



agriculture, land reform & rural development

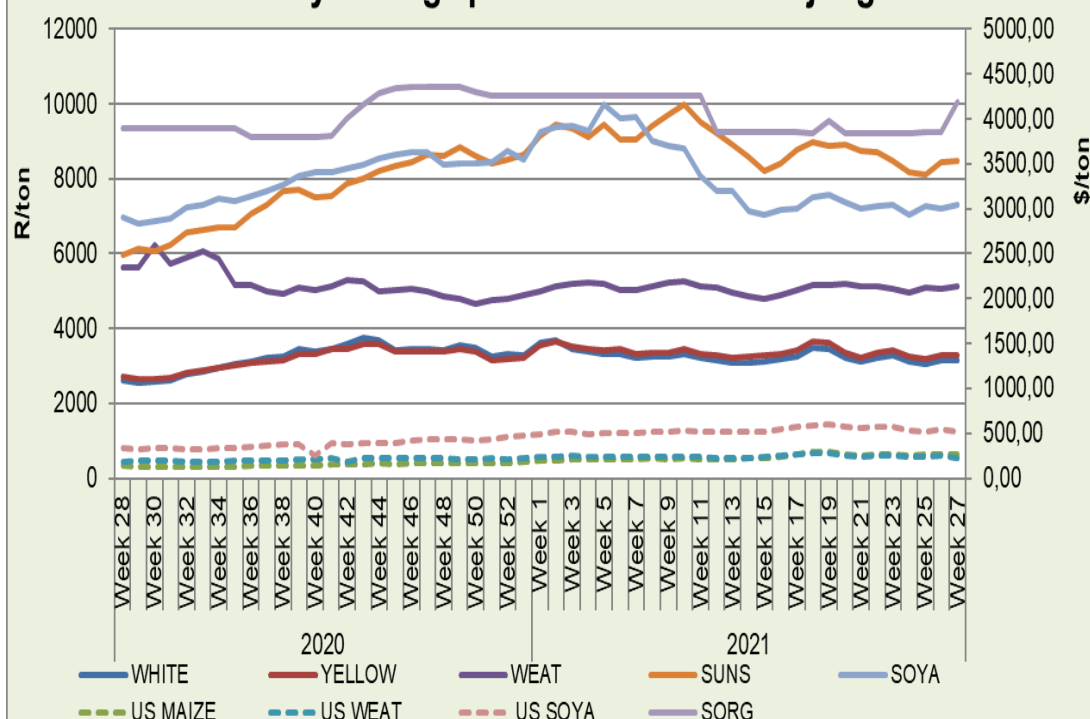
Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 09 July 2021

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

Weekly average price trends of the major grains

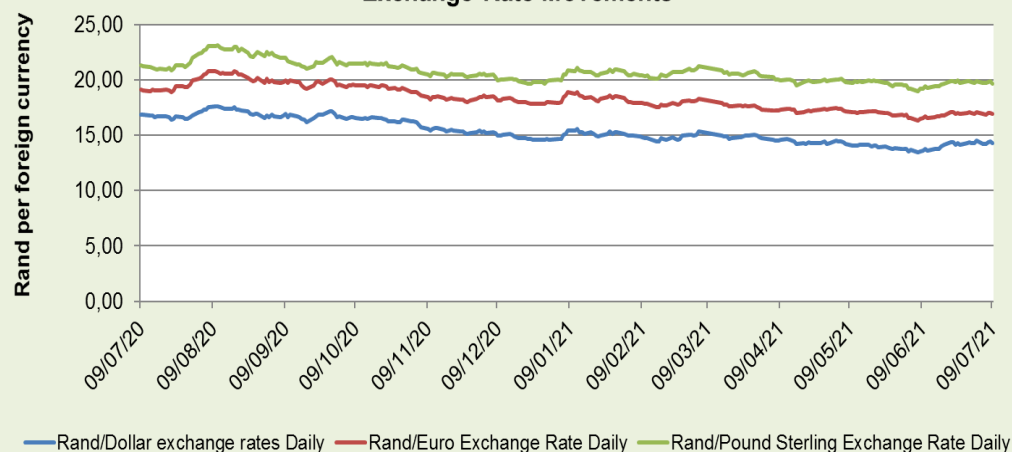


The price of local white and yellow maize decreased this week compared to the previous week. The price of white and yellow maize decreased by 0.8% and 0.2% respectively whilst the international maize price increased by 0.9%. The local price declined from their slight rise last week due to inter-alia a changed weather outlook to favourable weather outlook in the USA. The US maize price rose from their lower base, as news of improved weather outlook from last week uncertain conditions caused a decline in the maize price during the week. News of a frost in Brazil crop also slightly boosted the US price of maize. The price of local wheat increased by 0.9% while the international wheat price decreased by 6.2%. The local price benefited from the weaker rand and from news of reported dryness in some parts in the Western Cape. The International price decreased as a result of good rainfall across the EU and also of bumper crops expected in France and German. The price of local soybeans increased by 1.3% benefiting from the weaker rand. The international soybeans price decreased by 5.6% as a result of good weather and on prospect of increased soybeans crop outlook in Brazil. The price of sunflower increased by 0.3% as stocks remain tight. The price of sorghum increased by 8.7% from last week.

Spot price trends of major grains commodities

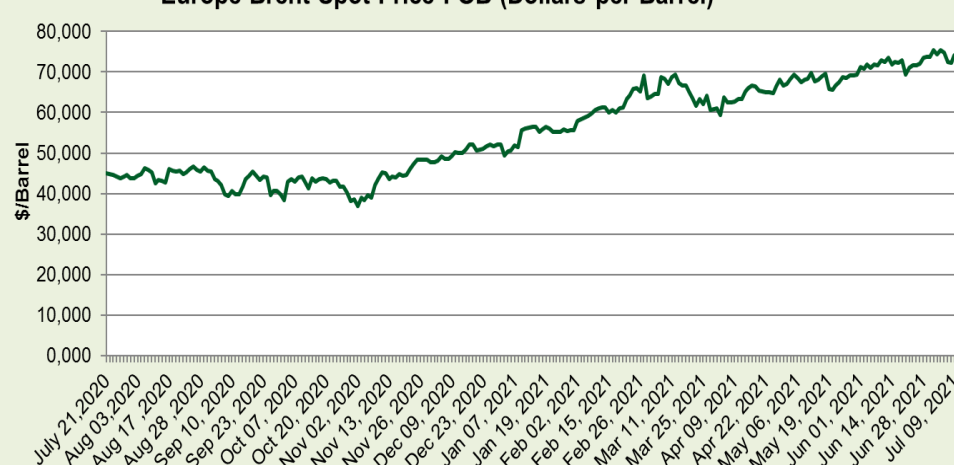
	1 year ago Week 26 (06-07-20 to 10-07-20)	This week Week 26 (28-06-21 to 02-07-21)	This week Week 27 (05-07-21 to 09-07-21)	w-o-w % change
RSA White Maize per ton	R 2 555,20	R 3 160,71	R 3 136,40	-0,8%
RSA Yellow Maize per ton	R 2 661,40	R 3 288,79	R 3 280,60	-0,2%
USA Yellow Maize per ton	\$ 131,66	\$ 260,81	\$ 263,05	0,9%
RSA Wheat per ton	R 5 400,20	R 5 073,46	R 5 121,40	0,9%
USA Wheat per ton	\$ 179,16	\$ 245,86	\$ 230,60	-6,2%
RSA Soybeans per ton	R 6 865,40	R 7 216,54	R 7 313,60	1,3%
USA Soybeans per ton	\$ 323,46	\$ 548,39	\$ 517,60	-5,6%
RSA Sunflower seed per ton	R 5 869,60	R 8 450,90	R 8 472,40	0,3%
RSA Sweet Sorghum per ton	R 3 442,80	R 3 859,00	R 4 195,00	8,7%
Crude oil per barrel	\$ 40,86	\$ 74,13	\$ 73,82	-0,4%

Exchange Rate Movements



The rand appreciated against the US dollar, the Euro and the US pound despite the turmoil locally compared to the previous week. The high commodity prices and the low US rates continue to boost the local currency. The rand appreciated by 0.2%, 0.5% and 0.3% against the US dollar, Euro and Pound respectively.

Europe Brent Spot Price FOB (Dollars per Barrel)



The price of oil decreased by 0.4% this week compared to the previous week. News of the breaking down of talks by members of OPEC still weighed on the market, with speculation becoming rife that the group might abandon output limits.

National South African Price information (RMAA) : Beef

Week 25 (21/06/2021 to 27/06/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 26 (28/06/2021 to 4/07/2021)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8497	51,99	53,93	Class A2	6857	52,97	53,86
Class A3	869	50,25	54,34	Class A3	801	53,02	55,27
Class C2	683	44,58	45,77	Class C2	565	46,24	48,28

The quantities supplied for the market this week or class A2, A3 and C2 beef decreased by 19.3%, 7.8% and 17.3% respectively compared to the previous week. The average producer price for all the classes increased by 1.9%, 5.5% and 3.7% respectively whilst the market prices increased for class A3 and C2 increased by 1.7% and 5.5% while decreasing for class A2.

National South African Price information (RMAA) : Lamb

Week 25 (21/06/2021 to 27/06/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 26 (28/06/2021 to 4/07/2021)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7687	93,26	96,63	Class A2	7968	100,50	100,39
Class A3	1003	93,33	96,76	Class A3	1374	99,13	98,66
Class C2	978	72,17	76,13	Class C2	959	75,60	78,06

The quantities of lamb made available to the market this week for class A2 and A3 increased by 3.7% and 37% whilst decreasing by 1.9% for class C2 respectively compared to the previous week. The producer prices increased by 7.8, 62% and 4.8% for all classes respectively, whilst the market prices also increased for all the classes as well, with the prices rising by 3.9%, 2% and 2.5% respectively.

National South African Price information (RMAA) : Pork

Week 25 (21/06/2021 to 27/06/2021)	Units	Avg Purchase Price	Week 26 (28/06/2021 to 4/07/2021)	Units	Avg Purchase Price
Class BP	8833	28,05	Class BP	5716	28,03
Class HO	8795	27,85	Class HO	8788	27,42
Class HP	5987	27,83	Class HP	6823	27,57

The quantities of pork sold this week decreased by 35.3% and 0.1% respectively for Class BP and Class HO whilst increasing by 14% for class HP Pork compared to the previous week. The producer prices for all the classes decreased by 0.1%, 1.5% and 0.9 for class BO , HO and HP .

Latest News Developments

The World Economic Forum indicated that the rising electricity price in South Africa is one of the major contributing factors placing South Africa near the bottom of its Energy Transition Index list. SA ranks at 110 out of 115 countries Economist Kulani Siweya indicates that this presents an opportunity for farmers to adopt of renewable energy in the sector, as the country continues to implement electricity tariff increases and is affected by recurring blackouts. Kulani Siweya further stated that renewable energy present an opportunity for more reliable power supply, but it also gives the producer more control over the cost of energy, holds environmental benefits beneficial to a sustainable future. Nedbank national agriculture head John Hudson also commentated that the one positive coming out of the Covid-19 pandemic is that the earth has been given a year to breathe.

John Hudson also cited the World Wide Fund for Nature's Global Living Planet Index, which indicates that the world has lost 68% of fauna and flora species since 1970. Operation Sakhinzuzo, a R74-million six-year development programme funded by the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (EDTEA) and agribusiness Tongaat Hulett, has, after five years, delivered benefits for 287 small-scale sugarcane growers on the KwaZulu-Natal North Coast after 5 years of continued investment. 3 000 hectares of freehold and communal land has come under sugarcane production bolstering economic activity in rural KwaZulu-Natal. Economic Development, Tourism and Environmental Affairs MEC Ravi Pillay stated that the project externalities includes 2 470 seasonal jobs; education and training of 74 local youth and community members, the expansion of other small businesses associated with the sugar industry to expand and remain sustainable amid the pandemic.

Wine Industry body Vinpro stated that according to the 'Impact of Covid-19 on the Wine Value-Chain Survey' it conducted among wine grape producers, wineries and other wine-related businesses in early July. Indicates that 58% of the 549 respondents have indicated that their businesses would have to make drastic changes over the next year to be able to overcome the current challenges related to Covid-19 and the survey shows that 22% will in all probability not be able to survive at all. Many wine businesses, especially smaller companies and those under black ownership are facing potential closure in the next three to twelve months owing to the recurring bans on the sale of alcohol .

Industry organization Business for South Africa (B4SA) has welcomed the Department of Health's decision to allow 35- to 49-year-olds to register for their Covid-19 vaccinations from July 15.

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