



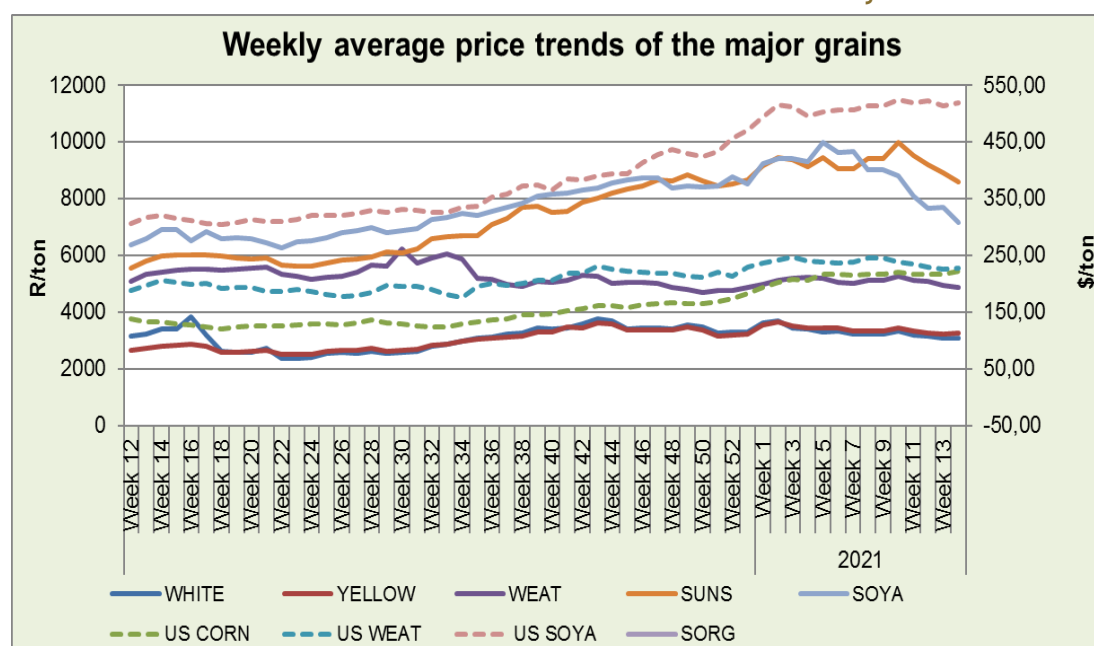
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 09 April 2021

Directorate: Statistics & Economic Analysis

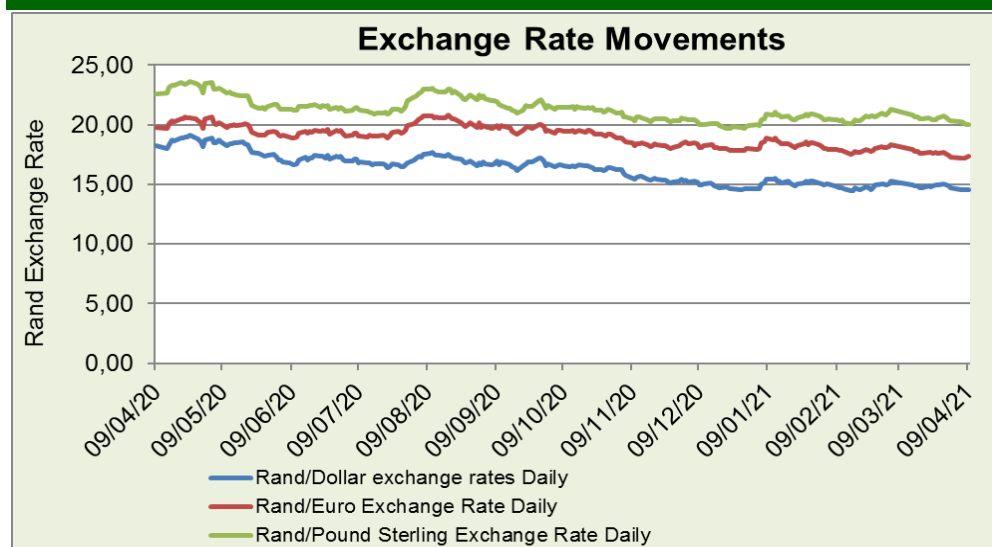
Sub-directorate: Economic Analysis



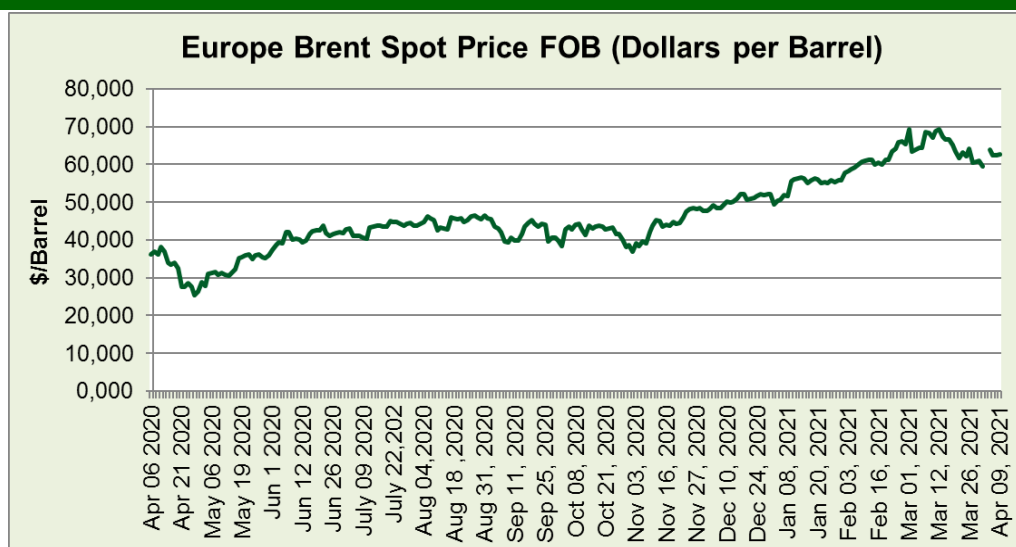
The price of local maize increased by 0.7% and 1.1% respectively compared to last week, the international maize price also increased by 2%. Solid local demand and expected tight global closing stocks estimates by the USDA, lead to a rise in prices. The price of local wheat decreased by 1.8% whilst the international wheat price increased by 1.2%. Local wheat prices decreased mainly due to the strong rand, whilst international prices increased as a result of the lower than expected global wheat stocks and increased demand. The price of local soybeans decreased by 6.8% while the international soybeans price increased by a percentage point. Overall; abundant international soybeans stocks lead to selling of local and international stocks (technical selling). The price of local sunflower also decreased by 6.8% after the contract high prices last week lowered demand. The price of sweet sorghum remained stable.

Spot price trends of major grains commodities

	1 year ago Week 14 (27-03-20 to 31-03-20)	This week Week 13 (29-03-21 to 01-04-21)	This week Week 14 (5-04-21 to 9-04-21)	w-o-w % change
RSA White Maize per ton	R 3 390,60	R 3 071.75	R 3 091,75	0,7%
RSA Yellow Maize per ton	R 2 794,80	R 3 219.25	R 3 254,75	1,1%
USA Yellow Maize per ton	\$ 132,82	\$ 216.76	\$ 221,19	2,0%
RSA Wheat per ton	R 5 415,60	R 4 948.00	R 4 858,5	-1,8%
USA Wheat per ton	\$ 205,90	\$ 224.98	\$ 227,65	1,2%
RSA Soybeans per ton	R 6 908,60	R 7 676.50	R 7 154.00	-6,8%
USA Soybeans per ton	\$ 320,11	\$ 514.10	\$ 519,47	1,0%
RSA Sunflower seed per ton	R 5 962,40	R 8 904.75	R 8 582,5	-3,6%
RSA Sweet Sorghum per ton	R 3215.00	R 3 850.20	R 3 850.20	0,0%
Crude oil per barrel	\$ 36,83	\$ 60.45	\$ 62,75	3,8%



The rand was stronger this week compared to last week, appreciating by 2.3%, 1.3% and 2.2% against the dollar, euro and the British pound. Emerging market currencies strengthened following the weakness in the dollar as expectations are that the US federal reserve will not raise interest rates thus creating interest in emerging market currencies.



The price of Brent crude oil increased by 3.8% this week compared to last week supported by weakness in the US dollar even though speculations are that OPEC would not be implementing production cuts.



National South African Price information (RMAA) : Beef

Week 12 (22/03/2021 to 28/03/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 13 (2021/03/29 to 2021/04/04)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9 051	51.71	55.42	Class A2	8 355	51,8	55,48
Class A3	681	51.55	55.24	Class A3	833	51,23	55,45
Class C2	549	43.00	44.98	Class C2	450	43,94	47,38

Units sold for class A2, and C2 beef decreased by 7.7% and 18% respectively this week compared to last week, whilst increasing by 22.3% for class A3. The purchase prices for class A2 and C2 also increased by 0.2% and 2.2% while class A3 prices decreased by 0.6%. The selling prices for all classes increased by 0.1%, 0.4% and 5.3% respectively.

National South African Price information (RMAA) : Lamb

Week 12 (22/03/2021 to 28/03/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 13 (2021/03/29 to 2021/04/04)	Units	Avg Purchase Price	Avg Selling Price
Class A2	8 006	82.14	84.00	Class A2	7826	84,20	86,69
Class A3	755	80.42	82.23	Class A3	808	82,71	85,92
Class C2	1 042	66.97	68.42	Class C2	1541	64,97	66,32

The units of class A3 and C2 lamb increased by 7% and 47.9% respectively whilst declining by 2.2% for class A2 compared to last week. The purchase prices for class A2 and A3 increased by 2.5% and 2.8% respectively whilst declining by 3% for class C2. The selling prices for class A2 and A3 also increased by 3.2 and 4.5% respectively while declining by 3.1% for class C2

National South African Price information (RMAA) : Pork

Week 12 (22/03/2021 to 28/03/2021)	Units	Avg Purchase Price	Week 13 (2021/03/29 to 2021/04/04)	Units	Avg Purchase Price
Class BP	10 047	29.38	Class BP	10251	29,09
Class HO	7 207	29.15	Class HO	6154	29,09
Class HP	4 830	28.30	Class HP	3852	28,49

The units of pork sold this week decreased by 14.6% and 20.2% respectively for class HO and HP compared to last week whilst increasing by 2% for class BP. The average purchase prices for class BP and HO decreased by 1% and 0.2%, while increasing by 0.7% for class HP.

Latest News Developments

The IMF revised the growth outlook for South Africa from 2.8% to 3.1%, while the South Africa Reserve Bank expects the domestic economy to expand to 3.8%. The National Treasury sees the economy rebounding to 3.3%, from a contraction of 7%. The Reserve bank indicated that the SA economy suffered its second largest contraction in 100 years. The IMF also revised the global outlook from 5.5% to 6%. The IMF indicated that the growth will be as a result of additional fiscal support in large economies, as well as the distribution of vaccines which will fuel recovery in the second half of the year. Emerging and low income economies are expected to suffer medium-term losses due to the corona virus. The World recovery including the local economy depends most on the rollout of Covid-19 vaccines. World Health Organisation (WHO) Director-General Tedros Adhanom Ghebreyesus indicated that in addition to manufacturing shortcomings, the major challenge currently with the distribution of the covid-19 vaccines is the lack of political will by wealthy countries to ensure equitable access. Data from Stats SA indicates that manufacturing production declined by 2.1% on a year-on-year basis in February. The biggest negative contributors to production were the petroleum, chemical products, rubber and plastics division, which fell by 8.4%; the basic iron and steel division, which declined 4.8%; and the furniture and other manufacturing division, which fell by 17%. However, the motor vehicles and transport equipment division was the largest positive contributor, having increased production by 13.2%. Lara Hodes of Investec warned that rotational load shedding remains a key risk to production., also noting that the industry is impacted by raw material supply shortages due to global supply constraints which contributes to higher input costs. Bloomberg reports that climate change kills at least 1000 people a year in the sub-Saharan region and loses between \$7 billion and R15 billion annually due to climate change. The amount lost is likely to increase to as much as \$50 billion or 3% of continent-wide gross domestic product annually by 2040 without investment in adaptation. Thus; the continent seeks at least \$25 billion for climate adaptation. Patrick Verkooijen of the Global Center on Adaptation stated that Africa Adaptation Acceleration Program, co-created by the AfDB and GCA, seeks to establish a centralized body through which African governments, multilateral and bilateral institutions and donors can channel funds to organised adaptation initiatives on the continent. Its aims include providing farmers with access to digital technologies to help them better deal with erratic weather and ensure food security, and mobilizing resources from international capital markets.

For more information contact: Directorate Statistics & Economic Analysis (SEA) at HeidiP@daff.gov.za or 0123198194.

Source: SAFEX, Standard bank, Stats SA, Reuters, Red Meat Abattoir Association, Fnb and Absa.

Disclaimer: DAFF will not be liable for results of actions based on this price watch.