



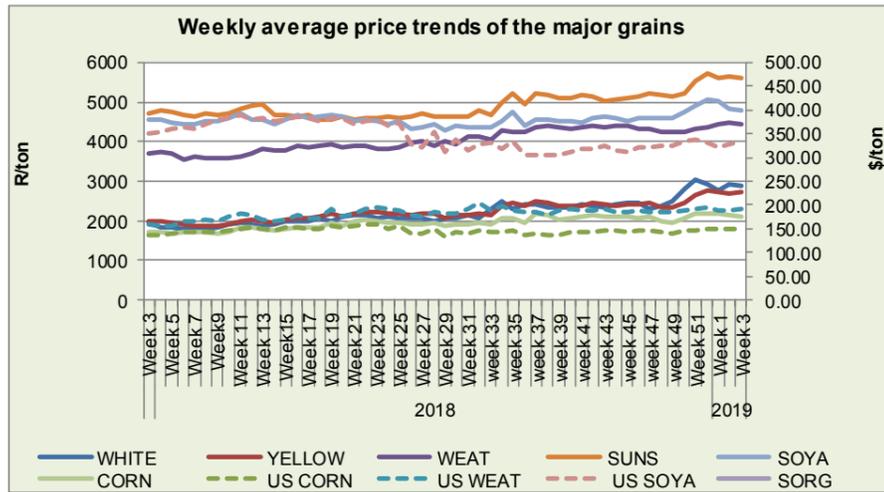
# agriculture, forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA

## Weekly Price Watch: 15 January 2019

Directorate: Statistics & Economic Analysis

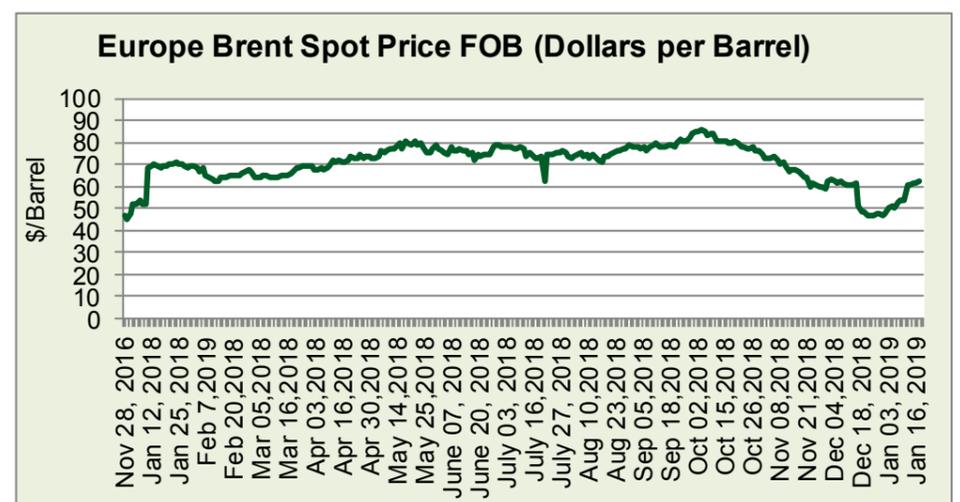
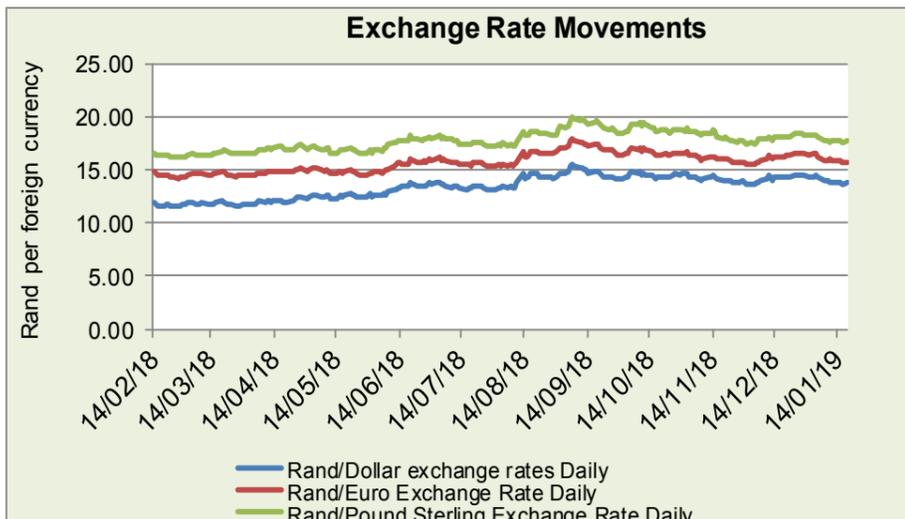
Sub-directorate: Economic Analysis



White maize futures were high this week. The price of white maize increased by 8% compared to last week due to extreme heat and little rainfall in the Western parts of the country. Rain is needed urgently as moisture is disappearing and the weather forecast showed little prospects for rain for the week. The price of yellow maize increased by 2% compared to last week, the yellow maize price is currently trading at import parity. The price of US maize declined by 1.1% compared to last week as direction is expected ahead of the US and China talks expected to continue from 30-31st January 2019. The price of local wheat declined by 0.5% this week due to the stronger rand compared to the previous week. The international wheat price increased slightly compared to last week. The price of local soybeans is stable compared to last week although the price is still high due to heat stress and lack of rain in parts of the main growing areas. The price of USA soybeans decreased by a percentage point compared to last week. The price of local sunflower increased by 4% on concerns over lack of rain and high temperatures.

### Spot price trends of major grains commodities

	1 year ago Week 3 (15-01-18 to 19-01-18)	Last week Week 2 (07-01-19 to 11-01-19)	This week Week 3 (14-01-19 to 18-01-19)	w-o-w % change
RSA White Maize per ton	R 1946.6	R 2 938.00	R 3 173,00	8,0%
RSA Yellow Maize per ton	R 1978.8	R 2 739.80	R 2 800.00	2,2%
USA Yellow Maize per ton	\$ 137.39	\$ 149.87	\$ 148.17	-1,1%
RSA Wheat per ton	R 3 741.4	R 4 428.80	R 4 405.60	-0,5%
USA Wheat per ton	\$ 154.6	\$ 189.94	\$ 190.24	0,2%
RSA Soybeans per ton	R 4558.2	R 4 771.20	R 4 769.80	0,0%
USA Soybeans per ton	\$ 352.5	\$ 333.23	\$ 329.58	-1,1%
RSA Sunflower seed per ton	R 4785.4	R 5 585.40	R 5 830.80	4,4%
RSA Sorghum per ton	R 2900	R 3 750.00	R 3 750.00	0,0%
Crude oil per barrel	\$69.26	\$ 52.08	\$ 61.28	17,7%



The rand appreciated against major currencies boosted by Statistics SA retail data which exceeded expectations growing by 3.1% due to promotional events like Black Friday and Cyber Monday. The rand appreciated against Dollar, Euro and pound, as the pound fluctuated and UK stocks fell due to a no-confidence vote in Prime Minister Theresa May's government.

The price of crude oil increased by 17,7% this week compared to the previous week this due to inter-alia, a decline in US crude inventories, one of the world's biggest consumers. Saudi Arabia's indicated that inventories will start to return to normal averages.



### National South African Price information (RMAA) : Beef

Week 1 (31/12/2018 to 06/01/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 2 (2019/01/07 To 2019/01/13)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6595	45.08	46.68	Class A2	6452	44,02	45,23
Class A3	967	45.10	47.13	Class A3	887	44,50	45,72
Class C2	310	40.24	40.57	Class C2	839	40,00	41,27

Units sold for class A2 and A3 price decreased by 2.2% and 8.3%, whilst class C2 units sold more than doubled this week compared to last week. The average purchase prices for all meat classes decreased this week, class A2, A3 and C2 prices decreased by 2.4%,1.3% and 0.6% respectively. The average selling prices for class A2, A3 and C2 decreased by 3.1%, 3% and 1.7% respectively.

### National South African Price information (RMAA) : Lamb

Week 1 (31/12/2018 to 06/01/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 2 (2019/01/07 To 2019/01/13)	Units	Avg Purchase Price	Avg Selling Price
Class A2	5289	77.71	72.35	Class A2	5799	67,83	71,40
Class A3	905	77.55	71.74	Class A3	889	68,25	71,36
Class C2	349	55.19	58.57	Class C2	506	54,66	59,52

The average units sold for class A2 and C2 increased by 9.6% and 45% respectively, whilst class A3 prices decreased by 1.8% compared to last week. The average purchase prices for all meat classes decreased; class A2 , A3 and C2 prices decreased by 12.7%, 12% and 1% this week. The average selling price for class A2 and A3 decreased by 1.3% and 0.5% respectively whilst class C2 prices increased by 1.6% respectively.

### National South African Price information (RMAA) : Pork

Week 1 (31/12/2018 to 06/01/2019)	Units	Avg Purchase Price	Week 2 (2019/01/07 To 2019/01/13)	Units	Avg Purchase Price
Class BP	3348	28.24	Class BP	7971	27,84
Class HO	949	27.51	Class HO	6239	26,92
Class HP	826	26.51	Class HP	3400	26.92

All pork classes sold this week increased significantly compared to last week. The average purchase prices for class BP and HO decreased by 1.4% and 2.1% respectively, whilst class HP price increased by 1.5%.

## Latest News Developments

South African Reserve bank kept the repo rate unchanged as expected at 6.7% citing an improvement in the near-term inflation outlook. The governor of the Reserve bank stated that a significant drop in international oil prices and a less depreciated rand exchange rate were key drivers of the improved outlook. The South African Local Government Association (Salga) has rejected Eskom's appeal for a 15% tariff increase over the next three years. Agree SA stated that sharp electricity tariff hikes would have a major detrimental effect on the agricultural sector threatening to food security and have a major negative impact on agricultural sustainability and economic survival. Investment bank Goldman Sachs said South Africa's rand could tumble 3.5% if State-run power utility Eskom suffers a major sell off in its bonds, but it could also jump 4.5% if the firm's troubles improve. The Western Cape Local Government spent R78.2-million by March 31 on drought alleviation projects across the province. KwaZulu-Natal Economic Development, Tourism and Environmental Affairs will launch a multimillion-rand textile firm Africa Bespoke Apparel (ABA) in KwaZulu-Natal. Deloitte Africa Emerging Markets MD Dr Martyn Davies stated that Africa is sitting on financial periphery and the onus is on entities on the continent to take proactive measures to grow countries economies and drive market reforms. International Monetary Fund (IMF) working paper indicates that countries in sub-Saharan Africa could strengthen their economic performance by improving governance and reducing corruption indicating that countries in the region tended to lag behind those in most other regions in the world in terms of governance and corruption.

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Source: SAFEX, Stats SA, Farmers weekly, Reuters, Red Meat Abattoir Association, Standard Bank, Absa Bank, Business Day, South African Agricultural Commodity weekly, EIA, Investing.com

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