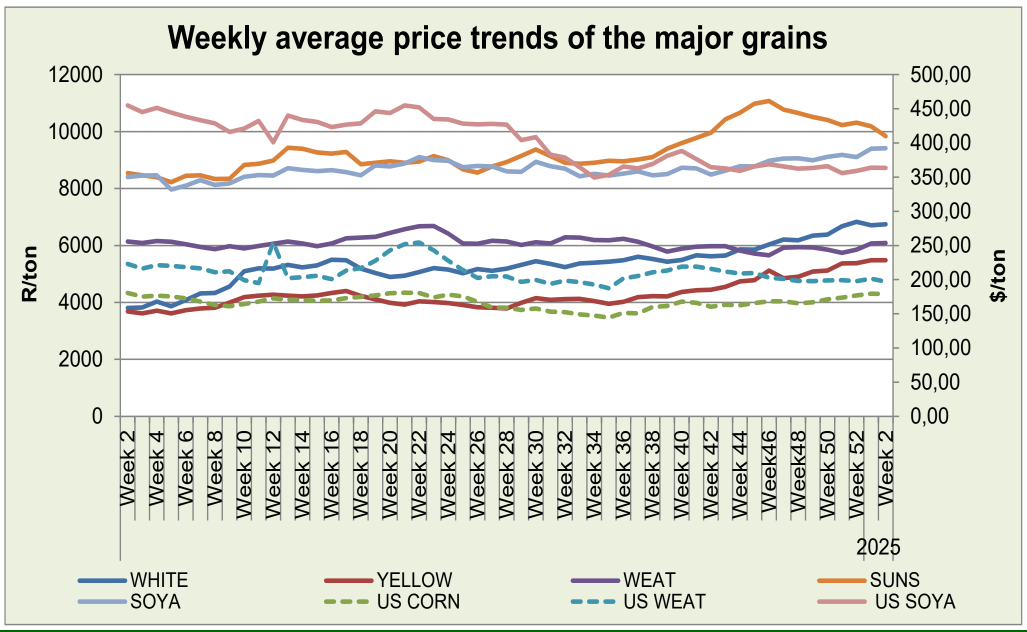
agriculture, land reform & rural development

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

Weekly Price Watch: 10 January 2025

Directorate: Statistics & Economic Analysis

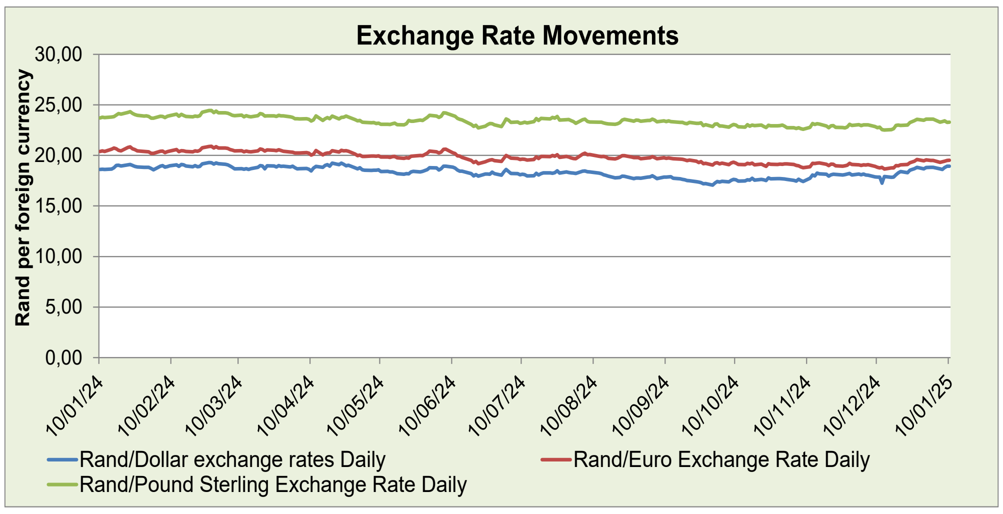
Sub-directorate: Economic Analysis

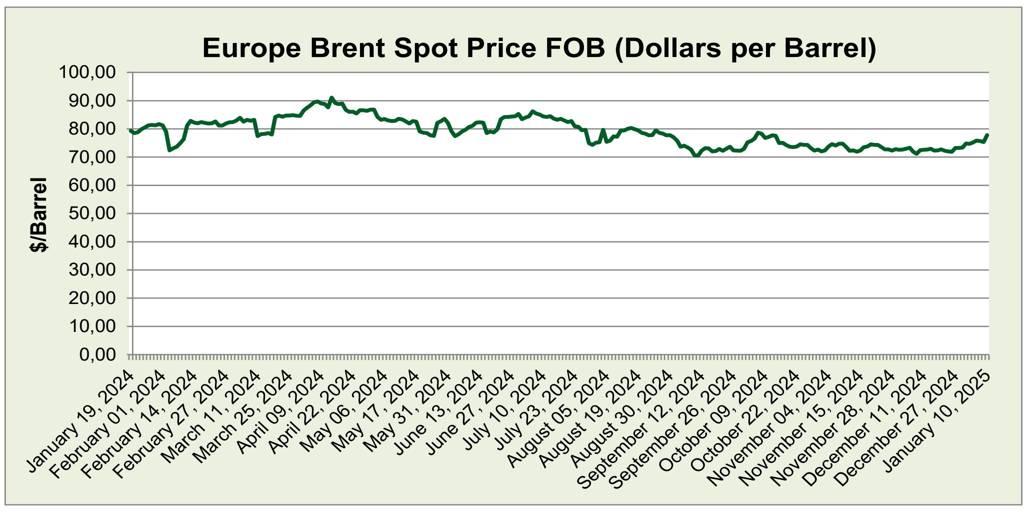


The prices of domestic white maize, wheat and soybean increased by 0.5%, 0.3% and 0.1% respectively this week compared to the previous week. Meanwhile prices for sunflower decreased by 3.4%, whilst prices for yellow maize remained flat during the same period. Internationally, after an increase last week the grain prices of US corn, US wheat and US soybean decreased by 0.2%, 2.1% and 0.1% respectively this week compared to the previous week. Chicago soybean and corn prices edged up on Friday as traders adjusted positions ahead of a clutch of US Department of Agriculture (USDA) crop reports, while weather concerns in South America continued to underpin the markets. Chicago soyoil futures extended a rally to a seven-week peak on expectations of US President Joe Biden's outgoing administration releasing short-term guidance on clean fuel tax credits, in a possible boost for domestic demand for soyoil. Wheat prices eased, with a stronger US dollar keeping a lid on prices.

Spot price trends of major grains commodities

	1 year ago Week 02 (08-01-24 to 12-01-24)	Last week Week 01 (30-12-24 to 03-01-25)	This week Week 02 (06-01-25 to 10-01-25)	w-o-w % change
RSA White Maize per ton	R3 805.60	R6 708.25	R6 739.80	0.5%
RSA Yellow Maize per ton	R3 687.60	R5 483.50	R5 484.80	0.0%
USA Yellow Maize per ton	$180.45	$179.52	$179.22	-0.2%
RSA Wheat per ton	R6 134.20	R6 067.25	R6 087.00	0.3%
USA Wheat per ton	$223.14	$201.32	$197.11	-2.1%
RSA Soybeans per ton	R8 407.40	R9 400.75	R9 414.00	0.1%
USA Soybeans per ton	$454.90	$ 363.73	$ 363.41	-0.1%
RSA Sunflower seed per ton	R8 542.60	R10 186.00	R9 840.80	-3.4%
Crude oil per barrel	$77.52	$74.04	$75.97	2.6%





Rand depreciated by 0.1% against the US dollar, while it appreciated by 0.4% against Euro and by 1.0% against the Pound sterling respectively compared to the previous week. Rand hit 19/$ this week, its weakest level in nine months, as it faced pressure from a buoyant dollar, exacerbated by uncertainties surrounding US monetary policy and President-elect Donald Trump's economic agenda.

Brent crude oil price averaged $75.97/barrel this week compared to the previous week, which is 2.6% higher than $74.04/barrel recorded last week. Oil prices eased on Tuesday but remained near four-month highs as the impact of fresh US sanctions on Russian oil remained the market's main focus, ahead of US inflation data next week.

National South African Price information (RMAA) : Beef

Week 52 (23/12/2024 to 29/12/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 01 (30/12/2024 to 05/01/2025)	Units	Avg Purchase Price	Avg Selling Price
Class A2	13080	58,4	62,76	Class A2	8212	58,10	60,36
Class A3	884	57,42	58,44	Class A3	879	58,30	63,24
Class C2	392	49,62	50,46	Class C2	229	49,26	50,00

After an increase last week the units sold for class A2, class A3 and class C2 beef all decreased by 37.2%, 0.6% and 41.6% respectively compared to the previous week. The average purchase price for class A2 and class C2 beef decreased by 0.5% and 0.7% respectively week on week, while the average purchase price for class A3 increased by 1.5%. During the same period the average selling price for class A2 and class C2 beef decreased by 3.8% and 0.9% respectively, whilst average selling price for class A3 beef increase by 8.2%.

National South African Price information (RMAA) : Lamb

Week 51 (15/12/2024 to 22/12/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 01 (30/12/2024 to 05/01/2025)	Units	Avg Purchase Price	Avg Selling Price
Class A2	22553	90,48	95,34	Class A2	10636	96,34	101,92
Class A3	2470	89,01	94,66	Class A3	1715	97,36	102,69
Class C2	1306	66,60	71,85	Class C2	464	66,80	76,79

The units sold for lamb class A2 and class C2 decreased by 22.0% and 23.3% respectively, while units sold for lamb class A3 increased by 1.1% compared to the previous week. The average purchase prices for class A2, class A3 and class C2 lamb increased by 2.2%, 4.3% and 0.8% respectively week on week. The average selling prices for class A3 and class C2 lamb increased by 2.4% and 5.2% respectively, meanwhile the average selling price for lamb class A2 decreased by 0.7% during the same period.

National South African Price information (RMAA) : Pork

Week 51 (15/12/2024 to 22/12/2024)	Units	Avg Purchase Price	Week 01 (30/12/2024 to 05/01/2025)	Units	Avg Purchase Price
Class BP	18427	32,19	Class BP	5811	32,60
Class HO	2313	31,63	Class HO	300	33,36
Class HP	3931	32,01	Class HP	476	33,16

The units sold for pork class BP, class HO and class HP increased significantly by 129.9%, 701.0% and 596.2% respectively, compared to the previous week, this might be attributed to high demand for braai meat during the festive season. During the same period the average purchase price for class BP, class HO and class HP pork decreased by 1.2%, 5.6% and 3.9% respectively.

Latest News Developments

South African motorists are expected to be hit with big fuel price increases for the fourth consecutive month in February. According to the latest unaudited data from the Central Energy Fund, increases in the international oil price and the rand's weakness against the dollar will result in significant price hikes at local pumps on February 5. The data pointed to an increase of 75c/*l* for 95 unleaded petrol, an 81c/*l* in 93 unleaded, 90c/*l* more for high-sulphur 0.05% diesel and an 88c/*l* increase for low-sulphur 0.005% diesel. Illuminating paraffin is set to rise 73c/*l*. Fuel prices are adjusted on the first Wednesday of every month. This is after an increases of between 8c/*l* and 12c/*l* on January 1. Domestically, traders expect a 25-basis-point rate cut this month, though they believe the Monetary Policy Committee (MPC) will maintain a hawkish tone for the year, having lowered their expectations for the January 30 meeting. Inflation remained within the central bank's target range at 2.9% in November 2024. South Africa is expected to experience low inflation in 2025, with headline inflation likely to average near 4.0% year-on-year, staying below the target band's 4.5% midpoint. Still, the volatility in oil prices and the unclear impact of Trump's presidency could undermine this outlook. The Reserve Bank had previously reduced the repo rate by 50 basis points in September and November, bringing it to 7.75%.

Sentiment among South African manufacturers soured for a second month in December as weak domestic demand, declining export sales and logistical disruptions weighed on industries. Absa Group's purchasing managers' index, compiled by the Bureau for Economic Research, fell to 46.2 from 48.1 in November. The business activity sub-index dropped to 40.3, the lowest since August, while a gauge of new-sales orders declined to 37.4, also the weakest since then. The index on expected business conditions in six months increased to 67.6, the highest since September. The December PMI results underscore the challenges facing South Africa's manufacturing sector. However, the improvement in future expectations suggests manufacturers remain hopeful for a recovery in 2025. Sentiment eased despite the state-owned power company managing to maintain a consistent power supply, and a cut in borrowing costs by the central bank in late November, a move that raised expectations of increased consumer spending.

The Red Meat Industry Services (RMIS) has released its first-ever Red Meat Industry Report, providing a detailed analysis of the trends shaping supply, demand, and prices. South Africa's red meat sector has shown resilience, with beef production reaching 777 706t in 2024, reflecting a 7,3% increase from 2023. This growth has been attributed to higher slaughter volumes and live imports from Namibia and Botswana by the feedlot industry. Sheep meat production is also forecasted to rise, with slaughter volumes projected to exceed five million heads by 2025. However, the report notes that domestic prices remain sluggish. The report identifies several pressing challenges that could undermine the growth and sustainability of South Africa's red meat sector. Sporadic outbreaks of foot-and-mouth disease (FMD) have been a major issue since 2021. According to the report, Since 2021, there have been 288 outbreaks of FMD in South Africa's previously FMD-free zone, significantly impacting cattle, beef, sheep and wool exports. These outbreaks have not only reduced livestock numbers but have also damaged South Africa's reputation as a reliable exporter of high-quality red meat. Preventing and managing such diseases effectively will be critical to regaining access to lucrative export markets. High feed costs, exacerbated by drought and global grain market volatility, weigh heavily on profitability. Livestock theft remains a persistent and costly problem for South African farmers. Economic pressures on consumers have led to a decline in domestic demand for red meat.

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