



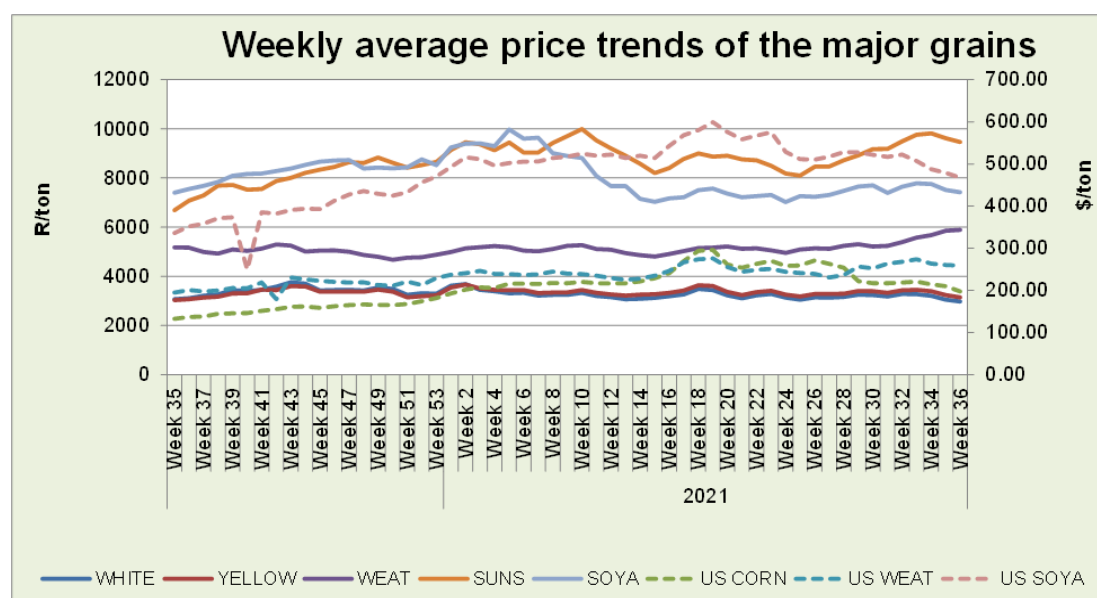
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 10 September 2021

Directorate: Statistics & Economic Analysis

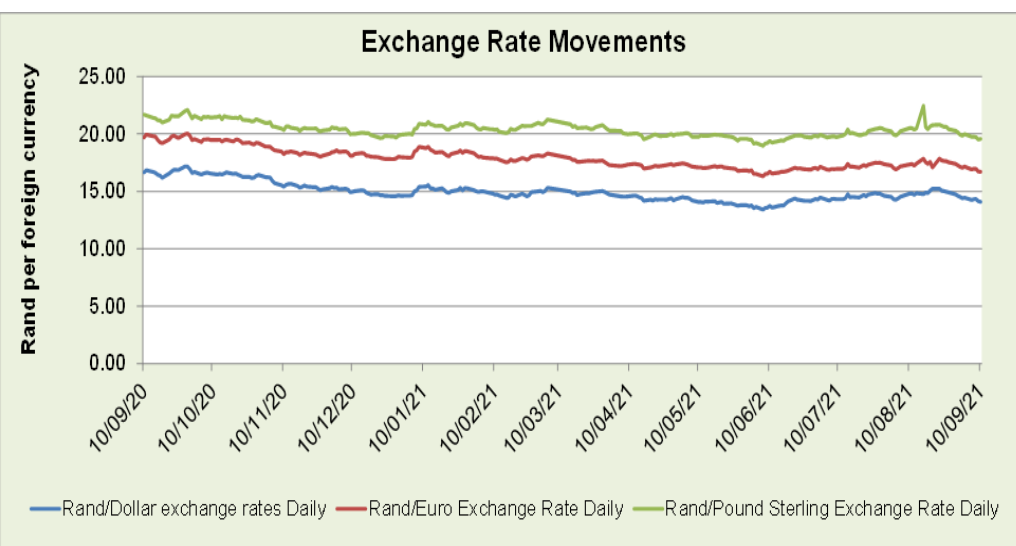
Sub-directorate: Economic Analysis



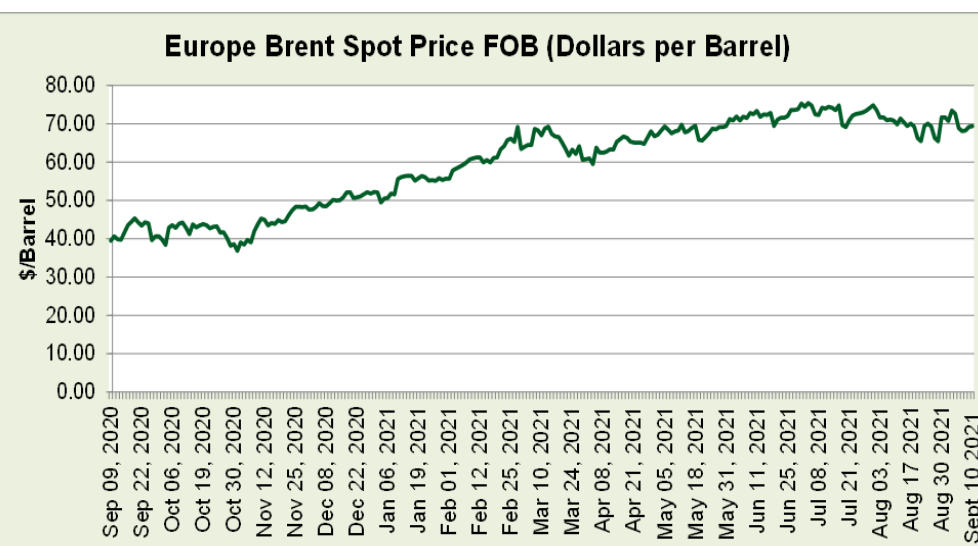
All domestic grain prices traded lower this week compared to the previous week with the exception of wheat prices, which increased slightly by 0.6%. Local prices of white maize, yellow maize, soybeans and sunflower decreased by 2.5%, 2.7%, 1.1% and 1.6% respectively this week compared to the previous week. During the same period local prices of sweet sorghum remained flat. All international grain prices traded lower for two consecutive weeks with US yellow maize, Wheat and soybean prices decreased by 5.9%, 0.6% and 2.4% respectively. In its most recent forecast, the US Department of Agriculture reduced the combined output of top exporters Russia and Canada by 20 million tons for the current crop year. This was in response to the widespread deterioration of the crop in these countries.

Spot price trends of major grains commodities

	1 year ago Week 36 (07-09-20 to 11-09-20)	This week Week 35 (30-08-21 to 03-09-21)	This week Week 36 (06-09-21 to 10-09-21)	w-o-w % change
RSA White Maize per ton	R 3 111.60	R 3 055.20	R 2 978.00	-2.5%
RSA Yellow Maize per ton	R 3 073.60	R 3 232.80	R 3 144.80	-2.7%
USA Yellow Maize per ton	\$ 136.83	\$ 209.74	\$ 197.30	-5.9%
RSA Wheat per ton	R 5 166.40	R 5 857.00	R 5 893.00	0.6%
USA Wheat per ton	\$ 200.60	\$ 260.04	\$ 258.46	-0.6%
RSA Soybeans per ton	R 7 7552.20	R 7 510.80	R 7 425.60	-1.1%
USA Soybeans per ton	\$ 351.82	\$ 479.08	\$ 467.66	-2.4%
RSA Sunflower seed per ton	R 7 078.20	R 9 175.00	R 9 467.60	-1.6%
RSA Sweet Sorghum per ton	R 3 800.00	R 4 230.00	R 4 230.00	0.0%
Crude oil per barrel	\$ 43.49	\$ 72.06	\$ 68.76	-4.6%



The rand appreciated by 2.2% against the US dollar, the rand also appreciated by 1.9% against the Pound Sterling week-on-week and the rand appreciated by 2.0% against the Euro week on week. The South African rand traded around R14.23 against the dollar, hovering at its strongest level since early July, as the greenback remained subdued. The risk rally continues to bolster the performance of the local currency.



Brent crude oil averaged \$68.76, a 4.6% decline compared to \$72.06 reported the previous week. US crude oil, gasoline and distillate stocks all fell this week, according to two market sources, citing American Petroleum Institute figures on Tuesday, after Hurricane Ida shut numerous refineries and offshore drilling production.



National South African Price information (RMAA) : Beef

Week 34 (23/08/2021 to 29/08/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 35 (30/08/2021 to 05/09/2021)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 850	51.07	52.32	Class A2	5 298	51.77	53.57
Class A3	750	50.45	53.48	Class A3	510	50.87	53.15
Class C2	644	45.60	46.97	Class C2	422	44.33	46.42

Units sold for class A2, A3 and C2 beef decreased by 40.1%, 32.0% and 34.5% respectively this week compared to the previous week. The weekly average purchase prices for class A2 and A3 beef increased by 1.4% and 0.8% respectively in the reporting week compared to the previous week. Whilst during the same period, the weekly average purchasing prices for class C2 beef decreased by 2.8% in the reporting week compared to the previous week. The weekly average selling price for class A3 and C2 beef decreased by 0.6% and 1.2% respectively week-on-week, while weekly average selling price for A2 increased by 2.4%. Beef prices are expected to increase in November when prices will benefit from an increase in demand due to the festive season.

National South African Price information (RMAA) : Lamb

Week 34 (23/08/2021 to 29/08/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 35 (30/08/2021 to 05/09/2021)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 098	93.54	94.28	Class A2	7 477	91.89	92.26
Class A3	1 095	89.87	91.56	Class A3	1 316	88.02	89.19
Class C2	865	72.36	75.45	Class C2	670	71.49	74.10

Units sold for class A2 and A3 lamb increased by 5.3% and 20.4% respectively in the reporting week compared to the previous week, while units sold for class C2 decreased by 22.5% this week compared to the previous week. The weekly average purchase prices for class A2, A3 and C2 lamb decreased by 1.8%, 2.1% and 1.2% respectively in the reporting week compared to the previous week. During the same period, the weekly average selling prices for class A2, A3 C2 lamb decreased by 2.1%, 2.6% and 1.8% respectively. Lamb prices are expected to increase as we are approaching festive season.

National South African Price information (RMAA) : Pork

Week 34 (23/08/2021 to 29/08/2021)	Units	Avg Purchase Price	Week 35 (30/08/2021 to 05/09/2021)	Units	Avg Purchase Price
Class BP	8 519	25.47	Class BP	9 246	25.53
Class HO	7 927	24.65	Class HO	7 510	24.80
Class HP	8 255	24.48	Class HP	9 053	24.93

Units sold for class BP and class HP pork increased by 8.5% and 9.7% respectively this week compared to the previous week while, units sold for class HO pork decreased by 5.3% week-on-week. Meanwhile, the weekly average purchase prices for class BP, class HO and class HP pork increased by 0.04% and 0.2% respectively in the reporting week compared to the previous while, the weekly average purchase price for class HP pork decreased by 0.2%. 0.6% and 1.8% respectively this week compared to the previous week.

Latest News Developments

South Africa's economy expanded by 1,2% quarter-on-quarter, with the transport, storage and communications industries making the largest contribution at 6,9%, followed by agriculture at 6,2%, according to the latest data released by Statistics South Africa (Stats SA). On a year-on-year, unadjusted basis, second quarter GDP increased by 19,3%, due to South Africa being hard-hit by the hard COVID-19 related lockdown during the same period last year. Dawie Maree, head of information and marketing at FNB Agriculture, said agriculture's contribution is expected to be in the region of 10% thanks to favorable production conditions. The summer grain and citrus seasons, nevertheless ran later than usual, so their full impact would only be evident during the next term. The full impact of the most recent lockdown, [civil unrest] and [the breach of] port internet security will only be captured in the next term. South Africa's consumer confidence improved slightly in the third quarter from the three months prior, a survey showed, helped by pent-up demand for big-ticket purchases such as cars and electronic appliances after vaccination drives. The consumer confidence index (CCI) is sponsored by First National Bank (FNB) and compiled by the Bureau for Economic Research (BER), rose to minus 10 points from minus 13 in the second quarter. The fact that consumer sentiment did not deteriorate further on the back of the violent protests and rampant looting that tore through KwaZulu-Natal and Gauteng during July point to a level of resilience among consumers.

The Red Meat Producers' Organisation (RPO) has welcomed the reduction in the size of the disease management area (DMA) for foot-and-mouth disease (FMD) in KwaZulu-Natal. The Minister of Agriculture, Land Reform and Rural Development, Thoko Didiza, announced the revised area in a statement released on Tuesday, 7 September. This followed the conclusion of the second round of serological surveillance, which established that the disease was still confined to two clusters of dip tanks in the Mtubatuba and Nongoma areas. Angus Williamson, chairperson of the RPO in KwaZulu-Natal, said the announcement gave producers an opportunity to rectify any cash flow problems they may have experienced over the past four months since the restrictions were put in place. Many producers have not been able to sell animals, which has led to issues with regard to paying bills and other expenses. Now bull production and weaner sales can resume and this will be very helpful. Tractor and combine harvester sales in August are a clear indication that farmers remain optimistic about the production conditions for the season ahead. According to the latest tractor sales report by the South African Agricultural Machinery Association (SAAMA), August's tractor sales of 724 units were almost 56% more than the 465 units sold in August last year. Year-to-date tractor sales were up almost 30% on last year with 4 685 units sold so far in 2021. Fourteen combine harvesters were sold in August, one unit more than the 13 units sold in August last year, while on a year-to-date basis, combine harvester sales were now almost 25% up on last year.

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

Source: SAFEX, Standard bank, Stats SA, Reuters, Red Meat Abattoir Association, FNB and Absa Bank.

Disclaimer: DAFF will not be liable for results of actions based on this price watch.