



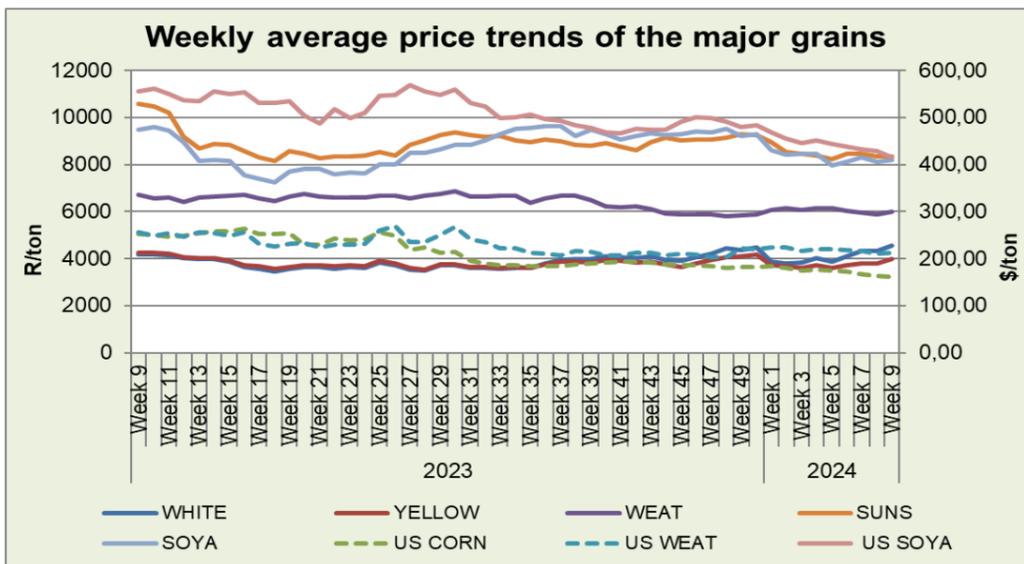
agriculture, land reform & rural development

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

Weekly Price Watch: 01 March 2024

Directorate: Statistics & Economic Analysis

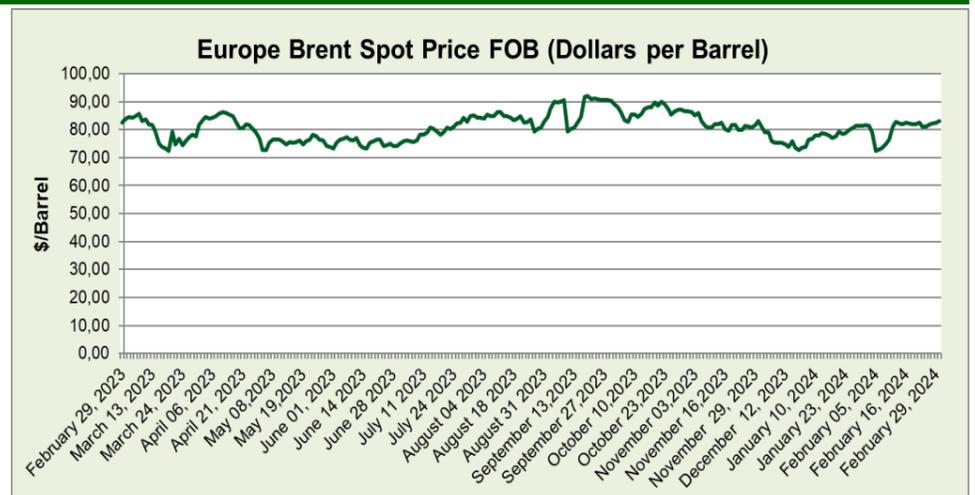
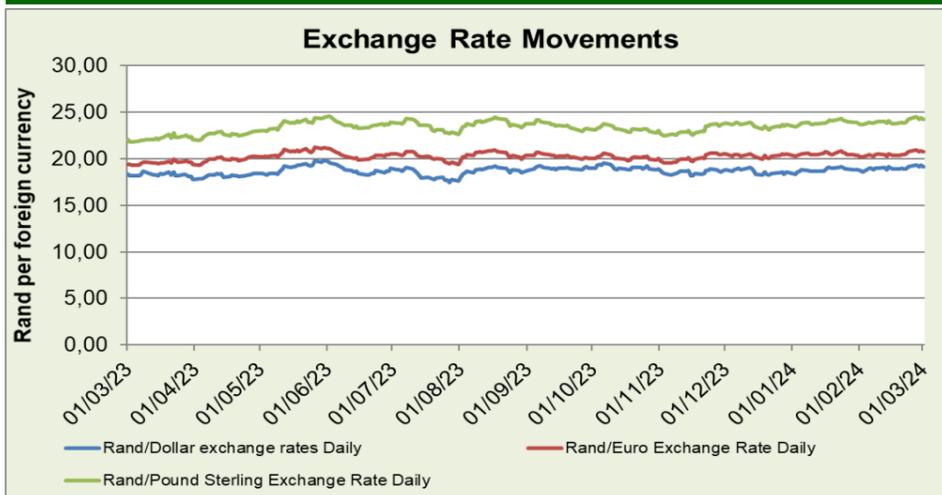
Sub-directorate: Economic Analysis



The International and local market traded marginally higher this week when compared to the previous week. The prices of domestic grains reported an increase which seen the prices of white maize, yellow maize, wheat, soybeans and sunflower seed increased by 5.0%, 4.7%, 1.8%, 0.8% and 0.1% respectively, when compared the previous week. Internationally, the grain price of US wheat increased by 0.5%, while prices for US corn and US soybean decreased by 1.2% and 2.9% respectively week on week. South America's ongoing corn and soybean harvests, along with large global grain stockpiles, was enough to push corn, soybeans and wheat back into the red during the course of last week. Winter wheat prices were hit the hardest, sinking more than 2% lower. Spring wheat prices also shifted 0.75% lower. Corn prices were down around 1%, with soybeans sliding 0.5% lower.

Spot price trends of major grains commodities

| | 1 year ago Week 9 (27-02-23 to 03-03-23) | Last week Week 8 (19-02-24 to 23-02-24) | This week Week 9 (26-02-24 to 01-03-24) | w-o-w % change |
|----------------------------|--|---|---|----------------|
| RSA White Maize per ton | R4 181.60 | R4 335.80 | R4 554.60 | 5.0% |
| RSA Yellow Maize per ton | R4 264.60 | R3 812.80 | R3 993.40 | 4.7% |
| USA Yellow Maize per ton | \$251.95 | \$162.86 | \$160.91 | -1.2% |
| RSA Wheat per ton | R6 732.40 | R5 870.00 | R5 978.00 | 1.8% |
| USA Wheat per ton | \$255.92 | \$210.89 | \$212.01 | 0.5% |
| RSA Soybeans per ton | R9 477.80 | R8 123.80 | R8 181.00 | 0.7% |
| USA Soybeans per ton | \$555.67 | \$428.55 | \$416.11 | -2.9% |
| RSA Sunflower seed per ton | R10 597.20 | R8 335.00 | R8 340.60 | 0.1% |
| Crude oil per barrel | \$83.36 | \$81.99 | \$82.17 | 0.2% |



The rand depreciated by 1.38%, 1.61% and 1.62% against the US dollar, the Euro and the Pound respectively, when compared to the previous week. The South African Rand, has often been seen as a barometer of global risk sentiment, as it has recently experienced significant fluctuations amidst fading hopes for an early and steep interest rate cut by the United States Federal Reserve.

Brent crude oil price averaged \$82.17/barrel in the reporting week which is 0.2% higher than \$81,99/barrel week on week. Brent crude oil prices settled higher to end last week on supply concerns as shipping disruptions continue as the Iran-aligned Houthis have continued their attacks on shipping in the Red Sea.



National South African Price information (RMAA) : Beef

| Week 07 (12/02/2024 to 18/02/2024) | Units | Avg Purchase Price | Avg Selling Price | Week 08 (19/02/2024 to 25/02/2024) | Units | Avg Purchase Price | Avg Selling Price |
|------------------------------------|-------|--------------------|-------------------|------------------------------------|-------|--------------------|-------------------|
| Class A2 | 8 854 | 54,77 | 55,17 | Class A2 | 9 578 | 54,65 | 54,59 |
| Class A3 | 647 | 54,80 | 55,57 | Class A3 | 528 | 54,54 | 54,61 |
| Class C2 | 729 | 46,83 | 49,06 | Class C2 | 561 | 44,65 | 48,74 |

The units sold for class A2 beef increased by 8.2%, while units sold for class A3 and C2 of beef decreased by 18.4% and 23.0% respectively when compared to the previous week. On the other hand average purchase prices for class A2, A3 and C2 beef decreased by 0.2%, 0.5% and 4.7% respectively week on week. Likewise, average selling price for classes of A2, A3 and C2 beef decreased by 1.1%, 1.7% and 0,7% respectively.

National South African Price information (RMAA) : Lamb

| Week 07 (12/02/2024 to 18/02/2024) | Units | Avg Purchase Price | Avg Selling Price | Week 08 (19/02/2024 to 25/02/2024) | Units | Avg Purchase Price | Avg Selling Price |
|------------------------------------|--------|--------------------|-------------------|------------------------------------|--------|--------------------|-------------------|
| Class A2 | 13 621 | 83,98 | 83,50 | Class A2 | 17 192 | 83,61 | 83,53 |
| Class A3 | 1 991 | 82,49 | 82,47 | Class A3 | 2 025 | 81,76 | 81,13 |
| Class C2 | 2 041 | 57,48 | 60,72 | Class C2 | 1 634 | 56,69 | 60,24 |

The units of lamb traded this week for class A2 and A3 increased by 26.2% and 1.7% respectively, while class C2 lamb decreased by 1.4% when compare to the previous week. The average purchase prices for class A2, A3 and C2 lamb decreased by 0,4%, 0.9% and 1.4% respectively week on week. The average selling prices for class A2 lamb increased by 0.04%, while class A3 and C2 lamb decreased this week by 1.6% and 0.8% respectively relative to the previous week.

National South African Price information (RMAA) : Pork

| Week 07 (12/02/2024 to 18/02/2024) | Units | Avg Purchase Price | Week 08 (19/02/2024 to 25/02/2024) | Units | Avg Purchase Price |
|------------------------------------|--------|--------------------|------------------------------------|--------|--------------------|
| Class BP | 11 219 | 31,61 | Class BP | 11 780 | 31,59 |
| Class HO | 7 485 | 31,16 | Class HO | 7 358 | 31,05 |
| Class HP | 7 649 | 31,26 | Class HP | 9 147 | 31,16 |

The quantities of pork traded this week for class BP and HP increased by 5,0% and 19,6% respectively, while units sold for class HO decreased marginally by 1,7% when compared to the previous week. The average purchase prices for all class of pork BP, HO and HP decreased by 0,1%, 0.4% and 0.3% respectively, week on week.

Latest News Developments

Fuel price increase will hurt consumers and logistics companies. With yet another fuel price hike on the horizon for March, the potential impact on the already under-pressure agriculture sector raises concerns about heightened production costs, reduced profit margins, and potential ripple effects on food prices for consumers. Although the most recent data from the Central Energy Fund (CEF) shows a slight easing in fuel price recoveries in South Africa, the continued depreciation of the rand, currently trading at approximately R19,30 to the US dollar, is expected to maintain pressure on fuel prices through the final week of February. The under-recoveries for petrol are around R1,15/ℓ, and for diesel it ranges from R1,14/ℓ to R1,28/ℓ. Earlier this month, the unaudited data from the CEF estimated 95 unleaded petrol to rise by about R1,35/ℓ, with 93 unleaded petrol increasing by R1,31/ℓ. Even more bleak was the outlook for diesel, which mainly powers agricultural machinery, predicted to rise by between R1,44/ℓ for 500ppm and R1,58/ℓ for 50ppm. While the under-recoveries point to a modest improvement from mid-month prediction figures, it comes against the backdrop of a weakened local currency, still pointing towards potential fuel price increases of over R1 in March. The estimated increases will follow the trend of recent increases of 75c/ℓ for petrol and up to 73c/ℓ for diesel in February. While this expected fuel price uptick will increase farmers' input costs, it comes at a relatively quiet period in the sector. This is except for the agribusinesses in logistics, who will most likely experience an increase in activity due to an expected uptick in wheat imports and summer grains exports.

Thirty-five farmers, who form part of the FarmSol development programme in Taung, North-West, last year received R8 million of tractors and farming equipment, thanks to a partnership between FarmSol and South African Breweries (SAB). To further improve their productivity and efficiency, in February they received a John Deere S670 harvester between FarmSol and the South African Cultivar Technology Agency (SACTA). During the handover at Ipelegeng Co-operative in the Greater Taung Municipality, Siphon Sebinda, chairperson of the Tshwarangano Co-operative, which houses and manages the equipment on behalf of the farmers, said the arrival of the harvester was perfectly timed, as farmers last season lost a large portion of soya bean because of the late arrival of harvesting contractors. He thanked SACTA for placing their trust in the farmers and pledged that the farmers would buy another harvester in the future. Andrew Bennet, CEO of SACTA, said the agency became aware of the struggles of the farmers to harvest on time because of their dependence on contractors last year when the agency inspected the performance of seed supplied to the farmers. He pointed out that the new harvester was not a grant, but in the form of an interest free loan that had to be repaid over three years. Aron Kole, managing director of FarmSol, said the machines supplied to the farmers last year allowed them to plant 1 500ha of soya bean, while the harvester will allow them to harvest the crop on time. He said the region had a lot of underutilised land and he hoped the mechanisation efforts would help to unlock the full potential of the land and farmers in the region.

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Source: SAFEX, Standard bank, Stats SA, Reuters, Red Meat Abattoir Association, FNB and Absa Bank.
 Disclaimer: DALRRD will not be liable for results of actions based on this price watch.