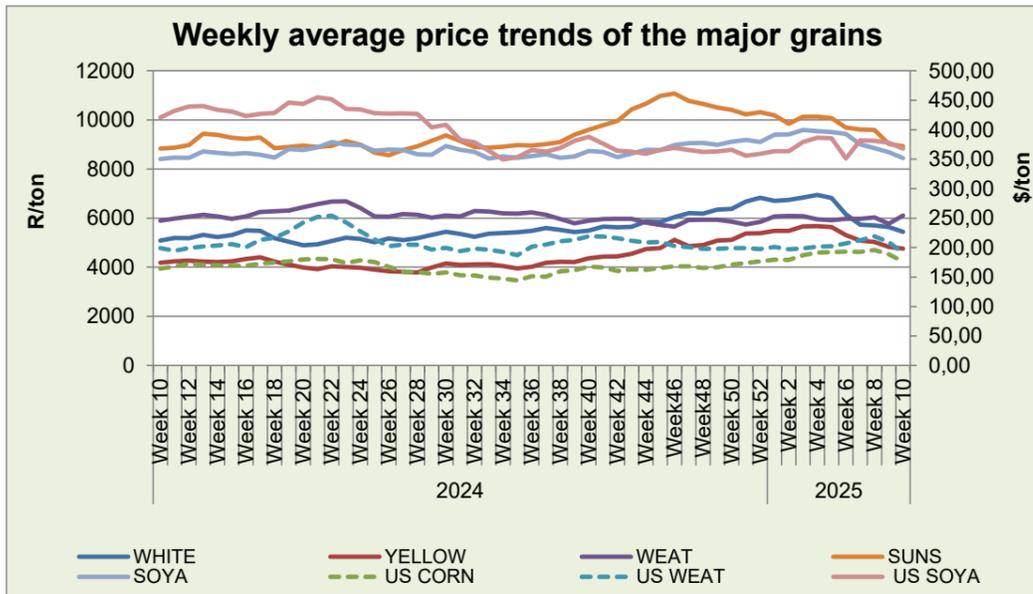




Weekly Price Watch: 07 March 2025

Directorate: Statistics & Economic Analysis

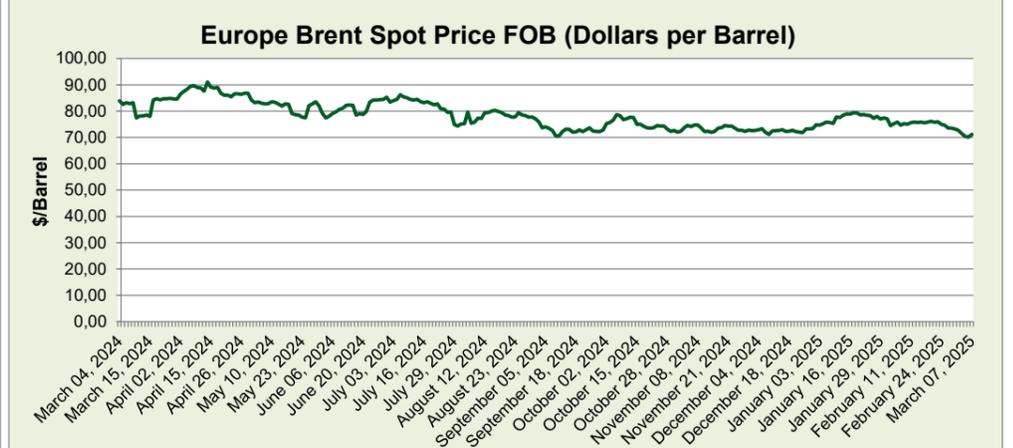
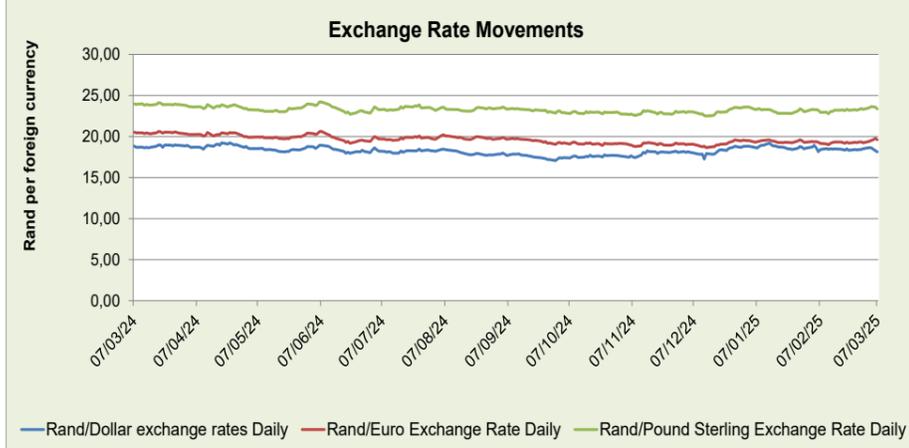
Sub-directorate: Economic Analysis



Domestic grain prices exhibited fluctuations during the reporting week in comparison to the prior week, following the first production estimates released by the Crop Estimates Committee (CEC). The prices of white and yellow maize saw declines of 0.9% and 1.4% respectively, attributed to more favourable weather conditions. Furthermore, soybean and sunflower seed prices declined by 2.8% and 1.1% respectively, influenced by lower global prices and an anticipated increase in local production. Conversely, the local price of wheat increased by 5.8%, a rise linked to projected declines in supply. On the international front, the price of US yellow maize decreased by 6.6% week-on-week, as traders monitored the latest developments regarding tariffs and anticipated the USDA's World Agriculture Supply and Demand Estimates report. Similarly, US wheat prices dropped by 9.1% week-on-week, largely due to robust export competition from Russia and Ukraine. Additionally, US soybean prices fell by 2.7% week-on-week, influenced by significant losses in soy oil futures.

Spot price trends of major grains commodities

	1 year ago Week 10 (04-03-24 to 08-03-24)	Last week Week 9 (24-02-25 to 28-02-25)	This week Week 10 (03-03-25 to 07-03-25)	w-o-w % change
RSA White Maize per ton	R 5 088.60	R 5 640.80	R 5 445.40	-3.5%
RSA Yellow Maize per ton	R 4 180.80	R 4 826.00	R 4 759.40	-1.4%
USA Yellow Maize per ton	\$ 164.32	\$ 188.65	\$ 176.19	-6.6%
RSA Wheat per ton	R 5 900.60	R 5 769.00	R 6 105.60	5.8%
USA Wheat per ton	\$ 199.21	\$ 209.75	\$ 190.57	-9.1%
RSA Soybeans per ton	R 8 412.00	R 8 691.40	R 8 447.80	-2.8%
USA Soybeans per ton	\$ 420.92	\$ 378.21	\$ 367.82	-2.7%
RSA Sunflower seed per ton	R 8 828.80	R 9 022.40	R 8 927.60	-1.1%
Crude oil per barrel	\$ 83.16	\$ 74.02	\$ 71.19	-3.8%



The rand depreciated by 0.02% against the US dollar week-on-week, as investors expressed concerns regarding a potential recession in the largest global economy. The rand depreciated by 1.07% against the Pound Sterling week-on-week, ahead of the release of Britain's monthly gross domestic product in the upcoming week. The rand depreciated by 0.02% against the Euro week-on-week, influenced by an increase in European spending that contributed to a widespread appreciation of the currency.

Brent crude oil recorded an average price of \$71.19 during the reporting week, indicating a decrease of 3.8% from the previous week's average of \$74.02. The price of Brent crude oil fell from its session peaks following a warning from US President Donald Trump regarding potential sanctions on Russia should it not achieve a cease-fire with Ukraine. On Friday, Russia's Deputy Prime Minister, Alexander Novak, informed reporters that the OPEC+ producer group would proceed with its planned increase in April but might subsequently evaluate other measures, including the possibility of production cuts.



National South African Price information (RMAA) : Beef

Week 08 (17/02/2025 to 23/02/2025)	Units	Avg Purchase Price	Avg Selling Price	Week 09 (24/02/2025 to 02/03/2025)	Units	Avg Purchase Price	Avg Selling Price
Beef							
Class A2	10 460	55,23	57,08	Class A2	11 747	55,25	57,66
Class A3	391	55,57	56,44	Class A3	528	55,64	57,07
Class C2	365	47,39	47,91	Class C2	599	46,40	48,04

Units sales of class A2, A3 and class C2 beef saw notable increases of 12.3%, 35.0% and 64.1%, respectively, in the reporting week compared to the previous week. In terms of pricing, the weekly average purchase price for class A2 and A3 beef increased by 0.04% and 0.1% respectively, in the reporting week compared to the previous week whereas, the weekly average purchase price for class C2 beef fell by 2.1% week-on-week. During the same period, the weekly average selling price for class A2, class A3, and class C2 beef experienced increases of 1.0%, 1.1%, and 0.3%, respectively, compared to the previous week. Analysts anticipate that beef prices will likely experience a gradual upward trend in the coming months, supported by a rebound in local demand.

National South African Price information (RMAA) : Lamb

Week 08 (17/02/2025 to 23/02/2025)	Units	Avg Purchase Price	Avg Selling Price	Week 09 (24/02/2025 to 02/03/2025)	Units	Avg Purchase Price	Avg Selling Price
Lamb							
Class A2	13 809	99,90	99,87	Class A2	14 238	99,79	101,16
Class A3	1 467	97,47	98,37	Class A3	1 754	99,26	100,27
Class C2	1 938	65,75	72,36	Class C2	1 614	65,22	70,05

Units sales of class A2 and A3 lamb experienced increases of 3.1% and 19.6%, respectively, during the reporting week compared to the previous week. In contrast, unit sales for class C2 lamb experienced a decline of 16.7% week-on-week. In terms of pricing, the weekly average purchase prices for class A2 and class C2 lamb decreased by 0.1% and 0.8%, respectively, relative to the prior week, while the weekly average purchase price for class A3 lamb increased by 1.8% week-on-week. During the same period, the weekly average selling prices for class A2 and class A3 lamb increased by 1.3% and 1.9%, respectively, compared to the previous week, whereas the weekly average selling price for class C2 lamb decreased by 3.2% week-on-week. Analysts anticipate that lamb prices will trade modestly higher in the upcoming quarter, driven by the expected increase around Easter.

National South African Price information (RMAA) : Pork

Week 08 (17/02/2025 to 23/02/2025)	Units	Avg Purchase Price	Week 09 (24/02/2025 to 02/03/2025)	Units	Avg Purchase Price
Pork					
Class BP	10 748		Class BP	14 370	31,99
Class HO	3 050		Class HO	3 501	31,24
Class HP	3 611		Class HP	3 968	31,65

Units sales of class BP, class HO and class HP pork units rose by 33.7%, 14.8% and 9.9%, respectively, during the reporting week compared to the previous week. During the same period, the weekly average purchase price for class BP and class HO pork saw increases by 0.3% and 0.2%, respectively, in the reporting week compared to the previous week. Conversely, the weekly average purchase price for class HP pork experienced a decline of 0.2% week-on-week. Analysts anticipate that pork prices will rise in the upcoming months as feed costs stabilize, profit margins improve, and herd expansion accelerates.

Latest News Developments

According to Stats SA, South Africa's economy experienced a modest expansion in the fourth quarter of 2024, rebounding from a slight contraction in the preceding quarter. Gross Domestic Product (GDP) increased by 0.6% quarter-on-quarter in the fourth quarter of 2024, following a decline of 0.1% in the third quarter. The agriculture and finance sectors emerged as the primary drivers of this growth, with increases of 17.2% and 1.1% respectively during the quarter. The agriculture sector benefited from improved performances in field crops, livestock, and horticulture, while the finance sector was supported by lower inflation and interest rates. In terms of expenditure, household consumption, which constitutes approximately two-thirds of GDP, rose by 1% in the fourth quarter of 2024. This increase in consumer spending was facilitated by mild inflation, two interest rate cuts of 25 basis points each in the latter half of 2024, and the provision for pension fund members to access a portion of their retirement savings without penalties. For the entire year, the economy recorded a growth rate of 0.6%, slightly down from 0.7% in 2023. Analysts project that the economy will gain moderate momentum throughout 2025, driven by ongoing improvements in consumer demand as inflation remains low and interest rates are further reduced, enhancing real incomes and decreasing borrowing costs. Additionally, a recovery in fixed investment is anticipated, spurred by increased public sector spending on infrastructure. However, analysts caution that slower government expenditure due to fiscal constraints and the ongoing challenges posed by net exports may limit the potential for GDP growth in 2025.

In 2024, South Africa's agricultural sector reached an unprecedented export value of US\$13.7 billion (approximately R255 billion), reflecting a 3% increase from the previous year, as reported by Trade Map. Wandile Sihlobo, the chief economist at Agbiz, noted that despite existing infrastructure challenges, effective collaboration among Transnet, the private sector, and various logistical organizations has facilitated a consistent flow of agricultural exports. The Agbiz weekly market report indicates that African nations remained the primary recipients of South Africa's agricultural exports, representing 44% of the total export value. Key exports to these African countries included maize, wheat, sugar, apples, pears, fruit juices, wine, and vegetable oils. In addition, Asia and the Middle East emerged as the second-largest markets for South Africa's agricultural products, collectively accounting for 21% of total exports. The European Union followed closely, comprising 19% of the market share while exports to the Americas, including the United States, constituted 6%. The report highlights the ongoing importance of the African Growth and Opportunity Act (AGOA) in facilitating South Africa's agricultural trade with the United States. Currently, the US represents 4% of South Africa's agricultural exports, with products such as citrus, grapes, wine, and fruit juices benefiting from AGOA's duty-free access. Sihlobo emphasized that the removal of South Africa from AGOA would subject its agricultural exports to the US to tariffs, thereby hindering competitiveness against countries that enjoy duty-free access.

The South African wine sector is diligently striving to secure a more promising future. Research and development manager at South Africa Wine, Anel Andrag noted that the industry is exploring methods to mitigate the effects of extreme weather on production. This investigation encompasses assessing the influence of water stress on various grape varieties, rootstocks, and root development, as well as evaluating technologies designed to measure water stress and enhance water-use efficiency. Previous studies conducted in Stellenbosch, Vredendal, and Worcester demonstrated that it is possible to reduce water usage without adversely affecting the production or quality of wine grapes. Additionally, the breeding of climate-resilient plants is being employed as a strategy to safeguard future production. In this context, Andrag highlighted that the industry is not only seeking varieties that exhibit greater drought resistance but also those that are more resilient to diseases, particularly in light of the decreasing number of approved products available for use. According to Andrag, farmers must not only adapt to climate change but also manage increasing demands regarding the products they utilize. One of the significant challenges associated with new varieties is their lack of familiarity. Marketing these new or lesser-known varieties may prove challenging; however, the industry must transition to more climate-resilient options.

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