



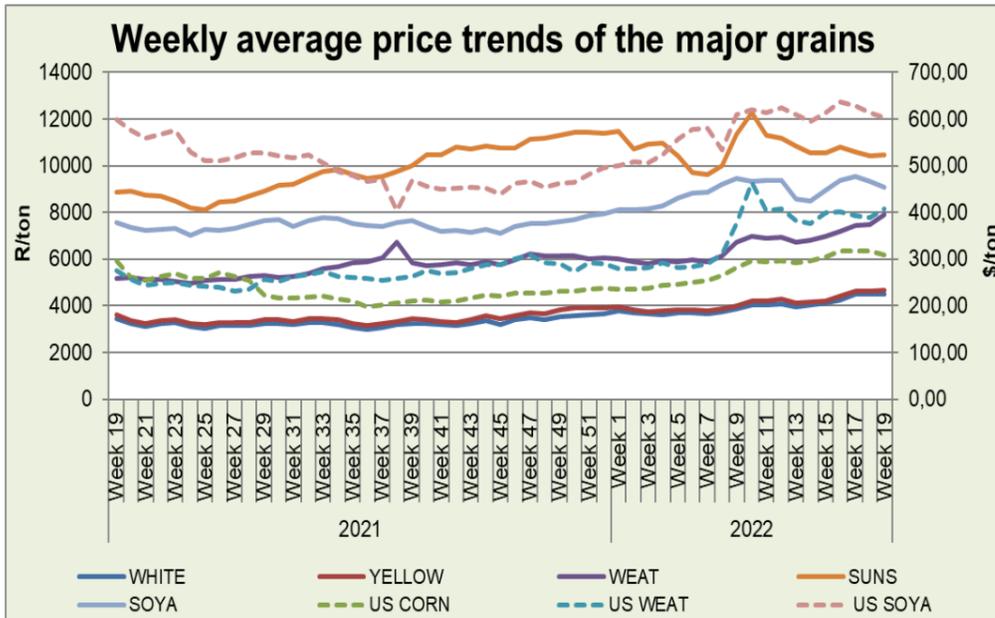
# agriculture, land reform & rural development

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

## Weekly Price Watch: 13 May 2022

Directorate: Statistics & Economic Analysis

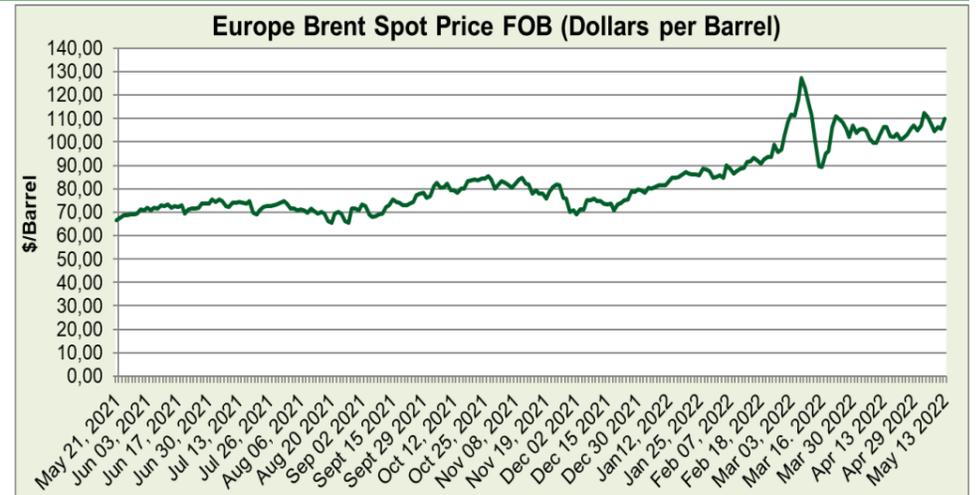
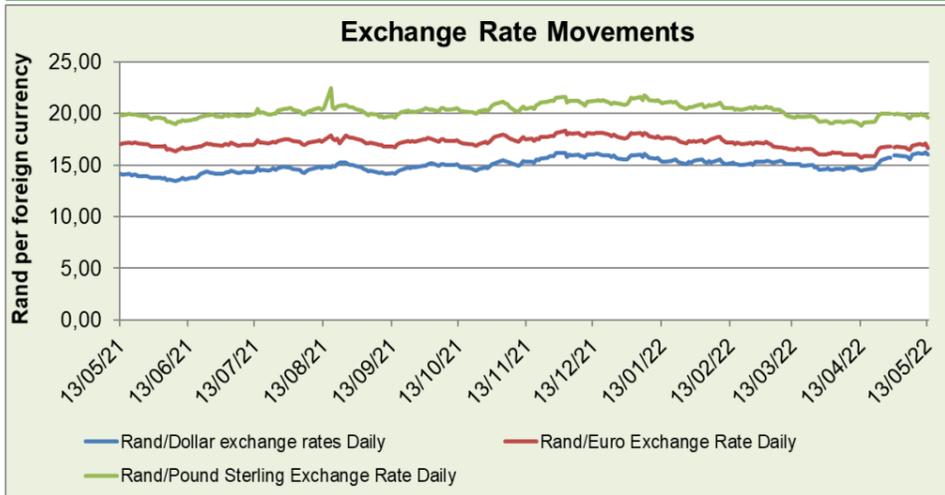
Sub-directorate: Economic Analysis



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, wheat and sunflower seed increased by 0.4%, 0.7%, 5.5% and 0.3% respectively, while the price of soybeans reported a decrease of 2.9% week on week. Internationally, the grain price of US wheat increased by 4.7%, whilst the prices for US corn and US soybean decreased by 2.6% and 2.9% respectively week on week. Global wheat prices have increased amid concerns of supply shortages brought on by the conflict between Russia and Ukraine. However, domestic wheat prices while they have lifted have not done so to the same extent. Other grains and oilseed prices have also increased. Ukraine and Russia both are significant exporters of sunflower oil. For other oilseeds, such as soybeans, significant increases were also realised as the threat of global oilseed shortages pulled prices upwards.

### Spot price trends of major grains commodities

	1 year ago Week 19 (10-05-21 to 14-05-21)	This week Week 18 (02-05-22 to 06-05-22)	This week Week 19 (09-05-22 to 13-05-22)	w-o-w % change
RSA White Maize per ton	R3 444.60	R4 496.50	R4 516.20	0.4%
RSA Yellow Maize per ton	R3 612.00	R4 622.25	R4 654.80	0.7%
USA Yellow Maize per ton	\$295.77	\$316.48	\$308.30	-2.6%
RSA Wheat per ton	R5 168.40	R7 481.75	R7 891.80	5.5%
USA Wheat per ton	\$276.05	\$389.39	\$407.59	4.7%
RSA Soybeans per ton	R7 567.80	R9 328.25	R9 061.80	-2.9%
USA Soybeans per ton	\$599.00	\$613.71	\$603.83	-1.6%
RSA Sunflower seed per ton	R8 874.20	R10 419.25	R10 448.20	0.3%
RSA Sweet Sorghum per ton	R3 973.24	-	-	-
Crude oil per barrel	\$68.38	\$108.73	\$106.83	-1.8%



The South African rand depreciated by 1.9% against the Euro dollar, on the other hand the rand depreciated by 1.7% against the US and by 0.2% against the Pound sterling respectively. The US currency has stood tall on expectations the Federal Reserve will tighten monetary policy faster than peers to stem runaway inflation. This on the other hand saw the SA currency losing its strength during the past reporting week.

Brent crude oil price averaged \$106.83/barrel in the reporting week which is 1.8% lower than \$108.73/barrel reported in the previous week. The Oil prices were down on last week, as China's central bank promised to provide monetary policy support to its economy after the lockdown. The price moves remain a testament to the hyper volatility that exists in the market post covid and post-Russian invasion.



### National South African Price information (RMAA) : Beef

Week 17 (25/04/2022 to 01/05/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 18 (02/05/2022 to 08/05/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 942	61.00	63.41	Class A2	6 118	63.34	63.74
Class A3	810	59.52	63.08	Class A3	615	63.08	63.38
Class C2	305	50.56	50.67	Class C2	379	50.14	50.63

The quantity of units sold for class A2 and A3 beef decreased by 23.0% and 24.1% respectively, whilst class C2 beef supplied to markets increased by 24.3% this week compared to the previous week. The average purchase price for class beef class A2 and A3 increased by 3.8% and 6.0% respectively, while class C2 beef decreased by 0.8%, week on week. The average selling prices for class C2 beef decreased by 0.1%, whilst class A2 and A3 beef both increased by 0.5%, this week compared to the previous week.

### National South African Price information (RMAA) : Lamb

Week 17 (25/04/2022 to 01/05/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 18 (02/05/2022 to 08/05/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 565	93.56	95.34	Class A2	6 271	95.13	95.10
Class A3	888	93.86	93.15	Class A3	757	94.63	94.41
Class C2	869	71.36	71.84	Class C2	416	70.27	72.38

The quantity of lamb units sold for class A2, A3 and C2 lamb decreased by 4.5%, 14.8% and 52.1% respectively this week when compared to the previous week. The average purchase prices for class C2 lamb decreased by 1.5%, whilst class A2 and A3 lamb increased by 1.7% and 0.8% respectively, when compared to the week. The average selling prices for class A2 lamb decreased by 0.3%, while class A3 and C2 lamb increased by 1.4% and 0.8% respectively week on week.

### National South African Price information (RMAA) : Pork

Week 17 (25/04/2022 to 01/05/2022)	Units	Avg Purchase Price	Week 18 (02/05/2022 to 08/05/2022)	Units	Avg Purchase Price
Class BP	11 184	26.38	Class BP	9 427	26.91
Class HO	8 925	26.31	Class HO	7 556	26.30
Class HP	7 744	26.12	Class HP	6 092	26.25

The quantity of pork units sold for class BP, HO and HP decreased by 15.7%, 15.3% and 21.3% respectively, this week when compared to the previous week. The average purchase prices for class HO pork decreased by 0.04%, whilst class BP and HP pork increased by 2.0% and 0.5% respectively week on week.

## Latest News Developments

The South African Weather Service (SAWS) has indicated in its latest seasonal climate watch that below-average rainfall is expected over most parts of the country, except for the central and eastern coastal areas, in May, June and July 2022. Both maximum and minimum temperatures are expected to be above average for most of the country until the end of July, except for parts of the Northern Cape and the Eastern Cape. During autumn and winter, the presence of ENSO has less of an impact. The presence of the current La Niña event is not expected to have any significant impact on rainfall in the coming seasons. Johan van den Berg, an independent agricultural meteorologist, said that while La Niña was continuing, initial outlooks showed that the Indian Ocean surface temperatures would be positive for average to above-average rainfall for next summer in the summer rainfall region, especially in conjunction with La Niña. He added in a statement that nearly all dams in the summer rainfall region were at very high levels due to the heavy rainfall earlier in the year. The average level of Free State dams stood at 107% in the third week of April, with the Vaal Dam at 115%. Although the average level of dams in the Eastern Cape had stabilised at about 66%, the level of the Kouga Dam was at 13% and still dropping by the end of April 2022. Dams in the Western Cape were maintaining an average level of about 57%, compared with 50% during the same time in 2021. As far as South Africa's neighbours were concerned, the water level in Lake Kariba in Zambia was at about 26%, well below the 48% at the same time last year. The Katse Dam in Lesotho was at 98,4% of capacity and the Mohale Dam at 91,4%. The Hardap Dam in southern Namibia reached 71% in April, while the level of that country's largest storage dam, the Neckartal Dam, was at 99% of capacity at the moment, Van den Berg said.

According to the latest data from the Central Energy Fund, petrol and diesel prices currently look set for large increases in the first week of June 2022. Adding to the blow is the return of the full general fuel levy (GFL), which government cut by R1.50 per litre for two months. The levy is supposed to be restored at the end of May 2022. This will increase the levy for petrol from R2.35 to R3.85 per litre. The levy on diesel will be hiked from R2.20 to R3.70 per litre. In addition, based on current data from the CEF, petrol is expected to increase by between R1.93 and R1.97 a litre, diesel is expected to increase by between R1.60 and R1.62 a litre, and illuminating paraffin is expected to climb by a R2.14 a litre. The Automobile Association (AA) says together with the return of the general fuel levy this will result in price shocks never seen before. In combination, the petrol price could be around R3.47 a litre more expensive than current levels. In late March 2022, government reduced the GFL by R1.50 for April 2022 and May 2022, which brought temporary relief to consumers. The big question now is how government plans to deal with rising fuel costs from June onwards, especially given that baseline prices are forecast to move significantly upwards in June 2022. The association says it must be noted that these price increases reflect data from the middle of the month, and that the final data may vary between now and when the adjustment is finally made. Local fuel prices are determined by international oil prices, as well as the dollar-rand value, as South Africa buys oil in dollars. The AA says while government's relief on the GFL was welcome, a longer-term solution is needed. It says when government announced the relief in March, it also noted other measures proposed by the Minister of Mineral Resources and Energy to be introduced after the expiry of the temporary measures.

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