



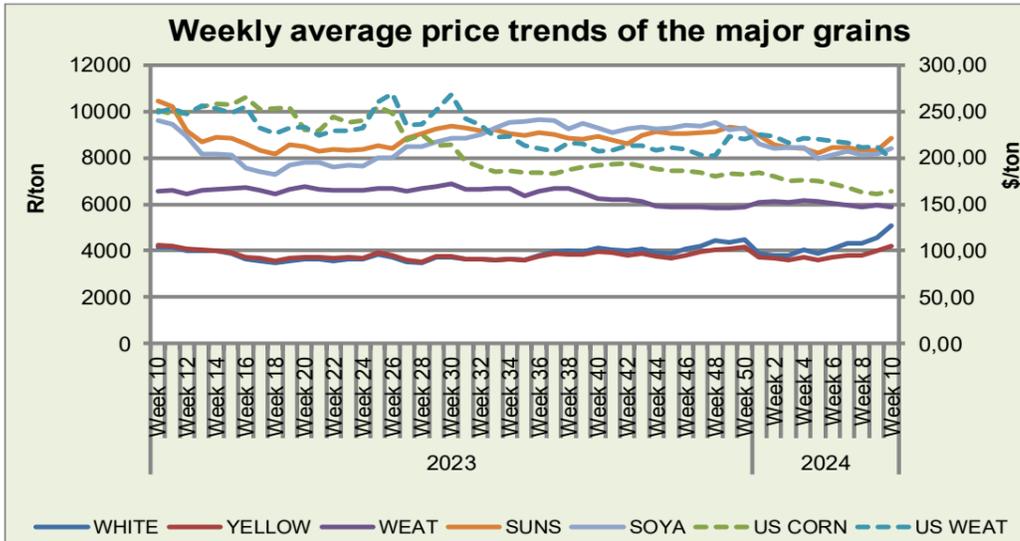
agriculture, land reform & rural development

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

Weekly Price Watch: 08 March 2024

Directorate: Statistics & Economic Analysis

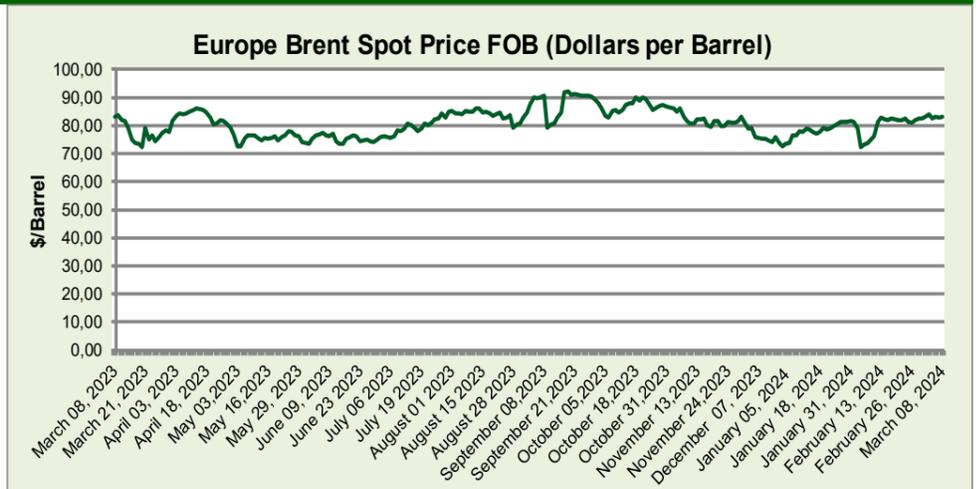
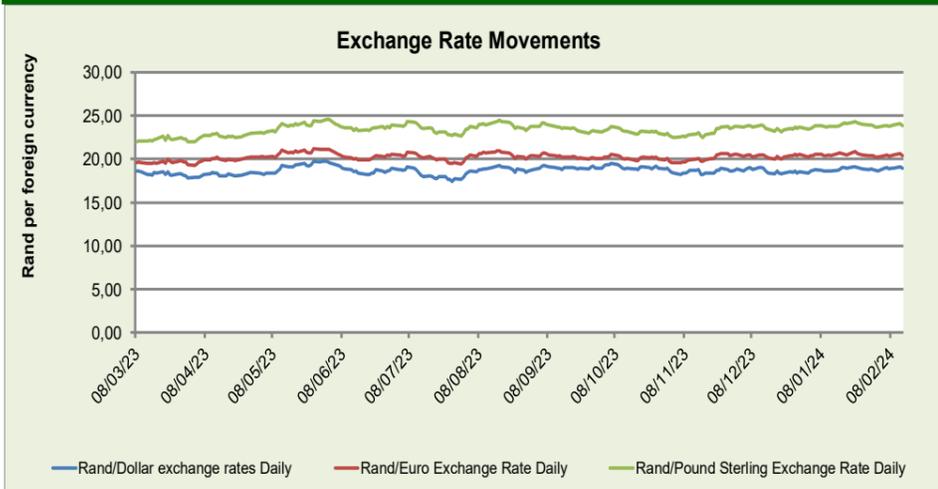
Sub-directorate: Economic Analysis



Domestic grain prices exhibited a notable improvement in the reporting week, with the exception of local wheat prices which decreased by 1.3% week-on-week. The Crop Estimates Committee (CEC) forecasted a decline of 12.6% in maize production and a reduction of 22.76% in soybean production for the 2023/24 season, due to the negative impact of heat and sparse rainfall. Meanwhile, local white and yellow maize prices increased by 11.7% and 4.7% respectively in the reporting week compared to the previous week, while local soybean and sunflower seed prices increased by 2.8% and 5.9% respectively week-on-week. On the International front, the price of US yellow maize increased by 2.1% week-on-week, while USDA made no changes to maize ending stocks projections in the latest WASDE report. The price of US wheat decreased by 6.0% week-on-week, while private exporters terminated 130,634 tons of soft red winter wheat that was initially designated for China. The price of US soybeans increased by 1.2% week-on-week, despite no changes in soybean supply and use estimates in the latest WASDE report.

Spot price trends of major grains commodities

	1 year ago Week 10 (06-03-23 to 10-03-23)	Last week Week 9 (26-02-24 to 01-03-24)	This week Week 10 (04-03-24 to 08-03-24)	w-o-w % change
RSA White Maize per ton	R 4 169.60	R 4 554.60	R 5 088.60	11.7%
RSA Yellow Maize per ton	R 4 248.80	R 3 993.40	R 4 180.80	4.7%
USA Yellow Maize per ton	\$ 250,73	\$ 160.91	\$ 164,32	2.1%
RSA Wheat per ton	R 6 553,60	R 5 978.00	R 5 900.60	-1.3%
USA Wheat per ton	\$ 249,15	\$ 212.01	\$ 199.21	-6.0%
RSA Soybeans per ton	R 9 610.80	R 8 181.00	R 8 412.00	2.8%
USA Soybeans per ton	\$ 561.68	\$ 416.11	\$ 420,92	1.2%
RSA Sunflower seed per ton	R 10 455.80	R 8 340.60	R 8 828.80	5.9%
RSA Sweet Sorghum per ton	-	-	-	-
Crude oil per barrel	\$ 83.86	\$ 82.17	\$ 83.16	1.2%



The rand appreciated by 1.5% against the US dollar week-on-week, benefiting from the positive data indicating that the domestic economy successfully avoided a recession in Q4: 2023. The rand appreciated by 1.1% against the Pound Sterling week-on-week, as investors analysed the recruitment data and anticipated the wage and employment figures for next week Tuesday. The rand appreciated by 1.1% against the Euro week-on-week, after the European Central Bank's downwardly revised its growth and inflation outlook.

Brent crude oil averaged \$83,16 week-on-week, which is 1.2% more than \$82.17 reported the previous week, due to the ongoing geopolitical tensions in the Middle East and Russia, which are intersecting with worries over weakening demand in China. The oil complex is currently observing the Gaza war and its escalating conflicts cautiously, especially with uncertainties surrounding Israel's military strategies as the Muslim holy month of Ramadan commences without a ceasefire and hostage agreement.



National South African Price information (RMAA) : Beef

Week 8 (19/02/2024 to 25/02/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 9 (26/02/2024 to 03/03/2024)	Units	Avg Purchase Price	Avg Selling Price
Beef							
Class A2	9 578	54,65	54,59	Class A2	8 904	54,95	56,11
Class A3	528	54,54	54,61	Class A3	456	55,05	56,89
Class C2	561	44,65	48,74	Class C2	955	45,58	47,78

Units sold for class A2 and class A3 beef decreased by 7,0% and 13,6% respectively in the reporting week compared to the previous week, whilst units sold for class C2 beef increased by 70,2% week-on-week. The decrease in units sold could be attributed to a waning post-festive demand. Meanwhile, the weekly average purchase prices for class A2, class A3 and class C2 beef increased by 0.5%, 0.9% and 2.1% respectively in the reporting week compared to the previous week. However, the weekly average selling prices for class A2 and class A3 beef increased by 2.8% and 4.2% respectively in the reporting week compared to the previous week, whilst the weekly average selling price for class C2 beef decreased by 2.0% week-on-week. Looking ahead, analysts predict that certain weeks in April will witness a marginal rise in prices due to increased demand during the Easter period.

National South African Price information (RMAA) : Lamb

Week 8 (19/02/2024 to 25/02/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 9 (26/02/2024 to 03/03/2024)	Units	Avg Purchase Price	Avg Selling Price
Lamb							
Class A2	17 192	83,61	83,53	Class A2	16 644	84,09	84,05
Class A3	2 025	81,76	81,13	Class A3	2 499	81,94	83,34
Class C2	1 634	56,69	60,24	Class C2	1 633	53,37	59,46

Units sold for class A2 and class C2 lamb decreased by 3.2% and 0.1% respectively in the reporting week compared to the previous week, whilst units sold for class A3 lamb increased by 23.4% week-on-week. During the same period, the weekly average purchase prices for class A2 and class A3 lamb increased by 0.6% and 0.2% respectively in the reporting week compared to the previous week, whilst the weekly average purchase price for class C2 lamb decreased by 5.9% week-on-week. Similarly, the weekly average selling price for class A2 and class A3 lamb increased by 0.6% and 2.7% respectively in the reporting week compared to the previous week, whilst the weekly average selling price for class C2 lamb decreased by 1.3% week-on-week. According to seasonal price patterns, it is anticipated that the prices of lamb carcass may face downward pressure in the initial quarter of the year. Nevertheless, due to the early arrival of Easter in 2024, analysts anticipate a rise in prices starting from the second week of March, as a result of increased demand.

National South African Price information (RMAA) : Pork

Week 8 (19/02/2024 to 25/02/2024)	Units	Avg Purchase Price	Week 9 (26/02/2024 to 03/03/2024)	Units	Avg Purchase Price
Pork					
Class BP	11 780	31,59	Class BP	9 597	31,62
Class HO	7 358	31,05	Class HO	5 702	31,21
Class HP	9 147	31,16	Class HP	6 706	31,51

Units sold for class BP, class HO and class HP pork decreased by 18.5%, 22.5% and 26.7% respectively in the reporting week compared to the previous week. Meanwhile, the weekly average purchase prices for class BP, class HO and class HP pork increased by 0.1%, 0.5% and 1.1% respectively in reporting week compared to the previous week. Despite the weekly increase in local pork prices, they are actually lower than they were a year ago while lower poultry prices are expected to have a negative impact on the price outlook for pork. In addition, taking into account historical seasonal patterns, analysts anticipate a consistent decline in the upcoming weeks. However, it is important to note that the increased costs of feed pose a potential upward price risk.

Latest News Developments

According to the latest GDP results released by Statistics South Africa, South Africa experienced a growth of 0.1% in its real gross domestic product (GDP) during the fourth quarter of 2023, with the country having avoided a technical recession after Eskom's power generation improved in the fourth quarter of 2023. According to the most recent preliminary indicators, real gross domestic product (GDP) growth rose to 0.6% in 2023, compared to an increase of 1.9% in 2022. The increase in electricity production over the quarter facilitated growth in manufacturing and mining output. Transport, storage and communication, finance and personal services also expanded over the quarter. In sharp contrast, agriculture, construction, domestic trade, and government services declined sharply.

The agricultural, forestry, and fisheries industry contracted by 9.7% in the fourth quarter of 2023 and by 12.2% year-on-year, as per the latest GDP figures from Statistics South Africa. This industry experienced negative growth of 14.3% in the first quarter of 2023, followed by 3.7% growth in the second quarter, and a negative growth of 11.7% in the third quarter. Dawie Maree, head of agriculture information and marketing at FNB South Africa, noted that this was the first time the industry had seen negative year-on-year growth since 2019. In 2019, the industry contracted by 6.5%, but then saw growth of 17.8% in 2020, 7.4% in 2021, and 0.9% in 2022. Maree explained that the negative growth in agriculture should be viewed in context, considering the high base established by favourable production conditions in the summer rainfall areas. He also mentioned that animal diseases like avian influenza and foot-and-mouth disease had impacted the livestock sectors. FNB anticipates continued negative growth in agriculture in 2024, but expects GDP to increase by 1% to 1.2%. Maree highlighted that climatic conditions in the summer rainfall area had become less favourable due to the emergence of the El Niño phenomenon, leading to drought conditions in some parts of South Africa. The Crop Estimates Committee recently revised its summer crop forecast for the 2023/24 production season, down by 13.48% to 17.4 million tons, due to certain regions not receiving sufficient follow-up rain and excess heat after the planting season. This was despite farmers increasing their area under production by 1,2% to 4,44 million hectares because of favourable climatic conditions at the time of planting. Other factors that threaten agricultural growth include load-shedding and the negative impact of logistical and port challenges on exports.

Meanwhile, John Hudson, the head of agriculture at Nedbank, emphasized the surprising nature of agriculture and its ability to bounce back from adversity. Despite the record-breaking exports of \$13.2bn in 2023, which fell short of sustaining overall growth, Hudson remains optimistic about the sector's future contribution to the South African economy and society as a whole. Conversely, Wandile Sihlobo, Chief Economist at the Agricultural Business Chamber of South Africa (Agbiz), highlighted the even greater challenges lie ahead for the sector. The intensified dryness caused by El-Nino poses a significant threat to the prospects of summer crop production in 2023/24. Sihlobo's pessimism stems from various obstacles faced by the sector, including delays and inefficiencies at ports, deteriorating infrastructure, declining municipal services, geopolitical uncertainty, and persistent power outages.

For more information contact: Directorate Statistics & Economic Analysis (SEA) at HeidiP@dalrrd.gov.za or 0123198194.