



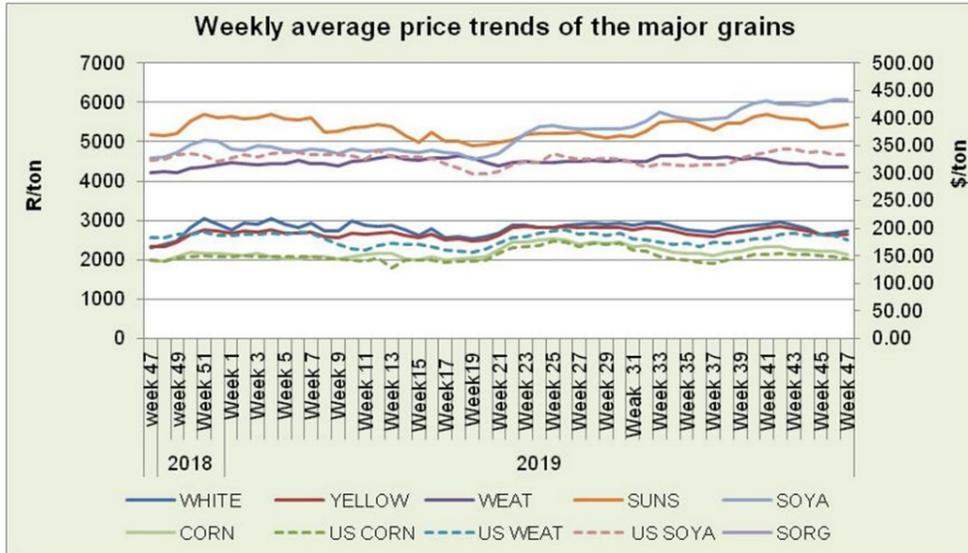
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 22 November 2019

Directorate: Statistics & Economic Analysis

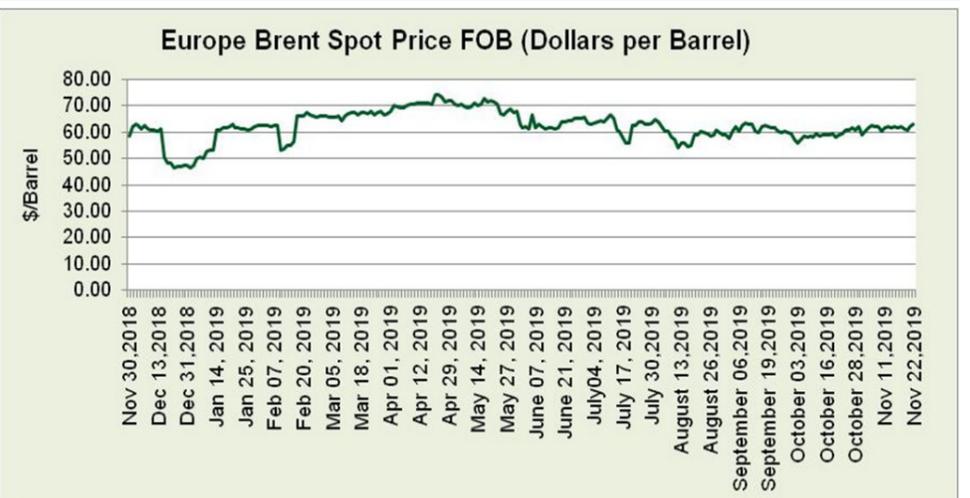
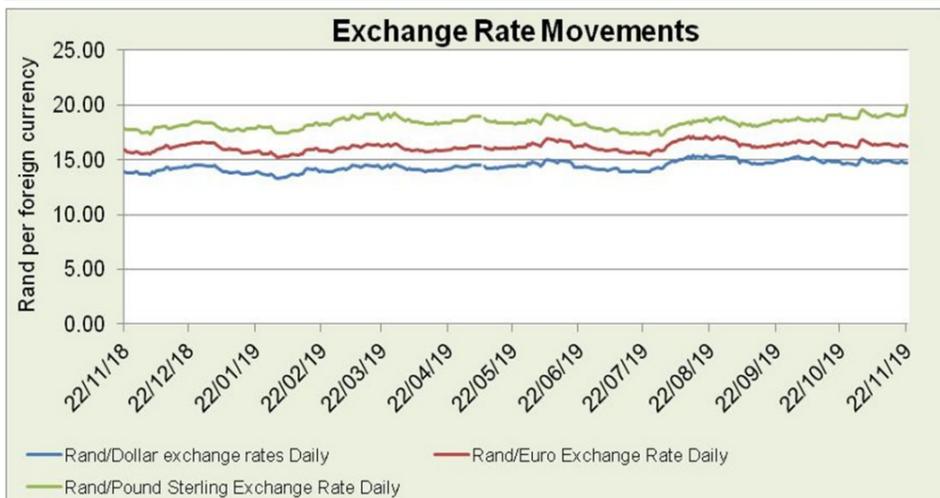
Sub-directorate: Economic Analysis



Domestic grain prices strengthened this week except for wheat prices which decreased by 0.3% this week compared to the previous week. Local white and yellow maize prices increased by 1.9% and 1.1% respectively this week compared to the previous week. Maize prices will likely continue increasing with the progression of the lean season, peaking in January or February. Local soybean and sunflower seed prices increased by 0.2% and 1.0% respectively week-on-week. Local sweet sorghum price remained unchanged this week compared to the previous week. Internationally, US yellow maize prices and US wheat decreased by 1.9% and 4.2% respectively this week compared to the previous week. US soybean prices increased by 0.3% week-on-week. Markets have slipped to their lowest level since the end of September and, with the recent United States Department of Agriculture (USDA) report confirming ample global stocks of not only soybeans but also sunflower seed and rapeseed, a market recovery in the near-term looks unlikely.

Spot price trends of major grains commodities

	1 year ago Week 47 (19-11-18 to 23-11-18)	Last week Week 46 (11-11-19 to 15-11-19)	This week Week 47 (18-11-19 to 22-11-19)	w-o-w % change
RSA White Maize per ton	R 2 311.60	R 2 671.00	R 2 723.00	1.9%
RSA Yellow Maize per ton	R 2 332.20	R 2 626.60	R 2 656.60	1.1%
USA Yellow Maize per ton	\$ 142.62	\$ 147.93	\$ 145.17	-1.9%
RSA Wheat per ton	R 4 223.00	R 4 366.40	R 4 352.00	-0.3%
USA Wheat per ton	\$ 183.92	\$ 187.34	\$ 179.39	-4.2%
RSA Soybeans per ton	R 4 588.20	R 6 065.60	R 6 075.60	0.2%
USA Soybeans per ton	\$ 324.28	\$ 333.09	\$ 334.06	0.3%
RSA Sunflower seed per ton	R 5 179.40	R 5 391.80	R 5 445.00	1.0%
RSA Sweet Sorghum per ton	R 3 700.00	R 3 469.00	R 3 469.00	0.0%
Crude oil per barrel	\$ 64.07	\$ 61.73	\$ 61.79	0.1%



The rand appreciated by 0.89% against the US dollar and 0.49% against the Euro week-on-week, whilst the rand depreciated by 0.64% against the Pound Sterling week-on-week. Locally, the South African Reserve Bank decided to keep the repo rate unchanged at 6.50% as the bank reiterated that future policy decisions would continue to be data driven.

Brent crude oil averaged \$61.79 in the reporting week, 0.1% more than \$61.73 reported the previous week. Brent crude oil prices enjoyed big gains after improved U.S. and Chinese economic data aided the demand outlook, while optimism increased over the resolution of the two countries' trade dispute.



National South African Price information (RMAA) : Beef

Week 45 (04/11/2019 to 10/11/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 46 (11/11/2019 to 17/11/2019)	Units	Avg Purchase Price	Avg Selling Price
Beef							
Class A2	9 713	44.71	45.73	Class A2	8 084	43.22	44.22
Class A3	701	44.64	45.91	Class A3	741	44.48	44.29
Class C2	1 224	36.98	39.39	Class C2	1 177	36.31	38.84

Units sold for class A2 and C2 beef decreased by 16.8% and 3.8% respectively in the reporting week with the recent confirmation of the Foot and Mouth Disease in a herd of cattle on a farm in the Molemole Local Municipality, Limpopo Province. However, units of class A3 increased by 5.7% week on week. Weekly average purchase prices for class A2, A3 and C2 beef decreased by 3.3%, 0.4% and 1.8% respectively. During the same period, the weekly average selling prices for class A2, A3 and C2 beef decreased by 3.3%, 3.5% and 1.4% respectively in the reporting week.

National South African Price information (RMAA) : Lamb

Week 45 (04/11/2019 to 10/11/2019)	Units	Avg Purchase Price	Avg Selling Price	Week 46 (11/11/2019 to 17/11/2019)	Units	Avg Purchase Price	Avg Selling Price
Lamb							
Class A2	6 851	65.91	69.35	Class A2	6 731	63.92	68.77
Class A3	1 315	65.73	69.27	Class A3	946	65.85	69.31
Class C2	849	48.20	51.68	Class C2	1 185	46.69	51.36

Units sold for class A2 and A3 lamb decreased by 1.8% and 28.1% respectively in the reporting week while units sold for class C2 lamb increased by 39.6% week-on-week. The weekly average purchase prices for class A2 and C3 lamb decreased by 3.0% and 3.1% respectively in the reporting week while the weekly average purchase price for class A3 lamb increased by 0.2% week-on-week. During the same period, the weekly average selling prices for class A2 and C2 lamb decreased by 0.8% and 0.6% respectively in the reporting week while the weekly average selling price for class A3 lamb increased by 0.1% week-on-week.

National South African Price information (RMAA) : Pork

Week 45 (04/11/2019 to 10/11/2019)	Units	Avg Purchase Price	Week 46 (11/11/2019 to 17/11/2019)	Units	Avg Purchase Price
Pork					
Class BP	8 574	27.32	Class BP	8 769	27.31
Class HO	6 250	26.79	Class HO	6 031	26.77
Class HP	4 945	26.27	Class HP	4 212	26.46

Units sold for class BP, pork increased by 2.3%. Units of class HO and class HP pork decreased by 3.5% and 14.8% respectively in the reporting week compared to the previous week. During the same period, the weekly average purchase prices for class BP and Class HO pork decreased by 0.04% and 0.1% respectively in the reporting week compared to the previous week. Class HP average purchase price increased by 0.7% week-on-week.

Latest News Developments

The African Agri Investment Indaba (AAIL), which recently took place at the Cape Town International Centre (CTICC) from 18-20 November 2019 explored disruptions and trends that will likely influence food and agribusiness economics over the next decade in Africa. The conference is Africa's largest agriculture conference and attracts over 700 decision-makers ranging from governments, banks, financiers, investors, project owners, project developers, commercial farmers and the agro and food processing industry. Speaking at the conference, Peter Setou, chief executive of the Vumelana Advisory Fund, said: "Trade standoff between the US and China has helped to spur a push among African nations to create a more self-reliant continent. The International Monetary Fund (IMF) estimates that the trade war will slow global growth in 2019 to 3.0%, the slowest pace in a decade." The African Continental Free Trade Agreement is a trade pact signed by 27 African Union member states in Kigali, Rwanda, on March 2018. Setou noted that while the signing of AfCTA is timely and the failures of the Brexit deal has reaffirmed the importance of intra-continental trade, he cautioned that the signatories to AfCTA should tread with caution to avoid replicating the pitfalls that have beset similar trade agreements.

On 1 November, veterinary services were alerted to clinical signs suspected to be foot-and-mouth disease (FMD) in a herd of cattle on a farm in the Molemole local municipality of the Capricorn district, Limpopo. This farm is located in the previous FMD free zone of South Africa. Samples were collected and FMD was confirmed by the Onderstepoort Veterinary Research Transboundary Animal Disease Programme. Eskom made a profit of R1.3bn in the first six months of the year. But Mabuza (Eskom Chairperson) said this would change to a multi billion-rand loss in the second half of the financial year for a number of reasons. There include the following: lower sales at lower prices during the summer months; the effects of unplanned breakdowns - which include the use of expensive diesel to fuel open cycle gas turbines; the fact that increased employee benefits are set to kick in during the second half of the year; higher costs of maintenance during the summer; and higher debt servicing costs due in the next six months. Together, Mabuza said, these factors would "negate" what he called the "commendable performance" in the first six months of the year.

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