



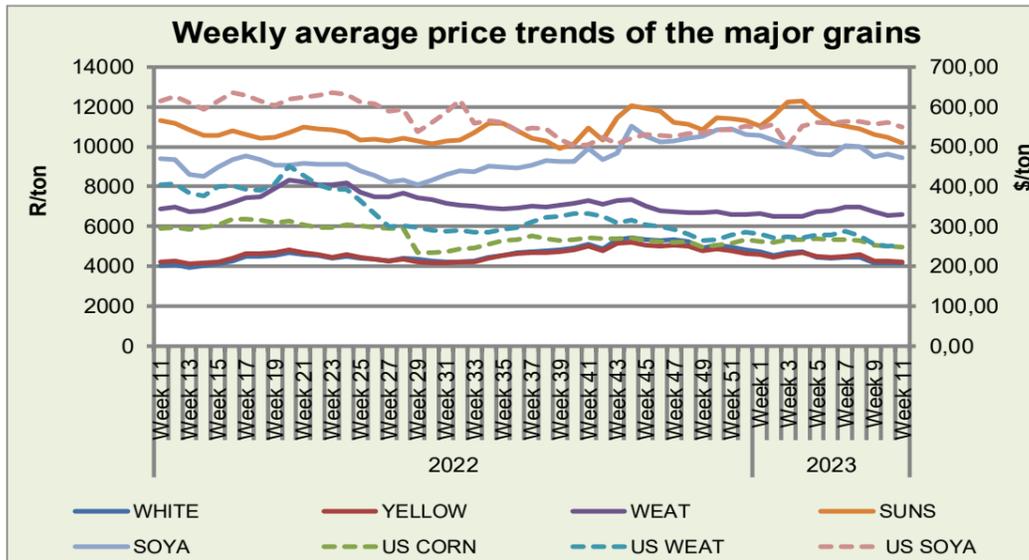
agriculture, land reform & rural development

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

Weekly Price Watch: 17 March 2023

Directorate: Statistics & Economic Analysis

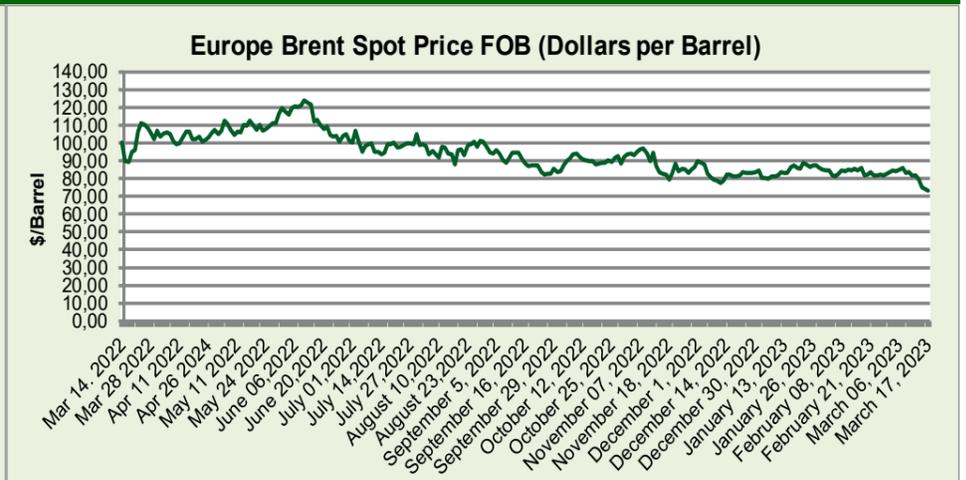
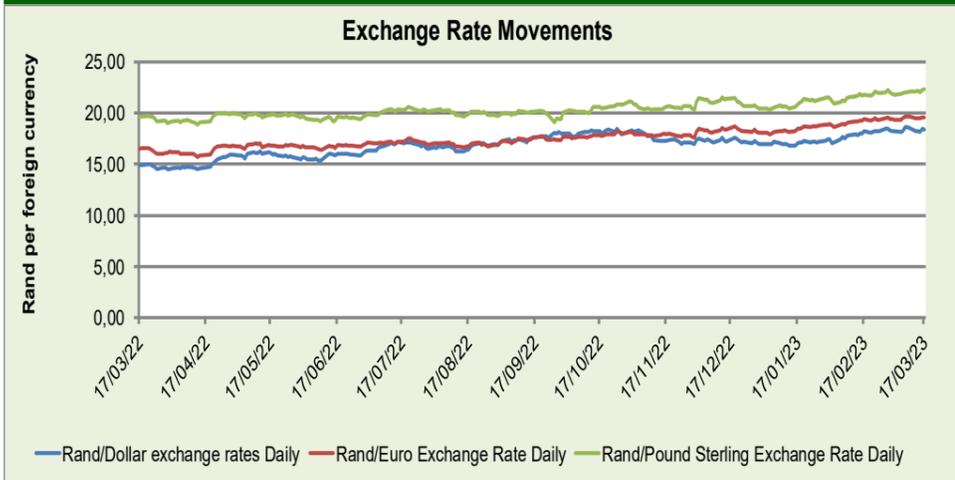
Sub-directorate: Economic Analysis



Domestic grain prices came under pressure this week compared to the previous week, with the exception of wheat prices, which increased by 0.6% week-on-week. Local white and yellow maize prices decreased by 0.6% and 1.2% respectively this week compared to the previous week, whilst soybean and sunflower seed prices decreased by 1.9% and 2.5% respectively week-on-week. While global events continue to dominate the market, it is important for local farmers to keep an eye on the global market. On the international front, US yellow maize price decreased by 1.4% week-on-week, due to a volatile stock market. US wheat price increased by 1.8% week-on-week, as news regarding the Black Sea Grain Corridor Agreement impacted wheat prices. US soybean price decreased by 2.2% week-on-week, as a record-breaking Brazilian harvest continues to add downward pressure on the soybean market.

Spot price trends of major grains commodities

| | 1 year ago Week 11 (07-03-22 to 11-03-22) | Last week Week 10 (06-03-23 to 10-03-23) | This week Week 11 (13-03-23 to 17-03-23) | w-o-w % change |
|----------------------------|---|--|--|----------------|
| RSA White Maize per ton | R 4 050.60 | R 4 169.60 | R 4 142.75 | -0.6% |
| RSA Yellow Maize per ton | R 4 215.20 | R 4 248.80 | R 4 196.50 | -1.2% |
| USA Yellow Maize per ton | \$ 295.47 | \$ 250.73 | \$ 247.12 | -1.4% |
| RSA Wheat per ton | R 6 995.20 | R 6 553.60 | R 6 594.25 | 0.6% |
| USA Wheat per ton | \$ 464.38 | \$ 249.15 | \$ 253.55 | 1.8% |
| RSA Soybeans per ton | R 9 331.80 | R 9 610.80 | R 9 432.75 | -1.9% |
| USA Soybeans per ton | \$ 620.32 | \$ 561.68 | \$ 549.34 | -2.2% |
| RSA Sunflower seed per ton | R 12 291.60 | R 10 455.80 | R 10 193.25 | -2.5% |
| RSA Sweet Sorghum per ton | - | - | - | - |
| Crude oil per barrel | \$ 119.18 | \$ 83.86 | \$ 76.67 | -8.6% |



The rand appreciated by 9.7% against the US dollar week-on-week, capping a volatile week fuelled by fears of a global banking crisis and implications for monetary policy. The rand appreciated by 13.0% against the Pound Sterling week-on-week, as market concerns about the stability of the banking sectors in the US and Europe appeared to wane. The rand appreciated by 7.9% against the Euro week-on-week, ahead of the Bank of England monetary policy decision.

Brent crude oil averaged \$76.67 week-on-week, which is 8.6% less than \$83.86 reported the previous week, on concerns about contagion from a banking crisis. The Organisation of Petroleum Exporting Countries Plus (OPEC+) considered this week's decrease in oil prices to be driven by financial fears and not an imbalance between demand and supply while analysts expect the market to stabilise.



National South African Price information (RMAA) : Beef

| Week 9 (27/02/2023 to 05/03/2023) | Units | Avg Purchase Price | Avg Selling Price | Week 10 (06/03/2023 to 12/03/2023) | Units | Avg Purchase Price | Avg Selling Price |
|-----------------------------------|-------|--------------------|-------------------|------------------------------------|-------|--------------------|-------------------|
| Beef | | | | | | | |
| Class A2 | 8 742 | 54,33 | 55,91 | Class A2 | 8 343 | 54,73 | 55,73 |
| Class A3 | 987 | 54,42 | 56,45 | Class A3 | 947 | 54,31 | 55,14 |
| Class C2 | 583 | 48,04 | 49,28 | Class C2 | 692 | 47,84 | 48,56 |

Units sold for class A2 and class A3 beef decreased by 4.6% and 4.1% respectively in the reporting week compared to the previous week while units sold for class C2 beef increased by 18.7% week-on-week. The weekly average purchase prices for class A3 and class C2 beef decreased by 0.2% and 0.4% respectively in the reporting week compared to the previous week whilst, the weekly average purchase price for class A2 beef increased by 0.7% week-on-week. During the same period, the weekly average selling prices for class A2, class A3 and class C2 beef decreased by 0.3%, 2.3% and 1.5% respectively in the reporting week compared to the previous week. South Africa's beef prices experienced downward pressure due to weak demand amid tough economic conditions.

National South African Price information (RMAA) : Lamb

| Week 9 (27/02/2023 to 05/03/2023) | Units | Avg Purchase Price | Avg Selling Price | Week 10 (06/03/2023 to 12/03/2023) | Units | Avg Purchase Price | Avg Selling Price |
|-----------------------------------|--------|--------------------|-------------------|------------------------------------|--------|--------------------|-------------------|
| Lamb | | | | | | | |
| Class A2 | 16 158 | 84,71 | 85,40 | Class A2 | 13 338 | 83,37 | 83,92 |
| Class A3 | 1 890 | 83,98 | 83,94 | Class A3 | 1 891 | 82,07 | 83,08 |
| Class C2 | 1 613 | 63,57 | 69,17 | Class C2 | 1 467 | 61,95 | 65,92 |

Units sold for class A2 and class C2 lamb decreased by 17.5% and 9.1% respectively in the reporting week compared to the previous week whilst units sold for class A3 lamb increased by 0.1% week-on-week. Meanwhile, the weekly average purchase prices for class A2, class A3 and class C2 lamb decreased by 1.6%, 2.3% and 2.5% respectively in the reporting week compared to the previous week. During the same period, the weekly average selling prices for class A2, class A3 and class C2 lamb decreased by 1.7%, 1.0% and 4.7% respectively in the reporting week compared to the previous week. Lamb prices came under pressure due to subdued uptake on markets.

National South African Price information (RMAA) : Pork

| Week 9 (27/02/2023 to 05/03/2023) | Units | Avg Purchase Price | Week 10 (06/03/2023 to 12/03/2023) | Units | Avg Purchase Price |
|-----------------------------------|--------|--------------------|------------------------------------|-------|--------------------|
| Pork | | | | | |
| Class BP | 12 509 | 32,77 | Class BP | 8 022 | 31,41 |
| Class HO | 6 898 | 32,72 | Class HO | 6 711 | 32,03 |
| Class HP | 8 170 | 32,54 | Class HP | 6 530 | 31,80 |

Units sold for class BP, class HO and class HP pork decreased by 35.9%, 2.7% and 20.1% respectively in the reporting week compared to the previous week. Meanwhile, the weekly average purchase prices for class BP, class HO and class HP pork decreased by 4.2%, 2.1% and 2.3% respectively in reporting week compared to the previous week. This is likely the result of lower red meat prices due to economic pressure on consumers. The cost of load-shedding is currently a key factor weighing on margins in the livestock industries.

Latest News Developments

South Africa's citrus exports are expected to take strain in 2023, this is according to the Citrus Growers' Association of Southern Africa (CGA). According to CGA, this year could be another year of export declines, ahead of the 2022/23 export season starting in April. Already, during the 2021/22 season, CGA saw 5.7-million fewer cartons exported than what was initially predicted at the start of the season. As a result, only one in five growers made a positive return in the 2022 season, owing to a surge in farming input prices and transport costs, as well as higher shipping costs. In addition, the introduction of the unjustified new False Codling Moth regulations passed by the European Union mid-season added to the challenges. As many of these challenges are expected to persist in 2023, including erratic electricity supply and public infrastructure decay, CGA notes that the citrus industry will likely show only moderate growth or even a contraction in 2023, compared with 2022.

According to the Minister of Agriculture, Land Reform and Rural Development, Thoko Didiza, the South African government has contingency plans in place to safeguard key food-production facilities against an escalation in power cuts. While a total collapse of the national grid is highly unlikely, measures have been put in place to ensure abattoirs can continue operating and animal vaccines remain protected. In the longer-term, the minister mentioned that government is looking for ways to assist farmers who want to install solar panels and batteries to reduce their reliance on the grid. According to the departmental data, on average, small-scale farmers currently spending an additional R10 000 a month on diesel, while the bill for commercial food producers is about ten times that figure. A range of other options are being considered to mitigate the effect of loadshedding on farmers, including the feasibility of exempting them from outages, scheduling black-outs outside of their operating hours or connecting farms to mini grids, stated Minister Thoko Didiza.

Agriculture's vulnerability to cyber-attacks was highlighted at the Africa Agri Tech conference in the past week. According to Billy Petzer, researcher of cyber security systems at the CSIR, if risks were not mitigated, food supply could be heavily impacted. Petzer mentioned that with the advent of internet, the agriculture sector faced increasing exposure to cyber-attacks while some attacks over the years included those that paralysed systems that mixed animal feed and those that administered feed on farms. Petzer mentioned that a cyber-attack on Transnet brought ports to a standstill, halting exports, while an attack on Onderstepoort Biological Services several years ago prevented vaccine production. According to Petzer, modern supply chain is very long and complex, making it difficult to prevent cyber-attacks. He also pointed to research that showed that attacks on the agricultural sector were increasing. Petzer mentioned that agricultural systems are being targeted due to their impact globally whereby it can lead to failed crops, dead livestock and poisoned water. Petzer further added that perpetrators of cyber-attacks on the agriculture sector were cybercriminals who profited through ransomware, hacktivists (those who use cyber-attacks to promote a political agenda), terrorist groups and thrill seekers while research has shown that South Africa does not have a good track record in guarding against cyber-attacks. To guard against cyber-attacks, Petzer advised companies to increase cyber security, with a large focus on employee training. Petzer stated that 98% of cyber-attacks were enabled by human error, such as clicking on dangerous links and companies would do well to educate employees about cyber security.

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