

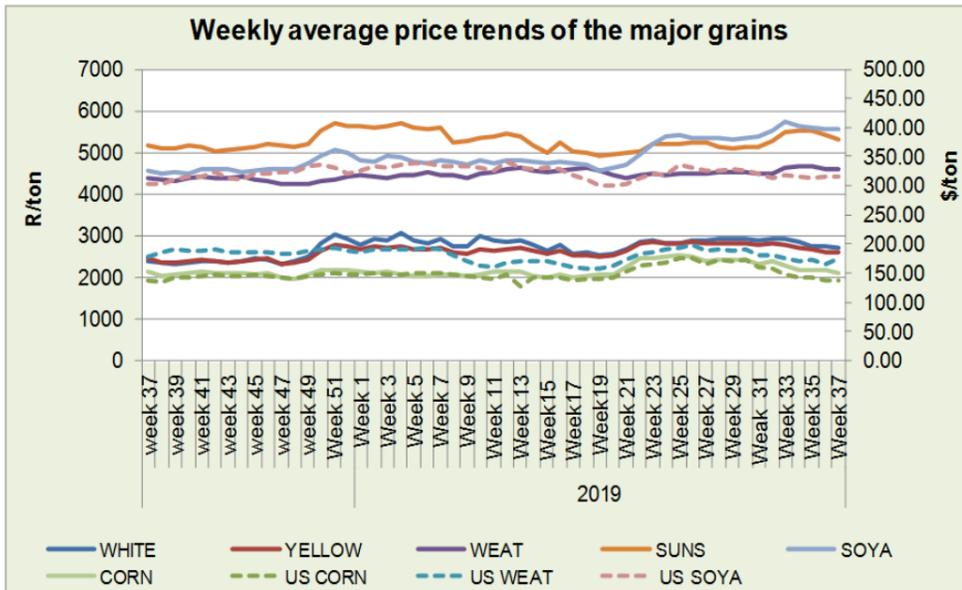


# agriculture, forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA

## Weekly Price Watch: 13 September 2019

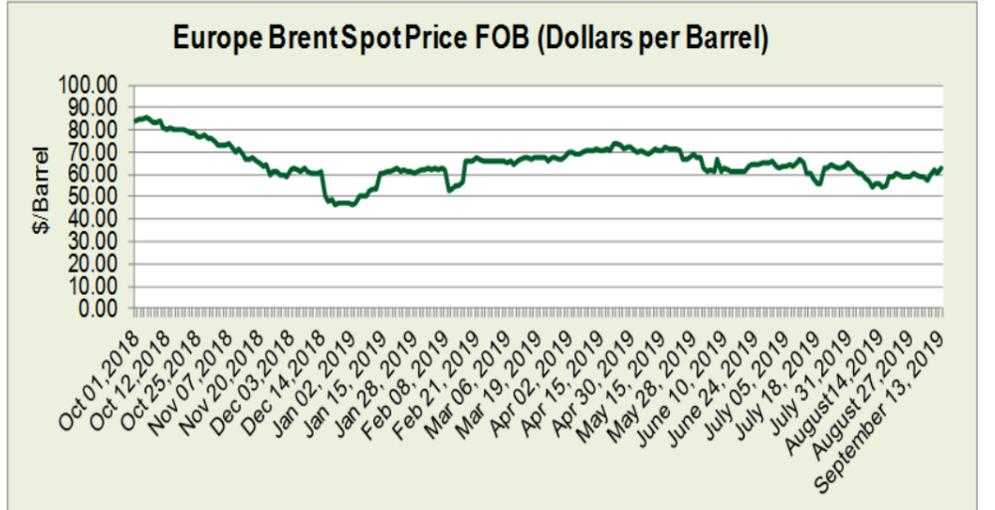
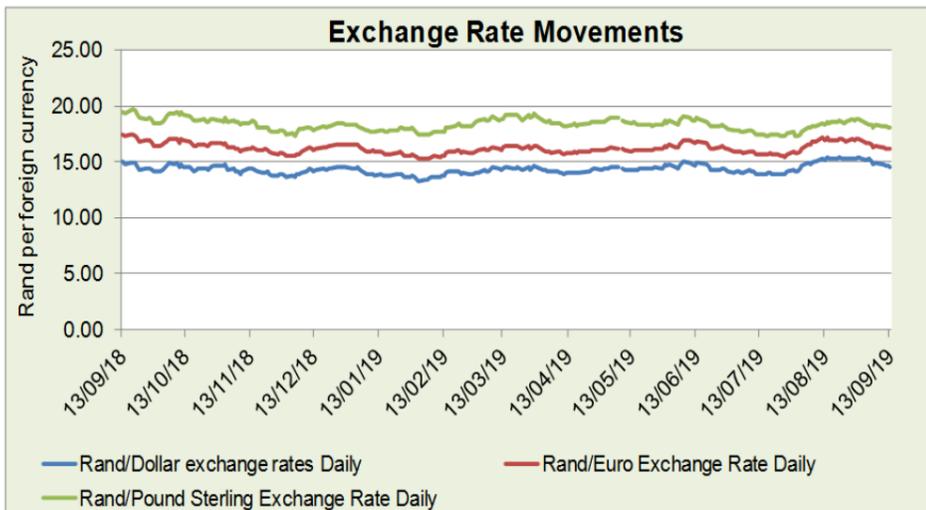
Directorate: Statistics & Economic Analysis



All domestic grain prices weakened for two consecutive weeks with white and yellow maize prices decreased by 0.9% respectively this week compared to the previous week. Wheat and sunflower prices also decreased by 0.2% and 1.9% respectively week-on-week, whilst local soybean prices increased by 1.9% compared to last week. US yellow maize prices decreased by 1.4% this week compared to the previous week. While US wheat and soybean prices increased by 4.9% and 0.1% this week compared to last week. Corn weakened as late-planted US crops were seen benefiting from a late-summer heat wave, although positioning ahead of the US Department of Agriculture's (USDA) monthly supply-and-demand report due Thursday limited declines. Much of the market's focus was on the upcoming USDA report, which is expected to show smaller US corn and soybean crops after the agency sprung a surprise last month with a higher than anticipated forecast.

### Spot price trends of major grains commodities

	1 year ago Week 36 (10-09-18 to 14-09-18)	Last week Week 36 (02-09-19 to 06-09-19)	This week Week 37 (06-09-19 to 13-09-19)	w-o-w % change
RSA White Maize per ton	R 2 402.40	R 2 740.60	R 2 715.60	-0.9%
RSA Yellow Maize per ton	R 2 454.60	R 2 614.60	R 2 589.60	-0.9%
USA Yellow Maize per ton	\$ 138.69	\$ 138.42	\$ 136.53	-1.4%
RSA Wheat per ton	R 4 364.60	R 4 593.60	R 4 583.00	-0.2%
USA Wheat per ton	\$ 185.11	\$ 166.80	\$ 175.03	4.9%
RSA Soybeans per ton	R 4 555.20	R 5 565.80	R 5 572.80	0.1%
USA Soybeans per ton	\$ 304.97	\$ 314.70	\$ 314.98	0.1%
RSA Sunflower seed per ton	R 5 209.20	R 5 409.60	R 5 304.20	-1.9%
RSA Sorghum per ton	R 3 500.00	-	-	-
Crude oil per barrel	\$ 78.31	\$ 59.85	\$ 62.53	4.5%



The rand depreciated by 2.8% against the US dollar this week, while the rand appreciated by 1.3% against the Pound Sterling week-on-week. The rand appreciated by 2.3% against the Euro this week compared to the previous week. A strong rand rally over the past week has put the petrol price on track for a cut in the first week of October.

Brent crude oil averaged \$62.53 a barrel compared \$59.85 a barrel last week, a 4.5% increase. Oil surged along with gold and Treasury futures after a strike on the heart of Saudi Arabia's oil production increased geopolitical risk concerns. The attacks on Saudi oil facilities mark a major setback to the global geopolitical landscape.



### National South African Price information (RMAA) : Beef

Week 35 (26/08/2019 to 01/09/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 36 (02/09/2019 to 08/09/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9 692	45.11	46.68	Class A2	9 556	45.98	46.83
Class A3	879	45.63	46.70	Class A3	629	45.99	46.96
Class C2	1 580	37.07	40.02	Class C2	1 669	37.03	39.33

Units sales for class A2 and A3 beef decreased by 1.4% and 28.4% respectively, while unit sales for class C2 beef increased by 5.6% this week compared to the previous week. Weekly average purchase prices for class A2 and A3 beef increased by 1.9% and 0.8% respectively in the reporting week while class C2 beef prices decreased by 0.1% this week compared to last week. During the same period, weekly average selling prices for class A2 and A3 increased by 0.3% and 0.6%, while class C2 beef decreased by 1.7% this week compared to the previous week.

### National South African Price information (RMAA) : Lamb

Week 35 (26/08/2019 to 01/09/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 36 (02/09/2019 to 08/09/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 413	69.44	70.32	Class A2	7 236	67.73	70.24
Class A3	1 664	69.20	69.74	Class A3	1 024	69.05	70.22
Class C2	1 277	49.86	52.75	Class C2	1 028	49.72	53.15

Lamb unit sales for class A2, A3 and C2 decreased by 14.0%, 38.5% and 19.5% respectively this week compared to the previous week. Weekly average purchase prices for class A2, A3 and C2 lamb also decreased by 2.5%, 0.2% and 0.3% respectively this week compared to last week. During the same period, weekly average selling price for class A3 and C2 increased by 0.7% and 0.8%, whilst the weekly average selling price for class A2 lamb decreased by 0.1% respectively week-on-week.

### National South African Price information (RMAA) : Pork

Week 35 (26/08/2019 to 01/09/2019)	Units	Avg Purchase Price	Week 36 (02/09/2019 to 08/09/2019)	Units	Avg Purchase Price
Class BP	8 519	25.96	Class BP	8 728	25.92
Class HO	7 270	24.87	Class HO	7 258	24.90
Class HP	5 174	24.97	Class HP	5 300	24.89

Unit sales for class BP and HP pork increased by 2.5% and 2.4% respectively this week compared to the previous week, while unit sales for class HO pork decreased by 0.2% week-on-week. During the same period, weekly average purchase prices for class BP and class HP pork decreased by 0.2% and 0.3% respectively, whilst class HO pork increased by 0.1%. Locally, pork prices may gain underlying support from the higher lamb, mutton and beef prices and as herd rebuilding continues.

## Latest News Developments

The South African Reserve Bank's monetary policy committee will announce its decision on interest rates next week, economists are not expecting a change. Finance Minister Tito Mboweni will present Medium-Term Budget Policy Statement (MTBPS) in October, commonly referred to as the mini-budget - amid shrinking growth prospects and growing pressure exerted by the country's state-owned enterprises on the fiscus. The upcoming MTBPS will be a critical indicator of how government is planning to deal with prevailing challenges resulting in low growth and crippling SA's economy. Ratings agencies would be pay close attention to the statement as it could inform their decision on the country's sovereign rating.

According to the latest statistics from the South African Agricultural Machinery Association (SAAMA) no combine harvesters were sold in South Africa during August, compared with the nine sold in August 2018. SAAMA's report added that year-to-date combine harvester sales of 119 units were 17,9% down on the 145 units sold during the corresponding first eight months of 2018. Year-on-year combine harvester sales were almost 7% down on the preceding period. National tractor sales of 437 units for August were, according to SAAMA, 10,3% lower than the 487 units sold in August last year. Year-to-date tractor sales of 3 488 units were 21,2% down on the 4 424 tractors sold in the corresponding period in 2018. On a rolling 12 month basis to August, tractor sales were also 14% down on the corresponding preceding period. A group of vegetable producers from across Botswana are calling for a permanent ban on imports of tomatoes, potatoes, cabbages, carrots, beetroot and green peppers from South Africa and other vegetable exporting countries. The group recently approached the Botswana government to discuss the idea of a permanent ban on such imports, saying local farmers could meet national demand for these vegetables. Recent breakthroughs in gene editing technology mean that advancements in the industry can be brought to the farm faster, cheaper and more accurately than before. The result is plants and livestock that are naturally more resistant to disease, crops that are higher-yielding and ultimately, more sustainable profitable farms. Through editing the genes of livestock cattle can be bred to be more heat-resistant and cope better with climate change.

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