



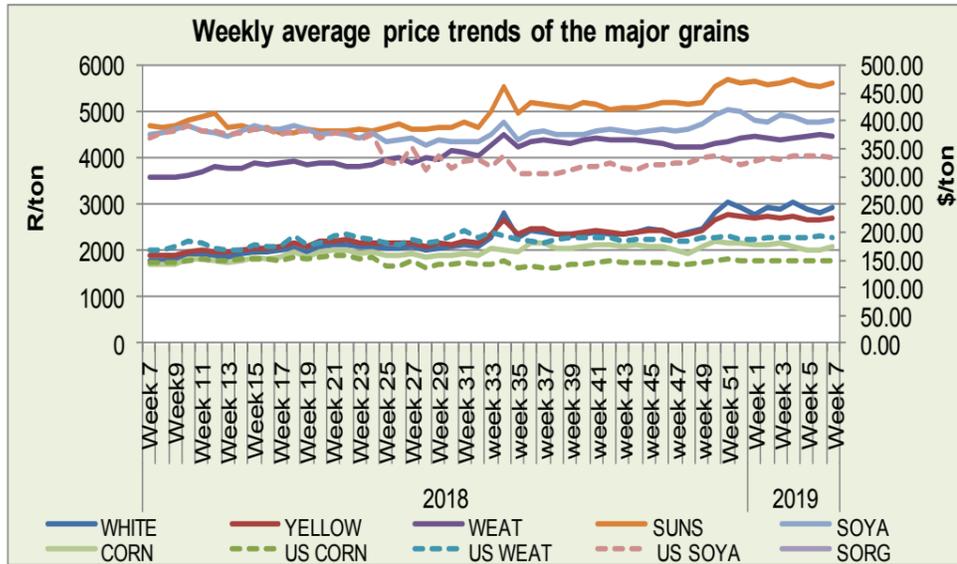
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 15 February 2019

Directorate: Statistics & Economic Analysis

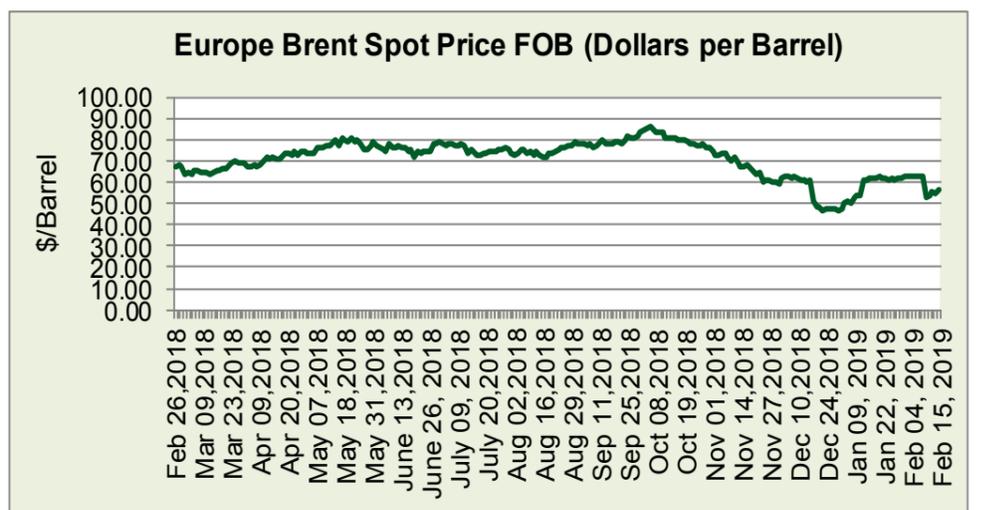
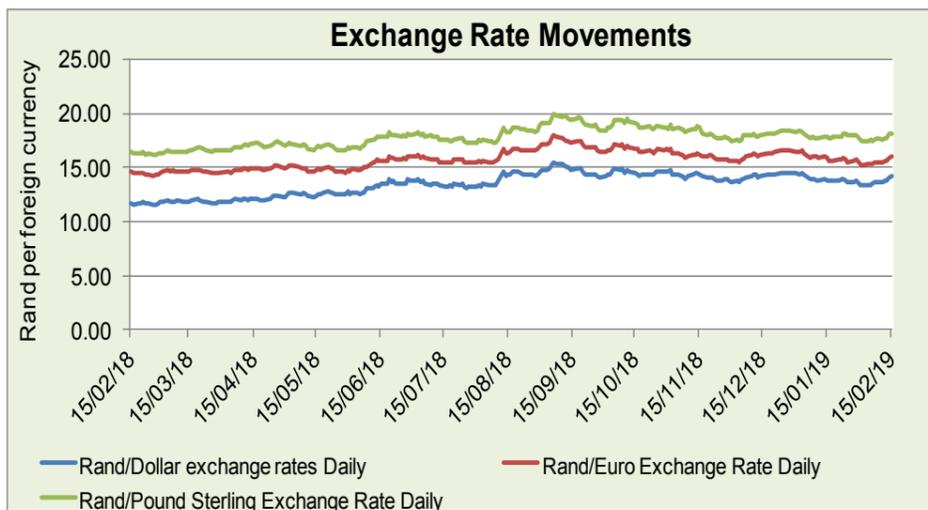
Sub-directorate: Economic Analysis



There are many uncertainties regarding the possible production for this season since most of the maize was planted late. The domestic white and yellow maize average prices weakened by 5% and 2.4% respectively this week as compared to the previous week. The domestic average price for wheat increased by 0.7% week on week. The local soybean average price remained constant when compared to the previous week. Local sorghum average price remained unchanged at R3820.00 this week as compared to the previous week. On the international market the results were mixed week on week. The US yellow maize average price decreased by 0.9% this week as compared to the previous week. The US wheat average price also decreased 1.2% week on week. The US soybean average price increased by 1% this week as compared to the previous week.

Spot price trends of major grains commodities

	1 year ago Week 7 (12-02-18 to 16-02-18)	Last week Week 6 (04-02-19 to 08-02-19)	This week Week 7 (11-02-19 to 15-02-19)	w-o-w % change
RSA White Maize per ton	R 1 791.20	R 2 822.40	R 2 680.00	-5.0%
RSA Yellow Maize per ton	R 1 880.00	R 2 665.00	R 2 600.00	-2.4%
USA Yellow Maize per ton	\$ 144.12	\$ 149.16	\$ 147.88	-0.9%
RSA Wheat per ton	R 3 583.20	R 4 516.60	R 4 546.40	0.7%
USA Wheat per ton	\$ 168.34	\$ 192.26	\$ 189.93	-1.2%
RSA Soybeans per ton	R 4 503.40	R 4 754.40	R 4 753.20	0.0%
USA Soybeans per ton	\$ 370.19	\$ 337.37	\$ 340.85	1.0%
RSA Sunflower seed per ton	R 4 694.20	R 5 543.80	R 5 288.20	-4.6%
RSA Sorghum per ton	R 3 000.00	R 3 820.00	R 3 820.00	0.0%
Crude oil per barrel	\$ 63.57	\$ 62.44	\$ 54.61	-12.5%



The Rand depreciated by 2.6% against the US dollar this week, sacrificing some of its January gains. The rand depreciated by 1.9% against the Pound Sterling in the reporting week. The rand depreciated by 1.9% against the Euro week-on-week.

Brent crude oil averaged \$54.61 in the reporting week. In the reporting week Brent crude price dropped drastically by 12.5%. Worries about a broadening global economic slowdown could threaten demand for crude and will likely have the biggest impact on oil markets in the week ahead.



National South African Price information (RMAA) : Beef

Week 5 (28/01/2019 to 03/02/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 6 (04/02/2019 to 10/02/2019)	Units	Avg Purchase Price	Avg Selling Price
Beef							
Class A2	11 189	39.76	40.94	Class A2	8 040	40.04	41.13
Class A3	1 384	39.51	40.90	Class A3	525	39.99	40.74
Class C2	1 005	37.08	39.31	Class C2	603	37.25	37.87

Units sales for class A2, A3 and C2 beef decreased by 28.1%, 62.1% and 40% respectively in the reporting week compared to the previous week. Weekly average purchase prices for class A2, A3 and C2 beef increased by 0.7%, 1.2% and 0.5% respectively, week-on-week. Weekly average selling prices for class A2 increased by 0.5% in the reporting week while the average selling price for class A2 and class C2 beef decreased by 0.4% and 3.7% respectively, week-on-week.

National South African Price information (RMAA) : Lamb

Week 5 (28/01/2019 to 03/02/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 6 (04/02/2019 to 10/02/2019)	Units	Avg Purchase Price	Avg Selling Price
Lamb							
Class A2	8 138	62.81	69.74	Class A2	7 814	62.35	68.59
Class A3	1 613	63.45	69.70	Class A3	1 378	63.87	68.60
Class C2	559	50.18	55.50	Class C2	867	54.89	57.89

Lamb unit sales for class A2 and class A3 decreased by 4% and 14.6% respectively, while class C2 increased by 55.1% in the reporting week compared to the previous week. Weekly average purchase price for class A2 decreased by 0.7%, while class A3 and class C2 lamb increased by 0.7% and 9.4% respectively, in the reporting week. During the same period, the weekly average selling price for class A2 and class A3 both decreased by 1.6%, whilst class C2 lamb average selling price increased by 4.3% week-on-week.

National South African Price information (RMAA) : Pork

Week 5 (28/01/2019 to 03/02/2019)	Units	Avg Purchase Price	Week 6 (04/02/2019 to 10/02/2019)	Units	Avg Purchase Price
Pork					
Class BP	7 979	24.43	Class BP	8 365	24.28
Class HO	6 599	23.47	Class HO	5 807	23.58
Class HP	4 666	23.27	Class HP	4 221	23.47

Class BP pork units increased by 4.8% in the reporting week, while class HO and class HP pork decreased by 12% and 9.5% respectively week-on-week. Weekly average purchase prices for class BP decreased by 0.6%, while class HO and class HP pork increased by 0.5% and 0.9% respectively in the reporting week compared to the previous week.

Latest News Developments

Last week's load shedding has highlighted just how vulnerable Eskom is and the risk it poses to the fiscus. It also resulted in the rand weakening by more than 3% against the dollar on concern that Eskom could be the catalyst for a downgrade by Moody's, the last of the major agencies with an investment grade rating on SA debt. It will be watching Finance Minister Tito Mboweni's national budget presentation on Wednesday to see how the National Treasury handles the growing crisis. The rand further weakened during the reporting period. World stocks rose over US/China trade as the dollar strengthened against the euro.

The unions say the unbundling of Eskom, as announced by the president, will be an expensive exercise that will further put the struggling power supply into debt. It was a week of government crisis management as Public Enterprises Minister Pravin Gordhan tried to force change in Eskom, Africa's largest electricity supplier. Moody's is likely to downgrade South Africa to junk status in 2019, unless something happens with projected tax collection and a rescue plan for Eskom. South African investors sought investment opportunities in short-term funds in 2018 to keep their investments in stocks safe. The mining industry is experiencing a severe setback as a result of strikes and load shedding. Sibanye-Stillwater says it can cut nearly 6,000 jobs due to gold mining restructuring.

Oil prices increased about 1% supported by Opec-led production cuts and US sanctions against Iran and Venezuela, however they remain cautious of surging US output and the outcome of US-China trade talks. The JSE advanced on Tuesday as international stocks rose on the back of positive news on the likely prevention of another US government shutdown, as well optimism over the US-China trade talks. Locally, Stats SA released South Africa's Unemployment Rate data for the 4th quarter. The statistics came in at 27.1% which was better than the forecast and prior recording of 27.5%. President Cyril Ramaphosa is going to sign the Competition Amendment Bill into Law this afternoon, the bill seeks to strengthen regulations against anticompetitive behaviour in industrial markets.

For more information contact: Directorate Statistics & Economic Analysis (SEA) at PresentG@daff.gov.za or 0123198288.