



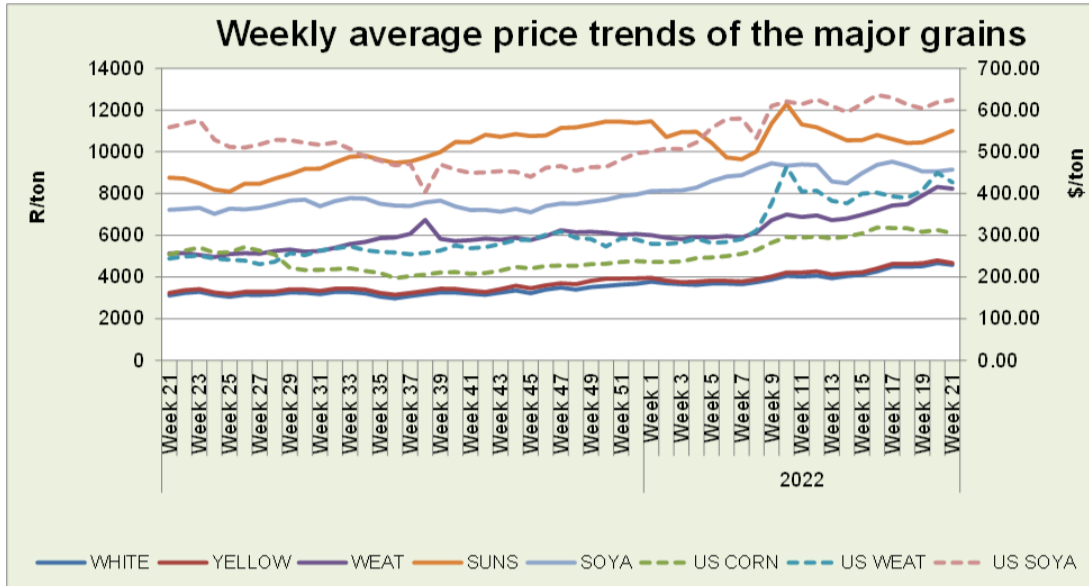
agriculture, land reform & rural development

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

Weekly Price Watch: 27 May 2022

Directorate: Statistics & Economic Analysis

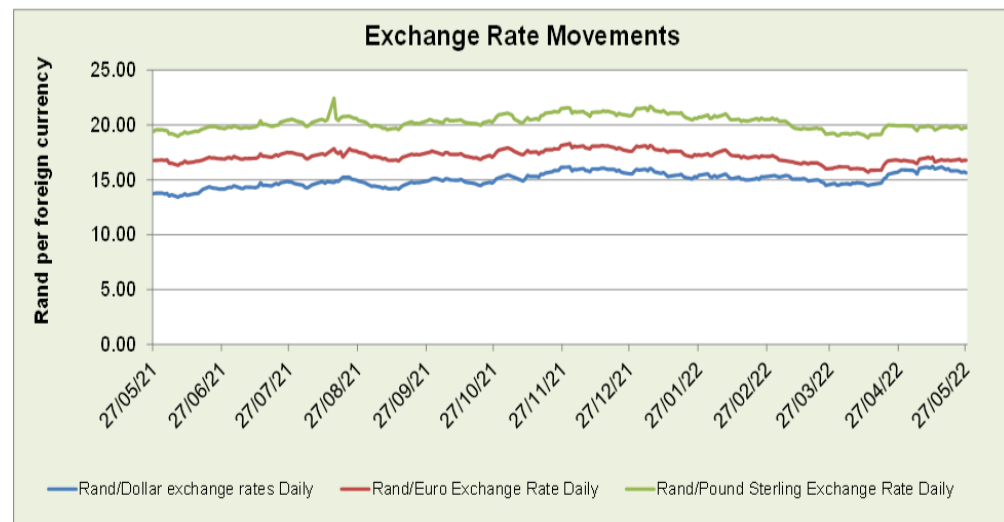
Sub-directorate: Economic Analysis



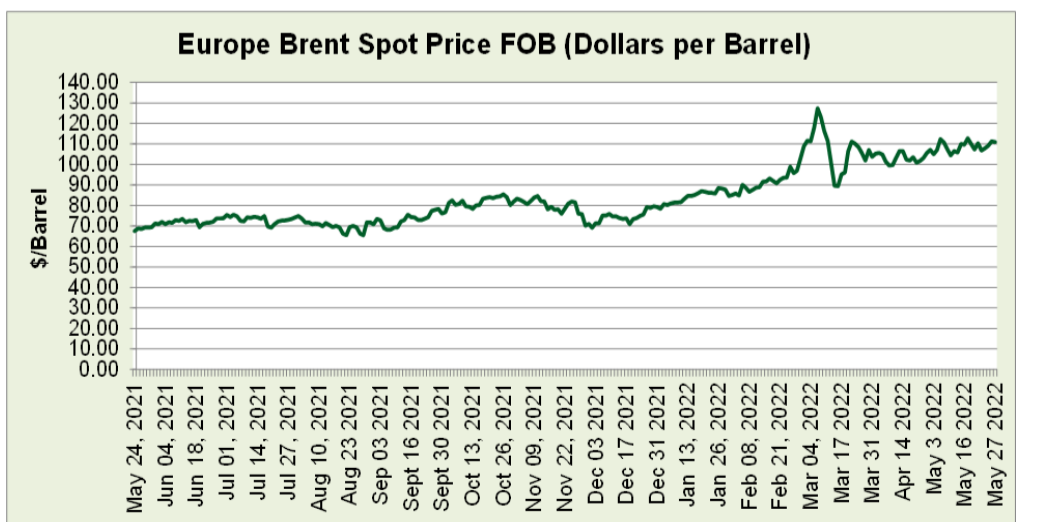
Domestic grain prices weakened this week compared to the previous week, with white maize, yellow maize and wheat decreased by 1.8%, 2.8% and 1.1% respectively. South African maize prices came under pressure due to lower US maize prices affected by planting pressure and the stronger rand seen in the past sessions. However, local sunflower and soybean prices increased by 2.8% and 1.0% respectively during the same period. On the international front, US yellow maize and wheat prices decreased by 2.4% and 5.2% respectively week-on-week. US maize prices traded lower in the past sessions with the US maize selling off. Pressure came from good US maize planting progress in the past two weeks and forecast rainfall which should benefit the new planting season. There was also some spillover pressure from the selling off in US wheat. US soybean prices increased for two consecutive weeks increasing by 1.0% this week.

Spot price trends of major grains commodities

	1 year ago Week 21 (24-05-21 to 28-05-21)	Last week Week 20 (16-05-22 to 20-05-22)	This week Week 21 (23-05-22 to 27-05-22)	w-o-w % change
RSA White Maize per ton	R 3 109.00	R 4 664.80	R 4 582.00	-1.8%
RSA Yellow Maize per ton	R 3 233.00	R 4 797.60	R 4 662.40	-2.8%
USA Yellow Maize per ton	\$ 253.97	\$ 312.50	\$ 304.99	-2.4%
RSA Wheat per ton	R 5 124.40	R 8 321.20	R 8 233.20	-1.1%
USA Wheat per ton	\$ 243.79	\$ 449.96	\$ 426.56	-5.2%
RSA Soybeans per ton	R 7 214.00	R 9 059.20	R 9 150.60	1.0%
USA Soybeans per ton	\$ 558.56	\$ 618.07	\$ 624.10	1.0%
RSA Sunflower seed per ton	R 8 762.00	R 10 707.00	R 11 005.00	2.8%
RSA Sweet Sorghum per ton	R 3 527.00	-	-	-
Crude oil per barrel	\$ 68.61	\$ 109.98	\$ 109.19	-0.7%



The rand appreciated by 0.4% against the US dollar week-on-week. The dollar was set for its biggest weekly drop in nearly four months as traders lowered Federal Reserve rate hike expectations amid signs the U.S. central bank might slow or even pause its tightening cycle in the second half of the year. The rand also appreciated by 0.3% against the pound, whilst the rand depreciated by 0.4% against the euro.



Brent crude oil averaged \$109.19 which is 0.7% less than \$109.98 reported the previous week. OPEC will meet on June 2 and is expected to stick to last year's deal to raise July output targets by 432,000 barrels per day, six OPEC sources told Reuters, rebuffing Western calls for a faster increase to control prices.



National South African Price information (RMAA) : Beef

Week 19 (09/05/2022 to 15/05/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 20 (16/05/2022 to 22/05/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	5 708	61.36	63.65	Class A2	7 752	61.92	62.26
Class A3	441	57.39	62.98	Class A3	724	59.42	62.91
Class C2	488	45.43	52.27	Class C2	696	47.65	51.15

All units sold for class A2, A3 and C2 beef increased significantly by 35.8%, 64.2% and 42.6% respectively this week compared to the previous week. The beef market was largely bullish week-on-week (w/w) and the average weekly slaughtering volume was higher this week. The weekly average purchase prices for class A2, A3 and C2 beef also increased by 0.9%, 3.5% and 4.9% respectively in the reporting week compared to the previous week. However, during the same period, the weekly average selling prices for class A2, A3 and C2 beef decreased by 2.2%, 0.1% and 2.1% . The cold weather conditions around the country where people enjoy having beef stew might also be contributed to the huge increase in units sold for beef.

National South African Price information (RMAA) : Lamb

Week 19 (09/05/2022 to 15/05/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 20 (16/05/2022 to 22/05/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 132	97.54	98.70	Class A2	6 449	98.19	100.95
Class A3	775	96.97	96.55	Class A3	1 058	96.49	98.99
Class C2	724	71.32	74.31	Class C2	642	72.90	75.81

Units sold for class A2 and A3 lamb increased by 5.2% and 36.5% respectively, whilst units sold for class C2 lamb decreased by 11.3% in the reporting week compared to the previous week. The weekly average purchase prices for class A2 and C2 lamb increased by 0.7% and 2.2% respectively this week compared to the previous week. While weekly average purchase prices for class A3 lamb decreased by 0.5% week on week. During the same period, the weekly average selling prices for class A2, A3 and C2 lamb increased by 2.3%, 2.5% and 2.0% respectively. Mutton and lamb prices were largely bullish week on week.

National South African Price information (RMAA) : Pork

Week 19 (09/05/2022 to 15/05/2022)	Units	Avg Purchase Price	Week 20 (16/05/2022 to 22/05/2022)	Units	Avg Purchase Price
Class BP	11 391	26.87	Class BP	8 779	27.33
Class HO	7 907	26.66	Class HO	8 568	26.84
Class HP	6 227	26.59	Class HP	9 690	26.72

Units sold for class HO and class HP pork increased by 8.4% and 55.6% respectively, whilst units sold for class BP decreased by 22.9% in the reporting week compared to the previous week. Meanwhile, the weekly average purchase prices for class BP, class HO and class HP pork all increased by 1.7%, 0.7% and 0.5% respectively during the same period.

Latest News Developments

According to Statistics South Africa, producer inflation surged to a record high in April, beating analysts' forecasts, which is likely to further sour manufacturing mood. Prices of final manufactured goods rose by 13.1%, from 11.9% in March. That's the highest rate since the start of 2013, when the statistics office split its producer price index and started reporting five different measures for prices at the factory gate including agriculture, mining, electricity and water as well as intermediate manufactured goods. The median estimate of seven economists in a Bloomberg survey was 12%. The increase was driven by soaring costs of fuel, coal and food as well as beverages and tobacco. After the credit rating agency Moody's upgraded South Africa's outlook last month, S&P Global has now also improved its outlook to "positive" from "stable". This was thanks in large part to strong commodity prices which are boosting the country's tax income and exports. It also highlighted progress in South Africa's fiscal position, while government adopted some reforms, including allowing private electricity generation and the auctioning of broadband spectrum. Motorists have to tighten their belts yet again as further petrol and diesel price huge increases for the month of June. As government's suspension of the general fuel levy coming to an end an automatic increase of R1.50 per litre. Add to this a bullish dollar, floundering rand and surging international crude oil prices and South Africans could see the price of petrol rise by up to R3.50 a litre. This means the country's already cash-strapped motorists could be coughing up in the region of R25.50 a litre depending on the grade and region.

The Crop Estimates Committee's (CEC) recently released report for summer crops indicated that from the previous estimates, all summer crop production was unchanged, however, soya bean production was set to reach 1,93 million tons, which was 2,38% or 44 850t more than the previous forecast of around 1,89 million tons. According to the report, the estimated area planted to soya bean was 925 300ha, with an expected yield of 2,09t/ha. These high production volumes will see a notable decline in soybean and oilcake imports, which will be a good boost for the local livestock and poultry sectors, because there will be ample stocks available locally. According to Stephen Murphy, CEO of Prohibition Partners, South Africa has the potential to position itself as a global player on the global cannabis market. Regulatory progress made in the past five years had allowed South Africa to catch up with other countries that had legalized cannabis production earlier. To date, the South African Health Product Authority had issued 55 cannabis cultivation permits. Limited access to the legal medical market for patients, equity concerns with regard to traditional farms, and the scope of hemp licenses were nevertheless holding the industry back.

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