



PERIOD UNDER REVIEW: April 2019

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1. SOUTH AFRICAN GRAIN MARKET

White maize April 2019 contract for physical delivery in May 2019 traded at R2, 582 per ton. This signifies a 26, 8% or R545 increase year-year (y/y) gain per ton obtained of white maize for a corresponding agreement traded during the same time last year (SAFEX, 2019). At the same time, white maize Apr 19 contract traded at 3, 5% higher or R97 more last month.

Table 1.1: Mark-to-market prices for the Summer Crops and Winter Cereals as traded on SAFEX

MTM 30/04/19) expressed in R/MT									Month end (30/04/18)	Year on year change	Month end (29/03/19)	Month End (28/02/19)
									R/MT		R/MT	R/MT
Commodity	May-19	Jun-19	Jul-19	Sep-19	Nov-19	Dec-19	Mar-20	Jul-20	May-18	May 18 vs 19	Apr-19	Mar-19
White maize	2582	2601	2644	2701	0	2791	2820	2751	2037	26,8%	2835	2738
Yellow maize	2526	2536	2559	2618	0	2696	2715	2700	2148	17,6%	2700	2580
Wheat	4632	4638	4670	4552	0	4399	0	0	3895	18,9%	4658	4427
Sunflower	5005	5097	5105	5238	0	5350	5295	0	4511	11,0%	5350	5235
Soybean	4490	0	4561	0	4747	0	0	0	4692,78	-4,3%	4780	4644

Source (SAFEX, 2019)

Yellow maize April 2019 contract for physical delivery in May 2019 traded at R2, 526 per ton which is a 17.6% increase from a ton of maize traded during the same period last year (SAFEX, 2019). On 30 April 2019, wheat futures for physical delivery in May 2019 traded at R4, 632 per ton. This translates

into a 18,9% or R737 per ton increase if compared to the same contract traded in the previous year (SAFEX 2019). The wheat April 19 contract traded higher by 5,2% or R231 per ton compared to the previous month (SAFEX 2019).

1.2. PRODUCTION ESTIMATES AND FORECAST

1.2.1 Summer cereal production estimates: 2019/20 season

White and Yellow Maize

The size of the expected commercial maize crop has been set at 10,655 million tons, which is 0,90% or 94 650 tons more than the previous forecast of 10,561 million tons. The area estimate for maize is 2,301 million hectares, while the expected yield is 4,63 t/ha. The estimated maize crop is 15% smaller than the 2018 crop. The three main maize producing areas, namely the Free State, Mpumalanga and North West provinces are expected to produce 79% of the 2019 crop. The area estimate for white maize is 1,298 million hectares and for yellow maize the area estimate is 1,002 million hectares. The production forecast of white maize is 5,287 million tons, which is 1,26% or 66 000 tons more than the 5,221 million tons of the previous forecast. The yield for white maize is 4,07 t/ha. In the case of yellow maize the production forecast is 5,369 million tons, which is 0,54% or 28 650 tons more than the 5,340 million tons of the previous forecast. The yield for yellow maize is 5,36 t/ha (NCEC 2019).

Sunflower seed

The production forecast for sunflower seed is 611 140 tons, which is 8,44% or 47 550 tons more than the previous forecast of 563 590 tons. The area estimate for sunflower seed is 515 350 ha, while the expected yield is 1,19 t/ha (NCEC 2019).

Soybean

The production forecast for soybeans has been set at 1,296 million tons, which is 1,55% or 19 810 tons higher than the 1,276 million tons of the previous forecast. The estimated area planted to soybeans is 730 500 ha and the expected yield is 1,77 t/ha (NCEC, 2019).

Other crops

The expected groundnut crop increased by 12,96% or 2 605 tons, from 20 100 tons to 22 705 tons, with an expected yield of 1,13 t/ha. Please note that a correction was made with regard to the area planted to groundnuts in the Free State (3 500 ha added) and North West (3 500 ha deducted) provinces. The national area estimate for groundnuts has remained unchanged at 20 050 ha. The production forecast for sorghum is 1 65 850 tons, which is 1,50% or 2 450 tons more than the

163 400 tons of the previous forecast. The area estimate for sorghum is 50 500 ha and the expected yield is 3,28 t/ha. In the case of dry beans, the production forecast also increased slightly by 1 500 tons, from 70 950 tons to 72 450 tons. The area estimate of dry beans is 59 300 ha, with an expected yield of 1,22 t/ha (NCEC, 2019).

1.2.2 Intentions to plant winter crops for 2019

Producers' intentions to plant winter cereals are based on the results of a non-probability survey conducted by the Directorate: Statistics and Economic Analysis of the Department of Agriculture, Forestry and Fisheries reflects the position as at the middle of April 2019.

Table 1.2: Intentions to plant winter crops 2019

CROP	Intentions*(Ha) 2019 (A)	Area planted (Ha) 2018 (B)	Final estimate (Tons) 2018 (B)	Change % (A) ÷ (B)
Wheat	513 450	503 350	1 841 050	+2,01
Malting barley	118 500	119 000	421 790	-0,42
Canola	80 000	77 000	103 950	+3,90
Total	711 950	699 350	2 366 790	+1,80

Source: NCEC, 2019

Wheat

The figures for wheat represent the total number of hectares that are intended to be planted for grain, excluding any hectares that will be planted for fodder and grazing. Producers intend to plant 513 450 ha of wheat for the 2019 production season. This is 2,01% or 10 100 ha more than the 503 350 ha planted to wheat in 2018. The main producing areas are within the Western Cape with 324 000 ha (63%), followed by the Free State with 105 000 ha (20%) and the Northern Cape with 34 000 ha (7%) (NCEC, 2019)

Malting barley

The expected area planted to malting barley is 118 500 ha, which is 0,42% or 500 ha less than the 119 000 ha of the previous year (NCEC, 2019)

Canola

The expected area planted to canola is 80 000 ha, which is 3,90% or 3 000 ha more than the 77 000 ha planted in 2018 (NCEC, 2019)

1.3. PRODUCER DELIVERIES

1.3.1 Weekly producer deliveries for wheat

Table 1.3: Weekly wheat deliveries (Tons)

Week ending	Product deliveries	Adjustments	Week Total	Progressive Total
30/03 - 05/04/2019	2 639	-512	2 127	1 793 754
06/04 - 12/04/2019	2 649	0	2 649	1 796 403
13/04 - 19/04/2019	1 491	0	1 491	1 797 894
20/04 - 26/04/2019	1 219	0	1 219	1 799 113

Source (SAGIS, 2019)

Table 1.3 represents weekly wheat deliveries that occurred from week ending 05 April to week ending 26 April 2019. During this period, 7486 tons of wheat have been delivered to the market (SAGIS, 2019). As a result, the progressive deliveries amounted to 1 799 113 tons, which represents 97, 72% delivery rate in relation to the crop estimate of 1 841 050 tons (SAGIS & NCEC, 2019).

1.3.2 Weekly producer deliveries for maize

Table 1.4: Weekly White Maize deliveries (Tons)

Week ending	Product deliveries	Adjustments	Week Total	Progressive Total
30/03 - 05/04/2019	7 918	-1664	6 254	6 265 111
06/04 - 12/04/2019	9 992	0	9 992	6 275 103
13/04 - 19/04/2019	11 219	0	11 219	6 286 322
20/04 - 26/04/2019	4 427	0	4 427	6 290 749

Source (SAGIS, 2019)

As from week ending 05 April to week ending 26 April 2019, a total of 31 892 tons of white maize has been delivered. Major adjustments were made during the week ending 05 April 2019 of deliveries for white maize.

Table 1.4: Weekly Yellow Maize deliveries (Tons)

Week ending	Product deliveries	Adjustments	Week Total	Progressive Total
30/03 - 05/04/2019	20 694	-642	20 052	5 578 829
06/04 - 12/04/2019	18 601	0	18 601	5 597 430
13/04 - 19/04/2019	23 185	0	23 185	5 620 615
20/04 - 26/04/2019	7 932	0	7 932	5 628 547

Source (SAGIS, 2019)

As from week ending 05 April to week ending 26 April 2019, a total of 60 770 tons of yellow maize were delivered to the market (SAGIS, 2019). The highest adjustment was made during the week ending 05 April 2019 for yellow maize deliveries.

1.4 SUPPLY AND DEMAND ESTIMATES

1.4.1 Wheat marketing season 2018/19

The total supply of wheat is projected at 3 935 584 tons for the 2018/19 marketing season. This includes an opening stock level (at 1 October 2018) of 721 534 tons, local commercial deliveries of 1 806 050 tons, whole wheat imports estimated for South Africa of 1 400 000 tons and a surplus of 8 000 tons. The total demand (domestic plus exports) for wheat is projected at 3 360 500 tons. This includes 3 240 000 tons processed for human consumption, 3 000 tons processed for animal consumption, 1 000 tons withdrawn by producers, 2 500 tons released to end consumers, 19 000 tons projected seed for planting purposes and a balancing figure of 5 000 tons (net receipts and net dispatches). A projected export quantity of 15 000 tons processed products and 75 000 tons whole wheat are estimated for the 2018/19 marketing season. The projected closing stock level at 30 September 2019 is estimated at 575 084 tons. At an average processed quantity of 270 250 tons per month, this represents available stock levels for 2.1 months or 65 days (NAMC, 2019).

1.4.2 White maize marketing season 2019/20

The total supply of white maize is projected at 6 975 624 tons for the 2019/20 marketing season. This includes an opening stock level (at 1 May 2019) of 1 824 084 tons and local commercial deliveries of 5 126 540 tons. No whole white maize imports are estimated for the current season, with net early deliveries of 20 000 tons and a surplus of 5 000 tons. The total demand (domestic plus exports) for white maize is projected at 6 146 000 tons. The total domestic demand is projected at 5 526 000 tons. This includes 4 650 000 tons processed for human consumption, 820 000 tons processed for animal and industrial consumption, 12 000 tons for gristing, 20 000 tons withdrawn by producers, 20 000 tons released to end-consumers and a balancing figure of 4 000 tons (net receipts

and net dispatches). A projected export quantity of 70 000 tons of processed products and 550 000 tons of white whole maize are estimated for exports for the 2019/20 marketing season. The projected closing stock level at 30 April 2020 is estimated at 829 624 tons. At an average processed quantity of 456 833 tons per month, this represents available stock levels for 1.8 months or 55 days (NAMC, 2019).

1.4.3 Yellow maize marketing season 2019/20

The total supply of yellow maize is projected at 6 448 395 tons for the 2019/20 marketing season. This includes an opening stock (at 1 May 2019) of 969 575 tons and local commercial deliveries of 5 018 820 tons. Yellow maize imports of 450 000 tons are estimated for the current season, with no early deliveries and a surplus of 10 000 tons. The total demand (domestic plus exports) for yellow maize is projected at 5 811 500 tons. The total domestic demand is projected at 5 411 500 tons. This includes 545 000 tons processed for human consumption, 4 660 000 tons processed for animal and industrial consumption, 11 500 tons for gristing, 50 000 tons withdrawn by producers, 135 000 tons released to end-consumers and a balancing figure of 10 000 tons (net receipts and net dispatches). A projected export quantity of 150 000 tons of processed products and 250 000 tons of yellow whole maize are estimated for exports for the 2019/20 marketing season. The projected closing stock level at 30 April 2020 is estimated at 636 895 tons. At an average processed quantity of 434 708 tons per month, this represents available stock levels for 1.5 months or 45 days (NAMC, 2019).

1.4.4 Sunflower seed marketing season 2019/20

The total supply of sunflower seed is projected at 818 305 tons for the 2019/20 marketing season. This includes an opening stock level (at 1 March 2019) of 120 165 tons, local commercial deliveries of 611 140 tons, sunflower seed imports of 80 000 tons for South Africa and a surplus of 7 000 tons. The total demand (domestic plus exports) for sunflower seed is projected at 735 800 tons. This includes 1 600 tons processed for human consumption, 6 000 tons processed for animal consumption, 720 000 tons for crush (oil and oilcake), 500 tons withdrawn by producers, 2 000 tons released to end consumers, 3 100 tons seed for planting purposes and a balancing figure of 2 100 tons (net receipts and net dispatches). A quantity of 500 tons for exports is estimated for exports for the 2019/20 marketing season. The projected closing stock level at 28 February 2020 is estimated at 82 505 tons. At an average processed quantity of 60 633 tons per month, this represents available stock levels for 1.4 months or 41 days. (NAMC, 2019).

1.5. EXPORTS, IMPORTS AND RE-EXPORTS

1.5.1 Wheat

Progressive wheat exports during the 2018/19 reporting period is 58 083 tons. Wheat exports for South Africa amounted to 8 462 tons from week ending 05 April 2019 to week ending 26 April 2019. During the reporting period, Zambia was the leading export destination for South African wheat with a share of 49%, followed by Swaziland with a 23 % share in RSA exports.

Table 1.5: Wheat trade for the 2018/19 marketing season (Tons)

Progressive wheat exports 2018/19	58 083	Progressive wheat imports 2018/19	500 331
Wheat exports during the reporting period (tons)	8 462	Wheat imports during the reporting period (tons)	44 389
Importing countries	Share in RSA exports	Exporting countries	Share in RSA imports
Zambia	49%	Germany	65%
Swaziland	23%	United States	11%
Lesotho	12%	Lithuania	11%
Namibia	7%	Czech Republic	11%
Botswana	5%	Russian Federation	2%
Mozambique	3%		

Source (SAGIS, 2019)

Progressive wheat imports during the 2018/19 reporting period is 500 331 tons. Wheat imports for South Africa amounted to 8 462 tons from week ending 05 April 2019 to week ending 26 April 2019. South Africa imported a bulk of its wheat from Germany (28 634 tons). South Africa re-imported 17 994 tons of its imported wheat to Botswana (9 994 tons), Lesotho (5 412 tons) and Zimbabwe (2 588 tons).

1.5. White and Yellow Maize

Progressive White and Yellow maize exports during the 2018/19 reporting period is 539 588 tons and 1 520 636 tons respectively. White maize exports for South Africa amounted to 37 028 tons and yellow maize exports amounted to 19 840 tons from week ending 05 April 2019 to week ending 26 April 2019. During the reporting period, the main export destinations for South African white maize were Botswana (27%), Namibia (25%) and Mozambique (22%). There were no imports of white maize due to bumper crop harvested during the current production season (SAGIS, 2019).

Table 1.6: White and Yellow maize trade for the 2018/19 marketing season (Tons)

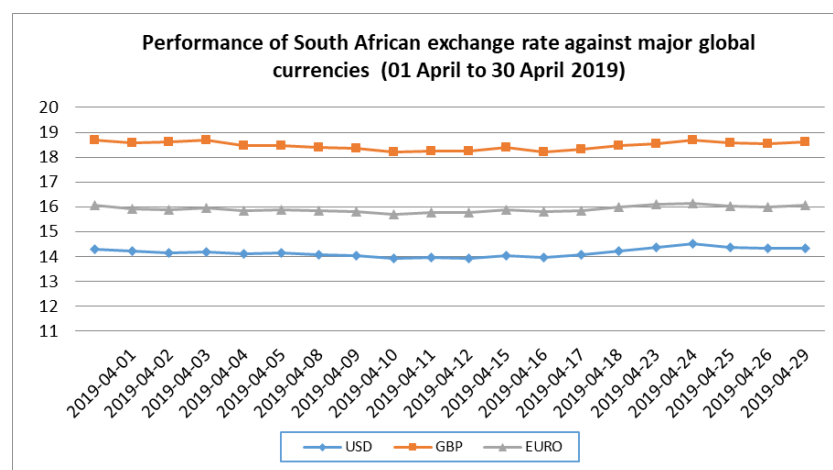
Progressive 2018/19	White maize: 539 588	Yellow maize: 1 520 636	Progressive 2018/19	White maize: 0	Yellow maize: 82 752
Maize exports during the reporting period: (23 Feb to 22 March 2019)	37 028	19 840	Maize imports during the reporting period: (23 Feb to 22 March 2019)	No imports due to bumper crop harvested during the current production season.	82 752
Importing countries	Share in white maize exports	Share in yellow maize exports	Exporting countries	Share in white maize imports	Share in yellow maize imports
Botswana	27%	20%	Argentina	0	100%
Namibia	25%	24%			
Mozambique	22%	10%			
Lesotho	17%	4%			
Swaziland	9%	36%			
Korea, Republic of	0%	5%			

Source (SAGIS, 2019)

During the reporting period, the main exports destinations for South African yellow maize were Swaziland (36%), Namibia (24% and Botswana (20%). On the other hand, Argentina absorbed the largest share of South Africa's yellow maize imports (100%) during the period under review (SAGIS, 2019).

2. ECONOMIC REVIEWS

2.1 Exchange Rates



Source: SARB (2019)

During the period 01 April to 30 April 2019, the ZAR exchange rate strengthened against the Great Britain Pound by 2.6%, it traded at 18.46 in April 2019 compared to 18.96 that was recorded in March 2019. On the other hand, when looking at month to month trade of Rand

against the EURO and US dollar, it can be noted that the rand strengthened by 2.1% and 1.6% respectively against these major currencies.

3. ENERGY

Table 4.1 Basic fuel Price adjustments

Product Description	Numerical adjustment applicable to the coast parts in South Africa	Price adjustment Description	The average price applicable to the coastal parts of South Africa
Petrol 95 ULP & LRP	54,00	cents per litre increase in retail price	1603,00
Diesel 0.05% Sulphur	1,00	cents per litre increase in wholesale price	1433,92
Illuminating Paraffin (Wholesale)	3,00	cents per litre increase in wholesale price	898,48
LPGAS (maximum retail price)	84,00	cents per kilogram increase in the maximum retail price	2451,00

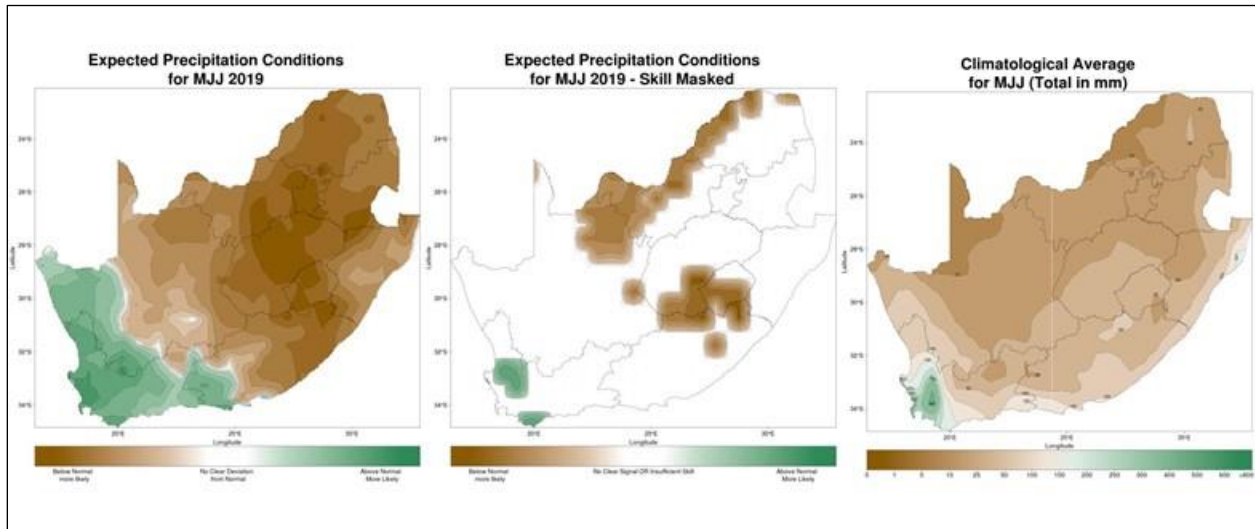
(DOE, 2019)

The Department of Energy report indicated a price increase in fuel. The price of Petrol 93 and 95 ULP&LRP went up by 54 cents during April 2019. The price of diesel (0.05% sulphur) also increased by 1.00 cents, illuminating paraffin wholesale price per litre went up by 3.00 cents respectively. Lastly, LPGAS maximum retail price increased by 84.00 cents per kilogram in the maximum retail price in April 2019.

4. WEATHER ADVISORY ON THE EARLY WINTER SEASON, 2019

Figure 1 below shows the current three-season forecasts issued in April 2019. Three maps are shown for each season which include the raw MMS probabilistic prediction (left), the probabilistic prediction with skill masked out (middle) and the climatological average (right) for the specific season. **The user is advised to consider the skill masked map (middle) as the official SAWS forecast, however, the two additional maps may be used as tools in such a case where skill for a specific area is deemed insufficient.**

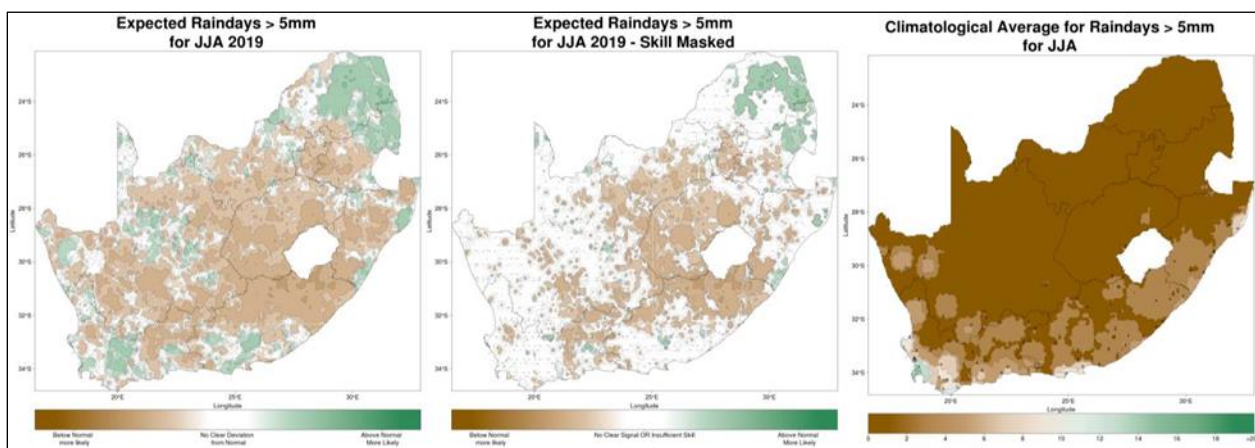
Figure 1: Expected precipitation conditions for Early winter (MJJ, 2019)



(SAWS, 2019)

Early winter (May-June-July) forecasts are optimistic for above-normal rainfall conditions over the south-western parts of the South Africa (**Figure 1**). These are also the only areas that typically receive significant rainfall during these seasons. An increased number of rainfall days of only 5mm and not 15mm is also expected during early-winter, suggesting that the above-normal rainfall will likely not be characterised by a high frequency of extreme events (**Figure 2**).

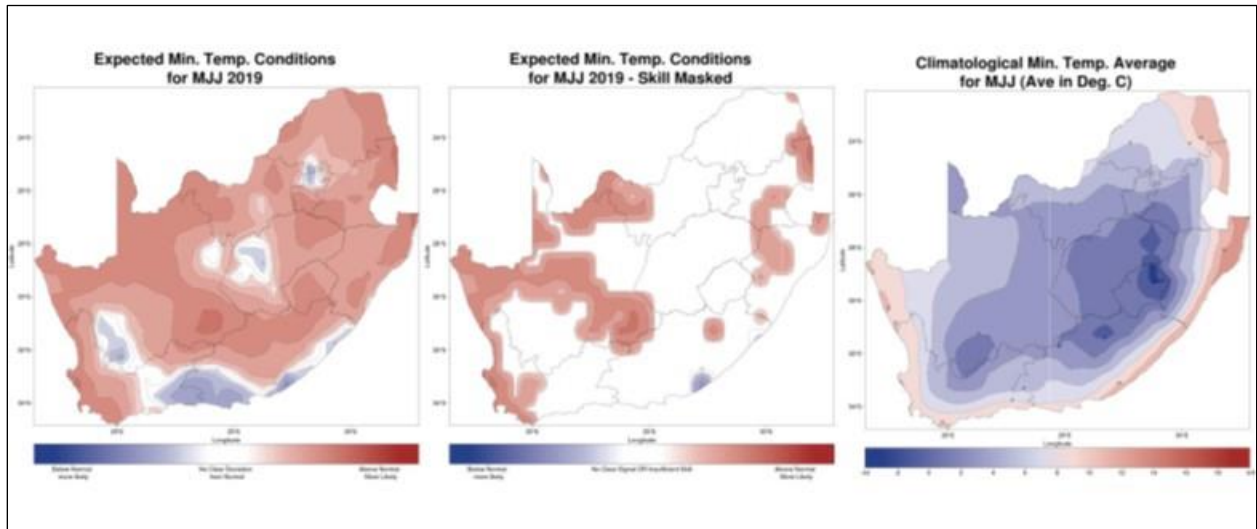
Figure 2: Expected Raindays >5mm for Early winter (MJJ, 2019)



(SAWS, 2019)

It is important to note that rainfall usually decrease during winter over the country except the above-mentioned regions in the South Western Cape. Therefore, no significant rainfall is expected during the forecasted period for the central and north-eastern parts of the country.

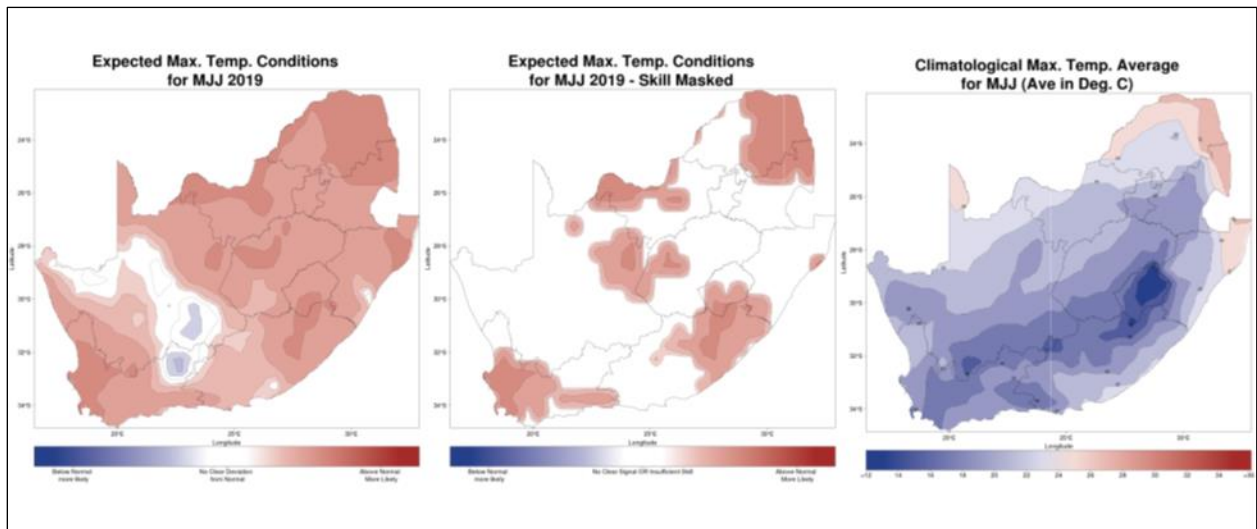
Figure 3: Expected Minimum Temperature conditions for Early winter (MJJ, 2019)



(SAWS, 2019)

With regards to temperatures (**Figures 3 & 4**), mostly higher than normal temperatures are expected for most parts of the country; however, during mid-winter the expectation is for lower than normal maximum temperatures for the south-western half of the country.

Figure 4: Expected Maximum Temperature conditions for Early winter (MJJ, 2019)



(SAWS, 2019)

Western Cape

Western Cape dam levels continue to decrease due to soaring temperatures that trigger high rates of evaporation. The Western Cape Water Supply System has decreased from 34.9.7% to 33.7% by 10 May 2019. However, this figure is relatively better in comparison to last year when the system was at 16.6%. Theewaterskloof dam, the largest dam in the system is at 34.8% against 11.1% last year. Brandvlei dam is 17.0% full compared to 5.1% during the same time period last year. Clanwilliam is at 33.7% compared to 16.6% at the same time last year. While the Province expects its rainfall in the winter season, water users are reminded that where water restrictions are in place, such restrictions must be adhered to. To avoid the devastating water challenges in the province, all water users are urged to be responsible when using water. We all need to use every drop wisely so that agriculture and the economy broadly is not negatively affected. Alternatively, visit the Elsenburg Website at <http://www.elsenburg.com/agri-tools/western-cape-dam-levels> to obtain the most recent update on dam levels within the Western Cape (Elsenburg, 2019).

Strategies to mitigate climatic change and related disasters

A comprehensive list of strategies can be retrieved from the monthly NAC Advisory report issued by DAFF: Climate Change and Disaster Management. Access the mentioned list from the following websites: www.daff.gov.za and www.agis.agric.za.

Request weather warning notifications from the Western Cape Department of Agriculture: Sustainable Resource Management, Disaster Risk Management, by forwarding an email to Mrs. Zaibu Arai to ZaibuA@elsenburg.com or alternatively call (021) 808-5368.

Source: DAFF National Agro-meteorological Committee (NAC) Advisory, 2019.

Additional sourced to information regarding climatic conditions, can be obtained in the monthly Agri-Outlook reports

[Click here](#) to view the monthly Agri-outlook reports. The Agri-outlook report provides a summative overview of both climatic and agricultural conditions in the Western Cape, through reference to information regarding the rainfall, temperatures, dam levels, plant growth conditions as well as climatic forecast within a particular period. Alternatively visit the Elsenburg Website www.elsenburg.com and go to Agri-tools Agri-Outlook (Elsenburg, 2019).

ACKNOWLEDGMENTS

The below-listed sources are acknowledged, as cited in this publication:

Agricultural Produce Agents Council (APAC): www.apacweb.org.za

Agricultural Research Council (ARC): www.arc.agric.za

Department of Agriculture, Forestry and Fisheries (DAFF): www.daff.gov.za

Department of Energy (DoE): www.energy.gov.za

Department of Water & Sanitation (DWS): www.dwa.gov.za

Elsenburg (Western Cape Department of Agriculture): www.elsenburg.com

Organization of the Petroleum Exporting Countries (OPEC): www.opec.org/opec

South African Government: www.gov.za

South African Reserve Bank (SARB): www.sarb.gov.za

South African Revenue Services (SARS): www.sars.gov.za

Statistics South Africa (Stats SA): www.statssa.gov.za

South African Weather Service (SAWS): www.weathersa.co.za

Techno Fresh CRM: www.technofresh.co.za

Trading Economics (2019): <https://tradingeconomics.com/south-africa/balance-of-trade>

For more information, contact:

The Western Cape Department of Agriculture

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