



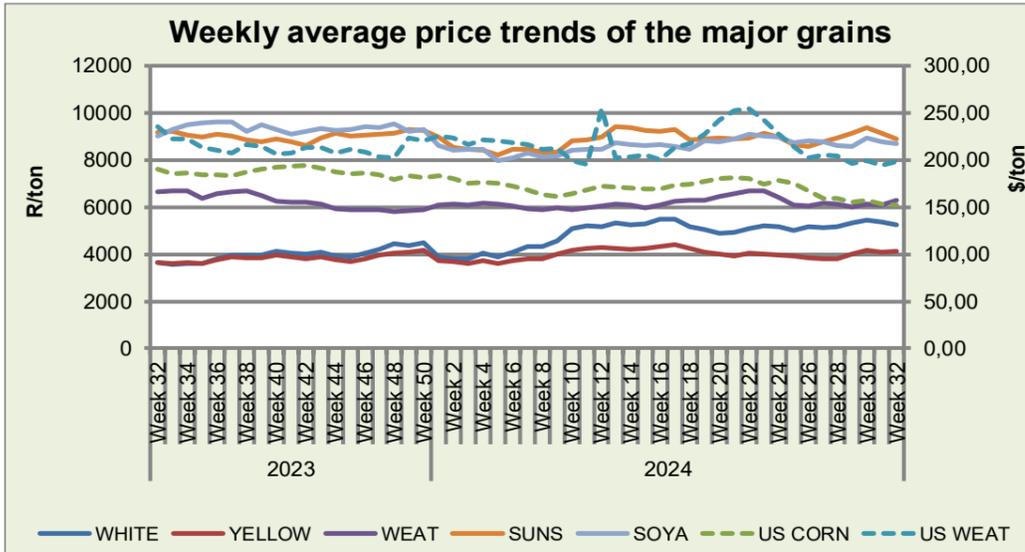
# agriculture, land reform & rural development

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

## Weekly Price Watch: 08 August 2024

Directorate: Statistics & Economic Analysis

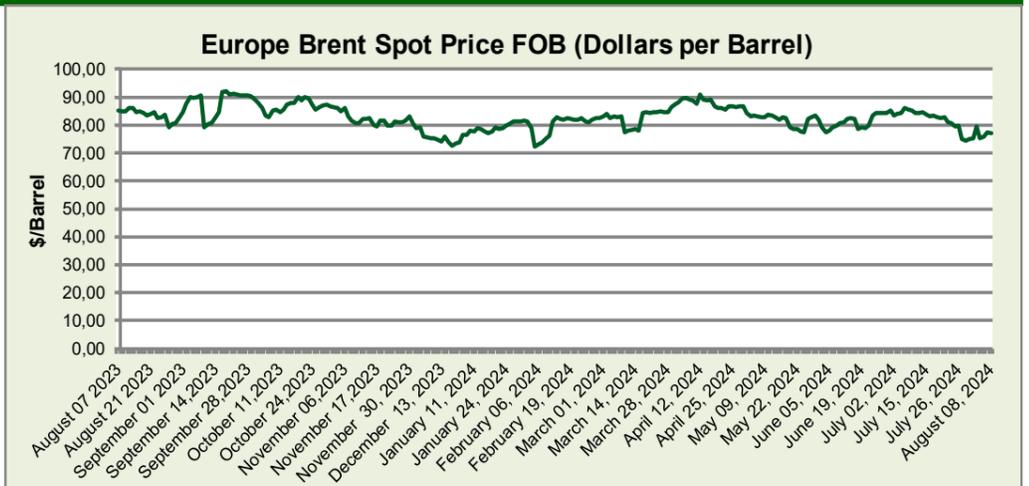
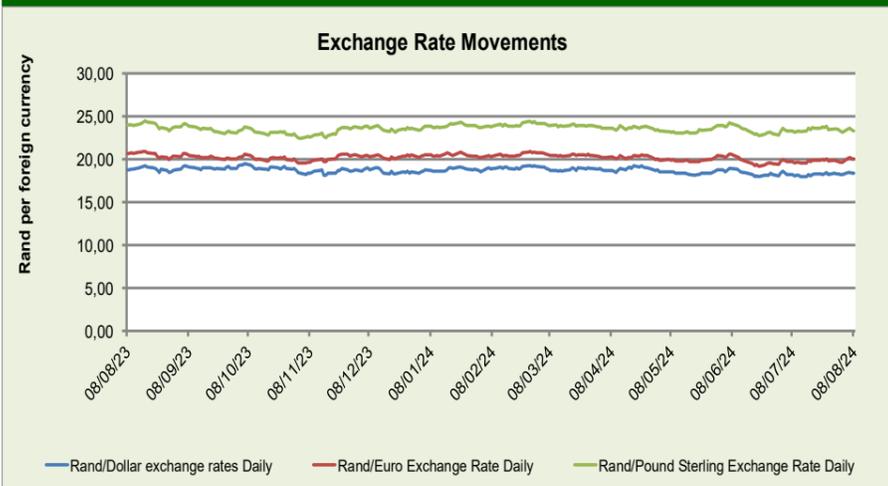
Sub-directorate: Economic Analysis



Domestic grain prices demonstrated variability during the reporting week when compared to the preceding week. The price of local white maize experienced a decline of 2.2%, while local yellow maize saw a modest increase of 0.5% week-on-week. Expected improvements in weather conditions, supported by a strong possibility of La Nina phenomena during the 2024/25 production season, are anticipated to alleviate significant price surges. In contrast, local wheat prices increased by 3.6%, reflecting positive production forecasts, while local prices for soybean and sunflower seed decreased by 1.0% and 2.6%, respectively. On the international front, US yellow maize price decreased by 0.4% week-on-week, attributed to an increase in yield potential year-over-year across several major production states. US wheat prices increased by 2.4% week-on-week, following reports of a smaller harvest in Europe. Conversely, US soybean prices decreased by 1.1% week-on-week, as USDA raised its outlook on 2024 soybean production due to higher area and yield.

### Spot price trends of major grains commodities

	1 year ago Week 32 (08-08-23 to 11-08-23)	Last week Week 31 (29-07-24 to 02-08-24)	This week Week 32 (05-08-24 to 08-08-24)	w-o-w % change
RSA White Maize per ton	R 3 626.00	R 5 355.00	R 5 239.75	-2.2%
RSA Yellow Maize per ton	R 3 639.75	R 4 093.60	R 4 113.00	0.5%
USA Yellow Maize per ton	\$ 190.04	\$ 153.05	\$ 152.44	-0.4%
RSA Wheat per ton	R 6 648.75	R 6 069.40	R 6 288.00	3.6%
USA Wheat per ton	\$ 235.44	\$ 193.83	\$ 198.40	2.4%
RSA Soybeans per ton	R 9 020.50	R 8 780.40	R 8 693.75	-1.0%
USA Soybeans per ton	\$ 523.76	\$ 382.84	\$ 378.65	-1.1%
RSA Sunflower seed per ton	R 9 182.75	R 9 136.00	R 8 900.50	-2.6%
RSA Sweet Sorghum per ton	-	-	-	-
Crude oil per barrel	\$ 85.32	\$ 74.40	\$ 76.47	2.8%



The rand depreciated by 0.7% against the US dollar week-on-week, as markets exhibited a cautious approach as they awaited the release of US jobless claims data, which has the potential to significantly influence global trends. The rand depreciated by 0.2% against the Pound Sterling week-on-week, as financial markets rebounded from substantial losses sustained at the start of the week. The rand depreciated by 1.8% against the Euro week-on-week, after the Bank of England cut interest rates last week.

Brent crude oil averaged \$76.47 in the reporting week, showing a 2.8% increase from \$74.40 recorded the previous week. This increase was attributed to favourable economic data and indications from Federal Reserve officials suggesting a potential interest rate cut as soon as September, which alleviated concerns regarding demand. However, apprehensions regarding the escalation of conflict in the Middle East persist, contributing to heightened supply risks.



### National South African Price information (RMAA) : Beef

Week 30 (22/07/2024 to 28/07/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 31 (29/07/2024 to 04/08/2024)	Units	Avg Purchase Price	Avg Selling Price
<b>Beef</b>							
Class A2	10 482	55,39	56,33	Class A2	10 961	55,19	56,19
Class A3	1 045	55,24	55,24	Class A3	876	55,02	55,35
Class C2	711	43,42	43,42	Class C2	861	42,85	45,92

Units sales of class A2 and class C2 beef increased by 4.6% and 21.1% respectively in the reporting week compared to the previous week, while unit sales off class A3 beef decreased by 16.2% week-on-week. In terms of pricing, the weekly average purchase prices for class A2, class A3 and class C2 beef decreased by 0.4%, 0.4% and 1.3% respectively in the reporting week compared to the previous week. Furthermore, the weekly average selling prices for class A2 and class A3 beef decreased by 0.2% and 0.1% respectively in the reporting week compared to the previous week, while the weekly average selling price for class C2 beef increased by 1.5% week-on-week. Weekly livestock prices in the local market indicate some downward pressure across most meat categories with some upward scope expected in the medium term underpinned by the view that some more relief is on its way for consumers in the form of lower interest rates and further possible cuts to petrol prices.

### National South African Price information (RMAA) : Lamb

Week 30 (22/07/2024 to 28/07/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 31 (29/07/2024 to 04/08/2024)	Units	Avg Purchase Price	Avg Selling Price
<b>Lamb</b>							
Class A2	16 660	89,60	89,68	Class A2	12 721	89,57	89,63
Class A3	1 832	87,36	87,22	Class A3	1 448	87,14	88,58
Class C2	1 215	64,10	69,60	Class C2	820	65,55	69,84

Units sales of class A2, A3 and class C2 lamb decreased by 23.6%, 38.4% and 32.5% respectively in the reporting week compared to the previous week. During the same period, the weekly average purchase prices for class A2 and class A3 lamb decreased by 0.03% and 0.3% respectively in the reporting week compared to the previous week, while the weekly average purchase price for class C2 lamb increased by 2.3% week-on-week. Furthermore, the weekly average selling price for class A3 and class C2 lamb increased by 1.6% and 0.3% respectively in the reporting week compared to the previous week while the weekly average selling price for class A2 lamb decreased by 0.1% week-on-week. Historical seasonal pricing indicates that lamb prices may experience a slight upward trend in the upcoming months. Analysts anticipate that this trend will remain relatively muted during the third quarter, while the onset of a declining interest rate cycle could lead to more significant price increases in the final quarter of the year as the festive season approaches.

### National South African Price information (RMAA) : Pork

Week 30 (22/07/2024 to 28/07/2024)	Units	Avg Purchase Price	Week 31 (29/07/2024 to 04/08/2024)	Units	Avg Purchase Price
<b>Pork</b>					
Class BP	12 859	31,31	Class BP	12 111	31,40
Class HO	7 140	30,13	Class HO	5 530	30,65
Class HP	6 837	30,80	Class HP	6 248	30,93

Units sales of class BP, HO and class HP pork decreased by 5.8%, 22.5% and 8.6% respectively in the reporting week compared to the previous week. Meanwhile, the weekly average purchase prices for class BP, HO and class HP pork increased by 0.3%, 1.7% and 0.4% respectively in reporting week compared to the previous week. It is anticipated that the increase in pork prices will be more muted than historically observed, due to the view that chicken prices may face challenges in the upcoming months. Recent weeks have witnessed significant rises in pork prices. This trend is largely influenced by seasonal market factors where prices to start increasing towards the end of the year. This rise is expected to be supported by higher chicken and feed prices.

## Latest News Developments

According to Rand Merchant Bank, South Africa has not succeeded in securing a position within the top three rankings, placing fourth behind Seychelles, Mauritius, and Egypt. The nation is grappling with significant challenges that have allowed other countries to surpass it. The Rand Merchant Bank identified South Africa as the leader in only one category: foreign exchange stability and liquidity. Beyond this, the country has ceded its leading position in economic output to Egypt and ranks last in GDP growth forecasts. Additionally, South Africa has been noted for its poor performance in income inequality and unemployment metrics. Stats SA reports that 30% of the working-age population is unemployed, with the situation being even more dire among young adults. Under various definitions, the unemployment rate for all adults can exceed 40%. The Rand Merchant Bank has expressed particular concern regarding the alarming rate of youth unemployment in South Africa, where over 44% of individuals under 34 years old are unemployed. The outlook appears grim, with financial services firm PwC observing that unemployment is trending upward due to structural constraints that hinder economic growth. Although load-shedding seems to have subsided, the country must more than double its current economic growth rate to outpace population growth and effectively reduce unemployment.

S&P Global Market Intelligence emphasizes the urgent need for South Africa to tackle severe infrastructure challenges to avoid jeopardizing its emerging economic recovery. These issues have hindered the growth of Africa's most industrialized nation for the past decade. Thea Fourie, Director for Sub-Saharan Africa Economics and Risk at S&P Global, cautioned that without immediate intervention, the country may fall further behind its peers. Fourie highlighted that resolving infrastructure deficiencies in energy, ports, rail, and water is essential for overcoming institutional weaknesses and fostering economic growth. The recent elections in May have sparked a glimmer of hope, creating a "window of opportunity." However, the sustainability of any reforms will depend on political stability and a commitment to enacting meaningful changes. S&P Global Ratings notes that logistical inefficiencies and electricity shortages continue to pose significant barriers to growth, forecasting a 1.1% increase in South Africa's economy in 2024, with an average growth rate of 1.3% from 2025 to 2027, up from 0.6% in 2023. Fourie pointed out that essential reforms, such as the Electricity Regulation Amendment Bill aimed at easing barriers to electricity production and sales, could play a crucial role in addressing the ongoing energy crisis. Additionally, the initiative to enhance private sector involvement in the development of major ports like Durban and Richards Bay represents a positive step toward unlocking the country's economic potential.

The sixth annual Food Indaba, which took place in Cape Town, concentrated on comprehending the city's food systems, encompassing aspects from agriculture and processing to distribution and waste management. A notable feature of the event was the panel discussion regarding the State Of The City Food System Report, which unveiled considerable disparities in access to food and nutrition. This report analyzed 15 African cities, including Cape Town, Tamale (Ghana), and Dakar (Senegal), identifying that the quality of housing, energy stability, and the accessibility of water and transportation are vital components of the food system, significantly influencing nutrition and health outcomes. Gareth Haysom, an urban food systems researcher at the African Centre for Cities at the University of Cape Town, emphasized that for cities to thrive, it is essential to prioritize their nourishment. The report pointed out various challenges hindering urban farming initiatives, with poor water quality being a major issue. Additionally, it highlighted the lack of coordination between state and non-state entities as an obstacle to the success of urban agriculture. Moreover, land tenure security was recognized as a critical factor affecting the level of investment in enhancing soil health and fertility. The report also indicated that food is often overlooked in the city's 'non-food' functions, leading to its exclusion from policy documents.

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