



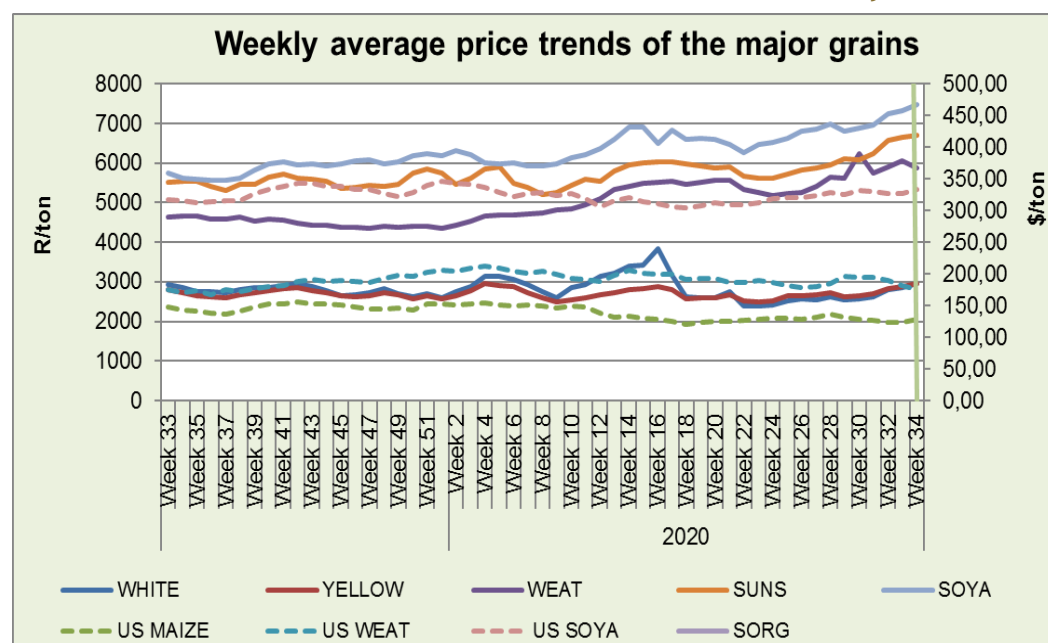
# agriculture, forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA

## Weekly Price Watch: 21 August 2020

Directorate: Statistics & Economic Analysis

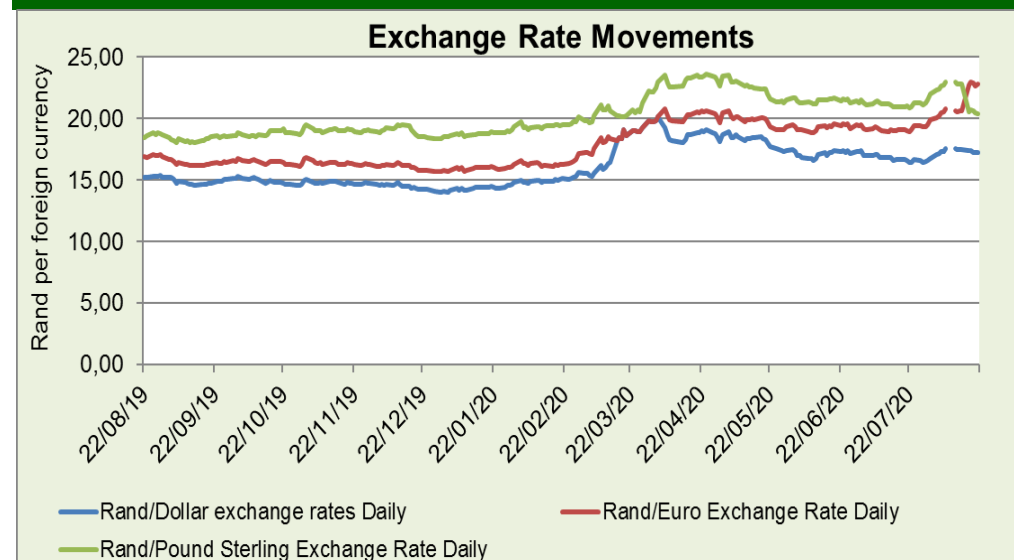
Sub-directorate: Economic Analysis



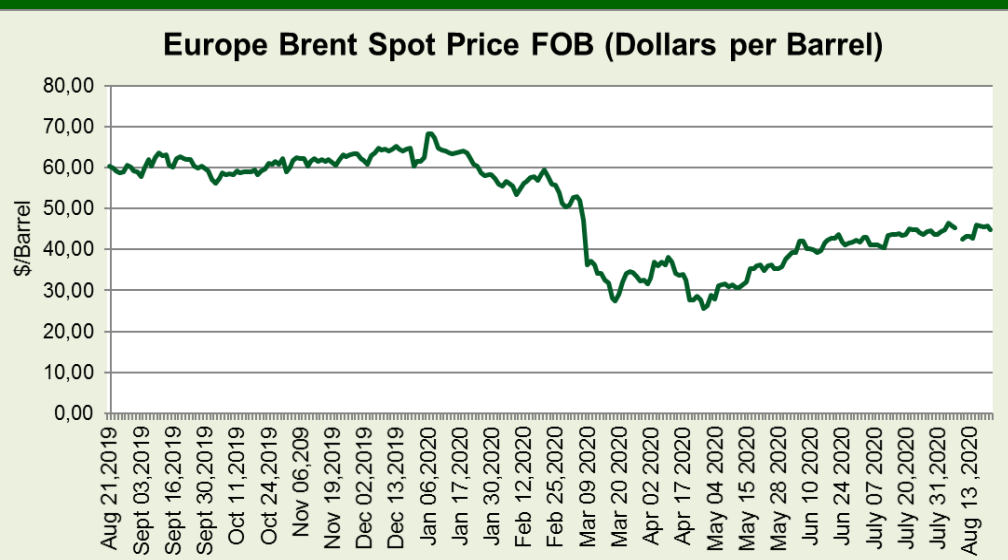
The price of local and international maize increased this week compared to the previous week. The price of local white maize increased by 3.8% and 2.9% respectively, whilst the USA maize price increased by 3.5%. The local maize price increased due to worries regarding the shortages of quality maize, while the USA maize price increased as a result of the storm damage that ravaged Iowa. The price of local and international wheat decreased compared to last week., decreasing by 2.9% and 3% respectively. The price of international wheat decreased as a result of increased supplies from Russia one of the major wheat producers. The price of local soybeans increased by 2.1% tracking higher international prices which increased by 2.3% as a result of increased buying from China. The price of sunflower increased by 0.6% whilst the sorghum price remained stable.

### Spot price trends of major grains commodities

|                            | 1 year ago<br>Week 34<br>(19-08-19 to 23-08-19) | Last week<br>Week 33<br>(10-08-20 to 14-08-20) | This week<br>Week 34<br>(17-08-20 to 21-08-20) | w-o-w % change |
|----------------------------|-------------------------------------------------|------------------------------------------------|------------------------------------------------|----------------|
| RSA White Maize per ton    | R 2 846,40                                      | R 2 857.00                                     | R 2 965,20                                     | 3,8%           |
| RSA Yellow Maize per ton   | R 2 725,40                                      | R 2 875.75                                     | R 2 958,40                                     | 2,9%           |
| USA Yellow Maize per ton   | \$ 143,38                                       | \$ 124.15                                      | \$ 128,48                                      | 3,5%           |
| RSA Wheat per ton          | R 4 654,60                                      | R 6 052.50                                     | R 5 879,60                                     | -2,9%          |
| USA Wheat per ton          | \$ 170,90                                       | \$ 181.31                                      | \$ 175,88                                      | -3,0%          |
| RSA Soybeans per ton       | R 5 626,00                                      | R 7 317.25                                     | R 7 468,00                                     | 2,1%           |
| USA Soybeans per ton       | \$ 315,49                                       | \$ 326.28                                      | \$ 333,86                                      | 2,3%           |
| RSA Sunflower seed per ton | R 5 528,40                                      | R 6 652.25                                     | R 6 691,40                                     | 0,6%           |
| RSA Sweet Sorghum per ton  | R 3 295,00                                      | R 3 900.00                                     | R 3 900.00                                     | 0,0%           |
| Crude oil per barrel       | \$ 59,57                                        | \$ 42.92                                       | \$ 45,49                                       | 6,0%           |



The rand appreciated against the US dollar and the Pound, whilst depreciating against the Euro this week compared to last week. The rand appreciated by 1% and 10.1% against the US dollar and the pound respectively whilst depreciating by 10.6% against the Euro. The rand strength against the dollar comes on the back of worries on the state of the USA economy.



The price of crude oil increased by 6% this week compared to last week as USA crude inventory report showed declining domestic crude and gasoline supplies .



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

| Week 32 (03/08/2020 to 09/08/2020) | Units | Avg Purchase Price | Avg Selling Price | Week 33(10/08/2020 to 16/08/2020) | Units | Avg Purchase Price | Avg Selling Price |
|------------------------------------|-------|--------------------|-------------------|-----------------------------------|-------|--------------------|-------------------|
| Class A2                           | 8 297 | 43.39              | 45.58             | Class A2                          | 6923  | 43,51              | 45,62             |
| Class A3                           | 868   | 44.54              | 45.99             | Class A3                          | 785   | 44,26              | 45,92             |
| Class C2                           | 1 083 | 39.47              | 40.65             | Class C2                          | 761   | 39,22              | 40,24             |

The units sold for class A2, A3 and C2 decreased by 16.6%;9.6% and 29.7% respectively compared to the previous week. The averaged purchase prices for class A3 and C2 both decreased by 0.6% while class A2 prices increased by 0.3%. The average sales prices for class A3 and C2 decreased by 0.2% and 1% respectively while class A2 prices increased by 0.1%

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

| Week 32 (03/08/2020 to 09/08/2020) | Units | Avg Purchase Price | Avg Selling Price | Week 33(10/08/2020 to 16/08/2020)) | Units | Avg Purchase Price | Avg Selling Price |
|------------------------------------|-------|--------------------|-------------------|------------------------------------|-------|--------------------|-------------------|
| Class A2                           | 5 537 | 86.18              | 79.83             | Class A2                           | 6829  | 87,02              | 80,10             |
| Class A3                           | 663   | 85.67              | 77.25             | Class A3                           | 749   | 86,12              | 77,30             |
| Class C2                           | 798   | 65.28              | 66.59             | Class C2                           | 756   | 64,94              | 66,87             |

The units sold for class A2 and A3 increased by 23.3% and 13% respectively while the units sold for class C2 decreased by 5.3% compared to the previous week. The average purchase prices for class A2 and A3 increased by 1% and 0.5% respectively while declining by 0.5% for class C2. The average selling prices for class A2, A3 and c2 increased by 0.3%;0.1% and 0.4% .

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

| Week 32 (03/08/2020 to 09/08/2020) | Units | Avg Purchase Price | Week 33(10/08/2020 to 16/08/2020)) | Units | Avg Purchase Price |
|------------------------------------|-------|--------------------|------------------------------------|-------|--------------------|
| Class BP                           | 7 399 | 24.19              | Class BP                           | 7 695 | 24,71              |
| Class HO                           | 7 704 | 23.18              | Class HO                           | 6771  | 23,57              |
| Class HP                           | 4 973 | 23.39              | Class HP                           | 5406  | 23,64              |

The units sold for class BP and HP increased by 4% and 8.7% respectively whilst declining by 12.1% respectively for class HO. The average purchase prices for class BP, HO and HP increased by 2.1%; 1.7% and 1.1% respectively compared to the previous week.

## Latest News Developments

Banks in South Africa have provided voluntary relief on loans with a book value at risk of R537 billion in an effort to support the South African economy during Covid-19. According to the African Development Bank the Covid-199 pandemic related disruptions have exposed African economies over-dependence on high commodity prices and exports of raw materials to fund basic government services. The pandemic and economic impacts have forced a rethink of the current multilateral framework and what it means for the future. Reduced economic activity has resulted in a contraction in demand for Africa's key markets who were worst affected thus depressing export revenues as commodity prices have continued to plummet. Infrastructure South Africa (ISA), an entity of the Department of Public Works and Infrastructure has entered into a memorandum of agreement with the National Treasury and the Development Bank of Southern Africa (DBSA) for the R100-billion Infrastructure Fund launched by President Cyril Ramaphosa. The Infrastructure Fund is intended as government funding and ancillary support for co-financing of blended finance programs and projects; this includes financing from the local capital market and international financing institutions as a complement for the broader budgeting reforms that the government is undertaking to address problems in the infrastructure value chain. Limited government finances which have been worsened during the Covid-19 pandemic, affected the availability of investment resources. The initiative provides a greater need for government to work together to create an enabling environment for effective partnerships with the private sector, development finance institutions international financiers and the local capital market to enable the leveraging of additional resources. A key message has emanated from a report on the electrical vehicles market compiled for the Department of Trade, Industry and Competition and the National Association of Automobile Manufacturers of South Africa is that South African policy makers and automobile manufacturing sector stakeholders need to develop a coherent strategy for the shift to the production of electrical vehicles or fall behind global developments and lose their edge in the export market. Department of Trade, Industry and Competition director-general reported on Wednesday that government would continue to engage with those companies that had withdrawn investment pledges made in 2019 with the intention of reviving the projects should conditions change. Earlier this month, SAB, a division of the world's largest brewer AB InBev, indicated that it had halted planned investments worth R5-billion, partly because of the uncertainty caused by government's decision to ban alcohol sales as part of its strategy to contain the spread of Covid-19.

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