



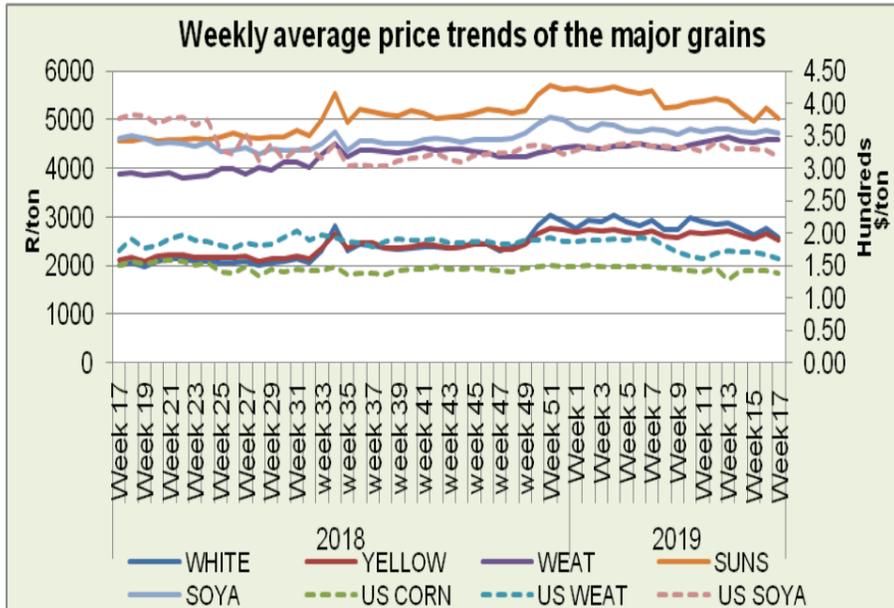
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 26 April 2019

Directorate: Statistics & Economic Analysis

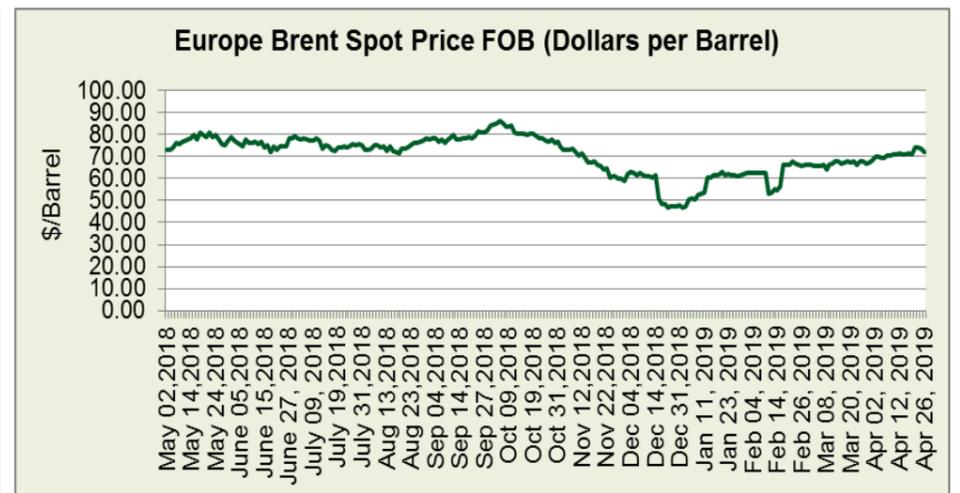
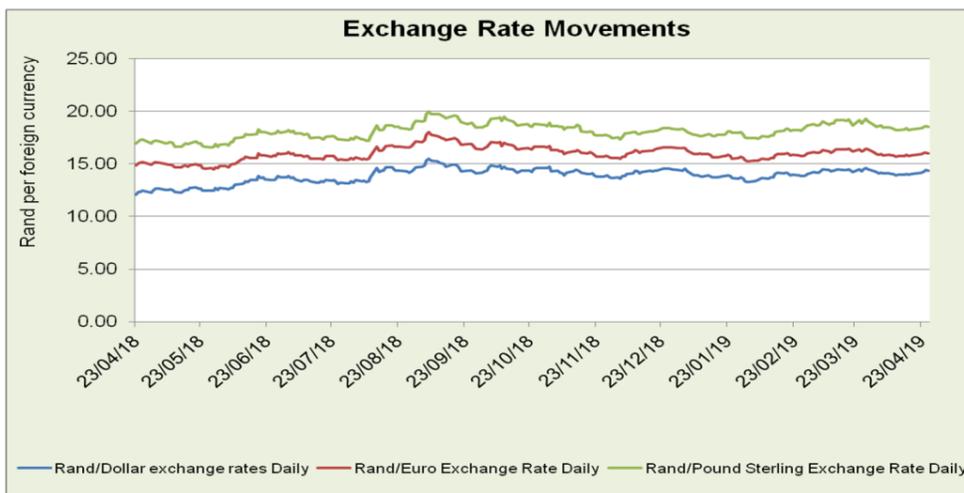
Sub-directorate: Economic Analysis



Both international and local markets for major grains have decreased this week compared to the previous week. The domestic prices for white maize, yellow maize, soybean, and sorghum decreased by 2.59%, 1.47%, 0.34% and 1.38%, respectively week-on-week, whilst the prices for wheat and sunflower increased by 0.56% and 0.54% respectively compared to the previous week. The international price for grains weakened this week compared to the previous week. The prices of US soybean, US yellow maize and US wheat decreased by 0.03%, 2.55% and 0.04% respectively compared to the previous week. Total world grain production is expected to increase 2% in 2019/20 to a total of 2.178 billion tons, according to the International Grains Council's (IGC) Grain Market Report issued on April 25. Larger harvests are expected in wheat, up 26 million tons; corn, up 6 million tons and barley, up 8 million tons. The outlook for soybean production in 2019/20 increased by 2 million tons month-over-month, to 361 million tons.

Spot price trends of major grains commodities

	1 year ago Week 17 (23-04-18 to 27-04-18)	Last week Week 16 (15-04-19 to 18-04-19)	This week Week 17 (23-04-19 to 26-04-19)	w-o-w % change
RSA White Maize per ton	R 2 000.25	R 2 637.25	R 2 269.00	-2.59%
RSA Yellow Maize per ton	R 2 106.75	R 2 551.75	R 2 514.25	-1.47%
USA Yellow Maize per ton	\$ 149.84	\$ 141.71	\$ 137.77	-2.55%
RSA Wheat per ton	R 3 893.75	R 4 571.25	R 4 597.00	0.56%
USA Wheat per ton	\$ 172.98	\$ 166.80	\$ 159.93	-0.04%
RSA Soybeans per ton	R 4 615.75	R 4 741.75	R 4 725.50	-0.34%
USA Soybeans per ton	\$ 376.51	\$ 327.00	\$ 317.23	-0.03%
RSA Sunflower seed per ton	R 4 548.75	R 4 985.00	R 5 012.00	0.54%
RSA Sorghum per ton	R 3 103.00	R 3 506.00	R 3 457.50	-1.38%
Crude oil per barrel	\$ 73.45	\$ 71.02	\$ 73.33	3.64%



The domestic currency depreciated against all the major currencies in the reporting week. The rand depreciated by 2.28%, 1.17% and 1.23% against Dollar, Pound and Euro respectively. The rand looks set to trade under pressure on Tuesday as the Eskom last-minute bailout filters through global markets.

The average price of Brent crude oil increased significantly by 3.64% this week compared to the previous week, from \$71.02 to \$73.33 per barrel. Oil extended gains after leaping to a six-month high on Monday as the US said it'll no longer give any buyer of Iranian crude a waiver from sanctions aimed at cutting the OPEC producer's exports to zero.



National South African Price information (RMAA) : Beef

Week 15 (08/04/2019 to 14/04/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 16 (15/04/2019 to 21/04/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	10 115	43.58	44.25	Class A2	9 664	44.27	44.05
Class A3	1 290	43.54	44.16	Class A3	1 285	44.33	45.00
Class C2	1 188	37.70	39.94	Class C2	798	38.01	40.20

Beef weekly average prices increased across the different classes however, prices were expected to be strong in the short to medium term due to improved seasonal demand, during Easter holidays. The unit sold for all classes A2, A3 and C2 decreased by 4.46%, 0.39% and 32.83% respectively week-on-week. The average purchase prices for class A2, A3 and C2 beef increased by 1.58%, 1.81% and 0.82% respectively in the reporting week. The average selling prices for class A2, A3 and C2 beef increased by 1.81%, 1.9% and 0.65% respectively for the reporting week.

National South African Price information (RMAA) : Lamb

Week 15 (08/04/2019 to 14/04/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 16 (15/04/2019 to 21/04/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 367	63.71	69.03	Class A2	7 828	64.25	69.01
Class A3	1 178	64.18	70.08	Class A3	1 644	63.67	69.14
Class C2	921	50.10	53.91	Class C2	1 067	48.87	52.24

Weekly number units for all classes A2, A3 and C2 lamb sold increased substantially by 22.92%, 39.56% and 15.85% respectively. The weekly average purchase price for class A2 increased marginally by 0.85%, while class A3 and C2 decreased by 0.79% and 2.46% respectively. The average selling price for the reporting week dropped for class A2, A3 and C2 by 0.03%, 1.34% and 3.1% respectively.

National South African Price information (RMAA) : Pork

Week 15 (08/04/2019 to 14/04/2019)	Units	Avg Purchase Price	Week 16 (15/04/2019 to 21/04/2019)	Units	Avg Purchase Price
Class BP	9 062	21.28	Class BP	8 133	21.22
Class HO	7 023	20.34	Class HO	4 890	20.56
Class HP	4 078	20.69	Class HP	3 904	20.40

The units sold for all classes BP, HO and HP decreased substantially by 10.25%, 30.37% and 35.77% respectively compared to the previous week. The average purchase price for pork class BP and HP decreased by 0.28% and 1.40% respectively, while class HO increased by 1.08% compared to the previous week. According to seasonal price trends the prices of pork may continue to trade lower to sideways and following the suppressed prices of poultry and beef.

Latest News Developments

DA parliamentarian Alf Lees said that the emergency supply of R17.6 billion to Eskom was a clear indication of the major financial situation of the power supply. This is after finance minister Tito Mboweni was forced to write to Parliament to access funds when the China Development Bank did not release R7 billion. Opposition party, the DA slapped the power supply Eskom and said it was a "black hole" and "no longer viable" according to the news enterprise, Natasha Mazzone. South African households saw R449.8 billion of the real value of their net wealth wiped out between the fourth quarter of 2017 and the fourth quarter of 2018, according to the latest Momentum Unisa Household Wealth Report. "The declining real value of household assets can be attributed to increasing consumer price inflation and the non-performance of some financial asset classes, negatively affecting the real value of households' retirement funds and investments," states the report.

Interest rates are likely to remain unchanged at next month's meeting of the Monetary Policy Committee of the SA Reserve Bank, according to Sanisha Packirisamy, an economist at Momentum Investments. The Reserve Bank governor Lesetja Kganyago is expected to make the repo rate announcement on the afternoon of May 23. The positive downward trajectory in inflation expectations, alongside weaker-than-expected growth, has likely lowered the pressure on the central bank to maintain a tightening bias. The Minister of Agriculture Senzeni Zokwana recently announced that the new total allowable catch for South African abalone (*Haliotis midae*) was set at 96t for the 2018/2019 fishing season, which was the same as the previous season. The total allowable catch was originally set at 50,5t. Agri SA and Fidelity ADT, a subsidiary of the Fidelity Services Group, recently signed an agreement in Centurion aimed at curbing the high number of farm attacks and related agricultural crime in South African rural communities. According to an Agri SA statement, the partnership came into effect on 1 February and was currently being rolled out to the provincial arms of Agri SA, such as Agri Northern Cape and Free State Agriculture.

For more information contact: Directorate Statistics & Economic Analysis (SEA) at PresentG@daff.gov.za or 0123198288.

Source: SAFEX, Stats SA, Reuters, Red Meat Abattoir Association, Fnb, Farmer's Weekly and Standard Bank.
Disclaimer: DAFF will not be liable for results of actions based on this price watch.