Western Cape Government
Agriculture
BETTER TOGETHER.

PERIOD UNDER REVIEW: January 2021 Compiled by Sindisiwe Dhlamini

1. SOUTH AFRICAN GRAIN MARKET

Mark to market prices for selected summer and winter cereals traded on SAFEX were generally high for Wheat and Sunflower (with the exception of White and Yellow maize of prices) in January 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 31/01/2021 (expressed in R/MT)		Month end (31/01/2020) R/MT	Year on year change	Month end 31/12/2020) R/MT	Month end 30/11/2020) R/MT
Commodity	**Feb-21**	**Feb-20**	**Feb 20 vs 21**	**Jan-21**	**Dec-20**
White maize	3401	3094	10%	3399	3539
Yellow maize	3462	2902	19,30%	3320	3467
Wheat	5234	4686	11,7%	4899	4835
Sunflower seed	9400	5762	63,14%	8762	8754
Soybean Contract	6357	4810	32,2%	6357	6357

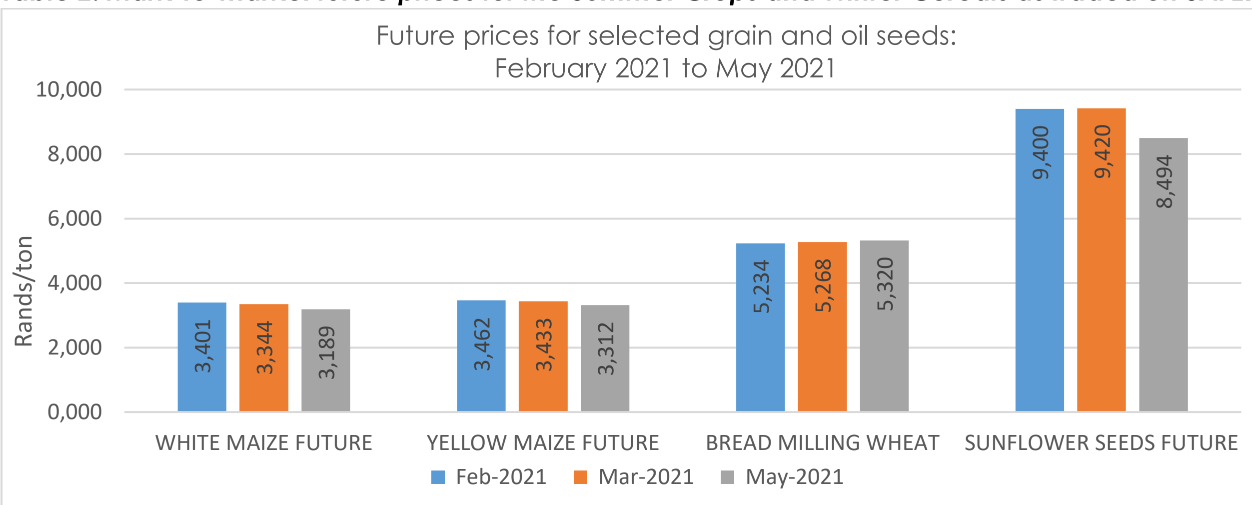
Source: (SAFEX, 2021)

The price of Wheat seed increased by R64 (1.3 %) and Sunflower seed R8 (0.1%) per ton in January 2021 compared to the previous month. White and Yellow maize had a price decrease per ton of R140 (4.0%) and R147 (4, 2%) respectively in January 2021 compared to December 2020. When comparing to the previous year, mark to market prices for delivery in February 2021 were generally high. Sunflower seed prices increased by R3 638 (63.14%) Soybean contract R1 546 (32.2%), Yellow maize R560 (19.30%), Wheat R548 (12 %) and White maize R307 (10%), 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)

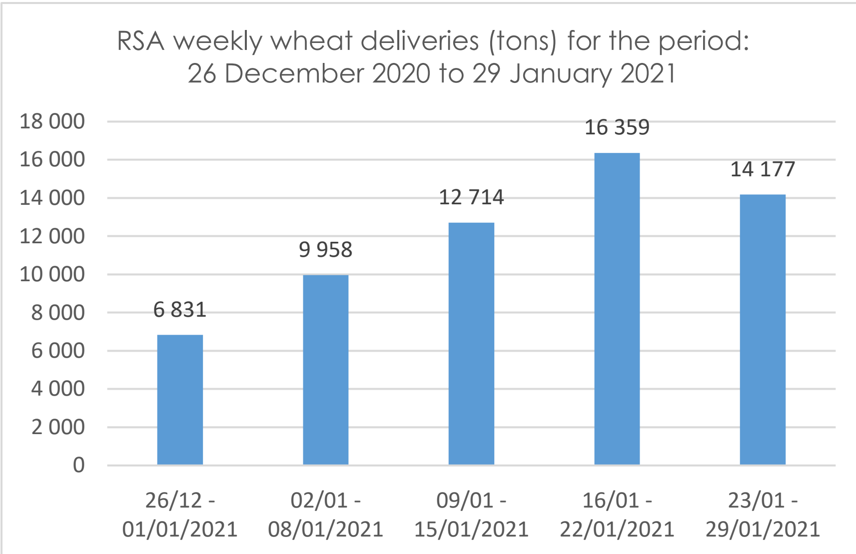
The above graph shows a slight increase of mark to market future prices in March 2021 and May 2021 for wheat. Future prices for Sunflower seeds, White and Yellow Maize show a slight increase in March 2021 and a slight decrease in May 2021.

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 26 December 2020 to 29 January 2021. During this period, 45 862 tons of wheat were delivered to the market (SAGIS, 2021). As a result, progressive wheat deliveries amounted to 1 898 583 tons, which represents 88, 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)



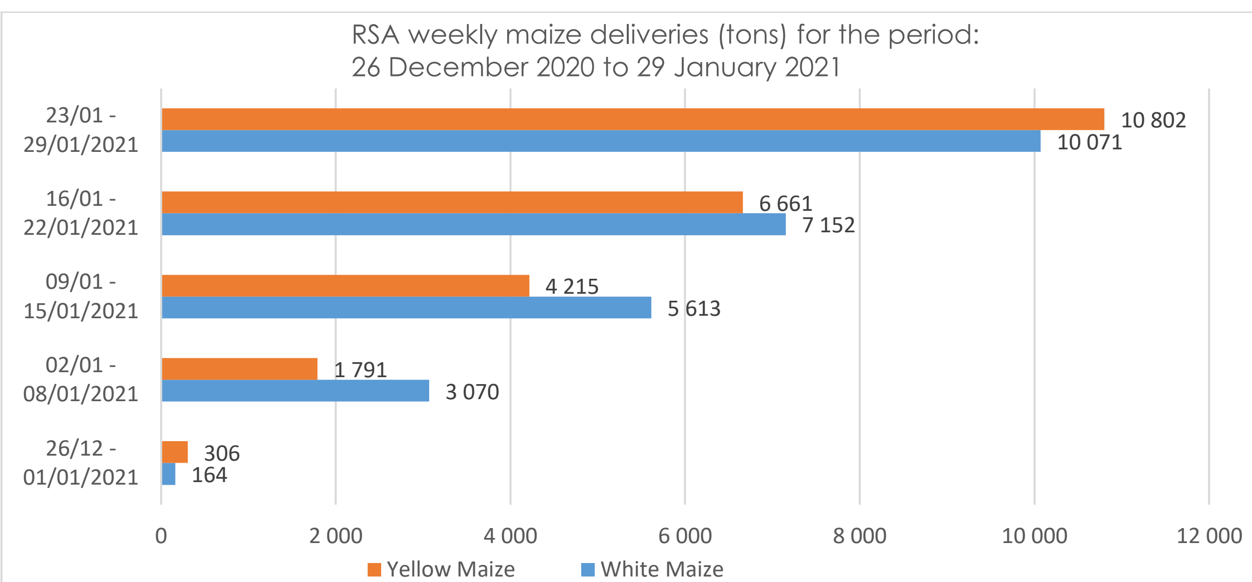
Source (SAGIS, 2021)

Major adjustments occurred during the week ending 01 January 2021, as a result, an additional 1 987 tons of wheat was delivered to the market.

1.3.2 Weekly producer deliveries for white and yellow maize

During the period 26 December 2020 to 29 January 2021, a total of 26 070 tons of white maize were delivered to the market. There was a shortfall of 625 tons for white maize delivered during the week ending 01 January 2021. As a result, progressive deliveries amounted to 8 094 508 tons, which represents 93.4 % 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)



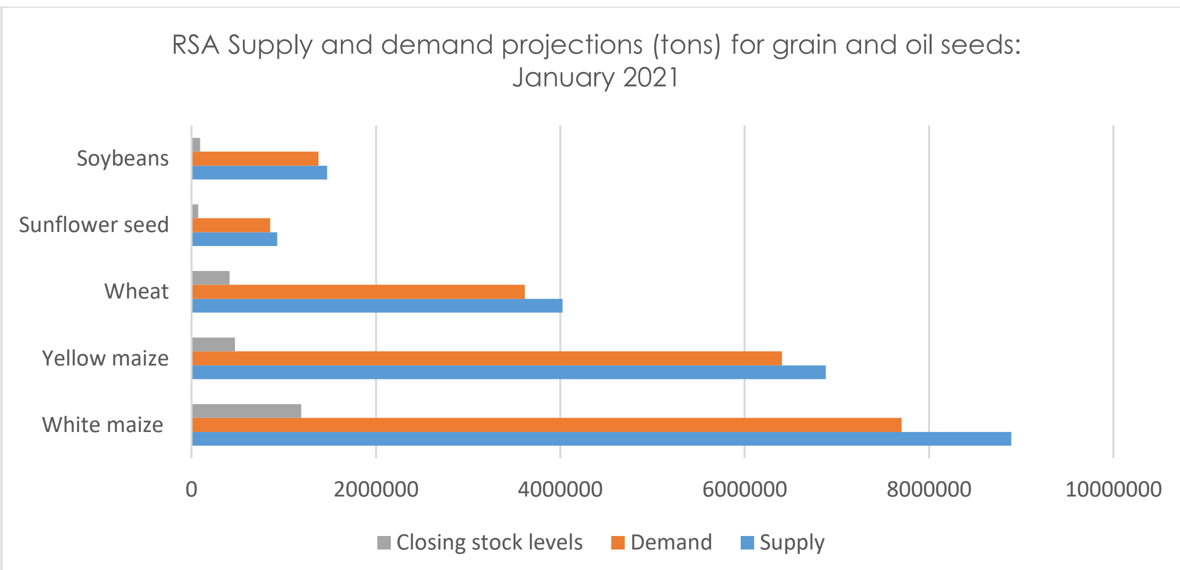
Source (SAGIS, 2021)

During the period, 26 December 2020 to 29 January 2021, a total of 23 775 tons of yellow maize were delivered to the market (SAGIS, 2021). There was a shortfall of 3 241 tons of yellow maize deliveries during this period. As a result, progressive deliveries amounted to 6 023 858 tons, which represents 95.8% delivery rate in relation to the crop estimate of 6 067 480 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** (8 893 033 tons), **yellow maize** (6 878 516 tons), **wheat** (4 025 008 tons), **sunflower seed** (928 635 tons) and **soybeans** (1 469 955 tons) respectively.

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



(NAMC 2021)

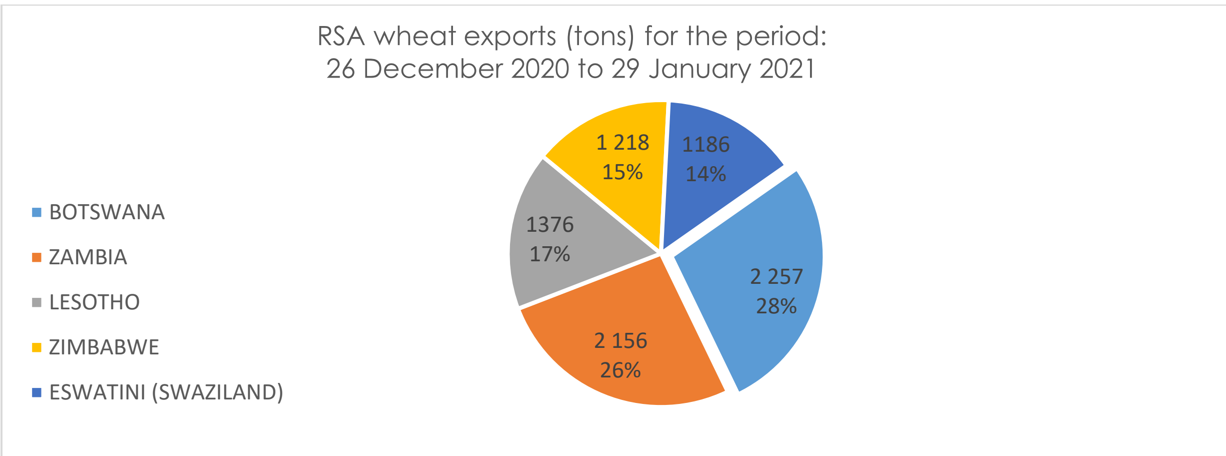
The **total demand (domestic plus exports) for white maize** (7 703 500 tons), **yellow maize** (6 406 000 tons), **wheat** (3 613 600 tons), **sunflower seed** (854 650 tons) and **soybeans** (1 376 100 tons) respectively (NAMC, 2021). Alternatively, visit the National Agricultural Marketing Council 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 13 525 tons. Wheat exports for South Africa amounted to 8 193 tons for the period 26 December 2020 to 29 January 2021. The following graph shows South African wheat export destinations.

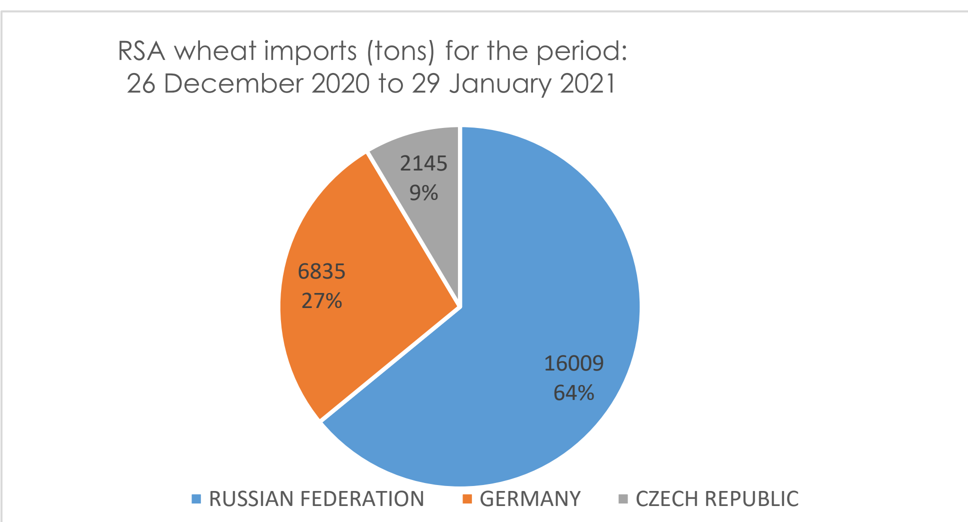
Figure 4: RSA Wheat exports: 26 December 2020 to 29 January 2021



Source (SAGIS, 2021)

Wheat exports for South Africa were mainly to Botswana 2 257 tons (28%), Zambia 2 156 tons (26%), Lesotho 1 376 tons (17%) Zimbabwe 1 218 tons (15%) and Eswatini 1 186 tons (14%).

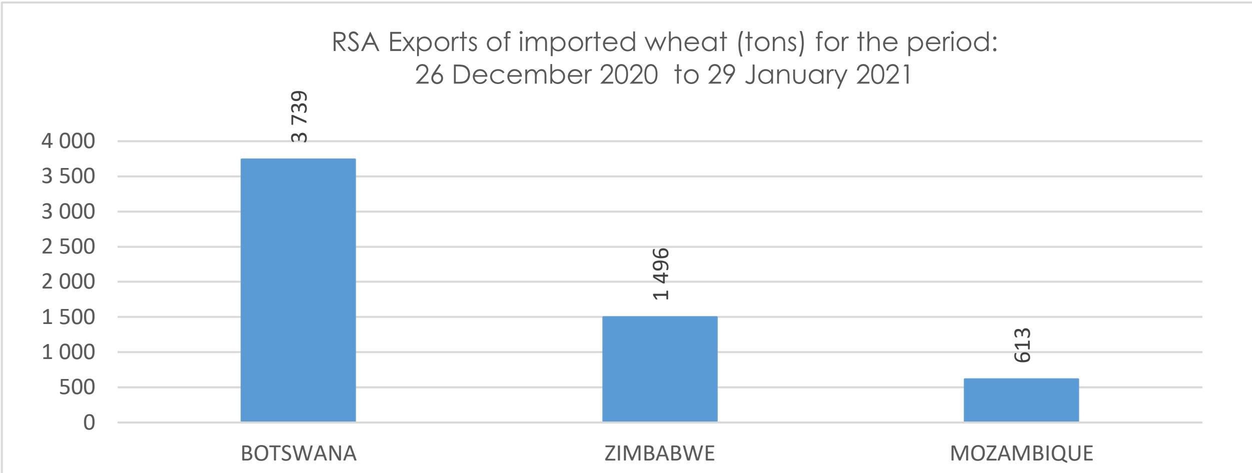
Figure 5: RSA Wheat imports: 26 December 2020 to 29 January 2021



Source (SAGIS, 2021)

Wheat imports for South Africa were mainly from the Russian Federation 16 009 tons (64%), Germany 6 835 tons (27%) and Czech Republic 2 145 tons (9%).

Figure 6: RSA Exports of imported wheat: 26 December 2020 to 29 January 2021



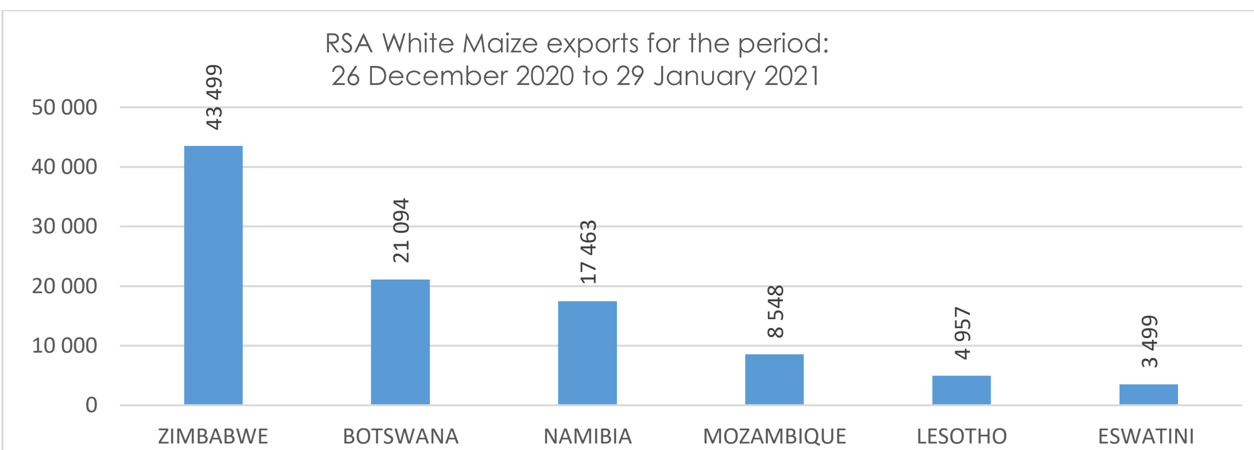
Source (SAGIS, 2021)

Exports of imported wheat for the period, 26 December 2020 to 29 January 2021 amounted to 5 848 tons. The destinations for imported wheat were Botswana (3 739 tons), Zimbabwe (1 496 tons) and Mozambique (613 tons).

1.5. 2 White and Yellow Maize trade

Progressive White maize exports during the 2020/21 season are 763 020 tons. White maize exports for South Africa amounted to 99 060 tons during the period, 26 December 2020 to 29 January 2021.

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

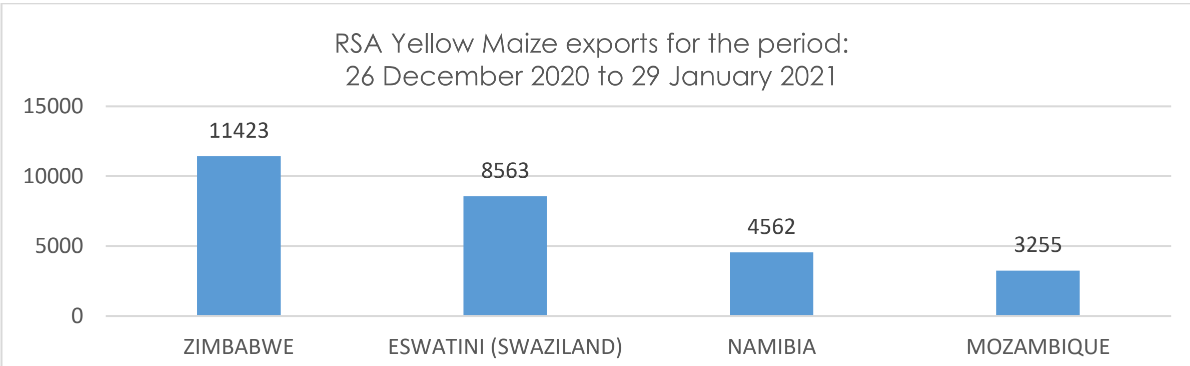


Source (SAGIS, 2021)

The main export destinations for South African white maize were Zimbabwe (43 499 tons), Botswana (21 094 tons), Namibia (17 463 tons), Mozambique (8 548 tons), Lesotho (4 957 tons) and Eswatini (3 499 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 1 268 513 tons. Yellow maize exports for South Africa amounted to 27 803 tons during the period, 26 December 2020 to 29 January 2021.

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

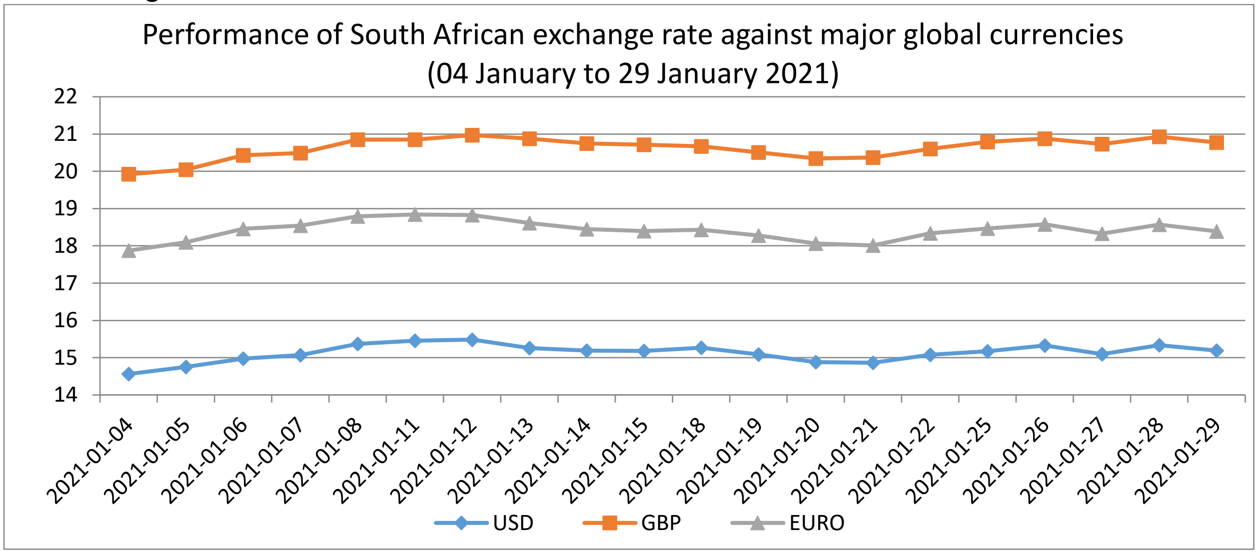


Source (SAGIS, 2021)

The main exports destinations for South African yellow maize were Zimbabwe (11 423 tons), Eswatini (8 563 tons), Namibia (4 562 tons) and Mozambique (3 255 tons). During the period under review, South Africa did not import yellow maize (SAGIS, 2021)

2. ECONOMIC REVIEWS

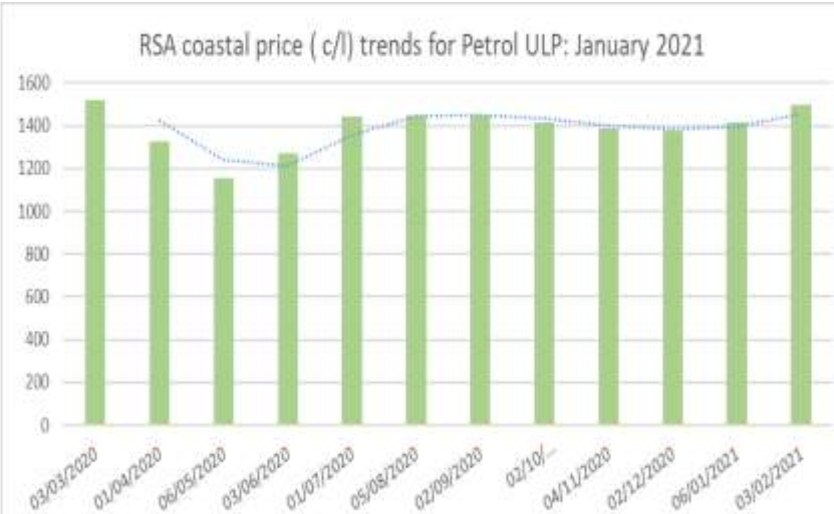
2.1 Exchange Rates

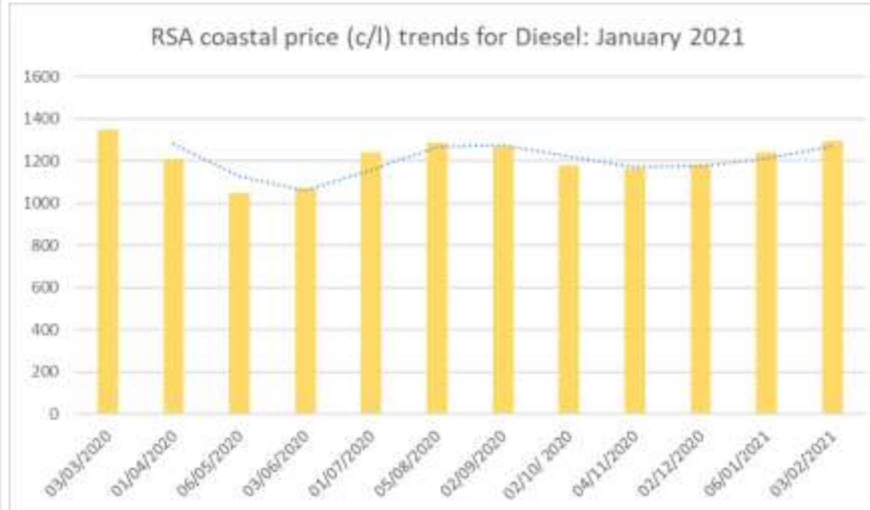


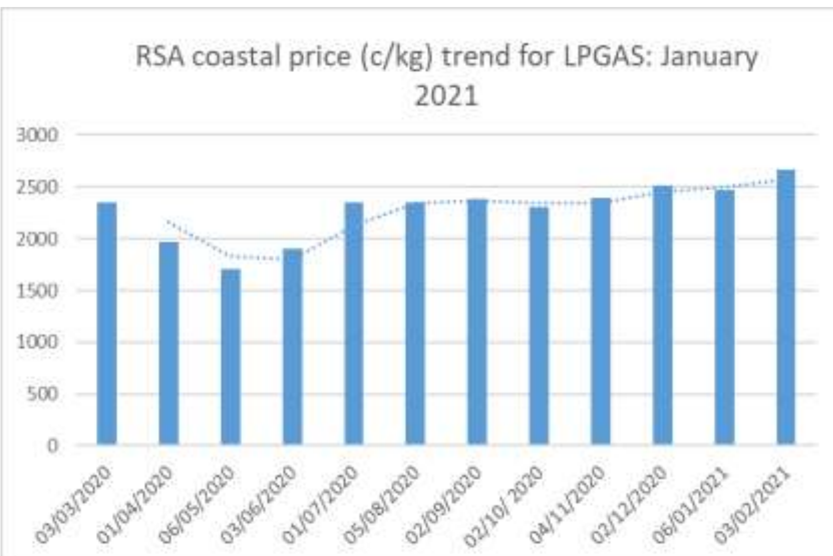
Source: SARB (2021)

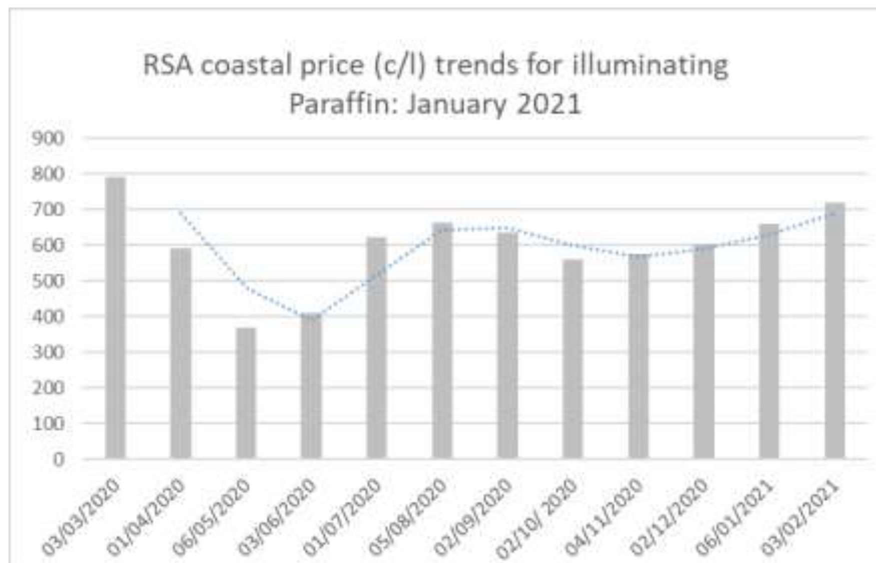
During the reporting period 01 January to 31 January 2021, the average ZAR exchange rate weakened against all the three major global currencies such as the Great Britain pound (GBP), Euro and US dollar (USD), (SARB, 2021). When looking at month to month average of the Rand against the Great Britain Pound and Euro, it can be noted that the rand weakened by 3% and 1.6% respectively. On average, the rand weakened by 1.5% against the US dollar, it traded at R15.13 in January 2021 while it traded at R14.91 in December 2020. Great British Pound and Euro were trading at R20.63 and R18.42 respectively in January 2021.

RSA fuel price trends: January 2021









3. ENERGY

The Department of Energy has announced fuel price adjustments with effect from 03 February 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	40,00	cents per litre **increase** in retail price	1416,00
Diesel 0.05% Sulphur	55,00	cents per litre **increase** in wholesale price	1240.12
Illuminating Paraffin (Wholesale)	55,00	cents per litre **increase** in wholesale price	658.58
LPGAS (maximum retail price)	44,00	cents per kilogram **decrease** in the maximum retail price	2472,00

(DOE, 2021)

The price of Petrol 95 ULP & LRP increased by 40 cents. The price of diesel (0.05% sulphur) increased by 55 cents and illuminating paraffin wholesale price per litre increased by 55 cents. Lastly, LPGAS's maximum retail price decreased by 44 cents per kilogram.

Economic factors affecting RSA fuel price adjustment: 31 December 2020 to 28 January 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 31 December 2020 to 28 January 2021 was 15.08 compared to 14.93 during the previous month. This led to higher contribution to the basic fuel prices on petrol, diesel and illuminating paraffin by 5.83 *c/l*, 5.79 *c/l* and 5.66 *c/l* respectively (DOE, 2021).

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

The multi-model rainfall forecast for spring, late spring and early summer (Sep-Oct-Nov, Oct-Nov-Dec and Nov-Dec-Jan) indicate increased chances of above-normal rainfall over most parts of the country with the main focus being on the summer rainfall areas in the north east of South Africa. In general, most of the country is expected to experience above-normal temperatures during spring and late spring, with below-normal maximum temperatures predicted for the north eastern parts of the country during early summer (SAWS, 2021).

Western Cape

The overall water level of state dams across the province is at 64% compared to 52.4% in 2020. Brandvlei dam is 49.2% full compared to 33.2% during the same period last year. Clanwilliam dam is 57.3% full compared to 45.6% during the same period last year. The water level in Theewaterskloof dam is 86.4% compared to 63.6% 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

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