Western Cape Government
Agriculture
BETTER TOGETHER.

PERIOD UNDER REVIEW: February 2021 Compiled by Sindisiwe Dhlamini

1. SOUTH AFRICAN GRAIN MARKET

Mark to market prices for Wheat, Sunflower, White and Yellow maize as traded on SAFEX were generally high in February 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 28/02/2021 (expressed in R/MT)		Month end (28/02/2020)	Year on year change	Month end 31/01/2021)	Month end 31/12/2020)
		R/MT		R/MT	R/MT
Commodity	**Mar-21**	**Mar-20**	**Mar 20 vs 21**	**Feb-21**	**Jan-21**
White maize	3204	2543	26%	3401	3399
Yellow maize	3320	2448	35,62%	3462	3320
Wheat	5168	4862	6,3%	5234	4899
Sunflower seed	9572	5350	78,92%	9400	8762

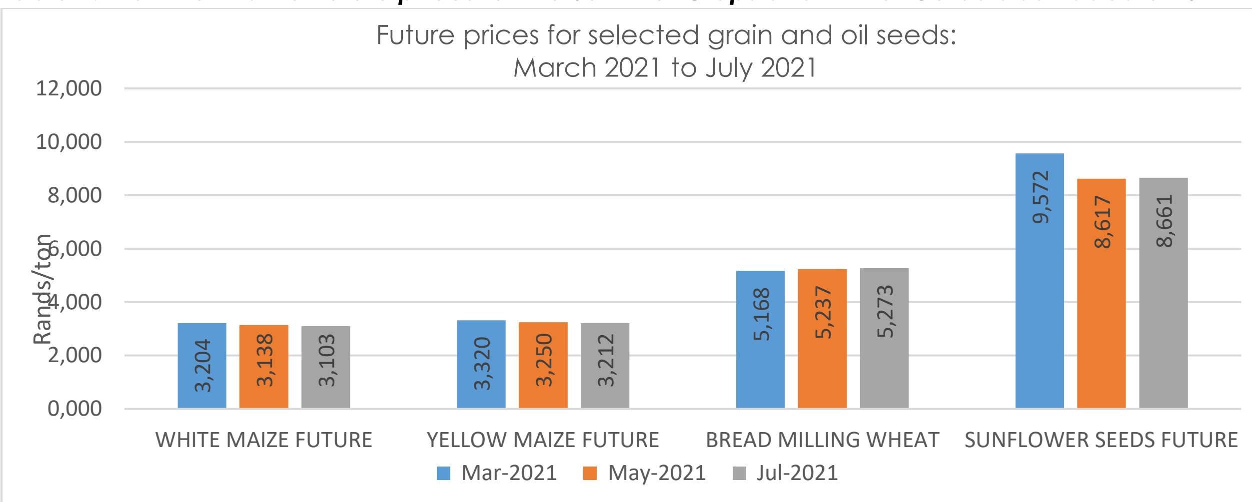
Source: (SAFEX, 2021)

The price of Sunflower seed increased by R638 (7.3 %) and Wheat by R335 (6.8%) per ton in February 2021 compared to the previous month. White and Yellow maize had a price increase per ton of R2 (0.1%) and R142 (4, 3%) respectively in February 2021 compared to January 2021. When comparing to the previous year, mark to market prices for delivery in March 2021 were generally high. Sunflower seed prices increased by R4 222 (79%), Yellow maize R872 (36 %), White maize R661 (26%) and Wheat R306 (6 %) 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)

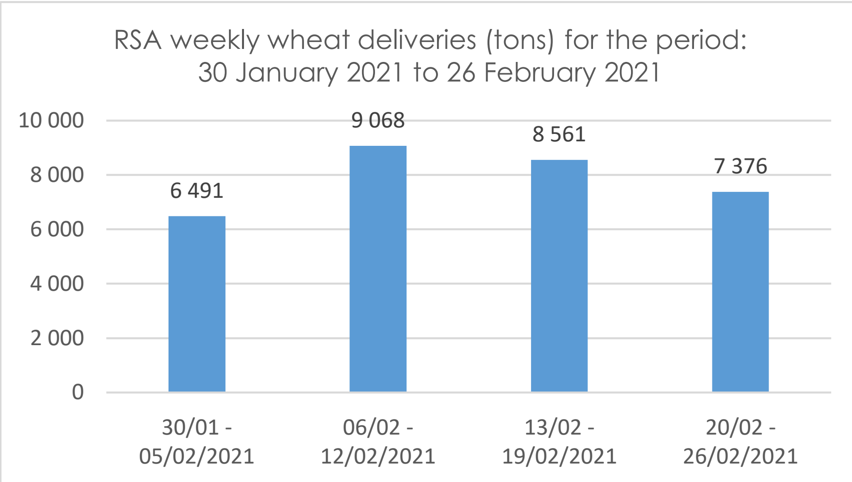
The above graph shows a slight decrease of mark to market future prices for White and Yellow Maize as from March 2021 until July 2021. Future prices for Bread Milling Wheat show a slight increase in March 2021 until July 2021.

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 30 January 2021 to 26 February 2021. During this period, 31 496 tons of wheat were delivered to the market (SAGIS, 2021). As a result, progressive wheat deliveries amounted to 1 957 266 tons, which represents 91, 06% delivery rate in relation to the crop estimate of 2 149 270 tons for 2020/21 production season.

Figure 1: Weekly wheat deliveries (Tons)



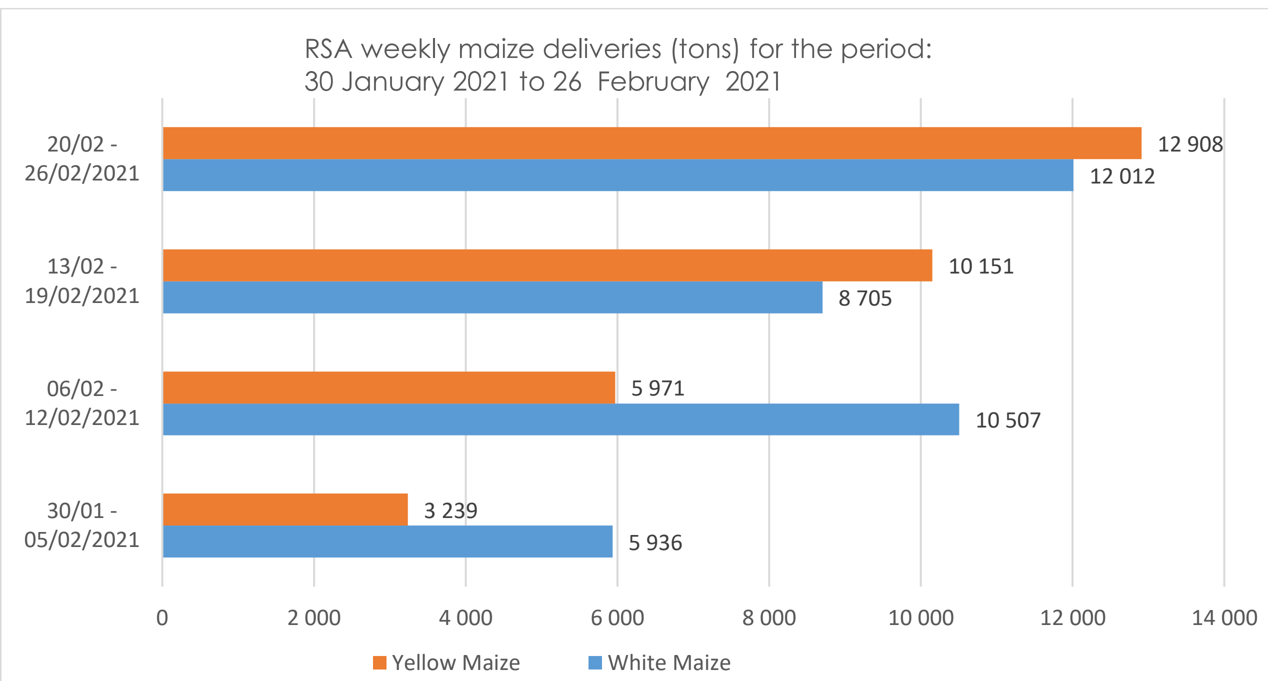
Source (SAGIS, 2021)

Major adjustments occurred during the week ending 05 February 2021, as a result, there was a shortfall of 2 856 tons.

1.3.2 Weekly producer deliveries for white and yellow maize

During the period 30 January 2021 to 26 February 2021, a total of 37 160 tons of white maize were delivered to the market. An additional 1 022 tons of white maize were delivered during this period. As a result, progressive deliveries amounted to 8 151 647 tons, which represents 94.06 % 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)



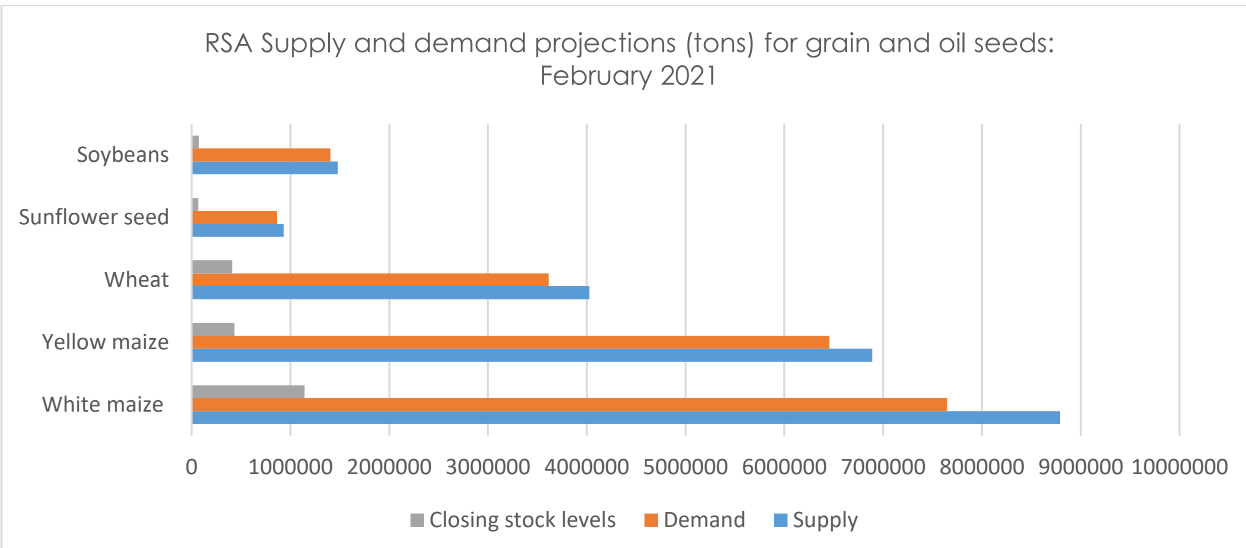
Source (SAGIS, 2021)

During the period, 30 January 2021 to 26 February 2021, a total of 32 269 tons of yellow maize were delivered to the market (SAGIS, 2021). An additional 1 368 tons of yellow maize were delivered during this period. As a result, progressive deliveries amounted to 6 124 082 tons, which represents 90.6% 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** (8 789 223 tons), **yellow maize** (6 888 146 tons), **wheat** (4 025 008 tons), **sunflower seed** (931 225 tons) and **soybeans** (1 479 955 tons) respectively.

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



(NAMC 2021)

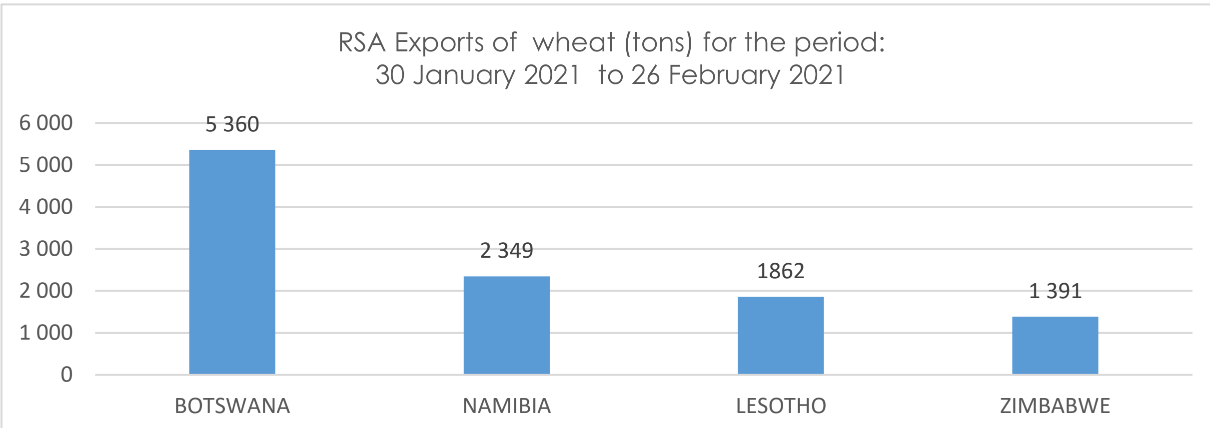
The **total demand (domestic plus exports) for white maize** (7 646 500 tons), **yellow maize** (6 454 500 tons), **wheat** (3 614 100 tons), **sunflower seed** (863 250 tons) and **soybeans** (1 405 500 tons) respectively (NAMC, 2021). Alternatively, visit the National Agricultural Marketing Council 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 28 098 tons. Wheat exports for South Africa amounted to 10 962 tons for the period 30 January 2021 to 26 February 2021. The following graph shows South African wheat export destinations.

Figure 4: RSA Wheat exports: 30 January 2021 to 26 February 2021

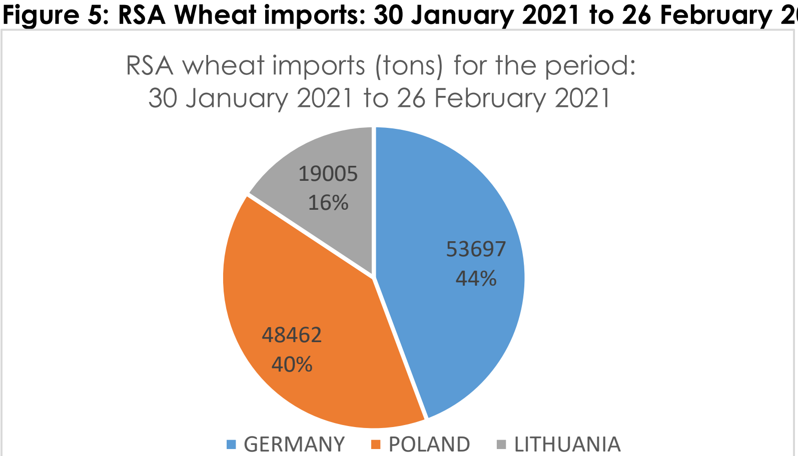


Source (SAGIS, 2021)

Wheat exports for South Africa were mainly to Botswana 5 360 tons (49%), Namibia 2 349 tons (21%), Lesotho 1 862 tons (17%) and Zimbabwe 1 391 tons (13%).

Progressive wheat imports during the 2020/21 reporting period is 573 754 tons. Wheat imports for South Africa amounted to 121 164 tons for the period 30 January 2021 to 26 February 2021. The following graph shows suppliers of wheat to South Africa.

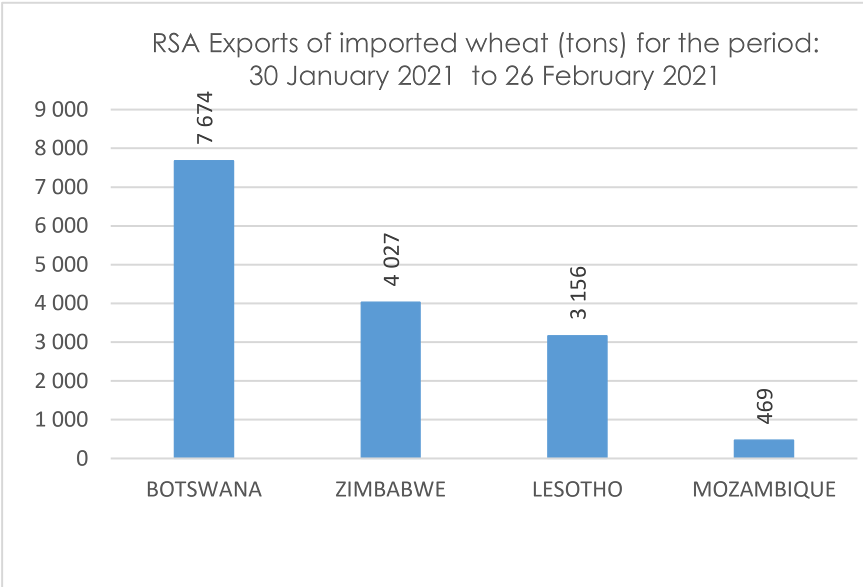
Figure 5: RSA Wheat imports: 30 January 2021 to 26 February 2021



Source (SAGIS, 2021)

Wheat imports for South Africa were mainly from Germany 53 697 tons (44%), Poland 48 462 tons (40%), and Lithuania 19 005 tons (16%).

Figure 6: RSA Exports of imported wheat: 30 January 2021 to 26 February 2021



Source (SAGIS, 2021)

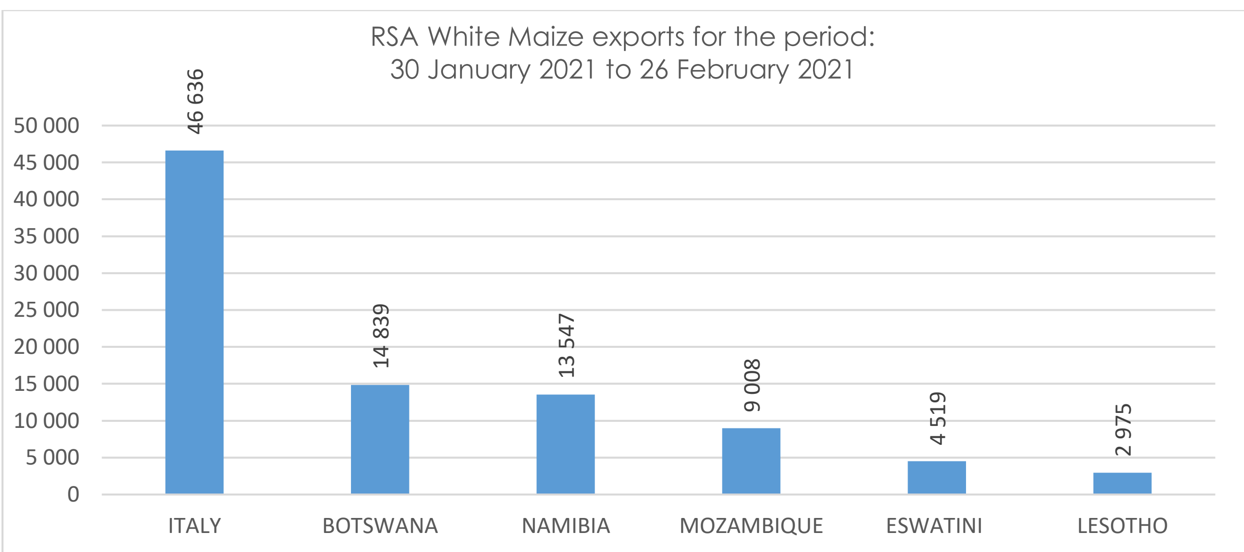
Exports of imported wheat for the period, 30 January 2021 to 26 February 2021 amounted to 15 326 tons.

The destinations for imported wheat were Botswana (7 674 tons), Zimbabwe (4 027 tons), Lesotho (3 156 tons) and Mozambique (469 tons).

1.5. 2 White and Yellow Maize trade

Progressive White maize exports during the 2020/21 season are 902 408 tons. White maize exports for South Africa amounted to 139 675 tons during the period, 30 January 2021 to 26 February 2021.

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

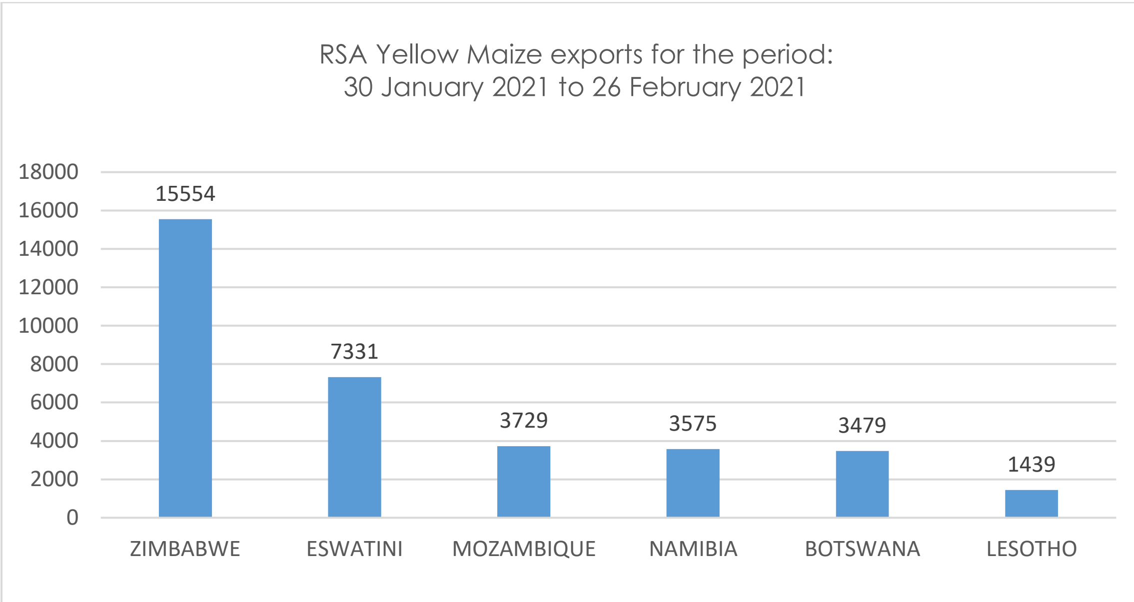


Source (SAGIS, 2021)

The main export destinations for South African white maize were Italy (46 636 tons), Botswana (14 839 tons), Namibia (13 547 tons), Mozambique (9 008 tons), Eswatini (4 519 tons) and Lesotho (4 957 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 1 304 860 tons. Yellow maize exports for South Africa amounted to 35 107 tons during the period, 30 January 2021 to 26 February 2021.

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

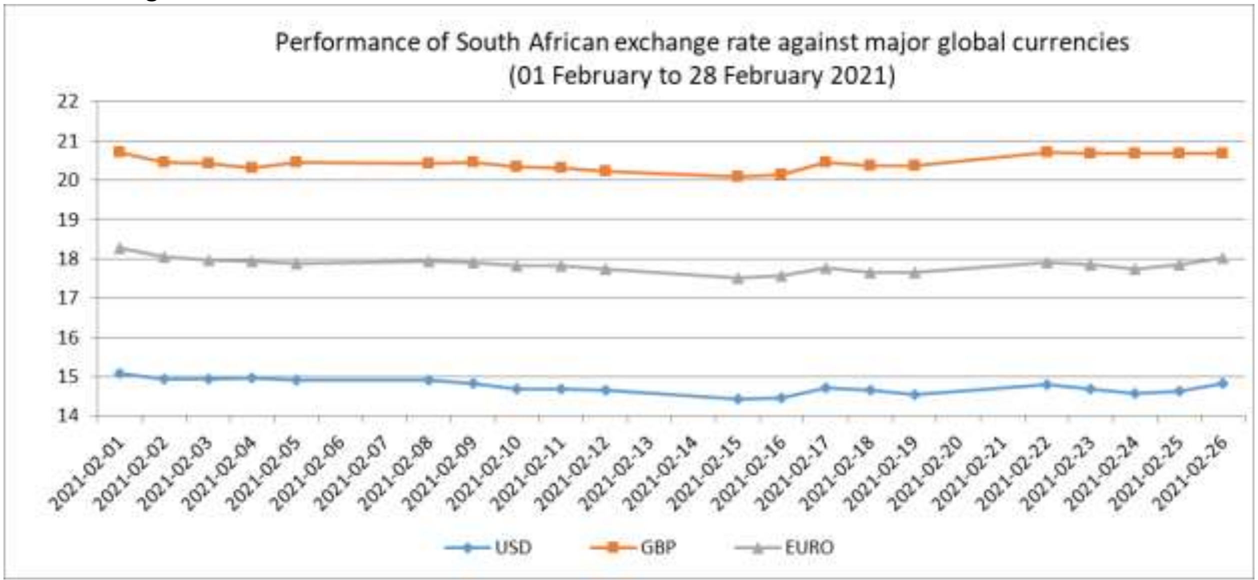


Source (SAGIS, 2021)

The main exports destinations for South African yellow maize were Zimbabwe (15 554 tons), Eswatini (7 331 tons), Mozambique (3 729 tons), Namibia (3 575 tons), Botswana (3479 tons) and Lesotho (1439 tons). During the period under review, South Africa imported 463 tons of yellow maize from Ukraine (SAGIS, 2021)

2. ECONOMIC REVIEWS

2.1 Exchange Rates



Source: SARB (2021)

During the reporting period 01 February to 28 February 2021, the average ZAR exchange rate strengthened against all the three major global currencies such as the Great Britain pound (GBP), Euro 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 strengthened by 2.5% and 0.9% respectively. On average, the rand strengthened by 3.1% against the Euro, it traded at R18.42 in January 2021 while it traded at R17.85 in January 2021. On average, Great British Pound and US dollar were trading at R20.45 and R14.75 respectively in February 2021.

3. ENERGY

The Department of Energy has announced fuel price adjustments with effect from 03 March 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	65,00	cents per litre **increase** in retail price	1562,00
Diesel 0.05% Sulphur	54,00	cents per litre **increase** in wholesale price	1352.12
Illuminating Paraffin (Wholesale)	47,00	cents per litre **increase** in wholesale price	764.58
LPGAS (maximum retail price)	87,00	cents per kilogram **increase** in the maximum retail price	2752,00

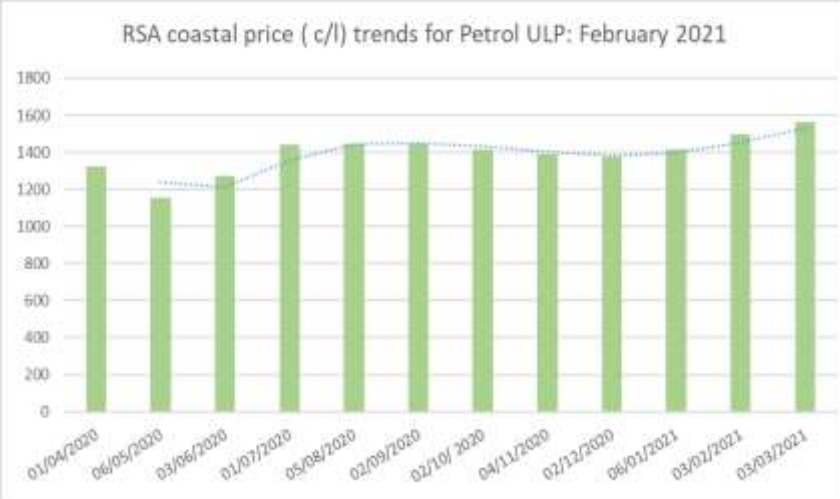
(DOE, 2021)

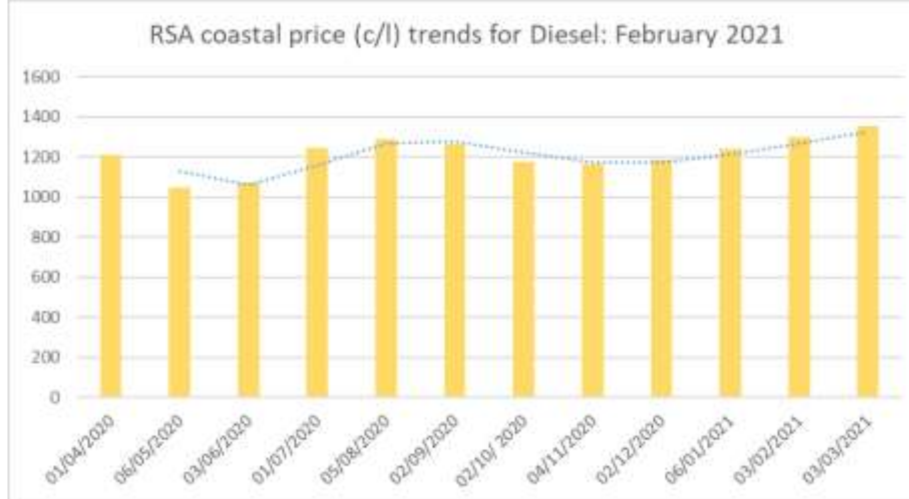
The price of Petrol 95 ULP & LRP increased by 65 cents. The price of diesel (0.05% sulphur) increased by 54 cents and illuminating paraffin wholesale price per litre increased by 47 cents. Lastly, LPGAS's maximum retail price increased by 87 cents per kilogram.

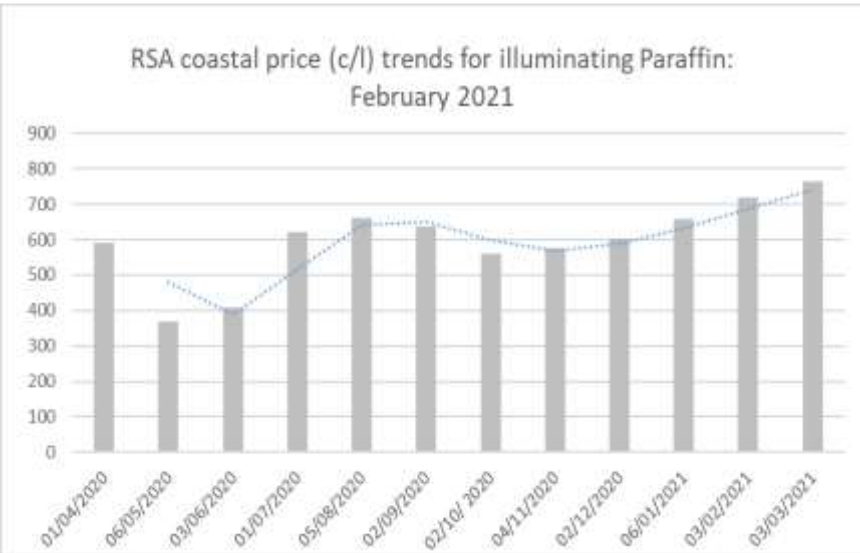
Economic factors affecting RSA fuel price adjustment: 29 January 2021 to 25 February 2021

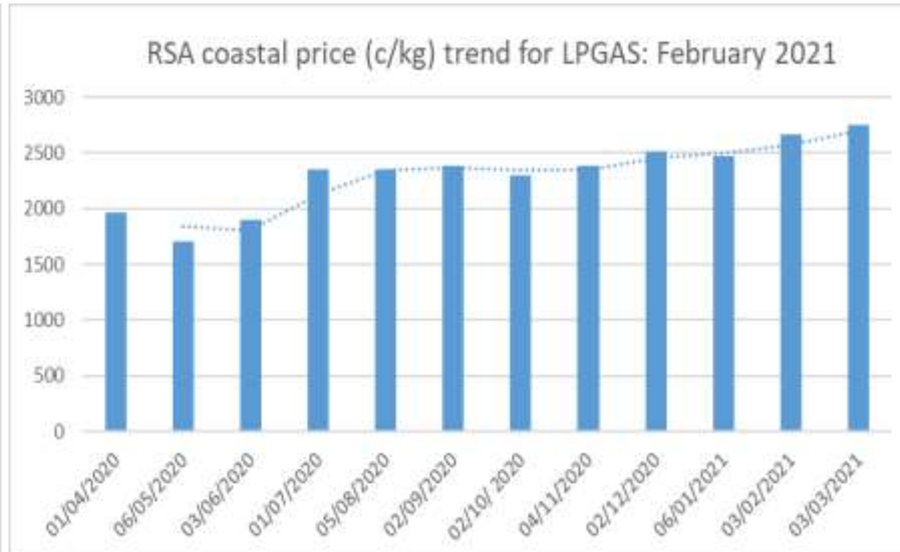
During the period under review, there was an increase in the average international product prices for Petrol, Diesel and Illuminating Paraffin. On average, the Rand depreciated against the US Dollar when compared to the previous month. The average Rand/US Dollar exchange rate for the period 29 January 2021 to 25 February 2021 was 14.76 compared to 15.08 during the previous period. This led to a lower contribution to the basic fuel prices on petrol, diesel and illuminating paraffin by 14.34 c/l, 14.18 c/l and 13.72 c/l respectively (DOE, 2021).

RSA fuel price trends: February 2021









4. WEATHER ADVISORY – SEASONAL FORECAST DECEMBER 2020 TO MARCH 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. Since the forecasts are opposing the typical effect of the ENSO impact stated above, there is a certain amount of uncertainty 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 (Such as Free State and North-West) is still expected to receive abovenormal 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 (consistent with the drier forecast areas mentioned above) 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 55.6% compared to 44.2% in 2020. Brandvlei dam is 39.4% full compared to 21.9% during the same period last year. Clanwilliam dam is 33.9% full compared to 22.9% during the same period last year. The water level in Theewaterskloof dam is 79.3% compared to 56.0% 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 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

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