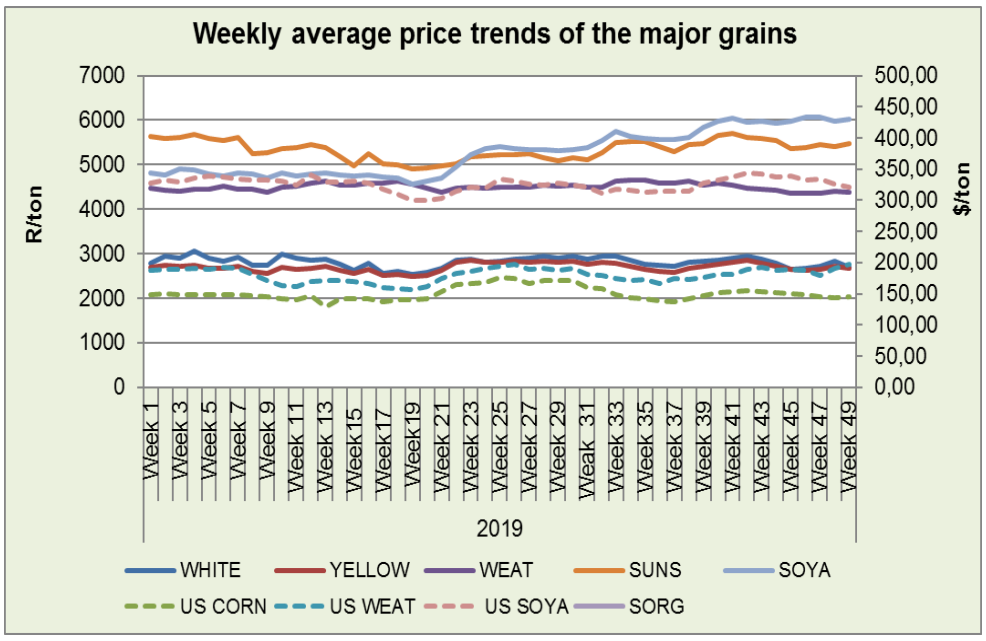
agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 06 December 2019

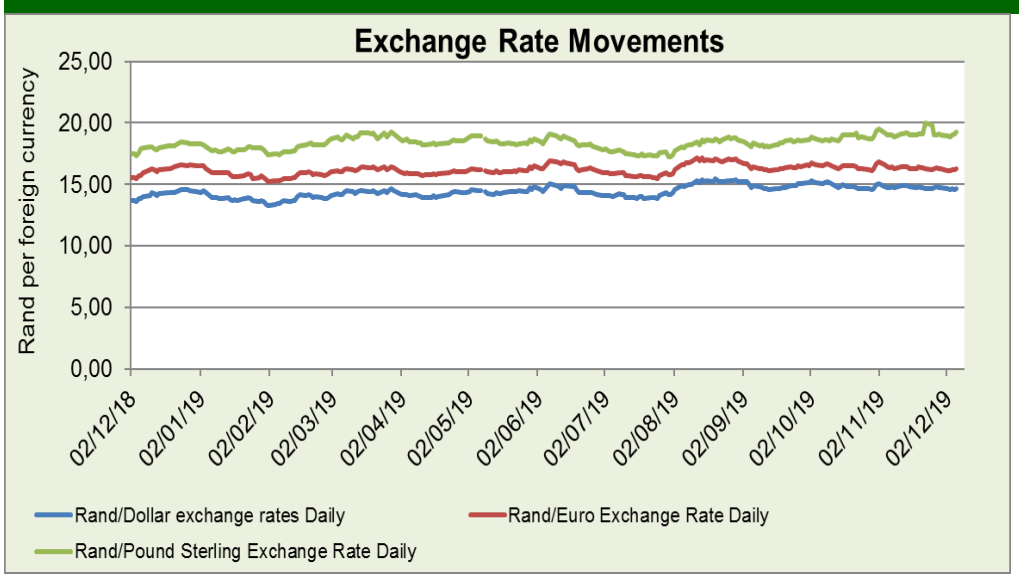
Directorate: Statistics & Economic Analysis



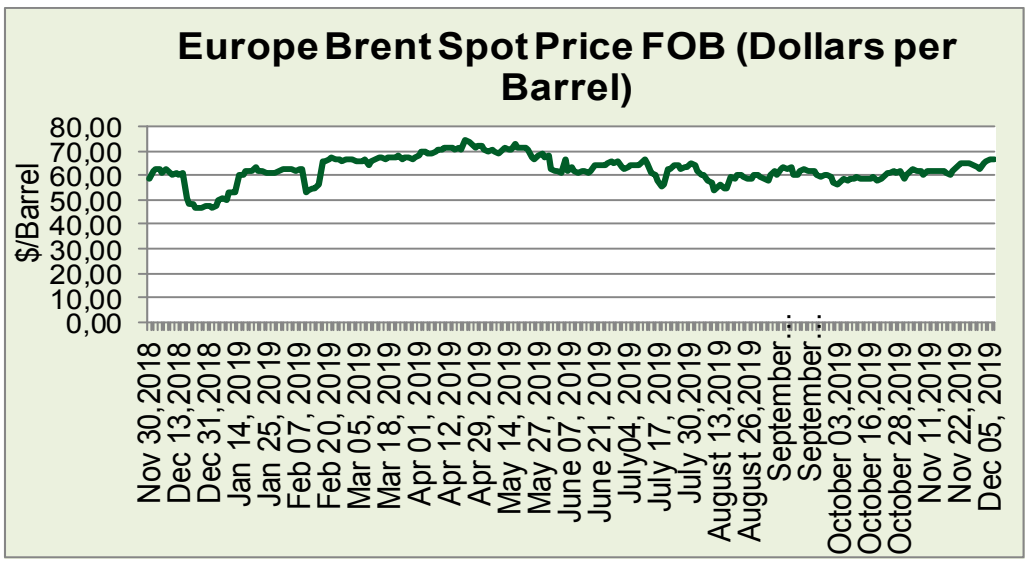
The price of local white and yellow maize decreased by 4.2% and 1.5% respectively, whilst the US price increased by a percentage point. The widespread rainfall locally initiated the price declines. The rise in the US price is due to inter-alia, a rise in ethanol production in the country. The price of local wheat decreased by 0.2% this week mainly due to a stronger rand while the US wheat price increased by 3.4% as a result of production concerns in certain parts in the US, Western Europe, Australia, and the dryness in Argentina. The price of local sunflower and soybeans increased by 3.4% and 0.9% respectively this week. The price of US soybeans decreased by 1.3% as a result of favourable weather conditions in Brazil and parts of Argentina and the uncertain trade deal between US and China. The price of sorghum remains unchanged compared to last week..

Spot price trends of major grains commodities

	1 year ago Week 48 (03-12-18 to 07-11-18)	Last week Week 48 (25-11-19 to 29-11-19)	This week Week 49 (02-12-19 to 06-12-19)	w-o-w % change
RSA White Maize per ton	R 2 486,00	R 2 825,00	R 2 705,00	-4,2%
RSA Yellow Maize per ton	R 2 440,40	R 2 713,60	R 2 673,20	-1,5%
USA Yellow Maize per ton	$ 146,29	$ 144,21	$ 145,71	1,0%
RSA Wheat per ton	R 4 224,00	R 4 394,20	R 4 385,20	-0,2%
USA Wheat per ton	$ 188,86	$ 191,03	$ 197,53	3,4%
RSA Sunflower seed per ton	R 5 198,00	R5 400,40	R5 465,20	1,2%
RSA Soybeans per ton	R4 729,60	R5 968,80	R6 022,40	0,9%
USA Soybeans per ton	$333,23	$326,10	$321,88	-1,3%
RSA Sweet Sorghum per ton	R 3 700.00	R 3 469,00	R 3 469,00	0,0%
Crude oil per barrel	$ 62,33	$ 64,74	$ 64,71	0,0%



The rand appreciated against major currencies this week compared to last week as investors weigh in the monetary policy in the US and Europe, the trade negotiations between the world's largest economies and global growth. The rand appreciated by 1%; 0.4% and 1% against the US dollar, the Euro and the British pound respectively.



The oil price declined by 0.04% this week compared to last week amid fears of a global economic slowdown. Organization of the Petroleum Exporting Countries (OPEC) forecast oil supply to outpace demand in 2020.

National South African Price information (RMAA) : Beef

Week 47(18/11/2019 to 24/11/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 48(25/11/2019 to 01/11/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	10520	44,00	44,77	Class A2	12004	44,77	45,09
Class A3	989	44,14	44,64	Class A3	1081	44.80	45,56
Class C2	1173	36,85	38,47	Class C2	1236	36,94	38,59

The units sold for class A2, A3 and C2 beef increased by 14.1%;9.3% and 5.4% this week compared to last week respectively. The average purchase prices for class A2, A3 and C2 increased by 1.8%;1.5% and 0.2%; whilst their average selling prices increased by 0.7%, 2.1% and 0.3% respectively.

National South African Price information (RMAA) : Lamb

Week 47 (18/11/2019 to 24/11/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 48(25/11/2019 to 01/11/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	11284	66,27	69,28	Class A2	9304	68,38	69,51
Class A3	2059	67,11	69,18	Class A3	1511	67,79	69,83
Class C2	1465	49,54	53,03	Class C2	1547	50,19	52,82

The units sold for class A2, and A3 decreased by 17.5% and 26.6% whilst units sold for class C2 increased by 5.6%. The average purchase pries for class A2, A3 and C2 increased by 3.2%, 1% and 1.3% respectively compared to last week. The average selling prices for class A2 and A3 increased by 0.3% and 0.9% whilst it declined by 0.4% for class C2.

National South African Price information (RMAA) : Pork

Week 47 (18/11/2019 to 24/11/2019)	Units	Avg Purchase Price	Week 48(25/11/2019 to 01/11/2019)	Units	Avg Purchase Price
Class BP	9433	26,91	Class BP	9825	26,85
Class HO	5906	26,17	Class HO	6169	25,97
Class HP	3991	25,8	Class HP	5380	25,77

The units sold for class BP, HO and HP increased by 4.2%; 4.5% and 34.8% this week compared to last week. The average purchase prices for all classes decreased, the purchase prices for class BP, HO and HP decreased by 0.2%;0.8% and 0.1% respectively this week.

Latest News Developments

South Africa's gross domestic product (GDP) decreased by 0,6% in the third quarter of 2019.The three largest negative contributors to growth in GDP in the third quarter were the mining, manufacturing and transport, storage and communication industries. Agriculture contribution contracted by 0.1%.Expenditure on real gross domestic product decreased by 0,3% in the third quarter of 2019, following an increase of 2,9% in the second quarter of 2019. The seasonally adjusted Absa Purchasing Managers' Index declined to 47.7 index points in November compared with 48.1 index points in October. Statistics report indicates that Electricity generation decreased by 1,9% year-on-year in October 2019. Seasonally adjusted electricity generation decreased by 1,0% in October 2019 compared with September 2019. This followed month-on-month changes of 2,3% in September 2019 and -1,8% in August 2019. Seasonally adjusted electricity generation decreased by 1,3% in the three months ended October 2019 compared with the previous three months. The Competition Commission reported on its Data Services Market Inquiry, confirmed that South Africa data services costs particularly mobile prepaid data pricing is high when benchmarked against the country's peers. Vodacom and MTN insist that the report does not fully account for the impact of the long standing issue of limited spectrum. The World Bank estimates that by 2050 nearly 2 billion people living in cities will suffer from water shortages as demand for water will increase by up to 70%. The responsibility of making sure the world preserves and has enough water is not solely the responsibility of government and municipalities plus a combined effort by the public, corporate businesses and authorities globally. The world's average temperature is predicted to gain a further 3 °C to 5 °C by the end of the century. The World Meteorological Organization findings indicates how the World is struggling to meet the target of containing global warming to 1.5 °C since the dawn of the industrial revolution. Public Enterprises Minister Pravin Gordhan stated that the government will place South African Airways under a local form of bankruptcy protection as a last-ditch measure to try and prevent its total collapse, the state owned Airways is entering a business rescue to allow a restructuring under which the carrier will receive R4 billion in funding. It is stated that the process will allow SAA to continue operating.

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

Source: SAFEX, Stats SA, Reuters, Red Meat Abattoir Association, Fnb and Absa.

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