



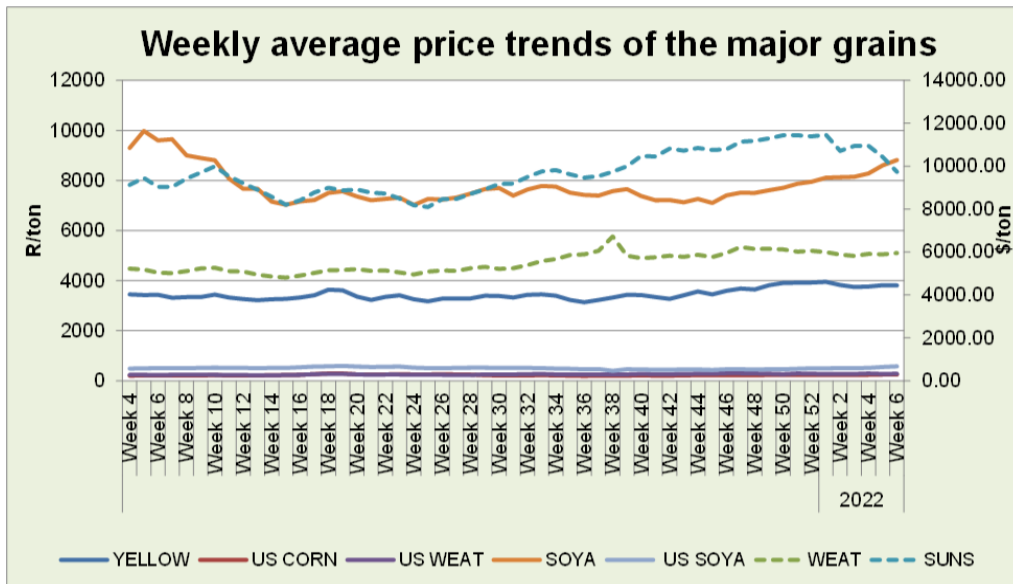
agriculture, land reform & rural development

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

Weekly Price Watch: 07 February 2022

Directorate: Statistics & Economic Analysis

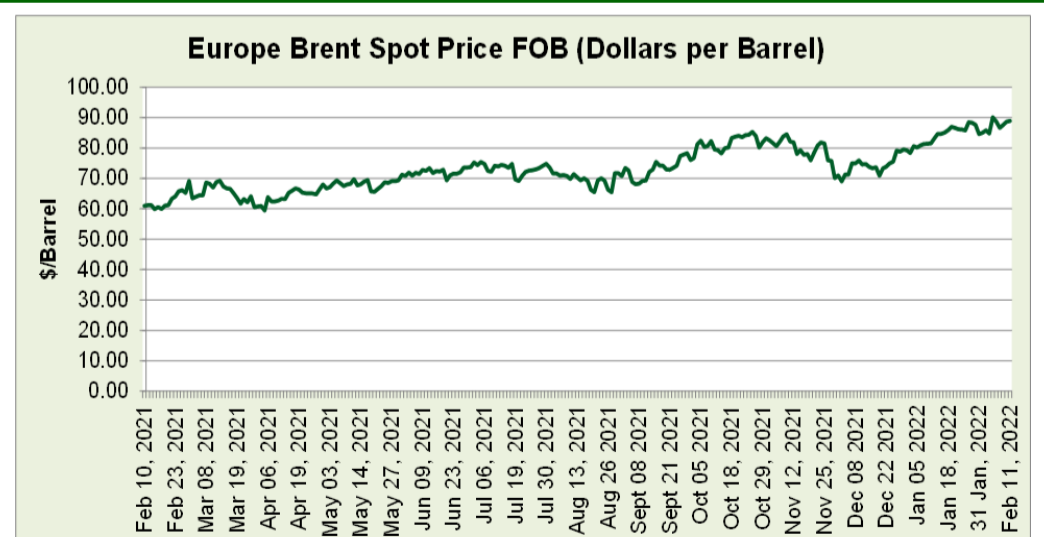
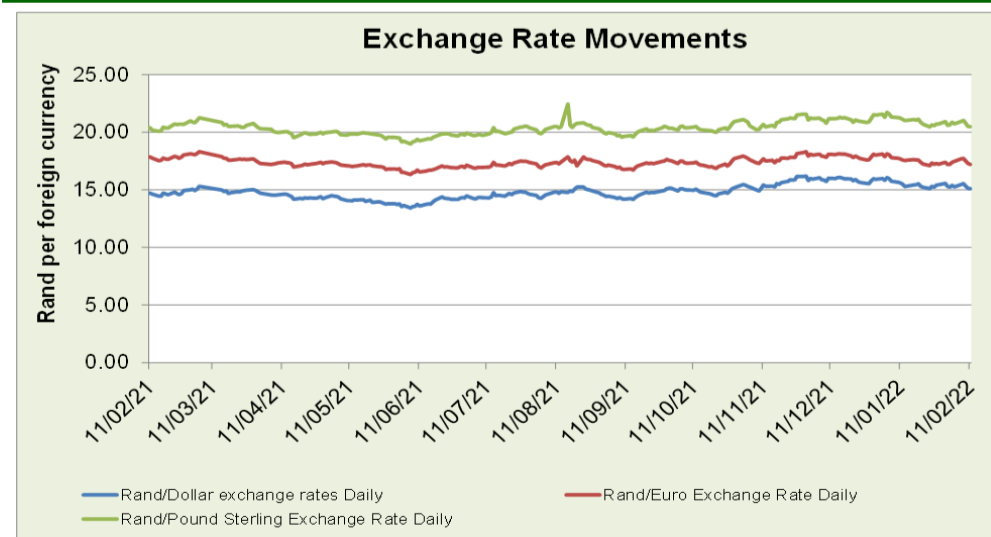
Sub-directorate: Economic Analysis



The domestic prices of wheat and soybean increased by 1.1% and 2.5% respectively, while the prices of yellow maize and sunflower decreased by 0.2% and 6.7% this week compared to the previous week. Meanwhile the white maize price remained unchanged. During the same period all international grain prices increased with corn, wheat and soybean prices increased by 1.3%, 1.1% and 3.9% respectively. Chicago Board of Trade soybean futures closed higher on Friday on shrinking estimates for South America's harvests due to dry weather. The session was volatile, with futures trading in positive and negative territory before finishing firmer. Corn futures also ended higher on Friday on increasing worries that a conflict between Russia and Ukraine could disrupt grain shipments from the Black Sea region. Wheat futures rallied on increased fears that Russia may invade and disrupt grain exports from the region.

Spot price trends of major grains commodities

	1 year ago Week 6 (01-02-21 to 05-02-21)	This week Week 5 (31-01-22 to 04-02-22)	This week Week 6 (07-02-22 to 11-02-22)	w-o-w % change
RSA White Maize per ton	R 3 310.00	R 3 683.60	R 3 683.00	0.0%
RSA Yellow Maize per ton	R 3 429.40	R 3 819.40	R 3 810.80	-0.2%
USA Yellow Maize per ton	\$ 215.83	\$ 246.89	\$ 250.07	1.3%
RSA Wheat per ton	R 5 181.80	R 5 890.20	R 5 956.00	1.1%
USA Wheat per ton	\$ 238.41	\$ 280.94	\$ 283.96	1.1%
RSA Soybeans per ton	R 9 9768.00	R 8 598.80	R 8 815.60	2.5%
USA Soybeans per ton	\$ 502.17	\$ 556.90	\$ 578.55	3.9%
RSA Sunflower seed per ton	R 9 448.80	R 10 428.80	R 9 731.40	-6.7%
RSA Sweet Sorghum per ton	R 3 259.80	-	-	-
Crude oil per barrel	\$ 57.97	\$ 86.08	\$ 88.10	2.3%



Rand averaged R15.31 against the dollar, appreciating by 0.2% this week compared to the previous week. Many investors expected the rand to buckle in the face of rising US Treasury yields and prospects of a more aggressive pace of Federal Reserve hikes, the currency has done the opposite. It's just posted its weekly gain, causing pain for those who have bet against it. Rand appreciated by 0.9% against Euro whilst it remained unchanged against the pound.

Brent crude oil increased from \$86.08 to \$88.10 a barrel, an increase of 2.3% this week compared to the previous week. Oil prices are rallying once more as the IEA raised forecasts for demand this year and confirmed that OPEC+ missed its output targets again in January and by an even wider margin of 900,000 barrels.



National South African Price information (RMAA) : Beef

Week 04 (24/01/2022to 30/01/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 05 (31/01/2022to 06/02/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 850	54.08	57.18	Class A2	6 943	55.91	57.60
Class A3	519	54.93	57.05	Class A3	556	55.80	57.29
Class C2	374	46.32	51.35	Class C2	259	48.34	50.28

The quantity of units sold for class A2 and C2 beef decreased by 21.5% and 30.7% respectively, meanwhile quantity of units sold for class A3 beef increased by 7.1% this week compared to the previous week. During the same period the average purchase price for class A2, A3 and C2 beef increased by 3.4%, 1.6% and 4.4% respectively. The average selling prices for class A2 and A3 beef increased by 0.7% and 0.4% respectively, while the average selling price for class C2 decreased by 2.1% this week compared to the previous week.

National South African Price information (RMAA) : Lamb

Week 04 (24/01/2022to 30/01/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 05 (31/01/2022to 06/02/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9 143	84.67	84.96	Class A2	8 791	85.84	85.94
Class A3	1 167	82.78	83.65	Class A3	959	83.31	83.19
Class C2	670	69.07	73.21	Class C2	380	71.15	73.71

After an increase last week the quantity of units sold for class A2, A3 and C2 lamb decreased by 3.8%, 17.8% and 43.3% respectively this week compared to the previous week. During the same period the average purchase prices for class A2, A3 and C2 lamb increased by 1.4%, 0.6% and 3.0% respectively. The average selling prices for class A2 and C2 lamb increased by 1.2% and 0.7% respectively, whilst the average selling price for class A3 lamb decreased by 0.5% week on week.

National South African Price information (RMAA) : Pork

Week 04 (24/01/2022to 30/01/2022)	Units	Avg Purchase Price	Week 05 (31/01/2022to 06/02/2022)	Units	Avg Purchase Price
Class BP	13 174	25.83	Class BP	14 071	25.34
Class HO	6 016	25.40	Class HO	6 348	24.63
Class HP	4 250	25.35	Class HP	4 427	24.52

The quantity of units sold for class BP, HO and HP increased by 6.8%, 5.5% and 4.2% respectively, this week compared to the previous week. The average purchase prices for class BP, HO and HP pork decreased for two consecutive weeks by 1.9%, 3.0% and 3.3% respectively week on week.

Latest News Developments

In his State of the Nation Address (SONA 2022) the President referenced the impact of the Covid-19 pandemic on the economy, admitting it had further exposed the deep social and economic divide in SA as well as the impact of the civil unrest in July 2021. Government will take steps to strengthen democracy and revitalize the economy to end inequality and injustice. The present situation of deep poverty, unemployment and inequality is not sustainable as it is unacceptable, requiring fundamental reforms and change to revive the economy and create conditions for long-term stability and growth. Load shedding and high cost of doing business continue to affect the economy, investment promotion and job creation. Government has to create the environment for businesses to invest, grow and employ more people. SA's problems are structural and also being affected by lack of broadband spectrum, power shortages, poor infrastructure. Government to implement far reaching reforms to unlock investment, reduce cost of doing business and increase competitiveness. Electricity crisis one of the greatest threats to economic revival and growth. President announced a 100-day deadline to create a social compact to create jobs, end hunger and poverty based on the economic and reconstruction programme. Focus will be on overcoming impact of Covid-19, infrastructure investment, economic stimulus, energy and creating job opportunities.

President Cyril Ramaphosa also announced that government's Social Relief of Distress Grant will be extended by one year, meaning it will continue into March 2023. The R350 monthly disbursement has been met with a strong demand, highlighting the impact of the pandemic on poor South Africans in an already underperforming economy facing record unemployment levels and subdued growth. During his address Ramaphosa said while the grant - which was established in response to the Covid-19 pandemic and lockdown - would be extended by a year, any support beyond this would still have to be assessed.

Ramaphosa also identified agriculture as having the potential to generate large-scale employment, particularly in the citrus, table and dried grape, subtropical fruit, avocado, berry and nuts industries, and said that the master plans for the sugar and poultry industries were already contributing to increased investment, improved production and transformation. SONA has been met with mixed reactions from stakeholders within agriculture sector. The question is whether government has the will and ability to implement the proposed actions and reforms. Small- and medium-sized horticulture farmers, in particular, will be worst affected by the recently announced increase in the national minimum wage, according to Mariette Hugo, Hortgro's group operations manager. Christo van der Rheede, executive director at Agri SA, said in a statement that the organisation appreciated the important balance government had to maintain to ensure that workers were earning a wage that contributed to the alleviation of poverty, reduced wage differentials and inequality in South Africa. With that being said, the increase in the minimum wage raises concern about the ability of many farmers to continue operating their businesses profitably and contribute towards employment creation in labour-intensive sub-sectors. Reflecting on the sector's financial resilience, farmers have absorbed extraordinary increases in input costs, ranging from fertilisers and fuel prices, to electricity price hikes as well as the double-digit increase in the minimum wage in 2021.

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