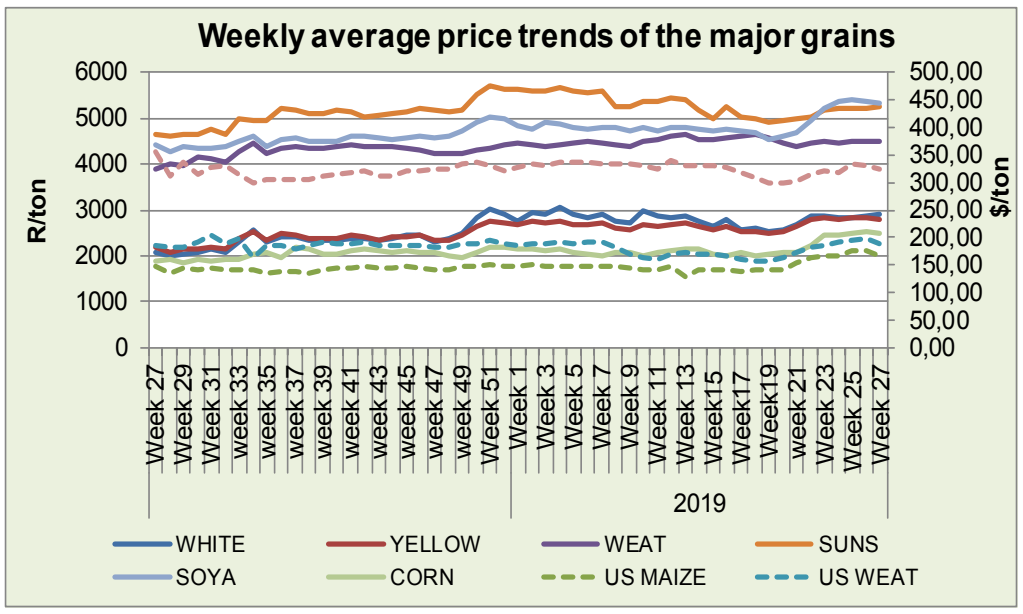
agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

# Weekly Price Watch: 05 July 2019

## Directorate: Statistics & Economic Analysis

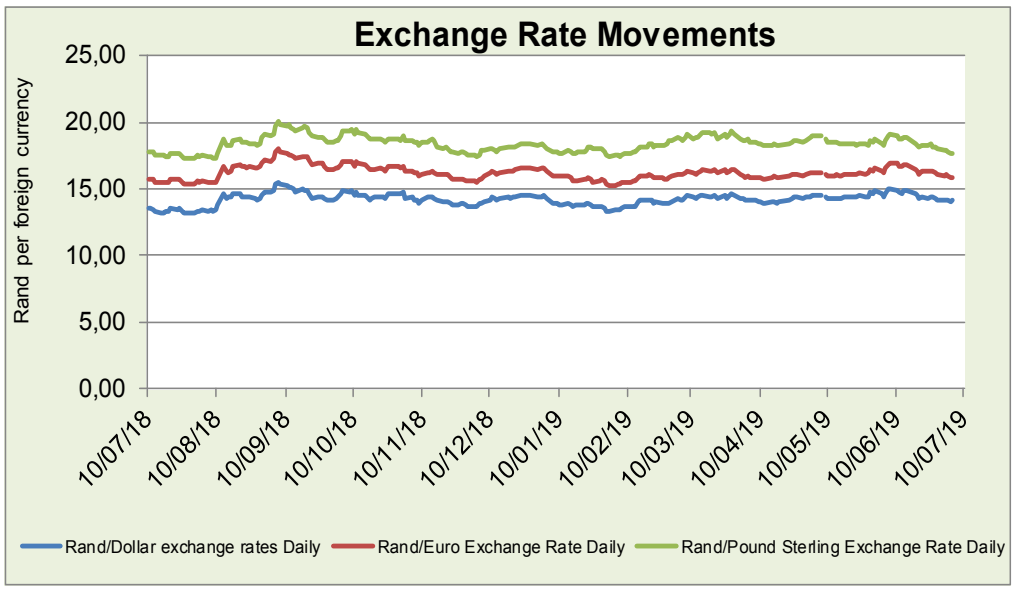
### Sub-directorate: Economic Analysis



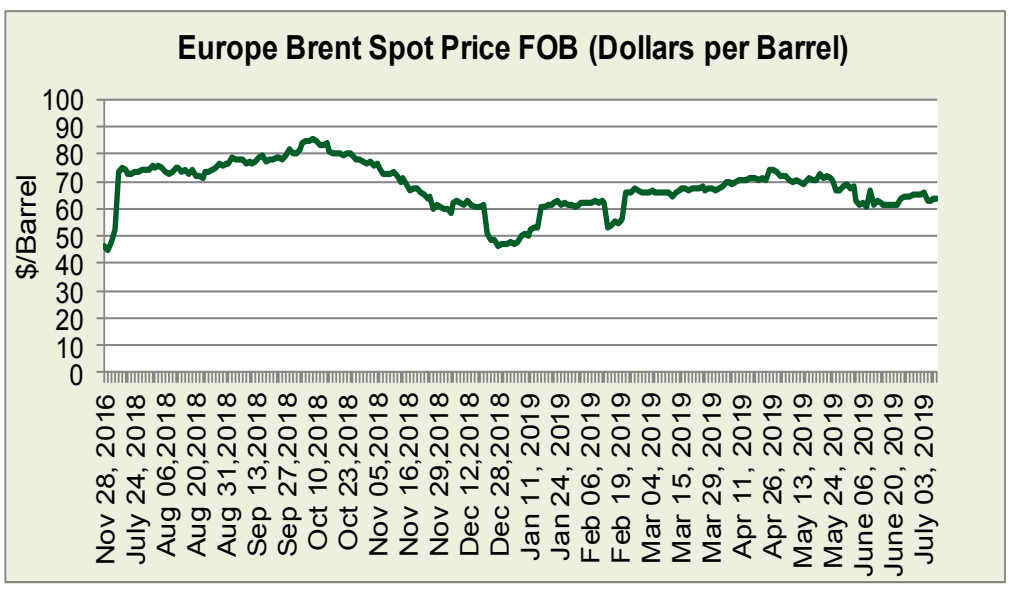

The price of local white maize increased by 0.8% whilst the price of Yellow maize decreased by a percentage compared to last week. The price of local white maize increased due to regional demand of white maize, while yellow maize tracked international prices. The price of US maize declined by 4.9% compared to last week following a percentage point increase in crop rating; 56% of the overall crop rated good to excellent. The price of local wheat increased by 0.4% due to inter-alia, stronger rand whilst US wheat price decreased by 4% due report of fairly good yields expected and with winter wheat conditions reported 63% good to excellent. The price of local soybeans decreased by 0.5% whilst the US soybeans price also decreased by 1.4%. International soybeans prices are lower as a result of good weather conditions and abundant stocks. The price of local sunflower increased by 0.3% due to speculative demand (Technical buying). Sorghum prices were not reported again this week.

**Spot price trends of major grains commodities**

| | 1 year ago<br>Week 27<br>(02-07-18 to 06-07-18) | Last week<br>Week 26<br>(18-06-19 to 21-06-19) | This week<br>Week 27<br>(01-07-19 to 05-07-19) | w-o-w % change |
|---|---|---|---|---|
| RSA White Maize per ton | R 2 079.42 | R 2 872.00 | R 2 896,00 | 0,8% |
| RSA Yellow Maize per ton | R 2 179.11 | R 2 836.40 | R 2 809,00 | -1,0% |
| USA Yellow Maize per ton | $ 148.12 | $ 174.75 | $ 166.26 | -4,9% |
| RSA Wheat per ton | R 3 894.45 | R 4 487.60 | R 4 504.2 | 0,4% |
| USA Wheat per ton | $ 185.79 | $ 197.72 | $ 189.70 | -4,1% |
| RSA Soybeans per ton | R 4 439.39 | R 5 361.20 | R 5 334.60 | -0,5% |
| USA Soybeans per ton | $ 354.44 | $ 330.45 | $ 325.66 | -1,4% |
| RSA Sunflower seed per ton | R 4 634.46 | R 5 222.60 | R 5 239.20 | 0,3% |
| RSA Sorghum per ton | R 3 092.75 | - | - | - |
| Crude oil per barrel | $ 77.72 | $ 64.97 | $ 63.87 | -1.7% |




The rand appreciated against major currencies, appreciating by 1.2% against the dollar due to failed expectation of a US interest rates cut. The rand also appreciated by 2.1% and 2% against the Euro and the pound, as global risk appetite fades.




The price off oil decreased by 1.7% due to oversupply in the oil market and slowing Asian economies. OPEC oil output is at a 5 year low and expectation are that the global economy would remain under pressure this year,

## National South African Price information (RMAA) : Beef

| Week 25 (17/06/2019 to 23/06/2019) | Units | Avg Purchase Price | Avg Selling Price | Week 26(24/06/2019 to 30/06/2019) | Units | Avg Purchase Price | Avg Selling Price |
|---|---|---|---|---|---|---|---|
| Class A2 | 7 196 | 44.63 | 44.63 | Class A2 | 9 625 | 44,75 | 45,37 |
| Class A3 | 1 172 | 44.76 | 45.66 | Class A3 | 1 272 | 44,81 | 45,57 |
| Class C2 | 1 077 | 36.61 | 39.78 | Class C2 | 1 319 | 37,24 | 39,77 |

Units sold for beef class A2, A3 and C2 all increased compared to last week. Units sold increased by 33.8%;8.5% and 22.5% respectively, with the purchase prices increasing by 0.3%, 0.1% and 1.7% respectively. The averaged selling price for class A2 increased by 1.7%, whilst class A3 and C2 prices decreased by 0.2% and 1.2% respectively.

## National South African Price information (RMAA) : Lamb

| Week 25 (17/06/2019 to 23/06/2019) | Units | Avg Purchase Price | Avg Selling Price | Week 26(24/06/2019 to 30/06/2019) | Units | Avg Purchase Price | Avg Selling Price |
|---|---|---|---|---|---|---|---|
| Class A2 | 7 830 | 70.32 | 71.05 | Class A2 | 8 450 | 70,77 | 70,85 |
| Class A3 | 1 390 | 69.55 | 70.62 | Class A3 | 1 650 | 70,73 | 70,67 |
| Class C2 | 668 | 48.82 | 50.69 | Class C2 | 433 | 47,39 | 50,79 |

The units sold for class A2 and A3 increased by 7.9% and 18.7% respectively whilst the units sold for class C2 decreased by 35.2%.The average purchase prices for class A2 and A3 increased by 0.6% and 1.7% respectively whilst class C2 price decreased by 2.9%. The average selling price for class A2 decreased by 0.3% whilst that of class A3 and C2 increased by 0.1% and 0.2%.

## National South African Price information (RMAA) : Pork

| Week 25 (17/06/2019 to 23/06/2019) | Units | Avg Purchase Price | Week 26(24/06/2019 to 30/06/2019) | Units | Avg Purchase Price |
|---|---|---|---|---|---|
| Class BP | 7 029 | 25.99 | Class BP | 8810 | 26,75 |
| Class HO | 6 188 | 25.54 | Class HO | 7 072 | 25,99 |
| Class HP | 4 520 | 24.97 | Class HP | 4 534 | 25,48 |

The units sold for class BP , HO and HP increased by 25.3%;14.3% and 0.3% respectively. The average purchase price for class BP, HO and HP increased by 2.9%,1.8% and 2% respectively.

## Latest News Developments

The Department of Water and Sanitation assured that the country will not run out of water during the dry winter period but it urged people to use water efficiently to ensure sustainability. South Africa is looking to innovation to help manage the country's water challenges. South African business confidence was higher in June but remains lower compared to last year due to weak economic data and power blackouts in the first half of 2019.The South African Chamber of Commerce and Industry said an index measuring sentiment rose to 93.3 in June from 93 in May. The seasonally adjusted Absa Purchasing Managers' Index (PMI) increased to 46.2 points in June compared with 45.4 points in May; whilst in the second quarter it was 46.3 points compared 47 points in the first quarter. A senior treasury official stated that extra support is weighed on Eskom including swapping the financially troubled state power firm's debt for government bonds or ring-fencing it in a special account. The National Treasury weighed its support for the independence of the nation's central bank and will refrain from commenting on monetary policy. The Reserve Bank also promised to do the same for fiscal policy. Gauteng Economic Development, Agriculture and Environment MEC stated that a provincial macroeconomic model will be developed and finalised within the next 100 days. He identified initial key priority areas for the province, which include addressing challenges surrounding the township economy, multi-tier special economic zones (SEZs), agriculture and agro processing, climate change and the green economy. President Cyril Ramaphosa wants South Africa to position itself not as an adopter but rather as a leader and driver of the Fourth Industrial Revolution (4IR) worldwide. The president believes that taking the global lead on 4IR will drive the growth needed to unlock a better future for a country and a continent that missed the first three industrial revolutions. HSBC Expat survey ranked South Africa as the thirtieth most attractive country for expats. The survey showed that 40% of expats living in South Africa had cited an improving quality of life as their reason for moving to the country, while 23% cited career progress and 19% the climate. Nigeria will sign a continental free-trade deal at a extraordinary summit of the African Union this weekend, bringing the duty-free movement of goods in the region a step closer.

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.*