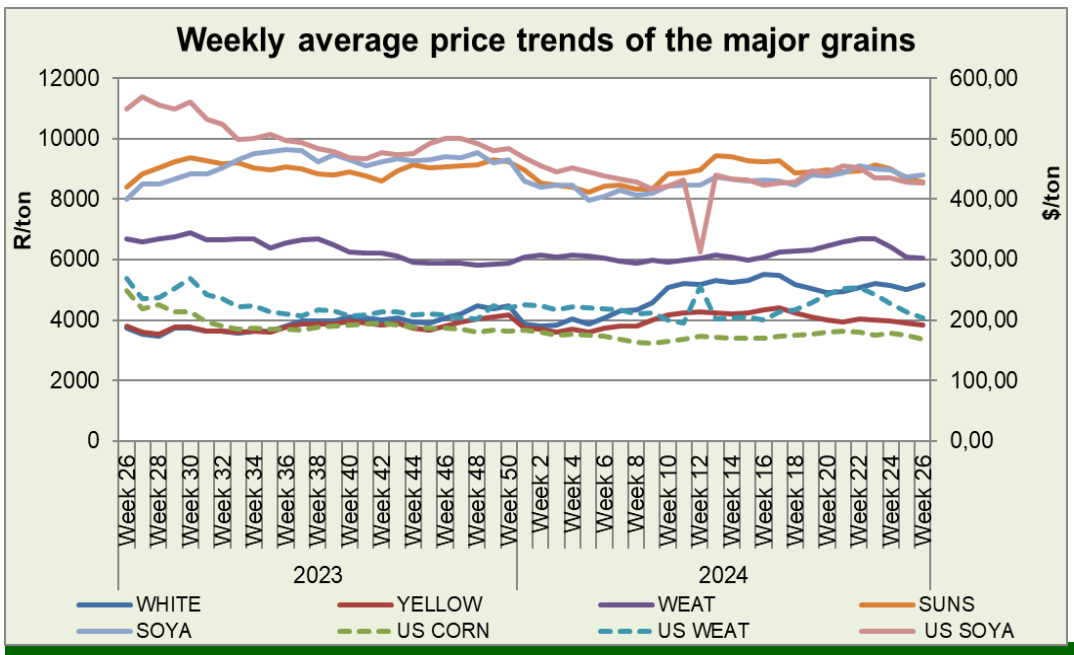
agriculture, land reform & rural development

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

Weekly Price Watch: 28 June 2024

Directorate: Statistics & Economic Analysis

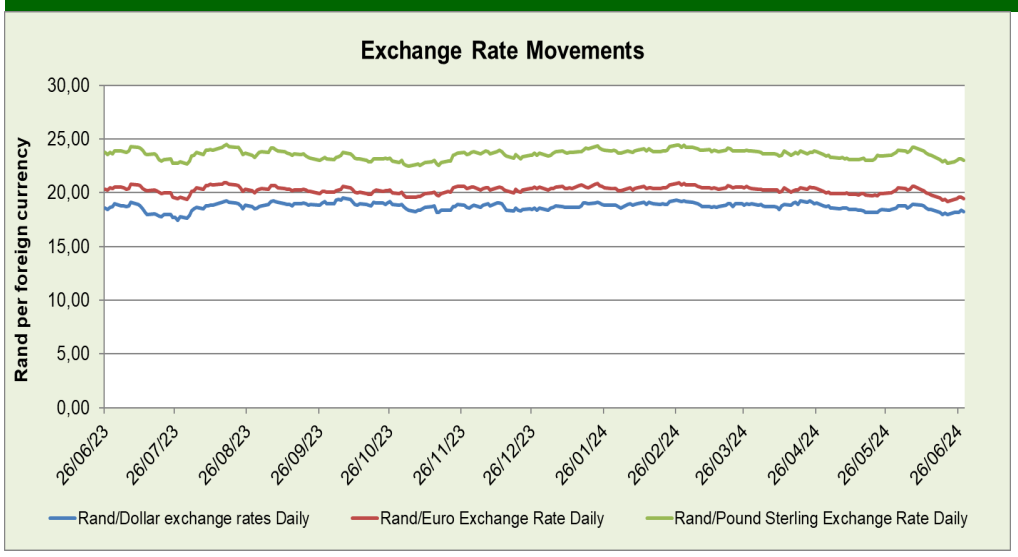
Sub-directorate: Economic Analysis



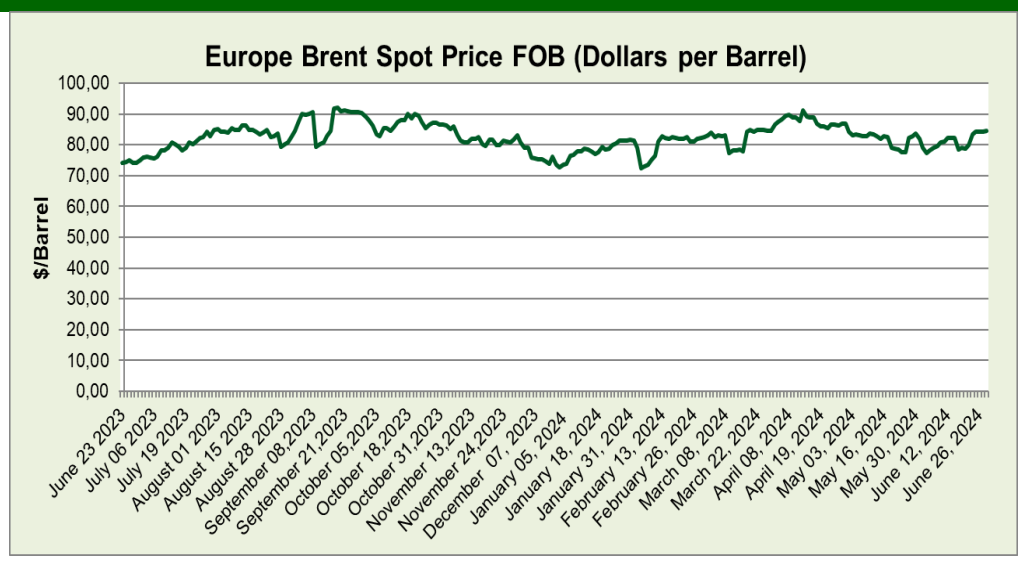
The price of RSA white maize increased by 3% this week relative to the previous week, while the local yellow maize and US maize price decreased by 1.8% & 4.6%. The local white maize price remains high due to the low crop outlook compared to the previous year while an abundance of yellow maize is available globally. The price of local wheat decreased by 0.1% while the US wheat price decreased by 5.3%, as wheat planting conditions look good in Argentina amid the ongoing harvesting in the northern hemisphere. The price of local soybeans increased by 0.5% this week, market fundamentals corroborating with the lower crop expected this year, while US soybeans price decreased by 0.2%. The US Soybean price decreased as the U.S. Department of Agriculture's hectares indicate larger than expected hectares planted. The price of sunflower decreased by 1.2%.

Spot price trends of major grains commodities

	1 year ago Week 26 (26-06-23 to 30-06-23)	Last week Week 25 (18-06-24 to 21-06-24	This week Week 26 (24-06-24 to 28-06-24)	w-o-w % change
RSA White Maize per ton	R3 738,80	R 5 023.00	R5 174,00	3,0%
RSA Yellow Maize per ton	R3 811,40	R 3 905.75	R3 834,60	-1,8%
USA Yellow Maize per ton	$248,26	$ 175,51	$167,50	-4,6%
RSA Wheat per ton	R6 679,20	R 6 069.50	R6 061,80	-0,1%
USA Wheat per ton	$269,40	$ 213.85	$202,55	-5,3%
RSA Soybeans per ton	R7 992,60	R 8 746.25	R8 794,00	0,5%
USA Soybeans per ton	$549,10	$ 428.14	$427,22	-0,2%
RSA Sunflower seed per ton	R8 403,20	R 8 668.50	R8 560,80	-1,2%
Crude oil per barrel	$74,57	$ 79.08	$84,14	6,4%



The rand depreciated by 0,8%, 0,7% and 0,6%against the dollar , Euro and Pound this week relative to the previous week, as deadlock over cabinet positions prompted fears that government of national unity may have ended before it begins as there was no outright winner in the 2024 South African national elections.



The brent crude oil price increased by 6.4% this week relative to the previous week . Crude oil benchmarks gained almost six per cent in June, driven by the Middle East geopolitical risk premium and US economic and crude stock data.

National South African Price information (RMAA) : Beef

Week 24 (10/06/2024 to 16/06/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 25 (17/06/2024 to 23/06/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9 271	55,65	55,34	Class A2	7283	55,74	55,83
Class A3	1 086	55,69	54,37	Class A3	657	55,49	54,67
Class C2	808	42,18	45,24	Class C2	702	43,10	45,39

The units of Class A2, A3 and C2 beef sold this week decreased by 21.%; 39.5% and 13.1% respectively compared to last week. The producer prices of Class A2 and C2 increased by 0.2% and 2.2% while declining by 0.4% for class A3. The market prices increased by 0.9%;0.6% and 0.3%.

National South African Price information (RMAA) : Lamb

Week 24 (10/06/2024 to 16/06/2024)	Units	Avg Purchase Price	Avg Selling Price	Week 25 (17/06/2024 to 23/06/2024)	Units	Avg Purchase Price	Avg Selling Price
Class A2	13 075	85,78	86,41	Class A2	13258	86,23	86,74
Class A3	1 702	82,91	85,31	Class A3	1559	84,43	85,70
Class C2	2330	58,95	64,85	Class C2	2157	60,15	64,90

The units of class A2, A3 and C2 lamb increased for class A2, while decreasing by 8.4% and 7.4% for class A3 and C2 compared to last week. The producer price of class A2, A3and C2 increased by 0.5%, 1.8% and 2%. The market prices for class A2, A3 and C2 increased by 0.4%, 0.5% and 0.1%.

National South African Price information (RMAA) : Pork

Week 24 (10/06/2024 to 16/06/2024)	Units	Avg Purchase Price	Week 25 (17/06/2024 to 23/06/2024)	Units	Avg Purchase Price
Class BP	11 616	30,63	Class BP	10441	30,72
Class HO	7 301	30,58	Class HO	5758	29,90
Class HP	7 590	30,07	Class HP	6971	30,05

The units of class BP, HO and HP sold this week decreased by 10.1%;21.1% and 8.2%. The producer price of class BP, HO and HP increased by 0.3% for class BP, while decreasing by 2.2% and 0.1% for class HO and HP.

Latest News Developments

The week was filled a lot of uncertainty following the establishment of the government of national unity as there national elections failed to have an outright winner. Markets were awaiting for a clear direction regarding governance in the country. The splitting of the agriculture and land affairs portfolios into two distinct departments is one of the significant changes. New agriculture Minister John Steenhuisen the leader of the Democratic Alliance, who has replaced Minister Thoko Didiza, now the speaker of the National Assembly, has a mammoth task ahead to ensure that the sector continues to grow amid the challenges faced by the industry.

The South African national government spent R2,04 trillion1 in the 2022/23 financial year, representing a rise of 6,1% from R1,92 trillion in 2021/22. Stats SA's latest set of national government financial data shows how these funds were distributed. Just over half of total expenses in 2022/23 was allocated to grants paid to other levels of government, institutions and foreign governments. The contribution of interest paid on debt increased from 10% in 2014/15 to 15% in 2022/23. In fact, in rand terms, interest paid on debt more than doubled in the 2014/15 to 2022/23 period, from R114,8 billion to R308,5 billion. This represents an average growth rate of 13,2% per year, outstripping the rise in total expenses (up 7,2% per year) and all other expense items.

South African government, stakeholders seek further WTO support in citrus industry's battle with the EU. The South African government and industry organisations have requested that two panels be established at a meeting of the Dispute Settlement Body (DSB) of the World Trade Organisation (WTO) to examine the stringent citrus import measures being imposed on South Africa by the European Union (EU). The local stakeholders wish to address regulations around citrus black spot (CBS) and false codling moth (FCM) as they deem these to be unscientific and discriminatory. The measures imposed by the EU since mid-2022 require enhanced cold treatment for fruit owing to concerns over FCM, a pest commonly found in sub-Saharan Africa, and CBS, a fungal disease which leaves dark spots on fruit. South African citrus growers spend billions of rands every year to comply with phytosanitary measures to comply with international regulations, including those of the EU that the industry considers unnecessarily restrictive.

The Organisation of Petroleum Exporting Countries' Fund for International Development (OPEC Fund) has signed a cooperation agreement with the UN International Fund for Agricultural Development (IFAD). This will expand the existing partnership between the two agencies and strengthen the joint financing of food security and climate resilience projects, to support smallholder farmers around the world. Smallholder farmers are responsible for the production of 33% of the world's food.

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.