



PERIOD UNDER REVIEW: April 2020

Compiled by Sindisiwe Dhlamini

1. SOUTH AFRICAN GRAIN MARKET

Mark to market prices for selected summer and winter cereals traded on SAFEX were higher in April 2020 than the previous month. White Maize April 2020 contract for delivery in May 2020 traded had a highest increase R907 (35.7%) per ton, Yellow Maize R352 (14.4%), Sunflower R650 (12.1%) and Wheat R498 (10.2%) respectively, When comparing to the previous year, Sunflower has the highest price increase R921 (18 %) per ton and Wheat R782 (16.9%) (SAFEX, 2020).

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

MTM 30/04/20 (expressed in R/MT)					Month end 31/04/19)	Year on year change	Month end 31/03/20)	Month end (29/02/20)
					R/MT		R/MT	R/MT
Commodity	May-20	Jun-20	Jul-20	Sep-20	May-19	May 19 vs 20	Apr-20	Mar-20
White maize	2550	2400	2414	2467	2582	-1%	3450	2543
Yellow maize	2538	2515	2546	2592	2526	0,48%	2800	2448
Wheat	5414	5365	5260	5192	4632	16,9%	5360	4862
Sunflower	5926	6152	6048	6175	5005	18%	6000	5350

Source: (SAFEX, 2020)

1.2. PRODUCTION ESTIMATES AND FORECAST

1.2.1 Winter cereal crops production estimates: 2019/20 season

Producers intend to plant 495 000 ha of **wheat** for the 2020 production season. This is 8, 33% or 45 000 ha less than the 540 000 ha planted to wheat in 2019. The main producing areas are within the Western Cape with 320 000 ha (65%), followed by the Free State with 90 000 ha (18%) and the Northern Cape with 35 500 ha (7%). The expected area planted to **malting barley** is 137 000 ha, which is 3, 82% or 5 040 ha more than the 131 960 ha of the previous year. The expected area planted to **canola** is 72 000 ha, which is 2, 70% or 2 000 ha less than the 74 000 ha planted in 2019. Producers intend to plant 23 500 ha of cereal oats, which is 11, 90 or 2 500 ha more than the 21 000 ha of the previous season (NCEC, 2020).

1.2.2 Summer cereal crops production estimates: 2020

Commercial maize

The size of the expected commercial maize crop has been set at 14,809 million tons, which is 1, 71% or 249 190 tons more than the previous forecast of 14,560 million tons. The revised area estimate for maize is 2,611 million ha, while the expected yield is 5, 67 t/ha. The estimated maize crop is 31% bigger than the 2019 crop. The three main maize producing areas, namely the Free State, Mpumalanga and North West provinces are expected to produce 83% of the 2020 crop.

White and Yellow maize

The area estimate for **white maize** is 1,616 million ha and for yellow maize the area estimate is 994 500 ha. The production forecast of white maize is 8,779 million tons, which is 3, 00% or 256 005 tons more than the 8,523 million tons of the previous forecast. The yield for white maize is 5, 43 t/ha. In the case of **yellow maize** the production forecast is 6,442 million tons, which is 2, 48% or 156 165 tons more than the 6,286 million tons of the previous forecast. The yield for yellow maize is 6, 48 t/ha (NCEC, 2020).

Other summer crops

The production forecast for **soybeans** increased by 1, 70% or 21 600 tons to 1,291 million tons. The estimated area planted to soybeans is 705 000 ha and the expected yield is 1, 83 t/ha. The expected groundnut crop has been set at 62 470 tons, which is 11, 43% or 6 410 tons more than the previous forecast of 56 060 tons. For **groundnuts**, the area estimate is 37 500 ha, with an expected yield of 1, 67 t/ha. The production forecast for **sorghum** is 138 885 tons, which is 4, 57% or 6 075 tons more than the 132 810 tons of the previous forecast. The area estimate for sorghum is 42 500 ha

and the expected yield is 3, 27 t/ha. In the case of **dry beans**, the production forecast is 71 380 tons. The area estimate of dry beans is 50 150 ha, with an expected yield of 1, 42 t/ha (NCEC, 2020).

1.3. PRODUCER DELIVERIES

1.3.1 Weekly producer deliveries for wheat

Table 1.3: Weekly wheat deliveries (Tons)

Week	Week ending	Product deliveries	Adjustments	Week Total	Progressive Total
27	28/03 - 03/04/2020	2 306	-898	1 408	1 458 741
28	04/04 - 10/04/2020	3 450	0	3 450	1 462 191
29	11/04 - 17/04/2020	2 432	0	2 432	1 464 623
30	18/04 - 24/04/2020	1 344	987	2 331	1 466 954

Source (SAGIS, 2020)

Table 1.3 represents weekly producer deliveries for wheat that occurred from the week ending 03 April to the week ending 24 April 2020. During this period, 9 621 tons of wheat have been delivered to the market (SAGIS, 2020). As a result, the progressive deliveries amounted to 1 466 954 tons, which represents 86, 52% delivery rate in relation to the crop estimate of 1 695 470 tons for 2019/20 production season. Major adjustments for wheat deliveries were made during the week ending 24 April 2020 (SAGIS, 2020).

1.3.2 Weekly producer deliveries for maize

Table 1.4: Weekly White Maize deliveries (Tons)

Week	Week ending	Product deliveries	Adjustments	Week Total	Progressive Total
49	28/03 - 03/04/2020	3 961	-902	3 059	5 360 984
50	04/04 - 10/04/2020	5 960	34	5 994	5 366 978
51	11/04 - 17/04/2020	10 341	0	10 341	5 377 319
52	18/04 - 24/04/2020	24 198	0	24 198	5 401 517

Source (SAGIS, 2020)

As from week ending 03 April to the week ending 24 April 2020, a total of 43 592 tons of white maize has been delivered. Major adjustments for white maize deliveries were made during the week ending 03 April 2020. As a result, the progressive deliveries amounted to 5 401 517 tons, which represents 63, 37% delivery rate in relation to the crop estimate of 8 523 000 tons for the 2019/20 production season (SAGIS, 2020).

Table 1.5: Weekly Yellow Maize deliveries (Tons)

Week	Week ending	Product deliveries	Adjustments	Week Total	Progressive Total
49	28/03 - 03/04/2020	8 919	-3 283	5 636	5 316 100
50	04/04 - 10/04/2020	18 249	0	18 249	5 334 349
51	11/04 - 17/04/2020	15 018	0	15 018	5 349 367
52	18/04 - 24/04/2020	30 582	0	30 582	5 379 949

Source (SAGIS, 2020)

As from week ending 03 April to the week ending 24 April 2020, a total of 69 485 tons of yellow maize were delivered to the market (SAGIS, 2020). The highest adjustment for yellow maize deliveries was made during the week ending 03 May 2020. As a result, the progressive deliveries amounted to 5 379 949 tons, which represents 85, 58% delivery rate in relation to the crop estimate of 6,286 000 tons for 2019/20 production season (SAGIS, 2020).

1.4 SUPPLY AND DEMAND ESTIMATES

1.4.1 Wheat marketing season 2019/20

The **total supply of wheat** is projected at 3 833 754 tons for the 2019/20 marketing season. This includes an opening stock level (at 1 October 2019) of 539 079 tons, local commercial deliveries of 1 466 675 tons, whole wheat imports estimated for South Africa of 1 820 000 tons and a surplus of 8 000 tons. The **total demand (domestic plus exports) for wheat** is projected at 3 421 000 tons. This includes 3 270 000 tons processed for human consumption, 20 000 tons processed for animal consumption, 2 300 tons withdrawn by producers, 1 500 tons released to end consumers, 20 000 tons projected seed for planting purposes and a balancing figure of 4 200 tons (net receipts and net dispatches). A projected export quantity of 40 000 tons processed products and 63 000 tons whole wheat is estimated for exports for the 2019/20 marketing season. The **projected closing stock level** at 30 September 2020 is estimated at 412 754 tons. At an average processed quantity of 274 167 tons per month, this represent available stock levels for 1.5 months or 46 days (NAMC, 2020).

1.4.3 White maize marketing season 2019/20

The **total supply of white maize** is projected at 7 236 100 tons for the 2019/20 marketing season. This includes an opening stock level (at 1 May 2019) of 1 798 998 tons and local commercial deliveries of 5 385 000 tons. No whole white maize imports are estimated for the current season, with net early deliveries of 44 102 tons and a surplus of 8 000 tons. The **total demand** (domestic plus exports) for white maize is projected at 6 699 000 tons. The total domestic demand is projected at

5 434 000 tons. This includes 4 740 000 tons processed for human consumption, 650 000 tons processed for animal and industrial consumption, 11 000 tons for gristing, 12 500 tons withdrawn by producers, 17 000 tons released to end-consumers and a balancing figure of 3 500 tons (net receipts and net dispatches). A projected export quantity of 230 000 tons of processed products and 1 035 000 tons of white whole maize is estimated for exports for the 2019/20 marketing season. The **projected closing stock level** at 30 April 2020 is estimated at 537 100 tons. At an average processed quantity of 450 083 tons per month, this represents available stock levels for 1.2 months or 36 days. (NAMC, 2020).

1.4.3.1 White maize marketing season 2020/21 (New season)

The **total supply of white maize** is projected at 9 128 570 tons for the 2020/21 marketing season. This includes an opening stock level (at 1 May 2020) of 537 100 tons and local commercial deliveries of 8 579 470 tons. No whole white maize imports are estimated for the new season, no early deliveries of and a surplus of 12 000 tons. The **total demand** (domestic plus exports) for white maize is projected at 8 304 500 tons. The total domestic demand is projected at 6 664 500 tons. This includes 4 800 000 tons processed for human consumption, 1 810 000 tons processed for animal and industrial consumption, 10 500 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 270 000 tons of processed products and 1 350 000 tons of white whole maize is estimated for exports for the 2020/21 marketing season. The **projected closing stock level** at 30 April 2021 is estimated at 824 070 tons. At an average processed quantity of 551 708 tons per month, this represents available stock levels for 1.5 months or 45 days.

1.4.4 Yellow maize marketing season 2019/20

The **total supply of yellow maize** is projected at 6799 043 tons for the 2019/20 marketing season. This includes an opening stock (at 1 May 2019) of 864 088 tons and local commercial deliveries of 5 376 000 tons. Yellow maize imports of 510 000 tons are estimated for the current season, early deliveries of 23 955 tons and a surplus of 25 000 tons. The **total demand** (domestic plus exports) for yellow maize is projected at 6 358 500 tons. The total domestic demand is projected at 5 823 500 tons. This includes 580 000 tons processed for human consumption, 5 100 000 tons processed for animal and industrial consumption, 12 500 tons for gristing, 45 000 tons withdrawn by producers, 80 000 tons released to end-consumers and a balancing figure of 6 000 tons (net receipts and net dispatches). A projected export quantity of 125 000 tons of processed products and 410 000 tons of yellow whole maize is estimated for exports for the 2019/20 marketing season. The **projected closing stock level** at 30 April 2020 is estimated at 440 543 tons. At an average processed quantity

of 474 375 tons per month, this represent available stock levels for 0.9 months or 28 days (NAMC, 2020).

1.4.4.1 Yellow maize marketing season 2020/21 (New season)

The **total supply of yellow maize** is projected at 6 522 593 tons for the 2020/21 marketing season. This includes an opening stock (at 1 May 2020) of 440 543 tons and local commercial deliveries of 6 062 8050 tons. No Yellow maize imports estimated for the new season, no early deliveries and a surplus of 20 000 tons. The **total demand** (domestic plus exports) for yellow maize is projected at 5 939 500 tons. The total domestic demand is projected at 4 879 500 tons. This includes 585 000 tons processed for human consumption, 4 100 000 tons processed for animal and industrial consumption, 11 000 tons for gristing, 55 000 tons withdrawn by producers, 120 000 tons released to end-consumers and a balancing figure of 8 500 tons (net receipts and net dispatches). A projected export quantity of 140 000 tons of processed products and 920 000 tons of yellow whole maize is estimated for exports for the 2020/21 marketing season. The **projected closing stock level** at 30 April 2021 is estimated at 583 093 tons. At an average processed quantity of 391 333 tons per month, this represent available stock levels for 1.5 months or 45 days (NAMC, 2020).

1.4.5 Sunflower seed marketing season 2020/21 (New season)

The **total supply of sunflower seed** is projected at 872 035 tons for the 2020/21 marketing season. This includes an opening stock level (at 1 March 2020) of 135 325 tons, local commercial deliveries of 731 210 tons, sunflower seed imports of 500 tons for South Africa and a surplus of 5 000 tons. The **total demand** (domestic plus exports) for sunflower seed is projected at 776 100 tons. This includes 1 500 tons processed for human consumption, 5 500 tons processed for animal consumption, 763 000 tons for crush (oil and oilcake), 650 tons withdrawn by producers, 1 100 tons released to end consumers, 2 500 tons seed for planting purposes and a balancing figure of 1 300 tons (net receipts and net dispatches). A quantity of 550 tons is estimated for exports for the 2020/21 marketing season. The **projected closing stock level** at 28 February 2021 is estimated at 95 935 tons. At an average processed quantity of 64 167 tons per month, this represents available stock levels for 1.5 months or 45 days. (NAMC, 2020).

1.4.6 Soybean marketing season 2020/21 (New season)

The **total supply of soybeans** is projected at 1 648 805 tons for the 2020/21 marketing season. This includes an opening stock level (at 1 March 2020) of 138 455 tons, local commercial deliveries of 1 257 750 tons, soybean imports of 250 000 tons for South Africa and a surplus of 2 600 tons. **The total demand (domestic plus exports)** for soybeans is projected at 1 449 650 tons. This includes 25 000 tons processed for human consumption, 180 000 tons processed for animal (full fat) feed, 1 230 000

tons for crush (oil and oilcake), 800 tons withdrawn by producers, 450 tons released to end consumers, 7 700 tons seed for planting purposes, and a balancing figure of 1 200 tons (net receipts and net dispatches). A quantity of 4 500 tons soybeans is estimated for exports for the 2020/21 marketing season. The projected closing stock level at 28 February 2021 is estimated at 199 155 tons. At an average processed quantity of 119 583 tons per month, this represents available stock levels for 1.7 months or 51 days (NAMC, 2020).

1.5. EXPORTS, IMPORTS AND RE-EXPORTS

1.5.1 Wheat

Progressive wheat export during the 2019/20 reporting period is 47 765 tons. Wheat exports for South Africa amounted to 13 665 tons from the week ending 03 April 2020 to the week ending 24 April 2020. During the reporting period, Zambia was the leading export destination for South African wheat with a share of 85%, followed by Namibia (11%) and Zimbabwe (10%) share in RSA exports. Wheat imports for South Africa were mainly from Germany and Poland with a share of 72% and 24% respectively (SAGIS, 2020).

Table 1.6: Wheat trade for the 2019/20 marketing season (Tons)

Progressive wheat exports 2019/20	47 765	Progressive wheat imports 2019/20	1 011 126
Wheat exports (tons) during the reporting period: 03 April 2020 to 24 April 2020	13 665	Wheat imports (tons) during the reporting period: 03 April 2020 to 24 April 2020	272 618
Importing countries	Share in RSA exports	Exporting countries	Share in RSA imports
Zambia	85%	Germany	72%
Namibia	11%	Poland	24%
Zimbabwe	4%	United States	3%

Source (SAGIS, 2020)

1.5.2 White and Yellow Maize

Progressive White and Yellow maize exports during the 2019/20 reporting period are 1 018 191 tons and 402 373 tons respectively. White maize exports for South Africa amounted to 92 569 tons and yellow maize exports amounted to 29 635 tons from the week ending 03 April 2020 to the week ending 24 April 2020. During the reporting period, the main export destinations for South African white maize were Zimbabwe (49%), Botswana (19%) and Namibia (17%). There were no imports of white maize due to bumper crop harvested during the current production season (SAGIS, 2020).

Table 1.7: White and Yellow maize trade for the 2019/20 marketing season (Tons)

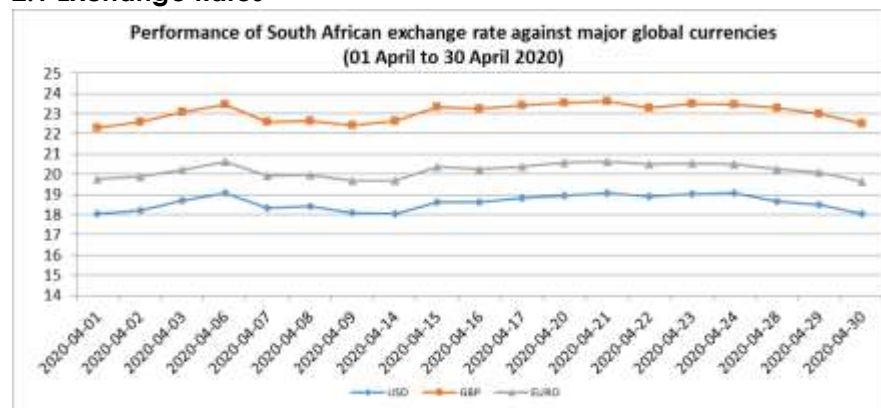
Progressive 2019/20	White maize: 1 018 191	Yellow maize: 402 373
Maize exports during the reporting period: 03 April 2020 to 24 April 2020	92 569	29 635
Importing countries	Share in white maize exports	Share in yellow maize exports
Zimbabwe	49%	21%
Botswana	19%	22%
Namibia	17%	13%
Mozambique	8%	12%
Eswatini	6%	25%
Lesotho	2%	7%

Source (SAGIS, 2020)

During the reporting period, the main exports destinations for South African yellow maize were Eswatini (25%), Botswana (22%) and Zimbabwe (21%). During the period under review, South Africa did not import yellow maize (SAGIS, 2020).

2. ECONOMIC REVIEWS

2.1 Exchange Rates



Source: SARB (2020)

During the reporting period 01 April to 30 April 2020, the average ZAR exchange rate weakened against all the three major global currencies such as the US dollar (USD), Great Britain

pound (GBP) and Euro (SARB, 2020). When looking at month to month average of Rand against the Great Britain pound and US dollar (USD), it can be noted that the rand weakened by 11.8% and 11.6% respectively. The rand weakened by 9.4% against the Euro, it traded at R20.18 in April 2020 while it traded for R18.44 in March 2020.

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 (cents) applicable to the coastal parts of South Africa
Petrol 95 ULP & LRP	174,00	cents per litre decrease in retail price	1152,00
Diesel 0.05% Sulphur	161,00	cents per litre decrease in wholesale price	1048,26
illuminating Paraffin (Wholesale)	223,00	cents per litre decrease in wholesale price	368,72
LPGAS (maximum retail price)	262,00	cents per kilogram decrease in the maximum retail price country wide	1706,00

(DOE, 2020)

The Department of Energy has announced a decrease in fuel prices with effect from 06 May 2020. The price of Petrol 95 ULP & LRP decreased by 174 cents end of April 2020. The price of diesel (0.05% sulphur) decreased by 161.00 cents, and illuminating paraffin wholesale price per litre decreased by 223.00 cents. Lastly, LPGAS's maximum retail price decreased by 262 cents per kilogram by end of April 2020.

4. WEATHER ADVISORY – SEASONAL FORECAST TO APRIL 2020

The rainfall forecast for early-autumn (Feb-Mar-Apr) and mid-autumn (Mar-Apr-May) from the SAWS/NOAA-GFDL Multi-Model system indicates enhanced probabilities of below normal rainfall over most of the country with the exception of the eastern parts during mid autumn which favours above-normal rainfall conditions. With regards to temperatures, mostly higher than normal temperatures are expected for the rest of summer and early autumn over most of South Africa with the exception of the far south-western parts that indicate lower than normal minimum temperature throughout late-summer and autumn (SAWS, 2020).

Western Cape

The overall water level of state dams across the province is at 36.6% compared to 33.7% in 2019. Brandvlei dam is 11.8% full compared to 16.4% during the same period last year. Clanwilliam dam is 5.9% full compared to 10.5% during the same period last year. The water level in Theewaterskloof is 50.4% compared to 35.1% during the same period last year. 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, 2020).

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, 2020.

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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

Johannesburg Stock Exchange: www.jse.co.za

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

National Agricultural Marketing Council: <https://www.namc.co.za>

South African Grain information Service: www.sagis.org.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

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

For more information, contact:

The Western Cape Department of Agriculture

Programme: Agricultural Economic Services

Division: Marketing and Agribusiness

Tel: 021 808 5211 or 7753

E-mail: sindisiwed@elsenburg.com

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