

## Monthly grain market report



Marketing and Agri-Business Section

www.elsenburg.com

PERIOD UNDER REVIEW: JAN/FEB 2017

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### 1. SOUTH AFRICAN GRAIN MARKET

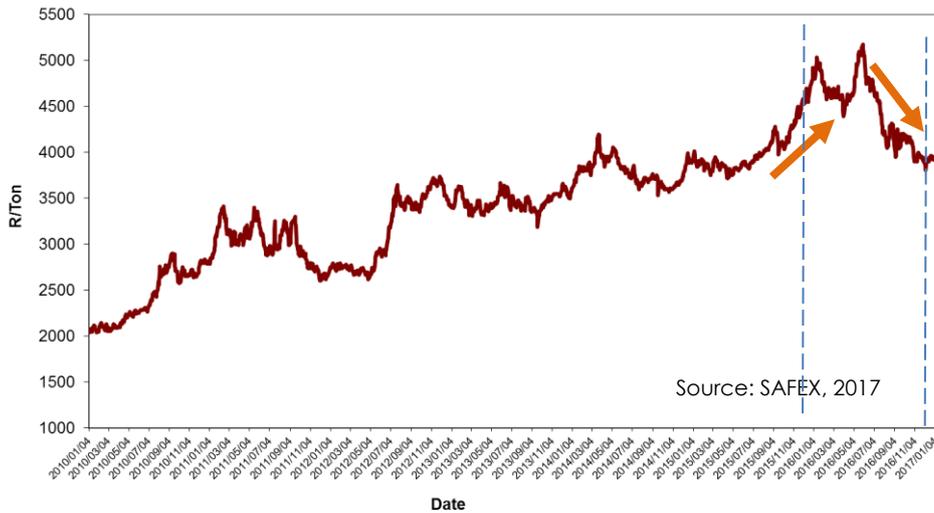
On 31 January 2017, the MTM price for wheat delivered in February 2017 traded at R3, 995 per ton, which accounts to 1.7% m/m or R68 per ton increase in relation to the Dec2016. Subsequently, it demonstrates a 16.01% y/y or R768 per ton decline in relation to the Jan2016 contract traded in the same period last year.

<b>MTM-Prices (31/01/2017) - expressed in Rand/MT</b>									<b>Month end R/MT (29/01/16)</b>	<b>Year-on-Year Change</b>	<b>Month end R/MT (30/11/16)</b>	<b>Month end R/MT (30/12/16)</b>
<b>Commodity/ Delivery Date</b>	<b>Feb-17</b>	<b>Mar-17</b>	<b>Apr-17</b>	<b>May-17</b>	<b>Jul-17</b>	<b>Sept-17</b>	<b>Dec-17</b>	<b>Jul-17</b>	<b>Feb-16</b>	<b>Feb-16 vs. Feb-17</b>	<b>Dec-16</b>	<b>Jan-17</b>
<b>Wheat (RFTN)</b>	3995	4020	-	4094	4148	-	-	-	4763	-16.01%	3901	3927
<b>White maize</b>	2795	2850	2585	2220.80	2150	2160	2215	2349	5005	-44.2%	3759	3687
<b>Yellow maize</b>	2810	2820	-	2260	2202	2230	2281	-	3823	-26.5%	3189	3265
<b>Sunflower</b>	5207	5282	-	5375	5475	-	-	-	7750	-32.5%	5840	5825
<b>Soybean</b>	6450	6365	-	5885	-	-	-	-	6855	-5.9%	6510	6385
<b>Sorghum</b>	-	-	-	-	-	-	-	-	3850 (March 2016)	-	3570	3371 (May 2017)

Table 1: Mark-to-market prices for the summer crops and winter cereals as traded on SAFEX  
Source: SAFEX (2016 & 2017)

## 1.1 MARKET PRICES

**Figure 1 Spot Price of Wheat Contracts: January 2010-2017**

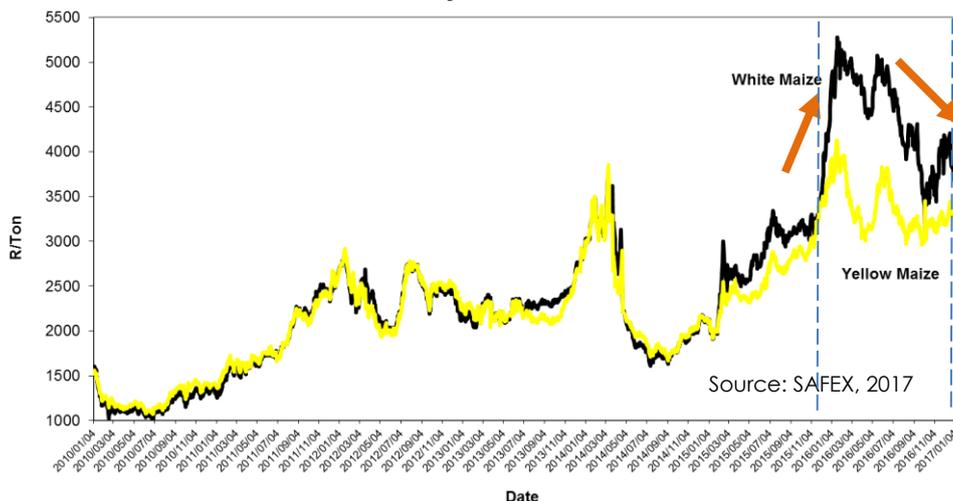


The recent increasing trend in wheat spot prices have occurred within the 2015/16 marketing season, in which a record market price of R5171 per metric ton of wheat during 30 May 2016. The largest driving factor behind market price fluctuations is a result of the snowballing effect of the El Niño weather system, associated with drought conditions in main wheat producing areas.

Various news articles argue that the impact of the drought will still be prevalent in various degrees within years to come, despite a relatively higher probability of the La Niña weather system occurring (Business day, 4 January 2017). Hence, consumer inflation is expected to reach above the Reserve Bank's upper target range of 6%, where after it is expected to moderately decrease as improved grain production output is realised during the 2016/17 production season (Business day, 4 January 2017).

The FEB17WEAT contract traded at R3995 per metric ton on 31 January 2017, which translates into a 16.01% y/y decline for the same contract traded in the previous year. Whilst, the FEB17WEAT contract gained 1.7% m/m or R68 per metric ton in relation to the previous month (SAFEX, 2017).

**Figure 2 Spot Price of the Yellow/White Maize Futures Contracts: January 2010-2017**



The FEB17WMAZ future traded at R2795 per ton on 31 January 2017, which translates to a 44.2% y/y or R2210 decrease in relation to spot prices obtained in the same period last year. Once again, the drought resulted in a shortage in white maize during the 2015/16 marketing period, which pushed prices to higher levels. Monthly price changes are also evident, as the white maize contract traded lower at 24.2% m/m or

R892 per ton. On the other hand, the FEB17 contract for yellow maize traded at R2810 per metric ton, which demonstrates a 26.5% y/y or R1013 per ton lesser than the same contract traded last year. The aforementioned contract, equates to 13.4% m/m or R435 per metric ton loss (SAFEX, 2017).

In addition to the abovementioned, the FEB17 SUNS traded at R5207 per metric ton, which is 32.8% y/y or R2543 per metric ton lesser when measured against the same period during last year. Furthermore, the FEB17 SOYA contract traded at 5.9% y/y or R405 per metric ton lesser the same period last year (SAFEX, 2017).

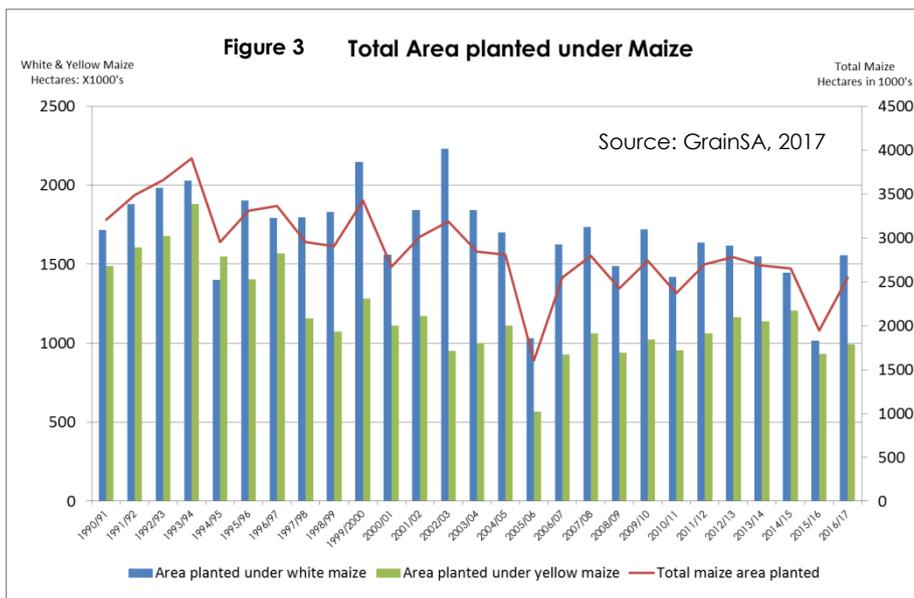
## 1.2 FINAL PRODUCTION AND PRODUCTION AREA ESTIMATES FOR THE CURRENT SUMMER FIELD CROP SEASON

### Revised final production figures for the 2015/16 Summer Crops Production Season

On 10 February 2017, the National Crop Estimation Committee (NCEC) released the revised final production figures based on actual maize delivered as published by the South African Grain Information Services (SAGIS). The final calculation measures actual deliveries against the September 2016 final estimated figures. The results were as follows:

- Total maize production increased by 3.21% y/y or 241,625 tons in relation to the final crop estimation of 7,537 million tons and subsequently reached 7,778 million tons.
- White maize production reached 3,408 million tons, which is 4,76% y/y or 154,725 tons more, whilst yellow maize production reached 4,370 million tons which is 2.03% or 86,900 tons more than the estimated final crop figure.
- Sunflower seed production however remained unchanged at 755,000 tons.
- Whilst, the final crop output for both sorghum and groundnuts production underwent a downward adjustment by 4.92% y/y or 3,650 tons and 6.21% or 1,170 tons respectively.
- The final crop estimate for soybean production experienced a slight downward adjustment of 0.06% or 450 tons, to reach 742,000 tons (SAGIS, 2017).

### Preliminary Area Estimates for the 2016/17 Summer Field Crops Production Season



Total maize plantings for the 2016/17 planting season has preliminary reached 3,884 million hectares in relation to the 3,753 million hectares reported as intended to have been planted as per the mid-October 2016 figures. This demonstrates a 3% or 86,200 hectare decrease, considering the 26 January 2016 preliminary area planted compared to producers sentiment during October last year. White maize planting reached 7% or 102,200 hectares more whilst yellow maize

plantings declined by 2% or 16,000 hectares compared to initial intended plantings (NCEC, 2017). The aforementioned changes in the area planted under maize are a result of the following:

- Free State plantings increased by 88% hectares more white maize and 19% more yellow maize than the previous season,
- North West planted 52% more white maize hectares and 6% more yellow maize hectares than in the prior season,
- Mpumalanga planted 3% lesser white maize and 1% more yellow maize, whilst
- Kwa-Zulu Natal and Gauteng plantings increased by 26% and 12% white maize hectares respectively (NCEC, 2017).

Overall, maize plantings increased by 31% y/y or 602,450 hectares of which the 53% y/y change in white maize planting resulted in the most significant outcome whilst yellow maize plantings indicated a 6% or 60,000 hectare decrease in relation to the prior production season (NCEC, 2017). A good harvest of between 11,000 and 13,000 million tons of maize is anticipated in the 2016/17 season, which could reinstate South Africa as a net exporter in the medium term and subsequently reduce imports, which

roughly costed the country R12, 000 billion during the previous marketing season (Business day, 4 January 2017).

Preliminary plantings for sunflower seed decreased by 7% y/y or 52,700 hectares and reached 665,800 hectares. Sorghum plantings also followed a decreased of 24% y/y in relation to last year (NCEC, 2017).

Soybeans plantings decreased to 502,800 hectares that accounts to 8% or 39,400 additional hectares than the previous season. In addition, groundnut and dry bean planting also demonstrated an increase of 101% y/y and 31% y/y more than last season's plantings (NCEC, 2017).

#### **Pest alert: New Invasive Fall Army Worm (FAW) detected in South Africa**

To learn more regarding developments pertaining to the detection and mitigation strategies imposed to address concerns regarding the Fall Army worm, refer to the attached [DAFF Media Release \(Feb.2017\)](#), in conjunction with the [ARC factsheet](#).

#### **Winter Cereals: 6<sup>th</sup> crop estimate for the 2015/16 production season**

**Wheat:** The 6<sup>th</sup> wheat crop estimate of 1,893 million tons accounted for a 1% or 17,850 metric ton decrease in relation to the previous forecast. Overall, the January 2017 wheat production outlook is more optimistic, estimating 32% y/y or 453,390 tons more than the final crop obtained in 2014/15 (NCEC, 2016).

The significant upward adjustment in the 2015/16 wheat production forecast is mainly a result of improved weather conditions in the Western Cape Province, which obtain a 57% production share of the overall wheat production in South Africa, as per the 6<sup>th</sup> crop estimate report issued by the NCEC (2017). The upward movement in production prospects are a result of the Western Cape's production estimate increase of 1.6% or 16,150 tons despite the later planting of the crop, in conjunction with Limpopo's 1.7% or 1,700-ton increase in relation to the previous forecast (Business day & NCEC, 2017).

#### **Revitalization of domestic wheat industry**

The South African wheat industry has been on a declining trend as from the early 2000's, due to the economic impracticality thereof. As a result, some producers switched to more attractive crop alternatives. Considering that demand of wheat has been on an increasing trend as the population size increase, more wheat is required and hence the shortfall is met with increased imports, which amounted to totalling 1,8 million tons in the past season. However, wheat is supplied by producing countries where the agricultural sectors are subsidised, and thus creating an unlevelled playing field amongst the local wheat industry and imported wheat. Thus, "unfair competition" resulted in the distortion of the local wheat market. Local producers faced a tremendous challenge, as they had to compete with the influx of much cheaper imports, despite local farmers being able to produce high-quality wheat (Bizcommunity & Business day, 12 January 2017).

In light of the abovementioned, the industry embarked on a revitalisation strategy which includes the following, amongst others: *(i) the introduction of an endpoint-royalty system which will be managed by the newly formed, SA Cultivar and Technology Agency (SACTA), a non-profit company, whom will act as an agent to collect the imposed statutory levy and whom will subsequently distribute the levies in accordance to the market share of seed companies, (ii) the aforementioned will afford seed companies to develop breeding programmes through the acquisition of technology and infrastructure in order to deliver improved cultivars delivering higher yields, which are more adaptable to persisting drought conditions and more sustainable in future, (iii) the introduction of a new JSE contract specification, namely the Guaranteed Grade contract which provides a minimum guarantee on JSE wheat receipts with zero compensation for the service provider, (iv) a significant reduction in the discount rate applicable to wheat imports ( Agbiz, 2017).*

The above list of measures to revitalisation of the wheat industry is not exhaustive. Further details can be retrieved from the Agbiz Grain website at <http://agbizgrain.co.za/en/information/wheat-indaba-2017>

The malting barley crop estimate decreased by 44% or 14,930 tons in relation to the previous estimate, however the crop subsequently improved by 6.6% or 22,065 tons if compared to the previous season's crop (NCEC, 2017).

The canola crop prospects have however yielded a different view, as the crop estimate was adjusted downward by 3% or 3,400 tons compared to the previous estimate of 108,860 tons. If compared on an annual basis, canola production is expected to perform much better in terms of crop output, as it is 13% y/y or 12,460 tons higher than last year's crop (NCEC, 2017).

### **1.3 PRODUCER DELIVERIES**

#### **Wheat**

Progressive wheat deliveries for the 2016/17 marketing season amounted to 1,607 million tons till the week ending 30 December 2016, of which 321,433 tons was delivered throughout the 03-30 December 2016 period.

Progressive figures further increased by an addition 136,593 tons during the weeks between 31 December 2016 and 27 January 2017, ending on 1,743 million tons on 27 January 2017. This accounted to 94% of the estimated local commercial deliveries for the current marketing season (SAGIS & NAMC, 2017).

#### **Maize**

Progressive deliveries for the 2016/17 marketing season amounted to 6,416 million tons on 30 December 2016. For the weeks from 03-30 December 2016, a total of 17,194 tons of white maize and 21,620 tons of yellow maize delivered to the market.

As from 31 December 2016 until 27 January 2017, an additional 21,620 tons of white maize as well as 46,036 tons of yellow maize delivered which ultimately increased the amount of maize delivered to 6,492 million tons (NCEC, 2017). The cumulative deliveries as at 27 January 2017 represented an 87% delivery rate for the current season (NCEC & NAMC, 2017).

### **1.4 EXPORTS, IMPORTS AND RE-EXPORTS**

#### **Supply and demand estimates for the 2016/17 wheat-marketing season**

Total wheat supply is estimated at 4,138 million tons, of which local commercial deliveries is estimated to improve and contribute 1,855 million tons in conjunction with the carry-over stock of 827,232 tons. Jointly, the shortfall in supply is estimated to become lesser as compared to the previous season. As a result, wheat imports is estimated to decrease by 42% y/y or 614,000 tons from the 2,000 million tons imported during the previous year and expected to reach 1,450 million tons within the current marketing season (NAMC, 2017).

On the other hand, the total wheat demand for both local and export purposes are within the average parameters of around 3,193 million tons. Local wheat demand is estimated to increase by 46,000 tons to reach 3,190 million tons and exports thereof are estimated to increase by a further 16,000 tons to reach 85,000 tons within the current marketing season (NAMC & GrainSA, 2017).

A relatively smaller carry-over stock balance is expected, at the end of the 2016/17 marketing season due to the anticipated shrinkage in imports. The retaining stock is estimated to at least last for 3.1 months or 94 days (NAMC, 2017).

*This section pertains to the trade of wheat for the period ending 27 January 2017.*

<b>Progressive wheat exports for 2016/17</b>	23,268	<b>Progressive wheat imports for 2016/17</b>	138,595
Wheat exports during the reporting period : (03 December 2016 to 27 January 2017)	17,090	Wheat imports during the reporting period : (03 December 2016 to 27 January 2017)	60,640tons for RSA and 13,293 tons for export to other SADC countries
<b>Importing countries</b>	<b>Share in RSA wheat exports</b>	<b>Supplying countries to RSA</b>	<b>Share in RSA wheat imports</b>
Namibia	7%	<sup>1</sup> Argentina	63%
Botswana	8%	<sup>1</sup> Poland	37%
Zimbabwe	62%	<sup>1</sup> Wheat imports to the value of 73,933 tons were imported through the following port: ➤ Durban: 76% ➤ East London: 24%	
Swaziland	3%		
Lesotho	14%		
Mozambique	6%		

### Supply and demand estimates for the 2016/17 maize marketing season

Total maize supply is estimated at 12,420 million tons, which demonstrates a 1,464 million ton decline compared to the previous marketing season. The largest share of supply will derive from local commercial production, which is estimated at 7,450 million tons, of which 45% will be white maize and 55% yellow maize. In addition to the aforementioned, the 2,271 million tons carried-over stock of 1 May 2016 will also significantly contribute towards the overall supply. However, the shortfall in supply will be addressed through whole maize imports, which is estimated to increase by 26% y/y and to reach 2,480 million tons compared to the previous season's imports. White maize imports will decrease to an astounding 750,000 tons and yellow maize imports to 1,730 million tons during the current marketing season (NAMC, 2017).

Combined demand for both the local and export market is pegged at 11,053 million tons, of which total local demand requires 10,043 million tons and a further 1,010 million tons for exports to neighbouring countries (NAMC, 2017).

Retaining stock levels are estimated at 1, 7 months or 51 days for white maize and 1, 7 months or 51 days for yellow maize (NAMC, 2017).

*This section pertains to the trade of maize for the period ending 27 January 2017.*

<b>Progressive maize exports for 2016/17</b>	White maize: 370,828	Yellow maize: 231,310	<b>Progressive maize imports for 2016/17</b>	White maize: 650,171	Yellow maize: 1,200,493
Maize exports during the reporting period : (03 December 2016 to 27 January 2017)	White maize: 71,836	Yellow maize: 48,231	Maize imports during the reporting period : (03 December 2016 to 27 January 2017)	White maize: 84,034 tons for RSA and 11,256 tons for other SADC countries	Yellow maize: 166,633 tons for RSA and 141 tons were imports for neighbouring countries.
<b>Importing countries ( for the 2016/17 marketing year)</b>	<b>Share in white maize exports</b>	<b>Share in yellow maize exports</b>	<b>Supplying countries ( for the 2015/16 marketing year)</b>	<b>Share in white maize imports</b>	<b>Share in yellow maize imports</b>
Zimbabwe	17%	39%	<sup>2</sup> Mexico	20%	-
Botswana	27%	-	<sup>2</sup> USA	80%	-
Namibia	20%	6%	<sup>2</sup> Argentina	-	57%
Lesotho	8%	-	<sup>2</sup> Ukraine	-	43%
Swaziland	9%	24%	<sup>2</sup> Imports were shipped through the following ports, for the		

Mozambique	17%	6%	2016/17 marketing year: ➤ 95,290 tons of white maize & 166,774 tons yellow maize ➤ Durban: 68% white maize and 31% yellow maize ➤ East London: 32% white maize ➤ Port Elizabeth: 24% white maize ➤ Cape Town: 45% yellow maize
Malawi	1%	-	
Korea	-	1%	

## WEATHER UPDATE: DAFF NAC ADVISORY ON THE 2016/17 SUMMER SEASON

### Western Cape Province Advisory

The Province received below-normal rainfall during January 2017, despite the fact that extreme below-normal conditions appeared to a lesser degree in the West Coast, Overberg and Eden districts. The aforementioned conditions resulted in lower crop yields and smaller fruit bearing (Bizcommunity, 23 December 2016). It should however be noted that the below-normal rainfall conditions was accompanied by above-normal monthly mean maximum temperatures, although some isolated small areas within the Province demonstrated normal to above-rainfall (DAFF, 2017).

Water restrictions of between 20% and 43% are applicable throughout the Province for various water use purposes, because of diminishing dam levels. The average level of major dams has subsequently decreased to 40% in January 2017, compared to 47% within the same period last year (DAFF, 2017). As at 20 February 2017, average dam level capacity further decreased to 33.2%, compared to the 40.5% obtained within the previous year (Elsenburg, 2017).

Overall, conditions in the drought stricken areas such as the Central Karoo and West Coast have not improved ever since. Farmers whom received drought assistance are however maintaining the core of their herds as well as breeding stock (DAFF, 2017).

Click [here](#) to view the most recent update, as on 20 February 2017, on the respective dam levels within the Western Cape Province. Alternatively visit the Elsenburg Website at [www.elsenburg.com](http://www.elsenburg.com) and go to Agri-tools:  Dam levels (Elsenburg, 2017).

#### **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 at [www.elsenburg.com](http://www.elsenburg.com) and go to Agri-tools  Agri-Outlook (Elsenburg, 2017).

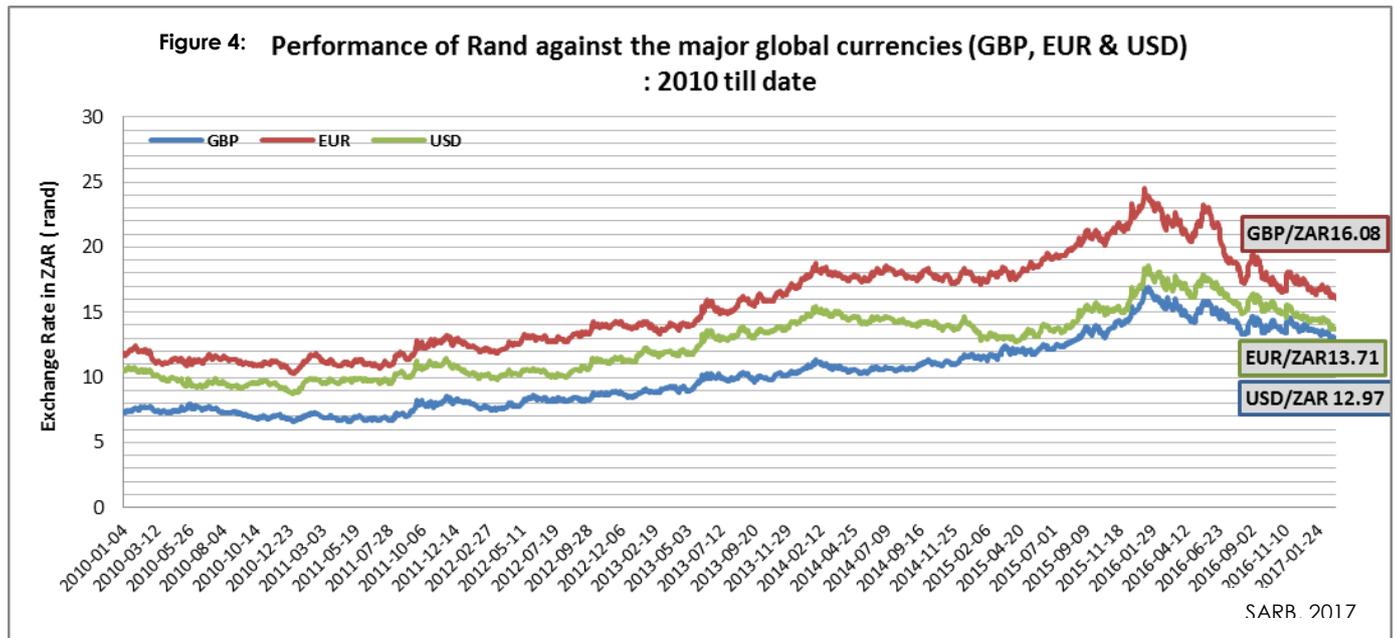
#### **Strategies to mitigate climatic change and disasters**

A comprehensive list of strategies are listed in 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 & Provincial Department of Agriculture, 2017.

## 2. ECONOMY



The domestic currency (ZAR) mainly strengthened against the major global currencies, such as the Great Britain Pound (GBP), Eurozone currency (EUR) and the United States dollar (USD).

- On 23 February 2017, the rand reached an 18-month high against the US dollar and regained lower levels of below USD/ZAR12.80 (Fin24, 2017). This was mainly due to the Minister of Finance delivering a “well-balanced” national budget speech as well as external economic factors such as the weakening of the US dollar against major global currencies and the moderation in French political risk (Fin24, 2017).
- On 27 February 2017, the rand gained 3.7% m/m against the USD, 4.8% m/m against the GBP and 4.6% m/m against the EUR, ending on R12.97, R16.08 and R13, 71 against the mentioned currencies (SARB, 2017).
- If compared to the previous year, the Rand appreciated by 16.5% y/y, 26% y/y or 20% y/y against the GBP, EUR and the USD and ended on R16.08, R13.71 and R12.97 on 27 February 2017 (SARB, 2017).

**A range of international and domestic factors influenced the performance of the Rand against major global currencies. A summary (although not limited) of the international and domestic macro environment, conditions are below:**

- On 24 January 2017, the South African Reserve Bank (SARB) announced that the repo rate remain unchanged at 7%, due to factors such as the progressive worsening of the inflation outlook in the short-term. Inflation pressures mainly derived higher food prices regardless of the recent improved rainfall and the recovering of global oil prices (SARB, 2017).
- Economic growth prospects has been adjusted downward by SARB by 0.1% to 1.1% per annum for 2017, whilst the 2018 economic growth rate has been left unchanged at 1.6% per annum (SARB, 2017).
- Consumer inflation (as measured by the CPI) estimations are at 6.6% for Quarter 1 of 2017, which is relatively above the target inflation range. Prospects are however, that inflation will return within the target range during Quarter 4 of 2017. This demonstrates that inflation will balance two-quarters earlier than initially forecasted by SARB (Nedbank & SARB, 2017).
- The Rand however remain vulnerable to both domestic and international macro-economic shocks, such as the election of President Trump, which poses, risk to the global economy in general and especially more so for developing economies. The newly elected administration brings about

wide speculation regarding the possibility to lower US interest rates, increased infrastructure expenditure in an attempt to accelerate economic growth in the short term, amongst other developments (Nedbank, 2017).

- Furthermore, uncertainty is associated with the upcoming elections in the Eurozone ( i.e. France, Germany and Netherlands) in 2017, which poses a risk of a possible shift towards an anti-European Union government which could lead to disturbance which could ultimately spill-over in the overall global market (Nedbank, 2017).
- Uncertainty also prevails regarding a detailed exit strategy by Britain from the European Union and especially more so when the exit will be initiated (Nedbank, 2017).
- On the domestic front, both investor and business confidence remained subdued due to uncertainty pertaining to the political direction and especially more so as major leadership conferences ( i.e. policy conference and the elective conference) are scheduled to take place during mid-2017 and end-2017 respectively (Nedbank, 2017).
- Sovereign credit rating agencies are also vigilantly monitoring the much-needed structural reforms as tabled by the South African government during previous reviews, which emphasised on fiscal consolidation and initiatives to foster economic growth (Nedbank, 2017).
- The South African National Budget speech on 22 February 2017, reiterated the focus on 'radical economic transformation' as pre-empted in the State of the Nation Address by the President on 9 February 2017. The emphasis will be on 'faster and more inclusive growth' in an attempt to realise radical socio-economic transformation through the implementation of more aggressive reforms within the economy (SA Treasury, 2017).
- Such reforms include the monitoring of public procurement, as recently announced by Treasury, the Preferential Procurement Policy Framework Act 5 of 2000: Preferential Procurement Regulations (2017), which aims to promote the BBBEE Act 53 of 2000 and its Codes of Practice. The said newly imposed Regulations will be applicable to organs of state as published in Government Gazette 10684 of 20 January 2017. To read more about the Regulation, please click [here](#) or alternatively visit the South African National Treasury website: [www.treasury.gov.za](http://www.treasury.gov.za) .

### 3. ENERGY

#### Review of the Diesel Fuel tax refund system

A discussion paper pertaining to the reviewing of the Diesel Fuel tax refund system has been released on 15 February 2017, for public comment and consultation purposes. The paper is an undertaking of announcements made in the 2015 Budget, and aims to review the diesel rebate refund administration and especially more so to address irregularities within the administrative system pertaining to both qualifying activities and qualifying beneficiaries of the refund system (SA Treasury, 2017).

Kindly click [here](#) to refer to media statement issued by the South African National Treasury. The aforementioned Discussion Paper can be downloaded [here](#). Please note that written comments are due on 15 May 2017.

Enquiries can be directed to [Memory.Machingambi@treasury.gov.za](mailto:Memory.Machingambi@treasury.gov.za) or alternatively submit comments to [dieselrefundcomments@treasury.gov.za](mailto:dieselrefundcomments@treasury.gov.za) or [C&E legislativecomments@sars.gov.za](mailto:C&E_legislativecomments@sars.gov.za) .

#### Fuel price adjustments, effective as from 01 March 2017

The average international prices of Petrol, Diesel and Illuminating Paraffin have respectively decreased during the period from 27 January 2017 to 23 February 2017. In addition, the Rand appreciated against the US dollar during the period under review if compared to the previous review period, from R13.58 to R13.29. This led to a lower contribution to the Basic Fuels Price on petrol, diesel and illuminating paraffin of 13.44 cents per litre, 12.93 cents per litre and 12.80 cents per litre respectively (DoE, 2017).

As a result, the following adjustments are effective as from Wednesday, 01 March 2017:

- Petrol (both 93 & 95: ULP and LRP) will decrease by 8 cents per litre;
- Diesel (0.05% and 0.005% Sulphur) will decrease by 2 cents per litre;
- Wholesale price of Illuminating Paraffin will decrease by 8 cents per litre;
- SMNRP of Illuminating Paraffin will decrease by 10 cents per litre; and
- Maximum Retail Price of LP Gas will decrease by 2 cents per kilogram (DoE, 2017).

It should however be considered that a tax adjustments pertaining to the fuel levy was announced by the Minister of Finance in the National Budget Speech, which will become into effect as from Wednesday, 5 April 2017. The fuel levy will increase by 30 cents per litre, whilst the Road Accident Fund levy will increase by a further 9 cents, adding the total fuel tax increase to 39 cents for both petrol and diesel prices (Business day, 2017).

## ACKNOWLEDGMENT OF INFORMATION SOURCES

In this publication, the below listed sources are acknowledged:

- ✚ Agbiz Grain: [www.agbizgrain.co.za](http://www.agbizgrain.co.za)
- ✚ Agricultural Research Council (ARC): [www.arc.agric.za](http://www.arc.agric.za)
- ✚ Business Day: [www.bdlive.co.za](http://www.bdlive.co.za)
- ✚ Crop Estimate Committee (NCEC), South Africa: [www.daff.gov.za](http://www.daff.gov.za) ; [www.sagis.org.za](http://www.sagis.org.za) or [www.grainsa.co.za](http://www.grainsa.co.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)
- ✚ Fin24: [www.fin24.co.za](http://www.fin24.co.za)
- ✚ Grain SA [www.grainsa.co.za](http://www.grainsa.co.za)
- ✚ National Agricultural Marketing Council (NAMC): [www.namc.co.za](http://www.namc.co.za)
- ✚ Nedbank: [www.nedbank.co.za](http://www.nedbank.co.za)
- ✚ South African Futures Exchange (SAFEX): [www.jse.co.za/redirects/safex](http://www.jse.co.za/redirects/safex)
- ✚ South African Grain Information Services (SAGIS): [www.sagis.org.za](http://www.sagis.org.za)
- ✚ South African National Treasury: [www.treasury.gov.za](http://www.treasury.gov.za)
- ✚ South African Reserve Bank (SARB): <http://www.resbank.co.za/>
- ✚ Western Cape Department of Agriculture (Elsenburg): [www.elsenburg.com](http://www.elsenburg.com)

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