



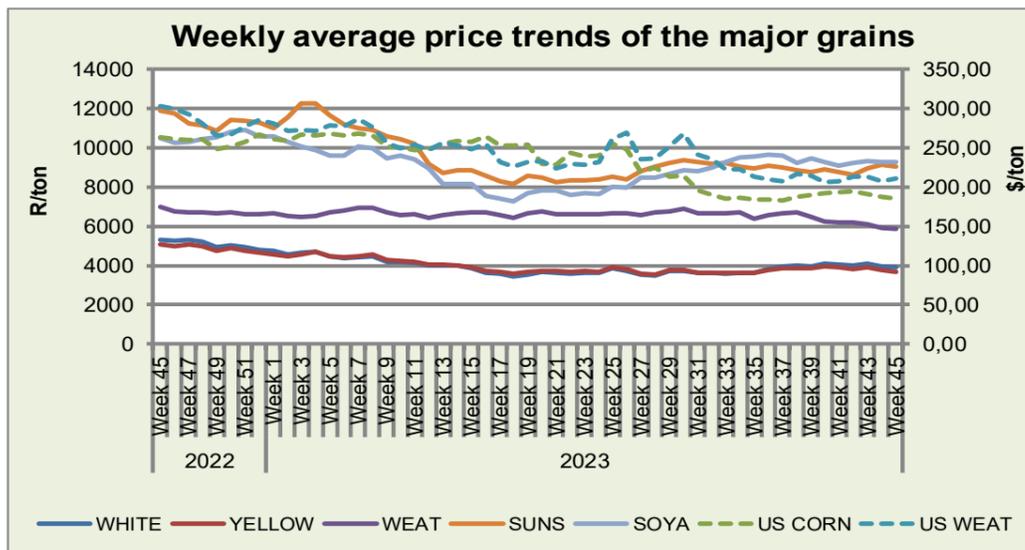
agriculture, land reform & rural development

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

Weekly Price Watch: 10 November 2023

Directorate: Statistics & Economic Analysis

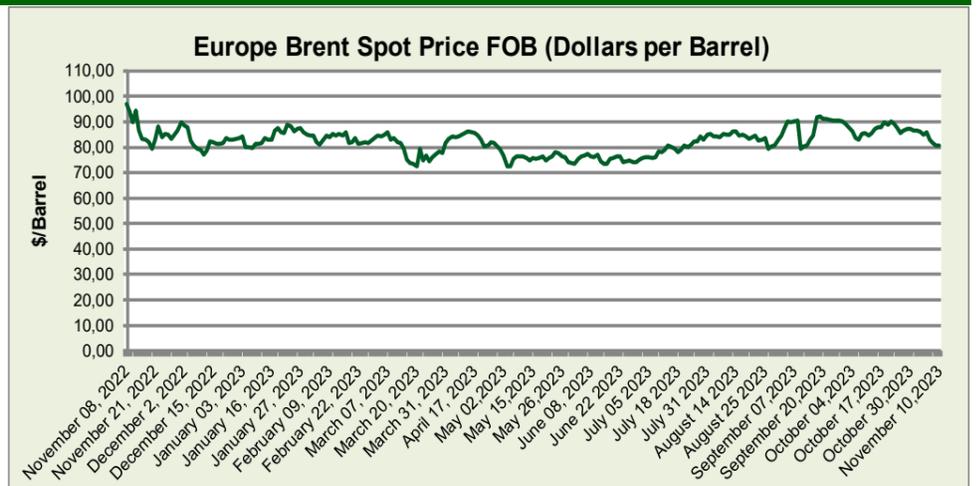
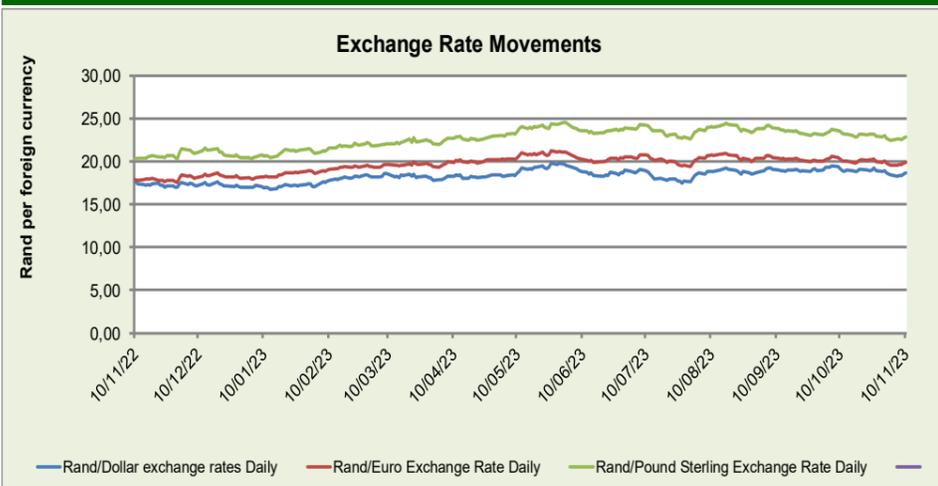
Sub-directorate: Economic Analysis



The domestic grain market witnessed variations in the week in contrast to the preceding week, mainly driven by the exchange rate and ongoing global events which continue to dominate markets. Local white and yellow maize prices dropped by 0.9% and 2.2% respectively in the reporting week compared to the previous week, while local wheat and sunflower seed prices decreased by 0.6% and 1.1% respectively week-on-week. Meanwhile, the local soybean price increased by 0.3%, supported by the rand's resistance against the dollar. On the international front, US yellow maize price decreased by 1.0% week-on-week, pressured by the US harvest pace, after the US Department of Agriculture's supply and demand report had a dampening effect on the corn market. US wheat price increased by 1.6% week-on-week, due to a notable rise in US export sales. US soybean price increased by 3.6% week-on-week, on strong US demand and adverse weather conditions in top exporter Brazil as well as robust Chinese demand.

Spot price trends of major grains commodities

	1 year ago Week 45 (07-11-22 to 11-11-22)	Last week Week 44 (30-10-23 to 03-11-23)	This week Week 45 (06-11-23 to 10-11-23)	w-o-w % change
RSA White Maize per ton	R 5 324,80	R 3 932,40	R 3 897,40	-0.9%
RSA Yellow Maize per ton	R 5 053,60	R 3 746,80	R 3 664,80	-2.2%
USA Yellow Maize per ton	\$ 263,10	\$ 187,58	\$ 185,76	-1.0%
RSA Wheat per ton	R 7 008,80	R 5 920,00	R 5 885,60	-0.6%
USA Wheat per ton	\$ 303,55	\$ 207,57	\$ 210,89	1.6%
RSA Soybeans per ton	R 10 513,80	R 9 261,00	R 9 284,80	0.3%
USA Soybeans per ton	\$ 530,98	\$ 474,87	\$ 491,78	3.6%
RSA Sunflower seed per ton	R 11 913,40	R 9 134,40	R 9 031,80	-1.1%
RSA Sweet Sorghum per ton	-	-	-	-
Crude oil per barrel	\$ 94,32	\$ 86,32	\$ 82,46	-4.5%



The rand appreciated by 1.7% against the US dollar week-on-week, as optimism surrounding the US Federal Reserve's decision to keep interest rates unchanged offered support. The rand appreciated by 0.4% against the Pound Sterling week-on-week, mostly in response to certain cautious remarks made by a policymaker from the Bank of England (BoE). The rand appreciated by 0.6% against the Euro week-on-week, on speculation that the Bank of England might be considering another interest rate hike.

Brent crude oil averaged \$82,46 week-on-week, which is 4.5% less than \$86.32 reported the previous week. Concerns over weakening demand were heightened this week as China reported disappointing economic data. Refiners in China, the largest buyer of crude from Saudi Arabia have requested reduced supply for the upcoming month of December.



National South African Price information (RMAA) : Beef

Week 43 (23/10/2023 to 29/10/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 44 (30/10/2023 to 05/11/2023)	Units	Avg Purchase Price	Avg Selling Price
Beef							
Class A2	9 534	53,56	55,85	Class A2	9 478	53,61	55,86
Class A3	1 046	53,29	55,71	Class A3	930	53,25	54,00
Class C2	744	46,51	48,66	Class C2	500	45,91	47,76

Units sold for class A2, class A3 and class C2 beef decreased by 0,6%, 11.1% and 32.8% respectively in the reporting week compared to the previous week. The decrease in the beef units sold could be attributed to supply tightness. Meanwhile, the weekly average purchase prices for class A3 and class C2 beef decreased by 0.1% and 1.3% respectively in the reporting week compared to the previous week, whilst the weekly average purchase price for class A2 increased marginally, by 0.1% week-on-week. Similarly, the weekly average selling prices for class A3 and class C2 decreased by 3.1% and 1.8% respectively in the reporting week compared to the previous week, whilst the weekly average selling price for class C2 beef increased marginally week-on-week. According to seasonal patterns, expectations are that beef prices will remain stable throughout this month and will gradually rise until the festive season. However, in January 2024, prices are expected to decrease due to a decrease in demand.

National South African Price information (RMAA) : Lamb

Week 43 (23/10/2023 to 29/10/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 44 (30/10/2023 to 05/11/2023)	Units	Avg Purchase Price	Avg Selling Price
Lamb							
Class A2	16 688	84,84	84,84	Class A2	13 078	84,36	85,60
Class A3	1 519	83,51	85,18	Class A3	1 544	83,41	84,26
Class C2	1 178	60,13	65,45	Class C2	1 101	59,43	65,37

Units sold for class A2 and class C2 lamb decreased by 21.6% and 6.5% respectively in the reporting week compared to the previous week, largely due to subdued demand amid tough economic conditions, whilst units sold for class A3 lamb increased by 1.6% week-on-week. During the same period, the weekly average purchase prices for class A2 lamb, class A3 and class C2 lamb decreased by 0.6%, 0.1% and 1.2% respectively in the reporting week compared to the previous week. Meanwhile, the weekly average selling price for class A3 and class C2 lamb decreased by 1.1% and 0.1% respectively in the reporting week compared to the previous week, whilst the weekly average selling price for class A2 beef increased by 0.9% week-on-week. Local lamb prices continue to face downward pressure due to the financial constraints experienced by consumers. However, prices are expected to increase modestly as the festive season approaches.

National South African Price information (RMAA) : Pork

Week 43 (23/10/2023 to 29/10/2023)	Units	Avg Purchase Price	Week 44 (30/10/2023 to 05/11/2023)	Units	Avg Purchase Price
Pork					
Class BP	10 634	37,79	Class BP	10 604	37,82
Class HO	4 473	36,93	Class HO	6 627	36,61
Class HP	6 762	37,09	Class HP	7 815	36,86

Units sold for class HO and class HP pork increased by 48.2% and 15.6% respectively in the reporting week compared to the previous week, whilst units sold for class BP pork decreased by 0.3% week-on-week. Meanwhile, the weekly average purchase prices for class HO and class HP pork decreased by 0.9% and 0.6% respectively in reporting week compared to the previous week, whilst units sold for class BP pork increased by 0.1% week-on-week. Pork prices strengthened due to a surge in demand from consumers seeking economical sources of meat protein.

Latest News Developments

President Cyril Ramaphosa, in his weekly newsletter highlighted the immense potential of the African Growth and Opportunity Act (Agoa) to significantly contribute to the diversification of African economies. He emphasized the need for more effective utilization of Agoa and its extension beyond 2025. Ramaphosa highlighted the various benefits of Agoa, including increased economic activity, job creation, and the opportunity for countries to expand their product range by utilizing their abundant minerals, metals, and agricultural goods. He also emphasized that Agoa has the potential to promote the development of value chains across different countries, reduce Africa's reliance on primary commodities, and enhance its participation in global value chains. Additionally, Ramaphosa emphasized the importance of Agoa's technical assistance component, which supports African countries in meeting the requirements for accessing the US market and improving their competitiveness. He reiterated Africa's long-standing advocacy for the integration of continental economies and highlighted Agoa as a catalyst for regional integration among African countries. Ramaphosa emphasized the need for countries to collaborate in order to fully capitalize on the benefits of Agoa, including enhancing production capacities, standardizing regulations, and establishing regional value chains. He emphasized that such cooperation fosters economic integration, cooperation, and the expansion of larger regional markets within Africa.

The South African presidency has identified a shortage of skilled workers as a major obstacle to economic growth in the country. This shortage is not only limiting job creation but also causing some foreign investors to consider moving their investments elsewhere. According to the presidency, this shortage is the second biggest impediment to economic growth, following the issue of crippling power outages. The shortage of skilled workers is particularly severe in fields such as engineering, science, information technology, and management-level positions. A government report has called for urgent reforms to the visa system in order to address this issue. The Presidency has put forth a range of recommendations, which includes the implementation of a points system and a trusted employer program, which would subject larger companies to less scrutiny.

Despite challenges such as a decreasing national vineyard surface area and instances of frost and flood damage in certain regions, the wine industry remains optimistic about the new season's potential. This is according to Rico Basson, CEO of South African Wine. According to Basson, continuous innovation at the farm level and favourable winter conditions could lead to success for producers in 2024. Furthermore, making informed decisions and being agile in utilizing the season's potential will be crucial. Meanwhile, industry bodies such as Vinpro and South African Wine Industry Information and Systems (Sawis) reported that the cool, wet conditions of the 2023 harvest continued into autumn, providing much-needed relief for vine recovery. Furthermore, Etienne Terblanche, head of consultation services at Vinpro indicated the winter season was excellent, with sustained low temperatures and above-average rainfall. According to Terblanche, while some vineyards on riverbanks were impacted by flood damage, the extent of the damage and its effect on production will only become clear later in the season.

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