



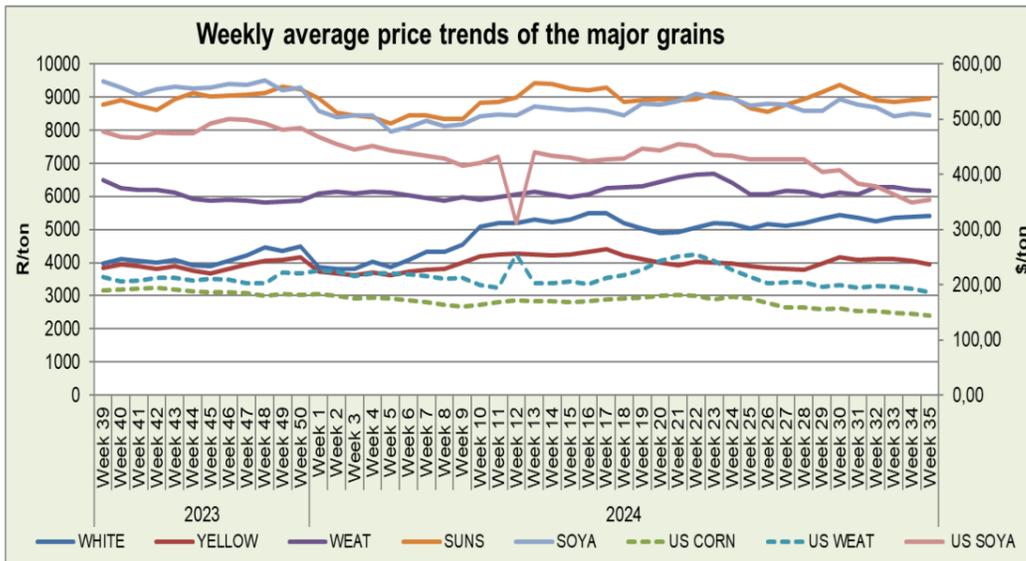
# agriculture, land reform & rural development

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

## Weekly Price Watch: 30 August 2024

Directorate: Statistics & Economic Analysis

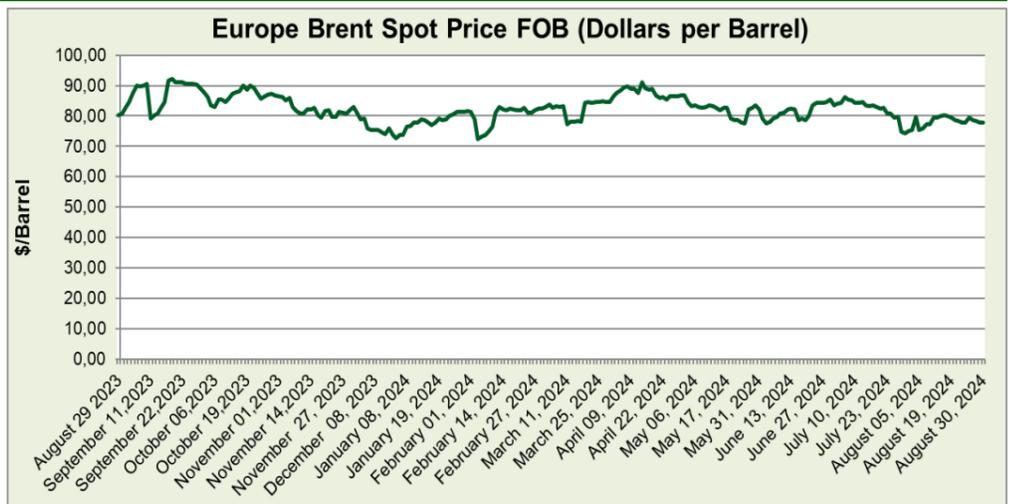
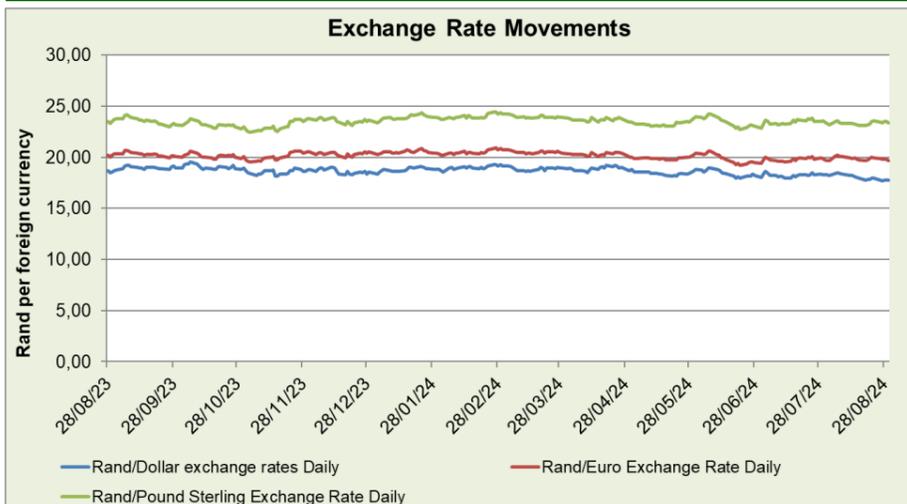
Sub-directorate: Economic Analysis



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 sunflower seed increased by 0.5%, 2.4% and 0.8% respectively, whilst prices for wheat and soya bean decreased by 0.1% and 0.7% respectively, week on week. Internationally, the grain price of US soybean increased by 1.2%, while prices of US corn and US wheat decreased by 2.0% and 2.8% respectively when compared to the previous week. In the Southern hemisphere, harvesting is ongoing under mixed conditions in Brazil. Lack of rain earlier in the season and high temperatures had constrained yield. In the Northern Hemisphere, planting is progressing under generally favourable conditions. However, areas of concern includes Mexico, China, Romania and Ukraine.

### Spot price trends of major grains commodities

	1 year ago Week 35 (28-08-23 to 01-09-23)	Last week Week 34 (19-08-24 to 23-08-24)	This week Week 35 (26-08-24 to 30-08-24)	w-o-w % change
RSA White Maize per ton	R3 618,40	R5 96,80	R5 425,40	0,5%
RSA Yellow Maize per ton	R3 608,80	R4 050,00	R3 952,00	2,4%
USA Yellow Maize per ton	\$184,32	\$147,25	\$144,37	-2,0%
RSA Wheat per ton	R6 379,00	R6 193,00	R6 185,60	-0,1%
USA Wheat per ton	\$213,14	\$192,67	\$187,22	-2,8%
RSA Soybeans per ton	R9 569,60	R8 512,60	R8 456,40	-0,7%
USA Soybeans per ton	\$507,02	\$349,52	\$353,55	1,2%
RSA Sunflower seed per ton	R8 963,60	R8 905,20	R8 972,00	0,8%
Crude oil per barrel	\$81,54	\$77,81	\$78,90	0,7%



The South African rand depreciated by 0.5% against the Pound sterling, while appreciated by 0.6% against the US dollar and by 0.3% against the Euro respectively. Over the past week, the value of US dollar has remained relatively stable, with a 1.6% increase compared to its value 7 days ago.

Brent crude oil price averaged \$78.90/barrel in the reporting week which is 0.7% higher than \$77.81/barrel week on week. Crude oil prices steadied earlier last week after gaining more than 1% on the news of production shutdowns in Libya. However, analysts believe the benchmarks are still set for a monthly decline as pessimism about demand continues to weigh.



### National South African Price information (RMAA) : Beef

Week 33 (12/08/2024 to 18/08/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 34 (19/08/2024 to 25/08/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	10436	55,03	56,25	Class A2	12409	54,79	54,97
Class A3	829	54,89	54,59	Class A3	757	55,01	54,27
Class C2	906	43,34	45,12	Class C2	882	41,65	44,71

The units sold for class A2 beef increased by 18.9%, while units sold for class A3 and C2 beef decreased by 8.7% and 2.6% respectively when compared to the previous week. On the other hand average purchase price for class A3 beef increased by 0.2%, while average purchase prices for class A2 and C2 beef decreased by 0.4% and 3.9% respectively week on week. The average selling price for class A2, A3 and C2 beef decrease by 2.3%, 0.6% and 0.9% respectively when compared to the previous week.

### National South African Price information (RMAA) : Lamb

Week 33 (12/08/2024 to 18/08/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 34 (19/08/2024 to 25/08/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	13728	89,79	90,45	Class A2	15724	89,70	91,10
Class A3	1302	86,42	87,12	Class A3	1685	86,07	87,53
Class C2	930	64,75	71,04	Class C2	1352	64,32	69,00

The units of lamb traded this week for class A2, A3 and C2 increased by 14.5%, 29.4% and 45.4% respectively, when compare to the previous week. The average purchase prices for class A2, A3 and C2 lamb decreased by 0.1%, 0.4% and 0.7% respectively week on week. The average selling prices for class C2 lamb decreased by 2.9%, while average selling prices for class A2 and A3 lamb increased by 0.7% and 0.5% respectively relative to the previous week.

### National South African Price information (RMAA) : Pork

Week 33 (12/08/2024 to 18/08/2024)	Units	Avg Purchase Price	Week 34 (19/08/2024 to 25/08/2024)	Units	Avg Purchase Price
Class BP	12353	31,47	Class BP	11779	31,57
Class HO	5714	30,90	Class HO	2961	31,35
Class HP	6036	31,00	Class HP	4522	31,16

The quantities of pork traded this week for class BP, HO and HP pork decreased by 4.6%, 48.2% and 25.1% respectively, when compered to the previous week. The average purchase price for class BP, HO and HP pork increased by 0.3%, 1.5% and 0.5% respectively, week on week.

## Latest News Developments

South African President Cyril Ramaphosa and the President of the People's Republic of China, Xi Jinping, have agreed to elevate bilateral relationships between South Africa and China to a strategic co-operative partnership, underpinned by strong political ties, balanced trade and transformative economic growth. The heads of states agreed to deepen co-operation in traditional fields, such as agriculture, health, medical sciences and infrastructure development, but will further seize opportunities presented by the new scientific and technological revolution. They undertook to uphold the core values and basic principles of the World Trade Organization, oppose the decoupling and disruption of supply chains, resist unilateralism and protectionism, call for reform of the international financial system, and improve development financing for African countries to achieve common prosperity. The two sides agreed to support a comprehensive reform of the United Nations, including its Security Council, with a view to make it more democratic, representative, effective and efficient, and to increase the representation of developing countries in the council's membership so that it can adequately respond to global challenges and support the legitimate challenges of emerging and developing countries. They also called on the international community to support efforts by African countries in terms of the full implementation of the African Continental Free Trade Agreement, and allow Africa the space to realise the benefits of its integration agenda. China committed to share with South Africa experience in poverty alleviation and rural revitalisation, in building poverty alleviation model villages and offering support for coordinated urban and rural development. As part of the South African delegation's visit to China, the two presidents jointly witnessed the signing of several bilateral co-operation instruments, of which the Co-operation in Prevention and Control of Foot-and-Mouth Disease; Inspection Quarantine and Sanitary Requirements for Dairy Products Exported from the Republic of South Africa to the People's Republic of China, and the Protocol on Greasy Wool were most relevant to the agriculture sector. The Minister of Agriculture, John Steenhuisen, said that the signing of these instruments marked an extremely positive move for the South African agriculture sector, as China was the world's second-largest economy and access to the Chinese market for South African agricultural products opened opportunities for growth and expansion of local agriculture.

A stronger rand and stable oil prices in the last week of August have boosted fuel price recoveries even further, lining up South African motorists for an even bigger cut at the pumps next week. The latest data from the Central Energy Fund (CEF) for the final week of August shows that both petrol and diesel recoveries have improved. Petrol prices are showing an over-recovery of between 84 and 91 cents per litre, while diesel's over-recovery ranges between 74 cents and R1.00 per litre. This is an improvement of around 25 cents per litre from the mid-month expectations. The Department of Petroleum and Mineral Resources is expected to announce the official fuel price changes before they come into effect on Wednesday, 4 September. These are the expected changes: Petrol 93: decrease of 84 cents per litre; Petrol 95: decrease of 91 cents per litre; Diesel 0.05% (wholesale): decrease of 74 cents per litre; Diesel 0.005% (wholesale): decrease of 100 cents per litre; Illuminating paraffin: decrease of 99 cents per litre. The over-recovery at the end of the month has been driven by a stronger rand to the dollar compared to the same time last month and more stable global oil prices, which have stayed under \$80 a barrel. The expected cut will also put year-to-date petrol pricing in positive territory. Petrol prices shot up by R3.00 per litre in consecutive hikes from January to May 2024, causing a concomitant spike in inflation over the period. However, with another 88 cents per litre cut expected for September, the total price reduction since June will total R3.36, giving South African motorists a small but positive swing in prices of around 36 cents per litre since the start of the year. This spells good news for inflation in South Africa. The July petrol price cuts already showed lower CPI figures for that month, and August's cut is expected to reveal the same. Another sizeable cut in September will play into the continued easing of inflation into the fourth quarter of the year.

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