



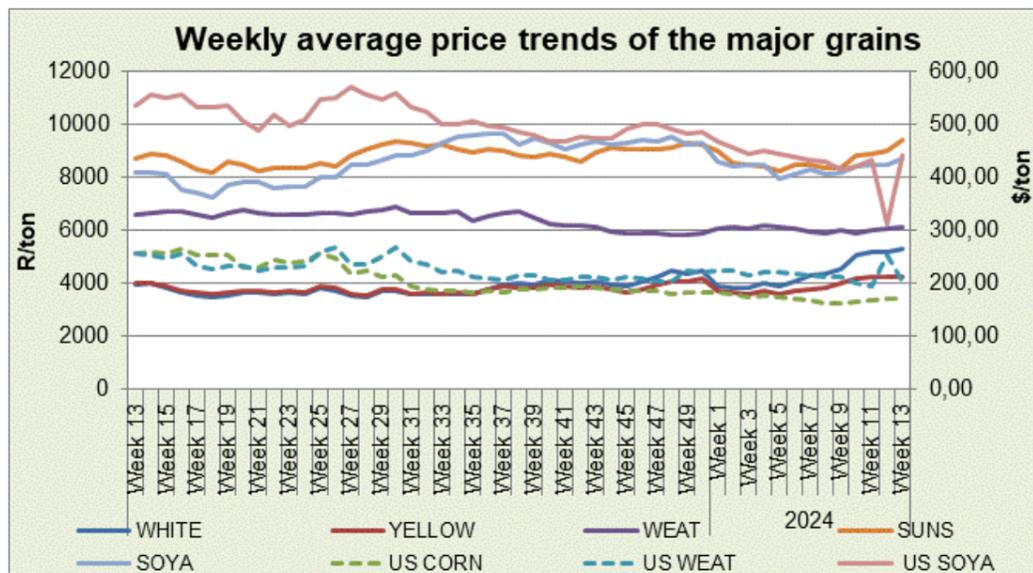
agriculture, land reform & rural development

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

Weekly Price Watch: 28 March 2024

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

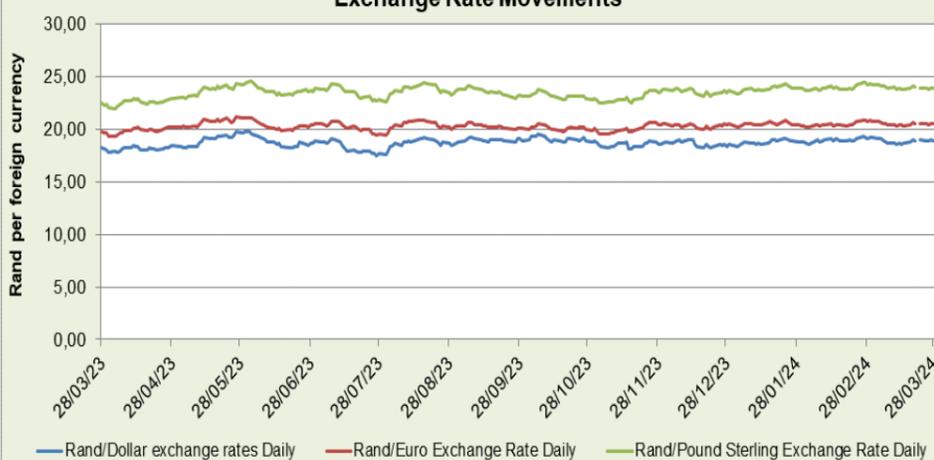


This week saw mostly high prices for grain sector both at the international and local market grain with exception to local yellow maize and USA yellow maize. RSA white maize prices were up by 2,5% when compared to the previous week. RSA wheat, soyabean and sunflower increased by 1,3%, 3% and 5.1% respectively. Locally grain prices were high on the back of latest CEC report release on Tuesday. The summer grain crop has been revised down as the drought takes its toll on South Africa. Production for summer crops across the board – maize, including soybeans, sunflower and sorghum seen significantly lower in 2024. In total, the CEC sees summer crop production for 2024 falling to 15.589 million tonnes from over 20.1 million tonnes last season. Internationally USA wheat and soyabean were up by 1.4\$ and 0.2%, prices were mostly higher on the basis that May and July futures for most grain such as wheat and soyabean dropped, pushing prices slightly higher.

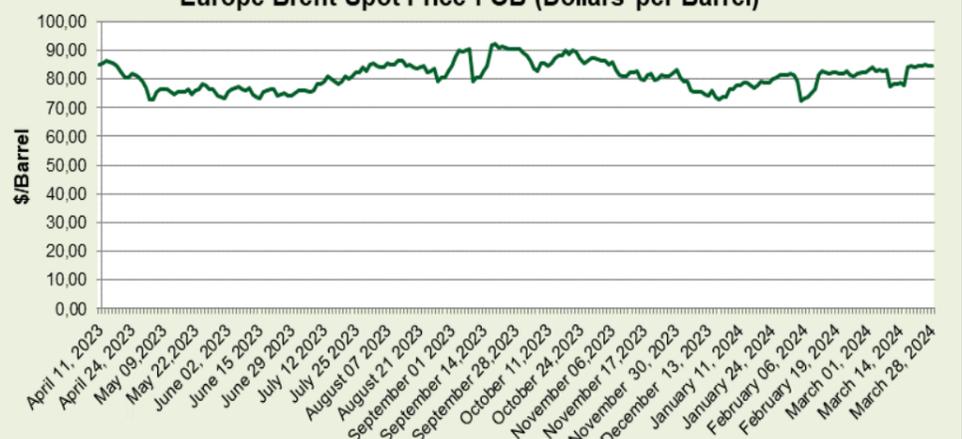
Spot price trends of major grains commodities

	1 year ago Week 13 (27-03-23 to 31-03-23)	Last week Week 12 (18-03-24 to 22-03-24)	This week Week 13 (25-03-24 to 28-03-24)	w-o-w % change
RSA White Maize per ton	R3 980,20	R5 183,75	R5 315,50	2,5%
RSA Yellow Maize per ton	R4 024,20	R4 273,25	R4 234,40	-0,9%
USA Yellow Maize per ton	\$254,96	\$172,49	\$170,84	-1,0%
RSA Wheat per ton	R6 591,40	R6 059,75	R6 139,25	1,3%
USA Wheat per ton	\$255,94	\$199,33	\$202,13	1,4%
RSA Soybeans per ton	R8 157,20	R8 458,75	R8 714,00	3,0%
USA Soybeans per ton	\$535,69	\$439,38	\$440,28	0,2%
RSA Sunflower seed per ton	R8 698,00	R8 981,00	R9 435,00	5,1%
Crude oil per barrel	\$ 78.24	\$ 84.35	\$ 84.72	0,4%

Exchange Rate Movements



Europe Brent Spot Price FOB (Dollars per Barrel)



This week, the rand appreciated this against, the Euro and the pound by 0,2% and 0,4% respectively, while it remained unchanged against the dollar when compared to the previous week, The South African rand gained strength on anticipation before the release of a purchasing managers' index (PMI) survey for the local manufacturing sector and vehicle sales figures.

The Brent crude oil price increased by 0,4% this week relative to the previous week. This can be attributed to the fact that OPEC+, this month agreed to extend output cuts of about 2.2 million bpd to the end of June, although Russia and Iraq had to go an extra lengths to tackle over-production.



National South African Price information (RMAA) : Beef

Week 11 (11/03/2024 to 17/03/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 12 (18/03/2024 to 24/03/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9142	54,88	55,21	Class A2	9180	54,77	57,12
Class A3	483	54,67	55,19	Class A3	695	54,35	55,43
Class C2	1054	43,83	46,33	Class C2	823	42,62	43,78

The units of class A2, A3 of beef increased by 0,4% and 43,9% respectively whilst units sold for class C2 decreased by 21,9% when compared to the previous week. On the other hand producer prices for all classes of beef A2, A3 and C2 decreased by 0,2%, 0,6% and 2,8% respectively. Selling prices for class A2 and A3 increased by 3,5% and 0,4% respectively relatively to the previous week whilst C2 decreased by 5,5%.

National South African Price information (RMAA) : Lamb

Week 11 (11/03/2024 to 17/03/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 12 (18/03/2024 to 24/03/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	15993	83,65	83,95	Class A2	16742	82,43	82,11
Class A3	2083	81,93	84,45	Class A3	1607	80,71	81,21
Class C2	1344	54,26	58,4	Class C2	1364	50,28	56,25

The units of lamb traded this week for class A2 and C2 increased by 4,7% and 1,5% respectively, A3 units decreased by 22,9% relative to the previous week. The producer prices all classes A2, A3 and C2 decreased by 1,5%, 1,5%, and 7,3% respectively. Likewise, the market prices for all classes of beef A2, A3 and C2 declined this week by 2,2%, 3,8% and 3,7% respectively relative to the previous week.

National South African Price information (RMAA) : Pork

Week 11 (11/03/2024 to 17/03/2024)	Units	Avg Purchase Price	Week 12 (18/03/2024 to 24/03/2024)	Units	Avg Purchase Price
Class BP	11990	31,64	Class BP	11717	31,63
Class HO	7164	31,10	Class HO	4988	31,30
Class HP	7642	31,23	Class HP	6775	31,38

The quantities of pork traded this week for classes BP, HO and HP decreased by 2,3%, 30,4% and 11,3% respectively when compared to the previous week, The producer prices for class of pork HO and HP increased by 0,6% and 0,5% respectively, whilst class BP remained unchanged when compared to the previous week.

Latest News Developments

The Department of Agriculture, Land Reform and Rural Development (DALRRD) in collaboration with the Citrus Growers' Association of Southern Africa (CGA), established a significant bilateral protocol with the Vietnamese government, paving the way for local citrus to enter the markets of Vietnam. This development promises a boost to the export potential of South African oranges by an estimated 15 000t. Justin Chadwick, CEO of the SA Citrus Growers' Association, emphasised that this expanded market access would not only contribute to increased revenue but also create job opportunities within the industry.

According to AGBIZ, Agribusiness confidence remained downbeat in the first quarter of 2024 and is expected to stay that way in the quarters of 2024. After falling by 10 points in the first quarter of 2024, the Agbiz/IDC Agribusiness Confidence Index remains unchanged at 40 points in the second quarter – the lowest level since the height of the COVID-19 pandemic in the second quarter of 2020. This can be attributed to the fact that the survey was conducted in the first three weeks of March, when El Niño-induced drought conditions were experienced over large parts of the summer grains and oilseed region. The impact of the weather on sentiment is visible in various subindexes. The general agricultural conditions subindex fell by 22 points to 18 in the first quarter, mirroring damage caused by heatwaves and dryness since the start of February on the summer grains and oilseed producing regions. This is the lowest level since the first quarter of 2016 when the last intense El Niño caused widespread devastation in South Africa, according to a statement by Agbiz. The turnover subindex was down by 14 points to 52, reflecting expectations of a poor summer grains and oilseed harvest in an environment where input costs remained relatively high. The subindex measuring the volume of export sentiment fell by 7 points to 35, signalling a potential decline in export volumes this year from a record of US\$13,2 billion (about R245 billion) in 2023. The financing costs subindex fell by 14 points to 27, signalling that agricultural firms were still worried by the elevated interest rate in an industry where farm debt was just over R200 billion. The rest of the subindexes helped to support agribusiness confidence.

The CEC's released second production estimate for the 2024 for on Tuesday. In its first, released a month ago, it predicted a maize crop of almost 14.4 million tonnes, down 12.6% from 2023. Since then, heat waves and a scarcity of rain, the CEC as expected, cut its first production forecast. The production of yellow maize, used mostly for animal feed, is not seen falling as steeply as white maize, with the CEC pegging its harvest about 12% lower. This is partly because the lion's share of it is planted in the eastern flank of the maize belt in Mpumalanga, which has had better rains than the central and western regions where most of the white maize grows. South African yellow maize futures prices are up about 4.5% over the past 12 months, while white maize prices have climbed over 23%. Production for summer crops across the board – including soybeans and sorghum – is seen significantly lower in 2024. In total, the CEC sees summer crop production for 2024 falling to 15.589 million tonnes from over 20.1 million tonnes last season, a decline of over 21%.

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