



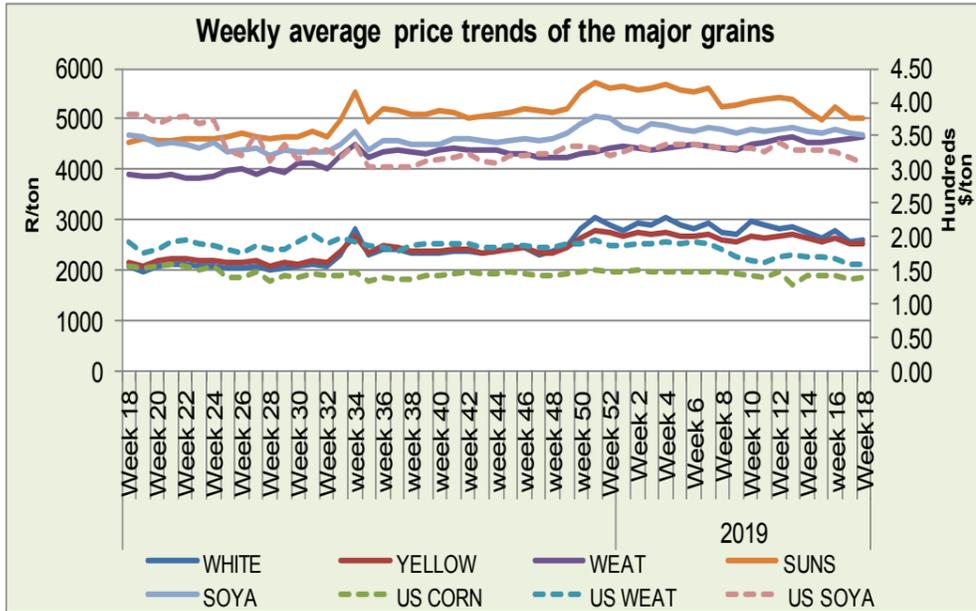
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 03 May 2019

Directorate: Statistics & Economic Analysis

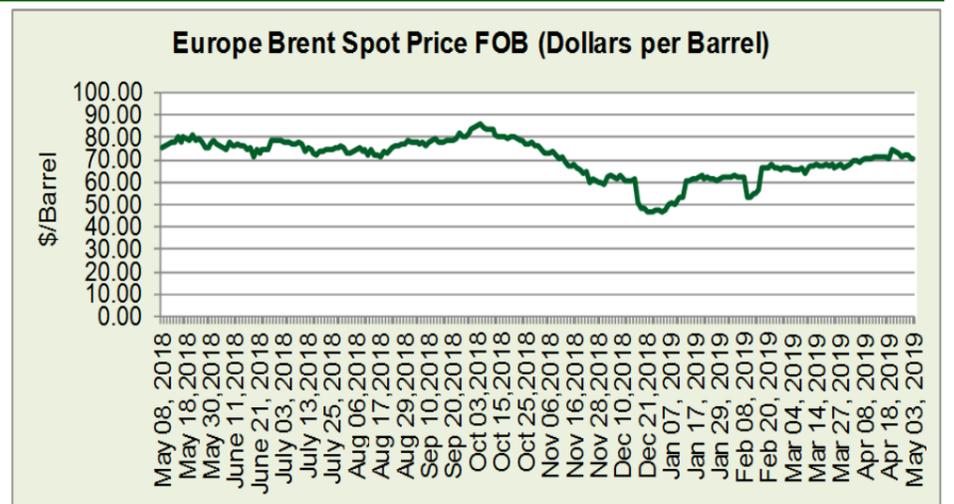
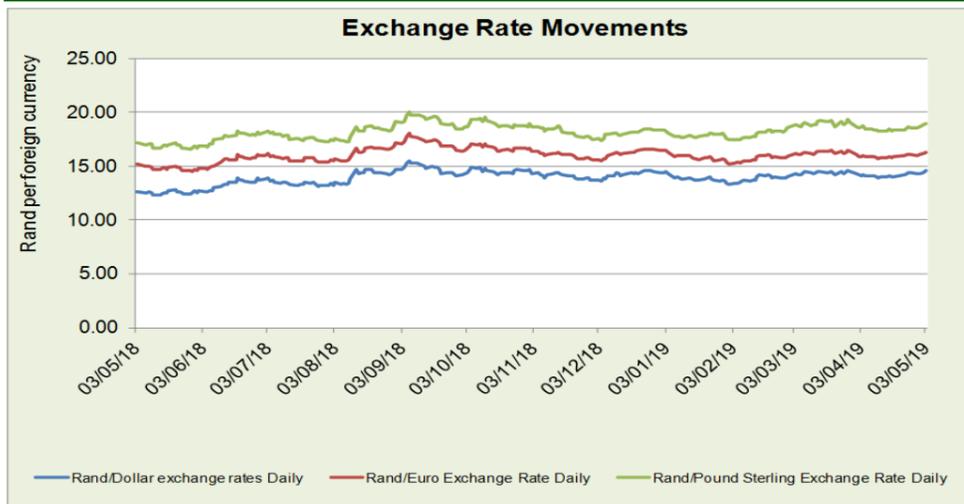
Sub-directorate: Economic Analysis



The domestic prices for white maize, yellow maize and wheat increased by 1.18%, 1.12% and 0.87%, respectively this week compared to the previous week. Whilst the prices for soybean, sunflower and sorghum decreased by 0.74%, 0.24% and 1.66% respectively this week compared to the previous week. Soybean and sunflower seed prices are expected to follow the seasonal trends and drop in April before increasing from May. Derived soybean prices are expected to start increasing in the months coming up to June. The prices of US soybean and wheat decreased by 2.39% and 1.22% respectively this week compared to the previous week. International wheat prices are expected to move sideways as the market waits for news on delayed spring plantings as well as a conclusion to the a US-China trade deal. During the same period the prices of US yellow maize increased slightly by 1.81%.

Spot price trends of major grains commodities

	1 year ago Week 18 (30-04-18 to 04-05-18)	Last week Week 17 (23-04-19 to 26-04-19)	This week Week 18 (29-04-19 to 03-05-19)	w-o-w % change
RSA White Maize per ton	R 2 067.00	R 2 569.00	R 2 599.25	1.18%
RSA Yellow Maize per ton	R 2 172.50	R 2 514.25	R 2 542.50	1.12%
USA Yellow Maize per ton	\$ 155.64	\$ 137.77	\$ 140.27	1.81%
RSA Wheat per ton	R 3 920.75	R 4 597.00	R 4 637.00	0.87%
USA Wheat per ton	\$ 192.08	\$ 159.93	\$ 157.98	-1.22%
RSA Soybeans per ton	R 4 678.25	R 4 725.50	R 4 690.50	-0.74%
USA Soybeans per ton	\$ 382.42	\$ 317.23	\$ 309.63	-2.39%
RSA Sunflower seed per ton	R 4 552.75	R 5 012.00	R 5 000.00	-0.24%
RSA Sorghum per ton	R 3 103.00	R 3 457.50	R 3 400.00	-1.66%
Crude oil per barrel	\$ 73.51	\$ 73.33	\$ 71.23	-2.73%



The rand depreciated for two consecutive weeks against all the major currencies this week compared to the previous week. The rand depreciated by 0.60%, 1.15% and 0.57% against Dollar, Pound and Euro respectively. The currency decreased against major currencies as investors waited for new catalysts from either the US-China trade talks and the local general elections.

The average price of Brent crude oil decreased significantly by 2.73% this week compared to the previous week, from \$73.33 to \$71.23 per barrel. Brent crude has retreated on signs that the global supply outlook may not be as tight as feared. Also the possibility that the world's two largest economies won't reach a trade deal threatens to weaken prices.



National South African Price information (RMAA) : Beef

Week 16 (15/04/2019 to 21/04/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 17 (22/04/2019 to 28/04/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9 664	44.27	44.05	Class A2	7 275	44.24	46.62
Class A3	1 285	44.33	45.00	Class A3	1 168	44.47	45.60
Class C2	798	38.01	40.20	Class C2	828	37.89	39.37

The units sold for beef class A2 and A3 decreased by 24.72% and 9.11% respectively this week compared to the previous week, whilst the units sold for beef class C2 increased by 3.76% during the same period. The average purchase prices for beef class A2 and C2 decreased by 0.07% and 0.32% respectively, while the average purchasing price for beef class A3 increased by 0.32% week on week. The average selling prices for beef class A2 and A3 increased by 3.49% and 1.33% respectively, whilst the average selling price for beef class C2 decreased by 2.06% compared to previous week.

National South African Price information (RMAA) : Lamb

Week 16 (15/04/2019 to 21/04/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 17 (22/04/2019 to 28/04/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 828	64.25	69.01	Class A2	6 817	64.45	69.24
Class A3	1 644	63.67	69.14	Class A3	1 241	64.92	69.87
Class C2	1 067	48.87	52.24	Class C2	755	48.79	52.05

Units sold for all classes of lamb class A2, A3 and C2 decreased significantly by 12.89%, 24.51% and 29.24% respectively this week compared to the previous week. The average purchasing price for lamb class A2 and A3 increased marginally by 0.31% and 1.96% respectively, while class C2 decreased by 0.16%. The average selling price for lamb class A2 and A3 increased by 0.33% and 1.06% respectively, whilst class C2 decreased by 0.36% week on week.

National South African Price information (RMAA) : Pork

Week 16 (15/04/2019 to 21/04/2019)	Units	Avg Purchase Price	Week 17 (22/04/2019 to 28/04/2019)	Units	Avg Purchase Price
Class BP	8 133	21.22	Class BP	7 621	21.16
Class HO	4 890	20.56	Class HO	5 495	20.20
Class HP	3 904	20.40	Class HP	4 897	20.48

The units sold for pork class HO and HP increased substantially by 12.37% and 25.44% respectively this week compared to the previous week, while unit sold for pork class BP decreased by 6.30% week on week. During the same period average purchasing price for pork class BP and HO decreased slightly by 0.28% and 1.75% respectively, whilst average purchasing price for pork class HP increased slightly by 0.39% compared to the previous week.

Latest News Developments

The price of a litre of unleaded 95 octane petrol increased by 54c last week Wednesday, after the Central Energy Fund said higher international fuel prices countered gains by the rand in the review period. Crude oil reached its highest level since November after the US decided to end a sanctions waiver on Iranian oil imports. The price of Crude oil rose to more than \$70 a barrel compared with \$54.11 at the start of the year. The inland price of 95 unleaded petrol is now R16.67 and 93 unleaded is R16.50. At the coastal region the prices are R16.03 for 95 unleaded and R16.07 for 93 unleaded. It's the fifth straight increase in fuel prices since the beginning of 2019 and the second-highest fuel price on record, after prices peaked at R17.08 in October 2018. Analysts have warned that the rising price of Brent crude oil and the weaker exchange rate will lead to further fuel price increases in coming months. The wholesale price of 500ppm sulphur diesel has increased 1c a litre while 50ppm remained unchanged. FNB agriculture economist, Paul Makube, said the recent surge in the oil price was "a double whammy" for farmers, due to the direct impact on the fuel price and the indirect effect on oil derivatives such as fertiliser, pesticides and herbicides. The summer crop season has ended, however, farmers will start procuring for the next season at higher cost as they are yet to receive the income from the current crop that is still on the land. Furthermore, next planting season for winter crops is closer and the higher costs will definitely erode producer margins.

The South African wine grape harvest for 2019 has hit a record low, largely due to the preceding drought and fluctuating weather conditions during the season. The 2019 wine harvest – including juice and concentrate for non-alcoholic purposes, wine for brandy and distilling wine – is expected to amount to 951.8 million litres at an average recovery of 777 litres per tonne of grapes. SA is the 8th biggest wine producer world-wide and produces about 4% of the world's wine. The wine industry contributes R36bn to SA's gross domestic product (GDP) and employs nearly 290 000 people. Most regions received good rainfall during the season, but the after-effects of the preceding three-year drought was still visible and vineyards and soils will take some time to recover. Severe weather fluctuations during bud break and flowering, followed by cool windy conditions during set, contributed to less and uneven bunches and smaller berries.

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, Farmer's Weekly and Standard Bank.
Disclaimer: DAFF will not be liable for results of actions based on this price watch.