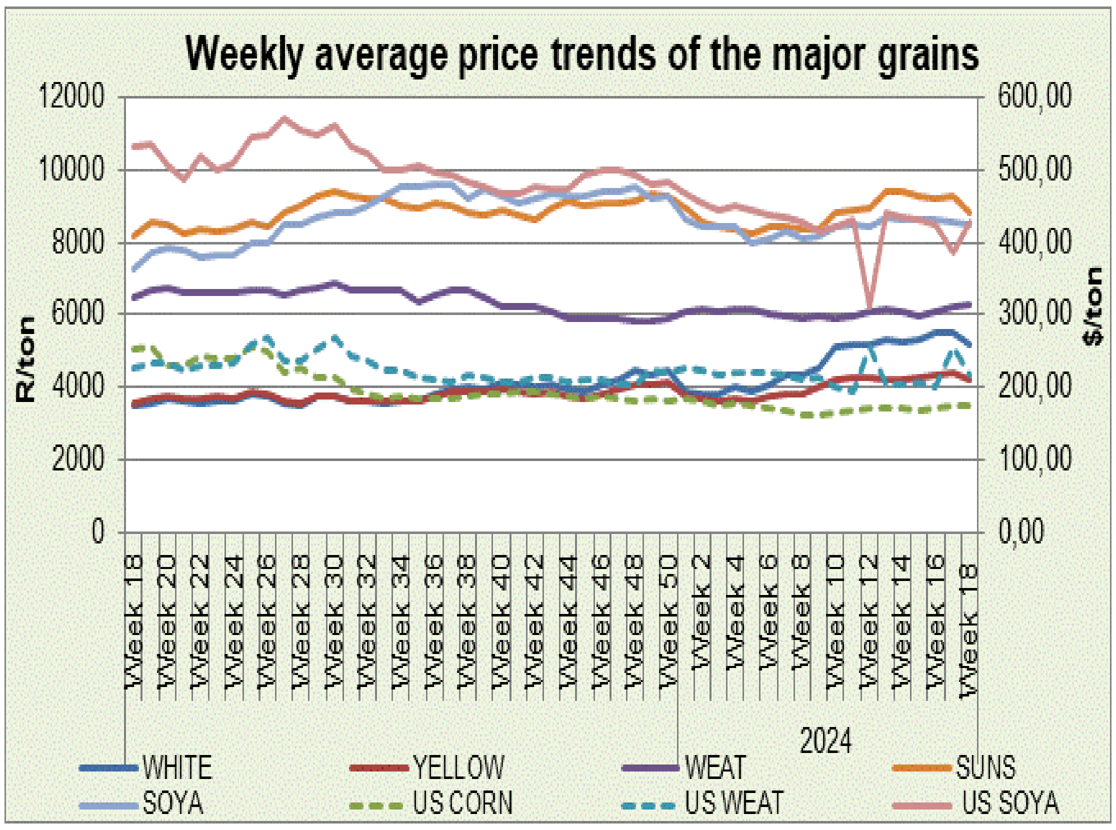
agriculture, land reform & rural development

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

Weekly Price Watch: 03 May 2024

Directorate: Statistics & Economic Analysis

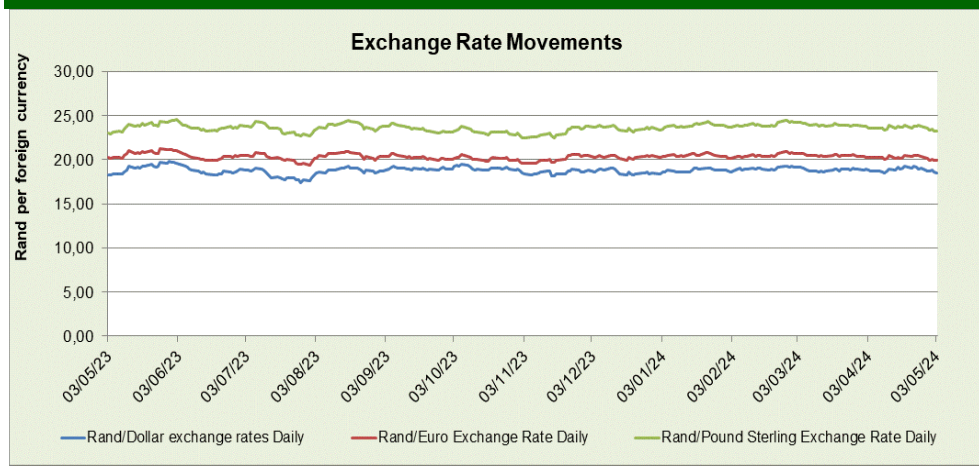
Sub-directorate: Economic Analysis



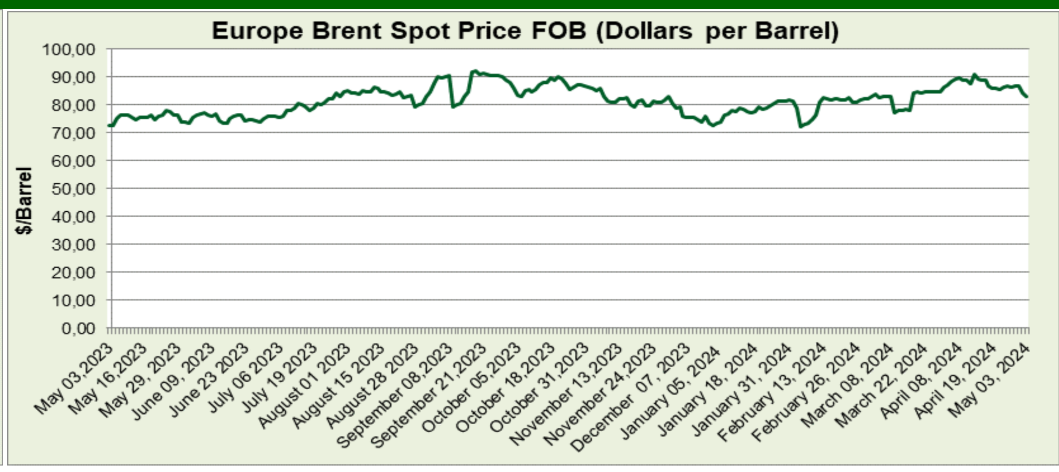
Grain market prices were mixed this week when compared to the previous week, International grain prices were higher, whilst South African grain market saw mostly lower prices with exception to RSA wheat prices. USA corn, wheat and soya increased by 1,1%, 1,7% and 0,4% respectively when compared to the previous week. According to the USDA report, the planting activity across the US is gaining momentum. As of 28 April 2024, US maize plantings were at 4% higher of the intended area when compared to last season`s in the same week. Likewise, US soybean plantings are at 2% higher of the intended area relatively to the previous season. RSA maize market for both white and yellow maize decreased by 5,5% and 3,8% respectively. According to the data released by the Crop Estimates Committee showed mild upward adjustments in the crop size from last month's figures, putting downward pressure to maize prices. This was unexpected after the sector have been through a challenging season of El Niño-induced drought and heatwave in February and March that weighed on the summer grains and oilseed harvest in various regions of the country. South Africa's 2023/24 summer grains and oilseed harvest is estimated at 16,0 million tonnes, up 1% from last month. RSA sunflower and soyabean followed the trend and decreased by 4,6% and 1,4% respectively to the previous week.

Spot price trends of major grains commodities

	1 year ago Week 18 (01-05-23 to 05-05-23)	Last week Week 17 (22-04-24 to 26-04-24)	This week Week 18 (29-04-24 to 03-05-24)	w-o-w % change
RSA White Maize per ton	R3 462,25	R5 484,80	R5 183,75	-5,5%
RSA Yellow Maize per ton	R3 570,75	R4 399,60	R4 232,25	-3,8%
USA Yellow Maize per ton	$252,84	$172,79	$174,64	1,1%
RSA Wheat per ton	R6 452,00	R6 250,80	R6 278,75	0.4%
USA Wheat per ton	$225.66	$213,26	$216,90	1,7%
RSA Soybeans per ton	R7 264.00	R8 580	R8 464,00	-1,4%
USA Soybeans per ton	$531.90	$426,77	$428,58	0,4%%
RSA Sunflower seed per ton	R8 173.00	R9 283,4	R8 851,75	-4,6%
Crude oil per barrel	$74,33	$86,24	$85,28	-1,1%



The rand appreciated against the dollar, Euro and Pound by 2,2%,2,2% and 1,6% respectively when compared to previous week. The rand gained strength after a purchasing managers' index showed that manufacturing activity had improved last month. South Africa's manufacturing sector PMI rose to 54.0 points in April from 49.2 in March, rising above the 50-point mark



The price of oil decreased by 1.1% this week relative to the previous week, This decrease was driven by rising US stockpiles, signalling increased supply and raising concerns about weakening demand. Additionally, optimism surrounding a potential ceasefire in the Middle East contributed to a reduction in the commodity's risk premium

National South African Price information (RMAA) : Beef

Week 16 (15/04/2024 to 21/04/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 17 (22/04/2024 to 28/04/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7963	54,91	54,46	Class A2	7868	54,92	55,88
Class A3	825	54,54	54,16	Class A3	859	54,78	56,89
Class C2	736	42,64	45,3	Class C2	627	42,36	45,26

The quantities of beef sold this week for classes A2 and C2 of beef decreased by 1,2% and 13,8% respectively while that of class A3 increased by 4.1% The average producer prices for class A2 and A3 increased marginally by 0,02% and 0,4% respectively whilst the producer price for class C2 decreased by 0,7% compared to the previous week. Likewise, the market prices for class of beef A2 and A3 increase by 2,6% and 5,0% respectively whilst market price for class C2 decreased by 0,1%.

National South African Price information (RMAA) : Lamb

Week 16 (15/04/2024 to 21/04/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 17 (22/04/2024 to 28/04/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	12875	84,66	84,88	Class A2	16248	83,62	84,44
Class A3	1406	81,3	83,31	Class A3	2220	80,38	82,31
Class C2	1150	55,48	60,32	Class C2	1614	54,66	60,64

The quantities for lamb traded this week for all classes increased A2, A3 and C2 increased by 26,2%, 57,9% and 40,3% respectively. The producer prices for all classes also decreased this week, the price of A2 by 1,2%, class A3 by 1.1% and C2 by 1.5%. The market price for classes A2 and A3 of lamb decreased by 0,5% and 1,2% relative to previous week, market prices for C2 class of lamb increased by 0,5% when compared to the previous week.

National South African Price information (RMAA) : Pork

Week 16 (15/04/2024 to 21/04/2024)	Units	Avg Purchase Price	Week 17 (22/04/2024 to 28/04/2024)	Units	Avg Purchase Price
Class BP	11028	30,98	Class BP	11759	30,80
Class HO	7 428	30,23	Class HO	6 989	30,06
Class HP	9162	30,57	Class HP	8903	30,46

The quantities of pork traded this week decreased for class HO and HP by 5,9% and 2,0% respectively whilst units sold class BP increased by 6,6%. The producer prices for all classes of BP, HO, HP decrease by 0,58%, 0,6% and 0,4% 2.9% respectively when compared to the previous week.

Latest News Developments

Foot-and-mouth disease (FMD) has been detected in the Eastern Cape, making it the fourth province in South Africa to have open cases of the disease. Director for Animal Health at the Department of Agriculture, Land Reform and Rural Development (DALRRD) Dr Mpho Maja confirmed that the outbreak occurred on 30 April on a farm in Humansdorp. The Eastern Cape Provincial Veterinary Services has placed the affected farm under quarantine and a full epidemiological investigation has commenced to identify the possible origin and any other properties that could be at risk. Immediate neighbours and all linked locations have also been placed under precautionary quarantine, pending clinical and serological investigation to determine their FMD status. This brings the number of active cases of FMD in South Africa to 167, across the Free State, Eastern Cape, KwaZulu-Natal and Mpumalanga. Cases in Gauteng, North West and Limpopo have been resolved and closed by the World Organisation for Animal Health.

The Department of Mineral Resources and Energy announced that as of 1 May, all grades of petrol will go up by 37c/ℓ, while wholesale diesel prices will drop by 30c for 0,05% sulphur and 36c/ℓ for 0,005% sulphur. In Gauteng, motorists will now pay R25,49ℓ for petrol and on the coast R24,70/ℓ. The wholesale price of diesel will be R22,15/ℓ inland provinces such as Gauteng and R21,36/ℓ in the coastal regions. Illuminating paraffin will see a reduction of 19c/ℓ while the price of LP gas will drop by 46c per kilogram. Growing geopolitical tensions in the Middle East and sustained production cuts by Opec+ countries were some of the main contributing factors to the petrol increase. However, diesel prices bucked the trend in international markets, decreasing as a result of seasonal changes as the Northern Hemisphere started moving away from the winter season. The diesel price changes will matter most for agriculture as planting season for winter crops is approaching, harvesting for citrus, and harvesting in the early planted summer crops regions. Decrease in diesel prices is also important for agribusiness transporting agricultural commodities and food products, as on average, 75% of national grains and oilseeds and a substantial share of other agricultural products are transported by road (AGBIZ).

The seasonally adjusted Purchasing Managers' Index surged to 54 in April 2024, up from 49.2 in the prior month, to signal a renewed expansion in South African factory activity, that was the strongest since March 2022. "The rebound comes from improved business activity, while better domestic demand filtered through to higher new sales orders. A full month of no load-shedding was likely positive for sustained business activity.", ABSA stated. The business activity index improved to 57.2 points from 44.5 in March, and new sales orders rose to 55.6 points in April, compared with 45.5 in March. Meanwhile, the index for expected business conditions in six months declined to 55.7 in April from 62.1 in March. On the price front, the purchasing price index declined slightly to 72.4 points from 74.6 in March.

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: DALRRD will not be liable for results of actions based on this price watch.