



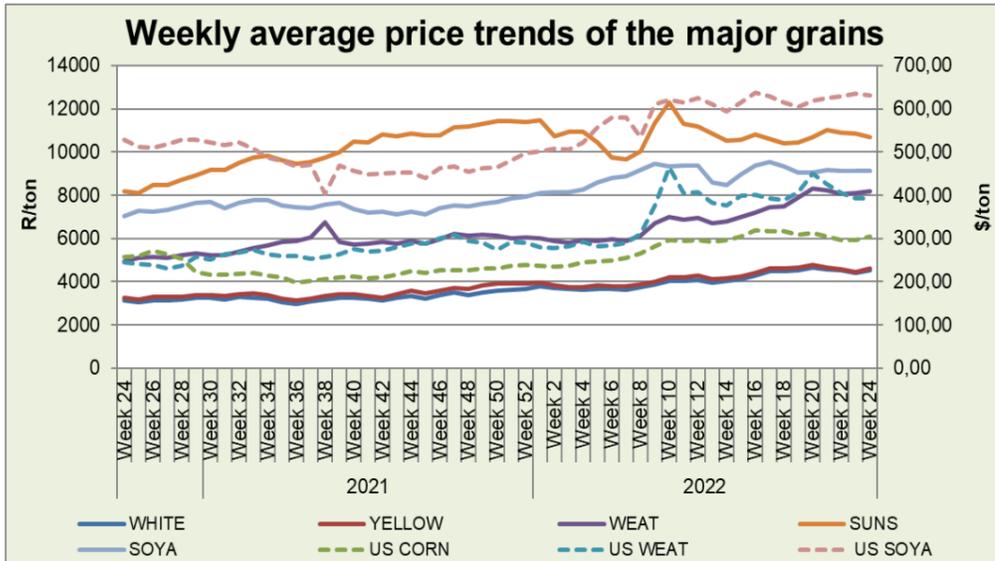
agriculture, land reform & rural development

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

Weekly Price Watch: 17 June 2022

Directorate: Statistics & Economic Analysis

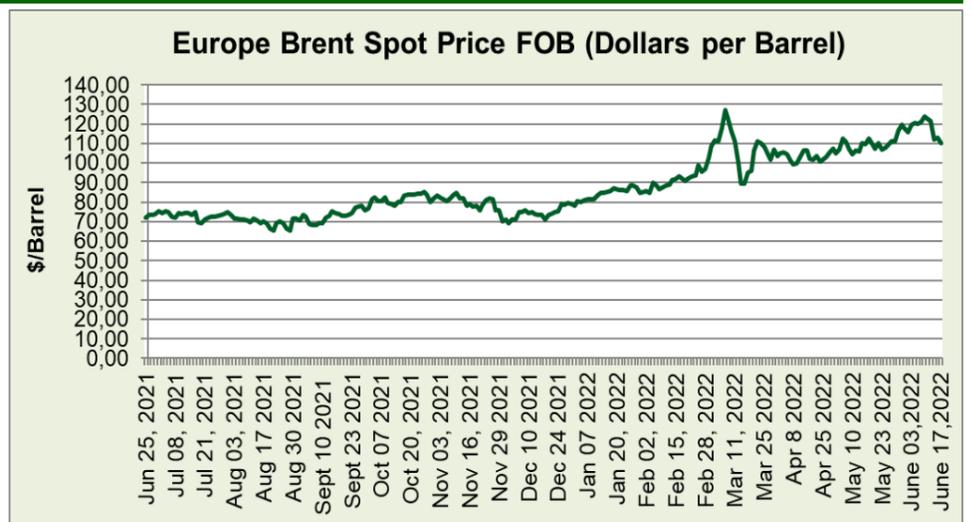
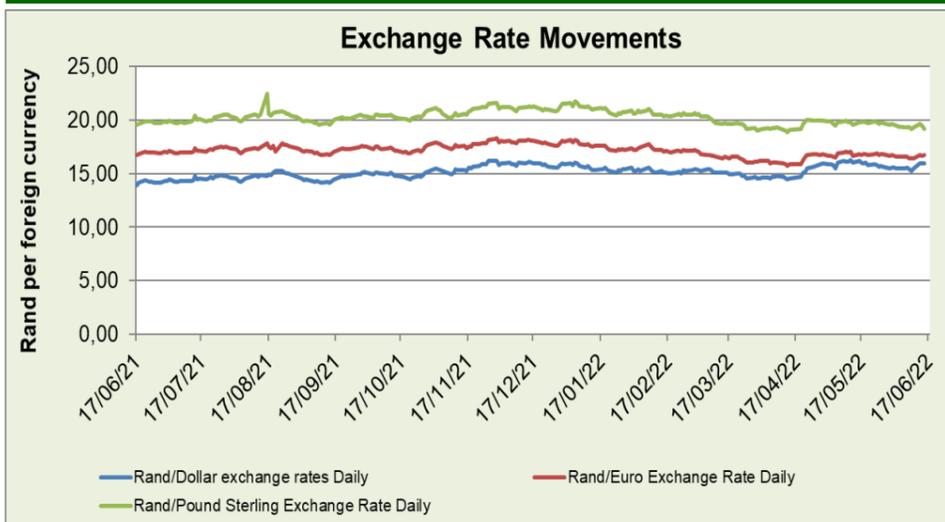
Sub-directorate: Economic Analysis



The International and local market traded much stronger this week when compared to the previous week. The prices of domestic grains reported increase which seen the prices of white maize, yellow maize and wheat increased by 2.8%, 3.3% and 0.8% respectively, while the price of soybeans and sunflower seed reported a decrease of 0.2% and 1.6% respectively week on week. Internationally, the grain price of US wheat decreased by 0.2%, whilst the prices for US corn and US soybean increased by 2.9% and 6.1% respectively week on week. Ukraine's total grain exports are down 44% from year-ago totals during the first half of June, including 24.5 million bushels of corn and 1.8 million bushels of wheat over that period. Ukraine has struggled to ship out an increasingly large backlog of grain amid the ongoing Russian invasion but has been able to reroute some grain from sea ports to rail or river ports.

Spot price trends of major grains commodities

	1 year ago Week 24 (14-06-21 to 18-06-21)	This week Week 23 (06-06-22 to 10-06-22)	This week Week 24 (13-06-22 to 17-06-22)	w-o-w % change
RSA White Maize per ton	R3 130.75	R4 388.80	R4 513.25	2.8%
RSA Yellow Maize per ton	R3 257.75	R4 453.80	R4 599.50	3.3%
USA Yellow Maize per ton	\$275.89	\$296.35	\$304.99	2.9%
RSA Wheat per ton	R4 955.50	R8 107.20	R8 174.00	0.8%
USA Wheat per ton	\$244.03	\$393.19	\$392.24	-0.2%
RSA Soybeans per ton	R7 026.50	R9 136.20	R9 116.00	-0.2%
USA Soybeans per ton	\$528.98	\$634.49	\$630.21	6.1%
RSA Sunflower seed per ton	R8 183.50	R10 856.20	R10 685.00	-1.6%
Crude oil per barrel	\$72.20	\$121.64	\$114.26	-6.1%



The South African rand depreciated by 3.6% against the US dollar, by 1.6% against the Euro and by 1.0% against the Pound sterling respectively. The SA rand remain under pressure as global recession fears linger on surging energy and food costs caused by the Ukraine war and supply chain snarls.

Brent crude oil price averaged \$114.26/barrel in the reporting week which is 6.1% lower than \$121.64/barrel reported in the previous week. The Oil prices were down on last week, as a highly uncertain outlook for global growth and fuel demand following numerous rate hikes around the world this week weighed on markets.



National South African Price information (RMAA) : Beef

Week 22 (30/05/2022 to 05/06/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 23 (06/06/2022 to 10/06/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 977	61,34	63,44	Class A2	7 050	61,66	61,24
Class A3	531	57,46	62,22	Class A3	497	58,94	62,44
Class C2	563	47,93	51,64	Class C2	463	46,18	51,30

The quantity of units sold for class A3 and C2 beef decreased by 6.4% and 17.8% respectively, whilst class A2 beef supplied to markets increased by 1.0% this week compared to the previous week. The average purchase price for class beef class A2 and A3 increased by 0.5% and 2.6% respectively, while class C2 beef decreased by 3.7%, week on week. The average selling prices for class A3 beef increased by 0.4%, whilst class A2 and C2 beef both decreased by 3.5% and 0.7%, this week compared to the previous week.

National South African Price information (RMAA) : Lamb

Week 22 (30/05/2022 to 05/06/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 23 (06/06/2022 to 10/06/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	5 782	103,88	106,26	Class A2	6 625	103,85	106,72
Class A3	846	103,21	102,47	Class A3	830	102,09	104,34
Class C2	888	73,10	78,64	Class C2	1 063	75,05	80,66

The quantity of lamb units sold for class A3 lamb decreased by 1.9%, while class A2 and C2 lamb increased by 14.6% and 19.7% respectively week on week. The average purchase prices for class C2 lamb increased by 2.7%, whilst class A2 and A3 lamb decreased by 0.03% and 1.1% respectively, when compared to the week. The average selling prices for class A2, A3 and C2 lamb increased by 0.4%, 1.8% and 2.6% respectively this week when compared to the previous week.

National South African Price information (RMAA) : Pork

Week 22 (30/05/2022 to 05/06/2022)	Units	Avg Purchase Price	Week 23 (06/06/2022 to 10/06/2022)	Units	Avg Purchase Price
Class BP	7 424	27,25	Class BP	7 675	27,17
Class HO	7 186	26,59	Class HO	8 900	26,77
Class HP	7 120	26,57	Class HP	7 452	26,64

The quantity of pork units sold for class BP, HO and HP increased by 3.4%, 23.9% and 4.7% respectively week on week. The average purchase prices for class BP pork decreased by 0.3%, whilst class HO and HP pork increased by 0.7% and 0.3% respectively, this when compared to the previous week.

Latest News Developments

The local meat industry, as much as any other food industry in the country, has to satisfy the needs of a diverse consumer market, and it has to do this in a responsible manner. Financially stable, mostly urban and environmentally aware consumers are increasingly insisting on proven measures taken by the agricultural community to diminish its carbon footprint, to supply the retail with food from traceable sources, and to guarantee the quality of life of livestock until the point of slaughter. The elite consumer is literally dictating what the producer should produce, simply because this consumer pays more than the masses who struggle to afford protein (although the demand for and consumption of protein among developing nations, has grown considerably over the past few years). The retail, understandably, is fighting to meet the demands of its elite market segment, as it offers higher margins. At the opposite end of the market, the quality of meat is constantly deteriorating, due to the fact that government regulations are not being enforced and the lower-end consumer is more focussed on price than quality. This segment is already priced out of the fresh meat market and is dependent on secondary cuts and off-cuts, grade C carcasses and processed meat. It is within this context that role players within the red meat industry is slowly but surely taking a greater interest in grass-fed meat. It is a source of protein which can meet various consumer demands and with this in mind, let's have a look at the current role and place of grass-fed beef in the red meat industry.

Croplife South Africa (SA) recently hosted a media day that aimed to provide insights into plant biotechnology in South Africa. Biotechnology offers several benefits such as improved crops, better genetics and better yields. CropLife SA is a non-profit organisation that represents the plant science industry. The organisation recently held a media day to inform the press of advancements made in the field of biotechnology. Chantel Arendse from CropLife SA opened the day with a brief overview of the plant biotechnology portfolio that was introduced in 2020. The portfolio serves to support member companies such as Syngenta, Bayer, Corteva and BASF, focusing on communication, promotion of and creating awareness regarding biotechnology. The portfolio also encourages stewardship through the development of plant biotechnology resource materials. Dr Lebogang Madubanya from the Agricultural Research Council (ARC) elaborated further by explaining what plant biotechnology is and the different options the technology can offer. Biotechnology can be divided into three categories: plant tissue culture, DNA technology and genetic engineering. Madubanya stressed that genetically modified organisms (GMOs) are created when foreign DNA is introduced into a certain plant's genetic material and that it isn't the 'terrible' thing that some media have portrayed GMOs to be. Genetically modified plant material can offer African farmers better crop protection but has shown a low adoption rate among smallholder farmers due to higher costs.

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

Source: SAFEX, Standard bank, Stats SA, Reuters, Red Meat Abattoir Association, FNB and Absa Bank.
 Disclaimer: DAFF will not be liable for results of actions based on this price watch.