



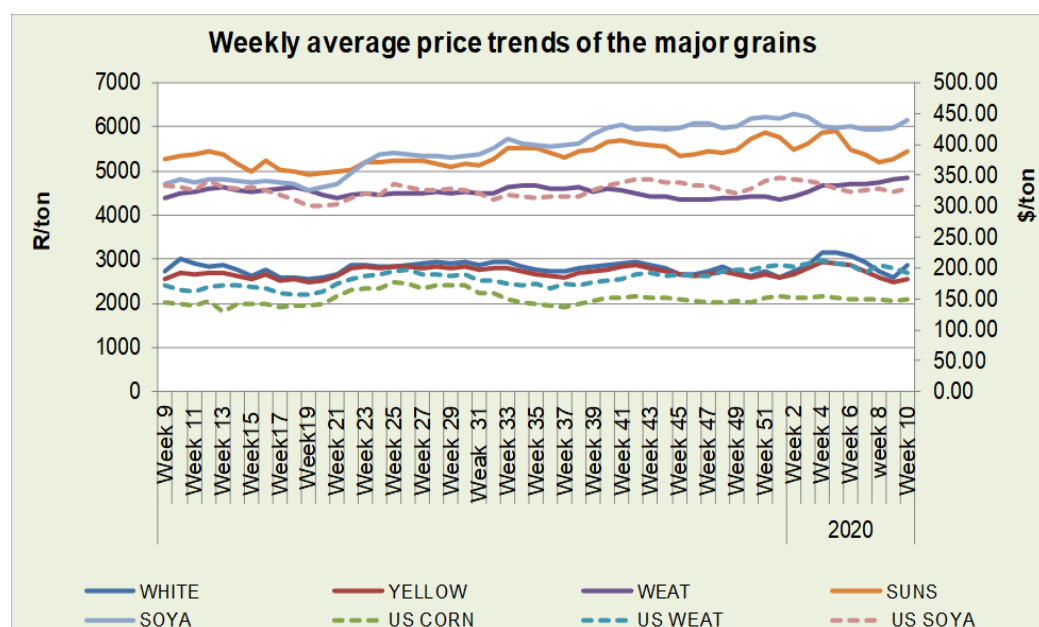
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 06 March 2020

Directorate: Statistics & Economic Analysis

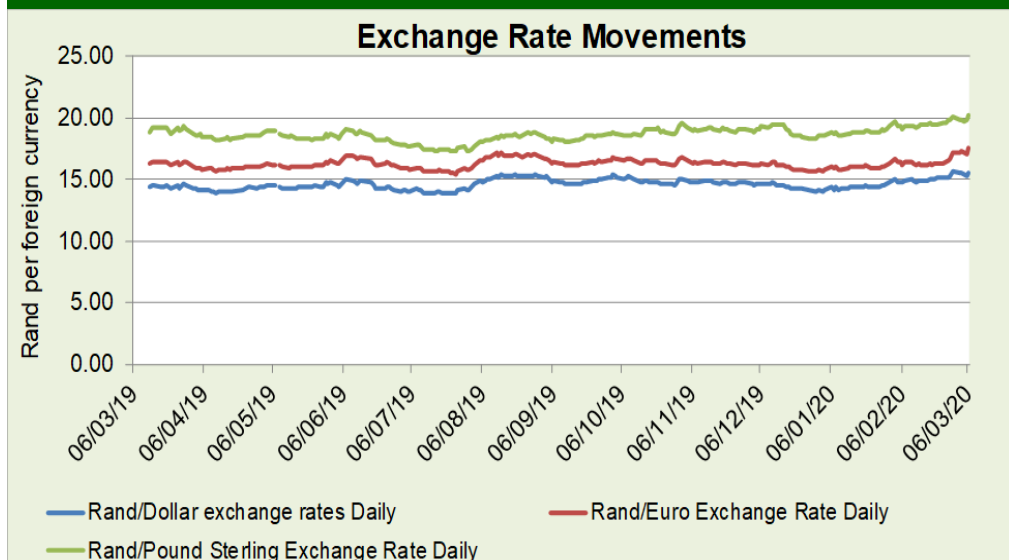
Sub-directorate: Economic Analysis



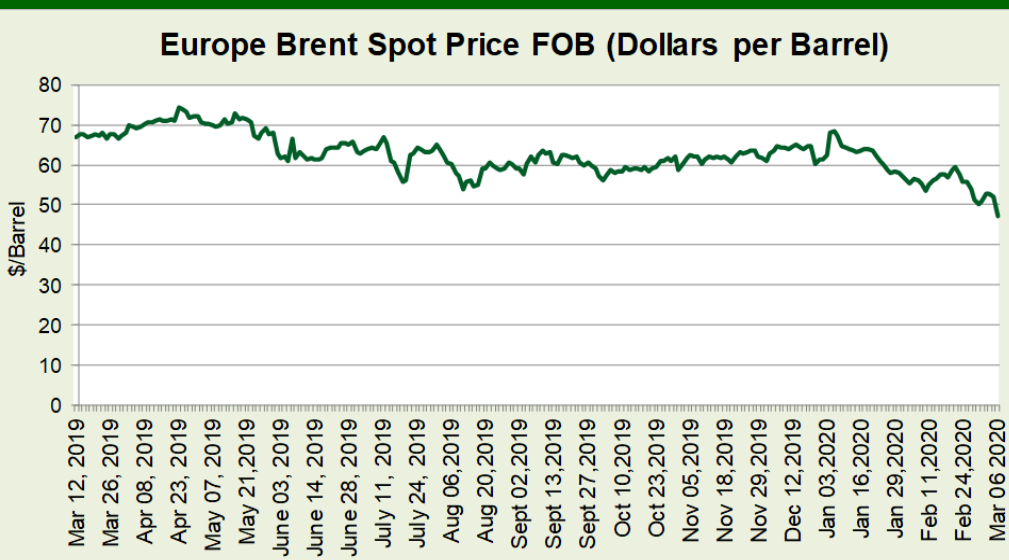
The price of local white and yellow maize increased by 10.5% and 2.4% respectively compared to the previous week. The price of local wheat, soybeans and sunflower also increased by 0.4%, 2.9% and 3.5% respectively compared to the previous week. The price of international maize and soybeans increased by 1.7% and 1.1% compared to the previous week. Soybean futures reached their highest prices in more than five weeks on Tuesday on technical buying and bargain hunting. While the international wheat price decreased by 2.9% compared to last week. Wheat futures slid on Friday to their lowest since November as a strengthening of the euro against the dollar added to pressure from another rout in financial markets over potential fallout from the global coronavirus outbreak and a crash in crude oil prices pushed equities and other commodities sharply lower.

Spot price trends of major grains commodities

	1 year ago Week 10 (04-03-19 to 08-03-19)	Last week Week 9 (24-02-20 to 28-02-20)	This week Week 10 (02-03-20 to 06-03-20)	w-o-w % change
RSA White Maize per ton	R 1 889.80	R 2 591.00	R 2 864.20	10.5%
RSA Yellow Maize per ton	R 1 969.40	R 2 496.00	R 2 555.00	2.4%
USA Yellow Maize per ton	\$ 149.47	\$ 146.64	\$ 149.13	1.7%
RSA Wheat per ton	R 3 632.60	R 4 821.60	R 4 840.60	0.4%
USA Wheat per ton	\$ 182.54	\$ 198.90	\$ 193.22	-2.9%
RSA Soybeans per ton	R 4 689.40	R 5 967.00	R 6 137.60	2.9%
USA Soybeans per ton	\$ 389.65	\$ 323.75	\$ 327.34	1.1%
RSA Sunflower seed per ton	R 4 807.80	R 5 256.80	R 5 442.20	3.5%
RSA Sweet Sorghum per ton	R 3 020.00	R 3 215.00	R 3 215.00	0.0%
Crude oil per barrel	\$ 65.56	\$ 53.38	\$ 51.07	-4.3%



The rand depreciated by 1.3%, 3.7% and 0.6% against the dollar, euro and pound sterling respectively, as compared to the previous week. The rand slumped to its weakest level in almost five years after stock markets plunged around Asia on as panic selling set in with traders fretting over the economic impact of the new coronavirus and digesting a free-fall in the oil price.



The price of Brent crude oil declined by 4.3% from \$53.38 a barrel to \$51.07 in this week compared to the previous week. Oil prices fell to \$51.07 a barrel by the end of last week, as it became clear that China's measures, which had effectively contained the growth in Covid-19 cases, had come at a significant economic cost



National South African Price information (RMAA) : Beef

Week 8 (17/02//2020 to 23/02/2020)	Units	Avg Purchase Price	Avg Selling Price	Week 9 (24/02//2020 to 01/03/2020)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9 345	46.65	47.83	Class A2	10 027	46.98	48.36
Class A3	738	46.88	48.26	Class A3	953	46.93	48.62
Class C2	847	40.44	42.83	Class C2	1 092	40.15	42.61

The units sold for beef class A2, A3 and C2 increased by 7.3%, 29.1% and 28.9% respectively compared to the previous week. The average purchase prices for beef class A2 and A3 increased by 0.7% and 0.1% respectively, while beef class C2 decreased by 0.7% week on week. The average selling prices for beef class A2 and A3 also increased by 1.1% and 0.7% respectively, while class C2 decreased by 0.5% compared to the previous week.

National South African Price information (RMAA) : Lamb

Week 8 (17/02//2020 to 23/02/2020)	Units	Avg Purchase Price	Avg Selling Price	Week 9 (24/02//2020 to 01/03/2020)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 063	74.74	73.56	Class A2	7 271	75.51	74.27
Class A3	1 089	75.72	71.94	Class A3	981	75.89	73.29
Class C2	1 172	53.56	55.74	Class C2	1 619	52.99	55.15

The units sold for lamb class A2 and C2 increased by 19.9% and 38.1% respectively, while class A3 decreased by 9.9% week on week. The average purchase prices for lamb class A2 and A3 increased by 1.0% and 0.2% respectively week on week. The average selling price for lamb class A2 and A3 increased by 1.0% and 1.9% respectively, whilst both average purchase and selling price class C2 decreased by 1.1% compared to the previous week.

National South African Price information (RMAA) : Pork

Week 8 (17/02//2020 to 23/02/2020)	Units	Avg Purchase Price	Week 9 (24/02//2020 to 01/03/2020)	Units	Avg Purchase Price
Class BP	9 148	24.82	Class BP	9 410	24.46
Class HO	6 802	24.08	Class HO	7 033	23.39
Class HP	4 511	23.75	Class HP	4 581	23.69

The units sold for all the pork classes decreased with class BP, HO and HP increased by 2.9%, 3.4% and 1.6% respectively this week compared to the previous week. Whilst the average purchase price for all the pork classes also decreased with class BP, HO and HP decreased by 1.5% 2.9% and 0.3% respectively this week compared to previous week.

Latest News Developments

According to Statistics South Africa (Stats SA), Stats SA, GDP growth for 4Q 2019 was recorded a decline of 1.4%, leading South Africa into a technical recession over the period, following a decline of 0.6% in the third quarter. A technical recession is defined as two successive quarters of economic decline. This is the second such recession in two years, after experiencing the first one in 2018. A full recession requires other factors to be considered, over a longer period of time – specifically a decline in the agricultural, transport, manufacturing and trade sectors, as well as a drop in expenditure on real domestic product.

South African agriculture sector has experienced two consecutive years of recession due, in large part, to the widespread drought on the production of field and certain horticulture crops. According to the GDP figures for the fourth quarter of 2019, recently released by Statistics South Africa (Stats SA), agriculture, forestry and fisheries contracted 7,6% quarter-on-quarter. In addition, annual real GDP for agriculture, forestry and fisheries decreased 6,9% in 2019, the second year of overall decline for the sector, which also contracted 4,8% in 2018. The sector's lackluster performance added to South Africa's overall economic woes by contributing a decrease of 0,2 of a percentage point to GDP growth of -1,4% in the fourth quarter. This followed a contraction of 0,8% in the third quarter of 2019, thus plunging the economy into a technical recession. In a statement, Stats SA said that following an increase of 0,8% in 2018, annual real GDP for South Africa increased only 0,2% in 2019, the lowest yearly growth since 2009.

Maize farmers have been urged to scout for *Diplodia* maize rot amongst their crops. Dr Belinda Janse van Rensburg, a plant pathologist at the Agricultural Research Council's Grain Crops Institute, said outbreaks of *Diplodia* favored late, heavy rain and usually occurred during winter months, especially where high inoculum sources were present on stover from previous harvesting seasons. *Diplodia* is an important maize ear rot that reduces grain quality and produces mycotoxins that can lead to nervous disorders in cattle and sheep when ingested. Spore-producing structures could survive on maize stubble throughout winter, with spore production following in spring. This meant that the fungus had the ability to infect plants throughout the growing season. After rain or during high humidity, spores were released into the air, which landed on maize plants, infecting the base of the ear/leaf junction and ramifying upwards into the ear. Late season infections could also occur when kernel moisture was low, but these symptoms were less obvious. Janse van Rensburg said that harvesting early could help prevent *Diplodia* ear rot, as this reduced the time available for the fungus to grow on maize ears. Late or winter rain kept the maize ears wet, and thus increased the opportunities for fungal growth. In these cases, producers were urged to harvest earlier at higher moisture levels and dry the grain artificially.

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