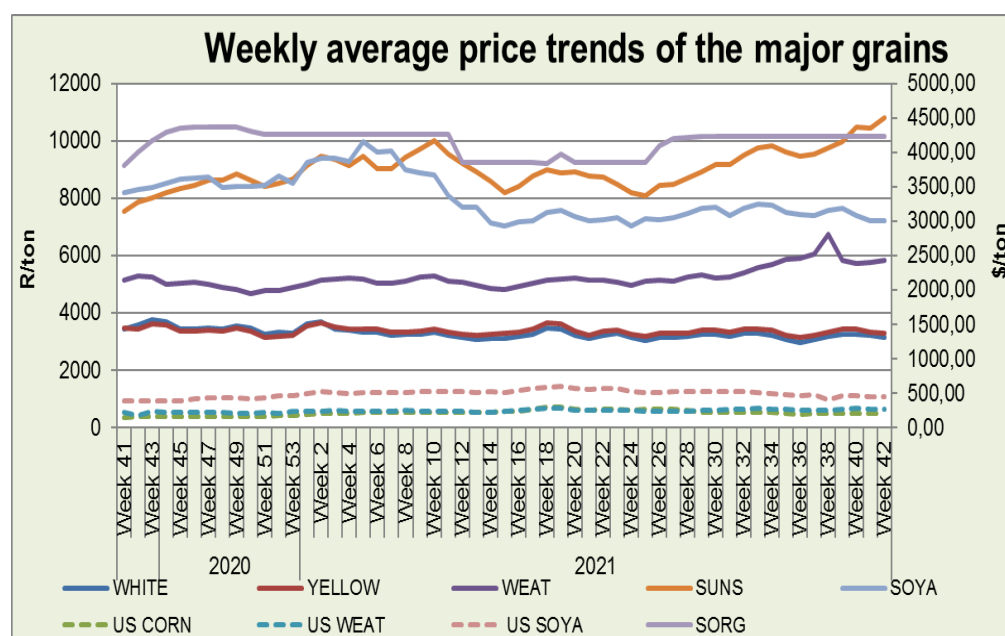
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 22 October 2021

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

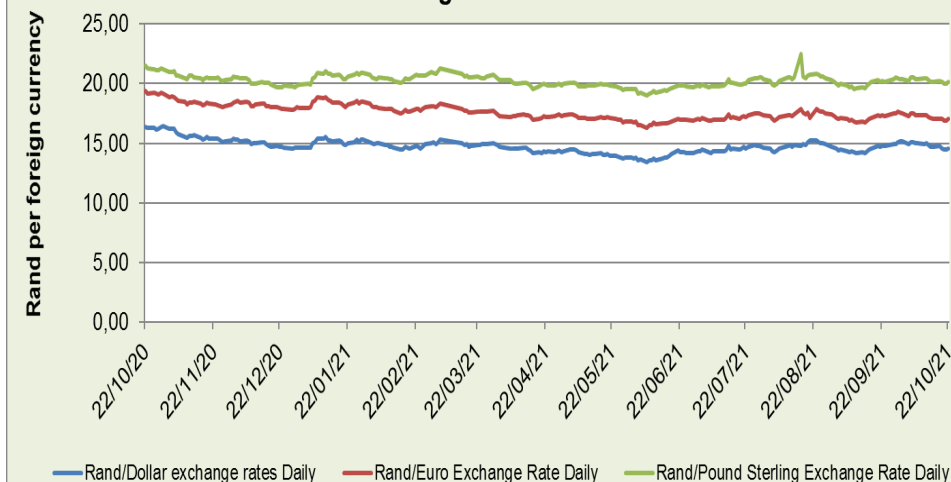


The price of local maize decreased by 1.3% and 1.4% respectively whilst the US maize price increased by 1.7%. The local maize price decreased due to inter-alia rand strength during the week, while the US maize price increased due to strong export demand from China. The price of local and international wheat increased by 1.7% and 1.2% respectively. The wheat price is higher internationally as US and Canada reduced production this year. Dry weather conditions were also reported in Southern areas in Russia and in Kazakhstan, contributing to declined wheat production. Local and international soybeans increased by 0.5% and 1.1% respectively. The price of local and international soybeans increased by 0.5% and 1.1% respectively. Demand for soybeans reached record levels last year and currently less supply is available whilst demand remains strong. The price of sunflower increased by 3.2% this week, local sunflower productions is lower than it was last year and global oilseed prices remain high. The price of local sorghum remained stable this week.

Spot price trends of major grains commodities

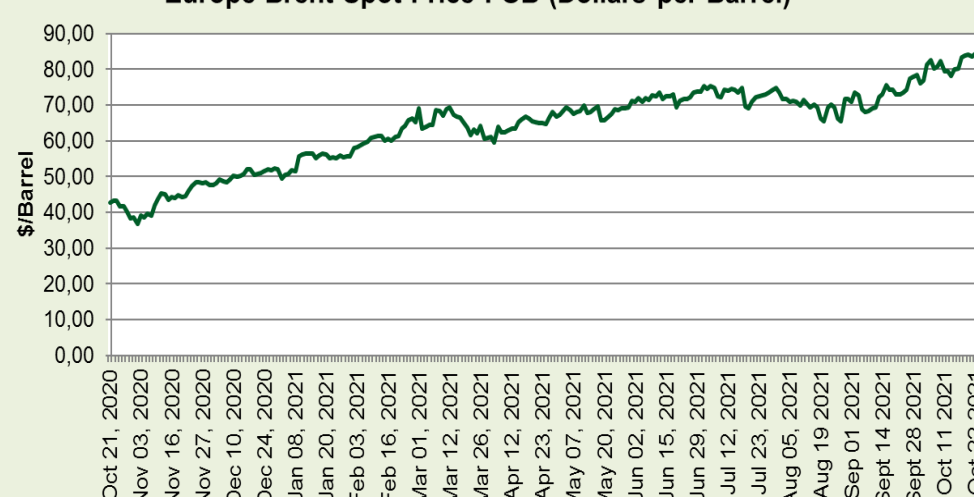
	1 year ago Week 42 (19-10-20 to 23-10-20)	Last week Week 41 (11-10-21 to 15-10-21)	This week Week 42 (18-10-21 to 22-10-21)	w-o-w % change
RSA White Maize per ton	R 3 578.6	R 3 186.00	R 3 145,60	-1,3%
RSA Yellow Maize per ton	R 3 445.6	R 3 323.80	R 3 277,60	-1,4%
USA Yellow Maize per ton	\$ 155.5	\$ 205.86	\$209,42	1,7%
RSA Wheat per ton	R 5 295.8	R 5 765.80	R 5 835,60	1,2%
USA Wheat per ton	\$ 179.21	\$ 267.70	\$271,65	1,5%
RSA Soybeans per ton	R 8 283.60	R 7 181.00	R 7 220,40	0,5%
USA Soybeans per ton	\$ 382.32	\$ 446.13	\$450,95	1,1%
RSA Sunflower seed per ton	R 7 873.8	R 10 480.20	R 10 814,60	3,2%
RSA Sweet Sorghum per ton	R 4004.00	R 4 230.00	R 4 230,00	0,0%
Crude oil per barrel	\$ 43,29	\$ 79.52	\$ 83.78	5,4%

Exchange Rate Movements



The rand appreciated against major trading partners, the rand appreciated by 2.9%, 2.4% and 1.5% respectively compared to last week. The US, Euro and Pound etc. were weaker as preference continues for riskier assets. Prices of goods and services also are increasing further than expected, fuelling inflation fears. Expectation of supply shortages are also fuelling anxiety in markets.

Europe Brent Spot Price FOB (Dollars per Barrel)



The price of Brent crude oil increased by 5.4% this week compared to the previous week. Oil supply is still considered very tight and there is caution that the demand disruptions from the Covid pandemic may not be over. Prices have also been boosted by worries of coal and gas shortages in China, India and Europe.



National South African Price information (RMAA) : Beef

Week 40 (04/10/2021 to 10/10/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 41 (11/10/2021 to 17/10/2021)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 733	53.19	53.97	Class A2	8 467	53.27	53.17
Class A3	623	51.52	53.92	Class A3	385	52,08	53.49
Class C2	439	45.68	47.95	Class C2	506	45,16	47,23

Quantities of class A2 and A3 beef traded this week decreased by 3.0% and 38.2% respectively while increasing by 15.3% for class C2. The producer prices for class A2 and A3 increased by 0.2% and 1.1% respectively while the producer prices for class C2 decreased by 1.5%. The market prices for all classes decreased this week compared to the previous week, the price of class A2, A3 and C2 decreased by 1.5%,0.8% and 1.5% respectively.

National South African Price information (RMAA) : Lamb

Week 40 (04/10/2021 to 10/10/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 41 (11/10/2021 to 17/10/2021)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 244	82.89	81.83	Class A2	6628	82,79	82,73
Class A3	1 067	82.37	83.71	Class A3	1172	80,23	79,33
Class C2	593	64.56	67.52	Class C2	467	67,76	69,71

Lamb traded this week decreased by 8.5% and 21.2% for class A2 and C2 respectively compared to the previous week whilst increasing by 9.8% for class A3. The producer prices for class A2 and A3 decreased by 0.1% and 2.6% whilst increasing by 5% for class C2. The market prices for class A2 and C2 increased by 1.1% and 3.2% respectively whilst decreasing by 5.2% for class CA3

National South African Price information (RMAA) : Pork

Week 40 (04/10/2021 to 10/10/2021)	Units	Avg Purchase Price	Week 41 (11/10/2021 to 17/10/2021)	Units	Avg Purchase Price
Class BP	9 256	26.49	Class BP	10618	27,08
Class HO	7 179	25.74	Class HO	6885	26,62
Class HP	6 799	25.94	Class HP	8005	26,84

The quantities of class BP and HP pork traded this week increased by 14.7% and 17.7% respectively whilst declining by 4.1% for class HO. The producer prices for all classes increased , the producer price for class BP, HO and HP increased by 2.2% , 3.4% and 3.5% respectively.

Latest News Developments

The FAO Food Price Index (FFPI) averaged 130.0 points in September 2021, up by 1.2% from August and 32.8% on a year-on-year basis. The latest rise of the FFPI was largely driven by higher prices of most cereals and vegetable oils. Dairy and sugar prices were also firmer, while the meat price sub-index remained stable. Market watch report by Mohamed A. El-Erian indicated that inflationary forces are not ending as prices of food and services continue their upward rise and that policy makers must do everything they can to rein in on inflation and boost supply.

Agri-SA and Agricultural Business Chamber (Agbiz) expressed concern about rising input costs in the agricultural sector. The organizations stated that the costs of direct materials, labour and other overheads continue their upward trajectory and that fuel costs are affecting agribusiness profitability. Christo van der Rhee of Agri-SA stated further that the costs of fertilizer, herbicides, packaging, diesel, electricity and labour, to name a few, are increasing rapidly, making it nearly impossible for many farmers to produce food sustainably. Agbiz Stated that fertilizer and agrochemical prices were more than 40% higher in October this year compared with the same period last year. Agri-SA is appealing to government and all other stakeholders to engage and intervene in efforts to reduce the costs of inputs and to promote local supply and use of input materials, instead of imports. Agricultural Business Chamber (Agbiz) says the planting season for South Africa's 2021/22 summer grains and oilseeds started positively in the eastern and central regions. The season has been met with favorable rains that naturally improves soil moisture, but the industry will remain under pressure amid the rising fuel costs

Energy transition holds greatest promise for growth, job creation and development. Small and medium-sized businesses have higher job intensity per kilowatt (kW) than most other generation technologies. This means that the job creation potential of a transition is enormous. The South African National Energy Association (Sanea), the report highlights that the country still has no overarching policy that offers an integrated approach to the energy sector. No integrated energy plan or a gas plan had yet been finalized making it impossible to align these with other key policies including the Integrated Resource Plan (IRP). This drives high levels of uncertainty in the market and discourages investment (foreign and local), hampering decision making and allowing parochial interests to slow progress because of conflicting stakeholder objectives.

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