Western Cape Government
Agriculture
BETTER TOGETHER.

PERIOD UNDER REVIEW: April 2021 Compiled by Sindisiwe Dhlamini

1. SOUTH AFRICAN GRAIN MARKET

Mark to market prices for Wheat, Sunflower seed, White and Yellow maize as traded on SAFEX were generally low in April 2021 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 30/04/2021 (expressed in R/MT)		Month end (30/04/2020)	Year on year change	Month end 30/03/2021)	Month end 28/02/2021)
		R/MT		R/MT	R/MT
Commodity	**May 2021**	**May 2020**	**May 20 vs 21**	**Apr-21**	**Mar-21**
White maize	3268	2550	28%	2990	3204
Yellow maize	3415	2538	34,55%	3142	3320
Wheat	5042	5414	-6,9%	4894	5168
Sunflower seed	8810	5926	48,67%	8715	9572

Source: (SAFEX, 2021)

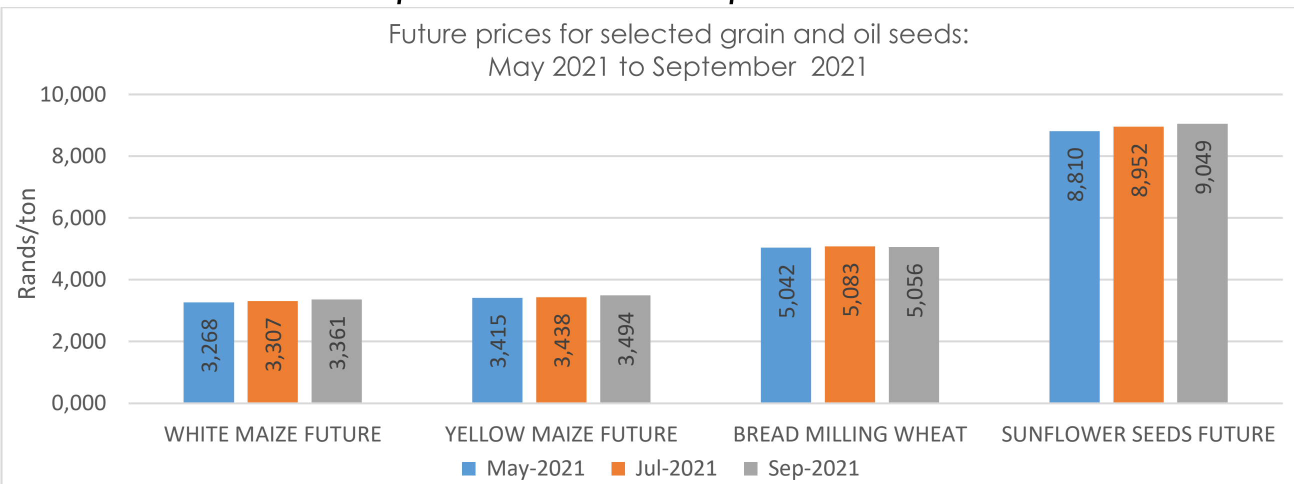
The price of Sunflower seed decreased by R857 (9%) per ton in April 2021 compared to the previous month. Wheat, White and Yellow maize had a price decrease per ton of R274 (5.3%), R214 (6.7%) and R178 (5, 4%) respectively in April 2021 compared to March 2021. When comparing to the previous year, mark to market prices for delivery in May 2021 were generally high for Sunflower seed, White and Yellow Maize. Sunflower seed prices increased by R2 884 (48.6%), Yellow maize by R877

(34.55%) and White maize prices increased by R718 (28 %) respectively. Wheat prices decreased by R372 (6.9%) 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



Source: SAFEX (2021)

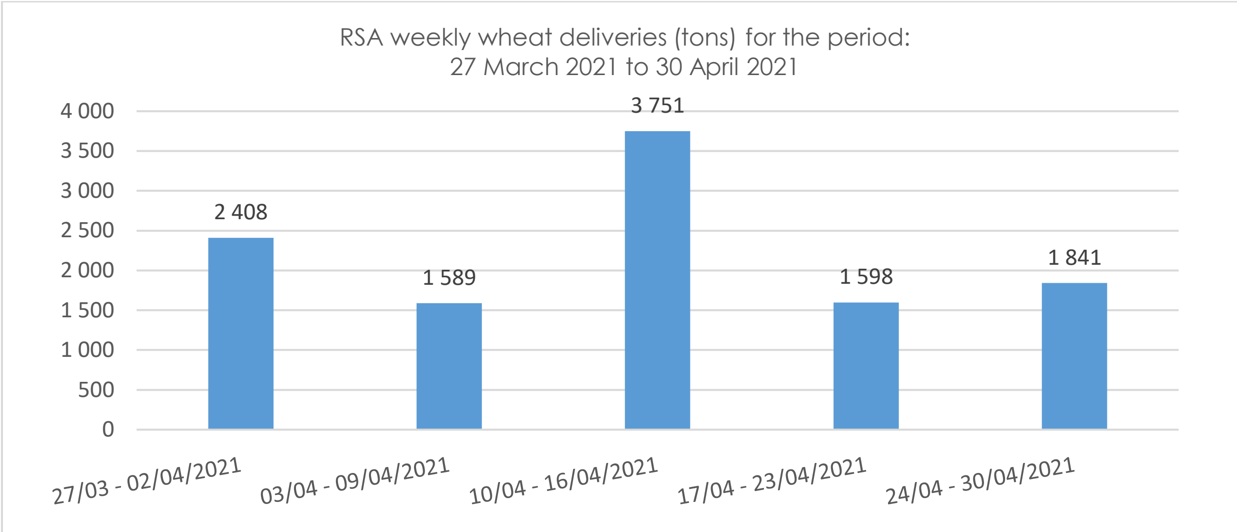
The above graph shows a slight increase of mark to market future prices for Sunflower seeds, White and Yellow Maize from May 2021 until September 2021. Bread milling wheat Future prices for show a slight increase from May 2021 until July 2021 then a slight decrease in September 2021.

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 March 2021 to 30 April 2021. During this period, 11 187 tons of wheat were delivered to the market (SAGIS, 2021). As a result, progressive wheat deliveries amounted to 2 028 084 tons, which represents 94, 3% delivery rate in relation to the crop estimate of 2 149 270 tons for 2020/21 production season.

Figure 1: Weekly wheat deliveries (Tons)



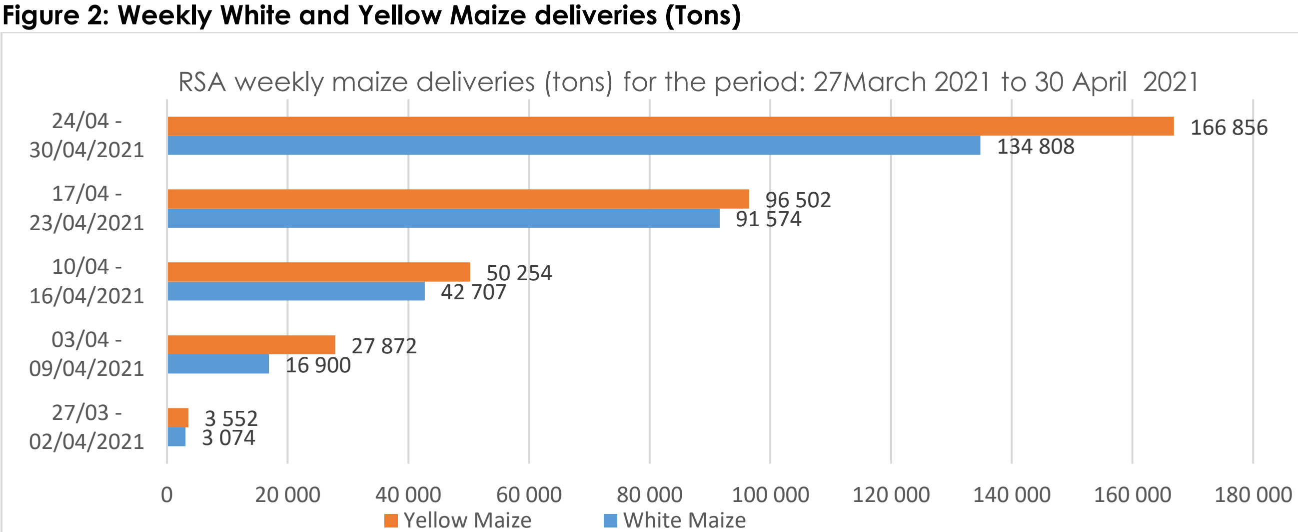
Source: SAGIS, 2021)

Major adjustments occurred during the week ending 02 April 2021, as a result, there was an additional 251 tons supplied to the market.

1.3.2 Weekly producer deliveries for white and yellow maize

During the period 27 March 2021 to 30 April 2021, a total of 289 063 tons of white maize were delivered to the market. There was a shortfall of 1 981 tons of white maize that was not delivered to the market during this period. As a result, progressive deliveries amounted to 8 546 120 tons, which represents 98.6% 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)



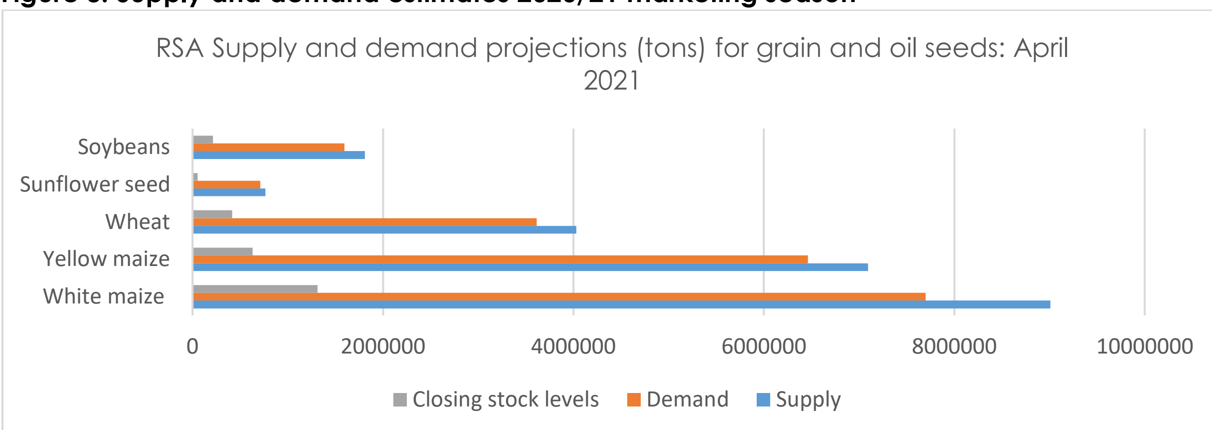
Source (SAGIS, 2021)

During the period, 27 March 2021 to 30 April 2021, a total of 345 036 tons of yellow maize were delivered to the market (SAGIS, 2021 There was a shortfall of 6 719 tons of yellow maize that was not delivered to the market during this period. As a result, progressive deliveries amounted to 6 600 250 tons, which represents 97.7% 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** (9 009 223 tons), **yellow maize** (7 096 109 tons), **wheat** (4 031 008 tons), **sunflower seed** (7654 654 tons) and **soybeans** (1 809 703 tons) respectively.

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



Source: NAMC (2021)

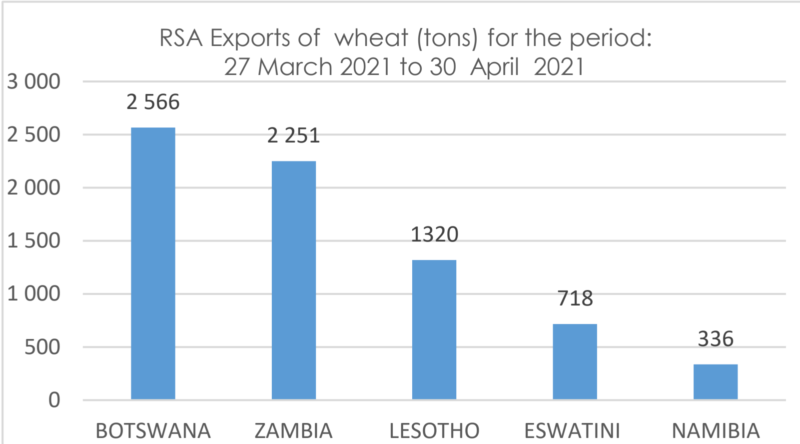
The **total demand (domestic plus exports) for white maize** (7 697 600 tons), **yellow maize** (6 464 500 tons), **wheat** (3 615 800 tons), **sunflower seed** (712 300 tons) and **soybeans** (1 596 600 tons) respectively (NAMC, 2021). Alternatively, visit the National Agricultural Marketing Council 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 49 783 tons. Wheat exports for South Africa amounted to 7 191 tons for the period 27 March 2021 to 30 April 2021. The following graph shows South African wheat export destinations.

Figure 4: RSA Wheat exports: 27 March 2021 to 30 April 2021

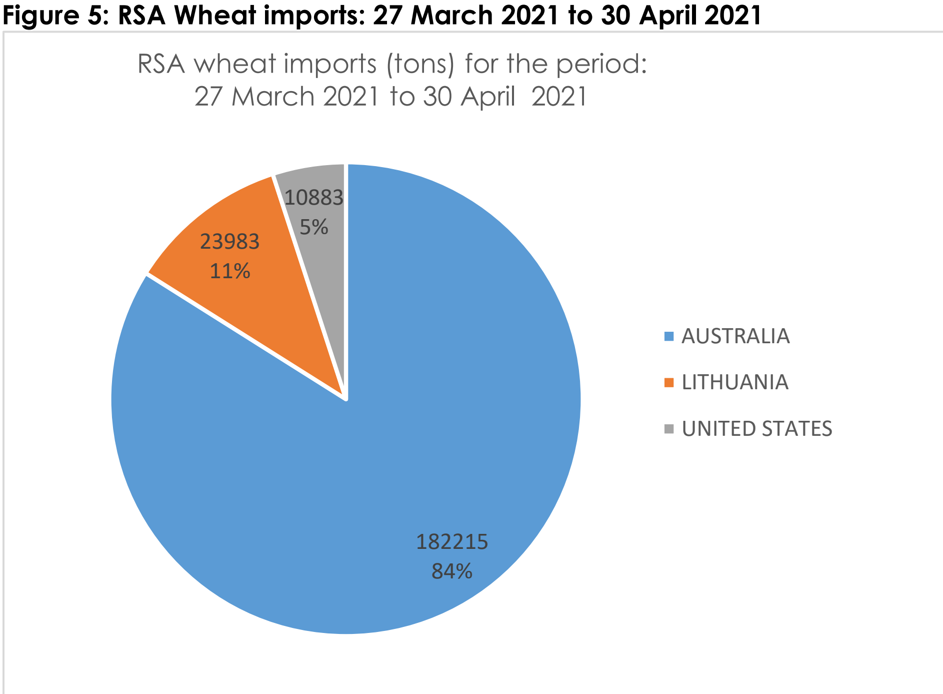


Source (SAGIS, 2021)

Wheat exports for South Africa were mainly to Botswana 2 566 (36%) tons, Zambia 2 251 (31%) tons, Lesotho 1 320 (18%) tons, Eswatini 718 (10) and Namibia 336 (5%) tons.

Progressive wheat import during the 2020/21 reporting period is 920 688 tons. Wheat imports for South Africa amounted to 217 081 tons for the period 27 March 2021 to 30 April 2021. The following graph shows suppliers of wheat to South Africa.

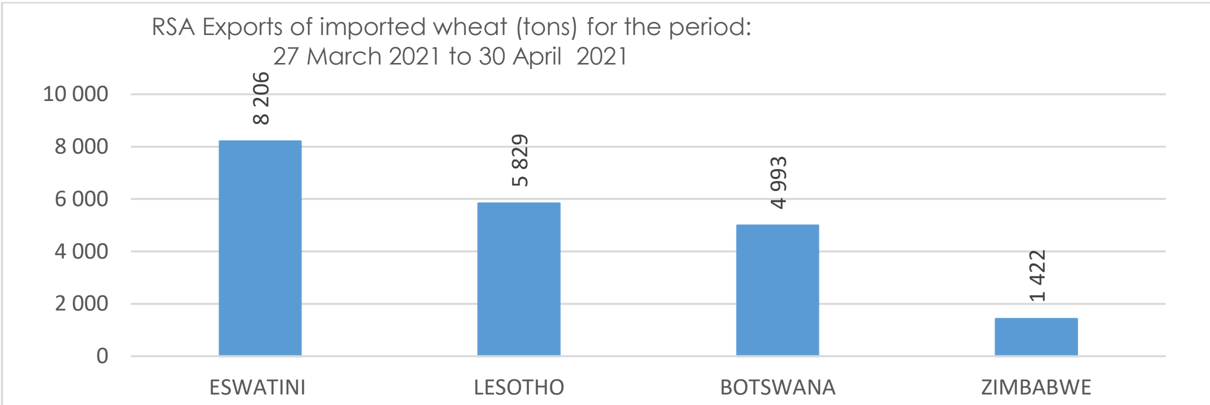
Figure 5: RSA Wheat imports: 27 March 2021 to 30 April 2021



Source (SAGIS, 2021)

Wheat imports for South Africa were mainly from Australia 182 215 (84%) tons, Lithuania 23 983 (11%) tons and United States 10 883 (5%).

Figure 6: RSA Exports of imported wheat: 27 March 2021 to 30 April 2021



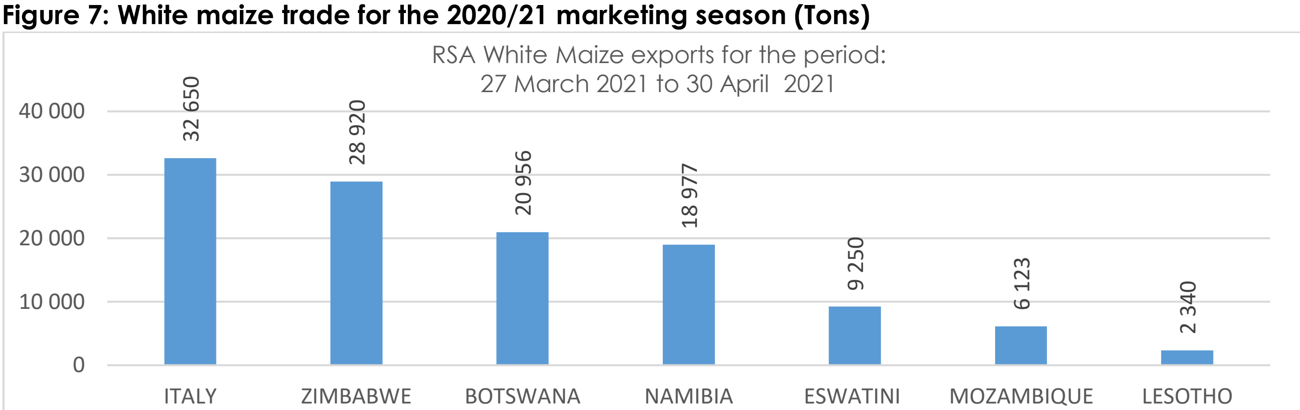
Source (SAGIS, 2021)

Exports of imported wheat for the period 27 March 2021 to 30 April 2021 amounted to 20 450 tons. The destinations for imported wheat were Eswatini (8 206 tons), Lesotho (5 829 tons), Botswana (4 9931 tons), and Zimbabwe (1 422 tons).

1.5. 2 White and Yellow Maize trade

Progressive White maize exports during the 2020/21 season are 1 117 073 tons. White maize exports for South Africa amounted to 119 216 tons during the period, 27 March 2021 to 30 April 2021. The main export destinations for South African white maize were Italy (32 650 tons), Zimbabwe (28 920 tons), Botswana (20 956 tons), Namibia (18 977 tons), Eswatini (9 250 tons), Mozambique (6 123 tons and Lesotho (2 340 tons). There were no imports of white maize due to bumper crop harvested during the current production season.

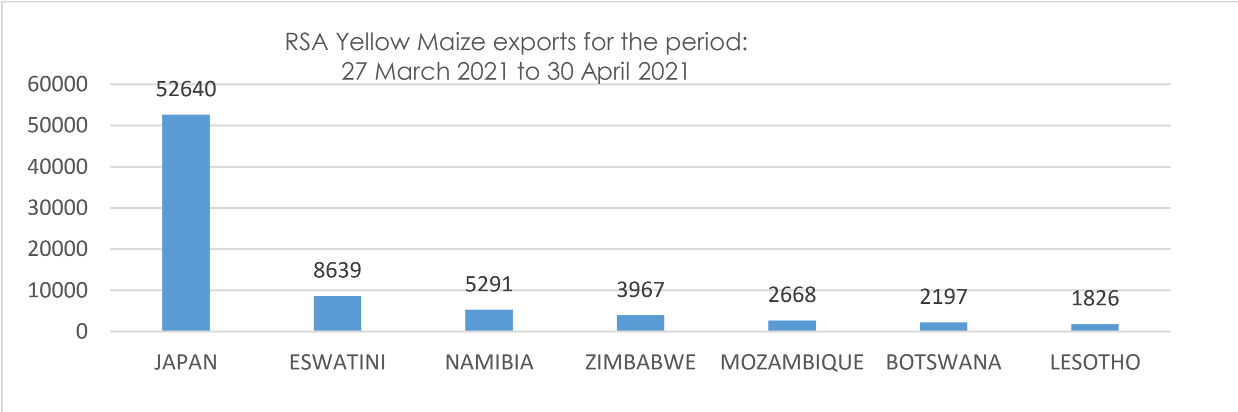
Figure 7: White maize trade for the 2020/21 marketing season (Tons)



Source (SAGIS, 2021)

Progressive Yellow maize exports during the 2020/21 season are 1 424 093 tons. Yellow maize exports for South Africa amounted to 77 228 tons during the period, 27 March 2021 to 30 April 2021.

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

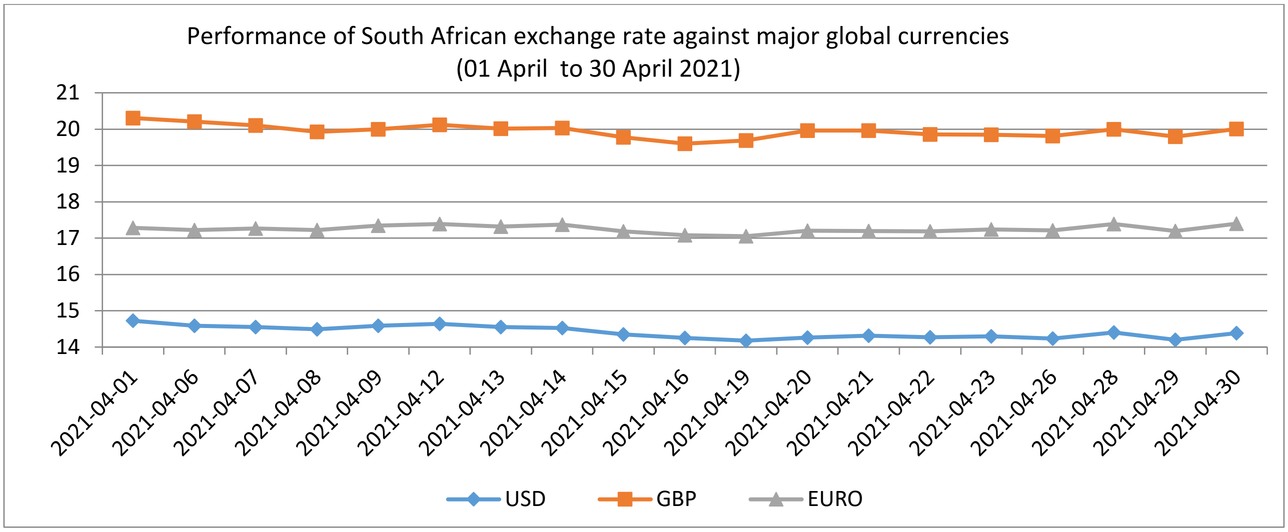


Source (SAGIS 2021)

The main exports destinations for South African yellow maize were Japan (52 640 tons), Eswatini (8 639 tons), Namibia (5 291 tons), Zimbabwe (3 967 tons), Mozambique (2 668 tons), Botswana (2 187 tons) and Lesotho (1 826 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 April to 30 April 2021, the average ZAR exchange rate strengthened against all the three major currencies, the Great Britain pound (GBP) and US dollar (USD) (SARB, 2021). When looking at month to month average of the Rand against the Great Britain Pound, US dollar and Euro, it can be noted that the rand weakened by 4%, 3.9% and 3.3% respectively. On average, the Euro was trading at R17.25 in April 2021 compared to R17.84 in March 2021.

3. ENERGY

The Department of Energy has announced fuel price adjustments with effect from 05 May 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 coastal parts of South Africa
Petrol 95 ULP & LRP	9,00	cents per litre **decrease** in retail price	1651,00
Diesel 0.05% Sulphur	31,00	cents per litre **decrease** in wholesale price	1385.12
Illuminating Paraffin (Wholesale)	23,00	cents per litre **decrease** in wholesale price	775.58
LPGAS (maximum retail price)	172,00	cents per kilogram **decrease** in the maximum retail price	2628.00

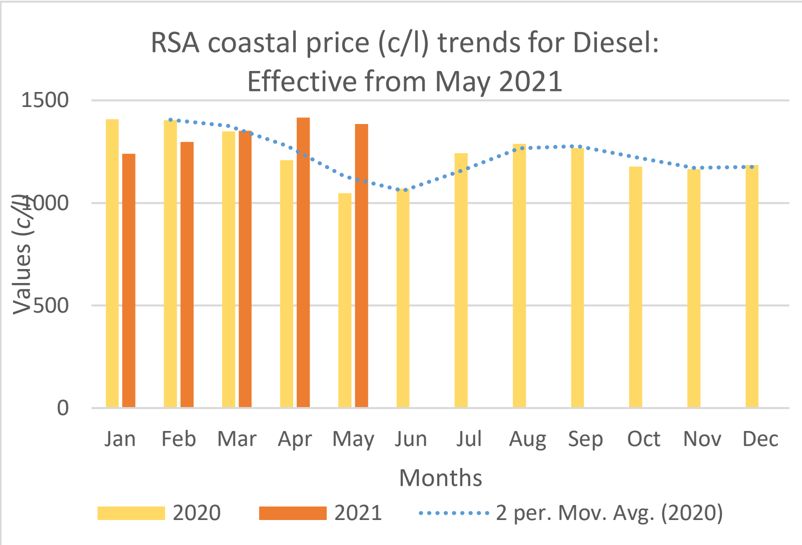
Source: DOE (2021)

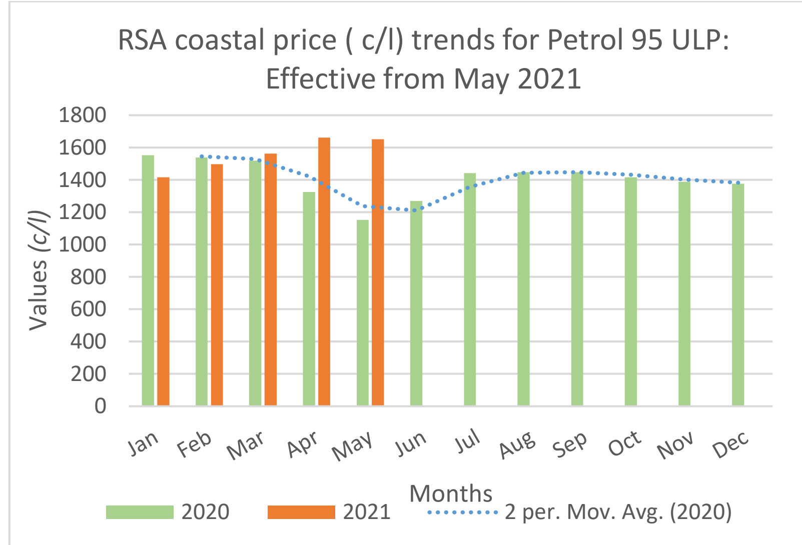
The price of Petrol 95 ULP & LRP decreased by 9 cents. The price of diesel (0.05% sulphur) decreased by 31 cents and illuminating paraffin wholesale price per litre decreased by 23 cents. Lastly, LPGAS's maximum retail price decreased by 172 cents per kilogram.

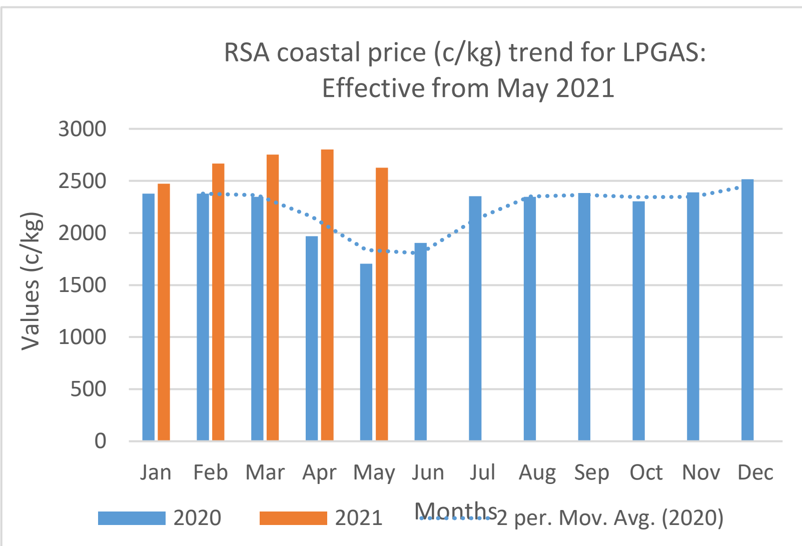
Economic factors affecting RSA fuel price adjustment: 31 March 2021 to 29 April 2021

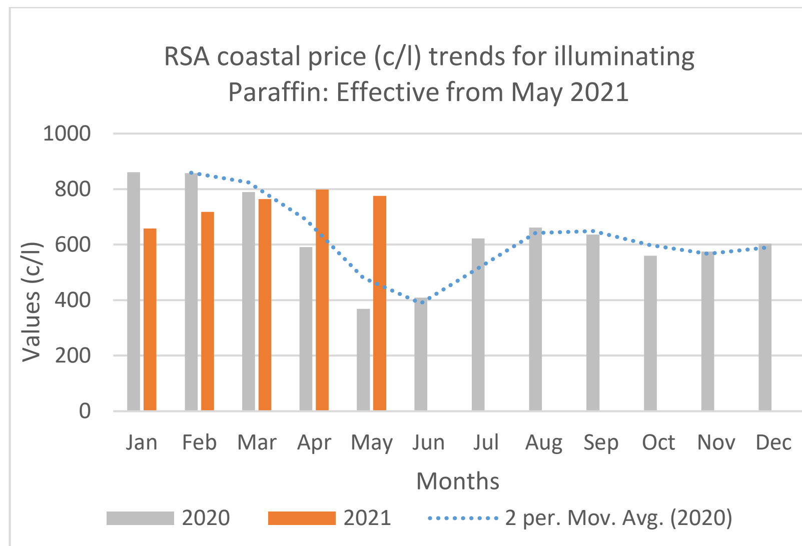
During the period under review, there was an increase in the average international product prices for Petrol and Illuminating Paraffin whilst Diesel price decreased. On average, the Rand appreciated against the US Dollar when compared to the previous period. The average Rand/US Dollar exchange rate for the period 31 March 2021 to 29 April 2021 was 14.48 compared to 14.98 during the previous period. This led to a lower contri1ution to the basic fuel prices on petrol, diesel and illuminating paraffin by 26.31 c/l, 24.10 c/l and 23.58 c/l respectively (DOE, 2021).

RSA fuel price trends effective from 05 May 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 may 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 48.2% compared to 37.4% in 2020. Brandvlei dam is 31.1% full compared to 13.2% during the same period last year. Clanwilliam dam is 15.8% full compared to 5.8% during the same period last year. The water level in Theewaterskloof dam is 72.1% compared to 50.9% 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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