Western Cape Government
Agriculture
BETTER TOGETHER.

PERIOD UNDER REVIEW: March 2021 Compiled by Sindisiwe Dhlamini

1. SOUTH AFRICAN GRAIN MARKET

Mark to market prices for Wheat, White and Yellow maize as traded on SAFEX were generally low in March 2021 than the previous month. Mark to market prices for sunflower seed were high in March 2021 than in February 2021. 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 (expressed in R/MT)	31/03/2021	Month end (31/03/2020) R/MT	Year on year change	Month end 28/02/2021) R/MT	Month end 31/01/2021) R/MT
Commodity	**Apr-21**	**Apr-20**	**Apr-20 vs 21**	**Mar-21**	**Feb-21**
White maize	2990	3450	-13%	3204	3401
Yellow maize	3142	2800	12,21%	3320	3462
Wheat	4894	5360	-8,7%	5168	5234
Sunflower seed	8715	6000	45,25%	9572	9400

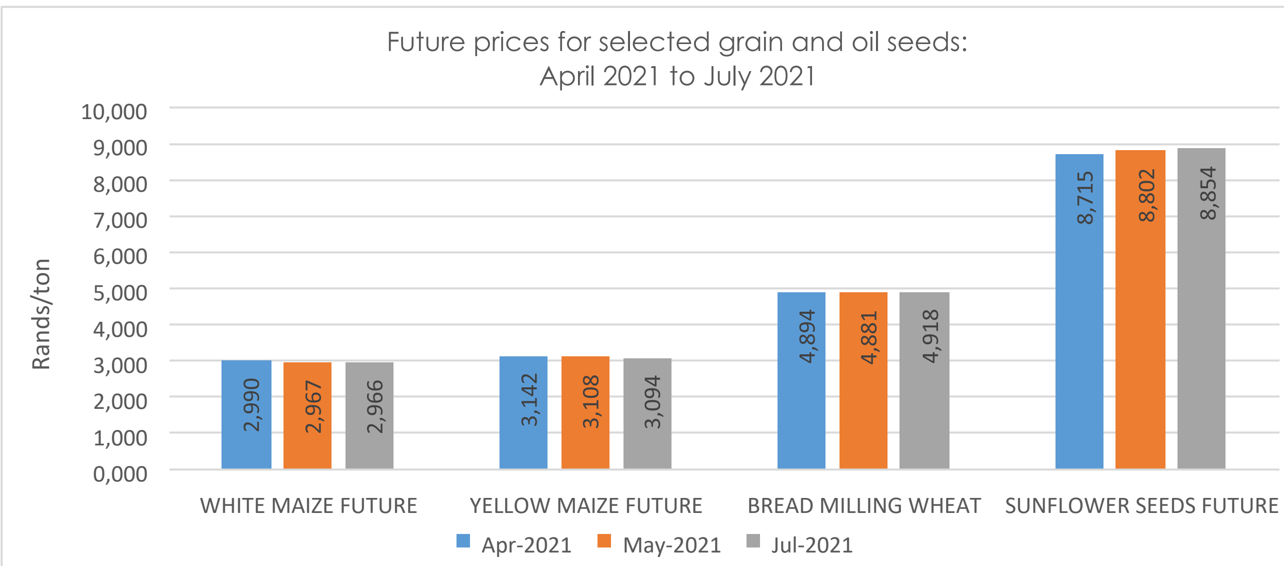
Source: (SAFEX, 2021)

The price of Sunflower seed increased by R172 (1.8%) per ton in March 2021 compared to the previous month. Wheat, White and Yellow maize had a price decrease per ton of R197 (5.8%), R142 (4.1%) and R66 (1, 3%) respectively in March 2021 compared to February 2021. When comparing to the previous year, mark to market prices for delivery in April 2021 were generally high for Sunflower seed and Yellow Maize. Sunflower seed prices increased by R2 715 (45%) and Yellow maize prices increased by R342 (12 %) respectively. White maize prices decreased by R460 (13%) and Wheat prices by R466 (8, 7 %) per ton, respectively (SAFEX, 2021).

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



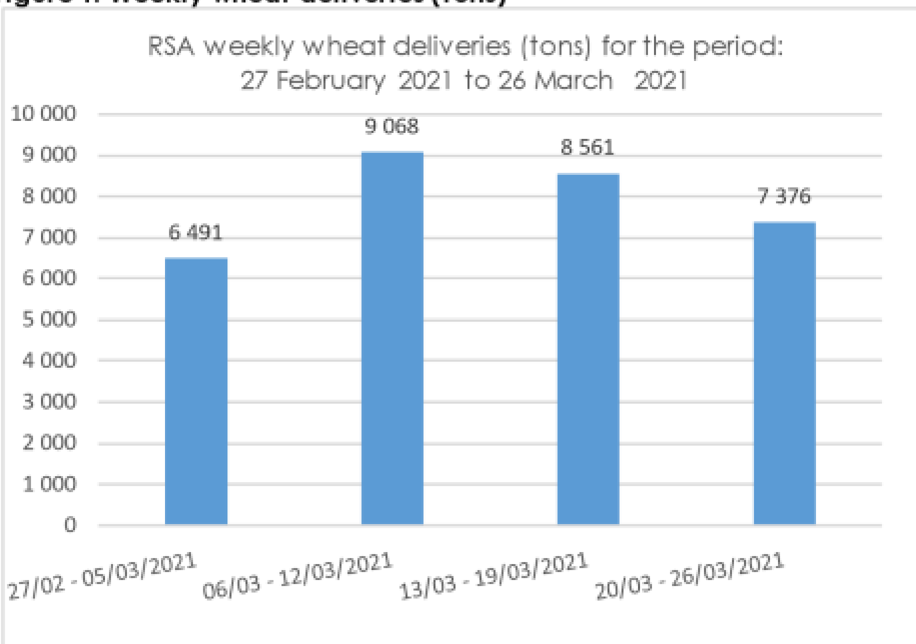
The above graph shows a slight decrease of mark to market future prices for Bread milling wheat, White and Yellow Maize in May 2021. Future prices for Sunflower seeds show a slight increase in May 2021 until July 2021.

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 27 February 2021 to 26 March 2021. During this period, 24 604 tons of wheat were delivered to the market (SAGIS, 2021). As a result, progressive wheat deliveries amounted to 2 001 003 tons, which represents 93, 1% delivery rate in relation to the crop estimate of 2 149 270 tons for 2020/21 production season.

Figure 1: Weekly wheat deliveries (Tons)



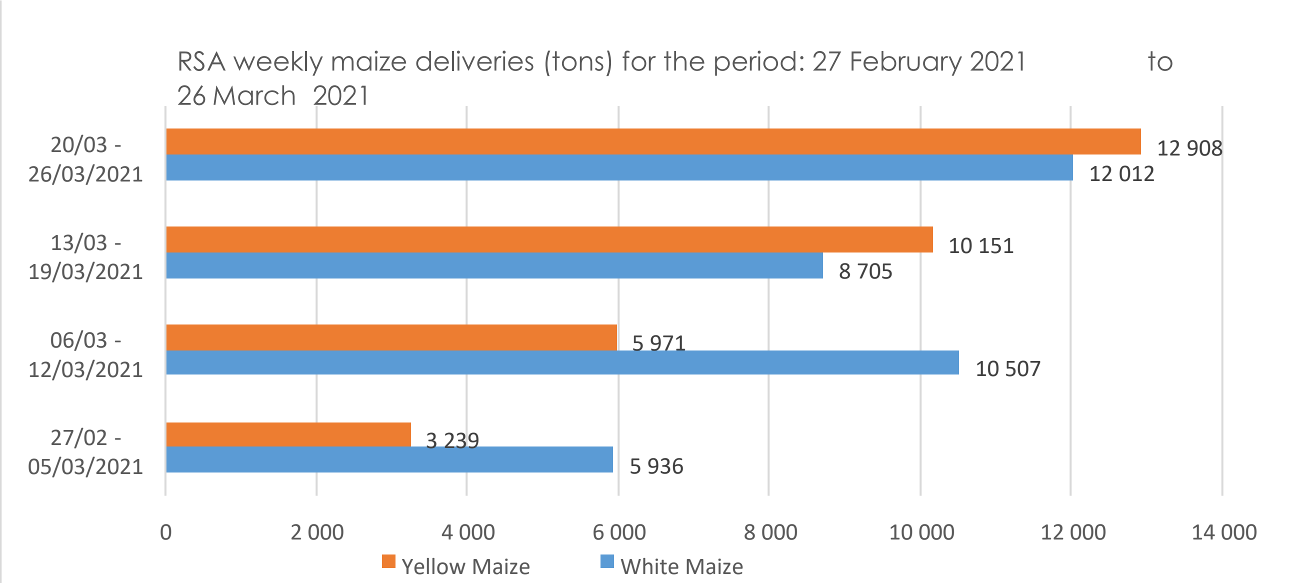
Source: SAGIS, 2021)

Major adjustments occurred during the week ending 26 March 2021, as a result, there was an additional 766 tons supplied to the market.

1.3.2 Weekly producer deliveries for white and yellow maize

During the period 27 February 2021 to 26 March 2021, a total of 57 866 tons of white maize were delivered to the market. An additional 18 907 tons of white maize were delivered during this period. As a result, progressive deliveries amounted to 8 227 975 tons, which represents 94.94 % delivery rate in relation to the crop estimate of 8 666 310 tons for the 2020/21 production season (SAGIS, 2021).

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



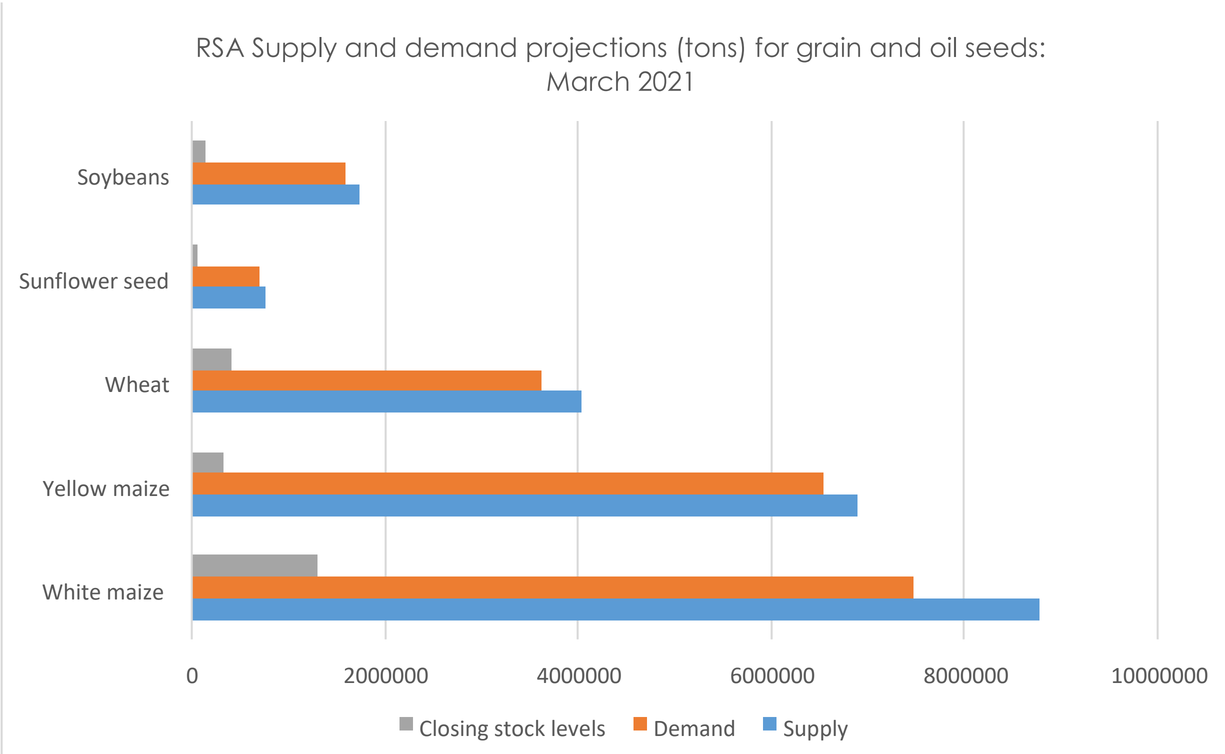
Source (SAGIS, 2021)

During the period, 27 February 2021 to 26 March 2021, a total of 70 865 tons of yellow maize were delivered to the market (SAGIS, 2021). An additional 17 141 tons of yellow maize were delivered during this period. As a result, progressive deliveries amounted to 6 221 434 tons, which represents 92.13% delivery rate in relation to the crop estimate of 6 752 500 tons for 2020/21 production season (SAGIS, 2021).

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** (8 786 723 tons), **yellow maize** (6 888 609 tons), **wheat** (4 026 008 tons), **sunflower seed** (765 380 tons) and **soybeans** (1 745 846 tons) respectively.

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



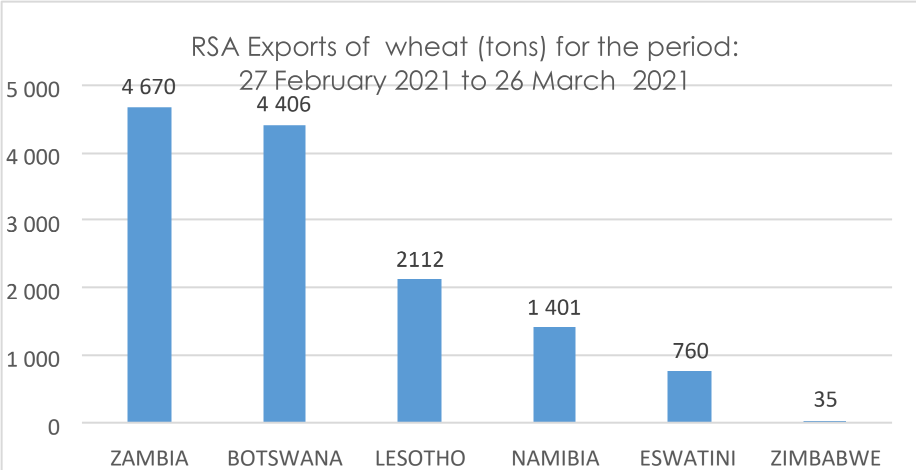
The **total demand (domestic plus exports) for white maize** (7 478 100 tons), **yellow maize** (6 551 000 tons), **wheat** (3 614 800 tons), **sunflower seed** (712 750 tons) and **soybeans** (1 596 600 tons) respectively (NAMC, 2021). Alternatively, visit the National Agricultural Marketing Council 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 42 017 tons. Wheat exports for South Africa amounted to 13 384 tons for the period 27 February 2021 to 26 March 2021. The following graph shows South African wheat export destinations.

Figure 4: RSA Wheat exports: 27 February 2021 to 26 March 2021

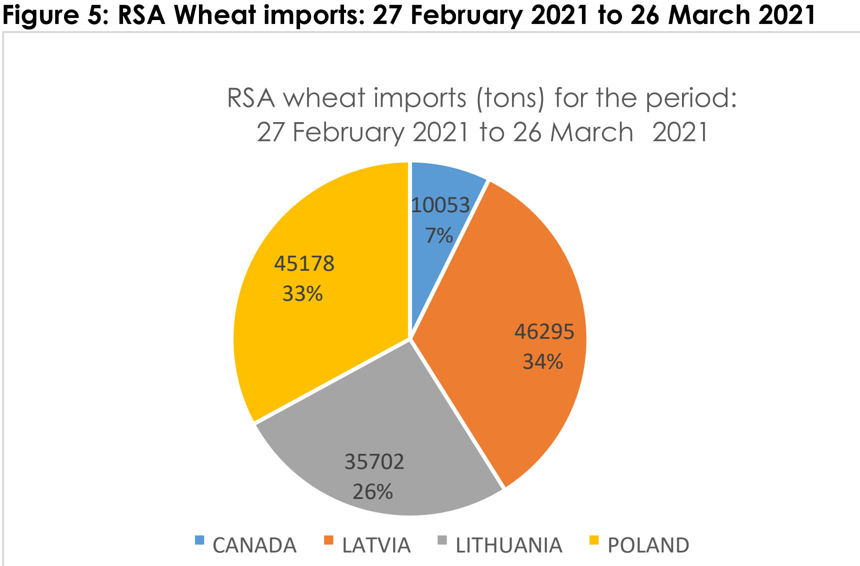


Source (SAGIS, 2021)

Wheat exports for South Africa were mainly to Zambia 4 670 (35%) tons, Botswana 4 406 (33%) tons Namibia 2 349 tons (21%) and Lesotho 2 112 (7%) tons.

Progressive wheat import during the 2020/21 reporting period is 705 843 tons. Wheat imports for South Africa amounted to 137 228 tons for the period 27 February 2021 to 26 March 2021. The following graph shows suppliers of wheat to South Africa.

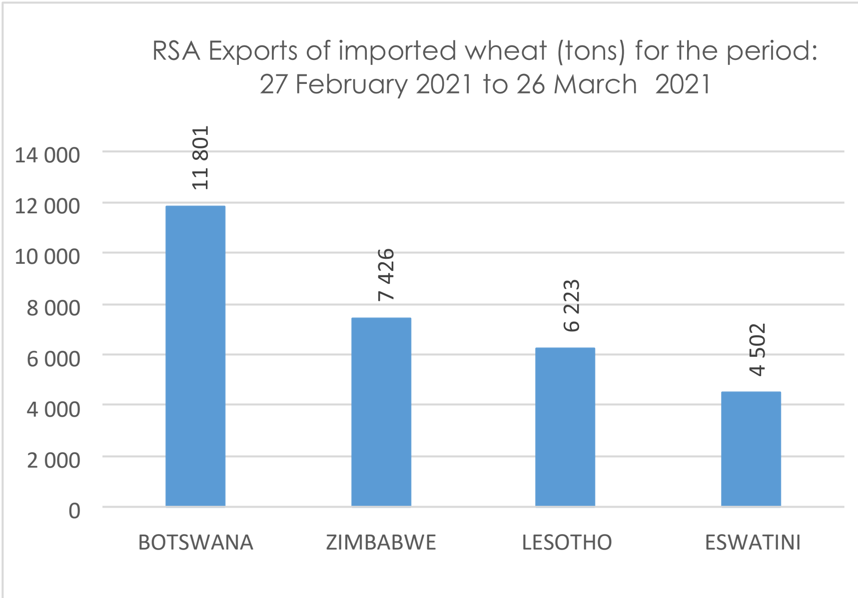
Figure 5: RSA Wheat imports: 27 February 2021 to 26 March 2021



Source (SAGIS, 2021)

Wheat imports for South Africa were mainly from Latvia 46 295 (34 %) tons, Poland 45 178 (33 %) and Lithuania 35 702 (26%) tons.

Figure 6: RSA Exports of imported wheat: 27 February 2021 to 26 March 2021



Source (SAGIS, 2021)

Exports of imported wheat for the period 27 February 2021 to 26 March 2021 amounted to 29 952 tons.

The destinations for imported wheat were Botswana (11 801 tons), Zimbabwe (7 426 tons), Lesotho (6 223 tons) and Eswatini (4 502 tons)

1.5. 2 White and Yellow Maize trade

Progressive White maize exports during the 2020/21 season are 993 367 tons. White maize exports for South Africa amounted to 89 845 tons during the period, 27 February 2021 to 26 March 2021.

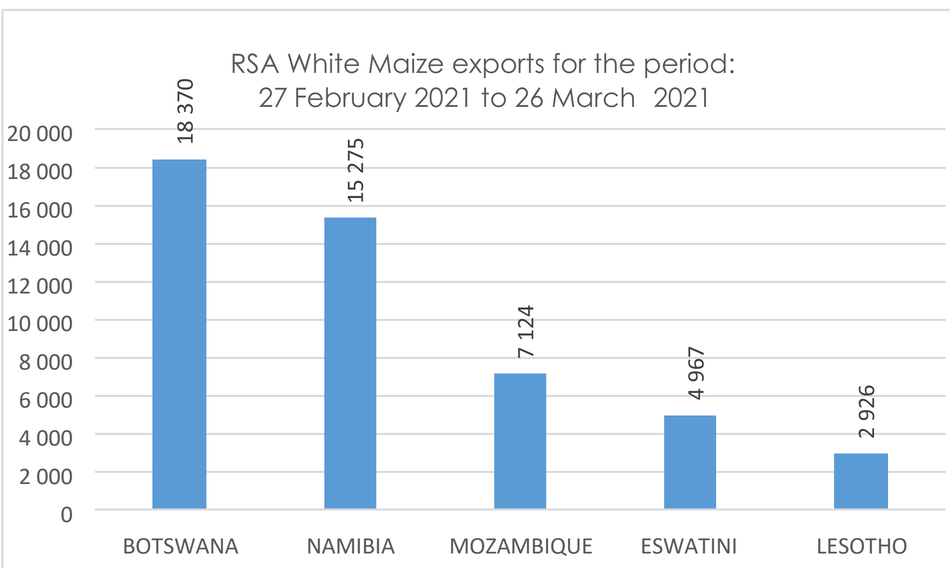


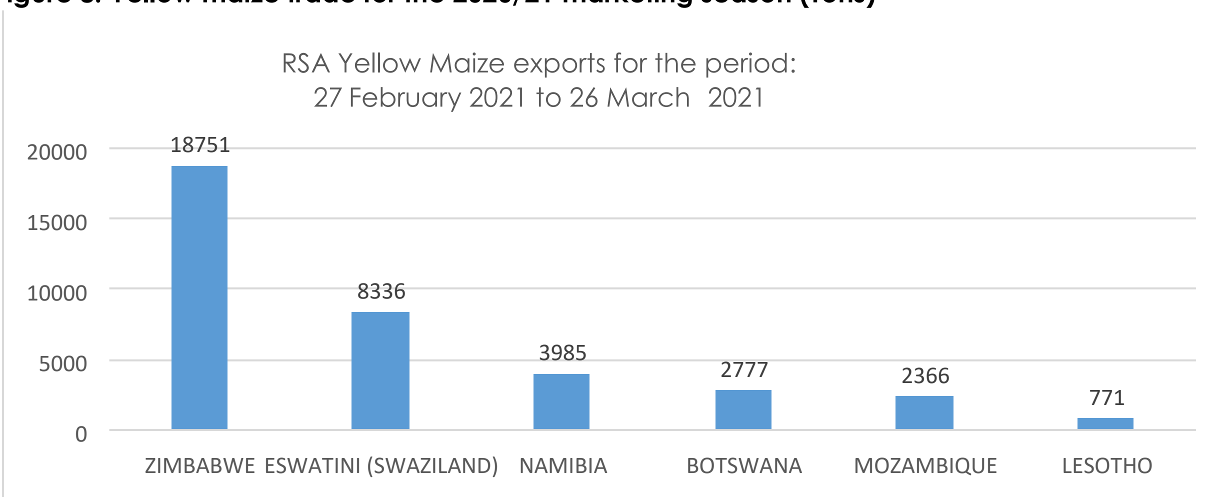
Figure 7: White maize trade for the 2020/21 marketing season (Tons)

Source (SAGIS, 2021)

The main export destinations for South African white maize were Botswana (1 8 370 tons), Namibia (15 275 tons), Mozambique (7 124 tons), Eswatini (4 967 tons) and Lesotho (2 926 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 1 344 607 tons. Yellow maize exports for South Africa amounted to

36 986 tons during the period, 27 February 2021 to 26 March 2021.

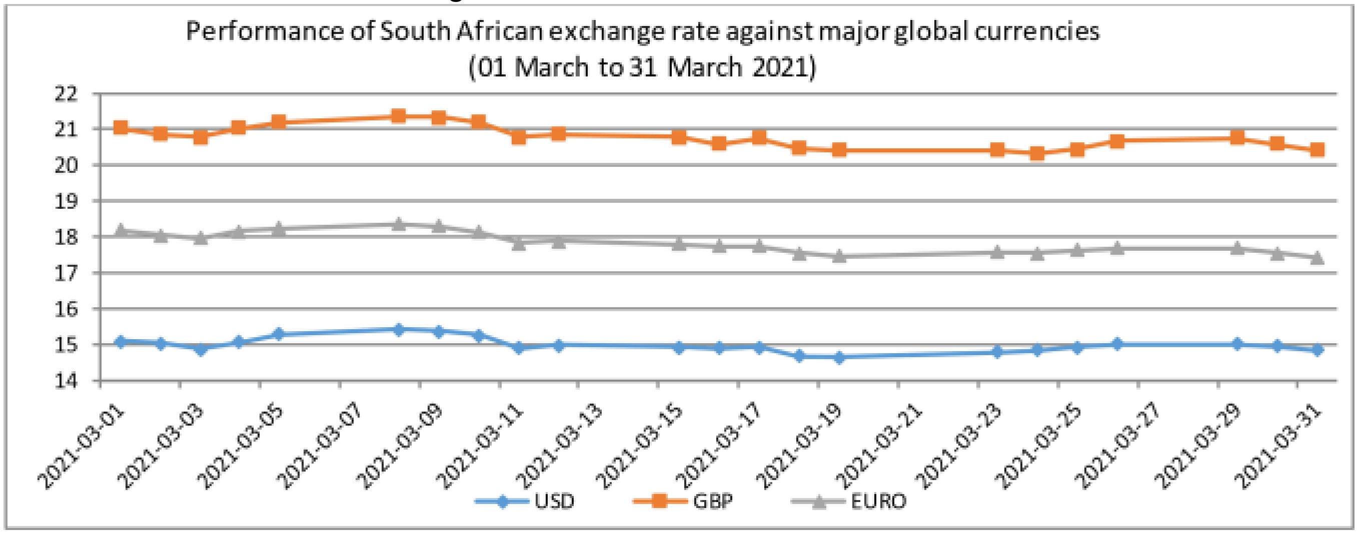
Figure 8: Yellow maize trade for the 2020/21 marketing season (Tons)



Source (SAGIS 2021)

The main exports destinations for South African yellow maize were Zimbabwe (18 751tons), Eswatini (8 336 tons), Namibia (3 985 tons), Botswana (2 777 tons), Mozambique (2 366 tons), and Lesotho (771 tons). During the period under review, South Africa did not import yellow maize. (SAGIS, 2021)

2. ECONOMIC REVIEWS 2.1 Exchange Rates



Source: SARB (2021)

During the reporting period 01 March to 31 March 2021, the average ZAR exchange rate weakened against the Great Britain pound (GBP) and US dollar (USD). (SARB, 2021). When looking at month to month average of the Rand against the US dollar and Great Britain Pound, it can be noted that the rand weakened by 1,6% for both global currencies. On average, the Great British Pound and US dollar were trading at R20.78 and R14.99 respectively during the period under review.

3. ENERGY

The Department of Energy has announced fuel price adjustments with effect from 07 April 2021.

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 coastc of South Africa**
Petrol 95 ULP & LRP	100,00	cents per litre **increase** in retail price	1661,00
Diesel 0.05% Sulphur	63,20	cents per litre **increase** in wholesale price	1416,12
Illuminating Paraffin (Wholesale)	38,40	cents per litre **increase** in wholesale price	798,58
LPGAS (maximum retail price)	48,00	cents per kilogram **increase** in the maximum retail price	2801,00

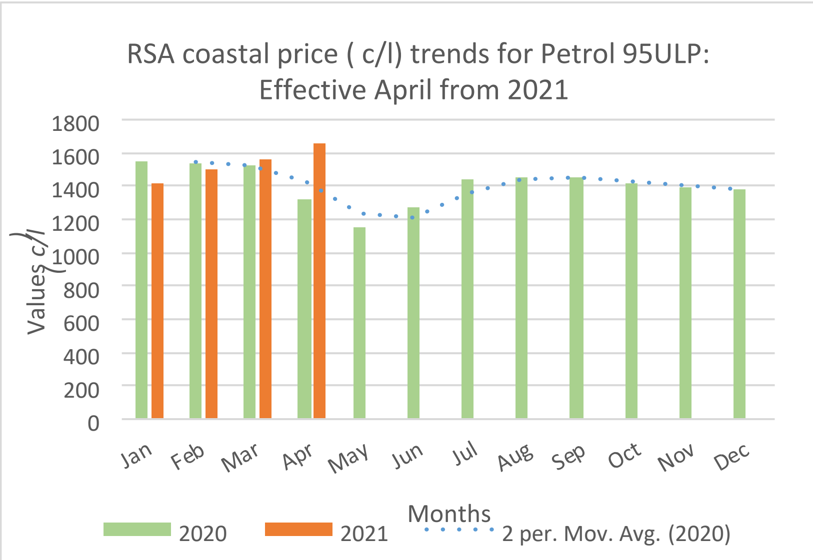
(DOE, 2021)

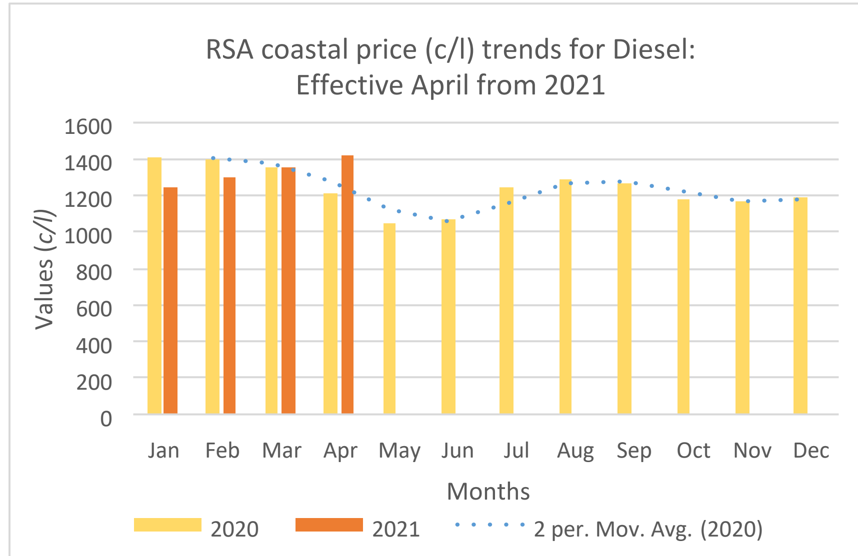
The price of Petrol 95 ULP & LRP increased by 100 cents. The price of diesel (0.05% sulphur) increased by 63 cents and illuminating paraffin wholesale price per litre increased by 38 cents. Lastly, LPGAS's maximum retail price increased by 48 cents per kilogram.

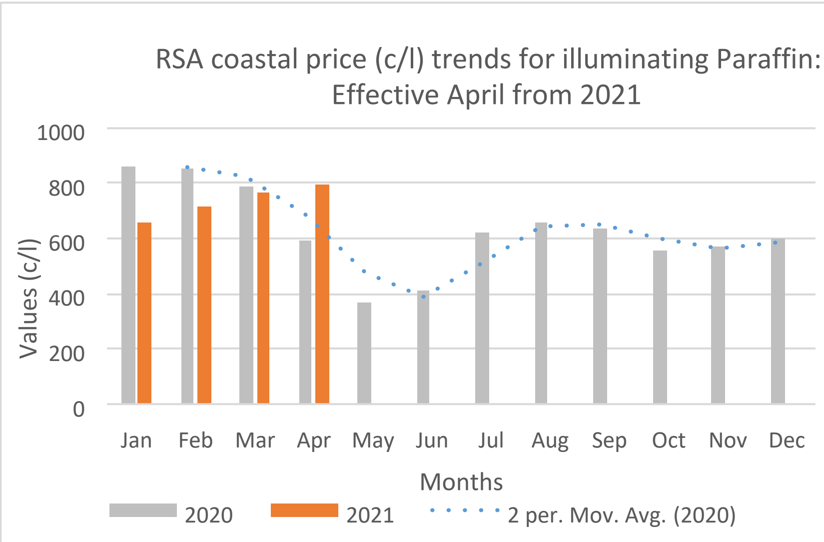
Economic factors affecting RSA fuel price adjustment: 26 February 2021 t0 30 March 2021

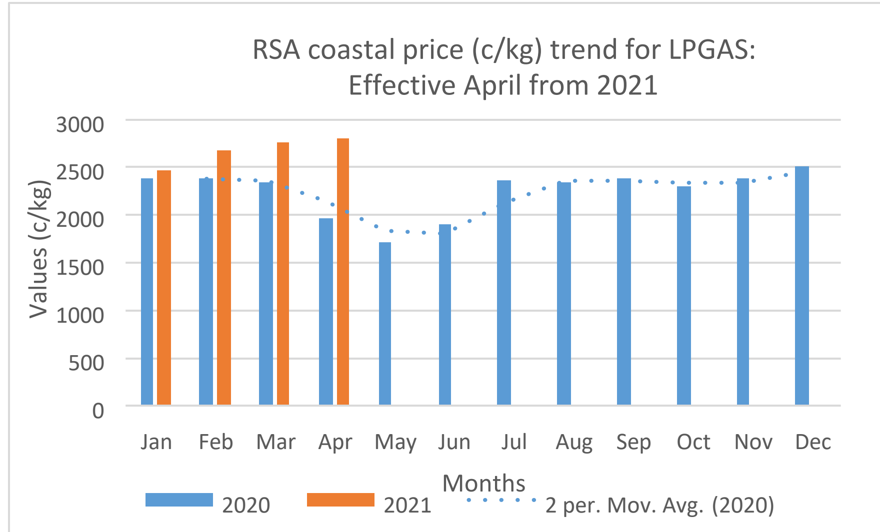
During the period under review, there was an increase in the average international product prices for Petrol, Diesel and Illuminating Paraffin. On average, the Rand depreciated against the US Dollar when compared to the previous period. The average Rand/US Dollar exchange rate for the period 26 February 2021 t0 30 March 2021 was 14.98 compared to 14.76 during the previous period. This led to a higher contribution to the basic fuel prices on petrol, diesel and illuminating paraffin by 10.70 c/l, 10.03 c/l and 9.71 c/l respectively (DOE, 2021).

RSA fuel price trends effective from 07 April 2021









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

The seasonal rainfall forecasts show that there is higher likelihood of above-normal rainfall over the provinces of Free State, North-West, Eastern Cape, Northern Cape and Western Cape, which is likely to be favourable for the agricultural sector. Decision makers m ay advise farmers to practice soil and water conservation, and establish good drainage systems. However, the mid and late-summer rainfall forecast for Limpopo, Gauteng, KwaZulu-Natal, and Mpumalanga provinces indicate higher likelihood of below-normal rainfall (please note the uncertainty highlighted in the overview section). As a result, the relevant decision makers are encouraged to advise farmers to adopt soil and water conservation practices and water harvesting and storage. Farmers are also encouraged to approach the season with caution, especially in areas that have been experiencing dry conditions constantly (SAWS, 2021).

Western Cape

The overall water level of state dams across the province is at 51.6% compared to 39.2% in 2020. Brandvlei dam is 34.5% full compared to

16.5% during the same period last year. Clanwilliam dam is 23.3% full compared to 10.4% during the same period last year. The water level in Theewaterskloof dam is 75.6% compared to 52.1% 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, 2021).

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 Weather Service (SAWS): www.weathersa.co.za

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