



agriculture, land reform & rural development

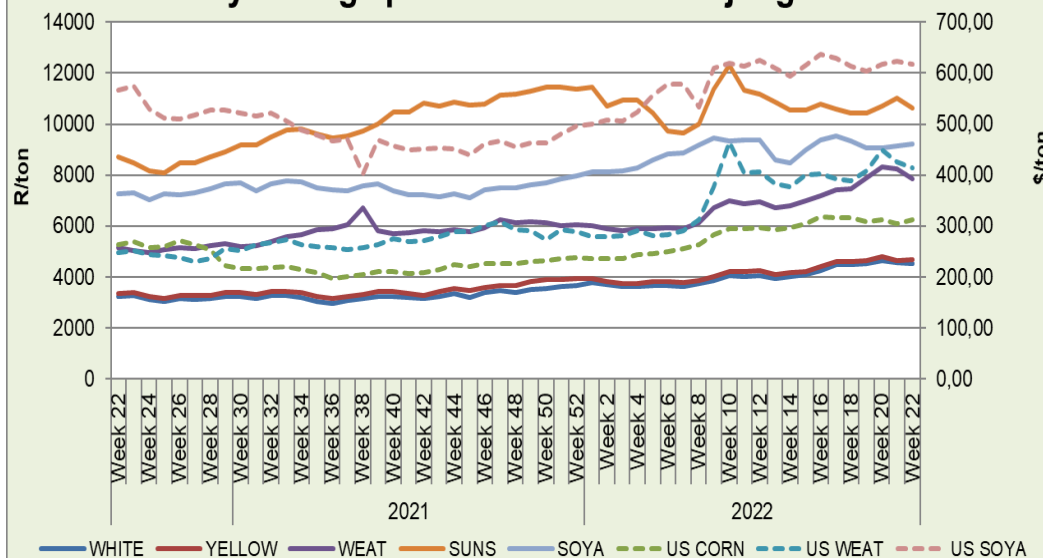
Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 03 June 2022

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

Weekly average price trends of the major grains

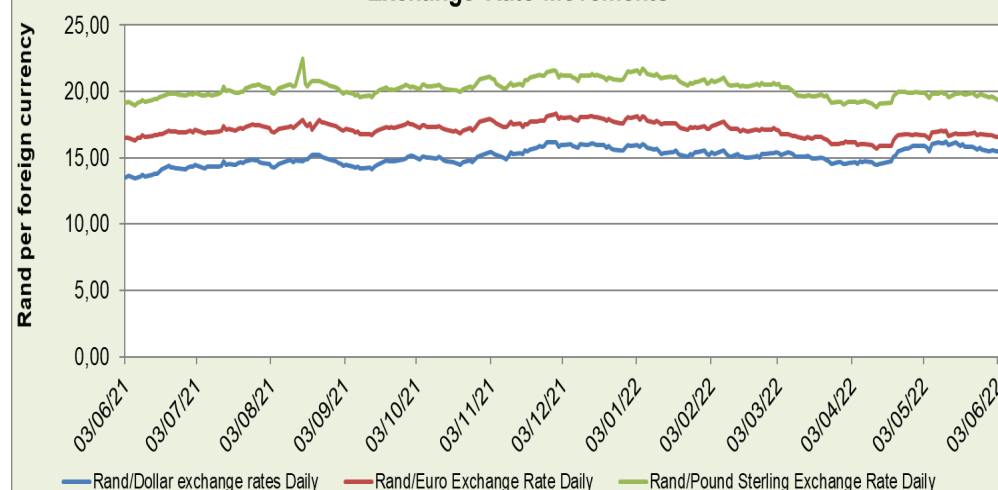


The white and yellow maize price decreased by 1.4% and 2% respectively compared to last week, the international maize price also decreased by 2.7% this week. News that Russia would allow exports from Ukraine and Ukraine forecasting an abundant maize outlook kept prices lower. Wheat price declined this week as a result of an increase in old crop selling and news that Ukraine maybe able to export its grain. Local soybean price decreased by 0.3% whilst the international wheat price increased by 0.9%. Abundant soybeans is expected locally while the price internationally dropped as traders in the US liked the sales of old crop soybeans. The price of local sunflower decreased by 1% as an abundant local sunflower output is expected this year and with no supporting news, prices remained weaker.

Spot price trends of major grains commodities

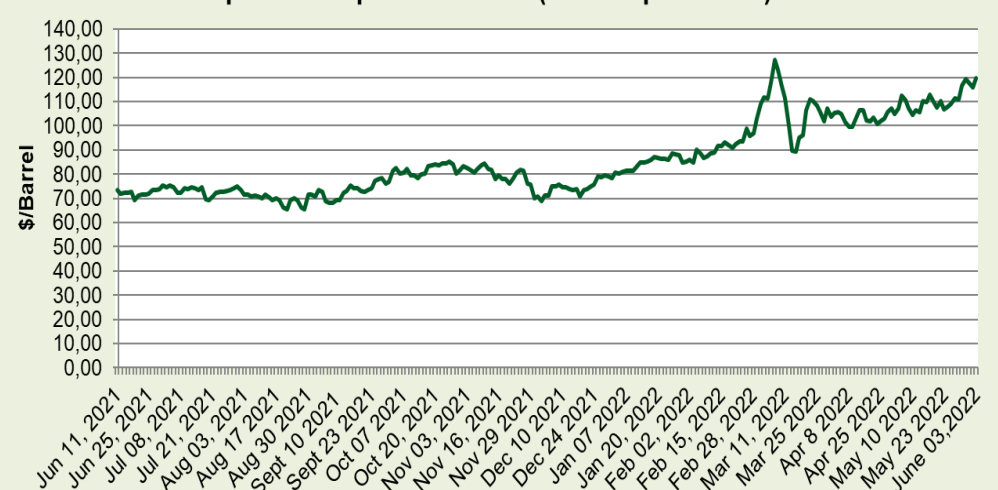
	1 year ago Week 22 (31-05-21 to 04-05-21)	This week Week 21 (23-05-22 to 27-05-22)	This week Week 22 (30-05-22 to 03-06-22)	w-o-w % change
RSA White Maize per ton	R3 232	R 4 582.00	R4 519,8	-1,4%
RSA Yellow Maize per ton	R3 356.4	R 4 662.40	R4 570,4	-2,0%
USA Yellow Maize per ton	\$262,89	\$ 304.99	\$296,65	-2,7%
RSA Wheat per ton	R5 138.8	R 8 233.20	R8 080	-1,9%
USA Wheat per ton	\$248.67	\$ 426.56	\$404,30	-5,2%
RSA Soybeans per ton	R7 260.00	R 9 150.60	R9 126	-0,3%
USA Soybeans per ton	\$567.38	\$ 624.10	\$629,564	0,9%
RSA Sunflower seed per ton	R8 719.4	R 11 005.00	R10 898,8	-1,0%
Crude oil per barrel	\$70.87	\$ 109.19	\$117,86	7,9%

Exchange Rate Movements



The rand appreciated by 1.3%, 0.9% and 1.2% against the US dollar, Euro and Pound respectively this week compared to the previous week. SA rand and bonds were the best performers this week. Fears on how aggressive the US federal reserve would have to be to tame the rising inflation and also expectation of a recession in the USA weakened the dollar. The Euro and pound tracked the dollar.

Europe Brent Spot Price FOB (Dollars per Barrel)



Crude oil price posted their sixth weekly gain, the price of crude oil increased this week after OPEC meeting only agreed on a modest increase in oil amidst a global supply deficit. The price of crude oil increased by 7.9% this week -above last week's price increase.



National South African Price information (RMAA) : Beef

Week 20 (16/05/2022 to 22/05/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 21 (23/05/2022 to 29/05/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 752	61.92	62.26	Class A2	8 279	61,47	63,26
Class A3	724	59.42	62.91	Class A3	844	59,27	63,05
Class C2	696	47.65	51.15	Class C2	650	47,99	51,08

The quantities of class A2 and A3 beef increased 6.8% and 16.6% respectively whilst decreasing by 6.6% for class C2 this week relative to the previous week. The producer prices for class A2 and A3 decreased by 0.7% and 0.3% and increased by 0.7% for C2 beef. The retail prices increased for both class A2 and A3 by 1.6% and 0.2% respectively, while declining buy 0.1% for class C2.

National South African Price information (RMAA) : Lamb

Week 20 (16/05/2022 to 22/05/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 21 (23/05/2022 to 29/05/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 449	98.19	100.95	Class A2	5 317	101,35	103,58
Class A3	1 058	96.49	98.99	Class A3	919	101,47	101,70
Class C2	642	72.90	75.81	Class C2	562	71,98	77,68

The quantities of lamp traded this week decreased by 17.6; 13.1% and 12.5% for class A2, A3 and C2 relative to the previous week. The producer prices increased by 3.2% and 5.2% for class A2 and A3 while the prices declined by 1.3% for class C2, the market prices increased by 2.6%;2.7% and 2.5% for class A2,A3 and C2.

National South African Price information (RMAA) : Pork

Week 20 (16/05/2022 to 22/05/2022)	Units	Avg Purchase Price	Week 21 (23/05/2022 to 29/05/2022)	Units	Avg Purchase Price
Class BP	8 779	27.33	Class BP	8663	27,24
Class HO	8 568	26.84	Class HO	9552	26,56
Class HP	9 690	26.72	Class HP	8302	26.61

The quantities of Pork traded this week decreased by 1.3% and 14.3% for both class BP and HP, while class HO prices increased by 11.5% respectively. The Producer prices for class BP, HO and HP decreased by 0.3%,1% and 0.4% respectively.

Latest News Developments

The Association of Meat Importers & Exporters (AMIE) have made calls for the government to eliminate tariffs to enable them to import more chicken import volumes, stating that with lower tariffs, the price of chicken on South African shelves would drop. Paul Matthew CEO of the Association of Meat Importers and Exporters (AMIE) says the South African Revenue Service data indicates that imports of chicken into South Africa currently account for 9.4% (excluding mechanically deboned meat) of local consumption. He further stated that local poultry producers are not taking full advantage of the export market as they are too focused on supplying chicken to the domestic market. The country currently exports a mere 26 000 tons of chicken a year with an export value of R622-million.Mr Mathew said: "If local producers truly want to increase production, which would boost jobs and benefit the entire value chain, they should focus their sights on seizing the opportunity to build a poultry export market". "Unfortunately, the country is missing this massive opportunity because it does not meet the health and safety standards required by trade blocks such as the European Union [EU]". Local poultry producers remain at odds with chicken importers on tariffs. FairPlay founder Francois Baird has challenged chicken importers to reveal their profits and how much they have invested in expanding their industry and creating local jobs in South Africa.

The National Treasury stated that the South Africa's Land Bank is working on a new debt-restructuring plan that it hopes will be finalised by the end of September. The state owned agricultural bank defaulted on its debt in April 2020, missed a restructuring deadline in March 2021and failed to agree on a liability solution from the default. The last proposed liability solution was rejected by lenders, with the board currently developing a new liability solution by 30 September 2022.

South African Transport Minister Fikile Mbalula said this week that the National Rail Policy White Paper has a deliberate bias towards local manufacturing in a process of ensuring industrialization and the local production of steel, railway lines, rolling stock and supplies. He stated further that the State and private sector operators should procure all supplies from SA manufacturers. The minister stated that the obsolete state of much of our rail infrastructure, rolling stock and the limitation imposed by narrow gauge tracks, as well as the underuse of the existing rail network, are some of the most notable challenges facing the sector.

Agri-SA proposes diesel rebate scheme increase to buffer food prices from fuel hike, A targeted intervention to increase the diesel rebate to the agricultural sector would cushion against the cost pressures that impact food prices, while also being a more sustainable option over the coming months given pressures to the fiscus.

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