



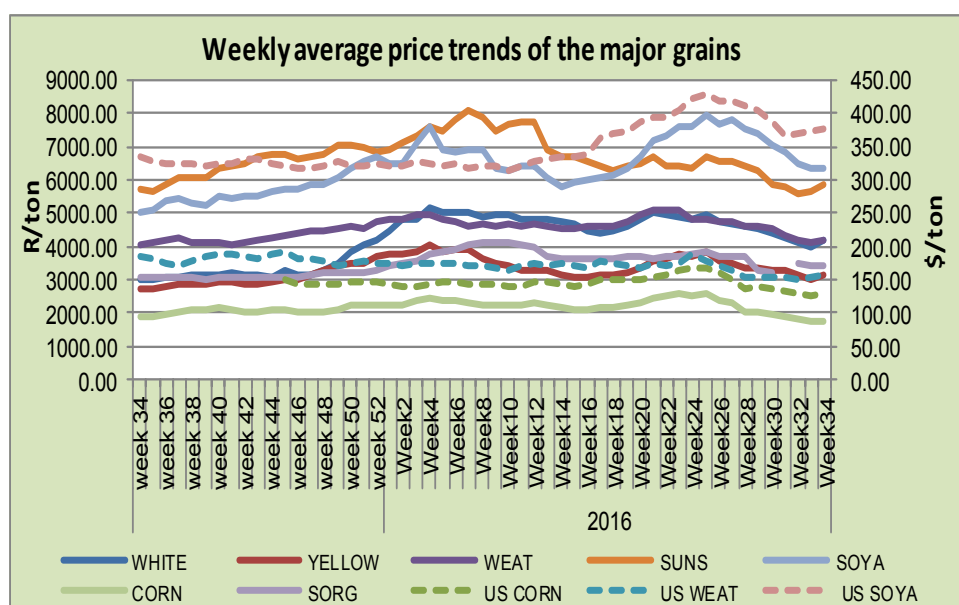
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 19 August 2016

Directorate: Statistics & Economic Analysis

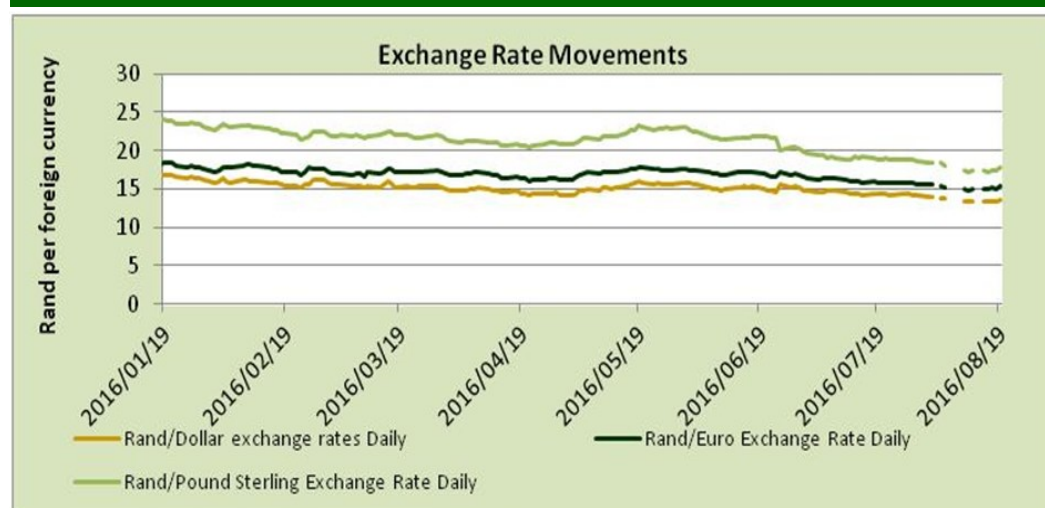
Sub-directorate: Economic Analysis



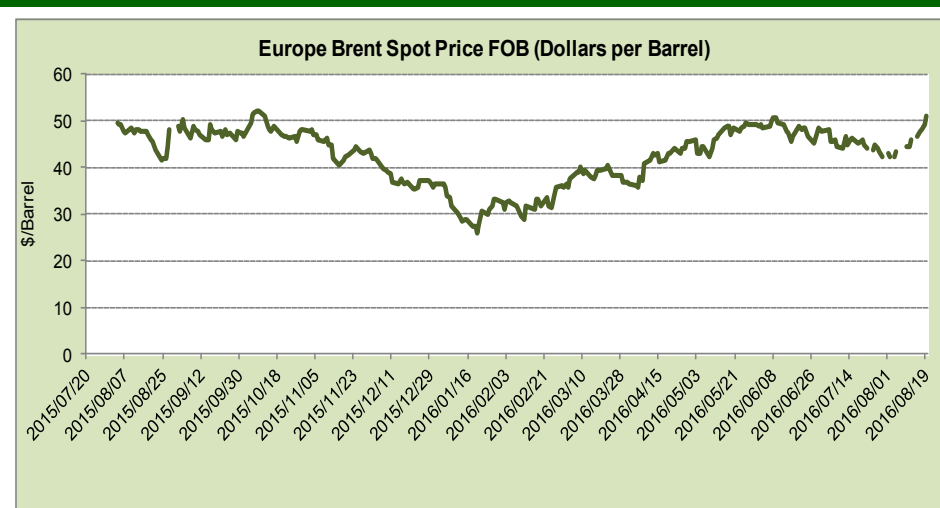
Weekly average prices of the domestic grain market strengthened during the reporting week except for sorghum prices which decreased by 0.1%. The renewed rand strength coupled with the upcoming revision of the domestic grain crop will underpin price direction in the short term. Internationally, weekly average prices for US yellow maize, wheat and soybean strengthened in the reporting despite USDA's forecast of a record large soybean and corn harvest. A slew of fresh export demand muted the impact of the production outlook. Meanwhile, traders await findings from the annual Pro Farmer Midwest crop tour expected to release US corn and soybean yield estimates this Friday.

Spot price trends of major grains commodities

	1 year ago Week 34 (17-08-15 to 21-08-15)	Last week Week 33 (08-08-16 to 12-08-16)	This week Week 34 (15-08-16 to 19-08-16)	w-o-w % change
RSA White Maize per ton	R 2 992.40	R3 973.00	R4 185.00	5.3%
RSA Yellow Maize per ton	R 2686.60	R3 026.00	R3 106.60	2.7%
USA Yellow Maize per ton	\$144.22	\$126.94	\$128.98	1.6%
RSA Wheat per ton	R4 042.20	R4 087.00	R4 163.40	1.9%
USA Wheat per ton	\$183.45	\$153.48	\$155.85	1.5%
RSA Soybeans per ton	R5 018.60	R6 329.00	R6 372.00	0.7%
USA Soybeans per ton	\$335.85	\$373.28	\$375.43	0.6%
RSA Sunflower seed per ton	R5 726.60	R5 671.50	R5 876.40	3.6%
RSA Sorghum per ton	R3 046.00	R3 438.25	R3 435.00	-0.1%
Crude oil per barrel	\$45.99	\$44.80	\$48.50	8.3%



The rand averaged 13.4; 15.0 and 17.4 against the US dollar, the euro and pound which is -0.5%; +0.7% and -0.2% respectively this week compared to the same trading last week. The currency was driven by a number of factors including the possibility of the US Federal Reserve hiking interest rates.



The weekly average Brent crude oil price increased by 8.3% during the reporting week, as the bullish momentum continues, fuelled by hopes of an output freeze by key producers and robust US demand.



National South African Price information (RMAA) : Beef

Week 32 (08/08/2016 to 14/08/2016)	Units	Avg Purchase Price	Avg Selling Price
Beef			
Class A2	10104	38.17	37.98
Class A3	1493	38.16	37.82
Class C2	2046	30.41	31.08

Beef price reflects week 32 only, Comparison with week 31 could not be done, because prices for week 31 were not accessible. Class A2 beef, class A3 and class C2 beef prices averaged R38.17/kg, R38.16/kg and R30.41/kg respectively end of week. Meanwhile, the selling price for class A2, class A3 and class C2 beef averaged 37.98/kg, R37.82/kg and R31.08/kg respectively during the same period.

National South African Price information (RMAA) : Lamb

Week 32 (08/08/2016 to 14/08/2016)	Units	Avg Purchase Price	Avg Selling Price
Lamb			
Class A2	11587	62.52	60.19
Class A3	2274	62.2	60.19
Class C2	931	49.36	51.21

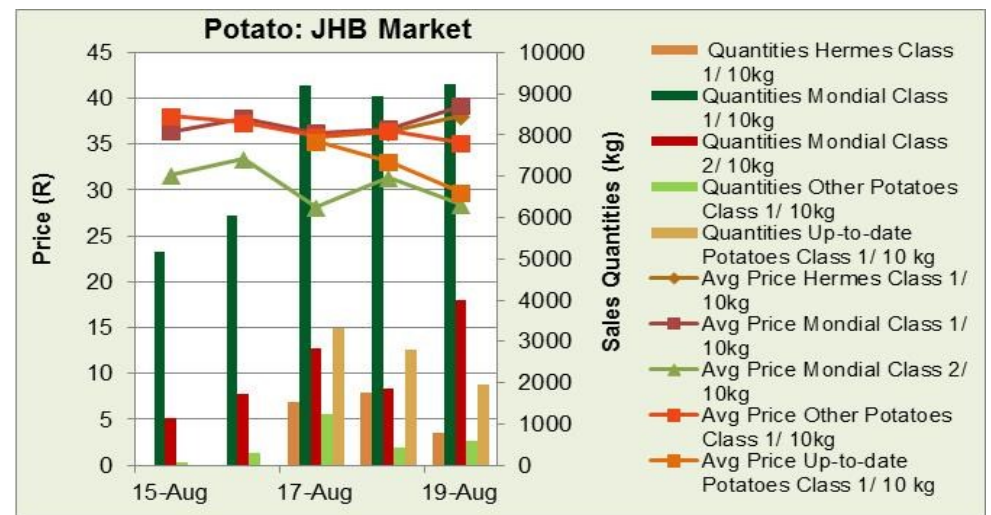
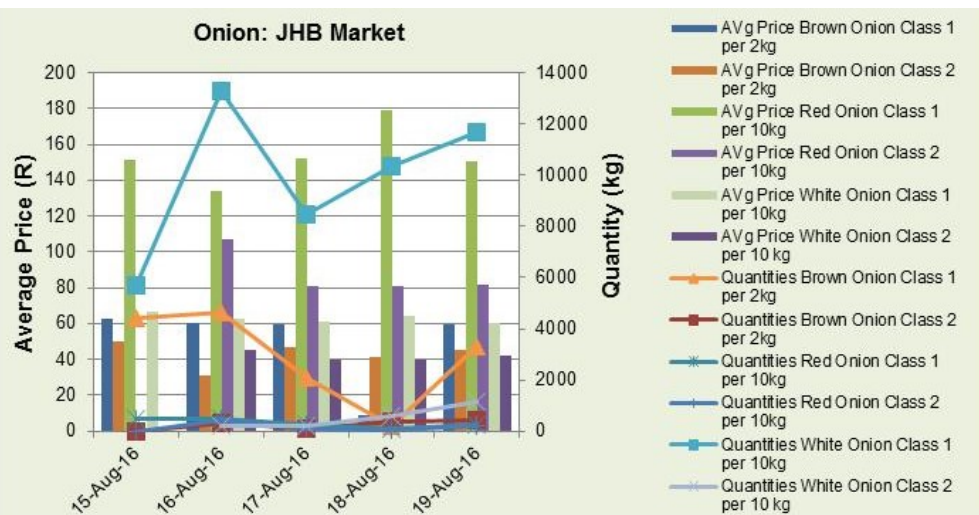
Lamb price reflects week 32 only, Comparison with week 31 could not be done, because prices for week 31 were not accessible. Class A2, class A3 and class C2 lamb prices averaged R62.52/kg, R62.20/kg and R49.36/kg respectively end of week 32. During the same period, the selling price for class A2 and class A3 lamb prices averaged R60.19/kg each respectively, while the selling price for class C2 lamb averaged R51.21/kg.

National South African Price information (RMAA) : Pork

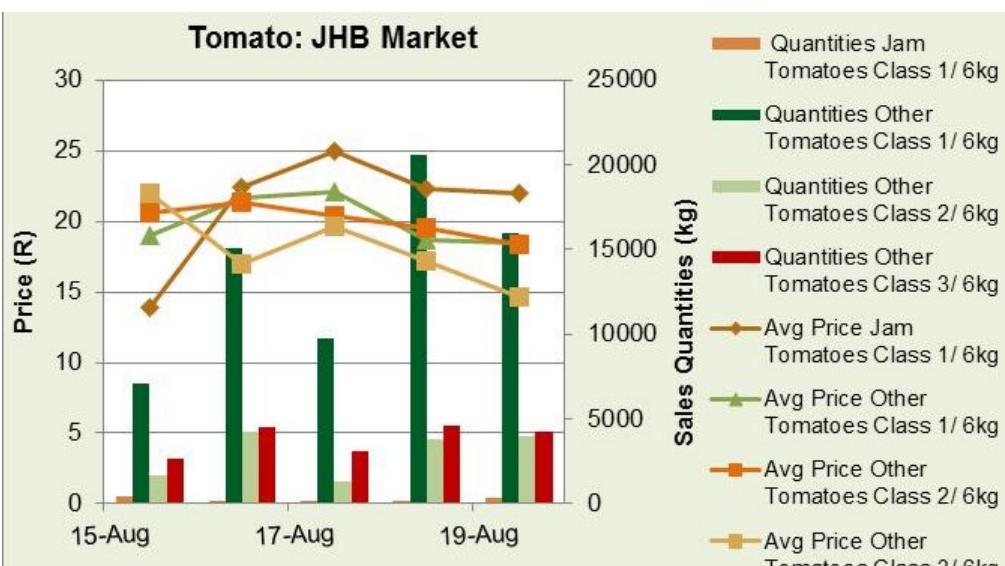
Week 32 (08/08/2016 to 14/08/2016)	Units	Avg Purchase Price
Pork		
Class BP	6270	23.38
Class HO	4786	23.05
Class HP	3514	23.1

Pork price reflects week 32 only, Comparison with week 31 could not be done, because prices for week 31 were not accessible. During week 32, farm gate prices for class BP, class HO and class HP pork averaged R23.38/kg, R23.05/kg and R23.10/kg respectively end of week.

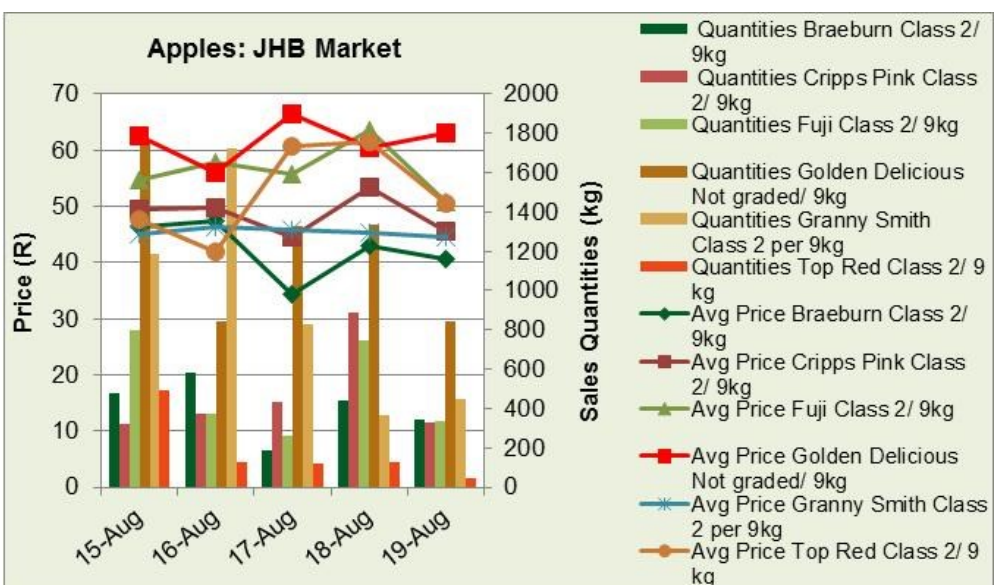
Top Three vegetables and fruits sold at JHB Market Weekly



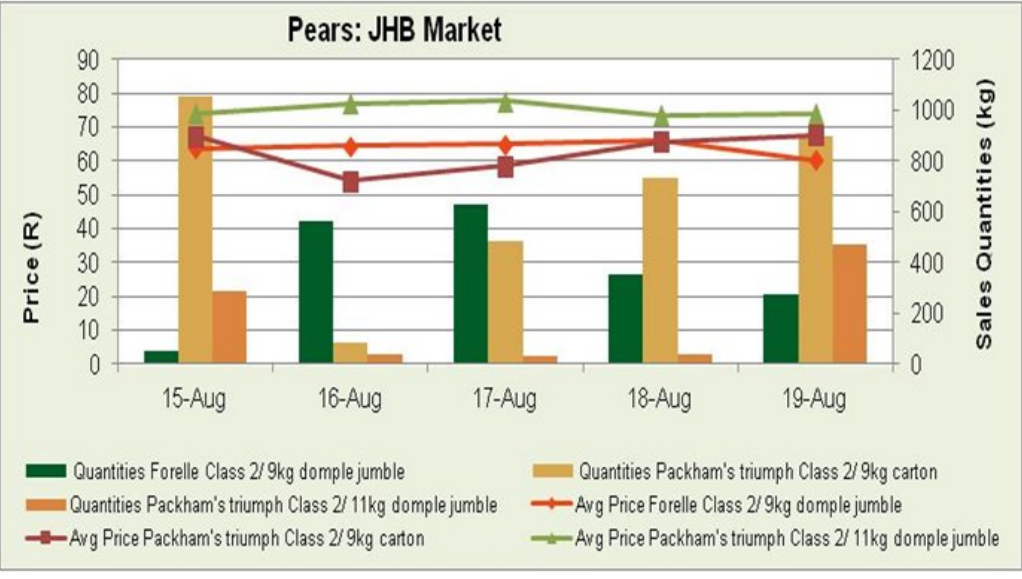
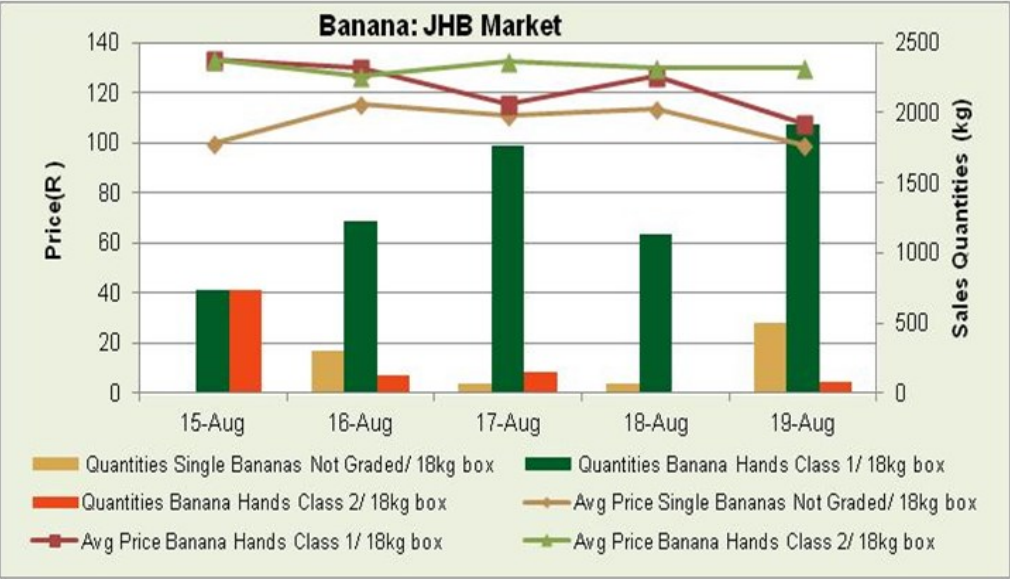
Weekly average prices for brown onion class 1 and 2 were lower this week, decreasing by 13% and 20% respectively. Average quantities sold for brown onion class 1 decreased by 58% while quantities sold for class 2 increased by 417%. Weekly average prices for white onion, class 1 and 2 decreased by 3% and 11% respectively this week, while quantities sold decrease by 21% and 47% respectively. The average prices for red onion, class 1 and 2 increased by 8% and 192% respectively during the reporting week with a 17% decrease in quantities sold for class 1 red onion. On the other hand, weekly average prices for all varieties of potatoes above decreased significantly during the reporting week while quantities sold for the same varieties also decreased except for up-to-date class 1 (10 kg) potatoes, where quantities sold at the JHB market increased by a massive 366% end of week.



The average prices for all varieties of tomatoes increased during the reporting week, resulting in a decrease in the quantities traded end of week. Weekly average prices for jam tomatoes class 1 (6kg) and other tomatoes class 1, 2 and 3 (6kg) increased by 44%, 35%, 23% and 28% respectively during the reporting week. Meanwhile, quantities traded for jam tomatoes class 1 (6kg) and other tomatoes class 1, 2 and 3 (6kg) decreased by 70%, 37%, 53% and 20% respectively during the same period.



Weekly average prices for braeburn class 2 (9kg), cripps pink class 2 (9kg) and fuji class 2 (9kg) increased by 8%, 5% and 50% respectively end of week, resulting in a 6%, 44% and 9% decrease in quantities sold. Weekly average prices for golden delicious (9kg) and top red class 2 (9kg) decreased by 2% and 5% respectively, with a 9% and 13% increase in quantities sold. The average price for granny smith class 2 (9kg) remained unchanged from last week while quantities sold decreased by 20% end of week.



The weekly average price for single bananas (not graded) increased by 20% during the reporting week while quantities sold also increased by 39%. The average price for banana hands class 1 (18kg box) decreased by 7% end of week while quantities sold also decreased by 6%. The weekly average price for banana hands class 2 (18kg box) increased by 4%, resulting in a 58% decrease in quantities sold during the reporting week. The average price for Forelle pears class 2 (9kg) increased by 6% this week, resulting in 35% decrease in quantities sold at the JHB fresh produce market. Meanwhile, weekly average prices for Packham's triumph class 2 (9kg) carton and class 2 (11kg) domple jumble decreased by 9% and 4% respectively this week, while quantities sold also decreased by 22% and 2% respectively.

Latest News Developments

The Pretoria High Court has ordered government to increase the tariff on wheat imports by 30%. The tariff hike comes after much uncertainty in the market, due to delays with the implementation, which will likely lead to a rise in bread prices. South Africa is set to double its white maize production next year if rains from the anticipated La Nina could occur, according to grains trader from BVG (Pty). Policy uncertainty, particularly around land reform, is hampering growth and transformation in the agricultural sector, according to the Bureau for Food and Agricultural Policy (BFAP). The tardiness around land reform in SA has created uncertainty in the agricultural sector and has at times led to sporadic land occupations and tension on farms.

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