



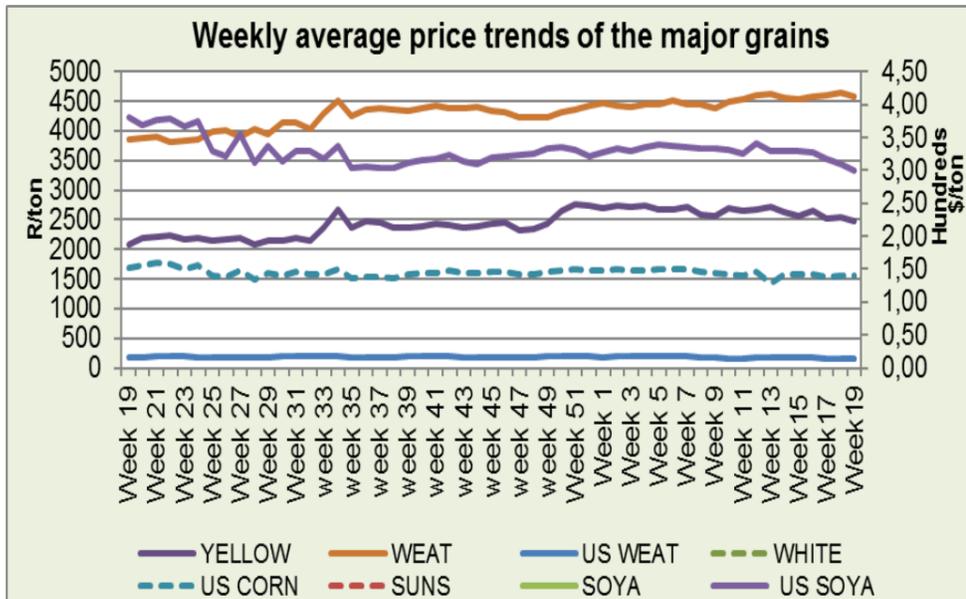
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 10 May 2019

Directorate: Statistics & Economic Analysis

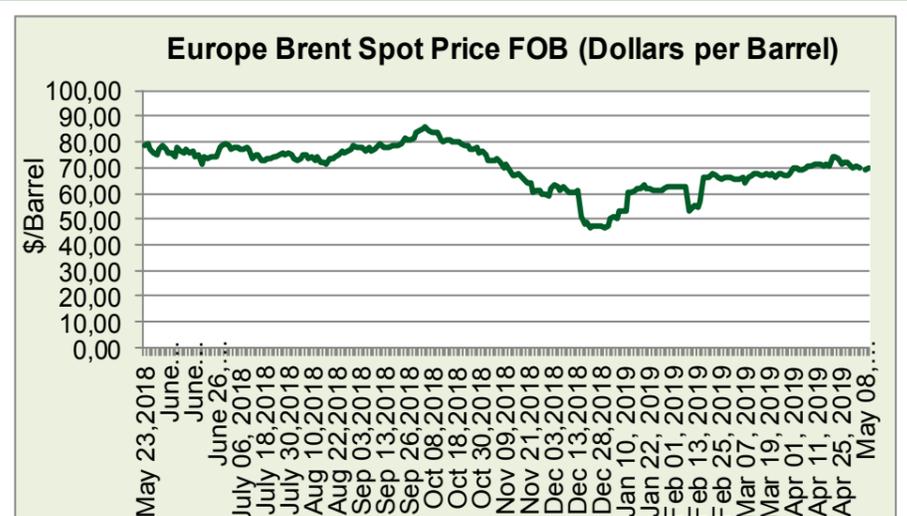
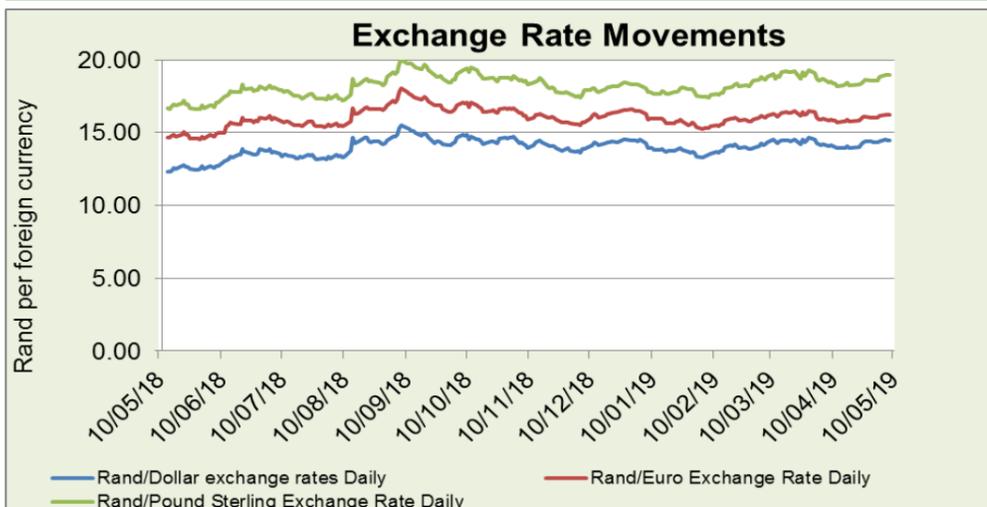
Sub-directorate: Economic Analysis



The price of grains decreased this week compared to last week due to low international prices as a result of the US/China trade war. The price of local white and yellow maize decreased by 2.6% and 2.2% respectively. Price declines are also due to good conditions for harvesting expected. The price of US maize decrease by 0.3% as a result of weak international prices. The price of local wheat decreased by 1.4% due to lower international prices and the weak rand. The price of US wheat decreased by 0.6% due to large global stock and no exports. The price of local soybeans and sunflower decreased by 2.9% and 1.8% respectively as a result of weaknesses in the international oilseeds market. The price of US soybeans decreased by 3.2% due to large selling in the US amidst the USA/China trade war and weather conditions remaining good. The price of sorghum decreased by 0.7% this week compared to last week.

Spot price trends of major grains commodities

	1 year ago Week 19 (30-04-18 to 04-05-18)	Last week Week 18 (29-04-19 to 03-05-19)	This week Week 19 (06-05-19 to 10-05-19)	w-o-w % change
RSA White Maize per ton	R 1 985.31	R 2 599.25	R 2 532.50	-2,6%
RSA Yellow Maize per ton	R 2 085.90	R 2 542.50	R 2 485.50	-2,2%
USA Yellow Maize per ton	\$ 152.28	\$ 140.27	\$ 139.84	-0,3%
RSA Wheat per ton	R 3 863.24	R 4 637.00	R 4 573.75	-1,4%
USA Wheat per ton	\$ 176.71	\$ 157.98	\$ 156.96	-0,6%
RSA Soybeans per ton	R 4 630.00	R 4 690.50	R 4 555.75	-2,9%
USA Soybeans per ton	\$ 381.20	\$ 309.63	\$ 299.75	-3,2%
RSA Sunflower seed per ton	R 4 615.90	R 5 000.00	R 4 908.75	-1,8%
RSA Sorghum per ton	R 3 119.20	R3 400.00	R3 375.00	-0,7%
Crude oil per barrel	\$ 73.51	\$ 71.23	\$ 69.80	-2.0



The rand appreciated against the dollar towards the end of the week, recovering from its earlier weaknesses during the week against the dollar, although it is still weaker against the British pound and the Euro. The looming trade war between the US and China as well as the South African national elections had an impact to the rand fluctuations.

The price of oil decreased by 2% this week compared to last week, although it is expected to pick as the US ditched the Iran Nuclear deal. Expectations are that the oil price will increase as sanctions looms over Iran which could affect supply.



National South African Price information (RMAA) : Beef

Week 17 (22/04/2019 to 28/04/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 18 (29/04/2019 to 05/05/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 275	44.24	46.62	Class A2	7637	44.44	45.47
Class A3	1 168	44.47	45.60	Class A3	1 105	44.40	45.33
Class C2	828	37.89	39.37	Class C2	1129	37.27	39.52

The units sold for class A2 and C2 increased by 5% and 36.4% respectively, whilst units sold for class A3 decreased by 5.4%. The purchase price for class A2 increased by 0.5% whilst it decreased by 0.2% and 1.6% for class A3 and C2 respectively. The selling prices for class A2 and A3 decreased by 2.5% and 0.6% respectively whilst increasing by 0.4% for class C2.

National South African Price information (RMAA) : Lamb

Week 17 (22/04/2019 to 28/04/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 18 (29/04/2019 to 05/05/2019)	Units	Avg Purchase Price	Avg Selling Price
Class A2	6 817	64.45	69.24	Class A2	9 334	62.00	62.86
Class A3	1 241	64.92	69.87	Class A3	1 919	63,52	71,69
Class C2	755	48.79	52.05	Class C2	797	43,73	49,58

The units sold for class A2, A3 and C2 increased by 36.9%,54.6% and 5.6% respectively. The average purchase price for all classes decreased by 0.7%, 2.2% and 10.4% respectively. The average selling prices for class A2 and C2 decreased by 9.2% and 4.7% respectively and increased by 2.6% for class A3.

National South African Price information (RMAA) : Pork

Week 17 (22/04/2019 to 28/04/2019)	Units	Avg Purchase Price	Week 18 (29/04/2019 to 05/05/2019)	Units	Avg Purchase Price
Class BP	7 621	21.16	Class BP	7632	21.05
Class HO	5 495	20.20	Class HO	5888	20.22
Class HP	4 897	20.48	Class HP	5220	20.54

The units sold for class BP, HO and HP increased by 0.1%, 7.2% and 6.6% respectively. The average purchase price of class BP decreased by 0.5% whilst class HO and HP prices increased by 0.1% and 0.3% respectively.

Latest News Developments

Market certainty returned after South Africa held yet another successful election on 8th May 2018. The South African Chamber of Commerce and Industry (Sacci) Business Confidence Index (BCI) improved by 1.9 index points month-on-month to 93.7 in April. IHS Markit's Purchasing Managers' Index (PMI) jumped to 50.3 in April from 48.8 in March, the highest reading since June 2018. According to First National Bank senior agricultural economist, South Africa's agricultural sector remains resilient, but needs to learn how to cope with challenges such as drought and policy uncertainty. The Eskom Sustainability Task Team which already had its proposal for the unbundling of the utility into three separate units accepted by government indicated in its analysis that Eskom's losses, which are likely to surge to a record R25 billion for 2018/19 will continue to increase under the current scenario and that capital and interest payments for new debt will overwhelm cash from operations. Professor James Larkin of Wits stated that with coal power stations starting to reach the end of their lives owing to insufficient maintenance, the country's only option going forward would have to be nuclear energy. SA Science and Technology Minister addressing the recent breakfast forum highlighted that the country's future development probably depended on how fast it mastered the technologies of the Fourth Industrial Revolution. Research and consulting specialist Africa House MD Liz Whitehouse stated that Africa as a trade and export destination is looking increasingly attractive from a South African perspective, and represents an opportunity for growth for many companies. Agile Capital CEO Tshego Sefolo stated that Urbanization in Africa will increase significantly, compared with the rest of the world, and this will result in several significant investment opportunities. South Sudan's petroleum ministry said that South Sudan and South Africa will sign a production sharing agreement for an untapped exploration block in the East African country, whose production has been hampered by civil war.

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