



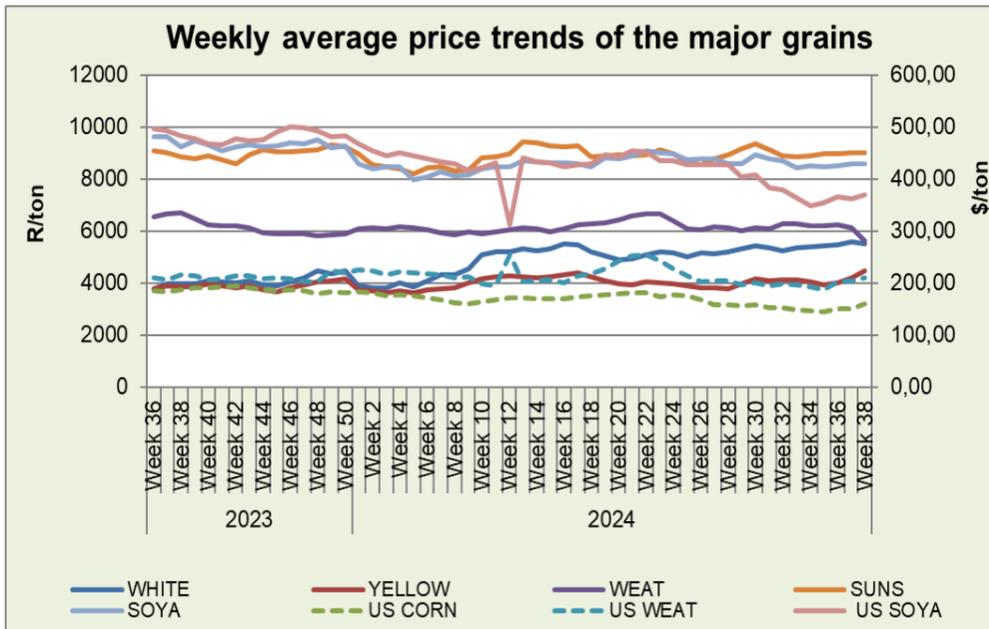
agriculture, land reform & rural development

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

Weekly Price Watch: 27 September 2024

Directorate: Statistics & Economic Analysis

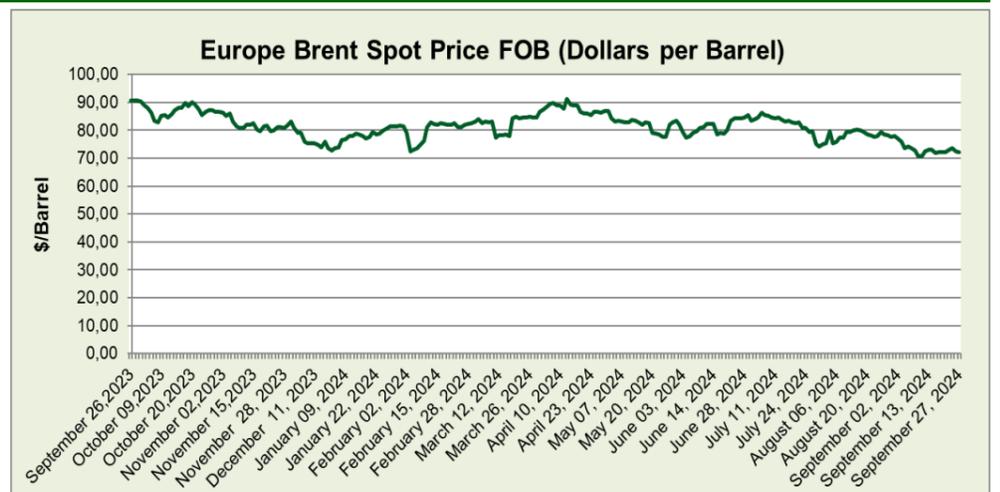
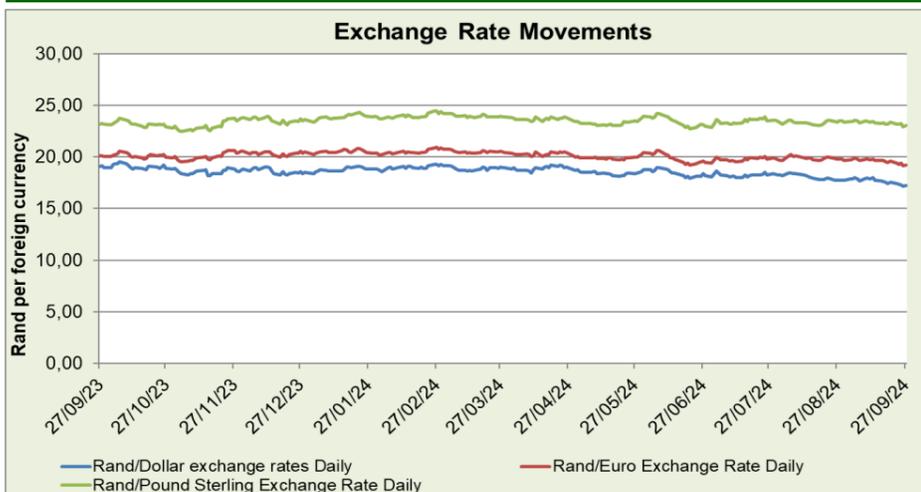
Sub-directorate: Economic Analysis



The International and local market traded marginally lower this week when compared to the previous week. The average prices of domestic white maize, yellow maize and soya bean decreased by 1.6%, 6.0% and 0.7% respectively, whilst prices for wheat and sunflower seed increased by 2.9% and 4.5% respectively, week on week. Internationally, the grain prices of US corn, US wheat and US soybean increased by 1.0%, 1.2% and 3.2% respectively when compared to the previous week. Grain prices were mixed but mostly higher in midweek trading. Wheat prices led the way again, jumping noticeably higher amid ongoing unrest in the Middle East and Black Sea regions. Corn also found moderate gains on Wednesday, while soybeans eased slightly lower on Brazilian planting progress and U.S. harvest progress.

Spot price trends of major grains commodities

	1 year ago Week 39 (25-09-23 to 29-09-23)	Last week Week 38 (16-09-24 to 20-09-24)	This week Week 39 (23-09-24 to 27-09-24)	w-o-w % change
RSA White Maize per ton	R3 970,75	R5 523,60	R5 433,25	-1,6%
RSA Yellow Maize per ton	R3 852,50	R4 480,00	R4 211,25	-6,0%
USA Yellow Maize per ton	\$190,19	\$159,98	\$161,57	1,0%
RSA Wheat per ton	R6 489,75	R5 622,40	R5 786,00	2,9%
USA Wheat per ton	\$214,58	\$210,63	\$213,10	1,2%
RSA Soybeans per ton	R9 479,25	R8 570,80	R8 510,25	-0,7%
USA Soybeans per ton	\$478,02	\$369,21	\$381,07	3,2%
RSA Sunflower seed per ton	R8 786,75	R8 994,20	R9 395,75	4,5%
Crude oil per barrel	\$90,51	\$72,33	\$72,84	0,7%



The South African rand appreciated by 1.5% against the US dollar, by 1.4% against the Euro and by 0.6% against the Pound sterling respectively when compared to the previous week. The rand has generally been supportive in the month-to-month recovery calculations, but the currency is generally weaker against the US dollar compared to last year.

Brent crude oil price averaged \$72.84/barrel in the reporting week which is 0.7% higher than \$72.33/barrel week on week. Crude remains modestly lower this year after the dour outlook in China's economy and the prospect of higher supply from OPEC and its allies weighed on prices.



National South African Price information (RMAA) : Beef

Week 37 (09/09/2024 to 15/09/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 38 (16/09/2024 to 22/09/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9845	53,86	54,79	Class A2	12047	51,80	53,26
Class A3	721	54,18	53,19	Class A3	773	51,98	52,85
Class C2	772	42,80	44,98	Class C2	635	41,83	43,41

The units sold for class C2 beef decreased by 17.7%, while units sold for class A3 and A2 beef increased by 22.4% and 7.2% respectively when compared to the previous week. On the other hand average purchase price for class A2, A3 and C2 beef decreased by 3.8%, 4.1% and 2.3% respectively week on week. The average selling price for class A2, A3 and C2 beef decrease by 2.8%, 0.6% and 3.5% respectively when compared to the previous week.

National South African Price information (RMAA) : Lamb

Week 37 (09/09/2024 to 15/09/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 38 (16/09/2024 to 22/09/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	14140	90,98	92,62	Class A2	16387	91,55	92,13
Class A3	1560	87,91	89,36	Class A3	1970	87,93	89,45
Class C2	861	62,80	67,88	Class C2	1093	62,99	67,07

The units of lamb traded this week for class A2, A3 and C2 increased by 15.9%, 26.3% and 26.9% respectively, when compare to the previous week. The average purchase prices for class A2, A3 and C2 lamb increased by 0.6%, 0.02% and 0.3% respectively week on week. The average selling prices for class A3 lamb increased by 0.1%, while average selling prices for class A2 and C2 lamb increased by 0.5% and 1.2% respectively relative to the previous week.

National South African Price information (RMAA) : Pork

Week 37 (09/09/2024 to 15/09/2024)	Units	Avg Purchase Price	Week 38 (16/09/2024 to 22/09/2024)	Units	Avg Purchase Price
Class BP	11398	32,45	Class BP	12463	32,35
Class HO	5078	31,40	Class HO	4340	31,26
Class HP	6261	31,68	Class HP	6920	31,80

The quantities of pork traded this week for class HO pork decreased by 14.5%, while class BP and HP pork increased by 9.3% and 10.5% respectively, when compered to the previous week. The average purchase price for class HP pork increased by 0.4%, while class BP and HO pork decreased by 0.3% and 0.4% respectively, week on week.

Latest News Developments

Minister of Agriculture, John Steenhuisen, emphasised the importance of pragmatism and negotiations to unlock the potential of new and existing markets in an interview with Farmer's Weekly at Nampo Cape, Bredasdorp, in the Western Cape. Minister John Steenhuisen said that South Africa had to look for ways to expand on existing agreements. SADC is the only region with a bilateral agreement with the EU. Despite this, the EU is sourcing their beef from Botswana and Namibia because of biosecurity issues in South Africa. By getting on top of biosecurity, we can deepen and widen our footprint in the EU. The same applied to the African Growth and Opportunity Act (AGOA). He explained that while South Africa is currently able to export citrus from the Western Cape and Northern Cape to the US, the country should be able to export citrus from all regions if it can demonstrate phytosanitary compliance. Secondly, government should look for new markets, such as Japan, Malaysia, Saudi Arabia, Vietnam, Thailand and South Korea, and actively market South Africa's excellent products in these countries. He said that the recent signing of the Co-operation in Prevention and Control of Foot-and-Mouth Disease Protocol with China would strengthen agricultural trade with the country, as it compartmentalised South Africa, allowing it to continue livestock and meat exports from unaffected provinces should a foot and mouth disease outbreak occur. The Greasy Wool Protocol, in turn, allowed the wool industry to export greasy wool, provided it followed a certain protocol, should a foot and mouth disease outbreak occur, whereas the Quarantine and Sanitary Requirements for Dairy Products Exported Protocol would allow South Africa to export yoghurts, cheese, powder milk and other dairy products to China. A current frustration for the Minister is that South Africa was unable to leverage its BRICS relationship to negotiate trade agreements with those countries. Instead, it had to approach BRICS through the Southern African Confederation of Agricultural Unions (SACAU). The whole goal of BRICS should be to strengthen trade between these countries. We need to do a cost benefit analysis to see if SACAU still presented South Africa's best interest.

South African motorists are lined up for more petrol price relief in October, with the latest data from the Central Energy Fund (CEF) showing a more than R1.00 per litre over-recovery for both petrol and diesel. Should this expected price cut come through next week, this would be a massive R4.60 cut in petrol prices since October 2023. 2024 has been a remarkably good year for fuel prices, with year-on-year reductions showing a massive decline over the past 12 months. In October 2023, petrol 95 prices were at a crazy high of R25.68 per litre, while diesel (0.05%) was sitting at R25.02. One year later in October 2024, the expected price cuts would put the year-on-year cost reduction at as much as R4.62 per litre for petrol and an even bigger R6.63 per litre for diesel. A significant portion of the price cuts have come in 2024. The coming petrol price cut will be the fifth consecutive cut in prices for petrol since May, and the sixth for diesel. Petrol prices in January started at R23.25 per litre for petrol (95) and R21.82 per litre for diesel (0.05%) before the first fuel price changes for the year kicked in. Should the current over-recovery lead to proportional cuts, prices in October should be around R21.06 per litre a net reduction of around R2.19 per litre). The to-date reduction in diesel prices for 2024 is even better, with a net reduction of R3.34 per litre. The big reductions in fuel prices can be attributed to a much weaker oil price in 2024, which has been driven by economic slowdowns in global markets and the failure of oil-producing nations (OPEC) to effectively counter this.

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