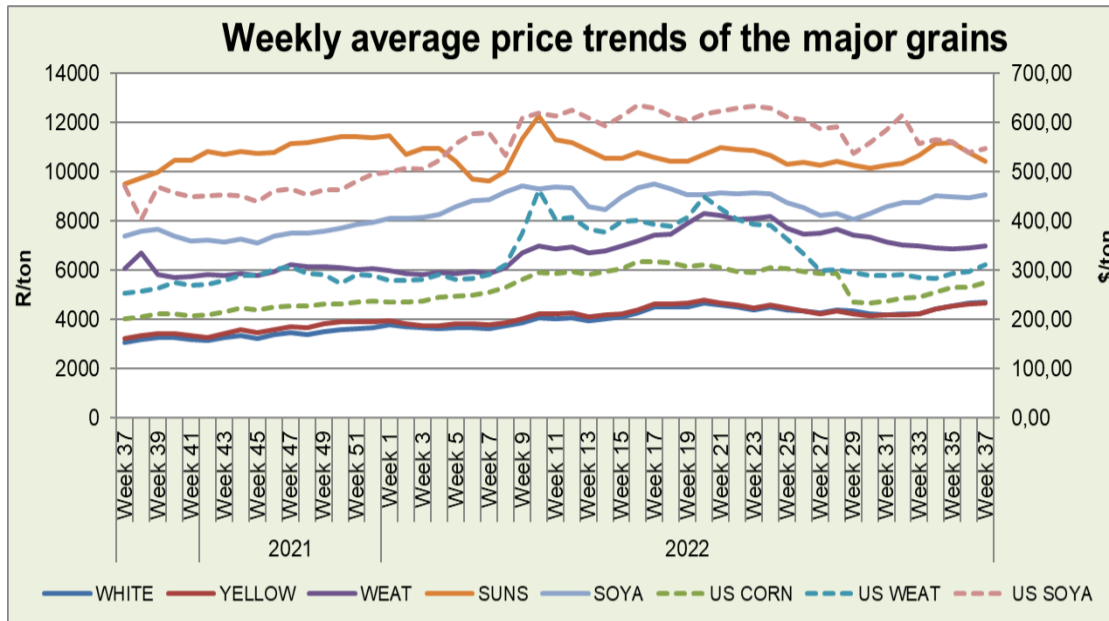




Weekly Price Watch: 16 September 2022

Directorate: Statistics & Economic Analysis

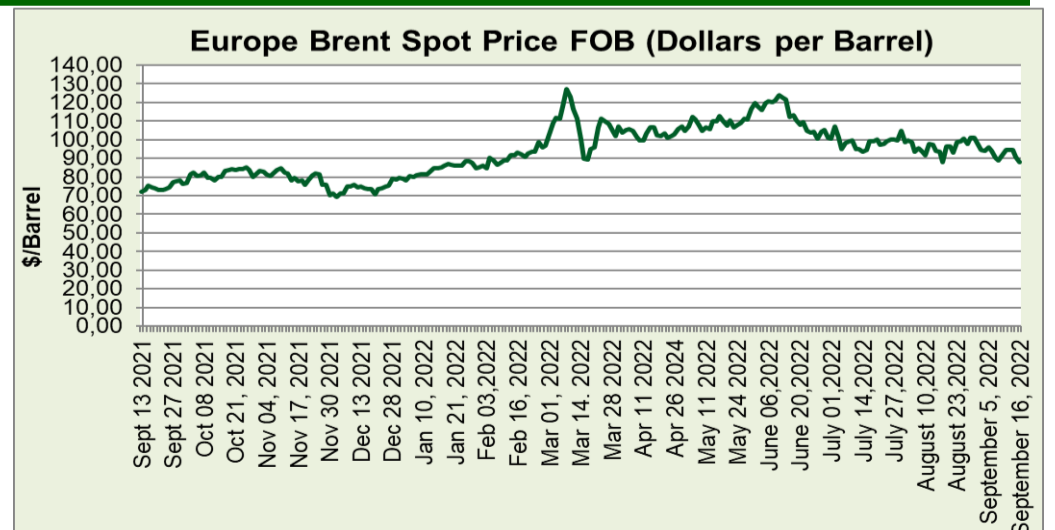
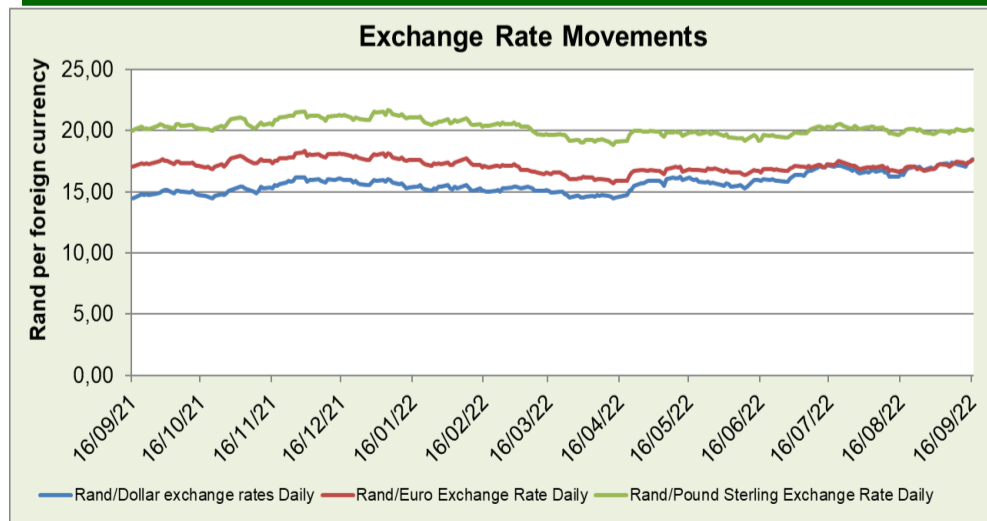
Sub-directorate: Economic Analysis



The price of maize increased this week compared to last week. The price of white and yellow maize increased both by 0.9% whilst the US maize increased by 4%. Predictions of seasonally dry conditions for most of the US Corn Belt area and EU maize growing countries were also hurt by long stretches of hot, dry weather throughout the summer, pushed international maize prices up. Local maize price tracked international prices also benefiting from a weaker rand. The price of local wheat increase by 1.4% while the US price increased by 4.5%. Lower production estimates and the ongoing war in Ukraine created supply worries pushing prices up. The price of local soybeans increased by 1.3% while the US soybean price increased by 1.5% amid rising input costs. The price of local sunflower declined by 3.4% although the price is still high amid high input costs.

Spot price trends of major grains commodities

	1 year ago Week 37 (13-09-21 to 17-09-21)	Last week Week 36 (05-08-22 to 09-09-22)	This week Week 37 (12-08-22 to 16-09-22)	w-o-w % change
RSA White Maize per ton	R3 086,6	R 4 664,00	R4 705,00	0,9%
RSA Yellow Maize per ton	R3 234,4	R 4 618.80	R4 662,60	0,9%
USA Yellow Maize per ton	\$201,96	\$ 265.50	\$276,05	4,0%
RSA Wheat per ton	R6 061	R 6 909.20	R7 005,20	1,4%
USA Wheat per ton	\$254,24	\$ 297,77	\$311,26	4,5%
RSA Soybeans per ton	R7 401	R 8 950,20	R9 085,20	1,5%
USA Soybeans per ton	\$471,38	\$ 540.28	\$547,21	1,3%
RSA Sunflower seed per ton	R9 531,40	R 10 802.20	10435,40	-3,4%
Crude oil per barrel	\$73,80	\$ 97,47	92,14	-5,5%



The rand depreciated by 0,3% against the dollar from 7,28 to R7.33 and appreciated against the Euro by 0.2% (R17.46 to R17.43) and the Pound by 0.3%(R20.12 to R20.05). South Africa's rand weakened as the US dollar strengthened on expectation of the US Federal Reserve increasing interest rates to tame the rising inflation. The rand surged against the Euro and pound due to a surge in SA retail sales which surged by 8.6% in July. Expenditure accounts to 60% of SA GDP.

The price of local oil decreased by 5.5% compared to the previous year. OPEC and its allies, led by Russia, agreed on a small production cut in early September to support sliding prices. The alliance decided to cut output by 100,000 barrels per day (bpd) for October, amounting to only 0.1% of global demand, according to a recent report by Reuters.



National South African Price information (RMAA) : Beef

Week 35 (29/08/2022 to 04/09/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 36 (05/09/2022 to 11/09/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 229	61.64	65.79	Class A2	6401	61,27	65,98
Class A3	753	58.32	65.43	Class A3	653	59,64	64,77
Class C2	448	48.56	53.69	Class C2	266	53,00	53,46

The quantity of beef sold increased by 2.8 for class A2, while decreasing by 13.3% and 41% for class C2 beef compared to the previous week. The purchase prices for class A2 decreased by 0.6% whilst it increased for A3 and C2 by 2.3% and 9% .The Market prices for class A2 increased by 0.3% and decreased by 1% and 0.4% respectively for class A3 and C2.

National South African Price information (RMAA) : Lamb

Week 35 (29/08/2022 to 04/09/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 36 (05/09/2022 to 11/09/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 649	98.31	98.34	Class A2	7240	95,89	96,79
Class A3	924	95.58	96.62	Class A3	784	92,75	96,79
Class C2	639	76.72	79.59	Class C2	416	75,17	79,19

The quantities of lamb traded this week decreased by 15.2% and 35% for class A3 and A2 and decreased by 9% for class A2 relative to the previous week. Farm gate prices decreased for A2, A3 and C2 by 2.5%,3% and 2% respectively. The Market prices decreased by 1.6% and 0.5% for class A2 and C2 while increasing by 0.2% for class A3.

National South African Price information (RMAA) : Pork

Week 35 (29/08/2022 to 04/09/2022)	Units	Avg Purchase Price	Week 36 (05/09/2022 to 11/09/2022)	Units	Avg Purchase Price
Class BP	8 942	26.68	Class BP	9285	27,04
Class HO	7 912	26.33	Class HO	8103	26,79
Class HP	8 287	26.34	Class HP	7454	26,83

The quantities of Pork traded this week increased for class BP and HO by 3.8% and 2,4% and decreased by 10% for class HP compared to the previous week The Purchase prices increased for all classes, the farm gate price of BP,HO and HP increased by 1.3%,1.7% and 1.9% respectively.

Latest News Developments

Inflation rose 0.1% in August even with sharp drop in gas prices. A Reuters poll expects South Africa's central bank to raise its key interest rate by 75 basis points next week to tame the rising inflation, adding another 25 basis points in each of the following two quarters before pausing for the rest of 2023.Majority predicted another 75 basis points to 6.25% at its September 22 meeting following a similar move in July.

Agriculture, Land Reform and Rural Development Minister decided not to extend the national ban on the movement of cattle. The ban was introduced three weeks ago to curb the spread of foot-and-mouth disease, which is among the world's most infectious animal illnesses .

A decade-long study conducted by the Walter Sisulu University, in the Eastern Cape found that fungus develops in maize meal that has been stored for over a month. The gas emissions then increases the chance of oesophageal cancer when consumed.

In South Africa, continuing problems with the railways have increased truck deliveries - fuelling the local demand for diesel. According to 2019 data from the Department of Energy, South Africa consumed 12.9-billion litres of diesel and 10.77-billion litres of petrol. The Central energy fund expects October fuel prices to go down in the first Week of October, depending on oil price and exchange rate volatility. Based on the latest data, the price of 95 unleaded petrol is expected to fall by around R1.45 a litre, the 95-petrol price in Johannesburg could move below R22 a litre in October. However, diesel price is currently on track for a hike of between 66c to 74c a litre.

Eskom CEO sees South African gas as key in transition from coal. South Africa's State power utility Eskom favours burning more domestically sourced gas as it transitions away from coal. Peter Attard Montalto head of Intellidex capital markets research said South Africa will require R500billion in private investment to end power cuts that are stalling economic growth by the start of 2025. The money is needed to construct 15 gigawatts of generation capacity and five gigawatts of battery storage.

Eskom expects \$476m World Bank loan decision by November, According to Eskom CEO, Eskom expects a final decision on a new \$476-million World Bank loan to repurpose its Komati coal-fired power plant into a renewable station before November's COP27 climate summit. The World Bank loan is separate from the \$8.5-billion financial package to help South Africa, one of the world's biggest polluters, move away from its reliance on coal-fired power plants that supply the bulk of its electricity needs.

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