



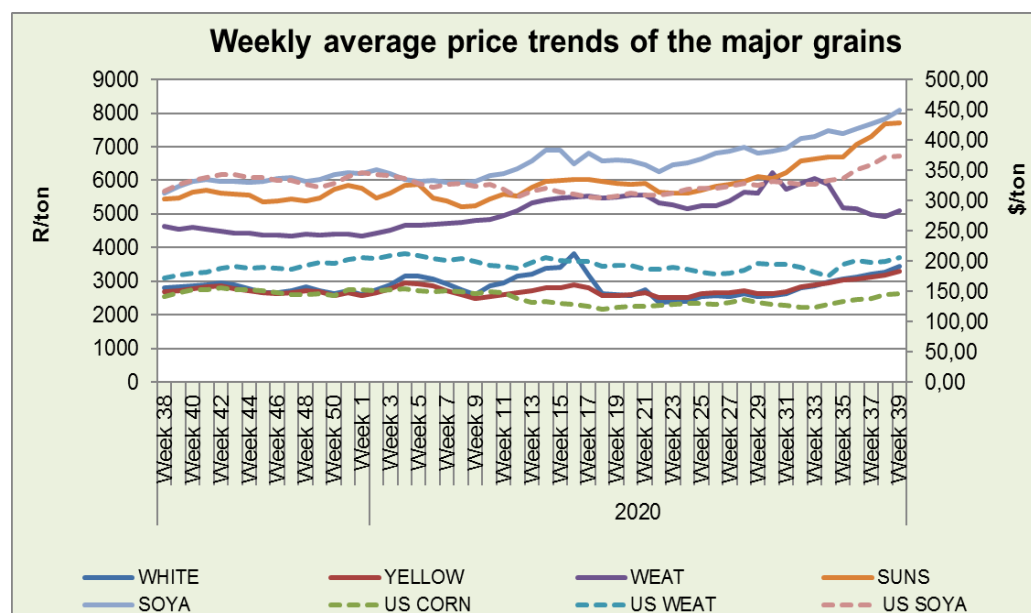
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 25 September 2020

Directorate: Statistics & Economic Analysis

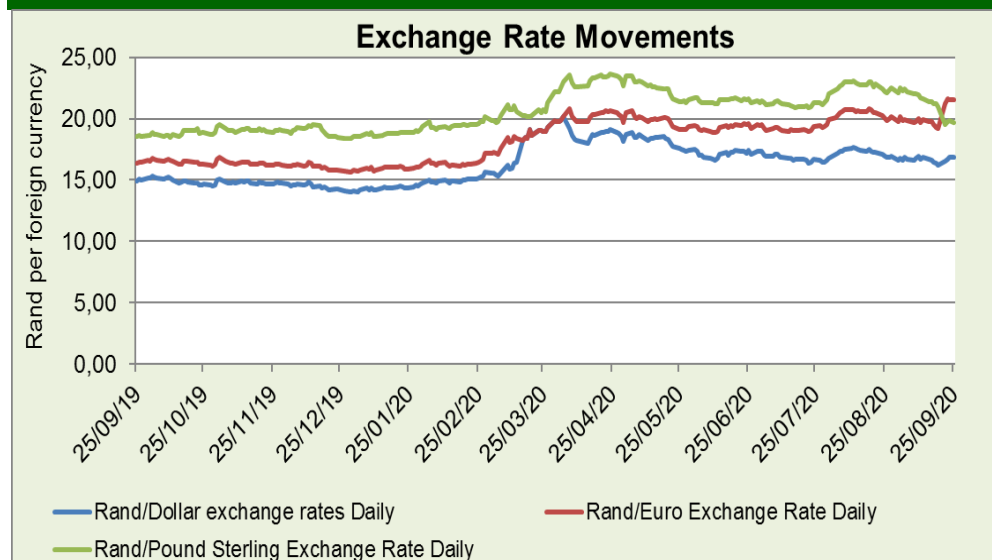
Sub-directorate: Economic Analysis



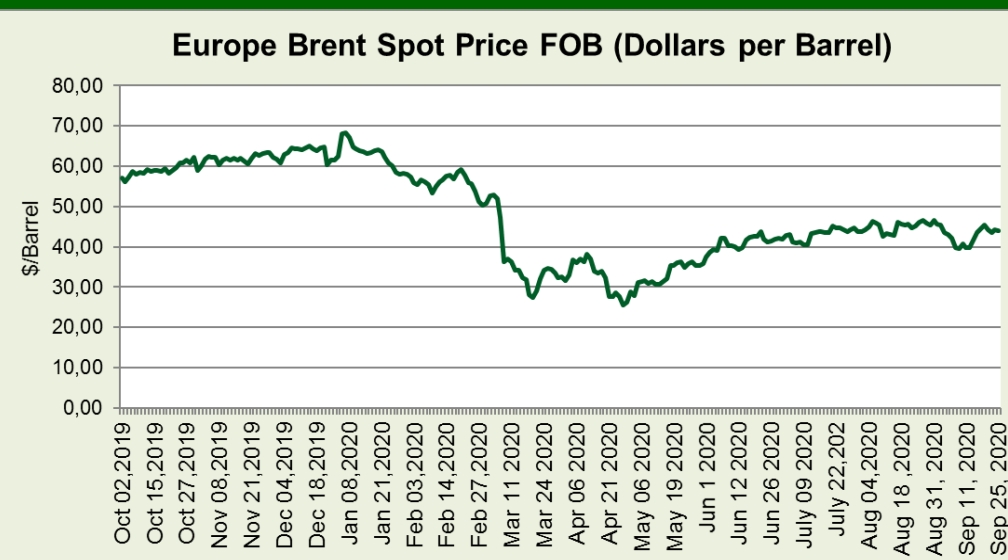
The price of local white and yellow maize increased by 5.4% and 4.4% respectively this week compared to last week. Growing global demand, coupled with the weaker domestic currency have added to the increase in domestic maize prices. The international maize price also increased this week by 0.8% compared to last week as a result of strong demand. The price of local wheat increased by 3.4% due to inter-alia, the weaker rand. The World wheat price also increased by 2.9%. The price of local soybeans increased by 3.2% also benefiting from the weaker rand and also from people buying to cover from the exchange. The USA soybeans price also increased by 0.6% as a result of large export sales to China. The price of sunflower also increased slightly by 0.4% whilst the sorghum price remained stable.

Spot price trends of major grains commodities

	1 year ago Week 39 (23-09-19 to 27-09-19)	Last week Week 38 (14-09-20 to 18-09-20)	This week Week 39 (21-09-20 to 25-09-20)	w-o-w % change
RSA White Maize per ton	R 2 840,25	R 3 268.00	R 3 445,75	5,4%
RSA Yellow Maize per ton	R 2 716,75	R 3 168.00	R 3 306,25	4,4%
USA Yellow Maize per ton	\$ 147,18	\$ 144.50	\$ 145,72	0,8%
RSA Wheat per ton	R 4 544,50	R 4 922.00	R 5 089,25	3,4%
USA Wheat per ton	\$ 176,39	\$ 199.77	\$ 205,51	2,9%
RSA Soybeans per ton	R 5 834,00	R 7 838.40	R 8 089,50	3,2%
USA Soybeans per ton	\$ 327,11	\$ 371.52	\$ 373,65	0,6%
RSA Sunflower seed per ton	R 5 467,75	R 7 687.60	R 7 716,00	0,4%
RSA Sweet Sorghum per ton	R 3 469,00	R 3 800.00	R 3 800.00	0,0%
Crude oil per barrel	\$ 60,63	\$ 42.96	\$ 44,00	2,4%



The rand depreciated by 1.8%, 1% and 1.2% against the dollar, euro and pound respectively. The rand depreciated against the dollar due to US-China trade tensions after US President Donald Trump said China needed to be held accountable for the Corona virus pandemic. The rand depreciated against the Euro and the pound as a second wave of COVID-19 infections in Europe remains a concern for many investor.



The price of oil increased by 2.4% this week compared to last week. Crude oil prices as participants widened their positions on firm spot demand. Analysts stated that the raising of bets by participants kept crude oil prices higher in futures trade. Industry experts have estimated that oil demand may take until 2022 to see a full recovery in prices.



National South African Price information (RMAA) : Beef

Week 37 (07/09/2020 to 13/09/2020)	Units	Avg Purchase Price	Avg Selling Price	Week 38 (14 /09/2020 to 20/09/2020)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7833	45.84	47.27	Class A2	8041	46,53	47,57
Class A3	641	46.00	47.42	Class A3	663	46,52	47,73
Class C2	945	39.68	40.78	Class C2	611	40,52	41,92

The units sold for class A2 and A3 increased by 2.7% and 3.4% respectively, whilst the units sold for class C2 decreased by 35.2%. The purchase prices for class A2, A3 and C2 increased by 1.5%, 1.1% and 2.1% respectively whilst the selling prices increased by 0.6%,0.7% and 2.8% respectively.

National South African Price information (RMAA) : Lamb

Week 37 (07/09/2020 to 13/09/2020)	Units	Avg Purchase Price	Avg Selling Price	Week 38 (14 /09/2020 to 20/09/2020)	Units	Avg Purchase Price	Avg Selling Price
Class A2	5135	88.16	90.06	Class A2	6923	88,35	90,85
Class A3	895	87.45	89.56	Class A3	880	86,42	89,22
Class C2	563	66.37	69.12	Class C2	686	67,77	69,54

The units sold for class A2 and C2 lamb increased by 34.8% and 21.8% respectively whilst declining by 1.7% for class A3. The purchase prices for class A2 and C2 increased by 0.2% and 2.1% respectively, while declining by 1.2% for class A3. The average selling prices increased by 0.9% and 0.6% for class A2 and C2 and declined by 0.4% for class A3.

National South African Price information (RMAA) : Pork

Week 37 (07/09/2020 to 13/09/2020)	Units	Avg Purchase Price	Week 38 (14 /09/2020 to 20/09/2020)	Units	Avg Purchase Price
Class BP	8075	26.82	Class BP	8821	27,00
Class HO	7345	25.95	Class HO	4654	26,45
Class HP	5869	25.87	Class HP	4101	26,45

The units sold for class HO and HP decreased by 36.6% and 30.1% respectively while class BP increase by 9.2% for compared to last week. The average purchase prices for class BP, HO and HP increased by 0.7%, 1.9% and 2.2% respectively.

Latest News Developments

Ministers from the largest economies including the US, China, the EU, India, Japan, Brazil and Indonesia; attended the G20 Trade and Investment Ministers meeting earlier this week, where they took a stance to support economic diversification. The G20 Trade and Investment Ministers adopted a Communique on ‘Realizing Opportunities of the 21st Century for All’; where they committed to use all available policy tools to minimise the economic and social damage of the pandemic, restore global growth, maintain market stability and strengthen resilience.

According to Exxaro Resources Limited; repurposing of mining land could help create farming jobs at scale, while the viability of rehabilitating mined land for agricultural purposes is still being debated and researched, there are success stories in the making; where mining companies are helping their host communities develop sustainable agricultural economies as mining activity winds down. These agri-economies can help to sustain employment numbers in areas where mining was previously the major employer. Exxaro’s land management goals for 2026 include transferring 90% of post-mining land to emerging farmers in local communities, while creating strategic partnerships with farmers to advance these agri-economies. The company stated that to accomplish the goal, they first need to manage lands sustainably, restore degrading areas, and improve irrigation and storage technologies. The company hopes to increase agricultural production for food security and improved nutrition within communities, especially in rural areas where poverty is prevalent. Günter Nooke; German Chancellor Angela Merkel representative in African stated that foreign direct investment (FDI) can sustainably strengthen the development of the African continent. He highlighted that many parts of Africa’s private sector are based in the informal sector and characterised by either a lack of electricity or bad governance and other challenges, meaning that foreign investors have to keep solutions based on the reality of the ground in Africa. He suggests key factors to keep in mind that are meant to help Africa grow include the investment climate, a stable institution and legal framework, infrastructure and a well-trained labour force. Nooke laments the continent’s lack of infrastructure, insufficient amounts of which “means less productivity. He suggested that there are encouraging trends that present investment opportunities on the continent; these include digitalisation, geopolitical commissions, the climate and going green.

Nelson Mandela University Infrastructure Development & Engagement Unit associate Bongani Mankewu writes that a move from government to governance is needed for infrastructure to be catalytic to economic growth. During the manufacturing circle annual general meeting Eskom CEO Andre de Ruyter said that investing in research, embracing innovation and technology and lowering manufacturing costs were equally critical in boosting manufacturing competitiveness, as was a collaborative approach. He stated that the manufacturing sector had reached a tipping point; adding that eliminating growth and investment barriers, while boosting the demand for local goods were just some of the measures required to place it on the path of success. First National Bank (FNB)/Bureau for Economic Research (BER) Civil Confidence Index, increased to a still low level of 11 in the third quarter from an all-time low of five in the second quarter . Recent University of Cape Town (UCT) study revealed that technical and vocational education and training (TVET) students are faring worse than university students in terms of Internet access for remote learning.

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.
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