



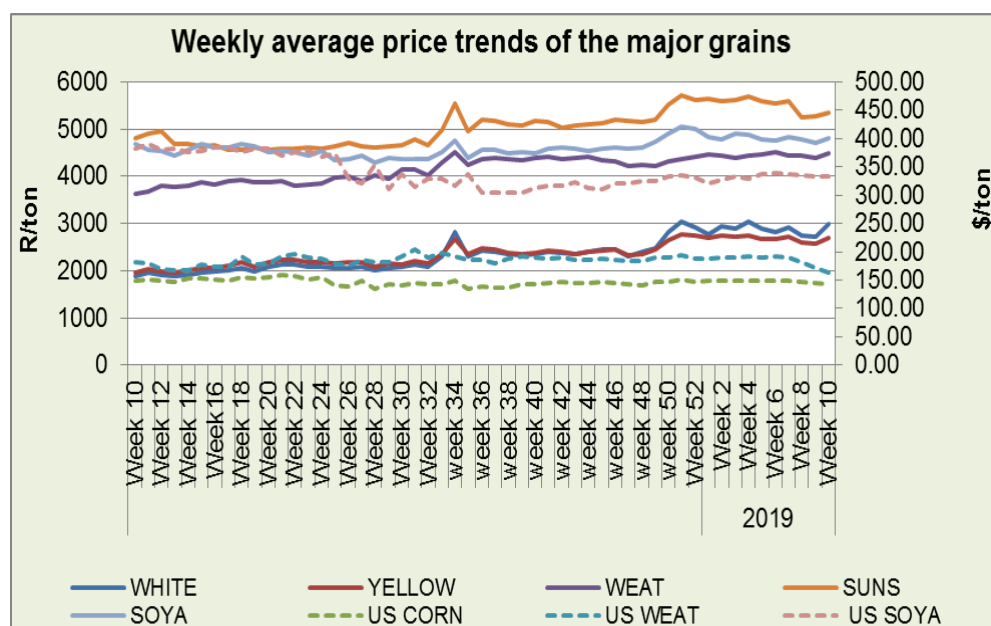
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 08 March 2019

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

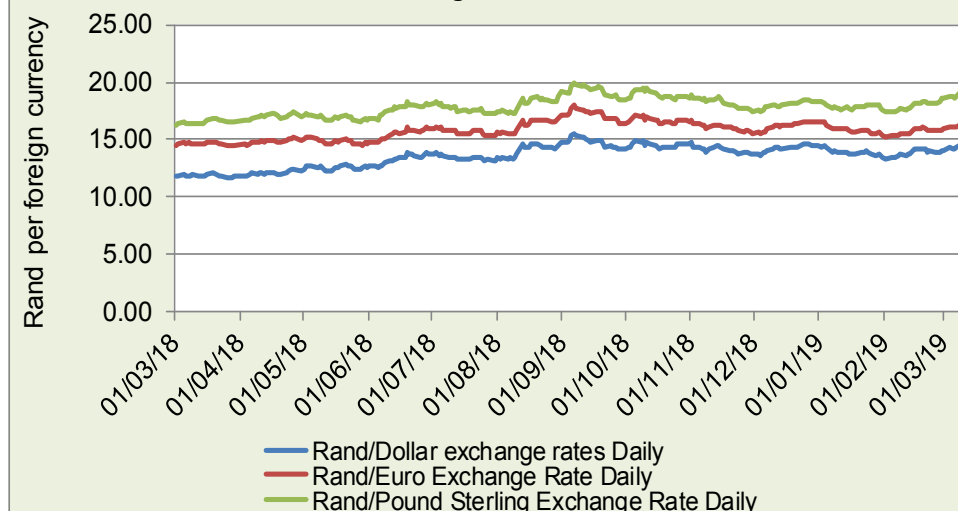


The price of local white and yellow maize increased by 9.7% and 4.9% respectively compared to last week whilst the USA maize price decreased by 1.3%. The local price increased after the Crop Estimates Committee(CEC) decreased the area planted for maize, leading to a reduction in production estimated and additionally; lack of rainfall predicted. The price of USA maize declined due to estimation of more crops harvested in Brazil and Argentina. The price of local wheat increase by 2,3% compared to last week due to the weaker Rand. The price of US wheat decreased by 4.3% on lower prices in the Black Sea region and parts of Europe. The price of local soybeans increased by 2% whilst the US soybeans price decreased by 0.4%. The CEC estimates the local soybeans production to be 21% less compared to last year's crop. The US soybeans price declined due to uncertainty regarding Chinese trade negotiations and Improving South American weather. The price of sunflower increased by 1,5% due to lack of rain. No sorghum trade this week as the 100 ton sorghum contract ceased to exist on the 15 February; trade under a new contract will commence from the 19th of March 2019.

Spot price trends of major grains commodities

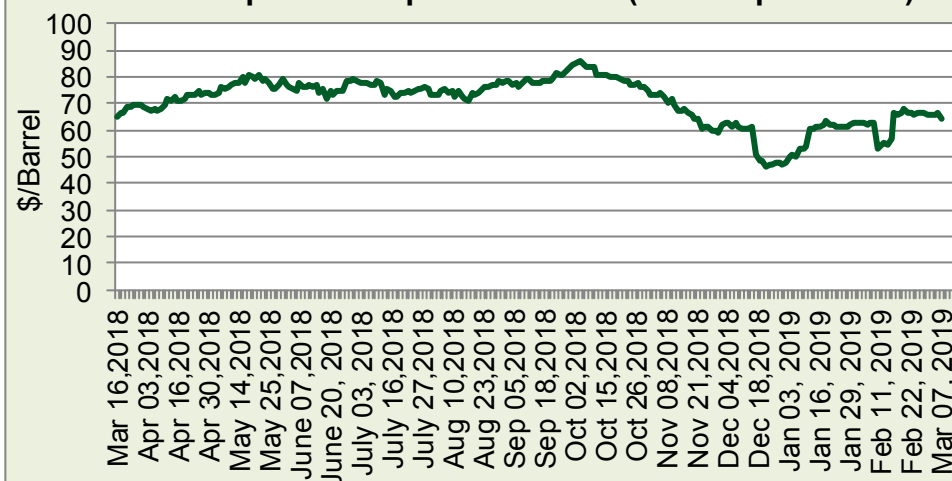
	1 year ago Week 10 (05-03-18 to 09-03-18)	Last week Week 9 (25-02-19 to 01-03-19)	This week Week 10 (04-03-19 to 08-03-19)	w-o-w % change
RSA White Maize per ton	R 1 889,80	R 2 729.00	R 2 993,20	9,7%
RSA Yellow Maize per ton	R 1 969,40	R 2 562.00	R 2 686,40	4,9%
USA Yellow Maize per ton	\$ 149,47	\$ 144.67	\$ 142.78	-1,3%
RSA Wheat per ton	R 3 632.60	R 4 390.00	R 4 490,20	2,3%
USA Wheat per ton	\$ 182.54	\$ 170.99	\$ 163,62	-4,3%
RSA Soybeans per ton	R 4 689,40	R 4 708.20	R 4 807,00	2,1%
USA Soybeans per ton	\$ 382.92	\$ 332.61	\$ 331,13	-0,4%
RSA Sunflower seed per ton	R 4 807,80	R 5 271.40	R 5 351,60	1,5%
RSA Sorghum per ton	R 3 056.00	R 3 769.60	N/A	N/A
Crude oil per barrel	\$ 64,47	\$ 66.19	\$ 65,56	-1,0%

Exchange Rate Movements



The rand depreciated by 2,5%, 1.9% and 2.2% against the US dollar, the Euro and the pound. The rand depreciated against major currencies after talks of nationalising the Reserve bank.

Europe Brent Spot Price FOB (Dollars per Barrel)



The price oil decreased by 0.9% compared to last week, Oil prices are dragged down by the increasing US oil production but the further decline in prices is curbed by the cut in supply by the Organization of the Petroleum Exporting Countries (OPEC).



National South African Price information (RMAA) : Beef

Week 8 (18/02/2019 to 24/02/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 9 (25/02/2019 to 03/03/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9118	38.86	40.72	Class A2	10645	39.39	41.30
Class A3	1270	39.28	40.96	Class A3	1193	39.73	41.59
Class C2	853	37.72	39.60	Class C2	801	38.12	40.03

Units sold for class A2 increased by 16.7% this week compared to last week whilst the other classes sold all decreased by 6%. The average purchase prices for class A2 increased by 1.4%, whilst class A3 and C2 classes both increased by 1.1%. The average selling prices for all meat classes increased, Class A2, A3 and C2 price increased by 1,4%;1.5% and 1.1% respectively.

National South African Price information (RMAA) : Lamb

Week 8 (18/02/2019 to 24/02/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 9 (25/02/2019 to 03/03/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7104	64.69	68.26	Class A2	7799	65.49	68.77
Class A3	1369	66.82	69.65	Class A3	1369	67.43	69.80
Class C2	853	52.96	56.52	Class C2	1032	52.94	56.49

The units sold for class A2 and C2 increased by 9.8% and 21% respectively whilst class A3 price remained stable. The average purchase prices for class A2 increased by 1.2% and remained stable for class A3 whilst the average price for class C2 decreased by 2%. The average selling price for class A2 increased by 0.7% whilst class A3 and C2 prices decreased by 1.3% and 0.1% respectively.

National South African Price information (RMAA) : Pork

Week 8 (18/02/2019 to 24/02/2019)	Units	Avg Purchase Price	Week 9 (25/02/2019 to 03/03/2019)	Units	Avg Purchase Price
Class BP	7946	23.75	Class BP	8733	23.59
Class HO	6913	23.27	Class HO	6724	22.81
Class HP	4449	22.96	Class HP	3687	22.91

The units sold for class BP increased by 9.9%, whilst the units sold for class HO and HP decreased by 2.7% and 17% respectively. The average prices for all classes decreased this week, with class BP, HO and HP decreasing by 0.7%,2% and 0.2% respectively.

Latest News Developments

President Cyril Ramaphosa stated in parliament that the state intended to move ahead with plans to do away with the bank's over 700 private shareholders. The Department of Trade and Industry stated that the South African government is continuing with a number of interventions to support the domestic poultry industry. The Interventions include: measures to boost competitiveness, value-addition and technology upgrades; trade measures; export support to assist the domestic industry to access foreign markets; industrial finance and incentives with conditions for improving competitiveness; and measures to promote growth and transformation of the poultry industry among others. Chemical and Allied Industries Association (CAIA) chairperson Rod Humphris stated that chemical sector as one of 18 sectors identified by a Presidential working group as being crucial to accelerating gross domestic product (GDP) growth; has a 12 times multiplier effect for job creation and about a 5.5 times multiplier on GDP. The Department of Trade and Industry (DTI) and the World Bank on Monday signed an advisory services partnership that is aimed at improving the business environment for domestic entrepreneurs. A key message at the Proudly South Africa (PSA) Buy Local Summit & Expo was that; to combat the entrenched, growing inequality, unemployment, and poverty in South Africa, more small, medium-sized and microenterprises (SMMEs) should be included in the economy and greater levels of localisation must be pursued. South African companies from technology to telecommunications, retailers, consumer goods, agriculture, education and financial services are battling with crippling unemployment levels, plummeting business confidence, instances of corporate wrongdoing and a lifeless economy that expanded just 0.8% last year. Nersa on Thursday announced that it had granted Eskom a 9.41% tariff increase for 2019/20 under its fourth multiyear price determination application for 2019/20 to 2021/22. The decision has been met with hostile reactions, with various parties condemning the decision, saying that it will have severe ramifications for the South African economy. The Council for Scientific and Industrial Research (CSIR) launched an open access online climate risk profiling and adaptation tool to assist municipalities across South Africa to assess their climate risks and implement adaptation measures to develop climate resilient human settlements. Japan is convinced that Africa should have ownership of its own development and that the private sector is essential for the continent's economic progress.

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.