



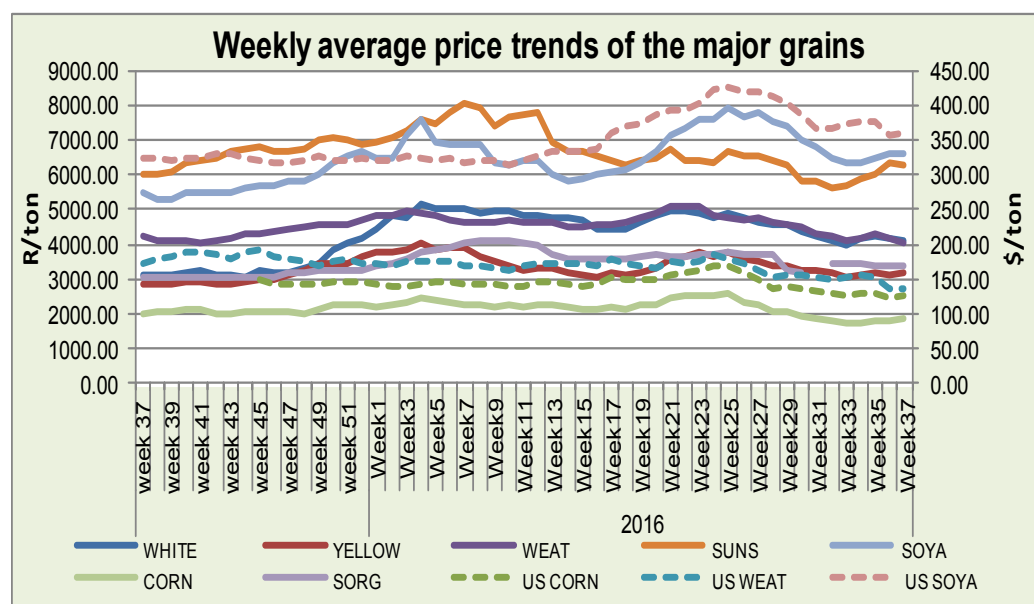
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 09 September 2016

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

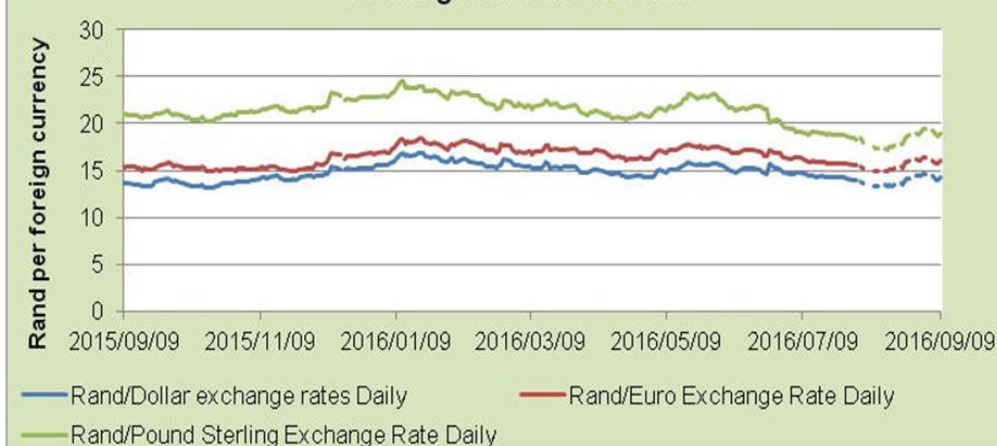


The domestic grain market remained volatile this week as turmoil in politics persist. The rand remained a major driver in price direction in the short term while producers await in anticipation for spring rains across the grain producing areas. Local yellow maize and soybean prices increased by 2.0% and 0.1% respectively this week, on spill-over from the international market and good buying interest. Local white maize prices decreased by 1.5% this week, due to seasonal harvest pressures. Local wheat and sunflower seed prices decreased by 3.3% and 1.4% respectively this week, while sorghum prices remained unchanged from last week. Internationally, US yellow maize, wheat and soybean prices increased by 3.3%, 1.2% and 0.6% respectively this week, on good export demand prospects and expectations of bullish data ahead of USDA's supply data in the week ahead.

Spot price trends of major grains commodities

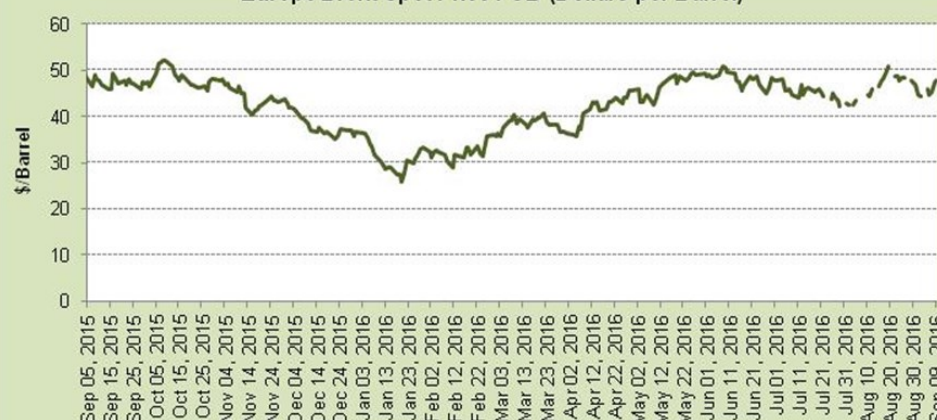
	1 year ago Week 37 (07-09-15 to 11-09-15)	Last week Week 36 (29-08-16 to 02-09-16)	This week Week 37 (05-09-16 to 09-09-16)	w-o-w % change
RSA White Maize per ton	R 3 091.60	R4 144.20	R4 082.60	-1.5%
RSA Yellow Maize per ton	R 2 841.80	R3 144.00	R3 207.00	2.0%
USA Yellow Maize per ton	\$139.51	\$121.79	\$125.77	3.3%
RSA Wheat per ton	R4 238.40	R4 165.80	R4 029.80	-3.3%
USA Wheat per ton	\$171.09	\$135.83	\$137.39	1.2%
RSA Soybeans per ton	R5 470.80	R6 623.40	R6 627.80	0.1%
USA Soybeans per ton	\$324.98	\$357.41	\$359.68	0.6%
RSA Sunflower seed per ton	R6 045.00	R6 342.60	R6 256.40	-1.4%
RSA Sorghum per ton	R3 050.00	R3 400.00	R3 400.00	0.0%
Crude oil per barrel	\$47.60	\$46.19	\$46.12	-0.2%

Exchange Rate Movements

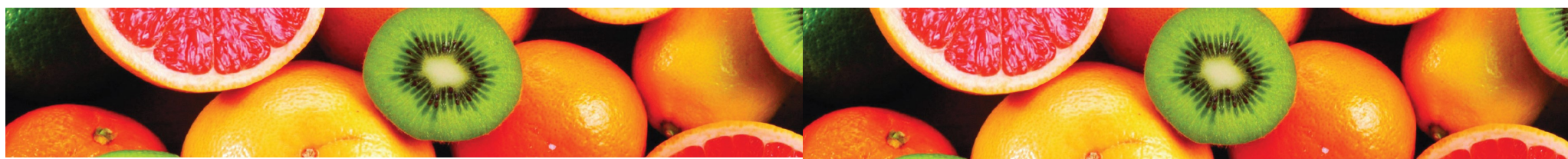


The Rand appreciated against major currencies this week compared to last week, appreciating by 2.3%, 1.8% and 0.9% against the dollar, the Euro and the pound respectively. The rand appreciated as a result of market speculation on whether the US Federal Reserve will hike rates next week or not.

Europe Brent Spot Price FOB (Dollars per Barrel)



The price of crude oil averaged \$46.12 in the reporting week which is 0.2% lower than \$46.19 reported last week. Oil prices fell due to high crude oil inventories in the US and more so, due to a scheduled meeting in Algeria in the weeks ahead to discuss possibilities of curtailing output.



National South African Price information (RMAA) : Beef

Week 35 (29/08/2016 to 04/09/2016)				Week 36 (05/09/2016 to 09/09/2016)			
	Units	Avg Purchase Price	Avg Selling Price		Units	Avg Purchase Price	Avg Selling Price
Beef				Beef			
Class A2	14 134	38.45	38.58	Class A2	11 394	38.33	37.85
Class A3	4 796	38.46	38.99	Class A3	1 370	38.35	38.14
Class C2	2 036	31.49	31.72	Class C2	2 219	32.08	32.66

The weekly average selling price and purchasing price for class A2 and class A3 beef decreased marginally this week, except for class C2 beef, which increased notably end of week. The purchasing price for class A2 and A3 beef decreased by 0.3% respectively each compared to last week. Meanwhile, the purchasing price for class C2 beef increased by 1.9% end of week compared to last week.

National South African Price information (RMAA) : Lamb

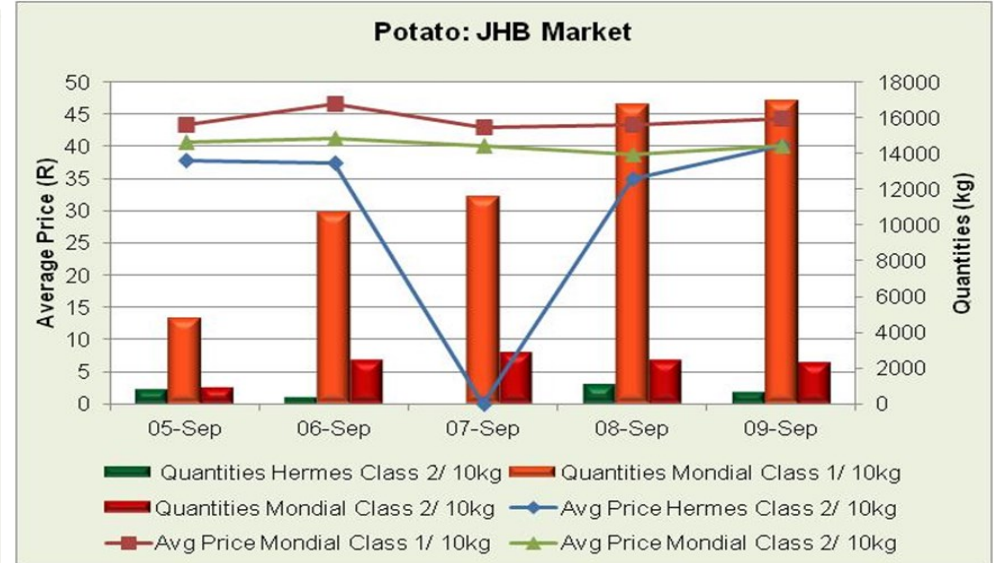
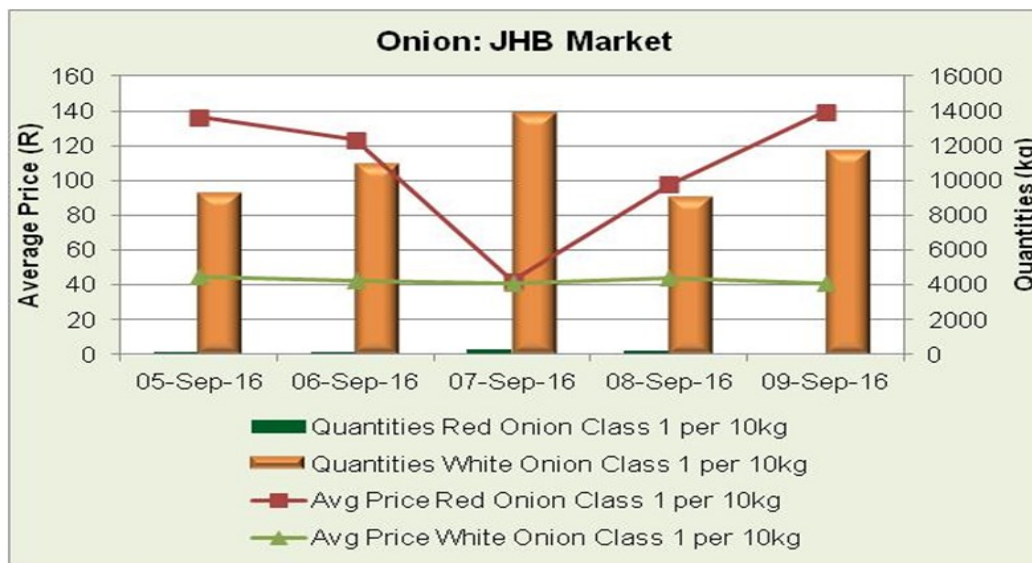
Week 35 (29/08/2016 to 04/09/2016)				Week 36 (05/08/2016 to 09/09/2016)			
	Units	Avg Purchase Price	Avg Selling Price		Units	Avg Purchase Price	Avg Selling Price
Lamb				Lamb			
Class A2	14 887	63.83	61.07	Class A2	9 837	62.16	60.05
Class A3	3 187	63.49	60.73	Class A3	1 757	62.09	58.69
Class C2	795	50.05	50.10	Class C2	418	49.91	51.82

The weekly average purchasing price for class A2 lamb, class A3 and class C2 lamb decreased by 2.6%, 2.2% and 0.3% respectively this week compared to last week. Meanwhile, the selling price for class A2 and class A3 lamb decreased by 1.7% and 3.4% respectively this week, except for class C2 lamb, which increased by 3.4% this week compared to last week.

National South African Price information (RMAA) : Pork

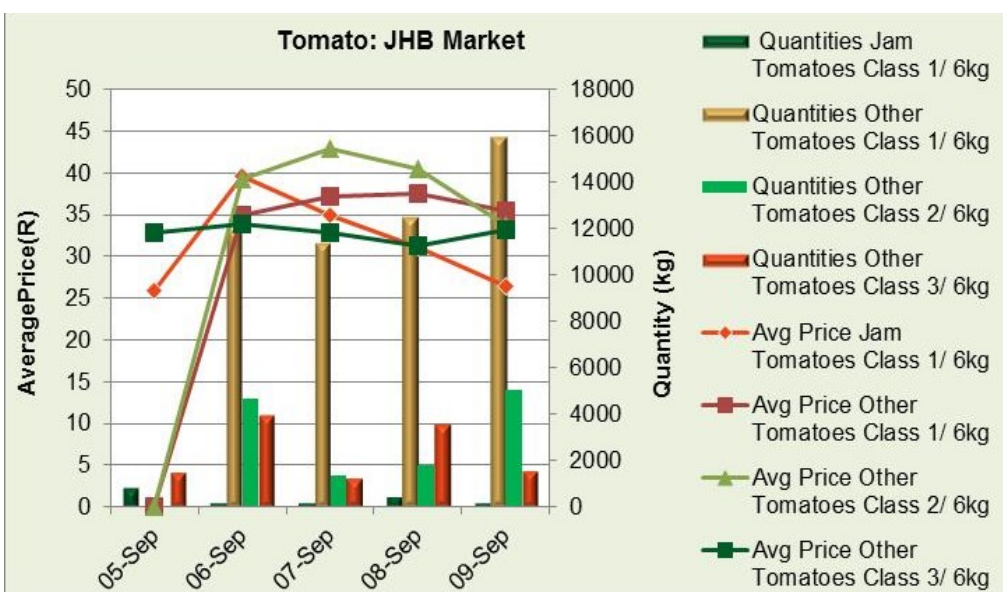
Week 35 (29/08/2016 to 04/09/2016)				Week 36 (05/09/2016 to 11/09/2016)			
	Units	Avg Purchase Price			Units	Avg Purchase Price	
Pork				Pork			
Class BP	5 635	23.56		Class BP	6 155	23.35	
Class HO	3 439	22.14		Class HO	5 024	23.14	
Class HP	2 299	22.30		Class HP	4 348	23.18	

The weekly average purchasing price for class HO and HP pork increased by 4.5% and 3.9% respectively this week, while class BP pork decreased by 0.9% end of week compared to last week.

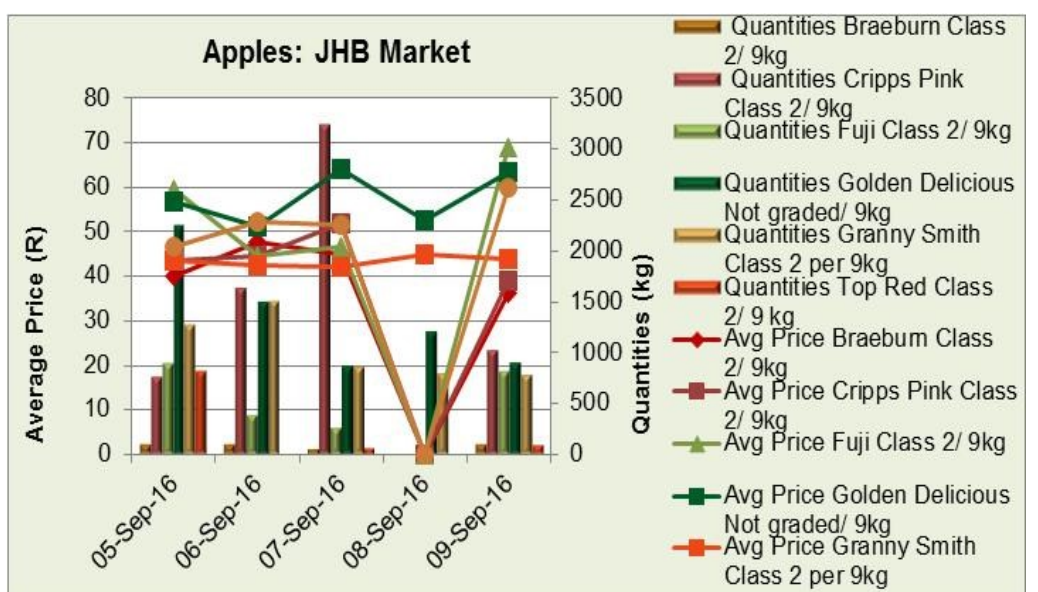


The weekly average price for red onion class 1 (10kg) and white onion class 1 (10kg) at the JHB market decreased by 10% and 13% respectively end of week while quantities sold also decreased by 10% and 18% respectively by end of the week compare to last week.

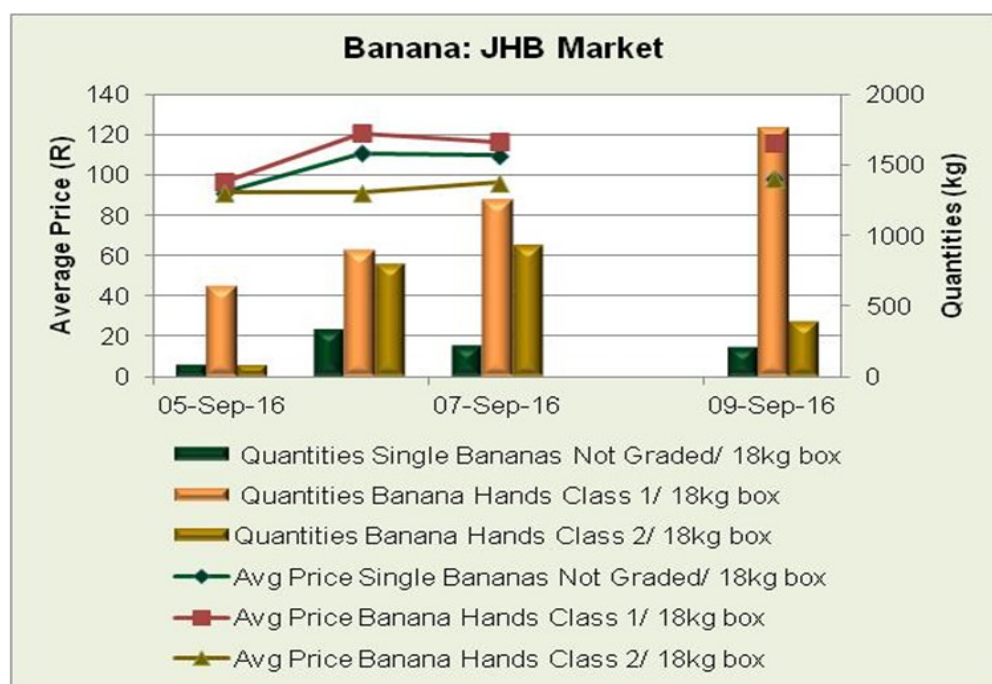
The weekly average price for hermes class 2 (10kg) potatoes decreased by 15% end of week, due to an increase in quantities sold. Meanwhile, the weekly average price for mondial class 1 (10kg) potatoes and mondial class 2 (10kg) potatoes increased by 7% and 8% respectively end of week while quantities sold at the JHB market for mondial class 1 increased by 25% and quantities sold for mondial class 2 (10kg) potatoes decreasing by 28% end of week.



The weekly average price of jam tomatoes class 1 (6kg) increased by 18% due to a decrease in quantities sold. Meanwhile, the weekly average price for other tomatoes class 1 (6kg) decreased by 4% despite a 14% decrease in quantities sold while class 2 and 3 increased by 2% and 8% respectively end of week due to a decrease in quantities sold in comparison to last week.



The weekly average price of braeburn Class 2(9kg), golden delicious (not graded/9kg) and top red class 2 (9kg) decreased by 19%, 2% and 19% respectively, despite a decrease in quantities sold while the price of cripps pink class 2 (9kg) and fuji class 2 (9kg) decreased by 27% and 13% respectively due to an increase in quantities sold. The weekly average price of granny smith increased by 1% while quantities sold increased by 49% end of week.



The weekly average price for single bananas not graded (18kg box) and banana hands class 1 (18kg box) increased by 11% and 5% respectively end of week due to a 26% and 28% decrease in quantities sold. Meanwhile, banana hands class 2 (18kg box) decreased by 8% this week compared to last week while quantities sold increased by 57% end of week compared to last week.

Meanwhile, both the weekly average price and quantities of forelle class 2 (9kg) and packham's triumph class 2 (9kg) decreased end of week, with the average price of forelle class 2 (9kg) and packham's triumph class 2 (9kg) decreasing by 19% and 15% respectively, end of week while no data was recorded for Thursday's trading of pears on the JHB market.

Latest News Developments

Australian foreign minister, Julie Bishop, announced that Australia will give another 10 million Australian dollars to the World Food Programme (WFP) to deliver food and nutritional support to 11,9 million drought affected people in Southern Africa. South Africa's business confidence rose in the third quarter of 2016, ending seven quarterly declines since 2015. South Africa's economy grew most in six quarters, as mining and manufacturing sectors reversed sharp contractions due to an uptick in exports, reported the Stats Agency. Finance minister, Pravin Gordhan reported that South Africa is unlikely to fall into recession in 2016, although the right level of investment needs to be nurtured among investors to support growth. Reserve Governor, Lesetja Kganyago further indicated that the Reserve Bank in September will revise upwards its economic growth forecast for 2016 after relatively good second quarter GDP figures. The drought is set to continue after the lowest rainfall year ever recorded, amidst scientific predictions that there is no guarantee there will be sufficient rain during the coming season.

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