Western Cape Government
Agriculture
BETTER TOGETHER.

PERIOD UNDER REVIEW: May 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 high in May 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 30/05/2021 (expressed in R/MT)		Month end (30/05/2020) R/MT	Year on year change	Month end 30/04/2021) R/MT	Month end 30/03/2021) R/MT
Commodity	**Jun-21**	**Jun-20**	**Jun 20 vs 21**	**May-21**	**Apr-21**
White maize	3177	2404	32%	3268	2990
Yellow maize	3301	2532	30,37%	3415	3142
Wheat	5110	5316	-3,9%	5042	4894
Sunflower seed	8728	5595	56,00%	8810	8715

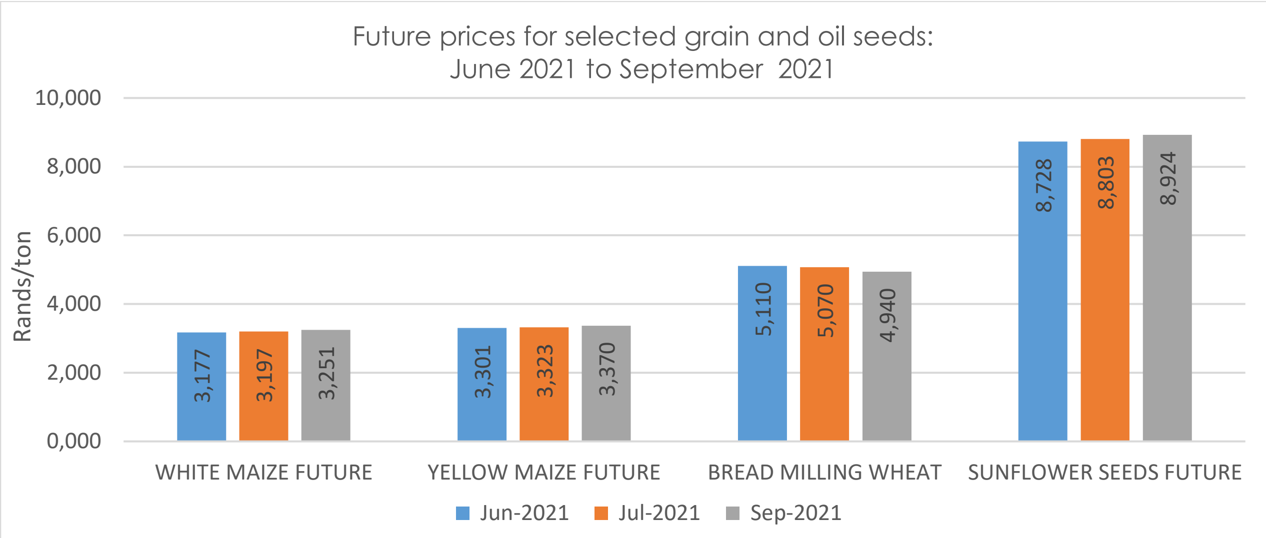
Source: (SAFEX, 2021)

The price of Sunflower seed increased by R95 (1.1%) per ton in May 2021 compared to the previous month. Wheat, Yellow and White maize had a price increase per ton of R148 (3%), R273 (8.7%) and R278 (9, 34%) respectively in May 2021 compared to April 2021. When comparing to the previous year, mark to market prices for delivery in June 2021 were generally high for Sunflower seed, White and Yellow Maize. Sunflower seed prices increased by R3 133 (56%), Yellow maize by R769 (30%) and White maize prices increased by R773 (27%) respectively. Wheat prices decreased by R206 (4%) per ton, respectively (SAFEX, 2021).

Future Prices

Figure 1 below 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)

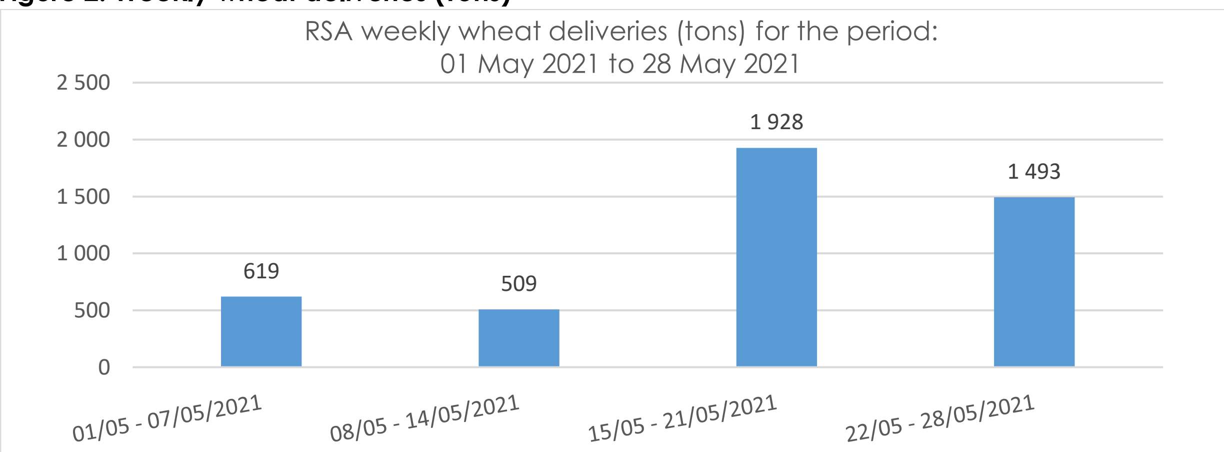
Figure 1 shows a slight increase of mark to market future prices for Sunflower seeds, White and Yellow Maize from June 2021 until September 2021. Bread milling wheat Future prices for show a slight decrease from June 2021 until September 2021.

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 01 May 2021 to 28 May 2021.

Figure 2: Weekly wheat deliveries (Tons)



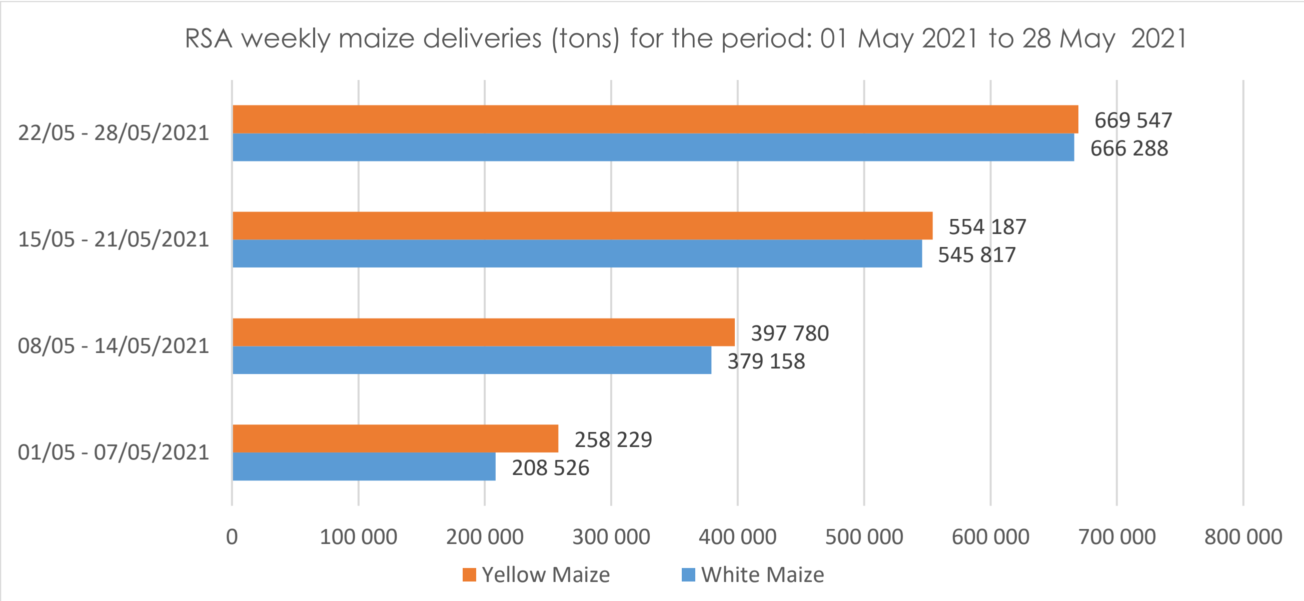
Source: SAGIS, 2021)

During this period, 4 549 tons of wheat were delivered to the market (SAGIS, 2021). As a result, progressive wheat deliveries amounted to 2 032 863 tons, which represents 94, 58% delivery rate in relation to the crop estimate of 2 149 270 tons for 2020/21 production season. There were no major adjustments during this period.

1.3.2 Weekly producer deliveries for white and yellow maize

During the period 01 May 2021 to 28 May 2021, a total of 1 799 789 tons of white maize were delivered to the market. There was a surplus of 5 354 tons of white maize that was delivered to the market during this period. As a result, progressive deliveries amounted to 1 799 789 tons, which represents 20% 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)



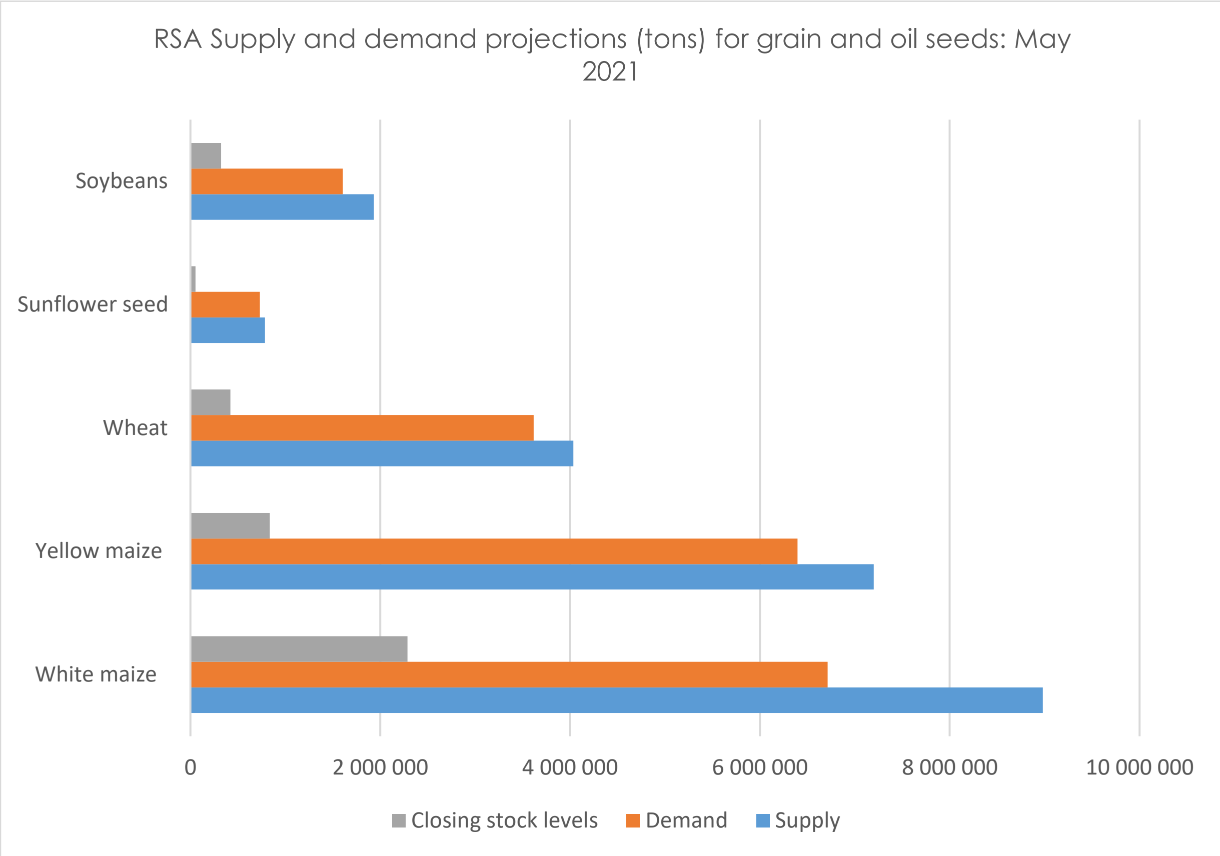
Source: (SAGIS, 2021)

During the period, 01 May 2021 to 28 May 2021, a total of 1 879 743 tons of yellow maize were delivered to the market (SAGIS, 2021). There was a surplus of 2 919 tons of yellow maize that was delivered to the market during this period. As a result, progressive deliveries amounted to 1 879 743 tons, which represents 26.11% 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** (8 982 190 tons), **yellow maize** (7 198 150 tons), **wheat** (4 035 908 tons), **sunflower seed** (784 604 tons) and **soybeans** (1 931 203 tons) respectively.

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



Source: NAMC (2021)

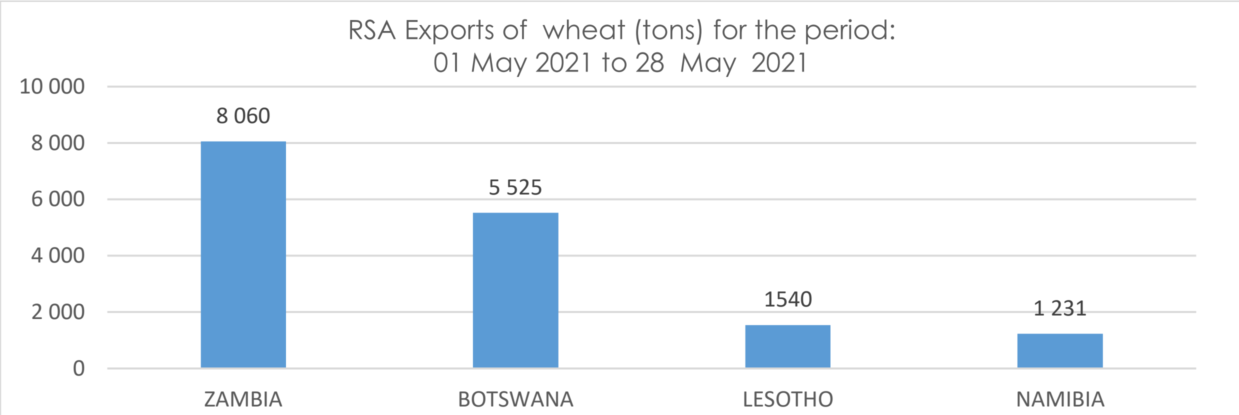
The **total demand (domestic plus exports) for white maize** (6 712 000 tons), **yellow maize** (6 396 500 tons), **wheat** (3 616 400 tons), **sunflower seed** (732 300 tons) and **soybeans** (1 606 600 tons) respectively (NAMC, 2021). Alternatively, visit the National Agricultural Marketing Council 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 66 400 tons. Wheat exports for South Africa amounted to 16 356 tons for the period 01 May 2021 to 28 May 2021. Figure 5 shows South African wheat export destinations.

Figure 5: RSA Wheat exports: 01 May 2021 to 28 May 2021

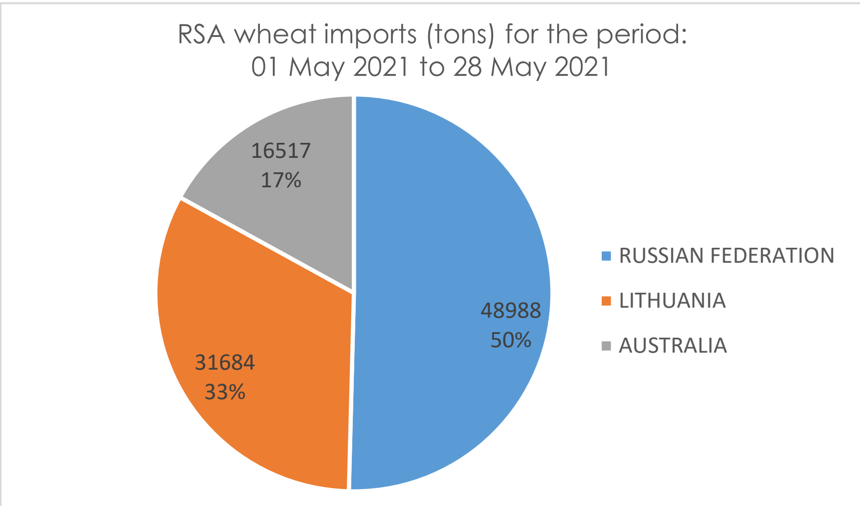


Source: (SAGIS, 2021)

Wheat exports for South Africa were mainly to Zambia 8 060 (49%) tons, Botswana 5 525 tons (34%), Lesotho 1 540 (9%) tons and Namibia1 231 (8%) tons.

Progressive wheat import during the 2020/21 reporting period is 1 018 562 tons. Wheat imports for South Africa amounted to 97 189 tons for the period 01 May 2021 to 28 May 2021. Figure 6 shows suppliers of wheat to South Africa.

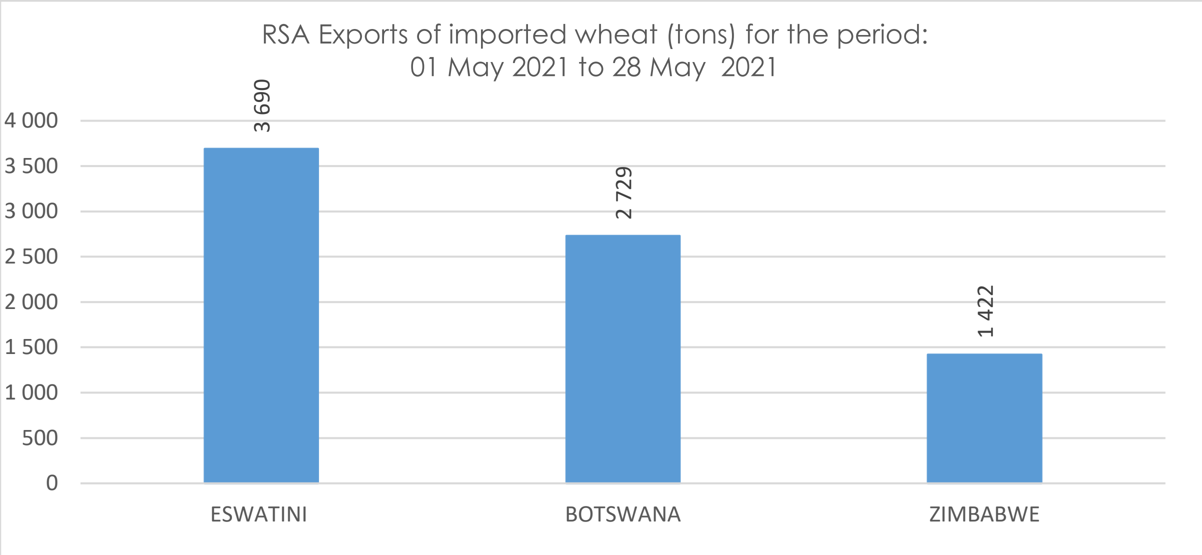
Figure 6: RSA Wheat imports: 01 May 2021 to 28 May 2021



Source: (SAGIS, 2021)

Wheat imports for South Africa were mainly from the Russian Federation 48 988 (50%) tons, Lithuania 31 684 (33%) tons and Australia 16 517 (17%).

Figure 7: RSA Exports of imported wheat: 01 May 2021 to 28 May 2021



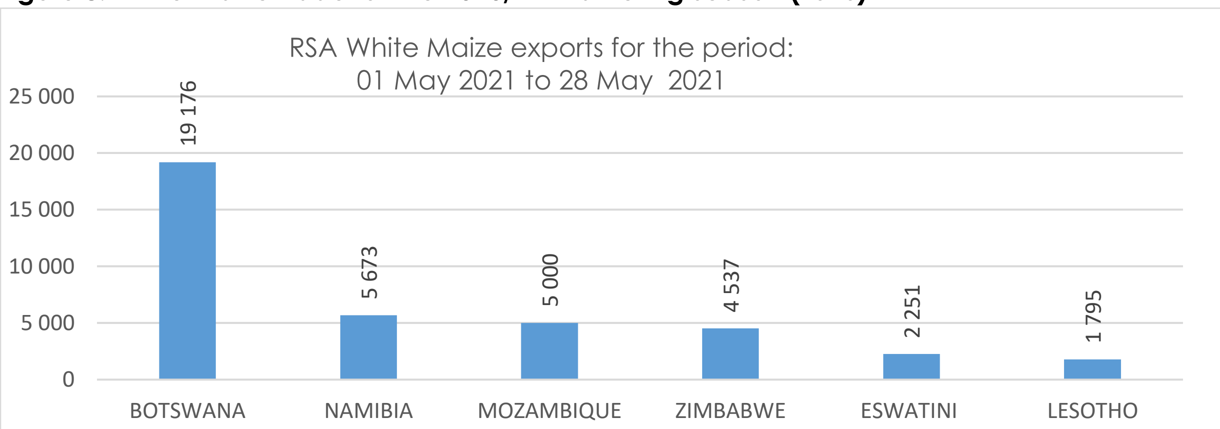
Source: (SAGIS, 2021)

Exports of imported wheat for the period 01 May 2021 to 28 May 2021 amounted to 7 841 tons. The destinations for imported wheat were Eswatini (3 690 tons), Botswana (2 729 tons) and Zimbabwe (1 422 tons).

1.5. 2 White and Yellow Maize trade

Progressive White maize exports during the 2021/22 season are 38 432 tons. White maize exports for South Africa amounted to 38 432 tons during the period, 01 May 2021 to 28 May 2021.

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



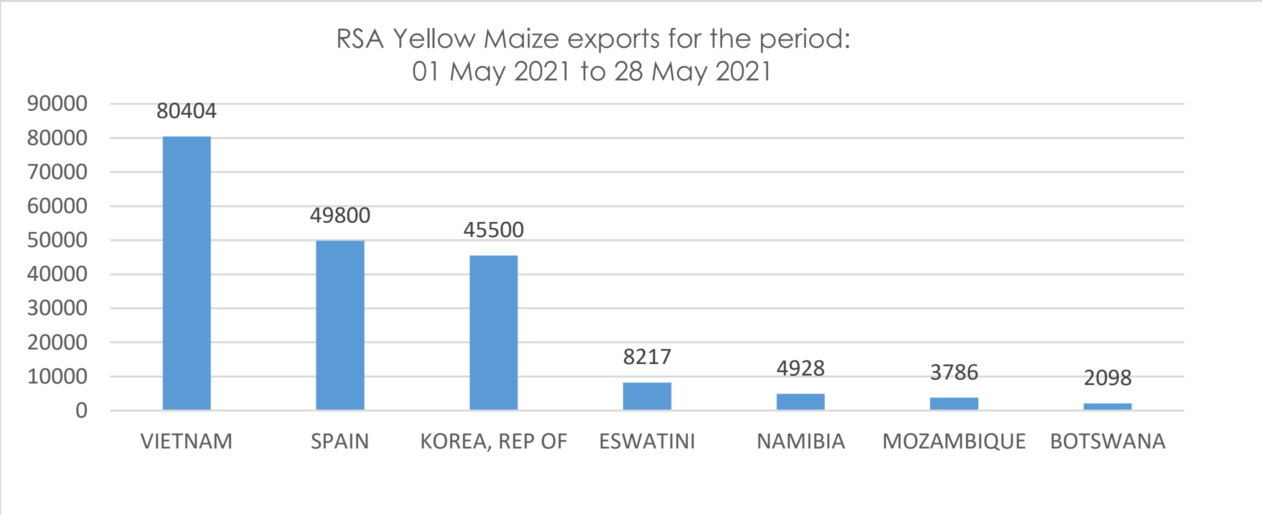
Source: (SAGIS, 2021)

Figure 8 shows the main export destinations for South African White maize. The main export destinations for South African white maize were Botswana (19 176 tons), Namibia (5 673 tons), Mozambique (5 000 tons), Zimbabwe (4 537 tons), Eswatini (2 251) tons and Lesotho (1 795).

There were no imports of white maize due to bumper crop harvested during the current production season.

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 9 shows the main export destinations for South African yellow maize.

Figure 9: Yellow maize trade for the 2020/21 marketing season (Tons)

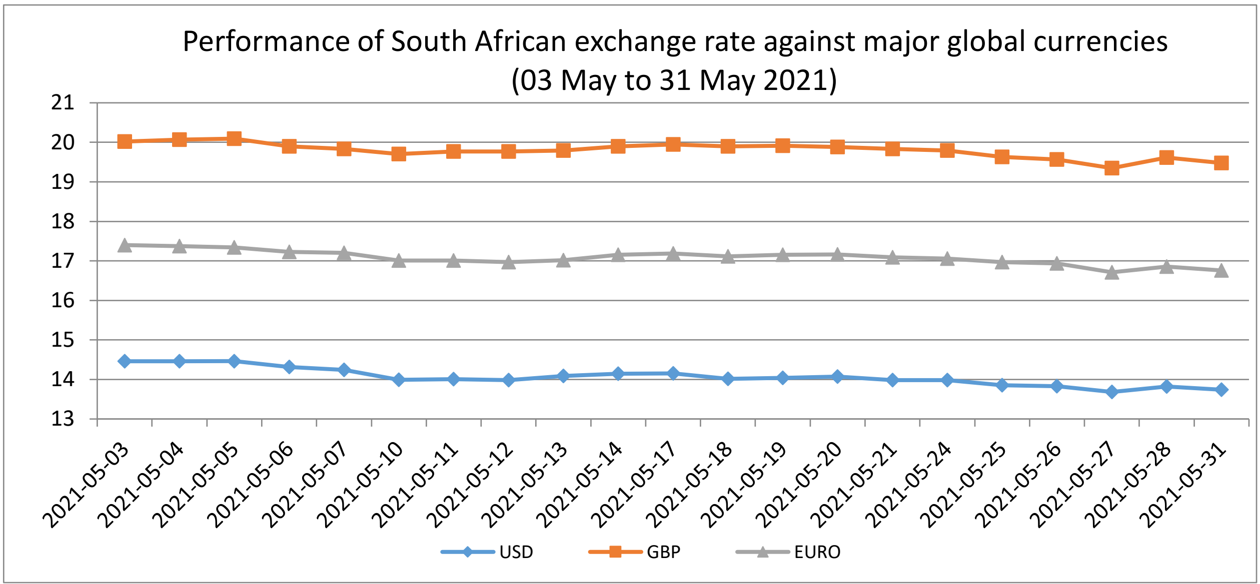


Source: (SAGIS 2021)

The main exports destinations for South African yellow maize were Vietnam (80 404 tons), Spain (49 800 tons), Republic of Korea (45 500 tons), Eswatini (8 217 tons), Namibia (4 928 tons), Mozambique (3 786 tons) and Botswana (2 098 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 May to 31 May 2021, the average ZAR exchange rate strengthened against all the three major currencies, 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 0.6%, and 0.8% respectively. The US dollar weakened by 2.2% against the South African Rand. On average, the Great British pound was trading at R19.82 in May 2021 compared to R19.95 in April 2021.

3. ENERGY

The Department of Energy has announced fuel price adjustments with effect from 02 June 2021.

Table 2: 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	10,00	cents per litre **decrease** in retail price	1641,00
Diesel 0.05% Sulphur	20,00	cents per litre **increase** in wholesale price	1405.12
Illuminating Paraffin (Wholesale)	20,00	cents per litre **increase** in wholesale price	795.58
LPGAS (maximum retail price)	143,00	cents per kilogram **decrease** in the maximum retail price	2846.00

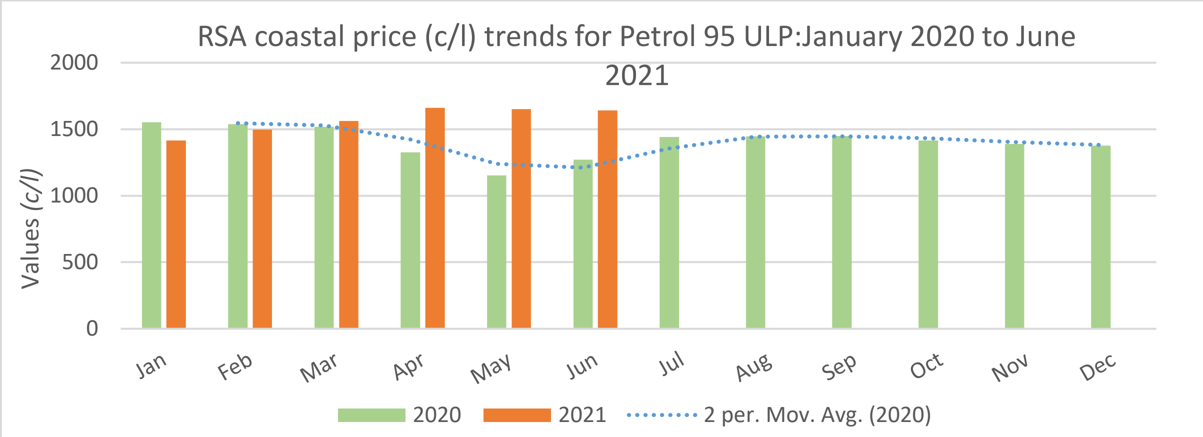
Source: DOE (2021)

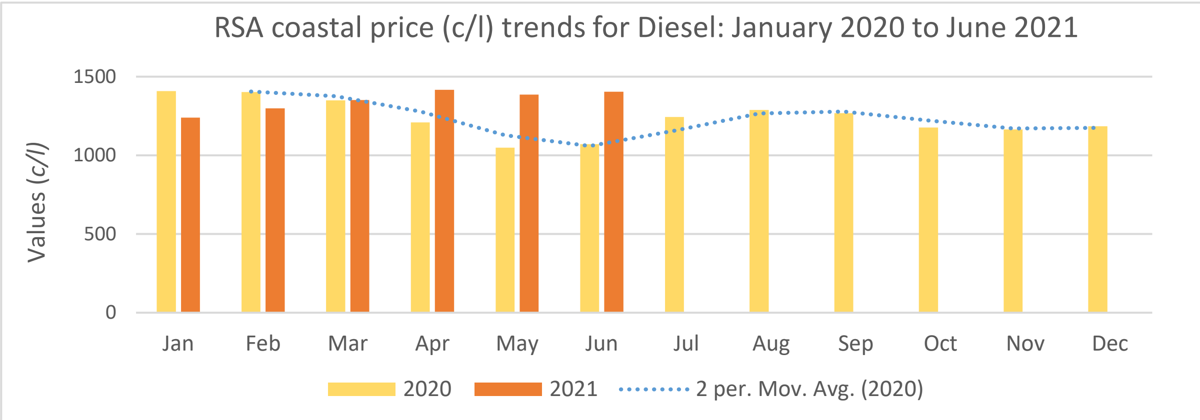
The price of Petrol 95 ULP & LRP decreased by 10 cents. The price of diesel (0.05% sulphur) increased by 20 cents and illuminating paraffin wholesale price per litre increased by 20 cents. Lastly, LPGAS's maximum retail price decreased by 143 cents per kilogram.

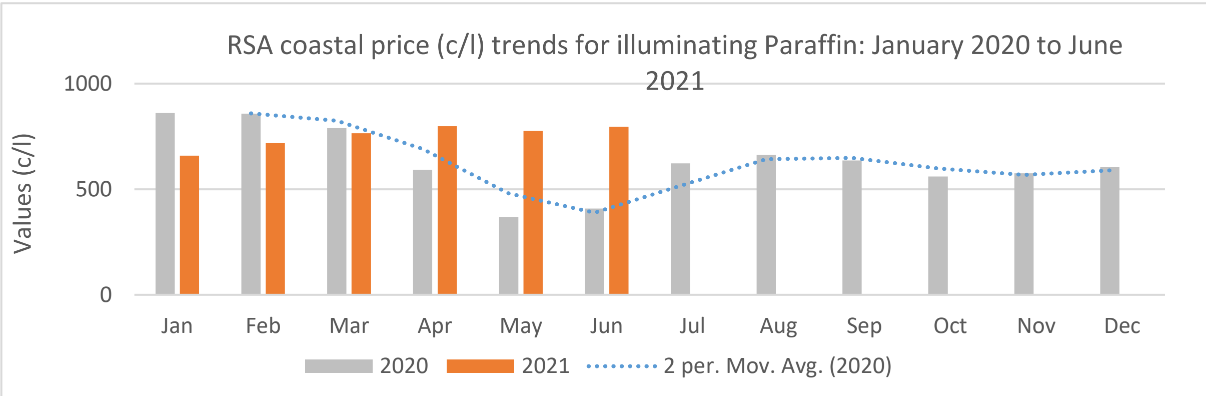
Economic factors affecting RSA fuel price adjustment: 30 April 2021 to 27 May 2021

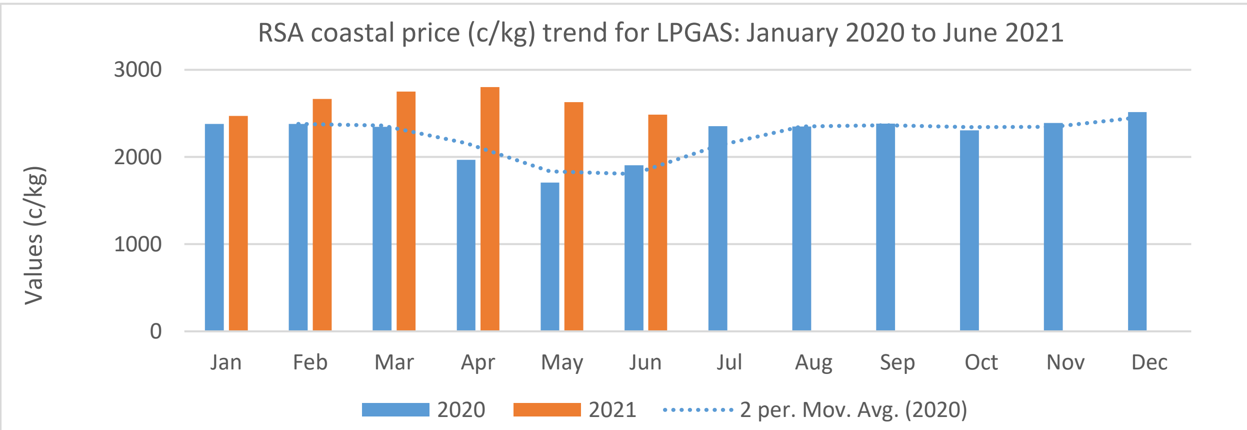
During the period under review, there was an increase in the average international product prices for Petrol, Diesel and Illuminating Paraffin. On average, the Rand appreciated against the US Dollar when compared to the previous period. The average Rand/US Dollar exchange rate for the period 30 April 2021 to 27 May 2021 was 14.1110 compared to 14.4480 during the previous period. This led to a lower contri1ution to the basic fuel prices on petrol, diesel and illuminating paraffin by 17.14 c/l, 16.32 c/l and 15.96 c/l respectively (DOE, 2021).

RSA fuel price trends: January 2020 to June 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

The overall water level of state dams across the province is at 54.2% compared to 37.0% in 2020. Brandvlei dam is 35.2% full compared to 12.3% during the same period last year. Clanwilliam dam is 20.7% full compared to 6.8% during the same period last year. The water level in Theewaterskloof dam is 80.8% compared to 51.4% 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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