



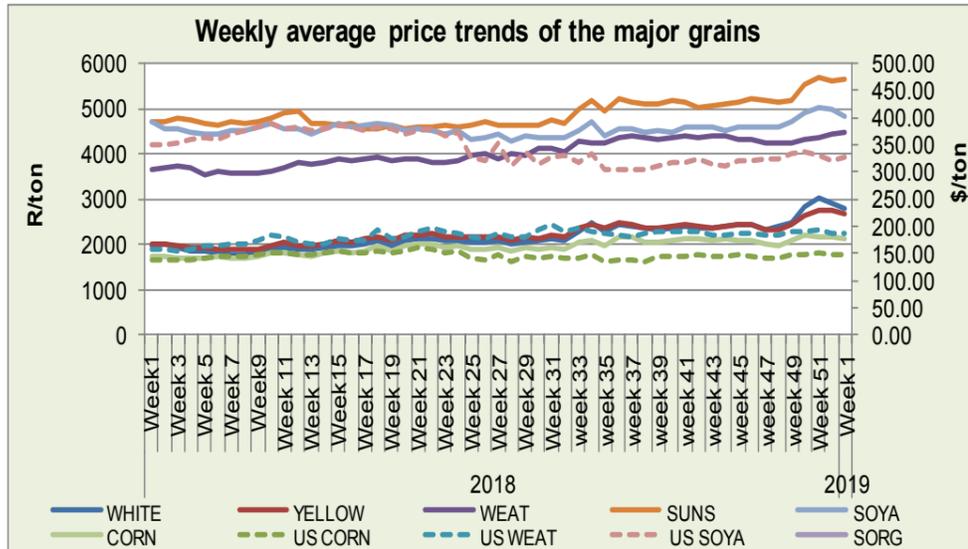
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 4 January 2019

Directorate: Statistics & Economic Analysis

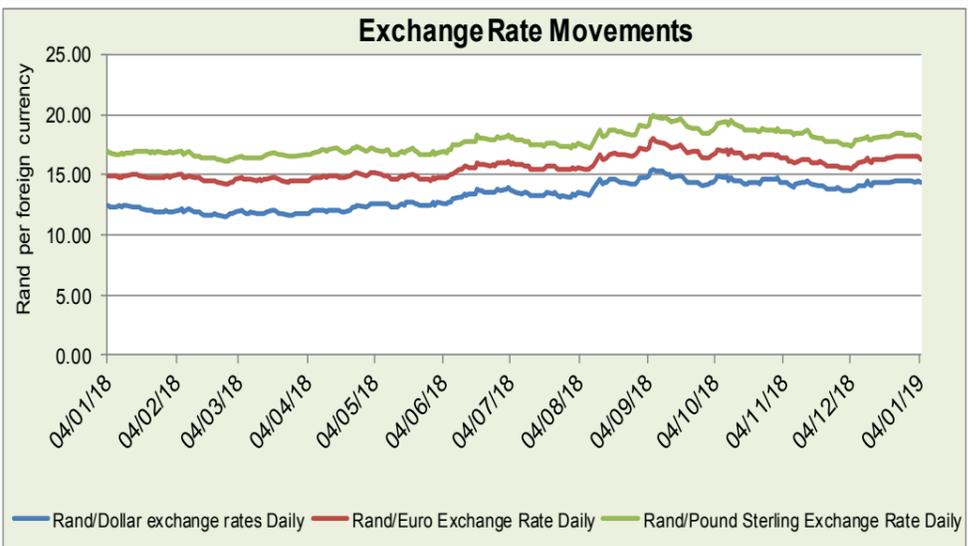
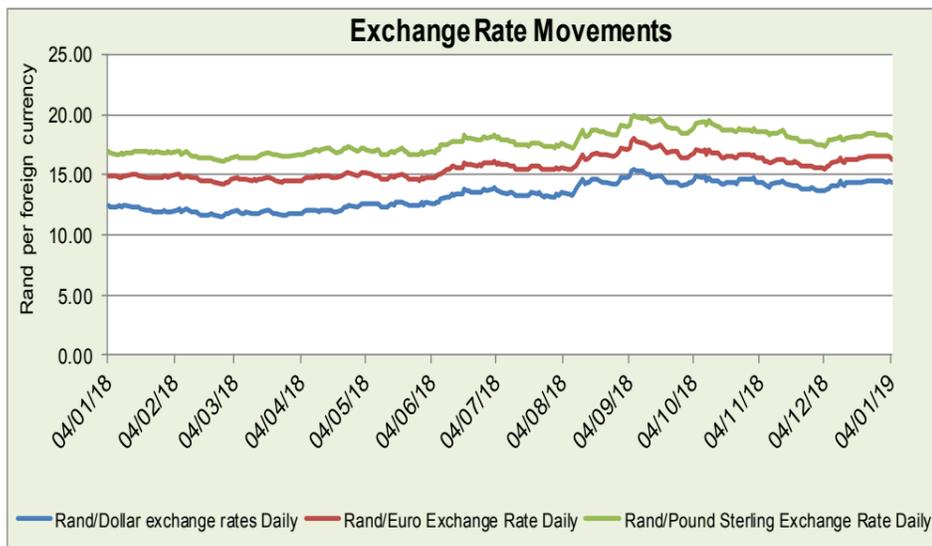
Sub-directorate: Economic Analysis



The prices of local decreased this week compared to the previous week. The most notable slight decrease was on the domestic white and yellow maize with an average spot price of local white and yellow maize decrease by 4.8% and 1.8% respectively compared to the previous week. The decrease on the white and yellow maize has attributed to the stronger Rand. The overall domestic wheat and sunflower average spot prices increased by 1% and 0.4% respectively, whilst soybean average spot price decreased by 3.6% compared to last week. The price of local soybeans was lower during the week due to abundant stocks available that keep prices low. Internationally, US maize and soybean average spot prices increased by 0.3% and 1.8% respectively, compared to last week, whilst the average spot price for US wheat decreased by 0.5% compared to the previous week. The average spot price of sorghum remain constant week on week.

Spot price trends of major grains commodities

	1 year ago Week 1 (01-01-18 to 05-01-18)	Last week Week 52 (24-12-18 to 28-12-18)	This week Week 1 (31-12-18 to 04-01-19)	w-o-w % change
RSA White Maize per ton	R 1 986.50	R 2 913.67	R 2 774.50	-4.8%
RSA Yellow Maize per ton	R 2 003.50	R 2 737.00	R 2 687.00	-1.8%
USA Yellow Maize per ton	\$ 138.56	\$ 147.76	\$ 148.18	0.3%
RSA Wheat per ton	R 3 645.50	R 4 420.00	R 4 465.00	1.0%
USA Wheat per ton	\$ 158.95	\$ 187.93	\$ 186.91	-0.5%
RSA Soybeans per ton	R 4 716.00	R 5 002.00	R 4 822.50	-3.6%
USA Soybeans per ton	\$ 351.40	\$ 321.33	\$ 326.99	1.8%
RSA Sunflower seed per ton	R 4 720.25	R 5 620.00	R 5 523.0	0.4%
RSA Sorghum per ton	R 2 850.00	R 3 750.00	R 3 750.00	0.0%
Crude oil per barrel	\$ 67.36	\$ 47.19	\$ 48.04	1.8%



The Rand appreciated against major currencies the US dollar, Pound Sterling and the Euro appreciating by 0.8%, 0.7% and 0.8% respectively this week compared to the previous week.

Brent crude oil price averaged \$48.04 which is an increase of 1.8% this week compared to the previous week. The Organization of the Petroleum Exporting Countries and other large oil producers including Russia agreed in December to cut their combined crude output by 1.2 million bpd from January to halt a decline in oil prices.



National South African Price information (RMAA) : Beef

Week 51 (17/12/2018 to 23/12/2018)	Units	Avg Purchase Price	Avg Selling Price	Week 52 (24/12/2018 to 30/12/2018)	Units	Avg Purchase Price	Avg Selling Price
Beef							
Class A2	9 823	45.42	46.96	Class A2	7 445	45.41	47.62
Class A3	1 290	45.04	47.04	Class A3	868	45.32	47.28
Class C2	751	40.11	42.11	Class C2	404	40.30	42.03

Units sales for class A2, A3 and C2 beef decreased by 24.2%, 32.7% and 46.2% respectively this week compared to the previous week. Weekly average purchase prices for class A3 and class C2 beef increased by 0.6% and 0.5% respectively, while the average purchase price for class A2 beef remained unchanged week-on-week. Weekly average selling prices for class A2 and A3 beef increased by 1.4% and 0.5% respectively, whilst the weekly average selling price for class C2 beef decreased by 0.2% compared to the previous week. The lower fuel price, festive season and seasonal increase in demand for imported beef provides underlying support for local prices. Local prices enjoy underlying seasonal price support during the festive season. However, compared to December, prices are expected to trade lower in January.

National South African Price information (RMAA) : Lamb

Week 51 (17/12/2018 to 23/12/2018)	Units	Avg Purchase Price	Avg Selling Price	Week 52 (24/12/2018 to 30/12/2018)	Units	Avg Purchase Price	Avg Selling Price
Lamb							
Class A2	10 922	72.07	72.63	Class A2	7 508	72.50	72.94
Class A3	2 068	72.43	72.51	Class A3	1 630	72.24	72.17
Class C2	460	51.78	58.80	Class C2	193	56.30	64.71

Lamb unit sales for class A2, A3 and C2 decreased by 31.3%, 21.2% and 58% respectively. The weekly average purchase price for class A2 and C2 lamb increased by 0.6% and 8.7% respectively this week compared to last week, whilst the average purchase price for class A3 decreased by 0.3% compared to last week. During the same period, weekly average selling prices for class A2 and C2 lamb increased by 0.4% and 10.1% respectively, whilst the average selling price of class A3 lamb decreased by 0.5% week-on-week. The demand for mutton during the festive season are seasonal and provide strong underlying support for local prices.

National South African Price information (RMAA) : Pork

Week 51 (17/12/2018 to 23/12/2018)	Units	Avg Purchase Price	Week 52 (24/12/2018 to 30/12/2018)	Units	Avg Purchase Price
Pork					
Class BP	6 212	28.78	Class BP	3 981	28.67
Class HO	2 635	26.63	Class HO	1 530	28.22
Class HP	1 600	27.07	Class HP	984	26.80

Unit sales for class BP, HO and HP pork decreased by 35.9%, 41.9% and 38.5% respectively in the reporting week compared to the previous week. The weekly average purchase prices for class BP and HP pork decreased by 0.4% and 1% respectively week on week. While class HO pork average purchase price increased by 6% compared to the previous week.

Latest News Developments

Motorists have started 2019 with a lower price for fuel at the pumps after the latest round of monthly price adjustments came into effect on the first week of January 2019. The Department of Energy that the retail price of petrol would decrease by between R1.22/l and R1.23/l at the start of 2019. The fall is mainly due to lower international crude oil prices. This fuel price drop comes after prices reached record highs in October, with motorists paying as much as R17/l for petrol. A litre of unleaded 95 octane petrol now costs R13.42 on the coast and R14.01 inland. Diesel will cost between R12.64 and R12.67 per litre on the coast, and between R13.13 and R13.16 inland, according to AA calculations.

Senzeni Zokwana, Minister, Department of Agriculture, Forestry and Fisheries repeated that in 2019 the government's position that the policy shift on land, especially in relation to land expropriation without compensation, will not result in the confiscation of commercial farms that are producing goods for our agro-food markets. Food security for this country is a fundamental issue, but the issue of land redress is equally important. The minister repeated the governments concern is the high unemployment rate in the country. According to Statistics South Africa, the unemployment rate among young people aged 15 to 34 is 38,2%, or 21 million people. This means that more than one in every three young people are unemployed. This poses a massive challenge for South Africa's future. The minister believes that the agricultural sector can make a major contribution in employment creation for young people. However, to successfully target the youth, there will have to be investment in the sector. The minister anticipated a good year and consistent recovery of the sector in its contribution to the national economy.

Dr Theo de Jager, president, World Farmers' Organisation in his new year's message to South Africa that politics will dominate our discourse and destiny, especially in the run up to the national election, with the debate around land and expropriation likely to heat up as election day approaches. An issue that has the potential to disrupt the well-being of global agriculture is the future of trade under US President Donald Trump's rule. Whether called a potential trade war or not, the first shots have certainly been fired, and casualties, such as the pork industry in the US, can't be avoided.

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, Absa, Fnb, Farmer's Weekly, Standard Bank.
Disclaimer: DAFF will not be liable for results of actions based on this price watch.