PERIOD UNDER REVIEW: September 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 (with the exception of wheat prices) in September 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

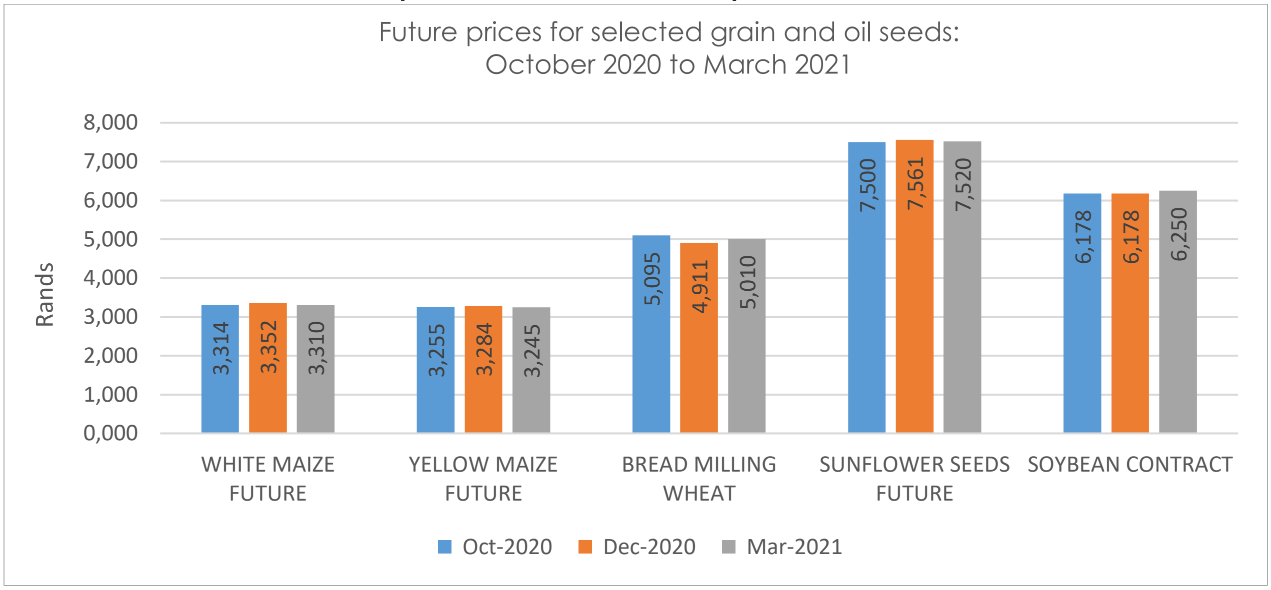
MTM 30/09/2020 (expressed in R/MT)		Month end 30/09/19)	Year on year change	Month end 31/08/2020)	Month end 31/07/2020)
		R/MT		R/MT	R/MT
Commodity	**Oct-20**	**Oct-19**	**Oct 19 vs 20**	**Sep-20**	**Aug-20**
White maize	3314	2839	17%	3119	2680
Yellow maize	3255	2722	19,58%	3077	2741
Wheat	5095	4600	10,8%	5250	5863
Sunflower	7500	5572	34,60%	6911	6367
Soybean Contract	6178	4992	23,8%	5605	5605

Source: (SAFEX, 2020)

White maize had a highest price increase of R439 (16.4%) per ton, Yellow maize R336 (12.3%) and Sunflower R544 (8.5%) respectively. The price of wheat decreased by R613 (10.5%) in September when compared to August 2020. When comparing to the previous year, mark to market prices for delivery in October 2020 were generally high. Sunflower prices increased by R1928 (35%) per ton, Soybean contract R1186 (24%), yellow maize R533 (20%), white maize R475 (17%) and wheat R495 (11%) 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)

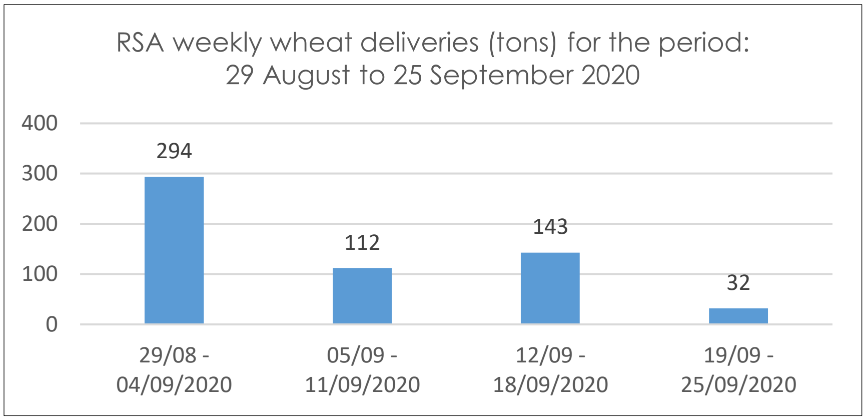
The above graph shows a slight increase of mark to market future prices in December 2020 and a slight decrease of prices in March 2021 for sunflower seeds, white and yellow maize. December 2020 wheat prices show a slight decrease and a slight increase in March 2021. Soybean contract prices show a slight increase in 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 29 August to 25 September 2020. During this period, 581 tons of wheat were delivered to the market (SAGIS, 2020). As a result, progressive wheat deliveries amounted to 1 513 201 tons, which represents 89, 25% delivery rate in relation to the crop estimate of 1 695 470 tons for 2019/20 production season.

Figure 1: Weekly wheat deliveries (Tons)



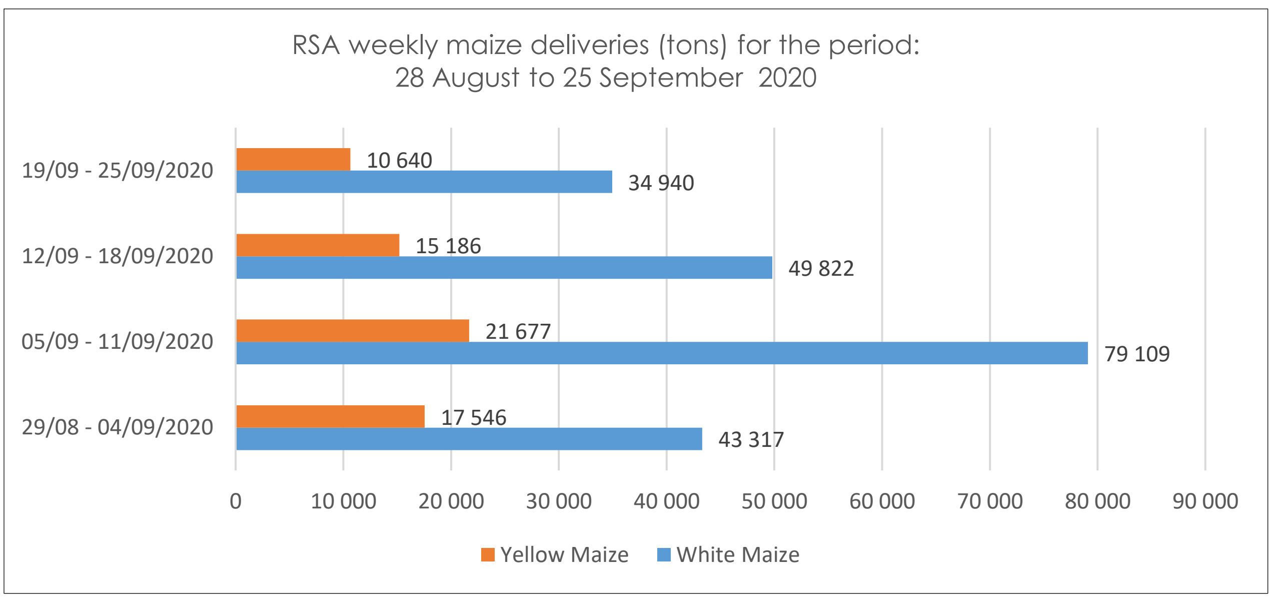
Source (SAGIS, 2020)

Major adjustments occurred during the week ending 04 September 2020, as a result, there was a shortfall of 127 tons of wheat from the expected deliveries.

1.3.2 Weekly producer deliveries for white and yellow maize

During the period 29 August to 25 September 2020, a total of 207 188 tons of white maize were delivered. Major adjustments for white maize deliveries were made during the week ending 04 September 2020. As a result, progressive deliveries amounted to 7 677 190 tons, which represents 90% 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)

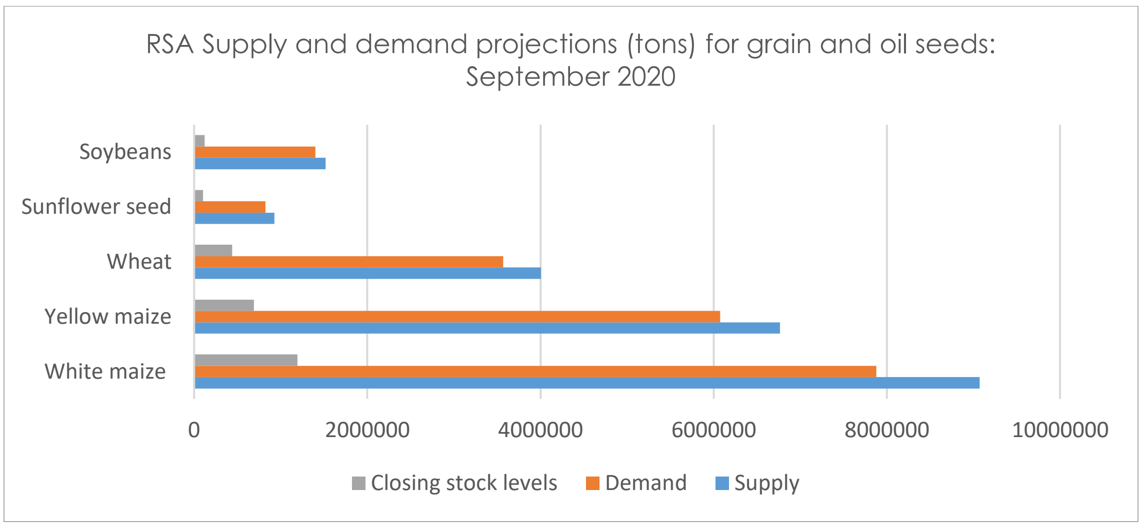
During the period, 29 August to 25 September 2020, a total of 65 049 tons of yellow maize were delivered to the market (SAGIS, 2020). The highest adjustment for yellow maize deliveries was made during the week ending 04 September 2020. As a result, progressive deliveries amounted to 5 790

020 tons, which represents 92.11% 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** (9 072 483 tons), **yellow maize** (6 766 997 tons) **wheat** (4 007 159 tons), **sunflower seed** (926 735) tons and **soybeans** (1 519 305 tons) respectively.

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



(NAMC 2020)

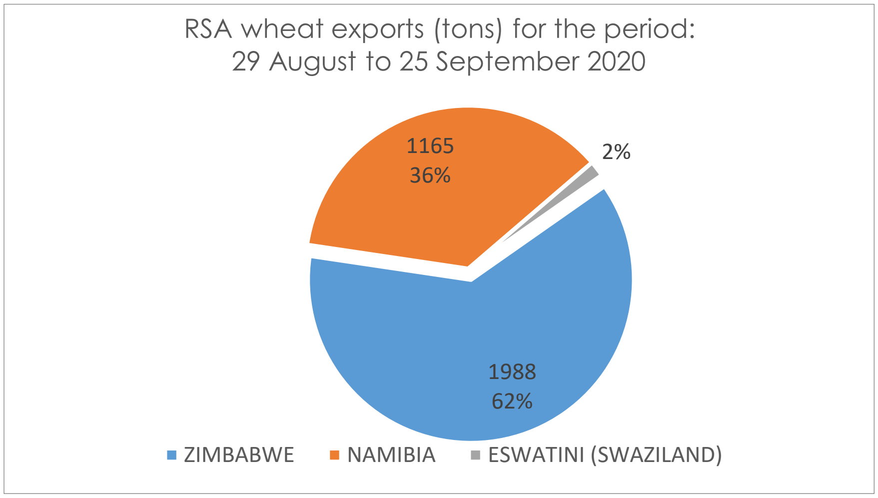
The **total demand (domestic plus exports) for white maize** (7 879 500 tons), **yellow maize** (6 076 500 tons), **wheat** (3 569 600 tons), **sunflower maize** (823 250 tons) and soybeans (1 398 200 tons) respectively (NAMC, 2020). Alternatively, visit the National agricultural Marketing council Website 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

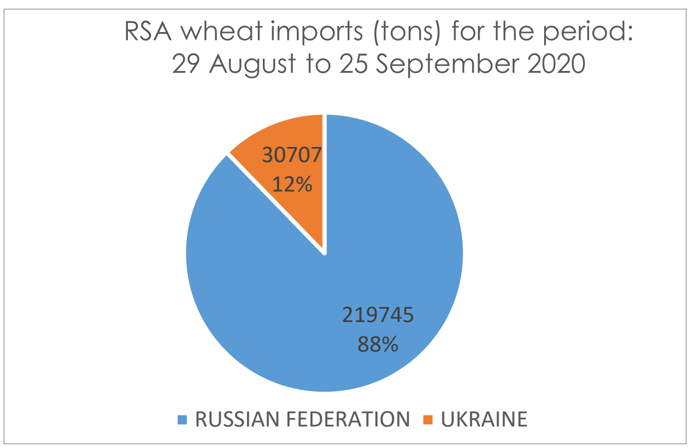
Progressive wheat export during the 2019/20 reporting period is 81 403 tons. Wheat exports for South Africa amounted to 3 203 tons for the period 29 August 2020 to 25 September 2020. The following graph shows South African wheat export destinations.

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



Source (SAGIS, 2020)

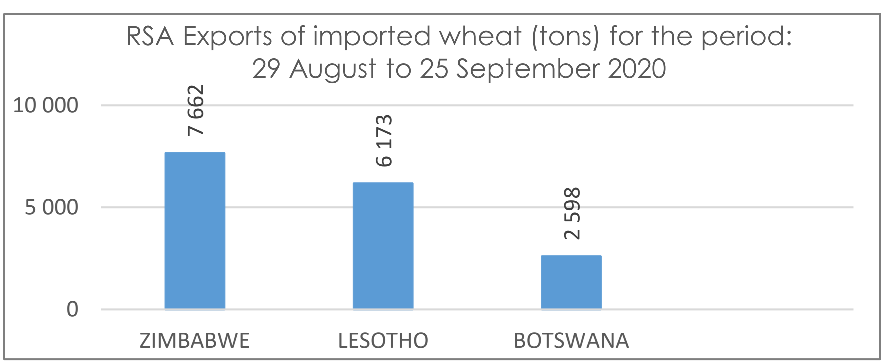
Wheat exports for South Africa were mainly from Zimbabwe (1 988 tons,) Namibia (1 165 tons) and Eswatini (50 tons).



Source (SAGIS, 2020)

Wheat imports for South Africa amounted to 250 452 tons for the period 29 August 2020 to 25 September 2020. Wheat imports for South Africa were mainly from Russian Federation (219 745 tons) and Ukraine (30 707 tons)

Figure 4: Exports of imported wheat



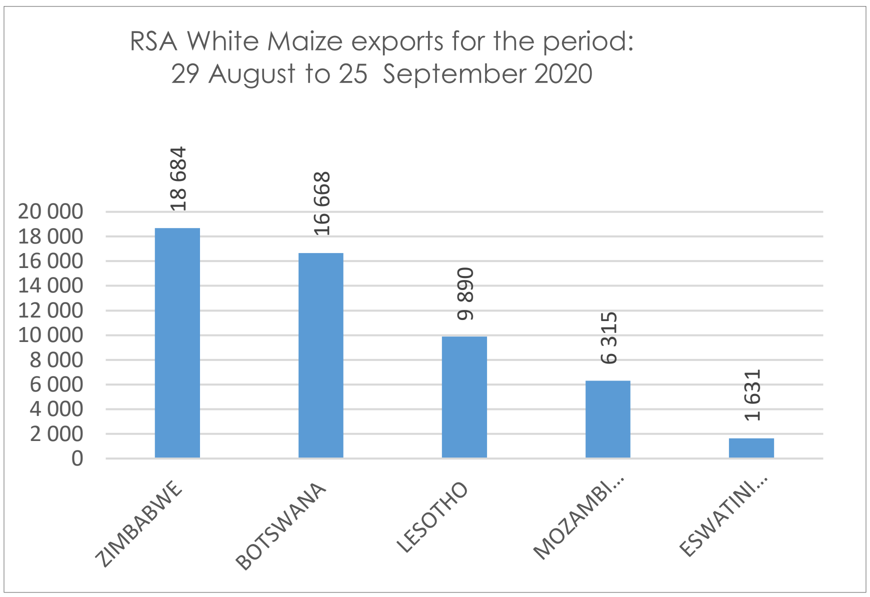
Source (SAGIS, 2020)

Exports of imported wheat for the period, 29 August 2020 to 25 September 2020 amounted to 16 433 tons. The destinations for imported wheat were Zimbabwe (7 662 tons), Lesotho (6 173 tons), and Botswana (2 598 tons).

1.5. 2 White and Yellow Maize trade

Progressive White maize exports during the 2020/21 season are 375 604 tons. White maize exports for South Africa amounted to 53 188 tons during the period, 29 August 2020 to 25 September 2020.

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

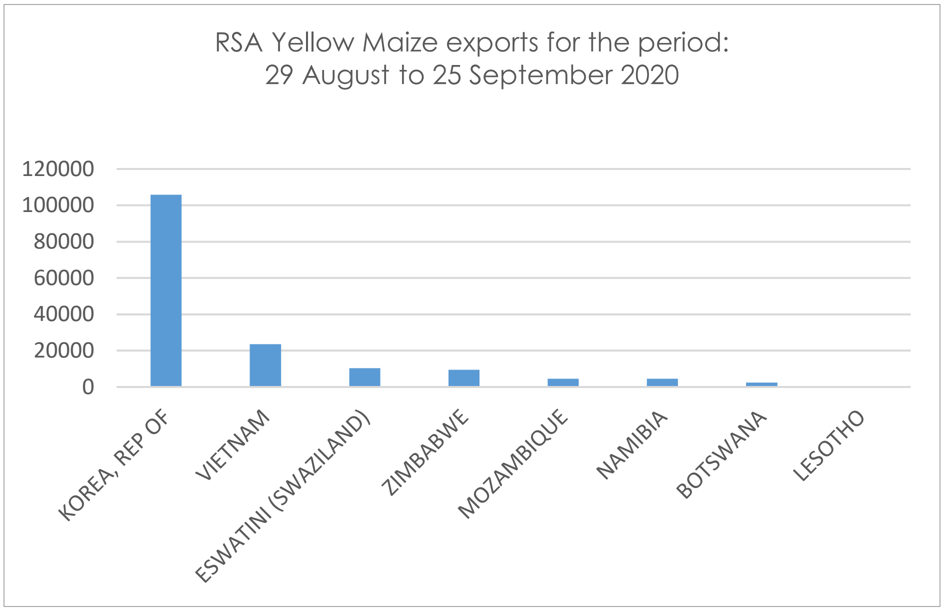


Source (SAGIS, 2020)

The main export destinations for South African white maize were Zimbabwe (18 684 tons), Botswana (16 668 tons), Lesotho (9 890 tons), Mozambique (6 315 tons) and Eswatini (1 631 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 1 103 812 tons. Yellow maize exports for South Africa amounted to 160 744 tons during the period, 29 August 2020 to 25 September 2020.

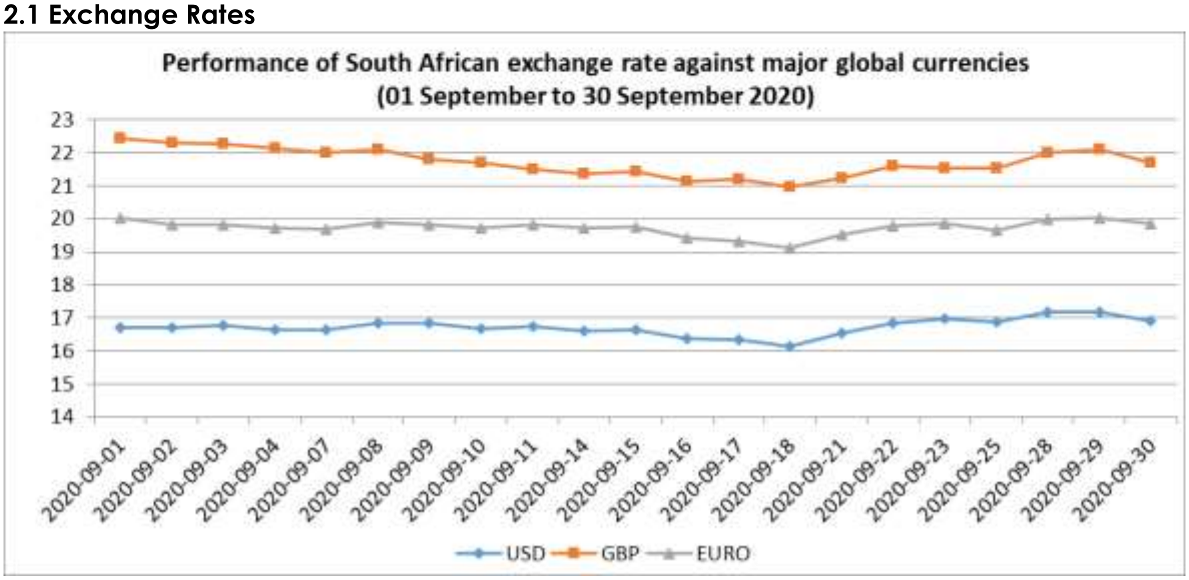
Figure 6: Yellow maize trade for the 2019/20 marketing season (Tons)



The main exports destinations for South African yellow maize were Korea Republic (66%), Vietnam (15%), Eswatini (6%) and Zimbabwe (6%). 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 September to 30 September 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 US dollar and Euro, it can be noted that the rand strengthened by 3.1% and 3.2% respectively. The rand strengthened by 4.1% against the Great Britain pound, it traded at R21.71 in September 2020 while it traded at R22.63 in August 2020.

3. ENERGY

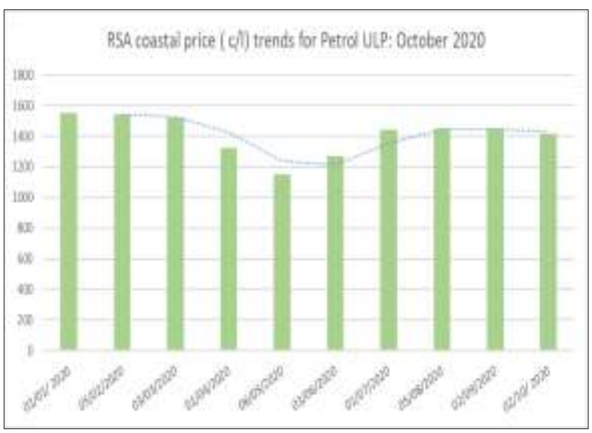
Product Description	Numerical adjustment applicable to the coast parts in South Africa	Price adjustment Description	The average price (cents) applicable to the coastal parts of South Africa
Petrol 95 ULP & LRP	32,00	cents per litre **decrease** in retail price	1416,00
Diesel 0.05% Sulphur	90,00	cents per litre **decrease** in wholesale price	1177.26
Illuminating Paraffin (Wholesale)	76,00	cents per litre **decrease** in wholesale price	559.73
LPGAS (maximum retail price)	20,00	cents per kilogram **decrease** in the maximum retail price	2364,00

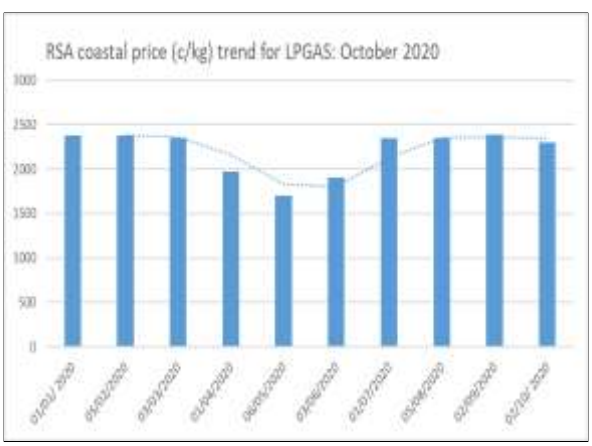
Table 4.1 Basic fuel Price adjustments

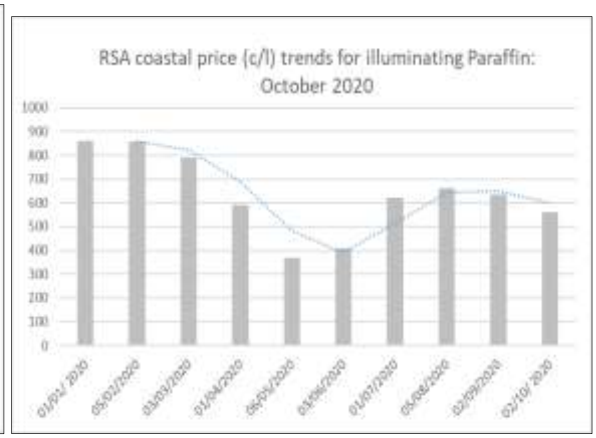
(DOE, 2020)

The Department of Energy has announced a decrease in fuel prices with effect from 02 October, 2020. The price of Petrol 95 ULP& LRP decreased by 32 cents. The price of diesel (0.05% sulphur) decreased by 90 cents, and illuminating paraffin wholesale price per litre decreased by 76 cents. Lastly, LPGAS's maximum retail price decreased by 20 cents per kilogram.

RSA fuel price trends: September 2020







4. WEATHER ADVISORY – SEASONAL FORECAST SEPTEMBER TO NOVEMBER 2020

The multi-model rainfall forecast for late 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 81.2% compared to 65.4% in 2019. Brandvlei dam is 69.6% full compared to 53.1% during the same period last year. Clanwilliam dam is 98.4% full compared to 95.4% during the same period last year. The water level in Theewaterskloof is 101.6% compared to 70.3% 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.**

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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