



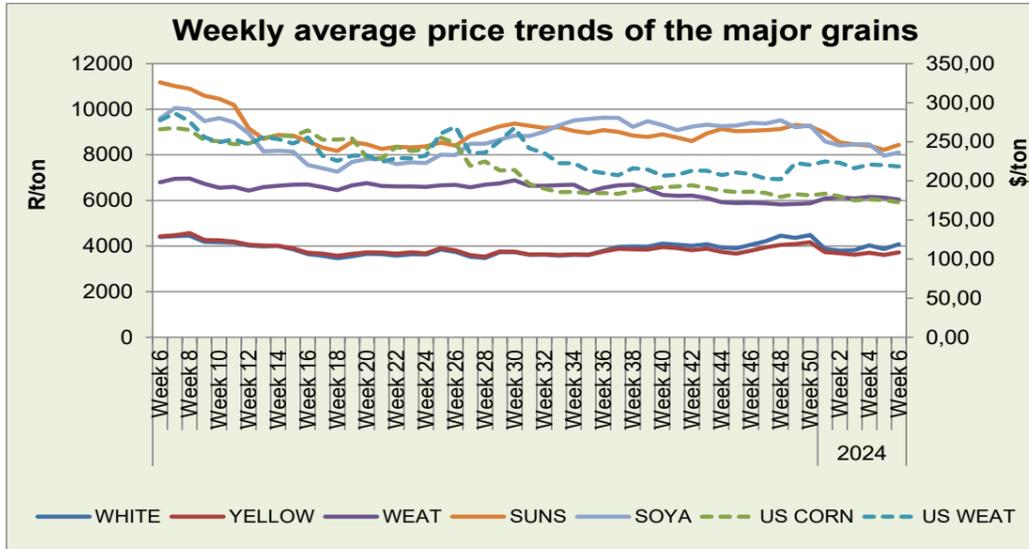
agriculture, land reform & rural development

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

Weekly Price Watch: 09 February 2024

Directorate: Statistics & Economic Analysis

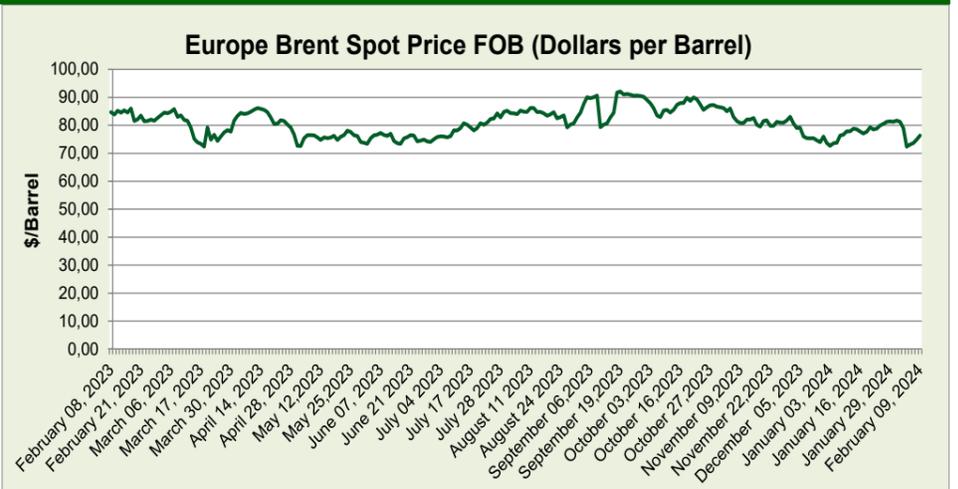
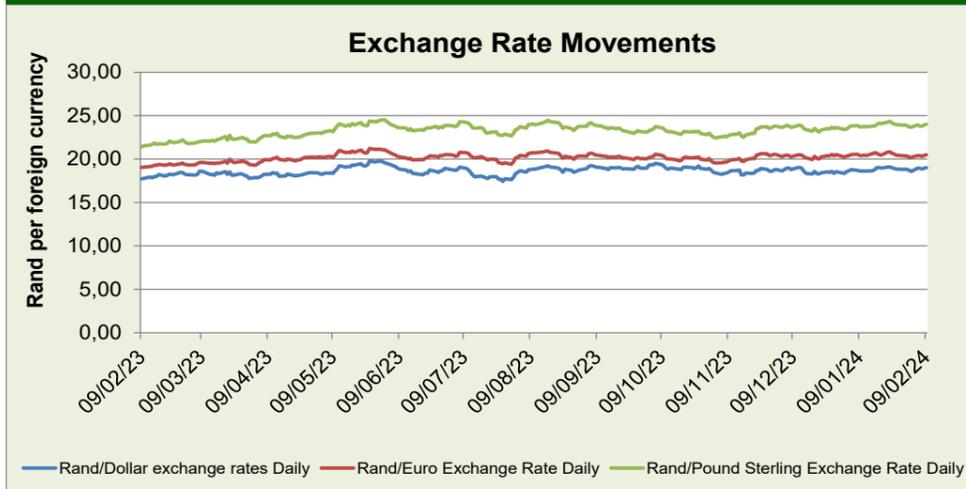
Sub-directorate: Economic Analysis



The domestic grain market strengthened this week compared to the previous week, with local white, yellow maize, sunflower and soybean prices increased by 5.6%, 3.2%, 2.7% and 1.7% respectively. Meanwhile the local wheat price decreased by 1.4% this week compared to the previous week. On the International front, the price of US yellow maize, soybean and wheat decreased by 1.7%, 1.3% and 0.8% respectively this week compared to the previous week. US corn and soybean futures hovered near a three-year lows on Friday as South American crop weather improved and forecasts called for plentiful supplies, but losses were limited by short covering ahead of the weekend. Markets remained focused on supply and demand estimates released by the US Department of Agriculture (USDA) and Brazil's Conab.

Spot price trends of major grains commodities

	1 year ago Week 6 (06-02-23 to 10-02-23)	This week Week 5 (29-01-24 to 02-02-24)	This week Week 6 (05-02-24 to 09-02-24)	w-o-w % change
RSA White Maize per ton	R 4 394.00	R 3 864.60	R 4 082.80	5.6%
RSA Yellow Maize per ton	R 4 423.80	R 3 611.60	R 3 725.80	3.2%
USA Yellow Maize per ton	\$ 266.08	\$ 175.53	\$ 172.53	-1.7%
RSA Wheat per ton	R 6 799.40	R 6 130.20	R 6 041.80	-1.4%
USA Wheat per ton	\$ 277.65	\$ 220.14	\$ 218.43	-0.8%
RSA Soybeans per ton	R 9 598.00	R 7 964.40	R 8 103.00	1.7%
USA Soybeans per ton	\$ 559.03	\$ 444.41	\$ 438.45	-1.3%
RSA Sunflower seed per ton	R 11 176.40	R 8 220.00	R 8 443.40	2.7%
Crude oil per barrel	\$ 83.53	\$ 80.94	\$ 74.08	-8.5%



The rand depreciated by 1.1%, 0.5% and 0.4% against the US dollar, Euro and Pound Sterling respectively this week compared to the previous week. Rand remains weak, running under the R19.00/USD mark, currently at R18.95/USD but can easily be able to weaken further. The ongoing knocks to market confidence on early US interest rate cut hopes has negatively affected the rand.

Brent crude oil averaged \$74,08 week-on-week, which is 8.5% more than \$80.94 reported the previous week. Oil prices posted a weekly gain as hopes for a ceasefire in the Israel-Hamas war appeared to fade, Brent crude prices inched higher on Friday. Israel is pressing ahead with its war in Gaza, bombarding the southern city of Rafah on the Egyptian border after Prime Minister Benjamin Netanyahu rejected Hamas' proposed terms for a ceasefire.



National South African Price information (RMAA) : Beef

Week 4 (22/01/2024 to 28/01/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 5 (29/01/2024 to 04/02/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	11 091	54,63	56,49	Class A2	8 881	55,01	58,19
Class A3	693	54,07	57,50	Class A3	799	54,71	58,88
Class C2	647	47,55	49,64	Class C2	679	47,12	48,15

Units sold for class A2 beef decreased by 19.9%, meanwhile the units sold for class A3 and class C2 beef increased for two consecutive weeks by 15,3% and 4,9% respectively this week compared to the previous week. The weekly average purchase prices for class A2 and class A3 beef increased by 0.7% and 1.2% respectively, while the weekly average purchase price for class C2 decrease by 0.9% compared to the previous week. During the same period the weekly average selling prices for class A2 and class A3 beef increased by 3.0% and 2.4% respectively, whilst the weekly average selling price for class C2 decreased by 3.0%.

National South African Price information (RMAA) : Lamb

Week 4 (22/01/2024 to 28/01/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 5 (29/01/2024 to 04/02/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	13 309	84,22	84,44	Class A2	12 580	84,03	84,41
Class A3	1 364	82,96	83,15	Class A3	1 524	82,44	83,17
Class C2	902	59,10	64,32	Class C2	1479	59,39	64,28

Units sold for class A3 and class C2 lamb increased by 11.7% and 64.0% respectively in the reporting week compared to the previous week, whilst units sold for class A2 lamb decreased by 5.5% week-on-week. The weekly average purchase prices for class A2 and class A3 lamb increased by 0.2% and 0.6% respectively this week compared to the previous week, whilst the weekly average purchase price for class C2 lamb increased by 0.5% week-on-week. During the same period, the weekly average selling price for class A2 and class A3 lamb remained flat, while the weekly average selling price for class C2 lamb decreased by 0.1% during the same period.

National South African Price information (RMAA) : Pork

Week 4 (22/01/2024 to 28/01/2024)	Units	Avg Purchase Price	Week 5 (29/01/2024 to 04/02/2024)	Units	Avg Purchase Price
Pork					
Class BP	11 512	32,31	Class BP	11 468	32,06
Class HO	6 772	31,99	Class HO	7 004	31,91
Class HP	8 958	31,94	Class HP	9 146	31,90

Units sold for class HO and class HP pork increased by 3.4% and 2.1% respectively in the reporting week compared to the previous week, whilst units sold for class BP pork decreased by 0.4% this week compared to the previous week. The weekly average purchase prices for class BP, class HO and class HP pork all decreased by 0.8%, 0.3% and 0.1% respectively during the same period.

Latest News Developments

President Cyril Ramaphosa delivered the state of the nation address (SoNA) on Thursday, 8 February 2024. The address took place before a joint sitting of the two houses of Parliament. The address is an important milestone as it brings certainty to the country's political, social and economic landscape. It demonstrates that South Africa's democracy remains robust. In the address, President Cyril Ramaphosa sets out government's key policy objectives and deliverables for the year ahead, flag challenges and outline interventions to unlock our nation's potential. During his address, the President also highlights what has been achieved since his last address in 2023. He also reflects on the progress made in implementing the Economic Reconstruction and Recovery Plan (ERRP). President Ramaphosa highlighted progress made in South Africa since the fall of apartheid 30 years ago. One of the highlights for agriculture specifically was his mention that roughly 25% of farmland was now in black ownership, and that the country was on track to exceed the 30% target for 2030.

Mineral Resources and Energy Minister, Gwede Mantashe, has announced the adjustment of fuel prices for February 2024, which shows a hike in both petrol and diesel prices. The price adjustments came into effect from Wednesday, 7 February 2023. Consumers will pay 75c more for a litre of unleaded petrol of both grades (93 and 95), while the wholesale price of diesel up by between 70c and 73c. The wholesale price of illuminating paraffin will be increased by 53c a litre and the maximum retail price for LP gas is going up by 37c per kg. Rising fuel prices are inflicting a heavy blow on the agricultural industry, with the direct impact on their input costs putting producers on the back foot. It also affects them indirectly in terms of transport costs to and from the farm. Reasons given for the adjusted prices include international and local factors. International factors include the fact that South Africa imports both crude oil and finished products at a price set at the international level, including importation costs, for example, shipping costs. The main reasons for the fuel price adjustments, according to the department, are due to the cost of the average Brent Crude oil, which increased from \$77.35 to \$82.03 in January. The department also stated that the higher oil prices are attributed to the impact of the geopolitical risk or attacks on oil cargoes in the Middle East, particularly the Red Sea. This has caused an increase in shipping rates as ships are rerouted from the Middle East to Europe, using the longer and more expensive route around Africa since they cannot import from Russia. In addition, the cold weather has also affected production in the United States, which has recently been part of the output used to offset the production cuts by a larger group of the Organisation of the Petroleum Exporting Countries (OPEC+).

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

Source: SAFEX, Standard bank, Stats SA, Reuters, Red Meat Abattoir Association, FNB and Absa Bank.
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