PERIOD UNDER REVIEW: August 2020 Compiled by Sindisiwe Dhlamini

1. SOUTH AFRICAN GRAIN MARKET

Mark to market prices for selected summer and winter cereals traded on SAFEX were generally higher in August 2020 than the previous month. The following table shows mark to market prices as traded on SAFEX.

Table 1: Mark-to-market prices for the Summer Crops and Winter Cereals as traded on SAFEX

MTM 31/08/2020 (expressed in R/MT)		Month end 31/08/19	Year on year change	Month end 31/07/2020)	Month end 30/06/2020)
		R/MT		R/MT	R/MT
Commodity	**Sep-20**	**Sep-19**	**Sept 19 vs 20**	**Aug-20**	**Jul-20**
White maize	3119	2775	12%	2680	2404
Yellow maize	3077	2661	15,63%	2741	2532
Wheat	5250	4643	13,1%	5863	5316
Sunflower	6911	5512	25,38%	6367	5595
Soyabean Contract	5605	4934	13,6%	5605	5605

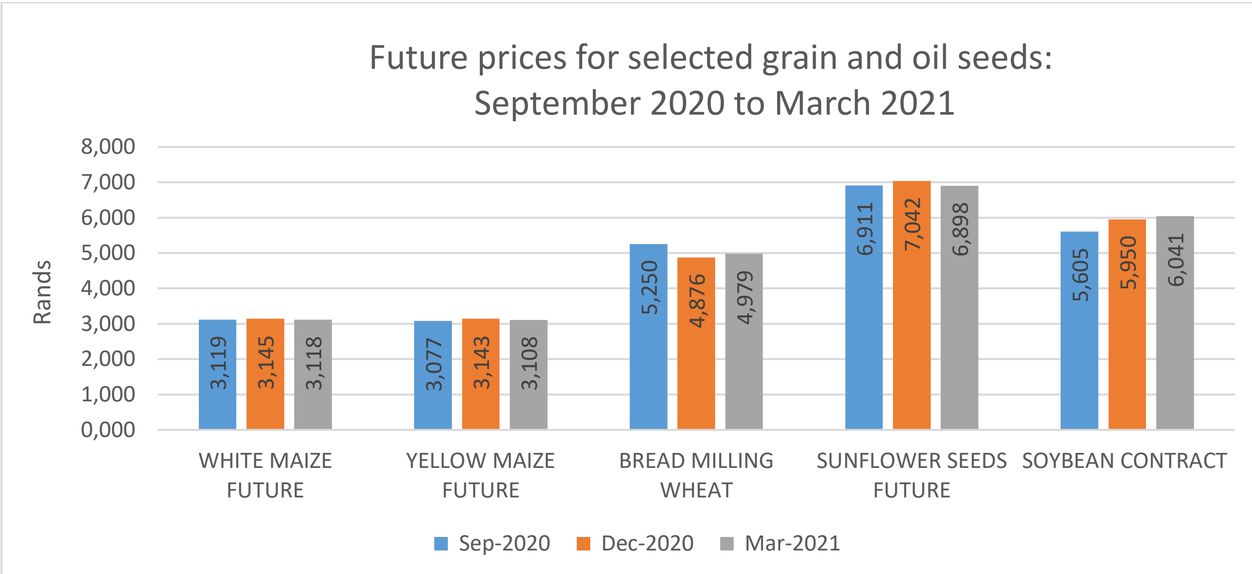
Source: (SAFEX, 2020)

Sunflower had a highest price increase of R772 (13.8%) per ton, White Maize R276 (11.5%), Wheat R547 (10.3%) and Yellow Maize R209 (8.3%), respectively. When comparing to the previous year, mark to market prices for delivery in September 2020 were generally high. Sunflower prices increased by R1399 (25%) per ton, yellow maize R416 (16%), wheat R607 (13%) and white maize (12%) respectively (SAFEX, 2020).

Future Prices

The graph below shows mark to market future prices for summer and winter cereals as traded on SAFEX.

Table 2: Mark-to-market future prices for the Summer Crops and Winter Cereals as traded on SAFEX



SAFEX (2020)

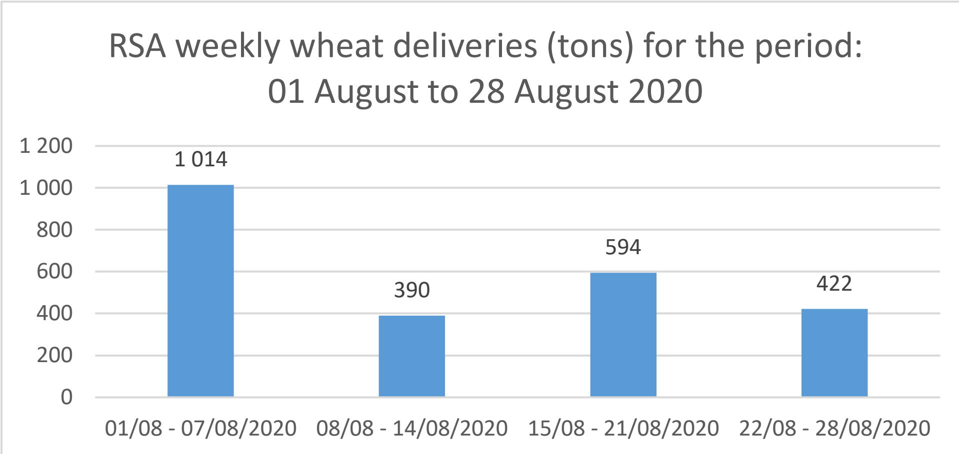
The above graph shows a slight increase of mark to market future prices in December 2020 and a slight decrease of prices in March 2021 for sunflower seeds, white and yellow maize. December 2020 wheat prices shows a slight decrease and a slight increase in March 2021. Soybean contract prices show a slight increase in December 2020 and March 2021.

1.3. PRODUCER DELIVERIES

1.3.1 Weekly producer deliveries for wheat

Figure 1 below represents weekly producer deliveries of wheat that occurred for the period 01 August to the week ending 28 August 2020. During this period, 2 420 tons of wheat were delivered to the market (SAGIS, 2020). As a result, the progressive wheat deliveries amounted to 1 505 498 tons, which represents 88, 79% delivery rate in relation to the crop estimate of 1 695 470 tons for 2019/20 production season.

Figure 1: Weekly wheat deliveries (Tons)



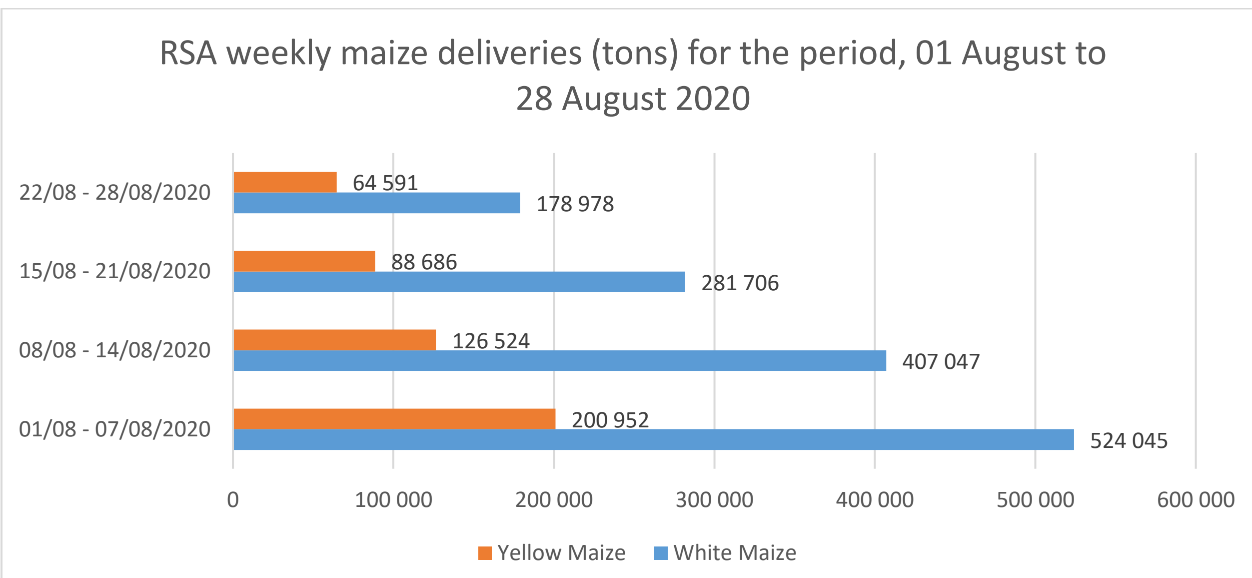
Source (SAGIS, 2020)

There were no adjustments for wheat deliveries made during the period, 01 August to 28 August 2020

1.3.2 Weekly producer deliveries for white and yellow maize

During the period 01 August to 28 August 2020, a total of 1 391 776 tons of white maize were delivered. Major adjustments for white maize deliveries were made during the week ending 07 August 2020. As a result, the progressive deliveries amounted to 7 107 755 tons, which represents 80, 09% delivery rate in relation to the crop estimate of 8 874 860 tons for the 2020/21 production season (SAGIS, 2020).

Figure 2: Weekly White and Yellow Maize deliveries (Tons)



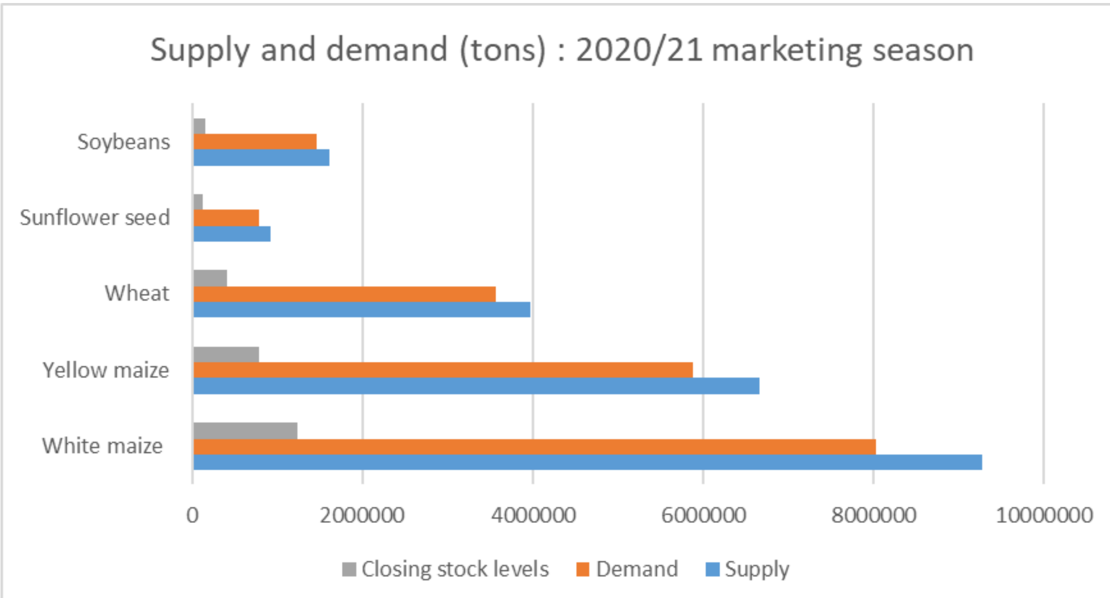
Source (SAGIS, 2020)

During the period, 01 August to 28 August 2020, a total of 480 753 tons of yellow maize were delivered to the market (SAGIS, 2020). The highest adjustment for yellow maize deliveries was made during the week ending 07 August 2020. As a result, the progressive deliveries amounted to 5 627 346 tons, which represents 83, 79% delivery rate in relation to the crop estimate of 6,286 000 tons for 2020/21 production season (SAGIS, 2020).

1.4 SUPPLY AND DEMAND ESTIMATES

The **total supply** of selected South African grain and oilseed for the 2020/21 marketing is projected as follows; **white maize** (9 273 633 tons), **yellow maize** (6 669 206 tons) **wheat** (3 979 595 tons), **sunflower maize** (3 901 070 tons and **soybeans** (1 619 305 tons) respectively.

Figure 3: Supply and demand estimates 2020/21 marketing season



(NAMC 2020)

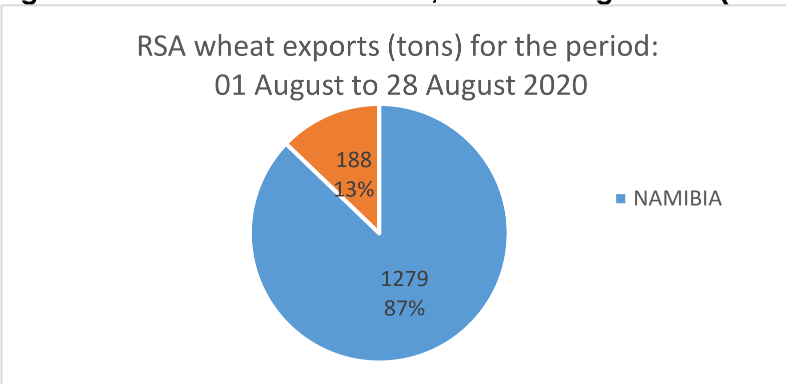
The **total demand (domestic plus exports) for white maize** (8 035 500 tons), **yellow maize** (5 881 500 tons) **wheat** (3 564 600 tons), **sunflower maize** (926 735 tons) and soybeans (1 464 160 tons) respectively (NAMC, 2020). Alternatively, visit the National agricultural Marketing council Website at http://www.namc.co.za/wp-content/uploads/2020/08/SASDE-Report-31-Aug-2020.pd to obtain detailed information on supply and demand estimates for selected South African grains and oilseeds.

1.5. EXPORTS, IMPORTS AND RE-EXPORTS

1.5.1 Wheat trade

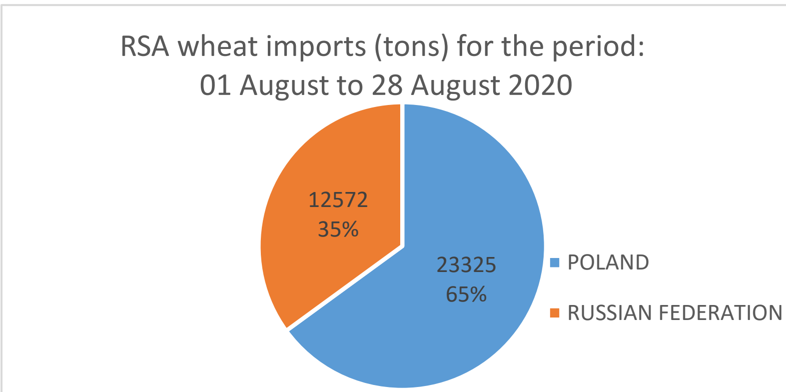
Progressive wheat export during the 2019/20 reporting period is 74 958 tons. Wheat exports for South Africa amounted to 1 467 tons for the period 01 August 2020 to 28 August 2020. The following graph shows South African wheat export destinations.

Figure 3: Wheat trade for the 2019/20 marketing season (Tons)



Source (SAGIS, 2020)

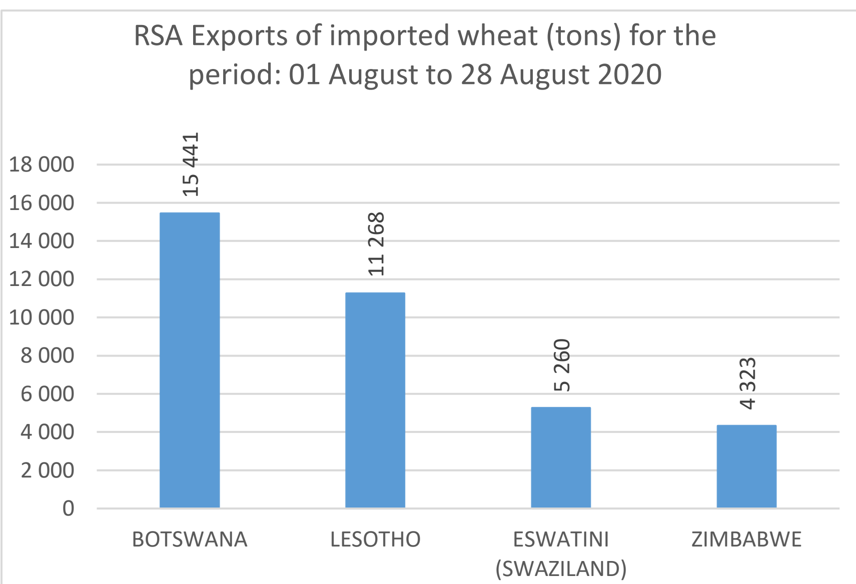
Wheat exports for South Africa were mainly from Namibia (1 279 tons) and Zimbabwe (188 tons)



Source (SAGIS, 2020)

Wheat imports for South Africa amounted to 35 897 tons for the period 01 August 2020 to 28 August 2020. Wheat imports for South Africa were mainly from Poland (23 325 tons) and Russian Federation (12 572 tons)

Figure 4: Exports of imported wheat



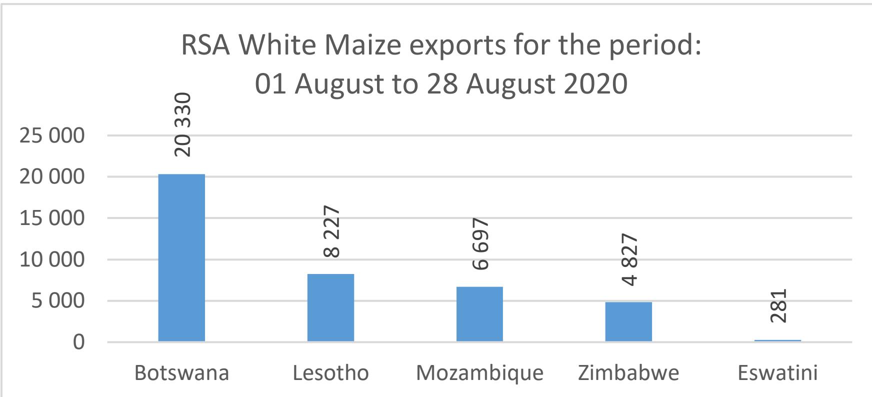
Source (SAGIS, 2020)

Exports of imported wheat for the period, 01 August 2020 to 28 August 2020 amounted to 36 292 tons. The destinations for imported wheat were Botswana (15 441 tons), Lesotho (11 268 tons), Eswatini (5 260 tons) and Zimbabwe (4 323 tons)

1.5. 2 White and Yellow Maize trade

Progressive White maize exports during the 2020/21 season are 322 458 tons. White maize exports for South Africa amounted to 40 362 tons during the period, 01 August 2020 to 28 August 2020,

Figure 5: White maize trade for the 2019/20 marketing season (Tons)

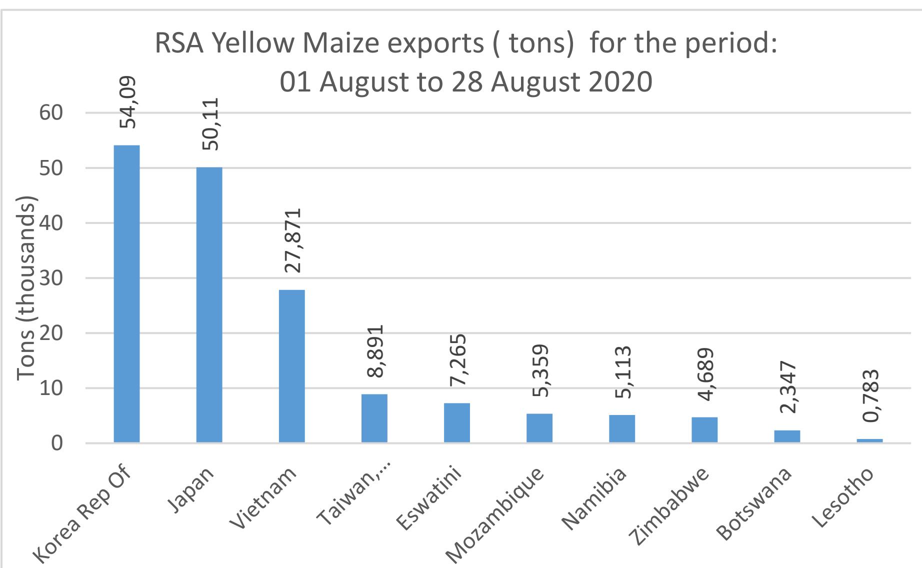


Source (SAGIS, 2020)

The main export destinations for South African white maize were Botswana (20 330 tons), Lesotho (8 227tons), Mozambique (6 697 tons) and Zimbabwe (4 827 tons). There were no imports of white maize due to bumper crop harvested during the current production season.

Progressive Yellow maize exports during the 2020/21 season are 942 344 tons. Yellow maize exports for South Africa amounted to 166 518 tons during the period, 01 August 2020 to 28 August 2020.

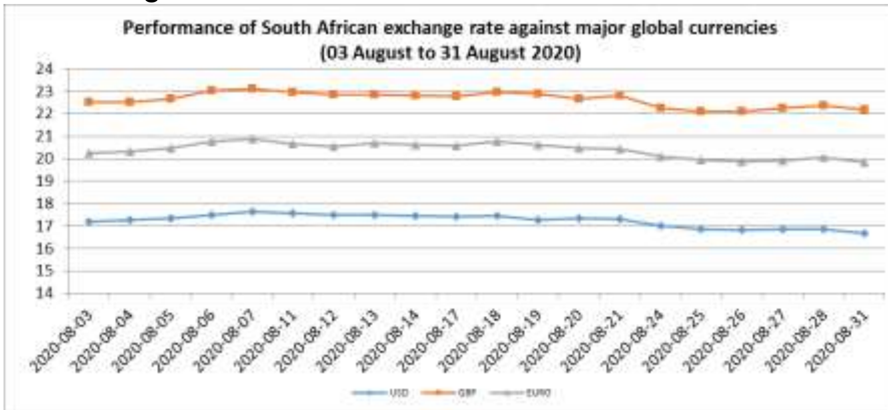
Figure 6: Yellow maize trade for the 2019/20 marketing season (Tons)



The main exports destinations for South African yellow maize were Korea Republic (32%), Japan (30%) and Vietnam (17%). 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 03 August to 31 August 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 the Rand against the Great Britain pound and Euro, it can be noted that the rand weakened by 6.6% and 6.1% respectively. The rand weakened by 2.7% against the US dollar, it traded at R17.24 in August 2020 while it traded for in R16.77 in July 2020.

3. ENERGY

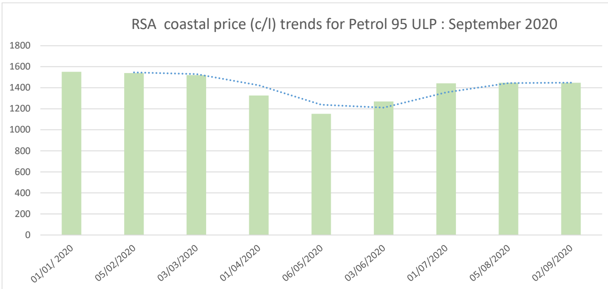
Table 4.1 Basic fuel Price adjustments

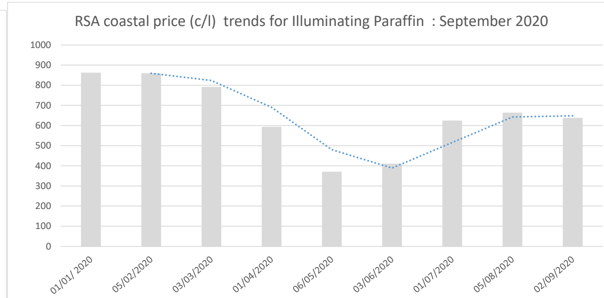
Product Description	Numerical adjustment applicable to the coast parts in South Africa	Price adjustment Description	The average price (cents) applicable to the coastal parts of South Africa
Petrol 95 ULP & LRP	1,00	cents per litre in**crease** in retail price	1448,00
Diesel 0.05% Sulphur	21,00	cents per litre **decrease** in wholesale price	1267.26
Illuminating Paraffin (Wholesale)	26,00	cents per litre **decrease** in wholesale price	635.73
LPGAS (maximum retail price)	36,00	cents per kilogram **increase** in the maximum retail price	2384,00

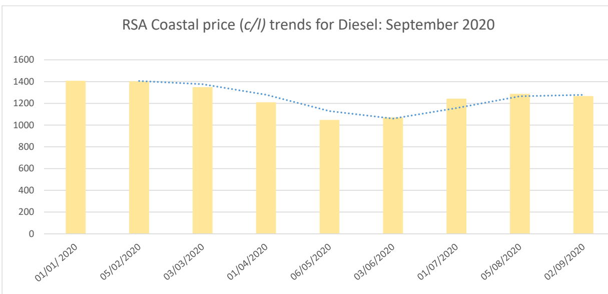
(DOE, 2020)

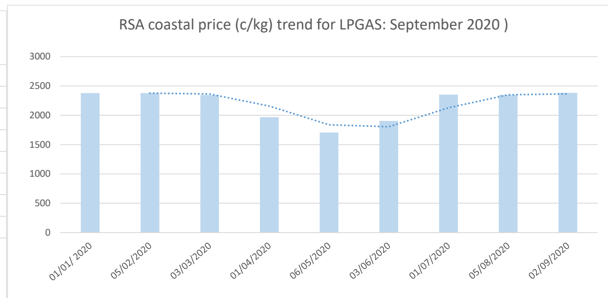
The Department of Energy has announced an increase in fuel prices with effect from 02 September, 2020. The price of Petrol 95 ULP& LRP increased by 1 cents. The price of diesel (0.05% sulphur) decreased by 21cents, and illuminating paraffin wholesale price per litre decreased by 26 cents. Lastly, LPGAS's maximum retail price increased by 36 cents per kilogram.

RSA fuel price trends: September 2020









4. WEATHER ADVISORY – SEASONAL FORECAST JUNE TO AUGUST 2020

The multi-model rainfall forecast for mid and late winter (Jun-Jul-Aug, Jul-Aug-Sep) indicate increased chances of above normal rainfall over the South-Western and Southern parts of the country with drier than normal conditions throughout the rest of South Africa. In general, most of the country is expected to experience above normal temperatures during winter with the exception of below-normal minimum temperatures for the north-eastern half of the country (SAWS, 2020).

Western Cape

The overall water level of state dams across the province is at 75.5% compared to 66.4% in 2019. Brandvlei dam is 57.9% full compared to 52.1% during the same period last year. Clanwilliam dam is 100.9% full compared to 101.5% during the same period last year. The water level in Theewaterskloof is 94.6% compared to 71.8% 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.**

ACKNOWLEDGMENTS

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

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

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

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

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