



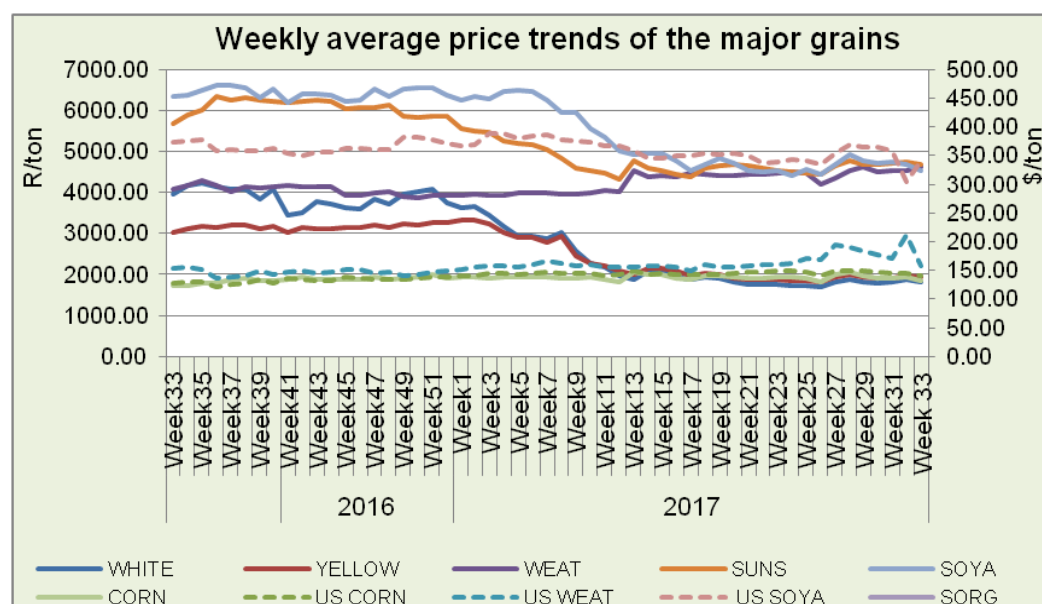
# agriculture, forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA

## Weekly Price Watch: 18 August 2017

Directorate: Statistics & Economic Analysis

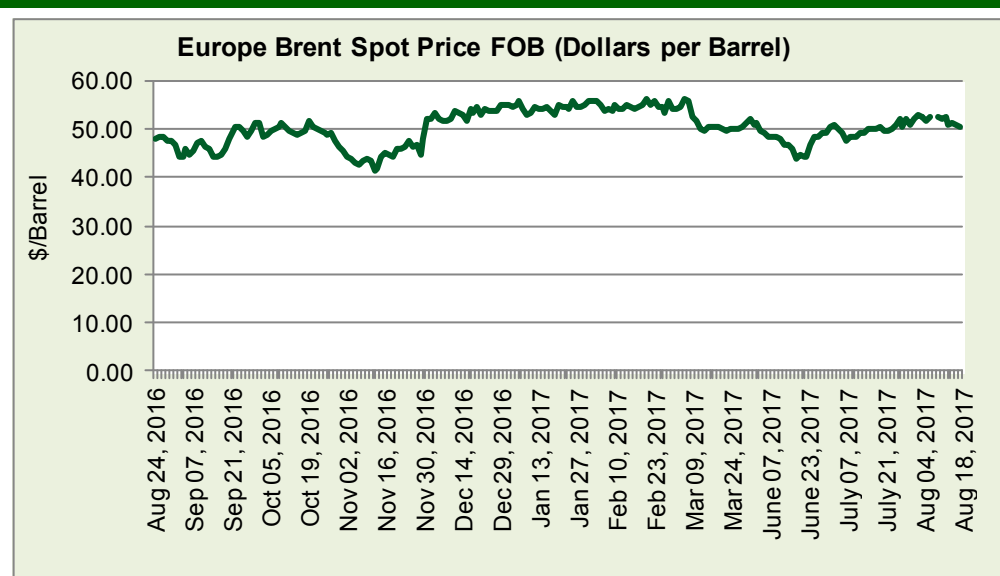
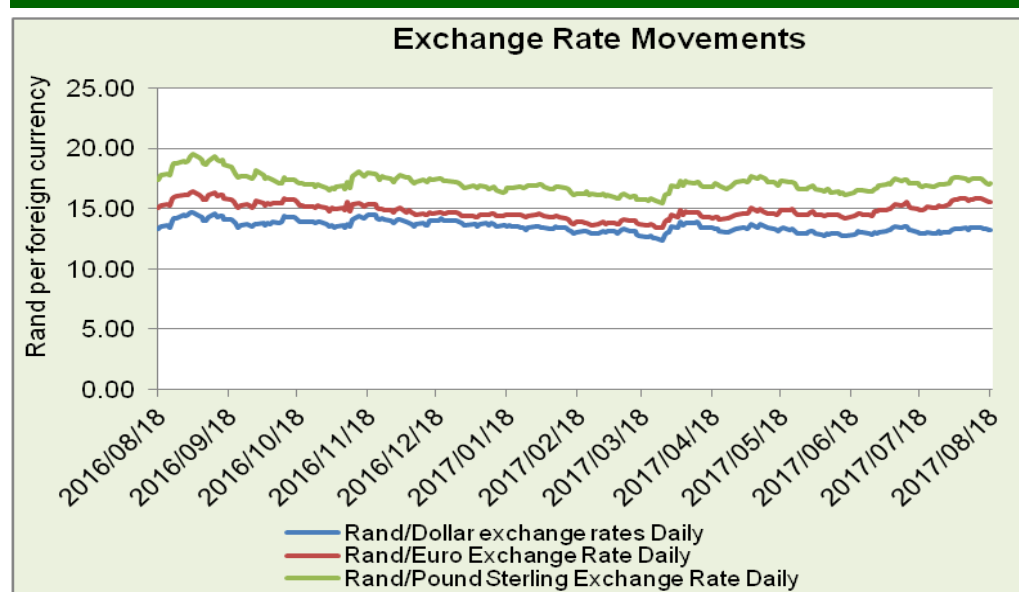
Sub-directorate: Economic Analysis



The domestic grain market came under pressure this week due to the abundant domestic supply outlook. Harvesting is almost complete while the export outlook remains weak. Local white and yellow maize decreased by 3.0% and 1.8% respectively in the reporting week while soybean and sunflower seed decreased by 3.3% and 2.2% respectively this week compared to last week. Meanwhile, local sorghum prices remained unchanged in the reporting week. On the contrary, local wheat prices increased by 1.7% this week while more rain is needed in the Western Cape to ensure a good finish for the season. On the international front, US yellow maize, wheat and soybean decreased by 2.9%, 5.4% and 2.5% respectively this week due to the strengthening of the dollar and better than expected yields.

### Spot price trends of major grains commodities

	1 year ago Week 33 (15-08-16 to 19-08-16)	Last week Week 32 (07-08-17 to 11-08-17)	This week Week 33 (14-08-17 to 18-08-17)	w-o-w % change
RSA White Maize per ton	R 3 973.00	R 1 864.75	R 1 809.40	-3.0%
RSA Yellow Maize per ton	R 3 026.50	R 1 981.25	R 1 945.80	-1.8%
USA Yellow Maize per ton	\$126.94	\$144.48	\$140.25	-2.9%
RSA Wheat per ton	R 4 087.75	R 4 537.50	R 4 612.80	1.7%
USA Wheat per ton	\$153.48	\$166.98	\$157.95	-5.4%
RSA Soybeans per ton	R 6 329.50	R 4 685.50	R 4 529.20	-3.3%
USA Soybeans per ton	\$373.38	\$349.28	\$340.55	-2.5%
RSA Sunflower seed per ton	R 5 671.50	R 4 738.25	R 4 681.00	-1.2%
RSA Sorghum per ton	R 3 438.25	R 3 170.00	R 3 170.00	0.0%
Crude oil per barrel	\$ 44.80	\$52.23	\$51.21	-2.0%



The rand appreciated among major currencies after it recovered from the drastic drop after no-confidence vote in President the previous week. On average, the rand strengthened against the dollar, pound sterling and the Euro by 0.63%, 1.26% and 0.62% respectively to the previous week.

Brent crude oil decreased by 2% a barrel compared to the previous week from \$52.23 a barrel to \$51.21 this week. The demand for crude oil has decreased because some economies of the world are depressed.



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

Week 31 (31/07/2017 to 06/08/2017)	Units	Avg Purchase Price	Avg Selling Price	Week 32 (07/08/2017 to 13/08/2017)	Units	Avg Purchase Price	Avg Selling Price
Class A2	10 754	47.10	46.83	Class A2	9 422	46.99	46.71
Class A3	1 303	47.20	46.59	Class A3	1 008	47.12	46.68
Class C2	1 660	41.27	40.74	Class C2	1 412	41.12	40.89

Weekly average purchasing prices for Class A2, Class A3 and Cass C2 beef decreased by 0.23%, 0.17 and 0.36% respectively this week compared to last week. Weekly average selling price for Class A2 decreased by 0.26% while Class A3 and Class C2 increased by 0.19% and 0.37% respectively in the reporting week. During the same period unit sales for Class A2, Class A3 and Class C2 beef decreased by 12.39%, 22.64% and 14.94% respectively.

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

Week 31 (31/07/2017 to 06/08/2017)	Units	Avg Purchase Price	Avg Selling Price	Week 32 (07/08/2017 to 13/08/2017)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 784	78.86	72.12	Class A2	8 742	79.07	73.64
Class A3	1 120	79.03	71.65	Class A3	955	78.34	73.13
Class C2	780	61.30	59.41	Class C2	879	61.10	61.87

The weekly average purchase price for Class A2 of lamb increased by 0.27%, while Class A3 and Class C2 decreased by 0.87% and 0.33% respectively in the reporting week compared to the previous week. Weekly average selling prices for lamb Class A2, Class A3 and Class C2 lamb increased by 2.11%, 2.07% and 4.14% respectively in the reporting week. Meanwhile, unit sales for Class A2 and Class C2 lamb increased by 12.31% and 12.69% respectively in the reporting week while units sales for Class A3 decreased by 14.73% during the same period.

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

Week 31 (31/07/2017 to 06/08/2017)	Units	Avg Purchase Price	Week 32 (07/08/2017 to 13/08/2017)	Units	Avg Purchase Price
Class BP	7 570	27.36	Class BP	5 622	26.70
Class HO	8 306	25.90	Class HO	5 942	26.06
Class HP	6 544	25.79	Class HP	3 711	25.89

Unit sales for class of pork recorded significant losses. Unit sales for class BP, HO and HP pork decreased by 25.73%, 28.46% and 43.29% respectively in the reporting week. During the same period, the average purchase price for class HO and HP pork increased by 0.62% and 0.39% respectively while class BP decreased by 2.41% end of the reporting week.

## Latest News Developments

Since The Finance Minister conceded the economy had entered into a recession, lower-than-expected growth is expected this year, which will strain the country's fiscal framework. Moving forward into the October medium-term budget policy statement, National Treasury is faced with some tough decisions. Early indications from Treasury's monthly revenue figures are that there could be a shortfall of between R45 billion to R50 billion for the 2017-18 fiscal year, which is not far from a R60 billion shortfall at the height of the global financial crisis.

According to the latest Experian Business Debt Index (BDI), debtors days went down from 48.8 in the first quarter to 48 in the second quarter and the score rose slightly in the second quarter to -0.22 from a revised reading of -0.32 for the first quarter. The Business Debt Index is constructed around a mean value of zero. Values above zero indicate less business debt stress and values below zero indicate increased business debt stress. The slight improvement in the second quarter score is attributed to the first quarter index score being revised down sharply as GDP growth in the first quarter came in weaker than forecast, says Simon Russell, Managing Director of Experian South Africa.

The Western Cape Department of Agriculture has confirmed the presence of Highly Pathogenic Avian influenza (HPAI), type H5N8, on two ostrich farms in the Heidelberg area. Throat swabs tested positive for HPAI. Both farms were placed under quarantine immediately and no birds are allowed to enter or leave the affected properties. There are around 1 000 ostriches on both farms. Farms within 3km of the affected farms will be placed under quarantine and testing in the surrounding areas will continue.

For more information contact: Directorate Statistics & Economic Analysis (SEA) at HeidiP@daff.gov.za or 0123198194.

Source: SAFEX, Stats SA, Farmers weekly, Reuters, Red Meat Abattoir Association, Standard, Absa, Fnb, Nedbank,  
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