



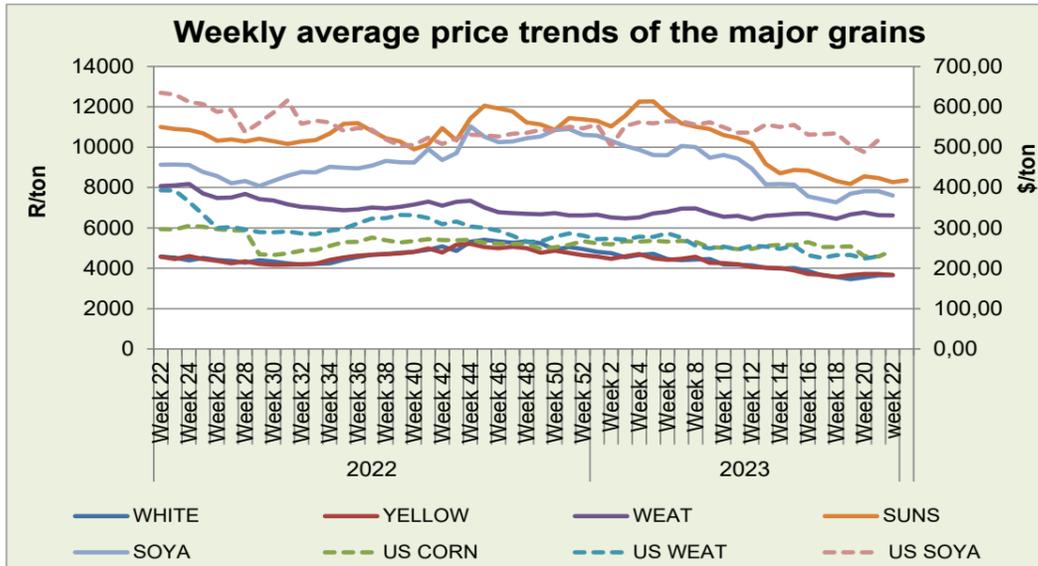
agriculture, land reform & rural development

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

Weekly Price Watch: 02 June 2023

Directorate: Statistics & Economic Analysis

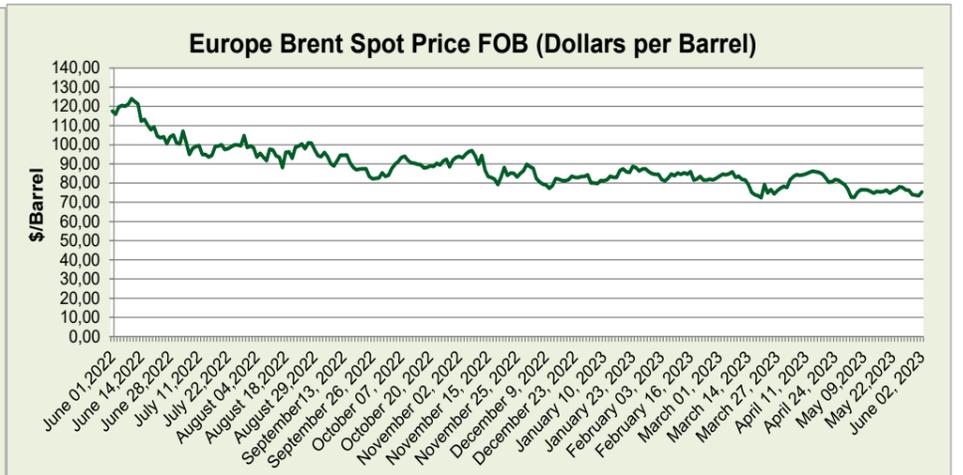
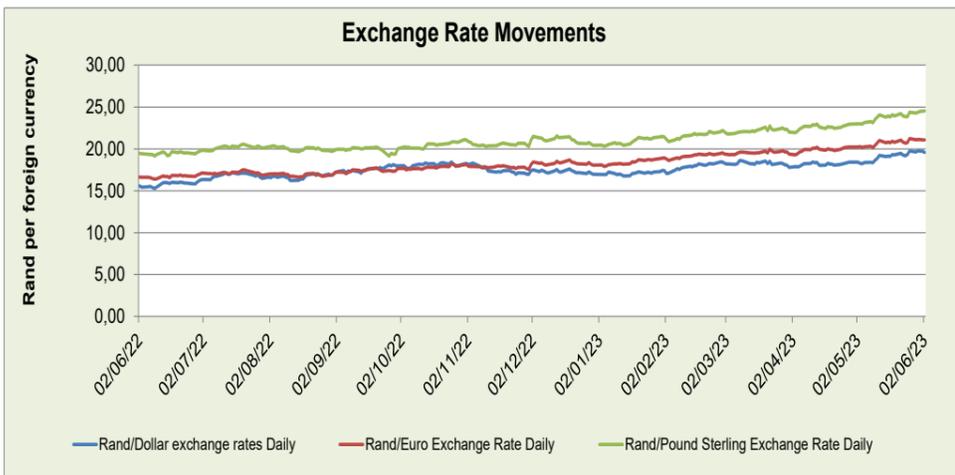
Sub-directorate: Economic Analysis



USA maize increased by 2.8% compared to the previous week. RSA maize market for both white and yellow maize followed the same trend and increased by 0.3% and 1.9%. Latest, CEC report last week projected a 5,3% decrease in area planted of maize for the non-commercial agricultural sector, non commercial contributes 48% of total production. The price of RSA wheat remained unchanged, whilst international wheat decreased marginally by 0.7%. The price of local soybeans decreased by 0.8%, while the international price increased by 0.6%. The price of sunflower also decreased by 1.4%; Locally, the recent rand weakness on the back of growth challenges amid load shedding as well as geopolitical tensions regarding Ukraine war has helped lift grain prices. However, harvest pressure continues to limit price gains.

Spot price trends of major grains commodities

	1 year ago Week 22 (30-05-22 to 03-06-22)	Last week Week 21 (22-05-23 to 26-05-23)	This week Week 22 (29-05-23 to 02-06-23)	w-o-w % change
RSA White Maize per ton	R 4 519,80	R 3 649,50	R 3 660,80	0,3%
RSA Yellow Maize per ton	R 4 570,40	R 3 712,75	R 3 783,20	1,9%
USA Yellow Maize per ton	\$296,65	\$228,95	\$235,80	2,8%
RSA Wheat per ton	R 8 808,00	R 6 633,00	R 6 633,40	0,0%
USA Wheat per ton	\$404,30	\$224,03	\$222,51	-0,7%
RSA Soybeans per ton	R 9 126,00	R 7 813,00	R 7 749,40	-0,8%
USA Soybeans per ton	\$629,56	\$487,96	\$485,00	-0,6%
RSA Sunflower seed per ton	R 10 989,80	R 8 262,50	R 8 143,40	-1,4%
RSA Sweet Sorghum per ton	-	-	-	-
Crude oil per barrel	\$117,86	\$76,94	\$74,58	-3,1%



This week the rand depreciated against the major currencies by 1,5%; 1,0% and 1,6% against the Dollar, Euro and Pound respectively. The rand reached new record lows earlier this week, after South Africa's decision to provide diplomatic immunity to Russian delegates (potentially including President Vladimir Putin) at the BRICS summit in August weighed on the currency. The SA Reserve Bank's warning about the potential threat of sanctions also hit the market.

Brent crude oil averaged \$74.58 week-on-week, down by 3.1% than \$76,94 reported the previous week, Russia continues to increase oil production against OPEC+ decision to cut global oil production. Additionally investors are uncertain about the decision of OPEC+ policy meeting to be held on Sunday the 04 May 2023.



National South African Price information (RMAA) : Beef

Week 20 (15/05/2023 to 21/05/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 21 (22/05/2023 to 28/05/2023)	Units	Avg Purchase Price	Avg Selling Price
Beef							
Class A2	7 585	53,04	57,47	Class A2	8 794	52,98	56,23
Class A3	824	53,45	54,55	Class A3	1 163	53,13	55,87
Class C2	445	45,51	47,44	Class C2	525	44,84	46,79

The quantities of beef sold this week for all classes of beef increased by 15.9%, 41.1% and 18.0% for class A2, class A3 and C2 respectively. The average producer prices decreased marginally for all classes of beef by 0.1%, 0.5% and 1.5% for class A2, A3 and C2 respectively. The market prices for class A2 and C2 also decreased by 2.2% and 1,4% respectively whilst the market price for class A3 increased by 2.4%. The decrease in beef prices underpinned by consumer income pressures because of the poor local economy and the effects of load-shedding which is disrupting traditional meat spending patterns.

National South African Price information (RMAA) : Lamb

Week 20 (15/05/2023 to 21/05/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 21 (22/05/2023 to 28/05/2023)	Units	Avg Purchase Price	Avg Selling Price
Lamb							
Class A2	12 709	85,10	85,42	Class A2	16 262	88,32	87,92
Class A3	1 455	83,67	84,47	Class A3	1 653	85,63	85,28
Class C2	1 441	56,67	61,63	Class C2	1 296	57,30	61,96

The quantities for lamb traded this week also for class A2 and A3 increased by 28.0%, 7.4%, whilst the units for class C2 declined by 10.1%. The producer prices for all classes increased this week, the price of A2 by 3.8%, class A3 by 2.3% and C2 by 1.2%. The market price for all classes of lamb also increased this week, the price of A2 by 2.9%, class A3 by 1.0% and C2 by 0,5%.

National South African Price information (RMAA) : Pork

Week 20 (15/05/2023 to 21/05/2023)	Units	Avg Purchase Price	Week 21 (22/05/2023 to 28/05/2023)	Units	Avg Purchase Price
Pork					
Class BP	10 930	29,33	Class BP	10 255	29,08
Class HO	7 508	29,23	Class HO	7 727	28,93
Class HP	8 117	28,90	Class HP	8764	28,72

The quantities of pork traded this week increased for class HO and HP by 2,9% and 8.0% , while units for class BP decreased by 6.2%. The producer prices for all classes of Pork decreased by 0.9,% 1.0% and 0.6% for class BP. Prices of pork continue to decrease as the subdued seasonal demand and increased availability weighed heavily on prices. Pork prices continued to trend below the R30/kg level for the second consecutive month but still 8.9% (+R2.41/kg) above the May 2022 level.

Latest News Developments

A highly pathogenic avian influenza (HPAI) outbreak has affected five commercial chicken farms in the Western Cape. Outbreaks were recorded at farms near Worcester, Malmesbury and Hopefield. The latest outbreak has resulted in at least 550 000 chickens being slaughtered and many more eggs being destroyed in attempts to contain the disease. According to general manager of the South African Poultry Association (SAPA), Izaak Breitenbach, this is the second bird flu outbreak to hit the region this year. The first one occurred in April, concerning the JSE-listed producer of Nulaid Eggs, Quantum Foods, which had to slaughter at least 420 000 birds to curb the disease's spread. The outbreak and the possibility of a further spread of the bird flu poses a considerable threat to job security for the sector. Additionally, shortage of eggs in the province will definitely cause some pricing pressure. Head of information and marketing at FNB Agribusiness Dawie Maree estimated the increase in egg prices in the Western Cape to be between 10% to 15%. The Department of Agriculture spokesperson Reggie Ngcobo said the affected farms were quarantined, which means that no animals and eggs are allowed to be removed from these farms. The department reassure consumers that commercial poultry meat and eggs are safe to eat. However, Care should, be taken when preparing food to avoid other food-borne pathogens. Ngcobo added that the department encouraged poultry farmers, including those who keep birds for non-commercial reasons, to "adhere to strict biosecurity measures to prevent the introduction of HPAI".

Free State Agriculture (FSA) has expressed serious concern about the impact of loadshedding on producers of red meat. Dr Jack Armour, FSA's commercial manager, reported to Farmer's Weekly that while retail meat prices were rising drastically, producer prices for weaners were 20% lower than a year ago. In May 2023, weaner prices hovered around R28/kg, compared with R40/kg in October/November last year. Because of the late rain in South Africa's 2023/24 summer grain production region, the harvesting season started later, which meant that grain stover for grazing became available later, increasing the supply of weaners. The implication of the current market environment is that farmers are producing beef at a 2023 cost base, but at best receive an income equivalent to 2018 prices." According to Farmer's Weekly the decrease in beef prices could be ascribed to a reduction in consumer spending because of the poor local economy, as well as the fact that people buy smaller portions to avoid possible wastage from load-shedding. Additionally, the feedlot industry has reached full capacity since the closures that followed earlier foot-and-mouth disease outbreaks, and this has also contributed to lower weaner prices. FSA president Wilken made an urgent appeal to the industry as well as government to open up more export markets for meat and allow producers to benefit from the weak exchange rate. Furthermore, biosecurity and traceability had to be revamped to keep the market open and create high confidence in South African meat.

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