Western Cape Government
FOR YOU

PERIOD UNDER REVIEW: February 2022 Compiled by Sindisiwe Dhlamini

1. SOUTH AFRICAN GRAIN MARKET

Mark to market prices for Soybean contract, Wheat, Yellow maize and Sunflower seed as traded on SAFEX were generally low in February 2022 compared to January 2022. During the same period, prices for Maize and Soybean Contract increased 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 28/02/2022 (expressed in R/MT)		Month end (26/02/2021)	Year on year change	Month end (31/01/2022)	Month end (31/12/2021)
		R/MT		R/MT	R/MT
Commodity	**Mar-22**	**Mar-21**	**February 2021 vs 2022**	**Feb-22**	**Jan-22**
White maize	3738	3204	17%	3735	3646
Yellow maize	3870	3320	16,57%	3865	3894
Wheat	6347	5168	22,8%	5982	6020
Sunflower seed	10498	9572	9,67%	10800	11500
Soybean Contract	8534	7725	10,47%	8534	6892

Source: (SAFEX, 2022)

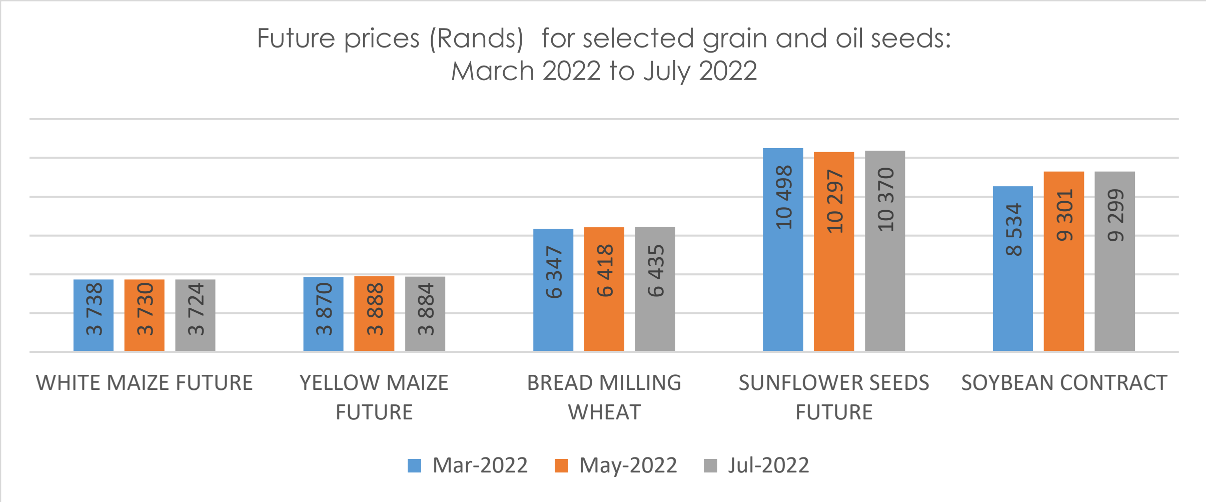
When comparing month to month prices per ton, Sunflower Seed decreased by R700 (6, 1 %), Yellow maize R29 (0, 7 %) and Wheat R38 (0, 6%) respectively. Soybean Contract prices increased by R1642 (23, 8%) and White Maize R89 (2, 4%) respectively in February 2022 compared to January 2022. When comparing to the previous year, mark to market prices for delivery in March 2022 were generally high for all the selected summer and winter cereals. Prices per ton for Sunflower Seed increased by R926 (10%), Wheat R1 179 (23%), Yellow Maize

R550 (17%), soybean contract R809 (10%) and White Maize R534 (17%), 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)

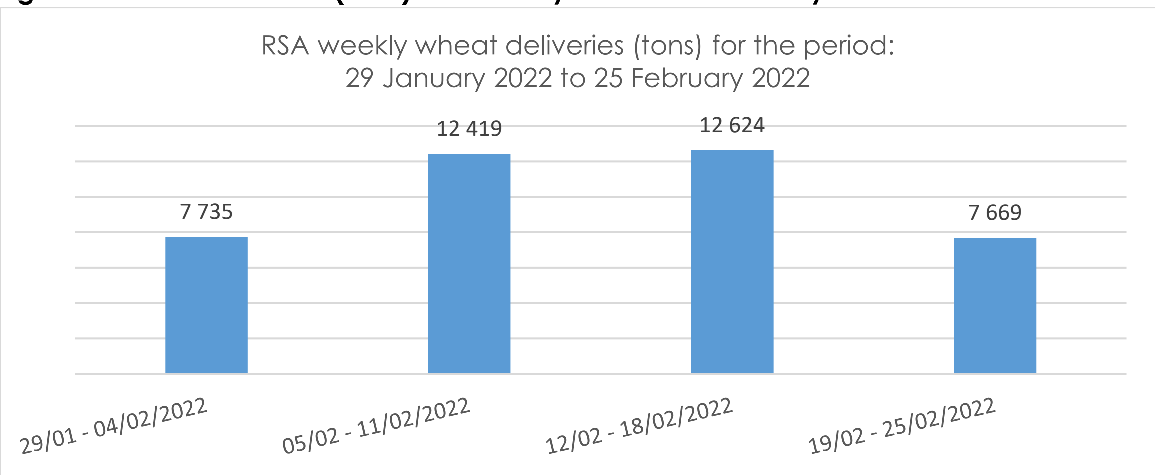
Figure 1 shows a slight increase of mark to market future prices for Bread milling wheat and Yellow Maize from March 2022 until July 2022. Sunflower seeds and Soybean Contract prices show a slight increase in May 2022 and a slight decrease in July 2022.

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, 29 January 2022 to 25 February 2022.

Figure 2: Wheat deliveries (Tons): 29 January 2022 to 25 February 2022.



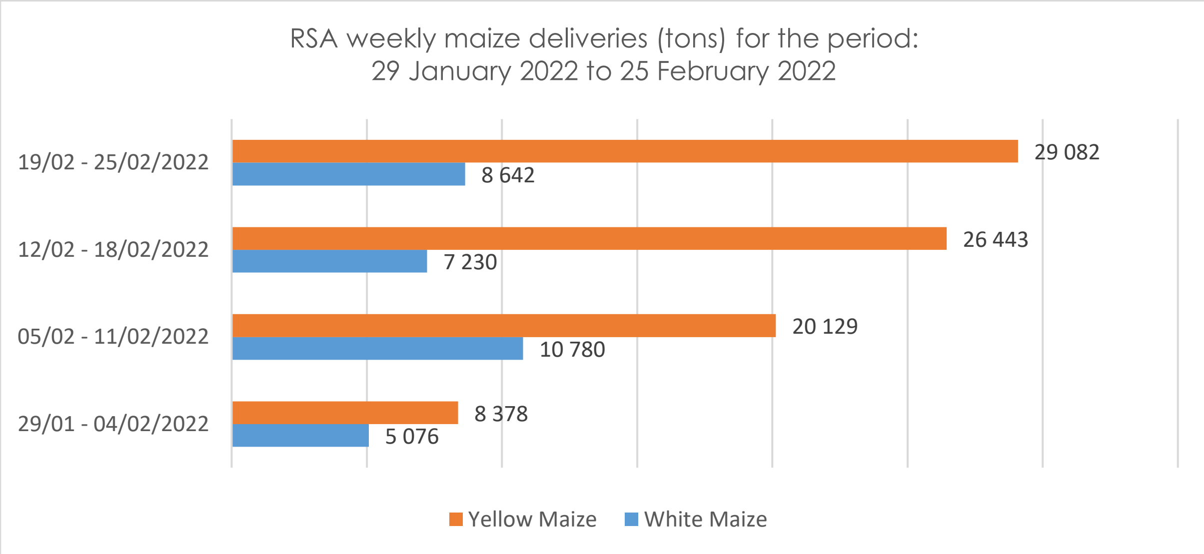
Source: SAGIS (2022)

During this period, a total of 40 447 tons of wheat were delivered to the market (SAGIS, 2022). There was a shortfall of 4 658 tons of wheat that was delivered to the market. As a result, progressive wheat deliveries amounted to 2 133 885 tons, which represents 100, 79% 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, 29 January 2022 to 25 February 2022, a total of 31 728 tons of white maize were delivered to the market. There was a shortfall of 1 166 tons of white maize that was not delivered to the market during this period. As a result, progressive deliveries amounted to 7 957 148 tons, which represents 92, 43% 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): 29 January 2022 to 25 February 2022.



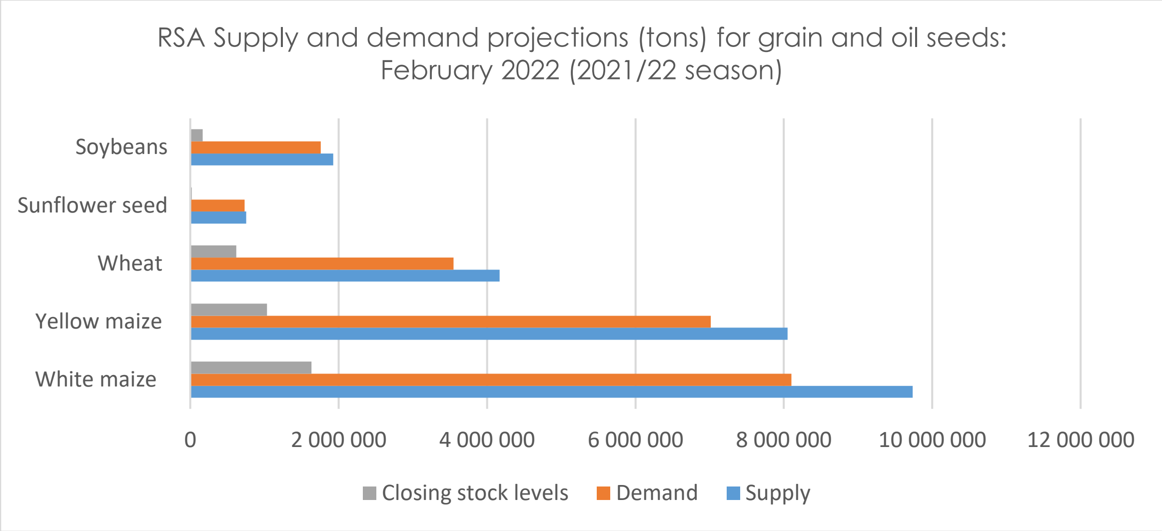
Source: (SAGIS, 2022)

During the period 29 January 2022 to 25 February 2022, a total of 84 032 tons of yellow maize were delivered to the market (SAGIS, 2022). There was a shortfall of 5 774 tons of yellow maize that was not delivered to the market during this period. As a result, progressive deliveries amounted to 6 811 441 tons, which represents 89, 33% 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 (9 735 517 tons), yellow maize (8 049 682 tons), wheat (4 169 609 tons), sunflower seed (753 459 tons) and soybeans (1 927 553 tons) respectively.

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



Source: NAMC (2022)

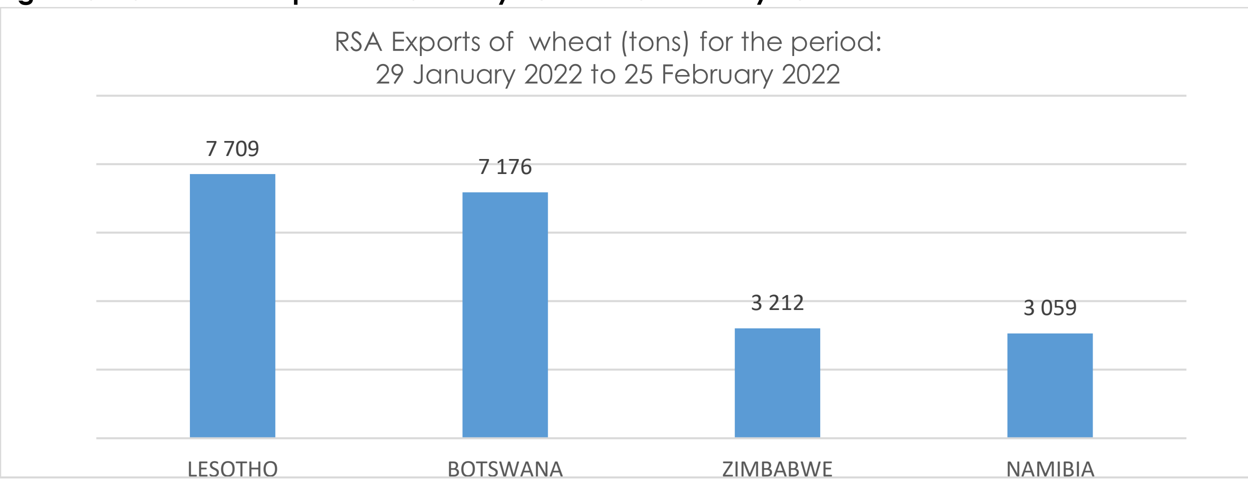
The total demand (domestic plus exports) for white maize was (8 100 800 tons), yellow maize (7 014 500 tons), wheat (3 549 600 tons), sunflower seed (731 740 tons) and soybeans (1 758 500 tons) respectively (NAMC, 2022). Alternatively, visit the National Agricultural Marketing Council website at https://www.namc.co.za 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 70 973 tons. Wheat exports for South Africa amounted to 22 643 tons for the period, 29 January 2022 to 25 February 2022. Figure 5, shows South African wheat export destinations.

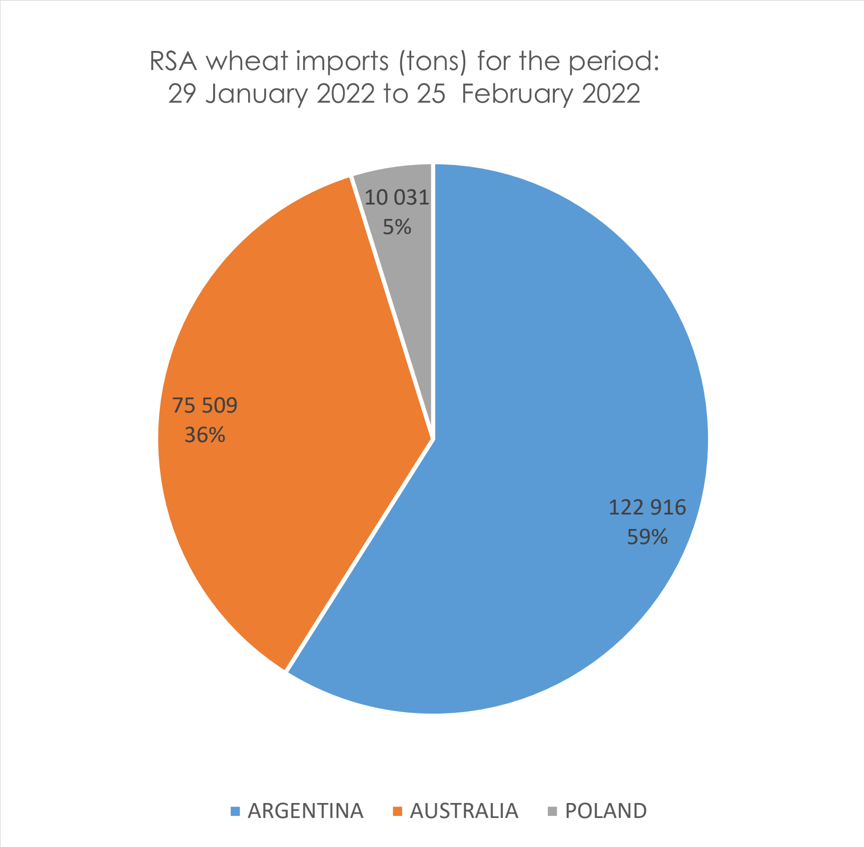
Figure 5: RSA Wheat exports: 29 January 2022 to 25 February 2022



Source: (SAGIS, 2022)

Wheat exports for South Africa were mainly to Lesotho 7 709 tons (34%), Botswana 7 176 tons (32%), Zimbabwe 3 212 (14%) and Namibia 3 059 tons (14%).

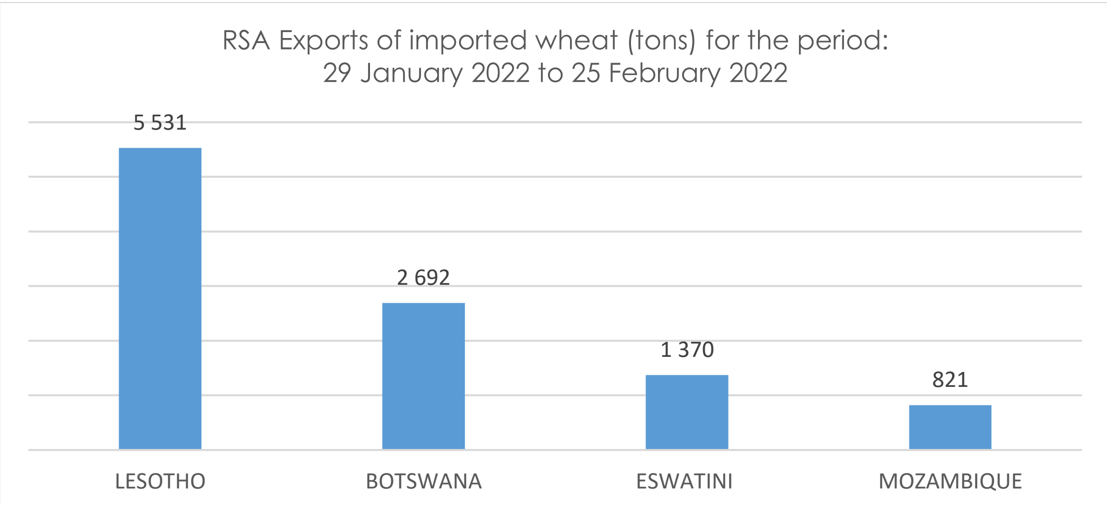
Figure 6: RSA wheat imports: 29 January 2022 to 25 February 2022



Source: (SAGIS, 2022)

Progressive wheat import during the 2021/22 reporting period is 582 929 tons. During the period under review, wheat imports for South Africa amounted to 208 456 tons. Wheat imports for South Africa were mainly from Argentina 122 916 tons (59%) Australia 75 509 tons (36%) and Poland 10 031 tons (5%).

Figure 7: RSA Exports of imported wheat: 29 January 2022 to 25 February 2022



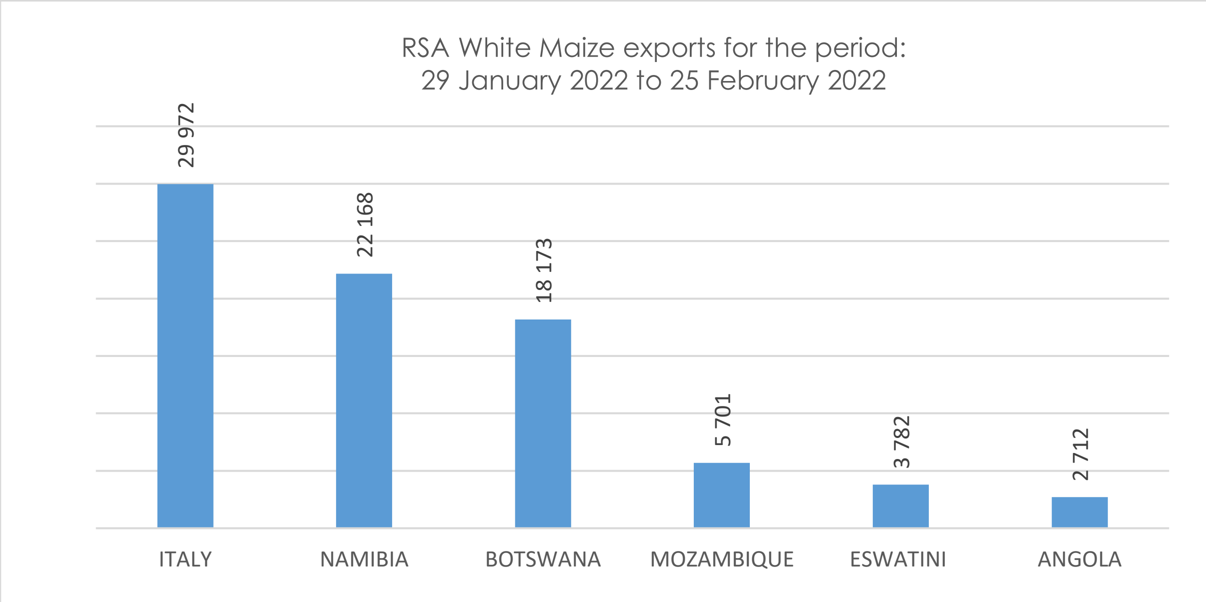
Source: (SAGIS, 2022)

Exports of imported wheat for the period, 29 January 2022 to 25 February 2022 amounted to 10 414 tons. The destinations for imported wheat were Lesotho 5 531 tons (53%), Botswana 2 692 tons (26%), Eswatini 1 370 tons (13%) and Mozambique 821 tons (8%) respectively.

1.5. 2 White and Yellow Maize trade

Progressive White maize exports during the 2021/22 season are 568 569 tons. White maize exports for South Africa amounted to 82 606 tons during the period, 29 January 2022 to 25 February 2022.

Figure 8: White maize exports: 29 January 2022 to 25 February 2022.

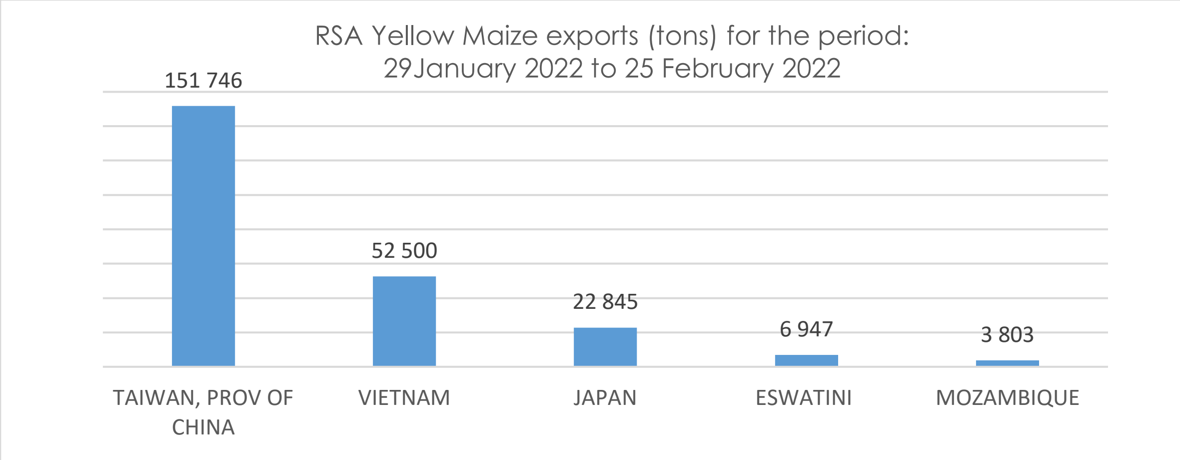


Source: (SAGIS, 2022)

The main export destinations for South African white maize were Italy 29 972 tons (36%), Namibia 22 168 tons (27%), Botswana 18 173 tons (22%), Mozambique 5 701 tons (7%), Eswatini 3 782 (5%) and Angola 2 712 tons (3%) respectively. Progressive imports for White Maize during the 2021/22 reporting period is 7 549 tons. South Africa imported 204 tons of white maize from Zambia during the period, 29 January 2022 to 25 February 2022.

Progressive Yellow maize exports during the 2021/22 season are 2 473 253 tons. Yellow maize exports for South Africa amounted to 243 533 tons during the period, 29 January 2022 to 25 February 2022.

Figure 9: Yellow maize exports: 29 January 2022 to 25 February 2022

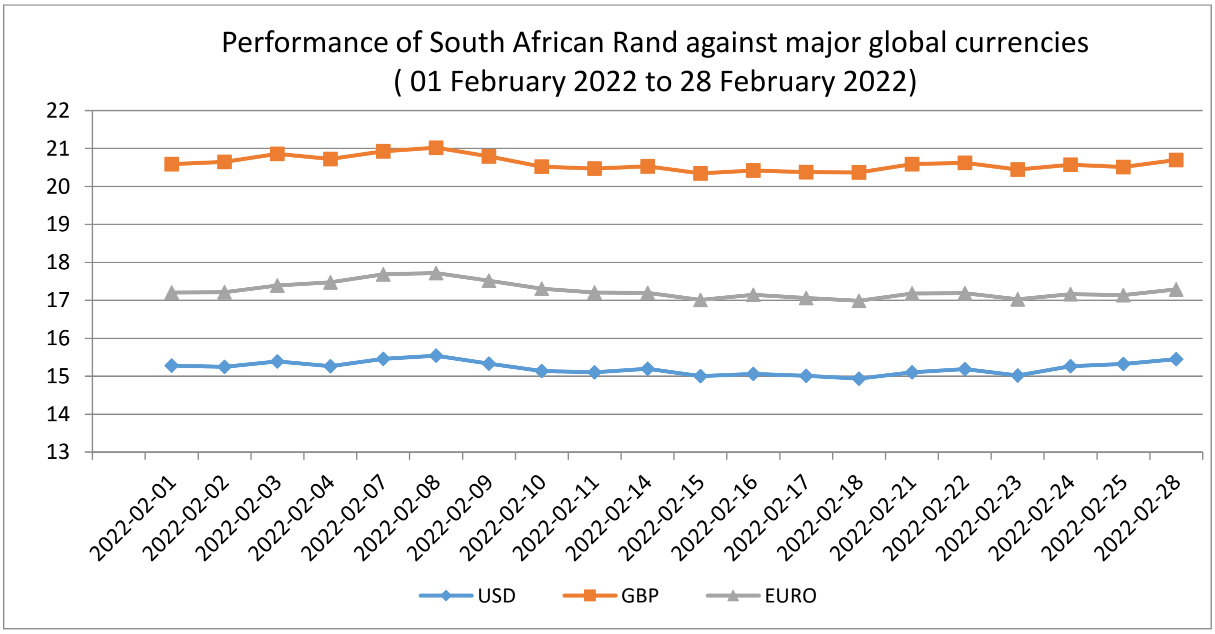


Source: (SAGIS 2022)

The main exports destinations for South African yellow maize were Taiwan Province of China 151 746 tons (62 %), Vietnam 52 500 tons (22%), Japan 22 845 tons (9%), Eswatini 6 947 tons (3%), and Mozambique 3 803 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 February 2022 to 28 February 2022, the average ZAR exchange rate strengthened against all three major currencies, the US dollar (USD), Great Britain pound (GBP) and the Euro (SARB, 2022). When looking at month to month average of the Rand against the US dollar, Great Britain Pound and the Euro, it can be noted that the rand strengthened one percent for all the major currencies.

3. ENERGY

The Department of Energy has announced fuel price adjustments with effect from 02 March 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	146,00	cents per litre **increase** in retail price	2 088, 00
Diesel 0.05% Sulphur	144,36	cents per litre **increase** in wholesale price	1887, 38
Illuminating Paraffin (Wholesale)	121,00	cents per litre **increase** in wholesale price	1 236, 78
LPGAS (maximum retail price)	70,00	cents per kilogram **increase** in the maximum retail price	3 204, 00

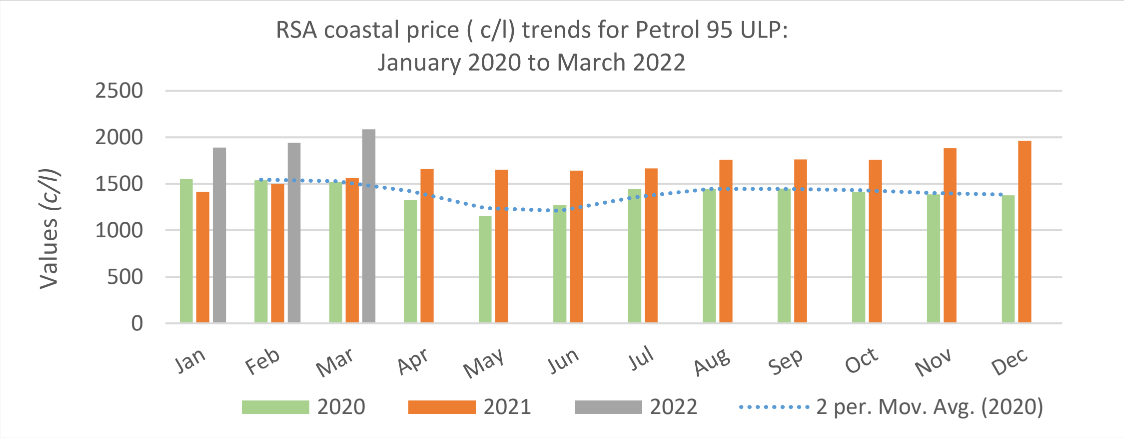
Source: DOE (2022)

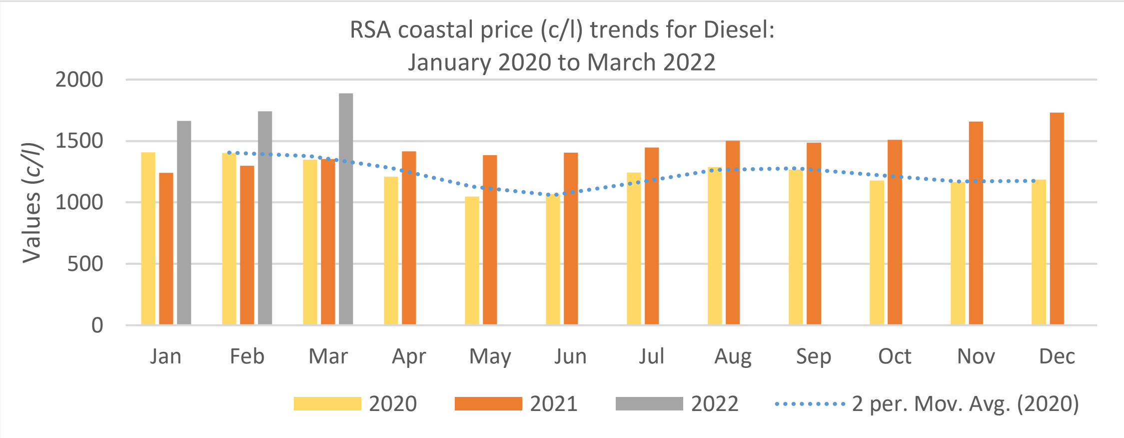
The price of Petrol 95 ULP & LRP increased by 146 cents. The price of diesel (0.05% sulphur) increased by 144.36 cents and illuminating paraffin wholesale price increased by 121 cents per litre. Lastly, LPGAS's maximum retail price increased by 70cents per kilogram.

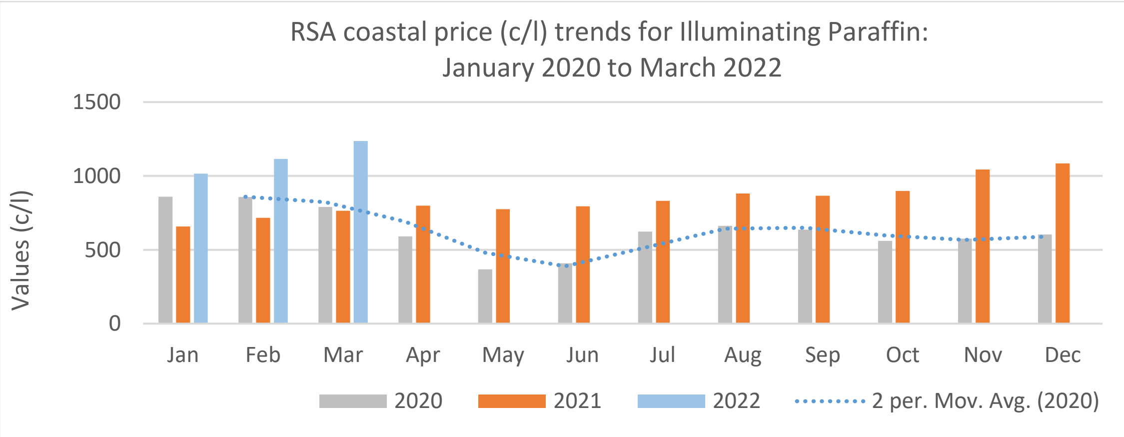
Economic factors affecting RSA fuel price adjustment: 28 January 2022 to 24 February 2022

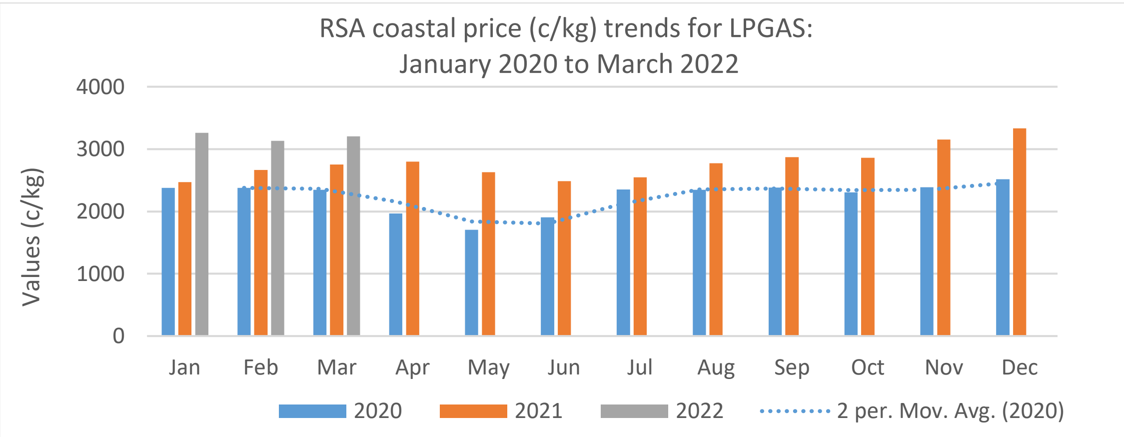
During the period under review, there was an increase in the average international product prices for Petrol, Diesel and Illuminating Paraffin. On average, the Rand appreciated against the US Dollar when compared to the previous period. The average Rand/US Dollar exchange rate for the period, 28 January 2022 to 24 February 2022, was 15.2343 compared to 15.5081 during the previous period. This led to a lower contribution to the basic fuel prices on petrol, diesel and illuminating paraffin by 19.59 c/l, 19.66 c/l and 19.44 c/l respectively (DOE, 2022).

RSA fuel price trends: January 2020 to March 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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