



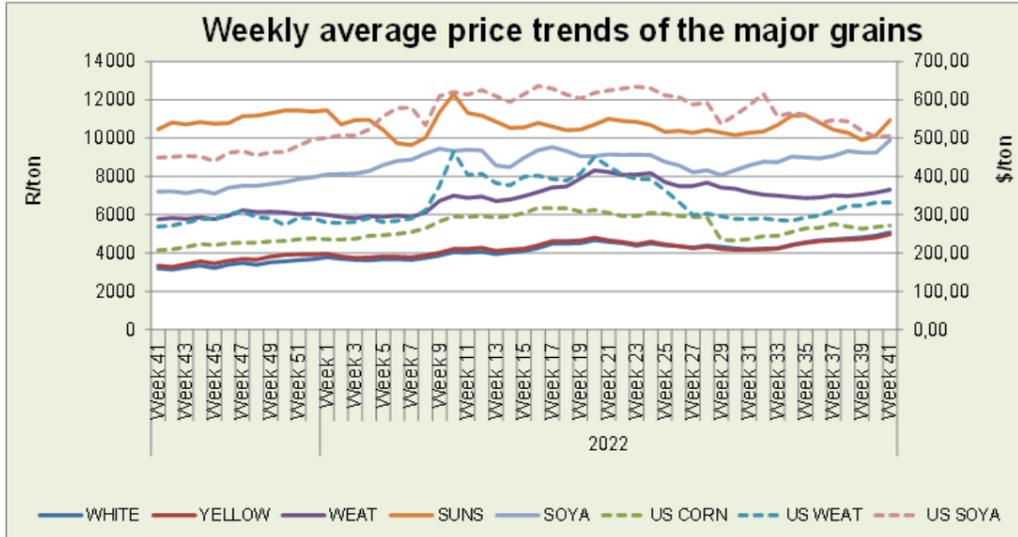
agriculture, land reform & rural development

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

Weekly Price Watch: 14 October 2022

Directorate: Statistics & Economic Analysis

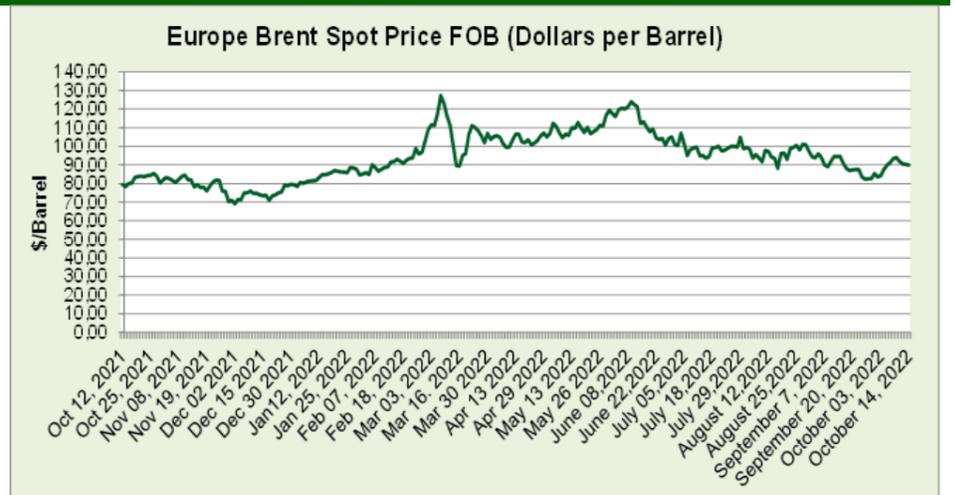
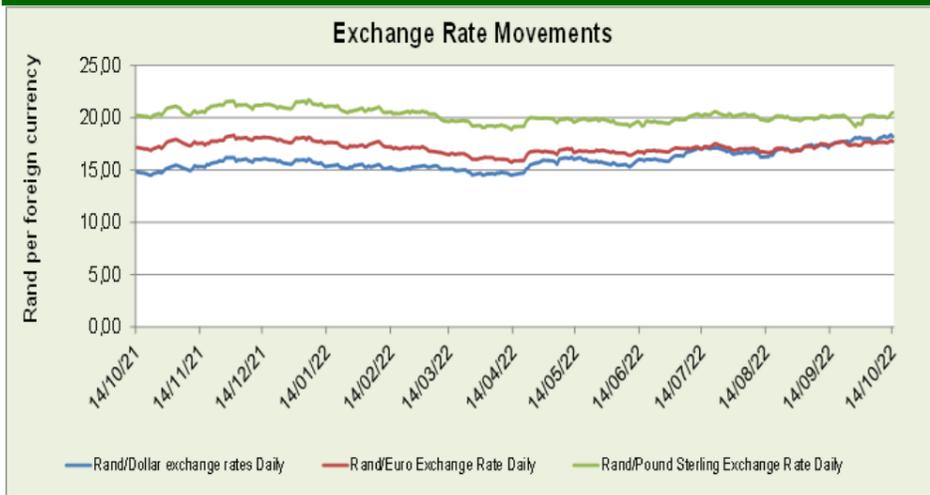
Sub-directorate: Economic Analysis



Domestic grain prices strengthened for two consecutive weeks this week compared to the previous week. Local white, yellow maize, wheat, sunflower and soybean prices increased by 3.4%, 3.6%, 2.1%, 7.9% and 7.1% respectively this week compared to the previous week. On the international front, US yellow maize and soybean prices increased by 1.6% and 0.5% respectively this week compared to the previous week. During the same period US wheat price decreased slightly by 0.1%, as US futures fell on Friday surrendering all the prior sessions gains on a stronger dollar and hopes of progress in negotiations to maintain a Ukrainian Black Sea grain export corridor. On Thursday, wheat surged after Russian's Geneva UN ambassador told Reuters that Moscow could reject a renewal of the deal that allowed wartime exports from Ukraine's Black Sea ports.

Spot price trends of major grains commodities

	1 year ago Week 41 (11-10-21 to 15-10-21)	Last week Week 40 (03-10-22 to 07-10-22)	This week Week 41 (10-10-22 to 14-10-22)	w-o-w % change
RSA White Maize per ton	R 3 200.60	R 4 911.00	R 5 077.00	3.4%
RSA Yellow Maize per ton	R 3 343.80	R 4 811.60	R 4 983.40	3.6%
USA Yellow Maize per ton	\$ 207.23	\$ 267.74	\$ 272.11	1.6%
RSA Wheat per ton	R 5 760.60	R 7 154.60	R 7 306.40	2.1%
USA Wheat per ton	\$ 268.92	\$ 331.97	\$ 331.68	-0.1%
RSA Soybeans per ton	R 7 210.20	R 9 240.00	R 9 898.80	7.1%
USA Soybeans per ton	\$ 449.14	\$ 503.36	\$ 505.77	0.5%
RSA Sunflower seed per ton	R 10 455.80	R 10 147.40	R 10 945.20	7.9%
Crude oil per barrel	\$ 79.46	\$ 89.22	\$ 91.33	2.4%



The rand depreciated by 9.5% and 4.0% against the US dollar and Euro respectively, while rand appreciated by 0.4% against the Pound Sterling this week compared to the previous week. The rand hit R18.36/\$ on Thursday morning – its weakest level since April 2020 as the dollar rally continued. By lunchtime on Thursday, the rand recovered slightly to R18.27, but it continued to be sharply lower against the pound (R20.36) and the euro (R17.76).

Brent crude oil averaged \$91.33, which is 2.4% more than \$89.22 reported the previous week, The Organization of the Petroleum Exporting Countries Plus (OPEC) expect global oil demand to fall by 0.5 million barrels a day in 2022. The group also lowered its 2023 forecast, citing new Covid-19 curbs in China. OPEC+ last week cut its oil output by 2 million barrels a day, starting November. OPEC is expecting oil demand to fall as the global economic outlook worsens.



National South African Price information (RMAA) : Beef

Week 39 (26/10/2022 to 02/10/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 40 (03/10/2022 to 09/10/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 579	61,07	66,44	Class A2	8 180	61,27	61,17
Class A3	727	58,24	65,16	Class A3	646	59,33	61,56
Class C2	501	48,86	53,84	Class C2	811	51,48	54,50

Units sold for class A2 and class C2 beef increased for two consecutive weeks by 7.9% and 61.9% respectively in the reporting week compared to the previous week, while the units sold for class A3 beef decreased by 11.1%. The weekly average purchase prices for class A2, class A3 and class C2 beef increased by 0.3%, 1.9% and 5.4% respectively this week compared to the previous week. During the same period, the weekly average selling prices for class A2 and class A3 beef decreased by 7.9% and 5.5% respectively, after recorded an increase in the previous week. Meanwhile the weekly average selling price for class C2 increased for two consecutive weeks by 1.2%.

National South African Price information (RMAA) : Lamb

Week 39 (26/10/2022 to 02/10/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 40 (03/10/2022 to 09/10/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 095	89.61	89.36	Class A2	9 410	85.34	87.83
Class A3	738	86.85	87.49	Class A3	1 005	84.10	85.72
Class C2	205	74.55	75.19	Class C2	952	68.75	70.03

All units sold for class A2, A3 and C2 lamb increased significantly after a decline in the previous week, they increased by 54.4%, 36.2% and 364.4% respectively this week compared to the previous week. The weekly average purchase prices for class A2, class A3 and class C2 lamb all decreased by 4.8%, 3.2% and 7.8% respectively week-on-week. During the same period, the weekly average selling prices for class A2, class A3 and class C2 lamb decreased by 1.7%, 2.0% and 6.9% respectively. As the festive season approaches, improved seasonal upswing in demand is expected due to most people enjoying outdoor braai with their families and friends.

National South African Price information (RMAA) : Pork

Week 39 (26/10/2022 to 02/10/2022)	Units	Avg Purchase Price	Week 40 (03/10/2022 to 09/10/2022)	Units	Avg Purchase Price
Class BP	9 498	28.61	Class BP	1 189	30.22
Class HO	8 160	28.63	Class HO	8 005	29.42
Class HP	7 931	28.81	Class HP	7 203	29.51

All units sold for class BP, class HO and class HP pork decreased by 87.5%, 1.9% and 9.2% respectively in the reporting week compared to the previous week. Meanwhile, during the same period the weekly average purchase prices for class BP, class HO and class HP pork increased for two consecutive weeks by 5.6%, 2.8% and 2.4% respectively.

Latest News Developments

According to International Monetary Fund (IMF), Global growth is expected to slow further next year, downgrading its forecasts as countries grapple with the fallout from Russia's invasion of Ukraine, spiralling cost-of-living and economic downturns. The world economy has been dealt multiple blows, with war in Ukraine driving up food and energy prices following the coronavirus outbreak while soaring costs and rising interest rates threaten to reverberate around the globe. The IMF lowered its growth forecast for South Africa and it now expects the economy to grow by only 2.1% this year, in July it was expecting growth of 2.3%. For next year, it now sees growth of 1.1% from 1.4% previously. With two weeks left before November's fuel prices are updated, the latest information from the Central Energy Fund (CEF) shows that diesel and petrol prices currently look set for increases. Based on the latest data, diesel prices are on track for a hike of R1.58 to R1.61 a litre. This would push the Gauteng price of diesel above R25.60 a litre. A year ago, Gauteng diesel price cost around R17.20 a litre. The price of 95 unleaded petrol is expected to increase by around 42c a litre, while the price of 93 petrol could rise by 51c a litre. So far this month, the rand has taken a hit weakening from R18.10/\$ at the start of October, to close to R18.50 last week, as the dollar rallied amid global market turmoil and expectations of large US rate hikes. On Monday, Brent crude oil was trading at around \$91.70 a barrel - after starting the month below \$90. South Africa and Saudi Arabia have signed 17 memoranda of understanding relating to mining, renewable energy, security, transport, agri-aquaculture and other sectors. According to President Ramaphosa Seventeen MoUs for South Africa being signed and exchanged at the same time is a record and true demonstration of the depth of the relationship between the two countries and the great ambitions that we all have.

SA's cherry harvest season is from mid-October to mid-November and so far, there has been good demand from retailers. SA's cherry season is a short one but because of its proximity to the high-value Christmas season, the fruit delivers strong returns and Tru-Cape Fruit Marketing expects this year's crop to be no different. Due to consumers being under financial pressure, the challenge remains to ensure a good product at a reasonable price can be supplied to give customers good value for money, says Tru-Cape's Procurement Manager Calla du Toit. In 2016 about 262 hectares of cherries were planted in SA and this has grown to 549 hectares in 2021. Du Toit expects that over the next five to six years the number of hectares planted has the potential to almost double its current size. The procurement Manger is positive about volume because of good weather conditions in the flowering period. According to industry body Hortgro, the UK is SA's largest export market for cherries and Ceres is by far the biggest cherry production area in the country. The total production last season was about 900 tons. About half of SA's fresh cherries is consumed locally and about 39% is exported and the rest gets processed.

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