



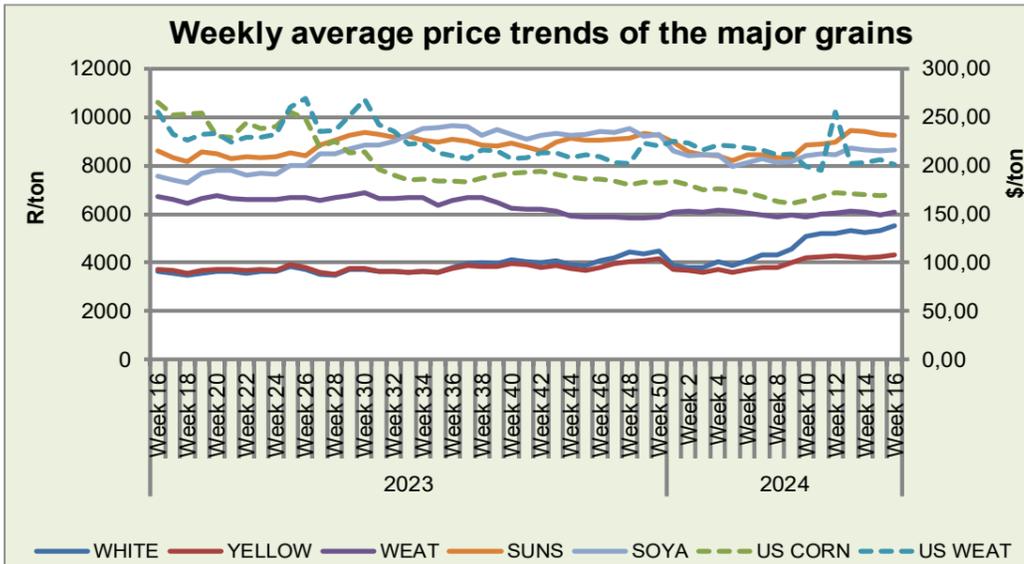
agriculture, land reform & rural development

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

Weekly Price Watch: 19 April 2024

Directorate: Statistics & Economic Analysis

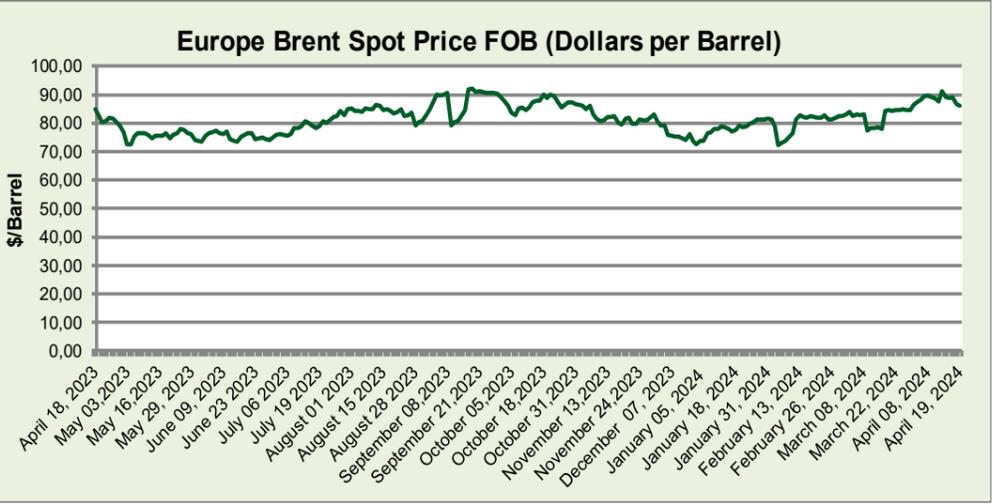
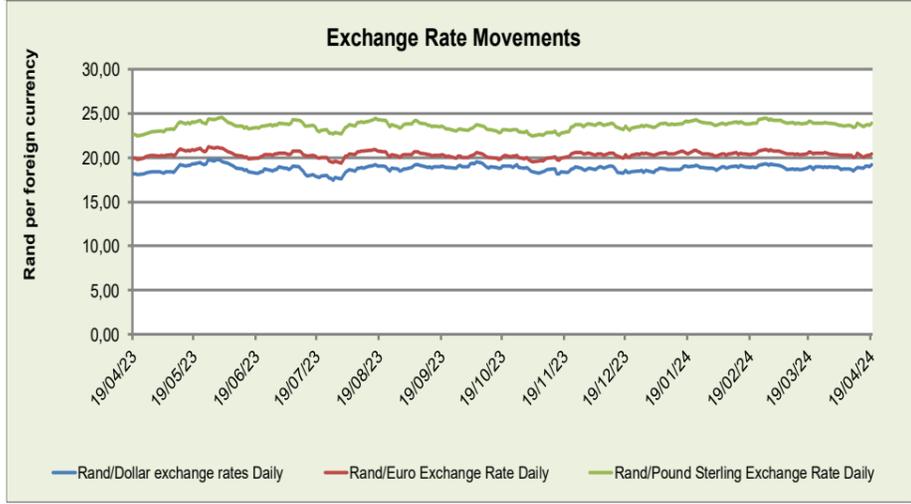
Sub-directorate: Economic Analysis



Domestic grain prices exhibited a notable improvement in the reporting week compared to the previous week, except for the sunflower seed price which saw a marginal decrease of 0.5% week-on-week. Local white and yellow maize prices increased by 3.8% and 2.1% respectively, on the back of reduced harvest outlook. Similarly, local wheat and soybean prices increased by 1.7% and 0.4% respectively in the reporting week compared to the previous week. On the International front, the price of US yellow maize increased by 0.3% week-on-week. Corn is keeping track of the potential delays in harvesting in certain regions of Argentina. The price of US wheat decreased by 2.4% week-on-week. The agriculture ministry of Ukraine has announced that wheat production for 2023 reached a total of 22.1 million tons while, Iraq, which is a major importer of wheat, has enough supplies for the next six months. The price of US soybeans increased by 0.4% week-on-week. Soybeans are currently monitoring the possible delays in harvesting in certain regions of Argentina and Brazil, as well as the potential quality concerns.

Spot price trends of major grains commodities

	1 year ago Week 16 (17-04-23 to 21-04-23)	Last week Week 15 (08-04-24 to 12-04-24)	This week Week 16 (15-04-24 to 19-04-24)	w-o-w % change
RSA White Maize per ton	R 3 668.60	R 5 304.00	R 5 503.00	3.8%
RSA Yellow Maize per ton	R 3 727.00	R 4 244.60	R 4 335.80	2.1%
USA Yellow Maize per ton	\$ 264.22	\$ 169.12	\$ 169,64	0.3%
RSA Wheat per ton	R 6 691.60	R 5 970.00	R 6 072.60	1.7%
USA Wheat per ton	\$ 254.60	\$ 205.79	\$ 200.86	-2.4%
RSA Soybeans per ton	R 7 621.60	R 8 612.20	R 8 645.00	0.4%
USA Soybeans per ton	\$ 554.12	\$ 430.97	\$ 423,35	-1.8%
RSA Sunflower seed per ton	R 8 607.20	R 9 271.80	R 9 223.80	-0.5%
RSA Sweet Sorghum per ton	-	-	-	-
Crude oil per barrel	\$ 82.19	\$ 89.27	\$ 87.95	-1.5%



The rand depreciated by 1.7% against the US dollar week-on-week, as reports of an Israeli attack on Iran caused fears of heightened conflict, prompting traders to gravitate towards the safe-haven dollar. The rand depreciated by 0.3% against the Pound Sterling week-on-week, attributed to changing UK interest rate perspectives. The rand depreciated by 0.03% against the Euro week-on-week, amid soaring expectations that the central bank will lower its base rate in June.

Brent crude oil averaged \$87.95 in the reporting week, showing a 1.5% decrease from \$89.27 recorded the previous week. Brent crude oil recorded a modest increase following reports from the Iranian media that seemed to downplay the impact of Israeli strikes, thereby reducing the geopolitical risk premium for crude oil. Israel launched an attack on Iran, as reported by two US officials, however, the state media of the Islamic Republic stated that the attack was unsuccessful.



National South African Price information (RMAA) : Beef

Week 14 (01/04/2024 to 07/04/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 15 (08/04/2024 to 14/04/2024)	Units	Avg Purchase Price	Avg Selling Price
Beef							
Class A2	6 527	55,01	57,09	Class A2	7 762	56,50	59,68
Class A3	609	54,58	55,77	Class A3	713	54,52	55,25
Class C2	801	42,45	44,87	Class C2	663	43,24	45,15

Units sold of class A2 and class A3 beef increased by 18.9% and 17.1% respectively in the current week compared to the previous week, while units sold of class C2 beef decreased by 17.2% week-on-week. On the other hand, the average purchase prices for class A2 and class C2 beef increased by 2.7% and 1.9% respectively in the reporting week compared to the previous week, whereas the weekly average purchase price for class A3 beef decreased by 1.9% week-on-week. Similarly, the average selling prices for class A2 and class C2 beef increased by 4.5% and 0.6% respectively in the reporting week compared to the previous week, whilst the average selling price for class A3 beef decreased by 0.9% week-on-week. Analysts anticipate a rise in seasonal supplies as a result of the weaning process in the cattle market, which is projected to further restrict price growth in the short term.

National South African Price information (RMAA) : Lamb

Week 14 (01/04/2024 to 07/04/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 15 (08/04/2024 to 14/04/2024)	Units	Avg Purchase Price	Avg Selling Price
Lamb							
Class A2	13 288	83,56	85,39	Class A2	8 373	85,70	85,94
Class A3	1 673	80,03	84,95	Class A3	572	82,14	84,62
Class C2	1 430	52,37	59,14	Class C2	632	56,76	62,34

Units sold for class A2, class A3 and class C2 lamb increased by 37%, 68.5% and 55.8% respectively in the reporting week compared to the previous week. On the other hand, the weekly average purchase prices for class A2, class A3 and class C2 lamb increased by 2.6%, 2.6% and 8.4% respectively in the reporting week compared to the previous week. During the same period, the weekly average selling price for class A2 and class C2 lamb increased by 0.6% and 5.4% respectively in the reporting week compared to the previous, whereas the weekly average selling price for class A3 lamb decreased by 0.4% week-on-week. Despite a marginal rise in weekly lamb prices, a closer examination of the meat category reveals that lamb prices were predominantly lower when compared to the previous year.

National South African Price information (RMAA) : Pork

Week 14 (01/04/2024 to 07/04/2024)	Units	Avg Purchase Price	Week 15 (08/04/2024 to 14/04/2024)	Units	Avg Purchase Price
Pork					
Class BP	12 154	31,66	Class BP	12 229	31,21
Class HO	6 535	31,18	Class HO	7 401	30,36
Class HP	8 791	30,97	Class HP	9 633	30,73

Units sold for class BP, class HO and class HP pork increased by 0.6%, 13.3% and 9.6% 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 decreased by 1.4%, 2.6% and 0.8% respectively in reporting week compared to the previous week. Local pork prices in the local market have decreased compared to last year, but the anticipated drop in poultry prices is likely to adversely affect the future pricing of pork.

Latest News Developments

Statistics South Africa in its Consumer Price Index (CPI) report revealed that the annual consumer price inflation slowed to 5.3% in March from 5.6% in February, surpassing market expectations. Notably, the decline was driven by a quicker-than-anticipated slowdown in food inflation, offsetting the effects of increased fuel costs and motor vehicle insurance premiums. The decline was driven by food and non-alcoholic beverages prices decelerating to 5.1% in March from 6.1% in February, far from its peak of 14% in March last year. In fact, this is the lowest annual increase in this category of goods since September 2020, when the rate was 3.8%. On the other hand, price increases in other categories remained relatively stable. Underlying price pressures also eased slightly, with core inflation slowing to 4.9% in March from 5% in February. This indicates a minor alleviation in underlying price pressures. Food inflation experienced a significant dip, down to 4.9% in March from 6% in February, falling within the target range of 3%-6% and moving closer to the midpoint. This downward trend in food prices was observed across various subcategories. For instance, bread and cereal prices moderated to 5% year-on-year in March from 6.1% in February. Additionally, meat inflation cooled down due to lower beef and mutton prices, dropping to 0.8% year-on-year in March from 1% in February. The significant moderation in food inflation can be attributed to factors such as reduced load-shedding, the adoption of more affordable renewable energy sources, the continued decrease in global food prices, and the relatively stable value of the rand over the past three months. Various food items, including bread flour, pasta, rusks, maize meal, ready-mix flour, and white bread, were all cheaper compared to the previous year. Despite the decrease in year-on-year inflation, it is important to note that the current figure still exceeds the midpoint of the South African Reserve Bank's target of 4.5%. The central bank has made it clear that it will not consider reducing interest rates until inflation consistently approaches the middle of its target range of 3% to 6%.

The International Monetary Fund (IMF) projected that South Africa's unemployment rate will increase to 33.5% this year and further worsen to 33.9% by 2025. According to Stats SA, the unemployment rate was 32.1% in the fourth quarter of 2023, indicating that 7.9 million individuals were without jobs. Shockingly, nearly half of South Africans under the age of 35 were unemployed. While many countries experienced steady growth in employment and incomes, South Africa stood out as an exception. The IMF predicts a decline in the country's real per capita output, with a decrease from 0.9% in the previous year to 0.6% in 2024 and 0.3% in 2025. Additionally, the IMF expects South Africa's annual consumer inflation to average at 4.9% in 2024. However, IMF's gross domestic product (GDP) forecasts for South Africa are lower than those of the National Treasury and the South African Reserve Bank, both of which estimate economic growth to be over 1% in 2024. Nevertheless, the IMF anticipates real GDP to reach 0.9% this year, compared to 0.6% in the previous year, and 1.2% in 2025.

The South African government has made the decision to maintain anti-dumping duties on frozen bone-in chicken portions from the US, following an investigation by the International Trade Administration Commission of South Africa (ITAC). The investigation concluded that lifting the duties would likely result in continued dumping and harm the local chicken industry in the Southern African Customs Union. The recommended duty rate is R 9.40 rand (\$0.49) per kilogram. This decision aims to protect the South African chicken sector from unfair competition and ensure a level playing field for local producers. However, there are opposing views, particularly from meat importers, who argue that the tariffs increase food costs, especially for low-income consumers who rely on affordable chicken as a source of protein. They believe that the tariffs could exacerbate inflationary pressures and strain household budgets. To maintain a sustainable and balanced chicken market in South Africa, officials will need to find a solution that supports both local producers and consumers.

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