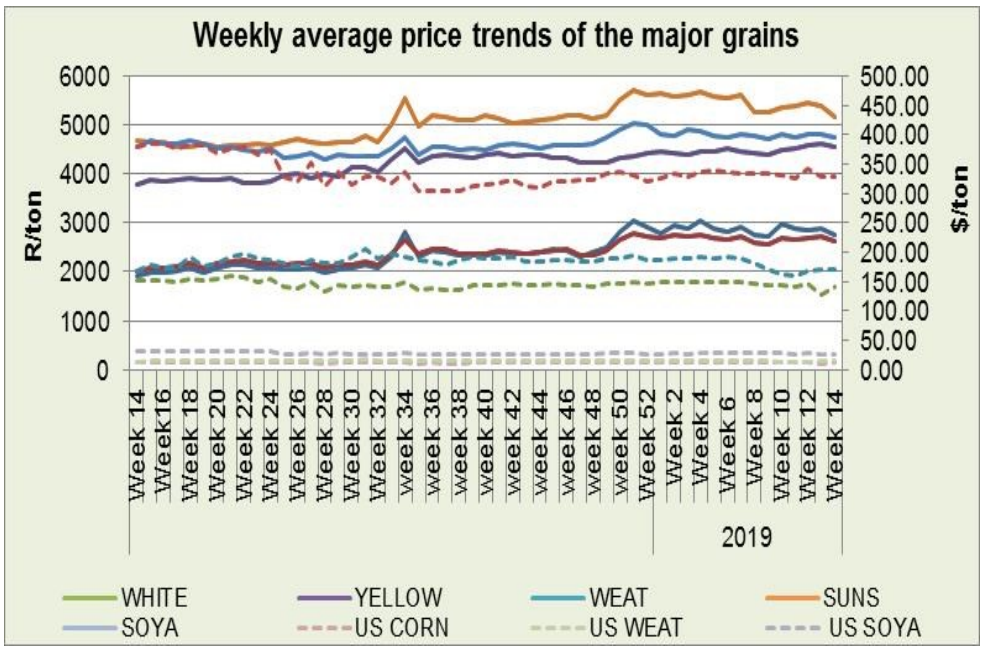
agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 05 April 2019

Directorate: Statistics & Economic Analysis

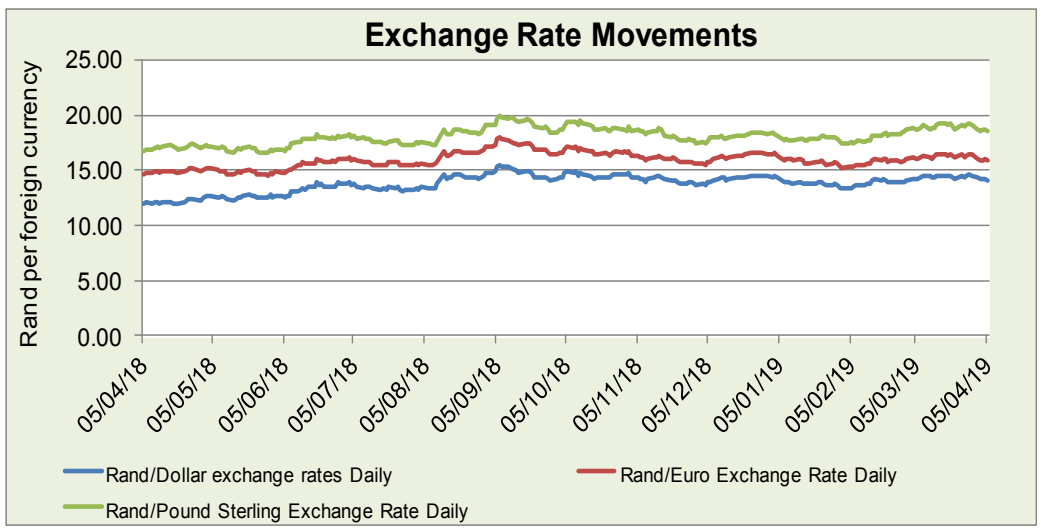
Sub-directorate: Economic Analysis



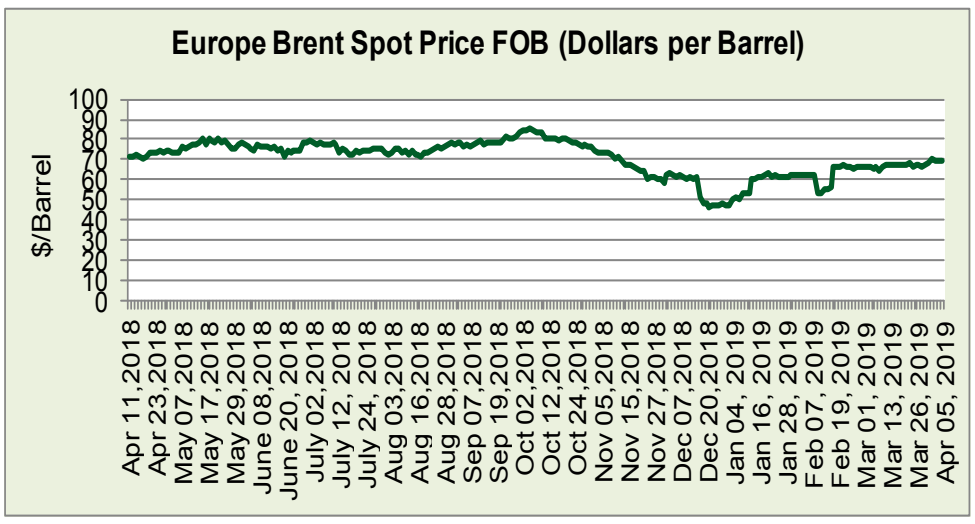
Both local and international markets prices for major grains have decreased this week compared to the previous week. The domestic prices for sunflower, white maize, yellow maize, wheat and soybean decreased by 4.1%, 3.7%, 2.8%, 1.8% and 1.2%, respectively during the period. The late plantings and uncertainty about yield (due to a lack of sufficient heat units and possible frost damage) continues to underpin white maize prices. The carry out of old season maize stocks by the end of April is sufficient but uncertainty about the production conditions for new season may lead to higher counter-seasonal new season prices.The international price for grains weakened this week compared to the previous week. The price of US yellow maize, wheat and soybean decreased by 4.0%, 0.5% and 0.1% respectively compared to the previous week. This might be attributed to domestic currency appreciated against all the major currencies this week compared to the previous week.

Spot price trends of major grains commodities

	1 year ago Week 14 (03-04-18 to 06-04-18)	Last week Week 13 (25-03-19 to 29-03-19)	This week Week 14 (01-04-19 to 05-04-19)	w-o-w % change
RSA White Maize per ton	R 1 918.50	R 2 873.20	R 2 766.00	-3.72%
RSA Yellow Maize per ton	R 2 016.25	R 2 706.60	R 2 630.40	-2.82%
USA Yellow Maize per ton	$ 152.16	$ 148.23	$ 142.29	-4.00%
RSA Wheat per ton	R 3 792.50	R 4 632.20	R 4 549.60	-1.78%
USA Wheat per ton	$ 167.53	$ 171.84	$ 170.91	-0.54%
RSA Soybeans per ton	R 4 562.25	R 4 796.50	R 4 759.60	-1.17%
USA Soybeans per ton	$ 378.44	$ 329.76	$ 329.56	-0.06%
RSA Sunflower seed per ton	R 4 681.00	R 5 390.60	R 5 167.60	-4.14%
RSA Sorghum per ton	R 3 130.00	R3 568.00	R3 568.00	0.00%
Crude oil per barrel	$ 69.25	$ 67.14	$ 69.04	2.72%



The domestic currency appreciated against all the major currencies this week compared to the previous week, with rand appreciated by 2.10%, 2.58% and 2.57% against the US Dollar, Euro and Pound Sterling respectively. Recent gains in the rand, spurred by the global dovish tilt in monetary policy and could turn to a steep correction as local risks come into play.



The average price of Brent crude oil increased by 2.7% this week compared to the previous week, from $67.14 to $69.04 barrel. Crude oil held at a five-month high as an escalation of fighting in OPEC producer Libya overshadowed the biggest increase in US active rigs.

National South African Price information (RMAA) : Beef

Week 12 (18/03/2019 to 24/03/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 13 (25/03/2019 to 31/03/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 808	41.67	42.97	Class A2	10 860	42.63	44.34
Class A3	944	41.45	43.06	Class A3	1 707	42.63	44.14
Class C2	829	38.22	40.30	Class C2	1 091	38.16	40.38

The units sold for all beef class A2, A3 and C2 increased significantly by 59.5%, 80.8% and 31.6% respectively this week compared to the previous week. The average purchase prices for beef class A2 and A3 increased by 2.3% and 2.9% respectively, whilst average purchase for beef class C2 increased by 0.2% week on week. During the same period the average selling price for all classes of beef A2, A3 and C2 increased by 3.2%, 2.5% and 0.2% respectively.

National South African Price information (RMAA) : Lamb

Week 12 (18/03/2019 to 24/03/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 13 (25/03/2019 to 31/03/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 116	65.64	69.67	Class A2	7 809	66.51	69.13
Class A3	842	65.52	69.73	Class A3	1 091	66.70	69.62
Class C2	1 310	52.58	54.66	Class C2	558	48.40	53.19

The units sold for lamb class A2 and A3 increased this week compared to the previous week by 27.7% and 29.6% respectively, while units sold for class C2 lamb decreased significantly by 57.4%. The average purchase prices for class of lamb A2 and A3 increased by 1.3% and 1.8% respectively, whilst purchase price for lamb class C2 decreased by 8.0% week-on-week. During the same period weekly average selling price for all lamb classes A2, A3 and C2 decreased by 0.8%, 0.2% and 2.7% respectively for two consecutive weeks.

National South African Price information (RMAA) : Pork

Week 12 (18/03/2019 to 24/03/2019)	Units	Avg Purchase Price	Week 13 (25/03/2019 to 31/03/2019)	Units	Avg Purchase Price
Class BP	8 220	23.01	Class BP	7 929	22.94
Class HO	6 171	21.90	Class HO	5 764	21.44
Class HP	4 182	21.95	Class HP	3 721	21.48

The units sold for all class BP, HO and HP decreased by 3.5%, 6.6% and 11.0% respectively compared to the previous week. The average purchasing price for all pork class BP, HO and HP also decreased by 0.3%, 2.1% and 2.1% respectively compared to the previous week. According to seasonal price trends the prices of pork may continue to trade lower to sideways and following the suppressed prices of poultry and beef. Seasonal trends may support pork meat prices ahead of the Easter holidays.

Latest News Developments

The resumption of heat-treated ostrich meat exports to the EU will help ease the pressure that South African ostrich farmers have experienced in recent years. This was according to Beverley Schäfer from Western Cape. Schäfer said in a statement that the EU, a large consumer of South African ostrich meat, had lifted the ban imposed last year on South African ostrich meat. The ban was implemented because the national Department of Agriculture, Forestry and Fisheries' residue testing procedures did not meet the EU's requirements. She added that South Africa currently produced around 75% of the ostrich meat on the global market, with 80% of local production coming from the Western Cape. Francois de Wet, general manager at Mosstrich, told *Farmer's Weekly* that the major challenge for the industry was to restore confidence at producer level. Ostrich farmers in the Southern Cape and Klein Karoo had experienced three years of consecutive drought and this together with the impact of avian influenza on production, meant that a more stable production environment needed to be created to ensure the industry's sustainability. The Department of Agriculture, Forestry and Fisheries (DAFF) called on Western Cape farmers to conduct regular checks of their lands after high numbers of fall armyworm (FAW) moths were detected in the province. According to a statement issued by DAFF, fall armyworm larvae had been positively identified on sweet corn on a farm near Clanwillian and the presence of high numbers of FAW moths had been confirmed in the area. This is not the first time that the pest occurred in the province, it was already sporadically observed last year. However, the concern is the high number of moths currently observed in the province. Fall armyworm migrates during autumn and since it is currently autumn in South Africa, it could be one of the main reasons why the pest has spread to the province, Nieuwenhuis said. He added that weather conditions, especially high wind could also play a significant role in the spread of FAW. Nieuwenhuis cautioned farmers to be alert of what was happening and to check any pheromone traps regularly. They should immediately report any detection of FAW to the relevant authorities.

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, Farmer's Weekly and Standard Bank.

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