



# agriculture, land reform & rural development

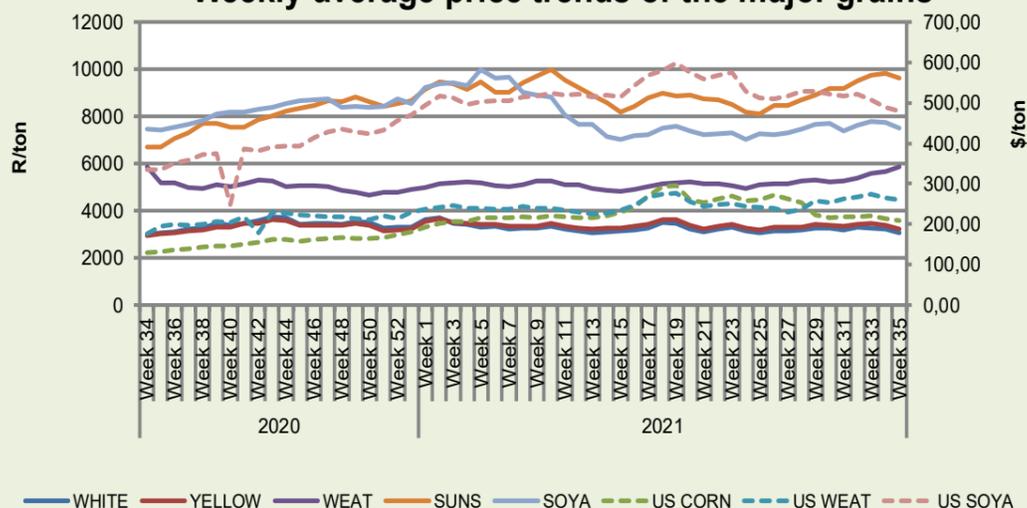
Department:  
Agriculture, Land Reform and Rural Development  
REPUBLIC OF SOUTH AFRICA

## Weekly Price Watch: 03 September 2021

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

Weekly average price trends of the major grains

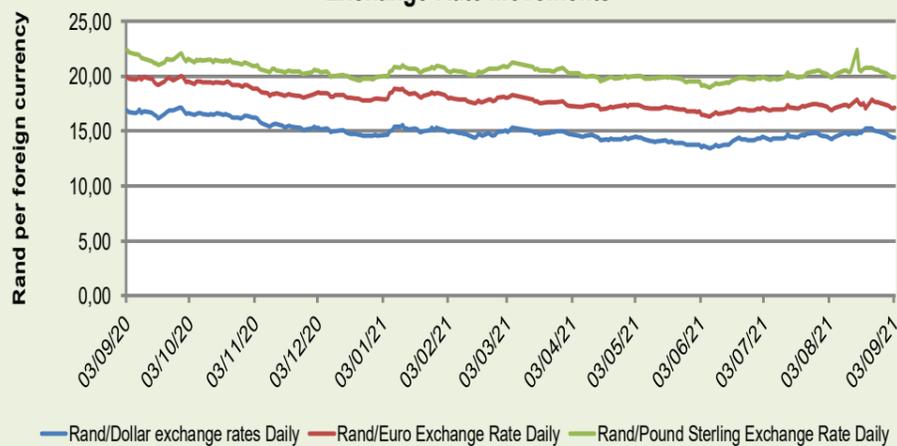


Domestic grain prices traded lower this week compared to the previous week with the exception of wheat prices, which increased by 3.2% week-on-week. The expected production of wheat is 2,086 mill. tons, which is 33 865 tons (1.6%) less than the previous seasons' crop of 2,12 mill tons. Local white and yellow maize prices decreased by 4.8% each respectively this week compared to the previous week, while local soybean and sunflower seed prices decreased by 3.2% and 6.6% respectively week-on-week. Meanwhile, local sweet sorghum prices remained unchanged this week compared to the previous week. On the international front, US yellow maize prices decreased by 2.2% week-on-week, as traders assessed the latest weather forecasts and attention has turned to harvesting that is underway. US wheat prices decreased by 1.4% week-on-week, amid lingering concerns over domestic and global supplies, as well as widespread production concerns among some key overseas competitors. US soybean prices decreased by 1.8% week-on-week, ahead of the holiday weekend.

Spot price trends of major grains commodities

	1 year ago Week 35 (24-08-20 to 28-08-20)	Last week Week 34 (23-08-21 to 27-08-21)	This week Week 35 (30-08-21 to 03-09-21)	w-o-w % change
RSA White Maize per ton	R 3 067.60	R 3 210.40	R 3 055.20	-4.8%
RSA Yellow Maize per ton	R 3 033.60	R 3 396.40	R 3 232.80	-4.8%
USA Yellow Maize per ton	\$ 132.58	\$ 214.54	\$ 209.74	-2.2%
RSA Wheat per ton	R 5 174.00	R 5 675.00	R 5 857.00	3.2%
USA Wheat per ton	\$ 194.69	\$ 263.69	\$ 260.04	-1.4%
RSA Soybeans per ton	R 7 401.80	R 7 755.80	R 7 510.80	-3.2%
USA Soybeans per ton	\$ 335.86	\$ 487.81	\$ 479.08	-1.8%
RSA Sunflower seed per ton	R 6 090.00	R 9 818.40	R 9 175.00	-6.6%
RSA Sweet Sorghum per ton	R 3 900.00	R 4 230.00	R 4 230.00	0.0%
Crude oil per barrel	\$ 45.86	\$ 69.92	\$ 72.06	3.1%

Exchange Rate Movements



Europe Brent Spot Price FOB (Dollars per Barrel)



The rand appreciated by 3,3% against the US dollar week-on-week, as the dollar weakened on disappointing US economic data. The rand appreciated by 2,8% against the Pound Sterling week-on-week, as concerns relating to the UK economy began to weigh in. The rand appreciated by 2,6% against the Euro week-on-week, following a hawkish rhetoric from the European Central Bank officials ahead of a policy meeting on the 9th of September 2021.

Brent crude oil averaged \$72.06 week-on-week, 3.1% more than \$69.92 reported the previous week. Meanwhile, the Organization of Petroleum Exporting Countries (OPEC) and other producers including Russia agreed to continue with the phasing out of record production reductions by adding 400,000 barrels more per day (bpd) each month to the market. Furthermore, OPEC and other exporting countries raised its demand forecast for 2022.



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

Week 33 (16/08/2021 to 22/08/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 34 (23/08/2021 to 29/08/2021)	Units	Avg Purchase Price	Avg Selling Price
<b>Beef</b>							
Class A2	6 791	50.87	52.21	Class A2	8 850	51.07	52.32
Class A3	558	49.75	53.75	Class A3	750	50.45	53.48
Class C2	816	44.45	46.63	Class C2	644	45.60	46.97

Units sold for class A2 and class A3 beef increased by 30.3% and 34.4% respectively in the reporting week compared to the previous week, while units sold for class C2 beef decreased by 21% week-on-week. The weekly average purchase prices for class A2, A3 and C3 beef increased by 0.4%, 1.4% and 2.6% respectively in the reporting week compared to the previous week. During the same period, the weekly average selling prices for class A3 beef decreased by 0.5% in the reporting week compared to the previous week while, the weekly average selling price for class A2 and C2 beef increased by 0.2% and 0.7% respectively week-on-week. Historical seasonal trends suggest that beef prices could increase in the coming months however, due to the economic shocks in July, the increase in prices is expected to be muted and delayed. Beef prices are expected to increase in November when prices will benefit from an increase in demand due to the festive season.

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

Week 33 (16/08/2021 to 22/08/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 34 (23/08/2021 to 29/08/2021)	Units	Avg Purchase Price	Avg Selling Price
<b>Lamb</b>							
Class A2	5 409	93.90	94.27	Class A2	7 098	93.54	94.28
Class A3	913	90.66	91.09	Class A3	1 095	89.87	91.56
Class C2	351	71.91	76.70	Class C2	865	72.36	75.45

Units sold for class A2, A3 and C2 lamb increased by 31.2%, 19.9% and 146.4% respectively in the reporting week compared to the previous week. The weekly average purchase prices for class A2 and A3 lamb decreased by 0.4% and 0.9% respectively in the reporting week compared to the previous week while, the weekly average purchase price for class C2 lamb prices increased by 0.6% week-on-week. During the same period, the weekly average selling prices for class A2 and A3 lamb increased by 0.01% and 0.5% respectively in the reporting week compared to the previous week while, the weekly average selling price for class C2 lamb decreased by 1.6% week-on-week. Lamb prices are expected to increase in the coming three months ahead.

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

Week 33 (16/08/2021 to 22/08/2021)	Units	Avg Purchase Price	Week 34 (23/08/2021 to 29/08/2021)	Units	Avg Purchase Price
<b>Pork</b>					
Class BP	7 910	25.46	Class BP	8 519	25.47
Class HO	8 863	24.59	Class HO	7 927	24.65
Class HP	8 515	24.52	Class HP	8 255	24.48

Units sold for class HO and class HP pork decreased by 10.6% and 3.1% respectively in the reporting week compared to the previous week while, units sold for class BP pork increased by 7.7% week-on-week. Meanwhile, the weekly average purchase prices for class BP and class HO pork increased by 0.04% and 0.2% respectively in the reporting week compared to the previous while, the weekly average purchase price for class HP pork decreased by 0.2% week-on-week. Pork prices are expected to get demand support as an affordable meat option but that the price effect of this would be limited due to slower price growth in beef.

## Latest News Developments

Disruptions on critical trade routes in KwaZulu Natal caused by the unrest and the cyber-attack at the Transnet National Ports was reflected in the July trade numbers. The South African Revenue Services (SARS) reported that the trade surplus for July amounted to R37 billion, reflecting a reduction from a downwardly revised surplus of R54.5 billion (previously R57.7 billion) in June. Export values declined by 11.2% month-on-month (R18.3 billion m/m) while import values declined moderately, by 0.7% month-on-month (R809 million m/m). Exports of vehicles and equipment, precious or semi-precious stones, base metals and electrical equipment were the most affected by the disruptions to trade flow. Meanwhile, imports of base metals recorded significant declines while those of electrical equipment and vehicles as well as equipment increased at a slower pace. Mineral exports were the key drivers of the trade surplus. Nedbank expects the trade outlook to remain favourable on the back of strong global trade momentum with risks likely to emanate from domestic factors.

New vehicles sales recovered from the economic disruptions caused by the unrest in July 2021, as daily operations normalised. In addition, the country moved to adjusted lockdown level 3, which permitted more economic activities. During August, 41 425 units were sold, which is the highest since March and 24.6% higher than the same month last year. All categories of cars reported sales growth both on a monthly and annual basis. However, vehicle exports declined by 15.6% year-on-year in August 2021, following a 35.8% decline in July. Despite the large drop in exports, year to-date figures were still 36.3% higher than a year earlier. The upturn in the vehicle market is expected to continue in the coming months, supported by low interest rates and moderately firmer income growth. However, the upside in passenger sales, which accounts for over 60% of total vehicle sales will partly be contained by the fragile confidence, weighed down by poor employment prospects, the slow vaccine roll-out and an uncertain economic outlook.

The Department of Mineral Resources and Energy announced as from the 1st of September 2021, the price of both 93 and 95 unleaded and lead-replacement petrol will increase by 4 cents per litre. Diesel prices will drop by 15.22 cents per litre for 0.05% sulphur while 0.005% sulphur will drop by 14.22 cents per litre and paraffin will drop by 15 cents per litre. According to the Department of Mineral Resources and Energy, the price of petrol and diesel were largely determined by the oil price as well as the rand strength. Furthermore, the implementation of a slate levy contributed to September's prices, with an increase of 8.78 cents per litre implemented into the price structures of both petrol and diesel, in line with the Self-Adjusting Slate Mechanism rules effective from the 1st of September 2021. The slate levy is a mechanism implemented to finance under-recovery by the South African petroleum industry.

**For more information contact: Directorate Statistics & Economic Analysis (SEA) at HeidiP@daff.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.