PERIOD UNDER REVIEW: November 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 November 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 30/11/2020 (expressed in R/MT)		Month end (30/11/19)	Year on year change	Month end 31/10/2020)	Month end 30/09/2020)
		R/MT		R/MT	R/MT
Commodity	**Dec-20**	**Dec-19**	**Dec 19 vs 20**	**Nov-20**	**Oct-20**
White maize	3539	2841	25%	3599	3314
Yellow maize	3467	2745	26,30%	3511	3255
Wheat	4835	4395	10,0%	5040	5095
Sunflower	8754	5414	61,69%	8260	7500
Soybean Contract	6356,91	4946	28,5%	6356,91	6178

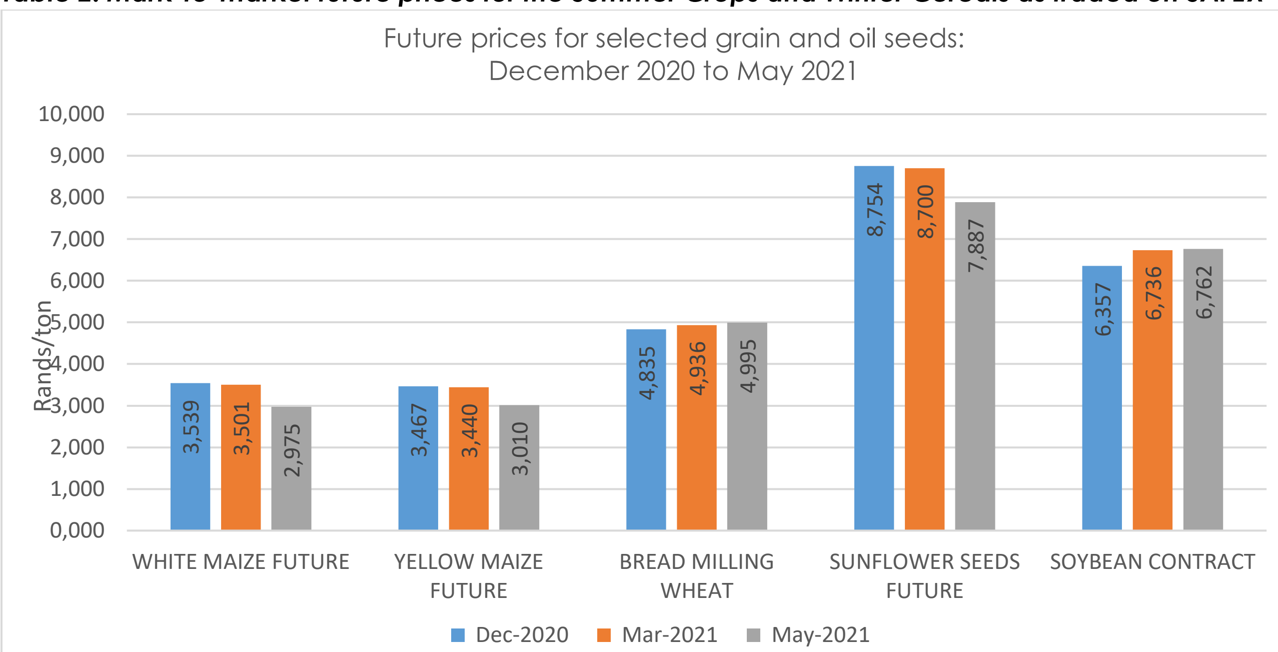
Source: (SAFEX, 2020)

Sunflower seed had a highest price increase of R760 (10.1%) per ton, White maize R285 (8.6%), Yellow maize R256 (7.9%) and Soybean contract R179 (2.9%) respectively. The price of Wheat decreased by R55 (1.1%) in November when compared to October 2020. When comparing to the previous year, mark to market prices for delivery in December 2020 were generally high. Sunflower prices increased by R3340 (61.6%) per ton, Soybean contract R1410 (28.5%), Yellow maize R722 (26%), White maize R698 (25%), and Wheat R440 (10%) 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)

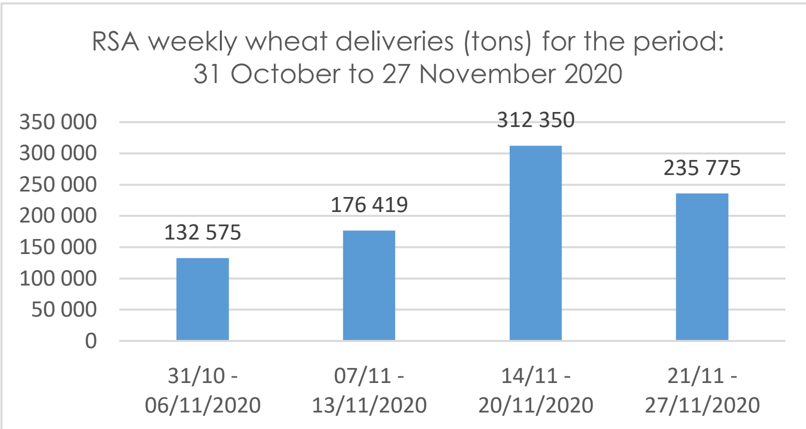
The above graph shows a slight increase of mark to market future prices in March 2021 for soybean contract and wheat. A slight decrease of future prices in March 2021 for sunflower seeds, white and yellow maize. May 2021 future prices for sunflower seeds, white and yellow maize are expected to slightly decrease while future prices of soybean contract and wheat are expected to slightly increase.

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 31 October to 27 November 2020. During this period, 857 119 tons of wheat were delivered to the market (SAGIS, 2020). As a result, progressive wheat deliveries amounted to 931 673 tons, which represents 43 % delivery rate in relation to the crop estimate of 2 149 270 tons for 2020/21 production season.

Figure 1: Weekly wheat deliveries (Tons)



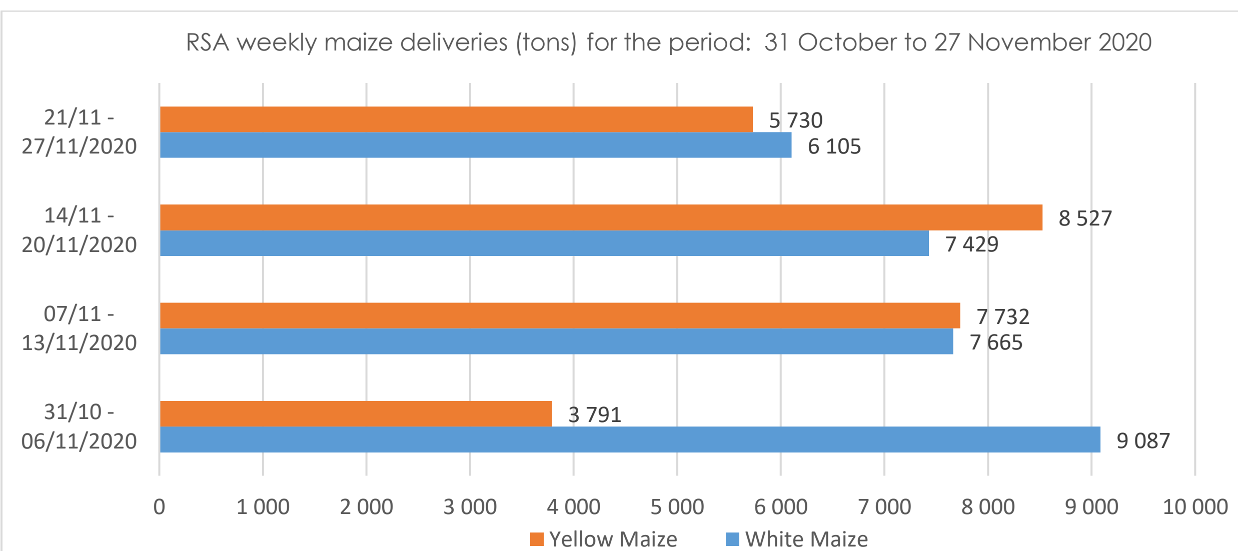
Source (SAGIS, 2020)

Major adjustments occurred during the week ending 06 November 2020, as a result, there was a shortfall of 15 613 tons of wheat from the expected deliveries.

1.3.2 Weekly producer deliveries for white and yellow maize

During the period 31 October to 27 November 2020, a total of 30 286 tons of white maize were delivered. Major adjustments for white maize deliveries were made during the week ending 20 November 2020. As a result, progressive deliveries amounted to 8 006 298 tons, which represents 92% 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)



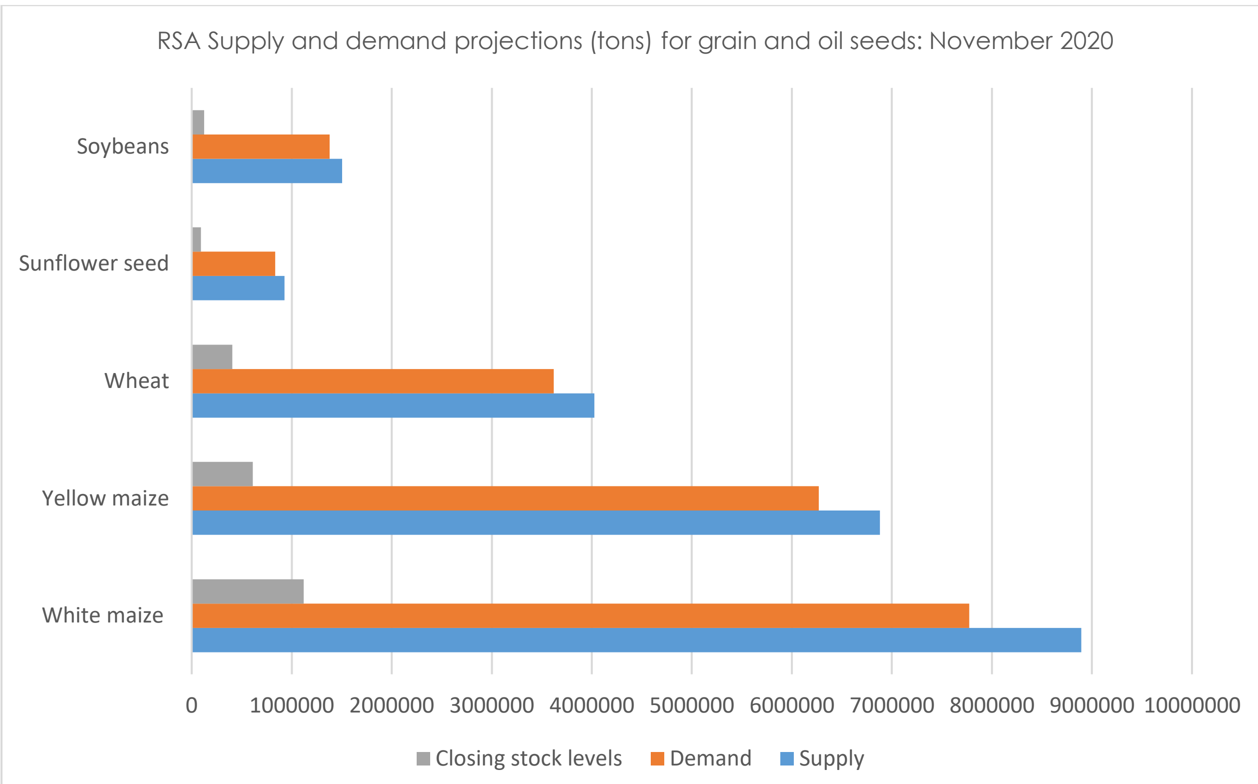
Source (SAGIS, 2020)

During the period, 31 October to 27 November 2020, a total of 25 780 tons of yellow maize were delivered to the market (SAGIS, 2020). The highest adjustment for yellow maize deliveries was made during the week ending 20 November 2020. As a result, progressive deliveries amounted to 5 958 817 tons, which represents 94% 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** (8 894 033 tons), **yellow maize** (6 880 516 tons), **wheat** (4 025 178 tons), **sunflower seed** (926 735) tons and **soybeans** (1 503 555 tons) respectively.

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



(NAMC 2020)

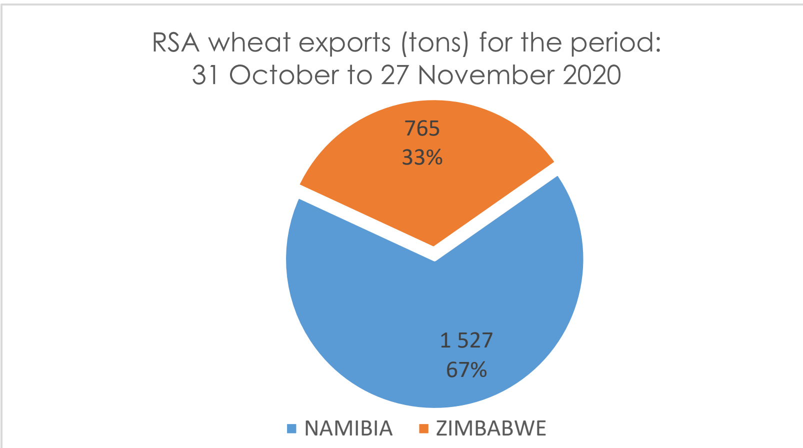
The **total demand (domestic plus exports) for white maize** (7 773 500 tons), **yellow maize** (6 268 500 tons), **wheat** (3 618 600 tons), **sunflower seed** (834 500 tons),) and **soybeans** (1 377 700 tons) respectively (NAMC, 2020). Alternatively, visit the National Agricultural Marketing Council 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 3 254 tons. Wheat exports for South Africa amounted to 2 292 tons for the period 31 October to 27 November 2020. The following graph shows South African wheat export destinations.

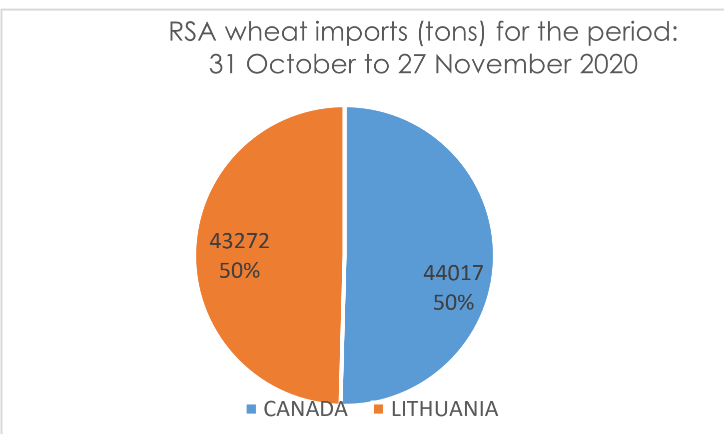
Figure 4: Wheat exports: 31 October to 27 November 2020



Source (SAGIS, 2020)

Wheat exports for South Africa were mainly to Namibia (1 527 tons)) and Zimbabwe (765 tons).

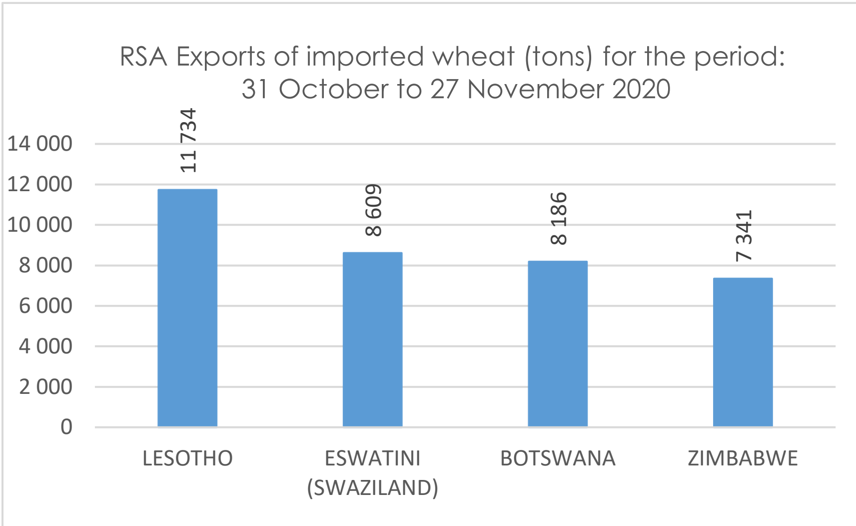
Figure 5: Wheat imports: 26 September to 30 October 2020



Source (SAGIS, 2020)

Wheat imports for South Africa amounted to 429 964 tons for the period 31 October to 27 November 2020. Wheat imports for South Africa were mainly from Canada (44 017 tons) and Lithuania (43 272tons).

Figure 6: Exports of imported wheat: 31 October to 27 November 2020



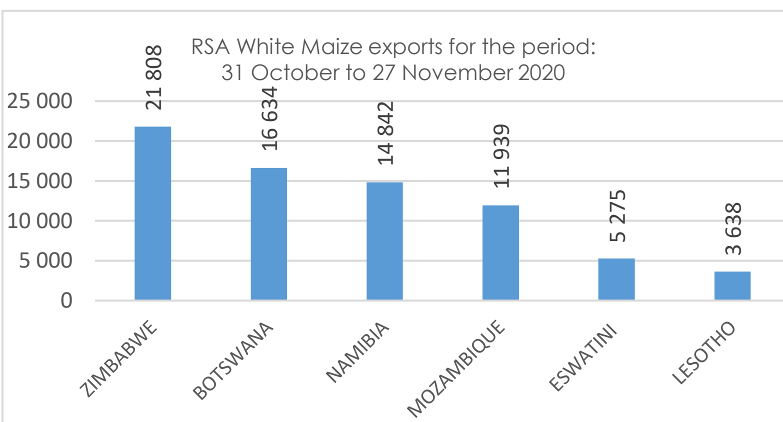
Source (SAGIS, 2020)

Exports of imported wheat for the period, 31 October to 27 November 2020 amounted to 35 870 tons. The destinations for imported wheat were Lesotho (11 734 tons), Eswatini (8 609 tons), Botswana (8 186 tons) and Zimbabwe (7 341 tons)

1.5. 2 White and Yellow Maize trade

Progressive White maize exports during the 2020/21 season are 593 603 tons. White maize exports for South Africa amounted to 74 136 tons during the period, 31 October to 27 November 2020.

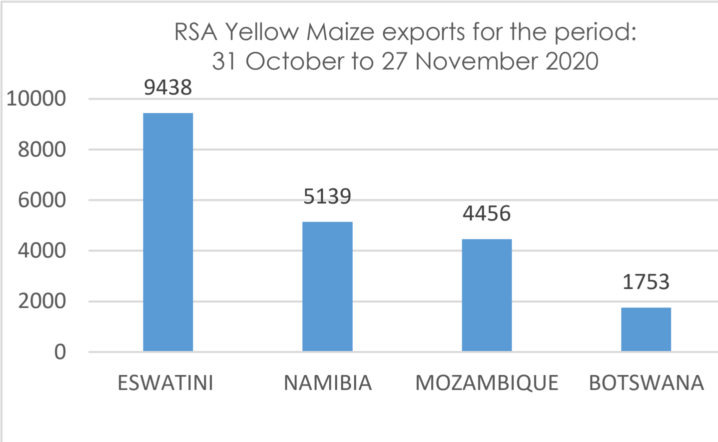
Figure 7: White maize trade for the 2020/21 marketing season (Tons)



Source (SAGIS, 2020)

The main export destinations for South African white maize were Zimbabwe (21 808 tons), Botswana (16 634 tons), Namibia (14 842 tons) Mozambique (11 939 tons), Eswatini (5 275 tons) and Lesotho (3 638 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 1 187 805 tons. Yellow maize exports for South Africa amounted to 20 786 tons during the period, 31 October to 27 November 2020.

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

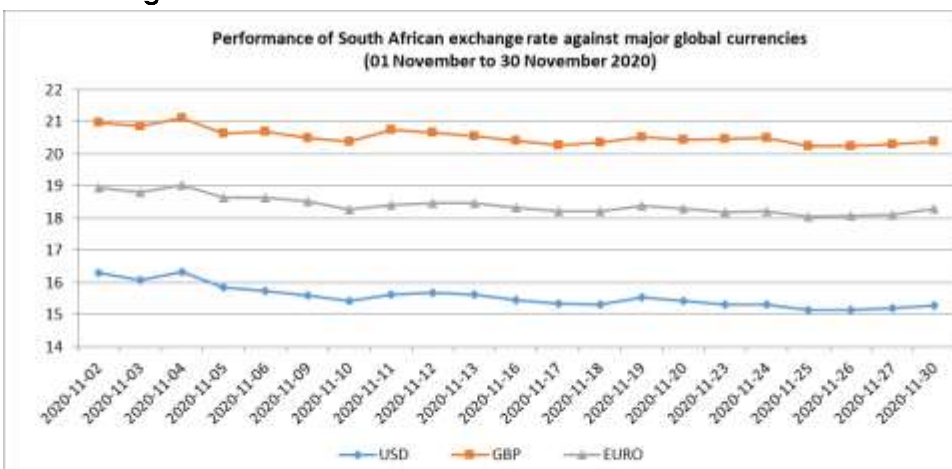


Source (SAGIS, 2020)

The main exports destinations for South African yellow maize were Eswatini (9 438 tons), Namibia (5 139 tons), Mozambique (4 456 tons) and Botswana (1 753 tons). 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 November to 30 November 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 4.0% and 5.1% respectively. On average, the rand strengthened by 5.5% against the US dollar, it traded at R15.57 in November 2020 while it traded at R16.47 in October 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	13,00	cents per litre **decrease** in retail price	1376,00
Diesel 0.05% Sulphur	19.86	cents per litre **increase** in wholesale price	1185.12
Illuminating Paraffin (Wholesale)	28.86	cents per litre **increase** in wholesale price	603.58
LPGAS (maximum retail price)	137,00	cents per kilogram **increase** in the maximum retail price	2516,00

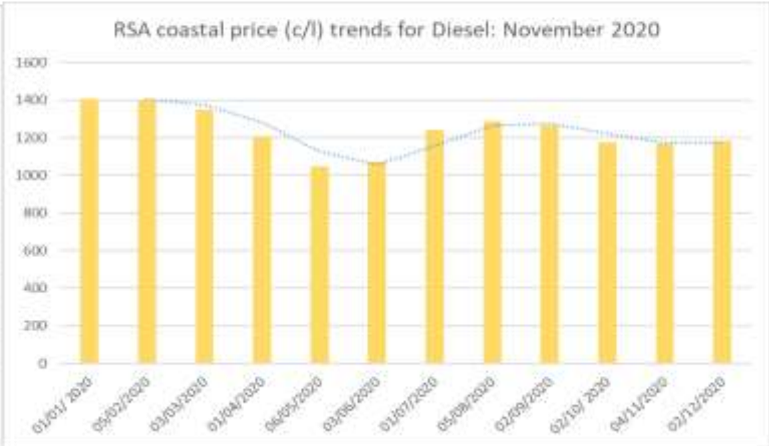
(DOE, 2020)

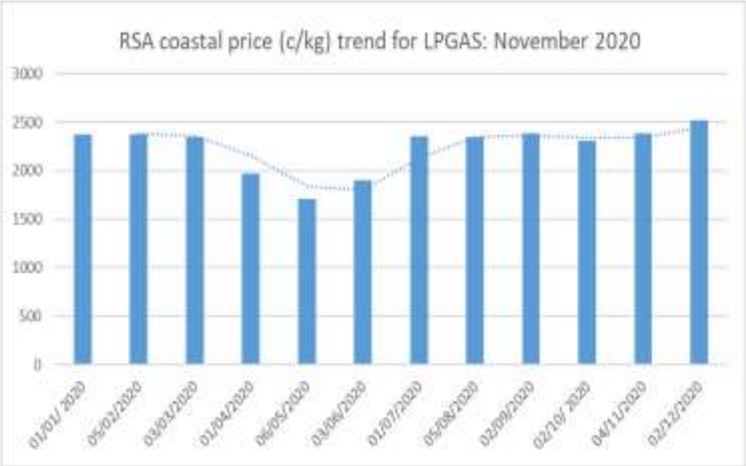
The price of Petrol 95 ULP & LRP decreased by 13 cents. The price of diesel (0.05% sulphur) increased by 19.86 cents and illuminating paraffin wholesale price per litre increased by 28.86 cents. Lastly, LPGAS's maximum retail price increased by 137 cents per kilogram.

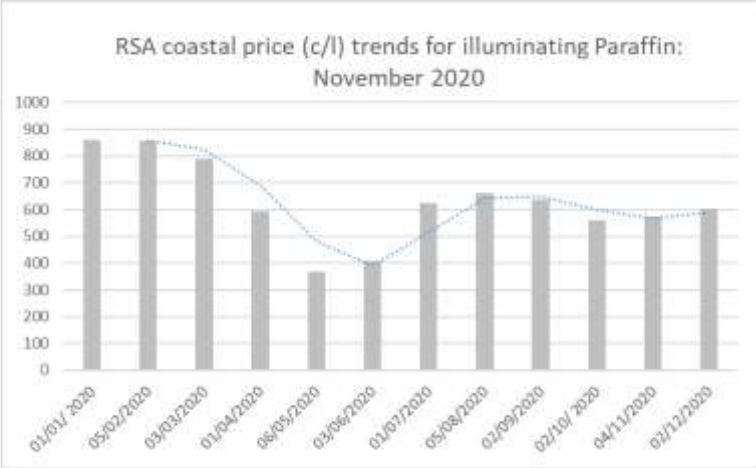
Economic factors affecting RSA fuel price adjustment: 01 November to 27 November 2020

During the period under review, there was a decrease in the average international product prices for Petrol whilst prices of Diesel and Illuminating Paraffin increased. On average, the Rand appreciated against the US Dollar compared to the previous month. The average Rand/US Dollar exchange rate for the period 01 November 2020 to 30 November 2020 was 15.63 compared to 16,46 during the previous month. This led to lower contribution to the basic fuel prices on petrol, diesel and illuminating paraffin by 25.86 c/l, 26.12 c/l and 25.14 c/l respectively (DOE, 2020).

RSA fuel price trends: November 2020







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

The multi-model rainfall forecast for mid-summer (Dec-Jan-Feb) and late-summer (Jan-Feb-Mar) indicate drier conditions in the north eastern parts of the country. There is a certain amount of uncertaity with regards to the rainfall for the coming summer months over the summer rainfall areas. The central parts of the country that also receive significant rainfall during summer (Free State and North-West) is still expected to receive above normal rainfall during summer. Most parts of the country are expected to experience below-normal minimum temperatures, while maximum temperatures are expected to be above normal in the north eastern parts and below normal for the rest of South Africa (SAWS, 2020).

Western Cape

The overall water level of state dams across the province is at 77.2% compared to 62.4% in 2019. Brandvlei dam is 65.2% full compared to 47.6% during the same period last year. Clanwilliam dam is 90.1% full compared to 77.7% during the same period last year. The water level in Theewaterskloof dam is 98.2% compared to 71.3% 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.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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