Western Cape Government
Agriculture
BETTER TOGETHER.

PERIOD UNDER REVIEW: January 2022 Compiled by Sindisiwe Dhlamini

1. SOUTH AFRICAN GRAIN MARKET

Mark to market prices for Soybean contract, White Maize, Yellow maize and Sunflower seed as traded on SAFEX were generally high in January 2022 compared to December 2021. During the same period, prices for Wheat and Soybean Contract decreased respectively. Table 1 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 31/01/2022 (expressed in R/MT)		Month end (29/01/2021)	Year on year change	Month end (31/12/2021)	Month end (30/11/2021)
		R/MT		R/MT	R/MT
Commodity	**Feb-22**	**Feb-21**	**February 2021 vs 2022**	**Jan-22**	**Dec-21**
White maize	3735	3401	10%	3646	3360
Yellow maize	3865	3462	11,64%	3894	3630
Wheat	5982	5234	14,3%	6020	6120
Sunflower seed	10800	9400	14,89%	11500	11232
Soybean Contract	8534	7605	12,22%	6892	7031

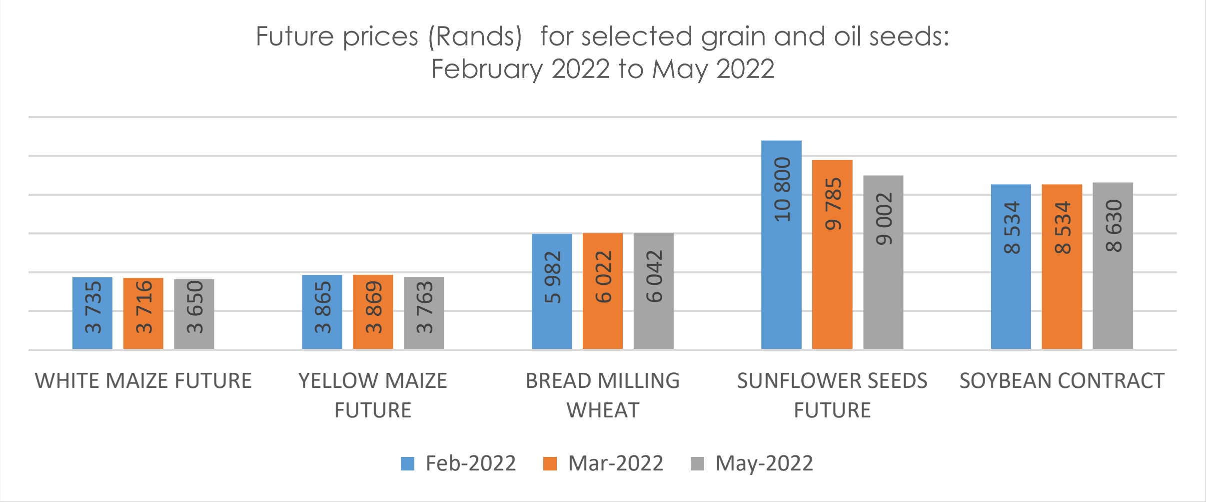
Source: (SAFEX, 2022)

When comparing month to month prices per ton, White Maize increased by R286 (8, 5 %), Yellow maize R264 (7, 3 %) and Sunflower Seed R268 (2, 4%) respectively. Soybean Contract prices decreased by R139 (2 %) and Wheat R100 (1, 6%) respectively in January 2022 compared to December 2021. When comparing to the previous year, mark to market prices for delivery in February 2022 were generally high for all the selected summer and winter cereals. Prices per ton for Sunflower Seed increased by R1 400 (15%), Wheat R748 (14%), Yellow Maize R403 (12%), soybean contract R929 (12%) and White Maize R334 (10%), respectively (SAFEX, 2022).

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 (2022)

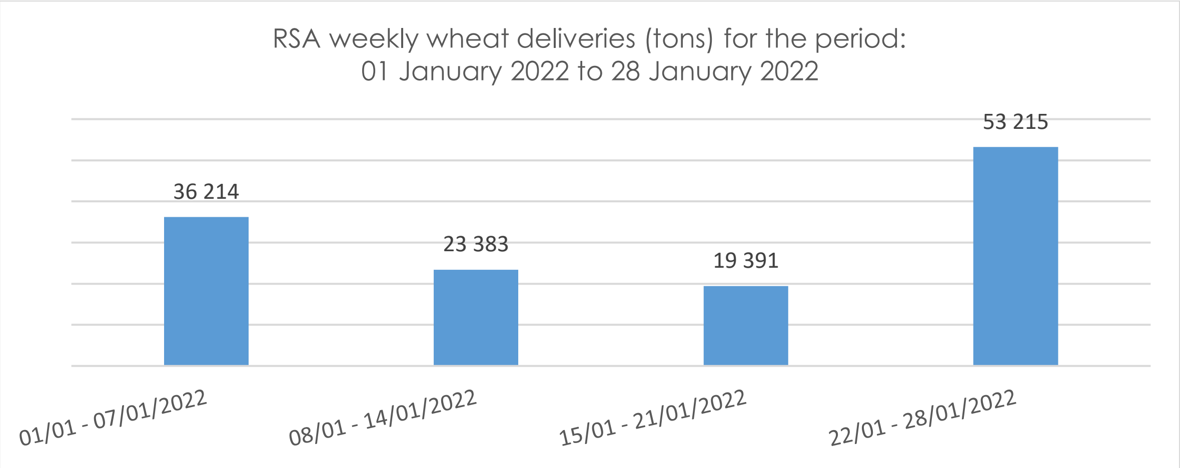
Figure 1 shows a slight increase of mark to market future prices for Bread milling wheat and Soybean Contract from February 2022 until May 2022. Sunflower seeds Future, Yellow Maize and White Maize prices show a slight decrease from February 2022 until May 2022.

1.3. PRODUCER DELIVERIES

1.3.1 Weekly producer deliveries for wheat (New season 2021/22)

Figure 2 represents weekly producer deliveries of wheat for the period, 01 January 2022 to 28 January 2022.

Figure 2: Wheat deliveries (Tons): 01 January 2022 to 28 January 2022.



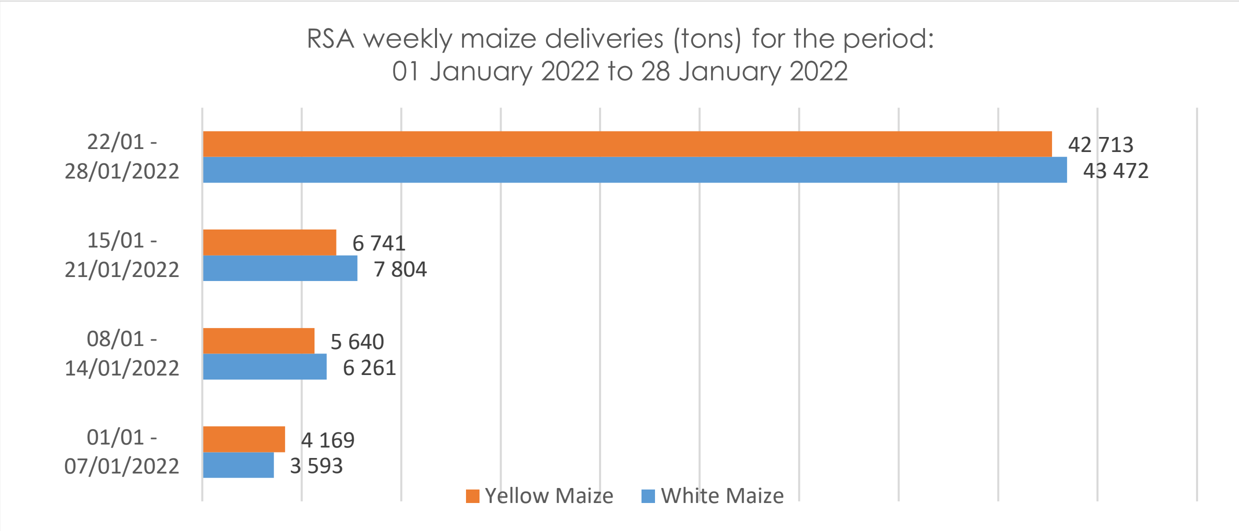
Source: SAGIS (2022)

During this period, a total of 132 203 tons of wheat were delivered to the market (SAGIS, 2022). There was a surplus of 34 843 tons of wheat that was delivered to the market. As a result, progressive wheat deliveries amounted to 2 099 681 tons, which represents 99, 18% delivery rate in relation to the crop estimate of 2 117 000 tons for 2021/22 production season.

1.3.2 Weekly producer deliveries for white and yellow maize

During the period, 01 January 2022 to 28 January 2022, a total of 61 130 tons of white maize were delivered to the market. There was a surplus of 30 004 tons of white maize that was delivered to the market during this period. As a result, progressive deliveries amounted to 7 919 489 tons, which represents 91, 99% delivery rate in relation to the crop estimate of 8 609 000 tons for the 2021/22 production season (SAGIS, 2022).

Figure 3: White and Yellow Maize deliveries (Tons): 01 January 2022 to 28 January 2022.



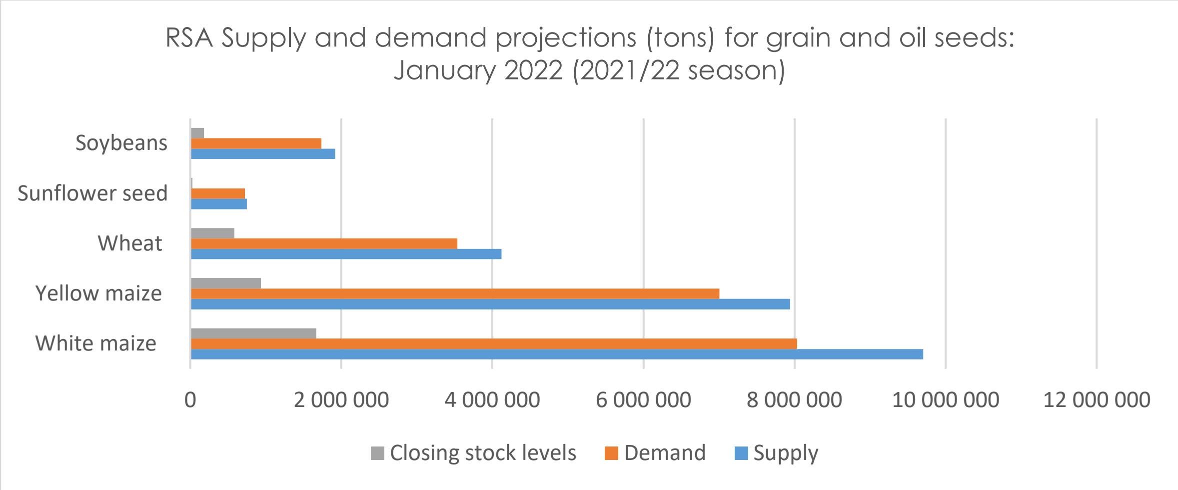
Source: (SAGIS, 2022)

During the period 01 January 2022 to 28 January 2022, a total of 59 263 tons of yellow maize were delivered to the market (SAGIS, 2022). There was a surplus of 32 310 tons of yellow maize that was delivered to the market during this period. As a result, progressive deliveries amounted to 6 730 451 tons, which represents 88, 26% delivery rate in relation to the crop estimate of 7 625 000 tons for 2021/22 production season (SAGIS, 2022).

1.4 SUPPLY AND DEMAND ESTIMATES (2021/22 season)

The total supply of selected South African grain and oilseed for the 2021/22 marketing is projected as follows; white maize (9 704 232 tons), yellow maize (7 942 132 tons), wheat (4 121 659 tons), sunflower seed (748 604 tons) and soybeans (1 918 703 tons) respectively.

Figure 4: Supply and demand estimates 2021/22 marketing season



Source: NAMC (2022)

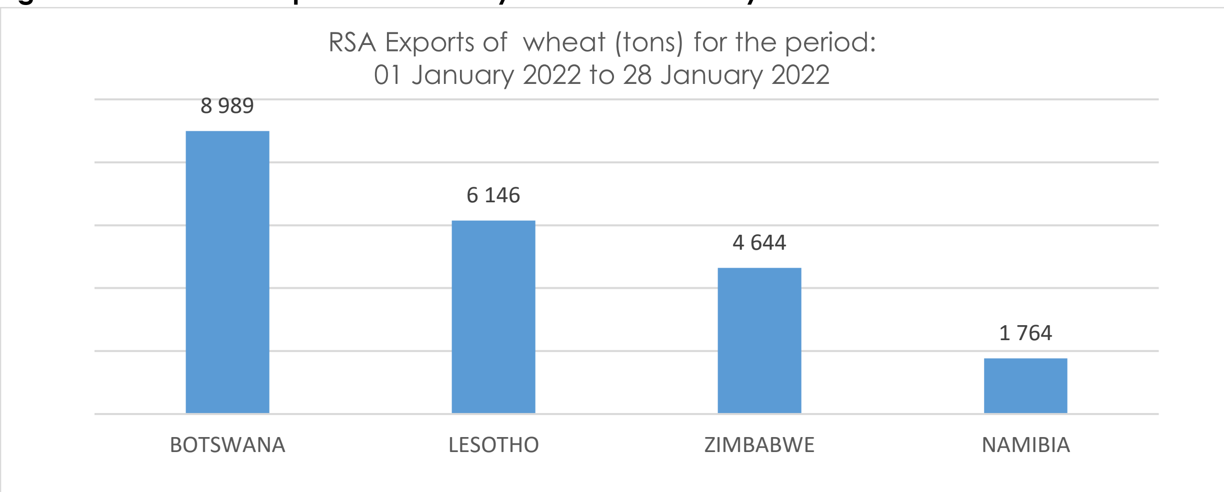
The total demand (domestic plus exports) for white maize was (8 034 800 tons), yellow maize (7 004 500 tons), wheat (3 538 100 tons), sunflower seed (721 740 tons) and soybeans (1 736 610 tons) respectively (NAMC, 2021). Alternatively, visit the National Agricultural Marketing Council website at https://www.namc.co.za 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 2021/22 new marketing season (Tons)

Progressive wheat export during the 2021/22 reporting period is 59 882 tons. Wheat exports for South Africa amounted to 21 641 tons for the period, 01 January 2022 to 28 January 2022. Figure 5, shows South African wheat export destinations.

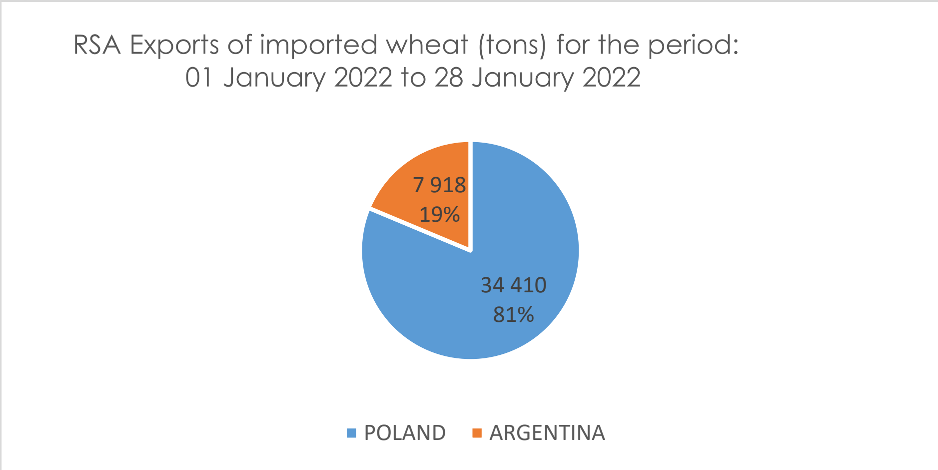
Figure 5: RSA Wheat exports: 01 January 2022 to 28 January 2022



Source: (SAGIS, 2022)

Wheat exports for South Africa were mainly to Botswana 8 989 tons (42%), Lesotho 6 146 tons (28%), Zimbabwe 4644 (21%), Namibia 1 764 tons (8%) and Eswatini 98 tons (0, 5%).

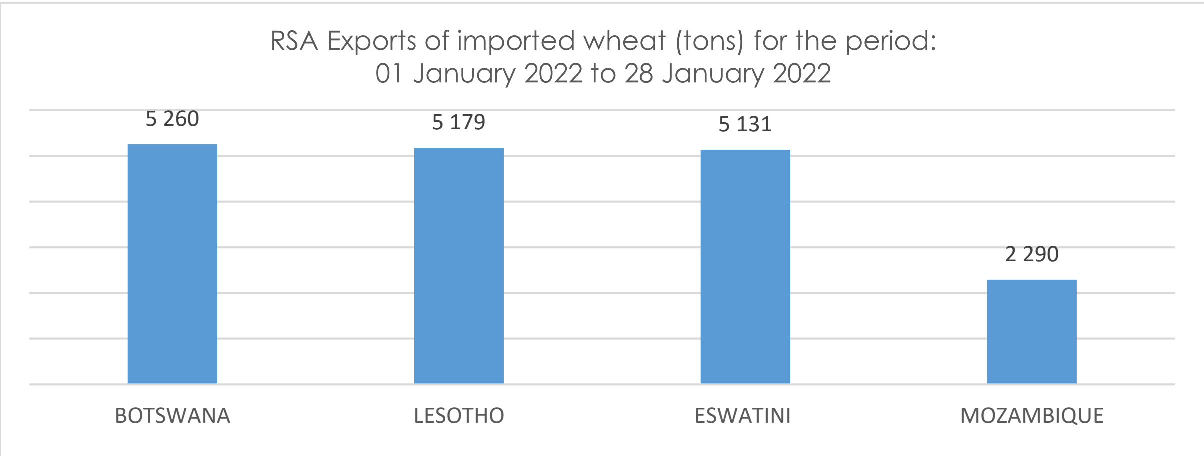
Figure 6: RSA wheat imports: 01 January 2022 to 28 January 2022



Source: (SAGIS, 2022)

Progressive wheat import during the 2021/22 reporting period is 466 823 tons. During the period under review, wheat imports for South Africa amounted to 42 328 tons. Wheat imports for South Africa were mainly to Poland 34 410 tons (81%) and Argentina 7 918 tons (19%).

Figure 7: RSA Exports of imported wheat: 01 January 2022 to 28 January 2022



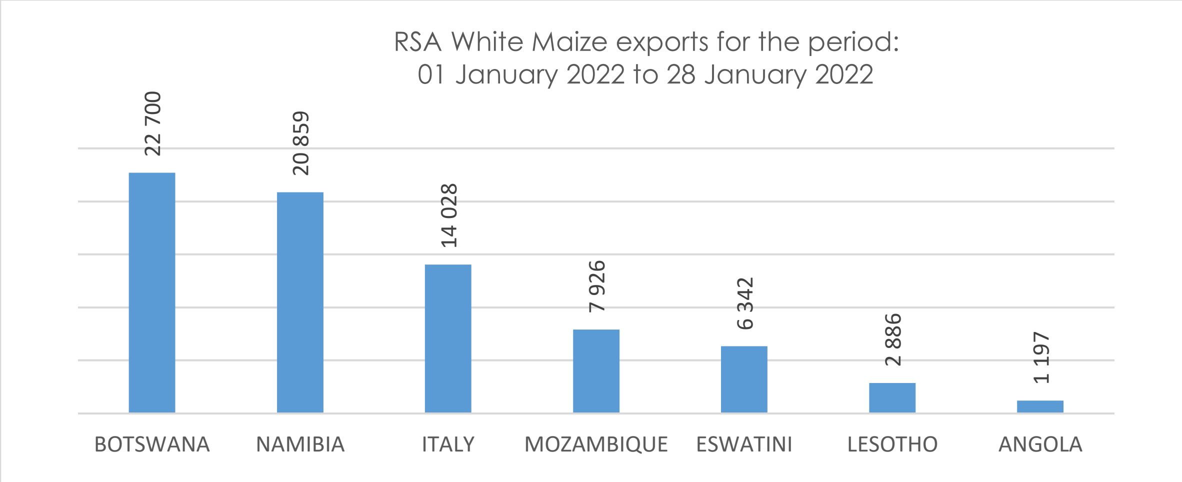
Source: (SAGIS, 2022)

Exports of imported wheat for the period, 01 January 2022 to 28 January 2022 amounted to 17 860 tons. The destinations for imported wheat were Botswana 5 260 tons (29%), Lesotho 5 179 tons (29%), Eswatini 5 131 tons (29%) and Mozambique 2 290 tons (13%) respectively.

1.5. 2 White and Yellow Maize trade

Progressive White maize exports during the 2021/22 season are 536 301 tons. White maize exports for South Africa amounted to 75 938 tons during the period, 01 January 2022 to 28 January 2022.

Figure 8: White maize exports: 01 January 2022 to 28 January 2022.

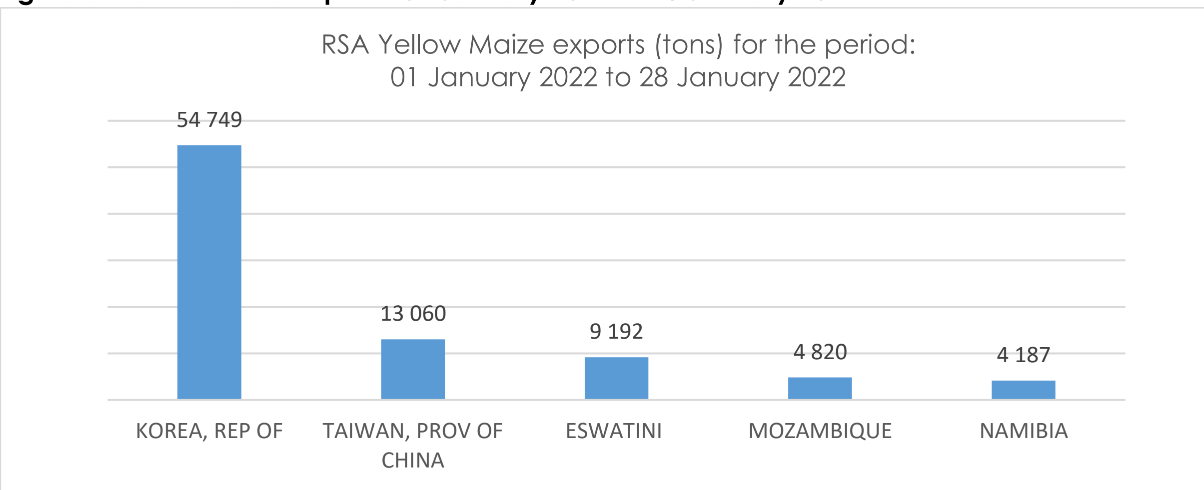


Source: (SAGIS, 2022)

The main export destinations for South African white maize were Botswana 22 700 tons (30%), Namibia 20 859 tons (27%), Italy 14 028 tons (18%), Mozambique 7 926 tons (10%), Eswatini 6 342 (8%), Lesotho 2 886 tons (4%) and Angola 1 197 tons (2%) respectively. Progressive imports for White Maize during the 2021/22 reporting period is 7 452 tons. South Africa imported 204 tons of white maize from Zambia during the period, 01 January 2022 to 28 January 2022.

Progressive Yellow maize exports during the 2021/22 season are 2 357 266 tons. Yellow maize exports for South Africa amounted to 87 918 tons during the period, 01 January 2022 to 28 January 2022.

Figure 9: Yellow maize exports: 01 January 2022 to 28 January 2022

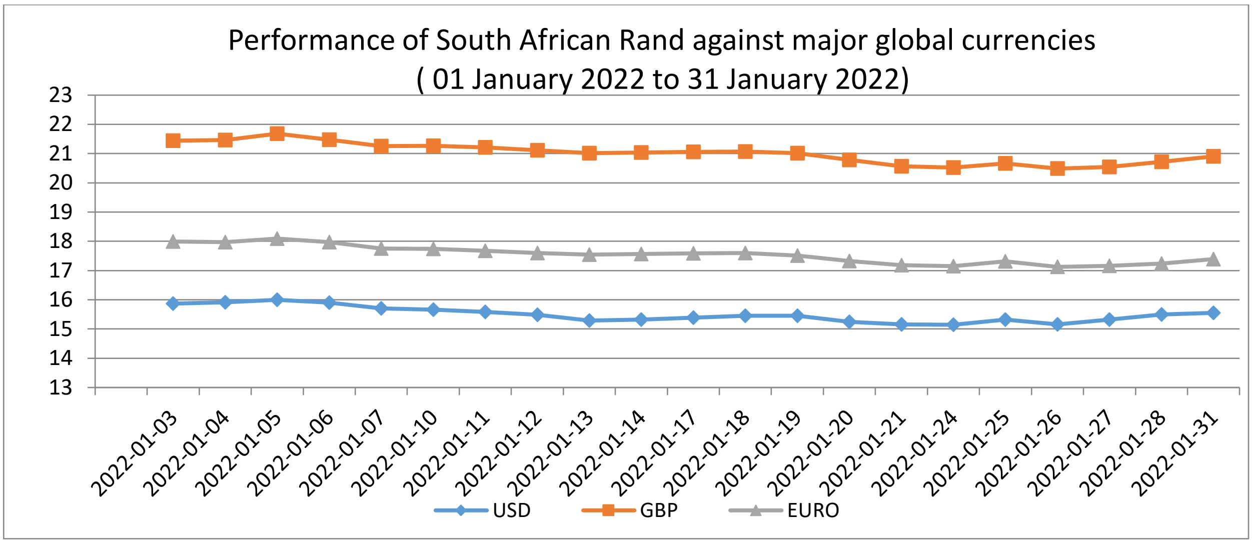


Source: (SAGIS 2022)

The main exports destinations for South African yellow maize were Korea Republic 54 749 tons (62%), Taiwan Province of China 13060 tons (15 %), Eswatini 9 192 tons (5%), Mozambique 4 820 tons (5%), Namibia 4 187 tons (5%) and Angola 1 585 tons (2%). During the period under review, South Africa did not import yellow maize (SAGIS, 2022).

2. ECONOMIC REVIEWS

2.1 Exchange Rates



Source: SARB (2022)

During the reporting period 01 January 2022 to 31 January 2022, the average ZAR exchange rate strengthened against all three major currencies, the Euro, Great Britain pound (GBP) and US dollar (USD) (SARB, 2022). When looking at month to month average of the Rand against the Great Britain Pound and the Euro, it can be noted that the rand strengthened by 46 cents (2, 2%) and 43 cents (2, 4%) respectively. The US dollar strengthened by 39 cents (2.5%) against the South African Rand. On average, the US dollar was trading at R15.50 in January 2022 compared to in R15.89 in December 2021.

3. ENERGY

The Department of Energy has announced fuel price adjustments with effect from 02 February 2022.

Table 3: Basic fuel Price adjustments

	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	53,00	cents per litre **increase** in retail price	1942,00
Diesel 0.05% Sulphur	79,84	cents per litre **increase** in wholesale price	1743,02
Illuminating Paraffin (Wholesale)	101,00	cents per litre **increase** in wholesale price	1015,79
LPGAS (maximum retail price)	124,00	cents per kilogram **decrease** in the maximum retail price	3134,00

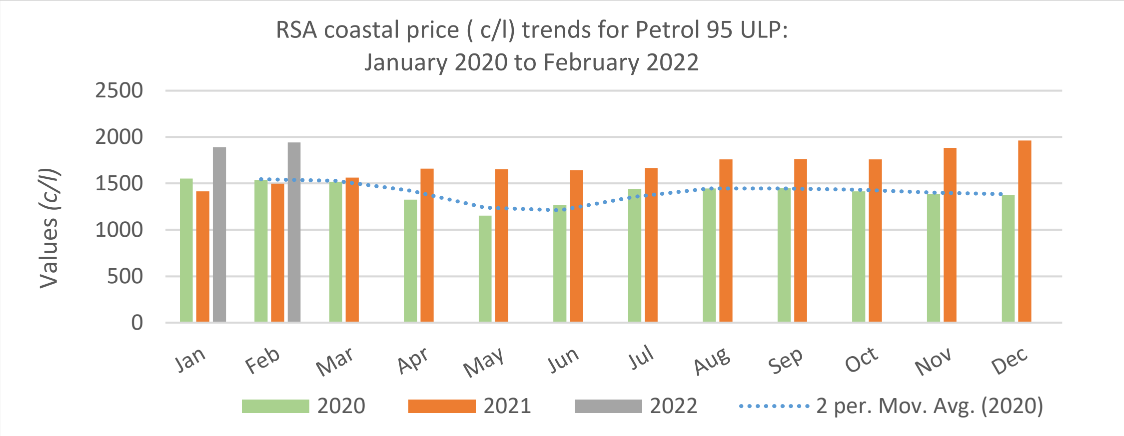
Source: DOE (2022)

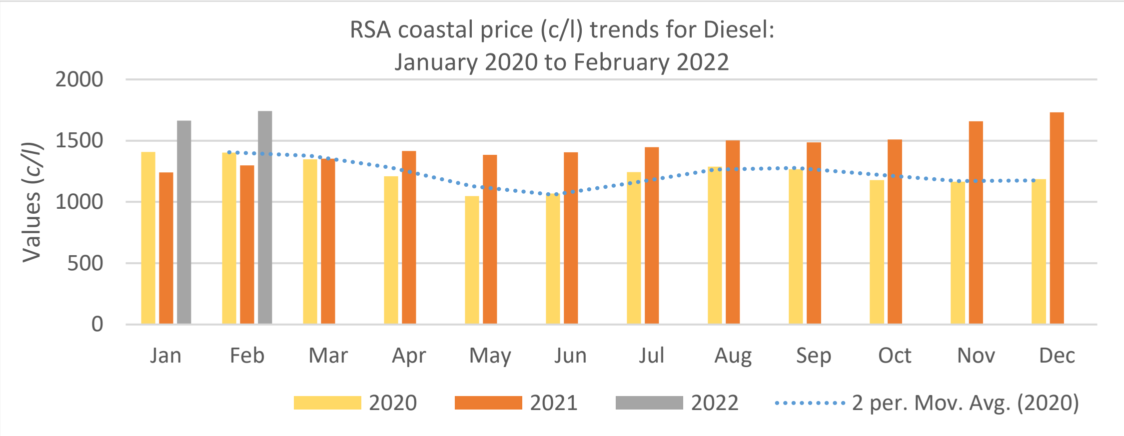
The price of Petrol 95 ULP & LRP increased by 53 cents. The price of diesel (0.05% sulphur) decreased by 79.84 cents and illuminating paraffin wholesale price increased by 101 cents per litre. Lastly, LPGAS's maximum retail price decreased by 124 cents per kilogram.

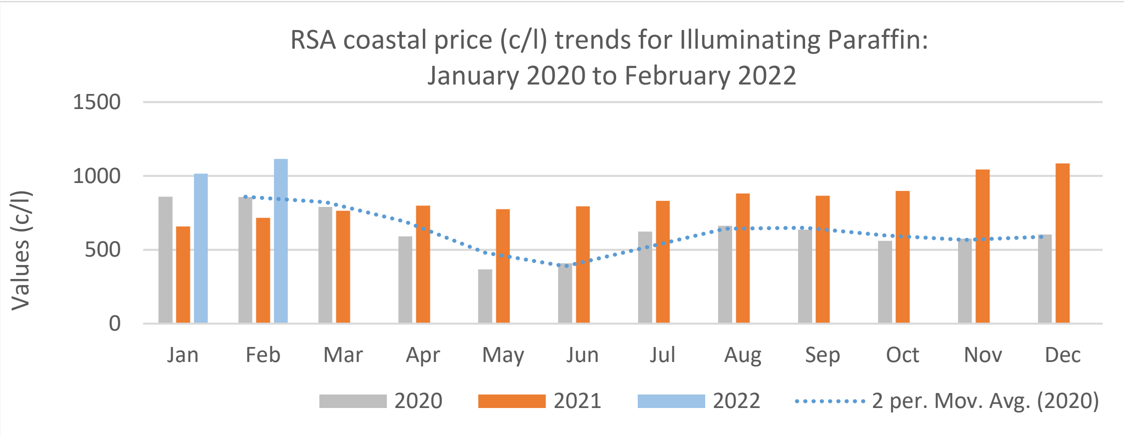
Economic factors affecting RSA fuel price adjustment: 31 December 2021 to 28 January 2022

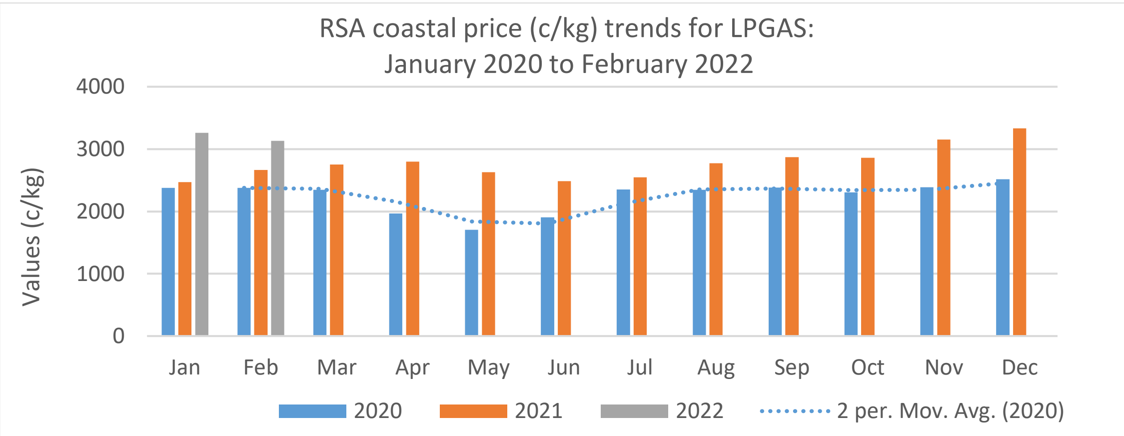
During the period under review, there was an increase in the average international product prices for Petrol, Diesel and Illuminating Paraffin. On average, the Rand appreciated against the US Dollar when compared to the previous period. The average Rand/US Dollar exchange rate for the period, 31 December 2021 to 28 January 2022, was 15.5081 compared to 15.9196 during the previous period. This led to a lower contribution to the basic fuel prices on petrol, diesel and illuminating paraffin by 25.98 *c/l*, 26.24 *c/l* and 26.19 *c/l* respectively (DOE, 2022).

RSA fuel price trends: January 2020 to February 2022









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

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