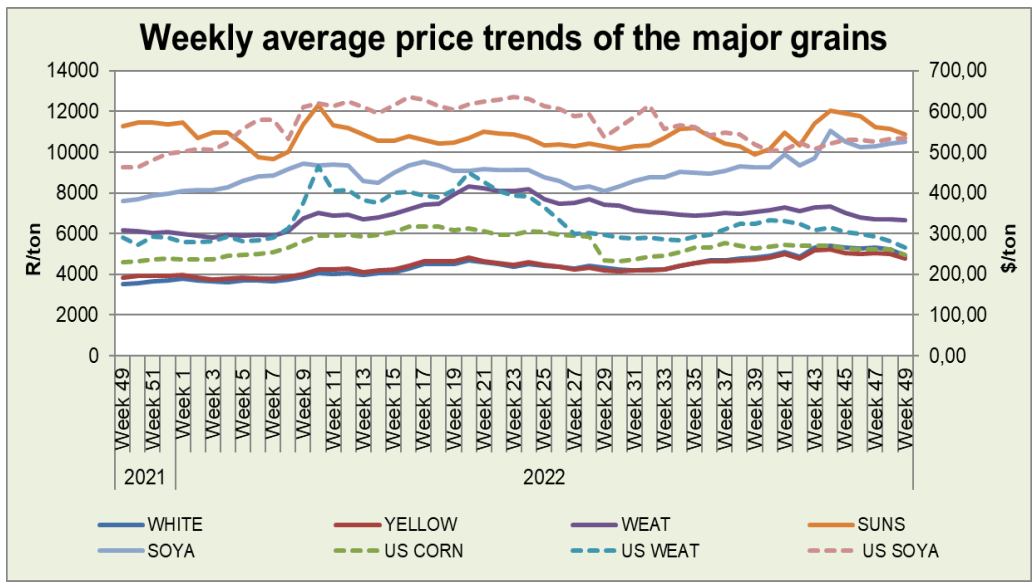
agriculture, land reform & rural development

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

Weekly Price Watch: 9 December 2022

Directorate: Statistics & Economic Analysis

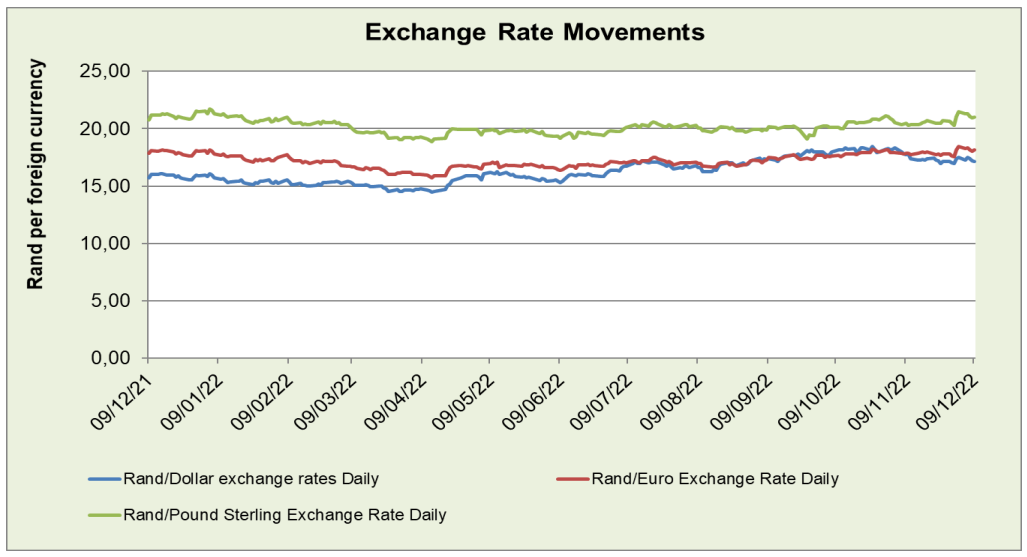
Sub-directorate: Economic Analysis



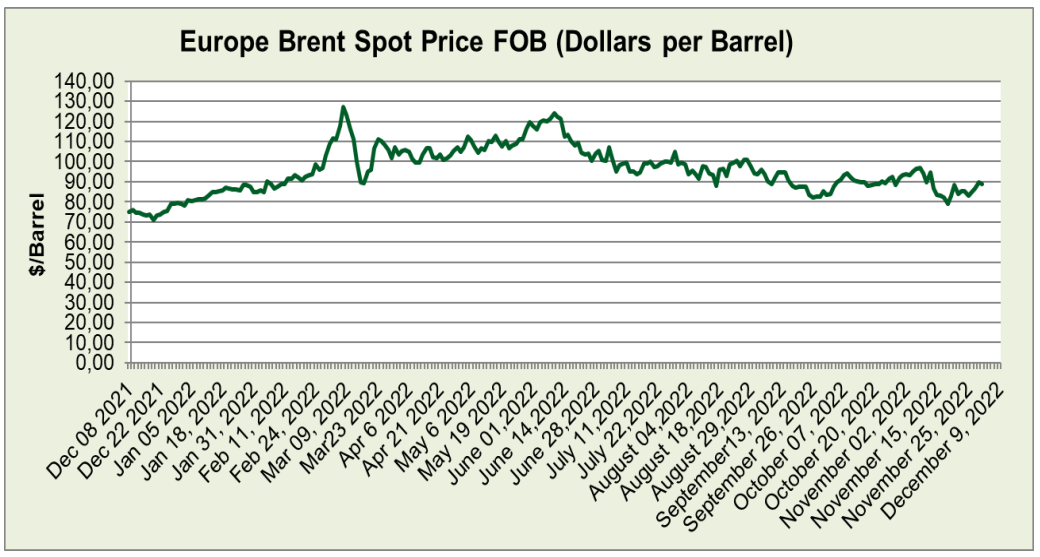
The International and local market traded marginally weaker this week when compared to the previous week. The prices of domestic grains reported a decrease which seen the prices of white maize, yellow maize, wheat and sunflower increased by 6.2%, 4.5%, 0.3% and 2.4% respectively, while price of soybeans increased by 0.9% when compared the previous week. Internationally, the grain price of US corn and US wheat decreased by 5.0% and 5.5% respectively, whilst price of US soybean increased by 0.5% week on week. Wheat prices have come under pressure in recent weeks as a result of the extension of a grain export agreement between Russia and Ukraine from the Black Sea region. The prospect of increased output from Australia, Kazakhstan and Russia has also weighed on the food staple. At the same time, stock has remained tight, making wheat vulnerable to a price upswing.

Spot price trends of major grains commodities

	1 year ago Week 49 (06-12-21 to 10-12-21)	Last week Week 48 (28-11-22 to 02-12-22)	This week Week 49 (05-12-22 to 09-12-22)	w-o-w % change
RSA White Maize per ton	R 3 517.40	R 5 237.60	R 4 915.00	-6.2%
RSA Yellow Maize per ton	R 3 816.00	R 4 993.00	R 4 770.40	-4.5%
USA Yellow Maize per ton	$ 230.59	$ 260.95	$ 247.91	-5.0%
RSA Wheat per ton	R 6 157.00	R 6 693.40	R 6 675.00	-0,3%
USA Wheat per ton	$ 290.66	$ 292.78	$ 265.23	-5.5%
RSA Soybeans per ton	R 7 608.40	R 10 435.40	R 10 534.00	0.9%
USA Soybeans per ton	$ 463.28	$ 532.92	$ 535.66	0.5%
RSA Sunflower seed per ton	R 11 296.60	R 11 127.40	R 10 855.00	-2.4%
Crude oil per barrel	$ 74.36	$ 86.63	$ 81.87	-5.5%



The South African rand depreciated by 0.5% against the US dollar, by 1.5% against the Euro and by 1.6% against the Pound sterling respectively. The South African rand weakened as market analysts digested the news that President Cyril Ramaphosa may be impeached following a panel of experts' findings against him.



Brent crude oil price averaged $81.87/barrel in the reporting week which is 5.5% lower than $86.63/barrel reported in the previous week. Oil price settled lower in volatile trading, with both benchmarks recording their biggest weekly declines in months, as growing recession fears negated any supply woes after weak economic data from China, Europe and the United States.

National South African Price information (RMAA) : Beef

Week 47 (21/11/2022 to 27/11/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 48 (28/11/2022 to 04/12/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 992	60,06	62,93	Class A2	10 233	59,98	62,74
Class A3	1 014	60,00	62,25	Class A3	782	58,77	59,20
Class C2	645	50,13	53,04	Class C2	741	50,01	53,21

The quantities of class A3 beef decreased by 22.9%, while class A2 and C2 beef traded this week increased by 13.8% and 14.9% respectively, relative to the previous week. The average purchase prices for class A2, A3 and C2 beef decreased by 0.1%, 2.0% and 0.2% respectively when compared to the previous week. The average selling prices of class A2 and A3 beef decreased by 0.3% and 4.9% respectively, whilst class C2 beef increased by 0.3% week on week.

National South African Price information (RMAA) : Lamb

Week 47 (21/11/2022 to 27/11/2022)	Units	Avg Purchase Price	Avg Selling Price	Week 48 (28/11/2022 to 04/12/2022)	Units	Avg Purchase Price	Avg Selling Price
Class A2	18 691	92,79	96,63	Class A2	16 787	95,42	95,87
Class A3	1 815	93,01	96,81	Class A3	1 947	95,56	95,28
Class C2	1 830	69,36	73,36	Class C2	1 426	71,88	72,86

The quantities of class A2 and C2 lamb bought this week decreased by 10.2% and 22.1% respectively, while class A3 lamb increased by 7.3% when compared to the previous week. The average purchase prices for class A2, A3 and C2 lamb increased by 2.8%, 2.7% and 3.6% respectively week on week. The average selling prices for class A2, A3 and C2 lamb decreased by 0.8%, 1.6% and 0.7% respectively, when compared to the previous week.

National South African Price information (RMAA) : Pork

Week 47 (21/11/2022 to 27/11/2022)	Units	Avg Purchase Price	Week 48 (28/11/2022 to 04/12/2022)	Units	Avg Purchase Price
Class BP	10 355	36,18	Class BP	12 364	36,84
Class HO	6 833	36,45	Class HO	6 085	37,49
Class HP	6 008	35,81	Class HP	6 499	36,52

The quantities of class BP and HP pork increased by 19.4% and 8.2% respectively, while class HO pork traded this week decreased by 10.9% when compared to the previous week. The average purchase prices for class BP, HO and HP pork increased by 1.8%, 2.9% and 2.0% respectively week on week.

Latest News Developments

The Department of Energy has published the official petrol and diesel price changes for December. It's good news for diesel, with prices coming down by more than R1.50 per litre from 7 December 2022 – however petrol prices will see a jump, rising by 59 cents per litre. The reason for the lower decrease for diesel (projected at R1.17 per litre at the end of last week) and higher increase for petrol (projected at 20 cents per litre at the end of last week) is due to a hike in annual margin adjustments, and a hike from the slate levy. The average international product prices for Petrol, Diesel and Illuminating Paraffin increased during the period under review. The rand appreciated against the US dollar during the period under review, on average, when compared to the previous period. The average rand/US dollar exchange rate for the period 28 October to 2 December 2022 was 17.5338 compared to 18.1099 during the previous period. This led to a lower contribution to the Basic Fuel Prices on petrol, diesel and illuminating paraffin by 40.31 c/l, 48.94 c/l and 48.98 c/l, respectively. In line with the application of the Regulatory Accounts System, the Minister of Mineral Resources and Energy has approved a net increase of 21.26 c/l in the annual margin adjustments on petrol and a net increase of 0.67 c/l on diesel and illuminating paraffin wholesale prices, with effect from 7 December 2022. The Minister of Mineral Resources and Energy has also approved the adjustments to some of the pricing elements of the maximum retail price structure of liquefied petroleum gas (LP Gas) with an adjustment of 90.6 c/kg with effect from 7 December 2022. LP Gas prices will differ from each zones.

Figures released by Statistics South Africa show that the country's gross domestic product increased by 1,6% in the third quarter, July-September 2022, from a contraction of 0,7% in the second quarter. Government welcomes the growth of economic activity which was driven by eight industries. It is particularly pleasing to note that seven of the ten manufacturing divisions reported positive growth rates in the third quarter. The transport, storage and communication industry increased by 3,7%. Motor vehicles, parts and accessories and other transport equipment division made the largest contribution to the increase in the third quarter. The food and beverages division and the basic iron and steel, non-ferrous metal products, metal products and machinery division also made significant contributions to growth. It is also noted that the agriculture, forestry and fishing industry increased and contributed 0,5 of a percentage point to GDP growth. Increased economic activities were reported for field crops and horticulture products. It is also noted that finance, real estate and business services increased at a rate of 1,9%. Furthermore, government welcomes the net exports positive contribution to growth. Exports of goods and services increased by 4,2%, largely influenced by increased trade in mineral products; base metals and articles of base metals; vegetable products; and paper products. Imports of goods and services increased by 0,6%, driven largely by increases in mineral products and animal and vegetable fats and oils.

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

Source: SAFEX, Standard bank, Stats SA, Reuters, Red Meat Abattoir Association, FNB and Absa Bank.

Disclaimer: DALRRD will not be liable for results of actions based on this price watch.