



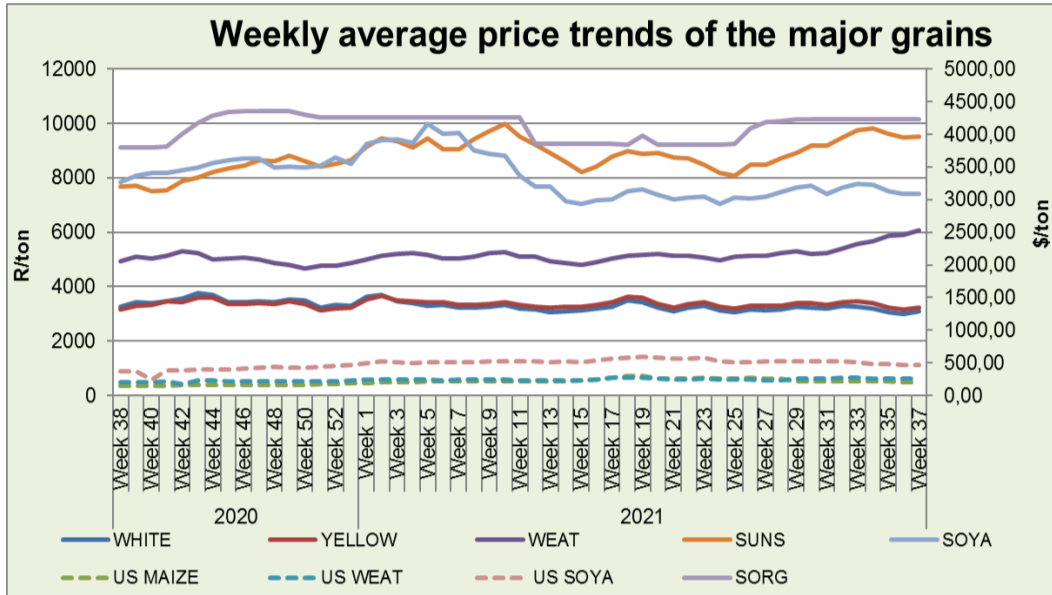
agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Weekly Price Watch: 17 September 2021

Directorate: Statistics & Economic Analysis

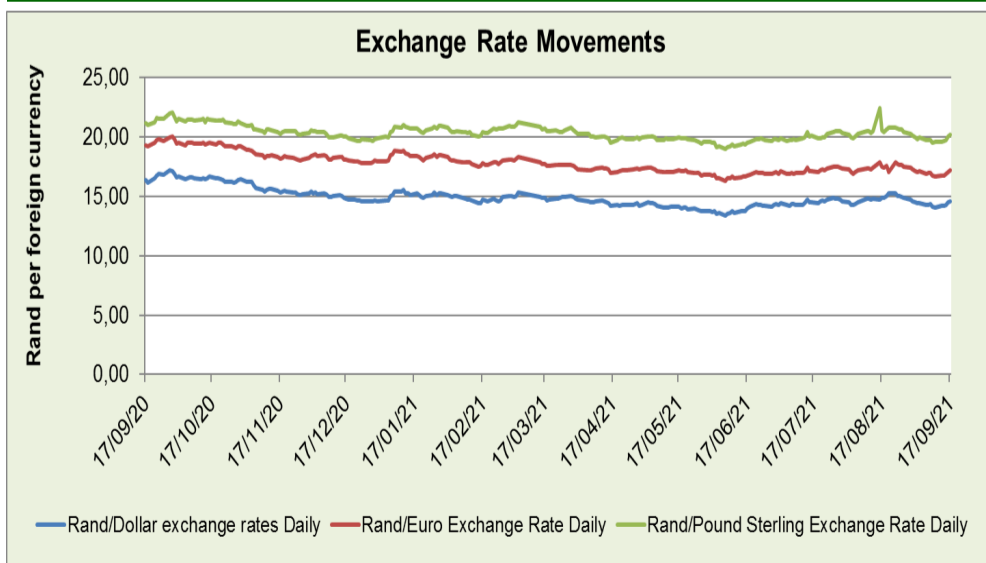
Sub-directorate: Economic Analysis



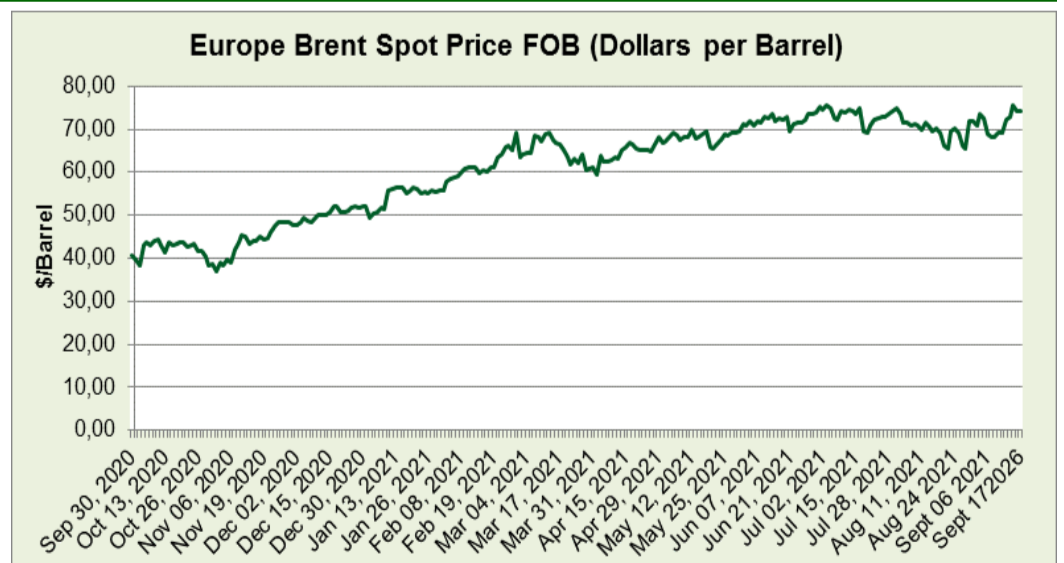
The price of local and international maize increased this week relation to the previous week. International prices increase as US department of agriculture reported that 30% of US Maize remains in some level of drought. Local prices received a boost from the high international prices as well as the weaker exchange rate. The price of local maize increased by 3.6% and 2.8% whilst the USA maize price increased by 2.4%. The price of local wheat increased by 2.9% this week, while the US wheat price decreased 1.6%. The local wheat price increased due to inter-alia, the weaker exchange rate, whilst the international wheat price decreased due to reduced trade compared to last week. The price of local soybeans decreased by 0.3%, whilst the US soybeans price increased by 0.8% as a result of an increased demand of soymeal. The price of local sunflower seed increased by 0.7% compared to last week. The price of sorghum remained the same again this week.

Spot price trends of major grains commodities

	1 year ago Week 37 (14-09-20 to 18-09-20)	This week Week 36 (06-09-21 to 10-09-21)	This week Week 37 (13-09-21 to 17-09-21)	w-o-w % change
RSA White Maize per ton	R3 210.00	R2 978.00	R3 086.60	3.6%
RSA Yellow Maize per ton	R3 134.20	R3 144.80	R3 234.40	2.8%
USA Yellow Maize per ton	\$137.99	\$197.30	R201.96	2.4%
RSA Wheat per ton	R4 993.40	R5 893.00	R6 061.00	2.9%
USA Wheat per ton	\$197.41	\$258.46	R254.24	-1.6%
RSA Soybeans per ton	R7 295.80	R7 425.60	R7 401.00	-0.3%
USA Soybeans per ton	R7 681.20	\$467.66	\$471.38	0.8%
RSA Sunflower seed per ton	\$358.35	R9 467.60	R9 531.40	0.7%
RSA Sweet Sorghum per ton	R3 800.00	R4 230.00	R4 230.00	0.0%
Crude oil per barrel	\$43.49	\$68.76	\$73.80	7.3%



The rand depreciated against the US dollar, Euro and British pound by 0.9%, 0.48% and 0.95% respectively compared to the previous week. The rand slipped besides recording a current account surplus as news of contractions in retail sales created uncertainty in markets. Retail sales contracted by 0.8% on a year-on-year basis and declined by 11.2% on a month-on-month basis.



The crude oil price increased by 7.3% this week compared to last week, due to oil supply disruptions in the US Gulf of Mexico where it is estimated that most of the production was offline as a result of Hurricane in the US. Predictions are that, it would take weeks for supply to return to normal.



National South African Price information (RMAA) : Beef

Week 35 (30/08/2021 to 05/09/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 36 (06/09/2021 to 12/09/2021)	Units	Avg Purchase Price	Avg Selling Price
Class A2	5 298	51.77	53.57	Class A2	7 546	51.89	52.97
Class A3	510	50.87	53.15	Class A3	576	50.32	52.02
Class C2	422	44.33	46.42	Class C2	620	44.60	46.76

The quantities of beef traded this week increased by 42.4%, 12.9% and 46.9% respectively for class A2, A3 and C2 compared to the previous week. The producer price for class A2 and C2 increased by 0.2% and 0.6% respectively, whilst the price declined by 1.1% for class A3 relative to the previous week. The market prices for class A2 and A3 decreased by 1.1% and 2.1% respectively whilst it increased by 0.7% for class C2.

National South African Price information (RMAA) : Lamb

Week 35 (30/08/2021 to 05/09/2021)	Units	Avg Purchase Price	Avg Selling Price	Week 36 (06/09/2021 to 12/09/2021)	Units	Avg Purchase Price	Avg Selling Price
Class A2	7 477	91.89	92.26	Class A2	6 315	88.78	89.13
Class A3	1 316	88.02	89.19	Class A3	1 148	85.22	85.14
Class C2	670	71.49	74.10	Class C2	419	68.04	71.84

The quantities of lamb traded this week decreased compare to last week, class A2, A3 and C2 quantities decreased by 15.5%, 12.8% and 37.5% respectively. The producer prices for class A2, A3 and C2 decreased by 3.4%, 3.2% and 4.8% respectively. The market prices for all the classes also decreased by 3.4%, 4.5% and 3.0% respectively.

National South African Price information (RMAA) : Pork

Week 35 (30/08/2021 to 05/09/2021)	Units	Avg Purchase Price	Week 36 (06/09/2021 to 12/09/2021)	Units	Avg Purchase Price
Class BP	9 246	25.53	Class BP	9 346	25.55
Class HO	7 510	24.80	Class HO	7 362	24.79
Class HP	9 053	24.93	Class HP	7 199	25.19

The quantities of pork supplied to the market increased by 1.1% for class BP, whilst decreasing by 2.0% and 20.5% for class HO and HP respectively. The producer prices increased by 0.1% and 1.0% for class BP and HP whilst remaining stable for class HO.

Latest News Developments

The Agbiz/IDC Agribusiness Confidence Index (ACI) contracted in the third quarter. According to Agbiz the level still reflects favourable conditions in the country's agriculture sector and for agribusiness. Agbiz stated that the optimism reflects both the large output and higher commodity prices that have benefited farming businesses in the 2020/21 agricultural production season and the favorable outlook about the upcoming 2021/22 season. The higher commodity prices and the positive weather outlook, which shows prospects for above-normal rain across most regions in the country, are supportive factors for agribusinesses. South Africa is the second-biggest exporter of citrus in the world behind Spain and the global leader in long-distance exporting. Exports account for 95% of earnings from citrus, overtaking wine as the country's largest agricultural export in 2010. The citrus sector is a major earner of exports revenue and employs approximately 120 000 citizens, making it the biggest employer in the agricultural sector. Global increase in demand for South African grown citrus as well export regulations, resulted in a substantial increase in demand for refrigeration capacity, according to Dawie Kriel head of local refrigeration manufacturer EP Refrigeration business development. He stated that there was a global increase in demand for citrus, with South African citrus production growth increasing by 15% in 2020 and forecasted to grow further in 2021. Dawiel Kriel further stated that "Once harvested, the fruit must be cooled to prevent spoiling. Some countries that we export to require cold sterilization (low temperature holding process) in addition to ensuring the elimination of insect pests".

A yearly business gathering/forum initiative of the African Development Bank will be held in Côte d'Ivoire, the gathering will display investment opportunities across the continent, many of which have the potential to drive Africa's recovery from the Covid-19 pandemic. Over the past decade, South Africa's brain drain has steadily increased on the back of economic and political challenges, causing skilled and educated individuals: particularly in science, technology, engineering and mathematics seeking opportunities abroad. Tetelestai Holdings an affiliate of the Manufacturing, Engineering and Related Services Sector Education and Training Authority (Merseta) CEO Natalie Nelson stated that the brain drain must no dissuade development. She stated that to foster a sustainable automotive component manufacturing sector in South Africa, the risk of locally developed skills being poached by other countries must be accepted without dissuading development. She stated that this should not be allowed to undermine local upskilling efforts, nor should such efforts be perceived as a waste of time, effort and funding as the sector needs to remain competitive.

For more information contact: Directorate Statistics & Economic Analysis (SEA) at HeidiP@dalrrd.gov.za or 0123198194.

Source: SAFEX, Standard bank, Stats SA, Reuters, Engineering news; Red Meat Abattoir Association, FNB and Absa Bank.
Disclaimer: DAFF will not be liable for results of actions based on this price watch.