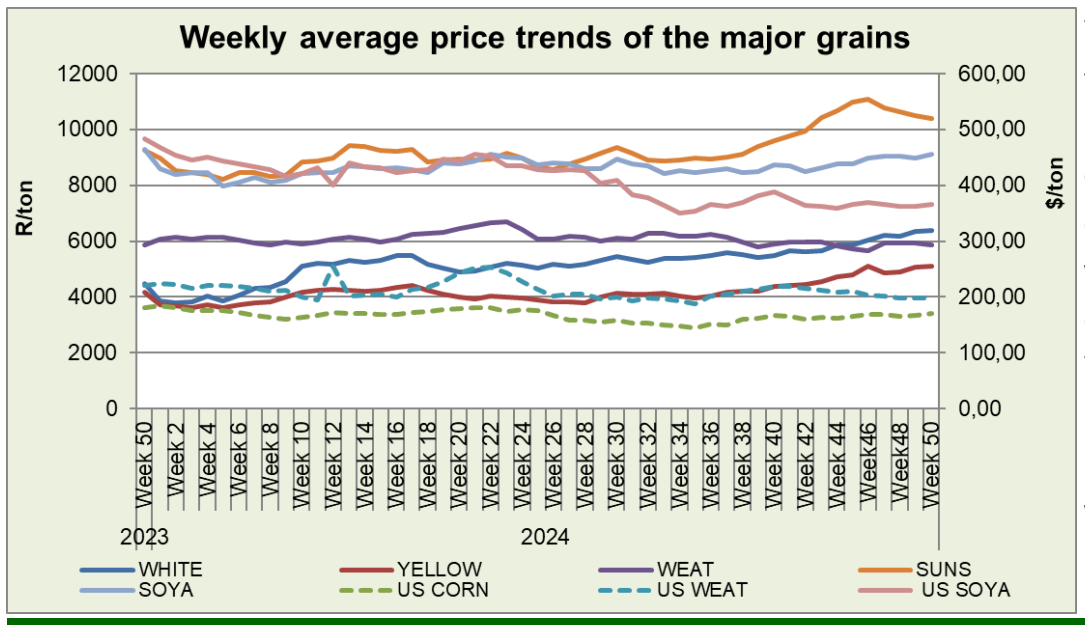
agriculture, land reform & rural development

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

Weekly Price Watch: 13 December 2024

Directorate: Statistics & Economic Analysis

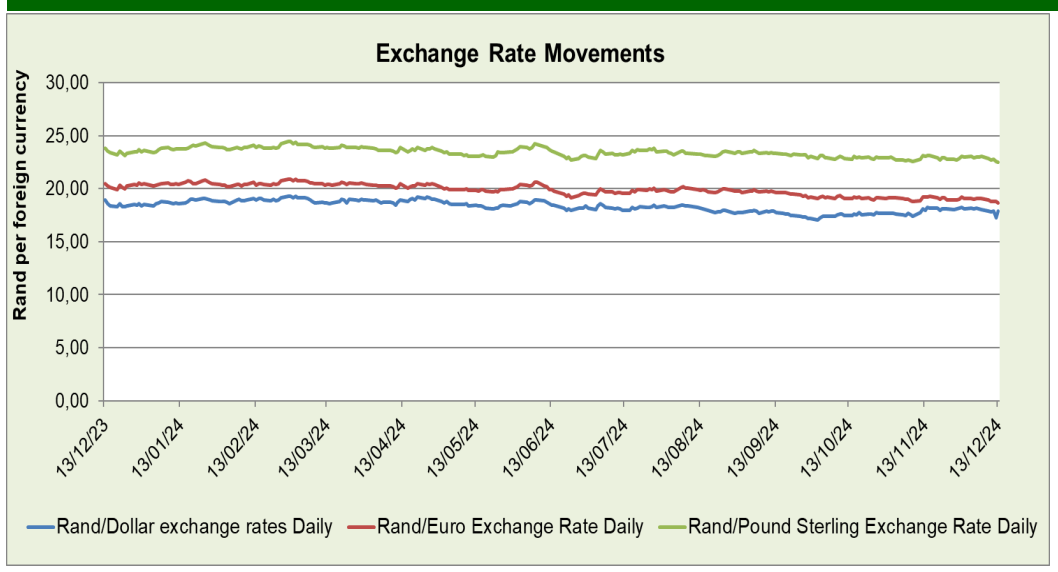
Sub-directorate: Economic Analysis



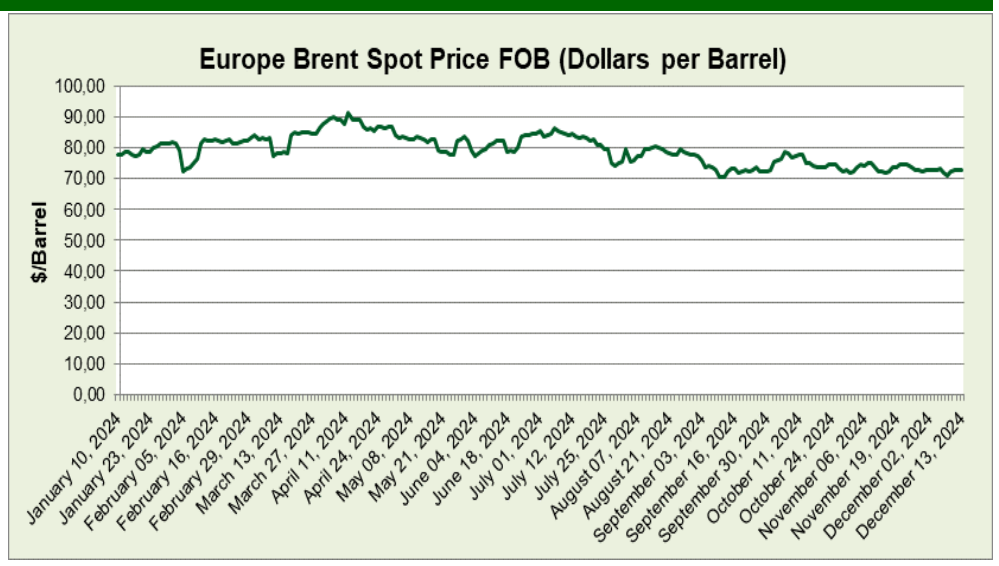
The price of white and yellow maize increased by 0.5% and 0.6% respectively, due to weather concerns amid low 2024 crop., The price of US maize increased by 2.6%. The price of US maize increased as demand is expect to be high as a the US(WASDE) report indicate an expected increase in maize demand. The price of Local wheat decreased by 1.3% while the US wheat price increased by 0.6% the price of US wheat increased as a result of value buying as traders expect the price to rise. The price local soybeans increased by 1.4% while the US soybeans price increased by 0.5% as the WASDE report indicates a strong export commitments. The price of sun flower decreased by a percentage point this week.

Spot price trends of major grains commodities

	1 year ago Week 50 (11-12-23 to 14-12-23)	Last week Week 49 (02-12-24 to 06-12-24)	This week Week 50 (09-12-24 to 13-12-24)	w-o-w % change
RSA White Maize per ton	R4 485,50	R 6 346.20	R6 380,40	0,5%
RSA Yellow Maize per ton	R4 169,25	R 5 087.20	R5 120,20	0,6%
USA Yellow Maize per ton	$181,59	$ 166,84	$171,22	2,6%
RSA Wheat per ton	R5 878,75	R 5 930.20	R5 854,80	-1,3%
USA Wheat per ton	$220,31	$ 197.74	$198,98	0,6%
RSA Soybeans per ton	R9 285,00	R 8 987.00	R9 115,60	1,4%
USA Soybeans per ton	$484,19	$ 363,28	$ 365,17	0,5%
RSA Sunflower seed per ton	R9 245,50	R 10 509.00	R10 407,60	-1,0%
Crude oil per barrel	$75	$ 72.69	$72,37	-0,4%



The rand price appreciated against the dollar, the euro and the pound this week relative to the previous week, gaining 1.9%, 1.4% and 1.4% respectively. This comes after positive news that South Africa recorded portfolio investments inflows of R45.6 billion in the 3rd Quarter 2024 from outflows of R20.1 billion in the second quarter.



The price of oil declined by 0.4% this week relative to the previous week. The price of oil declined due to forecasts of ample supply in the oil market, supported by rising expectations of a US Federal Reserve interest rate cut. The price of oil started to rise on Friday due to speculations of looming sanctions against Russia and Iran.

National South African Price information (RMAA) : Beef

Week 48 (25/11/2024 to 01/12/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 49 (02/12/2024 to 08/12/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	13 471	55,22	58,16	Class A2	14255	57,21	59,50
Class A3	567	55,40	56,56	Class A3	818	56,64	58,52
Class C2	528	48,26	51,09	Class C2	557	48,73	50,40

The quantity of beef sold this week increased by 5.8%, 44% and 5.5% for Class 2, A3 and C2 beef as preparations for the festive season begins. The purchase prices increased by 3.6%, 2.2% and 15 for all the classes respectively. The market prices increased by 2.3% and 3.5% for class A2 and A3 while declining by 1.4% for class C2.

National South African Price information (RMAA) : Lamb

Week 48 (25/11/2024 to 01/12/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 49 (02/12/2024 to 08/12/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	17 676	86,89	87,54	Class A2	19411	88,12	90,02
Class A3	2 648	85,92	87,23	Class A3	2599	86,69	89,85
Class C2	1 357	62,18	69,62	Class C2	1400	62,97	69,99

The quantities of lamb sold this week increased for class A2 and C2 by 9.8% and 3.2%, while declining by 1.9% for class A3.,The producer prices increased by 1.4% , 0.9% and 1.3% fir all classes A2,A3 and C2. The market prices also increased by 2.8%, 3.8% and 0.5% for all, the classes ; A2,A3 and C2.

National South African Price information (RMAA) : Pork

Week 48 (25/11/2024 to 01/12/2024)	Units	Avg Purchase Price	Week 49 (02/12/2024 to 08/12/2024)	Units	Avg Purchase Price
Class BP	18 413	32,60	Class BP	17069	32,27
Class HO	7 009	32,46	Class HO	3039	31,64
Class HP	4 451	31,96	Class HP	4339	31,97

The quantities sold for class BP, HO and HP pork decreased this week relative to the previous week, the classes decreased by 7.3%,57% and 2.5% respectively . The Producer prices decreased by percentage point for class A2, 2.55 for class A3 wile remaining the same for class C2.

Latest News Developments

The Agribusiness Confidence Index increased by ten points to 58 in the fourth quarter of the year, experts are optimistic that the agriculture sector will grow meaningfully in 2025. The Agricultural Business Chamber of South Africa (Agbiz) CEO Theo Boshoff said the agricultural sector would benefit further from political stability effected by the Government of National Unity, progress with rail reforms, improved energy security and South Africa's positioning within BRICS and in leading the Group of 20 (G20) next year. The threats to the sector, however, include rising protectionism globally, geopolitical instability that impacts on prices and supply chain activity and green trade barriers. The BRICS Plus countries now accounted for half of global agricultural output and imports alike. Agbiz chief economist Wandile Sihlobo stated that an agriculture trade agreement between the BRICS Plus members was needed to enable more trade between the nations. Pointed out that BRICS Plus was currently more of a political formation than an economic formation, since intra-BRICS trade remained low.

The development finance institution the African Development Bank Group (AfDB) and Italy's national promotional institution Cassa Depositi e Prestiti (CDP) have signed a partnership framework agreement to set up the Growth and Resilience Platform for Africa (GRAf) to advance the continent's economic growth. The two institutions will target strategic projects, promote the exchange of information among stakeholders, and facilitate joint investment opportunities through the GRAf investment platform. The platform is expected to accelerate the implementation of new African initiatives promoted by the private sector and create a single access point for investment opportunities and create job creation.

The Global Competitiveness Index by the World Economic Forum and hosted on the World Bank's Prosperity Data 360 platform, has ranked Namibia highest in sub-Saharan Africa for road quality, Namibia has the best roads in sub-Saharan Africa, with South Africa scoring on par with Rwanda, Mauritius, each scoring about 4.5. In stark contrast, Zimbabwe lags significantly, with a score of just 2.8 well below the global average for road quality. According to Jakob Schleu of the World bank; Senegal, Kenya or Tanzania are still not doing too bad, but they're usually struggling with the road infrastructure because of the additional demand that is placed on them, such as the growing economy, growing urbanisation or lack of maintenance,

The provisioning of water security remains integral to long-term municipal planning to the George Municipality in the Western cape. The George municipality received a Budget Facility for Infrastructure Funding (BFI) grant of R1.1-billion from National Treasury in the 2021/22 financial year, noted on its website that the BFI project is on track for completion by October 2025. The Western Cape municipality states that it is actively working to keep the economy progressing by ensuring adequate long-term planning and investment into its infrastructure, including water, sewage and electricity assets.

HSBC and the World Bank's International Finance Corporation (IFC) intend to jointly provide funding to trade transactions valued at up to $1-billion, in a move to help fill a gap in financing for emerging market trade. The finance institutions stated that they would equally share the risk on a portfolio of trade-related assets held by emerging-market banks in 20 countries in Africa, Asia, Latin America, and the Middle East, according to a joint statement.

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.