



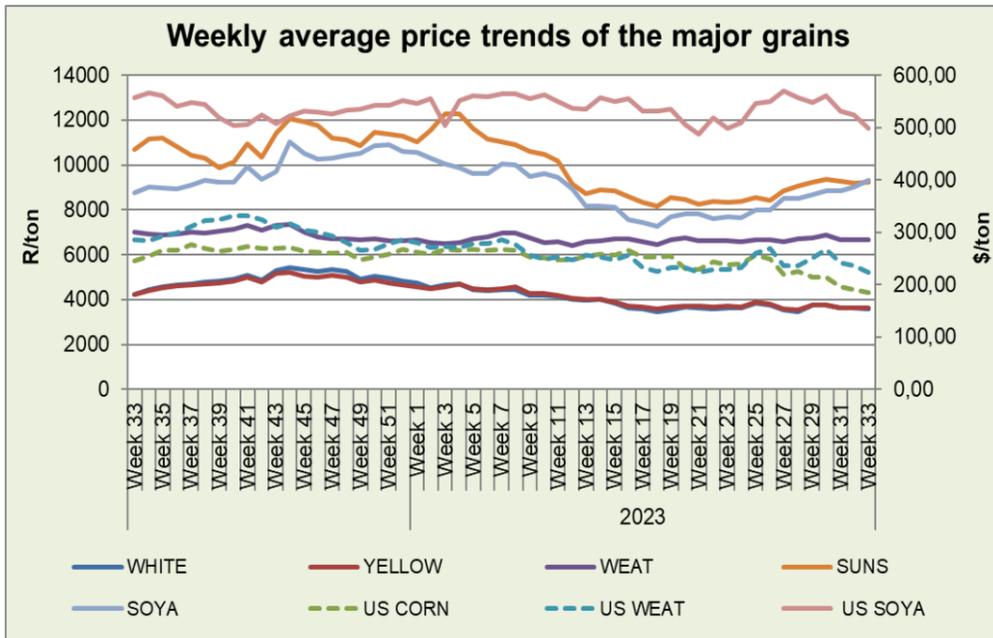
agriculture, land reform & rural development

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

Weekly Price Watch: 18 August 2023

Directorate: Statistics & Economic Analysis

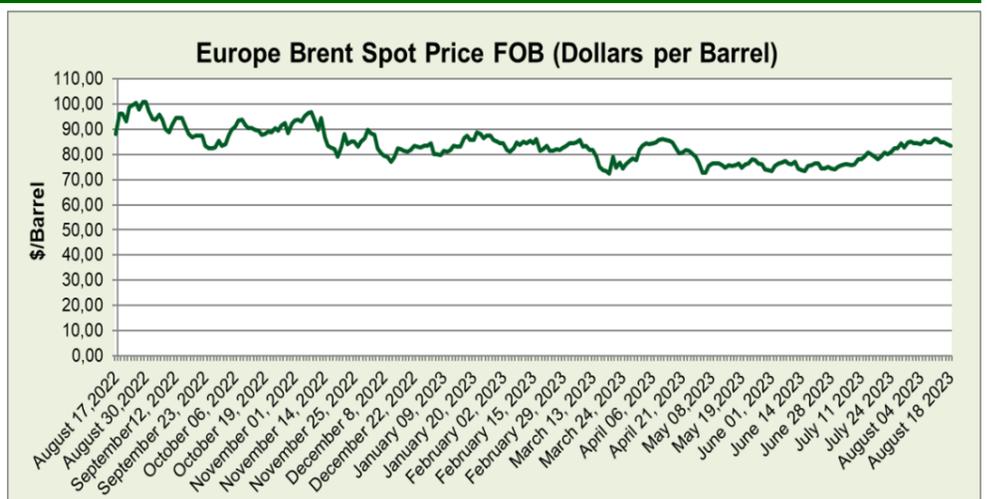
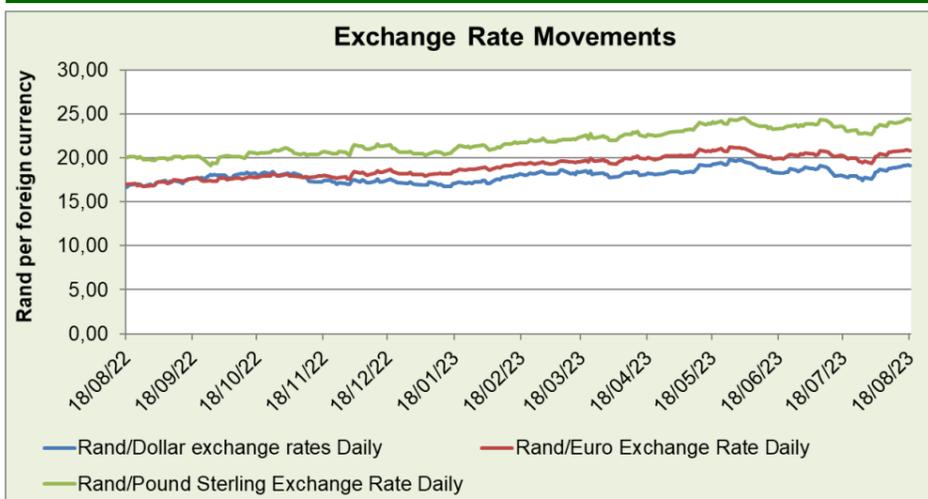
Sub-directorate: Economic Analysis



The International and local market traded marginally lower this week when compared to the previous week. The prices of domestic grains reported an decrease which seen the prices of white maize and yellow maize decreased by 1.3%, and 0.8% respectively, while price of wheat, soybeans and sunflower seed increased by 0.3%, 3.1% and 0.3% respectively when compared the previous week. South Africa's extended warm weather is coming for the maize crop, however it is at a later development stage than soybeans, so there is less risk to yield damage for maize at this point. Internationally, the grain price of US corn, US wheat and US soybean decreased by 2.4%, 5.5% and 4.8% respectively week on week. In the US, drought conditions improved for most food crops over the past week but only limited rainfall is forecast through the coming days for the corn belt where the lack of soil moisture could still adversely impact corn and soybeans yields.

Spot price trends of major grains commodities

	1 year ago Week 33 (15-08-22 to 19-08-22)	This week Week 32 (07-08-23 to 11-08-23)	Last week Week 33 (14-08-23 to 18-08-23)	w-o-w % change
RSA White Maize per ton	R4 247.20	R3 626.00	R3 580.00	-1.3%
RSA Yellow Maize per ton	R4 222.40	R3 639.75	R3 609.20	-0.8%
USA Yellow Maize per ton	\$245.01	\$190.04	\$185.53	-2.4%
RSA Wheat per ton	R6 994.40	R6 648.75	R6 670.40	0.3%
USA Wheat per ton	\$286.06	\$235.44	\$222.52	-5.5%
RSA Soybeans per ton	R8 747.40	R9 020.50	R9 300.00	3.1%
USA Soybeans per ton	\$557.62	\$523.76	\$498.73	-4.8%
RSA Sunflower seed per ton	R10 679.20	R9 182.75	R9 213.00	0.3%
Crude oil per barrel	\$93.64	\$85.32	\$84.69	-0.7%



The South African rand depreciated by 1.9% against the US dollar, by 1.1% against the Euro and by 1.6% against the Pound sterling respectively. The South African rand is likely to remain undermined by concerns over global growth.

Brent crude oil price averaged \$84.69/barrel in the reporting week which is 0.7% lower than \$85.32/barrel week on week. The price of oil declined aftermath of US Treasury Secretary, saying that the government could run out of money in less than a month in the midst of the increasing debt ceiling debate.



National South African Price information (RMAA) : Beef

Week 31 (31/07/2023 to 06/08/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 32 (07/08/2023 to 13/08/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6914	52,60	52,50	Class A2	6045	52,17	53,42
Class A3	1295	52,62	53,24	Class A3	1197	52,51	53,81
Class C2	600	46,92	48,37	Class C2	593	46,67	47,02

Units sold for class A2, class A3 and class C2 beef decreased by 12.6%, 7.6% and 1.2% respectively 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 0.8%, 0.2% and 0.5% respectively week on week. The weekly average selling prices for class A2 and class A3 beef increased by 1.8% and 1.1% respectively, while the average selling price for class C2 beef decreased by 2.8% in the reporting week compared to the previous week.

National South African Price information (RMAA) : Lamb

Week 31 (31/07/2023 to 06/08/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 32 (07/08/2023 to 13/08/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	12127	88,52	87,81	Class A2	12457	86,52	86,29
Class A3	1702	86,08	85,50	Class A3	1731	84,31	83,99
Class C2	1164	69,28	73,07	Class C2	930	66,21	71,05

Units sold for class A2 and class A3 lamb increased by 2.7% and 1.7% respectively, while unit sold for class C2 lamb decreased by 20.1% in the reporting week compared to the previous week. The weekly average purchase prices for class A2, class A3 and class C2 lamb decreased by 2.3%, 2.1% and 4.4% respectively, week on week. The weekly average selling prices for class A2, class A3 and class C2 lamb decreased by 1.7%, 1.8% and 2.8% respectively in the reporting week compared to the previous week.

National South African Price information (RMAA) : Pork

Week 31 (31/07/2023 to 06/08/2023)	Units	Avg Purchase Price	Week 32 (07/08/2023 to 13/08/2023)	Units	Avg Purchase Price
Class BP	10773	30,32	Class BP	9136	31,14
Class HO	6677	29,66	Class HO	5854	30,56
Class HP	7625	30,32	Class HP	6811	30,24

Units sold for class BP, class HO and class HP pork decreased by 15.2%, 12.3% and 10.7% respectively in the reporting week compared to the previous week. Meanwhile, the weekly average purchase prices for class BP and class HO pork increased by 2.7% and 3.0% respectively, while unit sold for class HP pork decreased by 0.3% week on week.

Latest News Developments

Agri SA will be making a submission to Parliament which demonstrates the negative impact of the national minimum wage on the growth and sustainability of the agricultural sector. Unless the increases of the minimum wage in the agricultural sector are aligned with inflation, there is a real risk of the agricultural sector contracting with devastating effects for employment in the sector. While the agricultural sector has proven remarkably resilient in the face of numerous crises, most notably the lingering impact of the Covid-19 pandemic, the pressure on the sector is beginning to show. Whereas the sector grew by 17,8% in 2020, it only grew by 7,4% in 2021 and a marginal 0,9% in 2022. This slower pace of growth is reflected in the labour statistics released by Stats SA this week which showed a 0,8% quarter-on-quarter increase in employment in the agricultural sector. The dramatic decline in agricultural sector growth is the result of rising input costs of which labour is the most significant, constituting 25% of all production costs. For this reason, the national minimum constitutes a tremendous burden on the sector that is exacerbating the already crippling external pressures on farmers. Industries like the sugarcane sector, for example, already face enormous increases in the cost of fertiliser as a result of the Russian invasion on Ukraine. At the same time, industries like citrus also face financial strains in relation to the cost of shipping for export goods as a result of South Africa's failing road, rail and port infrastructure.

The Saudi Arabian government has lifted a 21-year ban on South African meat imports. On Thursday last week, the Saudi Food and Drug Authority (SAFDA) said it would lift the ban that has been in place on meat and red meat imports since 2002 after it held successful inspections in South African abattoirs and feedlots in June. The inspection ensured that meat products complied with Saudi Arabian market access protocols and halaal certification. The South African Saudi Business Council (SASBC) co-chairperson, Stravos Nicolaou, told News24 issues relating to veterinary and halaal certification were the reasons behind the ban. The ban first emanated 21 years ago after the foot-and-mouth disease outbreak. The Department of Agriculture had to ensure veterinary certification was obtained to ensure that the ban was lifted as well. During a state visit in October last year, Patel and Agriculture Minister Thoko Didi-za met with Saudi Arabian Investment Minister Khalid Al Falih, and members of the South African meat industry. A task team was formed to facilitate access for meat and red meat products from South Africa into Saudi Arabia. During the visit, the governments signed 16 agreements worth more than R270 billion, including deals on renewable energy, industry, mining, tourism, and logistic sectors.

The Automobile Association (AA) has advised consumers to expect a price increase to petrol, diesel and illuminating paraffin in September which will undoubtedly exert pressure on already struggling motorists and consumers. The AA said that according to the CEF's data, petrol is currently facing increases of between R1.41/litre (for ULP93) and R1.45/l (for ULP95), while diesel could climb by as much as R2.60/l and illuminating paraffin by R2.55/l. If realised these increases will mark the highest prices since December last year. For ULP95 users in Gauteng, the increases will result in a price point of around R24.28/l for fuel, and it will cost about R1 335 to fill a 55-litre car. Filling the same car at the coast will cost around R1 311. Fuel prices in South Africa are driven by two main factors which includes, international oil prices, and the exchange rate between the Rand and the US dollar, as crude oil is traded in US dollars. Oil prices have risen in recent weeks because, among reasons, some producers curb output because of weak demand.

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