Agri Trends

21 July 2017

The Reserve Bank has cut rates by 25 basis points

The welcome move by the Reserve Bank that cut rates by 25 basis points was met by a weakening of the Rand. However the Rand strengthened again supported by a weak US$. As a result the Rand remained relatively strong despite the rate cut. Imports of crude oil, farming requisites, oilcake and wheat in Rand value should therefore not be affected negatively by the cut in interest rates. The lower interest rates will lead to an increase in the money supply and growth in demand, which will support economic growth as consumer and business confidence starts to pick up. Having said this, the threat of a credit downgrade rendering us to total sub-investment grade is still possible. An increase in policy certainty and an uptick in economic growth are needed for the remainder of 2017 and for the medium term to 2019. It remains a possibility that we hope for.

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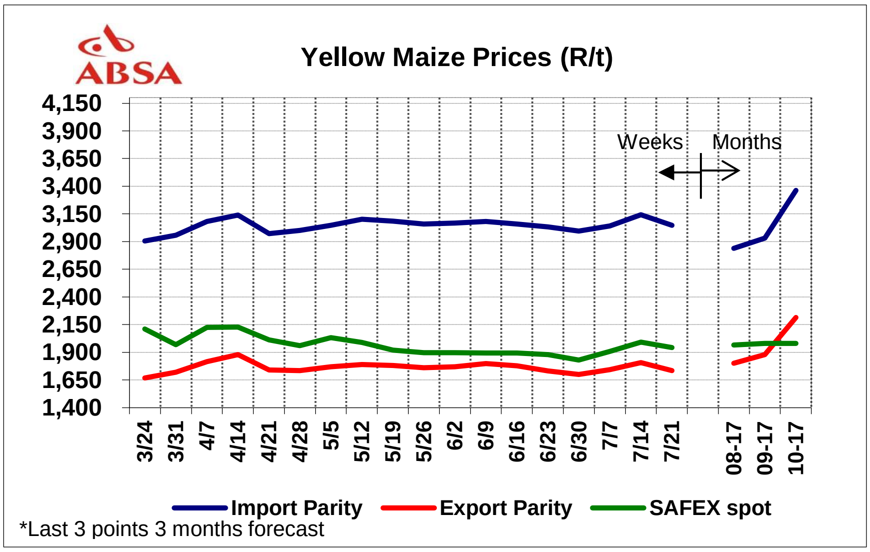
Maize market trends

International

Brazil's safrinha 2016/17 production will reach an all-time high of 96 million ton, up by 44% from last year. Week-on-week yellow maize No 2 gulf price decreased from US$160.15/ton to $156.15/ton.

Bullish factors

- The USDA said that 40% of the US maize crop was going through its silking phase of pollination, however very hot temperatures could cause damage to crops and limit yield potential.



Bearish factors

- CONAB sharply increased Brazil's safrinha maize crop estimate by 28 million ton from the previous month.

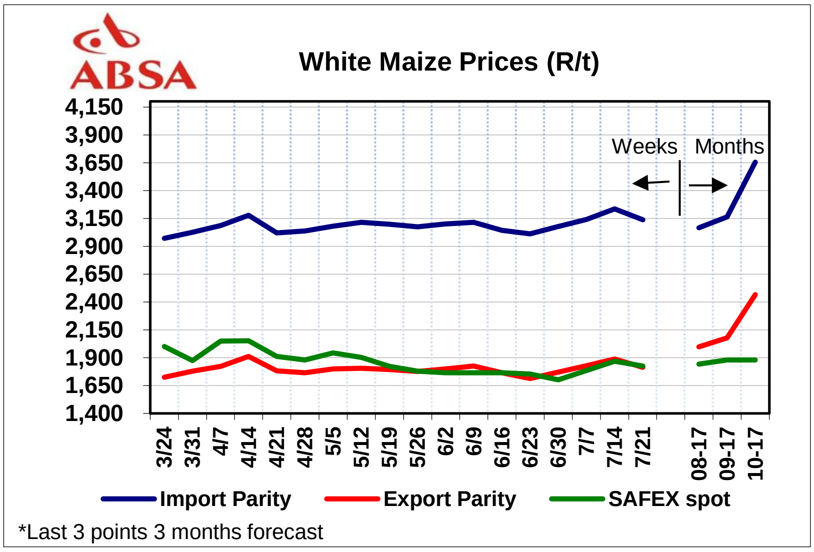
  According to the latest Oilworld Report the 2016/17 production will reach an all-time high of 96 million ton, up by 44% from last year. The surplus soybean and maize crop in Brazil, have caused storage problems, now the country needs to speed up its exports of maize (which is partly stored openly in the fields), before the usual rainfall starts around September.

Domestic

By the July 20th, week on week new season white maize prices for delivery in July 2017 increased by 0.6% from R2073/ton to R2086/ton. Week-on-week new season yellow maize prices for delivery in July 2017 increased by 0.2% from R2172/ton to R2177/ton.

Bullish factors

- South Africa's Central bank (SARB) cut its lending rate by 25 basis points, which caused a deterioration of the rand on Thursday.



Bearish factors

- With the expected large crop in the 2016/17 season, SA is expected to have a carry-over stock of about 2.2 million ton of total commercial maize in the following season. This will limit high price movements in the coming season, keeping prices sideways.

Outlook

With the expected large crop in the 2016/17 season, SA is expected to have a carry-over stock of about 2.2 million ton of total commercial maize in the following season. This will limit high price movements in the coming season, keeping prices sideways.

- Anticipated shift from maize plantings to soybean/ sunflower plantings may support maize prices (due to lower supply)
- Local silos in the Senwes area/ sites are already full. Some silos were built in areas where maize is practically not planted anymore eg (between Heilbron and Sandfort), such “almost empty” silos will be used for extra/ surplus maize received in areas with high yields, but at an additional transportation costs.
- Chances are we can still move to export parity levels next year, depending on the export volumes achieved in the 2016/17 season, if exports proceed well, we can see an increase in the maize price.

There are factors that will affect the maize prices going forward such as

1. What will be the shift from white maize to yellow maize production?
2. What other crops will the producers plant (current soybean production is already at surplus 1.3 million tons, should producers still move towards soybean plantings?)
3. How many farmers will receive financing to be able to plant?
4. And how efficient will SA grain industry be, in exporting this seasons maize crop?

Yellow Maize Futures: 20 July 2017	Dec-17	Mar-18	May-18	Jul-18
CBOT ($/t)	159.34	163.48	165.35	167.12
SAFEX (R/t)	2060.00	2109.00	2131.00	2177.00
SAFEX (R/t) *Change week on week (w/w)*	-1.00	9.00	-6.00	5.00

Sep-17			Dec-17			Mar-18		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,020	80	40	2,100	150	110	2,140	187	156
1,980	58	58	2,060	128	128	2,100	165	174
1,940	39	79	2,020	108	148	2,060	145	194

Table 2: Weekly average white maize futures and estimated option prices

White Maize Futures 20 July 2017	Dec-17	Mar-18	May-18	Jul-18
SAFEX (R/t)	1943.00	1983.00	2039.00	2086.00
SAFEX (R/t) *Change w/w*	10.00	9.00	-3.00	13.00

Sep-17			Dec-17			Mar-18		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
1,920	107	62	1,980	147	110	2,020	198	161
1,880	84	79	1,940	125	128	1,980	175	178
1,840	64	99	1,900	105	148	1,940	154	197

Wheat market trends

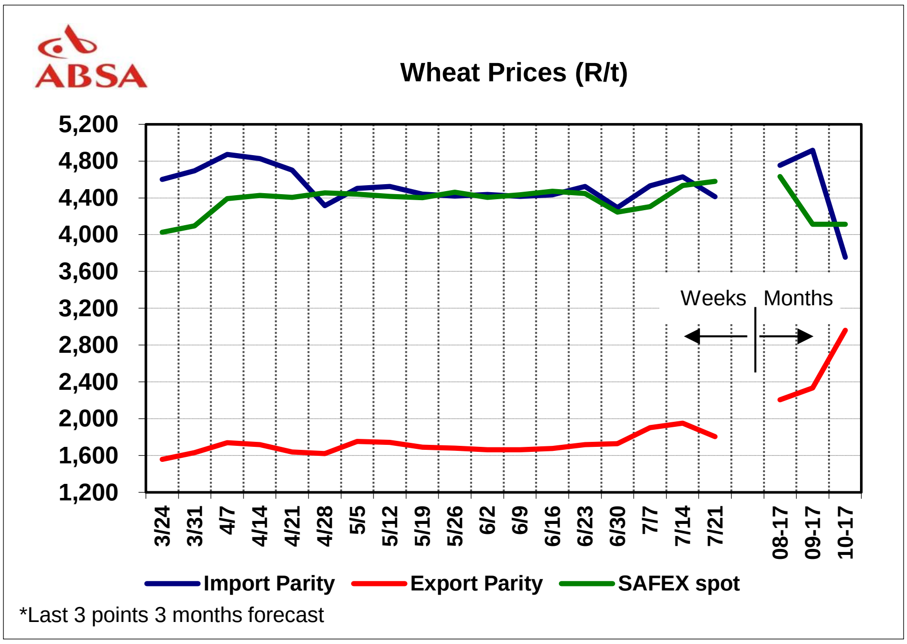
International

Critical dry conditions from Australia to the US and Canada have led to soaring spring wheat prices.

The weekly average old season HRW wheat Gulf decreased price week on week from US$194.65/ton to reach a weekly average of US$188.50/ton

Bullish factors

- Ukraine winter and early spring grains production is expected to fall short of the record produced last year due to unfavourable weather conditions (a mix of below normal temperatures & rainfall during Spring then snow and frost in April and also the dryness in June).
- The main sources for high protein wheat are the US, Canada and Australia, these countries are also suffering from drought.



Bearish factor

- Damage to drought affected regions and potential crop losses, is not expected to have a big impact on the global production and the global stockpile.

Domestic

On 20th July 2017, wheat prices for delivery in July 2017 increased by 0.6% (R26) from R 4604/ton to R4630/ton week on week. This was supported by international bullish trends.

Prices of high-protein wheat surged due to deteriorating crop conditions in the US, Canada and Australia.

Bullish factors

- The adverse weather experienced in the US, Canada and Australia keep global prices high. South Africa, being a net importer of wheat, benefitted from positive global wheat trends, pushing the domestic prices higher.

Bearish factors

- The Rand weakened after the announcement by the South African Reserve Bank (SARB) to cut the lending rate by 25 basis point.

Outlook

The US maize and wheat yields are currently at risk of being below expectations, unless sufficient rainfall arrives. High price volatility in the US market as crops in the major producing/ growing areas are in or very close to their critical phase of development. The exportable wheat stocks in major supplying countries (Ukraine, EU, Australia and the US) are expected to decline due to the drought.

The local wheat crop looks good at this stage, the season just started very late; however the industry expects average crop harvest. Most of the wheat farmers received sufficient rains for wheat; the only going-concern area was Swellendam due to very late plantings (received very late rain) . Dam levels still remain an on-going concern; especially for the irrigation farmers who will need more water from October. The Western Cape still has 2 months winter rain possibility, the industry remains hopeful.

Wheat Futures 20 July 2017	**Jul-17**	**Sep-17**	**Dec-17**	**Mar-18**
CME ($/t)	185.83	194.47	201.91	205.76
SAFEX (R/t)	4630.00	4113.00	3852.00	3915.00
SAFEX (R/t) *Change w/w*	0.56%	-1.41%	-0.54%	-2.05%

Sep-17			**Dec-17**			**Mar-18**		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,160	167	120	3,900	263	215	3,960	338	293
4,120	146	139	3,860	241	233	3,920	316	311
4,080	125	158	3,820	221	253	3,880	294	329

Oilseed market trends

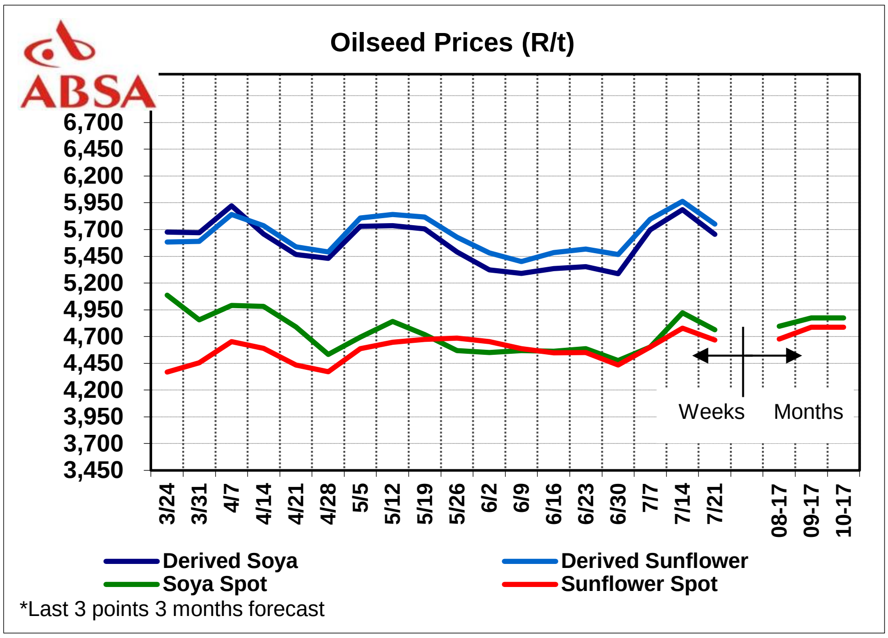
International

Vegetable oil imports were boosted by 14% in India during June and 18% in April. Boost in palm oil imports by 39% (0.85 million ton) was driven by :

- Improved price competitiveness of palm oil
- Insufficient domestic vegetable oil production
- Expectations of a pending increase of input duties.

The weekly average USA soybean price decreased week on week from US$385.16/ton to US$378.73/ton. US soya oil prices decreased from US$33.37ton to US$33.21/ton and soymeal prices traded lower from US$ 329.34ton to US$ 215.10/ton.

Bullish factors



- Excessive wet fields are hampering soybean harvesting completion in parts of the provinces of Buenos Aires, Carob and La Pampa in Argentina.
- Brazilian soybean prices increased since during mid-June. US weather and crop concerns improved planting prospects for Brazil's next season.
- Canadian and Australian rapeseed and canola crop could be negatively affected by the dry weather, should the countries not receive much needed moisture in the major growing regions.
- Argentine farmers prefer to plant maize, wheat and sunflowers instead of soybeans.
- Improved weather is needed for most of the US soybean growing areas, especially in August; otherwise downward revisions will be made.

Bearish factors

- World export of soymeal went down by 2.1 million ton. This corresponds to the downward revision of imports and consumption in the EU and other countries such as Mexico, Philippines, South Korea and North Africa.
- China was the largest soybean export destination again in June. In 2017/18 Chinese import may stagnate or even slightly decline due to increased stocks. Due to reduced government support for maize production, farmers have increased interest in soybeans for the consecutive year.
- South American and US soybean crushing were lower at 12.4 million ton in June, down by 0.7 million ton from the month before, due to lack of meal demand.
- Soymeal usage in the EU fell short of expectations this year. World exports declined by 2.1 million tons Oct/June.

Domestic

On 20th July 2017, sunflower seed prices (Sep17) decreased week on week by 0.8% from R 4825/ton to R 4785ton while soybean (Sep 17) prices decreased by 1% from R 4922ton to R4875/ton.

Bullish factors

- Soybean crushing margins showing positive margins compared to a year ago.

Bearish factors

- Soybean deliveries have been coming in with large totals , SAGIS figures shows
  - March2017 till May 2017 totaled 1,205,727 tons compared to the previous seasons Mar2016/Feb2017 total deliveries of 713,660 tons.

Outlook

China was the largest soybean export destination again in June. In 2017/18 Chinese import may stagnate or even slightly decline due to increased stocks. Due to reduced government support for maize production, farmers have increased interest in soybeans for the consecutive year.
Expect the local market to shift some of the planting area under maize to sunflower or soybeans, due to the very large maize crop. Positive margins in the soybean and sunflower seed crushing industry, supports a positive outlook.

Oilseeds Futures 20 July 2017	Sep-17	Dec-17	Mar-17	May-18
CBOT Soybeans (US$/t)**	374.14	380.48	380.76	381.68
CBOT Soy oil (US c/lb)	34.11	34.45	34.75	34.81
CBOT Soy cake meal (US$/t)*	365.38	371.54	373.52	373.19

SAFEX Soybean seed (R/t)	4875.00	5016.00	5096.00	4945.00
SAFEX Soybean seed (R/t) change w/w	-47.00	-54.00	-98.00	-55.00
SAFEX Sunflower seed (R/t)	4787.00	4955.00	5015.00	4920.00
SAFEX Sunflower seed (R/t) change w/w	-38.00	-35.00	-48.00	0.00

Sunflower Calculated Option Prices (R/t)

Jul-17			**Sep-17**			**Dec-17**		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,820	167	134	5,000	270	225	5,060	347	302
4,780	145	152	4,960	248	243	5,020	325	320
4,740	126	173	4,920	227	262	4,980	304	339

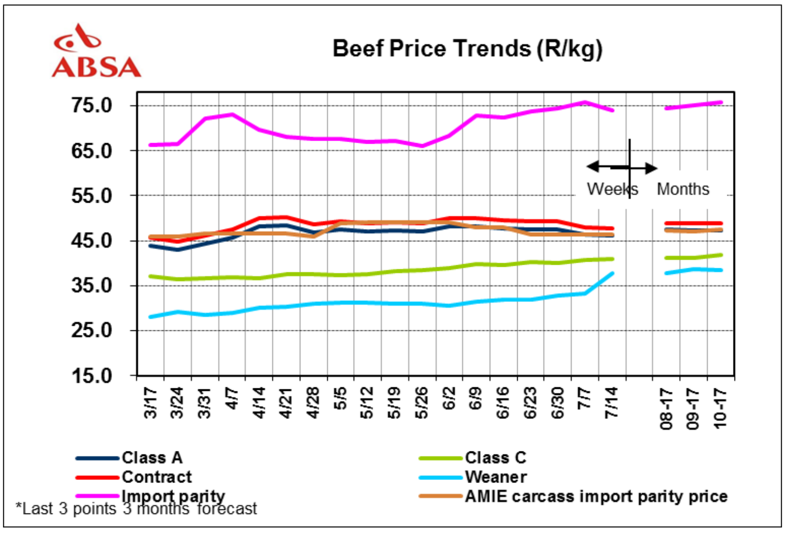
***short ton**

**** Dec 2017 = Jan 2018**

Beef market trends

International

New Zealand steers traded 0.88% lower over the past week at 5.61NZ$/kg and cows traded 0.67% lower at 4.43NZ$/kg compared to a week ago. In the US, beef prices for the week were mixed as follows: Topside traded 4.17% lower at $230.91/cwt. Rump was 0.18% lower at $374.92/cwt and strip loin was 9.35% lower at $575.39/cwt. Chuck traded 1.37% lower at $226.87/cwt. Brisket traded 9.24% lower at $213.70/cwt. The carcass equivalent price was 6.37% lower at $298.04/cwt.



Bullish factors

- US beef export forecast for 2017 has been increased as global demand is expected to strengthen during the second half of the year. Strong domestic and export demand has benefited the beef industry this past spring and summer. The improvement in demand should continue to boost beef/cattle prices moving forward.
- The peak grilling period in the US is coming to an end. However, given demand has held up well through the year, demand may continue hold on for a few more weeks to come, supporting prices.
- A flurry Australian beef on offer in recent weeks appears to have eased off, which may support prices.
- The lack of Australian beef into the US this year has been the key to holding both imported and US domestic grinding beef prices higher.
- The reopening of trade between the US and China will make it a lot better for the cattle industry as a whole, and support increased beef exports

Bearish factors

- The peak grilling period in the US is coming to an end, which may weigh on prices
- There are larger supplies of fed cattle available this autumn in the US, supporting prices.
- In China, it is predicted that beef and mutton prices in the domestic market may fall slightly this year due to a sustained increase in imports.

Domestic

Beef prices were mixed over the past week. Class A prices are 0.41% lower at R46.10/kg. Class C prices are 0.49% higher at R40.88kg. The average weaner calf prices over the past week were 13.5% higher at R37.72/kg. There is scarcity in weaner calves at the time were demand is very strong, and hence prices remain supported. The average hide price over the past week was 1.01% lower at R14.22/kg green. NB* Hide prices are determined by the average of the RMAA (Red Meat Abattoir Association) and independent companies.

Bullish factors

- Class C prices continued to strengthen due to reduced supplies
- Average weaner calf prices remain high on the back of improved demand and less available supplies. There is scarcity in weaner calves at the time were demand is very strong, and hence prices remain supported.
- The country is in a herd rebuilding process, which limits the availability of cattle.

Bearish factors

- The deterioration in grazing conditions during winter negatively impact on grazing conditions.
- The current lower maize price during 2017 suggests that the costs of feed have declined from the high levels seen during the past season, which may encourage feeding of animals, and bode well with production gains. There is an indication that chop prices have declined by over 50% compared to prices paid during Nov/Dec of 2016.

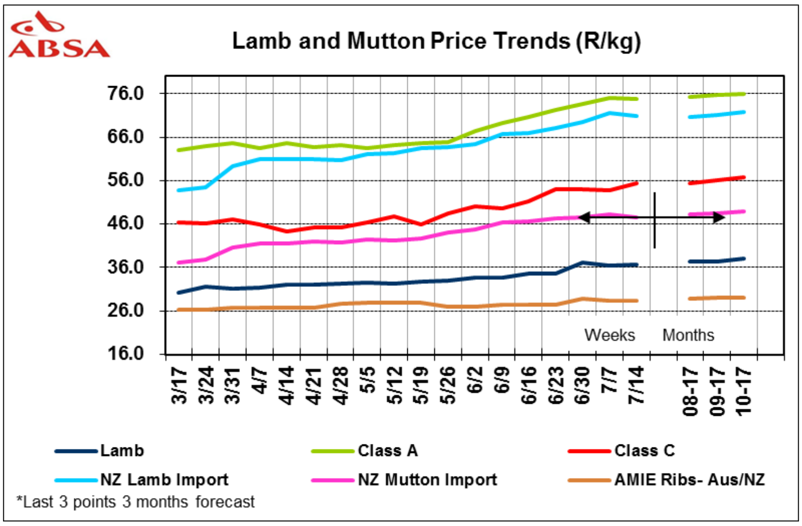
Outlook

Internationally, limited red meat export supplies in Australia and New Zealand, together with strong demand have been major supporting factors to beef and lamb prices. Domestically, herd rebuilding process is underway, which may continue to add support to beef prices. Weaner prices are expected to remain strong as there is scarcity in the market.

Sheep meat market trends

International

New Zealand lamb prices traded mostly higher this week compared to last week. Lamb prices closed 0.80% higher at NZ$100.9/head for 15kg lamb. Lamb prices were 0.71% higher at NZ$141.2/head for 21kg lamb. Ewe prices traded sideways at NZ$86.6/head for a 21kg ewe. The import parity price for lamb was 1.01% lower at R70.94/kg, while the import parity price for mutton was 1.67% lower at R47.51/kg.



Bullish factors

- Low supply from New Zealand and Australia may continue to support prices.
- For New Zealand, three-quarters of the lamb processing season has been completed, and export volumes are indicative of the smaller lamb crop this year. Lamb exports season to date (October-June) are 6% lower when compared to the same period last season.

Bearish factors

- Reports indicate that consumers have reached the limit of their willingness to pay any more for the majority of New Zealand key lamb products. Prices for some New Zealand products have reached a ceiling, with customers showing no willingness to pay anymore. There are growing signs that there will be resistance to further increases in prices for some items.

Domestic

Lamb and mutton prices remained strong over the past week. Lamb and mutton prices were as follows: The national average Class A lamb prices decreased by 0.25% to R74.78/kg and the average Class C prices increased by 2.88% to R55.29/kg. The average price for feeder lambs traded 0.80% higher at R36.63/kg. The average price for dorper skin is 1.24% lower at R43.89/skin and merinos were 2.14% lower at R112.13/skin.

Bullish factors

- The herd rebuilding process is underway, limiting the amount of sheep to be slaughtered.

Bearish factors

- Consumer resistance to high lamb and mutton prices may increase price risk. Lamb and mutton remain the most expensive meat on the market.

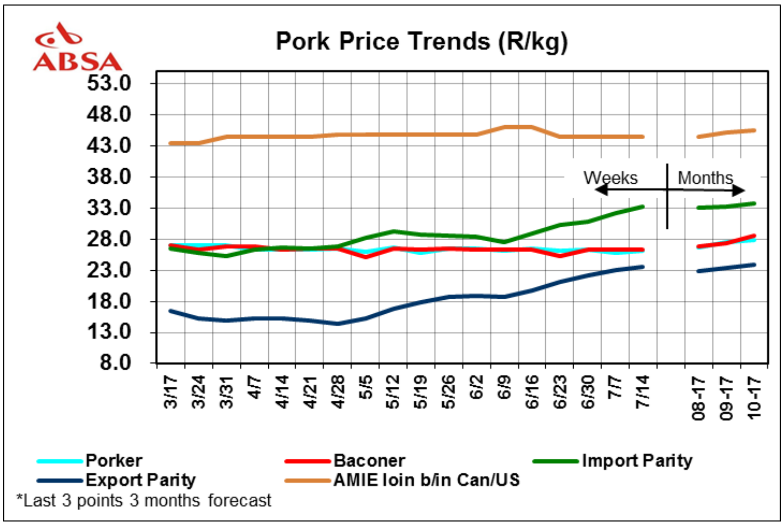
Outlook

Internationally, Low supply from New Zealand and Australia may continue to support prices. Locally, lamb and mutton prices continued with their strong gains over the past week, as the herd rebuilding process continues to be underway. The lower supplies are met with good supplies. The average national lamb prices are at record levels.

Pork market trends

International

The average weekly US pork prices were mostly higher over the past week. Carcass prices were 0.7% higher at US$104.31/cwt, loin prices were 1.0% higher at US$90.70/cwt, rib prices were 7.3% lower at US$128.68/cwt and ham was 7.7% higher at US$77.42/cwt.



Bullish factors

- Strong demand for US pork continues to support the pork market. There is evidence of excellent domestic demand and very robust pork export flow in the first six months of the year.
- According to research from Rabobank, European pork prices have increased to their highest level since 2013 as supply tightens while demand continues to increase.

Bearish factors

- Grilling demand starts to decrease, which may weigh on prices.
- Over the next decade, global pig meat production is expected to increase in line with demand, according to the latest OECD-FAO Agricultural Outlook. The main driver behind the overall increases is China, with production projected to rebound from the 2016 declines, and increase by 12% over the decade to 59.3 million tons in 2026.

Domestic

Pork prices were mostly higher over the past week. The latest pork prices are as follows: The average porker prices are 1,8% higher at R26.21/kg, while the average baconer prices are 0.3% higher at R26.39/kg. The average cutters prices were 0.8% higher of R27.05/kg whilst the average heavy baconer price was 0.4% lower at R25.48. The average SAU price is R18.5/kg and the SAB price is R21.50/kg.

Bullish factors

- Currently, as the poultry industry is faced with bird flu outbreaks, this may increase production costs due to added biosecurity measures and production losses. Poultry producers may demand higher prices. As a result, there may be a shift towards pork products as an alternative to poultry, thereby boosting demand for pork.
- Underlying support from higher livestock prices may support pork prices.
- Higher beef, lamb and mutton prices may see buyers switch to more consumption of cheaper meats like pork and poultry.

Bearish factors

- Lower feed costs will support the intensive pork industry, improving profitability. The lower feed costs are encouraging to the fattening of pigs.

Outlook

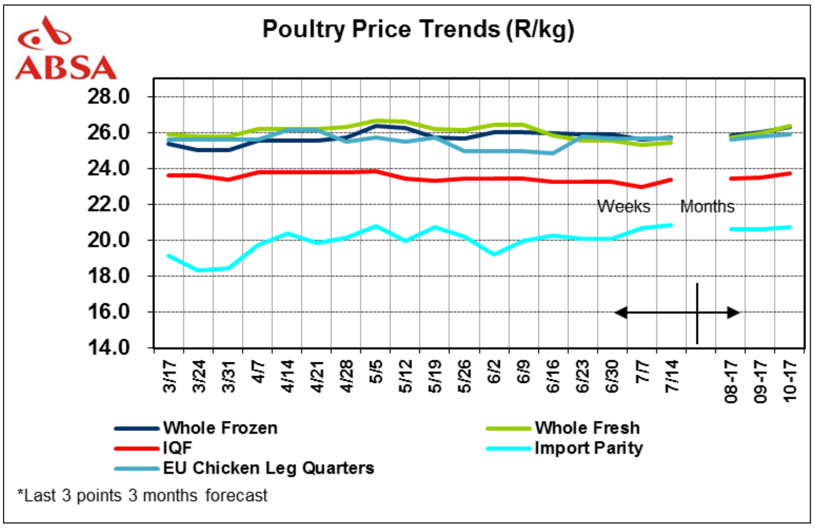
Internationally, improved demand for pork during the grilling season in the US may support pork prices even during the time of plentiful supplies.

Locally, with the poultry industry faced with bird flu outbreaks, production costs may increase due to the added biosecurity measures and production losses. As a result, poultry producers may demand higher prices. This may in turn result in a shift towards pork products as alternative to poultry, thereby boosting demand for pork and supporting prices. Pork prices may also gain underlying support from the higher lamb, mutton and beef prices.

Poultry market trends

International

Poultry prices in the US were mostly lower over the past week. Whole bird prices were 1.74% lower at 106.25USc/lb. Breast traded 1.00% lower at 149.00USc/lb, while leg quarters traded sideways at 42.50USc/lb.



Bullish factors

- The popularity of poultry meat is expected to increase further over the next decade, driven by its relative affordability compared to other red meats.
- The spread of bird flu outbreaks across the globe has led to thousands of chickens being culled, which pose a threat to production levels.

Bearish factors

- The price of poultry has declined in China during the first half of the year. This was due to increased production as a result of higher poultry and egg prices two years ago and the falling prices of feed such as maize, and an increase in H7N9 bird flu cases during the first half of the year in China.

Domestic

The average poultry prices over the past week were mostly higher. The average prices for frozen birds were 0.61% higher at R25.75/kg during the week. Whole fresh medium bird prices were 0.46% higher at R25.44/kg, while IQF prices were 1.68% higher at R23.37kg.

Bullish factors

- Currently, as the poultry industry is faced with bird flu outbreaks, this may increase production costs due to added biosecurity measures and production losses. Poultry producers may demand higher prices.
- Higher beef, lamb and mutton prices may see buyers switch to more consumption of cheaper meats like pork and poultry, supporting demand for these products.

Bearish factors

- The Department of Agriculture, Forestry and Fisheries has reported that export of chickens has been banned and trading partners have been informed on the current situation.
- Following the recent bird flu outbreak, poultry destined for exports have to be absorbed in the South African market. This may weigh on prices.

Outlook

Internationally, positive economic growth and consumer demand are supportive to poultry prices during the time of plentiful supplies.

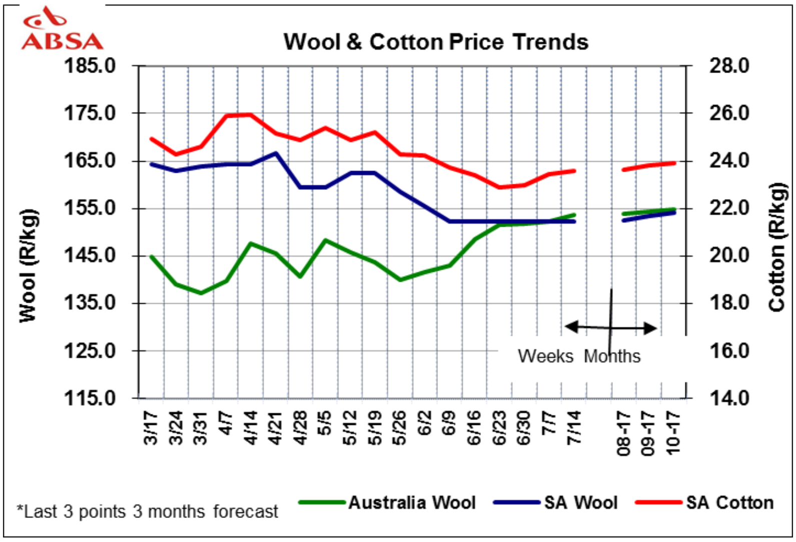
Locally, following the recent bird flu outbreak, poultry destined for exports have to be absorbed in the South African market. This may weigh on prices.

Livestock prices (R/kg)	Beef			Mutton			Pork			Poultry		
	%	Current week	Prior week	%	Current week	Prior week	%	Current week	Prior week	%	Current week	Prior week
Class A/Porker/Fresh birds	-0.41	46.10	46.29	-0.25	74.78	74.97	1.8	26.21	25.74	0.46	25.44	25.32
Class C/Baconer /Frozen birds	0.49	40.88	40.68	2.88	55.29	53.74	0.3	26.39	26.32	0.61	25.75	25.59
Contract/Baconer/IQF	-0.43	47.86	48.07	0.11	75.53	75.45	1.0	26.30	26.03	1.68	23.37	22.98
Import parity price	-2.38	73.9	75.71	-1.67	47.51	48.32	1.7	42.9	42.2	0.77	20.83	20.67
Weaner calves/ Feeder lambs	13.5	37.72	33.24	0.80	36.63	36.34		-	-			
Specific imports: Beef trimmings 80vl/b/Mutton shoulders/Loin b/in/chicken leg 1/4	0	46.50	46.50	0	60.75	60.75	0	44.50	44.50	0	25.65	25.65

Wool market trends

International

The Australian wool market held firm in the last week of sales before the three-week recess. Australian wool market prices were lower and closed 0.13% lower at Au1522c/kg.



Bullish factors

- The underlying strength in demand supported prices this week.
- In general, while demand is strong, world Merino production remains low, despite increases in South Africa and Australia's production.

Bearish factors

- An extremely strong Australian dollar against the US dollar may have weighed on prices.
- Offerings were higher than expected at 46,463 bales.
- Competing fibres such as cotton and synthetics may drag the wool prices down.

Domestic

The last sale of the season was on the 07th of June 2017. Domestic wool market prices were 2.19% lower to close at R152.18 (clean) at the close of the season. This was the final auction of the 2016/17 wool growing season, and the next sale is scheduled for 16 August 2017.

Bullish factors

- While the final sale of the season saw the Merino indicator softening, prices for most of the season were significantly higher than in 2015/16 and the forecast is for the market to continue to increase over the long term.
- While demand is strong, world Merino production remains low, despite increases in South Africa and Australia's production

Bearish factors

- Preliminary figures show a 5,5% increase in local wool production compared with the 2015/16 season.

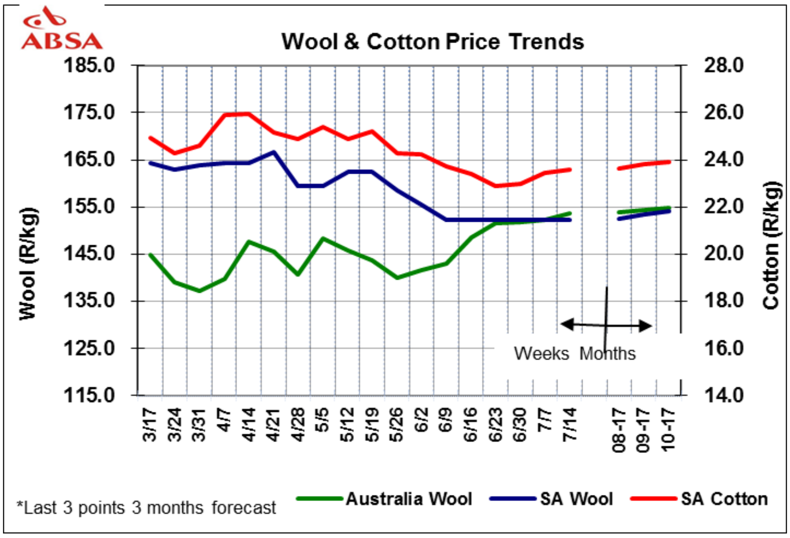
Outlook

Wool sales in Australia are now on a break and will resume in the week commencing 7th August 2017. Analysts forecast that strong demand may continue in the wool market as consumers are increasingly seeking natural and environmentally friendly products.

Cotton market trends

International

Cotton prices traded 2.18% lower over the past week and closed at US65.52c/lb.



Bullish factors

- In Texas, there were crop concerns last week motivated by a producer report of damage from high winds and hail.
- Ag meteorologists have indicated that some of the crop in India may be lost due to floods, but also point out that re-planting is still possible.
- The USDA is factoring in an abandonment level of 7% for the US cotton crop as a whole.

Bearish factors

- Official US data eased concerns over crop losses in Texas, the top producing state. Concerns were motivated by a producer report of damage from high winds and hail. However, the latest data showed the overall US cotton crop still rated 60% good or excellent, well above the five-year average of 50% for the time of year.

Domestic

The derived SA cotton prices traded 0.69% higher to close at R23.61/kg. The increases in prices were in spite of the decreases in international prices but supported by the weakening of the South African rand.

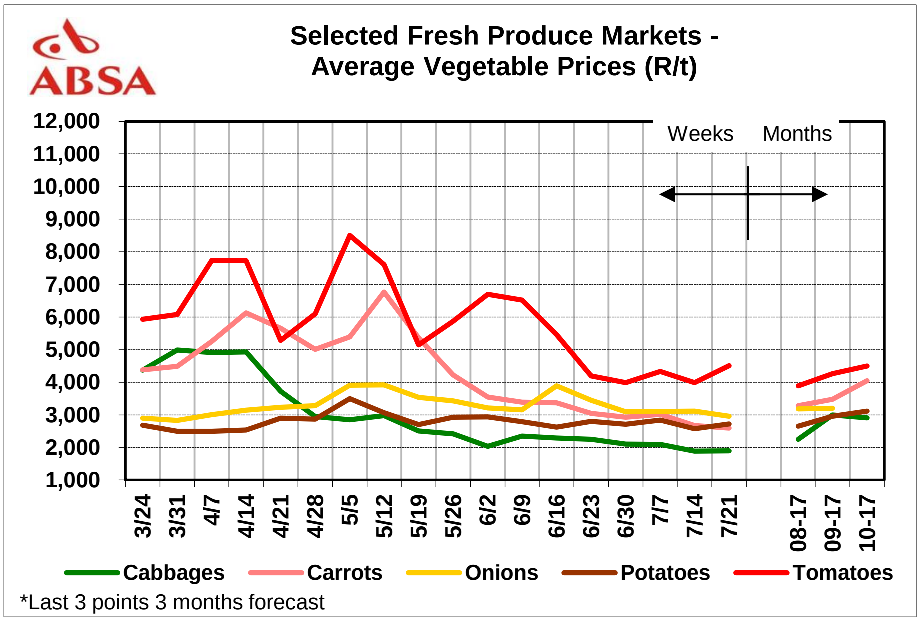
Outlook

Internationally, Expectations for strong production globally may weigh on market prices. Locally, the exchange rate movement may continue to affect the domestic market prices.

Fibres market trends								
Wool prices	**%**	**SA prices (c/kg)**	**%**	**Australian prices (SA c/kg)**	**%**	**Australian future Sep 2017 (AU$/kg)**	**%**	**Australian future Dec 2017 (AU$/kg)**
Wool market indicator		15218		15551		-		-
19µ micron		17942		18630	0.00	17.40	0.00	16.70
21µ micron		14673		15660	0.00	14.35	0.00	13.80
Cotton prices		**SA derived cotton (R/kg)**		**New York A Index (US$/kg)**		**New York future Oct 2017 (US$/kg)**		**New York future Dec 2017 (US$/kg)**
Cotton prices	0.69	23.61	-0.43	1.77	-4.2	1.47	-2.9	1.463

Vegetable market trends

Onions



Prices are expected to remain under pressure for the next week due to higher volumes saturating the market. Volumes increased by 1.7% week-on-week for the week ending 21 July 2017; increased supply consequently caused a reduction in price of 0.8% from the previous weeks.(R3.06/kg) to R2..99/kg this week. The Johannesburg market sold 55.1% of the total 6,533,861 kg onions sold nationwide between week 14 July -21July.The onion price is currently experiencing one of its worst years, due to lack of demand from the importing African countries

The market anticipates prices to increase in the next two months, due to lower volumes delivered.

Tomatoes

The tomato price is expected to move sideways for the next 2 -3 weeks. On the 21st July 2017 prices were R4.49/kg, an increase from the previous week (14 July 2017) R3.92/kg. A 0.7 % decline in volumes week-on-week supported prices for this week. The quantities sold in top 5 markets by close of the day Friday, was more than the quantity on hand.

Cabbage

The cabbage prices today (R1.78) was the lowest since the beginning of June, this was due to loads of quantity on hand

Potatoes

Market prices are expected to move sideways during the winter months (May-Jul) then start to increase towards end July, entering into August. Prices increased week on week by 3.9%., due to good volume sales. Prices however declined day–to-day from R2.80/kg to R2.70/kg due to increased deliveries from Thursday to Friday.

Peppers

Volumes sold increased by 9% in the Top 5 markets from week 14 July till 21 July 2017, Due to higher volumes, the pepper prices drop from week to week from R11.15/kg to R9.50/kg. The highest recorded price was R17.21/kg (11July) and the lowest was R7.31 (19 May 2017).Increased supply and lower quality fruit resulted a decline in price month-on-month by 29.8% (from R13.54 Jun17 – R9.50/kg Jul17).

Vegetable Prices: Fresh Produce Market
(Averages for the Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban markets)

Week ending 20 July 2017	Difference in weekly prices	This week's Average Price (R/t)	Previous week's Average Price (R/t)	Difference in weekly volumes	This week's Total Volumes (t)	Previous week's Total Volumes (t)
Cabbages	8.3%	2340	2160	5.8%	2093	1978
Carrots	-4.2%	3124	3260	11.5%	2400	2153
Onions	-0.8%	3294	3320	1.7%	6534	6422
Potatoes	3.9%	2752	2648	0.9%	18420	18263
Tomatoes	13.4%	4766	4202	-0.7%	5487	5526

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