



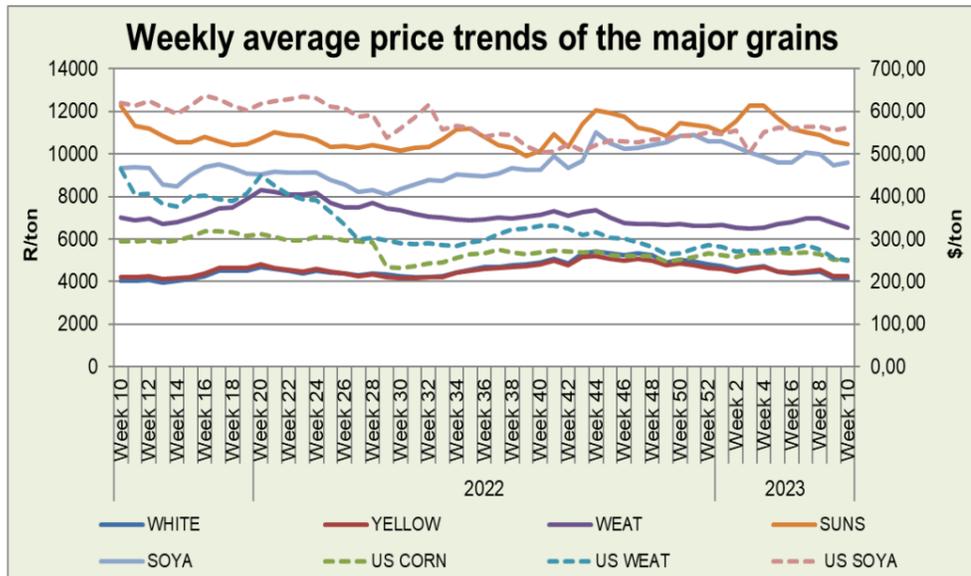
agriculture, land reform & rural development

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

Weekly Price Watch: 10 March 2023

Directorate: Statistics & Economic Analysis

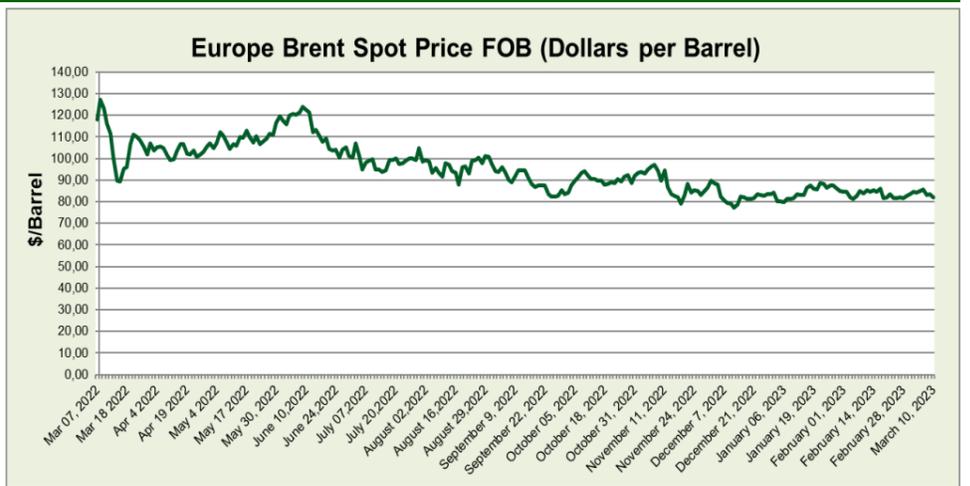
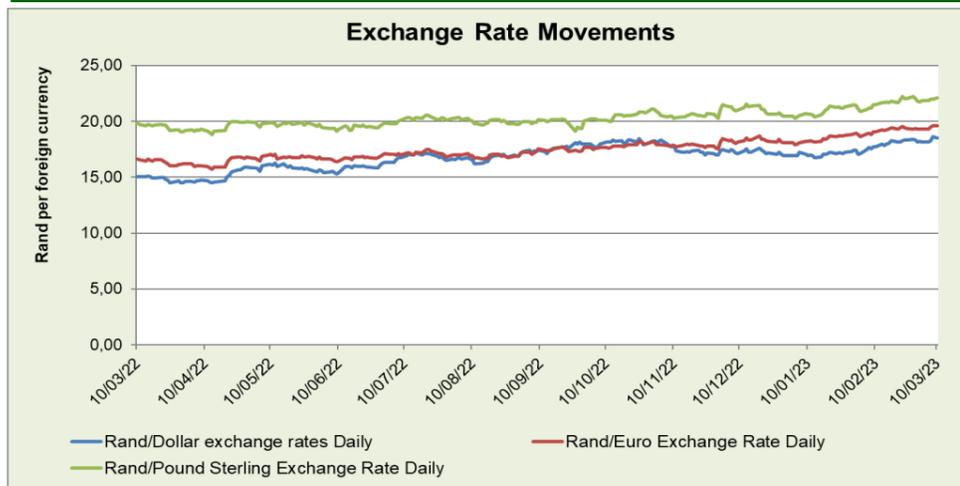
Sub-directorate: Economic Analysis



The International and local market traded marginally weaker this week when compared to the previous week. The prices of domestic grains reported a decrease which seen the prices of white maize, yellow maize, wheat and sunflower decreased by 0.3%, 0.4%, 2.7% and 1.3% respectively, while price of soybeans increased by 1.4% when compared the previous week. The soybeans prices were slightly higher last week due to the continued drought conditions and smaller projected crop size in Argentina. Commodity Weather Group says drought stress is now impacting more than 75% of Argentina corn and soybean acres and that is currently projected to narrow by only 10%. On the weather front, while global agricultural commodity prices have been trending downwards or in some cases sideways, persistently dry weather conditions in South America remain a key factor to watch with respect to the evolution of markets over the coming months.

Spot price trends of major grains commodities

	1 year ago Week 10 (07-03-22 to 11-03-22)	Last week Week 9 (27-02-23 to 03-03-23)	This week Week 10 (06-03-23 to 10-03-23)	w-o-w % change
RSA White Maize per ton	R 4 050.60	R 4 181.60	R 4 169.60	-0.3%
RSA Yellow Maize per ton	R 4 215.20	R 4 264.60	R 4 248.80	-0.4%
USA Yellow Maize per ton	\$ 295.47	\$ 251.95	\$ 250.73	-0.5%
RSA Wheat per ton	R 6 995.20	R 6 732.40	R 6 553.60	-2.7%
USA Wheat per ton	\$ 464.38	\$ 255.92	\$ 249.15	-2.6%
RSA Soybeans per ton	R 9 331.00	R 9 477.80	R 9 610.80	1.4%
USA Soybeans per ton	\$ 620.32	\$ 555.67	\$ 561.68	1.1%
RSA Sunflower seed per ton	R 12 291.60	R 10 597.20	R 10 455.80	-1.3%
Crude oil per barrel	\$ 119.18	\$ 83.36	\$ 83.86	0.6%



The South African rand depreciated by 0.99% against the US dollar, by 1.00% against the Euro and by 0.26% against the Pound sterling respectively. The rand depreciated against the major currencies for the past several months due to South Africa's worsening electricity which affects negatively the economic growth outlook of the country.

Brent crude oil price averaged \$83.86/barrel in the reporting week which is 0.6% higher than \$83.26/barrel reported in the previous week. The price of Brent Crude Oil rose on last week as a result of the weaker U.S. dollar, strike-disrupted fuel supply in France and a drop in U.S. crude inventories offset fears over the economic impact of rising interest rates.



National South African Price information (RMAA) : Beef

Week 8 (20/02/2023 to 26/02/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 9 (27/02/2023 to 05/03/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 867	54,41	57,31	Class A2	8 742	54,33	55,91
Class A3	958	54,61	55,82	Class A3	987	54,42	56,45
Class C2	626	48,30	49,65	Class C2	583	48,04	49,28

Units sold for class A2 and class C2 beef decreased by 1.4% and 6.9% respectively, whilst the unit sold for class A3 beef increased by 3.0% 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 0.1%, 0.3% and 0.5% respectively in the reporting week compared to the previous week. The weekly average selling prices for class A2 and class C2 beef decreased by 2.4% and 0.7% respectively, whilst the average selling prices for class A3 beef increased by 1.1% in the reporting week compared to the previous week.

National South African Price information (RMAA) : Lamb

Week 8 (20/02/2023 to 26/02/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 9 (27/02/2023 to 05/03/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	13 156	84,27	86,01	Class A2	16 158	84,71	85,40
Class A3	1 766	84,15	85,59	Class A3	1 890	83,98	83,94
Class C2	1 510	64,47	67,29	Class C2	1 613	63,57	69,17

Units sold for class A2, class A3 and class C2 lamb increased by 22.8%, 7.0% and 6.8% respectively in the reporting week compared to the previous week. The weekly average purchase prices for class A2 lamb increased by 0.5%, whilst class A3 and class C2 lamb decreased by 0.2% and 1.4% respectively in the reporting week compared to the previous week. The weekly average selling prices for class A2 and class A3 lamb decreased by 0.7% and 1.9% respectively, whilst the average selling prices for class C2 increased by 2.8% in the reporting week compared to the previous week.

National South African Price information (RMAA) : Pork

Week 8 (20/02/2023 to 26/02/2023)	Units	Avg Purchase Price	Week 9 (27/02/2023 to 05/03/2023)	Units	Avg Purchase Price
Class BP	11 218	34,42	Class BP	12 509	32,77
Class HO	7 093	33,73	Class HO	6 898	32,72
Class HP	5 415	33,78	Class HP	8 170	32,54

Units sold for class BP and HP class pork increased by 11.5% and 50.9% respectively in the reporting week compared to the previous week whilst, units sold for class HO pork decreased by 2.7% week-on-week. Meanwhile, the weekly average purchase prices for class BP, class HO and class HP pork decreased by 4.8%, 3.0% and 3.7% respectively in reporting week compared to the previous week.

Latest News Developments

The full impact of rolling blackouts on food security over the past few months is still to come, with many staples in the shops currently still being drawn from previous harvests. In short, tougher times for food security are coming. It is beyond dispute that every sector of the South African economy has suffered from the impact of rolling blackouts. But agriculture has suffered disproportionately, with numerous commodities under severe strain. While food security is often discussed in relation to the blackouts, the extent and severity of the challenge and its likely impact on the country are not always fully understood. Load shedding of electricity could well become load shedding of food for many people if more urgent interventions are not taken. The statistics for jobs and economic growth for quarter four of last year have recently been released, and paint a picture of a sector dealing with immense pressures. The agriculture sector's growth contracted by 3.3% in the last quarter of 2022, well above the overall 1.3% reduction. In the same quarter, it shed 12,000 jobs. Every business ought to be able to operate in an environment that enables it to prosper. Unfortunately, the South African context has drifted more towards business survival. While every single business in South Africa is important in our context of grinding unemployment, poverty and low growth, the public and decision makers need to be cognisant that not every sector contributes to the provision of a necessity for human (and other) life in the way that the agricultural sector does with the provision of food.

Agriculture was the strongest performing sector of South Africa's economy through 2020 and 2021, but a myriad of challenges contributed to much reduced growth of only 0.3% in 2022. According to BFAP "While revenue performance was strong in both animal products and field crops, input costs increased sharply for the second consecutive year, bringing margins under pressure. Severe cash flow constraints, together with the far-reaching impact of loadshedding, is likely to affect marketable volumes and consequently also revenue performance of many agricultural products in 2023".

Climate-smart agriculture: Africa needs solutions, farmers are seeing the impacts of climate change in their orchards, farm fields, and pockets, which is why urgent solutions are required. The Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN) hosted the climate change event, at the Future Africa Campus at the University of Pretoria. According to Minister Didiza government is hard at work responding to the effects of climate change on agriculture, "Our response as a country to these challenges and disasters which are associated with an increase in climate variability and change, is guided by our national legislative mandate. The South African agricultural sector is mandated to respond to these challenges through sector response measures that includes developing and implementing effective policies, plans and strategies in a properly coordinated manner." It is indeed a stark realisation that without addressing climate change through adaption and mitigation measures, we run the risk of having food insecurity. Pointing to recent floods in Mpumalanga, Limpopo, and heavy rainfall in KwaZulu-Natal, said Minister Didiza climate change is undeniable.

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