



PERIOD UNDER REVIEW: June 2019

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1. SOUTH AFRICAN GRAIN MARKET

White maize June 2019 contract for physical delivery in July 2019 traded at R2, 918 per ton. This signifies a 41,9% or R862 increase year-year (y/y) gain per ton obtained of white maize for a corresponding agreement traded during the same time last year (SAFEX, 2019). At the same time, white maize June 19 contract traded at 14, 0% higher or R361 more than last month.

Table 1.1: Mark-to-market prices for the Summer Crops and Winter Cereals as traded on SAFEX

MTM 28/06/19) expressed in R/MT						Month end (31/05/18)	Year on year change	Month end (30/04/19)	Month End (29/03/19)
						R/MT		R/MT	R/MT
Commodity	Jul-19	Sep-19	Dec-19	Mar-20	May-20	Jul-18	Jul 18 vs 19	Jun-19	May-19
White maize	2918	2963	3053	3058	2902	2056	41,9%	2943	2582
Yellow maize	2855	2912	2989	2981	2841	2171	31,5%	2889	2526
Wheat	4485	4480	4420	4494	0	4014	11,7%	4492	4632
Sunflower	5220	5389	5500	5396	5150	4767	9,5%	5084	5005
Soybean	4647	4736	0	5016	5102	4392,35	5,8%	4823	4490

Source: (SAFEX, 2019)

Yellow maize June 2019 contract for physical delivery in July 2019 traded at R2, 855 per ton which is a 31.5% increase from a ton of maize traded during the same period last year (SAFEX, 2019). On 28 June 2019, wheat futures for physical delivery in July 2019 traded at R4, 485 per ton. This translates to 11,7% or R471 per ton increase if compared to the same contract traded in the previous year (SAFEX 2019). The wheat June 19 contract traded lower by 3,0% or R140 per ton compared to the previous month (SAFEX 2019).

1.2. PRODUCTION ESTIMATES AND FORECAST

1.2.1 Summer cereal production estimates: 2019/20 season

Commercial White and Yellow Maize

The size of the expected commercial maize crop has been set at 10,933 million tons, which is 0,30% or 32 400 tons more than the previous forecast of 10,900 million tons. The area estimate for maize is 2,301 million ha, while the expected yield is 4,75 t/ha. The estimated maize crop is 13% smaller than the 2018 crop. The three main maize producing areas, namely the Free State, Mpumalanga and North West provinces are expected to produce 80% of the 2019 crop.

The area estimate for white maize is 1,298 million ha and for yellow maize the area estimate is 1,002 million ha. The production forecast of white maize remained unchanged at 5,488 million tons against the previous forecast. The yield for white maize is 4,23 t/ha. In the case of yellow maize the production forecast is 5,445 million tons, which is 0,60% or 32 400 tons more than the 5,412 million tons of the previous forecast. The yield for yellow maize is 5,43 t/ha (NCEC 2019).

Sunflower seed

The production forecast for sunflower seed remained unchanged at 611 140 tons. The area estimate for sunflower seed is 515 350 ha, while the expected yield is 1,19 t/ha (NCEC 2019).

Soybean

The production forecast for **soybeans** also remained unchanged at 1,296 million tons which is 6,13% or 79 450 tons less than the previous forecast of 1,296 million tons. The estimated area planted to soybeans is 730 500 ha and the expected yield is 1,67 t/ha (NCEC, 2019).

Other crops

The production forecast for **soybeans** is 1,216 million tons, which is 6,13% or 79 450 tons less than the previous forecast of 1,296 million tons. The estimated area planted to soybeans is 730 500 ha and

the expected yield is 1,67 t/ha. The expected **groundnut** crop decreased by 9,36% or 2 125 tons to 20 580 tons, with an expected yield of 1,03 t/ha. The area estimate for groundnuts is 20 050 ha. The production forecast for **sorghum** also decreased slightly by 2,65% or 4 400 tons, from 165 850 tons to 161 450 tons. The area estimate for sorghum is 50 500 ha and the expected yield is 3,20 t/ha. In the case of **dry beans**, the production forecast has been adjusted downwards with 8,17% or 5 920 tons – from 72 450 tons to 66 530 tons. The area estimate of dry beans is 59 300 ha, with an expected yield of 1,12 t/ha (NCEC, 2019).

1.2.2 Non-commercial maize production Estimate

The preliminary non- commercial agricultural sector's production estimate for maize for 2019 is indicated in table 1.2 below.

Table 1.2: Non-commercial maize production estimate 2019

CROP	Area planted 2019 Ha (A)	Production 2019 Tons (B)	Final crop 2018 Ha (C)	Final crop 2018 Tons (D)	Change % (B) ÷ (D)
White maize	221 300	379 460	236 644	414 162	+2,01
Yellow maize	74 700	169 720	78 191	179 813	-0,42
Maize	296 000	549 180	314 835	593 975	+3,90

Source: NCEC, 2019

Maize

The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 296 000 ha, which represents a decrease of 5,98%, compared to the 314 835 ha of the previous season. The expected maize crop for this sector is 549 180 tons, which is 7,54% less than the 593 975 tons of last season. It is important to note that about 43% of the maize produced in the non-commercial sector, is planted in the Eastern Cape, followed by KwaZulu-Natal with 27% (NCEC, 2019)

1.3. PRODUCER DELIVERIES

1.3.1 Weekly producer deliveries for wheat

Table 1.3: Weekly wheat deliveries (Tons)

Week	Week ending	Product deliveries	Adjustments	Week Total	Progressive Total
35	25/05 - 31/05/2019	1 224	4 175	5 399	1 817 322
36	01/06 - 07/06/2019	706	0	706	1 818 028
37	08/06 - 14/06/2019	1 328	0	1 328	1 819 356
38	15/06 - 21/06/2019	603	0	603	1 819 959
39	22/06 - 28/06/2019	664	0	664	1 820 623

Source (SAGIS, 2019)

Table 1.3 represents weekly wheat deliveries that occurred from week ending 31 May to week ending 28 June 2019. During this period, 8 700 tons of wheat have been delivered to the market (SAGIS, 2019). As a result, the progressive deliveries amounted to 1 820 623 tons, which represents 99, 9% delivery rate in relation to the crop estimate of 1 841 050 tons (SAGIS, 2019).

1.3.2 Weekly producer deliveries for maize

As from week ending 31 May to week ending 28 June 2019, a total of 1 076 217 tons of white maize has been delivered. Major adjustments were made during the week ending 31 May 2019 of deliveries for white maize.

Table1.4: Weekly White Maize deliveries (Tons)

Week	Week ending	Product deliveries	Adjustments	Week Total	Progressive Total
5	25/05 - 31/05/2019	130 799	68902	199 701	382 977
6	01/06 - 07/06/2019	192 390	0	192 390	575 367
7	08/06 - 14/06/2019	227 929	0	227 929	803 296
8	15/06 - 21/06/2019	216 560	4	216 564	1 019 860
9	22/06 - 28/06/2019	239 633	0	239 633	1 259 493

Source (SAGIS, 2019)

As from week ending 31 May to week ending 28 June 2019, a total of 2 278 254 tons of yellow maize were delivered to the market (SAGIS, 2019). The highest adjustment was made during the week ending 31 May 2019 for yellow maize deliveries.

Table 1.4: Weekly Yellow Maize deliveries (Tons)

Week	Week ending	Product deliveries	Adjustments	Week Total	Progressive Total
5	25/05 - 31/05/2019	347 162	136763	483 925	1 051 918
6	01/06 - 07/06/2019	470 146	1035	471 181	1 523 099
7	08/06 - 14/06/2019	513 200	0	513 200	2 036 299
8	15/06 - 21/06/2019	422 347	2336	424 683	2 460 982
9	22/06 - 28/06/2019	385 265	0	385 265	2 846 247

Source (SAGIS, 2019)

1.4 SUPPLY AND DEMAND ESTIMATES

1.4.1 Wheat marketing season 2018/19

The total supply of wheat is projected at 3 964 534 tons for the 2018/19 marketing season. This includes an opening stock level (at 1 October 2018) of 721 534 tons, local commercial deliveries of 1 835 000 tons, whole wheat imports estimated for South Africa of 1 400 000 tons and a surplus of 8 000 tons. The total demand (domestic plus exports) for wheat is projected at 3 372 200 tons. This includes 3 240 000 tons processed for human consumption, 3 000 tons processed for animal consumption, 1 000 tons withdrawn by producers, 2 500 tons released to end consumers, 18 700 tons projected seed for planting purposes and a balancing figure of 7 000 tons (net receipts and net dispatches). A projected export quantity of 15 000 tons processed products and 85 000 tons whole wheat is estimated for exports for the 2018/19 marketing season. The projected closing stock level at 30 September 2019 is estimated at 592 334 tons. At an average processed quantity of 270 250 tons per month, this represent available stock levels for 2.2 months or 67 days (NAMC, 2019).

1.4.2 White maize marketing season 2019/20

The total supply of white maize is projected at 7 166 038 tons for the 2019/20 marketing season. This includes an opening stock level (at 1 May 2019) of 1 798 998 tons and local commercial deliveries of 5 328 040 tons. No whole white maize imports are estimated for the current season, with net early deliveries of 34 000 tons and a surplus of 5 000 tons. The total demand (domestic plus exports) for white maize is projected at 6 196 000 tons. The total domestic demand is projected at 5 526 000 tons. This includes 4 650 000 tons processed for human consumption, 820 000 tons processed for animal and industrial consumption, 12 000 tons for gisting, 20 000 tons withdrawn by producers, 20 000 tons released to end-consumers and a balancing figure of 4 000 tons (net receipts and net

dispatches). A projected export quantity of 70 000 tons of processed products and 600 000 tons of white whole maize is estimated for exports for the 2019/20 marketing season. The projected closing stock level at 30 April 2020 is estimated at 970 038 tons. At an average processed quantity of 456 833 tons per month, this represent available stock levels for 2.1 months or 65 days (NAMC, 2019).

1.4.3 Yellow maize marketing season 2019/20

The total supply of yellow maize is projected at 6 491 708 tons for the 2019/20 marketing season. This includes an opening stock (at 1 May 2019) of 864 088 tons and local commercial deliveries of 5 094 620 tons. Yellow maize imports of 450 000 tons are estimated for the current season, early deliveries of 65 000 tons and a surplus of 18 000 tons. The total demand (domestic plus exports) for yellow maize is projected at 5 936 500 tons. The total domestic demand is projected at 5 536 500 tons. This includes 580 000 tons processed for human consumption, 4 750 000 tons processed for animal and industrial consumption, 11 500 tons for gristing, 50 000 tons withdrawn by producers, 135 000 tons released to end-consumers and a balancing figure of 10 000 tons (net receipts and net dispatches). A projected export quantity of 150 000 tons of processed products and 250 000 tons of yellow whole maize is estimated for exports for the 2019/20 marketing season. The projected closing stock level at 30 April 2020 is estimated at 555 208 tons. At an average processed quantity of 445 125 tons per month, this represent available stock levels for 1.2 months or 38 days (NAMC, 2019).

1.4.4 Sunflower seed marketing season 2019/20

The total supply of sunflower seed is projected at 818 305 tons for the 2019/20 marketing season. This includes an opening stock level (at 1 March 2019) of 120 165 tons, local commercial deliveries of 611 140 tons, sunflower seed imports of 80 000 tons for South Africa and a surplus of 7 000 tons. The total demand (domestic plus exports) for sunflower seed is projected at 735 200 tons. This includes 1 500 tons processed for human consumption, 6 000 tons processed for animal consumption, 720 000 tons for crush (oil and oilcake), 500 tons withdrawn by producers, 2 000 tons released to end consumers, 3 200 tons seed for planting purposes and a balancing figure of 1 500 tons (net receipts and net dispatches). A quantity of 500 tons is estimated for exports for the 2019/20 marketing season. The projected closing stock level at 28 February 2020 is estimated at 83 105 tons. At an average processed quantity of 60 625 tons per month, this represents available stock levels for 1.4 months or 42 days (NAMC, 2019).

1.4.5 Soybean marketing season 2019/20

The total supply of soybeans is projected at 1 701 636 tons for the 2019/20 marketing season. This includes an opening stock level (at 1 March 2019) of 502 241 tons, local commercial deliveries of

1 186 395 tons, soybean import of 7 000 tons for South Africa and a surplus of 6 000 tons. The total demand (domestic plus exports) for soybeans is projected at 1 422 100 tons. This includes 25 500 tons processed for human consumption, 230 000 tons processed for animal (full fat) consumption, 1 150 000 tons for crush (oil and oilcake), 650 tons withdrawn by producers, 450 tons released to end consumers, 11 000 tons seed for planting purposes, and a balancing figure of 500 tons (net receipts and net dispatches). A quantity of 4 000 tons soybeans is estimated for exports for the 2019/20 marketing season. The projected closing stock level at 28 February 2020 is estimated at 279 536 tons. At an average processed quantity of 117 125 tons per month, this represents available stock levels for 2.4 months or 73 days (NAMC, 2019).

1.5. EXPORTS, IMPORTS AND RE-EXPORTS

1.5.1 Wheat

Progressive wheat export during the 2018/19 reporting period is 67 693 tons. Wheat exports for South Africa amounted to 5 108 tons from week ending 31 May 2019 to week ending 28 Jun 2019. During the reporting period, Zambia was the leading export destination for South African wheat with a share of 49%, followed by Namibia with 20 % and Lesotho with 17% share in RSA exports.

Table 1.5: Wheat trade for the 2018/19 marketing season (Tons)

Progressive wheat exports 2018/19	67 693	Progressive wheat imports 2018/19	856 843
Wheat exports during the reporting period (tons)	5 108	Wheat imports during the reporting period (tons)	116 960
Importing countries	Share in RSA exports	Exporting countries	Share in RSA imports
Zambia	49%	Germany	48%
Namibia	20%	Russian Federation	37%
Lesotho	17%	United States	16%
Botswana	13%		

Source (SAGIS, 2019)

Progressive wheat imports during the 2018/19 reporting period is 856 843 tons. Wheat imports for South Africa amounted to 116 960 tons from week ending 31 May 2019 to week ending 28 June 2019. South Africa imported its wheat from Germany (55 664 tons), Russia Federation (42 808 tons) and United States (18 488 tons) respectively. South Africa re-exported 16 743 tons of its imported

wheat to Botswana (7 033 tons), Eswatini (5 483 tons), Lesotho (2 221 tons) and Zimbabwe (2 006 tons).

1.5. White and Yellow Maize

Progressive White and Yellow maize exports during the 2019/20 reporting period is 102 071 tons and 52 148 tons respectively. White maize exports for South Africa amounted to 69 040 tons and yellow maize exports amounted to 15 084 tons from week ending 31 May 2019 to week ending 28 Jun 2019. During the reporting period, the main export destinations for South African white maize were Uganda (29%), Botswana (27%), Tanzania (19%) and Namibia (15%). There were no imports of white maize due to bumper crop harvested during the current production season (SAGIS, 2019).

Table 1.6: White and Yellow maize trade for the 2019/20 marketing season (Tons)

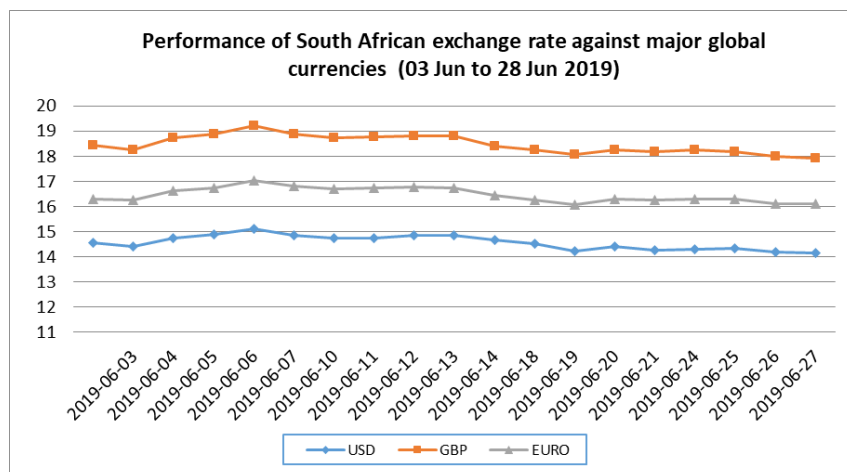
Progressive 2019/20	White maize: 102 071	Yellow maize: 52 148	Progressive 2019/20	White maize: 0	Yellow maize: 43 187
Maize exports during the reporting period: (25 May to 28 Jun 2019)	69 040	15 084	Maize imports during the reporting period: (25 May to 28 Jun 2019)	No imports due to bumper crop harvested during the current production season	43 187
Importing countries	Share in white maize exports	Share in yellow maize exports	Exporting countries	Share in white maize imports	Share in yellow maize imports
Uganda	29%	0%	Argentina	0	100%
Botswana	27%	0%			
Tanzania	19%	0%			
Namibia	15%	44%			
Mozambique	7%	31%			
Eswatini (Swaziland)	3%	0%			
Lesotho	1%	0%			
Korea, Dem People's Rep	0%	15%			
Korea, Rep Of	0%	10%			

Source (SAGIS, 2019)

During the reporting period, the main exports destinations for South African yellow maize were Namibia (44%), Mozambique (31%), Korea Dem People's Rep (15%) and Korea Rep (10%). On the other hand, Argentina absorbed the largest share of South Africa's yellow maize imports (100%) during the period under review (SAGIS, 2019).

2. ECONOMIC REVIEWS

2.1 Exchange Rates



Source: SARB (2019)

During the period 03 June to 28 June 2019, the ZAR exchange rate strengthened against the Great Britain Pound by 0,2%, it traded at 18.48 in June 2019 compared to 18.53 that was recorded in May 2019. On the other hand, when looking at month to

month trade of Rand against the EURO and US Dollar, it can be noted that the rand weakened by 1.9% and 0.9% respectively against these major currencies.

3. ENERGY

Table 4.1 Basic fuel Price adjustments

Product Description	Numerical adjustment applicable to the coast parts in South Africa	Price adjustment Description	The average price applicable to the coastal parts of South Africa
Petrol 95 ULP & LRP	95.00	cents per litre decrease in retail price	1517,00
Diesel 0.05% Sulphur	74.78	cents per litre decrease in wholesale price	1392,30
Illuminating Paraffin (Wholesale)	57.00	cents per litre decrease in wholesale price	849,48
LPGAS (maximum retail price)	133.00	cents per kilogram decrease in the maximum retail price	2310,00

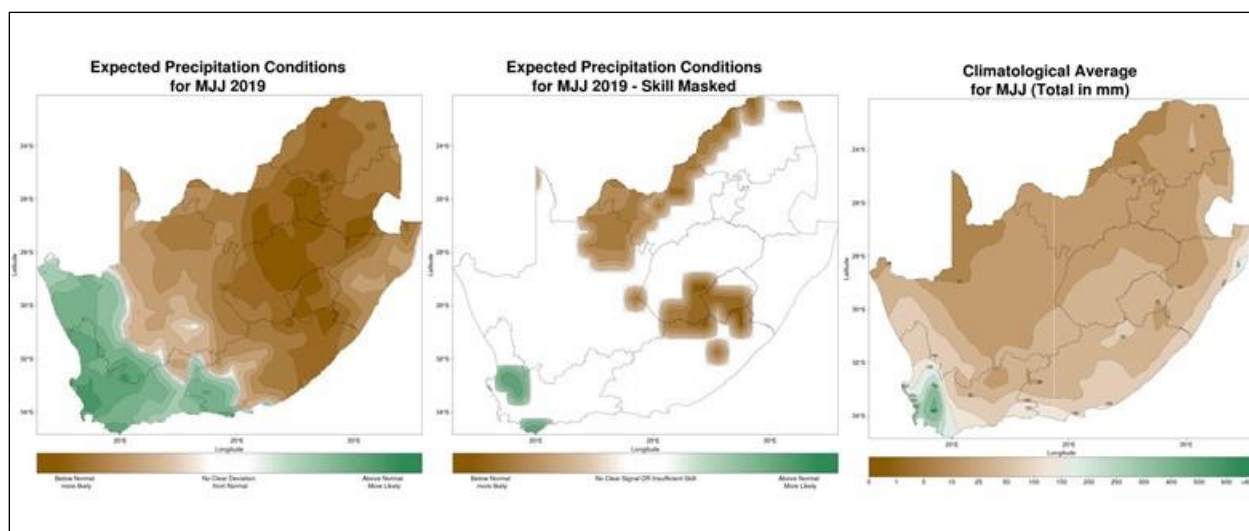
(DOE, 2019)

The Department of Energy has announced a decrease of fuel prices as from 03 July 2019. The price of Petrol 95 ULP&LRP decreased by 95 cents end of June 2019. The price of diesel (0.05% sulphur) also decreased by 74.78 cents, illuminating paraffin wholesale price per litre went down by 57.00 cents respectively. Lastly, LPGAS maximum retail price decreased by 133.00 cents per kilogram in the maximum retail price by end June 2019.

4. WEATHER ADVISORY ON THE EARLY WINTER SEASON, 2019

Figure 1 below shows the current three-season forecasts issued in May 2019. Three maps are shown for each season which include the raw MMS probabilistic prediction (left), the probabilistic prediction with skill masked out (middle) and the climatological average (right) for the specific season. **The user is advised to consider the skill masked map (middle) as the official SAWS forecast, however, the two additional maps may be used as tools in such a case where skill for a specific area is deemed insufficient.**

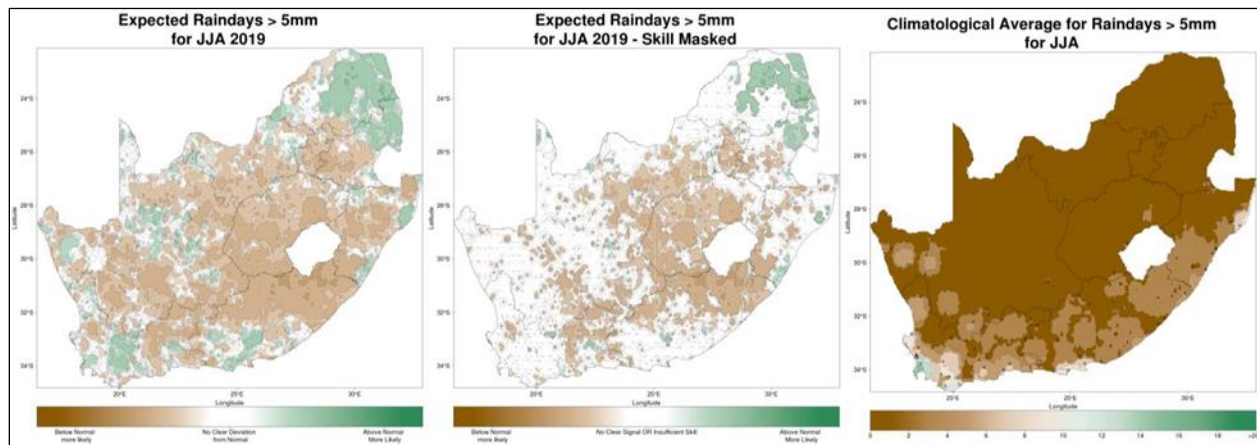
Figure 1: Expected precipitation conditions for Early winter (MJJ, 2019)



(SAWS, 2019)

Early winter (May-June-July) forecasts are optimistic for above-normal rainfall conditions over the south-western parts of the South Africa (**Figure 1**). These are also the only areas that typically receive significant rainfall during these seasons. An increased number of rainfall days of only 5mm and not 15mm is also expected during early-winter, suggesting that the above-normal rainfall will likely not be characterised by a high frequency of extreme events (**Figure 2**).

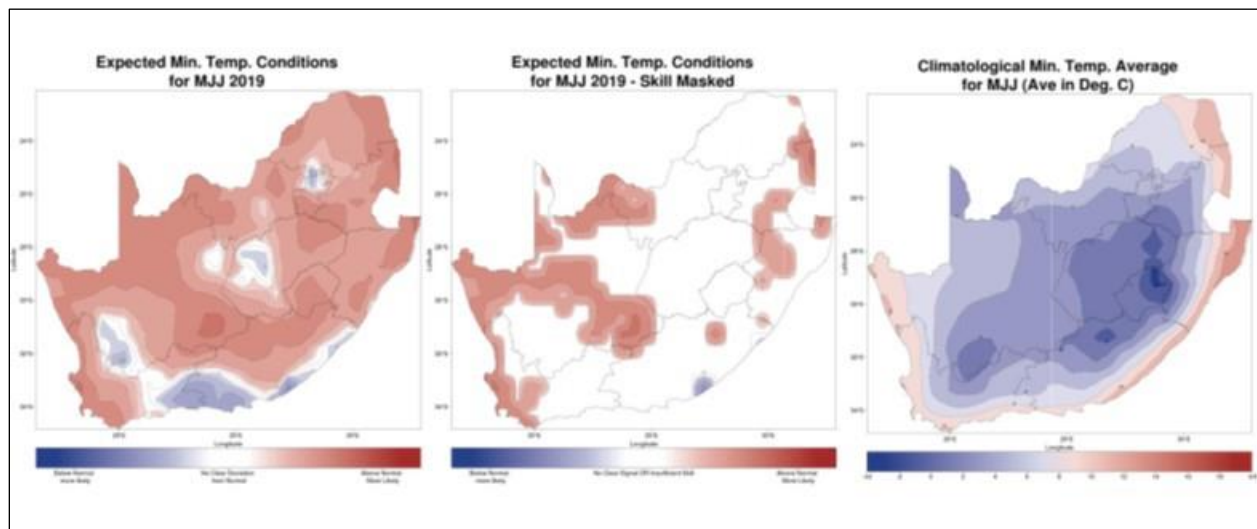
Figure 2: Expected Raindays >5mm for Early winter (MJJ, 2019)



(SAWS, 2019)

It is important to note that rainfall usually decrease during winter over the country except the above-mentioned regions in the South Western Cape. Therefore, no significant rainfall is expected during the forecasted period for the central and north-eastern parts of the country.

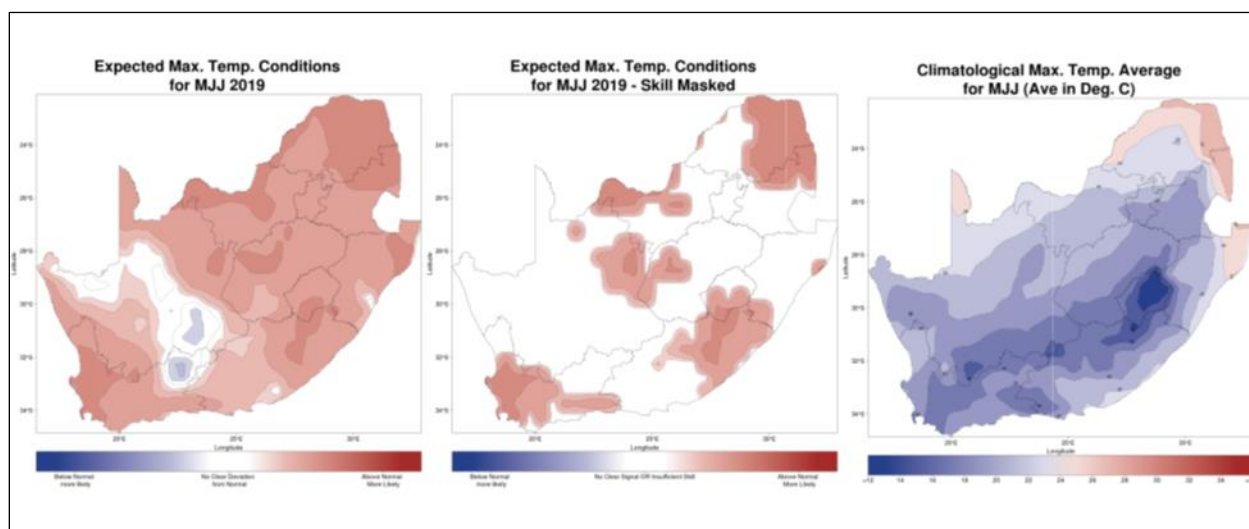
Figure 3: Expected Minimum Temperature conditions for Early winter (MJJ, 2019)



(SAWS, 2019)

With regards to temperatures (**Figures 3 & 4**), mostly higher than normal temperatures are expected for most parts of the country; however, during mid-winter the expectation is for lower than normal maximum temperatures for the south-western half of the country.

Figure 4: Expected Maximum Temperature conditions for Early winter (MJJ, 2019)



(SAWS, 2019)

Western Cape

The Western Cape Water Supply System has increased from 37.1% last week to 39.5% this week. However, this figure is almost the same (0.1% high) in comparison to last year when the system was at 39.4%. Theewaterskloof dam, the largest dam in the system is at 44.5% against 32.3% last year. Brandvlei dam is 22.5% full compared to 25.5% during the same time period last year. Clanwilliam is at 19% compared to 63.9% at the same time last year. While the Province expects its rainfall in the winter season, water users are reminded that where water restrictions are in place, such restrictions must be adhered to. To avoid the devastating water challenges in the province, all water users are urged to be responsible when using water. We all need to use every drop wisely so that agriculture and the economy broadly is not negatively affected. 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, 2019).

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.agis.agric.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.**
Source: DAFF National Agro-meteorological Committee (NAC) Advisory, 2019.

Additional sources to information regarding climatic conditions, can be obtained in the monthly Agri-Outlook reports. [Click here](#) to view the monthly Agri-outlook reports. The Agri-outlook report provides a summative overview of both climatic and agricultural conditions in the Western Cape, through reference to information regarding the rainfall, temperatures, dam levels, plant growth conditions as well as climatic forecast within a particular period. Alternatively visit the Elsenburg Website www.elsenburg.com and go to Agri-tools Agri-Outlook (Elsenburg, 2019).

ACKNOWLEDGMENTS

The below-listed sources are acknowledged, as cited in this publication:

Agricultural Produce Agents Council (APAC): www.apacweb.org.za

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

Department of Water & Sanitation (DWS): www.dwa.gov.za

Elsenburg (Western Cape Department of Agriculture): www.elsenburg.com

Organization of the Petroleum Exporting Countries (OPEC): www.opec.org/opec

South African Government: www.gov.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

Techno Fresh CRM: www.technofresh.co.za

Trading Economics (2019): <https://tradingeconomics.com/south-africa/balance-of-trade>

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