



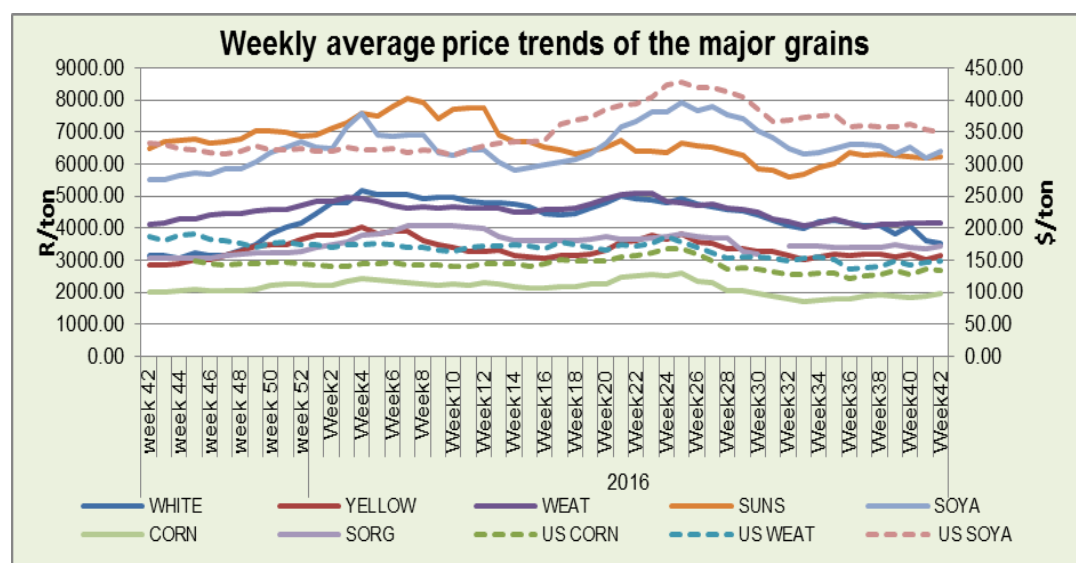
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 14 October 2016

Directorate: Statistics & Economic Analysis

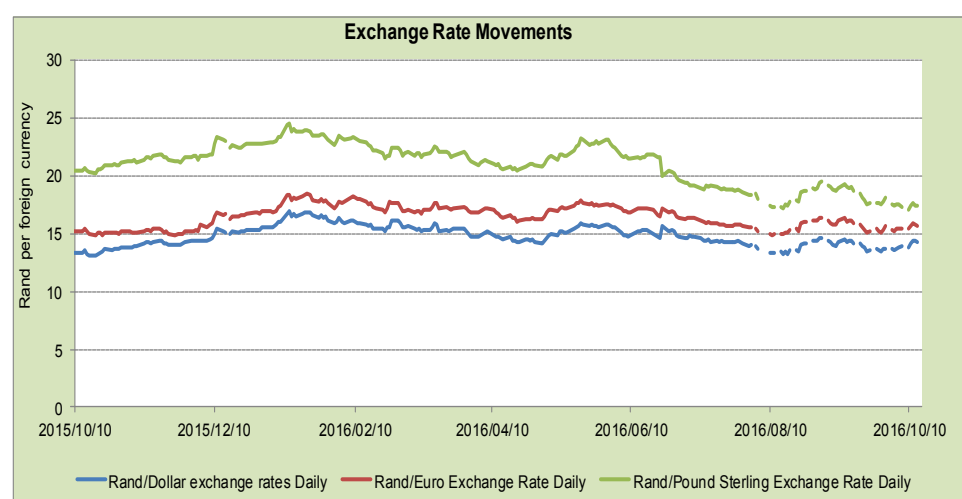
Sub-directorate: Economic Analysis



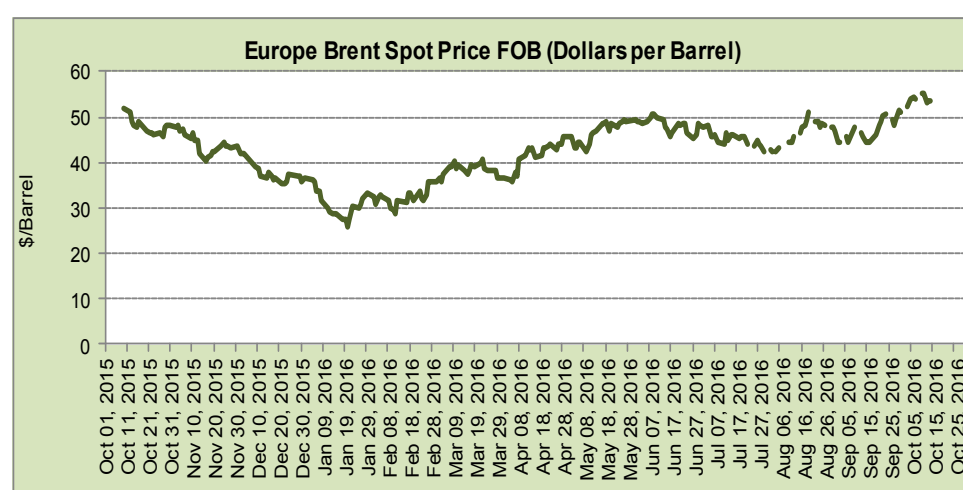
The weekly average price of white maize, yellow maize, soybean, sunflower and sorghum increased by 2.3%, 0.4%, 3.5%, 0.7% and 2.2% respectively compared to the previous week. The rise in the price of grains is due to inter alia; the weakened exchange rate. Local wheat failed to take advantage of the weak exchange rate decreasing by 0.6%. Internationally, US yellow maize, wheat and soybean prices decreased by 0.2%, 1.2% and 0.8% respectively this week. The decline in US yellow maize price is attributed to favourable weather condition for harvesting and good crop ratings.

Spot price trends of major grains commodities

	1 year ago Week 42 (12-10-15 to 16-10-15)	Last week Week 41 (03-10-16 to 07-10-16)	This week Week 42 (10-10-16 to 14-10-16)	w-o-w % change
RSA White Maize per ton	R 3 148.00	R 3 439.40	R 3 517.00	2.3%
RSA Yellow Maize per ton	R 2 898.60	R 3 019.68	R 3 032.00	0.4%
USA Yellow Maize per ton	\$149.76	\$ 135.33	\$ 135	-0.2%
RSA Wheat per ton	R 4 131.20	R 4 172.80	R 4 149.00	-0.6%
USA Wheat per ton	\$185.80	\$ 146.49	\$ 148.3	-1.2%
RSA Soybeans per ton	R 5 519.80	R 6 197.80	R 6 415.60	3.5%
USA Soybeans per ton	\$ 331.81	\$ 353.13	\$ 350.29	-0.8%
RSA Sunflower seed per ton	R 6 498.60	R 6 187.80	R 6 233.60	0.7%
RSA Sorghum per ton	R 3 040.00	R 3 350.00	R 3 342.60	2.2%
Crude oil per barrel	\$ 44.75	\$ 53.55	\$ 54.07	1.0%



The governor of the reserve bank highlighted that political risk affect rand performance. The rand depreciated against the dollar against the US dollar by 3% due to political uncertainty. The rand depreciated by 2% against the Euro whilst it remained stable against the pound.



The weekly average oil price was a percentage higher than it was in the previous week. In addition to the weaker rand, the US Official data showed that raw crude stockpiles in the US has fallen for the sixth time in seven weeks.



National South African Price information (RMAA) : Beef

Week 40 (03/10/2016 to 09/10/2016)	Units	Avg Purchase Price	Avg Selling Price	Week 41 (10/10/2016 to 16/10/2016)	Units	Avg Purchase Price	Avg Selling Price
Beef							
Class A2	12 473	37.94	37.71	Class A2	11 529	37.65	37.35
Class A3	1 171	38.03	37.86	Class A3	1 190	37.88	37.84
Class C2	1 847	32.20	33.08	Class C2	1 518	32.35	33.29

Units sold for beef class A2, class A3 and decreased by 7.6% and 17.5% this week compared to the previous week whilst the unit sold for beef class 2 increased by 1.6%. Average purchasing price for class A2 and class A3 decreased by 0.8% and 0.4% respectively, while purchasing price for class C2 increased by 0.5% compared to the previous week. The average selling price for beef class C2 increased by 0.6%, while the average selling price for class A2 and class A3 decreased by 1.0% and 0.1% respectively end of week compared to the previous week. Local beef prices are expected to gain support from better demand that comes with warmer conditions.

National South African Price information (RMAA) : Lamb

Week 40 (03/10/2016 to 09/10/2016)	Units	Avg Purchase Price	Avg Selling Price	Week 41 (10/10/2016 to 16/10/2016)	Units	Avg Purchase Price	Avg Selling Price
Lamb							
Class A2	13 881	58.75	60.04	Class A2	14 711	60.88	59.68
Class A3	2 701	60.09	58.92	Class A3	3 122	61.53	58.94
Class C2	1 296	47.38	47.31	Class C2	1 173	46.23	46.69

The unit sales for lamb class A2 and class A3 moderated by 6.0% and 15.6% respectively while class C2 decreased by 9.5% this week compared to the previous week. The average purchasing price for class A2 and class A3 increased by 3.6% and 2.4% while the average purchasing price for class C2 decreased by 2.4% compared to the previous week. The average selling price for class A2 and class C2 decreased by 0.6% and 1.3% respectively while the average selling price for class A3 remain constant 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 40 (03/10/2016 to 09/10/2016)	Units	Avg Purchase Price	Week 41 (10/10/2016 to 16/10/2016)	Units	Avg Purchase Price
Pork					
Class BP	6 908	24.45	Class BP	6 769	24.58
Class HO	4 667	23.85	Class HO	3 885	23.95
Class HP	4 643	23.75	Class HP	3 819	23.89

The pork meat market recorded a loss this weeks as Class BP, class HO and class HP for pork unit sales decreased by 2.0%, 17.4% and 17.7 respectively this week compared to the previous week. The average purchase price for class BP, Class HO and Class HP increased by 0.5%, 0.4% and 0.6% respectively end of week compared to the previous week. The slight improvement in the pork purchase prices can be attributed to seasonality and improved demand.

Latest News Developments

South African seed selection for research and development company Sunchem’s Solaris crop that yields significant amounts of sustainable oil for bio jet fuel feedstock – has started taking place locally for the first time since the launch of Project Solaris in 2014. South Africa will experience water rationing if consumers do not heed calls to cut consumption to avoid a collapse of the water system as dam levels fall after a drought. Minister of Trade and Industry stressed the need for Brics nations to identify complementarities, share experiences and promote capacity building in a number of trade and investment related issues. The new SADC-EU EPA framework, which was officially signed in June, has become effective and will replace the trade provisions of the existing bilateral Trade, Development and Cooperation Agreement between South Africa and the EU, therefore will allow for the harmonisation of the trading regime between the Southern African Customs Union (SACU) as a whole and the EU.

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