



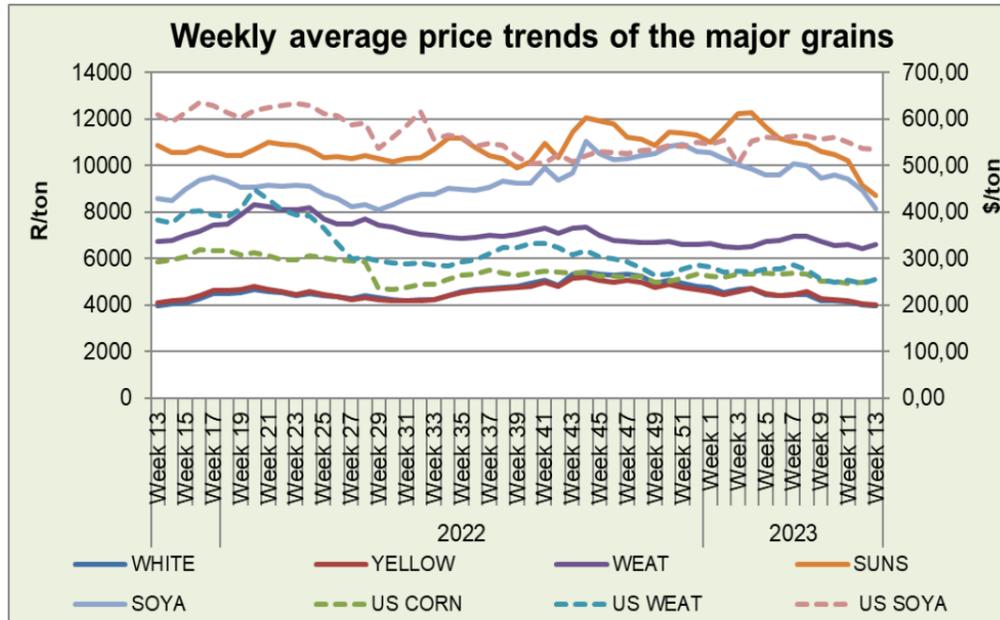
agriculture, land reform & rural development

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

Weekly Price Watch: 31 March 2023

Directorate: Statistics & Economic Analysis

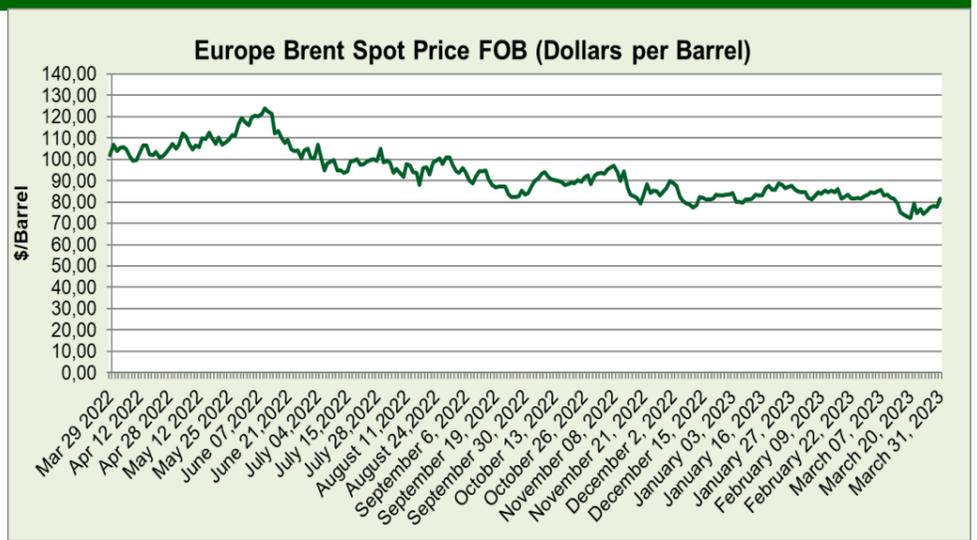
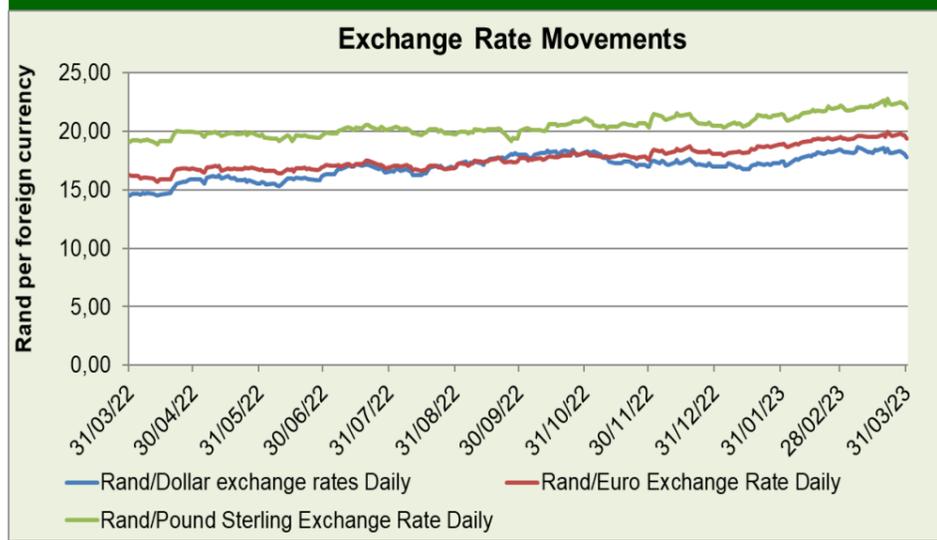
Sub-directorate: Economic Analysis



The Department of agriculture's Crop estimates Committee's 2nd crop forecast shows total maize is at 2.6% higher than last years. These resulted in white and yellow maize price declining by 1% and 0.9% compared to last week. The USA maize price increased by 2.8% this week, as USA quarterly grain stocks reported that maize stocks are at a nine-year low. The price of local wheat increased by 2.5% and the US wheat price increased by 3.8%, as wheat in the USA one of the biggest producers in the World was considered to be the tightest in 15 years moving global wheat prices. The price of local soybeans decreased significantly by 8.8% as CEC estimates shows that the crop is expected to be the largest on record at 22% higher than last year. US soybeans prices decreased by 0.1% as USA hectares planted are projected to be slightly higher than last year. The price of sunflower decreased by 5% although the price is still significantly higher.

Spot price trends of major grains commodities

	1 year ago Week 13 (28-03-22 to 01-04-22)	Last week Week 12 (20-03-23 to 24-03-23)	This week Week 13 (27-03-23 to 31-03-23)	w-o-w % change
RSA White Maize per ton	R3 946,80	R 4 019,50	R3 980,20	-1,0%
RSA Yellow Maize per ton	R4 110,40	R 4 062.50	R4 024,20	-0,9%
USA Yellow Maize per ton	\$292,52	\$ 247.96	\$254,96	2,8%
RSA Wheat per ton	R6 720,40	R 6 429.00	R6 591,40	2,5%
USA Wheat per ton	\$382,62	\$ 246.64	\$255,94	3,8%
RSA Soybeans per ton	R8 577,20	R 8 941.75	R8 157,20	-8,8%
USA Soybeans per ton	\$609,92	\$ 535.98	\$535,69	-0,1%
RSA Sunflower seed per ton	R10 857,80	R 9 165.00	R8 698,00	-5,1%
Crude oil per barrel	\$ 104.36	\$ 75.51	\$ 78.24	3,6%



The rand appreciated against the dollar, euro and pound this week relative to the previous week as the South African Reserve bank increased the interest rate more than expected on Thursday. The rand strengthened by 0.4% against the dollar and by 0.2% against the both the euro and pound.

The price of crude oil increased by 3.6% this week relative to the previous week, as the Organization of the Petroleum Exporting Countries (OPEC) announced it was cutting output by 1.16 million barrels per day. The cuts are expected to begin in May until the end of 2023.



National South African Price information (RMAA) : Beef

Week 11 (13/03/2023 to 19/03/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 12 (20/03/2023 to 26/03/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 063	54,60	56,81	Class A2	7406	54,46	57,40
Class A3	1 271	54,66	56,20	Class A3	972	54,57	56,08
Class C2	498	47,63	49,56	Class C2	373	47,32	50,88

The quantities of class A2, A3 and C2 beef traded this week decreased by 8.1%, 23.5% and 25% respectively compared to the previous week, while the purchase prices decreased by 0.3%, 0.2% and 0.7% . The retail prices increased by 1% and 2.7% for class A2 and C2, while declining by 0.2% for class A3.

National South African Price information (RMAA) : Lamb

Week 11 (13/03/2023 to 19/03/2023)	Units	Avg Purchase Price	Avg Selling Price	Week 12 (20/03/2023 to 26/03/2023)	Units	Avg Purchase Price	Avg Selling Price
Class A2	12 549	79,93	82,18	Class A2	13594	82,69	83,79
Class A3	2 248	79,02	82,07	Class A3	1780	81,49	82,82
Class C2	1 428	59,07	61,41	Class C2	1219	58,22	61,94

The quantities of lamb traded this week decreased by 20.8% and 14.6% for class A3 and C2 while increasing by 8.3% for class A2. The purchase prices for class A2 and A3 increased by 3.5% and 3.1% respectively while decreasing by 1.4% for class C2. The retail prices increased for all classes, the price for class A2, A3 and C2 increased by 2%, 0.9% and 0.9 %.

National South African Price information (RMAA) : Pork

Week 11 (13/03/2023 to 19/03/2023)	Units	Avg Purchase Price	Week 12 (20/03/2023 to 26/03/2023)	Units	Avg Purchase Price
Class BP	14 113	30,99	Class BP	10191	30,30
Class HO	6 658	29,82	Class HO	6557	31,37
Class HP	7 403	30,01	Class HP	6280	29,72

The quantities of class BP , HO and HP pork traded this week decreased by 27.8%, 1.5% and 15.2% respectively relative to the previous week. The purchase prices decreased by 2.2% and 1% for class BP and HP while increasing by 5.2% for class HO.

Latest News Developments

Food inflation in February on year-on-year basis was 13.6% higher. Bread and cereals, oils and fats, vegetables, dairy and eggs, meat, sugar and fruit all increased by 20%, 16.7%, 15.7%,12.3%, 11% and 3% respectively. Food and non-alcoholic beverages averaged, annual inflation hit 13.6% - the highest level since April 2009.

The South African Reserve Bank's monetary policy committee increased the interest rates by 50 basis points above consensus forecast, which were expecting a 25 basis points rise. The prime rate is now 11.25%. Governor Lesetja Kganyago mentioned that; "inflation pressures remain a risk and that load shedding is pushing up the cost of living".

Governor Kganyago warned that load-shedding will cut growth by two percentage points this year, the reserve bank expects the South African economy to grow by only 0.2% this year reduced from the expected 0.3% growth forecasted in January. Growth is expected to be above a percentage point this year.

Assurance, advisory and tax services firm PwC South Africa's 'South Africa Economic Outlook' report for 2023 indicates that supply chain disruptions have affected South African consumers significantly through higher prices for household goods, longer in-store queues, items being out of stock and reduced product range available. Shoppers are also cutting back on buying, with seven out of ten South African respondents saying they have stopped or are delaying non-essential spending.

South Africa is expected to use Brics chair in 2023 to advance Africa's trade, development. Trade, Industry and Competition Minister Ebrahim Pate stated that "the volumes and value of trade between South Africa and other Brics countries were significant. However, much of the exports were simply to supply raw materials, particularly minerals, to these economies, "South Africa exported a significant quantity of goods to other African countries and this was where its largest potential for growth lay".

President Ramaphosa described the establishment of a separate Infrastructure Manager within Transnet Freight Rail as a crucial step towards creating a level playing field for public and private operators on the country's rail network.

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