



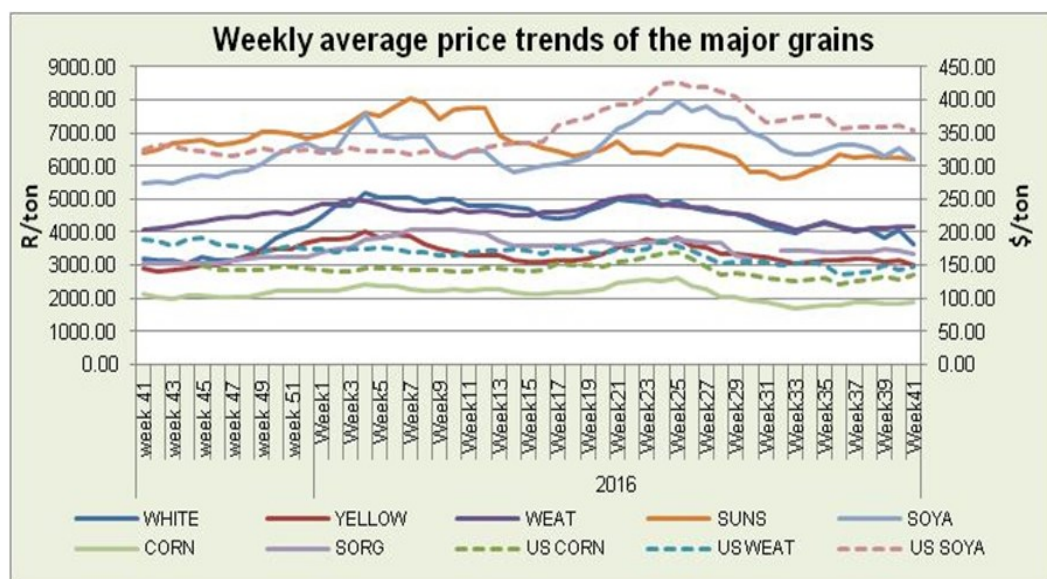
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 07 October 2016

Directorate: Statistics & Economic Analysis

Sub-directorate: Economic Analysis

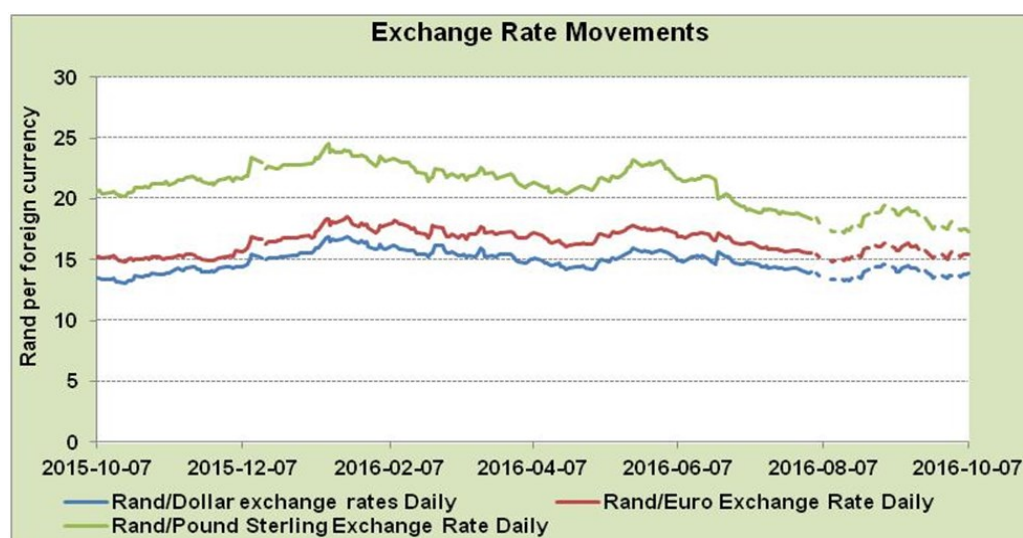


Local yellow maize, soybean and sunflower seed prices increased by 0.6%, 0.8% and 0.3% respectively end of the week while local white maize, wheat and sorghum prices decreased by 4.9%, 0.2% and 0.6% respectively end of the week compared to the previous week. Internationally, US yellow maize and soybean prices increased by 3.8% and 1.2% respectively end of the week compared to previous week. While on the other hand US wheat prices declined by 0.7% this week compared to the previous week.

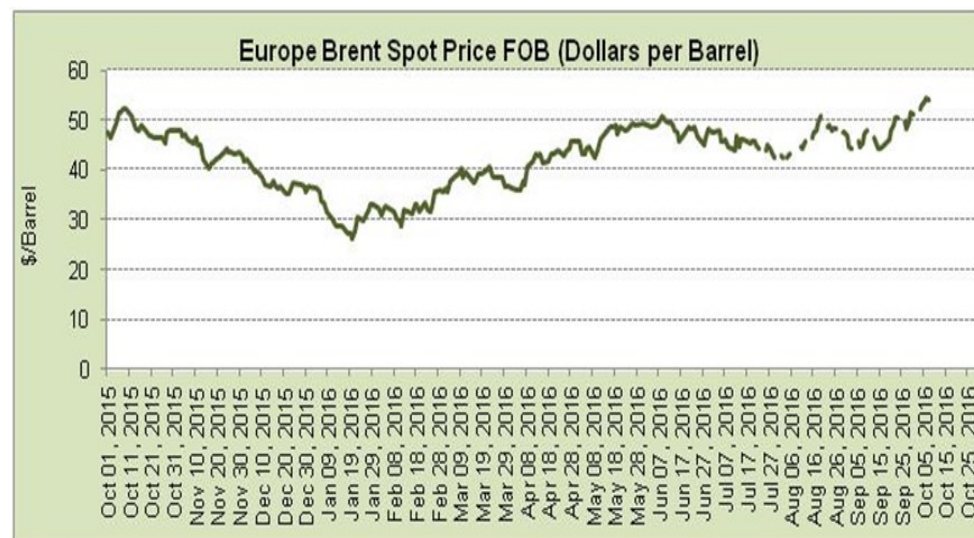
US wheat futures were mostly weaker, easing on a profit-taking setback after rallying sharply on Wednesday, but some Minneapolis Grain Exchange (MGEX) spring wheat contracts gained slightly amid tight global supplies of high quality milling wheat.

Spot price trends of major grains commodities

	1 year ago Week 41 (05-10-15 to 09-10-15)	Last week Week 40 (26-09-16 to 30-09-16)	This week Week 41 (03-10-16 to 07-10-16)	w-o-w % change
RSA White Maize per ton	R 3 217.00	R 3 615.40	R 3 439.40	-4.9%
RSA Yellow Maize per ton	R 2 898.40	R 3 001.60	R 3 019.80	0.6%
USA Yellow Maize per ton	\$154.92	\$ 130.34	\$ 135.33	3.8%
RSA Wheat per ton	R4 059.60	R 4 181.00	R 4 172.80	-0.2%
USA Wheat per ton	\$189.50	\$ 147.47	\$ 146.49	-0.7%
RSA Soybeans per ton	R5 462.40	R 6 139.60	R 6 187.80	0.8%
USA Soybeans per ton	\$325.54	\$ 348.93	\$ 353.13	1.2%
RSA Sunflower seed per ton	R6 401.20	R 6 169.60	R 6 187.80	0.3%
RSA Sorghum per ton	R3 040.00	R 3 370.00	R 3 350.00	-0.6%
Crude oil per barrel	\$51.33	\$ 50.04	\$ 53.55	7.0%



The rand weakened against the dollar in anticipation of US nonfarm payrolls data to be released. The Rand was slightly weaker against major currencies this week compared to last week, depreciating by 0.9% and 0.4% against the dollar and the Euro, while the rand was 1.7% stronger against the pound.



Brent crude oil averaged \$53.55 in the reporting week, which is 7.0% more than \$50.04 reported last week. Boosted by Russia's support for a proposal by Opec to freeze oil production in order to reverse the slump in global prices. The move lifted the price of oil, with Brent crude oil hitting a one year high, Russia is ready to accede to joint measures to reduce oil production.



National South African Price information (RMAA) : Beef

Week 39 (26/09/2016 to 02/10/2016)	Units	Avg Purchase Price	Avg Selling Price	Week 40 (03/10/2016 to 09/10/2016)	Units	Avg Purchase Price	Avg Selling Price
Beef							
Class A2	12 219	37.86	38.12	Class A2	12 473	37.94	37.71
Class A3	1 164	37.74	38.13	Class A3	1 171	38.03	37.86
Class C2	935	32.37	32.64	Class C2	1 841	32.20	33.08

Units sold for beef class A2, class A3 and class C2 increased by 2.1%, 096.9% this .6% and week compared to the previous week. Average purchasing price for class A2 and class increased by 0.2% and 0.8% respectively, while purchasing price for class C2 decreased by 0.5% compared to the previous week. The average selling price for beef class C2 increased by 1.3%, while the average selling price for class A2 and class A3 decreased by 1.1% and 0.7% respectively end of week compared to the previous week. Local selling prices are expected to follow an upward trend due to an expected improvement in demand during the warmer months with the festive season soon approaching.

National South African Price information (RMAA) : Lamb

Week 39 (26/09/2016 to 02/09/2016)	Units	Avg Purchase Price	Avg Selling Price	Week 40 (03/10/2016 to 09/10/2016)	Units	Avg Purchase Price	Avg Selling Price
Lamb							
Class A2	6 237	63.36	58.24	Class A2	13 881	58.75	60.04
Class A3	1 583	63.47	57.38	Class A3	2 701	60.09	58.92
Class C2	732	49.35	49.33	Class C2	1 296	47.38	47.31

After a significant decrease in unit sales for lamb last week, unit sales for lamb class A2, class A3 and class C2 increased significantly by 122.6%, 70.6% and 77.0% this week compared to the previous week. The purchasing price for class A2, class A3 and class C2 declined by 7.3%, 5.3% and 4.0%, while the average purchasing price for class A2 and class A3 increased by 3.1% and 2.7% respectively. The average selling price for class C2 decreased by 4.1% end of reporting week compared to the previous week. Steady demand for Lamb is expected to increase with the upcoming festive season in line with seasonal trends.

National South African Price information (RMAA) : Pork

Week 39 (26/09/2016 to 02/10/2016)	Units	Avg Purchase Price	Week 40 (03/10/2016 to 09/10/2016)	Units	Avg Purchase Price
Pork					
Class BP	6 654	23.63	Class BP	6 908	24.45
Class HO	4 051	23.04	Class HO	4 667	23.85
Class HP	3 778	23.00	Class HP	4 643	23.75

Class BP, class HO and class HP for pork unit sales increased by 3.8%, 15.2% and 22.9 respectively this week compared to the previous week. The average purchase price for class BP and Class HO also increased by 3.5% respectively end of week compared to the previous week. The average purchasing price for pork class HP increased by 3.3% end of the week compared to the previous week. The increase in the pork purchase prices can be attributed to seasonality and improved demand.

Latest News Developments

The International Monetary Fund (IMF) has left SA's 2016 economic growth forecast unchanged but cut the outlook for 2017, citing the effects of lower commodity prices, high unemployment and policy uncertainty on the economy. SA's economic outlook was "clouded by policy uncertainty and political risks," the global lender said in its World Economic Outlook report released on Tuesday. The document gives an update on global economic developments and projections for world growth. It left the 2016 growth forecast for SA at 0.1% but lowered that for 2017 to 0.8% from the 1% it projected just two months ago. A new trade deal will see improved market access for more than 30 South African agricultural products to the European Union (EU). The deal would also eventually see the phasing out of export subsidies for EU products heading to SA and four other Southern African countries that are, so far, part of the agreement.

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