



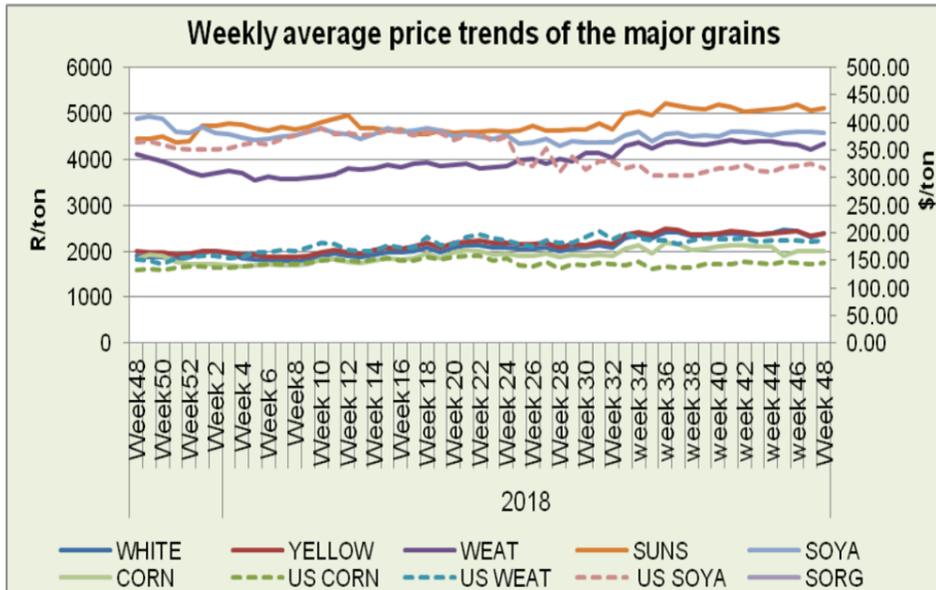
# agriculture, forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA

## Weekly Price Watch: 30 November 2018

Directorate: Statistics & Economic Analysis

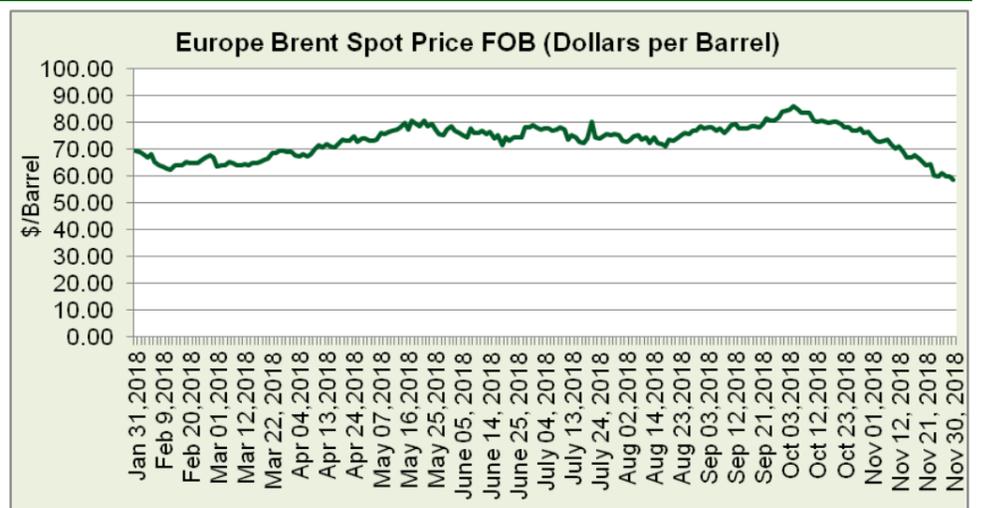
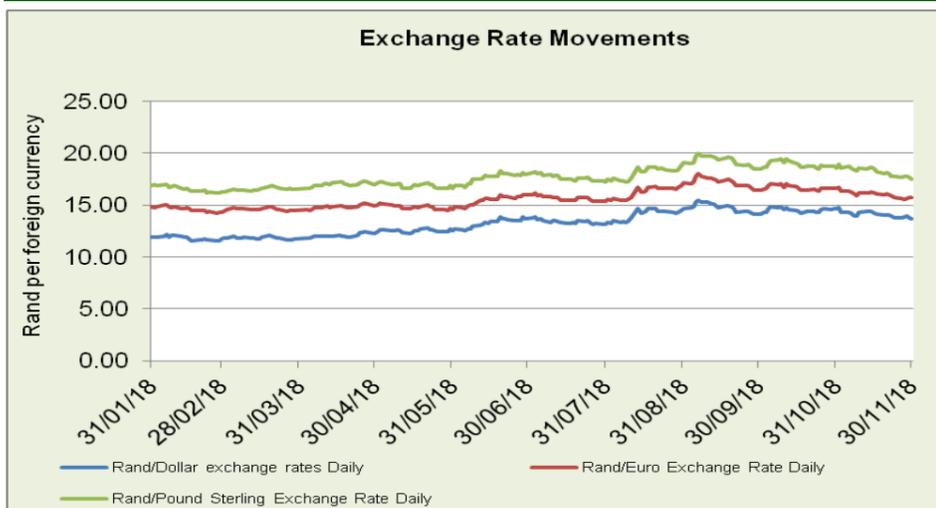
Sub-directorate: Economic Analysis



The domestic grain market strengthened this week for all of major grains when compared to the previous week. Internationally the market also strengthened for majority of grain market with an exception US soybeans and corn which decreased by 0.1% and 1% respectively. RSA white maize, yellow maize, wheat, soybean and sunflower increased by 4.7%, 0.3%, 0.2%, 0.5% and 1.7% respectively, sorghum increased by 0.5%. The local grain market prices follow the trend of international grain market especially for commodities which south Africa is a net exporter like maize but other commodities like wheat, soybeans and sunflower are interlinked to the SAFEX market. The increase in price of most of local grain market can be attributed to potential impact of an El Niño towards the later parts of summer although expected to be weak this time around (Agbiz, 2018). The local weather service suggests that the weather phenomenon could lead to below normal rainfall between the end of January and March 2018. Therefore the harvest for most of the local grains is expected to be lower than previous seasons. Internationally the results of a drier weather conditions that affected the wheat earlier in the season in Russia, Ukraine, Australia are reflected in the international wheat market price.

### Spot price trends of major grains commodities

	1 year ago Week 48 (27-11-17 to 01-12-17)	Last week Week 47 (19-11-2018 to 23-11-18)	This week Week 48 (26-11-2018 to 30-11-18)	w-o-w % change
RSA White Maize per ton	R 1895.80	R 2 311.60	R 2 420.00	4.7%
RSA Yellow Maize per ton	R 2 004.60	R 2 332.20	R 2 340.20	0.3%
USA Yellow Maize per ton	\$ 133.46	\$ 142.36	\$ 140.92	-1.0%
RSA Wheat per ton	R 4 107.80	R 4 223.00	R 4 230.00	0.2%
USA Wheat per ton	\$ 1 51.47	\$ 183.20	\$ 183.94	0.4%
RSA Soybeans per ton	R 4 877.20	R 4 593.40	R 4 617.00	0.5%
USA Soybeans per ton	\$ 364.51	\$ 324.44	\$ 324.06	-0.1%
RSA Sunflower seed per ton	R 4 439.00	R 5 058.00	R 5 144.40	1.7%
RSA Sorghum per ton	R 2 620.00	R 3 700.00	R 3 720.00	0.5%
Crude oil per barrel	\$ 63.33	\$ 64.07	\$ 59.95	-6.4%



The rand appreciated against all major currencies, appreciating by 1.3% against the dollar, 1.8% against the euro and by 1.5% against the pound sterling this week. The rand's appreciation came on the back of the dollar slipping against all major currencies due to dovish comments by US Federal Reserve chair Jerome Powell.

The price of oil fell further this week by 6.4% compared to the previous week. The result of a decline in oil prices is due to the fact that in the market the supply of oil greatly exceeded the demand for the oil and this is pulling oil prices down. However there are expectations that OPEC and Russia would agree some form of production cut next week to boost the oil prices.



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

Week 46 (12/11/2018 to 18/11/2018)	Units	Avg Purchase Price	Avg Selling Price	Week 47 (19/11/2018 to 25/11/2018)	Units	Avg Purchase Price	Avg Selling Price
Class A2	9 404	45.11	45.27	Class A2	11803	45.11	45.71
Class A3	1 434	45.21	45.66	Class A3	1459	44.99	45.99
Class C2	1 470	39.91	41.31	Class C2	1554	39.42	40.68

The units sold for all classes of beef A2, A3 and C2 increased by notable 25.5%, 1.7% and 5.7% respectively, as compared to the previous week. The average purchase prices for A2 remained unchanged when compared to the previous week, the purchasing price for class A3 and C2 decreased by 0.5% and 1.2% respectively week on week. The average selling price for class of beef A2 and A3 increased by 1% and 0.7% respectively, while the selling price for class C2 decreased by 1.5%. Prices are expected to remain low as there is weak demand for weaners in the market.

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

Week 46 (12/11/2018 to 18/11/2018)	Units	Avg Purchase Price	Avg Selling Price	Week 47 (19/11/2018 to 25/11/2018)	Units	Avg Purchase Price	Avg Selling Price
Class A2	5 109	71.64	74.10	Class A2	8331	71.81	72.59
Class A3	914	72.10	74.22	Class A3	1505	71.49	72.40
Class C2	492	62.00	65.59	Class C2	995	61.76	63.84

The units sold for all classes of lamb class A2, A3 and C2 increased tremendously when compared to the previous week by 63.1%, 64.7% and 102.2% respectively. The average purchase prices for class A3 and C2 decreased by 0.8% and 0.4% whilst that of A2 increased by 0.2% when compared to the previous week. Weekly average selling price for all classes of lamb decreased A2, A3 and C2 decreased by 2%, 2.5% and 2.7% respectively in this reporting week compared to the previous week. Good seasonal demand ahead of the festive season continue to support the quantity demand for lamb as consumers show some resistance in price increase of lamb.

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

Week 46 (12/11/2018 to 18/11/2018)	Units	Avg Purchase Price	Week 47 (19/11/2018 to 25/11/2018)	Units	Avg Purchase Price
Class BP	7 975	28.35	Class BP	7619	28.22
Class HO	5 684	26.94	Class HO	5413	26.41
Class HP	4 275	26.72	Class HP	3911	26.53

The units sold for all classes of pork decreased when compared to the previous week class BP, HO and HP decreased by 4.5%, 4.8% and 8.5% respectively when compared to the previous week. The average purchasing price for all classes of pork BP, HO and HP decreased by 0.5%, 2% and 0.7% respectively when compared to the previous week. The weekly pig slaughter fell sharply by 13% this week when compared to the previous week and this is the result of decrease in quantity sold for pork this week. The Listeriosis outbreak has passed and consumer confidence is still recovering. Prices have showed some good recovery over the past weeks. The pork industry has reached prices above the 2016 level after the listeriosis crisis, but prices are still below the 2017 levels.

### Latest News Developments

The Department of Energy has announced that both grades 93 and 95 of petrol will decrease by R1.84c per litre in Gauteng on Wednesday, 5 December. Diesel will decrease by between R1.45 and R1.47, while illuminating paraffin will decrease by R1.33c and R1.78c. This comes after the country saw a record price hike a couple of months ago which saw petrol hitting up to R17.08, while diesel went up to as much as R15.69. With South Africans already hit by an increase in the repo rate, VAT and municipal tariffs, this is welcome news. The Energy Department indicated that the massive decreases are due to the average international product prices for petrol, diesel and illuminating paraffin decreasing during the period under review.

Egg industry role players are meeting with government over concerned of egg imports in the country. The Chairperson of SAPA indicated that more than 400 000kg of eggs valued at nearly R8,6 million had been imported by South Africa from Brazil between June and September 2018. Head of economic and agribusiness intelligence at Agbiz, concurred that the 153 tons of eggs imported by South Africa in the first two quarters of the year, had surpassed the volume of egg imported annually during the past 17 years. Egg imports in South Africa had started picking up following the 2017 avian influenza outbreak in South Africa, which decimated about 20% of the national layer flock. About 4,7 million layers died of the disease or had to be culled, resulting in losses in excess of R1,5 billion to the industry. The national layer flock had, however, since recovered and supply had been restored to previous levels, making imports unnecessary.

South Africa's citrus industry experienced a particularly good season this year, despite water constraints and dry conditions in some major citrus-producing regions. According to the CEO of the Citrus Growers' Association of Southern Africa (CGA), said that South African citrus exporters achieved new records in terms of volumes packed and passed for exporting. Justin Chadwick, CEO of the Citrus Growers' Association of Southern Africa (CGA), said that South African citrus exporters achieved new records in terms of volumes packed and passed for exporting. According to CGA, 135,6 million 15kg equivalent cartons of citrus had already been packed and passed for exporting thus far. This was a notable increase compared with the initial March forecast of 131,7 million cartons. Soft citrus producers achieved a record volume packed for exports, surpassing last year's 13,4 million cartons to end on 16,1 million cartons. "There's been an upward trend in soft citrus export volumes since 2011, with volumes more than doubling over the past seven years," said Chadwick.

The world's largest cattle feedlot is expanding South African beef exports beyond the Middle East to take advantage of surging demand in China and other Asian markets. Karan Beef's feedlot, south of Johannesburg, is emblematic of a push by South African agriculture to boost exports of more niche products, ranging from grapefruit and avocados to macadamia nuts. Increasingly, the emphasis is on high-value products rather than mass output of less lucrative crops like corn. With 160 000 cattle on the property, which converted from dairy to beef production in about 1980, and half a million of the animals sent to slaughter every year, the 2 500 hectare operation is the biggest feedlot on a single site globally, according to director Matthew Karan.

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