



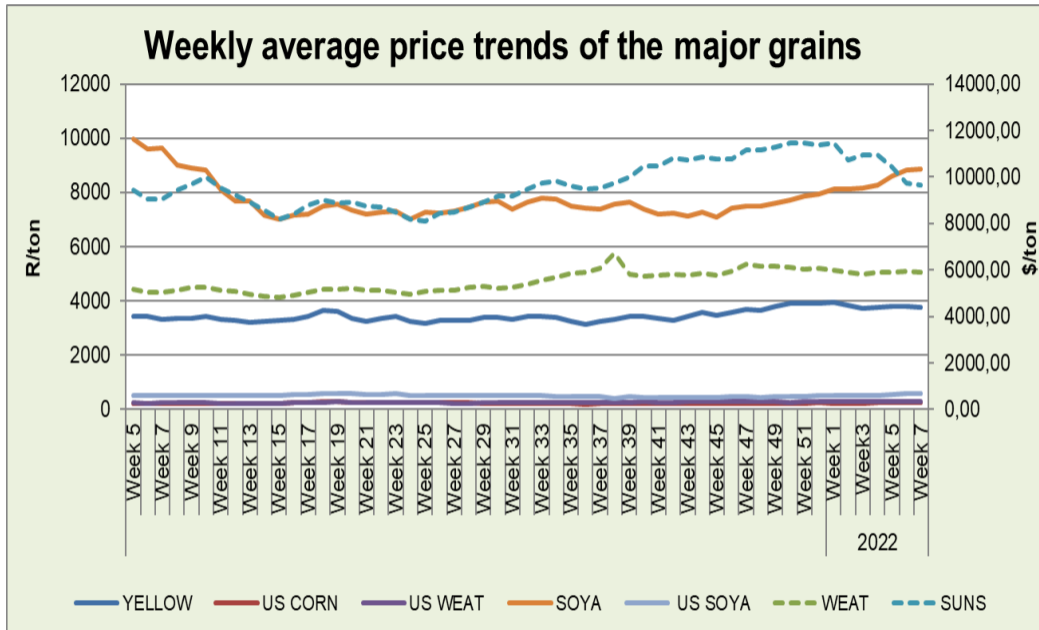
agriculture, land reform & rural development

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

Weekly Price Watch: 18 February 2022

Directorate: Statistics & Economic Analysis

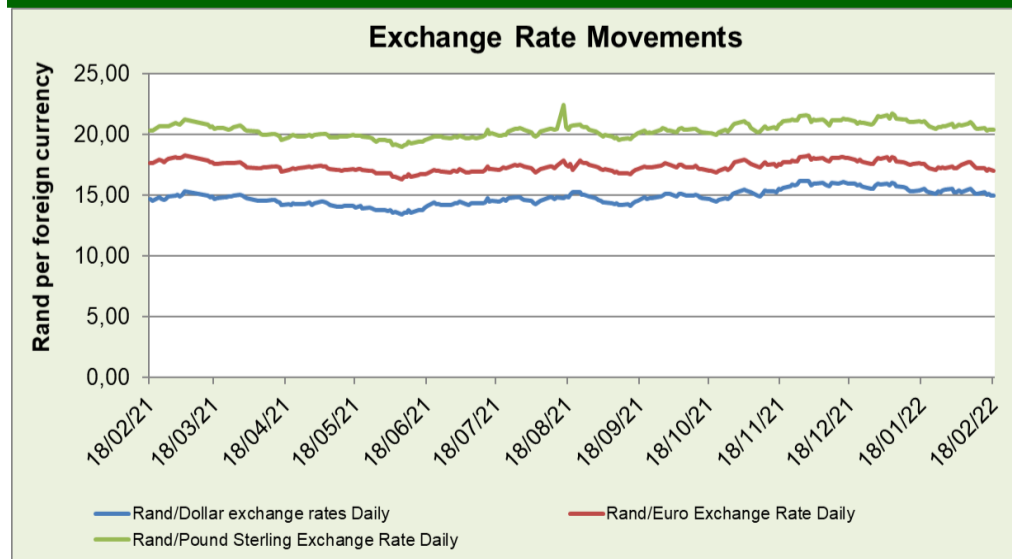
Sub-directorate: Economic Analysis



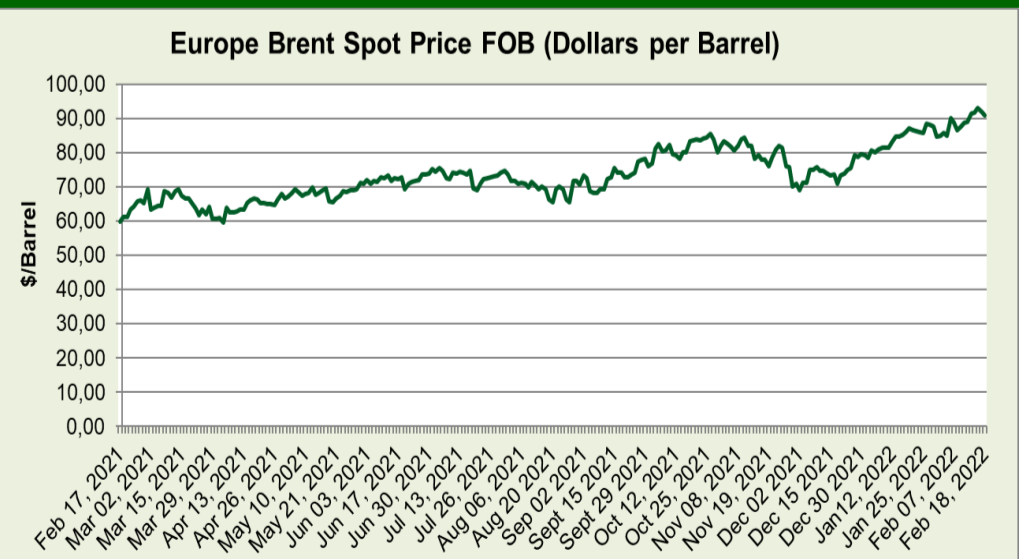
The price of local white and yellow maize declined by 0.9% and 0.7% respectively, whilst the international maize price increased by 2.1%. The local maize price was affected by the stronger local currency compared to last week. The international maize price increased due to technical buying and short covering ahead of the extended holidays season in the US. Additionally, there are production concerns and tight supplies in South America. The price of local wheat decreased by 1.1% whilst the US wheat price increased by 2.3%. The international price increased due to geo-political tensions between Russia and Ukraine (the black sea region) creating an expectation of supply disruptions. The local and international soybeans price increased by 0.7% and 0.1% respectively. Local prices tracked international prices which rose as a result of South American production worries as weather concerns worsens in key production areas. The price of local sunflower decreased by 0.9% compared to last week.

Spot price trends of major grains commodities

	1 year ago Week 7 (15-02-21 to 19-02-21)	Last week Week 6 (07-02-22 to 11-02-22)	This week Week 7 (14-02-22 to 18-02-22)	w-o-w % change
RSA White Maize per ton	R3 218,80	R 3 683.00	R3 648,80	-0,9%
RSA Yellow Maize per ton	R3 323,00	R 3 810.80	R3 783,80	-0,7%
USA Yellow Maize per ton	\$215,16	\$ 250.07	\$255,23	2,1%
RSA Wheat per ton	R5 020,20	R 5 956.00	R5 890,40	-1,1%
USA Wheat per ton	\$237,88	\$ 283.96	\$290,63	2,3%
RSA Soybeans per ton	R9 644,00	R 8 815.60	R8 874,40	0,7%
USA Soybeans per ton	\$506,12	\$ 578.55	\$579,35	0,1%
RSA Sunflower seed per ton	R9 035,60	R 9 731.40	R9 644,20	-0,9%
Crude oil per barrel	\$ 60,55	\$ 88.10	\$ 91,82	4.2%



The rand appreciated by 1.6%, 2.3% and 1.6% against the US Dollar, Euro and Pound respectively compared to last week, as the geo political tensions in East Europe created uncertainty in markets resulting in investors opting for safe havens, by investing in gold. The price of gold increased during the week which benefited the SA gold trade.



The price oil Brent crude oil price increased by 4.2% this week compared to last week as there is increased expectations of geo political tensions between Russia and Ukraine are expected to interrupt supply amidst the prospects of increased Iranian oil exports due to increased expectation of sanctions been eased against Iran.



National South African Price information (RMAA) : Beef

Week 05 (31/01/2022 to 06/02/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 06 (7/02/2022 to 13/02/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 943	55.91	57.60	Class A2	6 408	56,22	56,35
Class A3	556	55.80	57.29	Class A3	502	55,98	57,14
Class C2	259	48.34	50.28	Class C2	336	47,06	46,20

The units sold for class A2 and A3 beef decreased by 7.7% and 9.7% respectively this week compared to last week, whilst class C2 units sold increased by 29.7%. The producer prices increased by 0.6% and 0.3% respectively for class A2 and A3, whilst prices declined by 2.6% for class C2 beef. The retail prices declined for all classes, declining respectively by 2.2%, 0.3% and 8.1% for class C2, A3 and C2.

National South African Price information (RMAA) : Lamb

Week 05 (31/01/2022 to 06/02/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 06 (7/02/2022 to 13/02/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 791	85.84	85.94	Class A2	4 662	86,36	86,06
Class A3	959	83.31	83.19	Class A3	538	84,64	84,66
Class C2	380	71.15	73.71	Class C2	338	71,70	75,00

Lamb units available in the market for class A2, A3 and C2 decreased by 47%, 43.9% and 11.1% respectively this week compared to last week. The producer prices for all classes increased by 0.6%, 1.6% and 0.8% in the respective order. The market prices also increased for all classes respectively by 0.1%, 1.8% and 1.8%.

National South African Price information (RMAA) : Pork

Week 05 (31/01/2022 to 06/02/2022)	Units	Avg Purchase Price	Week 06 (7/02/2022 to 13/02/2022)	Units	Avg Purchase Price
Class BP	14 071	25.34	Class BP	12 708	24,77
Class HO	6 348	24.63	Class HO	6 525	24,18
Class HP	4 427	24.52	Class HP	7 285	24,20

Units of pork available in the market decreased by 9.7% for class BP compared to last week, whilst increasing by 2.8% and 64.6% for class HO and HP respectively. The producer prices decreased for all classes by 2.2%, 1.8% and 1.3% respectively for class BP, HO and HP.

Latest News Developments

Alexander Forbes Investments executive chief economist Isaah Mhlanga stated that SA unemployment is below 35%, which is higher and is discouraging job seekers. Mhlanga explained that the ideal scenario would be to achieve a stable 5% a year economic growth rate for the next 50 years, which would bring the unemployment rate to under 10%. At a 4% yearly economic growth rate, the country's unemployment rate would drop to just over 20%. A steady 3% yearly economic growth rate, however, would actually see unemployment continuing to rise by a few percentage points in 50 years. At a 2% yearly economic growth, unemployment in South Africa can be expected to reach as high as 50% in that time. According to World Bank data, South Africa's yearly gross domestic product (GDP) growth has been less than 4% since 2008 and has decreased consistently ever since.

The South African Chamber of Commerce and Industry's (Sacci's) latest Trade Conditions Survey indicates that trade conditions continued to improve in January after an uncertain second half of 2021. When seasonal factors are considered, trade conditions are on an upward trend. The disruption and mayhem in July 2021 had a negative impact on trade, but it also accelerated the recovery and inspired resilience in communities and businesses.

Transnet Freight Rail (TFR) North Corridor managing executive Thozama Mokoena stated that Transnet Freight Rail (TFR) will need at least R3-billion to upgrade its security infrastructure across all of its corridors, with about 80% of this to be funded through external means. She explained that TFR simply did not have the funds internally to roll out the desired and much-needed security upgrades to be rolled out in phases across strategic corridors.

Trade & Industrial Policy Strategies (Tips) stated that while the Green Economy Tracker (GET) for South Africa shows there are strong policies supporting green economy efforts, clear implementation targets are still lacking. South Africa's post Covid recovery plan – the Economic Reconstruction and Recovery Plan does have a clear aim to inclusively decarbonise the economy, but there are more opportunities for green growth.

The Automobile Association (AA) stated that the Central Energy Fund latest data indicates that the petrol price is currently set for a hike of around R1.25 a litre, while diesel could be increased by R1.29. Given the current outlook, 95 octane petrol in Gauteng could cost around a record high R21.39/l from the first week in March, with 93-octane petrol increasing to R21.13/l, the Automobile Association (AA) said in a statement. Despite the rand strengthening, the oil price continues to increase, with Brent oil now trading above \$90 a barrel compared to \$60 a year ago.

UFS Poverty, Inequality and Economic Development Pro-Vice-Chancellor Professor Philippe Burger pointed out that a third of South Africa's population and half of discouraged work seekers, lived in a part of the country where poverty was rife. He stated that is where, less than two out of ten working individuals had jobs that generated monetary income.

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