



agriculture, land reform & rural development

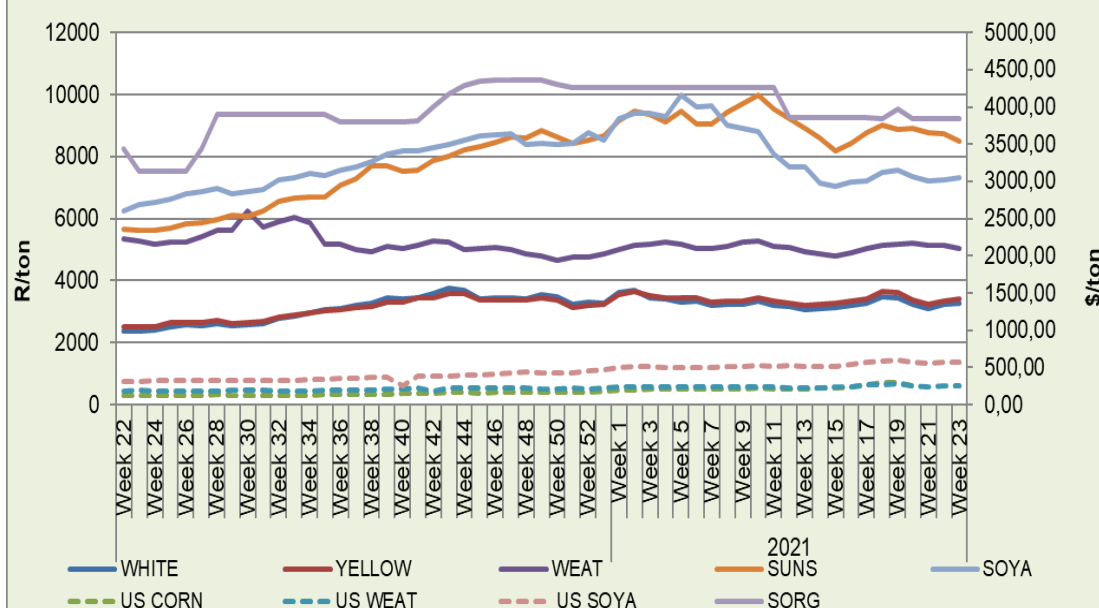
Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 11 June 2021

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

Weekly average price trends of the major grains

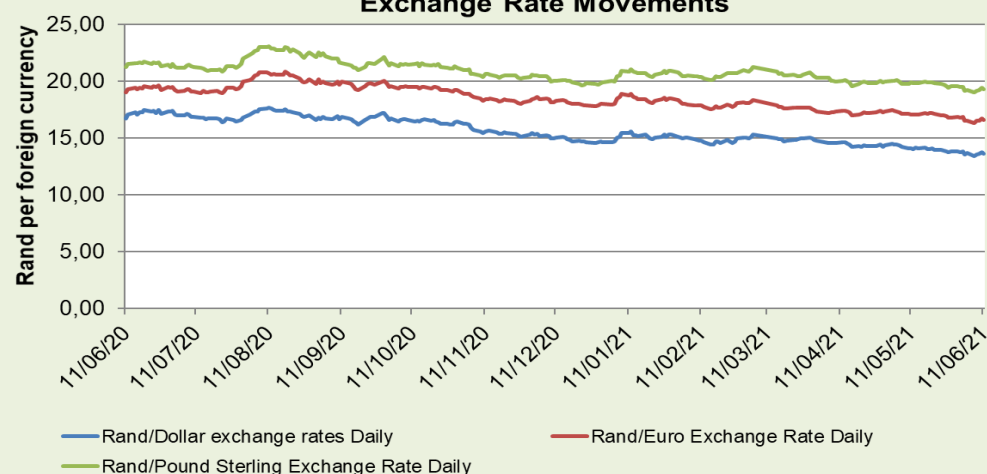


The South Africa's domestic market traded stronger this week when compared to the previous week. The prices of all the domestic grains reported an increase with exception of Sweet Sorghum which remain unchanged at R3 845/ton week-on-week. The prices of white maize, yellow maize and soybeans increased by 1.5%, 1.8% and 0.7% respectively this week in relation to the previous week. The price of domestic wheat and Sunflower decreased by 1.7% and 2.6% week on week. Internationally, grain prices were up higher when compared to the previous week. The price of US corn, US soybean and US wheat increased by 2.8%, 1.4% and 1.0% respectively this week when compared to the previous week. Corn prices have jumped 142% in the past year amid rising demand from China, drought in Brazil. The situation is critical in Brazil. This should further strain the global balance sheet, while the U.S. will have to partly compensate.

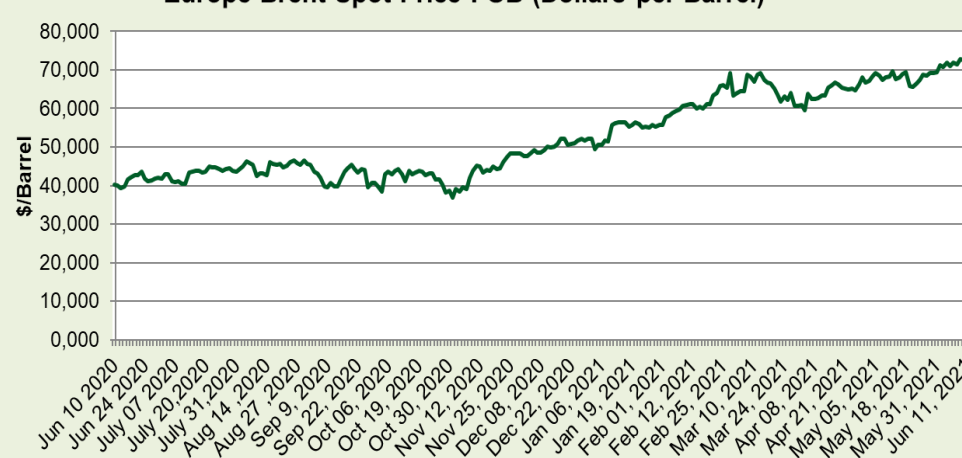
Spot price trends of major grains commodities

	1 year ago Week 23 (08-06-20 to 12-06-20)	This week Week 22 (31-05-21 to 04-06-21)	This week Week 23 (07-06-21 to 12-06-21)	w-o-w % change
RSA White Maize per ton	R 2 381,80	R 3 232,00	R 3 281,40	1,5%
RSA Yellow Maize per ton	R 2 501,00	R 3 356,40	R 3 416,20	1,8%
USA Yellow Maize per ton	\$ 128,01	\$ 262,89	\$ 270,18	2,8%
RSA Wheat per ton	R 5 265,20	R 5 138,80	R 5 053,60	-1,7%
USA Wheat per ton	\$ 189,55	\$ 248,67	\$ 251,21	1,0%
RSA Soybeans per ton	R 6 462,80	R 7 260,00	R 7 314,00	0,7%
USA Soybeans per ton	\$ 312,79	\$ 567,38	\$ 575,42	1,4%
RSA Sunflower seed per ton	R 5 612,60	R 8 762,00	R 8 494,20	-2,6%
RSA Sweet Sorghum per ton	R 3 138,00	R 3 845,00	R 3 845,00	0,0%
Crude oil per barrel	\$ 51,95	\$ 70,87	\$ 72,41	2,2%

Exchange Rate Movements



Europe Brent Spot Price FOB (Dollars per Barrel)



The South African Rand appreciated by 0.88%, 1.00% and 0.99% against the US Dollar, Euro and the British Pound respectively, when compared to the previous week. The rand slumped ahead of keenly-awaited US inflation data and a European Central Bank policy meeting as traders seek clues on the timing of higher interest rates that could hinder economic recovery.

Brent crude oil averaged \$72,41/barrel in the reporting week which is 2.2% higher than \$70,87/barrel reported in the previous week. Oil reversed gains after the US lifted sanctions on a former Iranian oil official and two other Iranians involved in oil trading, potentially paving the way for a further return of the Persian Gulf country's output.



National South African Price information (RMAA) : Beef

Week 21 (24/05/2021 to 30/05/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 22 (31/05/2021 to 06/06/2021)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 922	53,00	55,25	Class A2	7 822	53,49	54,30
Class A3	1 056	51,57	55,48	Class A3	836	52,28	52,20
Class C2	823	43,98	45,61	Class C2	804	44,86	47,15

The units sold for beef class A2, A3 and C2 decreased by 1.3%, 20.8% and 2.3% respectively when compared to the previous week. The weekly average purchase price for beef class A2, A3 and C2 increased by 0.9%, 1.4% and 2.0% respectively week on week. The average selling price for beef class A2 and A3 decreased by 1.7% and 5.9% respectively, whilst beef class C2 increased by 3.4% when compared to previous week.

National South African Price information (RMAA) : Lamb

Week 21 (24/05/2021 to 30/05/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 22 (31/05/2021 to 06/06/2021)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 861	93,16	95,29	Class A2	8 349	94,14	95,65
Class A3	1 107	92,05	93,43	Class A3	1 055	91,40	93,09
Class C2	1 251	70,49	74,02	Class C2	1 086	71,48	75,44

The units sold for lamb class A2 increased by 6.2%, whilst class A3 and C2 decreased by 4.7% and 13.2% respectively this week when compared to the previous week. The average purchase price for lamb class A2 and C2 increased by 1.1% and 1.4% respectively, while class A3 decreased by 0.7% week on week. The average selling price for lamb class A2 and C2 increased by 0.4% and 1.9% respectively, while class A3 lamb decreased by 0.4% this week when compared to the previous week.

National South African Price information (RMAA) : Pork

Week 21 (24/05/2021 to 30/05/2021)	Units	Avg Purchase Price	Week 22 (31/05/2021 to 06/06/2021)	Units	Avg Purchase Price
Class BP	7 471	28,77	Class BP	7 587	28,34
Class HO	8 778	28,14	Class HO	9 161	28,20
Class HP	7 877	27,32	Class HP	7 231	28,05

The units sold for pork class BP and HO increased by 1.6% and 4.4% respectively while units sold for pork class HP decreased by 8.2% this week compared to the previous week. The average purchase price for pork class BP decreased by 1.5%, while pork class HO and HP increased by 0.2% and 2.7% respectively week-on-week.

Latest News Developments

South Africa's first quarter GDP grew by 4.6% on a quarter-on-quarter seasonally adjusted annualised basis, according to data released by Stats SA. Economists had been more conservative in their projections, expecting quarter-on-quarter annualised growth to come in at 3.1%. On a non-annualised basis, growth was 1.1%. Year-on-year, the economy contracted 3.2%. Despite this being the third consecutive quarter of positive growth, the South African economy is 2.7% smaller than it was in the first quarter of 2020. The finance, mining and trade industries were the main drivers of output and household spending and changes in inventories helped boost demand-side growth. Economists expected mining to be the hero of the quarter. Stats SA showed that the mining and quarrying industry grew by 18.1%. Increases in production was reported for platinum group metals, iron ore and gold. The finance, real estate and business services increased 7.4% during the quarter and made the largest contribution to GDP growth. Increased economic activity was reported for the transport and trade sectors, which grew 4.8% and 6.2% respectively. Overall the tertiary sector grew by 4.6%. Results for the manufacturing industry was mixed, with only five out of ten divisions reporting positive growth rates, overall the industry expanded by 1.6% during the quarter. The secondary sector expanded by a mere 1%. Only two out of ten industries shrank during the quarter - agriculture, which contracted 3.2%, and the electricity, gas and water sector, which contracted 2.6%. For agriculture specifically, there were declines in production of animal products and field crops. Overall the primary sector recorded the highest growth of 11.9%, helped by mining. On the expenditure front, household final consumption and government spend grew 4.7% and 1% respectively. Imports also increased 26.5%, linked to increases in mineral products, machinery and equipment, vehicles and transport equipment. Exports declined 0.9%, largely due to decreased trade in mineral products and vehicles and transport equipment.

The Bureau for Food and Agricultural Policy (BFAP) has reported that the country's agricultural sector performed "relatively well" during the first quarter of this year, in comparison to the same period last year. According to BFAP's calculations, the agricultural sector of the economy grew in the first quarter of 2021 by 7.5% in real terms, year-on-year. The bureau is now projecting that South African agriculture will achieve full-year growth of 7.6% this year. At first glance it looks as though agriculture, forestry and fisheries declined by 3.2% since the previous quarter, but a relative comparison between Q1 of 2021 and Q1 of 2020 removes the need for seasonal adjustments and provides an alternative, simpler picture of agriculture's real performance in the past quarter, stated BFAP in its Brief Report 'Perspectives on Agriculture's Performance in Quarter 1 of 2021'. Most Asian and European markets rose Friday following a record lead from Wall Street as traders bought into the Federal Reserve narrative that surging US inflation was only temporary and the central bank was likely to maintain its ultra-loose monetary policies for some time. This helped to give the rand a boost, and it was last trading 1% stronger at R13.58/\$.

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