PERIOD UNDER REVIEW: June 2021 Compiled by Sindisiwe Dhlamini

1. SOUTH AFRICAN GRAIN MARKET

Mark to market prices for Sunflower seed, White and Yellow maize as traded on SAFEX were generally low in June 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 30/06/2021 (expressed in R/MT)		Month end (30/06/2020) R/MT	Year on year change	Month end 30/05/2021) R/MT	Month end 30/04/2021) R/MT
Commodity	**Jul-21**	**Jul-20**	**Jul 20 vs 21**	**Jun-21**	**May-21**
White maize	3069	2497	23%	3177	3268
Yellow maize	3199	2600	23,04%	3301	3415
Wheat	5117	5409	-5,4%	5110	5042
Sunflower seed	8410	5835	44,13%	8728	8810

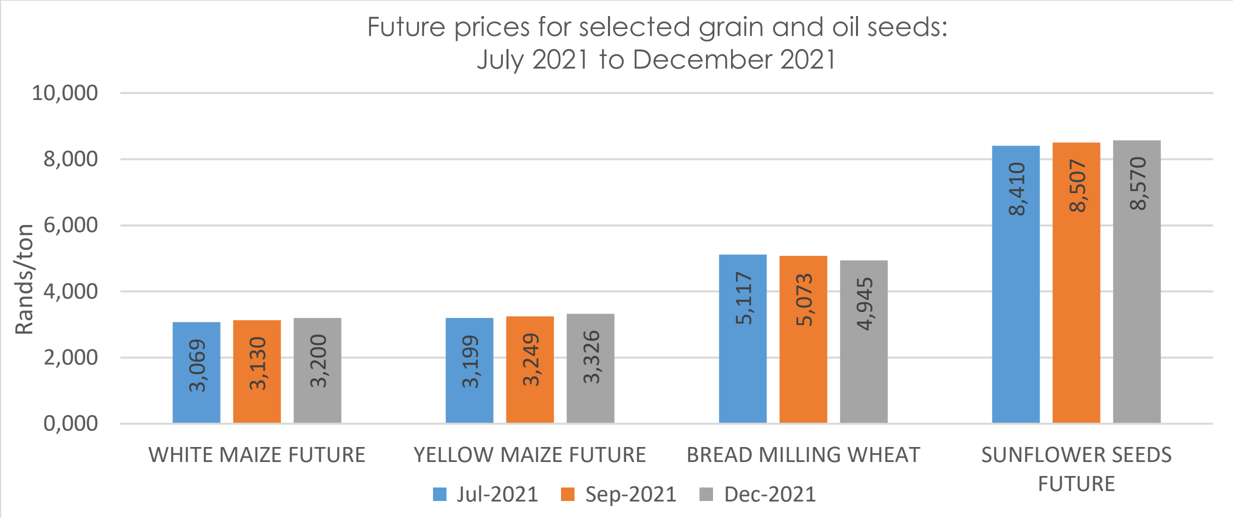
Source: (SAFEX, 2021)

Sunflower seed, White and Yellow maize had a price decrease per ton of R82 (0,9%), R91 (2.8%) and R114 (3,3%) respectively in June 2021 compared to May 2021. The price of Wheat increased by R68 (1.3%) per ton in June 2021 compared to the previous month. When comparing to the previous year, mark to market prices for delivery in July 2021 were generally high for Sunflower seed, White and Yellow Maize. Sunflower seed prices increased by R2 575 (44%), Yellow maize by R599 (23%) and White maize prices increased by R572 (23%) respectively. Wheat prices decreased by R292 (5%) per ton, respectively (SAFEX, 2021).

Future Prices

Figure 1 shows mark to market future prices for summer and winter cereals as traded on SAFEX.

Figure 1: Mark-to-market future prices for the Summer Crops and Winter Cereals as traded on SAFEX



Source: SAFEX (2021)

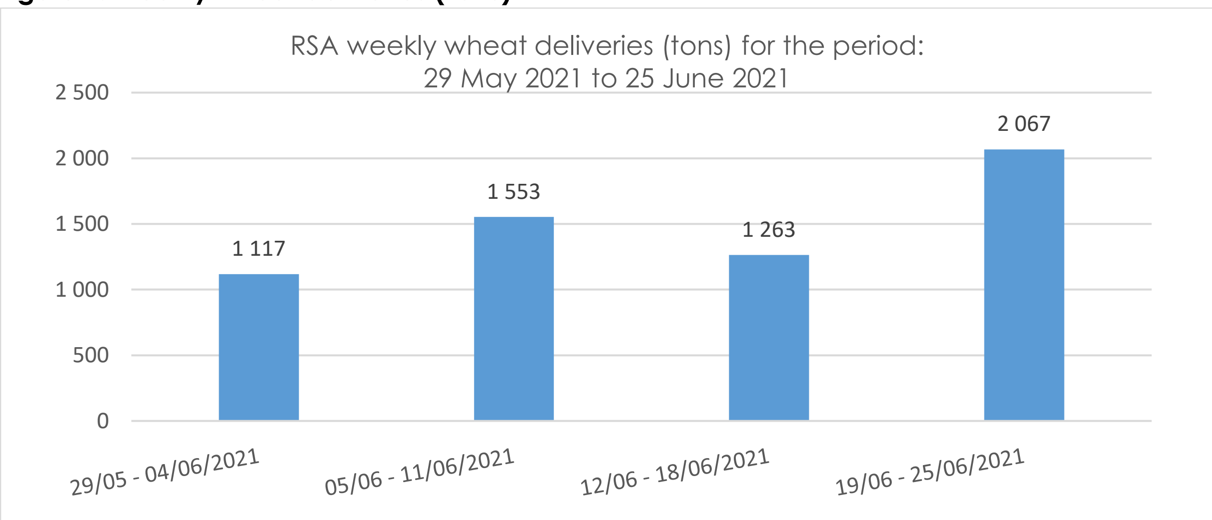
Figure 1 shows a slight increase of mark to market future prices for Sunflower seeds, White and Yellow Maize from July 2021 until December 2021. Bread milling wheat Future prices show a slight decrease from July 2021 until December 2021.

1.3. PRODUCER DELIVERIES

1.3.1 Weekly producer deliveries for wheat

Figure 2 represents weekly producer deliveries of wheat that occurred for the period, 29 May 2021 to 25 June 2021.

Figure 2: Weekly wheat deliveries (Tons)



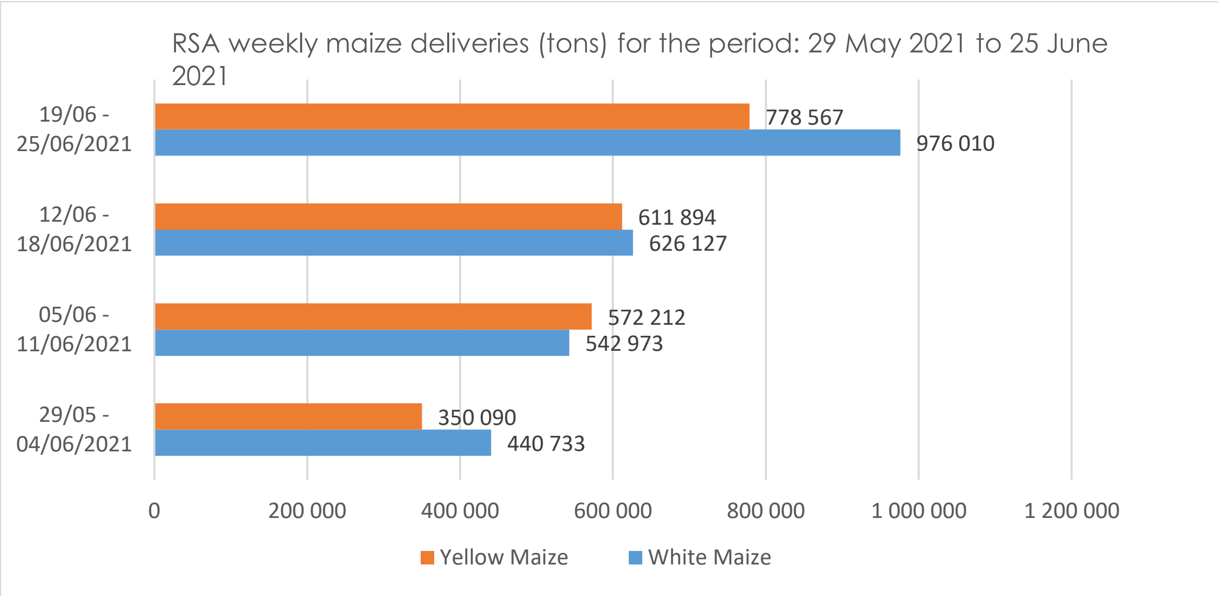
Source: SAGIS, 2021)

During this period, 6 000 tons of wheat were delivered to the market (SAGIS, 2021). As a result, progressive wheat deliveries amounted to 2 044 183 tons, which represents 95, 11% delivery rate in relation to the crop estimate of 2 149 270 tons for 2020/21 production season. During the period under review, an additional 1 058 tonnes of wheat was delivered to the market.

1.3.2 Weekly producer deliveries for white and yellow maize

During the period, 29 May 2021 to 25 June 2021, a total of 2 585 843 tons of white maize were delivered to the market. There was a surplus of 287 396 tons of white maize that was delivered to the market during this period. As a result, progressive deliveries amounted to 4 702 103 tons, which represents 52, 34% delivery rate in relation to the crop estimate of 8 982 190 tons for the 2021/22 production season (SAGIS, 2021).

Figure 3: Weekly White and Yellow Maize deliveries (Tons)



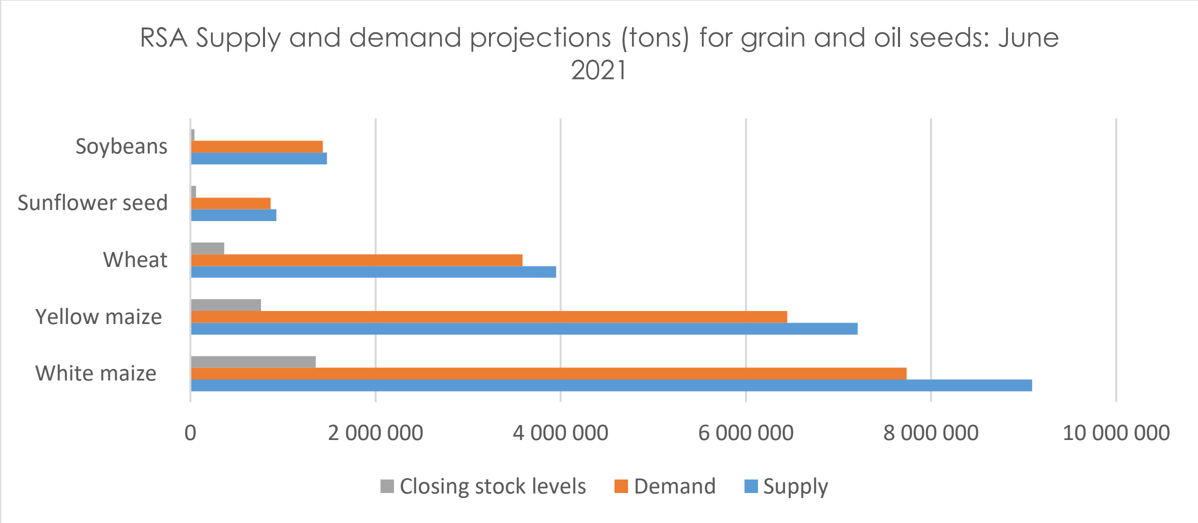
Source: (SAGIS, 2021)

During the period, 29 May 2021 to 25 June 2021, a total of 2 312 763 tons of yellow maize were delivered to the market (SAGIS, 2021). There was a surplus of 192 505 tons of yellow maize that was delivered to the market during this period. As a result, progressive deliveries amounted to 4 475 994 tons, which represents 62.18% delivery rate in relation to the crop estimate of 7 198 150 tons for 2021/22 production season (SAGIS, 2021).

1.4 SUPPLY AND DEMAND ESTIMATES

The **total supply** of selected South African grain and oilseed for the 2021/22 marketing is projected as follows; **white maize** (9 092 000 tons), **yellow maize** (7 209 000 tons), **wheat** (3 952 000 tons), **sunflower seed** (928 000 tons) and **soybeans** (1476 000 tons) respectively.

Figure 4: Supply and demand estimates 2020/21 marketing season



Source: NAMC (2021)

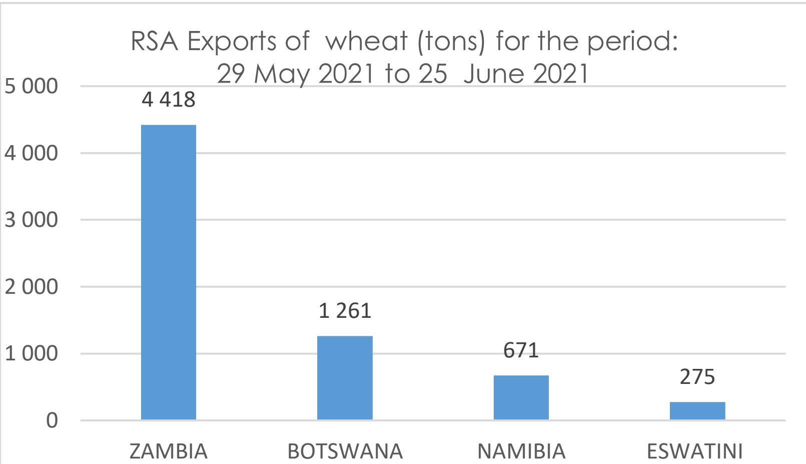
The **total demand (domestic plus exports) for white maize** (7 737 000 tons), **yellow maize** (6 447 000 tons), **wheat** (3 587 000 tons), **sunflower seed** (867 000 tons) and **soybeans** (1 430 000 tons) respectively (NAMC, 2021). Alternatively, visit the National Agricultural Marketing Council 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 73 059 tons. Wheat exports for South Africa amounted to 6 625 tons for the period 29 May 2021 to 25 June 2021. Figure 5, shows South African wheat export destinations.

Figure 5: RSA Wheat exports: 29 May 2021 to 25 June 2021

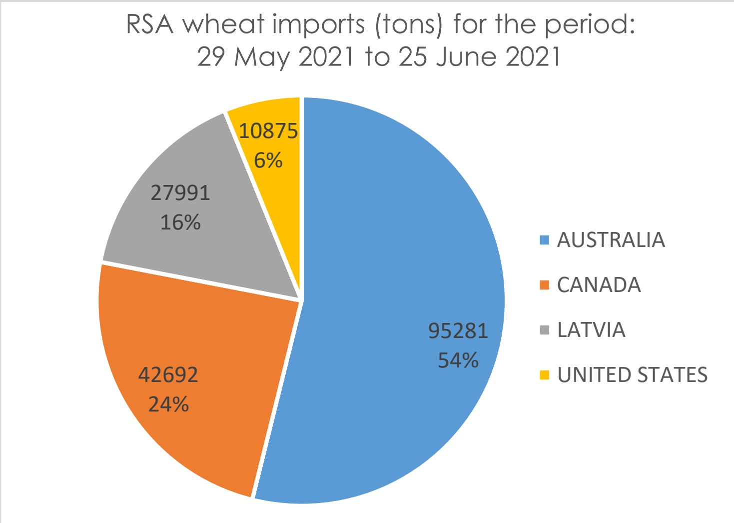


Source: (SAGIS, 2021)

Wheat exports for South Africa were mainly to Zambia 4 418 tons (67%), Botswana 1 261 tons (19%), Namibia 671 (10%) tons and Eswatini 275 tons (4%).

Progressive wheat import during the 2020/21 reporting period is 1 192 943 tons. Wheat imports for South Africa amounted to 176 839 tons for the period 28 May 2021 to 25 June 2021. The following graph shows suppliers of wheat to South Africa.

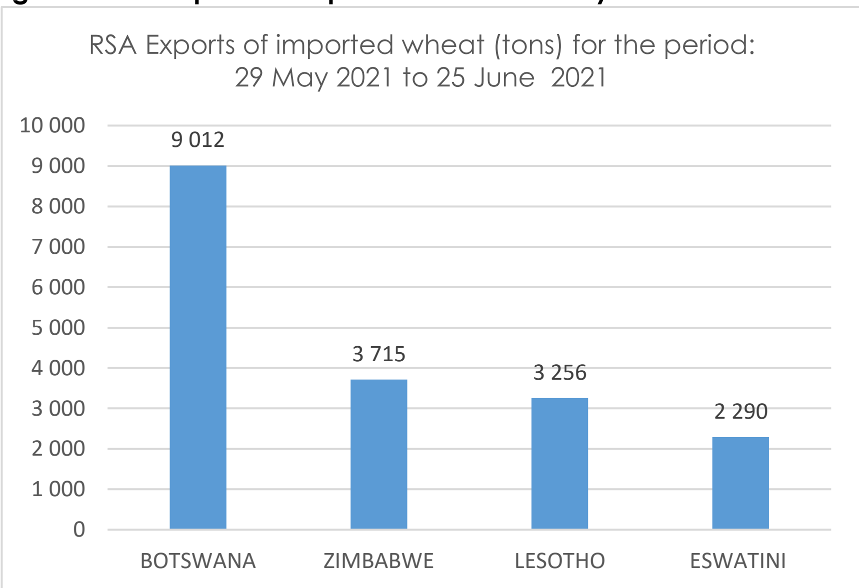
Figure 6: RSA Wheat imports: 29 May 2021 to 25 June 2021



Source: (SAGIS, 2021)

Wheat imports for South Africa were mainly from Australia 95 281 tons (54%), Canada 42 692 tons (53%), Latvia 27 991 tons (34%) and United States of America 10 875 tons (13%).

Figure 7: RSA Exports of imported wheat: 29 May 2021 to 25 June 2021



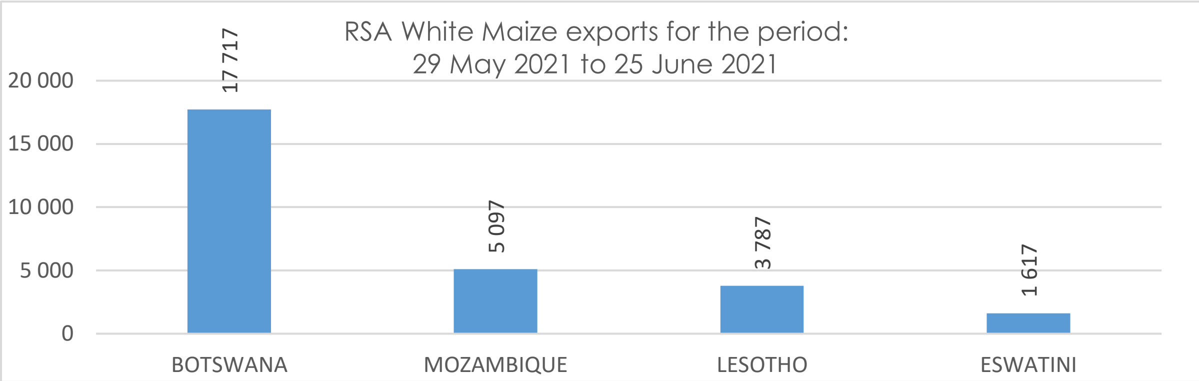
Source: (SAGIS, 2021)

Exports of imported wheat for the period 29 May 2021 to 25 June 2021 amounted to 18 273 tons. The destinations for imported wheat were Botswana 9 012 tons (49%), Zimbabwe 3 715 tons (20%), Lesotho 3 256 tons (18%) and Eswatini 2 290 tons (13%).

1.5. 2 White and Yellow Maize trade

Progressive White maize exports during the 2021/22 season are 69 041 tons. White maize exports for South Africa amounted to 28 233 tons during the period, 29 May 2021 to 25 June 2021.

Figure 8: White maize exports: 29 May 2021 to 25 June 2021

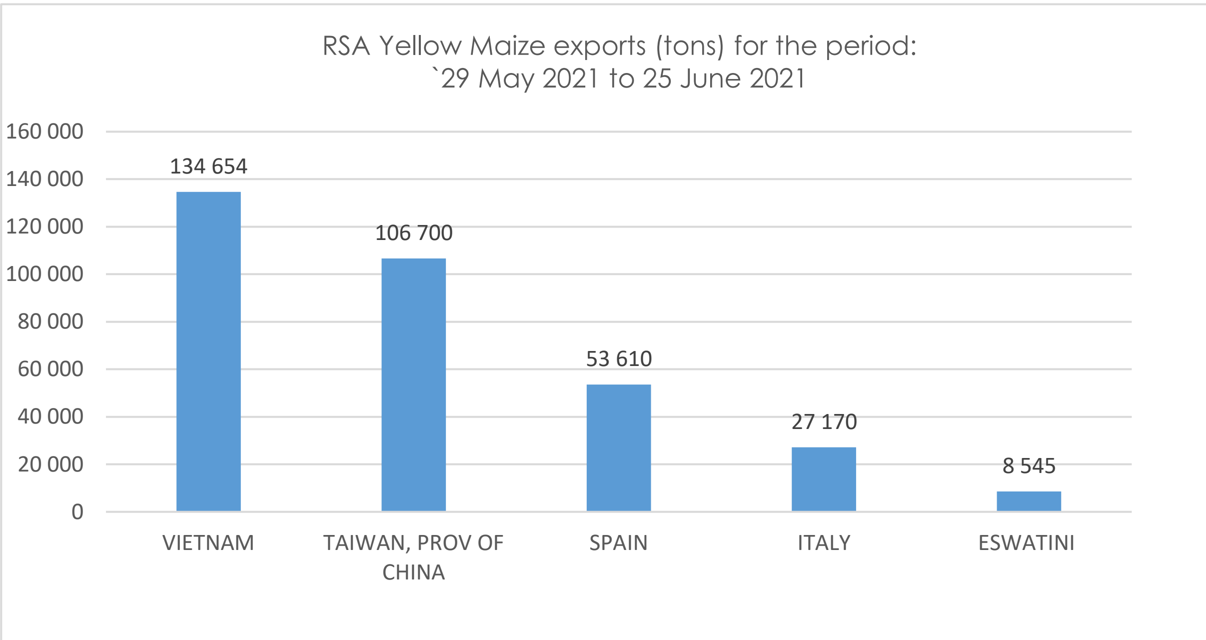


Source: (SAGIS, 2021)

The main export destinations for South African white maize were Botswana 17 717 tons (63%), Mozambique 5 097 tons (18%), Lesotho 3 787 tons (13%), Eswatini 1 617 tons (6%) and Zimbabwe 15 tons (0.1%). South Africa imported 912 tons from Zambia during the period, 29 May 2021 to 25 June 2021.

Progressive Yellow maize exports during the 2021/22 season are 194 902 tons. Yellow maize exports for South Africa amounted to 194 902 tons during the period, 01 May 2021 to 28 May 2021.

Figure 8: Yellow maize exports: 29 May 2021 to 25 June 2021)

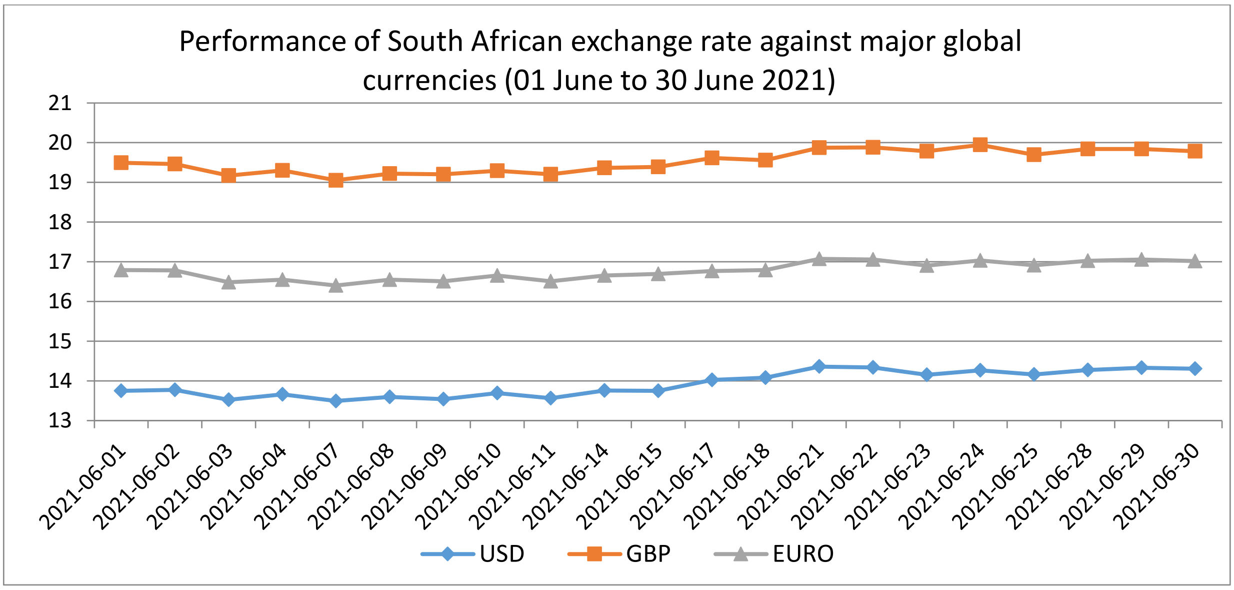


Source: (SAGIS 2021)

The main exports destinations for South African yellow maize were Vietnam 134 654 tons (40%), Taiwan Province of China 106 700 tons (31%), Spain 53 510 tons (16%), Italy 27 170 tons (8%) and Eswatini 8 545 tons (3%). 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 June to 30 June 2021, the average ZAR exchange rate strengthened against all the three major currencies, the Euro, 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 and US dollar, it can be noted that the rand strengthened by 1.5%, and 1.2% respectively. The Euro strengthened by 2% against the South African Rand. On average, the Euro was trading at R16.77 in June 2021 compared to R17.11 in May 2021.

3. ENERGY

The Department of Energy has announced fuel price adjustments with effect from 02 July 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	26,00	cents per litre **increase** in retail price	1667,00
Diesel 0.05% Sulphur	42,00	cents per litre **increase** in wholesale price	1447.12
Illuminating Paraffin (Wholesale)	36,00	cents per litre **increase** in wholesale price	831.58
LPGAS (maximum retail price)	63,00	cents per kilogram **increase** in the maximum retail price	2549.00

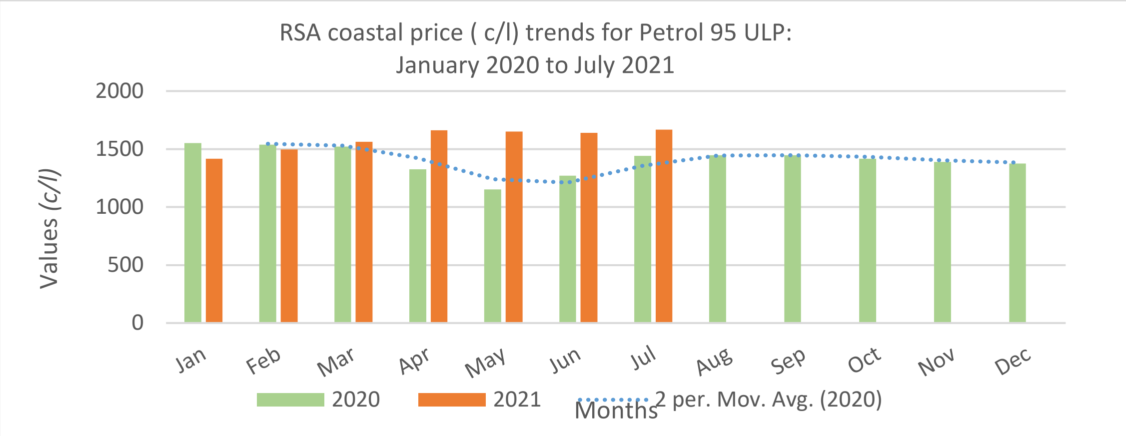
Source: DOE (2021)

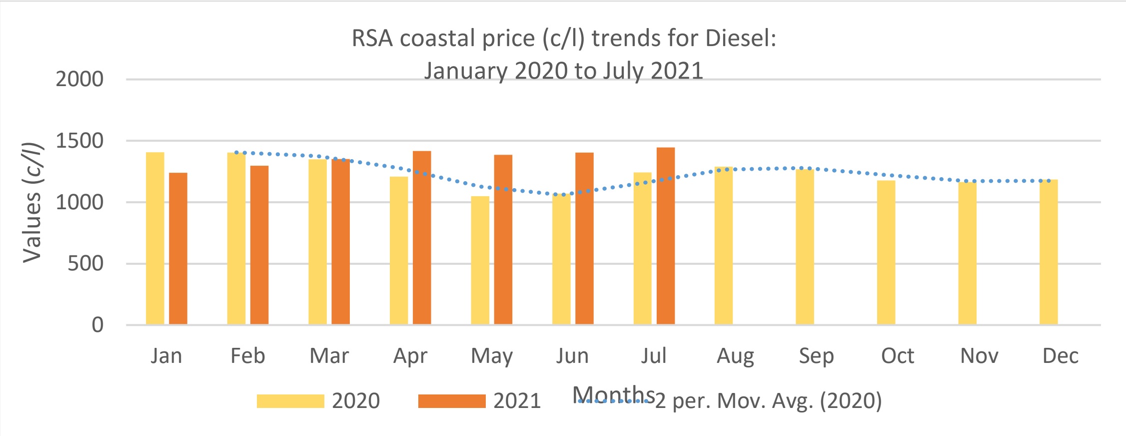
The price of Petrol 95 ULP & LRP increased by 26 cents. The price of diesel (0.05% sulphur) increased by 42 cents and illuminating paraffin wholesale price per litre increased by 36 cents. Lastly, LPGAS's maximum retail price decreased by 63 cents per kilogram.

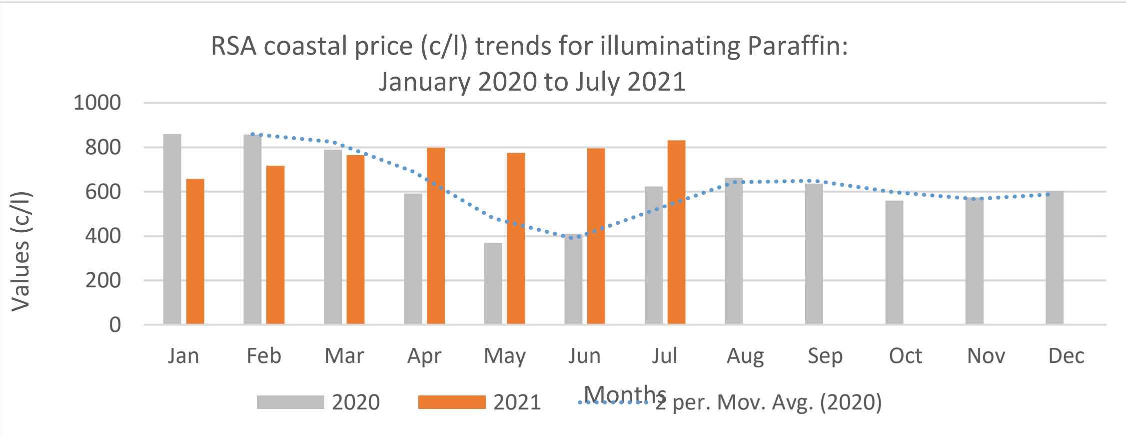
Economic factors affecting RSA fuel price adjustment: 28 May 2021 to 01 July 2021

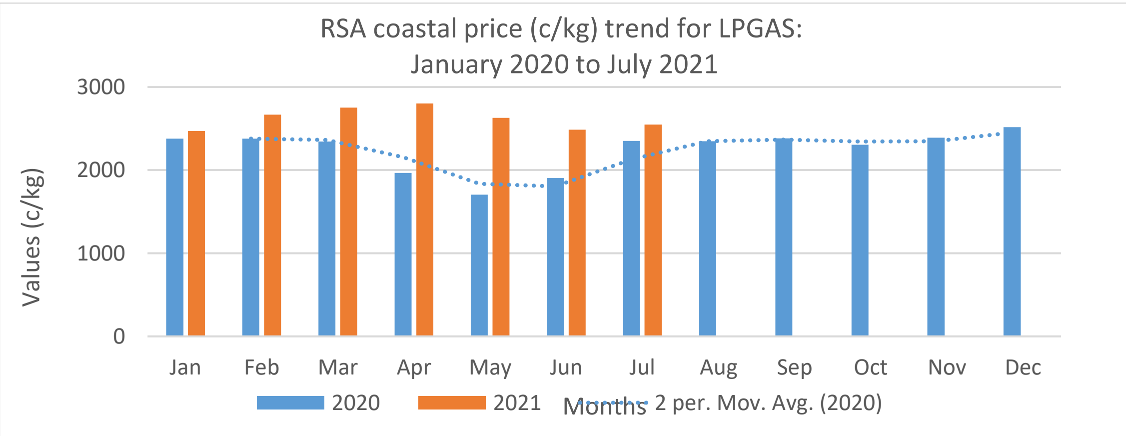
During the period under review, there was an increase in the average international product prices for Petrol, Diesel and Illuminating Paraffin. On average, the Rand appreciated against the US Dollar when compared to the previous period. The average Rand/US Dollar exchange rate for the period 28 May 2021 to 01 July 2021 was 13.9219 compared to 14.1110 during the previous period. This led to a lower contri1ution to the basic fuel prices on petrol, diesel and illuminating paraffin by 10.12 c/l, 19.78 c/l and 9.48 c/l respectively (DOE, 2021).

RSA fuel price trends: January 2020 to July 2021









4. WEATHER ADVISORY – SEASONAL FORECAST JUNE 2021 TO SEPTEMBER 2021

The multi-model rainfall forecast indicates mostly above-normal rainfall during the mid- and late-winter seasons (Jun-Jul-Aug, Jul-Aug-Sep). Above-normal rainfall during winter months over the summer rainfall regions is not likely to be significant. However, above-normal rainfall indicated for the winter rainfall region, south and south-western parts of the country, will likely have a positive impact on agriculture. For early spring, belownormal rainfall is expected over the north-eastern parts of the country (east coast), which usually starts receiving significant rainfall during spring. In addition, below-normal rainfall is expected over the Eastern Cape areas during early spring, which is of a great concern considering the on-going drought in the province. Therefore, the relevant decision makers are encouraged to advise farmers in these regions to adopt proper water harvesting and storage where possible (SAWS, 2021).

Western Cape dam levels

The overall water level of state dams across the province is at 71.6% compared to 51.3% in 2020. Brandvlei dam is 48.9% full compared to 27.2% during the same period last year. Clanwilliam dam is 94.2% full compared to 37.9% during the same period last year. The water level in Theewaterskloof dam is 99.6% compared to 66.4% 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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