



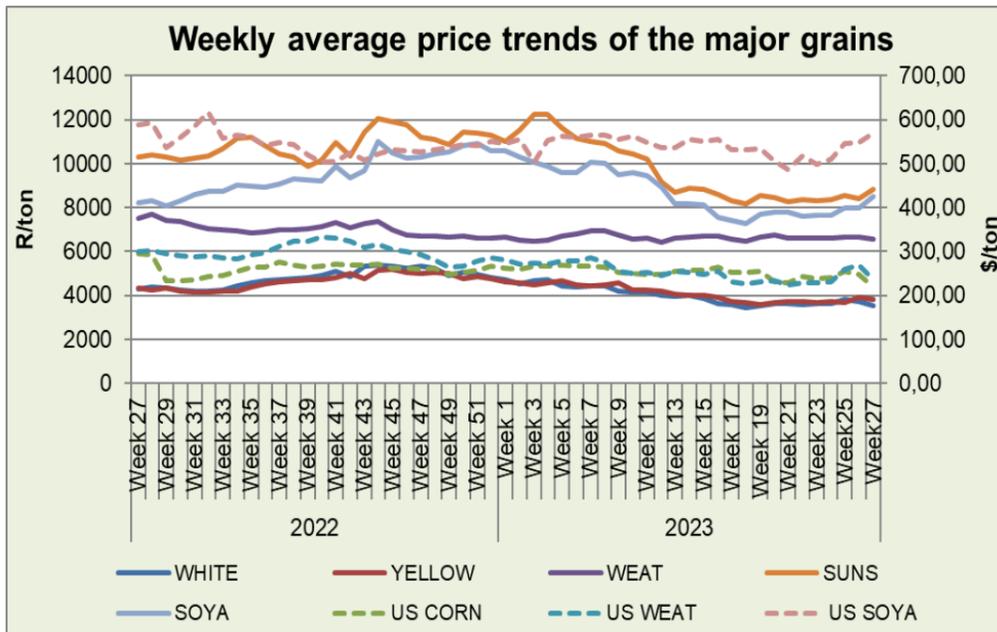
agriculture, land reform & rural development

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

Weekly Price Watch: 07 July 2023

Directorate: Statistics & Economic Analysis

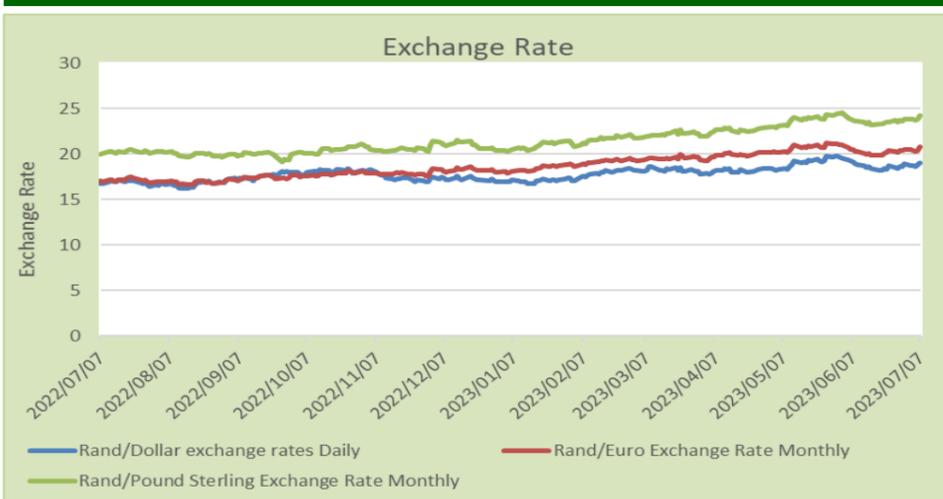
Sub-directorate: Economic Analysis



The International and local market traded marginally lower this week when compared to the previous week. The prices of domestic grains reported a decrease in prices of white maize, yellow maize and wheat decreasing by 5.4%, 5.6%, and 1.5% respectively, while price of soybeans and sunflower seed increased by 6.2% and 5.1% respectively when compared the previous week. Internationally, the grain price of US corn and US wheat decreased by 11.7% and 12.7% respectively, while the grain price of US soybean increased by 3.8% week on week. The Soybean and soybean oil futures posted strong gains last week Monday on top of the previous week Friday's soaring prices, still reacting to the US Department of Agriculture's surprise cut in estimated 2023 planted area for US soybeans. Wheat futures were mostly lower on the advancing winter wheat harvest and concerns about weak export demand for US wheat despite forecast stocks at 16-year lows.

Spot price trends of major grains commodities

	1 year ago Week 27 (04-07-22 to 08-07-22)	Last week Week 26 (26-06-23 to 30-06-23)	This week Week 27 (03-07-23 to 07-07-23)	w-o-w % change
RSA White Maize per ton	R4 279,80	R3 738,80	R3 535,80	-5,4%
RSA Yellow Maize per ton	R4 245,20	R3 811,40	R3 596,20	-5,6%
USA Yellow Maize per ton	\$294,16	\$248,26	\$219,17	-11,7%
RSA Wheat per ton	R7 499,60	R6 679,20	R6 576,20	-1,5%
USA Wheat per ton	\$299,28	\$269,40	\$235,31	-12,7%
RSA Soybeans per ton	R8 213,20	R7 992,60	R8 490,20	6,2%
USA Soybeans per ton	\$587,80	\$549,10	\$569,82	3,8%
RSA Sunflower seed per ton	R10 283,20	R8 403,20	R8 830,20	5,1%
Crude oil per barrel	\$100,09	\$74,57	\$75,96	1,9%



The South African rand depreciated by 0.9% against the US dollar, by 0.6% against the Euro and by 1.0% against the Pound sterling respectively. The rand and JSE took a big hit on last week as a surge in US private payrolls fuelled worries that US interest rates would stay higher for longer.

Brent crude oil price averaged \$75.96/barrel in the reporting week which is 1.9% higher than \$74.57/barrel reported in the previous week. The Brent crude oil prices increased slightly due to concerns about supply tightness in the U.S., following a larger-than-expected draw in crude and gasoline inventories.



National South African Price information (RMAA) : Beef

Week 25 (19/06/2023 to 25/06/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 26 (26/06/2023 to 02/07/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8970	48,84	51,99	Class A2	8858	48,4	51,22
Class A3	1196	51,63	54,17	Class A3	1067	50,61	52,02
Class C2	656	44,79	46,42	Class C2	590	44,61	46,04

Units sold for class A2, class A3 and class C2 beef decreased by 1.2%, 10.8% and 10.1% respectively in the reporting week compared to the previous week. The weekly average purchase prices for class A2, class A3 and class C2 beef decreased by 0.9%, 2.0% and 0.4% respectively week on week. The weekly average selling prices for class A2, class A3 and class C2 beef decreased by 1.5%, 4.0% and 0.8% respectively in the reporting week compared to the previous week.

National South African Price information (RMAA) : Lamb

Week 25 (19/06/2023 to 25/06/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 26 (26/06/2023 to 02/07/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	15849	90,07	89,64	Class A2	11 642	89,17	89,65
Class A3	1905	87,53	87,64	Class A3	1 749	85,52	87,52
Class C2	1422	60,96	65,23	Class C2	941	61,00	64,71

Units sold for class A2, class A3 and class C2 lamb decreased by 26.5%, 8.2% and 33.8% respectively in the reporting week compared to the previous week. The weekly average purchase prices for class A2 and class A3 lamb decreased by 1.0% and 2.3% respectively, while the unit sold for class C2 lamb increase by 0.1% week on week. The weekly average selling prices for class A2 lamb increased by 0.01%, whilst the average selling prices for class A3 and class C2 lamb decreased by 0.1% and 0.8% respectively in the reporting week compared to the previous week.

National South African Price information (RMAA) : Pork

Week 25 (19/06/2023 to 25/06/2023)	Units	Avg Purchase Price	Week 26 (26/06/2023 to 02/07/2023)	Units	Avg Purchase Price
Class BP	11347	28,83	Class BP	11726	28,77
Class HO	7656	28,45	Class HO	7325	28,31
Class HP	6829	28,16	Class HP	9159	28,22

Units sold for class BP and class HP pork increased by 3.3% and 34.1% respectively, while unit sold for class HO pork decreased by 4.3% in the reporting week compared to the previous week. Meanwhile, the weekly average purchase prices for class BP and class HO pork decreased by 0.2% and 0.5% respectively, while unit sold for class HP pork increased by 0.2% week on week.

Latest News Developments

The Department of Mineral Resources and Energy has published the official fuel price adjustments for July 2023. Petrol prices will be decreasing by 17 to 24 cents per litre, while diesel will be going up by 12 to 18 cents per litre. The average international product prices for Petrol, Diesel and Illuminating Paraffin increased during the period under review. The Rand appreciated against the US Dollar during the period under review, on average, when compared to the previous period. The average Rand/US Dollar exchange rate for the period 02 June 2023 to 29 June 2023 was 18.6825 compared to 18.9854 during the previous period. This led to a lower contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 19.77 c/l, 18.70 c/l and 18.91 c/l, respectively. In terms of the Working Rules to administer the BFP, the differentials between 95 and 93 petrol grades are adjusted at the beginning of each quarter. The BFP differentials between 95 and 93 petrol grades have changed, and therefore the different price adjustments between the two grades. In line with the provisions of the Self-Adjusting Slate Levy Mechanism, the Slate levy on petrol and diesel will remain at 0.00 c/l with effect from 05 July 2023.

According to Dr Mmatlou Kalaba, commodity market analyst at the Bureau for Food and Agricultural Policy, indicated that the cause for alarm over possible disruptions to South Africa's trade with the EU and the US was justified, but load-shedding and issues at domestic ports had more far-reaching consequences. Kalaba further highlighted that power loss due to load-shedding in just one shipment of fruit can spoil the whole load, costing billions of rands. It can wipe out a producer overnight. We've seen in the past that delays in getting shipments out, due to strikes or failing equipment, have similar effects. Nonetheless, losing market access remained a concern. Kalaba noted that in terms of World Trade Organisation obligations, to which the US and the EU were signatories, it was highly unlikely that South Africa would lose access to those markets completely. But it doesn't mean we'd have a free lunch. Although South Africa would still have access to the US market if we were excluded from the African Growth and Opportunity Act [AGOA], products would face far bigger trade barriers and potentially higher tariffs, making our products less attractive. Kalaba said the Middle East and African markets were a saving grace for South Africa. Together with Asia, these three markets have the potential to absorb any trade lost with the EU and the US, but trade protocols are different and in many cases still need to be negotiated.

South Africa relies heavily on imports for its rice requirements. Estimates indicate that South Africa imports 90% of its rice requirements. This exposes consumers to high prices in the event of global supply shocks, exchange rate fluctuations and outright export bans from major rice-producing countries as witnessed in 2020 at the height of the Covid-19 pandemic. In recent months there has been an increase in global rice prices influenced by limited global rice supplies. This coupled with the weak rand is likely to result in higher rice prices for the South African consumer. Rice is a summer crop mostly grown in paddy conditions. Small quantities of rice are currently grown in South Africa. Data from the United States Department of Agriculture's Rice Explorer shows that rice production in South Africa is mostly in KwaZulu-Natal (43%), the Free State (34%) and Limpopo (19%). The long-held view has been that rice is a water-intensive crop and it cannot be grown commercially because of water scarcity in South Africa. However, there is scientific evidence that suggests that there are dryland rice varieties that give good yields that can be grown commercially in South Africa.

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