



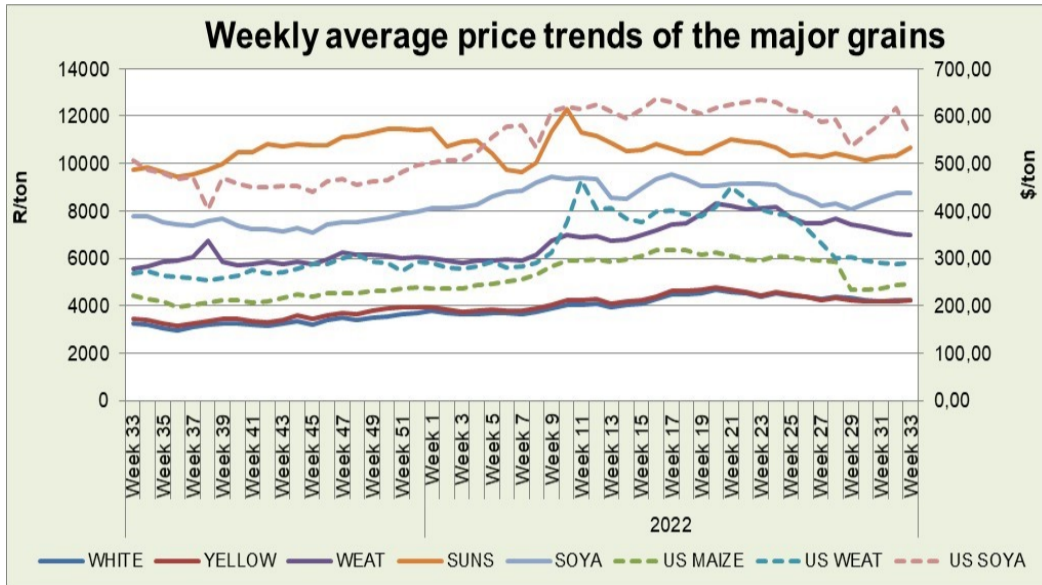
agriculture, land reform & rural development

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

Weekly Price Watch: 19 August 2022

Directorate: Statistics & Economic Analysis

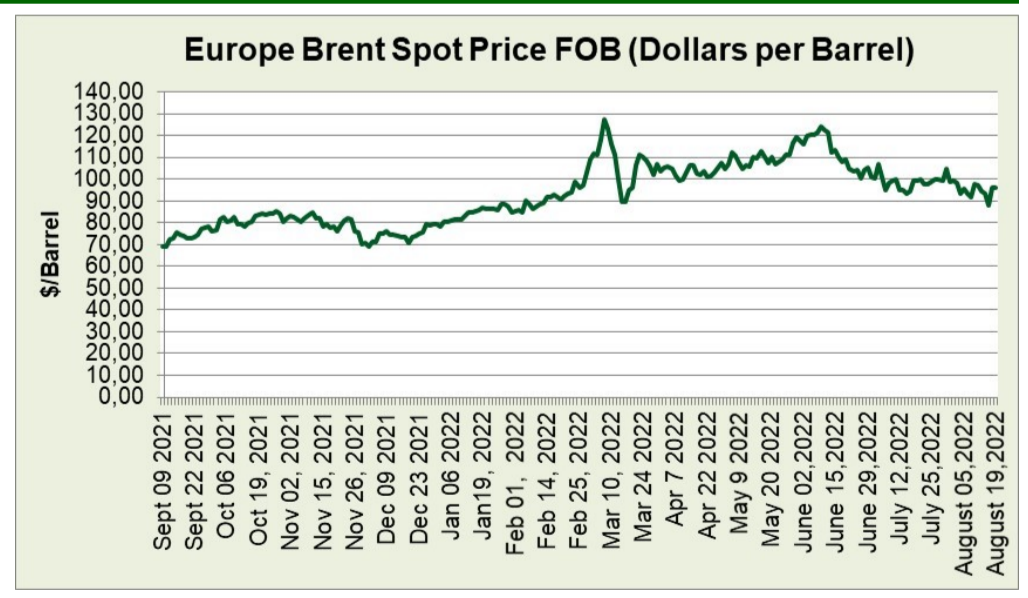
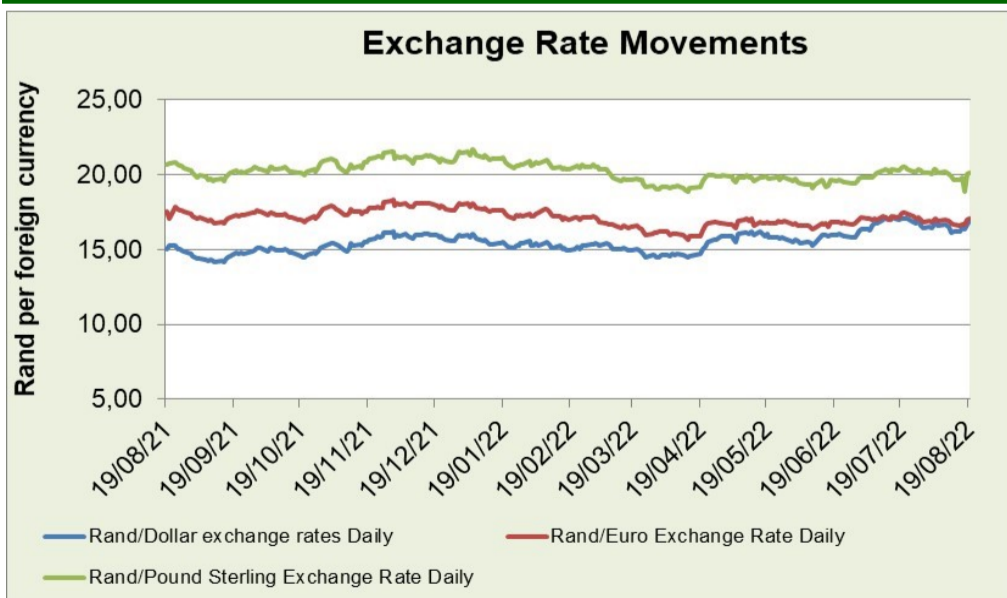
Sub-directorate: Economic Analysis



The price of local and international maize price increased by 0.5%, 0.7% and 0.5% respectively for both white, yellow and US maize. News that the USDA's National Agricultural Statistics Service (NASS) forecasted US Maize production to be down by 4% compared to 2021 during the week caused a slight rise in the international maize price. The local and international wheat prices decreased by 0.8% and 1.7% respectively as the USDA estimates increased USA wheat supplies, higher domestic use, exports and reduced stocks. The price of local and international soybeans decreased by 0.2% and 9.5% respectively. The demand for soybeans dropped this week despite the increased World soybeans production. The price of local sunflower increased by 3.2% as the local price follows the increased international prices as globally sunflower imports are raised for the EU and Belarus.

Spot price trends of major grains commodities

	1 year ago Week 33 (17-08-21 to 21-08-21)	Last week Week 32 (08-08-22 to 19-08-22)	This week Week 33 (15-08-22 to 19-08-22)	w-o-w % change
RSA White Maize per ton	R3 274,20	R4 224,00	R4 247,20	0,5%
RSA Yellow Maize per ton	R3 450,20	R4 194,00	R4 222,40	0,7%
USA Yellow Maize per ton	\$220,95	\$243,69	\$ 245,01	0,5%
RSA Wheat per ton	R5 576,20	R7 049,00	R6 994,40	-0,8%
USA Wheat per ton	\$273,62	\$290,94	\$286,06	1,7%
RSA Soybeans per ton	R7 779,60	R8 767,00	R8 747,40	0,2%
USA Soybeans per ton	\$507,04	\$615,99	\$557,62	9,5%
RSA Sunflower seed per ton	R9 757,40	R10 344,75	R10 679,20	3,2%
Crude oil per barrel	\$68,10	\$ 95,05	\$93,64	-1,5%



The rand depreciated against the US dollar, Euro and Pound; depreciating by 1.9%, 1.0% and 0.1%. The rand steadily weakened during the week.

Oil prices dropped around 1.5% on realization that supply disruptions in the U.S. Gulf of Mexico would be short lived, while recession fears remain. On the supply front, Saudi Arabia warned that OPEC+ could cut production to stabilize volatile markets, and some OPEC sources told Reuters that such a move may not be imminent and would coincide with the return of Iranian oil to the global market.



National South African Price information (RMAA) : Beef

Week 31 (01/08/2022 to 07/08/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 32 (08/08/2022 to 14/08/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	5 540	60,79	63,68	Class A2	4 744	59.58	63.99
Class A3	583	58,67	63,37	Class A3	525	56.31	63.89
Class C2	637	48,95	52,30	Class C2	433	46.16	51.94

The quantities sold for class A2, A3 and C2 beef decreased by 14.4%, 9.9% and 32.0% this week relative to the previous week. The producer prices decreased for all the classes; decreasing by 2.0%, 4.0% and 5.7%. The market prices of class A2 and A3 increased marginally this week by 0.5%, 0.8% while the price decreased by 0.7% for class C2 beef.

National South African Price information (RMAA) : Lamb

Week 31 (01/08/2022 to 07/08/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 32 (08/08/2022 to 14/08/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 376	100,94	103,78	Class A2	5 657	81.75	103.58
Class A3	932	100,55	101,75	Class A3	559	100.69	101.09
Class C2	662	77,55	81,01	Class C2	321	75.29	79.44

The quantity of class A2, A3 and C2 lamb supplied this week decreased by 11.3%, 40.0% and 51.5% respectively week on week. The Producer prices for class A2 and C2 decreased by 19.0% and 2.9% while the price for class A3 increased marginally by 0.1%. The market price for class A2, A3 and C2 decreased marginally by 0.2%, 0.6% and 1.9% respectively from the previous week.

National South African Price information (RMAA) : Pork

Week 31 (01/08/2022 to 07/08/2022)	Units	Avg Purchase Price	Week 32 (08/08/2022 to 14/08/2022)	Units	Avg Purchase Price
Class BP	6 949	26,07	Class BP	11 219	26.20
Class HO	5 931	26,11	Class HO	6 958	25.84
Class HP	6 822	26,17	Class HP	7 485	25.81

The quantities of pork supplied this week increased for Class BP, HO and HP by 61.4%, 17.3% and 9.7% respectively from the previous week. The producer prices increased class BP by 0.5% while class HO and HP decreased by 1.0% and 1.4%.

Latest News Developments

The Minister of Agriculture, Land Reform and Rural Development, Thoko Didiza's decision to place South Africa's cattle on a 21-day lockdown will "hurt the entire beef value chain, but the alternative would be far worse". This was according to James Faber, chairperson of the Red Meat Producers' Organisation (RPO). Dilapidated country roads are a direct threat to South Africa's agricultural and rural economies, yet farmers and communities have largely encountered a wall of indifference from government. In an attempt to be heard, Agri SA and its affiliates conducted a countrywide survey amongst 311 primary production units, many of which expressed frustration over the authorities' lack of action.

Reserve Bank says above-inflation wage deals risk causing a price spiral. Productivity gains do not offset higher wages, leading to inflation and requiring stronger monetary policy response. Worrying wage rises above the Reserve Bank's inflation target range of 3%-6% raise the prospect of a price spiral with second-round effects on inflation, which could call for tighter monetary policy, deputy Reserve Bank governor Kuben Naidoo warned in parliament on Wednesday. Unions are demanding a 6.5% pay rise for public servants and are undertaking a strike ballot this week.

Embattled municipalities need R54bn to recover, says ratings agency. Service delivery failures by the metros will damage the economy severely, Ratings Afrika analysts warn. A ratings agency has called on the government to pump billions of rand into local government to enable municipalities to deliver services and fix infrastructure that is "crumbling at a pace previously unheard of". In its annual municipal financial sustainability index of the 100 largest local municipalities and the eight metros, Ratings Afrika analysts Leon Claassen and Charl Kocks said the decline in metros is concerning as they are considered to be the economic engines of the economy.

Talk of food-price inflation easing over next 18-months. But as many as half of SA consumers cannot afford a basic and healthy diet. Food price inflation, which hit new highs in 2022, is likely to ease over the next 18 months, providing relief to consumers struggling to keep up with the rising cost of living. Agriculture and food research organisation, the Bureau for Food and Agriculture Policy (BFAP), says in its latest agriculture outlook for SA released on Wednesday that the impact on global food prices of the Ukraine war was severe, as agriculture commodities, farming inputs such as fertiliser, and energy prices were affected, all adding to food-price inflation.

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