



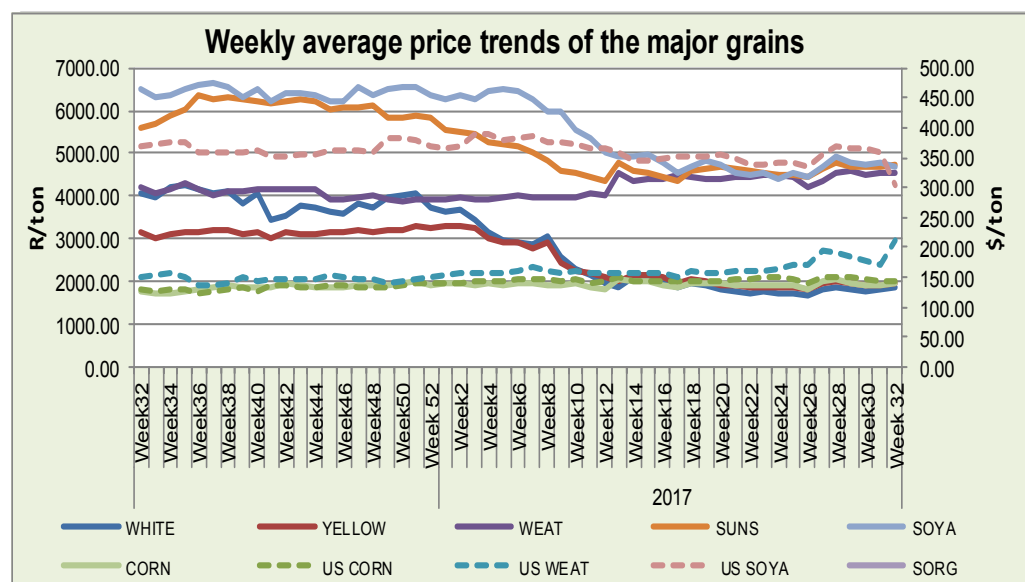
# agriculture, forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA

## Weekly Price Watch: 11 August 2017

Directorate: Statistics & Economic Analysis

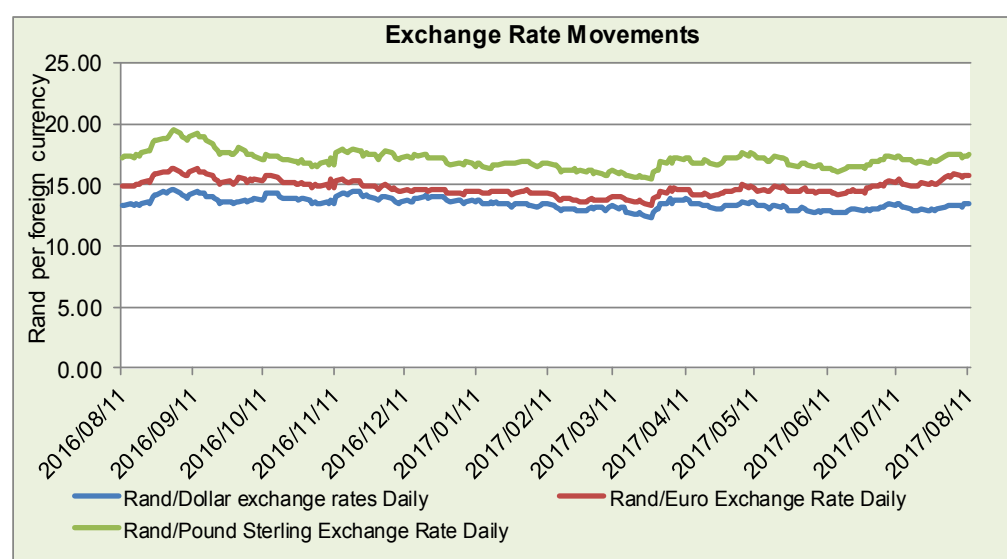
Sub-directorate: Economic Analysis



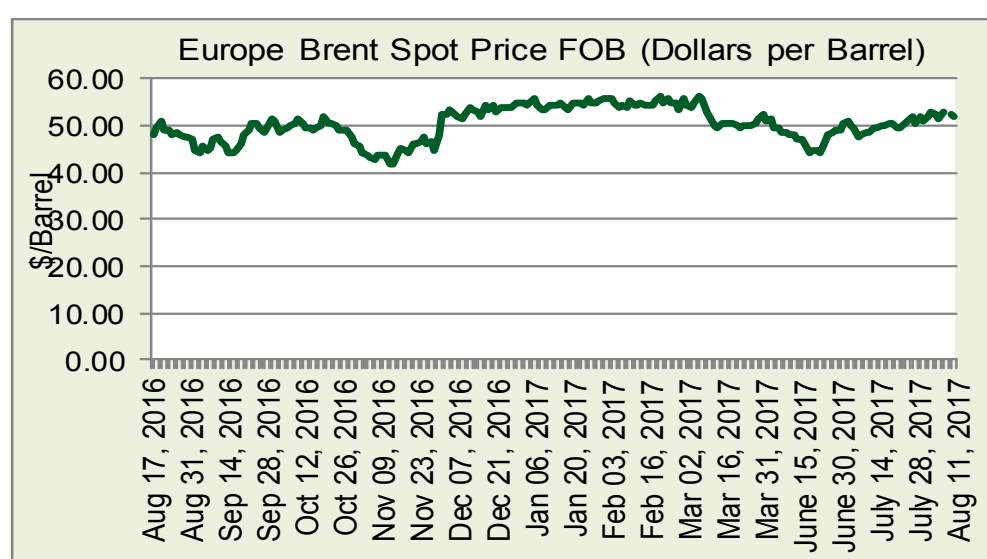
The domestic and international market traded better this week as compared to the previous week with the exception of USA soybean, USA wheat and RSA soybean. In the domestic market yellow maize and white maize grew by 3.5% and 3.3% respectively, followed by sunflower and wheat with a growth 0.8% and 0.1% respectively. The soybean market recorded a decrease of 1.5% compared to the previous week, while sorghum price remained unchanged at R3170 per ton. The strengthening of the prices in the domestic market is attributed to a weaker rand against the US dollar. At the International markets, USA yellow maize recorded an increase of 0.7% while soybean and wheat declined by 2.4% and 2.7% respectively compared to the previous week.

### Spot price trends of major grains commodities

	1 year ago Week 32 (08-08-16 to 12-08-16)	Last week Week 31 (31-07-17 to 04-08-17)	This week Week 32 (07-08-17 to 11-08-17)	w-o-w % change
RSA White Maize per ton	R 3 973.00	R 1 805.00	R 1 864.75	3.3%
RSA Yellow Maize per ton	R 3 026.50	R 1 914.20	R 1 981.25	3.5%
USA Yellow Maize per ton	\$126.94	\$143.53	\$144.48	0.7%
RSA Wheat per ton	R 4 087.75	R 4 532.20	R 4 537.50	0.1%
USA Wheat per ton	\$153.48	\$171.58	\$166.98	-2.7%
RSA Soybeans per ton	R 6 329.50	R 4 7258.00	R 4 685.50	-1.5%
USA Soybeans per ton	\$373.38	\$357.97	\$349.28	-2.4%
RSA Sunflower seed per ton	R 5 671.50	R 4 699.00	R 4 738.25	0.8%
RSA Sorghum per ton	R 3 438.25	R 3 170.00	R 3 170.00	0.0%
Crude oil per barrel	\$ 44.80	\$52.04	\$52.23	0.4%



The rand declined among major currencies after the President survived the motion of no confidence. On average, the rand weakened against the dollar and the Euro by 1.2% and 0.7% respectively but stronger against the pound sterling by 0.2% compared to the previous week.



Brent crude oil increased by 0.4% a barrel compared to the previous week from \$52.04 a barrel to \$52.23. According to the International Energy Agency, some OPEC members and oil producers are failing to reduce oil production to boost prices. The agency estimated that, 22 countries are producing about 470,000 barrels a day in excess of their commitment.



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

Week 30 (24/07/2017 to 30/07/2017)	Units	Avg Purchase Price	Avg Selling Price	Week 31 (31/07/2017 to 06/08/2017)	Units	Avg Purchase Price	Avg Selling Price
Class A2	10 551	46.49	46.80	Class A2	10 754	47.10	46.83
Class A3	1 341	46.87	46.47	Class A3	1 303	47.20	46.59
Class C2	1 754	41.29	41.62	Class C2	1 660	41.27	40.74

Weekly average purchasing prices for class A2 and A3 beef increased by 1.31% and d 0.7% respectively whilst the average purchasing prices of Class C2 decreased by 0.05 this week compared to last week. Weekly average selling price for beef A2 and A3 also increased by 0.06% and 0.26% respectively while class C2 decreased by 2.09% in the reporting week. During the same period unit sales for class A2 beef increased by 1.92% whereas class A3 and class C2 decreased by 2.83% and 5.36% respectively. According to Absa agric trends report, beef exports fetch better prices in export market which may encourage domestic producers to pursue the export market.

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

Week 30 (24/07/2017 to 30/07/2017)	Units	Avg Purchase Price	Avg Selling Price	Week 31 (31/07/2017 to 06/08/2017)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9 958	77.77	71.98	Class A2	7 784	78.86	72.12
Class A3	1 510	77.57	75.54	Class A3	1 120	79.03	71.65
Class C2	548	60.70	61.28	Class C2	780	61.30	59.41

The weekly average purchase price for all classes of lamb increased. Class A2, Class A3 and Class C2 increased by 1.40%, 1.88% and 0.99% respectively in the reporting week compared to the previous week. Weekly average selling prices for lamb class A3 and C2 lamb decreased by 5.15% and 3.05% respectively while class C2 increased by 0.19% this week compared to previous week. Unit sales for class A2 and A3 lamb decreased by 21.83% and 25.83% respectively while units sales for class C2 increased significantly by 42.34% compared to the previous week.

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

Week 30 (24/07/2017 to 30/07/2017)	Units	Avg Purchase Price	Week 31 (31/07/2017 to 06/08/2017)	Units	Avg Purchase Price
Class BP	6 388	26.45	Class BP	7 570	27.36
Class HO	6 018	25.98	Class HO	8 306	25.90
Class HP	4 725	25.85	Class HP	6 544	25.79

The Unit sales for class of pork recorded a positive growth. Unit sales for class BP, HO and HP pork increased by 18.50%, 38.02% and 38.50% respectively during the reporting week. Average purchase price for class HO and HP pork decreased by 0.31% and 0.23% respectively while class HP increased by 3.44% end of the reporting week.

## Latest News Developments

The data by Transnet National Port Authority indicates that South Africa's bulk export volume rose by 34.5% year on year in July. Exports rose to 15.6-million tonnes in the month, bringing the increase for the first seven months of 2017 to 8.7%. The figure shows that mining and agricultural bulk exports are boosting the South African economy. In the first quarter, these sectors were the only ones out of the 10 major economic sectors that contributed to improvements. Their contribution is expected to continue for the remainder of 2017 as harvesting of the summer crops only started in May and should last until the end of August.

The Organisation for Economic Co-operation and Development (OECD) projects SA's growth this year to rebound to 0.6%, as investment and exports recover moderately with the improving international economy. The OECD reported further that low growth and high unemployment are weighing down social progress in the country and "bold structural reforms" are needed to unlock the economy. Growth has been disappointing over the last few years, with weak consumer demand, persistently falling business investment, policy uncertainty and the prolonged drought dragging down activity. Reviving economic growth is crucial to increase well-being, job creation and inclusivity. As there is limited room for monetary and fiscal stimulus, bold structural reforms, supported by social partners, are needed to unlock the economy.

Moody's Investor Services did not publish a ratings review of South Africa on Friday as was widely anticipated. The agency believes that South Africa has not had any real major events that would require a review. Moody's has South Africa's long-term foreign and local currency debt ratings at Baa3, with a negative outlook. It is the only ratings agency that has South Africa's foreign-currency and rand-denominated debt at investment grade.

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