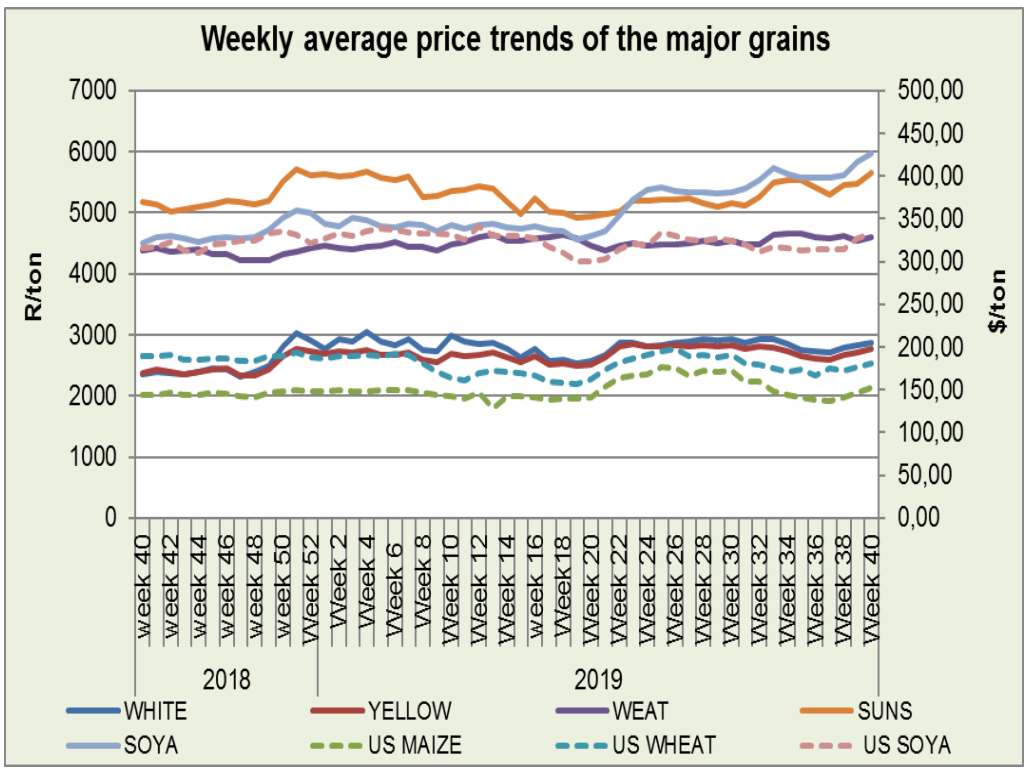
agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch 04 October 2019

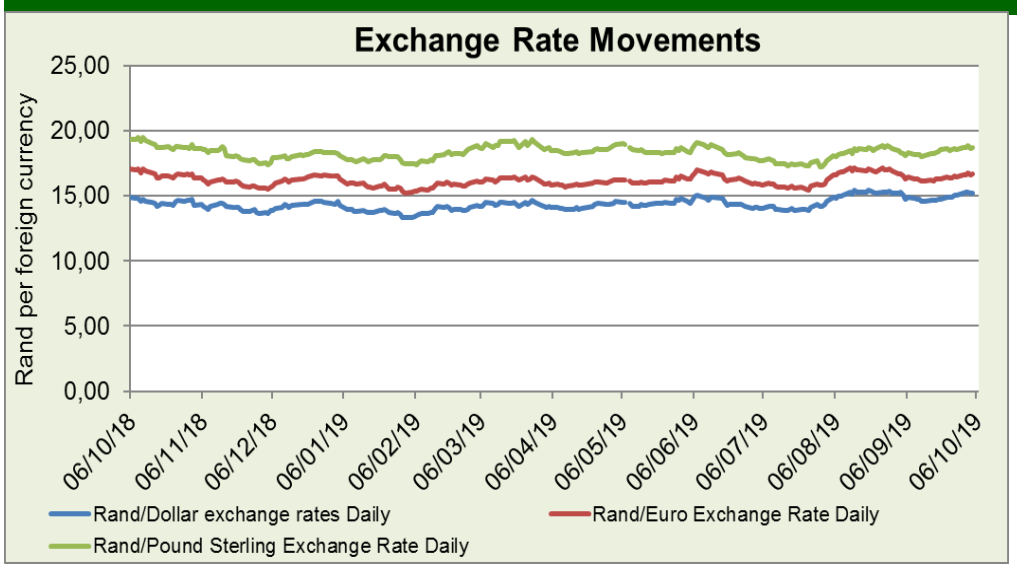
Directorate: Statistics & Economic Analysis



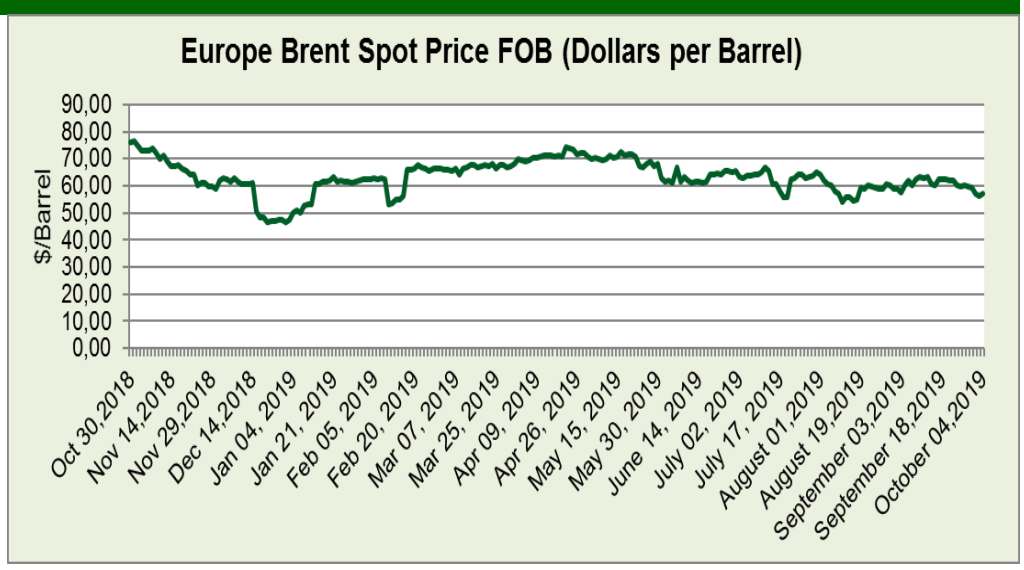
Local and international maize prices increased again this week compared to last week .The price of local maize increased by 0.8% and 1.8% respectively; whilst the US maize price increased by 3.1%. The Crop Committee Estimates Committee (CEC) expects local maize production to be lower than in 2019, whilst internationally; warmer and drier weather outlook in the US and Argentina are expected to affect maize production. Local and international wheat prices increased by 1% and 2.4% respectively. The local price increased due to the weaker rand and volatile international prices. US wheat price increased as traders awaited release of USDA supply and demand reports amidst concerns over shortages of good quality protein spring wheat. Additionally Argentina cut the World wheat outlook. Local and international soybean prices increased by 2.5% and 1.8% respectively as local soybeans production is expected to be lower than in 2018. US soybean prices were higher due to inter-alia; delayed rainfall in soybeans producing regions. Local sunflower prices were higher this week due to strong local demand and lower production outlook in 2019 than in 2018. Sorghum prices remained stable as production is expected to be higher than in 2018 even though the outlook has been revised down by 5%.

Spot price trends of major grains commodities

	1 year ago Week 40 (29-09-18 to 02-10-18)	Last week Week 39 (23-09-19 to 27-09-19)	This week Week 40 (30-09-19 to 04-10-19)	w-o-w % change
RSA White Maize per ton	R 2 349,80	R 2 840.25	R 2 863,00	0,8%
RSA Yellow Maize per ton	R 2 382,40	R 2 716.75	R 2 765,60	1,8%
USA Yellow Maize per ton	$ 143,40	$ 147.18	$ 151,80	3,1%
RSA Wheat per ton	R 4 377,00	R 4 544.50	R 4 591,60	1,0%
USA Wheat per ton	$ 188,92	$ 176.39	$ 180,70	2,4%
RSA Soybeans per ton	R 4494,40	R 5 834.00	R 5 978,00	2,5%
USA Soybeans per ton	$ 316,26	$ 327.11	$ 333,16	1,8%
RSA Sunflower seed per ton	R 5 182,20	R 5 467.75	R 5 648,00	3,3%
RSA Sorghum per ton	R 3 600.00	R 3 469.00	R 3 469.00	0,0%
Crude oil per barrel	$ 75,59	$ 60.63	$ 57,23	-5,6%



The rand depreciated against major currencies as investors avert emerging market currencies due to inter-alia; the uncertain trade dispute between the US and China.



The price of Brent crude oil declined by 5.6% this week compared to the previous week as Saudi Arabia restored production and global demand seems to weaken. Brent crude oil ended the week at $57,23 a barrel compared to $60.63 a barrel last week.

National South African Price information (RMAA) : Beef

Week 38 (16/09/2019 to 22/09/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 39 (2019/09/23 to 2019/09/29)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 628	45.96	45.65	Class A2	9 718	45,77	46,36
Class A3	457	46.05	46.05	Class A3	746	45,92	46,68
Class C2	1 737	37.11	39.60	Class C2	1 179	36,96	39,73

The average units sold for class A2 and A3 beef sold increased by 27.4% and 63.2% respectively whilst units sold for class C2 decreased by 32.1%. The average purchase prices for class A2, A3 and C2 decreased by 0.4%, 0.3% and 0.4% respectively; whilst the selling prices increased by 1.6%, 1.4% and 0.3% respectively.

National South African Price information (RMAA) : Lamb

Week 38 (16/09/2019 to 22/09/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 39 (2019/09/23 to 2019/09/29)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 747	68.85	70.33	Class A2	10 639	65,94	69,96
Class A3	1 082	68.86	69.91	Class A3	1 836	64,32	69,86
Class C2	918	51.24	54.61	Class C2	1 068	47,50	51,05

The average units sold for class A2 ,A3 and C2 lamb sold increased by 37.3%; 69.7% and 16.3% respectively. The average purchase prices for class A2, A3 and C2 decreased by 4.2%; 6.6% and 7.3% respectively whilst the selling prices decreased by 10.5%, 0.1% and 6.5% respectively.

National South African Price information (RMAA) : Pork

Week 38 (16/09/2019 to 22/09/2019)	Units	Avg Purchase Price	Week 39 (2019/09/23 to 2019/09/29)	Units	Avg Purchase Price
Class BP	8 121	25.98	Class BP	9 142	25,40
Class HO	5 826	24.92	Class HO	5 794	24,33
Class HP	4 484	24.91	Class HP	4 136	24,43

Units sold for Class BP increased by 12.6% whilst the units sold for Class HO and HP decreased 0.5% and 7.8% respectively. The average purchase price for class BP;HO and HP decreased by 2.2%, 2.4% and 1.9% respectively.

Latest News Developments

President Cyril Ramaphosa revealed that government would be finalising a clear economic growth strategy for the country in the next few weeks. The New regulations to protect the South African consumers against health and safety risks posed by the production of processed meat products will come into effect on the 8th October. South Africa showed a trade balance surplus in August after a deficit in July; Exports increased by 8.4% on a month-on-month basis to R122 billion in August, while imports were down by 1% to R115 billion. National Association of Automobile Manufacturers of South Africa stated that the Department of Trade, Industry and Competition (DTIC) and the South African automotive industry have started work on a position paper regarding the role of electric vehicles in the country's domestic economy. Absa's Purchasing Managers' Index (PMI) declined to 41.6 points in September down from 45.7 points in August which is the second consecutive large fall in the PMI this year. Eskom Holdings sole credit profile was downgraded one-notch at Fitch Ratings signalling the power utility's worsening ability to repay debt without additional government support. The Institute of International Finance (IIF) reported that South Africa's public debt could rise as high as 95% of GDP by 2024 if the government does not restructure Eskom and implement a workable growth plan. South32 COO Mike Fraser stated that an overarching challenge to businesses of all sizes in South Africa is the lack of reliable and competitive power. A reliable and competitive supply of power is critical to the country's future industrial growth and the creation of jobs. According to the North West University (NWU) Business School; policy uncertainty remained strongly elevated and stayed well in negative territory during the third quarter. The University's Policy Uncertainty Index increased to 53.1 in the third quarter compared with 52.9 in the second quarter. Deloitte Africa Alchemy School of Management dean Dr Martyn Davies said South Africa's development and social trajectory has been undermined by a lack of good governance, morality and ethics.

Residents in Johannesburg have been urged to adhere to the Level 1 water restrictions implemented in the city as the Lesotho Highlands Water Project tunnel system undergoes a planned shutdown for inspection and maintenance since Tuesday. The World Trade Organization (WTO) cut its forecast for growth in global trade this year by more than half and said further rounds of tariffs and retaliation, a slowing economy and a disorderly Brexit could squeeze it even further.

For more information contact: Directorate Statistics & Economic Analysis (SEA) at PresentG@daff.gov.za or 0123198288.

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.