



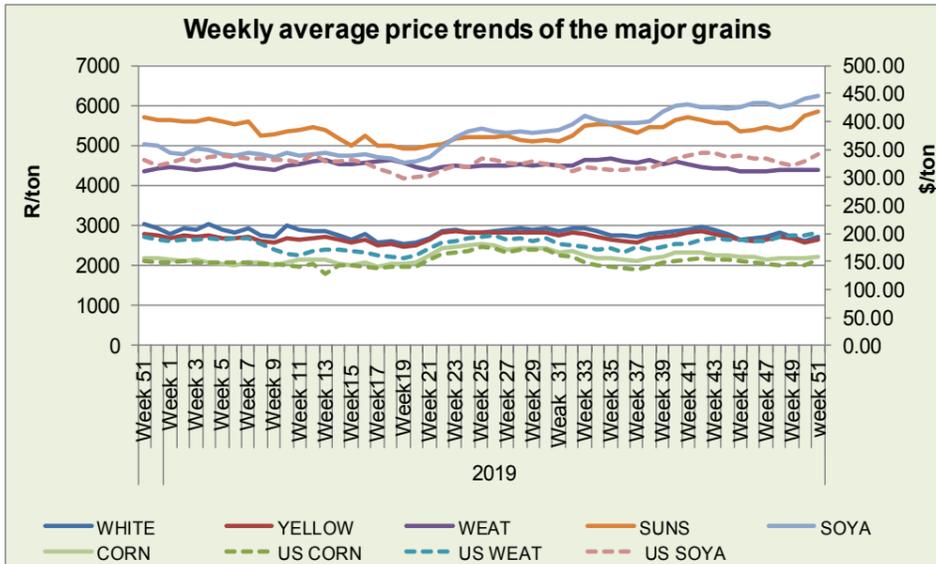
# agriculture, forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA

## Weekly Price Watch: 20 December 2019

Directorate: Statistics & Economic Analysis

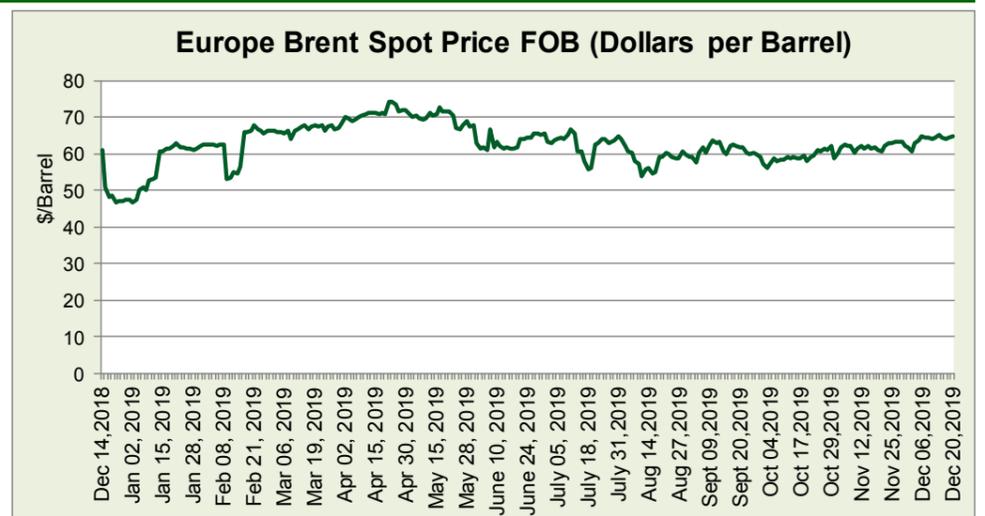
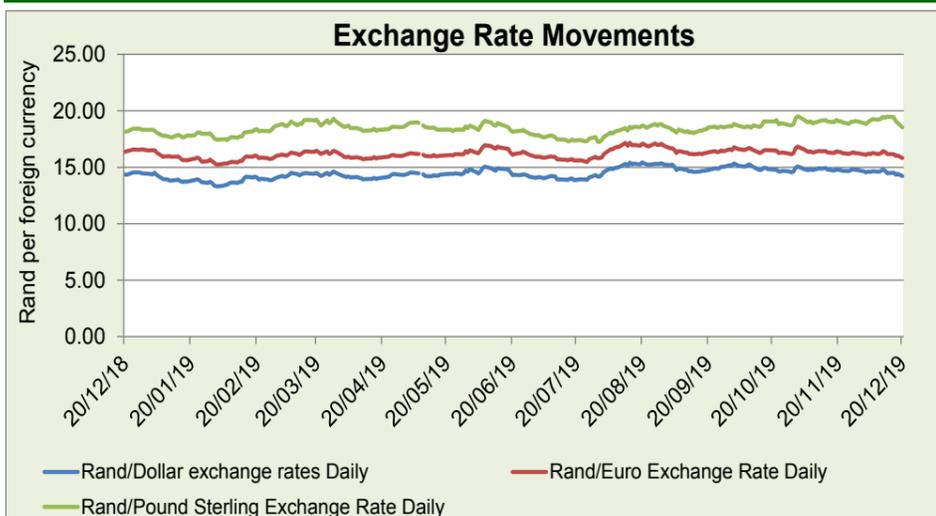
Sub-directorate: Economic Analysis



The significant rainfall that occurred over large parts of the country have provided some relieve to some farmers. However, in drought affected areas, the impact of the severe drought is far from over and its effect is felt across different spheres of the economy. The domestic and international grain markets closed on higher note this week as compared to the previous week with the exception South African wheat, which reported a marginal price decrease of 0.1% compared to previous week. The local price of white maize, yellow maize, soybeans and sunflower seed increased by 3.1%, 3%, 0.7% and 2% respectively this week, while the price of mini sweet sorghum remain unchanged at R3469/ton. Internationally, US yellow maize, US wheat and US soybean prices also increased by 6.7%, 3.3% and 3.4% respectively this week compared to the previous week.

### Spot price trends of major grains commodities

|                            | 1 year ago<br>Week 51<br>(18-12-18 to 21-11-18) | Last week<br>Week 50<br>(09-12-19 to 13-12-19) | This week<br>Week 51<br>(17-12-19 to 20-12-19) | w-o-w % change |
|----------------------------|---|--|--|----------------|
| RSA White Maize per ton    | R 3 039.00                                      | R 2 628.00                                     | R 2 710.25                                     | 3.1%           |
| RSA Yellow Maize per ton   | R 2 771.25                                      | R 2 580.00                                     | R 2 658.25                                     | 3.0%           |
| USA Yellow Maize per ton   | \$ 150.21                                       | \$ 143.29                                      | \$ 152.88                                      | 6.7%           |
| RSA Wheat per ton          | R 4 362.25                                      | R 4 408.60                                     | R 4 405.50                                     | -0.1%          |
| USA Wheat per ton          | \$ 194.15                                       | \$ 196.12                                      | \$ 202.58                                      | 3.3%           |
| RSA Sunflower seed per ton | R 5 706.25                                      | R 5 743.00                                     | R 5 855.00                                     | 2.0%           |
| RSA Soybeans per ton       | R 5 045.50                                      | R 6 187.20                                     | R 6 229.75                                     | 0.7%           |
| USA Soybeans per ton       | \$ 331.20                                       | \$ 329.17                                      | \$ 340.36                                      | 3.4%           |
| RSA Sweet Sorghum per ton  | R 3 469.00                                      | R 3 469.00                                     | R 3 469,00                                     | 0.0%           |
| Crude oil per barrel       | \$ 48.53  | \$ 64,48                                       | \$ 64,41                                       | -0.1%          |



The South African rand trader firmer against all the major currency this week compared to previous week. According to analysts, the rand broke below the R14.30/\$ mark mid week, translating to its strongest performance in four months. The rand appreciated by 1.9%, 1.7% and 2.3% against the dollar, euro and pound sterling respectively, this week compared to the previous week.

The price of Brent crude oil decreased marginally by 0.1% from \$64.48 a barrel to \$64.41 in the reporting week. There is progress in the trade dispute between the world's two biggest oil consumers. China has recently announced a list of import tariff exemptions for six oil and chemical products from the United States, days after Washington and Beijing said an interim trade deal is set to be signed in January 2020.



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

| Week 49 (02/12/2019 to 08/12/2019) | Units  | Avg Purchase Price | Avg Selling Price | Week 50 (09/12/2019 to 15/12/2019) | Units  | Avg Purchase Price | Avg Selling Price |
|------------------------------------|--------|--------------------|-------------------|------------------------------------|--------|--------------------|-------------------|
| Class A2                           | 12 767 | 44.67              | 46.00             | Class A2                           | 14 137 | 45.05              | 47.08             |
| Class A3                           | 986    | 44.07              | 46.29             | Class A3                           | 1 222  | 44.87              | 47.18             |
| Class C2                           | 1 125  | 37.47              | 39.73             | Class C2                           | 891    | 37.86              | 39.66             |

Beef class A3 was the most preferred choice of meat amongst the classes of beef, followed by beef class A2. Weekly units sold for class A3 and A2 beef increased by 23.9% and 10.7% respectively, while class C2 beef decreased by 20.8% in the reporting week compared to previous week. Average purchase prices for class A2, A3 and C2 increased of by 0.9%, 1.8% and 1.0% respectively week-on-week. During the same period, the weekly average selling prices for beef class A2 and A3 increased by 2.3% and 1.9% respectively, whilst beef class C2 decreased by 0.2% this week compared to the previous week. The units for all classes of beef are expected to increase as we festive season draws near.

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

| Week 49 (02/12/2019 to 08/12/2019) | Units | Avg Purchase Price | Avg Selling Price | Week 50 (09/12/2019 to 15/12/2019) | Units  | Avg Purchase Price | Avg Selling Price |
|------------------------------------|-------|--------------------|-------------------|------------------------------------|--------|--------------------|-------------------|
| Class A2                           | 8 580 | 68.91              | 70.80             | Class A2                           | 10 397 | 73.87              | 72.53             |
| Class A3                           | 1 071 | 69.49              | 70.45             | Class A3                           | 1 762  | 72.59              | 72.07             |
| Class C2                           | 2 015 | 49.23              | 53.97             | Class C2                           | 2 144  | 50.97              | 53.71             |

The units sold for all classes of lamb have increased when compared to the previous week. The units sold for class A2, A3 and C2 increased by 21.2%, 64.5% and 6.4% respectively this week compared to previous week. Similarly, average purchase prices for lamb class A2, A3 and C2 have also increased by 7.2%, 4.5% and 3.5% respectively compared to last week. The average selling prices for class A2 and A3 increased by 2.4% and 2.3%, while lamb class C2 decreased by 0.5% compared to last week. Lamb is the second preferred meat for braai after beef. The units sold for lamb are also expected to increase in coming weeks.

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

| Week 49 (02/12/2019 to 08/12/2019) | Units  | Avg Purchase Price | Week 50 (09/12/2019 to 15/12/2019) | Units  | Avg Purchase Price |
|------------------------------------|--------|--------------------|------------------------------------|--------|--------------------|
| Class BP                           | 10 657 | 26.56              | Class BP                           | 10 928 | 26.42              |
| Class HO                           | 5 982  | 25.8               | Class HO                           | 6 451  | 25.69              |
| Class HP                           | 4 306  | 25.66              | Class HP                           | 4 393  | 25.52              |

The units sold for class BP, HO and HP increased by 2.5%, 7.8% and 2.0% respectively this week compared to last week. The average purchase prices for pork class BP, HO and HP decreased by 0.5%, 0.4% and 0.5% respectively week-on-week.

## Latest News Developments

It is estimated that 25% of food in South Africa is produced by irrigation-reliant and energy-intensive sectors of the agricultural industry which have all been affected by the load-shedding implemented by Eskom during the past week (Dr Requier Wait, head of economics and trade at Agri SA). According to the Dr Requier, load-shedding seriously affected the horticulture, dairy, poultry, grain and agro-processing industries. Interruptions to the cold chain, irrigation, irrigation scheduling, the application of fertiliser, processing and shipment are all negatively affected by unplanned load-shedding. He added that load-shedding has detrimental spill-over effect for the country's GDP growth, and considering the utility's recent Regulatory Clearing Account (RCA) tariff application of R27 million, the burden of load-shedding was even more unacceptable. He emphasized that government needed to urgently take the necessary actions to resolve this threat to agriculture and the South African economy. The government must strengthening Eskom's management and operational capabilities, implementing crucial maintenance, and resolving coal supply issues.

The Minister in the Presidency Jackson Mthembu have informed reporters that Cabinet has approved the biofuels regulatory framework, as a policy which will guide the implementation of government's biofuel industrial strategy. According to the minister, biofuels were recognized internationally as an alternative to carbon intensive energy. Following a spate of load shedding recently, the Department of Mineral Resources and Energy have also announced short- and medium-term interventions to meet South Africa's energy demands. Motorists are most likely to start a new year with a smile. The Automobile Association (AA) data indicated that the Rand is on an impressive run of stability which dates back to the start of November – ZAR is holding strong against the US dollar. The Rand has held steady during the first half of December, even appreciating slightly against the US dollar. This has contributed approximately nine cents in price relief. Should this pattern continue, the price of both grades of petrol are expected to drop by 17 cents. Illuminating paraffin is predicted to be four cents cheaper next month, too. However, diesel price is set for a very slight increase, as a one-cent/litre hike is currently forecast.

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