



PERIOD UNDER REVIEW: March 2019

Compiled by Sindisiwe Dhlamini

### **Fall Army Worm detection in the Western Cape**

In March 2019, DAFF's Directorate Inspection Services (DIS) diagnostic services has positively identified Fall Army Worm larvae and moths on Sweetcorn near Clanwilliam in the Western Cape. The Western Cape Department of Agriculture is aware of the positive detection of Fall Armyworm (Faw) in the province and is on high alert by closely monitoring the situation. The Department of Agriculture advised farmers especially in the Clanwilliam area to increase their scouting efforts and conduct pheromone surveillance. According to Jan Hendrik Venter of the Department of Agriculture Forestry and Fisheries, early detection and identification is critical in controlling the pest before it becomes a major problem. Effective control of the pest can be achieved through the application of registered agricultural chemicals as well as the use of pheromone traps which will alert the farmer of the presence of moths in the area. The possibility of the presence of some caterpillar pests of grain crops such as African bollworm, African maize stem borer, Chilo borer and Fall Armyworm was also noted. Faw is a notifiable pest and any farmer who encounters it must immediately report it to the department of agriculture.

### **1. SOUTH AFRICAN GRAIN MARKET**

White maize March 2019 contract for physical delivery in April 2019 traded at R2, 835 per ton. This signifies a 50, 7% or R954 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 Mar 19 contract traded at 3,9% lower or R1 10 less last month.

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

MTM 31/03/19) expressed in R/MT								Month end (28/02/18)	Year on year change	Month end (28/02/19)	Month End (31/01/19)
								R/MT		R/MT	R/MT
Commodity	Apr-19	May-19	Jul-19	Sep-19	Dec-19	Mar-20	Jul-20	Apr-18	Apr 18 vs 19	Mar-19	Feb-19
White maize	2835	2883	2942	2995	3069	3080	2887	1881	50,7%	2738	2848
Yellow maize	2700	2724	2751	2800	2881	2880	2826	1961	37,7%	2580	2647
Wheat	4658	4703	4747	4590	4345	0	0	3769	23,6%	4427	4450
Sunflower	5350	5402	5416	5558	0	0	0	4620	15,8%	5235	5630
Soybean	4780 (May 19)	4780	4890	0	5077	0	0	4412	8,3%	4644	4644

Source (SAFEX, 2019)

Yellow maize March 2019 contract for physical delivery in April 2019 traded at R2, 700 per ton which is a 37.7% increase from a ton of maize traded during the same period last year (SAFEX, 2019). On 31 March 2019, wheat futures for physical delivery in April 2019 traded at R4, 658 per ton. This translates into a 23,6% or R889 per ton increase if compared to the same contract traded in the previous year (SAFEX 2019). The wheat March 19 contract traded higher by 0,5% or R4, 427 per ton compared to the previous month (SAFEX 2019).

## 1.2. PRODUCTION ESTIMATES

### 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 10,561 million tons, which is 0,48% or 50 690 tons more than the previous forecast of 10,510 million tons. The area estimate for maize was slightly adjusted downward by 1 300 ha to 2,301 million ha, while the expected yield is 4,59 t/ha. The estimated maize crop is 16% 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 was increased by 200 ha to 1,298 million ha and for yellow maize the area estimate was decreased by 1 500 ha to 1,002 million ha. The production forecast of white maize is 5,221 million tons, which is 1,31% or 67 640 tons more than the 5,153 million tons of the previous forecast. The yield for white maize is 4,02 t/ha. In the case of yellow maize the production

forecast is 5,340 million tons, which is 0,32% or 16 950 tons less than the 5,357 million tons of the previous forecast. The yield for yellow maize is 5,33 t/ha.

### **Sunflower**

Sunflower contract is expected to trade at R5 350 per ton in April 2019, this translates into 15,8% y/y or R730 per ton increase in price of sunflower contract traded within April in the previous year (SAFEX, 2019). The production forecast for sunflower seed remained unchanged at 563 590 tons. The area estimate for sunflower seed is 515 350 ha, while the expected yield is 1,09 t/ha (NCEC 2019).

### **Soybean**

Soybean future contract is expected to trade at R4 780 per ton in May 2019, this translates into 8,3% y/y or R368 per ton increase in price of soybean contract traded within May in the previous year (SAFEX, 2019). On the other hand, soybean prices remained unchanged when comparing prices between March 2019 and February 2019. The production forecast for soybeans also remained unchanged at 1,276 million tons. The estimated area planted to soybeans is 730 500 ha and the expected yield is 1,75 t/ha (NCEC, 2019).

The expected groundnut crop remained unchanged at 20 100 tons. For groundnuts, the area estimate is 20 050 ha, with an expected yield of 1,00 t/ha. The production forecast for sorghum is 163 400 tons, which is 2,97% or 5 000 tons less than the 168 400 tons of the previous forecast. The area estimate for sorghum is 50 500 ha and the expected yield is 3,24 t/ha (NCEC, 2019).

## **1.2.2 Winter cereal production estimates: 2018/19 season**

### **Wheat**

The area estimate for wheat is 503 350 ha. The expected commercial production of wheat is 1,841 million tons, which is 2,35% or 42 250 tons more than the previous forecast of 1,799 million tons. The expected yield is 3,66 t/ha (NCEC, 2019).

### **Malting barley**

The production forecast for malting barley remained unchanged at 421 790 tons. The current crop of 421 790 tons is the highest crop ever produced in the RSA. The area planted is estimated at 119 000 ha, while the expected yield is 3,54 t/ha (NCEC, 2019).

## Canola

The expected canola crop remained unchanged at 103 950 tons. The area estimate for canola is 77 000 ha, with an expected yield of 1,35 t/ha (NCEC, 2019).

### 1.3. PRODUCER DELIVERIES

#### 1.3.1 Weekly producer deliveries for wheat

**Table 1.2: Weekly wheat deliveries (Tons)**

<b>Week ending</b>	<b>Product deliveries</b>	<b>Adjustments</b>	<b>Week Total</b>	<b>Progressive Total</b>
23/02 - 01/03/2019	1 866	151	2 017	<b>1 766 924</b>
02/03 - 08/03/2019	7 659	229	7 888	<b>1 774 812</b>
09/03 - 15/03/2019	5 031	0	5 031	<b>1 779 843</b>
16/03 - 22/03/2019	2 801	0	2 801	<b>1 782 644</b>
23/03 - 29/03/2019	3 875	0	3 875	<b>1 786 519</b>

Source (SAGIS, 2019)

Table 1.2 represents weekly wheat deliveries that occurred from week ending 01 March to week ending 29 March 2019. During this period, 21 612 tons of wheat have been delivered to the market (SAGIS, 2019). As a result, the progressive deliveries amounted to 1 786 3519 tons, which represents 97, 03% delivery rate in relation to the crop estimate of 1 841 050 tons (SAGIS & NCEC, 2019).

#### 1.3.2 Weekly producer deliveries for maize

**Table1.3: Weekly White Maize deliveries (Tons)**

<b>Week ending</b>	<b>Product deliveries</b>	<b>Adjustments</b>	<b>Week Total</b>	<b>Progressive Total</b>
23/02 - 01/03/2019	2 151	-1151	1 000	<b>6 225 166</b>
02/03 - 08/03/2019	5 234	0	5 234	<b>6 230 400</b>
09/03 - 15/03/2019	1 635	0	1 635	<b>6 232 035</b>
16/03 - 22/03/2019	1 972	0	1 972	<b>6 234 007</b>
23/03 - 29/03/2019	10 875	0	10 875	<b>6 244 882</b>

Source (SAGIS, 2019)

As from week ending 01 March to week ending 29 March 2019, a total of 20 716 tons of white maize. Major adjustments were made during the week ending 01 March 2019 of deliveries for white maize.

**Table 1.4: Weekly Yellow Maize deliveries (Tons)**

<b>Week ending</b>	<b>Product deliveries</b>	<b>Adjustments</b>	<b>Week Total</b>	<b>Progressive Total</b>
23/02 - 01/03/2019	1 592	-220	1 372	<b>5 495 531</b>
02/03 - 08/03/2019	6 218	0	6 218	<b>5 501 749</b>
09/03 - 15/03/2019	5 198	-221	4 977	<b>5 506 726</b>
16/03 - 22/03/2019	7 508	381	7 889	<b>5 514 615</b>
23/03 - 29/03/2019	19 630	0	19 630	<b>5 534 245</b>

Source (SAGIS, 2019)

As from week ending 01 March to week ending 29 March 2019, a total of 40 078 tons of yellow maize were delivered to the market (SAGIS, 2019). The highest adjustment was made during the week ending 22 March 2019 of deliveries for yellow maize. Weeks ending 01 March and 15 March had downward adjustments.

## **1.4 SUPPLY AND DEMAND ESTIMATES**

### **1.4.1 Wheat marketing season 2018/2019**

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. On the other hand, the total demand (domestic plus exports) for wheat is projected at 3 445 500 tons. This includes 3 300 000 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 40 000 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 490 084 tons. At an average processed quantity of 275 250 tons per month, this represent available stock levels for 1.8 months or 54 days. (NAMC, 2019).

#### **1.4.2 White maize marketing season 2018/2019**

The total supply of white maize is projected at 6 904 124 tons for the 2019/20 marketing season. This includes an opening stock level (at 1 May 2019) of 1 808 584 tons and local commercial deliveries of 5 060 540 tons. No whole white maize imports are estimated for the current season, with early deliveries of 30 000 tons and a surplus of 5 000 tons. The total demand (domestic plus exports) for white maize is projected at 6 171 000 tons. The total domestic demand is projected at 5 551 000 tons. This includes 4 670 000 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, 25 000 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 733 124 tons. At an average processed quantity of 458 500 tons per month, this represent available stock levels for 1.6 months or 49 days (NAMC, 2019).

#### **1.4.3 Yellow maize marketing season 2019/2020**

The total supply of yellow maize is projected at 6 484 445 tons for the 2019/20 marketing season. This includes an opening stock (at 1 May 2019) of 1 234 275 tons and local commercial deliveries of 4 990 170 tons. Yellow maize imports of 250 000 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 5 761 500 tons. The total domestic demand is projected at 5 311 500 tons. This includes 545 000 tons processed for human consumption, 4 560 000 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 300 000 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 722 945 tons. At an average processed quantity of 426 375 tons per month, this represent available stock levels for 1.7 months or 52 days (NAMC, 2019).

#### **1.4.4 Sunflower marketing season 2019/2020**

The total supply of sunflower seed is projected at 784 948 tons for the 2019/20 marketing season. This includes an opening stock level (at 1 March 2019) of 119 358 tons, local commercial deliveries of 563 590 tons, sunflower seed imports of 95 000 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 49 148 tons. At an average processed quantity of 60 633 tons per month, this represents available stock levels for 0.8 months or 25 days (NAMC, 2019).

## 1.5. EXPORTS, IMPORTS AND RE-EXPORTS

### 1.5.1 Wheat

Progressive wheat exports during the 2018/19 reporting period is 45 710 tons. Wheat exports for South Africa amounted to 9 701 tons from week ending 01 March 2019 to week ending 22 March 2019. During the reporting period, Zambia was the leading export destination for South African wheat with a share of 45%, followed by Swaziland with a 20 % share in RSA exports.

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

<b>Progressive wheat exports 2018/19</b>	<b>45 710</b>	<b>Progressive wheat imports 2018/19</b>	<b>425 622</b>
Wheat exports during the reporting period (tons)	<b>9 701</b>	Wheat imports during the reporting period (tons)	<b>82 408</b>
<b>Importing countries</b>	<b>Share in RSA exports</b>	<b>Exporting countries</b>	<b>Share in RSA imports</b>
Zambia	45%	Lithuania	63%
Swaziland	20%	Germany	37%
Lesotho	14%		
Mozambique	10%		
Namibia	6%		
Botswana	3%		

Source (SAGIS, 2019)

Progressive wheat imports during the 2018/19 reporting period is 425 622 tons. Wheat imports for South Africa amounted to 82 408 tons from week ending 01 March 2019 to week ending 22 March 2019. South Africa imported a bulk of its wheat from Lithuania, (52 132 tons), followed by Germany (30 276 tons). South Africa re-imported 16 249 tons of its imported wheat to Lesotho (9785 tons), Swaziland (4224 tons) and Botswana (2240 tons).

## 1.5. White and Yellow Maize

Progressive White and Yellow maize exports during the 2018/19 reporting period is 496 591 tons and 1 491 596 tons respectively. White maize exports for South Africa amounted to 65 642 tons and yellow maize exports amounted to 22 651 tons from week ending 01 March 2019 to week ending 22 March 2019. During the reporting period, the main export destinations for South African white maize were Italy (44%), Botswana (16%) and Namibia (16%). 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: <b>496 951</b>	Yellow maize: <b>1 491 596</b>	Progressive 2018/19	White maize: <b>0</b>	Yellow maize: <b>88 627</b>
Maize exports during the reporting period: (23 Feb to 22 March 2019)	<b>65 642</b>	<b>22 651</b>	Maize imports during the reporting period: (23 Feb to 22 March 2019)	No imports due to bumper crop harvested during the current production season.	<b>38 014</b>
Importing countries	Share in white maize exports	Share in yellow maize exports	Exporting countries	Share in white maize imports	Share in yellow maize imports
Italy	44%	0%	Brazil	0	100%
Botswana	16%	27%			
Namibia	16%	20%			
Swaziland	8%	32%			
Lesotho	8%	2%			
Mozambique	7%	7%			

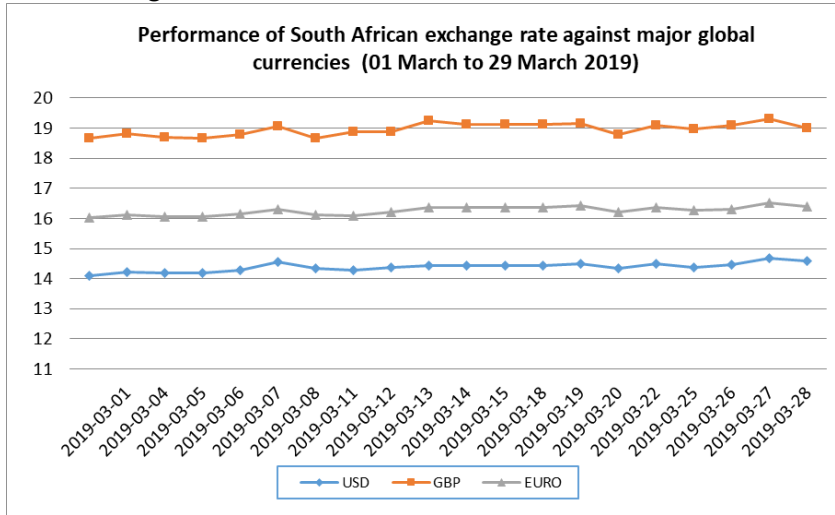
Source (SAGIS, 2019)

During the reporting period, the main exports destinations for South African yellow maize are Swaziland (32%), Botswana (27%) and Namibia (20%). On the other hand, Brazil 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: South African Reserve Bank (2019)

During the period 01 March–31 March 2019, the ZAR exchange rate weakened against the Great Britain Pound by 1.01%, it traded at 18.96 in March 2019 compared to 17.95 that was recorded in February 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 weakened by 0.59% and 0.58% respectively against these major currencies.

## 3. ENERGY

Table 4.1 Basic fuel Price adjustments

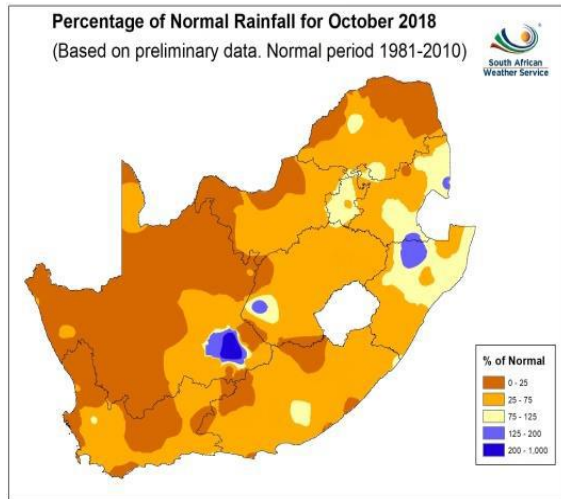
Product Description	Numerical adjustment applicable to the coast parts in South Africa	Price adjustment Description	The average price applicable to the coastal parts of South Africa
Petrol 95 ULP & LRP	126,00	cents per litre <b>increase</b> in retail price	1549,00
Diesel 0.05% Sulphur	76,30	cents per litre <b>increase</b> in wholesale price	1432,92
Illuminating Paraffin (Wholesale)	56,30	cents per litre <b>increase</b> in wholesale price	895,48
LPGAS (maximum retail price)	171,00	cents per litre <b>increase</b> in the retail price	2367,00

(DOE, 2019)

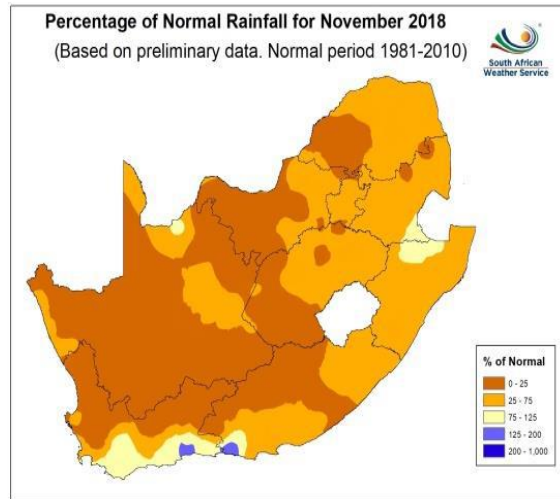
The Department of Energy report indicated a price increase in fuel. The price of Petrol 93 and 95 ULP&LRP went up by 126 cents during March 2019. The price of diesel (0.05% sulphur) also increased by 76.30 cents, illuminating paraffin wholesale price per litre went up by 56.30 cents respectively. Lastly, LPGAS maximum retail price increased by 171 cents in March 2019.

#### 4. WEATHER ADVISORY ON THE 2018/2019 SUMMER SEASON

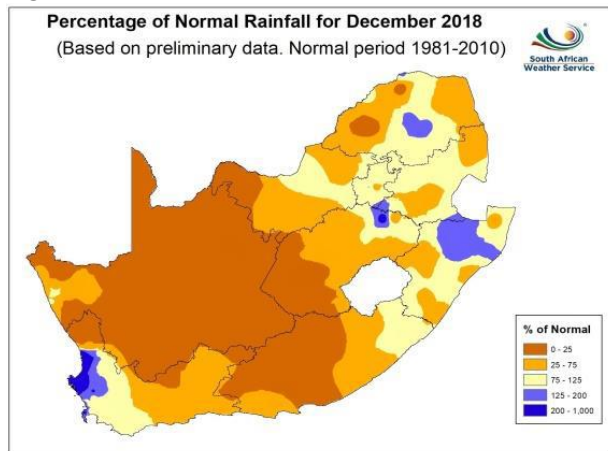
**Figure 1**



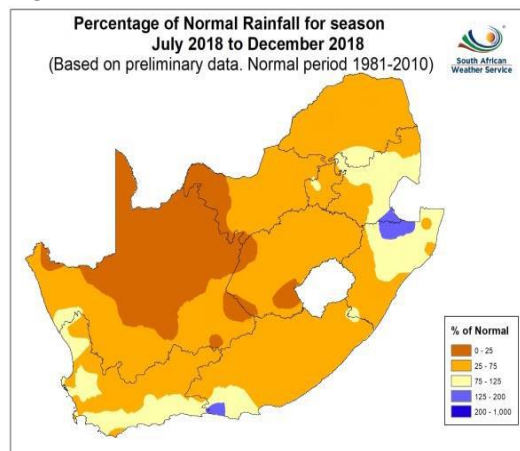
**Figure 2**



**Figure 3**



**Figure 4**



During the months of October and November below normal rainfall was received over the majority of the country (**Figure 1**) and (**Figure 2**). In December rainfall was near normal in the eastern and extreme south-western parts of the country; remaining below normal in other regions (**Figure 3**). For the season July to December 2018, below normal rainfall was received over the country with patches of near normal rainfall mainly along the south coast, parts of Mpumalanga and KwaZulu-Natal (**Figure 4**).

## 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 38.7% to 37.7% by the end of March 2019. However, this figure is relatively better in comparison to last year when the system was at 17.8%. Theewaterskloof dam, the largest dam in the system is at 38.8% against 10.2% last year. Brandvlei dam is 22.2% full compared to 5.1% during the same time period last year. Clanwilliam is at 22.3% compared to 5.9% 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](http://www.daff.gov.za) and [www.agis.agric.za](http://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](mailto: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](http://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](http://www.apacweb.org.za)

Agricultural Research Council (ARC): [www.arc.agric.za](http://www.arc.agric.za)

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

Department of Energy (DoE): [www.energy.gov.za](http://www.energy.gov.za)

Department of Water & Sanitation (DWS): [www.dwa.gov.za](http://www.dwa.gov.za)

Elsenburg (Western Cape Department of Agriculture): [www.elsenburg.com](http://www.elsenburg.com)

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

South African Government: [www.gov.za](http://www.gov.za)

South African Reserve Bank (SARB): [www.sarb.gov.za](http://www.sarb.gov.za)

South African Revenue Services (SARS): [www.sars.gov.za](http://www.sars.gov.za)

Statistics South Africa (Stats SA): [www.statssa.gov.za](http://www.statssa.gov.za)

Techno Fresh CRM: [www.technofresh.co.za](http://www.technofresh.co.za)

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

### **For more information, contact:**

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