



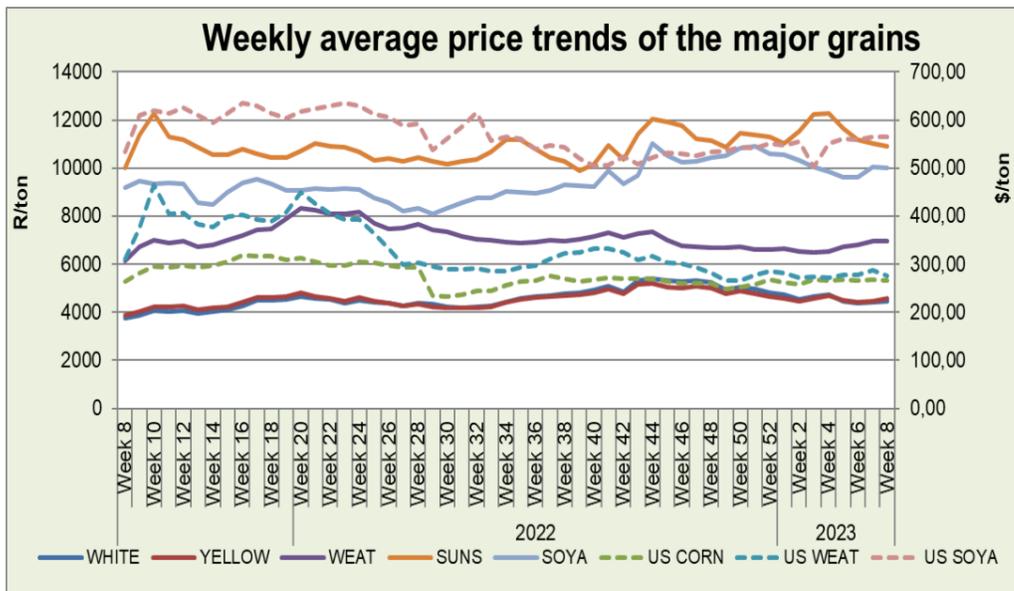
agriculture, land reform & rural development

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

Weekly Price Watch: 24 February 2023

Directorate: Statistics & Economic Analysis

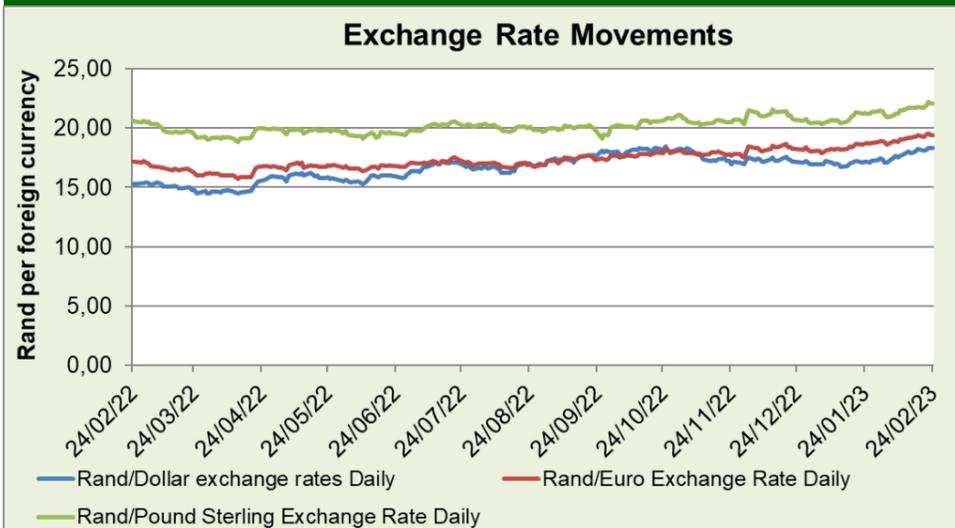
Sub-directorate: Economic Analysis



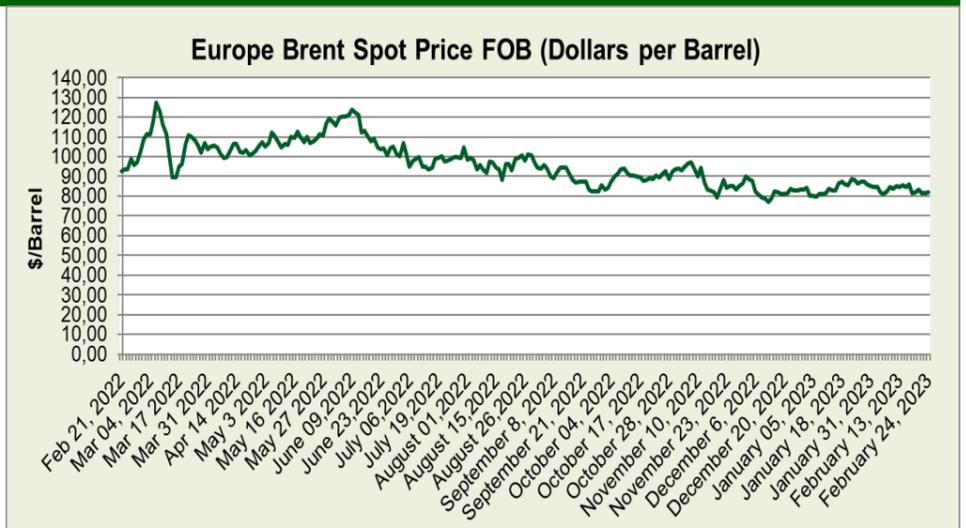
The price of white and yellow maize increased by 0.3% and 2.2% respectively, while the USA maize price decreased by 0.9%. The local maize price benefited from the rand depreciation this week. The US maize price decreased as US plantings were inline with trade estimates. The price of local wheat increased by 0.1% as a result of weaker rand, while the US wheat price decreased by 3.7% as Russian wheat remain the cheapest in the World, coupled with a bumper harvest in the country. The local soybean price decreased by 0.6% as more hectares are estimated to have been planted this year than in the previous year, while the USA soybeans price remained stable as projections are for US soybean hectares to remain the same. The price of sunflower decreased by a percentage point this week compared to last week

Spot price trends of major grains commodities

	1 year ago Week 8 (22-02-22 to 25-02-22)	Last week Week 7 (13-02-23 to 17-02-23)	This week Week 8 (20-02-23 to 24-02-23)	w-o-w % change
RSA White Maize per ton	R3 748,6	R 4 436.60	R4 451,60	0,3%
RSA Yellow Maize per ton	R3 878,4	R 4 470.20	R4 567,8	2,2%
USA Yellow Maize per ton	\$264,62	\$ 267.69	\$265,33	-0,9%
RSA Wheat per ton	R6 126,8	R 6 953.80	R6 964,2	0,1%
USA Wheat per ton	\$311,60	\$ 286.47	\$276,00	-3,7%
RSA Soybeans per ton	R9 188,2	R 10 058.60	R9 999,4	-0,6%
USA Soybeans per ton	\$533,49	\$ 563.97	\$564,13	0,0%
RSA Sunflower seed per ton	R10 021,8	R 11 010.60	R10 899,60	-1,0%
Crude oil per barrel	\$ 94,87	\$ 84,44	\$ 82,16	-2,7%



The rand depreciated by 1,3%; 0,8% and 1,2% respectively against the Dollar, Euro and Pound compared to the previous week. The rand weakened after Financial Action Task Force (FATF) an anti-money laundering body grey-listed the country. Grey-listing is also viewed to have a negative impact on financial flows.



The price of Brent crude oil decreased by 2.7% this week relative to the previous week as US inventories rise. If the increase in crude inventories is more than expected, it implies weaker demand and is bearish for crude prices.



National South African Price information (RMAA) : Beef

Week 6 (06/02/2023 to 12/02/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 7 (13/02/2023 to 19/02/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 555	56,02	56,80	Class A2	7891	55,16	57,34
Class A3	998	56,10	56,22	Class A3	779	55,24	57,28
Class C2	516	50,12	51,06	Class C2	714	48,27	49,95

The quantities of class A2 and A3 beef decreased by 7.8% and 21.9% respectively while class C2 quantities increased by 38.4% compared to the previous week. The producer prices for all classes decreased; the price of class A2, A3 and C2 decreased by 1.5%, 1.5% and 3.7% and the retail prices increased for class A2 and A3 by 1% and 1.9%, while class C2 price decreased by 2.2%.

National South African Price information (RMAA) : Lamb

Week 6 (06/02/2023 to 12/02/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 7 (13/02/2023 to 19/02/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	10 016	84,48	87,32	Class A2	10635	82,65	85,04
Class A3	1 031	84,74	85,47	Class A3	1232	83,52	86,00
Class C2	682	65,61	68,64	Class C2	1574	63,20	68,73

The units of lamb sold for class A2 increased by 6.2% and by over a 100% for class C2 compared to last week, while class A3 units decreased by a 100%. The producer prices for all classes decreased; class A2, A3 and C2 prices decreased by 2.2%, 1.4% and 3.7% respectively. The retail prices increased for class A3 and C2 by 0.6% and 0.1%, while the price for class A2 decreased by 2.6%.

National South African Price information (RMAA) : Pork

Week 6 (06/02/2023 to 12/02/2023)	Units	Avg Purchase Price	Week 7 (13/02/2023 to 19/02/2023)	Units	Avg Purchase Price
Class BP	10635	34,74	Class BP	13444	34,58
Class HO	7 350	34,32	Class HO	7219	34,17
Class HP	5 794	34,23	Class HP	6299	34,21

The units of class BP and HP pork increased by 26.4% and 8.7%, while they decreased by 1.8% for class HO compared to last week. The producer prices for the classes decreased by 0.5%; 0.4% and 0.1% for class BP, HO and HP this week.

Latest News Developments

Finance Minister Enoch Godongwana delivered the 2023 National Budget Speech on the 22 February faced with consensus forecasts pointing to a downwards spiral in growth estimates. Rolling blackouts that are showing no sign of stated in his budget speech that :

the government proposes tax relief totalling R13 billion in 2023/24 to support the clean energy transition, increase the electricity supply and limit the impact of consistently high fuel prices. R4 billion in relief is provided for individuals that install solar panels, and R5 billion to companies through an expansion of the renewable energy tax incentive. Inflation-related adjustments to the personal income tax tables, the retirement tax tables and transfer duties are provided. In limiting the impact of the energy crisis on food prices; the diesel fuel levy refund will be extended to manufacturers of foodstuffs for a period of 2 years, from 1 April 2023 until 31 March 2025 .

Total consolidated government spending will amount to R7.08 trillion over the next three years, of which 51 per cent or R3.6 trillion is allocated for the social wage. The 2023 Budget allocates additional funding totalling R227 billion over the next three years. The additional funds are mainly to extend the COVID-19 social relief of distress grant until 31 March 2024, improve investment in local and provincial government infrastructure and support safety and security, education and health service

Agri-SA believes the country's food producers need practical budgetary and fiscal measures to assist in their plight. Agri SA wishes "Minister of Finance to announce higher rebates on diesel and petrol used for generators, incentives to promote grid-connected generation capacity and reconnection of off-grid systems, and the lowering or removal of cumbersome taxes on struggling agricultural industries – such as the excise taxes on tobacco, wine and beer, as well as the sugar tax". Agri-SA further stated that with load-shedding being the most urgent threat to the nation's farmers, government must be resolute in allocating resources to buttress farmers from its worst effects and ensure the sustainable production of food".

Following heavy lobbying from industry bodies the Sugar Association of South Africa and South African Cane Growers' Association; government has decided not to increase the Health Promotion Levy or sugar tax in the 2023/24 and 2024/25 financial years.

Eskom Acting generation executive Thomas Conradie confirmed that a review of the load-shedding framework was under way to prepare for the prospect of higher stages of loadshedding in future. It is understood that the new framework, which is still being drafted, could include up to 16 stages of loadshedding.

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