



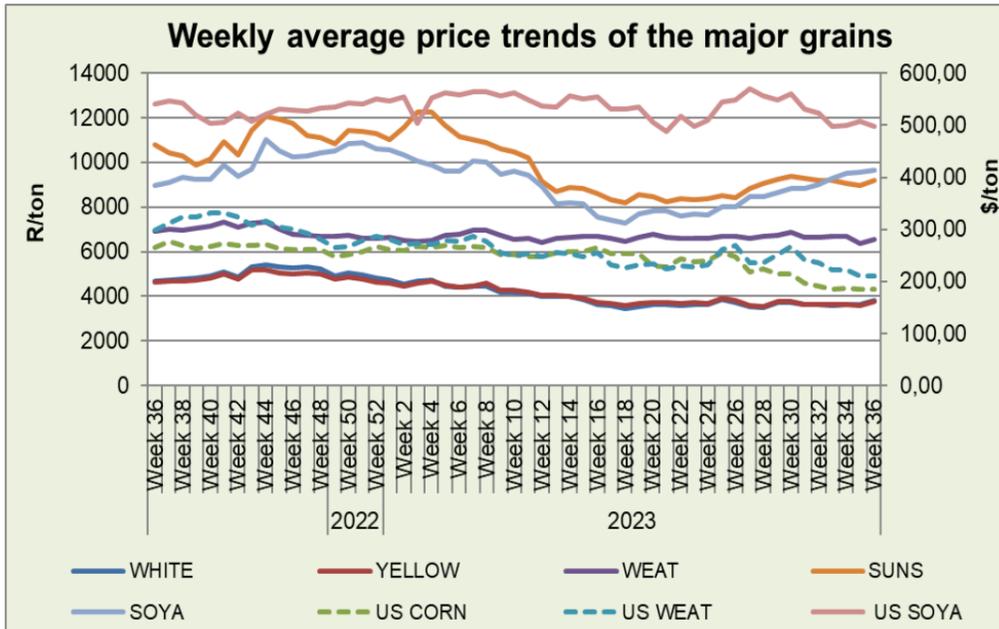
agriculture, land reform & rural development

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

Weekly Price Watch: 08 September 2023

Directorate: Statistics & Economic Analysis

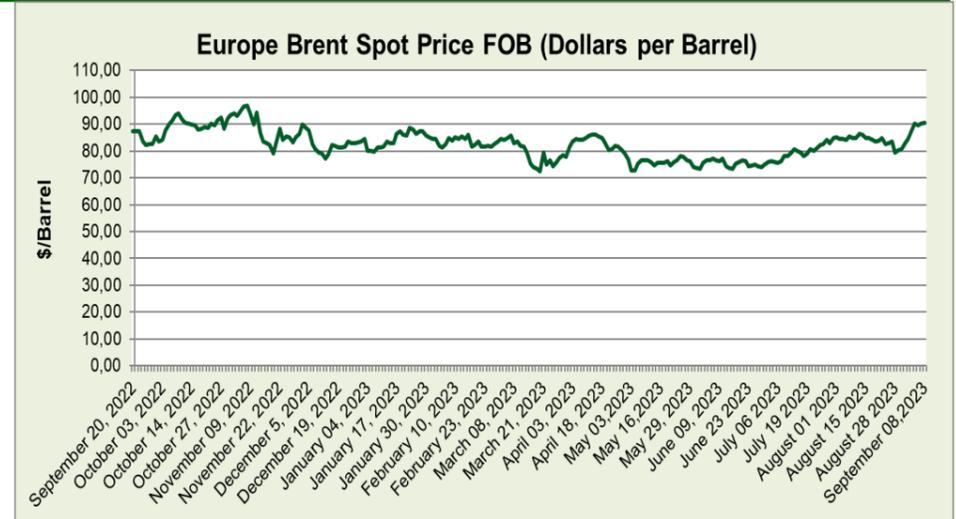
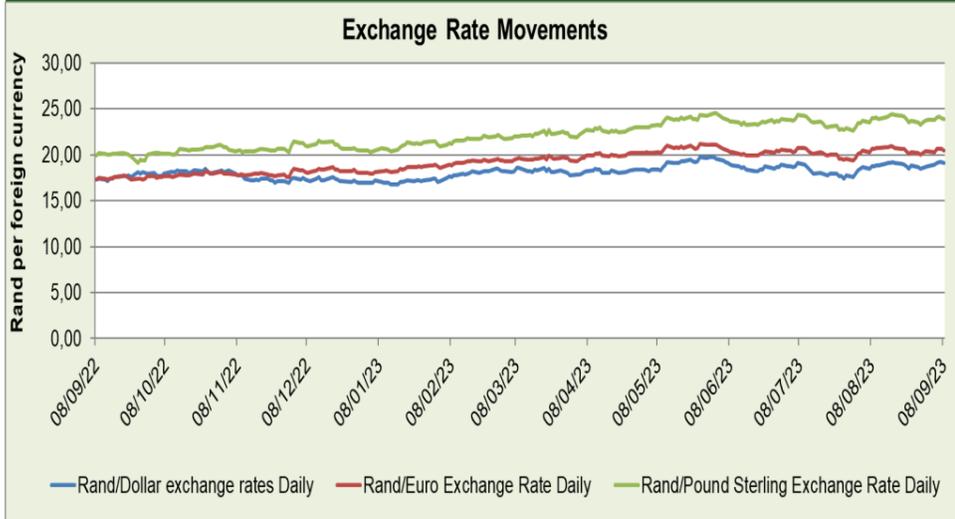
Sub-directorate: Economic Analysis



The global and local maize prices increased this week relative to the previous week. The outlook for USA maize has been revised downward from their previous forecast in August thus pushing-up prices. Again; the Black Sea corridor deal failure also impacted grain supply forecasts. The local maize price increased by 4,7% and 4.5% respectively, while the US maize price increased by 0.1%. The local wheat price increased by 2.7% due to the weaker rand, while the US wheat price decreased by 0.3%. The US price decreased as there is an estimation of excess wheat supply for animal feed internationally. The price of local soybeans increased by 0.7% again benefiting from the weak rand, while the US soybeans price decreased by 1.9% as record harvest is expected in Argentina. The price of sunflower increased by 2.4% compared to the previous week and no major sunflower movements are expected as the market awaits the release of US sunflower data on Tuesday.

Spot price trends of major grains commodities

	1 year ago Week 36 (05-09-22 to 09-09-22)	Last week Week 35 (28-08-23 to 01-09-23)	This week Week 36 (04-09-23 to 08-09-23)	w-o-w % change
RSA White Maize per ton	R4 664,00	R 3 618,40	R3 791,6	4,7%
RSA Yellow Maize per ton	R4 618,80	R 3 608.80	R3 769,8	4,5%
USA Yellow Maize per ton	\$265,50	\$ 184,32	\$184,41	0,1%
RSA Wheat per ton	R6 909,20	R 6 379.00	R6 553,8	2,7%
USA Wheat per ton	\$297,77	\$ 210,78	\$210,14	-0,3%
RSA Soybeans per ton	\$8 950,20	R 9 569,60	R9 632,8	0,7%
USA Soybeans per ton	\$540,28	\$ 507.02	\$497,26	-1,9%
RSA Sunflower seed per ton	R10 802,20	R 8 963.60	R9 180	2,4%
Crude oil per barrel	\$ 92,14	\$ 81.54	\$89,64	9,9%



The rand depreciated against the US dollar, Euro and Pound this week relative to the previous week. The Rand depreciated by 2.6%, 1.6% and 1.8% respectively. The rand was weak for most part of this week due to inter-alia; repeat of the country's worst rolling blackouts implemented by the state power utility Eskom

The price of oil increased by 9.9% compared to the previous week as there is expectations of tight supplies as Saudi Arabia and Russia extended supply cuts this week.



National South African Price information (RMAA) : Beef

Week 34 (21/08/2023 to 27/08/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 35 (28/08/2023 to 03/09/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 472	52,75	53,89	Class A2	8706	53,14	54,96
Class A3	1 246	52,89	53,51	Class A3	937	53,23	54,64
Class C2	742	46,40	47,51	Class C2	799	46,36	46,96

Units sold for Class A2 and C2 beef increased this week relative to the previous week, quantities increased by 2.8% and 7.7% respectively; whilst the units sold for class A3 beef decreased by 24.8%. The producer prices for class A2 and A3 increased by 0.7% and 0.6% respectively while the producer price for class C2 decreased by 0.1%. The market prices for class A2 and A3 increased by 2% and 2.1%, while class C2 prices decreased by 1.2%.

National South African Price information (RMAA) : Lamb

Week 34 (21/08/2023 to 27/08/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 35 (28/08/2023 to 03/09/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	13 799	85,21	86,17	Class A2	12414	85,48	85,92
Class A3	1 488	83,66	84,87	Class A3	1245	84,27	85,29
Class C2	1 028	63,18	66,81	Class C2	1070	62,65	65,96

The quantities traded for class A2 and A3 decreased by 10% and 16.3% respectively this week relative to the previous week, while class C2 quantities increased by 4.1%. The producer price for class A2 and A3 increased by 0.3% and 0.7%, while decreasing by 0.8% for class C2. The market prices for class A2 and C2 decreased by 0.3% and 1.3% while increasing by 0.5% for class A3.

National South African Price information (RMAA) : Pork

Week 34 (21/08/2023 to 27/08/2023)	Units	Avg Purchase Price	Week 35 (28/08/2023 to 03/09/2023)	Units	Avg Purchase Price
Class BP	11 189	32,97	Class BP	9640	33,70
Class HO	7 362	32,75	Class HO	7225	33,21
Class HP	8 688	32,27	Class HP	5569	33,16

Quantities of pork traded this week decreased for all classes reported. Class BP, HO and HP quantities decreased by 13.8%; 1.9% and 35.9% respectively relative to the previous week. The producer prices for all classes increased, Class BP, HO and HP prices increased by 2.2%, 1.4% and 2.8% respectively.

Latest News Developments

South African real gross domestic product (GDP) expanded by 0,6% in the second quarter (April–June) of 2023. This follows a 0,4% rise in the first quarter. Six industries on the supply side of the economy grew in the second quarter, with manufacturing and finance driving much of the upward momentum. On the demand side, the country benefitted from a sharp rise in investments in machinery and equipment, which included products related to renewable energy. Despite a decline in the overall household consumption, consumers continued to spend more on restaurants and hotels.

Association for Savings and Investment South Africa (Asisa), senior policy advisor Sunette Mulder said South Africa's collective investment schemes industry saw a net outflow of R10.4 billion, as under-pressure consumers turned to their unit trusts for financial relief. Unit trust portfolios are designed to give investors easy access to their money. As a result, when consumers are under pressure, and their emergency savings have been depleted, they are likely to turn to their unit trust investments for financial relief. Mulder said. "During the second quarter, the repo rate increased by 0.5% to a 14-year high of 8.25%, which placed an additional burden on consumers servicing debt like home loans and car repayments."

The FNB/BER Consumer Confidence Index (CCI) increased in the third quarter of 2023, despite the 9-index point rebound in the third quarter, the latest reading remains firmly in the depressed territory, signalling a low willingness to spend among consumers. SA consumers are expected to remain optimistic that slowing inflation will gradually taper down higher interest rates and improve conditions following a strong rebound in the economic outlook and an improvement in the time-to-buy durable goods in the third quarter of 2023.

Industry bodies unpack importance of continued Agoa access for local automotive industry. The African Growth and Opportunity Act (Agoa) Agoa has since 2001 allowed for duty- and quota-free exports from eligible sub-Saharan African countries into the US. It is an extension of the US Generalised System of Preferences and is subject to yearly congressional re-authorisation; which comes up for potential renewal before its expiry in 2025. Some of the latest added Agoa products include items such as apparel and footwear, wine, motor vehicles, selected additional automotive components, certain agricultural products, chemicals and steel.

Climate change pushes Bordeaux winemakers in France to harvest at night. In France's southern Bordeaux region, the grape harvest is often now done at night to ensure the peak freshness required to obtain the best wine but this is also a response to climate change. "Harvesting at night is done for the quality of the grapes, their freshness and taste." It is already a common practice in several winemaking countries with hot summers but one that is likely to become even more common as climate change accelerates.

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