



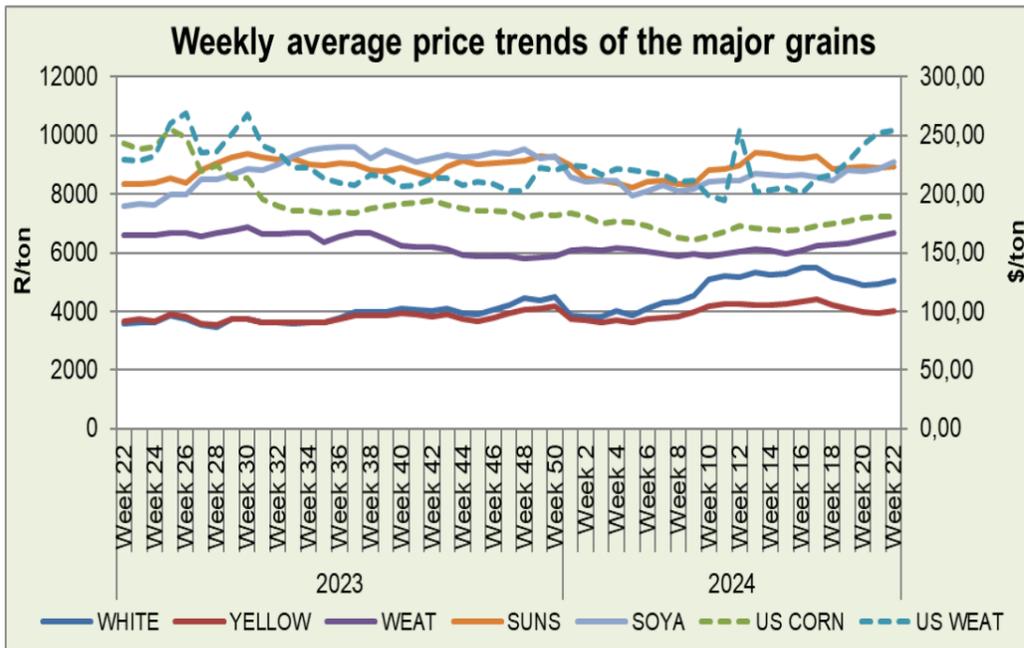
agriculture, land reform & rural development

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

Weekly Price Watch: 31 May 2024

Directorate: Statistics & Economic Analysis

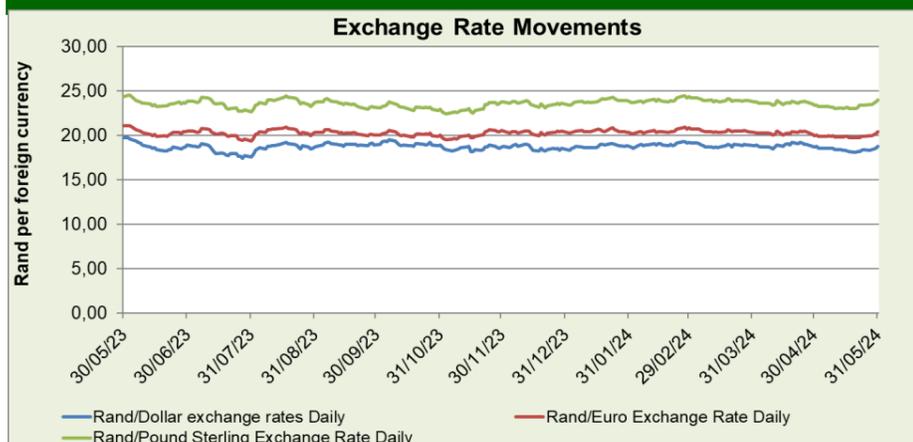
Sub-directorate: Economic Analysis



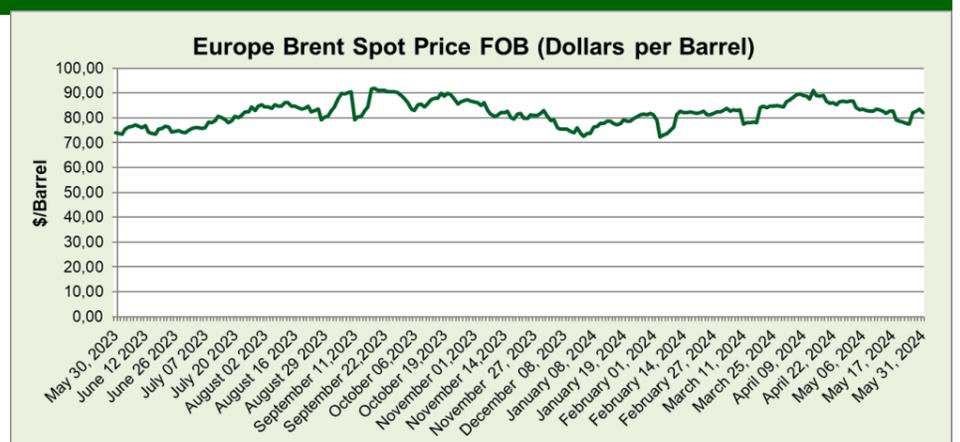
The price of white and yellow maize increased by 2.7% and 2.8% this week relative to the previous week. The maize price increased after the latest Crop Estimates Committee (CEC) downgraded their estimates of white and yellow maize output by 1% and 0.3% from their previous forecast. The US maize price decreased by 0.2%, as most expectation during the week were of the US crop improving. The price of local and USA wheat increased by 1.5% and 0.9% respectively this week. The price of local soybeans increased by 2.5%, the local soybeans price increase as the latest forecast showed a 1.9% decline from the previous estimates, while the USA soybeans price decreased by 0.7%. The price of the local Sunflower also increased by 0.5% as sunflower outlook has been downgraded by 5.6% from the previous forecast.

Spot price trends of major grains commodities

	1 year ago Week 22 (29-05-23 to 02-06-23)	Last week Week 21 (20-05-24 to 24-05-24)	This week Week 22 (27-05-24 to 31-05-24)	w-o-w % change
RSA White Maize per ton	R 3 576,20	R 4 936.40	R 5 070,25	2.7%
RSA Yellow Maize per ton	R 3 665,78	R 3 927.20	R4 035,75	2.8%
USA Yellow Maize per ton	\$243,76	\$ 180,78	\$ 180,40	-0.2%
RSA Wheat per ton	R 6 618,05	R 6 570.40	R6 671,25	1.5%
USA Wheat per ton	\$229,44	\$ 251.93	\$ 254,27	0.9%
RSA Soybeans per ton	R 7 599,33	R 8 880.40	R 9 101,00	2.5%
USA Soybeans per ton	\$ 518,01	\$ 455,06	\$ 451,91	-0.7%
RSA Sunflower seed per ton	R 8 355,43	R 8 902.80	R 8 943,50	0.5%
Crude oil per barrel	\$74,58	\$ 78.31	\$ 82.61	5.5%



South African rand depreciated this week relative to the previous week amid election uncertainty as no outright winner emerged during the week's election and the markets looking for direction from unknown coalitions that might emerge. The rand depreciated by 1.5%; 1.7% and 1.7% against the dollar, Euro and pound.



The price of Brent crude oil increased by 5.5% this week relative to the previous week. The price of oil increased on expectations of OPEC supply cuts, as the organization wants to boost prices, amid excess supply.



National South African Price information (RMAA) : Beef

Week 20 (13/05/2024 to 19/05/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 21 (20/05/2024 to 26/05/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 318	55,32	55,05	Class A2	9 169	55,58	57,09
Class A3	901	55,08	54,76	Class A3	932	55,21	55,72
Class C2	880	43,05	45,59	Class C2	664	43,58	44,93

Units sold for class A2 and class A3 beef increased by 25.3% and 3.4% while class C2 units sold decreased by 24.5%. The producer prices of class A2; A3 and C2 increased by 0.5%; 0.2% and 1.2%; while the retail prices of class A2 and A3 increased by 3.7% and 1.8% but decreasing by 1.4% on class C2

National South African Price information (RMAA) : Lamb

Week 20 (13/05/2024 to 19/05/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 21 (20/05/2024 to 26/05/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	15 560	84,50	85,56	Class A2	16103	84,86	85,68
Class A3	2 030	81,48	84,23	Class A3	1770	82,64	84,26
Class C2	1 508	55,55	62,24	Class C2	1643	57,02	62,28

The Units of lamb sold this week increased for class A2 and C2 by 3.5% and 9% while decreasing by 12.8% for class A3. The producer prices increased for all classes; A2,A3 and C2 by 0.4%, 1.4% and 2.6% respectively. The market increased by 0.1% and 0.1% for class A2 and C2 while remaining stable for class A3.

National South African Price information (RMAA) : Pork

Week 20 (13/05/2024 to 19/05/2024)	Units	Avg Purchase Price	Week 21 (20/05/2024 to 26/05/2024)	Units	Avg Purchase Price
Class BP	11 245	30,50	Class BP	11354	30,33
Class HO	7 524	30,63	Class HO	6372	29,57
Class HP	7 813	30,16	Class HP	7667	30,12

The units of pork sold this week decreased for class HO and HP by 15.3% and 1.9% while increasing by 0.1% for class BP. The producer prices decreased for the respective classes; BP,HO and HP by 0.6%, 3.5% and 0.1% respectively.

Latest News Developments

The monetary policy committee of the South African reserve bank kept the interest rate stable at 8.25% for the sixth consecutive meeting. Governor Lesetja Kganyago stated that; the MPC assesses the inflation forecast risks to be broadly balanced at present, high inflation expectations require that we deliver on our target sooner rather than later. The governor indicated that the decision to hold interest rates unchanged was backed by all six MPC members, with the SA rand slightly weakening after the decision .

African Risk Capacity (ARC) a financial services provider stated that for Africa to meet the Malabo Commitment to end hunger by 2025, policymakers need to assess the needs of farmers on the continent and enhance access to funding. ARC stresses need for farmers' access to finance, insurance in light of growing climate risk. According to ARC; 33 million smallholder farmers contribute 70% of Africa's food supply as a result more innovative financing mechanisms must be created as the continent increasingly faces challenges of climate change, low productivity and conflict. ARC further stated that; Africa produces many principal grains and other diverse crops, including rubber, cocoa and flowers, but owing to extreme weather events, floods and droughts, crops are being destroyed at an unprecedented scale.

Trade & Industrial Policy Strategies (TIPS) senior economist Gaylor Montmasson-Clair stated that a stable demand remains a prerequisite if South Africa has any prospect of stimulating industrialisation in the renewable-energy and battery storage value chains, but absent complementary supply-side measures – including tax and financial incentives, as well as an active trade policy; the country will struggle to attract green manufacturing investment in what is now a highly competitive global environment.

Election results from South Africa have left investors swinging between anxiety over the different permutations that coalition may take and lingering hopes that whatever it is will result in a market-friendly government. Ivailo Vesselinov, chief strategist at Emso Asset Management. Stating that they remain in something of a no-man's-land at present, with the still-sizable uncertainty over the ANC's final tally keeping most options for the next government on the table.

The South African Revenue Services (Sars) report indicates that South Africa achieved a trade balance surplus of R10.5-billion in April; this surplus is attributed to exports of R169.5 billion and imports of R159.1-billion. Real gross domestic product (GDP) contracted by a marginal 0,1% in the first quarter (January–March) of 2024. This followed a revised 0,3% increase in the fourth quarter of 2023. Weaker manufacturing, mining and construction drove much of the downward momentum on the production (supply) side of the economy, while the expenditure (demand) side witnessed a decline across all components. Agriculture expanded by 13,5%, the main contributor is the horticulture sector that recorded a rise in the production of fruit. Other positive contributors include maize and animal products. The industry was the largest positive contributor to the economy in the first quarter of 2024.

For more information contact: Directorate Statistics & Economic Analysis (SEA) at HeidiP@dalrrd.gov.za or 0123198194.