



PERIOD UNDER REVIEW: December 2020

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1. SOUTH AFRICAN GRAIN MARKET

Mark to market prices for selected summer and winter cereals traded on SAFEX were generally low (with the exception of sunflower prices) in December 2020 than the previous month. The following table shows mark to market prices as traded on SAFEX.

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

Commodity	MTM 22/01/2021 (expressed in R/MT)	Month end (31/01/20)	Year on year change	Month end 31/12/2020)	Month end 30/11/2020)
	Jan-21	Jan-20		Dec-20	Nov-20
White maize	3399	2610	30%	3539	3599
Yellow maize	3320	2587	28,33%	3467	3511
Wheat	4899	4322	13,4%	4835	5040
Sunflower	8762	5810	50,81%	8754	8260
Soybean Contract	6356,91	4946	28,5%	6356,91	6356,91

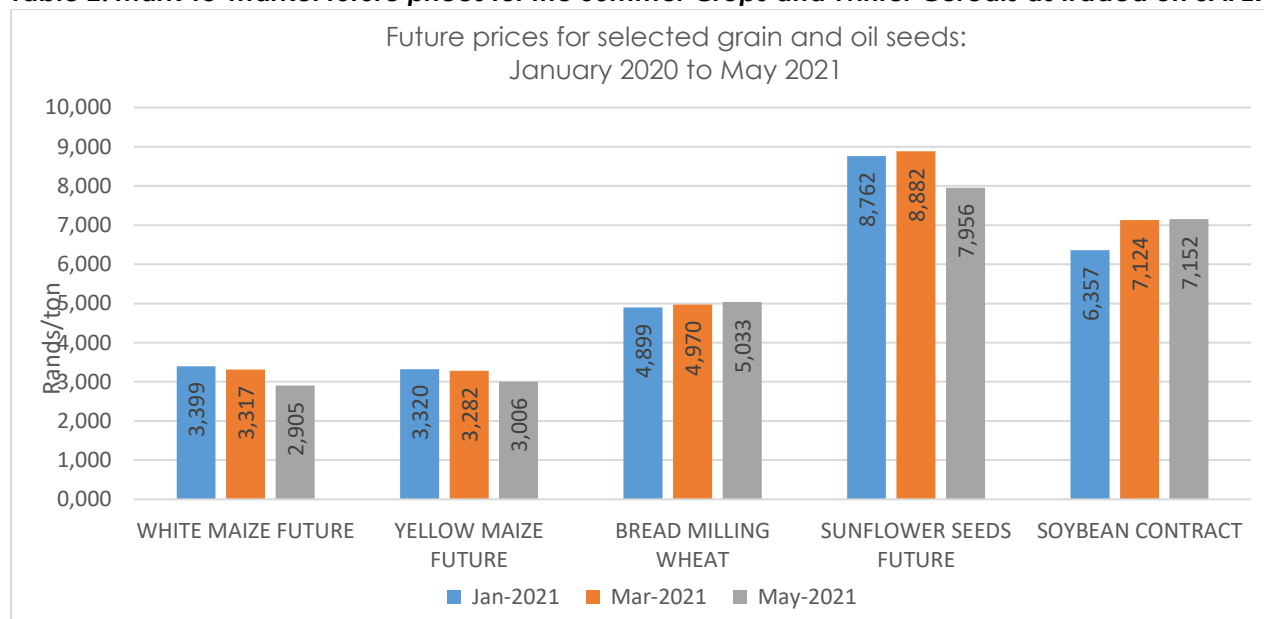
Source: (SAFEX, 2020)

The price of Sunflower seed increased by R494 (6 %) per ton in December 2020 compared to the previous month. Wheat had a highest price decrease of R205 (4, 1%), White Maize R60 (1, 7%) and Yellow Maize R44 (1,3%) respectively in December 2020 compared to November 2020. When comparing to the previous year, mark to market prices for delivery in January 2021 were generally high. Sunflower prices increased by R2952 (51%) per ton, White maize R789 (30%), Soybean contract R1410 (29%), Yellow maize R733 (28%), and Wheat R577 (13%) 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 March 2021 and May 2021 for sunflower seeds and wheat. Future prices for White and Yellow Maize show a slight increase in March 2021 and a slight decrease in May 2021. May 2021 future prices for sunflower seeds, white and yellow maize are expected to slightly decrease.

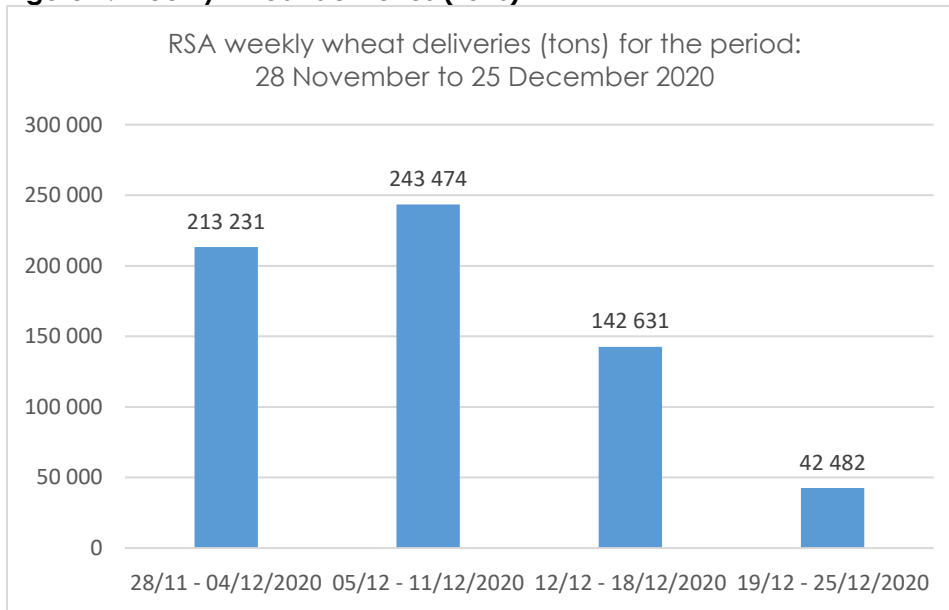
1.3. PRODUCER DELIVERIES

1.3.1 Weekly producer deliveries for wheat

Figure 1 below represents weekly producer deliveries of wheat that occurred for the period 28 November to 25 December 2020. During this period, 641 818 tons of wheat were delivered to the market (SAGIS, 2020). As a result, progressive wheat deliveries amounted to 1 709 393 tons, which

represents 79,5% delivery rate in relation to the crop estimate of 2 149 270 tons for 2020/21 production season.

Figure 1: Weekly wheat deliveries (Tons)



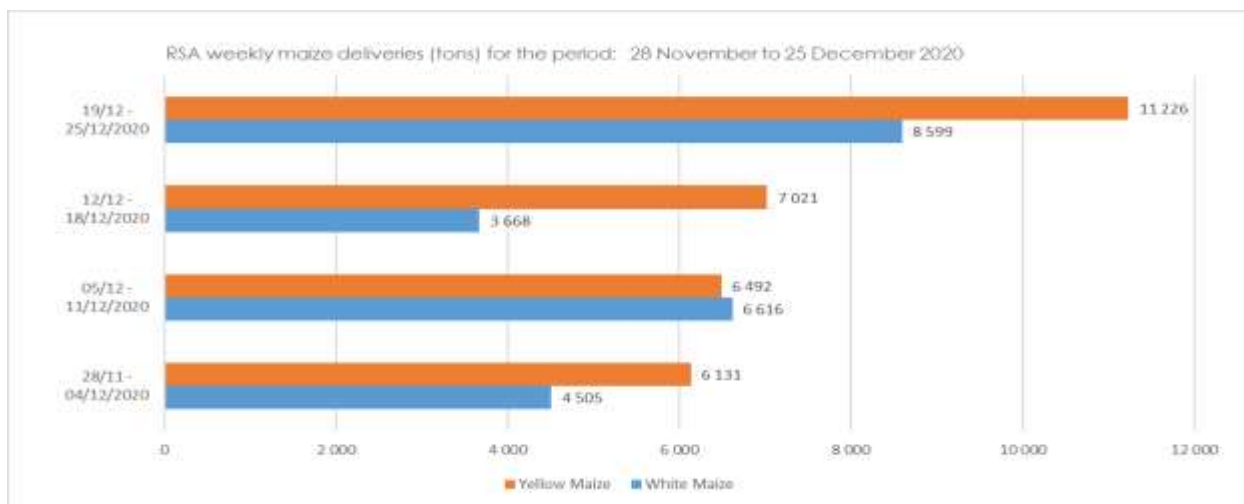
Source (SAGIS, 2020)

Major adjustments occurred during the week ending 04 December 2020, as a result, an additional 18 342 tons of wheat was delivered to the market.

1.3.2 Weekly producer deliveries for white and yellow maize

During the period 28 November to 25 December 2020, a total of 23 388 tons of white maize were delivered. There was a shortfall of 742 tons for white maize delivered during the week ending 04 December 2020. As a result, progressive deliveries amounted to 8 056 834 tons, which represents 93% delivery rate in relation to the crop estimate of 8 666 310 tons for the 2020/21 production season (SAGIS, 2020).

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



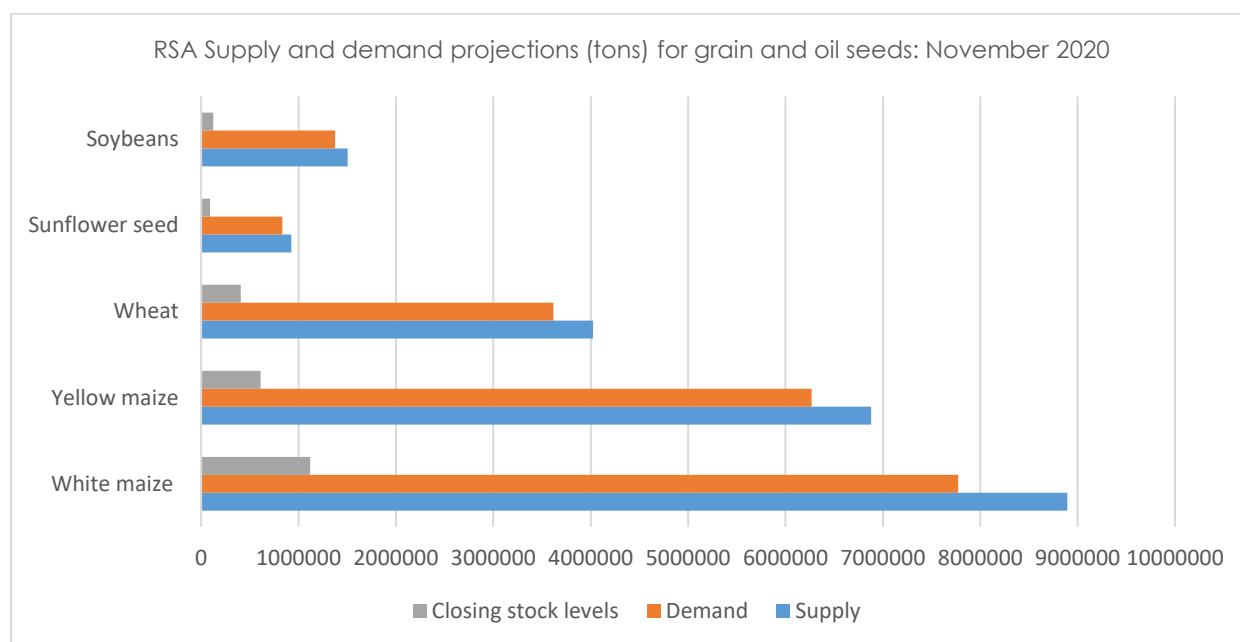
Source (SAGIS, 2020)

During the period, 28 November to 25 December 2020, a total of 30 870 tons of yellow maize were delivered to the market (SAGIS, 2020). There was a shortfall of 801 tons of yellow maize deliveries during the week ending 04 December 2020. As a result, progressive deliveries amounted to 6 023 858 tons, which represents 95.8% 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** (8 893 033 tons), **yellow maize** (6 878 516 tons), **wheat** (4 023 808 tons), **sunflower seed** (926 635) tons and **soybeans** (1 503 955 tons) respectively.

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



(NAMC 2020)

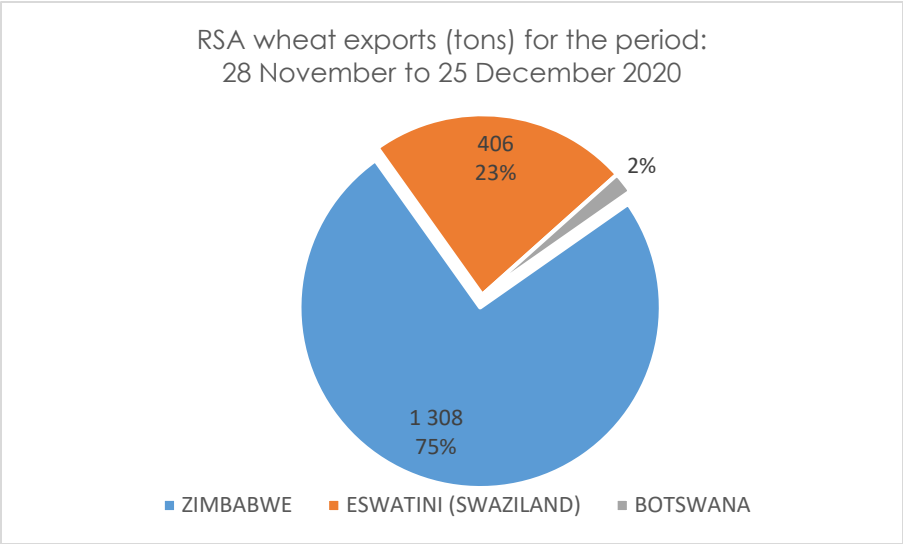
The **total demand (domestic plus exports) for white maize** (7 770 500 tons), **yellow maize** (6 292 500 tons), **wheat** (3 618 600 tons), **sunflower seed** (854 650 tons) and **soybeans** (1 376 350 tons) respectively (NAMC, 2020). Alternatively, visit the National Agricultural Marketing Council website at <https://www.namc.co.za> 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 for the 2020/21 marketing season (Tons)

Progressive wheat export during the 2020/21 reporting period is 5 555 tons. Wheat exports for South Africa amounted to 1 747 tons for the period 28 November to 25 December 2020. The following graph shows South African wheat export destinations.

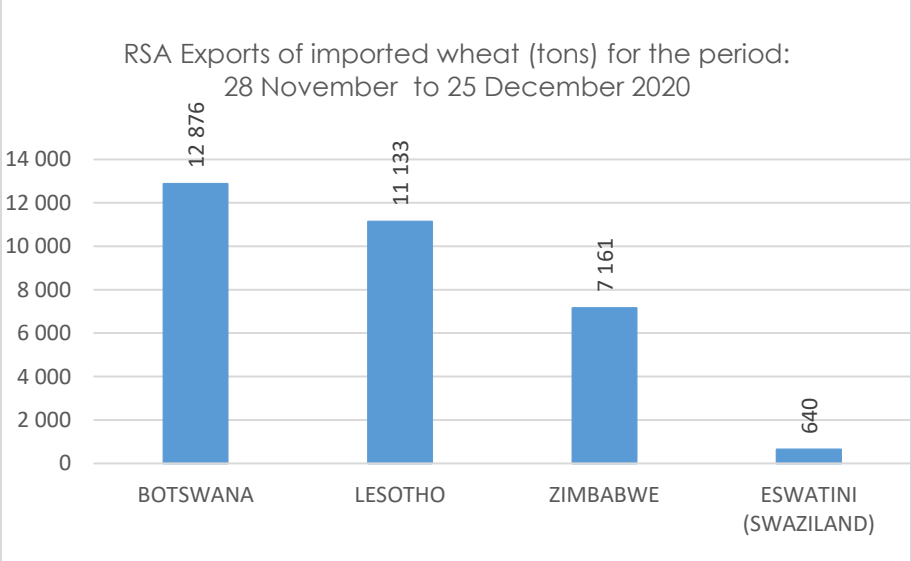
Figure 4: Wheat exports: 28 November to 25 December 2020



Source (SAGIS, 2020)

Wheat exports for South Africa were mainly to Zimbabwe 1 308 tons (75%), Eswatini 406 tons (23%) and Botswana 33 tons (2%). There were no wheat imports for South Africa during the period, 28 November to 25 December 2020.

Figure5: Exports of imported wheat: 28 November to 25 December 2020



Source (SAGIS, 2020)

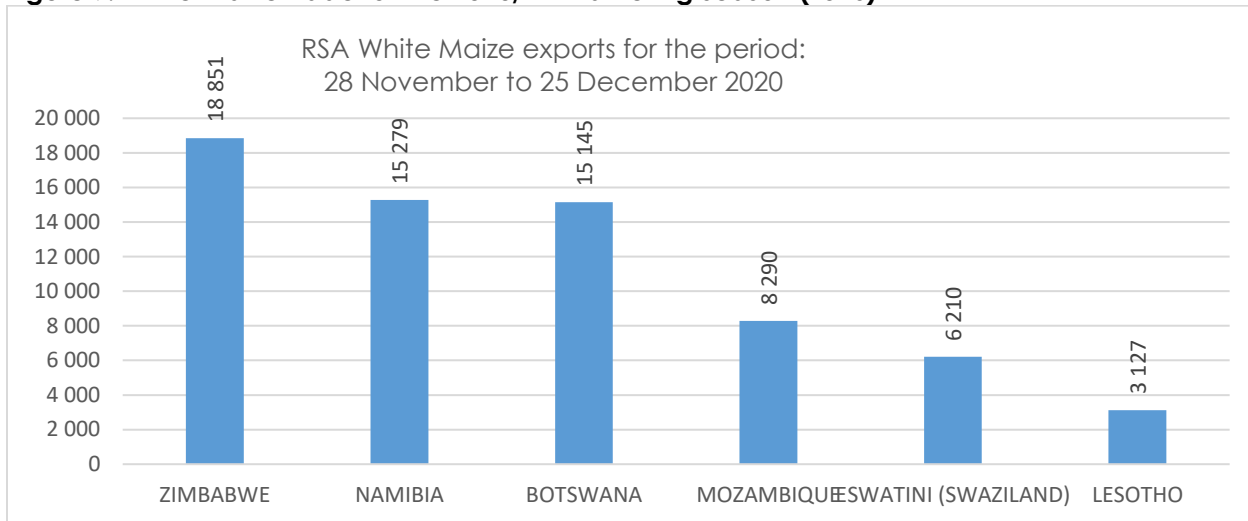
Exports of imported wheat for the period, 28 November to 25 December 2020 amounted to 31 810 tons. The destinations for imported wheat were Botswana (12 876 tons), Lesotho (11 133 tons), Zimbabwe (7 161 tons) and Eswatini (640 tons).

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1.5. 2 White and Yellow Maize trade

Progressive White maize exports during the 2020/21 season are 660 698 tons. White maize exports for South Africa amounted to 66 902 tons during the period, 28 November to 25 December 2020.

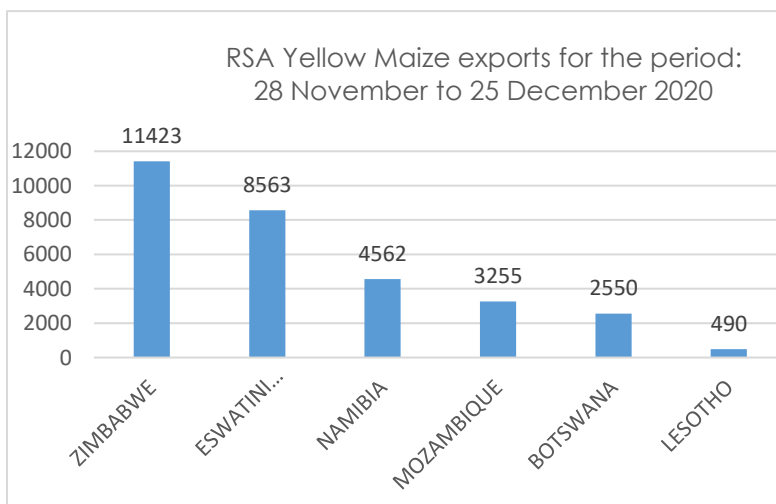
Figure 7: White maize trade for the 2020/21 marketing season (Tons)



Source (SAGIS, 2020)

The main export destinations for South African white maize were Zimbabwe (18 851 tons), Namibia (15 279 tons), Botswana (15 145 tons) Mozambique (8 290 tons), Eswatini (6 210 tons) and Lesotho (3 127 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 1 220 190 tons. Yellow maize exports for South Africa amounted to 30 843 tons during the period, 28 November to 25 December 2020.

Figure 8: Yellow maize trade for the 2020/21 marketing season (Tons)

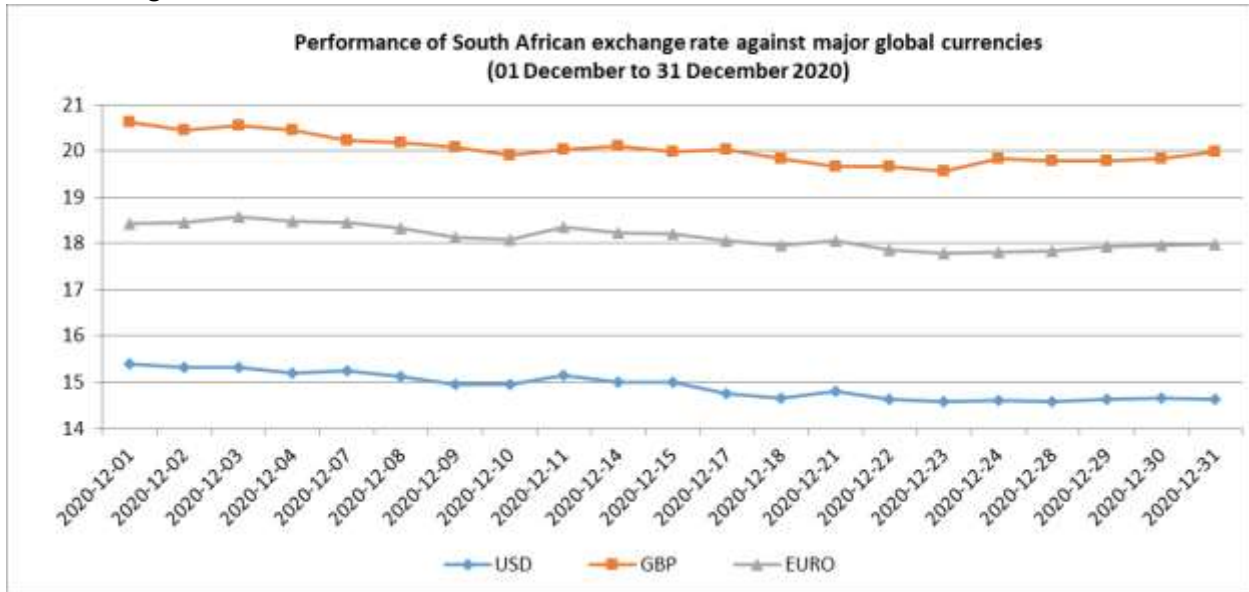


Source (SAGIS, 2020)

The main exports destinations for South African yellow maize were Zimbabwe (11 423 tons), Eswatini (8 563 tons), Namibia (4 562 tons), Mozambique (3 255 tons), Botswana (2 550 tons) and Lesotho (490). During the period under review, South Africa did not import yellow maize (SAGIS, 2020)

2. ECONOMIC REVIEWS

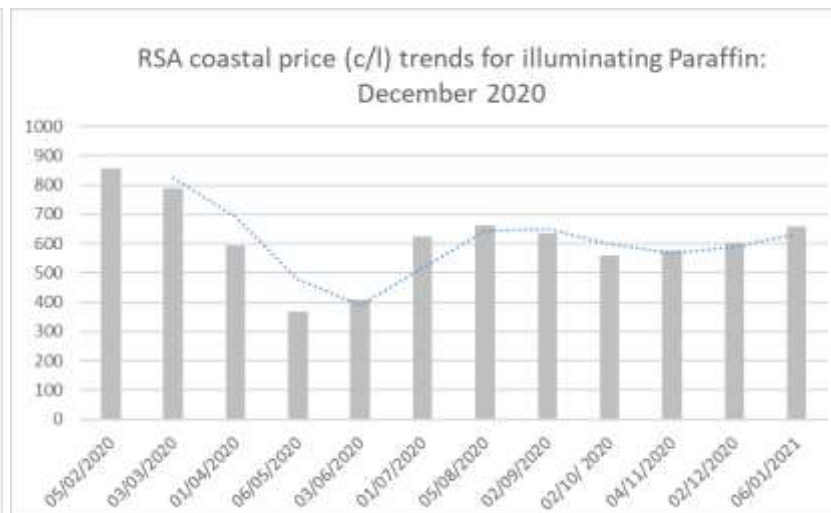
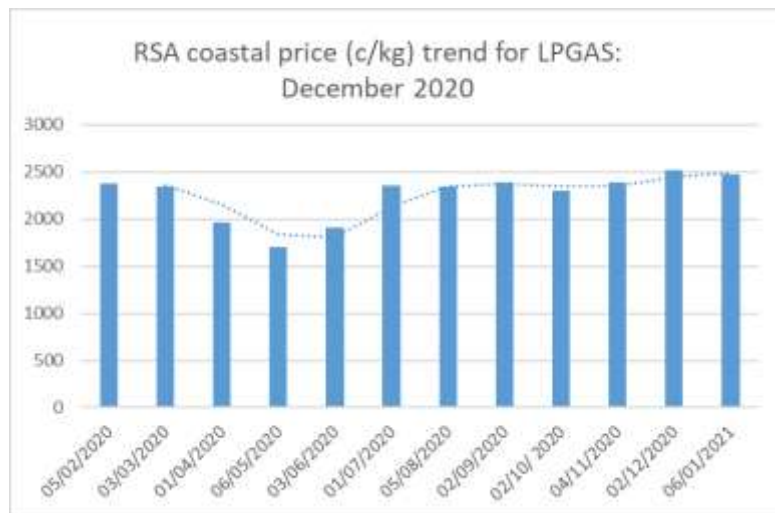
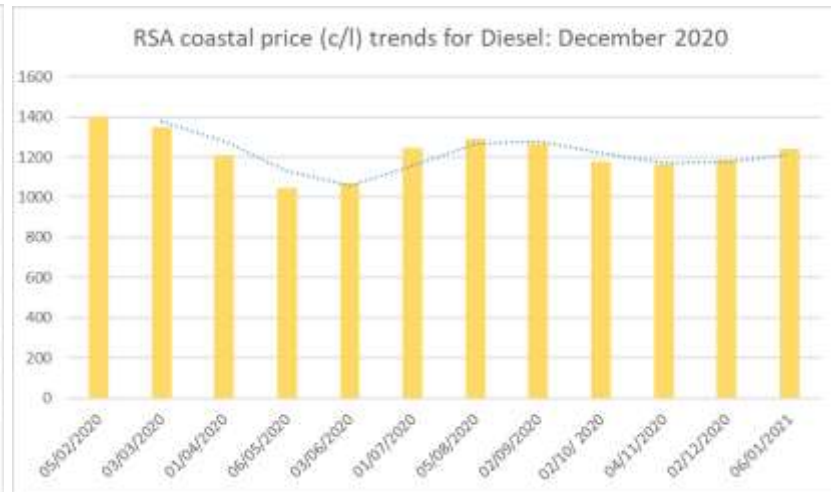
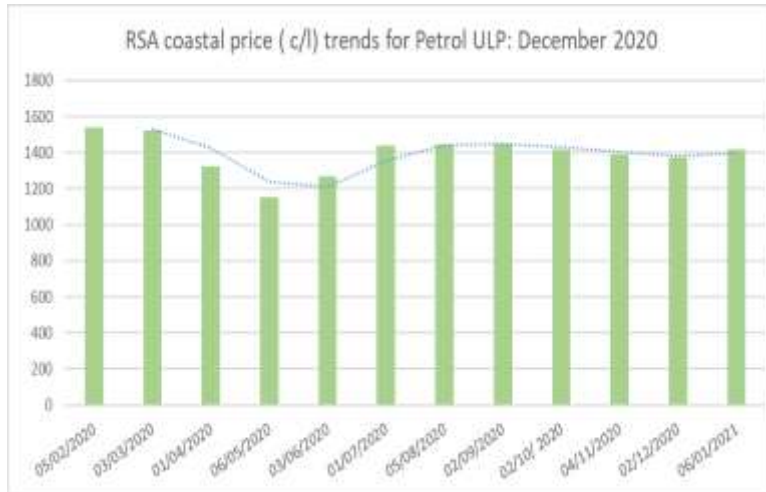
2.1 Exchange Rates



Source: SARB (2020)

During the reporting period 01 December to 31 December 2020, the average ZAR exchange rate strengthened 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 strengthened by 2% and 1% respectively. On average, the rand strengthened by 4% against the US dollar, it traded at R14.91 in December 2020 while it traded at R15.57 in November 2020. Great British Pound and Euro were trading at R20.02 and R18.13 respectively in December 2020.

RSA fuel price trends: November 2020



3. ENERGY

The Department of Energy has announced fuel price adjustments with effect from 02 December 2020.

Table 3: Basic fuel Price adjustments

Product Description	Numerical adjustment applicable to the coastal parts in South Africa	Price adjustment Description	The average price (cents) applicable to the coastal parts of South Africa
Petrol 95 ULP & LRP	40,00	cents per litre increase in retail price	1416,00
Diesel 0.05% Sulphur	55,00	cents per litre increase in wholesale price	1240.12
Illuminating Paraffin (Wholesale)	55,00	cents per litre increase in wholesale price	658.58
LPGAS (maximum retail price)	44,00	cents per kilogram decrease in the maximum retail price	2472,00

(DOE, 2020)

The price of Petrol 95 ULP & LRP increased by 40 cents. The price of diesel (0.05% sulphur) increased by 55 cents and illuminating paraffin wholesale price per litre increased by 55 cents. Lastly, LPGAS's maximum retail price decreased by 44 cents per kilogram.

Economic factors affecting RSA fuel price adjustment: 27 November to 30 December 2020

During the period under review, there was an increase in the average international product prices for Petrol, Diesel and Illuminating Paraffin. On average, the Rand appreciated against the US Dollar when compared to the previous month. The average Rand/US Dollar exchange rate for the period 27

November to 30 December 2020 was 14.94 compared to 15.63 during the previous month. This led to lower contribution to the basic fuel prices on petrol, diesel and illuminating paraffin by 24.19 c/l, 25.00c/l and 24.30 c/l respectively (DOE, 2020).

4. WEATHER ADVISORY – SEASONAL FORECAST DECEMBER 2020 TO APRIL 2021

The multi-model rainfall forecast for spring, late spring and early summer (Sep-Oct-Nov, Oct-Nov-Dec and Nov-Dec-Jan) indicate increased chances of above-normal rainfall over most parts of the country with the main focus being on the summer rainfall areas in the north east of South Africa. In general, most of the country is expected to experience above-normal temperatures during spring and late spring, with below-normal maximum temperatures predicted for the north eastern parts of the country during early summer (SAWS, 2020).

Western Cape

The overall water level of state dams across the province is at 69.4% compared to 54.6% in 2019.

Brandvlei dam is 55.5% full compared to 37.4% during the same period last year. Clanwilliam dam is 70.4% full compared to 57.7% during the same period last year. The water level in Theewaterskloof dam is 91.5% compared to 64.8% 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). 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.sagis.co.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

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>

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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