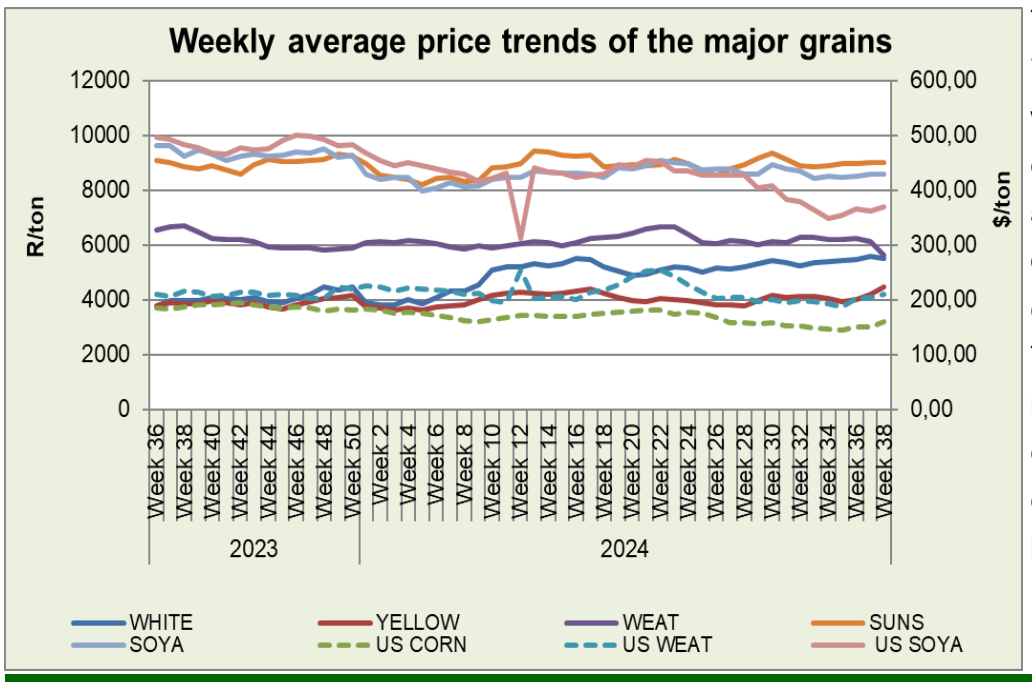
agriculture, land reform & rural development

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

Weekly Price Watch: 20 September 2024

Directorate: Statistics & Economic Analysis

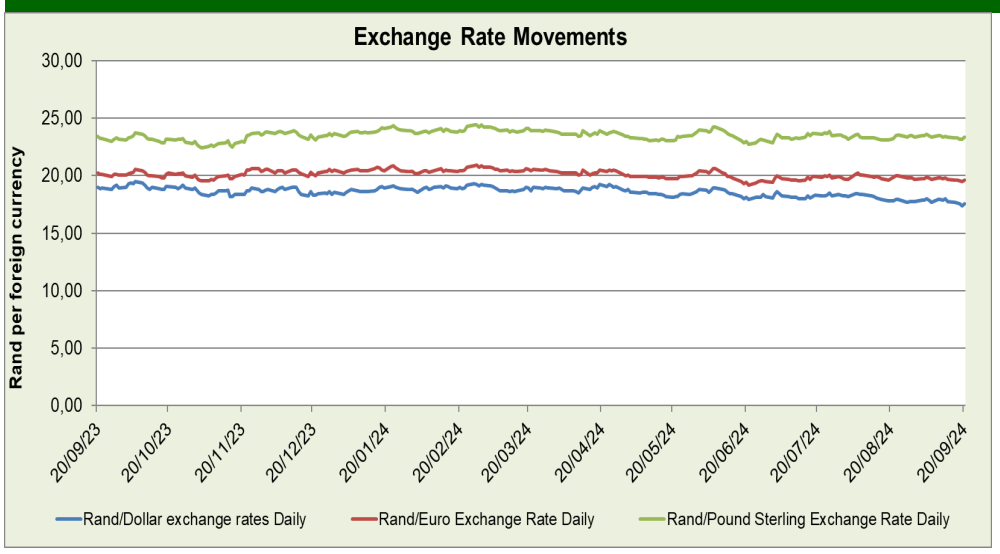
Sub-directorate: Economic Analysis



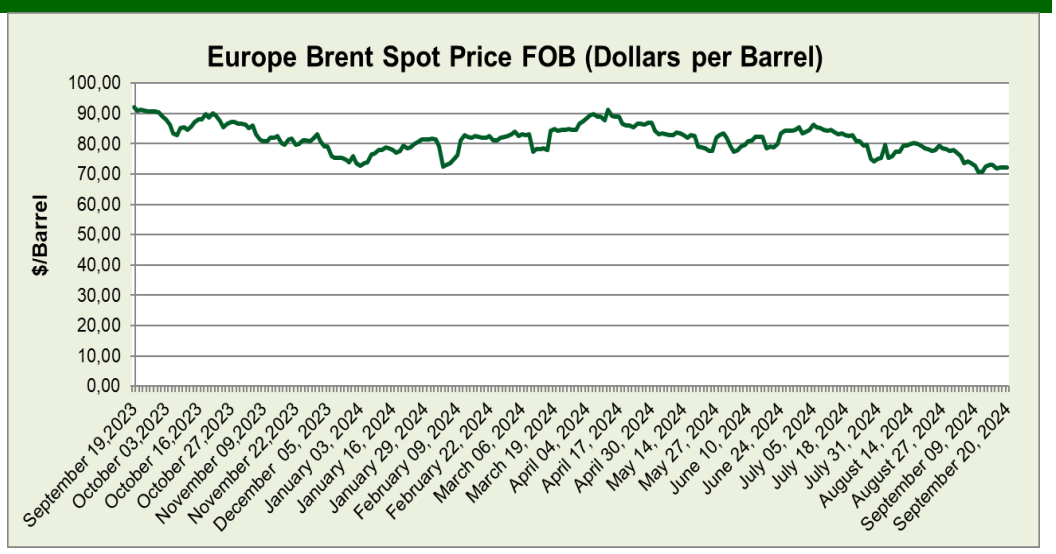
The price of maize decreased by 1,4% for white maize while increasing by 7% for yellow maize, while the US maize price increased by 6,2%. Local white maize increased due regional maize demand and global price increases on the back of a weaker dollar. The price of wheat decreased by 8,3% as a result of forecasts estimating a rise in wheat output compared to the previous estimates. The international wheat price increased by 2,3% as a result of crop losses in the European Union plus dry conditions in Ukraine and Russia. The price of soybeans decreased by 0,3% as forecasts indicated the outlook might be adjusted slightly upward. The international soybeans price increased by 1,8% due to hot dry weather in parts of the U.S amidst the increased crushing and biofuel production. The price of sunflower decreased by 0,3% .

Spot price trends of major grains commodities

	1 year ago Week 38 (18-09-23 to 22-09-23)	Last week Week 37 (09-09-24 to 13-09-24)	This week Week 38 (16-09-24 to 20-09-24)	w-o-w % change
RSA White Maize per ton	R3 982,20	R5 599,80	R5 523,60	-1,4%
RSA Yellow Maize per ton	R3 857,80	R4 185,40	R4 480,00	7,0%
USA Yellow Maize per ton	$187,49	$150,68	$159,98	6,2%
RSA Wheat per ton	R6 694,40	R6 132,00	R5 622,40	-8,3%
USA Wheat per ton	$216,32	$205,31	$210,63	2,6%
RSA Soybeans per ton	R9 228,40	R8 600,40	R8 570,80	-0,3%
USA Soybeans per ton	$483,98	$362,85	$369.21	1,8%
RSA Sunflower seed per ton	R8 839,80	R9 019,40	R8 994,20	-0,3%
Crude oil per barrel	$91,42	$71,87	$72,33	0,6%



The rand appreciated by 1.8%, 0.9% and 0.7% against the dollar, Euro and Pound this week relative to the previous week. This followed interest rate cuts by the South African Reserve Bank as well as the U.S. Federal Reserve.



The price of crude oil increased slightly by 0,6% this week relative to the previous week. The cut in interest rates in the US after four years led to a slight rise in optimism despite revealed economic weakness in the world's biggest oil importer China,

National South African Price information (RMAA) : Beef

Week 36 (02/09/2024 to 08/09/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 37(09/09/2024 to 15/09/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8402	54,35	54,31	Class A2	9845	53,86	54,79
Class A3	778	54,27	53,30	Class A3	721	54,18	53,19
Class C2	728	41,23	44,38	Class C2	772	42,80	44,98

The quantities of beef traded this week increased by 17% and 6% for class A2 and C2 while they decreased by 7% for class A3. The producer prices decreased for class A2 and A3 by 0.9% and 0.2% while increasing by 3.8% for class C2. The retail prices increased by 0.9% and 1.4% for class A2 and C2 while decreasing by 0.2% for class A3.

National South African Price information (RMAA) : Lamb

Week 36 (02/09/2024 to 08/09/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 37(09/09/2024 to 15/09/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	13 719	90,52	91,74	Class A2	14140	90,98	92,62
Class A3	1 196	87,58	87,81	Class A3	1560	87,91	89,36
Class C2	1 282	64,17	67,78	Class C2	861	62,80	67,88

The quantity of lamb traded this week increased for class A2 and A3 by 3% and 30% while decreasing by 32.8% for class C2. The producer prices increased by 0.5% and 0.4% for class A2 and A3 while decreasing by 2% for class C2. The market prices increased by 1% , 1.8% and 0.1% respectively for class A2, A3 and C2.

National South African Price information (RMAA) : Pork

Week 36 (02/09/2024 to 08/09/2024)	Units	Avg Purchase Price	Week 37(09/09/2024 to 15/09/2024)	Units	Avg Purchase Price
Class BP	9 953	31,81	Class BP	11398	32,45
Class HO	5 280	31,10	Class HO	5078	31,40
Class HP	5 608	31,26	Class HP	6261	31,68

The quantities of pork traded this week increased by 14.5% and 11.6% for class BP and HP while decreasing by 3.8% for class HO. The producer prices increased by 2%, 1 and 1.3% respectively for class BP, HO and HP.

Latest News Developments

The South African Reserve Bank's Monetary Policy Committee cut the interest rate by 25 basis points to 8% on the 19 September 2024 inline with consensus forecasts. The Monetary Policy stated that major central banks around the World have lowered rates but central banks are still moving carefully and policy stances remain relatively tight. The Monetary policy committee further stated that the output was marginally below their expectations for the first half of the year and they expect improvements in the second half, with growth of 0.6% in both quarters. This reflects rising confidence, in part due to a stable electricity supply. Also expected; is extra spending given withdrawals from the new Two-Pot retirement system, although some of these funds will be absorbed by debt repayments and tax. Core inflation trajectory is expected to be slightly below 4.5% over the medium term. A particular concern is investment, which has been contracting for four consecutive quarters.

The Agribusiness Confidence Index (ACI) has recovered by ten points to a level of 48 in the third quarter of the year after dropping to a 15-year low in the second quarter. The second quarter was uncertain as a result of South Africa's national elections, the formation of the Government of National Unity (GNU) seems to have eased that concern and returned the focus of survey respondents back to fundamental agricultural matters. Six of the ACI's ten subindices recorded improvements in the third quarter, including the turnover subindex which grew by 19 points to 50. Optimism stemmed primarily from firms operating in the winter crops and financial services segments. Meanwhile in the red meat and summer grains remain somewhat downbeat, reflecting the impact of the recent mid-summer drought and lingering animal diseases.

International Platform of Insects for Food and Feed second VP Antonine Hubert stated that Insect farming in Africa presents opportunity for sustainable food production. Insect farming is gaining recognition in sustainable food production, the sector has become the fastest-growing sustainable protein industry in the EU. EU insect-producing companies invested over €1.5-billion in insect farming and this is contributing to thousands of green jobs, proving its significance in the global economy. Dean Smorenburg CEO of Maltitol an agri-tech company based in Cape Town stated that insect farming in Africa presents an opportunity to create more sustainable food sources.

Agriculture science body the Agricultural Research Council will be representing Africa's scientific community at this year's Science Summit during the UN General Assembly. The theme for the Science Summit this year is "how science and innovation accelerate the achievement of the Sustainable Development Goals.

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

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

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