



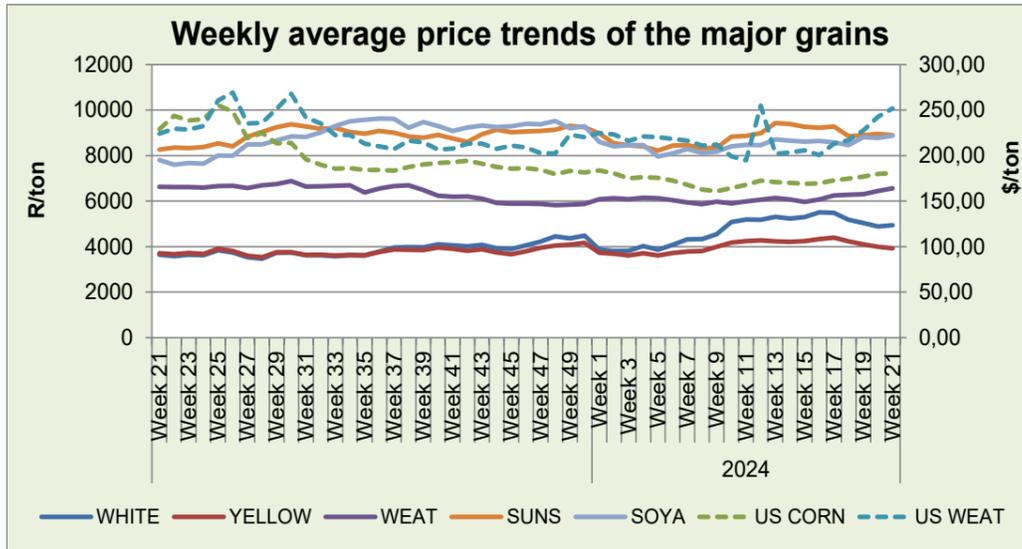
agriculture, land reform & rural development

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

Weekly Price Watch: 24 May 2024

Directorate: Statistics & Economic Analysis

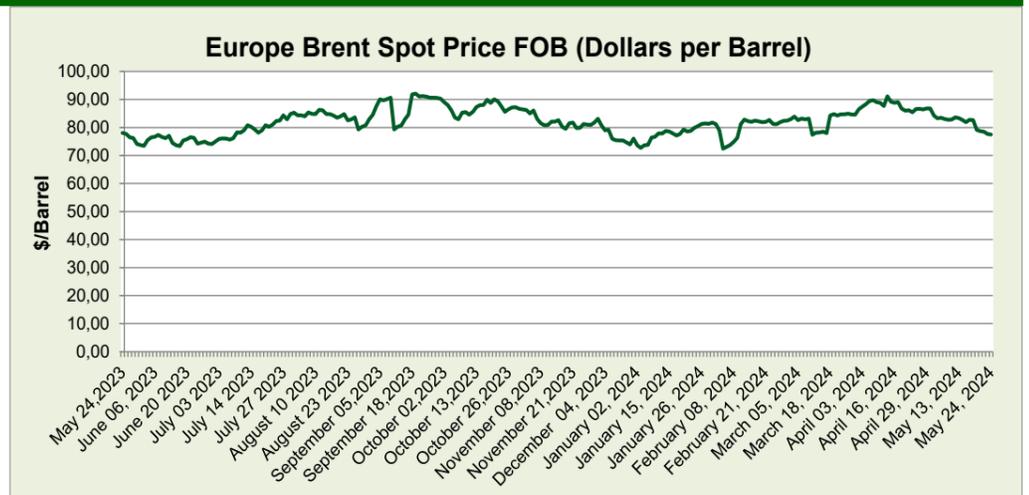
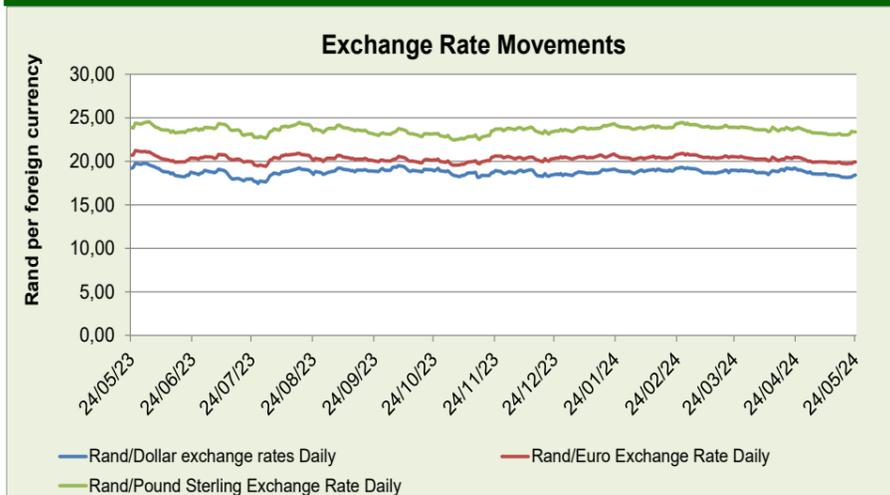
Sub-directorate: Economic Analysis



Domestic grain prices strengthened this week compared to the previous week except for yellow maize and sunflower which declined by 1.6% and 0.6% respectively. Meanwhile local white maize, soybean and wheat prices increased by 0.9%, 1.2% and 2.0% respectively in the reporting week compared to the previous week. On the International front, the US yellow maize and soybean prices increased by 0.4% and 2.5% this week compared to the previous week. Corn and soybeans edged up, supported by doubts over South American production. During the same period US wheat price also increased by 3.8%. Chicago wheat consolidated on Thursday following a 10-month peak a day earlier as traders assessed rain forecasts in Russia to see if crop conditions in the world's top exporter may stabilise after drought and frost damage.

Spot price trends of major grains commodities

	1 year ago Week 21 (22-05-23 to 26-05-23)	Last week Week 20 (13-05-24 to 17-05-24)	This week Week 21 (20-05-24 to 24-05-24)	w-o-w % change
RSA White Maize per ton	R 3 649.50	R 4 891.00	R 4 936.40	0.9%
RSA Yellow Maize per ton	R 3 712.75	R 3 989.40	R 3 927.20	-1.6%
USA Yellow Maize per ton	\$ 228.95	\$ 180,07	\$ 180,78	0.4%
RSA Wheat per ton	R 6 633.00	R 6 442.80	R 6 570.40	2.0%
USA Wheat per ton	\$ 224.03	\$ 242.63	\$ 251.93	3.8%
RSA Soybeans per ton	R 7 813.00	R 8 775.60	R 8 880.40	1.2%
USA Soybeans per ton	\$ 487.96	\$ 443,79	\$ 455,06	2.5%
RSA Sunflower seed per ton	R 8 262.50	R 8 953.40	R 8 902.80	-0.6%
Crude oil per barrel	\$ 76.94	\$ 82.66	\$ 78.31	-5.3



The rand appreciated for two consecutive weeks by 0.4% and 0.2% against the US dollar and Euro respectively week on week. The rand is trading at its strongest level since the final quarter of 2023. On Wednesday, the rand was at R18.17/\$, so far, the local currency has gained almost 5% in a month amid renewed optimism that US rates may be cut. Meanwhile after appreciated last week the rand depreciated by 0.7% against the Pound Sterling this week.

Brent crude oil averaged \$78.31 this week compared to the previous week, a 5.3% decrease from \$82.66 recorded last week. Oil inventories in the US and Europe are rising, which is putting pressure on prices. A warm winter in the northern hemisphere has dampened fuel demand. Still, despite recent losses, Brent is up 7% so far in 2024 amid instability in the oil-rich Middle East and drone strikes on Russian refineries - along with OPEC+ supply cuts. The group of oil-producing countries are meeting on 1 June and more curbs are expected.



National South African Price information (RMAA) : Beef

Week 19 (06/05/2024 to 12/05/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 20 (13/05/2024 to 19/05/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 100	55,34	55,56	Class A2	7 318	55,32	55,05
Class A3	890	55,01	55,43	Class A3	901	55,08	54,76
Class C2	678	43,40	44,41	Class C2	880	43,05	45,59

Units sold for class C2, class A2 and class A3 beef increased by 29.8%, 3.1% and 1.2% respectively in the reporting week compared to the previous week. The average purchase prices for class C2 and class A2 beef decreased by 0.8% and 0.04% respectively, whilst the average purchase price for class A3 increased by 0.1% this week compared to the previous week. During the same period the average selling prices for class A2 and class A3 beef decreased by 0.9% and 1.2% respectively, meanwhile the average selling price for class C2 increased by 2.7% this week compared to the previous week.

National South African Price information (RMAA) : Lamb

Week 19 (06/05/2024 to 12/05/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 20 (13/05/2024 to 19/05/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	15 289	84,25	86,12	Class A2	15 560	84,50	85,56
Class A3	1 875	81,13	84,92	Class A3	2 030	81,48	84,23
Class C2	1 450	54,66	61,92	Class C2	1 508	55,55	62,24

All units sold for class A2, class A3 and class C2 lamb increased by 1.8%, 8.3% and 4.0% respectively in the reporting week compared to the previous week. The weekly average purchase prices for class A2, class A3 and C2 increased by 0.3%, 0.4% and 1.6% respectively this week compared to the previous week. During the same period the weekly average selling prices for class A2 and class A3 lamb decreased by 0.7% and 0.8% respectively. Meanwhile the weekly average selling price for class C2 lamb increased by 0.5%.

National South African Price information (RMAA) : Pork

Week 19 (06/05/2024 to 12/05/2024)	Units	Avg Purchase Price	Week 20 (13/05/2024 to 19/05/2024)	Units	Avg Purchase Price
Class BP	10 123	30,29	Class BP	11 245	30,50
Class HO	7 792	29,68	Class HO	7 524	30,63
Class HP	8 652	30,13	Class HP	7 813	30,16

After an increase last week units sold for class HO and class HP pork decreased by 3.4% and 9.7% respectively this week compared to the previous week whilst, units sold for class BP pork increased by 11.1% week-on-week. Meanwhile during the same period the weekly average purchase prices for class BP, class HO and class HP pork increased by 0.7%, 3.2% and 0.1% respectively after a decrease last week.

Latest News Developments

According to Statistics South Africa, annual consumer price inflation decelerated for a second consecutive month to 5.2% in April from 5.3% in March. The April outcome was below economists' expectations, but SA's consumer inflation rate still hasn't been under 5% since August last year and even then, it only achieved a drop beneath 5% for two months in the whole of 2023. The data from Stats SA shows that inflation slowed to 4.4% year-on-year in April 2024. This moderation in inflation was underpinned by the deceleration across most food products, except for fruit and vegetables, which lifted mildly from the last month. The uptick in fruit and vegetables is mainly a result of base effects, but these increases should remain mild because supplies of most products are abundant. The main drivers of inflation were housing and utilities, miscellaneous goods and services, food and non-alcoholic beverages and transport. Annual inflation for food and non-alcoholic beverages moderated further from 5.1% in March to 4.7% in April, representing a fifth consecutive month of decline. Most food and non-alcoholic beverages sub-categories witnessed lower annual rates, except for vegetables, fruit and hot beverages. On average, vegetable prices increased 7.4% in the 12 months to April, higher than the 6.0% increase recorded in March. South African reserve bank is set to leave interest rates unchanged next week, staying the course in the inflation fight amid political uncertainty. Movements in headline inflation are a key indicator, but decisions are also influenced by central banks around the world, especially the US Federal Reserve.

Petrol and diesel prices are currently on track for significant cuts at the start of June as Brent crude oil reaches its lowest level in three months. The latest estimate from the Central Energy Fund (CEF) shows that the price of 95 unleaded petrol is due for a decrease of around 87c a litre, while the wholesale price of diesel could be lowered by between 87c and 92c a litre. Illuminating paraffin could be cut by almost 78c. South African fuel prices are largely determined by international oil and fuel costs and the rand exchange rate, as oil is priced in dollars. On Wednesday, Brent was trading at around \$82 a barrel - from close to \$90 a month ago. The oil inventories in the US and Europe are rising, which is putting pressure on prices. A warm winter in the northern hemisphere has dampened fuel demand. Still, despite recent losses, Brent crude oil is up 7% so far in 2024 amid instability in the oil-rich Middle East and drone strikes on Russian refineries - along with OPEC+ supply cuts. The group of oil-producing countries are meeting on 1 June and more curbs are expected. International diesel prices are also under pressure amid the growing popularity of liquefied natural gas-powered trucks in China.

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