



PERIOD UNDER REVIEW: February 2020

Compiled by Sindisiwe Dhlamini

1. SOUTH AFRICAN GRAIN MARKET

White maize February 2020 for delivery in March 2020 contract traded at R2, 543 per ton. This signifies 7.1% or R195 decrease year-year (y/y) per ton obtained of white maize for a corresponding agreement traded during the same time last year (SAFEX, 2020). At the same time, White maize February 2020 contract traded at 18, 5% more or R484 more than the previous month.

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

MTM 28/02/20 (expressed in R/MT)									Month end 28/02/19	Year on year change	Month end (31/01/20)	Month end (31/12/19)
									R/MT		R/MT	R/MT
Commodity	Mar-20	Apr-20	May-20	Jul-20	Sep-20	Dec-20	Mar-21	Jul-21	Mar-19	Mar 19 vs 20	Feb-20	Jan-20
White maize	2543	2538	2383	2242	2299	2391	2431	2475	2738	-7,1%	3094	2610
Yellow maize	2448	2449	2425	2380	2431	2507	2542	2531	2580	-5,1%	2902	2587
Wheat	4862	0	4920	4920	4680	4450	0	0	4427	9,8%	4686	4322
Sunflower	5350	5500	5450	5540	5645	5811	0	0	5235	2,2%	5762	5810

Source: (SAFEX, 2020)

Yellow maize February 2020 contract traded at R2, 448 per ton which is a 5.1 % decrease from a ton of maize traded during the same period last year (SAFEX, 2020). The Wheat futures February 2020 contract for delivery in March 2020 traded at R4, 862 per ton. This translates to 9.8% or R435 per ton increase if compared to the same contract traded in the previous year. The Wheat February 2020 contract traded more by R364 per ton compared to the previous month (SAFEX 2020).

1.2. PRODUCTION ESTIMATES AND FORECAST

1.2.1 Winter cereal crops production estimates: 2019/20 season

The expected wheat crop remained unchanged at 1,502 million tons, whilst the expected yield is 2, 78 t/ha. The expected production in the Western Cape is 633 750 tons (42%), in the Free State 313 600 tons (21%) and in the Northern Cape 262 500 tons (17%). An estimated 325 000 ha or 60% is planted in the Western Cape, 128 000 ha or 24% in the Free State and 37 500 ha or 7% in the Northern Cape (NCEC, 2020).

Other crops

The production forecast for **malting barley** also remained unchanged at 345 080 tons. The area planted is estimated at 131 960 ha, whilst the expected yield is 2, 62 t/ha. The expected **canola** crop is 96 200 tons, whereas the area estimate is 74 000 ha, with an expected yield of 1, 30 t/ha. The area estimate for **oats (cereals)** for the 2019 season is 21 000 ha and the expected crop is 15 540 tons. The expected yield is 0, 74 t/ha (NCEC, 2020).

1.2.2 Summer cereal crops production estimates: 2019/20 season

The revised area estimate for maize is 2 599 800 ha, which is 13, 01% or 299 300 ha more than the 2 300 500 ha planted for the previous season, and 2, 54% or 64 500 ha more than the preliminary area estimate of 2 535 300 ha released in January 2020. The expected commercial maize crop is 14 560 160 tons, which is 29, 14% or 3 285 160 tons more than the 11 275 000 tons of the previous season (2019). The yield for maize is 5, 60 t/ha. The area estimate for **white maize** is 1 596 300 ha, which represents an increase of 22, 94% or 297 900 ha compared to the 1 298 400 ha planted last season. The production forecast of white maize is 8 286 825 tons, which is 49, 45% or 2 741 825 tons more than the 5 545 000 tons of last season. The yield for white maize is 5, 19 t/ha. In the case of **yellow maize**, the area estimate is 1 003 500 ha, which is 0, 14% or 1 400 ha more than the 1 002 100 ha planted last season. The yellow maize production forecast is 6 273 335 tons, which is 9, 48% or 543 335 tons more than the 5 730 000 tons of last season. The yield for yellow maize is 6, 25 t/ha (NCEC, 2020).

Other summer crops

The revised area estimate for **sunflower seed** is 500 300 ha, which is 2, 92% or 15 050 ha less than the 515 350 ha planted the previous season. The production forecast for sunflower seed is 699 130 tons, which is 3, 12% or 21 130 tons more than the 678 000 tons of the previous season. The expected yield is 1, 40 t/ha. It is estimated that 705 000 ha have been planted to soybeans, which represents a decrease of 3, 49% or 25 500 ha compared to the 730 500 ha planted last season. The production forecast is 1 242 950 tons, which is 6, 20% or 72 605 tons more than the 1 170 345 tons of the previous

season. The expected yield is 1, 76 t/ha. For **groundnuts**, the area estimate is 37 500 ha, which is 87, 03% or 17 450 ha more than the 20 050 ha planted for the previous season. The expected crop is 54 390 tons – which is 180, 36% or 34 990 tons more than the 19 400 tons of last season. The expected yield is 1, 45 t/ha. The area estimate for **sorghum** decreased by 10, 30% or 5 200 ha, from 50 500 ha to 45 300 ha against the previous season. The production forecast for sorghum is 135 090 tons, which is 6, 37% or 8 090 tons more than the 127 000 tons of the previous season. The expected yield is 2, 98 t/ha. For **dry beans**, the area estimate is 50 150 ha, which is 15, 43% or 9 150 ha less than the 59 300 ha planted for the previous season. The production forecast is 72 910 tons, which is 9, 88% or 6 555 tons more than the 66 355 tons of the previous season. The expected yield is 1, 45 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
19	01/02 - 07/02/2020	5 463	0	5 463	1 394 010
20	08/02 - 14/02/2020	3 278	0	3 278	1 397 288
21	15/02 - 21/02/2020	5 202	0	5 202	1 402 490
22	22/02 - 28/02/2020	3 466	11 093	14 559	1 417 049

Source (SAGIS, 2020)

Table 1.3 represents weekly producer deliveries for wheat that occurred from the week ending 07 February to the week ending 28 February 2020. During this period, 28 502 tons of wheat have been delivered to the market (SAGIS, 2020). As a result, the progressive deliveries amounted to 1 417 049 tons, which represents 83, 58% 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 28 February 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
41	01/02 - 07/02/2020	7 466	0	7 466	5 268 368
42	08/02 - 14/02/2020	11 480	0	11 480	5 279 848
43	15/02 - 21/02/2020	9 015	-361	8 654	5 288 502
44	22/02 - 28/02/2020	6 012	8 573	14 585	5 303 087

Source (SAGIS, 2020)

As from week ending 07 February to the week ending 28 February 2020, a total of 42 185 tons of white maize has been delivered. Major adjustments for white maize deliveries were made during the week ending 28 February 2020. As a result, the progressive deliveries amounted to 5 303 087 tons, which represents 47, 41% delivery rate in relation to the crop estimate of 11 186 000 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
41	01/02 - 07/02/2020	9 015	0	9 015	5 163 730
42	08/02 - 14/02/2020	6 850	0	6 850	5 170 580
43	15/02 - 21/02/2020	15 342	-1 386	13 956	5 184 536
44	22/02 - 28/02/2020	9 086	20 727	29 813	5 214 349

Source (SAGIS, 2020)

As from week ending 07 February to the week ending 28 February 2020, a total of 59 634 tons of yellow maize were delivered to the market (SAGIS, 2020). The highest adjustment for yellow maize deliveries was made during the week ending 28 February 2020. As a result, the progressive deliveries amounted to 5 184 536 tons, which represents 46, 35% delivery rate in relation to the crop estimate of 11 186 000 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 3 379 200 tons. This includes 3 270 000 tons processed for human consumption, 3 200 tons processed for animal

consumption, 2 000 tons withdrawn by producers, 1 800 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 18 000 tons processed products and 60 000 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 454 554 tons. At an average processed quantity of 272 767 tons per month, this represent available stock levels for 1.7 months or 51 days (NAMC, 2020).

1.4.3 White maize marketing season 2019/20

The **total supply of white maize** is projected at 7 228 100 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 34 102 tons and a surplus of 10 000 tons. The **total demand (domestic plus exports) for white maize** is projected at 6 480 500 tons. The total domestic demand is projected at 5 370 500 tons. This includes 4 650 000 tons processed for human consumption, 670 000 tons processed for animal and industrial consumption, 11 000 tons for gristing, 14 000 tons withdrawn by producers, 22 000 tons released to end-consumers and a balancing figure of 3 500 tons (net receipts and net dispatches). A projected export quantity of 170 000 tons of processed products and 940 000 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 747 600 tons. At an average processed quantity of 444 250 tons per month, this represent available stock levels for 1.7 months or 51 days. (NAMC, 2020).

1.4.4 Yellow maize marketing season 2019/20

The **total supply of yellow maize** is projected at 6 796 043 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 525 000 tons are estimated for the current season, early deliveries of 18 955 tons and a surplus of 12 000 tons. The **total demand (domestic plus exports) for yellow maize** is projected at 6 347 000 tons. The total domestic demand is projected at 5 837 000 tons. This includes 580 000 tons processed for human consumption, 5 100 000 tons processed for animal and industrial consumption, 11 000 tons for gristing, 42 000 tons withdrawn by producers, 98 000 tons released to end-consumers and a balancing figure of 6 000 tons (net receipts and net dispatches). A projected export quantity of 120 000 tons of processed products and 390 000 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 449 043 tons. At an average processed quantity of 474 250 tons per month, this represent available stock levels for 0.9 months or 29 days. (NAMC, 2020).

1.4.5 Sunflower seed marketing season 2019/20

The **total supply of sunflower seed** is projected at 803 765 tons for the 2019/20 marketing season. This includes an opening stock level (at 1 March 2019) of 120 165 tons, local commercial deliveries of 678 000 tons, sunflower seed imports of 500 tons for South Africa and a surplus of 5 100 tons. The **total demand (domestic plus exports) for sunflower seed** is projected at 693 245 tons. This includes 1 500 tons processed for human consumption, 5 650 tons processed for animal consumption, 680 000 tons for crush (oil and oilcake), 750 tons withdrawn by producers, 1 050 tons released to end consumers, 2 425 tons seed for planting purposes and a balancing figure of 1 300 tons (net receipts and net dispatches). A quantity of 570 tons is estimated for exports for the 2019/20 marketing season. The **projected closing stock level** at 29 February 2020 is estimated at 110 520 tons. At an average processed quantity of 57 263 tons per month, this represents available stock levels for 1.9 months or 59 days. (NAMC, 2020).

1.4.6 Soybean marketing season 2019/20

The **total supply of soybeans** is projected at 1 648 586 tons for the 2019/20 marketing season. This includes an opening stock level (at 1 March 2019) of 502 241 tons, local commercial deliveries of 1 134 345 tons, soybean imports of 9 5001 tons for South Africa and a surplus of 2 500 tons. The **total demand (domestic plus exports)** for soybeans is projected at 1 487 000 tons. This includes 24 500 tons processed for human consumption, 198 000 tons processed for animal (full fat) feed, 1 250 000 tons for crush (oil and oilcake), 750 tons withdrawn by producers, 400 tons released to end consumers, 7 650 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 2019/20 marketing season. The **projected closing stock level** at 29 February 2020 is estimated at 161 586 tons. At an average processed quantity of 122 708 tons per month, this represents available stock levels for 1.3 months or 40 days. (NAMC, 2020).

1.5. EXPORTS, IMPORTS AND RE-EXPORTS

1.5.1 Wheat

Progressive wheat export during the 2019/20 reporting period is 26 609 tons. Wheat exports for South Africa amounted to 10 435 tons from the week ending 07 February 2020 to the week ending 28 February 2020. During the reporting period, Zambia was the leading export destination for South African wheat with a share of 34%, followed by Eswatini (19%), Botswana (16%), Lesotho (15%) and Zimbabwe with a 13% share in RSA exports. Wheat imports for South Africa were mainly from Germany and Poland with a share of 35% and 32% respectively (SAGIS, 2020).

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

Progressive wheat exports 2019/20	26 609	Progressive wheat imports 2019/20	722 347
Wheat exports (tons) during the reporting period: 01 February 2019 to 28 February 2020	10 435	Wheat imports (tons) during the reporting period: 01 February 2019 to 28 February 2020	159 389
Importing countries	Share in RSA exports	Exporting countries	Share in RSA imports
Zambia	34%	Germany	35%
Eswatini	19%	Poland	32%
Botswana	16%	Latvia	20%
Lesotho	15%	Lithuania	12%
Zimbabwe	13%		
Namibia	3%		

Source (SAGIS, 2020)

1.5. 2 White and Yellow Maize

Progressive White and Yellow maize exports during the 2019/20 reporting period are 816 808 tons and 332 884 tons respectively. White maize exports for South Africa amounted to 117 237 tons and yellow maize exports amounted to 32 223 tons from the week ending 07 February 2020 to the week ending 28 February 2020. During the reporting period, the main export destinations for South African white maize were Zimbabwe (60%), Namibia (14%) and Botswana (13%). 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)

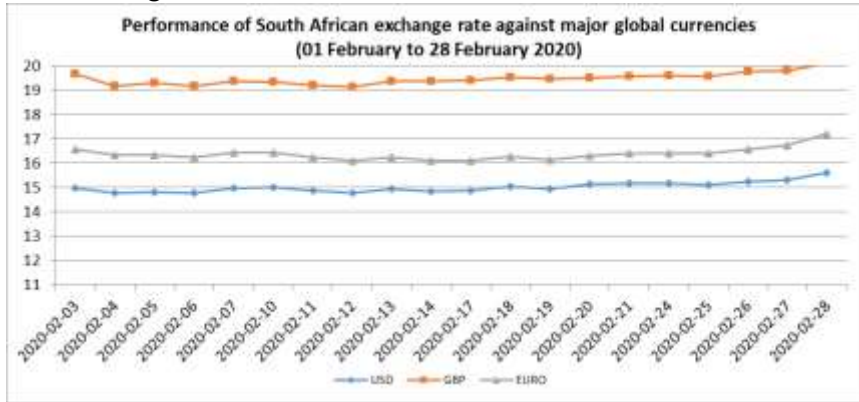
Progressive 2019/20	White maize: 816 808	Yellow maize: 332 884	Progressive 2019/20	White maize: 0	Yellow maize: 477 671
Maize exports during the reporting period: 01 February 2019 to 28 February 2020	117 237	32 223	Maize imports during the reporting period: 01 February 2019 to 28 February 2020	No imports due to bumper crop harvested during the current production season	25 442
Importing countries	Share in white maize exports	Share in yellow maize exports	Exporting countries	Share in white maize imports	Share in yellow maize imports
Zimbabwe	60%	38%	Argentina	0%	100%
Namibia	14%	14%			
Botswana	13%	7%			
Mozambique	7%	11%			
Eswatini	3%	21%			
Lesotho	3%	4%			
Korea Republic Of	0%	5%			

Source (SAGIS, 2020)

During the reporting period, the main exports destinations for South African yellow maize were Zimbabwe (38%), Eswatini (21%), Namibia (14%) and Mozambique (11%). During the period under review, South Africa's yellow maize imports were sourced from Argentina (100%) (SAGIS, 2020).

2. ECONOMIC REVIEWS

2.1 Exchange Rates



Source: SARB (2020)

During the reporting period 01 February to 28 February 2020, the 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 trade of Rand against the Great Britain pound and Euro, it can be noted that the rand weakened by 3.6% and 2.5% respectively. The rand weakened by 4.4% against the US dollar (USD), it traded at R14.99 in February 2020 while it traded for R14.35 in January 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	19,00	cents per litre decrease in retail price	1520,00
Diesel 0.05% Sulphur	54,00	cents per litre decrease in wholesale price	1349,06
Illuminating Paraffin (Wholesale)	68,00	cents per litre decrease in wholesale price	789,53
LPGAS (maximum retail price)	32,00	cents per kilogram decrease in the maximum retail price	2346,00

(DOE, 2020)

The Department of Energy has announced a decrease in fuel prices with effect from 04 March 2020. The price of Petrol 95 ULP & LRP decreased by 19 cents end of February 2020. The price of diesel (0.05% sulphur) decreased by 54 cents, and illuminating paraffin wholesale price per litre decreased by 68 cents. Lastly, LPGAS's maximum retail price decreased by 32 cents per kilogram by end of February 2020.

4. WEATHER ADVISORY – SEASONAL FORECAST TO JANUARY 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 belownormal rainfall over most of the country with the exception of the eastern parts during midautumn 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 in the province is at 44.0%, compared to 39.6% in 2019. Brandvlei dam is 21.9% full compared to 24.7% during the same period last year. Clanwilliam dam is 22.5% full compared to 27.9% during the same period last year. The water level in Theewaterskloof is 55.7% compared to 40.3% 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.

ACKNOWLEDGMENTS

Agricultural Produce Agents Council (APAC): www.apacweb.org.za

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

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

South African Government: www.gov.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

Techno Fresh CRM: www.technofresh.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

DISCLAIMER: The Western Cape